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HOUSE OF REPRESENTATIVES—*Monday, March 15, 1976*

The House met at 12 o'clock noon.

Rev. James L. Duley, Aldersgate United Methodist Church, Alexandria, Va., offered the following prayer:

Once again, our Father and our God, we pause in prayer seeking to stop the wanderings of our minds to center our thoughts upon You as Lord. We come on the same old terms, because of our need of Thy help and our faith that You do govern in the affairs of mankind.

You, O Lord, have given us the inner voice of conscience that enables us to distinguish good from evil. We come confessing that we are sinful, that we live daily in the midst of great temptation to immorality, to indecency, and to follow our own desires rather than seeking to ask what You would have us do and be. Forgive us and help us, O God, at the many points of our uncertainties.

Disasters across the world come as news from afar and do not jar our complacency but then several dozen miners go into a tunnel of death and we feel akin to the sense of loss seen in the grieving faces of those families and know that somehow this too is our concern. Then, too, senseless, unexplained deaths of families and individuals, in our local areas awaken us to the anguish, fears, and hurts lingering behind the walls of countless homes.

Stop our busyness and cause us to see ourselves before You as Your persons that together we can meet the problems of the day in which You have allowed us to live; gratefully aware that together we can meet the increasing challenges of these days that all we do may be done before You as Lord and God. Amen.

THE JOURNAL

The **SPEAKER**. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Without objection, the Journal stands approved.

There was no objection.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Sparrow, one of its clerks, announced that the Senate had passed without amendment bills of the House of the following titles:

H.R. 1313. An act to authorize the Secretary of Transportation to release restrictions on the use of certain property conveyed to the city of Rolla, Mo., for airport purposes;

H.R. 2575. An act to authorize the Secretary of Transportation to release restrictions on the use of certain property conveyed to the city of Algona, Iowa, for airport purposes;

H.R. 3440. An act to authorize the Secretary of Transportation to release restrictions on the use of certain property conveyed to the city of Grand Junction, Colo., for airport purposes;

H.R. 9617. An act to authorize the Secretary of Transportation to release restrictions on the use of certain property conveyed to the city of Alva, Okla., for airport purposes; and

H.R. 11893. An act to increase the temporary debt limit, and for other purposes

The message also announced that the Senate had passed with amendments in which the concurrence of the House is requested, a bill of the House of the following title:

H.R. 8617. An act to restore to Federal civilian and Postal Service employees their rights to participate voluntarily, as private citizens, in the political processes of the Nation, to protect such employees from improper political solicitations, and for other purposes.

The message also announced that the Senate insists upon its amendments to the bill (H.R. 8617) entitled "An act to restore to Federal civilian and Postal Service employees their rights to participate voluntarily, as private citizens, in the political processes of the Nation, to protect such employees from improper political solicitations, and for other purposes," requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. McGee, Mr. Burdick, Mr. Fong, and Mr. Stevens to be the conferees on the part of the Senate.

NEW EVIDENCE OF UDALL SURGE

(Mr. **VAN DEERLIN** asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. **VAN DEERLIN**. Mr. Speaker, the Udall surge continues. Results of a straw poll taken last week at Western State University College of Law, in my home city of San Diego, show our colleague the front runner of seven actual and potential candidates for the Democratic nomination for President.

I believe this poll was significant, since Western State is an unusual law school. Most of the students have worked at other careers, or been forced by financial or other circumstances to delay their law studies. Their average age is in the early thirties—and their views may therefore be more relevant.

In last week's straw vote, Mo Udall, whose Presidential campaign appears to be gaining momentum in all parts of the country, emerged from the tough and crowded field with a clear plurality of 25 percent—62 votes.

Trailing Mo were Jimmy Carter with 48 votes, Henry Jackson 36, Hubert Humphrey 36, Fred Harris 27, Eugene McCarthy 20, and Birch Bayh 19.

On the Republican side, President Ford outpolled Ronald Reagan, 86 votes to 80, reflecting Mr. Ford's success in the early GOP primaries.

But for Mr. Udall, who began the campaign with little national recognition, these findings are perhaps a more auspicious omen.

STATUS OF THE FISCAL YEAR 1976 CONGRESSIONAL BUDGET

(Mr. **ADAMS** asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. **ADAMS**. Mr. Speaker, I rise to inform the House on the status of the fiscal year 1976 congressional budget. This is the seventh notification to the House about where Congress stands in relation to the budget authority and outlays ceiling and the revenue floor adopted in House Concurrent Resolution 466.

As of the close of legislative business last week, March 11, 1976, the current level of spending stood as follows:

STATUS OF FISCAL YEAR 1976 CONGRESSIONAL BUDGET REFLECTING COMPLETED ACTION AS OF MAR. 11, 1976

[In millions of dollars]

	Budget authority	Outlays	Revenues
Appropriate level	408,000	374,900	301,100
Current level	396,667	370,969	300,800
Amount remaining	11,333	3,931	300

The current level of funding, and therefore the amount remaining has changed since last week's notification due to favorable congressional action on the third budget rescission bill, 1976 (H.R. 11665) which both the House and Senate ratified last week. This bill reduced the current level of spending and has actually left more room for legislation which the House must consider during the remainder of this fiscal year.

EFFECT OF THE 3D BUDGET RESCISSION BILL, 1976, ON THE CURRENT LEVEL OF SPENDING

[In millions of dollars]

	Budget authority	Outlays
3d budget rescission bill, 1976 (H.R. 11665)	−71	−5

I must remind my colleagues in the House that three major spending bills yet remain to be adopted by the Congress: fiscal year 1976 appropriations for the District of Columbia fiscal year 1976 appropriations for foreign aid, which is now pending in the Senate; and the spring supplemental appropriation.

In addition to these bills the pressures of changing economic trends continue to make the budget vulnerable to increases in spending by increases in spending for mandatory programs.

In summary Mr. Speaker, I must warn my colleagues in the House that the current level of spending leaves little room for new legislation of either the President or Congress which was not contemplated in the fiscal year 1976 budget resolution.

TRIBUTE TO NEWSPAPERMAN ELLIS EMMONS REED

(Mr. DEL CLAWSON asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DEL CLAWSON. Mr. Speaker, the city of Downey and the Los Angeles area reading public in general shared the loss of a respected citizen and newspaperman with the passing of Ellis Emmons Reed, known as "Bill Reed," on February 27, 1976. Bill Reed worked on country weeklies and big city dailies. He served with distinction as reporter, copy reader, and feature writer. His professional awards included the Francis Wayland Ayer Award for top typographical makeup when he was assistant news editor of the Newark Evening News.

In California, he served as editor of the Daily Star Progress at Brea and as executive editor of the Citizen, Hollywood. At the age of 75 he completed his working career with his service as city editor of the Downey Herald American on June 20, 1975. His was a career of dedication to the highest principles of journalistic excellence—a record upon which he could reflect with justifiable pride in retirement—a pride in which his family must take comfort in their bereavement. It is a privilege to pay tribute today to Bill Reed, a respected journalist whose personal performance standards were exemplary, earning him the admiration of coworkers and, in his later years, of the public of my home city of Downey, Calif.

APPOINTMENT OF CONFEREES ON H.R. 8650, ENERGY CONSERVATION IN BUILDINGS ACT OF 1975

Mr. REUSS. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 8650) to assist low-income persons in insulating their homes, to facilitate State and local adoption of energy conservation standards for new buildings, and to direct the Secretary of Housing and Urban Development to undertake research and to develop energy conservation performance standards, with the Senate amendment thereto, disagree to the Senate amendment, and request a conference with the Senate thereon.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin? The Chair hears none, and appoints the following conferees: Messrs. REUSS, BARRETT, ASHLEY, MOORHEAD of Pennsylvania, ST GERMAIN, BROWN of Michigan, and ROUSSELOT.

PERMISSION FOR COMMITTEE ON WAYS AND MEANS TO FILE REPORT ON H.R. 12455

Mr. CORMAN. Mr. Speaker, I ask unanimous consent that the Committee on Ways and Means may have until midnight tonight to file a report on the bill H.R. 12455.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

APPOINTMENT OF CONFEREES ON S. 2498, SMALL BUSINESS ACT AND SMALL BUSINESS INVESTMENT ACT AMENDMENTS, 1975

Mr. EVINS of Tennessee. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the Senate bill (S. 2498) to amend the Small Business Act to transfer certain disaster relief functions of the Small Business Administration to other Federal agencies, to establish a National Commission on Small Business in America, and for other purposes, with the House amendments thereto, insist on the House amendments, and agree to the conference asked by the Senate.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee? The Chair hears none, and appoints the following conferees: Messrs. SMITH of Iowa, BERGLAND, GONZALEZ, CORMAN, HANLEY, YATRON, BRECKINRIDGE, HUNGATE, EVINS of Tennessee, J. WILLIAM STANTON, Mrs. FENWICK, and Mr. GOODLING, and Mr. CONTE.

ANNOUNCEMENT BY THE SPEAKER

The SPEAKER. The Chair desires to make an announcement. Pursuant to the provisions of clause 3(b) of rule 27, the Chair announces that he will postpone further proceedings today on each motion to suspend the rules on which a recorded vote or the yeas and nays are ordered, or on which the vote is objected to under clause 4 of rule 15.

After all motions to suspend the rules have been entertained and debated and after those motions, to be determined by "nonrecord" votes have been disposed of, the Chair will then put the question on each motion on which the further proceedings were postponed.

NEGOTIATED CONTRACTING

Mr. DOWNING of Virginia. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 11504) to amend section 502(a) of the Merchant Marine Act, 1936, as amended.

The Clerk read as follows:

H.R. 11504

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the third sentence of section 502(a) of the Merchant Marine Act, 1936 (46 U.S.C. 1152(a)) is amended as follows:

(1) By striking out "June 30, 1976," and inserting in lieu thereof "June 30, 1979,".

(2) By striking out of subdivision (i) the words "in fiscal 1971, 43 per centum in fiscal 1972, 41 per centum in fiscal 1973, 39 per centum in fiscal 1974, 37 per centum in fiscal 1975, and 35 per centum in fiscal 1976".

The SPEAKER. Is a second demanded?

Mr. BAUMAN. Mr. Speaker, I demand a second.

The SPEAKER. Without objection, a second will be considered as ordered.

There was no objection.

The SPEAKER. The gentleman from Virginia (Mr. DOWNING) is recognized.

Mr. DOWNING of Virginia. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise to join the distinguished chairman of the Merchant Marine and Fisheries Committee, and Members on both sides of the aisle, to urge the passage of H.R. 11504.

Mr. Speaker, at the present time, the Merchant Marine Act, 1936, gives a vessel owner two options when contracting with a shipyard for the construction of a subsidized vessel. He can either use the competitive bidding procedure, in which case the maximum construction subsidy payable would be 50 percent. Alternatively, he can use the so-called negotiated contracting procedure, provided by section 502(a), in which case the maximum construction subsidy would be 35 percent.

H.R. 11504, as reported, would amend section 502(a) in two respects:

First. It would extend such negotiation authority for 3 more years—from June 30, 1976 to June 30, 1979.

Second. Such negotiated price must result in a construction-differential subsidy rate that is equal to, or less than, 45 percent.

Throughout the world, the construction of vessels by means of negotiated contracting has been found superior to competitive bidding. This procedure permits the owner to obtain an optimum price by working closely with a selected shipyard on the design and development of the desired vessel, and it facilitates the marketing endeavors of individual shipyards. In addition, it obviates the expense involved in the preparation of bids by multiplicity of shipyard bidders; only one of which receives a ship construction contract.

In recognition of this, the Merchant Marine Act of 1970 amended section 502(a) to permit negotiated contracting for a trial period of 3 years. As an incentive to American shipyards to make the necessary capital investment to increase productivity, this authority was subject to a decreasing scale of guideline rates. Although the statutory maximum for construction-differential subsidy remained at 50 percent, these guideline rates declined by 2 percent per year, until a subsidy level of 35 percent was achieved in fiscal year 1976, and thereafter.

This program proved so successful that in 1973 the Congress extended it for an additional 3 years. The American shipbuilding industry met the challenge, and has invested or is committed to invest about $1 billion in capital improvements. Additionally, subsidized construction pursuant to the building program provided by the Merchant Marine Act of 1970 has been contracted for by means of negotiated procurement within these guideline rates.

Because of the so-called oil crisis and other factors over which American shipyards and U.S.-flag operators had no control, other than liquefied natural gas—LNG—carriers and certain other very specialized vessels, it is no longer possible to construct vessels at the existing guideline rate of 35 percent.

The authority to construct U.S.-flag vessels with up to 50 percent subsidy remains, but competitive bidding must be employed if such subsidy exceeds 35 percent.

Competitive bidding is an inefficient method to construct the sophisticated vessels required for our foreign trade, so that American shipyards and U.S.-flag operators are curently being penalized for events entirely beyond their control. New contracts for U.S.-flag vessels are not materializing, and the American shipbuilding industry is in dire straits.

Not one subsidized construction contract has yet been awarded in fiscal year 1976, and for the first time in over 25 years, the Maritime Administration has not requested funds for the fiscal year 1977 construction-differential subsidy program. The Department of Defense has found our current shipyard mobilization base to be only "marginally adequate" for national defense purposes. This problem has been compounded by the above situation; of the eight American shipyards primarily dependent upon subsidized construction, four need new contracts now. The implications of this grave situation are very clear.

Mr. Speaker, as originally introduced, the bill would have permitted construction subsidy of up to 50 percent for contracts arrived at by negotiated contracting. It would, therefore, have made the negotiated contracting and competitive bidding ceilings identical.

However, your committee felt that it was important to insure that construction subsidy rates be kept as low as possible, and concluded that the need for a subsidy in excess of 45 percent had not been conclusively demonstrated. Therefore, we amended the bill to limit such subsidy to 45 percent where negotiated contracting is employed. A construction subsidy rate of up to 50 percent may continue to be awarded if construction contracts are awarded by competitive bidding.

Existing market conditions and the statutory standards of section 502(a) insures that the public interest is adequately protected. In addition, the extension of negotiated contracting provided by H.R. 11504 is for 3 years only, and will be thoroughly examined during the annual oversight hearings held by the committee.

Mr. Speaker, I strongly urge the House to pass this very vital legislation, so that the more efficient negotiated contracting method can be used to construct U.S.-flag merchant vessels.

Mr. Speaker, I yield such time as she may consume to the chairman of the committee, the gentlewoman from Missouri (Mrs. SULLIVAN).

Mrs. SULLIVAN. Mr. Speaker, I rise to urge the prompt enactment of H.R. 11504.

Mr. Speaker, last Thursday, by a vote of 316 to 42, the House passed H.R. 11481, the authorization request of the Maritime Administration for fiscal year 1977. It is extremely significant that for the first time in over 25 years, this annual authorization request did not contain funds for the construction of U.S.-flag merchant vessels. What this means is that the United States is not constructing the vessels desperately needed for our foreign commerce and national security.

The reasons for this situation are many and complex, and has been commented on by Mr. DOWNING in some detail. However, let me assure the House that this bill H.R. 11504 would be of assistance in the construction of these needed U.S.-flag merchant vessels.

Mr. Speaker, of equal importance is that the American taxpayer's hard-earned dollars should never be wasted. I can assure the House that H.R. 11504, as amended and reported by my committee, gives ample protection to the American taxpayer with respect to construction subsidy funds.

Mr. Speaker, permit me to comment briefly on the difference between competitive bidding and negotiated contracting.

Competitive bidding is just that—the purchaser lets out bids, a number of companies bid on the job, and the award of the contract usually goes to the lowest responsible bidder.

Negotiated contracting, on the other hand, is a procedure where the purchaser is free to select the company he thinks will do the best job, and then the contract price can be arrived at through negotiations. I say can be arrived at, because the purchaser is always free to break off negotiations and negotiate with another company.

There is nothing wrong with competitive bidding, and I favor it. However, we have found that it is a wasteful and senseless way to contract for the construction of today's highly sophisticated merchant vessels.

Mr. Speaker, the Merchant Marine and Fisheries Committee is not alone in favoring negotiated contracting over competitive bidding when it comes to vessels. Throughout the world, the construction of vessels by means of negotiated contracting has been found superior to competitive bidding. This procedure permits the owner to obtain an optimum price by working closely with a selected shipyard on the design and development of the desired vessel; and it facilitates the marketing endeavors of individual shipyards. In addition, it obviates the expense involved in the preparation of bids by a multiplicity of shipyard bidders; only one of which receives a ship construction contract.

In recognition of this, the Merchant Marine Act of 1970 amended section 502 (a) to permit negotiated contracting for a trial period of 3 years. As an incentive to American shipyards to make the necessary capital investment to increase productivity, this authority was subject to a decreasing scale of guideline rates. Although the statutory maximum for construction-differential subsidy remained at 50 percent, these guideline rates declined by 2 percent per year, until a subsidy level of 35 percent was achieved in fiscal year 1976, and thereafter. This program proved so successful that in 1973 the Congress extended it for an additional 3 years.

The American shipbuilding industry met the challenge, and has invested, or is committed to invest, about $1 billion in capital improvements. Additionally, all subsidized construction pursuant to the building program provided by the Merchant Marine Act of 1970 has been contracted for by means of negotiated procurement within these guideline rates.

Mr. Speaker, H.R. 11504, as reported by our committee, would permit negotiated contracting for an additional 3 years, with construction subsidy limited to 45 percent.

I strongly urge the House to support this legislation, so that the more efficient negotiated contracting method can be used to construct the merchant vessels required by the United States.

Mr. BAUMAN. Mr. Speaker, I yield 5 minutes to the gentleman from Michigan (Mr. RUPPE).

Mr. RUPPE. Mr. Speaker, I join in supporting the bill, H.R. 11504, which would allow negotiated contracting to be used on construction subsidy contracts providing for a differential rate of up to 45 percent. Under present law negotiated contracting may be used only if the differential does not exceed 35 percent, but rates of up to 50 percent may be awarded if a competitive-bidding process is used. It should be emphasized that this bill does not increase the amount of money that is authorized for the construction subsidy program.

This year no additional amounts were authorized and this will not change. The sole question presented by H.R. 11504 is whether the increased differential between U.S. and foreign shipbuilding costs should be met through the competitive bidding or negotiated bidding process.

Negotiated bidding should be encouraged because it is a much more efficient way of contracting for vessels. It reduces design costs and allows owners to arrange to build a series of vessels with one shipyard. This series construction can reduce the number of man-hours required to build a ship by nearly 40 percent. Negotiated bidding is used in non-Government shipbuilding contracts in the United States and is utilized almost exclusively to contract for vessels in foreign yards.

There are ample protections available to insure that the construction subsidy rate is not unnecessarily high. The General Accounting Office is required to have full access to all records and documents; the Secretary of Commerce must determine that the price is "fair and reasonable"; and the contracting party has the burden of proof if there is any question about the rate that is awarded. These protections have been exercised carefully. For example, for every year since guidelines were first set in 1971, the average CDE level has been below the guideline rates.

Now, however, conditions have changed and the existing 35-percent guideline rate cannot be met. Because of a large over-capacity in world shipyards foreign prices have fallen dramatically. Foreign yards are able to cut their costs because in past years they have had a much higher profit margin than U.S. yards. Without this profit margin, U.S. yards are hard pressed to cut prices to meet the foreign competition, and therefore the differential between U.S. and foreign costs is increasing. Also, during this year the dollar has strengthened significantly in regard to the currencies of other shipbuilding nations. This makes ship prices in foreign yards lower in comparison with U.S. yards. For example, the Maritime Administration estimates that the differential between U.S. and foreign costs has widened by 3 to 5 percent in the last year solely because of the strengthening of the dollar. In just the last 6 months, the dollar has strengthened 2.4 percent in comparison with the Japanese yen.

This bill is necessary; it will not increase authorizations; it fosters a more competitive contracting procedure; and history has demonstrated that there are adequate protections available to protect the interest of the Government. I ask all Members to join me in supporting it.

Mr. BAUMAN. Mr. Speaker, I have no further requests for time and I yield back the balance of my time.

Mr. DOWNING of Virginia. Mr. Speaker, I have no further requests for time and I yield back the balance of my time.

The SPEAKER. The question is on the motion offered by the gentleman from Virginia (Mr. DOWNING) that the House suspend the rules and pass the bill H.R. 11504, as amended.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill, as amended, was passed.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. DOWNING of Virginia. Mr. Speaker, I ask unanimous consent that all Members desiring to do so may be permitted to have 5 legislative days in which to revise and extend their remarks on the bill just passed.

The SPEAKER. Is there objection to the request of the gentleman from Virginia?

There was no objection.

CALL OF THE HOUSE

Mr. MONTGOMERY. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

Mr. DOWNING of Virginia. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The call was taken by electronic device, and the following Members failed to respond:

[Roll No. 103]

Abzug
Andrews, N.C.
Annunzio
Archer
Armstrong
Ashley
AuCoin
Badillo
Barrett
Bell
Biaggi
Boggs
Boland
Bonker
Bowen
Brademas
Brown, Mich.
Brown, Ohio
Chappell
Chisholm
Collins, Ill.
Conlan
Conyers
Cotter
Crane
Dellums
Dickinson
Diggs
Dodd
Drinan
Eckhardt
Erlenborn
Esch
Evans, Colo.
Evans, Ind.
Fary
Fascell
Foley
Ford, Tenn.
Goodling
Guyer
Hansen
Harkin
Harsha
Hayes, Ind.
Hébert
Heinz
Hinshaw
Holland
Jarman
Karth
Kindness
Litton
Long, La.
McCloskey
McCollister
McCormack
McDade
McKinney
Macdonald
Madden
Metcalfe
Meyner
Michel
Miller, Calif.
Moakley
Moffett
Mosher
Moss
Nolan
O'Hara
O'Neill
Pepper
Peyser
Runnels
Santini
Sarbanes
Scheuer
Shipley
Shuster
Simon
Stanton, James V.
Steiger, Ariz.
Stokes
Studds
Symington
Symms
Thornton
Udall
Vander Veen
Vigorito
Wilson, C. H.
Wirth
Wolff
Wright
Wydler
Young, Alaska
Young, Ga.
Young, Tex.

The SPEAKER. On this rollcall 333 Members have recorded their presence by electronic device, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

PERMISSION FOR COMMITTEE ON RULES TO FILE CERTAIN PRIVILEGED REPORTS

Mr. MURPHY of Illinois. Mr. Speaker, I ask unanimous consent that the Committee on Rules may have until midnight tonight to file certain privileged reports.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

ENDANGERED SPECIES ACT AUTHORIZATION

Mrs. SULLIVAN. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 8092) to extend the authorization for appropriations to carry out the Endangered Species Act of 1973, as amended.

The Clerk read as follows:

H.R. 8092

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 15 of the Endangered Species Act of 1973 (16 U.S.C. 1542) is amended—

(1) by striking out "and not to exceed $10,000,000 for fiscal year 1976," in paragraph (A) thereof and inserting in lieu thereof ", not to exceed $10,000,000 for fiscal year 1976, and not to exceed the total of $25,000,000 for fiscal years 1977 and 1978,"; and

(2) by striking out "and not to exceed $2,000,000 for fiscal year 1976," in paragraph (B) thereof and inserting in lieu thereof ", not to exceed $2,000,000 for fiscal year 1976, not to exceed $500,000 for the period beginning July 1, 1976, and ending September 30, 1976, and not to exceed the total of $5,000,000 for fiscal years 1977 and 1978,".

The SPEAKER. Is a second demanded?

Mr. RUPPE. Mr. Speaker, I demand a second.

The SPEAKER. Without objection, a second will be considered as ordered.

There was no objection.

The SPEAKER. The gentlewoman from Missouri (Mrs. SULLIVAN) is recognized.

Mrs. SULLIVAN. Mr. Speaker, H.R. 8092 extends the authorizations for appropriations to the Departments of Interior and Commerce to carry out the provisions of the Endangered Species Act of 1973. The existing authorizations for both Departments' expire on June 30, 1976.

The Endangered Species Act of 1973 provided new and stronger authority for the Secretary of the Interior and the Secretary of Commerce to prevent the extinction of species. That authority included a broader responsibility to list species that are subject to provisions of the act and also strengthened the Secretary's ability to protect and manage the listed species to the point where they are restored and can be removed from the list. The goal of the endangered species program is to maintain a healthy diversity of species and to preserve in their natural ecosystems species of animals and plants that are endangered with extinction or threatened with endangerment. Wherever possible, the program seeks to restore such species to the point at which it is once again a viable component of its ecosystem. Further, insofar as possible, it is the intent of the program to prevent other species from becoming endangered.

The committee held 3 days of oversight hearings on the Endangered Species Act in October 1975, to examine its implementation and administration. Although substantial progress had been made in implementing parts of the act, the testimony presented indicated that there have been many problems and delays encountered in implementing the act.

Some of those problems were clearly the result of manpower and funding shortages. In addition, the International Convention on Endangered Species took effect on July 1, 1975, which now requires us to take steps to delineate the U.S. scientific and management authorities in order to implement our responsibilities. When these steps are taken, the Departments must be properly staffed and financially equipped to do their job.

For these reasons, the committee increased the authorized appropriations for both Departments for the next 2 fiscal years. Accordingly, the Department of the Interior was authorized a total of $25 million for fiscal year 1977 and fiscal year 1978, and the Department of Commerce a total of $5 million for the same period.

I would urge my colleagues to support this worthwhile legislation to insure the effective management of these unique living resources.

Mr. LEGGETT. Mr. Speaker, will the gentlewoman yield?

Mrs. SULLIVAN. I yield to the gentleman from California (Mr. LEGGETT).

Mr. LEGGETT. Mr. Speaker, I thank the gentlewoman for yielding to me.

Mr. Speaker, I rise in support of H.R. 8092 to extend authorizations for appropriations for the Departments of the Interior and Commerce pursuant to the Endangered Species Act of 1973.

The Endangered Species Act is a complex, far reaching, and forceful conservation law which was intended to provide special protection to the dwindling number of our unique and valuable living resources. This legislation was a recognition of the fact that the variety of species in our ecosystem provide not only a pleasing esthetic surrounding, but also an educational, scientific, and economic resource. The provisions of the Endangered Species Act have had to be implemented in a careful and judicious manner in order to achieve an effective and timely program of listing and delisting species, processing permits, cooperating with State conservation agencies, acquiring the critical habitat of endangered species, and assisting other countries in this endeavor.

The oversight hearings held by the Subcommittee on Fisheries and Wildlife Conservation and the Environment in October 1975, served to demonstrate the magnitude of the job yet to be done in implementing and administering this important act. The Department of the Interior has been playing catchup in listing endangered species since the enactment of the strengthened amendments in 1972, and have just started to consider the designation of areas of critical habitat for protection of these species. This habitat designation is perhaps the most important step to be taken to ensure that an endangered species is preserved.

The listing process in itself is meaningless unless the Departments take the appropriate steps to protect the species habitat. Although the Interior Department has received petitions to list some 24,000 species of plants and animals, the Department has initiated action on only about 15 percent of these species and have listed only 16 species since the 1973 act without designating one critical habitat. The Department estimates that it takes 36 professional person days and five clerical person days to list a species. Thus, the Department has a formidable task ahead.

Moreover, the act calls for an international program of financial assistance to foreign countries to develop and manage programs which the Secretary determines to be necessary and useful for the conservation of any endangered species. To date, the Department of the Interior stated that little progress has been made in this area because of funding and personnel shortages.

The most significant action yet to be taken by the United States to fulfill our international obligations pursuant to the Convention on International Trade in Endangered Species of Wild Fauna and Flora is the designation of implementing management and scientific authority. Apparently, the draft Executive order to implement this authority has been in the Office of Management and Budget for review for several months. The Department of the Interior recently indicated that they expect execution of this order momentarily. Once these authorities are established, the Department of the Interior must be prepared to carry out the additional responsibility contained in the International Convention.

I have only mentioned a few of the most important areas of unfinished work concerning the implementation and administration of the Endangered Species Act. Considering the importance of the Endangered Species Act and the volume of classification work which remains undone, a modest increase in the authorization provided the Departments of Commerce and Interior is, in the committee's opinion, justified. It is anticipated that these funds will be utilized for the hiring of additional staff and for the completion of appropriate scientific studies.

The Department of the Interior has requested $10 million for fiscal year 1977 while the Department of Commerce had requested $2 million for the same period. During our oversight hearings, both Departments indicated that although the requested funding level would be adequate, the program could not go forward at a desirable pace. Therefore, the committee made the determination that increased funding was not only desirable, but necessary to achieve an effective and workable program.

Finally, I might note that H.R. 8092 was further amended in committee to delete the transition period funding for the Department of the Interior since the Department has already received authorization for appropriations to continue all Fish and Wildlife Service programs during the transition period under the 1976 Appropriations Act.

Mr. Speaker, I would urge the Members to enact this legislation promptly so that the work of these agencies can go forward.

Mr. RUPPE. Mr. Speaker, I yield myself as much time as I may consume.

Mr. Speaker, the Earth's history is replete with examples of animal and plant species which became extinct. Until modern man's influence became felt, the primary forces threatening a species survival were the changing environment of a developing Earth and the process of natural selection. However, in today's world, man and his activities have replaced nature as the main factors threatening the survival of various species of flora and fauna.

The Endangered Species Act was born out of this Congress concern for the preservation and protection of the world's fauna and flora. The act, as has already been pointed out, has two key elements, the listing of species as endangered or threatened and the designation of habitats critical to the survival of those species. Once listed as endangered or threatened, the act prohibits the taking, importing, exporting, and interstate transport of endangered species or any parts and products thereof. These protections against commercial exploration have been a vital factor in the continued survival of hundreds of animals.

Listing, however, is only the first step toward a species protection. Of equal and perhaps greater importance is the determination of the habitat and the protection of the habitat critical to that species' survival.

Unfortunately, the Departments of Commerce and the Interior, which are charged with responsibility for implementing the Endangered Species Act, have been unable to perform their responsibilities at the optimal level.

Although many species of wildlife have been listed as endangered and threatened, the Departments have a backlog of several thousand species which they feel might require protections afforded by listing. Due to limitations on resources, the Departments have been unable to begin working on these species. The Department of the Interior for example employs only eight professionals part time to work on this listing process. Furthermore, due to limited resources, the Department has yet to list a single plant as endangered or threatened, although the Smithsonian Institute in December 1974, recommended that some 3,000 species of flora be considered for listing.

The Departments' record with respect to the designation of critical habitat has been more severely restricted by lack of resources. Although it has been determined that there are 108 species of fauna which should have a high priority in the designation of critical habitat, the Departments resources have only permitted them to begin work on nine. Again, the central limiting factor has been the lack of personnel and the lack of adequate funding necessary to undertake the necessary scientific research and surveys.

Recognizing the need to provide both the Department of Commerce and the Department of the Interior with the tools necessary to achieve the goals of the act, the Merchant Marine and Fisheries Committee approved legislation authorizing a modest increase in the authorization under the act. Although the Departments have estimated that the optimal funding of the endangered species program would be approximately $20 million in each of fiscal year 1977 and fiscal year 1978, the committee recognizes that there are only finite resources with which to fund existing governmental programs. Therefore, the committee-approved legislation provides for a modest increase in the fiscal year 1977 authorization, an increase which is well below the optimal funding the Departments estimate they require. The authorization provided in H.R. 8292 is, in my view, the minimum amount necessary for the agencies to meet their responsibilities and I urge my colleagues support for the measure.

Mr. Speaker, I yield such time as he

may consume to my distinguished colleague, the gentleman from New Jersey (Mr. FORSYTHE).

Mr. FORSYTHE. Mr. Speaker, I rise in support of the legislation.

Mr. Speaker, in the wake of man's progress are strewn the remains of many species, plants and animals, which have become extinct. Continued commercial exploration and the impact of habitat destruction now threatens hundreds of species with a similar fate. As my colleague from Michigan has pointed out, the essential elements of the Endangered Species Act are the listing of species as endangered or threatened and the designation of critical habitat.

However, there are other programs of the Endangered Species Act which have been underfunded. For example, the act contemplates the registration of all importers and exporters of wildlife as a necessary tool of enforcement. Unfortunately, due to a lack of resources, this element of the enforcement program has yet to be implemented.

Similarly, the act establishes a program of international assistance using excess foreign currencies held by the United States to assist nations desirous of establishing an endangered species program. It appears that in fiscal year 1977 approximately $600,000 in excess currencies will be available for distribution. Although none of the funds authorized in H.R. 8092 will be distributed overseas, certain of these funds will be used to administer this program.

Of greater importance, within the context of H.R. 8092, is the fact that the Convention on International Trade in Endangered Species of Wild Fauna and Flora, to which the United States is a signatory, will enter into force in fiscal year 1977 or fiscal year 1978. This convention charges each member nation with regulating the taking, importing, and exporting of all the species listed as endangered or threatened pursuant to the convention. Approximately 200 of these species are not yet on the U.S. list. The convention also directs that each member nation establish a scientific authority to evaluate the merits of the taking, importing, or exporting fo these species. The establishment and operation of the scientific authority and the new enforcement responsibilities which will be placed on the departments require additional authorization which has been provided for in H.R. 8092. The Endangered Species Act is an important statute and I urge the adoption of H.R. 8092 which provides the minimum funding necessary for the implementation of that act.

Mr. CONTE. Mr. Speaker, I rise in support of the bill to extend the Endangered Species Act of 1973.

The goal of the endangered species program is to maintain a diversity of species of animals and plants that are endangered with extinction or threatened with endangerment. The eventual goal of the program is to restore such species to the point at which it is once again a viable component of its ecosystem.

So far, considering the limited funding, the legislation has been successful. However, the time has come to increase our efforts to enable full implementation of the act.

At face value, one naturally assumes that this legislation is designed to protect fish and wildlife. This legislation, however, is also designed to protect endangered plantlife. Because of low funding, no plants have been listed as an endangered species as yet. This is a serious situation. The Smithsonian Association alone suggests that 3,300 species of the plant be put on the endangered list and come under protection of the act.

Now, I realize at first blush we might question the priority of funding efforts to protect 3,300 types of plantlife. It is clear funding priorities must be considered. However, if a species of plant, which is an integral element of the diet of a species of wildlife, that species of plant must be protected. There is a natural ripple effect in the "balance of nature."

The additional funding levels in this bill would enable such valued plantlife to be protected. One of the main causes of animals extinction is the absence of adequate habitat and diet. This bill, fully implemented, would attack the problem at each direction.

I urge my colleagues to support this legislation.

Thank you, Mr. Speaker.

GENERAL LEAVE

Mrs. SULLIVAN. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the bill under consideration.

The SPEAKER. Is there objection to the request of the gentlewoman from Missouri?

There was no objection.

Mr. RUPPE. Mr. Speaker, I have no further requests for time.

Mrs. SULLIVAN. Mr. Speaker, I have no further requests for time.

The SPEAKER. The question is on the motion offered by the gentlewoman from Missouri (Mrs. SULLIVAN) that the House suspend the rules and pass the bill H.R. 8092, as amended.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill, as amended, was passed.

A motion to reconsider was laid on the table.

AUTHORIZATION FOR THE COUNCIL ON ENVIRONMENTAL QUALITY

Mr. LEGGETT. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 11619) to authorize further appropriations for the Office of Environmental Quality, and for other purposes, as amended.

The Clerk read as follows:

H.R. 11619

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 205 of the Environmental Quality Improvement Act of 1970 (42 U.S.C. 4374) is amended to read as follows:

"SEC. 205. There are hereby authorized to be appropriated for the operations of the Office of Environmental Quality and the Council on Environmental Quality not to exceed the following sums for the following fiscal years which sums are in addition to those contained in Public Law 91-190:

"(a) $2,000,000 for the fiscal year ending June 30, 1976.

"(b) $500,000 for the transition period (July 1, 1976, to September 30, 1976).

"(c) $3,000,000 for the fiscal year ending September 30, 1977.

"(d) $3,000,000 for the fiscal year ending September 30, 1978."

The SPEAKER. Is a second demanded?

Mr. RUPPE. Mr. Speaker, I demand a second.

The SPEAKER. Without objection, a second will be considered as ordered.

There was no objection.

Mr. LEGGETT. Mr. Speaker, I yield such time as she may consume to the chairman of the committee, the gentlewoman from Missouri (Mrs. SULLIVAN).

Mrs. SULLIVAN. Mr. Speaker, H.R. 11619 provides a 2-year authorization for appropriation for the Council on Environmental Quality pursuant to the Environmental Quality Improvement Act of 1970. This bill increases the authorization level from $2 million for fiscal year 1976 to $3 million for each of the next 2 fiscal years.

The committee held several days of oversight hearings in September concerning the National Environmental Policy Act and the role of the Council in administering this important act. I can report to my colleagues that the Council, with its small staff, has admirably handled an increasing workload despite the fact the Office of Management and Budget has continued to reduce its manpower. Further, the Council has worked closely with our committee staff in advising us on numerous environmental matters which have been brought to our attention. For example, the Council provided the committee valuable insight during our consideration of the amendments to the Coastal Zone Management Act. We expect the Council's activities will follow much the same pattern, although areas of emphasis and concern will undoubtedly be different each year.

Finally, I would note the valuable work of the Council in continuing to monitor environmental conditions and trends. The Council's sixth annual report, which was just recently published, contains a chapter devoted to reporting the status of our air, water, natural resources, and other environmental indices. These reports serve as one of the few objective and useful measuring sticks to judge the accomplishments of our progress in cleaning up our environment.

Mr. Speaker, I strongly urge my colleagues to support H.R. 11619 to assure that this important work continues.

Mr. LEGGETT. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in support of H.R. 11619, to provide needed authorizations for appropriations for the Council on Environmental Quality. The Council takes on a large responsibility in accepting the role as the primary advisory group on environmental matters for the Chief Executive. Since the Council was established in 1970, the concern for our environment has grown by geometric proportions, particularly in light of our present energy situation. Moreover, the National Environmental Policy Act, which is administered by the Council, has increased in importance with respect to its mandate for Federal agencies to consider the full ramification of their actions upon our environment—indeed, upon the future of our country. Yet, parallel with this growth in demand for the Council's attention and resources, the small staff of the Council has been bled from 65 staff personnel to a present level of 40 which includes only 28 professionals.

There comes a point in time when we must ask ourselves whether we can expect a professional staff of 28 people to effectively consider the impact of environmental problems which arise, review hundreds of environmental impact statements, provide advice to numerous Federal agencies as well as the Congress, and produce a comprehensive status report on the state of our environment. I believe we must adequately support whatever agency or council we create to carry out the responsibilities we mandate. It is for this reason primarily that our committee has increased the authorization level pursuant to the Environmental Quality Improvement Act from $2 million to $3 million for each of the next 2 fiscal years. Most Members are familiar with the Council's work as it relates to the environmental impact statement requirements under the National Environmental Policy Act.

In that regard, the Council works continually with the Federal agencies to improve their procedures for and performance in implementing the environmental impact statement requirements of NEPA. In fact, CEQ has just completed a comprehensive survey of Federal agency experience with the EIS process. This report is now under preparation, and will be available in the near future. Based on this survey, CEQ will develop recommendations for improving and streamlining the process. Upgrading the quality and relevance of environmental impact assessments is a continuing priority for the Council.

However, the Council also has many other important responsibilities. For example, on the basis of a study conducted in conjunction with the Environmental Protection Agency, which found a great diversity in the way that air quality conditions are reported to the public, CEQ established an ad hoc Federal Interagency Task Force on Air Quality Indicators. This task force is in the process of developing a standard index for use in reporting air quality to the public and in summarizing long-term trends.

CEQ is also just completing a study which compares and evaluates a number of interpretive techniques related to water quality. Using this information, CEQ, EPA, and the U.S. Geological Survey will be able to select the best available techniques for periodic water quality analysis and reporting. Finally, together with a number of other Federal agencies, CEQ is conducting a nationwide inventory of biological monitoring projects. When this inventory is published, it will make possible the systematic and readily accessible use of information to improve decisionmaking related to our living resources.

Finally, the Council was directed under the Federal Non-Nuclear Energy Research and Development Act of 1974, to carry out a continuing evaluation of the adequacy of attention of Federal research and development programs to energy conservation and to the environmental consequences of energy technologies. CEQ is instructed to hold public hearings annually and to report to the President, the Congress, and the ERDA Administrator on these matters. The first set of hearings were held in September. This summer CEQ plans to submit to the President and the Congress a report on our overall evaluation of energy research and development.

I believe we must support these critically important activities by enacting H.R. 11619 as quickly as possible.

Mr. RUPPE. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, 7 years ago the Congress enacted legislation creating the Council on Environmental Quality. Charged with the responsibility of conducting environmental research and investigations, evaluating existing and proposed Federal environmental protection programs, instructing other Federal agencies on how to comply with the National Environmental Policy Act, and recommending new Federal environmental initiatives, the Council on Environmental Quality has assumed an important role in this Nation's environmental affairs. During its short existence, the Council has had the stamp of professional excellence. The legislation before us today authorizes $3 million for each of fiscal years 1977 and 1978 for the Council on Environmental Quality.

As already pointed out, CEQ receives funding from two sources. The National Environmental Policy Act—NEPA—established a continuing annual authorization of $1 million. The Environmental Quality Improvement Act provided an additional $2 million authorization in fiscal year 1976. H.R. 11619 provides for an increased authorization of $3 million under the latter act.

Despite the level of CEQ's authorization, its total appropriation has remained relatively constant. Unfortunately, this has meant that the agency has been forced to absorb the costs of inflation, salary increases, et cetera. The net effect has been to reduce the money available to fund contract studies. This year, however, CEQ will be asking for a somewhat larger appropriation. H.R. 11619, combined with the increased appropriation, will enable CEQ to expand both its staff and its contract studies program from its inflation-reduced level and will provide reasonably adequate funding for CEQ's other activities.

Aside from the issue of funding, a major dilemma presently facing CEQ is how to perform its important mission with a substantially reduced staff. In fiscal year 1972, CEQ had a staff of 65 individuals. The size of that staff has slowly shrunk under OMB and Presidential directive and in fiscal year 1977, under the President's budget figures, the Council staff will be cut to 40. With this reduction, it would be difficult, if not impossible, for the Council to perform its mission in the manner originally intended by Congress. It is my hope, Mr. Speaker, that this increased authorization will result in a higher appropriation which will be used in part by the agency to hire additional staff.

I urge my colleagues' support of H.R. 11619.

Mr. RUPPE. Mr. Speaker, I yield such time as he may consume to the distinguished gentleman from New Jersey (Mr. FORSYTHE).

Mr. FORSYTHE. Mr. Speaker, I rise in support of H.R. 11619 authorizing appropriations for the Council on Environmental Quality. Since its inception, CEQ has functioned as a coordinator for national environmental policies. Funding studies on major environmental issues such as land use, oil and gas development on the Outer Continental Shelf, and the impact of aerosol sprays on the atmosphere, CEQ has made a major contribution to the substance of our environmental knowledge. By promoting the development of environmental indexes and monitoring systems, CEQ has expanded this Nation's ability to determine what is happening to our environment. By serving as a clearinghouse to review major environmental impact statements, CEQ has had a significant effect on environmental issues. The legislation we are considering today provides CEQ with a level of authorization needed to continue its activities. I believe these activities are important to the Nation, have been carried out effectively and need to be continued.

However, I too am deeply concerned about the negative impacts that further staff reductions will have on the Council's ability to effectively implement its responsibilities. This is a matter of deep concern to me and it is my hope that this Congress will lend its full support to this authorization as well as to an increased appropriation which can in part be utilized to provide the Council with adequate staffing. Thus, I urge adoption of H.R. 11619.

Mr. RUPPE. Mr. Speaker, I have no further requests for time.

Mr. LEGGETT. Mr. Speaker, I have no further requests for time.

The SPEAKER. The question is on the motion offered by the gentleman from California (Mr. LEGGETT) that the House suspend the rules and pass the bill (H.R. 11619), as amended.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill, as amended, was passed.

The title was amended so as to read: "A bill to authorize further appropriations for the Council on Environmental Quality."

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. LEGGETT. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the bill just passed.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

TULE ELK PRESERVATION ACT

Mr. LEGGETT. Mr. Speaker, I move to suspend the rules and pass the joint resolution (H.J. Res. 738) providing for Federal participation in preserving the tule elk population in California, as amended.

The Clerk read as follows:

H.J. Res. 738

Whereas, although Tule elk once roamed the central valleys of California in vast numbers, the species became nearly extinct during the latter part of the last century as a result of its native habitat being developed for agricultural purposes and urban growth; and

Whereas, although around 1870 the Tule elk population reached a low of approximately thirty animals, through the dedicated efforts of various citizen groups and individual cattlemen, the population has slowly recovered to a total of approximately six hundred animals, the majority of which may be found in free-roaming herds in the Owens Valley, at Cache Creek in Colusa County, California, a small number which are captive in the Tupman Refuge in Vern County, California; and

Whereas in 1971 the California Legislature, recognizing the threat to the Tule elk as a species, amended section 332 and enacted section 3951 of the Fish and Game Code which provide for the encouragement of a statewide population of Tule elk of not less than two thousand, if suitable areas can be found in California to accommodate such population in a healthy environment, and further fixed the population of the Tule elk in the Owens Valley at four hundred and ninety animals, or such greater number as might thereafter be determined by the California Department of Fish and Game, in accordance with game management principles, to be the Owens Valley holding capacity; and

Whereas the Tule elk is considered by the Department of the Interior to be a rare, though not endangered, species by reason of the steps taken by the State of California; and

Whereas the protection and maintenance of California's Tule elk in a free and wild state is of educational, scientific, and esthetic value to the people of the United States; and

Whereas there are Federal lands in the State of California (including, but not limited to, the San Luis National Wildlife Refuge, the Point Reyes National Seashore, various national forests and national parks, and Bureau of Land Management lands located in central California, as well as lands under the jurisdiction of the Secretary of Defense such as Camp Pendleton, Camp Roberts, and Camp Hunter Liggett) which, together with adjacent lands in public and private ownership, offer a potential for increasing the Tule elk population in California to the two thousand level envisioned by the California Legislature: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That it is the sense of Congress that the restoration and conservation of a Tule elk population in California of at least two thousand, except that the number of Tule elk in the Owens River Watershed area shall at no time exceed four hundred and ninety or such greater number which is determined by the State of California to be the maximum holding capacity of such area, is an appropriate national goal.

Sec. 2. The Secretary of the Interior, the Secretary of Agriculture, and the Secretary of Defense shall cooperate with the State of California in making the lands under their respective jurisdictions reasonably available for the preservation and grazing of Tule elk in such manner and to such extent as may be consistent with Federal law.

Sec. 3. The Secretary of the Interior shall submit, on or before the first of March of each year, a report to the Congress as to the estimated size and condition of the various Tule elk herds in California and the nature and condition of their respective habitats. The Secretary shall include in such report his determination as to whether or not the preservation of the Tule elk herd at its then-existing level is, or may be, endangered or threatened by actual or proposed changes in land use or land management practices on lands owned by any Federal, State, or local agency, together with his recommendations as to what Federal actions, if any, should be taken in order to preserve the Tule elk herds at the then-existing level or such other level as may be determined from time to time by the State of California.

Sec. 4. The Secretary of the Interior, in coordination with all Federal, State, and other officers having jurisdiction over lands on which Tule elk herds are located or lands which would provide suitable Tule elk habitat, shall develop a plan for Tule elk restoration and conservation, including habitat management, which shall be integrated with the comparable plans of State and local authorities in California. The Secretary's annual report to Congress shall describe the development and implementation of such plan.

The SPEAKER. Is a second demanded?

Mr. RUPPE. Mr. Speaker, I demand a second.

The SPEAKER. Without objection, a second will be considered as ordered.

There was no objection.

Mr. LEGGETT. Mr. Speaker, I yield such time as she may consume to the chairman of the committee, the gentlewoman from Missouri (Mrs. SULLIVAN).

Mrs. SULLIVAN. Mr. Speaker, I rise in strong support of House Joint Resolution 738, a bill to provide for Federal participation in preserving the tule elk population in the State of California.

Mr. Speaker, the tule elk is classified as a rare species by the Department of the Interior, and they are found in the State of California only. In the early 1800's, they numbered in the thousands, but by the end of that century—with the trappers and gold miners harvesting these animals for food and hides—they had dwindled to such an extent that they were all finally exterminated except for a small herd.

Through the cooperation of Federal, State, and local agencies and conservationists, in general, the tule elk population has slowly recovered so that as of today there are almost 600 tule elk scattered in various locations throughout the State. Still, Mr. Speaker, there is great concern among the conservationists that the population needs to be increased to at least 2,000 in number, otherwise, with an epidemic of a large magnitude and with the tule elk habitat rapidly being diverted to other areas, it could be just a matter of time before the tule elk meets the same fate that met the North American and eastern elk in 1870, when they became extinct.

Mr. Speaker, to assist in achieving the goal of rebuilding the tule elk herds to at least a total of 2,000 animals in number—which incidentally is identical to the goal set by the California Legislature in 1971—this legislation would merely require the Secretary of the Interior, in coordination with other Federal, State, and local authorities having jurisdiction over lands on which tule elk herds are located or over lands which would provide suitable habitat, to cooperate in working out a plan that would assure the survival of this species.

Mr. Speaker, I think it is imperative that this legislation be enacted into law at the earliest possible date if we expect to give this unique species the protection to which they are entitled.

Mr. Speaker, I now yield such time as he may consume to the gentleman from California, the chairman of the subcommittee that handled this legislation, who will explain the bill in more detail.

Mr. LEGGETT. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, as indicated by the chairman of our full committee, there is a sense of urgency in the passage of this legislation.

The precarious situation in which this species finds itself was brought to the attention of the subcommittee in 1970 when hearings were held on legislation to provide for a study on the desirability of establishing a national wildlife refuge for tule elk.

No further action was taken on that legislation, but in both 1973 and 1975 the subcommittee continued to look into this matter by holding hearings on legislation that would provide for the actual establishment of a tule elk wildlife refuge in Owens Valley, Calif. This legislation met with considerable opposition from the Department of the Interior and the Department of Agriculture—the Departments that owned the lands on which this refuge would be created. Also, this proposal met with considerable opposition from the California State Fish and Game Department and the city of Los Angeles' Water and Power Department. The State of California—as did the Federal agencies—felt that the solution to the problem was not to create a special refuge for tule elk, but to rebuild its stock by transplanting tule elk to suitable locations throughout the State. The city of Los Angeles was primarily concerned that the refuge would adversely affect its water supply which comes from the area in which the refuge would be located.

Mr. Speaker, after holding hearings on this measure over a period of 5 years—including field hearings in Owens Valley, Calif., the home base of the tule elk—it was not until after those California hearings that we were able to come up with what we think is the best way to provide for the continued survival of this species. Upon his return to Washington, my distinguished colleague, Mr. McCLOSKEY, drafted legislation in the form of House Joint Resolution 738, which we think will accomplish this purpose.

Mr. Speaker, briefly explained, the bill would, in essence, make the goal established by the California Legislature in 1971 a national goal as well. To accomplish this, the bill would provide that it is the sense of Congress that the restoration and conservation of a tule elk population of at least 2,000 in number would be an appropriate goal and that, in achieving this goal, the number of tule elk, in what is known as the Owens River watershed area, should at no time exceed 490, unless it is determined at some future date that the holding capacity of such area could accommodate a greater number.

In addition, the bill would make it clear that the Secretaries of the Interior, Agriculture, and Defense would be required to cooperate with the State of California in making lands under their respective jurisdictions reasonably available for the preservation and grazing of tule elk, provided that, in doing so, such actions are consistent with Federal law governing those areas.

Also, the Secretary of the Interior—who is designated as the person to lead the carrying out of this legislation—would be required to coordinate with all Federal, State, and other officers having jurisdiction over lands on which tule elk herds are located or on which suitable tule elk habitat exists, in developing an adequate plan for the restoration and conservation of the tule elk. The plan would be required to be integrated with comparable plans of State and local authorities in the State of California and, in particular, the plan would be required to provide for habitat management as well as for management of tule elk herds.

Finally, Mr. Speaker, the bill would require the Secretary of the Interior to make an annual report to the Congress on the results of this program and what Federal action, if any, should be taken in order to preserve tule elk herds at their then existing level or such other level as may be determined from time to time by the State of California.

Mr. Speaker, the legislation was ordered reported unanimously by the Committee on Merchant Marine and Fisheries and, as reported, it has the full support of the Committee for the Preservation of the Tule Elk, the California department of fish and game, conservationists in general throughout the country, and although the Departments of the Interior and Agriculture opposed the predecessor legislation, the committee is of the opinion that they would not oppose the legislation in its present form.

Mr. Speaker, I strongly support this legislation and I urge its prompt passage.

Mr. RUPPE. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, the tule elk evolved from the Rocky Mountain elk, which migrated to North America across the Bering Straits from Asia about 10,000 to 12,000 years ago. The tule elk populated the central area of California in substantial numbers until the California gold rush. During that time, the tule elk, which is about one-third the size of a regular elk, was slaughtered until 1885 it is estimated that there were only 28 left. Between 1885 and 1935, 23 separate attempts were made to save the tule elk from extinction by relocating them to new habitats. The only successful relocation was made in 1933 when a herd of tule elk was taken from Yosemite National Park and placed in Owens Valley in Inyo County, Calif. In the years that followed, several herds were established and flourished in Owens Valley.

Between 1933 and 1971, due to competing land management decisions, the decision was made by the State of California to limit the size of the tule elk herd to 225 to 275 animals. In 1971, however, the California State Legislature enacted legislation calling for the establishment of a tule elk herd of 2,000, including at least 490 in the Owens Valley. Due to the States dedicated efforts, hundreds of thousands of dollars have been spent on tule elk activities and there are now approximately 605 tule elk in the State of California. H.J. Res. 738 seeks to supplement the State effort by directing that Federal agencies cooperate with the State to the maximum extent possible by making their lands and facilities available for the grazing of tule elk. The importance of the State-Federal cooperative effort is reflected in the fact that approximately 50 percent of the tule elk in the Owens Valley graze on Federal lands. In my view, House Joint Resolution 738 provides the necessary framework through which the tule elk population can be restored to a population of at least 2,000. I urge my colleagues support in the adoption of this measure.

Mr. KETCHUM. Mr. Speaker, will the gentleman yield?

Mr. RUPPE. I yield such time as he may consume to the gentleman from California (Mr. KETCHUM).

Mr. KETCHUM. Mr. Speaker, I thank the gentleman from Michigan for yielding me this time.

Mr. Speaker and Members of the House, I would be remiss if I did not thank the distinguished gentleman from California, my colleague (Mr. LEGGETT) who, as the chairman of our subcommittee, has recognized that which we do not often recognize, and that is that the people should be heard. The gentleman from California (Mr. LEGGETT) brought the subcommittee into Inyo County which I have the honor to represent and listened to over 100 witnesses testify on the original legislation. This legislation before us now is the result of those hearings and is an attempt by the gentleman from California (Mr. MCCLOSKEY) to ameliorate some of the differences that existed during those hearings.

The only fault that I could find with this legislation is that it addresses itself to free roving tule elk herds. As my colleague the genteman from California (Mr. LEGGETT) well knows, at the tule elk reservation in Tupman there is anything but a free roving area. I hope that some day we can address ourselves to that problem.

This resolution essentially puts into writing that which has existed for a number of years in California. It has been a good program and one that has been very, very successful and one that I think will continue to be successful because we are leaving it alone, just putting it in writing and making formal that which already exists.

Again I thank my colleague, the gentleman from Michigan (Mr. RUPPE), for yielding to me, and to again thank my colleague, the gentleman from California (Mr. LEGGETT), for his interest in this matter.

Mr. RUPPE. Mr. Speaker, I yield such time as he may consume to the gentleman from New Jersey (Mr. FORSYTHE).

Mr. FORSYTHE. Mr. Speaker, House Joint Resolution 738 will have a significant and positive impact on the continued survival of the tule elk, a rare, although not endangered, species. The State of California has undertaken a laudable effort to insure the protection of this species. In the past 15 years, approximately $150,000 of California's Federal-aid-to-wildlife restoration funds have been spent on work with the tule elk. In addition, the State has spent $100,000 to $115,000 of its own money per year on tule elk activities. The key element of the State program at this point, however, is finding additional tule elk habitat. House Joint Resolution 738 addresses that problem by directing that the Federal agencies, to the maximum extent possible, permit the grazing of tule elk on their lands. Given that approximately 50 percent of the tule elk herd in Owens Valley are presently located on Federal lands, it is important to assure expanded Federal-State cooperation in an effort to preserve and protect the tule elk. I urge my colleagues to join me in supporting this resolution.

Mr. LEGGETT. Mr. Speaker, I have no further requests for time, but I would like to acknowledge the cooperation of the gentleman from New Jersey (Mr. FORSYTHE), the distinguished ranking minority member of the subcommittee, and the gentleman from California (Mr. KETCHUM), on this legislation.

In addition, I would like particularly to pay tribute to the very good work done by Beula Edmiston, secretary of the Committee for the Preservation of the Tule Elk, who provided the inspiring spark necessary to keep this matter alive through the long years it has been before our committee and whose untiring efforts played a major role in making today's action possible.

I think that everybody is going to be happy if we have thriving tule elk herds in the State of California and thriving economic interests which are, hopefully, not mutually exclusive.

Mr. Speaker, I have no further requests for time.

Mr. BOB WILSON. Mr. Speaker, I rise in support of House Joint Resolution 738, which would make land available in California to assist in the preservation of our State's rare tule elk.

In the pre-Gold Rush days, the dwarf valley elk was one of the most notable features of the California landscape. Since that time, with the tremendous growth in population and the expansion of cities into the California countryside, the land that the tule elk once roamed freely has been severely encroached upon.

This encroachment has resulted in the population of the tule elk being reduced from large herds to but a few hundred, possibly driving them into extinction.

We have an obligation to maintain an adequate stock of these rare animals for the enjoyment of our grandchildren and their grandchildren as well. I therefore urge my colleagues to give this resolution providing for Federal participation in preserving the elk population their most favorable consideration.

Mr. CONTE. Mr. Speaker, I rise in support of this legislation designed to preserve and protect the tule elk population in California.

This piece of legislation is most timely and proper. As an avid conservationist I am most pleased to note that while this California herd almost disappeared in the 1920's it has increased to a population of more than 750. This increase is as the result of efforts of conservationists, citizen groups and cattlemen. I commend them.

In 1971 the California State Legislature set 2,000 for a reasonable population goal. This legislation is designed to assist in achieving a herd of that size. The bill provides that the Secretaries of Interior, Defense, and Agriculture will make lands under their jurisdiction available for grazing of the species, "in such a manner and to such extent as may be consistent with Federal law." Further, the Secretary of Interior is required to coordinate and develop further plans for tule elk restoration and conservation.

Fellow Members, we must rise at this opportunity to protect this beautiful animal. This legislation is designed to complement the efforts of the State of California authorities involved with preservation of this animal. This is the manner in which it should be done. I am pleased to rise on behalf of the legislation.

I urge my colleagues to support this resolution.

Thank you, Mr. Speaker.

Mr. ROYBAL. Mr. Speaker, I rise in support of House Joint Resolution 738, a resolution to protect the tule elk of the Owens Valley in California.

This resolution is the product of a tragic history. The tule elk, or valley elk, are native only to the central and coastal valleys of California. The animals are gentle, shy and beautiful creatures. They were originally inhabitants of the San Joaquin Valley, but were pushed out as man moved in with irrigation projects and large farms. In 1933, private individuals, in cooperation with local agencies, arranged for 27 elk to be released into the lower part of the Owens Valley. There the elk thrived and increased. The habitat was perfect for their needs. But cattlemen resented their presence and hunters saw a bountiful new supply of game. In 1943, cattlemen and sportsmen prevailed on the State Fish and Game Department to authorize a hunt which claimed 43 bulls. In October 1964, when there was a herd of no more than 329 elk, 50 of the animals were shot. The hunting was meant to weed out the older animals and those which were sick, but of course calves and healthy adult elk were sometimes killed too.

The herd still inhabits the area bordered by the Sierra Nevada on the west and the Inyo Mountains on the east, and they are considered an established part of the native flora and fauna.

But the herd that does exist today—numbering only a few hundred—should be looked upon as a miracle of survival. With the population of California growing at an astronomical rate, the move toward massive land development has been intense. At this time, the Owens Valley herd is not secure. The valley is owned by the city of Los Angeles, and in recent years the city has leased the lands to cattlemen. Today, hard as it is to believe, these men are complaining about having to share their range with the elk. Some feel that without this legislation, the fate of the tule elk will be sealed within the next couple of years, and that since they are now competing with the cattlemen in the area, they may disappear completely within our lifetime.

Many who are concerned about the preservation of order in nature and about the balance of our environment consider the little tule elk a symbol. When we say that this is the decade of the environment, when we say we are truly concerned about protecting the earth's bounty, then many think about a dwarf elk which has fled from one place to another escaping the ravages of high-powered civilization. So far we have been lucky; the animal has survived.

If we are truly committed to bettering the environment, then we should be able to place the needs of a tiny herd of elk before the whine of an earth mover. We must move to create this refuge so that the last few of a magnificent species will not vanish.

As you know, efforts have been made in California to protect the tule elk at the State level. A number of active citizens' groups have worked very hard to preserve the elk. In 1971, legislation was enacted in my State to restrict hunting for tule elk until the herd size had reached at least 2,000. But what many of us thought at the time was an answer turned out to be less than adequate. We had hoped that the State would put wildlife survival above hasty land development, and that California would prove to be a shining example for other States.

But State wildlife agencies cannot really be expected to deal with the problems of protecting endangered or threatened species. Their central function is game management. Support must come from the Department of the Interior—an agency which has expertise in such matters.

House Joint Resolution 738 would make it a national goal to restore and conserve the tule elk population until it reaches at least 2,000 in number in California. Also, it requires the Secretary of the Interior to report annually to Congress on the size and condition of the various tule elk herds and what Federal, State or local land management practices could adversely affect the elk population. Finally, the resolution requires the Departments of Agriculture, Interior and Defense to cooperate with the State of California in making available lands under their jurisdiction for grazing and preservation of the tule elk.

Mr. Speaker, the resolution before the House is one that will protect the tule elk for posterity. I urge the Members to support this resolution.

The **SPEAKER** pro tempore (Mr. McFall). The question is on the motion offered by the gentleman from California (Mr. Leggett) that the House suspend the rules and pass the joint resolution House Joint Resolution 738, as amended.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the joint resolution, as amended, was passed.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. LEGGETT. Mr. Speaker, I ask unanimous consent that all Members may have five legislative days in which to revise and extend their remarks on the joint resolution just passed.

The **SPEAKER** pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

COMMUNITY SERVICES ACT TECHNICAL AMENDMENTS OF 1976

Mr. PERKINS. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 12188) to amend the Community Services Act of 1974 to make certain technical and conforming amendments.

The Clerk read as follows:

H.R. 12188

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLE

Section. 1. This Act may be cited as the "Community Services Act Technical Amendments of 1976".

AMENDMENTS TO COMMUNITY SERVICES ACT OF 1974

Sec. 2. (a) The Community Services Act of 1974 (hereinafter in this Act referred to as the "Act") is amended—

(1) in section 101 thereof (as added by section 3 of the Headstart, Economic Opportunity, and Community Partnership Act of 1974), by striking out "Sec. 104. This title and titles II through IX" and inserting in lieu thereof "Sec. 3. Titles I through IX";

(2) in section 102 thereof (as added by section 3 of the Headstart, Economic Opportunity, and Community Partnership Act of 1974), by striking out "Sec. 102." and inserting in lieu thereof "Sec. 4.", and in paragraph (2) of such section, by striking out "the previous sentence" and inserting in lieu thereof "paragraph (1) of this section" and by inserting a comma after "places" the second place it appears therein;

(3) by striking out "TITLE II—RESEARCH AND DEMONSTRATIONS" and inserting in lieu thereof "TITLE I—RESEARCH AND DEMONSTRATIONS";

(4) in section 102(d) thereof (as added by section 4 of the Headstart, Economic Opportunity, and Community Partnership Act of 1974), by striking out "under this title in any fiscal year shall be made available for programs or projects receiving financial assistance";

(5) in section 104(d) of such Act (as added by section 3 of the Headstart, Economic Opportunity, and Community Partnership Act of 1974), by striking out "studies" each place it appears therein and inserting in lieu thereof "summaries";

(6) in section 201(b) thereof, by striking out "the Office of Economic Opportunity" each place it appears therein and inserting in lieu thereof "Community Services Administration";

(7) in section 210(f) thereof—

(A) by striking out "may delegate functions other than" and inserting in lieu thereof "may delegate such functions (other than";

(B) by striking out "contracts to" and inserting in lieu thereof "contracts) to";

(C) by striking out "by him, such functions as he deems appropriate" and inserting in lieu thereof "by him, as he deems appropriate"; and

(D) by striking out "second sentence of section 235(a)" and inserting in lieu thereof "third sentence of section 225(a)";

(8) by striking out paragraph (4) of section 222(a) thereof;

(9) in section 222(a)(5) thereof, by striking out "Emergency Food and Medical Services" and inserting in lieu thereof "Community Food and Nutrition", and by striking out "medical" each place it appears therein;

(10) in the last sentence of section 222(a)(12) thereof, by inserting a comma after "agencies";

(11) in section 225(c) of such Act, by amending the last two sentences to read as follows: "The Director shall not require non-Federal contributions in excess of the amount required to meet the approved cost of assisted programs or activities after calculating the per centum of Federal assistance for which such program is eligible under the first sentence of this subsection. In addition, the Director may approve assistance in excess of such per centum upon evidence that the aggregate of all non-Federal contributions by agencies within a State for financial assistance provided pursuant to sections 221 and 222(a) as a per centum of the aggregate of all financial assistance provided to such agencies in such State pursuant to such sections meets the per centum requirements of this subsection.";

(12) in the heading of section 227 thereof, by striking out "YOUTH RECREATION AND" and inserting in lieu thereof "NATIONAL YOUTH", and in subsection (a) of such section by striking out "youth recreation and" each place it appears therein and inserting in lieu thereof "national youth";

(13) in the last sentence of section 235(b) thereof, by striking out "Secretary" and inserting in lieu thereof "Director";

(14) in section 236 thereof—

(A) in subsection (a) thereof, by striking out "Office of Economic Opportunity or successor authority" and inserting in lieu thereof "Community Services Administration"; and

(B) in subsection (b)(ii) thereof, by striking out "Office of Economic Opportunity" and inserting in lieu thereof "Community Services Administration";

(15) in section 306(d) thereof, by striking out "under this Act (except operations under title IV carried on by the Small Business Administration)" and inserting in lieu thereof "under this part";

(16) in section 401 thereof—

(A) by redesignating subsection (c) and subsection (d) as subsection (b) and subsection (c), respectively; and

(B) in subsection (a) thereof, by striking out the comma after "may be used as necessary" and by striking out "paragraph 2" and inserting in lieu thereof "paragraph (2)";

(17) in section 402(2) thereof, by striking out "Director" each place it appears therein and inserting in lieu thereof "Secretary";

(18) in section 514(b) thereof, by inserting "or" before "multicity", by striking out the comma after "multicity", and by striking out "organization" and inserting in lieu thereof "organizational";

(19) in section 517(b) thereof, by striking out "15 per centum and such total costs" and inserting in lieu thereof "15 per centum of such total costs";

(20) in section 523(d) thereof, by striking out "studies" each place it appears therein and inserting in lieu thereof "summaries";

(21) in section 525(a) thereof, by striking out "711" and inserting in lieu thereof "518";

(22) in section 576(a) and section 577 thereof, by striking out "part" each place it appears therein and inserting in lieu thereof "title";

(23) in section 601 thereof, by inserting "(a)" immediately after "Sec. 601.";

(24) in section 601(e)(2)(B)(iii) thereof, by inserting "of Commerce" immediately after "Secretary";

(25) in section 601(e)(3)(B)(ii)(II) thereof, by striking out the quotation mark at the end thereof;

(26) in section 601(g) thereof, by inserting a comma after "Welfare" and by striking out "Economic Development Administration" and inserting in lieu thereof "Community Economic Development Administration,";

(27) in section 601(h)(2) thereof, by inserting a comma after "Community Services Administration" the second place it appears therein, by inserting a comma after "Welfare", and by inserting a comma after "Community Economic Development Administration";

(28) in section 601(h)(3) thereof, by inserting a comma after "Community Services Administration", and by striking out "in the Department of Commerce" and inserting in lieu thereof "within the Department of Commerce,";

(29) in subsections (a) and (f) of section 602 thereof, by striking out "Office" each place it appears therein and inserting in lieu thereof "Community Services Administration";

(30) in section 602(k) thereof, by striking out "titles III and IV of";

(31) in section 603(a) thereof, by striking out "(other than part C of title I)";

(32) in section 604(1) thereof, by striking out "I–B or", and by striking out "prime sponsor or";

(33) in paragraphs (2) and (3) of section 604 thereof, by striking out "title I–B, II, and III–B" each place it appears therein and inserting in lieu thereof "title II and part B of title III", and in paragraph (2) of such section, by striking out "123,";

(34) in section 608 thereof, by striking out "Office" and inserting in lieu thereof "Community Services Administration"; and

(35) in subsections (a) and (c) of section 610–1 thereof, by striking out "part A of title I or" each place it appears therein.

(b) Title VII of the Act is amended—

(1) in section 712(a)(2) thereof, by inserting "programs," after "development", and by inserting a comma after "activities";

(2) in the fourth sentence of section 714 thereof, by striking out "rights vest" and inserting in lieu thereof "vests";

(3) in the last sentence of section 714 thereof, by inserting "with grant funds shall" immediately after "assets purchased";

(4) in section 731(a) thereof, by striking out "bear the interest" and inserting in lieu thereof "bear interest";

(5) in the first and second sentences of section 731(c)(3) thereof by striking out "Secretary" and inserting in lieu thereof "Director", in the first sentence, by striking out "subchapter" and inserting in lieu thereof "title" and in the second sentence by striking out "part B of";

(6) in section 732 thereof, by striking out "(d)" immediately before "Not later than" and inserting in lieu thereof "(b)";

(7) in section 741(b) thereof, by inserting "assistance or support," immediately after "legal";

(8) in section 741(c) thereof, by striking out "subchapter" and inserting in lieu thereof "title";

(9) by amending the heading for section 742 thereof to read as follows: "SMALL BUSINESS ADMINISTRATION AND DEPARTMENT OF COMMERCE PROGRAMS";

(10) in section 742(a)(1) thereof—

(A) by striking out "part" and inserting in lieu thereof "title";

(B) by striking out "company or a local" and inserting in lieu thereof "company, local"; and

(C) by inserting immediately after "limited small business investment company" the following: ", or small business investment company licensee under section 301(d) of the Small Business Investment Act of 1958";

(11) in section 742(a)(2) thereof, by striking out "Secretary" and inserting in lieu thereof "Director" and by striking out "part" and inserting in lieu thereof "title";

(12) in section 742(b)(2) thereof, by inserting "of Commerce" immediately after "Secretary";

(13) in section 743 thereof, by striking out "this Act" and inserting in lieu thereof "this title";

(14) in section 744(a)(1) thereof, by inserting "as amended," immediately after "Housing Act of 1949,";

(15) in the first sentence of section 744(b) thereof, by striking out "Secretary" and inserting in lieu thereof "Director", by striking out "part" each place it appears therein and inserting in lieu thereof "title,", and by striking out "subsection (a) of this section" and inserting in lieu thereof "sections 742, 743, and 744 of this title";

(16) by redesignating sections 745 through 748 thereof as sections 746 through 749, respectively; and

(17) in section 744 thereof—

(A) by inserting immediately after subsection (a) the following new heading: "REPORT ON OTHER FEDERAL RESOURCES";

(B) by striking out "(a)" immediately before "The Secretary of Agriculture"; and

(C) by striking out "(b)" immediately before "On or before six months" and inserting in lieu thereof "Sec. 745.".

(c) The Act is amended by redesignating section 626 and section 627 as section 627 and section 628, respectively.

AMENDMENTS TO HEADSTART, ECONOMIC OPPORTUNITY, AND COMMUNITY PARTNERSHIP ACT OF 1974

Sec. 3. (a) Section 5(d)(2) of the Headstart, Economic Opportunity, and Community Partnership Act of 1974 is amended by inserting "of such Act" immediately after "section 228(c)".

(b) Section 9 of the Headstart, Economic Opportunity, and Community Partnership Act of 1974 is amended—

(1) in subsection (b) thereof, by striking out "subsection (c) of this section" and inserting in lieu thereof "section 601 of the Economic Opportunity Act of 1964, as amended by subsection (a) of this section"; and

(2) in subsection (e) thereof, by striking out the quotation mark immediately before "(e) The Economic Opportunity Act of 1964" and by striking out "after section 625" and inserting in lieu thereof "after section 623".

(c) Section 14(b) of the Headstart, Economic Opportunity, and Community Partnership Act of 1974 is amended by striking out "section 3(c)" and inserting in lieu thereof "section 8(c)".

(d)(1) Section 15(a)(2) of the Headstart, Economic Opportunity, and Community Partnership Act of 1974 is amended by inserting "of such Act" immediately after "section 221".

(2) Section 15 of such Act is amended by adding at the end thereof the following:

"(c) Any funds appropriated to carry out any program under the Community Services Act of 1974 which are not obligated prior to the end of the fiscal year for which such funds are appropriated shall remain available for obligation during the succeeding fiscal year.".

The SPEAKER pro tempore. Is a second demanded?

Mr. QUIE. Mr. Speaker, I demand a second.

The SPEAKER pro tempore. Without

objection, a second will be considered as ordered.

There was no objection.

The SPEAKER pro tempore. The gentleman from Kentucky (Mr. Perkins) and the gentleman from Minnesota (Mr. Quie) will be recognized for 20 minutes each.

The Chair recognizes the gentleman from Kentucky (Mr. Perkins).

Mr. PERKINS. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, H.R. 12188, a bill to amend the Community Services Act of 1974 making certain technical and conforming amendments, is one which the House should quickly approve.

The House, at the end of the last Congress, adopted House Concurrent Resolution 698, without objection, which would have made the technical and conforming amendments necessary to accompany the bill H.R. 14449. Unfortunately the Senate adjourned before action could be taken on that concurrent resolution.

I do want to take a moment to extend my compliments to our Subcommittee on Equal Opportunities and especially the Chairman Gus Hawkins, for the handling of their oversight responsibilities which led to the introduction of this technical amendments bill.

The amendments to the Community Services Act of 1974 in H.R. 12188 are purely technical in nature correcting omissions and printing errors in the Community Services Act, Public Law 93-644. The bill does not have any budgetary impact nor does it change the appropriation or authorization levels and I urge my colleagues to support the bill.

Mr. Speaker, I yield to the distinguished gentleman from Minnesota (Mr. Quie).

Mr. QUIE. Mr. Speaker, I too, rise in support of H.R. 12188. Its amendments are technical in nature; they are necessary for the actual rewrite, and will not change the meaning of the act.

I would say that on page 2, the second to the last sentence of the second paragraph is as accurately stated as anybody could make it.

Mr. Speaker, I urge support of the bill.

Mr. PERKINS. Mr. Speaker, I have no further requests for time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Kentucky (Mr. Perkins) that the House suspend the rules and pass the bill H.R. 12188.

The question was taken.

Mr. BAUMAN. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER pro tempore. Pursuant to clause 3 of rule XXVII, and the prior announcement made by the Chair, further proceedings on this motion will be postponed.

APPOINTMENT OF CONFEREES ON H.R. 8617, FEDERAL EMPLOYEES POLITICAL ACTIVITIES ACT OF 1975

Mr. HENDERSON. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H.R. 8617) to restore to Federal civilian and Postal Service employees their rights to participate voluntarily, as private citizens, in the political processes of the Nation, to protect such employees from improper poliitcal solicitations, and for other purposes, with Senate amendments thereto, disagree to the Senate amendments, and agree to the conference asked by the Senate.

The SPEAKER pro tempore (Mr. McFall). Is there objection to the request of the gentleman from North Carolina?

Mr. BAUMAN. Mr. Speaker, reserving the right to object, may I ask the gentleman from North Carolina if this action does have the approval of the ranking minority member on the committee, the gentleman from Illinois (Mr. Derwinski)? It does, does it not?

Mr. HENDERSON. Mr. Speaker, if the gentleman will yield, it does, and if the gentleman from Illinois (Mr. Derwinski) were on the floor, he would agree.

Mr. BAUMAN. Mr. Speaker, I thank the gentleman.

Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from North Carolina? The Chair hears none, and, without objection, appoints the following conferees: Messrs. Henderson, Dominick V. Daniels, Nix, Hanley, Clay, Derwinski, and Gilman.

There was no objection.

TRANSFER OF PEANUT ALLOTMENT BECAUSE OF DISASTERS

Mr. MATHIS. Mr. Speaker, I move to suspend the rules and pass the Senate bill (S. 1545) to amend the Agricultural Adjustment Act of 1938 with respect to peanuts, as amended.

The Clerk read as follows:

S. 1545

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 358 of the Agricultural Adjustment Act of 1938 be amended by adding a new subsection (j) to read as follows:

"(j) Notwithstanding any other provision of this Act, if the Secretary determines for 1976 or a subsequent year that because of a natural disaster a portion of the farm peanut acreage allotments in a county cannot be timely planted or replanted in such year, he may authorize for such year the transfer of all or a part of the peanut acreage allotments for any farm in the county so affected to another farm in the county or in an adjoining county in the same or an adjoining State on which one or more of the producers on the farm from whcih the transfer is to be made will be engaged in the production of peanuts and will share in the proceeds thereof, in accordance with such regulations as the Secretary may prescribe. Any farm allotment transferred under this subsection shall be deemed to be related acreage for the purpose of acreage history credits under subsection (g) of this section and section 377 of this Act: *Provided,* That notwithstanding the provisions of subsection (g) of this section, the transfer of any farm allotment under this subsection shall operate to make the farm from which the allotment was transferred eligible for an allotment as having peanuts planted thereon during the three-year base period.".

The SPEAKER pro tempore. Is a second demanded?

Mr. WAMPLER. Mr. Speaker, I demand a second.

The SPEAKER pro tempore. Without objection, a second will be considered as ordered.

There was no objection.

The SPEAKER pro tempore. The gentleman from Georgia (Mr. Mathis) and the gentleman from Virginia (Mr. Wampler) will each be recognized for 20 minutes.

The Chair recognizes the gentleman from Georgia (Mr. Mathis).

Mr. MATHIS. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, under existing law, transfers of peanut allotments are subject to various restrictions, including a flat prohibition agains transfer across a county line.

This bill, S. 1545, provides that if the Secretary of Agriculture determines that because of natural disaster an allotment cannot be timely planted or replanted, he may authorize the transfer of all or part of the allotment to another farm, even to an adjoining county in the same adjoining State.

This helps insure that in the event of a disaster all farmers have equal opportunity for transfers regardless of the geographical location of the county within which the farm is located. For example, in Arkansas spring flooding of the Mississippi River has in the past prevented planting of peanut acreage, and although land was available in an adjoining county across the river in Tennessee, the law prohibited such a transfer of the allotment. This bill is narrow in scope and has no other purpose other than to allow the law to respond better to an emergency situation resulting from a natural disaster.

A natural disaster should be interpreted as an act of God, such as a flood.

Any transfer under this bill must be to a farm on which one or more of the producers on the farm from which the transfer is made will be engaged in the production of peanuts and will share in the proceeds.

The Department of Agriculture supports this legislation and agrees with the Agriculture Committee that it would have no measurable budget or inflationary impact.

Mr. Speaker, this bill is simply an extension of the current law which we passed in 1972. This makes permanent the 3-year act we passed at that time. The bill was reported from the Committee on Agriculture by a unanimous voice vote with a quorum present, and my distinguished friend, the gentleman from Virginia (Mr. Wampler), is the ranking minority member on the committee.

Mr. Speaker, I yield to the gentleman from Virginia now.

Mr. WAMPLER. Mr. Speaker, the distinguished gentleman from Georgia (Mr. Mathis) has adequately and accurately described the purpose of the bill. The House Committee on Agriculture held a business session on February 18 of this year, and in the presence of a quorum by a voice vote unanimously agreed to report the bill with the recommendation that it do pass, after having accepted an amendment offered by the gentleman from Georgia (Mr. MATHIAS) to change the first crop year to which the bill could apply from 1975 to 1976.

Mr. Speaker, I know of no opposition to this bill.

Mr. ASHBROOK. Mr. Speaker, will the gentleman yield?

Mr. WAMPLER. I yield to the gentleman from Ohio.

Mr. ASHBROOK. Mr. Speaker, I have not followed this very carefully, I will be honest and say, but if my memory serves me correctly, was not it the transfer of allotments that caused the Government and many of us embarrassment a few years ago? We had the situation of Billy Sol Estes and others who were transferring cotton allotments and others. Was not this something to which we addressed ourselves a great deal a few years ago?

Mr. WAMPLER. Mr. Speaker, as the gentleman from Ohio knows, I was not a Member of this body at that time. I regret that I cannot reply to his inquiry except to say that the bill before us today applies only in the case of floods or other national disasters. I am sure it is in no way related to the area of concern the gentleman addressed himself to.

Mr. ASHBROOK. The gentleman is saying it is not the purchasing or leasing of allotments of small farmers that will increase in number.

Mr. WAMPLER. The gentleman is correct and the number of allotments affected in this bill are few.

Mr. ASHBROOK. Mr. Speaker, I thank the gentleman.

Mr. WAMPLER. Mr. Speaker, I know of no opposition to this bill. I urge its adoption.

Mr. ALEXANDER. Mr. Chairman, I rise in support of S. 1545, legislation providing for the transfer of peanut allotments because of natural disasters.

My interest in this legislation arises from the frequent flooding problems of farmers in the Mississippi River Valley which causes land that would normally be planted in peanuts to be under water in some planting seasons.

The bill provides for the transfer of peanut allotments from one farm in the county to another farm in the county or in an adjoining county in the same or an adjoining State in which one of the producers on the farm from which the transfer is being made will be engaged in the production of peanuts.

While Arkansas and Tennessee peanut farmers along the Mississippi River are those most frequently faced with the flooding problem, the legislation is sufficient in scope to cover all farmers with peanut allotments who may be confronted with any natural disasters that would affect their planting.

I would emphasize that this is a limited transfer provision, allowing the movement of an allotment only within a county or to a county which has a contiguous boundary with the county from which the allotment is being transferred.

Legislation passed in the 93d Congress to allow for the transfer of allotments for cotton and rice farmers affected by natural disasters, but peanut allotments were not included. Failure of the Senate to act on legislation similar to S. 1545 before the end of the 2d session of the 93d Congress necessitates the present action.

As the sponsor of the House version of the bill, H.R. 5756, I urge my colleagues to support this bill.

Mr. MATHIS. Mr. Speaker, I have no further requests for time and I yield back the balance of my time.

The **SPEAKER** pro tempore (Mr. MCFALL). The question is on the motion offered by the gentleman from Georgia (Mr. MATHIS) that the House suspend the rules and pass the Senate bill (S. 1545), as amended.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the Senate bill, as amended, was passed.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. MATHIS. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the Senate bill (S. 1545), just passed.

The **SPEAKER.** Is there objection to the request of the gentleman from Georgia?

There was no objection.

BANK HOLDING COMPANY TAX ACT OF 1976

Mr. ULLMAN. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 11997) to amend the Internal Revenue Code of 1954 with respect to the tax treatment of certain divestitures of assets by bank holding companies, as amended.

The Clerk read as follows:

H.R. 11997

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Bank Holding Company Tax Act of 1976".

SEC. 2. DISTRIBUTIONS PURSUANT TO BANK HOLDING COMPANY ACT AMENDMENTS OF 1970.

(a) TAX-FREE DISTRIBUTIONS.—Part VIII of subchapter O of chapter 1 of the Internal Revenue Code of 1954 (relating to distributions pursuant to Bank Holding Company Act of 1956) is amended to read as follows:

"PART VIII—DISTRIBUTIONS PURSUANT TO BANK HOLDING COMPANY ACT

"Sec. 1101. Distributions pursuant to Bank Holding Company Act.
"Sec. 1102. Special rules.
"Sec. 1103. Definitions.

"SEC. 1101. DISTRIBUTIONS PURSUANT TO BANK HOLDING COMPANY ACT.

"(a) DISTRIBUTIONS OF CERTAIN NON-BANKING PROPERTY.—

"(1) DISTRIBUTIONS OF PROHIBITED PROPERTY.—If—

"(A) a qualified bank holding corporation distributes prohibited property (other than stock received in an exchange to which subsection (c) (2) applies)—

"(i) to a shareholder (with respect to its stock held by such shareholder), without the surrender by such shareholder of stock in such corporation, or

"(ii) to a shareholder, in exchange for its preferred stock, or

"(iii) to a security holder, in exchange for its securities, and

"(B) the Board has, before the distribution, certified that the distribution of such prohibited property is necessary or appropriate to effectuate section 4 of the Bank Holding Company Act,

then no gain to the shareholder or security holder from the receipt of such property shall be recognized.

"(2) DISTRIBUTIONS OF STOCK AND SECURITIES RECEIVED IN AN EXCHANGE TO WHICH SUBSECTION (c) (2) APPLIES.—If—

"(A) a qualified bank holding corporation distributes—

"(i) common stock received in an exchange to which subsection (c) (2) applies to a shareholder (with respect to its stock held by such shareholder), without the surrender by such shareholder of stock in such corporation, or

"(ii) common stock received in an exchange to which subsection (c) (2) applies to a shareholder, in exchange for its common stock, or

"(iii) preferred stock or common stock received in an exchange to which subsection (c) (2) applies to a shareholder, in exchange for its preferred stock, or

"(iv) securities or preferred or common stock received in an exchange to which subsection (c) (2) applies to a security holder in exchange for its securities, and

"(B) any preferred stock received has substantially the same terms as the preferred stock exchanged, and any securities received have substantially the same terms as the securities exchanged,

then, except as provided in subsection (f), no gain to the shareholder or security holder from the receipt of such stock or such securities or such stock and securities shall be recogized.

"(3) PRO RATA AND OTHER REQUIREMENTS.—

"(A) IN GENERAL.—Paragraphs (1) and (2) of this subsection, or paragraphs (1) and (2) of subsection (b), as the case may be, shall apply to any distribution to the shareholders of a qualified bank holding corporation only if each distribution—

"(i) which is made by such corporation to its shareholders after July 7, 1970, and on or before the date on which the Board makes its final certification under subsection (e), and

"(ii) to which such paragraph (1) or (2) applies (determined without regard to this paragraph),

meets the requirements of subparagraph (B), (C), or (D).

"(B) PRO RATA REQUIREMENTS.—A distribution meets the requirements of this subparagraph if the distribution is pro rata with respect to all shareholders of the distributing qualified bank holding corporation or with respect to all shareholders of common stock of such corporation.

"(C) REDEMPTIONS WHEN UNIFORM OFFER IS MADE.—A distribution meets the requirements of this subparagraph if the distribution is in exchange for stock of the distributing qualified bank holding corporation and such distribution is pursuant to a good faith offer made on a uniform basis to all shareholders of the distributing qualified bank holding corporation or to all shareholders of common stock of such corporation.

"(D) NON-PRO RATA DISTRIBUTIONS FROM CERTAIN CLOSELY-HELD CORPORATIONS.—A distribtion meets the requirements of this subparagraph if such distribution is made by a qualified bank holding corporation which does not have more than 10 shareholders (within the meaning of section 1371(a) (1)) and does not have as a shareholder a person (other than an estate) which is not an individual, and if the Board (after consultation with the Secretary or his delegate) certifies that—

"(i) a distribution which meets the requirements of subparagraph (B) or (C) is not appropriate to effectuate section 4 or the policies of the Bank Holding Company Act, and

"(ii) the distribution being made is necessary or appropriate to effectuate section 4 or the policies of such Act.

"(4) Exception.—This subsection shall not apply to any distribution by a corporation if such corporation, a corporation having control of such corporation, or a subsidiary of such corporation has made any distribution pursuant to subsection (b) or has made an election under section 6158 with respect to bank property (as defined in section 6158 (f) (3)).

"(5) Distributions involving gift or compensation.—In the case of a distribution to which paragraph (1) or (2) applies but which—

"(A) results in a gift, see section 2501 and following, or

"(B) has the effect of the payment of compensation, see section 61.

"(b) Corporation Ceasing To Be a Bank Holding Company.—

"(1) Distributions of property which cause a corporation to be a bank holding company.—If—

"(A) a qualified bank holding corporation distributes property (other than stock received in an exchange to which subsection (c) (3) applies)—

"(i) to a shareholder (with respect to its stock held by such shareholder), without the surrender by such shareholder of stock in such corporation, or

"(ii) to a shareholder, in exchange for its preferred stock, or

"(iii) to a security holder, in exchange for its securities, and

"(B) the Board has, before the distribution, certified that—

"(i) such property is all or part of the property by reason of which such corporation controls (within the meaning of section 2(a) of the Bank Holding Company Act) a bank or bank holding company, or such property is part of the property by reason of which such corporation did control a bank or a bank holding company before any property of the same kind was distributed under this subsection or exchanged under subsection (c) (3), and

"(ii) the distribution is necessary or appropriate to effectuate the policies of such Act,

then no gain to the shareholder or security holder from the receipt of such property shall be recognized.

"(2) Distributions of stock and securities received in an exchange to which subsection (c) (3) applies.—If—

"(A) a qualified bank holding corporation distributes—

"(i) common stock received in an exchange to which subsection (c) (3) applies to a shareholder (with respect to its stock held by such shareholder), without the surrender by such shareholder of stock in such corporation, or

"(ii) common stock received in an exchange to which subsection (c) (3) applies to a shareholder in exchange for its common stock, or

"(iii) preferred stock or common stock received in an exchange to which subsection (c) (3) applies to a shareholder, in exchange for its preferred stock, or

"(iv) securities or preferred or common stock received in an exchange to which subsection (c) (3) applies to a security holder, in exchange for its securities, and

"(B) any preferred stock received has substantially the same terms as the preferred stock exchanged, and any securities received have substantially the same terms as the securities exchanged,

then, except as provided in subsection (f), no gain to the shareholder or security holder from the receipt of such stock or such securities or such stock and securities shall be recognized.

"(3) Pro rata and other requirements.—For pro rata and other requirements, see subsection (a) (3).

"(4) Exception.—This subsection shall not apply to any distribution by a corporation if such corporation, a corporation having control of such corporation, or a subsidiary of such corporation has made any distribution pursuant to subsection (a) or has made an election under section 6158 with respect to prohibited property.

"(5) Distributions involving gift or compensation.—In the case of a distribution to which paragraph (1) or (2) applies but which—

"(A) results in a gift, see section 2501 and following, or

"(B) has the effect of the payment of compensation, see section 61.

"(c) Property Acquired After July 7, 1970.—

"(1) In general.—Except as provided in paragraphs (2) and (3), subsection (a) or (b) shall not apply to—

"(A) any property acquired by the distributing corporation after July 7, 1970, unless (i) gain to such corporation with respect to the receipt of such property was not recognized by reason of subsection (a) or (b), or (ii) such property was received by it in exchange for all of its stock in an exchange to which paragraph (2) or (3) applies, or (iii) such property was acquired by the distributing corporation in a transaction in which gain was not recognized under section 305 (a) or section 332, or under section 354 or 356 (but only with respect to property permitted by section 354 or 356 to be received without the recognition of gain or loss) with respect to a reorganization described in section 368(a) (1), (A), (B), (E), or (F), or

"(B) any property which was acquired by the distributing corporation in a distribution with respect to stock acquired by such corporation after July 7, 1970, unless such stock was acquired by such corporation (i) in a distribution (with respect to stock held by it on July 7, 1970, or with respect to stock in respect of which all previous applications of this clause are satisfied) with respect to which gain to it was not recognized by reason of subsection (a) or (b), or (ii) in exchange for all of its stock in an exchange to which paragraph (2) or (3) applies, or (iii) in a transaction in which gain was not recognized under section 305(a) or section 332, or under section 354 or 356 (but only with respect to property permitted by section 354 or 356 to be received without the recognition of gain or loss) with respect to a reorganization described in section 368(a) (1) (A), (B), (E), or (F), or

"(C) any property acquired by the distributing corporation in a transaction in which gain was not recognized under section 332, unless such property was acquired from a corporation which, if it had been a qualified bank holding corporation, could have distributed such property under subsection (a) (1) or (b) (1), or

"(D) any property acquired by the distributing corporation in a transaction in which gain was not recognized under section 354 or 356 with respect to a reorganization described in section 368(a) (1) (A) or (B), unless such property was acquired by the distributing corporation in exchange for property which the distributing corporation could have distributed under subsection (a) (1) or (b) (1).

"(2) Exchanges involving prohibited property.—If—

"(A) any qualified bank holding corporation exchanges (i) property, which, under subsection (a) (1), such corporation could distribute directly to its shareholders or security holders without the recognition of gain to such shareholders or security holders, and other property (except property described in subsection (b) (1) (B) (i)), for (ii) all of the stock of a second corporation created and availed of solely for the purpose of receiving such property,

"(B) immediately after the exchange, the qualified bank holding corporation distributes all of such stock in a manner prescribed in subsection (a) (2) (A), and

"(C) before such distribution, the Board has certified (with respect to the property exchanged which consists of property which, under subsection (a) (1), such corporation could distribute directly to its shareholders or security holders without the recognition of gain) that the exchange and distribution are necessary or appropriate to effectuate section 4 of the Bank Holding Company Act,

then paragraph (1) shall not apply with respect to such distribution.

"(3) Exchanges involving interests in banks.—If—

"(A) any qualified bank holding corporation exchanges (i) property which, under subsection (b) (1), such corporation could distribute directly to its shareholders or security holders without the recognition of gain to such shareholders or security holders, and other property (except prohibited property), for (ii) all of the stock of a second corporation created and availed of solely for the purpose of receiving such property.

"(B) immediately after the exchange, the qualified bank holding corporation distributes all of such stock in a manner prescribed in subsection (b) (2) (A), and

"(C) before such distribution, the Board has certified (with respect to the property exchanged which consists of property which, under subsection (b) (1), such corporation could distribute directly to its shareholders or security holders without the recognition of gain) that—

"(i) such property is all or part of the property by reason of which such corporation controls (within the meaning of section 2(a) of the Bank Holding Company Act) a bank or bank holding company, or such property is part of the property by reason of which such corporation did control a bank or a bank holding company before any property of the same kind was distributed under subsection (b) (1) or exchanged under this paragraph, and

"(ii) the exchange and distribution are necessary or appropriate to effectuate the policies of such Act,

then paragraph (1) shall not apply with respect to such distribution.

"(d) Distributions To Avoid Federal Income Tax.—

"(1) Prohibited property.—Subsection (a) shall not apply to a distribution if, in connection with such distribution, the distributing corporation retains, or transfers after July 7, 1970, to any corporation, property (other than prohibited property) as part of a plan one of the principal purposes of which is the distribution of the earnings and profits of any corporation.

"(2) Banking property.—Subsection (b) shall not apply to a distribution if, in connection with such distribution, the distributing corporation retains, or transfers after July 7, 1970 to any corporation, property (other than property described in subsection (b) (1) (B) (i)) as part of a plan one of the principal purposes of which is the distribution of the earnings and profits of any corporation.

"(e) Final Certification.—

"(1) For subsection (a).—Subsection (a) shall not apply with respect to any distribution by a corporation unless the Board certifies, before the close of the calendar year following the calendar year in which the last distribution occurred, that the corporation has (before the expiration of the period prohibited property is permitted under the Bank Holding Company Act to be held by a bank holding company) disposed of all of the property the disposition of which is necessary or appropriate to effectuate section 4 of the Bank Holding Company Act.

"(2) For subsection (b).—Subsection (b) shall not apply with respect to any distribution by a corporation unless the Board certifies, before the close of the calendar year following the calendar year in which the last distribution occurred, that the corporation has (before the expiration of the period prohibited property is permitted under the Bank Holding Company Act to be held by a bank holding company) ceased to be a bank holding company.

"(f) Certain Exchanges of Securities.—In the case of an exchange described in subsection (a)(2)(A)(iv) or subsection (b)(2)(A)(iv), subsection (a) or subsection (b) (as the case may be) shall apply only to the extent that the principal amount of the securities received does not exceed the principal amount of the securities exchanged.

"Sec. 1102. Special Rulies.

"(a) Basis of Property Acquired in Distributions.—If, by reason of section 1101, gain is not recognized with respect to the receipt of any property, then, under regulations prescribed by the Secretary or his delegate—

"(1) if the property is received by a shareholder with respect to stock without the surrender by such shareholder of stock, the basis of the property received and of the stock with respect to which it is distributed shall, in the distributee's hands, be determined by allocating between such property and such stock the adjusted basis of such stock, or

"(2) if the property is received by a shareholder in exchange for stock or by a security holder in exchange for securities, the basis of the property received shall, in the distributee's hands, be the same as the adjusted basis of the stock or securities exchanged, increased by the amount of gain to the taxpayer recognized on the property received.

"(b) Period of Limitation.—The periods of limitation provided in section 6501 (relating to limitations on assessment and collection) shall not expire, with respect to any deficiency (including interest and additions to the tax) resulting solely from the receipt of property by shareholders in a distribution which is certified by the Board under subsection (a), (b), or (c) of section 1101, until 5 years after the distributing corporation notifies the Secretary or his delegate (in such manner and with such accompanying information as the Secretary or his delegate may by regulations prescribe)—

"(1) that the final certification by subsection (e) of section 1101 has been made, or

"(2) that such final certification will not be made; and such assessment may be made notwithstanding any provision of law or rule of law which would otherwise prevent such assessment.

"(c) Allocation of Earnings and Profits.—

"(1) Distribution of stock in a controlled corporation.—In the case of a distribution by a qualified bank holding corporation under section 1101(a)(1) or (b)(1) of stock in a controlled corporation, proper allocation with respect to the earning and profits of the distributing corporation and the controlled corporation shall be made under regulations prescribed by the Secretary or his delegate.

"(2) Exchanges described in section 1101 (c)(2) or (3).—In the case of any exchange described in section 1101(c) (2) or (3), proper allocation with respect to the earnings and profits of the corporation transferring the property and the corporation receiving such property shall be made under regulations prescribed by the Secretary or his delegate.

"(3) Definition of controlled corporation.—For purposes of paragraph (1), the term 'controlled corporation' means a corporation with respect to which at least 80 percent of the total combined voting power of all classes of stock entitled to vote and at least 80 percent of the total number of shares of all other classes of stock is owned by the distributing qualified bank holding corporation.

"(d) Itemization of Property.—In any certification under this part, the Board shall make such specification and itemization of property as may be necessary to carry out the provisions of this part.

"Sec. 1103. Definitions.

"(a) Bank Holding Company; Bank Holding Company Act.—For purposes of this part—

"(1) Bank holding company.—The term 'bank holding company' means—

"(A) a bank holding company within the meaning of section 2(a) of the Bank Holding Company Act, or

"(B) a bank holding company subsidiary within the meaning of section 2(d) of such Act.

"(2) Bank holding company act.—The term 'Bank Holding Company Act' means the Bank Holding Company Act of 1956, as amended through December 31, 1970 (12 U.S.C. 1841 et seq.).

"(b) Qualified Bank Holding Corporation.—

"(1) In general.—Except as provided in paragraph (2), for purposes of this part the term 'qualified bank holding corporation' means any corporation (as defined in section 7701(a)(3)) which is a bank holding company and which holds prohibited property acquired by it—

"(A) on or before July 7, 1970,

"(B) in a distribution in which gain to such corporation with respect to the receipt of such property was not recognized by reason of subsection (a) or (b) of section 1101, or

"(C) in exchange for all of its stock in an exchange described in section 1101 (c)(2) or (c)(3).

"(2) Limitations.—

"(A) A bank holding company shall not be a qualified bank holding corporation, unless it would have been a bank holding company on July 7, 1970, if the Bank Holding Company Act Amendments of 1970 had been in effect on such date, or unless it is a bank holding company determined solely by reference to—

"(i) property acquired by it on or before July 7, 1970,

"(ii) property acquired by it in a distribution in which gain to such corporation with respect to the receipt of such property was not recognized by reason of subsection (a) or (b) of section 1101, or

"(iii) property acquired by it in exchange for all of its stock in an exchange described in section 1101(c) (2) or (3).

For purposes of this subparagraph, property held by a corporation having control of the corporation or by a subsidiary of the corporation shall be treated as held by the corporation.

"(B) A bank holding company shall not be a qualified bank holding corporation by reason of property described in subparagraph (B) of paragraph (1) or clause (ii) of subparagraph (A) of this paragraph, unless such property was acquired in a distribution with rsepect to stock, which stock was acquired by such bank holding company—

"(i) on or before July 7, 1970,

"(ii) in a distribution (with respect to stock held by it on July 7, 1970, or with respect to stock in respect of which all previous applications of this clause are satisfied) with respect to which gain it was not recognized by reason of subsection (a) or (b) of section 1101, or

"(iii) in exchange for all of its stock in an exchange described in section 1101(c) (2) or (3).

"(C) A corporation shall be treated as a qualified bank holding corporation only if the Board certifies that it satisfies the foregoing requirements of this subsection.

"(3) Certain successor corporations.—For purposes of this subsection, a successor corporation in a reorganization described in section 368(a)(1)(F) shall succeed to the status of its predecessor corporation as a qualified bank holding corporation.

"(c) Prohibited Property.—For purposes of this part, the term 'prohibited property' means, in the case of any bank holding company (other than nonexempt property) the disposition of which would be necessary or appropriate to effectuate section 4 of the Bank Holding Company Act if such company continued to be a bank holding company beyond the period (including any extensions thereof) specified in subsection (a) of such section. The term 'prohibited property' also includes shares of any company not in excess of 5 percent of the outstanding voting shares of such company if the prohibitions of section 4 of such Act apply to the shares of such company in excess of such 5 percent.

"(d) Nonexempt Property.—For purposes of this part, the term 'nonexempt property' means—

"(1) obligations (including notes, drafts, bills of exchange, and bankers' acceptances) having a maturity at the time of issuance of not exceeding 24 months, exclusive of days of grace,

"(2) securities issued by or guaranteed as to principal or interest by a government or subdivision thereof or by any instrumentality of a government or subdivision, or

"(3) money, and the right to receive money not evidenced by a security or obligation (other than a security or obligation described in paragraph (1) or (2)).

"(e) Board.—For purposes of this part, the term 'Board' means the Board of Governors of the Federal Reserve System.

"(f) Control; Subsidiary.—For purposes of this part—

"(1) Control.—Except as provided in section 1102(c)(3), a corporation shall be treated as having control of another corporation if such corporation has control (within the meaning of section 2(a)(2) of the Bank Holding Company Act) of such other corporation.

"(2) Subsidiary.—The term 'subsidiary' has the meaning given to such term by section 2(d) of the Bank Holding Company Act.

"(g) Election To Forego Grandfather Provision for All Property Representing Pre-June 30, 1968, Activities.—Any bank holding company may elect, for purposes of this part and section 6158, to have the determination of whether property is property described in subsection (c) or is property eligible to be distributed without recognition of gain under section 1101(b)(1) made under the Bank Holding Company Act as if such Act did not contain the proviso of section 4(a)(2) thereof. Any election under this subsection shall apply to all property described in such proviso and shall be made at such time and in such manner as the Secretary or his delegate may by regulations prescribe. Any such election, once made, shall be irrevocable. An election under this subsection or subsection (h) shall not apply unless the final certification referred to in section 1101 (e) or section 6158(c)(2), as the case may be, includes a certification by the Board that the bank holding company has disposed of either all banking property or all nonbanking property.

"(h) Election To Divest All Banking or Nonbanking Property in Case of Certain Closely Held Bank Holding Companies.—Any bank holding company may elect, for purposes of this part and section 6158, to have the determination of whether property is property described in subsection (c) or is property eligible to be distributed without recognition of gain under section 1101(b)(1) made under the Bank Holding Company Act as if such Act did not contain clause (ii) of section 4(c) of such Act. Any election under this subsection shall apply to all property described in subsection (c), or to all property eligible to be distributed without recognition of gain under section 1101(b)(1), as the case may be, and shall be made at such time and in such manner as the Secretary or his delegate may by regulations prescribe. Any such election, once made, shall be irrevocable."

(b) Amendment of Section 311(d).—Paragraph (2) of section 311(d) of such Code (relating to exceptions and limitations to the recognition of gain where appreciated property is used to redeem stock) is amended by striking out "and" at the end of subparagraph (F), by striking out the period at the end of subparagraph (G) and inserting in lieu thereof "; and", and by adding at the end thereof the following new subparagraph:

"(H) a distribution of stock to a distributee which is not an organization exempt from tax under section 501(a), if with respect to such distributee, subsection (a)(1) or (b)(1) of section 1101 (relating to distributions pursuant to Bank Holding Company Act) applies to such distribution."

(c) Clerical Amendment.—The table of parts for subchapter O of chapter 1 of such Code is amended by striking out "of 1956".

(d) Effective Date.—

(1) For subsection (a).—The amendments made by subsections (a) and (c) shall take effect on October 1, 1977, with respect to distributions after July 7, 1970, in taxable years ending after July 7, 1970, but only in the case of qualified bank holding corporations (within the meaning of section 1103(b) of the Internal Revenue Code of 1954, as amended by subsection (a) of this section).

(2) Special rule for certifying distributions which have already taken place.—For purposes of sections 1101(a)(1)(B), 1101(a)(3)(D), 1101(b)(1)(B), 1101(c)(2)(C), 1101(c)(3)(C), and 1101(e) of the Internal Revenue Code of 1954 (as amended by subsection (a) of this section), in the case of any distribution which takes place on or before the 90th day after the date of the enactment of this Act, a certification by the Federal Reserve Board described in any such section shall be treated as made before the distribution (or, in the case of section 1101(e), before the close of the calendar year following the calendar year in which the last distribution occurred) if application for such certification is made before the close of the 90th day after the date of the enactment of this Act.

(3) Period of limitations.—If refund or criedit of any overpayment of income tax attributable to the amendment made by subsection (a) is prevented at any time before October 1, 1978, by the operation of any law or rule of law, refund or credit of such overpayment may, nevertheless, be made or allowed if claim therefor is filed before October 1, 1978.

(4) For subsection (b).—The amendment made by subsection (b) shall take effect on October 1, 1977, with respect to distributions after December 31, 1975, in taxable years ending after December 31, 1975.

Sec. 3. Installment Payment of Tax.

(a) Installment Payment.—Subchapter A of chapter 62 of the Internal Revenue Code of 1954 (relating to place and date for payment of tax) is amended by adding at the end thereof the following new section:

"Sec. 6158. Installment Payment of Tax Attributable to Divestitures Pursuant to Bank Holding Company Act Amendments of 1970.

"(a) Election of Extension.—If, after July 7, 1970, a qualified bank holding corporation sells bank property or prohibited property, the divestiture of either of which the Board certifies, before such sale, is necessary or appropriate to effectuate section 4 or the policies of the Bank Holding Company Act, the tax under chapter 1 attributable to such sale shall, at the election of the taxpayer, be payable in equal annual installments beginning with the due date (determined without extension) for the taxpayer's return of tax under chapter 1 for the taxable year in which the sale occurred and ending with the corresponding date in 1985. If the number of installments determined under the preceding sentence is less than 10, such number shall be increased to 10 equal annual installments which begin as provided in the preceding sentence and which end on the corresponding date 10 years later. An election under this subsection shall be made at such time and in such manner as the Secretary or his delegate may by regulations prescribe.

"(b) Limitations.—

"(1) Treatment not available to taxpayer for both bank property and prohibited property.—This section shall not apply to any sale of prohibited property if the taxpayer (or a corporation having control of the taxpayer or a subsidiary of the taxpayer) has made an election under subsection (a) with respect to bank property *or has made any distribution pursuant to section 1101(b)*. This section shall not apply to bank property if the taxpayer (or a corporation having control of the taxpayer or a subsidiary of the taxpayer) has made an election under subsection (a) with respect to prohibited property or has made any distribution pursuant to section 1101(a).

"(2) Treatment not available for certain installment sales.—No election may be made under subsection (a) with respect to a sale if the income from such sale is being returned at the time and in the manner provided in section 453 (relating to installment method).

"(c) Acceleration of Payments.—If an election is made under subsection (a) and before the tax attributable to such sale is paid in full—

"(1) any installment under this section is not paid on or before the date fixed by this section for its payment, or

"(2) the Board fails to make a certification similar to the applicable certification provided in section 1101(e) within the time prescribed therein (for this purpose treating the last such sale as constituting the last distribution),

then the extension of time for payment of tax provided in this section shall cease to apply, and any portion of the tax payable in installments shall be paid on notice and demand from the Secretary or his delegate.

"(d) Proration of Deficiency to Installments.—If an election is made under subsection (a) and a deficiency attributable to the sale has been assessed, the deficiency shall be prorated to such installments. The part of the deficiency so prorated to any installment the date for payment of which has not arrived shall be collected at the same time as, and as part of, such installment. The part of the deficiency so prorated to any installment the date for payment of which has arrived shall be paid on notice and demand from the Secretary or his delegate. This subsection shall not apply if the deficiency is due to negligence, to intentional disregard of rules and regulations, or to fraud with intent to evade tax.

"(e) Bond May Be Required.—If an election is made under this section, section 6165 shall apply as though the Secretary were extending the time for payment of the tax.

"(f) Definitions.—For purpose of this section—

"(1) Terms have meanings given to them by section 1103.—The terms 'qualified bank holding corporation', 'Bank Holding Company Act', 'Board'; 'control', and 'subsidiary' have the respective meanings given to such terms by section 1103.

"(2) Prohibited property.—The term 'prohibited property' means property held by a qualified bank holding corporation which could be distributed without recognition of gain under section 1101(a)(1).

"(3) Bank property.—The term 'bank property' means property held by a qualified bank holding corporation which could be distributed without recognition of gain under section 1101(b)(1).

"(g) Cross References.—

"(1) Security.—For authority of the Secretary or his delegate to require security in the case of an extension under this section, see 6165.

"(2) Period of limitation.—For extension of the period of litigation in the case of an extension under this section, see section 6503(i)."

(b) Extension of Time for Collection of Tax.—Section 6503 of such Code (relating to suspension of running of period limitation) is amended by redesignating subsection (i) as subsection (j) and by inserting after subsection (h) the following new setion:

(1) Extension of Time for Collecting Tax Attributable to Divestitures Pursuant to Bank Holding Company Act Amendments of 1970.—The running of the period of limitations for collection of the tax attributable to a sale with respect to which the taxpayer makes an election under section 6158(a) shall be suspended for the period during which there are any unpaid installments of such tax."

(c) Technical Amendments.—

(1) The table of sections for subchapter A of chapter 62 of such Code is amended by adding at the end thereof the following new item:

"Sec. 6158. Installment payment of tax attributable to divestitures pursuant to Bank Holding Company Act Amendments of 1970."

(2) Subsection (a) of section 6151 of such Code (relating to time and place for paying tax shown on returns) is amended by striking out "section," and inserting in lieu thereof "subchapter,".

(3) Paragraph (2) of section 6601(b) of such Code (relating to interest) is amended—

(A) by striking out "or 6166(a)" and inserting in lieu thereof ", 6156(a), or 6158(a)",

(B) by striking out "or 6156(b)" and inserting in lieu thereof ", 6156(b), or 6158(a)"; and

(C) by inserting at the end thereof the following new sentence:

"For purposes of subparagraph (A), section 6158(a) shall be treated as providing that the date prescribed for payment of each installment shall not be later than the date prescribed for payment of the 1985 installment."

(d) Applicability to Certain Successor Corporations.—If, after July 7, 1970, and before August 1, 1974—

(1) a corporation acquires substantially all of the properties of a qualified bank holding corporation (as defined in section 1103(b) of the Internal Revenue Code of 1954) in a transaction described in sections 368(a)(1)(A) and 368(a)(2)(D), and

(2) the acquiring corporation (or a corporation in control of the acquiring corporation) acquires beneficial interests in shares described in section 2(g)(2) of the Bank Holding Company Act (as defined in section

1103(a)(2) of the Internal Revenue Code of 1954) in a transaction to which section 351 applies,

then, the acquiring corporation (or a corporation which is in control (within the meaning of section 2(a)(2) of such Act) of the acquiring corporation or a subsidiary (within the meaning of section 2(d) of such Act) of the corporation so in control) shall be treated as a qualified bank holding corporation for purposes of sections 1103(b) and 6158 of the Internal Revenue Code of 1954 and the shares described in such section 2(g)(2) shall be considered property which is acquired by such corporations, for purposes of section 1101(c)(1)(A)(iii) of the Internal Revenue Code of 1954, after July 7, 1970.

(e) Effective Dates.—

(1) In general.—The amendments made by this section shall take effect on October 1, 1977, with respect to sales after July 7, 1970, in taxable years ending after July 7, 1970, but only in the case of qualified bank holding corporations (within the meaning of section 1103(b) of the Internal Revenue Code of 1954, as amended by section 2(a) of this Act).

(2) Special rule for certifying sales which have already taken place.—For purposes of section 6158(a) of the Internal Revenue Code of 1954 (as added by subsection (a) of this section) in the case of any sale which takes place on or before the 90th day after the date of the enactment of this Act, a certification by the Federal Reserve Board described in section 6158(a) shall be treated as made before the sale if application for such certification is made before the close of the 90th day after the date of the enactment of this Act.

(3) Refund of tax.—

(A) In general.—If any tax attributable to a sale which occurred before October 1, 1977, is payable in annual installments by reason of an election under section 6158(a) of the Internal Revenue Code of 1954, any portion of such tax for which the due date of the installment does not occur before October 1, 1977, shall, on application of the taxpayer, be treated as an overpayment of tax.

(B) Interest on overpayments.—For purposes of section 6611(b), in the case of any overpayment attributable to subparagraph (A), the date of the overpayment shall be the day which is 6 months after the latest of the following:

(i) the date on which application for refund or credit of such overpayment is filed,

(ii) the due date prescribed by law (determined without extensions) for filing the return of tax under chapter 1 of the Internal Revenue Code of 1954 for the taxable year the tax which is being refunded or credited, or

(iii) the date of the enactment of this Act.

(C) Extension of period of limitations.—If any refund or credit of tax attributable to the application of subparagraph (A) is prevented at any time before October 1, 1978, by the operation of any law or rule of law, refund or credit of such overpayment may, nevertheless, be made or allowed if claim therefor is filed before October 1, 1978.

The SPEAKER pro tempore (Mr. McFall). Is a second demanded?

Mr. KETCHUM. Mr. Speaker, I demand a second.

The SPEAKER pro tempore. Without objection, a second will be considered as ordered.

There was no objection.

The SPEAKER pro tempore. The gentleman from Oregon (Mr. Ullman) and the gentleman from California (Mr. Ketchum) will each be recognized for 20 minutes.

The Chair now recognizes the gentleman from Oregon.

Mr. ULLMAN. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, H.R. 11997 deals with the tax treatment of divestitures made by bank holding companies under the Bank Holding Company Act Amendments of 1970.

In general, the Bank Holding Company Act Amendments of 1970 require a bank holding company to divest itself of either its banking or its nonbanking properties on or before December 31, 1980. At the time of enactment, it was anticipated that the Congress later would provide relief from tax burden resulting from the divestitures required under the amendments.

Under distributions previously required by the Bank Holding Company Act of 1956, and its amendment in 1966, bank holding companies controlling two or more banks were permitted to make tax-free distributions, referred to as "spin-offs," of either their bank assets or their nonbank assets. This treatment provided for no recognition of gain either to the companies or their shareholders at the time of the distribution of the bank or nonbank property. The tax on any gain is imposed when the shareholders dispose of the property received in the distribution.

The committee reviewed the tax relief provided under the 1956 and 1966 legislation and concluded that although a distribution in the form of a spinoff may be useful for some of the divestitures under the 1970 amendments, the number and types of bank holding companies subject to the 1970 legislation will, in many instances, make the spinoff distribution impractical. For example, some of the bank holding companies subject to the 1970 amendments are widely held.

In such a situation, the distribution of the stock of a subsidiary to the shareholders of the bank holding company frequently would result in many of the holding company's shareholders receiving only a small number of shares, or in some cases fractions of shares. In addition, if the distribution consists of stock issued by a bank serving only a local or regional market, the shareholders of the holding company would receive an investment in which they may have little, or no, interest.

As a result of these factors, your committee believes it is appropriate to provide an alternative method of tax relief for divestitures made under the 1970 Bank Holding Company Act Amendments. As a result, in addition to the "spinoff" method, the bill provides for an installment payment of tax method.

The "spinoff" approach included in the bill is generally the same as that provided for divestitures under the bank holding company legislation enacted in 1956 and 1966. Under this method, the bill provides that a bank holding company may distribute either its bank or nonbank assets to its own shareholders without them being taxed at that time on the distribution, either as ordinary income or capital gain. Instead, a capital gains tax would be imposed when the shareholders disposed of the property.

The installment payment method of tax relief provided by the bill deals with the case where a bank holding company chooses to sell its bank or nonbank property, rather than distribute the stock or assets to its stockholders. In this case, the bill permits the bank holding company to make equal annual installment payments of the tax on the sale, generally over a 10-year period. The first installment is due with the taxpayer's return for the year in which the sale occurs. The installments are to be paid annually thereafter with the last installment payable in 1985, or, if later, 10 years after the sale occurred. This means that in the case of any sale occurring after 1975, the bank holding company will have a 10-year period in which to pay the tax on any gain. However, interest is payable on installment payments due after 1985.

The tax relief provided under the bill is available for divestitures occurring from July 7, 1970, through December 31, 1980. In addition, the property being divested must have been held by the company as of July 7, 1970. This is the date when it became clear that bank holding company legislation would be passed. Generally, restricting the tax benefits of the bill to property already held on this date is necessary to preclude tax relief for acquisitions made after it became clear that the separation of banking and nonbanking businesses was to be required by the 1970 legislation. Property acquired after July 7, 1970, will be eligible for the tax relief only if it is received in tax-free transactions in substitution for other property held on that date.

Since the Bank Holding Company Act of 1970 requires all divestitures to be made by December 31, 1980, the tax relief is made available only for those divestitures which will have taken place by that date.

Under the bill, a subsidiary of a bank holding company is eligible for the tax relief subject to the same requirements applicable to the parent holding company. In addition, an exception similar to that provided under present law with respect to antitrust divestitures, provides that a distributing company will not recognize gain when using appreciated property to redeem its stock.

The bill also requires the Federal Reserve Board to make both an initial certification and a final certification. Initially, the Board must certify that the distribution or sale is necessary or appropriate to effectuate the policies of the bank holding company legislation. In addition, the Board must issue a final certification to the effect that the corporation has disposed of all the property necessary or appropriate to effectuate the policies of the Bank Holding Company Act.

Generally, the effective date of the bill is postponed until October 1, 1977. This will mean that there will be no revenue loss under the bill in fiscal 1977. However, by acting now on the bill, the tax provisions would be put in place and companies subject to the divestiture requirements can make their plans to comply with these requirements with full knowledge of the tax consequences of the divestitures. The committee understands that many companies have postponed making final plans for divestitures until they could know what type of tax relief would be provided.

The revenue loss from the tax relief provided by the bill is estimated to be approximately $50 million in fiscal year 1978, $25 million in fiscal year 1979, $50 million in fiscal year 1980, and $60 million in fiscal year 1981. Of this $185 million, however, $125 million will be returned to the Treasury during the period 1981 through 1990 as the installment payments are made for the taxes deferred under the installment payment method.

Mr. Speaker, the Committee on Ways and Means believes that this bill is needed to prevent the 1970 act requiring divestitures by bank holding companies from unduly penalizing the companies affected by that legislation. I should add that the provisions of this bill are appropriate and consistent with the overall objectives of the bank holding company legislation. I urge that the bill be adopted.

Mr. KETCHUM. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in support of H.R. 11997. This bill is necessary as a consequence of the Bank Holding Company Act Amendments of 1970, which generally require a bank holding company to divest itself of either banking or nonbanking assets on or before December 31, 1980. When the 1970 amendments to the act were enacted, it was anticipated that legislative relief would be considered by Congress at a future date to prevent an inequitable tax burden as a consequence of the divestitures which the amendments required.

Without going into the history of the Bank Holding Company Act in general, I feel it would be helpful to review briefly the background to the 1970 amendments. At that time, the act was extended to cover one-bank holding companies. Companies made subject to requirements of the Act which engaged in both banking and nonbanking activities are required under the 1970 amendments to divest themselves of either their banking or nonbanking assets before 1981, with the exception that a one-bank holding company is not required to divest itself of nonbanking activities in which that company engaged prior to June 30, 1968.

Distributions required under the act in 1956, and as it was amended in 1966, were given special tax treatment. Banking holding companies were permitted to make tax-free distributions, generally known as "spinoffs," of their bank or nonbanking assets. This tax treatment provided that shareholders of the bank holding company in question would not recognize any gain upon their receipt of banking or nonbanking property of the bank holding company, including stock of a subsidiary. Tax was instead imposed on such gain by shareholders when they later disposed of any stock received in the "spinoff."

With similar legislation applicable to divestitures under the 1970 amendments, a number of required distributions will be taxed to the recipients as dividends, which would be subject to ordinary income rates. Also, a bank holding company would itself generally be required to recognize gain on appreciated property which it distributed in redemption of its own stock—absent qualification as a liquidation distribution. Also, property sold by a bank holding company in order to satisfy the divestiture requirements might cause the bank holding company to recognize gain on the transaction.

Although the type of "spinoff" relief provided for in connection with the 1956 and 1966 legislation would be helpful in connection with some divestitures required or made pursuant to the 1970 amendments to the act, a number of the bank holding companies will not find the "spinoff" method practical. In cases in which it is not practical to have a stock distribution, bank holding companies would be forced to sell the interests which they have to divest. In such a situation, H.R. 11997 would provide for an alternative form of relief, namely, an installment tax payment method.

As described above, the "spinoff" approach is basically along the lines already contained in the present law, that is, sections 1101–1103 of the Internal Revenue Code of 1954, as amended, which apply to divestitures made pursuant to the 1956 and 1966 legislation. The installment tax payment provided for under the bill would permit a bank holding company selling bank or nonbank property after July 7, 1970, to elect to pay any tax attributable to that sale in equal annual installments. The first installment would be due with the taxpayer's return for the taxable year in which the sale took place, with further installments to be paid annually thereafter. The last installment would be payable on the due date of the taxpayer's tax return for 1985 or, if later, 10 years after the due date for the return for the year in which the taxpayer sold the property. Therefore, the bill provides for a 10-year installment period.

In the case of a sale in 1980, the latest year in which a divestiture could be made for which tax relief provided in this bill would be available, the installment payment period would not end until 1990, rather than 1985. In such case, the taxpayer would have to pay interest upon the deferred tax for all installment payments after 1985. No interest is payable with regard to installment payments due before 1985.

The installment payment method is not available for both bank and nonbank property. If a bank holding company elects to apply the installment method to the sale of bank property—or if it "spins off" such bank property—it cannot avail itself of the same installment provisions with regard to nonbank property, and vice versa.

Generally speaking, the relief provisions of the bill do not take effect until October 1, 1977, so that there will be no revenue impact from this bill during fiscal year 1977. I believe that the passage of H.R. 11997 is necessary in order to avoid an unfair and inequitable tax burden on a number of taxpayers as a result of the 1970 amendments to the Bank Holding Company Act. I urge its passage.

GENERAL LEAVE

Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the subject of the bill H.R. 11997 under consideration.

The SPEAKER pro tempore (Mr. McFALL). Is there objection to the request of the gentleman from California?

There was no objection.

Mr. ULLMAN. Mr. Speaker, I have no further requests for time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Oregon (Mr. ULLMAN) that the House suspend the rules and pass the bill (H.R. 11997), as amended.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill, as amended, was passed.

A motion to reconsider was laid on the table.

AMENDING THE PENNSYLVANIA AVENUE DEVELOPMENT CORPORATION ACT OF 1972

Mr. TAYLOR of North Carolina. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 7743) to amend the Pennsylvania Avenue Development Corporation Act of 1972 (Public Law 92-578), as amended.

The Clerk read as follows:

H.R. 7743

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Pennsylvania Avenue Development Corporation Act of 1972 (86 Stat. 1266, as amended, 40 U.S.C. 871), is amended further as follows:

(1) By striking the following:

(a) in paragraph (c) of section 3: "(6) The Commissioner of the District of Columbia;" and by substituting in lieu thereof "(6) The Mayor of the District of Columbia;"; and by inserting "The Mayor" in lieu of "The Commissioner" of the District of Columbia, wherever it occurs in this Act;

(b) in paragraph (g) of section 3: "(8) The Chairman of the District of Columbia Redevelopment Land Agency." and by inserting in lieu thereof "(8) The Director of the District of Columbia Department of Housing and Community Development";

(c) in paragraph (a) of section 4: "subchapter 53" and by inserting in lieu thereof "subchapter III of chapter 53";

(d) in paragraph (f) of section 5: "The District of Columbia government, and the District of Columbia Redevelopment Land Agency." and by inserting in lieu thereof "and the District of Columbia government.";

(e) in paragraph (b) of section 8; "Redevelopment Land Agency" wherever it occurs and by inserting in lieu thereof "government".

(2) By striking in paragraph (10) of section 6 of the figure "$50,000,000" and inserting in lieu thereof "$200,000,000"; and, by striking in that paragraph the date "June 3, 1980" and inserting in lieu thereof "September 30, 1990".

(3) By striking paragraph (9) of section 6 and redesignating paragraph (10) of that section to be paragraph (9); and, by inserting the following new paragraph:

"(10 may make construction loans to approved applicants undertaking projects in accordance with the development plan. As used in this paragraph, eligible applicants are private corporations, companies, association, firms, partnerships, or other private entities who provide, in a manner and to an extent satisfactory to the Corporation, economically feasible plans for development and permanent financing, and evidence of management capacity and financial responsibility, adequate to execute such plans within estimated costs. No loan shall be made unless the Corporation finds that financing is not otherwise available to the applicant on reasonable terms or conditions, including sufficient assistance from other Federal programs, to participate in the project under consideration. Loans may be made by the Corporation after the applicant has submitted, and the Corporation has considered, such information as the Corporation shall require to determine whether or not the loan would meet the purposes of this Act and the requirements of this paragraph. Loan agreements shall be structured to assure a minimum net equity investment by any approved applicant of at least 20 per centum of total project costs throughout the period preceding permanent financing. The Corporation shall (i) take into account good commercial practice in making loans, and shall include in any loan agreement terms and conditions necessary to prudently secure the principal and interest; (ii) not disperse funds for a loan until it finds that the applicant has obtained a commitment of permanent financing for the project; and (iii) take no less than the first lien, or a participation with another lender in a first lien, as security for any loan. The Corporation may sell construction loans with the approval of the Secretary of the Treasury. Loans shall be for periods not exceeding the construction period or five years, whichever is less, and shall bear interest not less than the cost of the money to the Corporation, plus an amount sufficient in the judgment of the Corporation to cover costs of administration and probable losses under this paragraph. The Corporation, for good and sufficient reasons, may extend the period of a loan for up to two years beyond the maximum specified of five years. The total of any loans made and commitments to lend under this paragraph in any fiscal year shall not exceed limitations specified in annual appropriation Acts. At no time shall the aggregate principal amount of construction loans outstanding exceed $50,000,000. Prior to the transfer of any title to property owned by the Corporation, the Corporation shall report such proposed transfer to the Committee on Interior and Insular Affairs of the Senate and House of Representatives of the United States. If, within sixty calendar days, either the Senate or House of Representatives adopts a resolution disapproving such transfer, the Corporation shall not proceed to execute any such deed or document transferring such title.".

(4) By striking section 13, and by inserting the following new section:

"Sec. 13. (a) There is hereby created within the Treasury of the United States the "Pennsylvania Avenue Development Fund" hereinafter referred to as "the fund") which shall be available to the Corporation without fiscal year limitation through September 30, 1990, as a revolving fund for the purposes of this Act. All amounts borrowed from the Treasury of the United States under section 6(9), and all appropriations made under authorizations in this Act, except amounts appropriated for operating and administrative expenses of the Corporation under section 17(a), shall provide capital for the funds and shall be deposited in the fund; and balances of all such appropriations heretofore enacted shall be transferred to the fund. All amounts received by the Corporation including recoveries of loan principal from repayments, sales of loans, of liquidation of forfeited collateral; interest payments; fees; and, any other moneys, property or assets derived by the Corporation from its operations under this Act shall be deposited in the fund. A business-type budget for the fund shall be prepared annually, transmitted to the Congress, considered, and enacted in the manner prescribed by law (sections 102, 103, and 104 of the Government Corporation Control Act (31 U.S.C. 847–849).

"(b) All loans, repayments, and expenses, including reimbursements to other government accounts, arising from the operations of the Corporation shall be paid from the fund. In addition to funds available under authorizations in this Act, the Corporation is authorized to use to carry out the purposes and requirements of this Act, including the payment of interest to the Treasury, as specified, all funds and other assets which have been or may hereafter be transferred to, allocated to, or otherwise acquired by it. From time to time, and at least at the close of each fiscal year, the Corporation shall pay from the fund into the Treasury as miscellaneous receipts interest on the cumulative amounts available as capital to the fund under section 6, paragraph 9 of this Act, less the average undisbursed cash balance of such appropriations during the year. The rate of interest shall be determined by the Secretary of the Treasury pursuant to section 6, paragraph 9 of this Act. If at any time the Corporation determines that moneys in the fund exceed the present and any anticipated requirements of the fund, such excess will be transferred to the general fund of the Treasury and be considered first, as repayment of amounts made available under the provisions of section 6, paragraph 9.".

(5) By striking section 17, and inserting in lieu thereof the following new section:

"Sec. 17. (a) In addition to the sums heretofore appropriated, there are authorized to be appropriated for operating and administrative expenses of the Corporation sums not to exceed $1,300,000 for the fiscal year ending June 30, 1976; $325,000 for the period July 1 through September 30, 1976; and $1,500,000, each, for the fiscal years ending September 30, 1977, and September 30, 1978.

"(b) To commence implementation of the development plan authorized by section 5 of this Act, there are authorized to be appropriated to the Corporation through the fiscal years ending September 30, 1978, $38,800,000, to remain available without fiscal year limitation through September 30, 1990: *Provided,* That appropriations made under the authority of this paragraph shall include sufficient funds to assure the development of square 225 as a demonstration area for the development plan, and shall assure the preservation of the structure now located on square 225 known as the Willard Hotel and its historic facade. No appropriations shall be made from the Land and Water Conservation Fund established by the Act of September 30, 1964 (78 Stat. 897, as amended, 16 U.S.C. 4601), to effectuate the purposes of this Act.".

The SPEAKER pro tempore. Is a second demanded?

Mr. SKUBITZ. Mr. Speaker, I demand a second.

The SPEAKER pro tempore. Without objection, a second will be considered as ordered.

There was no objection.

The SPEAKER pro tempore. The gentleman from North Carolina (Mr. TAYLOR) will be recognized for 20 minutes, and the gentleman from Kansas (Mr. SKUBITZ) will be recognized for 20 minutes.

The Chair recognizes the gentleman from North Carolina.

Mr. TAYLOR of North Carolina. Mr. Speaker, I yield myself 7 minutes.

Mr. Speaker, H.R. 7743, as amended by the Committee on Interior and Insular Affairs, represents a carefully considered first step toward the actual implementation of a plan to redevelop Pennsylvania Avenue.

The history of Federal concern for our country's "main street" between the White House and the Capitol dates back nearly 15 years. President Kennedy expressed his distress at the declining condition of this great avenue. He directed that a planning commission consider ways in which the avenue could be restored, and its landmark buildings preserved.

Out of these early planning efforts came a realization that a coordinated program would be necessary to carry through the rehabilitation of the avenue. Congress enacted legislation, approved by the administration in the 92d Congress, which established a Federal Corporation to prepare a detailed plan, and be prepared to implement it.

In November of 1974, the completed plan was submitted to the Congress. In early 1975, the Subcommittee on National Parks and Recreation conducted hearings to review the plan. The Corporation told us at that time that implementation of the redevelopment program would cost about $130 million of Federal funds over the next 15 years, plus the operating expenses of the Corporation. While this represents a major Federal commitment, it should be pointed out that over $400 million in private investment will also be required.

Redevelopment of the avenue under the plan will provide for the preservation of the significant historic structures in the area, such as the Willard Hotel. It will increase the amount of public open space along the avenue, making the area once again attractive for pedestrians. Residential use of the area will again be made, as well as space being provided for commercial ventures of various sizes. Most importantly, the plan is the guarantee to private investors that a coordinated improvement of the entire avenue will take place.

At the time of the introduction of H.R. 7743, the administration recommended only the continuation of the authorization for the administrative expenses of the Corporation. But a later recommendation transmitted with the approval of the Office of Management and Budget called for the full $130 million to be authorized, in addition to recommending a number of other changes in the existing statute for the Corporation.

The bill as reported by the committee is more conservative than the administration recommendation. We have chosen to authorize only those funds needed for the first 2 years of plan implementation. This $38.8 million will permit the plan to be launched, but will require that Congress be given another opportunity to review the program in the near future. The other changes to the parent act adopted by the committee mostly agree with the administration recommendations.

These changes:

First. Make updated references to reflect the alterations in the government of the District of Columbia.

Second. Increase the authority of the Corporation to seek to borrow from the U.S. Treasury, subject to such requests being included in appropriations acts. Such borrowings will be secured by liens on the affected lands.

Third. Establish a construction loan fund to use not more than $50 million of the previously mentioned borrowing authority. This will allow the Corporation to speed the development of key parcels, and to encourage the participation of minority construction firms. The Corporation must also give the Congress an opportunity to pass a resolution of disapproval on the proposed sale of any federally owned property in the area.

Fourth. Provide for a revolving fund for the Corporation in accordance with the Government Corporation Control Act.

In addition, the committee adopted a provision to insure that the landmark Willard Hotel area will be properly redeveloped as a priority item under the plan. This will permit the early restoration of this Washington landmark, as well as provide an example of how the plan is to function throughout the avenue.

Finally, I want to point out that several members of our committee have expressed opposition to the bill on the grounds that private enterprise should do the job alone here. I can only reply that private enterprise could have come into this area years ago, but they did not. The need to find a positive plan to redevelop Pennsylvania Avenue was necessary because private enterprise alone had not accomplished the job and will not accomplish the job.

I believe we must confront this issue directly. If we determine it to be in the National interest to restore Pennsylvania Avenue, then H.R. 7743 represents a means to accomplish this goal. If it is not worth the costs then we should not approve the legislation. But we must realize that the job is simply not going to get done by leaving it for someone else.

Mr. Speaker, I believe Pennsylvania Avenue is of sufficient importance to be restored. It is the main street of America, running from the Capitol to the White House. It is the Nation's most ceremonial street—the site of inaugural parades and of funeral processions for our fallen leaders. I urge my colleagues to join me in supporting this legislation.

Mr. SKUBITZ. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, H.R. 7743 is a bill whose time is long overdue. Anyone who has driven or walked down Pennsylvania Avenue from the Capitol to the White House must feel a sense of shame that the main street of our Nation should present a picture of such blight and dilapidation. It is a drab, unpleasant and even dangerous place. It therefore is most appropriate that in our Bicentennial Year, Congress should pass this bill and take a crucial step in restoring the avenue that connects the legislative branch of our Government with the executive as a place of beauty and pride.

H.R. 7743 authorizes up to $38 million in Federal funds, as well $200 million in borrowing authority, to carry out the Pennsylvania Development Plan, a plan which has been worked on for years and which required cooperation, negotiation, and compromise from the Federal Government, the District Government, community groups, business and professional organizations, and hundreds of private individuals who were interested in or affected by the project. The bill also provides for construction loans, establishes a revolving fund, authorizes funds for salaries and expenses of the Pennsylvania Avenue Development Corporation, and requires that the historic facade of the Willard Hotel be preserved.

Mr. Speaker, I would like to review briefly the history of the most significant ceremonial avenue of our Nation. As envisioned by Maj. Pierre Charles L'Enfant, the man commissioned to draw up initial plans for the design of the new Capital City, Pennsylvania Avenue was to be one of the axes of the "basic triangle," with the intersections being the Capitol Building, the President's Home, and a proposed equestrian statute of George Washington. L'Enfant envisioned Pennsylvania Avenue as a center of civic activity to be lined with residences and major buildings of the Federal City—the executive department buildings, a playhouse, and a market exchange. Foreign embassies were to be located south of Pennsylvania Avenue on the Mall. Moreover, there were to be three plazas, each of a different character, along the avenue.

Once L'Enfant's plan for the Capital City, as modified by Andrew Ellicott, became official, Pennsylvania Avenue was the first street to be cleared and graded and in 1805, President Jefferson rode from the Capitol down Pennsylvania Avenue to the White House in the first inaugural parade.

Economic and business considerations of a vigorous and growing city quickly overcame L'Enfant's esthetic considerations and by the middle of the 19th century the avenue was lined with homes, hotels, saloons, boarding houses, and shops. A woodblock pavement was laid along the avenue in 1871.

Construction of the Federal Triangle in the 1920's and 1930's on the south side of the avenue further destroyed L'Enfant's visions of spaciousness and integration. With all the massive buildings located on the south side, Pennsylvania became a barrier between Government buildings and the edge of the city's downtown area on the north. Office and commercial interests gradually moved to the northwest away from the avenue. Few new buildings were erected and existing structures decayed. We see the results today.

The current efforts to rehabilitate the avenue began in 1962 when President Kennedy appointed an Advisory Council to prepare a master plan, which was formally transmitted to President Johnson in 1964. The President's Temporary Commission on Pennsylvania Avenue, established in 1965, continued work on the plan, which has undergone constant redrafting and revision. The Pennsylvania Avenue Development Corporation was established in 1972 and in 1974 the final plan, the result of more than 10 years of hard work, was completed.

Mr. Speaker, the objectives of the development plan require the close cooperation of the public and private sectors. These objectives are to reinstate Pennsylvania Avenue as a physical and symbolic link between the White House and the Capitol as well as restoring it as a place of beauty and dignity for its ceremonial functions; to eliminate it as a barrier between the Government and the city; to make it attractive and pleasant for residents, visitors, and shoppers; to maintain a sense of historic continuity and evolution by preserving buildings representative of different eras and styles; and to bring new economic life to an area which desperately needs it.

This is a complicated plan, one that was difficult to arrive at and one that will be difficult to execute. It is not without its areas of controversy and perhaps its flaws.

But, Mr. Speaker, I believe it is worth it. We need to get started and the bill before us today is that beginning. I urge its adoption.

Mr. SEBELIUS. Mr. Speaker, will the gentleman yield?

Mr. SKUBITZ. I yield to the gentleman from Kansas (Mr. SEBELIUS).

Mr. SEBELIUS. I thank the gentleman for yielding.

Mr. Speaker, I rise in support of the bill now before us, H.R. 7743, which will make several amendments to the Pennsylvania Avenue Development Corporation Act.

The Pennsylvania Avenue Development Corporation was created by an act of Congress in 1972 and directed to develop and submit a plan to the Congress designed to revitalize the blighted north side of America's most ceremonial thoroughfare—Pennsylvania Avenue—between the White House and the Capitol.

That plan has been submitted and was adopted by the Congress last year. The principal thrust of the bill we are now considering is to advance some funding for the implementation of that plan.

The administration has recommended that the entire anticipated development appropriation cost of $130 million be incorporated into this bill. The committee is very much supportive of the implementation of the plan, but felt that more responsible monitoring of this project might be assured by the authorization of a startup amount only. The committee desired to see how the project would move along, both from the standpoint of improvement of the avenue, as well as adherance to projected costs, before additional funding would be authorized.

For that reason, the committee chose to authorize only a portion of the funding—$38.8 million over a 2-year period. The committee further decided that the first priority of development is to be directed to square 225, which is the block containing the Willard Hotel, with particular early emphasis to be given to the acquisition and preservation of the old Willard Hotel and its historic facade.

The bill also provides specified funding for the general administrative expenses of the Corporation, and increases the ceiling for the borrowing authority from the Treasury. This latter item and nearly all of the rest of the text of the bill is what was recommended to us by the administration.

Mr. Speaker, I am very much in favor of seeing this plan move forward so that this historic avenue can begin to present the appearance of beauty it should represent as the main street of America. I, and others, have had our reservations and concerns, however, over the projected costs for this completed project. It is for this reason of slight apprehension, as I have already indicated, that the committee chose to limit the appropriations to a smaller amount so that we can see if the expenditure appears worth it before we take the complete plunge.

We are all aware of numerous other Federal construction or renewal projects here in Washington which have incurred tremendous cost overruns. We have been assured that this project will not exhibit that same fate. Should the expenditures of the first 2 years prove otherwise, we can consider at that time whether continuation of the project is warranted.

One small collateral facet of this project is the opportunity for all construction and development to incorporate and exhibit the very latest of energy conservation technology. Since this project is under Federal supervision, and because of its prominent location in the Nation's Capital within view of both the White House and the Capitol, there could be no project and location to better serve as a demonstration for this important concern. I would expect this element to receive a great deal of attention by the Corporation, as the agent for implementation, and by the public, hopefully as interested energy conservation consumers.

Mr. Speaker, I urge the adoption of this bill by the House.

Mrs. SMITH of Nebraska. Mr. Chairman, I rise in opposition to the unwise legislation which authorizes unnecessary Federal spending to renovate Pennsylvania Avenue. While I would like to see the blighted north side of this historic thoroughfare beautified, it is unjustifiable to expend Federal funds to accomplish that goal.

The Pennsylvania Avenue Development Corporation currently estimates that Federal involvement in this project will require $130 million in direct appropriations, and another $200 million in borrowing authority. Lest we be tempted to consider this as "only a few million dollars," let me refresh our memory as as to how fast these "few million" have multiplied over the past years to send this Nation's budget soaring. Not until 1962 did the Federal budget exceed $100 billion. By 1971 it has passed $200 billion, and by fiscal year 1975, $300 billion. And I do not have to tell you that a 1977 budget estimate of $395 billion is already dangerously close to exceeding $400 billion. Treasury Secretary William Simon linked these figures directly to our raging inflation by saying:

> Nobody likes inflation, but we love what causes it. We love the Government spending programs that lead to massive deficits and runaway inflation.

And yet many today may blindly allow this bill to pass because it is "only a few million." We must begin to exercise responsibility somewhere, and I see this as an effective place to start for two reasons: First, this program could be cut from the Federal pay-outs column without harming anyone. And second, the noble aim of this legislation can be reached simply and effectively by merely allowing private investors to take the initiative in this development.

Before I leave this point, I want to remind my colleagues of some of our past sad experiences with construction spending in the Nation's Capital. We need not look too far to see examples of budget-breaking construction overruns in our capital. The Kennedy Center for the Performing Arts was estimated to cost $46 million before construction in 1964; today expenditures have already soared to $73 million—double the original amount and the books still are not closed. The National Visitors Center was originally estimated to cost only $16 million. The most recent figures reveal $48.3 million as the current estimate to complete the center—almost three times the initial sum and in this case there have been cutbacks in the original design. So for about three times the money, the taxpayers will get less than they first bargained for. Washington's Metro transit system began with a $2.5 billion estimate in 1969. By 1974 this had risen to $4.5 billion, and that is nowhere near the ceiling today. This program would like to start with $130 million. Where will it end? The faintest whisper could cause another funding landslide.

With these figures in mind, I regret that, if this action is approved, I must predict that one day Congress will consider it very unfortunate. This program may well become another "Kennedy-Center-type" mistake.

As I noted earlier, this is one spending program that can be cut without harming any special interest groups or jeopardizing any jobs or threatening our Nations energy sources. The reason this is true is that the private sector would happily invest in this avenue and beautify it without Federal funds. This is the grandest street in America. What profitable business would not want to establish a base of operations along Pennsylvania Avenue? It is preposterous to think that only Federal money can clean up this area.

Subcommittee hearings revealed the willingness of private business to develop the area. It was disclosed that Sky-Chef, an American Airlines subsidiary, made attempts to lease or buy and refurbish the historic Willard Hotel, but the deal fell through when the Willard's owners could not guarantee that the Government would not condemn the building.

The Presidential Building, located at 12th and Pennsylvania, is the only substantial private structure that has been built on the Avenue in recent years. This beautiful building, erected in substantial compliance with the basic plan already adopted by the Pennsylvania Avenue Development Corp., is demonstrable proof of what private enterprise can do without heavy Federal outlays.

Those who support this spending spree claim that this avenue should be a showcase for American success, but America's success through two centuries must be credited to the private enterprize system. If this is to become a showcase for American success, and I would like to see it become just that, let it be renovated by the system we trusted to build America in its first 200 years.

It is my sincere hope that Congress will begin to realize that we have a great responsibility to set a flawless example of sound fiscal management. And that example should begin right here today with the defeat of a "popular" project, but one that would be best handled without expensive Government intervention.

GENERAL LEAVE

Mr. SKUBITZ. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the bill under consideration.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Kansas?

There was no objection.

Mr. TAYLOR of North Carolina. Mr. Speaker, I have no further requests for time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from North Carolina (Mr. TAYLOR) that the House suspend the rules and pass the bill H.R. 7743, as amended.

The question was taken.

Mr. ASHBROOK. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Pursuant to the provisions of clause 3 of rule XXVII, the Chair's prior announcement, further proceedings on this motion will be postponed.

Does the gentleman from Ohio withdraw his point of order of no quorum?

PARLIAMENTARY INQUIRY

Mr. ASHBROOK. Mr. Speaker, I have a parliamentary inquiry.

The SPEAKER pro tempore. The gentleman will state it.

Mr. ASHBROOK. Mr. Speaker, is the Chair putting the question on the bill?

The SPEAKER pro tempore. The Chair would state that the vote has been put over, on the strength of the gentleman's point of order. We would have to have a quorum call if the gentleman does not withdraw his point of order at this time.

Mr. ASHBROOK. Mr. Speaker, it is my understanding it could be called and we might not have a vote on it. Is that not correct?

The SPEAKER pro tempore. That is correct. The gentleman could have asked for the yeas and nays to order a rollcall vote.

Mr. ASHBROOK. Mr. Speaker, I demand the yeas and nays.

The SPEAKER pro tempore. The gentleman should first ask unanimous consent to vacate the previous proceedings under which the vote was postponed by his point of order? Does the gentleman make that request?

Mr. ASHBROOK. Yes, Mr. Speaker.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. ASHBROOK. Mr. Speaker, I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER pro tempore. Pursuant to clause 3 of rule XXVII and the Chair's prior announcement, further proceedings on this motion will be postponed.

ANNOUNCEMENT BY THE SPEAKER

The SPEAKER. Debate has been concluded on all motions to suspend the rules.

Pursuant to the provisions of clause 3(b) of rule XXVII, the Chair will now put the question on each motion on which further proceedings were postponed in the order in which that motion was entertained.

Votes will be taken in the following order:

H.R. 12188, by the yeas and nays; and H.R. 7743, by the yeas and nays.

COMMUNITY SERVICES ACT TECHNICAL AMENDMENTS

The SPEAKER. The unfinished business is the question of suspending the rules and passing the bill H.R. 12188.

The Clerk read the title of the bill.

The SPEAKER. The question is on the motion offered by the gentleman from Kentucky (Mr. PERKINS) that the House suspend the rules and pass the bill H.R. 12188, on which the yeas and nays are ordered.

The vote was taken by electronic device, and there were—yeas 346, nays 2, not voting 84, as follows:

[Roll No. 104]

YEAS—346

Abdnor
Abzug
Adams
Addabbo
Alexander
Allen
Ambro
Anderson, Calif.
Anderson, Ill.
Andrews, N. Dak.
Archer
Aspin
Bafalis
Baldus
Baucus
Bauman
Beard, R.I.
Beard, Tenn.
Bedell
Bennett
Bergland
Bevill
Bingham
Blanchard
Blouin
Boland
Bolling
Bowen
Breaux
Breckinridge
Brinkley
Brodhead
Brooks
Brown, Calif.
Brown, Ohio
Broyhill
Buchanan
Burgener
Burke, Calif.
Burke, Fla.
Burke, Mass.
Burleson, Tex.
Burlison, Mo.
Burton, Phillip
Butler
Byron
Carr
Carter
Cederberg
Chisholm
Clancy
Clausen, Don H.
Clawson, Del
Clay
Cleveland
Cochran
Cohen
Collins, Tex.
Conable
Conte
Corman
Cornell
D'Amours
Daniel, Dan
Daniel, R. W.
Daniels, N.J.
Danielson
Davis
de la Garza
Delaney
Dent
Derrick
Derwinski
Devine
Dickinson
Diggs
Dingell
Downey, N.Y.
Downing, Va.
Drinan
Duncan, Oreg.
Duncan, Tenn.
du Pont
Early
Edgar
Edwards, Ala.
Edwards, Calif.
Eilberg
Emery
English
Esch
Evins, Tenn.
Fenwick
Findley
Fish
Fisher
Fithian
Flood
Florio
Flowers
Flynt
Ford, Mich.
Ford, Tenn.
Forsythe
Fountain
Fraser
Frenzel
Frey
Fuqua
Gaydos
Giaimo
Gibbons
Gilman
Ginn
Gonzalez
Gradison
Grassley
Green
Gude
Hagedorn
Haley
Hall
Hamilton
Hammerschmidt
Hanley
Hannaford
Harrington
Harris
Harsha
Hawkins
Hays, Ohio
Hechler, W. Va.
Heckler, Mass.
Hefner
Helstoski
Henderson
Hicks
Hightower
Hillis
Holt
Holtzman
Horton
Howard
Hubbard
Hughes
Hungate
Hutchinson
Hyde
Ichord
Jacobs
Jarman
Jeffords
Jenrette
Johnson, Calif.
Johnson, Colo.
Jones, Ala.
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Jordan
Kasten
Kastenmeier
Kazen
Kelly
Kemp
Ketchum
Keys
Kindness
Koch
Krebs
Krueger
LaFalce
Lagomarsino
Landrum
Latta
Leggett
Lehman
Lent
Levitas
Lloyd, Calif.
Lloyd, Tenn.
Long, Md.
Lott
Lujan
Lundine
McClory
McEwen
McFall
McHugh
McKay
Madigan
Maguire
Mahon
Mann
Martin
Mathis
Matsunaga
Mazzoli
Meeds
Melcher
Mezvinsky
Michel
Mikva
Milford
Miller, Ohio
Mills
Mineta
Minish
Mink
Mitchell, Md.
Mitchell, N.Y.
Moakley
Mollohan
Montgomery
Moore
Moorhead, Calif.
Moorhead, Pa.
Morgan
Moss
Mottl
Murphy, Ill.
Murphy, N.Y.
Murtha
Myers, Ind.
Myers, Pa.
Natcher
Neal
Nedzi
Nichols
Nix
Nowak
Oberstar
Obey
O'Brien
O'Hara
Ottinger
Passman
Patten, N.J.
Patterson, Calif.
Pattison, N.Y.
Perkins
Pettis
Pickle
Pike
Poage
Pressler
Preyer
Price
Pritchard
Quie
Quillen
Railsback
Randall
Rangel
Rees
Regula
Reuss
Rhodes
Richmond
Riegle
Rinaldo
Risenhoover
Roberts
Robinson
Rodino
Roe
Rogers
Roncalio
Rooney
Rose
Rosenthal
Rostenkowski
Roush
Rousselot
Runnels
Ruppe
Russo
Ryan
St Germain
Sarasin
Satterfield
Scheuer
Schroeder
Sebelius
Seiberling
Sharp
Shriver
Shuster
Sikes
Sisk
Skubitz
Slack
Smith, Iowa
Smith, Nebr.
Snyder
Solarz
Spellman
Spence
Staggers
Stanton, J. William
Stark
Steed
Steelman
Steiger, Wis.
Stephens
Stratton
Stuckey
Studds
Sullivan
Talcott
Taylor, Mo.
Taylor, N.C.
Teague
Thompson
Thone
Traxler
Treen
Tsongas
Ullman
Van Deerlin
Vander Jagt
Vanik
Waggonner
Walsh
Wampler
Waxman
Weaver
Whalen
White
Whitehurst
Whitten
Wiggins
Wilson, Bob
Wilson, C. H.
Wilson, Tex.
Winn
Wright
Wydler
Wylie
Yates
Yatron
Young, Alaska
Young, Fla.
Young, Ga.
Zablocki
Zeferetti

NAYS—2

Ashbrook
McDonald

NOT VOTING—84

Andrews, N.C.
Annunzio
Armstrong
Ashley
AuCoin
Badillo
Barrett
Bell
Biaggi
Biester
Boggs
Bonker
Brademas
Broomfield
Brown, Mich.
Burton, John
Carney
Chappell
Collins, Ill.
Conlan
Conyers
Cotter
Coughlin
Crane
Dellums
Dodd
Eckhardt
Erlenborn
Eshleman
Evans, Colo.
Evans, Ind.
Fary
Fascell
Foley
Goldwater
Goodling
Guyer
Hansen
Harkin
Hayes, Ind.
Hébert
Heinz
Hinshaw
Holland
Howe
Johnson, Pa.
Karth
Litton
Long, La.
McCloskey
McCollister
McCormack
McDade
McKinney
Macdonald
Madden
Metcalfe
Meyner
Miller, Calif.
Moffett
Mosher
Nolan
O'Neill
Pepper
Peyser
Roybal
Santini
Sarbanes
Schneebeli
Schulze
Shipley
Simon
Stanton, James V.
Steiger, Ariz.
Stokes
Symington
Symms
Thornton
Udall
Vander Veen
Vigorito
Wirth
Wolff
Young, Tex.

The Clerk announced the following pairs:

Mr. Annunzio with Mr. Andrews of North Carolina.

Mr. O'Neill with Mr. Broomfield.

Mr. Hébert with Mr. Carney.

Mr. Badillo with Mr. Erlenborn.

Mr. Cotter with Mr. Armstrong.

Mr. Brademas with Mr. Fascell.

Mr. Biaggi with Mr. Ashley.

Mrs. Meyner with Mr. Coughlin.

Mr. Moffett with Mr. Foley.

Mr. Pepper with Mr. Bell.

Mr. James V. Stanton with Mrs. Collins of Illinois.

Mr. Udall with Mr. Hansen.

Mr. Vigorito with Mr. Biester.

Mr. Wolff with Mr. Eshleman.

Mr. Wirth with Mr. Heinz.

Mr. Dellums with Mr. Bonker.

Mr. Dodd with Mr. Johnson of Pennsylvania.

Mr. Chappell with Mr. Conlan.

Mr. John L. Burton with Mr. Litton.

Mrs. Boggs with Mr. Goldwater.

Mr. Barrett with Mr. Conyers.

Mr. AuCoin with Mr. Brown of Michigan.

Mr. Fary with Mr. Holland.

Mr. Hayes of Indiana with Mr. Long of Louisiana.

Mr. Karth with Mr. Goodling.

Mr. Macdonald of Massachusetts with Mr. Crane.

Mr. McCormack with Mr. Madden.

Mr. Stokes with Mr. Eckhardt.

Mr. Thornton with Mr. Harkin.

Mr. Young of Texas with Mr. Evans of Colorado.

Mr. Roybal with Mr. Howe.

Mr. Nolan with Mr. McCloskey.

Mr. Santini with Mr. Guyer.

Mr. Sarbanes with Mr. McDade.

Mr. Simon with Mr. Schulze.

Mr. Shipley with Mr. McCollister.

Mr. Symms with Mr. McKinney.

Mr. Symington with Mr. Steiger of Arizona.

Mr. Vander Veen with Mr. Nolan.

Mr. Metcalfe with Mr. Mosher.

Mr. Miller of California with Mr. Schneebeli.

Mr. BRECKINRIDGE and Mr. FLYNT changed their vote from "nay" to "yea."

So (two-thirds having voted in favor thereof) the rules were suspended and the bill was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

A similar House bill (H.R. 8991) was laid on the table.

ANNOUNCEMENT BY THE SPEAKER

The SPEAKER. Pursuant to the provisions of clause 3(b)(3), rule XXVII, the Chair announces he will reduce to a minimum of 5 minutes the period of time within which a vote by electronic device may be taken on the additional motion to suspend the rules on which the Chair has postponed further proceedings.

AMENDING THE PENNSYLVANIA AVENUE DEVELOPMENT CORPORATION ACT OF 1972

The SPEAKER. The unfinished business is the question of suspending the rules and passing the bill H.R. 7743, as amended.

The Clerk read the title of the bill.

The SPEAKER. The question is on the motion offered by the gentleman from North Carolina (Mr. TAYLOR) that the House suspend the rules and pass the bill H.R. 7743, as amended, on which the yeas and nays are ordered.

The vote was taken by electronic device, and there were—yeas 149, nays 201, answered "present"—1, not voting 81, as follows:

[Roll No. 105]

YEAS—149

Abzug
Adams
Addabbo
Allen
Anderson, Calif.
Anderson, Ill.
Andrews, N. Dak.
Aspin
Baldus
Baucus
Bergland
Bingham
Blanchard
Boland
Bolling
Brown, Calif.
Burke, Calif.
Burke, Mass.
Burton, Phillip
Carney
Carr
Cederberg
Chisholm
Clausen, Don H.
Conable
Conte
Corman
Danielson
Dent
Derwinski
Diggs
Duncan, Oreg.
Early
Edwards, Calif.
Eilberg
Esch
Evins, Tenn.
Fisher
Flood
Foley
Ford, Mich.
Fraser
Giaimo
Gibbons
Green
Gude
Hall
Hamilton
Hanley
Hannaford
Harrington
Harris
Hawkins
Hays, Ohio
Heckler, Mass.
Helstoski
Hicks
Holtzman
Horton
Howard
Johnson, Calif.
Johnson, Colo.
Jordan
Kastenmeier
Koch
LaFalce
Leggett
Lehman
Lloyd, Calif.
Lundine
McClory
McCormack
McEwen
McFall
Madigan
Matsunaga
Mazzoli
Meeds
Melcher
Mezvinsky
Mikva
Mills
Mineta
Mink
Mitchell, Md.
Moakley
Mollohan
Moorhead, Pa.
Morgan
Moss
Murphy, Ill.
Murphy, N.Y.
Myers, Pa.
Natcher
Nedzi
Nix
Nowak
Oberstar
Obey
O'Hara
Ottinger
Patten, N.J.
Patterson, Calif.
Perkins
Pettis
Preyer
Price
Pritchard
Railsback
Rees
Reuss
Rhodes
Richmond
Riegle
Rodino
Rooney
Rosenthal
Rostenkowski
Roush
Ruppe
Ryan
Scheuer
Sebelius
Seiberling
Sikes
Sisk
Skubitz
Slack
Smith, Iowa
Solarz
Spellman
Staggers
Stanton, J. William
Stephens
Stratton
Studds
Talcott
Taylor, N.C.
Thompson
Tsongas
Van Deerlin
Waxman
Weaver
Wilson, C. H.
Wilson, Tex.
Yates
Yatron
Young, Ga.
Zablocki

NAYS—201

Abdnor
Alexander
Ambro
Archer
Ashbrook
Bafalis
Bauman
Beard, R.I.
Beard, Tenn.
Bedell
Bennett
Bevill
Blouin
Bowen
Breaux
Breckinridge
Brinkley
Brooks
Brown, Ohio
Broyhill
Buchanan
Burgener
Burke, Fla.
Burleson, Tex.
Burlison, Mo.
Burton, John
Butler
Byron
Carter
Clancy
Clawson, Del
Clay
Cleveland
Cochran
Cohen
Collins, Tex.
Cornell
D'Amours
Daniel, Dan
Daniel, R. W.
Daniels, N.J.
Davis
de la Garza
Delaney
Derrick
Devine
Dickinson
Dingell
Downey, N.Y.
Downing, Va.
Drinan
Duncan, Tenn.
du Pont
Edgar
Edwards, Ala.
Emery
English
Fenwick
Findley
Fish
Fithian
Florio
Flowers
Flynt
Ford, Tenn.
Forsythe
Fountain
Frenzel
Frey
Fuqua
Gaydos
Gilman
Ginn
Gonzalez
Gradison
Grassley
Hagedorn
Hammerschmidt
Harsha
Hechler, W. Va.
Hefner
Henderson
Hightower
Hillis
Holt
Hubbard
Hughes
Hungate
Hutchinson
Hyde
Ichord
Jacobs
Jarman
Jeffords
Jenrette
Jones, Ala.
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Kasten
Kazen
Kelly
Kemp
Ketchum
Keys
Kindness
Krebs
Krueger
Lagomarsino
Landrum
Latta
Lent
Levitas
Lloyd, Tenn.
Long, Md.
Lott
Lujan
McDonald
McHugh
McKay
Maguire
Mahon
Mann
Martin
Mathis
Michel
Milford
Miller, Ohio
Minish
Mitchell, N.Y.
Montgomery
Moore
Moorhead, Calif.
Mottl
Murtha
Myers, Ind.
Neal
Nichols
O'Brien
Passman
Pattison, N.Y.
Pickle
Pike
Poage
Pressler
Quie
Quillen
Randall
Rangel
Regula
Rinaldo
Risenhoover
Roberts
Robinson
Roe
Rogers
Roncalio
Rose
Rousselot
Runnels
Russo
St Germain
Sarasin
Satterfield
Schroeder
Sharp
Shriver
Shuster
Smith, Nebr.
Snyder
Spence
Stark
Steed
Steelman
Steiger, Wis.
Stuckey
Sullivan
Taylor, Mo.
Teague
Thone
Traxler
Treen
Ullman
Vander Jagt
Vanik
Waggonner
Walsh
Wampler
Whalen
White
Whitehurst
Whitten
Wiggins
Wilson, Bob
Winn
Wright
Wydler
Wylie
Young, Alaska
Young, Fla.
Zeferetti

ANSWERED "PRESENT"—1

Haley

NOT VOTING—81

Andrews, N.C.
Annunzio
Armstrong
Ashley
AuCoin
Badillo
Barrett
Bell
Biaggi
Biester
Boggs
Bonker
Brademas
Brodhead
Broomfield
Brown, Mich.
Chappell
Collins, Ill.
Conlan
Conyers
Cotter
Coughlin
Crane
Dellums
Dodd
Eckhardt
Erlenborn
Eshleman
Evans, Colo.
Evans, Ind.
Fary
Fascell
Goldwater
Goodling
Guyer
Hansen
Harkin
Hayes, Ind.
Hébert
Heinz
Hinshaw
Holland
Howe
Johnson, Pa.
Karth
Litton
Long, La.
McCloskey
McCollister
McDade
McKinney
Macdonald
Madden
Metcalfe
Meyner
Miller, Calif.
Moffett
Mosher
Nolan
O'Neill
Pepper
Peyser
Roybal
Santini
Sarbanes
Schneebeli
Schulze
Shipley
Simon
Stanton, James V.
Steiger, Ariz.
Stokes
Symington
Symms
Thornton
Udall
Vander Veen
Vigorito
Wirth
Wolff
Young, Tex.

The Clerk announced the following pairs:

Mr. Annunzio with Mr. Andrews of North Carolina.

Mr. O'Neill with Mr. Conyers.

Mr. Hébert with Mr. Cotter.

Mr. Biaggi with Mr. Eckhardt.

Mrs. Boggs with Mr. Evans of Colorado.

Mr. Fary with Mr. Holland.

Mr. Wolff with Mr. Howe.

Mr. Moffett with Mr. Sarbanes.

Mr. Pepper with Mr. Karth.

Mr. Badillo with Mr. AuCoin.

Mr. Stokes with Mr. Symington.

Mr. Barrett with Mr. Litton.

Mrs. Collins of Illinois with Mr. Ashley.

Mr. Brademas with Mr. Bell.

Mr. Wirth with Mr. Dodd.

Mr. Evans of Indiana with Mr. Eshleman.

Mrs. Meyner with Mr. Biester.

Mr. Roybal with Mr. Heinz.

Mr. McKinney with Mr. Goldwater.

Mr. Dellums with Mr. Udall.

Mr. Shipley with Mr. Goodling.

Mr. Bonker with Mr. Coughlin.

Mr. James V. Stanton with Mr. Johnson of Pennsylvania.

Mr. Vander Veen with Mr. Erlenborn.

Mr. Chappell with Mr. Broomfield.

Mr. Young of Texas with Mr. McCloskey.

Mr. Thornton with Mr. Guyer.

Mr. Miller of California with Mr. Mosher.

Mr. Long of Louisiana with Mr. Conlan.

Mr. Macdonald of Massachusetts with Mr. McCollister.

Mr. Fascell with Mr. Hansen.

Mr. Metcalfe with Mr. Brodhead.

Mr. Simon with Mr. McDade.

Mr. Nolan with Mr. Peyser.

Mr. Harkin with Mr. Brown of Michigan.

Mr. Hayes of Indiana with Mr. Crane.

Mr. Madden with Mr. Symms.

Mr. Santini with Mr. Schneebeli.

Mr. Vigorito with Mr. Steiger of Arizona.

Messrs. COHEN, YOUNG of Alaska, NICHOLS, MINISH, DE LA GARZA, COCHRAN, McHUGH, DELANEY, BEARD of Tennessee, BAUMAN, WHITE, FLORIO, PIKE, DOWNEY of New York, PICKLE, and WRIGHT changed their vote from "yea" to "nay."

So (two-thirds not having voted in favor thereof) the motion was rejected.

The result of the vote was announced as above recorded.

PERSONAL EXPLANATION

Mr. CARNEY. Mr. Speaker, the bell signal in my office was not working and I would like the RECORD to show that on H.R. 12188, Community Services Act Technical Amendments of 1976, had I been present, I would have voted "yea."

POLITICIZING OF OUR FINANCIAL REGULATORY AGENCIES?

(Mr. ST GERMAIN asked and was given permission to address the House for 1 minute, to revise and extend his remarks and include extraneous matter.)

Mr. ST GERMAIN. Mr. Speaker, as the House Banking, Currency and Housing Committee concludes its hearings on legislation emanating from the FINE study, proposing the most comprehensive reform of our Nation's financial system since the depression of the 1930's, predictably from a number of quarters the quality of rhetoric emerging increasingly bears no resemblance to the reality of the proposals contained within the committee print, entitled Financial Reform Act of 1976. Those who are always in the forefront of opposition to constructive change, preferring to rely upon the status quo or upon piecemeal approaches serving only their own narrow vested interests, continue to deliberately misdescribe the judgment of the committee at this point as to the type regulatory agency structure the facts clearly demonstrate is required. Many of you are hearing much talk and receiving many communications referring to the superagency proposal of the committee allegedly destroying the dual banking system, when, in fact, these proponents all know that what is recommended is a consolidation of the regulatory functions of the Federal Reserve with those of the Office of the Comptroller into a new body to be known as the Federal Banking Commission.

Three fundamental objectives will be accomplished by this simple act of consolidation:

First. The Federal Reserve Board will be able to devote its full time and attention to the proper execution of monetary policy which is so essential if this Nation is to continue to maintain the type growth and economy such as ours must have if we are to make available to all Americans the highest standard of living the world has ever known increasingly being enjoyed by fewer and fewer.

Second. By establishing a prestigious commission, at long last the entire problems of regulation will be accorded the stature it should have had all through the years so that, rather than interminable post mortems on what went wrong, we may be able to provide the means to prevent the catastrophic bank failures we have witnessed in rapid succession in the last 2-year period.

Third. The dual banking system will indeed be strengthened by continuing the Federal Deposit Insurance Corporation and encouraging the States to lift their level of bank examination to the standards established through the years by FDIC, looking to the day when State bank regulators are wholly responsible for the examination of State-chartered institutions. I might add that the genesis for this proposal originated with Chairman Frank Wille, of the FDIC, who has served with extraordinary distinction for over 12 years both as a State regulator—New York State—and as Chairman of the Federal Deposit Insurance Corporation.

Thus, I ask each of my colleagues to consider the source of the objections they are receiving today with these very simple clear comments in mind.

One phase which is now creeping into the testimony and into letters being received is the assertion that our current recommendations will—to put it in the words of one such witness—"politicize our Federal regulatory agencies." Mr. Speaker, I must raise the question, based upon the facts which I will detail briefly as to just who is politicizing our Federal regulatory agencies.

Let us begin with the Federal Reserve Board. One of the purposes of providing for 14-year terms for each Governor nominated to the seven-member Board was to insure continuity, experience, and certainly represents an effort to insure the independence of the Federal Reserve System. It is significant to note that three of the present seven members of the Federal Reserve Board have less than 1 year of service, one member has less than 2 years', and one has slightly in excess of 2 years' service. The sixth member has just under 3 years' service and its Chairman, Arthur Burns, is now entering into his seventh year. Four of the members are filling unexpired terms of previous appointees and thus it is apparent that the stability and continuity contemplated in the manner by the Board of Governors as been structured has simply not been achieved.

I certainly have no explanation for this constant turnover within the Board, except to wonder whether deficiencies exist in the selection process, or whether difficulties encountered while serving or whether low salary levels compared to Federal Bank presidents have been contributing factors.

Let us now turn to the Federal Home Loan Bank Board. During this crucial time in our deliberations both by the Senate and the House on financial reform legislation, the Federal Home Loan Bank Board continues to serve without a Chairman. Former Chairman Bomar resigned abruptly on June 20, 1975, to become president of the American Savings and Loan Association of Florida. The President did not nominate a successor until October 6, who was subsequently defeated by a vote of the Senate Banking Committee in November. It was not until February 6, 1976, that the name of the President's second nominee was submitted, and from recent press accounts, the second nominee appears to be unable to gain the necessary votes in committee due to apparent unresolved conflict-of-interest problems. Thus, once again, the selection process obviously leaves much to be desired and certainly the delay in making Presidential decisions continues to deny a major segment of our financial industry the type leadership they need and we in Congress need to assist us in our continuing deliberations on financial reform legislation, supposedly deemed to be a high-priority must piece of legislation by the administration.

The administration's record on the implementation of the Electronic Funds Transfer Commission is sad, almost to the point of disbelief. This all-important Commission was established on October 28, 1974, and it was not until October 6, 1975—almost 1 year later—that the President took one single step to bring this Commission into being by his nomination of a Chairman. The responsibilities of that commission are essential to our consideration of bank reform legislation but, unfortunately, Mr. Speaker, due to callous indifference and disregard for the clear will of Congress, we must proceed without the advice and counsel such a commission could have provided us.

Finally, the most recent action by this administration impacting on financial institutions so offends the sensibility of all decent individuals that it is difficult to express the disappointment I feel in an administration that continues to "politicize" financial regulatory agency appointments. The summary dismissal of retired U.S. Marine Gen. Herman Nickerson by a White House functionary shortly after his testimony before the Senate Banking Committee last Wednesday is still another example of insensitivity by the White House, not only to the individual immediately affected, but to the cause of financial reform legislation and, in particular, to the credit union movement, which has been and was so ably represented in our recent deliberations by General Nickerson, who has continued his nearly half century of service to this country in a completely distinguished manner as the Chief and only Administrator of the National Credit Union Administration.

Last Tuesday, General Nickerson appeared before the subcommittee, which I chair, concisely and ably presenting the views of the Credit Union Administration on the most complex piece of legislation that has ever been proposed for the benefit of credit unions and the millions of working men and women that have been served so well by credit unions.

It is ironic indeed that one of General Nickerson's last acts was to rename the Congressional Employees Federal Credit Union the Wright Patman Congressional Federal Credit Union. Also, it is ironic that President Ford led the tributes to former Chairman Wright Patman, who will forever be remembered as the father of credit unions, and then just a few days later delegate to a functionary in the White House the task of firing this distinguished American wholly without cause and, according to press reports, solely for the purpose of gaining an advantage in the upcoming Republican primary in the State of Illinois. I need not say more, except to commend my colleague from New Hampshire, Senator McINTYRE, and to endorse fully the statements that he made to his colleagues in the Senate on the floor on March 11.

What we are talking about here, as Senator McINTYRE said so well, involves the fundamental meaning of fair play and common decency. I join with my colleague from New Hampshire and I know my sentiments are shared by the vast majority of my colleagues on both sides of the aisle, particularly the members of my subcommittee, who have nothing but the highest respect for the outstanding and preeminent professional manner in which General Nickerson always conducted himself in appearances before the committee and in the discharge of his responsibilities as the Administrator of the National Credit Union Administration. I, too, offer to General Nickerson my deep and heartfelt personal congratulations on a job well done. I know that the general's advice and counsel will continue to be available to the committee and to me personally on behalf of the credit union movement that he administered so well, carrying on a tradition inspired throughout the credit union movement by former Chairman Patman, who not only had a dream 41 years ago, but lived to see the realization of that dream.

This action in the name of the President, in my judgment, is all too reminiscent of the Watergate climate and continues the tainting of the White House which should be this Nation's symbol of all of those virtues for which America has prided itself, particularly those virtues of fair play, compassion, understanding, and decency.

Thus, Mr. Speaker, I urge my colleagues, who are being deluged with American Bankers Association inspired correspondence asserting that the Financial Reform Act of 1976 would "politicize" our regulatory system, to reflect carefully on this administration's actions.

By recommending a three-member Board for NCUA, an expanded three- to five-member Board for the Federal Home Loan Bank Board, by creating a five-member Federal Banking Commission, absorbing the regulatory powers of the Federal Reserve Board and abolishing the single administrator concept of the Office of the Comptroller, by subjecting the Presidents of the Federal banks, to the Senate confirmation process, the committee has dealt decisively with this administration's continued attempts to "politicize" our regulatory agencies.

Mr. Speaker, it remains our intention to bring the Financial Reform Act of 1976 to the floor in April, despite one of the most massive lobbying campaigns in opposition in recent memory. I commend the following excerpts from recent editorials in support of the general thrust of the FINE study recommendations to my colleagues:

[From the Los Angeles Times, Feb. 12, 1976]

BANKS AS "PROBLEMS"

Reading about the "problem lists" kept by bank examiners is no balm for American nerves, already unsettled by several years of economic turmoil. The fundamental fact remains that the United States has the strongest banking system in the world, and that ordinary depositors have lost no money in bank closures since federal deposit insurance was introduced in 1934. Nor will they suffer losses in the future so long as regulators continue to do their job with care and perseverance.

That is the point of the problem lists. They focus the attention of regulatory agencies and congressmen on areas where problems need to be corrected. The lists are no harbinger of serious trouble in America's banking system. They are an instrument for avoiding serious trouble.

What the lists tell us is that the examiners' system of checking each bank's financial health is not perfect, and that recent changes in monitoring methods must be carried forward so that problems at individual banks can be anticipated sooner.

The lists also attest to the need for legislation to consolidate federal bank regulation under one agency instead of three.

James E. Smith, comptroller of the currency, now says that 28 banks are on his problem roster. A few are small institutions that may face a forced sale or liquidation, under the auspices of the Federal Deposit Insurance Corp., if they fail to get their affairs in better order. Most are expected to work out of their troubles easily now that economic recovery is under way.

There are lenders who invested too heavily in New York City bonds that have declined in value. There are banks that lent too much money to faddish real estate investment trusts. There are others with excessive commitments to foreign borrowers who have their own financial problems. No doubt there are a few institutions that simply lent foolishly all around.

Problem lists are nothing new. Even in the best times a handful of banks will be under close scrutiny. What is noteworthy about the lists today is that they have prompted Smith and other examining officials to start improving the way banks are watched and checked and monitored.

The failures in the last five years of U.S. National of San Diego, Franklin National of New York, and several other large but badly run banks have shown that the supervisors' old ways were just not good enough.

Now, instead of only looking over old loans and past actions, examiners are studying more closely how each bank makes its decisions and implements them. The regulators are turning to methods that anticipate problems before they become severe. They are using computers to analyze the loans on each bank's books, and to compare individual banks with each other.

Meanwhile, both houses of Congress are working on bills to consolidate the federal regulation of banks, now splintered among the comptroller's office, the Federal Reserve Board and the Federal Deposit Insurance Corp. The House bill being drafted by Democratic Rep. Henry S. Reuss of Wisconsin, chairman of the House Banking Committee, would also broaden the Federal Reserve's control over all banks' effects on the economy by subjecting state-chartered banks to reserve requirements as established in Washington. That is a good and important proposal.

Eventually, some influential congressmen would like to bring all banks under national charters, and phase out state regulation. Advocates of uniform chartering say the current duplicated system amounts to competition in laxity between banking supervisors in Washington and in state capitals. In some cases they are right.

What matters most here is the coherence of national banking policies and the way in which they serve broader economic goals like growth, jobs and price stability. A single banking system could coordinate policies more effectively. But the phasing out of state regulation should not be considered before federal supervision has been fully reorganized.

Banking's role would be easier to supervise if the nation depended less on debt. Once, Americans seldom borrowed except to buy their homes. Now millions of families, encouraged by lenders' aggressiveness and by favorable tax laws, use credit for all sorts of purchases. The resulting mountain of debt can make recessions more severe and recoveries more difficult to control. But all that credit has also financed remarkable economic growth over the last 30 years.

That growth might not have happened if the banks had stopped being aggressive and taking risks. These institutions are the crucial conduit for the nation's economic health precisely because they have the strength to absorb a few mistakes, a few borderline loans to promising but uncertain applicants. Taking those risks, financing unfamiliar people and ventures, is a vital part of their function.

Keeping the banks strong, as they are today, is vital to America. The challenge is to devise regulatory systems that will keep the banks strong without preventing them from doing their job.

[From the Financial World, Mar. 1, 1976]

WASHINGTON AND OUR BANKS: THE REGULATORS

(By Alfred Kingon)

The headlines concerning "problem banks" that have appeared on various regulators' lists could not possibly be a surprise to any regular reader of Financial World.

Last year had barely begun when, in our issue of Jan. 8, 1975, we put this quote from our exclusive interview with Comptroller of the Currency James E. Smith on the cover: *"I see this being a year in which we will have quite sizable loan losses."* Later in the year we carried several related stories.

But today's headlines are telling you of last year's problems. For us, it is time to look ahead.

Two congressional investigations are currently underway that go to the heart of our bank regulatory system: one, under the helm of Chairman Reuss and subcommittee Chairman St. Germain on the House side, and the other under Chairman Proxmire in the Senate. Legislation has now been proposed that would radically alter the way our nation's banks are supervised.

At the outset, it ought to be clearly understood by all—bankers, regulators and legislators—that none of the recommendations that we or others make are nearly as important as fulfilling the fundamental prerequisite. And that, simply stated, is that the Federal Reserve governors and the commissioners of a proposed new federal banking commission must be tough-minded, independent individuals of the highest integrity. Indeed, we believe any system, even the one now in existence, can function effectively when this requirement is met.

It is sadly evident that many of the problems now being exposed to public scrutiny are clearly the result, at the very least, of errors of omission by certain bank regulators.

The time has long passed when the "competition in laxity" among our regulatory institutions, as Chairman Burns put it, should have ended. The FDIC, the Comptroller of the Currency and the Federal Reserve have enmeshed our banks in a miasma of complexities and inconsistencies.

By this time, it should be obvious to everyone that the supervisor of a bank's holding company must also be the supervisor of the bank itself. It ought to be obvious to everyone that the banks cannot continue to have the option of changing regulators by changing from a state bank to a federal bank in order to obtain a more congenial supervisory climate. There is no defensible reason for one regulator to have the most modern equipment to supervise the banks under its aegis and another not even to have a computer. These are but a few of many compelling arguments for change born in the unfortunate experience of recent years.

So the first recommendation must be, and is, that all bank regulators—the relevant Federal Reserve staff, the Comptroller of the Currency and the FDIC—be merged into one strong and effective unit.

There are many reasons to fold this new regulatory authority over all banks into the Federal Reserve. By all accounts, the Fed's supervisors have been the most effective. Indeed, it has been from the Federal Reserve that banks have fled.

And how can bank regulators function without the knowledge of overall money and credit conditions that exist not only in this country, but throughout the world? West Germany has the banking system that perhaps most nearly resembles our own. There is some evidence to suggest that the debacle concerning the collapse of Bankhaus Herstatt was in part due to the lack of coordination between the independent bank regulator and the central bank, the Bundesbank. In our own country, we apparently came perilously close to some major difficulties in the Franklin National Bank episode because of differences between the Federal Reserve and the Comptroller of the Currency.

Finally, it would be the Fed that would be called upon to provide the funds to alleviate any difficulties in the system.

On the other hand, almost daily new fears about the banking system are articulated. It matters not that these expressions are not well-founded. And it is a commentary on our times that reassurances from those in authority tend to aggravate rather than ameliorate. The truth is that the credibility of our banks, our banking system and its regulators have been dealt serious blows. Our banking system, in the final analysis, rests on confidence, and restoration of confidence is the paramount objective.

Therefore, notwithstanding the very valid reasons for allowing the Fed to become the principal regulator, we believe that, on balance, a fresh start is the best path. We endorse the House and Senate proposals that would establish a new federal banking commission, to be composed of five or more independent members appointed by the President and confirmed by the Senate serving staggered terms. We endorse the proposals that would amalgamate all of the regulatory powers now vested in the Fed, the Comptroller of the Currency and the FDIC into this commission.

At the same time, it becomes mandatory that the Federal Reserve and this new agency maintain effective liaison. It is not necessary that governors of the Fed be commissioners of the new agency, but an effective mechanism will have to be created to insure a continuous flow of information and dialogue between both agencies.

Finally, we recommend in the strongest possible terms that the nucleus of the new agency be the current regulatory system and staff now employed at the Federal Reserve.

[From the Washington Post, Mar. 5, 1976]

WHO CONTROLS THE COMPTROLLER?

The job ahead of the bank regulators is, in all-truth, as delicate as it is difficult. As the chairman of the Federal Reserve Board, Arthur Burns, has observed, it is exceedingly important just now not to force the banks to start calling in all their dubious loans. If the banks were suddenly required to apply sharply more stringent credit standards, the effect on business—and the unemployment rate—would be dire. Without curtailing the flow of credit to business, the regulators are going to have to find a way to impose a higher standard of acceptable risk. Because the economic recovery is still in a decidedly fragile state, the regulators are trying to avoid frightening bankers, or borrowers, or depositors.

But there could hardly be any more dismaying prospect than the possibility that the federal government's principal bank regulator has failed to comprehend the meaning of those recent failures. To each successive disclosure of trouble in the banking system, Mr. Smith's reaction has been to try to defend and protect the bankers. He has given little indication that he understands the scale of the malfunction, or the urgent need for remedy.

The case for consolidating federal bank regulation under one agency is increasingly clear. It is evident that some banks have become adept at playing off one set of regulators against another. It is particularly unfortunate that under the present arbitrary division, the largest banks are under the least forceful regulator. The Senate and House Banking Committees are now considering legislation to reorganize this whole process of supervision. The present confusion of jurisdictions and policies is a dangerous anachronism.

PERSONAL ANNOUNCEMENT

(Mr. DANIELSON asked and was given permission to address the House for 1 minute, to revise and extend his remarks and include extraneous matter.)

Mr. DANIELSON. Mr. Speaker, I missed rollcalls Nos. 101 and 102. I wish the RECORD to show how I would have voted on these questions had I been present on Thursday, March 11, 1976:

Rollcall No. 101: An amendment to the committee amendment which sought to increase the subsistence allowance to students in State Maritime Academies from $600 to $1,200 as contained in H.R 11481. I would have voted "no."

Rollcall No. 102: H.R. 11481 authorizes appropriations for the fiscal year 1977 for certain maritime programs of the Department of Commerce. I would have voted "aye."

FURTHER LEGISLATIVE PROGRAM

(Mr. McFALL asked and was given permission to address the House for 1 minute, to revise and extend his remarks and include extraneous matter.)

Mr. McFALL. Mr. Speaker, I take this time to announce that we are adding to the Suspension Calendar tomorrow the bill (H.R. 12455) extension of services under title XX of the Social Security Act.

THE TRUTH ABOUT THE PEROFF STORY

(Mr. HELSTOSKI asked and was given permission to address the House for 1 minute to revise and extend his remarks and include extraneous matter.)

Mr. HELSTOSKI. Mr. Speaker, we live in incredible times of bizarre occurrences which are magnified by irresponsible attitudes. I wish to recount for my colleagues and constituents an incredulous experience of an attempted frameup distorted by biased and irresponsible reporters.

Some of the most vulgar and scurrilous pieces of journalism appeared in the syndicated Jack Anderson column in the Washington Post this weekend entitled "A Congressman Meets a Crook," and a second article written by another reporter.

Both articles are false and malicious, filled with inaccuracies, and imply, among other things, I had contacted an underworld con-man-turned-Government-informer, a person named Frank Peroff, without first learning about this individual's background and credibility.

The first meeting with Peroff was scheduled after I sent a letter on my congressional stationery—hardly a sub rosa way to hire anyone for illicit purposes—to the William Morrow & Co., publishers of a book on Peroff. My sole purpose was to see if I could learn anything further about Osvaldo Aguierre, a Chilean national who had given perjured testimony at the trial of Albert DeFalco, a former aide of mine 8 years ago. Five other sources besides Peroff were being contacted by me in a diligent effort to garner information and develop the truth about this perjurer.

I learned of Peroff through a short statement in "W," a Fairchild publication. The quote in this publication attributed to Peroff said in part:

> I made my name smuggling people and money out. In Chile we smuggled out damn near a billion dollars and some of that was for American companies.

The title page of the book on Peroff has a special thanks to Bill Gallinaro of the Senate Permanent Subcommittee on Investigations, "who spent a huge chunk of his life on the Peroff story."

It seemed appropriate then in checking on Peroff, identified in the book as an undercover agent, to contact William Gallinaro, since he had worked with Peroff extensively. Gallinaro attested to Peroff's credibility. Later on, another strange twist developed in the Gallinaro-Peroff relationship. Both men stated that they attended the wedding of Jonathan Goldstein, the U.S. attorney in New Jersey. I imagine that when I speak with Peroff he is a mobster but when he attended Jonathan Goldstein's wedding, he is some sort of illustrious citizen.

The meetings took place on November 13, 1975, and November 17, 1975, at Dulles Airport near Washington. A witness, upon instruction of my attorney, was present in order to have a full and indisputable account of the discussions. I was seeking verification of some questions arising out of the DeFalco trial which ended October 17, 1975. Some vague oblique reference as to how to obtain the information was suggested by Peroff in his braggadocio style. The entire premise was to obtain the truth and I rejected any approach other than revealing the complete truth—"even if Aguierre is the village priest, that is what we want to know," I told Peroff.

In the interim period between the two meetings, Gallinaro was again asked whether Peroff was actually reliable and "would only give us the truth." Again Gallinaro certified that he was.

Any possibility of Peroff's reliability however, was discounted by me at a second 20-minute meeting. Peroff was told there would be no need for him to go to Chile to obtain any information since the other sources had produced some helpful information. Peroff was dismissed as nothing more than a pathological liar with an interest in money. I was amazed that the Government relies and pays this caliber of individual for information.

The entire bizarre affair was ended—I thought—at this point despite several nagging questions which remained: The strange and close relationship of Gallinaro-Peroff; the two men at Jonathan Goldstein's wedding; Gallinaro's interest in the price Peroff was asking for the proposed trip to Chile; Gallinaro's work with Coonan, now in St. Louis, who used to set up informers falsely in Newark; Gallinaro's statement of keeping dossiers on members of Government including Senators and Congressmen, and his continued adamant certification of the irrational Peroff, who wore sunglasses at night, playing out his Walter Mitty fantasies.

After the publication of the insipid and vile news stories, the questions arise again. A taped interview of Gallinaro was arranged on March 10 at a Senate office in the presence of others to determine reasons for the attestation of Peroff by Gallinaro.

During the course of questioning, interesting factors developed. Gallinaro contradicted himself on several occasions. After an initial denial—that he had not been in touch with Peroff for 18 months, admitted that he had in fact spoken with him often and frequently. At the time of the meetings on November 13 and November 17, Gallinaro had been in touch with his "dear friend Jon Goldstein" about the matter. Gallinaro had obviously been lying and I suspect was participating in the attempted frameup of me—keeping in touch with a U.S. attorney, Jonathan Goldstein, whose jurisdiction is in New Jersey. In fact, he admitted being called by Jonathan Goldstein.

And what of the motivation of Peroff, the psychological weakling? Why does he seek to ingratiate himself with lies—is it the sale and promotion of his book, or his friendship for Gallinaro and Goldstein with whom he worked, or is it, as he sits in his jail cell, just plain fear of extradition to Sweden on stock fraud which is pending at the present time.

If the matter were not so serious it would be hilarious to watch Peroff and Gallinaro blundering through an attempted frame, but there is a deeper and graver concern.

Is the composition of the Senate Investigating Committee staff a conduit and funnel for information—spying on Members of Congress—to pass on information to U.S. attorneys in the Nation? What is the extent of this so-called legitimate cooperation with U.S. attorneys that would set up and frame individuals with contrived events? The role of double agents is not new in the operation of our Government. It is a great deal closer to us than we think.

Later this month, Mr. Speaker, I intend to take up several other matters of concern among which will be the Department of Justice coverup of the Shoup voting machine scandal in New Jersey, something no official has any desire to pursue, then a second recent attempt to frame me by the U.S. attorney in New Jersey, Jonathan Goldstein, and how the Department of Justice protects the mob.

SPEAKER ALBERT: THE PROSPECTS FOR NATIONAL HEALTH INSURANCE

(Mr. ROSTENKOWSKI asked and was given permission to address the House for 1 minute, to revise and extend his remarks, and include extraneous matter.)

Mr. ROSTENKOWSKI. Mr. Speaker, I would like to take this opportunity to bring to my colleagues' attention, a timely and important speech that you made at the Annual Convention of the Federation of Hospitals in February.

Your cogent remarks about the serious deficiencies in the President's medicare proposal clearly identified the need for a responsible approach to meeting the problem of catastrophic illness among the aged. And I share your conviction that this Congress will respond to the need without imposing the kind of punitive financial burdens contained in the administration's proposal.

Further, I believe that your evaluation of the present status of national health insurance is a valid one. I too, believe that the so-called jurisdictional impasse which has received a degree of publicity far out of proportion to its significance will be resolved through "a natural division of labor" at the markup stage of the legislative process. This was successfully accomplished before in another complex legislation area with the enactment of the Employment Retirement Income Security Act of 1974. I am confident that my colleague, the distinguished gentleman from Florida (Mr. ROGERS) and I can work together to develop the kind of "comprehensive national health care program" of which you so eloquently spoke in your remarks to the Federation of Hospitals.

I would like to insert the entire text of the speech in the RECORD at this point for the information of all the Members of the House.

THE PROSPECT FOR NATIONAL HEALTH LEGISLATION

(By CARL ALBERT)

Dr. Bradley, President-Elect Samsel, Mr. Bromberg, and other participants in the 10th Anniversary Convention of the Federation of American Hospitals:

It is a great pleasure to be here with you this afternoon. This Convention has been designed to bring the hospital management team—the administrator, the chief of medical staff and their top assistants—up to date on the important issues confronting investor-owned hospitals. Participants from the more than 1,000 hospitals which form the Federation of American hospitals have been well represented here.

You have met with the experts in the field—from universities, from the executive branch and from the Congress. No one expected you to resolve America's health problems—health care is, after all, the Nation's most rapid growth industry—but you will be leaving this Convention with a much greater grasp of the range and complexity of these fundamental problems.

It is hardly necessary to review before this expert audience the nature of the health care crisis confronting our Nation, As *Forbes* magazine noted only last month:

> Soaring hospital costs are like a cancer eating away at the body economic; hospital bill now amounts to 40 percent of total medical costs, which in turn, are 8 percent of the Gross National Product.

The costs of private and public health insurance programs are mounting. Spending on Medicare and Medicaid, alone, is already approaching $38 billion a year.

The rapidly mounting costs of malpractice in insurance are forcing doctors to raise their prices and reconsider their medical practices.

Expenditures for health purposes in the United States totaled $118.5 billion in FY 1975, approximately doubling the figure of six years previously, and representing a per capita outlay of $547 for every man, woman and child in America.

Overall, costs in the health care field are rising at the rate of better than 13 percent a year, a rate substantially greater than the increase in cost-of-living.

Yet, there are some rays of hope even among the stormy predictions and gloomy forecasts which generally characterize the nature of national health care evaluations.

For example, the costs of investor-owned hospitals, such as your own, have been growing at a slower rate than for all hospitals in general.

Investor-owned hospitals have helped fill a real gap in health delivery by building needed facilities in communities which could not attract the charitable or governmental funds to build a hospital.

By investing private capital in health care, you have performed a very important service for millions of Americans.

I personally know the contribution your industry has made to health care in Oklahoma. In both the urban and rural part of my home State 16 investor-owned hospitals have provided access to treatment which otherwise might not have been available to the residents of those communities.

In addition, those 16 hospitals would have cost the taxpayers of Oklahoma and the U.S. more than $50 million of public funds to build but for your willingness to risk private capital. Nationwide, your investment in over 1,000 hospitals has saved the taxpayers more than $6 billion in public funds.

As you know, those public dollars are becoming more scarce every day in our present economy, so we in Congress appreciate your commitment to the health needs of America. Here, as in other aspects of health care, however, sheer cost-cutting must never take undue priority over the maintenance of quality services.

I, of course, cannot claim to be an expert on the Nation's health problems. The Speaker, like his leadership counterparts in the four Congressional parties—House and Senate Democrats and House and Senate Republicans—must inevitably remain a generalist.

My job is to take legislation as it comes from the Committees, arrange for its scheduling on the Floor, and help to insure its passage. Given the myriad of legislation characteristic of any given session of Congress, I seldom have the opportunity to immerse myself in the detail or technicalities of legislation, health care or otherwise.

Still, a generalist's perspective can often be very useful. It is part of my job as the leader of the Majority Party in the House to gauge the climate of opinion affecting legislation. Is this bill or that bill ready for passage? Equally important, is the mood of the House receptive to the passage of the legislation?

Above all, it is absolutely essential to successful legislative leadership that the leader know before he makes a major effort to schedule a bill that the time for the enactment of the bill is ripe. Timing may well be the difference between victory or defeat.

This afternoon, I would like to discuss two pending areas of concern in the health arena:

(1) President Ford's proposal to create catastrophic health insurance for everyone under Medicare; and

(2) Democratic programs to launch comprehensive national health insurance programs.

What is the current status of these measures? How feasible are their chances for passage in the second session of the 94th Congress?

Let us look, first, at President Ford's proposals for catastrophic health insurance as set forth in his State of the Union address last month. The rhetoric is grand:

> The burden of catastrophic illness can be borne by very few in our society. We must eliminate this fear from every family.

But after arousing this universal anxiety about a very real problem and seeming to promise so much, what does his program of catastrophic health insurance amount to?

In the first place, it would not apply to "every family," but only those aged Americans currently covered by Medicare. To finance the added protection, the Ford Administration argues, and I quote:

"Fees for short term care will go up somewhat, but nobody after 65 will have to pay more than $500 a year for covered hospital or nursing home care or more than $250 for one year's doctors' bills."

On the surface, it would seem that all aged beneficiaries would get some added protection for very little additional cost to them. But what do the President's proposals, as set forth in his State of the Union message, really mean for the aged? What would hospitalized patients really get and what would they have to pay over and above what they now pay under Medicare? How many aged people would really be helped at all?

For the great majority of older beneficiaries under the present law, the only cost for hospital stay is the initial Medicare in-patient hospital deductible—currently $104. The average hospital stay for the aged is less than twelve days.

Under present law, the beneficiary owes no further co-insurance until the 61st day of a hospital stay. Then he owes $26 a day through the 90th day of his stay.

Under the President's proposal, the Medicare in-patient deductible would remain unchanged. However, each patient would have to pay a co-insurance amount equal to 10 percent of all hospital charges above the deductible, up to the maximum for deductibles and co-insurance payments, of $500 a year.

For practical purposes under the President's plan, every beneficiary would have to pay more than the initial $104 no matter how long or how short his stay. Practically all beneficiaries would reach the $500 level long before they had been in the hospital 60 days—the time at which, under present law, they would first have to pay any co-insurance cost.

In fact, under present law, a beneficiary would have to be hospitalized for more than 75 days before he could be liable for as much as $500 in deductible and co-insurance amounts.

Thus, the President's proposal would actually prove more costly for the vast majority of Medicare beneficiaries.

If the President's proposals were to become law, some 25 million Americans now eligible for Medicare would suffer a severe loss in protection. I do not believe that the Congress, as presently constituted, will allow this to happen.

Further evidence suggesting the lack of thought and planning behind President Ford's proposal was revealed earlier this month. As you probably remember, James P. Cardwell, the Commissioner of Social Security, announced on February 9th that the catastrophic health insurance plan would cost more than twice as much as the figure initially included in President Ford's budget.

The first estimate was an additional cost of $538 million. Now, Commissioner Cardwell estimates that the annual cost would range from $1.1 billion to $1.4 billion.

What about the great majority of Americans, the millions of young and middle-aged working people not now covered under the provisions of Medicare or Medicaid?

The President admits in one breath that, "the burden of catastrophic illness can be borne by very few in our society." In the next breath he calls for the elimination of "this fear from every family."

But then, he concludes that "we cannot realistically afford national health insurance for all Americans."

What kind of leadership is it which announces a threat hanging over all our citizens—a threat to the health and well-being of every family—and then conclues little or nothing can be done about it?

If the problem is there, we must find a solution. Catastrophic insurance should be part of an overall national health insurance program, not just limited to those older citizens covered by Medicare.

Congress is moving on national health insurance. I will do everything in my power as Speaker of the House to bring about a solution.

I personally feel the issue is so important that I saw to it that one of the major bills treating this problem, the bill introduced by Ways and Means Committee Chairman Al Ullman, was given the number H.R. 1.

Since then, more than a dozen different national health bills have been introduced in the 94th Congress, including the Corman-Kennedy bill, H.R. 21, the Burleson-McIntyre bill, H.R. 5990, the Fulton bill, H.R. 6222; and the Waggonner-Long bill, H.R. 10028.

While these proposals vary in their principal thrust and comprehensiveness, the sheer number of them and their wide-ranging ideological sponsorship underscore the importance of the felt need.

Since many of you in this audience are familiar with the major features of these various proposals, I will not take the time to discuss them here.

Instead, let me take several minutes to bring you up to date on some recent legislative developments concerning national health insurance.

Much print has been spilled about a possible jurisdictional deadlock over national health insurance between two House subcommittees: The Ways and Means Subcommittee on Health, headed by Congressman Dan Rostenkowski of Illinois, and the Interstate and Foreign Commerce Subcommittee on Health and the Environment, led by Congressman Paul Rogers of Florida.

This jurisdictional problem arose as a result of the House reorganization in 1974 which shifted jurisdiction over existing and proposed health programs not financed from a payroll deduction to the Interstate and Foreign Commerce Committee.

Previously, such programs as Medicaid and maternal and child health fell exclusively under the jurisdiction of the House Ways and Means Committee.

Both subcommittees have launched a series of hearings dealing with national health insurance. The Roger Subcommittee began hearings on February 4 and 5 reviewing the experiences of current health programs, including Medicare and Medicaid and private health insurance.

Their concluding hearings, examining the financial and economic impact of a national health insurance plan on the Federal budget, the states, the tax system and the general public, are scheduled to end next week.

Next week, the Rostenkowski Subcommittee on Health will continue its consideration of national health insurance with a series of regional hearings on national health insurance tentatively scheduled in five cities: Chicago, San Francisco, Knoxville, Salem, Oregon, and New Orleans.

Last summer, the Ways and Means Committee held a series of educational panel discussions on different aspects of this most complex subject. In November and December, their Subcommittee took testimony in Washington for more than 20 days. One of the first organizations to testify was your Federation of American Hospitals.

I do not feel that this jurisdictional problem will prevent the passage of national health insurance legislation. Both Subcommittees are broadly representative of the House; both are headed by competent legislators.

Moreover, something of a natural division of labor is likely to occur: The Commerce Subcommittee will tend to focus on overall organization of a national health care delivery system while the Ways and Means Subcommittee concentrates on the financing mechanisms.

After both Subcommittees have drafted legislation, a number of parliamentary mechanisms are available such as re-referral and special resolutions from the Committee on Rules in order to expedite bringing a comprehensive bill to the floor.

Both Subcommittee Chairmen have gone on public record that they will work together to try and obtain the soundest possible legislation.

Finally, the majority leadership is united in its commitment to work hard for the passage of national health insurance in this Congress.

We are approaching widespread agreement that our present health care system is inadequate and that we are losing ground, year by year. The inability of many persons to pay for proper health care is an important problem. But legislation which addresses itself solely or even primarily to that aspect of the problem, alone, will only serve to escalate the health care cost in the United States.

We have learned several important lessons from our experiences with Titles XVIII and XIX of legislation amending the Social Security Act in 1965 (Medicare and Medicaid). These experiences have shown that simply providing payment, public or private, is not enough. Moreover, the largely uncontrolled escalation of the Nation's health care costs have brought all sectors of the society to an unparalleled level of apprehension and discontent about medical and hospital costs.

Tackling the problem on a mere piecemeal basis is not enough. We have the knowledge, the resources and the commitment to break the bonds which presently prevent us from obtaining the comprehensive health care system our citizens so critically need and deserve.

Given the size of the present budget deficit, the conservative stance of the Ford Administration, the partisan nature of this election year, and the overall sluggishness of the economy, it may prove impossible to enact a national health insurance plan this session.

This Congress, confronted by a recalcitrant Administration, may be stopped short of final enactment of this legislation.

But I promise you this—we will work to pass national health insurance in this session. Failing that goal, we will strive to include it in the Democratic Platform for 1976. We may have to wait until, eventually, the Administration and the Congress will see eye to eye.

As Victor Hugo noted long ago, "greater than the tread of mighty armies is an idea whose time has come." The great majority of Americans want this legislation.

The time has come to enact a comprehensive national health care program that will meet the needs of all the people of America.

CONGRESSMAN JACK KEMP PROPOSES a $2½ BILLION REDIRECTION OF FEDERAL SPENDING INTO THE NATION'S SMALLER BUSINESSES WITHOUT HAVING TO SPEND ONE EXTRA DOLLAR BY GOVERNMENT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. KEMP) is recognized for 30 minutes.

Mr. KEMP. Mr. Speaker, Congress has before it an opportunity we cannot miss. It is an opportunity to redirect about $2½ billion in existing Federal spending into the Nation's smaller businesses each year. This would be a new flow of activity into the private, productive sector of the economy—not a redirection of existing contract dollars from one type of business to another. And it would be done without spending one extra dollar of taxpayers' money.

How would this come about? By reaffirming the policy of Congress that the Government should buy its goods and services from the private sector in both the defense and civilian fields. This is already the policy of the Congress. It has been clarified and reaffirmed by us before. And it has been adopted by all administrations.

Yet this policy is constantly eroded at the department and agency levels, presumably by those who want a larger bureaucracy, one more dominant in our society. It has become a policy observed more in the breach than in compliance—a breach which has produced a number of losses for the country.

The taxpayers have lost. A dollar spent in-house by Government simply does not buy the same level of productivity as one spent in the private sector. That is statistically provable.

The economy has lost. Real wages, aggregate personal income, production, and the gross national product simply do not grow as quickly when large percentages of expenditures are made by and within Government. This is statistically provable.

Employment has lost. Dollars spent in Government do not create as many jobs.

Competition has declined. Government is forcing itself into obtaining more and more of its goods and services without the benefits of competition. This is statistically provable.

The adequacy of investment capital has declined. The private sector has lost part of the capital base it needs for facility expansion and employment as a result of the circumvention of Congress policy. This is statistically provable.

And America's technological lead over other industrialized nations is being lost. In large measure this is because of the way in which increasing percentages of the innovative, creative processes associated with research and development are being moved into the often stale environments of the bureaucracies. This is statistically provable too.

The growth of Government in general has had much to do with this. But the growth in Government being an increasingly larger provider of goods and services for itself has had a profound effect on this trend. It has accelerated this trend significantly.

GOVERNMENT HAS NO BUSINESS BEING IN BUSINESS

Government has no business being in business. Yet we are at a point where Federal dollars are being used increasingly to compete with the private sector. And Government has an unfair, inequitable and anticompetitive advantage over the private sector, because Government also sets the rules governing the competition between and with itself. In simplest terms it has the double advantages of both playing the game and setting the rules—player and umpire.

The results of this can be obvious. You can see rather readily the effects on tax burdens, the economy, employment, and our status. You can see that Government is moving toward becoming the first convergence of monopoly and monopsony—a single seller and a single buyer. It is buying more than ever and is producing more than ever—to sell to itself. But other results are not as obvious. You cannot see as readily the effect on our way of thinking, of shifts in relative importance between what Government decides should be done and what the people decide should be done, and of the decline in the success rate in experimental technology.

This trend flies in the face of what we know about performance in Government.

According to the 1975 annual report of the National Commission on Productivity and Work Quality, the private sector continues to be 20 percent more productive than the Federal sector. You get 20 cents more performance out of every dollar spent in the private sector, as compared to the public. The Commission observed that for fiscal years 1967 through 1973, the productivity of 1.7 million Federal civilian employees increased by 11.1 percent—an annual increase of 1.8 percent. For those same years, the Commission found that the productivity of the total nonfarm employees in the private sector increased by 13.4 percent—an annual increase of 2.2 percent. Private sector productivity thus grew 20 percent more than the Federal.

This really should not be blamed on most Federal employees. I am sure you will find many dedicated, loyal, and hard-working Federal employees. There are productive and nonproductive workers in both the private and public sectors. But it is the process which contributes so much to tying down public employees productivity. The same bureaucratic redtape and delay that we complain about ties them down. They cannot for example, go on to the next step in a project because they are waiting for many other employees to "sign off" on what they have done to that date—waiting for the bureaucracy to make a decision.

INCENTIVES DIFFER IN THE PRIVATE AND PUBLIC SECTORS

The Commission analyzed this contrast between the public and private sectors and concluded that the incentives to maximize resource efficiency and effectiveness in the public sector are much less clear and compelling than they are in the private sector.

The free enterprise economy—the economy of the private sector—dictates that waste and duplication be guarded against. In such an economy it is in a person's self-interest to serve the interests of others. In order to gain access to material goods and thus satisfy his own wants and needs, a person must first earn income by supplying in a market something which is valued by other people. This individual must of necessity consider the wants and needs of others. This is the way to assure the greatest growth in the common good too, for the best way to promote the welfare of all the people is to allow people the maximum amount of personal liberty, individual action, and freedom of enterprise.

These self-interests do not stop in a person when he assumes a position in Government. The market restraints which channeled that self-interest to the benefit of society do stop. Without these market restraints, the pursuit of self-interest can become identified too readily with those of government, or one of its departments or agencies, or one's own position within it. For example, a problem resolved is one less from which to justify increases in statutory or regulatory power and agency authority, and one less from which to justify more funds and staff slots in the budget and management process. In a Government of fiercely vying interests among departments and agencies for percentages of overall employee slots and funds, the greater the likelihood of getting them if you have more and more to do—year after year. The best way to assure this, of course, is to constantly add to the workload. And the best way to do that is to finish less and less. Delay is the best way to do it. This observation is not to cast a blanket aspersion on Government employees' conduct, for this is often an unconscious process. But the consequences are the same.

This has been all too true in the fields of scientific inquiry and of research and development. In few areas could the lack of market forces be more debilitating than here. The inherent creative process that is an integral part of research activity is drastically minimized when the process is moved into Government. And the effective program management technique of bringing together the talent and wisdom of the entire private sector either through subcontracting and/or competitive hiring is grossly underutilized.

EXAMPLES OF GOVERNMENT ACTIVITY WHICH OUGHT NOT TO HAVE OCCURRED

What are some specific examples of government involving itself in the wrong places?

In the past few years, while the Nation has grappled with its energy problems, the Department of the Interior's Office of Coal Research signed an agreement with the U.S. Air Force to pay $3.5 million for research into a more efficient method of generating electrical power from coal. Yet, there have been a number of private firms who have been working in that very field and who have invested their own money into research and development on the subject. The private sector could have done the work under contract. Apparently, the Department's interest lay elsewhere.

The National Oceanographic Instrumentation Center of the Department of Commerce is actively seeking contracts for calibration of oceanic instrumentation systems. Private firms, which have made substantial capital investment in the facilities required to do the work, report a significant loss of business due to competition from NOIC, which has directed that all—I repeat, all administration activities must use their services and all grantees should use them.

A large percentage of development moneys for the design and construction of hardware in the Department of Defense is being consumed inhouse. Estimates for 1974 place the total at $1.9 billion or 28.8 percent of total. These are not efforts to improve the defense technology base. Rather, they translate to Government factories producing hardware.

I think the impact of Government-sponsored research has to be restudied, too, again as to its cost-inducing characteristics.

Government-sponsored research tends to stymie creative thought. In addition, the overwhelming regulatory burdens borne by those involved in contracted-for research and development engender additional costs and lessen genuine productivity. There is great internal resistance within the departments to freeing up these R.D. & E. and deployment processes, for both military and civilian personnel within them feel they have a bureaucratic stake in keeping such activities under their own thumbs.

A recent publication of the National Science Foundation reports some interesting statistics in this regard. The total national R. & D. effort—civilian and military—is estimated for 1974 at $32.1 billion with the Federal Government supplying funds for 53 percent of this total and industry 41 percent. Nonprofit institutions and universities make up the remaining 6 percent of R. & D. funds. Seventy percent of Federal participation is in support of defense and space.

Since 1971 DOD and NASA have provided three-fourths of the support to Federal intramural—within Government—performance and in earlier years an even larger share. The combined intramural funding of these two agencies has risen steadily from 1968 to 1974.

Overall, the Federal intramural sector is the only one—as contrasted to the industrial or nonprofit sectors—showing a continuous increase in R. & D. dollars from 1966 to 1974. In that period, the intramural share of the Federal R. & D. total has grown from 20 to 28 percent. This means that the Federal Government is actually performing—doing—an increasing share of national R. & D. effort. For the industrial sector, its share of the Federal R. & D. dollar has dropped from 64 percent in 1964 to 52 percent in 1974.

As an example, DOD obligated $8.8 billion of Federal R. & D. money in 1974 but retained 30 percent of it to support DOD laboratories, technical centers, and administration of industrial R. & D. contracts. R. & D. is generally thought of as made up of three parts: Basic research, applied research, and development.

Basic research is primarily performed within Federal laboratories, universities, and other nonprofits. However, applied research and development is a common area for both Federal and industrial performers. Technical work is focused on applying the results of nonapplied research to result in new products or improvements to existing ones. It is the work which yields new weapons, space systems, and nuclear powerplants.

The message is clear: Federal Government is not only sponsoring an increasing share of the national R. & D. effort, but performing—doing—an increasing share as well.

We are approaching, indeed, we may already be there, a situation of nationalized technology.

Consequential long-term effects on the private innovative community and effectiveness of the free enterprise competitive economy in meeting national needs are already becoming apparent.

But there are problems within Government as well. Top policymakers are increasingly faced with a one option choice; either accept the agency program or do nothing. Costs of programs far exceed their initial estimates and there are no alternatives to fall back on.

Industrial innovation is becoming increasingly constrained to match the ideas created within Government as a condition for funding. These ideas are formed in response to bureaucratic motivations, not competitive ones, where least cost to adequately solve a national need has no payoff for the Government technical decisionmaker despite exhortations to the contrary.

Large procurements have run into severe contractual difficulties and bailouts or restructured contracts are symptomatic of inability to clearly allocate contractual responsibilities between Government and the industrial supplier.

This happens when Government reserves, for its own noncompetitive choice, the early technical decisions involving a new undeveloped product. Those are high leverage decisions which shape the products' eventual price and value. When they are made in the absence of competition, there is no assurance a least-cost adequate solution to a national need is in the making.

It is very difficult, if not impossible, to devise a legally sound contract between Government and an industrial supplier when the product is only part way through the full development process. If something goes wrong, costs increase over estimates and fund availability or the product does not perform properly, the company can claim Government's early technical design was at fault. The Government can counter that the early design was sound but the company mismanaged the jobs.

Private industry, using its own funds, would never venture a new product with such split technical responsibilities. Nor should the Government using taxpayers money.

Government's increasing role in predetermining which technologies—and their use in products—are the "best" to finance in the Nation's interest brings it into conflict with private innovaton. Instead of stating agency needs, not prejudiced by predetermined solutions, Government goes further—it states the problem, and either directly or indirectly, the solution. It can appear either in the form of a detailed procurement specification or reside in the mind of Government evaluator to justify some previous R. & D. expenditure he was responsible for.

The contribution of private innovators to national purpose becomes less useful if what they can creatively contribute has already been done for them. The unique resource of the free enterprise competitive economy, singular among other forms of government, its private innovative community, is being bypassed by an attitude of "government knows best."

Some economists argue for nationalization of high-technology industry claiming a de facto situation exists anyway. Their arguments are difficult to counter when the line between private and public innovation is obscured by Federal R. & D. policies.

The Energy Research and Development Agency—ERDA—was proposed as Government's answer to our well-known energy problems. But what happened? Along with it came Government technical people transferred from DOD, AEC, and NASA experienced in the way R. & D. has been managed in those agencies. They have been eager to institute similar, if not exact, R. & D. policies.

Once again the private innovator has had to blend his ideas into those of the new agency's technical people in order to qualify for Federal funds. And, again, if his ideas compete, his chances are pretty slim.

We need to devise new Federal R. & D. policies which maximize use of the private innovative community when national purpose is to be served. The private innovator is interested in, and challenged by, the problem. He believes that his conceptual solution is best, just as Government's technician believes his is the best. But the private innovator, residing where he does, in the private sector, can be challenged by other private innovators who believe just as strongly that their idea is better than his. Competition, using R. & D. dollars, will prove out which one is right.

If we locate technical innovation within the bureaucratic process, we have to expect what we have been getting; decreasing productivity rates, increasingly expensive and complex procurements, and bailouts of private firms. If it continues, nationalized industrial segments are inevitable and a socialistic form of government not far behind.

WHY TRUE COSTS ARE HIGHER WHEN GOVERNMENT DOES THE WORK

The importance of the statistics which I have just cited cannot be overlooked.

First, the private sector is obliged to pay corporate taxes on its business revenue. The Federal Government, of course, does not have the same obligation. If the money had been contracted out, part of the money would have found its way back to the Federal coffers as tax revenue.

Second, the private sector also uses part of the profit portion of its business income for capital investment purposes. Ordinarily, part of that $11.6 billion would have been applied to improvement factors which in turn affect productivity growth. Instead, the money was funneled into the public sector where there is no direct accountability for performance, cost and scheduling, and where capital investment—if and when it occurs—merely serves to duplicate already existing private sector capability.

In a special report to the Office of Management and Budget in 1971, executive branch agencies reported a total of 18,613 inhouse activities providing a product or service available from private industry. This constituted a total capital investment of $10 billion and annual operating costs of $7 billion. The significance of these figures is also increased by considering the areas that are not included—all activities, one providing a product or service to the general public, two, excluded by agency regulations and three, those omitted by local interpretation.

The activities which were considered include such things as photographic services, printing and reproduction, communications, clothing manufacture, aircraft and automotive repair, road construction and maintenance, instrumentation, fabrication and others. The expansion of Government effort is expected to flow into other significant areas of private sector competence—including the engineering, design and development of new products and systems, prototype fabrication, production, overhaul and repair of hardware produced by industry.

There are those who insist that it is cheaper to do the work inhouse, in spite of all the considerations just mentioned. There might be examples of where this is true. I would expect as much when the unit price of the articles delivered does not include competitive bidding costs, when price itself does not have to be competitive, when corporate taxes are not an issue, when profit levels do not have to be considered, and when overhead can be kept at a bare minimum.

The real proof of the pudding is in the ultimate retirement costs and fringe benefits which are an important feature of employee compensation in the Federal sector. The recent history of Federal expenditures indicates that employee compensation approaches half of the total Federal dollars used to provide goods and services needed by the Government. With the automatic Federal pay raises and estimated increases in health and insurance benetfis, the cost to the Federal Government is expected to escalate. This is not meant to impugn either the raise or the benefits package. It is cited to indicate that Government competition with industry is not the bargain basement sale which many of its advocates insinuate. On the contrary its ultimate dollar cost continues to rise.

THE HISTORY OF THE EXISTING POLICY

Concern over whether or not the Government was competing with the private economy led to detailed investigations as early as 1932. Continual inquiry into the problem finally resulted in a series of 22 recommendations from the Second Hoover Commission in 1955. The clearly set forth recommendations were aimed at eliminating or lessening Government competition with the private sector. The Bureau of the Budget, the predecessor to OMB, issued Bulletin 55-4 in 1955 announcing to the heads of executive departments and agencies that:

> It is the general policy . . . that the Federal Government will not start or carry on any commercial activity to provide a service or product for its own use if such product or service can be procured from private entreprise through ordinary channels.

Since that time, the bulletin has been revised and refined. The policy contained in the current OMB Circular A-76 clearly indicates, however, that it remains the general policy of the Government to rely on the private enterprise system to supply its needs.

The White House's transmittal to Congress of March 5 of a new policy circular to govern the acquisition of major systems by all executive agencies, including the weapons programs of the Defense Department, is an encouraging sign. But this covers only a part aspect of the total problem.

THE INTRODUCTION OF CLARIFYING RESOLUTIONS

It is against this background that I introduced a joint resolution, House Joint Resolution 712, to clarify and reaffirm Government purchasing—"make or buy"—policies. That resolution set forth a fundamental premise for congressional action: That optimum economy, efficiency, and productivity can be best achieved if the Government relies on competitive procurement for its supplies and services. It resolved that the general policy of the Government ought to continue to be reliance upon private commercial sources for the goods and services required to meet Government needs with but three exceptions. Unless such reliance would demonstrably disrupt or significantly delay an urgent agency program; unless in-house performance is mandatory for national security; and, unless the product or service is not and cannot be made available from the private sector and is available from a Federal source.

This resolution has a growing amount of support. It is cosponsored by myself, Mr. ADDABBO of New York, Mr. BAFALIS of Florida, Mr. BROWN of Ohio, Mr. BROWN of Michigan, Mr. BURGENER of California, Mr. CRANE of Illinois, Mr. DERWINSKI of Illinois, Mr. DICKINSON of Alabama, Mr. DUNCAN of Oregon, Mr. ESHLEMAN of Pennsylvania, Mr. GOLDWATER of California, Mr. GRASSLEY of Iowa, Mr. GUYER of Ohio, Mrs. HOLT of Maryland, Mr. HYDE of Illinois, Mr. KASTEN of Wisconsin, Mr. KINDNESS of Ohio, Mr. KETCHUM of California, Mr. MANN of South Carolina, Mr. NOWAK of New York, Mr. PATTERSON of California, Mr. PATTISON of New York, Mr. ROBINSON of Virginia, Mr. ROONEY of Pennsylvania, Mr. ROUSSELOT of California, Mr. SARASIN of Connecticut, Mr. SATTERFIELD of Kentucky, Mr. TREEN of Louisiana, Mr. VANDER JAGT of Michigan, Mr. WALSH of New York, and Mr. CHARLES WILSON of Texas. The resolution has been referred to the Committee on Government Operations.

As I had hoped its introduction would do, House Joint Resolution 712 provoked much discussion—among Members, within the administration, and within the private sector. If there is any point of common agreement among those who support compliance with the general policy it is that the three exceptions would codify the already existing circumventions of that policy.

I introduced an amended resolution, House Joint Resolution 818, on February 19, striking those three exceptions and giving authority to administer the general policy to the Office of Federal Procurement Policy—OFPP—in accordance with the authority granted to that office under Public Law 93-400. This, too, has provoked much discussion—all of it healthy and constructive.

SUBSTANTIVE LEGISLATION IS WHAT IS NEEDED

These discussions have now given us a more refined consensus of what ought to be done.

I am of the frame of mind—and I believe there is growing agreement on this point—that the only truly effective way to assure compliance with this policy is through enacting substantive legislation.

I still support the principles set forth in House Joint Resolution 712 and House Joint Resolution 818, but I no longer believe the language goes far enough.

Why? First, a further restatement of an already existing and already frustrated Federal policy is not going to assure compliance with it. Second, the exceptions are so frequently applied in department and agency conduct as to be precedents for further avoidance of the general policy. Third, there is no reason to believe the intent of Congress will be any more accurately followed by the departments and agencies here than in a growing number of other instances where that intent is frustrated. And, last, neither does the Office of Federal Procurement have sufficient jurisdiction over "make or buy" practices preceding procurement, nor would that Office be the most appropriate place to house such new authority.

This legislation would be directed at the heart of the problem—the practices through which and the laws under which our preprocurement and procurement "make or buy" decisions are now carried out. This legislation would require all true costs to Government—including but not limited to the loss of tax revenues and the payment of all fringe benefits and retirement annuities—to be calculated in making dollar decisions on whether to make or buy. It would define narrowly any exceptions to the general rule. It would require much more stringent review through both internal and GAO audit of compliance with the policy. And it would apply to both civilian and defense agencies.

The enactment of such a statute would have several rather natural consequences. It would, of course, move several billion dollars of work out of Government and back into the private sector where it belongs. It would mean less cost to the Government—and therefore less cost to the taxpayers.

But it would also mean a major redirection of Government work into our Nation's smaller businesses, and this is of major importance. Congress and its committees labor each year in trying to decide how we can better help small business. We provide small business assistance, but that is limited because of the constraints of the budget. We provide them with more liberal disaster relief—but no one wants a natural disaster in order to obtain more assistance—because a business still comes out behind.

We talk about the problems of "entry into market competition"—an entry made difficult for many smaller businesses because of inadequate capital and borrowing capacity. And we struggle about ways to assure it without making matters worse. Laws and regulations to guarantee competition have most often over the past 40 years ended up lessening competition. This is why major regulatory reform efforts are gathering momentum here in Washington.

Redirecting about $2½ billion in existing Federal dollars into these smaller businesses—through enacting a statute which would assure more buying and less making in the make-or-buy dichotomy—would be the biggest single thing we could probably ever do to help smaller businesses and to reopen competition between these smaller businesses and other potential suppliers.

Mr. Speaker, I will be working in the coming weeks on this legislation. I think it is important that Congress address itself to it this year. And I welcome the assistance and support—from within Congress, the administration, and the private sector—of those who have a similar commitment.

FINANCIAL DISCLOSURE STATEMENT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois (Mr. RAILSBACK) is recognized for 5 minutes.

Mr. RAILSBACK. Mr. Speaker, when I announced my candidacy for reelection to the U.S. House of Representatives, I said that I would make public, prior to the primary in Illinois on March 16, 1976, a financial disclosure of all my assets and liabilities and a summary of my 1975 Federal income tax return.

I have made it a practice to disclose my finances, even though I am not required by law to do so.

As an elected representative engaged in the public trust, I believe full public disclosure is essential to assure the people of my district that I am free of financial ties or conflicts of interest which might influence the performance of my official duties.

I, therefore, insert in the RECORD at this point a statement of my wife's and my financial condition as of March 15, 1976, and a summary of our 1975 Federal income tax return:

Consolidated Financial Statement of Congressman and Mrs. Tom Railsback, March 15, 1976

ASSETS	
Real Estate:	
Home, Moline, Ill. (original cost $75,000)	[1] $100,000
Apartment residence and one rental unit, Washington, D.C. (original cost $57,750)	[1] 85,000
Apartment building, Washington, D.C. (original cost $75,000)	[1] 90,000
One-half interest in apartment building, Washington, D.C. (original cost $32,000)	[1] 35,000
Stocks and bonds:	
Union Capitol Fund (1,682 shares at $11 as of March 12, 1976)	18,502
BYN Investment Club (1975 year-end statement)	2,000
Garwood Chicago Trucking Equipment, Inc. (10 shares at $1,120 as of Sept. 30, 1975)	11,200
Cash:	
Savings and checking	6,204
Note receivable from Greater Sterling Industrial Corp	5,000
Miscellaneous:	
Personal Property, including cars, furniture, clothing, etc	23,875
Civil Service retirement as of Jan. 1, 1976	27,961
Total assets	404,742
LIABILITIES	
Mortgage—First Federal Savings of Moline, Ill. (as of Jan. 15, 1976)	46,216
Mortgage—Perpetual Building Association, Washington, D.C. (as of Jan. 15, 1976)	40,430
Mortgage—Moline National Bank (as of Jan. 15, 1976)	54,374
Mortgage—First National Bank of Moline (as of Jan. 15, 1976)	25,000
Note payable to Moline National Bank	[2] 13,591
Note payable to Moline National Bank (as of Jan. 15, 1976)	[2] 2,688
Note payable to Moline National Bank (as of Jan. 15, 1976)	[2] 12,000
Total liabilities	[2] 194,299
Net worth	210,443

[1] Estimated fair market value.

[2] As of Jan. 15, 1976.

The following summarizes the Joint Federal Income Tax Form submitted by Congressman and Mrs. Tom Railsback, Moline, Ill.

Total exemptions claimed (Congressman and Mrs. Railsback and their four children, Kathy, Julie, Maggie, and Lisa), 6.

Wages and other compensation	$48,319
Adjusted Gross Income	49,785
Federal Income Tax	8,817

IN SEARCH OF HANDGUN CONTROL

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois (Mr. ROSTENKOWSKI) is recognized for 5 minutes.

Mr. ROSTENKOWSKI. Mr. Speaker, I was personally disappointed that the Judiciary Committee sent back to its Subcommittee on Crime legislation that would have banned the manufacture, sale, or distribution of new "concealable" handguns by licensed firearms manufacturers and dealers. I have been a proponent of this approach to gun control for many years, and have introduced similar legislation in the last three Congresses.

I was hopeful that this year we would all have an opportunity to debate and vote on the issue of gun control on the floor of the House. All the recent polls in my own district in Chicago indicate overwhelming support for exactly the approach suggested to the Judiciary Committee by my colleague from Illinois, the Honorable MARTIN RUSSO.

Congressman RUSSO has already distinguished himself as a valuable Member of this body and I would like to have included in the CONGRESSIONAL RECORD three newspaper accounts of his commendable efforts towards the achievement of meaningful gun control.

[From the Washington Star, Mar. 5, 1976]

SHOT DOWN BY THE GUN LOBBY

Why is it that when opinion polls show that more than 70 per cent of Americans favor strong gun controls, Congress turns tail and runs every time the "gun lobby" raises its voice against gun control legislation?

The anti-control forces turned on the heat in the House again yesterday and the backbone of a majority of the Judiciary Committee turned to jelly and a bill to regulate the manufacture and distribution of handguns went down the drain. The committee, which previously had approved major provisions of the bill, didn't have the courage to send the measure to the floor for a vote of the full House.

The committee succumbed to what one of the sponsors of the legislation—Representative Martin Russo of Illinois — correctly called "a blatant and insidious campaign to misrepresent and distort" the bill. And the shopkeepers, bank tellers, police officers and other citizens who die by the thousands every year from gunshot wounds will be the losers.

The proposed legislation would have banned importation, manufacture, sale or distribution of new "concealable" handguns by licensed firearms manufacturers and dealers. It would have tightened regulations and increased licensing fees for dealers in order to eliminate "casual" dealers in guns. It would have banned the manufacture of handguns from cheap metals—the type that might fly apart when fired. It would have provided mandatory sentences for crimes committed with a gun.

It would be in the public's interest to have all these provisions on the books. But the gun lobby, led by the National Rifle Association, scared the committee off. By a vote of 17 to 16 the committee recommitted the bill to a subcommittee for further work, which means that the legislation may be dead for the current session of Congress.

The gun lobby was able again to persuade the lawmakers that Americans have a constitutional, if not God-given, right to own and bear concealed arms—that Americans would suffer some kind of psychological damage if they couldn't have firearms to fondle and shine and shoot at tin cans and point at make-believe robbers. They were able to persuade the lawmakers that the silly slogan, "Guns don't kill people, people kill people," makes sense. They were persuasive again with another of their favorite slogans—that gun control legislation would disarm the public but not the criminal—as if the public's ownership of guns deters criminals.

They were able again to confuse handguns with rifles and shotguns, claiming that enactment of the bill would "severely limit availability of all long guns as well as ammunition." The fact is, the bill was aimed at "concealable" firearms—handguns that were precisely detailed as to size: revolvers having a frame of less than 5¾ inches or a barrel of less than 4 inches, and pistols less than 8½ inches long overall. The bill had nothing to do with rifles and shotguns, but the leaders of the gun lobby tried, successfully, to convince hunters that they would lose their long guns.

Not only wouldn't long guns have been affected, but anyone who owned a handgun already would not have lost it, nor would he have been prevented from transferring its ownership to someone else. The legislation dealt only with the manufacture and distribution of "new" handguns.

When are members of Congress going to quit caving in to threats from the gun lobby to get them at the polls if they vote for legislation to control firearms? Probably not until the vast majority of voters who favor gun control as a means to slow down the annual slaughter make it a point to vote out of office those who are cowed by the "gun-nut" minority.

[From the National Observer, March 13, 1976]

SHOOTING DOWN HANDGUN CONTROL

(By Michael Putney)

For more than an hour conservative members of the House Judiciary Committee chipped away at some of the tougher provisions of H.R. 11193, the proposed new Federal Firearms Act. Out came a requirement that buyers of handguns be thumbprinted. In went a provision requiring the Treasury Secretary to submit enforcement procedures to Congress for its approval. An amendment to limit the number of handguns a citizen could buy to one per year was trounced on a voice vote.

Then Rep. Tom Railsback, an Illinois Republican, leaned close to his microphone and in a hoarse croak—the result of a serious throat injury a year ago—moved that the bill be sent back to subcommittee. "This is not, and I emphasize not, meant to sound the death knell for reasonable gun-control legislation," Railsback rasped, "but the committee has not been drafting comprehensive firearms legislation, but attempting to amend the 1968 Firearms Act regarding handguns." When the votes were tallied, the motion had carried 17 to 16.

Despite Railsback's protestations, the vote may well have sounded the death knell for a tough—and maybe even a modest—handgun-control bill this year. For frustrated gun-control proponents who remember that the 1968 Firearms Act was passed only after the

King and Kennedy assassinations, the committee's decision dissipated much of the momentum built up by last fall's two attempts on the life of President Ford.

A HANDGUN AMENDMENT

A tight-lipped Rep. Peter Rodino, committee chairman, said he was "terribly disappointed," but stopped short of pronouncing handgun legislation dead. California Democrat Don Edwards thought differently: "This kills gun-control legislation for this year," he declared, and first-term Rep. Martin Russo, an Illinois Democrat, angrily agreed. "The feeling I get from the committee," Russo snapped, "is that it's dead."

Russo, a 32-year-old former assistant prosecutor in Illinois' Cook County, was particularly frustrated. Only a few days earlier, the Judiciary Committee had approved 18 to 16 his amendment to severely restrict importing, manufacturing, and selling the small, easily concealable handguns favored by criminals. Existing guns were not affected.

Since one person's "Saturday-night special" may be another's target pistol, Russo's amendment concentrated on size and concealability rather than price and type. His amendment defined a concealable revolver as one with a frame 5¾ inches or less from barrel to butt and a barrel of 4 inches or less; a concealable pistol was defined as one less than 8½ inches in length measured parallel to the barrel from the muzzle to the rearmost point of the weapon. Russo estimated that the provision would outlaw about 71 percent of all the handguns currently sold in the United States.

Gun-control advocates were buoyed by the committee's initial approval of the Russo amendment and by the fact that it was based on "Project Identification," a study of guns used in crime prepared by the Alcohol, Tobacco, and Firearms Bureau of the Treasury Department. The ATF study traced more than 7,800 handguns seized by police in 16 cities in connection with crime. One significant finding: About 45 per cent of the handguns successfully traced were the so-called Saturday-night specials—.32 caliber or less, three-inch barrel or less, and costing $50 or less. And "Project I" concluded that "concealability is an overriding factor in selecting a handgun for use in crime."

A MAIL CAMPAIGN

"My amendment was aimed at the criminal," Russo said after the bill was sent back to the subcommittee. "It wouldn't have taken handguns away from anyone who had them or any law-abiding citizen who wanted to buy one. The law-abiding citizen simply would have had to purchase a larger, safer, and better-constructed handgun. What's wrong with that?"

Plenty, according to the National Rifle Association and its lobbying arm, the Institute for Legislative Action. After the Judiciary Committee had approved the Russo amendment, the NRA sent out Mailgrams to an undisclosed number of its 1.1 million members. The message called HR11193 "one of the strongest antigun bills to ever be considered by the Congress" and urged NRA members to contact their congressmen.

Thousands did, deluging committee members' office with telegrams, telephone calls, and messages of opposition. Ohio Democrat Rep. John F. Seiberling called the NRA campaign "the most blatantly crass lobbying campaign I have ever seen." Crass or not, it apparently was effective. Democratic Reps. Edward Pattison of New York and George Danielson of California, who had frequently sided with gun-control advocates, both voted for the Railsback motion.

TOO MUCH CONTROL?

While foes of gun control disclaimed any special responsibility for the bill's defeat in committee—"an honest expression of the American people, democracy in action," said Harlan Carter, executive director of the Institute for Legislative Action—supporters of gun control said they were still hopeful. "It may be that the 71 per cent ban that Russo proposed is not possible," conceded Jack Corbett, head of the National Coalition to Ban Handguns. "Perhaps a bill closer to the 54 per cent ban in the Senate version would pass." That is the so-called Saturday-night special bill, which President Ford has proposed and agreed to sign.

A disgruntled John Conyers, Michigan Democrat and chairman of the House Subcommittee on Crime, said late last week that he would try to resurrect the bill in the subcommittee this week. President Ford, meanwhile, campaigned in Florida—wearing a bulletproof vest.

[From the Washington Post, Mar. 7, 1976]

THE LAW THAT WAS SHOT DOWN

The National Rifle Association, the gun manufacturers and other proponents of the civilian arms race proved in Congress again last week what they proved in 1968 and on other occasions: When it comes to principles, nothing kills like a gun. The bill the arms proponents killed in the House Judiciary Committee was no sweeping attempt to outlaw the murderous accumulation of weaponry in the hands of millions of Americans (U.S. citizens own more firearms than motor vehicles); rather it represented one small step toward sanity. It would have banned certain kinds of weapons under certain conditions. We characterize it so tentatively because it was a very tentative piece of legislation. And it is also true that it was not in every respect a clear piece of work. But that is not why it was defeated.

Muscle, mystique and a certain ineptitude on the part of managers of this bill caused its death. The muscle belongs to the gun lobby and the arms makers. They flooded the Hill with mail when it counted. They badgered members of Congress, using "intemperate remarks," as one member described a confrontation with a represenetative of Smith and Wesson. The mystique is the mental property of the members, who still think the furor the gun lobby is able to work up on Capitol Hill is a reflection of political power in their districts. Even the gun lobby knows its bark is worse than its bite, but that is still a secret among the politicians. Such members as Thomas F. Railsback (R-Ill.), whose bravery in the face of Richard Nixon was so inspiring during impeachment summer, turns out on this issue to be no profile in courage. His parliamentary rationalizing should not be permitted to obscure a truly pusillanimous performance. Mr. Railsback maneuvered the committee's bill back into subcommittee—fully knowing it means the end of gun control for this session—because it contained a defect that could easily have been cured by a floor amendment.

Just as there were some who performed with no particular distinction in this matteer, there are several members who worked long and hard to avert this outcome in the House, Rep. Martin A. Russo (D-Ill.) is one, and Rep. John Conyers (D-Mich.), whose subcommittee held extensive and thoughtful hearings, is another. In true political style, the opponents of gun control have sought to blame this defeat on the proponents' mistakes, arguing they failed to do this or that. Their chief failure was that they appear to have underestimated the intensity of the gun lobby campaign, which was called "the most blatant I've seen" by one member. And they failed to estimate the degree to which members of a Judiciary Committee that once distinguished itself for its tenacious integrity would buckle to the likes of the NRA and Smith and Wesson.

The people still want gun control. In every public opinion poll from 1938 to last fall, about 71 percent of the population has said it favors registration of handguns, at the very minimum. Each passing day implants the gun deeper into our culture and makes it more menacing. We saw an example the other day in Washington's extraordinary phony fencing operation, which netted more than 180 persons accused of a variety of crimes. When they were arrested, the defendants yielded up an arsenal of small arms weaponry, the purpose of which could surely be suspected of being harmful to innocent citizens.

Guns do kill. They kill because, even when their owners fire in accident or anger the wound more often tends to be lethal than a wound from any other weapon. An angry mate with a kitchen knife may mean a trip to the hospital. An angry mate with a handgun often means to trip to the graveyard. That is one principal reason for erecting the highest barriers possible between the ordinary citizen and a handgun. This is particularly true of cheap guns, but in fact should be the case for all handguns.

There are a couple of chilling footnotes that should not go unmentioned at any celebrations held by the victorious gun lobby. The first is from New York City. In a report done for the New York Police Department, the Rand Corporation has found a stunning rise in the number of "deliberate" murders. The conventional wisdom until now has held that most murders are crimes of passion, lovers' quarrels and heated altercations among friends. Now there apparently is a rise in cold-blooded premeditated murder. Rand was pessimistic about how much gun control can help any more. In other words, it might just be too late to stem the tide of gun carnage. But we think there is some hope for the future if we can begin now to treat guns with the sanity their lethal nature requires. Which brings us to the second footnote, an advertisement in a magazine called "Soldier of Fortune." The ad announces: "Weaponry for men of action—automatic weapons—silencers—special warfare devices" and gives an address in Texas. We wish the good soldiers of the gun lobby a restful night's sleep.

FINANCIAL DISCLOSURE STATEMENT

The **SPEAKER** pro tempore. Under a previous order of the House, the gentleman from Wisconsin (Mr. KASTENMEIER) is recognized for 5 minutes.

Mr. **KASTENMEIER**. Mr. Speaker, the public disclosure of outside financial interests by Government officials is an acknowledgment of the right of citizens to have access to such information by which they then can judge the performance of their elected and appointed leaders. Financial disclosure provides the best demonstration that public officials are not using their office for personal aggrandizement, and I believe that most Government officials will find it will be a benefit to them for financial disclosure will relieve them of the burden of suspicion which today is so often attached to public acts.

Thus far, H.R. 3249, the Financial Disclosure Act, which Congressman ALAN STEELMAN and I have introduced, has 165 cosponsors. This legislation provides the 94th Congress with an excellent opportunity to respond in an affirmative manner to the deep-rooted distrust and skepticism held by the public toward their Government and in the integrity of the persons elected or appointed to manage the people's business.

Mr. Speaker, as I have done in previous

years, I am now continuing my policy of making a voluntary public disclosure of my personal financial affairs for the calendar year 1975. In addition, I also am listing the amount of income taxes I have paid to the Federal Government and the State of Wisconsin for the 1975 calendar year and the sums paid in real estate taxes:

Statement of financial condition, December 31, 1975

Cash, Account with the Sergeant at Arms, House of Representatives	$530.21
Cash	24.73
Securities:	
Lionel Corp. 200 shares	275.00
Horizon Corp. 200 shares	175.00
Solitron Corp. 100 shares	237.00
Milwaukee Pro Sports 100 shares	450.00
Dividend balance	18.43
Residential real estate: House, Arlington, Va., 1974 assessment	82,400.00
Less mortgage	31,253.07
Equity	51,146.93
House, Sun Prairie, Wis	29,000.00
Plus improvements	1,766.00
Lot	1,200.00
Total	31,966.00
Less first mortgage	18,250.00
Less second mortgage	4,500.00
Total	22,750.20
Equity	9,215.80
Household goods and miscellaneous personality	7,000.00
Miscellaneous assets, deposits with U.S. Civil Service retirement fund through December 31, 1975, available only in accordance with applicable laws and regulations	42,288.07
Additional retirement fund deposit, 1975	1,130.00
Cash surrender, value of life insurance—On the life of Robert W. Kastenmeier	None
On the life of Dorothy C. Kastenmeier	544.00
Donaldson Run Deposit	400.00
Automobiles:	
1963 Oldsmobile	60.00
1966 Ambassador	200.00
1973 Ford LTD	2,000.00
Total Assets	115,695.67
Liabilities:	
Notes, National Bank of Washington	600.00
Net assets	115,095.67
Income for calendar year 1975, excluding congressional salary and expenses:	
Honorariums (2)	350.00
1975 Federal income tax	7,530.98
1975 Wisconsin State tax	2,954.32
1975 Real estate taxes, town of Sun Prairie	762.25
1975 Real estate taxes, city of Sun Prairie	38.11
1975 Real estate taxes, County of Arlington, Va	1,523.34
1975 taxes paid	12,809.00

BANK REGULATION: THE NEED TO CONSOLIDATE AGENCIES

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Wisconsin (Mr. Reuss) is recognized for 5 minutes.

Mr. REUSS. Mr. Speaker, there is growing awareness in the country today that the bank regulatory system, divided as it is among three separate Federal agencies, is not serving the public well.

Two editorials, one in the February 12, 1976, Los Angeles Times and another in the March 5, 1976, Washington Post, analyze the problem very well, and call for consolidation of the regulatory function into a new agency.

The Financial Reform Act of 1976, currently the subject of a final round of hearings in the House Banking, Currency, and Housing Committee, would abolish the office of the Comptroller of the Currency and consolidate his regulatory functions with those of the Federal Reserve Board into one independent Federal Banking Commission.

The editorials follow:

[From the Washington Post, Mar. 5, 1976]

Who Controls the Comptroller?

A few questions about bank regulation: Does it serve the public interest to have the nation's principal regulator spend weeks every year at expensive resorts "communicating" with the bankers whom he regulates? What signal does he convey when he calls regional meetings of his bank examiners in places like Las Vegas? What atmosphere is created when this official raises the banks' fees to cover regulatory costs like his own $3000 expense account for eight days at a bankers' convention in Honolulu?

The present U.S. Comptroller of the Currency, Mr. James E. Smith, is responsible for the regulation of the 4700 national banks. He is a former lobbyist for the banking industry and, by all acounts, a pleasant and gregarious man. He is also the sort of person to whom it is important always to travel first class. The details of his travels, and his expense accounts, are significant because they indicate the air of genial complaisance in which he conducts his office.

The federal supervision of the banks is divided among three authorities. The Federal Deposit Insurance Corporation oversees most of the state banks, and the Federal Reserve Board the rest of them; but the national banks are the largest and most influential part of the system. Of the three regulators, Mr. Smith is markedly the most permissive.

It is a bad time for weak regulation of banks. Things are not going smoothly behind all of those marble facades. It is useful to recall that the three largest bank failures in American history have taken place within the past three years—all of them national banks, all in the period since Mr. Smith became comptroller. The failures are not, certainly, exclusively the regulators' fault. The chief reasons lie in the banks' excessive ambitions over the years to promote their own growth, and in their failure to foresee that the great boom of the 1960's might suddenly break. But there is a lesson contained in these failures. Dangerous practices crept into the operations of many banks during the fat years, and they are now going to have to be wrung painfully out. It is hard to believe that Mr. Smith, cheerily gladhanding his way through private bankers' meetings in places like Sea Island and Boca Raton, is the man for that assignment.

The job ahead of the bank regulators is, in all truth, as delicate as it is difficult. As the chairman of the Federal Reserve Board, Arthur Burns, has observed, it is exceedingly important just now not to force the banks to start calling in all their dubious loans. If the banks were suddenly required to apply sharply more stringent credit standards, the effect on business—and the unemployment rate—would be dire. Without curtailing the flow of credit to business, the regulators are going to have to find a way to impose a higher standard of acceptable risk. Because the economic recovery is still in a decidedly fragile state, the regulators are trying to avoid frightening bankers, or borrowers, or depositors.

But there could hardly be any more dismaying prospect than the possibility that the federal government's principal bank regulator had failed to comprehend the meaning of those recent failures. To each successive disclosure of trouble in the banking system, Mr. Smith's reaction has been to try to defend and protect the bankers. He has given little indication that he understands the scale of the malfunction, or the urgent need for remedy.

The case for consolidating federal bank regulation under one agency is increasingly clear. It is evident that some banks have become adept at playing off one set of regulators against another. It is particularly unfortunate that under the present arbitrary division, the largest banks are under the least forceful regulator. The Senate and House Banking Committees are now considering legislation to reorganize this whole process of supervision. The present confusion of jurisdictions and policies is a dangerous anachronism.

It is a secondary matter whether Mr. Smith himself is the right kind of person to fill the comptroller's office. The larger question is whether the comptroller's office, as it currently operates, is the right kind of agency to regulate the national banks. Mr. Smith's own explanations draw a portrait of an office that is not, as a practical matter, greatly answerable to any other authority. The style is free-wheeling and high living. It has no constraints on its budget. It does not answer to Congress. It writes its own rules, for both it own conduct and the banks'—and it is obviously vulnerable, in the unhappiest tradition of federal regulatory agencies, to capture by the people whom it is supposed to oversee.

[From the Los Angeles Times, Feb. 12, 1976]

Banks as "Problems"

Reading about the "problem lists" kept by bank examiners is no balm for American nerves, already unsettled by several years of economic turmoil. The fundamental fact remains that the United States has the strongest banking system in the world, and that ordinary depositors have lost no money in bank closures since federal deposit insurance was introduced in 1934. Nor will they suffer losses in the future so long as regulators continue to do their job with care and perseverance.

That is the point of the problem lists. They focus the attention of regulatory agencies and congressmen on areas where problems need to be corrected. The lists are no harbinger of serious trouble in America's banking system. They are an instrument for avoiding serious trouble.

What the lists tell us is that the examiners' system of checking each bank's financial health is not perfect, and that recent changes in monitoring methods must be carried forward so that problems at individual banks can be anticipated sooner.

The lists also attest to the need for legislation to consolidate federal bank regulation under one agency instead of three.

James E. Smith, comptroller of the currency, now says that 28 banks are on his problem roster. A few are small institutions that may face a forced sale or liquidation, under the auspices of the Federal Deposit

Insurance Corp., if they fail to get their affairs in better order. Most are expected to work out of their troubles easily now that economic recovery is under way.

There are lenders who invested too heavily in New York City bonds that have declined in value. There are banks that lent too much money to fadish real estate investment trusts. There are others with excessive commitments to foreign borrowers who have their own financial problems. No doubt there are a few institutions that simply lent foolishly all around.

Problem lists are nothing new. Even in the best times, a handful of banks will be under close scrutiny. What is noteworthy about the lists today is that they have prompted Smith and other examining officials to start improving the way banks are watched and checked and monitored.

The failures in the last five years of U.S. National of San Diego, Franklin National of New York, and several other large but badly run banks have shown that the supervisors' old ways were just not good enough.

Now, instead of only looking over old loans and past actions, examiners are studying more closely how each bank makes its decisions and implements them. The regulators are turning to methods that anticipate problems before they become severe. They are using computers to analyze the loans on each bank's books, and to compare individual banks with each other.

Meanwhile, both houses of Congress are working on bills to consolidate the federal regulation of banks, now splintered among the comptroller's office, the Federal Reserve Board and the Federal Deposit Insurance Corp. The House bill being drafted by Democratic Rep. Henry S. Reuss of Wisconsin, chairman of the House Banking Committee, would also broaden the Federal Reserve's control over all banks' effects on the economy by subjecting state-chartered banks to reserve requirements as established in Washington. That is a good and important proposal.

Eventually, some influential congressmen would like to bring all banks under national charters, and phase out state regulation. Advocates of uniform chartering say the current duplicated system amounts to competition in laxity between banking supervisors in Washington and in state capitals. In some cases they are right.

What matters most here is the coherence of national banking policies and the way in which they serve broader economic goals like growth, jobs and price stability. A single banking system could coordinate policies more effectively. But the phasing out of state regulation should not be considered before federal supervision has been fully reorganized.

Banking's role would be easier to supervise if the nation depended less on debt. Once, Americans seldom borrowed except to buy their homes. Now millions of families, encouraged by lenders' aggressiveness and by favorable tax laws, use credit for all sorts of purchases. The resulting mountain of debt can make recessions more severe and recoveries more difficult to control. But all that credit has also financed remarkable economic growth over the last 30 years.

That growth might not have happened if the banks had stopped being aggressive and taking risks. These institutions are the crucial conduit for the nation's economic health precisely because they have the strength to absorb a few mistakes, a few borderline loans to promising but uncertain applicants. Taking those risks, financing unfamiliar people and ventures, is a vital part of their function.

Keeping the banks strong, as they are today, is vital to America. The challenge is to devise regulatory systems that will keep the banks strong without preventing them from doing their job.

PARTAMIAN'S ARMENIAN BAKERY OBSERVES 25TH ANNIVERSARY

The **SPEAKER** pro tempore. Under a previous order of the House, the gentleman from California (Mr. DANIELSON) is recognized for 5 minutes.

Mr. DANIELSON. Mr. Speaker, Partamian's Armenian Bakery of Los Angeles is presently observing its 25th year of providing excellent service to our community. This outstanding bakery is more than just a business success; it is a restatement of the great American tradition of achievement through free enterprise, dedication, and hard work. This time the tradition is repeated by a great Armenian-American family—that of Abraham and Victoria Partamian.

In this year of Bicentennial celebration, what is more fitting than to recall that this is a nation of immigrants who came to our shores seeking a refuge from persecution and a chance for a better life.

Abraham and Victoria Partamian came to this country in 1920 following the massacre of the Armenians at Marash, Turkey. After learning the bakery business by working in bakeries in New York, the Partamians settled in Los Angeles. There they started their own bakery, a strictly in-family operation. Their present bakery, which is an institution in the community, is the product of this family's hard work and dedication. Today, I congratulate this fine Armenian-American family for their success and thank them for their contribution to the enrichment of life in America.

BILL INTRODUCED TO COMPENSATE VICTIMS OF CRIME

The **SPEAKER** pro tempore. Under a previous order of the House, the gentlewoman from New York (Ms. HOLTZMAN) is recognized for 10 minutes.

Ms. HOLTZMAN. Mr. Speaker, today I am introducing a bill to aid victims of crime. This bill would provide grants to States with programs that compensate crime victims for resulting personal injuries. Fifteen States, including New York, currently have programs to compensate crime victims. Because of the fiscal crisis facing local governments, it is important that the Federal Government provide funds to keep these programs going and to encourage other States to set up programs. Since the Federal Government has failed to take effective action to control interstate handgun traffic and stop the importation and sale of heroin (two of the major factors in crime nationwide) the Federal Government cannot reject the serious plight of crime victims—the people who suffer the cost of this inaction.

My bill follows the outlines of H.R. 9074, a well-drafted bill introduced by Chairman RODINO. Like Mr. RODINO's bill, my bill provides a 50 percent reimbursement to State programs and allows great flexibility to the States in the administration of their programs.

My bill adds some new features. I require that eligible State programs must provide emergency assistance to crime victims who suffer immediate and severe financial hardship. The poor, especially the elderly poor, often have no reserves upon which to draw for doctor's visits, medicine, and to replace lost wages. Such people could suffer irreparable harm while waiting for their claims to be processed.

My bill does not reimburse States for their administrative costs. The costs of administering existing programs vary widely, and States should be encouraged to operate efficiently. Furthermore, since 15 States have already borne the expense of setting up programs, it is fair that other States assume such costs in order to qualify for Federal assistance.

I have also raised the maximum for weekly salary compensation for crime victims to $200 and have added attorney's fees to the items that are ineligible for Federal reimbursement.

Finally, I have added a section providing for evaluation of State programs. There are a number of important issues on which State programs vary: use of a means test for eligibility; requirement of minimum loss; maximum award ceilings; method of administration. My bill provides maximum flexibility to the States in development of their programs, but also provides for a detailed report by States at the end of the first and second years of funding. Thus when this act's authorization is reconsidered. Congress will have useful data with which to judge the efficacy of the act and to decide whether any current restrictions on State programs should be changed or additional requirements added.

I hope that compensation for victims of crime will be approved this session of Congress.

COMMENTS ON H.R. 11613, A BILL TO ESTABLISH A COMMISSION TO STUDY COMPULSORY SCHOOL BUSING AND SCHOOL INTEGRATION

(Mr. KOCH asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. KOCH. Mr. Speaker, on January 29, 1976, I introduced H.R. 11613 to establish a Commission to study the results of the racial integration of public schools, and the use of busing to achieve racial integration, and related questions. The bill now has 12 cosponsors.

The bill would do the following: It establishes a 13-member Commission on School Integration; 11 members to be selected by the chief judges of our 11 Federal circuit courts of appeals and 2 members to be selected by the Chief Justice of the U.S. Supreme Court. The Commission's responsibility would be to take testimony in cities and towns across the country on all the factual issues involved in achieving racial balance in the schools and the means of effecting it, in particular, busing. The Commission would report its findings, as well as any recommendations for appropriate legislation, to the Congress no later than 12 months from the time the Commission commenced its work. All Commission members would be required to serve full time and would be supported by a professional staff and adequate appropriations.

In order to focus its work, I believe the Commission should address itself to the following 10 questions, which I included as part of the Commission's mandate:

First. What are the fundamental goals of racial integration of our educational systems, and how effective have been the various methods employed to achieve them?

Second. What are the standards that should be used in evaluating the quality of education in our schools?

Third. What has been the impact of compulsory racial integration, achieved through busing or other means, on the quality of education and on other social goals?

Fourth. What has been the impact of measures other than busing taken by communities to achieve the goals of racial balance among schools, and have these methods been more or less effective than busing in meeting educational and social goals?

Fifth. What has been the impact of the effort to insure racial balance among schools on school enrollment, on violence and discipline problems, and on the reported movement of middle-class families from central city areas?

Sixth. Has the effort to insure racial balance in school systems had a positive effect in promoting the goal of a racially integrated society or has it intensified racial divisions within the community?

Seventh. What has been the effect of differing allocations of resources—Federal, State, and local—among and within school districts on the quality of education, and to what extent does the taxing method—for example, local property tax versus general appropriations—affect these disparities?

Eighth. Are there any important educational or social values to be gained by maintaining a commitment to the so-called neighborhood school?

Ninth. What disparities, if any, exist in the training, experience, and qualifications of teachers assigned to schools whose pupils are predominantly white, black, Puerto Rican, Mexican American, Indian, or any other race?

Tenth. What are the effects, if any, of the racial balance or imbalance of the teaching staff on the educational program of a racially balanced or imbalanced school? What are the problems of maintaining a racially integrated teaching staff in a racially imbalanced school?

I believe this proposal to be a reasonable, rational approach to a subject that is filled with excessive emotion, polarization, and hyperbole of a kind I have not seen matched in any other matter in which I have been involved.

I sent copies of this proposed legislation to a cross section of experts in the field of education, and also to some of those familiar to me who have taken strong and definite positions on the question of busing, asking for their comments on the proposal. Today, I am going to set forth a cross section of the comments I received. I received three general categories of opinions on this proposal:

The first category was that of Dr. James Coleman, professor of sociology at the University of Chicago, who praised the proposal as a reasonable approach to a difficult problem.

An opposite opinion is represented by the letter of Ira Glasser, of the New York Civil Liberties Union, which attacks my liberal credentials for offering a proposal which would even question the wisdom of busing. A third opinion by Genevieve S. Klein, regent of the University of the State of New York, rejects the need for a study of busing, because in her opinion there is no question that busing is destructive and should be stopped. I have also received some interesting general opinions and I will share them as well.

Let me briefly state my own opinion: I am for compulsory busing to achieve the racial integration only if the end to be achieved is quality education. I am not for such compulsory racial quotas in the classrooms and compulsory school busing, if the goal is not related to quality education, but is simply a societal goal of integration in every area of our society, to be achieved by compulsion and by merely using the school system as an experiment hoping to achieve it.

I want to make it clear, Mr. Speaker, that I believe that every person has the right to live any place he or she can afford, and current laws so provide. Occasional outrages do occur, perpetrated by individuals who violate the law to prevent such occupancy. Those individuals should be sent to jail. I consider their crimes to be crimes of violence, a violence against the person and the society.

On the other hand, Mr. Speaker, I am not opposed to ethnic communities of whatever background, which tend to form in our pluralistic society, so long as individuals are not prohibited from moving into any such community, if he, she, or they can afford to pay the rent or purchase price. This is the essence of free choice in a free society. But I do not want to see the Government compel Chinatown to be 63 percent white, or compel Little Italy to be 4 percent Russian, or compel Riverdale, a Jewish community, to be 22 percent black, or compel Harlem to be 63 percent white, which are roughly the percentages of these ethnic and racial groups in the New York City area. If we believe there are virtues in the ethnic cohesion of communities, because we allow free choice in choosing one's neighborhood and associates, we should not punish the people so residing by forcing them to bus their children elsewhere unless this will truly improve the quality of education for children generally. There are those who do feel that every neighborhood, every city block, every apartment house should reflect the racial composition of the metropolitan area, and that every school should also reflect the racial balance of the city, county, or State. I do not.

I believe that the kind of de facto segregation which exists in many cities today is different from that which existed in 1954, when many States operated dual school systems which had to be eliminated, and in the words of Supreme Court Justice Brennan, speaking for a unanimous Supreme Court in 1965, school boards which formerly operated dual systems "were charged with the affirmative duty to take whatever steps might be necessary to convert to a unitary system in which racial discrimination would be eliminated root and branch." I emphatically agree that segregation which results from gerrymandering, administrative practices, or other officially sponsored acts should be eliminated. However, the school boards of this country have not created the housing patterns we find in many cities. Some of these housing patterns have been created through voluntary choices. And regrettably racist and segregationist practices in many parts of society and government have caused others.

There are those who want to correct the patterns of housing segregation brought about by other parts of society by resorting to the readily available target—the school system—as a means to try to remedy these other injustices. I do not support efforts to use the school system for the purpose of achieving equality and justice in every other area of our social fabric. Furthermore, I believe it will not in fact achieve the broad-based integration that its proponents want, because it is so narrow in focus. I believe that all administrative practices and other legal means employed to segregate must be eliminated, but as for school busing to achieve compulsory racial balance, unless that is a requirement for quality education, I think it is counter-productive.

As I said when I introduced the bill, my heart tells me that in certain circumstances we should bus, but my gut tells me it is not working, and my mind asks why not ascertain the facts for review? No matter how controversial this issue has become, whatever the facts are, we should ferret them out.

I hope that our colleagues will join me in obtaining hearings on the bill for the purpose of improving and refining the questions such a Commission should address itself to, and for changing the manner of appointment for the Commission, if someone has a better way of composing the Commission. But, Mr. Speaker, we need this Commission, because we must have the facts, and I do not believe that we have them today.

I am appending some of the letters I received. First, those who have endorsed the proposal to create a "Commission on School Integration":

The University of Chicago,
Department of Sociology,
Chicago, Ill., February 16, 1976.

Congressman Edward Koch,
Congress of the United States,
House of Representatives,
Washington, D.C.

Dear Congressman Koch: I received a copy of your statement proposing legislation to create a commission to study the factual issues involved in school segregation and desegregation. I believe it is an exceedingly wise action. The appointment of the commission members by the chief justices of the federal circuit courts and the Supreme Court would have the effect of making the Commission an instrument of the judiciary, which I believe is wise, since most of the current desegregation decisions are being made in the courts. And the scope of questions you propose insures that the nature of the investigation would be sufficiently broad to attend to the interests of the numerous parties affected by racial patterns in the schools. I fervently hope that the legislation is successful.

Sincerely,

James S. Coleman,
Professor.

Harvard Law School,
Cambridge, Mass., February 23, 1976.

Hon. Edward I. Koch,
Congress of the United States,
House of Representatives,
Washington, D.C.

Dear Congressman Koch: I have been out of the office for a week and just received your February 11, 1976, letter containing your call for a school desegregation study as presented in the January 29, 1976, issue of the Congressional Record.

I've also given more thought to this matter. My views that a fairly representative commission will be hard to obtain and unlikely to produce anything really new have not changed. But I recognize that fact finding is one of the subsidiary purposes of most commissions. The primary responsibility of a commission is to present facts (that are known or easily knowable) in a context and with the leverage that will result in action. The Mondale Committee was unable to do this because, in part, they began with a pro-integration bias and reached conclusions that reflected their personal views with little regard for the minority position. Unfortunately, the great majority of the country is opposed to school integration for school integration's sake, and the continued advocacy of pro-integration on moral grounds did not significantly alter this opposition.

It may well be that a prestigious body that could command respect—despite is unrepresentative character—might be able to formulate a plan that would improve education today and hasten integration in the future. A carefully designed national plan supported by appropriate legislation would be welcomed by many courts, and might gain the support of all but the most rabid integrationists and segregationists. In any event, the danger of a "sell out" of Brown during this presidential election year is so great that your study commission idea deserves continuing thought and support.

My essay on "Alternative Remedies Under *Brown*" is scheduled to be published in a future issue of INTEGRATEDUCATION. If a notation to this effect could be included, I am certain the publishers would not object to your insertion of the essay in the Congressional Record.

Sincerely,

Derrick A. Bell, Jr.,
Professor of Law.

Board of Education of
the City of New York,
Brooklyn, N.Y., March 5, 1976.

Hon. Edward I. Koch,
House of Representatives, Congress of the United States, Washington, D.C.

Dear Congressman Koch: Your proposed study on integration and busing has my approval and my support. The appointment of members of the Commission by the judiciary is acceptable. Among the members should be representatives of many disciplines. It is also important to insure that the members will come from diversified backgrounds.

It appears the Commission is charged with conducting the study from legal and factual perspectives. I assume that they will also address themselves to the social perspectives which are underlying.

Your statement recognizes the heat and emotion that has been raised by this topic. The study is needed and should be undertaken.

Sincerely,

Amelia Ashe.

John Jay College of
Criminal Justice,
New York, N.Y., February 2, 1976.

Hon. Edward I. Koch,
House Office Building,
Washington, D.C.

Dear Ed: Last night (Thursday) I picked up a copy of the News which carried a Washington story by Bruce Drake. It told of your call for a special panel to review the busing issue. I must tell you that I sat up for hours "re-thinking" the problem—and, once again, I have to acknowledge your courage and integrity in attacking the major problems confronting our nation.

I want to voice my strong support for your proposal and can only hope that the commission will do the right thing without regard to political implications. From my very limited experiences, and from the reading I have been able to do I have real doubts, too, about busing. I do not see evidence of the improvement of education, and moreover, I find an increase in hostility where busing has been forced.

The key to the success of the commission may well rest with the staff it selects. Often it is that small group which really leads in taking a direction and this should not be the case.

Good luck with your efforts. No doubt you will receive a good deal of flack on this one! When classes get underway, (Feb. 5th), I'll try to get some of the students to do some research on the subject—perhaps going into some of the areas involved, communicating with friends and relatives in other cities (such as Boston and Detroit), etc.

Best wishes and warmest regards.

Cordially,

Lorraine Colville.

The University of the State of
New York, the State Education
Department,
Rome, N.Y., February 23, 1976.

Representative Edward I. Koch,
Congress of the United States,
Longworth Office Building,
Washington, D.C.

Dear Mr. Koch: I have received the copy of your bill and I am in accord with the purpose thereof.

Please keep me advised as to developments in regard to the bill.

Sincerely yours,

Emlyn I. Griffith, *Regent.*

American Jewish Congress,
New York, N.Y., March 2, 1976.

Congressman Edward I. Koch,
26 Federal Plaza,
New York, N.Y.

Dear Ed: Naomi showed me the Congressional Record report of your bill to establish a Commission to study the results of racial integration, etc.

I want you to know that I, too, support that approach. And, if there is anything I can do, please do not hesitate to write.

Sincerely,

Arthur Hertzberg.

Second, those who believe in compulsory school busing to achieve racial integration and oppose my proposal:

Lawyers' Committee
for Civil Rights Under Law,
Washington, D.C., January 26, 1976.

Hon. Edward I. Koch,
Longworth Office Building,
Washington, D.C.

Dear Congressman Koch: Thank you for your letter of January 21 soliciting my comments on your proposed statement and creation of a commission to investigate "busing issues."

I regret that my reactions are essentially negative ones. I have read your statement and proposed questions for the commission rather carefully, and I have spent a good deal of time thinking about whether the difficulties I foresee with this approach could be ameliorated to any significant extent by rephrasing or defining the questions. I conclude that they cannot be, and that the creation of the sort of commission which you propose is unlikely either to provide definitive answers to the questions you raise or to contribute to a reduction of the level of national debate and tension about busing.

Let me deal first with the procedural aspects of your proposal. I cannot agree with your assumption that having members of the commission appointed by the Chief Justice and the chief judges of the federal judicial circuits would get the commission out of politics. Without in any way implying any lack of qualification or expertise in the law on the part of federal judges, I think we must all recognize that political service has traditionally been a prime prerequisite for judicial nomination. Furthermore, the commission you identified will be established in the midst of a national political campaign in which "busing" and "racial balance" are likely to be issues. In these circumstances, I submit that it borders upon naivete to suggest that politics will have nothing to do with the establishment and workings of the commission.

Another difficulty is that all of the federal courts of appeals have been faced since the *Brown* case in 1954 with the necessity of enunciating circuit policy on school desegregation matters. Unavoidably, both the chief judges and other circuit judges will not, therefore, come to this subject without preconceived notions about questions you would have them answer. These personal opinions and observations do not normally interfere with the judicial process because of the specific guidance given lower courts by the Supreme Court's decisions, but they could receive wider play if the judges are thrust into a non-judicial role.

Perhaps the need which you perceive for a national commission is indicative of widespread misunderstanding about school desegregation cases. Some of this misunderstanding is, I fear, reflected in your statement. For example, you proceed from the assumption that the courts in school desegregation cases are ordering "compulsory racial balancing." This is simply untrue. What the courts are ordering (upon a showing that the Constitution has been violated by deliberate racial student assignments and other policies) is that the result of that racial discrimination (namely, one-race and racially identifiable schools) be eliminated. It takes affirmative action to do this. When a school has been deliberately located in the center of a large black residential community, or in a distant white suburban area of a school district, for the purpose of predetermining the racial character of that school's student body, it is impracticable to eliminate the results of that deliberate racist policy by moving the school. Schools have generally a useful life of approximately 50 years. The only option is to rework student assignments so that the deliberate racial school siting choice no longer exercises its influence over the schools' racial identity. In a district of any size, this means busing.

To recognize this scenario is not the same thing as to assert that the courts have been engaged in "compulsory racial balancing." That is why I find the basic assumption of your statement to be unacceptable of itself and to color and distort all of the questions you would have this commission answer.

There are other problems which I perceive in your suggestion. First of all, with minor exception, the questions you propose are not questions of fact about which definitive answers can be given. They are, rather, matters of opinion about which reasonable men can and do disagree. As far as the facts about school desegregation are concerned, they are largely to be found in recitation of historical occurrences, and in statistical summaries which describe what has happened when school districts have desegregated. These matters are set out in full in the 20-some volumes of hearings and material collected by the Senate Select Committee on Equal Educational Opportunity, and what I believe to be very reasonable conclusions from this evidence are found in the Committee's report issued December 31, 1972. With this extensive background investigation, I cannot agree with the assertion that individuals who do not find your proposal for the creation of a commission attractive "are afraid to know the truth."

Finally, you asked whether I thought the questions you propose are "all-inclusive." I hardly think so, but an "all-inclusive" set of questions would present any body of human beings with an impossible agenda. Let me however summarize the major problems I have with the questions as they are now framed. First, they proceed, as I have said, from an assumption that the courts have been ordering compulsory racial balance. Second, they do not recognize the constitutional framework within which the judicial system has been operating. Third, in many respects they duplicate questions which have been submitted to hundreds of thousands of hours of painstaking analysis already. I refer here not only to the Select Committee's work but also to such studies as those of the National Education Finance Project which are relevant to such of your questions as nos. 2 and 7. Fourth, the list of questions includes many terms of inherent vagueness for which no definition is given. Fifth, some of the questions even if narrowly construed would require a longitudinal study extending over far more than 18 months in order to provide an appropriate answer. Finally, as I have commented above, many of the questions call for judgments and opinions about which there will be great differences, and not for factual answers.

I regret the necessity of being so negative but I see no realistic possibility that the issue of whether the Fourteenth Amendment shall be enforced can be satisfactorily resolved by sending it to committee. I hope you will reconsider your intention to introduce such legislation.

Very truly yours,

NORMAN J. CHACHKIN.

JANUARY 30, 1976.

NORMAN J. CHACHKIN, Esq.
Lawyers Committee for Civil Rights Under Law, Washington, D.C.

DEAR MR. CHACHKIN: First, I want to thank you for providing me with your thoughtful comments on my proposal. Notwithstanding the fact that we are not in accord as to its efficacy, I am very appreciative of the time that you took and the insight that you provided.

The final text of the statement that I will be introducing today is enclosed. You will find that it is somewhat changed from the original.

Sincerely,

EDWARD I. KOCH.

AMERICAN CIVIL LIBERTIES UNION,
New York, N.Y., February 13, 1976.

Representative EDWARD I. KOCH,
House of Representatives, Longworth Office Building, Washington, D.C.

DEAR ED: I shared your note of February 2 and the enclosed copy of your statement on busing with a member of our legal staff, Richard Larson. In response, I got back the enclosed memorandum from Larson. I thought I should send you Larson's views in this unvarnished form because I completely agree with what he says.

It is dismaying to me to see so many "liberals" seeking ways to hop on to the anti-busing bandwagon. I hope you are willing to rethink what you are doing. If you think the matter bears discussion, I would be happy to arrange a meeting with you and Larson and, if they are available, with Scheuer, Coleman and Silberman. Please let me hear from you on this.

Best regards.

Cordially,

ARYEH NEIER.

FEBRUARY 23, 1976.

ARYEH NEIER,
American Civil Liberties Union,
New York, N.Y.

DEAR ARYEH: Needless to say, I was disappointed in your response to my busing statement and proposal that a Commission be established to review the impact of our efforts to achieve racial balance in our schools. I realize that what I propose will stir controversy and possibly threaten the present direction of school integration—but I would least expect to find resistance from the American Civil Liberties Union to a review of the facts, simply because it might threaten the status quo.

Mr. Larsen criticizes my use of the concept of busing. We all know that this is not the crux of the issue. And we all know that busing is nothing new—indeed we have decried the miles that black children were bused past white schools. Blacks and whites have been bused for years. Furthermore, I realize that compulsory racial balance can be achieved through walking as well as busing patterns. Mr. Larsen's proposal that there be a dissemination of information about "school transportation in the United States" is not really substantive and one that seeks to avoid the more difficult factors at issue.

I would be happy to include in the Commission's study Mr. Larsen's questions relating to "governmental policies which have caused our dual minority white societies" and our obligations to undertake corrective actions.

Frankly, Aryeh, I find it odd that you ask me to "rethink" what I am doing—and yet criticize me for suggesting that we as a country review and indeed rethink—what we are doing on this issue.

My proposal is not in final form. If you wish to meet to discuss how its "factual" base might be improved, I should be happy to do so. But, a meeting to simply seek to dissuade me from ascertaining the facts will serve no purpose at all.

All the best.

Sincerely,

EDWARD I. KOCH.

NYCLU,
New York, N.Y., March 4, 1976.

Representative EDWARD I. KOCH,
House of Representatives,
Longworth Office Building,
Washington, D.C.

DEAR ED: Regarding your proposed commission to study the effects of compulsory busing, and your exchange with Aryeh Neier, I have the following comments:

1. You beg the question regarding Mr. Larson's memorandum. His chief point is that the facts are known, that the vacuum of knowledge you imply exists does not exist, and that therefore the ostensible value of the inquiry you propose is minor, at best. If Larson is right, then the probability of deriving the benefit you seek—more factual knowledge—is low.

2. You barely recognize, in your letter to Aryeh, that your proposal may "possibly threaten the present direction of school integration." I believe that the chief result of your proposal will be to strengthen the resistance of those who mean to perpetuate racial discrimination. I believe—and that is basis for Larson's and Aryeh's opposition to your proposal—that the probability of such an effect, whether you intend it or not, is high. If we are right, then the potential for harm in your proposal is immense.

3. If we are right and you are wrong about points (1) and (2), then your proposal is mischievous and, by your own standards, ought to be withdrawn. If the probable political impact of such a proposal, especially when made by a noted Northern liberal integrationist Congressman, was to increase racial discrimination, and if the probability of benefit from your proposal is low because most of the knowledge you seek already exists, then you ought rationally to withdraw your proposal.

But, for all your superficial openness and rationality, you are not prepared even to discuss these possibilities! Any attempt to dissuade you from going forth with your proposal "will serve no purpose at all." Your open mind is closed. Your relentlessly "rational" pursuit of "the facts" excludes even the possibility of certain other "facts."

In the interests of ascertaining all the facts, Ed, I suggest that you stay your hand until we have first had a Commission appointed to study the likely effects of your Commission. Perhaps you believe that kind of question unanswerable. "If that is true," to use your telling phrase, "and I hope it is not, the Commission should advise us accordingly."

It is a good thing you were not in Montgomery when Rosa Parks decided to sit down. You might have persuaded her to let you appoint a Commission first to evaluate the facts. It is an even better thing that you were not around to advise the Supreme Court in *Brown*. Surely they needed a Commission to evaluate the likely effects of their decision. Had such a Commission been appointed, and had it correctly anticipated the effects of *Brown*, perhaps the decision would have been different. George Wallace was a dummy; instead of standing in the schoolhouse door, he should have called for a Commission. That's a fact.

Sincerely,

IRA GLASSER,
Executive Director.

HOUSE OF REPRESENTATIVES,
Washington, D.C., March 15, 1976.

Mr. IRA GLASSER,
Executive Director, New York Civil Liberties Union, New York, N.Y.

DEAR IRA: I have your letter and regret that you thought it necessary to engage in invective which I consider your personal references to me be. Nevertheless, since you appear convinced that the answers to the questions which I raise in my resolution for the consideration of a commission are known, I would like to have the benefit of those answers.

Would it be possible for you to touch briefly upon each of the ten questions that I have raised in so far as the facts are known to you? I know that there are experts in the field who are not quite so convinced as you are that all of the facts have been established.

Finally, let me just suggest that the kind of rhetoric employed in your letter to me, while more urbane than that of the polemicists equally polarized at the other extreme of the issue, is in the same vein—reinforcing my feelings that we really ought to have the facts and pursue them.

All the best.

Sincerely,

EDWARD I. KOCH.

NEW YORK, N.Y.,
February 25, 1976.

Congressman EDWARD I. KOCH,
Longworth House Office Building,
Washington, D.C.

DEAR ED: Thank you for sending me a copy of your proposal for establishing a commission to study the use of busing to achieve racial integration in schools. I generally applaud what you do, but in this instance I feel that you have taken a backward step.

In the first place, I do not think you have given adequate consideration to the matter of timing. Because there is turmoil in one city or another, such as Boston, it does not mean that the turmoil would necessarily be permanent. Take Little Rock, Arkansas for example, where school integration had to be enforced with the aid of federal troops, yet today, as I understand it, integration at Little Rock is working peacefully and without any uproar from the community. Charlotte, N.C. is another example and I am sure there are many others where busing got off to a rocky start but ended up by community acceptance. But, you say, if this is so, why not get all the facts through a national survey of the sort you have proposed? My answer is that the very proposal will give aid and comfort to the white supremacists at a time when what is most needed is for public opinion to support the courts, which have the constitutional authority and duty to eliminate discrimination and to frame appropriate orders in each particular case after considering all the facts and circumstances. I do not know what the final outcome will be in Boston, but the revised order of the District Court, issued after the most thorough-going study and hearings, has been unanimously upheld by the Court of Appeals, and it seems to me that what is needed now is not to hold still another set of hearings or investigations which would simply reopen the whole controversy and increase the tensions, but rather to support the courts' actions and hope for time (or further judicial action) to bring its own solvents.

Secondly, I have difficulty with the way in which you propose to create the commission. It does not seem to me to be proper for Congress in effect to direct the Chief Justice of the United States and the Chief Judges of the Courts of Appeal to appoint members of a commission which is to make recommendations for legislation to Congress. Perhaps the bill would merely request the judges, rather than direct them, but in either case, if the judges did what they were told or asked to do with regard to appointing members of the commission, they would be setting a precedent which could have unfortunate consequences. In the first place, it would imply that Congress has the power to issue directions to the judges, if the bill were so couched, or to put pressure on the judges to comply if the bill were in the form of a request. If the judges were to turn down the direction or request as improper or unconstitutional, they would be inviting a dispute with Congress which would be most unfortunate for all concerned.

I think that the order or direction, as the case might be, would be particularly objectionable because acceptance by the judges would imply that Congress had constitutional authority not only to make the request or order, but to legislate with regard to what kinds of decrees the courts should make in cases brought before them. If a plaintiff sues in court complaining that he has been deprived of a constitutional right, i.e., to equality of educational opportunity, and the Court finds in his favor that he has in fact been deprived of such a right, it is the court's duty to fix the remedy under all circumstances of the particular case and after hearing all the parties. I should not suppose that a statute of Congress purporting to regulate the kinds of decrees which the courts could make in such cases would stand up constitutionally. Congress might, perhaps, pass a statute in aid of court decrees in such cases, but that would be quite a different matter from legislating as to when and under what circumstances busing would be a permissible remedy. I may be wrong, and I have not done any research on this, but I am reasonably certain that you have here a problem of the separation of powers and that the judiciary would reject any attempt by Congress to limit the courts' authority to shape remedies for the violation of constitutional rights.

A fact-finding commission appointed by the President, or by Congress itself or by some other agency specified by Congress, would not run up against these constitutional difficulties. Nor would a commission appointed by the judges on their own initiative to aid them in the future shaping of decrees. For reasons I have already stated in the first part of this letter, I think it would be unfortunate if such a commission were appointed, even by the judges themselves, since I think that at this stage of history, the courts ought to continue to work out the problems as best they can and to receive the support of the people in so doing. But at least their action would not involve any question of separation of powers.

I have only one other comment. You say toward the end that you want to know the best way for school children of all races to obtain a good education "in an atmosphere free of racial turmoil and recrimination." It seems to me that this comes very close to saying that compulsory busing cannot work, because as we all know *some* racial turmoil and recrimination is almost bound to arise whenever busing is ordered over white protests; it may not last for long but it is almost bound to occur for at least a little while. I personally think that this is the price we have to pay to right the wrongs created by centuries of discrimination, and it grieves me that you, whom I admire so much, should seem to be questioning that position.

Please excuse the length of this letter; I didn't have the time to make it shorter!

Sincerely yours and with all good wishes,

LLOYD K. GARRISON.

HOUSE OF REPRESENTATIVES,
Washington, D.C., March 6, 1976.

LLOYD K. GARRISON,
New York, N.Y.

DEAR LLOYD: I appreciate having your letter of February 25th and the spirit of friendship with which it was written. I am sorry that we disagree on this issue.

I have no quarrel with taking steps to make up for the damage of past discrimination—my only concern is that we do not take steps that in the long run are counterproductive and destructive. I am willing to bear some turmoil and pain—but again only if in the long run we are successful in achieving our goals of quality education and a racially integrated society. At this point many question whether the turmoil is only temporary or whether compulsory racial balance is not in fact going to cause a more damaging resegregation (through white flight from the public schools and communities) and a more embittered division between the races. In New York City as of October 1974 the public school system was 67% non-white, and 71% nonwhite in the first three grades. If compulsory racial balancing of our schools causes New York City to lose its middle class, both black and white, are we making progress?

Because the present course of compulsory busing and racial balance in our schools is tearing at the very fabric of our cities, I think that a Commission's review of where busing has brought us to date is necessary and will be helpful. For if indeed it is shown that the turmoil and white flight persists for only a little while as you suggest, and it were determined that the sought after goals of quality education and better integration of the races were in fact being achieved over the long run, then we could be reassured in continuing our busing practices and enduring the initial turmoil. If on the other hand, it is demonstrated that we are precipitating a more damaging and permanent resegregation, shouldn't we know about it?

In all candor, while I am concerned that the remaining divisions between white and minority groups be erased, I see nothing wrong with the continuation of ethnic communities. Such homogenity gives strength to neighborhood relationships which are having a hard enough time surviving today, particularly in our cities. At the same time, of course, opportunities for anyone to move into any neighborhood, must be preserved and protected by the law. And as part of that anyone, and occasionally there still is such a situation, who engages in an illegal act in keeping someone out of a community should be prosecuted to the fullest extent of the law with a jail term.

Neighborhood schools contribute to neighborhood strength. Perhaps one of the things the Commission should examine is whether those areas where school lines have been drawn to achieve greater integration and yet whose boundaries are equidistant from the school, have in fact been more successful in integrating the races, not only in the schools but in the community, than those in which the more artificial integration has been achieved through compulsory busing. In short, all techniques that have been employed to achieve integration should be reviewed to see how they've worked.

I acknowledge that there may be some problems in having the Commission Members appointed by judges. My reason in looking to the judiciary for aid in formulating the Commission was to remove the Commission from the political arena, and the pressures thereof, as much as possible. Perhaps you could suggest some better way to make the Commission's review and recommendations as objective as possible.

I am fortified in my resolve to pursue my legislation by the fact that it has been endorsed by both Professor James Coleman and Charles Silberman, leaders in the field of school integration.

Sincerely,

EDWARD I. KOCH.

LLOYD K. GARRISON,
New York, N.Y., March 11, 1976.

Congressman EDWARD I. KOCH,
Longworth House Office Building,
Washington, D.C.

DEAR ED: Thanks so much for your thoughtful letter of March 9. I feel rather guilty about having put you to so much trouble. There is much in your letter that is persuasive. Our remaining differences, I think stem from two contrasting assumptions. Mine is that the judges are feeling their way through the immensely difficult task of working out ways and means of complying with the constitutional requirements laid down by the Supreme Court; that there is no one formula applicable to every city and that therefore, the case by case approach of the judges is the only feasible course to pursue. And I have the conviction that given time the process will work out for the ultimate benefit of the young people involved. You, I think, assume that "the present course of compulsory busing and racial balance in our schools is tearing at the very fabric of our cities"—a broad generalization with which I do not agree. The decline of many of our cities—not all of them by any means—is due to many causes of which the integration decisions are a very minor element. And it seems to me that your bill is a reflection of your basic assumption, that what the judges are doing is tearing at the fabric of our cities and that, therefore, a national commission ought to examine into the consequences of the court's decisions, whereas I would counsel patience and, if not active support of the judiciary, at least a willingness to leave them free to do what they think best in the varying situations that come before them.

While I don't think that our differing view points can be reconciled, I still have the greatest respect, as I said in my first letter for your judgment and devotion to the public interest.

In regard to the make-up of your commission, it seems to me that the questions to be considered are fundamentally educational and it is really not appropriate for the judges to sit in judgment on what they themselves are doing. I agree with you that the conflicts are so emotional that it is difficult to figure out how to appoint a body that would be as free from racial and political biases as men can be. The only suggestion that has occurred to me would be for the President to call together a group of leading university presidents broadly representative of the country as a whole and ask them to appoint a commission of leading educators to report their findings and conclusions to the president, for publication and for such action as might seem appropriate. An appropriation for this purpose could be made to the Office of Education, which could be directed to facilitate the task of the commission. The commission should pick its own counsel and staff and the members of the commission should be directed to devote full time, or approximately full time, to the work and should be adequately compensated. I believe that a very large appropriation would be necessary to produce a really meaningful report, because of the great variables between one city and another and the necessity of inquiring into the history and background of the movements of middle class people to the suburbs, the origins and leadership of each set of conflicts, the nature of each court decision and its practical consequences, etc.—a truly huge undertaking. But anything short of this would be worthless and would only add further to the confusion and controversy which now surrounds this whole effort of democracy to find democratic solutions to human problems.

Forgive my burdening you with another long letter.

Sincerely,

LLOYD K. GARRISON.

Third, a letter from one who opposes the Commission, because she believes that busing is clearly wrong and should be stopped without waiting for the recommendations of a Commission:

ATTACHMENT C

THE UNIVERSITY OF THE STATE OF
NEW YORK, THE STATE EDUCATION DEPARTMENT,
February 18, 1976.
Hon. EDWARD I. KOCH,
House of Representatives,
Washington, D.C.

DEAR CONGRESSMAN KOCH: I am responding to your letter of February 11 in which you request my comments and endorsement of your proposed bill (H.R. 11613) to establish a commission on school integration.

There is no doubt in my mind that you are well intentioned and desirous of establishing objectively the worth of compulsory busing and other integration measures as means of bringing about "quality education" in our schools. I believe, however, that there is no need for additional commissions or studies of integration. It is difficult to bring objectivity to highly emotional issues, but the integration experiences in Louisville, Boston, and all too many other places, document the obvious conclusion that compulsory busing is harmful to race relations and disruptive for the schools.

Segregation by law is an abomination. And the Supreme Court in *Brown* was right to strike it down. However, some subsequent federal and state court decisions have not only failed to contribute to improved education, but by imposing "social engineering" on the schools have worsened race relations in schools and community. Even if your proposed commission should come up with a "factual" report, it cannot, as you know, bind judges.

The "gut" feeling which you reported to the Congress is the right one. Compulsory busing is not working. Therefore, I cannot endorse your proposed commission. There is no compelling need to buttress the widely expressed public opinion that compulsory busing to achieve racial balance in the schools should be ended by HEW and the courts.

Sincerely yours,

GENEVIEVE S. KLEIN,
Regent.

And lastly, I append some interesting comments from those who have other relevant views:

DEAR CONGRESSMAN KOCH: Today I received from you a copy of the Jan. 29 Congressional Record in which you proposed the establishment of a commission to study and to re-evaluate the merits of busing.

I am a mother of 2 young school-age children. I am Chinese and a recent immigrant. For my children, I look for the quality of Education in schools. The mere sitting next to a white child does not offer quality education. The argument for busing, I understand is that there are better schools in the "white" neighborhoods. Then why not get to the root of this inequality. Why not take all the money, effort now spent on enforcing busing and put all that or maybe even more in providing better schools in poor neighborhoods. Why not increase federal funding to provide more and better teaching staff and facilities, for example, reduce students-teacher ratio to say, 15 to 1. The current students-teacher ratio of some 40 to 1 makes it impossible for the teacher to teach and the students to learn.

Learning does not start at 8 a.m. nor does it end at 3 p.m. Children learn social adjustment, leadership, civic duties, and other values in life from after-school extracurricular activities. My own younger sister was sent to attend a "good private" school at the other end of town. It took her one hour to travel each way everyday. She was exhausted at the end of day, and frustrated that she could never participate in any of the school activities nor visit and of her school friends after school due to the great distance. Bus-children are robbed of this part of their education.

Since the first consideration of busing in the 1960's, I feel we have come around with a great deal of re-thinking, renewed awareness of ethnic pride and appreciation of cultural contribution from different racial, ethnic groups. I would like to see my children given more opportunity to learn about their heritage. I feel many of my black friends are in for "Black is beautiful". Racial integration can be achieved more effectively by more effort in eliminating job and housing discrimination. To my mind, it is fundamental to provide good quality education to children in their own neighborhood. Once they have good education, and are free to get good jobs, racial integration will be achieved naturally. In my opinion, busing is an arbitrary manipulation thwarting people's basic constitutional right of freedom to choose, whereas efforts in eliminating job and housing discrimination is assuring one's fundamental rights.

I am happy to hear that you are also rethinking this sensitive issue. I may have expressed my views on a complex issue in a very simplistic manner, but this is how I feel. Thank you for inviting me to express my opinion.

Sincerely yours,

MING H. WANG.

THE UNIVERSITY OF CHICAGO,
DEPARTMENT OF ECONOMICS,
Chicago, Ill., February 3, 1976.
Hon. EDWARD I. KOCH,
U.S. House of Representatives,
Washington, D.C.

DEAR ED: I too enjoyed very much our plane visit. I appreciate your sending me the draft of your statement on a commission to investigate busing.

Your questions are excellent questions but I remain skeptical that very much can be contributed to them or to the solution of the busing problem by the kind of commission you propose. The basic problem is that the questions are not factual questions admitting of factual answers but implicitly involve questions of value that are not susceptible of handling on a rational level. Many of the separate items have been the subject of much academic study; they are available. But the basic issue of the role that the state should play vis-a-vis the individual cannot be determined in a commission investigation.

Do let me urge you to consider more seriously the voucher scheme as a much more immediate and acceptable solution to the busing problem. I believe that it would receive the overwhelming support of most parents in this country if they could understand exactly what is involved.

Cordially yours,

MILTON FRIEDMAN.

THE CITY OF NEW YORK, OFFICE OF
THE PRESIDENT OF THE BOROUGH
OF MANHATTAN,
New York, N.Y., February 13, 1976.
HON. EDWARD I. KOCH,
Congress of the United States, House of Representatives, Washington, D.C.

DEAR ED: I shall be away the coming week as a delegate to the International Conference on Soviet Jewry in Brussels, Belgium. However, I have scanned your proposal for a 13-member national study commission.

I believe that Black and White Americans are impaired in their ability to work, live and communicate together, as adults, when they have been separated and become alien to each other in different schools and neighborhoods, as children.

I believe further, that part of the educational process of a child is the contact which that child has with children of other groups, neighborhoods and background. How to accomplish this objective while banks and lending institutions red-line certain areas of our cities and fail to lend money for the purpose of integration of our housing in those communities leads to neighborhood segregation and racial separation accompanied by substandard schools in our poorer and racially segregated communities.

All of these circumstances gave rise to the court action to desegregate schools and the resultant court decisions to utilize busing as one alternative method of school desegregation.

Another tool for school desegregation could easily be *integrated housing* and *integrated communities*. But, unfortunately, many of those leaders who strongly oppose court ordered bussing as a means of desegregating our schools are just *against bussing* and offer no early implementable alternative. Presidential candidates, Henry Jackson and George Wallace are two such leaders.

Your proposal for a national study commission *could* be helpful Ed; if it was so structured as to permit full and meaningful consideration of all realistic and accomplishable methods of school desegregation. And, I thank you for asking me for my opinion.

With warm regards, I am,

Sincerely,

PERCY E. SUTTON.

THE UNIVERSITY OF THE
STATE OF NEW YORK,
New York, March 1, 1976.

Hon. EDWARD I. KOCH,
Congress of the United States, House of Representatives, Longworth Office Building, Washington, D.C.

DEAR CONGRESSMAN KOCH: Thank you for sending me your bill, H.R. 11613. I believe that an inquiry into the matter of schooling as a means by which racial discrimination can be lessened could be useful, but certainly I would not turn to the judiciary for such a study.

This is a matter of educational and social inquiry, not essentially a matter of law. We *know* what the law is. What frustrates judges—and perhaps caused Judge Garrity on one occasion to violate the Constitution in reproving anti-busing advocates, and caused the Louisville U.S. District Judge to give the press printed handouts, like a PR man, on "guidelines" by which to interpret his decision—is that the judiciary has the authority to state the law but not the legislative or administrative means to carry it out. In any event, the 1954 Brown decision went beyond the matter of law and introduced (dubiously, I think) social science investigations into the decision.

An inquiry should be put into the hands of educators, parents, social scientists, and elected representatives of the people.

That's my view.

Yours,

WILLIAM JOVANOVICH.

THE THUMBS ON THE TRADE SCALES

(Mr. DENT asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. DENT. Mr. Speaker, President Ford will soon make a decision which is critical to the economic welfare of the U.S. specialty steel industry and its many thousands of employees. I make reference to the recent decision of the International Trade Commission which recommended to the President that quotas be established for certain kinds of specialty steel imported into the United States.

Recently, along with other Members, I met with the President and urged him to accept and implement the Trade Commission's recommendations.

In the February 9, 1976 issue of Business Week there appeared an article by Mr. Richard P. Simmons, president of Allegheny Ludlum Steel Corp. This article goes to the heart of the problem faced by American businesses in their effort to compete with the trade policies of foreign governments and companies. I commend this article to my colleagues' attention.

THE THUMBS ON THE TRADE SCALES

Analysts of international problems tend to forget that the U.S. is the only great industrial nation that still maintains an arms-length relation between business and government. American companies in many of our most essential industries are increasingly forced to compete, not just with their counterparts abroad, but with foreign national governments.

Under these conditions, industry in the U.S. is compelled to live—or die—by one set of rules while its adversaries around the world play the game by totally different rules that too often are divorced from the profit system and bear little or no relationship to costs of production. This situation raises a serious question as to whether any American company in a manufacturing industry can compete with government-owned, government-directed, or government-subsidized foreign firms and cartels that do not have to confront the ultimate discipline of the free market system.

The double standard that prevails in international trade makes our domestic market—the largest and most lucrative in the world—easy prey for foreign producers. By dumping, predatory pricing, and other practices that amount to the same-foreign-owned or subsidized companies have systematically and inexorably captured key markets. In the short run, these imports may appear to benefit the consumer, but in the longer run they leave our domestic companies unable to meet the needs of the economy. Then, when shortages develop, foreign suppliers can charge a significant premium for their products, as they did in 1973 and 1974.

Please do not misunderstand, I believe in free trade, and I am prepared to let the principle of comparative advantage determine who wins and who loses in the contest for markets. But I insist that free trade cannot exist without generally equal rules, with all parties competing on the basis of costs, technology, and productivity.

LOPSIDED

Tragically, this kind of free and fair trade rarely exists in the real world. This reality has been driven home to me by my corporate experience in recent years. As president of a company that is a primary producer of specialty steels, I have personally witnessed the destructive impact of a lopsided trading situation on this important American industry.

Specialty steels are absolutely essential to every major manufacturing industry in the U.S.—to all the energy industries, aerospace, communications, transportation, chemicals, food processing, and more. There is no economic activity in our society that does not require specialty steels. Yet in 1975 imports captured 60% of the domestic market for some specialty steel products and helped increase unemployment in the industry to levels as high as 40%. Shipments fell by more than 45% from 1974, exaggerating the already serious impact of the recession.

The gains of the foreign producers are not based on superior technology. Foreign specialty steel producers conceded at recent hearings before the International Trade Commission that American companies are at least their match in the realms of technology and productivity.

American companies are losing their markets because they cannot afford to match the discounts of up to 50% that foreign stainless steel and tool steel producers offer our American customers. We have found that no matter how many times we lower our prices, foreign producers will lower them further.

How can they afford to do it? Quite simply, most of them do not have to be concerned about profits. More than 70% of the world's steel capacity is now either government-owned or heavily subsidized. In Britain, the steel industry is almost entirely owned by the government, and in 1975 it lost more than $500 million. In spite of this, the British government is providing or guaranteeing funds for a $2.5 billion capital program for steel. One might ask whether any investor-owned company in the U.S. could ignore such losses and proceed with major expansion.

Japanese specialty steel producers, nearly all operating in 1975 at substantial losses, were encouraged to form "recession cartels" to control production and prices as well as cartels to control pricing of imported raw materials.

In addition, the Japanese National Bank has provided "impact loans" to specialty steel companies, which have enabled them to continue selling in the U.S. market at prices far below ours, even though U.S. prices for some products have been reduced by more than 20%.

In Sweden, as Prime Minister Olof Palme confirmed in his interview with BUSINESS WEEK in December, specialty steel producers receive government loans and grants to carry excessive inventories. The government will not permit them to lay off workers when demand falls. French producers receive government aid "to carry them through the present difficult period."

TRADE POLICY

Our industry is not the only one facing this problem. Many others, equally vital, are being attacked in the same fashion. U.S. flag airlines, stockholder-owned, fight desperately to remain viable against government-owned foreign airlines, which need not concern themselves with profit. The Japanese computer industry is being heavily subsidized by its government so that it may compete more effectively worldwide. Many foreign auto producers have their governments as significant partners—in terms of ownership and even more important in terms of economic objectives. Throughout most of the world there is a pervasive attitude of cooperation between governments and industries.

It is clear that many nations of the world are becoming more and more involved in economic areas which we view as the "private sector" in the U.S. As these nations give their backing to industries they consider economically strategic, we here must rethink the broad question of trade policy. What is the meaning of free trade if the competing companies do not have to play by the same rules? Is competition really competition at all in such a game? Does the theoretically attractive concept of comparative advantage have relevance in an environment such as this?

America's superior technology still gives many of our industries an edge over foreign competition. However, as we continue to export our technology to the rest of the world this advantage is not as telling as it once was, and it will become less so in the years ahead. At some point—and the sooner the better in my opinion—we must face the fact that the growing foreign government involvement in business is a way of exporting their unemployment to the U.S.

Congress sought to correct parts of the problem with the 1974 Trade Act, which was designed to provide American companies and workers with relief if they can prove that imports are a substantial cause of injury. But the broader issue I have raised remains to be examined. Can any U.S. company effectively compete or be expected to compete with foreign-owned or foreign-subsidized companies that are used as instruments of national economic and political policy?

The new "world economics" being practiced worldwide clearly requires public debate and appropriate action.

Such action should start with an immediate investigation by an appropriate Congressional committee, recognizing that indeed there are "new dimensions" to the subject of international trade. If existing legislation permits, temporary quotas should be applied to products where producing companies are clearly victims of unfair competition. If new legislation is needed, the committee should recommend it.

Having taken these temporary measures, Congress should then begin examining the broad issues of world economic competition in an effort to find a longer-term solution. It has become increasingly clear that "black-hat-white-hat" logic no longer describes free trade and protectionism. All imports are not necessarily good, nor are they all bad. The label "protectionism" must not stop us from

seeking ways to protect American companies, American jobs, and American self-interest from predatory practices that would be illegal under American law.

IMPROVING THE FOREST AND RANGELAND RENEWABLE RESOURCES

(Mr. JOHNSON of California asked and was given permission to extend his remarks at this point in the Record and to include extraneous matter.)

Mr. JOHNSON of California. Mr. Speaker, I have noted with concern during the past several years the great debate between those concerned with forest management practices and those responsible for carrying out the legislative guidelines in our national forests. I am particularly concerned with the debate regarding the harvesting of our timber resources.

Time has demonstrated that we need more than a new prescription for selling timber. We need a fundamental reform in managing all of the resources associated with forested land of the national forest system.

The bill we are introducing would require that the Secretary of Agriculture would be required to:

First. Prescribe by regulation the environmentally approved forest practices and cutting methods generally available for application in the national forests. The law and accompanying report would provide specific guidance to insure that the regulations will be scientifically and environmentally sound;

Second. Define forest regions, forest types, and forest species;

Third. Spell out the practices generally applicable to each region, type, and species;

Fourth. Make certain that forests apply these practices in our interdisciplinary manner so that all of the renewable resources would be treated in an ecologically sensible manner; and

Fifth. Establish that forest cutting would proceed only if done in accord with the approved guidelines, with exception that, for research purposes, the exploration and application of new concepts could be applied on a limited basis.

The Secretary of Agriculture would be directed to develop with public input, the regulations and plans needed to achieve the goals set forth in this act.

Among our Nation's most valuable and unique natural resources are its forests—valuable because of its numerous uses, unique because this resource is renewable.

Those of us living in California with its vast forest resources, both public and private, are well aware of their importance not only to our local economy, but also to the Nation. It is, therefore, paramount that we provide direction to assume that all the multiple uses in the forest are realized. This bill seeks to strengthen resource management so that it is ecologically effective.

AMEND AGRICULTURE CENSUS

(Mr. SMITH of Iowa asked and was given permission to extend his remarks at this point in the Record and to include extraneous matter.)

Mr. SMITH of Iowa. Mr. Speaker, in the past several months my office has received many complaints from Iowa farmers regarding the agricultural census. Farmers are required by law to respond and there are reports of some rather undiplomatic telephone calls asking personal questions over party lines of farmers who had not responded.

The Bureau of the Census has now suspended publication of preliminary county data because of the incompleteness of their totals. The 1969 agricultural census was 17.6 percent incomplete according to quality checks made at that time. The current census appears to be even more deficient.

We must avoid a future repetition of the irritation that developed in taking the recent census of agriculture. We also must obtain more accurate and more timely information than is available in the recent censuses of agriculture.

For this reason, I have introduced H.R. 12397, a bill to prevent a change in the definition of a farm prior to June 20, 1976, and to transfer responsibility for collecting agricultural census type data from the Secretary of Commerce to the Secretary of Agriculture. In order to reduce the demands made on the respondents, and at the same time increase the accuracy of the information, the Secretary of Agriculture is directed to use sampling methods in future information collection activities.

Mr. Speaker, great strides have been made in recent years by the Department of Agriculture's Statistical Reporting Service in the use of sampling methods for the collection of annual agricultural production data. American Agribusiness Associates in a special 1973 study, concluded that more accurate agricultural data of the type collected by the agricultural census could be collected by the Statistical Reporting Service at no higher cost.

More recently the Association of State Secretaries of Agriculture passed a resolution requesting that the responsibility for collecting agriculture census type data be transferred from the Department of Commerce to the Department of Agriculture.

The Office of Technology Assessment, as a part of its assessment of food, agriculture, and nutrition information systems, urged that congressional committees study the desirability and feasibility of integrating the staff and activities of the agricultural census into the Statistical Reporting Service.

H.R. 12397 also reinstates through June 30, 1976, the Census Bureau's definition of a farm which was in effect prior to August 1975. At that time, the Bureau of the Census and the Department of Agriculture jointly announced the adoption of a new definition of the term "farm" for census purposes. Under the old definition, a farm included any place which produced agricultural goods selling for at least $250 in a year, or any place measuring at least 10 acres and producing at least $50 in agricultural products. Under the new definition, a farm includes only places which produce at least $1,000 worth of farm products a year.

The eventual effects of this change in definition are unknown. The section of H.R. 12397 preventing a change in the definition of a farm prior to June 30, 1976 is identical with similar provisions in H.R. 7824 which was approved by the House of Representatives on February 17 and by the Senate on March 1, 1976. It is included here to accommodate the statutory requirements for the transition.

H.R. 12397 is set forth at this point in the Record:

H.R. 12397

A bill to amend section 142 of title 13 and section 411(a) of title 7, United States Code, to prevent a change in the definition of a farm prior to June 30, 1976, to relieve the Secretary of Commerce of the responsibility for taking censuses of agriculture every fifth year, and require the Secretary of Agriculture to collect comparable information using sampling methods

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 142 of title 13, United States Code, is repealed and replaced by the following paragraph, "The Secretary shall continue the statistical classification of farms in effect on January 1, 1975, with respect to censuses taken under section 142 of title 13, United States Code, effective through June 30, 1976, and any statistical report issued on or before June 30, 1976, with respect to any such census shall reflect such classification, but may also include additional classifications as deemed appropriate by the Secretary".

Sec. 2. That section 411(a) of title 7 is amended by inserting "(a)" immediately before "The" and insert the following new paragraphs:

"(b) (1) The Secretary of Agriculture also shall collect information on agriculture, irrigation, and drainage, on a sample basis, comparable to the information previously collected every five years in the census of agriculture.

"(2) If the Secretary determines that the statistical method known as 'sampling' is not appropriate for the collection of information relating to the classification of farms, he may use another method to collect such information: *Provided,* That in collecting such information, the Secretary (A) shall seek to reduce the time necessary to respond to the questions involved; and (B) shall not use any method which imposes unnecessary requirements upon persons responding to such questions: *Provided further,* That the authority contained herein shall not constitute authority to secure access to or examine Federal income tax returns.".

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows to:

Mr. Karth, for today and remainder of the week, on account of official business.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. Kasten) to revise and extend their remarks and include extraneous matter:)

Mr. Rinaldo, for 30 minutes, today.

Mr. Kemp, for 30 minutes, today.

Mr. Railsback, for 5 minutes, today.

(The following Members (at the request of Mr. Carr) to revise and extend their remarks and include extraneous material:)

Mr. Annunzio, for 5 minutes, today.

Mr. Rostenkowski, for 5 minutes, today.

Mr. Gonzalez, for 5 minutes, today.

Mr. Kastenmeier, for 5 minutes, today.

Mr. Diggs, for 20 minutes, today.

Mr. Reuss, for 5 minutes, today.

Mr. Downey of New York, for 30 minutes, today.

Mr. Danielson, for 5 minutes, today.

Ms. Holtzman, for 10 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

Mr. Koch, and to include extraneous material notwithstanding the fact that it exceeds two pages of the Record and is estimated by the Public Printer to cost $1,573.

Mr. Perkins, and to include extraneous material.

(The following Members (at the request of Mr. Kasten) and to include extraneous matter:)

Mr. Derwinski in two instances.

Mr. Broomfield.

Mr. Railsback.

Mr. Latta.

Mr. Quie.

Mr. Wiggins in two instances.

Mr. Bob Wilson in two instances.

Mr. Kemp.

Mr. Whalen.

(The following Members (at the request of Mr. Carr) and to revise and extend their remarks:)

Mr. Gonzalez in three instances.

Mr. Annunzio in six instances.

Mr. Anderson of California in three instances.

Mr. Ryan.

Mr. Reuss in two instances.

Mr. Wirth.

Mr. Kastenmeier.

Mr. Rangel in 10 instances.

Mr. Patterson of California.

Mr. Ottinger.

Mr. McHugh.

Mr. Delaney.

Mrs. Schroeder.

Mr. Mazzoli.

Mr. McDonald of Georgia in three instances.

Mr. Ginn.

Mr. Downey of New York.

Mr. Drinan in two instances.

Mr. Won Pat.

Mr. Harrington in five instances.

Mr. Dent.

Mr. Bingham in five instances.

Mr. Brown of California in two instances.

Mr. Edgar in two instances.

Mr. James V. Stanton.

Mr. Derrick.

Mr. Rosenthal.

ENROLLED BILLS SIGNED

Mr. HAYS of Ohio, from the Committee on House Administration, reported that that committee had examined and found truly enrolled bills of the House of the following titles, which were thereupon signed by the Speaker:

H.R. 1313. An act to authorize the Secretary of Transportation to release restrictions on the use of certain property conveyed to the city of Rolla, Mo., for airport purposes;

H.R. 2575. An act to authorize the Secretary of Transportation to release restrictions on the use of certain property conveyed to the city of Algona, Iowa, for airport purposes;

H.R. 3440. An act to authorize the Secretary of Transportation to release restrictions on the use of certain property conveyed to the city of Grand Junction, Colo., for airport purposes;

H.R. 9617. An act to authorize the Secretary of Transportation to release restrictions on the use of certain property conveyed to the city of Alva, Okla., for airport purposes;

H.R. 11665. An act to rescind certain budget authority recommended in the message of the President of January 23, 1976 (H. Doc. 94–342), transmitted pursuant to the Impoundment Control Act of 1974; and

H.R. 11893. An act to increase the temporary debt limit, and for other purposes.

BILLS PRESENTED TO THE PRESIDENT

Mr. HAYS of Ohio, from the Committee on House Administration, reported that that committee did on March 11, 1976 present to the President, for his approval, bills of the House of the following title:

H.R. 6516. An act to amend title VII of the Consumer Credit Protection Act to include discrimination on the basis of race, color, religion, national origin, and age, and for other purposes; and

H.R. 8835. An act to amend the Truth in Lending Act to protect consumers against inadequate and misleading leasing information, assure meaningful disclosure of lease terms, and limit ultimate liability in connection with leasing of personal property primarily for personal, family, or household purposes, and for other purposes.

ADJOURNMENT

Mr. CARR. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 2 o'clock and 10 minutes p.m.) the House adjourned until tomorrow, Tuesday, March 16, 1976, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

2815. A letter from the Deputy Secretary of Defense, transmitting notice of the transfer of certain funds between the subdivisions of the "Operation and Maintenance, Defense Agencies" appropriations for fiscal year 1976, pursuant to title III of Public Law 94–212 (90 Stat. 157); to the Committee on Appropriations.

2816. A letter from the Secretary of Housing and Urban Development, transmitting her comments on the report of the Comptroller General, dated February 27, 1976, regarding the rescission of Rehabilitation Loan Funds (R76–28A); to the Committee on Appropriations.

2817. A letter from the Director, Congressional Budget Office, transmitting a report to the House and Senate Committees on the Budget on budget options for fiscal year 1977, pursuant to section 202(f) of the Congressional Budget Act of 1974 (H. Doc. No. 94–407); to the Committee on the Budget and ordered to be printed with illustrations.

2818. A letter from the Assistant Secretary of Agriculture, transmitting notice of a delay in the submission of the report on the nutrition program staff study required by section 19 of Public Law 94–105; to the Committee on Education and Labor.

2819. A letter from the Secretary of Labor, transmitting a report on the activities of the Department under the Freedom of Information Act during calendar year 1975, pursuant to 5 U.S.C. 552(d); to the Committee on Government Operations.

2820. A letter from the Assistant Secretary of the Treasury for Administration, transmitting notice of a proposed change in the Department's system of records, pursuant to 5 U.S.C. 552a(o); to the Committee on Government Operations.

2821. A letter from the Assistant Secretary of the Treasury for Administration, transmitting notice of a proposed change in the agency's system of records, pursuant to 5 U.S.C. 552a(o); to the Committee on Government Operations.

2822. A letter from the Assistant Secretary of Health, Education, and Welfare for Administration and Management, transmitting notice of a proposed change in the Department's system of records, pursuant to 5 U.S.C. 552a(o); to the Committee on Government Operations.

2823. A letter from the Assistant Administrator for Administration, Energy Research and Development Administration, transmitting notice of a proposed change in the agency's system of records, pursuant to 5 U.S.C. 552a(o); to the Committee on Government Operations.

2824. A letter from the Chairman, Privacy Protection Study Commission, transmitting a copy of the Commission's request for a supplemental appropriation for fiscal year 1976, pursuant to section 5(a)(5)(A) of the Privacy Act of 1974; to the Committee on Government Operations.

2825. A letter from the Assistant Legal Adviser for Treaty Affairs, Department of State, transmitting copies of international agreements, other than treaties, entered into by the United States, pursuant to section 112(b) of Public Law 94–403; to the Committee on International Relations.

2826. A letter from the Secretary of Transportation, transmitting the interim report on the West Coast Corridor Study, pursuant to section 13 of Public Law 93–496; to the Committee on Interstate and Foreign Commerce.

2827. A letter from the Comptroller of the Currency, transmitting the first annual report of the Consumer Affairs Division of his office, pursuant to section 18(f)(4) of the Federal Trade Commission Act, as amended (88 Stat. 2197); to the Committee on Interstate and Foreign Commerce.

2828. A letter from the Acting Secretary of State and the Attorney General, transmitting a draft of proposed legislation to amend title 18, United States Code, to implement the "Convention to Prevent and Punish the Act of Terrorism Taking the Form of Crimes Against Persons and Related Extortion that are of International Significance" and the "Convention on the Prevention and Punishment of Crimes Against Internationally Protected Persons, including Diplomatic Agents", and for other purposes; to the Committee on the Judiciary.

2829. A letter from the Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting reports concerning visa petitions approved according certain beneficiaries third and sixth preference classification, pursuant to section 204 (d) of the Immigration and Nationality Act, as amended; to the Committee on the Judiciary.

2830. A letter from the Secretary of Transportation, transmitting a draft of proposed legislation to revise the laws relating to the Coast Guard Reserve; to the Committee on Merchant Marine and Fisheries.

2831. A letter from the Secretary of Transportation, transmitting a draft of proposed legislation to amend the Federal Aviation Act of 1958 to change the penalty applicable to section 1101, Hazards to Air Commerce; to the Committee on Public Works and Transportation.

2832. A letter from the Administrator, U.S. Environmental Protection Agency, transmitting a report on pollution abatement and research programs to maintain and restore the environmental quality of the Nation's estuaries, pursuant to section 104(n)(3) of the Federal Water Pollution Control Act, as amended (86 Stat. 823); to the Committee on Public Works and Transportation.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

[*Pursuant to the order of the House on Mar. 11, 1976, the following reports were filed on Mar. 12, 1976*]

Mr. HALEY: Committee on Interior and Insular Affairs. H.R. 7743. A bill to amend the Pennsylvania Avenue Development Corporation Act of 1972 (Public Law 92-578), as amended; with amendment (Rept. No. 94-894). Referred to the Committee of the Whole House on the State of the Union.

Ms. SULLIVAN: Committee on Merchant Marine and Fisheries. House Joint Resolution 738. Joint resolution providing for Federal participation in preserving the Tule elk population in California; with amendment (Rept. No. 94-875). Referred to the Committee of the Whole House on the State of the Union.

Mr. HALEY: Committee on Interior and Insular Affairs. H.R. 9725. A bill to provide for the cooperation between the Secretary of the Interior and the States with respect to the regulation of surface coal mining operations, and the acquisition and reclamation of abandoned mines, and for other purposes; with amendment (Rept. No. 94-876). Referred to the Committee of the Whole House on the State of the Union.

[*Submitted Mar. 15, 1976*]

Mr. TEAGUE: Committee on Science and Technology. H.R. 12453. A bill to authorize appropriations to the National Aeronautics and Space Administration for research and development, construction of facilities, and research and program management, and for other purposes. (Rept. No. 94-897). Referred to the Committee of the Whole House on the State of the Union.

Mr. DIGGS: Committee on the District of Columbia. H.R. 10826. A bill to amend the Act establishing a code of law for the District of Columbia to prohibit the unauthorized use of a motor vehicle obtained under a written rental or other agreement; with an amendment (Rept. No. 94-898). Referred to the Committee of the Whole House on the State of the Union.

Mr. DIGGS: Committee on the District of Columbia. H.R. 12132. A bill to extend as an emergency measure for one year the District of Columbia Medical and Dental Manpower Act of 1970. (Rept. No. 94-899). Referred to the Committee of the Whole House on the State of the Union.

Mr. YOUNG of Georgia: Committee on Rules. House Resolution 1088. Resolution providing for the consideration of H.R. 11598, a bill to authorize appropriations for the U.S. Information Agency for fiscal year 1976 and for the period July 1, 1976, through September 30, 1976. (Rept. No. 94-900). Referred to the House Calendar.

Mr. YOUNG of Georgia: Committee on Rules. House Resolution 1089. Resolution providing for the consideration of H.R. 12046, a bill to provide for relief and rehabilitation assistance to the victims of the earthquakes in Guatemala, and for other purposes. (Rept. No. 94-901). Referred to the House Calendar.

Mr. YOUNG of Georgia: Committee on Rules. Resolution 1090. Resolution providing for the consideration of H.R. 12226, a bill to amend further the Peace Corps Act. (Rept. No. 94-902). Referred to the House Calendar.

Mr. ULLMAN: Committee on Ways and Means. H.R. 12455. A bill to extend from April 1 to October 1, 1976, the maximum period during which recipients of services on September 30, 1975, under titles IV-A and VI of the Social Security Act, may continue to receive services under title XX of that Act without individual determinations. (Rept. No. 94-903.) Referred to the Committee of the Whole House on the State of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. ADDABBO:

H.R. 12494. A bill to amend the Tariff Schedules of the United States; to the Committee on Ways and Means.

By Mr. CARNEY:

H.R. 12495. A bill to amend title XVIII of the Social Security Act to authorize payment under the medicare program for certain services performed by chiropractors; to the Committee on Ways and Means.

By Mr. DAVIS:

H.R. 12496. A bill to abolish the U.S. Postal Service, to repeal the Postal Reorganization Act, to reenact the former provisions of title 39, United States Code, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. DRINAN (for himself, Mr. Badillo, Mr. Burke of Massachusetts, Ms. Chisholm, Mr. Gude, Mr. Harrington, Mr. Hyde, Mr. Ottinger, Mr. Reuss, Mr. Rodino, Mr. Scheuer, Mr. Seiberling, Ms. Spellman, Mr. Stark, Mr. Thompson, Mr. Tsongas, and Mr. Won Pat):

H.R. 12497. A bill to establish the Frederick Law Olmsted Home and Office in Brookline, Mass., as a national historic site; to the Committee on Interior and Insular Affairs.

By Mr. DRINAN (for himself and Mr. Collins of Illinois):

H.R. 12498. A bill to establish an independent agency to administer the internal revenue laws; to the Committee on Ways and Means.

By Mrs. FENWICK (for herself and Mr. Smith of Iowa):

H.R. 12499. A bill to amend the Social Security Act to provide that no increase in public assistance benefits under Federal programs shall disqualify a recipient from income requirements of any one or more of the benefits previously enjoyed under one or more of these programs; to the Committee on Ways and Means.

By Mr. FRASER (for himself, Mr. Mikva, Mr. Baucus, and Mr. Solarz):

H.R. 12500. A bill to amend title 38 of the United States Code to remove the time limitation within which programs of education for veterans must be completed; to the Committee on Veterans' Affairs.

By Mr. HILLIS:

H.R. 12501. A bill to terminate the authorization of the navigation study and survey of the Wabash River, Ind.; to the Committee on Public Works and Transportation.

By Ms. HOLTZMAN:

H.R. 12502. A bill to provide for the compensation of persons injured by certain criminal acts, to make grants to States for the payment of such compensation, and for other purposes; to the Committee on the Judiciary.

By Mr. JOHNSON of California (for himself and Mr. Sisk):

H.R. 12503. A bill to amend the Forest and Rangeland Renewable Resources Planning Act of 1974 (88 Stat. 476) and the act of June 4, 1897 (30 Stat. 35); to the Committee on Agriculture.

By Mr. KASTENMEIER (for himself, Mr. Edwards of California, Mr. Mikva, Mr. Badillo, Mr. Brown of California, Mr. Dellums, Mr. Drinan, Mr. Edgar, Mr. Fraser, Mr. Harrington, Mr. Helstoski, Mr. Maguire, Mr. Mineta, Mr. Mitchell of Maryland, Mr. Mosher, Mr. Nix, Mr. Pattison of New York, Mr. Rosenthal, Mr. Stark, Mr. Udall, and Mr. Young of Georgia):

H.R. 12504. A bill to codify, revise, and reform title 18 of the United States Code; to make appropriate amendments to the Federal Rules of Criminal Procedure; to make conforming amendments to criminal provisions of other titles of the United States Code; and for other purposes; to the Committee on the Judiciary.

By Mr. MAHON (for himself and Mr. Cederberg):

H.R. 12505. A bill to amend the Act of October 15, 1966 (80 Stat. 953; 20 U.S.C. 65a), relating to the National Museum of the Smithsonian Institution, so as to authorize additional appropriations to the Smithsonian Institution for carrying out the purposes of said Act; to the Committee on House Administration.

H.R. 12506. A bill to amend the Act of July 2, 1940, as amended, to remove the limit on appropriations; to the Committee on Merchant Marine and Fisheries.

H.R. 12507. A bill to authorize the Smithsonian Institution to construct museum support facilities; to the Committee on Public Works and Transportation.

By Mr. MOAKLEY:

H.R. 12508. A bill to amend the Internal Revenue Code of 1954 to provide an optional credit for taxes or rent paid on a principal residence by persons who are 65 years of age or older, and by persons who are handicapped; to the Committee on Ways and Means.

H.R. 12509. A bill to amend title XX of the Social Security Act to provide for increases in the aggregate amount available for social services payments to States thereunder so as to reflect rises in the cost of living; to the Committee on Ways and Means.

H.R. 12510. A bill to amend the Internal Revenue Code of 1954 to provide a basic $5,000 exemption from income tax for amounts received as annuities, pensions, or other retirement benefits; to the Committee on Ways and Means.

H.R. 12511. A bill to amend the Internal Revenue Code of 1954 to provide, in the case of an individual, a credit (not to exceed $200) or a deduction (not to exceed $800) for public transit fare expenditures incurred in traveling to and from work; and in the case of handicapped individual unable to use public transportation, a credit (not to exceed $750) or a deduction (not to exceed $3,000) for reasonable transportation expenses incurred in traveling to and from work; to the Committee on Ways and Means.

H.R. 12512. A bill to amend the Internal Revenue Code of 1954 to provide an additional income tax exemption for a taxpayer, his spouse, or his dependent, who is disabled and for other purposes; to the Committee on Ways and Means.

By Mr. MOAKLEY (for himself, Mr. Badillo, Mr. Beard of Rhode Island, Mr. Conte, Mr. Edgar, Mr. Gibbons, and Mr. Ottinger):

H.R. 12513. A bill to prohibit State and local law from permitting construction which interferes with sunlight necessary for solar heating and cooling equipment; to the Committee on Banking, Currency and Housing.

By Mr. MOAKLEY (for himself, Mr. Davis, and Mr. Gude):

H.R. 12514. A bill to revise chapter 99 of title 18 of the United States Code to provide for the punishment of sexual assaults in the special jurisdiction of the United States; to the Committee on the Judiciary.

By Mr. MOORE:

H.R. 12515. A bill to amend title 18 of the United States Code to increase the penalty provided for certain firearms offenses; to the Committee on the Judiciary.

H.R. 12516. A bill to provide for additional sentences for commission of a felony with use of a firearm; to the Committee on the Judiciary.

H.R. 12517. A bill to amend title 18 of the United States Code to increase the penalties provided for certain violations of chapter 44 (firearms); to the Committee on the Judiciary.

By Mr. MYERS of Pennsylvania:

H.R. 12518. A bill to authorize a local public works capital development and investment program; to the Committee on Public Works and Transportation.

By Mr. PRICE (for himself and Mr. Bob Wilson) (by request):

H.R. 12519. A bill to repeal section 309 of title 37, United States Code, relating to additional pay for performance of administrative duty by members of the Reserve and National Guard; to the Committee on Armed Services.

H.R. 12520. A bill to amend title 37, United States Code, to refine the procedures for adjustments in military compensation, and for other purposes; to the Committee on Armed Services.

By Mr. QUIE (for himself, Mr. Bell, Mr. Buchanan, Mr. Erlenborn, Mr. Goodling, Mr. Anderson of Illinois, Mr. Cederberg, Mr. Don H. Clausen, Mr. Cochran, Mr. Cohen, Mr. Dan Daniel, Mr. Gradison, Mr. Hillis, Mr. Steiger of Wisconsin, Mr. Whitehurst, and Mr. Kindness):

H.R. 12521. A bill to consolidate the administration of certain programs of financial assistance to States for educational purposes; to the Committee on Education and Labor.

By Mr. RAILSBACK (for himself and Mr. Hyde):

H.R. 12522. A bill to amend title 18 of the United States Code to provide for more effective gun control, and for other purposes; to the Committee on the Judiciary.

By Mr. St Germain (for himself, Mr. Badillo, Mr. Fithian, Mr. Harkin, Ms. Holtzman, Mr. Jenrette, Mr. McKinney, Mr. Neal, Mr. Patterson of California, and Mrs. Spellman):

H.R. 12523. A bill to amend the Federal Power Act to provide that public hearings shall be held prior to the Federal Power Commission granting rate increases for the interstate sale of electricity; to the Committee on Interstate and Foreign Commerce.

By Mr. SISK (for himself, Mr. Bafalis, Mr. Burgener, Mr. Burleson of Texas, Mr. Burlison of Missouri, Mr. Hanley, Mr. Johnson of California, Mr. Lott, Mr. McCormack, Mr. Mills, Mr. Montgomery, Mr. Passman, Mr. Pressler, Mr. Preyer, Mr. Stuckey, Mr. Udall, Mr. Weaver, and Mr. Charles Wilson of Texas):

H.R. 12524. A bill to amend section 520 of the Housing Act of 1949 for the purpose of mandating that the Secretary of Housing and Urban Development consider only the availability of credit to lower- and moderate-income families in determining whether an area with between 10,000 and 20,000 people is a rural area as defined in such section; to the Committee on Banking, Currency and Housing.

By Mr. SLACK:

H.R. 12525. A bill to provide a special program for financial assistance to Opportunities Industrialization Centers in order to provide 1 million new jobs and job training opportunities, and for other purposes; to the Committee on Education and Labor.

By Mr. SPENCE:

H.R. 12526. A bill to amend chapter 49 of title 10, United States Code, to prohibit union organization in the armed forces, and for other purposes; to the Committee on Armed Services.

By Mr. STAGGERS (for himself and Mr. Devine):

H.R. 12527. A bill to amend the Federal Trade Commission Act to increase the authorization of appropriations for fiscal years 1976 and 1977; to the Committee on Interstate and Foreign Commerce.

By Mr. STEELMAN:

H.R. 12528. A bill to direct the Secretary of the Interior to acquire by condemnation with a declaration of taking certain tracts of land (and contracts for the sale of timber thereon) in the Big Thicket National Preserve; to the Committee on Interior and Insular Affairs.

By Mr. TRAXLER:

H.R. 12529. A bill to amend the Regional Rail Reorganization Act of 1973 to provide for the equitable distribution of rail service continuation assistance in the Region; to the Committee on Interstate and Foreign Commerce.

By Mr. BRADEMAS:

H.J. Res. 861. Joint resolution authorizing the President to proclaim the week of May 16, 1976, as National Handicapped Awareness Week; to the Committee on Post Office and Civil Service.

By Mr. BRADEMAS (for himself, Mr. Harrington, Mr. Patterson of California, Mr. Gude, Mr. Kastenmeier, Mr. Stokes, Mr. O'Neill, Mr. Bob Wilson, Mr. Russo, Mr. Nix, Mr. Preyer, Mr. Nowak, Mr. Cleveland, Mr. Rose, Mr. Rees, Mr. Oberstar, Mr. Taylor of North Carolina, Mr. Mikva, Mr. Randall, Mr. AuCoin, Mr. Bowen, Mr. Carney, Mr. Bingham, Mr. Wampler, and Mr. Hammerschmidt):

H.J. Res. 862. Joint resolution to provide for the designation of the second full calendar week in March 1976 as "National Employ the Older Worker Week"; to the Committee on Post Office and Civil Service.

By Mr. MAHON (for himself and Mr. Cederberg):

H.J. Res. 863. Joint resolution to provide for the reappointmnt of James E. Webb as a citizen regent of the Board of Regents of the Smithsonian Institution; to the Committee on House Administration.

By Mr. ROSE:

H. Res. 1087. Resolution providing funds for the expenses of the Committee on House Administration to provide for the maintenance and improvement of ongoing computer services for the House of Representatives, for the investigation of additional computer services for the House of Representatives, and to provide computer support to the committees of the House of Representatives; to the Committee on House Administration.

MEMORIALS

Under clause 4 of rule XXII, memorials were presented and referred as follows:

317. By the SPEAKER: A memorial of the Legislature of the Trust Territory of the Pacific Islands, relative to allowing citizens of the Trust Territory to enlist in the Armed Forces of the United States; to the Committee on Armed Services.

318. Also, memorial of the Legislature of the State of Hawaii, relative to services provided to immigrants and refugees; to the Committee on the Judiciary.

319. Also, memorial of the Legislature of the State of California relative to tuna tariffs; to the Committee on Ways and Means.

320. Also, memorial of the Senate of the State of Rhode Island and Providence Plantations, relative to State regulation of resource development; jointly, to the Committees on Interior and Insular Affairs, Interstate and Foreign Commerce, and Public Works and Transportation.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII,

Mr. STEPHENS introduced a bill (H.R. 12530) for the relief of Dean P. Currier, which was referred to the Committee on International Relations.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

417. By the SPEAKER: Petition of the Oregon State Board of Forestry, Salem, Oreg., relative to goals for the multiple use of the national forests; to the Committee on Agriculture.

418. Also, petition of the Military Order of the World Wars, Washington, D.C., relative to unionization of the Armed Forces; to the Committee on Armed Services.

419. Also, petition of the World Anti-Communist League, Taipei, Taiwan, Republic of China, relative to communism; to the Committee on International Relations.

AMENDMENTS

Under clause 6 of rule XXIII, proposed amendments were submitted as follows:

AMENDMENT TO HOUSE JOINT RESOLUTION 280

By Mr. MIKVA:

Page 2, strike out lines 2 to 10, inclusive, and insert:

"Section 1. The people of the District constituting the Seat of Government of the United States shall elect the number of Representatives in Congress to which the District would be entitled if it were a State and, as may be provided by law, one or more Senators, up to the number which the District would be entitled if it were a State."

FACTUAL DESCRIPTIONS OF BILLS AND RESOLUTIONS INTRODUCED

Prepared by the Congressional Research Service pursuant to clause 5(d) of House rule X. Previous listing appeared in the Congressional Record of March 4, 1976, page 5572:

HOUSE BILLS

H.R. 11893. February 17, 1976. Ways and Means. Increases the temporary public debt limit until July 31, 1976.

H.R. 11894. February 17, 1976. Agriculture. Directs the Secretary of Agriculture to establish standards governing timber sales in national forests consistent with multiple use-sustained yield principles. Requires consideration of environmental, biological, engineering, and economic factors prior to large timber sales.

Requires the imposition of limits on clearcutting, cutting of unmarked trees, and cutting of immature trees in national forests. Requires the preparation of management plans for national forests.

H.R. 11895. February 17, 1976. Veterans' Affairs. Increases the period of entitlement for educational assistance for eligible veterans.

Eliminates the ten-year time limitation within which such assistance must be used.

H.R. 11896. February 17, 1976. Interstate and Foreign Commerce. Prohibits the inspection, acquisition, or requisition by officers, employees, agents, or departments of the United States, of the medical or dental records of patients not receiving assistance from the Federal Government.

H.R. 11897. February 17, 1976. Post Office and Civil Service. Repeals provisions specifying restrictions on, and requirements for, the private carriage of letters. Eliminates criminal penalties for such carriage.

H.R. 11898. February 17, 1976. Interstate and Foreign Commerce. Imposes a one-year moratorium on acquisition of retail outlets or distributorships by major market shareholders in the petroleum producing and refining industry.

H.R. 11899. February 17, 1976. Interstate and Foreign Commerce. States that the purpose of this Act is to conserve natural resources and prevent the deception of consumers engendered by oversized and excessive packaging. Authorizes the making of regulations under the Fair Packaging and Labeling Act to prevent the utilization of packages which are larger or more extensive than necessary to enclose the commodity they contain.

H.R. 11900. February 17, 1976. Interstate and Foreign Commerce. Amends the Comprehensive Drug Abuse Prevention and Control Act of 1970 by establishing minimum mandatory sentences for persons convicted of offenses involving narcotic drugs. Details procedures to be used in determining whether to grant pretrial and posttrial release of persons charged with offenses involving certain narcotic drugs.

Makes all money used, or intended for use, in illegally manufacturing, distributing, dispensing or acquiring any controlled substances subject to forfeiture to the United States.

H.R. 11901. February 17, 1976. Public works and Transportation. Prohibits commercial flights by supersonic aircraft into or over the United States until certain findings are made by the Administrator of the Environmental Protection Agency and the Secretary of Transportation.

H.R. 11902. February 17, 1976. Ways and Means. Amends the Old-Age, Survivors, and Disability Insurance program of the Social Security Act to continue the eligibility of an individual over the age of 18 who is entitled to such benefits under that program because of disability after the marriage of such individual and regardless of the benefit status of the person such individual marries.

H.R. 11903. February 17, 1976. District of Columbia. Amends the District of Columbia Medical and Dental Manpower Act to extend through fiscal year 1977 the authority of the Secretary of Health, Education, and Welfare to make grants to nonprofit medical and dental schools.

H.R. 11904. February 17, 1976. Veterans' Affairs. Authorizes the Administrator of Veterans' Affairs to provide scholarships to individuals for attendance at medical schools in return for service after graduation at Veterans' Administration Hospitals.

H.R. 11905. February 17, 1976. Ways and Means. Amends the Internal Revenue Code to increase the estate tax exemption, and to increase the estate tax marital deduction.

Permits the executor of an estate to elect an alternate valuation of certain lands used for farming, woodland or scenic open space.

H.R. 11906. February 17, 1976. Education and Labor. Requires, under the Fair Labor Standards Act of 1938, that employers be given notice of complaints alleging violations of that Act, the identity of the complainant, and the basis for the complaint.

H.R. 11907. February 17, 1976. Post Office and Civil Service. Authorizes the Secretary of Agriculture to appoint to the Federal service specified State, territory, and local meat and poultry inspection personnel to enforce and perform Federal inspection requirements with respect to slaughterhouses and processing establishments whose products are distributed solely intrastate, where such regulation is required because the State or territory in which such slaughterhouses or processing establishments are located has failed to develop or enforce sufficient inspection standards.

H.R. 11908. February 17, 1976. Post Office and Civil Service. Includes as creditable service under the civil service retirement system periods of service by contract technicians during which such technicians, although hired by private authority, performs services for the Federal Government pursuant to a contract between such private authority and the Federal Government.

H.R. 11909. February 17, 1976. Interior and Insular Affairs. Authorizes appropriations of such sums as are necessary during fiscal year 1977 to continue the program of the Indian Claims Commission under the Indian Claims Commision Act.

H.R. 11910. February 17, 1976. Ways and Means. Revises the eligibility requirements for disability insurance benefits for blind persons under the Old-Age, Survivors, and Disability Insurance Program of the Social Security Act. Revises the method of computing the primary insurance amount for blind persons under such Act.

H.R. 11911. February 17, 1976. Ways and Means. Directs the Secretary of the Treasury to admit to the United States free of duty certain operatic sets imported for the production of a certain opera.

H.R. 11912. February 17, 1976. Ways and Means. Amends the Social Security Act to allow Federal officers and employes to elect coverage under Old-Age, Survivors, and Disability Insurance.

H.R. 11913. February 17, 1976. Post Office and Civil Service. Prohibits collective bargaining agreements between the United States Postal Service and labor organizations recognized as exclusive bargaining representatives for their respective postal employee units from containing procedures which would preclude employees from being represented in grievance and adverse actions arising under such agreements by representatives of their own choosing.

H.R. 11914. February 17, 1976. Ways and Means. Amends the Social Security Act to authorize payment for optometrists' services and eyeglasses under the supplementary medical insurance program of the Medicare program.

H.R. 11915. February 17, 1976. House Administration. Reestablishes the Federal Election Commission as an independent agency with members appointed by the President with the advice and consent of the Senate. Establishes the Senate and House Election Account and sets criteria for paying funds into such account equal to the amounts such candidates raise to pay for campaign expenses.

H.R. 11916. February 17, 1976. Science and Technology; Banking, Currency and Housing. Amends the Federal Nonnuclear Energy Research and Development Act of 1974 to authorize the Administrator of the Energy Research and Development Administration to guarantee loans for the development of synthetic fuels from domestic coal resources.

H.R. 11917. February 17, 1976. Ways and Means. Amends the Social Security Act to authorize payment under the medicare program for specified services performed by chiropracters, including x-rays, and physical examination, and related routine laboratory tests.

H.R. 11918. February 17, 1976. Interior and Insular Affairs. Authorizes the appropriation of additional funds to the Secretary of the Interior for development of the Jefferson National Expansion Memorial Historic site, Saint Louis, Missouri.

H.R. 11919. February 17, 1976. Interior and Insular Affairs. Directs the Secretary of the Interior and the Secretary of Agriculture to conduct studies to determine the feasibility and desirability of designating the Daniel Boone Trail in North Carolina, Tennessee, Virginia, and Kentucky as a national scenic trail under the National Trails System Act.

H.R. 11920. February 17, 1976. Ways and Means. Stipulates that gain or loss on transfers to investment companies or partnerships functioning as investment companies shall be considered realized and recognized gain or loss for purposes of taxation under the Internal Revenue Code.

H.R. 11921. February 17, 1976. District of Columbia. Amends the District of Columbia Medical and Dental Manpower Act to extend through fiscal year 1977 the authority of the Secretary of Health, Education, and Welfare to make grants to nonprofit medical and dental schools.

H.R. 11922. February 17, 1976. Armed Services. Provides for the recomputation of military retirement benefits.

H.R. 11923. February 17, 1976. Interior and Insular Affairs. Authorizes the appropriation of additional funds to the Secretary of the Interior for development of the Jefferson National Expansion Memorial Historic Site, St. Louis, Mo.

H.R. 11924. February 17, 1976. Veterans' Affairs. Allows an eligible veteran who is pursuing a program of education at the close of the ten-year delimiting period to continue to receive educational assistance in specified cirmumstances.

H.R. 11925. February 17, 1976. Veterans' Affairs. Increases the period of entitlement for educational assistance for eligible veterans.

Eliminates the ten-year time limitation within which such assistance must be used.

H.R. 11926. February 17, 1976. International Relations. Amends the Board for International Broadcasting Act of 1973 to reduce the number of ex-officio members on the Board to reflect the merger of Radio Free Europe and Radio Liberty which are represented on the Board.

H.R. 11927. February 17, 1976. Merchant Marine and Fisheries. Amends the Merchant Marine Act of 1936 in order to establish a national marine firefighting program. Directs the Secretary of Commerce to establish marine firefighting regions and to select regional and satellite firefighting units for each such region. Requires the Secretary to provide marine fire protection and firefighting training programs for training members of regional and satellite units and marine seamen.

Requires all seagoing vessels operating in the foreign or domestic commerce of the United States to have on board a prefire contingency plan for the vessel.

H.R. 11928. February 17, 1976. Armed Services; Judiciary. Provides that the terms of office of the Director of the Central Intelligence Agency and the Director of the Federal Bureau of Investigation shall be ten years and that no individual shall hold either such office more than once. Makes both individuals subject to removal by the President.

H.R. 11929. February 17, 1976. Public Works and Transportation. Requires, under the Federal Aviation Act of 1958, the screening of all passengers boarding or any property being placed aboard an aircraft by weapon-detecting and explosive detecting procedures. Requires such screening of property being placed in public storage areas at airports. Requires identification of such property or property being placed aboard an aircraft as to positively identify the owner or bearer of such property.

H.R. 11930. February 17, 1976. Public Works and Transportation. Renames the United States Customs Court and Federal Office Building in New York, New York, the "Paul P. Rao United States Customs Court and Federal Office Building".

H.R. 11931. February 17, 1976. Ways and Means. Amends the Social Security Act to require that Old-Age, Survivors, and Disability insurance benefits be paid for the month during which a beneficiary dies.

H.R. 11932. February 17, 1976. Ways and Means. Amends the Internal Revenue Code to allow a limited tax credit in an amount of $250 for each individual who is at least 61 years of age before the beginning of the taxable year, whose principal place of abode during the taxable year is the principal residence of the taxpayer, and who is not a lodger with the taxpayer.

H.R. 11933. February 17, 1976. House Administration; Judiciary. Amends the Federal Election Campaign Act to provide for the constitutional reinstitution of the Federal Election Commission. Enumerates the powers of such Commission. Changes the limitation on contribution to any candidate, party, or political committee. Sets disclosure thresholds for such contributions.

Establishes an Election Law Section in the Department of Justice to enforce Federal election laws, render advisory opinions, and prescribe guidelines for investigation relating to enforcement.

H.R. 11934. February 17, 1976. Interior and Insular Affairs. Prohibits drilling activities on Outer Continental Shelf Lands in the Gulf of Mexico where such lands have been reserved for defense training or testing purposes. Authorizes exemptions by Presidential proclamation for security reasons.

H.R. 11935. February 18, 1976. Rules. Requires review of Federal programs to determine if they warrant continuation. Directs the President to conduct such review of the programs covered by the annual budget. Requires Congress to make such review every four years.

HOUSE JOINT RESOLUTIONS

H.J. Res. 810. February 17, 1976. Post Office and Civil Service. Authorizes and requests the President to issue a proclamation designating the seven-day period commencing on April 30 of each year as "National Beta Sigma Phi Week".

H.J. Res. 811. February 18, 1976. Appropriations. Makes an additional appropriation for the Library of Congress James Madison Memorial Building.

H.J. Res. 812. February 18, 1976. Post Office and Civil Service. Authorizes and requests the President to issue a proclamation designating the week of February 22–29, 1976, as "Savior's Day Week".

H.J. Res. 813. February 18, 1976. Post Office and Civil Service. Authorizes and requests the President to issue a proclamation designating the seven-day period commencing on April 30 of each year as "National Beta Sigma Phi Week."

H.J. Res. 814. February 19, 1976. Post Office and Civil Service. Authorizes and requests the President to issue a proclamation designating the fourth Sunday in September each year as "National Good Neighbor Day".

H.J. Res. 815. February 19, 1976. Post Office and Civil Service. Authorizes and requests the President to issue a proclamation designating the week beginning on the first Saturday after the final Tuesday in January of every year as "National Ski Week".

HOUSE CONCURRENT RESOLUTIONS

H. Con. Res. 554. February 19, 1976. International Relations. Expresses the objection of Congress to the sale to Saudi Arabia of defense articles and services as described in the statement submitted by the President on February 17, 1976 (transmittal numbered 76–25).

H. Con. Res. 555. February 19, 1976. International Relations. Expresses the objection of Congress to the sale to Saudi Arabia of defense articles and services as described in the statement submitted by the President on February 17, 1976 (transmittal numbered 76–27).

H. Con. Res. 556. February 19, 1976. International Relations. Expresses the objection of Congress to the sale to Saudi Arabia of defense articles and services as described in the statement submitted by the President on February 17, 1976 (transmittal numbered 76–28).

H. Con. Res. 557. February 19, 1976. International Relations. Expresses the objection of Congress to the sale to Saudi Arabia of defense articles and services as described in the statement submitted by the President on February 17, 1976 (transmittal numbered 76–29).

H. Con. Res. 558. February 19, 1976. International Relations. Expresses the objection of Congress to the sale to Saudi Arabia of defense articles and services as described in the statement submitted by the President on February 17, 1976 (transmittal numbered 76–30).

H. Con. Res. 559. February 19, 1976. International Relations. Expresses the objection of Congress to the sale to Saudi Arabia of defense articles and services as described in the statement submitted by the President on February 17, 1976 (transmittal numbered 76–31).

H. Con. Res. 560. February 19, 1976. International Relations. Expresses the objection of Congress to the sale to Saudi Arabia of defense articles and services as described in the statement submitted by the President on February 17, 1976 (transmittal numbered 76–32).

H. Con. Res. 561. February 26, 1976. International Relations. Expresses the objection of Congress to the sale to Saudi Arabia of military equipment as described in the statement submitted by the President on February 17, 1976 (transmittal numbered 76–25).

H. Con. Res. 562. February 26, 1975, International Relations. Expresses the objection of Congress to the sale of Saudi Arabia of military equipment as described in the statement submitted by the President on February 17, 1976 (transmittal numbered 76–27).

H. Con. Res. 563. February 26, 1976. International Relations. Expresses the objection of Congress to the sale to Saudi Arabia of military equipment as described in the statement submitted by the President on February 17, 1976 (transmittal numbered 76–28).

H. Con. Res. 564. February 26, 1976. International Relations. Expresses the objection of Congress to the sale to Saudi Arabia of military equipment as described in the statement submitted by the President on February 17, 1976 (transmittal numbered 76–29).

H. Con. Res. 565. February 26, 1976. International Relations. Expresses the objection of Congress to the sale to Saudi Arabia of military equipment as described in the statement submitted by the President on February 17, 1976 (transmittal numbered 76–30).

HOUSE RESOLUTIONS

H. Res. 1034. February 17, 1976. House Administration. Authorizes the expenditure of specified funds for the expenses of investigations and studies to be conducted by the House Committee on Interior and Insular Affairs.

H. Res. 1035. February 17, 1976. Rules. Creates a seven member select committee in the House to conduct a full and complete investigation and study of the circumstances surrounding the deaths of John and Robert Kennedy, Martin Luther King, and the attempted assassination of George Wallace.

H. Res. 1036. February 18, 1976. Elects Gerry E. Studds of Massachusetts to the House Committee on International Relations.

H. Res. 1037. February 18, 1976. Judiciary. Expresses the disapproval of the House of Representatives of the proposed guidelines for domestic intelligence investigations proposed by the Attorney General.

H. Res. 1038. February 18, 1976. House Administration. Appropriates funds for the House Committee on Science and Technology.

H. Res. 1039. February 18, 1976. House Administration. Authorizes funds for the further expenses of the House Committee on Small Business.

SENATE—*Monday, March 15, 1976*

The Senate met at 12 meridian and was called to order by the Acting President pro tempore (Mr. METCALF).

PRAYER

The Chaplain, the Reverend Edward L. R. Elson, D.D., offered the following prayer:

"Know ye that the Lord He is God: it is He that hath made us, and not we ourselves; . . .

"Enter into His gates with thanksgiving, and into His courts with praise: be thankful unto Him, and bless His holy name.

"For the Lord is good; His mercy is everlasting; and His truth endureth to all generations."—Psalms 100: 3, 4, 5.

Let us pray:

O God, in whom we live and move and have our being, all the ways of our need lead to Thee. Thou knowest our needs before we ask. Then look upon the craving of our hearts which is deeper than the words of our lips. Renew our inmost being and strengthen us for our tasks. And as we pray in this place, we beseech Thee to grant Thy higher wisdom to the President and all who serve the people in the affairs of state. Reward Thy servants with the peace of those whose minds are attuned to Thy Spirit.

We pray in Thy holy name. Amen.

THE JOURNAL

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the reading of the Journal of the proceedings of Thursday, March 11, 1976, be dispensed with.

The **ACTING PRESIDENT** pro tempore. Without objection, it is so ordered.

WAIVER OF CALL OF THE CALENDAR

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the call of the legislative calendar for unobjected-to measures be waived under rule VIII.

The **ACTING PRESIDENT** pro tempore. Without objection, it is so ordered.

COMMITTEE MEETINGS DURING SENATE SESSION

Mr. MANSFIELD. Mr. President, I ask unanimous consent that all committees may be authorized to meet during the session of the Senate today.

The **ACTING PRESIDENT** pro tempore. Without objection, it is so ordered.

CONSIDERATION OF CERTAIN MEASURES ON THE CALENDAR

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate turn to the consideration of Calendar Nos. 657, 658, 661, 663, and 664.

The **ACTING PRESIDENT** pro tempore. Without objection, it is so ordered.

POTASH FOR AMERICAN AGRICULTURE

The resolution (S. Res. 403) relating to the need to assure the availability of potash for American agriculture, was considered and agreed to.

The preamble was agreed to.

The resolution, with its preamble, reads as follows:

S. Res. 403

Whereas a strong and viable agriculture is essential to the well-being of this Nation; and,

Whereas potash is an essential plant nutrient of extreme importance to agricultural production for which no alternative exists; and,

Whereas the United States is dependent for about 70 per centum of its potash on deposits located in Saskatchewan; and,

Whereas the government of the Province of Saskatchewan recently passed legislation that would permit the government's takeover of that province's potash industry; and,

Whereas such takeover might result in supply irregularities and price volatility similar to those experienced in petroleum due to the OPEC cartel; and,

Whereas the lack of meaningful contingency plans for the OPEC action by the United States caused undue stress and difficulties for American agriculture and economy; and,

Whereas similar difficulties could result from a disruption of potash: Now, therefore, be it

Resolved, That it is the sense of the Senate that—

(1) The Department of State should express our concern to the Canadian Government and the Government of the Province of Saskatchewan that supplies of the critical plant nutrient, potash, not be disrupted; and,

(2) The Department of State should ascertain the precise objectives and anticipated conclusions of the proposed takeover by the Government of the Province of Saskatchewan; and,

(3) The Department of Agriculture should immediately develop contingency plans to assure an adequate supply of potash for American agriculture in the event that supplies from the Saskatchewan deposits should be temporarily or permanently disrupted.

VETERANS' INSURANCE AMENDMENTS ACT OF 1976

The Senate proceeded to consider the bill (S. 1911) a bill to amend title 38, United States Code, to provide certain persons insured under servicemen's group life insurance—SGLI—with a choice of conversion to either an individual term or whole life insurance policy or veterans' group life insurance policy upon the expiration of their servicemen's group life insurance coverage, and for other purposes, which had been reported from the Committee on Veterans' Affairs with an amendment to strike out all after the enacting clause and insert the following:

That this Act may be cited as the "Veterans' Insurance Amendments Act of 1976".

Sec. 2. Section 768 of title 38, United States Code, is amended by adding at the end thereof a new subsection (c) as follows:

"(c) A member who is eligible for automatic conversion of Servicemen's Group Life Insurance to Veterans' Group Life Insurance under conditions prescribed in subsection (b) and who elects not to be insured under Veterans' Group Life Insurance may, effective the day after his Servicemen's Group Life Insurance would cease, convert such insurance to an individual policy of life insurance, including term, under the terms and conditions set forth in section 777(e) of this title for conversion of Veterans' Group Life Insurance.".

Sec. 3. Subsection (e) of section 777 is amended by inserting in the first sentence "including term" immediately after "life insurance" and by inserting after the first sentence thereof the following: "Any commercial term insurance policy issued upon conversion pursuant to this subsection must include a provision permitting conversion of such policy to a permanent plan by a definite future time to be specified in the policy.".

Sec. 4. Subsection (g) of section 777 of title 38, United States Code, is amended by striking from the first sentence "one year from the effective date of the Veterans' Group Life Insurance program" and inserting in lieu thereof "one year from the effective date of the Veterans' Insurance Amendments Act of 1976".

Sec. 5. Chapter 19 of title 38, United States Code, is amended—

(1) by amending sections 717 and 718 to read as follows:

"§ 717. Insurance maturing on or after August 1, 1946

"(a) The insured, under a policy maturing on or after August 1, 1946, shall have the right to designate the beneficiary or beneficiaries of such insurance and, at all times, subject to regulations, to change the beneficiary or beneficiaries without the consent of such beneficiary or beneficiaries.

"(b) Insurance maturing on or after August 1, 1946, shall be payable in accordance with the following optional modes of settlement:

"(1) In one sum (only available if selected by the insured).

"(2) In equal monthly installments of from 36 to 240 in number, in multiples of 12.

"(3) In equal monthly installments for 120 months certain with such payments continuing during the remaining lifetime of the first beneficiary.

"(4) As a refund monthly life income continuing throughout the lifetime of the first beneficiary. Payment shall be in monthly installments payable for such period certain as may be required in order that the sum of the installments certain, including a last installment of such reduced amount as may be necessary, shall equal the face value of the contract, less any indebtedness. Such optional settlement shall not be available in any case in which such settlement would result in payments of installments over a shorter period than 120 months.

"(c) The insurance shall be payable to the designated beneficiary or beneficiaries under the optional mode of settlement selected by the insured, except:

"(1) If the insured has not selected a settlement option, payment shall be made in 36 equal monthly installments.

"(2) The first beneficiary may elect to receive payment under any option which provides for payment over a period of time longer than the option elected by the insured, or if the insured elected no option, in excess of 36 months.

"(3) If the option selected requires payment to any beneficiary of monthly installments of less than $10, the amount to such beneficiary shall be paid in the maximum number of installments, in multiples of 12, required to pay a monthly installment of at least $10.

"(4) If the present value of the amount payable at the time any person initially becomes entitled to payment thereof is not sufficient to pay at least 12 monthly installments of not less than $10 each, payment shall be in one sum.

"(5) The optional modes of settlement set forth in paragraphs (3) and (4) of this subsection shall not be available if any firm, corporation, legal entity (including the estate of the insured), or trustee is the beneficiary.

"(d) In no event shall there be any payment to the estate of the insured or of the beneficiary of any sums unless it is shown that any sums paid will not escheat. Payment to an estate shall be in one sum and shall be made in the following circumstances:

"(1) To the estate of the insured—

"(A) if no beneficiary is designated,

"(B) if no designated beneficiary survives the insured, or

"(C) if a designated beneficiary, not entitled to lump-sum settlement, survives the insured, but dies before receiving all benefits due and payable, and there is no surviving beneficiary entitled to those benefits; but payment pursuant to this subparagraph shall be the commuted value of the remaining insurance, whether accrued or not.

"(2) To the estate of the beneficiary if such beneficiary is entitled to a lump-sum settlement, but elects some other mode of settlement and dies before receiving all the benefits due and payable under the mode selected; but payment pursuant to this paragraph shall be the present value of the remaining unpaid amount.

"(e) Under such regulations as the Administrator may promulgate, the cash surrender value of any policy of insurance or the proceeds of an endowment contract which matures by reason of completion of the endowment period may be paid to the insured under the optional modes of settlement set forth in subsection (a) (2) or (4) of this section.

All settlements under the options set forth in subsection (a)(4) of this section, however, shall be calculated on the basis of The Annuity Table for 1949. If the option selected requires payment of monthly installments of less than $10, the amount payable shall be paid in such maximum number of monthly installments as are a multiple of 12 as will provide a monthly installment of not less than $10.

"§ 718. Assignments

"The nonassignability and exempt status of benefits due under any law administered by the Veterans' Administration as provided under section 3101(a) of this title shall apply to any interest of the insured or a designated beneficiary under a National Service Life Insurance contract; except that—

"(1) assignments of all or any part of the beneficiary's interest may be made by a designated beneficiary to a surviving spouse, child, parent, grandparent, or sibling of the insured, when the designated contingent beneficiary, if any, joins the beneficiary in the assignment, and if the assignment is delivered to the Veterans' Administration before any payments of the insurance shall have been made to the beneficiary, but—

"(A) an interest in an annuity, when assigned, shall be payable in equal monthly installments in such multiple of 12 as most nearly equals the number of installments certain under such annuity, or in 240 installments, whichever is the lesser, and

"(B) provisions of this paragraph (1) shall not be applicable to insurance maturing on or after July 27, 1962; and

"(2) with respect to insurance granted under the provisions of section 722(b) of this title, any person to whom insurance maturing on or after July 27, 1962, is payable may assign all or any portion of such person's interest in such insurance to surviving spouse, child, parent, grandparent, or sibling of the insured when the designated contingent beneficiary, if any, joins the beneficiary in the assignment, but such joinder shall not be required in any case in which the insurance proceeds are payable in a lump sum.";

(2) by amending sections 722 and 723 to read as follows:

"§ 722. Service disabled veterans' insurance

"(a)(1) Insurance may be granted by the United States against death occurring while such insurance is in force to any person released from active military, naval, or air service, under other than dishonorable conditions, on or after April 25, 1951, if—

"(A) the Administrator finds such person to be suffering from a disability or disabilities for which compensation would be payable if 10 percent or more in degree, and except for which such person would be insurable according to the standards of good health established by the Administrator;

"(B) such person applies in writing for such insurance within one year from the date on which service-connection of such disability is determined by the Veterans' Administration; and

"(C) such person pays the premiums as provided for by this subchapter.

"(2) If a person who meets the requirements of subsection (a)(1)(A) of this section is shown by evidence satisfactory to the Administrator to have been mentally incompetent during any part of the one-year period, application for insurance under this section may be filed within one year after a guardian is appointed or within one year after the removal of such disability as determined by the Administrator, whichever is the earlier date. If the guardian was appointed or the removal of the disability occurred before January 1, 1959, application for insurance under this section may be made within one year after that date.

"(3) Insurance granted under this section shall be issued upon the same terms and conditions as are contained in the standard policies of National Service Life Insurance, except that—

"(A) the premium rates for such insurance shall be based on the Commissioners 1941 Standard Ordinary Table of Mortality and interest at the rate of 2¼ percent per annum;

"(B) all cash, loan, paid-up, and extended values shall be based upon the Commissioners 1941 Standard Ordinary Table of Mortality and interest at the rate of 2¼ percent per annum;

"(C) all settlements on policies involving annuities shall be calculated on the basis of The Annuity Table for 1949, and interest at the rate of 2¼ percent per annum; and

"(D) insurance granted under this section shall be on a nonparticipating basis and all premiums and other collections therefor shall be credited directly to a revolving fund in the Treasury of the United States, and any payments on such insurance shall be made directly from such fund.

"(4) Appropriations to the revolving fund referred to in paragraph (3)(D) of this subsection are hereby authorized.

"(5) As to insurance issued under this section, waiver of premiums pursuant to section 602(n) of the National Service Life Insurance Act of 1940 and section 712 of this title shall not be denied on the ground that the service-connected disability became total before the effective date of such insurance.

"(b)(1) Any person who, on or after April 25, 1951, was otherwise qualified for insurance under the provisions of section 620 of the National Service Life Insurance Act of 1940, or subsection (a) of this section, but who did not apply for such insurance, shall be deemed to have applied for, and to have been granted, such insurance, as of the date of death, if it can be shown by evidence satisfactory to the Administrator that such person—

"(A) was mentally incompetent from a service-connected disability—

"(i) at time of release from active service;

"(ii) during any part of the one-year period from the date the service-connection of a disability is first determined by the Veterans' Administration; or

"(iii) after release from active service but is not rated service-connected disabled by the Veterans' Administration until after death;

"(B) remained continuously so mentally incompetent until date of death; and

"(C) died before the appointment of a guardian, or within one year after the appointment of a guardian.

"(2) Such insurance shall be issued in an amount which, together with any other United States Government or National Service Life Insurance in force, shall aggregate $10,000.

"(3) The date to be used for determining whether such person was insurable according to the standards of good health established by the Administrator, except for the service-connected disability, shall be the date of release from active service or the date the person became mentally incompetent, whichever is later.

"(4) Payments of insurance granted under subsection (b)(1) of this section shall be made only to the following beneficiaries and in the order named—

"(A) to the surviving spouse of the insured, if living and while unremarried;

"(B) if no surviving spouse entitled thereto, to the child or children of the insured, if living, in equal shares; or

"(C) if no surviving spouse or child entitled thereto, to the parent or parents of the insured who last bore that relationship, if living, in equal shares.

"(5) No application for insurance payments under this subsection shall be valid unless filed in the Veterans' Administration within 2 years after the date of death of the insured or before January 1, 1961, whichever is the later. The relationship of the applicant shall be proved as of the date of death of the insured by evidence satisfactory to the Administrator. Persons shown by evidence satisfactory to the Administrator to have been mentally or legally incompetent at the time the right to apply for death benefits expires may make such application at any time within 1 year after the removal of such disability.

"(6) Notwithstanding the provisions of section 717 of this title, insurance under this subsection shall be payable at the election of the first beneficiary in 240 equal monthly installments or under the optional modes of settlement set forth in section 717(b)(3) or (4) of this title. Any installments certain of insurance remaining unpaid at the death of any beneficiary shall be paid to the person or persons then in being with the classes specified in subsection (b)(4) of this section and in the order named. Such payment shall be in equal monthly installments in an amount equal to the monthly installments paid to the first beneficiary.

"(7) The right of any beneficiary to payment of any installments shall be conditioned upon such beneficiary's being alive to receive such payments. No person shall have a vested right to any installment or installments of any such insurance. Any installments not paid to a beneficiary during such beneficiary's lifetime shall be paid to the beneficiary or beneficiaries within the permitted class next entitled to priority, as provided in subsection (b)(4) of this section. No installments of such insurance shall be paid to the heirs or legal representatives as such of the insured or of any beneficiary. If no person within the permitted class survives to receive the insurance or any part thereof no payment of the unpaid installments shall be made.

"§ 723. Veterans' Special Life Insurance

"(a) Insurance heretofore granted under the provisions of section 621 of the National Service Life Insurance Act of 1940, against the death of the policyholder occurring while such insurance is in force, is subject to the same terms and conditions as are contained in standard policies of National Service Life Insurance on the 5-year level premium term plan except that—

"(1) such insurance may not be exchanged for or converted to insurance on any other plan except as provided under subsection (b) of this section;

"(2) the premium rates for such insurance shall be based on the Commissioners 1941 Standard Ordinary Table of Mortality and interest at the rate of 2¼ percent per annum;

"(3) all settlements on policies involving annuities shall be calculated on the basis of The Annuity Table for 1949, and interest at the rate of 2¼ percent per annum; and

"(4) all premiums and other collections on such insurance and any total disability provisions added thereto shall be credited to a revolving fund in the Treasury of the United States, which, together with interest earned thereto, shall be avaliable for the payment of liabilities under such insurance and any total disability provisions added thereto, including payments of dividends and refunds of unearned premums.

"(b) Any term insurance heretofore issued under section 621 of the National Service Life Insurance Act of 1940 may be converted to a permanent plan of insurance or exchanged for a policy of limited convertible

5-year level premium term insurance issued under his subsection. Insurance issued under this subsection shall be issued upon the same term and condition as are contained in the standard policies of National Service Life Insurance except that—

"(1) after September 1, 1960, limited convertible term insurance may not be issued or renewed on the term plan after the insured's 50th birthday;

"(2) the premium rate of such limited convertible term or permanent plan insurance shall be based on table X–18 (1950–54 Intercompany Table of Mortality) and interest at the rate of 2½ percent per annum;

"(3) all settlements on policies involving annuities on insurance issued under this subsection shall be calculated on the basis of The Annuity Table for 1949, and interest at the rate of 2½ percent per annum;

"(4) all cash, loan, paid-up, and extended values, and, except as otherwise provided in this subsection, all other calculations in connection with insurance issued under this subsection shall be based on table X–18 (1950–54 Intercompany Table of Mortality) and interest at the rate of 2½ percent per annum; and

"(5) all premiums and other collections on insurance issued under this subsection and any total disability income provisions added thereto shall be credited directly to the revolving fund referred to in subsection (a) of this section, which together with interest earned thereon, shall be available for the payment of liabilities under such insurance and any total disability provisions added thereto, including payments of dividends and refunds of unearned premiums.

"(c) The Administrator is authorized to invest in, and the Secretary of the Treasury is authorized to sell and retire, special interest-bearing obligations of the United States for the account of the revolving fund with a maturity date as may be agreed upon by the Administrator and Secretary. The rate of interest on such obligations shall be fixed by the Secretary of the Treasury at a rate equal to the rate of interest, computed as of the end of the month preceding the date of issue of such obligations, borne by all marketable interest-bearing obligations of the United States then forming a part of the public debt that are not due or callable until after the expiration of 5 years from the date of original issue; except that where such average rate is not a multiple of one-eighth of 1 percent, the rate of interest of such obligations shall be the multiple of one-eighth of 1 percent nearest such average rate."; and

(3) by amending section 784 to read as follows:

"§ 784. Suits on insurance

"(a) Action may be brought against the United States on any claim, including claim for refund of premiums, arising as the result of disagreement between the Veterans' Administration and any person or persons claiming under a contract of National Service Life Insurance, United States Government life insurance, or yearly renewable term insurance. Such action shall be brought either in the United States District Court for the District of Columbia or in the district court in and for the district in which such person or any one of them resides. Jurisdiction is conferred upon such courts to him and determine all such controversies.

"(b) All persons having or claiming to have an interest in such insurance may be made parties to such suit. Parties who are not inhabitants of or found within the district within which suit is brought may be brought in by order of the court and may be served personally or by publication or in such other reasonable manner as the court may direct.

"(c) In all cases where the Veterans' Administration acknowledges indebtedness of the United States upon any such contract of insurance and there is a question as to the person or persons entitled to payment, a suit in the nature of a bill of interpleader may be brought against all persons having or claiming to have any interest in such insurance. Such suit shall be brought in the name of the United States at the request of the Veterans' Administration and shall be in the United States District Court for the District of Columbia or in the district court in and for the district in which any such claimant resides. However, no less than 30 days before instituting such suit the Veterans' Administration shall mail a notice of such intention to each of the persons to be made parties to the suit.

"(d) The court of appeals for the several circuits, including the District of Columbia, shall respectively exercise appellate jurisdiction and except as provided in section 1254 of title 28, the decrees of such courts of appeals shall be final.

"(e) No suit on yearly renewable term insurance, United States Government life insurance, or National Service Life Insurance shall be allowed under this section unless the same shall have been brought within 6 years after the right accrued for which the claim is made. For the purposes of this section it shall be deemed that the right accrued on the happening of the contingency on which the claim is founded. The limitation of 6 years is suspended for the period elapsing between the filing in the Veterans' Administration of the claim sued upon and the denial of said claim; except that in any case in which a claim is timely filed the claimant shall have not less than 90 days from the date of mailing of notice of denial within which to file suit. After June 28, 1936, notice of denial of the claim under a contract of insurance shall be by registered mail or by certified mail directed to the claimant's last address of record. Infants, insane persons, or persons under other legal disability, or persons rated as incompetent or insane by the Veterans' Administration shall have 3 years in which to bring suit after the removal of their disabilities. If suit is seasonably begun and fails for defect in process, or for other reasons not affecting the merits, a new action, if one lies, may be brought within a year though the period of limitation has elapsed. No State or other statute of limitations shall be applicable to suits filed under this section.

"(f) In any suit or proceeding brought under this section, a United States district court may issue subpoenas to witnesses residing outside the district of the issuing court; except that no writ shall issue for witnesses residing more than 100 miles from the situs of the hearing, unless permission of the court has been obtained upon proper application and cause shown. The word 'district' and the words 'district court' as used herein shall be construed to include the District of Columbia and the United States District Court for the District of Columbia.

"(g) Attorneys of the Veterans' Administration, when assigned to assist in the trial of cases, and employees of the Veterans' Administration when ordered in writing by the Administrator to appear as witnesses; shall be paid the regular travel and subsistence allowance paid to other employees when on official travel status.

"(h) When ordered in writing by the Administrator to appear as witnesses in suits under this section, part-time and fee-basis employees of the Veterans' Administration, may, within the discretion and under written orders of the Administrator be allowed a fee not exceeding $50 per day. Such fee may be paid in addition to the regular travel and subsistence allowance.

"(i) Employees of the Veterans' Administration who are subpoenaed as witnesses for a party to a suit brought under the provisions of this section, shall be granted court leaves or authorized absence, as applicable, for the period they are required to be away from the Veterans' Administration in answer to such subpoenas.

"(j) Whenever a judgment or decree shall be rendered in an action brought under the provisions of this section, the court, as a part of its judgment or decree, shall determine and allow reasonable fees for the attorneys of the successful party or parties and apportion same, if proper. Such fees may not exceed 10 percent of the amount recovered and will be paid by the Veterans' Administration out of the payments to be made under the judgment or decree. The rate of payment will not exceed one-tenth of each of such payments until paid. However, in a suit brought by or on behalf of an insured during the insured's lifetime for waiver of premiums on account of total disability, the court, as part of its judgment or decree, shall determine and allow a reasonable fee to be paid by the insured to such insured attorney.

"(k) The term 'claim' as used in this section means any writing which uses words showing an intention to claim insurance benefits. The term 'disagreement' means the denial of a claim after consideration on its merits, by the Administrator, or any employee or organizational unit of the Veterans' Administration.

"(l) In any suit brought under provisions of this section, the Attorney General of the United States may, pursuant to compromise recommended by the defending United States attorney, upon such terms and for sums within the amount claimed, agree to a judgment to be rendered by the chief judge of the United States court having jurisdiction. The Administrator shall make payment in accordance with any such judgment. The Comptroller General of the United States shall allow credit in the accounts of disbursing officers for all payments of insurance made in accordance therewith. All such judgments shall constitute final settlement of the claim and no appeal therefrom shall be authorized.".

Sec. 6. Chapter 19 of title 38, United States code, is amended—

(1) by striking out in section 701(2) "terms 'widow' or 'widower' mean" and inserting in lieu thereof "terms 'surviving spouse' means";

(2) by striking out in section 701(4) "terms 'parent', 'father', and 'mother' means a father, mother, father through adoption, mother through adoption," and inserting in lieu thereof "terms 'parent' means natural parent, adoptive parent,";

(3) by striking out in section 704(d) "his" and "he" each time they appear and inserting in lieu thereof "such insured's" and "such insured", respectively;

(4) by striking out in section 704(e) "his" and "he" and inserting in lieu thereof "such insured's" and "the Administrator", respectively;

(5) by striking out in section 705 "his" and "him" each time they appear and inserting in lieu thereof "such insured's" and "such insured", respectively;

(6) by striking out in section 707 "his" each time it appears and inserting in lieu thereof "such insured's";

(7) by striking out in section 708 "his" and inserting in lieu thereof "such insured's";

(8) by striking out in subsections (a), (b), and (d) of section 712 "his" and "he" each time they appear and inserting in lieu there-

of "such insured's" and "such insured", respectively;

(9) by striking out in section 713 "his" each time it appears and inserting in lieu thereof "such insured's";

(10) by striking out in section 716(b) "widow, widower, child, parent, brother, or sister" and inserting in lieu thereof "surviving spouse, child, parent, or sibling";

(11) by striking out in paragraphs (1) and (2) of section 716(b) "widow or widower" each time it appears and inserting in lieu thereof "surviving spouse";

(12) by striking out in paragraphs (3) and (4) of section 716(b) "widow, widower" and "brothers and sisters" each time they appear and inserting in lieu thereof "surviving spouse" and "siblings", respectively;

(13) by striking out in section 716(d) "his or her" and inserting in lieu thereof "such beneficiary's";

(14) by striking out in section 716(e) "his" and inserting in lieu thereof "such insured's";

(15) by striking out in section 725(a)(2) "he" and inserting in lieu thereof "such person";

(16) by striking out in section 725(b) "he" and inserting in lieu thereof "such applicant";

(17) by striking out in section 725(c) "him" and "he" each time they appear and inserting in lieu thereof "such applicant" and "such person", respectively;

(18) by striking out in section 725(d)(3) "his" and inserting in lieu thereof "the Administrator's";

(19) by striking out in subsections (b) and (c) of section 742 "his" and "he" and inserting in lieu thereof "such insured's" and "such insured", respectively;

(20) by striking out in section 743 "his" and inserting in lieu thereof "such insured's";

(21) by striking out in section 745 "his" and inserting in lieu thereof "such insured's";

(22) by striking out in section 746 "his" and inserting in lieu thereof "such insured's";

(23) by striking out in section 747 "his" and inserting in lieu thereof "such insured's";

(24) by striking out in section 748 "his" and inserting in lieu thereof "such insured's";

(25) by striking out in section 750 "his" each time it appears and inserting in lieu thereof "such insured's";

(26) by striking out in section 752(a) "his" each time it appears and inserting in lieu thereof "such insured's";

(27) by striking out in section 753 "his" and "brother, sister" and inserting in lieu thereof "such person's" and "sibling", respectively;

(28) by striking out in section 759(a) "his" and "he" and inserting in lieu thereof "such applicant's" and "such applicant", respectively;

(29) by striking out in section 760(a)(3) "his" and inserting in lieu thereof "such guardian's";

(30) by striking out in section 765(7) "terms 'widow' or 'widower'" and "his" and inserting in lieu therof "term 'surviving spouse'" and "such insured's", respectively;

(31) by striking out in section 765(9)(e) "his" immediately preceding "minority" and immediately preceding "adoption" and inserting in lieu thereof "such child's";

(32) by striking out in subsections (c) and (d) of section 766 "him" and "he" and inserting in lieu thereof "the Administrator" and "the Administrator", respectively;

(33) by striking out in section 767(b)(2) "him" and inserting in lieu thereof "such member";

(34) by striking out in section 767(b) "he" and "his" each time they appear and inserting in lieu thereof "such member" and "such member's", respectively;

(35) by striking out in section 767(c) "he" and"his" and inserting in lieu thereof "such member" and "such former member's", respectively;

(36) by striking out in section 768(a)(2) "his" and "him" and inserting in lieu thereof "such insured's" and "such insured", respectively;

(37) by striking out in section 768(a)(3) "his" and "him" and inserting in lieu thereof "such insured's" and "such insured", respectively;

(38) by striking out in section 768(b) "his" and inserting in lieu thereof "such member's";

(39) by striking out in paragraphs (3) and (4) of section 769(a) "him" and "his" each time they appear and inserting in lieu thereof "such member" and "such member's", respectively;

(40) by striking out in section 769(d)(3) "his" and inserting in lieu thereof "the Administrator's";

(41) by striking out in section 769(e) "he" and inserting in lieu thereof "the Administrator";

(42) by striking out in section 770(a) "his" and "widow or widower" each time they appear and inserting in lieu thereof "such member's or former member's" and "surviving spouse", respectively;

(43) by striking out in subsections (e), (f), and (g) of section 770 "his", "widow or widower on his or her", and "him" each time they appear and inserting in lieu thereof "such member's", "surviving spouse on such surviving spouse's", and "such member", respectively;

(44) by striking out in section 774 "his" and inserting in lieu thereof "the Administrator's";

(45) by striking out in section 776 "him" and inserting in lieu thereof "the Administrator";

(46) by striking out in section 777(a) "his" and "he" and inserting in lieu thereof "such person's" and "such person", respectively;

(47) by striking out in section 777(c) "he" immediately after "as" and "he" immediately after "date" and inserting in lieu thereof "the Administrator" and "such member or former member", respectively;

(48) by striking out in subsections (d) and (e) of section 777 "his" and "he" each time they appear and inserting in lieu thereof "such person's" and "such insured", respectively;

(49) by striking out in section 777(g) "his" and "he" and inserting in lieu thereof "such person's" and "the Administrator", respectively;

(50) by striking out in section 781(b) "he" and "his" and inserting in lieu thereof "such person" and "such person's", respectively;

(51) by striking out in section 783 "his" and inserting in lieu thereof "such beneficiary's"; and

(52) by striking out in section 787 "himself" and inserting in lieu thereof "such person".

Mr. HARTKE. Mr. President, as chairman of the Senate Committee on Veterans' Affairs, I am pleased to rise and urge my colleagues to support my bill, S. 1911, the Veterans' Insurance Amendments Act of 1976, as reported. I am pleased to note that this measure like others before it is cosponsored by the distinguished chairman of the Subcommittee on Housing and Insurance, Mr. STONE, and by the entire membership of the committee which includes the Senator from West Virginia (Mr. RANDOLPH), the Senator from Georgia (Mr. TALMADGE), the Senator from California (Mr. CRANSTON), the Senator from New Hampshire (Mr. DURKIN), the Senator from Wyoming (Mr. HANSEN), the Senator from South Carolina (Mr. THURMOND), and the Senator from Vermont (Mr. STAFFORD).

Mr. President, the basic provisions of the bill as reported would:

First. Provide any veteran upon completion of servicemen's group life insurance who elects not to be insured under veterans' group life insurance with a statutory conversion right to an individual policy of commercial life insurance including a term policy;

Second. Provide all veterans upon completion of coverage under veterans' group life insurance the option when exercising their statutory conversion privilege of choosing an individual commercial policy of term insurance—convertible at a time specified in the policy to a permanent plan of insurance—as well as a whole life policy;

Third. Extend for 1 year after enactment of the Veterans' Insurance Amendments Act of 1976 the period during which the veterans extended retroactive eligibility by Public Law 93–289 for veterans' group life insurance may apply for such policies; and

Fourth. Make technical amendments to chapter 19—insurance of title 38, United States Code to clarify statutory language, to restructure sections of the chapter into shorter subsections, and to eliminate unnecessary or unwarranted gender references.

Mr. President, to briefly review the background to the measure which we are considering today, I wish to note that the Subcommittee on Housing and Insurance conducted hearings on veterans' insurance programs on November 12, 1975. The hearings reviewed Veterans' Administration insurance programs in general and the implementation and operation of the Veterans' Insurance Act of 1974—Public Law 93–289—in particular. The hearing also examined, pending legislation with principal focus upon, S. 1911, the Veterans' Insurance Amendments Act of 1976.

The subcommittee received testimony from the Honorable RICHARD S. SCHWEIKER, concerning S. 1991, his bill to provide for the payment of servicemen's group life insurance in the case of certain members of the Ready Reserve who died while performing service as a member of the National Guard of a State pursuant to an order of the Governor of such State.

Testimony was received from the Veterans' Administration spokesman Rufus H. Wilson, Chief Benefits Director, Veterans' Administration. Testimony also was received from representatives of the American Legion, Veterans of Foreign Wars, Disabled American Veterans, National Association of Concerned Veterans, and the Non-Commissioned Officers Association.

In addition to the foregoing, the committee also considered various letters, documents, and other materials submitted to the committee, and placed in the hearing record.

On December 9, 1975, the full committee met in executive session. After adopting a number of technical amendments, the committee unanimously ordered S. 1911 to be favorably reported to the Senate for action.

Mr. President, I ask unanimous consent that appropriate excerpts from the Committee report to S. 1911 be printed in the RECORD at this point.

There being no objection, the excerpts were ordered to be printed in the RECORD, as follows:

BACKGROUND AND DISCUSSION

VETERANS' ADMINISTRATION LIFE INSURANCE PROGRAMS

Approximately 150,000,000 people or about 70 percent of the population of the United States are insured by one or more life insurance policies having a combined face value of $1.6 trillion. Comprising about 6 percent of this policy amount are eight life insurance programs supervised or administered by the Veterans' Administration providing insurance coverage exceeding $100 billion on behalf of 8 million active duty servicemen or veterans.

The five programs administered by the Veterans' Administration are as follows—

(1) *United States Government Life Insurance (USGLI)*, began as a permanent program for World War I veterans in 1919 offering up to $10,000 and was available as a conversion from their in-service yearly renewable term coverage. No new issues of USGLI have been available since 1951. At present there are 141,040 policies worth $592 million. Dividends based on excess earnings of insurance premiums are regularly paid. The average dividend per policy declared in 1975 was $146.85 which was accelerated and increased to $159.78 in 1976.

(2) *National Service Life Insurance (NSLI)*, began in 1940 and offered $10,000 of life insurance to servicemen and veterans of World War II. Also NSLI, which is the largest of all veterans' insurance programs with 3,981,125 veteran policies with a face value of $26.2 billion, also was closed to new issues in 1951. NSLI is a self-sustaining program except for the cost of administration and for death claims attributable to the extra hazards of military service paid by the Government. Dividends are paid to NSLI policyholders based upon excess earnings of the NSLI Trust Fund. The average dividend per policy declared in 1975 was $75.16 which was accelerated and increased to $84.62 in 1976.

(3) *Veterans' Special Term Life Insurance (VSLI)* was established to provide Korean conflict veterans nonparticipating (i.e., nondividend paying) term insurance in amounts of up to $10,000. The Veterans' Insurance Act of 1974 (Pub. L. 93–289) amended this program to permit the return of excess premiums to veteran policyholders on a regular basis. There are about 587,311 VSLI policies with the amount of $5.1 billion currently in force. The average dividend per policy declared in 1975 was $10.42 which was accelerated and increased to $17.77 in 1976.

(4) *Veterans Reopened Insurance (VRI)* was authorized for a 1 year period beginning May 1, 1965 when it became apparent that many disabled World War II and Korean conflict veterans had passed all delimiting dates for Government Life Insurance and were unable to obtain commercial life insurance or could not obtain it at a reasonable cost. The 1 year reopening resulted in approximately 210,000 veterans purchasing VRI life insurance. Currently, there are 181,343 policies with a face value of $1.2 billion.

(5) *Service Disabled Veterans Insurance* (known as an RH policy) was first authorized in 1951 and is still open to new issues. This program is designed to assure service disabled veterans the opportunity to obtain life insurance at standard rates without regard to their physical impairment. Veterans with service-connected ratings for compensation purposes in the amount of 10 percent or more in degree and who are otherwise insurable have up to 1 year from the date of notice of such VA ratings to apply for RH coverage. Disabled veterans may obtain $10,000 and, in some cases, up to $25,000 in life insurance at a standard rate. Since the RH program insures substandard risks at standard premium rates, it is the only Government-administered insurance program which is not self-supporting. The cost to Government in fiscal year 1973 was $13.6 million. There are 163,881 policies in force at face value of $1.5 billion.

The following tables detail relevant information concerning these five VA administered programs:

TABLE 1.—SUMMARY OF OPERATIONS (ACCRUAL BASIS)

[In thousands]

	U.S. Government life insurance		National service life insurance		Veterans special life insurance		Service-disabled veterans insurance		Veterans reopened insurance	
	Fiscal year 1974	Cumulative totals from origin January 1919 to June 30, 1974	Fiscal year 1974	Cumulative totals from origin October 1940 to June 30, 1974	Fiscal year 1974	Cumulative totals from origin April 1951 to June 30, 1974	Fiscal year 1974	Cumulative totals from origin April 1951 to June 30, 1974	Fiscal year 1974	Cumulative totals from origin May 1965 to June 30, 1974
INCOME										
Premiums	$7,821	$2,041,738	$575,074	$16,561,080	$41,915	$577,115	$18,670	$146,936	$31,494	$316,638
Policy proceeds left to be paid in installments	5,838	755,628	37,432	5,170,004	1,687	30,141	910	19,127	1,028	8,039
Dividends left on credit or deposit	2,892	53,727	41,387	1,047,514						
Investment income	33,765	1,920,773	377,071	6,217,097	19,845	130,375	641	4,099	17,908	79,542
Extra hazard contributions from the U.S. Government	45	142,142	2,090	4,798,163						
Total	50,361	4,914,008	1,033,054	33,793,858	63,447	737,631	19,621	170,162	50,430	404,219
DISPOSITION OF INCOME										
Death benefits	41,384	1,242,368	266,608	8,027,949	13,711	160,666	15,616	147,166	10,598	71,571
Matured endowments	701	493,257	24,143	440,115	84	401	260	380	498	1,018
Surrender benefits	3,127	303,364	34,880	603,434	3,108	22,713	1,064	7,807	1,229	7,040
Disability benefits	1,507	379,467	35,057	487,928	1,149	8,088	5,069	38,610	1,449	5,823
Payments from policy proceeds left to be paid in installments	21,015	923,410	133,995	6,872,163	1,738	24,782	1,205	15,360	944	5,896
Dividends withdrawn	3,048	47,141	36,047	958,190						
Net deposits for policy reserves	−40,672	652,876	195,364	7,184,147	34,349	409,343	10,362	98,495	32,098	281,225
Reserve for dividends left on credit or deposit	573	17,806	15,231	232,768						
Administration costs									728	13,902
Total	30,683	4,059,689	741,325	24,806,694	54,139	625,993	33,576	307,818	47,544	386,475
Net gain (+) or loss (−) from operations before dividends and transfers	19,678	854,319	291,729	8,987,164	9,308	111,638	−13,955	−137,656	2,886	17,744
Dividends to policyholders	21,058	836,974	289,669	8,893,459	3,000	51,999				
Transfers to U.S. Government					2,500	55,613				
Gain (+) or loss (−) after dividends and transfers	−1,380	17,345	2,060	93,705	3,808	4,026	−13,955	−137,656	2,886	17,744

TABLE 2.—IN FORCE—FISCAL YEAR 1974

	Participating				Nonparticipating					
	U.S. Government life insurance		National service life insurance		Veterans special life insurance		Service-disabled veterans insurance		Veterans reopened insurance	
Item	Number of policies	Amount of insurance (in thousands)	Number of policies	Amount of insurance (in thousands)	Number of policies	Amount of insurance (in thousands)	Number of policies	Amount of insurance (in thousands)	Number of policies	Amount of insurance (in thousands)
In force at beginning of year	165,367	$704,198	4,173,421	$27,513,347	604,406	$5,294,900	144,521	$1,304,053	187,684	$1,309,958
Insurance issued during year							15,037	139,674		
Insurance reinstated during year	8	20	2,301	14,439	512	2,817	82	762	68	313

TABLE 2.—IN FORCE—FISCAL YEAR 1974—Continued

Item	Participating				Nonparticipating					
	U.S. Government life insurance		National service life insurance		Veterans special life insurance		Service-disabled veterans insurance		Veterans reopened insurance	
	Number of policies	Amount of insurance (in thousands)	Number of policies	Amount of insurance (in thousands)	Number of policies	Amount of insurance (in thousands)	Number of policies	Amount of insurance (in thousands)	Number of policies	Amount of insurance (in thousands)
Insurance terminated during year by:										
Death	8,980	41,230	41,180	261,936	1,592	13,694	1,704	15,504	1,575	10,507
Maturity as endowment	112	757	5,154	25,064	16	84	55	290	99	504
Permanent total disability	124	712								
Lapse, expiry, and net changes	90	447	20,826	176,634	3,998	39,044	2,741	27,125	419	3,809
Cash surrender	885	3,918	10,560	58,415	891	6,868	521	4,295	474	3,316
Total terminated	10,191	47,064	77,720	522,049	6,497	59,690	5,021	47,214	2,567	18,136
In force at end of year	155,184	657,174	4,098,002	27,005,737	598,221	5,238,027	154,619	1,397,275	185,185	1,292,135
Selected year-end items:										
In force on 5-year term plan	1,106	7,119	1,652,164	12,806,489	408,189	3,738,992	83,748	804,093		
In force on all other plans	154,078	650,055	2,445,838	14,199,248	190,032	1,499,035	70,871	593,182	185,185	1,292,135
In force with disability income rider	4,884	37,226	592,695	4,495,200	107,418	978,422			12,124	90,081
In force under disability premium waiver	168	1,070	115,449	794,483	3,929	33,264	30,588	288,590	5,013	34,119

In addition, there are three Government life insurance policies which are administered by private insurance companies and supervised by the Veterans' Administration. They are as follows—

(1) *Veterans Mortgage Life Insurance (VMLI)* was created in the 92d Congress by Public Law 92-95 to provide mortgage protection life insurance up to $30,000 at standard premium rates for any veteran who received a Veterans' Administration grant for specially adapted housing. The Veterans' Administration assumes the excess cost attributable to the veterans' disability; a cost which in fiscal year 1976 will total approximately $2.4 million. As of December 1975, 315,335 veterans held mortgage protection life insurance in the amount $147.5 million under the program.

(2) *Servicemen's Group Life Insurance (SGLI)* is the largest of the VA supervised insurance policies administered by a private insurance company. First authorized in 1965 by Public Law 89-214, SGLI provided Vietnam era servicepersons with a maximum $15,000 term life insurance policy—increased to $20,000 by Public Law 93-289—at low premiums (presently $3.40 for active duty service people and $6 to $10 for retired reservists) paid for by military or retired payroll deductions. Coverage is optional and the serviceperson may elect insurance in smaller amounts of $10,000 to $5,000.

Coverage is available to active duty servicepersons, reserves, national guard, ready reservists, ROTC members while on active duty for training, certain members of the Retired Reserves and cadets and midshippersons at the four service academies. As of December 31, 1975, there were 3.4 million policies in force with total face value of $61.9 billion divided as follows:

(a) 2.1 million policies held by active duty servicepersons with a face value of $42 billion;

(b) 910,000 policies held by full-time reservists with a face value of $18.2 billion;

(c) 50,000 policies held by part-time reservists while on active duty with a face value of $1 billion; and

(d) 36,368 policies held by retired reservists with a face value of $679 million.

The SGLI program is supervised by the Veterans' Administration and is administered by Prudential Insurance Company, Newark, New Jersey, as primary insurer through a contractual agreement with the VA. This insurance is reinsured on a formula basis prescribed by the Administrator with as many qualified commercial companies as elect to participate. Presently, some 616 companies are participating in this program as reinsurers and converters and an additional 31 are participating as converters only. Under existing law, following discharge, the veteran has 120 days within which the veteran without evidence of insurability, may convert all or part of his SGLI term coverage to a cash value policy with one of the participating commercial life insurance companies. The law currently provides that such policies may only be converted to a cash value form of insurance. Amendments made by the reported bill would grant the veterans the option to choose term insurance coverage as well.

Of the 2,192,389 active duty service persons and active recruits eligible for SGLI, 2,186,263 or 99.7 percent are covered. Of the approximately 100,000 retired reservists made eligible for SGLI under Public Law 93-289, 36.4 percent are insured under SGLI.

(3) *Veterans' Group Life Insurance (VGLI)*, the third program supervised by the Veterans' Administration, but administered by private insurance companies was established by Public Law 93-289 in the 93d Congress. The program authorized the conversion of Servicemen's Group Life Insurance to a new 5-year post service limited term insurance policy known as VGLI. The program was designed to provide low-cost insurance protection during the readjustment period experienced by Vietnam era veterans following their separation from active military duty. VGLI offers low-cost term insurance in a maximum amount of $20,000 for up to 5 years during the veterans' readjustment period.

Both SGLI and VGLI insurance are provided by The Prudential Insurance Company as part of a group contract awarded on a non-competitive basis by the Veterans' Administration. Following the 5-year period of coverage, the veteran policyholder has an enforceable statutory right to convert this insurance to a commercial whole life policy with any one of the 600 or more private insurance companies participating in the VGLI program. Amendments made by the reported bill would grant the veteran the option of choosing commercial term insurance coverage as well.

SGLI CONVERSION TO INDIVIDUAL POLICY

S. 1911, as reported, would correct an unintended operation of amendments contained in the Veterans' Insurance Act of 1974 (Pub. L. 93-289). In enacting the Veterans' Group Life Insurance Program, it was assumed that the servicepersons terminating SGLI coverage would ordinarily elect VGLI coverage following which they could exercise their statutory conversion rights to elect coverage under a policy offered by a participating private insurance company. As for those servicepersons who for one reason or another declined VGLI coverage, it was assumed that they could exercise existing statutory rights to convert to a participating commercial life insurance policy. The Veterans' Administration has interpreted Public Law 93-289, however, to mean that statutory conversion rights do not extend to a veteran who specifically declines coverage under VGLI.

In a letter last year from the general counsel's office of the Veterans' Administration, the Committee was informed that:

"As you know, portions of Public Law 93-289, May 24, 1974, accomplished extensive amendments to subchapter III, chapter 19, of title 38, with respect to SGLI. Basic program changes included extension of SGLI coverage to certain members of Regular and Retired Reserves of the uniformed services, and the establishment of VGLI as an interim type of continued inexpensive insurance protection intended to ease an individual's adjustment from military to civilian status.

"Prior to those changes, sections 768 (b) and (c) had provided for conversion of completed SGLI coverage to an individual policy issuable by any of the commercial insurers participating in the SGLI program. Effective August 1, 1974, a complete substitution was made in subsection (b). With one exception, the substituted provisions refer only to required SGLI policy terms for conversion to VGLI upon completion of extended SGLI coverage. Terms for direct conversion from SGLI coverage to individual insurance are authorized only for certain separated members of the Ready Reserve who are eligible for assignment—or are assigned—to the Retired Reserve, and who are permitted under new section 768(a)(4)(B) to continue their SGLI coverage until receipt of the first increment of retirement pay, or until sixty-first birthday, whichever is earlier. The last sentence of amended section 768(b) provides that such a person, whose SGLI is not so continued "may, effective the day after his insurance otherwise would cease, convert such insurance to an individual policy under the terms and conditions set forth in section 777(c) of this title." Former section 768(c), concerning details of direct conversion from SGLI to individual policies, was not included in the amended section 768.

"New section 777, for VGLI, includes in subsection (c) the terms and conditions for conversion from VGLI coverage to an individual policy of insurance. That subsection requires in part that, "The individual policy will be effective the day after the insured's Veterans' Group Life Insurance terminates by expiration of the 5-year term period, except in a case where the insured is eligible to convert at an earlier date by reason of again having become insured under Servicemen's Group Life Insurance, in which event the effective date of the individual policy may not be later than the sixty-first day after he again became so insured. No general savings provision was included in Public Law 93-289."

To the extent that the amendments made by Public Law 93-289 compel such a determination, the Committee believes that an adjustment to the law should be made. Accordingly, language in S. 1911 as reported clearly provides that veterans who decline VGLI coverage do not lose statutory conversion rights to an individual policy of commercial life insurance upon termination of their coverage under SGLI.

In making this amendment, the Committee obviously does not intend to imply that conversion to an individual policy of insurance is preferable to the Veterans' Group Life Insurance program which provides up to $20,000 of low-cost term insurance for up to 5 years.

VGLI term insurance provides the largest amount of protection at the lowest possible cost for veterans leaving SGLI coverage and is regarded by most observers as a "best buy." Notwithstanding the foregoing, if a veteran for whatever reason should decline VGLI coverage and desire immediate conversion to a commercial policy following SGLI coverage, the Committee believes that the veteran should have such an option.

The Veterans' Administration in its testimony before the Subcommittee on Housing and Insurance noted a 1971 survey which indicated a low conversion rate from SGLI and a high lapse rate for those who converted. They further testified that:

"In view of the 1971 survey findings already cited, it would seem that the proposal to restore an immediate right of conversion from expired Servicemen's Group Life Insurance coverage to an individual commercial policy would revive an inherent danger that many veterans could be misled or misunderstand their rights. As a consequence, some individuals might bypass their opportunity to purchase economical Veterans' Group Life Insurance, and buy a commercial policy they could not afford to maintain, thereby creating unwarranted financial hardship or inadequate insurance coverage."

The Committee, of course, shares the concern expressed by the VA about veterans being "misled or misunderstanding their rights". Nor does it wish the veteran to be placed in a position of what the VA terms "unwarranted financial hardship or inadequate insurance coverage." As discussed more fully *infra*, the Committee does not believe that this shared concern warrants denial to the veteran of various insurance options. Rather, the Committee believes that the VA should assure that the veteran receives accurate, relevant and complete information so that the veteran is neither misled nor misunderstands his rights. A veteran who in fact is adequately informed by the Veterans' Administration of the implications resulting from the selection of each option will presumably be in a position to choose intelligently among those options and avoid either "unwarranted financial hardships or inadequate insurance coverage."

The Committee is of the opinion that most veterans who, with the aid of an aggressive VA outreach program, are fully informed about their insurance options and the benefits of the VGLI program will not "bypass" this insurance bargain.

For example, at the request of the Committee, the Veterans' Administration supplied the following comparison of VGLI premium costs with immediate conversion after 120 days, which information should be useful to the individual veteran. The ordinary life premium used in the following examples, represents the average premium being charged by five of the largest nonparticipating companies in the industry:

COMPARISON OF VGLI PREMIUM COSTS VS. IMMEDIATE CONVERSION AFTER 120 DAYS

For comparison purposes assume veteran A immediately converts to a nondividend paying $20,000 Ordinary Life policy; veteran B elects to become insured under VGLI 5 year term and converts to the ordinary life plan at its expiration. It is now almost universally agreed in the insurance industry that for comparison purposes the value of money and incidence of payment should be taken into account by the use of an interest-rate. A 5 percent net interest after taxes has been used in the development of the comparison figures used in the following. The comparison figures are based on the assumption that veteran B takes the difference between the premium being paid by A for his ordinary life policy and his own VGLI premium and invests at this 5 percent effective rate. The ordinary life premium is the average premium currently being charged by five of the largest non-participating companies in the industry.

Age	Ordinary life monthly premium	VGLI monthly premium	Monthly savings 1st 5 years
20	$20.50	$3.40	$17.10
25	23.66	3.40	20.26
30	27.74	3.40	24.34
35	33.05	6.80	26.25
40	40.05	6.80	33.25
45	49.09	6.80	42.29
50	60.03	6.80	53.23

At the end of 5 years each veteran has been covered for $20,000 during the period. Veteran A has a cash value available to him, veteran B has a savings account.

Issue age	5th year cash value (A)	Savings account (B)
20	$428	$1,164.34
25	584	1,379.50
30	784	1,657.31
35	1,004	1,787.36
40	1,248	2,263.99
45	1,512	2,879.53
50	1,788	3,624.43

B now converts to an ordinary life policy at an age 5 years higher than the policy issued to A. But, by withdrawing a constant monthly amount from savings, he now pays the same premium as A.

A's issue age	A's monthly premium (1)	B's monthly premium (2)	Monthly withdrawal (2)-(1) (3)
20	$20.50	$23.66	$3.16
25	23.66	27.74	4.08
30	27.74	33.05	5.31
35	33.05	40.05	7.00
40	40.05	49.09	9.04
45	49.09	60.03	10.94
50	60.03	74.24	14.21

At the end of 10 years A has a cash value; B has a cash value plus his savings account. The following shows the financial status of A and B at the end of 10 years:

A's issue age	Cash value A	Cash value B	Saving account B	Total B	Excess of B over A
20	$1,556	$1,270.86	$584	$1,854.86	$298.86
25	1,912	1,482.82	784	2,266.82	354.82
30	2,340	1,753.63	1,004	2,757.63	417.63
35	2,804	1,804.54	1,248	3,052.54	248.54
40	3,340	2,273.96	1,512	3,785.96	445.96
45	3,832	2,930.19	1,788	4,718.19	886.19
50	4,400	3,658.23	2,104	5,762.23	1,362.23

At the end of 20 years the corresponding "Excess of B over A" is shown in the following table:

A's issue age:	*Amount*
20	$620.31
25	698.98
30	805.46
35	470.46
40	792.90
45	1,389.05
50	1,908.41

The above analysis indicates that it is financially better for a veteran to take the VGLI insurance for 5 years and invest the difference in premiums rather than immediately convert to a commercial policy. If he were to die during this 20-year period it would be even more financially rewarding to his beneficiary.

At the same time the Committee believes it is equally important, to recognize that there may be certain circumstances when conversion of SGLI to an individual policy of insurance may be to the advantage of some veterans. In those situations, the Committee believes that a veteran should have the opportunity to convert immediately to an individual policy upon termination of SGLI. The bill as reported will permit such a choice.

EXPANDED STATUTORY CONVERSION OPTIONS

Under current law, following group term coverage under SGLI and VGLI, a veteran has a statutory right to convert his government policy within 120 days, without demonstrating insurability, to an individual policy of life insurance with one of the nearly 600 partcipating commercial life insurance companies. In exercising these statutory conversion rights, however, a veteran is currently limited to what is known as whole life or a permanent plan of insurance. The veteran does not have the statutory option of choosing term insurance.

A close examination of the legislative history of the original enactment of Servicemen's Group Life Insurance by Public Law 89-214 fails to reveal any discussion as to why the veteran was limited to whole life insurance and not permitted the option to choose term coverage as well.

The Veterans' Administration in its testimony before the Committee failed to illuminate the reasons for such restriction to any great extent. They did note that SGLI was modeled after Federal Employees Group Life Insurance (FEGLI) which covers all civilian employees of the Federal Government and that upon termination FEGLI only permits conversion to whole life insurance. The VA further observed that "commercial insurers have always prohibited conversion from group coverage to an individual term policy." Thus without examining why such policies were so limited, or whether it made any sense, the Veterans' Administration acknowledged that it simply "followed the practice of the commercial industry and the examples established through the Federal Employees Government Life Insurance."

Public Law 89-214, of course, was developed following close consultation by Government officials with members of the private insurance industry. Thus, it may not be unfair to infer, to the extent any thought was given to the matter at all, that the restriction to dividend paying insurance probably reflected the commonly shared bias that whole life insurance was a "preferred buy."

The Committee believes that such an assumption is no longer valid if, in fact, it ever was—particularly when it results in a governmentally imposed limitation of choice.

Veterans should have the right to convert to private term insurance as well as whole life insurance, following termination of either their SGLI or VGLI coverage. Whether one chooses a term policy, a whole life policy, or no insurance policy at all is dependent upon the individual circumstances and goals of each veteran.

The Director of the National Veterans Affairs and Rehabilitation Commission of The American Legion, testifying at the Subcommittee hearings in favor of the additional choice of converting to a term policy noted that:

"The slope of premiums with a term policy—starting low and becoming higher—has two advantages. First, it keeps the cost relatively low during the years of economic and family formation. These are the years when an insured needs large amounts of insurance coverage and at relatively low cost. The second advantage to the slope of term insurance premiums is that it parallels the slope of most individual's earning power, starting low and rising as they advance in their careers."

And, of course, there are equally compelling reasons for other veterans to purchase insurance policies which have a "savings" component as well as death protection.

The veteran should be able to choose any of these alternatives or elect no coverage at all. The Government's concern in this situation should be to insure that the veteran has ready access to accurate, adequate, and relevant information as to the advantages and disadvantages of various policies issued by qualified commercial life insurance companies participating in the SGLI or VGLI programs.

In its proposed Consumer Representation Plan (Federal Register—November 26, 1975) the Veterans' Administration asserted that "The VA is characterized by considerable concern and involvement with its consumers"; and further, "the VA takes a positive attitude in explaining types of insurance to veterans, but always allows individuals to determine which type is best for their personal needs."

The Committee strongly supports this policy statement and believes the amendments made by the reported bill will help the Veterans' Administration to achieve, in fact, its stated objectives.

Veterans who have the opportunity to choose any type of policy upon conversion and who actually encounter a "positive attitude" explaining information about insurance which is accurate, adequate and relevant from the Veterans' Administration will, for the first time, be in a position to intelligently determine and choose "which type is best for their personal needs". The concern by the Veterans' Administration over permitting term as an option, may have also been influenced by frequent complaints by many World War II veterans who, having elected term coverage immediately following World War II, under government-administered life insurance policies, have subsequently been confronted by large increases in term premiums as they advance in age.

The Committee is not unmindful of the problems experienced by veterans who purchased term insurance policies under the National Service Life Insurance program applicable to World War II veterans. Successive premiums for National Service Life Insurance increases moderately at each renewal until the veteran reaches age 55. Thereafter the rate accelerates rapidly. Thus veterans who paid premiums on term insurance for many years suddenly are confronted with the choice of either dropping their term insurance or paying heavy premiums.

In response, Congress twice enacted legislation to authorize a modified life plan available to persons with National Service Life Insurance term coverage. The first such plan was made available to policyholders under provisions of Public Law 89-664 (1965) providing a level premium throughout the life of the insured but reducing the face amount of the policy to one-half on the day preceding the insured's 65th birthday. Again in 1971, Congress recognized inadequacies in National Service Life Insurance and enacted legislation (Pub. L. 93-193) providing an additional modified life plan permitting conversion under the same terms and conditions as the earlier plan for modified life except that the reduction of the face value occurred at age 70.

Cognizant of the history of government administered term insurance and the problems of veterans thereunder, the reported bill requires all participating companies to include in any individual term insurance policies to be offered to veterans, a clause which allows conversion of the term policy to a permanent plan of insurance at a specified date in the future. Thus, the economical advantage of term insurance at earlier ages can be coupled with a permanent plan of insurance at a later period. Here, again, the Veterans' Administration should take such necessary and appropriate steps to provide veterans with information concerning the conversion privilege of term plans to permanent plans.

Term insurance which private insurance companies provide to veterans who convert either SGLI or VGLI policies to an individual policy of insurance should include the full range of policies available from commercial companies including long-term and short-term policies, and the full range of such policies should be renewable without evidence of insurability up to at least age 65 and convertible without evidence of insurability up to at least age 60.

Thus veterans converting SGLI or VGLI to term insurance would be protected from cancellation because of health reasons when the individual reaches an age of higher mortality.

EXTENSION OF VGLI ELIGIBILITY APPLICATION

S. 1911 would extend by 1 year the period during which veterans extended retroactive eligibility for Veterans' Group Life Insurance may apply for such policies. As noted previously, the Veterans' Insurance Act of 1974 (Pub. L. 93-289) created a maximum 5-year limited term policy known as "Veterans' Group Life Insurance" which is designed to provide low-cost insurance protection during the readjustment period experienced by Vietnam era veterans following separation from active military service.

VGLI is patterned after the SGLI insurance program and offers low-cost term insurance in the maximum amount of $20,000 for up to 5 years during the veterans' readjustment transition period. Insurance is provided by private insurers as part of a group VGLI contract awarded by the Veterans' Administration and supervised by that agency.

Following the 5-year period of coverage, the veteran policyholder has a statutory right to convert the insurance to a commercial whole life policy (or a term policy under amendments made by S. 1911) with one of the nearly 600 private insurance companies participating in the VGLI program. All veterans separated from the service after the effective date of the act were and are automatically eligible for VGLI insurance.

To date, the enrollment for veterans discharged or released from active military service is approximately 27 percent of those eligible for VGLI coverage. The Veterans' Administration, regards this as a healthy response and attributes the enrollments to the advantageous rates for such insurance. A veteran age 34 years or younger can purchase $20,000 of term insurance for 5 years for $3.40 per month. If the veteran age is 35 or older, the premium is only $6.80 per month.

Public Law 93-289 also authorized retroactive eligibility for Vietnam era veterans previously separated or released from military service who had not converted their SGLI policies or whose commercial policies had lapsed from nonpayment. Consistent with the concept of the 5-year readjustment period, VGLI was authorized to be issued for a 5-year period less any time lapsed from the termination of the applicant's Servicemen's Group Life Insurance and the effective date of the VGLI program. For example, a veteran discharged a year prior to the act was entitled to Veterans' Group Life Insurance for a period of 4 years while a veteran discharged 2 years prior was entitled to VGLI for a period of 3 years, and so on. In the past 5 years, almost 4.5 million veterans have been separated from the uniformed services. Approximately 97 percent of those veterans were insured under SGLI and hence were eligible for VGLI as shown in the following table:

Table 3.—Vietnam-era veterans separations from service fiscal years 1971–74

Fiscal year:	Total discharged
1971	1,014,000
1972	890,000
1973	570,000
1974	500,000

In response to administrative concerns expressed by the Veterans' Administration, however, Congress agreed to limit the application period to 1 year following the effective date of the measure. There are approximately 2.7 million eligible veterans, discharged between April 3, 1970 and August 1, 1974, who were retroactively eligible for VGLI insurance policies.

S. 1911 would extend that application period another year affording the VA an opportunity to conduct a comprehensive outreach program concerning the existence, terms, and conditions of the VGLI program. While there have been a number of information releases concerning the VGLI program, both prior and subsequent to committee inquiries concerning VA outreach efforts, more needs to be done. Information dissemination by newspapers and other media, while useful has inherent limitations. It is dependent upon whether or not a paper decides to carry the information, the amount of coverage devoted to the release and where such information is placed with the newspaper. Second and more important, it is dependent upon an eligible veteran actually seeing and reading the story. Consequently, while a number of information releases have been issued by the Veterans' Administration concerning the VGLI program, there is little information as to how many newspapers printed stories about this information and how many veterans read about or understood the VGLI program. Further, in at least one instance a VGLI news release issued by the Veterans' Administration, which received some media coverage, many have unintentionally conveyed the impression that veterans discharged prior to August 1, 1974, were not eligible for VGLI.

Congress has for some time by statutory amendment and otherwise, encouraged the Veterans' Administration to conduct more active outreach programs concerning veterans' benefits; specifically, personal contact by mail or by phone. More can and must be done. For example, a pilot study conducted by the Veterans' Administration when the VGLI program began involved the direct contact of eligible veterans through the mail. The rate of applications for VGLI by those veterans directly contacted was seven times the application rate of veterans not contacted. Of the 2.7 million veterans eligible for VGLI, only 52,000 applied during the 1-year application period; less than 2 percent of the 2.7 million eligible. 20,000 veterans applied during the final month after the VA mailed VGLI information to the last known address of approximately 200,000 veterans. Thus, only 1 percent of veterans eligible for VGLI responded to the VA's limited news media outreach efforts, whereas 10 percent responded to the VA's mail outreach effort.

The following table shows the monthly

application rate for veterans extended retroactive eligibility for VGLI during the 1-year application period.

Table 4.—Retroactive eligible applications

Months:	Rate
August 1974	250
September 1974	2,500
October 1974	3,200
November 1974	3,832
December 1974	3,067
January 1975	1,571
February 1975	1,289
March 1975	1,271
April 1975	3,952
May 1975	10,248
June 1975	5,001
July 1975	13,817
August 1975	5,037
Total	55,035

The Committee believes there should be a more thorough outreach effort describing the VGLI program utilizing individual contact with the veteran either in person or by mail. For example, serious consideration should be given to mailing VGLI information to eligible veterans currently receiving GI bill benefits under chapter 34, of title 38. VGLI outreach should also be extended to all eligible veterans who come in contact with the Veterans' Administration either through general inquiry or application for various VA benefits (e.g., housing, education and training benefits, medical care). It would also be appropriate and valuable for the Veterans' Administration to provide materials and training to all veteran representatives on college campuses, so they may properly counsel veterans on the VGLI program.

Technical amendments

S. 1911 contains numerous technical amendments to clarify statutory language in the insurance chapter (chapter 19 of title 38, United States Code) and to restructure sections into shorter subsections in order to make VA insurance programs more concise and readable to eligible veterans. During the past several years, the Committee has received numerous inquiries concerning insurance programs supervised and administered by the Veterans' Administration indicating difficulty in comprehension of these insurance programs by many veterans.

Clarifying language and restructuring the insurance chapter in subsections with singular purposes will provide veterans with a more logical organized code containing the various insurance programs, requirements, and benefits.

It should be emphasized that the Committee does not intend substantive change with the amendments made by section 5.

S. 1911 also removes unnecessary or unwarranted gender references in chapter 19 which also do not affect the substantive nature of the programs.

COST ESTIMATES

In accordance with section 252(a) of the Legislative Reorganization Act of 1970 (Public Law 91-510, 91st Congress), the Committee, based on information supplied by the Veterans' Administration, estimates that the only significant costs attributable to this bill are occasioned by section 4 of the bill extending for 1 year the effective date for conversion to the Veterans' Group Life Insurance program. The Veterans' Administration estimates that the cost will be approximately $750,000 the first year, gradually decreasing to $125,000 the fifth year.

All of the administrative costs of the bill to the Veterans' Administration and to the commercial insurers would be borne by the insureds. There would also be some minor costs estimated by the Veterans' Administration to be approximately $100,000 with regard to the administrative costs for printing new applications, pamphlets, and updating of handbook.

TABULATION OF VOTES CAST IN COMMITTEE

Pursuant to section 133(b) of the Legislative Reorganization Act of 1946, as amended, the following is a tabulation of votes cast in person or by proxy of the Members of the Committee on Veterans' Affairs on a motion to report S. 1911, with amendments, favorably to the Senate:

Yeas—9

Vance Hartke, Herman E. Talmadge, Jennings Randolph, Alan Cranston, Richard (Dick) Stone, John A. Durkin, Clifford P. Hansen, Strom Thurmond, Robert T. Stafford.

Nays—0

SECTION-BY-SECTION ANALYSIS AND EVALUATION OF S. 1911

Section 1

This section provides that this Act may be cited as the "Veterans' Insurance Amendments Act of 1976."

Section 2

This section amends section 768 of title 38, United States Code, by adding a new subsection (c) entitling a person insured under Servicemen's Group Life Insurance (SGLI), who is eligible for automatic conversion of SGLI to Veterans' Group Life Insurance (VGLI), and who elects not to be insured under VGLI may, effective the day after the insured's SGLI insurance coverage ceases, convert the SGLI policy to an individual policy of life insurance, including term, similar to the conditions now entitling a member to convert VGLI to an individual policy of life insurance. Currently, members who elect not to convert SGLI to VGLI are not entitled to convert SGLI to an individual policy, except those members who continue to be insured under SGLI as retired reservists who are automatically insured under VGLI providing they pay the initial premium upon the expiration of their SGLI coverage. Also, veterans, currently, cannot convert VGLI policies to individual term policies of insurance. This misinterpretation of the current law provides that veterans may convert their SGLI and VGLI policies to any of the full range of policies available from commercial insurance companies including term insurance. Examples of some of these term policies include: long-term and short-term policies and such term policies as would be renewable without evidence of insurability up to at least the age of 65 and convertible without evidence of insurability up to at least the age of 60.

Section 3

This section amends section 777(e) to provide that veterans converting VGLI policies of insurance to an individual policy of insurance have the additional option of purchasing an individual term insurance policy. Policies which private insurance companies provide to veterans converting either their SGLI or VGLI policies to individual policies should include the full range of policies available from commercial companies including long-term and short-term policies. Such term policies should be renewable without evidence of insurability up to at least the age of 65 and convertible without evidence of insurability up to at least the age of 60.

Section 4

This section amends section 777(g) to extend by 1 year from the effective date of this act the period during which veterans extended retroactive eligibility for VGLI may apply for VGLI policies. The Veterans' Insurance Act of 1974 provided a 1-year period during which veterans whose coverage under SGLI terminated less than 4 years prior to the effective date of the Veterans' Insurance Act of 1974 could apply for VGLI coverage.

Section 5

This section makes numerous technical amendments restructuring chapter 19 of title 38, United States Code, into shorter subsections and making the insurance programs more concise and readable.

Section 6

This section removes unnecessary or unwarranted gender references from chapter 19 of title 38, United States Code.

Mr. HARTKE. Mr. President, I and the members of the committee strongly believe that the veterans group life insurance—VGLI—program has proven its worth as a low-cost readjustment term insurance policy. Therefore, we believe it is highly appropriate to reopen the period for application for those veterans made retroactively eligible when the program was enacted by the Veterans Insurance Act of 1974 (Public Law 93-289). As noted in the committee report, the Veterans' Administration should pursue an effective outreach program to reach the 2.7 million eligible veterans so that they make a knowledgeable decision concerning their insurance coverage.

I would like to specifically thank the distinguished Senator from Florida (Mr. STONE) for his able shepherding of the hearings and the bill through his subcommittee. The hearings were held and the bill was ordered reported from the committee during Senator STONE's first year as a U.S. Senator. He handled the measure with the skill of an experienced Senator.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

The title was amended so as to read:

A bill to amend title 38, United States Code, to provide certain persons insured under Servicemen's Group Life Insurance (SGLI) with a choice of conversion to either an individual policy of life insurance, including term, or a Veterans' Group Life Insurance (VGLI) policy upon the expiration of their Servicemen's Group Life Insurance coverage, and for other purposes.

NAMING OF VETERANS' ADMINISTRATION HOSPITAL AT LOMA LINDA, CALIF., FOR JERRY L. PETTIS

The Senate proceeded to consider the bill (H.R. 4034) to designate the Veterans' Administration hospital in Loma Linda, Calif., as the "Jerry L. Pettis Memorial Veterans' Hospital," and for other purposes.

Mr. HARTKE. Mr. President, as chairman of the Senate Committee on Veterans' Affairs, I am pleased to rise and urge my colleagues to support the bill, H.R. 4034, to designate the Veterans' Administration hospital in Loma Linda, Calif., as the "Jerry L. Pettis Memorial Veterans' Hospital," as reported. I would like to note that this measure, like others before it, is supported by the entire membership of the committee.

Mr. President, the bill as reported would—

First, designate the Veterans' Administration hospital in Loma Linda, Calif., as the "Jerry L. Pettis Memorial Veterans' Hospital," and make any reference to such hospital in any law, regulation, document, or record a reference to the Jerry L. Pettis Memorial Veterans' Hospital; and

Second, authorize the Administrator

of Veterans' Affairs to provide a suitable memorial at the hospital to preserve the remembrance of the late Jerry L. Pettis.

Mr. President, to briefly review the background of the measure which we are considering today, I wish to note that H.R. 4034 is identical to H.R. 4125, cosponsored by Mr. CLAUSEN, Mr. MCCLOSKEY, Mr. MCEWEN, Mr. MCFALL, Mr. MARTIN, Mr. MICHEL, Mr. MILLER of Ohio, Mr. MILLER of California, Mr. MINETA, Mr. O'NEILL, Mr. PATTERSON of California, Mr. REES, Mr. RHODES, Mr. ROYBAL, Mr. RYAN, Mr. SCHNEEBELI, Mr. SISK, Mr. STARK, Mr. STEIGER of Wisconsin, Mr. ULLMAN, Mr. VAN DEERLIN, Mr. VANDER JAGT, Mr. WAXMAN, and Mr. CHARLES H. WILSON of California; H.R. 4220, cosponsored by Mr. MOSS, Mr. ANDERSON of California, Mr. ANDERSON of Illinois, Mr. ARCHER, Mr. BAFALIS, Mr. BROWN of California, Mr. BURKE of Massachusetts, Mrs. BURKE of California, Mr. JOHN L. BURTON, Mr. PHILLIP BURTON, Mr. CLANCY, Mr. CONABLE, Mr. CORMAN, Mr. CRANE, Mr. DANIELSON, Mr. DELLUMS, Mr. DUNCAN of Tennessee, Mr. EDWARDS of California, Mr. FRENZEL, Mr. HANNAFORD, Mr. HAWKINS, Mr. JOHNSON of California, Mr. KREBS, Mr. LEGGETT, and Mr. LLOYD of California; and H.R. 9577, cosponsored by Mr. ROBERTS, Mr. HAMMERSCHMIDT, Mr. TEAGUE, Mr. SATTERFIELD, Mr. MONTGOMERY, Mr. CARNEY, Mr. DANIELSON, Mr. WOLFF, Mr. BRINKLEY, Mr. WILSON of Texas, Mr. CORNELL, Mr. HEFNER, Mr. HANNAFORD, Mr. FORD of Tennessee, Mr. EDGAR, Mr. HOLLAND, Mr. MCHUGH, Mrs. HECKLER, Mr. WYLIE, Mr. HILLIS, Mr. ABDNOR, Mr. WALSH, Mr. GUYER, Mr. HANSEN, and Mr. O'BRIEN.

The House committee favorably reported H.R. 4034 on September 18, 1975. Subsequently, on October 6, 1975, the measure was unanimously passed by the full House of Representatives. Following receipt of the views of the Veterans' Administration, the Senate Committee on Veterans' Affairs met in open executive session on March 10, 1976, and unanimously ordered H.R. 4034 reported favorably to the full Senate.

Mr. President, I ask unanimous consent that appropriate excerpts from the committee report to H.R. 4034 be inserted in the RECORD at this point.

There being no objection, the material was ordered printed as follows:

BACKGROUND AND DISCUSSION

Jerry Lyle Pettis was born in Phoenix, Arizona, on July 18, 1916. He took his preparatory school education in the Thunderbird S.D.A. Academy in Phoenix. He attended Pacific Union College in Napa County, California, graduating with high honors. His further formal education included masters' degee and doctoral course work at the University of Denver and later at the University of Southern California. He later taught speech at Union College, Nebraska, and was Professor of Economics at Loma Linda University.

During his early years, Mr. Pettis became a Seventh-day Adventist minister pastoring churches in Arizona and Colorado. He was the first Seventh-day Adventist ever elected to the Congress of the United States.

Following Pearl Harbor, he became an organizer of the Civil Air Patrol. In the last two years of the World War II, he was a pilot and flight instructor with the Air Transport Command in the Pacific Theater.

After the war, he became a pilot for United Airlines and later served as special assistant to the president of the company. At the time of his death, Mr. Pettis was a member of the Air Line Pilots Association (AFL-CIO).

Mr. Pettis then entered into the world of business where he founded four major companies. He became an inventor, innovator and motivator; all directed toward helping his fellow man. He founded the Magnetic Tape Duplicators—the world's largest user and duplicator of magnetic tape. He also established the Audio Digest Foundation, a nonprofit organization which furnishes monthly education tapes to physicans to keep them abreast of new developments in their field. Foundation earnings are held in a trust fund and are used to provide scholarships for needy medical students throughout the United States.

Mr. Pettis served as Executive Secretary of the California Medical Association. His expertise in the field of medicine and health care served him later in good stead in his political life. He was vice president for Public Affairs and Development for the Adventist Medical School, now known as the Loma Linda Medical School. He was influential in the planning and establishment of the magnificent 450-bed Medical Center Building at the school.

Mr. Pettis was first elected to the 90th Congress November 8, 1966. He was reelected to the 91st, 92d, 93d, and 94th Congresses, serving with distinction as a member of the Science and Astronautics (Science and Technology) and Ways and Means Committees.

Mr. Pettis was a husband, father, churchman, businessman, pilot, farmer, educator, and Congressman. He died on February 14, 1975, at the age of 58.

While it is not the general practice to name Veterans' Administration hospitals for individuals, there are exceptions. The first hospital named (under Public Law 93, 79th Congress) was for Royal C. Johnson, the first chairman of the Committee on World War Veteran Legislation. That hospital is located at Sioux Falls, South Dakota. By Public Law 79–189, the hospital at Montrose, New York was designated as the "President Franklin Delano Roosevelt VA Hospital." By Public Law 91–421, the hospital and domiciliary complex at Bonham, Texas was designated as the "Sam Rayburn Memorial Veterans' Center." In December, 1971, by Public Law 92–183, the new hospital at San Antonio, Texas was designated as the "Audie L. Murphy Memorial Veterans Hospital." Finally, on January 2, 1975, by Public Law 93–602, the hospital at Columbia, Missouri was designated as the "Harry S. Truman Memorial Veterans' Hospital."

No man worked more diligently than Mr. Pettis for the establishment and construction of the 500-bed Loma Linda Veterans' Administration hospital. The new VA hospital being constructed at Loma Linda, California will be a modern 500-bed general medical and surgical hospital located in southwestern San Bernardino County adjacent to the Loma Linda University Medical Center with which the hospital will have an active affiliation. The new hospital will employ about 1,350 employees.

The hospital will be a four-story structure of 724,000 square feet and will cost about $56 million. The hospital's bed distribution will be: medical 190; surgical 150; neurological 40; psychiatric 60; and nursing home care 60. The hospital will also have facilities to provide the most up-to-date specialized medical programs including Alcohol Treatment, Cardiac Catheterization, Electron Microscopy, Hemodialysis, Home Dialysis Training, Hospital Based Home Care, Intensive Care, Nuclear Medicine, Orthotic Laboratory, Pulmonary Function Laboratory, Respiratory Care Center, and Speech Pathology. The hospital will also include facilities for education, training, and research activities.

The construction of this hospital is expected to be completed in the fall of 1977 with the actual hospital operations commencing in early 1978.

The Committee notes that this bill represents bipartisan sponsorship of the entire California delegation.

COST ESTIMATES

In accordance with section 252(a) of the Legislative Reorganization Act of 1970 (Pub. L. 91–510, 91st Congress), the Committee, based on information supplied by the Veterans' Administration, estimates that there will be no additional cost resulting from the enactment of the first section of the bill. Section 2 which authorizes a memorial will have an insignificant cost impact when implemented by the Administrator.

TABULATION OF VOTES CAST IN COMMITTEE

Pursuant to section 133(b) of the Legislative Reorganization Act of 1946, as amended, the following is a tabulation of votes cast in person or by proxy of the Members of the Committee on Veterans' Affairs on a motion to report H.R. 4034, without amendment, favorably to the Senate:

YEAS—9

Vance Hartke.
Herman E. Talmadge.
Jennings Randolph.
Alan Cranston.
Richard (Dick) Stone,
John A. Durkin.
Clifford P. Hansen.
Strom Thurmond.
Robert T. Stafford.

NAYS—0

The bill was considered, ordered to a third reading, read the third time, and passed.

PER DIEM RATES FOR MEMBERS OF THE AMERICAN BATTLE MONUMENTS COMMISSION

The Senate proceeded to consider the bill (H.R. 8507) to revise the per diem allowance authorized for members of the American Battle Monuments Commission when in a travel status, which had been reported from the Committee on Veterans' Affairs with an amendment, to strike out all after the enacting clause and insert the following:

That the second paragraph of the first section of the Act entitled "An Act for the creation of an American Battle Monuments Commission to erect suitable memorials commemorating the services of the American soldier in Europe, and for other purposes", approved March 4, 1923 (42 Stat. 1509; 36 U.S.C. 121), is amended to read as follows:

"The members of the Commission shall serve as such without compensation, except that (1) their actual expenses in connection with the work of the Commission, (2) when in a travel status outside the continental United States, a per diem at the same rate prescribed for members of the uniformed services under section 405 of title 37, United States Code, in lieu of subsistence, and (3) when in a travel status within the continental United States, a per diem at the same rate auhorized to be paid under sections 5702 and 5703 of title 5, United States Code, in lieu of subsistence, may be paid to such members from any funds appropriated for the purposes of this Act, or acquired by other means hereinafter authorized.".

Mr. HARTKE. Mr. President, as chairman of the Senate Committee on Veterans' Affairs, I am highly pleased to rise and urge my colleagues to support the bill, H.R. 8507, as reported. I am pleased to note that H.R. 8507 as reported is identical to my bill, S. 2091, with a minor technical clarification. This measure like others before it was unanimously supported by the members of the committee.

Many members of the committee attended the presentation by the American Battle Monuments Commission last July when it discussed the Commission's functions and showed the film "The Price of Freedom." The Commission maintains with meticulous care the cemeteries, monuments, and memorials on foreign soil.

Mr. President, I ask unanimous consent that appropriate excerpts from the committee report to H.R. 8507 be inserted in the RECORD at this point.

There being no objection the material was ordered printed as follows:

INTRODUCTION AND SUMMARY OF H.R. 8507, AS REPORTED

The American Battle Monuments Commission was established shortly after World War I (42 Stat. 1509; 36 U.S.C. 121), to prepare plans and cost estimates for the erection of suitable memorials to commemorate the services of the American Armed Forces on foreign soil. Currently, there are some 23 American military cemeteries overseas in such diverse locations as France, Belgium, Luxembourg, The Netherlands, Italy, North Africa, England, the Philippines, Mexico, and Gibraltar. The Commission also erects and maintains memorials both in the United States and out of the United States wherever the American Armed Forces have served since 1917. The Commission erects and maintains works of architecture and art in American cemeteries located outside the United States.

The Commission is administered by a Secretary under the guidance of commissioners who are appointed by the President and who serve without pay.

On October 30, 1975, the House Committee on Veterans' Affairs favorably reported H.R. 8507. Subsequently, H.R. 8507 passed the House unanimously under suspension of the rules on November 4, 1975. In the Senate, the bill was referred to the Committee on the Interior and Insular Affairs where it was discharged from further consideration on March 2, 1976, when it was referred by unanimous consent to the Committee on Veterans' Affairs.

The Committee received a favorable report on the legislation from the American Battle Monuments Commission.

On March 10, 1976, the full Committee met in open executive session. After adopting an amendment in the nature of a substitute, the Committee unanimously ordered H.R. 8507 favorably reported to the full Senate.

The basic provisions of H.R. 8507 as reported would:

(1) authorize members of the Commission, when in travel status outside the continental United States, variable per diem rates identical to those authorized for members of the uniformed services in special status; and

(2) make a technical amendment consistent with the changes made by the Travel Expense Amendment Act of 1975 (Pub. L. 94-22), concerning travel by members of the Commission within the continental United States.

BACKGROUND AND DISCUSSION

Between 1923 and 1956, members of the Commission either received a fixed per diem rate of $9 or itemized their expenses. However, in 1956, the Congress amended this provision, establishing a fixed per diem of $20 which reflected the changed economic conditions, and terminated the option of filing itemized expenses. The rate was increased to the current $40 rate in 1970.

The inequity of the current per diem rate available to members of the Commission in relation to members of the uniformed services results from the $40 fixed rate payable to members of the Commission. By contrast members of the uniformed services on special status, receive a variable rate depending upon the country and location they are visiting.

Appendix "F" of the Joint Travel Regulations issued pursuant to section 405 of title 37, United States Code, contains these variable rates which are intended to reflect current economic conditions of the particular area. The rates are payable to members of the uniformed services who travel abroad on official business accompanying secretaries or other Government representatives representing the United States.

The variable rates reflected in appendix F range from a low of $18 in parts of Vietnam and $22 in Yemen and parts of Columbia to a maximum of $99 in Barbados.

Members of the Commission generally travel abroad to inspect battle monuments twice a year; once to the Pacific area and once to the European area. These inspections are usually made by one or two members of the Commission.

The following table lists the cemeteries and memorials presently administered by the Commission:

TABLE 1.—ABMC CEMETERIES, MONUMENTS, AND MEMORIALS

	Country	Burials	Memorializations
WORLD WAR I CEMETERIES			
Aisne-Marne	France	2, 288	1, 060
Brookwood	England	468	563
Flanders Field	Belgium	368	43
Neuse-Argonne	France	14, 246	954
Oise-Aisne	France	6, 012	241
St. Mihiel	France	4, 152	284
Somme	France	1, 837	333
Soresnes	France	1, 541	974
Total		30, 912	4, 452
WORLD WAR II CEMETERIES			
Ardennes	Belgium	5, 306	462
Brittany	France	4, 410	498
Cambridge	England	3, 811	5, 125
Epinal	France	5, 255	424
Florence	Italy	4, 402	1, 409
Henri-Chapelle	Belgium	7, 989	450
Lorraine	France	10, 489	444
Luxembourg	Luxembourg	5, 076	370
Manila	Republic of the Philippines.	17, 206	36, 279
Netherlands	Holland	8, 301	1, 722
Normandy	France	9, 386	1, 557
North Africa	Tunisia	2, 840	3, 724
Rhone	France	861	293
Sicily-Rome	Italy	7, 862	3, 094
Suresnes	France	24	None
Total		93, 218	55, 851
MEXICAN WAR	Mexico	750	None
MEMORIALS, WORLD WAR II			
East coast			4, 596
West coast			412
Honolulu (includes Korea).			26, 280
Total			31, 288
MONUMENTS, WORLD WAR I			
Audenarde	Belgium		
Bellicourt	France		
Brest	France		
Chantigny	France		
Chateau-Thierry	France		
Chaumont (tablet)	France		
Gibraltar			
Kemmel	Belgium		
Montfaucon	France		
Montsec	France		
Somme-py	France		
Souilly (tablet)	France		
Tours	France		
Grand total		124, 880	91, 591

The bill reported would pay the Commission members the variable rates contained in appendix "F". The bill also contains a technical amendment consistent with the changes made by the Travel Expense Amendment Act of 1975 (Pub. L. 94-22) which simplified the provisions of section 5703 of title 5, United States Code. Currently the law pertaining to the American Battle Monument Commission provides that members of the Commission receive per diem allowances for travel within the continental United States in accordance with section 5703(c) (1). However, section 5703(c) (1) was repealed by the Travel Expense Amendment Act of 1975. In that Act, Congress reorganized subchapter I of chapter 57, of title 5, United States Code, and deleted separate provisions for per diem allowances for employees serving as experts, consultants, or those either serving without pay or at $1 a year. Consequently, H.R. 8507 contains a technical amendment to the American Battle Monuments Commission Act which reflects the changes made by the Travel Expense Amendment Act of 1975. Thus, when members are in a travel status within the continental United States, they are authorized a per diem at the same rate as authorized to be paid under sections 5702 and 5703 of title 5, United States Code. Those sections are as follows:

§ 5702. Per diem; employee traveling on official business

(a) Under regulations prescribed under section 5707 of this title, an employee while traveling on official business away from his designated post of duty, or in the case of an individual described under section 5703 of this title, his home or regualr place of business, is entitled to (1) a per diem allowance for travel inside the continental United States at a rate not to exceed $35, and (2) a per diem allowance for travel outside the continental United States, that may not exceed the rate established by the President, or his designee, for each locality where travel is to be performed. For travel consuming less than a full day, such rate may be allocated proportionately.

(b) Under regulations perscribed under section 5707 of this title, an employee who, while traveling on official business away from his designated post of duty, or in the case of an individual described under section 5703 of this title, his home or regular place of business, becomes incapacitated by illness or injury not due to his own misconduct, is entitled to the per diem allowance and appropriate transportation expenses to his designated post of duty, or home or regular place of business, as the case may be.

(c) Under regulations prescribed under section 5707 of this title, the Administrator of General Services, or his designee, may prescribe conditions under which an employee may be reimbursed for the actual and necessary expenses of official travel when the maximum per diem allowance would be less than these expenses, except that such reimbursement shall not exceed $50 for each day in a travel status within the continental United States when the per diem otherwise allowable is determined to be inadequate (A) due to the unusual circumstances of the travel assignment, or (B) for travel to high rate geographical areas designated as such in regulations prescribed under section 5707 of this title.

(d) Under regulations prescribed under section 5707 of this title, for travel outside the continental United States, the Administrator of General Services or his designee, may prescribe conditions under which an employee may be reimbursed for the actual and necessary expenses of official travel when the per diem allowance would be less than these expenses, except that such reimbursement shall not exceed $21 for each day in a travel status outside the continental United

States plus the locality per diem rate prescribed for such travel.

§ 5703. Per diem, travel, and transportation expenses; experts and consultants; individuals serving without pay

An employee serving intermittently in the Government service as an expert or consultant and paid on a daily when-actually-employed basis, or serving without pay or at $1 a year, may be allowed travel or transportation expenses, under this subchapter, while away from his home or regular place of business and at the place of employment or service.

The Committee notes that members serve on the American Battle Monuments Commission without pay or any other remuneration for their services. All are leaders in the community. Some are retired soldiers. All have faithfully served their country. The present distinguished chairman of the Commission is General Mark Clark.

The eleven members of the Commission and their biographies are as follows:

THE AMERICAN BATTLE MONUMENTS COMMISSION

BIOGRAPHICAL INFORMATION

Gen. Mark W. Clark, U.S. Army, Retired, Chairman, South Carolina

Appointed December 10, 1969.

Served with distinction during World War II successively as Commander, Army Ground Forces, in the European Theater of Operations; Deputy Commander in Chief of the Allied Forces in the North Africa Theater; Commanding General of the Fifth United States Army in Italy; and the Commanding General of the 15th Army Group, consisting of the Fifth (U.S.) and Eighth (British) Armies that comprised all fighting forces in Italy. From 1945 to 1947, he served as Commander in Chief of the U.S. Occupation Forces in Austria and as U.S. High Commissioner for Austria. Upon returning to the United States in 1947, General Clark served successively as Commanding General of the Sixth U.S. Army and Chief, Army Field Forces. General Clark was appointed Chief, Far East Command on April 30, 1952 and served simultaneously as Commander in Chief, United Nations Command in Korea; on July 27, 1953 General Clark signed a military armistice agreement between the United Nations Command and the military commanders of the North Korean Army and the Chinese Peoples Volunteers at Munsan-ni, Korea. General Clark retired from military service on October 31, 1953 and accepted the presidency of The Citadel, the Military College of South Carolina in Charleston, S.C., on October 23, 1953. Upon his retirement from the presidency of The Citadel on June 30, 1965, he became president emeritus of the college.

Hon. Charles E. Potter, Vice Chairman, Maryland

Appointed July 9, 1953.

Served with the 28th Infantry Division during World War II and was discharged from the U.S. Army in 1946 in the grade of Major because of severe combat wounds sustained at Colmar, France; elected to 80th Congress from Michigan in 1947—reelected to 81st and 82d Congresses; U.S. Senator from 1952 to 1959; presently a real estate and securities broker and President of Potter International, Washington, D.C.

Hon. Gerhard D. Bleicken, Massachusetts

Appointed December 10, 1969.

Served in the United States Navy during World War II in the Pacific Theater of Operations; associated with John Hancock Mutual Life Insurance Company since 1939 and appointed Chairman of the Board and Chief Executive Officer in January 1970; serves as consultant to the Director of Emergency Preparedness, Executive Officer of the President and in 1968 received the Distinguished Service Award for his contribution to the national security of the United States as a member of the Office of Emergency Planning Program Advisory Committee; member of numerous boards and committees concerned with banking, education, economics and health.

Maj. Gen. William C. Garrison, USA (Ret), Oklahoma

Appointed December 10, 1969.

Served in the European Theater of Operations during World War II as commander of an Artillery battalion and group before assignment as Assistant Corps Artillery Officer with the Third U.S. Army; held many high-level staff assignments which include Military Assistant to the Under Secretary of the Army, Deputy G-3, U.S. Continental Army Command and upon retirement was the Inspector General of the Army.

Hon. Harold A. Horn, Pennsylvania

Appointed December 10, 1969.

Served on active duty in the Pacific Theater of Operations during World War II with the 6th Infantry Division and during the Korean conflict; currently is a Colonel, USAR, active in Reserve affairs; director, member and past president of numerous civic and political organizations; elected to the Pennsylvania State Legislature in 1970; general insurance and real estate broker; owner of Harold A. Horn Agency, Lancaster, Pennsylvania.

Hon. Richard J. Vander Plaat, New Jersey

Appointed December 10, 1969.

Served in the European Theater of Operations in World War II and was discharged in 1945, as a Captain; member of the New Jersey Assembly from 1964–1965 and 1968–1971; Mayor of Fair Lawn, N.J. from 1958–1970, appointed Commissioner Bi-State Watergate Commission for New York Harbor on July 1, 1971 and served until June 1974; owner of funeral home; incorporator and president of Fair Lawn State Bank.

Hon. Leslie M. Fry, Nevada

Appointed December 10, 1969.

Served in the Pacific Theater of Operations with the 136th Field Artillery of the 37th Infantry Division, advancing to the grade of Major and also commanded the 140th Field Artillery Battalion on Luzon in the Philippines; active in the Veterans of Foreign Wars since 1947 in which he has held many leadership positions at the local and national levels and is a former Commander in Chief of the VFW; past National President of Future Farmers of America; currently practices law in Reno, Nevada as a member of the firm Fry and Fry.

Hon. Fred C. Bramlage, Kansas

Appointed November 12, 1971.

Served in the U.S. Navy during World War II in both the Pacific and European Theaters of Operation during the period 1941–1946; lifetime member of the Veterans of Foreign Wars, the American Legion, Association of U.S. Army, past Department and National Vice Commander of the American Legion. Investor and businessman holding directorships in four banks and numerous small companies; director and member of numerous civic and political organizations.

Hon. Alfred P. Chamie, California

Appointed November 12, 1971.

Served in the U.S. Army during World War II in the Infantry and Judge Advocate General Corps from 1942–1946. Former United States Attorney for Southern District of California; presently a member of the President's National Defense Executive Reserve of the Office of Emergency Planning; active in The American Legion at local and national levels and former National Commander of The American Legion; presently Vice President and General Counsel for Association of Motion Pictures and TV Productions, Los Angeles, California.

Hon. Harvey A. Roffman, Nebraska

Appointed October 1, 1973.

Served with the U.S. Army Air Force during 1943–1945 in Italy during World War II; member of the U.S. Air Force Association and American Legion; has held various executive positions in advertising and sales; presently Executive Vice-President of PRA, Inc., Omaha, Nebraska.

Hon. William G. Bray, Indiana

Appointed September 15, 1975.

Served on active duty in the Pacific Theater of Operations with tank units during World War II and in Korea with Military Government; was released from active duty in 1946 in grade of colonel; returned to private law practice in Martinsville, Ind.; was elected to the 82d Congress in 1950 and reelected to the 83d through 93d Congresses; currently practices law in Martinsville, Indiana.

Trips by members of the Commission outside the continental United States are infrequent and per diem costs are minimal. During the past 5 years the average annual cost was less than $2,300. It has been estimated that the annual increased cost resulting from H.R. 8507 will be less than $1,500 annually.

COST ESTIMATE

In accordance with section 252(a) of the Legislative Reorganization Act of 1970 (Public Law 91-510), the Committee estimates that H.R. 8507, as reported, will cost less than $1,500 per year.

TABULATION OF VOTES CAST IN COMMITTEE

Pursuant to section 133(b) of the Legislative Reorganization Act of 1946, as amended, the following is a tabulation of votes cast in person or by proxy of the Members of the Committee on Veterans' Affairs on a motion to report H.R. 8507, with an amendment in the nature of a substitute, favorably to the Senate:

YEAS—9

Vance Hartke
Herman E. Talmadge
Jennings Randolph
Alan Cranston
Richard (Dick) Stone
John A. Durkin
Clifford P. Hansen
Strom Thurmond
Robert T. Stafford

NAYS 0

AGENCY REPORTS

The Committee requested and received a report from the American Battle Monuments Commission on H.R. 8507. That report follows:

[No. 95]

COMMITTEE ON VETERANS' AFFAIRS, U.S. SENATE

THE AMERICAN BATTLE
MONUMENTS COMMISSION,
Washington, D.C., March 2, 1976.

HON. VANCE HARTKE,
Chairman, Committee on Veterans' Affairs,
U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: Thank you for the opportunity to report on H.R. 8507, a bill to revise the per diem allowance authorized members of the American Battle Monuments Commission for travel outside the continental United States. The present rate is well below subsistence costs in the areas where our facilities are located.

The members of this Commission are distinguished Americans appointed by the President from the nation at large to oversee its activities and report to him how well they are being performed. The Commissioners receive no pay for these services.

In 1956, Congress authorized $20.00 per diem in lieu of subsistence for members of the Commission. At that time the standard rate was $9.00. The higher rate was an attempt to ensure that the per diem received would defray all reasonable subsistence costs.

By 1970, the fixed rate of $20.00 authorized in 1956 was inadequate. New legislation was enacted in October 1970 increasing the overseas rate for members of the Commission from $20.00 to $40.00. Today, hotel and related subsistence costs overseas again exceed per diem authorized, often by a substantial amount.

H.R. 8507 would authorize the members of this Commission when traveling outside the continental United States on Commission business, to receive the per diem allowances established for members of the uniformed services. The Department of Defense has two schedules for such travel, one with standard rates and one with rates slightly higher. The schedule with the higher rates would be used for Commissioner travel overseas as its rates would approximate more closely actual subsistence costs. Enactment of this legislation also would eliminate further need for periodic Congressional action to adjust the per diem rates for Commissioner travel as the Department of Defense Per Diem and Transportation Allowance Committee reviews its rates periodically and adjusts them up or down as current costs dictate.

Because of the changes made by the Travel Expense Amendment Act of 1975 (P.L. 94-22, May 19, 1975), page 2, lines 10 and 11 of the bill should be amended to read: "the same rate authorized to be paid under sections 5702 and 5703 of title 5, United States Code, . . ."

For administrative convenience, however, we would suggest that the bill be amended to authorize the Commission to travel under rates of the Department of Defense whether they are traveling overseas or in this country.

During the last five years the members of this Commission received a total of $11,340 per diem in lieu of subsistence for travel outside the Continental United States. The average annual expenditure was $2,268. Enactment of H.R. 8507 would increase this annual expenditure by $1,228 provided a similar amount of travel was performed.

This Commission respectfully recommends enactment of H.R. 8507. The Office of Management and Budget has advised that there is no objection to the submission of this report from the standpoint of the Administration's program.

Sincerely,

A. J. ADAMS,
Major General, USA, Secretary.

The amendment was agreed to.

The admendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time, and passed.

WAIVING SECTION 303(a) OF THE CONGRESSIONAL BUDGET AND IMPOUNDMENT CONTROL ACT OF 1974 WITH RESPECT TO CONSIDERATION OF S. 3015

The resolution (S. Res. 394) waiving section 303(a) of the Congressional BUDGET and Impoundment Control Act of 1947 with respect to consideration of S. 3015, was considered and agreed to, as follows:

Resolved, That the prohibition of section 303(a) of the Congressional Budget and Impoundment Control Act of 1974 as to the consideration by the Senate of legislation authorizing new budget authority for a fiscal year beyond the current fiscal year is waived with respect to the Airport and Airway Development Act Amendments of 1976, S. 3015 reported to the Senate by the Committee on Commerce on February 24, 1976. This bill contains advance obligational authority for airport development grants for fiscal years 1976 through 1980.

The advance obligational authority contained in this bill for airport grants-in-aid is essential to a well functioning Federal assistance program. Airport development is, by its nature, a long-term proposition with projects taking from one to eight years to complete. In order for the Federal program to be effective, airport sponsors must know that there will be a certain level of Federal assistance over a period of not less than five years. Without this advance obligational authority, no airport sponsor would know for more than a year, or two, at most, whether Federal grants-in-aid would be forthcoming. This is inadequate since the sponsor must arrange his financial program prior to commencing any development program. Under a five-year program, both the airport sponsor and the Federal Aviation Administration as well as the Congress will know with certainty the extent to which the Federal program may assist in making money available for airport development. Without advance obligational authority as contained in S. 3015, the airport development aid program will be of little use to the Nation's publicly owned airports who are entitled to funds under this program.

ORDER OF BUSINESS

The ACTING PRESIDENT pro tempore. Does the Senator from Pennsylvania desire recognition?

Mr. HUGH SCOTT. Mr. President, I yield back my time.

The ACTING PRESIDENT pro tempore. Under the previous order, the Senator from Montana is recognized for not to exceed 15 minutes.

Mr. MANSFIELD. Mr. President, I yield back the time allotted to me.

The ACTING PRESIDENT pro tempore. The Senator from Michigan is recognized.

Mr. GRIFFIN. Mr. President, I yield my time to the distinguished Senator from North Carolina (Mr. HELMS).

The ACTING PRESIDENT pro tempore. The Senator is recognized.

PROPOSED AMENDMENT TO CONSTITUTION GUARANTEEING THE RIGHT OF LIFE TO UNBORN

Mr. HELMS. Mr. President, I thank the distinguished Senator from Michigan, and I thank the Chair.

Mr. President, in a moment I shall and forward a resolution proposing a constitutional amendment to restore the right to life of the unborn. This resolution is identical to Senate Joint Resolution 6 which I introduced on January 17, 1975, more than a year ago.

As my colleagues are aware, the Constitutional Amendments Subcommittee of the Senate Judiciary Committee, having conducted hearings on all of the proposed right-to-life constitutional amendments, is now deadlocked on the issue and unable to report any of the various amendment proposals to the full committee. For this reason, the Members of the Senate have been denied an opportunity to consider any or all of the constitutional amendments that have been proposed.

It is my view that most Members of this body are anxious to confront the abortion problem in a direct and forceful manner, and take a stand against what has become the shame of this Nation—the widespread practice of abortion that has been thrust upon us by the Federal judiciary. Recognizing the desire of many of my colleagues to go around the parliamentary logjam that has developed in the Constitutional Amendments Subcommittee, I am reintroducing Senate Joint Resolution 6 as new legislation solely for the purpose of allowing the full Senate to deliberate the proposition before the eyes of the Nation and go on record, for or against the Supreme Court decision which created our present crisis.

At a time when public esteem for Congress is low because of our apparent inability to deal effectively with the problems that plague us, it would be altogether fitting for the U.S. Senate to take the initiative and exercise moral leadership in restoring the right to life of the unborn. The people of this Nation are looking to us for leadership, because they recognize the simple fact that only Congress—not the President, not the several States, and certainly not the Supreme Court—to repeat, only the Congress, can put an end to the killing. The U.S. Congress is the last hope for the millions who will die unless we act now. We are the court of last resort.

At the appropriate time, I shall move to place the resolution that I am now introducing on the Senate Calendar. Following this, I shall then move to take the resolution from the Calendar for consideration on the floor, with the understanding that efforts to defeat this procedure will be viewed by the Senator from North Carolina as tantamount to endorsement of the Constitutional Amendment Subcommittee's action. The American citizens will be sure to look upon any Senator's vote to table my motion as a vote to allow abortion to continue.

As I stated at the time of introduction of Senate Joint Resolution 6, the main thrust of any human life amendment must be to insure that all human beings enjoy the protection of the right to life. This can be done by insuring that all human beings are considered "persons" under the protection of the fifth and fourth amendments. In Roe against Wade, the U.S. Supreme Court said:

> The appellee and certain amici argue that the fetus is a "person" within the language and meaning of the Fourteenth Amendment. In support of this they outline at length and in detail the well-known facts of fetal development. If this suggestion of personhood is established, the appellant's case, of course, collapses, for the fetus' right to life is then guaranteed specifically by the Amendment.

If personhood is established by a new constitutional amendment, then the Supreme Court itself admits that the right to life of the unborn child will be protected.

It is most important, however, that the beginning of life, and therefore, the beginning of the constitutional protection of that life, be defined with precision and clarity. Our scientific knowledge today is sufficient to provide such a definition, and the language must not be so loose or general that the way is opened for arguments that the period of protected life should be shortened for convenience sake. On the other hand, it is not necessary to encumber the unborn child with all the constitutional rights of an adult; our concern can be limited to the right to life.

Once the principle has been established of the primacy of life of every human being, it is inevitable that someone will raise the problem of so-called hard cases, where pregnancy puts two lives in simultaneous danger, the life of the mother and the life of the child. Today such cases are indeed medical rarities, although they do exist, and it would be unfortunate to amend the Constitution in such a way that a doctor attempting to care for his patients would be placed in legal jeodardy. It would also be unfortunate to amend the Constitution in such a way that an exception clause would destroy the primacy of life values so that the way would be opened to widespread abuse under the cover of law. The resolution of this problem has been a principal aim of my amendment.

Finally, I do not think that abortion should be made a Federal crime when committed outside of Federal jurisdiction. Our tradition of State and local criminal law should be maintained in the analogy of homicides, robberies, assaults, and other crimes of violence, which are prosecuted and punished on the State level, except where there is an overriding Federal interest.

Although the right to life can be made a constitutional right, the Federal Government should not preempt the rights of the States to prohibit abortion, prescribed penalties, and regulate the implements of abortion. This is especially important because there is some doubt whether restraints on Federal and State action can reach private action under the 14th amendment. Such a doctrine has been put forward in certain cases before the Supreme Court, but I think that it is wise and prudent, from the standpoint of the Constitution and the problem of enforcement, to leave room for the States to legislate prohibitions against abortion in the field of private action.

These considerations, along with a recognition of the need for simplicity, have governed the drafting of my new amendment, the substantive portion of which reads as follows:

ARTICLE

Section 1. With respect to the right of life guaranteed in this Constitution, every human being subject to the jurisdiction of the United States, or of any State, shall be deemed, from the moment of fertilization, to be a person and entitled to the right of life.

Section 2. Congress and the several States shall have concurrent power to enforce this article by appropriate legislation.

I will make the following observation:

First. Personhood: The essence of the amendment is that it restores personhood to the unborn child at every stage of its biological development.

Second. Moment of fertilization: This amendment clearly states that life begins at the moment of fertilization. The word "fertilization" is scientific and unambiguous. The biological evidence clearly establishes that the fertilization of the egg is the beginning of human development, that the fertilized ovum is genetically complete and independent of the mother, and that the life span which follows is a continuum unbroken by any point of radical change. The word "moment" makes it clear that a given point in time is established, rather than the process of development. If the language of the amendment allows for a process of development, then the way is opened for a court to choose any point in that process, such as implantation, "viability," or even birth, for the protection of life. It is not enough to protect every stage of biological development, unless we know with some certainly what a stage of development means.

The word "fertilization" is more precise than the word "conception," which, in common parlance, is often used interchangeably. "Conception" however is a word whose use and associations antedates our scientific knowledge, and in certain proabortion circles, an effort has been made to equate conception with implantation. It is true that many fertilized ova are never implanted; but that is only to say that a human being can die at any time in his lifespan.

Third. Hard Cases: This amendment contains no specific exception clause because the difficult cases can be handled under traditional concepts of substantive due process. This amendment leaves the difficult cases to be determined by an even-handed application by the courts and State legislatures of constitutional principles applying to all human beings. It establishes the basic life principle, that the destruction of the child in the womb is a violation of every human being's constitutional right to life. Not every abortion, of course, results in the death of the child; controversies are in the papers daily about the efforts or lack of efforts to insure the survivability of such children outside the womb. The amendment would, however, insure equal protection.

The amendment also takes cognizance of substantive due process as it has been developed in Anglo-Saxon jurisprudence. Although the amendment does not encourage exceptions, it admits to exceptions in the light of legal precedents, such as "the doctrine of necessity," established in rare and unusual circumstances. In any case, the solution would have to be determined by an even-handed application of principles applying to all human beings.

Fourth. States Rights: As already indicated, this amendment allows the States to act in the fields of State interest, without the Federal Government preempting all action. Both Federal and State governments can act concurrently to prohibit abortions. Any Federal action promoting abortions, including funding of actual abortions, use of Federal facilities or personnel, and research on abortions, particularly research that involves clinical testing, would be clearly a violation of the constitutional rights of the unborn. The Federal Government could act to outlaw interstate commerce in abortions, and in drugs, instruments, and equipment intended to procedure abortions. The States would have similar powers within their jurisdictions. The States, particularly, could delineate the spheres of culpability with respect to participating in abortions, prescribe penalties, and enforcement powers of local jurisdictions. In many ways, the result will be similar to the actions of the States under the 21st amendment in regulating the sale and transportation of intoxicating liquors. Needless to say, no State could enact laws infringing upon the constitutional right to life of any person.

Fifth. Other rights for the unborn: This amendment would make the unborn child a person only "with respect to the right of life guaranteed in this constitution." Thus only the right of life would become a constitutional right. Other rights could be assigned to the unborn by legislation or judicial interpretation, as indeed there is already existing a large body of law on inheritance law and tort claims. It is clear, therefore, that an unborn child would not be subject to census, registration, passports, taxation, and other such requirements imposed upon residents of the United States. Our laws take due note of the age of citizens, and make appropriate distinctions based upon such considerations. A broad distinction is made between adults and minors, for example, and even minors are subdivided according to mental responsibility. Yet all enjoy the fundamental right to life, a right which is just as reasonably accorded to the born and the unborn.

Sixth. Euthanasia: This amendment also recognizes that the right to life is a broad right that cannot be abridged on account of age, illness, or incapacity. There is nothing in our traditions that would allow for such an abridgment. Yet in certain quarters there are some who are beginning to argue that other human beings have a right to decide when someone's life should be terminated. This is a principle that we can never admit to our society. It is indeed the same principle involved in the destruction of the unborn. By emphasizing that every human being is a person, from the moment of fertilization, and entitled to the right to life, this amendment implicitly forecloses such arguments.

Mr. President, there is just one additional consideration which I should add. We should focus upon the fact that, in the taking of any innocent life, the ultimate evil is not death itself. People die every day, causing human tragedies for their loved ones, and have done so from the beginning of time. The real evil, in which society has the ultimate interest, is the effect which the deliberate taking of innocent life has upon those who take that life.

The real evil of abortion is the distorted mentality in the living that is created when social convenience, pleasure, or utility is preferred to human life; or when the quality of life as a value supplants life itself as a value. We cannot allow our society to cross the line which allows the ultimate abrogation of the rights of an individual. We can debate the proper social measures that must be taken to alleviate the problems of human life; but there should be no debate about life itself.

SENATE JOINT RESOLUTION 178—PROPOSING AN AMENDMENT TO THE CONSTITUTION OF THE UNITED STATES GUARANTEEING THE RIGHT OF LIFE TO THE UNBORN

Mr. HELMS. Mr. President, I now send a joint resolution to the desk and ask for its immediate consideration.

The ACTING PRESIDENT pro tempore. The joint resolution will be stated.

Mr. MANSFIELD. Mr. President, I object.

Mr. HELMS addressed the Chair.

The ACTING PRESIDENT pro tempore. The joint resolution will be stated.

The second assistant legislative clerk proceeded to read the joint resolution.

Mr. HELMS. Mr. President, I ask unanimous consent that further reading of the joint resolution be dispensed with.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

The joint resolution is as follows:

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, (two-thirds of each House concurring therein), That the following article is proposed as an amendment to the Constitution of the United States, which shall be valid to all intents and purposes as a part of the Constitution only if ratified by the legislatures of three-fourths of the several States within seven years from the date of its submission by the Congress:

ARTICLE

"SECTION 1. With respect to the right of life guaranteed in this Constitution, every human being, subject to the jurisdiction of the United States, or of any State, shall be deemed, from the moment of fertilization, to be a person and entitled to the right to life."

"SEC. 2. Congress and the several States shall have concurrent power to enforce this article by appropriate legislation."

Mr. MANSFIELD addressed the Chair.

The ACTING PRESIDENT pro tempore. Is there objection to the immediate consideration of the joint resolution?

Mr. MANSFIELD. Mr. President, may I ask at this time to extend my thanks to the distinguished Senator from North Carolina who showed me the courtesy of informing me this morning of what he intended to do at this time.

Mr. HELMS. I thank the distinguished majority leader. He is always most cooperative.

Now, Mr. President, an objection having been heard——

The ACTING PRESIDENT pro tempore. Objection is heard.

Mr. HELMS. Mr. President, I ask unanimous consent that the joint resolution be placed on the calendar.

The ACTING PRESIDENT pro tempore. Is there objection?

Without objection, it is so ordered.

Mr. HELMS. I thank the Chair.

QUORUM CALL

Mr. HELMS. Mr. President, I reserve the remainder of my time, if I may, pending the arrival of the distinguished Senator from New York.

I suggest the absence of a quorum

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. HELMS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. HELMS. Mr. President, how much time does the Senator from North Carolina have remaining?

The ACTING PRESIDENT pro tempore. The Senator from North Carolina has 5 minutes remaining under the time limit for the minority leader.

Mr. HELMS. I thank the Chair and I yield to the distinguished Senator from New York (Mr. BUCKLEY) such time as he may require.

Mr. BUCKLEY. Mr. President, I thank my friend from North Carolina.

SENATE JOINT RESOLUTION 178—CONSTITUTIONAL AMENDMENT ON ABORTION

Mr. BUCKLEY. Mr. President, I believe that everyone in this country who is committed to the protection of the unborn against the heinous threat of abortion owes a debt of gratitude today to our distinguished colleague from North Carolina (Mr. HELMS). His determination to have a constitutional amendment against abortion placed on the calendar of the Senate as a prelude to securing a vote upon it is a service to this body, to the electorate, and to the principles of the Constitution.

It is a service to the Senate because this body should have an opportunity to express its will openly, publicly, unequivocally on one of the most crucial issues on this country's public agenda. It is a service to the electorate because the American people have a right not only to know how their representatives stand on this matter, but also to hold us all accountable for whatever position we take on it. Finally, the Senator from North Carolina is performing a distinct service to the principles of the Constitution by taking another bold step in the process of amending the Constitution, by insisting that the Congress open its eyes to the dreadful reality of abortion, by challenging us all to put up or shut up on this question that touches the very heart of America. The Senator's courageous commitment to preserving the spirit of the Declaration of Independence—which was based on the belief that the right to life was inalienable—has made him a worthy successor to his former colleague from North Carolina, that wise defender of the Constitution, Senator Sam Ervin.

Mr. President, I have so often spoken in this Chamber about the urgent need to reassert America's respect for human life by halting the carnage of abortion that some of our colleagues may find my comments about it routine. Let me assure them all that I do not enjoy having to repeat over and over the same warnings. I do not relish declaring that our country is becoming a charnel house. I take no pleasure in pointing out that once we accept killing in the name of social convenience, we have fatally undercut our historic commitment to the sanctity of human life. I do not like to reiterate the abortion statistics that comprise a national death toll far in excess of the worst killing of the war in Vietnam.

Perhaps if the nightly newscasts were to follow the precedent established during the conflict in Indochina, by giving television viewers a daily death toll from abortion, together with film shots of unborn children and the products of abortion, perhaps then the magnitude of this evil would be brought home to the Congress. I remain convinced that, once the American people and the membership of this body fully understand the biology of human development and the methods used to destroy the unborn, they will come to understand the Supreme Court's tragic decision of 1973 as one that will have to be overturned in short order.

Because Senator HELMS' action this morning brings us one step closer to that day, I offer him my thanks, with the assurance that all those who are working in various ways to protect the rights of unborn children will have, in the words of the Quaker poet John Greenleaf Whittier, "the safe appeal of Truth to Time."

Once again, Mr. President, I believe that Senator HELMS has taken a significant step to allow us to utilize a political process to determine what it is the American people want in this sensitive area.

Mr. HELMS. Mr. President, I sincerely thank the distinguished Senator from New York for his generous comments. I hasten to say, however, that there is no Member of the Senate, indeed no citizen of this Nation, who has fought harder for the protection of the right of life to the unborn. I am proud to be associated with him always.

I thank him for his comments. I thank him also for the dedicated work he has done in the past, is doing now and will continue to do in the future as a splendid U.S. Senator.

FORCED BUSING

Mr. HELMS. Mr. President, I have at hand a letter dated February 24, 1976, addressed to the distinguished President of the United States and written by the president, the vice president, and members of the Pasadena Unified School District Education Center in Pasadena, Calif.

This letter discusses in quite candid terms the grievances of these school officials in California concerning forced busing. The letter speaks eloquently for itself, Mr. President. I ask unanimous consent that the letter in its entirety be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

PASADENA UNIFIED SCHOOL DISTRICT,
Pasadena, Calif., February 24, 1976.

President GERALD R. FORD,
The White House,
Washington, D.C.

DEAR PRESIDENT FORD: For nearly six years, the citizens of Pasadena have endured the yoke of forced busing imposed upon them by a Federal Court. They have done so peaceably. There has not been a single demonstration; no protest marches; no mob action; and no violence. Instead, they followed the specific advice of the Court to "go to the ballot box to solve your problem." Three times they soundly rejected pro-busing candidates and elected men who promised to carry the busing appeal to the Supreme Court, if necessary, and it was necessary.

At each step of the drawn out and costly procedure, our small group of attorneys, paid for by the taxpayers of Pasadena, were opposed by a whole battery of high-powered experts from the Justice Department. Before the initial case was brought to trial, a "research" team of five persons from the FBI spent more than a month on location at our Education Center, going over our files and interrogating our personnel in minute detail to build the Government's case against us. Thus for all phases of the legal process, we, the taxpayers, have been obliged to shoulder the cost not only of our appeal but also the costs of our opposition.

You are well aware that the latest nationwide polls show fewer than 12 per cent of all Americans, white or black, in favor of forced busing. You, yourself, claim to be opposed to it and are looking for a better solution to bring about integration. We, in Pasadena, have found a better way and are seeking, via our Supreme Court hearing in April, to be freed from the rule of the Federal Court to pursue our plan for voluntary as opposed to forced integration. Our voluntarily integrated Fundamental Schools, now being copied across the nation, in two short years have brought about an almost unbelievable improvement in the achievement level of our minority students. Busing was designed to do just that but has failed miserably everywhere it has been tried.

And yet the Justice Department, headed by your personal appointee, Mr. Levi, has again filed a brief against us supportive of the District Court's forced busing program, this time stating that we are not qualified to run our own schools because our compliance with the Federal Court order was done "grudgingly". When our representatives visited Mr. Levi recently in Washington, he and his staff suggested that a solution to Pasadena's problem might be inter-district busing with neighboring communities.

We believe the long-suffering people of Pasadena deserve a straightforward explanation from their President concerning why your Justice Department has taken a position diametrically opposite to that of your own.

Federal Judge Manuel Real once told us, "In this court, I am the boss. The buck stops here." In the United States, Mr. President, we respectfully suggest that *you* are the boss.

Our hearing before the Supreme Court is set for April 14, 1976. Time is running out. Pasadena's future is at stake. April 14 is the end of the line for us but only the beginning for hundreds of other cities across the Nation. The Pasadena decision will be a landmark one. If it should be unfavorable, Americans everywhere will know their elected officials are not representing the wishes of the majority, and they will have no choice but to proceed nationally as we have done so effectively at the local level to "go to the ballot box."

Your strong influence can make the difference. If you truly believe, along with the overwhelming majority of Americans, that busing is wrong, we ask you to proceed immediately, before it is too late, to exert that influence.

Sincerely,
Dr. Henry S. Myers, Jr.,
President,
Pasadena Board of Education.
Dr. Richard Vetterli,
Vice President.
Mr. John Hardy,
Member.
Mr. Jerome Meier,
Member.
Mr. Lyman W. Newton,
Member.

QUORUM CALL

Mr. HELMS. Mr. President, I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

ORDER FOR RECOGNITION OF SENATOR GOLDWATER ON WEDNESDAY

Mr. MANSFIELD. Mr. President, I ask unanimous consent that on Wednesday next, the distinguished Senator from Arizona (Mr. Goldwater) be recognized for not to exceed 15 minutes, after recognition under the usual formula has been accorded to the joint leadership.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

ORDER FOR RECOGNITION OF CERTAIN SENATORS TOMORROW

Mr. MANSFIELD. Mr. President, I ask unanimous consent that on tomorrow, Tuesday, the following Senators be recognized in this order for not to exceed 15 minutes, to be so recognized after the usual courtesies extended to the joint leadership for primary time have been dispensed with: Senator Cranston, Senator Baker, Senator Curtis, Senator Griffin, Senator William L. Scott, Senator Goldwater, and Senator Mansfield.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

ORDER FOR ADJOURNMENT UNTIL 10:15 A.M. TOMORROW

Mr. MANSFIELD. Mr. President, I ask unanimous consent that when the Senate completes its business today, it stand in adjournment until the hour of 10:15 a.m. tomorrow.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

ROUTINE MORNING BUSINESS

The ACTING PRESIDENT pro tempore. Under the previous order, there will now be a period for the transaction of routine morning business of not to exceed 15 minutes, with statements therein limited to 5 minutes.

Mr. MANSFIELD. Mr. President, I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

ORDER TO PRINT H.R. 8617 AS PASSED BY THE SENATE

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the bill H.R. 8617 be printed as passed by the Senate.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. MANSFIELD. Mr. President, I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Roddy, one of his secretaries.

EXECUTIVE MESSAGE REFERRED

The ACTING PRESIDENT pro tempore (Mr. Metcalf) laid before the Senate a message from the President of the United States submitting the nomination of Maj. Gen. Harold Arthur Kissinger, to be lieutenant general, which was referred to the Committee on Armed Services.

MESSAGE FROM THE HOUSE RECEIVED DURING THE ADJOURNMENT OF THE SENATE

Under authority of the order of the Senate of March 11, 1976, the Secretary of the Senate on March 12, 1976, received a message from the House of Representatives, announced that the House agrees to the amendments of the Senate to the resolution (H.J. Res. 549) to approve the "Covenant To Establish a Commonwealth of the Northern Mariana Islands in Political Union With the United States of America", and for other purposes.

The message also announced that the House has agreed to the concurrent resolution (S. Con. Res. 101) providing for additional copies of the 1976 Joint Economic Report, without amendment.

The message further announced that the House has passed the bill (H.R. 11481) to authorize appropriations for the fiscal year 1977 for certain maritime programs of the Department of Commerce, and for other purposes, in which it requests the concurrence of the Senate.

The message also announced that the House agrees to the amendment of the Senate to the bill (H.R. 12122) to amend section 2 of the Act of June 30, 1954, providing for the continuance of civil government for the Trust Territory of the Pacific Islands, and for other purposes, with amendments, in which it requests the concurrence of the Senate.

The message further announced that the House has passed the bill (S. 586) to amend the Coastal Zone Management Act of 1972 to authorize and assist the coastal States to study, plan for, manage, and control the impact of energy facility and resource development which affects the coastal zone, and for other purposes, with amendments, in which it requests the concurrence of the Senate.

MESSAGES FROM THE HOUSE

ENROLLED BILLS SIGNED

At 12:35 p.m., a message from the House of Representatives by Mr. Hackney, one of its reading clerks, announced that the Speaker has signed the following enrolled bills:

H.R. 1313. An Act to authorize the Secretary of Transportation to release restrictions on the use of certain property conveyed to the city of Rolla, Missouri, for airport purposes;

H.R. 2575. An Act to authorize the Secretary of Transportation to release restrictions on the use of certain property conveyed to the city of Algona, Iowa, for airport purposes;

H.R. 3440. An Act to authorize the Secretary of Transportation to release restrictions on the use of certain property conveyed to the city of Grand Junction, Colorado, for airport purposes.

H.R. 9617. An Act to authorize the Secretary of Transportation to release restrictions on the use of certain property conveyed to the city of Alva, Oklahoma, for airport purposes;

H.R. 11665. An Act to rescind certain budget authority recommended in the message of the President of January 23, 1976 (H. Doc. 94–342), transmitted pursuant to the Impoundment Control Act of 1974; and

H.R. 11893. An Act to increase the temporary debt limit, and for other purposes.

The enrolled bills were subsequently signed by the Acting President pro tempore (Mr. Metcalf).

HOUSE BILL REFERRED

The following bill was read twice by its title and referred as indicated:

H.R. 11481. An Act to authorize appropriations for the fiscal year 1977 for certain maritime programs of the Department of Commerce, and for other purposes; to the Committee on Commerce.

S. 3136—ORIGINAL BILL REPORTED DURING THE ADJOURNMENT OF THE SENATE

Under the authority of the order of Thursday, March 11, 1976, Mr. Talmadge, from the Committee on Agriculture and Forestry, submitted the following report:

S. 3136. An original bill to reform the Food Stamp Act of 1964 by improving the provisions relating to eligibility, simplifying administration, and tightening accountability, and for other purposes (Rept. No. 94–697).

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first time and, by unanimous consent, the second time, and referred as indicated:

By Mr. CURTIS:

S. 3137. A bill to consolidate Federal financial assistance to the fifty States, the District of Columbia, and the territories for programs in the field of health, to focus those programs on individuals most in need of them, and to eliminate unnecessary restrictions on the exercise of State responsibility for program administration. Referred to the Committee on Finance and the Committee on Labor and Public Welfare, jointly, by unanimous consent.

By Mr. RIBICOFF (for himself, Mr. Bayh, Mr. Brock, Mr. Buckley, Mr. Hartke, Mr. Jackson, Mr. Javits, Mr. Leahy, Mr. Muskie, Mr. Proxmire, Mr. Schweiker, Mr. Weicker, and Mr. Williams):

S. 3138. A bill to amend the Internal Revenue Code of 1954 to deny certain benefits to taxpayers who participate in or cooperate wtih the boycott of Israel. Referred to the Committee on Finance.

By Mr. PACKWOOD (for himself and Mr. Nelson):

S. 3139. A bill to amend the Internal Revenue Code of 1954 to provide rules for Federal estate taxation more equitable than those presently in effect. Referred to the Committee on Finance.

By Mr. NELSON (for himself and Mr. Packwood):

S. 3140. A bill to amend the Internal Revenue Code of 1954 to provide rules for Federal estate taxation more equitable than those presently in effect. Referred to the Committee on Finance.

By Mr. DOLE (for himself and Mr. Bellmon):

S. 3141. A bill to amend the United States Grain Standards Act to improve the United States grain inspection system, and for other purposes. Referred to the Committee on Agriculture and Forestry.

By Mr. BARTLETT (for himself, Mr. Bellmon, Mr. Chiles, Mr. Curtis, Mr. Dole, Mr. Domenici, Mr. Hatfield, Mr. Laxalt, Mr. Nunn, Mr. Percy, Mr. Stevens, and Mr. Young):

S.J. Res. 179. A joint resolution to authorize the President to issue a proclamation designating July 2, 1976, a National Bicentennial Day of Prayer of Thanksgiving and Guidance. Referred to the Committee on the Judiciary.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By MR. CURTIS:

S. 3137. A bill to consolidate Federal financial assistance to the 50 States, the District of Columbia, and the territories for programs in the field of health, to focus those programs on individuals most in need of them, and to eliminate unnecessary restrictions on the exercise of State responsibility for program administration. Referred to the Committee on Finance and the Committee on Labor and Public Welfare, jointly, by unanimous consent.

FINANCIAL ASSISTANCE FOR HEALTH CARE ACT

Mr. CURTIS. Mr. President, I am today introducing the proposed Financial Assistance for Health Care Act. This legislation embodies President Ford's proposal to improve the delivery of health services to the poor by consolidating 16 Federal health programs, including medicaid, into one $10 billion block grant to the States.

I believe that this legislation merits thoughtful and serious consideration. In recent years, we have witnessed a proliferation of categorical health programs. These separate programs are often costly to administer and thus reduce the funds available for rendering health services. Moreover, some programs are often inappropriate to meet some local needs and inadequate to meet others. This legislation offers a viable alternative to the present system. It is designed to distribute Federal health care dollars more equitably to allow States greater latitude to set their own priorities, and reduce Federal "red tape."

This legislation provides $10 billion in health care funds for fiscal year 1977, and at least $500 million annual increments thereafter. No matching requirements would be imposed, and each State would receive more Federal funds in fiscal years 1977, 1978, and 1979 under the block grant than it received in fiscal year 1976. Under the bill, 90 percent of the funds would be utilized for personal health services to low-income persons, and the remainder for services and other activities within the field of health. Funds will be available for community health protection activities.

While each State will have broad flexibility in administering these funds, each State, as a condition of receiving Federal funds, will be required to develop an annual health care plan. The legislation also contains provisions assuring public participation in the development of the State plans. The State plans are to be directed at the following goals:

Assurance to all citizens of the State, and particularly chronically underserved populations, of equal access to quality health services; development and utilization of preventive health services; prevention or reduction of inappropriate institutional care by providing for ambulatory, home-based care or other forms of noninstitutional services particularly for the aged and disabled; encouragement of use of ambulatory services in lieu of inpatient services; the provision of primary care services for medically underserved populations and especially those which are located in rural or economically depressed areas; appropriate, effective and efficient utilization of existing facilities and services; and promotion of community-wide health efforts.

Mr. President, I ask unanimous consent that the text of the proposed Financial Assistance for Health Care Act be printed in the Record.

There being no objection, the bill was ordered to be printed in the Record, as follows:

S. 3137

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this

Act may be cited as the "Financial Assistance for Health Care Act".

PURPOSE

SEC. 2. It is the purpose of this Act to assist each State, territory, and the District of Columbia in its efforts to—

(1) assure all its residents, and in particular low income persons, access to needed health services of acceptable quality,

(2) develop and utilize preventive health services,

(3) prevent or reduce inappropriate institutional care,

(4) encourage the use of ambulatory care instead of inpatient services,

(5) provide for primary care services, especially for residents of rural or medically underserved areas,

(6) assure the most appropriate, effective, and efficient utilization of existing health care facilities and services,

(7) promote community health, and

(8) otherwise improve the health of its people.

TITLE I—FINANCIAL ASSISTANCE FOR HEALTH CARE APPROPRIATIONS AUTHORIZED

SEC. 101. For the purpose of carrying out this title there are authorized to be appropriated $10,000,000,000 for fiscal year 1977 and, for fiscal year 1978 and each succeeding fiscal year, $500,000,000 more than the amount authorized for the preceding fiscal year.

PAYMENTS TO STATES AND TERRITORIES

SEC. 102. (a) From the sum appropriated under section 101 for a fiscal year, the Secretary shall pay, subject to the provisions of sections 104 and 109, an amount for each quarter—

(1) to the Commonwealth of Puerto Rico equal to 0.1 percent of the sum appropriated.

(2) to Guam equal to 0.0037 percent of the sum appropriated,

(3) to the Virgin Islands equal to 0.00632 percent of the sum appropriated,

(4) to American Samoa equal to 0.000154 percent of the sum appropriated, and

(5) to the Trust Territory of the Pacific Islands equal to 0.00308 percent of the sum appropriated, or to each of those jurisdictions an amount equal to its expenditures in that quarter in the field of health, whichever is the lesser.

(b)(1) From the sum remaining for that fiscal year, the Secretary shall pay to each State, subject to the provisions of sections 104 and 109, an amount for each quarter equal to the product of 25 percent of that sum multiplied by the State percentage determined under paragraph (2), and adjusted under paragraphs (3) and (4), or an amount equal to the State's expenditures in that quarter in the field of health, whichever is the lesser.

(2) The State percentage for a State is a ratio—

(A) the numerator of which is equal to the product obtained by multiplying the number of low income individuals in the State (as defined by subsection (c)(1)) by the State's general tax effort factor (as defined by subsection (c)(2)), after dividing that product by the average income of individuals in the State (as defined by subsection (c)(3)), and

(B) the denominator of which is equal to the sum of all State numerators so determined.

(3)(A) The amount determined for each State under paragraph (1) shall be adjusted so that each State is entitled, for fiscal year 1977 and each fiscal year thereafter, to an amount that is at least equal to its base amount for fiscal year 1977 (as defined in paragraph (5)), except that if, for any such fiscal year, the amount determined under paragraph (4)(A)(i) is greater, then the State shall be entitled to such greater amount.

(B) The amount determined for each State under paragraph (1) shall be adjusted so that no State is entitled,—

(i) for each of the fiscal years 1977 through 1979, to an amount in excess of 110 percent of its base amount, and

(ii) for each of the fiscal years thereafter, to an amount in excess of 120 percent of its base amount, except that if, for any such fiscal year, the amount determined under paragraph (4)(B) is less, then the State shall be entitled only to such lesser amount.

(4)(A)(i) The aggregate amounts that exceed, for each fiscal year, the payments to which States are entitled under clause (i) or (ii) of paragraph (3)(B) shall first be applied to meet the entitlements, for that fiscal year, of paragraph (3)(A). If aggregate amounts thereafter remain, the entitlements of paragraph (3)(A) shall be increased for that fiscal year until all of that remainder has been applied to meet the increased entitlements.

(ii) There are authorized to be appropriated for each fiscal year such sums as may be necessary to meet a State's remaining entitlement, if any, under paragraph (3)(A) after the application of the preceding clause of this subparagraph.

(B) The aggregate amounts required, for each fiscal year, to meet the entitlements of paragraph (3)(A) (to the extent that these amounts are not obtained under subparagraph (A) of this paragraph) shall be obtained by reducing for all States, for that fiscal year, the maximum amount to which a State may be entitled under paragraph (3)(B).

(5) A State's "base amount", for purposes of paragraph (3), is—

(A) for fiscal year 1977, the amounts payable by the Federal government to or within the State for fiscal year 1976, under the provisions of law repealed by section 301 of this Act (or, in the case of a State to which the amount payable for the last quarter of fiscal year 1976 under former title XIX of the Social Security Act exceeded 58⅓ percent of the amounts payable to that State under that title for the first three quarters of that fiscal year, 400 percent of the amount payable to the State for the last quarter of fiscal year 1976 under former title XIX of the Social Security Act, plus the amounts payable by the Federal government to or within the State for fiscal year 1976, under the provisions of law, other than title XIX of the Social Security Act, repealed by section 301 of this Act), and

(B) for each fiscal year thereafter, the amount to which the State was entitled under this Act for the preceding fiscal year.

(c) For purposes of this section—

(1) the "number of low income individuals in the State" means the number of individuals in a particular State determined by the Secretary to have incomes no greater than 1.5 times the weighted average official statistical poverty thresholds (as defined by the Office of Management and Budget) revised annually by the percentage change in the Consumer Price Index during the annual or other interval immediately preceding the time at which the revision is made, subject to such conditions, modifications, or exceptions, as the Secretary may prescribe for the purposes of this title,

(2) the term "general tax effort factor" means the general tax effort factor of a particular State as defined in section 109(c)(1)(A) of the State and Local Fiscal Assistance Act of 1972, and

(3) the term "average income of individuals in the State" means the aggregate income of individuals, as determined by the Department of Commerce for national income accounts purposes, attributed to a particular State for the most recent reporting year, divided by the resident population of the State as determined by the Bureau of the Census for general statistical purposes.

(d)(1) Prior to the beginning of each quarter the Secretary shall estimate the amount to which a State will be entitled under this section for that quarter on the basis of a report filed by the State containing its estimate of the amount to be expended during that quarter with respect to which payment must be made under this section, together with an explanation of the basis for that estimate.

(2) The Secretary shall then pay to the State, in such installments as he may determine, the amount so estimated, reduced or increased to the extent of any overpayment or underpayment which the Secretary determines was made under this section to the State for any prior quarter and with respect to which adjustment has not already been made under this subsection.

(3) Upon the making of any estimate by the Secretary under this subsection, any appropriations available for payments under this section shall be deemed obligated.

STATE USE OF PAYMENTS

SEC. 103. (a) For each quarter beginning with the quarter commencing October 1, 1976, each State except American Samoa and the Trust Territory of the Pacific Islands shall expend an amount equal to not less than 90 percent of the amount payable to it under section 102 for that quarter to provide for personal health services targeted to meet the basic health needs of low income persons, and to pay for services provided before October 1, 1976, under former title XIX of the Social Security Act.

(b) For each quarter beginning with the quarter commencing October 1, 1976, each State shall expend, in addition to the amounts expended under subsection (a), an amount equal to not less than 5 percent of the amount payable to it under section 102 for that quarter to provide for (other than by construction) (1) community health protection (including disease control, environmental health, occupational health, and health education), (2) community-based services in mental health, alcoholism and alcohol abuse, and drug abuse, and (3) developmental disabilities programs.

(c)(1) For fiscal year 1977, 1978, and 1979, each State shall pay to each grantee specified in paragraph (2), from amounts paid to the State under section 102 for quarters that fall in that fiscal year, not less than 80 percent, 50 percent, and 25 percent, respectively, of the amount payable to the grantee from funds appropriated for fiscal year 1976, for grants under the provisions of law listed in paragraph (2). Payments under this paragraph shall be to assist the grantee in carrying out the activities that it was carrying out during fiscal year 1976, and shall be made only to a grantee that complies with such terms and conditions as the State may reasonably impose to assure the expenditure of these amounts in a manner consistent with the requirements of those pre-existing provisions of law. Amounts expended under this subparagraph shall also, where appropriate, be considered amounts expended under subsection (a) or (b).

(2) For purposes of paragraph (1), a "grantee" shall be—

(A) any grantee under former section 311 of the Comprehensive Alcohol Abuse and Alcoholism Prevention, Treatment, and Rehabilitation Act of 1970, part A or part B of the former Community Mental Health Centers Act, former section 319, 330, 1001, 1003, 1005, 1202, 1203, 1204, or 1205 of the Public Health Service Act, section 121, 125, or 145 of the former Developmental Disabilities Services and Facilities Construction Act, or former section 511 or 512 of the Social Security Act, and

(B) any grantee, under former section 101 of the Lead-Based Paint Poisoning Prevention Act, that is a private, nonprofit organization.

LIMITATIONS ON PAYMENTS

SEC. 104. No payment may be made under this title to any State—

(1) for any expenditure not in the field of health, or

(2) for any expenditure for the provision of cash payments as a health service.

STATE HEALTH CARE PLAN

SEC. 105. Each State shall have a State health care plan that complies with section 106 in effect within the State throughout any health program period for which the State receives any amount under section 102.

GOALS AND CONTENTS OF PLAN

SEC. 106. (a) GOALS.—A State health care plan shall set forth the goals (consistent with the purposes of this Act) at whose achievement the plan is directed. The plan shall describe the relationship of its provisions to the achievement of these goals, with particular reference to its effect on children, the elderly, migrants, the mentally ill, those suffering from developmental disabilities, the handicapped, alcoholics, and drug abusers.

(b) DESCRIPTION OF FACTORS AFFECTING HEALTH.—The State health care plan shall set forth—

(1) a description of the health needs of, and sources for financing health care available to, residents of the State, and the extent to which and the manner in which those needs are being met, with particular reference to individuals living in rural or medically underserved areas, and

(2) a description of the supply and distribution of health facilities, services, and manpower (including the adequacy of health manpower training programs) within the State.

(c) STATE HEALTH SERVICES PROGRAM.—

(1) DESCRIPTION OF STATE HEALTH SERVICES ACTIVITIES.—The State health care plan of each State except American Samoa and the Trust Territory of the Pacific Islands shall set forth, with respect to the provision of health services financed in whole or part by State funds—

(A) a definition of each of the services to be provided,

(B) each category (including any income or resources requirements) of eligibility for services,

(C) the kind, amount, duration, and scope of the services to be provided to each category,

(D) limitations or conditions applicable to individuals to whom those services are to be provided, including the portion, if any, of the cost of those services not covered by State funds,

(E) the geographic areas in which those services are to be provided, and the nature and amount of the services to be provided in each area,

(F) which individuals and other entities shall provide services, the standards to be required of each kind of service provider, the process for enforcing those standards, and the authority or authorities responsible for their enforcement,

(G) a description of and a rationale for any changes the plan will make as to eligibility for, or the kind, amount, duration, or scope of, any service under existing programs, or the standards to be required of any kind of service provider,

(H) the methods of determining reimbursement for each kind of service provider and the rates or levels of reimbursement,

(I) the organizational structure to be used in administering services or funds for services,

(J) the estimated expenditures for health services, including an estimate of the number of indviduals to be served, and the expenditure therefor, in each eligibility category; and the expenditure of each of the services provided under the program, and

(K) the mechanisms for coordination between the State's health services activities and other human services activities in the State.

(2) LIMITATIONS.—The State health care plan of each State except American Samoa and the Trust Territory of the Pacific Islands shall—

(A) not use or permit the use as a criterion of eligibility for any service (i) the place of residence of any individual within the State, (ii) the duration of residence of any individual, or (iii) the citizenship status of any individual, unless that individual is an alien who is neither lawfully admitted for permanent residence nor otherwise permanently residing in the United States under color of law (including any alien who is lawfully present in the United States as a result of the application of the provisions of section 203(a)(7) or 212(d)(5) of the Immigration and Nationality Act), and

(B) provide that providers of services to eligible individuals must accept as payment in full the rates or levels of reimbursement established by the State.

(3) ADMINISTRATIVE REQUIREMENTS.—The State health care plan of each State except American Samoa and the Trust Territory of the Pacific Islands shall—

(A) provide for the administration of fire and other life safety standards to protect the health and safety of patients in facilities that provide health services financed in whole or part by State funds,

(B) provide that the use or disclosure of information obtained in connection with the administration of the State's health services program will be restricted to purposes directly connected with the administration of that program, or a program of the State (including the Supplemental Security Income Program) assisted under the Social Security Act,

(C) provide for granting an opportunity for a fair hearing to any individual who is denied eligibility for any service under the plan or whose request for a determination as to eligibility under the plan is not acted upon with reasonable promptness,

(D) provide for a system to assure the quality and proper utilization of services within the health services program of the State, including peer review of those services based on objective norms, criteria, and standards, and

(E) provide assurances that funds for services included in the plan will be passed by the State to those units of government which are responsible under State law for providing for those services.

(d) OTHER STATE HEALTH ACTIVITIES.—

(1) CERTIFICATE OF NEED.—The State health care plan shall provide (A) that the State will administer a certificate of need program to review and determine the need for new institutional health services, facilities, and organizations prior to the time they are offered or developed or substantial expenditures are undertaken in their preparation, and (B) that only those services, facilities and organizations found to be needed under the certificate of need program will be offered or developed as part of the health services program of the State.

(2) ASSISTANCE TO FORMER FEDERAL GRANTEES.—The plan shall set forth the amounts, terms, and conditions of payments to be made under section 103(c).

(3) PLANNING AND OTHER ACTIVITIES.—The plan shall describe the planning, regulatory, and other activities the State will undertake in the field of health and the relationship between the proposed planning and regulatory activities and those the State is currently undertaking.

(e) STATE ASSESSMENT OF ADMINISTRATION OF ITS ACTIVITIES UNDER THE PLAN.—The State health care plan shall provide, consistent with the Secretary's regulations, for (1) an annual audit of State expenditures under the plan in accordance with generally accepted accounting principles, conducted, as determined by the State, by (A) an auditor of the State, or an auditor representing the legislature of the State, using certified public accountants and not under the control, direction, or supervision of any agency of the State engaged in administering funds under the plan, or (B) a private certified public accountant or auditing firm utilizing certified public accountants, (2) an annual assessment of the implementation of the plan, and (3) an annual report, which shall be published, of that audit and assessment, that shall describe the activities of the State under the plan, which report shall include such additional information as the Secretary may from time to time prescribe.

(f) FEDERAL AUDIT AUTHORITY.—The State health care plan shall provide that the Secretary and the Comptroller General of the United States, or any of their duly authorized representatives, shall have access, for the purpose of audit and examination, to any books, documents, papers, and records of the State, or any institutional grantee of the State, which in the opinion of the Secretary or the Comptroller General may be related or pertinent to the use of any amounts paid by the Secretary to a State under this title. In the exercise of their authority under this paragraph the Secretary and the Comptroller General may only audit the State's activities under the plan, and shall not, under any authority in this title, prescribe to the States any requirement for expenditure of funds other than funds to be expended under the plan.

CHANGES IN STATE HEALTH SERVICES DURING FISCAL YEAR 1977

SEC. 107. Each State except American Samoa and the Trust Territory of the Pacific Islands shall publish and make generally available a description of and a rationale for any changes the State intends to make during fiscal year 1977, in respect to existing programs for the provision of health services which are financed in whole or part by State funds, as to eligibility for, or the kind, amount, duration, or scope of, any service, or the standards to be required of any kind of service provider.

DEVELOPMENT AND PUBLICATION OF STATE HEALTH CARE PLAN

SEC. 108. (a) Each State shall divide the area under its jurisdiction into two or more sub-State health planning districts, taking into account sub-State planning districts for other human services, unless geographic factors or population size would make such a division impractical, in which case the entire State shall constitute a health planning district.

(b) Each State, in consultation with local general-purpose elected government officials, shall establish a health planning body within each of its health planning districts. Each health planning body shall consist of a chairman and at least one person representing each of the following kinds of entities: local general-purpose elected government officials, providers of health services, consumers of health services, insurers in the field of health, and health education institutions.

(c) Each health planning body shall develop proposed provisions for inclusion in the State health care plan and present these proposed provisions to the State authority or authorities responsible for development of the State health care plan.

(d) The State authority or authorities responsible for development of the State health care plan shall consult with local general-purpose elected government officials concerning all decisions in relation to the development of the State health care plan which will affect the allocation of public funds in areas under the jurisdiction of those officials.

(e) Each State shall—

(1) at least ninety days prior to the beginning of each health program period, pub-

lish and make generally available (as defined in regulations prescribed by the Secretary after consideration of State laws governing notice of actions by public officials) to the public a proposed State health care plan that meets the requirements of section 106,

(2) accept comments from the public concerning the proposed State health care plan, for a period of at least forty-five days, and

(3) at least forty-five days after publication of the proposed State health care plan and prior to the beginning of the health program period, publish a final State health care plan that meets the requirements of section 106, together with a summary of the comments received thereon and the disposition thereof, and an explanation of the differences between the proposed and final plan and the reasons therefor.

(f) Each State shall—

(1) publish and make generally available, in the manner described in subsection (a)(1), any proposed amendment to the State health care plan,

(2) accept comments from the public concerning the proposed amendment, for a period of at least thirty days, and

(3) at least thirty days after publication of the proposed amendment publish (if any) a final amendment which meets the requirements of section 106, together with a summary of the comments received thereon and the disposition thereof, and an explanation of the difference between the proposed and final amendment and the reasons therefor.

(g) The Secretary may for good cause waive compliance with all or any portion of any requirement of this section as to the number of days prior to or in which any action was to be taken.

REPORTING, CERTIFICATION, AND ENFORCEMENT

SEC. 109. (a) Each State that receives funds under this title shall make such reports concerning its use of those funds as the Secretary may by regulation prescribe.

(b) Each State that receives funds under this title shall, consistent with the Secretary's regulations, have in operation within the State procedures approved by the Secretary for the periodic determination of the State's compliance with its State health care plan and the provisions of sections 103 and 108 and the periodic reporting of that compliance to the chief executive officer of the State and the Secretary.

(c) Each State that receives funds under this title shall, for fiscal year 1977,—

(1) certify to the Secretary that it has complied with each provision of sections 103 and 107, or

(2) inform the Secretary of any substantial failure to comply with any provision of those sections, and certify that it has complied with the remaining provisions.

(d) Each State that receives funds under this title shall, for each health program period,—

(1) certify to the Secretary that it has a State health care plan that meets the requirements of section 106, and

(2)(A) certify to the Secretary that it has complied with each provision of that plan and of sections 103 and 108, or

(B) inform the Secretary of any substantial failure to comply with any provision of that plan, section 103, or 108, and certify that it has complied with the remaining provisions, and

(3) submit to the Secretary for his approval the procedures required by subsection (b), with such supporting material as the Secretary may require.

(e)(1) No payment may be made under this title to any State that has failed to provide the certifications required by subsection (c) or (d).

(2) In the case of any State that has provided those certifications, if the Secretary, after reasonable notice and an opportunity for hearing to the State, finds that the plan fails to comply with the requirements of section 106, or the State has substantially failed to comply with any provision of the plan or of section 103, 107, 108, or 109(a), or has failed to inform the Secretary of any substantial failure to comply with any provision of the plan or of section 103, 107, 108, or 109(a), the Secretary shall—

(A) make no further payments to the State under this title until he is satisfied that there will no longer be any failure of the plan to comply with the requirements of section 106, or of the State to comply with the plan or othese sections, or

(B) in lieu of suspending further payments, instead reduce the amount otherwise payable to the State under this title, until he is satisfied that there will no longer be any such failure, by not in excess of 3 per centum for each provision with respect to which there is such a failure.

(3) In the case of any State that has provided the certifications required by paragraph (1), if the Secretary, after reasonable notice and an opportunity for a hearing to the State—

(A) disapproves, or withdraws his approval, of the procedures submitted under subsection (d)(3), or

(B) finds that the State has substantially failed to comply with the procedures approved under subsection (d)(3),

the Secretary shall notify the State that further payments will not be made to the State under this title until he is satisfied that there will no longer be any such failure to comply, and until he is so satisfied he shall make no further payments to the State.

NONDISCRIMINATION

SEC. 110. For the purpose of applying title VI of the Civil Rights Act to this Act, the prohibitions of that title against the exclusion from participation in the denial of benefits to, or the subjection to discrimination of, any person in the United States under any program or activity receiving Federal financial assistance, on the ground of that person's race, color, or national origin, shall be deemed also to prohibit such exclusion, denial, or discrimination on account of sex.

DEFINITIONS

SEC. 111. For purposes of this title—

(1) the term "Secretary" means the Secretary of Health, Education and Welfare,

(2) The term "State" means the fifty States, the District of Columbia, the Commonwealth of Puerto Rico, Guam, the Virgin Islands, American Samoa, and the Trust Territory of the Pacific Islands, except that as used in section 102, the term means the fifty States and the District of Columbia,

(3) The term "field of health" means all health services, planning, manpower training, resource development, construction, and other health-related activities (including developmental disabilities activities) undertaken within or by a State,

(4) the term "health program period" means the Federal fiscal year, or such other annual period established by the State health care plan required by section 105, except that with respect to the first health program period the term means the period that begins on October 1, 1977, and extends until the close of such month, prior to April 1979, as the plan provides,

(5) the term "personal health services" includes drugs, health supplies and equipment, personal services in the fields of mental health, alcoholism and alcohol abuse, drug abuse, and developmental disabilities, living arrangements that potentially substitute for institutional care, and transportation needed to obtain health services; but does not include construction, and

(6) the term "State funds" includes funds expended by a State for which the State is reimbursed under this title, and funds expended by political subdivisions of a State.

TITLE II—FEDERAL HEALTH PLANNING ACTIVITIES

FEDERAL HEALTH PLANNING ACTIVITIES

SEC. 201. Title III of the Public Health Service Act is amended by adding after section 314 the following new section 315:

"FEDERAL HEALTH PLANNING ACTIVITIES

"SEC. 315. (a) The Secretary may undertake health planning activities, including, but not restricted to, the establishment of a National Health Planning and Policy Council, the provision of technical assistance to States, the conduct of research, and the development of national guidelines describing a more desired distribution of health resources.

"(b) To carry out health planning activities under this section, there are authorized to be appropriated such sums as may be necessary for fiscal year 1977 and each fiscal year thereafter."

TITLE III—REPEAL OF VARIOUS HEALTH LAWS

SEC. 301. The following provisions of law are repealed:

(1) sections 502 and 503, and parts A and B of title III of the Comprehensive Alcohol Abuse and Alcoholism Prevention, Treatment, and Rehabilitation Act of 1970,

(2) the Community Mental Health Centers Act,

(3) section 314(a) through 314(d), sections 227, 317, 318, 319, and 330, and titles IX, X, XII, XV, and XVI of the Public Health Service Act,

(4) titles I and II, and section 504 of the Lead-Based Paint Poisoning Prevention Act,

(5) the Developmental Disabilities Services and Facilities Construction Act, and

(6) titles V and XIX, and sections 403(g) and 1618(e) of the Social Security Act.

TITLE IV—CONFORMING AMENDMENTS

SEC. 401. (a)(1) Section 2(b)(2) of the Comprehensive Alcohol Abuse and Alcoholism Prevention, Treatment, and Rehabilitation Act of 1970 is amended by striking out—

(A) "not only", and

(B) everything after "to the States" but before the period.

(2) The first sentence of section 101(a) of that Act is amended by striking out "programs and" and "and part C of the Community Mental Health Centers Act."

(3) Section 102(1) of that Act is amended by striking out "and part C of the Community Mental Health Centers Act".

(b)(1) Section 226 of the Public Health Service Act is amended by striking out ", VIII, and IX, and sections 304, 314(a), 314(b), 314(c), 314(d), and 314(e)" and inserting instead "and VIII, and section 304".

(2) Section 311(b) of that Act is amended by—

(A) striking out the first comma and inserting instead "and", and

(B) striking out ", and otherwise carrying out the purposes of section 314".

(3) Section 314 of that Act (as amended by section 301(3) of this Act) is further amended by—

(A) revising the section heading to read: "INTERCHANGE OF PERSONNEL WITH STATES"

(B) redesignating subsections (f) and (g) as (a) and (b), respectively,

(C) deleting the subsection headings, and

(D) revising subsection (b) (as redesignated by this section) to read:

"(b) For purposes of this section, the term 'State' includes Guam, American Samoa, and the Trust Territory of the Pacific Islands."

(4) Section 507 of that Act is amended by striking out ", and appropriations available under the Community Mental Health Centers Act for construction and staffing of community mental health centers and alcoholism and narcotic addiction, drug abuse, and drug dependence facilities".

(5) Title VI of that Act is repealed, except

that any provisions in that title relating to loans or loan guarantees shall remain in force with respect to loans made or guaranteed prior to October 1, 1976.

(6) Section 1302 of that Act is amended by—

(A) deleting paragraph (6), and

(B) deleting the second sentence of paragraph (7).

(c) Section 503 of the Lead-Based Paint Poisoning Prevention Act is amended by—

(1) striking out subsections (a) and (b), and

(2) redesignating subsections (c) and (d) as (a) and (b), respectively.

(d)(1) Section 1101(a)(1) of the Social Security Act is amended (A) in the first sentence, by (i) striking out "V," and (ii) striking out "XI, and XIX" and inserting "and IX" instead; and (B) by striking out the second sentence.

(2) Section 1106 of that Act is amended—

(A) in subsection (d), (i) by striking out "State agency operating a program under title XIX" and inserting instead "State operating a program under the Federal Assistance for Health Care Act", and (ii) by striking out "titles XVIII and XIX" and inserting instead "title XVIII and the Federal Assistance for Health Care Act", and

(B) in subsection (e), by striking out "title XIX agency".

(3) Section 1108 is amended—

(A) by striking out subsection (c), and

(B) by amending subsection (d) to read as follows:

"(d) Notwithstanding section 421, until such time as the Congress may by appropriation or other law otherwise provide, the Secretary shall, in lieu of the initial allotment specified in that section, allot such smaller amounts to Guam, American Samoa, and the Trust Territory of the Pacific Islands as he may deem appropriate."

(4) Section 1109 of that Act is amended by striking out "XVI, or XIX" and inserting instead "or XVI".

(5) Section 1115 of that Act is amended by striking out "XIX," "1902," and "1903,".

(6) Section 1116 of that Act is amended—

(A) in subsection (a)(1), by striking out "XIX,",

(B) in subsection (a)(3), by striking out "1904,", and

(C) in subsections (b) and (6), by striking out "XIX,".

(7) Section 1118 of that Act is amended (A) by striking out the matter that follows the section number and precedes the first parenthetical clause and inserting instead "The total of the payments to which a State is entitled for a calendar quarter, and for each succeeding quarter in the same fiscal year", and (B) by inserting "as in effect prior to October 1, 1976" after "section 1905".

(8) Section 1122 of that Act is amended—

(A) in subsection (a), by—

(i) striking out "title V, XVIII, and XIX" and inserting instead "title XVIII",

(ii) striking out "any of", and

(iii) striking out "such titles" each time it occurs and inserting instead "that title",

(B) in subsection (b), by—

(i) striking out "described in clause (ii) of subsection (d)(1)(B)",

(ii) striking out clause (2),

(iii) renumbering clause (3) as (2),

(iv) striking out "or any such other agency," and

(v) striking out "Public Health Service Act (or the Mental Retardation Facilities and Community Mental Health Centers Construction Act of 1963)" and inserting instead "Federal Assistance for Health Care Act",

(C) in subsection (d), by—

(i) in paragraph (1)(A), striking out "neither" and "nor an agency described in clause (ii) of subparagraph (B) of this paragraph",

(ii) in paragraph (1)(A), inserting "not" between "had" and "been",

(iii) in paragraph (1)(B)(i), striking out "or an agency so described",

(iv) in paragraph (1)(B)(i), striking out "by such agency or any other agency described in clause (ii) for adequate health care facilities in such State or in the area for which such other agency has responsibility" and inserting instead "under the Federal Assistance for Health Care Act for adequate health care facilities in such State",

(v) revising paragraph (1)(B)(ii) to read as follows:

"(ii) the planning agency so designated had, prior to submitting to the Secretary the findings referred to in subsection (b), granted to the person proposing such capital expenditure an opportunity for a fair hearing with respect to such findings;",

(vi) in paragraph (1), striking out "titles V, XVIII, and XIX" each time it occurs and inserting instead "title XVIII", and

(vii) in paragraph (2), striking out "title V, XVIII, or XIX" and inserting instead "title XVIII", and

(D) in subsection (e), by striking out "titles V, XVIII, and XIX" and inserting instead "title XVIII".

(9) Section 1123(b) of that Act is amended by striking out ", under title XVIII or under any State plan approved under title XIX", and inserting instead "under title XVIII".

(10) Sections 1158 and 1159 of that Act are each amended by striking out "(other than title V)".

(11) Section 1611(e)(1)(B) of that Act is amended by striking out "under a State plan approved under title XIX" and inserting instead "from a State under the Federal Assistance for Health Care Act".

(12) Section 1843 of that Act is amended—

(A) in subsection (f), by—

(i) striking out "medical assistance under the plan of such State approved under title XIX", and inserting instead "personal health services under the Federal Assistance for Health Care Act",

(ii) inserting "or authorities" after "agency",

(iii) striking out "administers or supervises" and inserting instead "administer or supervise",

(iv) striking out ", XVI, or XIX" and inserting instead "or XVI, or in effect under the Federal Assistance for Health Care Act", and

(v) striking out "medical assistance under the plan of the State approved under title XIX" and inserting instead "personal health services under the Federal Assistance for Health Care Act", (B) in subsection (h)(2), by—

(i) striking out "medical assistance under the plan of the State approved under title XIX" and inserting instead "personal health services under the Federal Assistance for Health Care Act", and

(ii) striking out "medical assistance" the additional time it occurs and inserting instead "personal health services", and

(C) in the hearing, by striking out "Medical Assistance" and inserting instead "Personal Health Services".

(13) Section 1861 of that Act is amended—

(A) in subsection (j), by striking out "titles XVIII and XIX of this Act" and inserting instead "title XVIII of this Act and the Federal Assistance for Health Care Act",

(B) in subsection (k), by striking out the last sentence, and

(C) in subsection (v)(1)(E), by striking out "approved under title XIX" and inserting instead "under the Federal Assistance for Health Care Act".

(14) Section 1863 of that Act is amended by striking out ", XVI, or XIX" and inserting instead "or XVI, or in effect under the Federal Assistance for Health Care Act".

(15) Section 1866(c) of that Act is amended by (A) striking out paragraph (2), and (B) striking out the paragraph designation "(1)".

(16) Section 1867(b) of that Act is amended by striking out "and title XIX".

TITLE V—EFFECTIVE DATE

SEC. 501. This Act is effective for fiscal years beginning after September 30, 1976.

Mr. CURTIS. Mr. President, I ask unanimous consent that the bill be referred jointly to the Committee on Finance and the Committee on Labor and Public Welfare.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

By Mr. RIBICOFF (for himself, Mr. BAYH, Mr. BROCK, Mr. BUCKLEY, Mr. HARTKE, Mr. JACKSON, Mr. JAVITS, Mr. LEAHY, Mr. MUSKIE, Mr. PROXMIRE, Mr. SCHWEIKER, Mr. WEICKER, and Mr. WILLIAMS):

S. 3138. A bill to amend the Internal Revenue Code of 1954 to deny certain benefits to taxpayers who participate in or cooperate with the boycott of Israel. Referred to the Committee on Finance.

Mr. RIBICOFF. Mr. President, today I am introducing a bill that will deny tax benefits on foreign source income to any American company that participates in or cooperates with the Arab boycott of Israel.

Compliance with the boycott of Israel by American firms has seriously distorted and interfered with the conduct of trade by the United States, both domestically and internationally. In order to do business with countries that sponsor the boycott, many American companies have agreed not to deal with Israel, with any firms that do business with Israel, or with any companies that are run or controlled by Jews. These agreements have not been subtle or secret. Many of our companies have signed contracts containing overtly discriminatory clauses and, in some cases, their cooperation with the boycott has been widely publicized. The incidence of American boycott has not been isolated or scattered. The best estimates are that today as many as 3,000 American companies are boycotting 2,000 firms that have been blacklisted by the boycott. A significant part of our trade has been perverted by this disruptive and racist foreign boycott in which Americans have refused to deal with other Americans solely because of race, religion and commercial association.

Our history is laced with the rise and fall of one wave of discrimination after another. Each time there has been a new outbreak, strong, concerted actions have been taken to preserve the rights of all Americans and to keep this nation whole. Today, we must again reaffirm our faith in the belief that all men are created equal and that they hold equal rights. We must strike back against this new form of discrimination that threatens the free trade of our Nation and the rights of our people. It is intolerable to have Americans discriminated against by their fellow countrymen at the behest of any foreign nation.

What we face is a national problem, and it is the duty and responsibility of this Congress to face it and to control it. Americans must be free to deal with Americans, with Arabs, and with Israelis.

The widespread discrimination that has resulted from American participation in the boycott of Israel is not based on moral prejudice but on economic self-interest. Many of our corporations have found compliance with boycott demands financially more attractive than refusal to comply because participation has been a condition of access to commercial markets in the Arab world. Our companies have had to make the lopsided choice between making money from cooperation with the boycott and getting nothing for refusing to participate. This bill will make it possible for them to give equal weight to the alternative of not participating in the boycott. That decision has been and must continue to be made on the basis of sound business logic in potential boycott dealings.

The policy of the United States regarding foreign boycotts is clear and well-documented: to discourage participation by Amercans without directly prohibiting it. This objective is reflected in many of our laws and was reiterated by the President in his statement committing his administration to opposition of the boycott last November. President Ford's limited proposals to implement our policy of discouraging American involvement with the boycott are commendable and merit the full support of the Congress. But they do not go far enough. The incentives for one American to discriminate against another by complying with the boycott are too great and the interference in our trade is too pervasive. I believe that if properly implemented and administered, the policy of discouraging American cooperation with the boycott is a wise one.

The Congress created the foreign tax credit, tax deferral on foreign source income and the DISC program to permit a degree of freedom in the handling of foreign investments and to encourage American companies to operate abroad. The tax credit is a dollar-for-dollar credit on corporate taxes paid to the United States for taxes paid to other countries. Tax deferral permits companies to postpone payment of taxes on their foreign source income until it is "repatriated", usually in the form of dividends to their shareholders. The DISC program entitles qualifying exporters to defer taxes on 50 percent of their income. These measures offer incentives to Americans to develop or expand their commercial dealings abroad. By extending these benefits to dealings between companies that participate in the boycott and those who sponsor it, the United States has inadvertently added incentives to comply with the boycott. Rather than discourage our firms from cooperating with the boycott, we are encouraging them to participate. This contradiction in U.S. policy and the indirect support of the boycott that has resulted is intolerable and must be remedied.

To achieve these goals, the United States must exercise its right of taxation on the foreign-source income of companies that participate in the boycott. This step will implement our boycott policy effectively and will draw a clear distinction between the treatment of those companies that cooperate with the boycott and those that refuse to participate.

The bill that I am introducing will require every American firm to report its foreign source income derived through direct or indirect dealings with boycotting countries to the Department of the Treasury. The Secretary is then responsible for determining participation in the boycott on the basis of clear criteria spelled out in the bill. If a company is found to have participated in the boycott, it would lose its eligibility for the foreign tax credit, tax deferral on its foreign source income and the DISC benefits in any country sponsoring the boycott for the taxable year in which compliance occurred. This approach should reduce American involvement in the boycott without costing the Government or the individual taxpayer any money. To the extent that compliance by American firms continues after enactment of this legislation, the Government stands to raise additional tax revenues.

Implementing our stated policy and achieving our objective of discouraging participation in the boycott without directinly prohibiting it is a difficult task that will require serious thought and considerable imagination. No single approach, legislative or otherwise, can solve the maze of complex problems posed by the boycott of Israel. The bill I am introducing establishes an effective mechanism for monitoring the involvement of our exporters and foreign investors in the boycott. It provides strong disincentives to cooperation and clear guidelines for determining compliance. This bill will make noncompliance a viable alternative to many of our corporations without compromising our relations with any nation or our overall foreign policy.

I urge swift passage of this bill as a strong step toward reducing the disruptive impact of the boycott on our trade here at home and abroad. We will also have to take a careful look at existing laws to determine their applicability to American participation in the boycott. Such an examination would go a long way toward further implementing our stated policy, but only if it is followed by vigorous enforcement of existing laws. I am encouraged by the recent actions of the Attorney General toward this end, and I hope that the antitrust suit that has been filed is only the first of many prosecutions under those and other relevant laws. Only then will we have fully implemented our stated policy and achieved our objective of deterring Americans from participating in the boycott.

At this point I wish to include in my remarks an insightful article which appeared in Sunday's New York Times, entitled "The Arab Boycott Is an Elusive But Weighty Ghost." I ask unanimous consent that the article and the bill be printed in the Record.

There being no objection, the bill and article were ordered to be printed in the Record, as follows:

S. 3138

A bill to amend the Internal Revenue Code of 1954 to deny certain benefits to taxpayers who participate in or cooperate with the boycott of Israel

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

Section 1. Denial of Foreign Tax Credit.

(a) In General.—Subpart A of part III of subchapter N of the Internal Revenue Code of 1954 (relating to income from sources without the United States) is amended by adding at the end thereof the following new section:

"Sec. 908. Denial of Credit to Certain Taxpayers

"(a) In General.—A taxpayer, or a member of a controlled group (within the meaning of section 993(a) (3)) which includes the taxpayer, who is determined by the Secretary or his delegate under section 999 to have participated in or cooperated with the boycott of Israel (as defined in such section) during the taxable year may not choose to have the benefits of this subpart with respect to income, war profits, or excess profits taxes paid or accrued during the taxable year to any country which requires such participation or cooperation as a condition of doing business (directly or indirectly) within that country or with the government, a company, or a national of that country.

"(b) Deductibility of Taxes.—For purposes of section 275(a), taxes denied the benefits of this subpart under subsection (a) shall not be treated as not deductible because of section 275(a) (4).".

(b) Clerical Amendment.—The table of sections for such subpart is amended by adding at the end thereof the following new item:

"Sec. 908. Denial of credit to certain taxpayers."

Sec. 2. Denial of Deferral.

(a) Denial of Deferral.—Section 952(a) of the Internal Revenue Code of 1954 (relating to general definition of subpart F income) is amended—

(1) by striking out "and" at the end of paragraph (1),

(2) by striking "section 954)." at the end of paragraph (2) and inserting in lieu thereof "section 954), and", and

(3) by adding at the end thereof the following new paragraph:

"(3) the boycott of Israel income (as determined under section 955A)."

(b) Boycott Income Defined.—Subpart F of part III of subchapter N of chapter 1 of the Internal Revenue Code of 1954 (relating to controlled foreign corporations) is amended by inserting after section 955 the following new section:

"Sec. 955A. Boycott of Israel Income.

"For purposes of section 952(a) (3), the term 'boycott of Israel income' means that income (other than income from insurance of United States risks, as determined under section 953, or foreign base company income, as determined under section 954) if a controlled foreign corporation which—

"(1) as determined by the Secretary or his delegate under section 999, has participated in or cooperated with the boycott of Israel (as defined in such section) during the taxable year, derived from operations in, or related to, any country which requires such participation or cooperation as a condition of doing business (directly or indirectly) within that country or with the government, a company, or a national of that country, or

"(2) is a member of a controlled group (within the meaning of section 993(a) (3)) with respect to which such a determination has been made.".

(c) Clerical Amendment.—The table of sections for such subpart is amended by inserting after the item relating to section 955 the following new item:

"Sec. 955A. Boycott of Israel Income."

Sec. 3. Denial of DISC Benefits

Section 995(b) of the Internal Revenue Code of 1954 (relating to deemed distributions by a DISC) is amended by adding at the end thereof the following new paragraph:

"(3) Distributions of Boycott of Israel Income.—If the Secretary or his delegate determines, under section 999, that a DISC has participated in or cooperated with the boycott of Israel (as defined in such section) for the taxable year of the DISC, then in the application of paragraph (1) to that DISC for that taxable year to taxable income from any country which requires such participation or cooperation as a condition of doing business with or within that country, the words 'one-half of' shall be disregarded where they appear in subparagraph(D) of paragraph (1).".

Sec. 4. Determinations by the Secretary as to Participation in, or Cooperation With, the Boycott of Israel

(a) In General.—Subchapter N of chapter 1 of the Internal Revenue Code of 1954 (relating to tax based on income from sources within or without the United States) is amended by adding at the end thereof the following new part:

"Part V—Boycott of Israel Determinations

"Sec. 999. Reports by Taxpayers; Determinations by Secretary.

"(a) Reports by Taxpayers.—Any taxpayer with foreign source income for the taxable year derived directly or indirectly from sources within a country which requires participation in or cooperation with the boycott of Israel as a condition of doing business with or within that country, shall report the fact of such income to the Secretary or his delegate, at such time and in such manner as the Secretary or his delegate may prescribe.

"(b) Determinations by the Secretary.—Whenever the Secretary or his delegate receives a report from a taxpayer under subsection (a) he shall determine whether the taxpayer participated in or cooperated with the boycott of Israel for the taxable year. The determination shall cover the taxable year with respect to which the report is made. For purposes of this subsection, a person participates in or cooperates with the boycott of Israel—

"(1) if he agrees, as a condition of doing business (directly or indirectly) within that country or with the government, a company, or a national of that country—

"(A) to refrain from doing business in Israel or with the government, companies, or nationals of Israel;

"(B) to refrain from doing business with any United States person engaged in trade in Israel or with the government, companies, or nationals of Israel; or

"(C) to refrain from doing business with any company whose ownership or management is all or in part Jewish or to remove (or refrain from selecting) corporate directors who are Jewish; or

"(2) if he agrees, as a condition of the sale of a product to the government, a company, or a national of a country, to ship such products only on a carrier which is not on the boycott of Israel list (as determined by the Secretary or his delegate).".

(b) the table of parts for such subchapter N is amended by adding at the end thereof the following new item:

"Part V.—Boycott of Israel Determinations.".

Sec. 5. Effective Date.

The amendments made by this Act apply to taxable years beginning after December 31, 1975.

[From the New York Times, Mar. 14, 1976]

The Arab Boycott Is an Elusive But Weighty Ghost

(By Robert M. Smith)

Washington.—The Arab boycott of Israel, a factor on the international scene for more than two decades, has begun to have serious repercussions within the United States. Although the exact effects of the boycott are difficult to measure, a substantial number of American businesses apparently have complied with its terms, causing consternation among American Jews and posing diplomatic and political difficulties for the Ford Administration.

The Arab boycott goes back to the early 1950's, but only recently, with the flood of petrodollars to the Middle East, has there been a booming American commerce with the Arabs. The primary boycott of the Arab League bars trade between Arab countries and Israel. A secondary boycott bars commerce between Arab countries and businesses, wherever located, that trade with Israel. The secondary boycott also prohibits Arab commerce with firms that refuse to answer questionnaires from the central boycott office in Damascus or boycott offices in other Arab countries. These questionnaires require companies to certify that they have not done business with persons or firms on the Arab blacklist.

For a long time the United States Commerce Department did not know which businesses in this country were complying with the boycott. Under the Export Administration Act of 1969, American companies were required to report to the department any request to comply.

What the department did know it initially refused to disclose to Congress when asked last year by Representative John E. Moss, the California Democrat who heads a subcommittee on government operations and individual rights. Representative Moss wanted the disclosure forms, thousands of them, that had been filed with the department. Then Secretary of Commerce Rogers C. B. Morton did not want to turn them over because, he feared, some people might retaliate against the companies listed by starting a boycott of their own.

In the end, Mr. Morton and Mr. Moss compromised. The Secretary turned over the forms, and the Congressman promised to treat them with an appreciation of their sensitive nature. Mr. Moss's staff is now at work on a report that will presumably present the results of a statistical collation of the reports. It is already known, however, that in nearly three-quarters of 50,000 transactions with Arab countries since 1970 until last fall American companies declined to tell the Government whether they had complied with boycott demands, suggesting that they did.

One major unknown is how many American firms have refused to trade with other American firms because of the demands of Arab countries.

The fear is that the boycott might thus influence not only American business practices but American ethics by carrying the seeds of anti-Semitism. If American companies are afraid to deal with other American companies because of Arab prohibitions, it seems a small step to a refusal to deal with American firms that have Jewish directors, investors or managers in order to assure that the embargo's imprecise terms are not violated.

The Arab countries have denied that the embargo is aimed either at Jews in general or at third countries like the United States. Still, as Prof. Richard B. Bilder of the University of Wisconsin said, "if you stir these coals, there will be people who take fire."

That may be one reason why the Administration filed an antitrust suit in January against the Bechtel Corporation of San Francisco, charging that it had "entered into and implemented in the United States a combination and conspiracy," in which Bechtel undertook "to refuse to deal with blacklisted persons as subcontractors in connection with major construction projects in Arab League countries." Bechtel was also charged with requiring its subcontractors to refuse to deal with blacklisted businesses. Bechtel and its affiliated companies were said to have customers in at least seven Arab countries and contracts totaling hundreds of millions of dollars.

But why were the antitrust laws used? Why has President Ford not approached the boycott more directly, for example, by proposing legislation to curb its domestic effects?

The decision to file an antitrust suit may have been chosen precisely because it is roundabout. Lionel Kestenbaum, a Washington lawyer, contends that the Administration thinks the Arabs would see direct action against the boycott as a drastic shift in American policy toward them. "It must be thought," he said, "that no reasonable man could blame the Administration if the Attorney General simply enforces a venerable [antitrust] statute."

A second possibility is that the Administration may be reluctant to confront the boycott directly because the United States has engaged in a number of secondary boycotts of its own. Until recently, for example, any ship that called at a Cuban port was placed on a blacklist and denied the right to carry American-financed cargo from the United States unless the owners promised that they would never again send the ship to Cuba.

If, for these reasons, the Administration wants to proceed quietly, or by way of compromise, it must resist those who see the boycott as a moral issue. Otherwise, Mr. Ford might be subjected to pressure to take more forceful public action, particularly in an election year.

By Mr. PACKWOOD (for himself and Mr. Nelson):

S. 3139. A bill to amend the Internal Revenue Code of 1954 to provide rules for Federal estate taxation more equitable than those presently in effect. Referred to the Committee on Finance.

By Mr. NELSON (for himself and and Mr. Packwood):

S. 3140. A bill to amend the Internal Revenue Code of 1954 to provide rules for Federal estate taxation more equitable than those presently in effect. Referred to the Committee on Finance.

ESTATE TAX REFORM

Mr. PACKWOOD. Mr. President, on behalf of Senator Nelson and myself, I am introducing two bills intended to help family farms and small businesses survive the estate tax.

Our goal is not unique. It is to ease the burden of the estate tax on small estates. The real value of the $60,000 estate tax exemption has shrunk drastically since 1942. This has led to the equivalent of tax increases for all estates, and to dismemberment and forced sales of family farms and businesses.

Many solutions have been offered.

First. Increasing the estate tax exemption to $100,000 to $200,000 has been suggested. But, I do not expect this to happen, because: The revenue loss is enormous; it does not focus needed relief on small farms and businesses; and because an exemption is worth more to a large estate than to a small one. For example, the current $60,000 exemption saves $46,-

000 in tax for the $10,000,000 estate—77-percent bracket; but only one-third that amount for the $100,000 estate.

Second. Some have proposed a 100 percent marital deduction for the first $100,000 to $200,000. Whatever the merits of this, it does not solve the "family farm" problem. That is because the marital deduction does not help to pass the farm or business to the next generation.

Third. Another proposal is "alternate valuation" of farm or woodland for estate tax purposes. Under this, there would be two appraisals of a farm: One at its value as a farm; and one at its most valuable use, such as a subdivision. If the family operates the farm for 5 years after the death of the senior family member, the estate tax is figured on the "actual"—farm—use. This proposal could be very helpful, but it has weaknesses:

It primarily helps farms, not other small businesses.

It primarily helps farms near suburban areas, not farms in general. It is the suburban farms faced with the most inflated "higher use" valuations. Yet, any small business can have a liquidity problem when the estate tax comes due.

"Alternate valuation" would give the most tax savings to the biggest, most valuable farms. Its benefits are not targeted to small farms.

Fourth. Other proposals have been made, such as:

Allowing deferral of estate tax for 15 years, instead of the current 10 years permitted;

Reducing the interest rate on estate tax deferral from 7 to 4 percent; and

Allowing deferral of estate tax if payment presents "hardship" to the estate, rather than the present requirement of "undue hardship."

These have merit, but I am afraid they do not go far enough.

The legislation we are introducing today repeals the $60,000 estate tax exemption, and creates a $25,000 estate tax credit available to all estates. This means taxable estates—that is, gross estates minus all deductions—up to $114,333 would be free from tax, because that is the point at which taxes equal $25,000, and, the bill creates a $40,000 estate tax credit for estates made up of bona fide, family run small farms and businesses. This eliminates tax on all taxable estates up to $163,333.

The revenue loss is $680 million—fiscal year 1977. If the exemption were increased to equivalent amounts, the revenue loss would be more than twice as much, $1,400 million—fiscal year 1977.

The result is that, with a $25,000 credit, the tax on a $114,333 estate drops from $8,083 to zero. The tax on a $200,000 estate drops from $32,700 to $25,700.

The $40,000 credit, for small, family run businesses, reduces tax on a $163,333 estate from $22,000 to zero. It lowers tax on a $200,000 estate from $32,700 to $10,700.

No exemption increase proposed to date gives this much relief to small estates at such low revenue loss.

The $25,000 credit lowers tax on all estates up to about $1.3 million, and it leads to a slight increase for these few estates larger than this. Only about half of 1 percent of all persons have more than $1.3 million at their death. Taxes on a $10 million estate would go up $20,600—from $6,042,600 to $6,063,200. In contrast, increasing the exemption to $120,000 lowers taxes on the $10 million estate by $45,600 Thus, an increased exemption gives the greatest relief to the largest estates.

An important part of our proposal is that it recognizes where the greatest tax relief is needed: small family farms and businesses. Because of the lack of cash or liquid assets in small, family-run businesses, the surviving family members are often forced to dismember the farm or business, or to sell it to a large corporation, to pay the estate tax. Thus, the estate tax can increase the very concentration of wealth it was intended to prevent.

The $40,000 tax credit would be restricted to bona fide, family-run small farms and businesses. It is not available unless more than 65 percent of the gross estate consists of a business interest which from 5 years before until 5 years after the date of death of the decedent, is actively managed by one or more family members.

"Active management" requires that the business be the principal employment of at least one family member.

To limit the $40,000 credit to small business, it is phased out as taxable estate size increase from $300,000 to $400,000.

CONCLUSION

These rules of course need strict analysis, to assure that they work as intended. If they are found unworkable, Senator NELSON and I are also introducing a bill that simply drops the $60,000 estate tax exemption and adds a $30,000 estate tax credit. This avoids the difficulty of shaping special rules for family-run businesses. However, it is less desirable than the split credit approach because it does not target needed relief specifically to small business.

Also, the revenue loss would be $840 million, rather than the $680 million for the split credit.

Mr. President, I request unanimous consent that the text of the two bills appear in the RECORD.

There being no objection, the bills were ordered to be printed in the RECORD, as follows:

S. 3139

To amend the Internal Revenue Code of 1954 to provide rules for Federal estate taxation more equiable than those presently in effect

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) part II of subchapter A of chapter 11 of the Internal Revenue Code of 1954 (relating to credits against estate tax) is amended—

(1) by redesignating section 2016 as 2017, and

(2) by inserting after section 2015 the following new section:

"SEC. 2016. GENERAL ESTATE TAX CREDIT.

"(a) BASIC CREDIT.—There is allowed against the tax imposed by section 2001 a credit of $25,000.

"(b) ADDITIONAL CREDIT.—

"(1) IN GENERAL.—In addition to the credit allowed by subsection (a), if the executor of an estate which qualifies for the additional credit permitted by this subsection so elects, there is allowed against the tax imposed by section 2001 a credit of $15,000.

"(2) QUALIFYING ESTATES.—An estate qualifies for the additional credit allowed by this subsection if 65 percent or more of the value of the adjusted gross estate is attributable to a qualifying small business.

"(3) QUALIFYING SMALL BUSINESS.—For purposes of this subsection, the term 'qualifying small business' means a closely held business (within the meaning of section 6166 (c)) which has been actively managed by the decedent or his immediate family for the 60 months preceding the date of death of the decedent. For purposes of this paragraph—

"(A) the term 'immediate family' means the spouse of the decedent, the parent, brother, sister, child, or grandchild of the decedent, and the spouse or child of the brother, sister, child, or grandchild of the decedent, and

"(B) the term 'active management' means the principal employment of the decedent or a member or members of his immediate family, and the exercise of substantial personal control by such person or persons.

"(4) PHASEOUT OF CREDIT.—The amount of the credit allowable under this subsection shall be reduced (but not below zero) by 15 percent of the amount by which the value of the taxable estate exceeds $300,000.

"(5) RECAPTURE OF CREDIT FOR EARLY DISPOSITION, ETC.—If the immediate family of the decedent does not own and actively manage the qualifying small business taken into account for purposes of this subsection for 60 months after the date of death of the decedent, the liability of the estate for tax under this chapter shall be increased by an amount equal to the amount of the credit allowed under this subsection.".

"(6) DISCHARGE OF FIDUCIARY FROM PERSONAL LIABILITY.—In the case of an estate claiming the additional credit provided by this subsection, an executor may apply for and be granted discharge of personal liability under sections 2204 and 6165 for any additional tax that may arise because of paragraph (5)."

(b)(1) Section 2052 of such Code (relating to exemption) is repealed.

(2) The table of sections for part IV of subchapter A of chapter 11 of such Code is amended by striking out the item relating to section 2052.

(3) The table of sections for part II of subchapter A of chapter 11 of such Code is amended by striking out the last item and inserting in lieu thereof the following:

"Sec. 2016. General estate tax credit.
"Sec. 2017. Recovery of taxes claimed as credit.".

SEC. 2. Section 6018(a)(1) of such Code (relating to estate tax returns) is amended by striking out "$60,000" and inserting in lieu thereof "$114,333".

S. 3140

A bill to amend the Internal Revenue Code of 1954 to provide rules for Federal estate taxation more equitable than those presently in effect

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) part II of subchapter A of chapter 11 of the Internal Revenue Code of 1954 (relating to credits against estate tax) is amended—

(1) by redesignating section 2016 as 2017, and

(2) by inserting after section 2015 the following new section:

"SEC. 2016. GENERAL ESTATE TAX CREDIT.

"There is allowed against the tax imposed by section 2001 a credit of $30,000.".

(b)(1) Section 2052 of such Code (relating to exemption) is repealed.

(2) The table of sections for part IV of subchapter A of chapter II of such Code is

amended by striking out the item relating to section 2052.

(3) The table of sections for part II of subchapter A of chapter 11 of such Code is amended by striking out the last item and inserting in lieu thereof the following:

"Sec. 2016. General estate tax credit.
"Sec. 2017. Recovery of taxes claimed as credit.".

Sec. 2. Section 6018(a)(1) of such Code (Relating to estate tax returns) is amended by striking out "$60,000" and inserting in lieu thereof "$131,000".

By Mr. DOLE (for himself and Mr. Bellmon):

S. 3141. A bill to amend the U.S. Grain Standards Act to improve the U.S. grain inspection system, and for other purposes. Referred to the Committee on Agriculture and Forestry.

UNITED STATES GRAIN STANDARDS ACT AMENDMENTS OF 1976

Mr. DOLE. Mr. President, I am pleased to introduce today a bill to provide thorough reform of the grain inspection system. During the past 18 months, there has been much public concern about the abuses of inspection and weighing of our exported grain. As a result, the Agriculture Committees of both the Senate and the House requested a comprehensive investigation of the system by the General Accounting Office. That investigative report was just recently completed and published. In addition, the Committee on Agriculture and Forestry conducted its own investigation the past year and held extensive hearings to make its own evaluation.

GRAIN EXPORTS ESSENTIAL

The importance of exports to this Nation's grain producers cannot be overemphasized. During the last marketing year, exports accounted for about 51 percent of the total wheat supply, 30 percent of the soybean supply, and 22 percent of the corn supply. The value of grain exports totaled $12.5 billion. Obviously, anything that would shake the confidence of foreign buyers must be dealt with promptly.

Farmers of this Nation need some assurance that the grain they produce for export will be shipped to foreign buyers with the same quality for which they contracted. Bribery of grain inspectors, samplers, and others involved in the inspection process at some of our ports have been substantiated by the GAO grain inspection report and also by indictments obtained by the Justice Department. We must strengthen the laws to assure the integrity of the system to protect these foreign markets for our farmers.

NEED TO STRENGTHEN—NOT DESTROY

The strengthening or reform of this law, however, must be accomplished in a proper manner. Sweeping reform such as is outlined in S. 3055, introduced by the Senator from Minnesota perhaps, would go too far. The purpose of the bill and the present act is for the promotion and protection of the commercial activities of the grain business in the interests of the producers, merchandisers, warehousemen, processors, and consumers of grain, and the general welfare of the people of the United States.

This bill does just that. It will reform and improve the system without total disruption. It will assure the proper inspection and weighing of grain in a much improved manner with adequate supervision and considerably increased penalties and enforcement for violators. And it will allow the proper policing of the problem areas and commodities we have exposed in our investigation, while allowing for protection against similar corruption in other areas or with other grains.

THREE MAJOR CONSIDERATIONS

To me there were three major conclusions from our committee investigation. The GAO study reinforced these conclusions and supplied considerable additional information which supports these factors:

First. Since 1972 our grain exports, particularly feed grains, have increased 300 to 500 percent. The number of inspection personnel, especially USDA supervisors over other licensed inspectors, has remained the same or actually diminished.

Second. Nearly 70 percent of all the grain we export is through the ports on the Gulf of Mexico. The concentration of these facilities, the historical volume that these ports handle and the tremendous increase in this volume have all contributed to intensifying the corruption in these areas. With the same or fewer supervisory personnel and with tripled volume, the resulting indictments substantiate the gross abuses at these ports.

Third. The great majority of the abuses have centered around shipments of corn. Indeed, of the 95 requests for USDA investigation received from 1964 to 1975—26 since 1972—the vast majority were related to shipments of corn. Corn is a far more difficult grain to handle, merchandise, store or ship.

Each process of handling, storage or shipping of corn results in greater damage to this grain during all points from the farm to the consumer. This deterioration of the grain causes grain companies more problems with corn than with any other grain. The general laxity of the grain inspection system was magnified by the enormous increases in export volume which gave opportunity and motive, if not encouragement, for employees of grain firms and others involved to flagrantly violate the standards of the system without fear of exposure or prosecution. Even if caught and prosecuted, the penalties were more like a slap on the hand.

To summarize the major weaknesses exposed:

First. The greatly increased volume of exported grain, largely corn.

Second. Weak or little supervision.

Third. Weak enforcement and inadequate penalties.

My legislation addresses these problems and tightens up the grain inspection system for all commodities throughout the Nation to eliminate the abuses both now and in the future regardless of any further increase in export sales we may develop.

GENERAL IMPROVEMENT

The bill provides greatly increased penalties, increased Federal supervision, Federal inspection at all ports that do not have demonstrated and proven abilities, contracted State and private inspection under close regulation and auditing and a prohibition against any conflict of interest by grain companies operating their own inspection services.

Mr. President, following is a summary of the provisions of this legislation, which I ask unanimous consent to have printed in the Record.

There being no objection, the summary was ordered to be printed in the Record, as follows:

Summary of Grain Inspection Legislation

INSPECTION

All grain exported from the United States, including grain not shipped pursuant to a sale, must be inspected.

At export port locations, all grain inspection shall be performed either by Department personnel or State inspectors (at ports where there is already a demonstrably competent State inspection system in place)

At all other locations, the Secretary is authorized to: 1) enter into a contract with a State or a person for the performance of inspection; or 2) have Department personnel perform inspection.

Prior to any State or private contractor being given authority to perform inspection, the Secretary must determine that the State or private contractor meets certain criteria designed to assure honest and skillful performance of duties. Also, the inspection contractors will be subject to periodic audits by the Department, to assure they are providing honest and competent service.

The Grain Division will still have the responsibility to provide supervision and appeal inspection at all locations.

Rotation of inspection personnel at all locations will be required to the extent feasible.

WEIGHING

The Secretary will be authorized to promulgate regulations to ensure that the weighing of grain is adequately supervised and that high standards of integrity are maintained.

Continuous supervision of all weighing of grain at export ports will be required. The supervision will be performed by Department personnel or State employees (at ports where there is State inspection).

FEES

The system for original (first-time) inspection will be self-supporting in that the Secretary is authorized to charge reasonable fees for this service. Contractors will be allowed to collect the fees for the Secretary. Fees may be different for each contract, based on local requirements. Costs of appeal inspections will be borne by the requesting entity. Supervision of inspectors and contractors will continue to be funded by federally appropriated funds.

CIVIL PENALTIES

The Secretary will be authorized to refuse inspection to anyone who violates the Act or to assess a civil penalty not to exceed $100,000.

CRIMINAL PROVISIONS

The penalties for violations will be increased. Willful or intentional criminal acts will be treated as felonies.

REPORTING REQUIREMENTS

The Secretary must report serious complaints of bad or short-weighted grain made by foreign buyers to the Congress. He must also report to the Congress, on a yearly basis, concerning the effectiveness of the official grain inspection system.

EFFECTIVE DATE

The Secretary is given 6 months from date of enactment to effect transition at export port locations.

He is given two years at other locations.

IMPROVE—NOT OVERKILL

Mr. DOLE. Mr. President, this is reasonable legislation that strikes at the heart of the abuse that has been exposed through the GAO and committee investigations. It will strengthen the entire system, eliminate the problems, and also contains provisions for growth of the system in proportion with expanding exports and increased needs of particular commodities. It will accomplish these needed reforms without an overkill approach. It is responsive and responsible legislation.

By Mr. BARTLETT (For himself, Mr. Bellmon, Mr. Chiles, Mr. Curtis, Mr. Dole, Mr. Domenici, Mr. Hatfield, Mr. Laxalt, Mr. Nunn, Mr. Percy, Mr. Stevens, and Mr. Young):

Senate Joint Resolution 179. A joint resolution to authorize the President to issue a proclamation designating July 2, 1976, a National Bicentennial Day of Prayer of Thanksgiving and Guidance. Referred to the Committee on the Judiciary.

NATIONAL BICENTENNIAL DAY OF PRAYER OF THANKSGIVING AND GUIDANCE

Mr. BARTLETT. Mr. President, today I introduce a joint resolution to authorize the President to issue a proclamation designating July 2, 1976 a National Day of Prayer of Thanksgiving and Guidance.

The resolution is the result of a suggestion by one of my constituents, Mrs. G. R. Mason of El Reno, Okla. In a letter to my office last fall, Mrs. Mason proposed a national day of prayer as "a fitting and necessary observance of our Bicentennial Year."

Mr. President, I ask that the text of this resolution be printed in the Record.

There being no objection, the joint resolution was ordered to be printed in the Record, as follows:

S.J. Res. 179

Joint resolution to authorize the President to issue a proclamation designating July 2, 1976, a National Bicentennial Day of Prayer of Thanksgiving and Guidance

Whereas on July 4, 1976, the United States of America officially recognizes the 200th anniversary of our independence as a nation; and,

Whereas this date is the 200th anniversary of the signing of the Declaration of Independence on July 4, 1776; and,

Whereas the date of signing the Declaration of Independence followed by two days the date of the adoption of the Declaration by the delegates to the Second Continental Congress, July 2, 1776; and,

Whereas the authors of this momentous document appealed to "the supreme judge of the world for the rectitude" of their intentions and signed their names "with a firm reliance on the protection of divine providence"; and,

Whereas the decision by the delegates to the Continental Congress to sign the Declaration of Independence was a difficult, unprecedented decision which placed in jeopardy their lives and material well-being for the sake of the ideals of liberty and self government; and,

Whereas the United States of America has enjoyed unparalleled blessings of prosperity and identification with the dignity of man, tempered by war, tribulations, and the recognition that at times we have lost sight of the ideals of the founding of our country: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the President is hereby authorized and requested to issue a proclamation designating the 2nd day of July, 1976, as Bicentennial Day of Prayer of Thanksgiving and Guidance in remembrance of the time 200 years beforehand when the founders of our country sought similar assistance from their creator for the momentous decisions they were about to make.

ADDITIONAL COSPONSORS OF BILLS AND RESOLUTIONS

S. 595

At the request of Mr. Bartlett, the Senator from South Dakota (Mr. Abourezk) was added as a cosponsor of S. 595, a bill to amend Public Law 88–482.

S. 2939

At the request of Mr. Schweiker, the Senator from Tennessee (Mr. Brock), the Senators from Tennessee (Mr. Chiles and Mr. Stone), the Senator from Kentucky (Mr. Huddleston), the Senator from Rhode Island (Mr. Pastore), the Senator from Georgia (Mr. Talmadge) and the Senator from South Carolina (Mr. Thurmond) were added as cosponsors of S. 2939, a bill to provide a special program for financial assistance to Opportunities Industrialization Centers.

AMENDMENTS SUBMITTED FOR PRINTING

FEDERAL ELECTION CAMPAIGN ACT AMENDMENTS OF 1976—S. 3065

AMENDMENTS NOS. 1442 AND 1443

(Ordered to be printed and to lie on the table.)

Mr. GRIFFIN submitted two amendments intended to be proposed by him to the bill (S. 3065) to amend the Federal Election Campaign Act of 1971 to provide for its administration by a Federal Election Commission appointed in accordance with the requirements of the Constitution, and for other purposes.

NOTICE CONCERNING NOMINATIONS BEFORE THE COMMITTEE ON THE JUDICIARY

Mr. EASTLAND. Mr. President, the following nominations have been referred to and are now pending before the Committee on the Judiciary:

Alvin W. Bumann, of North Dakota, to be U.S. marshal for the district of North Dakota for the term of 4 years, vice Walter J. Link, resigned.

Michael P. Carnes, of Texas, to be U.S. attorney for the northern district of Texas for the term of 4 years, vice Frank D. McCown, resigned.

On behalf of the Committee on the Judiciary, notice is hereby given to all persons interested in these nominations to file with the committee, in writing, on or before Monday, March 22, 1976, any representations or objections they may wish to present concerning the above nominations with a further statement whether it is their intention to appear at any hearing which may be scheduled.

ANNOUNCEMENT OF HEARINGS

Mr. METCALF. Mr. President, in accordance with the rules of the Committee on Interior and Insular Affairs, I wish to advise my colleagues and the public that the following hearings and business meetings have been scheduled before the committee for the next 2 weeks:

March 16—Joint hearings, Interior and Agriculture Committees, 9:30 a.m.—room 1202, Dirksen—Hearing, S. 2926; S. 3091; S. 2851, legislation addressing issues raised by recent court decisions affecting timber cutting practices in national forests.

March 16—Full committee, 9:30 a.m.—room 3110—Hearing, nomination of William L. Fisher, to be Assistant Secretary of Interior; John D. Christie, to be Assistant Administrator of FEA; Robert L. Hirsch, to be Assistant Administrator of ERDA.

March 17—Minerals, Materials and Fuels Subcommittee, 10 a.m.—room 3110—Hearing, S. 2413, to amend section 21 of the Mineral Leasing Act, as amended.

March 18—Full committee, 10 a.m.—room 3110—Business meeting, pending calendar business.

March 22—Full committee, 10 a.m.—room 3110—Hearing, FEA oversight on oil pricing regulations.

March 22—Joint hearing, Interior and Agriculture Committees, 9:30 a.m.—room 318, Russell—Hearing, S. 2926; S. 3091; S. 2851, legislation addressing issues raised by recent court decisions affecting timber cutting practices in national forests.

March 23—Environment and Land Resources Subcommittee, 10 a.m.—room 2110—Hearing, S. 2555, rangelands rehabilitation bill.

March 24—Full committee, 10 a.m.—room 3110—Hearing, S.J. Res. 126, interstate oil compact extension legislation. Followed by:

Parks and Recreation Subcommittee (Hearing) S. 2398, Eugene O'Neill National Historic Site; S. 2642, Old Ninety Six and Star Fort National Historical Park; S. 1071, Black Canyon of the Gunnison National Monument; S. 1082, Great Sand Dunes National Monument.

March 24 and 25—Joint Hearing of Interior and Commerce Committees, 10 a.m.—room 5110 (Commerce)—Hearing, oversight hearing on Arctic natural gas reserves and alternate transportation systems.

March 30 and 31—Indian Affairs Subcommittee, 9:30 a.m.—room 3110—Hearing, S. 2801, Siletz restoration bill.

NOTICE OF HEARINGS ON BILLS TO AMEND THE CRIME CONTROL AND SAFE STREETS ACT OF 1968, AS AMENDED

Mr. McCLELLAN. Mr. President, I wish to announce for the information of the Members and the public that the

Subcommittee on Criminal Laws and Procedures of the Committee on the Judiciary will continue hearings on bills to amend the Omnibus Crime Control and Safe Streets Act of 1968 on Wednesday, March 17, 1976. Bills to be the subject of the hearings include S. 460, S. 1297, S. 1598, S. 1601, S. 1875, S. 2212, S. 2245, and S. 3043.

The hearings will commence at 10 a.m. in room 4232, Dirksen Senate Office Building.

ADDITIONAL STATEMENTS

NATIONAL WILDLIFE WEEK

Mr. SPARKMAN. Mr. President, each year the National Wildlife Federation sponsors National Wildlife Week. This year the week of March 14–20 marks the 39th annual observance of this event. The first National Wildlife Week was proclaimed in 1938 by President Franklin D. Roosevelt and it emphasized the need to preserve wildlife habitat which is crucial to wildlife survival.

Traditionally, National Wildlife Week has focused on a variety of themes. This year's Wildlife Week poster pictures a hen mallard and her young, reflecting the theme "Save Our Wetlands."

Regardless of what the National Wildlife Week theme has been from year to year, the same significant message resounds. And that message is that our wildlife resources are valuable and their survival is dependent upon our efforts as American citizens to protect and preserve them. Assuming this type of responsibility not only insures enjoyment of these resources for us, but for future generations as well.

In observance of National Wildlife Week, I take this opportunity to show appreciation for our wildlife resources and to reacknowledge the vital role that wildlife plays in the scheme of our natural environment.

The wildlife found on the public and private lands of this country constitutes an important natural resource. Furthermore, wildlife is an integral part of a complex natural system which includes man. Man, too, is part of the ecological complex and all organisms from the smallest to the largest serve some interrelated function significant to one another's survival.

Millions of Americans enjoy and/or benefit from wildlife values which may be recreational, esthetic, educational, biological, or social in nature. Recreational value is placed upon our wildlife by sportsmen and hobbyists such as hunters, fishermen, birdwatchers, campers and hikers, among others. Esthetic values derived from wildlife often overlap the recreational ones and may be realized as indoor or outdoor activities. From the standpoint of wildlife and maintenance of the ranges and refuges that shelter them make mankind's environment and experiences richer.

While these are only a few reasons why National Wildlife Week should be recognized for its importance, they are most valid and worthy reasons to observe this event.

LET US SUPPORT TAIWAN'S CLAIM TO CHINA

Mr. GOLDWATER. Mr. President, once more the United States appears bent upon moving a step further toward its policy of the so-called normalization of U.S. relations with the Government of the Communist Regime on the mainland of China. Although the Republic of China situated on the island of Taiwan is and has been recognized as the only legitimate Government of the Chinese people and although the free Chinese have lived up to our expectations in every respect and supported the United States on all international issues of major importance, some elements of our Government keep maneuvering the United States toward weakening our ties with Taiwan.

Most recently, it has been reported in the national news media that we are planning a steep cut-back in military credit sales to Taiwan as a move in the direction of "normalization" of relations with the Communists. To put this development in context, we should remember that the free Chinese on Taiwan have been standing almost entirely on their own economically and militarily for several years now. All direct bilateral U.S. economic aid to the Republic of China was cut off in 1965. Even the food for peace program was terminated in 1971. Direct U.S. military grant assistance was ended in 1973. Only foreign military sales credits have continued and these provide for repayment to our government in no more than 10 years at the actual cost to us of the financing involved.

Now, it is being proposed that even this limited aid be reduced by a cut of nearly 70 percent in furtherance of a long range aim of improving relations with Communist China. It is also reported that the remaining American troops on Taiwan may be decreased by 50 percent over the next year.

Mr. President, if these reports are correct and American policy should be directed at making concessions to the Communist rulers on the China mainland, I believe we are pursuing a stupid and harmful policy that can only weaken U.S. credibility with our allies and adversaries alike. Instead of booting Taiwan out of the United Nations and instead of appearing to concede that Taiwan is a part of Red China, I believe we should be arguing that mainland China is a part of Taiwan.

In other words, I believe we should uphold the claim of the free Chinese Government on Taiwan as the sole legal representative of the entire Chinese people, including the Chinese on Taiwan, in continental China and among the "overseas" Chinese population. Yes, Taiwan is a province of China, but China belongs to the Chinese Government on Taiwan, which has made such remarkable advances in democracy, freedom, and economic matters.

Mr. President, I can reveal today that I was told on two occasions during the administration of former President Nixon that the United States would never formally grant diplomatic recognition to Red China. I was given the first personal assurance after Mr. Nixon's return to America from his Presidential visit to mainland China and was subsequently given a reaffirmation of that pledge. Each time, it was Henry Kissinger who told me that it was, and would continue to be, American policy not to establish relations with Red China, nor to end official relations with the Republic of China.

It is now time for a firm public reavowal of these statements. In light of recent developments which can be interpreted as meaning a shift in the U.S. position away from free China and toward the Mao regime, I would like to hear a loud and clear public announcement of our continued commitment to preserve official relations with the Republic of China and not to court our Communist adversary who occupies the mainland.

Mr. President, the free Chinese on Taiwan have achieved amazing economic and political advances. The per capita income of the Chinese on Taiwan is over three times that of people in Communist China. Over the decade from 1964 to 1974, the gross national product of the Republic of China has increased by an average of 11 percent annually. From an island that was primarily agricultural, Taiwan has become a major industrial area. Agriculture, which represented 36 percent of the gross national product as recently as 1952, now stands at 15 percent. Over the same period, industry went up from 11 percent of the GNP to 38 percent.

Think of the progress for the entire free world, if the vast population and resources of Mainland China could be governed by the political and economic system operating on Taiwan. We hear of wonders from returning tourists to the mainland, who accept Communist propaganda about such things as the eradication of the common housefly, but imagine what the Chinese people could achieve if they were not reduced to becoming "mechanical wind-up toys." That is not my use of words, but the actual description given to the Chinese people under communism by one visitor who did not fall for Communist polemizing. Eugene Patterson, who led a delegation of 15 American editors on a reporting tour of the mainland last year.

If all Chinese people could be allowed to develop their innate intellectual qualities to their full potential, as the Chinese living on Taiwan have been encouraged and helped to do, the capacity of the Chinese to reach heights of economic, social and political achievement would be remarkable. If only the vitality of the Chinese people, their spirit of creativity and their individual intelligence could be unlocked from the chains of tyranny which the Communist regime imposes on the masses living on the mainland, the real potential for bringing mainland China into the world of advanced development would be revealed, much to the advantage of free governments throughout the world.

Mr. President, it is my firm belief that if the United States holds true to its close and friendly relationship with Taiwan, we will ultimately see a united China organized upon the system of representative government and human liberties that has taken hold in the Republic of China. The proven success of the example of freedom on Taiwan and the disparity in achievement on the mainland, marked by the cruel human costs of human slavery under communism, will eventually spread the seeds of liberty to the mainland along the lines of the Taiwanese model.

Mr. President, if only the United States does not gratuitously concede the great advantages that freedom and the free enterprise system have over a socialist dictatorship, the opportunities for the eventual long-term development of an enormous market for U.S. trade with the Asiatic mainland will be fulfilled. Not only is Taiwan important to U.S. security interests in the Pacific and to proving the value of our commitments, but Taiwan is an immense commercial asset to the United States. If our compassion for the 16 million Chinese citizens residing in Taiwan is not reason enough for us not to alter the relationship of the United States to Taiwan, the vast investment of American capital and commercial-expertise in Taiwan should be. To abandon Taiwan, and thereby to complacently submit the enormous commercial technology represented by our investment there to seizure by the Communists, would destroy any real potential we have for eventually doing business on a large scale with Continental China and would cause apprehension as to the security of American commercial ventures all over the world.

Mr. President, I reiterate what I urged earlier in these remarks: Let us adhere to a policy that views mainland China as a part of Taiwan, instead of the other way around.

HEALTH HAZARDS TO WORKERS

Mr. **HARTKE**. Mr. President, there is mounting concern within all the major responsible institutions in the United States for the health of the country's working men and women. Evidence has been pouring forth from every quarter of the dangers that lurk in our factories and their environs.

A preliminary study of workers at two Indianapolis lead refining companies, for example, reveals that almost half the workers have symptoms of lead poisoning. The Virginia Kepone scandal is only the most well-publicized disclosure of the hazards to which workers are exposed, often unknowingly. The article I am submitting, authored by Gershon Fishbein, explores one dimension of this problem which has not received adequate attention, but will shortly need to be discussed and resolved. The question is twofold: When should the worker be told that he faces potential danger; and, two who should tell him?

I ask unanimous consent that the article be printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

[From the Washington Post, Feb. 14, 1976]

Health Hazards: When Should Workers Be Told?

(By Gershon Fishbein)

Former asbestos workers at Pittsburgh Corning's now-closed plant in Tyler, Tex., have a multi-million dollar damage suit pending against the company. So do employees of Life Science Products Co., which shut down in Hopewell, Va., after cases of Kepone poisoning were confirmed.

A major issue in both suits is the contention of the workers that they were not informed, or were inadequately informed, by management about the nature of the hazards they faced at work. In some cases, working in ignorance of the danger proved a matter of life and death.

Little disagreement exists on the right of workers to know that the substances they work with may cause cancer or other illnesses. But there is considerable disagreement about who should tell them, when they should be told and in what form.

In the case of cancer, a fast-growing threat in the workplace, the issue is even more complex for two important reasons: because many of the chemicals in common use may produce cancer only in animals and are only suspect in humans, and because a period of 20 or more years may elapse between first contact with the chemicals and the appearance of tumors in connection with those chemicals which do affect man.

The issue has become so important in occupational health that the National Research Council, which is part of the National Academy of Sciences, will hold a public meeting Tuesday on the question of how employees—and employers—can be informed about possible cancer risks before it is too late. For the council, the meeting represents a rare venture into the field of communication with those outside the scientific community.

The Labor Department's Occupational Safety and Health Administration asked the Council for advice as part of a $1 million project on communicating the threat of occupational cancer. Under the Occupational Safety and Health Act of 1970, employers have the responsibility of providing "a safe and healthful workplace." Nothing is said in the law, however, about how little or how much the workers must be told about the consequences if the workplace isn't safe or healthful. The toxic substances control legislation now working its way through Congress requires manufacturers to notify the Environmental Protection Agency about possible dangers to health or environment before marketing new chemicals. But it too is silent on the question of notifying employees.

Management still considers the task of informing workers about possible threats to their health to be its responsibility alone. But considering the lack of agreement by scientists about much of the preliminary information, many companies have been reluctant to share the data with employees while it is raw and unevaluated. The threat of lawsuits, new regulations by the government, requests by employees to change jobs or to receive incentive pay have made employers aware of the risks of fast disclosure.

Yet it is often at this point that the workers need the information the most. In recognition of this need, some large unions have been getting the word directly to their members, have undertaken their own health and safety projects at an early stage and have brought the worker education issue to the bargaining table. The result has been a number of joint management-union health information programs.

That leaves uncovered the large majority of workers who—like those at the Kepone plant in Hopewell—are not union members. Many work in small shops where serious hazards could go undetected for years. To help meet this problem, organizations such as the Labor Health Occupational Program send information to workers in plants large and small, union and non-union, where hazards of cancer and other diseases may arise from the chemicals they use.

LHOP, which is affiliated with the University of California Institute of Industrial Relations, is financed by the Ford Foundation. Its technique is to canvass all industries and offer instructional materials and technical assistance in developing standards. It is headed by a physician, Dr. Donald Whorton. Other major programs for worker edcation are at Ohio State University and the University of Wisconsin.

Leader of these projects, which are expanding, complain that they have difficulty gaining access to the preliminary information early enough. Results of experiments on animals, they say, are closely held by industry researchers and trade associations and are neither published in the scientific literature nor communicated promptly to the government. It is to the government—principally HEW's National Institute for Occupational Safety and Health, which has primary research responsibility—that these programs turn for help.

By all accounts, a turning point in the controversy occurred last year at the conclusion of a meeting on occupational cancer sponsored by the New York Academy of Sciences. Several papers implicating a number of chemicals as possible cancer producers were presented for the first time at the meeting. After the meeting, it was suggested that the proceedings be published in two versions—a verbatim one for scientists and a non-technical translation for the endangered workers. The idea was approved by the Academy's board, but challenges by medical directors of some of the affected industries have led to postponement of the publication of the proceedings.

For physicians employed by industry, the issue raises ethical considerations. Company medical directors, backed up research departments in the larger firms, are expected to be the primary sources of information about workplace hazards for both top management and workers. But in practice they first notify management and together they usually decide when, and how much, to tell the workers or their union representatives.

The dilemma centers on the need to apply scientific information which is far from precise to mandatory legal standards at the possible cost of a plant shutdown. Under those circumstances, if cancer may be in their future a generation from now, some workers may insist on their right not to know.

MEDICAL TECHNOLOGY AND PATIENT CARE

Mr. **JAVITS**. Mr. President, I recently called the attention of my colleagues to the excellent analysis of the costs of medical technology as they impact on the health care system by Glifton Gaus of the Social Security Administration. While the United States can well be proud of its leadership role and accomplishments in medical research, unfortunately much of our medical technology is largely unproven. New equipment and new procedures and new surgical techniques are rapidly diffused into the system and become "articles of faith" whose efficacy is rarely subject to close scrutiny.

The President's Biomedical Research Panel, established pursuant to legislation which I authored with Senator Kennedy, has focused on the need for objective data regarding costs and benefits of biomedical technology.

I would like to underline that outstanding health policy analysts and distinguished scientists are not alone in raising these concerns. Rather, practicing physicians who seek the best for their patients are increasingly becoming aware that costly, unproven technology can and does take away from the resources, time, and energy that ought more properly be devoted to the patient.

I would commend to my colleagues two excellent articles: One is entitled "Let's Fall Out of Love With Our New Technology," published in the February 1976 issue of Medical Economics by Dr. Robert Ray McGee, an internist from Clarksdale, Miss. Dr. McGee notes that physicians should use medical technology with discretion and critically assess its benefit for his or her individual patient, considering the patient's individual circumstances.

Dr. Michael Halberstam, writing in the February 23, 1976, issue of American Medical News, the newsletter of the American Medical Association, takes a critical look at the proliferation of technology for its own sake in our Nation's teaching hospitals. Dr. Halberstam cites the distressing fact, uncovered in one study, that interns and residents frequently did not even check the results of tests they had ordered. Dr. Halberstam notes that somehow the patient and his needs have all too often been overlooked.

I ask unanimous consent that the articles by Drs. McGee and Halberstam be printed in full in the RECORD.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

[From the American Medical News,
Feb. 23, 1976]

TEACHING HOSPITALS ARE OBSOLETE!

(By Michael Halberstam, M.D.)

Place it right up there on the collector's shelf next to other mementos of bygone days. For there's no doubt in my mind that the teaching hospital as we know it is doomed—a monument to an extravagant era in American medical education and patient care.

Like once-grand, but now departed, symbols of former eras, such as the *Twentieth Century Limited* and the liner *Queen Mary*, the teaching hospital will be superseded by a newer, more streamlined substitute. It will continue to exist, but in a new, barely recognizable form, more like a Volkswagen than the Cadillac it once was.

What caused its demise? The teaching hospital self-destructed. It was a victim of the slogan that everyone who ever trained in one must have uttered at one time or another and that everyone who later attended at these same institutions learned to date. "It's a teaching hospital, isn't it?"

That battle cry was used to justify almost everything—the third pelvic examination done by the third medical student on the 80-year-old woman with leukemia; the pulmonary function tests done on anyone whose x-ray read "consistent with emphysema"; the research programs which shot chromium-labeled red cells into patients to provide investigators with some "nonhemolytic controls."

Equal parts of scientific fervor, careerism, and ignorance contributed to this attitude, and the magic ingredient that made it grow was money. If, as house officers, we were chided for requesting a barely justifiable lab procedure, we would reply, "It's free, isn't it?" It was free, too.

Once the patient was admitted to Kings County, Bellevue, or Boston City on one of the teaching services, everything was free. We supposed, in our moments of leisure, that eventually the taxpayers paid, but that was a remote consideration to a group of 26-year-old interns getting $2,000 a year. At Massachusetts General everything was free, too—research grants, Damon Runyon money, Carnegie money, and NHI money paid the freight.

As house officers, we were insulated not only from the economic effects of our spending, but also from the human costs of our intellectual curiosity. The hospitals were in big cities and, if a research procedure did not go well, the doctors were not likely to encounter a grieving family at the corner drugstore or the local movie theater.

Remember how it was? A senior resident would approach you and begin, "Say, Dr. Woolworth and I are doing a project on lactose turnover times, and we need a couple of patients with big livers to biopsy. Could we have your Mr. Swenson in 33–B?"

Of course he could have Mr. Swenson. It was science, wasn't it? It wouldn't cost anything. Mr. Swenson himself might—remotely—benefit. And, besides, someday we might need that senior resident's help with research.

The credo was that good teaching meant good patient care. We house officers certainly believed it and if we had doubts, we kept them to ourselves. Our heroes, the full-time chiefs, were sincere in their belief that research naturally led to good patient care, though they and their departments were judged solely on the papers they produced, not upon the end results for individual patients.

In the 1950s and 60s there were a few skeptics in the medical establishment, but they were too decent and too quiet to crusade for teaching hospital reform. A distinguished Boston physician once noted, in an address, that there were conflicts between research and patient care, but that, in sum, they were not significant enough to put the teaching hospital in jeopardy.

Then the chickens started to come home to roost. People began to turn their research-oriented eyes toward the teaching hospitals themselves. Paul Griner and Benjamin Liptzin, at Rochester's Strong Memorial, studied the costs of medical care in that hospital and discovered that frequently house officers never even checked for the results of tests they had ordered.[1]

In another study, Griner found that the major difference intensive care unit treatment made in patients with acute pulmonary edema was to increase the cost of the hospital stay.[2]

By 1972, most physicians could no longer shrug off the problem of cost. The supercilious fulltime chiefs who had made breakfast table remarks about "rich surgeons" while they themselves were spending millions of the taxpayers' dollars found out that, to the public, cost was cost, whether the money went directly to the doctor or supported his empire. Research money began to dry up.

The clamor for primary care accelerated. Cost effectiveness became a new rallying cry, and some studies suggested that even the coronary care unit was an expensive luxury that did not significantly affect mortality rates.

Old habits die hard. Just a few weeks ago I had to fight off a research fellow who wanted to snake a tube into my patient's ampulla of Vater to confirm a preoperative diagnosis of cancer of the pancreas. "Would the cannulation studies be definitive?" I wanted to know. "Not definitive, but suggestive," he said. "Since she's going to be operated on anyway, why bother?" I asked. "Because we're doing a study," he replied.

It won't wash any longer. Mallory climbed Everest "because it was there," but I'll be damned if all my patients' orifices have to be cannulated "because they are there." Too many elegant diagnostic techniques are great feats of dexterity and technology, but can at best give us only partially complete information. We can no longer afford them.

In my city recently the two teaching hospitals were checked off as costing between $130 and $110 per day per bed, while several excellent community hospitals charged $70 to $90. The local prepaid group practice, which has long put all its patients in a university hospital and has propagandized its subscribers about the glories of teaching hospitals, is about to pull out because teaching hospitals are too expensive. When your own buddies start to jump ship, you'd better start looking for a life jacket—or get a new ship.

I suspect that the teaching hospital is going to reemerge in a finer, more rational, slimmed-down version. Intellectual curiosity will continue to be fostered, but not at the expense of the patient's safety and not without any thought of its cost. (I am told that at Johns Hopkins the interns get a monthly computerized total of the cost of the studies they have ordered.)

Technological change will continue—God bless the sonogram, the CAT scanner, and the coronary care unit—but within reason. As a nation we have learned that bigger is not always better, that newer is not always finer, that more is sometimes less. As a profession we have to learn it, too.

[From Medical Economics magazine,
Feb. 9, 1976]

LET'S FALL OUT OF LOVE WITH OUR NEW TECHNOLOGY

(By Robert Ray McGee, M.D.)

The massive proliferation of electronic, computerized, automated, and nuclear devices and procedures in medical practice fills me with increasing doubts. In our love affair with the new technology, are we losing sight of the patient? Let's ask ourselves a few blunt questions.

Do all these new devices and techniques help the patient, or do they only make *us* feel more secure in what we're doing. Are they often used as shortcuts to diagnoses that we could have arrived at by careful history and physical examination? Can their huge cost be justified in terms of patient benefit? Or are they sometimes just sophisticated toys we like to play with?

Our radiologists gave a program recently on radio-isotope scanning. What struck me was that the positive findings with a few exceptions, involved conditions that were rather hopeless. Without those expensive techniques the nature of the illness would have become apparent in time, and often the outcome would have been the same. The scans gave the doctor the likely diagnosis sooner, so he had the securty of telling the patient or family what was probably wrong. I'm sure this made the doctor feel better, but it didn't do much for the patient in the end.

I believe that coronary-care units save lives. But I remember well that 25 years ago anticoagulant therapy was supposed to show a similar reduction. * * * Same applies to the growing number of computerized electrocardiogram interpretation systems in the present state of the art.

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[1] Annals of Internal Medicine 75 (August 1971): 157–163.

[2] Annals of Internal Medicine 77 (October 1972): 501–506.

The blood-gas machine spits out its data. The pulmonary function tests are reported. The X-ray delineates the pulmonary shadows. The automated analyzer measures the electrolytes. We feel very snug with all that "hard" data and think we know exactly what to do for the patient.

Yet when we first saw him, if we looked with a discerning clinical eye, we observed that he was faintly cyanotic. We heard the markedly diminished breath sounds with faint wheezing and an increased respiratory rate. We noted the straining accessory muscles of respiration, the dulled sensorium and the tachycardia.

What we ordered was probably exactly what it would have been if we'd never seen all the test data. Here was a man with acute lung disease. We knew it when we looked at him, and we knew what to do.

What I'm saying is that we must use modern technology with discretion, and not depend on it as a substitute for our own observations. Machines make mistakes, just as we do. They can't do our thinking for us. We get overdependent on them at our peril.

It spooks me that all these elegant new technological aids may get incorporated in the criteria-of-care manuals being devised for use in P.S.R.O. and other so-called quality assurance programs. If they do, doctors are apt to feel that they must use them in every case, whether their clinical judgment says they're indicated or not. Result? Skyrocketing medical costs.

I wrote an article some years ago in which I insisted that if we thought of a test in a particular case, then we probably ought to order it unless there was some contradiction.[*] But the tests available and their complexity and expense have increased geometrically since then. I don't think my former stance can be defended anymore.

Before we order a procedure, we need to ask ourselves what chance it has of benefiting the patient. If we can answer that question honestly, perhaps we'll use these new aids to practice in a more critical and economical manner. And perhaps we'll keep our clinical skills from atrophying in slothful dependence on technology.

THE LAST STAGE OF MADNESS

MR. METCALF. Mr. President, in the other body last Monday, the Subcommittee on Oceanography of the Committee on Merchant Marine and Fisheries resumed hearings on deep seabed hard minerals legislation.

Among the witnesses was Mr. James L. Johnston, senior economist with the Standard Oil Co., Indiana, whose specialty is antitrust economics. Until this past August 1, Mr. Johnston was the representative of the Treasury Department on the U.S. delegation to the United Nations Conference on the Law of the Sea.

Speaking as an individual, not for Standard or the Treasury Department, Mr. Johnston observed that our negotiators are "in the last stage of madness" on cartels as our spokesmen head for the next session of the Conference beginning in New York on March 15.

According to Mr. Johnston, our spokesmen go into the Conference committed to community arrangements, such as we now are supporting on coffee and tin. Of seabed minerals he had this to say:

> The most important feature of the proposed "commodity arrangements" is the U.S. government's commitment by treaty to accommodate the worldwide cartel. If these other commodity agreements are any guide, then we may find our government forcing U.S. consumers to pay floor prices (for seabed minerals) that are above the competitive level, spending tax dollars to finance the purchase of large mineral stockpiles and subjecting our ocean miners to a system of production controls and additional investment uncertainty.
>
> Besides being harmful to U.S. consumers and taxpayers, it is positively disastrous for our ocean miners. In addition, there is every reason to believe that the emerging metal cartel will devastate the economies of the poorest countries which are just now recovering from the worldwide depression aggrevated by the OPEC actions.

Mr. President, I commend Mr. Johnston's statement to the attention of my colleagues, who may be discussing seabed mineral legislation before the end of this year.

Mr. President, I ask unanimous consent that Mr. Johnston's testimony before the Subcommittee on Oceanography be printed in the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

REGULATION OF ECONOMIC ACTIVITY, INTERNATIONAL CARTELS, DOMESTIC LEGISLATION FOR MINERAL RECOVERY FROM THE DEEP SEABED AND THE UN CONFERENCE ON THE LAW OF THE SEA (UNCLOS)

(By James L. Johnston)

My name is James L. Johnston and I am a senior economist with Standard Oil Company (Indiana) specializing in antitrust economics. Until last August, I was the Treasury representative on the U.S. Delegation to the U.N. Conference on the Law of the Sea (UNCLOS). My testimony today is a personal statement of my own thoughts as an economist and does not necessarily represent the official views of either organization.

Mr. Chairman, this Subcommittee has heard from Administration witnesses that they do not support domestic legislation at this time because a "glimmer of hope" has been detected in the recent unofficial intersessional meetings held in New York. I am here today to present an economic evaluation of this most recent "glimmer of hope" in the deep seabed negotiations and to show that U.S. consumers are still seriously threatened with establishment of a worldwide cartel in nickel, copper, cobalt, manganese and possibly other minerals as well.

Before commenting on the negotiations and the need for domestic legislation it will be useful, I believe, to present a little background on the economics of government regulation, its relationship to cartels and how cartels exist internationally. At the outset it should be observed that organizing a group of producers to act as a monopolist over a long period of time is seldom if ever successful. The basic problem has to do with gaining continuing compliance among all cartel members to restrict their output according to some formula that maximizes the monopoly rent for the cartel as a whole. In such an arrangement any member of the cartel has the potential for drawing off more than his share of the monopoly rents by surreptitiously lowering his price and gaining the additional sales. In the limit such "cheating" by cartel members drives the price to the competitive level. Any cartel, then, that hopes to maintain its monopoly has to find a mechanism to keep its members from lowering their prices.

Domestically the enforcement role has most often been played by government regulators, who levy heavy fines and jail sentences on cartel members who charge too low a price.

Internationally, the enforcement problem is more complex. To say the least, it is unseemly for one producer country to send its troops into another country in order to punish the cartel member who is charging the low price. Another mechanism must be used, internationally, and most often the necessary element is the active cooperation of the governments of countries which are important *consumers* of the product supplied by the cartel. In practice there are usually three kinds of roles played by the *consumer* country government. One is where shipments from a producer country which exceed their production quota are barred entry through customs. This is the system employed under the coffee agreement in the 1960's. The second technique is for the governments of major consumer countries to prohibit their nationals from paying a lower-than-floor price for the commodity or service. This technique is employed for international air travel, and proposed for their international energy agency and the new coffee agreement.

The third technique is for *any* government to maintain a large stockpile of the product, although it is an unambiguous gain for producers if the government of a *consumer* country can be persuaded to perform that function. The cartel would be even stronger with an international treaty where the consumer country government would *finance* the stockpile but empower the producer group to *control* the purchases from the cartel members. The stockpiling role has been played by the U.S. government with respect to tin, among other metals.

It is appropriate to note that the State Department has announced its intention to commit the United States to membership in both the new coffee agreement and the tin agreement. Secretary Kissinger has also announced that the question of joining the copper agreement has the highest priority. Thus, there is ample precedent to justify concern about an international cartel to govern manganese module recovery from the deep seabed. To show the development of these connections, I will turn now to a brief discussion of the deep seabed negotiations.

Perhaps, the event to begin with is the 1970 draft treaty proposed by the United States. This document outlined an elaborate international regulatory body which would be financed from revenues produced from minerals recovered from ocean areas. The 1970 draft treaty went much further than the simple definition of property rights. Its elaborate structure, which one keen observer dubbed, "the floating Chinese pagoda" provided for virtually unlimited discretion on the part of the International Authority to take whatever measures, in *its* judgment, would protect the environment and conserve the resource from the mythical problem of high grading. The U.S. Department of Interior was particularly concerned that nodule miners left to their own devices would violate the rights of the low grade manganese nodule deposits by not spending the extra sums to recover them. In fact, high grading is efficient because to do otherwise increases the cost of production and forces higher market prices.

About this time, the UN General Assembly adopted a resolution, supported by the US Delegation, designating the resources beyond the limits of national jurisdiction to be the common heritage of mankind. The UN General Assembly also adopted a moratorium resolution asking all countries to restrain their nationals from engaging in nodule recovery until UNCLOS produced a treaty. The U.S. Delegation voted against the moratorium resolution. However, the course of the negotiations was established. The Group of 77, led by the land-based producers of minerals, set out to stifle the development of this competing source of minerals.

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[*] See "Stop Trying to Save Money on Medical Care!" Medical Economics, July 21, 1969.

Missing from the 1970 draft treaty were the final detailed rules and regulations which ostensibly would be negotiated at the first substantive session of the UNCLOS in Caracas. Supposedly these yet unnegotiated rules and regulations would guarantee nondiscriminatory access by all countries including the United States and its nationals to the mineral deposis of the deep seabed.

Treasury Secretary, George Schultz, who is an economist of considerable note, remarked about this negotiating strategy that regulation of economic activity is *seldom* a good idea and regulation by an international organization is *never* a good idea. Clearly reflected was his abundant experience in international labor and monetary negotiations.

Notwithstanding the advice offered by Treasury economists from Secretary Schultz on down, the U.S. negotiators maintained that the discretion of the International Authority could be successfully curbed by a deftly drafted set of rules and regulations.

The ten weeks of negotiation at the Caracas session almost ended before the Group of 77, led and supported by the land-based mineral producers, would even permit *discussion* of rules and regulations. Even then, they concentrated their attention on a set *they* drafted. The Group-of-77 draft tentatively offered to respect the security of contracts but then immediately snatched back the offer with insistence upon complete and effective control of recovery operations by the International Authority, overt protection of land-based producers, ownership of the deep seabed and its mineral resources, the transfer of technology, and the right to discriminate against our ocean miners. The blueprint was obvious to the U.S. Delegation's economists. There was a worldwide cartel in the making, designed with the help of international bureaucrats from the UN Secretariat and the UN Conference on Trade and Development (UNCTAD). The cartel even had a proposed headquarters—Jamaica—the location of the international bauxite producers organization.

In the period between the Caracas and Geneva sessions the U.S. delegation reevaluated its position. Ignoring the emerging cartel, the U.S. negotiators pressed for permission from the President to establish an operating enterprise within the International Authority, financed through overly generous revenue sharing from not only nodule mining but also hydrocarbon recovery from our continental margin. The International Authority was also to be given half of the nodule deposits prospected by our ocean miners. For protection, U.S. dependence was to rest *entirely* on voting control in the International Authority's Council which was to be the group directly in charge of ocean mining activity.

The main product of the Geneva session in 1975—the single informal negotiating text—demonstrated that our negotiators had again, tragically miscalculated the intentions of the land-based producers and their followers in the Group of 77. Any pretense of voting protection was swept away and the cartel plan emerged full blown. The only basis on which our ocean miners could operate would be under a contract from the International Authority, where the initial terms and subsequent conditions would be specified by the Authority in its own discretion. This includes specific control of production. The Authority would even have a permanent organization to monitor world mineral prices and recommended actions which would protect the earnings of land-based mineral exporters.

As for the voting protection, it would be nonexistent. The United States would be hopelessly outnumbered in both the Council and the Assembly. As if that were not enough, most of the important functions and responsibilities were transferred to the Assembly where the United States would have just one vote out of, perhaps, 150.

We are now in the last stage of madness. Having finally grasped what the other side is after, our negotiators are now preparing to give it to them under the rubric of "commodity arrangements." As has been discussed, the commodity agreements which we are already involved in, and the ones that we are investigating for membership have in them, both the necessary and sufficient conditions for a viable cartel. The most important feature of the proposed "commodity arrangements" is the U.S. government's commitment by treaty to accommodate the worldwide cartel. If these other commodity agreements are any guide, then we may find our government forcing U.S. consumers to pay floor prices that are above the competitive level, spending tax dollars to finance the purchase of large mineral stockpiles and subjecting our ocean miners to a system of production controls and additional investment uncertainty.

Besides being harmful to U.S. consumers and taxpayers, it is positively disastrous for our ocean miners. In addition, there is every reason to believe that the emerging metal cartel will devastate the economies of the poorest countries which are just now recovering from the worldwide depression aggravated by the OPEC actions.

Your staff has kindly made available to me the amendments to the single negotiating text that supposedly contain the "glimmer of hope" detected by our negotiators. As an economist, I still see all the preconditions for a viable cartel in these amendments, and no "glimmer of hope" whatsoever. Perhaps to the politically naive, it may seem to be a conciliatory move. However, anyone who reads the new text will see that it is a transparent attempt to keep the U.S. government in the negotiations, thereby raising the cost of nodule recovery and facilitating the formulation of the cartel.

Mr. Chairman, there is but one way in which the benefits of ocean mineral resources can be fully realized as the common heritage of mankind. That is to have a stable investment climate where a healthy and competitive ocean mining industry can supplement the world's supply of minerals at lower prices. This will spur the economic growth of all economies, especially those which depend heavily on the capital equipment produced from these minerals.

Regretfully, Mr. Chairman, I must tell you that the UN Conference on the Law of the Sea is not going to produce such a solution. If there still remains a way to keep the heritage of mankind from being stolen by the international politicians, then it is through the adoption of domestic legislation such as H.R. 11879 and S. 713. I only hope that enough of your colleagues join you in your efforts, before it is too late to achieve this outcome.

Before I conclude my testimony, I would like to comment on the Interior Department's assertion that the ocean mining legislation omits lease payments and some detailed regulatory provisions. It is my view that the present legislation is adequate, and if it has any faults, they arise out of too much discretion and regulatory authority. One must keep in mind that costs of political uncertainty also includes concern with what our own government might do to hinder the development of this infant industry. More serious, however, are the suggestions for additional charges to be levied on the industry, when a mine site is registered. In a study prepared by the Treasury during the 1974 economic review of the Law of the Sea, it was observed that the value of a nodule deposit determined, say by an auction, would during the first generation, probably be zero. The reason primarily is that there are from 100 to 300 prime mine sites and fewer than that number of likely mining operations. This implies that until mine sites become scarce, they have no positive market value. Ignoring this condition by insisting on charging a fee or royalty would not only set a dangerous precedent with regard to ownership of the seabed under international waters, but would also finance elaborate government involvement in recovery operations (for example, to accommodate the mythical problem of "high grading") and consequently stifle the very development we wish to encourage.

Mr. Chairman, I urge the rapid adoption of the ocean mining legislation in essentially its present form, before the U.S. interests in ocean mining are sacrificed to the cartel being fashioned by the U.N. Conference on the Law of the Sea.

THE TRADE ACT OF 1974 AND THE PRESIDENT'S DECISION ON ITC SPECIALTY STEEL RECOMMENDATIONS

Mr. JAVITS. Mr. President, I would like to bring to the attention of my colleagues two editorials appearing in today's New York Times as well as two recent Washington Post articles, all dealing with a crucial foreign policy decision which President Ford will be making tomorrow. By midnight tomorrow the President must announce his first major decision under the new Trade Act of 1974—whether to impose quotas on the import of stainless and tool steel to the United States. The International Trade Commission, ITC, recently found import injury to the special steel industry, the first such finding in the five "escape clause" cases the Commission has decided under the Trade Act of 1974.

All of our trading partners, now meeting in Geneva for the GATT multilateral trade negotiations, will be carefully watching the President's action. At this crucial stage in the negotiations, with the United States preparing to table major tariff cutting formula, it is important that the liberalizing atmosphere of the negotiations are maintained.

Many other U.S. industries, eager to file petitions under the escape clause provision of the Trade Act, will also be watching the outcome of the President's deliberations.

I trust that the President will take into account the arguments made in these editorials, as an element in his consideration. The new figures on over $100,000,000 of U.S. exports are most portentous for the U.S. market and consumers.

Mr. President, I ask unanmious consent that the attached editorials be printed in the Record.

There being no objection, the material mentioned was ordered to be printed in the Record, as follows:

[From the New York Times, Mar. 15, 1976]

Protectionist Threat

Little noticed by most Americans, exports from the United States in this decade have soared steadily to the staggering total of $107 billion a year, three times the output of the whole automobile industry. Even during the recession the figure continued to rise. Sales abroad have climbed from 4 percent of the gross national product to 7.5 percent; if services are excluded, these sales represented about 20 percent of the goods produced in the United States, with factory and farm products predominating.

In these circumstances, the decisions now being pressed on President Ford by industry and labor to restrict imports of shoes and specialty steels—inviting retaliation against American exports by the Common Market, Sweden and Japan—must be seen for what they are. They constitute an indirect attack against one of the biggest and fastest growing sectors of the American economy—the export trade—which has been the main source of employment growth during the slump.

This consideration does not figure in the recommendations for steel import quotas and for steep increases in shoe tariffs made to the President by the United States International Trade Commission (formerly the Tariff Commission). The I.T.C. mandate calls only for a judgment as to whether complaining American industries have been injured by imports.

President Ford must act on the steel recommendations by tomorrow and take a decision on shoe imports a month later. The President has the option of accepting the I.T.C. recommendations or of ruling that the national interest requires him to reject or modify them. In the latter case, the Congress can override his decision by majority vote in each house within ninety days.

Both the President and Congress must consider that other American businessmen and workers—and American consumers—will have to pay the price if action is taken to shield the specialty steel and shoe industries from foreign competition.

Bilateral Peril

The peril in the pending decision on stainless and tool steels, affecting less than a tenth of the industry's output, is that it is seen by all parties as a precedent for the steel industry as a whole—and for other industries. Producers of primary steel products, such as sheet and structural steel, are also seeking import restrictions as are dozens of other businesses and trade unions. The 1974 Trade Act, under four different headings, has invited this plethora of complaints by easing the requirements for proving injury or foreign unfair trade practices.

Apart from the impact on the American economy—and the likelihood that a surge of American protectionism would halt the new round of trade liberalization talks under way at GATT in Geneva—the political effect in Italy of a rise in the shoe tariff cannot be ignored. One-third of the $1 billion of shoes imported annually by the United States come from Italy.

The United States has contributed to the depth of the recession in Italy and the Common Market as a whole by its failure to buy as much in West Europe as it is selling there; it ran an $8 billion trade surplus with the European Economic Community last year, four times the 1958–1972 annual average.

Depression and unemployment in Italy, France and other southern European countries have increased the danger of Communist accession to power. It would be self-defeating for the United States to deliver two new body blows to European recovery by restricting imports of shoes and steel. The end result of a new trade war would be to kill jobs on both sides of the Atlantic.

[From the Washington Post, Mar. 7, 1976]

Which Way for Free Trade?

(By James L. Rowe, Jr.)

Free trade advocates are worried that the administration might be backed into an increasingly protectionist stance in this election year under pressure from both labor and industry.

While the pressure has been there for a while, the trade act of 1974 which went into effect early last year makes it easier for industries to get protection from foreign competition.

By March 16, President Ford must make his first key decision under that act: whether to impose quotas on the imports of specialty steels to the United States.

The International Trade Commission, which first hears the import complaints, decided in January that specialty steel makers in the United States were being hurt by their foreign competitors and recommended to President Ford that he impose quotas on steel imports.

Since that January decision, the commission has ruled that shoe imports are damaging American footwear producers and that makers of stainless steel flatware imports are injuring American makers of stainless steel eating utensils.

At least one administration official is worried that this spate of "favorable" decisions by the Trade Commission will prompt other industries to file complaints under the so-called "escape clause" provisions of the trade act.

In an election year characterized by high unemployment—even though the employment picture is getting steadily better—Mr. Ford might find it hard to resist pressures from protectionist industries.

The "troublesome element" in the picture, according to one official who strongly criticizes the stainless steel flatware and specialty steel decisions, is the law itself.

There is no need to show that imports are unfair: either because they are being sold below market value or because they are being subsidized by foreign governments who in effect export their unemployment, as well as their products, to the United States.

All the law requires is that:

There is an increase in imports—either absolutely or relative to American production.

The domestic industry is either injured seriously or threatened with serious injury, such as declining sales and employment.

The increased imports are a "substantial cause" of that serious injury.

Most countries have escape clause provisions in their trade laws to enable them to aid industries hurt by trade. The United States has had an escape clause in its laws, too, but it was so tightly drawn until last year that almost no industry or worker could get relief.

But the new clause is so "loosely" drawn, in the eyes of one observer, that relief is now too easy to obtain. Industries subject to totally fair and honest competition can invoke escape clause provisions.

There is also a growing militancy on the part of many labor unions and on the part of some Congressmen to keep out imports that seriously threaten American jobs.

Many labor leaders used to be strong advocates of free trade, on the theory that foreign products provide the price competition that American products fail to give each other and therefore help keep consumer prices lower.

But as I. W. Abel, president of the United Steel Workers of America, noted at a recent press conference designed to increase pressure on Mr. Ford to impose the quotas, "If it's a question of my members working or members of the Japanese steel workers union, I'm going to prefer American steel workers."

A top-level administration task force has told President Ford that the quotas recommended by the trade commission go too far and the group, headed by special trade negotiator Frederick Dent, has urged less stringent measures.

But if Mr. Ford should propose less tough measures, a majority vote of both houses of Congress can overrule him and impose the trade commission's recommendations.

Steel industry officials claim that Congress would uphold the trade commission and vowed that they would carry their fight to Capitol Hill if Mr. Ford imposes trade sanctions "less" than those put forth by the commission.

The steel industry argues that it has long been the victim of avaricious practices by foreign steel makers, nearly all of whom are either subsidized or owned by foreign governments.

While that argument is mainly dismissed by economists—who say big steel's difficulties lie with its own failure to adopt new technologies, its lack of price competition and for a long time an overvalued dollar—the argument is not relevant to the case at hand.

The only decision under the law is whether increasing imports are damaging an industry and, if so, what relief should be granted that industry.

Five of the six members of the trade commission found the imports were increasing and that injury was there. But they had to do so by dividing up the specialty steel industry into a whole subset of little industries.

Commissioner Italo Ablondi found that to be an artificial division. Stainless and tool steels are produced with interchangeable facilities and specialty steel is really a single industry.

Using that approach, Ablondi found that "since 1970 total imports of stainless steel and alloy tool steel have declined absolutely and relative to domestic production" between 1970 and 1974. "During the recessionary period of 1974 and the first part of 1975, imports did increase relative to domestic production. However, a substantial part of the increase can be attributed to importers' lead times, which at the end of the third quarter of 1974 were roughly twice as long as domestic lead times."

Ablondi voted against the decision.

Foreign countries have complained loudly about the decision. Should Mr. Ford impose sanctions on steel imports, he may well have to make up for it by lessening restrictions elsewhere under the international trade laws.

[From the Washington Post, Mar. 8, 1976]

Italian Shoes, Japanese Steel

President Ford's next major foreign policy decisions concern nothing more dramatic than shoes, steel—and jobs. But they will require him to think carefully about this country's immense and growing foreign trade. The American shoemakers and the specialty steel industry have now obtained rulings from the U.S. International Trade Commission that they have been injured by imports. There is little point in expanding on the weakness of the ITC's economic analysis or the confusion of its findings. It has published its verdicts, and under the 1974 Trade Act the President now has to make up his mind what to do with them. The ITC has called for protectionist quotas on imports of stainless and tool steel, and for shockingly high tariffs on shoes.

The consequences of Mr. Ford's decisions will be substantial. Take the Italian example. Of the billion dollars' worth of shoes coming into this country every year, one-third comes from Italy. It comprises a huge part—$1 out of every $7—of Italy's sales to the United States. Italy already buys a good deal more in this country, incidentally, than we buy there. Italy is already in very serious trouble with inflation and unemployment, which in turn accelerates the decline of the present government. The Communists' strength has been steadily rising.

If the United States now hits Italy with a prohibitive tariff on its shoes—the Tariff Commission proposes rates up to 35 per cent—the effects are not hard to foresee. Last December the State Department wanted to pour secret American funds into Italian politics to try to keep the government propped up a little longer. Now the Trade Commission urges tariffs that would give a drastic jolt to the fragile Italian economy. Italians, watching the performance, sometimes murmur that the United States does not seem to know exactly what it is trying to accomplish. They have a point.

The Italian footwear coming into this country is not cheap. But it sells well because the Italian manufacturers have been highly responsive to rapid changes in styles here. The American shoemakers have not kept up, and now they want the U.S. government to protect them from the results of their own inability to stay in style. If the President were misguided enough to accept the Tariff Commission's recommendations, who would get hurt? First of all, the consumers who would suddenly find the imports costing vastly more. Next, the American retailers would suffer, as prices rose and sales dropped. Frank H. Rich, who has been selling shoes to Washingtonians for a good many years, makes that point in a letter on this page today. The tariffs that are supposed to preserve jobs in American factories may cost other Americans their jobs in the stores. Finally, the tariffs would eventually hurt people who make other American products for sale in Italy—since Italy would surely retaliate.

There are certain foreign industries that would doubtless welcome an American swing to protectionism. The specialty steel case illustrates the point. In many parts of the world steelmakers regard a cartel as the normal and orderly way of conducting business. The European Coal and Steel Community was built on the foundations of the prewar German cartels. The Europeans have now imposed quotas on Japanese steel shipped to Europe. The specialty steelmakers want a similar arrangement for the United States. People on both sides of the case see it as a precedent for the entire steel industry.

The recent troubles of the steelmakers are the result of the recession, in which worldwide steel consumption fell drastically. It is the custom of the American steel industry, in recessions, to maintain prices and cut production. Most foreign steelmakers do the opposite, cutting prices and maintaining production. As a result, during the trough of the recession, they sharply increased their share of the American market. Some of them got subsidies, in one degree or another, from their home governments to help keep employment up. The remedies to this abuse are enforcement of the present anti-dumping laws and international negotiations on subsidies. A great variety of the goods in international trade is now subsidized—including, of course, many American exports—and there is urgent need for agreement on these subsidies. No country is entitled to a free hand in pumping up its own employment levels at its neighbors' expense. If the industrial nations cannot get the subsidies under control, the drift toward quotas and cartels may become irresistible.

American trade quotas would impose a heavy burden, in the end, upon Americans. Last week, for example, at a press conference that the steelworkers called, the president of the United Steelworkers of America, I. W. Abel, angrily said that Americans "let steel come in so that we can sell soybeans someplace." Exactly. If this country cuts the Japanese sales of stainless steel here, the Japanese will have fewer dollars to buy American foodstuffs. That's fine with Mr. Abel, but the soybean producers will doubtless take a different view.

At the same press conference, someone put a question about prices to Richard P. Simmons, president of the Allegheny Ludlum Steel Corporation: If the President imposes quotas to protect his industry from foreign competition, would Mr. Simmons support wage and price controls to protect the consumers from his industry? Mr. Simmons replied that he opposes wage and price controls. He puts his faith in the free market, he said. But a country under import quotas is not everybody's idea of a free market.

SENATOR HARTKE CONDEMNS ISRAELI BOYCOTT

Mr. HARTKE. Mr. President, I am pleased and proud to join with Senator RIBICOFF and my other distinguished and concerned senatorial colleagues in sponsoring legislation fashioned to curb one of the most insidious and fundamentally obnoxious practices of contemporary commercial life—the racially inspired economic boycott.

Arabs and Israelis have for almost three decades observed a semistate of war, punctuated all too frequently by actual physical combat. The roots of their conflict run deep—deep into their history, deep into their national psychology, and deep into their present values, political and social. That conflict is tragic and it has become practically the centerpiece of contemporary history.

Like a disease, it has infested the international political system, poisoning relations and escalating the probabilities of warfare involving non-Middle East powers. Because of the tactics pursued by some Arab nations, the disease is spreading to the internal value structure of the United States.

Recent shifts in the relative balance of trade and payments between the Arab nations and the West resulted from the OPEC cartel have placed huge financial resources in Arab hands. Tragically, they have used this windfall to foster a new form of racism within the international community by adopting a boycott policy not only toward Israel but toward all Jewish citizens.

For American as well as other foreign companies, the Middle East has become a new frontier for investment and sales. But the bright facade that beckons hides a seamy and, in my view, an immoral reality. The quid pro quo extracted by Arab nations for the privilege of sharing in their new bonanza is the renunciation of fundamental human values in favor of the odious practice of racism.

Were it in my power to do so, I would provide much harsher penalties than those associated with this bill. It is unfortunate that the administration, after much public display of shock and indignation, has done so little to effectively end Arab imposed discrimination against Israel and, indirectly, Jewish citizens of all nations. We are left, therefore, with other remedies.

The bill I am cosponsoring today deprives American coprorations of certain tax advantages presently provided for under law if a finding that the corporation participated in an Israeli boycott is made.

I wish to make it clear, however, that my support of this bill in no way implies an acceptance of the legitimacy of either the foreign tax credit or the tax deferral in nonboycott, nondiscriminating situations. My colleagues are well aware of my consistent opposition to these tax provisions because of their effect on the domestic economy. My reasons for opposing the foreign tax credit and the deferral are detailed elsewhere, and I shall not abuse this occasion with a restatement of those arguments.

It is incumbent upon the Congress to enact legislation that will exact penalties from those American corporations who are unable to exercise the proper moral self-restraint to avoid supporting policies of blatant racism.

CONCLUSION OF MORNING BUSINESS

The ACTING PRESIDENT pro tempore. Is there further morning business? If not, morning business is closed.

FEDERAL ELECTIONS CAMPAIGN ACT AMENDMENTS OF 1976

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar No. 647, S. 3065, and that it be laid before the Senate and made the pending business.

The ACTING PRESIDENT pro tempore. The bill will be stated by title.

The legislative clerk read as follows:

A bill (S. 3065) to amend the Federal Election Campaign Act of 1971 to provide for its administration by a Federal Election Commission appointed in accordance with the requirement of the Constitution, and for other purposes.

The ACTING PRESIDENT pro tempore. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill.

Mr. MANSFIELD. Mr. President, there will be no action taken on the pending business today, but it will be the first order of business tomorrow at the conclusion of morning business and the morning hour.

PROGRAM

Mr. MANSFIELD. Mr. President, there will be no further business today. Our legislation, due to conditions over which the leadership has no control, is brought up to date, and some of the bills we expected to bring up this afternoon will not come up because of a situation which I will explain.

Calendar No. 647, S. 3065, a bill to amend the Federal Election Campaign Act, will be the pending business tomorrow.

For the information of the Senate, later this week it is hoped that the Senate will take up Calendar No. 613, S. 3015, a bill to provide for the continued expansion and improvement of the Nation's airport and airway system, on which there is a time limitation; Calendar No. 644, H.R. 9721, an act to provide for increased participation by the United States in the Inter-American Development Bank, and so forth; Calendar No. 650, S. 2484, a bill to amend Public Law 566, the Watershed Protection and Flood Prevention Act; and Calendar No. 655, S. 641, a bill to regulate commerce and protect consumers from adulterated food, and so forth, which the leadership anticipated would have been brought up this afternoon, but because of the fact that our distinguished colleague from Maine (Mr. HATHAWAY) is in the hospital because of the flu, that will come, hopefully, sometime later in the week.

Then there will be Calendar No. 659, S. 3052, a bill to amend section 602 of the Agricultural Act of 1954; and Calendar No. 662, H.R. 71, a bill to amend title 38, United States Code, to provide hospital and medical care to certain members of the armed forces of nations allied or associated with the United States in World War I and World War II, and so forth.

Then, there will be Calendar No. 665, S. 3136, a bill to reform the Food Stamp Act of 1964 by improving the provisions relating to eligibility, simplifying administration, and tightening accountability, and for other purposes.

This by no means means that we will dispose of all that legislation this week, but at least it gives us something to look forward to as to what can be contemplated, in the best judgment of the joint leadership as to what legislation will be confronting us.

Then, of course, we hope it will be possible some time to get to Calendar No. 379, S. 287, a bill to provide for the appointment of additional district court judges and for other purposes, provided we can get some sort of a time limitation, and hopefully if we can keep that particular bill clean, so that the matter can be addressed as expeditiously as possible; and then Calendar No. 276, S. 354, a bill to regulate commerce by establishing a nationwide system to restore motor vehicle accident victims and by requiring no-fault motor vehicle insurance as a condition precedent to using a motor vehicle on public roadways.

That bill will take a little time, as will the food stamp bill; but beginning tomorrow, our main effort will be concentrated on the bill to amend the Federal Election Campaign Act of 1971.

ADJOURNMENT TO 10:15 A.M. TOMORROW

Mr. MANSFIELD. Mr. President, if there be no further business to come before the Senate at this time, I move that the Senate stand in adjournment until the hour of 10:15 a.m. tomorrow.

The motion was agreed to; and at 12:40 p.m. the Senate adjourned until tomorrow, Tuesday, March 16, 1976, at 10:15 a.m.

NOMINATIONS

Executive nomination received by the Senate March 15, 1976:

IN THE ARMY

The following-named officer to be placed on the retired list in grade indicated under the provisions of Title 10, United States Code, Section 3962:

To be lieutenant general

Lt. Gen. Harold Arthur Kissinger, [redacted] Army of the United States (major general, U.S. Army).

EXTENSIONS OF REMARKS

PERIODIC RECONFIRMATION OF FEDERAL JUDGES

HON. HARRY F. BYRD, JR.

OF VIRGINIA

IN THE SENATE OF THE UNITED STATES

Monday, March 15, 1976

Mr. HARRY F. BYRD, JR. Mr. President, in a recent editorial, the Columbia, S.C., State has endorsed the concept of periodic reconfirmation of Federal judges. Remarking on the current practice of life tenure for Federal judges, the State wrote on February 21, 1976:

> In a representative democracy such as this, a better mechanism is needed to police the judiciary, to curb judicial excess.

That newspaper also noted that South Carolina, like all but one other State in the Nation, has limitations on the tenure of its State judges. Both its Supreme Court Justices and circuit court judges are elected to set terms on the bench—a system, I might add, which has been in use in Virginia, as well, for many years—and the State notes further:

> They have a sufficient degree of independence.

I am in complete agreement with the conclusion of the editorial:

> Fixed terms * * * might curb judicial highhandedness and promote something devoutly to be desired: new respect for the doctrine of judicial restraint, a concept too often ignored these days.

I ask unanimous consent that the editorial for the Columbia, S.C., State, "Jeffersonian Idea Gains New Currency," be printed in Extensions of Remarks.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

JEFFERSONIAN IDEA GAINS NEW CURRENCY

The idea is an old one, going back at least to Thomas Jefferson.

The distinguished Virginian, after observing operations under the Constitution for a number of years, determined that certain changes were needed. Among them: "Our judges are effectively independent of the nation. But this ought not to be."

The thing that made judges "independent of the nation" was life tenure. The only way to remove a federal judge, impeachment, was to Mr. Jefferson "an impractical thing—a mere scarecrow."

The post-Jefferson history of these United States proves that he was right. Impeachment is a rarely used weapon.

The third President thought that federal judges should be subjected to reconfirmation every four to six years.

A modern-day Virginian, Sen. Harry F. Byrd, Jr., has picked up that basic idea and incorporated it into a proposed constitutional amendment. Under his plan, federal judges would serve eight-year terms. At the end of each such term, a judge would automatically be renominated for reconfirmation by the Senate, unless the judge himself asked that his name not be submitted. (There is a grandfather clause; judges sitting prior to ratification would not be affected.)

"There is widespread dissatisfaction with the present system," Byrd wrote. He believes his amendment would make the courts more accountable. "Indeed to insulate a judge—or any public official—from all accountability for his actions is to invite arbitrary action contrary to the will and welfare of the people of the United States."

We totally agree. In a representative democracy such as this, a better mechanism is needed to police the judiciary, to curb judicial excess.

Asking a judge to go before the Senate every eight years would not do great damage to the concept of judicial independence. After all, only Rhode Island among the 50 states permits its judges life tenure. The rest have fixed terms for state judges. In South Carolina, Supreme Court justices are elected by the General Assembly for 10 years and circuit court judges for four years. They have a sufficient degree of independence.

Fixed terms, however, might curb judicial highhandedness and promote something devoutly to be desired: new respect for the doctrine of judicial restraint, a concept too often ignored these days.

HUNGARIAN INDEPENDENCE

HON. JAMES J. DELANEY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, March 15, 1976

Mr. DELANEY. Mr. Speaker, today marks the commemoration of the Kossuth Hungarian Revolution of 1848 and recalls for us once again the uprising and tragic massacre of 1956.

The year 1848 was a decisive year for Hungary. Revolution had erupted in Paris in February and when the news reached Vienna, Pozsony, and Budapest, a series of events unfolded that carried Hungary rapidly down the road to independence.

Upon hearing the news from Paris Louis Kossuth assumed leadership of the opposition forces in Parliament and proceeded to push through a program of reform. Counterrevolutionary forces in Austria incited Croation armies under Gen. Josef Jellasic to attack the reform-minded Hungarians in September, 1848, but the Croations were defeated. Still further troubles developed with Austria and in March 1849 the Austrian Government declared Hungary to be a mere second-rate province within a new centralized empire.

Louis Kossuth responded to this oppression with a declaration of Hungarian independence. He was carried forward on a tide of victory until the fateful summer of 1849. At that time, Emperor Franz Josef appealed to Czar Nicholas I for Russian assistance. In an ominous prelude to the events of the following century, the Russians invaded Hungary. After an intense struggle, the Kossuth Revolution was brutally crushed and the valiant Hungarians forced to capitulate.

Americans reacted immediately and bitterly to this intervention by the Russian bear. Just shortly before the invasion, in June 1849, President Zachary Taylor had issued special instructions to A. Dudley Mann, an American diplomat then in Europe, ordering him to proceed to Hungary and give assurances of American recognition to the Kossuth Government. However, the revolution was crushed before Mann reached Hungary. Hungarian history, music, dances, and wine became popular throughout the United States and many parades and rallies were staged.

I join with our fellow Americans of Hungarian descent in celebrating today that brief period of Kossuth independence. Let us all take heed of the sobering example of Russian imperialism which sought to destroy those noble aspirations. And, as Secretary of State Daniel Webster expressed so well in 1851, let us make our aspirations for Hungary, for the present:

> That single and simple point—Hungarian independence, Hungarian self-government, Hungarian control of Hungarian destinies. . . .

NO NEED FOR ENEMIES

HON. BOB WILSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 15, 1976

Mr. **BOB WILSON**. Mr. Speaker, Jim Hessman, the distinguished editor in chief of Sea Power magazine, in a recent editorial pointed out that the United States could be a victim of self-ruination. The cause of this downfall? Internal mistrust, excesses by respected institutions, and general apathy on the part of our citizens toward national dangers.

Hessman does not point the finger at any one area as being directly responsible. Rather, he suggests that we all—all Americans—contribute through our collective inactivity, our turning a blind eye toward potential troubles.

Hessman's warning is timely and one I believe should be heeded by all Americans and I, therefore, insert his remarks in the RECORD:

[From Sea Power magazine, February 1976]

NO NEED FOR ENEMIES

If you were an enemy of the United States and wanted to ruin this country, how would you go about doing it?

Well, we don't know what others might do, but if we were given the job of destroying what used to be America we'd simply sit back and do nothing—but do it well.

There's no need for external enemies so long as we have ourselves. Because, let's face it: Practically all of our current problems have developed domestically; almost all of our present bloody wounds have been self-inflicted.

Consider our credibility, if you call it that. There once was a delicate art called diplomacy. Nations engaged in the practice of diplomacy expected, and had the right to expect, that they could deal with each other honestly and openly, knowing that the party of the second part would not betray the secrets entrusted to it.

The Pentagon Papers changed all that. The Pentagon Papers, and the numerous other leaks and disclosures of national security information which have taken place over the past several years, as well as the more recent intelligence revelations so blatantly broadcast from Capitol Hill.

It is an empty consolation to realize that he who willfully and knowingly spreads disease sometimes becomes the worst victim of his own contagion. But that is what has happened here. There is at present no branch of government with a lower credibility rating than the national legislature. There is no businessman, no foreign government, no Executive Branch official, and, we would wager, no private citizen of sound mind and average common sense who would now voluntarily disclose to any Congressional Committee whatsoever any matter he wanted held in confidence.

That is a superb irony, perhaps, but it is much more than that. It is also a terrible tragedy for all Americans. Despite our own occasional criticism of certain of their members, we believe the House and Senate are, by and large, composed of intelligent, dedicated, and hard-working men and women of extremely high integrity. Their principal failure in this instance is not an endemic malice on their part, but a constitutional and collective unwillingness to prescribe, let alone enforce, more rigid standards of conduct and self-discipline for themselves and particularly for the less responsible members of their once prestigious society.

Such unseemly reluctance is not confined to Congress, incidentally. How many doctors, and how many lawyers, are willing to sit in judgment on their peers? For that matter, how many judges?

And what member of the media can take completely unvarnished pride in the modest (but much publicized) achievements of our free press? The press takes "credit," if that's the word, for the Watergate disclosures. But what about the many other disclosures, less creditable, and much less credible? Seldom do you see much in print or on the television newscasts about the multitudinous media errors of judgment, distortions of fact, and even, in some instances, phony staging of new events.

The public has a right to know. That is always the justification. Well, the public also has a right to privacy, and to have its secrets kept. The public has, more than anything else, a right to security, national security. When the public's right to know runs head-on into the public's right to survival—which is really what could be at stake whether you believe it or not—you know what right the public would rather have preserved. In far too many instances, we are afraid, those righteous crusaders for truth who so loftily proclaim the public's right to know are really more concerned about their own much more cherished right to publish and to rush into print ahead of the competition.

The press is, however, or so we are told, a necessary watchdog, a fierce and vigilant protector of the Constitution, and of the rights of the people. There are a growing number of average citizens, unfortunately, who rightly or wrongly believe that, like other watchdogs, the press should sometimes be chained.

We do not share that belief, incidentally. We would hate to have to prove it, but we still firmly believe that the evils of a censored press would be far worse than the evils of a free press. We just as strongly believe, however, that if the American free press does not itself demonstrate more restraint and self-discipline in the exercise of its magnificent public license, its own credibility, like that of Congress, will also be quickly destroyed—and, with it, its enormous power to do good. Or evil.

It would be another instance of self-destruction, a now ingrained American habit which is not limited to the media or to Congress. We all know that, for a nation as for an individual, it is economically ruinous to live beyond your means for too long a time, yet we have all acquiesced in that particular aspect of our collective national folly. We all knew, or certainly should have known, that there was an energy crisis coming. But we were all taken by surprise. There are some who still do not believe there is an emergency, even with the sirens screaming in their ears.

We all know, or give eloquent lip service to, the need for strong naval and military forces. But we stand silently by as those who want a so-called reordering of priorities dismantle the U.S. defense establishment. Those same well-intended patriots do not throw away their fire extinguishers just because there is no fire or, worse, because the extinguisher might be provocative to an arsonist, yet those are among the curious defense budget-cutting rationales used by the anti-military factions in our society.

None of us, let's face it, can afford to sit back and smirk in smug self-satisfaction, because we are all at least partly responsible for some of our present ills and maladies.

And if we are not guilty by commission, we are assuredly guilty by omission.

Edmund Burke once said that "All that is necessary for the triumph of evil is for enough good men to do nothing."

Pogo said it another way, in another context: "We have met the enemy, and they are us."

TESTIMONIAL DINNER IN HONOR OF MR. JOSEPH E. JUDGE AND MR. THOR MADSEN

HON. LEO J. RYAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 15, 1976

Mr. **RYAN**. Mr. Speaker, on the evening of March 24 a testimonial dinner will be given in the honor of Mr. Joseph E. Judge and Mr. Thor Madsen for their services to the city of San Carlos.

Mr. Judge, along with his wife and five children, have resided in San Carlos for 27 years. For 12 years, Joseph Judge has served as a city councilman in San Carlos and has served as mayor for 5 of those years. During his years in office in San Carlos, Mr. Judge has seen much progress including the decrease in the city's tax rate, major improvements to streets, sewers and drainage systems and the acquisition of lands for parks and a new city hall.

Some of his more outstanding achievements include his election to chairmanship of the Council of Mayors of the cities of San Mateo County, serving as San Carlos Parks and Recreation Commissioner, director of San Mateo County Convention and Visitors Bureau, general chairman of the San Mateo County Park and Open Space Acquisition and Development Fund drive, and the organization of the San Carlos world championship Babe Ruth League baseball team.

In addition to these many efforts Mr. Judge has supported and helped organize various conservation and recreation projects including the Bay Front Committee of the San Mateo County Regional Planning Committee, supporting legislation for the continuation of the Bay Conservation and Development Commission and serving as the first vice chairman of the Environmental Quality Coordinating Council.

Mr. Thor Madsen has also made many

great contributions to San Carlos and San Mateo County. His years of service include 14 years on the San Carlos Parks and Recreation Commission and serving as chairman of the commission on three separate occasions, serving as chairman for 3 years on the South Bayside Sewer System, the San Mateo County Water Quality Control and the San Mateo Local Agency Formation Commission.

Thor Madsen has also served on the Joint Sevices Committees for Belmont Coordination, the San Mateo Operational Area Civil Defense and Disaster Organization and has served as liaison for the city of San Carlos with the senior citizens building program. Also, he has been a member of the council of mayors for 4 years and served as vice chairman for a year. In addition to all these things, Mr. Madsen has been extremely active in youth activities in San Carlos for 30 years.

I would like to join in offering a hearty thanks and congratulations for the many years of unselfish service given by these two fine gentlemen, Mr. Joseph Judge and Mr. Thor Madsen.

TRADE SANCTIONS ON SPECIALTY STEEL IMPORTS

HON. CHARLES W. WHALEN, JR.

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Monday, March 15, 1976

Mr. WHALEN. Mr. Speaker, tomorrow the President must announce his decision about imposing trade sanctions on specialty steel imports. I sincerely hope he ignores the ill-supported and overly stringent recommendations submitted by the International Trade Commission.

The press has echoed resoundingly with intelligent condemnations of the ITC's recent rulings on steel and shoes. And a Cabinet-level administration task force has told the President that the ITC's urgings on steel go too far in sheltering the American steel industry from foreign competition.

If in spite of these voices of reason President Ford insists on lowering quota barriers into place, a variety of unfortunate consequences are likely to ensure. American hopes of catalyzing international agreements on production subsidies in any industry—let alone steel—will be dashed. Consumers will suffer more at the hands of newly stoked inflation. U.S. exporters of other goods will be hurt by retaliation, and by the simple lack of enough dollars abroad to buy their goods. This means a probable net job loss here at home.

However, even should Mr. Ford wisely reject the ITC advice, a chance for calamity still remains. The Congress, under the terms of the 1974 Trade Reform Act, can override him. Were Congress so to choose, this might mark a fundamental decision which has been purposely held in abeyance for nearly 2 years. The Trade Reform Act, as I observed on the House floor the day of its passage, is neither protectionist nor expansionist. It gives the President the authority to negotiate essentially as he pleases, and it neither promotes nor discourages trade in its eclectic approach. An override by the House favoring a protectionist solution would sharply change the neutrality of our registered legislative intent. This would be unfortunate, not only because of economic and political ramifications of that specific case, but rather because the President would be robbed of a vital negotiating handle on the problems of global interdependence.

THE WEAKENING OF AMERICAN SEAPOWER

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 15, 1976

Mr. McDONALD of Georgia. Mr. Speaker, the forthcoming March 1976, issue of American Opinion will contain an article that I wrote on the U.S. Navy against the Red Fleet. I point out in the article the shocking growth of Soviet aggressive capacity on the seas. At the same time we have allowed our own Navy to wither under pressure of disarmament negotiations.

The situation is so bad that even Jack Anderson has been complaining about "the deterioration of the fleet." But Anderson, we will remember, has been a frequent critic of the military budget.

I would like to share with my colleagues a front page story that appeared in the Mineral County Independent, a local newspaper, which was published in Hawthorne, Nev., on January 7, 1976. It is the small local newspapers in our country that have carried on the tradition of free journalism so neglected by the advocacy journalists in our major newspapers.

The Mineral County Independent article follows:

THE WEAKENING OF AMERICAN SEAPOWER

Jack Anderson, successor to the late Drew Pearson as Washington's No. 1 scandal-prone columnist, is expressing some concern over the plight of the U.S. Navy—its strength in comparison to the faster growing Russian fleet, and numerous internal problems, particularly the increasing number of ship collisions and what he views as shore station deficiencies.

We can share some of Anderson's concern but not all for the same reasons. In fact, we would recommend that he research some of Pearson's old columns, and speeches (and votes) by anti-military congressmen before seeking to pinpoint underlying causes of what is troubling the navy today.

Anderson, in his usual "I got it first" style, notes that he is privy to a number of secret navy documents about "the deterioration of the fleet," and zeroes in on the number of navy ships involved in collisions last year. His implication is that the navy sought to minimize the full impact of the collision November 22 between the carrier John F. Kennedy and cruiser Belknap.

He expands his "review" with a number of his own conclusions, including:

"The admirals have let the fleet run down. We have seen classified reports about ships with rusting hulls, broken gear, inadequate equipment and foul living quarters. Navy inspectors have also reported waste, mismanagement and inefficiency in the shipyards which are supposed to keep the Navy's 580 warships in repair. At best the fleet is only in fair fighting condition.

"Since the Navy brass is concentrated in the Pentagon, they become more absorbed with bureaucratic maneuvers than naval maneuvers. The fleet has been neglected, with infrequent practice runs and inadequate equipment. Routine refueling operations at sea, for example, resulted in four collisions last year."

We have read and heard similar opinions before—quite a few years back. As we recall, a Department of Defense was established to help "shape up" and improve all branches of the military service. Then came a fellow named Robert McNamara, who headed the DOD under two presidents, and who ordered many drastic changes.

Among these were his plan for a "younger" navy by speeding up promotions for "top brass" at an earlier age, and by retiring ranking officers at an earlier age and stepping up promotions—for those who had survived attrition.

In the natural sequence of events and time some of those "younger" admirals of the 1960's already have been retired and other younger officers have replaced them—and are now in command. So, if Anderson's "conclusion" is to be accepted, it is only logical to assume that McNamara's plan wasn't worth a damn. But we can't recall Drew Pearson or Jack Anderson disputing Robert McNamara when he was riding high and mighty.

And when Anderson attempts to put the monkey on the back of the "brass" in the Pentagon we are prompted to suggest a re-reading of the Washington Merry-Go-Round column during the many years it has regularly attacked the defense budget.

If Anderson is concerned about the mishaps at sea during refueling operations, what is his stance in relation to the navy's effort to establish a refueling base at Diego Garcia island in the Indian Ocean? This program has been all but scuttled by the liberal-leftists in the U.S. Senate who take pride in slashing "military" funds. We do not recall the Washington Merry-Go-Around criticizing that action.

Anderson also wrote: "Many experts fear the modern, expanding Soviet Navy is more than a match for the U.S. Navy." That hardly rates as "news" when it is common knowledge that a large, active navy has some advantage over a "mothball" fleet.

True, the navy must assume some of the blame for adding to its own problems because of its tendency to "classify" almost everything it undertakes—from cracking a code to cracking up a pickup truck. Its affinity for secrecy has left it with a poor record in the area of providing the American public with information already known to those in the outside world.

In many instances the navy has had opportunity to win more public support (and maybe some in congress, too) by "leveling" and even doing a promotional job but the temptation to "classify" has been too great—invariably with unfortunate results.

Although quietly, if not silently, protesting some of the directives forced upon it in the name of "affirmative action" and "modernization," the navy has failed to mount a strong counter offensive against the liberals and "libbers" who don't understand the difference between taking a ship to sea and operating an industrial plant at home.

We agree that the navy is encountering some bad times, but there will be more to come if the "solutions" are left to the same anti-military crowd that Anderson usually supports. They can't even keep the postal service afloat or produce a workable "energy" bill.

If an overhaul of the navy is needed, let's get back to the drawing boards—manned by qualified navy personnel—not the "think tanks" of the McNamara era. Otherwise, we fear, we are headed for the scrap and salvage yard.

HALTING THE PROLIFERATION OF NUCLEAR WEAPONS

HON. JOHN BRADEMAS

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 15, 1976

Mr. BRADEMAS. Mr. Speaker, since the United States first successfuly detonated an atomic bomb more than three decades ago, we have witnessed a frightening proliferation of nuclear weapons manufactured by a growing number of nations.

The two superpowers no longer retain their monopoly over these weapons of massive destruction. As the spread of nuclear arms continues, the potential for a nuclear holocaust increases.

Thus far, efforts to obtain international agreements aimed at curbing the availability of nuclear weapons have been disappointing, and the anxiety of nonnuclear states has increased. It is, therefore, imperative that our very best minds continue to consider the problem of access to weapons of such devastating force.

Earlier this year, Alton Frye, a senior fellow of the Council on Foreign Relations, published in the New York Times Magazine an original proposal for curbing the proliferation of nuclear arms.

Mr. Speaker, I introduce Mr. Frye's article, 'How to Ban the Bomb: Sell It," at this point in the RECORD:

[From the New York Times Magazine, Jan. 11, 1976]

HOW TO BAN THE BOMB: SELL IT

(By Alton Frye)

The catalogue of concern grows:

Brazil acquires a complete nuclear processing capability, opening the way to a potential nuclear weapons program.

South Africa develops pilot facilities to process nuclear materials suitable for both peaceful and military applications.

Sizable quantities of weapons-grade plutonium are alleged to have been diverted from an Argentine reactor.

The Government of Japan is once again stalemated over the issue of ratifying the Nuclear Nonproliferation Treaty.

An American journalist reports confidently that U.S. intelligence now credits Israel with 10 assembled nuclear weapons. Egypt is reported to seek assistance from India and China to begin work on its own nuclear weapons.

And Libyan leader Muammer el-Qaddafi is said to offer Peking cash on the line for an operational nuclear weapon.

THE DISMAL SIGNS MOUNT

The dismal signs mount that the world may now be embarked on an accelerating slide toward substantial proliferation of nuclear weapons, a prospect viewed with horror by most states for many years. Of late, concern has centered on the hazards posed by the expansion of the nuclear power-generating industry with its collateral production of weapons-grade material. Such concern is fully warranted.

A senior U.S. official has said off the record that in the long term, either no nation will have nuclear weapons or every nation will. I would recast the point: Unless the benefits of deterrence are extended to the many, the few will not continue to enjoy those benefits. Whatever stability derives from the relationship of mutual deterrence between the great powers, substantial proliferation of nuclear weapons may well prove lethal to it.

SPREADING THE BENEFITS OF DETERRENCE

That insight spurs hope for a new approach to the problem, founded on a common initiative by the United States and the Soviet Union. Such a joint policy would attempt to enhance deterrence by spreading its benefits. How might the Soviets and Americans cooperate to discourage proliferation? Some specific proposals follow. They center on a paradox: To dissuade others from "proliferating," the principal nuclear powers may have to promise, under certain circumstances, to support proliferation themselves. This paradox dictates a commitment to provide retaliatory weapons to nonnuclear countries if they are ever attacked with nuclear bombs.

The crucial challenge for the immediate future is the altered psychological climate that has emerged in the wake of India's entry into the nuclear-explosives club. Even within the American Government, a not-so-subtle change in attitude is apparent, as planners devote increasing time to problems of survival in a "proliferated world," rather than to the old ideal of stemming proliferation itself.

Is it possible to break this psychology of despair? Perhaps. But it will require far more imagination in design and boldness in execution than any government has yet displayed. A cardinal consideration relates to the feelings of nonnuclear states that a nonproliferation policy discriminates against them in favor of the nuclear powers. The ill will sown by this sense of discrimination has been accompanied by contradictory demands that Moscow and Washington take the lead in devising methods to curtail the spread of nuclear weapons.

THE STRATEGY OF "VERTICAL PROLIFERATION"

Some artful commentators have contended that the on-going strategic competition between the United States and the Soviet Union—described as "vertical proliferation"—justifies the decision by India and possibly other states to test nuclear explosives—"horizontal proliferation," as the jargon puts it. This is a canard.

The technological refinements coursing through the Soviet and American arsenals have virtually no bearing in logic or in politices on the inclinations of other states to go nuclear. Soviet and American weapons threaten each other, not the nonnuclear states. If the South Koreans or South Africans or Pakistanis or Brazilians build the bomb, it will not be because of fear that the Soviet Union or the United States will use nuclear weapons against them. It will be because each of those states fears its neighbors.

WHAT PROMPTS PROLIFERATION?

Thus we come to the heart of the matter. Proliferation is prompted by regional security threats, reinforced by amorphous ambitions for prestige. The great diversity of security problems in various regions poses a formidable obstacle to any uniform plan aimed at inhibiting proliferation. Yet no one can misconstrue the paramount question posed by many nonnuclear states: "If we forgo nuclear weapons and one of our neighbors does not, who will protect us against the nuclear threat?"

The question will not down. The initial demands by nonnuclear states for an effective security guarantee consumed many negotiating hours in the drafting of the Nonproliferation Treaty. In response, the United States, the Soviet Union and the United Kingdom supported a U.N. resolution in 1968 that pledged to seek immediate Security Council action to assist nonnuclear states subjected to nuclear aggression or threats. The vagueness of these assurances assured only that they were promptly discounted. At the Nonproliferation Treaty review conference in Geneva last May, calls for credible security guarantees echoed persistently through the Palais des Nations. The time has come to meet these demands forthrightly.

AN INTEGRATED APPROACH

An integrated approach to the proliferation problem should contain three elements: (1) a comprehensive prohibition on the testing of nuclear weapons, (2) provision for access by nonnuclear states to nuclear technology for peaceful purposes and (3) credible arrangements to protect nonnuclear states against the threat or use of nuclear weapons. The United States and the Soviet Union have it within their power to satisfy each of these requirements. Unless they take more vigorous steps to do so, there is little likelihood that all nonnuclear states will exercise restraint.

Long before the Partial Nuclear Test Ban Treaty of 1963, Moscow and Washington began exploring the possibility of banning all tests. With notable exceptions like France and the People's Republic of China, most states have agreed not to test nuclear explosives in the atmosphere, outer space or under water. A prohibition on underground testing remains to be negotiated, although the Soviet Union and the United States have approached agreement on limiting underground tests to small-yield devices. However low the threshold, any provision for continued testing underground constitutes a serious loophole, as suggested by the fact that the Indian test explosion was well below the threshold being considered by the Soviets and the Americans.

A more serious impediment to a comprehensive ban is the Soviet demand, bolstered by India and certain other states, that peaceful nuclear explosions—used to dredge harbors, excavate canals or tap underground resources—should be exempt. The United States, whose technical community doubts the economic viability of such peaceful explosions, has opposed an exemption primarily because of the possibility that they might be used as a cover for clandestine military tests. On this issue the discussions have deadlocked.

A fresh approach could break this impasse and pave the way to meeting both the first and the second requirements outlined above.

SUPER POWER NUCLEAR EXCHANGE

The United States should now abandon its flat opposition to an exemption and propose arrangements along the following lines: In any case in which the Soviet Union wishes to conduct a peaceful nuclear explosion, it should contract with the United States to supply the device. Similarly, in any instance in which the United States requires a peaceful nuclear explosive, it should purchase the device from the Soviet Union. In each such operation, the purchaser would provide instrumentation to confirm that the device met agreed specifications and that it did not involve some scheme on the part of the seller to derive military data. Independent analyses by Donald Brennan of the Hudson Institute and discussions with experts at the Los Alamos Scientific Laboratory confirm the feasibility of this approach.

A proposal of this nature would transform the arduous negotiations for a comprehensive ban by changing the questions to be resolved. Instead of attempting to establish a ceiling below which little useful military testing could take place or to tailor an agreement to existing verification capabilities, the negotiations would fix a schedule of yields, configurations, and costs for various peaceful nuclear explosives. Thus, straightforward technical and commercial negotiations would replace the nearly intractable problems that have stymied the search for a comprehensive test prohibition.

PEACEFUL NUCLEAR EXPLOSIVES FOR NONNUCLEAR STATES

But the diplomatic advantages of this approach go much further than providing a novel opportunity to end the Soviet-American dispute over the comprehensive test ban. Having negotiated a schedule of fees for peaceful explosives, the Soviet Union and the United States, in accordance with their obligations under the Nonproliferation Treaty, should then offer to make available peaceful nuclear devices at cost to any nonnuclear state. Other nations should be invited to purchase the devices, if they deem them necessary, from either Moscow or Washington, with the other major nuclear power supplying the instrumentation. Nonnuclear states would be assured the most economical supply of peaceful nuclear explosives, while both superpowers could be confident that they were not being used for military purposes.

This would be a generous response to the nonnuclear states' demand for nondiscriminatory access to peaceful nuclear technology. Since the Nonproliferation Treaty binds the Soviet Union and the United States not to include research and development costs in their charges for such devices, any nuclear explosives supplied under this arrangement should be substantially less expensive than those a nonnuclear state might develop on its own. In many governments, furthermore, the option of purchasing peaceful nuclear explosives from the Soviets or the Americans could significantly weaken the bureaucratic pressures for a national nuclear program.

There are more subtle consequences of negotiating and publishing a Soviet-American schedule of yields and costs for peaceful nuclear devices. While the costs are likely to be less than nonnuclear states would incur in a separate program, they will still be considerably higher than those nations might anticipate. Many Ameircan analysts are convinced that nuclear devices will not compare favorably to conventional technologies for similar applications. Some observers suspect that Soviet development programs have obscured the true costs of peaceful nuclear operations now contemplated by Moscow. Discussions on this proposal, by exposing more fully the economic factors, could lead the Soviets to reassess their own interest in retaining the peaceful nuclear option.

The International Atomic Energy Agency has offered to assist states in evaluating potential peaceful nuclear operations on their own territory, but no state has requested such assistance. This surely implies that there is no universal passion for such devices and that the issue may be a needless barrier to a comprehensive test ban. An initiative along the lines sketched here would represent a good-faith effort of the great nuclear powers both to damp their own competition and to satisfy the concerns of nonnuclear states that they not be denied a dramatic, albeit dubious, technology.

GUARANTEEING THE SECURITY OF NONNUCLEAR STATES

The bedrock problem would remain, however: the necessity to provide adequate guarantees for the security of nonnuclear states against potential nuclear threats by their neighbors. The rising fears of proliferation warrant a drastic departure from the timid declarations heretofore advanced by the major powers.

I believe the United States and the Soviet Union should now announce their willingness to undertake a commitment to extend nuclear deterrence throughout the world. Each superpower already has taken a large number of states under its nuclear umbrella through such defense arrangements as NATO and the Warsaw Pact. In the interest of stemming the tidal movement toward proliferation, they should now jointly consider a carefully delimited policy of providing nuclear assistance to other nations. The objective would be two-fold: first, to deter the acquisition of nuclear weapons by additional states and, second, to deter the use of any weapons they do acquire.

SUPPLYING NUCLEAR WEAPONS TO THE VICTIMS

These are goals of historic proportions and only trenchant action can hope to achieve them. In the context of SALT and of related agreements to reduce the likelihood of nuclear war, the United States and the Soviet Union could serve the cause of nonproliferation by subscribing to the following policy: In the event of a nuclear attack on the territory of a nonnuclear state, the United States and the Soviet Union would undertake to make available to the victim a comparable number and scale of nuclear weapons with which to retaliate.

These few words require careful examination. Note that this declaration does not commit either nation to retaliate on behalf of a nonnuclear state attacked with nuclear weapons. The obligation is of a different order, that is, to provide a commensurate retaliatory capability with which the victim itself could respond to attack by its neighbor. The plan envisages quite simply that, if country X attacks country Y with, for example, 10 nuclear weapons of 20 kilotons yield, the Soviets and Americans will provide country Y with the same number of 20 kiloton bombs for a retaliatory strike.

A precise formulation of this plan could offer nonnuclear states the benefits of a deterrent capability without the costs or the risks of a national nuclear force. It could greatly mitigate the trend toward independent nuclear-weapons programs. By tapping the vast arsenals of the superpowers for the limited purpose of a retaliatory capability to be used only in the event of a nuclear attack, this guarantee would help eliminate the need small countries would feel to match the nuclear forces of their neighbors. Moreover, it would weaken the incentives for any state to go nuclear, since its government would know that its neighbors could acquire countervailing capabilities at virtually no cost. Such a guarantee would alter the equation in every region, leaving the calculation to show little advantage and considerable risk in a separate nuclear-weapons effort.

THE CLUB'S PRESTIGE

Some may argue that, guarantee or no, one or another government may still succumb to nuclear temptation because of the prestige presumed to accompany membership in the nuclear club. While there may be no antidote to the yen for prestige, knowledge that others will gain commensurate capabilities without comparable stress should reduce the psychological appeal of a nuclear-weapons program. One cannot disregard the capacity of governments to defy their genuine interests, but only a foolish regime would purchase nuclear prestige at the price of providing its neighbors with assured access to similar weaponry.

Should such a guarantee not dissuade some state from proceeding with a nuclear-weapons program, it would remain valuable as a deterrent against political blackmail or military use of nuclear forces. Furthermore, it could do so without the introduction of additional nuclear weapons into the troubled theater. If a state tests a nuclear weapon and its neighbor invokes the guarantee, the Americans and/or Soviets would have to undertake consultations on methods to implement the assurances. Since most states already possess modern aircraft suitable for delivery of a considerable variety of nuclear bombs, in most instances one would expect at that point to begin some modifications of a number of the local country's aircraft. It would probably be desirable to arrange for remote basing of planes assigned to the nuclear retaliatory mission.

THE "TWO KEY" GUARANTEE

Some special training for nuclear-strike crews would be necessary, but under no circumstances would nuclear weapons be handed over to a threatened country merely in anticipation of a possible nuclear attack. The procedure might parallel the "two-key system" employed in certain NATO programs. This system would assure that no weapon could be fired wtihout the concurrence of the supplying nation, which would be committed to release the weapons only in the event of an actual nuclear attack. Without elaborating further, suffice it to say that there is no mechanical reason arrangements of this type cannot provide a credible and effective deterrent.

Observe that this guarantee does not vitiate other proposals being discussed in different forums. It is wholy compatible with efforts to create nuclear-free zones; under this guarantee such zones would be respected unless and until other parties violated them by conducting an actual nuclear strike. What is more, this proposal is consonant with the so-called no-first-use policies. By legitimizing grants of strictly retaliatory weapons, both great powers would be offering a more effective pledge than any yet suggested against their own use of nuclear weapons against nonnuclear states. If either used nuclear weapons in these circumstances, the other would be obligated to supply the victim with the means to respond in like fashion. Properly construed, the guarantee becomes a no-first-use pledge with real teeth. In this manner it offers some protection against nuclear blackmail or attack even by one of the existing nuclear powers, a fact that should further commend it to nations that have no chance of matching the forces already deployed by the five nuclear states.

The credibility of such a guarantee would be enhanced by its joint sponsorship. Skepticism might persist that the great powers would actually fulfill such a commitment, but their stated obligation to do so would inject a degree of stabilizing uncertainty in the deliberations of governments. A small, beleaguered country might be reluctant to rely on a great power's promise to provide it with retaliatory weapons, but so long as proliferation has not already occurred in a region, might it not be even more reluctant to open the way for its local enemies to acquire nuclear bombs from the superpowers?

There would be a similarly wholesome uncertainty on the part of the major powers themselves. Each would have to assume that the other would meet its obligations under the guarantee, at least with regard to its friends. This calculation should encourage both great powers to apply maximum political leverage on their associates not to inaugurate a national nuclear-weapons program. In a number of ways, this form of security guarantee could help create a structure of incentives for all states to exercise restraint. The decision to go nuclear would become much tougher than it is today.

CHINA IN THE GUARANTEE SYSTEM

Eventually, it would be desirable for all nuclear powers to participate in the guarantee system. Above all, the Chinese should be welcomed, since Asia could be a region especially prone to proliferation. Peking ought to perceive its interest in forestalling a situation in which it might one day face encirclement by hostile governments in

India, Korea, Japan, Taiwan, Pakistan and Indonesia—all of which might well go nuclear if present inclinations continue.

INDIA AND PAKISTAN

Consider how this program might temper a particularly flammable relationship, as in the case of India and Pakistan. There is a premium on inducing New Delhi not to continue testing nuclear explosives. The decision to develop peaceful nuclear explosives was a close one for the Indian Government, and opponents of such a program remain in high places there. If presented the option of cheaper and more suitable devices from the Soviets and Americans, there is a fair chance that India would swing away from the present path. When the recognition dawns that carrying tests forward would qualify Pakistan for the Soviet-American nuclear guarantee, could an Indian regime maintain its current policy? I doubt it.

At the same time the prospect of the guarantee would buy time for Pakistan to practice a restraint it is now reluctant to show. It would reduce the pressures the Pakistanis feel to prepare for the day when India's "peaceful" technology sires weapons for deployment.

THE KOREAS

The Koreas present a very different context, since both governments look to the patronage of nuclear allies. So acute has been the concern over a revival of war in the peninsula that the U.S. Secretary of Defense has explicitly threatened to use nuclear weapons—an expression designed as much to discourage Seoul from moving toward nuclear weapons as to deter Pyongyang from moving toward Seoul. It is not certain whether North Korea's allies have extended parallel commitments, but the area's precarious stability could be bolstered by the proposed guarantee. Apart from the basic impediment to either side's ambition to steal a march by going nuclear, this plan would in no way diminish the obstacles to invasion by the armies of Kim Il Sung. Nothing in the guarantee would preclude the defensive use of tactical nuclear weapons, either by the American ally or under a contingent two-key arrangement with the Republic of Korea, against forces invading the South's *own territory*. Furthermore, should some change occur in the defense treaty between the United States and South Korea, Seoul would continue to enjoy the assurance of a nuclear umbrella, if the North were to obtain its own nuclear forces. For this reason, a long-term guarantee provision could facilitate the gradual extrication of most U.S. troops, as South Korean forces gain confidence in their ability to meet any conventional threat.

ISRAEL

Mindful of the hazards of worst-case analysis—it is hardly surprising that a guarantee would be more useful in some circumstances than in others—we should assess perhaps the most troublesome scenario: an all-out conventional attack threatening the destruction of Israel. In that ultimate contingency, Israel might well be driven to assemble and use even untested nuclear devices, assuming it has carried them to near-completion. But the only rational use would be against the enemy armies concentrating on Israeli territory. To direct nuclear attacks against Cairo or Damascus would trigger the supply of Soviet and/or U.S. retaliatory weapons to the Egyptians or Syrians for possible use against Israel's totally vulnerable heartland. Thus, Israel would lose any plausible option for nuclear pre-emption, just as the Arabs would know that they could not hope to mount a sneak nuclear attack against Israel without facing reprisals. The thesis of the guarantee mechanism is that, even in *extremis*, neither the Israelis nor the Arabs should find nuclear holocaust acceptable.

In truth, the great power involvements in the Middle East have already caused Arab and Israeli leaders to conclude that neither side could mount a nuclear attack without risking a similar response from the other's nuclear-armed associate. Poised though they may be on the brink of a competition to produce nuclear weapons, the Israelis and the Arabs obviously discern no advantage in active testing and deployment of such systems. As a supplement to the political processes that led to the limited Sinai accommodations, the joint nuclear guarantee could moderate one of the most volatile elements in the region.

IS SUCH A GUARANTEE NEGOTIABLE?

No one sensitive to the complexities of these problems can advance a proposal without acknowledging its flaws. Counsels of perfection are offered only by charlatans. A cautious man would claim only that this program is less inadequate than prevailing policy. It will require intensive discussions to determine whether such a guarantee is negotiable, initially between the Soviet Union and the United States, and then more widely between them and other states. There are signs in the sensitive exchanges at SALT that point toward abiding Soviet worry about proliferation and possibly a willingness to study joint procedures for coping with it. On some occasions, the United States has discouraged Soviet hints of interest in related discussions, lest the talks appear to be directed against China. But the swelling trend toward proliferation should sweep aside the Soviets' and Americans' diplomatic coyness and cure their reluctance to probe anti-proliferation measures in depth.

A joint approach to a comprehensive test ban, to the equitable provision of peaceful nuclear explosives, and to a security guarantee of unwonted potency could satisfy the demands by nonnuclear states that the great powers fulfill their special responsibilities in this area. This kind of common effort will gain necessary credibility in proportion to Soviet and American diligence in controlling their own arsenals.

In that connection, all parties need to take account of a perverse prospect. I have already pointed out that "vertical proliferation" between the Soviet Union and the United States has no meaningful relationship to "horizontal proliferation." But the reverse of that proposition is not true. To the extent that additional nations deploy nuclear weapons, they will seriously complicate the chances for further progress in limiting the superpowers' forces.

SALT AND ABM SYSTEMS

The principal achievement of the strategic arms limitation talks remains the treaty prohibiting deployment of antiballistic missile systems. But that treaty rests on the knowledge that neither the Soviets nor the Americans could deploy effective defenses against each other. There remains a lingering temptation, fostered by the technical bureaucracies in both countries, to deploy ABM systems against threats posed by smaller nuclear powers. That temptation almost defeated the ABM negotiations. Further proliferation of nuclear weapons will undoubtedly revive pressures to deploy thin ABM networks, which in turn would exert tremendous upward pressures on the offensive forces of both the Soviet Union and the United States. To state the matter starkly, wider proliferation could well trigger a rash of Soviet and American responses that could demolish all hope for major breakthroughs in arms limitation.

CONCLUSION

We stand, then, at a moment when inept handling of the proliferation problem may well jeopardize the stability of the Soviet-American strategic relationship. On that score alone, Moscow and Washington should be searching energetically for a suitable response to the dilemmas they share.

History illuminates our experience, but it obscures our vision. In a strange way, some American leaders share with Soviet rulers a sense of historical inevitability. Their skeptical reading of past experience blights their vision of future possibilities. It makes them doubtful that proliferation of nuclear weapons can be prevented.

If there is to be a remedy for incipient proliferation, Moscow and Washington must share the vision of a world order in which nuclear weapons are a deminishing rather than an enlarging factor. And that vision must be linked to common objectives and plausible policies. Without such a shared vision, the likely outcome is now quite clear.

BICYCLES: A SERIOUS WAY TO SAVE ENERGY

HON. GEORGE E. BROWN, JR.

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 15, 1976

Mr. BROWN of California. Mr. Speaker, I am aware of the skepticism of this body and others toward what is perceived as an unconventional solution to a national problem. For this reason, I frequently hesitate to encourage policies or programs that are not already widely accepted as useful and valid governmental policy. Yet without governmental support, or at least governmental tolerance, many unconventional solutions will be blocked at their inception. This is the case with many transportation technologies, such as sailing ships, lighter than air systems, and bicycles.

Today, I wish to bring to the attention of this body the need to encourage bicycles, and the value of encouraging bicycle use. I probably do not need to remind my colleagues that European cities have a very substantial portion of their transportation needs met by the bicycle. Nor do I need to remind my collegues of the use of the bicycle in Asia; we have all seen the pictures from China. But perhaps I do need to remind my colleagues that the great bulk of the bombs that we dropped in Indochina in order to prevent the flow of supplies from North Vietnam were targeted against bicycles. We obviously did not succeed in cutting off the flow of supplies, and the bicycles in Vietnam were obviously an important, if not the most important form of transportion for military purposes.

With this as preamble, I would like to bring to the attention of my colleagues a resolution that was adopted by the California State Energy Resources Conservation and Development Commission on the subject of bicycles. The key point of this resolution is that while bicycling saves energy, some institutional changes will have to occur in the existing transportation system to encourage bicycling. Among those changes are improving roads to allow for bicycle use, addition of bicycle parking to other parking facilities, and provision on long-distance public carriers, such as buses, trains and planes, for bicycles to be easily transported.

The main use of bicycles will remain in

the under 5-mile trip distance. At this distance, bicycles are only slightly slower than automobiles, and are very much more energy efficient. At distances less than a mile, for even a slow bicyclist, the bicycle is faster than the automobile. For those who doubt that they can ride a bicycle, I suggest that they visit one of the retirement communities in the country and observe the people riding three-wheel cycles complete with a shopping cart.

At this time I wish to insert the resolution from the California Energy Commission, and a table on the fuel that would be saved with certain limited substitutions of the bicycle for the automobile in urban/suburban areas.

The resolution and the chart follows:

State of California, State Energy Resources Conservation and Development Commission, Resolution No. 76–33–10

Whereas, an increasing number of people are riding bicycles for recreation and basic transportation because they find that bicycling is a personally efficient, enjoyable, economical, healthful or environmentally satisfactory means of mobility; and

Whereas, this increased popularity has resulted in various governmental measures to encourage bicycling; and

Whereas, society as a whole would be benefited by increased substitution of bicycling trips for motoring trips, by increasing the bicycling mobility of those who do not drive automobiles, and by combining the flexible mobility of bicycles with the longer distance capability of public transportation; and

Whereas, the benefits of increased bicycle use would include the decreased consumption of motor fuels and a reduction in related air pollution emissions;

It is therefore resolved: That the State Energy Resources Conservation and Development Commission supports efforts by government and private agencies and by individuals to encourage bicycling for recreation and basic transportation purposes; and

It is further resolved: That more persons be encouraged to bicycle more miles by such measures as:

a. Teaching them to bicycle safely and effectively.

b. Improving public streets and highways for bicycling use when traffic volume justifies.

c. Providing safe, scenic, pleasant, recreational bikeways separated from motor traffic near urban areas in popular recreation areas.

d. Providing secure, convenient bicycle parking.

e. Encouraging public and commercial carriers to accept bicycles as baggage so the bicyclist may travel by bicycle at both ends of his trip.

f. Providing lost cost, low maintenance overnight stopping facilities suitably spaced for bicycling trips along routes most used by bicyclists.

g. Encouraging bicycling as a public participation sport by cooperation with bicycling organizations and promoting both competitive and non-competitive bicycling events.

Dated: March 3, 1976.

State Energy Resources Conservation and Development Commission,
Richard L. Maullin, *President*.

Energy Use for Bicycling [1]

Total energy use for bicycling—food, bicycle manufacture and sale, repairs and maintenance, tires and bikeway construction is estimated at 1300 BTU/mile, equivalent to almost 100 miles per gallon. The energy requirement for urban auto travel is 11,000 ETU/mile, or 11.4 miles per gallon. Thus, the bicycle is over eight times as energy efficient as the typical urban automobile. The dollar cost of auto travel for urban trips is 7.2 cents per mile, nearly triple the cost of bicycling (2.6 cents per mile). For trips shorter than one mile, the bicycle is faster; as the trip length increases, the temporal advantage of cars grows rapidly. However, the average time penalty per trip under 5 miles is only six minutes.

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[1] Data is for 1971, and is derived from Eric Hirst, "Energy Use for Bicycling" for the AEC, Oak Ridge National Laboratories, February, 1974, Table 3.

TABLE I.—ANNUAL FUEL SAVINGS ACHIEVABLE BY SUBSTITUTION OF THE BICYCLE FOR AUTOMOTIVE TRAVEL

Trip length (miles)	Total auto mileage (billion vehicle miles)	Load factor [1]	Assumed percent reduction in auto mileage	Potential auto mileage reduction (billion vehicle miles)	Fuel saved (million gallons)
0 to 1	18	1.5	20	2.4	240 at 10 mpg.
1 to 2	29	1.5	15	2.9	260 at 11 mpg.
2 to 3	32	1.5	10	2.1	180 at 11.5 mpg.
3 to 4	28	1.5	5	.9	72 at 12 mpg.
4 to 5	45	1.5	3	.9	72 at 12.5 mpg.
Total	152		6	9.2	827 million gal.

[1] Load factor is generally 1.9 to 2.0, however, 1.5 is derived assuming that half the time the extra person in the car will be just going for the ride.

ONE NEW YORKER'S LOVE FOR HER CITY

HON. ELIZABETH HOLTZMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, March 15, 1976

Ms. HOLTZMAN. Mr. Speaker, I would like to call to the attention of my colleagues a deeply moving composition written by a former constituent of mine, Mrs. Miriam Brandwein. Mrs. Brandwein is 80 years old, and although she now lives in a nursing home in the Washington area, she spent most of her life in New York City.

Mrs. Brandwein retains her love for her city, and speaks eloquently of what it has meant to her and to generation after generation of immigrants. I am proud and delighted to be able to bring her words to my colleagues' attention:

I Will Pray

(By Miriam Brandwein)

I picked up a magazine the other day and read that New York City is going bankrupt—and nobody wants the President, or anybody that has authority, to bail out New York. I felt so hurt—as if a relative of mine would be in need. I thought, how can I help you, New York, dear? You were so good to me. I came to your shores when I was only sixteen years old. I was poor, lonely and frightened. The Lady at your harbor welcomed me, and I walked your sidewalks free of fear. Oh, would I like to help you, dear New York! But you need billions—and I am eighty years old now and live at the Hebrew Home of Greater Washington. I have no check book, and if I would have one I couldn't write a billion on a check. I don't know how many zeros a billion has! I learned your language, but I never wrote a billion. So I'll pray for you, dear New York! Maybe those that have billions will listen to my prayers.

I walked your sidewalks free for fifty-five years. I worked in your factories, I shopped in your stores, I ran to your places of learning. I wanted to sit near to the lecturers, not to miss a word, so I ran. It was free. I met my loved one in New York. I was so proud to ride with him on a 5th Avenue bus when he was wearing the U.S. Army uniform in the first World War. I held the straps of your subways trolley cars when I was riding on them. I watched my children go to your schools and graduate your great colleges. I was healed in your hospitals when I was sick. I spoke the Jewish language free. How great you are, dear New York! From where I come, stones were thrown at me when I spoke Jewish.

You will overcome your problems, New York dear! And when God will call me to rest, I will go back to New York where my loved one is resting, and with my eyes closed, I will pray for you. I thank you for letting me come to your shores and enjoy my life, that we all have the right to live, no matter what language we speak.

AMERICA'S LAST COLONY

HON. JAMES C. CORMAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 15, 1976

Mr. CORMAN. Mr. Speaker, I would like to insert in the Record a letter from the Newspaper Guild which was brought to my attention earlier today. The letter urges House approval of legislation to provide the District of Columbia with representation in Congress. The people of the District are entitled to their full representation and participation in Government, and I believe that this message should be heeded by us all:

March 10, 1976.

The Newspaper Guild, I'm sure you know, has been a consistent advocate of all measures that would end the District of Columbia's status as "America's last colony." The Congress took a major step toward liberating District residents from second-class citizenship when it granted them home rule. We hope it will finish the job this month by adopting Joint Resolution 280 or other measures that will grant the District full voting representation in Congress.

Newspaper Guild conventions have repeatedly adopted resolutions calling for full voting representation as well as home rule. Our 1972 Convention noted that the situation of District reisdents "flies squarely in the face of the tenet that participation by the ciitzenry in their government at all levels is the basic principle of representative government."

There can, indeed, be no legitimate reason for continuing to deny anyone full participation in government just because he happens to live in the nation's capital. I hope that you will do everything in your power to assure that enough House members share this view to pass Joint Resolution 280 when it comes up for a vote March 18.

Respectfully,

Charles A. Perlik, Jr.,
President.

A SOFT SPOT FOR WEAK BANKS

HON. ROBERT F. DRINAN

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Monday, March 15, 1976

Mr. DRINAN. Mr. Speaker, the Government Operations Subcommittee on Commerce, Consumer, and Monetary Affairs, on which I serve, is currently involved in a dispute with the Comptroller of the Currency, James Smith, over congressional access to bank examination reports in his possession. The subcommittee needs to look at the reports in order to determine the effectiveness of the Comptroller's regulation of the Nation's 4,700 national banks during a period of overspeculation followed by sharp recession. Regrettably, Mr. Smith seems far more interested in preserving the cozy and confidential relationship his office maintains with the banks it regulates than in ensuring that these key financial institutions are run in the public interest. He has twice refused to permit the subcommittee to examine the documents it needs to carry out its oversight responsibilities.

I have included below, for the interest of my colleagues, an article from Nation magazine of March 6, 1976, which describes some of the recent failures of our Federal bank regulators. The author, Gordon Weil, has conducted considerable research on this issue and is the author of "The Consumer's Guide to Banks."

The article follows:

A Soft Spot For Weak Banks

(By Gordon L. Weil)

"Jimmy Smith glories in hanging all his service club plaques on the wall, but he spends more time framing them, than earning them," says an old South Dakota friend of the U.S. Comptroller of the Currency. James Smith watches over some 4,700 national banks, holding about three-fifths of all bank assets, with what some in Congress believe to be an attitude of "benign neglect." Some of the biggest of "his" banks are in serious trouble.

Smith must feel these days a bit like the CIA's William Colby. Confidential lists of problem banks, prepared by his staff, have been leaked to the press, and have focused wide public attention on the woes of such gaints as Chase Manhattan and Citibank. But on Capitol Hill, where they have been criticizing the CIA for what it has done, the Comptroller is attacked for what he hasn't done—beyond collecting those plagues.

Bankers take risks and make mistakes, which is only human and tolerable within limits. It is the job of the bank regulators to protect the public by making sure the limits are observed. It appears that Smith hasn't done that job.

A native of South Dakota, Smith spent seven years on the staff of the late Sen. Karl Mundt, who was then in his heyday as the Senate's conservative curmudgeon. Says a man who knew Smith well at that time: "He was the front man. He'd meet with the folks and shake hands. His greatest responsibility was opening the office door in the morning." He did so well as a glad-hander that he was rewarded with a job as public relations man for the American Bankers Association. There he met David Kennedy, a big banker from Chicago, and when Nixon made Kennedy Secretary of the Treasury, Smith became his administrative assistant, then Comptroller.

It is a key position and, in practice, responsible to no one. Often the Comptroller is a political appointeee and occasionally he can find himself in the center of controversy. But, perhaps more than any of his predecessors, Smith seems to have a soft spot for weak banks. He has already presided over the three largest bank failures in American history.

The first was the United States National Bank (USNB) of San Diego, owned by C. Arnholt Smith (no relation). Deposits there skyrocketed in the early 1970s and Arnholt Smith used a large share of them to finance doubtful loans to himself, his friends, his relatives and their businesses. That's called "self dealing," and it's a bad banking practice. However, Arnholt had a good friend by the name of Nixon, and the Comptroller seemed not to notice these loans. Then, when the bank began to run short of cash, he was slow to declare USNB insolvent.

The second was the Franklin National Bank on Long Island. Michele Sindona, something of a mystery man of international finance, owned a big piece of Franklin National. When the bank began to lose substantial sums on its foreign currency transactions, word spread that it was in trouble. It failed to pay its quarterly dividend. Sindona tried to salvage his position by assigning his voting rights in the bank to none other than David Kennedy, who had stepped down as Treasury Secretary. During the summer of 1974, as Franklin National's fortunes went from bad to worse, Smith sounded like the public relations man he had once been. He kept assuring the financial press that the bank was solvent. Depositors were not impressed and went on withdrawing their funds. Finally, Smith admitted that he had been "remiss" in his handling of the matter, closed the bank down, and it was sold.

These were not isolated cases. Three months after the fall of Franklin National, Security National, another Long Island bank, went under. In February, Hamilton National Bank of Chattanooga became the third largest bank failure in American history.

The recent press leaks have shown that, while few other big banks may have to close their doors, they have been poorly managed and poorly regulated. In the 1960s, the banking game changed. Where previously bankers had waited for deposits to flow in and then doled them out in the form of loans, they discovered that by issuing certificates of deposit they could raise large sums of money which, unlike ordinary deposits, were not payable on demand, but only after a stipulated time. Then they sent officers on the road, just like traveling salesmen. The product they were selling was loans.

That worked well as long as the economy kept booming. But the recession turned many of those loans into bad bets. The banks sustained sizable losses as they wrote such loans off their books. When banks lose money, depositors worry.

When Smith's examiners go into a bank, they don't check the math on your checking or savings account; they check the quality of loans. It is now obvious that they did little or nothing to discourage the banks from making high-risk loans that could not be repaid if the economy turned down.

The Comptroller is not the only bank regulator and does not deserve all of the blame for today's problems. The Federal Reserve Board is responsible for the same national banks as the Comptroller, plus 1,000 state banks. But it leaves the examination of the national banks to the Comptroller, and pays close attention only to those banks which are part of holding companies. Through these holding companies, it allowed banks to get into the real estate business by financing real estate investment trusts (REITSs). Andrew Brimmer, formerly a member of the Federal Reserve Board, thinks that was a mistake, but once banks had the authority, Brimmer says, he and other members of the board "encouraged" them as a way of bolstering the real estate market. Brimmer is a bit tart when he remarks that some of his former colleagues now prefer to remember that they merely "tolerated" REITs, which began to collapse because of the recession. He feels that, in view of its earlier encouragement to the banks to get involved, the Fed "ought to have more understanding" of their problems, meaning that it should have protected the banks' assets through loans.

Beyond its inconsistent policy on REITs, the Federal Reserve has been a lax regulator. Traditionally, one of its seven members is assigned responsibility for its regulatory functions. But since 1973, when Jeffrey Bucher, a glass company executive with no banking experience, was given that job for a short time, board-level supervision has been almost nonexistent Stephen Gardner, the Deputy Treasury Secretary just appointed to the board and a former officer of Philadelphia's Girard Bank, is about to take over the regulatory job.

The Fed and various Comptrollers have tangled on policy matters. But with Smith as Comptroller, conflicts have arisen on the operational level. Although the Comptroller's staff is supposed to examine national banks on behalf of the Federal Reserve as well, it has not turned over its full reports to the Fed. In fact, the board is forced to pay $100 for a copy of any report of a bank examination. Yet with the main focus of its attention on monetary policy and international finance, the Federal Reserve has not made much fuss about being treated like a poor relation.

The two questions that most concern people now are whether more banks will fail and what can be done to improve government regulation. Brimmer reports that his phone is ringing constantly with people calling to seek reassurance in the wake of the leaks of the list of banks in trouble. He tells them they should not worry. Even the hardest hit of the big banks have not had to dip into capital to cover losses. They are still turning a profit. In addition, the Federal Reserve simply won't let banks fail if there is a danger to depositors and to the economy. (The USNB, Franklin National, Security and Hamilton National Bank were all taken over by other banks, with no interruption in service.)

Some people wonder if the Federal Reserve can step in now, when it failed to do so back during the depression. The answer to that, says Brimmer, is that in those days it could not loan money to banks which badly needed cash to meet depositor demand except on the highest grade collateral, which, of course, the banks didn't have. It wasn't until 1935, Brimmer says, that the Fed was given the right "to lend on green cheese" or any other collateral, provided five board members agreed. Thus, if there were a run on the banks, it could be easily headed off by the Fed pumping all cash needed into the system. The banks could then repay the loans as deposits flowed back.

The Comptroller's office, particularly with Mr. Smith in charge, does not seem long for this world. In January, when the furor over the leaked lists was increasing, Smith took a two-week swing around the European capitals. That was a move sure to spur reform. The Federal Reserve would like to be assigned all regulatory functions (except, of course, over those state chartered banks which are not members of the Federal Reserve System). But former Fed employees believe that regulation will always be subordinated to the more glamorous fields of monetary policy and international finance.

Sen. William Proxmire, chairman of the Senate Banking Committee, is pushing for a single new agency to replace the Federal Reserve and the Comptroller as regulators and the Federal Deposit Insurance Corporation's examination functions. The Comptroller's office has demonstrated that no such powers should be vested in a single person, so Proxmire's panel might include a representative from the Fed, the FDIC, the Securities and Exchange Commission and public members. One top state banking official favors the inclusion as well of agencies that regulate savings and loans. In addition, he suggests that state banks could also be examined by this single agency, if states wanted to hire it for the purpose. He worries that state bank examiners usually get as chummy with the bank officers they are supposed to regulate as, say, James Smith got with his banks.

Both the House and Senate committees are determined to act, because they fear an erosion of public confidence in the banking system as a result of leaks. Arthur Burns now wants something done because he worries that banks will stop taking the normal and necessary risks in making loans if their past mistakes remain in the spotlight. The banks themselves don't like the idea of a single regulatory agency, because they will have to give up their special relationship with the Comptroller, who, under the law, they support through annual assessments. But even the banks now favor more disclosure about their condition, and the Bank of America has announced it will publish more about itself no matter what Washington decides.

Meanwhile, people seem to be adjusting to the recent revelations about banking and regulatory problems. They may not be happy, but there is no panic, nor should there be. In Boston, where they don't usually take these matters lightly, there's even a budding rock group called "Why Banks Fail."

TWO HUNDRED YEARS AGO TODAY

HON. CHARLES E. WIGGINS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 15, 1976

Mr. WIGGINS. Mr. Speaker, 200 years ago today, on March 14, 1776, the Continental Congress recommended to the colonies that they immediately disarm all those persons:

> Who are notoriously disaffected to the cause of America, or who have not associated, and shall refuse to associate, to defend, by arms these United Colonies, against the hostile attempts of the British fleets and armies . . .

The recommendation to disarm the Loyalists was triggered by the belief that measures taken to defend New York would:

> Be totally fruitless unless some precautions (were) taken with respect to the . . . (enemies) of American Liberty nested in the very spots where they can do the greatest mischief Queens County and Staten Island.

MORE ON THE WATERGATE COVERUP

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 15, 1976

Mr. McDONALD of Georgia. Mr. Speaker, I would like to share with my colleagues the background story of the media coverup of those who had prior knowledge of the Watergate scandal. AIM Report published by Accuracy in Media, Inc., for February 1976, reported on the gyrations of those who control the press when confronted with the Watergate coverup story.

Two articles from the February 1976, AIM Report follow:

AIM BLOWS WATERGATE PRIOR-KNOWLEDGE COVERUP

The reaction to the exposure in the December AIM Report of the fact that the top brass in the Democratic National Committee and columnist Jack Anderson were tipped off about Watergate in April 1972 was fascinating.

Senator Strom Thurmond inserted the entire AIM Report article in the Congressional Record of January 19, 1976 (p. S 87). Senator Thurmond said that the story referred to unresolved questions and raised the possibility that political misdeeds were a two-way street. The Senator noted that AIM had taken the nation's news organizations to task for failing to pursue the subject adequately, but he said it was ultimately the responsibility of Congress "to seek and find complete answers to questions raised about both sides of the political fence."

Although the AIM Report is sent to many of the top people in the national news media, the silence from the media was deafening. We checked with a number of top editors and reporters to see what their reaction to the story was.

The editor of The Washington Star said it was interesting and that it was one of the stories still hanging over that he wanted to do something about. The managing editor of The Washington Post said he had turned the story over to Watergate star reporter, Robert Woodward. We were not successful in our efforts to reach Woodward. A reporter for The New York Times expressed amazement that the story had never been covered by The Times. The executive editor of the Associated Press said they definitely planned to do a story on the basis of Fred Thompson's book, which devotes a chapter to the prior-knowledge story. We did not talk to a single newsman who thought that this story was not worthy of news coverage, but still no stories appeared in the national media.

AIM decided that the only way to penetrate the newsprint curtain would be by buying space in one of the large papers to tell the story. We felt that this would have two desirable results. It would bring to wide attention a story that ought to have been told, and it would demonstrate that it could no longer be safely assumed that matters of this kind could be quietly swept under the rug by "think-alike" editors.

We described our plan to a number of our contributors and sought their endorsement and support for financing the ad. The response was great. Within a week we had enough money in hand to pay for a full-page ad in The Washington Post, costing $8,300. We were able to reprint the entire story from the December AIM Report in The Washington Post on February 4.

We want to thank those contributors who came through so quickly and enthusiastically with the financial support that made this breakthrough possible.

PRIOR KNOWLEDGE OF WATERGATE

On 1/23/75 AIM wrote to CBS about their having come into possession of a copy of the suppressed report prepared by the minority staff of the Ervin Committee on the prior knowledge of Watergate by the Democratic National Committee and columnist Jack Anderson. We asked whether CBS had made any investigation of this matter and why it has not reported to the American people.

We received this reply from Bill Small, Vice President of CBS News: "You have written me about a Watergate document which was not involved in a CBS News broadcast. I make it a practice to discuss material which we broadcast, *not* matters of speculation."

In other words, this was one Watergate leak that was not reported, and CBS would not say why.

TWO HUNDRED YEARS OF FREEDOM

HON. TOM RAILSBACK

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, March 15, 1976

Mr. RAILSBACK. Mr. Speaker, I would like to share with my colleagues a poem written by Miss Kathryn L. Knouse of East Moline, Ill. Her poem entitled "200 Years of Freedom" reflects a very thoughtful consideration of what the Bicentennial really means. I encourage others to stop and consider what the Bicentennial means to them, as well:

TWO HUNDRED YEARS OF FREEDOM

(By Kathryn L. Knouse, age 9)

For 200 years we,
Have long been free.

We are lucky to have come all this way,
And now we're the strongest country to stay.

It started when Columbus discovered the land,
Then the Pilgrims came in a band.

Next there were 13 colonies laid,
And a flag was made.

Our country began to grow,
Then our flag needed stars, you know.

More and more land was found,
And our flag changed around.

Now the states are 50,
Isn't that nifty?

And on the flag there are 50 stars,
That doesn't mean there are 50 cars.

More and more people are coming this way,
To find a house and to stay.

We have built houses, cities, planes, and many other things.
Why we should all be as happy as kings!

We are rich in food, money, and farmland to grow,
And we also have the land to enjoy, you know.
We have mountains, beaches, flowers, and other places.
Let's protect these spaces.

Let's try to be,
200 more years free.

HEALTH CARE COSTS AND THEIR CONTAINMENT—III

HON. TIMOTHY E. WIRTH

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Monday, March 15, 1976

Mr. WIRTH. Mr. Speaker, inserted below is the second part of a discussion of health care costs by Dr. Howard Hiatt, dean of the Harvard School of Public Health. The first half of his article appeared in Thursday's RECORD, and concluded a three-part series on this subject. The first installment can be found in the CONGRESSIONAL RECORD of March 1, 1976. I trust all these materials will be helpful to my colleagues and the general public in future debates about the makeup and cost of our health care system.

The article follows:

MEDICAL PRACTICES FOR POTENTIALLY PREVENTABLE CONDITIONS

There are at present substantial claims on our resources that could be reduced appreciably on the basis of existing knowledge. The savings in lives, disability, and money resulting from polio vaccine are often and appropriately cited as evidence of a triumph of modern medical research. However, carelessness in prophylactic programs has recently led to a recrudescence of poliomyelitis. Another striking example was the increased incidence of measles that followed a decrease in distribution of measles vaccine (at least in part the result of decreased federal support). The annual number of reported cases of measles decreased from almost 500,000 in 1962 to 22,000 in 1968,[18] but, with lessening of attention to control programs, rose again to a high of 75,000 in 1971. The incidence has since receded, but the need for constant attention is apparent. It has been estimated that the economic benefit of measles vaccine over a 10-year period exceeded $1.3 billion. The savings in terms of lives saved and cases of mental retardation averted[19] are even more important.

Although preventive medical care often has little effect where poor social conditions are allowed to persist,[20] this is not always the case.[21] [22] Gordis[22] for example, has shown that over a three-year period in an urban area with comprehensive medical care, rheumatic fever was about one third lower than in comparable parts of the same city without such care. The implications for reductions in valvular heart diseases and nephritis are apparent, and the long-term economic effects would probably be highly beneficial.

There is, perhaps, even more evidence of how changes in social conditions can reduce demands on medical resources. (For example, it is well known that, probably in large part because of improved nutrition, deaths from tuberculosis had fallen 10-fold in Britain in the century before the first effective medical measures became available.[23] Also highly relevant.) Although difficult to quantitate in terms of economic effects on the commons, are conclusions drawn from an examination of birth certificates for New York City for the year 1968. If a New York mother was white, native born, and a college graduate, her infant's chances of dying before his first birthday were 9 per thousand. Corresponding chances for the infants of black, native-born mothers with an elementary-school education were 51 per thousand.[24]

Also difficult to deal with are conditions whose prevention requires changes in individual behavior. This year 70,000 American males will die of lung cancer more than the total number of victims of the three next most common forms of cancer, well over 90 per cent of all people with lung cancer, and approximately the same proportion killed by it more than 25 years ago. The admittedly impressive advances in cancer surgery, radiotherapy, chemotherapy, and anesthesia and in our understanding of certain aspects of carcinogenesis have had no effect on this or, in fact, on most prevalent forms of cancer. It is estimated that as much as 90 per cent of all cancer in this country is the result of environmental factors. In lung cancer, cigarette smoking has unquestionably been implicated. How to respond to that information, thereby sparing the medical commons, remains a challenge. So far as other forms of cancer are concerned, has an adequate fraction of the massive resources committed to cancer programs been allocated to identifying carcinogens and to reducing exposure?

PROGRESS AND PROSPECTS IN HEALTH-CARE DISTRIBUTION SYSTEMS

While we must draw further upon our resources to increase access to medical care for the people who are now underserved, the commons is clearly approaching depletion. This fact makes it the more urgent that new demands be limited to practices that have been conclusively demonstrated to meet well defined needs. New practices must also be shown to be more important than whatever will be displaced as a result of their adoption.

McKeown[25] points out that too often in medicine tasks are approached without any adequate survey of the nature of the most important problems. Now that there is generally successful management of infectious diseases, he emphasizes, the currently most pressing problems in Western societies are congenital disabilities, including mental defects, mental illness, and diseases of aging. Any approach designed to provide access to health care for an underserved population cannot purport to be comprehensive if it does not give serious attention to these problems. McKeown's list was neither offered as all-inclusive nor in fact was it intended to describe needs specific to the United States. In a study of children in a large urban American community, Kessner, Snow, and Singer[26] found a shockingly high prevalence of all the conditions being investigated. More than one fourth of children six months to three years old had anemia, and more than one fourth of children four to 11 years of age failed a comprehensive vision screening examination. Twenty per cent of all children had evidence of middle-ear disease, and 7 per cent of those four to 11 years old had hearing loss in speech frequencies that could interfere with learning. Illustrating yet another kind of need, the studies of Brook et al.[27] have shown that even by minimal criteria, only two thirds of the patients discharged from a highly respected American teaching hospital had adequate follow-up care during the six months after discharge. For most of the other patients, any benefit derived from hospitalization had been lost by the time of the six-month evaluation interview. All these diverse needs point to the necessity of attention to deficiencies frequently found in planning the delivery of health care—deficiencies in collecting and evaluating information, in analyzing results, in determining costs, and in using valid data as a basis for action.

Admittedly, not all needs of an adequate medical-care delivery system can be described in quantitative terms. One example in my view is the security implicit in the existence of an organized medical-care system to which people can quickly and easily turn. There must be a telephone number that can be called at any time of day or night and that offers access to enlightened advice, and, if needed, entry into the system. The voice on the telephone need not be that of a physician; indeed, that would be wasteful. However, it is not too much to expect it to be that of a person who is concerned, compassionate, and informed, who has access to the caller's medical record, and who can offer practical and sensitive responses—that is, suggestions for effective action and reassurance appropriate to the problem. My own experience with a prepaid group practice left a strong impression that this service was as much appreciated as any other.

Like most contemporary medical dilemmas, assessing the quality of medical performance is easier to identify as a problem than to deal with. Economic as well as sociologic, psychologic, and other considerations suggest that medical-care systems be arranged so that the skills of the medical-care provider are matched to the job undertaken. Methods for continuing evaluation of performance would help to achieve this end and to promote flexibility as our capabilities improve.

Of course, medical care, to matter how well delivered, is not the sole solution to most of the health problems that confront us. Kessner's population was an urban one, and many of the deficiencies that he and his colleagues observed could be attributed more to the social, economic, or demographic characteristics of the children than to how or where they received medical care.[28] This is not an argument against the need for greater access to better medical care, for it would surely be possible to improve the medical situation described. Rather, it is a way to emphasize that changes in social factors—housing, nutrition, education, etc.—are necessary in any comprehensive and effective approach to health problems.

The innovations that are needed or that are in prospect must be preceded by pilot tests. Not only is pre-testing an integral part of any research endeavor, but as has been indicated, the difficulties of eliminating medical practices once they are widely disseminated make it imperative that there be rigorous evaluation.

WHO WILL PROTECT THE COMMONS?

It was not so long ago that the commons bore relatively few expensive practices, there were no well defined limits, and the conscientious physician took from it what he deemed essential for his patient. Recently, however, we have witnessed major advances in expensive technology, greater complexity of medical problems, greater expertise in medical and health matters on the part of nonmedical professionals, and greater participation by consumers in dealing with major issues. These developments have all taken place in a short time and appear to be accelerating. Meanwhile, no well conceived

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Footnotes at end of article.

methodology for governing access to the medical commons has evolved, despite the ever increasing need for setting priorities, particularly as we approach the institution of national health insurance. Certainly, our failure to confront these very difficult problems has not meant that problems have not been dealt with. However, when we had relatively limited capabilities and seemingly unlimited resources, the consequences of a largely laissez-faire policy were not so visible and so painful as they now are. Unless safeguards not in view are conceived and applied, the priorities for use of the commons will continue to be set as they have been—at best by well intentioned policy makers with information of limited quantity and quality, and at worst in anarchic fashion.

How should priorities be set in the United States? Who should set them? How much should be allocated for health in toto? Of that total, how much should be allocated for medical care? How much for research, and in that category, how much for basic science and how much for applied? How much for medical education? How much for educating the public? Of each fraction, how should apportionments be made? And what, in each case, should be the quid pro quo? If a hypertension management program can receive only a limited sum, how should that money be optimally used? If renal dialysis cannot be universally available, who should qualify for treatment? What kinds of people should make these decisions? On what basis should their decisions be made?

Although there are no simple answers to these questions, let me first emphasize how I believe national priorities cannot and should not be set. It is surely not fair to ask the physician or other medical-care provider to set them in the context of his or her medical practice. A physician or other provider must do all that is permitted on behalf of his patient. In that sense the physician is and should be responsible, with his patient and the patient's family, for setting priorities for that patient's management, within the limits available. The patient and the physician want no less, and society should settle for no less. For example, if society has set no ground rules for the use of kidney dialysis other than medical ones, and if in a physician's judgment his 80-year-old patient's overall condition warrants dialysis, everything must be done to see that he is so treated. On the other hand, the physician can, however reluctantly, accept society's constraints regarding eligibility requirements for kidney dialysis, even if he does not consider them to be in the best interests of his patient

I believe it is as inappropriate to indict physicians for the depletion of resources on the commons as it is to expect physicians alone to determine priorities. The challenge for the medical profession is how to join with others in effective decision making. In this context, let us return to the three problem areas of the commons described earlier.

In the face of conflicts between the interests of the individual patient and of society, choices must be made concerning how much of (or whether) our resources should, for example, be spent for kidney dialysis and for heart transplants, and if so, who is eligible. Physicians must help gather and present as realistically and comprehensively as possible scientific and medical information about kidney dialysis and heart transplants, and then join with a variety of other professionals, including statisticians, epidemiologists, economists, policy analysts, lawyers and ultimately, politicians and the public in setting priorities. Clearly, decisions will heavily depend on both the quality and quantity of information provided by the medical profession.

To protect the commons from useless, prematurely introduced, or otherwise inappropriate practices, the physician must join statisticians, epidemiologists and economists to ensure that no practice is widely adopted without prior evaluation. As reported by Cochrane,[28] the British National Health Service encourages examination of new diagnostic and therapeutic practices, often by randomized clinical trial, and then submits them for approval by an officially appointed board. (Thus, for example, at the time of Cochrane's presentation neither the carcinoembryonic antigen test for cancer nor coronary-artery bypass graft operations had yet been approved.) As Cochrane has stressed,[29] clinical validation of a practice is not by itself adequate reason for its dissemination. It must be shown to be more effective than other practices available for the same medical problem. And even if this second requirement is satisfied, its value should be manifestly greater than that of those other practices that its adoption would displace.

It is in the third area, prevention, that long-term opportunities are greatest for protecting the resources of the commons. Here, too, the physician must join with others, including consumers, if programs are to be maximally effective. The example of the costs and our therapeutic limitations in the management of black lung was earlier stressed. Although the physician by himself can do little to prevent the condition, his effectiveness in prevention could be amplified many times if he were joined by the mine operator, the union official, the politician, the lawyer, the chemist, the engineer and others. In addition, a more widespread understanding of the limitations of therapeutic medicine could generate greater attention to the need for campaigns directed at preventing black lung and the myriad other conditions for which we can now do so little.

It cannot be overemphasized that our successes in prevention of disease reflect in large part the fruits of research. If these successes are to be followed by the many others we and future generations so badly need, a substantial and predictable fraction of our resources must be set aside for basic scientific research, and for education of research scientists. In my view it is essential that society create mechanisms that separate the demands on the commons of research and of education from those of medical care, for these should not be forced to compete with each other on a continuing basis.

In conclusion, two points seem to me worthy of special emphasis. The first is that the critical question confronting the medical professions is not whether society will find ways to govern access to and control the use of the medical commons. (A people that was sufficiently aroused to create a Food and Drug Administration to control pharmaceutical preparations will surely find mechanisms for controlling medical and surgical procedures when the effects of inadequate restraints become more widely evident.) The question, rather, is how physicians will participate in the creation of control mechanisms in a manner that reflects both enlightened self-interest and the public interest. Physicians must join with educators and others to find ways to encourage the general public to understand more about not only their bodies but also the limitations and uncertainties of medical care, so that society's decision-making can be as fully informed as possible. Indeed, only if physicians assume a major role can they contribute adequately to the protection of the public interest.

Secondly, it is essential that the process of decision making with respect to the medical commons be maximally flexible. Many technical approaches to medical care that were acceptable a decade ago are inadequate today; the same thing must be said about medical judgments and even ethical and moral decision making. Much of what we physicians and our fellow members of society agree is appropriate for 1975 will probably be inadequate for the conditions of 1980. Although it is unfortunately true that existing data are inadequate in most cases to permit fully enlightened decision making today, decision making must and does go on, nonetheless, sometimes by default. This fact makes it more urgent that the process undergo continuing review and revision, to permit us to deal with the issues that inevitably emerge from any reordering of priorities and from continuing progress.

NOTE.—I am indebted to Drs. Herbert Sherman, John Bunker, Harvey Fineberg, and Donald Berwick for many helpful discussions, and to Ms. Cordelia Swain and Miss Constance West for technical assistance.

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A PRESIDENT'S MESSAGE ON TAX REFORM

HON. CHARLES A. VANIK

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Monday, March 15, 1976

Mr. VANIK. Mr. Speaker, today, the House Ways and Means Committee begins a series of hearings on possible revisions in estate and gift taxes.

On January 23, 1950 President Harry Truman sent the following message to the Congress on the need to reform the

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estate and gift taxes and eliminate the many loopholes in the taxes:

> I recommend that the Congress enact legislation to provide one billion dollars in additional revenue, by revising and improving the estate and gift tax and the corporation tax laws. I believe that, under present economic conditions, this amount of additional revenue represents a proper balance between the objective of balancing the budget as soon as possible and the objective of coordinating tax adjustments with the requirements of continued prosperity.
>
> A substantial part of the additional revenue should be obtained from revision of the estate and gift tax laws.
>
> The Revenue Act of 1948 reduced the yield of the estate and gift taxes by one-third, or nearly 300 million dollars. Even before that Act, estate and gift tax yields were out of line with other revenue, and that Act made the situation worse.
>
> In originally enacting the estate tax in 1916, the Congress pointed out that "our revenue system should be more evenly and equitably balanced" and that a "larger portion of our necessary revenues" should be collected from the "inheritances of those deriving most protection from the Government." Our estate and gift tax laws at present fall far short of this objective. They now produce less than 2 per cent of internal revenues, compared with 7 per cent ten years ago. To the extent that these taxes remain too low, the remainder of our tax structure must bear a disproportionate load.
>
> The low yield from the estate and gift taxes is due to serious weaknesses in the present law. These weaknesses include excessive exemptions, unduly low effective rates on most estates, and the fact that the law as written favors large estates over smaller ones, and leaves substantial amounts of wealth completely beyond the reach of the tax laws. Large fortunes may be transmitted from one generation to another free of estate or gift tax through the use of life estates. By this means, vast accumulations of wealth may completely escape tax over several generations.
>
> Furthermore, the present law affords excessive opportunities for tax reduction by splitting between the gift and estate taxes the total amount of wealth transferred by an individual. This makes the tax liability depend, not upon the amount of wealth which an individual leaves to his family, but upon the manner in which he arranges the disposition of his wealth. If a man leaves his estate of $300,000 at death, one-half to his wife and one-half to his three children, an estate tax of $17,500 must be paid. If his equally well-to-do neighbor gives away $180,000 to his wife and three children over a 5-year period and leaves them the other $120,000 at death, no estate or gift tax whatever is paid. This difference in tax, whether it depends upon fortuitous circumstances or the caliber of legal counsel, is obviously unwarranted.
>
> To strengthen the estate and gift tax laws, several steps are necessary. The laws concerning the taxation of transfers by gift and by bequest, by outright disposition and through life estates, need to be coordinated to provide uniform treatment and a base for more effective taxation. In addition, the present exemptions should be reduced and the rates should be revised. These changes will not only bring in more revenue, but they will also improve the fairness of the estate and gift tax laws and bring these taxes nearer to their proper long-term place in our tax system.

I deplore the quest for votes by the promise of increased loopholes and Treasury giveaways to special groups which must be paid for by the average taxpayer.

President Ford's promise in Illinois to the farmers of America is a special tax break for less than 5 percent of the American people at the expense of the 95 percent of our people who develop a lifetime accumulation of property of less than $60,000. We seem to be moving back to an era of "entailed" and perpetuated wealth which Thomas Jefferson deplored in 1776 as Governor of Virginia.

President Ford's politically inspired tax giveaway should be shelved until we can erase the staggering operational deficits of the Federal Government.

LT. COMDR. RICHARD H. WYTTENBACH

HON. ANTONIO BORJA WON PAT

OF GUAM

IN THE HOUSE OF REPRESENTATIVES

Monday, March 15, 1976

Mr. WON PAT. Mr. Speaker, less than 1 year ago, the eyes of the world were focused on my district of Guam, a relatively small island with little more than 100,000 population, which suddenly and dramatically became a haven for more than 110,000 refugees fleeing war-torn Southeast Asia.

This wave of humanity all but engulfed Guam and its resources as constant arrivals of airplanes and ships landed additional thousands of displaced Asians daily. They arrived with nothing more than what they could personally carry and looked to Guam, as the westernmost part of the United States in the Pacific, to provide whatever else was needed.

In an unprecedented operation dubbed "New Life" all this was done. All military and civilian residents of Guam responded to the need. They were augmented by additional cadres of workers from U.S. charitable and humanitarian organizations and Government agencies.

As a result of literally millions of hours of work, much of it done on a volunteer basis, these more than 100,000 unfortunate victims of war who sought refuge on Guam were housed and fed, had their medical needs tended, received their introduction to life outside their home areas and were started on their way to new futures in a strange land. Most of this was accomplished within a matter of weeks.

Although the contributions of the thousands of aid workers was indispensable, all this could hardly have been accomplished without superior individuals administering and coordinating the mass effort.

I am pleased to inform you that the Operation New Life work of one such individual, Navy Lt. Comdr. Richard H. Wyttenbach, has received official recognition.

Lieutenant Commander Wyttenbach represents the best qualities of military personnel who have been stationed on Guam. Previous to Operation New Life he was assigned to the staff of Navy commander, Marianas. While serving in that capacity he also assumed an active role in the civilian life of Guam, contributing greatly to the general welfare of the islands residents. His assimilation into the fiber of Guam has been such that Lieutenant Commander Wyttenbach has adopted Guam as his official home of record.

Due to his expertise with local matters and high personal capabilities, Lieutenant Commander Wyttenbach was subsequently assigned to the staff of the Commander in Chief Pacific Representative for Guam and the Trust Territories of the Pacific. It was in this capacity that he played such a key role in Operation New Life.

For his contributions to that program, Lieutenant Commander Wyttenbach has been awarded the Joint Service Commendation Medal. The award's accompanying citation reads:

> Lieutenant Commander Richard H. Wyttenbach, United States Navy, distinguished himself by meritorious achievement as Special Assistant for Guam on the Staff of Commander in Chief Pacific Representative Guam and the Trust Territory of the Pacific Islands, from 23 April to 23 August 1975 during Operation New Life—the urgent program to position, support, and process on Guam more than 110,000 refugees as they were evacuated from Southeast Asia.
>
> As the primary point of contact for, and liaison officer between the Director of Evacuee Activities, Guam, the various contingents of the Inter-Agency Task Force, and the military units involved with the Government of Guam during Operation New Life, he was instrumental in explaining policies and decisions effecting both the refugee program and the Guam community. By contributing long hours on a daily basis, he provided guidance and direction to the Governor, the legislature and the business and community leaders in their efforts both to assist the refugees transiting to the U.S., as well as to find sponsors and employment for those desiring to remain on Guam. By working with the Guam Department of Education he was also responsible for helping to establish an educational program for the refugees that aided them significantly in preparing for a new life and citizenship in the United States. In performing these duties, he displayed tact, sensitivity to people, and devotion to duty.
>
> Lieutenant Commander Wyttenbach's distinguished performance of duty throughout this period represents outstanding achievement and reflects great credit upon himself and the military service.

Lieutenant Commander Wyttenbach presently is serving as a special assistant to Ambassador Haydn Williams, the President's personal representative for Micronesia and continues to contribute to the welfare of Guam and the U.S. Pacific islands.

As the congressional representative of Guam, I wish to thank Lieutenant Commander Wyttenbach and congratulate him for this recognition of his outstanding work.

MARBLE HILL NUCLEAR POWERPLANT

HON. ROMANO L. MAZZOLI

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Monday, March 15, 1976

Mr. MAZZOLI. Mr. Speaker, the proposal to construct the Marble Hill nuclear powerplant on the Ohio River near Madison, Ind., has given great concern to governmental officials and residents of the congressional district I represent—which is approximately 30 miles southwest of the proposed site of the power station.

At the present time, five major fossil-fuel powerplants and two nuclear installations are planned or are in various stages of development along the Ohio River in this region. Thus, there is genuine fear that our area is about to become overburdened with energy plants.

It must be borne in mind, of course, Mr. Speaker, that the atom will be increasingly called upon to supply a portion of our future energy needs. This being the case, we cannot afford to stifle nuclear powerplant construction in our Nation.

However, it would be improvident were the appropriate Federal agencies—the Environmental Protection Agency and the Nuclear Regulatory Commission—not to make an exhaustive review of the environmental, social, economic, and public safety aspects of nuclear construction.

On February 13, State Senators David Karem and John Faris Lackey introduced legislation in the Kentucky State Senate calling for just such a review of the proposed Marble Hill facility.

Mr. Speaker, I insert the text of the Senate Resolution No. 28, dated February 13, 1976, introduced by Senators Karem and Lackey at this point in the RECORD:

SENATE RESOLUTION NO. 28

A resolution memorializing the Congress and President of the United States to be concerned over nuclear power plant construction on the Ohio River

Whereas, spiraling construction costs and shortages of uranium have faded the cost advantages of generating electricity with atomic reactors; and

Whereas, Donald C. Cook, retiring chairman of American Electric Power Company, Incorporated, says that coal has the same cost advantage in generating power as compared with nuclear reactors; and

Whereas, the engineers who helped design and build nearly 100 nuclear power plants for General Electric have resigned from the company, saying nuclear power is too dangerous for further development; and

Whereas, the possibility of terrorist sabotage and of catastrophic accidents are very real concerns; and

Whereas, Kentuckians are aware of the possible pollutant effect on the future water supply from atomic power plants; and

Whereas, metropolitan areas that have power needs and desire nuclear power should proceed to build atomic power plants adjacent to their own geographical areas;

Now, therefore, be it resolved by the Senate of the General Assembly of the Commonwealth of Kentucky:

Section 1. That the Congress and President of the United States are hereby memorialized to consider very carefully the total impact of nuclear power plant construction on the Ohio River.

Section 2. That a copy of this resolution be sent to Kentucky's congressional delegation, Energy Research and Development Administration, Nuclear Regulatory Commission, and the President of the United States.

EDITORIAL SUPPORT FOR THE PRESIDENT'S EDUCATION PROPOSAL

HON. ALBERT H. QUIE

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 15, 1976

Mr. QUIE. Mr. Speaker, 2 weeks ago I had the pleasure of introducing on behalf of the President his legislative proposal for the consolidation of a number of Federal programs of assistance to elementary and secondary education. As I noted at that time, I fully support that plan.

Today, I am pleased to reintroduce that bill with the cosponsorship of several of my colleagues. I have also learned since my original introduction of the bill of some significant editorial support for the bill like that from the Miami Herald, the Christian Science Monitor, and the Buffalo Evening News. For the benefit of my colleagues, I am inserting those editorials as evidence of the growing support for both the concepts in the bill as well as for the specific proposal itself.

[From the Miami Herald, Mar. 3, 1976]

PRESIDENT'S SCHOOL AID PLAN COULD END FUNDING BY FAD

Educational fads come and go quickly on the Washington scene. One year remedial reading it touted as the panacea for all the nation's cultural ills, then a few months later vocational training attracts the spotlight and the money.

The priorities seem to depend not so much on the professional judgment of educators as on the ability of various constituencies to lobby effectively before key congressional committees.

The net result has been a patchwork of well-intended federal programs making money available in narrowly defined categories. There is, for example, aid to provide schooling for the children of migrant workers—and there should be. And there is aid for the handicapped, for job training and for school libraries, to name just a few of the categories now eligible for aid.

But because of the way the money is earmarked for special purposes, much of it is frittered away in administrative expenses. For recipients, there is the problem of grantsmanship—knowing what funds are available and how to get them. For federal officials, there is the problem of enforcing complex guidelines to make sure funds earmarked for one purpose are not spent for another.

The morass of red tape contributes to the growth of educational bureaucracy at the local, state and federal levels. Some school systems use funds to hire administrators who spend all their time on "federal liaison" when the same funds could be spent to hire more teachers.

Even though federal aid now provides only about 7 per cent of the money spent in the United States for elementary and secondary education, the sum is sufficient to distort priorities of eager applicants. If creative ceramics for the retarded were in vogue with the fads this year, some districts would now be proposing to remodel their libraries to accommodate kilns.

President Ford wants to put a stop to this nonsense. He proposes to consolidate 24 separate categorical-aid programs into one program of block grants to states.

The total funding—$3.3 billion—would be an increase from this year's $3.24 billion, and the elimination of red tape should enable recipients to get more mileage out of each dollar.

Florida would welcome such a change. Dr. Roger Nichols, Education Commissioner Ralph Turlington's deputy for educational management, calls the President's approach "a very constructive way to go.

"States have different needs; a block grant program would allow states to concentrate their resources where needed," said Dr. Nichols.

The principle is no less true outside of education than within it. President Ford's proposal to do away with most categorical aid for schools represents a welcome continuation of a trend toward giving greater discretion to state and local governments in the spending of federal aid dollars. It is an idea whose time has come.

[From the Christian Science Monitor, Mar. 3, 1976]

FORD'S SCHOOL AID

Federal aid for education has continued to labor under three problems: a bureaucratic tangle of programs, too much distance and lack of understanding between those doling out the funds and those who need them, and a question of who is really in charge.

President Ford's proposal to consolidate federal funding programs for elementary and secondary education is a step in the right direction toward resolving those problems.

Under Mr. Ford's plan, 24 programs would be lumped together into single block grants to states totaling $3.3 billion for 1977 with an additional $200 million a year through 1980. State grants would be determined by the number of schoolchildren, with special consideration for the level of poverty. States would be free of current federal restrictions on how such aid should be spent, but would still have to meet such requirements as civil rights laws and special consideration for Indian tribal schools.

States would have to pass along most of the funds to localities and 75 percent of the money must be spent on the poor and handicapped, under the Ford plan. But within those broad guidelines, state and local boards of education would be able to allocate the federal grants on the basis of local need, provided that public hearings be held before decisions are made.

In recent years, Washington seemed to be going at the problem of establishing clear lines of authority for school aid by adding bureaucratic layers instead of simplifying. Agencies and executive positions were created both within and separate from the Department of Health, Education, and Welfare (HEW) in ways that just seemed to confuse things. Naturally, the greater the administrative maze, the more tax dollars seem to get siphoned off before they reach their intended goal.

As long as certain basic aims are established and held to (equality by region, special help for the poor, antidiscrimination, etc.) state and local mechanisms are better prepared to put that money to work efficiently.

The question of how much of the federal budget goes to education may be less easy to settle. Congress last year overwhelmingly repulsed the President's veto of a school aid bill Mr. Ford thought too costly. He seems to have made some small concessions in his proposal this week, but not to the extent that education grants would keep up with inflation.

But when President Ford says that the federal government "cannot know what is best for every schoolchild in every classroom in the country," he should get no argument from Congress.

[From the Buffalo Evening News, Mar. 6, 1976]

SIMPLIFY FEDERAL SCHOOL AID

Congress should give serious, sympathetic attention to President Ford's proposal that 24 separate federal school-aid programs be consolidated, with the funds distributed to States as block grants with fewer strings attached.

In recent years Congress has begun to consolidate single-purpose aid programs into broader, multi-purpose grants. But it has not moved as rapidly in this direction as it might.

The fundamental concept of blending two dozen separate programs of aid to elementary and secondary schools into a single grant is sound. This would allow a greater diversity in the use of funds. It would expand the discretion and accountability for programs at levels of government closer to the public most affected. And by reducing administrative costs, it would allow more of the money to actually reach the classroom.

This is a program on which President Ford has modified his approach since the first of this year. He has eliminated from the block grant three other separate aid categories for public libraries and college programs. He has raised his proposed funding levels to $3.3 billion an increase of about $60 million over current amounts. This would assure that no state lost federal money in the switch to block grants, an obvious incentive for Congress to act favorably. Aid would also increase in future years.

The recommended dollar increase in the coming year is not sufficient, by itself, to offset the impact of inflation. But the number of students in elementary schools declined by 600,000 nationwide last fall from the previous year, and the trend is likely to continue because of declining birth rates. Beyond that, separate aid programs are much more expensive to administer than block grants. F. David Mathews, secretary of Health, Education & Welfare, said such costs for categorical grants exceed 10 per cent of the funds whereas the Ford proposal puts a 5 per cent limit on administrative expenses. With a $3.3-billion program, the difference approximates $165 million.

The President has sought to anticipate arguments against consolidation by retaining several broad standards. Three-quarters of all the money a state receives must go to programs for deprived and handicapped children. Anti-discrimination provisions will be maintained. Each plan submitted by a state would have to win federal approval.

What is most appealing here is that the block grants should encourage an educational diversity tailored to different needs and ideas in different areas of the country, as well as an unclogging of the bureaucratic pipelines, thus reducing the time and cost of paperwork at each end. Obviously, Congress may be able to improve on the administration recommendations, and there must be adequate assurances that cities within a state get fair treatment. But hardly anyone would contend that the cumbersome maze of existing aid formulas and procedures is perfect. Indeed, reports last summer of declining verbal and math scores in standardized tests for the college-bound suggest the desirability of a search for improvement which diversity, rather than lockstep conformity, should promote.

That at least ought to be the premise from which Congress approaches the important, non-political task of reviewing school-aid programs.

TAKE THE PROPAGANDA OUT OF OLYMPIC GAMES

HON. EDWARD J. DERWINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, March 15, 1976

Mr. DERWINSKI. Mr. Speaker, after the much publicized winter games, the Olympic world is looking forward to the 1976 summer Olympic competition which will be staged in Montreal, Canada.

Since there have been several ongoing controversies over the dubious amateur status of many of the athletes from Iron Curtain countries, and over the various training abuses, an objective look at the Olympic games is certainly in order.

A very timely and appropriately pertinent article covering Olympic game developments appeared in the Monday, March 8 edition of the Chicago Daily News by the renowned editorial reporter, Sydney J. Harris. I wish to insert the article at this point:

[From the Chicago Daily News]

TAKE THE PROPAGANDA OUT OF OLYMPIC GAMES

(By Sidney J. Harris)

Almost the only television I have watched this year was the week of the Winter Olympics in Innsbruck.

And that splended sight saddened as much as delighted me.

It saddened me because the whole spirit of the Olympics—at least, as interpreted by the media and the audiences there—was corrupted by a sense of nationalism that is wholly inimical to the original intention of the event.

The modern Olympics, as you may know, were begun in 1896 by the Baron de Coubertin, a French educator, "to promote world peace and friendship." Instead, they have been perverted by most governments to promote national rivalry, loyalty and divisiveness.

Strictly speaking, there are no medals awarded to countries, only to individual athletes, and the whole scoring system is on an individual basis, so that no country can "win" more points than any other. But the governments aggrandize the glory to themselves, using Olympic victories for propaganda purposes.

And the judges themselves do not remain uninfluenced by these partisan considerations; some ratings and decisions are impossible to explain on any other basis than political pressure, fear or a false sense of loyalty.

There are some simple and effective reforms that could be made, of course. For one thing, a judge from a given country should be forced to abstain from voting on a performance by a member of his country's team. (In the figure-skating competition, for instance, it seemed obvious that some judges upgraded their compatriots and downgraded some of the others.)

But mere technical reforms would not be enough to restore the Olympics to its original aim: To develop character and good sportsmanship by individual competition, thus demonstrating that talent and skill cut across national boundaries and are to be applauded and rewarded wherever they happen to originate.

This noble idea has been entirely lost in the gross politicization of the game, so that the officials behind the scenes. Hitler used the officials behand the scenes. Hitler used the games for his purposes, Stalin for his, and other countries have followed suit, not at all reluctantly.

There is a legitimate feeling known as "national pride." This feeling has been manipulated and distorted by governments to create public relations campaigns for themselves out of the toil, tears, sweat and blood of naive and earnest youngsters. Lord Acton's famous dictum that power tends to corrupt holds as true in the stadium as the senate.

BRITISH VIEW OF BUDGET PROCESS

HON. BUTLER DERRICK

OF SOUTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 15, 1976

Mr. DERRICK. Mr. Speaker, I think it might be of interest to the Members of the House to know that the progress of the new congressional budget process is being watched with great interest not only by the news media here in the United States but also by the media in foreign countries.

Of particular interest is a thoughtful article which appeared in the February 29, 1976, edition of the influential English paper, the London Sunday Times. The article was written by Godfrey Hodgson, an acknowledged British expert on the American political scene.

The article follows:

MR. PRESIDENT LOSES POWER

Next Thursday, Congressman Brock Adams, a Democrat from the Boeing city of Seattle, will address a meeting of all Democratic members of the House of Representatives. His speech will not be a political event of any great magnitude in terms of Press coverage. Probably it will be submerged in the flood tide of speculation about the next primaries.

Congressman Adams will not mind. He has taken a conscious decision to lay his egg without too much squawking. Yet it may turn out to be a rather important egg. For what Adams is proposing, as chairman of the new and surprisingly powerful Budget Committee of the House of Representatives, is that henceforth Congress should adopt, and then stick to, a rolling five-year budget.

This is no trivial innovation. For although Congress, under the division of powers which is one of the central principles of the American constitution, has the sole power to decide how public funds are spent, until very recently it did not draw up a budget.

The result was that senators and congressmen, responding to the various pressures of their constituents, habitually authorised substantially more expenditure than the President's annual budget request.

This in turn meant that the presidency was generally seen by public opinion as the responsible branch of government, in contrast with Congress which was seen as the plaything of special interests.

That judgment had at least this basis in truth: Congress has never had any machinery for assessing the general economic and social effect of its legislation, and no means of deciding between rival claims for Federal spending in terms of any rational criteria.

This was one of the reasons why, from Franklin Roosevelt's time (1933–45) until Nixon's, the power and prestige of the presidency both expanded spectacularly at the expense of those of the Congress. Since the Vietam war and the Watergate affair, however, Congress has begun to set limits to that expansion.

It passed legislation to limit—if not very effectually—the President's power to make war. Albeit in extreme circumstances, it was willing to impeach him. It began to scrutinise presidential appointments more strictly than in the past. And it began to reform its own procedures.

But if Congress has been able to limit the future growth of presidential dominance, until recently few observers, even in Congress itself, would claim that it had succeeded in recapturing any of its lost territory. Not, that is, until 1974, when Congress passed, and President Ford, newly elevated from Congress to the White House, signed the Congressional Budget and Impoundment Control Act.

What brought about the pressure for Congress to take a serious part in the shaping of the Federal budget was quite simply the feeling, shared by congressmen and bureaucrats alike, that the budget was out of control.

Spending ceilings had been breached in 1969, 1970 and 1971. In 1972, on the other hand, President Nixon used congressional limits on spending as a pretext for "impounding"—simply refusing to spend—money authorised by Congress for programmes he didn't like. This year President Ford can only keep within his ceiling by skimping on programmes which Congress does not want to see skimped.

Another factor in the equation is that a growing proportion of government expenditure is "uncontrollable," in that it arises from demographic change or higher interest rates, which no congressman can alter, except by cutting pensions or Medicare, and that would be political suicide. The White House now calculates that 75 per cent of the budget is "uncontrollable" in this way.

The real catalyst, however, as with so much else, was the oil price rise and recession in late 1973. This was the immediate father to the new act, bringing Congress, for the first time, into the business of setting and holding a budget.

Twin budget committees were set up, one in the Senate, chaired by Senator Edmund Muskie, the unsuccessful candidate for the 1972 Democratic nomination, and the other under Brock Adams in the House. The act also set up a new Congressional Budget Office (CBO) with a staff of more than 250.

The teeth of the new procedure lie in a simple provision: once Congress agrees its budget, any money bill which breaches it can be vetoed on the motion of a single member. And to impose order on the process of drawing up the budget, while allowing time for adequate debate, the act lays down a rigid timetable.

First, at the turn of the year, the President submits his "current services budget"—what it will cost to continue existing programmes—and his own, new, budget. This is vetoed by the CBO which reports to Congress, placing the President's two submissions in the wider economic and social context. The two budget committees hold hearings and agree on a broad expenditure plan by April 15. Between then and September 15 comes the "reconciliation process" when the details of the ways in which individual congressmen want to spend money are tailored to the budget committees' overall plans. This final, more detailed resolution is then debated and passed by October 1.

At first, the "good old boys" who sit in the seats of power in the important congressional spending committees did not take the new procedure as too much of a threat. But last summer, in a sharp little passage of arms, Senator Muskie showed that he meant to make the new rules stick. His opponent was Senator Stennis, of Mississippi, the most powerful conservative in the Senate, and chairman of the powerful Armed Service Committee.

Muskie took the unusual step of circulating a letter pointing out that Stennis's committee was likely to break the defence target in the budget resolution by £450 million, an amount which Stennis dismissed as "frivolous." Muskie then promised to vote against a bill to expand the provision of school lunches, which as a liberal he would normally support, to show that he was serious about making the budget stick against liberals as well as conservatives.

In a vote on the floor he beat Stennis, 48 votes to 42. Since then, everyone has taken the congressional budget more seriously.

One victory does not end a war—not against forces as strong and as entrenched as those which Senator Stennis and his friends lead. But as Congressman Adams says: "If you want to be in on governing through the revenue and spending policy of the United States, you're got to use this act . . . Otherwise, it's the President's game completely."

Professor Aaron Wildavsky, of the University of California, and a leading authority both on Congress and on the presidency, wrote recently that the new Congressional attempt to get it on setting the budget was the one thing that could limit the power of the presidency in the long run.

That is why Brock Adam's quiet pitch for five-year budgets could be more important than most of the millions of words that will be written about presidential candidates between now and November.

Presidents are elected for only four years. If the next President, or the next one after that, finds that his freedom of action is circumscribed by a budget set before his election by a united Congress, then the least that can be said is that the office he will inherit, for better or for worse, will be very different in its effective power over the day to day government of the United States, at home and abroad, than the office which John Kennedy entered in 1961, or Richard Nixon left in 1974.

TWO HUNDRED YEARS AGO TODAY

HON. CHARLES E. WIGGINS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 15, 1976

Mr. WIGGINS. Mr. Speaker, 200 years ago today, on March 14, 1776, the Continental Congress decided to send 8,000 additional troops to defend New York and ordered the immediate departure for that colony of battalions commanded by Colonels Irvine, Dayton, Shee, and Magaw. Congress acted after the committee appointed to confer with General Lee regarding the defense of New York had reported that although New York City was almost impossible to defend:

> It may be made a most advantageous field of battle, so advantageous indeed, that if our people behave with common spirit, and the Commanders are men of discretion, it must cost the (enemy) many thousands of men to get possession of it.

IMPROVING ARCHITECTURAL ACCESSIBILITY TO THE HANDICAPPED

HON. ROBERT W. EDGAR

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 15, 1976

Mr. EDGAR. Mr. Speaker, I received the National Newsletter on the White House Conference on Handicapped Individuals and am pleased and encouraged by the affirmative action the administration is taking toward eliminating the endless problems faced by millions of handicapped Americans every day.

Last October, I had the opportunity to spend a day in a wheelchair in Media, a small community in my district. Seeing the world from a wheelchair is an eye-opener which everyone with good strong legs should experience. In the course of the day, I encountered telephones which I could not use because I could not reach the change insert. I had no access to public restrooms, and curbs made crossing a street a major undertaking. The only buildings to which I had access were a restaurant and the State liquor store. The county courthouse does have a ramp but the rainy day made the lack of traction quite apparent.

My experience in Media occurred in the interim of two oversight hearings held by the Subcommittee on Investigations and Review of the Committee on Public Works and Transportation. These hearings reviewed the implementation of the Architectural Barriers Act of 1968. The GAO's report on its thorough investigation into the accessibility of public buildings to the physically handicapped revealed some startling statistics. Under the act of 1968, all federally financed buildings and all except a few public buildings must comply with architectural standards set by the American National Standards Institute. The GAO inspected 314 buildings in 66 geographical areas including 35 States.

The found, in brief, that the Architectural Barriers Act has had only a minor effect on making public buildings barrier-free; however, most buildings were in varying stages of compliance with the law. Restrooms, temperature controls, elevation, parking lots, and doorways most often failed to conform with the standards.

The GAO report revealed deficiencies not only in the enforcement of the act but also in the provisions of the act itself, which must be amended if the barrier-free environment which we are endeavoring to achieve will ever be a reality.

I have recently drafted a bill which

will amend the Architectural Barriers Act to accomplish the following:

Impose a clear statutory mandate that the responsible agencies named in the act are to insure accessibility of public buildings to the physically handicapped;

Eliminate the current exemptions in the act and include all Government-leased buildings and facilities intended for public use or in which a handicapped person may be employed, as well as all privately, owned buildings leased to the Government for public housing;

Require the named agencies to establish a system of continuing surveys and investigations to insure compliance with prescribed standards; and

Remove the present exemptions of the U.S. Postal Service facilities from coverage under the act.

My bill will be submitted, I am sure, to the Subcommittee on Public Buildings and Grounds of the Committee on Public Works and Transportation. I will urge the chairman of the subcommittee, the Honorable TENO RONCALIO, to schedule hearings as soon as possible.

I hope my colleagues will be understanding of the problems of the handicapped and will join in the endeavor to help them achieve their goals.

THE PLIGHT OF DAIRY FARMERS

HON. MATTHEW F. McHUGH

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, March 15, 1976

Mr. McHUGH. Mr. Speaker, some weeks ago one of my constituents wrote to me regarding the President's veto of the farm bill. Her letter was such an accurate and eloquent account of the problems faced by our country's small farmers that I would like to share it with my colleagues.

Mr. Speaker, I include my letter from Mrs. Gary Rhodes, of Harpursville, N.Y., at this point in the RECORD:

HARPURSVILLE, N.Y.,
January 31, 1976.

MATTHEW F. MCHUGH,
Longworth House Office Building,
Washington, D.C.

DEAR MR. MCHUGH: We read with great interest the letter sent us on January 13, 1976, about the Farm Bill that had been proposed. We agree with the Bill completely. Now we hear on the news that President Ford has vetoed this Bill as he usually does legislation designed to benefit our Nation's farmers.

My husband is a dairy farmer, 33 yrs. old. He has shipped milk and farmed since he was 12 yrs. old. After he graduated from High School he was able to buy a farm of his own. He works long, hard hours, everyday of the year. He isn't getting rich, we just work hard to make a living. We have no control over the price of our product, we take what the creamery pays because we have to. Our feed prices go up continually. Fertilizer needed to keep the land productive has sky-rocketed in price. The cost of machinery and equipment needed to operate the farm has soared.

We cannot afford to hire help, because if there is any profit, it is terribly small. We watch as our friends and neighbors give up and sell out. We see farms for sale at auction because the farmer has died and his widow and children are forced to sell because they cannot afford to live on the place they have worked so hard on because of inheritence tax. It hardly seems fair that if one of us should die the other would have to give up everything because of it. You not only lose your spouse, but your home and income all at once.

I wonder if many of the Congressmen and even President Ford have ever had to worry about paying bills, wondering if you had made enough to feed their families and the 100 plus animals that you had to care for. If they have ever needed new equipment to make work a little easier and not been able to afford it. Do they ever have to say that they can't afford to go out for dinner, or buy new shoes this paycheck, maybe next. I think not.

My husband likes farming, of course, he gets very discouraged. Especially on days when it's 20° below zero. His silo unloaders freeze, the waterers in the barn freeze and break, water pipes burst, machinery won't start, etc. And of course when the milkcheck has been shorted a little, the feed price jumps (nearly every month) and a new piece of equipment is going to cost about twice as much.

Farmers don't want charity, just a fair chance. Farms are being gobbled up by investors that build homes, or just let the land lay and go to waste waiting for it to increase in value. Farmers can't afford to buy needed extra land because it goes for such high prices.

I hope that the next time the President and those opposed to the recently vetoed bill sit down to a steak, toss salad and baked potato, or sip a brandy Alexander, or perhaps just a quick ham and cheese on the run to a meeting. Or the next time they drink a glass of milk to calm their ulcers they will remember where these things come from, and think what it will be like when farmers are forced out of business, when all the farmland is made into new homes and smelly factories. And when a glass of milk isn't even available, instead of being just a few cents a glass.

He expects us to feed the world, when in fact, the day is rapidly approaching when we won't have enough for ourselves.

Sincerely,

MRS. GARY RHODES.

FARM EXPORTS AND THE CONSUMER

HON. DELBERT L. LATTA

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Monday, March 15, 1976

Mr. LATTA. Mr. Speaker, many speeches are being made these days across this country concerning farm exports and their relationship to consumer prices. One of the more interesting speeches dealing with this relationship was given recently before the Young Farmers of America at Atlanta, Ga., by James E. Needs, of Upper Sandusky, Ohio.

In order that our colleagues may be apprised of Mr. Needs' thinking on this important matter, I insert his speech in the RECORD at this point. His speech is as follows:

FARM EXPORTS AND THE CONSUMER

(By James E. Needs)

This afternoon I would like to talk to you about something that is vital to me as a farmer and something that is vital to you as a consumer.

This is the topic of farm exports. This timely subject is something that recently has been in the headlines. For example Arthur Burns, Chairman of the Federal Reserve System, made the flat statement that the sales to Russia would cause prices to increase a calculated percentage. He is supposed to be looking out for the consumer, but what was he saying by this statement? He was saying, go ahead flour companies, go ahead food companies, raise your prices of food and nobody is going to blame you, because we are going to blame the Russians for all this increase. So what happened within the next week? Notice the many flour companies that raised the price of flour. Was he looking after the consumer?

In addition, let's take George Meany and his statement that he was not going to load ships of grain until he had a promise from the government that this sale would not raise the price of bread. Now Mr. Meany is using this sale as a "smoke screen" for something, and I am not sure what. If he were really concerned about the price of bread, he certainly could do something about it, because in the price of bread there is twice as much labor cost as there is wheat cost.

Next look at Senator Jackson and other presidential hopefuls making statements about food policies. They used the Russian Grain sale as an avenue for television exposure. Notice what makes the news today. Anything that has to do with food or its effect on food prices will get in the news. As proof of politicians sudden interest in food policy let's go back to after last year's election. The house Agriculture Committee had 75 new Congressmen who wanted to be on that Committee. Why? Did they represent Agriculture districts? Only four did! They wanted on this committee because you, the consumer, are most concerned about your food costs and they felt, for political purposes, that was the place to get into the action. However, our food supply is a mighty dangerous thing with which to be playing politics just to get a few headlines for the folks back home. Yet these are the statements that get in the headlines.

Now let's turn our attention to some facts on exports. Farm exports in 1973 provided the U.S. economy with nearly one million jobs. One half of these jobs were in the farm related industry. The other half were in the non-agriculture sector. The same farm exports in 1973 generated 30 billion dollars worth of income in the United States. Mr. and Mrs. Consumer, your job, your income very possibly could be the result of these farm exports. As a result of our export policies, farm production has increased by one-third over the past few years because we were able to take this land out of diverted acres and put it in production.

Because there is no government set-aside program the cost to tax payers of this country is reduced by nearly four billion dollars in farm payments. One might say, well my taxes were not reduced any. No. This is true. Where did these nearly four billion dollars go that were being paid to farmers? They went to the food stamp program to provide food to the underprivileged of this country, as well as to other governmental programs. This is just a minor benefit of farm exports, but I think it helps prove my point.

These farm exports are responsible for one-fourth of the total U.S. exports of goods and services throughout this country. These farm exports benefit the whole country, not just you and me as the consumer, because they are giving us a favorable balance of payment. Farm exports overcome the deficit we build up each year from the importation of consumer and industrial goods into this country. You say, "so what does the balance of favorable payments have to do with me as a consumer in the grocery store?" Well, you can't import more than you export very long until the dollar begins to lose value. It tends to lose value in regard to Japanese cameras, in regard to German cars, but probably most importantly now it loses value in terms of Arab oil. The dollar is also going to lose value in regard to the loaf of bread at the grocery store if we continue to have unfavorable balance of trade. That's how it directly affects you as a consumer.

If you shut off all farm exports as some are advocating, this would not reduce the price of food in the long run, unless we reduced our imports of oil and other imports. Are we as consumers willing to make this sacrifice? Or is it much wiser to go ahead and export our most saleable commodity in this country—farm products? This is what the rest of the world wants from our country. Can you imagine General Motors saying you can't buy our most popular model, or if you buy too many of them, we will shut them all off? This doesn't make good sense for a company, an industry, a nation, or for agriculture.

Farm exports also benefit the whole world by helping to make peace. And I would like to use a couple of examples to back up this statement. Our excess food production in this country is our nation's number one trump card in any negotiations that go on around the world. Stop and think for a minute. Do you suppose Dr. Kissinger would have been able to negotiate the end of the Viet Nam war without excess food production at home so that he could use this as a bargaining item? Do you think he would have been able to all of a sudden negotiate a settlement in the Middle East if we had not had excess food production? Russia had to sit on the side lines now because even she is an importer of food from us. These are just some thoughts that I think we need to think about in regard to farm exports.

Farm exports help you have a plentiful and cheap supply of food because it allows the farmer to produce at full production. This gives you the cheapest and the best supply of food available. If you look at it this way, how many of you consumers would be willing to work next week only six hours a day instead of eight at the same hourly rate as you were getting for eight? How many of you would stand for that? But yet, that is just exactly the position the farmer is in because one out of every four acres that he produces goes for exports. Do you think that by closing off this part of his market that the price of the other production is not going to go up? Just as if you were cut out of one-fourth of your hours, you would have to seek an increase in your hourly rate. We can't use all of our production in this country, so we must export it if we are going to operate at full production. Operating at full capacity is what gives the cheapest food in the long run for everyone.

I think at this time I would like to tell a little story I heard a few weeks ago. About four hundred years ago the King of England called three of his subordinates and said, "I would like you to go out and check on the economy in the country and report back to me." So in about six months they came back, and they had the report compiled in a large book. He said, "I don't have time to read that much." So he cut the chairman's head off and sent the other two out with orders to condense the report. They came back in about thirty days and said, "We have condensed it into one chapter." The king said, "I don't have time to read that much." He ordered the chairman beheaded. As he sent the last man from the room the king stated, "You know what your responsibility is." In about a week the last man returned and told the king, "I have reduced it to one sentence of nine words." The king replied, "I can handle that. Let's have the report." The man answered, "There is no such thing as a free lunch."

This policy of a free lunch or cheap food policy is something we need to examine. Let's look at a recent Foreign Agriculture Service survey. Out of fifty top agricultural countries in the world, forty-six had a policy of discouraging domestic food production in order to have a cheap food policy. They are trying to keep food cheap at the expense of having enough food. Yet each one of these countries spend more of their income for food than you and I do.

To add insult to injury, these are the countries that are coming to us to buy food. But yet some of our leaders in this country are advocating that we pursue a policy of cheap food. I think that we need to watch this carefully both as consumers and as farmers, because remember one thing—the government can make a policy of cheap food, they can print food stamps, but they cannot produce food.

Yes, exports give incentive to farmers to produce food for you because it gives them a profit. Profit to some is a dirty word in today's world, but it is what keeps your grocery shelves full of food—an abundant supply of food. To use an example let's look at the American hog farmer. There are two things that just don't go together and that is cold weather and little pigs. Many hog farmers have gotten up at 2 a.m. on a cold February morning to go out and try to save a few extra pigs in a litter. Why? Because each of those pigs saved will give the farmer the following August a few extra pigs to sell. The result is a little extra money to spend for himself and his family. Now compare this with the Russian farmer whose responsibility it is to take care of the State's sows and the State's pigs. Do you think he is going to get up at 2 a.m. and go out and look after the State's pigs? What is the difference? It is the profit motive for the farmer that gives us the extra production in this country.

Yes, in the short run exports give farmers the incentive to produce, and in the long run they give consumers an abundant and a cheap food supply. Yes, you see the facts of the situation just don't back up the headlines that are making the papers, but then this happens in other areas besides just farm exports. But that is another story.

In closing I would like to say this. I am thankful to be an American who has the freedom to produce. I am thankful to be part of American agriculture and for the blessings it gives to you the consumer and to me the producer. I am also thankful for the food that we have to share with each other, because God has blessed us with the breadbasket of the world. So let's use the wisdom He gave us to utilize the resources that produce food for the benefit of you the consumer, and the world will benefit by sharing in the overflow.

HOUSE JOINT RESOLUTION 280

HON. ROBERT W. KASTENMEIER

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Monday, March 15, 1976

Mr. KASTENMEIER. Mr. Speaker, tomorrow the House will begin consideration of House Joint Resolution 280, the constitutional amendment to grant to the District of Columbia full representation in the Congress. The simple question we should be addressing is whether we can continue to deny almost three-quarters of a million citizens representation in the House and the Senate. The simple answer should be—indeed, must be—"No."

Attempts will be made during our consideration of this resolution to amend the measure to grant only partial representation to the District of Columbia—representation in the House, only. This must be rejected in the interest of equity and fairness.

Clarence Mitchell, legislative chairman of the Leadership Conference on Civil Rights, and a long-time advocate of voting representation for the District, has addressed the issue of partial representation in a letter sent earlier this month to each Member of the House. For those who may have missed Mr. Mitchell's letter, and, thus, his strong argument for full representation, I would like to share that letter at this time:

LEADERSHIP CONFERENCE ON
CIVIL RIGHTS,
Washington, D.C., March 4, 1976.

DEAR REPRESENTATIVE: We understand that H.J. Res. 280, the constitutional amendment to give the District of Columbia full representation in Congress, will come up for action in the House of Representatives on March 16th. We urge your support of this amendment and your opposition to all weakening changes.

This Bicentennial year should not be allowed to pass without remedying one of the great remaining constitutional inequities of our time. Three quarters of a million people, seventy percent Black, are each day deprived of their right to representation in the Congress of the United States. They pay their taxes and support their Government just like citizens all over the United States; yet they have no representation whatever in the Senate of the United States and no voting representation in the House.

There are some who say that the District of Columbia should have representation in the House but not in the Senate. There is no logic in this position; until there is representation in *both* houses of Congress, D.C. residents will still be second-class citizens. Furthermore, to reduce the constitutional amendment to a single Representative (one Representative is all the District will be entitled to on the basis of the projected 1980 census) would demean the constitutional process. There have only been 26 constitutional amendments in our entire 200 years. These amendments have been matters of great moment. It would trivialize the entire constitutional amendment which did no more than change the existing delegate to voting status. The real issue on March 16th will be representation in the Senate and there is no reason why 750,000 fine Americans in the District of Columbia should not have the representation given to far smaller units of population in a number of States.

We ask you to support H.J. Res. 280 and help make July 4, 1976 the day when all Americans will have achieved representation in both houses of Congress.

Sincerely yours,

CLARENCE MITCHELL,
Director, Legislative Committee.

ROBERT MOSES SPEAKS IN BABYLON, N.Y.

HON. THOMAS J. DOWNEY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, March 15, 1976

Mr. **DOWNEY** of New York. Mr. Speaker, when one thinks of the growth of our country in the last century, of parks and public works, of highways, bridges, and beaches, one name stands out above all the others.

I am proud that Robert Moses is my constituent, and I was honored to appear with him this past weekend at the Ninth Anniversary and Bicentennial Festival of the Robert Moses Junior High School in Babylon, N.Y. It is my pleasure to include a text of remarks made by a man whose contributions to New York State can be traced back to the early 1900's and whose influence will extend into the future as long as our Nation lives:

REMARKS OF ROBERT MOSES

My Friends:

Let me first express my pleasure, when there are so many more significant memorials to celebrate, that you should recognize my little milestone in Babylon life.

I shall be much interested to hear how many of those who graduated in 1967 are already well on their way to success. It is fascinating to study what class prophecies turn out to be good guesses and how many were wide of the mark, which of the best athletes, best dressed, handsomest and smartest and most popular turned out to be leaders in the end. An astonishing number of quiet, obscure lads and lasses not blessed with high marks, political charm, fame in sports, social and other graces become respected citizens and some whose merit was not apparent earlier have crawled up to the very top of the ladder of achievement.

What after all is durable distinction? There was an old wheeze about two handsome young pinstripers who met on a cruise ship. One asked the other what he did for a living. It turned out that both were vice presidents of the same big New York bank. They met for the first time at sea.

I often think of the words of Oliver Wendell Holmes, Senior, at a reunion of his Harvard class, referring to Samuel Francis Smith, the author of our national anthem. Said Holmes:

"Fate tried to conceal him by naming him Smith But he warbled a song of the brave and the free My country 'tis of thee."

This leads to reflection on Governor Smith, my teacher and mentor, who survived an Italian name, some say Fabbro-Ferraro, and was rechristened Smith by a tired immigration inspector at Ellis Island when a vast tide of newcomers were flooding in. Such rechristening often occurred on a busy day. Herbert Wilner, the distinguished short story writer, tells of an immigrant who said his name was Liebovowitz. The immigration officer without looking up from his form said, "You think I'll spell some God damned name like that? Your name is Lewis." So our telephone books are full of Lewises.

Governor Smith was supposed to be one hundred percent Irish but actually was one-fourth Irish, one-fourth Italian, one-fourth German and one-fourth English and therefore of mixed ancestry in the very best American tradition.

A word to your teachers. Born, dedicated teachers are our greatest national asset. I mean the men and women who look for talent, encourage it and get their greatest thrill out of the achievements of their pupils. Such teachers are not distant pundits hundreds of feet away, delivering noble orations. They really care.

A few more bits of gratuitous advice. Don't expect gratitude. A cheer from opponents is the only praise worth a tinker's damn. The rest, as Alexander Pope said, is all leather and prunella. Examine coats of arms. When the British Empire had faded after Victoria, the shield of Britain still showed the lion and unicorn fighting for the crown. Benjamin Franklin thought our national emblem should be a turkey, a nutritious, useful animal. Anyway, the Founding Fathers chose the eagle which is farsighted, independent, bold, tough and durable, but certainly no turkey. Franklin was right.

Early this year television along with trash produced some splendid shows. One of them entitled "Franklin and Eleanor" was a saga of extraordinary courage. It showed a proud old mother, a devoted wife, a disciple who left everything to become a valet, bodyguard, nurse, adviser and secretary. Between and among them and other helpers they lifted a crawling cripple off the floor, built him an iron frame in which he could stand and a machine in which he could move, and made him one of the great men of our time.

You teenage lads and lasses will before long have to prove that in an increasingly competitive world you can provide the leadership to lift our America above respectable mediocrity to the democracy we boast of. It will take a lot of doing. You can't resign from the age in which you are growing up and go back to ancient Babylon, Pericles, Augustus, Elizabeth the First, Edward VIII, Edison, Marconi and Victoria.

Edison began inventing at the age of twelve, a poor lad without formal education. He lost his hearing then and never fully regained it, but this had no effect on his endless electrical inventions, his motion pictures, the phonograph and whatnot. If you are in Washington during the Bicentennial, go to the Patent Office and find out how many hundreds of inventions were patented or copyrighted by Edison in his long career. Edison said late in life with characteristic modesty that genius accounted for one percent of his achievements and perspiration ninety-nine. He didn't say anything about luck.

Another bit of advice. Shun climbers. Don't try to shin up the slippery pole of social success, aiming to turn your back on the ladder by which you rose and those who helped you up. There's nothing but fog at the top.

Now one more final personal word. I am a park man first, last and all the time, incidentally drawn into other public works, not to collect hats, titles, degrees, silver mugs, medals and suchlike impedimenta, but because of their interrelation and inescapable relationships. Contrary to the statements issued by the State Comptroller based on attacks by his auditors, most of my work has been entirely unsalaried. I never received a salary for State park work. I never got a nickel for housing work which was part of a twelve to fourteen-hour day. When I was head of the Power Authority all members got the same pay, $10,000, although I carried nine-tenths of the burden. When I took on consulting work out of town I gave my assistants most of the fees. The story that I got $100,000 in Portland, Oregon, was false. My share in the end was less than $10,000. I borrowed from my mother to pay contractors to open Jones Beach on time and she was not repaid until a year later. One of my State cars was my mother's given to the State. I loaned money to keep Jones Beach work going when another State Comptroller who was antagonistic interpreted the law as confining engineering surveys to an arbitrary borderline on the beach. I passed up numerous opportunities to make money and have little now to leave. I state these facts not to discourage service in public works but to tell you kids it is a dangerous and in many ways a thankless trade. Nevertheless, I have found it worthwhile and have no complaints.

I'm not going to keep you any longer from Spring practice. The baseball season has begun. The hounds of Spring are baying on the Winter's traces. Easter is just around the corner. Exciting bicentennial events are coming up. If you are interested in politics, you can listen to pre-convention lightweights sparring in the boondocks. As Mr. Browning remarked:

"God's in his heaven
All's right with the world."

Again thanks for inviting me.

THE BUSINESS OF BUSINESS IS THE CONSUMER

HON. BENJAMIN S. ROSENTHAL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, March 15, 1976

Mr. ROSENTHAL. Mr. Speaker, in your native Oklahoma at the beginning of this century, there was a call that "the farmer and the cowman should be friends" in order to build "a brand new state."

With apologies to Mr. Hammerstein, it is time for the consumer and the businessman to be friends. And this Bicentennial Year is a good time to start.

To launch this new relationship, an extensive and frank dialogue between producer and consumer is vital. This is the message of a speech by Leo Perlis, director of the AFL–CIO Department of Community Services, before the Third Annual Convention Awards Luncheon of the National Information Center held here in Washington during January.

He calls for sincere cooperation, not confrontation or publicity gimmicks. In order to bring his speech to the attention of all our colleagues, I am inserting it in the RECORD at this point:

THE BUSINESS OF BUSINESS IS THE CONSUMER*

(By Leo Perlis)

If we've learned one thing in 1975—it is this:

Some people will buy almost anything—even pet rocks.

Or detente.

All you have to do—if you're out to make a fast buck or a fast deal—is sell them what they don't really need or what they don't really want.

And you don't even have to rationalize it in the 1970's as the hula hoop people did in the 1950's—but only because 1976 is closer to 1984.

In one way or another, 1975 was another year of deceit, disenchantment and discontent for millions of American consumers—a year of higher prices for most of us and lower income for many of us, a year of shoddiness for most of us and joblessness for many of us.

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* Speech made at Third Annual Convention Awards Luncheon, National Consumer Information Center, Statler-Hilton Hotel, Washington, D.C., January 16, 1976.

And that means all of us—because all of us are, indeed, consumers.

The fact is we were consumers before we were producers. From mother's milk to the mortician's ministrations — we all begged, borrowed and bought.

And along the way most of us also worked and produced.

The delicate balance between the two requires fine tuning—economic, social, political and moral.

Mostly moral.

With all due respect to consumer advocates, it is business—and not the consumer movement—that is responsible for the production of goods and services in our free enterprise society.

It is the obligation of business, therefore, to produce quality goods and services at competitive prices—and not ours.

This, of course, requires morality in the marketplace.

Now if all this sounds elementary—it is also the truth.

And it is the truth, too, that big business has not measured up to its responsibilities. While it has contributed to the growth of the nation, it has also exploited it. While it has provided jobs for millions, it has also mismanaged the economy. While it has produced more goods and services than any other industrial society, it has also polluted our environment. While it has contributed—tax free—millions of dollars to charity, it has also bought, bribed and boodled—much of it also tax free.

Somehow big business found millions of dollars for bribes, but only limited budgets for its own Better Business and Consumer Counselling Services, agencies designed to protect its customers and itself—from itself. Why is it starving the National Foundation for Consumer Credit? Why has it slashed the budget of the National Council of Better Business Bureau? Why did it eliminate the Family Financial Counseling Service of Greater Chicago? How can they justify it?

Now I know the world is complex and business is complicated and nothing is easy—and I need no lecture on this score—but when and where do we begin to practice morality?

Or is morality impractical?

It would seem, in the words of Oscar Wilde, that big business knows the price of everything but the value of nothing.

The fact that raw deals in high places ripoff people of low income is bad enough. The fact that we pay higher prices for food, more money for shelter and get less of both is bad enough. But what is worse is the destructive impact of business corruption—or any kind of corruption, for that matter—on our democratic society, on the credibility of people in their institutions, on the faith of our children in their future.

If we don't like what we see—not only in our fellow men but in our own mirrors—then we've come, finally, face to face with three possibilities: resignation, revolution or reform.

You, by being here, have rejected resignation.

I, by being here, have rejected revolution.

We are both committed to reform—dynamic, deep, decisive—but peaceful; the kind of improvement that can be achieved only in a free, flexible and fluid society—such as ours.

But there are only two basic ways we can improve—by changing ourselves and by changing our environment.

And this is exactly what we must do as consumers—not alone and by ourselves but in concert with business.

Call it group therapy—if you will. Self-analysis, a rare experience at any time, hasn't done big business much good—largely because the corporate soul seems to be immune to the probings of anybody except accountants and lawyers.

What I am suggesting, in all seriousness, are a) joint business-consumer committees, b) joint business-consumer workshops, c) joint business-consumer retreats, d) equal business-consumer representation on the policy-making committees and boards of Better Business Bureaus and Money Management Services, and e) consumer information and protection services in all corporations—and not public relations and promotion gimmicks.

I have served on the boards of both the National Council of Better Business Bureaus and the National Foundation for Consumer Credit and I am persuaded that my proposals will not be readily acceptable to business—nor, for that matter, to consumerists. Both are at a standoff—and have been for some time. It reminds me of the moment of truth at the collective bargaining table when both union and management know they've reached an impasse and are beginning to look to Government, or somebody (and sometimes just anybody) to conciliate, to mediate, to arbitrate, anything.

But there is only one difference, of course, consumers and business took to the picket line before sitting down at the bargaining table.

Now I am all for comparative shopping, truth-in-packaging, truth-in-advertising and unit pricing.

Who can quarrel with the Reno City Council when it voted on November 11, 1975 to provide for stricter regulations and adequate posting of fees and control of outdoor advertising of marriage chapels (The New York Times, November 12, 1975)?

But it is my guess that most couples will just continue to fall into marriage because they're in love or think they're in love or are compulsive or whatever—all ordinances and rules notwithstanding. Consumers are not much different. They buy because they need to, think they need to or are compulsive or whatever. Everything else—except money—is secondary.

What is primary, however, is the quality of the product (or the character of the bride and groom)—in addition to the price, of course.

And the quality of the product depends on business—or, in a multiproduct economy, on the consumer himself if he joins with other consumers in cooperative buying and selling, lending and borrowing arrangements. And why not? The idea is as old as the cooperative movement itself—but it is forever fresh only because consumers prefer to secure old habits than start new enterprises.

A successful cooperative movement, competing with private enterprise, can do much to help reduce prices and interest rates.

After all, lecturing and lobbying do have their limitations, and only such direct consumer involvement in business and in the production and distribution of goods and services can help to transform what has always been only a mini-movement into a mass movement.

When we, in the AFL-CIO, initiated the first nationwide consumer education program on December 17, 1958, I had high hopes. Several years later, in 1971, I realized that all consumer education classes across the country—and not just ours—during the preceding 13 years reached, probably and conservatively, less than one-fourth of the people that one hour of prime time television can reach. At that point, I headed up a committee of representatives of 20 national consumer organizations to study the problem and the possibilities. We wound up 4 years ago after meeting with commercial and educational network executives, broadcasters and advertising trade groups. I also testified before the Federal Communications Commission and the Federal Trade Commission. I think we finally persuaded the television and radio industry that consumer information has a right to share the public airwaves with commercials and through commercial channels. Obviously, they are not thoroughly persuaded, but enough to make a beginning. Certainly there is much more consumer education and information programming on radio and television today than ever before.

The further development of such programming, both during public service and commercially sponsored time, holds great promise—greater promise, I think, than the here today, gone tomorrow, Knauer office, the 12 White House sponsored conferences and the 17-consumer specialists in executive departments.

I can just hear them say, no, it holds no more promise than the others. I say it is better because the message will reach more people without being garbled by partisan politics or strangled by bureaucratic red tape.

My guess is that most Americans aren't tuned in to the kind of "consumer esoterica" that one often gets on college campus or in the Capitol cloakroom. The hard fact is that most Americans are having a hard time making do. More jobs, better pay, stable prices—these are the economic items on their personal agenda. Here credit pushers find a ready and often rewarding market—but, for many, the wages of succumbing to this sin are debt-pooling, budget-stretching and bankruptcy.

Several years ago we initiated an experimental consumer counselling course among low income workers in Baltimore. Everybody came to the first class. The following week only fifty percent showed up. But only a few came the third week. At this point we decided to evaluate our failure, and we found what we expected: the poor people came to find out how to make more money and not how to spend what they dont' have.

As for consumers who do have work and steady income, why not bargaining? Why not pre-planned group purchasing? Why not collective voluntary pooling before the fact than individual forced pooling after the fact?

But only real activists can answer these questions. I say real activists because there is a widespread impression in some liberal circles that an activist is an all-around hell-raiser, joining, demonstrating, speaking, lobbying—a wary watchdog, self-appointed or otherwise.

It is possible that this may constitute a certain kind of useful activism. As one who has done all these things, I should like to think so. Certainly, I would not want to subtract from their importance. But I must say that, in my book, real activism, the kind that counts, is the creation of efficient systems for the effective delivery of goods and services to people. In this sense, businessmen are real activists—and so are cooperators.

Just as trust-in-packaging does not prevent some stores from selling pet rocks in pretty boxes to willing customers, so moralists do not prevent some businessmen from selling anything to anybody for everything. And yet without morals and ethics, what do we have? A corrupt and cynical society—bugging, bribing and bewildered.

It is time for business to act.

And if not business, then the Government will.

And if not the Government, then the people—assuming, of course, that the people still care.

Well, that's the American way—a very good way, indeed.

After 200 years we're still at it.

But if we're going to survive another 20 years—let alone another 200 years—we better close ranks, move fast and take the pledge

to kick the habit of making it at the Nation's expense.

The business of business is, after all, not business but to serve the consumer.

And the business of the consumer is to serve himself.

Not to stuff himself.
Not to starve himself.
But to serve himself.
And society.

INCREASED EXEMPTION FOR FEDERAL ESTATE TAX

HON. J. J. PICKLE

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Monday, March 15, 1976

Mr. PICKLE. Mr. Speaker, I am in strong support of the bill, H.R. 1793, by Mr. BURLESON and the companion bill, H.R. 6179, which I have introduced. Both bills would increase the estate inheritance tax from the present amount of $60,000 to $200,000.

This committee and this Congress has a chance to breathe new life into one of our greatest institutions which has been gradually eroding in the last few years—the family farm. Few institutions in this country have been more valuable—Surveys by widely divergent economists have stated that the family farm is the most productive unit of food and fiber production. And the farmers and ranchers of this country have asked little in return. But now they are pleading that this present, badly outdated law be updated so that the family farm can be passed from generation to generation.

Whenever I talked with the people of the 10th District of Texas about agriculture, there is one subject which dominates those conversations. It is the estate tax. When Congress established the $60,000 exemption the year was 1942. I do not have the precise figures estimating the increase in land values during the last 34 years but we all know that it has been significant—a four or five times increase in value in most instances.

There has been a downhill slide in the number of farms during the last two decades. In 1955, there were 165 congressional districts where at least 20 percent of the folks lived on ranches or farms. Today there are only 14 such districts. Since 1970, the Census Bureau tells us a very slight reverse of the urban migration has begun. I think that such a move is encouraging. America will continue to enjoy the finest food production system in the world only as long as the family farm remains the basic unit. By passing legislation which will increase the exemption to $200,000, we will be insuring that more farms stay in the hands of the family. Under the present system, many landowners' heirs are forced to sell out to developers, or to the Government, so that they can pay the inheritance tax. I believe that this is counterproductive to our economy in the long run. If you support the family farm and do not want our food production controlled by a handful of multinational corporations, I think this committee will support the Burleson-Pickle bill.

Some may say this is an extra tax advantage for the rich. I suppose it would help the rich slightly—but the rich—whoever the journalists classify as "rich"—are not the object for relief in this bill. The bill is designed to help those average home-farm-ranch estates—300 to 600 acres in size. Unless we give relief to those groups—few farmers will be able to pass along their estate, or part of their estate, to their children. All that most farmers and ranchers have is their land. If that must be sold, then the farm is automatically broken up. The average farmer just keeps ahead of the bill collector anyway. Few farmers can accumulate $50,000 to $100,000 in cash to pay the Federal Government.

I must add that I am glad the President has come around to our way of thinking, although he advocates an increase to only $150,000. His proposal is firm evidence, though, that there is broad-based support for reforming this antiquated law.

SHOULD THE PRESS BE SUBJECT TO MALPRACTICE LAWSUITS FOR PROFESSIONAL NEGLIGENCE?

HON. JACK F. KEMP

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, March 15, 1976

Mr. KEMP. Mr. Speaker, a thought-provoking article which I read this week raises some questions to which I believe the country may want to discuss and direct some of its attention.

This article sets forth a proposal that newspapermen should be "subject to lawsuit for malpractice when professional negligence can be demonstrated." I believe it should be more widely read, Mr. Speaker.

There are libel laws affecting the press now on the books, but the New York Times against Sullivan decision of the U.S. Supreme Court holds that intent—specific malice aforehand—must be shown for a suit to be constitutionally valid. But the malpractice laws with respect to other professionals—for example, doctors and lawyers—do not require a showing of intent. If they maim a patient or botch a case, with or without intent—and we certainly must assume because of dollar liability and professional standing that it is seldom if ever with intent, then they must pay for that damage. Yet, the press is exempted from malpractice—no matter what the degree of damage to life, career, financial condition, or whatever—unless there is intent to damage without regard to facts.

There is growing concern in this country about the way in which—under the guise of unlimited freedom of the press—that some in the press and media might be trying to set themselves up as "above the law." We have laws, for example, against the disclosure of highly classified information helpful to our enemies to know. Yet some in the press are taking the attitude—and are apparently getting away with it—that the laws apply to everyone else—but not to them. They have apparently decided in their own judgments to have laws which will apply in one way to others—others would be tried in the courts—but in other ways to them—not only not being tried but also being made into counterculture heroes and media events themselves.

This is not specifically what this article is about, but it is part and parcel of the broader question which also incorporates the negligence issue. The article which I will read into the RECORD in a moment outlines a large number of major, specific instances of possible negligence in journalism.

This issue is back before the Nation's attention again. The U.S. Supreme Court last week set forth a change in criteria about press conduct in its Firestone decision. The Court seems to be shifting more toward the protection of the right of privacy of the person about whom the news stories are written, and while under New York Times against Sullivan that right may be partially waived by public figures voluntarily participating in the public process, the decision does seem to point toward greater accountability in the press for the consequences of what it reports—the damages it can cause to individuals without adequate regard for the accuracy of the coverage. Perhaps this also reflects the Court's apparent shift toward greater protection of the rights of the victims as against the interests of the perpetrators.

I am sure no Member of this House would advocate restrictions on freedom of the press. But freedom of the press—the right of a newspaper or any other publication to print whatever it wants to print without prior restraint by instruments of government—should not relieve the press of a responsibility to report accurately. Holding that a newspaper or journalist can be liable for their negligence in reporting through an article is not a prior restraint on the paper's or the newsman's right to print and disseminate the article.

Setting forth in law a principle of accountability for newsmen—allowing malpractice suits for their negligence—does not restrict freedom of the press. It simply means that—like everyone else in society—they will be held accountable for the accuracy of what they report about the conduct of others. It also means that—like every other professional—malpractice suits can be entertained against their alleged negligence, and if successful, both actual and punitive damages can be recovered by the injured party.

In a society, such as ours, where equality before the law is a foundation stone for the enforcement of all rights, it is of primary importance that everyone be on the same par before the law. This exemption of newsmen from what every other citizen is liable for should, therefore, be thoroughly reexamined. Similarly, everyone should have equal access to redress of wrongs done against them. At present those who have been negligently wronged by press accounts do not have that equal access; they are denied this right to be made whole again. This should not be allowed to continue.

This article and this issue are worthy of consideration and discussion.

Excerpts from the articles follows as quoted from the Air Force magazine:

> Herewith, a modest proposal. It is that newspapermen, like doctors and lawyers, should be subject to lawsuit for malpractice when professional negligence can be demonstrated. There are libel laws now, but they require that the prosecution prove intent on the part of a writer to damage the reputation or legitimate interests of a person or organization. Newsmen already claim professional status. Sigma Delta Chi, which used to be a newspaperman's fraternity, now calls itself The Society of Professional Journalists. That is close to the labels used by the American Bar Association and the American Medical Association, with an added touch of éclat. As nouveau-pros, these notetakers have put the word professional, capitalized, in a place where it can be used on a business card or letterhead.
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> If they are professionals, it is hard to understand why newspapermen should not be subject to the perils of professionalism. The problem faced by physicians and surgeons is known all across America. In Los Angeles it has become so desperate that the men in white, faced by extortionate malpractice insurance fees, are providing only basic medical care. Emergencies are taken care of, with professional skill, but, aside from that, there is what workers in overalls call a slowdown. In other parts of the country our medics have taken less action, but they are no less disturbed by the trend.
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> Then, there are the lawyers. There has been a dramatic upsurge in malpractice suits faced by the legal profession. Like the doctors, and unlike the professional newspapermen, they fear what the press calls "a new wave of consumer attacks on professional competence." That, in itself, is sloppy reporting. The attacks are against professional incompetence. Fred Grabowsky, a counsel to the District of Columbia Bar Association, was quoted recently on the trends in professional malpractice actions. Said he: "Once the doctors have been picked clean, the lawyers will be hauled in. People won't let any professionals get away with mistakes."
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> It seems reasonable that back in 1971, when CBS put on a TV show called "The Selling of the Pentagon," it demonstrated professional negligence. The network took tape recordings of interviews, clipped them apart and repasted them, distorting the message. In retrospect it would seem that Daniel Z. Henkin, then Assistant Secretary of Defense for Public Affairs, and Col. John A. MacNeil of the US Marine Corps, were victims of professional malpractice. Mr. Henkin, as a government official, took his lumps with dignity. Colonel MacNeil filed suit under the inadequate laws of libel. What he needed was a case for malpractice of a profession.
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> Later in 1971, the Washington Post, attempting to discredit Fairchild industries of Germantown, Md., printed a phony composite picture, put together by its art department. The purpose was to cast aspersions on the real motivations of the company in an effort to enlist young people's interest in modern technology. The picture was not libelous, but it could be construed as journalistic malpractice.
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> In the summer of 1974, the Washington Post gave page-one play to a false story, charging that costly gear had been dumped in a pond at Charleston AFB, S.C. The story was not true, but no action for professional malpractice was possible at the time. About a year later, the Post went again with a yarn out of Hong Kong charging that American bombers had conducted heavy raids in Vietnam on the day of the Saigon evacuation. The story was not true. In this case, the Post waited about eight weeks and then regretted having published the story. It was a little like the surgeon who was sorry he cut off a leg when he was hired to remove an appendix.
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> It is not necessary to labor the point, but there is a recent example that must go in the record. On January 5, on page one, the New York Times took a cheap shot at the military services with a headline that proclaimed: "Millions in Taxes Lost by States on Military Pay." The story said "in a large number of cases" military personnel fail to pay state income taxes. There was no comment about delinquencies among newspapermen, or editors. But the article did say men in the armed forces, "particularly" officers, avoid state income taxes by maintaining legal residence in states that have no income tax or that exempt military pay. Then:
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> "All five members of the Joint Chiefs of Staff, for example, according to the Defense Department, maintain legal residence in states that do not tax military pay, although they do not live in those states."
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> The next day, to its slim credit, the Times carried a correction, admitting that Gen David C. Jones, USAF Chief of Staff, is a legal resident of North Dakota, which is where he entered the military service from his family home, and that he pays an income tax there. The Times reporter, John W. Finney, now says he knew this, but "I must have misread my notes."
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> The Times still has not told its readers that Adm. James L. Holloway, Chief of Naval Operations, entered the Naval Academy from his family home in Dallas, Tex., and obeys the income tax laws of that state. Nor, has the Times told its readers that Gen. Fred C. Weyand is a native of California and that the Army's Chief of Staff entered the service after ROTC training at the University of California. Nor, of course, that he obeys the income tax law of the state of his origin. California does not tax military pay.
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> The point of the Times article of January was made most clear in an editorial in the New York Post of January 6. In a further example of professional malpractice, the Post accused the chiefs of staff of "occupying comfortable, well-camouflaged 'loopholes'." It accused the Pentagon chiefs of "calculated tax avoidance" and of deliberately establishing legal residence in states without income taxes.
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> The charge is false, and the Times should have known it was false when it led the Post into its reckless accusation. If it takes legal action to stamp out this kind of negligence, let the laws be amended, where necessary, to put newspapermen in a class with physicians and lawyers. The place to start is in the newspaper family itself, where the exercise of due diligence to avoid error too frequently is neglected.

SUPPLEMENTAL REVENUE SHARING GRANTS BASED ON UNEMPLOYMENT

HON. JAMES V. STANTON

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Monday, March 15, 1976

Mr. JAMES V. STANTON. Mr. Speaker, on October 3, in my testimony before the House Government Operations Subcommittee on Intergovernmental Relations and in remarks addressed to my colleagues on the House floor, I announced my support for extension of the general revenue sharing program. At that time, I suggested several modifications in the present program which would direct funds to those units of government most urgently in need of additional revenue sources while at the same time streamlining the present format of the program.

I have recently introduced legislation, H.R. 12325, the State and Local Fiscal Assistance Act Amendments of 1976, which incorporates the suggestions I outlined.

My proposals would direct funds to those areas most in need of additional revenues by establishing a program of supplemental entitlements for areas of high unemployment. Utilizing a formula based upon unemployment rates, my proposal would authorize an estimated $1.7 billion in supplemental revenue sharing grants during the next fiscal year. This figure will fluctuate as unemployment rates increase or decrease. Allocations would be made directly to eligible recipients quarterly along with general revenue sharing entitlements. The eligibility of State and local governments will depend upon whether their unemployment rate for the previous calendar quarter exceeds 6 percent. My proposal is similar to that contained in the recently vetoed Public Works Employment Act.

It establishes a separate fund for supplemental entitlements, the size of which would fluctuate with the national unemployment rate. It will be automatically triggered on or off as the national unemployment rate exceeds or drops below 6 percent. The funds authorized under my proposal would be in addition to those allocated under the general revenue sharing program. In other words, my proposal will not require one governmental unit to give so that another may receive. In no way would it affect the present allocation of revenue sharing funds. In addition, consistent with congressional efforts to control the economy, these supplemental authorizations would be subject to the regular budgetary and appropriations processes.

My proposal does differ in several respects from that contained in the Public Works Employment Act. First, my proposal would make these supplemental entitlements a permanent part of the revenue sharing program. Second, allocations under my formula would be based solely upon unemployment rates and revenue sharing allocations. Third, these funds may be used for any purpose for which revenue sharing funds may be used.

I have chosen unemployment as my need factor for a number of reasons. Clearly, unemployment hurts most those who are unemployed. Unemployment strikes at both the pocketbook and the spirit of the unemployed. Congress has a duty to assist in finding jobs for these men and women.

Unemployment, however, also hurts Government. As unemployment increases, the tax base from which a State or local government can draw for its revenues is further diminished. Simultaneously, the demands upon available revenues increase as these governments seek to assist those on the unemployment rolls. Without the addition of this unemployment factor, local taxes on those still working will continue to rise as governments attempt to balance their budgets. But such tax increases, under present conditions, will rarely, if ever, result in an improvement or extension of community services.

Moreover, unacknowledged by many, unemployment is also bad for business. Unemployment is a symptom of a sick economy, of an economy producing at less than full capacity. Consequently, prices for goods increase while the available market of customers decreases. The only "gains" registered in this process are in the welfare rolls, which swell monthly with men and women deprived of the opportunity to secure a livelihood for themselves or their families.

My proposal is also intended to streamline the administration of the present revenue sharing program by eliminating the planned and actual use reports, the priority use categories, and the prohibition against the use of these funds for matching purposes. In their place, I recommend revised reporting, hearing, and nondiscrimination provisions as outlined in my October remarks.

These administrative reforms are based upon the recognition of what most observers agree is the reality; namely, that the interchangeability of revenue sharing dollars with other revenues makes it virtually impossible to trace the use of these funds. As a former president of the Cleveland City Council, I speak from experience when I say that local officials are better acquainted with and more qualified to deal with the problems confronting local governments than the faceless bureaucrats in Washington. Rather than perpetuating an army of bookkeepers on the Federal level, I strongly believe that we should permit State and local governments to spend revenue sharing funds according to their own priorities.

WHERE DOES AMERICA GO FROM HERE?

HON. JERRY M. PATTERSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 15, 1976

Mr. PATTERSON of California. Mr. Speaker, as well all know, our country and all other countries are dependent on today's youth, for tomorrow's leadership and ideas. It is, therefore, particularly encouraging to see our young people recognize the importance of their role in America's future.

I am pleased to bring to your attention an essay written by one of my constituents, Miss Mary Lou Wallace, 12631 St. Mark, Garden Grove, Calif. Miss Wallace's essay won her the United California Bank's "Week in Washington Contest."

Her essay, entitled, "1776–1976, Where Does America Go From Here?" describes the past of the United States, its position of world leadership and its responsibility for world peace. Finally, she points out that the young people of today will inherit these responsibilities and it is up to them to maintain world peace and assure the continued existence of democracy.

With Miss Wallace, and others like her, leading the way, we should indeed be able to look forward to 200 more years of independence, under the wise leadership of future generations.

The text of the essay follows:

This country began as a small group of separated colonies huddled along the east coast of this vast land. As hardships were overcome and more people settled here, the desire for a united self-governed nation grew. Through the dedication of these first colonists, the United States of America was born. Even though it has been 368 years since the first permanent settlement was made, we are still a young and growing country. For us, the future of the United States is far more important than the past. Our desire for world peace, our concern for the rights of every person, and our belief in progress will continue to offer challenges to future generations.

Since World War II, the United States has been in a position of world leadership and has assumed the responsibility of assuring world peace. Military actions in Korea, the Middle East, Asia, Africa, and most recently, Vietnam have tested the determination of American leaders to maintain world peace. The challenge facing us now is to help world leaders recognize that aggressive actions are not the way to solve international problems. We must use all of our diplomatic resources to achieve peaceful agreements between differing nations. Young people today will inherit this responsibility for maintaining world peace and assuring the continued existence of democracy.

The American concern for the rights of people has been felt since the Bill of Rights became the first amendments to the Constitution. Even though basic human rights are guaranteed in this document, many laws have had to be passed to insure that these rights are not violated. The challenge to Americans now is to honor these laws and to recognize that the rights of every person are sacred. We must commit ourselves to a society in which each person enjoys equal rights and privileges and in which the rights of others are respected. The strength of America is in a people who are free to express their opinions, their desires, and who are free to determine their own destiny.

America's belief in progress has been the factor which has made this country a leading industrial nation. Our most urgent challenge now is to accept the fact that resources are limited. We must use them wisely. We must urge the peaceful use of nuclear power, and above all, we must protect our environment. By achieving these goals, today's youth will live in a nation which allows them to create, to discover, and to progress.

From its beginning to the present, America has prospered because of the determination of its people to meet the demands of a growing nation. Today's generation must accept the challenges of the future. They will be responsible for maintaining world peace; they must protect human rights; and they must insure continued progress. America has always looked to the future, and its future is in the young people of today.

KEPONE AND THE TOXIC SUBSTANCES ACT

HON. HENRY S. REUSS

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Monday, March 15, 1976

Mr. REUSS. Mr. Speaker, Mrs. Mary A. Marlar, president of the Northern Neck Audubon Society, delivered a speech to the Kilmarnock, Va., Garden Club on January 20, 1976, which perceptively relates the Kepone disaster in Hopewell, Va., to the need for passage of the Toxic Substances Act. She warns that other tragedies lie ahead unless we have the foresight to take preventive measures. The text of her comments follows:

KEPONE—AND THE LONG BATTLE FOR A TOXIC SUBSTANCES ACT

(By Mary A. Marlar)

I want to talk to you about Kepone—or rather about some of the questions that the recent episode involving Kepone has surely raised in the minds of Virginians, and of all concerned people, for that matter.

You all know what I am referring to—the revelation, a few weeks ago, that a chemical compound called Kepone was being manufactured in Hopewell, Virginia, apparently with such reckless disregard for human health that most of the employees of the plant have been stricken with serious, and probably hopeless, illness; that the health of hundreds, maybe thousands, of people living in the Hopewell area may also have been affected; and that the James River has been closed to fishing and oystering because of Kepone contamination.

The first question that must enter anyone's mind when we read or hear about such a thing is, "How could it happen? Aren't there laws to protect workers and prevent this kind of pollution of the air and water?"

Well, of course, there *are* laws that are supposed to prevent this kind of thing. And a lot of people are trying now to find out why they didn't work. I understand that a federal grand jury will be convened this month to determine whether or not federal laws were violated. House and Senate subcommittees are going to be reviewing the adequacy of federal laws. Governor Godwin, in his message to the Assembly earlier this month, pledged State legislation to prevent future incidents of this kind.

The Richmond Post-Dispatch began a series of articles last Sunday that will apparently try to pin-point the cause and fix blame where possible. Frankly, from the evidence already disclosed, it would be pretty hard to avoid the conclusion that somebody has been guilty not only of criminal negligence but of deliberate evasion or violation of the law. At the same time, it appears that state water and air pollution inspectors were less than energetic in doing their job of protecting the public. The one bright spot in the whole sad story, it seems to me, is that state occupational safety and health officials did move forcefully, and fairly rapidly, once they found out what was happening. But by then, of course, it was too late to help the 149 people who had at some time worked for Life Science, Inc.—or to prevent the environmental pollution that still threatens the public health.

I don't think there would be much point in our trying to fix blame here today—we'll have to let the grand juries, and the subcommittees, and maybe the newspapers do that. What I do want to say is this:

There is an inadequacy in our present environmental legislation, at the federal level, that makes it almost impossible to foresee and forestall incidents such as this one involving Kepone. And such incidents are not all that unique—they just strike us harder when they happen in our own back yard.

It's true, we have laws covering pesticides, food additives, and atomic wastes. There are governmental authorities to ban the discharge of proven hazards into the air and water—although, in fact, it sometimes takes a long time to get that done.

But there is no way, under present federal law, to prohibit or restrict or control production of any chemical compound unless or until it has been proven to be hazardous. And there is no requirement that the hazards of any chemical substance be determined and revealed before that substance is put into full-scale commercial production.

Just think about it—altogether there are about two million known chemical compounds. Thousands of new ones are discovered each year. Of these, several hundred go into commercial production every year—into pesticides, or paint, or plastics, or soap, or bleach, or hair spray, or furniture polish, or a thousand other products—after whatever testing for safety the manufacturer himself has deemed advisable. And there is no way to regulate the way such a chemical is handled—or how it's used, or distributed or disposed of—until someone in authority can come around and prove that it is, in fact, harmful.

All too often, as happened in the case of Kepone, the proof of hazard is the discovery of people suffering or dying from toxic exposure. Or sometimes, it comes to light when thousands of dead fish are found floating on the water.

Sometimes, the true facts are not discovered for years. Chances are, if the Kepone workers had been given even minimal on-the-job protection—so that they wouldn't have gotten so sick so often—or if even the most elementary pollution control had been observed, the threat to public and employee health might have gone unnoted for a long time.

This is what happened in the case of asbestos—which was totally unregulated for years before it was finally conceded to be a serious cancer agent. It happened, of course, with DDT and other pesticides before Congress gave the Environmental Protection Agency authority to control or prohibit their use. There is a group of chemicals called PCB's (polychlorinated biphenyls), that has been used for 40 years in electrical machinery and in many other products. In recent years, they've been found to produce liver tumors and other serious health damage. Now—in spite of greatly reduced production—the PCB's persist throughout the environment and are still finding their way up the food chain to lodge in human tissues.

The tragic thing for the Kepone victims, and for others who have suffered damage in similar incidents, is that legislation designed to close the really fundamental loophole in the law was first introduced into the Congress in 1971, with strong backing from then President Nixon, and has been under consideration in every session since that time.

And there is such legislation before Congress right now. It is generally referred to as toxic substances legislation. It would require the testing of all chemical compounds *before* they are marketed, and would give the Environmental Protection Agency authority to regulate the manufacture, distribution, use, and disposal of those whose tests showed them to be hazardous or potentially harmful. The current legislation is backed by the Ford Administration, by labor, health and consumer groups, by environmentalists, and scientists. It is strongly supported by the President's Council on Environmental Quality. But it has been battled relentlessly since sure to defeat or water down the legislation is still intense. The Toxic Substances Act has failed of passage up to this point, and it will 1971 by the chemical industry, and the pres-fail again, unless people get behind it and demand a strong and effective law to protect them from reckless contamination of their world by unknown and untested substances.

The National Audubon Society is one of many groups which supports the passage of a Toxic Substances Act, and last November they sent out to their chapters a fact sheet on the current status of the legislation. I have had some copies of this fact sheet reproduced, and I hope you will take it home, read it, and feel impelled to write to congressmen, senators, and everyone else you can think of urging passage of a strong bill.

You will notice that the Audubon Society lists four elements that should be included in the legislation: (1) there should be premarket testing of new chemicals, and the gathering of data on existing chemicals to determine which are hazardous; (2) EPA should have authority to regulate the manufacture, distribution, use, and disposal of hazardous or potentially harmful substances, as it does with pesticides; (3) EPA should have sufficient enforcement authority, and there should be strong—not just token—penalties against violators; as is the case in other recent environmental legislation, citizens should be allowed to bring suit against EPA to force it to enforce the law if it fails to do so; (4) manufacturers should not be allowed to conceal health and safety information under the guise of "trade secrets."

The bills currently before the Congress are Senate Bill 776 and House Bills 7548 and 7220. The Senate bill is perhaps not as strong as its supporters hoped to make it, but is a step in the right direction, Audubon says. Of the two House bills, H.R. 7548 is the stronger and more comprehensive. The Senate bill had been expected to reach the floor before the end of the year, but I have not noticed any news reports to that effect. The House is not expected to act before the spring. But, who knows, perhaps the Kepone incident will give a new sense of urgency to Toxic Substances legislation?

You know, I mentioned the PCB's a few minutes ago. I think you might like to hear just a brief history of these chemicals, because it illustrates so well that the Kepone incident is far from unique in this chemical age.

The man-made PCB's have been in use for about 40 years and are essential in the electronic industry. They are highly resistant to heat and are used in hydraulic fluid for high energy transformers. They've also been used in household paints, caulking materials, and carbonless carbon paper. In 1970, the Monsanto Company produced 85 million pounds of the super chemical.

Meanwhile, scientists discovered that high amounts of PCB's caused liver damage in experimental animals and affected reproduction. An outbreak of PCB poisoning from contaminated rice oil took place in Japan, where roughly a thousand people contacted a skin disease and more than a dozen died. I think I recall also that leakage of PCB's into animal food caused quite a scare back about 1970 in the U.S.

Monsanto alerted its customers to the toxic effects of PCB's and limited the use of the compound to closed system heat exchangers. The FDA set regulations of 5 ppm (parts per million) and under for food and animal feed. Production is now down to 40 million pounds per year.

But the damage has been done. Results from the national pesticide monitoring program show that PCB's are still a major pollutant in the environment. High residues exist in fish particularly in industrial areas. In 1971, before the curb on production, residues reached as high as 200 ppm in Hudson River fish. Levels currently detected in the Great Lakes are still eight times above FDA regulations.

As a result of PCB contamination, commercial fishing in Lake Michigan essentially has been stopped since 1971. Consumers have been warned recently not to eat striped bass from the Hudson River or salmon from Lake Ontario. The City of St. Louis just closed its public fishing pond stocked with carp, because the fish were found to be polluted.

The environmental problem is that PCB's accumulate in the tissues of fish. While water samples may show only trace amounts of the chemical, fish are a living storehouse of the toxic substance.

What haunts scientists is not just the fact that PCB's are lethal in high amounts. Of far more reaching significance may be the biochemical changes produced by very low amounts of PCB. Very small amounts seriously affect reproduction in some salt water species of fish. In freshwater catfish and salmon, small doses caused thyroid activity to increase by 60 to 80 percent. The thyroid gland is the key regulator in fish. It is associated directly or indirectely with all physiological functions such as oxygen consumption and carbohydrate metabolism. Here you have not dramatic, massive fish kills, with thousands of dead fish floating on the surface of the water, but slow, insidious illness—what someone has called "chronic mortality." And if the fish don't feel pretty uncomfortable about the situation, human beings ought to, because we are living in the same environment and are part of the same food chain.

A similar story could be told about DDT, aldrin, and dieldrin—pesticides that have now been banned, but which persist in the environment and are still found accumulating in fish, animals, and human beings.

Let me give you just a few other examples:

Mirex, an insecticide used against fire ants, was thought to be non-toxic to marine life. Yet, in recent laboratory experiments, juvenile blue crabs fed grits contaminated with low levels of mirex became paralyzed and disoriented and could no longer use their pinchers to catch prey for food. We know what would happen to such a crab in its natural environment, where a disabled predator quickly becomes prey.

Many varieties of fish all over the world—from the North Sea to the Pacific Coast—are being found with cancer or tumors or liver damage. Captain Jacques Cousteau, the famous diver and marine explorer, estimates that the overall fish population of the world has decreased at least 30 percent in the last 20 years.

Catfish in commercial fish farms in Arkansas developed bones so brittle that the spine finally snapped. The condition was finally traced to toxaphene, one of the most widely used insecticides in the United States—and not by toxaphene in massive quantities, but at low levels over a long period of time.

The terrible thing is that we don't even know what is going into our water, or what the potential hazard may be. A cancer specialist at the National Institutes of Health has estimated that of the known two million chemicals, no more than 6,000 have been tested to determine whether they cause cancer. Of those, he believes, only half have been tested adequately. About 1,000 have shown some sign of being carcinogenic. Yet the World Health Organization estimates that 60 to 90 percent of all human cancer is caused by environmental factors.

I think we need a Toxic Substances Act, and I think we need it now before we have any more senseless, unnecessary accidents with Kepone of PCB or the old chemicals like mercury or arsenic, or whatever new chemical formulation is invented next year.

Dr. Russell Peterson, chairman of the

President's Council on Environmental Quality and himself a chemist, speaking of the inadequacy of present law said, "Today we cannot prohibit production of a new chemical because its health hazards are not yet proven. By the time the health hazard is proven, however, production of the chemical may involve the investment of millions of dollars and the employment of thousands of people. So, when and if the chemical becomes a *proven* health hazard, it is very expensive to prohibit. More important, by that time, many citizens may be suffering from cancer or other long-term effects which—had the chemical been tested—might never have occurred."

As the National Audubon Society fact sheet points out, ten years elapsed between the publication of Rachel Carson's *Silent Spring* and the passage of a fairly strong pesticide act. The problem of toxic substances, the Society believes, is at least equal to that of pesticides—perhaps more critical to human health—and now almost five years have passed since the introduction of the first toxic substances bill. I don't think we can afford any more delay.

A CIA OFFICER SPEAKS OUT

HON. WILLIAM S. BROOMFIELD

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Monday, March 15, 1976

Mr. BROOMFIELD. Mr. Speaker, in the wake of the assassination of CIA officer Richard Welch in Athens, Congress has become aware of the need to improve the protection afforded Americans representing their country abroad. While there are honest differences of opinion as to what our intelligence personnel should or should not be doing, I believe we all agree on the necessity of employing every means possible in support of these people once we have sent them into the field. Consequently, I feel it is imperative that Congress immediately conduct an investigation of the elements that contributed to the Welch tragedy with the objective of recommending legislation to prevent a recurrence.

Few of us, including myself, have much of an appreciation of the dangers confronting a case officer in today's increasingly perilous world. With that in mind, I commend to my colleagues the following article by a 25-year veteran of the CIA that appeared in the February issue of the Veteran of Foreign War's American Security Reporter. It is not only educational in terms of what a case officer does for a living, but it is also most informative as to how he perceives his country's appreciation of the role he has been asked to play:

A CIA OFFICER SPEAKS OUT

(The following article was given to me by a 25-year veteran of the CIA. He asked that his name not be used.)

The terrorists murder of Richard Welch, CIA station chief in Athens, was a personal tragedy and a harbinger of a crisis at home. Welch was not a soldier in the usual meaning of the word. The son of an Army general, father of a Marine lieutenant and although not a veteran himself (he had been blind in one eye since boyhood), he was in a very real sense a man in the service of his country.

Welch was a member of a highly motivated, highly professional corps of intelligence people serving diligently abroad as a part of and to a degree an extension of our nation's first line of defense. His death demonstrates one of the dangers they face. The nation finds itself unable, or unwilling, to provide them with the protection, they need and deserve if they are to continue their mission.

The case officer is basic to the collection of intelligence. He is at the collection end of the line, the agent-handler at the beginning of the intelligence chain which passes through collation and analysis and eventually becomes the national estimates on which policy makers base their decisions. Although much intelligence in the modern world is obtained by electronic means, satellite photography and of course the sifting of much open material, the case officer performs an indispensible function—the gaining of information from human sources, from people through human contact. He performs a vital role in a vital profession. The case officer has what must be one of the most satisfying and frustrating job in the world. It is exciting, rewarding and increasingly dangerous. Welch's death is an indication of the nature of the risks.

The case officer's life is not easy under the best of circumstances. Health problems, poor schooling for his children and the rigors of frequent moves make life difficult for any American official sent abroad. The case officer has additional problems. Frequently, maintenance of his cover requires him to put in a full day's work in his cover job. At the end of this full day his intelligence work (his reason for being there) begins. The case officer's intelligence tasks usually are undertaken after hours and may carry him into the late evening. His social life and more importantly his family life must suffer.

Life is especially tough in a terrorist area and the number of such areas is, unfortunately, increasing. The demands of the defensive measures he must take gnaw into his time (and psyche) still further. The strain is felt also by his wife and children. This in turn increases the stress on him. The family does not dare establish a pattern of behavior which the terrorists might exploit. A strange car, a loiterer, an unusual telephone call—any of these may have a sinister portent. Even small children must be told that a strange package might contain a bomb. Life is tense. It will be more so.

The case officer's intelligence, flexibility and dedication are taxed to the extreme. The new element with which he must now contend is the entry into the picture of the American radical. Heretofore considered a nuisance, the American radical is proving highly dangerous. Americans, for the first time, as far as is known, have allied themselves with foreign terrorists to kill American officials abroad.

American radicals and foreign terrorists are cooperating closely. American radicals admit—indeed boast—of having provided Welch's name to the Greek newspaper which published it not long before Welch was killed. Acts of terrorism breed further acts of terrorism. Recently, wire service reports told of the acknowledgment by the same American radical *counterspy* group that it had been involved with a French leftist newspaper in publishing the names of alleged CIA officials in France. In the anti-U.S. and anti-CIA climate that exists in much of the world, this act by this American Marxist group could result in further terrorist attacks on American officials overseas. This is precisely what the American radicals want. They seek to neutralize the CIA abroad.

Sensational media coverage and the self-serving actions of certain legislators have contributed to the poisonous anti-CIA atmosphere at home and abroad. The image of the U.S. has been damaged, its legitimate intelligence function hindered and its personnel endangered. In such a climate, terrorism flourishes.

Months from now when the present furor is largely forgotten here and we have passed to new subjects of lurid treatment by the media and new issues for cynical lawmakers to exploit for personal gain, the CIA case officer and his colleagues will continue to serve the nation in silence. He has no lobby, no association, few spokesmen. His job will be even more difficult now and for him and his family even more dangerous.

CHARLES H. MORRIS ON "HOW A PUBLISHER VIEWS THE MEDICAL PROFESSION"

HON. BO GINN

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 15, 1976

Mr. GINN. Mr. Speaker, Mr. Charles H. Morris, president of the Morris Newspaper Corp., is one of our Nation's most distinguished journalists and publishers. He recently spoke to the Central Association of Dentists and Physicians on the subject "How a Publisher Views the Medical Profession."

This address is one of the most thoughtful analyses I have seen of the health insurance question and physician-patient issues. I commend it to the attention of my colleagues, and I include it in the RECORD at this point:

These are truly great times we live in even though we are going through high unemployment and other economic adjustments that have always been a part of our system. Senator Edward Kennedy said back in 1972 and I quote, "Whenever I travel I find that average citizens, poor or middle class, or rich, white or black or brown, city or farm or suburb, have a profound dissatisfaction with the way they live." Then Robert Welch who is president of the John Birch Society said on the other side, "The whole country is one vast insane asylum and they are letting the worst patients run the place." As a result of all this negative rhetoric we have heard over the years, it is no wonder that Americans are alienated and fed up.

The truth of the matter is that very little of it is so. It is not true that things are that bad in this country. The hard cold facts, based on 1970 census data, show something else. That is, that the American workers are engaged in more interesting, more skilled and more productive work than any other workers at any other time, or at any place, including America 10 years ago. They are earning more real dollars today, that can buy more and better goods and services than any other people, at any other time, or in any other place, including America a decade ago. They spend their money predominately on useful, important, and often creative goods and services. They live in homes that are the envy of men the world over. Their children go to college, and if they cannot read, they fake it well enough to somehow manage. Our economy, with all its ups and downs, is envied by capitalists, socialists, and communist societies around the globe. To send men to the moon, to create an agricultural technology that has averted starvation for billions of earthlings and to develop and distribute medicines and sanitary procedures that have increased life expectancy by decades is something to be proud of. If you don't believe me, travel outside this country a little bit. So things aren't as bad as people may say they are in most areas.

But I see the medical profession right now in one of the toughest times it has ever faced in the history of private practice as we know it today.

I came here today to tell you candidly what my views are about the medical profession. I'm not going to pull any punches with you, and I'm going to suggest some positive-constructive things that I think should be done.

I have a tremendous amount of respect and admiration for doctors. I would have to be classified as friend and ally of the medical profession, and there's no question, Americans have the finest medical care in the world. However, there seems to be a feeling of frustration and desperation throughout our socley about health care. Something has got to give. The main problem areas seem to be health care costs, the unavailability of doctors and the impersonal treatment patients receive. This year alone health care costs could increase as much as 20 percent which is almost 3 times greater than the annual rate of inflation. The United Auto Workers Union is presently negotiating a new group health insurance plan with a premium increase of thirty-five per cent, and I understand they are having to reduce quite a number of the benefits in the plan.

Even though we are going through the worst economic recession since the Depression—with these kind of numbers, big labor is only going to increase its pressure on Government for more regulation and more socialized medicine. These bad feelings don't begin in Congress or with labor unions or pressure groups, they begin with the grassroots public: the wage earner, the professional man, the executive and throughout our society. All of these people feel they deserve better treatment at cheaper cost. Surely there is a way to cut cost and automate without endangering the patient and hurting doctors financially. I realize doctors are not to blame for all the high cost increases but doctors are certainly in a better position than anybody to recommend and implement the changes needed for cost effective procedures. We don't seem to have enough incentives built into our medical system to encourage cost cutting procedures. Insurance companies want more premiums, hospitals want more revenue, and so on. What I'm really talking about is product improvement. In my business, product improvement means better acceptability and more profits, if done properly.

Your profession is a "sitting duck" for more government interference, and I want to say right here and now, I am unequivocably opposed to national health insurance, the catastrophic health bill proposed by the Ford administration, and any more Government regulation of medicine. I just don't think the Federal Government should be called upon to provide health care for the American public. Our health Care delivery system needs improvement and can be improved. I don't think that we need to overreact and try to solve our problems with the typical Federal Government approach of spending more money. Fortunately, a number of our Congressmen are finding out that we cannot solve all of our problems by spending more money and passing more regulation. We have got to wake up to the fact that we do live in a country with limited resources, and we've got to establish a list of priorities of how best we can use these resources—and one of them is Government spending. If we continue to overspend and run up huge deficits, eventually we'll lose everything we have, including all of your basic freedoms. So, national health insurance and socialized medicine will only further weaken the country as it has in Britain.

If it hadn't been for the recession, national health insurance in some form would have passed by now.

Now to make matters worse, on top of all this, along comes the malpractice problem. This only drives cost up even more. Of course, we've always had malpractice, so that's nothing new. Whether malpractice has increased is debatable. But my general observation of the malpractice dilemma is that the increasing number of malpractice lawsuits are only a symptom of what is happening in this country. It is a negative vote for the doctor-patient relationship and an unsympathetic vote for the doctor-doctor relationship. After all, it does take an expert witness who has to be another doctor to convince the jury and it takes jurors who could be unsympathetic patients of yours to make the awards. At the present time, most of the suing and awarding of large sums seems to be confined to three states—California, New York and Florida. A closer look at the jurors in these three states indicates they are more transient people than in other states with less roots in their respective communities. Jury lists are no longer selected from property owners but from the voters list. The more stable-affluent and sympathetic jurors are not dominating many of the juries anymore. Many prominent citizens are being excused because they are too buy to serve. It has been shown that in cases where big awards have been made, some of the jurors have been dunned or sued by the defendant doctor for collection of a bill. To me this is terrible public relations on your part. I realize many of you here today are not doing some or any of the things I'm talking about.

I know of an instance where an $800 fee was involved, and Medicare, or Medicaid, or group insurance, would only cover $750 of the fee. The doctor sued for the difference. The patient involved was on a limited income and couldn't, or wouldn't, come up with the difference. Here we are only talking about $50 or a six per cent fee reduction. Is that extra six per cent really worth the bad public relations that could possibly develop out of this? I realize if all your patients did this, you could have real problems, but I don't believe this would happen.

I don't know of any other profession or business where a large portion of accounts receivable are either covered by the U.S. Government or a well healed insurance company. This may not apply to many dentists now, but someday I'm sure it will.

Yet some doctors put up signs in their offices stating "Cash Only if not covered by group insurance or a government plan." This only infuriates many of your patients who have good credit ratings and have paid you promptly over the years.

And, lastly, there's no question that lawyers are looking for other people and institutions to sue, other lawyers included, too. Perhaps this is because we have auto no-fault insurance in 24 States, and, of course, all of this is a part of the consumerism movement in the United States.

I think many people think they are only suing a rich insurance company and not the doctor. Perhaps, some would not sue if they thought they would ruin the doctor—particularly when it does not involve negligence but only bad results.

But the worm is turning on lawyers. In last Tuesday's issue of the Wall Street Journal there was an in-depth article about the malpractice woes of lawyers. Few cases ever see the light of a courtroom; most are settled discreetly by insurers.

A very important point made in this article was that lawyers are often told to never disclose they have insurance. It's not working though because clients are suing lawyers at a rate twice as fast as 1972. Even though their premiums are much lower than yours, lawyer malpractice insurance premiums are skyrocketing. Proposed increases are running as high as 500% in some states.

This brings me to what I want to suggest you do either through the American Medical Association or some other representative structure of American doctors. You need to know what the public really thinks of you. Most of your patients are not going to level with you while you are extracting a tooth or removing a tumor. A lot of our readers won't level with us either.

So, there's only one way to find out the truth and that is through a nationwide survey done by a top flight surveying outfit—such as Gallup or Haris. You need to know what that wage earner really has on his mind. A survey of this type wouldn't be that expensive and could be completed within a few months. If it were done properly and the right questions were asked, it could give the medical profession invaluable input. The survey probably should be done privately without publicity. I'm sure you'll find there are a lot of problems that can be corrected with minor adjustments on your part at no cost to you. You may be surprised and uncover a lot of good—favorable feelings the American public have about you. Many doctors are loved and admired as I am sure many of you are here today, particularly, when you are constantly making people feel better and saving lives. Most Americans aren't bloodsuckers.

Now after all the data is in and analyzed, you should develop a concrete, positive list of recommend procedures or changes and communicate this list to every doctor in the country asking for his cooperation in implementing the changes—not a self-serving list of things that solve none of the problems but only help doctors, and don't help the patients.

Now I know this an oversimplification of how the mechanics of something of this large a scale could be handled. But say something of this order could be done and then exposed through the media on a national and local level. It would have to come across as a genuine attempt by doctors to help. This type of an approach would be a positive meaningful approach that would, I think, be well received by the American public and governmental leader.

Perhaps some other method could be used other than a survey. But if nothing is done and we continue on this same road—we are all going to pay a big price for medical care in the future in the form of more government regulation and more socialized medicine.

I don't think I'm being naive to believe that in this great country of ours we can find a better way if we all try.

BASEBALL PLAYERS EARN $48,000 AND DRAW UNEMPLOYMENT

HON. J. J. PICKLE

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Monday, March 15, 1976

Mr. PICKLE. Mr. Speaker, within the near future, the House Rules Committee may be considering a rule for H.R. 10210, the Unemployment Compensation Act Amendments of 1975. When it was initially enacted in 1935, the unemployment insurance was a needed and vital element in aiding this country's recovery. But in the 41 years since, we have strayed far adrift from the original purposes of this law. This program was established to aid those temporarily out of work through no fault of their own. In other words, it was specifically designed to help those thrown out of jobs because of a sour economy. A close scrutiny today, I believe, would prove that many of those drawing unemployment insurance do not fall in that category.

During the last few weeks, we have seen a glaring example of the abuses of the unemployment insurance system. Professional baseball players who averaged $48,000 yearly are applying for unemployment insurance during the negotiations between owners and players. And apparently, a number of players are collecting it. I believe that this amply illustrates there is much room for improvement in the field of unemployment compensation. The pending bill does not relate directly to this question, but it is symbolic of many of the problems in this field.

I enclose articles from the Washington Star and the Washington Post regarding the major league baseball players' receiving jobless benefits:

[From the Washington Star, Mar. 10, 1976]

How To Earn $48,000 and Draw Unemployment

(By Steve Butchock)

Granted, the times are hard and bacon is selling for $2.09 a pound in some places, but can you imagine some of the country's best-paid athletes drawing unemployment compensation?

Well, it's happening, and Milwaukee Brewers pitcher Billy Champion concedes that he is one of those who has applied for and has been granted unemployed benefits during the off-season.

Champion, who lives in Shelby, N.C., said he doesn't know of any other players who receive unemployment in the off-season, but Brewers President Allan (Bud) Selig said some members of the Brewers have been drawing jobless payments for a number of years.

The Brewers frown upon such practices, he said, but the players are within their rights to collect $117 in weekly benefits under Wisconsin law.

Baseball commissioner Bowie Kuhn reportedly isn't opposed to players collecting unemployment as long as no fraud is involved.

Basically, it all depends on where an athlete lives, since unemployment laws vary from state to state. In Wisconsin, for example, it's legal for a seasonal worker to draw unemployment when he is seasonally unemployed. In the Washington area, he would find it tough to do so.

"Athletes are no different from anyone else," said William Wilkerson, director of the D.C. Unemployment Compensation Board. "To collect, an athlete would have to make himself available and be seeking full-time work."

Peter Boisseau of the Virginia Employment Commission said, "I don't recall any athlete applying for unemployment," but added that any athlete employed within the state could draw seasonal unemployment benefits unless his employer had applied for a special exemption.

"I don't know of any teams that have applied for this seasonal status exemption," he said.

James Phillips, executive director of the Employment Security Administration in Maryland, recalls ruling on several baseball players' cases while serving as an appeals referee in the 1940s and 1950s. "We ruled that a person has to be seeking and be available for full-time work," he said.

Thus, a Jim Palmer or a Lydell Mitchell might have to be willing to accept work pumping gas or selling shoes for $2.30 an hour, for example, in order to draw unemployment if he couldn't qualify for a job in a higher-paying field.

State unemployment boards could have some interesting cases if the baseball lockout continues and all of those high-paid players suddenly decide that unemployment is the only source of income readily available to them. Assume this happens and the Catfish Hunters, Brooks Robinsons and Johnny Benches suddenly decide they need unemployment funds. Could they collect?

Phillips said flatly that it would be "shocking" for a ball player who is being represented in labor negotiations to apply for unemployment in Maryland. "I'm of the belief that this is a labor dispute," he added. "If the player says, 'I'm not going to play baseball,' then we'll say, 'We're not going to pay benefits.'"

NFL players average $42,000 yearly, major league baseball players $48,000 and NBA basketball players a whopping $100,000. The poverty level in America is $5,300.

But unemployment isn't based on need. It is insurance for loss of wages. And athletes are eligible to collect it if certain qualifications are met in the state in which his employer pays unemployment compensation tax.

The weekly benefit is now $139 in the District, $89 in Maryland and $87 in Virginia. Maximum eligibility periods are 34 weeks in the District, 52 weeks in Maryland and 39 weeks in Virginia.

A small number of states, including Virginia, have provisions in their laws that allow employers in seasonal businesses to declare their workers as "seasonal employes," making them ineligible for out-of-season unemployment benefits. Thus, a member of the Virginia Squires might end up drawing unemployment, but not a Redskin, Bullet or Capital.

One agent said most pro basketball and hockey players don't file for unemployment, but that such an action is common practice with junior hockey players and minor league baseball players who are not making large salaries.

Billy Champion and some of the Brewers may be inadvertently changing all of this.

"I've thought about it and I haven't reached a definite moral decision on whether it's right or wrong," said Milwaukee pitcher Jim Colborn, who said he is not receiving jobless benefits.

[From the Washington Post]

Brewers on "Relief"

Milwaukee, March 9.—A number of Milwaukee Brewers baseball players have been collecting $117 a week in state unemployment compensation—the maximum amount during the offseason, club president Bud Selig has confirmed.

Selig said the Brewers opposed such payments. He said baseball players in other cities have also been collecting such off-season compensation.

Martin Kestin, state unemployment compensation director, said some professional athletes are eligible for the compensation because they are not guaranteed contracts for the next year, even though they earn a minimum annual salary of $16,000.

Pitcher Bill Champion, contacted by the Milwaukee Sentinel at his home in Shelby, N.C., admitted to the newspaper he was receiving unemployment compensation from Wisconsin.

A CONSPIRACY?

HON. CHARLES B. RANGEL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, March 15, 1976

Mr. RANGEL. Mr. Speaker, I would like to bring to the attention of my colleagues a problem that is of great concern to not only the black community, but to everyone who is concerned about the injustice and discrimination which minority groups face. This article is important, not so much for some of the answers it tries to provide, but rather for the very serious questions it raises. Since all of us would be affected by a conspiracy against some of the Members, I would urge my colleagues to read the article by Carl Rowan which appeared in the January issue of Ebony magazine. The first part of Mr. Rowan's article follows. The conclusion will appear in tomorrow's Extension of Remarks:

Is There a Conspiracy Against Black Leaders?

(By Carl T. Rowan)

Something not-so-funny, but very disturbing, has happened to black Americans on their way to political power. A lot of the most heralded black officials are being thrown out of office on criminal charges, and others are fighting desperately for their political lives.

Cincinnati's Vice Mayor William J. Chenault resigns from the City Council in the face of felony charges of embezzlement and theft in office, with those charges dropped when he pleads guilty to four counts of misdemeanor.

No sooner do we black Americans get our two highest state officials in over a century than one—Lt. Governor George Brown of Colorado—is subjected to a grand jury investigation of allegations that he misused state funds. The other—Lt. Governor Mervyn Dymally of California—is castigated in the press for alleged nepotism and personal profiteering from a project sponsored by the Ford Foundation.

Shirley Chisholm, the first black woman elected to Congress runs for President and later finds herself accused of law violations regarding campaign funds.

A black radical elected to the Berkeley, Calif., City Council, D'Army Bailey, finds himself ousted in a recall movement and replaced by another black.

Congressman William L. Clay, the first black Missourian ever to hold so lofty a spot, beats off attempts to destroy him on charges of narcotics peddling, then fights off allegations of campaign fund violations—only to discover that he is charged with padding his office payroll, and that he is under criminal investigation by the Internal Revenue Service.

Leroy R. Johnson goes to the Georgia Senate and becomes the most powerful black official in that state since Sherman's tanks brought on Reconstruction, but he suddenly finds himself out of office, out of power and convicted of filing a false affidavit with the IRS.

These are but a few of the black men and women who have clawed and groped and fought their way to the pinnacles of power in this country only to find themselves buffeted by charges of serious crime, sexual misconduct or other misbehavior. So numerous have been the assaults on black elected officials that a cry now goes up across black America that we are going through a new post-Reconstruction era where whites are engaged in a vast conspiracy to drive blacks out of power and back into bondage.

C. DeLores Tucker, Secretary of State in Pennsylvania, sees "a dangerous parallel" between the purges of powerful blacks in the period from 1872 to 1877 and what is now taking place. "I am convinced that there is a national conspiracy on the part of the political establishment to preserve the status quo," she told me.

Ms. Tucker was reappointed last January, but found herself the victim of press attacks and rumors about her use of state funds for travel and her income taxes. The Pennsylvania Senate spent seven months investigating her—primarily, she claims, because a white woman whom she had fired and the Philadelphia Inquirer were out to get her. When all the charges proved baseless, she says, the Senate finally confirmed her, 47 to 0. Ms. Tucker is now campaigning nationally for massive black action to halt what she calls "the double standard" in the way the media deals with blacks.

Eddie N. Williams, president of the Joint Center for Political Studies, wrote recently: "A new entry has been added to the already overcrowded 'worry list' of black leaders throughout America. It relates to what many describe as a growing pattern of assaults on the integrity of black political leaders through legal and extra-legal means. The worry is that such harassment is racist in origin and is aimed at discrediting and immobilizing a growing cadre of powerful political leaders."

No knowledgeable person can dismiss such remarks as mere black paranoia. Anyone who followed the Watergate hearings and who is abreast of current congressional probings of the nation's intelligence agencies has surely become aware of one reality: for the last several years no black leader was so radical, so moderate, so Uncle Tomish, that he was not a target for wiretapping, bugging, tailing by the FBI, CIA, DIA, IRS or some other agency of government.

The record is clear now, as I wrote in my column over six years ago—earning the public wrath of the late J. Edgar Hoover—that under this despotic, vindictive man the FBI treated almost anyone working to improve the status of black Americans as a "subversive" or "traitor."

Yet, this is not to say that all the black officials being indicted or otherwise accused these days are innocent of any wrongdoing. There is a disturbing abundance of evidence that some black officials, like white ones, are overcome by temptation once they discover that their new power puts them close to the money till. Some black officials are betraying the trust placed in them by voters, black and white alike.

This poses some serious questions for black Americans:

How do we determine which officials are victims of conspiracies to deprive them of power and which ones are crooks who deserve the contempt of the black community?

How can we ensure that black officials are not subjected to more rigid standards of conduct than their white peers?

What mechanisms can black Americans devise to protect black officials once an honest investigation of the facts leads responsible blacks to conclude that a certain official is being framed, railroaded or punished for some minor transgression that white officials have been getting away with for generations?

These are difficult questions, and I do not pretend to offer all the answers to all of them. I do believe, though, that black Americans can respond with more reason, logic and planning—and less blind emotion—if they know the facts about some of the recent assaults on black leaders. So I offer the following summaries in the hope that they will make black Americans more aware of what is going on—and make black officials more sensitive to the need to shield themselves against such charges.

SHIRLEY CHISHOLM

Rep. Shirley Chisholm (D., N.Y.) discovered there was a price for being the first black woman in Congress and the first to seek the presidential nomination of a major party. In 1973, the General Accounting Office, the investigating arm of Congress, charged Mrs. Chisholm's 1972 presidential campaign organization with four violations of the federal campaign financing law.

When asked about the investigations by the New York Times, Mrs. Chisholm said she was picked for harassment because she represented many groups which had opposed Nixon Administration policies.

"I was told I was one of their chief targets because I am a black official, very outspoken, very blunt, with a terrific following among women's groups, black people, the young people and the Spanish-speaking people . . . I think it's their way of telling Shirley Chisholm, 'You better be careful and draw yourself in.' "

Mrs. Chisholm told the Times that the late Rep. Adam Clayton Powell Jr., one of the first powerful blacks to be cut down, had warned her that she would be attacked if she didn't play the expected role. "He said, "Shirley, if you are a simple, quiet black woman and you don't speak out against the inequities, they'll leave you alone. But once you become outspoken, they will get you."

(Powell had been stripped of power and denied his House seat because, rather flamboyantly, he did things that white congressmen like Wilbur Mills had been getting away with for decades—and are still doing.)

Mrs. Chisholm insisted she did not fear an indictment in the case. And sure enough, a few months later, a Justice Department spokesman said that the charges of misconduct were not substantiated and that the other suspected violations had been remedied.

LEROY R. JOHNSON

Leroy R. Johnson was probably the most powerful black politician in the South for over a decade. He rose from a minor job in the county prosecutor's office in Atlanta to be elected Georgia state senator in 1962—the first black elected to a Southern legislature since the Reconstruction period. A shrewd politician, Johnson rose rapidly to power. At one point he sided with Lester Maddox, a notorious segregationist, during a move to strip Maddox of some of his power as lieutenant governor. After the attempt failed, Maddox named Johnson chairman of the Senate Judiciary Committee, the highest position a black ever attained in the Georgia Legislature. Johnson was boss of all legislation relating to the criminal justice system.

During the 12 years he was in the state legislature, Johnson also accumulated a large personal fortune (much from private law practice and speaking engagements). Much was written about his $200 hand-tailored suits, expensive cars and imported cigars. In 1970, a New York Times Magazine article estimated his net worth at over $500,000, including a $175,000 share for staging the Muhammad Ali-Jerry Quarry heavyweight fight which marked Ali's return to prizefighting and exhibit another facet of Johnson's influence. Some of the biggest boxing promoters and sharpest lawyers in the country had been trying without success for three years to stage an Ali fight.

Johnson's high-flying political baloon was pricked when he ran far behind another black, Maynard Jackson, in the 1973 Atlanta mayoral race. Then, in May 1974, a federal grand jury indicted Johnson on charges of under-reporting and evading federal income taxes. A few months later, he was defeated for reelection to the state senate in the Democratic primary.

Two of the four counts of tax evasion were dropped, and Johnson was acquitted of two others. But a jury of nine whites and three blacks found him guilty of filing a false affidavit with the IRS.

Johnson claims that the IRS set out to "get" him after he put Muhammad Ali back in the ring. "Two days after the fight, IRS agents came to my home at 7:30 a.m.," Johnson told me, "and they've been after me ever since. When it developed that I was not guilty of underreporting income or evading taxes, they got me on the 'catch-all' of a supposed 'false affidavit' that I didn't submit and the IRS didn't rely on."

Johnson is appealing his sentence of 60 days confinement.

Whatever the result of the appeal, Leroy Johnson's political power and career have vanished.

RALPH METCALFE

For almost a year, former Olympics champion Ralph Metcalfe and his friends have been waiting nervously to see if the congressman is going to be indicted by a federal grand jury.

There have been months of speculation that Metcalfe would be charged with accepting kickbacks, or taking bribes, when he was alderman for Chicago's Third Ward and was chairman of the City Council Building and Zoning Committee.

Considerable scandal has arisen regarding zoning changes in 1968 and 1969 when Metcalfe was chairman. Illinois state representative Donald Swinarski, who was 12th Ward alderman in 1968 and 1969, has accused Metcalfe of taking bribes, including a $5,000 payment in one instance.

The FBI, the IRS and the U.S. Attorney's Office in Chicago have been studying Metcalfe's tax returns and probing his business dealings, for quite some time.

"This is a witch hunt motivated by political considerations," Metcalfe told a reporter.

In January 1975 he told the Chicago Tribune that he expected a federal indictment as political retaliation for his support of Alderman William Singer, who was trying to oust Mayor Richard Daley in the primary election.

Two months later Metcalfe told the Chicago Defender that the federal government has singled him out for attack because, "Maybe I'm too vocal. I've spoken out about police abuses and about federal spying activities. I also challenged FBI Director Clarence Kelley when I learned of surveillance on black civil rights leaders. There's bound to be a backlash."

Metcalfe said that in September the U.S. Attorney notified his lawyer that the case was being turned back to the Justice Department in Washington for a decision, but two months later he had heard nothing.

"They thought they would find a skeleton in my closet," said the congressman, "but they didn't. And they won't. Because whoever says he gave me money is a liar."

LT. GOV. MERVYN DYMALLY

California's Lt. Governor Mervyn M. Dymally has been in a battle with one of the nations foremost newspapers, the Los Angeles Times. Last July, a Times story accused him of misusing funds from a non-profit institute he created to bring more minority youths into government. It said the abuses occurred between 1968 and 1973 while Dymally, then a state senator, was head of the Urban Affairs Institute (UAI) which received nearly $800,000 in tax-free grants, mainly from the Ford Foundation.

Specifically, the Times said a three-month investigation revealed, among other things, that Dymally drew an unauthorized $1,000 a month salary from the grant; that he had used $30,000 intended for other purposes to fund a project in which his brother and sister-in-law were paid staff members; and that members of Dymally's family, former aides and relatives of staff members got scholarships, fellowships or grants from UAI.

Dymally responded that the Times had "poured forth columns of inaccuracies, innuendos and outright falsehoods." He blamed the attacks on the paper's efforts to discredit him because of his role in building minority political power and giving blacks and Chicanos a voice in government. "The Times views me as an aggressive, effective, liberal black Democratic politician—everything they are against," he said.

Dymally said he had voluntarily paid back the salary after the Ford Foundation became worried that his plans to run for office might create problems. He said his relatives were hired without his knowledge. And as for another charge that foundation money had been used to pay for staff lunches at two exclusive Los Angeles restaurants, Dymally asked, "Why shouldn't black interns have lunch at Perino's?"

A black newspaper, the Los Angeles Sentinel asked in an editorial that Dymally not be judged until all the facts are known. It said that much of the information in the Times story had been in that newspaper's hands for several years, and many blacks wondered if it might have been withheld for questionable motives.

"That is," said the Sentinel, "the information that is alleged to have come to the Times from various sources was not important as long as Dymally was a representative from the black community. It was only when he became the Number 2 man in the state that it became important enough to bring to the general public.

"This would seem to suggest that as long as Dymally was representing only black people, it didn't matter what he did. But when he reached a point of statewide importance, and stol in the wings awaiting possible departure of Governor Brown, the major daily newspaper decided that 'now is the time' and loosed what it considered to be vastly dangerous information about Merv Dymally."

The Los Angeles Times, in an editorial of its own three and one-half weeks after the original story, said:

"In the weeks since publication of the article, Dymally has been unable to refute the evidence on as much as a single point. He has chosen, instead, to attack the motives of The Times; to plead ignorance to certain actions of UAI and its affiliates, and to justify his own conduct with explanations that are often in conflict with his earlier statements . . . Dymally asserts that The Times is waging a personal 'vendetta' against him. To the contrary, the record will show that such reporting is part of a continuing effort by this newspaper to expose questionable conduct by public officials wherever it has been found and regardless of the official's political affiliation or rank. We will continue to do it because we believe it is a compelling responsibility."

THE SILENT PARTNER OF HOWARD HUGHES—PART VII

HON. MICHAEL HARRINGTON

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Monday, March 15, 1976

Mr. HARRINGTON. Mr. Speaker, I am inserting today the seventh installment of the Philadelphia Inquirer's exposé regarding Howard Hughes' privileged relationship with sectors of the U.S. Government. In today's segment, reporters Donald L. Barlett and James B. Steele trace the distribution of funds to and from the Howard Hughes Medical Institute:

THE SILENT PARTNER OF HOWARD HUGHES—VII

There is no doubt the medical institute is aware that it has received an average of only $1.7 million per year from the aircraft company from 1964 to 1973. But even that doesn't seem to disturb institute officials.

Mintz, the institute's attorney, explained to a congressional committee in 1973 that Hughes Aircraft, far from squandering dollars that should have gone to the medical institute, was in fact wisely spending its money on shrewd expansions and diversifications of its business operations.

Mintz, a member of the Washington, D.C., law firm of Hogan & Hartson, who has represented the medical institute since it was founded, told a House Banking and Currency subcommittee:

"That company (Hughes Aircraft) has what the institute's executive committee considers to be simply superb management. The company is doing well. It is showing every sign of doing better. It is engaging in its own diversification program."

Mintz went on: "The retained earnings have enabled the aircraft company to diversify its business activities so that it is no longer wholly dependent on government business.

"This in turn has benefited the institute by giving it a sounder economic base and a source of growing income for its expanding medical research activities."

Over the last several years, the Hughes Aircraft diversification program—a diversification program intended to benefit the tax-exempt medical institute—has included:

Purchase of 48 percent of the stock of NRG Inc., a Phoenix-based company whose interest range from the packaging of financial marketing programs to the development of a methane gas recovery plant in a Los Angeles garbage dump. Last year, NRG Inc. lost $6.5 million.

Advancing working capital and providing guarantees on bank loans and mortgage bonds amounting to about $23 million for NRG Inc. In the first half of this year, NRG reported a loss of $1.5 million.

Providing guarantees in $3 million in bank loans made to Teleprompter Corp., the nation's largest cable television company. In 1973, Teleprompter reported a loss of $29.7 million.

Advancing working capital of $2.1 million to Teleprompter and jointly guaranteeing with Teleprompter another $4 million in bank loans. In 1974, Teleprompter reported a loss of $7.3 million.

Acquisition of 49 percent of the stock of Teleprompter Manhattan CATV Corporation, a cable television franchise serving the northern section of Manhattan. The other 51 percent of the stock is owned by Teleprompter Corp. In 1972, Manhattan CATV reported a loss of $327,000. In 1973, the loss was $3.8 million. In 1974, the loss was $5.1 million.

Acquisition of 50 percent of the stock of Theta Cable of California, a cable television franchise serving the Los Angeles area. The other 50 percent of the stock is owned by Teleprompter Corp. In 1972, Theta Cable reported a loss of $950,000. In 1973, the loss was $2.7 million. In 1974, the loss was $6.3 million.

At the same time Hughes Aircraft Co. was entering into corporate business agreements with Teleprompter, the aircraft company also was arranging private Teleprompter stock deals for its executives.

Details of the planned stock transactions are spelled out in the minutes of a June 1967 meeting of the executive committee of the aircraft company's board of directors.

The minutes, a copy of which was obtained by The Inquirer, state in part:

"The (chairman) reported that negotiations had been successfully concluded with Mr. Irving Kahn, president of Teleprompter, and that a preliminary agreement had been made for the acquisition by Hughes Aircraft Co. of two blocks of common stock of Teleprompter, 30,000 shares of which stock would be purchased at a price of $18 per share and 168,000 shares at an average price of $22 per share.

"He pointed out that these terms are favorable to Hughes Aircraft Co. . . . Ownership of Teleprompter shares by this corporation would also permit it to share in the earnings and growth of Teleprompter to be anticipated in consequence of the technological contributions to be made to that corporation by Hughes Aircraft Co.

"The chairman then alluded to a further advantage to be derived from the acquisition of Teleprompter shares . . . He then recommended that a portion of the Teleprompter shares contemplated for purchase by the corporation, up to an aggregate of 30,000 of such shares to be acquired at a price of $18 per share, be offered to certain management-level employes at the same price, upon terms and conditions which would encourage a continuation in the corporate employ on the part of each such purchaser."

What those board minutes indicate, then, is that Hughes executives would be able to buy shares of Teleprompter stock below the price which Hughes Aircraft Co.—in effect, the medical institute, a charitable organization—paid for the same stock.

It is unknown which Hughes executives, if any, bought the Teleprompter stock. But on the last day the stock could be acquired under the agreement, the closing price on the American Stock Exchange was $32 a share.

Thus, the Hughes executives would have been able to buy the stock at little more than half the market price. And if they sold the stock at the appropriate time within the following three years, they would have made a handsome profit.

For in 1968, the Teleprompter stock sold for a high of $83 a share. In 1969, the high was $119 and in 1970 it went to $133.50. The stock split four-for-one in 1972 and it presently is selling for about $5 a share.

Whatever Hughes executives may have done, the Howard Hughes Medical Institute apparently has not benefitted from any trading in the volatile Teleprompter stock by the aircraft company itself.

Reports filed with the Securities and Exchange Commission earlier this year list the aircraft company's holdings in Teleprompter at 672,000 shares.

Presumably this is the original 168,000 shares purchased by the company in 1967, multiplied by four in the stock split of 1972. Teleprompter has paid no dividends on that stock."

In addition to these seemingly unspectacular financial investments made by Hughes Aircraft Co.—on behalf of its sole stockholder, the tax-exempt medical institute—it is worth taking note of a series of bizarre dealings involving Hughes Aircraft as related by one Mildred C. Johnson, a Vicksburg, Miss., businesswoman, in a sworn statement made in September 1974.

Her statement offers other insights into the way the aircraft company conducts its business, and it raises still other questions, about whether the assets of what the Internal Revenue Service calls a charitable organization are being managed in its best interests.

Mrs. Johnson was questioned during a deposition proceeding in connection with a lawsuit that Robert A. Maheu, once the chief of Hughes' Nevada gambling operations, filed against Hughes Tool Co., which at the time was the wholly owned holding company of his former boss, Howard R. Hughes.

After Hughes fired Maheu in December 1970, and later, in a telephone news conference, described Maheu to the world as "a no-good, dishonest son-of-a-bitch and he stole me blind," Maheu sued and in July 1974 was awarded $2.8 million in damages by a federal court jury in Los Angeles.

During the deposition proceeding, Mrs. Johnson said she was an officer of several companies and acted as a financial consultant and adviser to F. L. Cappaert, a Vicksburg, Miss., businessman.

As is the case with most financial deals involving Hughes companies and Hughes executives, the transaction related by Mrs. Johnson are rooted in an intricate web of interlocking relationships.

Mrs. Johnson said that sometimes in the late 1960s she invested $2 million on Cappaert's behalf in a company called Systems Capital Corp.

Mrs. Johnson said she was encouraged to make the investment by the president of Systems Capital, Don L. Benscoter, a Phoenix business executive.

Systems Capital Corp. changed its name in 1973 to NRG Inc., which, of course, is the same company in which Hughes Aircraft Co. has made a substantial and, to date, costly investment.

Until early this year, Benscoter was chief executive officer of NRG Inc. and he has been associated with a number of Hughes Aircraft Co. executives in other private investments.

Mrs. Johnson recalled that she was impressed by the prospects of Systems Capital Corp. when Benscoter told her the company "owned the land and buildings that Hughes Aircraft are located in. I thought it was a pretty good company. At least I felt the rent would be paid."

After investing about $2 million borrowed from Hughes Aircraft in the stock of Systems Capital, Mrs. Johnson said it became clear to her that the company would need yet more money "because the programs they had going just were not bearing fruition."

At this point, Mrs. Johnson said she went to Couturie, a vice president and treasurer of Hughes Aircraft Co., and suggested that perhaps the aircraft company might be interested in buying the substantial block of stock of Systems Capital Corp. owned by Cappaert, her client.

Mrs. Johnson remembered that the meeting with Couturie took place sometime after Maheu was fired by Hughes in December 1970:

"I told him (Couturie) I was going to make Bob Maheu president and chief executive officer (of Systems Capital) and publicize the fact he was the president and chief executive officer of a company that owned all of the buildings that Hughes Aircraft were situated in. So (Hughes) decided to buy it from me," presumably to avoid the embarrassment of having Maheu as a landlord.

This exchange then followed between Mrs. Johnson and an attorney representing Hughes interests:

ATTORNEY. You then received an offer through Mr. Couturie for the stock of Systems Capital?

Mrs. JOHNSON. Yes, sir.

ATTORNEY. And they bought Mr. Cappaert's interest out completely?

Mrs. JOHNSON. Yes, sir, for an investment.

Net effect of the tangled transaction; Mrs. Johnson and her client borrowed at least $2 million from Hughes Aircraft and invested it in a company whose president was associated with a number of Hughes executives in other business ventures—a company that also served as a landlord to Hughes enterprises. She then sold the stock she had bought with borrowed money from Hughes Aircraft—to Hughes Aircraft.

In another series of dealings with the aircraft company, Mrs. Johnson said that in 1970, at the invitation of Maheu, she made an investment for Cappaert in a small electronics company called Elpac Inc.

Mrs. Johnson said that in 1971, again after Maheu was fired, she attempted to sell Elpac-manufactured products to Hughes Aircraft Co.

She said she was told by Lawrence A. Hyland, general manager of Hughes Aircraft, and Couturie that the aircraft company could not buy from Elpac as long as Maheu owned stock in the company, so Cappaert bought out Maheu's interest.

Then Mrs. Johnson was questioned about Elpac's dealings with the aircraft company:

ATTORNEY. Mrs. Johnson, did you in fact yourself ever at any time make any efforts to sell to Hughes Aircraft Co. any products (manufactured by) Elpac?

Mrs. JOHNSON. Oh, yes, sir.

ATTORNEY. When would the first occasion have been?

Mrs. JOHNSON. I didn't have a sample case. I simply told John (Couturie) and Pat (Lawrence A. Hyland) that, "We pat your back, now you pat ours," you know . . .

Mrs. Johnson then offered this explanation of her back-patting with the aircraft company, a company owned by Hughes' tax-exempt medical institute:

"We had favors running in and out of our ears. They (Hughes Aircraft) loaned us the money to buy Systems Capital. Then we were approached by Mr. Hyland and Mr. Couturie, both of whom I have great respect for, to help them in a situation in a company that belonged to Hughes Aircraft by the name of ESAL, Equipment Sales and Lease, I think is what it stood for.

"(ESAL) had purchased several hundred acres of citrus property in Southern California and they were very, very nervous because Mr. Maheu was fired, and one of the big gripes, if you will . . . (was) that Mr. Hughes didn't like people buying property without his blessing and nobody knew about that (citrus property), so would we take it off their hands? So I bought the property, cash and notes, from ESAL.

"So they had loaned me money for Systems Capital and I did them a favor, and I went back for them to do us a favor, that is when we were told they couldn't buy from Elpac as long as Mr. Maheu's name was associated with it.

"So then when Systems Capital got into such—well, such an unpleasant condition financially as well as managementwise, I thought I would give Mr. Maheu the job of being president and chief executive officer. That is when they (Hughes Aircraft Co.) decided to buy the company back."

All these things—Hughes Aircraft Co.'s investment in Systems Capital Corp. and NRG Inc. and Teleprompter Corp., companies that have reported substantial financial losses, as well as its reciprocal relationships with Mrs. Johnson—are but a few of the stories from the same catalog of curious business deals that includes the tangled case of Hughes executives and NAFAMCO.

And what is the significance of it all? Simply this:

All these transactions have been carried out by a company that exists largely on United States government contracts; a company that receives and spends millions of dollars in American tax money every week without any public accountability; a company that is controlled by and is the sole support of a tax exempt medical research organization that spends precious little on medical research; and a company whose owner—the medical institute—says it is extremely pleased with the way things are going and business is done.

Tax law authorities and foundation officials interviewed by The Inquirer generally agreed that there are certain fiduciary responsibilities imposed upon the trustees of a charitable organization.

For example, trustees are required to exercise a degree of caution in investing the assets of a charity. They must assure the proper use of the assets and seek a financial return that any prudent man would expect from an investment.

As one tax lawyer summed it up: "(Trustees) have a fiduciary obligation to make sound investments and to maximize the benefit to charity."

But all these descriptions of trustee responsibilities apply to the way a typical or average charitable organization conducts its affairs.

And if there are two characterizations that seldom, if ever, apply to a Howard Hughes organization, they are "typical" or "average."

For in the case of the Howard Hughes Medical Institute, it is a matter of Howard Hughes, the institute's sole trustee, monitoring the business affairs of Howard Hughes, the president of the aircraft company, to see that one Hughes organization supplies money to another Hughes organization.

OUR WONDERFUL WORLD OF BUREAUCRACY

HON. CARL D. PERKINS

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Monday, March 15, 1976

Mr. PERKINS. Mr. Speaker, I include a statement made by the Honorable John Y. Brown Sr. of Lexington, Ky., concerning his observations on our wonderful world of bureaucracy.

OUR WONDERFUL WORLD OF BUREAUCRACY

(By Hon. John Y. Brown, Sr.)

This F.D.A. hearing was on a new drug application for Co-thyro-bal, thyroid vitamin therapy, patented by Doctor Murray Israel of Roslyn, New York. Six times the FDA had denied Doctor Israel's application for approval of this drug. It was only in 1973, when a famous athlete, Whitey Ford, in a letter to the FDA formally requested a hearing and even then the Circuit Court of Appeals had to order the hearing and, with his request, he forwarded more than two hundred letters from patients similarly interested in seeing

Co-thyro-bal being made available nationwide.

My interest in this subject matter came about through the fact that for the last five years I have been interested in raising money for a foundation at the University of Kentucky to do research on aging and, in the course of my investigation, I found or was made acquainted with Doctor Israel and, incidentally, started using his medication myself. It is one of the drugs that is more beneficial to people of advanced age than any other drug that I know of and I came to this hearing at my own expense, not as an attorney but as an assistant to Doctor Murray Israel's attorney Howard F. Cerny of 345 Park Avenue, New York City.

On the opening of the hearing it developed that George Morton Levy, an 87-year-old lawyer of New York City and President of Roosevelt Raceway had made an application for the right to testify on behalf of himself and some fifty-odd people who are interested in the approval of this drug. It developed that Mr. Levy could not stay for the entire hearing and he asked me on the opening day to take over his job of representing these people and with the approval of the presiding Judge I undertook to do this.

Very quickly I ran into a situation where I found that the presiding Judge did not intend to allow anything in the record that could come under the category of testimonial evidence and, as a matter of fact, it also became apparent that he did not intend for anything to be allowed in the record that could be relied on by another court or another agency on reviewing his decision that would support the application for this new drug. On page 55 of the record I had asked the Court to allow me to make an avowal as to what George Morton Levy would testify.

In substance I asked that they allow me to put in the record that George Morton Levy, 35 years ago was about to retire because of ill health. From some source he heard about Doctor Israel's Co-thyro-bal vitamin treatment. That he immediately got on the treatment and that now, at the age of 87, he is still the President of Roosevelt Raceway and still actively engaged in law practice representing many, many wealthy clients. The Court wouldn't allow me to do this and on the bottom of the page, line 23, the words "I don't allow offers of proof." It immediately appeared to me how can a reviewing court know what the truth is if this presiding Judge won't allow an offer of proof.

All that you have on review is what he wants you to have and it's really apparent there is no such thing as getting a fair hearing on this. The Circuit Court of Appeals for the District of Columbia made it plain that one of the things they wanted the hearing to determine was whether or not you could conduct double blind tests on the various elements of Doctor Israel's Co-thyro-bal vitamin treatment. The Doctor had insisted that you could not, that you would kill or endanger the lives of your patients if you did that and, in order to understand that this could not be done, it would certainly be pertinent that more than two hundred who made a trip to Washington to testify that for period of a few years to 35 years they have been on this treatment and never had a side effect and were willing to testify to its efficacy and its safety, but none of this was allowed.

Among those presenting themselves to offer their testimony was Whitey Ford, famous pitcher who still holds a world record for the number of innings pitched in a World Series game. Guy Lombardo was there and wanted to testify, but he, too, was rejected. There was George Morton Levy, 87 years old, very prominent New York lawyer who wasn't allowed to say things about the beneficial effects of this treatment. In the course of that first day, in some sort of an argument the exact nature of which I don't now recall, I happened to be standing up and the Judge asked me why I was standing up for, and I said, "Well, Judge, I'm comfortable standing up," and he said, "Well, I want you to sit down," and I looked over to his counsel on his side and I said, "Well your lawyer is standing up." Of course, his lawyer then quickly sat down.

Now, maybe it would have been better if I had just sat down and that would have been all of it, but I was a part of the famous one hundred days under Roosevelt and its deeply ingrained in my thinking and in my philosophy the statement of Roosevelt that "I would rather die on my feet than live on my knees." I just refused to sit down, so he barred me from the meeting, struck my name from the record and I was out. Although he contends that George Morton Levy left me twenty to represent, actually I counted the number as 49 but, in any event, I'm now barred from the record.

Again, I want to say to my friends in Congress, this is a part of your job to see that these hearings are fair and that drugs that are meaningful to the people of America are approved and not delayed. It is well-known in the medical profession and I've had many doctors tell me this that every other nation in the world gets drugs long before we do.

On the morning after, I had an appointment through Congressman Rogers of Florida, with Doctor Alexander Schmidt and I found him to be a very considerate audience and he allowed me no limit on time to explain the problem that we were up against. I told him that the hearing that was being conducted was not a hearing but a denial of hearing and I went into the entire nature of the proceeding.

Doctor Schmidt gave me a very courteous hearing and did not hurry me at all as I tried to convey to him my interest in the subject matter of this hearing. I explained to him that for five years I had been working on establishing a foundation at the University of Kentucky to do research on the aging process. I think I even went so far as to tell him that my son had given a million dollars which was matched by the State to establish this department, that it was to be devoted exclusively to the biological study of the aging process and that it was ready this year to go into full operation on the subject matter.

I explained to him that the two drugs that most beneficially benefit people in their advanced ages I had found were tangled in the red tape of the FDA and neither one of them could even get consideration, that one of them was Co-thyro-bal, which for fifteen years or more had been trying to get the FDA to hear it, the other was a drug invented in the United States of America named Orgatine, that is now being tested in fifteen nations of the World, has been approved in Austria, has been approved in the Philippines and the only nation that is not testing is the United States of America where it has been invented.

I then said to him that the hearing that is being conducted under the order of the Circuit Court of Appeals of the District of Columbia is not a hearing at all, that in essence it is a denial of a hearing and I said to him, "You know, Doctor, in my state in my early youth there was an organization called the Night Riders and they conducted their trials at night and they came to be known as 'kangaroo courts' where the only thing that was admitted was what they wanted admitted." I asked him then, isn't this Judge on your payroll? He said, "Yes," and I said, "Doesn't your department write the procedure for one of these hearings?"

And, at least by his acquiescence, he encouraged me to believe that they did do so. And then I said to him, "This procedure reminds me a lot of the Nuremburg trials," and I told him there was only one lawyer in America that had courage enough to say that the Nuremburg trials were not trials, that when one side names the Judge, writes the law, names the rules of procedure, that is not a trial, and that lawyer was Robert Taft of Ohio and when John F. Kennedy wrote his Profiles of Courage, one chapter in there is devoted to Robert Taft, who had the courage to say what he believed and what every lawyer in America knew.

And I said to him, "Doctor, this thing that you call a hearing is not a hearing" and then I proceeded to tell him that we brought blind men in there to offer to testify on Co-thyro-bal, that because they had diabetic retinopothy, they had lost their sight and that all that medical doctors could offer them was that they buy a seeing eye dog or learn Braille, but when they got on Co-thyrobal with its aiding vitamins they had their sight returned.

And I told him we brought a man 87 years old that 35 years ago was about to quit and now is still actively practicing law and I further told him we brought at least two hundred here on the first day only to learn that none of them would be allowed to testify, the reason being that your representative had already decided that he would not permit testimonial evidence. I said "Doctor, and I told him the page where he could find in the transcript of the record where he had already ruled that he would not allow offers of proof." I said, "You're the first one this record is appealed to on your side. How are you going to know whether this drug has helped lots of people or whether it has injured anybody if you won't let testimonials be entered. Now I've tried cases in a great many courts, Doctor, and I never heard of this situation where for the purposes of appeal you are not allowed to put testimony by law or under the guise of offers of proof so that a reviewing court could consider that and come in with a final opinion."

Well, you know, I left him and I went back to the hearing and I asked the trial Judge if he would allow me to appeal his decision and he brushed me off by saying "That you have no standing in this Court, your name has already been stricken from the record and you can't do anything here." So then I asked my associate Mr. Cerny to appeal his decision and he did and later the same day the Commissioner reinstated me in the hearing and then when I attempted again to put in evidence by way of offer of proof that people who were blind could now see, that people who were unable to work could now work, that people who had given up any semblance of usefulness in life were now functioning at least in a way that would enable them to live a meaningful life.

And when I tried to put in testimony like Whitey Ford wanted to give, Guy Lombardo wanted to give, like George Morton Levy was offering to give and we had numerous others there, it was rejected. One was a dentist who was going blind and, after he got on the doctor's medicine, returned to his work as a dentist and now is driving his own car and living a perfectly meaningful life. It makes me wonder what would have happened if this sort of hearing, if we could just turn back the wheels of time and instead of Pontius Pilate trying Christ, let Judge Davidson try Christ.

When the blind man comes in and says Judge, I haven't been able to see since I was born and this prophet here, this teacher restored my sight; his ruling would have been, well that's not competent, that's not evidence. And when Lazarus says Judge I was dead and he brought me back to life, he would have ruled that out and no reviewing court would have ever known the wonderous miracles of Christ.

I know this thing is wrong and that's why I want it brought to the attention of all the members of Congress. It is not by accident that other nations get useful drugs long before we do. It is not by accident that lithum carbonate was banned in this country for years and it is the only drug that will enable a manic depressive to live a normal life. It is not by accident that penicillin was invented in 1928 in England and we did not get it in the United States until 1939 and our failure to get new drugs is due in part to our "Wonderful World of Bureaucracy" as it exists in the present FDA.

CAPITALISM IS A SMASHING SUCCESS

HON. ROBERT H. MICHEL

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, March 15, 1976

Mr. MICHEL. Mr. Speaker, in yesterday's Washington Post, the theologian Michael Novak paused long enough from his always intriguing considerations of religious matters to consider the mundane business of economics and politics.

The result is a positively delightful essay, in which the author concludes that in spite of his very best efforts, it is impossible for him to refute the simple fact that capitalism, as he says, "is nearly always a smashing, scandalous success."

Novak entitled his piece "A Closet Capitalist Confesses." Thus, he leaves me with only one hope, and that is that he will never again retire to the closet. Capitalism has too few defenders these days; we must all defend together, or we shall surely be closeted separately. From theologians as well as politicians—indeeded, more so—what capitalism needs is a little missionary zeal.

Judging by this work, I should say that Novak is an evangelist par excellence in the cause of the free market. Given the vast number of health needing converting, his voice should be welcomed, and his arguments attended to.

The article follows:

[From the Washington Post, Mar. 14, 1976]

A CLOSET CAPITALIST CONFESSES

(By Michael Novak)

The day I heard Michael Harrington say that most liberals are "closet socialists," I knew by my revulsion that I had to face an ugly truth about myself. For years, I had tried to hide, even from myself, my unconscious convictions. In the intellectual circles I frequent, persons with inclinations like my own are mocked, considered to be compromised, held at arm's length as security risks. We are easily intimidated.

The truth is there are probably millions of us. Who knows? Your brother or sister may be one of us. The fellow teaching in the class next to yours; the columnist for the rival paper; even the famous liberated poetess—our kind, hiding their convictions out of fear of retribution, lurk everywhere. Even now we may be corrupting your children.

We are the closet capitalist. Now, at last our time has come. The whole world is going socialist. Nearly 118 out of 142 nations of the world are socialist tyrannies. A bare 24 are free-economy democracies. We are the world's newest, least understood and little loved minority. It is time for us to begin, everywhere, organizing cells of the Capitalist Liberation Front.

I first realized I was a capitalist when all my friends began publicly declaring that they were socialist, Harrington and John Kenneth Gailbraith having called the signal. How I wished I could be as left as they: Night after night I tried to persuade myself of the coherence of their logic; I did my best to go straight. I held up in the privacy of my room pictures of every socialist land known to me: North Korea, Albania, Czechoslovak (land of my grandparents) and even Sweden. Nothing worked.

When I quizzed my socialist intellectual friends, I found they didn't like socialist countries, either. They all said to me: "We want socialism, but not like Eastern Europe." I said: "Cuba?" No suggestion won their assent. They didn't want to be identified with China (except that the streets seemed clean): Nor with Tanzania. They loved the *idea* of socialism.

"But what is it about this particular idea you like?" I asked. "Government control? Will we have a Pentagon of heavy industry?" Not exactly. Nor did they think my suggestion witty, that under socialism everything would function like the Post Office. When they began to speak of "planning," I asked, who would police the planners? They had enormous faith in politicians, bureaucrats and experts. Especially in experts.

"Will Mayor Daley have 'clout' over the planners?" I asked, seeking a little comfort. "Or congressmen from Mississippi?" My friends thought liberal-minded persons would make the key decisions. Knowing the nation, I can't feel so sure. Knowing the liberal-minded, I'm not so comforted.

Since they have argued that oil companies are now too large, I couldn't see how an HEW that included Oil would be smaller. My modest proposal was that they encourage monopoly in every industry and then make each surviving corporation head a cabinet officer.

Practical discussions seemed beside the point. Finally, I realized that socialism is not a *political* proposal, not an *economic* plan. Socialism is the residue of Judaeo-Christian faith, without religion. It is a belief in community, the goodness of the human race and paradise on earth.

That's when I discovered I was an incurable and inveterate, as well as secret, sinner. I believe in sin. I'm for capitalism, modified and made intelligent and public-spirited, because it makes the world free for sinners. It allows human beings to do pretty much what they will. Socialism is a system built on belief in human goodness; so it never works. Capitalism is a system built on belief in human selfishness; given checks and balances, it is nearly always a smashing, scandalous success. Check Taiwan, Japan, West Germany, Hong Kong and (one of the newest nations in one of the recently most underdeveloped sectors of the world) these United States. Two hundred years ago, there was a China, and also a Russia. The United States was only a gleam in Patrick Henry's eye.

Whenever you go in the world, sin thrives better under capitalism. It's presumptuous to believe that God is on any human's side. (Actually, if capitalism were godless and socialism were deeply religious, the roles of many spokesmen in America would be reversed in fascinating ways.) But God did make human beings free. Free to sin. God's heart may have been socialist; his design was capitalist as hell. There is an innate tendency in socialism toward authoritarianism. Left to themselves, all human beings won't be good; most must be concerned. Capitalism, accepting human sinfulness, rubs sinner against sinner, making every dry wood yield a spark of grace.

Capitalism has given the planet its present impetus for liberation. Everywhere else they are hawking capitalist ideas: growth, liberation, democracy, investments, banking, industry, technology. Millions are alive, and living longer, because of medicine developed under capitalism. Without our enormous psychic energy, productivity and inventions, oil would still be lying under Saudi Arabia, undiscovered, unpumped and useless. Coffee, bananas, tin, sugar and other items of trade would have no markets. Capitalism has made the world rich, inventing riches other populations didn't know they had. And yielding sinful pleasures for the millions.

Six per cent of the world's population consumes, they say, 40 per cent of the world's goods. The same 6 per cent produces more than 50 per cent; far more than it can consume. No other system can make such a statement, even in lands more populous, older and richer than our own. As everybody knows, hedonism requires excess.

Look out, world; The closet capitalists are coming out. You don't have to love us. We don't need your love. If we can help you out, we'll be glad to. A system built on sin is built on very solid ground indeed. The saintliness of socialism will not feed the poor. The United States may be, as many of you say, the worthless and despicable prodigal son among the nations. Just wait and see who gets the fatted calf.

THE FRENCH REVOLUTION AND PRESENT-DAY AMERICA

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 15, 1976

Mr. McDONALD of Georgia. Mr. Speaker, several things have become out of focus in recent years in the debate over how this Nation came into being, particularly during our Bicentennial celebration. Many persons proclaim that we Americans should be for every revolutionary movement in the world, because of our own American Revolution and many others link our Nation's birth with the French Revolution which occurred shortly thereafter. Both of these premises are wrong. Ours was a rebellion, not a revolution. We broke away from the mother country, England, but far from imposing a new political system on our people, which a revolution would entail, we improved on the British system with our constitutional Republic. The French Revolution was a complete turnover of the French monarchial system, based upon the misguided philosophy of Rousseau and his philosophy of the "naked savage" not the Anglo-Saxon concept of free men that arose from the Magna Carta and later events. Recently, the well-known columnist and author, Jeffrey St. John, set this all down very clearly in a book review of "Robespierre: The Voice of Virtue," by Otto J. Scott which appeared in the University Bookman for Autumn 1975, which follows for the edification of my colleagues:

The French Revolution and Present-Day America

(Robespierre: The Voice of Virtue, by Otto J. Scott, New York: Mason and Lipscomb, 1975. $9.95.)

(Reviewed by Jeffrey St. John)

The French Revolution broke out with the storming of the Bastille fortress in Paris on July 14, 1789. "Seven prisoners were unearthed from the enormous empty establishment," writes Otto J. Scott. "In all, a glorious victory of unarmed citizens over the forces of tyranny, or so the newspapers and history later said."

Ten days before, America had marked the thirteenth anniversary of the adoption of the Declaration of Independence. Washington had taken the oath of office as President two months previously and the nation awaited final ratification of the Constitution, a frame of freedom for peaceful change. "If George Washington had foreseen the trial that the wars and disturbances surrounding the French Revolution would be for the United States when he was preparing his inaugural address he might have given up in despair, although this was not in his character to do so," notes Clarence Carson in The Rebirth of Liberty—The Founding of the American Republic 1960–1800 (Arlington House).

Taken together, the works of Scott and Carson provide powerful insights into why the American Revolution succeeded while the French one failed, although when the news reached America of the events in Paris in 1789 there was much rejoicing and comparison. To this day the attempts at comparison continue, some out of historical and philosophical ignorance and others out of a deliberate attempt to make history serve ideological ends. Otto J. Scott's Robespierre is a brilliant challenge to those efforts. This work is something more than a biography of Maximillien Robespierre, the French Jacobin lawyer who lied and murdered his way to the top during the French Revolution. Instead it takes the reader down the road of the French Revolution that few students have ever traveled.

Modern historians treat the French Revolution in sympathetic, ambivalent terms, glossing over the gory and grisly aspects of, say, the guillotining of women and children. Charles Dickens' novel, A Tale of Two Cities (published in 1859) set the tone for the sympathetic-ambivalent attitude of intellectuals in the West toward the French Revolution during the last century. The reason for Dickens' attitude, and that of most historians since, is that they accept the philosophy which made the murderous revolution possible: the philosophy of Jean Jacques Rousseau. "He was a writer whose poetic gifts approached genius," writes historian Scott, "but whose mental balance teetered perilously close to lunacy. A misfit, he detested privilege but detested excellence even more. His ideal was a naked savage gloriously free of all civilized restraints, whom he depicted as the noblest of beings. He preached equality of all classes, sanctity of the poor, and sovereign rights to the masses. All evil, all sin, all inequity was the fault of society."

Robespierre, as the most ardent disciple of Rousseau, carried such ideas to their ultimate, ushering in the era of murder for political ends. Political revolutionaries in the nineteenth and twentieth centuries would later draw inspiration from what he pioneered in the name of lofty utopian ideals. In fact, one can chart a zig-zag course from Robespierre's "Reign of Terror" to the terror tactics of nineteenth-century revolutionaries, to the lessons Lenin drew from the events of 1789 and the inspiration provided the Russian Revolution in 1917, to the gas chambers of Hitler, and on to the murderous purges of Stalin and his creation of the slave labor camp system so vividly described in Solzhenitsyn's The Gulag Archipelago.

Professor R. R. Palmer of Yale in his 1971 The World of the French Revolution treats the murders over which Robespierre presided with qualifying phrases, as do other historians, citing that after all "only 17,000" lost their lives (a figure Scott contends is a gross underestimation). Robespierre in Palmer's eyes emerges as a "Democrat" and Rousseau remains a shining symbol against the then-existing French establishment.

It is this historical treatment of the French Revolution in an intellectual and moral twilight to which most American college students are subjected. It also helps to explain why many students confuse the American with the French Revolution, while accepting by osmosis the Rousseauan philosophy that has manifested itself on the American political and social scene today.

The American counterculture and its communal collectivism is clearly Rousseauan. The ecology movement, as another example, is based on the Rousseauan concept of man being one with nature. The ecologists' political goal of control, if not elimination of private property through land-use laws is right out of Rousseau's Social Contract.

The importance, therefore, of Scott's book is critical for many reasons, but two particularly. First, it presents a marked departure from the twilight treatment of the French revolution while offering a clear-cut comparison with our own Revolution. (The contrast is made even more striking if one first reads Dr. Carson's book.) Furthermore, Scott fully focuses the mind of the reader, with very few words, on how and why Rousseau's philosophy took such a murderous turn and distorted the Age of Reason into mindless mysticism. "The dam had been breached," notes Scott, "and the Age of Reason shifted to the Age of Utopian Dreams." One such dream was to remake society on the false Rousseauan notion that by altering man's external conditions, thus ridding him of the curse of inequality in matters such as property, he would be as free as nature intended. Rousseau, as did Marx later, rejected the primacy of individual free choice and will, substituting instead a "general will." In contrast, the leaders of the American Revolution affirmed every philosophical concept the French revolutionary leaders rejected.

A second critical reason for the importance of this book is that Scott's work is so constructed that one is made forcefully aware of the striking parallels with the present. "French intellectuals, middle and upper classes," he writes, "had grown ashamed of their country, history, and institutions. Such a phenomenon had never risen before in any nation or race throughout the long history of mankind, and deserved more attention than it received.

"The men of the Enlightenment raked and clawed mostly their own ancestors, the men who helped clear and civilize Europe, as though the whole population was descended from criminals."

American history, traditions, and institutions have undergone a similar fate in the last four decades at the hands of U.S. intellectuals, academics, and historians.

France in the 1780s, like America in the 1970s, was the wealthiest and most powerful nation; its culture and language dominated the European landscape and it was considered a leader among nations. But then at the height of its power France started to come apart:

"For the first time since the decadent days of Rome, pornography emerged from its caves and circulated openly in a civilized nation. The Catholic Church in France was intellectually gutted; the priests lost their faith with their congregations. Strange cults appeared: sex rituals, black magic, Satanism. . . . The air grew thick with plans to restructure and reconstruct all traditional French society and institutions. The word revolution became common; it no longer created shock but became a respectable, accepted word and idea.

"The press, for the first time in history, was the spearhead, font, and fuel for these discussions. Paris had more printers, bookstores, and book dealers, journalists and theorists than any city had ever before seen. Censorship was still on the books but no longer enforced. . . ."

The effect on the French culture of this politicized press in Paris was to throw into doubt and question the efficacy of all values and institutions without permitting the established order equal time. Nor was this necessary since almost everyone, from Louis XVI on down, preferred silence to the slanders and lies printed about the King and his Queen, Marie Antoinette. One such slander lives to this day: the belief that the riots of 1788, during the skyrocketing cost of grain caused by government-created controls and inflation, evoked from the Queen of France a heartless and cruel remark. Scott corrects the record:

"In Paris, Marie Antoinette, who launched a relief fund to which she made heavy contributions and which was extending her popularity, was suddenly the target of new attacks. Paris newspapers charged that the Queen, told that many people had no bread, had responded that they should eat cake.

"This fabrication went through the land like wildfire and was bitterly repeated everywhere. It was so widely believed the Queen did not dare continue public appearances and was driven from Paris to Versailles.

"The truth was the Court was working hard to assist in the emergency, but its efforts were turned against it. Relief stations were set up in Paris but the newspapers insisted nothing was being done. At the same time leaflets appeared in other cities saying that free food could be had in the capital and a stream of the destitute began to flow toward the city. Other leaflets appeared saying that the Court rejoiced in the distress of the nation."

When Louis XVI became King of France in 1774 at the age of 21, the American War for Independence was about to break out. The Royal purse was running in the red by 22 million francs, and, although later portrayed by the journals of Paris as a villain, Louis set about to apply enlighted leadership to these problems. His first finance minister, Baron Turgot, as Scott points out, "attempted to stop the hemorrhage by limiting government expenditures ad lifting controls over agriculture that had restricted crops and regulated prices. This move directly affected all the vested interests in agriculture."

The chorus of protest in French society over this move finds its contemporary counterpart in the recent chorus of protest in Congress when wage and price controls were lifted sending food prices soaring. One such protester in eighteenth-century France was a Swiss millionaire banker, Jacques Necker, who insisted that Turgot's move to free the market would lead to accumulation of wealth by a few at the expense of the many. "He argued," notes Scott, "that the people had no protection unless the government intervened to insure justice in the marketplace. That meant, Necker added, that if the price of bread went too high, the government should step in with controls."

And as when the Nixon Administration sought to abolish antipoverty programs a few years ago, those in France who stood to lose their jobs hit the streets in protests, climaxing in riots and burning of granaries which pushed the price of bread even higher. Despite this, Turgot persisted in his program of economic freedom that would free France from its feudal past: reducing government spending, almost balancing the budget, abolishing the guilds and craft unions that restricted trade and work and kept prices high, abolishing forced labor of peasants on the roads, and move "to abolish government monopolies in favor of free manufacture."

The courts, nobles, and the Church in France rose up in protest and alarm and Louis XVI, as he would do again and again, formulated Royal policies by what he read in the Paris newspapers and dismissed Baron Turgot. He replaced him with the Baron's harshest critic, Necker. And it was this Swiss banker who nearly sealed the fate of the American War for Independence when he argued against French financial assistance, largely because he had already borrowed and squandered immense amounts to increase his own popularity. "Against even Necker's advice," Scott writes, "the King authorized huge sums to help the Americans gain independence and as a result the nation was pushed into a ruinous war with England. Necker was dismissed when he asked for sweeping power and was succeeded by Charles Alexander de Colonne."

Borrowing immense sums, Colonne became a Keynesian finance minister gone mad. And like the Keynesians of the twentieth century, he believed that the illusion of prosperity would produce real prosperity: "He launched a huge public works program that was really a disguised form of welfare. The beneficiaries included all ranks, from workers through a horde of bureaucrats to the private sector which received government contracts. He launched a very popular national lottery, reduced the dimensions of gold coin, and played for time."

The effect this monetary megalomania had on French society by the beginning of 1789 was disastrous. Colonne could no longer juggle the books and get away with his false statistics. "The government of France owed over one billion pounds and could not even pay the interest on this debt; its treasury was empty. Collapse appeared imminent and inevitable unless the nation accepted the need to reduce the tax privileges of the nobility and the clergy," notes Scott.

This was the cruelest cut of all, since the ruling class in France, eager to apply Rousseau's doctrines of equality (while continuing to live in high style), mingled with the lower classes, with Louis and his brother setting the tone for the new era of equality by once helping to push a wagon out of the mud when they happened on it one day.

Into this ever-declining ethical, moral, and financial swamp, and rampant hypocrisy, strode an obscure lawyer from Arras, who, like Ralph Nader, found in the press of Paris a powerful megaphone for the espousal of Rousseauan doctrine that denounced privilege and wealth. Maximilien Robespierre was a lawyer who defended the poor and the downtrodden as a springboard "to attack society, tradition, and the convictions of the conservative segment of the community."

As with many activist lawyers today, Robespierre inveighed against the death penalty, conditions of the French prisons, and costly delays of justice. He was less a lawyer and more an advocate of radical social change. "Yet it was not only delay that Robespierre inveighed against," writes Scott "but the fundamental attitudes that prevaded the system. His attitude as a lawyer was mixed with the goals of the politician; the courtroom was his podium for reform and his clients merely symbols."

Also like Ralph Nader today, Robespierre had the press of Paris applying to him terms like "The Incorruptible," writing admiringly of his Spartan recluse-like existence. His heaped invective on those whom he saw, often in conspiratorial terms, as plundering the just rewards and rights of the people. His insistence on "virtue" meant a civic spirit and self-sacrificing citizenship of the people, a concept that Nader is forever preaching. In other words, France's "Voice of Virtue" claimed a belief in Democracy that was to be dictated, much as Nader has insisted on compulsory voting. (In fact, it was no accident that the author Charles McCarry chose the title Citizen Nader for his unflattering 1972 biography. The term "citizen" is straight out of the French Revolution and Rousseau's "Social Contract" doctrine and was meant to indicate an individual's participation in the "general will" or collective.)

The Voice of Virtue, however, "shared the vice of virtue, moral arrogance" that became the basis for justifying mass murder of the very individuals and groups in France who, having last their heads intellectually and morally, lost them physically on the guillotine. "Robespierre lived in another world, a world in which words clothed all deeds and masked all motives from himself as well as from others, a world in which noble words alone mattered and in which a casual remark was justification to kill a man."

When the "Reign of Terror" began under Robespierre with heads "blinking in the basket of blood," events took on a life all their own, institutionalizing insanity and bringing in its bloody wake a host of evils:

"In Paris the housewives rioted and killed grocers because their shelves were empty. Paris at night became unsafe as footpads and bands of burglars appeared; homes were invaded and the occupants tortured out of their possessions.

"Forced labor, compulsory confiscations, fixed prices, nationalization of suitable homes and buildings, forced scientific efforts, forced armies—all had their advantages to the government and its successes. . . . The results looked odd to the neutral observer; chateaux standing in ruins, an increase in abandoned children, farmers' houses stocked with fine furniture and jewelry bartered from city folk for food, a population wearing wild combinations of clothing—the smell, appearance, and taste of a nation at war."

In the end the "Voice of Virtue" permanently fractured the continuity of French culture and the volcanic fissures created by the French Revolution to this day have never fully been sealed. For the five-year period beginning with the storming of the Bastille and ending July 28, 1794, when Robespierre died on the guillotine, set into motion seismic philosophical forces and conflicts felt even today. "Robespierre died," writes Scott in his conclusions, "but folly has a virulence that outlasts its inventor. He inspired more communes, more Voices of Virtue, more Lenins and Castros and Maos, more murders and hatred, more death and misery, than any other of the Sacred Fools that have emerged to plague honest men."

Robespierre's legacy to France was not only cruelty, chaos, and a culture stripped of every last vestige of humane civilization, but the establishment of preconditions for dictatorship and more disorder. For beginning in 1799 with the rise of the Napoleonic dictatorship, the history of France has been a procession of wars, internal revolts, power struggles, and assorted conflicts in the five years of the French Revolution.

We know now that until Woodrow Wilson (a subject historian Scott plans to cover in a forthcoming biography as part of a series titled "The Sacred Fools of History") America managed to stay clear of "foreign entanglements" as the Founding Fathers advised. What paved the way for Woodrow Wilson and his brand of moral arrogance was the acceptance, along with other intellectuals of his time, of the equalitarian doctrine of Rousseau, melded with the writings of two German philosophers who lived in the time of the French Revolution and who waxed enthusiastically about the future prospects arising out of the events of 1789 in France: Immanuel Kant and Georg Wilhelm Hegel.

This totalitarian trio of philosophers have come to have a fanatical hold on the intellectual, philosophical, and moral leaders of America in the twentieth century. The philosophy of Locke, Montesquieu, Hooker, and the theology of Calvin, in which the Founding Fathers rooted our Republic, has been gutted and discarded, replaced by the doctrines of Rousseau, Kant and Hegel. We need only look at the results between 1775 and 1912 and the calamity that has befallen the American system since Wilson's insistence beginning in 1914 that "the world be made safe for democracy."

The mounting alienation between ordinary Americans and their leadership can be traced to this conflicting set of philosophies. Most Americans still maintain an unconscious dedication to the doctrines enunciated by the leaders of the American Revolution, while the dominant European-biased Liberal establishment has absorbed the principles, or lack of them, enunciated by Rousseau, Kant, and Hegel.

This little-examined conflict of philosophies accounts for the growing cultural and political collision between most Americans and their leaders, which deepens with each passing decade. It also explains why the traditional values of most Americans seems in the process of being gutted and why there is such a stunning similarity between what happened in France in 1789 and what is happening in America in the 1970s.

THE SOVIET CAPABILITY FOR AN ARMORED ATTACK ON WESTERN EUROPE

HON. BOB WILSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 15, 1976

Mr. BOB WILSON. Mr. Speaker, throughout recent years, there has been increasing evidence that the U.S.S.R. has been engaged in a massive buildup of their military establishment. The fact that their navy has increased so dramatically in the last 10 years, so as to be approaching a point where the Soviets could challenge the free world's use of the seas, is but one example of this buildup.

The following article from the Foreign Affairs Institute describes the scope of the U.S.S.R.'s land-based military capabilities and postulates what could result should the Soviet Union decide to move. I find it frightening and commend it to my colleagues for their consideration:

THE SOVIET CAPABILITY FOR AN ARMOURED ATTACK ON WESTERN EUROPE

The Soviet capability to mount an armoured attack on Western Europe at a planned rate of 70 miles a day is considered in a report[1] published by the Brookings Institution in Washington, D.C. This blitzkreig would bring their forces to the Rhine within 48 hours and to the Channel ports within a week.

The recent Defense White Paper[2] of the West German Government corroborates this view of the Soviet's military power in Europe.

The American author, Mr. Record, states "The principle role assigned to ground forces under Soviet (Europeans) theater doctrine is one of relentless attack, 'blitzkreig style,' designed to ensure the *total* defeat of the enemy and occupation of vital territory. . . . The achievement of such unlimited goals in the case of a conflict in the European area would entail nothing short of a giant blitzkreig across NATO Center leading to the rapid occupation of West Germany, the Low Countries, and France."

After noting the immense amount of money spent on modernizing the Soviet Army, the author reports "51 per cent of Soviet maneuver battalions are tank battalions compared with only 27 per cent for the United States.

"Of perhaps even greater import is the fact that all Soviet infantry formations are mechanized, whereas 110, or 55 per cent, of U.S. active and reserve infantry battalions (excluding airborne battalions) remain dependent mainly upon marching for their overland mobility."

OFFENSIVE STRIKE CAPABILITY

Mr. Record notes that there "are the thirty-one combat-ready, full-strength Russian divisions stationed in Eastern Europe—twenty in East Germany, two in Poland, five in Czechoslovakia, and four in Hungary. Sixteen are armored divisions, a proportion that confers upon the deployment a distinct flavor of heavy investment in offensive strike capabilities. Twenty divisions (including ten armored), collectively designated the Group of Soviet Forces in Germany (GSFG), are maintained in East Germany—almost two-thirds of Russia's entire Eastern European deployment—suggests not only that the Soviets are concerned with maintaining stability in East Germany but also that the GSFG would be the cutting edge of any major thrust into NATO Center."

ADULATION OF THE OFFENSIVE

After studying Soviet military doctrine, Mr. Record concludes: "The magnitude, disposition, and structure of the Soviet Army clearly reflect willful preparation for massive, rapid offensive operations at the theater level in Europe." (The most salient features of Soviet theater doctrine) "are the primacy of the offensive, the decisive role of nuclear weapons, the extraordinary emphasis on mass and surprise, and postulated rapid rates of advance.

"Perhaps the most striking and pervasive element of Soviet military doctrine is its unabashed adulation of the offensive."

PROTRACTED CONFLICT TO BE AVOIDED

The author then explains the reasons behind the Soviet strategy of a surprise attack.

"In the Soviet view the principle attributes of the offensive are massive shock power and speed: the former, to crush the enemy's initial defenses; the latter, to prevent recovery so that the enemy can be beaten in detail. Speed would be vital to the USSR in a European campaign: a protracted conflict would grant NATO time to mobilize and bring to bear its ultimately greater but typically more dispersed and less ready forces against a Soviet Army that lacks the staying power of U.S. and European forces. . .

"The Soviet Union attaches great importance to achieving both strategic and tactical surprise in future combat. . . ."

The author explains that relevant Soviet statements are not empty rhetoric, but that the Soviet leaders have allocated enormous sums of money to build up their armaments industry.

"According to one estimate, during the period 1972–74 the Russians out-produced the United States in tanks, APCs, (armored personnel carriers) and artillery pieces by average *annual* ratios of 6.5:1, 5:1, and 7:1, respectively.[3] And whereas in 1974 the nominal medium-tank strength in all active U.S. divisions and separate armored cavalry regiments, separate brigades, and special brigades totalled about 2,600, medium tanks assigned to Soviet divisions alone numbered a staggering 30,700. This gigantic inventory of armor is supplemented and supported by an estimated 30,000 armored personnel carriers, 12,000 artillery pieces ranging in size from 85 millimeters to 203 millimeters, 5,000 antitank guns, 4,000 truck-mounted 240-millimeter rocket launchers, 1,000 light antiaircraft guns, and a host of antitank, antiaircraft, and other missiles."

WESTERN DEFENCE CUTS ILL-TIMED

The author ends his study by noting "As for the future, there is little reason to anticipate any fundamental alteration of the Soviet Army's posture in the European area. That posture takes full advantage of both the decided numerical superiority of the Warsaw Pact in active combat forces in the region and the highly favorable geographical position of the Soviet Union vis-a-vis the United States. Sizeable Soviet ground forces geared principally for a theater-wide offensive are likely to be retained indefinitely in Eastern Europe. . . ."

"Given the recent and continuing strengthening of Soviet ground forces in Europe, proposals for reducing NATO combat forces appear singularly ill-timed, to say the least. Qualitative NATO superiority in ground combat equipment and, more important, in tactical airpower may well compensate for the present Soviet quantitative advantage in ground forces; but it would be imprudent to believe that the resulting balance could be maintained indefinitely if NATO further reduces its combat forces in the European theater in the face of the strengthening of Soviet forces. An attempt to evade resulting hard choices by relying on selective NATO use of tactical nuclear weapons has little to commend it in view of the evident Soviet belief that any tactical nuclear exchange would quickly assume massive proportions."

THE OFFICIAL WEST GERMAN VIEW

The recent Defence White Paper[4] of the West German Government corroborates the views given by Mr. Record. The section devoted to considering the military strategy of the Warsaw Pact states in translation:

"The generally held convictions of the Soviet leadership with regard to military and strategic principles is that, during a military conflict with NATO, the strategic offensive will be the basis of their own operations. As to the possible use by the Warsaw Pact of nuclear weapons, this depends mainly on whether its own strategic initiative can be carried through by conventional means alone. This is the main reason for the continued further development of conventional forces, especially land forces. Their offensive power is being strengthened, in order to create strong forces which are always ready for use and can operate with the power of surprise; breaking through the enemy's lines and making it impossible for them to use their nuclear weapons.

"Soviet military strategy makes a distinction between strategic offensive and strategic defensive. It adheres to the principle that, in case of war, a decisive victory against the enemy can only be won through an offensive, the principles of leadership, the strength, the structure, and the training of the forces which make up the Warsaw Pact and they all have an offensive character. . . .

"In military strategic thinking in the Warsaw Pact, initiative and surprise are of overriding importance. . . .

"The Warsaw Pact is able to wage a world war with nuclear weapons as well as a limited war, both conventional and nuclear. Its conventional superiority permits the Warsaw Pact to advance in thoroughly prepared aggression against Western Europe, after only brief preparations, also without nuclear weapons.

"The Warsaw Pact is able to mount a surprise attack practically without any preparations from its existing positions, for example, from the deployment of its forces during military exercises. This would permit the Pact to profit from the advantages of the aggressor who determines the timing of his attack and its main axis of advance."

FOOTNOTES

[1] *Sizing Up the Soviets.* By Jeffrey Record. The Brookings Institution, 1775 Massachusetts Ave., N.W., Washington, D.C. 20036, USA. $2.50 or £1.50. Copyright Brookings Institution.

[2] *Weissbuch 1975–1976. Zur Sicherheit der Bundesrepublik Deutschland und zur Entwicklung der Bundeswehr.* Bonn 20. January 1976.

[3] 'US/USSR Relative Production Rate Estimates' *Armed Forces Journal International* Vol. 112 (March 1975) p. 29.

[4] Weissbuch 1975–1976, *Zur Sicherheit der Bundesrepublik Deutschland und zur Entwicklung der Bundeswehr.* Bonn 20. January 1976.

THE CHRISTIAN SCIENCE MONITOR RECOMMENDS EXTENSION OF REVENUE SHARING FOR ONLY 1 YEAR

HON. ROBERT F. DRINAN

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Monday, March 15, 1976

Mr. DRINAN. Mr. Speaker, the Christian Science Monitor on March 12, 1976, had a significant editorial on an issue concerning which all Members of the House will be required to vote during the next few weeks. The Monitor reviewed the shortcomings of the general revenue-sharing program and concluded that it would be wise not to extend it for a period of some 5 years, but only through 1977.

Recently, the Government Operations Subcommittee which has authorization power for revenue sharing, under the able direction of Congressman L. H. FOUNTAIN, on which I serve, decided in a close vote not to restrict the extension of general revenue sharing to 21 months. At the same time, the subcommittee decided against an extension of 5¾ years as recommended by the administration; the subcommittee decided to extend revenue sharing for a period of 3¾ years.

Members of the House will be interested in the other recommendations made in the following editorial from the Monitor:

A REPRIEVE FOR REVENUE SHARING

Has federal revenue sharing returned "power to the people" as the Nixon administration said it would, or simply provided a way for Washington to avoid its responsibility to improve conditions in local communities? Five years into this $30 billion legacy of the "new federalism," the answer lies somewhere in the middle.

Like birds at a winter feeder, the 39,000 cities and towns covered by revenue sharing have become used to those quarterly checks from the federal government. Now, Congress is wrangling over whether to continue this massive program and efforts to scrap or modify it are mounting. There are, in fact, strong arguments against simply extending revenue sharing for another five years as the White House, mayors, and governors urge.

For, far from being the "resounding success" President Ford proclaims, this new form of federal aid has more often than not helped perpetuate local programs and policies (including their bad points) rather than brought about reform or boosted new and innovative municipal services.

The state of the economy no doubt has influenced mayors to throw revenue-sharing sandbags against the rising tide of property tax rates, but so too have thinly disguised political considerations. Boston Mayor Kevin White squirreled away $20 million in revenue sharing to use just before his bid for reelection.

Among nationwide shortcomings: less than 3 percent of the funds have been used for social services and specific help for the disadvantaged; citizen participation in deciding how to spend the money (as envisioned by the legislation creating revenue sharing) has been almost nil; antidiscrimination guarantees have been easily circumvented by receivers and inadequately enforced by the federal government.

At the least, these defects should be corrected before revenue sharing becomes a more permanent part of the federal budget. Since (as a Brookings Institution study showed) the program has made only a "limited contribution" toward equalizing differences between per capita income and the local tax bite among states, perhaps the aid formula should be changed to favor poorer localities more than it already does.

While federal aid to state and local governments has increased sevenfold since 1960, the economic pinch and municipal problems that still need solving add up to a continued requirement for Washington's help. But that help should not come without guarantees that it is being properly applied.

Now, Congress is tied up with its own reelection worries and wondering whether the next president will be a Republican or Democrat, all of which is bound to influence decisions on revenue sharing. For this reason, the best bet would be to extend the program through 1977 and let the necessary tinkering wait until after the campaign questions have been answered.

AN OPPORTUNITY FOR THE CONGRESS TO SAVE ENERGY: ADOPT THE SENATE VERSION OF H.R. 8650, THE ENERGY CONSERVATION IN BUILDINGS ACT

HON. GEORGE E. BROWN, JR.

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 15, 1976

Mr. BROWN of California. Mr. Speaker, in the near future the House will appoint conferees to work out the differences between the House and the Senate versions of H.R. 8650, the Energy Conservation in Buildings Act. Many House Members will undoubtedly not remember the details of this legislation, especially those who are, like myself, not on the Committee on Banking, Currency and Housing. Nevertheless, most Members will be familiar with the main difference between the House bill and the Senate bill, which is the question of whether new buildings should have a voluntary or a mandatory energy conservation standard when they receive Federal assistance. The Senate bill mandates standards, for federally supported projects, while the House bill mandates nothing.

This bill is one of the bills that President Ford, much to his credit, asked the Congress to adopt with mandatory standards. While I found the administration somewhat hypocritical in its support of mandatory housing standards while it simultaneously opposed mandatory automobile efficiency standards, the fact is that we now have mandatory automobile efficiency standards on the law books, while mandatory housing efficiency standards are still pending. Since this legislation applies to new buildings, and no one with any sense of reality would believe that the energy situation will ever allow the waste of the past, I find no sound reason not to adopt the Senate's mandatory building efficiency standard. This is one energy proposal that both Democrats and Republicans should be able to support.

At this time I wish to insert an editorial from the Los Angeles Times on this legislation.

The editorial follows:

[From the Los Angeles Times, Mar. 12, 1976]

THE ENERGY IN BUILDING CODES

The House and Senate have now each passed legislation to establish a national building code aimed at conserving energy in new homes and commercial structures, but there are significant differences between the two bills.

The most important is that the House wants to see only voluntary compliance with the new building standards. That approach would of course defeat the whole energy-saving purpose of the measure, and for that reason it is important that the Senate version prevail.

The Ford Administration has been trying for more than a year to get a federal building code enacted, and it supports the strong position taken by the Senate. So does the National Governors Conference, which likes the idea of mandatory nationwide standards because that would prevent individual states from attracting a disproportionate share of development through the lure of weak energy-conservation rules.

A lot of local officials oppose federal standards, however, because they would lose some control over building codes. Opposition has also come from home builders and realty people, who fear rising costs from compulsory standards.

Actually, the increased costs of more energy-efficient construction, which probably would add less than 5% to total costs, would more than be made up for in a short time through savings on energy. That, in fact, is the case with nearly all investments in conservation, as industry is finding out. Savings on fuel costs compensate many times over for the initial capital outlay required to achieve greater energy efficiency.

The Senate bill would authorize the Department of Housing and Urban Development to write energy-saving standards for new homes and commercial buildings, taking into account differing climatic conditions. The basic purpose of the standards would be to reduce the amount of energy used to heat and cool buildings. The National Bureau of Standards estimates that better insulation, which would be the main way to cut energy waste, can reduce energy consumption for heating and cooling by 40% to 50%.

Local governments would have one year to adopt the federal thermal-efficiency standards. If they did not, they would be faced with a cutoff of all federal construction subsidies, as well as a loss of conventional mortgage credit from lending institutions under federal supervision. That is a powerful incentive to comply with the standards.

The more positive incentive is that over the years a great deal of energy and money can be saved in the residential and commercial sectors, to the benefit of individuals and the nation, by adopting a uniform and mandatory energy-efficiency building code.

Congress should not miss the chance to require that this be done.

NATIONAL HANDICAPPED AWARENESS WEEK

HON. JOHN BRADEMAS

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 15, 1976

Mr. BRADEMAS. Mr. Speaker, Congress in recent months has demonstrated its deep concern for those who, by reason of physical or mental handicap, are not always able to fend for themselves. I speak of the passage of important legislation which will enable handicapped people to develop more fully their potential in school and at work.

The Education for All Handicapped Children Act was signed into law on November 19, 1975. This measure, an historic advance in educating America's handicapped children, means new hope for millions of physically or mentally disabled youngsters and an enrichment of our society.

More recently, Congress voted to extend for 2 years the Rehabilitation Act. This important act provides the services that handicapped people need to prepare them for employment and productive, useful living. For over 55 years, the Rehabilitation Act has been helping handicapped people with medical care and therapy, employment training and counseling, assistance in securing the tools and licenses needed to work, reader services for the blind and interpreter services for the deaf, and placement service to secure employment.

As chairman of the Subcommittee on Select Education, with responsibility over matters relating to the handicapped, I am pleased to cite these important legislative achievements of the 94th Congress.

But I must add, Mr. Speaker, that many handicapped citizens are still denied the opportunities to work, schooling, transportation, and housing that Americans tend to take for granted.

It is important that we be aware of the needs of handicapped people, and the contributions of those who are handicapped and actively participate in the work of our Nation. Toward this end, the National Easter Seal Society for Crippled Children and Adults and the National Paraplegia Foundation are jointly sponsoring a National Handicapped Awareness Week from May 16 to May 22, 1976.

These two national organizations have been exemplary in their concern for handicapped individuals. It is fitting, then, that they join to commemorate a week in which all Americans will be called upon to take cognizance of the needs and potential of the handicapped people of our country.

Mr. Speaker, I am today introducing a resolution calling upon and authorizing the President to proclaim the week of May 16, 1976, as "National Handicapped Awareness Week," and I insert the text of this resolution at this point in the Record:

Joint Resolution

Authorizing the President to proclaim the week of May 16, 1976, as National Handicapped Awareness Week

Whereas, the Federal Government is deeply committed to taking every step possible to guarantee that the handicapped citizens of the Nation receive equal access to employment, education, transportation, housing, recreation and to public buildings and services; and

Whereas, to further this commitment the Congress fully endorses the National Handicapped Awareness Week; and

Whereas, it is important for all citizens of the Nation to understand that our handicapped neighbors actively and productively participate in the life of our country; and

Whereas, to further this understanding, National Handicapped Awareness Week activities are designed to remove existing barriers which affect one out of every ten Americans and to work toward the full development of their economic, social, and personal potential through the use of the manmade environments;

Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the President is authorized and requested to issue a proclamation designating the week of May 16, 1976, as "National Handicapped Awareness Week", and calling upon the people of the United States and interested groups and organizations to observe such week with appropriate ceremonies and activities.

HOUSE OF REPRESENTATIVES—*Tuesday, March 16, 1976*

The House met at 12 o'clock noon.

The Chaplain, Rev. Edward G. Latch, D.D., offered the following prayer:

*I beseech you to lead a life worthy of the calling to which you have been called * * * eager to maintain the unity of the spirit in the bond of peace.*—Ephesians 4: 1, 3.

Eternal God, whose mercies are new every morning and fresh every hour we would see the beckoning of Thy guiding hand as we launch out upon the duties of this day. Grant that we who have been called to this place of leadership in the life of our country and conscious of the heritage which is ours may now rise in greatness of mind and spirit to meet the demands made upon us to minister to the needs of our Nation.

Bless our Speaker and these Representatives of our people. Keep them physically strong, mentally awake, morally straight, and vigorously alive that they may do their work humbly and truly with due regard for the good of all.

In Thy holy name we pray. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Without objection, the Journal stands approved.

There was no objection.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the House by Mr. Roddy, one of his secretaries, who also informed the House that on the following dates the President approved and signed bills and a joint resolution of the House of the following titles:

On March 9, 1976:

H.J. Res. 811. Joint resolution making supplemental appropriations for the legislative branch for the fiscal year ending June 30, 1976, and for other purposes.

On March 15, 1976:

H.R. 7824. An act to amend section 142 of title 13, United States Code, to change the date for taking censuses of agriculture, irrigation, and drainage, and for other purposes;

H.R. 11045. An act to amend the Rehabilitation Act of 1973 to extend the authorizations of appropriations contained in such act; and

H.R. 11893. An act to increase the temporary debt limit, and for other purposes.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Sparrow, one of its clerks, announced that the Senate had passed without amendment a bill of the House of the following title:

H.R. 4034. An act to designate the Veterans' Administration hospital in Loma Linda, Calif., as the "Jerry L. Pettis Memorial Veterans' Hospital," and for other purposes.

The message also announced that the Senate had passed with an amendment in which the concurrence of the House is requested, a bill of the House of the following title:

H.R. 8507. An act to revise the per diem allowance authorized for members of the American Battle Monuments Commission when in a travel status.

The message also announced that the Senate had passed a bill of the following title, in which the concurrence of the House is requested:

S. 1911. An act to amend title 38, United States Code, to provide certain persons insured under servicemen's group life insurance (SGLI) with a choice of conversion to either an individual policy of life insurance, including term, or a veterans' group life insurance (VGLI) policy upon the expiration of their servicemen's group life insurance coverage, and for other purposes.

PRIVATE CALENDAR

The SPEAKER. This is the day for the call of the Private Calendar. There is one bill on the Private Calendar. The Clerk will call the bill on the Private Calendar.

FIDEL GROSSO-PADILLA

The Clerk called the bill (H.R. 6817) for the relief of Fidel Grosso-Padilla.

Mr. WYLIE. Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

The SPEAKER. This concludes the call of the Private Calendar.

APPOINTMENT OF ADDITIONAL CONFEREES ON H.R. 8617, FEDERAL EMPLOYEES' POLITICAL ACTIVITIES ACT OF 1975

Mr. HENDERSON. Mr. Speaker, I ask unanimous consent that the Speaker be authorized to appoint six additional conferees on the bill (H.R. 8617) to restore to Federal civilian and Postal Service employees their rights to participate voluntarily, as private citizens, in the political processes of the Nation, to protect such employees from improper political solicitations, and for other purposes.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina? The Chair hears none, and appoints the following additional conferees: Mrs. Spellman, Messrs. Solarz, Charles H. Wilson of California, Harris, Johnson of Pennsylvania, and Rousselot.

PROPOSED CHANGE IN SOCIAL SECURITY LAWS

(Mr. ALLEN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. ALLEN. Mr. Speaker, I am today introducing a bill to change the social security law so that no one would be forced to retire or be limited in the income he or she may earn, in order to receive full social security benefits.

Those who have reached the age where they are entitled to receive social security benefits, for which they have already paid their taxes, should not be forced to retire in order to receive full benefits, or be penalized for having other sources of income. This is not required of those who have paid their premiums on annuity policies with private insurance companies, and it should not be required of those who have paid their premiums in the form of social security taxes.

The Government's failure to control spiraling inflation has hurt those on modest and fixed incomes. The elderly and people with disabilities, either temporary or permanent, and those who are often without other sources of income, find that the meager increases in their social security payments have been offset by spiraling inflation.

There is no reason for those on a limited income to bear the often devastating consequences of Government policies that do nothing to control inflation. And certainly there is no reason for placing a limit on how much extra income a senior citizen receiving benefits may earn. Our society cannot afford to waste the special skills of our elderly by depriving them of their social security benefits if they choose to continue working.

It is Congress, and only Congress, which can correct this injustice. The right of those on social security to live in dignity, and not despair, is in the hands of the U.S. Congress, and I hope we will correct the present situation by passing this bill.

LAYING OF CORNERSTONE OF THE MASONIC TEMPLE, MORROW LODGE NO. 734, F. & A.M.

(Mr. **FLYNT** asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. **FLYNT**. Mr. Speaker, last Sunday afternoon, March 14, 1976, over 750 people attended the laying of the cornerstone of the Masonic Temple of Morrow Lodge, No. 734, F. & A.M., of the Grand Lodge of Georgia. The cornerstone laying was followed immediately by the formal dedication of the temple.

An emergency communication of the Grand Lodge of Georgia was assembled and was presided over by Mr. Lonzo Pope, the most worshipful grand master of Georgia. Officers of the grand lodge and many past grand masters were present. Most worshipful grand master Pope presided over the communication, the cornerstone laying, and the dedication ceremony.

Morrow Lodge, No. 734, is one of the most recent additions to the Grand Lodge of Georgia. The lodge was granted dispensation to organize in July 1971, and the charter was granted and confirmed in October 1971. The present membership is over 300 members and attendance at regular communications is one of the highest in Georgia. The officers of the lodge are:

LIST OF OFFICERS

Worshipful Master—Donald H. Fincher.
Senior Warden—Ralph Smith.
Junior Warden—Hendry Betts.
Senior Deacon—Bob Gay.
Junior Deacon—Leroy York.
Senior Steward—Mike Terrell.
Junior Steward—Ronnie Tribble.
Treasurer—Al Hunter.
Secretary—Lamar Northcutt.
Tyler—Bob Harwell.
Chaplain—Charlie Jackson.
Trustees—C. T. Hall, D. L. Shirley, Homer Cooper, Glenn Buckner, Gordon Cavanaugh, Donald H. Fincher, Ralph Smith.

Brother Lamar Northcutt, the present secretary, was the first master of the lodge and served in that capacity for the first 18 months after the charter was granted and had previously served as the grand master of College Park Lodge No. 454.

Last Sunday was a memorable and glorious day for Morrow Lodge No. 734 and the day was an inspiration and challenge to all other lodges within the jurisdiction of the Grand Lodge of Georgia. The Grand Lodge of Georgia has been in existence since the charter was granted for Solomon Lodge No. 1, Savannah, Ga., founded by Gen. James Edward Oglethorpe.

"ORPHANS OF THE EXODUS FROM THE SOVIET UNION"

(Mr. **EILBERG** asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. **EILBERG**. Mr. Speaker, I met Anatoly Sharansky in May last year when I was in Russia and he served as the translator when I met with Nobel Peace Prize winner, Andrei Sakharov.

I met Natalia Sharansky, his wife, later in the year when she came to the United States to meet American supporters of the fight for freedom by the Jewish people of the Soviet Union.

They have been separated since June 5, 1974. Anatoly had been jailed prior to and during former President Nixon's trip to Russia. While he was in prison Natalia was given an exit visa and 10 days to use it. Anatoly was released on June 4 and they were married under dramatic circumstances that day. Natalia had to leave for Israel the next day.

Only a cruel and inhuman policy keeps these two young people apart and it is a policy which violates the principles of the Helsinki Final Act which the Soviet Union signed and so loudly endorsed last summer.

The Sharanskys are just one example of this policy and because of it Members of Congress are conducting a vigil on behalf of the families which remain separated.

These people are the "Orphans of the Exodus from the Soviet Union" and we will continue to hold up the Soviet Government for international condemnation until they are free and reunited.

PERMISSION FOR COMMITTEE ON WAYS AND MEANS TO HAVE UNTIL MIDNIGHT THURSDAY, MARCH 18, 1976, TO FILE REPORT ON H.R. 12490

Mr. **ULLMAN**. Mr. Speaker, I ask unanimous consent that the Committee on Ways and Means may have until midnight Thursday, March 18, 1976, to file a report on H.R. 12490, a bill to provide tax treatment for exchanges under the final system plan for ConRail.

The **SPEAKER**. Is there objection to the request of the gentleman from Oregon?

There was no objection.

TRIBUTE TO A GREAT LAWMAKER

(Mr. **RONCALIO** asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. **RONCALIO**. Mr. Speaker, in the passing of the Honorable Wright Patman, the people of America have lost a friend and dedicated servant.

Throughout his long 47 years in the House, a length of service exceeded by only three others, Mr. Patman hammered away repeatedly at inequities in the financial system and at progressive issues for the welfare of the common people. Noteably, high-interest rates were his target and he was determined to achieve significant change in a system he felt was contrary to the common good.

Mr. Patman did not hesitate in launching his crusades for the people upon entering the House in 1928. His immediate efforts to achieve reform brought him the resentment of his senior colleagues who then denied him membership on the Banking Committee where he wished to serve to better fight for the kind of basic changes he sought.

His achievements, both large and small, are too numerous to list, but a few exemplify this man of integrity and his dedication to purpose. Very early in his career, he moved to impeach Andrew Mellon who had been appointed Secretary of the Treasury by President Hoover. Mellon was an obvious symbol of entrenched wealth and left office rather than face conflict of interest charges. Wright Patman was a constant champion of the common man in America, the farmer, small businessman, worker, and veteran. He was, of course, instrumental in writing and passage of the Robinson-Patman Act forbidding manufacturers to discriminate against small businesses by giving special prices to chains. He will be long remembered, too, as the prime mover in establishing the credit union system we know today with its 30 million members in the United States.

Wright Patman worked tirelessly for lower interest rates and to remove conflicts of interest within the Federal Reserve System. He made long strides in his leadership against the power of big money and banking on behalf of all consumers.

He had announced his intentions of retiring after this his 47th year in the House. I only wish that he had been able to enjoy a few years of retirement in Texarkana to reflect upon his life's work and accomplishments over the years as the people's servant. His crusades should be continued as a tribute. Wright Patman will not be forgotten, but will remain as an influence in our lives as an example of integrity, dedication, kindness, and selfless service. We will miss Wright Patman.

MAJORITY LEADER THOMAS P. O'NEILL, JR., SAYS PRESIDENT FORD DOES A SNOW JOB ON REVENUE SHARING

(Mr. **O'NEILL** asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. **O'NEILL**. Mr. Speaker, the weatherman called off his snow alert. President Ford should have done the same with his little snow job on revenue sharing.

The President wrapped himself in the revenue-sharing flag. He presented himself as the champion of the cities and States. What he did not tell the mayors is that his own budget yanks the financial rug out from under State and local governments.

Mr. Speaker, I am pleased to note that we have one of his campaign managers sitting in the first row, listening with intent.

The President thunders for a $6.5 billion revenue-sharing program—while his own budget quietly cuts total Federal assistance, including revenue sharing, by a net $9 billion to States and cities in fiscal 1977.

The Congressional Budget Office lays it out very well in its new report. And the Joint Economic Committee backs it up. The JEC report points out that the President's budget hikes State and local costs in such areas as social security, transportation, unemployment benefits, and public service jobs.

His budget shirks the real Federal responsibility to States and cities.

If the mayors really want to know what kind of help to expect from this President, the President does not really care.

IN DEFENSE OF PRESIDENT FORD'S REVENUE-SHARING PROGRAM

(Mr. RHODES asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. RHODES. Mr. Speaker, when I first heard the words of the distinguished majority leader, the gentleman from Massachusetts (Mr. O'NEILL), and his tirade about the President's program, I wondered whether I had the date wrong and whether today was really St. Patrick's Day, and he had just kissed the "Baloney Stone."

Mr. Speaker, the facts are that the gentleman from Massachusetts (Mr. O'NEILL) undoubtedly is trying to obfuscate the situation to the point that the mayors and the people who run our Nation's cities, and who happen to be in Washington at this time, should realize that it is really the majority leader and the majority side which are keeping revenue sharing in committee.

We understand that there are hearings being held, and we also understand that the bill, as it comes out, will probably be greatly lacking in meeting the requirements of the various cities with respect to the time in which they can budget their general revenue-sharing funds.

Also, Mr. Speaker, I am sure that the gentleman from Massachusetts knows, but did not realize, the fact that the revenue sharing undoubtedly is being put into the President's program in lieu of many of the items which the gentleman from Massachusetts said were cut from the budget. Of course, they were cut from the budget because one of the ideas in back of revenue sharing is to do just that, to give the wherewithal to the cities and towns so that they can spend money as they want rather than to have somebody from Washington telling them what to do.

Therefore, Mr. Speaker, if the President has been spreading snow, I think that is a cleaner commodity than that being spread by the majority leader here today.

VOTING REPRESENTATION FOR THE DISTRICT OF COLUMBIA

(Mr. GUDE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. GUDE. Mr. Speaker, today the House will debate House Joint Resolution 280 to provide full voting representation in the Congress to the residents of the District of Columbia. I would like to commend the gentleman from New Jersey (Mr. RODINO), the chairman of the Committee on the Judiciary for his leadership in bringing this historic legislation before the House.

Our Founding Fathers' eloquent arguments against "taxation without representation" unfortunately still ring true for nearly three-quarters of a million Americans. These arguments, as stated by Thomas Jefferson in the simple declaration that "the influence over government must be shared among all the people," speak for themselves.

I support the extension of voting representation to the District because it is right and it is fair.

Our forefathers did not provide for direct election to the Senate, or women's suffrage, or suffrage for blacks and we have, one by one, advanced and improved their great vision of representational democracy. Let us do so once again, adding the life of representation to this, the heart-city of our land.

IN SUPPORT OF THE BILL TO EXTEND FEDERAL REVENUE SHARING PROGRAM, H.R. 12332

Mr. CONTE. Mr. Speaker, revenue sharing is a concept which has proven itself since its inception in 1972. The present Federal revenue sharing program will expire on December 31, 1976. To insure the continuation of the revenue sharing program, many bills have been filed in the first and second session.

The bill that I have authored merits your review. It is basically along the lines of the present program with two important exceptions. Present legislation imposes limitations on uses by the local communities. My bill lifts the limitations and allows the local communities to use the funds in the area of most need. Essentially, my bill will allow the localities to channel money into their educational system which they are now prevented from doing because of the limitation language.

Most important, my bill provides that funds are to be sent directly to the local communities. The present program and the administration bill provides that one-third of the funds are to be sent to the State governments. My bill insures that there will be no diversions and waste by the middleman. Revenue sharing has been successful in diverting funds from Washington, D.C. bureaucrats—now let us do the same with the State bureaucrats. Let us put the decisionmaking and funding allocation in the hands of those closest to the problems and those most immediately answerable to the taxpayer.

CONTINUATION OF GROUP ELIGIBILITY DETERMINATIONS UNDER TITLE XX

Mr. CORMAN. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 12455) to extend from April 1 to October 1, 1976, the maximum period during which recipients of services on September 30, 1975, under titles IV-A and VI of the Social Security Act, may continue to receive services under title XX of that act without individual determinations.

The Clerk read as follows:

H.R. 12455

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 228.61(c) of title 45, Code of Federal Regulations, as amended February 9, 1976 (41 F.R. 5635), shall continue in effect prior to October 1, 1976: *Provided,* That the date "March 31, 1976", as it appears therein, shall be deemed to read "September 30, 1976".

The SPEAKER. Is a second demanded?

Mr. VANDER JAGT. Mr. Speaker, I demand a second.

The SPEAKER. Without objection, a second will be considered as ordered.

There was no objection.

The SPEAKER. The gentleman from California (Mr. CORMAN) will be recognized for 20 minutes, and the gentleman from Michigan (Mr. VANDER JAGT) will be recognized for 20 minutes.

The Chair recognizes the gentleman from California (Mr. CORMAN).

Mr. CORMAN. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I urge support of H.R. 12455, which is emergency legislation to provide that senior citizen centers utilizing funds under title XX would not be required to impose a means test after April 1, if they were operating on a group eligibility basis prior to the implementation of title XX last October. The administration recommended legislation of this type. The bill has no budgetary impact.

Title XX was enacted as a major part of Public Law 93-647 at the end of the 93d Congress. Included as a policy in title XX was the establishment of a priority in the provision of social services for the poor under the $2.5 billion title XX program. Its effective date was October 1, 1975, when it superseded provisions for social services that had been made under part A of title IV and title VI of the Social Security Act.

Last fall, as the effective date of October 1 approached, there was substantial concern expressed by various groups, particularly those concerned with senior citizen centers that an individual means test which title XX required was demeaning, complex, and administratively costly.

At that time the Subcommittee on Public Assistance of the Ways and Means

Committee worked out an agreement with the Department of HEW so that an individual means test would not have to be applied to services that had not formerly been subject to a means test. This transition to implementation of the means test lasts until April 1. Hearings have been held by the Public Assistance Subcommittee. Many Members of Congress, individuals, and organizations representing the aged, children, and family services and the handicapped plus HEW and State officials made specific recommendations for a permanent solution for the various issues related to eligibility for social services under title XX. It is apparent that a permanent solution of the issues involved cannot be worked out by April 1. At the same time the Office of the General Counsel of HEW advises that the Department does not have statutory authority to extend the continuation of the group eligibility approach beyond March 31.

The further delay provided for in H.R. 12455 in the imposition of the means test would apply until October 1, 1976, to those social services programs that were operating on a group eligibility basis prior to the implementation of title XX last October. For other social services programs where group eligibility has not been used, HEW will be making immediate changes in regulations to provide greater flexibility for States in determining eligibilty under title XX. This can include a simple declaration by an individual that his income does not exceed the income eligibility criteria.

The Ways and Means Committee have efforts underway toward immediate resolution of this issue including a review of the administration proposal and other bills which have been introduced on this subject.

Mr. ROSENTHAL. Mr. Speaker, will the gentleman yield?

Mr. CORMAN. I yield to the gentleman from New York.

Mr. ROSENTHAL. I thank the gentleman for yielding.

In the first place, Mr. Speaker, I support the bill, and I support the extension. I do want to commend both the chairman and the full committee, and particularly the gentleman from California (Mr. CORMAN) for the very industrious way in which they have approached the problem. It is a problem.

Submitting seniors to a means test is degrading, unfair, and inequitable. Equally important, it is a total waste of time and money, facts which are confirmed by the results of a 4-month examination by the Department of Health, Education, and Welfare and exhaustive studies conducted by other agencies.

For example, a New York City agency found that in New York City, 97 percent of the seniors currently participating in senior centers would have met the requirements of the means test. Such findings indicate that from a practical point of view the simplest, most efficient cost-saving thing to do would be to eliminate entirely the means test for senior citizens. Only 3 percent of the people might be dropped from center eligibility at the cost of subjecting the other 97 percent who qualify to the indignity of the means test. From a cost benefit point of view, it would seem to me the most practical thing to do would be to eliminate the test entirely.

In view of HEW's general agreement with these facts and findings, I do not understand why the committee cannot once and for all resolve the difficulty for senior citizens prior to April 1, by passing legislation eliminating the means test, which is the position taken by the gentleman from Pennsylvania (Mr. GREEN) or, alternatively, accept some form of group eligibility or neighborhood or census tract eligibility, which does not require individual persons, and senior citizens, to be subject to the means test?

I commend the committee, but I still wish they would have found a way reasonably and prudently to dispose of this problem. To continue the controversy until October, when Congress will not be in session cannot resolve the problem, merely extends a problem that could have been resolved.

Mr. CORMAN. Mr. Speaker, I appreciate the gentleman's sentiments. He knows much more about this problem than almost anyone in the House. Certainly he lives with it in his district.

One of our dilemmas is that there are a number of different kinds of social services for which justification could be made for an exemption from the means test. But it must be recognized that we are dealing with a limited number of dollars. The Subcommittee on Public Assistance will be looking at the various alternatives to resolve this issue but at the same time maintain a priority for the most needy.

I promise the gentleman that the committee will report back a bill well before the time needed to pass Congress before October 1. At the same time Congress will also need to resolve how many dollars we will put into social services, and how many dollars we get from other programs to aid senior citizens.

I would call the attention of the gentleman to the fact that some funds go into senior citizens centers from the Older Americans Act and some from title XX. Title XX requires a means test for each person served in a center. The Older Americans Act prohibits the means test. This apparent contradiction between two different Federal programs needs to be resolved.

Mr. ROSENTHAL. If the gentleman will yield further, I understand there are some inconsistencies within the laws, and especially with title XX, but that does not mean the problems are insoluble. We have been working on this for over a year and I hope with the gentleman's deep understanding and commitment the solution can be arrived at as rapidly as possible. I thought this could have been done by April 1. If it is of such enormous difficulty, then we will have to deal with it as we can, but I appreperiate the gentleman's deep commitment to this problem. I know the gentleman and his colleagues on the committee realize the problem and have a sympathetic understanding of the problems of senior citizens and the total lack of wisdom of forcing them to an individual means test, which is impractical and involves indignity for the individual.

Mr. CORMAN. I appreciate the gentleman's remarks.

Mr. Speaker, I reserve the balance of my time.

Mr. VANDER JAGT. Mr. Speaker, I commend the gentleman from California for the leadership he has provided in coming up with this solution to what has been a very grave problem for the senior citizens of the Nation. This bill before us was sponsored by every member of the subcommittee, both the majority and the minority. I urge support of the bill.

Mr. Speaker, H.R. 12455 has the unanimous support of the Committee on Ways and Means and its Subcommittee on Public Assistance.

Members of Congress have received substantial correspondence from senior citizens protesting the impending use of the means test to determine their eligibility for participation in senior centers supported by funds under title XX of the Social Security Act. The senior citizens, who initially gained the services of senior centers under the Older Americans Act, are especially affected by the means test approach associated with the new title XX program. Under existing law and regulations, after March 31, 1976, individuals who received services through group eligibility under the old titles IV-A and VI would have to satisfy a means test which they commonly regard as demeaning and a wasteful diversion of scarce service resources.

Two days of subcommittee hearings left no doubt as to the desirability of modifying the application of the means test. The Department of Health, Education, and Welfare has indicated that prior to April 1 it will publish new regulations permitting States to design their own systems of eligibility determination for title XX services. However, the Department has advised us that legislation is required to permit use beyond March 31 of group eligbility where it has been employed.

The bill before us would hold in place until October 1, 1976, the group eligibility concept as presently used. In the coming months the Subcommittee on Public Assistance is expected to study the President's proposal for converting title XX into a block grant program for social services. In the course of that review, I anticipate the Subcommittee will focus specifically upon the issues of eligibility determination.

I urge the passage of this measure, confident that it will be welcomed by thousands of senior citizens and others who have received social services through group eligibility.

Mr. CEDERBERG. Mr. Speaker, will the gentleman yield?

Mr. VANDER JAGT. I yield to the gentleman from Michigan (Mr. CEDERBERG).

Mr. CEDERBERG. Mr. Speaker, I also support this legislation.

Today I introduced legislation which would repeal the means test, but after the explanation of the gentleman from California, and the assurances that this matter will be given consideration by the

Ways and Means Committee, I think the wise thing for us to do is overwhelmingly pass this bill and let the Ways and Means Committee get the job done.

Mr. VANDER JAGT. I thank the gentleman from Michigan for his remarks, as always so filled with commonsense.

Mr. KETCHUM. Mr. Speaker, will the gentleman yield?

Mr. VANDER JAGT. I yield to the gentleman from California.

Mr. KETCHUM. Mr. Speaker, I thank the gentleman for yielding.

I, too, add my compliments to the gentleman from California (Mr. Corman) and the gentlewoman from New York (Ms. Holtzman) and the gentleman from New York (Mr. Rosenthal) for bringing this to our attention.

There really is a very big mix-up between title XX and the Older Americans Act. We have to solve it. It is a dilemma facing our senior citizens.

I certainly hope we pass this bill by an overwhelming majority.

Mr. VANDER JAGT. Mr. Speaker, I yield back the balance of my time.

Mr. CORMAN. Mr. Speaker, I yield to the gentlewoman from New York (Ms. Holtzman).

Ms. HOLTZMAN. Mr. Speaker, I thank the gentleman for yielding.

I wish to commend the gentleman from California (Mr. Corman) for bringing up this bill which suspends, until October 1, 1976, the imposition of a means test on the use of the senior citizens centers around the country.

I am also pleased by the gentleman's assurance that before the October deadline in this bill is reached, we will get another bill to resolve the problem of the means test.

But I share the concern of my colleague, the gentleman from New York (Mr. Rosenthal), that this problem could have been solved once and for all at this time. An analysis in New York City shows that 97 percent of all the people using senior citizen centers, which may be the only place where they can find companionship, a nutritious meal, and information and referral services, meet the eligibility standards.

Imposing a means test would not only require the State of New York to take away money from activities, meals, and recreational programs in order to administer the test, but experience in other programs has shown that administering means tests may exclude eligible people, as well as those few who may be ineligible.

I would say to the gentleman from California that in order to deal with senior centers, it is not necessary to resolve the problem with respect to day care or other such services. What distinguishes senior citizen center services from a number of other social services that the committee is concerned with is that senior services are relatively cheap for the States to provide and cover a population which is almost entirely poor.

If a means test is imposed, it should be imposed only where there are substantial expenditures per person and that is not something we find with respect to senior citizens centers. For example, in New York it costs an estimated $128 per person, per year, to operate a senior citizens center. Day care, on the other hand, can cost up to $100 per person, per week.

So I would say that I am disappointed that the bill that the gentleman from New York (Mr. Rosenthal) has introduced, and which I sponsored, was not passed by the committee. I believe that is the proper solution to the problem.

Finally, a means test will discourage persons from using senior citizens centers. Many elderly persons are too proud to undergo the humiliation of pleading and documenting their poverty. They will, instead, simply stay away. The senior center program is one of the best and most appreciated programs devised by the Federal Government. We ought to encourage rather than discourage their use. I believe, therefore, we should have permanently removed rather than simply delayed the means test for senior citizens centers.

Mr. CORMAN. Mr. Speaker, I yield such time as he may consume to the gentleman from Maryland (Mr. Sarbanes).

Mr. SARBANES. Mr. Speaker, I want to join with my colleagues in commending the chairman of the subcommittee for reporting out this legislation to extend until October 1, 1976, the period during which senior citizen centers may continue to operate without an individual means test. I understand this extension period is to give the subcommittee time to develop permanent legislation to deal with the difficult problems raised by the proposed means test. In my opinion it is vital that these senior citizen centers continue to operate without an individual means test. Such a test is demeaning and unfair to our senior citizens and administratively more costly than any purpose it could serve. It ought not to be imposed and I welcome this additional period to work out such a solution.

Recently, participants in the senior citizen center project of the Greater Homewood Community Corp. in Baltimore were asked their view of the proposed individual means test. Their responses reflect keenly the demeaning impact of such a test and I want to share with my colleagues a few of their remarks:

> The very purpose of the project would be spoiled. A person can hardly feel enriched and fulfilled by programs that make them feel like a beggar.
>
> It is mean and small. It is a very undignified way to treat older people, who do not deserve such shabby treatment from their government.
>
> A gross insult to my intelligence and infringement on what I hold dear, my dignity and privacy. I don't like anyone looking into my pocket-book not even my grandchildren.

In addition to the demeaning aspect of the means test and the needless cost associated therewith, such a requirement would categorize senior citizens and cause the centers to lose many people who contribute significantly to their operation. I therefore thank the chairman for his commitment to consider a permanent solution of this pressing problem.

Mr. PICKLE. Mr. Speaker, I rise in support of H.R. 12455 that will simply extend from April 1, to October 1, 1976, the maximum period during which recipients of services on September 30, 1975, under titles IV–A and VI of the Social Security Act, may continue to receive services under title XX of that Act without individual determinations. We are referring to services provided in homemaker programs, foster care and adoption, special services for the handicapped, day care programs, protective services for children, meals on wheels, general counseling services for employment. All of these programs relate to programs that are designed to help make people lead independent lives. Many times these services will prevent people from having to resort to dependence on the welfare rolls.

However the new strict eligibility requirements in many cases are defeating the purpose of the programs. In many cases the administrative burden of determining eligibility results in additional costs to agencies that have already stretched their budgets as far as they will go. Many times the eligibility tests are inappropriate, for example in providing good family planning provider services. The result is that social services can be given to more people for the same money if costly eligibility procedures and reporting requirements are reduced.

This bill will merely extend for 6 months present eligibility procedures. This will allow time to study the best way to provide the services for those that need them.

Mr. BIAGGI. Mr. Speaker, I rise in full support of H.R. 12455, legislation to extend the prohibition against the implementation of individual means tests for senior citizens under title XX, for an additional 6 months. As one who has led the fight against the means test, I consider the passage of this legislation to be vital while Congress continues to work on a permanent solution to this volatile issue.

Thanks to my efforts, and those of other members of the New York congressional delegation, the Department of Health, Education, and Welfare postponed the implementation date for individual means tests for senior citizens, from October 1, 1975, to April 1, 1976. During the past 5½ months, HEW has been studying the feasibility of such a means test. In addition, the Subcommittee on Public Assistance has been conducting extensive hearings on the various bills which have been introduced to resolve the means test controversy. It became apparent by the end of last week, that no final solution would be agreed to in time for the April 1 deadline, thus this bill has emerged.

I have long been opposed to senior citizens being subjected to the demeaning process of means tests in order to prove their eligibility to receive senior center services under title XX. Individual means tests administered on a quarterly basis, as prescribed in the title XX law, are both unnecessary and expensive. Only 13 percent of all senior citizens in this Nation have incomes which would disqualify them from participating in senior center programs. In New York City where there is a high concentration of elderly, the percentage is even smaller.

In addition, these means tests would result in astronomical new administrative costs for States to absorb. Estimates for New York State alone, indicate that the costs of administering means tests would far exceed the costs of operating senior centers. These centers serve more than 100,000 elderly citizens in New York State. The means test would represent an extraordinary waste of Government money to prove what we already generally know.

I am hopeful that the language of my bill H.R. 8456, which repeals the means test provision of title XX, will eventually prevail. I consider this to be the most direct and equitable way to settle this controversy.

In these severe economic times, it seems unnecessarily cruel to even suggest a curtailment of the important services which senior centers provide to our elderly. Many programs for older Americans have been founded on senior centers where our senior citizens gather for companionship, meals, recreation, and societal activities. They have given new meaning and new life to many of our elderly. These centers have brought together people of all social and economic backgrounds.

We must fight, and not perpetuate, the problems of elderly isolation and loneliness. Requiring individual means tests for senior citizens, will have the adverse effect of driving many senior citizens away from senior centers and back into their homes to live their remaining years as prisoners of loneliness, fear, and despair. Further, if enough senior citizens take this route, it may result in the closing of senior centers across the Nation.

I wish to commend the distinguished chairman of the Public Assistance Subcommittee, Hon. JAMES CORMAN, as well as my distinguished colleague from New York, Hon. CHARLES RANGEL, for their tireless efforts on behalf of resolving this issue. I urge the swift passage of this legislation today to demonstrate to the senior citizens of this Nation that we are committed to helping them enjoy lives of dignity and meaning.

Mr. KOCH. Mr. Speaker, I rise in support of H.R. 12455, a bill that would extend the moratorium on the use of means tests for older persons who use senior citizens centers. I support this bill because imposition of this means test would be a senseless waste of the taxpayers money, given the high proportion of participants in these centers who are already eligible. Incidentally, the city of New York's Bureau of Purchased Social Services for Adults found that 97 percent of those currently participating would remain eligible; the figure is roughly 80 percent nationally. This high percentage of eligible participants is due to the fact that most of these centers are located in previous OEO target areas and a high percentage rely on social security for their sole source of income.

The diversion of service funds to administrative overhead could amount to $361 million nationally in the first year alone. At an estimated $40 to $45 to administer each test, this would represent a 37-percent loss of program funds in the first year and 25 percent for each succeeding year in the city of New York. While the financial cost can be documented, the human loss of implementing a means test is inestimable. It is predicted that the means test would drive people away from these centers who depend on them for recreation, companionship, referral services, and, for some, the only hot meal of the day.

As a cosponsor of H.R. 9280 introduced by my colleague, Congressman BEN ROSENTHAL, I am disappointed that we do not have the opportunity to vote on a more comprehensive reform bill today. I would prefer to vote on such a bill that would specifically exempt senior centers from a means test. H.R. 9280 would also allow States to waive individual means tests for predominantly low-income groups on a geographical basis. I believe that this exemption should be expanded to include the blind and the disabled in addition to the elderly on the grounds that they all tend to live on fixed incomes and would have inordinant difficulty in complying with procedures such as means tests.

I know that the Subcommitte on Public Assistance of the Committee on Ways and Means has held hearings on this issue and does not feel that it can develop legislation before the current moratorium expires April 1. I urge that the subcommittee and committee expedite their consideration of a more comprehensive approach to this issue.

Mr. BINGHAM. Mr. Speaker, I rise today in vigorous support of H.R. 12455 which extends for an additional 6 months the period recipients under the old title IV–A and VI social services program can continue to receive services in a group setting without individual eligibility determinations. With the April 1 expiration date of the first 6-months' extension Congress requested close at hand, I commend the Public Assistance Subcommittee and the full House Ways and Means Committee for recognizing the need for additional time to consider and resolve the group eligibility controversy under the new title XX social services program. Their quick action on H.R. 12455 clearly reflects their justified concern about the serious unanticipated human and financial consequences of fully implementing the individual means test which have been brought to their attention through various hearings on the new title XX program. As a representative of thousands of older Americans who consider group services provided in title XX supported senior centers essential to their survival and well-being, but who also value their privacy, I have been made fully aware of what havoc will occur if we allow the present suspension of the individual means test for group services to expire. I urge my colleagues in the House to concur in the House Ways and Means Committee's judgment on the extension and vote to suspend the rules and pass H.R. 12455.

GENERAL LEAVE

Mr. CORMAN. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the subject of the bill (H.R. 12455) now under discussion.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. CORMAN. Mr. Speaker, I have no further requests for time.

The SPEAKER. The question is on the motion offered by the gentleman from California (Mr. CORMAN) that the House suspend the rules and pass the bill (H.R. 12455).

The question was taken.

Mr. VANDER JAGT. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 383, nays 0, not voting 49, as follows:

[Roll No. 106]

YEAS—383

Abdnor
Adams
Addabbo
Alexander
Allen
Ambro
Anderson, Calif.
Andrews, N.C.
Andrews, N. Dak.
Archer
Armstrong
Ashbrook
Ashley
Aspin
AuCoin
Badillo
Bafalis
Baldus
Baucus
Bauman
Beard, R.I.
Beard, Tenn.
Bedell
Bennett
Bevill
Biaggi
Biester
Bingham
Blanchard
Blouin
Boland
Bolling
Bonker
Bowen
Brademas
Breaux
Breckinridge
Brinkley
Brodhead
Brooks
Broomfield
Brown, Calif.
Brown, Mich.
Brown, Ohio
Broyhill
Buchanan
Burgener
Burke, Calif.
Burke, Fla.
Burke, Mass.
Burleson, Tex.
Burlison, Mo.
Burton, John
Burton, Phillip
Butler
Byron
Carney
Carr
Carter
Cederberg
Chappell
Chisholm
Clancy
Clausen, Don H.
Clawson, Del
Clay
Cleveland
Cochran
Cohen
Collins, Tex.
Conable
Conlan
Conte
Corman
Cornell
Coughlin
D'Amours
Daniel, Dan
Daniel, R. W.
Daniels, N.J.
Danielson
Davis
de la Garza
Delaney
Dent
Derrick
Derwinski
Devine
Dickinson
Dodd
Downey, N.Y.
Downing, Va.
Drinan
Duncan, Oreg.
Duncan, Tenn.
du Pont
Early
Eckhardt
Edgar
Edwards, Ala.
Edwards, Calif.
Eilberg
Emery
English
Evans, Ind.
Evins, Tenn.
Fenwick
Findley
Fish
Fisher
Fithian
Flood
Florio
Flowers
Flynt
Foley
Ford, Mich.
Forsythe
Fountain
Fraser
Frenzel
Frey
Fuqua
Gaydos
Giaimo
Gibbons
Gilman
Ginn
Goldwater
Gonzalez
Goodling
Gradison
Grassley
Green
Gude
Hagedorn
Haley
Hall
Hamilton
Hammerschmidt
Hanley
Hannaford
Harkin
Harrington
Harris
Harsha
Hawkins
Hays, Ohio
Hébert
Hechler, W. Va.
Heckler, Mass.
Hefner
Helstoski
Henderson
Hicks
Hightower
Hillis
Holland
Holt
Holtzman
Horton
Howard
Howe
Hubbard
Hughes
Hungate
Hutchinson
Hyde
Ichord
Jacobs

Jarman
Jeffords
Jenrette
Johnson, Calif.
Johnson, Colo.
Johnson, Pa.
Jones, Ala.
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Jordan
Kasten
Kastenmeier
Kazen
Kelly
Kemp
Ketchum
Keys
Kindness
Koch
Krebs
Krueger
LaFalce
Lagomarsino
Landrum
Latta
Leggett
Lehman
Lent
Levitas
Litton
Lloyd, Calif.
Lloyd, Tenn.
Long, La.
Long, Md.
Lott
Lujan
Lundine
McCollister
McCormack
McDade
McEwen
McFall
McHugh
McKay
Madden
Madigan
Maguire
Mahon
Mann
Martin
Mathis
Matsunaga
Mazzoli
Meeds
Melcher
Mezvinsky
Michel
Milford
Miller, Ohio
Mills
Mineta
Minish
Mink
Mitchell, Md.
Mitchell, N.Y.
Moakley
Mollohan
Montgomery
Moore
Moorhead, Calif.
Moorhead, Pa.
Morgan
Mosher
Moss
Mottl
Murphy, N.Y.
Murtha
Myers, Ind.
Myers, Pa.
Natcher
Neal
Nedzi
Nichols
Nix
Nolan
Nowak
Oberstar
O'Brien
O'Hara
O'Neill
Ottinger
Passman
Patten, N.J.
Patterson, Calif.
Pattison, N.Y.
Pepper
Perkins
Pettis
Peyser
Pickle
Pike
Poage
Pressler
Preyer
Price
Pritchard
Quie
Quillen
Railsback
Randall
Rangel
Rees
Regula
Reuss
Rhodes
Richmond
Rinaldo
Risenhoover
Roberts
Robinson
Rodino
Rogers
Roncalio
Rooney
Rose
Rosenthal
Roush
Rousselot
Roybal
Runnels
Ruppe
Russo
Ryan
St Germain
Santini
Sarasin
Sarbanes
Satterfield
Scheuer
Schneebeli
Schroeder
Schulze
Sebelius
Seiberling
Sharp
Shipley
Shriver
Shuster
Sikes
Sisk
Skubitz
Slack
Smith, Iowa
Smith, Nebr.
Snyder
Solarz
Spellman
Spence
Staggers
Stanton, J. William
Stark
Steed
Steelman
Steiger, Ariz.
Steiger, Wis.
Stephens
Stratton
Stuckey
Studds
Sullivan
Symington
Symms
Talcott
Taylor, Mo.
Taylor, N.C.
Teague
Thompson
Thone
Thornton
Traxler
Treen
Tsongas
Ullman
Van Deerlin
Vander Jagt
Vanik
Vigorito
Waggonner
Walsh
Wampler
Weaver
Whalen
White
Whitehurst
Whitten
Wiggins
Wilson, Bob
Wilson, C. H.
Winn
Wirth
Wolff
Wright
Wydler
Wylie
Yates
Yatron
Young, Alaska
Young, Fla.
Young, Ga.
Young, Tex.
Zablocki
Zeferetti

NAYS—0

NOT VOTING—49

Abzug
Anderson, Ill.
Annunzio
Barrett
Bell
Bergland
Boggs
Collins, Ill.
Conyers
Cotter
Crane
Dellums
Diggs
Dingell
Erlenborn
Esch
Eshleman
Evans, Colo.
Fary
Fascell
Ford, Tenn.
Guyer
Hansen
Hayes, Ind.
Heinz
Hinshaw
Karth
McClory
McCloskey
McDonald
McKinney
Macdonald
Metcalfe
Meyner
Mikva
Miller, Calif.
Moffett
Murphy, Ill.
Obey
Riegle
Roe
Rostenkowski
Simon
Stanton, James V.
Stokes
Udall
Vander Veen
Waxman
Wilson, Tex.

The Clerk announced the following pairs:

Mr. Annunzio with Mr. Miller of California.
Mr. Fascell with Mr. Roe.
Mr. Diggs with Mr. Bergland.
Mr. Rostenkowski with Mr. Udall.
Mr. Stokes with Mr. Mikva.
Mr. Dingell with Mrs. Collins of Illinois.
Mr. Barrett with Mr. McKinney.
Mr. Murphy of Illinois with Mr. Heinz.
Mr. Cotter with Mr. Bell.
Mrs. Boggs with Mr. Guyer.
Ms. Abzug with Mr. McDonald of Georgia.
Mr. Hayes of Indiana with Mr. Eshleman.
Mr. Macdonald of Massachusetts with Mr. Hansen.
Mr. Karth with Mr. Anderson of Illinois.
Mr. Obey with Mr. Esch.
Mr. Moffett with Mr. James V. Stanton.
Mr. Waxman with Mr. McClory.
Mr. Charles Wilson of Texas with Mr. Erlenborn.
Mr. Dellums with Mr. Ford of Tennessee.
Mr. Fary with Mr. McCloskey.
Mr. Evans of Colorado with Mr. Crane.
Mr. Conyers with Mr. Riegle.
Mrs. Meyner with Mr. Simon.
Mr. Metcalfe with Mr. Vander Veen.

Mr. **FORSYTHE** changed his vote from "nay" to "yea."

So (two-thirds having voted in favor thereof) the rules were suspended and the bill was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

FIFTH QUARTERLY REPORT OF THE COUNCIL ON WAGE AND PRICE STABILITY—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES

The **SPEAKER** laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, referred to the Committee on Banking, Currency and Housing:

To the Congress of the United States:

In accordance with section 5 of the Council on Wage and Price Stability Act, as amended, I hereby transmit to the Congress the fifth quarterly report of the Council on Wage and Price Stability. This report contains a description of the Council activities during the last quarter of 1975 in monitoring both prices and wages in the private sector and various Federal Government activities that lead to higher costs and prices without creating commensurate benefits. It discusses in some detail the Council's studies in steel, automobiles, and industrial chemicals, as well as its filings before various Federal regulatory agencies.

During 1976, the Council on Wage and Phice Stability will continue to play an important role in supplementing fiscal and monetary policies by calling public attention to wage and price developments or actions by the Government that could be of concern to American consumers.

GERALD R. FORD.

THE WHITE HOUSE, *March 16, 1976.*

FURTHER CONTINUING APPROPRIATIONS, 1976

Mr. **MAHON**. Mr. Speaker, pursuant to the unanimous-consent request agreement of March 11, 1976, I call up the joint resolution (H.J. Res. 857) making further continuing appropriations for the fiscal year 1976, and the period ending September 30, 1976, and for other purposes, and ask unanimous consent that the joint resolution be considered in the House as in the Committee of the Whole.

The Clerk read the title of the joint resolution.

The **SPEAKER**. Is there objection to the request of the gentleman from Texas?

There was no objection.

The Clerk read the joint resolution, as follows:

H.J. RES. 857

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That clause (c) of section 102 of the joint resolution of June 27, 1975 (Public Law 94–41, as amended by Public Law 94–159), is hereby further amended by striking out "March 31, 1976" and inserting in lieu thereof "September 30, 1976".

SEC. 2. The first section of the tenth unnumbered clause of section 101(b) of such joint resolution is amended by inserting after "VII", the following "(except sections 792, 793, and 794(a))".

SEC. 3. The first un-numbered clause of section 101(e) of such joint resolution is amended by striking out "section 314(d)" and inserting in lieu thereof "Sections 312, 313, 792, 793, and 794".

With the following committee amendment:

On page 2, line 6, after "794" insert "(a)".

The committee amendment was agreed to.

Mr. **MAHON**. Mr. Speaker, I move to strike the last word.

Mr. Speaker, we have before us a resolution making further continuing appropriations. The present continuing resolution expires on March 31, and it is necessary to have a further continuing resolution.

Most of the appropriation bills, of course, have been processed and enacted into law; but there are three problems that bring about the necessity for this continuing resolution.

It is necessary because all of the appropriation bills for the current fiscal year have not yet been enacted into law. Basically, the resolution is applicable to three areas—the District of Columbia, foreign aid, and certain Labor-HEW appropriations.

The original continuing resolution was passed last June and was extended in December until March 31, 2 weeks from tomorrow.

DISTRICT OF COLUMBIA

With respect to the District of Columbia, the D.C. budget was not submitted to Congress until last November 5. Although the committee concluded hearings before adjournment of the last session of Congress on December 19, 1975, reporting of the District of Columbia bill has been delayed since that time pending receipt of amendments to the budget and enactment of revenue measures by the city government necessary to produce a balanced budget as required by law. It is evident that the appropriation bill will not clear Congress and be sent to the President before the expiration of the existing continuing resolution on March 31.

FOREIGN ASSISTANCE

With respect to the foreign aid bill, the committee concluded the bulk of the hearings for fiscal year 1976 last June but applicable authorizations were long delayed.

On March 3, the House passed the international security assistance bill. Although the House passed the foreign assistance appropriation bill the following day, there is no certainty that Senate and conference actions can be accomplished and the bill sent to the White House before the existing continuing resolution expires on the last day of this month. Consequently, an extension of the existing continuing resolution is necessary for these purposes.

LABOR-HEW APPROPRIATIONS

Further continuing authority is also required for certain programs normally funded under the Labor-HEW appropriations bill. This is necessary because of the absence or lateness of some authorizing legislation.

Appropriations for some of these activities including those under the Older Americans Act amendments and the public broadcasting program will be included in the second supplemental appropriation bill which the committee plans to report and pass through the House before the Easter recess which begins at close of business, Wednesday, April 14.

A number of ongoing health programs still lack basic authorization and the outlook for such legislation before the beginning of the new fiscal year is uncertain. With respect to the training programs for allied health and public health professions, the committee has included in sections 2 and 3 of the resolution language to permit the continuation of these activities which would otherwise expire. Moreover, extension of the existing resolution is required to further provide for programs and activities presently covered until midnight March 31.

Mr. Speaker, the September 30 date contained in the pending resolution represents the last day of the so-called transition period—the special fiscal period designed to achieve the change of the fiscal year as required by the Congressional Budget Act passed in July 2 years ago.

I know of no difficulty involved here. The matter was not controversial before the Committee on Appropriations. It should be considered as a routine operation that is required because of the factors which I have related to the House.

Mr. CEDERBERG. Mr. Speaker, will the gentleman yield?

Mr. MAHON. I yield to the gentleman from Michigan.

Mr. CEDERBERG. Mr. Speaker, I concur in the continuing resolution. If we are going to continue these programs, as provided here, then I see no other option other than to pass the continuing resolution. So I support the continuing resolution.

Mr. ROUSSELOT. Mr. Speaker, will the gentleman yield?

Mr. MAHON. I yield to the gentleman from California.

Mr. ROUSSELOT. Mr. Speaker, I appreciate my colleague, the chairman of the Committee on Appropriations, the gentleman from Texas (Mr. MAHON), yielding to me.

It is my understanding, Mr. Speaker, that this continuing resolution provides funding of roughly $4.1 billion of ongoing programs but that most of the funding is for foreign assistance. So that basically this resolution provides for continuing appropriations of slightly over $3.1 billion in foreign assistance. Is that not correct?

Mr. MAHON. The gentleman from California is correct. The exact figure is $3,043,000,000.

Mr. ROUSSELOT. $3.1 billion in foreign assistance for the foreign aid giveaway?

Mr. MAHON. This represents a continuation of last year's program levels. That is what the continuing resolution would provide for.

Mr. ROUSSELOT. My point is that roughly three-fourths of the money provided in this continuing resolution is for the giveaway programs overseas. Is that right?

Mr. MAHON. The gentleman is correct.

Mr. ROUSSELOT. I appreciate that comment. Therefore those Members that feel that the overwhelming proportion of the funds contained in this continuing resolution are for massive giveaway programs overseas would surely ask that we have a recorded vote.

Mr. Speaker, let me review for my fellow Members just where all this taxpayers' money is proposed to go:

House Joint Resolution 857 for consideration of House Appropriations Committee, March 11, 1976, summary of activities included

[In millions]

Foreign assistance	$3,043
District of Columbia	385
Department of Health, Education, and Welfare, selected activities	645
Center for Disease Control	
National Institutes of Health	
Alcohol, Drug Abuse, Mental Health Administration	
Health Resources Administration:	
Health Manpower	
Special Education Programs	
Public Health	
Allied Health	
Health Facilities Construction	
Office of Human Development, Aging Programs	
Corporation for Public Broadcasting	62
Total	4,136
Added by change in level of funding	49
Total	4,185

The SPEAKER. The time of the gentleman has expired.

(By unanimous consent, Mr. MAHON was allowed to proceed for 3 additional minutes.)

Mr. MAHON. Mr. Speaker, I would say to my friend, the gentleman from California (Mr. ROUSSELOT), that we had votes in the House on March 3 and 4 on the military assistance authorization bill and on the appropriations bill for all of the foreign aid programs. Of course, these bills have not been enacted into law and that is one of the reasons we have a further continuing resolution.

Mr. ROUSSELOT. I appreciate the gentleman's comments. Of course, that particular bill that this body passed is still in conference and we do not know really what the final outcome of that will be, but, in any regard, if there are any individuals who have substantial doubts about continuing this massive foreign aid giveaway program overseas, then this would be the place to indicate that doubt.

Mr. MAHON. There are many Members who opposed the legislation approved by the House earlier this month. I was among those voting against both the authorization and the appropriation.

I would say to the gentleman that the time to vote against foreign aid or for lower foreign aid spending levels was earlier this month, not on the measure before us at this time.

The resolution we are considering now provides a level for foreign aid of about $3 billion. It is the same rate as has prevailed since July 1 of this fiscal year.

The appropriations bill which passed the House on March 4 provided $5 billion, about $2 billion more than today's resolution.

So, I would say that Members should have voted against the foreign aid authorization and appropriation bills or against the conference reports when they come back to the House, if this is what they wish to do. I would not think Members would want to vote against this measure which is $2 billion lower than what the House approved 2 weeks ago and some $2.7 billion less than the President requested for the current fiscal year.

AMENDMENT OFFERED BY MR. BOLAND

Mr. BOLAND. Mr. Speaker, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. BOLAND: Page 2, after line 6, insert:

"SEC. 4. There is hereby appropriated, out of any money in the Treasury not otherwise appropriated, an additional amount of $175,000 for the National Commission on Water Quality, authorized by section 315 of the Federal Water Pollution Control Act, as amended to complete the work of the Commission."

Mr. BOLAND. Mr. Speaker, this amendment will provide $175,000 to permit the National Commission on Water Quality to complete its work. Its work will be completed by a report which will be filed next month. The $175,000 appropriation follows an authorization which was passed by the House on March 9 and by the Senate on March 10.

The Commission, in my opinion, is completing a vital study that should be assembled and printed to get the maximum benefit from this effort.

Members of both the House and Senate are participants in the important study group which has been under the capable guidance of Gen. Frederick J. Clarke, a former chief of the Corps of Engineers.

The chairman of the distinguished Committee on Public Works and the Vice President, who are both Members of this Commission, have asked that these funds be made available promptly as the small staff of the Commission of necessity will be placed on leave without pay this week.

Mr. Speaker, I urge the House to

adopt this amendment to this resolution so that these funds can be made available immediately. This is the only vehicle now before the Congress where this small but critical amount of funds can be provided.

Mr. **CEDERBERG**. Mr. Speaker, will the gentleman yield?

Mr. **BOLAND**. I yield to the gentleman from Michigan.

Mr. **CEDERBERG**. I thank the gentleman for yielding.

Mr. Speaker, we have no objection to the amendment on this side.

Mr. **MAHON**. Mr. Speaker, will the gentleman yield?

Mr. **BOLAND**. I yield to the gentleman from Texas.

Mr. **MAHON**. I thank the gentleman for yielding.

Mr. Speaker, I think it is necessary that the amendment be agreed to, and I trust that it will be adopted.

The **SPEAKER**. The question is on the amendment offered by the gentleman from Massachusetts (Mr. BOLAND).

The amendment was agreed to.

Mr. **FLOOD**. Mr. Speaker, the continuing resolution before us supports a number of ongoing programs normally funded in the Labor-HEW appropriations bill which at this late point in the fiscal year, still lack appropriations.

The resolution provides a total of $757,232,000 for these programs. Specifically, the bill provides continued funding at the annual rate of $28,300,000 for preventive health programs; $123,646,000 for the research training program of the National Institutes of Health; $160,287,000 for the research training and drug abuse programs of the Alcohol, Drug Abuse, and Mental Health Administration; $111,500,00 for the older Americans programs of the Office of Human Development; and $62,000,000 for the Corporation for Public Broadcasting. The legislative authority for these programs expired on June 30, 1975. We shall be able to include appropriations for the older Americans programs and for public broadcasting, and possibly for drug abuse and research training in the second supplemental appropriation bill which will be reported by the committee quite soon.

In addition, the continuing resolution provides $271,499,000 for the health manpower programs. This is the second full year that we have had to provide for the health manpower programs in the continuing resolution. The legislative authority for the health manpower programs expired on June 30, 1974. Let me point out that we have modified the existing resolution to permit the continuation of the training programs for allied health and public health professions. This change was necessary in order to prevent termination of support to these programs.

None of these activities could be included in the 1976 Labor-HEW appropriation bill, or the first 1976 supplemental appropriation bill, due to lack of authorizing legislation.

I wish I could say that this is the last time that this House will have to deal with a continuing resolution. Unfortunately, the outlook for the future is not that bright. Our subcommittee is currently considering 1977 budget estimates totaling over $58 billion, of which $3.3 billion requires additional authorizing legislation. Our schedule calls for completion of subcommittee markup of the 1977 appropriation bills by May 6, completion of full committee consideration by June 4, and completion of House action by July 2.

If the necessary authorizing legislation is not enacted soon, we will have to leave the unauthorized programs out of our 1977 appropriation bill—and that means more continuing resolutions.

Mr. **MAHON**. Mr. Speaker, I move the previous question on the joint resolution and all amendments thereto to final passage.

The **SPEAKER**. Without objection, the previous question is ordered.

There was no objection.

The **SPEAKER**. The question is on the engrossment and third reading of the joint resolution.

The joint resolution was ordered to be engrossed and read a third time, and was read the third time.

The **SPEAKER**. The question is on the passage of the joint resolution.

The question was taken; and the Speaker announced that the ayes appeared to have it.

Mr. **ROUSSELOT**. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The **SPEAKER**. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 309, nays 75, not voting 48, as follows:

[Roll No. 107]

YEAS—309

Adams
Addabbo
Alexander
Allen
Ambro
Anderson, Calif.
Andrews, N. Dak.
Armstrong
Ashley
Aspin
AuCoin
Badillo
Baldus
Baucus
Beard, R.I.
Bedell
Biaggi
Biester
Bingham
Blanchard
Blouin
Boland
Bolling
Bonker
Bowen
Brademas
Breaux
Breckinridge
Brodhead
Brooks
Broomfield
Brown, Calif.
Brown, Mich.
Buchanan
Burgener
Burke, Calif.
Burke, Mass.
Burleson, Tex.
Burlison, Mo.
Burton, John
Burton, Phillip
Butler
Carney
Carr
Carter
Cederberg
Chappell
Chisholm
Clay
Cleveland
Cohen
Conable
Conte
Corman
Cornell
Coughlin
D'Amours
Daniel, Dan
Daniel, R. W.
Daniels, N.J.
Danielson
Davis
de la Garza
Delaney
Dent
Derwinski
Devine
Dickinson
Diggs
Dingell
Dodd
Downey, N.Y.
Downing, Va.
Drinan
Duncan, Oreg.
Duncan, Tenn.
du Pont
Early
Eckhardt
Edgar
Edwards, Ala.
Edwards, Calif.
Eilberg
Esch
Evins, Tenn.
Fascell
Fenwick
Findley
Fish
Fisher
Fithian
Flood
Florio
Flowers
Flynt
Foley
Ford, Mich.
Forsythe
Fountain
Fraser
Frenzel
Fuqua
Gaydos
Giaimo
Gilman
Goldwater
Gonzalez
Goodling
Gradison
Grassley
Green
Gude
Hall
Hamilton
Hammerschmidt
Hanley
Hannaford
Harkin
Harrington
Harris
Hawkins
Hayes, Ind.
Hays, Ohio
Hébert
Hechler, W. Va.
Heckler, Mass.
Helstoski
Henderson
Hicks
Hillis
Holland
Holtzman
Horton
Howard
Howe
Hughes
Hungate
Hyde
Jacobs
Jarman
Jeffords
Johnson, Calif.
Johnson, Colo.
Johnson, Pa.
Jones, Ala.
Jones, N.C.
Jordan
Kasten
Kastenmeier
Kazen
Kemp
Keys
Kindness
Koch
Krebs
Krueger
LaFalce
Lagomarsino
Lehman
Lent
Litton
Lloyd, Calif.
Long, La.
Long, Md.
Lujan
McCormack
McDade
McEwen
McFall
McHugh
McKay
Madden
Maguire
Mahon
Mann
Mathis
Matsunaga
Mazzoli
Meeds
Melcher
Mezvinsky
Milford
Miller, Calif.
Mills
Mineta
Minish
Mink
Mitchell, Md.
Mitchell, N.Y.
Moakley
Moffett
Mollohan
Moorhead, Pa.
Morgan
Mosher
Moss
Murphy, N.Y.
Murtha
Myers, Pa.
Natcher
Neal
Nedzi
Nix
Nolan
Nowak
Oberstar
O'Brien
O'Hara
O'Neill
Ottinger
Passman
Patten, N.J.
Patterson, Calif.
Pattison, N.Y.
Pepper
Perkins
Pettis
Peyser
Pickle
Pike
Poage
Preyer
Price
Pritchard
Quie
Railsback
Randall
Rangel
Rees
Regula
Reuss
Rhodes
Richmond
Rinaldo
Risenhoover
Roberts
Robinson
Rodino
Roncalio
Rooney
Rose
Rosenthal
Roush
Roybal
Russo
Ryan
St Germain
Santini
Sarasin
Sarbanes
Scheuer
Schroeder
Sebelius
Seiberling
Sharp
Shipley
Shriver
Sikes
Sisk
Slack
Smith, Iowa
Solarz
Spellman
Staggers
Stanton, J. William
Stark
Steed
Steelman
Steiger, Wis.
Stratton
Stuckey
Studds
Sullivan
Symington
Talcott
Taylor, N.C.
Teague
Thompson
Thone
Tsongas
Ullman
Van Deerlin
Vander Jagt
Vanik
Vigorito
Waggonner
Walsh
Wampler
Waxman
Weaver
Whalen
White
Whitehurst
Whitten
Wiggins
Wilson, Bob
Wilson, C. H.
Winn
Wirth
Wolff
Wright
Wydler
Wylie
Yates
Yatron
Young, Ga.
Young, Tex.
Zablocki
Zeferetti

NAYS—75

Abdnor
Andrews, N.C.
Archer
Ashbrook
Bafalis
Bauman
Bennett
Bevill
Brinkley
Brown, Ohio
Broyhill
Burke, Fla.
Byron
Clancy
Clausen, Don H.
Clawson, Del
Cochran
Collins, Tex.
Conlan
Derrick
Emery
English
Evans, Ind.
Frey
Gibbons
Ginn
Hagedorn
Haley
Hefner
Hightower
Holt
Hubbard
Hutchinson
Ichord
Jenrette
Jones, Okla.
Jones, Tenn.
Kelly
Ketchum
Landrum
Latta
Levitas
Lloyd, Tenn.
Lott
McCollister
McDonald
Martin
Miller, Ohio
Montgomery
Moore
Moorhead, Calif.
Mottl
Myers, Ind.
Nichols
Pressler
Quillen
Rogers
Rousselot
Runnels
Ruppe
Satterfield
Schneebeli
Schulze
Shuster
Skubitz
Smith, Nebr.
Snyder
Spence
Steiger, Ariz.
Stephens
Symms
Taylor, Mo.
Traxler
Treen
Young, Fla.

NOT VOTING—48

Abzug
Anderson, Ill.
Annunzio
Barrett
Beard, Tenn.
Bell
Bergland
Boggs
Collins, Ill.
Conyers
Cotter
Crane
Dellums
Erlenborn
Eshleman
Evans, Colo.
Fary
Ford, Tenn.
Guyer
Hansen
Harsha
Heinz
Hinshaw
Karth
Leggett
Lundine
McClory
McCloskey
McKinney
Macdonald

Madigan
Metcalfe
Meyner
Michel
Mikva
Murphy, Ill.
Obey
Riegle
Roe
Rostenkowski
Simon
Stanton, James V.
Stokes
Thornton
Udall
Vander Veen
Wilson, Tex.
Young, Alaska

The Clerk announced the following pairs:

Mr. Annunzio with Mr. Anderson of Illinois.
Mr. Barrett with Mr. Crane.
Mr. Murphy of Illinois with Mr. Vander Veen.
Mr. Obey with Mr. Lundine.
Mr. Rostenkowski with Mr. Macdonald of Massachusetts.
Ms. Abzug with Mr. Beard of Tennessee.
Mr. Cotter with Mr. McClory.
Mrs. Boggs with Mr. Michel.
Mr. Karth with Mr. Guyer.
Mr. James V. Stanton with Mr. Young of Alaska.
Mr. Bergland with Mr. Heinz.
Mr. Stokes with Mr. Roe.
Mr. Udall with Mr. Harsha.
Mr. Charles Wilson of Texas with Mr. Ford of Tennessee.
Mr. Fary with Mr. McCloskey.
Mr. Conyers with Mr. Riegle.
Mrs. Collins of Illinois with Mr. Bell.
Mrs. Meyner with Mr. Madigan.
Mr. Evans of Colorado with Mr. Hansen.
Mr. Dellums with Mr. Leggett.
Mr. Simon with Mr. Erlenborn.
Mr. Metcalfe with Mr. Mikva.
Mr. Thornton with Mr. McKinney.

Mr. LEVITAS and Mr. SATTERFIELD changed their vote from "yea" to "nay."

So the joint resolution was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. MAHON. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the joint resolution just passed, and that I be permitted to include certain tables and extraneous material.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

PROVIDING FOR CONSIDERATION OF HOUSE JOINT RESOLUTION 280, PROVIDING REPRESENTATION OF THE DISTRICT OF COLUMBIA IN CONGRESS

Mr. YOUNG of Georgia. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 1040 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. Res. 1040

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the joint resolution (H.J. Res. 280) to amend the Constitution to provide for the representation of the District of Columbia in the Congress. After general debate, which shall be confined to the joint resolution and shall continue not to exceed three hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on the Judiciary, the joint resolution shall be read for amendment under the five-minute rule. At the conclusion of the consideration of the joint resolution for amendment, the Committee shall rise and report the joint resolution to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the joint resolution and amendments thereto to final passage without intervening motion except one motion to recommit.

The SPEAKER. The gentleman from Georgia (Mr. YOUNG) is recognized for 1 hour.

Mr. YOUNG of Georgia. Mr. Speaker, I yield the usual 30 minutes for the minority to the distinguished gentleman from Ohio (Mr. LATTA), pending which I yield myself such time as I may consume.

Mr. Speaker, House Resolution 1040 provides for an open rule with 3 hours of general debate on House Joint Resolution 280, a resolution to amend the Constitution to provide for representation of the District of Columbia in the Congress.

The rule further provides that the 3 hours of debate be divided equally and controlled by the chairman and ranking minority member of the Committee on the Judiciary, and the joint resolution shall be read under the 5-minute rule.

Also, House Resolution 1040 provides that at the conclusion of the consideration of the joint resolution for amendment, the committee shall rise and report the joint resolution to the House with such amendments as may have been adopted.

House Joint Resolution 280 would amend the Constitution to provide the District of Columbia voting representation in the House of Representatives on the basis of its population, and two voting Members of the Senate. Each Senator and Representative would possess the same qualifications as to age and citizenship and would have the same rights, privileges and obligations as other Senators and Representatives. As written, the amendment would have no effect on the provision in the 23d amendment for determining the number of Presidential elections to which the District is now entitled. Finally, the proposed new article confers power upon Congress to make provisions for filling vacancies in the representation in Congress for the District, but by election only.

It is unconscionable that in the year 1976—the two hundredth anniversary of this great Nation—that the citizens of the District of Columbia are subject to "taxation without representation." Basic to true democratic representation, the foundation of American Government, is the power to participate in the decision-making process which effects our lives. Our Nation was founded on this premise and through the years political participation has been strengthened by such acts as the 15th amendment, which prohibited the denial of the vote on the basis of race, the 19th amendment, which eliminated sex as the basis for denying the vote, the 26th amendment, which extended the right to vote to citizens 18 years of age and over, and the Voting Rights Act of 1965.

The greatest Bicentennial gift this Bicentennial Congress could give to the District of Columbia is full representation in the American political system. The 23d amendment, passed in 1960, granted District residents the right to vote in the selection of the President. Moreover, this amendment, enacted after decades of debating the constitutional and political issues related to the question of providing full voting representation in Congress to the people of the District of Columbia, set a precedent for subsequent Congress, that the District residents should not be denied the right to vote for the President because of their place of residence.

It is time, in this Bicentennial Year, for the Congress to employ the opportunity and its responsibility to recognize the right of the same citizens to full representation in the Congress.

Mr. Speaker, I urge the adoption of House Resolution 1040 in order that we may discuss, debate, and pass House Joint Resolution 280.

Mr. LATTA. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, while I feel certain this rule will be adopted, the joint resolution should be defeated on final passage.

Mr. Speaker, the report of the Committee on the Judiciary describes this bill as follows, and I quote:

> EFFECT OF THE PROPOSED AMENDMENT
>
> As already noted, the proposed new article would not make the District of Columbia a State or invest it with the sovereign powers of a State. Nor would it constitute a foundation for statehood or change the constitutional powers and responsibility of the Congress to legislate with respect to the District of Columbia.

Mr. Speaker, I think most Members of the House are asking themselves why the proponents are attempting this approach to this particular problem. I hope to give the Members a little more information than was provided in this committee report as to why this approach is being taken.

The gentleman from Georgia (Mr. YOUNG) has already indicated that residents of the District of Columbia can now vote for President and Vice President. They now elect their city government; they now elect their school board, even though they have a difficult time keeping a superintendent. But they do all these things, and they also elect a nonvoting Member of this House.

Now, one would think they would be here seeking to make the District of Columbia a State, and then they would accept all the responsibilities of a State. But, no, they are not doing that. They want all the benefits of being a State, but they do not want to accept all of the responsibilities of statehood.

The question is, why? Why are they taking this particular approach? To go the precedent-shattering constitutional route as here proposed, it will take a two-thirds vote in this House; to go the statehood route, it will only take a majority vote.

Mr. HAYS of Ohio. Mr. Speaker, will the gentleman yield?

Mr. LATTA. I yield to the gentleman from Ohio.

Mr. HAYS of Ohio. Mr. Speaker, I am inclined to be against this approach, but I did tell the gentleman from the District of Columbia, Reverend FAUNTROY, that if he could give me in writing a guarantee that Councilman Douglas Moore, who has been in the papers lately, would be one of the two U.S. Senators, I might be persuaded to vote for it. I think the Senate needs somebody like him, and I am not sure but what that would be an improvement all the way around. In that way we could get him out of the City Council and over there.

Mr. LATTA. Mr. Speaker, I thank the gentleman for his contribution.

Mr. Speaker, to continue on the question of why the proponents are going this route when it would be much easier to go the statehood route and not have to submit the matter to the States for ratification.

This is a very unique and precedent-setting procedure. Why are they doing it?

Well, they want to eat their cake and have it too. It is just as simple as that. They want to be dipping into all these Federal funds they presently have access to as a non-State while still enjoying the benefits of statehood. That is what it is all about.

The issue is not this question of taxation without representation. That is not the question at all, because citizens do vote in this Federal city. And I still consider it a Federal city; it is the Capital of all the people of these United States, and it is not just for the people who happen to reside here in the District of Collumbia.

It is a Federal city. They want to dip into all these funds that are now provided to the District as a Federal city by our constituents, yours and mine, the taxpayers of this Nation, and these are funds to which the States are not now entitled to receive.

Does your State get a Federal payment? It does not. What does the District of Columbia get, and how much does the District of Columbia want to keep by going this route?

Mr. Speaker, I went to the Subcommittee on the District of Columbia Appropriations to get the expenditures for the District as they apply today, and I find they are very enlightening. In fiscal year 1976 the Federal payment to the District of Columbia was $254 million. In Federal grants the District of Columbia received $340,614,000. From revenue sharing—and we heard a little bit about that from our majority leader earlier this afternoon—the District of Columbia received $30 million. That all comes to a subtotal of $624,614,000.

In Federal loans for fiscal year 1976 the District of Columbia received $248,153,000. After the addition of that figure, the District of Columbia received a total in Federal funds for fiscal year 1976 of $872,767,000. But I am not finished yet.

How many major cities in this country are getting a $6 billion subway system built primarily by the taxpayers of this country? If they are doing anything remotely similar to this subway construction, are their bonds being sold backed by the U.S. Government?

Mr. Speaker, these bonds are so backed in the District of Columbia. I might say, since I have mentioned the subway system, that I have these figures for the benefit of the Members.

The gentleman from Kentucky (Mr. NATCHER), chairman of the District of Columbia Subcommittee of the Appropriations Committee—and he keeps pretty close tab on what is going on—says that $6 billion will be cost of this most expensive subway system in America.

The revised estimated cost, even if we use the present figures, would be $4,730,600,000. The amount authorized by the Congress and by the people of this country so far is $2,980,200,000.

Mr. Speaker, they have even come into the Congress and said, "We want a change in the ratio of payments." The Federal Government is already paying two-thirds of the cost.

They just recently came in and said, "We want 80 percent."

Mr. Speaker, I went to the Library of Congress, and I do not very often do this, to get some figures on the amount of the tax burden versus Federal outlays. If the Members would like to see this little document as to their States and compare the figures for the District of Columbia, it will be back there on the committee table. You can take a look at it. However, since we are talking about the District of Columbia, I might point out this includes outlays for Federal employees and all of the outlays from the Federal tax treasury in the District of Columbia. It does not, naturally, all go to the District of Columbia. I am talking about outlays of all Federal dollars in the District of Columbia, according to the Library of Congress. Under the tax burden, the figure is $1,141,347,000. The amount of the outlays is $8,500,803,000.

Mr. Speaker, let us not talk about taxation without representation when we have figures like these staring us in the face. As we listen to the discussion here this afternoon and we hear all about taxation without representation, let us keep in mind this fact: Why are the proponents of this legislation not going the State route rather than via this hybrid route?

I have given the Members the answer to this question. The answer is dollars, dollars that would not otherwise go into the District of Columbia and they do not want to have to give them up by accepting statehood. Could it be that the proponents value dollars more than statehood? I would hope not.

Mr. YOUNG of Georgia. Mr. Speaker, I yield 3 minutes to the distinguished gentleman from Indiana (Mr. MADDEN), the chairman of the Committee on Rules.

Mr. MADDEN. Mr. Speaker, I rise in support of House Joint Resolution 280 which would amend the Constitution to provide for the representation of the District of Columbia in Congress. The constitutional amendment which this resolution would propose provides that the District of Columbia elect two U.S. Senators and the number of U.S. Representatives to which it would be entitled if it were a State—the current population of the District would result in two Representatives. Senators and Representatives which elected would have to be inhabitants of the District and meet the same age and citizenship requirements as if they were elected from a State. All vacancies would be filled by election only.

The people of the District of Columbia, like all other citizens of the United States are entitled to their full representation in the U.S. Congress. This constitutional amendment is needed because the framers of our Constitution could not have foreseen that 700,000 persons have been deprived of their voting franchise.

I urge the adoption of House Joint Resolution 280 in order that the most fundamental principle of our democracy can be extended to all the citizens of the District of Columbia—the right to representation of one's views in Government.

Mr. LATTA. Mr. Speaker, will my chairman, the gentleman from Indiana (Mr. MADDEN), yield for just one short question?

Mr. MADDEN. Mr. Speaker, when we had this in the Committee on Rules, I think we answered most of the gentleman's questions.

Mr. LATTA. The committee did not answer my question.

Mr. MADDEN. Mr. Speaker, I yield back the balance of my time.

Mr. LATTA. Mr. Speaker, I yield myself 1 minute for the purpose of asking the gentleman from Indiana (Mr. MADDEN) a question.

Mr. Speaker, the question I would like to ask my good chairman, which he apparently does not wish to answer, is why are the proponents not going the State route and willing to accept the responsibility of statehood as well as all the benefits?

Of course, Mr. Speaker, the gentleman knows the answer and this is apparently why he did not choose to answer.

Mr. EDWARDS of California. Mr. Speaker, will the gentleman yield?

Mr. LATTA. I yield to the gentleman from California.

Mr. EDWARDS of California. Mr. Speaker, this will be covered in full detail when the general debate starts. I can assure the gentleman from Ohio (Mr. LATTA) that there are many solid and good reasons why going the route of statehood would be inappropriate. A particular, special and good reason, and just one of the number of reasons, is that our founders wanted to have a Federal enclave that we operated ourselves as Members of the Congress. That is a very important principle that we would lose by having a State. Does the gentleman from California want the State of Maryland or the State of Virginia or the State of California to control the business of the Federal enclave?

The SPEAKER. The time of the gentleman has expired.

Mr. LATTA. Mr. Speaker, I yield myself 1 additional minute and again yield to the gentleman from California.

Mr. EDWARDS of California. Mr.

Speaker, I have completed my statement, and that is that one of the reasons is to preserve the important principle of the Federal Government controlling its own buildings and its own property.

Mr. LATTA. I might say in my humble view that there is not very much to preserve as far as the Federal city idea is concerned. We attempted to carve out a Federal enclave, and many Members realize that that was a fluke.

I just want to say that I look forward with anxious anticipation to getting an answer to my question.

I yield back the balance of my time.

Mr. YOUNG of Georgia. Mr. Speaker, I have no further requests for time.

Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The SPEAKER. The question is on the resolution.

The question was taken; and the Speaker announced that the ayes appear to have it.

Mr. HILLIS. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 313, nays 72, not voting 47, as follows:

[Roll No. 108]

YEAS—313

Abdnor
Adams
Addabbo
Alexander
Allen
Ambro
Andrews, N.C.
Andrews, N. Dak.
Armstrong
Ashley
Aspin
AuCoin
Badillo
Baldus
Baucus
Beard, R.I.
Beard, Tenn.
Bedell
Bennett
Bevill
Biaggi
Biester
Bingham
Blanchard
Blouin
Boland
Bolling
Bonker
Brademas
Breaux
Breckinridge
Brinkley
Brodhead
Brown, Calif.
Brown, Mich.
Brown, Ohio
Broyhill
Buchanan
Burgener
Burke, Calif.
Burke, Fla.
Burke, Mass.
Burlison, Mo.
Burton, John
Burton, Phillip
Byron
Carney
Carr
Cederberg
Chappell
Chisholm
Clausen, Don H.
Clay
Cochran
Cohen
Conable
Conte
Corman
Cornell
Cotter
Coughlin
D'Amours
Daniel, Dan
Daniels, N.J.
Danielson
Davis
de la Garza
Delaney
Dent
Derrick
Derwinski
Dickinson
Diggs
Dodd
Downey, N.Y.
Downing, Va.
Drinan
Duncan, Oreg.
du Pont
Early
Eckhardt
Edgar
Edwards, Ala.
Edwards, Calif.
Eilberg
Emery
Esch
Evans, Ind.
Fascell
Fenwick
Findley
Fish
Fisher
Fithian
Flood
Florio
Flowers
Ford, Mich.
Forsythe
Fountain
Fraser
Frenzel
Frey
Fuqua
Gaydos
Giaimo
Gilman
Ginn
Goldwater
Gonzalez
Goodling
Gradison
Grassley
Green
Gude
Hagedorn
Hall
Hamilton
Hanley
Hannaford
Harkin
Harrington
Harris
Hawkins
Hayes, Ind.
Hays, Ohio
Hechler, W. Va.
Heckler, Mass.
Hefner
Helstoski
Henderson
Hicks
Holland
Holtzman
Horton
Howard
Howe
Hughes
Hungate
Hyde
Ichord
Jacobs
Jeffords
Jenrette
Johnson, Colo.
Jones, N.C.
Jones, Tenn.
Jordan
Kasten
Kastenmeier
Kazen
Kelly
Kemp
Ketchum
Keys
Koch
Krebs
LaFalce
Lagomarsino
Leggett

Seiberling
Sharp
Shipley
Lehman
Lent
Levitas
Litton
Lloyd, Calif.
Lloyd, Tenn.
Long, La.
Lundine
McCollister
McCormack
McDade
McFall
McHugh
McKay
McKinney
Madden
Maguire
Mahon
Mann
Martin
Matsunaga
Mazzoli
Meeds
Melcher
Mezvinsky
Miller, Calif.
Mills
Mineta
Minish
Mink
Mitchell, Md.
Mitchell, N.Y.
Moakley
Moffett
Mollohan
Moorhead, Pa.
Morgan
Mosher
Moss
Mottl
Murphy, N.Y.
Murtha
Myers, Ind.
Myers, Pa.
Natcher
Neal
Nedzi
Nichols
Nix
Nolan
Nowak
Oberstar
O'Brien
O'Hara
O'Neill
Ottinger
Patten, N.J.
Patterson, Calif.
Pattison, N.Y.
Pepper
Perkins
Pettis
Peyser
Pickle
Pike
Pressler
Preyer
Price
Quie
Railsback
Randall
Rangel
Rees
Regula
Reuss
Rhodes
Richmond
Rinaldo
Risenhoover
Rodino
Roe
Rogers
Roncalio
Rooney
Rose
Rosenthal
Roush
Roybal
Russo
St Germain
Santini
Sarasin
Sarbanes
Scheuer
Schneebeli
Schroeder
Schulze
Shriver
Sisk
Skubitz
Slack
Smith, Iowa
Smith, Nebr.
Solarz
Spellman
Spence
Staggers
Stanton, J. William
Stark
Steiger, Wis.
Stephens
Stuckey
Studds
Sullivan
Symington
Talcott
Taylor, Mo.
Taylor, N.C.
Thone
Thornton
Traxler
Treen
Tsongas
Ullman
Van Deerlin
Vander Jagt
Vander Veen
Vanik
Vigorito
Walsh
Wampler
Waxman
Weaver
Whalen
White
Whitehurst
Wiggins
Wilson, Bob
Wilson, C. H.
Winn
Wirth
Wolff
Wright
Wydler
Yates
Yatron
Young, Fla.
Young, Ga.
Zablocki
Zeferetti

NAYS—72

Anderson, Calif.
Archer
Ashbrook
Bafalis
Bauman
Bowen
Brooks
Broomfield
Burleson, Tex.
Butler
Carter
Clancy
Clawson, Del
Cleveland
Collins, Tex.
Conlan
Daniel, R. W.
Devine
Dingell
Duncan, Tenn.
English
Evins, Tenn.
Flynt
Gibbons
Haley
Hammerschmidt
Hébert
Hightower
Hillis
Holt
Hubbard
Hutchinson
Jarman
Johnson, Pa.
Jones, Okla.
Kindness
Landrum
Latta
Long, Md.
Lott
Lujan
McDonald
McEwen
Milford
Miller, Ohio
Montgomery
Moore
Moorhead, Calif.
Passman
Poage
Pritchard
Quillen
Roberts
Robinson
Rousselot
Runnels
Ruppe
Ryan
Satterfield
Sebelius
Shuster
Snyder
Steed
Steiger, Ariz.
Stratton
Symms
Waggonner
Whitten
Wilson, Tex.
Wylie
Young, Alaska
Young, Tex.

NOT VOTING—47

Abzug
Anderson, Ill.
Annunzio
Barrett
Bell
Bergland
Boggs
Collins, Ill.
Conyers
Crane
Dellums
Erlenborn
Eshleman
Evans, Colo.
Fary
Foley
Ford, Tenn.
Guyer
Hansen
Harsha
Heinz
Hinshaw
Johnson, Calif.
Jones, Ala.
Karth
Krueger
McClory
McCloskey
Macdonald
Madigan
Mathis
Metcalfe
Meyner
Michel
Mikva
Murphy, Ill.
Obey
Riegle
Rostenkowski
Sikes
Simon
Stanton, James V.
Steelman
Stokes
Teague
Thompson
Udall

The Clerk announced the following pairs:

On this vote:

Mrs. Meyner for, with Mr. Annunzio against.

Mr. Thompson for, with Mr. Teague against.

Until further notice:

Mr. Barrett with Mr. Krueger.

Mrs. Boggs with Mr. Mathis.

Mr. Rostenkowski with Mr. Sikes.

Mr. Stokes with Mr. Macdonald of Massachusetts.

Mr. Bergland with Mr. Anderson of Illinois.

Ms. Abzug with Mr. Erlenborn.

Mr. Conyers with Mr. Guyer.

Mr. Evans of Colorado with Mr. Crane.

Mr. Fary with Mr. Harsha.

Mr. Dellums with Mr. Johnson of California.

Mr. Jones of Alabama with Mr. Madigan.

Mr. Ford of Tennessee with Mr. Bell.

Mr. Karth with Mr. Riegle.

Mrs. Collins of Illinois with Mr. Eshleman.

Mr. Foley with Mr. McClory.

Mr. Metcalfe with Mr. Hansen.

Mr. Mikva with Mr. McCloskey.

Mr. Obey with Mr. Steelman.

Mr. Murphy of Illinois with Mr. Heinz.

Mr. Simon with Mr. Michel.

Mr. James V. Stanton with Mr. Udall.

Mr. CHARLES WILSON of Texas changed his vote from "yea" to "nay."

So the resolution was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

ANNOUNCEMENT BY THE SPEAKER

The SPEAKER. The Chair desires to make an announcement.

After consultation with the majority and minority leaders, and with their consent and approval, the Chair announces that tomorrow when the Houses meet in joint meeting to hear an address by the Prime Minister of Ireland only the doors immediately opposite the Speaker and those on his left and right will be open.

No one will be allowed on the floor of the House who does not have the privilege of the floor of the House.

Due to the large attendance which is anticipated, the Chair feels that the rule regarding the privilege of the floor must be strictly adhered to.

Children of Members will not be permitted on the floor and the cooperation of all the Members is requested.

PROVIDING REPRESENTATION OF THE DISTRICT OF COLUMBIA IN CONGRESS

Mr. EDWARDS of California. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the joint resolution (H.J. Res. 280) to amend the Constitution to provide for representation of the District of Columbia in the Congress.

The SPEAKER. The question is on the motion offered by the gentleman from California (Mr. EDWARDS).

The motion was agreed to.

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the joint resolution (H.J. Res. 280), with Mr. SMITH of Iowa in the chair.

The Clerk read the title of the joint resolution.

By unanimous consent, the first reading of the joint resolution was dispensed with.

The CHAIRMAN. Under the rule, the gentleman from California (Mr. Edwards) will be recognized for 1½ hours, and the gentleman from Virginia (Mr. Butler) will be recognized for 1½ hours.

The Chair recognizes the gentleman from California (Mr. Edwards).

Mr. EDWARDS of California. Mr. Chairman, I yield 10 minutes to the distinguished chairman of the Committee on the Judiciary, the gentleman from New Jersey (Mr. Rodino).

Mr. RODINO. Mr. Chairman, I rise in strong support of this legislation which is being brought to the House by the able and distinguished chairman of the Subcommittee on Civil and Constitutional Rights, the gentleman from California (Mr. Edwards). I want to commend him and the ranking minority member, the gentleman from Virginia (Mr. Butler), for having labored over this legislation which has had the attention of the Congress for a number of years now, and has been before the various committees of the Congress and finally reaches the floor of the House of Representatives, and, hopefully, will obtain the support of the House.

Mr. Chairman, I am in strong support of House Joint Resolution 280, which proposes to the States for ratification a constitutional amendment which would grant the people of the District of Columbia the seat of the government, their long overdue right to elect two Senators and the number of Representatives to which they would be entitled if the District were a State. Unlike the nonvoting delegate position now filled by our able and distinguished colleague, Walter Fauntroy, the Senators and Representatives granted under this resolution would have full voting powers, and all the rights and responsibilities of Congressmen from the States.

In this, our Bicentennial Year, this resolution takes on special significance. Over 200 years, this Nation has always strived for universal suffrage. Shortly after the adoption of the Constitution, the States began removing the qualification of property ownership, and increased the franchise. After the Civil War, the 15th amendment prohibited denial of the vote based on race or national origin. In the 20th century, we adopted the 19th amendment, giving the right to vote to women, and in 1961, the States ratified the 23d amendment, giving the people of the District the right to select electors for the offices of President and Vice President. Three years later, the 24th amendment prohibited poll taxes, increasing the franchise further. In 1972, just 4 years ago, the 24th amendment passed the States in record time, granting the vote to all of our citizens over the age of 18. Finally, in the first session of this Congress, we passed, and the President signed, a bill that grants to all American citizens residing abroad the right to vote in elections at home.

There remains, however, one group of our citizens who are still denied the right to vote—the people of the District of Columbia. They may not govern their own affairs—they are governed by the people of the 50 States. It is this same sort of denial of self-government that caused the American colonists in 1776 to raise the cry of "No taxation without representation." The citizens of the District pay all Federal taxes. They are subject to service in the Armed Forces, and have served courageously and admirably since the founding of the Republic. And they are subject to all Federal laws. Yet they may not participate in the formation of those laws. This is not government "of the people, and by the people."

The joint resolution you have before you today provides the means for correcting this historic injustice to the citizens of Washington.

It is time to act now, and not let the people of this great city be denied the full rights of American citizenship any longer. I strongly urge the passage of this resolution.

Mr. BUTLER. Mr. Chairman, I yield such time as he may consume to the gentleman from Michigan (Mr. Hutchinson).

Mr. HUTCHINSON. Mr. Chairman, in form, our Nation is a Federal Republic, a Union of States. The Constitution provides that Members of this House shall be chosen every second year by the people of the several States. The other body is composed of two Senators from each State, elected by the people thereof. When we vote in congressional elections, you and I act in our capacity as citizens of our States, not as citizens of the United States, because it is the people of the several States, not the people of the United States, who choose the Congress.

The joint resolution we are now considering would change all that. It would effect a fundamental change in the character of our Federal Union of States. For the first time, American citizens who are not citizens of the several States would participate in the election of voting Members in Congress.

All during the 19th century and into the 20th, American citizens left their States of residence and migrated into new lands which were subject to the jurisdiction of the United States but were not in any State. As migration into those areas increased they were organized into territories, but at no time did those Americans elect voting Members of Congress. Not until their territory was admitted as a State did they have that representation. As residents of the territories the most representation they enjoyed was the voice of a single territorial delegate who had no vote.

There was no widespread belief that the people of the territories were discriminated against because they had no direct voting representation in Congress. In large part they had left the States where they enjoyed direct voting representation, willingly surrendering the right of direct voting representation here for other advantages they sought in the West. By analogy, the large majority of the residents of the District of Columbia are not native here but willingly left their States in order to live at the seat of government, surrendering the advantages of direct voting representation for other advantages thought important by them.

There is no law compelling any citizen to live in the District of Columbia. All who deem direct representation in Congress to be of sufficient importance can establish residence in one of the States and participate there in the election of Senators and Representatives. In fact, large numbers who live in the District have retained their State citizenship and regularly vote in congressional elections in the States. I believe the policy of Congress should be to encourage people to live in the States, not in the District of Columbia. The District was created as a haven for Congress, outside the States, and the predominant concerns in the District should be the Government of the United States. Those who do live in the District should be connected with the Government and those who minister to its needs. Those whose careers are in the Government need no direct representation in this House or in the other, because they are themselves directly participating in the governmental process.

It is argued that the people of the District of Columbia are being taxed without representation, resorting to that great American Revolutionary slogan, "no taxation without representation." But the comparison is inappropriate. The British Colonies in North America were a distant land, weeks away from London in communication. They had no voice in Parliament. There was no way in which they could make their wants known or in which they could express their views. The District of Columbia is right here. Its local government is heard every day. It has a Delegate accorded full rights of speech and debate in this House. He serves on our committees. He is recognized as one of us. He is not an outsider, as was Benjamin Franklin and other colonial agents before the British Government 200 years ago. The District of Columbia participates in all of the Federal aid programs available to the States.

And in addition, the District receives hundreds of millions of dollars each year from the Federal Government as a payment in lieu of taxes. Now that is a special benefit to the District, because we make no like payments to the States as payments in lieu of taxes on Government land and buildings in the States, and there are a lot of Government-owned facilities throughout the country. The British wanted to tax the Colonies, to take from them and to give little or nothing in return. The District of Columbia, on the other hand, receives much more in aid from the Federal Government than the people of the District pay to the Government in taxes. It is not a case of taxation without representation. It is a case of net benefits received without voting representation, just the reverse of the situation two centuries ago.

It is argued that the Founding Fathers sought to broaden the franchise to all citizens and could not have intended to deprive the people who resided in the seat of government direct voting representation in Congress. I suggest that the Founding Fathers intended to leave voting qualifications to the States. They clearly prescribed that the electors in each State for Members of this House shall have the qualifications requisite for electors of the most numerous branch of the State legislature. What those qualifications are were left to State law. They intended to broaden the franchise only so far as the States extended it.

I suggest, too, that the Founding Fathers envisioned that only those connected with the general government would live in the Federal District, and then only for so long as they were part of the Government. They would need no representation in Congress since they would be directly participating in the Government. They created the District as a haven for Congress, beyond the reach of any State legislature or local interest. Had they contemplated a large resident population in the District unconnected with the Government, demanding voting representation in Congress in the same manner as if they were a State, our Founders would have likely rejected that demand, fearing that such recognition might seed the very sort of local influence and control they sought to avoid. They would not have left the local influences of New York and Philadelphia to embrace the local influences of the Federal District. They left those cities to avoid local influences. I am inclined to believe it was no historic accident that the people who choose to live in the congressional haven are without direct voting representation in Congress.

My position is that this joint resolution ought not pass in any form. But if the House determines to enact it, once it be postulated that the District is entitled to voting represenation here, no less than full membership in both Houses can be justified. The people of each of the 50 States are represented in this House according to their numbers and they choose two Senators to represent their State. To accord the people of the District of Columbia voting representation in this House and to deny them their equal suffrage in the Senate, would leave them only half represented, with voting strength in one House of a bicameral Legislature but none in the other. The people of the District would not long be content with such an arrangement and they would come again to Congress, asking that the Constitution be further amended to give them full suffrage. As one who believes that the Constitution should be sparingly amended, I contend that if the District is to be accorded voting representation at all, it should be given that representation to which it would be entitled if it were a State. The people will not be content with less.

It is argued that since no State may be deprived without its consent of its equal suffrage in the Senate, an amendment providing for Senators from the District of Columbia could not be made effective without ratification by all 50 States. The contention is that the admission of two Senators from the District would dilute the power of the States. But this dilution would affect all of the States equally, so that none would be deprived of its equal suffrage in the Senate. Admission of Senators from the District would no more deprive a State of its equal voting power in the Senate than would the admission of the District as a State, or the admission of any new State.

It is also argued that if Washington, the federal city, can obtain voting representation in the Senate, other large metropolitan cities might seek a like voice. Such fears may be allayed by the clear provisions of the Constitution. Every city other than Washington is within a State and already represented in the Senate. And since no State may be deprived of its equal suffrage in the Senate without its consent, an amendment which would grant Senators to any city other than Washington would enlarge the senatorial representation of a State and could not be accomplished with less than ratification by all of the States.

I think, too, that if this joint resolution is to be adopted, the 23d amendment of the Constitution should be repealed.

House Joint Resolution 280 would provide the District the same representation in Congress it would have if it were a State. Senators and Representatives from the District would have all of the rights of other Members, including the power vested in Congress under the 25th amendment. Representatives from the District would also participate in the election of a President when that right devolves upon the House under the 12th amendment, where the District would be treated as the 51st State. Senators from the District would participate in the election of a Vice President when that duty devolves upon the State under the 12th amendment.

But inconsistently the proposal specifically preserevs the 23d amendment limiting the District in the electoral process to the electoral vote of the least populous State.

If the District is to be accorded two Senators and its population entitles it to two Representatives, it ought to be given its full complement of electoral votes, four. It is certainly not fair to treat the District as though it were a State when the choice of a President is thrown into the House of Representatives because no Presidential candidate received a majority of the electoral votes, and to deny the District its full strength within the electoral college to ward off that event. The proposal should be amended to grant the District its full complement in the electoral college and repeal the 23d amendment.

There are other problems with the proposed constitutional amendment which I have dealt with in my minority views. I invite Members to read them, as well as the dissenting views of my colleagues before voting upon what I consider to be an unfortunate proposal to amend the Constitution in a way which very clearly would remove some of the last vestiges of a true federal system of States.

Mr. FAUNTROY. Mr. Chairman, will the gentleman yield?

Mr. HUTCHINSON. I yield to the gentleman from the District of Columbia.

Mr. FAUNTROY. Mr. Chairman, I do intend to respond to many of the points made in the minority views of the gentleman in the well, the gentleman from Michigan (Mr. HUTCHINSON) later on in this debate; but for the moment, I would like to know if I am right in interpreting the gentleman's statement, that Federal employees in the District of Columbia deserve no representation in the legislative branch of Government, to mean that those 60,000 Federal employees who live in suburban Maryland and the 61,000 Federal employees in suburban Virginia, should likewise be denied the privilege of voting for Members of the House and Members of the Senate. Do you wish to deprive these citizens also in the legislative branch of Government? Is that a fair interpretation of the gentleman's statement?

Mr. HUTCHINSON. No, I made no such statement.

My point is that any citizen of any one of the 50 States should be directly represented here by voting representatives in the House. Those citizens of the United States who choose not to live in one of those 50 States never have been entitled to direct representation, and I do not think that they should be.

Any citizen who feels so strongly about that can establish residence in one of the 50 States. If any citizen who lives in the District of Columbia feels strongly enough about it he could move either to Virginia or Maryland.

Mr. FAUNTROY. If the gentleman would yield further, that was the view, if the gentleman recalls, of King George's Parliament, that the people in the 13 Colonies, if they wanted representation in return for the taxes they paid, could move to England.

The gentleman also mentioned the fact that residents of the territories have never had the privilege of voting representation in the House and the Senate.

But the gentleman does not mention the fact that residents of the District of Columbia, unlike the residents of the territories, assume all of the responsibilities of citizenship including the payment of Federal taxes, service in the military, and the other obligations of citizenship.

Mr. HUTCHINSON. Mr. Chairman, I would say to the gentleman that the people who lived in the territories in the 19th and 20th centuries also paid Federal taxes and served in the military and carried out all of the responsibilities of citizenship.

Mr. FAUNTROY. I think the gentleman from Michigan will find that the fact is that District residents, unlike the residents of the territories to which the gentleman has referred, pay Federal taxes and, as a matter of fact, we pay a higher per capita Federal tax in the District than do the citizens of all but four States of the Union. It troubles me that the gentleman from Michigan would deny the residents of this Federal City what the gentleman would demand for the residents of the district who have elected him to represent them in the legislative branch of the Government.

Mr. HUTCHINSON. I simply say that anybody who chooses not to live in one of the 50 States is not entitled to direct representation in a federal system, a union of states.

Mr. EDWARDS of California. Mr. Chairman, I yield myself 7 minutes.

Mr. Chairman, I have listened to the arguments of my colleagues, both in the subcommittee, in the full committee and on the floor in opposition to this joint resolution and I must admit that I find it very hard to understand them. I do not think that any of the arguments, although ably presented by distinguished lawyers and constitutional scholars, are really substantive in nature.

I was thinking as I was sitting over there that if the State of California decided that the residents of Sacramento, the capital city of California, or if the State of Virginia decided that the people in the city of Richmond, Va., the capital of that State, could not vote for Members of the Senate and House of Representatives, the aggrieved could go right into Federal court, charge unconstitutionality as a denial of equal protection under the laws, and obtain a court order correcting the situation within a few weeks.

Yet here we have 700,000 people or more who are not able to have their own representation in the House of Representatives or in the Senate, and somehow they make a big thing out of granting it to them. We should really be outraged, and this legislation should pass by a nearly unanimous vote.

Mr. Chairman, when the Federal Government was established in 1787, the people of what is now the District voted in Maryland for Representatives, Senators, Vice Presidents, and Presidents. They voted in Maryland until the election of November 1800. Then, in December 1800, the Federal Government took jurisdiction over the District, and its residents have not voted in a congressional election since.

Some have suggested that this was the result of an oversight of the Constitutional Convention. The delegates to that convention simply did not consider the consequences of establishing a new Federal city for the seat of the new Government. Shortly after 1800, when it became clear that District residents could not vote for those who would govern them, there was an attempt in Congress to correct this gross inequity, and to restore the right to vote to the residents of the District. The attempt failed, however, and Washington's citizens have been without the vote ever since. Numerous attempts since then have also failed, but this Bicentennial Congress should act to fulfill the goals of equal representation and participation in the Government by all citizens set by the Founders 200 years ago.

The best way to correct this fundamental inequity is by constitutional amendment. Some have suggested that because the Constitution speaks only in terms of representation of States and of people of the States, the District, a non-State, should not be given representation in Congress. That is precisely why a constitutional amendment is necessary. The Constitution does speak of representation in Congress only in terms of States, and of course, the District is not a State. Thus, without an amendment such as the one proposed by the resolution, it would be impossible to grant the people of the District the full voting representation to which they are entitled as citizens of this great Republic.

House Joint Resolution 280 is the best proposed constitutional amendment to accomplish this goal. The resolution allows the people of the District to elect two Senators and the number of Representatives to which they would be entitled if they were a State, which, with their current population of over 700,000 would be two. The resolution gives the Senators and Representatives from the District the full rights, duties, and obligations as Congressmen from the States, and subjects them to the same qualifications requirements that are prescribed for other Congressmen. The resolution also provides that vacancies in either office shall be filled by election by the people of the District, rather than by appointment, as is the case for Senators of the States. The resolution does not, however, affect the 23d amendment, which gives the District electors for President equal to the number from the least populous State. But it does grant the Representatives and Senators a vote the same as if the District were a State in the election of the President and Vice President respectively, when that duty falls upon the House or upon the Senate. Finally, the resolution grants Congress the power to enforce the proposed amendment by appropriate legislation. Thus, the proposed amendment maintains the flexibility required by our constitutional system by granting Congress the power to enforce this amendment. The unique status of the District, and the power the Constitution gives to Congress over the District's affairs make this imperative.

Mr. PHILLIP BURTON. Mr. Chairman, will the gentleman yield?

Mr. EDWARDS of California. I yield to the gentleman from California.

Mr. PHILLIP BURTON. I thank the gentleman for yielding.

Mr. Chairman, I would like to commend our distinguished colleague in the well, the gentleman from California (Mr. EDWARDS) for his enormous leadership in this very important unfinished business in terms of providing meaningful representation in the House and in the Senate, and even more particularly, if I may, I would like to commend our colleague, the gentleman from the District of Columbia (Mr. FAUNTROY) for his tireless and dogged determination to pursue this matter and to see that our fellow citizens here in the District of Columbia are accorded the same and equivalent representation that our fellow citizens in the balance of the United States are accorded.

This step is long overdue, and I certainly hope our colleagues will adopt the committee proposal.

Mr. EDWARDS of California. I thank the gentleman from California very much for his contribution.

The proposed amendment also leaves intact the delicate compromise that was formed in the 23d amendment limiting the number of Presidential electors the District may appoint, and we will welcome the amendment to be offered by the gentleman from Michigan (Mr. HUTCHINSON) and look forward to a debate on this particular point.

The need, Mr. Chairman, for this amendment is clear, and the issue is of vital importance not only to three-quarters of a million of our citizens but to all the rest of us as well. It is really most fitting that we have the opportunity to right this historic wrong in this year when we are celebrating our 200th anniversary. I urge all of the Members to vote for this resolution and let the people of the States grant the District of Columbia the full status of American citizenship.

Mr. BUTLER. Mr. Chairman, I yield myself such time as I may consume.

Mr. BUTLER. Mr. Chairman, House Joint Resolution 280 proposes to amend the Constitution to provide voting representation for the residents of the District of Columbia in the House of Representatives and the Senate.

I oppose House Joint Resolution 280 for a number of reasons, the principal one of which is that there is not the remotest possibility that this constitutional amendment will receive the blessing of the requisite number of States in its present form. Our energies could more properly be directed toward solving the many legislative problems now before the Congress. If the resolution must be considered, I urge its rejection, both as a matter of policy and as a matter of law.

The policy reasons which compelled our Founding Fathers to create a politically neutral Federal City likewise remain today. It is well known that the failure of the city of Philadelphia to protect delegates to the Continental Congree from 80 mutinous soldiers[1] prompted the framers to adopt a clause retaining exclusive Federal jurisdiction at the Seat of Government.[2] Consistent with the exclusive jurisdiction clause was the notion that District residents would receive adequate informal representation by Congressmen residing in the District.[3] This premise prompted the Seventh Congress to remove the franchise that residents of the District held in Maryland and Virginia subsequent to cession in 1791 until December 1800.[4] Representative John Dennis of Maryland noted that such action was acceptable to residents of the District because "from their nearness to, and residence among the members of the General Government, they knew that though they might not be represented in the national body, their voice would be heard."[5] As every Member knows, the voice of the people of the District is heard in Congress; that fact is so well acknowledged that it has been judicially noticed.[6]

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[1] 5 Elliott's Debates in the Congress of the Confederacy 92–93 (1901).

[2] 8 J. of Continental Congress 295 (G.P.O. ed. 1922); Report of the Interdepartmental Committee for the Study of Jurisdiction over Federal Areas Within the States, pt. II, at 17 (1957).

[3] The Federalist No. 43, at 280 (Earle ed. 1937) (J. Madison).

[4] Act of Feb. 27, 1801, ch. 15, 2 Stat. 103.

[5] 10 Annals of Congress, 998–99 (1801).

[6] *District of Columbia Fed'n of Civil Ass'n Inc.* v. *Volpe*, 434 F.2d 436.

Testimony established during the course of the hearings just exactly who the people of the District of Columbia are. The Bureau of the Census testified at the hearings that the population of the District numbers about 723,000 persons, 500,000 of whom are of voting age.[7] Other testimony indicated the overwhelming Federal impact on the District by showing the high rate of District residents who work for the Federal Government or collect survivors or retirement benefits.[8] Also, an admittedly large number of residents of the District retain domicile in other States and tend to leave the District a short time after they arrive there.[9]

The available data indicates to me that the character of the District has not changed substantially from that contemplatedw hen article I, sec. 8, cl. 17. was written into the Constitution, giving exclusive jurisdiction over the District to the Congress. At that time, the District was visualized as a sparsely populated city composed of transient Federal employees to a great extent. Today, eligible voters domiciled in the District probably constitute as little as one-tenth of 1 percent of the population of this country. The composition of the District as originally contemplated is the composition of the District today.

A. APPORTIONMENT

Moreover, since many people residing in the District retain domicile and vote in a State, the District will be over represented in the House of Representatives. This preferential treatment results because the Department of Census implements the apportionment clause of the 14th amendment by focusing on residence rather than domicile. Nowhere else in this country are a higher percentage of nondomicilaries residing in one place. The honorable delegate from the District of Columbia is on record indicating that over 200,000 residents of the District are eligible to vote under the absentee voter laws of 35 States. (See *Carliner* v. *Board of Commissioners*, 265 F. Supp. 736, 738 (D.D.C. 1967), *aff'd per curiam*, 412 F. 2d 1091 (D.C. Cir. 1969).) This figure is approximately 40 percent of all eligible voters in the District.

This amazing conclusion is bolstered by a report entitled "State of Birth" published by the Bureau of Census in 1970. That report reveals that of 720,942 people residing in the District, only 321,402 were born there. About 60 percent of those born there and still living there are under the age of 20. Thus only 142,159 persons over the age of 20 residing in the District were born there; this represents only 30 percent of eligible voters. This implies that the number of persons likely to be eligible for domiciles in other States may be as high as 70 percent of all eligible voters. This amazing statistic is surpassed in no State of this Nation except in those few States to which a disproportionately high number of senior citizens migrate to retire—Florida, Arizona, Nevada, Alaska.

TAXATION WITHOUT REPRESENTATION

Supporters of House Joint Resolution 280 raises the cry of "no taxation without representation" to bolster the argument in favor of voting representation in Congress for the District of Columbia. Using that historical rhetoric in the present context oversimplifies the issue and is seriously misleading. On its face the slogan is true; residents of the District do pay Federal taxes and, of course, do not have voting representation in Congress. However, the residents of the District are situated in a much different position vis-a-vis the Federal Government than were the American colonists vis-a-vis Britain.

Historically, the colonists were situated far from the seat of government. Beginning in 1763, Great Britain began imposing burdensome taxes on the colonists which were not placed on any other citizens of the British Empire. In 1764, the Sugar Act taxed molasses, sugar, non-British textiles, coffee, indigo, and some types of wine. In 1765 the infamous Stamp Act levied a direct tax on newspapers, almanacs, pamphlets and broadsides, legal documents of all kinds, insurance policies, ships' papers, licenses, and even dice and playing cards. Severe protests in America caused the repeal of this act in 1766. In 1767 the Townshend Acts imposed duties on glass, red and white lead, painters' colors, tea and paper imported into the colonies. Protests was so severe that all of these taxes were repealed in 1770 except the tax on tea. Finally in 1773, the Tea Act gave the East India Co., a tax preference to undercut colonial merchants selling tea and paying a tea tax. In short, the colonists were oppressed; they were receiving far less in benefits from Great Britain than they were contributing in taxes. The situation was intolerable.

By contrast, there is no suggestion that any Federal tax discriminates unfairly or arbitrarily against residents of the District. The only Federal taxes imposed on residents of the District of Columbia are customs duties and social insurance, excise, income and estate taxes which are borne equally by all Americans. The duly elected City Council of the District of Columbia imposes on its own citizens the corporate tax, property tax, financial institution tax, gasoline tax, motor vehicle registration tax, cigarette tax, real estate deed recordation tax, sales tax, use tax, public utilities tax, insurance companies tax, parking tax, inheritance and real estate tax, unemployment, compensation tax, and general local income tax.

Moreover, in analyzing the incidence of the Federal tax burden for fiscal 1974, the Library of Congress published a study which reveals that residents of the District paid only $1.1 billion in taxes while receiving nearly $8.5 billion in benefits from the Federal Government. The 1/7.45 burden/benefit ratio is miniscule when considered alone, and infinitesimal when compared with the ratio of the 50 States, Alaska is next with 1/2.56.

One reason the ratio is high is that the District is the seat of government. The overwhelming impact of the Federal presence is demonstrated by the fact that over one-third of all employed persons—109,000—residing in the District work for the Federal Government. An additional 56,000 persons residing in the District are either military survivors or civil service or military retirees. People move to the District, and those born in the District remain there, to take advantage of the Federal presence. They are willing to do so notwithstanding the fact that they will have no voting representation in Congress.

The law on the issue is clear. The Supreme Court has held that it is not unconstitutional for Congress to tax residents of the District of Columbia despite the fact that they are unrepresented in Congress. *Heald* v. *District of Columbia*, 259 U.S. 114 (1922); *See Hobson* v. *Tobriner*, 255 F. Supp. 295, 298–299 (D.D.C. 1966).

I am not prepared to extend voting representation to a non-State merely on the basis that its residents pay taxes. The Constitution does not require it and it is unsound as a matter of policy. Throughout our history, residents of the territories have applied for statehood to gain the right to be represented in Congress.

The previous analysis of policy issues indicates that House Joint Resolution 280 should be rejected. In addition, there are a number of unresolved constitutional issues accompanying the amendment:

First. Article V of the Constitution limits the amendatory power by providing that no State, without its consent, may be deprived of its equal suffrage in the Senate. The District is not a State, and this amendment does not confer statehood upon it. Does the admission of a non-State fall within the bounds of the proviso of article V? If so, this amendment would require ratification by all 50 States.

The purpose of this proviso was to insure that States with smaller populations would be able to exert influence in the Congress. The intent of the proviso, and of the Great Compromise which underlies it, is as effectively undermined by providing Senatorial representation to a non-State as by providing additional representation to a larger State. Moreover, if the District is to assume the benefits of statehood without actually becoming a State, there is no logical reason why the residents of Guam, Puerto Rico, the Virgin Islands, and other territories should not be given equal treatment.

Second. The proposed amendment goes to great length to attempt to eliminate the constitutional conflict between the exclusive jurisdiction over the affairs of the District conferred upon the Congress by article I, section 8, clause 17, and the restrictions imposed upon the powers of the Congress to control the selection of its Members, but it does not entirely succeed. For example, article I, section 2, clause 1 of the Constitution provides that the electors of each State shall have the qualifications requisite for electors of the most numerous branch of the State legislature. Even if the City Council of the District were assumed to be the legislature for the purposes of this clause, we are still faced with the fact that all elections in the District are held under power delegated, but not relinquished by the Congress, and that a conflict exists between the two sections.

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[7] Hearings on H.J. Res. 280, Representation of the District of Columbia in the Congress, before the Subcommittee on Civil and Constitutional Rights of the House Committee on the Judiciary, Ser. no. 15, 94th Cong., 1st Sess. 60 (1975) [hereinafter referred to as "Hearings"].

[8] Id. at 62–63.

[9] *Carliner* v. *Board of Commissioners*, 265 F. Supp. 736, 738 (D.C.C. 1967).

Third. Similarly, the proposed amendment attempts to avoid conflict between the requirement for the chief executive of a State to issue writs of election and make appointments for vacancies in the Senate, and the fact that the chief executive of the District is ultimately responsible to the Congress by stating that the people of the District of Columbia shall fill such vacancies by election. Again, however, the elections must be called by persons acting under authority delegated by the Congress and the qualifications of the electors are the ultimate responsibility of Congress.

Fourth. The proposed amendment also fails to resolve the dilemma concerning determination of the place of choosing Senators for the District. Article I, section 4, specifically forbids Congress from prescribing the place of "chusing" Senators. Yet this amendment would compel Congress to do so by "appropriate legislation" in compliance with the exclusive jurisdiction clause.

Fifth. We are also faced by the illogical situation of the District's being treated as a State in its representation in the Congress, with two Representatives and two Senators, while treating it under the 23d amendment as something less in the electoral college with three electoral votes, and then treating it under the 12th amendment as a State again in the event that the election of the President and Vice President shall fall upon the Congress.

Sixth. Finally, in striving to give the residents of the District full rights, this amendment fails to allow residents of the District the right to ratify constitutional amendments pursuant to article V of the Constitution. Since the proviso of article V is likewise unaffected, any Senators given to the District by this amendment could be taken away without the District's consent.

The wording of portions of section 1 of the amendment is also open to serious question. The amendment provides that each Senator or Representative elected pursuant to the amendment "shall have the same rights, privileges, and obligations" as one from a State. Does this mean that in some aspects these Members would not be the same as Members from a State? Why was the term "powers" excluded? Under a well settled maxim of interpretation, if specific items are listed, all others are presumed to be excluded. If full equality of status was intended, this choice of words may not be adequate.

These legal issues demonstrate the danger in disturbing the Great Compromise upon which our country was founded. The "State" is the fundamental component of our federal system and it must remain so. Once non-States are permitted to have voting representation in Congress, our entire federal system will crumble. I am not prepared to contribute to that result.

It is apparent to me that House Joint Resolution 280 is deficient as a matter of policy as well as a matter of law. I ask all other Members to join me in defeating this resolution.

Some Members have expressed the view that House Joint Resolution 280 should be amended to allow representation of the District only in the House of Representatives. I agree with their views opposing representation of the District in the Senate, but feel the same reasoning process leads to an identical conclusion with respect to representation of the District in the House of Representatives.

Our entire federal system is founded on the Great Compromise leading to representation of the States in the Senate and the people of the States in the House.

While it is inappropriate to represent the District in the Senate because the District is not a State, it is equally inappropriate to represent the people of the District in the House because they are not people of the several States as required by article I, section 2, clause 1, of the Constitution.

The same violence that is done to our federal system by permitting a non-State to be represented in the Senate is done by permitting the people of non-States to be represented in the House. The precedent would be set to allow voting representatives from any territory of the United States such as Guam, Puerto Rico, or the Virgin Islands.

The proper route to representation in either House of Congress is enumerated in article IV, section 3, clause 1, of the Constitution: A majority vote of each House results in the admission of a new State into the Union. This was the course followed by the territories of Alaska and Hawaii, whose residents shared a similar status with residents of the District in being taxed and in serving in the Armed Forces. Any measure that allows a non-State to have any form of voting representation discourages statehood.

The intricate machinery of our Constitution should not be trifled with lightly. I urge my colleagues to join me in voting "no" on House Joint Resolution 280.

Mr. FAUNTROY. Mr. Chairman, will the gentleman yield?

Mr. BUTLER. I yield to the Delegate from the District of Columbia.

Mr. FAUNTROY. Mr. Chairman, the gentleman from Virginia pointed out that the high rate of Government employment in the District of Columbia suggests that the citizens are not entitled to voting representation in the Congress of the United States. The gentleman is aware, is he not, that only about 25 percent of the people employed in the District of Columbia are employed by the Federal Government; that there are, for example, 37 percent of the people of Arlington County who are employed by the Federal Government?

Is the gentleman proposing that because they have more people working for the Federal Government in Arlington County, that the distinguished gentleman who represents the 10th Congressional District of Virginia should not be privileged to vote here? The same is true of Montgomery County. I find it difficult to follow the gentleman's argument that because we have a modest number of one-fourth of the people who work in the District of Columbia employed by the Federal Government, that this should be reason to deny us what every other American has, and that is the privilege of voting representation in both Houses of the Congress.

Mr. BUTLER. I thank the gentleman. With all due respect, perhaps he did not have the benefit of attending all 3 days of the hearings of the subcommitee, as I did, but the gentleman who testified from the Bureau of the Census indicated on page 129 of our hearing record that in 1970 there were 52,000 men, or 30 percent, of all employed males living in the District who were employed by the Federal Government.

In addition to these men who are employed by the Federal Government and their dependents who would be supported by their earnings, there were 57,000 women, or 35 percent of employed females living in the District, who are also employed by the Federal Government.

Of course, these people were also supported by funds received from the Federal Government.

In 1973, according to the Civil Service figures, there were about 50,000 civilian annuitants in the District, and about 12,000 of these were survivors.

I mention this because the Delegate's percentage is perhaps low. The point I was endeavoring to make is that, as far as the District of Columbia is concerned, it remains today as it was contemplated by the people who wrote the Constitution; now, as then, there is no real compelling reason why those people residing in the District should have the franchise to vote within the District. They are privileged to vote from whence they come. And, of course, if they choose to have their residence here, they do it knowingly, just as the people who go to the territories and just as the people who go elsewhere. That is the reason, I suggest, that we cannot create this kind of a non-State without doing true violence to the concept of the people who wrote our Constitution. The people were aware of this when they moved to the District of Columbia.

Mr. FAUNTROY. With all due respect, I would hope the gentleman would update his figures. The gentleman quoted a figure cited in 1972. The Washington Council of Governments has released figures in 1974, which show 25.33 percent of the people employed in the District of Columbia in fact work for the Federal Government.

I would suggest also that the gentleman put in perspective the fact that only one-tenth of 1 percent of the people who live in the Nation happen to reside in the District of Columbia; the implication being that that is too small a number to merit representation in the House and the Senate.

I would call to the attention of the gentleman that there are 10 States of the Union who have less citizens than those of us who live in the District of Columbia. The citizens of all of those States are represented by two voting Members of the Senate. And even though I represent more people than one-fifth of the Members of the Senate, 20 Members of the Senate are elected to represent States that have less people than reside here in the District of Columbia.

Even though I represent more people than any single Member of the House, I cannot vote.

Does the gentleman want to justify that on the basis of the fact that in the District of Columbia there resides only one-tenth of 1 percent of the people of the Nation?

Mr. BUTLER. I would like to say to the gentleman that his reference to the States is correct.

I might suggest that the representation the gentleman is giving them is indeed superior to many of these people the gentleman mentioned, and I am pleased to have this opportunity to confirm that.

Mr. FAUNTROY. I thank the gentleman.

Mr. BUTLER. But I do feel the gentleman must also be aware that there are a number of cities in the United States that are larger than the District of Columbia. Is the gentleman suggesting that we give them two Members of the Senate, in addition?

Mr. FAUNTROY. I certainly am not. I suggest that we acknowledge the fact that there are 50 States, and a Federal District set aside by the Congress.

Mr. BUTLER. It was established by the Constitution.

Mr. FAUNTROY. It was established by the Constitution. I stand corrected. The sole purpose of this amendment is to correct a situation whereby only these citizens of the Nation on this continent who assume all of the responsibilities of citizenship, including the payment of Federal taxes be afforded the opportunity of voting in both the House and the Senate.

The gentleman made another reference to the fact that we have some 200,000 citizens in the District of Columbia who are eligible to vote elsewhere.

Mr. BUTLER. As a matter of fact, Mr. Chairman, I made reference to the testimony of the gentleman on an earlier occasion. Does the gentleman now retract that position?

Mr. FAUNTROY. I certainly do not, but I do want to confirm for the gentleman that of those 200,000 only 50,000 have elected to become registered voters in the District of Columbia, and of the 350,000 who are eligible in the District of Columbia, more than 271,000 have registered. Over 75 percent of the people who reside in the District of Columbia have in fact registered to vote for a nonvoting delegate, and that percentage is actually 13 percent above the national average. I would call the attention of the gentleman to the fact that only 62 percent of the people of this Nation who are eligible bother to register to vote.

Mr. Chairman, I would ask the gentleman if he is saying that the people in the District of Columbia, who have demonstrated an interest in voting and representative government, should be denied that privilege with respect to the national legislature while people who vote in a less percentage in the rest of the Nation are not denied that privilege?

Mr. BUTLER. Mr. Chairman, before we get into that and while we are on this subject, I will ask the gentleman if he has the figures. The gentleman will recall that during the course of his testimony before our subcommittee—and I refer to page 10 of the hearings—I asked him for certain figures and he promised to provide them for me. Perhaps he is prepared to provide them now, but up to this point we have not received them.

Does the gentleman have any figures as to the percentage of turnout of voters in the District of Columbia?

Mr. FAUNTROY. I do, Mr. Chairman. In the elections of 1972 we had a 44-percent turnout.

Mr. BUTLER. That is a percentage of what? How many people voted in 1972?

Mr. FAUNTROY. I can provide that information. The figure was 44 percent.

Mr. BUTLER. Forty-four percent of what?

Mr. FAUNTROY. Forty-four percent of those eligible to vote in fact voted.

In fact, a large number of those who had the option of voting in the District of Columbia, where they could not vote for representation in return for the taxes they pay, elected to vote elsewhere and claimed residence elsewhere. That was the situation because alone among Americans we in the District of Columbia are denied the privilege that every other taxpaying American on this continent has, and that is the privilege of representation in the House and Senate.

Mr. BUTLER. Mr. Chairman, I appreciate the gentleman's confirming once more that there are 200,000 people in the District of Columbia who are domiciled here and eligible to vote elsewhere. I hope the gentleman will be able to get a little time so that he can develop some figures on voter turnout in the District of Columbia.

Mr. FAUNTROY. Yes. Mr. Chairman, I point out once more that three-fourths of the people who are eligible to vote elect to vote outside the District because they cannot vote in the District of Columbia under the same circumstances.

Mr. EDWARDS of California. Mr. Chairman, I yield 10 minutes to the gentleman from Massachusetts (Mr. DRINAN).

Mr. DRINAN. Mr. Chairman, the question that is before the House today has been brought up on at least 21 occasions in the history of Congress since the year 1800. One hopes today that on the 22d occasion when this matter is before either body something is going to happen to rectify this basic injustice.

In 1967 and again in 1971 the Committee on the Judiciary favorably reported resolutions which would have given voting representation to the District. In both cases the Committee on Rules failed to report the measure to the full House for its consideration.

Today is an historic day in the campaign to give District residents the right to elect congressional Members. The chief argument, Mr. Chairman, in favor of this joint resolution is very simple. All persons in the United States should have the right to elect their representatives in Congress. The call to battle in our war of independence is as compelling today as it was 200 years ago.

It is argued, however, rather speciously, I believe, that District residents do not really need elected representatives because they are already adequately represented by all of the Members of the House and Senate.

Mr. Chairman, putting aside for a moment the philosophical indefensibility of that contention, it is a well-known and sordid part of our history that the Congress has been enormously derelict in the way in which it has treated the residents of the District of Columbia. However, even if these people did have some representation here in Congress, the real answer to the contention advanced by some that this vicarious representation is adequate is simply that such representation is not good enough.

Mr. Chairman, we have heard and we shall continue to hear opposition to this resolution. It is said, for example, that many of the residents of the District maintain voting residences in other jurisdictions. Whatever accurate data might show, this would still not be grounds for disenfranchising all of the residents of the District. That some District residents vote in other districts, maintain their loyalties to those jurisdictions, and identify with that other location is not an arrangement we should promote. To the contrary, it is politically unhealthful and inconsistent with the sound view that citizens should participate fully and effectively in the affairs of their local government.

It has also been argued here that this resolution would improperly reduce equal representation in the Senate, which the Constitution gives to each State. The proponents of this contention rely on the provision of article V of the Constitution.

Let us read this very carefully, Mr. Chairman, because their contention is, in my judgment, erroneous. Article V of the Constitution states "that no State, without its consent, shall be deprived of its equal suffrage in the Senate."

Mr. Chairman, the limitation in article V is intended to prevent a conspiracy of three-fourths of the States, using the amendment process, to deprive another State of its equal representation in the Senate. Thus, the provision requires only that each State have two Senators unless it consents to some lesser number.

Thus, Mr. Chairman, the quoted words in article V that we have already heard here today at some length are to forbid deprivation of Senate voting strength, not the dilution of that strength.

Obviously, dilution of voting strength in the Senate was clearly contemplated by the provision in article IV for the admission of new States.

To that rejoinder, the proponents may simply state that the restrictions in article V forbidding deprivation of equal Senate suffrage without consent do not apply to the admission of new States.

Under article IV, in short, they contend that by a simple majority vote, Congress can dilute a State's voting strength in the Senate, but that Congress cannot, by a two-thirds vote, make an equal diminution under article V.

With all due respect, Mr. Chairman, that argument is fallacious and totally erroneous. However, some say that even if this amendment is adopted and ratified, it will not place the District on the same footing of equality as every other State. In that contention there is some truth. When a vacancy occurs in the Senate, for example, it is filled temporarily by the Governor of the State in question. But in the District of Columbia such vacancies will be filled by the voters themselves pursuant to act of Congress in a popular election.

But these deviations are minor at best and are attributable to the unique and special character of the District; and as such, we can allow some insignificant unevenness in the representational arrangement. However, these slight deviations with voting representation in Congress constitute an arrangement which is vastly superior to the continued disenfranchisement of District residents.

Mr. Chairman, we had overwhelming testimony at our hearings indicating that in the capitals of the other nations of the Earth nothing like this has ever happened. It is not happening now in capitals like Bonn, Paris, Vienna, Rome, London, and Ottawa, and yes, in Moscow. All of them have the right to be represented in their legislatures as do other citizens in their own particular nations.

President Nixon at the beginning of the 92d Congress urged the enactment of the resolution before us today.

Those who are opposed to the enactment of House Joint Resolution 280 must provide an alternative. If they have no viable alternative to correct the great injustice that will be corrected by House Joint Resolution 280 they must confess that, even in our Bicentennial Year, they want to perpetuate America's last colony.

Mr. HALEY. Mr. Chairman, I make the point of order that a quorum is not present.

The CHAIRMAN. Evidently a quorum is not present.

The Chair announces that pursuant to clause 2, rule XXIII, he will vacate proceedings under the call when a quorum of the Committee appears.

Members will record their presence by electronic device.

The call was taken by electronic device.

The CHAIRMAN. A quorum of the Committee of the Whole has not appeared.

The Chair announces that a regular quorum call will now commence.

Members who have not already responded under the noticed quorum call will have a minimum of 15 minutes to record their presence. The call will be taken by electronic device.

The call was taken by electronic device, and the following Members failed to respond:

[Roll No. 109]

Abzug
Adams
Anderson, Ill.
Andrews, N.C.
Annunzio
Ashley
Badillo
Barrett
Bell
Biaggi
Boggs
Boland
Bolling
Brademas
Brown, Mich.
Cederberg
Chisholm
Clay
Cochran
Collins, Ill.
Conable
Conlan
Conyers
Crane
D'Amours
Danielson
Dellums
Derwinski
Diggs
Dingell
Dodd
Early
Eckhardt
Erlenborn
Esch
Eshleman
Evans, Colo.
Evins, Tenn.
Fary
Foley
Ford, Tenn.
Gibbons
Guyer
Harsha
Hayes, Ind.
Hébert
Heckler, Mass.
Heinz
Henderson
Hillis
Hinshaw
Horton
Jarman
Jones, Ala.
Jones, Okla.
Karth
Krueger
LaFalce
Landrum
Levitas
Lott
McCloskey
McCollister
McDade
McFall
Macdonald
Metcalfe
Meyner
Michel
Mikva
Miller, Ohio
Mills
Moakley
Morgan
Murphy, Ill.
Murphy, N.Y.
Myers, Ind.
Obey
O'Neill
Pepper
Pike
Quie
Riegle
Rostenkowski
Scheuer
Schneebeli
Shuster
Sikes
Simon
Slack
Solarz
Stanton, James V.
Steed
Steelman
Stokes
Teague
Tsongas
Udall
Ullman
Vigorito
Waxman
Wilson, C. H.
Wright
Young, Alaska

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. Smith of Iowa, Chairman of the Committee of the Whole House on the State of the Union, reported that the Committee, having had under consideration the joint resolution, House Joint Resolution 280, and finding itself without a quorum, he had directed the Members to record their presence by electronic device, whereupon 328 Members recorded their presence, a quorum, and he submitted herewith the names of the absentees to be spread upon the Journal.

The Committee resumed its sitting.

The CHAIRMAN. The Committee will rise informally in order that the House may receive a message.

MESSAGE FROM THE PRESIDENT

The SPEAKER resumed the chair.

The SPEAKER. The Chair will receive a message.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the House by Mr. Roddy, one of his secretaries, who also informed the House that on March 15, 1976 the President approved and signed a bill of the House of the following title:

H.R. 5727. An act to establish an independent and regionalized United States Parole Commission, to provide fair and equitable parole procedures, and for other purposes.

The SPEAKER. The Committee will resume its sitting.

PROVIDING REPRESENTATION OF THE DISTRICT OF COLUMBIA IN CONGRESS

The CHAIRMAN. The Chair recognizes the gentleman from Virginia (Mr. Butler).

Mr. BUTLER. Mr. Chairman, I yield such time as he may consume to the gentleman from New York (Mr. Fish).

Mr. FISH. Mr. Chairman, I rise in support of House Joint Resolution 280. It is my view that this proposed constitutional amendment completes a process that began early in the history of our Nation—the process of insuring that all adult Americans will have the right to participate directly in electing the Government that rules their lives.

The road to universal suffrage has not been easy. During the infancy of our Republic, it took State legislatures over 50 years to abolish property requirements limiting the right to vote. It was little more than 100 years ago when the 15th amendment to the Constitution precluded denial of the right to vote on grounds of race, color, or previous condition of servitude. Direct election of Senators was achieved by passage of the 17th amendment to the Constitution, just prior to the First World War. Shortly thereafter, women were guaranteed the right to vote upon ratification of the 19th amendment. In 1964, the right of poor people to vote was protected by abolition of the poll tax in Federal elections with the addition of the 24th amendment to the Constitution. Five years ago, the passage of the 26th amendment lowered the voting age to 18 to guarantee voting rights to young Americans. Finally, last year, this Congress passed, and the President signed, a bill to allow American citizens residing overseas to vote in their State of last domicile.

And now, this Congress has the opportunity to take the final step in guaranteeing universal rights of suffrage to all adult American citizens residing in the continental United States, be they black or white, male or female, poor or rich. The residents of the District of Columbia are the only citizens who bear all the burdens of citizenship, but are deprived of the most precious right of citizenship—the right to vote for representatives to Congress.

Indeed, it was only in 1961 upon ratification of the 23d amendment that residents of the District were given any voice in government. That amendment gave the District the number of presidential and vice presidential electors held by the least populous State. It is significant that this amendment was ratified in less than 1 year after passing both Houses of Congress. The legislatures of our States could see the equity in allowing citizens of the District to participate in the selection of electors, and I am confident that they will see the equity of allowing the District representation in Congress when we give them the opportunity to ratify the proposed artice of amendment embodied in House Joint Resolution 280.

Supporters of House Joint Resolution 280 have stated their case well. The District is larger than 10 of our States. Its people do pay all Federal taxes and have fought and died in every war engaged in by this Nation since the birth of the District.

On the other hand, opponents of House Joint Resolution 280 have raised a legion of arguments to obfuscate the issue. I will not engage in their diversion, except to note, that the people retain the ultimate right to amend their Constitution without limitation; it is not possible to have an unconstitutional constitutional amendment. The very phrase is a contradiction in terms.

Tomorrow each of you will be granted your constitutional right to vote on House Joint Resolution 280. As you cast your vote, think about the three quarters of a million Americans who reside in the Capital of the greatest democracy in the world. Ask yourself as a matter of fundamental fairness if you can deny these people the right to vote. Our predecessors in 93 Congresses before us had the same decision to make in deciding whether to permit racial minorities, women, poor people, and young people the right to participate in the elective process. In each instance, they voted to open our democracy to a deserving segment of society. I ask every Member to vote, as I will, to support House Joint Resolution 280, because no group of citizens deserves the right to vote more than the residents of the District of Columbia.

Mr. McKINNEY. Mr. Chairman, will the gentleman yield?

Mr. FISH. I yield to the gentleman from Connecticut.

Mr. McKINNEY. Mr. Chairman, the arguments for voting representation for the 720,000 American citizens living in the District of Columbia are, to my mind, painfully obvious and irrefutable. This is a measure whose time came 200 years ago. That we could deny such a basic right to a city full of people who are, in various capacities, serving their Nation is so incredible, as to be ludicrous. Just what is it we are afraid of—government of, for, and by the people?

Opponents of House Joint Resolution 280 have constitutional qualms about voting representation for the District. But it seems to me that we provide a proper response to their concerns in the form of a constitutional amendment. The Founding Fathers meant the Constitution to be a living flexible document, not a set of stone tablets. Historians tell us that the problem of disenfranchisement of District residents never came up in the Philadelphia deliberations of 1783. James Madison wrote his belief that—

> The inhabitants (of the District) * * * will have had their voice in the election of the government which is to exercise authority over them.

So no less than the "Father of the Constitution" had no hint that residents of the Federal city would ever be denied suffrage. I think this resolution provides a proper and constitutional vehicle for correcting a 200-year-old oversight.

The argument is also made that District residents "voluntarily" gave up their constitutional rights for the privilege of working and living in the Nation's Capital. A simple poll of citizens in any office or on any street corner in this city will provide ample rebuttal to this point.

As the following arguments have not yet sunk in—despite 22 congressional hearings on the subject—I will recite them once again. District residents pay Federal taxes passed by a Congress in which they have no voice. District residents are subject to Federal law passed by a Congress in which they have no vote. District residents fight in wars which are declared in a Congress which does not bother to consult with their views. The anguished cries of "taxation without representation" waft across the Potomac every time nonresident income taxes are mentioned; yet no District representative voted on the day Congress prohibited the City Council from enacting the same nonresident income tax 51 other municipalities have. With this, I will end an endless list.

Opponents to this legislation offer a unique brand of "Catch-22" to District citizens. If the District wants voting rights, it should become a State—an obvious political impossibility. Or it should be ceded back to Maryland—another incredibly constructive suggestion. However, it seems to me that those with "constitutional queasiness" would jump at the opportunity to support a measure like House Joint Resolution 280, which affords an opportunity to give the District the vote while at the same time preserving the unique status of the Federal City, a status which in being unique is also highly discriminatory.

I urge my colleagues to take another step toward representative government—and into the 18th century—by supporting House Joint Resolution 280.

Mr. BUTLER. Mr. Chairman, I yield 8 minutes to the gentleman from Ohio (Mr. KINDNESS).

Mr. KINDNESS. Mr. Chairman, as is usual in the functioning of the work of the subcommittee, the honorable gentleman from California (Mr. EDWARDS) has dealt in an exemplary manner through the legislative process with the Members in bringing House Joint Resolution 280 to the floor of the House.

The chairman stated earlier in the debate on this matter that there is a lack of understanding of the arguments against House Joint Resolution 280. I have noticed that lack of understanding, and in trying to examine it closely have assumed that the problem is that some people approach the Constitution with greater emphasis on the States as the component bodies, while others look to the Federal Government established by the States in that Constitution as being dominant and thus overlook the States.

Why should not the area now known as the District of Columbia become a State. No satisfactory answer to that question has been offered in the hearings in the subcommittee or in the debate in the full Committee on the Judiciary, and really, up to now, no satisfactory answer to that question has been offered in the debate today. No satisfactory answer to that question has even been whispered; but there is a problem in understanding this resolution unless one looks at the importance of the States in the foundation of our Constitution and of our Union.

Therefore, Mr. Chairman, I rise in opposition to House Joint Resolution 280. This resolution is without doubt ill-considered, in my view. Indeed, this resolution threatens the very fiber on which this country was founded by proposing to accord voting representation in the House of Representatives and in the Senate to people who are not domiciled in a State of the United States.

Many matters will be tossed back and forth in the course of our debate on this issue, but none of them should divert our attention from the question of paramount importance: Should representation in Congress be limited to States and the people of the States?

To me, this question is easy to answer. Our entire federal system is contingent on acknowledging that the State is the fundamental component of our Union.

Mr. Chairman, I am not prepared to vote for a resolution that alters the delicate balance of our system of government. If representation in either House of Congress is accorded to residents of the District of Columbia, then nothing is to prevent future attempts to represent the territories, as has been brought out in the debate heretofore, Guam, the Virgin Islands, and the other territories. Indeed, our territories will have no incentive to become States if they maintain the primary benefits of statehood without incurring the obligations of statehood.

Article IV, section 3, clause 1, of the Constitution empowers both Houses of Congress, by a majority vote, to admit new States into the Union. The voting requirement for statehood is much less stringent than the two-thirds vote of each House of Congress and the ratification by three-fourths of the legislatures needed to take affirmative action on House Joint Resolution 280.

Mr. Chairman, while the proponents of House Joint Resolution 280 avoid the direct path to voting representation so thoughtfully provided by the framers of our Constitution, no good answer, I repeat, has been given to this question. Indeed, none could be given.

Supporters of House Joint Resolution 280 speak to the difficulty of separating the Federal enclave from the State of Columbia; but every State has Federal property within its boundaries. The only difference is that in no other case does the Federal Government pay the State for using the land.

Mr. Chairman, I maintain that the Federal payment is the factor which forces proponents of House Joint Resolution 280 to resort to this attempt at perverting the constitutional system. They fear that the state of Columbia could not be viable fiscally without the Federal subsidy of nearly $190 million. Nothing could be more misleading. Analysis of the revenues of the District of Columbia for fiscal year 1974 reveals that the Federal payment comprised only 15 percent of the total revenues.

It must be kept in mind that the Federal payment is made in addition to separate payments for water consumed of $2.5 million and for sewer service of $1.5 million. These payments for services would continue even if the District became a State, as would a token payment for police and fire service. But the Federal payment in lieu of property tax would be eliminated just as it is for the other States.

The notion that the Federal Government should pay District residents for using Federal land has always seemed to me to be anomalous, in my thinking. The land was ceded to the Federal Government by the State of Maryland; it presently belongs to the Federal Government and not to the people of the District of Columbia. The national city belongs to all of the people of this country, people who should not have to subsidize those few who have chosen to live here, as has been pointed out.

Mr. Chairman, I leave to my colleagues the task of debating the legal infirmities of House Joint Resolution 280. A bipartisan group of six committee members, of which I was one, discussed them fully at page 29 of the report.

While the resolution does seem to me to be poorly drafted and is replete with constitutional inconsistencies, I need not attack it on those grounds. The amendment fails to pass the very threshold test that should be applied to all constitutional amendments. That test is whether a less restructive alternative exists to accomplish the ends that are sought. Our Constitution is not a shopping list. It should not be lightly amended or on the spur of the moment. In this instance the District can gain representation by statehood or by simple statutory retrocession to Maryland. Until these alternative solutions are convincingly demonstrated to be unfeasible, I am not prepared even to begin the solemn task of evaluating House Joint Resolution 280 on its merits.

Our subcommittee held only 3 days of hearings on this legislation in the 94th Congress. The resolution failed to pass the committee by the two-thirds vote it will need to pass this House.

Some who support House Joint Resolution 280 adamantly contend that statehood for the District of Columbia is undesirable. At page 3 of the committee report it is stated that the committee is of the opinion that the District should not be transformed into a State because:

> The Constitutional Convention decided that the seat of the Federal government should not be located in a state, lest the Federal government be dependent on the state government for its protection and service.

This argument, it seems to me, is an absurdity. The Constitutional Convention also decided that the seat of Federal Government would not have separate voting representation in the Congress, and quite logically so.

If there is to be no deviation from the conclusions reached by the Constitutional Convention, as is argued at page 3 of the committee report, then we should certainly suspend debate and forget about House Joint Resolution 280 or any other proposed amendment to the U.S. Constitution.

The CHAIRMAN. The time of the gentleman has expired.

Mr. McCLORY. Mr. Chairman, I yield 2 additional minutes to the gentleman from Ohio.

Mr. KINDNESS. Mr. Chairman, I thank the gentleman for yielding me the additional time.

Mr. Chairman, one reason that is not articulated by those who favor House Joint Resolution 280, for their position in opposition to statehood, is that statehood stands very little chance of receiving a majority vote of both Houses of Congress.

Let me assume that for now those people are content to support House Joint Resolution 280, with statehood to be taken as the next step.

Let me caution all Members who favor the option of statehood for the District that the defeat of House Joint Resolution 280 is essential to accomplish that result.

Assume that the proposed amendment passes both Houses of Congress, is ratified by the States and becomes part of the Constitution. Then the District constituting the seat of government will be given two Senators and an appropriate number of Representatives. Suppose then that 10, 50, or 100 years into the future the District purports to insure home rule by petitioning for statehood. It is likely that the proposed State of Columbia would exclude a small Federal enclave which would remain the seat of government. House Joint Resolution 280 and the resulting amendment would entitle that seat of government to two Senators and an appropriate number of representatives to that same Federal enclave. Even if there were very few persons residing in that enclave. In order to prevent such a ludicrous result, the Constitution would have to be amended to repeal the proposed article in House Joint Resolution 280. Therefore, in order to become a State, the District of Columbia would need to obtain the votes necessary to pass a constitutional amendment.

Moreover, there is a distinct possibility that the repeal of House Joint Resolution 280, or the amendment it proposes, would require the consent of the inhabitants of the Federal enclave, lest they be deprived of their equal suffrage in the Senate. Optimistically, such consent would not be required because the proviso to article V of the Constitution protects only States, and House Joint Resolution 280 is quite silent on that point.

I urge opposition on both grounds to House Joint Resolution 280.

Mr. EDWARDS of California. Mr. Chairman, I yield 5 minutes to the distinguished gentleman from California (Mr. REES).

Mr. REES. Mr. Chairman, I rise in support of the joint resolution. I am not a member of the Committee on the Judiciary but because of my seniority and talent, I find myself a senior member of the Committee on the District of Columbia and as such I have done a great deal of work in the area of District of Columbia finances and wrote all of the sections of the bill on home rule dealing with finances of the District.

When our Founding Fathers decided to have a Federal city, the decision was that it would not be a State, it would be a city, and the major purpose of the city would be that this would be the seat of government. They did not put the Capital in New York or Philadelphia where there were other things going on. They wanted to have a capital which would be the capital of the United States, and the major business of that capital would be the governing of the United States. That was their concept. They wanted to get away from many of those pressures that they might have found in other cities, and they put it right around the Mason-Dixon line so we could heal some of the wounds that had come up during the Continental Convention, and with that notion it should remain a Federal city because that is basically what it is.

If we look at the tax base of Washington, D.C., we will find that a good part of it is tax exempt because it represents property of the United States, or it represents embassy property of foreign governments that are here because this is the capital of the United States. That is basically what its tax base is now. It is not going to get any better. If they had statehood, they would not start taxing the embassies, and I doubt that they would tax the Federal Government.

We have home rule in the District of Columbia, but the real rulers of the District of Columbia are really the two Houses of Congress of the United States, and we reserve all of that power under article I, section 8, of the Constitution to govern the District of Columbia.

We have jurisdiction over their charter. If we wish to any day amend the charter of the District of Columbia, we can do so because this is a Federal city.

I will just give the Members some projections right now. I think that in the charter there is language that I wrote that said that the tax base of the District should more or less be about the same as the tax base of the surrounding jurisdictions so we would not have the situation where because of a narrow tax base the city would have to have a property tax or an income tax higher than Maryland or Virginia, because we want to keep them all competitive.

Even now in the City Council they are having very difficult problems because they have to raise taxes. Already we are finding that the taxes are going up in the District, and they are not going up as much in surrounding communities, and this, of course, puts more and more pressure on Federal payment.

Just last week I introduced a bill to try to fund the police and fire pension systems. They are not funded in the District of Columbia. We did not have any foresight at all in this Congress. Here we have a pension system where the down-the-line unfunded liabilities are $1.84 billion. Someone is going to have to pay for that, and I think that is probably in good part an obligation of the Federal Government because this is a Federal city.

If the District of Columbia became a State, there is no way, absolutely no way, that the District of Columbia, utilizing every single grant program of the U.S. Government could ever finance itself because it is a Federal city and its major purpose is the governing of the United States of America. That is what it is. It is a Federal city. It cannot exist as a State. The tax base is not there. This is strictly an urban tax base. They cannot even build a building over so many stories high in the District of Columbia because of Federal law, because we do not want this to be a city like New York; we want it to be a city with space, so there is a limit on building because every one wants to have a view of the Capitol and the Washington Monument and whatever other monuments we might have here.

It really is impossible, if we are talking about some municipal economics, to consider the District a State because it is not. Our Founding Fathers considered it to be a Federal seat, the seat of the Government of the United States. I think it should remain that and I think its citizens should have the right to vote, which they do, and I think its Delegate should have the right to vote on the floor of this House just as we have the right to vote.

I support this resolution and I will certainly oppose any amendment that might be offered to grant the District statehood, because this is not what the Founding Fathers thought of as a Federal city, and statehood would be disastrous to the people of the District because they would not have the money to finance their own State.

Mr. BUTLER. Mr. Chairman, I yield 5 minutes to the gentleman from Illinois (Mr. McCLORY).

Mr. McCLORY. Mr. Chairman, the Members of this House have an opportunity to redress an injustice that is nearly as old as the Nation itself. For over 175 years, the residents of the District of Columbia have been deprived of voting representation in Congress.

The right to vote is the most fundamental civil right to be protected in a society. Our country has progressed from a time when only white, male property holders over the age of 21 could participate in Government into an era when women, minorities, and all citizens over 18 are guaranteed the elective franchise. This very Congress has reaffirmed its dedication to protect the right to vote by extending the franchise to American citizens residing overseas. Only one group of American citizens residing within the continental United States is still denied the right to elect voting representatives; that group is the residents of the District of Columbia.

House Joint Resolution 280 accords residents of the District the full representation in Congress to which they would be entitled if the District were a State. The amendment is concisely drafted to mesh with the 23d amendment to the Constitution which currently allots three electors to the District. The resolution gives Congress the flexibility to deal with matters such as drawing District lines and filling interim vacancies in the Senate by leaving these details to be remedied by appropriate legislation. I support this approach because constitutional amendments should identify basic precepts and not endeavor to specify every possible contingency. Those who support this resolution will do so because it accords fair and equitable treatment to the Americans who reside in our Nation's Capital. Those who oppose this resolution for whatever reason cannot deny that they are depriving fellow Americans who pay taxes and serve in the Armed Forces of a voice in Government.

I am aware that some of my colleagues support an amendment designed to give the District of Columbia voting representation only in the House of Representatives. Such an amendment not only deprives residents of the District of rights to which they are entitled, but also creates an asymmetry within our system of government that is completely unacceptable. I am unprepared to cast a vote branding residents of the District as second-class citizens. If the proposed constitutional amendment is presented in final form to provide for District representation only in the House of Representatives, then I will be constrained to vote against the resolution.

This proposed constitutional amendment gives each Member a well defined choice. Either this House will remove the last vestige of colonialism by passing House Joint Resolution 280 or the world will know that as America celebrates its Bicentennial, not all Americans are treated equally. As for me, the choice is clear. I plan to vote yea on House Joint Resolution 280.

Mr. ASHBROOK. Mr. Chairman, will the gentleman yield?

Mr. McCLORY. I yield to the gentleman from Ohio.

Mr. ASHBROOK. Mr. Chairman, I rise in strong opposition to House Joint Resolution 280, which would amend the Constitution to provide the District of Columbia with voting representation in both the House and Senate. Passage of this bill would do irreparable damage to our federal system of government.

States are the basic building blocks of our Nation. Only States can be represented in the Senate and only the people of the States can be represented in the House.

The right of representation, in other words, is the sole right of the citizens of the States. This is the heart of the federal structure. It is in recognition of the fact that the United States is a federal union of individual States.

House Joint Resolution 280, however, would grant a non-State—the District of Columbia—voting representation rights that for the life of our country have been the exclusive province of the States. The District of Columbia would become entitled to two Senators and House representation based upon population.

I cannot go along with this action. It is inappropriate to represent the District of Columbia in the Senate because the District is not a State. It is inappropriate to represent the people of the District in the House because they are not people of the "several States" as is required by the Constitution.

Not only would granting non-States the same rights of representation as States violate our federal principles, it would also set a bad precedent. It would open the door for legislation to grant voting representation to territories such as Guam, Puerto Rico, and the Virgin Islands. It would even open up the possibility of granting cities within a State the right of separate Senate and House representation.

States should remain the fundamental components of the Nation. To do otherwise would erode our federal system of government and weaken the important role of the States.

We should also keep in mind during consideration of this bill that the District of Columbia is unique. It is the Federal Capital, the Capital of all Americans. It does not represent the narrow partisan interests of approximately 725,000 city residents but rather the general interests of more than 200 million Americans.

The District of Columbia was specifically created as a separate entity under the jurisdiction of Congress so as to be free from the political pressures, narrow interests and control of any one State. A politically neutral Federal City is still a desirable goal today.

Mr. EDWARDS of California. Mr. Chairman, I yield 10 minutes to the distinguished delegate from the District of Columbia (Mr. FAUNTROY).

Mr. FAUNTROY. Mr. Chairman, I want first of all to express my heartfelt thanks to the gentleman from California (Mr. EDWARDS) for the fine leadership the gentleman has given in championing this very worthy cause.

Mr. Chairman, in the now nearly 5 years that I have represented the people of the District of Columbia in this Chamber without a vote, I have not troubled anyone with quorum calls or lengthy speeches on subjects which were of vital and legitimate concern to the people of the United States and to the District which I represent; but I do on this occasion ask that the Members lend me their ears and listen carefully to what I have to say.

Mr. Chairman, as I returned to Washington, D.C., last month from our Lincoln/Washington birthday recess, I had an experience on the airplane that I think captures the meaning of our deliberations here today. As the pilot made the final approach into Washington National Airport, the stewardess came over the intercom in her accustomed manner saying:

> Ladies and gentlemen, the pilot has informed us that we are making our final approach into our Nation's Capital. If you will look out of the window on the left, you will see coming up the White House where the President of these great United States lives.
>
> In the distance you see the United States Capitol, where in this Bicentennial year the five hundred and thirty-five Members of the House of Representatives and Senate conduct the legislative business of our nation. Looking to the city beyond, you will see the homes and neighborhoods of nearly three-quarters of a million Americans who pay nearly a billion dollars in Federal taxes a year, but who today, like the Founding Fathers of old, still endure the tyranny of taxation without representation; for they alone among Americans who bear all of the responsibilities of citizenship, have no voting representation in the legislative branch of government.
>
> As we make our final approach, therefore, will you be kind enough to fasten your seat belts, bring your seat backs and tray tables into an upright position, extinguish all smoking materials, and turn your clocks back two hundred years.

Mr. Chairman, the question before us today is whether in this Bicentennial Year the House is prepared to right the clock of time for the only American citizens in the continental United States who still endure "the tyranny of taxation without representation," the citizens of the Capital City of our Nation. Ours is the quest for the "Spirit of '76" in the 94th Congress.

The question before us is simply this: "Is there any justification for denying

American citizens who bear all of the responsibilities of citizenship the right to voting representation in the legislative branch of our National Government?" Your Committee on the Judiciary, and I believe the overwhelming majority of Americans today, would hang you to answer that question in the "Spirit of '76" which inspired our Founding Fathers, 200 years ago. We would have you answer that there is no justification for continuing to deny the three quarters of a million Americans who live in the Federal District which we have set aside as our Nation's Capital, who pay a billion dollars a year in Federal taxes, the right to full voting representation in both chambers of our national legislature. We believe that it is time for this Bicentennial Congress to follow the 86th Congress in its acknowledgement of the right of the residents of our Nation's Capital to vote in the election of the leadership of the executive branch of our Government, by acknowledging the right of those same citizens to voting participation in the legislative branch of our Government.

What House Joint Resolution 280 proposes to do is to provide that representation, just as do all of the major nations of the free world with respect to the residents of their capital cities; whether it be Great Britain in London, or France in Paris, or West Germany in Bonn.

In the course of the debate on House Joint Resolution 280, Mr. Chairman, you will hear Members of this House, who have and will continue in this Bicentennial Year to make eloquent speeches extolling the virtues of our Founding Fathers, but who will argue to continue the denial of this fundamental right of citizens in our great democracy to the residents of our Nation's Capital. Some will argue vehemently to the citizens of this Federal District what they would demand for their own constituents, indeed, what the Founding Fathers fought and died to establish for all Americans: a voice and vote in the institutions which govern them. Tomorrow, when, like their predecessors in the English Parliament over 200 years ago, they will have made all of their feeble arguments—the fact will remain as it was 200 years ago, as it is today, and as it will always be, that there is no justification for continuing to deny the citizens of the Capital City of this great Republic full voting representation in the legislative branch government.

Some will argue that this denial of voting representation should continue because the amount of Federal benefits received by District residents exceeds the Federal taxes we pay. I intend to point out that at least 31 of our 50 States receive more in Federal benefits than their residents pay in Federal taxes. But do we deny their citizens voting representation in the House and Senate? The fact is that the District individual Federal income tax per capita is higher than the per capita tax for all but four States of the Union. There is no justification for denying us voting representation in the Congress.

Some will argue to deny District residents who bear all of the responsibilities of citizenship what they demand for their own constituents because, they will say, the District should seek statehood. I shall point out that it was the intent of the framers of the Constitution to have the Federal District, due to its uniqueness, under the exclusive jurisdiction of the Congress and that there is no practical way to carry out that intent while fulfilling the basic right to residents here to full voting representation in the Congress than the route which House Joint Resolution 280 offers.

Some will argue, Mr. Chairman, that this denial of basic citizenship rights to residents of our Nation's Capital should continue because to grant them to the District of Columbia would open the door for the residents of Guam, Puerto Rico, the Virgin Islands, and other territories to demand the benefits of full citizenship without assuming the obligations of full citizenship. I intend to be here, to point out that the District of Columbia is neither a territory nor a commonwealth, as in Puerto Rico, Guam, and the Virgin Islands, but the one and only Federal municipality, an integral part of the United States where its residents bear all of the responsibilities of citizenship. I intend to point out that District citizens, unlike those of Puerto Rico, Guam, and the Virgin Islands, pay Federal income taxes, are subject to military service, and all of the other responsibilities of full citizenship.

In short, Mr. Chairman, I intend to be here to rebut every 18th century argument offered to deny the residents of our Nation's Capital what the Founding Fathers of this Nation fought and died to secure for all American citizens for all time: the right to full participation in the institutions which govern them. The question is, Will more than one-third of the Members of this House vote tomorrow to deny the citizens of our Federal District what they demand for American citizens who elected them to serve in this Congress: full voting representation?

I hope, Mr. Chairman, that we will vote tomorrow to bring the citizens of our Nation's Capital into the 20th century. Indeed I appeal to you to vote tomorrow to move this Nation one step closer to the high ground of principles that we enunciate but so often fail to live.

In the 5 years that I have served the people of this District as their nonvoting delegate in this Chamber, I have learned that without a vote, advice is of little value. I come, therefore, not simply to advise you but to ask your help. Will you not help us in this Bicentennial Year to mend the crack in the Liberty Bell? For 200 years that bell, molded to proclaim an end to the tyranny of taxation without representation, has been a symbol of freedom and justice. But for nearly 200 years now, there has been a crack in it and through that crack have fallen the three-quarters of a million American citizens who reside in our Nation's Capital, who pay a billion dollars in Federal taxes a year but who alone among Americans in these United States are denied voting representation in the legislative branch of Government.

I ask you in this Bicentennial Year to mend that crack in the Liberty Bell.

If I had a bell, I would ring it in the morning, I would ring it in the evening all over this land. I would ring out justice, I would ring out freedom I would ring out love between my brothers and my sisters all over this land. Will you not help us in this Bicentennial Year to let freedom ring not only from the mountains, to the prairies, to the oceans white with foam, but for the first time in our long history, let the Liberty Bell ring on the streets of the Capital City of the greatest democracy in the history of mankind.

The CHAIRMAN. The time of the gentleman has expired.

Mr. EDWARDS of California. Mr. Chairman, I yield 5 additional minutes to the gentleman from the District of Columbia, (Mr. FAUNTROY).

Mr. BUTLER. Mr. Chairman, will the gentleman yield?

Mr. FAUNTROY. I yield to the gentleman from Virginia (Mr. BUTLER).

Mr. BUTLER. I thank the gentleman for yielding.

I congratulate the gentleman on the very eloquent and moving presentation. I do feel compelled to remind him that the Liberty Bell was not cracked until 1835, but I think the principles the gentleman has enunciated are correct.

Mr. FAUNTROY. If I may correct the gentleman, it was molded in 1752. It was cracked in 1835.

Mr. BUTLER. Yes; you claim that is 200 years?

Mr. FAUNTROY. I said that for nearly 200 years there has been a crack in the bell.

Mr. BUTLER. Mr. Chairman, I thank the gentleman for his explanation. I am sorry. I had the impression that if it was 1835, that is not quite 200 years ago. But, of course, we stretch a few things in argument, and I must give the gentleman license to do that.

In the course of our earlier colloquy the gentleman mentioned the percentage of voters in the District of Columbia, and the information I now have from the Congressional Research Service of the Library of Congress indicates that 30.83 percent of the voting age population voted in 1972 in the District of Columbia, and the figure was 34.4 percent in 1968. I mention these figures now so that the RECORD will be accurate in this regard.

The CHAIRMAN. The time of the gentleman from the District of Columbia (Mr. FAUNTROY) has expired.

Mr. EDWARDS of California. Mr. Chairman, I yield 5 additional minutes to the gentleman from the District of Columbia (Mr. FAUNTROY).

Mr. BUTLER. Mr. Chairman, will the gentleman yield further?

Mr. FAUNTROY. I yield to the gentleman from Virginia.

Mr. BUTLER. Mr. Chairman, the gentleman made several other references, and I would like to discuss those for a moment.

Mr. FAUNTROY. First, Mr. Chairman, before we proceed further, may I just say that the persons eligible to vote included the 150,000 who are eligible but who have opted not to register here because they cannot vote for voting representation in the Congress of the United States.

Mr. BUTLER. Because they are domiciled elsewhere?

Mr. FAUNTROY. And because they have exercised their option to register elsewhere. That is true.

Mr. BUTLER. I am sure that the gentleman knows whereof he speaks. In the figures that came to us we are dealing with the percentage of voting age population. The gentleman is suggesting, of course, a different reason why the 200,000 people who reside here vote elsewhere.

Mr. FAUNTROY. They vote elsewhere because they cannot vote here.

Mr. BUTLER. Perhaps that is not the only reason.

Mr. FAUNTROY. They cannot vote here for representation in the Congress. They would prefer to vote in the gentleman's district, for instance, if they are domiciled there, because they can vote for Members of Congress. I cannot vote for them here.

Mr. BUTLER. Mr. Chairman, if the gentleman will yield further, the gentleman's point is well made. Of course, I cannot psychoanalyze the 200,000 people the gentleman mentioned, but he, of course, may have a different view of that than I.

All I know is that at this moment there are 200,000 of the 500,000 eligible voters here who elected to consider themselves domiciliaries of other areas.

Mr. FAUNTROY. The gentleman is making an eloquent argument for House Joint Resolution 280. We should correct a situation where 150,000 people who reside in the District of Columbia must opt to vote elsewhere to having voting representation in the national legislature.

Mr. BUTLER. Mr. Chairman, I suggest that if that kind of argument is going to prevail, we are in deep trouble, because my view of that indicates at this moment at least that this city is still a Federal city as contemplated by the fathers of the Constitution.

During the course of his discussion the gentleman made reference to Federal payments. I would simply like to state for the RECORD that the information we have from the District budget indicates that $226 million was a part of the Federal payment to which he referred. In addition to that, according to actual 1974 figures, there is a Federal payment of $2.5 million for water consumed, in addition to a Federal loan of $3.8 million.

There is also a Federal payment for sewer service of $1.5 million, in addition to a $13 million Federal loan.

May I ask the gentleman if he thinks these figures are not representative of the cost of the Federal Government to the city?

Mr. FAUNTROY. Mr. Chairman, will the gentleman tell me the source of his figures?

Mr. BUTLER. This is from the revenue section of the 1976 District budget.

Mr. FAUNTROY. Mr. Chairman, if the gentleman will read the report of the District government on the Federal payment which is required as part of the provisions of the Home Rule Act of 1973, he will find that the Federal payment to the District totaled 27 percent of the District's operating budget.

Mr. BUTLER. Yes, Mr. Chairman, I thank the gentleman for that information.

Mr. FAUNTROY. And the record shows that 54 percent of the taxable land in the city is taken off the tax rolls by virtue of the Federal presence, and that a total of $347 million in tax revenues are lost to the city because of the Federal presence. We lose more than we gain as a result of the Federal presence, and I think that fact is well recognized.

Mr. BUTLER. Mr. Chairman, is it the gentleman's feeling that the Federal payment of $226 million is not adequate to satisfy the responsibilities that have been contemplated?

Mr. FAUNTROY. It is not adequate for the services we are required to deliver to organizations which the Federal Government exempts, and I refer to embassies and to all the other people who come to our Nation's Capital to transact national business.

Mr. BUTLER. If the gentleman thinks that $226 million is presently inadequate, what amount will the gentleman deem inadequate when he gains the power to vote?

Mr. Chairman, I yield 5 minutes to the gentleman from Alabama (Mr. BUCHANAN).

Mr. BUCHANAN. Mr. Chairman, I rise first in support of voting representation in the Congress for the American citizens who live in the District of Columbia.

It is, to my mind, inconceivable that in the year of our Bicentennial celebration we should do other than take action in this body and in the Congress as a whole toward the provision of such representation.

Whatever combination of arguments may be made against this or that specific proposal, the fact is that the basic situation of taxation without representation is repugnant to Americans and is inequitable and unjust just as it was when this Republic was first founded and the Declaration of Independence was written and signed.

Mr. Chairman, may I say further that in my own personal judgment there cannot be equitable representation or full representation in a bicameral legislature unless there is some kind of presence or representation in both bodies of that legislature, but I rise to point up to the members of the committee and to call to their attention that because of the reservations that exist in the other body as well as in this body, I do propose tomorrow to offer an amendment which will be a compromise. That amendment will provide that the people of the District constituting the seat of Government of the United States shall elect at least one Representative in Congress and, as may be provided by law, one or more additional Representatives or Senators or both, up to the number to which the District would be entitled if it were a State, and that the Congress shall have power to enforce this article by appropriate legislation.

Mr. Chairman, this proposal, therefore, would provide for representation in the House and leave open the question of representation in the other body, but would establish a mechanism whereby Congress could enact or provide for full representation if it saw fit.

We do not lightly or easily amend the Constitution of the United States. It seems to me reasonable that while we are in the process of providing representation in this House, we should establish a mechanism whereby such representation may be provided in both bodies and full representation be possible, should a future Congress see fit.

Mr. Chairman, I would like to claim full credit for and authorship of this amendment or proposal; at least one Member has already questioned what a person of my background in economics, history and theology, not a background in law, is doing in attempting to amend the Constitution of the United States and in attempting to lay out to this great Committee on the Judiciary what course of action it ought to follow.

Mr. Chairman, I would like to maintain that like Moses of old, I was led to a mountain top and there were inscribed on tablets of stone certain words of law that I now offer to become a part of the basic law of this land, as I believe did happen once and did form the basis for all legal systems over which attorneys have been arguing ever since. However, the fact is that this is a proposal of a very distinguished former Member, a chairman of the Committee of the Judiciary, the Honorable Emmanuel Celler. It is his proposal that I will tomorrow set before the House.

It is true that during a series of Congresses I have been associated with this idea and have introduced this amendment and supported it. It bears not only the stamp of authorship of Emmanuel Celler, but also it bears the recommendation and the endorsement of a former President of the United States, of Richard Nixon as President of the United States, and of a series of witnesses for the Justice Department, including the Honorable William Rehnquist, then Assistant Attorney General and now an Associate Justice of the Supreme Court of the United States. I believe he made a very cogent argument in 1971 for the adoption of this basic proposal as a constitutional amendment.

Mr. Chairman, the fact is that this idea is by no means new. As a matter of fact, the idea of voting representation in Congress for the District of Columbia is about as old as the formal establishment of the District of Columbia itself.

Speaking of the District in 1803, Representative Huger of South Carolina said the following:

> I look forward to the period when the inhabitants, from their numbers and riches, will be entitled to a representative on this floor.

The CHAIRMAN. The time of the gentleman has expired.

Mr. BUTLER. Mr. Chairman, I yield 2 additional minutes to the gentleman from Alabama.

Mr. BUCHANAN. I continue:

It was not until the 1880's, however, that resolutions to give District citizens voting representation were introduced with any passion or frequency. On April 4, 1888, there was introduced in the U.S. Senate a resolution proposing an amendment to the Constitution providing for voting representation in Congress for the District of Columbia.

The Senate Judiciary Committee allowed the resolution to die with the adjournment of Congress. Subsequent Congresses saw similar resolutions introduced. In 1922, 1925, and 1949, the Senate Judiciary Committee approved such resolutions only to have them fail in either the House or Senate.

Mr. Chairman, up until the present there have been repeated efforts to achieve this constitutional amendment and provide this basic equity for the American citizens who live in this city. We now have a chance and an opportunity in our Bicentennial Year to make this long dream a reality for living American citizens. History and justice cry out together that this must be done. I would urge the committee's consideration of my compromise proposal as a viable mechanism toward achieving this result and would urge that on tomorrow when it is offered it do pass.

Mr. BUTLER. Mr. Chairman, I yield 9 minutes to the gentleman from Texas (Mr. Collins).

Mr. COLLINS of Texas. Mr. Chairman, as I heard my distinguished Baptist brother from Alabama as he visualized the words of Moses, I thought that we were having additional breadth in the hearings, and I have heard many things brought into the discussions. The distinguished theologian, the gentleman from Alabama (Mr. Buchanan) knowing Moses can speak of the old theology. I would like to turn to history as I do know a little bit about history and I know that when we founded our Republic, we wanted to keep the District of Columbia as an individual, independent and free institution. We wanted to have a place in the District of Columbia where there would be no politics or political forces influencing our Government. And this was so clearly understood and so plain in the vision of our Founding Fathers when they established the District of Columbia, and, the years have proved it was one of the great moves that they made.

Today we are talking about providing more government. If there is one thing this country needs today it is not more government but what America needs today is less government. We have got more government than we need, more than we can afford and certainly we do not need any more government here in the District of Columbia.

We have heard many issues about the District of Columbia and why people are entitled to a vote, and why these people have been denied a vote. But there is one thing I think everyone should clearly understand about the District of Columbia and that is that no one here in the District has been denied a vote. When they moved into the District they knew that they would not have a national vote and this has been true ever since our Founding Fathers founded the District of Columbia. These people did not walk in here blind so that they can say someone has denied them a vote because they did not have the vote when they landed here. But everyone can have a vote back home. Everyone here ought to be still voting back home. In fact, they would all be better off if their homes were not in the District.

I was interested when the City Hall Committee was arguing the other day about where the city hall employees live. It was said that half of the city employees live in the suburbs. I think they would be probably better off if the other half lived in the suburbs, too.

I keep hearing about the District and the problems the District has from time to time with education. In the interest of the future of America, we all have a strong interest in education and let me say that we pay more right here from the Congress for education in the District of Columbia than for any other separate entity in America.

We need to always remember that this District is not a poor area that we have here. I think we have the highest per capita income right here in the District, higher than we have in any other section of America. We give the District more for their education than any other area of America. Yet every year when I pick up my paper to read who are the merit scholars, to see who are the achievement winners, the ones who have done an outstanding job in education, I cannot find them in these Washington public schools. They have the poorest achievement record of any major school system in America in spite of the fact that they have the most money to use in education. So it is not money. There is something wrong about the way that they run their school system. If they cannot run their schools, why should they try to run America?

The other day they came up with a new idea. City hall passed it. I will say this for the Mayor: I think he understood the facts much better than the City Council did. They passed a quota system for this city. If ever there is a backward step for any community, it is when everything in the town is set up on a quota basis. We founded this Republic on the basic premise that everybody is treated equally, that everybody has an equal opportunity, that the future, the opportunities, all work in this country is on an equal basis. But in many communities today folks have changed that philosophy. Some folks have come to the idea that we are going to run America on a quota basis.

I am glad to note that the Prime Minister of Ireland is coming here Wednesday, and I predict we are not going to hear a word about quotas when he speaks, because I never heard the Irish ever ask for any special deal or special favor at any time.

Let us review what the city hall of the District said on this quota deal, because this quota business is completely un-American. The resolution specifies to have full representation, in jobs at all salary and wage levels and scales, in accordance with the representation of all groups in the available work force of the District of Columbia, including, but not limited to, blacks, whites, Spanish-speaking Americans, native Americans, Asian Americans, females, and males—it does not mention the Irish. But everybody is supposed to get an equal shake.

When I checked on that I found that the population here is about 70 percent black, and I found that the people who work for city hall are 70 percent black. To start with, it is not a racial matter they are talking about.

Let me give my colleagues one example of the problem. Getting into this quota base, I checked on lawyers and found out that 13 percent of the staff attorneys for the city of Washington are black, and yet when we turn around, we find out that in the city of Washington only 9 percent of the attorneys in this city are black. In other words, although 9 percent of the attorneys are black, the city has 13 percent black attorneys. They are not going to get them from the colleges, because in the colleges today blacks make up only 7 percent of the enrollment in the law schools. How do we get into a quota system that says we are going to have more black lawyers when we do not have them in the city and in law schools? But they pass a quota system to legislate out an imbalance in one technical profession.

I would like to add one more thing. Down where I come from—because all of us like to talk about our own home State—we have 24 Congressmen representing the great State of Texas. If we took any kind of an evaluation of any type and prepared a cross-section report on who is the most outstanding, who is the most capable, who do folks think is the best Congressperson up here in Congress, I think the gentlewoman from Texas (Ms. Jordan) would win head and shoulders over any one of the other 23. The gentlewoman from Texas (Ms. Jordan) is black; Ms. Jordan is a woman. I will tell the Members something else: I have talked to people down there in Houston. I have asked, "What will she do when reelection comes up?" They have told me she will get 75 percent of the vote.

The gentlewoman from Texas (Ms. Jordan) is not in Congress because of any quota system; she is here because she is the most capable person to do the job. She has ability. She is a hard worker. She represents her district as well as anybody in Congress.

If we are going to build a republic that is going to be greater in the future, if we are going to build a republic this is going to last another 200 years, we need to forget all of this quota nonsense. We need to continue to elect people based on ability from whatever section they come, and above all we need to go back to the principles upon which we founded this great Republic and let the District of Columbia stay out of politics completely.

Mr. CARTER. Mr. Chairman, will the gentleman yield?

Mr. COLLINS of Texas. I yield to the gentleman from Kentucky.

Mr. CARTER. I thank the gentleman for yielding.

I was reading the original Civil Service Act a few days ago, and I find in it that the employees of the civil service are supposed to be allocated to the States according to their population. I wonder if the distinguished gentleman in the well is aware of that.

Mr. COLLINS of Texas. What is the gentleman saying now?

Mr. CARTER. That the civil service employees are supposed to be allocated according to the populations of the several States. That is, the great State of Texas, the gentleman's State, as large as it is and as popular as it is, should have quite a share of the civil service jobs.

Mr. COLLINS of Texas. Is the gentleman telling me every State is supposed to have the same number of civil service employees, in ratio to the State's population?

Mr. CARTER. It is in ratio to the population.

Mr. COLLINS of Texas. The District has never provided State quotas in civil service. Is Texas supposed to have a percent?

Mr. CARTER. It is according to the population of the several States. That is, California, according to that law, would have more civil servants than any other State; New York State would be next as the second largest; and then the third largest State would be next in the number of civil service employees. This is something that is part of the basic law, and as far as I know it has never been changed. That applies, as I understand it, to the civil servants throughout our country. I do not believe the law has been changed. I think an effort was made to change it a few days ago but that effort failed.

Mr. COLLINS of Texas. I want to thank my distinguished friend for enlightening me. I did not know we had that law. As many of our colleagues know, we have many laws we do not understand fully. But I do know one thing for sure. Let us leave the District alone.

Mr. CARTER. If the gentleman will yield further, I would say not too many throughout this Congress know that law.

Mr. BUTLER. Mr. Chairman, I yield 5 minutes to the gentleman from Maryland (Mr. GUDE).

Mr. GUDE. Mr. Chairman, when all is said and done, what we are talking about is whether the citizens of the District of Columbia are going to have an opportunity to have representation in their legislative body, as do the other citizens in the 50 States of the United States. The eloquent arguments of our Founding Fathers against taxation without representation unfortunately still ring true, as it has been said here today, for nearly three-quarters of a million Americans. These arguments, as stated by Thomas Jefferson in the simple declaration that "the influence over Government must be shared among all the people," speak for themselves.

I support the extension of voting representation to the District because it is right and it is fair. It is a matter of each citizen having the opportunity to have representation regardless of his or her race, color, or creed.

Some mention has been made of the Federal payment here, and as a Congressman who represents a suburban jurisdiction, this is a matter that I am very sensitive to. I have questioned at times whether, indeed, perhaps the District gets more than its fair share of the Federal funds. I think that question should be looked at very carefully: whether the citizens of the District pay as much as the citizens of the surrounding jurisdictions in property taxes and sales taxes and other taxes for the support of their Government. It is concerns such as these which prompted me to introduce legislation to provide for a very thorough study of the Federal payment problem: whether the Federal payment is inadequate, or above what it should be, and/or whether the Federal payment actually should be cut.

However, this, to me is an irrelevant argument with respect to the question of representation. We in the Congress are the ones who control the Federal payment and the taxes which are paid here. If indeed the citizens of the city are not paying what they should toward the support of the Government here, then we have the authority in the Congress to change that.

Indeed, as has been said, we retain authority over this Federal city because it is so stated in the Constitution and under the home rule law, Congress still has complete control, absolute control over what happens in the city.

What we see evolving from the opponents of voting representations is what I consider to be a sort of "Catch 22" argument. They say on the one hand that if we want representation for the citizens of the District of Columbia, then let us make the District a State.

This is an impossible situation. I know many of the people that proposed that the District be made a State would be the very first ones to say we have to provide adequate protection for the Federal establishment here. This was the very reason that Congress wrote into the Constitution a provision for a Federal District, because it had been hounded out of the City of Philadelphia by unruly citizens and a State government unwilling to do anything about the situation. When they drafted the Constitution they made sure that was not going to happen again.

At the same time, much has been made of the profile of the city. The very architectural profile of this city is retained in order that the beauty of the monuments, the Capitol, the White House, the great Mall, and all such structures will stand out, not for the suburbanites to enjoy or the people of the inner city to enjoy, but for all American citizens to enjoy. If we make the District of Columbia into a State, then we could have glue factories, we could have high-rise buildings, we could have the entire physical structure of this city changed and Congress would not have a thing to say about it, because every State is equal.

On the other hand, there are those who say that, indeed, if we give this representation to the city, then the citizens of Guam and Puerto Rico and the other territories are going to demand the same. This is not the case at all, for these places are not discussed in the Constitution in the same manner. They are not singled out, and are not in a parallel situation.

The CHAIRMAN. The time of the gentleman from Maryland has expired.

Mr. BUTLER. Mr. Chairman, I yield 1 additional minute to the gentleman from Maryland.

Mr. GUDE. Mr. Chairman, these other places are simply not given such importance in the Constitution. They are simply not of the same status, as in the case of Puerto Rico which a few years ago had a very active States Rights Party and decided by its own election that it did not want statehood and wanted to continue commonwealth status. We do not find the Puerto Ricans asking for State representation in either the Senate or the House, because they know this is not what is provided for in the Constitution, even though the District may be asking this.

Further, opponents have also argued that article V of the Constitution means non-State representation in the Senate would distort the States suffrage by giving the same right to a non-State. This argument was convincingly refuted at the House Judiciary Committee hearings by a constitutional scholar who argued that the phrase does not say equal to another State but simply means each entity must have equal representation. Voting representation for the District of Columbia will not change that.

Mr. Chairman, the Constitution is a living, dynamic document. To amend it in this manner will in no way jeopardize the great foundations of our political system. On the contrary, this amendment gives further strength to the very principles of representative democracy of our Founding Fathers. I urge the House to approve House Joint Resolution 280 by a two-thirds vote tomorrow.

Mr. EDWARDS of California. Mr. Chairman, I yield 5 minutes to the gentleman from Arkansas (Mr. THORNTON).

Mr. THORNTON. Mr. Chairman, I would first like to commend the chairman of the Committee on the Judiciary and the chairman of the subcommittee for their diligent efforts in bringing to the House a proposal to accomplish the desirable results of allowing the citizens of the District of Columbia the right to vote.

Mr. Chairman, I rise in opposition to the joint resolution.

Although my committee assignment has since changed, I was a member of the Judiciary Committee when the resolution was ordered reported, and I would urge members to refer to the separate views which Congressmen HUNGATE, BUTLER, HYDE, KINDNESS, and I filed in the committee report. In those views, we urged the committee to give consideration to a statutory answer to the question of voting representation in Congress for the residents of the District of Columbia.

I agree that it would be desirable for the residents of the District to have voting representation, but I am not convinced that a constitutional amendment is the best means to accomplish that goal. Constitutional amendments should be resorted to only when the normal processes of legislative, executive, or judicial action cannot accomplish the desired results.

The experience of many of the States—including my own State of Arkansas—has clearly shown the difficulties which arise when a Constitution is written in terms too restrictive, and often dealing with subjects which should be covered by legislation. We should be careful to make sure that this tendency does not develop at the Federal level.

I believe that normal legislative processes can be used to assure voting representation to District residents. There are at least two ways this can be done.

One alternative is to redraw the District lines to include only a Federal enclave and to retrocede the residential areas of the city to the State of Maryland. The objection to this proposal is that a total retrocession would jeopardize the unique qualities of Washington as a Federal city.

There is a second alternative, which to me seems a better solution. That is to retrocede to Maryland not all of the powers of "exclusive legislation" which the Constitution grants to Congress but to make a specific retrocession of the right of District residents to vote in Maryland Federal elections. In other words, for the purposes of voting in congressional elections, residents of the District would be considered to be residents of the State of Maryland.

It is a historical fact that District residents voted in the Maryland elections of 1800, and there is nothing in the Constitution to forbid them from doing so now. The governing provisions of the Constitution are rather complex, and I would not go further into them here. They are set out in my separate views to the committee report.

The important point is that we do not need this proposed constitutional amendment to give District residents voting representation. In my view, there is a better means of accomplishing the desirable result of allowing District residents a vote in Federal elections, and therefore I urge the defeat of the resolution.

Mr. BUTLER. Mr. Chairman, I yield 2 minutes to the gentleman from Louisiana (Mr. Moore).

Mr. MOORE. Mr. Chairman, I agree with the remarks just made by the gentleman from Arkansas, our colleague (Mr. Thornton). I certainly agree that we ought to explore the statute approach.

I agree definitely that the citizens of the District of Columbia are American citizens who pay taxes and who have the right to vote for representation in the Congress of the United States who can in turn represent them with full voting privileges. Of course, we have the precedent of the 29th Congress which on July 8, 1846, by act of Congress ceded back to the State of Virginia that portion of Virginia which was within the District and is today the city of Alexandria and Arlington County. They are no longer a part of the District of Columbia but have been since this act a part of the State of Virginia.

Therefore, I definitely support that approach rather than the proposed constitutional amendment.

Mr. BINGHAM. Mr. Chairman, I rise in support of House Joint Resolution 280 to provide representation of the District of Columbia in Congress. I have cosponsored a similar bill.

The report of the Subcommittee on Civil and Constitutional Rights of the House Judiciary Committee, chaired by our distinguished colleague from California (Mr. Edwards), argues eloquently in support of the resolution, calling for the representation of the District of Columbia in Congress as another step toward the attainment of universal suffrage.

I agree with the subcommittee that an area with a population of over 750,000 residents, who pay Federal and local taxes and serve in the Armed Forces, should have the power to participate in the Nation's decisionmaking process.

The residents of the Nation's Capital have gradually achieved partial representation and participatory rights, beginning in 1961 when the District citizens were given the right to vote in Presidential elections. This was further expanded in 1970 when District of Columbia residents elected their first nonvoting Delegate to Congress. Three years later, they were granted local home rule.

But this still falls short of including the District of Columbia in full participation in the democratic process. It is only fitting, then, that the congressional representation formula be extended to the District of Columbia. In this Bicentennial Congress, it is a genuine reaffirmation of our commitment to the democratic rights of all citizens.

Mr. BADILLO. Mr. Chairman, I rise in support of House Joint Resolution 280, which will enable the residents of the District of Columbia to be represented in the bodies that not only govern the fate of our country, but of their very lives as well.

For as long as I have been in public life, I have fought for the full enfranchisement of as many of our citizens as possible. Enfranchisement, not just in voting, but in the fullest possible participation in the political system. And contrary to what we learned in high school about electoral system, we have found that we must fight to enjoy that participation, that our constitutionally mandated rights have not been easy to come by.

And now we are faced with another battle—to allow the District of Columbia to help decide its own fate. We call it a Federal City, we might as well call it a colony. Each Monday, our calendars read "District Day," and yet there is not one official resident of the District who decides the issues that will be passed along as policy governing the lives of the 700,000 people who make Washington their home.

And who are those people? Many of them are poor and black, and have never had options as to how they lived their lives, and they have always been the stepchildren of our Government. And for years the people with power, the people who work for this Government, have fled this city at the end of the day, grateful that they had the option to leave what they considered an unsafe and unlovely place. But that has changed. People are returning to the city, new areas are being restored, there has been a renaissance of culture, many superb restaurants have opened, Washington is becoming a vital and cosmopolitan place to live.

But, although its citizens have been given a modicum of home rule, they still have few options about the way their lives are governed. And it is time an end was put to that. It seems absurd to think that the men who wrote the Constitution meant to disenfranchise the people living in the Nation's Capital. I doubt they were prescient enough to see that the land on which Washington was built would be ceded not by one, but two, States, and therefore would be a "stateless" city.

It has been said that this bill, as it stands, will have difficulty in the Senate, because the other House is wary of adding new Members that do not represent a "true" State. That kind of thinking, Mr. Speaker, is antithetical to everything this country is supposed to stand for. The District of Columbia has not been given the power to govern itself, but it must, at least, have as full a voice in this Government as possible.

Mr. BUTLER. Mr. Chairman, I have no further requests for time, and yield back the balance of my time.

Mr. EDWARDS of California. Mr. Chairman, I have no further requests for time and yield back the balance of my time.

The CHAIRMAN. There being no further requests for time, the Clerk will read.

The Clerk read as follows:

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled (two-thirds of each House concurring therein), That the following article is proposed as an amendment to the Constitution of the United States, which shall be valid to all intents and purposes as part of the Constitution when ratified by the legislatures of three-fourths of the several States within seven years from the date of its submission by the Congress:

"Article —

"Section 1. The people of the District constituting the seat government of the United States shall elect two Senators and the number of Representatives in Congress to which the District would be entitled if it were a State. Each Senator or Representative so elected, shall be an inhabitant of the District and shall possess the same qualifications as to age and citizenship and have the same rights, privileges, and obligations as a Senator or Representative from a State.

"Sec. 2. When vacancies happen in the representation of the District in either the Senate or the House of Representatives, the people of the District shall fill such vacancies by election.

"Sec. 3. This article shall have no effect on the provision made in the twenty-third article of amendment of the Constitution for determining the number of electors for President and Vice President to be appointed for the District. Each Representative or Senator from the District shall be entitled to participate in the choosing of the President or Vice President in the House of Representatives or Senate under the twelfth article of amendment as if the District were a State.

"Sec. 4. The Congress shall have power to enforce this article by appropriate legislation.".

Mr. EDWARDS of California (during the reading). Mr. Chairman, I ask unanimous consent that the joint resolution be considered as read, printed in the RECORD and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. EDWARDS of California. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the Chair, Mr. SMITH of Iowa, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the joint resolution (H.J. Res. 280) to amend the Constitution to provide for representation of the District of Columbia in the Congress, had come to no resolution thereon.

REPORT SETTING FORTH ACTION OF THE PRESIDENT ON SPECIALTY STEEL IMPORTS—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 94–409)

The SPEAKER laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, referred to the Committee on Ways and Means and ordered to be printed:

To the Congress of the United States:

In accordance with section 203(b)(1) of the Trade Act of 1974, enclosed is a report to the Congress setting forth the action I am taking on specialty steel imports pursuant to section 203(a) of the Trade Act of 1974.

GERALD R. FORD.

THE WHITE HOUSE, *March 16, 1976.*

ANNOUNCEMENT BY THE SPEAKER

The SPEAKER. In addition to the committees to which the report of the Select Committee Intelligence was referred on February 16, 1976, the Chair, pursuant to his authority under clause 5, rule X, has referred the report to the Committee on Government Operations for study of the report and recommendations of the select committee under the same restrictions and conditions as those stated in the Chair's announcement contained on page 3158 of the RECORD of February 16, 1976.

ELECTRONIC STUN GUN TERRORIZES ELDERLY COUPLE BEFORE THEY ARE MURDERED

(Mr. COUGHLIN asked and was given permission to address the House for 1 minute, to revise and extend his remarks and include extraneous matter.)

Mr. COUGHLIN. Mr. Speaker, it is with great alarm that I must again bring to my colleagues' attention the tragic abuse of a frightening weapon, the Taser electric stun gun, which was just used in the brutal murder of an elderly couple in suburban Philadelphia.

This torture device—ironically marketed to protect innocent citizens from criminals—is increasingly being used by criminals to terrorize their victims.

This most recent example of the Taser's contribution to crime involves the senseless murder of a 77-year-old couple who lived in Langhorne, Pa. According to law enforcement officials investigating this March 14 tragedy, the victims apparently were terrorized by the stun gun and then wantonly shot with conventional weapons. At this point, moreover, the possibility remains that the electric gun, itself, causally contributed to the couple's death.

The documented evidence of the Taser's abuse continues to mount, yet this Orwellian device still remains outside of all existing Federal sanctions.

As the sponsor of legislation to ban the public sale of Taser-like weapons, I recognize the necessity of swift, definitive Federal restrictions on this instrument. Similar efforts by several of my distinguished colleagues, in addition to investigations by various Federal agencies, attest to the urgency of the situation.

The most significant action relating to the stun gun was the Judiciary Committee's unanimous approval of Congresswoman HOLTZMAN's amendment to H.R. 11193 to classify Taser-like weapons as destructive devices. Regrettably, however, the Holtzman provision must await the further consideration of H.R. 11193 in the subcommittee.

I, therefore, appeal to my colleagues to relay their convictions to the Judiciary Committee to report out the Holtzman provision on the Taser as a separate bill.

I am inserting into the RECORD articles by Philadelphia Bulletin Reporter Thomas J. Gibbons, Jr., and the United Press International, published last night. These shocking accounts underscore the necessity of immediate congressional action to ban the Taser's public sale:

[From the Philadelphia Evening Bulletin, Mar. 15, 1976]

STUN GUN USED IN 2 KILLINGS—COUPLE THEN SHOT ON BUCKS FARM

(By Thomas J. Gibbons, Jr.)

An elderly couple apparently were shocked with electronic stun guns yesterday before being shot to death in their Langhorne farmhouse in Bucks County.

It was the second multiple murder this weekend in Bucks County, but authorities said there appeared to be no connection between the two incidents.

Edward and Marguerita Vogenberger, both 77, were shot in the head with bullets in an apparent robbery attempt, according to Middletown Township Police Chief Howard C. Shook.

The Vogenbergers' 14-acre truck farm at 222 N. Green st., Langhorne borough, is about five miles from the Abt family home in Trevose where six persons were found shot to death Friday night.

NO LINK FOUND

Bucks County Assistant District Attorney Dale Reichley said there was "no apparent relation whatever between the two homicide scenes."

Chief Shook said police found the bodies after receiving an anonymous phone call about 5 P.M. yesterday from a man who referred to Green St. and said: "If you're looking for something, check an old farmhouse."

Shook said police checked the Vogenberger house, which is the only farmhouse on the street, but no one answered the door.

"We thought no one was home, so we were going to leave until we looked in the window and saw the bodies," he said. "We had no idea when we went there of what we were looking for."

Chief Shook said dart gun barbs were found in the clothing of the victims. The "stun gun," is a battery-powered weapon which discharges two darts that produce a 50,000-volt shock.

Shook said Mrs. Vogenberger had a dart stuck in her clothing under the left breast and another on the left leg. Her husband had two darts stuck in the clothing on his back. Two of the fishhook-sized darts are shot into each victim to make a positive and negative electrical connection.

SHOT IN HEAD

Shook said Mrs. Vogenberger had been shot once in the top of the head with a bullet of undetermined caliber, and her husband was shot once in the side of the head above the left ear.

"We feel that the stun gun was used just to terrorize the people," Shook said. "However, due to their age and the voltage it may have had something to do with their deaths."

The stun guns went on the market last year under the brand name of "Taser Public Defender."

Shaped like a long flashlight with two darts stuck in the end, the device increasingly has been used by criminals. The gun was used in January to terrorize a Montgomery County, Pa., couple during a robbery.

Shook said no weapons were found, which ruled out the possibility of a murder-suicide.

He said the upstairs of the farmhouse had been "ransacked tremendously. The burglars were looking for something. If not money, I don't know what it was. The upstairs was turned upside down."

Shook said there was no sign of forced entry. He theorized that the couple kept the doors unlocked in the rural area.

GREW "BEST CORN"

George T. Strouse, deputy county coroner, said deaths were caused by bullet wounds of the head. The bodies were removed from the first floor of the 2½ story brick farmhouse to St. Mary's hospital last night.

The Vogenbergers grew green beans, rhubarb, squash, tomatoes, peppers, strawberries and "the best corn in all of Bucks County," said Mrs. James Hudson, 65, a neighbor who lives on N. Green St.

"We've known them for 38 years. They've farmed there over 40 years," she said.

"He was our milkman years ago," Mrs. Hudson said. "Why Marguerita could even run the plow. She'd always helped in the farming. Everybody in Langhorne knows the Vogenbergers. I'm numb. I feel sort of cold, like this couldn't be happening in Langhorne."

The couple belonged to Langhorne Methodist Church and the Langhorne Historical Society. Vogenberger was a camera fan and showed slides at historical society meetings.

Neighbors said the couple had no children and few visitors except for the summer when they operated a store on the property.

One neighbor said Vogenberger had a gun. "He used to shoot above the trees to keep the crows away from the berries. He was a tough man. If he caught anybody coming in they would have a big fight on their hands," the neighbor said.

Paul Delp, 21, also of N. Green St., said he had a party Saturday night "and we were going here until 7 in the morning and we didn't hear anything suspicious.

"I'm going to start sleeping with a shotgun," he said.

One neighbor reported a "suspicious" car parked on narrow Green St. on Saturday night.

[From the Washington Star, Mar. 15, 1976]

Shock Gun Used by Killers of 2

Langhorne, Pa.—A dart gun that produces electrical shock was used in the slaying and robbery of an elderly couple who were found dead in their farmhouse, police said today.

The couple, Edward and Margarita Vogenberger, both 77, were found apparently shot to death Sunday. The site is about five miles from where six persons were shot to death Friday night at a home in Trevose, Pa.

But police said they did not think the incidents were related. They said robbery appeared to be the motive in the second multiple slaying.

Middletown Township Police Chief Howard C. Shook said he was waiting for the results of an autopsy, expected late this afternoon, to determine what caliber gun was used in the shooting of the Vogenberger and also to determine the involvement of the dart gun.

Police said the victims had gunshot wounds of the head. Shook said darts from the dart gun were also found in the bodies.

The discovery came about 48 hours after the bodies of five members of the John Abt family and a family friend were found shot to death in their home in a residential section of Trevose.

Last Jan. 8 in nearby Montgomery County, Pa., a couple in Whitpain Township was bound and terrorized by four men using the electrical shocking device to force them to tell where valuables were kept in the house.

The bandits fled with a large amount of jewelry, cash and a number of guns, and also took a car of one of the victims, which was later found abandoned.

PALM OIL—A THREAT TO CONSUMER HEALTH

(Mr. POAGE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. POAGE. Mr. Speaker, in an earlier address to my distinguished colleagues, I have pointed out the costly impact that palm oil imports are having on American agriculture and the oilseed industry of our Nation. I have also called attention to the fact that a large amount of foreign palm oil is being produced with the help of loans backed by the United States through the World Bank and the International Development Agency.

The adverse financial implications are simple and can be readily understood. However, one fact that my colleagues and the consumers of America probably do not know is that palm oil used as a vegetable oil in the human diet may be dangerous to human health. The American consumer is well aware that highly saturated fats and oils have been determined to be a cause of arteriosclerosis and, thus, should be avoided.

Consumers have come to equate animal fats as highly saturated and vegetable oils as highly unsaturated. Because of the selection of vegetable oils by housewives, the American oilseed industry has grown greatly in recent years while the use of lard has dropped to almost nil during the same period. However, I am sure that most consumers will be surprised to learn that palm oil is actually considerably more saturated than hog lard.

An analysis of the statistics on fats and oils published by the Department of Agriculture shows that palm oil contains 45 percent saturated fatty acids, while lard contains only 38 percent. Much lower levels of saturated fatty acids are present in soybean oil—15 percent, sunflower oil—12 percent, cottonseed oil—25 percent and peanut oil—18 percent.

Because of its lower price, more and more palm oil is being used for the manufacture of cooking oils and shortening. In 1970, only 1.6 percent of the oil used in the production of shortening and margarine was of palm oil origin. However, in 1975, in excess of 11.3 percent of the oil used in producing shortening and margarine was composed of the highly saturated imported oil. As a result, American consumers are buying vegetable oil under the impression that they are getting a product low in saturated fats; but if the product contains palm oil, they are actually getting a product more saturated than lard.

I propose, Mr. Speaker, that all products containing palm oil should bear a label signifying that they contain palm oil—a highly saturated dietary oil. Although such labeling will not prevent palm oil imports, it will at least allow American consumers to know what oil they are buying. It will also permit consumers the chance to purchase domestically produced vegetable oils which are more beneficial to their health.

As I pointed out earlier, the gentleman from Georgia, (Mr. Mathis) has announced that hearings will be held on the palm oil import situation on March 18, 1976, in his Subcommittee on Oilseeds and Rice. I am sure that testimony will be received which will further show that palm oil imports pose a threat to the health of consumers and to the economic stability of American agriculture. I urge my colleagues to attend these hearings and learn of the problem palm oil imports are causing in the United States. I am sure that an examination to the palm oil import situation will lead my colleagues to agree that strong health controls and food labeling requirements are needed to protect American consumers and American agriculture.

VETERANS BENEFITS

(Mr. BURKE of Massachusetts asked and was given permission to address the House for 1 minute, to revise and extend his remarks, and include extraneous matter.)

Mr. BURKE of Massachusetts. Mr. Speaker, in May of this year, 3.7 million veterans will lose their entitlement to educational benefits due to the effect of the 10-year delimitating period. Many of these 3.7 million dedicated American citizens entered military service following the Korean war and preceding the Vietnam conflict. It was not until 1966 that any benefits were granted to assist these peacetime veterans.

Of the 3.7 million who will be cut from educational benefits on May 31, 1976, 480,000 are currently enrolled in full and part-time educational programs. Many of these veterans will be unable to continue with their education without GI bill assistance. They will be forced to drop out of school halfway through their program. It will be an awful waste if these veterans cannot complete that which they have started. Mr. Speaker, I would like to share with my colleagues a recent letter I received from one of my constituents who expresses the feelings of thousands of American veterans.

> Dear Congressman Burke: I am a veteran attending Junior College evenings and working days. I have completed six months of schooling with financial assistance from the Veterans Administration. I know my education would be impossible without this government aid, for I am the father of four children and have monetary responsibilities at home.
>
> Recently I heard that the educational program for Veterans will be cancelled in May of this year. If this is true, what will happen to students like myself who are trying to better themselves? Without financial assistance, many veterans will be unable to complete their higher education.
>
> Do you think this is fair to men who have voluntarily served in the armed forces?

Several bills pending before the Veterans' Affairs Committee would serve to remedy this situation. Bills have been introduced and cosponsored by many of my colleagues to extend educational benefits or at the very least, to allow those veterans currently enrolled to complete their educational program. I have myself introduced H.R. 11973 to repeal the 10-year delimitating period.

In establishing GI bill benefits, Congress stated that:

> The educational program was for the purpose of (1) extending the benefits of higher education to qualified persons who might not otherwise be able to afford such an education, (2) providing vocational readjustment and restoring lost educational opportunities to those service men and women whose concerns have been interrupted or impeded by reason of active duty after January 1, 1955, and (3) aiding such persons in attaining the vocational and educational status which they might normally have aspired to had they not served their country.

Originally 8 years was felt to be an adequate length of time for veterans to complete educational training. The delimitating period was then extended to 10 years in 1974, as Congress and the President felt that inadequate benefit levels had prevented many veterans from taking advantage of GI bill benefits. The original GI bill granted only $100 per month educational benefits to veterans. It was not until 1974, under Public Law 93–508, that benefits rose to an adequate level of $270 per month. Yet while GI educational benefits have increased 35 percent since 1970, this has been accompanied by higher education tuition increases of 45 percent for public schools and 48 percent for private schools in the last 6 years. Thus veterans who held off getting an education hoping to save enough money to supplement an inadequate GI bill are now finding that they have run out of allotted time.

Time is of the essence in extending benefits to the 3.7 million Americans who will be deprived of their educational opportunities in just 2 short months. We can make no better investment in our

Nation than in the education of our service men and women. They have earned their education assistance by their service to this country. I urge my distinguished colleagues of the Veterans' Affairs Committee to promptly consider this important issue.

LET THE SURFACE MINING BILL DIE IN THE RULES COMMITTEE

(Mr. WAMPLER asked and was given permission to address the House for 1 minute, to revise and extend his remarks and include extraneous matter.)

Mr. WAMPLER. Mr. Speaker, on March 18, 1975, this House passed H.R. 25, the Surface Mining Control and Reclamation Act of 1975. The following May 7 the House agreed to the conference report on H.R. 25. On May 20, President Ford vetoed this bill and on June 10, the House sustained the President's veto on that legislation.

The President cited loss of jobs; higher cost of manufactured goods and higher electric bills for consumers; increased dependency on foreign oil; and an unnecessary reduction in coal production, when increases in this vital domestic energy resource are needed more than ever, as reasons for his veto.

Mr. Speaker, despite the action of this Congress to reject this legislation in the first session, some of my colleagues are proposing that we again march up the hill and down again on this bill. This time, however, they have put new cloth on the bill to disguise it, given it a new number H.R. 9725, and a new title, a bill to provide for the cooperation between the Secretary of the Interior and the States with respect to the regulation of surface coal mining operations, and the acquisition and reclamation of abandoned mines.

Regardless of all the efforts of the bill's proponents to call it a new piece of legislation, it is the same old bill and it has the same old problems that the old bill possessed.

Mr. Speaker, it is time this House took stock of the fact that it has not yet developed an energy policy, and especially a national coal policy. I will agree we have struggled mightily with the problem and passed legislation that alleges to establish energy and conservation policies, but in reality we have really failed at our job.

How can we claim an energy-conservation policy when we are using more gasoline this year in our automobiles than we used last year, or when we are importing more foreign oil than we did last year, or when we are still using expensive oil and gas to develop electric power and are delaying a shift in the electric industry to our most abundant energy, coal? Coal production for all purposes has virtually stood still under this Congress. The bill H.R. 9725 will reduce coal production, when we need to double it. H.R. 9725, like its predecessor, is at odds with the requirement to increase coal production. The bill should die in the House Rules Committee and we should get on with the job of establishing a realistic national coal policy.

In order that you might get another's appreciation of our lack of an energy policy and especially a national coal policy, I invite your attention to the main editorial in Saturday's, March 13, 1976, edition of The Washington Post, a newspaper I do not often quote, but which some of my colleagues consider as their bible on many issues. The article follows:

[From the Washington Post, Mar. 13, 1976]

COAL, OIL AND PEPCO

In this country's slow progress toward a national fuel policy, nothing is ever as simple as it first seems. For example, one obvious way to save oil to switch the electric utilities to coal. The utilities have good reason to welcome the change, since oil now costs more than twice as much as coal. But, curiously, coal consumption has hardly risen at all since 1973, when oil prices shot up and the Arabs imposed their embargo. Coal still generates a little less than half of the nation's electricity, just as it did three years ago. Why is the turn toward coal so slow?

For an answer, consider the troubles of the Potomac Electric Power Company here in Washington. Last July the Federal Energy Administration ordered it to switch its big new Morgantown plant in southern Maryland entirely to coal. But in August it had to switch its Benning plant here in the city from coal to oil, when a judge fined it $6300 for air pollution violations. The switch at Morgantown threatened severe financial damage to another company, Steuart Petroleum, which had laid out $12.5 million for oil pipelines to serve Pepco plants. The switch at Benning killed the little 15-mile railroad that had been delivering its coal.

Pepco has managed to increase its use of coal over the past year—which, incidentally, is why the fuel adjustment charge on its customers' bills is down a little. But the fuel mixture at Morgantown is still only 60 per cent coal; the rest continues to be oil. The reason has nothing to do with the environmental laws. The only way to bring coal in to Morgantown is over a decrepit branch line of the bankrupt Penn Central Railroad. At first Pepco couldn't get adequate deliveries because the Penn Central didn't have enough cars to carry the coal. In response, Pepco spent $4 million for 160 hopper cars of its own. Now, Pepco says, the cars are being eaten up by the bad tracks. Twelve of the cars have been totally destroyed in various wrecks and derailments, and another 44 are out of service for repairs. Even when the trains stay on the track, the speed limit on much of the line is 5 miles per hour.

Pepco has notified the FEA, the U.S. Railway Association and the Penn Central that it needs expanded rail capacity to bring Morgantown up to full reliance on coal. But there does not seem to be any very imminent prospect of improvement. The rail line is, of course, part of the massive reorganization of the northeastern railroads that begins next month.

At the Benning plant, true enough, Pepco could have continued to burn coal if it had installed anti-pollution gear to clean up the smoke. But that equipment is expensive. Benning is the oldest plant in the Pepco system, and is now operated only in peak periods. Pepco is in the embarrassing position of having grossly overestimated the growth of its sales, and has built substantially more generating capacity than it needs. That leaves it with neither the money nor the inclination to make expensive changes in an obsolescent plant to keep it on coal.

From the utilities' point of view, here and throughout the country, the continuing uncertainty over environmental standards constitutes a major hazard. The standards are complex, they are controversial, and sometimes they are changed. Many utilities say that they are fearful of embarking on long and costly conversions of their oil-burning plants, only to find when the job is finished that local pollution rules have been revised in the meantime.

Present law requires power plants to burn coal when they are equipped for it. But much broader legislation is under consideration in the Senate. Sens. Jennings Randolph, Henry Jackson and Warren Magnuson, respectively the chairmen of the Public Works, Interior and Commerce Committees, have introduced for discussion a bill that would force nearly all power plants—not only the utilities, but industrial plants as well—to stop using oil or gas by 1985. The amount of oil currently consumed by the utilities and industry together is nearly equal to the volume that this country imports.

The implications of conversion on this scale are enormous. This country produced 695 million tons of coal last year. To meet the requirements of the three senators' bill, production would have to be more than tripled to 2.5 billion tons within the short period of nine years, according to calculations for the Senate's National Fuels and Energy Policy Study. There are now about 150,000 coal miners; this conversion would require more than 300,000. Figures of this magnitude make it evident that full conversion to coal is probably not possible, as a practical matter, as soon as the middle 1980s. It is also evident that any substantial shift at all is going to require enormous commitments of men and money—commitments that neither the utilities nor the mining companies will make amidst the present rudderless uncertainty over national energy policies.

This country wants to reduce its dependence on imported oil. But it has not yet made up its collective mind about the price that it is willing to pay. The danger of foreign oil embargoes and disruptions remains as clear as ever. But for the time being, at least, the oil is flowing and there is a strong temptation throughout the country to keep putting off the kind of firm decisions that the three senators' bill would require. The past several years' experience demonstrates that rising oil prices alone will not swing the utilities toward coal. Without legislation, it appears, nothing at all is going to happen—nothing, that is, but a steady rise in oil imports from the Persian Gulf.

SOVIETS SEPARATE A JEWISH FAMILY

(Ms. HOLTZMAN asked and was given permission to address the House for 1 minute, to revise and extend her remarks and include extraneous matter.)

Ms. HOLTZMAN. Mr. Speaker, today Representative EILBERG and I inaugurate a vigil on behalf of Jewish families that have been separated by the cruel and lawless emigration policy of the Soviet Union.

On August 1, in Helsinki, the Soviet Union and the United States joined 33 other countries in signing the Final Act of the Conference on Security and Cooperation in Europe. That act pledged participants to do everything possible to reunite families divided by national boundaries.

The purpose of our vigil is to demonstrate the Soviets' consistent violation of that pledge, separating family after family. This afternoon I would like to bring to the attention of my colleagues the plight of the Butman family.

Hillel Butman of Leningrad is a "prisoner of conscience." serving a 10-year sentence in the Soviet Union. He has been imprisoned since 1970. His wife and two daughters live in Jerusalem, Israel. He has been denied the right to emigrate to Israel, and his wife and daughters have not been permitted to visit the Soviet Union in order to see him in prison.

In his wife's own words:

> In the Soviet Union every prisoner is entitled to meetings with his wife and children. My husband has been deprived of this right. During all these years my husband has seen me only twice, and has not seen his daughters even once. My youngest daughter Giula was born when he was already in prison.
>
> Throughout 1975, I vainly sought to obtain permission for a meeting with him for myself and my eldest daughter Lilly.
>
> On January 25, 1975, I wrote my first application for a meeting. In April I received a reply signed by Councillor B. Savostyanov of the Ministry of the Interior saying that prisoner Butman has the right of meeting his relatives. My subsequent application addressed to B. Savostyanov, asking him to name a country in which the Soviet Embassy would issue me with a visa to the USSR for the purpose of meeting my husband went without answer. . . .
>
> Having lost all hope for a just and positive solution of the matter, and seeing that all the actions of the leaders of the Soviet Union flagrantly contradict their official statements and the international documents they have signed, I see no other way of attaining what is guaranteed to us by law than by turning for help to the people of the free world, to statesmen and public figures and to international organisations.

THE DIFFICULTY OF EMIGREES FROM THE SOVIET UNION IN OBTAINING VISAS THROUGH THE U.S. STATE DEPARTMENT

(Mr. CORMAN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. CORMAN. Mr. Speaker, I share a deep and genuine concern with the gentlewoman of New York (Ms. Holtzman) with respect to the problems of Soviet Jewry. There is a particular aspect of that situation which I find extremely disturbing and would like to bring it to the attention of the House.

Mr. Speaker, we as Americans pride ourselves on our melting pot tradition and our doctrine of religious tolerance. We have been highly critical of the Soviet Union in its failure to permit unrestricted Jewish emigration to Israel. We have consistently condemned and harangued Soviet officials for their prejudicial and unconscionable emigration practices. However, we should also be internalizing our criticism and directing it toward our own myopic Department of State.

Recently, I had an opportunity to visit Israel and learn of the plight of Mrs. Rozalia Skimonovict who emigrated to Israel from the Soviet Union in 1972. She has an adult son and daughter working in Israel. She would like to visit relatives in the United States; relatives she has not seen for many years. She has been denied a visitor's visa by our compassionate State Department.

Mr. McCloskey, Assistant Secretary of State for Congressional Relations was contacted for assistance. The American Embassy in Tel Aviv responded that Mrs. Skimonovict was not a good risk because she failed to show convincing evidence of her intention to return to Israel. Obviously, the State Department fears that Mrs. Skimonovict may abandon her house with her children and stay illegally in this country. This conclusion was based on the fact that she could not produce convincing evidence of ties of property, savings, or employment.

Perhaps if she had a meager bank account, that would satisfy the State Department more than her natural desire to reunite with her children. What a shame she did not leave the Soviet Union with substantial wealth. Apparently she could then visit her loved ones in this country. What kind of warped sense of compassion is emanating from our State Department?

I have written to Secretary of State Kissinger regarding this matter but have failed to receive the courtesy of an interim reply. While I know of Dr. Kissinger's active travel schedule, I always thought someone was minding the store in his absence. Perhaps I have been under a misimpression.

Mr. Speaker, we had better take a long hard look at the injustices we are perpetuating. The Statue of Liberty is looking the other way these days and we must restore her compassionate vision.

Ms. HOLTZMAN. Mr. Speaker, will the gentleman yield?

Mr. CORMAN. I yield to the gentlewoman from New York.

Ms. HOLTZMAN. Mr. Speaker, my office has also had an unpleasant experience with the present U.S. Ambassador to Israel with respect to the issuance of visas from that country to the United States as well as from Yugoslavia where he earlier served as Ambassador. In a number of cases he had arbitrarily withheld visas.

Mr. Speaker, I commend the gentleman from California (Mr. Corman) for bringing this matter to the attention of the House.

FEDERAL ESTATE TAX REFORM

The SPEAKER. Under a previous order of the House, the gentleman from Wisconsin (Mr. Kasten) is recognized for 30 minutes.

Mr. KASTEN. Mr. Speaker, yesterday, the House Committee on Ways and Means began its long-awaited hearings on reform of the Federal estate tax—and reform is definitely indicated if we are to preserve our Nation's family-owned farms and businesses.

I have become increasingly concerned with this problem. Just last week, I received a letter from a constituent concerning the need for estate tax reform and I would like to share part of it with my colleagues:

> I am farming near Allenton, Wisconsin, on a farm which is in our family since 1845. Therefore, you can see why I am glad to see your concern about estate tax relief. Having read articles about estate planning and talking to my attorney about it, I can see where new favorable legislation is needed. If something were to happen to me, I would like for my family to have the opportunity to continue on this farm.

Few of us would deliberately consider passing legislation to end a tradition that is more than 125 years old, but unless we move on estate tax reform during the 94th Congress, the net effect of our inaction will be a further attrition of our Nation's small farms and businesses.

Yesterday, I submitted testimony to the Committee on Ways and Means and because of the importance of the issue, I would like to bring it to the attention of my colleagues:

Federal Estate Tax Reform

(Testimony of Robert W. Kasten, Member of Congress, before the Committee on Ways and Means, March 15, 1976)

> Mr. Chairman, small businesses and family farms have constituted a strong, positive economic and social force over America's 200-year heritage as a nation. Conditions that encourage their preservation and progress should be fostered by government on the national, state and local levels.
>
> Strongly believing this premise as axiomatic to our nation's future, I am very pleased the Ways and Means Committee is again examining the Federal estate and gift tax structure. I am a cosponsor of two bills, H.R. 10892 and H.R. 3831. I strongly urge the Committee to act favorably on legislation dealing with the following reforms, which I will discuss in detail:
>
> Raise the $60,000 exemption;
>
> Adjust the marital deduction;
>
> Allow the alternative method of farmland valuation;
>
> Provide extended payment time for small business and farm estates.

PURPOSE OF ESTATE TAX

> It is appropriate here to examine the purpose of the Federal estate and gift tax. Historically, it is a combination of providing a source of Federal revenue and a means to prevent vast accumulations of wealth. The total revenue from Federal estate taxes represents approximately 2.2 percent of the total revenues collected by the Federal government. Estate tax collections are not a major revenue source for the Federal government. In addition, we must consider the adverse impact of current assessments on two of the nation's vital economic groups: small businesses and family farms.
>
> As a means to prevent vast accumulations of wealth, the application of the law to modest estates goes considerably overboard, preventing in many cases a family's retention of its sole source of support. I do not believe Congress ever intended this; rather, it has come about through the *inaction* of Congress to keep the estate tax laws in line with economic realities.

FORCED BREAK-UP OF FAMILY-OWNED ENTERPRISES

> In this connection, I think it will be helpful to look at the estate tax in terms of the actual impact under the current law on family farms and small businesses. Out of this picture emerges the clear necessity for major changes in the estate tax structure.
>
> I would like to pass along to the Committee a statement from Mr. Paul E. Hassett, President of Wisconsin Manufacturers and Commerce, Inc., who puts the prospects for the future of small business in perspective:
>
> "The estate tax has long been a sword over the head of all business but particularly small concerns. The big ones can publicly offer stock holdings of a deceased owner or big participant, or they can set up a foundation as was done by Ford at Ford Corporation, after adequate provision for family, since the amounts involved were huge. But the fellow who starts a business himself, or with two others, has a problem unless much planning is done.
>
> "If a principal has an interested child or

two, he can begin transferring ownership ($3000 to each heir, tax free each year) or he can buy huge amounts of insurance to help meet the inheritance tax, so as not to strip the company of cash and receivables and leave it unable to compete when he dies. Others take a chance and then, when they are nearing retirement, sell out—often at a sacrifice—to a large company or to a competitor. I have been told by several that they dare not lose any money in substantial amounts or make substantially more, because it would compound estate tax problems. A few companies have moved out of the U.S. . . . where the colonial status exempts them from some taxes.

"The jist of all this is that instead of vigorously growing, these small firms usually prefer to stay small, thus limiting competition. As proof, try to name five companies in Wisconsin which have grown from small to large in the last 40 years. APCO Metal Company is the only one I can think of."

SHORTAGE OF LIQUID ASSETS

The liquidity problem has been discussed in previous Congressional hearings, and anyone familiar with small business or modest farming operations knows well the cash flow limitations. In testimony before the Senate Select Committee on Small Business in August 1975, one witness described the potential pitfalls faced by a small businessman planning for the future of his concern:

"Absent proper planning, the small businessman who has spent a lifetime creating a business is likely to find that his business cannot survive his own death, and that he and his heirs will be forced to sell, merge or liquidate the business under terms that may not adequately reflect the fair market value of the going concern. Even with proper planning, under our present tax structure it is difficult to preserve a small business for future generations. . . .

"Typically, a small businessman will have most of his personal assets invested in the business. At his death, his estate will consist primarily of an illiquid business interest, and yet the estate taxes must be paid in cash. All too often the business will have to be sold to provide the needed liquidity . . . The problem is that the small business is usually so cash poor that it can't spare the current cash necessary to fund the future problem (via life insurance, cash reserves, etc.), despite the fact that, without the source of liquidity, the business may have to be disposed of in order to meet the estate obligations."

Consider, for example, an estate consisting solely of a business with a gross value of $500,000, as pointed out by the NFIB in testimony before the same committee a year earlier. The estate tax would be $39,000, which the heirs would have to pay in cash within a short period of time. That may not sound like a great amount in relation to the total value of the business, but it would be difficult, at best, to raise that amount, and more so if assets had to be sold under forced conditions.

NEXT GENERATION FORCED OUT OF FARMING

As is the case with the surviving family of a small business proprietor, the family farm has a severe cash shortage and would probably be forced to sell all or part of the farm to pay estate taxes.

No one knows the precise extent of the impact of estate taxes on farm sales, although a USDA study last July estimated that "one-fourth of all farm real estate transfers are for the purpose of estate settlement." A survey of 258 farmers by the Wisconsin division of the National Farmers Union revealed that half of them personally knew farm families who were forced to sell all or part of their farm to pay estate taxes.

Examples abound of cases where this happened. In one instance recently related to me by the Wisconsin Farm Bureau Federation, a widow who inherited property consisting of 955 acres of farmland when her husband died had to sell 80 acres to pay the Federal tax. In addition, she was forced to take out a mortgage on one of the farms to pay the state inheritance tax. Her two sons would like to continue the farming operation but, because the estate is in probate, the sons would have to pay the appraised value of the property to take it over from their mother, or the property would be subject to Federal gift tax.

An attorney in Wisconsin who handles estate planning in a rural community recently told me he could cite any number of cases among his clients where a farm would have to be broken up to pay the estate and inheritance taxes if the individual died tomorrow. He cited as an example a farm worth $650,000 today, combined with $100,000 of life insurance. Using the 50% marital deduction upon the husband's death, the combined federal estate tax and state inheritance tax on his estate, then again on his wife's estate after her death, would result in a tax liability of almost $200,000 before the children could inherit the farm. He asserts there is no way the surviving children could continue to operate a farm with that kind of tax debt over them. Given this situation, he says, in another generation or two we are likely to see agricultural ownership primarily in the hands of corporate investors.

REVISIONS NEEDED

Mr. Chairman, your Committee no doubt will hear this point reiterated time and again, but I do not believe we can overemphasize the severity of the problem for modest-sized estates under today's Federal estate tax structure. There has been no major revision in estate tax provisions for nearly 30 years, and we are all painfully aware of what inflation has done to the value of the dollar in that period of time. Inflation has hit hardest at two particular aspects of the Federal estate tax: the $60,000 exemption, and the valuation of land for purposes of establishing the taxable value of an estate which includes agricultural land.

The third area of principal concern to me is the marital deduction which, as presently structured, gives little or no consideration to the contribution of a wife in building a family business or in operating a farm, and it makes it extremely difficult to provide adequate protection for the security of the surviving family.

These three basic inequities are remedied in H.R. 10892, introduced by Mr. Burleson, and which I have cosponsored. I would like to discuss the specific justifications for the three major provisions of the bill.

RAISE EXEMPTION

(1) The Burleson bill would raise the exemption from the Federal estate tax from the current $60,000 to $200,000.

Mr. Chairman, this is probably the most crucial provision if we are to equalize the burden of estate taxation and allow the owner of a small business or a family farm to provide for continuation of the enterprise after his death. The $60,000 level was set in 1942. Adjusting that figure simply on the basis of the Consumer Price Index would have raised it to approximately $199,550 as of July 1975.

Former Senator Frank Carlson testified before this committee on behalf of the National Small Business Association during the 93rd Congress, pointing out that, "when the law was passed, it was feasible to operate a small business or a farm worth only $60,000. With the competition of the marketplace progressing the way it is, the smallest efficient size of a business is necessarily becoming larger in terms of dollars invested."

Senator Carlson asserted at that time, "The tax treatment that the small businessman receives is generally unfavorable; and when he dies, the tax treatment of his estate is even more severe.

"Unfortunately, due to heavy estate taxes, small businesses are often dissolved at the death of their founder. Or the business must be liquidated to pay the estate taxes. Consideration should be given to ways of avoiding ruining a going concern by inflicting heavy transfer taxes."

Let's look at the drastic changes in farm valuations over past years in light of the $60,000 exemption. In 1942, when it was established, farms were worth considerably less than that amount. The following USDA figures for Wisconsin demonstrate the dramatic changes that have occurred:

Year	Cost per acre	Average per farm value land and buildings	Number of farms	Average size (acres)
1942	$54	$6,900	183,100	128
1967	182	32,400	109,000	178
1974 (estimate)	401	75,000	81,000	185

The Wisconsin Farm Bureau Federation provided us with a more recent tabulation from the University of Wisconsin Extension Service placing the average 1974 per acre value at $465 for land and buildings, or $438 for land alone.

The University data also shows that a 185-acre dairy operation would run only 41 milking cows, which is actually not considered to be an economically efficient unit. For a person to make the capital investment to enter into a unit of that size, however, it would take $185,300. According to the University Extension Service a 50–80 cow unit would be more efficient to operate. The following table compares the University's estimates for capital investment required to establish operations of various sizes:

Herd size:	*Acres required*	*Investment*
41	185	$185,300
59	254	264,605
85	360	879,263
137	528	537,905

Three conclusions are apparent from this data: (1) the number of farms in Wisconsin has declined dramatically in past years and the trend continues, aggravated by the confiscatory Federal estate tax which makes it extremely difficult to pass a family operation to the next generation; (2) the paper value of the average farm has increased astronomically when compared to the value in 1942, and the trend continues steadily upward, which contributes to the estate tax burden; and (3) the enormous capital investment required virtually precludes a young person from entering the family industry unless he can take over a family operation.

This illustrates graphically the growing severity of the problem if Congress does not act this session, assuming we agree on the intrinsic value of the family farm in the nation's agricultural economy.

INCREASE MARITAL DEDUCTION

(2) The Burleson bill would increase the estate tax marital deduction, to a maximum of $100,000 plus 50 percent of the adjusted value of the estate.

There has been no major structural revision in Federal estate and gift taxes since the adoption of the current marital deduction provisions in 1948. Current law provides that the marital deduction shall not exceed 50 percent of the value of the adjusted gross estate. This means that where there is a moderate-sized estate and surviving minor children, the surviving spouse may suffer considerable hardship when the burden of the estate tax is combined with loss of the deceased's earning capacity.

If the family tries to continue the family farm or business, there will probably be a loss of income if the deceased was the primary manager of the business, until the family gains the necessary managerial experience to make it succeed. In the case of a farm, unpredictable weather and market conditions compound the problem. In the meantime, the family is saddled with exorbitant inheritance and estate taxes.

An increase in the marital tax deduction also gives recognition to the husband-wife partnership in family farms and small businesses and gives needed protection for the security of the surviving family.

Federal law provides for deduction from the amount of the gross estate any financial contribution a wife has made, but she has to support such a deduction with proof of wages paid to her. I know of no farm operation where the husband "employs" his wife; yet, almost any farmer will readily tell you his wife and his children are his best, most reliable, hardest-working help. The same is true of most family businesses, yet in both cases the IRS considers the wife to have contributed not a penny to the value of the estate.

What a travesty of justice to witness someone who endured the hardships of building up a farm or a family business with her husband losing them both because of archaic estate tax laws!

CURRENT USE VALUATION

(3) The Burleson bill provides a method for valuing farms and woodland for estate tax purposes on the basis of current use rather than potential higher value uses.

I believe Congress should be committed to policies which enable continuation of the family farm as an economic entity in our nation. To carry out this commitment, the need for this change is obvious, particularly on the fringes of urban areas, where the potential for residential or commercial development escalates the value of farmland far out of proportion to its value if its use remains agricultural.

Safeguards are built into this provision to insure that it is used for agricultural land. To qualify, the property must have been used for farming, woodland, or scenic open space, for five years prior to the death of the owner and must remain in that use for five years after the heir has elected to use this method of valuation. Otherwise, additional estate taxes on a higher value would be collected.

The latest figures available for Wisconsin show that whereas the average value of land which continues to be in agricultural use was $438 per acre, agricultural land sold in 1974 with plans to divert it to other uses had an average value of $592 per acre. For just a 200-acre farm, the difference of $154 an acre would mean an increased value for the estate of $30,800. That average also does not reflect the increasing pressures on agricultural land values in the suburban fringe areas. Indicative of the broad range of land values just in Wisconsin, agricultural land which was sold in 1974 varied from $25 per acre to a high of $25,425 per acre.

Use valuation for real estate taxes is being looked to by a number of states as a means to encourage continued agricultural production rather than capitulation to pressures to sell to developers when a farmer can no longer afford the rising property taxes. States, such as Wisconsin, are also considering the alternative valuation method for determining assessment of inheritance taxes. I think it is very appropriate for Congress to take this action on the Federal level as a matter of policy to encourage agricultural land use.

EXTENDED PAYMENT TIME

A fourth reform proposal, not included in H.R. 10892, is incorporated in the other bill I am sponsoring, H.R. 3831, and would permit an extension of time for paying the taxes when the estate consists largely of small business or agricultural interests.

This particular reform was advocated by President Ford as the major thrust of his initial estate tax reform proposal, although he has now joined advocates of other revisions such as raising the exemption. His proposal would only raise the exemption to $150,000, which I do not believe is adequate.

I do support deferring payment of the tax, under qualifying limitations, for a period of five years, and allowing a long-term low-interest loan to pay off the balance. However, as the President acceded in his most recent proposals, this in itself is not enough until we equalize the unfair burden of taxation now placed on the modest-sized estates which would stand to benefit from the reforms your committee is studying.

SUMMARY

Congress has many urgent matters to decide this session, but this is one that certainly should receive a high priority. There is little disagreement that reform is needed. Therefore, I hope these hearings result in expediting the legislation, and I further hope the members of the House will quickly resolve disagreements on how the reforms should be structured.

Family farms and small businesses are a vital part of our nation's economy. I am committed to helping preserve the role of family enterprises in our economic system, and the reforms I support in Federal estate tax laws are a vital step in that effort.

MEDICAL FREEDOM OF CHOICE FOR CONSUMERS

The SPEAKER. Under a previous order of the House, the gentleman from Idaho (Mr. SYMMS) is recognized for 30 minutes.

Mr. SYMMS. Mr. Speaker, for the past few years there has been a growing controversy over the value of the 1962 amendments to the Food, Drug, and Cosmetics Act—the amendments that instituted the efficacy requirements. Since the amendments were passed, every new drug must be approved by the FDA as being effective, i.e., fulfilling its stated claims, before it can be sold. Admittedly, it is difficult to condemn an amendment with such honorable intentions; however, all that glitters is not gold. The 1962 amendments have been in operation long enough now to enable us to take a long, hard look at the benefits they have conferred upon the American public.

There have been a variety of excellent studies done on the value of the amendments. In my remarks today, I freely use the information of a study done by Prof. Sam Peltzman of the University of Chicago. To appraise the utility of the 1962 amendments, one must first analyze the intent of the Congress in making these laws.

The amendments undoubtedly received the impetus needed for passage as a result of the 1961–62 thalidomide episode. The congressional intent appears to have been to change the procedures surrounding the introduction of new drugs and their premarket testing in an effort to prevent another such occurrence. The basic provision of the amendments was an addition of a proof-of-efficacy requirement to the proof-of-safety requirement of the original law passed in 1938. The FDA now has the authority to specify the type of testing a manufacturer must perform and they may terminate or order modification of the investigation at any point in the testing if the drug is deemed unsafe or ineffective. Under the original law, a new drug application—NDA—received automatic approval if it had not been rejected by the FDA within 180 days; the 1962 amendments removed this time constraint on the FDA.

The "benefits" of these amendments are supposedly obvious: to prevent ineffective drugs from being marketed and to provide consumers with additional information about new drugs. These ends could naturally be accomplished by any suppression of innovation and, therefore, the amendments have undoubtedly produced, to some degree, their desired results. However, I think it is very important to investigate the total benefits of the amendments and compare that figure with the probable benefits our society has been deprived of since their passage. The evidence suggests that this may be another case of not being able to see the forest for the trees: we have zeroed in on one minute problem in the drug industry and our solutions have deprived thousands of Americans of the benefits of new, effective drugs for several years, significantly reduced drug innovation, and cost the American public millions of dollars.

The 1962 amendments had two easily identifiable results:

First, they substantially increased the development time required to market a new drug, and, second, the cost of getting a new drug to the market was increased. Even without exploring the total ramifications of these results, it should be obvious that the amendments have imposed a burden upon both drug innovation and the consumers' pocketbook. Professor Peltzman states in his book "Regulation of Pharmaceutical Innovation" that—

> Even when generous allowance is made for considerable variation in drug development time, it is difficult to attribute less than two years added development time to the operation of the 1962 amendments.

The estimate of delayed development time has generally been put at 2 to 4 years. In terms of cost, I will mention only the administrative cost now; in 1970 the FDA required nearly $15 million to carry out the requirements of the amendments.

Neither of these results appear to be too large a sacrifice to prove a new drug ineffective—if one proceeds no further. A complete examination into the full results leads to only one conclusion: the 1962 amendments have imposed a net loss on consumers.

Since the primary purpose of the amendments was to stop inefficacious drugs from entering into the marketplace, it is appropriate to ask if that result has been satisfactorily achieved. As I have mentioned before, any reduction of the flow of all new drugs will obviously reduce the sales of inefficacious drugs. Studies indicate, however, that the incidence of waste on inefficacious drugs has not been reduced. Experts, doctors, and patients have generally agreed that there has been no substantial change in the efficacy of new drugs, because of the amendments. Naturally, this may simply be a result of administrative ineptness and, therefore, procedural change could be a possible solution. Professor Peltzman emphatically disagrees with this reasoning:

> The penalties imposed by the market place on sellers of ineffective drugs before 1962 seem to have been sufficient to have left little room for improvement by a regulatory agency.

We have added another level of bureaucratic redtape to regulate an industry when the free market accomplishes the identical goals more efficiently and more effectively.

Unfortunately, from a consumer standpoint, this has not been the total loss resulting from the amendments. Drug innovation has suffered a dramatic decline since the addition of the efficacy requirement to the Food and Drug Act. Since the amendments, 16 new chemical entities—NCE have been introduced annually compared with an average 43 annual NCE's before the amendments. There was an average of 301 new drugs, combinations of previously introduced chemical entities and chemical entities marketed under a new brand name, introduced annually before the amendments; that figure dropped to an average of 92 annually from 1963 to 1971. Mr. Peultzman asserts that the "amendments have been responsible for substantially all the post-1962 decline in drug innovation."

This amendment-induced reduction in drug innovation has placed the consumer in a worse position even if the assumption is made that the amendments had prevented marketing of all ineffective drugs. This statement is valid because, even though the amendments do have the potential for reducing death and disease, they also have the potential for increasing them. This potential arises from the fact that the benefits of every new drug are not available to the consumer for an additional 2 to 4 years. Americans who could truly use the products of our advanced pharmaceutical knowledge are denied those products while the FDA investigates whether or not the product has the curative powers the manufacturer claims it has.

The reduction in innovation has also had international consequences. The United States is now experiencing an entirely new phenomena. We are in a "drug-lag" behind other developed countries in the production of new drugs. This drug-lag is a very serious problem since the United States has traditionally accounted for over a third of the world drug sales and research and development expenditures.

The evidence seems to definitely indicate, then, that, first, the amendments have not accomplished their intended results; that is, keeping inefficacious drugs off the market; second, the new drug flow has been more than halved; and third, the gestation period has more than doubled. The obvious question at this point in time is whether or not the benefit of keeping some inefficacious drugs from entering into the marketplace outweighs the losses from the reduction in drug innovation and the delay in getting drugs to the consumer. The answer to this question, in both consumer-welfare and economic terms, is an emphatic no.

As mentioned before, the amendments have the potential to prevent deaths and shorten illnesses by prohibiting inefficacious drugs. This figure can and has been calculated in dollar terms using very scientific, economic procedures. It is estimated that the American consumer has been afforded an annual gain of $100 million by reducing the waste of purchases of ineffective drugs.

However, we must look at the other side of the same coin. The amendments have also delayed the marketing to consumers of new, effective drugs. These delays have meant that deaths have resulted and illnesses have not been shortened when, in many cases, there existed a drug that could have been prescribed had it not been for the FDA's extensive testing. The loss produced by these missed benefits caused by the reduced flow of new drugs is estimated to be $300 to $400 million per year.

There is an additional cost to the consumer attributable to the 1962 amendments. The reduced flow of new drugs has meant less competition in the pharmaceutical industry. As a result, existing drugs have commanded prices higher than what would have been expected without the amendments. These higher prices have added $50 million a year to the consumers' drug expenditures.

I must, therefore, conclude that the 1962 amendments have harmed the American consumer:

> (The) measurable effects add up to (an annual) net loss of $250 to $350 million, or about 6 percent of total drug sales.

In light of the existing evidence, I am now preparing legislation that will repeal the "effectiveness" clauses from the 1962 amendments to the Food, Drug, and Cosmetics Act. Mr. Speaker, I would like to make it very clear to you and to my colleagues that my legislation will deal only with the proof-of-efficacy requirement and not the proof-of-safety requirement. Drugs will still have to undergo the testing that has been required since 1938 to show that they are safe.

However, as Mr. Peltzman so accurately concludes his study:

> If the Food, Drug and Cosmetics Act was intended to benefit consumers, the inescapable conclusion to which this study points is that the intent is better served by reversion to the status quo ante 1962.

I urge my colleagues to research this important area and to support my legislation to repeal the 1962 amendments in a sincere attempt to remove their cost from our already financially overburdened American consumer.

PARENS PATRIAE: A BAD BILL

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Ohio (Mr. ASHBROOK) is recognized for 15 minutes.

Mr. ASHBROOK. Mr. Speaker, it might seem appropriate that in this year of the Bicentennial the Congress should consider a bill bearing the auspicious title "parens patriae" or "father of the country." But like so much of what has passed through these Chambers in recent years as proconsumer legislation, the so-called "parens patriae" amendments to our antitrust laws, now before the House and Senate, carry a misleading label. Far from being a "father," the creature spawned from this legislation would more likely be yet another judicial bureaucratic monster born of good intention and poor legal conception.

To quote the gentleman from New York on the subject—and I quote from Congressman DELANEY's remarks, made when this legislation came before the Rules Committee last November:

> Instead of being a consumers' bill, helping those people, it is just going to put additional costs, going to be a Roman holiday for lawyers.

As a lawyer, I have great respect for my profession, but I also realize we have a segment of the bar which profits from legislation of this type. You do not dangle accidents in front of an ambulance chasing lawyer but that is precisely what we are doing in this bad bill with the pot at the end of the rainbow running into the millions of dollars for the aggressive, and I might add, irresponsible, segment of our bar which will benefit most from this monstrous encouragement to sue.

After studying the details of H.R. 8532 and kindred bills pending in Congress, I can only agree with the gentleman from New York. Whatever the good intentions of the sponsors, this legislation is not going to benefit the consumer if enacted. Nevertheless, I will concede this difference between "parens partriae" and other vaunted consumer interest bills that have come before the Congress: most laws passed in the good name of consumerism have proven to be little else than an excuse to expand the Federal bureaucracy at taxpayer expense. But "parens patriae," which expands class action remedies in the Federal courts, will indeed benefit certain classes—two in particular.

First, it will benefit fee-hungry lawyers who have political connections in their State attorney general's office. Under provisions of the bill, the attorneys general can literally farm out choice class action law suits for alleged price-fixing to their friends and associates in the legal profession. To quote Congressman DELANEY once again:

> In my opinion, you could not get into the courts with all the actions that would be brought. Then with the hungry attorneys, without too much to do, bringing an action and getting the fees, ultimately the cost would be borne by the consumer. Instead of being a consumers' bill, helping to help those people, it is just going to put additional costs, going to be a Roman holiday for lawyers. . . .

Continuing to quote the gentleman from New York in his remarks, made at the Rules Committee hearings on "parens patriae" last November:

> We have ten times as many lawyers as we need right now in the courts. This will be an avenue where they can go in and get fees, untold amounts. You can bring the same action in fifty different states of the Union. Now who is going to pay for that? Ultimately the American public is going to pay for it, without any question.

What Congressman DELANEY was properly alarmed about, in my opinion, are the provisions of this proposed legislation providing for so-called "fluid damages" for alleged price-fixing in class action suits. These suits could be brought on behalf of all individual residents of a State, with enormous damage claims against defendants. The actual "injury" to individual plaintiffs might be minimal, but in the aggregate the judgments resulting could be sufficient to send small business firms into bankruptcy. In fact, even the filing of such suits against businesses, and the pendency of legal action in the Federal courts, could be enough to discourage outside capital investment in defendant companies. Nor would actual damages have to be proven in the normal legal sense of that word. Computerized, statistical estimates of damages and estimated losses would be all that the plaintiffs' lawyer needed to make his case. And then these statistically computed damages would be tripled under the bill's provisions, so as to further sweeten the "honey pot."

And what would the individual plaintiffs who made up that aggregate gain in the event of such a judgment? On a per capita basis, very little. The real beneficiary of this Roman holiday would, of course, be the lawyer who put the case together. H.R. 8532, as introduced, even permitted the hiring of private attorneys on a contingency basis. Although the Judiciary Committee did, at least, write in a ban on such arrangements, it has already been announced that an amendment will be offered on the House floor to remove such ban. The larger the computer-calculated claim, of course, the larger the contingency. It is little wonder that the strongest lobbyists on behalf of this bill have been members of the legal profession who specialize in plaintiffs' cases. Or that one critic of the bill has called it the "Great Bicentennial Money Machine for Antitrust Entrepreneurs."

But bad as this aspect of "parens patriae" might be, it is not the worst in terms of potential abuse of the Federal court system for personal benefit. For in addition to the bill's benefit to fee-hungry lawyers, it would serve the special interest of politically ambitious, headline-hunting State attorneys general—and I understand that there are a few of those around the country. Holders of the office of State attorney general in all 50 States plus the District of Columbia are in effect being handed a free pass to use our already overburdened Federal court system for their own narrow political purposes.

Now I say this with due respect for the vast majority of State attorneys general across the country, who are honest, dedicated public servants. But in considering an antitrust law amendment which places vast new authority in the State attorneys general of every State, Congress cannot and should not ignore certain unpleasant political facts of life. Specifically, there have over the years been some State attorneys general who were less than honest and dedicated to the public interest, while pursuing their own political and financial gain.

Consider what, in the name of "consumer interest," such unscrupulous public officials would be empowered to do under the provisions of H.R. 8532. In the hands of some, this legislation would be nothing less than a weapon for blackmail against businesses, large and small, that feared the threat of a treble-damage law suit and its effect on their credit line, regardless of the facts of the case. When a computer assesses theoretical damages and the procedural safeguards in Federal class action suits are blatantly overridden, as is provided by H.R. 8532, a business threatened by an unscrupulous State attorney general might well be forced to settle up, even if the settlement be blackmail, than face the alternative of highly costly litigation accompanied by unfavorable publicity and serious damage to its credit line.

But in my opinion, bad as that prospect is, there remains even a worse aspect of this bill, in terms of its potential abuse of the political and judicial process. And that is the potential for demagogic use of the Federal antitrust process by unscrupulous State attorneys general. The scenario for such abuse is there, for anyone who will take the time and effort to think this legislation through, beyond its high-sounding title.

I would urge, for example, the Washington Post, which editorially endorsed "parens patriae" on February 29, to take a closer look at what such authority in the hands of 51 State attorneys general could mean to the financial stability of the Post corporation.

In its editorial, the Post specifically referred to the impact of "parens patriae" on a hypothetical price-fixing action by milk producers. But it will certainly not escape the notice of politically ambitious State attorneys general in some parts of the country, where the liberal eastern press is less than popular, that the price of newspapers and magazines sent into the State are more often than not identical.

I am not suggesting that the Post and its competitors are engaged in price-fixing. But that thought may occur to some attorney general in the non-Eastern hinterlands, or, for that matter, to several. The same threat exists, in even greater prospect, for the Post's sister publication Newsweek. Over the years Newsweek and its competitor in the weekly newsmagazine field, Time, have regularly matched each other to the exact cent, in price hikes to the consumer. Both magazines today sell at newsstands for 75 cents. As a publisher myself, though on a much smaller scale, I understand the competitive forces at work that lead to such pricing similarities. But under the provisions of the "parens patriae" amendment that the Post endorses, that economic similarity could well be tested in Federal court in not one but all 50 States and the District of Columbia, by attorneys general who might see considerable political mileage to be gained—to say nothing of treble damages—in making a political scapegoat out of a nonresident legal entity.

I would urge the Post and other segments of the media to examine "parens patriae" in this light. And I would also urge that labor organizations, along with professional associations, do the same. Under recent Supreme Court decisions, labor arrangements affecting prices and anticompetitive agreements are subject to antitrust law. The same situation prevails for professional associations that often set minimum or scale pricing for services.

Thus, while H.R. 8532 may be viewed by its sponsors and supporters as a bill to nail the big corporate price-fixers, its actual scope is sufficient to taken in just about any economic entity that an ambitious, imaginative attorney general might consider a profitable target-for-the-day.

It was the late Senator Huey P. Long who said, "Corporations make the finest political enemies in the world." That was true 40 years ago and still remains true in large areas of the country today. Big Business scapegoating has never gone out of style for the politically ambitious. But I would remind my liberal colleagues that the popular fashion of scapegoating can vary from reigon to region, State to State. In one State, the price of milk or oil may strike an attorney general as an area for legal action. In another, the Eastern liberal press, or the AFL–CIO, or real estate brokers.

H.R. 8532 may, as I say, have been created with the finest of intentions as a consumer protection device. But let me submit that if in the name of consumer protection the Congress develops a weapon for political demagogues and get-rich-quick legal hucksters, we will avail the consumer little and do the system irreparable damage.

I agree with the gentleman from New York. This legislation is nothing more or less than a bill authorizing and subsidizing a Roman holiday in the Federal courts. And that is a holiday neither the judicial process nor our economy can afford.

HUD BLAMED AS DETROIT HOMES ROT

The SPEAKER. Under a previous order of the House, the gentleman from Michigan (Mr. DIGGS) is recognized for 20 minutes.

Mr. DIGGS. Mr. Speaker, in Monday morning's Washington Post, Reporter Charles Krause has written a comprehensive review of the malignant terror of abandoned housing owned by HUD in Detroit. HUD, now Detroit's largest slum landlord, owns 57,000 abandoned houses in the city, and the blight is spreading daily. Whole neighborhoods have been swallowed up by the HUD mismanagement and the resultant looting, arson, and other crimes unleashed when the abandoned homes sit for up to 2 years without repair or sale.

Mr. Speaker, the situation in Detroit is critical. I believe that each of my colleagues should take a moment to read the Post's article on the situation, and commend it to their attention here:

HUD BLAMED AS DETROIT HOMES ROT

(By Charles A. Krause)

DETROIT.—No federal bureaucracy is as well known or as widely despised here as the Department of Housing and Urban Development, which rightly or wrongly is blamed by many Detroiters for the abysmal decline of their city.

"We call it 'Hurricane HUD,'" City Council President Carl Levin said in a recent interview. "It's a plague."

The plague that local politicans, the city's two newspapers and scores of community groups have fought, largely unsuccessfully, for the past several years has now infected whole sections of Detroit, where thousands of mortgages have been foreclosed and thousands of houses left to rot by HUD.

These boarded-up and abandoned homes are often vandalized and set afire by arsonists before HUD can sell them, leaving some areas of Detroit looking like bombed-out German cities at the end of World War II.

In fact, Detroiters cynically refer to certain neighborhoods as "war zones," ravaged not by a foreign enemy but by discredited federal housing programs that continue to eat away at the fabric of Detroit.

Despite the fact that the programs were largely stopped in 1973, foreclosures continue unabated in every section of the city. And it still takes HUD's Detroit office 21 months to dispose of a home once it is repossessed—more than enough time for the boarded-up homes to be destroyed by vandals at tremendous cost to the city and the U.S. Treasury.

"HUD's inability to deal with the situation will mean hundreds of millions of dollars in future HUD losses in the city of Detroit," said John E. Mogk, a law professor at Wayne State University here, who teaches a course on housing problems.

Mogk called the boarded-up, often stripped and burnt-out homes in neighborhoods throughout the city "an absolute disaster. Once a home is abandoned it causes other homes to be abandoned [because] the market value on the block becomes depressed" and people who want to move are forced to abandon their homes when they cannot sell them.

HUD now has more than 8,400 homes boarded up in every section of Detroit. It owns another 1,800 vacant lots where houses that were destroyed once stood. Since 1970, 25,000 homes—or 13 per cent of all the homes in Detroit—have been taken over by HUD, after the owners defaulted on federally insured mortgages.

About 500 homes a month come into HUD's possession in Detroit. Those that are set afire or destroyed by vandals are then demolished by HUD, leaving nothing in their places.

This is why Levin calls HUD a plague. Each home that is boarded up or destroyed infects the block and the neighborhood where it is located—causing further decay in a city that is already one of the sickest in the nation.

Elmer C. Binford, director of HUD's Detroit office, conceded recently that "we have a massive problem" in attempting to dispose of the more than 10,000 abandoned homes and vacant lots which HUD owns in Detroit.

Binford said HUD has made some progress, pointing out that his office has reduced the average amount of time it takes to dispose of a house from 48 months a year ago to 21 months today.

The programs that have caused so much trouble and left HUD with 57,000 rotting, boarded-up homes in Detroit and other cities were designed in the 1960s to encourage home ownership for the nation's poorest families by subsidizing mortgage interest rates or by allowing the poor to buy homes with virtually no down payment.

Old Federal Housing Administration rules about where to insure mortgages were thrown out. The FHA was directed by Congress to approve mortgages in older, declining urban areas.

The theory was that if poor families were enabled to purchase a home, they would have a stake in their communities and take better care of the homes than absentee landlords, thereby saving declining urban areas.

When former HUD Secretary George Romney assumed office in 1969, he pushed the programs and demanded results. He wanted each local HUD office to approve as many mortgages as it possibly could. As a former governor of Michigan, Romney kept a special look-out on the results in Detroit.

HUD performed. More than 1.2 million mortgages were approved under the program, most of them between 1969 and 1973. These mortgages had a face value of $16.7 billion.

But by 1971 the roof began caving in, literally and figuratively, as thousands of poor families defaulted on their mortgages and many of the structurally unsound houses they had bought started falling apart.

More than 166,000 of the mortgages had been foreclosed by mid-1975, and the prognosis for the remaining one million, according to the Secretary, Carla A. Hills, is not good.

HUD has lost $2.1 billion on the 166,000 foreclosed mortgages. Hills recently asked Congress for $825 million to replenish two FHA mortgage insurance funds that are mired in red ink as a result of the foreclosures.

During her testimony, Hills warned that the end of the losses is not in sight. "We are going to face this problem again," she said, "namely continuing and essentially uncontrollable losses . . . arising out of dormant programs."

Besides the money that the federal government has lost on the mortgages it insured, HUD estimates that during 1975 its "holding" costs—the money spent to keep the houses vacant—amounted to more than $200 million, or $7.21 a day for each house.

Last December, the most recent month for which figures are available, HUD was spending $410,970 a day on its 57,000 houses just to keep them empty.

HUD also estimates it has paid $82 million in property taxes over the years on the 166,000 foreclosed homes.

Detroit officials say HUD is probably their city's fifth largest property taxpayer, behind General Motors, Detroit Edison, Chrysler and Burroughs.

They find the HUD taxes small comfort, however.

"This is a disaster inflicted on us by the federal government," said June Ridgway, a member of the Detroit Board of Assessors. "HUD has cost every citizen in Detroit 20 per cent on his house" because of a general decline in residential property values that Ridgway attributes at least in part to HUD's performance in Detroit.

Since she became HUD Secretary a year ago, Hills has tried to deal with the increasing foreclosures and massive inventory. She has demanded that HUD streamline its procedures to sell off as many houses as it can in as short a time as possible.

Outside of Detroit, it now takes HUD an average of 12.4 months to dispose of a house.

Hills also sent a letter to every lending institution that services mortgages insured by the FHA, warning them not to be too strict on foreclosures. To put some teeth into the warning, she recently created the Mortgage Review Board, which has threatened to suspend three mortgage companies from FHA backing and has placed a fourth on probation.

Besides the 10,000 homes and vacant lots in Detroit, HUD owns more than 3,600 in New York City, 3,800 in Philadelphia, 4,700 in Atlanta and 2,300 in Dallas, as well as smaller numbers in other major cities.

In addition, HUD has more than 277,000 federally insured apartment units in various stages of default and foreclosure. These are worth $3.4 billion. Again, Detroit has the greatest number—17,203 units—of troubled multi-family properties of any city in the nation.

One puzzling question: why Detroit? Why has HUD had more problems in Motown than in any other city?

Binford who has been director of HUD's Detroit office since 1974 and is highly regarded by HUD's most vocal critics here, says, "When you talk about HUD, you have to talk about it in the larger context."

He cited Detroit's auto-dependent economy, an extensive freeway system that opened up vast tracts of land in the suburbs for residential development and federal housing policies that relied "too heavily" on encouraging poor people to buy homes they could not afford and were unable to care for.

In addition, Binford said, "there's no question" that widespread corruption in HUD's Detroit office between 1969 and 1972 contributed to the massive number of foreclosures.

The Justice Department says more than 200 former HUD officials, FHA inspectors and real estate speculators who joined together to make illegal millions out of the federal programs, have been convicted in Detroit.

In many cases, the speculators bought structurally unsound homes cheap, bribed HUD officials to inflate their worth, and then sold the houses to poor and unsophisticated buyers whose dubious creditworthiness was approved by other HUD officials who were paid off by the speculators.

"We have had, do have and are working very hard to clean-up HUD corruption," Binford said, adding that it caused only part of the current foreclosure and resale problems.

Mogk, the Wayne Law School professor, says other factors in the high number of defaults were soaring energy prices and the layoffs by the automobile companies of hundreds of thousands of their employees in 1974.

Mogk also cited a traditionally high mobility factor in Detroit as well as a high crime rate, racial tension, a 20 per cent unemployment rate and a deteriorating school system.

City Council President Levin, who has fought HUD for five years, says that in trying to cope with the defaults HUD bureaucrats in Detroit have been "unbelievably incompetent, irresponsibly rigid and lacking in imagination."

Over the years, he notes, HUD has announced various plans to sell foreclosed houses and then cancelled the plans. It has brought in task forces from Washington and then admitted the task forces accomplished nothing. It has promised to tear down vandalized houses and then not done so within a reasonable period.

Today, Levin says that Binford is making a determined effort to improve HUD's sales performance in Detroit, but insists that "HUD couldn't market an ice cube in Florida in the summertime."

Binford denies that, arguing that things have improved and that HUD's Detroit inventory is declining. But he concedes the problems is "massive."

Certainly it seems that way to the citizens living near the 10,000 abandoned homes and vacant lots. For instance, there is Iva Malm, who owns a home in Detroit's Riverside section, which looks as if it had been bombed.

"I wish they'd get going and get this mess cleaned up," she said the other day as she surveyed a HUD-owned home on Glover Street that was recently set afire by vandals and now looks as if it is about to collapse. "Its a shame to have to live in a neighborhood like this. I don't like it one bit."

REVENUE SHARING

The SPEAKER. Under a previous order of the House, the gentleman from Pennsylvania (Mr. MURTHA) is recognized for 30 minutes.

Mr. MURTHA. Mr. Speaker, any program hailed as beginning a "new federalism" is likely to fall short of its goals, and against such a measure I think the scorecard on revenue sharing is negative.

I do believe the program has made a vital difference which Secretary of the Treasury William Simon addressed by saying revenue sharing "has contributed to a revitalization of our Federal system by shifting some resources to those governments closest to the people, where there is often a clearer perception of the needs of the citizens."

Against that measure revenue sharing has surely worked. Revenue sharing has also become extremely valuable to local governments as I found recently when I held a special seminar with county and municipal officials in the 12th Congressional District to gain their insights on this program. Meeting in Indiana, Pa., the seminar produced many worthwhile comments which I want to share with my colleagues.

I would like to begin by stating the conclusions I reached from that meeting that I believe are important in developing congressional debate.

First, there is unanimous feeling among local officials that this program should be extended. Whether planned by Congress or not, local governments have come to count strongly on this program for revenue, and its elimination would cause serious problems.

Second, if revenue sharing is not extended local governments will clearly be faced with two options: One, to discontinue present programs; two, to raise taxes through the regressive property tax or occupation taxes. Estimates were that taxes would increase 3 to 10 mills on property if the same level of services are to be provided without revenue sharing. With the economic recovery beginning, but not yet reaching many citizens' pocketbooks, we do not need to create that kind of choice.

Third, the flexibility of the present program is one of the best liked features of the plan. Several areas in central Pennsylvania have been very hard hit economically in recent years. The "no strings" approach of this program helps them to keep services despite rises in unemployment, and the loss of population and taxes.

Fourth, it is necessary for Congress to act with some speed. Local governments—like Congress—must now make their budget projections and select their priorities for the years ahead. They can only do that if they know the fate of revenue sharing and what they can expect from this program.

I would now like to add to those conclusions, Mr. Speaker, by sharing with the Members some of the comments from local officials on points we discussed.

USE OF FUNDS

While the funds have been used for a wide range of services, the most prominent use in the 12th Congressional District has been to help in the extension and completion of county homes for the aged. In fact, through revenue sharing the total bed space in the five full counties in the district will expand from 1,057 to 1,636. Revenue sharing funds are helping greatly in this expansion as well as with improvements to existing facilities.

The case of Cambria County is one example as explained by County Controller Robert McCormick:

> We are in the present entitlement period receiving $1,446,850. One-hundred percent of these monies is going into the health sector, basically our Cambria County home. Cambria County roughly two years ago established priorities as far as county expenditures and they came up with the main priority as being the Cambria County home and areas for the aged to go. At the present time we have a capacity of 550 beds, at the completion of our program Cambria County will have 925 beds for the elderly.

The other major use of funds in the area is police and fire protection. In the city of Johnstown, in fact, Mayor Herbert Pfuhl noted that 100 percent of the revenue sharing moneys go to meet 50 percent of the total cost of police and fire protection for the city.

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Before this hearing a prime concern of mine was whether enough of the funds were being used to help older Americans. I learned that nearly every community in our area uses some of its funds to help the elderly. I mentioned the money going to help with county homes. Beyond that Commission Chairman Jay Dilts outlined the commitment to the elderly in Indiana County:

> I feel the aging programs are receiving a fair share of Federal Revenue Sharing money. The county home facility receives a large share of the action. The visiting nurses association also receives funds . . . we give to Operation Uplift, we give to the Senior Activities Center out of Revenue Sharing, and I believe we have addressed ourselves to this problem of the aged.

We must recall that revenue sharing was originally designed not simply to supplement local income but to provide the initiative for replacing and sustaining Federal Government service programs. I hope when we renew the law that congressional intent will be clear that programs for the elderly with these funds should be encouraged.

PUBLIC PARTICIPATION

One of the items the congressional debate seems to have focused on is insuring public participation in how revenue sharing funds are spent. After listening to our officials I have noted an important aspect of this question that Congress should consider.

It is well to remember that in rural areas such as I represent, public officials are neighbors and community citizens. They are very easily accessible. Knowing my own communication with citizens, I conclude there is ample input in rural areas through scheduled, formal and irregular, unscheduled meetings. The situation may differ in metropolitan areas.

I believe Congress will want to consider whether a set of rules and requirements will really increase public participation in rural areas. Several officials spoke to this point. Mayor Thomas Panetti of Windber addressed the lack of citizen concern by noting that—

> Residents of the Borough are advised how Revenue Sharing funds are spent through the news media and comments are requested. Also, Revenue Sharing is discussed at Council meetings. There is little community involvement.

Mayor Michael G. Tsikalas of Edensburg noted that—

> Although there has not been open forums for citizen participation in the program, there has been indirect participation through organizations which are large and very active in our community.

And Somerset Borough Councilman Richard Gibbs noted:

> The Borough has widely advertised its revenue sharing plans and invited citizens' participation. In addition to the items required in the notice, footnotes have been inserted explaining each of the capital expenditures and maintenance items and its purpose. Citizens have been invited to submit their suggestions, however, only a few written requests have been received.

AID FORMULA

There were two reactions to changing the aid formula. Several individuals cautioned against a prolonged fight over the formula that would delay passage, saying it was more important to know the program would be extended and that some aid would be on the way.

Armstrong County Commission Chairman Harry Fox seemed to speak to general agreement, however, that recognition of need might be better covered by the law:

> We would recommend that a better formula be used for computing benefits. More assistance should go to communities that have a lower per capita income among their residents, and a lower level of assistance to communities with a higher per capita income level.
>
> Armstrong County is classified as a depressed area, with a high percentage of unemployed. Rightfully, it should receive a greater percentage of benefits than other areas and significantly more than Fox Chapel or Montgomery County in Eastern Pennsylvania.

PROGRAM OUTLINE

There was near unanimous praise of revenue sharing for its stunning lack of redtape and absence of bureaucratic decisionmaking. No one said they missed spending directives from Washington. Commission Chairman Bud Hay of Somerest County addressed this point well:

> I think our problems in the rest of the programs are that they come out with your hands tied, and especially when they [Washington] say you will initiate this program, this way, at this percentage or we will come in and set the program up . . . the cities don't have the same problems rural areas do, and God only knows we don't have the same problems the cities have, and I can't see that Harrisburg and Washington can answer all the problems.

I personally have some philosophical differences with the situation where one level of government raises funds to be spent without any controls by another level of government, but I think Commissioner Hay makes the point that we have often gone overboard in Federal Government regulations to the point where local input becomes too minimal.

A SUPPLEMENT?

One point that is key in my mind to revenue sharing in rural areas and many urban areas is the misconception that revenue sharing is "supplemental" income. The fact is that for many local governments we are talking about a lifeline revenue source. Commission Chairman Andrew Laska of Jefferson County commented to this point:

> As you probably realize Jefferson County over the past years has lost its major industries, namely the deep mines and railroads. We must now depend on small industries throughout the county, and I might say, we cannot be considered an industrialized county. Our farms are getting fewer as each year passes, our unemployment rate is in line with other parts of the country, and maybe even higher . . . I wish to stress that if [Revenue Sharing] ended in the near future, the final results would result in an economic disaster.

The next step after ending revenue sharing would be higher tax rates—regressive property tax rates just when we are beginning to emerge economically and when citizens are still feeling a great tax bite—or a sharp cut back of Government services, probably in those programs for the aged and poor.

TAXES

If revenue sharing is discontinued taxes will increase at every level in the 12th Congressional District, or programs will be slashed. The officials estimated a 3- to 10-mill increases in the property tax would closely follow the end of revenue sharing. Moreover, Bernard Bowser, Secretary of the Borough of West Kittanning made a telling point with this comment on the situation in his own borough noting that—

> 55% of the people in our community are individuals living on fixed incomes, there are a number of widows, retired people throughout our county confines.

Bowser noted that if revenue sharing is discontinued, property taxes will increase, and it is these individuals who will be forced from their homes or forced to pay a higher share of their pensions and social security to the Government.

CONCLUSION

As someone who is concerned about Government spending and responsibility of Government officials it is tempting for me to suggest an end to a $6 billion a year program with virtually no strings attached on spending. But to be effective government must be realistic. State and local officials see revenue sharing as a necessary way to meet the burdens of fire and police protection, garbage pick-up, and social service assistance that are difficult to finance even in the best of times. Our economic difficulties of recent years coupled with already high tax burdens on the middle class, plus growing percentages of unemployed, elderly, and widows makes revenue sharing in some form a necessity. I believe Congress should extend the law quickly but also refine and improve the program over the next few years and use it as a first step in assessing the relationship of national, State, and local governments to see what future directions a "new federalism" should take.

THE CEILING ON SOCIAL SERVICES FUNDING

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Minnesota (Mr. FRASER) is recognized for 10 minutes.

Mr. FRASER. Mr. Speaker, since 1972, a ceiling of $2.5 billion has been imposed on the Federal funding available under the social services program. Now known as title XX, this HEW program provides grants to States for a wide range of services to children, the elderly, the mentally retarded, and other groups with special needs.

Initially, many States were not able to spend their full formula allocation. This year, however, most States will spend all of the Federal dollars they are eligible to receive under title XX.

In order to obtain a more complete picture of the fiscal status of the social services program, I wrote to State title XX administrators earlier this year, asking them to describe the impact of the Federal ceiling on their programs. The vast majority of the 42 State administrators responding to the survey indicated that, as a result of the ceiling, inflation was gradually eroding the level of their programs.

A partial summary of the State responses is provided below:

A SAMPLE OF STATE COMMENTS ON FUNDING FOR TITLE XX SOCIAL SERVICES

Alaska: Service costs have increased by 35% since 1972. Dramatic impact from permanent settlements associated with pipeline construction but no increase in funds to deal with service needs in these areas.

Arizona: State will have to cut back optional services in order to fund mandatory services if funding increase is not provided.

Connecticut: Concern that current funding does not permit expansion of community based services to prevent inappropriate institutionalization of the elderly. Seven percent funding increase could provide day care for 2,000 additional children.

Georgia: Ceiling prevents normal continuation of programs and thus ongoing programs will have to be cut back.

Idaho: State already provides $1.5 million in unmatched state dollars. Title XX frustrates the public because it proposes services that cannot be funded. Existing system is demoralizing. Each year State has had to trim services to children and adults. Overall effect has been to reduce quality as well as quantity of programs.

Kentucky: In 1974–75, State spent $1.2 million in unmatched State funds on programs. Eight percent funding increase in FY 1977 would enable State to restore programs to 1974–5 levels.

Louisiana: This year, State has received requests for $76 million in federal funds from potential providers. Only $44 million is available. Because of funding limit, State can only serve families at 48 percent of median income rather than at 120 percent as provided under federal option.

Maryland: Estimated need will exceed funding availability by $5 million in FY 1977. State will need 10.5 percent increase to cover this increased need. Failure to provide more federal support will result in cutback of State purchase of service programs.

Massachusetts: As a result of ceiling, program cutbacks are expected in 1976–77. Day care, homemaker services and group foster care centers will be forced to close. Cutbacks and closings will mean providing clients with more costly forms of service. Institutional care or foster care are two alternatives facing some of those turned out of day care or homemaker arrangements. Some recipients will be forced to apply or re-apply for cash assistance.

Minnesota: Most services have been curtailed as a result of ceiling, progress in service expansion and development has been severely retarded.

Nebraska: State is faced with program cutbacks in 1976–77. Direct client benefits may be reduced by as much as $1 million.

New York: Since 1972, inflation has eroded value of service dollars and State's share of federal allocation has been reduced as its share of the national total population has dropped.

Oklahoma: Ceiling will necessarily result in program reductions.

Oregon: State has provided its own unmatched funds for several years. Federal funding limitation means that only 11 percent of State's day care needs are being met.

Pennsylvania: State share of national total has been reduced as a result of population shifts. If ceiling is not lifted, modest cutbacks will be required this year, severe program curtainments next year, and disastrous reductions the year following.

Texas: Fourteen percent reduction in program levels in 1976 as a result of the ceiling. State experienced 10.35 percent inflation rate during 1975.

Virginia: State needs a 15.2 percent increase just to continue current programs.

Washington: Ceiling has imposed severe hardships. State is now in the process of significantly reducing the number of case workers providing services. One-third reduction of staff over the past year due to ceiling.

Wisconsin: State will spend $6 million in unmatched funds this year. Even 7 percent federal increase will not enable State to maintain existing program levels. Recession is increasing number of people needing services. AFDC for Unemployed Parents' caseload increased by 85 percent between June, 1974 and July, 1975.

The following chart indicates which States are currently spending at their full formula allocation level:

STATES CURRENTLY SPENDING AT TITLE XX CEILING ALLOCATION

Alaska, Arizona, California, Colorado, Connecticut, Florida, Georgia, Hawaii, Idaho, Illinois, Kentucky, Louisiana, Maryland, Massachusetts, Michigan, Minnesota, Montana, Nebraska, New Mexico, New York, North Dakota, Ohio, Oklahoma, Oregon, Pennsylvania, Texas, Vermont, Washington, West Virginia, Wisconsin, Wyoming.

STATES APPROACHING CEILING

Kansas, Missouri, Mississippi, Tennessee.

STATES THAT WILL REACH CEILING IN FISCAL YEAR 1977

Alabama, Arkansas, New Hampshire, New Jersey, North Carolina, Virginia.

STATE NOT YET APPROACHING CEILING

Indiana.

I would also like to include with my remarks a copy of letter from Edward Weaver, executive director of the American Public Welfare Association. Mr. Weaver, writing on behalf of the Council of State Public Welfare Administrators, discusses the need for a cost-of-living increase in social services funding:

AMERICAN PUBLIC WELFARE ASSOCIATION,
Washington, D.C., March 15, 1976.

Hon. DONALD M. FRASER,
U.S. House of Representatives,
Washington, D.C.

DEAR MR. FRASER: In its meeting of March 9, the Social Services Committee of the Council of State Public Welfare Administrators discussed needs for additional Title XX funding. They also considered this need in the context of your January 7 letter to state administrators in which you invited their comment upon how programs are affected by the $2.5 billion ceiling and how they would be affected if a cost-of-living increase of 6% to 8% were added to each state's allocation during FY 77.

The Committee approved the following statement and requested that it be provided to you in support of your effort to secure needed funds for Title XX programs:

"The Social Services Committee of the National Council of State Public Welfare Administrators is very much concerned by the fact that Title XX program funding under the closed-end appropriation has been severely eroded by the aggregate effect of three years of double digit inflation since passage of the Revenue Sharing Act (P.L. 92–512). In combination with a fixed allotment under the ceiling, inflation at whatever percentage will continue to constrain and actually curtail programs. The Committee supports budgetary action to recoup those funds lost through inflation and mechanisms—such as the application of an indexing factor—to protect both current and future appropriation levels under Title XX. Accordingly, the Committee would recommend that the first year of indexing include a "catch-up" percentage related to inflation-based erosion of these funds in FY 73, 74 and 75."

Yours truly,

EDWARD T. WEAVER,
Executive Director.

PANAMA CANAL SURRENDER: MAJOR PRESIDENTIAL ELECTION ISSUE

The SPEAKER. Under a previous order of the House, the gentleman from Pennsylvania (Mr. FLOOD) is recognized for 60 minutes.

GENERAL LEAVE

Mr. FLOOD. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to extend their remarks on the subject of my special order today.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. FLOOD. Mr. Speaker, in an address to this House of the Congress on December 9, 1975, under the title of "Panama Canal surrender proposal: a major geopolitical Pearl Harbor," I summarized the essential facts in the historical and legal background of the canal and its indispensable protective frame of the Canal Zone; and warned about some of the perils involved in the loss of its control (CONGRESSIONAL RECORD, December 9, 1975, p. 39492.)

Since that time, Chief of Government Omar Torrijos of Panama, with a large entourage, made a state visit to Cuba and it has been disclosed that a Cuban expeditionary force is now in Angola supporting pro-Soviet factions for taking over the African country. In addition, there have been reports by the arrival from Havana at night at the Tocumen airport in Panama of a major influx by Communists' agents and the unloading of large trunks that observers believe to contain arms.

What does all this activity mean? Does it indicate that the Cuban forces in Africa are being trained for use in Central America against the Panama Canal? Does it mean the training of troops for guerrilla warfare in the United States? Certainly, they are matters about which our Government should be alert and take necessary precautionary measures (CONGRESSIONAL RECORD, Feb. 18, 1976, p. 3712).

The impact of continued uncertainties over the status of the Canal Zone and a sustained program of harassment of Panama Canal employees has lowered their morale below anything that I have known and requires the direct attention of the Congress as well as of the Secretary of the Army.

Mr. Speaker, I would repeat what has been frequently stated that the Caribbean is the hemispheric danger zone. The reason for this fact is that its location is strategic.

The defense triangle for its protection consists of Puerto Rico, the Guantanamo Naval Base in Cuba, and the Panama Canal, all three of which are under propaganda assaults aimed at wresting their control from the United States.

In disregard of strong congressional and overwhelming public opposition, responsible officials of the Department of State have continued their massive propaganda campaign in support of a new canal treaty or treaties that would surrender U.S. sovereign control over the Canal Zone to Panama and the subject has become an important U.S. Presidential election issue as well as a matter of deep international concern, especially among major maritime nations that use the canal.

This giveaway propaganda has included a series of addresses by State Department officials and others in various parts of the Nation, including the Canal Zone, seminars in universities, addresses at the Army War College, a 5-day TV program over WTOP preceded by a promotional buildup, and remarks by the U.S. Secretary of State at a recent White House gathering of the Navy League, the American Legion, and like organization officials.

During the White House meeing when the need for a new canal treaty was questioned, the U.S. Secretary of State is reliably reported to have stated: "Well, what would you rather have, a Vietnam-type of guerrilla warfare and sabotage in the Canal Zone supported by Central and South American countries or a new canal treaty?"

Mr. Speaker, I am glad to report that that knowledgeable group was not impressed by that attempt at terroristic intimidation. I would add that Latin Americans know strength and they respect it. They are contemptuous of weakness. Surrender of U.S. sovereignty over the Canal Zone would invite the very attacks that the Secretary of State says he seeks to avoid.

All the propaganda on the canal question that has emanated from the State Department has been directed toward brainwashing the American people and through them influencing the Congress into accepting that agency's projected surrender of the Canal Zone, which has not been authorized by the Congress—U.S. Constitution, article IV, section 3, clause 2. As has been said before, it is difficult to conceive of a surer way to bring about another major confrontation between the Congress and the executive than by the latter's persistence in its present pusillanimous surrender course.

To grasp the significance of the current isthmian situation certain important facts in Panama Canal history must be known:

First, prior to the acquisition of the Canal Zone by the United States, Panama was the pesthole of the world;

Second, the great French effort to construct the canal, 1879–89, ended in a tragic failure, stressing that the magnitude of the project required the contributions of a powerful country with vast resources;

Third, when occupying the Canal Zone and launching construction of the Panama Canal, 1903–06, President Theodore Roosevelt did not act capriciously or illegally, as many have recently charged, but under congressional authority and in accordance with provisions of the Treaty of 1846 with New Granada—now Colombia.

Fourth, the grant to the United States of sovereign powers, rights, and authority over the Canal Zone in perpetuity for the construction, maintenance, operation, sanitation, and protection of the canal did not originate with the Panamanian Minister in Washington, as so many have erroneously stated, but with the 1902 supplementary report of the Isthmian Canal Commission headed by Adm. John G. Walker and the legal advice of Dr. John Bassett Moore of the State Department, one of the ablest constitutional and international lawyers that one country ever produced. Moreover, the "perpetuity" factor was required by the Spooner Act of 1902 authorizing the President to acquire the perpetual control of the Canal Zone by means of a treaty with the sovereign of the isthmus, which at that time was Colombia and not Panama.

Fifth, the failure of the Colombian Senate to ratify the Hay-Herran Treaty of January 22, 1903, was the specific event that precipitated the Panama revolution of November 3, 1903, and the making of the 1903 Hay-Bunau-Varilla Treaty with Panama instead of Colombia (Panama declaration of Independence, November 4, 1903, quoted in W. F. Johnson, "Four centuries of the Panama Canal," vol. 11, New York: Henry Holt and Co., 1907).

As shown by the historical record, the purpose of the grant in perpetuity of the necessary "sovereignty and jurisdiction" was to enable the United States to meet its responsibilities "effectively" (H. Doc. No. 474, 89th Cong., p. 193). The work of constructing the Panama Canal was done under the supervision of the Secretary of War—now Army—and not the Secretary of State. Many years later, a former greatly distinguished high Panama Canal official at the time of peak construction, familiar with recent interventions by the State Department in Canal Zone matters, stated that should such interferences have occurred during the construction era he could not see how the canal could have been built.

Many today contend that conditions have changed. That is true but they have changed for the worse and require a stronger hold by the United States rather than a weaker one.

Panama is still a land of endemic revolution and endless political turmoil. In its 72 years of independence there have been 32 Presidents, some of them holding office only a few days.

One example will be cited. On October 11, 1968, after 11 days in office, the legally elected President of Panama was overthrown in a military coup d'etat, forcing the deposed President to flee to the Canal Zone for his life and then into exile. Since that time the de facto revolutionary Government of Panama has allied itself with Red Cuba and served as a Soviet puppet.

In these capacities, it has waged an organized campaign of villification among other countries of Latin America, in Europe and at the United Nations, against its greatest benefactor, the United States. The charges that it has continually made include the following:

First. That the very existence of the U.S. Canal Zone separates Panama into two parts and works a hardship on its people;

Second. That Panama is not adequately compensated; and

Third. That U.S. housing in the Canal Zone is so much better than nearby housing of Panamanians as to be hurtful of their pride.

What are the facts? As to the first, instead of separating Panama into two isolated parts, the zone connects them. At the Pacific end of the canal, the Great Thatcher Ferry Bridge, built and paid for by the United States, enables unrestricted free cross canal vehicular transportation for both Panamanians and U.S. citizens.

At the Atlantic end of the canal, there are temporarly facilities for free cross-channel transportation available at the Gatun Locks. To provide for future needs there, I have introduced a bill to authorize the construction of a major cross-canal bridge at the Atlantic end of the canal to correspond with the bridge at the Pacific end.

Mr. Speaker, I may add that were it not for the construction of the Panama Canal and its channel crossing facilities by the United States, the people of Panama would still be passing over the Rio Grande on the Pacific and the Chagres River on the Atlantic in bungos.

As to compensation, Panama has been, and still is, the greatest single beneficiary of the canal. Its total benefits from U.S. Canal Zone sources in 1974, including the annuity of $2,328,000, were $236,912,000. These total benefits, which are seldom mentioned, with other forms of aid, have given Panama the highest per capita income in all of Central America.

At this point, I wish to stress again that the annuity is not a rental for the Canal Zone, as so often misstated, but the gratuitously augmented obligation of the Panama Railroad previously paid Colombia which was assumed by the United States in the 1903 treaty, and then only for the life of the treaty. This last fact I have never seen mentioned in any State Department pronouncements (Hay-Bunau-Varilla Treaty of 1903, article XIV).

In regard to housing, current treaty propaganda never refers to the large number of impressive homes in Panama City, largely paid for, directly or indirectly, with money from U.S. Canal Zone sources. Such publicity compares only the housing in the slum areas of Panama City close to the Canal Zone with its modest clean housing and well-kept yards that are no better than that for homes in the well-kept towns of Indiana or Pennsylvania. Certainly, the solution of the Panamanian housing problem is not opening the Canal Zone to slum dwellers, but for Panama to look out for its own less fortunates and not to seek to do so by reducing zone housing standards to slum levels.

Mr. Speaker, the questions involved in the Isthmian situation are not local ones but global in their significance for the Panama Canal is the focal target for the Communist conquest of the strategic Caribbean already far advanced.

As previously stated, the U.S.S.R. has a beachhead in Cuba and seeks control of the Guantanamo Naval Base.

Its submarines prowl in that advantageously located sea, and movements are underway for the so-called liberation of Puerto Rico. These three spots, Puerto Rico, Guantanamo, and the Panama Canal are the pivots for defending the soft underbelly of the United States.

The recent disclosure of the use of the Cuban army is support of pro-Soviet forces in Angola and the visit of Chief of Government, Omar Torrijos, of Panama to Cuba stress the current active collaboration of the Panama Government with the U.S.S.R.

Thus in a realistic sense, the decisions involved do not concern disputes between Panama and the United States but are questions bearing on the fate of the Caribbean and the survival of the United States as an effective free nation. As such, they require a major campaign of public enlightenment as well as actions by the Congress.

What are the principal canal issues now before the Congress? They are:

First. Retention by the United States of its undiluted sovereign control over the Canal Zone. For this, identical and strongly supported resolutions are now pending in both the House and Senate.

Second. Major modernization of the existing canal under current treaty provisions, for which measures have been introduced.

Third. Authorization for the election by U.S. citizens residing in the Canal Zone of a nonvoting Delegate in the House of Representatives.

In view of the worldwide interest in the Panama Canal problem, such actions could not be more timely. Current efforts to compromise and ultimately to surrender indispensable U.S. sovereign control over the Canal Zone would be discouraged by favorable action. In addition to a long overdue operational improvement of the Panama Canal as well as its increase of capacity, the indicated clarification and reaffirmation of the U.S. sovereign position would obviate current negotiations and relieve the State Department of its present embarrassment of negotiating with a revolutionary government while the lawfully elected government is in exile. Such positive actions by the Congress would quickly clear away present largely contrived confusions by making definite our sovereign rights, power and authority over the Canal Zone. It would serve notice on the world that the United States is determined to meet its treaty obligations as regards the canal forthrightly.

Mr. Speaker, our country now faces what may prove to be the gravest peril in its history for upon its handling may depend the freedom of the slavery of the world. Since World War II, the Soviet empire has vastly extended its domain and its power in carefully planned movements aimed at global control, especially over maritime transportation routes. Its naval forces have conducted worldwide exercises in the three great oceans obviously aimed at the United States. With Cuba equipped with short- and long-range missiles, capable of striking vital points in the United States, with Puerto Rico threatened by a revolutionary "liberation" movement, and with U.S. sovereign control of the Canal Zone under monstrous assault led by elements in our own Government regardless of the costs or consequences, the strategic Caribbean Basin is well on its way toward becoming a red lake. Certainly, the time has come not to weaken our forces there as is being so vociferously demanded, but to strengthen them.

As the first steps in that direction, I would urge the prompt reestablishment of the pre-World War II special service squadron with its primary base in the Canal Zone and the termination of the present negotiations for the surrender of U.S. control over the vital Panama Canal.

Such actions will win wide support among thoughtful Latin Americans for they understand the present dangers involved (CONGRESSIONAL RECORD, Sept. 29, 1975, pp. 30794–30796). They would be supported by major canal users, go far toward restoring the damaged prestige of the United States as the leader of the free world, and receive the overwhelming support of the sovereign people of the United States.

Mr. BOB WILSON. Mr. Speaker, I agree completely with my distinguished colleague. The Panama Canal is ours—no one else's. I have deep reservations and view with disfavor the trend of recent negotiations between the United States and the Republic of Panama over the Panama Canal.

Panama has been clamoring for the "return" of the canal. I cannot see how we can return something that did not exist prior to the United States taking an interest in the excavation of such a canal at which time permission was granted by the Panamanians and was legally bound by treaty.

But nevertheless, an eight-point agreement on principles was signed in February 1975 by Secretary of State Kissinger and Panamanian Foreign Minister Juan Tack. This agreement could provide for the eventual cession to Panama of United States jurisdiction over the Canal Zone and possibly over the operation of the canal itself.

Last June, during the first session of the 94th Congress, I introduced House Resolution 510, expressing the sense of the House that we cannot relinquish control of the Panama Canal. I still feel that way and believe that most of my colleagues are similarly inclined.

It is this trend toward complete control that concerns me. This agreement on principles could be the foot in the door toward the canal's total operation by the Panamanians. With control of the canal in Panamanian hands, its use could be denied to us at any time.

The canal is a waterway vital to the economy and national defense of this country. Almost 70 percent of canal traffic originates or terminates in U.S. ports. Its loss would shake our economy. The military implications are staggering. For these reasons, I view with apprehension any negotiations or treaties that could lead to the loss of U.S. jurisdiction over the canal.

The title and ownership of the canal territory were issued to the United States over 60 years ago. Concurrently, the United States also received all rights and responsibilities for its maintenance and operation.

Mr. Speaker, I believe the consequences of the loss of our control over the Panama Canal would be grave, indeed, and therefore fully support my colleague's concern over recent negotiations that could culminate in its loss.

Mr. DAN DANIEL. Mr. Speaker, with all the problems this Nation faces, at home and abroad, it would be all too easy to dismiss the Panama Canal as small potatoes, indeed, not worthy of concern in the context of all our other woes. Nothing could be further from the truth. There is ample reason to retain the canal, and virtually no reason to surrender it.

For years, efforts were made to construct a canal across the Isthmus of Panama and thereby shorten the long and dangerous sea voyage around Cape Horn. It remained for American talent—and American funds—to complete what is still acknowledged to be one of the world's engineering marvels.

Did we seize this land? Did we conquer a people or a nation? Have we exploited or subjected the Panamanians? The answer in each instance is, of course, "no." The Republic of Panama has been paid what is essentially rent for the land, the people have been provided jobs, and world commerce and trade have advanced because the canal was built.

Now we will give it away, in order to appease Panama's leftist dictator.

The canal has been closed to no nation in peacetime. It has provided easier and less expensive access for ships traveling between the Atlantic and Pacific Oceans.

What will be gained by surrendering this vital link between our own eastern and western borders? Nothing—but a great deal will be lost, if control passes into the hands of those whose loyalties more closely resemble Cuba's than our own.

In the conduct of affairs between our own and other nations, the Senate bears the constitutional responsibility to ratify treaties. The House of Representatives is not entirely out of the picture, however, in this instance. For it has the reponsibility, and I quote from the Constitution—

> To dispose of and make all needful rules and regulations respecting the territory or other property belonging to the United State.

I cannot believe that two-thirds of the U.S. Senate would agree to giving up the canal. In the unlikely event that I am wrong, they will at least know that many of us in the House intend to oppose it.

Mr. McDONALD of Georgia. Mr. Speaker, retention of the Panama Canal as an undiminished possession of the United States is essential to our own trade, not to speak of world trade in general, and it is also essential to our own defense.

Since we have last considered this matter, we have seen a blatant display of aggression by Cuban Communist troops in their takeover of Angola. Can there be any doubt that Castro respects anything other than superior force?

It appears to be State Department policy nowadays to leave power vacuums to be filled by the Communists. While we sit paralyzed by shibboleths of "liberal" dogma and Red propaganda, the Communists go about their business of world conquest. We insist upon looking and acting the part of losers, and frankly, in international relations, nobody loves a loser. Nobody respects a loser, especially when the fall guy image is self-inflicted.

The latest State Department efforts to brainwash the American people into permitting the planned surrender of the canal are, in themselves, intolerable, regardless of their shabby objective.

The honorable Member from Pennsylvania has related an incident in which Secretary of State Henry Kissinger countered a question with his own rhetorical question: Which do we prefer, a Vietnam-type guerrilla war, or surrender through his new treaty?

We do not want either of these things. And we need not choose between them. Secretary Kissinger talks like the foreign minister of some feeble island kingdom rather than a great power statesman. If there is a dilemma, it has been created by the Secretary of State and his promises to deliver what is not his to deliver; namely, the Panama Canal. As has been pointed out again and again, it is not Mr. Kissinger's to give away. The Canal Zone was purchased, and the canal built, by tax money. It is U.S. Government property—and Congress has most emphatically not declared it surplus.

General Torrijos seems to enjoy threatening us, believing that the new action army of the Americas is Cuba's, not ours. It should be the State Department's job to quietly convince him otherwise. Instead, under the surrender-now leadership of Mr. Kissinger, it sounds as though we are ready to surrender the canal because we are actually afraid of Torrijos.

I would hope that the majority of us in this House are not. It then falls to us to inform the Secretary of State that his policy has neither popular nor congressional support.

Mr. MURPHY of New York. Mr. Speaker, I am, as always, in full and complete agreement with Mr. Flood on the topic of the Panama Canal, and the retention by the United States of control of the Canal Zone. He and I, and dozens of our colleagues, have detailed time and again in this Chamber the detailed, point-by-point case supporting U.S. sovereignty in the Canal Zone. Yet, as we speak here today, the present administration sits across the negotiating table speaking with the Panamanians, in a blatant attempt to give away our interests to a Communist-inspired dictatorship.

Recent statements by Panamanian Foreign Minister Juan Antonio Tack reported in the Latin American media are indicative of the propaganda game with which they hope to pressure American opinion. Briefly, Mr. Tack claims that the return of the Panama Canal by the United States to Panama is imminent, based on what he calls an unpublicized compromise formula proposed by President Ford, and in the almost-completed drafting stages by negotiators of both countries.

I recognize, of course, that no nation wishes to admit to other than positive results from years of continuous negotiations. But I wish to state that, to the best of my knowledge, there are no final treaties drawn, and none waiting to be ratified by the Congress. The conditions set down by the Panamanians are totally unacceptable to the U.S. Congress. There is no basis, under any circumstances, for relinquishing control of the canal. Mr. Tack, and the Panamanian dictator, General Torrijos, are playing an extremely dangerous game, with the fates of the Western nations hanging in the balance.

The rather obvious approach attempted by the Panamanians is to simply announce to the watching world that the United States is willing to give away everything it has said it would not for the past 75 years. Then, when the world sees that the U.S. Congress fully intends to maintain its position in the Canal Zone—as it should, according to the terms of no less than six different treaties negotiated before, during and after the opening of the canal—the United States is then fingered as the recalcitrant—the obstinate bully refusing to stand by its word.

The entire concept of returning the Canal Zone to Panamanian control is ludicrous. A nation which cannot control its own garbage collection demands full control of the most important waterway in the Western Hemisphere. A nation with a single political party—the Communist Party—a corrupt military dictator with proven drug-smuggling connections, and a history of 59 heads of state in the past 70 years, insists it is stable and responsible enough to guarantee the neutral operation of the only passageway between the Atlantic and Pacific Oceans. Perhaps the Panamanians would suggest we also renegotiate the return of the central third of the United States to France and the Southwest States to Mexico, negating the Louisiana and Gadsden purchases.

For this is precisely the case in Panama. We have purchased the land and the rights of access to and through the Canal Zone not just once, but many times over. The United States has invested nearly $7 billion in the purchase and development of the Panama Canal. We hold deeds to the property from one ocean to the other, and we continue to pay over $2.3 million yearly, an amount which is not called for under any of the duly ratified treaties, particularly the Hay-Bunau-Varilla Treaty of 1903 which grants the United States unlimited and perpetual rights over the canal and its zone.

Panama enjoys a per capita income greater than any other central American nation, due solely and directly to the $7 billion investment of the United States. And now that General Torrijos has tasted power on the coattails of Mr. Castro, he simply insists that our interests are no longer valid in his country.

I would point out that Torrijos has, in no uncertain terms, repeatedly stated that if we do not give in, there will be war. Castro has affirmed the support of 9 million Cubans in that fight, presumably in the same fashion as he supports the Angolan crisis, as Mr. Flood has pointed out. Mr. Castro has been used by the Communists in Chile, a strategically located country which could help control the passage around Cape Horn. He has been used again in Angola, whose air bases and ports would be valuable in exercising control of passage around the Cape of Good Hope. And now: the Panama Canal, which is also the key to the Caribbean, and a major part of the entire Western economy.

Foreign Minister Tack's statement of an imminent treaty agreement is so ridiculous as to not require further comment here. The same old arguments are made that the United States should pull out of Panama, and I can only respond with the same facts detailed time and again unquestionably supporting the position that the United States has every reason—historically, legally, financially, governmentally, internationally, and sensibly strong reasons—for maintaining control of the Panama Canal.

The alleged document which Mr. Tack and General Torrijos so strongly pursue would call for "total neutrality, subscribed to by all nations and guaranteed by the United Nations, including transit of troops, ships, and war materials of all countries." The Commander in Chief of U.S. Forces in the Pacific—CINCPAC—told me in a recent briefing that if every railroad track and every railroad car in the United States were made available to him in a time of crisis, he might be able to meet the needs of transporting troops and material from the eastern industrial complex to the Pacific area. The same holds true, of course, in moving from west to east.

Panamanian neutrality, however, would mean that in the event of hostilities anywhere in the world, the United States would be denied the use of its own $7 billion investment. The strongest Nation in the world would be unable to defend itself or other threatened areas from the very forces which would control the canal. For it is no secret that General Torrijos has shuttled himself and his underlings constantly to Cuba for consultation and support from the Castro regime. Torrijos has threatened to "follow the Ho Chi Minh trial of blood" in regaining control of the canal.

One major impetus for my insistence that the Congress and the American people be continually appraised of continuing developments in the Panama Canal is the certain knowledge that even the slightest lack of diligence on the part of those in favor of continued American control of the Canal Zone is a retreat which will be taken advantage of by the power mongers of the Cuban-Panamanian coalition. Castro has advised Torrijos that—

> Time is on our side in the struggle against the imperialists and to the struggle of 1.2 million Panamanians we can add nine million Cubans.

Do these words leave any doubt that the hit-and-run tactics of a guerilla revolution are being threatened by the quasi-diplomatic posings of the Panamanians in a long-term effort to bring under Communist control America's single, most important waterway for our defense and economic well-being?

It is for this reason that we must all be kept aware of the facts, and aware of the attempts of the State Department and the Panamanian Government to chip away at the foundation of our southern defenses and our interocean routes of travel and transport so vital to this Nation.

VIGIL FOR FAMILIES SEPARATED BY SOVIET OPPRESSION

The SPEAKER pro tempore (Mr. Thornton). Under a previous order of the House, the gentleman from Pennsylvania (Mr. Eilberg) is recognized for 30 minutes.

Mr. EILBERG. Mr. Speaker, it is well known throughout the world that tens of thousands of Soviet Jews have been trying for years to leave Russia in order to live in Israel and other democratic countries.

At first, Soviet authorities denied that a problem even existed, but when people, young and old alike, began committing the most serious crime possible in the Soviet Union—demonstrating in public against repression and for freedom—the Government reacted by having them fired from their jobs, or expelled from school, evicted from their homes, beaten, and, finally, imprisoned on trumped-up charges and exiled to Siberia.

All of this harassment has not served to destroy the movement. If anything, it has helped to keep it alive by setting off a wave of protest throughout the world. These protests, by private citizens and governments, were responsible for the Soviet Government decision to finally allow people to leave. Unfortunately, it was not strong enough to bring about complete freedom or even a policy of humanity on the part of the Soviets.

Thousands of families have been unable to get exit permits and they continue to be subjected daily to bigotry and harassment.

And, for those who are allowed to leave, in all too many cases the suffering does not end. The Soviet Government, in what appears to be a carefully calculated policy, has been separating families by giving some members exit permits and demanding that they leave immediately or have the permits revoked, and then not permitting the others to leave.

This has resulted in parents being separated from children and husbands from wives. Thus, those who are left behind, must not only suffer the humiliations heaped upon them by the government, but must live with the thought that they may never see the people they love the most, again. When I was in the Soviet Union last year, I met with many of them and I could see in their eyes their hunger for freedom and for their wives or husbands, and children or parents.

This is a tragic situation, but it is also one which violates international agreements signed by the Soviet Union.

In the Helsinki final act signed last year the Soviet Union pledged to do everything possible to reunite families separated by political boundaries. In reality the Soviet Union has chosen to ignore completely this portion of the agreement and is actively engaged in a policy of keeping these people apart.

When I visited the Soviet Union and met with these people each and every one, without hesitation, stated that every protest and demonstration on their behalf would aid them personally and their cause in general. They said the authorities were already doing to them the worst that they dared to do and that no further excuse was needed for even harsher punishments. They said unanimously that their most powerful weapon was worldwide protest against Soviet policy and that no statement would be too strong or demonstration too large and vociferous.

For all of these reasons I and Congresswoman Holtzman, with the cooperation of the National Conference on Soviet Jewry, have today begun a "vigil" on behalf of these, as they are called in Hebrew, Yetomei Aliyah—Orphans of the Exodus.

Today, Ms. Holtzman and I read into the Record statements about the situation of two families. Every Tuesday, Wednesday, and Thursday, another Member will read a similar statement about a separated family until our list of names is exhausted.

It is our hope that the Soviets will realize that these people will never be forgotten and that they will continue to be condemned as long as they deny to any individual the basic human right to live in freedom with his or her loved ones.

Ms. HOLTZMAN. Mr. Speaker, the vigil which Congressman Eilberg and I began earlier today will give continuing testimony to the oppression of Jews in the Soviet Union.

The more than 50 Members of the House, who will participate in this vigil and carry it through the end of July, will outline the plight of families which have been separated by Soviet emigration policies. Each participant in a 1-minute speech on the floor of the House will describe the history of one family that is separated from its mother, father, son, or daughter, because the Soviet Government, callously and lawlessly, has denied that person the right to emigrate. In doing so, the Members will remind the Congress and the public, in very personal terms, of the human dimension of Soviet oppression.

Our focus in this vigil will be the final act of the Conference on Security and Cooperation in Europe, the so-called Helsinki Agreement. That agreement, signed with great fanfare by President Ford and Soviet Party Brezhnev last summer, pledged each participant to facilitate family visits and reunification of families across national borders.

The agreement said, in part:

> In order to promote further development of contacts on the basis of family ties the participating States will favourably consider applications for travel with the purpose of allowing persons to enter or leave their territory temporarily, and on a regular basis if desired, in order to visit members of their families.
>
> Applications for temporary visits to meet members of their families will be dealt with without distinction as to the country of origin or destination: existing requirements for travel documents and visas will be applied in this spirit. The preparation and issue of such documents and visas will be effected within reasonable time limits; cases of urgent necessity—such as serious illness or death—will be given priority treatment.

The participants in the Helsinki agreement also made the following comments:

> The participating States will deal in a positive and humanitarian spirit with the applications of persons who wish to be reunited with members of their family, with special attention being given to requests of an urgent character—such as requests submitted by persons who are ill or old.
>
> They will deal with applications in this field as expeditiously as possible . . .
>
> Until members of the same family are reunited meetings and contacts between them may take place in accordance with the modalities for contacts on the basis of family ties.

The vigil will demonstrate, every day, that these pledges are being ignored by the Soviet Government.

The Soviets' violation of the Helsinki agreement should be of interest not only to the Congress and the American people. It ought to be a major item of concern to President Ford and Secretary Kissinger, for it was they who committed the support of the United States to the agreement. I hope that our vigil, and the case histories we recount, will cause the President to communicate to the Soviets our concern that the commitments made at Helsinki be kept.

When I visited the Soviet Union last May, I was told repeatedly that we in America, particularly in the U.S. Congress, who are willing to bring Soviet oppression to the attention of the world, are the best hope for easing the restrictions on fundamental human rights in that country. I hope that our vigil makes a contribution to this vital humanitarian effort.

I would like at this point, Mr. Speaker, to conclude the story of Hillel Butman, whose case I described briefly this afternoon. What follows is a description of how Mr. Butman came to be imprisoned, and an account by Mrs. Butman of her futile efforts to be united with or even to visit her husband.

Hillel Butman

Hillel Butman, a lawyer and engineer, became concerned about the isolated and vulnerable position of Soviet Jews. As a result, he developed strong feelings toward the Jewish people and heritage. He began to assemble materials on Jewish life in scrapbooks and, in 1955, began to study Hebrew. Shortly thereafter, Butman started to teach Hebrew to others, sharing with them a common desire to emigrate to Israel.

Butman was dismissed from his position as a legal investigator in 1960 when his office learned of his deep interest in Judaism.

On June 15, 1970, while vacationing with his family, Butman was arrested and sentenced to ten years in strict regime. He has been denied a number of "regularly" scheduled visits from his mother and is denied even the minimal rights given to other Jewish Prisoners. While in the camp, he started to compile a 12,000 word Hebrew dictionary. To put an end to his "Zionist activities" on September 9, 1974, Soviet authorities transferred Butman to an isolation cell for a five-month term.

* * *

Letter From Eva Butman

My husband, Hillel Butman, aged 43, father of 2 children, was arrested on June 15, 1970. At the Second Leningrad Trial on June 20, 1971, he was sentenced to 10 years of imprisonment in strict regime forced labour camps for participating in the revival of the national movement in the USSR. The movement pursued two aims: to fight against the assimilation of Jews in the USSR, and to fight for the right of unhindered emigration to the State of Israel.

For the sixth year now my husband is in prison, for the past year in notorious Vladimir Prison.

Now I am appealing not only for the help to free my husband, but also in connection with another important problem. In the Soviet Union every prisoner is entitled to meetings with his wife and children. My husband has been deprived of this right. During all these years my husband has seen me only twice, and has not seen his daughters (Lilly-aged 9, and Geula-aged 2) even once. My youngest daughter Giula was born when he was already in prison.

Throughout 1975, I vainly sought to obtain permission for a meeting with him for myself and my eldest daughter Lilly.

On January 25, 1975, I wrote my first application for a meeting. In April I received a reply signed by Councillor B. Savostyanov of the Ministry of the Interior of the USSR saying that prisoner Butman has the right of meeting his relatives. My subsequent application to B. Savostyanov, asking him to name a country in which the Soviet Embassy would issue me with a visa to the USSR for the purpose of meeting my husband went without answer.

My husband, Hillel Butman, also sent a statement to the Ministry of the Interior of the USSR requesting permission for a meeting with me and his eldest daughter, and the issue for that purpose to us of a visa to the Soviet Union. In his application he refers to the relevant item in the Section on Humanitarian Contacts of the Concluding Act of the Helsinki meeting (June 1975), which says that the participating countries will benevolently consider such requests, irrespective of the country of departure and entry, and also to the statement made by Leonid Brezhnev, General Secretary of the CPSU, that "No one will be given the right to violate the Helsinki commitments."

In September 1975 by husband received a note from Chudintsev, Asst. Dept. Head of GIUTU, Ministry of the Interior of the USSR, saying that I shall have to apply on the question of obtaining an entry visa to the USSR for a meeting with him on my own.

Having lost all hope for a just and positive solution of the matter, and seeing that all the actions of the leaders of the Soviet Union flagrantly contradict their official statements and the international documents they have signed, I see no other way of attaining what is guaranteed to us by law than by turning for help to the people of the free world, to statesmen and public figures and to international organizations.

Please help me in this dark hour of need!

Eva Butman,
Kibbutz Naan, Israel.

GENERAL LEAVE

Mr. THORNTON. Mr. Speaker, I ask unanimous consent that all Members may revise and extend their remarks and include therein extraneous material on the subject of the special order today by the gentleman from Pennsylvania (Mr. Eilberg).

The SPEAKER. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

LEGISLATION TO INCREASE AUTHORIZATION LEVEL OF SECTION 202—HOUSING FOR ELDERLY AND HANDICAPPED

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Rhode Island (Mr. St Germain), is recognized for 5 minutes.

Mr. ST GERMAIN. Mr. Speaker, Members of Congress have long been disenchanted with the operation by the Department of Housing and Urban Development of the section 202 loan program for housing for the elderly. Although the program has been in existence since 1959, there have been multiple problems with its funding, problems which have caused the program to be far from effective in keeping pace with the need to provide housing for our elderly citizens. In the Housing and Community Development Act of 1974, we sought to reverse this process and breathe new life into the 202 program. Unfortunately, this has not happened.

In fiscal year 1976, HUD received 1,527 requests for section 202 loans, amounting to a total demand of $6 billion. If all of of these applications had been approved, 231,623 new housing units for our elderly and handicapped citizens would have received funding. The actual number of applications which will receive funding will amount to only 3.4 percent of those applications which were filed. Obviously, there is a great need to expand the 202 program and provide more available funding for the vast majority of these housing projects which have been unable to receive any funds. This has been the case in many states, including my home State of Rhode Island, which has not received funding for any 202 loans since the 1974 act was instituted.

Therefore, I am today introducing legislation which would increase the authorizing level of 202 housing for the elderly and handicapped from $800 million to $3.3 billion. This increase, if implemented, would provide a sufficient basis upon which to operate the 202 program and would allow the construction of these housing units to proceed at a pace which Congress intended in the 1974 act. Further, this authorization increase would allow the creation of jobs in the housing construction industry and would, therefore, aid in the solution of the dual problems of unemployment and elderly housing. Also, because the 1974 act states that 202 loans will be made at the Treasury Department borrowing rate, there is no interest subsidy involved in this program. Finally, I am sure that my colleagues will be interested to know that this requested authorization increase is an *off-budget* item and does not require clearance by the House Committee on the budget.

A similar bill is being introduced in the Senate by Senators WILLIAMS, CRANSTON, and KENNEDY. I intend to seek cosponsors for this legislation in the near future and hope that my colleagues will join with me in assuring our elderly and handicapped citizens that we intend to go forward with our promises for more housing units for these people. The applications received by HUD demonstrate that there is a need and an ability to fulfill this need which is being frustrated because of a low authorization level; therefore, our obligation is clear: We must increase this authorization capability to allow for adequate development of these housing units.

SELLING MILITARY EQUIPMENT TO THE MIDDLE EAST

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Wisconsin (Mr. ZABLOCKI) is recognized for 5 minutes.

Mr. ZABLOCKI. Mr. Speaker, it would appear that the executive branch and the Congress are on another collision course over an issue of foreign policy.

This time it is the sale of military equipment to Egypt.

The White House has announced its intention to sell six C–130 military transports to Egypt. Moreover, the Secretary of Defense has indicated that this sale is but the first of a series of military equipment sales to the government of President Sadat.

As would be expected, the Government of Israel has registered its strong objections to such sales. Many Americans who place a high priority on this Nation's relationship with Israel also have expressed concern.

Further, a number of Members of Congress—including leading Members of both Bodies—have expressed their intentions of filing resolutions of disapproval for the C–130 sale to Egypt, under section 36(b) of the Foreign Military Sales Act.

It is indeed regrettable that such a clash over policy should seem inevitable, particularly when it concerns so important and volatile a region as the Middle East.

Much of the blame for this situation must fall to the executive branch for its lack of candor. I note in the press that White House officials are speaking of a "commitment already made to Egypt" with regard to the sale of the C–130's.

When was such a commitment made, and by whom?

It seems almost certain, of course, that the commitment was made to Egypt in connection with the negotiations leading up to the signing of the Sinai accords by Egypt and Israel last September.

Members will recall that at the time Congress was called upon to approve the U.S. proposal for the early-warning system in the Sinai, a question was raised about any secret U.S. commitment to Egypt, presumably a commitment to provide or sell military equipment. The Secretary of State, Dr. Henry Kissinger, denied any such commitment was made.

Nevertheless, because of my suspicions that Congress had not been fully informed about all the commitments surrounding the Sinai Accords, I cosponsored in committee an amendment to the resolution of approval which stated that the authority in the joint resolution approving the Sinai Accords did not signify congressional approval of any other agreement, understanding, or commitment made by the executive branch. An amended version of that provision was adopted by the Congress.

Despite adoption of this caveat by the Congress, I continued to be anxious about the extent of administration commitments to the countries in that area and, in the end, voted against the Sinai Accords resolution.

Now, it appears my fears of last September have been realized. The executive branch has confirmed its commitment ot sell military equipment to Egypt and apparently intends to arm all parties in the Middle East.

The result is likely to be another head-on confrontation with the Congress—such as we have recently experienced on the issue of military aid to Turkey and to pro-West forces in Angola.

It does us no good, however, to cite the errors of the past. For the present we must seek a solution to the dilemma with which our Nation is faced.

In that spirit, I submit my own line of reasoning about what course the United States should follow in the present situation:

First, the United States should not provide offensive weapons of war to Egypt.

For too long the United States has fueled an arms race in the Middle East by selling or giving away large amounts of weapons to a number of states in that region. Because I believe this course to be utter folly I recently voted against the International Security Act. The clear danger of future encounters in the Middle East, with both Israel and the Arab States using American-made and supplied weapons, should deter us from providing weapons to be used for offensive purposes to countries in that area.

Second, the United States should be willing to provide defensive and nonlethal military equipment to Egypt.

A distinction should be drawn between military equipment, which is of a lethal weapons nature, and materiel necessary for the supply and maintenance of a military force in the areas of support, logistics and communications. This type of military equipment for defensive purposes the United States should be willing to provide to Egypt. Included could be communications equipment, unarmed vehicles such as trucks, field hospitals, uniforms, and a vast array of other goods required for a modern military force. I would include C–130 transport planes as among nonlethal military equipment.

Quite clearly President Sadat of Egypt is in a difficult position. He has broken his ties with the Soviet Union which has, in the past, supplied his nation with billions of dollars in military assistance. Now, President Sadat has turned to the West for aid. Our Nation clearly has an important stake in bolstering his defensive posture. Therefore, while being unwilling to provide him with arms ourselves, our Nation should not discourage arrangements concluded by the Egyptians with our allies in Western Europe, or—even if such could be worked out—with Israel itself.

Mr. Speaker, today's Washington Post editorial, entitled "Sadat's Latest Gamble," places into perspective the problem in the Middle East and the need for an evenhanded, balanced policy on the part of the United States. I include the editorial at this point in support of such a policy:

SADAT'S LATEST GAMBLE

President Sadat's call for abrogation of the 1971 Soviet-Egyptian "treaty of friendship and cooperation"—a treaty he had negotiated—all but erases a Soviet power position once thought to be a permanent fixture of the Mideast geopolitical scene. It is no less significant a turn for having been anticipated by many earlier Egyptian complaints about excessive Soviet demands on Cairo's policy and pride. Mr. Sadat complained anew on Sunday, for instance, that Moscow had withheld military spare parts, criticized his "open door" to Western investments, and demanded prompt repayment of old debts. Americans might have told the Kremlin how difficult it is for a great-power to run a smooth relationship with a nationalistic client. All the same, it is good to see Moscow in Cairo's disfavor. The spectacle provides some basis for a limited restoration of Western self-confidence. And it materially diminishes the prospects of Egyptian participation in a new Arab-Israeli war.

Can Mr. Sadat hold Egypt to his chosen American-oriented course? Some other Egyptians feel that he risks too much by turning to Israel's leading patron, leader of the capitalist system to boot, for crucial help in regaining war-lost territory and in modernizing his impoverished country. The anti-Communist oil duchies of the Persian Gulf presumably urged Mr. Sadat to take this latest step, and perhaps helped make it financially attractive to him. But he will still have to "produce" in both territorial and economic terms.

He must "produce," too, in arms, since he can expect little further help from Moscow in keeping his Soviet-supplied armed forces politically content and militarily ready. Here the American attitude will be decisive, for Mr. Sadat hopes to start acquiring American-made military equipment—six C–130 transports, first of all—to replace the flow cut off by Moscow. It now seems that he will get the C–130s, though it will be by a maneuver which makes Congress look somewhat foolish. The administration, trying to play it above-board and confer extra status on the deal, had suggested that the transaction be made in an official government channel subject to congressional approval. But the Congress, unwilling to stand up for arms for Egypt in an election year, asked that the sale be routed through an unsupervised commercial channel. Those who indicated this detour are among the very legislators sponsoring a pending bill requiring commercial sales to be screened on the Hill!

The Israelis are torn between a desire to wean Cairo from Moscow and a fear that a weaned Cairo will weaken Israel's hold on American strategic patronage. They have apparently persuaded the administration to sell only the six planes this year. Whether Israeli Prime Minister Yitzhak Rabin could survive a fully opened arms pipeline is apparently problematical. But a military-supply relationship is necessarily a long-term one. Mr. Sadat's claims on American understanding are fair and sure to persist.

The key question about Cairo's turn from Moscow, however, is whether it will facilitate movement toward an Arab-Israeli, or at least an Egyptian-Israeli, settlement. We note that even as Mr. Sadat reiterated on Sunday that "the United States holds 99 per cent of the cards," American diplomats were undertaking exploration of Arab interest in the new Israeli formula suggesting negotiation of an "end to the state of war" in the Mideast. Something of uncertain meaning and promise, this formula represents an Israeli retreat under American pressure from previous insistence that further territory would only be yielded for a state of full-pledged peace. Military supplies apart, the United States now provides major amounts of economic aid to Israel and Egypt. This gives Washington a certain diplomatic leverage on both countries. Hard as it is for a great power to wield such leverage effectively over a extended period—the Soviet rise and fall in Egypt demonstrates that truth once again—the effort must be made.

Third, I believe the United States should take steps to reduce the flow of all armaments particularly lethal material to all countries in the Middle East, consistent with the safety of the states involved.

In 1970, U.S. arms sales abroad were not quite $1 billion. In 1975 arms sales had escalated to $10.5 billion. Of that amount, $3 billion went to countries in the Middle East, particularly to Iran and Saudi Arabia.

It is clear that what we sell to the Arab States must be compensated for by what we sell or give to Israel. It is a "no-win" game. We are fueling an arms race in the Middle East.

Moreover, in a departure from past practice, the United States is selling, or contemplating selling, some of this country's most sophisticated weapons. These sales require the presence of U.S. technicians, both civilian and military, to maintain the sophisticated equipment and to teach the troops of the recipient nation how to use it.

This means further U.S. involvement in the military affairs of the purchasing states.

The time has come to take stock of just where these trends are leading us. Rather than fueling the Middle East arms race, the United States should be doing all it can to reduce the flow of arms into the region.

By our own restraint, we can perhaps stop the cycle of escalation. Certainly our stakes in preventing a future Middle East conflict makes an attempt worth the effort. I sincerely hope the Congress and the executive branch will cooperatively work to that end, thereby enhancing the lasting peace we all hope will become a reality in the Middle East.

STATEMENT OF CONGRESSMAN THOMAS M. REES

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California (Mr. REES) is recognized for 10 minutes.

Mr. REES. Mr. Speaker, for each of us serving in Congress there is a time to retire. My time is now.

It has been a deeply felt honor to serve my California constituents in the House of Representatives these past 10 years. It has been a privilege to serve with so many able and talented colleagues from all parts of the country. But, after 10 years, I am finding Congress to be less of a magnificent experience of deep satisfaction and more of a demanding and, at times, an irritating job.

Like so many of my colleagues retiring this year, I find I am less tolerant of the demands of public office. At a time when there is a clamoring for the lives of public figures to be more public, I find I want to be a more private person and to have more time to spend with my family. I find the post-Watergate atmosphere to be a pall on what I consider to be a very honorable profession.

I will be leaving Congress in the belief that it is now a more enlightened and responsive body than when I first arrived in 1966. Then it was an institution caught within the grip of a rigid seniority system and dominated by a cabal of powerful aging committee chairmen.

"To get along, go along" was the motto, the advice, given to all freshmen. A new Member was expected to adjust to his small spot in the congressional solar system and let time slowly, through the deaths and defeats of his seniors, push him toward the hub of power. New voices striving to be heard were hidden and suppressed.

Much has changed. My own early efforts as a Congressman were concentrated on congressional reform, both of House rules and the internal Democratic power structure. The undue centralization of power has been broken. Younger Members are now free to participate far more freely in the forming of policy in committees dealing with policy, and in a now-active Democratic caucus.

While the seniority system still reigns on Capitol Hill, it has been modified. Three chairmen were passed over last year, and this in itself has tended to make chairmen more responsive to the membership.

With the opening up of the processes of Congress, the broadening of the rules to allow for more participation, with the infusion of new and vital Members in the House, I feel I can leave Congress with the satisfaction that many of the objectives I fought for along with other of my colleagues have been accomplished. I feel satisfied that the work I have participated in to improve the Congress, to make it a more responsive body, will continue.

The 94th Congress has been both satisfying and frustrating. I have thoroughly enjoyed my chairmanship of the Subcommittee on International Trade, Investment and Monetary Policy, an area I find very fascinating. It has been extremely gratifying for me to see the emergence of the newer Members into the congressional process, both in the House itself and also in the Banking Committee.

On the other hand, I am disturbed at the growing tendency of polarization of rhetoric on the complex domestic and international issues before us. The voracious appetite of the media for sensational news, and the headlong rush by many of my brethren to satisfy that appetite, has harmed our ability to deal reasonably and in depth on the important matters before us.

I feel more strongly that the truth is not in inflexible ideology, nor in partisan rhetoric, but in the complex "greys" that define an issue.

As a combat infantryman in the 3d army in World War II, I developed an abhorrence of ideologies and their resultant simplistic solutions to mankind's problems. I hope we do not reach for this seductive security blanket to escape realities which need objective understanding rather than blind reactions.

I have served in Congress during perhaps the most traumatic period in this Nation's history since the Great Depression. The horror of the Vietnam war and the subsequent alienation in our society sorely tried the unity and the concepts we have had as a people. The recent Watergate era of political scandal and the gross misuses of government power is something we are still recovering from.

But few nations would have the inherent inner strength to survive this chaos. We do have this strength, and we are again proving that our democracy can survive stark self-examination and can purge itself of its imperfections.

It is our ability to admit faults and to rebuild on the truth that will continue to make us a great people.

In this Bicentennial Year I leave Congress proud of my country, and grateful to have served.

DÉTENTE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Pennsylvania (Mr. DENT) is recognized for 15 minutes.

Mr. DENT. Mr. Speaker, the time is rapidly approaching when the Congress is going to have to confront Secretary of State Kissinger and his policy of détente. President Ford, very recently, announced that his administration is dropping the word détente, but he was quick to state that our policy vis a vis the Russians will remain the same. In my opinion a "rip-off" by any other name is still a rip-off, and in my humble opinion that is precisely what détente is: A giant, unabashed, rip-off paid for by the American people.

Mr. Kissinger has defined economic

détente as the linkage of the American and Soviet economies. It seems to me that the Russians, on the other hand, have defined it as "you—the Americans—give, and we, the peace-loving Communists, will take and take, and take and take."

Mr. Brezhnev is quoted as telling his friends in the Politburo that:

> We communists have got to string along the capitalists for awhile. We need their credits, their agriculture, and their technology But we are going to continue massive military programs and by the middle 80's we will be in a position to return to a much more aggressive foreign policy designed to gain the upper hand in our relationship with the West.

The news from Africa seems to indicate that Mr. Brezhnev could not wait for the 1980's. He used, directly or indirectly, fruits of economic détente to pay for some 12,000 Cuban soldiers and millions in military equipment to invade Angola. Now Mr. Brezhnev is preparing to invade Rhodesia.

I know a little something about Rhodesia. For one thing, I know that the major source of metallurgical grade chromite ore, which is absolutely indispensable for the production of stainless steel, is Rhodesia. I also know that the other major source is Russia. It does not take a genius to conclude that if the Russians take over Rhodesia, they will have a hammerlock on the world supply of chromium. Then there will be a real linkage between the American and Russian economies. We will give them grain at cut rate prices and they will rob us blind with astronomical chromium prices.

Mr. Speaker, another aspect of détente that I want to raise for the benefit of my colleagues has to do with the Russians' maritime policies. We all know that the Soviets have spent billions to build up their naval and merchant marine fleets. In addition to the obvious military and commercial uses of its fleet, the Russians have been engaged in what amounts to massive "rate dumping"—undercutting United States and other non-Communist shipping rates for the purpose of dominating the commercial sea trade. In effect the Russians are setting their rates on a political as compared to an economic basis, and using détente to steal a larger share of transporting American commerce.

Mr. Speaker, I have just read a study prepared by Mr. Miles M. Costick on some of the implications of détente which I commend to my colleagues. One section of that study provides an in-depth examination of Soviet maritime policy which I would like to place into the RECORD for the benefit of other Members interested in this subject.

SOVIET MARITIME POLICY

AN OVERVIEW

Soviet maritime policy became global under Nikita Khruschev and under current leadership promises to stay in the world arena and challenge U.S. preeminence.

Unlike fragmented U.S. maritime policy, Soviet policy unifies the many facets of ocean activities. The central unifying forces are the Soviet navy and the Communist Party of the Soviet Union.

By expanding all facets of its maritime capability, the Soviet Union may attain the position of overriding dominance of the oceans occupied until recently by the United States and earlier by Great Britain.

The Soviet Navy is expanding very rapidly, and its naval strategy has shifted from a basically defensive posture towards inclusion of an offensive capability, appropriate for making global political impact and challenging the United States presence in many areas not contiguous to the Soviet Union.

Within a period of two decades, the Soviet Union has emerged from a primarily coastal fishing nation to one of the most modern—if not the most modern—of fishing nations in the world and is likely to become the dominant fishing nation of the world in the near future. In contrast, with the exception of its distant-water tuna and shrimp fisheries, the development of U.S. fisheries has been largely stagnant.

The Soviet merchant marine moved from the 23rd to the 6th place on the list of the major merchant fleets of the world. In contrast, the United States moved from the first to the eighth place over the same 1946 to 1974 period.

The Soviet Union emerged from an inferior position in oceanography in the period following World War II to one of overall capabilities comparable with the United States today.

The Soviet Union has one of the most extensive continental shelves of the world. Although the country produces only about a fifth of the U.S. offshore oil production, about 70 percent of the Soviet continental shelf offers good oil and gas prospects.

The Soviet Union is behind the United States in offshore drilling and production technology but is attempting to overcome this problem by importing capital-embodied technology in the form of drilling rigs and equipment from Western countries.

The Soviet position on the Law of the Sea is consistent with that of a major ocean power with diversified interests in the seven seas. In contrast, some experts believe that during the negotiations on the Third Law of the Sea Conference, the executive branch of the U.S. Government did not at all times follow a policy consistent with the national interest of the United States as a major maritime power.

The Soviet Union presently lags behind the U.S. in manned and unmanned undersea research capabilities and technology both qualitatively and quantitatively.

The Soviet Union supports the largest fishers-oriented marine biology and aquaculture programs in the world. The counterpart U.S. program, on the other hand, is small by comparison, although qualitatively equivalent to the Soviet program.

* * * * *

SOVIET MARITIME STRATEGY

The Soviet merchant marine is an essential segment of the Soviet armed forces and in Soviet strategic plans it has two prime functions. The first function is of carrying weapons and military supplies for Soviet ventures overseas—Middle East, Korea, Vietnam, Cuba, and Angola being the most prominent of these. The second function is in its deployment for the purpose of economic warfare. This latter function will be the subject of the following analysis.

On a world comparison basis the merchant fleet of the U.S.S.R. advanced to No. 1 in liner shipping in 1974. The COMECON-countries (Soviet trade bloc and members of Warsaw Military Pact) already provided 12 percent of the world liner tonnage in 1974, while the amount of tonnage on order for the same countries was, as far as it is known, 20 percent of the total world tonnage on order for break bulk vessels.

The merchant fleets of the major COMECON partners grow significantly faster than the sea-borne foreign trade volume of these countries. While COMECON nations represent approximately one-third of the world's industrial output, the share of these countries in international trade with countries outside the COMECON amounts to only 5 percent.

* * * * *

The Europe-U.S.A. North Atlantic and Gulf shipping trade is being increasingly penetrated by Soviet lines in consequence of the U.S.-Soviet Maritime Agreement of 1973. In the North-West Europe and Eastern Mediterranean shipping trade COMECON lines have already secured more than 35 percent share of the total volume of shipping.

Dumping: While some COMECON lines have become members of some Baltic and Atlantic sea transportation freight rate conferences, the Soviet shipping companies in particular operate to the greater extent as non-members especially in the Pacific, and in world-wide cross-trades threaten the future of Western shipping. This threat manifests itself in a form of government subsidized and supported dumping. Many lesser developed countries (LDCs) were forced to protect their national flag ships against this practice by implementing countervailing measures or by passing protective laws.

In the shipping trade between Far Eastern ports (Hong Kong, Taiwan, Korea, Singapore and Japan in particular) and U.S. Pacific ports, the Soviet Far Eastern Shipping Company (FESCO) operates with modern ships and has been practicing dumping since its inception in 1970. So far the FESCO-line has caused disruption of two Trans-Pacific freight rate conferences.

Far Eastern Economic Review of Hong Kong recently reported "The Soviet Union's Far Eastern Shipping Company (FESCO) of Vladivostok, which has been deeply undercutting other lines on the route", necessitating new talks among the conference members in order "to avoid an outright rate war."

Business Week reported last September that the AFL–CIO demanded from the U.S. Government imposition of "restrictions on rate-cutting by Soviet vessels that have been moving in on the U.S. export trade within the past three years." Furthermore *Business Week* wrote that, "In the past year Soviet merchant ships have moved in strongly to tap U.S. foreign cargoes, especially those moving from the West Coast to Japan, but also to some extent those on North Atlantic and Gulf Coast routes. U.S. shipowners charge that the Soviets drastically cut freight rates to obtain cargoes, sometimes by as much as 40 percent.

Paul Hall, President of the Seafarers' International Union, declared at his union's biennial convention in Washington on September 2nd, that, "United States vessels must be assured that state-owned fleets do not undercut rates to the point where they drive our ships from the seas.

Shannon J. Hall, President of the National Maritime Union, writing in his union's magazine, *"The Pilot"*, charged that the Soviets are using the political detente with the United States to grab a large share of hauling American commerce. Mr. Hall said the Kremlin gives the Soviet merchant marine whatever it needs to be able to undercut the fleets of other nations and that its freight rates therefore can be set on a political basis without regard to economics.

Edward J. Heine, Jr., President of United States Lines, Inc., speaking for the shipowners in the established freight rate conferences, charged that the U.S.S.R. is engaged in the third-flag carrier business for political reasons with the object of driving most of the fleets of the United States and other free enterprise nations from the sea. Third-flag vessels are those ships that ply between countries other than that of the nation whose flag they fly. There are state-owned third flag ships such as those of the Soviet

Union, Poland and East Germany that enter U.S. waters hauling cargo at noncompensatory pricing policies for short-term advantage. Mr. Heine repeated Mr. Hall's accusation that the Soviets are able to charge freight rates below those of U.S. flag ships "because the communists' idea of profitable operation is political rather than economic."

For example, Mr. Heine said, that idea does not include the capital cost burden that the American shipowner and the U.S. government bear and include in establishing a rate basis. Further, Heihe stated, "communist ocean insurance costs are extremely cheap and the Soviets give their ships bunker oil at as little as one-third the world price, while crew wages actually charged to the ships in the rate base are only one-third as high as those charged against Western ships, and social fringe benefits are not charged at all."

A study published by an association of U.S. Flag shipowners in support of Senate Bill 868, introduced by Senator Daniel Inouye, to deal primarily with Soviet unfair competition, concentration on two Soviet state-owned shipping lines, Far Eastern Shipping Co. (FESCO) and Baltalantic Line, and on Polish Ocean Lines, which operates in the Atlantic. The study charges that these communist third-fleet carriers haul cargoes at a base rate 10 to 35 percent below established conference rates. For example, FESCO hauls television receivers across the Pacific at a base rate of $38.25 a shipping unit against $45 charged by Japanese or U.S. Flag ships. The U.S. Flag shipowners' association's study charges that, "at the present level of Soviet ship construction, by 1980 the Soviet Union will have a liner capacity sufficient to monopolize either the entire Trans-Atlantic or U.S. Trans-Pacific routes."

In a letter to the editor of the Wall Street Journal James J. Reynolds, President, American Institute of Merchant Shipping writes, "the relatively recent entry of state-owned fleet of the U.S.S.R. into this picture (meaning freight rates) an entity whose goals can hardly be described as profit-oriented threatens to turn a serious problem into a total calamity." Further, Mr. Reynolds emphasizes, "But we cannot compete indefinitely against a state-owned enterprise which is determined to achieve its political goals, regardless of cost."

On September 18th, the Subcommittee on Merchant Marine of U.S. House of Representatives held the latest hearings in regard to the so-called Third-Flag Bill. The Council of European and Japanese Shipowners Association (CENSA), representing shipowners in Belgium, Denmark, Finland, France, West Germany, Greece, Italy, Japan, the Netherlands, Norway, Sweden and the United Kingdom and claiming some 50 percent of the world's gross registered tonnage, has advised the House Subcommittee that it "remains very concerned about the shipping policies of state trading countries, the rate dumping practices of whose enterprises pose a serious threat, not only to Western shipowners but to the stability of world liner trades, and therefore, the commerce of all major trading nations."

Hans Jacob Kruse, chief executive of Hapag-Lloyd, West Germany's largest shipping concern, said recently: "Political prices are being charged by East Bloc fleets and it is vital that Western shipowners bear in mind that communist fleets are being used as predominately political, and, indeed, strategic instruments of the Soviet Union." "There was nothing that an individual shipping company or shipping conference could do to counter this undoubtedly state-manipulated shipping policy" by normal commercial defense mechanisms, Mr. Krause said.

Equally and more directly worrisome for West European liner operators is the siphoning off of Far Eastern freight from ocean carriers by the Soviet Trans-Siberan Railway. About two years ago, the Soviets began promoting the use of the Siberan rail system as a means of moving containerized cargo between West Europe and the Far East. The routing has turned out to be highly competitive with the ocean route because of the faster transit time involved and comparative costs.

By the middle of 1974 the traditional conference lines in the Far East have lost already 11.4 percent of the cargo volume to the Soviet Trans-Siberian Railway, which is offering "dumping" rates of up to 50 percent off maritime transport charges on the Far East run. The loss of the cargo volume was accompanied by the loss of 20 percent of freight revenue.

Similar experience took place in the Northwest Europe Iranian trade. The U.S.S.R.'s waterways attract significant volume of foreign cargo. However, Soviet authorities bar to the Western transport industry access to its canal system.

COMECON—shipping lines on the Danube river, by way of cargo routing instruction, freight rate dumping and a freight rate freeze since 1955, blocked the adaptation of freight rates adjusted for increased operational costs and thus have forced all Western shipping lines, except two West German lines, to abandon the business. The two remaining companies are in business only because of substantial subsidies by the West German government.

In the U.S.S.R., the state, as sole owner of the centrally controlled merchant fleet, is at the same time the sole forwarding agent and controller of all centrally directed imports and exports, incuding transit goods. Within this tightly controlled structure the total Soviet bloc fleet, with its entire transport potential, primarily serves state policy. In the Soviet Union in particular, Western shipping and transport companies are not permitted to operate. However COMECON-lines enjoy full freedom of action in the Western Europe. Free cargo acquisition, to which COMECON partners have access in the West, is denied to the Western companies in the East.

The only economic consideration encountered in COMECON international shipping and transportation is in their effort to earn convertible currency. In the merchant marine sector, hard currency flow is controllled by carefully determining the best mix of domestic and foreign bottoms to carry national export-import and foreign aid cargoes. In Soviet practice, foreign tonnage is chartered where payment is accepted in the "convertible ruble", leaving Soviet vessels free to carry hard currency producing cargoes. The Soviets and other Communists merchant marines coordinate this charter activity through the COMECON charter center in Moscow.

HON. JOSHUA EILBERG RECEIVES "BOSS OF THE YEAR" AWARD

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Pennsylvania (Mr. BARRETT) is recognized for 10 minutes.

Mr. BARRETT. Mr. Speaker, very often we in the Congress get so engrossed in the business of legislating for the Nation or assisting our constituents in solving their problems that we forget about the people who do most of the work around here, our staffs.

All too often these people put in long hours and a great deal of effort and we come to regard it as normal and do not give it a second thought.

So, when one of our colleagues is honored by his staff, it is a noteworthy event. On February 23, my colleague from Philadelphia, Joshua Eilberg, received the "Boss of the Year" award from the D.C. charter chapter of the American Business Women's Association for which he was nominated by a member of his staff, Trish Smith. In her nomination of Congressman EILBERG, Miss Smith stated:

> One of the more notable traits of the Congress is the fact that members care little or nothing about the people who work for them. The general attitude is, you are there to serve and no sacrifice of time or effort is too great.
>
> Mr. Eilberg stands out because of his consideration of his employees. He is genuinely concerned when he sees people working late and worries if someone who has been sick comes back to work before they are well.
>
> This attitude of caring makes him easy to work for because one knows that his or her efforts are appreciated. Additionally, Mr. Eilberg is not the type of boss who assigns work and then disappears. It is a rare evening when he is not the last one to leave the office and he does not arbitrarily demand that people work extra hours as do many congressmen. If he is not in the office on weekends, the office is not open.
>
> Because we have a small office, the opportunities for advancement are very limited, but it is the Congressman's policy that we attend his committee meetings and debates on the floor of the House so that we may broaden our knowledge of the workings of Congress and possibly move into higher positions in other offices.
>
> The job of Congressman, unlike executive positions in private industry, is a 24-hour-a-day, 7-day-a-week occupation. His time is constantly taken up by the demands of other people wanting help or some favor. For this reason most elected officials become overly demanding of the people who work for them, but Congressman Eilberg is an outstanding exception. He has managed to remember that his employees are people with private lives and aspirations outside of the office, and for this reason I am proud to nominate him as Boss of the Year.

Such praise and respect should not go unnoticed and for this reason I have brought this award to the attention of the Members of the House.

At this time I would also like to enter into the RECORD a short history of the American Business Women's Association:

ABWA History

> The American Business Women's Association, a non-sectarian, non-political, non-union organization, was formed to meet the need of women in business for an association which would increase their efficiency and ability, their success and happiness. This unusual organization, designed to fill a specific purpose, is neither a club nor a sorority, yet it includes many desirable features of both. The American Business Women's Association is an educational association. National Headquarters is at 9100 Ward Parkway, Kansas City, Missouri 64114.
>
> Hilary A. Bufton, Jr., is responsible for the founding of the American Business Women's Association. Conferences with business leaders and women engaged in various occupations confirmed his belief that there was a need for an organization designed to keep women in business informed on improved techniques, to encourage better employer-employee relations, and to increase their self-confidence and efficiency.
>
> In June, 1949, the name, "American Business Women's Association," was registered by the State of Missouri; and on Septmber 22, 1949, after conclusive study, three Kansas City business women, Mrs. Irma Rutter

Beisel, Mrs. Shirley Curry Cupp, and Mrs. Frances Meisenheimer Stuckey, on behalf of themselves and other business women, incorporated the American Business Women's Association as a Pro Forma Decree of Incorporation under the laws of the State of Missouri.

The first chapter, appropriately named "Pioneer Chapter," was installed in Kansas City, Missouri, on November 21, 1949. ABWA has been readily accepted. Now in its twenty-seventh year, the Association has well over 1,300 chapters, members in all fifty states and Puerto Rico and a total active membership of more than eighty-three thousand. New members and chapters are being added continuously. It is one of the fastest growing organizations of its type now in existence.

The responsibility for organizing and developing any organization is great. To relieve officers and members of the Association of the obligation of selecting and training Field Executives, and arranging for efficient, continuous membership service, The ABWA Company (later incorporated) was formed in December, 1950, to assume these responsibilities. Mr. Bufton is Chairman of the Board of this corporation. A similar plan is used by some of the largest organizations in the world today. Its practicability has been proved.

Since ABWA's inception, individual chapters have been encouraged to sponsor scholarships for women. The number of chapter sponsored scholarships has grown until, last year alone, chapters invested over $700,000 locally for scholarships in their communities. In addition, contributions from chapters and others are responsible for the Stephen Bufton Memorial Education Fund, the national educational fund of the Association, which provides college and graduate school scholarships for qualified women. Since the national fund's creation in 1953, scholarships have been awarded to over 2,000 students, in forty states. All chapters have the privilege of recommending scholarship candidates. The fund provides larger scholarships than individual chapters normally sponsor. The nine members of the National Board of Directors of the American Business Women's Association serve as Trustees of this fund.

National Officers who serve as the National Board of Directors are elected and installed annually at the Association's National Convention, when chapters and members are recognized for special achievement. There were more than 3,200 members in attendance at the 1975 National Convention, held in Cincinnati, Ohio. The next National Convention will be held in New Orelans, Louisiana, October 21-22-23-24, 1976; the 1977 National Convention will be held in Salt Lake City, Utah.

PROBLEM OF PUBLIC LAW 480 RICE COMMITMENTS

The **SPEAKER** pro tempore. Under a previous order of the House, the gentleman from Arkansas (Mr. ALEXANDER) is recognized for 30 minutes.

Mr. **ALEXANDER**. Mr. Speaker, amidst growing concern among Members of Congress and rice farmers across this country about the ability of the administration to fulfill its Public Law 480 rice commitments this year, I met yesterday with Secretary of State Kissinger to discuss the status of negotiations in this regard.

During the meeting with the Secretary and Deputy Assistant Secretary of State for Economic and Business Affairs Julius Katz, I have received assurances that the commitment for the shipment of 850,000 metric tons of rice under Public Law 480 this fiscal year will be fulfilled.

In a full discussion at the State Department, I was advised that 393,000 metric tons of rice are included in already signed agreements, an additional 187,000 metric tons are in the final stages of negotiation, negotiations are scheduled to begin in the very near future on another 50,000 metric tons, and that 18,000 metric tons have been added to the previously negotiated agreements.

I was also advised that, in addition to the 648,000 metric tons referred to above, 200,000 metric tons of rice have been programed for India and that, if problems cannot be resolved in reaching agreement with India, other countries are already designated to receive these amounts.

I have been further assured by the Secretary that most agreements will be reached by April 15 and that the remaining agreements will be consummated by mid-May. All 850,000 metric tons will be shipped by September 30, 1976.

OPPOSITION TO HOUSE JOINT RESOLUTION 606

(Mr. **SIKES** asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. **SIKES**. Mr. Speaker, I strongly oppose House Joint Resolution 606, which would authorize an Atlantic Convention to which major nations of the world would send such representatives to explore the possibility of closer cooperation between nations in the search for world peace and understanding. This innocent-sounding objective stresses the purpose of the United Nations and offers support for the efforts to achieve those objectives. It is, of course, known that this resolution was scheduled for consideration by the House last week, but was postponed.

This resolution and others like it have been introduced in the Congress each year since 1949. The committee report on the current resolution states that the Atlantic community must become stronger or that it will deteriorate to the disadvantage of the United States and other democracies of the West. Also, the committee states there is a growing realization on both sides of the Atlantic that some more permanent solutions, perhaps Federal, must be found to common problems.

A meeting among NATO democracies to discuss common problems is fine, but we already have such activity going on now. We have the NATO defense pact, the IMF, plus international committees working on energy problems. So, why are we considering a resolution that would authorize an expenditure of $200,000 to send a delegation to Europe to duplicate what is already in progress?

We all recall the objectives of the United Nations, and we see instead the sorry mess that it has produced. The United States is still paying the lion's share of the bills, but instead of providing objective leadership, we are the target of vituperation from the Third World nations which now constitute a large majority of the U.N. members. U.S. proposals, which are patently unselfish, receive little support and, more often than not, are voted down.

It will also be remembered that one of the objectives piously expressed at the time of the formulation of the U.N. was a new world federation of nations looking toward a one-world government. The proposal for an Atlantic Convention appears to be a resurgence of the effort toward a world federation. If there is anything the United States has learned in the trying years since the U.N. was constituted, it is that we want no part of a world federation which would direct our affairs in international programs and, in the process, send us the bills for whatever foreign aid programs the Third World nations could dream up at our expense.

Mr. Speaker, this is a bad proposal for it could lead to big government on an international level. It is unnecessary, for it proposes to accomplish what is already being done. It would be costly and, certainly, we want to avoid any additional or unnecessary expenditures. I urge my colleagues to stand against this legislation.

CRIME CONTROL DOES NOT REQUIRE OR JUSTIFY OUTLAWING GUNS

(Mr. **SIKES** asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. **SIKES**. Mr. Speaker, Americans are concerned about crime. Daily people in communities—large and small—throughout the Nation are threatened by violence. They are threatened by criminals, and they are afraid.

Increasingly loudly and widely the claim is being made by some segments of our society that severe gun control will do much to reduce crime. This is a cruel hoax. Gun control as a remedy for our crime sickness is nothing more than snake oil.

Experience and history have clearly shown that gun control has not worked and will not work. It will not solve or contribute to the solution of our crime problem because such control merely imposes restraints on the rights and privileges of the law-abiding.

In State, county, city, and towns, we have a long history of every type of firearm control that can be conceived. And, we have had a long history of failures of those controls. In New York, handgun ownership is smothered by licensing and registration. Yet, crime continues to soar in New York City. Massachusetts now has what the Washington Post recently touted as the "toughest gun law in the Nation." That law does not work, so the Boston Police Commissioner is calling for a New York-style ban. Washington, D.C., has registration and licensing—even of rifiles and shotguns. That ordinance is a flop. None of those approaches work.

There are people who answer the failures of State and local gun laws by saying that what is needed is a strong national law. They contend that because a citizen of, say, Virginia, is allowed to own a handgun with no licensing and registration restrictions, that in some way a New Yorker will buy handguns in Virginia and transport them for sale on the streets of New York. Federal law already prohibits this kind of transaction. Again, the public is told we need a Federal law that prohibits a convicted felon, or a lunatic, or a drug addict, or a drunkard, from purchasing a firearm. This also is a Federal law today.

The reason that firearms laws do not work is that crime has become a paying proposition in this country. If we do not come to grips with the simple fact that convicted criminals ought to be punished, then nothing will change. For some strange reason, many of those who control or influence our major institutions cannot grasp that cold, hard fact.

President Ford tells the American people that " a small percentage of the entire population accounts for a very large proportion of the vicious crimes committed." He also says that "most crimes are committed by repeaters." As an illustration, the President in his crime control message to the Congress last year, cited some appalling but not surprising, statistics: "In one city," he said, "over 60 rapes, more than 200 robberies, and 14 murders were committed by only 10 persons in less than 12 months."

Gun controls will not solve that problem. It is a clear sign of a major breakdown in our criminal justice system. Illustrative of this breakdown in the statement of the South Bronx, N.Y., district attorney that the odds of a convicted felon ever going to jail are 100 to 1. That very fact—those terrible odds—were used by the Bronx police in convincing a kidnapper to release a number of children he was holding hostage. The gunman surrendered, and he is still awaiting trial. Now that is tragic.

Recently, an editorial in the Washington Post on the release of personal bond of a man charged and indicted with the brutal stabbing murder of a young aide to Senator Robert Morgan of North Carolina, said:

> The practice (of allowing murder defendants free on their word) is, in fact, not uncommon. Experience has shown murder suspects to be well behaved while awaiting trial, particularly in comparison with suspects in certain other types of cases—for example, armed robbery. It needs to be repeated that the suspect is presumed innocent until convicted. . . .

The same newspaper editorialized a week later for the total abolition of handguns:

> The wise gun policy toward which this nation must move—and quickly—is one that erects as many hurdles as are possible between citizens and handguns.

The editorial said citizens and handguns—not criminals and handguns.

The very idea that a weapon is responsible for crime does not make any sense. Such thinking boggles the mind.

Gun control is a copout. Those good people who have been sold the gun-control argument have simply been the subjects of a gross deception. For the public policymaker and the media who have been promoting gun control as the be-and-all and end-all of our alarming crime rate, the issue is, at best, an example of self-delusion. Gun control demonstrably has little or nothing to do with crime.

The American people are becoming increasingly aware that the real issues underlying the firearms control controversy are the growth of Federal powers beyond any control of citizens and of the inability of our public and private institutions to deal with crime. We have tried gun control as a crime remedy. The record shows that it does not work. What we have not tried with vigor and imagination, at least in our recent history, is control of criminals. That is the answer to our crime problems.

I am astonished that those who are most concerned about civil liberties should attack the liberties of decent, law-abiding citizens who own firearms.

I am amazed that those who promoted and supported privacy legislation and who emphatically denounce any plan for centralized files of our citizenry would now demand a centralized file of citizens who are gun owners.

I am appalled that those who eagerly want—and demand—an end to victimless crimes would now attempt to create a new victimless crime by making a criminal a person who simply owns a handgun and has committed no other offense.

I am astounded to witness public and private efforts to alienate a large number of our citizens who firmly believe that they have a fundamental right to possess a firearm for legitimate purposes—target shooting, hunting, and defense of themselves and their families.

In the extensive testimony presented to the Congress over many months, little or nothing has been said about the financial cost of the various programs now under consideration. If this lawmaking body decides to confiscate the firearms now held by responsible, reputable citizens, it must be willing to purchase that condemned property. The cost would be many billions of dollars. But the criminal would still own his weapon. He would laugh at the law—just as he now laughs at laws against crime.

By any standard, the cost of the various gun-control programs proposed to this Congress would include not only an oppressive burden upon the taxpayers but also the loss of personal freedom and the estrangement of millions of law-abiding citizens.

To hear the strident voices raised in favor of repressive gun legislation, one would think that firearms-control laws had never been tried in this Nation, that gun controls were a new idea to solve an old problem. The fact of the matter is that firearms laws of various kinds have been part of this Nation's experience for generations. Where is the evidence that any of them have worked?

On various State and local levels, there is registration, licensing, identification cards, waiting periods and a host of other requirements and restrictions. Have they reduced crime? The monumental rise in crime shows clearly and forcefully that they have not. If the various restrictive or prohibitory approaches to gun control have not been successful in jurisdiction after jurisdiction, why should anybody assume that yet another similar attempt would be successful? What is the rationale? Where is the logic?

There is no reason why the people of this country should be saddled with a discredited theoretical solution to a vast and complex socioeconomic problem. The law-abiding firearms owners of the United States are tired of having their rights and freedoms battered and bartered, compromised and sacrificed.

The law-abiding gun owners of America and all the American people deserve better. And they will receive better than a repetition of the efforts to saddle the Nation's law-abiding citizens with new antigun laws. The Committee on the Judiciary, temporarily at least, laid the antigun law hoax to rest. After months of efforts to bring restrictive antigun laws to the House for debate, the committee wisely rejected the proposals. The antigun proposals should now be allowed to rest in peace. There is more important work to be done in Congress.

RADIATION HEALTH AND SAFETY

(Mr. KOCH asked and was given permission to extend his remarks at this point in the Record and to include extraneous matter.)

Mr. KOCH. Mr. Speaker, I am introducing legislation today, the Radiation Health and Safety Act of 1976 with 11 cosponsors. They are: Ms. Abzug, Mr. Badillo, Mr. Bedell, Mrs. Chisholm, Mr. Edwards, Mr. Eilberg, Mr. Gilman, Mr. Helstoski, Mr. Ottinger, Mrs. Spellman, and Mr. Won Pat. I originally introduced this legislation in 1972. It is coauthored in the other Chamber by Senator Jennings Randolph.

This legislation provides that the Secretary of HEW develop and issue to the States criteria and minimum standards for the accreditation of educational institutions conducting programs for the training of radiologic technologists and develop and issue to the States criteria and minimum standards for the licensure of radiologic technologists.

These standards would be the national minimums required in these fields. The bill would make it unlawful for an educational institution not accredited to conduct such training and would make it unlawful for an individual to apply radiation to a patient for diagnosis or treatment unless he or she is a licensed medical practitioner, a licensed dentist, a licensed dental hygienist, or a licensed radiologic technologist or technologist-in-training. State standards consistent with the Federal criteria and minimum standards under this act will be the standards that will apply in that State.

The New York City Bureau for Radiation Control estimated that New York City usually has about 10 percent of any national radiation problem. And, I feel that the State of New York has come closest of any State to finding a solution. To my knowledge, New York State is one of only three States in the Nation that license radiologic technologists. The other States are California and New Jersey. Puerto Rico also has a licensing requirement. The following nine States have enabling legislation or an attorney general's opinion to initiate standards for licensure of X-ray technologists: Hawaii, Kentucky, Vermont, Montana, Michigan, Minnesota, Oregon, Delaware, and Georgia. However, the standards of the States are not uniform. The New York State licensing requirement was established in 1964. The State now has almost 12,000 licensed technologists. There is no shortage of qualified radiologic technologists in the State.

Saul J. Harris, former director of the Bureau of Radiation Control of the New York City Department of Health stated in congressional testimony last year that:

> It is our experience that the State radiologic technologist licensing program has been producing technologists who are more career oriented, who remain in the field longer, who are increasingly interested in patient care and radiation safety, and who are providing higher quality radiographs.

There are probably up to 160,000 X-ray technologists in the United States. Obviously, there is a need to insure that radiologic technologists have reached a degree of proficiency and thus can perform competently. However, in my judgment a voluntary certification program is not sufficient and will not work. It is only voluntary and cannot require more than the most minimum standards. At the present time, no more than half of the radiologic technologists in the Nation have registered with the voluntary certification program.

The problem of not having competent personnel operating X-ray equipment is most serious to the patient. So often, the operator of X-ray equipment is not qualified to handle the equipment. Often a physician will train his receptionist, secretary, medical assistant, part-time student or person with no professional background to operate the X-ray equipment. Yet, as Dr. Richard Chamberlain of the American College of Radiology stated at the 1966 congressional hearings, that every physician has, on an average, only 4.4 hours of his entire medical training devoted to lectures on radiological protection and techniques. He has probably relied on the salesman for basic knowledge about the working of the X-ray equipment. Often too, the physician will not supervise the number of X-rays the incompetent operator of the equipment might be giving the patient in order to get a better quality image, thus exposing the patient to unnecessary X-radiation. It is also true that the physician is interested in the immediate results of the X-ray—not so much in the long term somatic and genetic effects of continued exposure to X-radiation which is cumulative in its effect to the patient as well as to generations yet unborn.

A safe level of X-radiation has not been established and people are being subjected to unnecessary radiation exposure. The U.S. Public Health Service found that X-radiation levels lower than previously realized can cause genetic damage. X-rays do harm to a fetus in early pregnancy. Small amounts of radiation can also cause birth defects, damage to the reproductive organs and cell damage to adults.

A study undertaken by the Committee on the Biological Effects of Ionizing Radiation—BEIR Committee—of the National Academy of Sciences/National Research Council, was released in November 1972, entitled "The Effects on Populations of Exposure to Low Levels of Ionizing Radiation." The conclusions reached in this study were that 1,300 to 6,000 cancer deaths annually are caused by exposure of the American public to present levels of diagnostic X-rays. In addition, ill health results from genetic damage caused by the exposure. The NAS–NRC study further shows that present exposure of the population to X-rays and the associated toll in lives can be significantly reduced, through simple improvements in X-ray techniques.

For example, the BEIR Committee concluded that present genetic damage from X-rays can be reduced by up to 50 percent through educational methods and improved techniques—as restricting the size of the X-ray beam to the area of clinical interest. This is especially important during those X-ray procedures in which the reproductive organs are in the direct X-ray beam, as during examinations of the lower back, lower abdomen and hip. In view of the known leukemogenic effect of X-rays, avoiding needless exposure of the bone marrow is also of special significance. Because of the increased radiosensitivity of embryonic tissue, special prudence should be exercised in prescribing X-ray examinations for pregnant or potentially pregnant women.

Untrained, unqualified personnel cannot be permitted to handle X-ray procedures that have the potential for inflicting harm on so many people. We must assure that the personnel be trained as well as possible, and that only those licensed to practice be permitted to practice. Dr. John Cameron has recently found that a person could receive as much as 100 times more radiation during a particular diagnostic X-ray procedure in one medical facility as compared to another.

The most sophisticated and modern X-ray systems cannot protect the health and safety of patients unless the technicians operating the equipment are adequately trained and licensed. In some States, we license car mechanics and TV repairmen. Does it not make sense that we license X-ray technologists who handle the most sophisticated of equipment—equipment which can provide extended life if properly used or shorten life when improperly used.

It is a fact that 95 percent of the radiation to which the American public is exposed comes from medical X-ray exposure. Only 2 percent of man's exposure comes from the nuclear power industry which is stringently regulated, while strangely medical and dental X-ray usage is not, in most cases, subject to control.

The HEW Bureau of Radiological Health stated in their January 1975 staff report that 130 million people received in 1970 212 million medical and dental diagnostic radiological examinations. Of course, some medical X-rays are unavoidable. Medical X-rays are often necessary and have been responsible for the successful diagnostic and treatment of many ailments. However, unnecessary X-radiation is causing death and suffering to untold members of unsuspecting persons, as reported by the International Commission on Radiological Protection. We must do what we can now to control the X-ray machine and license the persons who use them.

Mr. Speaker, last year the Senate passed legislation calling for the licensure of radiologic technologists, but the provision was dropped in conference by the House. The need for this legislation is still as great.

Enactment of this legislation will encourage and attract competent personnel who can be confident in the integrity and responsible outlook of the profession. It certainly will encourage radiation safety for the protection of both the patient and the user of the equipment.

I am appending a recent article from the New York Times on unnecessary dental X-rays and their potential harm.

Consumer Notes: Care Urged in Allowing Dental X-Rays

(By Frances Cebra)

Just by residing in the United States, the average person is exposed to a certain amount of unavoidable "background" radiation from natural sources.

But there are sources of radiation that can be avoided, among them unnecessary dental X-rays, which, not incidentally, also add to your bill.

Prior to 1968, the official position of the American Dental Association was that "radiographic examinations should not be a standard part of every dental examination." Since that time, the association has modified its position to say that, "The dentist's professional judgment should determine the frequency and extent of each radiographic exam."

Despite that modification, a spokesman for the association said that a dentist should not automatically take a full set of X-rays (usually 16 to 18 films) every time a patient comes in for a routine check-up.

FREQUENCY ADVICE

He said that a full set would show the condition of the jaw and the health of the roots of the teeth, among other things, and that unless there was an indication of a problem, such an examination need not be made more frequently than every three to five years. Some authorities say a full set is needed only every six to 10 years.

If a dentist is simply making a routine check for the presence of decay and suspects that there may be cavities where they touch, a much smaller number of what are called "bit-wing." X-rays can be used, according to the spokesman. However, for people who rarely have cavities or gum trouble, even these X-rays may not be necessary.

What should you do if your dentist orders a full set of X-rays when you visit him for a routine check-up? Refuse them, unless "you have special problems or unless your dentist can justify the need" for them, according to a booklet published by the Health Research Group a nonprofit organization based in Washington and affiliated with Ralph Nader.

The booklet, called "Medical and Dental X-rays, A Consumer's Guide to Avoiding Unnecessary Radiation Exposure," says that "diagnostic X-rays currently constitute the largest source of man-made radiation exposure to the U.S. population." The booklet offers these suggestions for dealing with your dentist on the X-ray question:

If you change dentists or are referred to a specialist, ask that your new dentist obtain past X-rays from the previous dentist rather than take a new set.

If you are in the reproductive years or your child is to be X-rayed, ask for a lead shield to protect the reproductive organs. This is necessary because radiation can affect the genes.

The booklet notes that dental X-rays "do not pose as much of a threat to individual health as a number of medical X-ray examinations." But, it continues, "the practice of conducting routine examinations without any clinical indication that they will yield new information is also widespread in dentistry, and can lead to a significant amount of radiation exposure and risk over a period of time."

The 71-page booklet, which explains the dangers of radiation, the benefits and risks of diagnostic medical X-ray and a check-list of questions for doctors and dentists, can be obtained for $3 by writing to the Health Research Group, 2000 P St. NW, Suite 708, Washington, D.C. 20036.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

Mr. Alexander (at the request of Mr. Downing of Virginia), for 30 minutes, today.

(The following Members (at the request of Mr. Kasten) to revise and extend their remarks and include extraneous material:)

Mr. Crane, for 1 hour, March 17, 1976.

Mr. Kemp, for 1 hour, today.

Mr. Kasten, for 30 minutes, today.

Mr. Symms, for 30 minutes, today.

Mr. Ashbrook, for 15 minutes, today.

(The following Members (at the request of Mr. Thornton) to revise and extend their remarks and include extraneous material:)

Mr. Diggs, for 20 minutes, today.

Mr. Murtha, for 30 minutes, today.

Mr. Annunzio, for 5 minutes, today.

Mr. Gonzalez, for 5 minutes, today.

Mr. Fraser, for 10 minutes, today.

Mr. Flood, for 60 minutes, today.

Mr. Eilberg, for 30 minutes, today.

Mr. St Germain, for 5 minutes, today.

Mr. Zablocki, for 5 minutes, today.

Mr. Rees, for 10 minutes, today.

Mr. Dent, for 15 minutes, today.

Mr. Barrett, for 10 minutes, today.

Mr. AuCoin, for 20 minutes, March 17, 1976.

Mr. Mahon, for 60 minutes, March 22, 1976.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

(The following Members (at the request of Mr. Kasten) and to include extraneous matter:)

Mr. Robinson.

Mr. Bob Wilson in two instances.

Mr. Conte in two instances.

Mr. Kasten.

Mr. Frenzel in two instances.

Mr. Del Clawson.

Mr. Derwinski in three instances.

Mr. Steiger of Wisconsin.

Mrs. Holt.

Mr. Don H. Clausen.

Mr. Thone in two instances.

Mr. Wiggins.

Mr. Moore.

Mr. Grassley.

Mr. Ashbrook in two instances.

Mr. Gilman.

Mr. Heinz.

(The following Members (at the request of Mr. Thornton) and to include extraneous matter:)

Mr. Burke of Massachusetts.

Mr. Nowak in five instances.

Mr. Roybal.

Mr. Scheuer.

Mr. Anderson of California in three instances.

Mr. Gonzalez in three instances.

Mr. de Lugo in two instances.

Mr. O'Hara.

Mr. Teague.

Mr. Stark.

Mr. Waxman.

Mr. Jones of Alabama.

Mr. McDonald of Georgia in three instances.

Mr. Drinan.

Ms. Abzug in two instances.

Mr. Solarz.

Mr. Foley.

Mr. Thompson.

Mr. Dodd.

Mr. Udall.

Mr. Karth in two instances.

SENATE BILL REFERRED

A bill of the Senate of the following title was taken from the Speaker's table and, under the rule, referred as follows:

S. 1911. An act to amend title 38, United States Code, to provide certain persons insured under servicemen's group life insurance (SGLI) with a choice of conversion to either an individual policy of life insurance, including term, or a veterans' group life insurance (VGLI) policy up the expiration of their Servicemen's group life insurance coverage, and for other purposes; to the Committee on Veterans' Affairs.

ENROLLED BILL AND JOINT RESOLUTION SIGNED

Mr. HAYS of Ohio, from the Committee on House Administration, reported that that committee had examined and found truly enrolled a bill and a joint resolution of the House of the following titles, which were thereupon signed by the Speaker:

H.R. 4034. An act to designate the Veterans' Administration hospital in Loma Linda, California, as the "Jerry L. Pettis Memorial Veterans' Hospital," and for other purposes; and

H.J. Res. 549. Joint resolution to approve the "Covenant To Establish a Commonwealth of the Northern Mariana Islands in Political Union with the United States of America," and for other purposes.

BILLS PRESENTED TO THE PRESIDENT

Mr. HAYS of Ohio, from the Committee on House Administration, reported that that committee did on March 15, 1976, present to the President, for his approval, bills of the House of the following title:

H.R. 1313. An act to authorize the Secretary of Transportation to release restrictions on the use of certain property conveyed to the city of Rolla, Mo., for airport purposes;

H.R. 2575. An act to authorize the Secretary of Transportation to release restrictions on the use of certain property conveyed to the city of Algona, Iowa, for airport purposes;

H.R. 3440. An act to authorize the Secretary of Transportation to release restrictions on the use of certain property conveyed to the city of Grand Junction, Colo., for airport purposes;

H.R. 9617. An act to authorize the Secretary of Transportation to release restrictions on the use of certain property conveyed to the city of Alva, Okla., for airport purposes;

H.R. 11665. An act to rescind certain budget authority recommended in the message of the President of January 23, 1976 (H. Doc. 94–342), transmitted pursuant to the Impoundment Control Act of 1974;

H.R. 11893. An act to increase the temporary debt limit, and for other purposes; and

H.R. 12193. An act to amend the Federal Water Pollution Control Act to increase the authorization for the National Study Commission.

ADJOURNMENT

Mr. DOWNING of Virginia. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 4 o'clock and 49 minutes p.m.), the House adjourned until tomorrow, Wednesday, March 17, 1976, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

2833. A letter from the General Counsel of the Department of Defense, transmitting a draft of proposed legislation to amend section 502 of title 32, United States Code, and section 2001 of title 10, United States Code, which relate to training requirements for National Guard units; to the Committee on Armed Services.

2834. A letter from the President and Chairman, Export-Import Bank of the United States, transmitting a report on loan, guarantee and insurance transactions supported by Eximbank during January 1976 to Communist countries; to the Committee on Banking, Currency and Housing.

2835. A letter from the Executive Secretary to the Department of Health, Education, and Welfare, transmitting proposed final regulations governing special funding grants to the outlying areas under part B of the Education of the Handicapped Act, as amended, pursuant to section 431(d)(1) of the General Education Provisions Act, as amended; to the Committee on Education and Labor.

2836. A letter from the Deputy Assistant Secretary of the Interior, transmitting notice of a partial deferment of the construction repayment installments payable to the United States in 1976 and 1977 by Kansas-Bostwick Irrigation District No. 2, Pick-Sloan Missouri Basin Program, Kansas, pursuant to the act of September 21, 1959 (73 Stat. 584); to the Committee on Interior and Insular Affairs.

2837. A letter from the Chairman, Board of Governors, Federal Reserve System, transmitting the annual report of the Board on its activities under the Federal Trade Commission Improvement Act, covering 1975, pursuant to section 18(f)(5) of the Federal Trade Commission Act, as amended (88 Stat. 2197); jointly, to the Committees on Interstate and Foreign Commerce, and Banking, Currency and Housing.

Received From the Comptroller General

2838. A letter from the Comptroller General of the United States, transmitting a report on opportunities for the Navy to improve its program for scheduling ship alterations; jointly, to the Committees on Government Operations, and Armed Services.

2839. A letter from the Comptroller General of the United States, transmitting a report on ACTION's progress in meeting its six goals designated by the President when he established the agency in 1971; jointly, to the Committees on Government Operations, Education, and Labor, and International Relations.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. EILBERG: Committee on the Judiciary. H.R. 2411. A bill for the relief of Alinor Anvari Adams; with amendment (Rept. No. 94–904). Referred to the Committee of the Whole House.

Mr. DODD: Committee on the Judiciary. H.R. 7832. A bill for the relief of Mrs. Jeanette Flores Byrne; with amendment (Rept. No. 94–905). Referred to the Committee of the Whole House.

Mr. RUSSO. Committee on the Judiciary. H.R. 8065. A bill for the relief of Carmela Scudieri (Rept. No. 94–906). Referred to the Committee of the Whole House.

Mr. DODD: Committee on the Judiciary. H.R. 8119. A bill for the relief of Fernando Alves Macos; with amendment (Rept. No. 94–907). Referred to the Committee of the Whole House.

Mr. EILBERG: Committee on the Judiciary. S. 52. An act for the relief of Miss Rosario Y. Quijano, Walter York Quijano, Ramon York Quijano, Tarcisus York Quijano, Denis York Quijano, and Paul York Quijano; with amendment (Rep. No. 94–908). Referred to the Committee of the Whole House.

Mr. EILBERG: Committee on the Judiciary. S. 223. An act for the relief of Angela Garza; with amendment (Rept. No. 94–909). Referred to the Committee of the Whole House.

Mr. EILBERG: Committee on the Judiciary. S. 804. An act for the relief of Zoraida E. Lastimosa (Rept. No. 94–910). Referred to the Committee of the Whole House.

Mr. EILBERG: Committee on the Judiciary. S. 832. An act for the relief of Kristen Marisol Kneebone (Rept. No. 94–911). Referred to the Committee of the Whole House.

Mr. EILBERG: Committee on the Judiciary. S. 1699. An act for the relief of Mrs. Hope Namgyal; with amendment (Rept. No. 94–912). Referred to the Committee of the Whole House.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By **Mr. ALLEN** (for himself, Mr. Patterson of California, and Mr. Rodino):

H.R. 12531. A bill to reform residential electric utility rates; to the Committee on Interstate and Foreign Commerce.

By **Mr. ALLEN:**

H.R. 12532. A bill to amend title II of the Social Security Act so as to prohibit any reduction in the monthly benefits of a fully insured individual, who is otherwise entitled to old age insurance benefits, by reason of any outside earnings which may be received by such insured individual; to the Committee on Ways and Means.

By **Mr. ADDABBO:**

H.R. 12533. A bill to amend title 38 of the United States Code in order to provide outpatient dental services and treatment to any veteran who has a service-connected disability rated at 60 percent or more; to the Committee on Veterans' Affairs.

By **Mr. BADILLO** (for himself and Mr. Rangel):

H.R. 12534. A bill to amend the Tariff Schedules of the United States; to the Commitee on Ways and Means.

By **Mr. BEDELL** (for himself, Mr. AuCoin, Mr. Baucus, Ms. Chisholm, Mr. D'Amours, Mr. Downey of New York, Mr. Edgar, Mr. Edwards of California, Mr. Fauntroy, Mr. Fithian, Mr. Hayes of Indiana, Mr. Jeffords, Mr. Litton, Mr. Mezvinsky, Mr. Ottinger, Mr. Patterson of California, Ms. Spellman, Mr. Stark, and Mr. Wirth):

H.R. 12535. A bill to amend the Federal Election Campaign Act of 1971 to require candidates for Federal office in certain circumstances to return excess campaign contributions to the persons making such contributions or to deposit such contributions in the Presidential Election Campaign Fund, and for other purposes; to the Committee on House Administration.

By **Mr. BELL** (for himself, Mr. Baucus, Ms. Holtzman and Mr. Patterson of California):

H.R. 12536. A bill to provide that pay adjustments for Members of Congress may take effect no earlier than the beginning of the Congress next following the Congress in which they are approved; to the Committee on Post Office and Civil Service.

By **Mr. BIAGGI:**

H.R. 12537. A bill to amend title IV of the Social Security Act to eliminate the present 10-percent limitation on the proportion of the total number of recipients of aid to families with dependent children in any State who may receive such aid in the form of restricted or protective payments; to the Committee on Ways and Means.

By **Mr. BROOKS:**

H.R. 12538. A bill to amend the Community Development Act of 1974, and for other purposes; to the Committee on Banking, Currency and Housing.

By **Mr. CEDERBERG:**

H.R. 12539. A bill to amend title XX of the Social Security Act to provide that no State shall be required to administer individual means tests for provision of education, nutrition, transportation, recreation, socialization, or associated services relating to multipurpose senior centers to individuals aged 60 or older; to the Committee on Ways and means.

By **Mr. CLAY:**

H.R. 12540. A bill to amend title 5, United States Code, to make certain revisions with respect to the surveys used to establish pay for prevailing rate employees in Federal agencies and nonappropriated fund instrumentalities, and for other purposes; to the Committee on Post Office and Civil Service.

By **Mr. DRINAN** (for himself, Mr. Badillo, Mr. Baucus, Mr. Blouin, Mrs. Chisholm, Mr. Cornell, Mr. Edwards of California, Mr. Howard, Mr. Lehman, Mr. Mazzoli, Mr. Pattison of New York, Mr. Ryan, Mr. Seiberling, and Mr. Stark):

H.R. 12541. A bill to conserve the use of energy in residential housing, commercial and public buildings, and industrial plants through federally supported State energy conservation implementation programs, and to establish an Energy Conservation Extension Service; jointly, to the Committees on Banking, Currency and Housing, and Science and Technology.

By **Mr. DUNCAN** of Tennessee:

H.R. 12542. A bill to amend the Internal Revenue Code of 1954 to exempt from income tax any pension or annuity received under a public retirement system; to the Committee on Ways and Means.

By **Mr. FLOWERS** (for himself, Mr. Butler, Mr. Blanchard, Mr. Mathis, Mr. Zeferetti, Mr. Hughes, and Mr. Fithian):

H.R. 12543. A bill amending title 5 of the United States Code to improve agency rule making by expanding the opportunities for public participation, by creating procedures for congressional review of agency rules, and by expanding judicial review, and for other purposes; jointly to the Committees on the Judiciary, and Rules.

By **Mr. HAMMERSCHMIDT:**

H.R. 12544. A bill to amend title XVIII of the Social Security Act to authorize payment under the medicare program for certain services performed by chiropractors; to the Committee on Ways and Means.

By **Mr. JONES of Alabama** (for himself, Mr. Roberts, Mr. Don H. Clausen, Mr. Johnson of California, Mr. Hammerschmidt, Mr. McCormack, Mr. Cochran, Mr. Breaux, Mr. Abdnor, Mr. Nowak, Mr. Taylor of Missouri, Mr. Fary, and Mr. Risenhoover):

H.R. 12545. A bill authorizing additional appropriations for prosecution of projects in certain comprehensive river basin plans for flood control, navigation, and for other purposes; to the Committee on Public Works and Transportation.

By **Mr. KARTH:**

H.R. 12546. A bill to amend section 101(1)(2) of the Tax Reform Act of 1969; to the Committee on Ways and Means.

By **Mr. KOCH** (for himself, Ms. Abzug, Mr. Badillo, Mr. Bedell, Mrs. Chisholm, Mr. Edwards of California, Mr. Eilberg, Mr. Gilman, Mr. Helstoski, Mr. Ottinger, Mrs. Spellman, and Mr. Won Pat):

H.R. 12547. A bill to amend the Public Health Service Act to provide for the protection of the public health from unnecessary medical exposure to ionizing radiation; to the Committee on Interstate and Foreign Commerce.

By **Mr. KOCH** (for himself, Mr. Howe, Mr. Neal, and Mr. Gilman):

H.R. 12548. A bill to establish a commission to study the results of and other questions relating to the racial integration of public schools, and the use of busing to achieve it; jointly, to the Committees on Education and Labor, and the Judiciary.

By **Mr. LITTON** (for himself and Mr. Blanchard):

H.R. 12549. A bill to amend the Food Stamp Act of 1964 to prohibit any individual from receiving food stamps who receives at least one-half of his income from any other individual who is a member of another household which is ineligible for food stamps; to the Committee on Agriculture.

By **Mrs. MINK:**

H.R. 12550. A bill to amend the Public Health Service Act to repeal the age limitation on appointments to the Public Health Service; to the Committee on Interstate and Foreign Commerce.

By **Mr. MOAKLEY:**

H.R. 12551. A bill to encourage States to provide real property tax relief to low- and moderate-income individuals who have attained age 65; to the Committee on Ways and Means.

By **Mr. MURTHA:**

H.R. 12552. A bill to amend title 39 of the United States Code to require the U.S. Postal Service to hold a hearing and to take into consideration certain matters prior to the consolidation or closing of any post office, to provide for the appointment and compensation of certain officers and employees of the U.S. Postal Service, and for other purposes; to the Committee on Post Office and Civil Service.

H.R. 12553. A bill to amend the Internal Revenue Code of 1954 to increase the exemption for purposes of the Federal estate tax, to increase the estate tax marital deduction, and to provide an alternate method of valuing certain real property for estate tax purposes; to the Committee on Ways and Means.

By Mr. OBERSTAR (for himself and Mr. Young of Alaska):

H.R. 12554. A bill to amend the Endangered Species Act to provide compensation to persons suffering losses due to predators protected under the Endangered Species Act; to the Committee on Merchant Marine and Fisheries.

By Mr. O'HARA:

H.R. 12555. A bill to correct inequities in certain franchise practices, to provide franchisors and franchisees with even-handed protection from unfair practices, to provide consumers with the benefits which accrue from a competitive and open-market economy, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. O'NEILL (for himself and Mr. Sarbanes):

H.R. 12556. A bill to amend the Federal Property and Administrative Services Act of 1949, as amended, to provide for the disposal of surplus real property to States and their political subdivisions, agencies, and instrumentalities for economic development purposes; to the Committee on Government Operations.

By Mr. PEPPER:

H.R. 12557. A bill to amend the Impoundment Control Act of 1974 to provide that a rescission or reservation of funds proposed by the President may be disapporved by either House of Congress without waiting for the expiration of the 45-day period prescribed for congressional action under present law; to the Committee on Rules.

By Mr. PREYER (for himself, Mr. Hamilton, Mr. Symington, Mr. Udall, Mr. Bergland, Mr. Brodhead, Mr. D'Amours, Mr. du Pont, Mr. Jones of North Carolina, Mr. Long of Maryland, Mr. Mazzoli, Mr. Neal, Mr. Pattison of New York, Mr. Pritchard, Mr. Rees, Mr. Santini, and Mrs. Schroeder):

H.R. 12558. A bill to provide for affording equal educational opportunities for students in the Nation's elementary and secondary schools; to the Committee on Education and Labor.

By Mr. QUILLEN:

H.R. 12559. To prohibit the U.S. Postal Service from closing any post office which serves any rural area or any small community or town; to the Committee on Post Office and Civil Service.

H.R. 12560. A bill to amend the Internal Revenue Code of 1954 to exempt farmers from the highway use tax on heavy trucks used for farm purposes; to the Committee on Ways and Means.

By Mr. RICHMOND (for himself and Mr. Jeffords):

H.R. 12561. A bill to require the Secretary of Agriculture to study the feasibility of recycling organic waste materials, and for other purposes; to the Committee on Agriculture.

By Mr. RONCALIO:

H.R. 12562. A bill to reaffirm the national public policy and the purposes of Congress in enacting the Robinson-Patman Antiprice Discrimination Act entitled "An Act to amend section 2 of the Act entitled 'An Act to supplement existing laws against unlawful restraints and monopolies, and for other purposes,' approved October 15, 1914, as amended (U.S.C., title 15, sec. 13), and for other purposes", and to clarify the intent and meaning of the aforesaid law by providing for the mandatory nature of functional discounts under certain circumstances; to the Committee on the Judiciary.

H.R. 12563. A bill to require the Administrator of Veterans' Affairs to issue a deed to the city of Cheyenne, Wyo., for certain land heretofore conveyed to such city, removing certain conditions and reservations made a part of such prior conveyance; to the Committee on Veterans' Affairs.

By Mr. ST GERMAIN:

H.R. 12564. A bill to increase the aggregate authority for long-term direct loans to nonprofit sponsors for the construction of housing for the elderly and handicapped; to the Committee on Banking, Currency and Housing.

By Mr. STEELMAN (for himself, Mr. Eckhardt, and Mr. Charles Wilson of Texas):

H.R. 12565. A bill to direct the Secretary of the Interior to acquire by condemnation with a declaration of taking certain tracts of land (and contracts for the sale of timber thereon) in the Big Thicket National Preserve; to the Committee on Interior and Insular Affairs.

By Mr. TEAGUE (for himself, Mr. Mosher, Mr. Hechler of West Virginia, Mr. Jarman, Mr. Fuqua, Mr. Winn, Mr. Symington, Mr. Frey, Mr. Flowers, Mr. Esch, Mr. Roe, Mr. McCormack, Mr. Brown of California, Mr. Milford, Mr. Thornton, Mr. Scheuer, Mr. Harkins, Mr. Lloyd of California, Mr. Dodd, Mr. Blouin, Mr. Hall, Mr. Krueger, and Mr. Wirth):

H.R. 12566. A bill authorizing appropriations to the National Science Foundation for fiscal year 1977; to the Committee on Science and Technology.

By Mr. TEAGUE (for himself, Mr. Mosher, Mr. Hechler of West Virginia, Mr. Bell, Mr. Fuqua, Mr. Jarman, Mr. Symington, Mr. Wydler, Mr. Flowers, Mr. Winn, Mr. Roe, Mr. Frey, Mr. McCormack, Mr. Goldwater, Mr. Brown of California, Mr. Esch, Mr. Milford, Mr. Emery, Mr. Thornton, Mr. Scheuer, Mr. Ottinger, Mr. Harkins, Mr. Lloyd of California, Mr. Dodd, and Mr. Hall):

H.R. 12567. A bill to authorize appropriations for the Federal Fire Prevention and Control Act of 1974 and the act of March 3, 1901, for fiscal years 1977 and 1978, and for other purposes; to the Committee on Science and Technology.

By Mr. TEAGUE (for himself, Mr. Mosher, Mr. Blouin, Mr. Krueger, Mrs. Lloyd of Tennessee, Mr. Blanchard, and Mr. Wirth):

H.R. 12568. A bill to authorize appropriations for the Federal Prevention and Control Act of 1974 and the act of March 3, 1901, for fiscal years 1977 and 1978, and for other purposes; to the Committee on Science and Technology.

By Mr. CARTER (for himself, Mr. Rogers, Mr. Del Clawson, Mr. Vander Veen, Mr. Coughlin, and Ms. Spellman):

H.R. 12569. A bill to establish the National Diabetes Advisory Board and to take other actions to insure the implementation of the long-range plan to combat diabetes; to the Committee on Interstate and Foreign Commerce.

By Mr. DRINAN:

H.R. 12570. A bill to transfer all compliance and enforcement functions of the Federal Energy Administration to the Secretary of the Treasury; to the Committee on Interstate and Foreign Commerce.

By Mr. FOLEY (for himself and Mr. Wampler):

H.R. 12571. A bill to amend the Commodity Futures Trading Commission Act of 1974 to make certain technical changes; to the Committee on Agriculture.

By Mr. FOLEY (for himself, Mr. Wampler, Mr. Smith of Iowa, Mr. Baldus, Mr. Bedell, Mr. Bergland, Mr. Breckinridge, Mr. Brown of California, Mr. English, Mr. Fithian, Mr. Grassley, Mr. Hagedorn, Mrs. Heckler of Massachusetts, Mr. Hightower, Mr. Jeffords, Mr. Jenrette, Mr. Jones of Tennessee, Mr. Krebs, Mr. Nolan, Mr. Smith of Iowa, Mr. Thone, Mr. Vigorito, and Mr. Weaver):

H.R. 12572. A bill to amend the U.S. Grain Standards Act to improve the grain inspection and weighing system, and for other purposes; to the Committee on Agriculture.

By Mr. SYMMS:

H.R. 12573. A bill to expand the medical freedom of choice of consumers by amending the Federal Food, Drug, and Cosmetic Act to provide that drugs will be regulated under that act solely to assure their safety; to the Committee on Interstate and Foreign Commerce.

By Mr. BRADEMAS (for himself, Mr. Burke of Florida, Mr. Flowers, Mr. Brooks, Mr. Del Clawson, Mr. Conyers, Mr. Cederberg, Mr. Ford of Tennessee, Mr. Dan Daniel, Mr. Dodd, Mr. Hefner, Mr. Wolff, Mr. John L. Burton, Mrs. Fenwick, Mrs. Boggs, Mr. Derwinski, Mr. Thompson, Mr. Robert W. Daniel Jr., Mr. Florio, Mr. Don H. Clausen, Mr. Snyder, Mr. Jones of Oklahoma, Mr. Holland, Mr. Cornell, and Mr. Gibbons):

H.J. Res. 864. Joint resolution to provide for the designation of the second full calendar week in March 1976 as National Employ the Older Worker Week; to the Committee on Post Office and Civil Service.

By Mr. BRADEMAS (for himself and Mr. Hillis):

H.J. Res. 865. Joint resolution to provide for the designation of the second full calendar week in March 1976 as National Employ the Older Worker Week; to the Committee on Post Office and Civil Service.

By Mr. FITHIAN (for himself and Mr. Symms):

H.J. Res. 866. Joint resolution providing for the designation and adoption of the American marigold as the national floral emblem of the United States; to the Committee on House Administration.

By Mrs. HOLT:

H.J. Res. 867. Joint resolution designating the Eastern Red Cedar (Juniperus virginiana) as the national tree of the United States; to the Committee on Post Office and Civil Service.

By Mr. JACOBS:

H.J. Res. 868. Joint resolution proposing an amendment to the Constitution of the United States to limit service by Representatives, Senators, and Federal judges; to the Committee on the Judiciary.

By Mr. RUSSO:

H.J. Res. 869. Joint resolution to establish a joint committee for purposes of conducting a congressional conference on aging; to the Committee on Rules.

By Mr. FRASER (for himself, Mr. Edwards of California, Mr. Jacobs, and Mr. Maguire):

H. Con. Res. 584. Concurrent resolution indicating the sense of Congress that every person throughout the world has the right to a nutritionally adequate diet; and that this country increase its assistance for self-help development among the world's poorest people until such assistance has reached the target of 1 percent of our total national production (GNP); jointly to the Committees on Agriculture and International Relations.

By Mr. GREEN:

H. Con. Res. 585. Concurrent resolution relating to import relief in the case of stainless steel and alloy tool steel; to the Committee on Ways and Means.

By Mr. HAMMERSCHMIDT:

H. Con. Res. 586. Concurrent Resolution with respect to post office closings; to the Committee on Post Office and Civil Service.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. COCHRAN:

H.R. 12574. A bill to authorize the Secretary of the Interior to convey the interest of the United States in certain lands in Adams County, Miss., notwithstanding a limitation in the Color-of-Title Act (45 Stat. 1069, as amended; 43 U.S.C. 1068); to the Committee on Interior and Insular Affairs.

By Mr. HARRINGTON:

H.R. 12575. A bill for the relief of Pietro Balistreri; to the Committee on the Judiciary.

By Mr. KRUEGER:

H.R. 12576. A bill to authorize the President to appoint Comdr. Thurman Roddy Schnitz, U.S. Navy Reserves, retired, to the rank of captain on the Reserves list; to the Committee on Armed Services.

H.R. 12577. A bill for the relief of Roy A. Harrell, Jr.; to the Committee on the Judiciary.

H.R. 12578. A bill for the relief of Carla K. Finch; to the Committee on the Judiciary.

By Mr. MATHIS:

H.R. 12579. A bill for the relief of Lt. Col. John N. Hudgens, U.S. Air Force, retired; to the Committee on the Judiciary.

By Mr. MATSUNAGA:

H.R. 12580. A bill for the relief of Masami Ino; to the Committee on the Judiciary.

By Mrs. MINK:

H.R. 12581. A bill for the relief of Tang Ah-Po; to the Committee on the Judiciary.

By Mr. MURPHY of New York:

H.R. 12582. A bill for the relief of Robert L. Shields; to the Committee on the Judiciary.

AMENDMENTS

Under clause 6 of rule XXIII, proposed amendments were submitted as follows:

AMENDMENTS IN THE NATURE OF A SUBSTITUTE TO HOUSE JOINT RESOLUTION 280

By Mr. FLOWERS:

H.J. Res. 280 is amended by striking out all after the Resolve Clause and inserting in lieu thereof the following:

That the following article is proposed as an amendment to the Constitution of the United States, which shall be valid to all intents and purposes as part of the Constitution when ratified by the legislatures of three-fourths of the several States within seven years from the date of its submission by the Congress:

"ARTICLE —

"SECTION 1. The people of the District constituting the seat of government of the United States shall elect the number of Representatives in Congress to which the District would be entitled if it were a State. Each Representative when elected, shall be an inhabitant of the District and shall possess the same qualifications as to age and citizenship and have the same rights, privileges, and obligations as a Representative from a State.

"SEC. 2. When vacancies happen in the representation of the District in the House of Representatives, the people of the District shall fill such vacancies by election.

"SEC. 3. This article shall have no effect on the provision made in the twenty-third article of amendment of the Constitution for determining the number of electors for President and Vice President to be appointed for the District. Each Representative from the District shall be entitled to participate in the choosing of the President in the House of Representatives under the twelfth article of amendment as if the District were a State.

"SEC. 4. The Congress shall have power to enforce this article by appropriate legislation.".

By Mr. HUTCHINSON:

H.J. Res. 280 is amended by striking out all after the Resolve Clause and inserting in lieu thereof the following:

That the following article is proposed as an amendment to the Constitution of the United States, which shall be valid to all intents and purposes as part of the Constitution when ratified by the legislatures of three-fourths of the several States within seven years from the date of its submission by the Congress:

"ARTICLE —

"SECTION 1. The people of the District constituting the seat of government of the United States shall elect two Senators and the number of Representatives in Congress to which the District would be entitled if it were a State. Each Senator or Representative when elected, shall be an inhabitant of the District and shall possess the same qualifications as to age and citizenship and have the same rights, privileges, and obligations as a Senator or Representative from a State.

"SEC. 2. When vacancies happen in the representation of the District in either the Senate or the House of Representatives, the people of the District shall fill such vacancies by election.

"SEC. 3. The District constituting the seat of government of the United States shall appoint, in such manner as the Congress may direct, a number of electors of President and Vice President equal to the whole number of Senators and Representatives in Congress to which the District is entitled under this Article. They shall be in addition to those appointed by the States, but they shall be considered for the purposes of the election of President and Vice President to be electors appointed by a State; and they shall meet in the District and perform such duties as provided by the twelfth article of amendment of the Constitution.

"SEC. 4. Each Representative or Senator from the District shall be entitled to participate in the choosing of the President or Vice President in the House of Representatives or Senate under the twelfth article of amendment as if the District were a State.

"SEC. 5. The twenty-third article of amendment of the Constitution is hereby repealed.

"SEC. 6. The Congress shall have power to enforce this article by appropriate legislation.".

HOUSE CONCURRENT RESOLUTION 580

By Mr. EDGAR:

On page 3, line 3, insert "not to exceed $10,000" immediately after "(1)".

On page 3, line 4, insert "not more than five" immediately before "staff members".

FACTUAL DESCRIPTIONS OF BILLS AND RESOLUTIONS INTRODUCED

Prepared by the Congressional Research Service pursuant to clause 5(d) of House rule X. Previous listing appeared in the CONGRESSIONAL RECORD of March 15, 1976, page 6441:

HOUSE BILLS

H.R. 11936. February 18, 1976. Government Operations. Requires the Secretary of the Treasury to prepare and make public annual consolidated financial statements for all expenditures of the United States utilizing the accrual method of accounting.

H.R. 11937. February 18, 1976. Ways and Means. Requires States which have entered into agreements with the Secretary of Health, Education, and Welfare for coverage of State and local employees under the Social Security Act to make payments and reports to the Secretary of the Treasury on a calendar-quarter basis.

H.R. 11938. February 18, 1976. Interstate and Foreign Commerce. Requires that electric utility rate charges for a subsistence quantity of electric energy provided to residential consumers not exceed the lowest rate charged any other electric consumer.

H.R. 11939. February 18, 1976. Education and Labor. Amends the Higher Education Act of 1965 with respect to: (1) the statement of purpose for student assistance programs; (2) basic educational opportunity grants; (3) State student incentive grants; (4) special programs for disadvantaged students; (5) the guaranteed student loan program; (6) work-study programs; (7) cooperative education programs; (8) the National Direct Student Loan Program; and (9) disposition of student loan funds. Establishes a National Committee on Institutional Eligibility in the Office of Education. Repeals specified titles and programs under such Act. Repeals the International Education Act of 1966.

H.R. 11940. February 18, 1976. Ways and Means. Amends the Internal Revenue Code to allow a limited deduction for amounts paid by or on behalf of an individual for an individual retirement account, an individual retirement annuity, an individual retirement bond, an employee's trust, or an annuity contract.

H.R. 11941. February 18, 1976. Post Office and Civil Service; House Administration. Amends the Federal Election Campaign Act of 1971 to permit any candidate for election to Federal office in any general election in any State, other than a candidate for the office of Vice President, to make a bulk mailing at the rate of postage applied to any nonprofit educational organization.

H.R. 11942. February 18, 1976. House Administration. Amends the Federal Campaign Act of 1974 to establish as an independent establishment of the Executive branch the Federal Election Commission whose members are the Secretary of the Senate (ex officio), the Clerk of the House (ex officio), and six members appointed by the President with the advice and consent of the Senate.

H.R. 11943. February 18, 1976. Public Works and Transportation. Amends the Federal Water Pollution Control Act to further define the term "navigable waters" as it applies to the issuance of permits for dredged or fill material by the Corps of Engineers.

H.R. 11944. February 18, 1976. Post Office and Civil Service. Sets, without reference to the Executive Schedule, specific maximum salaries for General Schedule Federal employees for calendar years through 1980. Eliminates any limit on such salaries beginning in 1981.

Repeals provisions making percentage pay adjustments based upon General Schedule pay adjustments in the salaries of (1) Executive Schedule officials, (2) the Vice President, (3) Members of Congress, and (4) specified judges and judicial officers.

Revises the periods for which members of the Commission on Executive, Legislative, and Judicial Salaries are to be appointed and during which such Commission is to perform its functions.

H.R. 11945. February 18, 1976. Agriculture.

Amends the Food Stamp Act of 1964 by revising (1) eligibility standards; (2) the method of determining the amount of the coupon allotment; (3) administration of the program by State agencies; and (4) the nutrition education programs.

H.R. 11946. February 18, 1976. Government Operations. Requires that meetings of Federal agencies be open to the public except as stipulated in this Act. Requires agencies to make a public announcement, at least one week before the meeting, of the date, place, and subject matter of the meeting, and whether it is to be open or closed to the public. Requires that edited transcripts of all meetings be made available to the public. Prohibits ex parte communications during on-the-record agency meetings.

H.R. 11947. February 18, 1976. Post Office and Civil Service. Provides, under the Legislative Reorganization Act, that pay adjustments for Members of Congress may take effect no earlier than the beginning of the Congress next following the Congress in which they are approved.

H.R. 11948. February 18, 1976. Judiciary. Extends the authorization of appropriations for the National Commission on New Technological Uses of Copyrighted Works to be coextensive with the life of the Commission.

H.R. 11949. February 18, 1976. House Administration. Amends the Federal Election Campaign Act of 1971 to establish in the Executive branch the Federal Election commission whose members are the Secretary of the Senate (ex officio), the Clerk of the House (ex officio), and six members appointed by the President with the advice and consent of the Senate.

H.R. 11950. February 18, 1976. House Administration. Amends the Federal Election Campaign Act of 1971 to provide that members of the Federal Election Commission shall be appointed by the President, by and with the advice and consent of the Senate.

H.R. 11951. February 18, 1976. Judiciary. Amends the Omnibus Crime Control and Safe Streets Act of 1968 to require that comprehensive State plans under such Act include provisions for the prevention of crimes against the elderly.

H.R. 11952. February 18, 1976. Ways and Means. Amends the Second Liberty Bond Act to increase the limit on the amount of Treasury bonds that may be issued at a rate in excess of 4¼ percent per annum.

H.R. 11953. February 18, 1976. Ways and Means. Establishes conditions, under the Internal Revenue Code, which the State agency, body, or commission lawfully charged with tax administration must meet before the Secretary of the Treasury shall allow the inspection or disclosure of income tax returns or return information.

H.R. 11954. February 18, 1976. Ways and Means. Establishes the National Commission on the Social Security Program to study and evaluate the Old-Age, Survivors, and Disability Insurance program of the Social Security Act to determine the effectiveness of the program in meeting the needs for which it was established. Requires the study of alternative structures to meet such needs.

H.R. 11955. February 18, 1976. Ways and Means. Authorizes regulated investment companies, under the Internal Revenue Code, to pay exempt-interest dividends in an amount up to 90 percent of the excess of its tax-exempt interest without affecting its tax-exempt status.

Allows shareholders to treat such exempt-interest dividends as excludable from gross income.

HOUSE JOINT RESOLUTIONS

H.J. Res. 816. February 19, 1976. Government Operations. Expresses the general policy of the United States Government to rely upon private commercial sources for the goods and services required to meet Government needs.

H.J. Res. 817. February 19, 1976. Government Operations. Expresses the general policy of the United States Government to rely upon private commercial sources for the goods and services required to meet Government needs.

H.J. Res. 818. February 19, 1976. Government Operations. Expresses the general policy of the United States Government to rely upon private commercial sources for the goods and services required to meet Government needs.

H.J. Res. 819. February 19, 1976. Ways and Means. Establishes a nine-member National Commission on Social Security. Requires the Commission to study and investigate titles II (Old-Age, Survivors, and Disability Insurance) and VIII (Medicare) of the Social Security Act.

H.J. Res. 820. February 19, 1976. Judiciary. Proposes an amendment to the Constitution providing for the direct popular election of the President and Vice President of the United States.

HOUSE CONCURRENT RESOLUTIONS

H. Con. Res. 566. February 26, 1976. International Relations. Expresses the objection of Congress to the sale to Saudi Arabia of military equipment as described in the statement submitted by the President on February 17, 1976 (transmittal numbered 76-31).

H. Con. Res. 567. February 26, 1976. International Relations. Expresses the objection of Congress to the sale to Saudi Arabia of military equipment as described in the statement submitted by the President on February 17, 1976 (transmittal numbered 76-32).

H. Con. Res. 568. February 26, 1976. International Relations. Expresses the objection of Congress to the sale to Saudi Arabia of defense articles and services as described in the statement submitted by the President on February 17, 1976 (transmittals numbered 76-26, 76-27, 76-28, 76-29, 76-30, 76-31, and 76-32).

H. Con. Res. 569. February 26, 1976. Post Office and Civil Service. Expresses the sense of Congress that the U.S. Postal Service should not close or otherwise suspend the operation of any post office during the six-month period beginning on the date of adoption of this resolution.

H. Con. Res. 570. March 1, 1976. International Relations. Requests the President to inform foreign countries of certain policy declarations of Congress with respect to arms control, disarmament negotiations, and the proliferation of nuclear weapons material.

H. Res. 1040. February 18, 1976. Sets forth the rule for consideration of H.J. Res. 280.

H. Res. 1041. February 19, 1976. Creates a ten-member select committee of the House of Representatives to investigate the events surrounding the release of material contained in the report made by the House Intelligence Committee relative to the investigation of the Central Intelligence Agency and other agencies made by that committee.

H. Res. 1042. February 19, 1976. Directs the House Committee on Standards of Official Conduct to inquire into the circumstances surrounding the publication of the text and of any part of the report of the Select Committee on Intelligence.

H. Res. 1043. February 19, 1976. Banking, Currency and Housing. Directs the Secretary of the Treasury and other Federal officials to initiate negotiations within the framework of the Organization for Economic Cooperation and Development and the International Monetary Fund with the intent of developing an appropriate code of conduct and specific trading obligations among governments, together with suitable procedures for the settlement of disputes.

H. Res. 1044. February 19, 1976. Appropriations. Expresses the disapproval of the House with regard to proposed budget deferral D76-98 relating to budget authority for the juvenile justice and delinquency prevention program administered by the Law Enforcement Assistance Administration in the Department of Justice.

H. Res. 1045. February 19, 1976. House Administration. Authorizes expenditures by the House Judiciary Committee for investigations and studies and general oversight responsibilities.

SENATE—*Tuesday, March 16, 1976*

The Senate met at 10:15 a.m. and was called to order by the President pro tempore (Mr. EASTLAND).

PRAYER

The Chaplain, the Reverend Edward L. R. Elson, D.D., offered the following prayer:

O Lord, our God, once more we turn aside from the noise and tumult of the world, from the agenda for today and the pressing problems of tomorrow, to open our hearts to Thee. Help us to remember that we are immortal souls with an eternal destiny. Help us to heed the promptings of conscience and to obey the direction of Thy Spirit. Light up our days with the faith with which we are doing our best to remake the world according to Thy will.

Send us to our duties, O Lord, to hold fast to what is good, to render no man evil for evil, to strengthen the fainthearted, to support the weak, to help the suffering, to honor and serve the Lord, until at last we come to Thy kingdom.

Through Him who triumphantly walked this way before us. Amen.

THE JOURNAL

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the reading of the Journal of the proceedings of Monday, March 15, 1976, be dispensed with.

The PRESIDENT pro tempore. Without objection, it is so ordered.

COMMITTEE MEETINGS DURING SENATE SESSION

Mr. MANSFIELD. Mr. President, I ask unanimous consent that all committees may be authorized to meet during the session of the Senate today.

The PRESIDENT pro tempore. Without objection, it is so ordered.

ORDER FOR RECOGNITION OF SENATOR STENNIS AND SENATOR MOSS

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the 10 minutes allocated to me at this time and the 15-minute special order which I have later in the morning be transferred to the

Senator from Mississippi (Mr. STENNIS) and the Senator from Utah (Mr. MOSS), and that they be recognized following the completion of the remarks by the Senator from Nebraska (Mr. CURTIS).

The PRESIDING OFFICER pro tempore. Without objection, it is so ordered.

MARKETING U.S. WHEAT PRODUCTION

Mr. MANSFIELD. Mr. President, this morning, a fellow Montanan, Mr. Lloyd Mosdal, of Rapelje, chairman of the board of the Western Wheat Associates, U.S.A., delivered an excellent speech on marketing U.S. wheat production, at the 10th annual wheat producers congressional breakfast, held in the Capitol.

I ask unanimous consent that this very worthwhile speech be printed in the RECORD.

There being no objection, the speech was ordered to be printed in the RECORD, as follows:

MARKETING U.S. WHEAT PRODUCTION

In July 1972, we wheat farmers suddenly found ourselves in a new ball game—far different from the one that had been known by our generation. The huge surpluses of the 1960's were gone—almost overnight. At long last, wheat prices began to return a decent living to producers. The Administration called for all-out production and we expanded—and have continued to expand—our acreage to keep pace with the escalating demand. One-half of the world wheat imports will be supplied by us this year.

At the same time, our production costs—land, labor, equipment, fuel, fertilizer—began to skyrocket. These costs, which have more than doubled today, were accelerated by the oil embargo and quadrupled imported petroleum prices. Now declining wheat prices have been overtaken by rising production costs in many areas of our country.

From the experiences of these three years, the American wheat farmers have become vividly aware of one fact. Our livelihood is primarily dependent upon exports. Only one-fourth of our harvested wheat is needed to feed our own people and three of our states will easily combine that much this year. Except for an adequate carryover, we have to sell the rest of our wheat—not pile it up in expensive storage bins where it will depress prices and discourage production. Whether to Russia or Japan or India or Brazil, the bulk of our wheat crops must be moved abroad.

Remember, agricultural exports do not just benefit the farmer. The farming communities with their banks, grocery stores, equipment dealers and fuel distributors get a share. The machinery manufacturers, fertilizer factories and petroleum refiners participate in the profits. Our city cousins are dependent upon the proceeds from agricultural exports to pay for their imported gasoline, heating oil, Nikon cameras and Volkswagens.

One out of every four jobs in the United States is related to agricultural production. This translates to 24 million people employed in some phase of agriculture or related industries. Adding their families would mean that 82 million Americans are directly dependent upon our crops for their livelihood.

Last year, the U.S. exported a record twenty-one billion six hundred million dollars worth of farm products. Of this, wheat accounted for over five billion dollars or twenty-three percent!! Without agricultural exports, the U.S. trade balance would be in the red, the dollar weaker and the national economy in much deeper trouble.

Today, I am speaking on behalf of Great Plains Wheat and Western Wheat Associates—the two overseas market development arms of the U.S. wheat growers. Together we represent twelve states that grow 75% of our nation's wheat. Perhaps the term "market development" is too limiting in this new era of the wheat industry. In addition to developing new markets and expanding old ones, we are servicing our foreign markets just as General Motors and Coca Cola service theirs.

Reassuring our worried customers that we will have adequate supplies of quality wheat to meet their needs is an important part of our program. Another example is the urgent need for our organizations to restore buyer confidence in our grain inspection service whose reputation has been severely damaged by unscrupulous inspectors and exporters. Whether we completely revise the system or adequately strengthen the one we have, remedial steps must be taken without further delay!

As you know, our partner in this vital effort is the Foreign Agricultural Service of the USDA. Through FAS, we contract for funds generated from Public Law 480 and specifically set aside for this purpose. The amount allocated to our two groups has remained fairly static for several years at a little over one and a half million dollars.

We wheat producers have steadily increased our contribution to this program over the years until we now put up about one and a third million dollars a year. You can see that we provide a sizeable share of the cost even though many other sectors of the American economy directly benefit from wheat exports.

The combined wheat farmer and USDA investment of less than three million dollars is pretty insignificant when stood up against a five billion dollar export market. We could double our expenditure and still only be spending one-tenth of one percent to sell and service our product. Compare that to the advertising budgets for Alka Seltzer, Cheer laundry soap and Maidenform bras.

Better yet, compare FAS expenditures with those of our eight major competing countries who spent one hundred forty million dollars in 1974 for foreign agriculture market development for all commodities. Several invested more than one percent of the export value against our overall percentage of point zero nine (0.09%).

Since 1971, the PL 480 funds budgeted by the Administration for the entire cooperator program have been steadily reduced from the thirteen million dollar level of that year. This year, the USDA budget for all market development cooperators—over sixty agriculture trade groups representing virtually all agricultural export commodities—is only a little over eleven million dollars. This is less than the cost of one Boeing 747 airplane. The dollar devaluation and rampant inflation abroad have eroded the value of these funds until today they are really only worth about half as much as the 1971 budget.

Last year, wheat farmers actively joined other agricultural producers in asking Congress to increase the FAS market development budget request. This effort was strongly supported by many of our Congressmen who are with us this morning. The result was gratifying. Congress generously added one million dollars over the amount budgeted by the Administration. Unfortunately, most of this increase was spent for purposes other than the market development cooperators—who ended up with less than $150,000 of the additional amount.

This year, the cooperators are again asking Congress to increase the market development budget from the amount requested by the Administration, which has even been reduced from last year by a half million dollars. We are asking for an additional five million dollars but, this time, we want it specifically earmarked for the cooperator programs.

Increased funding is absolutely necessary just to continue our programs at the same level. More important, however, is the need to intensify our activities to properly service our overseas customers, expand traditional markets and seek out and develop new markets. We cannot afford to continue all-out wheat production unless we can find new customers and hang on to the old ones.

We hope that all of you here today—Congressmen, USDA officials and wheat farmers—will actively support us in this endeavor.

Thank you for "breaking bread" with us this morning.

CONSIDERATION OF CERTAIN MEASURES ON THE CALENDAR

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar Nos. 659 and 660.

The PRESIDENT pro tempore. Without objection, it is so ordered.

ORIENTATION OF DEPENDENTS OF USDA EMPLOYEES HAVING FOREIGN ASSIGNMENTS

The bill (S. 3052) to amend section 602 of the Agricultural Act of 1954, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress Assembled, That section 602 of the Agricultural Act of 1954, as amended, is amended by adding at the end thereof the following new subsection:

"(f) Appropriations available to the Secretary of Agriculture may be used to provide appropriate orientation and language training to families of officers and employees of the Department of Agriculture in anticipation of an assignment abroad of such officers and employees or while abroad pursuant to this Act or other authority: *Provided,* That the facilities of the Foreign Service Institute or other Government facilities shall be used wherever practicable.".

AUTHORIZATION OF SALE AND SHIPMENT OF CARBONYL CHLORIDE

The bill (H.R. 9570) to authorize the sale and shipment incident to such sale of the chemical substance carbonyl chloride by the Department of Defense, was considered, ordered to a third reading, read the third time, and passed.

ORDER OF BUSINESS

The PRESIDENT pro tempore. Does the acting minority leader seek recognition?

Mr. GRIFFIN. I do not.

The PRESIDENT pro tempore. The Senator from California is recognized.

Mr. BAKER. Mr. President, will the Senator yield?

Mr. CRANSTON. I yield.

PRIVILEGE OF THE FLOOR

Mr. BAKER. Mr. President, I ask unanimous consent that during the pendency of S. 3065, the Federal Election Campaign measure, A. B. Culvahouse be granted the privilege of the floor; and that during the consideration of the resolution that is about to be considered, Fran Montgomery be granted the privilege of the floor.

The PRESIDENT pro tempore. Without objection, it is so ordered.

SENATE RESOLUTION 406—SUBMISSION OF A RESOLUTION RELATING TO THE IMPORTANCE OF SOUND RELATIONS WITH THE SOVIET UNION

(Ordered placed on the calendar.)

Mr. CRANSTON. Mr. President, in a moment, I will send to the desk a resolution and ask for its immediate consideration.

I wish to make plain that I do not propose actually to seek to bring this resolution to a vote at this moment. I do wish that it be held at the desk and that it be considered rather soon, but I emphasize that I have no desire to bring the issue to a head in the Senate until all Senators are fully and fairly on notice.

With that, Mr. President, I send the resolution to the desk and ask for its immediate consideration.

The PRESIDENT pro tempore. The resolution will be stated by title.

Mr. CRANSTON. Mr. President, I ask unanimous consent that the reading be dispensed with.

The PRESIDENT pro tempore. Without objection, it is so ordered.

The resolution is as follows:

S. RES. 406

Resolved, it is the sense of the Senate that: There is an urgent need for common sense and clarity in expressing the real interests of the American people and their government in foreign policy matters.

It is in the nature of the American political system that foreign policy is a legitimate concern and an appropriate issue for debate in our elections and in the public arena generally. But the strident voices which are a frequent part of such debates should neither mislead other countries nor cloud the fundamental issues.

Although our relations with the Soviet Union are not the touchstone of our entire foreign policy, they have a bearing on all other problems and it is therefore particularly necessary that we should sort out the difficulties that have arisen in the relationship.

Without any illusions about the serious differences between the United States and the Soviet Union or about the nature of the Soviet system, and without any doubt about the necessity for the United States to remain unchallengeably strong militarily, we believe that the survival of the values we cherish in our free society and the survival of civilization require calm and deliberate regulation of the relationships between the great powers of the earth, particularly between the United States and the Soviet Union, so that the danger of nuclear war can be reduced, and the international system can be strengthened to meet the aspirations of the people of all nations.

We affirm our twin determination to do all that we must to defend and protect our nation militarily while at the same time exploring, energetically and effectively in good conscience and in good faith, every reasonable opportunity to lessen international tensions.

We therefore support efforts:

1. To conclude, at an early date, practical and realistic agreements for the stabilization and reduction of the strategic military competition between the United States and the Soviet Union, based not on trust but upon actions.

2. To elaborate and extend opportunities for diplomatic, economic, commercial, social, cultural and other societal initiatives between the United States and the Soviet Union, with a due and deliberate regard for the balance of risks and advantages of such relations.

3. To launch fresh initiatives on the part of both the United States and the Soviet Union for a commitment, not by rhetoric but by action, to the pursuit of peaceful solutions in present and potential areas of conflict.

What is at issue is not a semantic debate about the meaning of the word "detente". We proceed from a recognition of the simple fact that the United States and the Soviet Union have, and are likely to have for some time, many competitive and conflicting interests, but that it is nevertheless in the interest of both countries to regulate this competition and these conflicts so that they do not lead to war.

We believe it is the deeply felt conviction of the people of our country that it is the obligation of their government to translate this aspiration into practical measures. We recognize that the possibilities for constructive cooperation between the two countries may be limited, given their profoundly different systems and views of the world, but we declare it to be the American purpose to carry on a process whose ultimate aim is to enlarge the sphere of cooperation as much as may prove feasible.

We believe, finally, that the responsible exercise of the power of the United States can and should be used in ways that are consistent with our principles and our enlightened self-interest in ensuring that the profound changes now in full tide in the world can be managed with a minimum of violence and a due respect for the human rights of all people to live where they choose and how they choose in dignity, independence and freedom.

This resolution shall be transmitted by the Secretary to the President of the United States.

Mr. CRANSTON. Mr. President, the subject of this resolution is "the importance of sound relations with the Soviet Union." It is an expression by the Senate of the importance of improving United States-Soviet relations, and it is particularly urgent at this time, in view of the assaults that have been made on the process of trying to regulate the competition and conflict between the two nuclear superpowers so that these frictions do not lead to war.

The resolution says, in effect, that improving U.S.-U.S.S.R. relations is too important to be sacrificed by the stridency of a political campaign or to be subverted by a semantic squabble over the meaning of the word "détente."

I am particularly pleased, Mr. President, that I am joined by the distinguished Senator from Tennessee (Mr. BAKER) as the principal cosponsor of this measure. His involvement in this insured that we were able to enlist a broad spectrum of the Senate and a remarkably broad representation of varying viewpoints and backgrounds in the Senate. Senator BAKER and I worked out the original text, and it was slightly modified as we talked with other Members of the Senate. Those who have joined us as cosponsors, initially, of the resolution indicate again the remarkable strength that we have mobilized behind this concept at this particular time. It consists of leaders in the Senate, Senators of both parties, conservatives, moderates, liberals, so-called hawks, so-called doves, from every part of the country—North, South, East, Middle West, and West. The other cosponsors are the majority leader (Mr. MANSFIELD); the minority leader (Mr. HUGH SCOTT); Senator SPARKMAN, chairman of the Committee on Foreign Relations; Senator CASE, ranking minority member of that committee; and Senators KENNEDY, TOWER, CLARK, MATHIAS, JACKSON, and ROBERT C. BYRD.

I should now like to read the text of the resolution:

Resolved, it is the sense of the Senate that there is is an urgent need for commonsense and clarity in expressing the real interests of the American people and their government in foreign policy matters.

It is in the nature of the American political system that foreign policy is a legitimate concern and an appropriate issue for debate in our elections and in the public arena generally. But the strident voices which are a frequent part of such debates should neither mislead other countries nor cloud the fundamental issues.

Although our relations with the Soviet Union are not the touchstone of our entire foreign policy, they have a bearing on all other problems and it is therefore particularly necessary that we should sort out the difficulties that have arisen in the relationship.

Without any illusions about the serious differences between the United States and the Soviet Union or about the nature of the Soviet system, and without any doubt about the necessity for the United States to remain unchallengeably strong militarily, we believe that the survival of the values we cherish in our free society and the survival of civilization require calm and deliberate regulation of the relationships between the great powers of the earth, particularly between the United States and the Soviet Union, so that the danger of nuclear war can be reduced, and the international system can be strengthened to meet the aspirations of the people of all nations.

We affirm our twin determination to do all that we must to defend and protect our nation militarily while at the same time exploring, energetically and effectively in good conscience and in good faith, every reasonable opportunity to lessen international tensions.

We therefore support efforts:

1. To conclude, at an early date, practical and realistic agreements for the stabilization and reduction of the strategic military competition between the United States and the Soviet Union, based not on trust but upon actions.

2. To elaborate and extend opportunities for diplomatic, economic, commercial, social, cultural, and other societal initiatives between the United States and the Soviet Union, with a due and deliberate regard for the balance of risks and advantages of such relations.

3. To launch fresh initiatives on the part of both the United States and the Soviet Union for a commitment, not by rhetoric but by action, to the pursuit of peaceful solutions in present and potential areas of conflict.

What is at issue is not a semantic debate about the meaning of the word "detente". We proceed from a recognition of the simple fact that the United States and the Soviet Union have, and are likely to have for some time, many competitive and conflicting interests, but that it is nevertheless in the interest of both countries to regulate this competition and these conflicts so that they do not lead to war.

We believe it is the deeply felt conviction of the people of our country that it is the obligation of their government to translate this aspiration into practical measures. We recognize that the possibilities for constructive cooperation between the two countries may be limited, given their profoundly different systems and views of the world, but we declare it to be the American purpose to carry on a process whose ultimate aim is to enlarge the sphere of cooperation as much as may prove feasible.

We believe, finally, that the responsible exercise of the power of the United States can and should be used in ways that are consistent with our principles and our enlightened self-interest in ensuring that the profound changes now in full tide in the world can be managed with a minimum of violence and a due respect for the human rights of all people to live where they choose and how they choose in dignity, independence and freedom.

This resolution shall be transmitted by the Secretary to the President of the United States.

Mr. President, that concludes the text of the resolution.

Let me say that this word, "détente," derives from the ancient French term for lessening the tension on the bow string. In today's world, it really means lessening the tension on the nuclear trigger. When I was speaking to the minority leader (Mr. HUGH SCOTT) about this, he said we should drop that French word and start using the word "rapproachement."

Rather obviously, détente is a process. It is not an end result. It means relaxing tensions, not doing away with them altogether. There will always be tensions between the United States and the U.S.S.R. because of differences in our political systems, our ideologies, our views of man and of God. There will always be tension between the two countries, if for no other reason than their size. We are both major world powers; we probably always will be; and the very nature of the relationship between major powers who want to exercise influence in the world means tension and conflict and competition.

Détente does not mean blind, absolute trust in one another. It does not mean universal peace and a state of world bliss. It does not mean that our two systems will become similar. But if it can help produce a period of peace and relative international stability and help the U.S.S.R. overcome its economic insecurity and its international insecurity, it can lead to a relaxation not only of international tensions but of political and economic tensions inside of the U.S.S.R.

If there is peace and stability, there can be greater improvement in the standard of living in the U.S.S.R. and elsewhere in the world, and here in the United States, where we spend so much presently on the arms race. The push for a better material life in the U.S.S.R. conceivably could bring about a push for greater freedom—political, economic, spiritual, intellectual.

So détente means, one, trying to get along without blowing each other to bits; two, avoiding confrontations that could lead to war; three, working together in a multitude of ways that show by action, not by rhetoric, that we are not dedicated to the destruction of the Soviet Union, as some people in the Kremlin apparently think, and that the Soviet Union is not dedicated to the destruction of the West, as so many Americans obviously think.

Détente is an effort to regulate and control competition and conflict, to avoid war, at first, and hopefully, after a while, to improve relationships more positively as time goes on, with exchanges of people, exchanges of ideas, working together in science and medicine, fighting pollution, preserving world resources, and on many, many other mutual problems.

Détente on an international level, it seems to me, has suffered the same ailment as "Government" has suffered at the domestic level, the disease of overexpectations.

I think we need to lower our international sights as to what détente can do, just as we seemingly must lower our domestic sights on what Government can do. We are finding out that Government cannot do everything.

Détente is not a panacea, it is not a cure-all. Some of us may have thought it was more than it is. We hoped, perhaps, it would be the answer to many of our most serious problems but, plainly, it is not.

We have got to be realistic. Détente should be a policy of realism, not a dream world of visions.

I would like to say, in closing my remarks, that I hope we will see signs of responsiveness, of restraint, on the part of the Soviet Union. If this effort to demonstrate a continuing support for the concept of détente, and faith in the U.S. Senate in the pursuit of that process, does not lead to some response on the part of the Soviet Union or some restraint on the part of the Soviet Union in the many areas where they know they have done things that have led to suspicion, to doubt about the policy of détente, then this effort will not succeed. Then the Soviet Union and the United States will be doomed to a very dangerous rivalry that could lead to nuclear war, that surely would lead to vast new expenditures on the part of both countries in an arms race that means depressed living standards, and to some extent a failure to meet many needs domestically in both lands—because of the great demands of the arms race.

I call, too, for restraint on the part of the United States. I think we have done certain things that have led the Soviets to suspect our motives.

There are, obviously, pluses and minuses in détente as it has been understood and pursued thus far. There are risks in détente; there are also potential gains. We must take all of that into account as we seek to persuade the people of our Nation and the leadership of the Soviet Union that if we approach this in a sensible way there are great gains, along with risks, for each of us.

I would be delighted to preserve whatever time I have at this point and yield to my distinguished colleague whose joint endeavor with me means so much, the Senator from Tennessee (Mr. BAKER).

The PRESIDING OFFICER. The Senator from Tennessee is recognized.

Mr. BAKER. Mr. President, it is a genuine pleasure for me to join with the distinguished Senator from California as a cosponsor of this measure. I think it is the right time for the measure; it is introduced for the right purpose; and, I trust it will receive the approval of the Senate.

I would add these further thoughts to the excellent comments of the Senator from California. It has always been a matter of some interest to the world and of extraordinary importance to the people of the United States to note that in the course of two centuries America has faced some terribly difficult problems and, by and large, has been remarkably right in the decisions she has made on those issues.

Mr. President, with all due respect to this institution and all those who have preceded us here, I suspect that those decisions were right not wholly because of the wisdom of this body—although the pluralism of Congress assures that the majority has a greater opportunity to be right than do we as individuals—nor even that we always have had great leaders, although certainly we have had our share, but rather because the general collective genius of the people of the United States has sensed the essential elements of the issues facing the country and translated their wishes into legislative and executive action through the elective process.

So, you see, Mr. President, I have an inordinate admiration for the political processes of the United States. I think it is more than just a scorekeeping procedure between Republicans and Democrats. It is, I believe, the very essence of the system by which we translate our desires and dissent into useful and effective governmental action.

I believe, Mr. President, as the Senator from California has indicated, that it is the will of the people of the United States, in their sovereign capacity, that we continue in our efforts to reduce the possibilities of cataclysmic disaster and confrontation between the superpowers of the world. I am willing to speculate even that it almost certainly is the less well-expressed will of the citizens of the U.S.S.R. and, indeed, of the rest of the world.

Having the enormous respect that I do for the elective process, I would not criticize for one moment the ongoing and present debate on détente, on foreign policy, on defense, and the like. But, I feel that we in the Senate, and I commend the Senator from California for taking the initiation, should indicate to the country and, more importantly to the rest of the world, that it is a part of the American political process, and must be understood as such. Indeed, it is not only appropriate, it is essential particularly in a Presidential year, that we have a full ventilation in the political arena of the controversies involved in foreign policy determinations, including, certainly, détente.

But let us warn our friends abroad, and let us remind ourselves, that the energetic discussion of these issues and the thoroughness of their presentation to the electorate by no means indicate that the country is divided on the twin pillars of necessity which undergird America's foreign and defense policy. They are, as stated in this resolution, the determination to remain unchallengeably strong, on the one hand, and from that position of strength to have the courage to negotiate to try to limit and to reduce the possibilities of disaster.

Mr. President, I suspect there is an inherent distrust beating in all our breasts of "disarmament." I suspect it goes back to the earliest dawning of civilization when the potential for success or failure in battle could be measured with virtual certainty in terms of the numbers of men or longbows or rifles, coupled with a second ingredient, the quality of leadership. Frequently, the quality of military leadership has been the decisive difference in determining the outcome of the conflict; but I doubt this to be true any longer. In this age when we hold millions of Russians hostage to our nuclear capability, and they at least an equal number of Americans, the extraordinary efficiency with which we could annihilate each other probably diminishes the premium to be placed on strategic and tactical competence—the quality of our military leadership.

I believe therefore that we have new concerns that demand thoughtful consideration. I believe that we should realize that a new factor has arisen in the scope of human endeavor. It is a new factor which says not only that you preserve your sovereign integrity, your assured and undoubted ability to defend yourself, and even the ability to retaliate decisively, but also that with the dawn of the nuclear era a collateral, I believe a primal, responsibility arose for mankind to seek ways to avoid Armageddon, the ultimate nuclear confrontation.

So, Mr. President, I hope that in the young vitality remaining after these 200 years in the American political process, in the sometimes ferocious and always energetic discussion of détente, of foreign policy, of one-way streets, of who is getting the better of whom, in all of this laudable, desirable discussion in the political arena, that the country the world, and particularly the Soviet Union, does not lose sight of the fact as we assert here as the sense of the Senate and, we believe, the sense of the country, that our foreign policy is determined on two principal issues: One, that we remain undoubtedly strong, and we shall be unchallengeably strong, as the resolution says, and that we have the courage to negotiate from that position of strength.

It is my hope, Mr. President, that from that position of strength we can go forward with our efforts at SALT II to limit strategic weapons still further, and to make permanent the gains, although limited, that have been made thus far. I hope we will not discard our efforts to put some sort of limitation on strategic cataclysmic weapons only because we look over our shoulder and remember the crossing of the T in the battle of Jutland. I hope we understand that in this era we can, indeed, annihilate each other with the touch of a button. I hope we remember that second obligation, the obligation not only to remain strong, but to have the courage to try to control the awesome potential of that strength.

Sometimes I admire and sometimes enjoy those traveling around the country discussing these issues in the Presidential primaries. I think they are doing the country and the world a service. I am not critical of it.

But I believe it is appropriate, and I commend my colleague from California for taking the initiative as he is doing in proposing this sense of the Senate resolution, that notwithstanding the energy of that debate, the world should be told that America intends to remain strong, and being strong, intends to do what it can to avoid nuclear disaster.

That is what it is all about. That is what we understand in America and we urge our friends abroad to understand the exquisite nature of the American political system.

I congratulate my colleague from California for introducing this measure and I am proud to join with him as a cosponsor.

Mr. CRANSTON. I again thank the distinguished Senator from Tennessee for his cooperation in what I hope will be a very significant move in the Senate. I thank him for his eloquent statement of his interpretation of this resolution.

I am glad that he stressed the aspect of the resolution that insists that the United States remain unchallengeably strong through this process of détente, for plainly, if we cannot lessen the tensions that might lead to war, and until we are absolutely certain that has been accomplished, we must keep a very strong guard up in this world. If détente should fail, we could land instead in the tragedy of war.

I urge the Soviet Union to note that aspect of all this, that there are none who are supporting this concept of seeking to regulate our relations with the Soviet Union in a sensible way who do not recognize the need for military strength second to none in the dangerous world in which we presently live.

Many have asked what has been accomplished by détente. I would like to cite just a few examples of some of the positive aspects. We know that there are also negative aspects. I will not dwell upon them today.

Some of the items I will briefly refer to may have taken shape and been accomplished in an earlier stage that was perhaps referred as as the cold war stage. It seems to me that these particular accomplishments at that stage were the beginning of a thaw that led to the era that has been characterized by the word "détente," and some obviously have been achieved during the time when détente has been recognized as the policy we are pursuing.

There was the "hot line" agreement, there was the limited test ban treaty, there was the outer space treaty, there was the nonproliferation treaty, there was the seabed arms control treaty, there was the accidents measures agreement, there was the hot line modernization agreement, there was the initial round of SALT. There is now the second round of SALT, and what is at stake there is not only seeking to limit and reduce the dangers of nuclear conflict; also at stake is the fact that if the present SALT negotiations fail, we will probably be asked to spend and may well find it necessary to spend—some $5 billion or $10 billion more on strategic arms and other arms in the coming fiscal years than would otherwise be necessary.

If we were not in the SALT negotiations right now, I suspect we would be called upon to spend even more than the staggering, huge sums we are called upon to spend in the current fiscal year.

There is the ABM treaty. We spent perhaps $14 billion to $15 billion on that, but had we not reached agreement with the Soviet Union to not go to a full-blown spending $50 billion to $60 billion or more on a full ABM system, and the Soviet Union would have been compelled to go to similar expenditures, presumably.

Finally, there has been negotiated a threshold test ban and protocol which is not yet completed.

We have also seen in the area of trade, first, a fiasco in the matter of the grain deal, which was as much our fault, I would estimate, as that of the Soviet Union.

Now there is an agreement that will lead to a more orderly conduct of that trade in a way that should be beneficial to the Soviet Union and the United States and meet needs of both nations.

That is an example of how in an initial effort to do something together and a failure in the first effort, a recognition of that failure can lead to a more positive development of circumstances relating to a continuation of the trade policy.

I think the Senator from Tennessee and I have summarized some of the principal points that have concerned us and have led so many Senators with so many different viewpoints to join in this effort.

I indicated at the outset we did not intend to precipitate action on this resolution at this time. That would not be fair to Senators not aware it was coming up and who would have an interest in it. Therefore, I ask the Senator from Tennessee to join me now in arranging that this be handled in a way we have understood. I will ask for the immediate consideration of the measure and I ask the Senator from Tennessee to object. That will be by common consent and agreement and then it will go over until tomorrow and can either be dealt with tomorrow or go over on the calendar to Thursday.

So I ask for the immediate consideration of this resolution.

The PRESIDING OFFICER. Is there objection?

Mr. BAKER. There is an objection.

The PRESIDING OFFICER. Objection is heard.

It will go over under the rule.

Does the Senator from California wish to use any more of his time?

Mr. CRANSTON. No, I yield back the remainder of my time.

Mr. CRANSTON subsequently said. Mr. President, it has been suggested to me that a wiser procedure with the resolution would be to ask unanimous consent it go now onto the calendar, and I so request.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

ORDER OF BUSINESS

The PRESIDING OFFICER. Under the previous order, the Senator from Nebraska is recognized for not to exceed 15 minutes.

Mr. CURTIS. Mr. President, I yield to the distinguished Senator from Kentucky for a unanimous-consent request.

PRIVILEGE OF THE FLOOR— S. 3065

Mr. FORD. Mr. President, I ask unanimous consent that Jim Fleming and Bill Wester of my staff be granted the privilege of the floor during consideration of S. 3065.

The PRESIDING OFFICER. Without objection, it is so ordered.

KENTUCKY MINE ACCIDENTS

Mr. FORD. Mr. President, whenever there is an accident, no matter what the nature, there is sorrow and grief. However, the entire Nation was shaken last week when 26 persons lost their lives in a pair of still-unexplained coal mine explosions in Oven Fork, Ky.

This was the worst coal mine accident in the United States since the one at Hyden, Ky., which claimed 38 lives in 1970, and the third worst mining disaster of all time in Kentucky's history.

The scope of this tragedy points out once again that no profession poses greater risk to human safety and health than deep mining. Yet, these men whose livelihood is the essential link in recovering this important source of energy from the earth willingly accept those risks, and for this we owe them a great debt.

Without them, where would we be? Not a day goes by when our lives fail to be touched by the product of their labor—the electricity which lights our homes and schools, the steam which heats our offices and factories.

The monetary rewards for taking such risks are low. The work is tedious and back-breaking. Nonetheless, those who enter the mines day in and out disregard the drawbacks and dangers, and go about their task with pride.

I have the highest respect for the miners of my State and Nation, and I am shocked and saddened by the events of last week.

I know that I speak for this entire body in expressing deep and heartfelt sympathy to the families and friends of the men who died in this disaster.

As time goes by, it is my sincere hope that the grim memories of what has occurred will not fade from either our hearts or minds. Rather, let it serve as a constant reminder that we must never turn our backs or be remiss in our responsibility to legislate the highest mine health and safety standards, and insure that they do indeed become reality.

In this regard, I commend my distinguished colleague from New Jersey, Senator WILLIAMS, for his personal and continuing interest in the welfare of mine workers throughout the Nation. Furthermore, I join in his call for an immediate congressional investigation into the cause of these two accidents.

I would further suggest that this investigation serve as a prelude to thorough and careful oversight hearings on the 1969 Coal Mine Health and Safety Act.

No such formal hearings have been held since 1972, and it is imperative that Congress determine if the intent of this legislation is being fulfilled.

I thank the Senator from Nebraska.

ORDER OF BUSINESS

Mr. CURTIS. Mr. President, following my time, 15 minutes were allotted the Senator from Virginia (Mr. WILLIAM L. SCOTT). He will not be using this time and I ask unanimous consent that time allotted the distinguished Senator from Virginia be allocated to the junior Senator from Nebraska and subject to his control.

The PRESIDING OFFICER. Without objection, it is so ordered.

SENATE JOINT RESOLUTION 180—PROPOSED AMENDMENT OF THE CONSTITUTION OF THE UNITED STATES TO REQUIRE A BALANCED FEDERAL BUDGET

Mr. CURTIS. Mr. President, for myself and in behalf of Senators ALLEN, BARTLETT, BROCK, DOLE, EASTLAND, FANNIN, GARN, GOLDWATER, HANSEN, HATFIELD, HELMS, HRUSKA, LAXALT, MCCLELLAN, MCCLURE, ROTH, WILLIAM SCOTT, STENNIS, TALMADGE, and THURMOND, I send to the desk a Senate joint resolution proposing an amendment to the Constitution of the United States.

This resolution when passed by two-thirds of the House and Senate, and ratified by three-fourths of the States, would compel the Federal budget to be balanced.

This proposed constitutional amendment is simple. It carries the necessary discipline to bring about a balanced budget. It mandates the Congress to seek a balanced budget, to see to it that expenditures do not exceed receipts.

Within 20 days after the end of the fiscal year—September 30—the President is called upon to perform a ministerial act, not a legislative one. The President is required to determine what the deficit is if there is to be one, and how much surtax would be required in the next calendar year to recoup the deficit. A surtax is an added percentage tax on the income tax on every individual and every corporation.

After the President determines how much surtax is necessary to recoup the deficit, whether it be a 3 percent surtax or a 7 percent or 12 percent or what amount, he makes a public announcement on it and the tax becomes effective automatically for the next year.

The constitutional amendment I am proposing provides that in case of a grave national emergency or a declaration of war, the surtax requirements can be set aside for 1 year at a time by a three-fourths vote by both Houses of Congress.

Mr. President, if it became a part of the Constitution, this resolution would do more than merely direct the Congress to balance the budget. If the Congress failed to balance the budget, the necessary surtax would go into effect automatically. This is just the discipline the Congress needs.

I am convinced that if the Congress and the President are compelled to face the issue and either cut back on programs and reduce spending, or collect the taxes, they will take steps that will result in reduced spending. If the President and the Congress fail to reduce spending, every taxpayer will know what has happened and will be able to vote to turn the rascals out.

I believe that such a provision in our Constitution would not only bring about the discipline that elected officials need, but that it would be a protection to elected officials as well. I believe it will be easier to maintain a balanced budget than to attempt to have a controlled deficit. If individuals and groups seeking additional spending, new programs, and additions to existing programs realize that the only way Congress can grant these requests is to raise taxes, the demands on Government will lessen materially.

The time is right for such an amendment to our Constitution. The people back home know that these tremendous deficits are the major cause of all runaway inflation. They also know that the use of deficit financing is the vehicle that makes it possible for the Government to overspend and over-regulate. Any officeholder who is unaware that there is a major revolt in the country against overspending and over-regulation does not have his ear to the ground.

Mr. President, it took the U.S. Government 185 years to reach a spending level of $100 billion a year. It took only 9 more years to reach an annual spending level of $200 billion a year, and a mere 4 years beyond that to reach an annual spending level of $300 billion. This current year, the deficit is estimated to exceed $76 billion.

Just last week the Senate gave its approval to raising the Federal debt ceiling to $627 billion. Perhaps in this day and age of big figures, the debt ceiling itself—which is actually the national debt—is not thought that much of.

But, I would like to point out that the debt ceiling—$627 billion—is fast approaching a level double that of our total annual Federal budget. The administration's budget for fiscal 1977 is only $394.2 billion. I say only not because I think $394 billion is not a lot of money, but to compare the size of the national budget to our existing permanent and much larger Federal debt.

At the same time that the administration has projected a budget of $394.2 billion, it estimates receipts in the next fiscal year at only $351.3 billion. So in the next fiscal year we are already faced with at least a $42.9 billion deficit. At the rate we are going—with regularly high annual deficits—it will be only a matter of time until our total Federal debt is more than double the actual Federal expenditures.

One last word on our national debt—the Federal Government now takes 8 cents of each revenue dollar to pay the interest on the Federal debt. We are not talking about paying off anything on the national debt itself—only the interest on the debt. It is mind-boggling to imagine how much the payments would be if we were actually to make payments on the principal of the debt itself along with the interest.

The total bill projected in the fiscal 1977 budget is $41.3 billion just on the interest on our Federal debt. That is based on the current estimated $76 billion deficit for fiscal 1976, and on a projected $43 billion deficit for fiscal 1977, combined with our already huge debt.

We must ask ourselves when and where it will stop. I think it should have stopped long ago, but since it has carried on until the present time we must act to stop Federal deficit spending now. I believe we have the only viable means for stopping runaway Federal spending that is bankrupting the Nation in the amendment to the Constitution which I propose today, and in which many of my colleagues have expressed interest.

Prudent men and women everywhere know that the brakes must be applied. I am convinced that a constitutional restraint on spending is a part of the wave of the future.

Mr. President, I have remarked already on the intensity of this issue among the citizens and at local and State levels of government. I would like to point out that my own State of Nebraska has now joined other States in the Nation to call for constitutional action to require a balanced Federal budget. In so doing, Nebraska joins the States of Maryland, Georgia, Delaware, Louisiana, North Dakota, Mississippi, and West Virginia in calling for affirmative action to bring Federal spending under control.

In September and October of 1975, the Senate Judiciary Subcommittee on Constitutional Amendments held hearings on the proposition to amend the Constitution of the United States to require the Federal Government to balance its budget each year. In the past quarter century, others have suggested such an amendment.

In my testimony on September 23, 1975, I recounted the 25-year struggle to write a constitutional amendment which would mandate a pay-as-you-go policy for the Federal Government. I recalled the labors of such stalwart guardians of the public purse as the late Senator Harry Byrd, Sr., of Virginia, and the late Senator Styles Bridges of New Hampshire.

This year at long last, perhaps as a reflection of the growing sense of uneasiness felt by legislators as they lose control over ever-increasing budgets accompanied by larger and larger deficits, hearings were held on Senate Joint Resolution 55, which I proposed, to provide for a constitutional amendment to balance the budget.

Arguments were also heard on a similar proposal, Senate Joint Resolution 93, introduced by Senator HERMAN TALMADGE of Georgia.

While both resolutions would mandate an annually balanced budget, my resolution would provide for an automatic tax surcharge whenever expenditures exceeded revenue provisions. Most of the witnesses testified in the terms of Senate Joint Resolution 55, and all of them spoke to the question of a balanced budget. The resolution has been updated and reintroduced today. The new number is Senate Joint Resolution 180, and hereafter all my references will be to this number.

Representative views were sought in the hearings. The witnesses who appeared before the subcommittee included Senators and Representatives, scholars of government and economics, businessmen, State legislators and other officials, private citizens, and reperesentatives of concerned and responsible interest groups. They came from all parts of the country; there were Democrats and Republicans.

In addition, resolutions and statements of State legislatures, associations of State officials, and of Governors were introduced.

Needless to say, I have carefully scrutinized the testimony, and I would like to share with you the outline of what is emerging to me as a compelling case for constitutionally mandating an annually balanced Federal budget—a case largely reflected in the compelling evidence and testimony given for the resolution.

There is no doubt in my mind that the public is alert and wants the Federal budget balanced. One of the indelible impressions from the testimony is that there is a widespread yearning for an end to deficit spending. The myth that the general public is apathetic about Federal deficits just does not hold water.

It is clear, from the results of a recent Gallup poll, that the question of a balanced budget is on the minds of almost all the people of this country. The results of that poll are instructive and enlightening.

The poll showed that about 90 percent of the population is concerned and thinks about the issue. Of those, 83 percent favor balancing the Federal budget, and 60 percent of all people polled said the question of balancing the budget was very important to them.

The evidence dispelled the notion that balancing the budget is a rich man's problem or an old man's problem.

The Gallup poll found the greatest intensity of support for balancing the Federal budget among the lower income groups. The poor know very well that they are the hardest hit by unbalanced budgets and the consequent inflation. This intensity of concern was also reflected in the opinions of manual laborers and farmers, and of young people.

The poll also dispelled the myth that it is a partisan issue. A higher proportion of Democrats and Independents are worried about an unbalanced budget than are Republicans. It is quite clear that there is widespread and intense concern among all segments of the American public about Federal Government deficits.

Recent efforts in various levels of Government indicate that concerned citizens are vigorously pressing to end the practice of continued Federal unbalanced budgets.

State officials and legislators testified with pride that in their States, constitutional mandates to balance the budget had resulted in greater efficiency, more effective and realistic public programs, and triple "A" credit ratings. Such officials urged adoption of the resolution.

I may point out that sentiment is being buttressed with action. In addition to those States already mentioned who have called for constitutional action on a Federal balanced budget, the States of Arkansas and Virginia have petitioned Congress for a constitutional convention to consider a constitutional amendment that would prohibit deficit spending.

The Southern Legislative Conference of the Council of State Governments petitioned Congress to place a constitutional amendment before the States which would require a balanced Federal budget except in times of national emergency. The Southern Governors' Conference endorsed the concept of a Federal constitutional amendment requiring a balancing of the Federal budget within a specific multiyear period.

The National Conference of State Legislators urged Congress to take prompt and affirmative action to limit Federal spending. And, the National Association of State Auditors, Comptrollers and

Treasurers adopted a resolution urging the Congress to propose a constitutional amendment to enforce balanced budgets.

State legislators are becoming restive. The General Assembly of Maryland in 1975 passed a resolution urging, in the absence of congressional action, that a limited constitutional convention be called to adopt a balanced budget amendment to the Federal Constitution. A State legislator from the East and one from the South, both speaking from a wide contact with state legislators from all over the United States, testified that similar resolutions are being introduced in a dozen or more States.

One legislator observed that "Spontaneous and independent citizen sentiment in favor of a Constitutional restriction on federal deficit spending policies is springing up across the land." Another stated that in travels to various states, "I have yet to meet with any serious opposition to the concept of a balanced federal budget."

The issue is far from dormant. It is intense. It is evoking action from private and public leaders. At these very hearings in Congress, 11 U.S. Senators and four Members of the House presented impressive testimony in support of the resolutions.

Mr. President, there are now 20 cosponsors to my resolution to balance the budget. Five of these Senators have 20 years or more of service in the U.S. Senate, and two have more than 30 years. In other words, more than 20 percent of the Members of the U.S. Senate already feel so strongly about the necessity to strike a balance every year in the Federal budget that they have publicly endorsed the drastic proposition that such a balance be mandated by a constitutional amendment.

In our opinion, there is no other way to stem the pathological practice of Congress legislating continuous and increasing annual budget deficits. In our opinion, such deficits can only lead to the erosion of the political, social and economic quality of American life as we have known and enjoyed it.

The joint resolution (S.J. Res. 180) read as follows:

S.J. RES. 180

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled (two-thirds of each House concurring therein), That the following article is hereby proposed as an amendment to the Constitution of the United States, which shall be valid to all intents and purposes as part of the Constitution when ratified by the legislatures of three-fourths of the several States within seven years after its submission to the States for ratification:

"ARTICLE—

"SECTION 1. In exercising its powers under Article I of the Constitution, and in particular its powers to lay and collect taxes, duties, imposts, and excises and to enact laws making appropriations, the Congress shall seek to assure that the total outlays of the Government during any fiscal year do not exceed the total receipts of the Government during such fiscal year.

"SEC. 2. Not later than the twentieth day after the close of each fiscal year, the President shall—

"(1) ascertain the total receipts of the Government during such fiscal year, not including any receipts derived from the issuance of bonds, notes, or other obligations of the United States, and not including any receipts from any income tax surtax imposed under this article;

"(2) ascertain the total outlays of the Government during such fiscal year, not including any outlays for the redemption of bonds, notes, or other obligations of the United States; and

"(3) if the total receipts described in paragraph (1) are less than the total outlays described in paragraph (2), determine the percentage rate of income tax surtax, to be imposed as provided in section 3, which is necessary to provide an additional amount of revenue equal to the amount by which such total receipts are less than such total outlays, and transmit to the Congress, by special message, the rate of income tax surtax so determined.

"SEC. 3. Subject to the provisions of section 4, an income tax surtax, at the rate determined and transmitted by the President under section 2—

"(1) shall be effective for the calendar year following the close of the fiscal year with respect to which the determination was made, or for so much of such calendar year for which such surtax is not suspended under section 4, and

"(2) shall apply, as an additional income tax for the period for which it is in effect, with respect to the income tax liability of each taxpayer which is attributable to the portion or portions of such taxpayer's taxable year or years which fall within such period.

The income tax liability attributable to a portion of a taxable year falling within a period shall be based upon the ratio of the number of days in the taxable year within such period to the total number of days in the taxable year.

"SEC. 4. In the case of a grave national emergency declared by Congress (including a state of war formally declared by Congress), the income tax surtax which would otherwise be in effect for a calendar year under section 3 may be suspended for such year, or a portion thereof, by a concurrent resolution, agreed to by a rollcall vote of three-fourths of all the Members of each House of Congress, with such resolution providing the period of time, if less than the whole calendar year, during which such surtax is to be suspended.

"SEC. 5. This article shall apply with respect to the first fiscal year beginning after the ratification of this article and each succeeding fiscal year.

"SEC. 6. The Congress shall have power to enforce this article by appropriate legislation.".

Mr. CURTIS. Mr. President, I reserve the remainder of my time.

Mr. STENNIS. Mr. President, will the Senator yield to me?

Mr. CURTIS. I am happy to yield to the Senator from Mississippi.

Mr. STENNIS. I compliment the Senator from Nebraska for the position he has taken, for the speech he has made, and for the proposed constitutional amendment he has presented. The Senator is extraordinarily well-qualified in this field, and I think he has done good already in his pressing of the facts, the positions, and the issues that are involved here, as he has been doing now for some time. I am happy to join him as a cosponsor of this resolution.

Mr. CURTIS. I am delighted to have the distinguished Senator from Mississippi as a cosponsor.

Mr. STENNIS. Mr. President, the Senator from Nebraska (Mr. CURTIS) is to be highly commended for his sense of fiscal responsibility and concern for the Nation's welfare which has prompted him to introduce this Senate joint resolution. The resolution proposes a constitutional amendment which would require the Federal Government to operate on a pay-as-you-go basis except in grave national emergencies, which are referred to in the amendment.

I am strongly in favor of this move, Mr. President, and I am glad to join the Senator from Nebraska and others as cosponsors of this important resolution.

Mr. President, let me emphasize this is not a hasty decision with me, it is not impulsive, and it is something I feel like once you enlist in it you are joining for a long legislative battle, so to speak. But I do not believe it will be a fruitless battle at all once the American people and their State legislatures and enough of Congress really look squarely in the face of what we are confronted with.

Now, the Senator from Nebraska has explained fully and in detail how his amendment, if ratified, would operate, and I will not discuss it at length.

To recap briefly though, the amendment would require that any Federal budget deficit be offset by a surtax to be levied in the calendar year following the fiscal year in which the deficit was incurred. The rate of the surtax would be determined by the President as a mathematical calculation, and the surtax would be imposed automatically unless suspended by Congress because of a grave national emergency.

Mr. President, that emergency matter recognized the fact that there is nothing absolute in Government, especially a thing as large as the Federal budget, and that conditions can arise where the regular rule should be suspended. But, I think, an innovation, and a very good one, too, is that the Congress that creates the deficit would automatically be charged at the same time with increasing taxes, increasing taxes enough to pay for the deficit they created.

We all know the easiest thing is to vote for appropriations. The hardest thing is to vote for tax increases. Therefore, we have these deficits regularly. But this ties the two together.

The approach is clear and simple. The amendment would be self-executing. No great use of discretion would be involved. If expenditures exceed revenues, a surtax would have to be levied to balance the budget. The sole exception—and I repeat the emphasis—would be that the requirement for a balanced budget could be set aside by a three-fourths vote of all the Members of each House in case of a grave national emergency. This would be a safety valve available in such cases as a state of declared war or a serious depression, or other matters that could arise.

That such an amendment should be necessary is, to a degree, a sad commentary on the manner in which we have handled the Nation's financial affairs in the past. We have spent and spent and spent and we have long since begun to pay the price. We must act to restore fiscal responsibility.

One of the prices to which I refer is renewed, continued, persistent inflation.

Mr. President, since 1950 the Federal budget has been in balance on only five occasions. We have had a deficit every year except one since 1960. The result is and was inevitable. Like the ordinary citizen who does not know how to manage his finances and continues to spend more than he takes in, we find ourselves deeper and deeper in debt with the demands increasing rather than decreasing.

As a result of these continuing and excessive deficits, the national debt at the end of fiscal year 1976—about 4 months from now—will be about $627 billion. This will rise to at least $720 billion at the end of fiscal year 1977, at which time we will be spending—there are different ways to figure this—about $41.3 billion a year in interest on the national debt alone. By comparison, as late as fiscal year 1949 our entire Federal expenditures totaled only $39 billion.

Mr. President, if that is not an awakening figure, then we are immune from being impressed with these serious matters.

The President's budget projects a deficit of $76 billion for fiscal year 1976, $16 billion for the transition quarter, and $43 billion for fiscal year 1977—old matters by no means settled yet, but that is the President's estimate. The President's budget presentation predicts that the deficit will be reduced in fiscal year 1978 and the budget will be balanced by fiscal year 1979. I say flatly, Mr. President, that unless the Congress reverses the pattern of more and more and greater and greater social and welfare programs, these latter goals are impossible of attainment.

I frankly do not see how it could be attained, and that fast.

I want to make clear that I am not advocating that we just stop the wheels of Government here all of a sudden and balance the budget regardless. That is not the reasonable, practical way to do it.

I think we take a chance there by bringing our economy to a halt, a crashing halt, and do more harm than good should we try to balance this budget now, all of a sudden. It will take several years of persistent and utmost effort on the part of the President, the Congress and the people working together.

Mr. President, in this bicentennial anniversary of our independence, we would do well to ponder the fact that it took 186 years—until 1962—for the annual total of Federal spending to reach $100 billion. Only nine years later, for fiscal year 1971, Federal expenditures exceeded $200 billion. Only four years after that, for fiscal year 1975, the $300 billion mark was passed. Unless we hold the line very tightly this year for the fiscal year 1977 budget, Federal expenditures will easily exceed the $400 billion level.

That is just about all we are arguing about here on money, whether it be $395 billion or a few billion more. Anyway, it is hitting the ceiling of $400 billion.

To me, Mr. President, those figures are more alarming than is the national debt because with some prudence and willpower we could take care of the national debt. We could pay it off, if necessary in a few years.

But this pattern of operation of running a cost in the Federal Government of over $400 billion a year sets up programs and demands and insistences by the people, by the States, by everyone concerned, from the asking side of the ledger, to go climbing right on up this ladder. If it jumps from $100 billion since 1962 to over $400 billion in 1976, so will it keep on climbing.

Of course, a lot of that is inflation figured in, but at the same time, at least a part of that inflation was generated from year to year by those very deficits.

Mr. President, the theory that we can spend ourselves out of debt has long since been exploded, but there are still those who contend that we should not be concerned about the size of the national debt as long as our economy continues to expand.

I know some Members of this body, very able men, who shrug off with a shrug of their shoulders the mounting level of our annual expenditures and say that everything is all right, that everyone ought to be happy because the gross national product is expanding at the same time.

I do not agree with that theory—I totally disagree, and I point out that, until recently, our economy had slowed down markedly despite repeated deficits. In addition, our budget outlays are increasing at a greater percentage rate, in terms of current dollars, than is our gross national product.

In the last 10 years our Federal expenditures have increased by about 160 percent while our gross national product has grown only about 100 percent.

I know, Mr. President, there are different ways of figuring this matter, and this conclusion I have just expressed may be disputed by some. But any way we figure it, these conclusions are approximately the same, and the principle involved is the same: That we are far outspending, in times when not a gun is being fired by us in anger and we have no war anywhere. Nevertheless, this runaway race of expenditures that we are losing is going on and inflation is being inflamed.

We only have to look across the Atlantic Ocean, Mr. President, to see England, the mother of our parliamentary system and our common law, struggling for financial survival. One of the first nations to adopt the cradle-to-the-grave welfare state, it is now heavily in debt, faces runaway inflation, and has a stagnant economy. I refer to them with great interest and sympathy. The British pound recently fell below the $2 mark for the first time in history. Great Britain's situation is so desperate that just a few weeks ago the Labor government, of all things, conceded that the extensive social welfare programs were crippling the economy and announced plans for vast cuts in public spending. The fate of that move is still somewhat unknown.

Do not think the same thing cannot happen here. Our welfare system, to a large extent facilitated by deficits, will, unless brought under control, put us in even more desperate financial straits than we are today. I mean our welfare system. These programs, created gradually over the years, have grown and grown and now in the aggregate are like a giant sponge soaking up the taxpayers' money. All the fault does not lie at the door of the welfare system. That is an example.

Caspar Weinberger, former Secretary of Health, Education, and Welfare, warned us in his farewell address of the peril in the following words:

> There is an overriding danger inherent in the growth of an American welfare state. The danger is simply that we may undermine our whole economy. If social programs continue growing for the next two decades as they have in the last two, we will spend more than half of our whole gross national product for domestic social programs alone by the year 2000. Should that day ever come, one-half of the American people will be working to support the other half.

To digress for a moment, Mr. President, let me again refer to the desperate financial condition of New York City. I am haunted that this may be the specter of things to come for the Federal Government unless we change our course drastically and quickly.

This proposed amendment, Mr. President, has many things to recommend it. First, it will be self-executing. The imposition of the surtax will be mandatory when expenditures exceed revenues. Congress will have no discretion and this is certainly a plus in view of the fact that it is the Congress which, over the years, has brought us to the grim situation we now face.

Secondly, the Congress will have the option at the beginning to control expenditures so that the surtax will not be necessary and, if it fails to do this, then the people will know exactly what it costs in terms of added taxes to offset the deficit that the Congress created.

Mr. President, I am not trying to put the blame anywhere it does not belong. I believe the Congress, of which I have been a part, and the Executive must share the responsibility. I know that it would not be as bad as it is if my vote had control, but I am not complaining about that. We are all in this condition together and in some way we must find our way out. I believe we can. I am no pessimist, but I realize what I think we can definitely see in the future, and I will extend my arguments on this subject from time to time.

In my next speech I hope to include reference to the accrued liabilities, not the national debt but the accrued liabilities, of the Federal Government that have already accrued and are on the books, so to speak, and will have to be paid in the decades to come. Otherwise, the social security payers now and would-be recipients then will be left standing high and dry.

We must look into those many, many hundreds of billions of accrued obligations.

Mr. President, I shall address the Senate later on the same subject from time to time.

Finally, the adoption of the amendment will be a giant step on the road to fiscal responsibility and financial integrity. It will prohibit the Congress from continuing to mortgage the Nation's future. It will go a long way in eliminating the excessive Federal spending which, in my opinion, was one of the major causes of the raging inflation we have so recently experienced.

Financial conditions are too much out of balance now to attempt to balance the budget immediately and abruptly. Such a remedy would be drastic and could wreck segments of our economy. In any event time will be required to get such an amendment adopted, from 3 to 4 years at best. The people must be educated about the consequences of continued neglect in this field.

I have a strong, firm hope that the new Congressional Budget Committees will force the Congress to do a better job in fiscal affairs. This new congressional approach is commendable but it will not be enough to solve the problem. The people must deal with the tendency to overspend by putting a ceiling on the Congress. This proposal does not place an arbitrary ceiling on expenditures. It is merely a safeguard to be adopted by the people which says to the Congress and the President: For each year you may appropriate and spend only such sums as you are willing to impose taxes to pay.

Mr. President, I am proud to be a cosponsor of Senate Joint Resolution 180. I pledge to fight as hard as I can for its adoption. It is time for action, not continued idle rhetoric about the necessity to cut governmental spending and get the Federal budget back under control. I strongly recommend the proposed constitutional amendment to the Congress and urge that the resolution by the Senator from Nebraska be adopted so that the amendment can be submitted to the several States for ratification at an early date.

Mr. CURTIS. Mr. President, I wish to commend the distinguished Senator from Mississippi for his forceful statement. He has called attention to some of the programs which have gotten out of hand. Accrued liabilities exist.

Within the last few weeks I ran into a former colleague, a Member of the House, who has only been retired for 2 or 3 years. He jokingly said, "I have no complaint against the Congress. They have raised my retirement six times since I retired. I am drawing $38,000 in retirement."

I said, "How can that be? The law says that 80 percent is the ceiling."

He said, "Yes, but the Congress enacted a bill that provides for an automatic cost-of-living increase and it is not bound by the 80 percent."

We have many cases like that. We have problems in military retirement. We have problems in the automatic increases of social security that if we are going to preserve these programs and pay them, and pay them in dollars that amount to something, we will have to give this attention.

Mr. President, I send to the desk a statement of the distinguished Senator from Kansas (Mr. DOLE) in support of this legislation, and ask unanimous consent that it be printed in the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT OF SENATOR DOLE

I join with my colleague from Nebraska in urging the Congress to put squarely before the people of this country, as a constitutional amendment, a formal commitment to prevent this continued growth of the national debt. We too often hear promises that the budget will be in balance next year or the year after, only to find economic—and political—conditions that once again prevent attaining that balance. We have too often heard budget deficits—additions to the national debt—justified on grounds that the budget can be in surplus in future years and the budget balanced over the "business cycle". One comes to suspect after a time that the very economic policies which are supposed to promote economic prosperity and stability—the "timely" budget deficits when the economy supposedly needs a little extra push to realize its full potential—may well be a major contributing factor to the instability of our economy. Indeed, there is surely a relationship between the rapid growth of the national debt and the markedly higher rates of inflation of the last decade.

The new budget process provides the possibility but no guarantee of fiscal responsibility. By requiring the Federal budget to be balanced over any two year period—except in the case of a "grave national emergency"—the resolution introduced today would lend strong support to the attainment of fiscal policies that are more compatible with price stability and overall economic prosperity. Congress would be forced to assert that extraordinary circumstances—whether a threat to our Nation's security or to our Nation's economy—warranted additions to the national debt. This requirement would force elimination of the small—and sometimes not-so-small—budget deficits that have in past years been casually incurred. It would force a thorough consideration and justification of the economic forecasts of impending economic decline on the basis of which budget deficits are often justified.

It is the opinion of the Senator from Kansas that the provisions of this resolution will not unduly restrict the flexibility of economic policies. It will not disrupt the budget process, national priorities, the size of the Federal budget, and fiscal policies can still be debated and determined within that forum. Rather, this resolution could lead to a commitment to bringing the national debt under strict control.

I urge the support of my colleagues in the Senate for S.J. Res. 180.

Mr. CURTIS. Mr. President, I yield 3 minutes to the distinguished Senator from Idaho (Mr. MCCLURE).

The PRESIDING OFFICER. The Senator from Idaho may proceed.

Mr. MCCLURE. I thank the Senator from Nebraska for yielding his time because I wanted to join with him in supporting the constitutional amendment which he has sponsored, and of which I am a cosponsor, and I also wanted to make a particular commendation not only to him for having drafted this constitutional amendment but the great vigor with which he is pushing its acceptance in meetings all across this land.

If there is anything that characterizes the American people of today it is dissatisfaction with the current status of affairs within our country. By every measure that is taken there are more people than ever before who, for one reason or another, feel disaffected by the political processes of this country and, I think, in this area of the fiscal management over lack of management of the affairs of Government their voice is most loudly raised.

They complain about OSHA, they complain about regulatory burdens, but I think fundamentally they are disturbed with a fiscal management that has brought about simultaneous high rates of inflation, high rates of unemployment, high rates of interest, and substantial recession.

The Senator from Nebraska has put his finger on the one most positive action this Congress can take in terms of getting some kind of floor under our fiscal management scheme.

Certainly the Budget Reform Act, of which I was also a cosponsor and supporter, has provided a good beginning on the management of the fiscal affairs of our country, but we have found it far too easy to define an appropriate level of budget deficit, and I suspect in the budget debates that occur this year there will be one major debate and that will be the tradeoff between defense and all other spending, and the other major debate will be very minor in comparison, and that will be what is the appropriate level of Federal deficit.

I think the Senator from Nebraska has pointed the direction toward a solution to this dilemma that will release people who serve in Congress from the bondage of political pressures that they are not men enough to resist, the pressure for promising everything to everyone, for creating programs that provide services to every special interest group in the country without regard to the overall impact of Federal budget deficits that have been created by acts of Congress responding to those political pressures.

This constitutional amendment does not put us in a fiscal straitjacket. It has appropriate safeguards to avoid it. It answers the essential question of how do we, as a free people, operating through a representative form of government, limit the spending desires and the pressures upon people who have shown themselves already in the aggregate to be too weak to resist the pressures. There are not enough men in Congress who have given the kind of service the Senator from Nebraska has given, and it is obvious that the kind of constitutional amendment which he has proposed, and which I fully support, will go the necessary additional step in providing fiscal discipline in our country.

Mr. President, I am pleased to again join Senator CURTIS in cosponsoring our constitutional amendment requiring a balanced budget.

Most of us recognize that budgets are simply plans expressed in financial terms, and as such, their size and scope reflect the extent of the activities undertaken. For this reason alone, the sheer size of the Federal budget, regardless of its deficit or surplus position, is of concern in any democratic society. The Federal budget has not always been as large a factor in our national life, nor has it been, historically, in a deficit position.

In recent years Congress has attempted to achieve control over expenditures and deficits with the enactment of the Congressional Budget and Impoundment Control Act of 1974. In spite of the increased control which this legislation makes possible, it is generally anticipated that the deficit for fiscal year 1976 will exceed $76 billion. It is my opinion that the deficit and our inability to control it are vital issues which have a significant, if unrecognized, impact on our society.

When families or businesses incur repeated and rising operating deficits, bankruptcy inevitably follows. When the Federal Government incurs such deficits, inflation is the inevitable consequence. This current round of inflation marks our fifth national experience with rapidly rising prices. Like our previous rounds of inflation, this one began in a war; but unlike its four predecessors, it has carried over into the postwar period for a substantial length of time. The budget deficits at the Federal level which caused previous rounds of inflation were modest by present standards. Since 1965, we have run cumulative deficits, excluding the current year, of $100 billion, and over 40 percent of the deficit has been financed by printing money. Deficits in a fully employed economy do not stimulate increases in production, but only increases in the price level.

The first step which must be taken requires that we recognize the true cause of our current difficulty. Who is responsible? How can the guilty party be controlled? It is obvious to me that the Federal Government has been the driving force behind our recent price spiral. As proof of this, we have only to consider the attempts the Government has made to lay the blame elsewhere. For example, former Treasury Secretary Connally indicated his position when he said:

> We are all causing inflation through our greed. We are all so greedy in competing for goods and services that we are, through competition, driving up prices.

In this view, rising expectations and free markets are the ultimate source of inflation. Herbert Stein, just prior to his retirement from the Council of Economic Advisers, reinforced this view by indicating that the American people were responsible for rising prices. Others have viewed high interest rates and inflation as an outgrowth of a lack of competition among banks. This view is especially exciting since it demonstrates an ignorance of both history and banking. This scapegoating activity at the Federal level has reached an ethical low which should not be tolerated by labor, business or the American people.

The principal culprit in our current economic difficulty is the Federal Government. The sure, but painful, cure for inflation and the inflation-caused recession is simply to slow the rate of growth in the money supply. Unfortunately, this cannot be done without the elimination of recurrent high-employment Federal deficits. In turn, deficits cannot be controlled until we recognize two facts: First, money expenditures do not solve social problems; and second, more money spent on a bad idea will not make that idea good.

As long as government at all levels continues its attempts to regulate an ever larger sphere of private activity and for as long as legislation continues to be responsive but irresponsible, the size of the budget and its corresponding deficit will increase. The purpose of this proposed constitutional amendment is to insure that growth in Federal expenditures and activities is matched with a willingness on the part of taxpayers to approve and fund that growth. It is my personal belief that when people recognize that there is no free lunch and when the costs of government are clearly known to them, they will vote for less government and more private responsibility.

Mr. **CURTIS**. Mr. President, I ask unanimous consent that all speeches with reference to the constitutional amendment to balance the budget appear at the same place in the RECORD following my speech, and that all statements printed in the RECORD on that subject appear in the same place.

The **PRESIDING OFFICER**. Without objection, it is so ordered.

Mr. **CURTIS**. I yield back the remainder of my time.

ADDITIONAL STATEMENTS SUBMITTED ON INTRODUCTION OF S. J. RES. 180

NEED FOR A BALANCED BUDGET

Mr. **FANNIN**. Mr. President, it is with utmost concern that I join with my colleagues in support of the Senate joint resolution for a proposed constitutional amendment mandating a balanced Federal budget, except in case of national emergency declared by Congress. As I have expressed in the past, I am deeply concerned about the present and future financial integrity of the United States. It is clear to me that our economy cannot stand much more of the wild, fiscally irresponsible policies which have emanated out of Washington during the last 15 years. The giant spending machine which this Congress has promoted has reached the point of being uncontrollable. Political commitments and automatic formula increases have expanded the Federal budget at a truly incredible rate.

A brief look at the history of our Federal budget is in order, especially in light of the fact that we have experienced only one balanced budget since 1960. I ask unanimous consent to have printed in the RECORD table I, a table entitled "Unified Federal Budget Surplus or Deficit in Relation to GNP 1954–1977."

There being no objection, the table was ordered to be printed in the RECORD, as follows:

TABLE 1.—UNIFIED FEDERAL BUDGET SURPLUS OR DEFICIT IN RELATION TO GNP, 1954–77

Fiscal year	Budget surplus (+) or deficit (—) (billions)	Budget surplus (+) or deficit (—) as percent of GNP: Annual	Budget surplus (+) or deficit (—) as percent of GNP: 3-yr moving average (centered)
1954	—1.2	—0.3	
1955	—3.0	—.8	—0
1956	+4.1	1.0	.3
1957	+3.2	.7	.3
1958	—2.9	—.7	—.9
1959	—12.9	—2.7	—1.1
1960	+.3	.1	—1.1
1961	—3.4	—.7	—.6
1962	—7.1	—1.3	—.9
1963	—4.8	—.8	—1.0
1964	—5.9	—1.0	—.7
1965	—1.6	—.2	—.6
1966	—3.8	—.5	—.6
1967	—8.7	—1.1	—1.5
1968	—25.2	—3.0	—1.2
1969	+3.2	.4	—1.0
1970	—2.8	—.3	—.7
1971	—23.0	—2.3	—1.6
1972	—23.2	—2.1	—1.9
1973	—14.3	—1.2	—1.2
1974	—3.5	—.3	—1.5
1975	—43.6	—3.0	—2.7
1976[1]	—76.0	—4.8	—3.4
1977[1]	—43.0	—2.3	

[1] Estimate.

Source: U.S. Treasury, Office of the Secretary.

Mr. **FANNIN**. Mr. President, table I reflects that we had a balanced budget in 1969. The deficits were quite small until they jumped to $23 billion in both fiscal 1971 and 1972, in good part as a consequence of the recession at that time. Then after declining with recovery to a recent low of $3.5 billion in fiscal 1974, the deficit soared to the current "horrendous" levels of $43.6 billion in fiscal 1975, about $76 billion in the current fiscal year an unknown but big amount expected in fiscal 1977. There can be little doubt that the continuation of such deficits must certainly feed a fiercely burning inflation. Not only the elderly and the retired will be ruined by such reckless spending, but every citizen will suffer.

If we look at the relationship of the deficit to inflation we find that the inflationary impact of a budget deficit depends in large part on how it is financed. If private investors buy the new Treasury debt, there is no more spending power in the economy than there was before and the deficit is not inflationary. But, if the Federal Reserve System directly or indirectly finances the deficit, it adds to the Nation's money supply and thus sets the stage for inflation. Infla-

tion diminished in 1975 since the Treasury was able to raise a record amount of slightly over $80 billion by selling new securities. It is possible that Treasury may be able to meet its demands in 1976 out of total national savings and somewhat enlarged supply of bank credit, but we cannot be certain at this time that such borrowing will not be at the expense of productive private borrowing, chiefly by business. Some analysts indicate that a large Federal deficit this year will be harder to finance without a crowding out effect on business as normal business short-term borrowing resumes.

Mr. President, I ask unanimous consent to have printed in the RECORD table 2, which is entitled "Net Funds Raised in the Securities Markets by Major Sector," and this includes the years 1960 through **1976**.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

TABLE 2.—NET FUNDS RAISED IN THE SECURITIES MARKETS BY MAJOR SECTOR

[Fiscal years; billions of dollars]

	U.S. Treasury [1]	Federal and sponsored agencies [2]	Total Federal sector	State and local [3]	Corporation and foreign bonds [4]	Total securities	Federal sector as a percent of total	Government sector as a percent of total
1960	.8	1.6	2.4	5.7	4.9	13.0	18.6	62.4
1961	2.0	-.2	1.8	4.9	6.3	13.0	14.0	51.8
1962	8.8	2.2	10.9	6.0	5.7	22.6	48.4	74.7
1963	6.4	1.0	7.4	5.5	6.2	19.2	38.7	67.5
1964	2.7	1.5	4.2	5.2	6.4	15.8	26.5	59.6
1965	3.1	2.2	5.3	6.9	7.9	20.1	26.3	60.6
1966	-1.0	6.8	5.8	7.3	10.9	24.0	24.1	54.5
1967	-.6	2.7	2.1	6.0	13.0	21.1	9.8	38.5
1968	18.2	5.6	23.8	7.2	16.4	47.4	50.3	65.5
1969	-1.9	5.8	3.9	12.0	15.9	31.8	12.2	50.0
1970	6.8	8.2	15.0	9.7	16.8	41.5	36.2	59.4
1971	20.5	2.8	23.3	15.0	27.5	65.8	35.3	58.2
1972	19.6	8.7	28.3	15.6	21.7	65.6	43.1	66.9
1973	18.5	14.4	32.9	12.6	15.4	60.9	53.9	74.7
1974	2.1	21.3	23.4	17.0	17.4	57.7	40.5	69.9
1975	51.9	15.8	67.7	16.8	33.5	117.9	57.4	71.6
1976	[6] 87.5	14.3	101.8	14.0	25.1	104.9	72.2	82.2

[1] Net increase in marketable and nonmarketable bills, notes and bonds. (Includes Federal Financing Bank.)

[2] Increase in bills, notes and bonds of budget and sponsored agencies. Includes GNMA pass-throughs.

[3] *Increase in* notes, bonds and Government loans.

[4] Increase in bonds and notes with original maturities of more than 1 year.

[5] Includes State and local as part of government sector.

[6] Estimate.

Source: Fiscal year 1960-75 data based on Federal reserve flow of funds accounts (which show net changes in outstandings).

Mr. FANNIN. Mr. President, I ask unanimous consent to have printed in the RECORD a statement made recently by the Honorable William E. Simon, Secretary of the Treasury, before the Senate Committee on the Budget in which he sets the record straight on the meaning and significance of "crowding out".

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

CROWDING OUT—SETTING THE RECORD STRAIGHT

(By William E. Simon, Secretary of the Treasury)

There clearly exists some misunderstanding about the meaning and significance of the so-called phenomenon of "crowding out." In essence, there is the idea that since financial collapse has not yet occurred, then the whole issue is misleading. This is wrong. What has occurred is a focussing of attention on short-run improvements in financial markets (associated primarily with the worse recession since the 1930's) and an ignoring of what happens longer-term as the economy moves back toward fuller capacity under conditions of repeated huge sized government budget deficits.

No matter how viewed, the inescapable fact is that with reasonably full use of capacity, more resources claimed by the government *must* mean less for the private sector. Huge deficits which take the lion share of credit flows will eventually push out the weaker private areas—specifically potential home owners, small businesses and even larger companies who do not have a superior credit rating. This in turn will hurt real growth, deprive our workers of adequate productive tools, frustrate the achievement of our longer-term economic needs, and further misallocate our scarce resources. (This was pointed out repeatedly in prior testimony, e.g., January 25, 1975, before the House Ways and Means Committee.

1. Interest Rates. Interest rates have declined over the past year or so as would be expected during a recession. High-grade bond rates have fallen from a peak of about 10.5% in mid-1974 to around 8.5% today. Yet this drop cannot be taken as sufficient evidence that credit is ample and more importantly that credit will remain ample to support a lasting business recovery. This cost of long-term funds is still very high historically. (Such interest rates ranged between 2%-6% from 1865–1965—a period containing serious wars, depressions, financial panics, business booms and other assorted economic extremes.) The combination of sustained high Federal government financing, of a growing demand for private financing as the expansion proceeds and of a Federal Reserve policy which must eventually moderate in generosity (to avoid rekindling inflation) points to a level of interest rates and availability of funds for private areas which are not consistent with our long-run needs. Total government borrowings this fiscal year will absorb a record 82% of funds available in the securities market; this percent eventually must be sharply reduced or else some private areas will have to go without.

2. Availability of Credit. Funds are more readily available to more sectors of the economy today, but again this too reflects the cyclical slack in the economy and not the longer-run secular forces at work here. In the first quarter of 1975 about 5% of all new bond issues were Baa-rated or less. By the fourth quarter, it was almost 10%. (This is still below rates close to 20% at times in 1971 and 1972 however.) More lesser-rated companies are able to finance today.

Unfortunately, a lot of these bonds are for shorter duration—5–7 year maturity as opposed to 20–30 year maturity which was the norm not too long ago. This will raise problems in the future since the companies will have to refinance more frequently (referred to as the "rollover" problem in point 4 below). The most important issue immediately ahead is whether such lesser rated companies will continue to find the necessary funds to sustain the economic advance. When credit markets eventually tighten (as is inevitable), problems of credit availability will occur and their severity will be directly proportional to the relative borrowings of the government.

3. Financing of Deficit. The relative "ease" with which the Federal government financed the deficit in 1975 should not be viewed as a normal state of affairs. The fact is that private needs for credit were low because of the recession but as the recovery gains momentum this year, private credit needs will rise. For example, total short-run business borrowing declined in 1975 by about $14 billion; this year it is expected to rise by about $20 billion which is a swing of almost $35 billion. What this means is that there will be a much higher need for total credit in 1976 than in 1975 and eventually some private areas will be squeezed. This is why it is imperative to take steps now to limit the rise in Federal government spending (up almost 40% in just two years time). Not only is future flexibility lost if this cannot be accomplished but the deficit will remain huge and some private areas will not be financed.

4. Financial Structure. Over the past decade there has been a strong trend towards a much more leveraged and brittle structure of corporate balance sheets. Debt has roughly tripled, liquid assets have declined relative to liabilities, and the debt-equity ratio has about doubled. Sustained high Federal budget deficits will eventually create pressures in financial markets that will cause difficulties for lesser-rated companies (in

terms of debt rollover) let alone leave sufficient credit for expansion needs.

5. Capital Formation. Several studies clearly point to a much heavier need for investment over the next several years if there are to be enough jobs for a growing labor force, a healthier environment for our people and a higher degree of energy self sufficiency in the United States. (The share of business investment in GNP must increase from an average of 10.4% over the past 10 years to 12.0% for the rest of this decade—an historically unprecedented change.) Sustained high Federal budget deficits will automatically frustrate the fulfillment of those capital needs by depriving many, many private areas of needed financing to build the new factories and buy the advanced machinery. The real dimension of crowding out becomes much more persuasive and severe the further ahead we look.

Conclusion: Crowding out is a genuine problem whose major economic impacts will occur ahead if something is not done about excessive Federal budget deficits caused by too rapid a rise in government spending. The serious nature of this issue should not be masked because of the impacts of a recession. If steps are not taken to exercise better fiscal control, some areas in the private sector will go without needed financing; capital formation will be less than desired; and our serious unemployment and inflation problems will be that much further from a satisfactory resolution. The following excerpts from Professor Paul McCracken's article on the January 8 editorial page of the *Wall Street Journal* is a well articulated discussion of budget deficits and the phenomenon of "crowding out":

"There is here, however, a more substantive problem. It is the failure of conventional fiscal policy wisdom to face the full implications of the fact that an increase in the federal deficit, from accelerated spending or more tax reduction, must be financed. And the added funds that the Treasury must then borrow are funds not then available to others in the market for financing. . . .

"Markets have, of course, substantial capacity for accommodating to changes in demands, and effects on other borrowers of swings in budget deficits of modest proportions will not be large. When, however, the U.S. government had to raise funds at the rate of $81 billion per year in the first half of 1975, after a $5 billion pace a year earlier, the 22% decline in money for home and commercial mortgages during that period can hardly be assumed to have been an entirely unrelated development.

"The question was never whether a large deficit would cause a disintegration of financial markets, or a collapse of capitalism, or some other catastrophe of draconian proportions, though some have pointed to the absence of such cosmic disaster as evidence that the "crowding out" theory was wrong. The point is the quite common sense one that in financial markets where demands for funds are active, and this is apt to characterize 1976, other claimants for funds will get less than if the large Treasury requirements were not present in the market. The financing "loop" of fiscal policy must be closed.

"This all carries with it some implications for budget strategy in 1976. Within the limits of fiscal discipline that the political process can muster in a quadrennial year, the Congress and the President can continue efforts toward regaining better control of spending without having to worry about the net adverse effect of this fiscal restraint on the economy. Dollars not borrowed by the Treasury will be put to work by other claimants in the money and capital markets. And housing would be a major beneficiary of the easier financial markets that would result. The basic 1976 trend for interest rates, in fact, is more in the hands of those who manage the budegt than of the Federal Reserve."

Mr. FANNIN. Mr. President, of further concern is the impact of a budget deficit on capital formation. Over the past year studies have shown that the United States faces a huge shortage of capital in the years ahead and that the need for capital could be met provided the Government began to run a budget surplus once reasonably full employment is restored. However, it appears that the continuing high rate of unemployment and large budget deficit projected for 1976 are inflationary and should be avoided.

While U.S. economic growth may be more modest than that of our European trading partners, it should be pointed out that in addition to the slowing down most have more recently experienced, their continued expansions have been at the expense of price stability. Our inflation rate has been considerably below those of other major industrial countries. The United States has had to devote a far greater share of its real resources to national defense since World War II than those of other nations.

Mr. President, I ask unanimous consent to have printed in the RECORD a table entitled "Inflation Rates in Selected Countries."

There being no objection, the table was ordered to be printed in the RECORD, as follows:

INFLATION RATES[1] IN SELECTED COUNTRIES

[Percent increase]

	1960–72 average	1970	1971	1972	1973	1974
United States	2.9	5.5	4.5	3.3	5.6	10.2
Canada	3.4	4.8	3.1	4.8	7.6	13.0
Japan	4.8	6.7	4.6	5.0	12.1	24.0
United Kingdom	4.9	7.3	8.9	7.8	7.4	11.0
France	4.5	5.6	5.4	5.7	7.6	10.0
West Germany	4.0	7.0	7.9	6.0	5.8	6.5
Italy	4.8	6.7	6.7	6.0	10.3	15.2

[1] Entries refer to GNP deflators.

Source: "International Economic Report of the President, 1975" table 4.

Mr. FANNIN. Mr. President, in light of this trend and its adverse effects upon our economy, it is imperative that we require a balanced budget.

I am a fiscal conservative. I make no apologies for my fiscal conservatism. I am also an economic realist. I realize full well that in a period such as we are experiencing coming out of a recession, particularly when unemployment is high, the Government has an obligation to do what it can, reasonably and within certain fixed limits, to stimulate and expand the Nation's economy and to help foster jobs for the unemployed. But I also realize that the problems that we have found ourselves in lately, with high unemployment accompanied by high inflation, provide good evidence that the old spending formulas of the past have not been working. In fact, the fiscal and monetary policies followed by successive administrations and successive Congresses have led us to our recent economic troubles and may, if continued, lead us to future cycles of chronic unemployment and inflation and future recessions of even greater proportion and impact on our taxpayers.

Many of my colleagues in the Congress have long prided themselves on being full-fledged Keynesians, supporters of the principles of the late economist John Maynard Keynes. The problem is that they have followed only one-half of the Keynesian theory. In bad economic times these members want the Federal Government to follow generous fiscal policies and spend the people's hard-earned tax moneys on programs designed to stimulate economic recovery. But when we enjoy good economic times, these same congressional Keynesians are reluctant to end those programs or cut back Federal spending to acceptable levels. Proposals for reducing the budget deficit or planning for a budgetary surplus are never even considered.

The result has been that we always find ourselves deeper in debt and beset by higher inflation. As a result of the unbroken process of huge Federal budgets and resulting deficits during the past decade, we find ourselves in an unusual and troubling situation.

The turning point in the economy came around April ending the most severe recession since World War II. Final sales, real gross national product and industrial production have shown solid gains and give us all considerable optimism for further progress in output growth. Significant improvement also has been made in reducing the rate of inflation and expanding employment opportunities. This is an impressive turnaround from the situation which *prevailed* 1 year ago. Despite this progress, we must not become complacent. Inflation and unemployment remain serious problems. Embedded in the present recovery are risks which must be watched closely. If inflation should escalate which could easily be brought on by increased Government spending and the failure of this Congress to hold its spending in proportion to its revenues, it will bring on severe problems that ultimately could halt the recovery. We then would repeat the pattern of inflation-recession-unemployment of the last several years, but with even more serious consequences.

Throughout much of the past 15 years, the concept that the U.S. Government must continually intervene to stabilize the economy has come to dominate policy decisions. However, because of the lagged impact of fiscal—and to a lesser extent, monetary—stimulus, such actions have often been counterproductive and have accentuated rather than stabilized fluctuations in the business cycle.

The proper role of government is to create an environment for sustained, orderly and durable economic growth through its fiscal, monetary, and regulatory policies. With respect to fiscal policy, the beginning is the budget.

It is my opinion that the majority of our Nation's taxpayers support limiting Federal expenditures to Federal revenues as a means by which to limit the recent phenomenal growth of the budget and bring fiscal responsibility to Washington. It is clear to me as it is with a growing number of my colleagues that the Federal Government must take affirmative steps toward gaining control over spending. New Federal programs joined with an increasing number of automatic funding increases have hurled Federal spending to a projected $394.2 billion in fiscal year 1976.

The Congressional Budget Office estimates that it would cost roughly $425 billion in fiscal year 1977 for current Federal programs. Those who claim that the President's proposed budget is both unrealistic and too restrictive, and who support a mixture of program recommendations adding up to total outlays between $412 billion and $418 billion claim that additional spending stimulus would boost employment, trim inflation and boost Federal revenues to the extent that the resulting deficit of about $60.5 billion would be the same as the deficit they predict actually will result from administration policies.

What they fail to realize is that this is the same direction that this Congress has been taking over the last two decades which produced the rise in inflation and the loss of productivity and increase in unemployment that we are now faced with today. Surely we should have learned by this time that we must call a halt to this Government spending.

As Government expenditures have increased, so has its share of our society's total resources. Our society cannot stand more of this irresponsible action on the part of the Federal Government. Positive steps must be taken now to provide a mechanism for restraining expenditures. I commend my colleagues for adopting new budgetary procedures. However, the defect in the new procedure is the remaining problem that expenditures are not required to equal tax receipts. There is an urgent need to do more. We must provide a mechanism which will insure that our expenditures will not surpass our revenues. The time has come to call a halt to the fiscal irresponsibility that we have experienced over the last 15 years.

Numerous State governments and leading industrial nations have operated successfully on a pay-as-you-go basis. There is no reason why the U.S. Government cannot do the same.

While there is substantial money currently available for private lending, there will be a genuine credit crunch in coming months if Federal borrowing continues and Government spending programs are not brought to a halt.

Let me reemphasize that while there are differences of opinion on this point, many economists and businessmen believe our economy will be on the upswing by the end of this year. Private credit demands will certainly rise as a matter of course, but the lack of borrowing capacity will have serious detrimental effects on economic recovery. This "crowding out" of private capital is a problem which we have not faced squarely.

Many have expressed the attitude that a carefully directed monetary policy by the Federal Reserve System can avoid any such crowding out of credit resources. I cannot agree with this view. It is true that the Federal Reserve has been able to monetize a substantial portion of our previous deficits as they were incurred. The banking system, however, can manage only a certain portion of any sizable deficit. This leaves the Treasury no choice but to enter into the private money market and absorb virtually all available private funds. What money they cannot find there must be run off the Government printing presses. Funds borrowed by the Government are no longer available for the private sector. When industry cannot find capital to borrow, it cannot expand operations or modernize plants and equipment. When businessmen cannot expand or modernize, America's workers cannot find new jobs, in fact, they may lose their jobs, and the once dynamic American economy stagnates.

We must avoid abrupt and excessive changes in Government expenditures. No matter how well intentioned, such sharp swings in spending tend to accentuate rather than stabilize the business cycle and serve to increase the uncertainty of developing policies to meet future needs. In turn, this uncertainty is felt in the consumer markets, in the markets for capital goods, and in financial markets.

In addition to Government expenditures, I am concerned with the size of the chronic Federal deficits, particularly the negative impact on financial markets and capital formation. The traditional view of the Government's role in the business cycle was that deficits would be recorded in periods of economic slack, but that surpluses would occur in periods of above-average economic activity. As a result, savings would be available to the private sector for the capital formation necessary to sustain the economic advance in real terms. Obviously this has not occurred in recent years where we have had deficits in periods when there is less than full utilization of our resources.

These deficits, of course, need to be financed and such financings in periods of prosperity hurt the economy. They place the U.S. Treasury in a position of preempting private investors. The recent avalanche of Treasury securities has created distortions in the traditional patterns of funds being raised and this has contributed to making our financial markets less efficient in recent years in channeling the savings of society to investment opportunities. As a result, capital formation is impeded.

Furthermore, deficits cumulate over time. Total Federal debt has increased from $329.5 billion at the end of fiscal year 1966 to an estimated $633.9 billion at the end of fiscal year 1976—a rise of 92 percent in only 10 years time. Over the past 10 years the average maturity of the debt has declined from 5 years, 3 months to 2 years, 5 months. What this means is that the U.S. Treasury must be a more frequent visitor in financial markets simply to roll over outstanding securities let alone to raise funds for current deficits. In this fiscal year—1976—the U.S. Treasury will absorb over 70 percent of all moneys in the securities market; government at all levels will absorb 80 percent. This percentage must be sharply reduced as the economic advance continues or else some private areas will have to go without.

This problem of "crowding out" becomes far more critical of course as the recovery progresses and the financing needs of the private sector intensify. If deficits remain large, the Treasury, by being first in the credit line, will always get its needs financed but in so doing may make it difficult for companies with less than a prime financial rating to obtain the financial resources they need at acceptable interest rates.

Moreover, as annual interest payments grow with increases in the total debt, fiscal flexibility is eroded further. The "uncontrollable" outlay of over $45 billion in fiscal year 1977 is the third largest item in the budget. It puts pressure on the total budget, which in turn means that programs must be displaced or tax reductions foregone.

The size of the deficit also affects the rate of capital formation in the private sector, and this is a matter of great concern. As the recovery progresses, private capital investment needs to increase to sustain the recovery. In the next decade, the need for increased capital formation is extremely large. This need has been carefully documented by the Treasury, by numerous outside studies, and, most recently, in chapter 1 of the Economic Report of the President. If we are to meet our goals for increased employment and productivity in a noninflationary environment as well as our environmental, safety, and energy goals, we must have an increase in the rate of national savings and private direct investment relative to the total GNP.

The achievement of our capital formation goals depends on the necessary expenditures being financed in the private sector. In turn, the adequacy of capital flows depends on the savings of society being less and less used to finance Federal expenditures and more and more focused on capital formation. This is the only way we can sustain a durable recovery over the long run and bring down the level of inflation. If the private sector is unable to finance capital formation because of the huge demands on savings by the Federal Government and because of the resulting strains and distortions introduced in financial markets, the boom-and-recession sequence of the last decade may be repeated. Therefore, it is imperative that we reduce the Federal deficit and work toward budget surpluses as the recovery progresses.

I was pleased to note an editorial in the Phoenix Gazette on March 6, 1976, which reflects the need for adopting an amendment to the U.S. Constitution that would bring about a balanced Federal budget. I ask unanimous consent that the editorial be printed in the Record.

There being no objection, the editorial was ordered to be printed in the Record, as follows:

A Stopper on Deficits

Legislatures in eight states have adopted a resolution which asks Congress to submit for state ratification an amendment to the U.S. Constitution that would prohibit federal deficit spending and petitions for a constitutional convention.

Twenty-six more states would have to pass like resolutions for the call to take effect. At least six states are considering the amendment question and five more plan to look into the matter next year. In Arizona, the resolution, sponsored by Rep. Donna Carlson and 36 others, recently cleared the Government Operations Committee.

Opponents of the resolution are quick to point out that a constitutional convention could not be held to one subject, that it could rewrite the whole Constitution. Whatever changes would be proposed, they would have to be ratified by three-fourths of the states to become effective.

In Georgia, one of the states that has adopted the resolution, State Sen. Julian Bond, a black, declared that "they could repeal the first 10 amendments (the Bill of Rights)". In another state that has adopted the resolution, Nebraska, the lone black legislator, Sen. Ernest Chambers, agreed with Bond, asserting that "if there is a convention, the internal struggle will destroy the country."

Perhaps. On the other hand, it can be argued that if the objective of the resolution is not achieved—namely, putting a stop to federal deficit spending—the country is a lot more likely to be destroyed.

The federal debt stands at $584 billion and is growing at an accelerating pace. It appears bound to top a trillion dollars by 1984, if the nation hasn't already been destroyed by then.

Should the nation sink in a sea of red ink, the civil rights of blacks, and almost everyone else, would be in much greater and more immediate danger than they ever would be from a constitutional convention.

The state resolution approach appears to be the only hope for forcing fiscal sobriety on the national government. Congress is incapable of taking the pledge on its own. Maybe the threat of two-thirds of the states requiring Washington to call a constitutional convention will be enough to make the national politicians pay more than lip service to a balanced federal budget.

Mr. FANNIN. Mr. President, I shall not dwell any longer on economic theory or practice, but I would like to call the attention of my colleagues to the need for this constitutional amendment and urge that each of you give serious consideration to this matter before us.

Inflation is the most potentially destructive, the most dangerous problem we face. We owe those on fixed incomes, the elderly, the retired, that they not face a ruinous future. We owe the coming generation that they receive from our hands a country of promise and expanded possibilities, not a land in which all solid values have melted away in the fires of inflation. It is not merely whether prices have gone up or down during the past few months that should engage our attention, it is the overall upward trend of inflation. A constitutional amendment to require a balanced Federal budget will be a critical factor in reversing the direction of this trend.

Mr. HELMS. Mr. President, I am pleased to cosponsor with the distinguished Senator from Nebraska (Mr. Curtis) a constitutional amendment to require that the Federal Government operate on a balanced budget.

Year after year we have witnessed the vast deficits in the Federal budget consisting of billions upon billions of dollars—money that we do not have, but that the Congress continues to spend. I suggest to my colleagues that one day the bill is going to come due, and the size of the bill will be truly gigantic.

On March 5, 1975, the exact amount of the national debt was $498.7 billion. A year later, on March 5, 1976, the national debt had grown to $593.8 billion—an increase of $95.2 billion in just 1 year.

During that same year, the interest on the national debt increased from $32.7 billion to $37.7 billion, an increase in interest payments of $5 billion in just 1 year.

Not only is the Congress saddling the next generation with a monstrous debt that will burden them throughout their lives, but the Congress is with equal certainty causing serious damage to our economy right now. Surely, I need not remind my colleagues of the ever-increasing price of just about every commodity one can possibly imagine, including the necessities of life such as food, shelter, and clothing. Who is so blind as to ignore the obvious truth that this spiraling inflation is the offspring of deficit Federal spending.

For many years now—longer than the Senator from North Carolina cares to remember—the Congress has been living today on tomorrow's income.

I mentioned that the interest alone on the national debt is approximately $32.7 billion. That works out to be $62,214.58 a minute in interest, or $1,036.91 every second of every day.

Where will it end? The answer is obvious. If action is not taken in this Senate Chamber to stop deficit spending and emancipate our fiscal policies from the economic theories of John Keynes, we are headed for economic disaster. The American people know it; the polls show it. Their faith in the much-lauded economic recovery is weak, and they have no confidence in the ability of the Federal Government and their elected representatives to deal responsibly with the problems facing the Nation.

In the interest of candor and honesty, let the Senate level with the American people for a change and admit that it is Congress which has created our current economic instability and inflation and that it is only Congress that can do something about it. To be sure, it is not pleasant to contemplate one's own folly; but I for one believe that it is time for Congress to say to the American people: "Yes, we caused this spiraling inflation—we and our predecessors, who led the Government of the United States into the swamps of deficit spending and, what is worse, led the American people to believe that the swamps were a good place to be."

Before we become more deeply mired, let us turn to commonsense and simple arithmetic for an honest solution to our problems. Any real solution must address the real cause of the problem, and not just the symptoms. Any budget that falls short of a balanced budget falls short of our goal of economic prosperity without inflation.

We must balance the budget, and we must resolve that it will remain balanced in future years. There is no better way to insure a balanced budget than by writing such a requirement into the Constitution, the highest authority of law. Let the legacy that this generation leaves to the next be one of a strong America built on a sound foundation of fiscal responsibility and not the pitiful sight of an inflation-riddled land whose currency is disdained by the nations of the world as being no more than the paper remnants of a once proud people.

INTRODUCTION

Mr. HRUSKA. Mr. President, I am greatly pleased to join my distinguished colleague and fellow Nebraskan, Senator Curtis, in cosponsoring this resolution calling for a constitutional amendment compelling a balanced Federal budget except in times of grave national emergency. Senator Curtis is to be commended for his persistency and leadership in keeping this question before Congress and the American people.

Deficit spending has been fashionable during the last four decades. Leaders of our Government have all too often heeded the advice of liberal economists who argued that the Government could be used to "fine tune" the economy. Liberal economists have shown themselves to be very poor political scientists. Our recent experience with inflation and recession have shown that the Government cannot "fine tune" but that instead the Government causes, rather than cures, economic problems.

Mr. President, I shall first detail why deficit finance causes many more problems for the economy than it solves. Second, I shall explain the severe difficulties deficit Federal finance causes State and local governments. Finally, I shall turn to the reasons why a constitutional amendment is required if we are to have a balanced budget.

THE IMPACT OF DEFICIT SPENDING ON THE ECONOMY

Mr. President, the argument for deficit spending rests upon the truth of two propositions. I believe history has shown both propositions to be false. First, the modern, industrial economy working under the rules of free enterprise suffers from frequent bouts of severe, sustained unemployment. Second, the Government possesses the machinery and the wisdom to cure the bouts of unemployment without causing more serious problems in the process. If either or both of these propositions is false, then the case for deficit spending collapses.

History does appear to show that the free enterprise system is subject to periodic economic contractions, including contractions in employment. The vogue of deficit spending began with the Great Depression. Yet, there is increasing evidence that the Great Depression evolved from a temporary setback into a lasting disaster not because of the failures of free enterprise but because of the mistakes of Government policy. The Federal Reserve System permitted and encouraged the wholesale reduction of the money supply and the Federal Government frustrated necessary price adjustments under the erroneous belief that if prices were kept high incomes would be maintained. It was overlooked that when consumers feel a price is too high, the maker of the product receives no income despite the high price because the product is not sold.

Our recent experience with recession and inflation reinforce the view that the Government is the problem, not the cure. The roots of our present inflation are found in the mid and late 1960's when expenditures for social programs and the Vietnam war were increased without corresponding tax increases. As a result, increased aggregate demand and the associated money growth resulted in more money chasing the same amount of goods. The inevitable result was inflation. In the attempt to cure the inflation contractionary policies were followed.

The result of these policies was recession. Before the inflation was ended, Government leaders once again resorted to expansionist policies to end the recession. This "stop-go" cycle has been repeated several times with disastrous results. President Ford has been doing his best to follow a steady course and end this cycle, but the Democratic majority in Congress is determined to see the cycle continued through yet another round.

When the Government runs a deficit, it must either print more money or sell bonds. We have been doing both on a massive scale. Each method exacts a heavy price.

Adding to the money supply fuels inflation directly. Inflation is far more burdensome than a straightforward tax because consumers and businessmen cannot efficiently plan for the future. They do not know how big the bite is going to be.

When the Government sells bonds, interest rates rise. Private investment in capital equipment falls. Jobs are lost.

As we know, deficit finance creates the illusion that Government programs do not have to be paid for. Because the programs must be paid for at least indirectly, it would be far better to know the price tags in advance. A mandatory balanced Federal budget will force the cost of Government out into the open. The cost will not be disguised behind inflation, fewer jobs, higher interest rates, and recession.

THE EFFECT OF DEFICIT FINANCE ON STATE AND LOCAL GOVERNMENTS

Mr. President, State and local governments have experienced spectacular growth in the last two decades; and Federal stimulation has been the major cause. From 1952 to 1972 State and local expenditures increased by 550 percent, from $25.2 to $164 billion. During the same period State and local government debt rose by $145 billion, despite the fact that all of the States now require balanced budgets. Federal grant-in-aid programs, at levels made possible only by Federal deficits, currently represent on the average 30 percent of State budgets. Because many of these programs require State matching funds, State budgets, and State taxes steadily increase. And because the States cannot finance related capital expansion projects from current receipts, debts increase as well. The situation facing New York City illustrates clearly the cumulative impact of years of excessive Federal stimulation on State and municipal budgets.

Heavy Federal financial stimulation has had other more specific implications for the States. Federal grant-in-aid programs still largely tend to serve narrow categorical purposes despite our progress toward block grants and revenue sharing. The ease with which the Federal Government can generate expenditures does not encourage long-range planning. Maintenance-of-effort requirements in Federal programs have enabled the Federal Government to lower its contributions to national programs while the States, to continue receiving the reduced Federal funds, must increase their expenditures to maintain the level of effort of the preceding fiscal year.

The States have not remained silent in the face of these Federal practices which can be traced directly to deficit financing.

Idaho memorialized the Congress on behalf of deficit limits in 1963 as did Oklahoma in 1974. This year Arkansas, Mississippi, and Virginia presented memorials to prohibit deficit spending.

The National Governors Conference reports that several State legislatures are now considering memorials on behalf of a balanced Federal budget.

State Governors and State legislators are beginning to act in concert on this question. On August 1, 1975, the Southern Legislative Conference of the Council of State Governments at its 29th meeting at Williamsburg, Va., adopted this resolution:

> The Southern Legislative Conference of the Council of State Governments respectfully petitions the members of the Congress of the United States to take affirmative action and place before the States a constitutional amendment which would require a balanced Federal budget, except in terms of a national emergency declared by the President and concurred in by Congress.

On September 15, 1975, at Atlanta, Ga., the Southern Governors Conference adopted a resolution stating:

> We endorse the concept of a Federal constitutional amendment requiring a balancing of the Federal budget within a specific multiyear period, providing for a temporary suspension during war or national economic emergency, with such temporary deficit to be repaid within a period of 20 years, and providing for the granting of standing to any State to bring suit to secure compliance with the amendment.

The memorials and resolutions received merely underscore the need to respond now in Federal terms. I do not believe it is proper for the Congress to address the question within its own walls. The sovereign States are speaking out and a Congressional response is imperative.

WHY A CONSTITUTIONAL AMENDMENT IS REQUIRED

Mr. President, liberal economists think Government should be able to raise taxes or lower spending according to the demands of their theoretical models. Economists forget that politics is even more an art than economics. It is only human for people to view those Government programs which benefit themselves as being necessary while categorizing as wasteful those programs benefiting others. As a result, one of the failings of our Government, when it intervenes in the economy, is the virtual inability to end programs or even to prevent them from growing once they begin. Human nature and the fact that politicians do in fact respond to the wishes of their constituents are sufficient to predispose Government to overspend. An amendment to the Constitution is required to provide the self-discipline necessary to prevent Congress from overspending.

With such an amendment every proposed program would have to pass muster with the taxpayers. If a program's benefits do not promise to cover its costs, it will not be approved. This will mean less Government spending, a desirable result, in my opinion. The economy will be spared the damage from unnecessary rounds of inflation and recession. These problems will not disappear, but at least Government will stop adding to them.

A clear requirement to balance the budget is needed to end this Nation's drift toward a regimented society. This is the most important reason why an amendment is needed. Free expression in the marketplace is reduced under deficit spending because Government controls are invariably called upon to deal with the destabilizing effects of the deficit. Economic freedom, along with political and religious freedoms, is basic to liberty.

Mr. GARN. Mr. President, I am happy today to join once more with my colleague, the distinguished Senator from Nebraska, in introducing a constitutional amendment requiring that the budget of the United States be balanced.

This action comes at a time when it is increasingly recognized that the conventional economic wisdom, shot through as it is with the travesties of Keynes, cannot solve our current economic crisis. Our economy will face, over the next few years, an unparalleled need for new jobs, both to put the unemployed back to work and to absorb new members of the work force. There is no evidence that the traditional democratic response to this need, more Federal spending, will work. I repeat, Mr. President, there is no evidence. None. We have, in the last 3 or 4 years, been reaping the bitter fruits of that thinking, and I am overjoyed that the President has resisted it. I commend him for his courage, and pledge him my support so long as he follows that course.

Most of our present-day economists see tax-cutting as a method of stimulating demand, which will then encourage increased production putting people back to work. I happen to think that this formulation is exactly backward. I believe that supply creates its own demand, to coin a phrase, and that the surest way of encouraging supply is to stop penalizing people for making money. Taxes penalize productivity, especially the wildly progressive taxation we have gone in for in America.

Now lest it be thought that it is only my lack of training in economics which leads me to proclaim the validity of Say's law, let me drop the name of Robert Mundell of Columbia University and Arthur Laffer of the University of Chicago. These gentlemen have recently written extensively on this problem, and I believe that their studies confirm what my constituents and I feel instinctively: There is no point in killing yourself to produce something when the profit from it is just taken away in taxes. Of course we have not gone as far along that road as some countries, and our economy is in better shape than some of those countries. But we have gone far enough that capital formation in America is at a critical low, and has been for some time.

Now if we are to cut taxes, and thus encourage production and new employment, we must bring the Federal budget back into balance. The alternative is a violent inflation, which will undue all the efforts of government and private industry to improve the lot of the average citizen. It is no good arguing that people expect inflation, adjust for it in advance, and that therefore it does no harm. We all know it does harm, and those on social security and other pensions know it best of all.

For all of these reasons, I am happy to join with my colleagues, thoughtful and dedicated men all, in making the strongest case we can for a balanced budget. We recognize that minor imbalances will occur, and our amendment would provide for them; but it would also commit the Nation to a sane fiscal course, under which a restrained monetary and tax policy would allow our unparalleled development to go on, to the benefit of all mankind.

Mr. President, I urge all my colleagues to join with us in this effort.

ORDER OF BUSINESS

The **PRESIDING OFFICER.** At this time, the distinguished Senator from Michigan (Mr. GRIFFIN) is to be recognized.

Mr. **MANSFIELD.** Mr. President, he yields back his time, I understand.

Mr. **CURTIS.** I yield back the time of the Senator from Michigan.

The **PRESIDING OFFICER.** Without objection, it is so ordered. The time of the distinguished Senator from Michigan has been yielded back.

THE SUPERSONIC

Mr. **GOLDWATER.** Mr. President, some day this week we are going to take up an amendment to the airport bill pertaining to the Concorde, or the supersonic transport. The amendment will attempt, by an act of Congress, to prohibit the French-British supersonic transport from landing in this country.

Mr. President, I intend to speak every day this week on this subject. I do not think there has been a subject discussed in Congress, since I have been here, that is more completely filled with misleading statements and completely erroneous statements than this subject.

There are four histories of the development of the supersonic transport airplane—American, British, French, and Soviet. All four histories remain unfinished.

The United States, which in 1971 abandoned its program to produce prototype supersonic transport aircraft and engines, nevertheless continues Government-funded exploration, both of the environment in which these airplanes operate and also of higher aerodynamic and engine cycle efficiencies. This exploration could lead to second-generation supersonic transports with improved environmental qualities and operating economics.

In November 1962, Great Britain and France merged their existing programs of supersonic transport aircraft development into a joint effort which, 13 years and $2.5 billion later, has led to the beginning of intercontinental supersonic scheduled passenger services by production-line airplanes, in the fleets of their respective national carriers. In the United States, the magnitude of this achievement and its lessons for us—not just in technology but in overcoming the political, social, economic, and communications barriers to the success of large-scale international cooperation—have been lost on our political, academic, and communications Luddites.

For these Luddites of our time, the significance of the recent Soviet inauguration of scheduled internal supersonic long-haul services, using production aircraft, has also been lost. If a totalitarian system, with virtually absolute power of allocation of men and materials, assigns those resources to a project of this magnitude, there must be some reason beyond merely the desire to remain competitive with Western technology. A reading of the Soviet literature indicates the underlying logic. In any society, the brains and energies of the leaders in various fields are probably its single most important resource. Distances within the USSR are vast, and journey times and fatigue—even in subsonic jet aircraft—over many vital routes are reflected in less effective utilization of that resource. A supersonic transport halves the journey time, with a reduction in travel fatigue which may prove to be even more significant than the time saved.

The emotional and political controversy which has arisen in the United States over the decision to permit Concorde landings on a trial basis has, despite the logic and clarity of Secretary Coleman's decision, almost totally obscured the basic facts from which that decision was drawn. In an effort to avoid further repetition of the thousands of pages of facts, psuedofacts, science, science fiction and outright falsehoods, the following paragraphs attempt to summarize the basic issues.

THE MARKET

In conjunction with judicious aircraft scheduling, supersonic air travel makes a reality of the 1-day business trip between New York and London in either direction—with up to 6 hours business or professional working time at destination and a return to wherever the passenger had breakfast that morning.

In terms of very long journeys—say, between Los Angeles and Melbourne or Melbourne and London—the time effectiveness of supersonic travel would be better measured in terms of "recovery time," representing a saving of perhaps 2 days of useful work otherwise lost. For the Japanese, who depend so much on long-distance air travel by senior officials and management, the need for supersonic air travel will ultimately become compelling.

In Communist and non-Communist worlds alike, the market for supersonic travel is with the leaders in all fields, the value of whose time, and effectiveness of whose work, will justify fare differentials enough in excess of carrier operating costs to provide an adequate return on investment.

Similarly, the utilization of some additional fossil fuel for supersonic flight over the requirements for a subsonic journey along the same routes is more than justified by the same time-effectiveness rationale. Until those truly major consumers of the world's petroleum resources, who can do so, shift to alternate energy sources, aviation should not be asked to reduce its relatively small demand and forfeit the expansion of the vital communications services which it provides throughout the world.

THE SONIC BOOM

Aircraft in supersonic flight generate shock waves rather like the bow and stern waves of a ship. This energy creaates an increase in atmospheric pressure on the Earth's surface which follows the aircraft, much as the wake follows the ship. The intensity of this over-pressure—heard, or not heard, as a sonic boom—will vary with altitude, hence distance; air temperature, hence density; and the design configuration of aircraft and engines, which determine the amount of energy generated at the sources. This means that advanced aerodynamic and propulsion research can lead to negligible over-pressures at supersonic speed and, hence, no detectable "boom." It further means that vast areas of the globe are at this time suitable for scheduled supersonic operations without subjecting populations below to the annoyance of real or imagined sonic booms.

AIRPORT AND COMMUNITY NOISE

The SST flies subsonically within several hundred miles of the airport. Consequently, the boom is not an airport noise problem. At the airport, the issue is one of engine noise levels on takeoff and landing. The Anglo-French supersonic transport, the Concorde, meets the international noise standards in effect at the time the aircraft and engine design were committed to production. Thus, by agreement and precedent, the aircraft should be permitted to operate in the airspace and into the airports of the countries signatory to those agreements. Major commercial airports throughout the world are, in the majority, owned and operated by the national governments of their respective countries. This is not so in the United States, where only two major commercial airports, Dulles and Washington National, are owned and operated by the Federal Government. Of these two, for technical reasons, Concorde can operate only from Dulles. The remainder of the Nation's major airports are entities of State, city, or county government or of State or bi-State authorities." It is an understatement to say that each marches to a different political drummer.

Federal money goes to construction and operation of air navigation facilities and grants for airport improvement, but Federal liability also goes to the consequences of aircraft operations. Clearly this means safety, but does it include Federal "preemption" of the duty to protect the airport and community from environmental damage from aircraft operations and the liability therefor?

The Environmental Protection Act of 1969 imposed on the Federal Aviation Administration the duty of preparing an environmental impact statement in response to the requests by Air France and British Airways to amend their operating permits to include Concorde operations in the United States air space and airports: specifically Dulles and John H. Kennedy. It is on the basis of this statement, and subsequent public hearings, that the Secretary of Transportation has ruled that these operations are acceptable for a test period of 16 months from the date of the first scheduled Concorde flight to the United States by either carrier.

It has long been amply demonstrated that the reduction of subjective human reactions to finite standards of measurement has frustrated the scientific and enriched the legal professions. The noise of aircraft operations near, alongside or over a community is measured by the family of decibels—not the reactions of families with awakened babies, interrupted conversations or unheard television dialog. Further, the latter reactions are rarely tempered by the families' or communities' economic dependence on the airport or the fact that the houses may have been built long after the beginning of jet aircraft operations at that airport.

The issue of preemption now passes to lawmakers in the Congress and those state legislatures seeking to block supersonic operations, to federal and State courts responding to suits, and to those fringes of the public who seek to impose their wills with automobile and baby carriage brigades.

RADIATION AND OZONE

Perhaps the most concise reduction from the absurd claims of atmospheric damage to supersonic transport operations has been provided by F. G. Clark and Arthur Gibson in a recent book on Concorde which is worth quoting here at some length:

> It is, however, worth mentioning two high-altitude environmental factors, cosmic radiation and ozone, which have sometimes been thought to present a potential health hazard. There are two types of cosmic radiation, galactic and solar. The infinitesimal amount of galactic radiation absorbed by supersonic passengers flying at higher altitudes is, because of the faster flight, actually less than that absorbed by subsonic passengers flying the same route.
>
> Solar radiation is associated with solar flare, which occurs over a well-established cycle. Nevertheless, a radiation warning meter is installed on the flight deck, and, when this gives warning of a sudden increase in radiation intensity, the aircraft will descend to a lower altitude and continue its journey subsonically. Records show that this would have been necessary only five times in the last 39 years . . .
>
> Opponents of SSTs allege that the nitrous oxides in the engine exhausts will partially erode the ozone layer, allowing a higher intensity of ultra-violet radiation to penetrate to the earth's surface and so cause an increased incidence of skin cancer.
>
> The most comprehensive program of research into the possible effects of stratospheric pollution by aircraft is the Climatic Impact Assessment Program (CIAP) mounted by the United States Department of Transportation. This involved a number of other government departments and agencies in the United States of America and other countries and drew on the talents of 1,000 investigators in many American and foreign universities. In the report of the CIAP findings, one of the principal conclusions was that operations of present-day supersonic airliners and those currently scheduled to enter service would cause climatic effects which are much smaller than those minimally detectable. This minimum detectable change in global mean ozone was estimated by the Department of Transportation to be 0.5 per cent, and 100 Concordes each operating in the stratosphere for up to four and a half hours every day would have less than this effect. To set this minimum detectable change in perspective, the report pointed out that the natural fluctuation over Washington, D.C., is 25 per cent and that there is a natural variation of as much as 30 per cent between Texas and Minnesota.
>
> At a press conference to introduce the report, the director of the CIAP study project, Dr. Alan Grobecker, described the SST as "merely a pimple" on the overall environmental problem compared with other sources of pollution. When asked to relate the 0.5 per cent reduction in ozone to skin cancer, Dr. Grobecker said that this was the equivalent of 45 minutes on the beach.

THE FUTURE

The growth of supersonic air travel will clearly result more from a "try it—you'll like it" form of persuasion than from the rhetoric of time saved and fatigue lessened. Direct experience in supersonic proving and demonstration flights has already convinced thousands of potential travelers. To these thousands now are being added thousands of fare-paying passengers on scheduled supersonic service to South America and the Middle East.

Very significant acceleration in passenger growth can be achieved by aggressive introduction and marketing of supersonic services over present and alternative routes. Lethargy and myopia are not unknown to mature industries, and the airlines are now older than, for example, computers and nuclear power. The same afflictions can hinder the effective support of the sponsoring governments, without whose unflagging diplomatic and economic effort, route authorizations and operating rights cannot be secured.

How seriously are alternative North American gateways being sought to avoid the intransigence of New York City and Boston? What alternative routings and passenger collection and distribution patterns throughout the rest of the world are being developed as regionally attractive solutions to present overflight and landing right problems?

Perhaps more of the energies and resources presently devoted to the technology of supersonic transport introduction must now be applied to its acceptance and marketing.

Given imagination and a sustained effort, the ultimate success of supersonic passenger travel is assured. The next requirement is for a second-generation supersonic transport with greater payload/range and higher fuel efficiency. For such an aircraft to become a reality, there must be continued research and development in supersonic aerodynamics and advanced engine cycles. The latter is particularly important if improved standards of environmental quality are to be met and maintained.

Because of the magnitude of the resources involved, it is doubtful that these programs—not only of research and development but of actual production—will be possible without expanded international cooperation. The United States does not have the option of deciding whether there will or will not be such programs. We do have the option of participating or of watching the rest of the technologically advanced world—Britain, France, Germany, Italy, Japan and the Soviet Union—carry on without us.

We will probably also be watching the end of United States dominance of the world's jet transport fleet. Even casual observation of the tempo of negotiations abroad by United States aircraft and engine manufacturers, and of the design and production agreements already in force, gives clear indication that no major future transport aircraft/engine program is possible without significant overseas involvement—not as subcontractors but as partners.

The history of aviation and aerospace development at national levels gives repeated proof that its technology cannot be limited in scope whenever a need has been clearly demonstrated. Such is the case of the supersonic transport. Where its technology goes, it will take along its own market and, with it, the U.S. markets—supersonic and subsonic alike.

Mr. President, I should like to give credit to Mr. Secor D. Browne for having done the research on this paper.

Tomorrow morning, at the proper time, I will enter into a discussion of the harm done to the so-called ozone layer of the United States. In other words, I hope Congress roundly defeats any effort to stop the Concorde from coming into this country.

Mr. MOSS. Mr. President, will the Senator yield?

Mr. GOLDWATER. I yield.

Mr. MOSS Mr President, I associate myself with the speech delivered by the Senator from Arizona, and I express the hope that the Senate will pay attention to the contents of that speech.

We appear wholly ridiculous in the actions that have been taken so far, such as the action by the Port Authority at Kennedy in denying the landing of the

Concorde. It is like King Canute commanding the waves to stand still.

We are going to go on with advancement in airframe and engines and travel. We appear to be backward looking ignoramuses, rather than the leading nation in the world in aerodynamics.

I certainly hope that we get over this blind hysteria that is now infecting our country in an attempt to bar the Concorde.

Mr. GOLDWATER. Mr. President, I thank my good friend, the Senator from Utah, my leader in the committee.

Having had a grandfather who was a mule driver out in the old West, I often wonder what old Mike thought when he heard the first train coming down the track. If my grandfather Mike was like a lot of Members of this body, we never would have heard the train whistle, we never would have heard the automobile, we never would have heard the airplane.

Many people in this body want to go back to something. They criticize a conservative like myself for wanting to go back. I do not want to go back to anything but the good memories of yesterday and the great promises of tomorrow.

FEDERAL ELECTION CAMPAIGN ACT AMENDMENTS OF 1976

Mr. MOSS. Mr. President, I send to the desk two amendments and ask that they lie on the table and be printed.

The PRESIDING OFFICER. The amendments will be received and printed and will lie on the table.

Mr. MOSS. Mr. President, these two amendments have to do with the bill that is presently before the Senate, the Federal Election Campaign Act Amendments of 1976. One would strike out the requirement of affiliation with a political party as a criterion for the affirmative vote in the FEC. The other would change the eligibility of those who may draw Federal funding under the act.

It appears to me that our experience already indicates that it is too easy to qualify for funding and that one-issue candidates can pop out of the woodwork and take a great deal of Federal money to carry on what could not be considered as serious campaigns, since they simply are there on one issue or a very limited background. I think that thwarts the purpose of the act. I am for Federal funding, but I think we must keep it within limits.

IS THIS ANY WAY TO SET SAFETY STANDARDS?

Mr. MOSS. Mr. President, inorganic arsenic is a byproduct of mining and smelting copper, lead, zinc, and other metals vital to Utah's economy. The State produces 15 percent of the U.S. annual copper supply. Production in 1974 was valued at more than $350,000,000. The leading producer, Kennecott Copper Corp., is Utah's largest industrial employer. Arsenic trioxide dust recovered from metallurgical operations is used in a variety of pesticides, herbicides and fungicides.

Arsenic is also a well known health hazard, primarily to industrial and agricultural workers. Its toxic effects have been known for centuries and the object of Federal regulation for the past several years. Recently, studies indicated that arsenic is also a potent carcinogen; it is linked to respiratory and various other forms of cancer. These reports led the National Institute of Occupational Safety and Health to recommend and the Occupational Safety and Health Administration to propose, in January 1975, a rigorous new standard to reduce further occupational exposure to various arsenic compounds.

Clearly, the stakes in this rulemaking proceeding are high for all concerned. Whatever standard the Secretary of Labor decides to issue must be based on a thorough consideration of the facts and scrupulous adherence to the procedures required by law. Recently, I received evidence that gives me serious doubts that this is being done. Let me make clear that I do not question the need for an arsenic standard nor OSHA's assessment of the scientific justification for a particular exposure level. These questions should be amenable to objective evaluation and resolution. What alarms me is the manner in which the agency is attempting to comply with Executive Order 11821, issued by President Ford in November 1974, 2 months before OSHA published a notice of proposed rulemaking on inorganic arsenic. The order requires that—

> Major proposals for legislation and for the promulgation of regulations or rules by any Executive branch agency shall be accompanied by a statement which certifies that the inflationary impact of the proposal has been evaluated.

Such "evaluation" is to include an analysis of all the principal costs, risks, and inflationary effects as compared with the benefits of the action and alternatives.

Last December, I received a letter from a constituent, Gordon S. Bird, Jr., president of Canyonlands 21st Century Corp., a producer of refined metallic arsenic. Mr. Bird explained that his company had been requested by Arthur Young Co., under contract to the Department of Labor, to supply data on the economic consequences of the proposed arsenic standard. Canyonlands was formally advised that they had 12 days to respond and that any information they volunteered would remain the sole property of the contractor, in accordance with an addendum to the contract signed with the Labor Department. Informally, Arthur Young Co. told Mr. Bird that the proposed standard would be issued once the inflationary impact statement was completed.

To say the least, Mr. Bird was disturbed by these circumstances. He felt that it was "extremely difficult to evaluate the true direct and indirect impact on our economic system in such a short period of time." Even if Arthur Young obtained adequate data to make such a judgment, Mr. Bird was apprehensive that the information might not reach the Secretary of Labor or affect his decision.

On December 1, 1975, I wrote to the Secretary to inquire about the use of private contractors to conduct inflationary impact studies, the terms of the contract with the Arthur Young Co., and the authority for imposing such a short deadline on responses.

Finally, on February 24, 1976, I received a reply from Assistant Secretary of Labor Morton Corn. He claimed that OSHA does not have sufficient staff to gather data for analysis of the economic impact of its regulations. He also explained that companies are less willing to cooperate with Government agencies than with private contractors who are not covered by the Freedom of Information Act. Finally, he said that the agency requested the contractor to submit its report by December 12, 1975, in order to avoid further delay in promulgating the standard for inorganic arsenic.

Mr. President, I ask unanimous consent that this correspondence, including Mr. Bird's letter to me, my letter to Secretary Dunlop, and Mr. Corn's response, be printed at this point in the Record.

There being no objection, the letters were ordered to be printed in the Record, as follows:

Canyonlands 21st Century Corp.,
Blanding, Utah, December 4, 1975.

Senator Frank Moss,
Federal Building,
Salt Lake City, Utah.

Dear Senator Moss: Canyonlands 21st Century Corporation, Blanding, Utah as you will recall, is a manufacturer of high purity metallic arsenic.

We have been recently requested by the Arthur Young Company, 1025 Connecticut Avenue, Washington, D.C., operating under contract J–9–F–5–0134 to OSHA, to supply data pertinent to the economic/inflationary impact of OSHA's proposed standard for inorganic arsenic, in accordance with Executive Order 11821. An addendum to contract J–9–F–5–0134 insures that the information obtained from industry remains confidential and the sole property of the contractor.

The Arthur young Company must supply a preliminary impact study to OSHA by December 8, 1975 with a final report by December 12, 1975. All companies involved in providing data for this "impact study" had 12 days or less to comply. The preliminary and final reports are to be directed to Grover Wrenn, Acting Director, Department of Health and Safety Standards and further to Assistant Secretary of Labor, Mort Corn and finally to Secretary of Labor, John Dunlop, for review.

It has been suggested to us by people involved with the Arthur Young Company that the proposed standard will be incorporated.

The potential impact of this proposed standard is enormous—so much so that it is extremely difficult to evaluate the true direct and indirect impact on our economic system in such a short period of time.

In a nut shell: the proposed standard will force ASARCO to close its copper ore and custom smelter operation in Tacoma, Washington, their East Helena lead smelter and their El Paso lead and copper smelter. In addition this would cause the loss of the only domestic producer of basic arsenic (as arsenic trioxide and metallic arsenic) forcing U.S. users to a total reliance on foreign import (including a monopolistic position for Sweden as the world's only supplier of metallic arsenic—needless to say U.S./Swedish relations over the past decade leave much to be desired).

The fallout from this action will affect all smelting and mining operations including Kennecott's, Anaconda's mining plans for

Tooele (even though the ore will be smelted out of state) and Norandas plans for a new copper mine and smelting operation in LaSal Valley, San Juan County. Think of the real impact. This action could in effect close the U.S. copper, lead and zinc industries. As you know, the U.S. is a net importer of many basic metals, but are we to become totally controlled by foreign imports? Surely the charter of OSHA and EPA was not intended to cripple U.S. industry?

Our position related to the giants of the industry is small, but the impact will affect us. We will be able to meet the standards technically (we deal in kilos not thousands of tons) but who will pay the price—not our customers—nor local banking interests nor even the federal government. We will have to pay the cost out of profit which is as it should be. However, if ASARCO, the only U.S. supplier of metallic arsenic, *our supplier*, is forced to shut down operations in Tacoma and we are forced to buy from the only foreign source at inflated prices, our margin of profit will be reduced to the point where we will not be able to make these changes, and we are out of business.

Canylonlands has made substantial progress in the past two years. We are the leading supplier of high purity arsenic to the U.S. industry (U.S. is presently 95% of the world market). We now supply high purity gallium as well. We are presently expanding our Blanding operation by another 5,000 sq ft with a new plant for processing waste byproducts. Present employment is approximately 50, with an additional 25 to be employed this next year. Present Blanding payroll is $500,000 and is expected to grow to $700,000—value to the area is at least $2,100,000 per year. We have recently acquired 100 acres in Tooele from Bill Kibbe and are contracting to construct 20,000 sq ft of manufacturing facility there with anticipated employment of 50 to 100 employees by year end 76. We are concerned with the proposed standard and its indirect effect on the national and local economy.

As mentioned earlier the problems are enormous. The impact? Surely difficult to evaluate effectively in 12 days. We feel our economic life is at stake.

My suggestions: please become involved. Contact Arthur Young Company and obtain information on companies submitting date (if they will release it). Talk to the corporation involved and gain a consensus of opinions and most importantly, insure that the true direct and indirect economic impact of this study reaches the Secretary of Labor and that intelligent action prevails.

Attached are some comments we presented to the Arthur Young Company. Please note the potential affect on *"coal"* and the U.S. position in the electronic calculator and digital watch business.

Very truly yours,

G. S. Bird, Jr.,
President.

Hon. John Dunlop,
Secretary, Department of Labor,
Washington, D.C.

Dear Mr. Secretary: Forwarded herewith is correspondence which I received recently from the president of Canyonlands 21st Century Corporation, a Utah company, which relates to proposed standard setting by OSHA on inorganic arsenic. Will you see that it reaches the appropriate official within the Department of Labor? It is not necessary to reply directly to my constituent as I have already done this. But, I would appreciate being kept informed of the progress in setting a standard in inorganic arsenic.

There are some aspects of this matter which do cause me concern:

(1) The propriety and expense involved in using a private contractor to gather such information;

(2) The information contained in the second paragraph of the correspondence which says that the information gathered by the private contractor "becomes the sole property of the contractor": I find this somewhat hard to believe since obviously the information on the economic/inflationary impact of the proposed standard is being gathered at government expense. I can appreciate that some of the data gathered may contain trade secrets or other information which is legitimately privileged and the need therefore that some of the data remain confidential. But I do not understand why the information must become the "sole property" of a private contractor to achieve this end.

(3) The 12-day time limit on responses to the questionnaire: Was this time limit set by the private contractor or is it controlled by a published notice in the Federal Register? In general, it appears to me that 12 days is too short a deadline and tends to encourage superficial responses and over reaction. What procedures and safeguards does the Department of Labor have to ensure that private contractors are setting proper deadlines for responses?

I would appreciate your views on these matters which I have raised and a copy of the report prepared by these private contractors. Thank you in advance for your attention to my concerns.

Sincerely,

Frank E. Moss,
U.S. Senator.

Occupational Safety and Health
Administration,
Washington, D.C., February 20, 1976.

Hon. Frank E. Moss,
U.S. Senate,
Washington, D.C.

Dear Senator Moss: This is in response to your letter of December 19, 1975, to former Secretary of Labor John Dunlop, on behalf of Mr. G. S. Bird, Jr., concerning the Occupational Safety and Health Administration's (OSHA) proposed standard for inorganic arsenic and the study of the inflationary impact which might result.

You indicated three aspects of concern with the study: (1) the propriety and expense involved in using a private contractor; (2) that individual responses from firms become "sole property" of the contractor; and (3) the short deadline on information collection.

Our initial analysis of the potential impact of the proposed regulation left several unresolved questions, particularly with respect to the effect on downstream users. The contracted study effort in question was intended to supplement information already available, rather than to conduct a full economic study. OSHA does not have the staff resources to gather such supplemental data without contractor support.

Therefore, a contractor was used to augment OSHA resources and also to overcome reluctance of industry to supply information which was considered by them to be sensitive. When the individual company data is retained as "sole property" of the contractor, the company has assurance that proprietary information and other sensitive data will not be subject to Freedom of Information Act inquiries by their competition and by the public. Thus, such companies are willing to participate in the study more fully.

The deadline was established by the contractor with the knowledge of OSHA. We recognize there may be some trade-off associated with this short deadline. However, the time frame was set in recognition of the significance of continued delay of the promulgation of a standard for inorganic arsenic, which has been awaiting completion of the inflationary impact statement.

In the case of any study contracted for by OSHA, the contractor must keep OSHA informed of its work plans, including questionnaires to be mailed and deadlines for responses.

We anticipate completion of that statement shortly and when it is completed, we will forward a copy to you. Prior to publication of a final standard for occupational exposure to arsenic, opportunity will be provided for public review and comment on the inflationary impact statement.

Your interest in occupational safety and health is appreciated.

Sincerely,

Morton Corn,
Assistant Secretary of Labor.

Mr. MOSS. Mr. President, the Assistant Secretary's reply confirms my worst misgivings and gives me reason to believe that OSHA's practices are not unique to the arsenic case, nor even unusual. Indeed, his candid explanation leads me to wonder whether other regulatory agencies are using the same devices to prepare inflationary impact statements or, for that matter, to comply with statutory mandates. Surely, neither the President nor Congress intended these practices and their consequences:

(1) CIRCUMVENTING THE FREEDOM OF INFORMATION ACT

Dr. Corn justifies the "sole property" clause in the contract with Arthur Young Co., by saying that it gave respondent companies "assurance that proprietary information and other sensitive data will not be subject to Freedom of Information Act inquiries by their competition and by the public." This statement is misleading on its face and alarming in its implications. OSHA has adequate authority to protect the confidentiality of sensitive data submitted to the government by private businesses. The Freedom of Information Act itself exempts from disclosure "trade secrets and commercial or financial information obtained from a person and privileged or confidential." Furthermore, section 1905 of the Criminal Code, title 18, prohibits disclosure by Government officials of "trade secrets, processes, operations, style of work, or apparatus, or to the identity, confidential statistical data, amount or source of any income, profits, losses, or expenditures of any person, firm, partnership, corporation, or association." These laws and good faith should be sufficient assurances to private companies that Government officials will act responsibly. Any number of other agencies manage to keep survey data in strict confidence.

The fact that OSHA had no need to resort to the "sole property" device in order to guarantee the confidentiality of the information in questioon suggests that there was another motive. Perhaps the agency wanted to discourage public scrutiny and litigation under the Freedom of Information Act, or simply to evade its responsibility for safeguarding confidential information it uses. In either case, the strategem amounts to a deliberate attempt to circumvent the law. No less disturbing is the possibility that OSHA officials believed that they could not obtain the necessary cooperation of companies in any other way.

(2) ABROGATING GOVERNMENT RESPONSIBILITY

The Executive order requires agencies to consider evidence of the economic consequences of rulemaking. In this case, however, it appears that the contractor is to analyze, summarize, and retain sole control of the commercial and financial data collected. Agency officials have deliberately deprived themselves of even the factual basis needed to evaluate the inflationary impact study prepared by Arthur Young for, if they had access to the firm's documentation, confidentiality would be breached. This is an intolerable delegation to a private party of an inherent government responsibility. The result is to compromise the evidentiary record in this proceeding and possibly to engender litigation on the final standard.

I should point out, in this connection, that the Assistant Secretary says that the Department used a contractor to provide "supplementary information" rather than to "conduct a full economic study." This qualification does not square very well with his claim of OSHA's inadequate resources and inability to gather the necessary economic data. It suggests once again that there was no need for the agency to write a "sole property" provision into the Arthur Young contract.

(3) SPECULATING ON FUTURE GOVERNMENT ACTION

In his letter Mr. Bird referred to a suggestion "by people involved with the Arthur Young Co. that the proposed standard will be incorporated." I inquired further. It appears that in the course of their dealings with the contractor, Canyonlands 21st Century Corp. was visited by a person who described himself as a consultant to Arthur Young and former official of the Occupational Safety and Health Administration. He advised Mr. Bird that the Secretary of Labor would issue the proposed standard—in effect, regardless of the findings on its inflationary impact.

Had the consultant been an OSHA employee at the time, I trust that this kind of speculation on pending action in an official rulemaking proceeding while the record was open to public comment would not have been condoned by the Department. Control of the conduct of the Government's contract agents, though, seems to be more permissive. Apart from its clear impropriety, this kind of conduct makes regulators' objectivity suspect; and together with the 12-day deadline for businesses to respond to the survey, the episode raises serious questions about the validity of the inflationary impact study. Not only were respondents forced to be superficial in their responses, they also had reason to panic. This does not strike me as a reasonable "tradeoff," to use Dr. Corn's phrase.

(4) DISCREDITING GOVERNMENT REGULATION

Mr. Bird was told by the OSHA contractor that Canyonlands and other companies had only 12 days or less in which to prepare their comments and documentation because the contractor was under a very tight deadline to submit its final report to OSHA by December 12, 1975. The Assistant Secretary confirms that the agency approved this schedule in order not to delay an important standard which awaits only the completion of an inflationary impact statement. It is now nearly 90 days since Arthur Young's study was due at OSHA. The inflationary impact statement has not been published, although it is expected to be completed shortly. Apparently, the agency is a little more forgiving with itself than with those it regulates. It is just this sort of deadline fudging and double standard of treatment that has fueled the critics of Government regulation and discouraged the cooperation of private business.

OSHA's problem in this regard is especially acute. I know of no Federal agency with a worse public reputation for arrogance and unreasonableness. OSHA officials evidently think that they can retain a shred of confidence among the business community by dealing through private intermediaries invested with the agency's authority. The strategy, however, had precisely the opposite effect. For very good reasons, Mr. Bird had little confidence that his views would influence those officials with authority to decide whether to issue the arsenic standard. His request to me is the most telling commentary on this whole convoluted arrangement—

> We feel our economic life is at stake . . . please become involved . . . insure that the true direct and indirect economic impact of this study reaches the Secretary of Labor and that intelligent action prevails.

(5) PLAYING BUDGETARY GAMES

The Assistant Secretary says that OSHA lacks sufficient staff to investigate the economic implications of its proposed regulations; so last year the agency requested and received $2.3 million to hire outside contractors to prepare inflationary and environmental impact statements. For fiscal year 1977 OSHA has requested $6.3 million, almost all of it for inflationary impact study contracts. That is more than half of the $11.3 million the agency proposes to spend on its entire program to develop workers' health and safety standards. The curious thing is that the President anticipated no increase in staff or budget when he issued Executive Order 11821. Paragraph 4(c) of OMB circular A–107, instructions to department heads for evaluating the inflationary impact of major proposals for legislation, regulations, and rules, states that—

> Agencies should comply with the requirements of this circular with existing resources and personnel.

Since the Office of Management and Budget approved OSHA's budget requests for fiscal year 1976 and fiscal year 1977, I can only conclude that the administration supports the use of private consultants but opposes developing the Government's capacity to do the job. It is clear from this episode that OSHA is doing little enough to monitor the performance of its current contractors. At this rate the Agency will never acquire the competence to carry out its responsibility to conduct authoritative economic factfinding and analysis related to its rulemaking.

If inflationary impact studies are worth doing, they are worth doing well. Therefore, I have asked the administration and the following Senate committees to look into this matter to see what corrective action is required.

I have requested James Lynn, Director of the Office of Management and Budget, to clarify circular A–107, to estimate the total amount requested in the President's proposed budget for conducting inflationary impact studies, to state the administration's policy on the use of contractors to accomplish the purpose of Executive Order 11821, and to give me his assessment of the quality of the statements published to date and their effect on rulemaking.

I have asked Senator KENNEDY, chairman of the Administrative Practices Subcommittee, to investigate agencies' use of "sole property" clauses in contracts to circumvent the Freedom of Information Act. In addition to the present case, I am concerned that agencies may be using private contractors to protect information which is not exempt from disclosure under the act.

I have suggested to Senator WILLIAMS that the Committee on Labor and Public Welfare review the procedures OSHA is following in preparing inflationary impact statements.

I have asked Senator MAGNUSON, chairman of the Labor-HEW Appropriations Subcommittee, to give careful scrutiny to OSHA's budget request for conducting the required inflationary impact studies.

Finally, I have proposed to Senator RIBICOFF that the Committee on Government Operations examine the circumstances I have described in the context of the committee's study of Government regulation.

ROUTINE MORNING BUSINESS

Mr. MANSFIELD. Mr. President, I ask that there be a brief period for the conduct of morning business, with a time limitation of 3 minutes attached thereto.

The PRESIDING OFFICER. Without objection, it is so ordered.

Is there morning business to be transacted at this time?

The Chair recognizes the distinguished Senator from Massachusetts.

SENATE CONCURRENT RESOLUTION 103—AUTHORIZING THE JOINT COMMITTEE ON ARRANGEMENTS FOR THE COMMEMORATION OF THE BICENTENNIAL TO PROVIDE FACILITIES AND SERVICES FOR VISITORS TO THE CAPITOL BUILDING AND GROUNDS

Mr. BROOKE. Mr. President, I send to the desk a concurrent resolution and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will state the concurrent resolution.

The legislative clerk read as follows:

Mr. BROOKE (for himself and Mr. HUGH SCOTT) submits the following concurrent resolution:

S. CON. RES. 103

Resolved by the Senate (the House of Representatives concurring), That section 3 of Senate Concurrent Resolution 44, 94th Congress, is amended by inserting "(a)" before "The" and by adding at the end therefor the following new subsection:

"(b) In carrying out its functions under subsection (a), the joint committee is authorized to provide facilities and services, including facilities for food and first aid, restrooms, and information, for visitors to the Capitol buildings and grounds.".

Sec. 2. Section 4 of such concurrent resolution is amended—

(1) by striking out "and" at the end of paragraph (6),

(2) by striking out the period at the end of paragraph (7) and inserting in lieu thereof "; and", and

(3) by adding at the end thereof the following new paragraph:

"(8) enter into contracts and leases with public or private corporations or organizations or with individuals to provide, or assist in providing, facilities and services described in section 3(b), and purchase equipment and supplies for the operation of such facilities and services.".

Sec. 3. Section 5 of such concurrent resolution is amended by adding at the end thereof the following new sentence: "All sums received from the provision of facilities and services described in section 3(b), whether pursuant to contract or otherwise, shall be paid over to the Secretary of the Senate and shall be deposited by him in the Treasury as miscellaneous receipts.".

Mr. BROOKE. Mr. President, this resolution would amend Senate Concurrent Resolution 44, which established the Joint Committee on Arrangements for Commemoration of the Bicentennial, to provide the committee with specific authority to make arrangements for visitors to the Capitol this year. It grants the committee the power to enter into contracts for food, restroom, first aid, and informational facilities for visitors, and to accept for transmittal to the Treasury whatever profits might be derived from such arrangements.

This action is necessitated by the collapse of private efforts to provide these facilities. Permission had been granted to an organization known as the Center for Understanding Media, of New York, to operation a visitors center on the land immediately west of the Botanic Gardens. Unfortunately, the joint committee was advised at the end of January that they were unable to follow through with their plans due to lack of funds.

The Joint Committee on Arrangements for Commemoration of the Bicentennial felt that under the mandate of its establishing resolution it should step into the breach and attempt to offer a sufficient level of visitor services to permit the orderly operation of the Congress and to provide the visitors with a worthwhile experience at the Capitol. Hearings by the committee prior to this decision had established that existing facilities were completely inadequate to cope with the anticipated 20 percent in visitors to the Capitol this year. After consulting with the leadership of both Houses, the committee proceeded to develop plans for providing these necessary services.

The committee proposes to operate from a series of tastefully designed white and blue tents on the previously approved location. One tent, 65 feet in diameter will house food preparation and sales facilities, and four others each 40 feet in diameter will enclose picnic tables. Additional picnic tables will be located under umbrella on the site, and on the patio of the Botanic Gardens. A fourth 40-foot tent will house an information center linked by telephone to the other Government information centers in the city. The Capitol Historical Society will also sell its publications from a portion of the tent. The plan also calls for portable restrooms, a first-aid facility, and bleachers for 1,000 persons to permit a holding operation as they wait for buses or tours of the Capitol. Entertainment will be provided periodically by visiting groups and performers from the Festival of American Folklife.

Upon passage of this resolution the committee will sign the necessary contracts for the Visitors Center. Under the terms of the prepared contracts, the food concessionaire will pay the expense of paving the site, renting the food tents, and maintaining their portion of the site. They will also remove the paving once the site closes. The Historical Society will be asked to pay the rent for the information tent in return for being able to sell there, and the committee will rent the restrooms, first aid facilities, and bleachers directly. The Center will be open from as early as possible in April to September 30, 7 days per week, 9 a.m. to 6 p.m. daily.

The cost to the Congress for the facility will be between $200,000 and $250,000, which includes both the cost of facilities and the personnel to operate them. The food concessionaire, Marriott Corp., will invest nearly $1.2 million in the project. Once Marriott recovers its cost, profits will be shared with the committee on a 50–50 basis. The committee initially had hopes of realizing substantial sums from this arrangement, but the delays that accompanied the final decisions as to whether the committee had authority to implement its plans or whether additional legislation would be needed, have all but eliminated that possibility. However, there is still a real possibility of the committee receiving in excess of $50,000 as its share of the profits, although the actual figure will be determined by the volume of food sales. Any proceeds will be returned to the U.S. Treasury.

This entire project is a unique opportunity for the Congress to provide much-needed services to visitors while actually receiving a return on the moneys spent. If the resolution can be promptly passed, there is every possibility that the visitors' area will be operational by early April. The alternative to the project is simply that there will be no services for visitors to the Capitol. The Union Station Visitors' Center is not expected to be able to provide services until much later this year, and there are no other visitor facilities on the Capitol end of the Mall. Constituents will find no place to eat, inadequate restroom facilities, long lines for the Capitol tours, and a severe lack of information about the Capitol area and Bicentennial events generally.

The PRESIDING OFFICER. The question is on agreeing to the concurrent resolution.

The concurrent resolution was agreed to.

APPOINTMENT BY THE VICE PRESIDENT

The PRESIDING OFFICER (Mr. Allen). The Chair, on behalf of the Vice President, appoints the distinguished Senator from Minnesota (Mr. Humphrey) and the distinguished Senator from Massachusetts (Mr. Brooke) to the United Nations Habitat Conference on Human Settlements to be held in Vancouver, Canada, on May 31 to June 11, 1976.

ORDER FOR THE RECOGNITION OF SENATOR CLARK TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that on tomorrow, after the two leaders or their designees are recognized under the standing order, Mr. Clark be recognized for not to exceed 15 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Roddy, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session, the President pro tempore (Mr. Eastland) laid before the Senate messages from the President of the United States submitting sundry nominations which were referred to the appropriate committees.

(The nominations received today are printed at the end of the Senate proceedings.)

REPORT OF THE COUNCIL ON WAGE AND PRICE STABILITY—MESSAGE FROM THE PRESIDENT

The PRESIDENT pro tempore (Mr. Eastland) laid before the Senate the following message from the President of the United States, which was referred to the Committee on Banking, Housing and Urban Affairs:

To the Congress of the United States:

In accordance with section 5 of the Council on Wage and Price Stability Act, as amended, I hereby transmit to the Congress the fifth quarterly report of the Council on Wage and Price Stability. This report contains a description of the Council activities during the last quarter of 1975 in monitoring both prices and wages in the private sector and various Federal Government activities that lead to higher costs and prices without creating commensurate benefits. It discusses in some detail the Council's studies in steel, automobiles, and industrial chemicals, as well as its filings before various Federal regulatory agencies.

During 1976, the Council on Wage and Price Stability will continue to play an important role in supplementing fiscal and monetary policies by calling public attention to wage and price developments or actions by the Government that could be of concern to American consumers.

GERALD R. FORD.

THE WHITE HOUSE, *March 16, 1976.*

REPORT OF ACTION ON SPECIALTY STEEL IMPORTS—MESSAGE FROM THE PRESIDENT

The PRESIDENT pro tempore (Mr. EASTLAND) laid before the Senate the following message from the President of the United States, which was referred to the Committee on Finance:

To the Congress of the United States:

In accordance with Section 203(b)(1) of the Trade Act of 1974, enclosed is a report to the Congress setting forth the action I am taking on specialty steel imports pursuant to Section 203(a) of the Trade Act of 1974.

GERALD R. FORD.

THE WHITE HOUSE, *March 16, 1976.*

APPROVAL OF BILLS AND JOINT RESOLUTION

A message from the President of the United States stated that he had approved and signed the following bills and joint resolution:

March 11, 1976:

S. 151. An act to authorize and modify various Federal reclamation projects and programs, and for other purposes.

S.J. Res. 59. Joint resolution authorizing the President to invite the States of the Union and foreign nations to participate in the International Petroleum Exposition to be held at Tulsa, Oklahoma, from May 16, 1976, through May 22, 1976.

March 15, 1976:

S. 1617. An act to clarify the authority of the Secretary of Agriculture to control and eradicate plant pests, and for other purposes.

MESSAGES FROM THE HOUSE

At 10:17 a.m., a message from the House of Representatives delivered by Mr. Berry, one of its reading clerks, announced that the House insists upon its amendments to the bill (S. 2498) to amend the Small Business Act to transfer certain disaster relief functions of the Small Business Administration to other Federal agencies, to establish a National Commission on Small Business in America, and for other purposes, disagreed to by the Senate; agrees to the conference requested by the Senate on the disagreeing votes of the two Houses thereon; and that Mr. SMITH of Iowa, Mr. BERGLAND, Mr. GONZALEZ, Mr. CORMAN, Mr. HANLEY, Mr. YATRON, Mr. BRECKINRIDGE, Mr. HUNGATE, Mr. EVINS of Tennessee, Mr. J. WILLIAM STANTON of Ohio, Mrs. FENWICK, Mr. GOODLING, and Mr. CONTE were appointed managers of the conference on the part of the House.

The message also announced that the House disagrees to the amendment of the Senate to the bill (H.R. 8650) to assist low-income persons in insulating their homes, to facilitate State and local adoption of energy conservation standards for new buildings, and to direct the Secretary of Housing and Urban Development to undertake research and to develop energy conservation performance standards; requests a conference with the Senate on the disagreeing votes of the two Houses thereon; and that Mr. REUSS, Mr. BARRETT, Mr. ASHLEY, Mr. MOORHEAD of Pennsylvania, Mr. ST GERMAIN, Mr. BROWN of Michigan, and Mr. ROUSSELOT were appointed managers of the conference on the part of the House.

The message further announced that the House disagrees to the amendments of the Senate to the bill (H.R. 8617) to restore to Federal civilian and Postal Service employees their rights to participate voluntarily, as private citizens, in the political processes of the Nation, to protect such employees from improper political solicitations, and for other purposes; agrees to the conference requested by the Senate on the disagreeing votes of the two Houses thereon; and that Mr. HENDERSON, Mr. DANIELS of New Jersey, Mr. NIX, Mr. HANLEY, Mr. CLAY, Mr. DERWINSKI, and Mr. GILMAN were appointed managers of the conference on the part of the House.

At 11:21 a.m., a message from the House of Representatives by Mr. Berry, announced that the House has passed the bill (S. 1545) to amend the Agricultural Adjustment Act of 1938 with respect to peanuts, with an amendment, in which it requests the concurrence of the Senate.

The message also announced that the House has passed the following bills and joint resolution, in which it requests the concurrence of the Senate:

H.R. 8092. An Act to extend the authorization for appropriations to carry out the Endangered Species Act of 1973;

H.R. 11504. An Act to amend section 502(a) of the Merchant Marine Act, 1936;

H.R. 11619. An Act to authorize further appropriations for the Council on Environmental Quality;

H.R. 11997. An Act to amend the Internal Revenue Code of 1954 with respect to the tax treatment of certain divestitures of assets by bank holding companies;

H.R. 12188. An Act to amend the Community Services Act of 1974 to make certain technical and conforming amendments; and

H.J. Res. 738. Joint Resolution providing for Federal participation in preserving the Tule elk population in California.

ENROLLED JOINT RESOLUTION SIGNED

The message further announced that the Speaker has signed the enrolled joint resolution (H.J. Res. 549) to approve the "Covenant To Establish a Commonwealth of the Northern Mariana Islands in Political Union with the United States of America," and for other purposes.

The enrolled joint resolution was subsequently signed by the Vice President.

At 3:25 p.m., a message from the House of Representatives delivered by Mr. Berry, announced that the Speaker has appointed Mrs. SPELLMAN, Mr. SOLARZ, Mr. CHARLES H. WILSON of California, Mr. HARRIS, Mr. JOHNSON of Pennsylvania, and Mr. ROUSSELOT as traditional conferees in the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 8617) to restore to Federal civilian and Postal Service employees their rights to participate voluntarily, as private citizens, in the political processes of the Nation, to protect such employees from improper political solicitations, and for other purposes.

ENROLLED BILL SIGNED

At 4:47 p.m., a message from the House of Representatives delivered by Mr. Hackney, one of its reading clerks, announced that the Speaker has signed the enrolled bill (H.R. 4034) to designate the Veterans' Administration hospital in Loma Linda, Calif., as the "Jerry L. Pettis Memorial Veterans' Hospital," and for other purposes.

The enrolled bill was subsequently signed by the President pro tempore (Mr. EASTLAND).

HOUSE BILLS AND JOINT RESOLUTION REFERRED

The following bills and joint resolution were read twice by their titles and referred as indicated:

H.R. 8092. An act to extend the authorization for appropriations to carry out the Endangered Species Act of 1973; to the Committee on Commerce.

H.R. 11504. An act to amend section 502(a) of the Merchant Marine Act, 1936; to the Committee on Commerce.

H.R. 11619. An act to authorize further appropriations for the Council on Environmental Quality; to the Committee on Interior and Insular Affairs.

H.R. 11997. An act to amend the Internal Revenue Code of 1954 with respect to the tax treatment of certain divestitures of assets by bank holding companies; to the Committee on Finance.

H.J. Res. 738. Joint resolution providing for Federal participation in preserving the Tule elk population in California; to the Committee on Commerce.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. TUNNEY, from the Committee on Commerce, without amendment:

S. 3149. A bill to regulate commerce and protect human health and the environment by requiring testing and necessary use restrictions on certain chemical substances, and for other purposes (Rept. No. 94–698).

EXECUTIVE REPORTS OF COMMITTEES

The following executive reports of committees were submitted:

By Mr. CANNON, from the Committee on Commerce:

R. Tenney Johnson, of Maryland, to be a member of the Civil Aeronautics Board.

(The above nomination was reported with the recommendation that it be confirmed, subject to the nominee's commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

By Mr. PASTORE, from the Joint Committee on Atomic Energy:

Robert L. Hirsch, of Maryland, to be an Assistant Administrator of Energy Research and Development.

(The above nomination was reported with the recommendation that it be confirmed, subject to the nominee's commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first time and, by unanimous consent, the second time, and referred as indicated:

By Mr. CHURCH (for himself, Mr. Jackson, and Mr. Hatfield):

S. 3142. A bill to amend the Water Resources Planning Act, the Water Resources Research Act of 1964, and for other purposes. Referred to the Committee on Interior and Insular Affairs.

By Mr. MATHIAS:

S. 3143. A bill to amend the United States Housing Act of 1937 to make single individuals eligible for assistance under such Act. Referred to the Committee on Banking, Housing and Urban Affairs.

By Mr. BUCKLEY:

S. 3144. A bill to amend title 39, United States Code, to increase, to the fullest degree possible, competition in the delivery of mail, and for other purposes. Referred to the Committee on Post Office and Civil Service.

By Mr. CHURCH (for himself, Mr. Jackson, Mr. Fannin, Mr. Hatfield, Mr. Randolph, and Mr. Glenn):

S. 3145. A bill to establish energy conservation research, development, and demonstration institutes, to create a cooperative energy extension service, to promote a more adequate national program of research, development, and demonstration in technologies related to energy conservation, and for other purposes. Referred to the Committee on Interior and Insular Affairs.

By Mr. TAFT:

S. 3146. A bill for the relief of Leo J. Conway. Referred to the Committee on the Judiciary.

By Mr. HOLLINGS (for himself, Mr. Magnuson, and Mr. Pearson) (by request):

S. 3147. A bill to extend the Marine Protection, Research, and Sanctuaries Act for 2 years. Referred to the Committee on Commerce.

By Mr. TAFT:

S. 3148. A bill for the relief of refugees fleeing Lebanon because of religious persecution. Referred to the Committee on the Judiciary.

By Mr. TUNNEY (for himself and Mr. Hartke):

S. 3149. A bill to regulate commerce and protect human health and the environment by requiring testing and necessary use restrictions on certain chemical substances, and for other purposes. Referred to the Committee on Commerce.

By Mr. HARRY F. BYRD, JR.:

S. 3150. A bill to amend the Internal Revenue Code of 1954 to deny certain benefits to taxpayers who make bribes or other illegal payments to foreign government agents or officials. Referred to the Committee on Finance.

By Mr. CHURCH:

S. 3151. A bill to establish a program for gathering and analyzing information with respect to multinational enterprises; and to require publication of such material on a regular basis. Referred to the Committee on Foreign Relations and the Committee on Commerce, jointly, by unanimous consent, provided that should either committee report the bill, the remaining committee will have 45 calendar days within which to file its report after which time the remaining committee will be deemed discharged and the bill will be automatically returned to the calendar.

By Mr. DURKIN:

S. 3152. A bill to amend the Internal Revenue Code to allow a tax credit for expenditures toward the installation of solar energy equipment for residential use. Referred to the Committee on Finance.

By Mr. EASTLAND:

S. 3153. A bill to amend sections 1331 and 1332 of title 28, United States Code, to raise the amount in controversy required to establish Federal jurisdiction. Referred to the Committee on the Judiciary.

By Mr. McINTYRE (for himself, Mr. Brooke, and Mr. Durkin):

S. 3154. A bill to provide tax credits for the installation of solar energy heating, cooling, and hot water heating equipment in residences. Referred to the Committee on Finance.

By Mr. CURTIS (for himself, Mr. Allen, Mr. Bartlett, Mr. Brock, Mr. Robert C. Byrd, Mr. Dole, Mr. Eastland, Mr. Fannin, Mr. Garn, Mr. Goldwater, Mr. Hansen, Mr. Hatfield, Mr. Helms, Mr. Hruska, Mr. Jackson, Mr. Laxalt, Mr. McClellan, Mr. McClure, Mr. Roth, Mr. William L. Scott, Mr. Stennis, Mr. Talmadge, and Mr. Thurmond):

S.J. Res. 180. A joint resolution to amend the Constitution of the United States to require a balanced Federal Budget. Referred to the Committee on the Judiciary.

By Mr. MOSS:

S.J. Res. 181. A joint resolution to authorize the erection of the American Legion's Freedom Bell on lands of the park system of the District of Columbia, and for other purposes. Referred to the Committee on Interior and Insular Affairs.

STATEMENT ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. CHURCH (for himself, Mr. Jackson, and Mr. Hatfield):

S. 3142. A bill to amend the Water Resources Planning Act, the Water Resources Research Act of 1964, and for other purposes. Referred to the Committee on Interior and Insular Affairs.

WATER RESOURCES PLANNING AND RESEARCH ASSISTANCE AMENDMENTS ACT OF 1976

Mr. CHURCH. Mr. President, along with the distinguished Senator from Washington (Mr. Jackson) and the distinguished Senator from Oregon (Mr. Hatfield), I introduce legislation to amend the Water Resources Planning Act of 1965 and the Water Resources Research Act of 1964. While I consider this bill a working document from which revisions can be made, this draft is the product of several public hearings already conducted by the Subcommittee on Energy Research and Water Resources, which I chair.

In 1959, the Senate approved a resolution, authorized by Senator Mike Mansfield, the distinguished majority leader, and Senator James E. Murray, to establish a temporary Water Resources Select Committee. Although the select committee made no specific legislative proposals, its efforts were later translated into two major acts, the Water Resources Planning Act of 1965 and the Water Resources Research Act of 1964.

With passage of the Water Resources Planning Act, Congress sought to establish the coordination of water resources activities at the national level in a more comprehensive way than had been attempted in the past. Coordination of water resources activities, as well as appraisal of water policies and programs and planning for the conservation and development of the Nation's water resources, was given to a Water Resources Council. Membership on the Council was limited to the heads of those departments and agencies who administered Federal programs dealing with the country's water resources. In addition, the Planning Act called for the establishment of river basin commissions in major regions or river basins when so requested by the participating States. The river basin commissions were designed to be planning and coordinating bodies through which representatives of State and Federal agencies could meet and coordinate their activities and, together, develop river basin or regional plans for water and related land resources. Finally, the Act provided a Federally funded grant program to the States. It was anticipated that these grants would help to increase the planning capabilities of States with respect to water resources. To date, these planning grant funds have been used to build State staff capability, to initiate or expand State water planning activity, and to participate in regional planning efforts.

In recognition also that water resources activities and decisions must be grounded in factual information, the Congress enacted the Water Resources Research Act of 1964. This Act contemplated the creation of water resources research institutes and provided additional grant programs by which public and private entities could conduct research and development work related to water and related natural resources. Now, a water resources research institute exists in every State, the District of Columbia, Puerto Rico, Guam, and the Virgin Islands. In addition to training graduate students in disciplines related to water and associated resources, the institutes have served as centers of excellence through which valuable water research and development projects are conducted and information is disseminated.

During fiscal year 1976, Federal departments and agencies are slated to obligate more than $10 billion in projects relating to water. Seven different Federal departments, 7 different agencies and 18 different offices within those departments and agencies administer programs in water and related land resources. By anyone's standards, this is an immense Federal presence and one which dictates that there be complete coordination in the planning of all water-related projects and in the setting of all Federal policies related to the Nation's water courses.

Each State, because it plays the principal role in determining the use of waters which flow past its boundaries, must be fully equipped in research and planning capability. Only in this way can each State hope to serve as an equal partner in the resolution of questions relating to water.

In light of the all-pervasive nature of Federal water programs and the needs of States to competently address issues which affect their water, it is very important that both the Water Resources Planning Act and the Water Resources Research Act are achieving the goals envisioned by the Congress when first enacted.

After more than a decade since passage of these important acts, it is now time to take a second look at the strengths and weaknesses and to make those changes in the laws which will rectify failings and shortcomings that have been identified. This legislation attempts to address these problem areas.

During 1975, the Subcommittee on Energy Research and Water Resources conducted 2 days of hearings on matters related to the Water Resources Planning Act and 1 additional day of hearings on issues which deal with the Water Resources Research Act. This bill incorporates most of the major suggestions made in those hearings, including those made by various States, river basin commissions, the Western States Water Council, the Interstate Conference on Water Problems and others.

The most significant changes made by this bill to the Water Resources Planning Act and the Water Resources Research Act are the following:

First. The Water Resources Council is established in the Executive Office of the President and its Chairman is appointed by the President with the advice and consent of the Senate.

Second. The duties of the Council are significantly expanded and made more explicit. In addition to other duties so specified, the Water Resources Council will advise the President on national matters related to water resources research and planning and on the budgets of all Federal water-related agencies; the Council will also coordinate the planning activities of the Council with other water resources planning bodies and will attempt to assist States by making it possible to consolidate grant applications.

Third. A non-Federal advisory committee is established to provide greater voice for the States and others interested in Council deliberations and decisions.

Fourth. An annual report is required of the Council, with provision for inclusion of separate comments by the non-Federal Advisory Council, to provide more current publication of date, identification of issues and evaluation of policy.

Fifth. An Office of Water Research is established within the Water Resources Council to be directed by a deputy director who is appointed by the President. This amendment would transfer the State Water Research Institute program from the Department of Interior to a new Water Resources Council.

Sixth. A strengthened role in the coordination of planning done by various Federal water-related agencies is provided for the river basin commissions.

Seventh. Centralized funding to the river basin commissions is established for level B and other planning processes conducted under the auspices of the river basin commissions.

Eighth. Increased funding under the grants to States programs is provided for on a uniform, continuing basis; specifically, the bill provides $200,000 per State so long as the States will match every $2 of Federal funds for $1 of State funds.

Ninth. Accountability requirements placed on the States are strengthened through the provision that the States undertake the development of comprehensive State water plans.

These proposed changes, some of which are far reaching, would, I believe, strengthen State and Federal water programs by assuring that there will be no duplication of effort, that all water planning efforts, especially those relating to water quantity and water quality, will be coordinated, and that the taxpayer will get the greatest benefit from each dollar spent.

The need for water resources planning and research is made more imperative by the energy crisis and the worldwide food shortage. The world energy crisis heightened the need to develop our domestic fossil fuel resources, especially coal. Energy planners, in focusing attention upon our fossil fuel resources, have realized that, unless proper planning takes place, utilization of these energy sources will introduce new complexities into the already critical water needs of much of the country, especially the arid West. State and local governments will have to anticipate the consequences of energy development and the impact it will have upon traditional water uses.

Just as serious is the need to increase food production. Famine haunts many people throughout the world, and the American farmer, by far the most productive of any of his world counterparts, will be called upon to fill the breadbaskets of these near-starving nations. Water is the key to productive crops and success in agriculture. Only with proper planning will we insure that agriculture is not thirsting for water.

The energy shortfall, the worldwide food shortage, and the water needs of the Nation are tied together. The key to successful resolution of these needs is proper planning. This measure, if enacted, would go far toward assuring that the tools are available to make informed decisions.

I am hopeful that the Senate can begin early consideration of this measure. I ask unanimous consent that the text of the bill be printed in the Record.

There being no objection, the bill was ordered to be printed in the Record, as follows:

S. 3142

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Water Resources Planning and Research Assistance Amendments Act of 1976".

Sec. 2. Section 2 of the Water Resources Planning Act (42 U.S.C. 1962) is hereby amended to read as follows:

"Sec. 2. In order to meet the Nation's water quantity and water quality requirements, it is hereby declared to be the policy of the Congress to encourage the conservation, development, and utilization of water and related land resources of the United States on a comprehensive and coordinated basis by the Federal Government, States, localities, and private enterprise with the cooperation of all affected Federal agencies, States, local governments, individuals, corporations, business enterprises, and others concerned.".

Sec. 3. Subsection 3(b) of the Water Resources Planning Act (42 U.S.C. 1962–1(b)) is amended by inserting immediately after "preparation" a comma and the following: "coordination,".

TITLE I—AMENDMENTS TO TITLE I OF THE WATER RESOURCES PLANNING ACT—THE WATER RESOURCES COUNCIL

Sec. 101. Section 101 of the Water Resources Planning Act (42 U.S.C. 1962a) is amended to read as follows:

"Sec. 101. (a) There is created in the Executive Office of the President a Water Resources Council (hereinafter referred to as the 'Council').

"(b)(1) The Council shall be composed of—

"(A) a chairman appointed by the President, by and with the advice and consent of the Senate, who shall also serve as Director of the Council and who shall not, during the period of his service on the Council, hold any other position as an officer or employee of the United States, except as a retired officer or retired civilian employee of the Federal Government;

"(B) one member from each of the following departments, who shall, at the time of his appointment, hold the position of Assistant Secretary of such department and whose duties as such, encompass water and related matters, such member to be appointed by the head of such department and to serve as the representative of such department:

"(i) Department of the Interior;

"(ii) Department of Agriculture;

"(iii) Department of the Army;

"(iv) Department of Commerce;

"(v) Department of Housing and Urban Development; and

"(vi) Department of Transportation;

"(C) an Assistant Administrator of the Environmental Protection Agency designated by the Administrator;

"(D) a Member of the Federal Power Commission designated by the Chairman; and

"(E) those members (if any) appointed pursuant to the provisions of paragraph (2) of this subsection.

"(2) Whenever the President determines that any program or other action under consideration by the Council directly affects—

"(A) any department of the United States, he shall designate such department as being one which is entitled to representation on the Council during the period (as determined by the President) for which such program is in effect or such program or action is under consideration, and the head of such department shall, at the earliest practicable date after such department is so designated, appoint an assistant secretary thereof whose duties involve water-related matters as a member of the Council to represent such department thereon, or

"(B) any agency of the United States, he shall designate such agency as being one which is entitled to representation on the Council during the period (as determined by the President) for which such program is in effect or such action is under consideration and the head of such agency shall, at the earliest practicable date after such agency is so designated, appoint an assistant administrator or assistant director thereof whose duties involve water related matters as a member of the Council to represent such agency thereon.

"(3) Any person appointed by the President as Chairman of the Council shall be a a person who, as a result of his training, experience, and attainments, is exceptionally well qualified to analyze and interpret trends and information in water and related land resources; to appraise programs and activities of the Federal Government in light of the policy set forth in this Act; and to formulate and recommend national policies to promote the orderly conservation and utilization of water and related land resources."

Sec. 102. (a) Section 102(a) of the Water Resources Planning Act (42 U.S.C. 1962a–1(a)) is amended by striking out "and" after "therein;".

(b) Section 102(b) of such Act is amended by striking out the period at the end thereof and inserting in lieu thereof a semicolon.

(c) Section 102 of such Act is further amended by adding at the end thereof the following new subsections:

"(c) assist and advise the President in the preparation of the Water Resources Report required by section 106 of this Act;

"(d) periodically review the principles, standards, and procedures required by section 103 of this Act;

"(e) transmit to the President for his review and transmittal to the Congress such reports on long-range schedules of priorities as are submitted by each river basin commission consistent with the provisions of section 201(b)(3) of this Act;

"(f) review and appraise the various water and related land resources programs and activities of the Federal government in the light of the policy set forth in this Act for the purpose of determining the extent to which such programs and activities are contributing to the achievement of such policy, and to make recommendations to the President with respect thereto;

"(g) advise the President on matters of national concern related to water resources research and planning and the development and management of the nation's water and related land resources;

"(h) promote the advancement of scientific knowledge relating to water and insure the transfer of technology to potential users as required by section 201 of the Water Resources Research Act of 1964, as amended;

"(i) advise the President on water resources planning, research and development considerations with regard to Federal budgets and provide the President with an annual review and analysis of funding proposed for water resources planning, research and development in the budgets of all Federal agencies;

"(j) encourage, insofar as it is practicable, the establishment of river basin commissions as provided in section 201 of this Act, and where such commission does not exist to encourage in consultation with the governors of affected States the establishment of a means for effective Federal-State cooperation in major water resources regions of the United States;

"(k) coordinate planning processes and activities of the Council with other interested Federal and State agencies, river basin commissions, as established by section 201 of this Act, interstate compact commissions, interagency basin committees and the Tennessee Valley Authority;

"(l) assist state and local governments submitting applications for Federal assistance for water resources planning to the extent possible to consolidate applications for funds from various appropriate Federal agencies and to submit such consolidated applications to the Council for the coordination of review and approval by responsible Federal agencies: *Provided*, That in those regions where river basin commissions exist, as established by section 201 of this Act, such coordination shall be done in collaboration with the affected river basin commission; and

"(m) meet in open public session no less than four times annually.".

ANNUAL REPORT

SEC. 103. Title I of the Water Resources Planning Act (42 U.S.C. 1962) is amended by adding at the end thereof the following new section:

"ANNUAL REPORT

"SEC. 106. The President shall transmit to the Congress annually, beginning one year after the date of enactment of the Water Resources Planning and Research Assistance Amendments Act of 1976, a Water Resources Report (hereinafter referred to as the 'report') which shall set forth the following:

"(1) an evaluation of existing and potential problems concerning water resources planning, research, development and management deserving of national attention;

"(2) evaluation of the scale, quality, and effectiveness of Federal and State efforts in water resources planning and research;

"(3) a review of the programs and activities (including regulatory activities) of the Federal Government, the State and local govenments, and non-governmental entities or individuals, with particular reference to their effect on water resources quantity and water quality and the conservation, development and utilization of water and related land resources;

"(4) such additional views and comments as may be submitted by the non-Federal advisory board established by section 107 of this Act; and

"(5) a program for remedying the deficiencies of existing programs and activities, together with recommendations for legislation.".

NON-FEDERAL ADVISORY COMMITTEE

SEC. 104. Title I of the Water Resources Planning Act (42 U.S.C. 1962) is further amended by adding at the end thereof the following new section:

"NON-FEDERAL ADVISORY COMMITTEE

"SEC. 107. (a) The Non-Federal Vice Chairman of each river basin commission, the Chairman of any interagency basin committee or the U.S. Commissioner of any interstate compact commission and the Chairman of the Tennessee Valley Authority, shall appoint a non-Federal representative to an advisory board (hereinafter referred to as the 'advisory board') established by this section. The Chairman of the Council shall also appoint no more than three other non-Federal representatives to such advisory board as he may deem advisable: *Provided*, That any such representative shall, as a result of training and experience, be knowledgeable of water and related resources programs: *Provided further*, That any such representative shall represent those interests concerned with water and related land resources which may not otherwise be represented on the advisory board.

"(b) The term of office of each member appointed to the advisory board shall be for three years: *Provided*, That of the members initially appointed to the board, the term of office of approximately one-third of the membership shall be for one year, the term of office of another one-third of the membership shall be for two years, and the term of office of the remaining members shall be for three years.

"(c) Such advisory board shall—

"(1) advise the Council with respect to the activities and programs conducted by the Council and the coordination of such activities and programs with the activities and programs of Federal, State, and local governments;

"(2) make such recommendations as it deems appropriate regarding the implementation and improvement of planning procedures, studies and other activities and programs undertaken by the Council, and new activities and programs which the Council should undertake or support; and

"(3) cause to be published in the report established by section 106 of this Act, such views and recommendations as the advisory board may deem appropriate relating to the functions set forth by this section.

"(d) The advisory board shall meet not less than twice each year.

"(e) The advisory board shall elect a chairman from among its appointed members. The chairman of the advisory board shall be allowed to participate as an observer and nonvoting delegate to all council meetings except those meetings in which the Council will make policy or budget recommendations to the President. The members of the advisory board shall be notified in advance, in a timely fashion, of all items to be discussed or considered by the Council.

"(f) Any specific recommendations made by the advisory board pursuant to subsection (b)(2) of this section shall be considered by the Council. The Chairman of the Council shall, within ninety days after receipt of such recommendation, respond to the Council and the advisory board, in writing, setting forth the action taken or the reason for rejecting the recommendation.

"(g) Funds provided under section 401(b) of this Act may be used to pay the travel and such other related costs as shall be authorized by the Chairman of the Council which are incurred by the members of the advisory board incident to their attendance at any meetings of the advisory board or the Council except that the amount of travel and related costs paid under this subsection to any member of the advisory board with respect to this attendance at any meeting of the advisory board or the Council may not exceed the amount which would be payable to such member if the law relating to travel expenses for persons intermittently employed in Government service applied to such member.

"(h) The Chairman of the Council shall be an ex officio member of the advisory board.".

OFFICE OF WATER RESOURCES RESEARCH

SEC. 105. Title I of the Water Resources Planning Act (42 U.S.C. 1962) is further amended by adding at the end thereof the following new section:

"OFFICE OF WATER RESOURCES RESEARCH

"SEC. 108. There is established within the Council an Office of Water Resources Research (hereinafter referred to as the 'Office') which office shall be directed by a Deputy Director of the Water Resources Council. The Deputy Director shall be appointed by the President to serve at his pleasure, and shall be under the general direction of the Chairman of the Council.".

AMENDMENT TO THE WATER RESOURCES RESEARCH ACT OF 1964

SEC. 106. (a) Section 100 of the Water Resources Research Act of 1964 (42 U.S.C. 1961a), is amended as follows:

(1) in subsection (a) thereof, by striking out "Secretary of the Interior" and inserting in lieu thereof "Water Resources Council," and by striking out "Secretary's" and inserting in lieu thereof "Water Resources Council Chairman's";

(2) in subsection (b) thereof, by striking out "Secretary" whenever it appears and inserting in lieu thereof "Council"; and

AMENDMENT TO THE WATER RESOURCES RESEARCH ACT OF 1964

SEC. 107. Section 101 of the Water Resources Research Act of 1964 (42 U.S.C. 1961a–1) is amended as follows:

(1) in subsection (a) thereof, by striking out "Secretary of the Interior" and inserting in lieu thereof "Water Resources Council"; and

(2) in subsection (b) thereof, by striking out "Secretary" and inserting in lieu thereof "Chairman of the Water Resources Council".

AMENDMENT TO THE WATER RESOURCES RESEARCH ACT OF 1964

SEC. 108. Section 102 of the Water Resources Research Act of 1964 (42 U.S.C. 1961a–2), is amended by striking out "Secretary" whenever it appears and by inserting in lieu thereof "Chairman of the Water Resources Council" and by striking out "September" in the second sentence and inserting in lieu thereof "December".

AMENDMENT TO THE WATER RESOURCES RESEARCH ACT OF 1964

SEC. 109. Section 104 of the Water Resources Research Act of 1964 (42 U.S.C. 1961a–4), is amended as follows:

(1) in the first paragraph thereof by striking out "Secretary of the Interior" and in-

serting in lieu thereof "Water Resources Council", by striking out "He" wherever it appears and inserting in lieu thereof "The Chairman of the Water Resources Council", by striking out "him" and inserting in lieu thereof "the Chairman of the Water Resources Council", and by striking out "the United States Department of the Interior,"; and

(2) in the second paragraph thereof by striking out "July" and inserting in lieu thereof "October", and by striking out "Secretary" and inserting in lieu thereof "Chairman of the Water Resources Council".

DEVELOPMENT PROGRAMS

SEC. 110. Title II of the Water Resources Research Act of 1964 (42 U.S.C. 1961b), is amended to read as follows:

"DEVELOPMENT PROGRAMS

"SEC. 200. (a) The Council, acting through the Office of Water Resources Research (hereinafter referred to as the 'Office') established by section 108 of the Water Resources Planning Act, as amended, is authorized to make grants and finance contracts and matching or other arrangements with qualified educational institutions, private foundations, or other institutions, with private firms, with local, State and Federal agencies and individuals to undertake research into water resources problems of national interest which it may deem to be desirable.

"(b) The Council, acting through the Office, is further authorized to conduct a water resources research technology development program which pursues research results through the development of effective structural or nonstructural techniques, methods, procedures, and equipment, and through testing, evaluation, and demonstration, to a point where such results can be adopted for practical application to problems of national interest.

"(c) Water resources research and technology development programs carried out in accordance with this section may include, without being limited to: saline water conversion; irrigation and other water use efficiencies; water for energy; water and related land use planning, operations, management, and legal systems; protection and enhancement of the water-based environmental institutional arrangements; saline water conversion technologies for water reclamation and reuse; salinity management; and economic, social, and environmental impact assessment. Due consideration shall be given to priority problems identified by water and related land resources planning, data acquisition, and like studies conducted by other agencies and organizations. The Office shall cooperate fully with the chief administrative officer of all Federal agencies engaged in water research and development to insure that water resources and development work performed under the Act makes the fullest possible contribution to the improvement of water resources processes and techniques and to avoid in the performance of this Act the duplication of the experience, expertise, and data regarding water resource technologies which have been acquired.

"SEC. 201. To carry out the water resources research and technology development programs authorized by this Act, the Office may:

"(1) Engage, by competitive contract or otherwise, chemists, physicists, engineers, and such other personnel as may be deemed necessary, and any educational institution, scientific organization or individual, Government agency, or private firm deemed suitable to do any part of the research, technology development, or other work authorized by this Act, and, correlate and coordinate the research and technology development work of such educational institutions, scientific organizations, and private firms.

"(2) Develop and implement technology transfer methodologies as required to assure that the results of research and development undertaken pursuant to this Act can be adopted for practical application by others, including but not limited to the reduction of scientific and technical reports into suitable and understandable formats, and conduct assessments of the impacts of other technology on water resources.

"(3) Accept financial and other assistance from any local, State, Federal, and other agency in connection with studies or surveys relating to water problems and facilities, and enter into contracts with regard to such assistance.

"(4) Acquire processes, technical data, inventions, patent applications, patents, licenses, land, and interest in land (including water rights), research and technology development equipment and facilities, and other property or rights by purchase, license, lease, or donation.

"SEC. 203. There are authorized to be appropriated to the Water Resources Council $10,000,000 for each of the fiscal years 1977 to 1987, inclusive, from which appropriations the Council may carry out the provisions of this title.".

SEC. 111. Section 300 of the Water Resources Research Act of 1964 (42 U.S.C. 1961c) is amended by striking out "Secretary of Interior" and inserting in lieu thereof "Water Resources Council" and by striking out "He" and inserting in lieu thereof "The Chairman of the Water Resources Council".

SEC. 112. Section 301 of the Water Resources Research Act of 1964 (42 U.S.C. 1961c–1) is amended by striking out "Secretary of Interior" and inserting in lieu thereof "Water Resources Council".

SEC. 113. Section 303 of the Water Resources Research Act of 1964 (42 U.S.C. 1961c–3) is amended to read as follows:

"SEC. 303. (a) Whenever any invention is made or conceived in the course of or under any contract pursuant to this Act and the Chairman of the Water Resources Council determines that—

"(1) the person who made the invention was employed or assigned to perform research, development, or demonstration work and the invention is related to the work he was employed or assigned to perform, or that it was within the scope of his employment duties, whether or not it was made during working hours, or with a contribution by the Government of the use of Government facilities, equipment, materials, allocated funds, information proprietary to the Government or services of Government employees during working hours; or

"(2) the person who made the invention was not employed or assigned to perform research, development, or demonstration work, but the invention is nevertheless related to the contract or to the work or duties he was employed or assigned to perform, and was made during working hours, or with a contribution from the Government of the sort referred to in clause (1).

Title to such invention shall vest in the United States, and if patents on such invention are issued they shall be issued to the United States, unless in particular circumstances the Chairman of the Water Resources Council waives all or any part of the rights of the United States to such invention in conformity with the provisions of this section.

"(b) Each contract entered into by the Chairman of the Water Resources Council with any person shall contain effective provisions under which such person shall furnish promptly to the Chairman of the Water Resources Council a written report containing full and complete technical information concerning any invention, discovery, improvement, or innovation which may be made in the course of or under such contract.

"(c) Under such regulations in conformity with the provisions of this section as the Chairman of the Water Resources Council shall prescribe, the Chairman of the Water Resources Council may waive all or any part of the rights of the United States under this section with respect to any invention or class of inventions made or which may be made by any person or class of persons in the course of or under any contract if the Chairman of the Water Resources Council determines that the interests of the United States and the general public will best be served by such waiver. The Chairman of the Water Resources Council shall maintain a publicly available, periodically updated record of waiver determinations. In making such determinations, the Chairman shall have the following objectives:

"(1) Making the benefits of the water research and development program widely available to the public in the shortest practicable time.

"(2) Promoting the commercial utilization of such inventions.

"(3) Encouraging participation by private persons in the water research and development program.

"(4) Fostering competition and preventing undue market concentration or the creation or maintenance of other situations inconsistent with the antitrust laws.

"(d) In determining whether a waiver to the contractor at the time of contracting will best serve the interests of the United States and the general public, the Chairman of the Water Resources Council shall specifically include as considerations—

"(1) the extent to which the participation of the contractor will expedite the attainment of the purposes of the program;

"(2) the extent to which a waiver of all or any part of such rights in any or all fields of technology is needed to secure the participation of the particular contractor;

"(3) the extent to which the contractor's commercial position may expedite utilization of the research, development, and demonstration program results;

"(4) the extent to which the Government has contributed to the field of technology to be funded under the contract;

"(5) the purpose and nature of the contract, including the intended use of the results developed thereunder;

"(6) the extent to which the contractor has made or will make substantial investment of financial resources or technology developed at the contractor's private expense which will directly benefit the work to be performed under the contract;

"(7) the extent to which the field of technology to be funded under the contract has been developed at the contractor's private expense;

"(8) the extent to which the Government intends to further develop to the point of commercial utilization the results of the contract effort;

"(9) the extent to which the contract objectives are concerned with the public health, public safety, or public welfare;

"(10) the likely effect of the waiver on competition and market concentration; and

"(11) in the case of a nonprofit educational institution, the extent to which such institution has a technology transfer capability and program, approved by the Chairman of the Water Resources Council as being consistent with the applicable policies of this section.

"(e) In determining whether a waiver to the contractor or inventor of rights to an identified invention will best serve the interests of the United States and the general public, the Chairman of the Water Resources Council shall specifically include as consideration paragraphs (4) through (11) of subsection (d) as applied to the invention and—

"(1) the extent to which such waiver is a reasonable and necessary incentive to call forth private risk capital for the development and commercialization of the invention; and

"(2) the extent to which the plans, intentions, and ability of the contractor or inventor will obtain expeditious commercialization of such invention.

"(f) Whenever title to an invention is vested in the United States there may be reserved to the contractor or inventor—

"(1) a revocable or irrevocable nonexclusive, paid-up license for the practice of the invention throughout the world; and

"(2) the rights to such invention in any foreign country where the United States has elected not to secure patent rights and the contractor elects to do so, subject to the rights set forth in paragraphs (2), (3), (6), and (7) of subsection (h): *Provided*, That when specifically requested by the Chairman of the Water Resources Council and three years after issuance of such a patent, the contractor shall submit the report specified in subsection (h)(1) of this section.

"(g)(1) Subject to paragraph (2) of this subsection, the Chairman of the Water Resources Council shall determine and promulgate regulations specifying the terms and conditions upon which licenses may be granted in any invention to which title is vested in the United States.

"(2) Pursuant to paragraph (1) of this subsection, the Chairman of the Water Resources Council may grant exclusive or partially exclusive licenses in any invention only if, after notice and opportunity for hearing, it is determined that—

"(A) the interest of the United States and the general public will best be served by the proposed license, in view of the applicant's intentions, plans, and ability to bring the invention to the point of practical or commercial application;

"(B) the desired practical or commercial applications have not been achieved, or are not likely expeditiously to be achieved, under any nonexclusive license which has been granted, or which may be granted, on the invention;

"(C) exclusive or partially exclusive licensing is a reasonable and necessary incentive to call forth risk capital and expenses to bring the invention to the point of practical or commercial applications; and

"(D) the proposed terms and scope of exclusivity are not substantially greater than necessary to provide the incentive for bringing the invention to the point of practical or commercial applications and to permit the licensee to recoup its cost and a reasonable profit thereon:

Provided, That, the Chairman of the Water Resources Council shall not grant such exclusive or partially exclusive license if he determines that the grant of such license will tend substantially to lessen competition or result in undue concentration in any section of the country in any line of commerce to which the technology is to be licensed relates. The Chairman of the Water Resources Council shall maintain a publicly available, periodically updated record of determinations to grant such licenses.

"(h) Each waiver of rights or grant of an exclusive or partially exclusive license shall contain such terms and conditions as the Chairman of the Water Resources Council may determine to be appropriate for the protection of the interests of the United States and the general public, including provisions for the following:

"(1) Periodic written reports at reasonable intervals, and when specifically requested by the Chairman of the Water Resources Council, (a) a written report shall be submitted to the Chairman of the Water Resources Council within nine (9) months after the submission of the final report concerning the conception or actual reduction to practice, or both, as may be applicable, of every invention made pertaining to the work called for in the contract which was conceived or first actually reduced to practice within the period of three (3) months prior, during, or three (3) months subsequent to the term of the contract, which invention would be a Subject Invention if made under the contract, but which the Contractor believes was made outside the performance of work required under this contract. The Chairman of the Water Resources Council may require additional information to be furnished in confidence by the Contractor. At the request of the Chairman of the Water Resources Council made during or subsequent to the term of the contract, including any extensions for additional research and development work, the Contractor shall furnish information concerning any other invention which appears to the Chairman of the Water Resources Council to reasonably have the possibility of being a Subject Invention; (b) All information supplied by the Contractor hereunder shall be of such nature and character as to enable the Chairman of the Water Resources Council reasonably to ascertain whether or not the invention concerned is a Subject Invention. Failure to furnish such information called for herein shall, in any subsequent procedure, place on the Contractor the burden of going forward with the evidence to establish that such invention is not a Subject Invention. If such evidence is not then presented the invention shall be deemed to be a Subject invention. After receipt of information furnished pursuant hereto, the Chairman of the Water Resources Council shall not unduly delay rendering his opinion on the matter. The Contractor may furnish the information required under this paragraph as Contract Confidential information, which shall be identified as such.

"(2) At least an irrevocable, nonexclusive, paid-up license to make, use, and sell the invention throughout the world by or on behalf of the United States (including any Government agency) including the power to issue sublicenses for use in behalf of the Government and/or in the furtherance of the foreign policies of the Government and States and domestic municipal governments, unless the Chairman of the Water Resources Council determines that it would not be in the public interest to acquire the license for the States and domestic municipal governments. When the foreign rights in and to an invention are not assigned to the Government but the Government may, at its option or on requests acquire such rights and determines not to cause an application to be filed in any particular foreign country or otherwise to seek protection of the invention, or fails to take such action, (a) within six months of the filing of an application for United States patent on the invention, or (b) within six months of declassification of an invention previously under a security classification, or (c) within six months after disclosure of an invention to the Government pursuant to contract, whichever is later, such determination or such failure to act shall constitute a decision by the Government to leave such rights to the inventor, subject to the extent practicable, to a nonexclusive irrevocable, royalty-free license to the Government in any patent which may issue thereon in any foreign country, including the power to issue sublicenses for use in behalf of the Government and/or in furtherance of the foreign policies of the Government.

"(3) The right in the United States to sublicense any foreign government pursuant to any existing or future treaty or agreement if the Chairman of the Water Resources Council determines it would be in the national interest.

"(4) The reservation in the United States of the rights to the invention in any country in which the contractor does not file an application for patent within such time as the Chairman of the Water Resources Council shall determine.

"(5) The right in the Chairman of the Water Resources Council to require the granting of a nonexclusive, exclusive, or partially exclusive license to a responsible applicant or applicants, upon terms reasonable under the circumstances, (A) to the extent that the invention is required for public use by governmental regulation or (B) as may be necessary to fulfill health, safety, or water needs, or (C) for such other purposes as may be stipulated in the applicable agreement or by Agency regulation.

"(6) The right in the Chairman of the Water Resources Council to terminate such waiver or license in whole or in part unless the recipient of the waiver or license demonstrates to the satisfaction of the Chairman of the Water Resources Council that he has taken effective steps, or with a reasonable time thereafter is expected to take such steps, necessary to accomplish substantial utilization of the invention.

"(7) The right in the Chairman of the Water Resources Council commencing three years after the grant of a license and four years after a waiver is effective as to an invention, to require the granting of a nonexclusive or partially exclusive license to a responsible applicant or applicants, upon terms reasonable under the circumstances, and in appropriate circumstances to terminate the waiver or license in whole or in part, following a hearing upon notice thereof to the public, upon a petition by an interested person justifying such hearing—

"(A) if the Chairman of the Water Resources Council determines, upon review of such material as he deems relevant, and after the recipient of the waiver or license, or other interested person, has had the opportunity to provide such relevant and material information as the Chairman of the Water Resources Council may require, that such waiver or license has tended substantially to lessen competition or to result in undue concentration in any section of the country in any line of commerce to which the technology relates; or

"(B) unless the recipient of the waiver or license demonstrates to the satisfaction of the Chairman of the Water Resources Council at such hearing that he has taken effective steps, or within a reasonable time thereafter is expected to take such steps, necessary to accomplish substantial utilization of the invention.

"(i) The Chairman of the Water Resources Council shall provide an annual periodic notice to the public in the Federal Register, or other appropriate publication, of the right to have a hearing as provided by subsection (h)(7) of this section, and of the availability of the records of determinations provided in this section.

"(j) The Chairman of the Water Resources Council shall, in granting waiver or licenses, consider the small business status of the applicant.

"(k) The Chairman of the Water Resources Council is authorized to take all suitable and necessary steps to protect any invention or discovery to which the United States holds title, and to require that contractors or persons who acquire rights to inventions under this section project such inventions.

"(l)(1) Nothing in this Act shall be deemed to convey any individual, corporation, or other business organization immunity from civil or criminal liability, or to create defenses to actions, under the antitrust laws.

"(2) As used in this section, the term 'antitrust law' means—

"(A) the Act entitled 'An Act to protect trade and commerce against unlawful restraints and monopolies', approved July 2, 1950 (15 U.S.C. 1 et seq.), as amended;

"(B) the Act entitled 'An Act to supplement existing laws against unlawful restraints and monopolies, and for other purposes" approved October 15, 1914 (15 U.S.C. 12 et seq.), as amended;

"(C) the Federal Trade Commission Act (15 U.S.C. 41 et seq.), as amended;

"(D) sections 73 and 74 of the Act entitled 'An Act to reduce taxation, to provide revenue for the Government and for other purposes', approved August 27, 1894 (15 U.S.C. 8 and 9), as amended; and

"(E) the Act of June 19, 1936, chapter 592 (15 U.S.C. 13, 13a, 13b, and 21a).

"(m) As used in this Section, the term—

"(1) 'person' means any individual, partnership, corporation, association, institution, or other entity;

"(2) 'contract' means any contract, grant, agreement, understanding, or other arrangement, which includes research, development, or demonstration work, and includes any assignment, substitution of parties, or subcontract executed or entered into thereunder;

"(3) 'made', when used in relation to any invention, means the conception or first actual reduction to practice of such invention;

"(4) 'invention' means inventions or discoveries, whether patented or unpatented; and

"(5) 'contractor' means any person having a contract with or on behalf of the Chairman of the Water Resources Council.".

SEC. 114. Section 305 of the Water Resources Research Act of 1964 (42 U.S.C. 1961c-5) is amended by striking out "by such means as he deems appropriate" and inserting in lieu thereof "with the advice and assistance of the Water Resources Council".

SEC. 115. Section 307 of the Water Resources Research Act of 1964 (42 U.S.C. 1961c-7) is amended by striking out "Secretary" and inserting in lieu thereof "Water Resources Council".

SEC. 116. Section 308 of the Water Resources Planning Act of 1964 (42 U.S.C. 1961c-8) is amended by striking out "Secretary" wherever it appears and inserting in lieu thereof "Chairman of the Water Resources Council".

TITLE II—AMENDMENTS TO TITLE II OF THE WATER RESOURCES PLANNING ACT—RIVER BASIN COMMISSIONS

SEC. 200. Section 201 of the Water Resources Planning Act (42 U.S.C. 1962b) is amended as follows:

(1) in subsection (b)(1) thereof by striking out "plans" and inserting in lieu thereof "planning" and by inserting immediately before the semicolon at the end thereof a comma and the following: "and where a river basin commission exists, serve to coordinate all federally assisted State programs for water related planning"; and

(2) in subsection (b)(2) thereof by striking out ", coordinated, joint" and inserting in lieu thereof "regional or river basin" and after "*Provided*, That" by inserting "the plan is prepared in a comprehensive, coordinated, joint planning process and that".

SEC. 201. Section 202 (a) of the Water Resources Planning Act (42 U.S.C. 1962b-a) is amended to read as follows:

"(a) A chairman appointed by the President, who shall also serve as chairman and coordinating officer for comprehensive planning of the Federal members of the commission and who shall represent the Federal Government in Federal-State relations on the commission and who shall not, during the period of his service on the commission, hold any other position as an officer or employee of the United States, except as a retired officer or retired civilian employee of the Federal Government;".

SEC. 202. (a) Section 204 of the Water Resources Planning Act (42 U.S.C. 1962b-3) is amended as follows:

(1) after "Sec. 204." thereof by inserting "(a)"; and

(2) in subsection 204(3) thereof by striking out ", coordinated, joint" and inserting in lieu thereof "regional or river basin".

(b) Section 204 of such Act is further amended by adding at the end thereof the following new subsection:

"(b) For the purpose of this title the phrase 'water and related land resources' may be construed broadly so as to permit the River Basin Commission to perform its functions with respect to such natural resources issues as may be appropriate for its region subject to provisions of section 3 of this Act.

TITLE III—AMENDMENTS TO TITLE III OF THE WATER RESOURCES PLANNNG ACT — FINANCIAL ASSISTANCE TO STATES

SEC. 300. Section 301 of the Water Resources Planning Act (42 U.S.C. 1962c) is amended as follows:

(1) in subsection (a) by striking out "fiscal years 1977 and 1978, $5,000,000 in each such year for grants to States to assist them in developing and participating in the development of comprehensive water and related land resources plans." and inserting in lieu thereof "the next fiscal year beginning after the date of enactment of this Act, and for the four succeeding years thereafter, sums adequate to provide up to $200,000 annually to each of the several States to assist each State in developing a comprehensive State water plan in coordination with national and regional or river basin water resources plans. Such sums are to be made available on the basis of two dollars of Federal funds to one dollar of State matching funds.";

(2) by redesignating subsection (b) thereof as (c); and

(3) by adding a new subsection (b) thereof to read as follows:

"(b) Of those sums authorized to be appropriated for grants to the several States by subsection (a) of this section, wherever such sums are not so utilized, they shall remain available to match, on a dollar for dollar basis, funds made available by any State to meet the expenses of additional planning activities not adequately provided for in subsection (a) of this section.";

(4) in subsection (b) thereof, by inserting "under section 208 of the Federal Water Pollution Control Act Amendments of 1972, and" immediately after "section 701 of the Housing Act of 1954 and".

SEC. 301. Section 302 of the Water Resources Planning Act (42 U.S.C. 1962c-1) is hereby repealed.

SEC. 302. Section 303 of the Water Resources Planning Act (42 U.S.C. 1962c-2) is amended as follows:

(1) in paragraph (1) thereof, by striking out "comprehensive planning with respect to" and inserting in lieu thereof "the development of a comprehensive State water resources plan, which includes but is not limited to consideration of,"; and

(2) in subsection (2) thereof, by adding "or under section 208 of the Federal Water Pollution Control Act Amendments of 1972," after "1965,".

SEC. 303. The Water Resources Planning Act (42 U.S.C. 1962) is further amended by adding at the end thereof a new section as follows:

"SEC. 405. Notwithstanding any other provision of law, Federal appropriations for all resource planning studies to be conducted by and through the Council shall be made to the Council and the Council shall be responsible for assigning studies and apportioning funds: *Provided*, That for Level B studies and other studies administered by a river basin commission such funds shall be assigned through the Council to said river basin commission.".

SEC. 304. Section 5315 of title 5, United States Code, is amended by adding at the end thereof the following:

"(105) Chairman of the Water Resources Council.".

SEC. 305. Unless otherwise so specified, the provisions of this Act shall become effective October 1, 1977.

By Mr. MATHIAS:

S. 3143. A bill to amend the U.S. Housing Act of 1937 to make single individuals eligible for assistance under such act. Referred to the Committee on Banking, Housing and Urban Affairs.

Mr. MATHIAS. Mr. President, I am introducing a bill to amend the U.S. Housing Act of 1937 to make single individuals eligible for assistance under such act.

Under the present 1937 law, single people are eligible for public housing only if they are either over 62, or disabled, or handicapped. The purpose of my bill is to expand the definition of those eligible for public housing to include all single people who meet the income requirements for public housing, irrespective of whether they are elderly, disabled, or handicapped. This bill will correct what I believe is an obvious inequity in the 1937 law.

The income requirement for low-rent housing varies from city to city. The current average national maximum income limit for a single person household to be eligible for public housing is $6,418. Maximum income may not exceed 50 percent of the median income for each local housing market area.

Extrapolating from these national figures, the Department of Housing and Urban Development—HUD—estimates that some 6.7 million single, nonelderly people are in the eligible income range for low-rent public housing. Of the total number of single people who would become eligible for public housing under my bill, HUD estimates that "not more than 540,000 individuals" would ultimately be housed in low-rent public housing. HUD bases this estimate on past performance of all households eligible for public housing.

My bill is designed to extend eligibility for public housing to all who are qualified in terms of income and to correct an oversight in the present law.

Although on November 12, I requested HUD's position on a revision to section 3(2) of the 1937 Housing Act, I have not received a response.

Mr. President, in order to illustrate the problem my bill seeks to resolve, I ask unanimous consent that two letters to me from the Baltimore Commissioner of Housing and Community Development be printed in the RECORD together with the text of my bill.

There being no objection, the letters and bill were ordered to be printed in the RECORD, as follows:

CITY OF BALTIMORE, DEPARTMENT
OF HOUSING AND COMMUNITY
DEVELOPMENT,
Baltimore, Md., October 15, 1975.

Hon. CHARLES MCC. MATHIAS,
U.S. Senator, Senate Office Building, Washington, D.C.

DEAR SENATOR MATHIAS: I would like to call to your attention what I feel to be a harsh inequity in our present public housing rules. The Housing Act and federal regulations limit admission to families, or to a single person who is (1) elderly (62 years of age or older), or (2) disabled, or (3) handicapped, or (4) displaced. This means that a single person who cannot be defined under one of these four categories is ineligible, whereas a married couple can be admitted.

The theory is that a single person can get an adequate job and does not need public housing. The reality is quite different. There are thousands of single persons, hard at work on full- or part-time jobs, who do not earn enough to pay for adequate housing.

There are other thousands of single persons who cannot find a job. Yet these persons are being arbitrarily denied access to public housing.

A good example is Mrs. X of Baltimore. Mrs. X works hard at a part-time job for the City, cleaning its offices. Her gross pay is $71.58 per week, and her net pay is $54.76. Her present rent is $18.50 a week, plus approximately $4.00 for utilities, averaging better than 31 percent of her gross income. She is being evicted from her apartment because the owner is converting it to a single-family dwelling.

While Mrs. X is eligible for public housing, with her $71 a week gross (and would pay no more than 25 percent of income for rent) she is ineligible because she is single and cannot qualify under any of the four "single" definitions listed above. On the other hand, a married couple is eligible, and could be earning better than $115.00 a week. May I request that you move to change the law to permit local housing authorities to admit single presons of low income, at their discretion.

The relevant section of the law is Section 3(2) of the Housing Act of 1937, as amended, where families of low income are defined to include single persons only where the persons are elderly, disabled, handicapped, or displaced.

Sincerely,

R. C. Embry, Jr.,
Commissioner.

Department of Housing
and Community Development,
Baltimore, Md., February 26, 1976.

Hon. Charles McC. Mathias,
U.S. Senator, Senate Office Building,
Washington, D.C.

Dear Senator Mathias: Thank you for your letter of November 12, 1975, in which you responded so positively to my concern that existing federal legislation prevents local housing authorities from housing low-income, non-elderly and non-disabled single persons. You requested information as to the total number of single persons in the Baltimore area who would come in this category, and I regret the delay in forwarding this to you.

At the time of the 1970 Census, there were 15,831 non-elderly single-person households that met the income requirements for admission to our public housing program but were ineligible because they were not 62 years of age, or older. This figure represents a 57 percent increase over the 1960 Census statistics. Since 1970, the national trend has been for more and more single households to be established. By 1980, if past trends continue, it is expected that Baltimore City will have approximately 24,800 single-person households meeting income limits for public housing, but ineligible because of present federal requirements.

I believe strongly that all persons, competent to manage alone and who qualify by income, should be given the opportunity to seek housing within our program. It is, therefore, heartening to know that you are exploring the possibility of changing the law so that single persons, of any age, may have the advantages that public housing has to offer.

Thank you for your continued interest in our program and in the families we serve.

Sincerely yours,

R. C. Embry, Jr.,
Commissioner.

S. 3143

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the third sentence of section 3(2) of the United States Housing Act of 1937 is amended to read as follows: "The term 'families' includes a single person; and the term 'elderly families' means families whose heads (or their spouses), or whose sole members, are at least 62 years of age or are under a disability as defined in section 223 of the Social Security Act or in section 102(5) of the Developmenal Disabilities Services and Facilities Construction Amendments of 1970, or are handicapped."

By Mr. BUCKLEY:

S. 3144. A bill to amend title 39, United States Code, to increase, to the fullest degree possible, competition in the delivery of mail, and for other purposes. Referred to the Committee on Post Office and Civil Service.

Mr. BUCKLEY. Mr. President, for over a century, the Congress has fostered a postal monopoly which has proven to be grossly inefficient, terribly costly to the taxpayer and the mail user, and unresponsive to the needs of its patrons. The cost of a first class stamp has risen from 5 cents in 1963 to 13 cents last December 28, while services to the public have been dramatically reduced. And now the Postal Service prepares to cut them back still further by putting an end to Saturday deliveries and to special delivery service. Moreover, the Postal Service continues to assume that the Congress will always cover any deficit. At the close of fiscal year 1973, the postal deficit was $13 million. It increased to $438 million the following year and in 1974–75 it grew to $825 million. In the current fiscal year, the Postal Service would like the American public to meet a deficit estimated at $2.4 billion. Small wonder that millions of long-suffering Americans have become disgusted by both the attitude and performance of this quasi-public corporation.

An editorial in the New York Daily News of November 1, entitled "A Private Mail Man," offered some sound advice which I recommend to the Senate:

> The House has nixed a proposed 3-cent increase for first-class letters but has allowed a 2-cent raise. It also has voted to return the finances of the independent U.S. Postal Service to congressional control.
>
> We think there's a better solution to the mail mess. Let's leave the Postal Service the way it is—but allow private carriers to compete for mail deliveries. Then we could determine whether government or private enterprise could do a faster, cheaper job. There's no doubt in our mind who would win.

I am convinced that all Americans—the taxpayer, the small businessman, corporations, and every private citizen who uses the mail service—would benefit if the Congress permitted private carriers to deliver first class mail. Accordingly, I am today introducing legislation which would repeal the private express statutes governing the delivery of first class mail; and let the forces of competition provide this country with the kind of efficient mail service it needs and deserves.

My bill would also outlaw petty harassment of private carriers of the kind now directed at competitors in the delivery of second-, third-, and fourth-class mail, for example, the requirement that private carriers be denied the use of mailboxes even when purchased and installed by the homeowner.

Of paramount importance to any monopoly is the protection of its revenues. The Postal Services' primary resource has been, and remains, first-class mail. In the recent 10-cent rate decision, Chief Administrative Law Judge Seymour Wenner stated that the price of a 10-cent stamp provides the Postal Service with $1.3 billion in excess revenues, $700 million of which is used to subsidize other classes of mail. In essence, the Postal Service has become a tax collecting agency, taking money from first-class mailers and distributing it to those who use other classes of mail. If this is indeed the case, as I believe it is, then it would appear that the Postal Service is in violation of section 3622(b) (3) of the Postal Reorganization Act which includes—

> * * * the requirement that each class of mail or type of mail service bear the direct and indirect postal costs attributable to that class or type plus that portion of all other costs of the Postal Service reasonably assigned to such class or type.

The Postal Service has put forth two arguments for maintaining its postal monopoly: First, because the Postal Service enjoys economies of scale, it is therefore a natural monopoly; and second, if private firms were allowed to compete in first-class mail, they would resort to cream skimming, taking the lucrative, high density routes and leaving the rest to the Postal Service.

If the Postal Service does indeed enjoy a natural monopoly, then there is clearly no economic justification for the continuation of a legal monopoly guaranteed by statute.

The Postal Service contends that it operates under the conditions of decreasing costs. The basis for that assertion is its claim that large portions of its costs—approximately 50 percent—are fixed. It argues that increases in volume will result in less than proportionate increases in the total costs of mail services, thus lowering the Service's average costs. However, the Postal Service offers no empirical proof to support its views. On the contrary, the facts would seem to contradict them.

Between 1961 and 1973, mail volume increased 38 percent. In the same period, the Postal Service's cost in constant 1973 dollars increased 56 percent. Thus as volume increased, average costs did not decrease, but increased. Although many explanations can be suggested, it is difficult to contend that those results are consonant with an enterprise that enjoys substantially decreasing costs.

Three different studies of the Postal Service's claim to decreasing costs have been conducted. The first, by Prof. George Wattler, was published in the University of Chicago's Journal of Law and Economics. Another, by Mr. Leonard Merwitz in 1973, was conducted for the Postal Rate Commission. The third, by Mr. Rodney Stevenson, was presented to the Postal Rate Commission in 1974. All of them concluded that the Postal Service does not enjoy economies of scale. The Postal Service has submitted no evidence to the contrary. Rather, the Postal Service, with all its accessibility to operational data, treats its alleged economies of scale as a matter of faith. In the case I mentioned previously, Judge Wenner rejected the contention that the Postal Service operates under conditions of decreasing costs. As Members of the Senate examine the evidence, I think they will agree with him. As I have previously mentioned, the "cream skimming" theory is the bulwark of the Postal Service's argument for maintaining the private express statutes. I believe John Haldi's outstanding report "The Postal Monopoly," effectively challenges and counters this thesis. I urge Members of the Senate to examine it.

When postal authorities argue that private firms will skim the cream off mail delivery, they make an implicit admission that certain users of the mails are being overcharged under the existing rate structure. In a competitive market, cream skimmers would be the good guys who protect the consumer's interest by keeping the suppliers honest. We should note that creaming by a monopolist in order to realize greater profits is considered exploitative, predatory, and against the public interest. Hence, a monopoly power resorting to such tactics would normally be subject to prosecution under our Federal antitrust laws.

The Postal Service claims that it needs this cream in order to compensate for losses on other mail. These losses have been incurred by deliberately setting lower rates for certain types of mail such as magazine and newspaper, and by granting discounts to public service mail from libraries, educational institutions, and nonprofit organizations.

Under the present arrangements, however, congressional subsidies have been provided to sustain those rates which have been set deliberately low, as well as to support public service mail. Therefore, it is not necessary for first-class mail to generate surplus revenues to subsidize mail provided with a subsidy through congressional appropriations. In these cases, either the direct subsidies or the subsidized rates should be raised.

Finally, it is argued that private competition would be unfair competition because private carriers would not be required to service the more remote and smaller communities that cannot pay their own way at even the current high level of postal rates. There is marginal truth to this assertion. But to the extent this argument is valid, it seems to me the answer lies not in preserving the current inefficiencies and high cost in 100 percent of the first-class mail service, but—if necessary—to extend a direct, above-board subsidy to the post offices we wish to keep open as a matter of public policy.

The net cost to the Government would probably be less, while the cost and efficiency of mail service to the great majority of users would be greatly improved.

Notwithstanding the Postal Service's attempts to frustrate competition in the delivery of second, third, and fourth class mail—these classes are not protected by the monopoly statutes—private firms have been doing quite well. Most notable among these is the United Parcel Service. The UPS, which provides service in 48 States, has outstripped the Postal Service in every phase of the parcel post operation. The United Parcel Service consistently meets its promised delivery dates, and makes three attempts to deliver the package to the recipient. The Postal Service makes one attempt at delivery and its delivery standards have been so often violated that they are considered by most to be unreliable.

Mr. Paul Oberkotter, former president of the United Parcel Service and now presently serving as chairman of the executive committee, submitted to Judge Wenner a case in point which, I think, adequately illustrates the difference between the existing management mentality in the UPS and the USPS. He explained that his company has found that units of more than 150 employees tend to decrease in efficiency; so that where parcels exceed the capacity of such a unit, they build additional stations in different locations. This decentralization, he finds, improves efficiency as well as providing better geographical coverage. In contrast, the Postal Service's management has now centralized its bulk mail in 21 centers around the country.

The United Parcel Service has pioneered in mechanization and containerization in handling parcels, which has resulted in lower handling costs and breakage.

The Postal Service, on the other hand, still insists upon using 18th century-type cloth mail bags for the transport of its parcels. It is important to note that every one of the United Parcel Service's delivery rates, and this includes $100 worth of insurance, is lower than that of the Postal Service, which charges extra for insurance.

The United Parcel Service is a well established competitor in the delivery of parcels. Few, if any, would suggest "outlawing" the Parcel Service and absorbing it into the Postal Service in order to increase the latter's revenues. Yet, paradoxically, this is the argument used for maintaining the Postal Service's monopoly on first-class mail.

The outstanding record of the United Parcel Service demonstrates that competition in the mails works, and works well. Introduction of competition into first-class mail would not only help keep the Postal Service "honest" by creating competitive pressures to keep down first class rates, it would encourage the development of technological, innovative, and cost-efficient methods designed to improve service and efficiency.

In October 1974, the House Subcommittee on Environmental Problems Affecting Small Business explicitly endorsed the repeal of the private express statutes. The subcommittee's report stated:

> Franchised postal service operations would create the opportunity for many people to become small businessmen and women. Conceivably, it could improve the reliability and speed of mail service and reduce a large deficit item on the U.S. Government's budget.

The subcommittee further concluded:

> Private enterprise has already demonstrated that it has the capacity and desire to perform the functions presently being provided by the U.S. Postal Service. Furthermore, despite legal constraints, private companies have established that they can provide postal services at less cost and more dependably than the present postal system and can do so profitably. The existence and increasing popularity of these privately owned companies demonstrate that the American mailing public desires alternative service and therefore the committee strongly urges that the appropriate legislative committees of Congress give serious consideration to ending the Government's postal monopoly and thereby enable private enterprise, and especially small business, to profitably provide all postal services to the American people.

Unfortunately, however, too little attention was paid to the findings of the subcommittee.

In the January 16, 1976, report on the President's Council on Wage and Price Stability it noted that:

> The Private Express Statutes appear to play a prominent role in the rapid increase in postal rates and have significant direct and indirect effects on the American consumer.

The report went on to conclude that the "prod of competition" would serve to "retard or reverse the upward rush of postal rates." Several additional points were made by the Council which I feel warrant the Senate's attention: "First, breaking the monopoly would increase productivity; second, the first class mail monopoly and the uniform rate structure constitutes hidden but costly subsidies; third, were the cost of the Postal Service to be divided up evenly and paid directly, a family of four would have paid nearly $190 in fiscal year 1975, an increase of 73 percent over fiscal 1968; fourth, since 1971, first class rates have risen 63 percent, for the same period, the Consumer Price Index increased 35 percent; and fifth, the United Parcel Service appears to be more efficient then the Postal Service in providing services and managing its work force.

Essentially, the Council concludes—

> * * * that without the stimulus of competition it is less likely that the resulting rates for postal services would achieve the most efficient allocation of resources and operational efficiencies.

Public frustration with the Postal Service is mounting. In fact, the costs of mail delivery under today's protected monopoly are so high that some electric companies now use their own employees to deliver bills. A consumer interest organization, the First Class Mailers Association, has been established to protect the interests of first-class mailers. Private postal companies are now able to service more than 10 million homes. And the United Parcel Service is prospering with its own delivery system. But all of this only represents limited competition to the postal behemoth. There would be substantial benefits from the open competition which would surely be stimulated by the full repeal of the private express statutes.

The Postal Service would have a greatly increased incentive to improve its efficiency and reduce its costs. At the same time, the Congress would be assured that it could compare the Postal Service's costs, rates, and services to those of the private competitor in order to determine whether the operations of the Postal Service were being kept under reasonable control, whether management was functioning well, and whether rates and costs were too high. Furthermore, instead of spending huge sums of money in the form of subsidies, we will have money coming into the Treasury in the form of tax revenues. Most importantly, however, the users of the mails would be assured of reliable service on a cost-efficient basis.

In summary, Congress erred in not repealing the private express statutes when it created the U.S. Postal Service. This is an oversight we can and must correct.

The American public is tired of being "ripped off." Mail service will not get better until we abandon the notion that a monopoly can provide us with the service we need. The bill I now send to the desk will break that monoply and encourage the competition that is our best hope for restoring the quality of postal service within the United States.

I ask unanimous consent that the text of my bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 3144

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) sections 601 and 602 of title 39, United States Code, are amended to read as follows:

"§ 601. Use of post office boxes by private carriers

"(a) The Postal Service shall permit a private carrier of mail to deposit mail in or collect mail from a post office box which is rented by the sender or addressee of such mail from the Postal Service.

"(b) The private carrier shall pay to the Postal Service a rental fee, in addition to that paid by the addressee of such box, which the Postal Rate Commission determines is reasonable for the space occupied by post office boxes in which such carrier deposits mail.

"(c) For purposes of this section, the term 'mail' does not include any matter which with respect to the Postal Service is nonmailable under sections 3001 (a) and (e), 3002–3006, and 3008–3010 of this title.

"§ 602. Use of letter boxes by private carriers

"(a) A private carrier of mail may deposit any mailable matter in any letter box established, approved, or accepted by the Postal Service for the receipt or delivery of mail matter on any mail route.

"(b) For the purpose of this section, the term 'mailable matter' does not include any matter which with respect to the Postal Service is nonmailable under sections 3001 (a) and (e), 3002–3006, and 3008–3010 of this title.".

(b)(1) The table of chapters for part I of title 39, United States Code, is amended by striking out the item relating to chapter 6 and inserting in lieu thereof the following:

"6. Private carriage of mails.......... 601".

(2) The caption for chapter 6 of title 39, United States Code, is amended to read as follows:

"Chapter 6.—PRIVATE CARRIAGE OF MAILS".

(c) The table of sections for chapter 6 of title 39, United States Code, is amended by striking out the items relating to sections 601 and 602 and inserting in lieu thereof the following:

"601. Use of post office boxes by private carriers.

"602. Use of letter boxes by private carriers.".

(d) Section 3622 of title 39, United States Code is amended by adding at the end thereof the following new subsection:

"(c) The Commission shall determine the rate and any changes in the rate for rental fees paid by private carriers for post office boxes in which such carrier deposits mail and such determination shall be final.".

SEC. 2. (a)(1) Chapter 83 of title 18, United States Code, is amended by striking out sections 1694, 1695, 1696, and 1697.

(2) The table of sections for chapter 83 of title 18, United States Code, is amended by striking out the items relating to sections 1694, 1695, 1696, and 1697.

(b) Section 1698 of title 18, United States Code, is amended by inserting "(other than letters or packages carried by private express)" immediately after "cargo".

(c) Section 1699 of title 18, United States Code, is amended by inserting "except where carried by private express and" immediately after "nearest post office," and immediately after "under my power or control,".

(d) Section 1725 of title 18, United States Code, is amended by inserting "(a)" immediately before "Whoever" and by adding at the end thereof the following new subsection:

"(b) This section shall not apply to a private carrier authorized to deposit mail in a letter box under section 602 of title 39.".

(e)(1) Chapter 83 of title 18, United States Code, is amended by adding at the end thereof the following new section:

"§ 1738. Deposit of nonmailable matters

"Whoever knowingly and willfully deposits any matter which is nonmailable with respect to the Postal Service under section 3001 (a) and (e), 3002–3006, and 3008–3010 of title 39, in any letter box established, approved, or accepted by the Postal Service for the receipt or delivery of mail matter on any mail route, shall for each such offense be fined not more than $300.".

(2) The table of sections for chapter 83 of title 18, United States Code, is amended by inserting at the end thereof the following:

"1738. Deposit of nonmailable matter.".

By Mr. CHURCH (for himself, Mr. JACKSON, Mr. FANNIN, Mr. HATFIELD, Mr. RANDOLPH and Mr. GLENN):

S. 3145. A bill to establish energy conservation research, development, and demonstration institutes, to create a cooperative energy extension service, to promote a more adequate national program of research, development, and demonstration in technologies related to energy conservation, and for other purposes. Referred to the Committee on Interior and Insular Affairs.

ENERGY CONSERVATION RESEARCH AND DEVELOPMENT ACT OF 1976

Mr. CHURCH. Mr. President, I introduce a bill to establish within each State at a college or university an energy conservation research, development and demonstration institute. In addition, this bill directs the Administrator of the Energy Research and Development Administration to prepare a plan for the creation of a "Cooperative Energy Conservation Extension Service."

It is anticipated that the energy conservation institutes and a Cooperative Energy Conservation Extension Service will provide individual energy consumers, small businesses, and other commercial and industrial enterprises with a technically competent, readily available and unbiased source of information concerning the opportunities and cost effectiveness of implementing energy conservation measures. Also, creation of State research institutes will provide a focal point for exploring novel methods of energy conservation, for training professionals in energy conservation methods, technologies, and opportunities, and for tapping the scientific and technical talent of our Nation's colleges and universities.

Too often energy conservation is perceived as "doing without." The positive approach to conservation, and the approach embodied in this bill, is to consider and use the array of technologies, methods, and opportunities which will result in more "efficient" utilization of energy sources. If properly conducted, energy conservation is a way by which we can avoid diminishing our present standard of living which might otherwise result from higher energy prices and growing scarcity of nonrenewable fossil fuels. More efficient use of energy is the least disruptive and most environmentally acceptable methods by which to increase energy supply. For individual consumers and small businesses energy conservation would result in lower fuel costs and net economic savings. Finally, serious commitment to efficient use of energy can result in decreased imports of foreign oil thereby increasing the leverage this country will have in the international oil markets.

There are varying estimates about the potential of energy conservation programs. For example, the Energy Research and Development Administration has estimated that residential and commercial buildings use 36 percent of total U.S. energy. Space heating and cooling gobbles up 70 percent of the energy used in those buildings. Of the 48 million single-family dwelling units in the United States, as of December 31, 1974, 13 million are believed to have adequate weatherization protection or are located in climates where retrofitting is not cost-effective; 17 million need ceiling insulation; 10 million need storm doors and windows, 20 million need clock thermostats, and 20 million need caulking and weather-stripping.

These energy conservation opportunities exist today, the technology exists today and installation is cost-effective; but, lacking a commitment to conservation energy is still wasted out the door and through the attic. FEA estimates that more than 1 million barrels of oil per day could be saved over the next several years if residential and commercial buildings were fitted with energy conservation devices or energy conserving practices were followed.

In addition, FEA has estimated that the industrial sector could save nearly 1.9 million barrels of oil per day by 1980. Almost 3 million barrels of oil equivalent per day is about 50 percent of the oil we import daily and approximately $12 billion of U.S. currency we export to pay for that oil.

Whatever the actual savings, it is clear that the potential is very significant and that every effort should be made to provide all energy consumers with the information necessary for them to make informed judgments about implementing conservation technologies, techniques, or strategies.

In addition to those cost-effective energy conservation projects which could be implemented with existing know-how, the Energy Research and Development

Administration has estimated that if present and proposed energy conservation research, development and demonstration projects are successfully implemented and finally penetrate the energy consuming market, the energy savings could amount to 6.3 to 8.8 million barrels of oil equivalent per day. An aggressive conservation R. & D. program is the surest way that I know to insure that the full potential of energy conservation is realized.

Dramatically rising energy prices have placed an intolerable burden on the American people. Whether measured in the $26 billion that will be exported this year to pay for foreign oil or the cost in individual, human suffering, this burden is truly staggering. As chairman of the Senate Special Committee on Aging, I have conducted public hearings on the elderly and the impact of rising energy prices in several cities around the country. I found that rising energy prices for the elderly on fixed incomes all too often means that to pay the electric or gas bill the aged person allocated less for an already meager weekly food allowance.

The Senate Subcommittee on Energy Research and Water Resources, which I also chair and which has oversight jurisdiction over the newly created Energy Research and Development Administration, has conducted several hearings and investigations on the potential of energy conservation measures. The subcommittee's conclusion is that energy conservation could provide substantial energy savings and is one of only a few energy options now being pursued by ERDA which holds promise for significant impacts in the near term energy future—1976–1985.

It is in light of the energy that may be saved through more efficient utilization that I introduce this bill.

This bill seeks to augment the research, development and demonstration efforts of ERDA by providing additional talented manpower; it also requires the establishment of a positive and active energy outreach program rather than the present passive programs of providing conservation information through brochures, booklets and ads.

Scientists, engineers, planners, architects, economists, and others now located at our colleges and universities could research, develop, and demonstrate existing and novel means to utilize energy more efficiently. Location in a specific State will also insure that peculiar local, State, and regional energy conservation problems are addressed. In addition, the establishment of institutes in each State will provide a national technology distribution network for ERDA and other federally sponsored energy programs. Just as importantly, the institutes would serve as a center of excellence from which graduates with special skills in energy conservation could be trained.

This legislation also directs the Administrator of ERDA to develop a plan, subject to congressional approval, for establishing a Cooperative Energy Conservation Service. An essential part of any serious national program to promote energy conservation must be a nationwide effort to convince the public of the potential energy savings and economic benefits that are possible through implementation of energy conservation methods, technologies, and strategies. Even for those persons who understand the economics of conservation, many, I suspect, fail to act because the details of installation and related matters are too complicated and appear too burdensome.

This conservation service could provide the person-to-person technical assistance to both end-use energy consumers and the organizations and individuals who influence their consumption. Technically competent and informed people are simply not available today, on a wide-scale, to assist energy consumers. It is contemplated that energy conservation personnel could, when asked, conduct energy audits, seminars, lecturers, and perform other consumer advisory services which informs the energy consuming public about ways to more efficiently utilize energy.

We can end much of our energy waste simply by installing or pursuing cost-effective energy conserving technologies or techniques. We can add to the energy conservation potential with an aggressive research, development, and demonstration program which will provide new and better methods to use energy efficiently. This bill seeks to accomplish these ends.

I ask unanimous consent that the bill, which I consider as merely a starting point, be printed in the Record.

There being no objection, the bill was ordered to be printed in the Record, as follows:

S. 3145

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Energy Conservation Research and Development Act of 1976".

Sec. 2. The Congress hereby finds that—

(a) a major program to establish energy conservation research, development, and demonstration is required to reduce dependence on nonrenewable sources of energy and to provide the leadtime necessary to develop other sources of energy including solar, geothermal, and fusion;

(b) States and State institutions of higher learning should be primarily responsible for designing and implementing research, development, and demonstration programs in energy conservation and for disseminating energy conservation information. In so doing, such an energy conservation program recognizes the great diversity among regions of the Nation and allows States, subject to general Federal guidelines, the broad flexibility required to fashion programs to local needs and conditions;

(c) energy conservation efforts are now inadequate because individual consumers, small businesses, and other commercial and industrial enterprises lack reliable, impartial information as to the potential energy savings and cost effectiveness which may result from implementing conservation methods, technologies, and opportunities;

(d) establishment of energy conservation research, development, and demonstration institutes will provide an institutional setting in which scientists, engineers, economists, architects, planners and other graduate students will receive training and instruction in energy conservation; and

(e) the Federal Government, under the direction and leadership of the Energy Research and Development Administration, should provide personnel, financial, and technical support, in a cooperative effort with States, to involve consumers of energy in an effective and comprehensive national energy conservation program.

Sec. 3. (a) The Congress declares that the purposes of this Act are—

(1) to establish a positive energy outreach program directed toward small energy consumers and the organizations that influence energy consumption; and

(2) to stimulate, sponsor, provide for, and supplement present programs for the conduct of basic and applied research, investigations, experiments, evaluations, planning, management, and the training of scientists, engineers, architects, economists, urban planners, and others, in energy conservation methods and technologies through the establishment of interdisciplinary energy conservation research, development, and demonstration institutes, in cooperation with and among the States.

(b) It is the *policy of the Congress* that a major priority in planning and programs of all Federal agencies including, but not limited to, the Departments of Commerce, Transportation, Housing and Urban Development, Defense, and Agriculture, should be to implement energy conservation methods, technologies, and opportunities and to cooperate with each other and with other State, local, and private organizations in the development and implementation of energy conservation programs.

TITLE I—STATE ENERGY CONSERVATION RESEARCH AND DEVELOPMENT INSTITUTES

Sec. 100. (a) The Administrator of the Energy Research and Development Administration (hereinafter referred to as "Administrator") is authorized to provide such sums as are made available pursuant to section 300 (a) of this Act to each of the several States to assist each participating state in establishing and carrying on the work of a competent and qualified energy conservation research, development, and demonstration institute (hereinafter referred to as "institute") as one college or university in that State as designated by the Governor.

(b) In making his decision upon location of the institute, the Governor shall give preference to a college or university established in accordance with the Act approved July 2, 1862 (12 Stat. 503), entitled "An Act donating public lands to the several States and territories which may provide colleges for the benefit of agriculture and the mechanic arts".

(c) Two or more States may cooperate in the designation of a single interstate or regional institute, in which event the sums assignable to all of the cooperating States shall be paid to such institute.

Sec. 101. (a) Each such institute organized under provisions of this Act and affiliated with a designated college or university shall—

(1) arrange with other colleges and universities within the State to participate in the work of the institute;

(2) coordinate, support, augment, and implement programs contributing to the understanding of local, State, and regional energy conservation problems and opportunities; and

(3) provide a nucleus of administrative, professional, scientific, technical, and other personnel capable of planning, coordinating, and directing the interdisciplinary programs related to energy conservation methods, technologies, and opportunities undertaken by the institute.

(b) It shall be the duty of each institute to—

(1) plan and conduct and/or arrange for a component or components of the college or university with which it is affiliated to conduct competent research, investigations, experiments, and evaluations of either a

basic or applied nature, or both, in relation to energy conservation methods, technologies, and opportunities and to provide for the training in areas of energy conservation of scientists, engineers, architects, economists, urban planners, and others in related disciplines. Such research, investigations, experiments, evaluations, and training may include, without being limited to, supply and demand for various energy resources; conservation and best use of available supplies of energy; demonstrations of energy conserving practices, techniques, and equipment for transportation, residential, commercial, industrial, and agricultural applications; economic, legal, geographic, and ecological aspects of energy conservation; and scientific information dissemination activities including identifying, assembling, and interpreting energy data relating to energy conservation, and the results of scientific, engineering, economic, and other research deemed potentially significant for solution of problems involving energy conservation, providing means for improved communication regarding such research results, and ascertaining the existing and potential effectiveness of such research in the solution of practical problems;

(2) cause to be printed and published, with moneys appropriated pursuant to this Act, the results from research, investigations, experiments, and evaluations conducted by such institutes;

(3) conduct activities authorized by this Act with due regard to the varying conditions and needs of the respective States, and with due regard to research projects dealing with energy conservation already being conducted by agencies of the Federal and State governments, and others; and

(4) include, as part of an annual program description submitted to the Administrator, assurance satisfactory to the Administrator that such programs were developed in close consultation and collaboration with leading energy resources officials within the State so as to promote research, training and other work meeting the needs of the State.

(c) Each such institute is authorized and encouraged to—

(1) plan and conduct programs financed under this Act in cooperation with each other and with other such agencies and individuals as may contribute to the solution of problems related to the conservation and better utilization of energy sources; and

(2, conduct technical education programs, including college equivalent courses and seminars for scientists, engineers, builders, economists, planners, and others which provide information about energy efficient design, use and construction of equipment and buildings, and about cost-effective energy conservation practices and technologies, and to support the development of a comprehensive energy conservation related program which may include, but is not limited to, public school curriculums development, adult education courses, workshops, and other educational activities directed toward general education in the efficient use of energy.

SEC. 102. (a) The Administrator is further authorized to provide additional sums of money to the institutes to meet the necessary expenses of specific research, development or demonstration projects dealing with energy conservation which could not otherwise be undertaken, including, but not limited to—

(1) the planning and coordinating of regional energy conservation projects by two or more institutes;

(2) the opportunity such project provides for the training of scientists, engineers, architects, economists, and others; and

(3) the programs described by subsections 101(c)(1) and (2) of this Act.

(b) The money appropriated for section 102(a) of this Act shall be available to match, on a dollar-for-dollar basis, funds made available to institutes by States or other non-Federal sources.

SEC. 103. The Administrator is hereby charged with the responsibility for the proper administration of this title and, after full consultation with other interested Federal agencies, shall prescribe such rules and regulations as may be necessary to carry out its provisions. He shall require a showing that institutes designated to receive funds have, or may reasonably be expected to have, the capability of doing effective work. He shall furnish such advice and assistance as will best promote the purposes of this Act, participate in coordinating research initiated under this Act by the institutes, indicate to them such lines of inquiry as are consistent with the goals and objectives as stated in the Federal Nonnuclear Energy Research and Development Act of 1974 (88 Stat. 1878), and encourage and assist in the establishment and maintenance of cooperation by and between the institutes and between them and other research organizations, the Energy Research and Development Administration, and other Federal agencies and departments.

SEC. 104. Nothing in this Act shall be construed to impair or to modify the legal relation existing between any of the colleges or universities under whose direction an institute is established and the government of the State in which it is located, and nothing in this Act shall in any way be construed to authorize Federal control or direction of education at any college or university.

SEC. 105. No part of any appropriated funds may be expended pursuant to authorization given by this Act for any scientific or technological research or development activity unless such expenditure is conditioned upon provisions consistent with and governed by the provisions of section 7 of the Federal Nonnuclear Energy Research and Development Act of 1974 (88 Stat. 1878).

SEC. 106. The Administrator shall make a report to the President and Congress on or before October 1 of each year showing the disposition during the preceding fiscal year of moneys appropriated to carry out this Act, the results expected to be accomplished through projects financed during that year under sections 100 and 101 of this Act, and the conclusions reached in or other results achieved by those projects which were completed during that year. The report shall also include an account of the work of all institutes financed under section 100 of this Act and indicate whether any portion of an allotment to any State was withheld and, if so, the reasons therefor.

TITLE II—COOPERATIVE ENERGY CONSERVATION EXTENSION SERVICE

SEC. 200. (a) The Administrator as soon as practicable, but not later than February 1, 1977, shall prepare and transmit to the Committee on Interior and Insular Affairs of the Senate and the Committee on Science and Technology of the House of Representatives a plan to create a Cooperative Energy Conservation Service (hereinafter referred to as the "Service"). Such cooperative energy conservation plan (hereinafter referred to as "plan") shall comply with the provisions of this title and shall detail the Administrator's proposals for establishing such Service.

(b) To the maximum extent practicable the plan shall include, but not be limited to, the following:

(1) provisions for developing and implementing a comprehensive program of energy conservaiton through the dissemination of information concerning energy conserving methods, technologies and opportunities;

(2) in cooperation with existing Federal, State, and local institutions, including State energy agencies, State energy conservation research, development and demonstration institutes as established by title I of this Act, and State institutions of higher learning, a program to instruct and train existing personnel in the county, State, and regional offices of the Department of Housing and Urban Development, the Department of Agriculture Cooperative Extension Service, the Farmer's Home Administration, and other Federal agencies who shall serve energy consumers including, but not limited to, individual homeowners, small businessmen, farmers and public service agencies of various State and local governments, in a technical advisory capacity;

(3) a description of services to be offered by or through the Service which would include, but is not limited to, providing individual homeowners with in-the-house evaluation of energy consumption including recommendations for insulation, storm windows and doors, more efficient heating and cooling systems, solar energy equipment, more energy efficient appliances and such other appropriate information as will enable the consumer to make informed judgments about the potential energy savings and cost-effectiveness resulting from implementation of such energy conserving actions;

(4) programs for disseminating information on energy conserving practices, techniques, and equipment by means of bulletins, lectures, newsletters, and other media techniques and such other consumer advisory services as may further the objectives of this Act; and

(5) such other functions, powers, and duties of the Service as the Administrator deems advisable: *Provided*, That such functions, powers, and duties shall be consistent with the extent and nature of the programs described by this Act.

SEC. 201. The plan shall not be finalized under the authority granted by this title prior to the expiration of ninety calendar days (not including any day on which either House of Congress is not in session because of an adjournment of more than three calendar days to a day certain) from the date on which such plan is received by the Committee on Interior and Insular Affairs of the Senate and the Committee on Science and Technology of the House of Representatives.

TITLE III—AUTHORIZING APPROPRIATIONS

SEC. 300. (a) There are authorized to be appropriated to the Administrator for the fiscal year 1977 sums adequate to provide $100,000 to each of the several States, and for the fiscal years 1978 through 1980, inclusive, $250,000 to each of the several States to carry out the provisions of section 100 of this Act.

(b) There is further authorized to be appropriated to the Administrator $5,000,000 for the fiscal year 1977, $6,000,000 for fiscal year 1978, $7,000,000 for fiscal year 1979 and $7,500,000 for fiscal year 1980, to carry out the provisions of section 102 of this Act.

SEC. 301. There are authorized to be appropriated to the Administrator $5,000,000 for each of fiscal years 1977 and 1978, subject to the provisions of section 201 of this Act, to provide for the establishment of the Cooperative Energy Conservation Extension Service as provided by title II of this Act.

By Mr. TAFT:

S. 3146. A bill for the relief of Leo J. Conway. Referred to the Committee on the Judiciary.

LEO CONWAY

Mr. TAFT. Mr. President, today, I introduce a bill on behalf of Mr. Leo Conway of Cleveland, Ohio, who was severely injured in an aircraft accident which occurred in April of 1919, while he was an employee of the U.S. Treasury Department. After several years and many attempts to obtain compensatory relief for his injuries, Mr. Conway has been unsuccessful with the various Government agencies which have jurisdiction over this problem. It is now appropriate for the Congress to provide him with some necessary financial assistance based upon the facts which I will set forth in my remarks.

Mr. Conway was discharged from the U.S. Army Air Force in March of 1919. Soon thereafter he joined the 4th Federal District of the U.S. Treasury Department to work on behalf of the Liberty Loan Organization, an instrumentality of the U.S. Government. Pursuant to his duties and responsibilities on behalf of the Treasury Department, he had occasion to secure a Government airplane at Selfridge Air Force Base in Michigan in April of 1919, where he was to fly over the 4th Federal District to advertise the 5th Victory Loan drive. Mr. Conway distributed advertising pamphlets while flying over these cities.

In the course of carrying out his duties, Mr. Conway landed in Ashtabula, Ohio, to replenish the airplane's gas tanks. Shortly thereafter he took off from Ashtabula to fly to Erie, Pa. When he was approximately 200 feet off the ground, the gas tanks exploded. Fortunately, he survived and was taken to Ashtabula General Hospital for treatment to his legs which were badly burned as a result of the explosion.

Mr. Conway had extensive medical treatment on his legs. He remained in the Ashtabula General Hospital from the date of the accident to July 4, 1919, where he was removed to Charity Hospital in Cleveland, Ohio. He remained there for the next 8 months where 7 skin grafts were performed. He was released from that hospital in March of 1920 and spent the next year living in Cleveland so that he could return to the Charity Hospital for continued treatment. He attempted to gain other employment in July of 1922, but was able to work only one day because of the continuation of bleeding in his legs.

Approximately every 5 years after he was initially hospitalized, he had to return to the hospital for a week for treatment of the skin grafts which broke open. He never applied for any welfare because he was too proud to ask. He has had continuous pain in both legs for the past 55 years, but has learned to live with it.

In March of 1973, he had a partial amputation on his right foot.

Mr. Conway, in my judgment, has a meritorious claim which has not received proper attention. Despite the injuries he received while a Government employee in the course of Government business, while using Government property, he has never received any compensation therefore. The bill contains a modest amount of money which would be of immeasurable assistance to Mr. Conway during his time of need. I urge my distinguished colleagues to support this most worthwhile measure. I ask unanimous consent that this bill be printed in the Record.

There being no objection, the bill was ordered to be printed in the Record, as follows:

S. 3146

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, the sum of $30,000 to Leo J. Conway of Cleveland, Ohio, in full satisfaction of all claims against the United States of the said Leo J. Conway arising out of the crash of an airplane of the United States Government which the said Leo J. Conway, as an employee of the Department of Treasury, was flying over Ashtabula, Ohio, on April 29, 1919, in connection with the promotion of the Victory Liberty Loan Campaign.

Sec. 2. No part of the amount appropriated by this Act in excess of 10 per centum thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Violation of this section shall be a misdemeanor punishable by a fine in any amount not exceeding $1,000.

By Mr. HOLLINGS (for himself, Mr. Magnuson and Mr. Pearson) (by request):

S. 3147. A bill to extend the Marine Protection, Research, and Sanctuaries Act for 2 years. Referred to the Committee on Commerce.

Mr. HOLLINGS. Mr. President, today I am introducing, by request and for appropriate reference, a bill to extend the Marine Protection, Research, and Sanctuaries Act or 2 years.

This act, which is more commonly referred to as the Ocean Dumping Act, was created to regulate the dumping of all types of materials into ocean waters and to prevent or strictly limit the dumping into ocean waters of any substance which would adversely effect human health, welfare, or the marine environment. Extending this act would enable the programs already established to continue in their efforts to eliminate the needless dumping of wastes which are so environmentally dangerous to our Nation.

I ask unanimous consent that the letter of transmittal be printed in the Record together with the text of the bill.

There being no objection, the bill and letter were ordered to be printed in the Record, as follows:

S. 3147

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 111 of the Marine Protection, Research, and Sanctuaries Act (33 U.S.C. 1420) is amended by striking "and not to exceed $1,550,000 for the transition period (July 1, through September 30, 1976)," and inserting in lieu thereof "not to exceed $1,550,000 for the transition period (July 1, through September 30, 1976) not to exceed $4,800,000 for fiscal year 1977, and not to exceed $4,800,000 for fiscal year 1978.".

U.S. Environmental Protection Agency,
Washington, D.C., February 10, 1976.

Hon. Nelson A. Rockefeller,
President of the Senate,
Washington, D.C.

Dear Mr. President: Enclosed is our proposed bill "To extend the Marine Protection, Research, and Sanctuaries Act for two years."

The bill would extend our authorities under section 111 of the Act. These authorities expire on September 30, 1976.

This extension is suggested in order to enable us to continue the programs envisioned by the Act. We recommend that this bill be referred to the appropriate Committee for consideration, and that it be enacted.

The Office of Management and Budget has advised that enactment of this legislative proposal would be in accord with the program of the President.

Sincerely yours,

(S) Alvin L. Alm,
(For Russell E. Train).

By Mr. TAFT:

S. 3148 A bill for the relief of refugees fleeing Lebanon because of religious persecution. Referred to the Committee on the Judiciary.

Mr. TAFT. Mr. President, the tragic events in Lebanon have been of great concern to many Members of the Senate. Many of my colleagues have joined me in cosponsoring S. 2941, a bill to provide emergency humanitarian assistance to Lebanon.

Today, the situation in Lebanon may have stabilized somewhat. That does not, of course, help repair the massive destruction or welfare of those who have lost their jobs, their homes, or their friends and families. Nor does it assure that those who have survived will be allowed to live free from fear and repression.

The danger of repression and persecution is a very real one, because of the religious issue. Religious and philosophical differences have not alone been at the root of the recent troubles, but those differences have unquestionably injected a greater bitterness into the struggle. The religious and philosophic differences may well, in fact, be the cause of future troubles, even if they have not been the main cause of the problems to date.

I think it is important that we do what we can to provide the humanitarian refuge that this country has always provided to any Lebanese who may face religious persecution or the threat of religious persecution. Accordingly, I am introducing a bill to permit Lebanese who face religious or political persecution to qualify for emergency immigration as refugees.

The provisions of this bill would apply to any Lebanese who face such persecution, regardless of special religious or political background. Because of the current political balance in Lebanon, it may be that more Christians than Moslems face the danger or the reality of persecution, and that the bill would thus be of more interest to the Christian Lebanese community. However, there would be no discrimination in the law against any or in favor of any one religious or political group.

I believe that this bill would be fully consistent with the humanitarian policy the United States has always maintained. We have always considered it one of our greatest national missions to provide refuge to those who face religious or political persecution or the threat of such persecution. Our Nation was founded by people fleeing such persecution. Certainly in this Bicentennial Year it would be unjustified for us to turn our backs on people from Lebanon who seek the religious and political freedom for which we have always stood.

I also think that those Lebanese who might avail themselves of this opportunity to flee persecution would be tremendously welcome and useful contributors to the life of this country. The Lebanese-Americans are not one of the largest heritage groups in the United States, but few if any have contributed more to the economic and cultural progress of the country. The Lebanese-American community is a tremendous asset to this country, and I am certain any additions to that community would equally be additions to the strength of America, especially because of the responsibility undertaken by that community for all of its members.

Mr. President, I hope my colleagues will support me in this attempt to provide a refuge to those people of Lebanon who may now face religious or political persecution. We have joined together, many of us, in the past to do what we could to help the Lebanese people in Lebanon. Let us now do all we can to help those Lebanese who may not be able to remain safely in Lebanon. I believe we cannot do otherwise and remain true to America's heritage.

By Mr. TUNNEY (for himself and Mr. HARTKE):

S. 3149. A bill to regulate commerce and protect human health and the environment by requiring testing and necessary use restrictions on certain chemical substances, and for other purposes. Referred to the Committee on Commerce.

TOXIC SUBSTANCES CONTROL ACT

Mr. TUNNEY. Mr. President, I am delighted that the report of the Committee on Commerce on the Toxic Substances Control Act is today being filed. This legislation was unanimously accepted by the committee. It has evolved into a comprehensive measure to protect the public and the environment from exposure to hazardous chemicals. Dr. Russell Peterson, Chairman of the Council on Environmental Quality, has called "Toxic substances control legislation probably the most important environmental legislation presently before the Congress." I could not agree more.

The Toxic Substances Control Act has now been before the Congress for some 5 years. It was first introduced in 1971 as a result of a report of the Council on Environmental Quality entitled "Toxic Substances." That report outlined in some detail the tremendous gaps that now prevent us from protecting against human suffering and environmental damage at the earliest stages of a chemical's development. Presently, most chemicals can be marketed without notification to any governmental body and without testing for safety.

In the last 3 years, I have chaired hearings before the Committee on Commerce which have documented time and time again the lethal dangers associated with chemicals like vinyl chloride, bischloromethyl ether—BCME—mercury and other heavy metals, arsenic, asbestos, and a multitude of others. In fact, over the 15 days of hearings conducted by the Committee on Commerce on this legislation over the last 5 years, in excess of 100 chemicals have been mentioned as candidates for regulation under this legislation.

It is indeed unfortunate that while this record continues to be built, the chemical industry has presented roadblocks at every juncture of this bill's development. There is no question in my mind that a statute would now be on the books providing effective protection against chemical hazards had it not been for the concerted effort of the chemical industry to seriously weaken the essential provisions of this legislation.

Dr. Russell Train, the Administrator of the Environmental Protection Agency, has stated that this situation presents the American public with lethal dangers. Dr. Train, in a recent speech pointed out:

> Most Americans had no idea, until relatively recently that they were living so dangerously. They had no idea that when they went to work in the morning, or when they ate their breakfast—that when they did the things they had to do to earn a living and keep themselves alive and well—that when they did things as ordinary, innocent, and as essentail to life as eat, drink, breathe, or touch they could, in fact, be laying their lives on the line. They had no idea that, without their knowledge or consent, they were often engaging in a grim game of chemical roulette whose result they would not know until many years later.

The toxic Substances Control Act will put an end to this totally unacceptable situation. It will assure that the public and the environment will no longer be guinea pigs for the safety of chemical products.

The Toxic Substances Control Act will provide a mechanism to ensure that information with respect to health and environmental effects of chemicals can be collected from manufacturers and processors of chemical substances prior to manufacturer. The bill contains the following important provisions:

First. Manufacturers of new chemical substances must give notification to EPA 90 days in advance of first manufacture and, if required by EPA, include test data along with such notification.

Second. The EPA Administrator may require manufacturers to test or have tested those chemical substances which he determines may present an unreasonable risk of injury to health or the environment or those for which significant human or environmental exposure takes place or will take place. This provision is applicable both to new and existing chemical substances.

Third. Manufacturers and processors of chemical substances are required to maintain certain records and reports that will better enable the Administrator to determine if unreasonable risks exist. Also manufacturers must provide the Administrator with lists of health and safety studies conducted on various chemical substances. The Administrator is authorized to require the submission of any study on the list. This provision was included due to the fact that in Commerce Committee hearings that I chaired it was strongly alleged that health dangers information had been suppressed by industry from both the government and chemical workers.

Fourth. Citizens are authorized to bring suit to enjoin violations of this Act and to require the Administrator of EPA to perform his mandatory duties.

Mr. President, this legislation has gained widespread support from environmental groups, labor, and the public at large. It is imperative that we act quickly on this vital legislation. I ask unanimous consent, Mr. President, to have printed in the RECORD the excellent speech of Mr. Russell Train, the Administrator of EPA, given to the National Press Club 2 weeks ago.

There being no objection, the speech was ordered to be printed in the RECORD, as follows:

(Remarks by the Honorable Russell E. Train)

TESTING CHEMICALS, NOT PEOPLE: BRINGING THE CHEMICAL THREAT UNDER CONTROL

W. H. Auden once remarked that: "Today in the technologically advanced countries . . . we have little to fear from nature; our only serious problem is man . . . His mastery over nature has, as it were, brought men back to the same point at which he stood when he was utterly helpless before her."

There are, however, some differences. It is, to begin with, no longer the creatures and forces of the natural world that most threaten us: it is no longer even such historic diseases as the pox or the plague; it is, instead, such strange new creatures of our own making as "bischloromethy ether" and "nitrosamines" and "polychlorinated biphenyls" and "polyvinyl chloride." They are all around us—in our air, our water, our food, and in the things we touch. When they hit us, we don't feel a thing. Their ill-effects may not show up until decades later, in the form of cancer—or even generations later, in the form of mutated genes—when it is, often, too late to undo the damage.

Most Americans had no idea, until relatively recently, that they were living so dangerously. They had no idea that when they went to work in the morning, or when they ate their breakfast—that when they did the things they had to do to earn a living and keep themselves alive and well—that when they did things as ordinary, as innocent and as essential to life as eat, drink, breathe or touch they could, in fact, be laying their lives on the line. They had no idea that, without their knowledge or consent, they were often engaging in a grim game of chemical roulette whose result they would not know until many years later.

They had no idea until, increasingly over recent years, they picked up the morning paper or turned on the evening news and learned of some new chemical hazard they had been exposed to, often for years and almost always unwittingly. Increasingly, as well, they learned about the appallingly high death rates as a result of cancer and saw people they knew and loved go through the awful agony of death by cancer. As a result, I think, the American people are deeply concerned both over the pervasive presence of chemical contaminants throughout the environment and over the high death rates from cancer. And they may even make the connection between the two. But I do not think there is, among the public at large, any real understanding of the precise nature and extent of the hazards posed by chemical contaminants—as causes not only of cancer but of other serious ills and afflictions—or of what we can and must do to deal with them.

Let me highlight some of the most important points we should keep in mind about chemicals and their effects upon human health and life:

1. Over the past few decades, and especially since the end of World War II, we have released into the environment a vast volume of entirely new chemical compounds with little or no knowledge of their health effects and virtually no effort to determine those effects and to regulate the release of many chemicals that might be hazardous.

2. We have reaped enormous benefits from these chemicals—indeed, from the truly marvelous advances in chemical knowledge and technology that we have achieved throughout modern times. We must measure these benefits, not only in the economic terms that are apparent to us all, but in health terms as well. The fact that we are the first generation in human history to be virtually free of the major infectious diseases is, in no small degree, a result of the application of chemical advances to modern medicine and modern life.

3. The World Health Organization estimates that between 60 to 90 percent of all cancers are the result of environmental factors—in the broadest sense of that phrase. National Cancer Insttiute studies have shown that the highest cancer rates in the country occur in areas with the heaviest concentrations of industrial chemical use and activity. Yet of all the chemical agents in the environment, probably only a very small fraction is responsible for that large share of cancer. Indeed, the odds are that only a relatively small portion of the chemicals in our environment pose any serious health threats.

4. It may take only limited exposure to contract cancer. It typically takes anywhere from 15 to 40 years after that exposure for the first onset of cancer to occur. Because of that long latency period, we have reason to believe that the full impact of the chemical explosion we have experienced over the past 30 years has only begun to show up in our cancer statistics. Yet already, the experts tell us, one out of every four Americans now alive will ultimately contract some form of cancer.

5. A large and growing share of the diseases that cripple and kill us are caused by environmental factors—again, in the broadest sense of that phrase. These diseases are going to take an increasingly heavy toll upon our lives and well-being, unless and until we stop trying to deal with them by treating them after they occur, and start taking serious steps to prevent them from occurring in the first place. Our national health care effort must increasingly stress the prevention ratner than the treatment of disease, and effective measures for the assessment and control of potentially dangerous chemicals and other agents *before* they enter the environment must be a key element in this new shift toward preventive medicine.

To expand on these points: There are today more than 2 million different known chemicals; every year, this list grows by an estimated 25,000 new compounds. There are today more than 30,000 chemicals in actual commercial production; every year, this list grows by some 1000 new compounds. Of the more than 2 million known chemicals, only a few thousand have been tested for carcinogenicity and—aside from those used in food additives, drugs and pesticides—only a few hundred have been adequately tested. We know, in fact, very little about the health effects even of the 30,000 chemicals already in commercial production. We have no way of systematically screening the chemicals that do go into production; we have no way of knowing precisely which chemicals go into production every year. In other words, we not only don't know whether what's going out there is dangerous—we don't even know what's going out there

We have, however, learned one thing: it's what we don't know that can really hurt us, even kill us.

Long after they have been loosed upon the world and the public at large, we have learned what an appallingly wide range of disease and death can be caused by chemicals—they can attack the liver, the lung, the kidney, the central nervous system; they can cause cancer, infant mortality, and genetic damage. We have learned, for example, that:

Mercury, lead and cadmium can attack the central nervous system;

Carbon tetrachloride and chlorinated phenols can destroy the liver;

Ethylene glycol and cadmium sulfate produce kidney disease;

Asbestos and beryllium often lead to lung disorders; and

Vinyl chloride and arsenic cause cancer.

We have seen our fish contaminated by phthalates, our cattle poisoned by polybrominated biphenyls, and our horses killed by dioxin. Fluorides have destroyed forest seedlings, chloramines have killed oysters, and zinc has damaged our wheat crops. And now the fluorocarbons may be threatening the ozone belt.

When I became the first Chairman of the Council on Environmental Quality in February, 1970—almost exactly six years ago—my very first directive to our small staff was to develop a legislative proposal for coping with the class of problems presented by chemical and other contaminants. A year later, in February, 1971, this legislation, known as the Toxic Substances Control Act, was submitted by the President to the Congress. Twice, over the past five years, the Senate and the House have passed versions of this legislation, but have been unable to agree on the same version. Last week, the Senate Commerce Committee reported out Toxic Substances Control legislation for action by the Senate. In the House, the legislation is being considered by a subcommittee of the Interstate and Foreign Commerce Committee.

Over the five years since such legislation was first proposed, we have introduced into the commercial market an estimated 5,000 new chemicals. We have done so without any systematic, advance assessment of their potential impact upon public health or our ecological resources. We find ourselves still without the authority we need to cope with such longstanding problems as those posed by polychlorinated biphenyls. Last week, you may recall, it was announced that, for the first time in history, the Hudson River will be closed to commercial fishing because it is contaminated by these chemicals. In the Great Lakes, commercial and sports fisheries that are being restored as the result of massive pollution clean-up efforts are now being threatened by PCB contamination. We remain almost entirely unable to discover how harmful a compound can be until years after it has become a rather commonplace item in our everyday life, a significant factor in our economy. And, over and over again, we find ourselves engaged in an extremely difficult and drawn-out struggle to protect the public from a hazard to which it has already been exposed while at the same time trying to avoid putting people out of business or out of work.

Polyvinyl chloride, for example, was first introduced commercially some 40 years ago. It is the backbone of much of our plastics industry. Its manufacture, according to industry figures, accounts for one percent of our Gross National Product. Yet it was not until 1974 that we discovered four cases of an extremely rare form of liver cancer among workers in a polyvinyl chloride plant in Louisville. Not until later did we find among these workers excessive cases of more common forms of cancer as well. Only in the last decade or so have we developed the scientific skills and analytic techniques that would enable us to anticipate these effects of vinyl chloride, and a Toxic Substances law enacted several years ago would hardly have helped us prevent this problem. But the odds are that, until we enact such legislation, we will be confronting more and more such situations in the future—and we can be absolutely certain that, until we enact such legislation, we will be unable to prevent them from occurring. I might add that our experience with vinyl chloride as well as with such chemicals as asbestos and, most recently, Kepone underscores the fact that it is on the job and in the workplace that the hazards posed by such chemicals are most immediate and acute. It is the workers, and the families of workers, in the shops and factories where such chemicals are made and used who bear the brunt of the chemical threat and would benefit most from the early enactment of toxic substances legislation.

The plain fact is that, had the Toxic Substances Act been enacted five years ago when it was first proposed, we would be a lot farther ahead in dealing with some potentially very serious hazards:

We would have begun to reverse the spread of polychlorinated biphenyls which are now destroying some of our valuable fisheries;

We would already have, as we now do not, reliable test information concerning the effects of vinylidene chloride which is widely used throughout the plastics industry;

We would have a greatly improved data base for determining the extent to which benzidine-derived dyes reconvert to free benzidine, a well-known human carcinogen, when these widely-used dyes are accidentally ingested or absorbed;

We would have taken a number of steps to clarify the chronic effects and, as necessary, to limit exposure to this 2,3-dibromopropyl phosphate, which has mutagenic effects in microbial systems and is widely used as a fire retardant in textile products, including children's pajamas.

I do not think any of us is under the illusion that there is, or is ever going to be, any such thing as a simon-pure, antiseptically safe world. I do not think any of us imagines that there is, or is ever going to be, a real world without very real risks. But there is absolutely no reason why we cannot—there is, in fact, every reason why we must—take sensible steps to exercise some intelligent and effective control over the risks that we ourselves create. The basic aim of the toxic substances control legislation before the Congress to to help us gain that kind of control—to help us protect human health by bringing down to reasonable levels the risks that chemicals pose while preserving their benefits. We are not talking, in other words, of getting rid of all risks from chemicals, but rather of finding out what the risks are and, eventually, of removing "unreasonable" risks. We are saying that, whatever we do with these chemicals, we ought to know what we're doing before we do it, and we ought to do it with our eyes wide open.

We are saying, more specifically, that before people are unwittingly and unwillingly exposed to a chemical that could hurt or kill them, we take the trouble to find out what the health effects of that chemical might be, and we insist that the public interest be taken fully into account in the process by which we determine those effects and decide whether, or in what circumstances, we "go public" with that chemical. These decisions to test and go public cannot—as they now are—be left simply and solely in private hands. The public at large is deeply and directly affected by these decisions, and it must have—as it now does not—a very real say in the process by which they are made. The toxic substances legislation now before the Congress would, for the first time, give the public that say.

As you might suspect, there is some disagreement about some of the details of the legislation before the Congress. The Administration strongly supports toxic substances legislation, but wants to make certain that it does not impose unnecessary red tape upon industry or government. Inevitably enough, environmentalists are concerned that the legislation will not be nearly strong enough; and industry, or at least some segments of it, is concerned that it will be strong enough to strangle the industry. Sad as it may seem, dull and undramatic as it may appear, the truth lies somewhere in-between. The differences in detail about, and among, the different pieces of legislation before the Congress are far less important than the fact that their common aim is to give public health far more of the weight that it deserves in the decisions by which chemicals enter and spread throughout the human environment—the common aim of giving the American people not only the opportunity to understand and assess the risks and benefits of these chemicals, but a decisive voice in sorting out these risks and benefits.

The legislation before the Congress would give us the authority, which we do not now have:

To get better information about the health and ecological effects, the distribution, the uses, the kinds and levels of exposure, of both known and new chemicals;

To help prevent hazards and harm to human health and the environment from chemicals before we make major economic investments in them;

To balance the various costs, risks and benefits involved before deciding whether, or under what conditions, a potentially hazardous chemical should be introduced into the environment;

To help coordinate the presently fragmentary and piecemeal Federal approach to toxic substances.

I consider it of urgent importance that the Congress act now—in this session—to enact effective toxic substances legislation. Remaining differences should be resolved as rapidly as possible. But it is more important to get legislation on the books now than it is to seek perfection. There will be time to improve legislative authority later as we gain more experience. But we can no longer afford to wait for the basic authority to deal effectively with the problems of chemical pollution.

We have done a great deal over the past several years to improve the regulatory process at EPA—in particular, to make it far more open and equitable. Our decisions are subjected to more searching scrutiny, more critical review, from sources inside and outside the Agency and the government, than those of any other agency. We have made a strenuous and increasingly successful effort—most recently in developing our Drinking Water regulations and in setting minimum standards for procurement under EPA grants for the construction of wastewater treatment plants—to get all the major interested and affected parties actively and effectively involved throughout the process of developing a regulation. We also have the most open and rigorous process of economic impact analysis performed by any agency of the Federal government.

It is along these lines, according to these processes, that we would exercise our authority under toxic substances legislation. If the legislation does not require it, I would—on my own—appoint an Advisory Committee which is broadly representative of all major interests to help advise us on implementation of the Act.

It is unfortunate that some segments of the chemical industry, which originally took an extremely constructive approach towards the legislation, have taken to actively lobbying against it. I do not believe that either the public interest, or the interests of the industry, are well served by charges that the legislation could—in the words of one industry spokesman—"cripple" the chemical industry and give the Administrator of EPA "near-dictatorial authority over the introduction of new chemical products." The only real "crippling" that is going on is the kind which this legislation would try to prevent—the crippling of who knows how many Americans every year who contract cancer or some other affliction after exposure to some hazardous chemical agent. Nor has it been on the "near-dictatorial authority" of the EPA Administrator that so many such agents are introduced into the environment without any effort to find out what their health effects are, much less let the public have any say about whether or not, or in what circumstances, it is willing to be exposed to them. Let there be no mistake: the only kind of authority the legislation before the Congress would give us, and the only kind of authority we would intend to exercise, is the authority to act reasonably and responsibly in the public interest—and that includes the very real interest the public has in a healthy and productive chemical industry.

The chemical industry has annual sales of over $100 billion. We have estimated that the annual costs to industry as a result of this legislation would range between $79 million and $142.5 million. The Manufacturing Chemists Association has estimated costs ranging from $360 million to $1.3 billion a year, with "start-up" costs of over $100 million. Dow Chemical Company estimates an annual cost of $2 billion. At the request of Congress, the General Accounting Office (GAO) analyzed and assessed these different estimates. The GAO concluded that the Dow Chemical estimates were the "least reliable," and that the EPA estimates were the "most reliable"—although they believed EPA's figures were about 30 percent too low. In testimony before Congress, a GAO spokesman said that "the EPA interpretation is closer than the industry studies to an accurate picture of what the legislation will entail." Indeed, recent developments suggest that real breakthroughs are being made in the development of faster and less costly testing methods. The GAO further pointed out that none of the estimates considered the costs to society in avoidable and unnecessary suffering and death as a result of exposure to hazardous chemicals—the huge expense that society bears because of the failure to invest enough time and money in determining the hazards of chemicals.

I should think, indeed, that industry would reap some very real benefits from the approach this legislation contemplates. The testing of potentially hazardous chemicals before "going public" with them would let us know, not only which ones are likely to be harmful, but which ones are not. Since these tests are by no means fail-safe or foolproof, we cannot precisely give a chemical an absolutely "clean bill of health," but the industry can market and the public can accept it with far greater confidence than they can now. Moreover, the "preventive" approach would increasingly reduce the likelihood that we would have to take action against a chemical after industry has invested extensive resources in its production. Far from "stifling innovation," the legislation should serve to encourage the industry to turn its remarkable skills and resources toward the discovery and use of less hazardous chemicals.

The issue before us is really very clear: will we continue to set so low a value on human life and health that we will refuse to take the thoroughly sensible and modest steps to protect them that the legislation before the Congress would involve? Will we, instead, bring better balance to the decisions by which chemicals are made and marketed by giving full weight to public health in reaching those decisions?

It is not, as some have suggested, a question of assuming that every chemical is dangerous until proven otherwise—although I would find that a preferable alternative to assuming, as we do now, that every chemical is harmless until we come up with a body count and a clear-cut case. It is a question, rather, of honestly and openly acknowledging that we simply don't know whether a chemical is dangerous or not and that, before we expose the public to it, we should take at least a reasonable amount of trouble to find out.

It is time we started putting chemicals to the test, not people. It is time we gave the people of this country some reason to believe that, every time they take a breath or eat or drink or touch, they are not taking their life into their hands.

It is time that, down here on earth, we took a couple of small, sensible steps on behalf of human health and life.

By Mr. HARRY F. BYRD, JR.:

S. 3150. A bill to amend the Internal Revenue Code of 1954 to deny certain benefits to taxpayers who make bribes or other illegal payments to foreign government agents or officials. Referred to the Committee on Finance.

CURBING BRIBERY OVERSEAS

Mr. HARRY F. BYRD, JR. Mr. President, today I am introducing legislation to use our Internal Revenue Code to penalize those large American companies which bribe or make illegal payments to foreign officials or agents of foreign governments.

The necessity for this legislation should be obvious. Several large American companies have admitted paying millions in outright bribes to win contracts overseas, and others have acknowledged even larger payments termed questionable by the Subcommittee on Multinational Corporations of the Senate Foreign Relations Committee.

Lockheed Aircraft Corp., rescued from bankruptcy by a Federal loan guarantee, has acknowledged $22 million in outright bribes in several foreign countries.

Such illegal payments are damaging to our relations with foreign governments and to our prestige and stature as a nation.

I think big business must put its house in order if it is to regain public confidence.

I recognize that not all countries share our laws and customs, and that doing business abroad can be difficult.

But the reaction in Japan, Italy, and the Netherlands to recent bribery disclosures shows that many countries will not tolerate this kind of practice.

If American businesses will stand together in this matter, and not yield to pressure for illegal payoffs, it will go a long way toward putting international business on a sounder and more ethical basis.

The bill which I am introducing would have the following four basic points.

The first point. Any U.S. company which has a foreign subsidiary must report to the Secretary of the Treasury all payments made by it or its subsidiary, directly or indirectly, to employees, officials, or agents in fact of any foreign government.

Failure to report each payment will subject the U.S. company to a fine of not more than $25,000 or imprisonment not more than 1 year, or both.

The Secretary of the Treasury will determine whether such payment constitutes an illegal bribe. Such determination will be based on U.S. laws.

The second point. If the Secretary of the Treasury determines it is a bribe, foreign bribe-produced income will be immediately taxable to the U.S. company.

The third point. The foreign bribe-produced income would not be entitled to any foreign tax credit or foreign tax deduction.

The fourth point. If a domestic international sales corporation—DISC—is determined to have received foreign bribe-produced income, such income will be immediately taxable.

Mr. President, I believe the legislation I am submitting today will go a long way toward eliminating the kind of abuses which have been disclosed in recent months.

I ask unanimous consent that the text of the legislation be printed at this point in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 3150

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. DENIAL OF FOREIGN TAX CREDIT.

(a) IN GENERAL.—Subpart A of part III of subchapter N of the Internal Revenue Code of 1954 (relating to income from sources without the United States) is amended by adding at the end thereof the following new section:

"SEC. 908. DENIAL OF CREDIT TO CERTAIN TAXPAYERS.

"A taxpayer, or a member of a controlled group (within the meaning of section 993(a)(3)) which includes the taxpayer, who is determined by the Secretary or his delegate under section 999 to have made an illegal bribe, kickback, or other unlawful payment (within the meaning of section 162(c)) either directly or indirectly to an official, employee, or agent in fact of a foreign government during the taxable year is prohibited from choosing to have the benefits of this subpart with respect to income, war profits, or excess profits taxes paid or accrued during the taxable year to that foreign government.".

(b) DEDUCTIBILITY OF TAXES.—Section 275 (a)(4) of such Code (relating to certain taxes not deductible) is amended by inserting before the period the following: ", and such taxes with respect to which the taxpayer is prohibited by section 908 from choosing to take the benefits of section 901".

(c) CLERICAL AMENDMENT.—The table of sections for such subpart is amended by adding at the end thereof the following new item:

"Sec. 908. Denial of credit to certain taxpayers.".

SEC. 2. DENIAL OF DEFERRAL.

(a) IN GENERAL.—Subpart F of part III of subchapter N of chapter 1 of the Internal Revenue Code of 1954 (relating to controlled foreign corporations) is amended by inserting after section 955 the following new section:

"SEC. 955A. FOREIGN BRIBE-PRODUCED INCOME.

"For purposes of this subpart, the term 'subpart F income' (as defined in section 952 (a)) also includes all income (other than income from insurance of United States risks, as determined under section 953, or foreign base company income, as determined under section 954) of a controlled foreign corporation which—

"(1) as determined by the Secretary or his delegate under section 999, is foreign bribe-produced income (as defined in section 999), or

"(2) is a member of a controlled group (within the meaning of section 993(a)(3)) with respect to which such a determination has been made.".

(b) The table of sections for such subpart is amended by inserting after the item relating to section 955 the following new item:

"Sec. 955A. Foreign bribe-produced income.".

SEC. 3. DENIAL OF DISC BENEFITS.

Section 995(b) of the Internal Revenue Code of 1954 (relating to deemed distributions by a DISC) is amended by adding at the end thereof the following new paragraph:

"(3) Distributions of foreign bribe-produced income.—If the Secretary or his delegate determines, under section 999, that a DISC has received foreign bribe-produced income (as defined in section 999) for the taxable year of the DISC, then in the application of paragraph (1) to that DISC for that taxable year to such foreign bribe-produced income from the country in which such income is derived the words 'one-half of' shall be disregarded where they appear in subparagraph (D) of paragraph (1).".

SEC. 4. DETERMINATIONS BY THE SECRETARY AS TO FOREIGN BRIBE-PRODUCED INCOME.

(a) In General.—Subchapter N of chapter 1 of the Internal Revenue Code of 1954 (relating to tax based on income from sources within or without the United States) is amended by adding at the end thereof the following new part:

"PART V—FOREIGN BRIBE-PRODUCED INCOME DETERMINATIONS

"'Sec. 999. Reports by taxpayers; Determinations by Secretary; Failure to Report.

"SEC. 999. REPORTS BY TAXPAYERS; DETERMINATIONS BY SECRETARY; FAILURE TO REPORT

"(a) Reports by Taxpayers.—Any taxpayer with foreign source income for the taxable year derived directly or indirectly as a result of payment to an official, employee, or agent in fact of a foreign government, and any taxpayer which controls (within the meaning of section 6038(d)(1)) a foreign corporation with foreign source income derived directly or indirectly as a result of payment to an official, employee, or agent in fact of a foreign government, shall report to the Secretary or his delegate, at such time and in such manner as the Secretary or his delegate may prescribe, the amount of such payment by the taxpayer or such foreign corporation and the amount of such income derived by the taxpayer or such foreign corporation from such payment.

"(b) Determination by the Secretary.—Whenever the Secretary or his delegate receives a report from a taxpayer under subsection (a) he shall determine whether the taxpayer or such foreign corporation has foreign bribe-produced income for the taxable year. The determination shall cover the taxable year with respect to which the report is made.

"(c) Willful Failure to Report.—Any taxpayer required to report under this section who willfully fails to make such report shall, in addition to other penalties provided by law, be fined not more than $25,000, or imprisoned not more than 1 year, or both.".

(b) The table of parts for such subchapter N is amended by adding at the end thereof the following new item:

"PART V. FOREIGN BRIBE-PRODUCED INCOME DETERMINATIONS.".

SEC. 5. EFFECTIVE DATE.

The amendments made by this Act apply to taxable years beginning after December 31, 1975.

By Mr. CHURCH:

S. 3151. A bill to establish a program for gathering and analyzing information with respect to multinational enterprises; and to require publication of such material on a regular basis. Referred to the Committee on Foreign Relations and the Committee on Commerce, jointly, by unanimous consent, provided that should either committee report the bill, the remaining committee will have 45 calendar days within which to file its report after which time the remaining committee will be deemed discharged and the bill will be automatically returned to the calendar.

MULTINATIONAL BUSINESS ENTERPRISE INFORMATION ACT OF 1976

Mr. CHURCH. Mr. President, I am introducing today a bill for a comprehensive information gathering system on multinational corporations. I ask unanimous consent that this bill, entitled the "Multinational Business Enterprise Information Act of 1975" be simultaneously referred to the Committees on Foreign Relations and Commerce, provided that should either committee report the bill, the remaining committee will have 45 calendar days within which to file its report. What this act would do essentially is to establish a program to gather, analyze, and disclose essential information on multinational corporations. The purpose of this undertaking is very straightforward. It is to provide our Government and outside experts with the data they need to develop sound policies most suited to the economic well-being of this country. The U.S. Tariff Commission reported in February 1973, that 62 percent of total U.S. exports in manufactured goods was held by U.S. multinationals. There is no hard data on imports because of the complex accounting and reporting methods of the multinationals, but the Commission found that they held at least 34 percent share of total aggregate imports in manufacturers. When we consider the value of U.S. oil and other raw material imports over the past year, it would be fair to conclude that multinationals contributed significantly to our foreign trade deficit for 1974. Another barometer of the impact of U.S. multinationals is to look at U.S. assets abroad. By 1973 the Department of Commerce reported that they had reached the value of over $226 billion of which over $164 billion in liquid and nonliquid assets were in the private sector. At least $107 billion of this amount was in the form of U.S. direct investment abroad, and this figure does not include all banking deposits abroad.

There are numerous ways to study the magnitude of the domestic and international impact of U.S. multinationals. We now know the questions to ask to determine their influence in order to fashion our economic and foreign policies in the most appropriate fashion; yet the astonishing thing is that our Government still is not asking the right questions. We do not have comprehensive tax, income, employment, investment and parent-affiliate company trade data on multinationals. We have not yet accurately identified plant, equipment, production, and capital positions of these enterprises. Analysts of multinationals are at a loss for information on transfer pricing which reflects the comparative profits of a company in each country where it has an operational facility.

There are those in Government trying to obtain this information, but they are facing an uphill battle against the combined opposition of representatives of multinational firms and some high-placed Government officials. The Bureau of Economic Analysis in the Department of Commerce ran a benchmark survey on multinationals in 1966 and another special survey in 1970, largely an update of the 1966 material. However inadequate these surveys may have been, they, along with the IRS forms for corporations (forms 1120, 1118, and 2952) provide us with the richest source of information we have. Mr. President, I ask unanimous consent that a portion of a special report done by Prof. Peggy Musgrave of Northeastern University for the Subcommittee on Multinational Corporations be read at this point in the Record. Professor Musgrave in this section deals with deficiencies in the data now available on multinationals. She also makes specific recommendations on how to improve reporting requirements, some of which are incorporated in the legislation I am now proposing.

Last year the Bureau of Economic Analysis tried to organize a new survey, based on its authority under Executive order pursuant to section 8 of the Bretton Woods Agreement. Whatever the weaknesses, this study would have been an enormous improvement over the earlier ones. As such, it had my strong endorsement. In fact, the Senate passed amendment 2029 to the Trade Reform Act which I introduced to enable BEA to proceed with the 1974 survey.

The NAC deletions cut in the words of the BEA "the guts" from the proposed benchmark survey. The bureaucratic opposition which BEA encountered was replicated when my amendment was placed before the conference on the Trade Reform Act of 1974. Their ranks were strengthened by the assistance of the multinational corporations whose representatives were out in full to accomplish their goal of dumping the amendment. With all the cross pressures brought to bear for the passage of the trade bill, the combination was invincible. The amendment was dropped.

I am reintroducing this legislation today with some revisions which will insure comprehensive public disclosure. The bill calls for publication at regular intervals of all information reported because in my estimation we in the Congress cannot continue to receive information from the executive branch that is selected out, not on the basis of relevance but of blandness. Furthermore, there are experts in this field who should also have access to this material. Their independent analysis of the material would be useful to all of us who are concerned about the impact of the multinational corporation in the United States and abroad.

Finally, let me point out that our statutes respecting confidentiality of proprietary information apply to material which would endanger the competitive position of the reporting firms. Regrettably, these rules of confidentiality have all too often served to undermine rather than promote competitive practices. They have also helped bar congressional access and shield executive departments who maintain overly cozy relations with the private sector.

I do not think the information this legislation would require multinational corporations to report endangers what might be construed to be their competitive position. In sum, the thrust of this bill would be to provide the kind of data which can serve as a basis for developing policies to strengthen the competitive structure of our economy.

Mr. President, I ask unanimous consent that the recommendations in the Musgrave report that I have referred to in my statement, and the deletions in the proposed Bureau of Economic Analysis benchmark survey, recommended by the National Advisory Committee, be printed at this point in the Record.

There being no objection, the material was ordered to be printed in the Record, as follows:

Direct Investment Abroad and the Multinationals: Effects on the U.S. Economy

(By Peggy B. Musgrave)

(Data Base and Improved Reporting Requirements for Multinational Corporations)

PRESENT SOURCES

The two major sources of government data are the Department of Commerce (Bureau of Economic Analysis) and the Treasury (Internal Revenue Service). The material which they publish is, of course, "macro" in nature with some breakdown by industry, area and country. Although the "micro", or individual firm data is available in these agencies and much of it has been recorded on magnetic tape, the rules of confidentiality which are applied to this data permit little, if any outside use made of it. For this reason, those empirical studies which require the use of firm-by-firm data must resort to the extremely laborious and usually deficient method of exploring individual company records. These are to be found in the usual private sources, but the reporting practices of many corporations are to consolidate some or all of the income and balance-sheet data of their foreign affiliates with those of the domestic units.

Returning to the two major official sources, the following items are available in published form: *Department of Commerce:* U.S. corporations presently report certain details of their foreign operations to the Department of Commerce under authority of the provisions of Section 8 of the Bretton Woods Agreements Act. The *Federal Register* of August 1967 contained the Instructions and Regulations with respect to the reporting of direct investment abroad under this Act. One of the major purposes of the Act was to enable provision of balance of payments data to the International Monetary Fund and the emphasis in the mandatory questionnaires has been on items which directly affect the balance of payments. Indeed, it has been claimed by some that the Bretton Woods Agreement Act was intended only for balance of payments data, by others that the mandate is ambiguous and can be applied to other aspects of the firm's foreign operations which have but an indirect connection with the balance of payments. In any case, the mandatory authority has been used only infrequently on the occasions of the Department's comprehensive benchmark surveys of direct investments abroad—in 1950, 1957, 1966 and currently for 1973. In addition, sample surveys are made on a voluntary basis to provide the Department's ongoing annual series of capital and income flows, investment position and plant and equipment expenditures, as well as for special purposes such as the 1970 Special Survey which provided balance sheet, income statement and operating data for a sample of firms for the years 1966 and 1970. The following data is available in published form:

1. Annual data is given in the Survey of Current Business on the book value of U.S. direct investments abroad (defined to include all foreign business organizations in which a U.S. person, organization or affiliated group owns an interest of 10 percent or more; or in which 50 percent or more of the voting stock is owned by U.S. residents), the capital outflow, remitted income, after-tax earnings and royalties and fees. This data is classified at the 1-digit SIC industry level and by country and/or region, with the industry that of the foreign affiliate. Net capital outflows are also broken down to the 2-digit manufacturing level, although this degree of detail is not shown for the other magnitudes.

2. There is an annual SCB series on actual and projected plant and equipment expenditures by majority-owned foreign affiliates of U.S. companies classified by industry of the affiliate at the 1-digit level with 2-digit manufacturing breakdown. Expenditures are also classified by area, with major countries shown separately, and with cross area-industry classification for recent years.

3. Sources and uses of funds by majority-owned foreign affiliates were published in the SCB sporadically until 1967. Since then, the Office of Foreign Direct Investments, the Commerce agency responsible for the administration of the direct investment control program has issued some material on the financing of foreign affiliates, but this has not been comprehensive, covering only those countries to which the program applied.

4. Sales by foreign manufacturing affiliates at the 2-digit level are published annually in the SCB, broken down by area-location of the affiliates. Such sales are also separated into local sales, exports to the U.S. and to third countries. U.S. exports to foreign affiliates classified by type (for further processing or assembly, for re-sale without further manufacture, capital equipment, etc.) and source (parent company and other) were given for the years 1962–65 with a particularly detailed analysis for the latter year.

5. Balance sheet, income statement and sources and uses of funds along with employment, sales and balance of payments data for foreign affiliates was provided in the 1966 benchmark survey and published by the Department with subsequent analyses and excerpts published in the SCB. Some related measures for the U.S. activities of the parent multinational companies is also given. The material is grouped first by the 1-digit industrial classification of the reporting parent company and within that by 2-digit breakdown by industry of the foreign affiliate. Data is also shown by area and major country but not all material is shown in the same industry-country detail.

6. The Special Survey covered the operations of foreign affiliates as well as certain activities of their U.S. parents for the years 1966 and 1970 and the results were published in a separate volume with certain analyses in the SCB. The survey included responses from 298 U.S. multinational corporations and their 5,200 majority-owned foreign affiliates, accounting for about 9 percent of all direct investors but for 39 percent of the assets of all direct investors. Data are given on balance sheets, income accounts, employment and wages with fairly complete data on U.S. exports and imports associated with the reporting parent companies, including trade between the parent companies and their affiliates, between other U.S. residents and their affiliates and between the parent companies and other foreigners, together with other sales of the foreign affiliates. The material was published in its sample form, with-

out blow-up to the universe level. However, the 1970 material was blown up in a somewhat crude form (largely on the basis of the ratio of the sample firms data to the 1966 universe level as given in the 1966 benchmark survey), and provided to the Tariff Commission for the latter's report to the Senate Finance Committee. Some of the material is broken down by industry of the reporting parent company and others by industry of affiliate, with the usual area and country breakdown. However, there is not a complete cross-classification. Owing to the Department's desire to preserve anonymity for the reporting firms, there is a very high degree of suppression of the material. The "rule of three" followed by the Department meant that any entry representing less than three components was suppressed. In some tables, for instance some 75 percent of the entries were suppressed for reasons of confidentiality.

Limitations of Commerce Data

The shortcoming of the published data can only be determined by those intimately concerned with its application and use and judgments necessarily depend on the particular focus of the research. The following deficiencies are apparent to the author of this report but the list could probably be extended by others.

1. The benchmark surveys (which are mandatory) have been too infrequent in such a fast-growing area to secure an adequate quality of the statistics in the intervening years. Although some improvement was made in the 1966 survey (and hopefully further progress will be made in the 1973 survey), it has been heavily "balance-of-payments" oriented, concerned more with the financial flows associated with the foreign investment than with operating, production, price and cost data needed for a study of the behaviour of foreign affiliates and their parents in relation to these variables. The questionnaires should be carefully re-designed to meet the needs of researchers on a broad range of aspects of the multinational corporations.

2. Such operating data as is provided, including employment and payroll, value-added, profits, taxes, sources and uses of funds, etc., is available only for those years in which special surveys are made. This means that time-series studies which utilize this date are ruled out. Furthermore, the only universe totals are available for one year only (1966) and then for a limited number of magnitudes.

3. There is insufficient linking of the data given for the foreign affiliates to their domestic parent companies. Much useful research might be undertaken if it were possible to relate the behavior of the foreign affiliates to that of the domestic parent and vice versa. A start towards this end could be made if the data for the foreign affiliate were classified according to the industry of the parent company at the 2-digit level.

4. The annual direct investment series are given in insufficient detail. There should, for instance, be a 2-digit breakdown for book value of investments, income, earnings as is provided for net capital flows. There should, in addition, be a detailed industry-country cross classification for each of these magnitudes of a kind which has now become available with plant and equipment expenditures. This detail should be similarly extended to other elements in the earnings flows such as foreign withholding taxes.

5. There are serious discrepancies between Commerce and IRS data which should be explained. In particular the annual SCB direct investment data should also show foreign profits and income taxes paid on the foreign earnings.

6. More special sample surveys should be made with heavy weight given to the larger firms. Since investment abroad is very highly concentrated, focus on a relatively limited number of large firms can render useful and significant results. It would also be highly desirable to provide data which follows through the annual behavior of groups of the same parent companies, relating foreign affiliate variables to those of the parent company.

7. The practice of suppression renders the 1970 special survey of only limited use and greatly reduces the worth-whileness of such surveys. It also means that data is particularly lacking in those industries (such as petroleum and automobiles) which are dominated by a few large foreign-investing firms.

8. The location of reported income and earnings appears to be highly distorted by firms' transfer-pricing practices. There should be some means of making corrections for this.

Treasury-Internal Revenue Service

In 1969 the Treasury began publishing detail on foreign income and its taxation obtained from three tax return forms: (1) Form 1120 "U.S. Corporation Income Tax Returns", (2) Form 1118 "Statement in Support of Credit Claimed by Domestic Corporations for Taxes Paid or Accrued to Foreign Countries or Possessions of the United States" and (3) Form 2952, "Information Return by a Domestic Corporation with Respect to Controlled Foreign Corporations". Issued as Supplemental Reports on Foreign Income and Taxes the first volume covered the 1961/62 accounting period, the second the 1964 period with summaries for 1965 and 1966 and very recently a volume for 1968. The material contains information on foreign income and taxes paid on that income as well as U.S. taxes due under various provisions of the U.S. statutes. In particular, the following items are included:

1. Total assets and net income of U.S. corporations claiming the foreign tax credit.

2. Dividends received from foreign corporations, the Western Hemisphere Trade Corporation deduction, the includible income of controlled foreign subsidiaries, foreign tax paid and deemed paid, the foreign tax credit claim against U.S. tax, all taxable income of foreign source with interest receipts and dividends from related corporations shown separately. These various components of foreign income and taxes paid are broken down in various ways according to industry (down to the 2-digit level), country of source of foreign income, size of parent-company assets, size of foreign income received, and so forth.

3. Current earnings, foreign taxes paid and dividend distributions of the controlled foreign corporations, by industry and size of assets of U.S. parent corporations.

It is to be noted that this data covers only income and tax items pertaining to direct investment abroad. There is no balance sheet data which would provide information on the value of assets held abroad or changes in the value of those assets, nor are there the detailed operating data on foreign operations which is available in the Statistics of Income, Corporation Income Tax Returns pertaining to the domestic operations of the parent companies.

Apart from the long delay in publication (the 1968 material on foreign income and taxes was published with a 6-year lag, although there are indications the IRS is beginning to catch up in this regard), and the discontinuities in coverage, the material as presented has a number of deficiencies for the student of foreign investment and taxation. These shortcomings might be met in some cases by a more detailed presentation of the material and in others by adjustments in the information requested on the returns themselves. The following suggestions are presented as indicative of needed improvements:

1. In general, U.S. parent corporations are not required to provide the detailed operating and balance sheet information for their foreign affiliates (subsidiaries or branches) which is required and published for their domestic operations. This deficiency should be rectified.

2. Profits, before and after foreign tax, should be shown for foreign operations in the branch form. These profits are currently included with other types of foreign income.

3. Foreign taxes paid and the credit claimed against them should be separated into foreign profits taxes (or other similar taxes) and foreign withholding taxes, and should be attributed to the various forms of foreign income (branch profits, dividends, interest, etc.)

4. The distribution of foreign income and taxes paid by size of total assets of the U.S. reporting corporation is inadequate. The breakdown is not advanced beyond the $250 million asset-size class and in some cases the break-down stops at $100 million, even though the vast bulk of foreign income accrues to corporations in size classes above this level.

5. The industrial classification of foreign income and taxes is based on the industry of the parent reporting company. While this classification is useful for some purposes, it would be helpful for others to have foreign income classified according to the industry of the foreign affiliate. More detailed reporting requirements for foreign operations might yield this information.

RECOMMENDATIONS

As the above discussion shows, the present data base will involve a number of agencies and may well call for authorizing legislation, as well as more strenuous efforts within the limits of existing authority. The technical details of just what data can and should be provided, how frequently it should be obtained and which agency should obtain it cannot be decided upon here. We can only urge that a Committee be appointed to look into this matter promptly and carefully. The Committee should include representatives from the executive agencies that might be concerned as well as from the Congress that must deal with the policy issues and researchers who must work with the data. The Committee should be charged, within a period of, say, six months to make recommendations as to data requirements, to be introduced by various agencies and, where necessary, recommend authorizing legislation. The Committee should carefully consult with industry representatives regarding the feasibility of providing such data.

[Deletions by N.A.C. (National Advisory Committee)]

BUREAU OF ECONOMIC ANALYSIS PROPOSED BENCHMARK SURVEY OF U.S. DIRECT (MULTINATIONAL) INVESTMENT ABROAD, 1974

After consultation with interested federal agencies, the Bureau of Economic Analysis (BEA, U.S. Department of Commerce, Social and Economic Statistics Administration) submitted draft survey forms to the N.A.C. These forms are currently in process of being severely cut back by an N.A.C. subcommittee (a "steering committee" chaired by James Griffin, Treasury). The cuts made to date reduce the coverage to well below the data range obtained in the last multinational benchmark survey, which covered the year 1966.

Given the rarity of these benchmark surveys of U.S. multinational operations, and given the universally recognized poverty of the data that do exist, the cuts proposed by N.A.C.'s steering committee represent a major step backwards in our knowledge of the multinationals' far-ranging operations.

While we lack the meaningful data even to specify the true scope of the multinationals' impact on the American domestic economy, the weak information presently available indicates that their impact is truly vast. Last year the Tariff Commission "estimated" (and they had to estimate in the absence of usable statistics) that multinationals controlled "about 70 percent" of U.S. manufacturing employment. The meager evidence also demonstrates unequivocally that their domestic employment performance has lagged sharply, and that their overseas operations involve the export of American production and American workers' jobs on a massive scale. Yet it is under precisely these conditions that the already weak data coverage is being reduced rather than expanded.

Although the BEA proposals for the multinational survey are far from complete, the guts are being cut from them. The N.A.C. steering comittee has deleted notably:

All data on employment and compensation for both U.S. parents and their foreign affiliates,

All data on trade between American multinationals and their affiliates, including breakdowns of foreign sales locally, to the U.S., and to third countries,

Virtually all information on research and development expenditures, on capital outlays for plant and equipment, and

Vital data on the mutlinationals' domestic income statements.

Even as initially formulated, the BEA survey would not supply usable time-series statistics on domestic employment—the one topic where coverage in the past has been singularly absent. On this as on so many issues, data for several past years could be collected, as it was in the 1970 special sample survey of 298 U.S. multinationals and their 5,200 foreign affiliates. In order to compare the domestic performance of the multinationals with their overseas performance, and in order to compare the multinationals at home with other firms in the same industries, we urgently require figures for more than one single year. These data should be added to any meaningful survey.—I.U.D. Research.

November 13, 1974.

Mr. CHURCH. Mr. President, I ask unanimous consent that the Multinational Business Enterprise Information Act of 1976 be simultaneously referred to the Committees on Foreign Relations and Commerce, provided that should either committee report the bill, the remaining committee will have 45 calendar days within which to file its report after which time the remaining committee will be deemed discharged and the bill will be automatically returned to the calendar.

I understand this is agreeable to both committees.

The PRESIDENT pro tempore. Without objection, it is so ordered.

By Mr. DURKIN:

S. 3152. A bill to amend the Internal Revenue Code to allow a tax credit for expenditures toward the installation of solar energy equipment for residential use. Referred to the Committee on Finance.

SOLAR ENERGY EQUIPMENT TAX CREDIT ACT OF 1976

Mr. DURKIN. Mr. President, I rise this morning to introduce a bill which could represent the first step on the road to reestablishing our national independence from short supplies and high prices in the energy market. This legislation would provide a tax credit on April 15 for persons who have installed solar energy converters on their homes. I have a particular interest in such a measure because of the impact it could have in my State.

Fuel costs in New England are the highest of any in the Nation. We do not get a lot of natural gas from the Nation's 126,997 producing wells. The crippled railroads of our region have not the cars or the rails to supply the Northeast with coal to meet its fuel needs. The Northeast relies heavily upon the $13 a barrel variety of oil grown in the fertile fields of the OPEC nations. Nearly 80 percent of the energy required by industry in New England is now imported in the form of crude and distilled oil from the latter-day robber barons of the producers' cartel.

I do not think the Nation realizes the toll this takes on the place and the people of New Hampshire and New England. Because of the distortion in the supply of reasonably priced boiler fuels and heating oil, many of my constituents have been faced with the choice of either raiding their piggy banks to pay for heat and light, or freezing in the dark during the long winter nights.

Unfortunately, the option of hibernating is not one that is available to working citizens of New Hampshire. And utility bills have skyrocketed because of the burdens of high priced oil in New Hampshire. Fuel adjustment charges where I live have increased 67 percent, from $.92 to $1.54 per kilowatt hour, during the past 6 months alone. We are talking about $2 per-kilowatt-hour electricity up in New Hampshire now, Mr. President. I have gotten letters from people in all electric homes who have shut down their furnace and moved onto the sun porch with their Franklin stoves for some southern exposure and a little relief from the electric rates. In many cases the electric bill for a home in New Hampshire costs more than the mortgage or the property tax.

The hard-hit Northeast needs a new energy supply quickly. I believe that solar water heating, and eventually space heating and cooling, is the best hope our technology can provide to meet those basic human needs. The oil companies have recently dismissed solar energy as a 20- to 30-year project with no immediate dividends. This strikes me as sour grapes, because it is an energy source that they cannot control. Solar conversion involves no huge capital outlays to build a mass industry. It is a pure form of energy which needs no refining, no giant plants belching smoke. It is found everywhere, and does not require transcontinental pipelines to supply it to fuel-poor regions.

And most important of all, it is a personalized technology, one that is compatible with Yankee ingenuity. It is and must be adaptable by tinkering and customizing, to conform to the roof line, the furnace system, available light and the surrounding geography. New England has already taken the lead in grassroots research and applied design in solar technology. Already some 150 firms and citizens of New Hampshire are working toward their own patented solutions to winters under the thumb of the oil cartel.

The purpose of the bill I introduce today is to foster an idea in the Senate which has come to us from the House of Representatives. It would provide a tax credit against Federal income calculations for one-fourth the value of installation and equipment of a solar heating unit in a home. The Federal Government has lagged sadly behind local governments in encouraging the development of this nonpolluting and money-saving system of power generation. The New Hampshire Legislature had a law on the books in 1975 exempting solar power improvements on a house from any property tax assessment.

This local action deserves a reciprocal initiative in the Federal tax code. In passing the Energy Conservation and Conversion Act of 1975, the House included a solar tax credit section in the Bill. The Senate should follow suit.

Mr. President, we should not wait to enact this bill. The initial investment required for solar equipment, around $5,000 and up, insures a continued ripoff by the oil companies and the utilities in the absence of a competitive energy source. To provide a tax break for solar energy will not only help to provide lower cost energy for people in future winters, but will also help break the stranglehold the energy industry has on our economy and stimulate the implementation of a workable, cost-effective solar technology. The advent of sun power is too important to remain a novelty for the affluent who can afford their power bills anyway. I urge the Committee on Finance to take quick action on this House-passed legislation.

By Mr. McINTYRE (for himself, Mr. Brooke, and Mr. Durkin):

S. 3154. A bill to provide tax credits for the installation of solar energy heating, cooling, and hot water heating equipment in residences. Referred to the Committee on Finance.

SOLAR ENERGY EQUIPMENT TAX CREDIT ACT OF 1976

Mr. McINTYRE. Mr. President, today I am introducing a bill to provide tax credits for the installation of solar home heating and cooling equipment. Senators Brooke and Durkin are joining with me.

As a member of the Select Committee on Small Business I chaired a series of hearings with Senators Nelson and Hathaway on the need to develop solar energy and to increase the role of small business.

One of the recommendations from those hearings is the establishment of a tax credit for the installation of solar home heating, cooling, and water heating equipment throughout the United States.

It is time the Senate moved on this recommendation.

Homes are being built in the United States today that continue to waste our vanishing fossil fuel resources; we are building homes that could be equipped with solar heating and cooling systems. But, because of the high initial costs associated with these buildings, builders are shying away from equipping homes with solar heating systems.

This bill is designed to reverse that situation that encourages building homes that use oil, gas, and electricity for home heating and cooling.

Between now and 1981 it would provide tax credits for the installation of solar energy equipment in homes in this country.

It is my hope that this bill will encourage the development of an industry that by 1981 will be able to stand on its own feet.

Basically this is the same bill that was passed by the House of Representatives as part of its major energy bill, H.R. 6860, the Energy Conservation and Conversion Act of 1975. It would provide a credit of up to 25 percent of the first $8,000 invested in solar energy equipment which meets the criteria now being developed on an interim basis on my recommendation by the Department of Housing and Urban Development.

Such certified equipment, when installed in a home, would be eligible for the credit.

This bill would not provide for a major revenue loss to the Government. The House, when it passed this section, reported that the revenue loss in the first 3 years of operation would not total more than $5 million. Later, the Joint Committee on Internal Revenue Taxation informed me that the loss would equal about $20 million in 1979 and then rise to $30 million in 1980, the last year the credit would be available.

The total revenue loss for the 5 years the bill would cover would not be more than $45 million. This is small compared to the total Energy Research and Development Administration solar heating and cooling research budget which is expected to be greater than $34 million just this year.

It is an inexpensive way of developing the small solar manufacturers' market and providing for the installation of equipment that will help save energy resources that would be wasted in the heating and cooling of buildings.

Mr. President, I ask unanimous consent that the text of my bill be printed in the Record.

There being no objection, the bill was ordered to be printed in the Record, as follows:

S. 3154

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

Section 1. Short Title

This bill may be cited as the "Solar Energy Equipment Tax Credit Act of 1976."

Sec. 2. Amendment of 1954 Code

Except as otherwise expressly provided, whenever in this Act an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of the Internal Revenue Code of 1954.

Sec. 101. Residential Solar Energy Equipment

(a) General Rule.—Subpart A of chapter IV of subchapter A of chapter 1 (relating to credits allowable) is amended by inserting immediately before section 45 of the following new section:

"Sec. 44B. Residential Solar Energy Equipment.

"(a) General Rule.—In the case of an individual, there shall be allowed as a credit against the tax imposed by this chapter for the taxable year an amount equal to 25 percent of the qualified solar heating and cooling equipment expenditures paid by the taxpayer during the taxable year with respect to any residence to the extent that such expenditures do not exceed $8,000.

"(b) Limitations.—

"(1) Application with other credits.—The credit allowed by subsection (a) shall not exceed the amount of the tax imposed by this chapter for the taxable year reduced by the sum of the credits allowable under—

"(A) section 33 (relating to foreign tax credit),

"(B) section 37 (relating to retirement income),

"(C) section 38 (relating to investment in certain depreciable property),

"(D) section 40 (relating to expenses of work incentive programs),

"(E) section 41 (relating to contributions to candidates for public office),

"(F) section 42 (relating to credit for personal exemptions),

"(G) section 44 (relating to purchase of new principal residence), and

"(H) section 44A (relating to insulation of principal residence).

"(2) Prior expenditures taken into account.—If—

"(A) the taxpayer made qualified solar energy equipment expenditures with respect to any residence in any prior taxable year, or

"(B) any prior owner of such residence made qualified solar energy equipment expenditures with respect to such residence,

then subsection (a) shall be applied with respect to such residence for the taxable year by reducing (but not below zero) the dollar amount contained in such subsection by the aggregate of the expenditures described in subparagraphs (A) and (B).

"(c) Definitions and Special Rules.—For purposes of this section—

"(1) Qualified solar energy equipment expenditures.—The term 'qualified solar energy expenditures' means any amount paid by an individual for any installation which occurs after March 17, 1976, and before January 1, 1981, of solar energy equipment, in any dwelling unit which at the time of such installation is owned by the individual and used by him as his principal residence (within the meaning of section 1034).

"(2) Solar energy equipment.—The term 'solar energy equipment' means equipment—

"(A) which, when installed in or on, or when connected to, a building—

"(i) uses solar energy to heat or cool such building or provide hot water for use within such building; and

"(ii) meets the interim or definitive performance criteria prescribed by the Secretary of Housing and Urban Development under the Solar Heating and Cooling Demonstration Act of 1974;

"(B) the original use of which commences with the taxpayer; and

"(C) which has a useful life of at least 3 years.

"(3) Joint ownership.—In the case of any building which is jointly owned, and is used during any calendar year as a principal residence, by two or more individuals—

"(A) the amount of the credit allowable under subsection (a) (after applying subsection (b)(2)) with respect to any qualified solar energy equipment expenditures paid during such calendar year by any of such individuals with respect to such building shall be determined by treating all of such individuals as one taxpayer whose taxable year is such calendar year; and

"(B) each of such individuals shall be allowed a credit under subsection (a) for the taxable year in which such calendar year ends (subject to the limitation of subsection (b)(1)) in an amount which bears the same ratio to the amount determined under subparagraph (A) as the amount paid by such individual during such calendar year for such expenditures bears to the aggregate of the amounts paid by all of such individuals during such calendar year for such expenditures.

"(4) Tenant-stockholder in cooperative housing corporation.—In the case of an individual who holds stock as a tenant-stockholder (as defined in section 216) in a cooperative housing corporation (as defined in such section), such individual—

"(A) shall be treated as owning the dwelling unit which he is entitled to occupy as such stockholder; and

"(B) shall be treated as having paid his tenant-stockholder's proportionate share (as defined in section 216(b)(3)) of any qualified solar energy equipment expenditures paid by such corporation.

"(d) Reduction of Basis.—The basis of any property shall not be increased by the amount of any qualified solar energy equipment expenditures made with respect to such property to the extent of the amount of any credit allowed under this section with respect to such expenditures.

"(e) Termination.—This section shall not apply to any amount paid after December 31, 1980."

(b) Technical and Conforming Amendments.—

(1) The table of sections for such subpart A is amended by inserting before the item relating to section 45 the following:

"Sec. 44B. Residential solar energy equipment."

(2) Section 56(a)(2) (relating to imposition of minimum tax) is amended by striking out "and" at the end of clause (vii), by striking out "; and" at the end of clause (viii) and inserting in lieu thereof ", and", and by inserting after clause (viii) the following new clause:

"(ix) section 44B (relating to residential solar energy equipment); and".

(3) Section 56(c)(1) (relating to tax carryovers) is amended by striking out "and" at the end of subparagraph (G), by striking out "exceed" at the end of subparagraph (H) and inserting in lieu thereof "and", and by inserting after subparagraph (H) the following new subparagraph:

"(I) section 44B (relating to residential solar energy equipment), exceed".

(4) Subsection (a) of section 1016 (relating to adjustments to basis) is amended by striking out the period at the end of paragraph (23) and inserting in lieu thereof a semicolon and by inserting after paragraph (23) the following new paragraph:

"(24) to the extent provided in section 44B(d), in the case of property with respect to which a credit has been allowed under section 44B."

(5) Section 6096(b) (relating to designation of income tax payment to Presidential Election Campaign Fund) is amended by striking out "and 44A" and inserting in lieu thereof "44A, and 44B".

(c) Effective Date.—The amendments made by this section shall apply to amounts paid after March 17, 1976, in taxable years ending after such date.

By Mr. CURTIS (for himself, Mr. Allen, Mr. Bartlett, Mr. Brock, Mr. Dole, Mr. Eastland, Mr. Fannin, Mr. Garn, Mr. Goldwater, Mr. Hansen, Mr. Hatfield, Mr. Helms, Mr. Hruska, Mr. Laxalt, Mr. McClellan, Mr. McClure, Mr. Roth, Mr. William L. Scott, Mr. Stennis, Mr. Talmadge, and Mr. Thurmond):

S.J. Res. 180. A joint resolution to amend the Constitution of the United States to require a balanced Federal budget. Referred to the Committee on the Judiciary.

(The remarks of Mr. Curtis, when he introduced the joint resolution, appear earlier in today's Record.)

ADDITIONAL COSPONSORS OF BILLS AND RESOLUTIONS

S. 650

At the request of Mr. Church, the Senator from Iowa (Mr. Clark) was added as a cosponsor of S. 650, a bill to amend title II of the Social Security Act to provide that the special minimum primary insurance amount thereunder shall be increased—in like manner as other benefits thereunder are increased—to take account of increases in the cost of living.

S. 1737

At the request of Mr. Javits, the Senator from New Jersey (Mr. Williams), the Senator from West Virginia (Mr. Randolph), the Senator from Rhode Island (Mr. Pell), the Senator from Massachusetts (Mr. Kennedy), the Senator from Wisconsin (Mr. Nelson), the Senator from Minnesota (Mr. Mondale), the Senator from Missouri (Mr. Eagleton), the Senator from California (Mr. Cranston), the Senator from Maine (Mr. Hathaway), the Senator from New Hampshire (Mr. Durkin), the Senator from Pennsylvania (Mr. Schweiker), the Senator from Ohio (Mr. Taft), the Senator from Maryland (Mr. Beall), the Senator from Vermont (Mr. Stafford), and the Senator from Nevada (Mr. Laxalt) were added as cosponsors of S. 1737, the Clinical Laboratories Improvement Act.

S. 2475

Mr. CURTIS. Mr. President, earlier in this Congress, I introduced S. 2475 to modify the distribution requirements imposed upon private grant-making foundations by the Tax Reform Act of 1969. This legislation has the support of the Department of the Treasury, and I am hopeful that it will be acted upon favorably by the Committee on Finance this year.

At this time, Mr. President, I am pleased to announce that a number of my colleagues have informed me of their desire to join me as cosponsors of this legislation. I, therefore, ask unanimous consent that the distinguished majority leader (Mr. Mansfield), the distinguished minority leader (Mr. Scott of Pennsylvania), the senior Senator from Nebraska (Mr. Hruska), the Senator from Arizona (Mr. Fannin), the Senator from Hawaii (Mr. Fong), the Senator from Ohio (Mr. Taft), the Senator from South Carolina (Mr. Thurmond), the Senator from Oklahoma (Mr. Bartlett), and the Senator from Wyoming (Mr. Hansen) be added as cosponsors of S. 2475.

The PRESIDENT pro tempore. Without objection, it is so ordered.

S. 2524

At the request of Mr. McIntyre, the Senator from California (Mr. Tunney) was added as a cosponsor of S. 2524, a bill to provide that Secretaries of military departments be kept fully informed of actions by the Joint Chiefs of Staff.

S. 2541

At the request of Mr. Tunney, the Senator from Connecticut (Mr. Ribicoff) was added as a cosponsor of S. 2541, a bill to provide for the establishment of model programs to foster equal opportunities for displaced homemakers.

S. 2679

At the request of Mr. Case, the Senator from Washington (Mr. Jackson) and the Senator from Florida (Mr. Chiles) were added as cosponsors of S. 2679, a bill to establish a commission to monitor compliance with the Helsinki accords.

S. 2903

At the request of the Senator from Maryland (Mr. Beall) the Senator from Idaho (Mr. McClure) was added as a cosponsor of S. 2903, a bill to permit the review of regulatory rules and regulations by the Congress.

S. 2939

At the request of Mr. Schweiker, the Senator from Washington (Mr. Jackson) was added as a cosponsor of S. 2939, to provide a special program for financial assistance to Opportunities Industrialization Centers.

S. 2950

At the request of Mr. Mondale, the Senator from New Hampshire (Mr. McIntyre) was added as a cosponsor of S. 2950, a bill relating to the construction and operation of a natural gas pipeline from the North Slope of Alaska across Canada to domestic markets and for other purposes.

S. 3036

At the request of Mr. Stone, the Senator from North Dakota (Mr. Burdick), the Senator from Arizona (Mr. Goldwater), the Senator from Wyoming (Mr. McGee), the Senator from South Dakota (Mr. McGovern), the Senator from Rhode Island (Mr. Pastore), and the Senator from New Jersey (Mr. Williams) were added as cosponsors of S. 3036, a bill to amend title XVIII of the Social Security Act to authorize payment under the medicare program for certain services performed by chiropractors.

S. 3057

At the request of Mr. Schweiker, the Senator from Idaho (Mr. Church) and the Senator from Pennsylvania (Mr. Scott) were added as cosponsors of S. 3057, a bill to amend the Truth in Lending Act.

S. 3082

At the request of Mr. Randolph, the Senator from Kentucky (Mr. Huddleston) and the Senator from Alabama (Mr. Allen) were added as cosponsors of S. 3082, a bill to amend title 39 of the United States Code to require the U.S. Postal Service to hold a hearing and to take into consideration certain matters prior to the consolidation or closing of any post office, to provide for the appointment and compensation of certain officers and employees of the U.S. Postal Service, and for other purposes.

SENATE JOINT RESOLUTION 147

At the request of Mr. Randolph, the Senator from Maryland (Mr. Beall) was added as a cosponsor of Senate Joint Resolution 147, to designate 1976 as National Bicentennial Highway Safety Year.

SENATE RESOLUTION 381

Mr. CANNON. Mr. President, the following Senators have requested that their names be added to those already listed as cosponsors of Senate Resolution 381, which provides recognition for the 50th anniversary of commercial aviation:

> Senator James Allen, Senator Quentin Burdick, Senator Barry Goldwater, Senator Lowell Weicker, Senator Warren Magnuson, Senator Gale McGee, Senator John Tunney, Senator Henry Jackson, Senator Paul Laxalt, Senator Birch Bayh, and Senator James McClure.

In addition, Mr. President, I am pleased to add as principal cosponsor Senator James Pearson, the ranking minority member of the Subcommittee on Aviation. I ask unanimous consent that their names be added as cosponsors.

The PRESIDENT pro tempore. Without objection, it is so ordered.

AMENDMENTS SUBMITTED FOR PRINTING

REMOVAL OF LIMITATION ON WATERSHED PROJECT LOANS—S. 2484

AMENDMENTS NOS. 1444 AND 1472

(Ordered to be printed and to lie on the table.)

Mr. BUMPERS submitted two amendments intended to be proposed by him to the bill (S. 2484) to amend Public Law 566, Watershed Protection and Flood Prevention Act, as amended, to remove the limitation on any single loan or advancement for watershed works of improvement.

AMENDMENT NO. 1473

(Ordered to be printed and to lie on the table.)

Mr. STEVENS (for himself, Mr. Kennedy and Mr. Brooke) submitted an amendment intended to be proposed by them jointly to the bill (S. 2484), supra.

Mr. STEVENS. Mr. President, I am today proposing an amendment to S. 2484. This amendment would clear up interpretation of the present law so that projects to restock streams would be included in the watershed improvement programs.

The Soil Conservation Service at present interprets Public Law 83-566 in a limited fashion. It permits the funds to be used for general watershed improvements such as flood prevention, drainage and irrigation, but not to restock streams with fish even after the improvements make the streams suitable for fish and other aquatic animals. This amendment would provide that loans under the law could go to the construction of facilities for the artificial propagation of fish and aquatic animals such as fish hatcheries and rearing ponds.

As my colleagues know, from a recent consideration of the Magnuson Fisheries Management and Conservation Act, our fisheries resources are dangerously depleted. That bill is an important step toward protecting our stocks, but another important step is to encourage the propagation of fish. This amendment would allow loans to be used for that purpose. New salmon hatcheries could be established to replenish our stocks, and other species could be aided under my proposal. This amendment is important to the national effort to revitalize our fishing industry, and I urge my colleagues to support it.

Mr. President, I ask unanimous consent that the amendment be printed in the RECORD.

There being no objection, the amendment was ordered to be printed in the RECORD, as follows:

AMENDMENT No. 1473

At the end of the bill add the following:

That (a) of the first sentence of section 2 of the Watershed Protection and Flood Prevention Act (16 U.S.C. 1002) is amended by striking out "water, or" at the end of clause (2) and inserting in lieu thereof "water (including the conservation, development, or utilization of water for aquaculture purposes), or".

(b) Section 2 of such Act is further amended by adding at the end thereof a new paragraph as follows:

" 'Aquaculture'—the culture or husbandry of aquatic animals or plants by private industry for commercial purposes, or public agencies or state or local government for scientific purposes; or the culture and growing of fish by private industry, public agencies, or a state or local government for the purpose of creating or augmenting publicly owned and regulated stocks of fish in streams or rivers."

FEDERAL ELECTION CAMPAIGN ACT AMENDMENTS OF 1976—S. 3065

AMENDMENT NO. 1445

(Ordered to be printed.)

Mr. PACKWOOD proposed an amendment to the bill (S. 3065) to amend the Federal Election Campaign Act of 1971 to provide for its administration by a Federal Election Commission appointed in accordance with the requirements of the Constitution, and for other purposes.

AMENDMENT NO. 1446

(Ordered to be printed.)

Mr. ALLEN proposed an amendment to the bill (S. 3065), supra.

AMENDMENT NO. 1447

(Ordered to be printed and to lie on the table.)

Mr. BELLMON submitted an amendment intended to be proposed by him to the bill (S. 3065), supra.

AMENDMENTS NOS. 1448 THROUGH 1460

(Ordered to be printed and to lie on the table.)

Mr. BROCK submitted 13 amendments intended to be proposed by him to the bill (S. 3065), supra.

AMENDMENTS NOS. 1461 AND 1462

(Ordered to be printed and to lie on the table.)

Mr. MOSS submitted two amendments intended to be proposed by him to the bill (S. 3065), supra.

AMENDMENTS NOS. 1463 THROUGH 1466

(Ordered to be printed and to lie on the table.)

Mr. PACKWOOD submitted four amendments intended to be proposed by him to the bill (S. 3065), supra.

AMENDMENT NO. 1467

(Ordered to be printed and to lie on the table.)

Mr. MATHIAS. Mr. President, I submit an amendment which I intend to propose to the bill (S. 3065), the Federal Election Campaign Act Amendments of 1976. This amendment will expand the membership of the Federal Election Commission by providing for the appointment of two additional members who are not affiliated with any political party.

The membership of the present Commission, as we know, is limited to individuals who are affiliated with the two major political parties. However, according to the Gallup opinion index for November–December 1975, 33 percent of our electorate consider themselves independents while only 22 and 45 percent consider themselves Republicans and Democrats, respectively. Independents, therefore, outnumber Republicans by 3 to 2. Moreover, Gallup reported that since 1964, the proportion of independents has increased 50 percent while the Democrats have declined from majority status to a low of 42 percent.

When political affiliation is viewed on a regional basis, the distribution and strength of independents assumes a sharper focus.

In response to the question: "In politics as of today, do you consider yourself a Republican, Democrat or independent?" Gallup recorded the following results:

In the East: Republican 26 percent, Democrat 41 percent, independent 33 percent.

In the Midwest: Republican 23 percent, Democrat 39 percent, independent 38 percent.

In the South: Republican 16 percent, Democrat 52 percent, independent 32 percent.

In the West: Republican 22 percent, Democrat 48 percent, independent 30 percent.

Additionally, according to a March 1974 report from the Center for Political Studies at the University of Michigan, 36 percent of the American people identify themselves as Democrats, 23 percent call themselves Republicans, and 41 percent consider themselves independent. Independents, therefore, have become one of the largest political forces in the Nation.

Yet under the provisions of S. 3065, the present bipartisan, but, exclusionary composition of the Commission would be continued. Both political reality, and simple equity, however, dictate the need for the Congress to correct this obvious discriminatory feature.

Mr. President, the Federal Elections Commission should not serve as the special preserve of the Democratic or Republican parties nor should it serve to protect the interests of political parties. The chief purpose of the Federal Elections Commission is to fairly and impartially enforce the Federal Election Campaign Act and the provisions of the Internal Revenue Code relating to the public financing of elections.

Maturity, experience, integrity, impartiality, and good judgment are, and should be, the principle qualities which we seek in Commission members. These qualities are all the more important because of the large sums of public funds, $18 million, which we authorize the FEC to spend through September 30, 1977. I would point out these huge sums of tax dollars will not be contributed exclusively by Republicans and Democrats.

All American taxpayers, including that mass of people without any real voice in our political system, are called upon to support the Federal Elections Commission with their tax dollars.

Political independents, I submit, are no less interested, than party members, in placing reasonable limits on both campaign contributions and campaign spending. Political independents are no less interested than political party members in restoring confidence in the integrity of our political process and our elected officials. The Congress should be no less interested in insuring that Independents be included on the FEC.

I would make one additional point about my amendment. Expanding the membership of the Commission from six to eight is not a new feature. As Members will recall, S. 3044, the Federal Election Campaign Act Amendments of 1974 which the Senate approved on April 11, 1974, provided for an eight-person membership. My amendment, therefore, merely adopts the previous position of the Senate on numerical membership.

FULL EMPLOYMENT AND BALANCED GROWTH ACT OF 1976—S. 50

AMENDMENT NO. 1468

(Ordered to be printed and referred to the Committee on Labor and Public Welfare.)

Mr. HUMPHREY (for himself, Mr. WILLIAMS, Mr. KENNEDY, Mr. JAVITS, Mr. NELSON, Mr. BAYH, Mr. BROOKE, Mr. HARTKE, Mr. CASE, and Mr. PHILIP A. HART) submitted an amendment intended to be proposed by them jointly to the bill (S. 50) to establish a national policy and nationwide machinery for guaranteeing to all adult Americans able and willing to work the availability of equal opportunities for useful and rewarding employment.

Mr. HUMPHREY. Mr. President, today, I am submitting the Full Employment and Balanced Growth Act of 1976, as an amendment, in the nature of a substitute, to S. 50. I have been joined in offering this legislation by Senators WILLIAMS, NELSON, JAVITS, KENNEDY, BAYH, BROOKE, HARTKE, CASE, and PHILIP HART.

I believe this is the most comprehensive and important economic legislation proposed since the Employment Act of 1946. This legislation breaks with the economic witchcraft of the past by requiring a broad range of new economic policies to put our citizens to work, to restrain inflation and to provide for balanced growth.

This bill is the product of a series of regional hearings the Joint Economic Committee has held around the country, months of extensive consultation with private and public experts, and careful review by the staff of the Joint Economic Committee. Although the bill no doubt can be further perfected in committee, I believe it represents a sound economic strategy for the future.

Let me repeat some of the remarks I made last Friday, March 12, at a press conference releasing the Full Employment and Balanced Growth Act of 1946.

CRISIS OF CAPITALISM

Although recent statistics have shown some decline in unemployment, the reality behind the numbers is that the American economy faces some fundamental, long-term problems which seriously threaten the strength and vitality of our capitalistic system.

These are strong words, but let us look at the record.

The Employment Act of 1946 said that the Federal Government should use all practical means "to promote maximum employment, production and purchasing power." There have been some good years under the law—particularly the mid-1960's—but overall the record has been bad, and it has been getting worse in recent years.

From 1970 to 1975, U.S. economic growth rates averaged about 1½ percent compared to a historical average of about 4 percent. In recent years the country has had only half the productivity improvement it has experienced traditionally. As a result, the Nation lost about $500 billion in production of goods and services in the 1970–75 period. Clearly a period of economic stagflation has settled over our land—and its consequences are tragic.

Stagflation has given us 10 million unemployed people right now and 20 million at some time in each of the last 2 years;

Stagflation has contributed to inflation in food, clothing, housing, construction, and medical costs that have imposed a crushing burden on the income of the average American family;

Stagflation has produced Federal deficits of $187 billion since fiscal 1970;

Stagflation has caused poor sales and profiles, under-utilized capital, retarded investment, and widespread business failures, and

Stagflation has also brought enormous social costs—crime, poor health, and family disruption.

But most importantly, stagflation has changed the spirit and direction of America.

We now tolerate waste instead of spurring productivity. We now give people welfare payments instead of work. We now find our national leadership telling our citizens what they cannot do instead of affirming what they can and must do—it has grown timid and afraid.

We stand today at a historic crossroad. We can accept the economic policies that have brought stagflation and, according to the President's own economic projections, continue such stagflation for the foreseeable future. Or we can reject the discredited economic doctrine of the present administration and replace it with a new economics that puts all of America's resources back to work.

STRATEGY OF BILL

The Full Employment and Balanced Growth Act of 1976 will do just that. Let me emphasize the broad strategy of what we are proposing.

The bill begins with the idea that work and productivity are better than welfare and waste. It establishes the right of all adult Americans able, willing and seeking work to opportunities for useful jobs at fair wages.

But the bill does not end there. It is much more than just one more jobs bill. It is a general economic policy bill that proposes fundamental reform in the management of the economy so that full employment and balanced growth are achieved and maintained.

First, the bill provides a new institutional structure and process within which the President, Congress, and the Federal Reserve are required to develop each year common economic goals and priorities so that there is a clear set of national economic targets to be pursued. This new process will encourage cooperation on economic policy instead of the conflict and chaos we have had in recent years.

The bill also provides for some long-range thinking on economic policy so that we can detect problems before they become crises, set new priorities, and develop alternative policies to effectively achieve our goals.

By adding a long-run dimension to our economic policymaking, the bill also provides the only way to achieve real economy in government. Section 105 requires a systematic annual evaluation of Federal regulations and programs to determine if they are still worthwhile to the Nation. Over a 5-year period, all regulations and programs will be evaluated.

The dimensions of national economic policymaking are also expanded to provide for a closer relationship between the Federal Government, regions, States, local communities, and the private sector. In this relationship we can avoid the contradictory economic policies we have recently experienced. Section 203, for example, mandates a permanent countercyclical grant program that will serve to stabilize State and local budgets during periods when recession and high unemployment would otherwise produce fiscal crisis.

The bill we are proposing today breaks with traditional Keynesian economic analysis. Economic policy is broadened into a systematic treatment of structural employment and price problems in regions, among groups in the labor force, and in particular industries.

Title II, for example, establishes supplementary employment policies to close the employment gap, if one should exist, after the full and proper use of aggregate monetary and fiscal policy. Of special importance to me is the development of a comprehensive youth employment program.

Direct, anti-inflation action is also required under this bill. In conjunction with each annual economic report, the President is required to submit comprehensive proposals to raise productivity, to increase the supplies of critical items like food and energy, to strengthen and enforce the antitrust laws, and such other actions as necessary to promote reasonable price stability.

All of the reforms I have mentioned, and there are many more in the bill, are set in the context of achieving a goal of reducing unemployment to 3 percent of the adult labor force as promptly as possible, but within no more than 4 years after the date of enactment of this act. I believe that such a national commitment, and the policies to support it, can restore the strength of the economy and the economic well-being of our people, and can renew the confidence in America of our citizens.

WIDESPREAD SUPPORT FOR BILL

Although the bill is just being introduced, it already has the support of a wide coalition. First, the principal cosponsor of the bill in the House is Congressman Augustus F. Hawkins, who has labored tirelessly for full employment. No Member of the Congress has worked with more dedication and compassion in this field than Gus Hawkins.

At the press conference on Friday, March 12, when the bill was released to the public, we were also honored to have the presence and support of the Speaker of the House, Carl Albert. The Speaker emphasized that it was our moral obligation to eliminate unemployment and said:

> I therefore pledge my personal commitment, as well as the Constitutional and political powers of the Speakership, to the eradication of the cancer of unemployment from this nation.

In addition, Congressmen Henry Reuss, Richard Bolling, Carl Perkins and over 100 Members of the House have expressed support for this bill.

Support at this early stage has also been encouraging on the Senate side. Senator Harrison Williams, chairman of the Senate Labor and Public Welfare Committee supported the bill at the press conference by saying:

> The Full Employment and Balanced Growth Act, embodies the hopes of millions of Americans. It was not contrived in a closet in Washington. It is the product of a wave of economic thinking and open dialogue throughout every region of the country. It represents the view from the courthouses and the State capitols, as well as the view in Washington; the sociologist as well as the economist; the union leader as well as the industrialist; and working Americans as well as the men and women on the unemployment lines . . . It is a blueprint that deserves a mark in the economic and political history of this nation.

In addition, we are fortunate to have the support of Senators Gaylord Nelson, Jacob Javits, Ted Kennedy, Edward Brooke, Vance Hartke, Clifford Case, Birch Bayh, and Philip Hart. In the next few days, we will be seeking the support of our other colleagues in the Senate.

But the support for this measure goes beyond Congress. This bill already has the support of the AFL–CIO, the National Farmers Union, many mayors, Governors, local government officials and many of the church, community, business, and labor groups associated with the Full Employment Action Council. As the elements of the bill becomes known, Mr. President, this support will grow rapidly.

Mr. President, I ask unanimous consent that the statements in support of the bill, by Speaker Albert, Congressman Augustus Hawkins, Senator Harrison

Williams, and George Meany, president of AFL–CIO, be printed in the Record.

Mr. President, I also ask unanimous consent that the brief summary of the major provisions of the amendment, the summary and section-by-section analysis, and the entire S. 50, as revised by the proposed substitute amendment, be printed in the Record.

There being no objection, the amendment and material were ordered to be printed in the Record, as follows:

Statement by Representatives Augustus Hawkins and Henry Reuss, Principal House Sponsors of the "Full Emloyment and Balanced Growth Act of 1976"

The "Full Employment and Balanced Growth Act of 1976" is designed as a new legislative foundation for America's economic policy and program in the decades ahead.

This bill will establish the individual right of all adult Americans able, willing and seeking work to opportunities for useful paid employment at fair rates of compensation.

Under it, the next Administration and the next Congress will work together to translate this right into practical reality. To guide this process, the Act mandates the combining of goals for full employment, production and purchasing power with proper attention to balanced growth and vital national priorities. It mandates consistent and coordinated policies and programs to replace the chaos, inconsistency and irresponsibility that have characterized the recent years of unemployment, inflation and stop-go, roller-coaster economics.

This legislation faces up to the challenge of rising prices by mandating comprehensive fiscal, monetary and anti-inflation measures. Indeed, the entire measure is oriented toward stimulating more abundant supplies that are the best protection against inflationary shortages.

Finally, the legislation establishes permanent machinery within which business, labor, agriculture and government at all levels can work together cooperatively to promote the healthy growth of the private sector and the more efficient provision of those services that only government can supply.

We must not fall into the trap of legislating on the basis of short-term trends or happenstance such as a reduction in the official unemployment rate from above 8 percent to 7.6 during a period in which it has persisted well above 5.6.

Reducing involuntary unemployment by whatever percentage large or small, albeit a primary goal, is not the only objective sought in H.R. 50, even if it could be done in isolation.

Achieving maximum production and purchasing power—along with serving our priority domestic and international needs are closely linked and interdependent with high levels of employment.

Specifically mandated in this bill, to cite a few examples, are policies and programs permanently needed—such as anti-inflation tools, reinforcement support from the Federal Reserve System, a coordinated and comprehensive youth employment program, countercyclical aid to states and local governments, planned assistance to depressed regions of the country and inner city areas, and the gradual introduction of zero-base budgeting.

These and other provisions of the bill are based on 30 years of experience—part success and part failure—under the Employment Act of 1946. They plug the loopholes that have been used to undermine that Act's mandate. They restore some of the provisions of the original Full Employment bill that passed the Senate in 1945. They deal with many new challenges that have confronted the American economy in recent years.

Passage of this legislation at the beginning of America's third century as a republic will represent an historic declaration of independence—

Independence from the indignity, humiliation and waste of involuntary unemployment;

For employed people, freedom from the gnawing fear of losing one's job and not finding another;

Liberation from the myth that unemployment is needed to keep prices down or that inflationary price increases are needed to provide business with sufficient profits and capital;

Freedom at last from the influence of a small but powerful minority of large employers who see unemployment as a way of keeping wages down, unions weak and employees "in their place";

For small business people, freedom from the manipulative power of those who see recessions as a way of forcing smaller competitors to the wall; and

For those who have suffered from bias and discrimination in employment, freedom from the "negative action" of conflict over who is fired first.

In the largest sense, this bill's passage will commit America to affirmative economic action on behalf of the great majority of our people.

To those over 40 or 45, many of whom are told never again to show their faces at an employment office, this measure says "America can use your skills and your wisdom."

To the victims of racial and ethnic bias, this bill says "This country, under law, will once again become a land of genuine opportunity."

To women who have been kept or pushed out of labor markets, this measure says "You too have certain inalienable rights."

To the 8 million young people who will come of working age by 1980, this Act says "You too shall have a future of useful and productive work in building America."

To those who are disgusted with recession-induced deficits, this bill says that a reasonable amount of democratic planning will make government more efficient, labor more productive and business more profitable.

To those who equate growth with pollution, resource depletion or inflation, this is a "can do" measure. It provides policies for employing people to clean up the natural and manmade environment, conserve our resources, and attain reasonable price stability.

Just last week Premier Kosygin of the Soviet Union alleged that the United States and other Western countries could never escape the agonies of the capitalist business cycle. In somewhat similar terms certain so-called representatives of American business have asserted that genuine full employment and price stability are impossible under American capitalism. To both of these, the sponsors and supporters of this legislation reply "Our mixed system of private capitalism, constitutional government and democratic planning can be made to work far more productively than in the past." We call upon the members of the American business community—large, medium-sized and small—to join with us in this effort.

The "Full Employment and Balanced Growth Act of 1976" is the product of three years intensive effort by many members of the House and the Senate, hearings in many parts of the country by the Equal Opportunity Subcommittee of the House Committee on Education and Labor and by the Joint Economic Committee of Congress. In the process of drafting and redrafting, views have been obtained from the leaders of organized labor and business, religious leaders and various representatives of minority groups, women, professionals and social scientists. With their help, the bill has been substantially strengthened and improved.

At all stages we have had the advice of young people who see in our efforts the frame work for a comprehensive legislative program for the coming years. Among these are Jerry Jasinowski, Senior Economist for the Joint Economic Committee, Austin Sullivan, Legislative Assistant to the House Committee on Education and Labor, John Barrier, Assistant to the Speaker of the House, William Higgs and John Smith in Rep. Hawkins' office and Jaime Galbraith in Rep. Reuss' office. We have also had the benefit of the untiring aid of various veterans of the full employment battles of 30 years ago. Among these are Leon H. Keyserling, one of the early architects of the New Deal and Chairman of President Truman's Council of Economic Advisers, and Bertram M. Gross, who was Chief Assistant to the Members of Congress who drafted the original Full Employment Bill and the Employment Act of 1946. Mr. Keyserling is now President of the Conference for Economic Progress in Washington, D.C. Mr. Gross is Distinguished Professor at Hunter College, City University of New York.

With the presentation of this new version of the bill, the entire process of discussion and consultation becomes wider than ever before. On behalf of the more than 110 members of the House who have joined in sponsoring this legislation, we ask for comments, questions and suggestions. Without compromising on any basic principles, we shall leave no stone unturned in our efforts to guarantee that this legislation will provide the best combination of procedures that we can devise for open and responsible decisionmaking, flexible policies and programs, and high commitment to translating human rights into everyday realities.

The Full Employment and Balanced Economic Growth Act

(Statement by Speaker Carl Albert)

Thirty years ago, the Congress passed the Employment Act of 1946. That legislation set forth a national policy of providing work for all Americans "able, willing, and seeking to work . . . ."

For a generation, the promise of the Employment Act has gone largely unfulfilled. For the past eight years, it has been all but ignored. Our nation has suffered the loss of productivity, talent and income that unemployment causes. Our people have faced the indignity of periodic high unemployment and the insecurity that comes with knowing that they can never be certain of finding work.

With some ten million people unemployed or able to find only part-time work, and with an unstable international picture requiring the full use of our national resources, our nation can ill-afford to permit continuation of these benighted policies of the past.

It is vital that this nation plan now to provide work for all its citizens and promptly deliver on that promise. We cannot pay the price of millions of idle workers year after year. We are suffering a $225 billion annual loss to our economy caused by our 7.5% to 8% unemployment rate. Stopping this hemorrhage through achieving full employment must be the Congress' first priority.

We must also renew our commitment to full employment because our citizens are simply not long going to be interested in maintaining international commitments absolutely vital to this nation's security unless they are assured of meaningful work. We had better spend some money putting these unemployed to work before they begin demanding that we do things which may ultimately jeopardize us all. This is a very dangerous period for America. The balances of power are shifting rapidly and unpredictably throughout the world. This is no time for us to contribute to these dangers through short-sighted domestic economic policies.

It is our moral obligation to eliminate unemployment, however, which is paramount. Because of long-term joblessness, we have a sizeable segment of our population in danger of developing an alienated way of life, of becoming a class apart, separated from the mainstream of our society and maintained by an inequitable and inadequate welfare system. Less easy to identify—but certainly just as important—are the people who turn to drugs or crime as an escape from the mental and financial vice of joblessness, the families which break down because of financial strains, the suicides, and the merely fearful. There may be some short-term cost to eliminate unemployment. But the cost of any other policy—like the Administration's which contemplates unemployment above 6% well the 1980's—is far, far higher.

I therefore pledge my personal commitment, as well as the Constitutional and political powers of the Speakership, to the eradication of the cancer of unemployment from this nation.

American Federation of Labor and
Congress of Industrial Organizations,
Washington, D.C., March 11, 1976.

Hon. Carl Albert,
Speaker, U.S. House of Representatives,
Washington, D.C.

Dear Mr. Speaker: The AFL–CIO fully supports the revised H.R. 50 and S. 50, about to be introduced in the Congress.

The labor movement has fought for full employment throughout its existence. We believe an economy of full employment and full production is the only economy that makes sense in a growing, expanding nation.

We have been pleased to work with you, the sponsors of this legislation and the chairmen of the responsible committees in redrafting this measure. The rewritten bill, we believe, is sound, achievable and necessary.

Therefore, we support the Full Employment Bill without reservation and you are at liberty to make our support a matter of public record.

Sincerely,

George Meany,
President.

Remarks of Senator Harrison A. Williams, Jr.

For a great many months, members of the Congress have been trying to take the nation's economy in hand and put our people back to work. For many of us, this has been the highest priority. And it will continue to be our highest priority until the human suffering of the unemployed and their families is brought to an end.

Throughout, we have known that jobs alone are not the whole solution. The problems of the economy run deep. They are fantastically complex. The challenge has been to find the path for working our way through the complexities, and I believe the Full Employment and Balanced Growth Act of 1976 clearly points the way. I am proud to join with Senator Humphrey and Congressman Hawkins and the other cosponsors of this exciting legislation in this effort.

We have always realized that we live in a society of unparalleled productive capacity. We have always recognized the existence of competing forces in our economy—consumers versus investors; management versus labor; expansion versus inflation, to name a few.

What we have lacked is a strong structure for coordinating the productive forces, for balancing competing demands, for bringing our resources—both public and private—into harmony and giving them positive direction for the benefit of all.

This bill provides the structure that we have needed. It will insure that the cost to working Americans—not just the cost to the Federal treasury—will be a prime consideration in policy decisions of the government. It will guarantee that full employment will be as important a goal as balancing the budget.

It should be clearly understood that we have never advocated creating jobs at the expense of the Federal budget deficit. We have advocated them in the strong belief that full employment is the best means in the long run for achieving balanced budgets and permanent jobs. When people work, they pay taxes, and they don't have to collect unemployment compensation or public assistance. Perhaps more important, when they can work, they no longer feel as if they are only so much social waste.

The Full Employment and Balanced Growth Act, which we introduce today, embodies the hopes of millions of Americans. It was not contrived in a closet in Washington. It is the product of a wave of economic thinking and open dialog throughout every region of the country. It represents the view from the courthouses and the State capitols, as well as the view in Washington; the sociologist as well as the economist; the union leader as well as the industrialist; and working Americans as well as the men and women on the unemployment lines.

The result is not the watered-down stew of a million compromises, but the union of a million suggestions, welded into the foundation of common need and common effort. It is not a slickly packaged jobs bills, void of real content. It is a blueprint that deserves a mark in the economic and political history of this nation. It is a privilege to be associated with this legislation, and with its authors and cosponsors who have provided us in this Bicentennial year with a golden opportunity for a fresh beginning in a positive direction.

Humphrey/Hawkins Full Employment and Balanced Growth Act

MAJOR PROVISIONS OF H.R. 50 AND S. 50

Establishes the right of all adult Americans able, willing, and seeking to work to opportunities for useful paid employment at fair wages. A long-term full employment goal is set at 3% adult unemployment, to be attained as promptly as possible, but within not more than four years after the date of the enactment of this Act;

Provides a new institutional structure and process within which the President, Congress and the Federal Reserve are required to develop common economic goals and policies so that there is an economic plan of action for where the Nation is headed, both in the short- and long-run;

Provides for economy in government through a systematic review of existing government rules and regulations, and an annual evaluation of 20 percent of the dollar volume of existing Federal programs;

Requires the President to determine the extent to which fiscal policy can be relied upon to achieve our economic goals and priorities, making it possible to estimate what supplementary job creation and anti-inflation policies must be utilized to achieve full employment and balanced growth;

Requires the Federal Reserve Board to carefully coordinate its policies with those of the President and Congress to support the goals of full employment and balanced growth;

The President is required to submit comprehensive anti-inflation proposals to raise productivity, to increase the supplies of critical items like food and energy, to strengthen and enforce the anti-trust laws, and such other actions as necessary to promote reasonable price stability;

Requires the development of a coherent and flexible countercyclical employment program to reduce high unemployment arising from cyclical movements in the economy;

Requires the development of policies that facilitate harmonious economic action between the Federal Government, regions, States, localities, and the private sector, including a permanent, countercyclical grant program to stabilize state and local budgets during periods of recession and high unemployment;

Requires the establishment of comprehensive employment policies designed to reduce the chronic under-utilization of human and capital resources in certain regions of the country, including the provision of credit to areas of high unemployment;

Requires the development of a comprehensive youth employment programs;

Requires that the President provide job opportunities for those unable to obtain employment, despite a serious effort to do so, through a Full Employment Office and reservoirs of employment projects;

Requires integration of full employment and income maintenance policies to improve job quality and substitute work for income maintenance to the maximum extent feasible;

Requires Congressional review and establishment of the goals, policies, and programs required under this Act;

Requires the enforcement of non-discrimination provisions; and

Provides for the authorization of the sums necessary to establish long-range planning, the Advisory Committee on Full Employment and Balanced Growth, the establishment of the Full Employment Office and job reservoirs and other administrative matters.

S. 50

Full Employment and Balanced Growth Act of 1976

SUMMARY AND SECTION-BY-SECTION ANALYSIS

Summary

The Full Employment and Balanced Growth Act of 1976 establishes the right of all adult Americans able, willing, and seeking to work to opportunities for useful paid employment at fair rates of compensation. To support that right, the act commits the U.S. Government to fundamental reform in the management of the economy so that full employment and balanced economic growth are achieved and sustained. This includes the creation of a permanent institutional framework within which the President, the Federal Reserve Board, and the Congress are systematically encouraged to develop and establish the economic goals and policies necessary to provide productive employment for all adult Americans, as well as the mandating of specific employment programs to achieve the goal of 3 percent unemployment as promptly as possible, but within not more than 4 years after the date of the enactment of this act.

Section-by-section analysis

Sections 1 and 2. These sections include the title, table of contents, and general findings. Among the most important general findings are: (1) the high social and economic costs of unemployment; (2) the need for explicit economic goals and a coordinated economic policy among the President, the Federal Reserve and Congress; (3) that inflation is often aggravated by high unemployment; and (4) that there must be direct employment and anti-inflation policies to supplement aggregate monetary and fiscal policies to achieve and maintain full employment and balanced growth.

TITLE I—ESTABLISHMENT OF GOALS, PLANNING AND GENERAL ECONOMIC POLICIES

Sec. 101.—Statement of Purpose. The purpose of this title is to declare the general policies of the act, to provide an open process under which annual economic goals are proposed, reviewed, and established; to provide for the develop of a long-range Full Employment and Balanced Growth Plan, to provide for economy in government measures, to insure that monetary, fiscal, anti-inflation and general economic policies are used to achieve the annual economic goals, to support the long-range goals and priorities of the Full Employment and Balanced Growth Plan, and generally to strengthen and supplement the purposes of the Employment Act of 1946.

SEC. 102—DECLARATION OF POLICY. The Employment Act of 1946 is amended to declare that all adult Americans able, willing, and seeking work have the right to useful paid employment at fair rates of compensation. Moreover, the Congress further declares that the Federal Government use all practical means, including improved anti-inflation policies, to promote full employment, production and purchasing power.

SEC. 103—ECONOMIC GOALS AND THE ECONOMIC REPORT OF THE PRESIDENT. The Employment Act of 1946 is amended to require the President in each annual Economic Report to recommend numerical goals for employment, production, and purchasing power, as well as policies to support these goals and achieve balanced growth and full employment of the Nation's human and capital resources as promptly as possible.

SEC. 104—FULL EMPLOYMENT AND BALANCED GROWTH PLAN. The Employment Act of 1946 is amended to establish a process of long-range economic planning, through the Council of Economic Advisers, to analyze developing economic conditions, to recommend long-term goals for full employment, production, and purchasing power, and to propose priority policies and programs to achieve such goals and to meet national needs. A long-term full employment goal is set at 3 percent adult unemployment, to be attained as promptly as possible, but within not more than 4 years after the date of the enactment of this act.

SEC. 105—ECONOMY IN GOVERNMENT. This section establishes policies and procedures to improve the effectiveness of the Federal Government through the comprehensive planning framework established under this act. In conjunction with the submission of each Full Employment and Balanced Growth Plan, the President shall submit proposals for improving the efficiency and economy of the Federal Government, including, but not limited to, a review of existing Government rules and regulations to determine if they still serve a purpose, and an annual evaluation of 20 percent of the dollar volume of existing Federal programs.

SEC. 106—FISCAL AND MONETARY POLICIES. The Employment Act of 1946 is amended to require that monetary and fiscal policies be utilized in the optimum manner necessary to achieve full employment and balanced growth, including the requirement that the President determine the extent to which fiscal policy can be relied upon to achieve our economic goals and priorities, so that it becomes possible to estimate what supplementary job creation and anti-inflation policies must be utilized to achieve the objectives of this act.

This section also requires the Federal Reserve Board to make an independent report to the President and Congress, in conjunction with each Economic Report, identifying the extent to which the Federal Reserve will support the economic goals recommended in the President's Economic Report and, if the Federal Reserve Board does not support such goals, to provide a full justification of why and to what extent its policies will differ from those recommended by the President. If the President determines that the Board's policies are inconsistent with proposed economic goals and priorities, the President shall make recommendations to the Board and Congress to insure closer conformity with the purposes of this act.

SEC. 107—ANTI-INFLATION POLICIES. The Employment Act of 1946 is amended to require that each Economic Report contain a comprehensive set of anti-inflation policies to supplement monetary and fiscal policy, including, but not limited to, analyzing inflationary trends in individual economic sectors; actions to increase the supply of goods, services, labor, and capital in tight markets, particularly food and energy; provision for an export-licensing mechanism for critical materials in short supply; recommendations to increase productivity in the private sector; recommendations to strengthen and enforce the antitrust laws; and recommendations for administrative and legislative actions to promote reasonable price stability if situations develop that seriously threaten national price stability.

SEC. 108—COUNCIL OF ECONOMIC ADVISERS. The Employment Act of 1946 is amended to require the Council of Economic Advisers to prepare the Full Employment and Balanced Growth Plan, to consult with the Advisory Committee, and to meet other requirements under this act.

SEC. 109—ADVISORY COMMITTEE ON FULL EMPLOYMENT AND BALANCED GROWTH. The Employment Act of 1946 is amended to establish a 12-member private Advisory Committee on Full Employment and Balanced Growth to advise and assist the Council of Economic Advisers on matters relating to the Economic Report and this act. The members of the committee shall be appointed proportionately by the President, the Speaker of the House of Representatives, and the President pro tempore of the Senate in a manner broadly representative of the Public.

TITLE II—COUNTERCYCLICAL, STRUCTURAL AND YOUTH EMPLOYMENT POLICIES

SEC. 201—STATEMENT OF PURPOSE. This title establishes supplementary employment policies to close the employment gap, if one should exist, between the levels of employment achieved through aggregate monetary and fiscal policy and the employment goals established in sections 103 and 104. Accordingly, this title establishes a system of comprehensive and flexible employment policies to create jobs in both the private and public sectors of the economy. These supplementary employment policies shall vary according to economic conditions and the other actions taken under this act, but focus broadly upon reducing cyclical, structural, regional, youth unemployment, and unemployment due to discrimination. This title also establishes a Full Employment Office within the Department of Labor to use special means for training, assisting, and providing employment for those people who are otherwise unable to find employment. Finally, this title mandates improved integration of income maintenance programs and full employment policies.

SEC. 202—COUNTERCYCLICAL EMPLOYMENT POLICIES. This section requires the development and submission by the President, within 90 days of the enactment of this act, of a coherent and flexible countercyclical program to reduce high unemployment arising from cyclical movements in the economy. This comprehensive program shall include, as appropriate, public service employment, standby public works, antirecession grants for State and local governments, skill training in both the public and private sectors, and other programs. Moreover, this program shall be automatically implemented during periods of high unemployment, allocate employment assistance to areas of highest unemployment, provide for a well-balanced combination of job creation and related activities in both the private and public sectors, and incorporate transitional mechanisms to aid individuals in returning to regular employment as the economy recovers.

SEC. 203—COORDINATION WITH STATE AND LOCAL GOVERNMENTS AND PRIVATE SECTOR ECONOMIC ACTIVITY. This section requires the development of policies that facilitate harmonious economic action between the Federal Government, regions, States, localities and the private sector. As a primary effort to achieve these ends, the President is required to submit legislation, within 90 days of the enactment of this act, creating a permanent, countercyclical grant program that will serve to stabilize State and local budgets during periods of recession and high unemployment. This program shall be automatically implemented when the national unemployment exceeds a specified level and distribute its funds to those areas of most serious unemployment.

SEC. 204—REGIONAL AND STRUCTURAL EMPLOYMENT POLICIES. This section requires the establishment of comprehensive employment policies designed to reduce the chronic underutilization of human and capital resources in certain areas of the country and in specific groups within the labor force. As a primary effort to reduce unemployment in chronically depressed areas, the President is required within 180 days after the date of enactment of this act to submit legislation providing an institutional means to make credit available: (1) for public and private investment in economically depressed regions, inner cities, and economic sectors; and (2) to provide an alternative source of capital funds for local and State government to finance public facilities.

SEC. 205—YOUTH EMPLOYMENT POLICIES. This section requires the development and submission by the President, within 90 days of the enactment of this act, of a comprehensive youth employment program to: (1) foster a smoother transition from school to work; (2) prepare disadvantaged youths with employment handicaps for self-sustaining employment through education, training, medical services, counseling and other support activities; (3) develop methods for combining training with work, including apprenticeship and on-the-job training in the private sector; and (4) provide job opportunities in a variety of tasks including conservation, public service activities, inner-city cleanup and rehabilitation and other jobs of value to States, local communities, and the Nation.

SEC. 206—FULL EMPLOYMENT OFFICE AND JOB RESERVOIRS. To insure that full employment is achieved under this act, the President, through the Secretary of Labor, shall develop policies and programs to provide job opportunities to adult Americans who, despite a serious effort to obtain employment, are unable to do so in the general economic environment, or through any of the other provisions of this act. There is established within the Department of Labor a Full Employment Office to assist the Secretary of Labor in providing such job opportunities through counseling, training, and referral to job opportunities in the private sector and in positions drawn from sections 202, 204, and 205 of this Act. Additional job opportunities will be provided, subject to regulations on job need and eligibility, through reservoirs of federally operated or approved employment projects, to be phased in by the President in conjunction with the annual employment recommendations required under section 3 of the Employment Act of 1946, and to achieve 3 percent unemployment within 4 years of enactment of this act.

SEC. 207—INCOME MAINTENANCE AND FULL EMPLOYMENT POLICIES. This section requires that full employment policies: (1) provide quality jobs that strengthen income and eliminate substandard earnings; (2) integrate existing income maintenance policies with the full employment policies established by this act; and (3) substitute work for income maintenance to the maximum extent feasible.

TITLE III—POLICIES AND PROCEDURES FOR CONGRESSIONAL REVIEW

SEC. 301—STATEMENT OF PURPOSE. This title establishes procedures for congressional review and action with respect to the annual economic goals in the Economic Report, the Full Employment and Balanced Growth Plan, the report of the Board of Governors of the Federal Reserve System, and the other policies and provisions of this act. This title also establishes a Division of Full Employment and Balanced Growth within the Congressional Budget Office to assist the Congress in meeting its responsibilities under this act.

Sec. 302—General Congressional Review. This section establishes the responsibilities of the Joint Economic Committee, the Committees on the Budget, and other appropriate committees of Congress.

Sec. 303—Congressional Review of Economic Goals in Economic Report. This section requires the Joint Economic Committee to review and make recommendations to Congress on annual numerical goals for employment, production, and purchasing power proposed by the President under section 3 of the Employment Act of 1946. The Joint Economic Committee shall submit such recommendations to the Committees on the Budget of both Houses, for incorporation in the first concurrent budget resolution, subject to such modifications as necessary to fulfill the objectives of this act and to meet the requirement of section 3A of the Employment Act to achieve full employment within not more than 4 years after the date of enactment of this act.

Sec. 304—Congressional Review of Full Employment and Balanced Growth Plan. This section provides for congressional review of the Full Employment and Balanced Growth Plan, including reports to the Joint Economic Committee from the standing committees of Congress on matters that relate to the plan, public hearings before the Joint Economic Committee, and consideration of State and local views on the plan. Following the above actions, the Joint Economic Committee shall report a concurrent resolution to Congress approving, disapproving or modifying the proposed plan, with such a resolution serving as a long-term guide to the Congress with respect to the goals, priorities, policies, and programs recommended in the plan. The President is to be notified of changes in the proposed plan, for such actions as deemed appropriate.

Sec. 305—Division of Full Employment and Balanced Growth. This section establishes a Division of Full Employment and Balanced Growth within the Congressional Budget Office to assist the Joint Economic Committee in the discharge of its duties under this act, particularly with respect to long-term economic analysis and planning, and to assist other committees and Members of Congress in fulfilling their responsibilities under this act.

Sec. 306—Exercising of Rulemaking Powers. This section provides that the provisions of this title, other than section 305, be incorporated into the rules of the House of Representatives and Senate, respectively, with full recognition of the constitutional right of either House to change such rules.

TITLE IV—GENERAL PROVISIONS

Sec. 401—Nondiscrimination. No person in the United States shall on the ground of sex, age, color, religion, or national origin be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity funded in whole or in part with funds made available under this act. The Secretary of Labor is empowered to enforce such nondiscrimination through the Attorney General, title VI of the Civil Rights Act of 1964, and such other actions as may be provided by law.

Sec. 402—Labor Standards. This section provides that policies and programs implemented and mandated under this act shall provide that those employed are paid equal wages for equal work, and that the policies create a net increase in employment through work that would not otherwise be done. The section further prescribes a range of labor standards applicable to particular situations of employment.

Sec. 403—Authorizations. Being a general economic policy act, the sums authorized for appropriation are those necessary to establish long-range economic planning, the Advisory Committee on Full Employment and Balanced Growth, the establishment of the Full Employment Office and job reservoirs, and other administrative matters. The authorizations and appropriations for other programs mandated under this act are to be determined in conjunction with each separate piece of legislation.

Amendments No. 1468

Strike out all after the enacting clause and insert in lieu thereof the following:

That this Act and the following table of contents may be cited as the "Employment and Balanced Growth Act of 1976".

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TITLE IV—GENERAL PROVISIONS

Sec. 401. Nondiscrimination.
Sec. 402. Labor standards.
Sec. 403. Authorizations.

GENERAL FINDINGS

Sec. 2. (a) The Congress finds the Nation has suffered substantial and increasing unemployment and underemployment, over prolonged period of time, imposing numerous economic and social costs. Such costs include the following:

(1) The Nation is deprived of the full supply of goods and services, the full utilization of labor and capital resources, and the related increase in individual income and well-being that would exist under conditions of genuine full employment.

(2) Insufficient production is available to meet pressing national priorities.

(3) Workers are deprived of the job security, income, skill development, and productivity necessary to maintain and advance their standards of living.

(4) Business and industry are deprived of the production, sales, capital flow, and productivity necessary to maintain adequate profits, create jobs, and contribute to meeting society's economic needs.

(5) The Nation is exposed to social, psychological, and physiological costs and traumas, including disruption of family life, loss of individual dignity and self-respect, and the proliferation of physical and psychological illnesses, drug addiction, crime, and social conflict.

(6) Federal, State, and local government economic activity is undermined as government budget deficits occur because tax revenues fall and expenditures rise for unemployment compensation, public assistance, and other recession-related services in the areas of criminal justice, drug addiction, and physical and mental health.

(b) The Congress further finds:

(1) High unemployment often increases inflation by diminishing labor training and skills, underutilizing capital resources, reducing the rate of productivity advance, increasing unit labor costs, reducing the general supply of goods and services and thereby generating cost-plus inflation. In addition, modern inflation has been due in large measure to errors in national economic policy, including erratic monetary policy, inadequate energy and food policies, and ineffective policies to maintain competition in the private sector.

(2) Although necessary for sound economic policy, aggregate monetary and fiscal policies are inadequate by themselves to achieve full employment production and to restrain inflation. Such policies must be supplemented by more direct private and public measures to create employment and reduce inflation.

(3) Genuine full employment has not been achieved, in part, because explicit short- and long-term national economic goals and priorities have not been established by the President, the Congress, and the Federal Reserve. Moreover, public and private economic policies have not been organized and coordinated to achieve national goals and priorities.

(4) Increasing job opportunities and full employment make a major contribution to the abolition of discrimination based upon sex, age, race, color, religion, national origin, and other improper factors.

(c) The Congress further finds that an effective full employment and balanced growth policy should (1) be based on the development of explicit economic goals and policies involving the President, the Congress, and the Federal Reserve, as well as State and local governments, with full use of the resources and ingenuity of the private sector of the economy, and (2) include programs specifically designed to reduce high unemployment due to recessions, and to reduce structural unemployment within regional areas and among particular labor force groups.

(d) The Congress further finds that full employment and balanced growth are important national requirements that will promote the economic security and well-being of all our citizens.

TITLE I—ESTABLISHING OF GOALS, PLANNING, AND GENERAL ECONOMIC POLICIES

STATEMENT OF PURPOSE

Sec. 101. It is the purpose of this title to declare the general policies of this Act, to provide an open process under which annual economic goals are proposed, reviewed, and established, to provide for the development of a long-range Full Employment and Balanced Growth Plan, to provide for economy in government measures, to ensure that monetary, fiscal, anti-inflation, and general economic policies are used to achieve the annual economic goals and support the goals and priorities of the Full Employment and Balanced Growth Plan, and generally to strengthen and supplement the purposes and policies of the Employment Act of 1946.

DECLARATION OF POLICY

SEC. 102. (a) Section 2 of the Employment Act of 1946 (15 U.S.C. 1021) is amended to read as follows:

"DECLARATION OF POLICY

"SEC. 2. (a) The Congress hereby declares that it is the continuing policy and responsibility of the Federal Government to use all practicable means, consistent with its needs and obligations and other essential national policies, with the assistance and cooperation of industry, agriculture, labor, and State and local governments, to coordinate and utilize all its plans, functions, and resources for the purpose of creating and maintaining, in a manner calculated to foster and promote free competitive enterprise and the general welfare, conditions which promote balanced growth and useful employment opportunities, including self-employment, for those able, willing, and seeking to work, and to promote full employment, production, and purchasing power.

"(b) The Congress declares and establishes the right of all adult Americans able, willing, and seeking work to opportunities for useful paid employment at fair rates of compensation.

"(c) The Congress further declares that inflation is a major national problem requiring improved government policies relating to food, energy, improved fiscal and monetary management, economy in government, the reform of outmoded government rules and regulations, the correction of structural defects in the economy that prevent or seriously impede competition in private markets, and other measures."

ECONOMIC GOALS AND THE ECONOMIC REPORT OF THE PRESIDENT

SEC. 103. Section 3(a) of the Employment Act of 1946 is amended to read as follows:

"SEC. 3. (a) The President shall transmit to the Congress not later than January 20 of each year an economic report (hereinafter called the 'Economic Report') setting forth for each year—

"(1) current and foreseeable trends in the levels of employment, production, and purchasing power and a review and analysis of economic conditions affecting these economic trends in the United States;

"(2) annual numerical goals for employment, production, and purchasing power that are designed to achieve balanced growth and full employment of the Nation's human and capital resources as promptly as possible;

"(3) a numerical long-term full employment goal which is (A) consistent with the minimum level of frictional unemployment necessary for efficient job search and mobility in the labor force, and (B) consistent with the aggregate long-term economic goals and priorities set forth in the Full Employment and Balanced Growth Plan required under section 3A; and

"(4) the programs and policies for carrying out the policy declared in section 2 of this Act, as well as the numerical economic goals of paragraph (2) of this subsection, together with such recommendations for legislation as the President deems necessary or desirable in order to achieve full employment and balanced growth as promptly as possible.".

FULL EMPLOYMENT AND BALANCED GROWTH PLAN

SEC. 104. The Employment Act of 1946 is amended by adding after section 3 the following new section:

"FULL EMPLOYMENT AND BALANCED GROWTH PLANS

"SEC. 3A. (a) In conjunction with the first Economic Report after enactment of this section, or within ninety days after the enactment of this section, whichever may come earlier, and thereafter in conjunction with each annual Economic Report, the President shall transmit to the Congress a proposed Full Employment and Balanced Growth Plan, prepared with the assistance of the Council of Economic Advisers, and in consultation with the Office of Management and Budget. The Plan shall propose, in quantitative and qualitative terms, and for the number of years feasible, long-term national goals related to full employment, production, purchasing power, and other essential priority purposes, and the major policies and programs, including recommendations for legislation, to achieve such goals and priorities. In developing the goals, the President shall take into account the level and composition of each factor needed to maintain economic balance and full resource use and to meet priority needs.

"(b) The Full Employment and Balanced Growth Plan shall set forth the foreseeable trends in economic and social conditions, provide estimates of the unmet economic and social needs of the Nation, and identify the human, capital, and national resources available and needed for the achievement of the economic and related social goals and priorities established in the Full Employment and Balanced Growth Plan.

"(c) The Full Employment and Balanced Growth Plan shall contain long-term economic goals as follows—

"(1) full employment goals set at the number of jobs to be provided for adult Americans in order to reduce unemployment to the minimum level of frictional unemployment consistent with efficient job search and labor mobility;

"(2) full production goals set at the levels of output estimated to be yielded by achievement of the full employment goals as defined above, with expected improvements in productivity; and

"(3) full purchasing power goals set at levels estimated to be necessary for attaining and maintaining full employment and production while contributing to an equitable distribution of purchasing power.

"(d) In carrying out the provision of paragraph (1) of subsection (c), the full employment goal shall be consistent with a rate of unemployment not in excess of 3 per centum of the adult Americans in the civilian labor force, to be attained as promptly as possible, but within not more than four years after the enactment of the Full Employment and Balanced Growth Act of 1976. Within one year of the date of enactment of the Full Employment and Balanced Growth Act of 1976, the President shall review the full employment goal and timetable required by this section and report to Congress on any obstacles to its achievement and, if necessary, propose corrective economic measures to insure that the full employment goal and timetable are achieved.

"Priorities, policies, and programs

"(e) To contribute to the achievement of the general economic growth established in sections 3(a)(2) and 3A(c) of this Act, the Full Employment and Balanced Growth Plan shall propose priority policies and programs that comprise a full employment program that provides productive nonwasteful jobs and that reorder national priorities and employ the jobless in the production of goods and services which add to the strength of the economy, the wealth of the Nation, and the well-being of the people. Such policies and programs shall not be set forth in the programmatic detail developed by specialized Federal agencies, and by others in the public and private sectors, but only sufficiently to furnish an integrated perspective of our needs and capabilities and as a long-run guide to optimum private, Federal, State, and local government action. Priority policies and programs to support full employment and balanced growth shall initially include—

"(1) development of energy, transportation, food, small business, and environmental improvement policies and programs required also to combat inflation by meeting full economic levels of demand;

"(2) the quality and quantity of health care, education, day care, and housing, essential to a full economy and moving gradually toward adequacy for all at costs within their means;

"(3) Federal aid to State and local governments, especially for public investment and unemployment related costs;

"(4) national defense and other needed international programs; and

"(5) such other priority policies and programs as the President deems appropriate.

"(f) The President shall establish procedures to insure that members of the Cabinet, relevant regulatory agencies, other relevant officers of the executive branch, and the Chairman of the Advisory Committee on Full Employment and Balanced Growth have an opportunity to review and make recommendations to the President prior to his or her submission of the Full Employment and Balanced Growth Plan to the Congress. The annual reports of departments and agencies shall include reports on any actions and studies undertaken related to the implementation of the Full Employment and Balanced Growth Plan.

"(g) At the time of the submission of the proposed Full Employment and Balanced Growth Plan to the Congress, the President shall transmit copies of the Plan to the Governor of each State and to other appropriate State and local officials. Within sixty days after the submission to Congress of the proposed Full Employment and Balanced Growth Plan, the Governor of each State may submit to the Joint Economic Committee a report containing findings and recommendations with respect to the proposed Plan. Any such report submitted by a Governor shall include the views and comments of citizens within the State, after public hearings have been held within the State."

ECONOMY IN GOVERNMENT

SEC. 105. (a) The Congress finds and declares that widespread duplication and contradiction among Federal departments and agencies, the failure to establish long-term priorities, lack of adequate information on the impact of Federal regulations and programs, and the lack of a process for developing more efficient alternatives for achieving the Nations' priorities are impeding the Federal Government in efficiently implementing full employment and balanced growth policies. The Congress further declares that genuine efficiency in government requires time and planning. Accordingly, it is the purpose of this section to utilize the comprehensive planning framework established by section 104 to improve the efficiency and economy of the Federal Government.

(b) In carrying out this section the President shall, in conjunction with the submission of each Full Employment and Balanced Growth Plan, submit proposals for improving the efficiency and economy of the Federal Government, including, but not necessarily limited to—

(1) a review of existing Government rules and regulations to determine if they still serve a public purpose and are properly designed; and

(2) an annual evaluation of 20 per centum of the dollar volume of existing Federal pro-

grams which are in effect each year, and the submission to Congress of a formal analysis of the economic and social impact and value of each program.

FISCAL AND MONETARY POLICIES

SEC. 106. (a) The Employment Act of 1946 is amended by inserting after section 3A, as added by this Act, the following new section:

"FISCAL AND MONETARY POLICIES

"SEC. 3B. (a) The President's Budget and Economic Report shall be consistent with the Full Employment and Balanced Growth Plan, and the Economic Report shall set forth for each year the following:

"(1) The level and composition of Federal expenditures, measured against estimated capabilities at full employment and production, necessary to support the annual economic goals proposed in section 3 and to support the Full Employment and Balanced Growth Plan, taking into account the role of the private sector and of State and local governments in supporting these purposes. The President shall also make a determination of the extent to which the use of aggregate fiscal and monetary policy, without the supplementary employment policies provided in the Full Employment and Balanced Growth Act of 1976, will achieve the production, employment, purchasing power, and priority goals required in sections 3 and 3A. Whenever the economy is operating at full production and employment, or subjected to excessive overall strain, the general principle to be followed is that priority expenditures established in section 3A(e) shall not in general be reduced, allowing for some variations for countercyclical purposes, so long as it is feasible to reduce relatively less important expenditures, or to resort to means set forth in paragraph (2) below.

"(2) Federal tax policy consistent with expenditure levels in paragraph (1) of this subsection necessary to (A) balance the Federal budget or create a surplus under conditions of full production, employment and purchasing power, (B) restrain excessive economic activity and inflation when total demand threatens to exceed the Nation's capabilities at full employment, (C) avoid fiscal drag upon the economy during any periods of substantial economic slack, and (D) contribute to the needed level and distribution of purchasing power.

"(3) A monetray policy designed to assure such rate of growth in the Nation's money supply, such interest rates, and such credit availability, including policies of credit reform, allocation, and international capital flows as are conducive to achieving and maintaining the full employment, production, purchasing power and priority goals specified in sections 3 and 3A.

"(b) The Board of Governors of the Federal Reserve System shall transmit to the President and the Congress, within fifteen days after the transmission of the Economic Report or the Full Employment and Balanced Growth Plan, whichever may come earlier, an independent statement setting forth its intended policies for the year ahead with respect to its functions, the extent to which these policies will support the achievement of the goals in section 3 and section 3A, and a full justification for any substantial variations from the President's goals and recommendations. If the President determines that the Board's policies are inconsistent with the achievement of the goals and policies proposed under this Act, the President shall make recommendations to the Board and to the Congress to insure closer conformity to the purposes of this Act."

ANTI-INFLATION POLICIES

SEC. 107. (a) Section 3 of the Employment Act of 1946 is amended by adding at the end thereof the following:

"(d) The Economic Report shall each year contain a comprehensive set of anti-inflation policies, including, but not necessarily limited to—

"(1) a comprehensive information system to monitor and analyze inflationary trends in individual economic sectors, including information on the international sector, so that the President and Congress can be alerted to developing inflation problems and bottlenecks;

"(2) the use of monetary and fiscal policy geared to the capabilities of the economy operating at full employment as provided in section 3B;

"(3) programs and policies in the Full Employment and Balanced Growth Plan for increasing the supply of goods, services, labor, and capital in structurally tight markets, with particular emphasis on increasing the supply of food and energy;

"(4) provision for an export licensing mechanism for food and other critical materials when the national well-being is threatened because projected supplies are inadequate to meet domestic needs without drastically increasing prices, and the establishment of stockpile reserves of food and other critical materials in order to meet emergencies such as floods and famines and to maintain reasonable price stability and adequate farm income;

"(5) encouragement to labor and management to increase productivity within the national framework of full employment through voluntary arrangements in industries and economic sectors;

"(6) recommendations to strengthen and enforce the antitrust laws and such other recommndations as are necessary to increase competition in the private sector; and

"(7) recommendations for administrative and legislative actions to promote reasonable price stability if situations develop that seriously threaten national price stability.

COUNCIL OF ECONOMIC ADVISERS

SEC. 108. (a) The second sentence of section 4(a) of the Employment Act of 1946 is amended by inserting "full" immediately after "promote".

(b)(1) Section 4(c)(1) of such Act is amended by inserting immediately after the semicolon a comma and the following: "and the Full Employment and Balanced Growth Plan".

(2) Section 4(c)(4) of such Act is amended by inserting "full" immediately after "maintain".

(c)(1) Section 4(e)(1) of such Act is amended by inserting immediately before the semicolon a comma and the following: "and shall consult with the Advisory Committee established under section 6."

(2) Section 4(e) of such Act is amended by striking out the period at the end of paragraph (2) and inserting in lieu thereof a semicolon, and by adding after such paragraph (2) the following:

"(3) In this connection, the Council is authorized and directed to seek and obtain the cooperation of the various executive and independent agencies in the development of specialized studies essential to its responsibilities."

ADVISORY COMMITTEE ON FULL EMPLOYMENT AND BALANCED GROWTH

SEC. 109. The Employment Act of 1946 is amended by adding at the end thereof the following new section:

"ADVISORY COMMITTEE ON FULL EMPLOYMENT AND BALANCED GROWTH

"SEC. 6. (a) To furnish advice and assistance to the Council of Economic Advisers in the preparation and review of the Economic Report and Full Employment and Balanced Growth Plan, there is established an Advisory Committee on Full Employment and Balanced Growth, which shall consist of—

"(1) four members appointed by the President;

"(2) four members appointed by the Speaker of the House of Representatives; and

"(3) four members appointed by the President pro tempore of the Senate.

"(b) The Committee shall elect a Chairman, and shall meet at the call of the Chairman, but not less than twice a year. The members of the Advisory Committee shall be appointed for terms of two years from among representatives of labor, industry, agriculture, consumers, and the public at large, who are especially competent by virtue of background and experience to furnish advice to the Council on the views and opinions of broad segments of the public on matters involved in the formulation and implementation of goals and policies for full employment and balanced growth.

"(c) Each member of the Advisory Committee shall be entitled to be compensated at a rate equal to the per diem equivalent of the rate for an individual occupying a position at level III of the Executive Schedule under section 5314 of title 5, United States Code, when engaged in the actual performance of his or her duties as such a member, and each member shall be entitled to reimbursement for travel, subsistence, and other necessary expenses incurred in the performance of his or her duties.

"(d) The Advisory Committee is authorized to establish regional or industry advisory subcommittees to furnish advice and assistance to it. Each such subcommittee shall consist of at least one member of the Advisory Committee and shall be broadly representative of the particular region or industry, including business, labor, and consumer interests.

"(e) The Chairman of the Council of Economic Advisers shall furnish the Advisory Committee with such personnel, facilities, and services as he or she deems necessary to enable the Advisory Committee to perform its functions under this Act.".

TITLE II—COUNTERCYCLICAL, STRUCTURAL, AND YOUTH EMPLOYMENT POLICIES

STATEMENT OF PURPOSE

SEC. 201. It is the purpose of this title to establish supplementary employment policies to close the employment gap, if one should exist, between the levels of employment achieved through aggregate monetary and fiscal policy and the employment goals established in sections 3 and 3A of the Employment Act of 1946. Accordingly, this title establishes a system of comprehensive and flexible employment policies to create jobs in both the private and public sectors of the economy that encourages the optimum contribution of the private sector and State and local governments toward the achievement of the goals and purposes of this Act. These supplementary employment policies shall vary according to economic conditions and the other actions taken under this Act, but shall have the broad objective of reducing cyclical, structural, regional, and youth unemployment, and unemployment due to discrimination. It is also the purpose of this title to establish a Full Employment Office within the Department of Labor to use special means for training and providing employment for those people who are otherwise unable to find employment. It is the further purpose of this title to mandate improved integration of income maintenance programs and full employment policies.

COUNTERCYCLICAL EMPLOYMENT POLICIES

SEC. 202. (a)(1) The Congress finds and declares that—

(A) the Nation has been unprepared to promptly implement employment policies during periods of economic downturn and resultant high unemployment;

(B) existing policies are so diffused and fragmented at all levels of government that it has been impossible to implement a comprehensive countercyclical employment program in a coordinated manner; and

(C) the lack of a coherent, flexible, countercyclical employment policy reduces the prospects of the Nation solving economic and related social problems which threaten fundamental national interests and objectives, including those specified by this Act.

(2) It is the purpose of this section to require the development of a coherent and flexible countercyclical employment policy, creating jobs in both the private and public sectors that are valuable to States, local communities and the Nation, and thereby reducing employment gaps that may remain despite the appropriate implementation of other provisions of this Act.

(b)(1) To carry out the provisions of this section, the President shall within ninety days after the date of enactment of this Act transmit to the Congress a comprehensive proposal, together with such legislation as is necessary, which shall establish on a permanent basis the range of supplementary employment policies and programs necessary to reduce high unemployment arising from cyclical movements in the economy. The countercyclical action provided for in this section relates to periods of high unemployment, regardless of the stage of the business cycle.

(2) In establishing the component parts of such a comprehensive proposal, and making a determination of the role of each, the President should consider the following programmatic entities—

(A) countercyclical public service employment;

(B) accelerated public works, including the development of standby public works projects;

(C) State and local countercyclical grant programs as specified in section 203;

(D) the levels and duration of unemployment insurance;

(E) skill training in both the private and public sectors, both as a general remedy, and as a supplement to unemployment insurance;

(F) youth employment programs as specified in section 205;

(G) a community development program to provide employment in activities of value to the States, local communities, and the Nation; and

(H) augmentation of other employment and manpower programs that would prove helpful in meeting high levels of unemployment from cyclical causes.

(c) To insure that the component parts of the countercyclical proposal establishes an integrated and flexible program, the President shall—

(1) utilize existing employment and training mechanisms as appropriate;

(2) provide for advance planning for countercyclical employment programs among the Federal Departments and agencies;

(3) provide for an automatic trigger or set of coordinated triggers that would implement the program during a period of rising unemployment, and phase out the program when unemployment is appropriately reduced;

(4) insure that allocation of employment assistance takes into account the severity and geographic distribution of unemployment, and the special needs of the unemployed groups within the labor force;

(5) provide for a well balanced combination of job creation and related activities in both the private and public sectors of the economy; and

(6) incorporate effective transitional mechanisms to facilitate individuals assisted under programs developed pursuant to this section to return promptly to regular private and public employment as the economy recovers.

COORDINATION WITH STATE AND LOCAL GOVERNMENT AND PRIVATE SECTOR ECONOMIC ACTIVITY

SEC. 203. (a) As an integral part of the comprehensive countercyclical employment policies established under section 202, the President shall set forth programs and policies to facilitate harmonious economic action among the Federal Government, regions, States and localities and the private sector to promote the (1) achievement of the goals and priorities of this Act and the Employment Act of 1946, and (2) an economic environment in which State and local governments and private sector economic activity and employment will prosper and essential services will be maintained.

(b) As a primary effort to meet the requirements of this section, the President shall within ninety days after the date of enactment of this Act transmit to the Congress legislation creating a permanent, countercyclical grant program that will serve to stabilize State and local budgets during periods of recession and high unemployment. In formulating this proposal, the President shall endeavor to meet criteria that establish a program (1) funded to take into account total State and local expenditures and the national unemployment rate; and (2) automatically implemented when the national unemployment rate exceeds a specified rate.

REGIONAL AND STRUCTURAL EMPLOYMENT POLICIES

SEC. 204. (a) (1) The President shall within one hundred and eighty days after the date of enactment of this Act transmit to Congress a comprehensive regional and structural employment proposal, including such legislation as necessary, designed to reduce the chronic underutilization of human and capital resources in certain areas of the country and in groups within the labor force. In formulating the regional components of such a proposal, the President shall encourage private sector production and employment to locate within depressed regions and inner cities. The President's regional employment proposal shall also include an analysis of the extent to which Federel Government tax, expenditure, and employment policies have influenced the movement of people, jobs, and industry from chronic high unemployment regions and areas, and proposals designed to correct Federal policies that have an adverse economic impact upon such regions and areas.

(2) In formulating the structural components of such an employment program, the President shall utilize existing employment and training mechanisms and other existing programs, as appropriate, and such other measures as necessary.

(b) To further meet the requirements of this section, the President shall transmit to the Congress, within one hundred and eighty days after the date of enactment of this Act, legislation providing an institutional means designed to encourage (1) public and private investment in economically depressed regions, inner cities, and economic sectors; and (2) provide an alternative source of capital funds for local and State governments to finance public facilities. In formulating the legislation required by this section, the President shall include provision for—

(1) long-term loans at low rates of interest no higher than the average rate of long-term Treasury borrowings plus service costs;

(2) capitalization through public stock and bond subscriptions, stock purchases by the State governments, local governments, and businesses that benefit from the program, and financial assistance from the Federal Government; and

(3) criteria setting priorities for assistance to State and local government and businesses, with special attention to areas with unemployment rates consistently and significantly in excess of the national average, to achieve the objective of increasing employment in such areas, and increasing total employment.

YOUTH EMPLOYMENT POLICIES

SEC. 205. (a) The Congress finds and declares that—

(1) serious unemployment and economic disadvantage exist among youths, this group constitutes a substantial portion of the Nation's unemployment, and this significantly contributes to crime, drug addiction, and other social and economic problems;

(2) many youths have special employment needs and problems which, if not promptly addressed, will substantially contribute to more severe unemployment problems in the long run;

(3) a significant number of youths in certain areas even in the best of economic circumstances do not have adequate access to employment opportunities providing effective entry into the labor force; and

(4) existing employment programs for youth are fragmented and inadequate, and the special needs and problems of youth unemployment require the development of a permanent, comprehensive youth employment program which will meet the job needs of youth.

(b) To meet the requirements of subsection (a), the President shall transmit to Congress within ninety days after the date of enactment of this Act legislation creating a comprehensive youth employment program, which—

(1) utilizes the resources and facilities of existing youth employment and training programs that are designed to provide job opportunities for youths,

(2) provides for other policies and programs necessary to provide employment for youths, and

(3) contributes to carrying out the policies of this Act and the Employment Act of 1946.

(c) In formulating such a program, the President shall include provisions designed to—

(1) fully coodinate youth employment activities with other employment and manpower programs;

(2) develop a *smoother* transition from school to work by fostering a more effective partnership between educational and employment institutions, such as businesses employer associations, and labor unions;

(3) prepare disadvantaged and other youths with employability handicaps for regular self-sustaining employment through education, training, medical services, counseling, and other support activities;

(4) develop realistic methods for combining training with work, including apprenticeship and on-the-job training in the private sector; and

(5) provide job opportunities for youths in a variety of tasks, including conservation, public service activities, inner city cleanup and rehabilitation, and other jobs of value to States, local communities, and the Nation.

FULL EMPLOYMENT OFFICE AND RESERVOIRS OF EMPLOYMENT PROJECTS

SEC. 206. (a) In order to insure that full employment is achieved under this Act, the President, through the Secretary of Labor, shall develop policies, procedures, and programs to provide employment opportunities to adult Americans able, willing, and seeking to work but who, despite a serious effort to obtain employment, are unable to do so in the general economic environment, or through any of the other provisions of this Act.

(b) There is established within the Department of Labor a Full Employment Office to assist the Secretary of Labor in providing the employment opportunities required under subsection (a). Under the supervision of the Secretary of Labor, the Office shall be phased in consistent with subsection (d) of this section.

(c) In meeting the responsibilities to provide job opportunities under subsection (a), the Secretary of Labor shall, as appropriate—

(1) provide counseling, training, and other support activities necessary to prepare persons willing and seeking work for employment;

(2) refer persons able, willing, and seeking to work to job opportunities in the private and public sectors through the existing public employment placement facilities and through the United States Employment Service; and

(3) refer persons willing, able, and seeking to work to job opportunities in positions drawn from sections 202, 204, and 205 of this Act.

(d) Insofar as adult Americans able, willing, and seeking work are not provided with job opportunities under section 206(c) or otherwise under this Act, such opportunities shall be provided by the President through reservoirs of federally operated public employment projects and private nonprofit employment projects approved by the Secretary of Labor. The number and nature of such reservoirs of employment projects shall be determined in conjunction with the policies and programs of the Full Employment Office established under subsection (b) and the other job creation provisions of this Act. The provisions of this subsection shall be phased in by the President, in conjunction with the annual employment recommendations required under section 3 of the Employment Act of 1946, in order to achieve a rate of unemployment not in excess of 3 per centum as established by section 3A(d) of such Act.

(e) The Secretary, in carrying out the provisions of this section, shall establish such regulations as he or she deems necessary. Such regulations shall include provisions for—

(1) an initial determination by the Full Employment Office of the job seekers' ability to be employed at certain types and duration of work so that he or she may be appropriately referred to jobs, training, counseling, and other supportive services;

(2) compliance with the nondiscrimination provisions of this Act in accordance with section 401;

(3) such priority criteria as may be appropriate to establish the order in which persons able, willing, and seeking to work are provided jobs under this section, so that such persons who most need employment are given first consideration and, in determining the priority order, the Secretary shall consider such factors as duration of unemployment, the number of employed persons in a household, number of people economically dependent upon any such person, expiration of unemployment insurance, household income, and any other factors essential to determining employment need;

(4) appropriate eligibility criteria to limit access to the program authorized under subsection (d), including but not limited to such criteria as household income, duration of unemployment, and refusal to accept or hold a job which pays whichever is the highest of (A) the prevailing wage, as determined by the Secretary of Labor, for that type of work in the labor market in which such job occurs, or (B) fair rates of compensation as determined under section 402 of this Act; and

(5) such administrative appeal procedures as may be appropriate to review the initial determination of the abilities of persons willing, able, and seeking to work under clause (1) of this subsection and the employment need and eligibility under clauses (3) and (4) of this subsection.

Compliance with the requirements of clause (4) of this subsection relating to a person's eligibility for assistance may be satisfied by an affidavit submitted by persons seeking assistance. If such person knowingly provides false information in any such affidavit, he or she shall be ineligible for any assistance under this section and shall, in addition, be subject to prosecution under section 1001 of title 18, United States Code.

INCOME MAINTENANCE AND FULL EMPLOYMENT POLICIES

Sec. 207. (a) Congress finds and declares that to achieve the goals of full employment and balanced growth it is essential that the employment policies prescribed by this Act and the Employment Act of 1946 give adequate attention to (1) providing quality jobs that improve the work environment, strengthen income and eliminate substandard earnings; (2) improving and integrating existing public and private income maintenance programs with the full employment policies of this Act and the Employment Act of 1946; and (3) substituting work for income maintenance to the maximum extent feasible, taking account of the need for adequate income maintenance among those who cannot be brought within the full employment policy.

(b) To meet the requirements of this section, the President shall within ninety days after the date of the enactment of this Act transmit to Congress a proposal, together with such legislation as is necessary, analyzing the relationship of income maintenance needs, existing income maintenance programs, and the full employment policies required by this Act and the Employment Act of 1946, and make recommendations on how the income maintenance and employment policies can be integrated to insure that employment is substituted for income maintence to the maximum extent feasible.

TITLE III—POLICIES AND PROCEDURES FOR CONGRESSIONAL REVIEW

STATEMENT OF PURPOSE

Sec. 301. The purposes of this title are—

(1) to establish procedures for congressional action and review with respect to the Economic Report, the Full Employment and Balanced Growth Plan, the report of the Board of Governors of the Federal Reserve System, and the other policies and provisions of this Act and the Employment Act of 1946; and

(2) to establish a Division of Full Employment and Balanced Growth within the Congressional Budget Office.

GENERAL CONGRESSIONAL REVIEW

Sec. 302. (a) To provide for comprehensive economic and employment policies to meet the objectives of this Act and the Employment Act of 1946, and to provide Congress with guidance on these matters, the appropriate committees of the Congress shall review and revise, to the extent deemed desirable, the economic goals, priorities, policies, and programs proposed under such Acts by the President and the Board of Governors of the Federal Reserve System. The Congress shall initiate or develop such legislation as it deems necessary to implement these proposals and objectives, after such modification in such proposals as it deems desirable.

(b) In addition to its responsibilities under the Employment Act of 1946 with respect to the Economic Report, the Joint Economic Committee shall carry out overall review of executive branch policies under this Act, with special attention to general economic conditions, the setting of national economic goals in the Economic Report, the Full Employment and Balanced Growth Plan, and the relationship of economic policy measures to the fulfillment of the goals and priorities established under this Act and under the Employment Act of 1946.

(c) In addition to their responsibilities under the Congressional Budget Act of 1974, the Committee on the Budget of the Senate and the Committee on the Budget of the House of Representatives shall review, in conjunction with reporting concurrent resolutions on the budget under the Congressional Budget Act of 1974, the fiscal policy, economy in government policies, and Federal budget priorities recommended by the President.

(d) The other appropriate committees of Congress shall review and report on those policies or programs implemented or submitted which relate to matters within the jurisdiction of each such committee.

CONGRESSIONAL REVIEW OF ECONOMIC GOALS IN ECONOMIC REPORT

Sec. 303. (a) In conjunction with its review of the Economic Report, and the holding of hearings on the report, as required under the Employment Act of 1946, the Joint Economic Committee shall review and analyze the annual numerical goals for employment, production, and purchasing power recommended by the President in fulfillment of section 3 of the Employment Act of 1946. Subsequent to such a review, the Joint Economic Committee shall make recommendations to the Congress on the appropriate annual numerical goals for employment, production, and purchasing power, subject to the requirements of section 3A (d) of the Employment Act of 1946 relating to those periods when unemployment is to be reduced to given levels.

(b) Section 301(a) of the Congressional Budget Act of 1974 is amended—

(1) by striking out "and" at the end of clause (5);

(2) by redesignating clause (6) as clause (7); and

(3) by inserting after clause (5) the following new clause:

"(6) numerical goals for employment, production, and purchasing power; and".

(e) The second sentence of section 301(e) of the Congressional Budget Act of 1974 is amended to read as follows: "The Joint Economic Committee shall also submit to the Committees on the Budget of both Houses its recommendations as to the fiscal and monetary policies appropriate to the goals of the Employment Act of 1946. The Joint Economic Committee shall further submit to the Committees on the Budget of both Houses, in accordance with section 3 of the Employment Act of 1946, recommendations on annual numerical goals for employment, production, and purchasing power designed to achieve full employment of the Nation's human and capital resources as promptly as possible. These recommendations shall be incorporated by the Committee on the Budget of each House in the first concurrent resolution on the budget referred to in subsection (a) reported by that committee, with modifications if necessary to fulfill the objectives of the Full Employment and Balanced Growth Act of 1976, and to meet the requirement of section 3A of the Employment Act to achieve full employment within not more than four years after the enactment of the Full Employment and Balanced Growth Act of 1976. In the event that the Committee on the Budget of either House modifies the annual numerical goals for employment, production, and purchasing power recommended by the Joint Economic Committee, that Budget Committee shall provide its reasons for such modification in the report accompanying the first concurrent resolution.

CONGRESSIONAL REVIEW OF FULL EMPLOYMENT AND BALANCED GROWTH PLAN

Sec. 304. (a) Each proposed Full Employment and Balanced Growth Plan transmitted to the Congress by the President under section 3A of the Employment Act of 1946 (hereafter in this section referred to as a "Proposed Plan") shall be referred to the

Joint Economic Committee. Within sixty days after receipt by the Congress of a proposed plan, each standing committee of the Senate and the House of Representatives and each joint committee of the Congress shall submit to the Joint Economic Committee a report containing its views and recommendations with respect to aspects of the Proposed Plan which relate to matters within the jurisdiction of such committee or joint committee.

(b) The Joint Economic Committee shall hold hearings for the purpose of receiving testimony from the Members of Congress, appropriate representatives of Federal departments and agencies and such representatives of the general public and interested groups as the joint committee deems advisable. The joint committee shall also consider the comments and views on the Proposed Plan which are received from State and local officials.

(c) Not later than one hundred and five days after the submission of a Proposed Plan to the Congress, the members of the Joint Economic Committee who are Members of the House of Representatives shall report to the House, and the members of the joint committee who are Members of the Senate shall report to the Senate, a concurrent resolution which shall state in substance that the Congress approves or disapproves the Proposed Plan, in whole or in part, and which may contain such alternatives to, modifications of, or additions to the Proposed Plan as the joint committee deems appropriate and in accord with the purposes of this Act and the Employment Act of 1946. The report accompanying such concurrent resolution shall include findings and recommendations of the joint committee with respect to each of the main recommendations contained in the Proposed Plan.

(d)(1) When a concurrent resolution referred to in subsection (c) has been reported to the House of Representatives it shall at any time thereafter be in order (even though a previous motion to the same effect has been disagreed to) to move to proceed to the consideration of the concurrent resolution. The motion shall be highly privileged and not debatable. An amendment to the motion shall not be in order, nor shall it be in order to move to reconsider the vote by which the motion is agreed to or disagreed to.

(2) General debate on any such concurrent resolution in the House of Representatives shall be in the Committee of the Whole House on the State of the Union, and shall be limited to not more than ten hours, which shall be divided equally between those favoring and those opposing the concurrent resolution. A motion further to limit debate shall not be debatable.

(3) Except to the extent specifically provided in the preceding provisions of this subsection, consideration in the House of Representatives of any such concurrent resolution and amendments thereto (or any conference report thereon) shall be governed by the Rules of the House of Representatives applicable to other bills and resolutions, amendments, and conference reports in similar circumstances.

(e)(1) Debate in the Senate on a concurrent resolution referred to in subsection (c), and all amendments thereto and debatable motions and appeals in connection therewith, shall be limited to not more than ten hours. The time shall be equally divided between, and controlled by, the majority leader and the minority leader or their designees.

(2) Debate in the Senate on any amendment to any such concurrent resolution shall be limited to two hours, to be equally divided between, and controlled by, the mover and the manager of the concurrent resolution. Debate on any amendment to an amendment, and debate on any debatable motion or appeal shall be limited to one hour, to be equally divided between, and controlled by the mover and the manager of the concurrent resolution, except that in the event the manager of the concurrent resolution is in favor of any such amendment, motion, or appeal, the time in opposition thereto, shall be controlled by the minority leader or his designee. No amendment that is not germane to the provisions of the concurrent resolution shall be received. Such leaders, or either of them, may, from the time under their control on the passage of the concurrent resolution, allot additional time to any Senator during the consideration of any amendment, debatable motion, or appeal.

(3) A motion in the Senate to further limit debate is not debatable. A motion to recommit (except a motion to recommit with instructions to report back within a specified number of days, not to exceed three, not counting any day on which the Senate is not in session) is not in order. Debate on any such motion to recommit shall be limited to one hour, to be equally divided between, and controlled by, the mover and the manager of the concurrent resolution.

(4) The conference report on any such concurrent resolution shall be in order in the Senate at any time after the third day (excluding Saturays, Sundays, and legal holidays) following the day on which such a conference report is reported and is available to Members of the Senate. A motion to proceed to the consideration of the conference report may be made even though a previous motion to the same effect has been disagreed to.

(5) During the consideration in the Senate of the conference report on any such concurrent resolution, debate shall be limited to two hours, to be equally divided between, and controlled by, the majority leader and minority leader or their designees. Debate on any debatable motion or appeal related to the conference report shall be limited to thirty minutes, to be equally divided between, and controlled by, the mover and the manager of the conference report.

(6) Should the conference report be defeated in the Senate, debate on any request for a new conference and the appointment of conferees shall be limited to one hour to be equally divided between, and controlled by, the manager of the conference report and the minority leader or his designee, and should any motion be made to instruct the conferees before the conferees are named, debate on such motion shall be limited to thirty minutes, to be equally divided between, and controlled by, the mover and the manager of the conference report. Debate on any amendment to any such instructions shall be limited to twenty minutes, to be equally divided between, and controlled by, the mover and the manager of the conference report. In all cases when the manager of the conference report is in favor of any motion, appeal, or amendment, the time in opposition shall be under the control of the minority leader or his designee.

(7) In any case in which there are amendments in disagreement, time on each amendment in the Senate shall be limited to thirty minutes, to be equally divided between, and controlled by, the manager of the conference report and the minority leader or his designee. No amendment that is not germane to the provisions of such amendment shall be received.

(f) Upon adoption of a concurrent resolution under this section with respect to any Proposed Plan, the concurrent resolution shall serve as a long-term guide to the Congress with respect to legislation relevant to the goals, priorities, policies, and programs recommended in the Proposed Plan, as modified by the concurrent resolution. A copy of the concurrent resolution shall be transmitted to the President by the Clerk of the House of Representatives or the Secretary of the Senate, as appropriate, for such actions as the President deems appropriate.

DIVISION OF FULL EMPLOYMENT AND BALANCED GROWTH

SEC. 305. (a) There is established within the Congressional Budget Office a Division of Full Employment and Balanced Growth (hereafter in this section referred to as the "Division") to perform long-term economic analysis. The Division shall be headed by a Deputy Director who shall perform his or her duties under the supervision of the Director of the Congressional Budget Office and shall perform such duties as may be assigned to him or her by the Director. Such Deputy Director shall be appointed in the same manner, serve for the same period, and receive the same compensation as the Deputy Director provided for in section 201 of the Congressional Budget Act of 1974.

(b) It shall be the first responsibility of the Division to assist the Joint Economic Committee in the discharge of its duties under this Act by providing, as the joint committee may request—

(1) information with respect to long-term economic trends, national goals, resource availability, and the methods available to achieve full employment and balanced economic growth;

(2) information necessary for the preparation of the report and concurrent resolution referred to in section 304(c); and

(3) such related information as the committee may request.

(c) At the request of any committee of the House of Representatives or the Senate, or any other joint committee of the Congress, the Division shall provide to such committee or joint committee the information necessary to fulfill its responsibilities under this Act.

(d) At the request of any Member of the House or Senate, the Division shall provide to each Member any information necessary to fulfill his or her responsibilities under this Act

EXERCISE OF RULEMAKING POWERS

SEC. 306. (a) The provisions of this title (other than section 305) are enacted by the Congress—

(1) as an exercise of the rulemaking power of the House of Representatives and the Senate, respectively, and as such they shall be considered as part of the rules of each House, respectively, or of that House to which they specifically apply, and such rules shall supersede other rules only to the extent that they are inconsistent therewith; and

(2) with full recognition of the constitutional right of either House to change such rules (so far as relating to such House), at any time, in the same manner and to the same extent as in the case of any other rule of such House.

TITLE IV— GENERAL PROVISIONS

NONDISCRIMINATION

SEC. 401. (a) No person in the United States shall on the ground of sex, age, race, color, religion, or national origin be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity funded in whole or in part with funds made available under this Act, including membership in any structure created by this Act.

(b) Whenever the Secretary of Labor determines that a recipient of funds under this Act has failed to comply with subsection (a), or an applicable regulation, he or she shall notify the recipient of the noncompliance and shall request such recipient to secure compliance. If within a reasonable period of time, not to exceed sixty days, the recipient fails or refuses to secure compliance, the Secretary of Labor is authorized (1) to refer the matter to the Attorney General with a recommendation that an appropriate civil action be instituted, (2) to exercise the powers and functions provided by title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d), or (3) to take such other action as may be provided by law.

(c) When a matter is referred to the Attorney General pursuant to subsection (b), or whenever he or she has reason to believe that a recipient is engaged in a pattern or practice in violation of the provisions of this section, the Attorney General may bring a civil action in the appropriate United States district court for any and all appropriate relief.

(d) To assist and evaluate the enforcement of this section, and the broader equal employment opportunity policies of this Act, the Secretary of Labor shall include, in the annual Manpower Report of the President, a detailed analysis of the extent to which the enforcement of this section achieves affirmative action in both the quantity and quality of jobs, and for employment opportunities generally.

LABOR STANDARDS

Sec. 402. The policies and programs implemented and provided for by this Act, and funded in whole or in part through this Act, shall provide that persons employed pursuant to such policies and programs are paid equal wages for equal work, and that such policies and programs create a net increase in employment through work that would not otherwise be done. In providing employment under this Act, or in submitting legislation under this Act, the President shall insure that persons employed in jobs utilizing funds, provided in whole or in part through this Act, be paid wages not lower than whichever is the highest of—

(A) the minimum wage which would be applicable to the employee under the Fair Labor Standards Act of 1938, if section 6(a) (1) of such Act applied to such employee and if he or she were not exempt under section 13 thereof;

(B) the State or local minimum wage for the most nearly comparable covered employment;

(C) (i) in the case of employers which are States, political subdivisions, local educational agencies, public institutions of higher education, or other public agencies or institutions, the prevailing rates of pay for persons employed in similar public occupations by the same employer, or

(ii) in the case of employers which are nonprofit private organizations or institutions, the appropriate prevailing wage determined in accordance with the Service Contract Act of 1965 or the prevailing rate of pay for persons employed in similar occupations by the same employer, whichever is the higher, or

(D) in the case of persons performing work of the type to which the Davis-Bacon Act, as amended (40 U.S.C. 276a—276a-5), applies, the prevailing wage determined in accordance with that Act.

AUTHORIZATIONS

Sec. 403. There is authorized to be appropriated such sums as may be needed to carry out the provisions of this Act. Notwithstanding any other provisions of this Act, no provision shall be construed to require expenditures in excess of amounts appropriated pursuant to this Act.

Amend the title so as to read: "A bill to establish and translate into practical reality the right of all adult Americans able, willing, and seeking to work to full opportunity for useful paid employment at fair rates of compensation; to combine full employment, production, and purchasing power goals with proper attention to balanced growth and national priorities; to mandate such national economic policies and programs as are necessary to achieve full employment, production, and purchasing power; to restrain inflation; and to provide explicit machinery for the development and implementation of such economic policies and programs.".

DEPARTMENT OF DEFENSE AUTHORIZATION ACT, 1977—S. 2965

AMENDMENT NO. 1469

(Ordered to be printed and referred to the Committee on Armed Services.)

Mr. FONG (for himself, Mr. Bayh, Mr. Beall, Mr. Huddleston, Mr. Laxalt, and Mr. McIntyre) submitted an amendment intended to be proposed by them jointly to the bill (S. 2965) to authorize appropriations during the fiscal year 1977 for procurement of aircraft, missiles, naval vessels, tracked combat vehicles, torpedoes, and other weapons, and research, development, test, and evaluation for the Armed Forces, and to prescribe the authorized personnel strength for each active duty component and of the Selected Reserve of each Reserve component of the Armed Forces and of civilian personnel of the Department of Defense, and to authorize the military training student loads, and for other purposes.

Mr. FONG. Mr. President, on July 29, 1975, I introduced S. 2207, a bill to provide for the exclusion of industrially funded personnel in computing the total number of civilian personnel authorized by law for the Department of Defense in any fiscal year.

To date, the following distinguished Senators have cosponsored S. 2207: Mr. Bayh, Mr. Beall, Mr. Cannon, Mr. Durkin, Mr. Hartke, Mr. Huddleston, Mr. Inouye, Mr. Jackson, Mr. Laxalt, Mr. Magnuson, Mr. McIntyre, Mr. Muskie, and Mr. Young.

When I introduced S. 2207 last July, I specifically stated that—

> This bill is being offered with the hope that the merits of excluding industrially-funded civilian employees from the DOD civilian manpower ceilings may be fully discussed, debated, and analyzed by the appropriate committees of Congress and then enacted into law.

I ask unanimous consent that the statement I made upon introducing S. 2207 be printed in the Record at the conclusion of my remarks.

The PRESIDENT pro tempore. Without objection, it is so ordered.

(See exhibit 1.)

Mr. FONG. Mr. President, since S. 2207 is still pending before the Armed Services Committee with no action scheduled for it, I am introducing the bill in the form of an amendment to S. 2965, the Department of Defense Appropriation Authorization Act, 1977, in order to give the Senate another opportunity to vote up or down on the merits of the measure.

Since introducing S. 2207, I have been overwhelmed by the kind of support and endorsement it has received from Members of Congress, the General Accounting Office, labor groups, and the business community. The pinnacle of support for S. 2207 came in October when the Pearl Harbor Association sponsored a 2-day conference on the measure. Participants of the conference included Members of Congress, union leaders, business spokesmen, and representatives from various industrially funded activities and the General Accounting Office.

For the benefit of my colleagues who may not be familiar with the arguments in favor of removing the ceiling from industrially funded activities, I ask unanimous consent that several of the speeches that were delivered at the conference be printed in the Record at this time.

There being no objection, the material was ordered to be printed in the Record, as follows:

History and Impact of Ceiling Constraints on Federal Activities

(By Mr. Walton H. Sheley, Jr., Director, General Accounting Office, Honolulu)

As they say in show business, Senator Fong is a hard act to follow and I am not sure I am too envious of the position. Also looking around here, it's not very often that someone from GAO gets a captive audience like this, particularly, since we all have the same objective here. It's not like I used to feel when I get up in a room; I don't feel like I'm walking into a lion's den like Daniel did. I think we're all playing the same song on the same page.

Getting into the history of personnel ceiling I'm sure most of you are aware that personnel ceilings probably go back to the time of Alexander Hamilton, who introduced the very first fiscal system which we are still laboring under in many respects in the Federal Government. Some aspects of the system are still around with us. We in GAO have been particularly interested in the old concept of personnel management. We have a division in Washington which is strictly and solely devoted to the field of personnel compensation of management and evaluation. We've delved into this area and as Senator Fong said, made many reports including the area particularly involved in personnel ceiling. I'd like to remind you that the ceiling impact across the government operation as a whole is not just industrially funded operations and they're not new as I mentioned earlier.

For many years prior to 1968 Congress had control of personnel ceilings on an agency by agency basis in the annual appropriation process. Personnel ceilings came into play and were then enacted into each authorization/appropriation bill and this is the way Congress controlled it. Somebody got a good idea in 1968. Why didn't they put this across the board? So Congress in that year enacted a statute which set overall personnel ceiling. That was the first time chaos was created by this ceiling. Apparently it was so great that one year later Congress repealed this particular statute and brought it back down to the agency by agency basis. The question comes up, why does Congress feel so strongly about ceiling controls?

Number one, I think that Congress is naturally concerned about controlling Federal expenditures. That's the prime responsibility that the Congress has. Ceilings used by Congress has historically been one of the two principal methods Congress has used to accomplish this objective. The other method is appropriating funds through numerous authorizations each with its own purpose and constraints. (That's another subject that is very dear to my heart and I'd like to expand upon it but I could talk for three days about that.) Congress, in their deliberations and I think rightfully so, equates numbers of people with cost of government and to some degree this is a truism. It is not philosophically sound across the board.

In some instances it is sound; in others it is not sound. Specifically in many agencies where personnel cost represent the bulk of the agency's budget, then it is a valid assumption that controlling personnel ceilings will control the cost of that agency. For example, in the GAO itself over 90 some odd percent of our total budgetary cost are personnel and indirectly related expenses so when Congress wants to control GAO's expenses, and they do this every now and then, they cut our personnel ceiling or they don't give us additional people that were requested and it has an impact on the total budget of GAO. Other activities and I think industrial funds fall into this, personnel costs are not necessarily the crucial item in the agency's budget and I think we begin to get into a situation of false economy. If you have considerable other expenditures such as procurement and contracting, controlling personnel ceiling does not necessarily control the cost of that agency's operation or that unit's operation. Senator Fong, I think, very aptly described many of the items which we have reported on and I'd like to talk to you and just enumerate several of these in rather general terms as we see it in GAO.

The arbitrary personnel ceiling prohibits management from having the flexibility to meet fluctuating requirements and needs. It's just that simple. You cannot gear up the people that are available as he mentioned—the skills in the shipyards—if you have a sudden increase in workload that many of us saw in the Vietnam era. It was terrible trying to cope with the ceiling and to accomplish the assigned mission. Also management decisions are not made by selecting the most rational cost-beneficial alternatives available at the time. As Senator Fong pointed out, contracting out is a far greater cost than performing the same task in-house. The most obvious type—the extensive use of overtime to meet essential and continuing requirements, replacement of components rather than repairing components—get to be a very, very expensive process. There's one that's not quite so obvious and is a little more subtle—it involves underutilization and loss when expensive facilities are not maximized. This, I don't think too many people think of. Where you have the capability in an industrial activity but only operating on 1½ or 2 shifts and contracting out the balance, then you're not taking the maximum opportunity to recover fixed costs by taking on a far greater workload.

What would happen if we lifted these personnel ceilings? I think along with the good, you have to consider some of the responsibilities that go with a "no ceiling" environment. One of the things I think you're going to have to consider and this is going to be primarily on management: Management is going to have to manage its resources rather than scheming to "beat the system". That's essentially what many managers right now are faced with. When you have an arbitrary personnel ceiling, you have to avoid it. You have to go around it so you're scheming to beat the system. Management is also going to have to be more alert in anticipating shifts in workload up or down to insure that only essential numbers of people are on board. I don't think that any properly managed activity is going to be able to staff to the maximum workload at any given point in time. It is for me to argue that you should be able to staff the valley. Somewhere between the peaks and the valley, management is going to have to take the stand and say this is our point, our level, we'll manage this, we'll meet occasional peaks with some other device. You are going to be forced to manage with acceptable viable alternatives available to you to meet those peaks.

I think there is another problem inherent in the no personnel ceiling environment. You don't have quite the flexibility in the federal government that most commercial concerns have with respect to personnel. You don't just hire a department capriciously or on a short term basis. The cost of hiring and firing is substantial, in addition to that, management is going to have to face up to the problems in regards to our labor representatives here. Within labor/management negotiations and agreements, there's not much flexibility. You'll have to tend to both sides on this otherwise the system won't work. If management makes it too strong or union takes it too strong and flexibility is not going to be there, then you're going to be faced not with Congressional imposed personnel ceiling but with one imposed by union negotiations and agreements. So there has to be a two way street. If the union is willing to relax it a little bit, I think they can do it in times of peak periods. On the other hand they're going to have to fight the Admiral and me when they get into the valleys and people have to be laid off.

What is the outlook of the future? Well I have been around a long time to describe the government and one thing I can see for sure, change comes awfully slow. I don't foresee a complete lifting of personnel ceilings anywhere in the near future. I think it will come and I think one of the best advice is to sell it to the Congress. If management in the Executive Branch can convince the Congress of its effectiveness and integrity, Congress might be willing to relax the constraints on this.

There are several events of recent origin that I think are a step in the right direction. Many of you may be aware of the Project REFLEX Program undertaken by DOD (I think there is a speaker tomorrow that is going to elaborate further and I won't steal his thunder.). DOD's willingness to experiment with assessing the impact of "no ceiling" environment is definitely a step in the right direction. As many of you may be aware, the results were rather mixed on Project REFLEX but there was a lot learned and I think that in the future, more experimentation will yield better results in a no ceiling environment.

I also think there is another big change in the Congress that has some effect on management, particularly personnel ceiling. Many of you are aware of the recent enactment on the Congressional budget reformat where Congress is now setting ceilings. There have been some very encouraging signs that Congress may be willing to face up to fiscal integrity via the self-imposed budget ceilings in Congress. There have been several bills that have been vetoed or actually killed upon the floor of the Senate or modified drastically in order to remain within the Congressionally imposed budget, even though at this point in time, it is not legally required or legally enforceable. So if Congress can enforce this new budget system, I think they very well might be willing to let management do "its own thing" without artificial limitation of appropriation control over personnel ceilings.

Bringing it all to a close, after some 22 years of Federal service all in an auditing role, I continue to be amazed at the ingenuity displayed by some government managers in accomplishing their assigned missions. The viewpoint of the auditor is strictly a critic. Sometimes as I mentioned, you get appalled, nevertheless you are encouraged at the ingenuity that various people exercise to permit them to work within these constraints in accomplishment of their missions. All the years, I think I've seen many changes for the better in our fiscal management procedures and practices within the Federal government. We now are somewhere around 1920, but we haven't categorized it. We're moving toward 1930 and it takes time to get there. We're going to get there eventually. To give you an example, in 1958, Congress passed a law that says all accounting in the Federal government will be on accrued expenditure basis but that has not been implemented yet some 17 years later. But it will come around, one of these days we'll get to it.

This whole area of personnel ceiling, particularly at industrial funded activities and the way managers have to go about accomplishing their mission, reminds me so of a classic tale in the auditing profession and I'd like to close my formal remarks with this little anecdote: "It seems like a salesman in New York went to a restaurant for dinner one night and while he was there, someone stole his overcoat. When he turned in his expense account at the end of the month, he listed one overcoast stolen while on company business. He got a little pert note from the company auditor several weeks later which stated that this was a personal expenditure and the company was not responsible. His claim was disallowed. He put in a claim again the next month with a much larger and more elaborate explanation. He got back another note from the company auditor saying that this was a personal expenditure which the company will not pay. The third month the salesman got smart. He prepared his voucher and he didn't claim the overcoat. He put a little note on the voucher and he said: "That damn overcoat is in here and if you can pull it out, I will be glad to pay for it". So this is the type of thing that most managers have to do to work on artificial constraints. With that I'll close my formal remarks and open it up to any questions that you might have in this area.

REVIEW OF CURRENT SITUATIONS AND IMPLICATIONS FOR THE FUTURE

(By Rear Adm. Joshua Cooper, USN, Ret.)

The Navy Department has maintained a position calling for the exclusion of ceilings on industrially-funded activities within the Department of Defense, dating from 1967; in that year the Secretary, Mr. Paul Nitze objected strenuously to their imposition. The Navy is still trying!

More recently, in 1975 incident to Seapower Subcommittee (of the House Armed Services Committee), under the chairmanship of Congressman Charles E. Bennett, D-Fla., testimony was taken regarding the material condition of the ships of our active fleet. As the result of these hearings, Mr. Bennett found the situation "not good." The DOD followed up to the extent of ordering the Navy to conduct a vigorous program to bring naval readiness to an improved state of combat readiness.

According to Mr. Bennett, Maintenance funds (O&M) are allotted in sufficient amounts to accomplish necessary repair work. The NSYs are not able to do all of the work they could perform, on account of limits on the number of civilian employees they may hire.

The Secretary of Defense, Mr. Schlesinger, in his Annual Defense Department Report for FY 1976 and FY 197T, p IV–12 stated in part:

"Ship Maintenance

Surface ships are already in such poor condition and have operated under such tight financial and manpower constraints for so many years, that even with increased funding which we are programming, the backlog of badly needed maintenance will remain well above desirable levels through FY 1980. This problem has been aggravated by the abnormal rate of inflation and as a result this backlog of deferred maintenance has been increasing each year from 17 ships in 1971 to 74 ships in 1975, even with a sharply reduced number of ships in the force. This situation is depicted in the following table:

[No. of Ships Overdue for Overhaul at End of FY]

FY 1974	49
FY 1975	74
FY 1976	59
FY 197T	59

"Because of the unique safety standards required in nuclear powered ships and in submarine operations, as well as the high priority given to the SSBNs and SSNs, the submarine force with 20% of the ships received 50% of the ship repair budget—as a result, the submarines are in generally better condition . . ."

Congressman Bennett, in a letter to Congressman David N. Henderson, Chairman of the House Committee on Manpower and Civil Service, dated 4/26/75, addressed himself to the problem confronting the Naval Shipyards as follows:

"Since O & M funds and the Overhaul and Repair programs are authorized by the Congress, a ceiling is thus already imposed upon the operation of Naval Shipyards. Under manpower ceilings, another ceiling is arbitrarily imposed in a way that prevents NSYs from meeting the workload that Congress has authorized to be repaired under a fully funded program. As a result, 74 ships—13% of the fleet are overdue for overhaul, thus further eroding the Navy's overall combat readiness."

Congressman Bennett went on to recommend the inclusion of an amendment which would exclude civilian personnel who are employed at reimbursably-funded activities of the DOD from ceiling computation. This amendment was not approved by the House Armed Services Committee; however, in its report 94–199 dated 5/10/75 p 74, the position of NSYs was delineated as follows:

"Naval Shipyards

The Committe is concerned about reductions in Naval Shipyards. Recent hearings by the Seapower Subcommittee buttress the necessity of these yards for our national security, and the committee expects to be immediately informed of any consideration being given to reductions in personnel of these shipyards. The committee would regard any such action as inappropriate with the current state of Navy hardware afloat. This position also extends to the apprentice program in these shipyards.

Subsequently, Congressman Philip H. Hayes, (D–Ind) introduced an amendment to the Defense Authorization Bill for 1976, "to exclude industrially funded activities of the DOD from ceiling computation." This amendment was passed along with House approval of its version of the bill.

On the Senate side, a similar amendment, sponsored by Senators Hartke, Bayh, Beall, Cannon, Scott, Schweiker, Tower, Tunney and Fong was defeated in the Senate by a vote of 50 to 40. Thus the Military Procurement Authorization Act of 1976 was sent to the House-Senate Conference where the Harris amendment was ultimately eliminated, and the law for the current year does not contain the hoped for provision.

Against this succession of events, Senator Fong introduced S. 2207 "with the hope that the merits of excluding industrially funded civilian manpower ceilings may be discussed, debated and analyzed by the appropriate committees of Congress and eventually enacted into law." The bill was referred to the Committee on Post Office and Civil Service in July 1975. Later, the Armed Services Committee asked for and was given joint cognizance and in September, full cognizance was accorded to the latter committee. As of October 7th, the bill is being co-sponsored by Senators Bayh, Cannon, Huddleston, Inouye, Laxalt, Muskie and Young. Efforts are continuing to add to these supporters.

THE PRESENT SITUATION—IMPLICATIONS

Basically, we have a situation wherein the ships of our fleet need better maintenance than is being provided. As so well expressed by Congressman Bennett, "74 ships . . . 13% of the fleet—are overdue for overhaul, thus eroding the Navy's overall combat readiness." Funds appropriated for this much needed work are just not being used as effiectively as they might be.

I will briefly review the principal points involved, all of which are well understood by this audience:

1. Naval Shipyards exist solely for the maintenance (repair, overhaul and conversion) of our active fleet. Workloads in NSYs necessarily conform to fleet operating schedules; hence a degree of flexibility in their operation is essential for effective operation.

2. Since Operation and Maintenance (O & M) funds are authorized and approved by the Congress, a ceiling is already imposed on the operation of NSYs. Additional mandatory ceilings will inevitably reduce flexibility in operation. Experience with ceilings in the past has generated diseconomies: e.g. When caught in a straitjacket where emergency or unscheduled work is required with too few employees available, the NSY Commander has a choice of two alternatives, viz: (1) Utilize overtime, or (2) Contract out. Both alternatives are expensive, more so than would be the case if the shipyard commander was given the privilege of varying the work force to suit the workload. With regard to overtime, under present conditions of general unemployment in the country, overtime should be reserved for situations when nothing else will suffice. And as to contracting out—with the increasing complexity of ships and equipments, this alternative is sometimes difficult to implement, and delays in ultimate accomplishment are the name of the game.

3. The overall condition of material readiness of the ships of our fleet is "not good." This condition is due to the necessity of operating under tight financial and manpower constraints for many years. The problem has been aggravated by the abnormal rate of inflation and as the result a backlog of deferred maintenance has been generated which will remain well above the desired levels through 1980.

4. The Seapower Subcommittee of the HASC, chaired by Congressman Bennett held extensive hearings on "the current status of shipyards" and among other things found, "a shortage of shipbuilding and ship repair trade skills at journeyman level" and urged a program designed to increase the skill level of the work force by increasing the apprentice program. The Navy is unable to implement a first rate program along the lines required, with ceiling restrictions as presently mandated. The implications are obvious—with the ever increasing complexity of naval ships and equipments, the necessity for developing craft skills is self evident. Unfortunately, we appear to be losing ground. The need to reverse this trend is urgent, if we are to keep apace with the technology of the foreseeable future.

5. Senator Fong's bill, S. 2207 seeks to exclude industrially-funded activities in the DOD from ceilings. It follows the same line of reasoning expressed previously in the Hayes amendment in the House, and in the parallel amendment introduced by five Senators in the Senate. Senator Fong's bill presents a new opportunity to examine the situation which affects an important segment of our DOD. We have ample evidence before us to support the removal of ceilings: to contribute to the increased material readiness of the ships of our fleet and to improve the effectiveness and economy of operation of our NSYs.

General Accounting Office studies have consistently proposed the use of "financial controls as a more effective way of dealing with the problem." A 1969 GAO report on "management of civilian personnel ceilings and recruiting" showed that the inflexibility of the system for managing civilian personnel ceilings together with recruiting problems had resulted in the postponement of work—further that efforts of installation officials to obtain authorization for additional positions often had resulted in lengthy, cumbersome and unproductive procedures.

Mr. Clyde M. Webber, President of the American Federation of Government Employees made strong representations in the premises, including a statement that "this practice is the main cause of much inefficiency in Federal agencies about which the citizens rightfully complain to Congress."

POSITION OF THE SERVICE DEPARTMENTS

The Office of the Assistant Secretary of Defense (Manpower & Reserve Affairs) has requested formal comments on the bill from the three military services.

The Navy endorses the bill.

The Air Force opposes it.

The Army is still studying it.

This leads to the very obvious premise that the industrially-funded activities in the Navy Department are structurally different and are called upon to deal with a different type of workload than is the case with the Army and the Air Force. This is particularly true in the case of NSYs—which are larger entities as a rule than installations in the other two services: additionally, the shipyards are more complex in composition, with more than 60 trades and skills represented in a given activity, and are required to repair and overhaul ships of ever-increasing complexity—often on short notice. Note that the main thrust of Congressman Bennett's findings deal with seapower, ships and shipyards. While we would prefer to present a united front—if our sister services choose to drag their heels in this matter, we should be prepared to look to the best interests of our own installations and continue to press for a logical and acceptable solution.

The following "gems" were taken from the October 15th issue of the Navy Times—both are quite applicable to our present situation.

The CNO, Admiral Holloway has repeatedly said "no matter how advanced the new ships, aircraft, weapons and systems are, they'll never perform at their desired capacity unless we are able to maintain them and operate them at their designed capacity. It takes people to do both those things."

The Chief of Naval Personnel, VADM Watkins has emphasized that "motivated people are essential to fleet readiness—a small Navy must be a quality Navy." Obviously we cannot have a quality Navy unless we are in a position to do the best with what we have; and unless we utilize our NSYs to the best advantage, we are guilty of squandering a valuable national resource. This, we cannot afford to do!

COURSES OF ACTION INDICATED

Senator Fong's bill presents the Congress with a new opportunity to examine the situation which affects an important segment of our national defense structure. What can be done to help the Congressional process, which as we know "grinds exceedingly slow" at times?

We can take it on ourselves to educate the several Congressional delegations which have special interest in our industrially funded activities. If these "facts of life" which have been discussed are properly presented, our Congress cannot possibly miss the obvious need for freeing us from this ceiling.

This is a simple task, but like most such tasks, it requires conscientious and sustained effort on the part of the experts (in this room and at other activities) who know the workings of their particular installation. For example, when telephoning one of your opposite numbers at other yards, ask him if "all" of the members of his Congressional delegation are knowledgeable regarding this vital subject. In the case of Senators, solicit co-sponsorship of Senator Fong's bill. The communication link must involve the people in the particular Member of Congress' constituency—people who vote (or do not vote) for him—and the process must be repeated until the message is clear and acted upon.

Do not neglect the House of Representatives, simply because they supported the

Hayes amendment. The composition of the Congress changes, and attitudes change overnight. Congressmen forget things, just as other mortals do; and if you want a certain matter taken care of, keep reminding him, your Congressman, in a nice way. When you write letters: use your own terminology, make it short and to the point, preferably on a single page. Stress efficiency, economy and the necessity for maintaining an acceptable posture of fleet readiness. Five good letters are better than a hundred form letters. We should of course endeavor to generate numbers as well as quality.

Your conventions in Washington (and elsewhere) offer excellent media for "spreading the word" via your opposite numbers from other installations.

Finally, I think perhaps the most neglected area of communications is between the several entities, unions, associations and other groups within your activity. In order to insure getting the word around, a studious effort at "cross-telling," pooling your efforts must be made. You will find that the results from such efforts often increase the result in a geometric ratio instead of by a simple 2 plus 2 addition.

I believe that most of our Members of Congress are sincerely motivated and if the problem in hand is clearly explained to them, they will enact logical and sensible legislation—it is up to us to send them the proper message and to insure that its full impact strikes home. Sometimes, the message must be repeated again and again—its method of delivery should be varied as the occasion demands. The unified effort which has been demonstrated on numerous occasions by the Hawaiian delegation may well serve as a model for others. The continuing task is to broaden the base for spreading the word through channels that are available.

Union Support for Senate Bill 2207

(By Mr. Brian K. Y. Ho, President, Hawaii Federal Employees Metal Trades Council)

Ladies and Gentlemen, Honored Guests and Fellow Conferees:

If you have had an opportunity to read the conference proceedings, you will note that I have a very unimpressive academic background and no credentials which identify me as a member of the intellectual class. In a few words, I am a worker and I represent the working man. And while I stand before you and must honestly admit that we in the working class do not have as much brains as those people in politics or in the academic circles, I am sure that we have one big advantage—we have many, many more votes! The affiliated unions of the AFL–CIO, which has endorsed the Senate Bill 2207 on a national basis, has more than several million members. These members and their leaders are actively interested in the outcome of Senate Bill 2207 and they intend to support it all the way.

If you have been a student of labor-management relations, you will no doubt accept that there are not too many subjects on which labor, management and government officials agree. Senate Bill 2207 is the exception. Here before my very eyes, I see people from all sectors of our society working in close harmony and in complete agreement on the issue at hand. We have our Congressional representatives from Hawaii, labor leaders, business leaders, state officials, military leaders, and federal employees. This gathering is indeed a rarity.

We are all here to support Senate Bill 2207 because we can clearly see that ceiling constraints are destructive and detrimental to efficient and economical industrial/commercial operations.

We are gathered here to tell the Congress of the United States, especially the 50 Senators who previously voted against the exclusion of industrial/commercial activities from ceiling constraint, why they made a big mistake and how it is causing a lot of unnecessary waste and inefficiency. In meeting here in Hawaii to confer on Senate Bill 2207, we are not attacking our Congress; in reality we are friends and advocates of Congress. Alexander Solzhenitsyn, the exiled Russian Nobel Peace winner, recently quoted a Russian proverb which states: "The yes-man is your enemy, but your friend will argue with you." I feel that we are here as friends of Congress to discuss ways and means of explaining why ceiling constraints are unnecessary and counterproductive. If we do our jobs well, we will be able to persuade those Senators, who have been previously misled by the emotional arguments and academic rhetoric of our opposition, to vote for Senate Bill 2207 in the forthcoming Congressional debate.

The speakers who have preceded me and those who will follow me will adequately cover the pros and cons of Senate Bill 2207. Therefore, I intend to concentrate solely on one vital and critical point; namely, "That Congress unwittingly alienates the voting public and unnecessarily tarnishes its image through the exercise of ceiling control and constraints."

I know that this is a new—and to Congresspersons—a strange viewpoint to accept or understand since politicians from time immemorial have always thought of control over personnel as a valuable and potent political device or tool.

Like many other time-honored traditions of Congress, personnel ceiling control has been accepted without question merely because it has been in existence so long that nobody knows why it got started in the first place. Congressional control of personnel ceiling is like the appendix in the human body. The appendix has long outlived its usefulness but we know it constitutes a potential danger to the human body each time it is infected. So it is with the exercise of personnel ceiling control, each time reductions are made because of Congressional personnel ceiling constraints, Congress unwittingly alienates the voting public and unnecessarily tarnishes its image. With every personnel reduction, rightly or wrongly, the working man and his friends and family blames any adverse action on those "crooks" in Washington. However, the working man does not, and would not associate Congress with personnel layoffs if controls were centered solely on the appropriation of funds.

What I really want to know is how can these advocates of ceiling control feel that by playing the numbers game, they are contributing to the efficiency and economy of government operations, especially in industrial/commercial activities? It should be obvious to them, as it is to their own Congressional watchdog, the General Accounting Office, that the imposition of a ceiling control can only result in inefficiency, diseconomies, unresponsiveness and a disruptive and continual breakdown of employee morale. Such controls hamper the government manager and are the direct cause of poor performance and inability to accomplish established national priorities.

Instead of placing emphasis on the control and limitation of the appropriation of funds and allowing the government manager to make decisions concerning programs and priorities within the resources available, Congress chooses to harass, hinder and hurt the frontline managers through the imposition of ceiling constraints. Even I, a mere worker and a union official, can understand the simple management principle that you must give a man the necessary direction, resources and support if you want him to do the job efficiently, effectively and on time. If you deny him the proper mix of resources and hold him to arbitrary constraint, he cannot do a good job and you cannot hold him responsible.

The Congress of the United States established the industrial fund concept for industrial/commercial activities in government to operate in a businesslike manner. Yet, by placing ceiling constraints on industrial/commercial activites, it negates the advantages of industrial funding and greatly complicates the operations of an industrial/commercial activity. If Congress desires industrial/commercial activities to operate in a businesslike manner, it must allow these activities to manage and control their resources in the same manner as a well-managed business.

A company which has an order for a million dollars worth of products or service would not say: "I cannot accept the order because I am under ceiling constraint to hire only a limited number of people." Surely, Congress must concede that the company should go out and recruit for additional personnel necessary to fill the million dollar order. Then why in the name of Heaven does Congress continually impose priority upon priority on the Defense Department and its activities and not recognize the imperative need for these industrial activities to adjust their workforce and other resources to balance their workload?

Instead, industrially funded activities are forced to resort to wasteful and unnecessary measures such as overtime, contracting-out, work deferrals and other similar measures. As a result, funds which are available to provide jobs for the American worker are wasted and the skills of the American working man are likewise wasted. To me, as a union official, it is a crying shame that industrially funded activities are not able to provide jobs to the American working man when funds are available and the national defense priorities are urgent. This is a bitter pill to swallow, especially in these times of high unemployment when our Nation needs to put every available working man on the production line instead of the unemployment or "soup" line.

I do not expect that many people will listen to the words of a unionist, especially the politicians in the Congress who are mostly lawyers. In a way, I feel like St. Peter when he was arguing with the devil over damages to some property in Heaven. St. Peter finally persuaded the devil that he was wrong and threatened to file a lawsuit against him if he did not fix the damaged property. The devil laughed and said with confidence: "Go ahead and file a lawsuit. You won't find anybody who will represent you or listen to you. All the lawyers are in Hell!" Obviously, the devil overlooked our Hawaiian Congressional representatives who are all lawyers. They are not only from the Paradise of the Pacific, they are solidly on the side of St. Peter and Senate Bill 2207. I also understand that there are a number of other lawyers in Congress who are in support of our cause or are willing to be convinced. Let's get out after this Conference and preach the merits of Senate Bill 2207. Let's show our friends the light and give our opposition and the devil hell!

You can plainly see that Americans and unionists are alike—we are eternal optimists. If we were not, the union movement would not have survived and America would not be the greatest Nation on this earth today. It is my privilege to join with all of you dedicated Americans to fight for a common cause.

I am firmly convinced that with the support of our Lord, St. Peter and the "enlightened" lawyers in Congress, our cause will surely prevail.

Mahalo Nui Loa.

Analysis of Several Opposing Positions

(By Mr. David T. Plimier, Secretary, Pearl Harbor Association)

The opening speakers today have cogently and eloquently traced the history and the adverse impact of Congressionally imposed ceiling constraints. Mr. Falkenthal spoke of the numerous opposition arguments to the lifting of ceiling constraints. He showed that upon close examination, these arguments are clearly facetious or non valid. We have examined these same arguments, and in every case we concur with Mr. Falkenthal. They are meant to mislead, to becloud the issues, and to insure that Congress continues to exercise control over ceilings.

We have a word for this in Hawaii; we call it "Shibai". "Shibai", in this case, means to attempt to fool the people, to beguile the electorate and to do or hold on to something for selfish and devious purposes. You, through your elected representatives, were fooled in the last debate. The erroneous arguments of the opposition were put together in a pretty package to look like the truth. Can we as citizens, and our Congressional representatives, take the chance of the opposition slipping one more "shibai" over us? If you read the facts and listen to the arguments presented at this conference, you can prevent another "shibai".

Mr. Falkenthal's presentation set forth some twelve opposing arguments; there may even be more variations of these basic themes. The Pearl Harbor Association analysis shows that all of these twelve arguments can be resolved into only two major arguments and one minor argument. I will cover each of these in turn. The most important argument asks the question, why are we supporting legislation which will discriminate in favor of one group of Federal employees from just the industrially funded activities? There are two elements to this argument. The first element concentrates on the similarity of people found in industrially and non-industrially funded activities. Let me quote some statements that have been made:

"All are Government employees with the same pay, benefits and job tenure" and

"There is no evidence that these industrially funded employees are more efficient" and

"There is no basis for discriminating in favor of some employees at the expense of other Government or private business employees".

The second element of the argument is intended to deprive the industrial fund concept of any meaning or importance by stating:

"Industrial funds are merely financial bookkeeping arrangements internal to the Department of Defense" and

"There is no consistent definition of which activities DOD finances with industrial funds", and finally

"Industrially funded activities are randomly located".

By linking the two elements of the argument together, Senate Bill 2207 is made to appear to be a patently unfair piece of legislation. The basic answer to the opposition's specious argument is simple:

"Senate Bill 2207 is not intended to favor any one person or group of persons".

Senate bill 2207 operates to increase the efficiency and effectiveness of industrially funded activities, nothing more. As I will shortly show, industrial funded activities will retrench along with non-industrially funded activities whenever funds are not appropriated by Congress. The solid support by senior representatives of the major political parties, AFL–CIO national unions, and responsible management attests to the basic truth that—no one is being singled out for favors. The only purpose of the proponents of Senate Bill 2207 is economical and efficient government operations.

Now, in answer to the second element of the argument, industrial funds do have a sound and progressive purpose for existence. Conservative thinkers have repeatedly called for government to be more business-like. With the knowledge and consent of Congress, each of the military services have established industrial funds in those activities where mission and other factors warrant such establishment. These industrial funds do not operate randomly or capriciously; they function as businesses within government with all the operating concerns of business. They are concerned with keeping overhead expenses down, with profitability, with cash availability, and with establishing good buyer/seller relationships, to name but a few business-like practices.

When these industrially funded activities are allowed to operate as intended, they do in fact apply the time-proven business concepts of accountability and control with great success and excellent results. These activities receive their revenues from other governmental customers who are in turn custodians of appropriated funds. Thus, a buyer/seller business-like relationship is established. The mission manager is highly motivated to be price competitive and responsive to his customer. However, whenever his ceiling constraint leaves him too few people to accomplish the work called for by his customers, he must find alternate and often more costly means of getting the job done. Concurrently, his overhead rate becomes worse as his workload falls thus making the activity seem progressively less productive. The activity is caught in a vicious circle leading to ever declining performance.

To conclude this argument, Senate Bill 2207 does not erect a fence or barrier in favor of just a few federal employees. If Congress in its wisdom elects to cut DOD funding, those cuts will impact industrially funded and non-industrially funded activities just as before. If RIFs were necessary before, RIFs will be necessary after Senate Bill 2207 is enacted when priorities are lowered and funds are reduced.

I will now go on to discuss the second argument.

This argument follows from the first and states that Senate bill 2207 will cause future congressionally mandated ceiling cuts to inequitably fall on just a few people, those from the non-industrially funded activities. On the surface, this is a simple argument of basic arithmetic. That is, if a portion of the personnel base is fenced off and if Congress desires to achieve a certain level of personnel cutback, then personnel remaining outside of the fenced area will bear the brunt of the cuts. This is a misconception which leads the unwary Congressional representative to these two erroneous conclusions:

1. If most of the military installations in my State are non-industrially funded, then my voters will be very adversely affected.

2. Senate Bill 2207 will bring about a wholesale attempt on the part of all non-industrially funded personnel to press for industrially funded status.

This argument inaccurately assumes that personnel ceilings are paramount in determining personnel strength levels. As GAO has repeatedly pointed out, appropriated dollars, that is, fiscal constraints, are the primary determinants of force levels. The basic appropriations are segregated one from the other, for example, the Navy receives separate funding for ship construction, for military construction, and for operations and maintenance.

Personnel ceiling reductions almost invariably fall upon depot activities engaged in operations and maintenance.

Therefore, a funding cut in operations and maintenance activities automatically reduces the amount of workload. An industrially funded mission manager, like his counterpart in the business community, is immediately faced with a rising rate of overhead as his workload dollars diminish. Practically speaking, he must move and move quickly to trim his excess payrolls in order to insure the solvency of his capital structure.

Thus, a Congressional cut in operations and maintenance funds will bring about the desired personnel reductions, and the application of personnel ceiling cuts, in addition to the funding cuts, is redundant. Put another way, as the workload dollars dry up, personnel reductions will occur in all activities, not just the non-industrially funded activities. Senate Bill 2207 simply corrects an "Alice in Wonderland" situation wherein Congress has duly appropriated funds, yet the mission manager is compelled by Law not to employ those funds in the most efficient and effective way possible.

The third minor argument against Senate Bill 2207 can be disposed of quickly. There are wide differences amongst the three services in the relative utilization of civilian, military and contractor personnel to accomplish existing workload. For example, the Air Force uses substantially more military and contractor support than does the Navy. Concern for the integrity of their operating policies has led some Air Force leaders to see in the proposed ceiling relief legislation a pressure towards civilianization which will limit their options to use military and contractor personnel.

It is wrong to conclude that the lifting of ceiling restrictions will automatically result in a higher civilian work force. No existing managerial prerogative is precluded or compromised in any of the services should ceiling restrictions be abolished. On the contrary, an added measure of flexibility will be available to the mission manager which will allow him to cope more effectively with workload peaks and valleys. Most knowledgeable managers who have studied these issues hold the position that the relative proportion of work accomplished by civilians, by military, and by private contractors will remain essentially unchanged as a result of this legislation; however, the total amount of workload accomplished per dollar of appropriated funds utilized will significantly rise due to more timely and effective application of resources available.

The only service managers who will be adversely affected are the few weak or lazy ones who cherish a climate of non-accountability. These poor managers will be deprived of one of their crutches, that of being able to point to an externally imposed reduction in force or ceiling constraint and claim it to be the reason his performance is substandard in accomplishing his mission. That manager will be forced to plan, like all good managers must, to acquire the resources necessary to meet an increasing workload as well as to undertake orderly retrenchments when funding constraints dictate.

In summary, the arguments against Senate Bill 2207 are nothing more than a tangled web of mis-information, misconception, faulty assumptions, and erroneous conclusions. They make up a real "shibai" meant to mislead you and our Congressional representatives. Industrial funds bring the business concepts of accountability and control into Government. Left unfettered by ceiling constraints, they will expand and contract as dictated by the funds appropriated by Congress and administered by their customers. Senate Bill 2207 is designed to allow these activities to function as originally intended, and to place responsibility for personnel matters squarely on the mission managers where it belongs. Most importantly, the Congress is freed from a political milestone and, in the process, will enhance its image while wielding effective control and strengthening its legislative power and authority.

Thank you very much for your attention.

EXHIBIT 1

CEILINGS ON INDUSTRIALLY-FUNDED ACTIVITIES ARE COUNTERPRODUCTIVE

Mr. FONG. Mr. President, today I am introducing a bill designed to exclude civilians employed in industrially-funded activities of the Department of Defense from the personnel ceilings imposed by Congress on the number of civilians working for the Defense Department.

An amendment to the recently passed Military Procurement Authorization Act of 1976 would have accomplished the same goal as my bill. Unfortunately, the amendment—which was sponsored by Senators Hartke, Bayh, Beall, Cannon, Scott, Schweiker, Tower, Tunney, and myself—was defeated by the Senate on a rollcall vote of 40 to 50.

Although a similar amendment to the Military Procurement Authorization Act of 1976 was adopted by unanimous consent in the House of Representatives when it passed its version of the bill, the provision was ultimately deleted by the House-Senate conferees.

Therefore, this bill is being offered with the hope that the merits of excluding industrially-funded civilian employees from the DOD civilian manpower ceilings may be fully discussed, debated, and analyzed by the appropriate committees of Congress and then enacted into law.

Mr. President, to avoid any misunderstanding, I want to assure my colleagues that this measure neither challenges the concept of civilian manpower ceilings nor affects such ceilings on other defense activities.

As you are aware, in approving the Defense Department's funds for the past fiscal year, the Congress established a ceiling on the number of civilians to be employed by DOD at the end of the fiscal year. The Secretary of Defense subsequently allocated this ceiling among the various military departments. In turn, the allocation of the different departments was apportioned to the various major commands and installations.

Because of present manpower ceilings on industrially funded activities, each installation is required to operate on a fixed number of employees unrelated to the volume of work contracted. In other words, even though an installation's workload could efficiently and effectively utilize more employees, it is unable to hire them on a permanent basis because of the fixed ceiling. Consequently, it must hire people on a temporary basis to meet its manpower requirements. These "temporaries" are hired in place of career employees and dismissed from their jobs at the close of the fiscal year to meet the manpower ceiling assigned to that particular installation.

I am informed that the Department of the Navy had to release over 1,200 "temporaries" before the close of the past fiscal year because of the ceiling. Such a practice of hiring temporaries to meet the workload requirements of an installation and then firing them to meet the personnel ceiling is not only wasteful but creates unnecessary hardships for the employees.

Before proceeding any further, Mr. President, I would like briefly to explain the term "industrially funded activity."

The Defense Department's industrial funds are in the nature of revolving funds. These accounts were established in order to put some of the logistical programs of the military services on a business-like basis. The majority of these activities concern maintenance and supply—the workload of which is subject to frequent and unprogramed changes.

Persons employed in industrially funded activities do not perform the normal auxiliary functions of the Defense Department, such as office work or service activities. These people are specifically engaged in their own separate operations which are as different from one another as one private enterprise is from its competitors. In other words, industrially funded employees perform work through contracts solicited not only from the Defense Department and other governmental agencies, but from private and foreign sources as well. These programs accept and fulfill contracts in exactly the same way that any company does business.

Mr. President, it may interest some of my colleagues to know that the industrially funded activities are designed to be self-sustaining. They are paid for costs incurred from customer funds appropriated for the product or service rendered.

The costs of the operation are financed from each industrial fund activity's net working capital.

The accounting systems for the industrially funded activities are similar to those used in private industry as the basis for billing customers. In other words, the customers for these industrially funded activities place their work orders and establish proper commitments and obligations against money appropriated to them. Then, as the work is accomplished and the costs of jobs ascertained, the customers are billed accordingly. As the bills are collected, the activities are reimbursed for costs incurred and services performed.

The Defense Supply Agency—DSA—is an example of an industrial fund activity that provides products to its customers. For example, DSA goes into the marketplace and buys and stocks thousands of commodities and articles used by the various military services.

Suppose the Army needed 10,000 pairs of combat boots. It would order them from the DSA which in turn would charge the Army for the cost of the shoes—plus overhead costs. The Army then reimburses the DSA out of funds appropriated to it by the Congress.

The naval shipyards are another example of industrially funded activities. Currently, about 17 percent of all DOD civilian personnel work in industrially funded maintenance depots. There are over 100 installations in 26 States that fall into this category and they employ about 285,000 workers.

Mr. President, 2 months ago, I had the distinct privilege of visiting the Pearl Harbor Naval Shipyard—an industrially funded installation. While at the shipyard, I had the opportunity to discuss with both military and civilian leaders some of their major concerns regarding the needs of the installation. In the discussions I found that both management and labor were unanimous in their support of efforts to exclude the industrially funded employees from the civilian manpower ceilings.

From the arguments I have heard at Pearl Harbor, on the Senate floor and elsewhere, I am convinced that this change is necessary if we are to get the most from our defense dollars. Everyone I talked to at Pearl Harbor agreed that Uncle Sam could get more for his money if the civilians employed by industrially funded activities were excluded from the DOD civilian manpower ceilings.

Mr. President, as a businessman, I am deeply impressed with some of the basic features of the industrial fund activities which tend to encourage better management and create an environment similar to that of private industry.

First, a contractual relationship is created between the customer and the producer—thus refining the tasks to be accomplished and forecasting the costs involved.

Second, cost accounting employed by these activities enables management to identify costs to a particular job. This identification is essential for establishing management control of costs, for developing standards for pricing, and for providing a means of projecting realistic budgets based on expected future workloads.

Third, a revolving fund provides flexibility to utilize dollars as may be operationally required. This enables the fund to be relatively free from the congressional appropriation cycle with its established spending limitations.

Mr. President, if we are to get the most from our industrially funded activities—if we are to correct an inefficient and inequitable practice in the employment of civilians at Federal facilities covered by industrial funds—we must remove these employees from the DOD civilian manpower ceilings.

It is no secret that the Defense Department has consistently favored excluding these workers from the civilian ceilings.

Assistant Secretary of Defense William K. Brehm stated the following to the Senate Armed Services Subcommittee on Manpower and Personnel:

After long experience with civilian ceilings imposed by the Office of Management and Budget, we concluded that civilian ceilings can lead to serious and costly inefficiencies. . . . I am confident that existing financial controls within DOD and the budgetary powers and oversight exercised by the Congress are adequate to insure that civilian employment will remain within reasonable limits."

Assistant Secretary of the Navy Joseph T. McCullen, Jr., testified before the same subcommittee that he recognizes the high costs for civilian manpower and the responsibility of the Navy to manage this expensive resource efficiently. However, he went on to say:

". . . the inflexible ceiling placed on our civilian end strength has lessened our ability to do so. This is particularly true in the case of our industrially funded activities, composed primarily of naval shipyards, air rework facilities, public work centers, and ordinance and R&D activities. They comprise about 165,000, or about 54 percent, of the direct-hire civilian personnel. These industrially funded activities are subject to fluctuating workload requirements. Fixed end strength limits our flexibility to provide the manpower levels required."

Assistant Secretary McCullen also pointed out the difficulties the Navy faced in complying with this mandated ceiling limitation. He told the members of the subcommittee:

"The system is dynamic in terms of numbers and types of manpower. Since 1968 the Navy has been in a declining force and manpower posture. In fiscal year 1977, the trend is reversed. New ships replacing old ships generate new requirements for different skills.

"A private enterprise would have a difficult time surviving in such a fluid manpower environment [with mandated ceiling limitations.]"

Vice Adm. David H. Bagley, Chief of Naval Personnel, in addition to telling the members of the subcommittee of similar hardships with the mandated ceiling limitation, stated the following:

"If the Navy does not have the flexibility to change Naval Industrial Fund manpower levels to meet workload schedule changes, the work may still be accomplished by increasing temporary hires and releasing them prior to June 30, by substantially increasing overtime, or by assigning work to contractor effort. Each of these alterations is potentially more costly than allowing for a smooth, gradual adjustment in the work force by eliminating ceilings. If work cannot be accomplished by these means, delays in work accomplishment may prove costly and our ability to fulfill commitments to foreign governments may be impaired. In addition, costly and unnecessary reduction-in-force may be required at some activities in order to free civilian ceiling spaces for allocation to high priority projects at other activities."

Mr. President, in addition to the statements of DOD officials regarding the inefficiency and impact of the personnel ceilings, the General Accounting Office has conducted several revealing studies on the problem of civilian ceilings. The conclusions all agreed with a statement in the July 2, 1974, report entitled "Implementation and Impact of Reductions in Civilian Employment, Fiscal Year 1972."

"Accelerated actions to reduce the Federal civilian work force primarily to meet personnel ceilings established for one particular day tend to disrupt effective management of manpower resources."

As an alternative to personnel ceilings, the GAO has consistently proposed the use of financial controls as a more effective way of dealing with the problem.

A 1967 study showed that Edwards Air Force Base, Vandenberg Air Force Base, and Tinker Air Force Base were contracting for technical services at higher costs than would have been incurred had the services been performed in-house by Federal employees. As a matter of fact, GAO concluded that personnel ceilings had contributed to the use of mostly costly contract services and proposed that the Air Force consider conversion to operation by Government personnel.

A 1969 GAO report on "management of civilian personnel ceilings and recruiting," showed that the inflexibility of the system for managing civilian personnel ceilings—together with recruiting problems—had resulted in postponement of work and in undesirable contracting for personal services. The report also found that efforts of installation officials to obtain authorization for additional positions often had been lengthy, cumbersome, and usually unproductive.

In an April 1971 report entitled "Examination of the Impact of Civilian Personnel Ceilings on Management of Civilian Personnel Resources, Department of Defense," GAO suggested that personnel ceilings or hiring limitations—whether imposed by statute or by the executive branch—do not provide the most effective management controls over civilian personnel resources. The report went on to say that personnel ceilings tend to be:

"Applied in establishing program priorities to do as much work as can be accomplished with the resources available;

"Arbitrarily applied because of the difficulty of integrating them with program requirements;

"Inflexible because they are not responsive to changes in work-force skills needed to accomplish changed programs;

"Uneconomical when they permit use of overtime labor at premium pay to accomplish authorized programs; and

"Ineffective in controlling expenditures since, as an alternative, contracting with firms or institutions that furnish personal services to the Government may be used."

Mr. President, the shortcomings of the personnel ceilings were further documented by the GAO when it listed some of the benefits that could be realized through managing by the use of fiscal controls without personnel ceilings. In an August 1973 report entitled "Project REFLEX—Resource Flexibility—A Demonstration Project on Reconciliation of Workload, Funds and Manpower," the GAO indicated that removal of the personnel ceilings would:

"Improve planning by matching funds, workload and manpower;

"Encourage delegation of responsibility and authority to lower levels of management;

"Provide management more options for determining the sources of manpower to be used, that is, direct-hire employees or contracting;

"Improve management capability for advancing new technology in-house and providing more effective technical direction to contractors;

"Relieve high-level management of costly and time-consuming administration of arbitrarily-imposed numerical ceilings; and

"Allow management the flexibility of acquiring, when needed, employees with the appropriate skills and levels of experience, and organizing them in balanced working groups to increase efficiency and productivity."

Mr. President, the above is the findings and conclusions of the General Accounting Office—not the Department of Defense or the American Federation of Government Employees.

The GAO—the fiscal and accounting watchdog for Congress—is the one that is trying to tell us something about the shortcomings and pitfalls of not excluding the civilians who work on industrially funded activities from the civilian manpower ceilings for the Department of Defense.

Mr. President, because I have received some firsthand information and personal briefings on the impact of the civilian personnel ceilings on our country's shipyards, I would like to briefly share some of the knowledge I acquired on this subject during my recent tour of the Pearl Harbor Naval Shipyard in Hawaii.

First. The establishment of a civilian manpower ceiling by law is a very unproductive constraint on the flexibility of naval shipyard management.

Second. The shipyard managers should have the flexibility to use civil service manpower or contract for work—depending on which is most advantageous to the Government at the specific time.

Third. Flexibility is especially needed in the Navy's industrial activities—where employment is a direct function of workload. If a ceiling is imposed by law, this desired flexibility disappears.

Fourth. The Navy's industrial-fund type of operation was developed in recognition of the basic business principle that the amount of funds expended by the customers should govern the employment level at its shipyards. I was informed that the workload in naval shipyards is not always fully reflected in the budget due to the long leadtime required in budget formulation and to the fact that work may be funded not only by current appropriations, but also by prior-year appropriations, by appropriations of other Government agencies, and even by foreign countries.

Fifth. The civilian ceilings imposed on naval shipyards are actually double controls and seldom correspond to the funded workload requirements. I was told that at the time of budget submission, the employment requirements are estimated on the basis of available workload data. However, because of the varied sources of the workload in naval shipyards, significant changes in the workload can and do take place in the 6 months from budget estimate to beginning-of-year execution. Furthermore, significantly greater changes occur in the 18 months from the original estimate until the end of the fiscal year. Therefore, fixed employment ceilings are not and cannot be compatible with balancing changing ship workload—which comes in various work packages—with available workforce.

Mr. President, during my discussions with Capt. Henry A. Hoffmann, Pearl Harbor Shipyard Commander, and other leaders of that fine naval installation, I was informed that when ceilings are placed on naval shipyards that are below the actual funded workload, the shipyards have only two alternatives: increase overtime—but on the long pull, this is costly and not good; and contract work out to the private sector.

Captain Hoffmann went on to further inform me of a unique and unfortunate situation that surrounds his shipyard, namely, that at Pearl Harbor "there are inadequate commercial resources to accomplish the work the fleet needs and can fund."

I was also told that the current personnel ceiling at Pearl Harbor has caused a loss of flexibility in the shipyard. Needless to say, flexibility is essential if the shipyards are to accommodate unplanned or emergency requirements such as activations or damage repair work without disrupting schedules or increasing the cost of other work—unplanned or emergency requirements have historically amounted to about 5 percent of the total shipyard workload.

I can foresee, on the other hand if the workload is below capacity, this situation may tempt the retention of employees for fear that future personnel ceilings will be reduced.

Mr. President, I became personally interested in and concerned about the problem of industrially-funded activities because of what I had learned at Pearl Harbor regarding the devastating impact it was having on the shipyard's efficiency, productivity, and ability to carry on as one of the outstanding installations of its kind in the country.

I came to realize that dedicated and experienced men cannot do the job alone. They need not only the best facilities and equipment to help them carry out their vital mission, but also the proper managerial tools to run the shipyard. The current practice of including the civilians working on industrially-funded activities in the DOD civilian manpower ceilings tends, in the words of the GAO, "to disrupt effective management of manpower resources."

According to Clyde M. Webber, national president, American Federation of Government Employees, this practice is "an irrational and inequitable personnel system, imposing instability on management and hardship on employees who are periodically dismissed from their jobs at the close of one fiscal year to be reemployed, in the same or a similar position, during the course of the next fiscal year. The existence of ceilings accounts for the questionable personnel policy of employing large numbers of temporary and term employees in place of career employees, involving exorbitant costs of training a constant flux of impermanent personnel who are hired and terminated annually."

Mr. Webber went on to state his belief that this practice "is the main cause of such inefficiency in Federal agencies about which citizens rightfully complain to Congress."

Mr. President, because all Members of Congress believe that each tax dollar must be stretched to the farthest extent possible and because everyone believes that efficient management techniques and procedures must be encouraged, I hope my bill will gain the support of the Congress and be enacted into law in the near future.

I ask unanimous consent that the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

"S. 2207

"*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled*, That notwithstanding any other provision of law, in computing the total number of civilian personnel authorized in any fiscal year for the Department of Defense or any military department thereof, there shall be excluded from such computation civilian personnel engaged in industrially funded activities."

CONSUMER FOOD ACT OF 1976—S. 641

AMENDMENT NO. 1470

(Ordered to be printed and to lie on the table.)

Mr. HATHWAY (for himself and Mr. DURKIN) submitted an amendment intended to be proposed by them to the bill (S. 641) to regulate commerce and protect consumers from adulterated food by requiring the establishment of surveillance regulations for the detection and prevention of adulterated food, and for other purposes.

Mr. HATHAWAY. Mr. President, the Senator from New Hampshire (Mr. DURKIN) and I intend to offer an amendment to strike section 113 from S. 641 when it is considered by the Senate. This section would eliminate the strict criminal liability standard from the Federal Food, Drug, and Cosmetic Act and would substitute instead a requirement that criminal penalties be imposed only when the individual charged acted "knowingly, willfully, or negligently" with respect to the violation. This modification would greatly increase the burden of proof placed upon the government in prosecutions for violations of the act and would preclude convictions in all but the most outrageous factual situations.

Our amendment would preserve existing law and its strict liability standard, which has been the law since 1906. For a more detailed explanation of our position, we would urge you to review our Supplemental Views in the committee report on S. 641 and also the HEW Agency Comments on pages 78–89 which support our interpretation.

We would like to make an additional point. The committees imply that the word "negligently" ought to serve to meet our concerns, and that this would create liability for officials who failed to take appropriate action to avoid a violation of the act. We respectfully disagree.

The Model Penal Code of the American Bar Association's American Law Institute defines "negligently" as follows:

> A person acts negligently with respect to a material element of an offense when he should be aware of a substantial and unjustifiable risk that the material element exists or will result from his conduct. The risk must be of such a nature and degree that the actor's failure to perceive it, considering the nature and purpose of his conduct and the circumstances known to him, involves a gross deviation from the standard of care that a reasonable person would observe in the actor's situation.

Further, section 302 of S. 1 as introduced adapts the ALI standard as follows:

> § 302. "Intentional", "Knowing", "Reckless", and "Negligent" States of Mind
>
> The following definitions apply with respect to an offense set forth in any federal statute:
>
> * * * * *
>
> (d) "Negligent".—A person's state of mind is negligent with respect to:
>
> (1) an existing circumstance if he ought to be aware of a risk that the circumstance exists;
>
> (2) a result of his conduct if he ought to be aware of a risk that the result will occur.
>
> The risk must be of such a nature and degree that the failure to perceive it constitutes a gross deviation from the standard of care that a reasonable person would exercise in such a situation.

Thus it is clear that the word "negligently" when used in the context of a statute defining criminal penalties requires that the government prove beyond a reasonable doubt that the individual charged deviated grossly from what a reasonable person would have done. This turns the strict liability standard of existing law on its head. That standard has served well to impose a positive duty upon responsible officials to do all in their power to insure that violations will not occur.

Mr. DURKIN. Mr. President, along with the distinguished Senator from Maine, Mr. HATHAWAY, I am introducing an amendment to S. 641, the food surveillance bill.

This bill is designed to protect consumers from adulterated food and was worked out jointly by the Commerce Committee and the Labor and Public Welfare Committee.

We support the principal of this bill. However, one section of the bill, section 113, represents a radical departure from the strict criminal liability standard imposed by the Food, Drug, and Cosmetic Act since 1906. This section amends section 303(a) of the act by substituting a requirement that the Government prove beyond a reasonable doubt that the individual charged acted "knowingly, willfully, or negligently."

Mr. HATHAWAY and I offered supplemental views on this subject which appear at the end of the committees' report on S. 641. Our amendment would strike this section of the bill, leaving the existing law in its present form. The existing law and the Constitution guarantee that an individual will be subjected to criminal penalties only if found beyond a reasonable doubt by a unanimous jury verdict to be responsible for a violation of the act. Our views are supported by the Department of Health, Education, and Welfare, whose analysis appears on pages 78 through 80 of the report.

I ask unanimous consent that the amendment be printed in the RECORD.

There being no objection, the amendment was ordered to be printed in the RECORD, as follows:

AMENDMENT NO. 1470

On page 49, strike out lines 13 through 23.

On page 49, line 24, strike out "SEC. 114.", and insert in lieu thereof "SEC. 113.".

OMNIBUS DISTRICT JUDGESHIP BILL—S. 287

AMENDMENT NO. 1471

(Ordered to be printed and to lie on the table.)

Mr. ROTH submitted an amendment intended to be proposed by him to the bill (S. 287) to provide for the appointment of additional district court judges, and for other purposes.

NOTICE OF HEARING

Mr. EASTLAND. Mr. President, on behalf of the Committee on the Judiciary, I desire to give notice that a public hearing has been scheduled for Wednesday, March 24, 1976, at 9:30 a.m., in room 2228 Dirksen Senate Office Building, on the following nominations:

Garard L. Goettel, of New York, to be U.S. district judge for the southern district of New York, vice Arnold Bauman, resigned.

Charles S. Haight, Jr., of New York, to be U.S. district judge for the southern district of New York, vice Murray I. Gurfein, elevated.

Any persons desiring to offer testimony in regard to these nominations, shall, not later than 24 hours prior to such hearing, file in writing with the committee a request to be heard and a statement of their proposed testimony.

The subcommittee will consist of the Senator from Arkansas (Mr. MCCLELLAN); the Senator from Nebraska (Mr. HRUSKA) and myself as chairman.

NOTICE OF HEARINGS

Mr. EASTLAND. Mr. President, on March 24 and 25 the Subcommittee on Immigration and Naturalization will continue hearings on S. 3074, a bill to amend the Immigration and Nationality Act.

The hearings will be held in room 2228 of the Dirksen Senate Office Building, beginning at 10:30 a.m.

LONG-TERM-CARE HEARING SCHEDULE

Mr. MOSS. Mr. President, I wish to announce hearings by the Subcommittee on Long-Term Care, Senate Committee on Aging, to look into possible abuse in New York adult care homes.

The hearing will be held on Friday, March 19, beginning at 9:30 a.m. in the auditorium of the New York County Lawyers' Association, 14 Vesey Street, New York, N.Y.

ANNOUNCEMENT OF HEARINGS

Mr. ABOUREZK. Mr. President, the American Indian Policy Review Commission, Task Force No. 10 of Terminated and non-Federally Recognized Indians, announces an informal hearing to cover the States of Louisiana, Texas, Arkansas, Florida, Georgia, and Alabama on March 27, 1976; 9 a.m. until 5 p.m.

Please note that the location has been changed from the Louisiana State Resources Building as previously reported, to the State Capitol, Committee room No. 1, Riverside Mall, Baton Rouge, La.

Persons interested in submitting testimony should call Ms. Jo Jo Hunt or George Tomer at 202-225-1284, 3446 or 3526 or write to them at the American Indian Policy Review Commission, HOB Annex No. 2, Second and D Streets SW., Washington, D.C. 20515.

NOTICE OF COMMITTEE MEETING

Mr. ABOUREZK. Mr. President, I wish to announce that the American Indian Policy Review Commission, a Joint Congressional Commission, will hold a seminar for Congressional Aides on Task Force No. 11, which is investigating Indian alcoholism and drug abuse, at 10 a.m., on Friday, March 19th, in room B-308, Rayburn House Office Building.

ADDITIONAL STATEMENTS

THE 1976 NATIONAL WILDLIFE WEEK

Mr. PACKWOOD. Mr. President, I rise today in support of stern governmental and public action to preserve the

Nation's dwindling wetlands. To many of the millions of people across America who love wildlife and to wildlife management professionals, it is no secret that ducks and many other forms of wildlife must have wetlands to survive. These lands—ponds, marshes, swamps, streams, lakes, bogs, prairie potholes, river deltas, estuarine areas—are vital in the life cycle of wildlife. Man depends, spiritually and economically, on healthy populations of such animals.

Wetlands, unfortunately, are shrinking. They are often and mistakenly deemed to be of greater value when drained or filled to become cropland, highways, development sites, and the like. America has millions fewer acres of wetlands today than at the turn of the century. This foreboding trend has been noted and decried by conservationists in and out of Government. It is eminently fitting that the National Wildlife Federation, the Nation's biggest conservation education organization, has selected the period March 14–20, 1976, as National Wildlife Week and given to it the theme, "Save Our Wetlands." I join them in urging united popular support for all governmental and private efforts in behalf of wetland preservation.

I ask unanimous consent that at this point a statement by the National Wildlife Federation that describes wetlands and their value in nature's wildlife ecosystem be printed in the Record.

There being no objection, the statement was ordered to be printed in the Record, as follows:

Wetlands and Wildlife

Wetlands are low places covered by shallow water, sometimes only intermittently.

Marshes are wetlands. Their waters are six inches to several feet deep. Grasses, reeds, cattails, and other vegetation grow there. Marches dot the upper north central states, Florida, and the Atlantic and Gulf coastlines.

Prairie potholes, marshlike in appearance, are found mostly in the Dakotas and Minnesota. They are famous as waterfowl breeding areas. With the other marshes, they total at least 10,159,000 acres, probably much more (based on a federal survey published in 1956).

Where marshes grow grasses, swamps contain trees or shrubs, in water that may be a foot deep. The Great Lakes states, Florida and other southeast states, and Louisiana are where swamps abound. Total acreage: 20,622,000, according to the same survey.

An estuary is where a river meets the sea. Estuaries teem with waterfowl food, and nourish shellfish and other fish. There are 4,000,000 to 5,000,000 acres of estuaries.

Stream bottoms which flood in the late fall, winter, or spring account for another 18,000,000 acres or more, mainly in the south. They are a major wintering area for ducks.

There are other wetlands, such as bogs, wet meadows, sounds, bays, and one type often artifically created: farm ponds. Circular 39 of the U.S. Interior Department's Fish and Wildlife Service classifies wetlands into 20 kinds and describes them.

WHAT GOOD ARE WETLANDS?

Wetlands, as nesting or wintering sites for waterfowl, are as important to them as your home is to you.

Wetlands supply breeding and refuge areas, and food, for more than two-thirds of the nation's commercially valuable fish and shellfish, and for much of the sport fisheries and wildlife.

Without wetlands, cash crops such as minnows (fishing bait), marsh hay, wild rice, blueberries, cranberries, and peat moss would have nowhere to grow.

Wetlands check land erosion and promote ground water storage.

Wetlands mean food, water, or cover for many populations of at least 50 species of game or fur animals: beaver, bobcat, fox, mink, muskrat, nutria, opossum, otter, raccoon, skunk, weasel, antelope, black bear, black-tailed deer, elk, moose, mule deer, white-tailed deer, grouse, Hungarian partridge, mourning dove, pheasant, Bobwhite and other quail, rabbit, snowshoe hare, snipe, squirrels, wild turkey, and woodcock are some of them.

Wetlands are recreation areas for sportsmen, photographers, birdwatchers, tourists.

THE PROBLEM WITH WETLANDS

The problem with wetlands is that the ground they cover is also valuable for other purposes. When drained or filled, wetlands can grow food or furnish sites for homes, resort colonies, airports, highways. Sometimes they have been dried up to control floods, or mosquitoes. Pollution from oil spills reaches into wetlands and contaminates them.

Historically, Americans looked on wetlands as wastelands, and couldn't wait to reclaim them for "worthwhile" use. At the beginning of this century, there were an estimated 127,000,000 acres of wetlands in the U.S. By 1953, only 82,000,000 acres remained.

TO THE RESCUE

As conservationists and others began to realize what was going on, wetlands protection programs welled up. Federal, state, and private projects have managed to slow the pace of wetlands loss—projects such as purchase of wetlands so that they can be devoted to the uses which nature intended, programs to improve management of wet lands and rally public support for wetlands preservation.

Examples:

The federal Migratory Bird Hunting Stamp ("duck stamp"), required since 1934 of all waterfowl hunters 16 or older, has raised more than $160,000,000, with which almost 2,000,000 acres of waterfowl habitat—mostly wetlands—have been bought.

Federal, state, and private programs manage nearly 23,000,000 acres of waterfowl habitat.

The U.S. Army Corps of Engineers, in response to a legal action brought by the National Wildlife Federation, agreed in 1975 to wield the full authority of Section 404 of the 1972 Federal Water Pollution Control Act Amendments to regulate dredge and fill operations affecting all waters, navigable or not. Its regulations require it to consider environmental, social, and economic concerns in ruling on applications for permits to dredge or fill.

The U.S. Agriculture Department's Soil Conservation Service announced in 1975 that it would not provide technical and financial assistance for draining or otherwise altering 18 of the 20 different types of wetlands for other uses.

The National Wildlife Federation, largest U.S. conservation education organization, helped focus public attention on wetlands values when it built its National Wildlife Week around the "Save Our Wetlands" theme both in 1976 and 1955.

Coastal states are preparing plans, using grants under the Federal Coastal Zone Management Act of 1972, to control shoreland development. If California's plan proves typical, coastal wetlands have a powerful new ally.

Mr. PACKWOOD. Mr. President, throughout the Nation this week, public attention will be focused on efforts to save our valuable wetlands. I believe these pursuits are worthwhile for the protection of our wildlife and the enhancement of a flourishing, balanced ecosystem that is untrammeled by man. I offer my hardy support for these efforts, and hope that the many efforts to preserve our Nation's wetlands prove successful.

I ask unanimous consent that the 1976 National Wildlife Week proclamation be printed in the Record.

There being no objection, the proclamation was ordered to be printed in the Record, as follows:

The 1976 National Wildlife Week Proclamation

Whereas, in this bicentennial year we should reaffirm our dedication to provide a place on the American scene for our great wildlife resources; and

Whereas, the ponds, marshes, swamps, streams, lakes, bogs, prairie potholes, river deltas, and estuarine areas—in a word the wetlands of our nation—are the key to the survival of so much of our wildlife; and

Whereas, man is critically dependent, both spiritually and economically, on the wildlife of our wetland areas; and

Whereas, wetlands are an ever-shrinking resource because they are often thought to be of greater value when drained or filled to become cropland, highways, development sites, and the like; and

Whereas, we tend to overlook a human need of another sort—the need to have healthy wildlife populations; and

Whereas, without our determined intervention, wetlands will continue to become dry lands, to the detriment of ourselves and our fellow creatures; and

Whereas, the period March 14–20, 1976, has been designated as a special time for expression of concern for wetland habitat, now, therefore,

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CONGRESSIONAL ACCESS TO SENSITIVE GOVERNMENT INFORMATION

Mr. ABOUREZK. Mr. President, on March 11, and 12, the Senate Judiciary Subcommittee on Separation of Powers, which I chair, held hearings on the subject of congressional access to, and control and release of sensitive Government information. The inquiry was prompted by concern over the executive branch's renewed and intensified challenge to control the flow of Government information. Executive refusals to publish information of vital concern to the American people have reached epidemic proportions. Invocations of executive privilege and national security have become tools to keep both the Congress and the people in the dark, while permitting the executive branch unparalleled freedom to act without constitutional checks.

Excessive secrecy works ominous effects on our representative system of government. It not only impedes the public's right to be informed of and debate crucial issues affecting our Nation, but also undermines Congress ability to legislate and oversee executive action. Thus, secrecy strikes at the heart of the doctrine of separation of powers.

The evils of executive branch secrecy were eloquently enumerated by Mr. Carl Marcy, former chief counsel of the Senate Committee on Foreign Relations, and Dr. Marcus Raskin, codirector of the Institute for Policy Studies, during the hearings. I have great respect for the wisdom of both of these gentlemen and I would like to share their thoughts with my colleagues. Therefore, I ask unanimous consent that their testimony be printed in the Record.

There being no objection, the testimony was ordered to be printed in the Record, as follows:

Statement by Carl Marcy Before the Subcommittee on Separation of Powers of the Senate Committee on the Judiciary, Mr. Abourezk, Chairman, March 11, 1976

Mr. Chairman, I speak to the subject of Congressional access to, and control and release of, sensitive government information. My qualifications consist of eight years experience in the Department of State and 23 years on the staff of the Senate Committee on Foreign Relations.

When I first came to work for the Senate in 1950 I was struck by the fact that an oath to support and defend the Constitution of the United States was required before I could collect any salary.

A similar, if not identical, oath had been required in the Department of State before entering on duties there.

I refer to this now because in discussing congressional access to, and release of, sensitive information, I do so in the belief that members, and employees, of Congress are just as trustworthy and loyal, as are officers and employees of the Executive Departments. Furthermore, they are subject to the same laws.

I have the impression from reading the press in recent weeks, however, that sensitive information given to the Congress always leaks; that sensitive information in possession of the Executive Branch is always safe and protected.

This I maintain is not so.

The ratio of leakers to secret-keepers in the Legislative branch of government is about the same as the ratio in the Executive Branch.

The impression that the Congress is an open spigot serves the desires of many Executive officials. Unfortunately a good many members of Congress promote the myth. There are a number of reasons why it is assumed Congress leaks and the Executive is a tight drum. For example, written "leaks" in the Executive Branch are called "declassifications". When a low level official who has stamped "Secret" on a paper, decides to leak it he can by relatively simple means, declassify it.

Oral "leaks" in the Department of State and called "backgrounders," or, if an Executive official really wants to get the information out, a "backgrounder" may become a "deep backgrounder." And for the really important leak, a high level officer may phone or meet with a trusted correspondent or columnist.

In short, the word "leak"—meaning the release of sensitive government information—has a special meaning when applied to Congress. It means that someone has said or written something which the Executive Branch doesn't like having made public. It may or may not have anything to do with national security.

As a matter of fact, I have some difficulty in recalling congressional leaks of information which could fairly be branded as damaging to the national security.

Philip Agee, a former employee of the CIA spilled the beans on the names of CIA Agency chiefs abroad.

Daniel Ellsberg, a former employee of the Pentagon and the Rand Corporation was responsible for publication of the Pentagon Papers; in fact he had tried for some months without success, to get several Members of the Senate to make the Papers public.

It was the White House which inaugurated telephone taps and personal surveillance to try to find leakers in the National Security Council.

I make these points not to exacerbate conflict between the Congress and the Executive, but to note that there are enough charges and counter-charges to go around. If we continue to debate who leaks most, we may overlook the more important question—The question of what, if any, information should be kept from the people by a representative Government.

On the question of congressional access to "sensitive government information", (a phrase which I will abbreviate by calling the information "secrets"), there are, I believe, very few secrets which should remain the exclusive prerogative of the Executive. There are very many "secrets" which have been kept which, in time, we wished had been made public.

I suppose most members of Congress have been told by an Executive official at one time or another: "If you knew what I know, you would agree with me; but I can't tell you what I know because it is secret." The other side of this coin is the Member of Congress who may respond by saying: "Don't tell me your secret because I may have guessed it already. If you tell me your secret and swear me to secrecy, then I can't speak publicly on what I may already have guessed!"

I have no solution for this dilemma except to note it could not occur if our society had not become so prone to secrets already.

Some years ago I recall an official of the State Department told the Foreign Relations Committee that the Department had information to support its request for funds, but couldn't tell the Committee what the information was. The response was that if the Committee couldn't get the information it needed from the State Department, then it was essential that the Committee begin to create its own counterpart to the Foreign Service. The suggestion that the Foreign Relations Committee have its own foreign services was threat enough and the information was supplied which theretofore was so secret the Committee couldn't be told.

My point is that unless the Executive Branch of the Government in the field of foreign policy isn't reasonably forthcoming in making information which it collects available to the Congress, the Congress will surely develop its own means to collect information. That will complicate the conduct of foreign policy. In the long run, the Executive will probably be better off by trusting the Congress with its secrets, and putting up with a few leaks, than in paying the otherwise inevitable prices—the price of lack of trust; the price of not being able to persuade the Congress of the need for specific foreign policy measures; and the price of creating a separate information collecting establishment in competition to some extent with the foreign service.

I address now the question of what is sensitive material, and whether it is properly so.

At the risk of seeming naive, I suggest that in recent years we as a society have become obsessed with secrecy; as a democratic society it might be better if we were obsessed with the need for candor. We call ourselves an "open society," the Soviet a "closed society." Yet over the past two decades it is my impression that the Soviets have been more successful in keeping their society "closed" than the U.S. has been in keeping its society "open." I don't like our trend toward a closed society.

The Webster dictionary synonyms for the word "secret" are covert, stealthy, furtive, clandestine, surreptitious, and underhanded. Except in time of war, I don't want my Government to be that way with any nation, and I certainly don't want those words to characterize relationships between the Executive and the Congress.

One of the dangers of an obsession with secrecy is that those who keep the secrets or acquire them are likely to believe they have come into possession of truth. A secret piece of information can be absolutely false, yet the fact that it is secret makes it seem to be true—not only to the holder of the secret, but to the individual or agency which acquires the secret. I note this as a warning to congressional committees so that they do not easily believe that access to secret information is access to truth.

I suppose one reason I feel strongly that secret information must be kept to an absolute minimum is that secret information is not subjected to the test of the market place.

Presidents are as prone to be taken in by secrets as are members of the Congress. I found a certain irony in the situation described a few days ago which told how President Lyndon Johnson had been taken in by the regimental commander at Fort Bragg who kept secret the fact that the troops the President bid farewell to en route to Vietnam were in fact a group of just returned veterans. How much more appropriate it would have been if the regimental commander had made his secret public—that the troops scheduled for departure for Vietnam might have made a mess of the carefully planned departure because they were on a farewell drunk.

The need for Congress to have access to secret or sensitive information when it legislates in the field of foreign policy is much greater than is necessary in the area of domestic policy.

Legislation in the area of domestic policy can be based on information generally available to the careful observer. He can see poverty, observe the status of the agricultural and business economy, and can form judgments as to whether domestic legislation is working effectively.

This is not so with respect to foreign policy. The Congress kept pouring men and money into Vietnam because the Generals, the intelligence men, and occasional visitors to Vietnam from the White House could always see light at the end of the tunnel. The few Congressmen who visited Vietnam had a hard time getting close enough to the front to find the tunnel, let alone peer through it. So all they could do was to act on the basis of the information available to them which was dished out as necessary by the Executive.

Much the same thing has been true with respect to foreign aid programs. When an aid program failed in some respect, the failure, was overseas where few Americans could observe it.

I recall the shock that overtook a group of Senators some years ago when we visited an area in India where a large number of the tanks and half-tracks destroyed in the Indo-Pakistan war had been assembled. When they saw the shattered remains of American-supplied military equipment which had been given to both sides of the conflict they vowed never again to support a U.S. military assistance program. To see was to acquire information not otherwise available.

The Foreign Assistance Act of 1961 starts out with a section entitled: "Statement of Policy." Over and over again in that section one finds the phrase: "Congress declares it to be the policy of the United States . . ."

Congress can't make policy without the best information it can get. That simple proposition underlies the problem of this Subcommittee.

If we want to change our system so that basic laws will read: "The President declares it to be the policy of the United States. . . .", the Congress can get along without access to sensitive information; indeed, it could get along without any information at all; in fact we could then get along without Congress.

The statement of Lincoln that "government of the people, by the people, for the people, shall not perish from the earth" will be of historic significance, that's all.

I am far more fearful of the capacity of this nation to survive in freedom if we enshrine secrecy than if we enshrine openness. For that reason as I look at the subject of your hearings—"access to, and control and release of, sensitive government information"—I find myself strongly inclined to resolve each practical question in the direction of giving the American people and their representatives more information, not less.

We have come a long way from the time when Woodrow Wilson could refer in all seriousness to the desirability of open covenants, openly arrived at. As a matter of fact, anyone who now speaks of open diplomacy is viewed as some sort of boob. Secrets are the order of the day. The ideal diplomat is the Ambassador who was once described by Sir Henry Wooten as "an honest man sent abroad to lie for his country."

I want the United States to be the most open government in the world. That has been the source of our strength in the past and we ought to do all we can to keep it that way.

Testimony Before Senate Subcommittee on Separation of Powers by Marcus G. Raskin, March 11, 1976

It is a great privilege, Mr. Chairman, for me to appear before you and your subcommittee on the vexing subject of secrecy. There are many members of Congress who are aware of the difficult problems which we face when we talk about secrets in a democratic society. There is no Senator as committed as you are to the citizen's right to know, so that the national security of the United States can be defined and executed by the people rather than those few who operate ultra vires according to their purposes and standards.

With the indulgence of the Committee I thought that I would make some general propositions about the problems of state secrecy, then categorize different kinds of secrets, and finally present to you a standard which might be used on the secrecy issue. It would be absurd to suggest that there are not secrets in life. Usually they have to do with a very simple purpose. I keep secrets from another because I do not want to be embarrassed, because it might prejudice my social standing or break relations with people who would be upset if they found out my "secret." Sometimes we play a little game with others, keeping them in a delusional state, letting them think that there is importance to their little play or their belief although it has no meaning. We set them up, frame them, if you like, into a false reality which we create for them. Thus, we keep the true condition of a person's health from him when he is in a terminal condition. Our safe combinations are meant to keep locks and secrets about property which, if stolen, would change the class or psychological condition of the person who has the key to the safe or the combination. I bring up these points not to befuddle the issue but to make clear that secrets are part of our mores. Indeed, in one framework secrets may be the last vestige of self protection against everyone else. In personal terms a secret may establish the person's private existence.

Far more likely is that secrets can lead to enormous self-delusion and paranoia which destroys a person's life. It is my belief that secrecy is having that degrading effect on American life. This is most manifest in our state craft. It is a grand avoidance mechanism to buttress irresponsibility for what is going on; an instrument which German society used to protect themselves from knowledge of the Nazi concentration camps. The government becomes the repository of information which protects people from knowing things which would or could necessitate a change in the governing structure. But this sociological approach to the question of secrets is of only peripheral value when we come to analyze the role of secrets in state craft.

What conclusions can we draw from the effects of secrets in American state craft. We have learned that:

1. The higher the secrecy classification, the more likely that there is an attempt to cover up actions which breach the laws of the United States, the conscience of the American people, international law, or the laws of another country. Often such actions are taken under the cloak of secrecy because their nature is so foolish and horrendous that it would tend to cause either a delegitimation of a particular administration, or a bureaucracy, or the system itself;

2. Secrecy operates as a means to keep most of the government in the dark. In other words, as much as there is confusion between the Executive and Congress there is also confusion, lying, dissembling and the withholding of information between agencies of the executive government which ostensibly deal with like or the same questions. Under the theory that information is power, particular agencies protect their power by keeping their information from others. In the early sixties I was a member of the special staff of the National Securiy Council. Henry Kissinger, who was then an advisor to the staff, occupied the office next door. Whenever I would discuss anything with him he would say, "This must be closely held."

When this point of view is shared by an entire government it means that Congress and the people are supposed to surrender their critical judgment. The argument is of course circular. Since information is withheld supposedly no prudential judgment can be made. And trust must be given over to the withholder. Thus, as the social anthropologist Erving Goffman has said, "Information concerning an event must sometimes be taken entirely from what is relayed through an individual . . . (who) becomes the sole available channel." What this means in the secrecy struggle is that Congress and the people are expected to rely on rule by authority, on the word of a Director of Central Intelligence or a Defense Department head. They are relied on because they are members of the same social or political grouping.

For a very long time this system worked because the leadership of the national security state was able to play certain records to which everyone tangoed. One such record has the following refrain: "These are complicated matters. Let us take care of them for you." The second verse is "We know something you don't know. Therefore trust us." And the verse to the secrecy song is now added. The national security apparatus has a new refrain to Congress. "You cannot be trusted with secrets." It has cynically changed the investigation by Congress of the CIA from one of substance around criminal activities into procedural questions around the release of information.

This pattern occurred at the time of the Pentagon Papers case. Very few indeed read the Pentagon Papers case. And fewer still commented on the mismanagement, immorality and criminal behaviour of the "brightest and the best" who made the war. As if by magic the question was turned into one of whether the Papers should have been released. As Chairman Pike has noted about the report of his committee, there are few who care about the report's substance. Instead the question has become one of whether Congress or the people have a right to know. There is something terribly wrong with a society which beclouds its public mind in procedural avoidance so that it does not have to reach the truth, call things by their right names while rejecting the duty of regenerating the American constitutional system. We appear to be much less concerned with the contents of the box than with the paper wrapping.

This problem has now reached constitutional proportions. The national security apparatus now undertakes to bludgeon Congress into saying, "You better keep a secret". More precisely stated, Congress is told to adopt the definition of secrecy that the apparatus lays down. And in any case the assumption is that information can be kept from Congress. By what peculiar theory of constitutional analysis has it been legally possible for the Apparatus to tell Congress, which the Framers ranked first among the departments of government, what it can or cannot make public or have in the course of its business?

It is not necessary to reiterate that all the important delegations of authority on substantive matters are vested in Congress under Article 1. (Note the analysis of Professor Bernard Schwartz, P. 88, The Powers of Government, Volume One.) The legislative or law making function includes guidance over political affairs, instruction of the people and oversight of the government. But how is it possible for Congress to fulfill its obligations under Article one if it cannot obtain information from the Executive? How is it possible to be either the first branch or a coordinate branch if Congress cannot examine the actions taken in the name of the United States?

There are two interlinked strains which if taken from Congress reduces it to an assembly line which makes laws which have little relevance to anyone. The two interlinked categories are education and informing of the citizenry, and overseeing, not oversight, the activities of an executive which has been granted the agency of Congressional authority.

(A) Education and Information. It is the task of Congress as a body to bring out issues, to reflect changing values and to develop means of ensuring constitutional behaviour on the part of the government, namely the executive. "Its job in this respect is to enlighten and educate by ensuring adequate discussion of the important issues before the country. The debate in the legislative should clarify those issues and enable the nation intelligently to support or oppose the position finally taken in the two Houses." (Schwartz, P. 89) What we see happening through secrecy and executive privilege is an attempt to interrupt the relationship between Congress and the people by withholding information from Congress. Its links are then cut with the people because it cannot either retain its own grant of authority or find out what is going on in, for example, the national security Apparatus, except if it is prepared to be the flak for it. It is hard for me to see how *any* member of Congress can be estopped from releasing any information he wants to on the floor of Congress. I cannot believe that Congress would seek to gag any member once it has certified his election. The only way the Congress can "punish" a member is through Article 1 Section 5 in which a member can be expelled once there is a two-thirds concurrence from the members of both Houses. The member can only be expelled for "disorderly behaviour": a charge which can hardly stand up if the public education is a major function of a congressional member.

(B) Overseeing. First, I have chosen this term to distinguish this process from oversight. The latter process I see as dealing in the past tense with actions already taken. Overseeing is the process of ensuring that the intention of Congress is met in the present and is an ongoing process. Is it not shocking in the extreme to think that the National Security Agency, which has *no* legislative charter, which spends billions a year, which is wholly hidden from Congressional overseeing, which operates by its own bureaucratic para-legal principles, can *tell* Congress to shape up if it wants information? Is this not a kind of constitutional Alice in Wonderland? What ever happened to the settled constitutional idea that the officers and agencies of the Executive owe their "very existence to delegation of power by Congress." (Schwartz, P. 110) The National Security Agency is an Executive creation in which the Congress has had no hand. It is clear that the reason the NSA has not been directed to have a legislative charter is because Congress could abolish or alter its charter. Apparently, if an agency does not ask for such a charter it cannot be altered or abolished. And if the agency is secret, and for the purpose of creating secrets, it appears to be both immune and immutable.

ARE THERE WAYS TO ENFORCE THE CONGRESSIONAL WILL?

It is well settled that Congress has the contempt power and that it can use compulsory process to undertake its legislative duties. This would mean that its legislative powers are as broad as necessary (with proper due given to the Bill of Rights) to fulfill its obligation under Article One. But we are aware that it is one thing to hold a hapless citizen in contempt and quite another to use either the contempt or perjury process against a government official acting under executive instructions who refuses to give information when it is the Department of Justice which must prosecute the contempt or perjury citation laid on by Congress.

As Theodore Becker has commented, the framers "grossly underestimated the ease with which the President could manipulate the public before and after elections, arrogate total power to himself in foreign affairs, could develop a secondary veto . . . And they certainly could not foresee how the main body of the executive branch, the bureaucracy, could become relatively free and independent of both the President and the Congress, an entity of itself, and for itself and its external supporters." (Theodore Becker, *American Government*, P. 296–297)

Nevertheless, Congress could organize itself differently to retain its power. The present committee system, in my view, has had the effect of decreasing the power of Congress. It does not operate as a national legislature which in Becker's terms is capable of "parrying the deadly thrust of would-be kings." What is needed instead, therefore, is for Congress to list what it views to be the major structural transformations which are now necessary for it to regain its constitutional power. This requires, therefore, a congressional convention of members who would make clear that certain basic questions must be dealt with directly outside of the committee system by the Congress sitting as a whole. The first question in this regard is secrecy. If Congress cannot bestir itself as a unit to make clear that information is to be given to its members on Congress' terms, then Congress has ceased to be anything but a legal sausage making machine as one legal scholar has so elegantly put it. If Congress cannot obtain information then it is no wonder that the citizenry holds Congress in contempt and they themselves turn away from the representative system as a put-on. If it cannot see that the secrecy system is merely a means to protect a second government, one which is out of reach to it and the citizenry, then the representative democracy is lost. There are no tricks or gimmicks which I can recommend that takes the place of the type of political will which organizes Congress and the people against a secrecy system which protects the few against the body politic and simple justice.

DEFENSE BUDGET

Mr. GARN. Mr. President, concern for our foreign policy continues to increase throughout the land. The people recognized instinctively the wisdom of Teddy Roosevelt's counsel to "speak softly and carry a big stick." By the same token, they realize the folly of speaking loudly while you use your stick for firewood.

The spending priorities of the United States in recent years provide a classic example of using your stick for firewood while your adversary turns a whole forest into baseball bats. A recent editorial from KSL in Salt Lake City makes the point beautifully, Mr. President, and I ask unanimous consent that it be printed in the Record.

There being no objection, the editorial was ordered to be printed in the Record, as follows:

Subject: DEFENSE BUDGET.
Spokesman: L. H. Curtis, President, KSL, Inc.
Broadcast: February 20, 1976.

KSL has commented freely on the role of the Federal government in our society. We have not made too much comment on national defense.

If there is one function in our society which properly belongs to the Federal government, it is that of securing the national defense. This role has an added dimension which cannot be stressed too much. That is, that the United States is not merely the leader of what is called the free world. It is the only society with the capacity to defend the democratic ideals of the Western world.

There can be no doubt that if the United States loses either the capacity or the will to defend those ideals, they will be subverted or destroyed by those who do not believe in the right of people to govern themselves. It takes no long memory or powers for understanding subtleties to observe that process in Hungary and Czechoslovakia.

Against this backdrop, the debate in Congress over the budget for national defense deserves better than to be treated with the kind of demagoguery it has recently received. Two highly significant bits of information need to be plugged into this. First, American intelligence systems recently conceded that the Soviet Union has been spending twice as much on its military efforts as had been estimated. Second, even by these underestimates, the Soviet Union has now passed the United States in a frightening number of key military capabilities.

This situation cannot be allowed to continue, in KSL's opinion. It's not a question of warmongering. We should still speak softly. But let's make sure we still have the big stick. What it boils down to is survival.

PRESIDENT FORD AND ARRID EXTRA DRY

Mr. PROXMIRE. Mr. President, the Federal Communications Commission has again shaved a slice from the first amendment. And it did it with alacrity.

On February 25 President Ford's campaign committee's specially created advertising agency, Campaign '76 Media Communications, Inc., complained to the FCC about a policy of WGN and WGN–TV. The Chicago broadcasting stations had a 20-year-old policy of selling political advertising in no less than 5-minute segments.

Eight days later, the FCC had a decision. That decision was not put into writing until 5 days after that. But in a footnote to its March 9 written opinion, the FCC said:

> Because of the shortness of time before the Illinois primary, the Commission's conclusion herein was telephoned to WGN and the complainant on March 4.

Apparently when the President wants action, he gets it.

The FCC's decision was not unanimous. Chairman Richard Wiley dissented. So did Commissioner Glen O. Robinson, who put his dissent in writing. Two other Commissioners concurred in the decision, but on limited grounds, citing the law that requires political advertising time to be sold at the lowest rate thus putting the candidates on par with the most favored commercial advertiser.

My real criticism is not based on how quickly the Commission acted for there is merit in getting a question settled in a timely fashion. Also there is merit in avoiding delay in administrative oversight.

I cannot help but wonder, however, if the decision would have been made so quickly had the complaint come from a source other than the President's special advertising agency. After all, this is the sixth Presidential election since WGN formulated its policy in 1956.

My argument is with the very nature of the FCC's control over the electronic press. On January 15, 1975, I introduced S. 2, the First Amendment Clarification Act, which, if enacted, would repeal both of the sections of the Communications Act the FCC relied on in the WGN case.

I have already cited one section—315 (b)(1). The other is 312(a)(7), which permits the FCC to revoke the license of any station that willfully refuses or fails to allow a candidate for Federal office to buy reasonable amounts of broadcast time.

The FCC's opinion said "we find no reason to conclude that in enacting section 312(a)(7) Congress intended to vest in licensees the power to supplant a candidate's determination that his political interests would best be served by the purchase of spot announcements rather than of broadcasts of 5 minutes in duration."

Later in the same paragraph it states:

> We believe that to accept WGN's interpretation of Section 312(a)(7) would so drastically curtail the flexibility of a federal candidate's conduct of his media campaign that the purposes of the statutory framework would be frustrated.

Now I am not so naive as to believe that the FCC has power to rule unconstitutional laws passed by the Congress. That is the sole prerogative of the courts. But I do wish to question the constitutionality of these sections and of other sections of the Communications Act that infringe on the rights of a free press.

Those quotations from the FCC's WGN opinion are on their face good arguments for the unconstitutionality of the law.

The FCC speaks of "a candidate's determination" and of a candidate's "flexibility." In other words, the FCC—and the law—gives the candidate power over the broadcaster's exercise of his press discretions. The assumption is that the candidate is an inchoate Federal official with power to influence a Federal licensee. The very nature of the Commission's words flies in the face of a free press. The Commission gives the candidate, as an individual, the power of the Commission as a body.

I question the authority of the Commission to bestow that power under the Constitution. But to repose such power in an individual, even though he or she be a candidate for a Federal office, seems obviously to overstep the freedom granted the press under the first amendment.

That freedom was granted so that the Government could not assume powers not granted to it. A free press is the guardian of every citizen's rights through the self-righting mechanism of preventing the Government from dictating what should or should not be publicized.

To give candidates that kind of power is conspicuously unreal under our system.

WGN argued that political issues cannot be argued in less than 5 minutes. That is a matter of conjecture. The reasonableness of an argument has nothing to do with the amount of time available to make the argument. The ability of the candidate and the nature of his issue are the controlling factors.

WGN would have had a better argument if it had stressed its press freedom rights under the Constitution. But, of course, that would have meant taking on the constitutionality of the controls built into the Communications Act and their interpretation by the FCC. That would have taken more courage than logically could be expected from a Government licensee.

If you think there is no intimidation in a ruling affecting a licensee, just look at the second last paragraph of the opinion, which took the form of a letter to WGN:

> Since our decision herein is novel, our action regarding your "five minute" policy does not reflect adversely on your qualifications as a licensee of the Commission.

That statement is not magnanimous. It is not a gratuitous assurance of lack of prejudice.

No. It is a threat. It is a reminder of who is boss. It is a subtle assertion of authority.

The President, supposedly, has no power over FCC decisions. He only has the authority to appoint the commissioners and name the chairman with the advice and consent of the Senate. Yet the President does wield power over broadcasters because they are licensed by a governmental agency.

Richard Nixon made that clear in the Watergate tapes.

President Ford and his advisers know that as they arrange for special interviews with local television anchormen before the Presidential primaries. It has happened before the primaries in New Hampshire, Massachusetts, Florida, Illinois; and it is to happen this week in preparation for the North Carolina primary.

I want to be clearly understood: I do not object to these specially arranged Presidential interviews. I see no political propaganda machine working. I believe that voters are capable of making up their own minds regardless of such television campaigns.

In noting what Broadcasting magazine calls "the local media blitz" of the President, I wish only to ask how the local stations would react if there were no governmental control over radio and television?

Local stations and their newsmen are human. Most would be flattered to have the opportunity to put questions to the President of the United States—a once-in-a-lifetime chance for most of these newsmen. But can any circumstance be imagined under licensing by which a local broadcaster would refuse to follow the ground rules laid down by the White House? I doubt it.

If the interviews with the President are shown in a regularly scheduled news show then there is, under FCC rules, no equal-time obligation on the stations to give time to Ronald Reagan.

And that is the way it should be. There should be no equal-time requirement under any circumstance in my view—because of the first amendment.

If broadcasters were truly free, some might refuse the interview opportunity proffered by the White House. That should be their right.

Remember, when the first amendment was written and ratified, newspapers were opinionated journals. Yet the writers of the Bill of Rights believed it was of utmost importance to protect press freedom for the sake of the citizens of this country.

Governmental controls of any kind over speech and over the press are inimical to freedom.

As long as the content controls are allowed to remain in the Communications Act, the FCC cannot be expected to protect the Constitution. But the FCC's decisions can be, and should be, examined in that light.

As long as radio and television are viewed as mind-warping monsters instead of conduits of information, which can be accepted, rejected, or mulled over by the viewer/listener, there will be those who want to control their content.

Commissioner Robinson shows this very well in his dissent. He says:

> The majority of my colleagues . . . not only give serious consideration to the complaint, they adopt it and rule that, forthwith, WGN shall not discriminate between President Ford and Arrid Extra Dry.

And Commissioner Robinson also alludes to the freedom of viewers/listeners to think for themselves by quoting Justice Holmes:

> If my fellow citizens want to go to Hell I will help them. It's my job.

Some day we in Congress are going to recognize the genius of our system of freedom. That freedom does not mean a thing if our citizens do not have the right to think for themselves. Right or wrong, it is not for the Government to control those ideas. The Government has the right, and the duty, to control antisocial behavior. But that is all. Ideas are the essence of freedom.

Mr. President, I ask unanimous consent that the FCC's opinion and Mr. Robinson's dissent be printed in the RECORD.

There being no objection, the opinion and dissent were ordered to be printed in the RECORD, as follows:

FEDERAL COMMUNICATIONS COMMISSION,
Washington, D.C., March 9, 1976.
WGN CONTINENTAL BROADCASTING CO.,
Licensee of Stations WGN and WGN–TV,
Chicago, Ill.

GENTLEMEN: This is in reference to the petition filed with the Commission on February 25, 1976, in which Campaign '76 Media Communications, Inc. ("Campaign '76") made a complaint against WGN and WGN–TV Chicago, Illinois. Campaign '76 stated that it wished to broadcast thirty-second spot announcements on WGN–TV and sixty-second spot-announcements on WGN on behalf of "the President Ford Committee"; that "the WGN stations refuse to accept political broadcast advertising of less than five minutes in duration"; that in its report on the Federal Election Campaign Act of 1971 (FECA) the Senate Committee on Commerce stated that the purpose of the "lowest unit charge" provision, which that act added to Section 315(b), was to "place the candidate on par with a broadcast station's most favored commercial advertiser" [S. Rep. No. 96, 92d Cong., 1st Sess., p. 27 (1971)]; that your policy of refusing to sell spot announcements to political candidates places candidates "at a distinct disadvantage vis-a-vis regular commercial advertisers" and is therefore contrary to Congressional intent; that the FECA also added Section 312(a)(7) of the Communications Act to provide that a broadcaster's license could be revoked for "willful or repeated failure to allow reasonable access to or to permit purchase of reasonable amounts of time for the use of a broadcasting station by a legally qualified candidate for Federal elective office on behalf of his candidacy"; that in its Public Notice of March 15, 1972 entitled "Use of Broadcast and Cablecast Facilities by Candidates for Public Office,"[1] in discussing how the "reasonable access . . . or . . . reasonable purchase" provision of Section 312(a)(7) would affect a station's refusal to sell spot announcements to political candidates, the Commission stated that "it would apply a test of 'reasonableness of the judgment of the licensee' in the particular fact situation"; that your refusal to sell spot announcements "preclud[es] candidates from purchasing reasonable amounts of time because of the high entrance requirement—that the minimum purchase be five minutes of program time"; that "[m]aking free time available to a candidate and selling program length time of five minutes or more does not meet the practical requirements of 'reasonableness' under § 312(a)(7)"; and that "[o]nly by permitting . . . [the] candidate . . . to decide the amount of time he wishes to purchase on a commercial basis can a licensee meet the requirement of the law."

In a response to the complaint, filed on March 1, 1976, you stated that your "long standing policy of not selling spot announcement time to political candidates is in full accord with Congress' objectives in enacting Sections 315(b)(1) and 312(a)(7)"; that you do treat candidates for public office "differently from . . . product advertisers," but such "difference in treatment does not unreasonably limit candidates in the exposure of their ideas or in the discussion of issues"; that the "lowest unit charge" provision of

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Footnotes at end of article.

Section 315(b) only "requires that *if* a station makes available spot announcement time to political candidates, the lowest unit charge for such time made available to commercial advertisers must also be made available to political candidates," and Section 315(b), "when read in conjunction with Section 312(a)(7), . . . does not compel stations to sell spot announcement time to political candidates"; that your policy of refusing to sell spot announcements to political candidates "does not preclude candidates from obtaining reasonable access because of the cost of time" since "[f]ive minutes of time on WGN radio costs only about 15% more than a one minute spot announcement" and "during certain times of the day, a five minute program on WGN–TV actually costs less than a one minute spot announcement aired in the same time period"; and that the Commission has stated that in determining whether a licensee has complied with the reasonable access provision of Section 312(a)(7), the Commission "will not substitute its judgment for that of the licensee, but rather it will determine in any case that may arise whether the licensee can be said to have acted reasonably and in good faith in fulfilling its obligations under this section," quoting from our Public Notice of March 16, 1972, entitled "Use of Broadcast and Cablecast Facilities by Candidates for Public Office,"; and that the legislative history of the "reasonable access" provision of Section 312(a)(7) indicates that the "purpose of 'reasonable access'" is "to give candidates for public office greater access to the media *so that they may better explain their stand on the issues, and thereby more fully and completely inform the voters,*" (emphasis added in your quotation of Senator Pastore's remarks, 117 Cong. Rec. 12872 (1971)).

You further stated that your "five minute policy was adopted in good faith in order to provide the voters with information necessary for the responsible exercise of their franchise"; and that the complaint should be denied. Enclosed in your response were copies of your political broadcasting policy statement, and a list of the election campaigns to be covered by WGN and WGN–TV during the two-month period prior to the Illinois primary election. This information indicated that WGN–TV would make approximately 408 five minute time periods available to an unspecified number of candidates for nomination to eleven offices and that WGN would make approximately 136 five minute time periods available to an unspecified number of candidates for nomination to ten offices. WGN–TV would also make a lesser number of fifteen and thirty-minute time periods available.

In a reply to your responses, filed on March 2, 1976, Campaign '76 stated that FECA "had a two-fold policy of (1) giving political candidates access to the broadcast media, to explain their stand on the issues, and thereby inform the voters and (2) limiting the cost of campaigning for public office"; and that WGN–TV's rate card indicates that "oftentimes" WGN–TV's five-minute rates are "as much as seven times the price of a one-minute spot."

The purpose of Congress in adopting Section 312(a)(7) was to assure Federal elective candidates "greater access to the media." WGN states that it adopted its policy of refusing to sell time periods shorter than five minutes to candidates because of its belief that "no spokesman can state his position on political matters in a broadcast of less than five minutes."

Although we respect the licensee's belief on this subject, we find no reason to conclude that in enacting Section 312(a)(7) Congress intended to vest in licensees the power to supplant a candidate's determination that his political interests would best be served by the purchase of spot announcements rather than of broadcasts of five minutes in duration. It is well known that many, if not most, candidates rely heavily on "spot" broadcasts, whether or not they also utilize program time of greater duration. We believe that to accept WGN's interpretation of Section 312(a)(7) would so drastically curtail the flexibility of a federal candidate's conduct of his media campaign that the purduct of the statutory framework would be frustrated. Accordingly, we believe it to be a denial of "reasonable access," within the meaning of Section 312(a)(7), for a licensee to refuse to sell spot announcements to a candidate for Federal elective office where the licensee has determined to sell broadcast time to such candidates.[2]

Secondly, and of equal importance, we believe that Section 315(b)(1) mandates this conclusion. Congress' stated intention in enacting the "lowest unit charge" provision of Section 315(b)(1) was to "place the candidate on par with a broadcast station's most favored commercial advertiser." S. Rep. 96, 92d Cong., 1st Sess., p. 27 (1971). Where a licensee, in the exercise of its reasonable judgment, determines to satisfy its obligation under Section 312(a)(7) with regard to "reasonable access" for Federal candidates, or its public interest obligation to cover important non-Federal elections, by providing free time, the lowest unit charge provision is, of course, inapplicable. However, where a licensee does choose to sell time to candidates, if the licensee sells spot time to commercial advertisers it would be contrary to Congress' intent to "place the candidate on par with a broadcast station's most favored commercial advertiser" to refuse to sell spot time to candidates. Moreover, prior to the enactment of the FECA, the Commission recognized that candidates should be given the opportunity to purchase low-cost spots made available to commercial advertisers such as run-of-schedule and preemptible spots.[3]

In view of the above, it appears that your policy of refusing to sell time periods shorter than five minutes to candidates is in contravention of the "lowest unit charge" provision of Section 315(b)(1) of the Communications Act. Therefore, such policy must be modified in accordance with the views expressed herein.

Since our decision herein is novel, our action regarding your "five minute" policy does not reflect adversely on your qualifications as a licensee of the Commission.[4]

Chairman Wiley dissenting; Commissioners Reid and Washburn concurring and basing their decision solely on Section 315(b)(1) grounds; Commissioner Robinson dissenting and issuing a statement.

By direction of the Commission

VINCENT J. MULLINS,
Secretary.

FOOTNOTES

[1] 34 FCC 2d 510 (1972).

[2] In our Public Notice of March 16, 1972, *supra,* we stated that the determination of whether a licensee's refusal to sell "spot" announcements to federal candidates would or would not violate the "reasonable access" provision of Section 312(a)(7) ". . . would depend on the circumstances in which that refusal occurred." 34 FCC 2d at 538. To the extent that the holding which we have herein reached is inconsistent with that statement of policy, the instant holding is controlling. At the time of issuance of the 1972 Public Notice we made it clear that the policies set forth in that document regarding "reasonable access" were not to be considered as having been etched in stone for all time:

> [A]s experience accrues, we may find it necessary to modify the present guidelines, or to issue new ones as problems arise. *Id.* at 511.

[3] *Triangle Publications, Inc.,* 23 FCC 2d 760 (1967); *WHDH, Inc.,* 23 FCC 2d 763 (1967).

[4] Because of the shortness of time before the Illinois primary, the Commission's conclusion herein was telephoned to WGN and the complainant on March 4.

DISSENTING STATEMENT OF COMMISSIONER GLEN O. ROBINSON

In the belief that political candidates should not be sold like deodorants, WGN has for some 20 years adhered to a policy of not selling time to candidates in less than 5 minute blocks. This policy seems so reasonable to me that I was hard pressed to take seriously the complaint that it is unlawful. The majority of my colleagues, by contrast, not only give serious consideration to the complaint, they adopt it and rule that, forthwith, WGN shall not discriminate between President Ford and Arrid Extra Dry. Finding no basis in common sense for this ruling, I have consulted the majority's legal authorities with some care; and I find no basis for it there, either.

Section 312(a)(7) of the Communications Act requires broadcasters to allow candidates for federal office to "purchase reasonable amounts of time" to promote their candidacies. Nothing in the plain meaning of this provision's language, and nothing in its legislative history, compels the conclusion that a distinction between commercial and political advertisers for purposes of selling time is beyond the reasonable discretion of a broadcast licensee. Section 315(b) of the Communications Act requires broadcasters to sell time to political candidates at rates that "shall not exceed the charges made for comparable use of such station for other purposes." This "lowest unit charge" provision has heretofore been thought to mean that a station may not charge a political advertiser more for the use of a given segment of time than would be charged to the station's most favored commercial advertiser. This provision fails to speak to the reasonableness of a licensee's decision to distinguish between political and commercial advertisers as to the size of the time-segments that will be made available to each.

We have interpreted the "reasonable access" provision of Section 312(a)(7) to require in the first instance, the licensee's exercise of judgment; and, just as the Commission must defer to the broadcaster's good-faith judgments about what constitutes reasonably balanced programming on controversial matters of public imporance, see *Straus Communications, Inc. v. FCC.*—— F.2d.——, slip opinion, pp. 14–15 (D.C. Cir. 1976), so also in connection with Section 312(a)(7) the Commission has previously said it "will not substitute its judgment for that of the licensee, but rather, it will determine in any case that may arise whether the licensee can be said to have acted reasonably and in good faith in fulfilling his obligations under this section."

Use of Broadcast and Cablecast Facilities by Candidates for Public Office, 34 FCC 2d 510, 536 (1972). Now, however, the Commission says:

> "We find no reason to conclude that in enacting Section 312(a)(7) Congress intended to vest in licensees the power to supplant a candidate's determination that his political interests would best be served by the purchase of spot announcements. . . ."

The obvious inconsistency in these two statements is nowhere explained. The Commission now finds "no reason to conclude" something which *it itself did in fact conclude* only four years ago, immediately following the enactment of Section 312(a)(7). Subsequently, in Letter to Hon. Peter Flaherty, 48 FCC 2d 838, 848 (1974), the Commission indicated that it did not read Section 312(a)(7) to establish any right of a Federal candidate "to program time of any particular or minimum duration."

The Commission's reliance on Section 315 is similarly misplaced. The Supreme Court has interpreted Section 312(a)(7) as essentially a codification of "the Commission's prior interpretation of Section 315(a) as requiring broadcasters to make time available to political candidates." *Columbia Broadcasting System, Inc.* v. *Democratic National Committee*, 412 U.S. 94, 113–114 n. 12 (1973). But none of our holdings under Section 315 of the Act has until today recognized a candidate's right to override a licensee's reasonable discretion in this regard. We have held that *if* a station sells spot announcements to political candidates, it must sell them at the lowest unit rate that would be applicable to a commercial advertiser. *Concerning Licensee Responsibility Under Amendments to the Communications Act Made by the Federal Election Campaign Act of 1971*, 47 FCC 2d 516, 518 (1974). We have also held that *if* a licensee sells political candidates spot announcements of any length—which we define as an announcement of two minutes or less duration—then spot announcements of all usual lengths must be sold. Licensees may not sell two-minute or one-minute announcements only, refusing to sell thirty second, fifteen second or ten-second spots, assuming that spots of these shorter lengths were also available to commercial advertisers. *Ibid*. It seems to me obvious that both these interpretations of Section 315 necessarily imply that a refusal to sell any spot announcements at all to political candidates is not inconsistent—or has always been assumed not to be inconsistent—with the legitimate exercise of licensee discretion under the Act.

The Commission's sudden *volte-face* on the scope of licensee discretion strains the plain meaning of some tolerably plain statutory language. Furthermore, I must say, it makes serious a mistake of logic. Just because a candidate has concluded that he is merely a product, to be packaged and marketed as such, does not mean that a *licensee* cannot hope, and act upon the hope, that a candidate for public office is more than that. In light of the discretion that we have accorded—at the direction of the courts—to licensees in political broadcast matters generally, I would have thought the Commission would regard with embarrassment the idea of denying such discretion in a case where it has been so reasonably and responsibly exercised.

In recent years there has been legitimate concern that commercial advertising practices are trivializing our daily lives with their incessant appeal to the need for tooth whiteners, clothes brighteners, skin purifiers and sink cleaners. Given that trend, I suppose it is too much to expect that politics will not be similarly trivialized by an extension of the same kind of sales techniques to political advertising. But if there appears to be little the FCC can do to stop the trend, at least we do not need to contribute to it. Justice Holmes said: "if my fellow citizens want to go to Hell I will help them. It's my job." I Holmes-Laski Letters 249 (1953). Therein, I suppose lies the difference between FCC Commissioners and Supreme Court Justices. We do have an authority to construe the Communications Act which differs from the narrow functions of the judiciary. If the people want to go to Hell, I, for one, will *not* strain the language of the Communications Act to help them get there.

SECRETARY KISSINGER'S TESTIMONY ON FOREIGN AND ECONOMIC POLICIES

Mr. HARRY F. BYRD, JR. Mr. President, on January 30, Secretary of State Kissinger testified before the Committee on Finance.

I queried him on certain aspects of our foreign and economic policies. I ask unanimous consent that our dialog be printed in the Record.

There being no objection, the dialog was ordered to be printed in the Record, as follows:

Senator Harry F. Byrd, Jr. Thank you, Mr. Chairman.

The trade bill and the export-import bank bill both provide for a ceiling of $300 million on export-import bank loans to Russia.

Do you or the State Department have any intention of seeking any change in that ceiling?

Secretary Kissinger. We have opposed the ceiling in the past.

Senator Harry F. Byrd, Jr. I didn't understand you.

Secretary Kissinger. We did not favor the ceiling in the past, and we think it has deprived us of important leverage in our relationships.

We have in general been in favor of modifying the various restrictions that have been tied to immigration, to immigration questions.

Senator Harry F. Byrd, Jr. This is aside from it——

Secretary Kissinger. It is aside from it, but it was conceptually related to it.

At the same time, we had originally intended to move more actively at this time to consult with the Congress to see whether the modifications of either the credit issue or the trade issue, or at least one or the other, might be possible.

I think in view of the situation in Angola, this is not an appropriate moment to come before the Congress with such a request.

Senator Harry F. Byrd, Jr. So, it is not your intention, then, to seek a change in the $300 million ceiling?

Secretary Kissinger. Not in the immediate future, not unless the political environment changes.

Senator Harry F. Byrd, Jr. If you change your mind, would you let the Senator from Virginia know, because I have an interest in this matter, being the sponsor of both amendments.

Secretary Kissinger. From my knowledge of the Senator from Virginia, it would be extremely difficult to keep it from him. [Laughter.]

Senator Harry F. Byrd, Jr. Mr. Secretary, given the huge sales of technological products and skills to communist countries, do you feel there is a growing risk of transfer of technology with implications for national defense?

Secretary Kissinger. I keep reading these comments in the press, and I have asked for a study to explain so that I get a clearer understanding of just what it encompasses.

My impression is that as far as the United States is concerned, our contribution to the transfer of technology to the Soviet Union is a relatively small part of the overall picture.

The largest trade of the Soviet Union now is with Western Europe and Japan, and the credit from those areas, where we are limited to $300 million, approaches $10 million, and where our credits have always been tied to specific projects so that we could control, by decision, the transfer of technology and the nature of the enterprise, the other credits are open ended and can be used much more flexibly.

So, I think we do not face primarily a United States problem.

Senator Harry F. Byrd, Jr. I see.

Secretary Kissinger. But we will have better information about that in a few weeks and I will then be able to give you more accurate answers.

Senator Harry F. Byrd, Jr. I suppose, then, my follow-up questions would need to wait for those two weeks.

Mr. Secretary, the defense budget, which has just been submitted, assumes a SALT Agreement. The budget is based upon that assumption?

Secretary Kissinger. Yes.

Senator Harry F. Byrd, Jr. To me that suggests an agreement already has been reached, or that our negotiators are determined to make concessions to achieve an agreement.

Would you comment on that?

Secretary Kissinger. I think both of those assumptions are incorrect, sir.

An agreement has not been reached. Our negotiators are not determined to make concessions that are against our interests or to reach an agreement.

We have a clear idea of the limits beyond which we will not go, and if we cannot get an agreement within these limits, then there will not be an agreement, and under those conditions we would have to come back to the Congress and ask for supplemental funds for the strategic budget.

The worst situation would be to have a military budget based on one set of assumptions, and no SALT Agreement, so that any gaps that exist will widen, and we will have to face the fact that in the absence of the SALT Agreement we will have to ask for additional resources for our strategic forces.

Senator Harry F. Byrd, Jr. I must say it seems to me strange to base our defense budget on an assumed agreement with a potential enemy without whom it wouldn't be necessary to have such a heavy defense budget.

Secretary Kissinger. Well, we have a supplementary budget which we are prepared to put forward. We have the figures that, if in the judgment of the President and his principal advisors would be required, and should it become apparent later on this year that an agreement is not achievable.

Senator Harry F. Byrd, Jr. Isn't it correct that the budget is based on the assumption that there will be an agreement?

Secretary Kissinger. It is based on the assumption that there will be an agreement partly because the issues have been narrowed significantly and one can imagine the direction in which an agreement would be sought.

Senator Harry F. Byrd, Jr. You have been saying that the Russians made "all the concessions" in the SALT II. That seems to me astonishing.

Secretary Kissinger. That is also not a correct statement. I said the Soviets over the past year have made some significant concessions.

For example, the agreement not to count forward-based systems, the agreement on a ceiling for strategic forces which is below that of the Soviets, of the total that the Soviets now have, but above that which we have, so that this will require reductions by the Soviet Union of several hundred units to reach the agreed ceilings, the acceptance by the Soviet Union of the counting rules that we have asked for in relation to the counting of MIRVs.

These are significant concessions.

Also, I would be the first to say that even with these concessions we cannot settle on the present position, and that further considerations and negotiations will be necessary.

Senator Harry F. Byrd, Jr. A lot of Americans are asking what the United States is getting out of detente. We feed Russia; Russia supports OPEC; Russia intervenes in Portugal and Angola; Russia builds up its first strike capacity, and I am wondering if you could give us some concrete examples of how detente is working for the American citizen.

Secretary KISSINGER. First of all, Senator, the question is: What is meant by detente?

* * * * *

Now, we don't look at the Soviet grain deal as a question of feeding Russia. It is something that is—I am not going now by 1972—we have discussed this in committee before—I am talking about the reason behind it, in which some of the questions that we were asked in this committee indicated the pressures that exist on the Administration.

We have attempted to strike a balance between the concerns of our farmers and the long-term requirements of American policy, by preventing disruptive Soviet Union incursions into our markets, and by putting an upper limit beyond which the Soviet purchases cannot take place without additional discussions with our government.

So, what we have got out of this relationship is a method for regulating a condition on which the survival of civilization could well depend by methods less catastrophic than nuclear war, while retaining the option which is essential to resist the expansion of Soviet power, provided we can get enough concessions to do it.

* * * * *

Senator HARRY F. BYRD, JR. Mr. Secretary, in regard to the U.S.-Russian negotiations on oil, I assume that whatever agreement can be made, that not a large amount of oil will be involved.

Secretary KISSINGER. That is correct.

Senator HARRY F. BYRD, JR. In other words, it is a minimal thing and—

Secretary KISSINGER. But it will be somewhat relevant, but it will not be an allowable amount, that is correct.

Senator HARRY F. BYRD, JR. In relation to U.S. needs—it will be very, very little?

Secretary KISSINGER. Less than 5 percent of our total imports.

Senator HARRY F. BYRD, JR. Substantially less than 5 percent, isn't it?

Secretary KISSINGER. In the area of 3 percent.

Senator HARRY F. BYRD, JR. Mr. Secretary, my belief is that Russia does not want nuclear war any more than does the United States. Would you concur in that?

Secretary KISSINGER. I agree with that.

Senator HARRY F. BYRD, JR. I reply to my previous question with regard to détente and also in our own discussions, you seem to feel, if I understand you correctly, that it is détente that has prevented a nuclear war?

Secretary KISSINGER. I am saying that we are operating at two levels. One is the level of traditional foreign policy in which you prevent war and prevent expansion and maintain your interests by the traditional methods of pressure and counterpressure, where you rely on the mutual self-interests of countries concerned, mutual self-interests, to prevent war.

At the same time we are also trying to build a new international environment which is somewhat less risky than that one. We are not saying that that has been achieved, because if you look at the traditional policies of pressures and counterpressures, you must be struck by the fact that they have almost invariably, sooner or later, led to war.

If you look at the diplomacy, for example, that led to the outbreak of World War I. I think it is safe to say that no leader actually wanted war at that time. I think it is safe to say that any leader at that time, had he been told four weeks before they started this that within a month they would be involved in a war that would kill millions of people in four years, would have recoiled from horror at that prospect.

Yet it happened.

We want to create an environment in which that sort of contingency is removed, not on the basis of unilateral American activity, but on the basis of strict reciprocity.

Senator HARRY F. BYRD, JR. What date do you put as the starting point of détente?

Secretary KISSINGER. I would say that the concept developed—it started as soon as the Soviets developed a significant nuclear capability, as early as 1954. President Eisenhower said, "There is no alternative to peace," and since then every American President, no matter how different their personalities, and no matter how different their original conceptions, have attempted to grapple with the problem.

Now, the present period of attempting to do this I would put around 1970, 1971—more likely 1971.

Senator HARRY F. BYRD, JR. I think almost everyone would agree that there is no alternative to peace, but you would put it around 1971?

Secretary KISSINGER. I am talking about a particular phase, about the recognition of the necessity of it. I would put that in 1954 when Eisenhower and John Foster Dulles were conducting foreign policy.

Senator HARRY F. BYRD, JR. You don't put the period 1954 to 1970 as a period of détente, do you?

Secretary KISSINGER. I am not saying that the attempt to achieve détente is always realized in any one period, but if you look at the period 1954 to 1970, we have had periods of ups and downs. You have had the period of the so-called "Spirit of Geneva" and then in 1955 when Khrushchev came over here, and then you had another period in the 1960's, and this recent period has been perhaps the most systematic and sustained one of that 20-year period.

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Senator HARRY F. BYRD, JR. I am a member of the Armed Services Subcommittee on Arms Control, and the committee has been seeking since last March to have you appear and testify on SALT issues. I am wondering whether you might indicate a convenient date.

Secretary KISSINGER. I am prepared to appear on SALT issues. The invitation was expressed in rather a curious way, in which all the conclusions to be reached by the committee were already expressed in the letter of invitation.

The second problem has been that I have no substantial disagreement that was made—the testimony that was made by Secretary Schlesinger and Director Colby. But if we can have a procedure so that the chairman doesn't report every 20 minutes to the television cameras what was said in executive session, I would prefer to come before the committee with representatives from Defense, the Joint Chiefs and the CIA to put together the issues in a definitive way, once and for all, so that we avoid this impression that there is something about mental disagreements on SALT, and if we can have everybody gathered in the same room at one and the same time to explain and defend the positions we have jointly taken—on that basis I am prepared to work out a mutually agreeable day with the committee.

Senator HARRY F. BYRD, JR. It seems to me, Mr. Secretary, that now it is really more important for you to be willing to come before the committee.

Secretary KISSINGER. I said I am prepared to do it, and at a date that we will arrive at.

Senator HARRY F. BYRD, JR. I say this particularly because the present Defense budget is based on an agreement on SALT.

Secretary KISSINGER. But the President has made very clear that if there is a new agreement on SALT, we will have to put in a supplemental.

Senator HARRY F. BYRD, JR. I understand that, and that is a cause for concern, too. I must say I was sorry to note that our Defense budget is based on an assumed agreement with the Soviet Union.

Secretary KISSINGER. But, Senator, if there were no agreement with the Soviet Union, since the lead time on all these items is very long, and since that will not in itself produce an immediate crisis, there will be plenty of opportunity to ask for the funds that will be necessary under conditions of no SALT agreement, and you can be certain these funds will be asked for, and the ideas for that have already been put before the President. So that if there is no agreement, we are not putting ourselves at any disadvantage, because the first thing that can be done is to accelerate those statements that are already being planned, and there is complete agreement between the Defense Department, the Chiefs and State as to how to proceed in the absence of a SALT agreement, as there was complete agreement on the Defense budget, and the idea to submit a Defense budget of this kind was not the idea of the negotiators. This was something that was agreed to between the President and the Defense Department, and not something that was put forward by the negotiators.

Senator HARRY F. BYRD, JR. When I expressed a view yesterday to one of the ablest members of the House of Representatives that I thought it startling to base the defense budget on an assumed agreement, he said he regarded it as frightening.

So the budget assumption is an additional reason for you to arrange to come before the SALT subcommittee.

Secretary KISSINGER. First of all, this is not a position I originated. From the point of view of negotiating, one is better off to go the other way, but from the point of view of national security, I think the decision that the President made in consultation with the Secretary of Defense and the chairman of the Joint Chiefs of Staff is no reason to be frightened. We have adequate strategic forces today, and we will have adequate strategic forces for the existing future.

If there is no SALT agreement, we can accelerate existing programs, and we can bring in new programs by the time this acceleration has run its course, and certainly our needs in national defense.

Our problem is not in strategic forces, which we can manage, but our problem is in the shortage of conventional forces for reasonable defense. This reason it is important to bring the strategic forces under control is so we don't put our *military* resources into the politically and strategically least useful category.

Senator HARRY F. BYRD, JR. The other aspect, too, is that it is a weapon that can be used against Congress by saying "You either take whatever agreement our negotiators work out on SALT, or if you don't do that, you are going to have to come up with a lot of extra money."

I don't use the "frightening"—it was my colleague in the House of Representatives that used that. But I do think it is startling.

Secretary KISSINGER. It is a fact that if there is no agreement, there will have to be more money. There is no possible way we can say that in the absence of an agreement, under conditions of unrestrained arms, that we don't need more money. We can't have it both ways. It has to be one or the other, and this is not a form of blackmail. It is a reality.

Besides, we don't have an agreement to put before you at this point, and when we do, my quick impression is that it will be dissected with loving care.

Senator HARRY F. BYRD, JR. If we don't have an agreement, I don't know how we can work up a budget based on the agreement.

MEETING AMERICA'S HOUSING NEEDS

Mr. HUMPHREY. Mr. President, February 29, I had the opportunity to address the National Housing Conference. This distinguished group of public sector and private sector housing officials has fought long and hard for our national goal of "a decent home in a suitable living environment for every American family." It is a fine group of people and I greatly appreciated the opportunity to speak with them.

In my address, I called attention to the dismal failure of the past two administrations to meet our national housing goals. In the 3-year period from 1974 through this year, housing starts have been half the level necessary to meet our housing goals. I presented an alternative housing policy which would revitalize the housing industry and move the country nearer to its national housing goals

Since many Members of Congress are interested in programs that will revitalize the housing sector of the economy, I would like to share my remarks with my colleagues.

Mr. President, I ask unanimous consent that my remarks to the National Housing Conference be printed in the Record.

There being no objection, the remarks were ordered to be printed in the Record, as follows:

Remarks of Senator Hubert H. Humphrey, National Housing Conference

It's a pleasure to be here today with my friends from the National Housing Conference. We've shared many hard-fought battles over the years.

No one needs to remind you that the last two years have been an absolute disaster for the housing industry.

Housing starts slid straight downhill from the banner years of the late '60's and early '70's.

Bankruptcies in the home construction industry became widespread.

Home mortgage interest rates skyrocketed to unprecedented levels.

And government-assisted housing starts slowed to a trickle.

Some of this collapse can be attributed to the decline in the national economy. But no one can deny that government non-policies and policy failures have played a major role.

This Administration has failed to insure a level of housing production sufficient to meet the Nation's needs. Its policy has been simple and precise: Let the market forces operate while the bottom falls out of the market.

Now we are told that the housing industry is recovering—that things are looking up.

That should come as no surprise. Things always look up when you're flat on your back. Sure, housing starts will increase in 1976. They had no place to go but up.

Despite this recovery, however, 1976 will not be a banner year for the housing industry. Mortgage interest rates will decline only slightly and a cloud will continue to hang over multi-family construction, despite Federal assistance. In short, 1976 will be a modest recovery year for housing, but production still will fall far short of anticipated needs.

I don't want to dwell on the past, particularly one as glum as the depression from which housing is just now emerging. I'm an optimist. I'd rather talk about the future and the opportunities it presents. I'd rather talk about the capacity of the construction industry to meet our housing needs. I'd rather talk about the public and private sector initiatives that can make our national housing goals a reality.

We have a national housing goal in this country that you and I consider to be very important, but that others have chosen to ignore. That goal contains two separate but closely related objectives.

The first portion of the goal commits the government to provide "a decent home for every American family." That means a sound structure, with suitable plumbing and heating facilities in compliance with reasonable building standards.

The second part of our national housing goal commits the government to provide "a suitable living environment" for the family that occupies the home. This suggests that a sound structure is not enough. It must be located in a healthy neighborhood with good schools, clean streets, reasonable public safety and, hopefully, a little greenery.

A decent home in a suitable living environment for every American family was a wise goal in 1949 when we conceived it.

It was sound in 1968 when it was repeated, and it remains a worthy goal today.

In 1968, we placed a numerical value on our national housing goals. We agreed—and I emphasize "we" because both the Executive and the Congress participated in the Decision—that 2.6 million new housing starts a year were necessary to meet our national housing goals.

Unfortunately, once we agreed on the goal not much was done to meet it.

During the first five years under our goal we did pretty well. New housing starts from 1969 through 1973 averaged 1.9 million units a year.

But since then, we have had nothing short of a disaster.

Housing starts in the three-year period from 1974 to 1976, despite the recovery, will average approximately 1.3 million units a year, exactly half the production necessary to meet our goals.

But what does this low production mean to the average American family?

First, it means higher home prices.

As housing becomes more scarce, families are forced to bid more for existing housing, driving the price out of reach of many families.

Second, it means overcrowding and substandard units.

Families are forced to double-up, and substandard units that are ready for replacement remain in use.

Finally, it means that little housing is available for low and moderate income families.

These families depend on a large supply so that they constantly can upgrade the quality of their own housing by trading up.

There are several steps that must be taken to restore housing production to levels that are sufficient to meet our housing goals.

First and foremost, we need economic policies designed to put America back to work.

At present we are wasting our economic resources day after day.

Almost eight percent of the work force is unemployed.

Twenty seven percent of industrial capacity is idle.

Some $54 billion in Federal tax revenues were lost in 1975 due to the recession. Another $27 billion was lost by State and local government.

And here's the real killer. We will lose more than $1 trillion in production, output and income, from the beginning of the recession to 1980.

An economy that is losing that much output, and the personal income that goes with it, just can't afford much new housing.

So we need full employment and rising personal incomes to make housing purchases a reality.

Second, we need a steady and expansive monetary policy. Every time the Federal Reserve tightens the monetary screws, the whole economy suffers.

But when the economy gets a cold, housing gets double pneumonia.

Monetary policy must be sufficiently expansive to take housing off the economic roller-coaster by insuring an adequate supply of credit at reasonable interest rates.

Third, we need policies designed to make home ownership available to a larger number of American families.

That means we have got to reduce mortgage interest rates.

If looser monetary policy is not enough, we will just have to do it more directly.

The Federal government must get into the business of making mortgage money available at reasonable interest rates to the average American family. This is the heart of any national housing policy.

I have introduced a bill to establish a Federal Housing Bank to buy up low-rate mortgages and assure a steady supply of mortgage money at a fair rate of interest—six percent to a maximum of seven percent—for persons who want to own their own homes.

The amount of the mortgage should be that amount necessary to finance a modest but adequate dwelling.

It is a bold idea, but the time is clearly past for tinkering.

Through such a program, the American dream of owning a home can become an American reality once again.

Fourth, we need programs that will allow young families to enter the housing market.

At present, housing policies are upside down.

Families can afford a large house when the children are mature and they don't need a big home.

But when they first start a family, they can't afford anything.

I am examining various programs that will reduce the initial monthly payments on a mortgage so that young families can get a piece of America.

Fifth, we need specific policies designed to revitalize the multi-family housing industry. We must carefully examine local, State and Federal government regulations that are preventing multi-family construction.

Sixth, we must create a National Domestic Development Bank for the long term financing of public facilities. This alternative financing method is absolutely essential. Capital investment by local governments again has slowed because money is so dear. Without the sewers, roads, schools, courthouses, recreational facilities and health facilities we need, our goal cannot be reached.

Seventh, we never really had a program for the production of housing units suitable for low and very low income families. The rent supplement program, which assists families directly, has been small and not geared to produce new housing units.

The traditional public housing did produce housing, but high operating costs kept rents too high for low income families. The public housing program, when coupled with an adequate program of operating subsidies, might have produced new housing, but this has not been tried, nor has Congress mandated the integration of these two programs to produce much needed housing.

We need a program to meet this very basic need. And, any such program would have to be based on a recognition that housing for very low income families would be more expensive than housing for middle income families. More expensive because:

It must be built sturdier to withstand the hard use of large numbers of children.

It must be built to be maintenance-proof for the same reason.

It must include the costs of community and recreational facilities so that these would be available when the units are ready to be occupied.

Without such an approach we are doomed to continue to house very low income people in slums. And this is intolerable.

Finally, and perhaps most important, we need to revive government assisted housing construction programs for low and moderate income families. In 1968, we made a commitment to build 600 thousand government assisted housing units a year. The present Administration has welched on that commitment.

Government assisted housing starts in 1974 were about 60 thousand units, one-tenth of our national goal. In 1975, they still were below 100 thousand units.

This is a national tragedy and a disgrace. Low-income families are living in housing that would be considered substandard in any industrialized country in the world.

Yet, this situation is tolerated in the world's richest Nation.

You and I know that Section 8 by itself is not the answer. We need a strengthened and expanded Section 235 program. We need to expand public housing programs. We need to pull Section 236 out of the mothballs. And we need to provide State Housing Finance Agencies with a source of credit so they can make a contribution, too.

But that only takes care of half of our goal—"the decent home."

The other half of the goal—"a suitable living environment"—is just as important and certainly more often ignored.

This Administration has turned its back on our Nation's cities.

It has encouraged the flight of jobs and income.

It has denied aid in the moments of greatest need.

Just two weeks ago, President Ford vetoed a bill that would have provided desperately needed emergency financial relief to our cities.

You and I know that any program that provides a decent house without a decent neighborhood is doomed to fail. Good schools are necessary to help break the cycle of poverty; parks are necessary to provide physical and emotional relief from the city; clean streets are necessary if a neighborhood is to remain decent and its people to have pride. Without these amenities a decent house will not remain decent.

Unfortunately, the last two Administration have given low priority to programs designed to revitalize our neighborhoods. However, we do have the Community Development program. This is a good program and it should be continued. But it is not enough.

We need economic development as well as community development.

And we need housing rehabilitation money, as well as new construction assistance.

We need grants to repair existing infrastructure as well as programs to build new facilities.

In short, we must arrest present policies which encourage the throw-away city and embark on a new conservation approach. Conservation of housing, conservation of neighborhoods, conservation of infrastructure, and conservation of cities must be the top priority.

I have tried to speak briefly about the opportunities that exist, about the need to reverse present policy trends, and about the importance of reaffirming our housing goals. The opportunity exists, the goals are there.

All we need now is the commitment, the will, and the leadership to reach them. I ask you to join with me in accepting this challenge and demanding that decent homes for Americans be among the highest priorities of our Nation.

PRIVACY LAWS: A THREAT TO CRIMINAL JUSTICE

Mr. MATHIAS. Mr. President, one of the foundations of our Republic is our system of criminal justice. Even as we hail the American system of justice, we must be concerned about a possible threat to it. That threat, as expressed in the Washington Post in an article by J. R. Wiggins on March 15, develops from what Mr. Wiggins describes as a wave of privacy laws being enacted across the country. Privacy, too, is one of our constitutional foundations, and the possibility that this cherished principle of our system of Government might be so interpreted as to be seen as a threat to another such principle is a matter worthy of consideration even though it is not the first time that basic principles have clashed. Mr. Wiggins, of course, is no stranger to us in Washington, or to a discussion of the important issues of our time. He was for many years the editor of the Washington Post, and we remember him well. Now he is editor and publisher of the Ellsworth, Maine, American. His discussion of the privacy laws and our criminal justice system deserves attention, and I ask unanimous consent that his article in the Post be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

PRIVACY LAWS: A THREAT TO CRIMINAL JUSTICE

(By J. R. Wiggins)

Americans are risking their priceless heritage of a relatively open system of criminal justice that protects them against secret arrest, secret trial and secret punishment, by submitting to the enactment of federal and state law enforcing privacy upon the arrest records of persons acquitted, and the files of those who have completed prison sentences, and records of those who have been pardoned.

Twenty-eight states have passed varying laws enforcing some degree of concealing, expungement, or sealing of such records. The Tunney subcommittee of the Judiciary Committee held hearings on a sweeping federal statute (S. 2008) last July. The Law Enforcement Assistance Administration has been promulgating regulations requiring the states to conform to concealment guidelines in the circulation of criminal justice information.

In the forefront of this assault upon historic protections against secrecy in the criminal justice system, odd to relate, are the American Civil Liberties Union, and liberal legislators such as Sen. John Tunney and Sen. Edward Kennedy.

The wave of privacy laws being enacted in the states already has brought to two states the reality of secret arrest which Americans have hitherto associated only with fascist and Communist countries.

In Hawaii, in August, 1974, Honolulu police, acting under a privacy statute, refused to release any information about incarcerations or arrests, and the public could not find out the names of those arrested or the offenses with which they were charged. A prosecutor refused to release the names of persons indicted by a grand jury.

Acting under their interpretation of an act lobbied through the Oregon legislature by the American Civil Liberties Union, law officers at the Umatilla county jail at Pendleton, Oreg., held 175 persons in jail on Sept. 15, 1975, refusing to acknowledge their presence to relatives and friends or bail bondsmen. On Sept. 17, the Oregon legislature summoned into special session by Gov. Robert W. Straub, hastily repealed the law entirely. In Maine, acting under his interpretation of the Maine expungement statute, the then secretary of state, Joseph Edgar, in November, 1974, directed newspapers in the state to excise from their files records of the arrest and conviction and prison service of persons pardoned by the governor. (The Maine legislature now is considering legislation to repeal an expungement statute.)

Areyeh Neier, executive director, American Civil Liberties Union, in his testimony before the Tunney subcommittee on July 15 and 16 made a strong appeal for privacy of both arrest and conviction records. He said that only if the victim of an arrest consents should the fact be made public, and he argued that it violates due process to disseminate to the press conviction records "absent the individual's consent." If the press discovers the records, it should be free to publish them, in Neier's view—an empty privilege if laws punish all disclosure of the records. In its current solicitation of funds the ACLU states: "ACLU court cases and legislative action seek to open government actions to public view." S. 2008 and the Oregon, Hawaiian and Maine laws seem singular ways to "open government actions to public view." Neier revives a Blackstonian opinion that freedom of the press consists only of immunity to prior restraint in an age when society, by two centuries of experience, has found that *it comprehends* (1) the right to get information about government; (2) the right to print without prior restraint; (3) the right to print without fear of punitive punishment; (4) the right to distribute. A press that is deaf and blind, by law, is no table to make effective use of the power of speech.

The state laws already passed, and the agitation launched by ACLU and others, is already, in many practical ways, diminishing the power of the press to fulfill its function as the public's surrogate in the constant scrutiny of the law enforcement process. The extreme interpretation of the Hawaii statute, the Oregon statute, and the Maine statute flow logically from the spirit of the expungement and concealment laws. They give a sanction to secrecy by police and courts. Over time, they will draw about the transactions of the police and the courts a cloak of secrecy that will be so difficult to penetrate that citizens will come to know very little about criminal justice processes.

The very citizens these statutes are intended to protect will have their basic rights imperiled, exposing them to the risk that none will learn of their arrest, scrutinize the conduct of the police and judges who deal with them, or keep alive the just public concern with the conditions of their incarceration. These are all public matters that involve all of society which is interested in seeing that justice is done and injustice is not countenanced.

SECRETARY KISSINGER'S VIEW OF THE NATION'S FOREIGN POLICY CHOICES FOR THE NEXT DECADE

Mr. SPARKMAN. Mr. President, today Secretary of State Henry Kissinger appeared before the Senate Foreign Relations Committee to discuss his view of the Nation's foreign policy choices for the next decade.

The hearing was one of our continuing series "Foreign Policy Choices for the 1970's and 1980's." The course he charted for us was full and illuminating.

I think it would be of interest to Members of Congress unable to attend. Therefore, I ask unanimous consent that his compete statement be printed in the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

SENATE FOREIGN RELATIONS COMMITTEE BICENTENNIAL HEARINGS, MARCH 16, 1976

Mr. Chairman, Members of the Committee: There could be no better moment for the "dispassionate public discussion and national self-examination" in foreign policy for which you, Mr. Chairman, have called these hearings.

The moment is propitious not primarily because of the numerical happenstance of our 200th year, or of the political milestone of this Presidential election campaign, but because of the era we have entered in international affairs. It is a moment to take stock of our country's record and consider our future course to reflect about the transformations of the international order which we can perceive from this vantage point—some already completed and some still in train—that have altered many of the circumstances in which American foreign policy is conducted.

Today I want to focus on what lies ahead of us—the international issues that will confront the American public, the President and the Congress, regardless of party, as we enter our third century. For we must remember, amid all our debates, that this nation has permanent interests and concerns in the world that must be preserved through and beyond this election year. This nation faces objective conditions in the world that are not the result of the machinations of personalities nor even, often, the product of our national decisions. They are realities brought by the ebb and flow of history. The issues they raise must be addressed with seriousness, understanding and objectivity if we as a people are to remain masters of events and of our own destiny.

As President Ford has said, "America has had a unique role in the world since the day of our independence 200 years ago. And ever since the end of World War II has borne successfully a heavy responsibility for insuring a stable world order and hope for human progress." That responsibility continues—not only as a task we shoulder for others or in fulfillment of our ideals, but as a responsibility to ourselves—to create a world environment in which America and its values can thrive.

Mr. Chairman, in foreign policy we stand on the firm ground of America's strength and clear purpose. We face the future with confidence. We have made considerable progress in strengthening partnership with our allies, in managing the global issues of peace and security, and in beginning a new era of cooperation on the global problems of interdependence. The potential for further advance is great.

But today the world looks anxiously to America to gauge whether we will choose to build upon this progress. They ask whether America will use its strength to respond to today's challenges. One of the greatest factors of uncertainty in the world today is concern about America's will and constancy. These doubts are not caused by statements made in the heat of a political campaign but rather by a decade of convulsions culminating in a serious question as to the basic direction of American foreign policy. These doubts must be dispelled. I am convinced that they will be dispelled—not by public statements, but by demonstrations of the purposefulness of national policy, the vigor of the American economy, and the renewed unity of the American people on which all else depends. We are going through a period of adjustment and reappraisal. We must all work together, so that we are the stronger for it when it is completed.

The American people, and the Congress as their elected representatives, have a central part to play in the enterprise of national reaffirmation. Their contribution is essential as a matter of constitutional principle in the making of foreign policy, and as a matter of practical necessity in the implementation of any successful long-term course. As Senator Case has pointed out, "Congress has an important role in helping voters make known their concerns and to guide the Executive Branch in its conduct of foreign policy. A democracy such as ours cannot hope to successfully carry out for any length of time a foreign policy which does not have firm domestic roots."

These hearings have already provided much insight into the American public's perceptions of foreign policy, which we have found extremely useful.

THE INTERNATIONAL ENVIRONMENT

Through most of our history, Mr. Chairman, our peace and security were provided for us. The successful growth of our democratic society at home, and the absence of direct threat from abroad, nourished our sense of uniqueness and the belief that it was our own choice whether and when we would participate in the world. We entered wars only when overwhelming danger threatened. We identified exertion in foreign affairs as a temporary interruption of our domestic tranquility. Once aroused, we were implacable, fighting "the war to end all wars," or until "unconditional surrender."

We had margin for error. Our history, except for the Civil War was without tragedy, and our resources and good fortune left us without the sense of external limits that so colored the experience of almost every other nation. Our successes seemed to teach us that any problem could be solved—once and for all—by determined effort. The qualities on which all other nations in history depended to ensure their survival in a hostile or ambiguous environment—subtlety, maneuver, imagination, consistency—were disparaged in America as cynical or immoral. The equilibrium of power which kept the peace for long periods in the turbulent history of Europe was denounced in this country as a preoccupation with power at the expense of moral principle.

Even in the first 25 years after World War II—an era of great creativity and unprecedented American engagement in foreign affairs—we acted as if the world's security and economic development could be conclusively ensured by the commitment of American resources, know-how and effort. We were encouraged—even impelled—to act as we did by our unprecedented predominance in a world shattered by war and the collapse of the great colonial empires.

At the same time, the central character of moral values in American life always made us acutely sensitive to the purity of means—and when we disposed of overwhelming power we had a great luxury of choice. Our moral certainty made compromise difficult; our preponderance often made it seem unnecessary.

Today, power takes many forms and our circumstances are more complex. In military power, while we still have massive strength, we no longer enjoy meaningful nuclear supremacy. In economic terms we remain the world's most productive economy, but we must now share leadership with Western Europe, Canada, and Japan; we must deal with the newly wealthy and developing nations; and we must make new choices regarding our economic relations with the Communist countries. Our moral influence, our democratic principles, are still far more valued by the world's millions than we realize, but we must compete with ideologies which assert progressive goals but pursue them by oppressive methods.

All Americans have a right to be proud of what this nation accomplished in our past thirty years of world leadership. We assisted European and Japanese recovery; we built indispensable alliances; we established an international economic system—and we sustained global peace and global progress for a generation.

We have great things yet to do, requiring our unity, our dedication and our strength. For we live, and our children will live in a more complex time:

First, we face the necessity of drawing on the new strength and vitality of our allies and friends to intensify our partnership with them. They have become, again, major centers of power and initiative. This is a lasting success of our foreign policy. And today, our unity with the great industrial democracies is fundamental to all we seek to accomplish in the world.

It is we who maintain the global balance of power that keeps the peace. And it is our unmatched economic dynamism that is the best hope for a world of widening prosperity. Above all, our moral unity and commitment to the values of democracy are crucial to the fulfillment of our own dreams as well as to the creative use of man's energies in solving the problems of the future. In a complex world—of equilibrium and coexistence, of competition and interdependence— it is our ideals that give meaning and purpose to our endeavors.

For we face, secondly, the ago-old challenge of maintaining peace, but in the unprecedented dimension of an age of thermonuclear weapons. The Soviet Union, after sixty years of economic and industrial growth, has—inevitably—reached the status of a superpower. As a result, we must conduct a dual policy. We and our allies must restrain Soviet power and prevent its use to upset global stability. At the same time, our generation faces the long-term challenge of putting the U.S.-Soviet relationship on a more secure, constructive, and durable basis.

We must, as well, continue the progress we have made in fashioning a new relationship with the People's Republic of China. We consider the opening to the People's Republic of China one of the key elements of our foreign policy.

Beyond this, global security presents other permanent necessities. There is the continuing need to moderate and resolve regional conflicts which threaten global economic or political stability. And there is the urgent and growing challenge of preventing the proliferation of nuclear weapons, which gravely increases the risks of nuclear holocaust.

The third central challenge is to build a wider world community out of the turbulent environment of today's nearly 150 independent nations. Two world wars in this century and the process of decolonization have broken down the international order of previous centuries. For the first time in history the international community has become truly global. The new nations make insistent demands on the global system, testing their new economic power and seeking a greater role and more equitable share in the world's prosperity. A new pattern of relationships must be fashioned out of cooperation for mutual benefit, impelled by the reality of our global interdependence.

Our friendships with nations in Latin America, Asia, and Africa, on the basis of mutual respect and practical cooperation, take on a new importance as the building blocks of world community. We must recognize that no world order will be stable over the last quarter of this century unless all its participants consider that they have a stake in it and that it is legitimate and just.

These are the basic challenges facing this nation as we enter our third century.

In such a world, Mr. Chairman, this country can no longer choose whether or not it is involved in international affairs. On a shrinking planet, there is no hiding place. There are no simple answers. This nation cannot afford to swing recklessly between abdication and confrontation; we must pursue a long-term course. Although we are stronger than any other, we cannot operate primarily by throwing our weight around. Lasting peace is not achievable without an international consensus. We must learn to conduct foreign policy as other nations have had to conduct it for many centuries, without escape and without respite. We must learn patience, precision, perspective—knowing that what is attainable falls short of the ideal, mindful of the necessities of self-preservation, deriving from our moral conviction the courage to persevere. For America finds itself, for the first time in its history, irrevocably and permanently involved in international affairs.

The world needs desperately our strength and our purpose. Without American strength there can be no security; without American convictions there can be no progress.

Americans have always regarded challenges as a test, not an obstacle. We have great opportunities for creative diplomacy, to shape from this turbulence and complexity a world community of greater stability and hope. We, more than any other country, are in a position to determine—or have a decisive impact upon—the evolution of the global order.

Forty years ago when the forces of democracy faced a great threat, the United States was waiting in the wings to come to Europe's rescue. Today there is no one waiting in the wings to come to *our* rescue.

Let me discuss at greater length some of the basic long-term challenges we face.

THE UNITY OF THE INDUSTRIAL DEMOCRACIES

The cornerstone of our foreign policy is—as it has been for a generation—our partnership with our principal allies in the Atlantic Community and Japan. These partnerships began three decades ago as a means of collective security against aggression, and of cooperation for economic recovery from the devastation of World War II. In the succeeding period our alliances have been the bulwark of the global balance of power. Our cooperation with the great industrial democracies has been the underpinning of the world economic system which has sustained global prosperity and spread it to the far corners of the earth.

Rarely in history have alliances survived as ours have survived, and indeed flourished, through so many vast changes in the international environment. And in the last few years, we and our allies have not only continued to strengthen our common defenses; we have extended our collaboration successfully into new dimensions of common endeavor—in improved political consultation, in coordinating our approaches to negotiations with the Communist countries, in developing a common energy policy and strategy, in reinforcing our respective economic policies for recovery from recession, in environmental cooperation, and in fashioning common approaches for the dialogue with the developing countries.

All these efforts to build peace and promote progress reflect our common belief in freedom and our common hope of a better future for all mankind. These are permanent values of this nation, and therefore our alliances and friendships that are based on them and designed to further them are permanent interests of the United States.

Our cohesion has a more than technical significance. While foreign policy is unthinkable without pragmatism, pragmatism without moral purpose is like a rudderless ship.

Our ties with the great democracies are thus not an alliance of convenience, but a union of principle, in defense of democratic values and our way of life. It is our ideals that inspire not only our self-defense, but all else that we do. And the resilience of our countries in responding to all our modern challenges is a testimony to the spirit and moral strength of our free peoples.

As we look to the future, there is no higher priority in our foreign policy than sustaining the vitality of democracy and the unity of democracies. The world will become more, not less, complex; our power will grow more, not less, interwoven with others; our values will be more, not less challenged. In such a world, the solidarity of our relations with those who share our heritage, our way of life, our ideals, takes on more, and not less, importance, for as far ahead as we can see.

Our responsibilities are, first, our common defense. The closeness of our collaboration on defense matters is greater today than anytime in the past decade. We must maintain it because it is the stability of the military balance that has brought about whatever hope there is of easing tensions in Europe and in Asia.

There is greater sharing of responsibility in North Atlantic defense today. The President has taken the initiative in promoting such improvements as improved standardization of equipment and more effective force structuring. But the United States must remain conscious of its own special responsibility in the Alliance—to maintain the strategic balance, and to contribute its crucial share to maintaining the conventional balance in Europe and Mediterranean, and more generally.

Our security is a precondition of all else that we do. Of this foundation, we will face over the coming period a broad range of tasks beyond the traditional enterprise of collective defense.

We will continue to seek to enhance our security and general peace through arms control and negotiation of political conflicts. We hope to see programs in the talks on Mutual and Balance Force Reductions in Europe. We expect that the 1971 Quadripartite Agreement in Berlin, which ended a chronic crisis of more than two decades, foreshadows an era of enhanced security in Central Europe.

In the coming decade, the collaboration of the industrial democracies can be the dynamic force in the building of a more secure and progressive international order. We have made a remarkable beginning. New steps have been taken in the last few years, and further will be taken, to strengthen European unity; this has the strong support of the United States. The new institutions and programs of our collective energy strategy are in place. We have discussed and developed common approaches to the new dialogue with the developing nations. The passage of the Trade Act of 1974 enabled this country to enter into a new round of trade negotiations with Europe and Japan to make basic improvements in the world trading system. In recent months, the Rambouillet Economic Summit and the Jamaica reform of the international monetary system demonstrate that the future of our cooperation among the industrial democracies will be as fruitful as the past.

In this regard, I want to mention an important item of business before this Committee—approval of our participation in the OECD Financial Support Fund. This is the contingency mechanism, proposed by the United States, to ensure mutual support among the industrial nations in the face of financial disruptions or pressures by actions of the oil cartel. At little cost, this mechanism will provide a financial safety net, combat protectionism, and promote our cooperation on energy policy. It is vital for the industrial nation's independence. Seven other OECD members have ratified it and the rest are expected to do so by the middle of this year. I hope the Congress will move quickly to do the same, to reinforce the solidarity of the industrial democracies.

It is our belief that in an era when our democratic values are under challenge in the world and our societies have been buffeted by economic difficulties at home, the solidarity and cooperation of the great democracies are of crucial importance for giving impetus to all our efforts. We have proved what we can do—and vindicated the faith of our people in the values and future of our societies. We have proved that our unity can be as dynamic a force for building a new international order today as it was thirty years ago.

The new solidarity we are building can draw its inspiration from our hopes and ideals, rather than merely our common dangers. A thriving Europe and Japan and North America will not only be secure and prosperous, but a magnet to the Communist countries and to the developing world. And so we can enter the last quarter of this century confident that we are masters of our own destiny—and making a decisive contribution to the world's destiny.

PEACE AND EQUILIBRIUM

Of the challenges that the democracies face, none are more fundamental than the issues of peace and war. These issues—the traditional foreign policy agenda—take on in this era an unprecedented dimension.

There are three principal aspects to this problem of peace:

Relations with the major Communist powers;

The effort to resolve regional conflicts and disputes peacefully;

And the increasing danger of nuclear weapons proliferation.

We live in a world in which this country must now deal with a country of roughly equal power. This is not a familiar world for modern Americans. Yet it is the kind of world in which we will live for the rest of this century and beyond—no matter what we do in the military field.

Thirty years ago, the United States, alone among the major nations of the world, emerged from the Second World War with its economy and society undamaged by war. We enjoyed a tremendous preponderance in economic power, and a monopoly on nuclear weapons. This great physical strength gave impetus to the willingness of the American people to take responsibility for helping to shape a better postwar international order. The creativity and generosity that this nation displayed in that period are a lasting tribute to the American spirit.

Today, because of the inevitable recovery and growth of our allies—and our adversaries—the United States now finds itself in a world of relative kinds of equilibrium. In strategic military power, the world is still bipolar. Economic power is more widely dispersed among many major nations, including the wealthier of the developing nations. In moral and ideological influence, many nations and philosophies contend. The task of consolidating peace thus presents itself in this era as a far more complex problem than ever before, both practically and morally.

With our allies, we have learned to share responsibility and leadership, and this has enhanced our collaboration in every dimension of common endeavor. But with our adversaries, we face the imperative of coexistence in an age of thermonuclear weapons and strategic parity. We must defend our interests, our principles and our allies, while ensuring at all times that international conflict does not degenerate into cataclysm. We must resist expansionism and pressures, but we must on this foundation seek to build habits of restraint that will over the long term lead to a reliable reduction of tensions.

This Government has therefore moved with energy and purpose over the last several years, and in concert with our allies, to consolidate and transform our *relationships with the major Communist powers,* for a new era and for our long-term future.

We have established a new and durable and hopeful relationship with the People's Republic of China, a nation comprising nearly one-quarter of mankind. This new relationship has made an important contribution to peace in Asia and in the world. President Ford is committed to continue the process of nomalization of our relations in accordance with the principles of the Shanghai Communique.

And this country in the last several years has opened up positive relations with countries in Eastern Europe. Two American Presidents have visited Poland, Yugoslavia, and

Romania, to demonstrate that in our view, European security and relaxation of tensions apply to Eastern as well as Western Europe. This remains, and must remain, a basic principle of American policy.

In an age when two nations have the power to visit utter destruction on the whole planet in hours, there can be no greater imperative than assuring a rational and secure relationship between the nuclear superpowers. This is a challenge without precedent. Historically a conflict of ideology and geopolitical interest such as now characterizes the international scene has almost invariably led to war. But in the age of strategic equality, humanity could not survive such a repetition of history. War would mean mutual suicide.

Therefore, with respect to the Soviet Union, the United States faces the necessity of a dual policy. We must preserve stability, but not rest upon it. We must firmly resist and deter adventurism. But at the same time, we must keep open the possibility of more constructive relations between the United States and the Soviet Union—resolving political disputes by negotiation, such as Berlin; working out stable agreements to limit strategic arms on both sides, as in the SALT I agreements and the accord at Vladivostok; and—when political conditions permit it—developing our bilateral cooperation in economic and other fields to give both sides a vested interest in continuing and improving political relations.

We have an obligation to mankind to work for a more secure world. We have an obligation to the American people to ensure that a crisis, if it is imposed upon us does not result from any lack of vision of the United States.

We face a long-term problem, and we must fashion and maintain a long-term policy. An equilibrium of power is indispensable to any hope of peace. But a balance of power constantly contested is too precarious a foundation for our long-term future. So this country, in its third century, must avoid the twin temptations of provocation and escapism. We must maintain a steady and confident course; it must be a policy that our adversaries respect, our allies support, and our people believe in and sustain.

By whatever name we call it, the U.S.-Soviet relationship must be founded on certain fundamental principles, which this country has affirmed consistently for the last seven years:

First, we will maintain our military *strength*. The United States must maintain an equilibrium of power through a strong national and allied defense. The United States will do what is necessary to maintain the balance in all significant categories of military strength—including conventional as well as strategic forces.

Secondly, this country is prepared to *negotiate solutions* to political problems. The 1971 agreement on Berlin is an example. And both superpowers share a basic responsibility to ensure that the world is spared the holocaust of a nuclear war. Strategic arms limitation is therefore a permanent, mutual, and fundamental interest. At Vladivostok in 1974, President Ford reached agreement on the outline of a comprehensive agreement putting an equal ceiling on strategic forces on both sides for a ten-year period. The issues that remain in completing that agreement are soluble. An agreement on the basis of strict reciprocity is attainable.

Both sides have vital interests, but have an overriding interest in avoidance of major conflict. Therefore long-term peace can only be founded on the practice and habit of *restraint*. Exploiting local crises for unilateral gain is not acceptable. This nation will not seek confrontations lightly, but we are determined to defend peace by systematic resistance to pressures and irresponsible actions. The growth of Soviet economic and military power could not have been prevented; what can be prevented is the use of that power to upset the global balance. Without restraint there is no possibility of a meaningful relaxation of tensions.

If we preserve security on this basis, opportunities exist for creative diplomacy to engage the Soviet Union more firmly in constructive participation to the international system. We are prepared to hold out the prospect of increasing *bilateral cooperation* in the economic, technical, and other fields, to give both sides an increasing stake in positive political relations. Over the long-term we have it within our capacity to make our coexistence durable and secure, and to turn it into cooperation.

This is the broad agenda for the future of the U.S.-Soviet relationship. More specifically:

We cannot prevent the growth of Soviet power, but we can prevent its use for unilateral advantage and political expansion.

We must accept the reality that sovereign states, especially ones of roughly equal power, cannot impose unacceptable conditions on each other, and ultimately and inevitably must proceed by compromise.

The United States will never stand for violation of a solemn treaty or agreement.

We can never tolerate a shift in the strategic balance against us, either in unsatisfactory agreements, violations of agreements, or by neglect of our own defense requirements.

We are determined to pursue the effort to negotiate a saner and more secure strategic balance on equitable terms, because it is in our interest and in the interest of world peace.

Any Administration conscious of the long-term requirements of peace will find itself implementing the same dual approach of firmness in the face of pressure, and readiness to work for a more cooperative world. Of course, differences are inevitable as to the practical application of these principles. But, as President Kennedy said, "in the final analysis our most basic common link is that we all inhabit this small planet. We all breathe the same air. We all cherish our children's future. And we are all mortal."

As the United States and Soviet Union have taken important steps toward regulating their own competition, *the problem of local conflicts* persists and indeed to some extent increases. The world begins to take for granted the invulnerability of global stability to local disturbances. The world has permitted too many of the underlying causes of regional conflicts to continue unattended, until the parties came to believe their only recourse was to war. And because each crisis ultimately has been contained, the world has remained complacent. We cannot forget the ominous lesson of 1914. Tolerance of local conflicts tempts world holocaust. We have no guarantee that some local crisis will not explode beyond control. We have a responsibility to prevent such crises.

This must be a permanent preoccupation of statesmen who are concerned for the preservation of peace over the next decades. In the modern era, global communications have shrunk our planet and created a global consciousness. Nations and peoples are increasingly sensitive to events and issues in other parts of the globe. Our moral principle extends our concern for the fate of our fellowmen. Ideological conflict respects no boundaries and calls into question even the legitimacy of domestic structures.

We cannot expect stability to continue indefinitely unless determined efforts are made to moderate and resolve local political conflicts peacefully.

The United States is not the world's policeman. But we have learned from bitter experience—as recently as 1973—that conflicts can erupt and spread and directly touch the interests and wellbeing of this country. Helping to settle disputes is a longstanding American tradition, in our interest and the world interest.

Nowhere is there greater urgency than in the Middle East. The agreements negotiated between the parties over the past few years, in accordance with Resolutions 242 and 338, are unprecedented steps toward an ultimate peace. These efforts must and will continue. Both sides must contribute to the process; the United States remains committed to assist. The elements for further progress toward peace exist. Stagnation runs a grave risk of further upheaval, of benefit to neither side, and of grave implications for the peace and economic wellbeing of the world.

Proliferation of nuclear weapons technology could add a more ominous dimension to a world in which regional political conflicts persist. The dangers so long predicted may be coming closer at hand. As I said to the United Nations General Assembly in September, 1974: "The world has grown so accustomed to the existence of nuclear weapons that it assumes they will never be used. . . . In a world where many nations possess nuclear weapons, dangers would be vastly compounded. It would be infinitely more difficult, if not impossible, to maintain stability among a large number of nuclear powers. Local wars would take on a new dimension. Nuclear weapons would be introduced into regions where political conflict remains intense and the parties consider their vital interests overwhelmingly involved. There would, as well, be a vastly heightened risk of direct involvement of the major nuclear powers."

Therefore, halting proliferation is a major foreign policy objective of this Administration as it has been for all previous Administrations since the dawn of the nuclear age. As I explained to your colleagues on the Senate Government Operations Committee just a week ago, we have intensified our efforts—in international bodies, with other nations who are principal exporters of nuclear materials, with potential nuclear powers—and with the Congress—to ensure that the benefits of peaceful nuclear energy can be spread widely without at the same time spreading the perils of holocaust. It is a challenge to statesmanship to see beyond the immediate economic gains from unrestrained competition in nuclear exports and to act to halt a mushrooming danger.

SHAPING A WORLD COMMUNITY

The upheavals of the Twentieth Century have bequeathed to us another fundamental task—to adapt the international structure to the new realities of our time. We must fashion constructive long-term relationships between the industrial and developing nations, rich and poor, North and South; we must adapt and reinvigorate our friendships in Latin America, Asia and Africa, taking into account their new role and importance on the world scene; and together with all nations we must address the new problems of an interdependent world which can only be solved through multilateral cooperation.

A central issue of foreign policy over the next generation will be the relationship between the industrial and developing nations. Decolonization and the expansion of the world economy have given birth to new countries and new centers of power and initiative. The world environment of the next decades can be the seedbed of political instability, ideological confrontation and economic warfare—or it can become a community marked by international collaboration on an unprecedented scale. The interdependence of nations—the indivisibility of our security and our prosperity—can accelerate our common progress or our common decline.

Therefore, just as we must go beyond maintaining equilibrium if we are to ensure peace, so must we transcend tests of strength in North-South relations and seek to build a true world community. In international forums, the United States will resist pressure tactics, one-way morality, and propagandistic assaults on our dignity and on common sense. We will defend our interests and beliefs without apology. We will resist attempts at blackmail or extortion.

We know that world order depends ultimately on cooperative efforts and concrete solutions to the problems in our relations. The price and supply of energy, the conditions of trade, the expansion of world food production, the technological bases for economic development, the protection of the world environment, the rules of law that govern the world's oceans and outer space—these are concerns that affect all nations and that can be satisfactorily addressed only on the basis of mutual respect and in a framework of international collaboration. This is the agenda of an interdependent world.

We have much reason for confidence. It is the West—and overwhelmingly this country—that has the resources, the technology, the skills, the organizational ability and the goodwill that are the key to the success of these international efforts. In the global dialogue among the industrial and developing worlds, the Communist nations are conspicious by their absence, and indeed, by their irrelevance.

Therefore, we have begun the dialogue with the developing nations. At the World Food Conference in 1974, which was called at our initiative, and at the Seventh Special Session of the UN General Assembly last September, and in the Conference on Economic Cooperation now underway in Paris, the United States has taken the role of leadership. We have undertaken it with a strong contribution from the Congress, and in the spirit of the highest ideals of the American people. This must continue.

The United States has presented a wide range of proposals for practical cooperation that could shape a constructive long-term economic relationship between the developed and developing countries—to safeguard export earnings against economic cycles and natural disasters, to accelerate growth and agricultural production, to improve conditions of trade and investment in key commodities, and to address the urgent needs of the poorest countries. In every area of concern we have proposed methods of cooperation among all countries, including the other industrial countries, the newly-wealthy oil producers, and the developing countries. Many of our proposals of last September have already been implemented. More can be done. If we are met in a constructive spirit, we will respond. There is a full agenda before us, implementing proposals that have already been made, and going beyond.

The United States has long-standing friendships on a bilateral basis with the nations of *Latin America, Asia and Africa* which we seek to adapt, improve, and build upon.

Latin America, which I have recently visited, is for the United States a region of special ties and special interest. It is as well a continent in a process of transition. Hemispheric relationships—bilateral, regional, multilateral and global—are in flux. An earlier community of the Americas bounded by exclusivity has given way to a more open relationship which turns not on convention, but on mutual respect, common interests, and cooperative problem-solving, and a more active role in the events outside the region. At the same time, the importance of Latin America to the United States is steadily increasing—as elements of the global economy, as participants in the world's political forums, and in their new role as the most developed of the developing nations. The United States must adapt to these changing realities, and it has begun to do so. Equally, we maintain our conviction that the Americas must not reject, but build upon, the precious heritage of our tradition of cooperation. This is the formula for our future progress. The great issues of global interdependence are before us; with this special advantage, and on the basis of respect and sovereign equality, we here in this Hemisphere can cooperate to find mutually beneficial solutions. If we succeed, our collaboration can be a model for the wider world community that we seek.

Our relations with Asia are crucial as well, for in Asia the interest of all the major powers in the world intersect. The stability of the region will be central to world peace over the coming decades as it has been in past decades. President Ford's trip to Asia in December both reaffirmed America's fundamental stake in Asia and opend a fresh chapter in our relations with the nations of the region. He set forth the premises of our country's future approach to Asia:

That American strength is basic to any stable balance of power in the Pacific and, therefore, to global stability;

That partnership with Japan is a pillar of our Asia policy;

That the process of normalization of relations with the People's Republic of China is indispensable. America's ties with one-quarter of mankind are inevitably of crucial importance to the world of the future;

That we have a continuing stake in stability and security in Southeast Asia, an area of great dynamism and promise;

That peace in Asia depends upon the resolution of outstanding political conflicts, most prominently that of the Korean peninsula;

And that economic cooperation among the peoples of the Pacific basin is essential to fulfilling the aspirations of the peoples of the region for a better future.

And very soon I will visit another area of great change and importance—Africa. The dramatic spread of national independence in Africa has had a major impact on world institutions and on the scope of international affairs. Africa's economic importance, and its economic relations with other continents, are growing. And America's traditional concern for the cause of independence and self-determination and racial justice, and the identification of many Americans with their African heritage, have given a more profound dimension to our interest in the continent's future.

Our African policy over the coming decade will be guided by these principles and concerns:

We want to see Africa attain prosperity for its people and become a major participant in the international economic system.

We support the desire of African nations to chart their own course in domestic, regional, and international affairs—to choose their own social system and a nonaligned foreign policy.

We want to see self-determination, racial justice, and human rights spread throughout Africa. As President Ford has recently made clear again, majority rule in Rhodesia and Namibia is the unequivocal commitment of the United States.

We want to see the African continent be free of great power rivalry or conflict. We have our own interest in seeing that local conflicts there not be exploited and exacerbated by outside forces intervening for unilateral advantage.

A broader range of issues facing this country in the coming years has to do with the multilateral challenges of an era of increasing *global interdependence*.

There are many urgent and unprecedented issues that can be addressed only on a global basis and whose resolution will fundamentally shape the future of this planet. A central example is the Conference on the Law of the Sea, which resumes its work this week in New York. In this unprecedented negotiation, over 100 nations are seeking to write new rules of law governing the use of the world's oceans. The implications for international security, for the use of vast resources, for scientific research, and for the protection of the environment are vast. The United States will continue its work with others to assure that the oceans become an arena of global cooperation and enrichment, rather than global conflict.

Also of great importance is the use of outer space, which presents us as well with the potential for conflict or the possibility of collaboration. We have the opportunity to substitute international law for power competition in the formative stage of an important international activity.

The modern age has not only given us the benefits of technology; it has also spawned the plagues of aircraft hijacking, international terrorism, and new techniques of warfare. The international community must stand together against these affronts to mankind. The United States has and must continue to promote the strengthening of international organizations and international law to deal with these issues.

Compassion for our fellowman requires that we mobilize international resources to combat the age-old scourges of disease, famine and natural disaster. And concern for basic human rights calls upon the international community to oppose violations to individual dignity wherever and by whomever they are practiced. The practice of torture must be discredited and banished. Human rights must be cherished and promoted regardless of race, sex, religion or political belief.

We must extend the scope and reach of international institutions for cooperation. The United Nations, an organization in which the American people have invested great hopes, must be a mechanism of practical collaboration instead of an arena of rhetorical confrontation, if it is to fulfill the mission of its Charter and its responsibilities for peace in the modern era. Procedural abuses and onesided resolutions cannot be accepted. The value of this Organization, if properly used, remains considerable—in peacekeeping, dispute settlement, and promoting cooperation for economic development and health and scores of other endeavors.

Only through a pattern of international cooperation can all these problems be successfully addressed. And only in a structure of global peace can the insecurity of nations, out of which so much conflict arises, be eased, and habits of compromise and accommodation be nurtured. Social progress, justice, and human rights can thrive only in an atmosphere of stability and reduced international tension.

OUR DEBATE AT HOME

This, then, is the design of our foreign policy:

To promote, together with our allies, the strength and ideals of freedom and democracy in a turbulent world;

To master the traditional challenges of peace and war, to maintain an equilibrium of strength, but to go beyond balance to a more positive future;

To shape a long-term relationship of mutual benefit with the developing countries, and to turn all the issues of inter-dependence into the cement of a new global community.

These are the challenges of our third century.

Since this nation was born in struggle 200 years ago, Americans have never shrunk from challenge. We have never regarded the problems we face as cause for pessimism or despair. On the contrary, America's traditional spirit and optimism have always given millions around the world the hope that the complex issues of today can and will be solved. The world knows full well that no solutions are possible without the active participation and commitment of a united American people. To describe the complex and long-term tasks we face is therefore the greatest expression of confidence in America.

We remain the world's greatest democracy; we are the engine of the global economy; we have been for thirty years the bulwark of the balance of power, and the beacon of freedom. The physical strength, the organizational skill, the creative genius of this country makes us—as we have always been since our Revolution—the hope of mankind.

What we face today is not a test of our physical strength, which is unparalleled, but a qualitative challenge, unlike anything we have ever faced before. It is a challenge to our will and courage and sense of responsibility. We are tested to show whether we understand what a world of complexity and ambiguity requires of us. It is not every generation that is given the opportunity to shape a new international order. If the opportunity is missed, we shall live in a world of increasing chaos and danger. If it is realized, we shall have begun an era of greater peace and progress and justice.

A heavy responsibility lies with us here in Washington. The Congress and the Executive owe the American people an end to the divisions of the past decade. The divisive issues are no longer with us. The tasks ahead of us are not partisan or ideological issues; they are great tasks for America in a new century, in a new world that, more than ever, impinges upon our lives and cries out for our leadership. Even more than our resources, the creative vitality of this nation has been a tremendous force for good, and continues to be so.

We can accomplish great things—but we can do so only as a united people. Beyond all the special concerns and special interests lies the national interest. Congress and the Executive, Republicans and Democrats, have a common stake in the effectiveness and success of American foreign policy. Most of the major initiatives this Government has taken on fundamental issues—with our allies, with the People's Republic of China, with the Soviet Union, with the developing nations, in the Middle East—have had broad and deep support in the Congress and in the country.

Therefore, just as we have the capacity to build a more durable international structure, so we have the capacity and opportunity to rebuild the consensus among the Executive and Legislative branches and among our people that will give new impetus to our responsible leadership in the world in our third century. This is the deepest desire of the President and the strongest commitment of all his Administration.

Mr. Chairman, Members of the Committee, I hope that this discussion of what we see as the issues of the future will be helpful in the building of such a consensus. The issues are complex; the degree of public understanding required to deal with them is higher than at any time in our historical experience. And even if we can reach a consensus on objectives and priorities, our resources and options are limited and we cannot hope always to prevail, or to be right.

These hearings are a wise and welcome step in promoting the understanding and consensus that are required. Our gift as a people is problem-solving and harnessing the capacities of widely diverse groups of people in large-scale common endeavor. This is exactly what is required of us, both in building a new international structure and in developing the public support needed to sustain our participation in it over the long term.

In the last analysis, we must come together because the world needs us, because the horizons that beckon us in the decades to come are as near, or as far, as we have the courage to seek them.

MISSION IMPOSSIBLE

Mr. BAKER. Mr. President, on Tuesday of last week on the floor of the Senate, my distinguished colleague from the State of Maryland, Mr. Mathias, inserted a number of news articles into the Record and previous to their insertions elucidated what he terms "the worsening energy crisis." The distinguished Senator also noted,

> We in the government have failed to rise above rhetoric and have chosen political expediency over constructive actions. In so doing we have lost the initiative in developing and implementing sound conservation policies, and we have misled the American people into believing the energy crisis is over.

Not only, might I add, is our energy crisis worsening, but as a constituent part of that, our dependency on foreign oil is growing at a frightening rate. Furthermore, our coal production and shale oil development schedules are not being met. The commercial utilization of solar and geothermal energy is still decades away, even with deservedly massive increases in support. The recent economic situation and the negative voices of antinuclear advocates have inhibited our progress on the peaceful atomic generation of electricity front. My friends, we are on a collision course with an energy destiny, and the result will not be a pretty one.

I would like to join my colleague from Maryland and urge my other colleagues from all across this great land to create a chorus of voices demanding energy responsibility. Although the problem and its solution will certainly be expensive, the decision to proceed on all energy fronts must be a positive one. The Energy Conservation in Buildings Act passed by the Senate on the same day in which my distinguished colleague made his remarks is a positive step in the right direction. Many other measures must still be implemented, however, if we are to begin to make headway in this very difficult battle.

Only by coordinating all resources available to us: conservation, nuclear, coal, oil, solar, geothermal, et cetera, can we begin to reduce our dependency on foreign energy sources. Mr. President, the problem is currently so extreme that an article in the March 15 Time magazine describes the entire project as "Mission Impossible." While I find it difficult and disturbing to believe that the impossibility of the process is now openly being proclaimed, I do feel we must continue and indeed increase our effort to meet this very difficult situation. I intend to continue to speak forth on this issue with regularity until the Congress meets it head on on a number of fronts. So that this most recent article in Time magazine may have wider exposure among my colleagues and the general public, I ask unanimous consent that it be printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

Mission Impossible

Project Independence, the grand scheme started by Richard Nixon in 1973 to free the U.S. from dependence on foreign producers of energy, may well be Mission Impossible. That is the inescapable conclusion of a new 500-page study by the Federal Energy Administration. Not that the FEA says so outright; the report, called *The National Energy Outlook*, soberly presents computer models of the different options facing the nation between now and 1985. But not one of the seven basic "alternative scenarios" offered would result in total independence from the oil-producing and -exporting countries.

The FEA's key assumption is that the OPEC cartel will maintain high prices for oil (currently $11.56 per bbl.). Main reason: Saudi Arabia, Libya and Kuwait are cutting production rather than risk the falling prices that would accompany a global oil glut. Though the FEA study considers the theoretical impact of oil prices of $8 and $16 per bbl., it concentrates on the effects of an average price of $13 per bbl. At that level, no alternative sources of energy, not even such highly touted synthetic fuels as shale oil and liquefied coal, can compete with oil, at least not by 1985. So the question is now much foreign oil the nation will need, even after Alaska oil starts flowing.

PRESIDENT'S PROGRAM

FEA's report gives several possible answers. If President Ford gets his entire energy program through Congress, starting with decontrol of domestic oil and natural gas prices and leasing of offshore reserves, the nation could boost daily domestic production from 8.2 million bbl. now to 13.9 million bbl. in 1985. That, along with a surge in nuclear power plant construction and some much debated changes in environmental laws to allow more coal to be burned, would permit the U.S. to hold imports to the present level of 6 million bbl. a day.

Total imports in 1985 may conceivably drop to 1.7 million bbl. a day, provided that the U.S. enacts a strong energy conservation program in addition to following Ford's other legislative remedies. On the other hand, if Congress bucks the President's call for decontrolled prices and eased environmental laws, which seems likely, the nation can expect to import 11.3 million bbl. of oil a day in 1985. FEA's report attempts only to provide an objective basis for future energy decisions. Its figures nonetheless give a timely warning that in the foreseeable future there is no escape from OPEC oil.

GRAIN INSPECTION AT THE GULF PORTS

Mr. HUMPHREY. Mr. President, I wish to bring to the attention of my colleagues an article in the February 28 issue of the Washington Post entitled, "Grain Elevators at Gulf Ports: The Need for Federal Scrutiny." This article was provided by Mr. Walter C. Klein, president of the Bunge Corp.

Mr. Klein deals with one of the major issues which our Committee on Agriculture and Forestry has been struggling with since June of 1975. That problem is how to reorganize our grain inspection and weighing system to deal with the scandals which have surfaced.

Mr. Klein comes to a number of important recommendations which this body should note. First, all export grain at port elevators should be sampled and graded by the USDA; second, there should be some independence within the USDA for the agency responsible for this program; third, full time supervision of weighing procedures should be required at all port facilities; and fourth, Federal inspectors should be rotated among locations at a regular and frequent schedule.

These are some of the more important of the recommendations of Mr. Klein. His whole article is worth reading by those interested in this problem.

Mr. President, I ask unanimous consent that this article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Washington Post, Feb. 28, 1976]

GRAIN ELEVATORS AT GULF PORTS: THE NEED FOR FEDERAL SCRUTINY

(By Walter C. Klein)

Controversy over federal grain export policies and the "grain scandals" at Gulf ports have brought unusual attention to the grain trade and, in particular, proposals in Congress for a federal grain inspection system.

For three very basic reasons I favor having the federal government—more specifically, the U.S. Department of Agriculture—take over the functions at port elevators that are presently handled by private and state inspection agencies.

First, closer federal control probably would have spared the corporation of which I am president the ignominy of pleading nolo contendere last October to charges against it and certain of its employees relating to improper weighing practices at our grain elevators located in the Gulf. While the improper practices were in no way authorized or condoned, the corporation was included in the action under the established legal theory that an employer may be found responsible for the actions of its supervisory employees.

Second, while our company has instituted tough and thorough internal controls over weighing and grading, and undoubtedly other grain companies have done likewise, I doubt that a self-policing system, even coupled with closer supervision by private and state inspection agencies, can of itself restore the essential ingredients of public confidence.

Finally, with respect to port elevators, the present system has inherent defects that can best be cured by the institution of federal controls. These defects are explained further below.

To understand the major area of potential abuse and why I am restricting my proposals to the port elevators, one must first review the present procedures for the weighing and grading of grain.

Under the present system, independent weighing and grading agencies—either the states or government-licensed boards of trade, chambers of commerce, or grain exchanges—perform two functions.

First, they supervise the weighing of the grain. The actual weighing is generally performed by elevator personnel. The degree of supervision is largely up to the parties buying and selling the grain. A party may, for example, choose to deal only with grain elevators where the weighing is supervised full time, or where it is supervised part time or not supervised at all.

Second, the private and state inspection agencies handled the sampling and grading of grain under the U.S. Grain Standards Act. The U.S. Department of Agriculture generally supervises the grading activities of the inspection agency.

When grain is sold in the United States, the buyer and the seller agree upon whether the weights and/or grades at the point of shipment or at the point of delivery will be used in determining the amount to be paid for the grain. The two parties are able to monitor closely the weights and grades at the "other end" of the distribution system because the grain will be weighed and graded (or weights and grades will be closely estimated) at both points.

However, this type of policing through free market factors breaks down where foreign shipments are involved as (1) shipments are made in very large units, (2) extensive breakage of the grain occurs in both loading the ocean vessel and the unloading abroad, (3) in some overseas ports, facilities for accurate weighing of grain do not exist, (4) it is a relatively long time between loading and unloading of ocean vessels, and quality deterioration can occur, and (5) with ocean vessels often being discharged into many individual barges or other containers for further distribution, the chance of spillage and other errors greatly increases. For these reasons the monitoring of the grain at the point of discharge would have little value. If there are problems, they need to be detected and corrected at the loading point in the United States. Properly implemented, there can be no better control than a complete, thorough, accurate check by federal inspector's at the loading port.

Thus, while the present system has worked well for deliveries of grain within the United States, it has proved subject to abuse in the case of export shipments. To correct the potential for abuse I propose changes in the weighing and grading procedures at the port elevators as follows:

(1.) All export grain at port elevators should be sampled and graded by U.S.D.A. personnel, i.e., there should be primary federal inspection. At present such primary federal inspection of grain is neither required nor available. Federal inspection takes place only when one of the parties has "appealed" an initial grade issued by a private or state inspection agency.

(2.) When grain is purchased for delivery at port elevators with contracts calling for "desination grades" (i.e., grades at the port elevator), the sampling and grading of the grain should also be carried out by U.S.D.A. personnel.

(3.) A separate department within the U.S.D.A. should be established to handle "appeals" of grades determined by such primary federal inspection. This department would assure uniform standards for all grading of grain.

(4.) All port elevators should be required to be licensed under the U.S. Warehouse Act.

(5.) All port elevators should be required to install modern load-cell electronic scales with available safety devices to prevent inaccurate or manipulated weights.

(6.) Full time supervision of weighing procedures should be required at all port facilities.

(7.) All federal inspectors should be rotated among locations on a regular and frequent schedule.

(8.) Uniform charges should be established for sampling and grading and weight supervision. These charges should be paid by the exporting company and should be set at a level sufficient to cover the entire cost of the services performed.

(9.) Finally, U.S.D.A. personnel rather than personnel of private or state inspection agencies, should certify whether ocean-going vessels are ready for loading. In times of high freight rates, this has been an area especially subject to abuse.

The above reforms would not result in any increased cost to the taxpayer and, as they would apply only to a limited area (i.e., the ports), would be easy to implement, requiring relatively few additional federal inspectors. Nevertheless, this would be a major step in maintaining confidence in the weighing and grading of shipments of U.S. grain abroad.

FAMILY FARM AND SMALL BUSINESS NEED FEDERAL ESTATE TAX REFORM

Mr. HUMPHREY. Mr. President, severe price increases over the past 2 years have reduced everyone's purchasing power. At the same time, they also have increased the paper value of many assets such as homes, commercial property, and farmland.

However, when the property owner dies, estate taxes on his paper wealth shatter the goal that he has worked toward all his life—the accumulation of enough assets to provide for the security of his family even after death.

Record high inflation clearly has destroyed the premises on which the current estate and gift tax laws were based. The estate tax exemption level of $60,000 was set in 1942. Therefore, an estate worth $60,000 in 1942 would pay no estate tax. But an estate of equal purchasing power today would pay estate taxes well in excess of $20,000. In addition, while only 1 to 2 percent of estates paid any tax between 1922 and 1950, 7.6 percent paid estate taxes in 1971.

The Federal Government is collecting more estate taxes, but the increased collections are coming from the common man, whose modest estate has ballooned in value only because of ballooning price levels. Present estate taxes do not break up great wealth. Rather, they punish the hard worker by preventing him from passing on the fruits of his labor to his family after he dies.

This general problem is especially acute for the small business person and farmer. Therefore, I, as chairman of the Joint Economic Committee, and Senator MONDALE, as acting chairman of the Senate Select Committee on Small Business, last August held field hearings in Minnesota on the Impact of Federal Estate and Gift Taxes on Small Businessmen and Farmers. At that hearing we heard testimony from small business people, family farmers, and estate tax experts—lawyers, accountants, and life insurance representatives.

The basic message of their testimony was that the existing estate and gift tax laws are pushing our Nation's small entrepeneurs into a corner. The small business person and farmer face the prospect of liquidation of their holdings to pay their estate taxes.

The farmer's plight developed in the following way: Inflation-induced farm product price increases and suburban sprawl pushed up the price of farm land sharply. The price of farm inputs such as fertilizer and machinery also increased. This combination of conditions put the family farmer in a position in which net income was still too low and yet the estate tax burden was potentially ruinous. As a result, the likelihood of a forced sale to pay Federal estate taxes increased sharply.

Usually, the farmer's survivors have had no recourse but to sell to large landholders, and the result has been increased concentration of farm holdings.

The small business person's dilemma is quite similar. Sudden deaths or poor planning often lead to forced liquidations of small businesses to pay Federal estate taxes. The prospect of such a sale has led many who own small firms to sell out to larger corporations in order to convert their relatively illiquid small business asset into a more liquid one.

Certainly, this situation has played a role in a wave of mergers that peaked at a historically high 6,123 combinations in 1969.

Faced with these conditions, Senators Nelson, Mondale, and I introduced on December 18, 1975, the Small Business Estate and Gift Tax Reform Act. This bill is the direct result of the Minnesota field hearings. Many of the bill's proposals were derived from suggestions made by the witnesses that testified there.

Several provisions of the bill help everyone, not just small business people and family farmers. The bill doubles the standard estate tax exemption from $60,000 to $120,000. This doubling is accomplished through three $20,000 increases—in 1976, 1978, and 1980. The bill also doubles immediately the lifetime gift tax exemption from $30,000 to $60,000. There is also a special provision which permits the executor to apply the unused portion of the gift tax exemption to the standard estate tax exemption at death. Therefore, in 1980, if an individual gave no gift during his lifetime, his estate could take a $180,000 standard exemption. This figure approximates very closely the impact of inflation since 1942 on the $60,000 figure.

Another provision of the bill facilitates the virtual tax free transfer of most estates between spouses. Already 50 percent of an estate can be transferred to a spouse tax free at death. This bill allows tax free transfer of the 50-percent portion plus an additional maximum of $240,000 worth of property.

There are other provisions, which specifically aid the small business person and family farmer. Presently, if dire hardship, such as the liquidation of a small business or farm, would result from the immediate payment of an estate's tax, the payment can be stretched over a 10-year period. I learned in Minnesota, however, that since the executor is financially responsible for the payment of any unpaid estate taxes, the 10-year provision is almost never used. This legislation, therefore, states that a lien on the assets of the small business or farm rather than on those of the executor could be used as security to assure the extended payment of an estate's taxes.

Another problem, which is especially troublesome to the small farmer, involves the method by which property is valued for estate tax purposes. Presently all property is assessed at its full market value when calculating the size of an estate.

Quite often farm land is more valuable in some nonfarming use. And although a farming family may want to continue farming its land, it is often forced to convert the farm to some nonfarm use to make high estate tax payments, which are the direct result of the present property valuation system.

In Minnesota, I heard farmers explain the personal impact of this policy on the future of their farming operations. And, it is clear to me that it must be changed, lest we jeopardize the future of the family farm in this country.

To resolve the land valuation problems, this bill permits a farmer to reduce the value of his property by restricting its future use through a legal covenant. This approach would prevent windfall gains for nonfarmers, who own rural land for investment purposes. It would prevent them from claiming that their land is farm land for estate tax purposes and then converting it to a higher value nonfarm use after the estate's taxes are settled. For example, a covenant might designate that land would be used as farm land for 20 years. If it was converted before that time, the estate would have to pay the additional taxes that would have been levied if the property were assessed at its full market value originally. The chances for Federal estate tax avoidance are thereby minimized.

At the August hearings in Minnesota, I said that—

> Through our efforts here today, hopefully we will come up with an equitable way to prevent the forcible liquidation of a small enterprise to pay Federal estate taxes.

The product of those hearings, the Small Business Estate and Gift Tax Reform Act, does just that. If the provisions of this bill are enacted, the incidence of small business and family farm liquidation to pay estate taxes will drop markedly. And also with its passage, the hope will be restored that hard work can pay off in the form of security for one's family even after death.

I, therefore, request that all Members of the Senate seriously consider supporting this act.

Mr. President, I ask unanimous consent that the text of S. 2819, the Small Business Estate and Gift Tax Reform Act, and a Sunday, February 15 New York Times article, title "Death Taxes Compelling Heirs to Sell Farm Land," be printed in the Record.

There being no objection, the material was ordered to be printed in the Record, as follows:

S. 2819

A bill to amend the Internal Revenue Code of 1954 to revise and improve certain provisions thereof relating to estate and gift taxes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

Section 1. Short Title; Table of Contents.

(a) Short Title.—This Act may be cited as the "Small Business Estate and Gift Tax Reform Act".

(b) Table of Contents.—

Sec. 1. Short title; table of contents.
Sec. 2. Increase in amount of estate tax exemption.
Sec. 3. Bequest, etc., to surviving spouse.
Sec. 4. Valuation of restricted farm and scenic property.
Sec. 5. Increase in amount of gift tax exemption.
Sec. 6. Changes in present law applicable to closely-held businesses, etc.
Sec. 7. Changes in present law applicable to stock redemptions to pay death taxes.
Sec. 8. Study of hardship extension and other provisions.

Sec. 2. Increase in Amount of Estate Tax Exemption.

(a) In General.—Section 2052 of the Internal Revenue Code of 1954 (relating to estate tax exemption) is amended to read as follows:

"Sec. 2052. Exemption.

"(a) In General.—

"(1) Exemption.—For purposes of the tax imposed by section 2001, the value of the taxable estate shall be determined by deducting from the value of the gross estate an exemption of the amount applicable under paragraph (2).

"(2) Amount.—The amount of the exemption allowed by paragraph (1) is—

"(A) $80,000, for estates of decendents dying after December 31, 1975, and before January 1, 1978,

"(B) $100,000, for estates of decedents dying after December 31, 1977, and before January 1, 1980, and

"(C) $120,000, for estates of decedents dying after December 31, 1979.

"(b) Transfer of Gift Tax Exemption.—In the case of the estate of a decedent whose liability for tax under chapter 12 (relating to gift tax) for all taxable years was determined without regard to the specific exemption allowed under section 2521, the value of the taxable estate for the purposes of the tax imposed by section 2001 shall be determined by deducting from the value of the gross estate, in addition to the amount deducted under subsection (a), an amount equal to the maximum amount of the exemption from the gift tax imposed by chapter 12 which would have been allowable to the decedent under section 2521 for the last taxable year of the decedent had he transferred property by gift that year. This subsection applies to estates of decedents dying after December 31, 1979.

"(c) Denial of Exemption Where Taxpayer Elects To Use Amount for a Gift Exemption Purpose.—In the case of the estate of a decedent who, as a taxpayer who, for any taxable year, elected to claim the exemption allowed by subsection (a) of this section as an exemption under section 2521, the exemption allowable under this section to the estate of such decedent under subsection (a) shall be reduced by an amount equal to the amount claimed under such election.".

(b) Effective Date.—The amendments made by this section apply with respect to the estates of decedents dying after the date of enactment of this Act.

Sec. 3. Bequest, Etc., to Surviving Spouse.

(a) In General.—Section 2056(c)(1) of such Code (relating to limitation on aggregate of deductions) is amended by striking out "50 percent of the value of the adjusted gross estate, as defined in paragraph (2)" and inserting in lieu thereof "$240,000, plus 50 percent of so much of the value of the adjusted gross estate, as defined in paragraph (2), as exceeds $240,000".

(b) The amendments made by this section apply with respect to the estates of decedents dying after the date of enactment of this Act.

Sec. 4. Valuation of Restricted Farm and Scenic Property.

(a) In General.—Section 2031(a) of such Code (relating to definition of gross estate) is amended by adding at the end thereof the following: "In determining the value of real property held by the decedent as farming property or scenic open property, any covenant or condition which effectively prevents the property from being used for any other purpose for any period of time shall be taken into account."

(b) Effective Date.—The amendment made by this section applies with respect to the estates of decedents dying after the date of enactment of this Act.

Sec. 5. Increase in Amount of Gift Tax Exemption.

(a) In General.—Section 2521 of such Code (relating to specific exemption from gift tax) is amended by—

(1) striking out "in computing taxable gifts" and inserting in lieu thereof "(a) IN GENERAL.—In computing taxable gifts",

(2) striking out "$30,000" and inserting in lieu thereof "$60,000", and

(3) adding at the end thereof the following:

"(b) TRANSFER OF ESTATE TAX EXEMPTION.—A taxpayer may elect, at such time and in such manner as the Secretary or his delegate may prescribe, to claim an additional exemption in computing taxable gifts for a calendar quarter equal to the amount of the exemption which his estate would, but for such election, be allowed under section 2052(a) upon his death.".

"(c) GIFT TAX EXEMPTION FOR GIFT TO SPOUSE.—Section 2523(a) of such Code (relating to gift to spouse) is amended by striking out "one-half of its value" and inserting in lieu thereof "so much of its value as does not exceed $240,000, plus one-half of so much of its value as exceeds $240,000".

(b) EFFECTIVE DATE.—The amendments made by this section apply to calendar quarters beginning after the date of enactment of this Act.

SEC. 6. CHANGES IN PRESENT LAW APPLICABLE TO CLOSELY-HELD BUSINESSES, ETC.

(a) INCREASES IN PERIOD FOR PAYMENT OF ESTATE TAX FOR ESTATES INVOLVING CLOSELY HELD BUSINESSES.—Section 6166(a) of such Code (relating to extension permitted) is amended by striking out "(not exceeding 10)" and inserting in lieu thereof "(not exceeding 15)".

(b) LIEN ON ASSETS OF CLOSELY HELD BUSINESS IN LIEU OF EXECUTOR'S BOND.—

(1) IMPOSITION OF LIEN.—Section 6165 of such Code (relating to bonds where time to pay tax or deficiencies has been extended) is amended by adding at the end thereof the following: "In the event of an extension of time for payment of a State tax under section 6166, the Secretary or his delegate may, at the election of the taxpayer, impose a lien on such with the assets of the closely held business on what such extension is based as may be necessary in lieu of the bond which he may require under the preceding sentence.".

(2) DISCHARGE OF FIDUCIARY.—Section 2204 of such Code (relating to discharge fiduciary impersonal liability) is amended by inserting at the end of subsection (a) and at the end of subsection (b) the following: "For purposes of this subsection, a lien imposed under the last sentence of section 6165 shall be treated as a bond.".

(c) EFFECTIVE DATE.—The amendments made by this section apply to the estates of decedents dying after the date of enactment of this Act.

SEC. 7. CHANGES IN PRESENT LAW APPLICABLE TO STOCK REDEMPTIONS TO PAY DEATH TAXES.

(a) INCREASE IN PERIOD WITHIN WHICH DISTRIBUTIONS IN REDEMPTION OF STOCK TO PAY DEATH TAXES MUST BE MADE.—Section 303(b)(1) of such Code (relating to period for distribution) is amended to read as follows:

"(1) PERIOD FOR DISTRIBUTION.—Subsection (a) shall apply to amounts distributed after the death of the decedent and before the end of the period within which final payment of the tax imposed by section 2001 must be made (including any extensions thereof).".

(b) ELIGIBILITY OF CERTAIN CORPORATIONS FOR SECTION 303 STOCK REDEMPTION RULES.—Section 303(b)(2)(B) of such Code (relating to distributions and redemption of stock to pay death taxes) is amended by striking out "75 percent" each place it appears and inserting in lieu thereof "50 percent".

(c) EFFECTIVE DATE.—The amendments made by this section apply to the estates of decedents dying after the date of enactment of this Act.

SEC. 8. STUDY OF DEFERRAL AND EXTENSION AND OTHER PROVISIONS.

(a) The Secretary or his delegate shall study the effect of the provisions of section 6161(a)(2) and section 6166 of the Internal Revenue Code of 1954 (relating to hardship extensions of the time for payment of estate tax and installments thereof and extensions of time for payment of estate tax where estate consists largely of interest in closely held business) and the regulations prescribed thereunder on decisions to continue a small business or closely held business, rather than to sell or liquidate such business. The study shall include, but not be limited to, a survey of how such sections and the regulations thereunder are applied in the different Internal Revenue Districts and the impact of the present sections and regulations upon the continuity of such enterprises. The Secretary or his delegate shall submit a report of his findings and conclusions to the Congress within 12 months after the date of enactment of this Act, together with such recommendations for legislation as he deems appropriate.

(b) The report described in subsection (a) shall contain findings, conclusions, and such recommendations for legislation, or otherwise, as the Secretary or his delegate deems appropriate upon the general subject of the impact of estate, gift, and related tax provisions of the Internal Revenue Code and Regulations thereunder upon smaller business, and how these provisions should be modified to encourage the prospect of preserving the continuity of smaller, independent, and locally owned businesses and farms in order to strengthen the free enterprise system and the overall economy of the nation. In performing these studies, the Secretary or his delegate shall consult appropriately with the Small Business Administration and private organizations of smaller and independent business persons and farmers.

[From the New York Times, Feb. 15, 1976]

DEATH TAXES COMPELLING HEIRS TO SELL FARM LAND

(By Roy Reed)

SPRINGFIELD, Nebr.—Lloyd Royal, 59 years old, drives a 7-year-old Chevrolet with 110,000 miles on it. He lives in an ordinary farmhouse next to a barn lot. If anyone called him rich, he would laugh.

But if he died his wife, Doris, would have to pay $32,000 to the Internal Revenue Service in Federal estate taxes. That's because their modest farm has quadrupled in value since they bought it, thanks to inflation and spiraling land prices. They have become "paper rich."

"There's an old saying that a farmer lives poor and dies rich," Mrs. Royal said this week. "If he died, I'd be in the job market and probably at the minimum wage, because the only thing I know anything about is farming."

Death taxes are making it increasingly difficult for farm families to keep their land. Children who inherit land usually pay even higher taxes than spouses. Just this week, a man near here had to sell his parents' 80-acre farm to pay the death taxes. He sold it to one of the largest landowners in the area—a pattern that has become familiar in the farm country here and elsewhere.

Farmers in New Jersey and on Long Island have also told of hardships because of the tax structure—and many are seeking change.

The inflated land prices that have caused death taxes to become a problem are also keeping young people from entering farming. It now takes at least $250,000 by many estimates to start farming after high equipment prices are added to high land prices.

From her kitchen table, Mrs. Royal has set out to change what she and many others regard as an absurdity in the tax law. She and a handful of friends have rounded up 70,000 petition signers in 42 states asking Congress to act on it.

This election year is apparently going to bring a new attack on the problems of death taxes and prohibitive start-up costs for farmers.

President Ford and several members of Congress have proposed legislation to make estate taxes more bearable for all small and middle-sized estates, including those of farmers. The proposals vary widely.

Senator George McGovern, the South Dakota Democrat, and 16 other Senators representing varied philosophies have introduced another bill to have the Federal Government buy land, lease it to young farmers, then sell it to them at a reduced price after seven years' labor.

The Young Farmers' Homestead Act, as the bill is called, has drawn favorable attention from such varied sources as the National Farmers Union and Progressive Farmer Magazine.

Progressive Farmer, a generally conservative publication, cited protections that 200,000 to 400,000 farms a year would disappear for the next 20 years if today's trend was not stopped.

"The legislation faces up squarely to what probably has to be done if not-rich but bright youngsters are really going to get into ranching and farming for themselves," it said in its January issue.

Estate taxes were no problem to farmers until a few years ago. Federal law exempts the first $60,000 of an estate from the death tax. Most farms were worth nowhere near that when that law was written in 1942.

W. Fred Woods, an economist with the Agriculture Department, estimates that the average value of farm assets in the United States was only $51,440 in 1960. By 1974 that had climbed to $169,744.

Farm values have continued to rise. Land prices in eastern Nebraska are going up more than 20 percent a year, according to observers.

TYPICAL ESTATE $320,000

In 1960 the Royals paid $72,000 for their 240 acres—a small farm by Nebraska standards. Today, the land alone would cost close to $300,000. The Royals have become rich in the eyes of the Internal Revenue Service, even though they live little better than they did in 1960.

Gilbert Brody, president of the Wisconsin division of the National Farmers Union, says a farmer who earns $10,000 to $12,000 a year typically leaves an estate valued at about $320,000.

His widow pays a Federal estate tax of $20,200 on that, in addition to smaller state inheritance taxes.

When she dies, the children pay $83,190 in estate taxes, their share being larger because they do not receive the 50 percent marital deduction. According to Mr. Brody, the children probably will have to sell the farm to pay the death taxes.

President Ford has proposed delaying the payment of those taxes until five years after the death of the owner. Then the heirs could elect to pay the tax over 20 years, with the addition of 4 percent interest. Heirs may now stretch the payment over 10 years, but at an interest rate of 7 percent.

Mr. Ford's 20-year proposal would apply only to the first $300,000 of an estate. Descending benefits would be allowed up to $600,000, after which the present 10-year stretch-out provisions would apply.

$200,000 EXEMPTED PROPOSED

The Royals and their friends do not think much of the Ford proposal. They regard it simply as a postponement of an unjust debt.

"What on earth good is that when you don't have that kind of money in the first place?" a California woman said in a letter to Mrs. Royal.

At least 10 bills pending in the Senate

would raise the $60,000 exemption to $200,000 on all estates, farmers' included.

Other bills would require the I.R.S. to assess farmland at its agricultural value and not at the "fair market value" it would bring if sold for some other use.

Land values here are being pushed up by the growth of Omaha, which is less than 25 miles from the Royals' farm. As the city pushes out, it absorbs farmland at dizzingly inflated prices and converts it into housing developments and shopping centers.

Many argue that farmers would be less likely to sell to developers if their land was assessed at its value for farming and not for commercial or residential use.

Arthur H. West, president of the New Jersey Farm Bureau, said that Federal estate taxes, inflation and the system of appraising property had imposed unfair burdens on farmers. He added that many New Jersey farmers were actively supporting proposed legislation that would require that the assessment of a property be based on its value for farming.

Mr. Woods, the economist, warned in a recent interview in Washington that changes in the estate tax law should be made carefully if they are not to exacerbate the problem.

Assessing land at its value for farming or as open land instead of at fair market value could result in a low-tax device for the wealthy in passing their estates on to their heirs, he said.

"That would run up farmland prices and make it more difficult for producing farmers," he said.

LETTERS OF HARDSHIP

No one knows how many farmers have had to sell land to pay estate taxes, but there are indications that this is happening more often.

Thomas Pulaski, who used to own a 25-acre potato field near Riverhead on Long Island, says he sold his farm because of his tax bill. He drives a truck for a living.

Mr. Pulaski, who lives in Coram, L. I., said: "If I had decided to stay on my farm after my father's death, I'd have spent half my lifetime paying of loans through which my taxes would have been paid." He sold his property to a real-estate developer and made $6,000 profit—after taxes.

Suffolk County, New York State's largest agricultural county because of its potato and cauliflower crops, is trying to encourage farmers to stay by means of a farmland preservation program. In a $60-million project, the county is buying development rights—not the fee title—to the existing 57,000 acres of farmland. In effect, a farmer will get the market value of the property from the county and may keep the land. But he must agree not to use the land for any purpose other than agriculture.

More than half of 258 farmers surveyed last month by the Wisconsin division of the National Farmers Union said they had known farm families that had had to sell all or part of their farms to pay estate taxes.

Many of those who have written to Mrs. Royal have told of hardships caused by the tax. After her campaign was described by the Farm Journal last fall, the magazine received a letter from William Jones of Lakeport, Calif.

"Our orchard land has been in the family for over 100 years," he wrote, "and now because of this unfair tax in an inflationary period, the resources of the family [never more than provided a living for the family during the past 30 years] is now about to be confiscated by the Government for taxes."

Another Californian, William G. Cox of Capistrano Beach, wrote that his family had already lost its farm because of an exorbitant estate tax bill after his mother's death.

"The I.R.S. is killing the goose that lays the golden egg," Mr. Cox wrote. "The big corporations that are buying up the small farms will never pay another death tax on the land because a corporation never dies. Forming trusts and corporations within families seems to be the only way to go now."

Dixon G. Adams, a Springfield lawyer who is donating time to Mrs. Royal's campaign, estimates that 40 or 50 of Sarpy County's 600 farms have been incorporated in recent years to escape or lessen the impact of death taxes. But many farmers resent that alternative. They feel that incorporation would impose more bookkeeping and "red tape" and would diminish their independence. Mr. Adams agrees.

I don't want to construct a scheme where a farmer has to have a lawyer and a C.P.A. riding on the tractor with him," he said. "We are doing it, though, because of necessity."

Many of the farm wives who write to Mrs. Royal complain of what they believe to be sex discrimination in the Federal tax law. These women dislike being treated in the same way as wives of city residents and millionaires.

Federal law allows a widow to deduct from her tax payment any financial contribution she has made to the family estate, but only if she can prove it with payroll check stubs or the like. Simply working shoulder to shoulder with her husband on the farm for 30 or 40 years is not enough for the I.R.S.

Resentment against that drew Mrs. Royal into her campaign. "I got started one day during the blizzard of 1975," she said. "I had been out in the snow all day helping get the cattle into the barn and then throwing hay to them and getting everything ready for the storm.

"I got back in the house after dark, worn out, and I said, 'Lloyd, do you realize that I haven't contributed a dime to this farm today, according to the I.R.S.?' If he'd have dropped dead the next day, I hadn't done anything at all the day before, as far as they were concerned at the I.R.S."

Mary Heath is a rancher in the sparse sand hills of northern Nebraska, where the grass is so thin that it takes 20 acres to sustain one cow, and where the winters are so grim that only the hardiest can survive.

Her husband, Floyd, died a year and a half ago. She inherited a $40,000 debt along with the ranch. Cattle prices have been depressed for three years.

Now she has had to borrow another $5,000 from the bank to make the first payment on her estate tax. The tax, by her figuring, is $28,000. She has been waiting for months to learn whether the Internal Revenue Service will settle for that.

"When the Government takes my place away from me, it takes my livelihood," she wrote to Mrs. Royal. "I don't know where I can get a job at my age [55] and I'm not old enough for Social Security. This is all the work I know how to do. I wouldn't even be able to get housework for I'm not much good at that, either. My work has been with cattle and hogs.

"I had worked alongside of him from the time we got this place. I don't consider this place a gift. It makes me sick to think I'll lose everything my husband and I worked for. Unless times get better it could very well happen."

NONVOTERS: THE REAL MAJORITY

Mr. MATHIAS. Mr. President, we are deeply involved in the quadrennial process of selecting candidates for President and, for at least a few more weeks, much of our political attention will continue to be focused on the primaries as they take place in State after State. As we participate in, or observe, this process, it seems to me that there is cause for concern with the way that our political system is operating.

The most alarming indication that something is wrong is the increasing number of Americans who simply are not bothering to vote at all. That is a matter that has been of concern to me for some time and I have been exploring with people across the Nation what can be done to correct it. I shall continue to do so. Others are exploring the problem as well. Marquis Childs, in a column that was published March 9 in the Washington Post, has put this matter into a perspective that I believe deserves further attention. I ask unanimous consent that his column be printed in the RECORD.

There being no objection, the column was ordered to be printed in the RECORD, as follows:

NONVOTERS: THE REAL MAJORITY

(By Marquis Childs)

It seems that fewer and fewer voters bother to go to the polls. In the recent New Hampshire primary, 44 per cent of registered voters turned out. With 164,463 registered Republicans only 111,674 were interested enough in the Ford-Reagan contest to vote. While the figures for the Massachusetts primary are still unofficial, only 32 per cent of the registered voters turned out.

The decline has been steady and rapid. In 1972, 51.5 per cent of eligible voters went to the polls. This meant that Richard Nixon was elected by 34 per cent of those qualified. In short, he was a minority President in spite of the electoral landslide.

In the midst of trying to read some significance into the Massachusetts primary, NBC did a remarkable piece of in-depth reporting. John Hart interviewed workers at the Raytheon plant in Waltham, Mass. Skillfully done, it was a dismaying example of current attitudes.

These were not dissidents venting their ideological discontents. Men and women who had worked 18, 22, 25 years expressed their almost total disbelief in any good coming out of the ballot box.

But it was not only disillusion with politicians and the political process. They were expressing, particularly the women, the hopelessness of their own lives. They had worked 20 years and then saw constantly rising prices destroying any possibility of saving beyond the bare cost of food and shelter, saving that might have given them some reward at the end of life.

To these Americans, and it seemed to me they were very likely typical of millions of men and women on the workbench and the assembly line, the glib populism of a Fred Harris meant as little as the loud promises of a Scoop Jackson. As one women put it, "They ask for your vote and that is the last you hear from them."

One of the few men in public life who seems to have had some concern over what this means is Sen. Charles McC. Mathias Jr. of Maryland. A moderate-to-liberal Republican, he played for a time with the idea of heading an independent party challenging the conservativism of the Republican old guard who have seen the numbers signing up as Republicans dwindling to 18 per cent of the electorate.

Mathias has given up that idea, realizing that it could only benefit Ronald Reagan. But observing that 40 per cent of registered voters took part in the 1974 congressional elections, he had some stern things to say about the future. The trends developing over a 20-year period will lead to one of three results: either a one-party system, a three-party system or a two-party system that will have little if any resemblance to the present setup.

Obviously in 1976 no drastic change will occur. The time required to field independent or third-party candidates and new limitations on funding such efforts, Mathias noted, will prevent any such development this year. "The obvious disintegration of the old system," he said, "has not yet reached a point where there is an equally obvious demand for a new one."

When and how that demand will come, if it comes, is one of the great unknowns. If he had not been so gravely wounded by an assassin and if he did not still have the aura of a Claghorn, George Wallace of Alabama might have been the leader to charge around the country capitalizing on the deep discontents. That opportunity seems to have passed and, while Wallace will emerge from the primaries with a swatch of delegates, he will be just another also-ran.

Inherently absurd, the 30 primaries are reduced the ultimate absurdity by the negligible turnout. Jackson spent more than any other candidate in Massachusetts—from $400,000 to $500,000, and he boasted that his banks of telephones were more potent than any others. So he comes out with a 23 per cent first place. Can he crow about that when 32 per cent of the voters bothered to cast their ballots?

THE RETIREMENT OF THE HONORABLE MIKE MANSFIELD

Mr. MORGAN. Mr. President, I rise to express a few thoughts on the retirement of our distinguished majority leader, MIKE MANSFIELD.

When I first met Senator MIKE MANSFIELD, sometime before my swearing in as a U.S. Senator, he impressed me most by his gentility. The superiority of his refinement and the elegance of his manner marked him as the fine, considerate, and fair human being I found him to be. He has in all of our transactions exhibited the characteristics of a gentleman.

I can never express too strongly my appreciation for the kindness he has extended to me as a newcomer to the Congress or for the gentle kind of leadership he has exercised on the party. He has always put the alternatives to every issue before the party caucus rather than merely the point of view he personally favored; he has always tried to get every Senator to participate fully in the Senate's workings; and he assured me and, I believe, every freshman Senator of a prominent role in the Senate's workings based upon each individual's interest and experience. No more could truly be asked of a party leader even though some have asked for more. They often refer to the so-called strong type of leadership which is characterized not by persuasion but by calling in past political debts and arm twisting. Such critics forget that in a democracy, a truly strong leader works from the assurance of his convictions and the assumption that he is but one among equals. MIKE MANSFIELD has always been a strong leader in this sense. His convictions have been sincere, and he has never put himself above others because of his position or stature. He has worked with the gentle knowledge that democracy is in essence the search for a consensus, freely gathered together by evidence, persuasion, and argumentation; that it is a slow process which assures careful consideration of issues rather than a swiftly decisive executive order which sacrifices care for expedience.

It is also noteworthy that a national commentator has recently said that if one examines the foreign policy votes in which Mr. MANSFIELD has participated, you will find none in which he took a narrow partisan stand. This, in itself, is a great tribute to a great man.

I shall always cherish my association with this man of greatness; I have not only learned from watching him but have profited from his guidance. I most fervently wish him a most happy and long retirement. His presence will be missed and the gap left by his leaving will be very hard to fill.

CONGRESSMAN SAM STEIGER ON THE FEDERAL BUREAUCRACY

Mr. FANNIN. Mr. President, the House Republican Study Committee, under its able chairman, Congresswoman MARJORIE HOLT of Maryland, has recently issued an important booklet which should be read by every Member of this body.

Entitled "The Case Against the Reckless Congress," this booklet provides a very informative, concise, and highly readable voters' guide to the 1976 election. The work was edited by Congresswoman HOLT and published by Green Hill Publishers, Inc., of Ottawa, Ill. It covers a wide range of current public issues, with separate sections on "The Economy," "Big Brother," "Social Services," "Education and the Environment," and "National Security." Each chapter was written by a Member of Congress who has specialized in the problems under discussion and reflects the viewpoint of that individual Congressman. The volume includes a tabulation of votes of all House Members on major pieces of legislation relating to the issues discussed therein. There is also a table summarizing major problems, proposing positive solutions to those problems and listing major bills to remedy those problems.

All in all, this handy little booklet, which documents the miserable record of the 94th Congress, will contribute significantly to the public's understanding of important issues and the workings of Congress. The House Republican Study Committee, indeed, has performed a tremendous public service. The RSC and Congresswoman HOLT should be commended for their intelligent, timely effort.

Mr. President, my friend and fellow Arizonan, Representative SAM STEIGER, has contributed a chapter to the section on "big brother" which I would like to bring to the attention of my colleagues. Those of us who have been speaking out against the Federal Government's "big brother" bureaucracy and working for regulatory reform will recognize the serious problems and unfortunate statistics cited by Congressman STEIGER. But, as SAM points out quite clearly, the liberal Democrats, who have long advocated Washington programs to solve our Nation's problems, are beginning to express the same concerns about too much government long held by conservative Republicans, and there is now serious rethinking going on in and out of Congress about the burgeoning, bloated bureaucracy.

In his chapter, Congressman STEIGER discusses not only the problems of Government overregulation, but the legislation he opposes and supports affecting the expanding role of the Federal bureaucracy. As he points out, bringing big government under control will not be easy, but—

> We have a difficult task before us—to reduce a trend of forty years—but with the will, we can do it. We will have to do it, if democratic government is to survive.
>
> The siren call, "Let the Feds do it for you," absolutely must be resisted and rejected.

Mr. President, I recommend that each of my Senate colleagues get a copy of "The Case Against the Reckless Congress" and read this chapter on "big brother." It is a worthwhile contribution to our current efforts at regulatory reform.

Mr. President, I ask unanimous consent that the complete text of the article by Congressman SAM STEIGER, "Bureaucracy: Paternalism on the Potomac," be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

BUREAUCRACY: PATERNALISM ON THE POTOMAC

(By Congressman SAM STEIGER)

There are very few absolute truths, so existing ones are well known. It may be presumptuous of me, therefore, to share with you the following as an absolute but it is.

When individuals are confronted with a problem they cannot solve, or when they seek to attain a goal that is beyond reach, and they allow government to assume the mission, two results occur: (1) the government structure formed to accomplish the task spends more time on justification of the structure than on the task: (2) the longer the structure exists, the less effort is spent on the mission and the more effort is expended in the care and feeding of the structure.

I call this Steiger's Law. It's true of entities other than government; government, however, is the most visible and viable sinner. The federal government is clearly the greatest, most unswerving devotee of these truths.

As we, approach our Bicentennial, it must be recognized that the federal government, as designed by the framers of the Constitution, has developed into a complex of myriad and independent structures that by no stretch of the imagination resemble the Republic's original design.

The federal government, particularly in the past two decades, has managed to evolve into this series of structures not through any schemes or plans but as a reaction to another absolute truth. This truth states that where there is a vacuum of power, someone or something will always fill it.

I shall attempt to trace the causes of the present situation, which has led us to this total capture by our own structure.

From colonial times through the first third of this century the tasks of our government were limited, concerned only with the means of survival. As the nation grew, affluence and a growing sophistication developed. This sophistication saw merchandising of candidates, with aspirants for federal offices selling the notion of federal services in areas that previously had not been viewed as federal responsibility. The sheer volume of this largesse from Washington so engulfed us that we were unaware of the enormity and consequences of our willingness to be seduced.

We are now in the second generation of Americans who see nothing incongruous about federal involvement in the qualitative judgments of individuals. Secure in their receipt of food, shelter and clothing they not only demand federal succor but choose to substitute federal judgment for their own. In the course of this evolution Congress ceased to function in even the limited capacity decreed by the Constitution and thus became the best example of Steiger's Law. That is, Congress is so totally involved in maintaining its own structure that it has abandoned its constitutional mission.

After many years of indifference and malfeasance, we are now beginning to hear this theme of too much bureaucracy from some strange quarters—liberal Democrats. For example, a famous Senator from a large eastern state recently declared, "There is a very serious kind of rethinking of the best way to meet the human needs of our society. Over the past few years, many have come to see that one of the greatest dangers of government is bureaucracy."

Was this Senator James Buckley, Conservative-Republican of New York? No. It was Senator Edward Kennedy, liberal Democrat of Massachusetts.

Another prominent Senator recently told his colleagues, "The liberals have to reevaluate their posture. Each program looks good, but you put 100 of them together and the results are more negative than positive. The federal bureaucracy is just an impossible monstrosity, you can't manage it, there's no way to do it."

Was this Senator Barry Goldwater of Arizona? No. It was Senator Gaylord Nelson, liberal Democrat of Wisconsin.

A New England governor has just announced, "The liberal Democrats are going to have to admit that they've made some huge mistakes creating this maze of federal programs that just breeds inefficiency and frustration. It's a disgrace. Some of the federal programs I've worked with as Mayor and Governor border on criminality. You put $1,000 in one end and the people don't get six cents out the other end."

Was this Republican Governor Meldrin Thompson of New Hampshire? No. it was Democratic Governor Philip Noel of Rhode Island.

In the last year, similar statements have been made by Senator Edmund Muskie, the Democrat's vice-presidential standard bearer in 1968; by newly-elected governors Jerry Brown of California, Michael Dukakis of Massachusetts, and Hugh Carey of New York; and by George McGovern's former campaign manager, Senator Gary Hart of Colorado, among many others.

The reason for this relatively new concern among leading "liberal" Democrats is the plain and simple fact that the bureaucracy has grown so large, so unwieldy, so inefficient, so wasteful, so counterproductive—in many cases, so disastrous—in recent years that even the most confirmed believer in the power of government to do good is downright alarmed.

In December 1975, *Newsweek*, which had previously not been known as a die-hard opponent of government economic planning and social programs, devoted a major cover story to the increasing problems caused by "Big Government." The cover was a cartoon of a bloated Uncle Sam.

As the authors of this article pointed out, "With a combined Federal, state and local workforce of 14.6 million people and a total expenditure of $523.2 billion, government on all levels now accounts for 37 percent of the Gross National Product . . . as against 12 percent in 1929." The largest increase in the bureaucracy, they add, has been the "astronomical [growth of] Federally funded social programs and the state and local governments that must administer them."

My good friend and colleague, Congressman George Hansen of Idaho, recently told a state convention of the Idaho Farm Bureau:

"Big Government" has became a gigantic rip-off—a rip-off of personal, local and states' rights and a rip-off of half a person's take-home pay, not to mention government-imposed compliance costs and fines passed on to the consumer. The federal government has taken away so much authority and responsibility from the private sector and from state and local government that it is smotheringly powerful and yet on the verge of bankruptcy. Federal laws and regulations have become a monstrous intrusion on personal rights and seriously threaten to destroy the family farm, close up the small businessman, and bankrupt the taxpayer and consumer. OSHA, EPA, and a whole bagful of regulatory agencies are saddling people with costs and abuse that is totally foreign to the American way.

The current tax bill is 44 percent of the average person's income for all types of taxes, not to mention the $80 billion deficit in this year's federal spending which creates an additional inflationary tax that everyone pays at the marketplace. Caspar Weinberger, who recently stepped down as Secretary of Health, Education, and Welfare said, "If these programs continue growing for the next two decades at the same pace they have in the last two, we will spend more than *half of our gross national product for domestic social programs alone by the year 2000*. In other words, when the century turns, half the American people will be working to support the other half."

The sprawl of the bureaucrats in the past 15 years is almost impossible to comprehend. In that time period 236 new federal bureaus, departments, or agencies have been organized while only 21 have been phased out of existence. There are no less than 1,250 federal advisory boards, committees, commissions and councils, most of which meet infrequently and do little work but serve as easy sources of patronage. They do, however, cost the taxpayer at least $75 million a year.

It is almost impossible to terminate any bureaucracy once it is set up. For instance, as UPI reporter Don Lambro points out in his valuable book, *The Federal Rathole*, we are still supporting two commissions set up to protect us against the WWII Nazis! Other commissions have such titles as "The Interdepartmental Screw Thread Committee" and the "Panel on Review of Sunburn Treatment."

It is inevitable in such a situation that a tremendous amount of wasteful and needlessly confusing duplication should exist. The advocates of the often-proposed new Agency for Consumer Protection (it could not be called the CPA because those initials are already taken!) had to be continually reminded that no less than 50 federal agencies and bureaus are already engaged in consumer protection.

Seven separate federal programs provide funds for out-patient health centers; 11 separate programs provide funding for child care; 14 independent units of the vast Department of Health, Education and Welfare administer as many separate programs for education of the handicapped. No less than 25 different services, bureaus, or offices of a dozen different departments finance research on water pollution.

At the same time that the Surgeon General's Office is requiring every cigarette packet to warn that they are "dangerous" to our health the Department of Agriculture finances a study of Oriental tobacco for "improving the quality of American cigarettes."

With all this confusion and duplication it is little wonder that more and more experts in the fields involved are concluding that the widespread federal social programs (which account for most of the increased bureaucracy) are simply not doing the job for which they were intended. That is, they are not really helping the needy in any effective way. What these programs do very well is provide highly-paid jobs for more and more bureaucrats and lackeys. When Daniel Moynihan, a liberal Democrat from New York who is now United Nations Ambassador, examined the poverty program he concluded that most of the money went for workers and administrators and that the poor saw relatively little of the huge sums spent. It is no accident that the two richest counties per capita in the United States are the Washington, D.C. "bedroom" counties of Montgomery, Maryland and Fairfax, Virginia which are heavily populated by high-salaried government officials.

Although the bureaucracy in large part can accomplish little good, it can and does effect much harm to many citizens. Thousands of small businesses, which provide jobs for hundreds of thousands of citizens, are being literally forced out of business by the growing costs of government paperwork. So bureaucracy provides jobs for bureaucrats but at the same time destroys countless jobs in the private sector.

For example, there is a single Labor Department form, called EBS–1. It requires a 31-page detailed report from all employers offering pension plans for their employees. To fill out the form correctly, the estimated cost is about $700 per employee. Now large business can absorb this cost by passing it on to the consumer—that's all of us—but many small businesses simply cannot afford to hire that many high-priced lawyers and accountants. So they choose not to make pension plans available to employees.

The total cost of paperwork generated by big government is estimated to go as high as $40 billion a year—about $800 a year for the average American family. If that amount were added to salaries, the families could doubtless spend that money in far more economically productive ways. Almost 5,300 different forms are employed by the federal government today. *Ten billion sheets of paper* flow through federal offices annually. This quantity of forms would fill up 4 million cubic feet of space.

Congress cannot evade—indeed it must accept—much of the blame for this state of affairs. At least one hyperactive Representative has introduced an average of two bills a day during the 1975 session. As of July, 1975 more than 8,000 bills had already been introduced in the House for this 94th Congress. This does not count 502 resolutions, 476 joint resolutions, and 291 concurrent resolutions.

We find ourselves on a treadmill—as soon as anyone sees anything wrong anywhere, he wants to pass a law; very often a law is passed, followed by hundreds of regulations issued by the various concerned bureaucracies (many duplicating, some even contradictory). Then the new laws and regulations create new problems so a cry goes up for yet more laws! And so the process continues.

The *Federal Register* is a U.S. Government daily publication listing all the latest rules and regulations promulgated by the thousands of federal agencies in order to implement their interpretations of the laws of Congress.

During the 1960s the total *Registers* for one year came to about 15,000 pages. As late as 1970 an annual collection still came to only about 20,000 pages, in small type. Yet in four years time, this massive compilation had grown to more than 46,000 pages of rules and regulations, including more than 20,000 regulations of all conceivable shapes and sizes. In 1975, we may expect well over 50,000 pages, including more than 25,000 separate regulations.

As Congressman Edward Hutchinson of Michigan recently phrased it:

"We are heading toward a society in which the individual is allowed increasingly less control over his or her daily life. Important decisions on how best to do business, how to grow crops, how to shop at the supermarket, how to travel, how to educate one's children, in short how to live, are being usurped by the government which sees no limits to its powers."

In the last year, a majority of Congress has unfortunately taken several more steps to strengthen this dangerous trend. The House approved, by a vote of 288–199 a bill to "de-Hatch" federal employees and allow them to engage in active partisan politics (a practice long barred by the Hatch Act). This bill (H.R. 81617) was opposed by me and many of my good friends and colleagues, but on this issue we did not prevail and the civil service will not become increasingly politicized and politicized, moreover, toward the left.

I also opposed H.R. 2559, passed by one vote (214–213) on July 30, 1975. This bill (Executive Level Pay Raises) gave Members of Congress (as well as senior civil servants) automatic cost of living raises every October 1; besides obviously contributing to the inflationary spiral this bill insures that Congressmen will be exempt from the ravages of inflation and will be spared the responsibility of voting themselves future salary adjustments. As Rep. E. G. Shuster, Republican of Pennsylvania, put it, "The American people would be better off if Congress got a pay decrease when the cost of living went up and a pay increase when the cost of living went down."

By including itself in a growing bureaucracy, now automatically costing us more every year, Congress has done itself and the people a great disservice. One of the few checks on the expanding bureaucracy has thus been weakened.

What can be done to reverse this growing trend so dangerous to both American economic life and liberty itself? My colleagues and I have been working hard to implement a number of reforms that will limit the bureaucracy and make it more responsive to citizens and their elected representatives.

Every law creating a new agency or a program ought to have a termination date expressly written in—three or five years—so that Congress can then reevaluate that program and decide on the basis of experience whether it should be terminated, drastically reformed, reduced, or continued, if it is doing a good job.

A system of "zero based" budgeting should be adopted so that agencies will be required to justify every cent of every request they make when they appear before Congress.

My colleague Congressman Del Clawson of California has introduced a bill (H.R. 8231; which to date has over 90 co-sponsors, including myself) which would provide for a Congressional veto over executive branch rule making. This bill would go a long way toward bringing the bureaucracy once again under the control of the people and would end the dangerous practice of an unelected civil servant making laws that affect millions of people.

These are just some of the much needed steps which we can take to bring this mobster under democratic control. We have a difficult task before us—to reduce a trend of 40 years—but with the will, we can do it. We will have to do it, if democratic government is to survive.

The siren call, "Let the Feds do it for you," absolutely must be resisted and rejected.

NATIONAL FOREST MANAGEMENT LEGISLATION

Mr. HUMPHREY. Mr. President, on February 4, 1976, my colleague, the senior Senator from West Virginia (Mr. RANDOLPH), introduced S. 2926, and on March 5, 1976, I introduced S. 3091, both bills dealing with forest and renewable resources management. Hearings on these bills, by the Senate Committee on Agriculture and Forestry, joined by the Committee on Interior and Insular Affairs, began on March 15.

Region 9 of the U.S. Forest Service, in the fall of 1975, prepared a background booklet entitled "The Monongahela Decision." It describes the history of the management of this national forest in West Virginia, highlights the litigation and controversy that has occurred, and describes the management of the national forest.

As we proceed to focus on the legislative issues, it will be useful to have this document more widely available. It will help sort out fact from fiction, provide an opportunity for those who want to comment on its accuracy and present corrective information, and hopefully assist in an orderly consideration of the issues that are before us.

In 1952, there were, according to Forest Service Surveys, a total of 10,276,000 acres of private and public commercial forest land in West Virginia. In the 1970 survey, that acreage had grown 16 percent or 1,816,000 acres to 12,092,000 acres. The growth in forested acreage in two decades—all private—was more than double the entire national forest holdings in that State. With a total of 879,000 national forest acres, there has been little change in the size of the Federal holdings in West Virginia in two decades. The national forests are about 7 percent of the forested land in West Virginia, but they are an important 7 percent.

The Monongahela National Forest is the major one in West Virginia, 834,000 acres. Originally it was in private hands and was covered with verdant hardwood, softwood, and mixed stands. Like my State of Minnesota, the timber on all lands was ruthlessly stripped from the land. In 1869 in West Virginia, 76 million board feet were cut. By 1909, the annual cut was at the 1.5 billion board foot level, consisting of over 900 million board feet of hardwoods and over 500 million board feet of softwoods.

In Minnesota that year over 1.5 billion board feet were logged—less than 100 million board feet were hardwoods but over 1.3 billion board feet were prime virgin white pine. In 1909 Minnesota was No. 10 in lumber production and West Virginia was No. 11. For both our States those were the peak years. After that the slide began. Our forests were cut out. By 1940 Minnesota's lumber production had dropped to below 150 million board feet annually and West Virginia's stood at barely 500 million board feet.

The national forests were begun at the turn of the century, being created out of public lands in Minnesota and other Western States. In 1911 the Weeks law permitted acquisition. In Minnesota, in West Virginia, and other States a Forest Service program of acquisition finally got slowly underway.

Even today, despite four to seven decades of management, the resources on these lands are not fully restored in vigor and productivity. In Minnesota, because of the public land base, much of which had been protected from being cut out, the national forests have long been a mainstay of our productive forest base. In West Virginia, the lands acquired by the Forest Service were almost totally denuded of their trees by the cut-out logging.

The Monongahela National Forest, as the Forest Service report points out, sold no timber until 1970 and then only 36 million board feet. The Minnesota national forests, which were selling about 80 million board feet in 1940, sold 165 million board feet in 1970.

In both our States the production of renewable resources on our forested national forest land—and on our private land—is well below optimum levels for water, wildlife, and wood.

We face a clear choice. We can complain about the errors of the past. The other choice is to chart our way to a better future. I know that past. I was then a young boy. Senator RANDOLPH knows that past too. He knows the toll it took on resources, on people, and on communities. So as we approach the issues of resources management—focusing on the policies that led to the litigation in West Virginia over national forest practices, we along with our colleagues, will be seeking to find new and better ways to realize our resource opportunities.

Mr. President, I ask unanimous consent that the Monongahela decision and most of its tables be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

THE MONONGAHELA DECISION

INTRODUCTION

Since the Court of Appeals upheld the decision of the U.S. District Court severely restricting timber management practices on the Monongahela National Forest, many requests for background information have been received. The following chronolgy and other materials were developed by the Forest staff to answer those requests. In addition to describing the situation as it developed, it provides information on the potential impacts of the decision and describes timber stand conditions.

As Regional Forester, I have been involved with the timber management controversy on the Monongahela National Forest for the past five years. Unquestionably, mistakes were made in the use of clearcutting. The visual impact of size, spacing and concentration received too little attention. We recognized our mistakes and learned from them, and this resulted in subsequent procedural changes on the Forest. Unfortunately, the controversy continued, culminating in the Court action now known as the "Monongahela Decision."

Two significant factors contributed to the continuing controversy despite management changes on the Monongahela. One was the timber sales already under contract before the changes were made. Those sales did have relatively large clearcuts, and, since they were legal sale contracts, their provisions had to be carried out. They could not be modified sufficiently to meet our revised standards. Thus, it appeared that no changes had been made. The other factor was a communication barrier between the Forest Service and the concerned public. With some, we were unable to convey the idea that many cutting methods in addition to "selection cutting" will provide a fully stocked forest. With others, the belief that timber cutting has no place on the National Forests was unshakable.

We hope that the "Monongahela Decision" will be resolved soon so that optimum management may resume. In the final analysis, the "Monongahela Decision" provides an opportunity for reassessment of the National Forests' role in meeting our Nation's timber needs under the concept of multiple use.

JAY H. CRAVENS,
Regional Forester.

Chronology of a Controversy— Monongahela's Timber

To understand the evolution of conservation and the role of the Forest Service and thus see the Monongahela controversy in focus, a quick capsule of historical events is needed.

1891—The President was authorized to set aside public forest and other land, whether commercial or not. These "Forest Reserves" were in the Department of the Interior.

1897—Congress enacted the 11-section Organic Act. It contained the first and basic management authority for these lands. Section 3 directed that public forest could be reserved to improve and protect the forest and for the purpose of securing favorable conditions of water flow, and to furnish a continuous supply of timber for the use and necessities of citizens of the United States. In Section 4, authority was given to sell "dead, matured, or large growth of trees."

1900—Transfer of Forest Reserves to Forest Service created in the Department of Agriculture, name of Reserves changed to National Forests, and incorporation of the Bureau of Forestry into Forest Service.

1911—Enactment of Weeks Law authorizing acquisition of private land for incorporation into National Forests for purpose of "regulation of the flow of navigable streams."

1924—Weeks Law amended to authorize land acquisition "for the production of timber."

1960—Multiple Use-Sustained Yield Act listed the uses of the National Forest as "outdoor recreation, range, timber, watershed, and wildlife and fish purposes." Multiple use was defined as:

(a) "Multiple use" means the management of all the various renewable surface resources of the national forests so that they are utilized in the combination that will best meet the needs of the American people; making the most judicious use of the land for some or all of these resources or related services over areas large enough to provide sufficient latitude for periodic adjustments in use to conform to changing needs and conditions; that some land will be used for less than all of the resources; and harmonious and coordinated management of the various resources, each with the other, without impairment of the productivity of the land, with consideration being given to the relative values of the various resources, and not necessarily the combination of uses that will give the greatest dollar return or the greatest unit output.

1974—Congress enacted the Forest and Rangeland Renewable Resources Planning Act. It set into motion a system of resource assessments and a program, and specifically charted a course for more effective interdisciplinary resource management on the National Forests.

KEY DATES IN HISTORY OF THE MONONGAHELA NATIONAL FOREST

1920—Established.

1930—218,157 acres had been acquired.

1934—3,600 acres, Northeastern Fernow Experimental Forest set up.

1940—Monongahela had 796,576 acres, first timber sales began.

1974—834,000 acres now comprise this National Forest. It is organized in six Ranger Districts. Fifty-one percent of the total area of the Forest is Federal land, the balance is private. On the Gauley District, where there has been the greatest concern recently over cutting practices, the Federal land makes up 156,800 acres. Of this total, 152,384 acres were purchased in one acquisition from the Cherry River Boom and Lumber Company in 1934, after having been totally cut over.

THE MONONGAHELA TODAY

This National Forest is located in eastern West Virginia and covers an area about 150 miles long by 40 miles wide. Most of the National Forest land is in the higher country of the mountains that run from the northeast to the southwest. The original forest cover was a combination of conifers—spruces, pines and hemlocks, and, more prevalent, hardwood forests made up of chestnut, cherry, yellow poplar, oak, ash and maple.

Settlement reached this area early in our Nation's development, but logging on a large scale did not occur until the late 1800's and early 1900's. When the area was cut, in the main there were large areas tapped by logging railroads that removed all of the conifers and most of the soft hardwood commercial timber, with logging generally destroying or degrading what was left. This cutting was often followed by fires, with the result that today's forest is far different from the original. Most of the valuable coniferous forests have been extirpated. Most of the hardwood forests are even-aged stands made up of a varying mixture of both tolerant and intolerant species. While the land retains much of its inherent productivity, the resulting even-age forests are often deficient in species or quality of trees that will, over time, produce the most environmentally and ecologically useful forest.

One measure is the history of timber sales:

1920–1940—virtually none.

1940—9.2 MM bd. ft.

1960—21.9 MM bd. ft.

1970—36.5 MM bd. ft.

Based on the acres of land in the forest and its site index, this land should be capable of producing 25½ million cubic feet (165.5 MM bd. ft.) of wood annually. The area has very important multiple-use aspects. Out of the total 834,000 acres. 30,215 acres are in Wilderness, 36,300 acres are in study for Wilderness, and 142,100 acres are in travel and water influence zones. The Forest has a wildlife population of many species as follows: turkey, deer, black bear, squirrel, rabbit, etc., plus many non-game species. Recreation use is widespread and varies. Examples of major uses are: auto touring, camping, picnicking, hunting, fishing, hiking, etc.

THE CONTROVERSY OF TIMBER HARVESTING ON THE MONONGAHELA

Early commercial timber cutting was accomplished under economic guidelines of current profitability, rather than the broader goal of long term economic, environmental, and multiple-use objectives. Most cuts either took only the most valuable of the marketable trees, a process referred to as high grading, or were cuttings to a diameter limit, leaving depleted stands for the future. These were no silviculturally sound selection cuts. Clearcuts were aimed at removal of valuable material from those depleted "selection" cuttings or to bring the young stand to a fully stocked condition. Often left behind were trees for which there was no market. Since the "selection" cuts left less logging debris and appeared to do less site damage, they were often confused with a silviculturally sound selection cut, even though their invisible harmful effects were significant. Visually, a silviculturally designed clearcut looks, on the surface, the same as an economically devised clearcut.

Most of the Monongahela National Forest today is composed of young even-aged stands of hardwoods. These stands are from 40 to 60 years old, far from physiologically mature. These stands, however, vary widely in tree size and species composition as well as in tree quality. Thus, these stands appear uneven-sized and are easily misconstrued to be uneven in age.

Many of the timber sales made from 1950 to 1965 under selection marking were, in fact, removals of the originally unwanted trees along with an economic high grading of advanced, young even-aged stands. The result was to convert many of these even-age stands to an understocked condition and toward residuals of less desirable trees producing timber at a growth rate well below potential.

One of the complicating factors of forest management in this area is that the species that dominate the climax forest are not as suited to the needs of mankind as are the subclimax forest trees.

Research shows that selecting out the climax species does not result in increases in either numbers of or quality of the more useful intermediate species, Selecting out the intermediate species merely hosts conversion of even-age stands to composition of species of lower environmental and economic utility.

It was in 1964, as research results showed that selection marking was not always effective, that the Forest began to use some even-aged silvicultural systems as a major tool for managing timber. Not only had research confirmed that Appalachian hardwoods could be well managed through even-aged management, but also practicing foresters recognized that some earlier "selection" cuts were economic high grading and the forest was adversely affected. Also, multiple-use values could be better enhanced using even-aged management. This change was not accompanied by adequate public awareness and involvement, so the first step was in the right direction but on the wrong foot. Clearcuts that included gridling uncut trees were aesthetically unacceptable, even if silviculturally sound.

In 1964, the West Virginia State Legislature asked that a study assess our management practices. This 1965 study was done by persons with knowledge of forest management, who reported favorably on even-aged management and the clearcutting method. This did not satisfy the study's sponsors, so, in 1967, House Resolution 47 was passed, and another special committee, this time composed of State Legislators, reinvestigated our management practices. Their report was critical and asked us to "cease and desist from the 'clearcut' practice and reemploy the selective cutting practice." However, the State Legislature did not take any action on this committee's report. The subject came up again, and, in February of 1970, House Concurrent Resolution 26 established a Forest Management Practices Commission to "conduct a comprehensive study of—clearcutting of the national forest lands." It was composed of 5 Senators, 5 Delegates, 2 foresters and 2 laymen.

Their August 1970 report contained 15 main recommendations, many with subrecommendations. With the exception of recommendations 5 and 6, practically all significant recommendations were concurred in by the Forest Service, and appropriate changes made. Recommendation 5 asked, ". . . that both uneven and even-aged forest management be employed to manage the timber resource but with greater emphasis placed on uneven-aged management." Recommendation 6 said, "As the main silvicultural technique to implement uneven-aged management, we recommend that the selection cutting system be used; that it be the primary and basic silvicultural technique used to manage the timber resource in West Virginia. . . ." The Forest Service response to these two recommendations was that "Both the even-aged and uneven-aged management systems will be employed. Selection cutting will be the primary system applied in the view corridor along travel routes and waterways."

This response was further amplified by former Forest Service Chief Ed Cliff in his statement before the Subcommittee on Public Lands, Committee on Interior and Insular Affairs, United States Senate, on the Management of Public Lands, May 7, 1971. "From the recommendations of both the West Virginia Forest Management Practices Commission and the Forest Service Review Committee we developed a plan of action for the Monongahela which has been put into effect.

"A variety of cutting methods will be used as determined by resource specialists to meet the conditions of the timber stand and resource objectives for the areas involved. These methods will include selection, shelterwood, clearcutting, and thinning and release cutting. Size of individual clearcuts will normally be limited to 25 acres or less. Dispersal and distribution of clearcuts and the distance between them will give full recognition to wildlife, aesthetics, and other values. . . . In 1964 and until recently, we stated that even-aged management would be the basic system of management in the so-called general forest zone. This has been changed. Our policy now is to use a variety of methods, with no one method as primary."

How has the Monongahela responded to the Chief's directive? We have sold 41 timber sales, all generated through the interdisciplinary advice of wildlife biologists, fish biologists, geologists, landscape architects, engineers, hydrologists, soil scientists, and silviculturists. On sensitive prospective sales, such as all of those on the Gauley Ranger District, we advertised for and sought public involvement. This usually brought, at best, one response per sale.

In the development of those 41 sales, 936 different timber stands, covering 51,000 acres, were closely examined by our personnel. They found that 348 stands or 25,000 acres needed silvicultural treatment. However, 177 of the 348 were deferred from cutting because of multiple-use conflicts, leaving 171 stands and 8,671 acres to be cut by these cutting methods: Selection—1,280 acres; Group Selection—118 acres; Seed Tree—228 acres; Salvage—7 acres; Thinning—4,444 acres; Clearcut—2,201 acres; First cut shelterwood—42 acres; and, Second cut shelterwood—351 acres. The clearcut total is the sum of 123 cutting areas, none exceeding 25 acres, and with one exception, they were at least 650 feet apart. Their average size is less than 18 acres.

Another record of interest is this history of acreage sold by clearcutting and other methods:

	Acreage	
Fiscal year:	*Clearcut*	*Other*
1968	3,360	2,510
1969	6,339	4,432
1970	4,326	2,142
1971	1,739	5,335
1972	1,427	5,006
1973	226	1,091

The trend is obvious—more careful application of all cutting systems to meet sulvicultural needs.

On May 14, 1973, a suit was filed in the Federal District Court in Elkins, West Virginia, by a coalition of organizations: The Natural Resources Defense Council, Sierra Club, West Virginia Division of the Izaak Walton League, West Virginia Highlands Conservancy, and one individual, Forrest Armentrout. They contended that three proposed sales on the Forest violated part of the Organic Act of 1897. Federal Judge Robert Maxwell granted a temporary restraining order and hearings were held in August. On November 6, the Court held for the plaintiffs, and on December 21, granted a summary judgment, issuing the order that:

"1. Defendants' practice and policy of letting contracts for the sale of timber in the Monongahela National Forest which (1) permit the cutting of trees which are not dead, matured or large growth; (2) permit the cutting of trees which have not been individually marked, and (3) allow timber which has been cut to remain at the site violate the Organic Act of 1897.

"2. . . . Timber sale contracts . . . violate the Organic Act of 1897 and are invalid insofar as they propose to permit (1) the sale and cutting of timber which is other than dead, matured, or large growth trees; (2) the sale and cutting of trees which have not been individually marked; or (3) the sale and cutting of trees which will not be removed."

Many people have characterized this lawsuit as a ban on clearcutting. It is probable that some of the plaintiffs view it as such. Our view is that it limits all harvesting methods for commerial sales to mature trees. The implications of this suit are broad. The Court's interpretation of the Organic Act bars sales of smaller trees and insures that each tree must individually meet one of the restrictive definitions. This decision prohibits the application of scientifically sound silviculture through commercial timber sales, substituting commercial cutting practices that would make it quite easy to violate other provisions of both the Organic Act and the Multiple-Use Act.

The Court applied Webster's New 1960 International Dictionary definition of "mature" as meaning "brought by natural process to completeness of growth and development . . . full grown; ripe." Most of the stands on the Monongahela are less than 60 years old. Since the principal tree species comprising the timber stands on the Monongahela live and may continue to grow well for 100 to 150 years, few trees on the Forest actually meet this definition of maturity.

The Court also adopted Webster's definition of "large", i.e., "exceeding most other things of like kind in bulk, capacity, quantity, superficial dimensions, or number of constituents units; of considerable magnitude; big; great. . . ." There are some large trees on the Monongahela. These trees are large, not because they are older than the rest of the stand, but because they are generally the most thrifty, fastest growing trees. In our professional judgment, harvesting those would constitute an economic "high grading" of the stand by taking the best and leaving the poorest trees.

The cutting of only large trees means only minor volumes will be available to harvest. Forest inventory data show that there is an average of less than a thousand board feet per acre of such large trees. This is less than a third of the volume generally necessary to make a sale economically feasible.

The decision was made to appeal the District Court Order. Oral arguments were heard by the U.S. Court of Appeals for the Fourth Circuit Court on December 4, 1974, and on August 21, 1975, the Court affirmed the earlier order by Judge Maxwell.

The affirmed decision created as many questions as it answered. Because of this, it is being reviewed by both Federal attorneys and the Forest Service as to what may or may not be done on timber sales. On August 28, John McGuire, the Chief of the Forest Service, halted all pending timber sales on the National Forests in West Virginia, Virginia, and North and South Carolina while the Court's decision was reviewed. On September 24, the Chief determined that approximately 30 million board feet of timber could be offered for sale during the balance of Fiscal Year 1976 under the Court's guidelines from the four States affected. Of this amount, about 4 million board feet will come from the Monongahela. The harvesting will primarily involve the salvage of dead and dying trees. Some cutting will also be done as a part of research projects.

Strict application of the law will not enable the Forest Service to continue with intelligent forest practices. While even-aged management has been supported by the Society of American Foresters (the National organization, the local Allegheny Section, and its West Virginia Chapter); the League of Women Voters of West Virginia, Inc.; the five Forestry School Deans who evaluated clearcutting for the Council on Environmental Quality; the National Forest Products Association; the Wildlife Management Institute; the Subcommittee on Public Lands to the United States Senate Committee on Insular Affairs; and the President's Action Panel on Timber and the Environment, all of these actions occurred before the Court decision. The result of the decision is to affect all types of silvicultural systems on the entire 92 million forested acres in the National Forest System.

The Court has suggested that new legislation is needed if the present law is an anachronism. The main impact of the decision for now is on the Monongahela with side effects already in the four States of the Fourth Judicial Circuit; North and South Carolina, Virginia, and West Virginia. The longer term effect of Nationwide application will severely impact multiple resource and multiple use management.

MONONGAHELA NATIONAL FOREST EVALUATION OF COURT ORDER ON TIMBER MANAGEMENT

On December 21, 1973, a Federal Court Order was written by the Honorable Robert Maxwell, United States District Judge in the Northern District of West Virginia, arising out of Civil Action File No. 73-68-E. Part 2, (1), of that Order prohibits "the sale and cutting of timber which is other than dead, matured, or large growth trees."

Judge Maxwell's Opinion of November 6, 1973, was the framework for his December 21, 1973, Order. This Order was affirmed by the 4th District of Appeals Court. That Opinion states:

"It is this Court's view that the portion of the language of Section 476 which provides '(F)or the purpose of preserving the living and growing timber and promoting the younger growth on national forests, the Secretary of Agriculture . . . may cause to be designated . . . so much of the dead, matured, or large growth of trees found upon such national forests . . . and may sell the same . . .' constitutes a clear directive from Congress, to the persons charged with the administration of the national forests, that trees can be sold and cut only if they are 'dead, matured or large growth' and then may be sold only when the sale serves the purpose of preserving and promoting the younger growth of timber on the national forests.

"If we are to apply the principle that statutes are to be interpreted according to the usual and ordinary meaning of the words employed in the writing of the statute, then the word 'dead' means 'deprived of life;—opposed to alive and living' (Webster's New International Dictionary (2d ed. 1960)); and 'mature' means 'Brought by natural process to completeness of growth and development . . . full grown; ripe' (Webster's New International Dictionary (2d ed. 1960)); and 'large' means 'Exceeding most other things of like kind in bulk, capacity, quantity, superficial dimensions, or number of constituent units; of considerable magnitude; big; great . . .' (Webster's New International Dictionary (2d ed. 1960))."

This is an evaluation of the environmental effects of forest management by those instructions, using the broad environmental analysis and current forest facts.

WATER

Beneficial effects

Water quality and quantity will be unchanged in the short run. The Forest's age is substantially in the sixties, so, for at least another forty to sixty years cutting activities will necessarily be at quite low levels, and water quality and yields will be affected only by natural phenomena.

Adverse effects

Annual water yields will continue to have their summer seasonal low flows until the forest has grown towards maturity with large trees. Since the forest is commonly evenaged, most of the forest will become mature during the same time period. When that point is reached, harvesting will greatly accelerate and water flows in the summer will generally increase substantially. As small watersheds are likely to be heavily harvested, the likelihood of localized flooding will increase.

Water qualities in forty to sixty years will likely be degraded as a result of widespread heavy cutting which will require extensive road systems. This will be a secondary effect following the processes of erosion and deposition.

VEGETATION

Beneficial effects

There will be short term beneficial effects in the removal of mature and large trees from distinctly two-aged stands. These occur where the largest and mature trees are residuals that were left from the original exploitive harvest cuttings, with the second age class being the regeneration that followed that cutting.

Adverse effects

Mature trees will have to be brought to that state by natural processes, and, since the large trees by definition are the largest trees, there can be no thinning to promote the normal development of trees towards largeness or maturity. This results in depressing the growth rates of all trees in the stand regardless of timber type, size or density. The exclusive removal of large trees will, first of all, remove those trees that have expressed themselves as most suitable to the site. As they are removed, the next crop of trees will consist of trees which are not as well suited to the site, are smaller, and of lesser quality. As these are eventually removed, the next crop of trees will be made up of the poorest trees with the least vigor, size, and quality.

The removal of large trees will discriminate against intolerant tree species. Over a period of time, the stands so treated will be converted to the tolerant species of sugar and red maple and beech. All other species will be greatly diminished.

Regeneration will become mostly the tolerant species of maple and beech. Cultural treatment being foregone will assure that only the tolerant regeneration will be allowed to develop.

As stands are harvested, they will become more and more irregular, stocking control lost, and the forest will be unregulated.

WILDLIFE

Beneficial effects

Wildlife habitat will remain about at a status quo for a decade and will then become increasingly but imperceptibly better for turkey and squirrel until the first cutting is made in that habitat. In forty to sixty years, deer, grouse, and rabbit habitat will improve.

Adverse effects

The first harvest will immediately and severely affect turkey and squirrel. The removal of nature and large trees will tend to destroy this habitat through the removal of mast producing trees and den trees.

All subsequent timber harvests that continue to remove intolerant oak mast trees will further degrade the habitat. As conversion to maple and beech continues, the habitat will be depressed to its lowest level.

In forty to sixty years, when the majority of the forest will have open and continuously active roads, because it has peaked to maturity and likely be harvested, the black bear will be placed in greatest jeopardy. It will be vulnerable to excessive cropping and its sensitive breeding areas will be gone.

Deer, grouse, hare, and non-game birds, and the one known potentially endangered species, Cheat Mountain salamander, will be adversely affected in the next few decades. Current habitat will grow beyond the stage of good habitat, and no new good habitat of dense regeneration stands will occur. Further, harvesting of big trees will degrade mast production, and stands not thinned will be devoid of ground vegetation.

PROCESSES

Beneficial effects

In the short run, there will be a status quo of only normal natural erosion, deposition, and sedimentation.

Adverse effects

Beginning in about forty years, as the forest builds rapidly to a peak of maturity, cutting will greatly accelerate. As a result, many roads and skid roads will be built in a short period of time. They will be widely and extensively used, creating a maximum opportunity for accelerated erosion, sedimentation, and deposition, with secondary adverse effects upon water quality and tertiary effects upon fish habitat.

FOREST USERS

Beneficial effects

Forest visitors will benefit moderately in the next few decades. The forest will tend to have an unchanged appearance.

Adverse effects

Forest visitors who are extractive users such as hunters or loggers will fare poorly at first.

Game harvests will be static for a few years and then will progressively decline as the habitat is degraded. At the end of forty or sixty years, hunters of deer, hare, and grouse will find some satisfaction. Those interested in turkey and squirrel will have to seek satisfaction elsewhere.

Forest visitors who are essentially viewers will become progressively dissatisfied. The continual removal of the larger trees and continual degradation of the forest composition, quality, and character will change the aesthetical appearance severely in about fifty years.

ECONOMY AND SERVICE

Beneficial effects

There will be short term benefits to the economic sector devoted to the non-extractive recreational aspects of the forest because the forest will seemingly be static.

There will be mid term benefits to the logging industry in that the timber harvested will be the larger trees with higher quality and most value. Smaller and lesser valued trees will not have to be utilized.

Adverse effects

As the beauty of the forest declines after the next few decades, the recreational use and industry will start to suffer.

Timber sales will be uncommon during the next decade because the forest is relatively young and also because the volume and value available in mature and large trees is normally less than the investment costs that would be necessary to harvest that timber. Employment as loggers, and sawmill operations will be seriously curtailed.

After the mid term peak of the logging industry, it would quickly decline as the quality, value, and species composition of the forest will have become degraded.

The small product industry of pulpwood, posts, and rails, and other similar products would be immediately lost and never regained.

ANALYSIS CONCLUSION

The environmental effects of forest management, as a result of following the Federal Court instructions, are adverse, long term, and significant.

APPENDIX I

NATIONAL FOREST DOLLARS RETURNED TO COUNTIES IN LIEU OF TAXES

Federal lands are not taxed by counties in which those lands are located. On the Monongahela National Forest, twenty-five percent of the net receipts are returned to the concerned counties to be used for roads and schools' expenses. In the past, these returns have compared favorably with the per acre tax assessments on undeveloped lands.

Taxes paid by land owners prior to purchase by the United States for the Monongahela National Forest was summarized on some recent acquisitions. Between June 1973 and June 1975, 4,838.8 acres of undeveloped forest land was purchased with no improvements. The total taxes due the year of purchase was $811.36 or an average of 16.7 cents per acre.

Prior to the Court restraining order, which restricted selling of timber in the manner practiced, this Forest was returning about 25 cents per acre to the counties. The following chart indicates dollars returned to the counties for the last decade from all receipts:

25 PERCENT DISTRIBUTION TO COUNTIES FROM RECEIPTS OF THE MONONGAHELA NATIONAL FOREST

Fiscal year	Grant	Greenbrier	Nicholas	Pendleton	Pocahontas	Preston	Randolph	Tucker	Webster	Total	Amount of total attributable to timber
1965	$4,912.60	$34,183.11	$8,145.03	$25,357.61	$96,303.46	$1,352.41	$59,245.22	$32,323.94	$22,497.37	$284,320.75	
1966	3,037.18	20,702.66	4,883.26	15,951.26	57,882.19	810.82	35,634.15	19,391.93	13,488.03	171,781.48	
1967	3,425.84	23,364.38	5,508.15	17,533.25	65,201.08	914.58	40,327.43	21,914.36	15,214.05	193,493.12	
1968	3,751.44	25,708.82	6,048.49	19,160.21	72,285.74	1,000.54	44,356.50	23,988.54	16,644.04	212,944.32	
1969	3,913.12	26,916.17	6,097.28	16,575.84	73,049.95	1,008.61	44 977.88	24 259.26	16,778.29	212,576.40	$180,033.12
1970	3,699.17	24,490.82	5,762.00	15,865.22	69,399.24	953.14	42,647.42	22,955.40	15,855.67	201,628.08	166,135.33
1971	3,108.92	20,581.64	4,842.28	13,940.34	58,713.82	802.24	35,974.55	19,317.44	13,324.82	170,606.05	134,031.18
1972	1,818.18	11,905.30	2,795.80	8,270.22	33,931.21	463.19	20,780.39	11,153.39	7,693.40	98,811.08	62,561.63
1973	2,726.22	17,290.39	4,060.43	12,403.43	49,304.10	672.71	30,421.26	16,198.38	11,173.34	144,250.44	107,947.07
1974	2,286.85	14,503.79	3,406.76	10,489.44	41,817.63	564.29	25,550.87	13,587.77	9,372.60	121,580.00	56,832.40
1975	1,987.34	12,453.73	2,905.89	8,957.40	35,411.61	481.07	21,806.89	11,603.07	7,997.25	103,605.00	35,831.57

MONONGAHELA NATIONAL FOREST, FISCAL YEARS 1964-75

Fiscal year	Sold volumes[1]		Harvested volumes[1]		Area cut by commercial sales (acres)		
	Sawtimber (MMBF)	Products (cords)	Sawtimber[3] (MMBM)	Products[4] (cords)	Regeneration[5]	Intermediate	Total
1964	21.164	28,966	20.315	17,955	2,800	5,400	8,200
1965	30.320	34,108	26.486	21,041	3,224	6,120	9,344
1966	28.079	35,703	25.248	12,715	4,155	5,739	9,894
1967	34.618	40,850	26.195	25,429	4,193	4,284	8,477
1968	26.934	20,060	27.774	24,952	3,900	3,589	7,489
1969	42.260	28,652	29.352	25,032	3,803	4,483	8,286
1970	28.234	16,604	37.487	28,820	4,379	5,331	9,710
1971	24.359	12,770	30.382	18,770	2,973	4,686	7,659
1972	20.148	27,452	25.009	19,890	3,172	2,635	5,807
1973[2]	6.723	12,970	17.660	16,094	918	1,524	2,442
1974	.561	674	14.124	11,966	1,954	2,583	4,537
1975	.579	869	7.491	13,870	470	2,146	2,616
Total	263.979	259,678	287.523	236,534	35,941	48,520	84,461
Average per year	21.998	21,640	23.960	19,711	2,995	4,043	7,038

[1] Volumes abstracted from cut and sold records maintained on the Forest.

[2] In May 1973 the District Federal Court issued a restraining order which prohibited certain sales of timber by the Forest. The case was affirmed in the Appelate Court.

[3] Includes NEFES volumes which amount to approximately 700 M bm per year.

[4] Includes a minor amount of dead chestnut volume.

[5] Selection, shelterwood and clearcut acres included in regeneration.

MONONGAHELA NATIONAL FOREST

CULTURAL TIMBER TREATMENT RECORD

Fiscal year	Treatment (acres)						
	Planting	Seeding	Site preparation	Release and weeding	Thinning	Pruning	Total
1964	449	189	260	7,017	6,125	2	14,042
1965	197	145	182	9,462	10,212	0	15,198
1966	245	545	153	8,267	6,229	22	15,461
1967	118	1,285	83	7,561	6,604	50	15,701
1968	98	911	219	2,989	4,696	10	8,923
1969	81	545	202	8,067	1,262	13	10,170
1970	259	15	2,486	2,158	1,339	0	6,257
1971	377	0	2,116	1,219	1,195	0	4,907
1972	303	0	1,108	1,314	1,381	0	4,106
1973	466	0	2,443	1,417	300	0	4,626
1974	166	0	2,117	2,202	1,993	0	6,478
1975	806	0	1,560	1,679	3,120	0	7,165

APPENDIX IV.—*Monongahela National Forest land classification*

1964[1]

Commercial forest land	774,600
Unproductive forest land	30,300
Productive reserved	800
Total	805,700

1975[2]

Standard	474,700
Special	163,200
Marginal	74,700
Productive reserved	45,900
Productive deferred	36,300
Unregulated	5,100
Unproductive	15,900
Nonforest	14,725
Water	3,204
Total	833,729

[1] 1964 timber management plan.

[2] Preliminary breakdown of TM plan revision as of July 1, 1975.

APPENDIX V.—*Monongahela National Forest acreage of standing timber by age classes*

Age class:	*Acreage*
0–9	15,000
10–19	2,000
20–29	5,000
30–39	35,000
40–49	171,000
50–59	198,000
60–69	91,000
70–79	36,000
80–89	23,000
90–99	18,000
100+	15,000
All age commitment	99,000
Total CFL base	708,000

APPENDIX VI—*Monongahela National Forest standing sawtimber volume*

Species:	*Millions of board feet* 1962	1972
Virginia pine	1	2
Elm	4	5
Black oak	15	27
Scarlet oak	21	13
Pitch pine	78	26
Black locust	26	17
White ash	34	46
Hickory	32	46
Sweet birch	15	46
White pine	68	93
White oak	57	55
Basswood	88	138
Yellow birch	61	103
Sugar maple	160	102
Yellow poplar	110	258
Hemlock	111	145
Red maple	150	309
Other hardwoods	188	206
Chestnut oak	185	229
Black cherry	266	504
Spruce	263	302
Red oak	350	468
Beech	405	411

MONONGAHELA NATIONAL FOREST, WILDLIFE HARVEST

Year	Deer	Large game turkeys	Bear
1965	2,870	477	50
1966	3,537	404	13
1967	2,931	363	39
1968	1,854	555	58
1969	2,392	1,321	52
1970	2,109	1,335	29
1971	2,491	770	43
1972	3,205	743	50
1973	3,570	1,030	53
1974	3,855	811	36

APPENDIX VIII.—*Monongahela National Forest acreage of standing timber by major forest types*

Forest type:	*Acreage*
Black cherry	31,000
Maple-beech birch	393,000
Commercial hardwoods	12,000
Other hardwoods	4,000
Oak hickory	193,000
Southern pine	1,000
Oak-pine	27,000
Red pine	1,000
White pine	10,000
Spruce	36,000
Total CFL base	708,000

APPENDIX X.—*Monongahela National Forest acreage of standing timber by site index*

Site index:	*Acreage*
26–35	1,000
36–45	22,000
46–55	67,000
56–65	107,000
66–75	239,000
76–85	169,000
86–95	87,000
95+	16,000
Total CFL base	708,000

APPENDIX XI—*Monongahela National Forest summary of timber sold since 1968*

Year:	*Acreage* *Clear cutting*	**Other*
1968	3,360	2,510
1969	6,339	4,432
1970	4,326	2,142
1971	1,739	5,363
1972	1,427	5,006
1973	250	1,000
1974	0	0
1975	0	0

* Includes thinnings, improvement harvests, selection, and shelterwood cuttings which left a crop of standing trees.

APPENDEX XII—*Monongahela National Forest, Comparative numbers of hardwood tree species by diameter classes and tolerance ranking*

(Numbers of trees in thousands)

Diameter class in inches	**Intolerant*	***Tolerant*
6	1,514	9,339
8	2,143	6,979
10	1,624	3,816
12	1,669	2,828
14	2,018	1,558
16	1,126	1.026
18	349	752
20	223	151
22	64	263
24	62	137
26+	23	35

* Scarlet oak, Yellow poplar, Black cherry, Black locust.

** Beech, Sugar maple, Red maple.

APPENDIX XIII—*Mononongahela National Forest, area of commercial forest land by critical slope element*

Slope percent:	*Average*
Zero to 40	503,000
50 percent	130,000
60 percent	75,000
Total CFL Base	708,000

APPENDIX XIV—*Regeneration occurring on 62 different clearcuts by 2 site index classes*

Species:	*Average number of trees/acre* *Sl 60+*	*Sl 60−*
Sugar maple	*2081	100
Red maple	*823	890
Beech	*607	229
Yellow birch	*368	—
Bl. birch	97	158
Yellow poplar	211	386
Basswood	43	4
Cucumber	51	31
Black cherry	*984	106
White ash	82	50
Red oak	*401	*621
White oak	113	*976
Chestnut oak	160	*611
Scarlet oak	116	*406
Black oak	84	177
Black locust	109	197
Hickory	31	*469
White pine	83	*708
Virginia pine	—	64
Pitch pine	8	66
Hemlock	8	—
Spruce	79	8
Miscellaneous	593	1504
Total/acre	7132	7761

*Most frequent regeneration.

APPENDIX XV—*Regeneration occurring on 62 different clearcuts by stocking percent*

Number:	*Percent stocked*	*Percent free to grow*
36	100	100
3	100	92
2	100	90
2	100	50
6	95	95
1	95	75
1	93	93
4	90	90
3	90	80
1	90	70
1	80	45
1	77	69
1	75	75
62		

OPPORTUNITIES INDUSTRIALIZATION CENTERS

Mr. BAKER. Mr. President, I recently joined in cosponsoring S. 2939, legislation introduced by Senator SCHWEIKER on February 5, to authorize a special job training and job creation program utilizing opportunities industrialization centers.

Since the first OIC was formed by Dr. Leon Sullivan in Philadelphia in 1964, opportunities industrialization centers have become the most successful of our manpower training programs. I am proud of the accomplishments of the centers at Knoxville, Nashville, Jackson, and Memphis in my own State of Tennessee, and OIC's in over a hundred cities across the Nation have been extremely effective in training the hardcore unemployed for suitable jobs.

In 1973, Senator SCHWEIKER was a leader in the effort to incorporate OIC's officially into the Federal manpower training program; and I was pleased to support his proposals to make OIC's eligible to participate in federally funded job training programs under the Comprehensive Employment and Training Act.

S. 2939 would expand that participation to provide financial assistance to opportunities industrialization centers for the creation of 1 million new jobs and job training opportunities over the next 4 years.

The high rate of unemployment which this Nation has experienced during the last 2 years had made the need to improve and expand Federal job-training efforts even more acute. It seems only logical that, in our efforts to create new job opportunities for unemployed Americans, we make use of those programs and organizations, such as opportunities industrialization centers, which have proven most successful in the past. In addition, I feel a special obligation, in view of the Senate's action to sustain the President's veto of the Public Works jobs bill, to seek positive alternatives to that measure which will be more effective in the long run. In my view, opportunities industrialization centers offer that better alternative; and I believe that they should play a pivotal role in our future manpower program.

There are aspects of S. 2939 which may not acquire the full support of every Member of the Senate, including the bill's authorization of $1 billion over the next 4 years to fund the program. In my view, the details of funding and integration of OIC's with other job-creating legislation are issues which can be resolved without great difficulty as S. 2939 moves through the legislative process. The key concepts of Senator SCHWEIKER's proposal, however, are the expansion of the OIC program and the delegation to OIC's of responsibility for combining job creation with job training. These are proposals which deserve, in my opinion, the full support of the Senate; and I hope that the bill will be given thorough consideration by the Labor and Public Welfare Committee as it develops manpower training legislation in the months ahead.

SUBCOMMITTEE REPORTS ON SOLAR POWER FROM SATELLITES

Mr. MOSS. Mr. President, recently the Subcommittee on Aerospace Technology and National Needs, chaired by Senator WENDELL FORD, held hearings on "Solar Power From Satellites." As a result of these hearings, Senator FORD has sent me a letter describing some of the findings and conclusions from those hearings. Because Senator FORD's letter expresses such firm conclusions about this potential energy source and such definite recommendations for action, I ask unanimous consent to have the letter printed in the RECORD. Once again the subcommittee, under the able leadership of Senator FORD, has taken a complicated matter for consideration and sorted it out in a clear manner.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

COMMITTEE ON AERONAUTICAL AND SPACE SCIENCES,
Washington, D.C., March 8, 1976.

Hon. FRANK E. MOSS,
U.S. Senate,
Washington, D.C.

DEAR TED: In January of this year the Subcommittee on Aerospace Technology and National Needs held two hearings on Solar Power from Satellites.

I am providing you with a summary of the Subcommittee's findings and conclusions from those hearings. In the course of the testimony I discovered to my dismay that this important potential source of energy for the future may be laid aside, not through a rational policy decision but because of administrative error. There is still time to rectify this unfortunate situation.

FINDINGS OF THE HEARINGS

(1) Space is an attractive place for collection of solar power because sunlight in space is more intense and more available than on Earth. In space there is no night, clouds or atmosphere to block the sun's rays. Thus, no energy storage is necessary as with terrestrial solar power systems.

(2) The satellite solar power system is an energy alternative for the twenty-first century, not the twentieth century. Consequently, it does not compete with efforts to introduce near-term energy concepts such as solar heating and cooling.

(3) From an environmental standpoint, these space power stations would appear to be ideal in some ways. Only the antenna that receives the microwave beam from the satellite and converts it to electricity is in the terrestrial environment. Besides emitting no air or water pollution, the highly efficient receiving antenna would minimize thermal pollution of the air, an environmental problem that we are only beginning to appreciate. Among the witnesses there was general agreement that the microwave beam will be completely controllable and will pose no serious environmental problems. The chief reservations concerned the safety of birds flying into the microwave beam and the environmental impact of the rocket launchings necessary to put a solar satellite power system in orbit.

(4) The solar satellite power station is technologically realizable, but much development remains to be done. Such a system certainly could not be implemented today. Considerable extension of current technology is required.

(5) This system would give the United States the ability literally to export power directly to energy-hungry nations. Only a receiving antenna need be erected in the customer country. Furthermore, the solar power satellite system has an inherent ability to easily transfer its power output to different locations on Earth. For instance, peak power needs might be accommodated in several time zones by merely redirecting the microwave beam.

(6) Finally, testimony by economists in the hearings indicated that the cost of power generation from these satellites (including the launch costs) would be economically competitive with the projected costs of energy early in the next century. It is too early to establish the economic case for this alternative with certainty, but it is "in the ball park".

CONCLUSIONS

The Solar Satellite Power System offers a limitless source of nation-wide base power, independent of energy storage capacity, that appears to be environmentally benign, technologically feasible, and economically plausible for the next century.

Unfortunately, the Subcommittee learned that the Administration recently transferred all authority over NASA's work in energy to ERDA and, in the shuffle, funds for further study of the solar satellite power system were dropped. The Subcommittee agrees that the attraction of the solar power satellite is too compelling to allow this alternative to be laid aside without an informed evaluation of its merits.

The Subcommittee is not calling for a program to build the solar power satellite. Rather, we are urging that a research program continue to enable our energy planners to make a responsible decision about this option.

The Subcommittee therefore recommends that the Committee encourage the appropriate persons to channel by appropriate means FY 1977 funds through ERDA to NASA to continue research on this energy concept.

Sincerely,

Wendell H. Ford,
Chairman, Subcommitte on Aerospace Technology and National Needs.

CONFLICT OF INTEREST IN CONGRESS

Mr. GOLDWATER. Mr. President, the subject of conflict of interest continues to be with us and we listen to the moral anguish of our colleagues as they demand the dismissal of people in Government who have dared to accept the hospitality of anything from a handshake at a dinner to a goose hunt from some people in business. Recently I commented on the many niceties Members of Congress enjoy as compared to other walks of life, but I am wondering if those among us who so bemoan the so-called conflict of interest have really thought this thing through?

The headline in the Washington Star of Monday, March 15, entitled, "The Dining and Wining of the Hill by DOT," started me wondering about how far the moralists among us can carry conflict of interest. We all know that practically every agency of Government goes out of its way to influence Members of Congress, and according to the story in the Star the money they spend is not exactly peanuts. Now certainly I have nothing against the practice of attending dinners every night; in fact, a recent count of mine shows that a Congressman can attend two dinners a night 7 nights a week and this certainly would take care of a large part of one's budget problems.

But are these dinners, given by every known organization, including labor, chambers of commerce, and so forth, given just to insure that Members of Congress are fed? Is there not some purpose behind these functions and is not that purpose exactly what the people of large corporations are supposed to be when they take a member of the military goose hunting? I think it is. I think the purpose is to try to influence us to do what the hosts would like us to do. Funny though, I never heard anyone raise any hue and cry about this, but maybe it is much more pleasant to sit down at the comfortable surroundings of one of Washington's fine hotels and eat a goose than it is to go out and put up with the discomfort and cold of shooting one.

I defy my colleagues to name any person in America today who is not doing business with the Government or having his own business practically run by the Government. I wonder if we have ever given this any thought, particularly among those of us who see nothing but graft and corruption and wrongdoing in accepting invitations from anyone doing business with the Government. I believe that if what I have said is true, then we had better adopt a rule such as the Department of Defense has against such acceptances by its officials, which is foolish. Should we also require all Members of Congress to regret all invitations to dinners, cocktails, tours, speaking engagements, and so forth, for the benefit of any person?

What about the embassies, although possibly I should not mention them because they certainly provide the most delightful dinners and places to get together that we can find in this city; but what is the ambassador here for? He is here to promote the good interest of his country and, believe me, all ambassadors do that. Is not this what business is all about?

When you get right down to it, is there any difference between goose hunting on the Eastern Shore than eating a sumptuous meal in delightful surroundings offered by members of foreign embassies? Think about it. Maybe we have gone too far in this ridiculous attitude that anyone who even shakes hands with or takes a drink with a person in business has sold his soul down the river.

SOVIET JEWRY: A CALL TO CONSCIENCE

Mr. STONE. Mr. President, I wish to bring to the attention of my colleagues the remarks of our distinguished colleague, Senator Frank Church of Idaho, made at the Second World Conference on Soviet Jewry in Brussels, Belgium, on February 17, 1976.

His obvious concern is shared not only by myself but, I am certain, by many of us in the Senate and the Congress as a whole and this concern is a reflection of all freedom-loving Americans who cannot stand idly by and watch an entire people, Soviets of the Jewish faith, be repressed and persecuted for political reasons.

I would strongly suggest that Soviet Jews have been rendered political prisoners in their own land solely because of religious beliefs. The problem is becoming more ominous and it is for this reason that I am personally proceeding cautiously toward any relaxation of trade with the Soviets at this time.

Our colleague, the senior Senator from Idaho, has made eloquent remarks which deserve the full attention of the Senate. I ask unanimous consent that these remarks be printed in the Record.

There being no objection, the remarks were ordered to be printed in the Record, as follows:

Soviet Jewry: A Call to Conscience

(By Senator Frank Church)

I am honored to be with you today, for this meeting provides an opportune moment to reaffirm the shared values which have brought us together to consider the plight of Jews in the Soviet Union. This is not a parochial, but a universal concern. And it is particularly appropriate that we meet in Brussels. For Belgium is the country through which the Nazis began their drive to subjugate all of Western Europe and extinguish the very values which we gather here to commemorate. And no people more than the Jewish people have contributed to these shared values. For if it is through learning, through books and literature and legends that we transmit the wisdom of the ages from one generation to another, that we achieve continuity of culture, of nationality and religion, of values and ethics, then, who more than the people of Israel, the children of the book, have contributed to this ancient process?

Because these values remain so precious, we must consider how to preserve them in this dangerous world. If they are to be preserved, I believe as an American Senator, that it may well depend on the basic premises which govern relations between the United States and the Soviet Union, in the years to come.

For we should view the subject of this conference, not as a topic apart, but within the framework of the overall relationship between the American and Russian governments. Detente has become a subject of controversy. Its meaning is murky, often depending upon the predilections of individual commentators.

But it need not be so. There are several elementary principles which must govern American policy toward the Soviet Union. It is tragic but true that no nation any longer can be made safe from savage destruction hurled down upon it from the most hidden and remote regions on earth. Soviet submarines silently traverse the ocean floors carrying transcontinental missiles with the capacity to strike at the heartland of North America and Western Europe. The nuclear arms race threatens to continue its deadly spiral toward Armageddon.

Thus, while we vigorously pursue nuclear arms talks with the Soviet Union, we must retain a position of military strength sufficient to constitute a strong deterrent against aggression. We must leave the Soviet Union in no doubt that we are committed to the defense of Western Europe in the same way we are committed to that of our own land. And we must be equally firm that a valued ally, Israel, however beleaguered or seemingly isolated, will, without question, be provided with the means to defend itself against threatening enemies.

Second, it is imperative for the United States to maintain a strong and effective intelligence service. On this proposition we can ill afford to be of two minds. We have no choice other than to gather, analyze, and assess—to the best of our abilities—vital information on the intent and prowess of foreign adversaries, present or potential.

Without an adequate intelligence-gathering apparatus, we would be unable to gauge with confidence our defense requirements; unable to conduct an informed foreign policy; unable to control, through satellite surveillance, a runaway nuclear arms race. "The winds and waves are always on the side of the ablest navigators," wrote Gibbon. Those nations without a skillful intelligence service must navigate beneath a clouded sky.

Third, and most important to those of us gathered here, we must be firm that when we enter into a comprehensive international agreement with the Soviet Union we expect compliance not only with those provisions that suit the Russian convenience but with all provisions. Specifically, I am referring to the 1975 Conference on Security and Cooperation in Europe, the Helsinki Agreement as it is popularly known. That agreement is explicit in the commitments undertaken by the signatory states to ease the restrictions on travel and emigration of citizens. As a senior member of the United States Senate Committee of Foreign Relations, I intend to ensure that we effectively monitor compliance with these commitments. If the American government does not protest a Russian failure to comply, then the outcry must come—loud and clear—from the United States Senate.

I want to dwell on this last point for a moment because I consider it fundamental to the evolution of improved relations between the Soviet Union and the Western world. As Prime Minister Rabin reminded us in his address to the Joint Session of the United States Congress, it was Thomas Jefferson who said:

"Our ancestors possessed a right which nature has given to all men, of departing from the country in which chance—not choice—has placed them, on going in quest of new habitations and of their establishing new societies. . . ."

Thus, it should come as no surprise to the Soviet Union or others that Americans accord a special priority to this covenant in the Helsinki Agreement and that we intend to closely monitor its implementation. It is imperative to be absolutely clear on this point. For if there is one thing which has troubled the American public about detente, it is the sense that it is a one way street in favor of the Soviet Union, that American leadership does not hold the Soviet Union to commitments solemnly undertaken, particularly where human rights and Soviet Jews are concerned. So it is best, in my opinion, that we not paper over differences where they exist, that we not obscure fundamental disagreement merely for the sake of accommodation. This is especially true in our relationship with the Russians. For there are profound differences between the United States and the Soviet Union. Unlike the disputes between the Russians and Chinese, which are primarily territorial in nature, the differences between the United States and the Soviet Union are qualitative, reflecting divergent views of the purposes for which society is organized.

Moreover, these differences are not of recent origin. More than a century ago, the perceptive Franch observer, Alexis de Toqueville, in his classic work, "Democracy in America," perceived the distinction between Americans and Russians:

"The American struggles against the obstacles which nature opposes to him; the adversaries of the Russian are men. The former combats the wilderness and savage life; the latter, civilization with all its arms. The conquests of the American are therefore gained by the plowshare; those of the Russian by the sword. The Anglo-American relies upon personal interest to accomplish his ends and gives free scope to the unguided strength and common sense of the people; the Russian centers all the authority of society in a single arm. The principal instrument of the former is freedom; of the latter, servitude. Their starting-point is different and their courses are not the same."

This is fundamentally what the struggle in the world is all about and why we meet here today. It is a struggle which reflects opposite views over the value of the human personality, freedom and individual worth, concepts which antedate communism and capitalism as we know them today.

Why, after all, did de Toqueville come to the United States? In his own words:

"I confess that, in America, I saw more than America; I sought there the image of democracy itself, with its inclinations, its character, its prejudices, and its passions, in order to learn what we have to fear or to hope from its progress."

What I hope that we have learned from America's progress is that free citizens have a duty to declare their compassion for oppressed minorities wherever they may exist, that we must be passionate in opposition to injustice and adamant, where we can by our actions affect the result, in opposing abominable practices which offend the human spirit. It is an abomination to incarcerate in a hospital for the insane, a mentally competent man merely because he holds dissident views or manifests his desire to leave the Soviet Union. There is nothing to be gained and much to be lost by pretending that we are not offended by such cruelties.

Almost 200 years ago, when we were far weaker than we are today, the Founding Fathers of the American Republic made the basic decision that they would not fight evil with evil, crime with crime, or delinquency by becoming delinquents. They committed themselves against a closed society by becoming an open society; they sought to escape the terror of a police state by establishing a government subserviant to the law. At a time when there was far less democracy in the world than there is now, they chose their weapons, and they chose them well. They chose to fight wrong with right.

Since that time, the United States has been at its best when true to itself, when it placed principle above profit or pragmatism even in the conduct of foreign policy. On December 19, 1911, for example, President Taft abrogated a lucrative trade agreement with Czarist Russia which was shortly to go into effect because the latter refused visas to American Jews. In May, 1885, the United States was informed by the Austrian government that Mr. Anthony Reiley would be unacceptable as envoy extraordinaire and minister plenipotentiary in Vienna, "The position of a foreign envoy wedded to a Jewess by civil marriage would be untenable and even impossible in Vienna." Then Secretary of State Bayard replied in these terms:

"It is not within the power of the President nor of the Congress nor of any judicial tribunal in the United States, to take or even hear testimony, or in any mode to inquire into or decide upon the religious belief of any official, and the proposition to allow this to be done by any foreign government is necessarily and a fortiori inadmissible.

"To suffer an infraction of this essential principle would lead to disfranchisement of our citizens because of their religious belief, and thus impair or destroy the most important end which our Constitution of Government was intended to secure."

Would that we had today a President and a Secretary of State equally sensitive to the "most important end which our Constitution of Government was intended to secure." For it is when we uphold our own principles that the United States is most effective as a world leader. Only then do our words and example carry conviction and moral force.

I believe that our government could, if it wished, more affirmatively manifest to the Soviet government the concern of the American people for more humane treatment of Soviet Jews, just as I believe that, concern with human rights, more generally, is a necessary component of a United States foreign policy. Authoritarian governments like the Soviet Union are not wholly insensitive to world opinion. Communist movements in Western European countries are being held to account for oppressive practices in the Soviet Union. It is not without significance that recently the French communist party felt compelled to condemn conditions in Soviet prison camps. Thus results, as well as idealism, are involved when we act in accordance with our own convictions.

To do so, it is sometimes necessary to stand alone. Israel, in many respects, stands alone today, just as the United States did in its early years. In his introduction to the *Federalist Papers,* Clinton Rossiter, the American historian, noted that one of our early leaders, James Madison, won his honored place in our history as Secretary of State by guiding the then friendless republic through the dangerous waters of international hostility. It is difficult to conceive today of the United States standing alone. But as an anomoly in a world composed of entrenched autocracies, the new Republic was, at first, suspect and then feared, not because of its power, for it had none, but because of the force of the ideas which impelled its creation. I suspect that much of the venom directed against Israel today in the United Nations is a reflection of the resentment that this small nation engenders because it is an oasis of freedom in the midst of a desert of authoritarian governments. As Prime Minister Rabin observed, "There are all too few nations in the world that uphold these democratic forms and objectives. We are a rather small family."

Mrs. Meir reminded me this morning of the litmus paper test for determining whether any given government is, in truth, a democracy.

"Just ask," she said, "whether the opposition is in parliament or in jail!"

Therefore, when a U.N. majority hurls its imprecations "Zionism as racism" at this valiant democracy, I am proud, as an American, to stand beside it, though a minority we may be.

When I appear here to declare that I believe that Soviet Jews have a right, not just a privilege, to leave the Soviet Union, to live as Jews unhampered and not subject to discrimination, when I come here to affirm that Israel lives not by sufferance but by right, I stand not on alien ground but in the great tradition of Western democracies. To shrink from these affirmations, to hesitate, to fear to offend, is to deny the most precious part of our common heritage and, I daresay, that vital part of the human heritage which gives courage to the oppressed everywhere and hope to all men and women who yearn to be free.

A CLOSET CAPITALIST CONFESSES

Mr. FANNIN. Mr. President, it is astonishing to see the number of proposals which are made to turn the United States into a socialist utopia. We are inundated with liberal schemes—most of which have been instrumental in driving socialist nations onto the rocks of economic disaster.

Most of these schemes are based on the premise that business and businessmen are evil; that somehow Government-imposed programs will result in efficiency, equality and abundance. Yet, nowhere has this occurred.

It is ironic that socialist schemes generally have been looked upon as "enlightened thinking" and as having some inherent good. Meanwhile, the capitalist approach has been looked down upon and thought of as being backward and outmoded.

Mr. President, the only hope to maintain true freedom and at the same time provide the best life for the most people is through use of capitalism, the business enterprise system, or whatever you want to call it. We should know by now that any type of competitive enterprise system is superior Government monopoly.

Mr. President, it is unfortunate that when we discuss the issues of capitalism versus socialism the dialog becomes very heavy. It is rare that someone can write on the subject with humor and at the same time make people think about the basic issues involved. This past Sunday in the Washington Post there was an article, "A Closet Capitalist Confesses," which managed to be both interesting and entertaining. Although the writer obviously had tongue-in-cheek in some of his comments and questions, the article does make some points extremely well.

Mr. President, I ask unanimous consent to have the article printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

A Closet Capitalist Confesses

(By Michael Novak)

The day I heard Michael Harrington say that most liberals are "closet socialists," I knew by my revulsion that I had to face an ugly truth about myself. For years, I had tried to hide, even from myself, my unconscious convictions. In the intellectual circles I frequent, persons with inclinations like my own are mocked, considered to be compromised, held at arm's length as security risks. We are easily intimidated.

The truth is there are probably millions of us. Who knows? Your brother or sister may be one of us. The fellow teaching in the class next to yours; the columnist for the rival paper; even the famous liberated poetess—our kind, hiding their convictions out of fear of retribution, lurk everywhere. Even now we may be corrupting your children.

We are the closet capitalists. Now, at last, our time has come. The whole world is going socialist. Nearly 118 out of 142 nations of the world are socialist tyrannies. A bare 24 are free-economy democracies. We are the world's newest, least understood and little loved minority. It is time for us to begin, everywhere, organizing cells of the Capitalist Liberation Front.

I first realized I was a capitalist when all my friends began publicly declaring that they were socialists, Harrington and John Kenneth Gailbraith having called the signal. How I wished I could be as left as they: Night after night I tried to persuade myself of the coherence of their logic; I did my best to go straight. I held up in the privacy of my room pictures of every socialist land known to me: North Korea, Albania, Czechoslovakia (land of my grandparents) and even Sweden. Nothing worked.

When I quizzed my socialist intellectual friends, I found they didn't like socialist countries, either. They all said to me: "We want socialism, but not like Eastern Europe." I said: "Cuba?" No suggestion won their assent. They didn't want to be identified with China (except that the streets seemed clean). Nor with Tanzania. They loved the idea of socialism.

"But what is it about this particular idea you like?" I asked. "Government control? Will we have a Pentagon of heavy industry?" Not exactly. Nor did they think my suggestion witty, that under socialism everything would function like the Post Office. When they began to speak of "planning," I asked, who would police the planners? They had enormous faith in politicians, bureaucrats and experts. Especially in experts.

"Will Mayor Daley have 'clout' over the planners?" I asked, seeking a little comfort. "Or congressmen from Mississippi?" My friends thought liberal-minded persons would make the key decisions. Knowing the nation, I can't feel so sure. Knowing the liberal-minded, I'm not so comforted.

Since they have argued that oil companies are now too large, I couldn't see how an HEW that included Oil would be smaller. My modest proposal was that they encourage monopoly in every industry and then make each surviving corporation head a cabinet officer.

Practical discussions seemed beside the point. Finally, I realized that socialism is not a *political* proposal, not an *economic* plan. Socialism is the residue of Judaeo-Christian faith, without religion. It is a belief in community, the goodness of the human race and paradise on earth.

That's when I discovered I was an incurable and inveterate, as well as secret, sinner. I believe in sin. I'm for capitalism, modified and made intelligent and public-spirited, because it makes the world free for sinners. It allows human beings to do pretty much what they will. Socialism is a system built on belief in human goodness; so it never works. Capitalism is a system built on belief in human selfishness; given checks and balances, it is nearly always a smashing, scandalous success. Check Taiwan, Japan, West Germany, Hong Kong and (one of the newest nations in one of the recently most underdeveloped sectors of the world) these United States. Two hundred years ago, there was a China, and also a Russia. The United States was only a gleam in Patrick Henry's eye.

Wherever you go in the world, sin thrives better under capitalism. It's presumptuous to believe that God is on any human's side. (Actually, if capitalism were godless and socialism were deeply religious, the roles of many spokesmen in America would be reversed in fascinating ways.) But God did make human beings free. Free to sin. God's heart may have been socialist; his design was capitalist as hell. There is an innate tendency in socialism toward authoritarianism. Left to themselves, all human beings won't be good; most must be concerned. Capitalism, accepting human sinfulness, rubs sinner against sinner, making even dry wood yield a spark of grace.

Capitalism has given the planet its present impetus for liberation. Everywhere else they are hawking capitalist ideas: growth, liberation, democracy, investments, banking, industry, technology. Millions are alive, and living longer, because of medicine developed under capitalism. Without our enormous psychic energy, productivity and inventions, oil would still be lying under Saudi Arabia, undiscovered, unpumped and useless. Coffee, bananas, tin, sugar and other items of trade would have no markets. Capitalism has made the world rich, inventing riches other populations didn't know they had. And yielding sinful pleasures for the millions.

Six per cent of the world's population consumes, they say, 40 per cent of the world's goods. The same 6 per cent produces more than 50 per cent; far more than it can consume. No other system can make such a statement, even in lands more populous, older and richer than our own. As everybody knows, hedonism requires excess.

Look out, world! The closet capitalists are coming out. You don't have to love us. We don't need your love. If we can help you out, we'll be glad to. A system built on sin is built on very solid ground indeed. The saintliness of socialism will not feed the poor. The United States may be, as many of you say, the worthless and despicable prodigal son among the nations. Just wait and see who gets the fatted calf.

ENERGY RESPONSIBILITIES OF THE FEA

Mr. HOLLINGS. Mr. President, the March 15 Washington Post published an incisive article by the distinguished Senator from Vermont, Mr. Leahy, concerning the problem of regulation—both as it applies to the petroleum industry and to the economy in general. As our colleague points out, the core problem is—and long has been—the illogic of tying together within one agency the two very dissimilar functions of promotion and regulation.

Congress charged the Federal Energy Administration with a large measure of responsibility for developing the energy resources of the country, and to fulfill that charge, the FEA must work closely with the petroleum industry. At the same time, however, the Agency is also charged with enforcing all the many regulations which have been applied to the industry during the energy crisis. The two responsibilities hardly overlap—on the contrary, they place the Agency in the awkward and ineffective position of being able to do too little because it is charged with doing too much. It is supposed to fulfill contradictory functions, and is thereby hamstrung at the outset.

Senator Leahy addresses the problem with sureness and expertise, and I believe his comments deserve to be widely read and pondered. For that reason, Mr. President, I ask unanimous consent that his article, "Energy Responsibilities of the FEA" be printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

Energy Responsibilities of the FEA

(By Senator Patrick J. Leahy)

The Federal Energy Administration was established at virtually the same time that Congress was abolishing the Atomic Energy Commission (AEC). What makes this juxtaposition so important is that in establishing the FEA, Congress made the same error that it had made during the 1940s when it set up the AEC—it placed promotion and regulation in the same agency.

The situation that has developed in the intervening 28 months is analogous to the old fable of the foxes guarding the henhouse.

The FEA is given primary responsibility for the enforcement of the elaborate price and allocation regulations which were adopted in the midst of the energy crisis. But it is also given a key responsibility for developing a national energy policy and promoting Project Independence.

In retrospect, it is easy to see how these two responsibilities virtually ensured confusion. To promote energy self-sufficiency, the FEA is obligated to work hand-in-hand with the petroleum industry, often serving as their spokesman in pressing for federal subsidy of new exploration and the removal of federal price and allocation controls from the entire industry. Yet this same agency is given a tremendously important regulatory function as well—to enforce these same price and allocation rules that the oil industry wants abolished.

Given the gravity of the nation's energy needs, it was perhaps understandable that the FEA made the same priority assessment that was made by the AEC—promotion of energy independence has taken precedence over regulation.

The consequences were obvious. In December 1974 the General Accounting Office (GAO) issued a report that concluded that "FEA will have to substantially strengthen its compliance and enforcement program at all levels if it is to have adequate assurance that firms are in substantial compliance with pricing regulations." In mid-1975, the assistant comptroller general, Philip S. Hughes, told a Senate subcommittee, ". . . These problems, by and large, remain." This subcommittee, the Senate Subcommittee on Administrative Practice and Procedure, concluded that the FEA enforcement program was "woefully inadequate, confused and ineffective."

As a senator from the region of the country that is paying the highest prices for energy, I am particularly concerned about the enforcement record of the FEA. My interest was further stimulated when I learned that there was a serious lag in closing cases in my own state of Vermont.

There are 10 long-standing cases in Vermont that have yet to be resolved. Some date back to early 1974, just after the FEA was established. None of these cases is particularly complex. But they all involve the little people in the petroleum chain. For instance, a local gasoline station that can no longer obtain 30-day credit from his supplier, a giant oil company. Another case involves an effort by a supplier to cut off the new owners of a gasoline station from its traditional allocations.

This backlog of cases is but one of several ways that the enforcement effort of the FEA has been handcuffed. Part of the problem is that they are grievously understaffed. A report by the Senate Subcommittee on Administrative Practice noted "that for periods of from 2–3 months in . . . 1975, there was only one auditor assigned to each of six of the 30 largest refining companies, including Exxon, the world's largest oil company."

Little has been done to remedy this problem. Although the total FEA appropriation for 1976 was increased by 6.6 per cent, the money set aside for FEA's enforcement efforts was cut by 12.1 per cent. What makes matters worse is that FEA has one of the highest staff turnover rates in the entire federal government—38 per cent a year. One estimate found that the turnover in the compliance and enforcement section was an astounding 68 per cent.

When the FEA was established there were widespread predictions that it would become a captive of the oil industry. But the problems of FEA enforcement are not the result of some grand conspiracy. I have been impressed by the agency's strenuous efforts to minimize "conflict of interest" situations. While a number of former oil company executives do hold key FEA positions, their influence does not seem to have perverted the mission of the agency.

The lax regulatory record of the FEA stems from the same causes that for 25 years hamstrung the AEC—the conflict between regulation and promotion.

FEA officials themselves acknowledge the problem. Gorman Smith, the assistant administrator of the FEA's Compliance and Enforcement Program, described the agency as "schizophrenic about its regulatory programs." It is an accurate diagnosis of a disease that often has crippling consequences.

Because of this schizophrenia, the FEA has never enunciated a clear national enforcement strategy. Take, for example, this assessment by the former compliance chief of the FEA for the New England region: "There has never been any clear expression of intent to have a strong compliance program. I think that none of the auditors in the field believes that the agency wants to enforce its own regulations."

What enforcement efforts have been made by the FEA have been aimed at the easy targets—the small units in the energy field. In contrast, there have been no sustained efforts to enforce FEA regulations against the giant oil companies. The Senate Administration Practices Subcommittee found that "as of September 30, 1975, FEA had still collected no penalties for pricing violations from the major oil companies and refiners."

Clearly, this is no way to run an enforcement program to protect the consumer against overcharges in an area as vital as energy. Yet there seems little hope for improvement as long as FEA is required to perform two contradictory functions.

That's why I have just introduced a bill in the Senate to transfer the regulatory functions of the FEA to the Treasury Department. Such a transfer would enable the FEA to concentrate all its energies on a more congenial task—the effort to increase energy self-sufficiency. The Treasury Department is a sensible place for the FEA's enforcement responsibilities. It is the federal department that employs more and better-trained auditors than anywhere else in government. It, too, would find the enforcement of the pricing and allocations regulations a congenial task.

It is sobering to realize that it took the country 25 years to recognize the dangers of the Atomic Energy Commission's schizophrenic mandates. Energy is too vital and scarce a commodity for the nation to wait 25 months—let alone 25 years—to correct the structural problems in the FEA. It is imperative that the FEA's regulatory functions be transferred elsewhere.

A COOL LOOK AT OSHA

Mr. GARN. Mr. President, the cries have been heard from all over the country about the effects the OSHA regulations are having on businesses, especially the small businesses. The regulations have become so ridiculous, the forms so overwhelming, and the expenses so prohibitive that rather than protecting we are destroying. A recent Wall Street Journal editorial points out that there are now close to 4,400 regulations covering 800 pages in the Code of Federal Regulations. It is not humanly possible for any business to keep abreast of these regulations. By the time they have conformed to one it is outdated by another.

As the article points out:

> There are very few of us who would seriously argue that the nation cannot afford to give its workers reasonable protections against accidents and work-related disease.

The objective is safety but the OSHA law is doing a much better job of harassing than it is in promoting safety. It's high time that we brought common sense into this law.

I ask unanimous consent that the Wall Street Journal editorial of March 8 be printed in the Record.

There being no objection, the editorial was ordered to be printed in the Record, as follows:

A Cool Look at OSHA

Of all the new rules imposed on business by Congress in its 1970 fit of environmental regulation, the ones that seemingly have caused the most annoyance are those in OSHA, the Occupational Safety and Health Act.

The quarrel, we suspect, is not with the objectives of the act. There are very few of us who would seriously argue that the nation cannot afford to give its workers reasonable protections against accidents and work-related disease. Anyone who has ever worked in an unsafe environment knows that there is indeed a role for the state's police power to play in insuring that such conditions are corrected.

The problem, we suspect, lies in how the act and its administrators have set about to do this. They have set about it by writing endless rules—there are close to 4,400 of them covering 800 pages in the Code of Federal Regulations. With this massive codebook in hand, OSHA inspectors then go around to see if employers are obeying applicable federal standards.

Should it be any wonder, given the complexities of trying to obey that many rules, that there has been a general disgust with OSHA, even among employers with the best of intentions towards their employes? The other part of the problem is that employers and employes alike can see clearly that some of the requirements they are asked to meet have little application to the safety of their particular jobs. One hospital worker we know, for example, tells a rueful story about being accidentally drenched by a federally mandated special shower designed to quickly remove caustic chemicals in case of accidental contamination. The shower cost the hospital a lot of money and no one felt it very likely there would ever be an accident of that type.

Multiply that hospital shower a million times or so and you have an extremely large capital cost that pays no return in any sense, economic, social, psychic or whatever. There is obviously something wrong with a government program that has such a result. The other side of the coin is that in its focus on rules, OSHA probably spreads itself too thin and thus neglects opportunities for having a stronger impact.

In a new American Enterprise Institute study, Cornell labor economist Robert Stewart Smith notes that OSHA has only enough inspectors to inspect the typical worker's factory once every 10 years at the most—and even then only the most obvious violations are caught. Not only are the standards too detailed and numerous for complete comprehension by either employer or inspector, they are constantly being outdated by changing materials and technology.

Professor Smith offers some suggestions worth considering as a way of meeting the problems of OSHA. He proposes, for example, that OSHA target on plants with the highest injury rates within detailed industry and size groups and set about to find the actual causes of the problem, rather than merely theoretical hazards. To provide an incentive for employers to identify hazards and deal with them, he proposes an injury tax which would be computed from, and remitted with, the injury reports plants now file with the Department of Labor, or possibly assessed through the workman's compensation system. He argues that workman's compensation as presently set up has only a small safety incentive, because it does not sufficiently target on hazardous plants.

Professor Smith concedes that such an approach might raise prices relatively in industries that are inherently hazardous, the lumber industry, for example. But he finds nothing basically wrong with the possibility of substitutions that might reduce employment in inherently hazardous industries. He also suggests that OSHA would be more effective if it devoted more time and resources to identifying occupational health problems, rather than expending so much effort to control injuries.

The arguments of Professor Smith are subject to debate. Positive incentives toward plant safety might be more beneficial than penalties, since many hazardous plants probably are also economically marginal. But positive incentives imply subsidy, a principle that has economic problems of its own.

At any rate, it is an issue that Congress should muster up enough courage to reopen. Those complaints from constituencies really do have merit. And, who knows, on the second try they might get it right.

THE ARAB BOYCOTT OF ISRAEL

Mr. CASE. Mr. President, recently the news media has published stories from Saudi Arabia and other countries in the Middle East that discrimination in the Arab States is confined to discrimination against Zionists, not against people of the Jewish faith. These statements by the Arabs were pressed hard when the United Nations approved an anti-Zionist resolution and when the Senate passed an amendment to the foreign military sales bill prohibiting discrimination against Americans, regardless of race, creed, color, or religion.

In practice, of course, such a distinction between ideology and religion does not exist, as is demonstrated by the standard Arab boycott "declaration" which is attached to all contracts with Western business organizations. That "declaration" states:

> We hereby solemnly declare that this company is not a Jewish company nor controlled by Jews or Zionists and it has no relations with Israel which may contradict the following boycott principles.

I ask unanimous consent that part of one such contract with Saudi Arabia and an article from Encyclopedia Britannica be printed in the Record.

There being no objection, the material was ordered to be printed in the Record, as follows:

DECLARATION

We hereby solemnly declare that this company is not a Jewish company nor controlled by Jews or Zionists and it has no relations with Israel which may contradict the following boycott principles:

1. Establishment of a branch of the factory in Israel.
2. Establishment of assembling factory in Israel or presence of an agent who assembles the products of the company in Israel.
3. The availability of general agents or central offices for the Middle East in Israel.
4. Granting the right to use the company's name by Israeli companies.
5. Participation in Israeli factories or companies.
6. Giving advice or experience to Israeli factories.
7. In case one of the promoters is an Israeli national.

We shall not protest against cancellation of the registration of our trade marks, in case it is proved that we have contradicted above.

THE EFFECTS OF THE ARAB BOYCOTT OF ISRAEL

The Boycott of Israel Office was set up by the Arab League as one instrument to combat Israel.

The overall purpose was to impede the inflow of Israeli or Israel supporters' goods into Arab markets and to obstruct the flow of materials know-how and capital into Israeli economy.

The principal instrument of this policy is to blacklist individuals, companies, firms and organizations who disobey the Arab boycott rules. Blacklisting means denying Arab markets to the offender.

BLACKLISTING

Besides Israel itself no country as such is ever blacklisted. An important proviso underlying the entire policy is that blacklisting will not be applied whenever the overall result or results will be more detrimental to Arab economies than to Israel's. An example is the continued import into the Arab world of the Land Rover vehicles used by many Arab armies. Ford Motor Company, although blacklisted, is nevertheless permitted to export spare parts to the Arab world. British Leyland won a contract for the supply to Iraq of 400 double-decker buses. In the latter event British Leyland had promised to set up assembly facilities in Iraq and to scale down its activities in Israel.

LIFTING OF BANS

Bans on firms and individuals may be lifted through orders by the competent political authorities in each Arab state upon the recommendation of liaison officers who work in close cooperation with the Boycott Office's headquarters in Damascus. To be eligible for "pardon" blacklisted companies must submit the following:

a) Satisfactory documents confirming their compliance with the boycott regulations.

b) An undertaking to engage in direct dealing with the Arab countries, to observe the principles of the boycott and to make certain such dealing be at least on the same scale and of the same type as their previous dealing with Israel. However, should such company or institution persistently, and without giving any acceptable reasons, refuse to provide such an undertaking, its case will be brought before the Boycott conference to determine what position should be taken with respect to it—in accordance with the principles of the Boycott Office and in the light of the general Arab economic interest.

Once a decision has been taken to lift a ban, Arab governments become bound to provide all facilities possible for such company to set up shop in the Arab world (within the frame of existing rules and regulations).

Should a "pardoned" firm renege on its commitments its case will be referred to a Boycott conference for action.

PROCEDURES FOR IMPOSING OR LIFTING BANS

1—Banning

Once it becomes established to any of the individual offices that a firm or individual have contravened the Boycott rules the case is thereupon referred to the Headquarters (in Damascus) which examine the information and issues a warning to the offender. The usual grace period for compliance with the warning is three months but the actual period could be made longer subject to factors governing each case. Should the offender fail to regularize his position then the Head Office (Headquarters) may solicit the opinions of each Arab country's boycott office on the case under examination. Should the majority concur and in the absence of any proposal that the matter be arbitrated in a Boycott conference the ban will be considered as having been imposed by the most recent conference. Such will then be communicated to the regional offices by the Head Office and the ban goes into effect.

Charges brought against an offender are to be verified prior to action by reliable authorities, preferably Arab embassies or equivalent organizations like joint committees. In the absence of firm evidence the company (-nies) concerned may be asked to establish verified proof of their non-involvement which then will be referred to the regional office which brought up the charge in the first place.

2—Lifting a ban

Generally the rules applying to imposing bans apply also to their lifting. An application to lift off a ban may be made to any regional office upon which it is relayed immediately to the Head Office. It is then examined and relayed to all other regional offices for their study and comments. Should the majority agree to the proposal of lifting the ban and, in the absence of any objection based on fundamental reasons requiring that the subject be acted upon in a conference (of all regional boycott offices) the ban lifting application will be considered as having been approved by the most recently held conference.

Papers and documents submitted in support of applications to lift a ban must be verified by chambers of commerce or labor unions, or they must be affirmed by duly appointed notaries public in the country of origin. Such documents must also be validated and confirmed by Arab embassies in the country concerned.

The procedure of imposing or lifting a ban through a decision by the Boycott Head Office is exceptional. It is intended to expedite decisions. But questions of broader significance such as those pertaining to arms companies, petroleum firms and monopoly concessionaires have to be handled in a general conference only or by the unanimous decision of each and every regional office—a full consensus.

WHO IMPOSES OR LIFTS BANS?

The Boycott office is not a state within a state. Its functions are strictly advisory. The decision to impose or lift a ban is made by the political authorities such as the Council of Ministers in Lebanon. Thus it is conceivable that a firm may be ostracized in one country and transacted with by another.

Unless charges are specifically brought against a company it need not obtain a clean bill of health. The principle is that a firm is acceptable to transact business until proven "guilty". The outlook as to whether the trend is towards moderation or sharpening of the Boycott rules is difficult to ascertain. The Boycott of Israel Office is an organ of the Arab League and is by far more active than the mother organization. The decision in favor of moderation or stiffening depends on the outcome of the peace conference in Geneva. Should the conference fail then a stiffening of the rules is almost definitely certain.

There have been press reports, particularly in the west, to the effect that many companies manage, through bribes and similar measures, to counteract the boycott rules. There is no hard evidence whatsoever that this is true. As has been mentioned earlier it is quite proper to transact business with a firm that simultaneously conducts businese with Israel provided that such measure is in the best of interests of the Arab world. Under all circumstances such decisions are made by consensus where it is difficult to conceal the facts. It is reasonable also to conclude, from available evidence, that the organizational set-up of the Boycott office has not been subverted.

DAY CARE CENTERS

Mr. JAVITS. Mr. President, the Senate recently passed H.R. 9803 to enable States to meet the standards of the Federal interagency day care requirements. The bill would provide additional funds to States having difficulty meeting day care standards for health, safety, and staffing.

The present availability of day care slots is insufficient to meet the needs, and as more mothers enter the work force, the need will increase. It is important that the day care program not be decreased, and that the service provided be safe and healthy. It is for these reasons that this legislation should become law.

Both the New York Times and the Washington Post have editorials on this subject in today's newspapers. I ask unanimous consent that these editorials be printed in the Record.

There being no objection, the editorials were ordered to be printed in the Record, as follows:

[From the New York Times]

DAY CARE SAVINGS

The provisions of the Social Security Act which support child care programs may be substantially nullified unless the House acts favorably on a bill which provides funds to bring local day care programs up to the standards required by Federal law.

Most states were already severely strapped for social services money when, in 1974, Congress enacted mandatory standards for federally assisted day care facilities covering such matters as health, nutrition and staff-child ratios. The trouble was that Congress failed to provide funds to help the states meet those standards and, as the time for putting them into effect approached, many programs were in danger of being cut off. To meet that problem, Senator Russell B. Long of Louisiana drafted a bill to provide the money and added strong incentives for programs to hire people off the welfare rolls.

There is now some reluctance in the House—bolstered by menacing noises from the White House—to act favorably on the measure because it will cost $125 million for the balance of this fiscal year. That is a pound-foolish view because in addition to serving nearly two million children, the program helps shave welfare costs. The director of Social Services in Georgia has estimated that its implementation in his state alone will produce an overall saving of $2 million. The House ought not to miss this rare opportunity to do good and save money at the same time.

[From the Washington Post]

Giving Day Care a Chance

There is little doubt that the day care program has been a great benefit to working women in this country, especially those who have been trying to make the transition from welfare to careers. No one can accurately count the dollars saved in welfare payments, or the dollars gained in the economy from goods and services sold or tax revenue received. But day care has proved that it makes sense to help people work. Now, because of legislative and bureaucratic entanglements, the day care programs in most of the 50 states are in jeopardy.

The House, acting under a suspension of its rules, will vote today on whether to accept a $125 million conference report intended to assist the states in meeting a set of tough health, safety and staffing standards in their day care programs. Without those additional funds, the day care programs in most of the states will not be in compliance with federal regulations. Failure to comply with any one of the standards can mean loss of all federal funds.

A survey of the 50 governors has found that meeting those health and safety standards has been impossible for most of them with the funds available up to now. In many states, the staff requirements have been difficult to meet, but most governors say they can't meet the health, safety and management standards either. Yet, those standards are important if the parents of children are going to have confidence in the day care program. They must feel their children are in a safe and healthy setting.

In themselves, the standards pose no other problem than the money to help the states meet them. There is an argument from some Republicans on the Hill that the answer might be to delay putting into effect standards indefinitely. That is decidedly not the solution. Further delay only means either cutting services to meet the standards out of existing revenue or exposing small children to the danger that might befall them because the standards are not being met.

Neither of those is as attractive an alternative as that of having the House accept the conference report. It is an investment whose benefits demonstrably outweigh the cost. In addition to helping the states meet the physical standards, that $125 million will result in the employment of more welfare recipients in the day care program. We think the House should make the investment without further delay.

DEFENSE BUDGETING

Mr. HOLLINGS. Mr. President, last week the Washington Post published two articles addressing the problems of defense budgeting written by the distinguished senior Senator from Florida (Mr. Chiles).

In his presentation, Senator Chiles demonstrates the unworkability of the present "shotgun" approach, and points to the need for a mission-oriented defense budget. He makes his case objectively and persuasively.

Our colleague writes:

> After all we're really not interested in defense manpower, R & D or weapons procurement for their own sake: We're interested in how well those expenditures together allow American forces to perform certain functions—mission capabilities—to support our foreign policy and defense strategy.

Everyone in this body is familiar with the difficulty of trying to evaluate and decide upon hundreds and hundreds of budget line items and programs, and fit them into a coherent and adequate picture of where we are in defense, and where we should be heading.

A mission-oriented budget, as Senator Chiles explains, would provide Congress with the tool it needs to maximize the effectiveness of every defense dollar.

I have the honor of serving on the Budget Committee's task force on national defense with Senator Chiles, and I know firsthand of the hard work, skill, and craftsmanship he has brought to the task of analyzing defense problems.

Mr. President, I ask unanimous consent that the two articles by Senator Chiles be printed in their entirety in the Record.

There being no objection, the articles were ordered to be printed in the Record, as follows:

Defense: "Shotgun" Planning—I

(By Lawton M. Chiles)

The perennial frustration with Congress' failing role in defense matters seems to produce more good analysis than it does improvement.

Last May 25, The Post's lead editorial, "Congress and the Defense Budget," dealt perceptively with the problem of Congress' hollow "capacity to exert real and reasonable influence over the military budget."

And again on Jan. 20, Jim Woolsey's article, "Igniting the Defense Debate," provided an agonizingly authentic description of the failure—as well as a tempting taunt at the media which seems well served by Congress' "annual Punch and Judy Show."

Another perspective that should be added involves one growing effort to improve the congressional role—what can be loosely labeled as a "mission approach."

In simple terms, a mission approach to defense planning and budgets means we should not be so concerned with paying for particular weapons, research and development, manpower or construction items, instead, we should be more concerned with what those activities are together *buying* in terms of specific defense "mission" capabilities, the ability of our forces to carry out missions such as strategic offense, sea control or air superiority.

After all, we're really not interested in defense manpower, R&D or weapons procurement for their own sake: We're interested in how well those expenditures together allow American forces to perform certain functions—mission capabilities—to support our foreign policy and defense strategy.

Taking such a mission perspective—what end-purpose capabilities do we need—tells much about the congressional frustration in controlling the defense budget as well as suggesting some avenues for improvement.

Congress annually confers inordinate alarm and attention on a few of the most faddish or controversial weapon systems, as if we had found the devil and by exorcising a B–1 bomber, all would be right with the world and the Defense Department.

The votes on whether to delay Trident submarine IOC (Initial Operational Capability) two years (a big 1973 fracas) may be symbolic for Americans for Democratic Action (ADA) or American for Constitutional Action (ACA) ratings. Regardless of the outcome, however, such a vote does relatively little to control the shape or direction of America's defense posture.

In short, Congress falls into the "rut," as Mr. Woolsey terms it, of trying to confront literally thousands of separate line-items and programs put forward by the defense establishment.

The mission, the end capability being bought with these expenditures, becomes lost, as does the connection with defense policy judgments. In the process, the Congress unconsciously abdicates a crucial role in providing early policy guidance and controls over the defense program and, instead, winds up mainly second-guessing what are really less important decisions on weapons, technology and management.

The results have been disastrous for three prime reasons.

First, pressure builds for Congress to try to arm itself with duplicate managerial and technical expertise to match the "hordes across the river." The attempt is futile and misdirected. When we talk about swarms of government bureaucrats and red tape tying us up in knots, let's not forget the contingent of congressional members, committees and staffs. No one in all of Washington will deny there are already too many layers of managers managing the managers in the Defense Department, at considerable cost.

Hence, the second undesirable outcome; outright waste and inefficiency. Congress' annual obsession with weapons and line-items does, in fact, disrupt programs and cost the taxpayers millions through the "stop/start" and "cut-a-corner" syndromes.

True, many of the programs should never have been started in the first place. But, is that any excuse for not having expressed a voice before they were started? It hurts to write-off a billion dollar investment and cancel a program that's already built up the momentum of sunk money, contracts, jobs and constituents.

As a consequence, critics leave the floor more often with an ear than a scalp on their belts. The program is delayed, reoriented, stalled, in the best traditions of political compromise.

But, this is precisely the game the Congress chooses to play—and not even the game the Pentagon cares to have us play, necessarily. Odds are, the Congress will be licked every time on a weapon vote or, if not, well, not much damage is done anyway. There's always the next contract.

Former Defense Secretary James Schlesinger pleaded with the Congress to come to grips with foreign policy implications of the defense budget. If the budget choices were drawn on missions—how much has been spent for sea control?—the next question would deal with Mediterranean balance of power and NATO resupply convoys. Why do we need sea control and how much?

But, today, with budget choices, down around Research, Development, Test and Evaluation (RDT&E), procurement, and a B–1 bomber, the next logical questions lead "down" into management and fat, not "up" to needed defense capabilities.

So, the third and most dismaying result of the shotgun approach to defense spending is that it even further fogs congressional visibility over the connection between foreign policy, defense capabilities and the military budget that should be the true grounds for debating and directing defense expenditures. It seems the harder we look to find and fell the B–1, F–18, and AWACS trees, the more lost in the forest we become.

Defense Spending: Determining How Much Is Enough—II

(By Lawton M. Chiles)

Congressional failings in defense budget matters have been beat to death since the 1950s in studies, newspaper columns, floor debates, television commentaries and think-tank epistles.

For the last three years or so, several tentative steps have been taken to see whether or not a mission approach to spending might not be a key to unraveling Congress' confused roles and responsibilities.

These efforts have been aimed at collecting all the funds spent for hundreds of diverse activities into mission categories which described the common end-purpose capability being provided.

On a broader basis, compare the current structure of defense budget decisions with what a mission structure might look like.

First, here is the basic defense budget structure used today:

Military Personnel:
Army.
Navy.
Air Force.
Marines.
Reserves.
National Guard.
Retired Personnel.
Operations and Maintenance:
Army.
Navy.
Marines.
Air Force.
Reserves.
Defense Agencies.
National Guard.
Procurement:
Army (Aircraft; missiles; tracked vehicles; ammunition; other).
Navy (aircraft; weapons; shipbuilding; other).
Air Force (aircraft; missiles; other).
Research, Development, Test and Evaluation:
Army.
Navy.
Air Force.
Defense Agencies.

This appropriation structure itself implicitly perpetuates inter-service overlap and duplication.

Now, consider an alternative mission-oriented defense budget structure:

Strategic Warfare.
Strategic Offense.
Strategic Defense.
Strategic Command, Control and Communications.
Tactical Warfare:
Sea Control (naval projection; area control; amphibious operations).
Air Warfare (air superiority; close air support).
Land Warfare (combat forces; support forces, other forces).
Tactical Mobility.
Defense-Wide Support:
Basic Reseach.
Intelligence.
Communications.
Management.

It's not hard to see that such a mission-oriented budget tells more about what Congress should be concerned with in controlling defense spending.

Take any position on detente, for example, then try to translate that position into a set of meaningful budget actions using the existing structure above.

Where do you start? Manpower? Procurement? RDT&E? Air Force missiles?

Now apply a judgment on detente to the mission structure and the focus automatically begins with spending for strategic offensive forces.

The Senate Budget Committee has been trying to extract such a mission budget out of a recalcitrant Pentagon.

In its final report, the panel committed itself to "using a mission approach to assess the content of the defense budget. Such an approach would allow the total resources devoted to each major defense mission to be considered in light of foreign policy requirements and defense strategy. It is the committee's view that such a mission approach should be pursued to provide a framework for considering levels of outlays and budget authority."

It is difficult to understand the Pentagon's recent hesitation in joining with this effort since, for years, the defense establishment has complained about Congress' bungling around in their program details. We are trying to lay the groundwork for new operating platforms in which Congress assumes more meaningful perspectives and controls over the budget.

These first tentative moves to put Congress and defense planning on a mission basis have generated generally limited and mixed reactions.

Some congressional analysts fear a "mission approach" to defense budgeting will spell the demise of traditional line-item controls. No such thing is intended: Both sets of controls will be there but the emphasis and exercise can presumably be shifted to the higher-order mission budget decisions. And when a particular weapon needs special treatment, it can be examined in the context of all other programs and activities aimed at the same basic mission capability.

Pentagon critics fear mission controls on top of line-items will create an even stronger congressional stranglehold on the defense budget. This need not be the case at all. We should be working to shift our weight to the mission leg. There are good reasons to do so, among them the realization that members of Congress can be far more productive and competent in dealing with major mission capabilities and defense objectives than in dealing with B–1 penetration studies, Trident tubes and fighter tail-clearance angles.

Then there are the observers whose attitude is typically reflected in the rhetorical question, "How much is enough?" as if to imply there can never be a satisfactory answer.

If we try to build an answer by looking at just the total defense budget, the decision factors are macroeconomic budget considerations; a loosely-defined sense of domestic vs. military priorities; and a gross sense of our military well-being deduced with a heavy helping of Kremlin psychoanalysis.

If an answer is attempted through examining weapons and line-items, the decision criteria dwell on technical, management and efficiency considerations.

If, however, we try to reach a position on "How much is enough?" from a mission framework, the decision process asks, for each mission:

How the mission capability will be used in given foreign policy and conflict scenarios around the world;

How crucial, therefore, such mission capability may be in relation to other mission priorities;

How well are we able to execute the mission in the face of expected threats and adversaries;

And, based on the above, whether mission funding needs to be increased or cut.

A mission approach would seem to offer a sensible bridge between judgments on defense capabilities and the defense budget itself.

The American taxpayers don't pay congressmen's salaries to manage weapons programs. They don't pay Pentagon employees to preempt the defense policy commitments Congress should be debating.

It would seem that if Congress can learn to emphasize budget controls built on mission capability limits, they can better serve themselves, the Defense Department, the American defense posture—and the taxpayers who are footing the bill for the damage done by the street brawls anyway.

RETIREMENT SECURITY FOR NATIONAL GUARDSMEN AND RESERVISTS

Mr. ROTH. Mr. President, as the Senate Finance Committee begins its consideration of tax reform legislation this week, I am hopeful that the committee will approve legislation to allow National Guard and Reserve personnel the right to establish individual retirement accounts. Under the Pension Reform Act of 1974, Congress enacted tax incentives to encourage retirement savings for workers not covered by established pension plans. Employed men and women not covered by these plans can now establish individual retirement accounts for themselves and take a tax deduction of 15 percent of earned income up to $1,500 per year for contributions to a retirement savings account. But because of a strict and narrow interpretation of existing law, Reserve and National Guard personnel are not allowed to establish individual retirement accounts, even though their employers, for whom they work 50 weeks of the year, may not offer a regular retirement plan.

I am wholeheartedly in support of legislation to correct this situation, which is resulting in the discriminatory treatment of the millions of men and women who are voluntarily serving their country as members of the Reserve component.

Under existing law, active participants in a qualified plan are not permitted to establish individual retirement accounts, on the theory that the regular plan will provide the necessary retirement protection. The Internal Revenue Service has ruled that Reservists and National Guardsmen are participants in a regular plan, and thus disqualified from IRA's because membership in a Reserve component entitles them to accrue points in the Reserve retirement system.

However, the IRS has overlooked the fact that the Reserve retirement system offers no vested benefits until the participants attain 20 years of service and reach age 60. The vast majority of Reservists and National Guardsmen drop out long before completing the 20 years of service required to qualify for retirement pay at age 60. But because of the IRS ruling, Reservists and National Guardsmen are not allowed to establish individual retirement accounts, and cannot obtain the tax advantages and retirement security that is available to many of their coworkers.

Legislation to correct this inequity was originally introduced by the distinguished Senator from South Carolina (Mr. THURMOND) and sponsored in the Senate Finance Committee by the distinguished Senator from Oregon (Mr. PACKWOOD). As a member of the Finance

Committee, I supported and voted for this legislation when it was approved by the committee last December. Although the bill died when the Senate failed to act on it prior to the Christmas recess, I am hopeful that the committee, and the full Congress, will once again take action on this important measure.

With the Nation's regular forces at the lowest manpower level since the beginning of the Korean war, the Guard and Reserves have greatly augmented responsibilities. It is obvious that in the event of a major crisis, these forces would constitute the principal and immediate source of trained military manpower for supplementing the regular forces. It remains a goal of our military policies to integrate these forces more closely with the regular forces as a part of the total force concept.

It is essential, therefore, that we see that our National Guard and Reserves are not only well-trained and equipped, but that they continue to attract and retain personnel of the highest quality. Extending the privilege of setting up IRAs to the men and women of the Guard and Reserves is one step we should take right away to end a form of discrimination that the Congress never intended and to help maintain strong and able Guard and Reserve forces, ready to serve the country in war or in civil disasters.

FIGHTING FOR THE WHEAT FARMERS

Mr. ABOUREZK. Mr. President, this morning Don Woodward, the president of the National Association of Wheat Growers made what I think was an excellent, progressive, and timely speech before a gathering of wheat farmers, Members of Congress, and Agriculture Department officials.

Mr. Woodward drove home hard the need for conservation programs, the need for nonrecourse loans for grain producers and the need for a responsible American farm export policy. He also stressed the need for Federal estate tax reform.

Because of the timeliness of Mr. Woodward's remarks, Mr. President, I ask unanimous consent that the text of his speech be printed in the Record.

There being no objection, the speech was ordered to be printed in the Record, as follows:

Remarks by Mr. Don Woodward

I am very proud to be here with you this morning, and to have the opportunity to speak briefly on behalf of the nation's wheat producers.

In this bicentennial year it is worth recalling that farm issues were at the very core of our nation's push to establish its independence. This was 200 years ago, and today agriculture still continues to figure prominently into the future of our nation.

Of course, agriculture has changed, and we view it a lot differently today than it was seen in 1776. We now look at agriculture in a world context, and we find terms like "agripower" to be commonplace. Because this has become such a popular term, I would like to take a few minutes to discuss the concept with you.

Agripower has been defined in a variety of ways, and it certainly means different things to different people. Most important, however, should be the question of "Who has, or who should hold the nation's agripower?"

While farmers are the source of our nation's agripower, it certainly has not been in their hands. Instead, it has been in the hands of those who control policy and those who have been in the position to influence and manipulate our markets. Agripower doesn't belong in the hands of any one group—and it assuredly doesn't belong solely in the hands of Big Government.

Agripower has its beginning in our vast resources—our land, the people who farm it, and the wise use of capital and application of improved technologies. It is the product of our free-enterprise system, and it belongs to us all. But, any time one sector of our economy or our government crosses over its lines of authority to another sector, the positive balance of agripower is disrupted.

This is not a problem we might have, it is the biggest problem agriculture faces today. The Executive Branch of our government has circumvented statutes to control grain exports for domestic political purposes. Also, I feel labor unions stepped beyond their bounds by interfering with export trade and the nation's foreign policy in refusing to load grain shipments last year.

We as wheat producers have a deep interest in rectifying this negative agripower situation, and we intend to act. At our annual convention just recently concluded in Billings, Montana, the National Association of Wheat Growers Board of Directors resolved to take such legal, legislative and/or educational action deemed necessary and appropriate by the Executive Committee to insure free access of U.S. wheat to world markets. We want to see our government follow the laws enacted by Congress, and we want to see negative agripower replaced by a balanced system. All Americans should be interested in the outcome of this possible American Freedom issue suit.

Now, I would like to address myself to several areas which need the immediate attention of Congress. These are increased loan levels for the 1976 crop, estate taxes and essential conservation and disaster payments.

Anyone watching the evening news programs or reading the morning paper must be aware that a good share of our 1976 winter wheat production is in bad trouble, and that 10%—maybe more—of our total crop will be lost. This means we have a real problem facing us—but maybe not the problem many may think.

There will absolutely be no problem over wheat supplies. Despite the projected losses, we will still have the second largest wheat crop in history. This supply, together with carryover stocks out of this year's crop, means that we will have a total supply in excess of 2.4 billion bushels. This will be 200% more than we need to meet our domestic requirements.

The problem we will see—and the problem that is evident already—is the economic loss to the producers involved and soil erosion. Hopefully, the economic loss can be checked somewhat by disaster protection provided in the Farm Act, and through it we will be able to keep these farmers in business for another season.

The natural resource loss, however, will be more difficult to deal with. Wind erosion in Southern Plains states has been the worst experienced since the dreadful 1930's. This is one reason why we badly need the Agricultural Conservation Program which the Administration dropped in its 1977 budget request to the Congress. The Agricultural Conservation Program must provide needed opportunities and incentives for conservation.

Another area for immediate attention is estate taxes. The present $60,000 exemption was established in 1942, and changes to reflect inflation and farm size are long overdue. The NAWG has recommended that the exemption be increased to $300,000; that farmland be valued on use rather than market value; that the marital deduction be increased; that a capital gains tax on appreciated property held at death, be dropped and that deferred tax payments be made available.

Chairman Ullman knows our position well, because I testified before His Ways and Means Committee yesterday in behalf of the NAWG, the American Horse Council, National Milk Producers Federation, Cotton Warehouse Association of America, National Cotton Council of America, American Seed Trade Association, American National Cattlemen's Association, National Wool Growers Association, and the American Sugar Cane League. We are hopeful that with the leadership of his Committee, the interest expressed by President Ford, and the strong support of agriculture, a bill can be approved which will meet today's conditions and prevent the demise of the family farm.

The other priority item I want to discuss briefly is increased loan rates for the 1976 wheat crop. The policy of the NAWG calls for a 1976 loan rate of 75% of parity, or about $3.64 per bushel. The level announced by the Secretary of Agriculture is $1.50.

A number of bills have been introduced to increase commodity loan rates, and we urge Congress to approve an increase in time for the 1976 crop. The non-recourse loan program is not a subsidy; farmers receiving the loan pay it back with interest, and the program can be an effective tool in orderly marketing if loans are set at a level which is realistic in terms of today's crop values.

AN ENVIRONMENTALIST WHO SUPPORTS CLEARCUTTING

Mr. PACKWOOD. Mr. President, yesterday I testified at a joint hearing before two subcommittees of the Senate Agriculture and Interior Committees. I ask unanimous consent that my statement be printed in the Record.

There being no objection, the statement was ordered to be printed in the Record, as follows:

Statement by Senator Bob Packwood

Mr. Chairman, I speak today as an environmentalist who supports clearcutting. To some, this may appear as contradictory as a fireman who is a pyromaniac. But, an environmentalist who favors limited, controlled clearcutting is not a contradiction. Let me explain.

Good environmentalists must have one foot firmly planted in the past. They must revere those natural qualities which seem to be disappearing in this country: Clean air, fresh water, and lush green forests. They must have an attitude toward the environment which protects and encourages the natural state.

But a true environmentalist must also have one foot stretching toward the future. We can't go back to pastoral America. Our environment now includes vast cities and tremendous populations as well as the unpopulated beaches and virgin forests. We must realistically account for man-made changes, developments, and needs in coping with and planning for the future. It is only through planning that we will be able to take maximum advantage of our environment and be able to pass this rich trust on to our children.

Planning for and awareness of the future are inescapable. Forests are simply not going to appear overnight. We must wisely protect and cultivate those we have and plan for those we want.

Controlled clearcutting is an example of how we can and should plan for our future while protecting our past. There are two sides to clearcutting, conservation and timber production, and I shall address both issues.

Two stereotyped groups immediately come to mind. First, some conservationists would like to narrowly restrict or even ban the use of clearcutting, condemning it as an abuse of our precious natural resources. They are entirely correct when they say that at times the practice of clearcutting has been abused, resulting in scarred national forests.

The second group is the timber industry, often pictured as the giant monolith out for sheer profit, raping and pillaging the countryside. Mr. Chairman, I would like to point out that we have laws against rape and if pillaging isn't forbidden I will introduce legislation to amend S. 1.

Mr. Chairman, I have joined a number of my colleagues in introducing legislation, S. 3091, which would permit the use of controlled clearcutting as a professional management technique in our national forests.

The need for this legislation has been created by two recent Federal court decisions. The first occurred on August 1, 1975, when the 4th circuit court of appeals affirmed a decision of the West Virginia Federal district court pertaining to the planned timber sales on the Monongahela National Forest. This decision, based on a strict interpretation of the 1897 National Forest Organic Act, allows sale of only dead, physiologically mature or large trees which have been individually marked.

On December 23, 1975, the Federal District Court of Alaska, in *Zieske* v. *Butz*, adopted the conclusion of the 4th circuit court, and applied the same standards to an ongoing 50-year timber sale which was sold in 1951 to the Ketchikan Pulp Company. The effect of these decisions is to cramp our ability to plan and efficiently manage our environment. The Forest Service is precluded from using a scientifically accepted forestry method which has been developed over a long period of time, and which is necessary to manage and perpetuate forest stands. The decisions adversely affect not only timber but also wildlife and other forest values.

Mr. Chairman, the Monongahela and Tongass decisions would have a drastic impact on the annual allowable cut on our national forests. It is estimated that expansion of the Tongass decision throughout the 9th circuit would cause a 40 to 50 percent reduction in the allowable cut on national forests in the West.

Mr. Chairman, a 40 to 50 percent reduction in the allowable cut in the West would result in a substantial increase in the prices to be paid for wood used in home building. Prices for single-family homes are high enough as it is. A drastic reduction in the allowable cut would increase the cost of building a home, thus guaranteeing that many more families would be precluded from owning homes. That situation would be intolerable, and action must be taken now to correct it.

On the conservation side, clearcutting is essential if we are to perpetuate many of the most valuable tree species in this country. The seedlings of many types of trees will not grow and flourish in the heavy shade of their larger elders, but rather need access to full sunlight to survive. These "shade intolerant" species include not only Douglas fir, which is of tremendous importance in Oregon, but also Lodgepole pine, black cherry, yellow poplar, black walnut, aspen and white birch. For these species, clearcutting is an established and accepted silvicultural technique which results in maximum regeneration and productivity.

In the past, mother nature has provided her own clearcutting in order for Douglas fir and other shade intolerant species to survive. These "natural" clear cuts have come in the form of massive destruction by disease or insects, forest fires started by lightning, or heavy windstorms which flatten thousands of acres of trees. Following these destructions, Douglas fir seedlings again become established from the few trees that have survived this phenomenon.

Following nature's pattern, professional foresters have successfully used controlled clear cuts as one of several tools to best manage our national forests. As was reported by the Public Lands Subcommittee in 1972, "Under appropriate circumstances, clearcutting is a necessary, scientific, and professional forestry tool . . ."

Clearcutting has also often been found to be the only effective means of controlling destructive diseases or insect infestations. In this way, the destruction can be halted before it has spread to adjacent stands.

One other factor, often ignored, is that clearcutting often enhances the forest environment for wildlife. In Oregon, we have a saying "The deer follows the ax." As our pioneers carved themselves a life, they found that wildlife was attracted to the less dense parts of the forest. Old growth forests, with thick canopies through which little sunlight can penetrate, provided a limited natural food supply for wildlife. As a portion of the forest is cleared, however, sunlight once again reaches ground level, and shrubs and herbaceous growth become more plentiful and attract wildlife.

Mr. Chairman, the debate we are witnessing today is not new. It concerns who shall govern. Stated another way, we must decide where to draw the line between those who make our laws and those who shall execute them. Is our task in Congress to legislate so strictly that we leave the executive no discretion? Or is our mandate to set parameters, directions, and goals, while at the same time permitting a certain flexibility in their administration?

There are certain times, Mr. Chairman, when Congress should leave management to the professionals. This is one of those times. In these cases, Congress should establish general guidelines, without shackling the bureaucracy. Congress cannot hope to manage better than the managers, particularly on esoteric, complicated, and technical issues such as those involving the future of our forests. Often, by the time we put into operation our rigid guidelines, they are already outdated. We must preserve a certain flexibility in our laws to allow the bureaucracy to execute our mandate.

Congress, as representatives of the people, should set the goals and the general parameters of the route without guiding, measuring, and changing each footstep.

Relating this philosophy to forest management, I think that the Society of American Foresters sums it up rather well:

"Forest management and silvicultural prescriptions written inflexibly into law may have an adverse effect on many forest ecosystems and resources. Legislative prescriptions are likely to inhibit implementations of significant research results. Such restrictive prescriptions, when applied on-the-ground, may hamper forestry professions in achieving the high-level sustained yields of various renewable resources from the national forests mandated by Congress."

Mr. Chairman, we have reached the point where, because of the two recent court decisions interpreting the antiquated 1897 Act, we are left with two options. The first is inefficient replenishment of our vital and beautiful natural resources coupled with shutting down the timber industry. The second is modifying that act and encouraging the Forest Service to move ahead in responsible management.

Mr. Chairman, as a forward-thinking environmentalist, I take the second option.

MIKE MANSFIELD CELEBRATES HIS 73D BIRTHDAY

Mr. McGEE. Mr. President, today our distinguished majority leader and friend, MIKE MANSFIELD, celebrates his 73d birthday. Regrettably, it will be the last one he will share with us in his present capacity as leader of the majority party in the Senate and as his State's senior representative in the U.S. Congress. MIKE has advised us of his decision not to seek reelection to this body at the expiration of his present term.

Perhaps it is a common human failing when one finds it difficult to express aloud what he feels in his heart and mind concerning the qualities of another. Therefore, I will borrow from the 18th century English poet, Alexander Pope, in expressing what I feel to be the most appropriate description of MIKE MANSFIELD. Pope wrote:

> Statesman, yet friend to truth! of soul sincere, in action faithful, and in honor clear, who broke no promise, served no private end, who gains no title, and who lost no friend; ennobled by himself, by all approved, praised, wept, and honored.

On July 4, we will celebrate the 200th anniversary of our Nation—200 years of adversity, accomplishment, advancement, confidence, self-doubt, strength, weakness, idealism, cynicism, diversity, unity. What are the sinews which have bound us together as a nation that we should survive for 200 years?

We can point to the Founding Fathers and the wisdom they displayed in drafting a most remarkable document, the Constitution, which has given us a viable and workable instrument to guide man's greatest experiment in self-government. We can point to a system of checks and balances between the three branches of our Federal Government as a means of preventing abuses of those in positions of power and responsibility. We can point to the Bill of Rights as a guarantor of the equality of all people of this Nation. We have refined and expanded upon what the Founding Fathers gave us.

Yet, these are but instruments—written principles—whose source of strength and vision rests with the men and women of a nation sworn to uphold them. It is this inherent understanding and appreciation for the evolution of our own political thought and culture as a nation which breathes life into this system founded 200 years ago. This has been MIKE MANSFIELD's greatest strength. He has understood that our system is more than a series of documents, it is more than two national political parties, it is more than 200 years of institution building. It is MIKE MANSFIELD's deep feeling and grasp of the fundamentals of our system—the people who make up our Nation—which has given us all a true sense of direction.

In the Congress, it is 535 individuals who represent different constituencies, different political parties, different ideologies, different races, different generations, and different sexes. It is the appreciation of the diversity among us and the recognition that careful consideration must be given this unique aspect of our national identity. It is an appreciation of this diversity which he has carefully nurtured during his 15 years as majority leader of the Senate. It is the type of leadership which has allowed us to overcome some of the most serious stresses and strains ever endured in the 200-year history of our Nation—most notably Watergate, the abuses of our intelligence agencies, and the Vietnam conflict. He has exercised a subtle, but steadying, effect on the conduct of our responsibilities as the people's elected representatives.

There are some who have felt at times Mike should exert more forceful leadership on critical issues. This view ignores the increasing complexity of not only our society but also the business of the Congress. He has allowed and encouraged events to flow naturally, when force may have led to remedies more harmful than the problem itself.

Mike's retirement is particularly sad for me. We have a common bond; representing similar constituencies in our neighboring States of Montana and Wyoming, having both come to the Senate after pursuing careers as professors of history, and having served together on two major committees—Appropriations and Foreign Relations. However, we all can take solace in the fact that Mike Mansfield leaves us with a solid foundation upon which we can continue to build. Let none of us ever lose sight of what he has taught us and given us.

S. 3138—WITHHOLDING TAX ADVANTAGES FROM ARAB BOYCOTT PARTICIPANTS

Mr. BUCKLEY. Mr. President, I am happy to join as a cosponsor with the able Senator from Connecticut (Mr. Ribicoff) in S. 3138, his bill to withhold tax benefits in the Arab boycott of Israel.

I find it particularly invidious that a foreign nation would deliberately attempt to effect anti-Jewish discrimination in American corporations by conditioning trade on a refusal by American corporations to deal with other American corporations owned or managed by American Jews. To require American corporations to comply is particularly offensive to the principles of justice we are trying to cultivate in this country.

For this reason, and for other reasons which were ably stated yesterday, I would urge speedy consideration and passage of this bill.

FEDERAL COAL LEASING POLICY

Mr. METCALF. Mr. President, in January, Secretary of the Interior Kleppe announced a new Federal coal leasing policy. He stated that as one facet of this policy, the Department had "promulgated standards which will require diligent development—or relinquishment—of new or existing coal leases." Secretary Kleppe evidently was referring to the proposed rulemaking published on December 31, 1975.

I have reviewed the proposed regulations and find them seriously deficient. In fact, certain features could even encourage retention of Federal coal leases with little or no production. The proposal must be modified significantly if it is to be consistent with the Secretary's assertion that "we are in the business of seeing that the Federal resources are produced for the Nation's benefit."

I ask unanimous consent that my March 15 letter to the Secretary about the proposed regulations be printed in the Record.

There being no objection, the letter was ordered to be printed in the Record, as follows:

U.S. Senate,
Washington, D.C., March 15, 1976.

Hon. Thomas S. Kleppe,
Secretary of Interior,
Department of the Interior,
Washington, D.C.

Dear Mr. Secretary: I have reviewed the Department's proposed regulations on diligent development and continuous operations published on 31 December, 1975.

As indicated in my letter of 28 January, I am primarily concerned with the very real possibility that these regulations are so couched as to allow, if not encourage, extended holding of Federal coal leases with little or no production of coal. Thus, the leasing policy of past administrations which you have recognized as having been flawed by widespread speculative holding of leases and which in your recent statement you have explicitly repudiated, would be continued. If this occurs, it would (1) deprive the Nation of needed supplies of coal from Federal coal lands, (2) contribute to the growth of monopoly, and (3) deprive the U.S. Treasury of revenue. The reasons for my concern follow.

First, the provisions for continuous operation (Section 3500.0–5(g)) require that one percent or more of the logical mining unit reserves be extracted, processed or marketed in each calendar year. These could allow a lease to be held for over one hundred years. Indeed, use of the word "or" in the definition of continuous operation clearly appears to permit extension of developmental time by a factor of three. In other words, a lessee could extract one percent of the LMU reserves one year, process the same coal another year, and market the same coal the third yar, and still be in compliance. Conceivably, continuous operation could be stretched over a period of three hundred years.

Second, while the Department has stated that the advance royalty terms based on a forty-year development program will be sufficient incentive to ensure rapid development of the lease, this position appears inconsistent with the provisions of Section 7 of the Mineral Leasing Act of 1920 (30 U.S.C. 207) wherein the annual advance royalty will be "in lieu of the provision herein contained requiring continuous operations. . . ." Thus, it would appear that if the lessee met the continuous operation requirement he would not have an obligation to pay any advance royalties. Nor would it appear, considering the mobility of surface mining equipment and the possibility of even the largest machines being rented by the lessee or operator, that the front-end investment needed to fulfill the continuous operation requirement would necessarily be enough to provide that incentive. In my view, this is a most serious discrepancy. It must be rectified.

Third, I see no requirement for the determination and public review of the estimated recoverable coal reserves in the LMU. Obviously, such estimates comprise the baseline figures against which annual production must be calculated. Section 3500.0–5(e) merely defines LMU reserves, but fails to indicate how reserves will be determined or who will make the determination. Unless the basis for deriving such data is spelled out, there will be no way to ascertain if the requirement of either continuous operation or diligent development is being carried out.

Fourth, there seems to be no provision for reporting production in order to facilitate assessment of compliance with the regulations. It is unclear whether reports of annual production, for example, are mandatory, as I think they must be. All such reports should be on forms approved by the Department and be available for public inspection and copying. The ability to monitor the lessee's compliance with the diligence requirements depends entirely upon availability of these data. There should be absolutely no question regarding free access to this information by the public.

Fifth, conditions for increasing the period for diligent development as set forth in Section 3500.05(f) (1) are so imprecise as to virtually invite abuse of this discretionary authority. What, for example, is meant by "administrative delay"? The term should be modified by inserting "extraordinary" or "excessive" or a similar word narrowing its applicability. By the same token, how is "significantly impaired" to be interpreted as it would apply to the impact of strikes and other referenced events upon diligent development of the lessee? It would be far better to use a term which clearly indicates when compliance is unavoidably prevented or precluded rather than merely "impaired". In this way, a more substantive guideline would be available for distinguishing between the acceptable and the unacceptable effects of such occurrences upon the lessee's compliance with the diligence requirements.

Sixth, the allowance of a credit against advance royalties from previously paid production royalties, provided by Section 3522.2–1 (b), will certainly tend to nullify the incentive or penalty effect of advanced royalties. If the authority of 30 U.S.C. 207 can be used as a means of assuring eventual production through use of advance royalty provisions where a lease is currently not in production, I see no justification for allowing such a credit. Production royalties already paid for coal that has been produced and sold would, in effect, be discounted through the credit accrued by the lessee without any comparable return to the Federal Government as the owner of the coal yet unmined. This arrangement is not equitable to the public.

Seventh, under provisions of Section 3522.2—1(b), new advance royalty terms and conditions would be applied to leases whose terms do not contain advance royalties based on a production schedule sufficient to exhaust the "elapsed deposit" within forty years from the effective date of these regulations. What does "elapsed deposit" mean? Do you mean to refer to the "remaining unmined portion of the lease deposit" (or of the LMU, since all leases are to be automatically treated as LMU's)? If so, it would be preferable to express your meaning in some such terms.

Eighth, the impact of the forty-year "new advance royalty terms and conditions" as set forth in Section 3522.2–1 (b), would be totally nullified by the previously noted possibility offered to the lessee in Section 3500.0–5 (g) of stretching his schedule of production over a period conceivably as long as three hundred years.

Ninth, considering the manner in which the definition of continuous operation has undercut the stated intent of the regulations, it makes little sense in Section 3522.2–1 to threaten cancellation of the lease for noncompliance with continuous operation requirements. As I have already noted, the regulations appear to allow a pro forma compliance with the diligent development requirements so that no irreversible long-term commitment of equipment or plant need be made (for example, through the rental, rather than purchase of heavy equipment).

It seems to me that a lessee who calculated the speculative value of the unmined coal in light of the expected rise in oil and natural gas prices, might well decide that his costs of complying with either the diligent development or the continuous operations requirements would be readily absorbed by the increase in future coal prices. I can see no merit in threatening cancellation of a lease without first tightening the continuous operations requirements and removing the discrepancy with existing law along the lines I have suggested.

In summary, while I agree with the stated objectives of the regulations, I have concluded that the proposed rulemaking fails to achieve those objectives.

Very truly yours,

LEE METCALF,
Chairman, Subcommittee on Minerals, Materials and Fuels.

"PETE" WALKER: COMMANDER IN CHIEF, VFW

Mr. WEICKER. Mr. President, on March 8, I had the pleasure of introducing to the Committee on Veterans' Affairs one of Connecticut's distinguished citizens, Thomas C. "Pete" Walker, the commander in chief of the Veterans of Foreign Wars of the United States. As my colleagues know, the VFW has been serving veterans and their families for more than three-quarters of a century. This fine organization is the largest veterans organization comprised solely of those men who served overseas in uniform in active combat areas.

Mr. President, "Pete" Walker is an American who takes his duty to his country and fellow citizens seriously. He enlisted in the Connecticut National Guard in 1940 as a private, and was commissioned a lieutenant following officers candidate school at Fort Benning, Ga. His service during the Second World War led him to action in the South Pacific as a fighter pilot in the Army Air Corps. In 1950, "Pete" Walker was once again called upon to serve, he spent an additional 5 years in the Far East with an antiaircraft unit.

He has given to his community the same devotion he has shown his country. An avid sportsman, "Pete" Walker has for many years officiated baseball and softball contests throughout eastern Connecticut. He is a long-time member of the Allen Hook and Ladder Volunteer Fire Department, and vice chairman of the New London Selective Service Board.

Mr. President, "Pete" Walker is a credit to his community, State, and country. I am proud to have people like him as constituents, and ask unanimous consent that a copy of his statement before the Veterans' Affairs Committee be printed in the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT OF THOMAS C. WALKER, COMMANDER IN CHIEF, VETERANS OF FOREIGN WARS OF THE UNITED STATES

Mr. Chairman and members of the committee: I am pleased to appear before you this afternoon in behalf of the membership of the Veterans of Foreign Wars of the United States, and to make a matter of record our deep and growing concern regarding the shocking cuts in the proposed Veterans Administration budget for the next fiscal year, and the mounting attack on veterans' benefits by anti-veteran forces and social welfare planners both within and without the government.

Accompanying me today are the National and State Officers who comprise the leadership of our great organization and who are responsible for the twenty-third consecutive year of increased membership which we expect will pass the 1.8 million mark this year.

The voting delegates to our National Convention held in Los Angeles, California last August passed nearly 200 resolutions. The preponderance thereof address improving veterans' benefits, enforcing those laws enunciated in the United States Code, and opposing proposed administration legislation to reduce and erode existing benefits. The most important of those coming within the jurisdiction of this Committee have been included in our pamphlet entitled "VFW Priority Goals Legislative and Security for 1976." I will not burden you with a recitation of these goals, since they have previously been furnished each of you as well as all Members of the Congress of the United States. However, and without objection, it is requested our pamphlet of Priority Goals and the Digest of Resolutions adopted by our 76th National Convention be printed in toto as a portion of the official transcript of this hearing.

I am not going into pending legislation the Veterans of Foreign Wars supports or opposes by mandates, since in the normal course of events this is accomplished by appropriate testimony before this Committee and its Subcommittees. However, we believe it necessary to discuss the VA budget.

We are most unhappy with the proposed Veterans Administration fiscal year 1977 budget, just as you are, Mr. Chairman, in having pledged yourself in a recent news release to "increase the budget to realistic levels which more fully meet the actual needs of our veterans." As you know, there is an outright cut of $1.4 billion from the fiscal year 1976 budget of $19.5 billion, and legislation proposed by the administration, if enacted, would further reduce the VA budget by $923.5 million for a total reduction of $2.3 billion, or an apparent budget of $17.2 billion. However, an additional $1.7 billion reflected in the 1977 budget is comprised of monies in the second supplementary appropriation for fiscal year 1976 including the transitional funds for the extended fiscal year of 1976. What we will have in reality, then, if the Administration has its way is a budget reduced a full $4 billion. Obviously, and contrary to what we had been told previously, these figures make the Veterans Administration budget the hardest hit of all 32 Federal agencies in the President's $28 billion fiscal year 1977 budget cut. There are no funds in this budget for the construction of any new or replacement hospitals previously planned, and not even sufficient money to carry out the recommendations in the Special Survey Report on the Level of the Quality of Patient Care at Veterans Administration Hospitals and Clinics.

The token gesture of increasing the staff-patient ratio from 172 to 174 per 100 patients makes shallow the President's words in his State of the Union address and I quote "I will take further steps to improve the quality of medical and hospital care for those who have served in our Armed Forces." (end of quote) In addition, there are no funds programed for a cost of living increase for those in receipt of compensation for their service-connected disabilities, DIC recipients, or even for employees within the Veterans Administration. Another sham is the projected savings of $151.3 million predicated on the expiration the end of the 1976 fiscal year of Public Law 94–169, the Veterans and Survivors Pension Interim Adjustment Act of 1975.

The Veterans Administration has quietly accepted this budget as they have inadequate funding in the past. However, some of the dire consequences to medical care are pointed out in a letter dated February 20, 1976 from the Chief Medical Director, Dr. John D. Chase, to the Directors of all Veterans Administration facilities. These instructions informed Hospital Directors how to reduce outpatient care at the expense of the veteran. Three sentences in that letter reflect the seriousness of the problem and two unthinkable solutions. First, the statement "Our current medical care resources are insufficient to support all the present demands for care;" the second, which we call brainwashing, recommends "Patient education especially for the veteran's understanding and care of his disease as well as the proper use and access to Veterans Administration medical care;" and third, a recommendation that "Appropriate and timely referral of the non-service connected veteran to outside health care resources, especially through counseling and review by social work service."

In addition to the foregoing, we continue to be deeply concerned with a policy which has caused 18 percent of the beds throughout the 171 Veterans Administration hospitals to remain vacant month after month. This is equivalent to closing 30 of these 171 hospitals monthly. We believe if admitting physicians were permitted to more freely exercise their professional judgment and be more compassionate, all of these hospitals would be filled to overflowing. We know and you know veterans are seeking admission.

In summary, it is clear that the VA 1977 budget will not support the program it is now required by law to administer. It will not provide the adequate care, facilities nor personnel required during the FY 77. And, it will not plan for the years ahead for construction of adequate facilities. The V.F.W. sees this year's budget as a turning point for the veteran, his widow and his dependents. If additional monies are not made available by the Congress this pivotal year, veteran programs may well suffer endlessly. To ignore the veteran and his programs is to tempt unrest, reprisals and disunity from the veteran, his organization and the public who understands that the special needs of the veteran must be met.

Each of you is aware, I know, of the anti-veteran forces and social welfare planners within and without the government who would do violence not only to the Veterans Administration Hospital and Medical Care System but to all veterans benefits. For example, the 20th Century Task Fund Report, after a one-year study of veterans programs, stated—and I quote "The nation's veterans programs which will cost the taxpayers nearly 18 billion dollars next year, should be integrated into the general social welfare system of the United States."

A quote from a recent study of veterans programs by a Ralph Nader group reported—"The long range strategy of the federal government should be to return veterans programs to their proper functions and replace non-service connected benefits through national health insurance, pension reform and an improved social security system."

A recent memo from a Deputy Assistant Secretary in the Department of Health, Education and Welfare recommends that VA hospitals be sold to the private sector.

A report paid for by the Veterans Administration, known as The McKinsey Report, stated—"The VA can help to minimize unnecessary duplication of health care resources by increasing its efforts to establish sharing arrangements with community providers."

A second document in my possession from H.E.W. to the Office of Management and Budget states "We feel strongly that it would be very desirable in the future to relate VA health care activities to the efforts of other federal agencies responsible for health care, and that those efforts be integrated into an overall health policy."

An American Enterprise Institute for Public Policy Research Report on Veterans Administration Hospitals prepared by Professor Cotton N. Lindsay, concludes that VA hospitals have long outlived their purpose of caring for the war-wounded and that veterans could be provided with better quality hospital care more conveniently and at lower cost through the use of public welfare hospitals. Professor Lindsay recommends selling VA hospitals to the private sector.

Now, and not at all surprising, this social welfare thinking has permeated the Congressional Budget Office whose Director, Dr. Alice M. Rivlin, a former Assistant Secretary of the Department of Health, Education and Welfare and a senior fellow at the Brookings Institution, recommends to Congress: (1) To retain the status quo regarding veterans' benefits; (2) To eliminate veterans programs not related to hardships incurred in military service; (3) To integrate veterans' benefits as much as possible into the existing social welfare system. As unbelievable and shocking as it sounds to me while addressing you, this third and most horrendous recommendation has been picked up as a working paper of the House Budget Committee as an alternative to veterans' benefits as we know them today. This social welfare thinking, this proposed dismantling of the Veterans Administration and veteran benefits, is what the leadership of the Veterans of Foreign Wars has been warning for years, and it has now reached into the Congress.

To the social welfare planners, everyone is equal and no one is special regardless of their contribution to our society. They ask what is so special about a veteran? I wish to use this forum today to explain the V.F.W.'s opinion as to what is so special about a veteran.

First of all, the veteran is special because he is selected. Right away, the fact that he is selected makes him something special and puts him in a class by himself; he is no longer free; he is subject to military law, and he becomes a special breed, committed to fight to the death for the ideals of freedom around the world.

He cannot be flatfooted; he cannot be lame; he cannot be uncertain or short of vision—he must be as perfect as possible. And not only physically perfect, but the veteran must be mentally alert. He cannot be moronic; he must be able to read and write; he must have some talent. Furthermore, he must be morally fit—he cannot be a criminal; he cannot be perverted; he cannot be nervously unstable. He must know the difference between right and wrong; he lives in unsegregated barracks, black and white together, as equals—they fight together and they die together for freedom.

The lame, the sick and the uncertain are rejected.

Conscientious objectors, dissident students and some key people in lucrative positions are excused or labeled "4-F." Only the best physically, mentally and morally are called to war. And, so, only the best are a special breed. And the tragedy of war is that only the best are fit to be killed. So, even in our sophisticated society this special breed performs a sacrificial service. Only the brave are selected and only a race of ingrates would forget their sacrifice.

The veteran is a special breed because only Congress can make a veteran and in our opinion only Congress can break a veteran. To the members of my organization the veteran is the special charge and the special responsibility of the Congress. And no one can take this special charge and the special responsibility from the Congress including the officials of O.M.B.

And this special breed, this select group, these physical specimens—only the best—these citizen soldiers went to war, at the behest of Congress, in defense of freedom all over the world—and they became the best fighting men history has ever known.

And they came home "Veterans"—gassed or shellshocked from Chateau Thierry, bedraggled from the Battle of the Bulge, burned from the Franklin, hungry from Corregidor, frozen from Chosen Reservoir, maimed from Vietnam. Some came back with yellow fever, some with malaria, some with TB. Some came back psycho, some alcoholic; yes, some even returned as dope addicts. No group in America suffers more than the man who served this country in time of war.

These are the men who were the best when they went to war—God only knows what condition they were in when they came back. But to the President and to the Congress, they should still be the greatest.

As time marched on, attitudes toward the enemies of freedom became more liberal, and the ugly American became more bold and brazen enough to ask: "What's so special about the veteran?" But the Congress of the people of these United States has always answered firmly: "The veteran is still something special to us. He is our charge; he is our responsibility, because he answered our call when we needed him—'first in war, first in peace, first in the hearts of his countrymen.'"

Congress has thus far kept faith with the veteran by contracting to care for the veteran with service-connected disability—and the veteran with non-service connected disability, whenever a bed was available and the veteran would not pay for hospital care—rather than allow the veteran, who was once the greatest, to be disgraced as a pauper or disgrace the uniform by becoming a public welfare charge.

Of one thing we can be certain—the Congress and the membership of our organization are faced with an unprecedented challenge. We must accept as fact the premise that many individuals and groups in this country are looking beyond its nation's veterans. As you know, the present climate in Washington, D.C. suggests programs for every spectrum of our society. In other words, there is something for everyone. Everyone, that is, except the veteran, who made it all possible. From him they want one more drop of blood—the very benefits which a grateful nation awarded following armed conflict.

If we, the Congress of the United States and the Veterans of Foreign Wars, forget our nation's veterans, believe me, they will surely be forgotten.

The Veterans of Foreign Wars does not intend to see this happen, and I am sure you do not either. My organization will not stand idly by while social welfare planners and anti-veteran forces increase social welfare programs which now take over 35c of each tax dollar. If stemming this tide requires a Veterans March on Washington to pale the one of 1932 during the 72nd Congress, so be it. The Veterans of Foreign Wars is prepared to sponsor at any given time a half million veterans or their widows here in our Nation's Capital if protecting our hard fought and won benefits so requires.

In closing, Mr. Chairman, I want to express the appreciation of not only our 1.8 million members and 545,000 members of our Ladies Auxiliary but all veterans and their dependents for the deep concern of this Committee under your leadership in considering and advancing legislation over the years to improve and expand veteran benefits. We in the Veterans of Foreign Wars are with you.

I would be remiss if I did not also compliment your fine professional staff under the direction of your Staff Director, Frank J. Brizzi, and your General Counsel, Guy H. McMichael, III, for their diligence and long hours of work and research in support of our mutual objectives.

It is our hope that each of you will be with us tomorrow night at our annual Congressional Banquet at the Sheraton Park Hotel. We will be honoring one of your distinguished colleagues, the Honorable F. Edward Hébert of Louisiana, the ranking member of the House Armed Services Committee and Chairman of its Investigations Subcommitee. The reception will begin at 6:00 P.M. with dinner promptly at 7:00 P.M.

Thank you.

SYLVIA PORTER LOOKS AT SOCIAL SECURITY

Mr. CHURCH. Mr. President, social security is the primary source of income for older Americans.

It accounts for 45 percent of all income for elderly persons living alone and 32 percent of the income for families with an aged head.

Nearly 32 million persons receive social security benefits, including 20.4 million in the 65-plus age category.

Today only a small proportion of older Americans receives a private pension.

Only about one-fourth of all social security beneficiaries aged 62 or over collect a private pension based on their own or their spouse's earnings record.

These facts underscore the importance that social security must continue to be built upon sound policy, giving due weight to economic, equity, and actuarial considerations.

However, scare stories have surfaced during the past 2 years about the soundness of social security.

In far too many cases, these accounts have been based upon erroneous, incomplete, or misleading information.

The net impact is that these articles have created needless anxiety for today's retirees and workers .

Sylvia Porter recently completed an excellent series on social security. She examined several major issues related to the program.

In addition, she focused on alternatives for meeting the short-term and long-range financing problems confronting social security.

Equally important, she provided a clear and concise description of the causes of the projected deficits.

Mr. President, as chairman of the Senate Committee on Aging, I commend Sylvia Porter's five articles to Members of the Senate and ask unanimous consent that they be printed in the RECORD.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

[From the Washington Star, Feb. 2, 1976]

WHAT'S AHEAD FOR SOCIAL SECURITY—PART 1

(By Sylvia Porter)

What's ahead in 1976 for the record-setting 32 million men, women and children now collecting monthly Social Security checks? Will benefits rise enough to keep pace with inflation? And what's the outlook for the 100 million who work in jobs covered by Social Security?

And the big question: What action, if any, can we expect from the President and Congress to improve the soundness of our Social Security system in this, an election, year?

For you, Social Security beneficiaries:

Under law, benefits are geared to rise automatically as the Consumer Price Index rises. If the CPI goes up 3 percent or more in any year, the checks delivered early in July of the following year are increased by the percentage increase in the CPI.

The most recent illustration was the 8 percent rise in benefits Social Security recipients received last July, reflecting the rise in the CPI since their previous cost-of-living increase.

This year's increase will be lower—in the area of 6.5 to 7 percent—for inflation slowed slightly in 1975. The precise rise won't be known until after the CPI for the first quarter of '76 has been calculated.

Last year—a nonelection year—President Ford tried to persuade Congress to cut the 8 percent increase to 5 percent, but Congress flatly rejected his request. A similar recommendation was in early drafts of the budget Ford delivered two weeks ago, but the White House cut the request out of the final draft.

Ford is running for President in 1976; he doesn't need Congress to remind him that the elderly are probably the most cohesive and powerful of all voting groups in the United States; nor is he leaving himself open to the accusation that he is asking the aged, disabled, widowed and orphaned to absorb a loss in purchasing power to help restrain inflation.

Thus, the benefits of the 32 million now on the Social Security rolls will go up a modest but welcome percentage this coming July—nicely in advance of the election.

And Social Security outgo again will exceed income to the system by around $6 billion—encouraging "scare" reports that the system is bankrupt, facing deficits running into the trillions!

For you, Social Security taxpayers:

If you're one of the four out of five working Americans earning $14,100 or less in 1975, you'll pay the same amount of Social Security taxes this year as last. The rate remains at 5.85 percent for employee and employer, at 7.9 for the self-employed.

If you're the one out of five earning more than $14,100 this year, you'll pay that 5.85 percent on your earnings up to $15,300. For the earner of $15,300 or more, the extra Social Security taxes will amount to $1.35 a week.

This also is automatic, incidentally—a point which seems only vaguely understood. Whenever benefits are raised, the maximum amount of earnings taxable under Social Security goes up at the start of the following year. The increase is designed to bring in the money to finance the increases in benefits.

For all of us:

The system's basic problem arises from a fact of today: While galloping inflation has been pulling up the level of benefits paid out, the high rate of unemployment has been holding down the system's income from its taxes.

This is not a crisis. It does not call for drastic measures of fundamental changes in the nature of the system.

The $44 billion to $45 billion in Social Security trust funds are there as contingency reserves to be drawn upon when outgo exceeds income. But annual deficits cannot be tolerated year after year. This obvious fact was pounded home to the President and Congress last year—along with solutions to the problem—but neither would take a stand.

Finally, in his state of the Union message last month, Ford proposed an increase of 0.3 percent in the Social Security taxes paid by both employer and employe (no change in the self-employed's tax was suggested).

Election year or not, Congress must not duck. Whether it accepts Ford's proposal or some other, it should act in 1976.

[From the Washington Star, Feb. 3, 1976]

Social Security Outlook—Part 2

(By Sylvia Porter)

Because of the combined impact of years of high inflation and high unemployment, the Social Security system will pay out $6 billion more in benefits than it will collect in taxes in '76.

Next year, another $6 billion deficit is in sight.

This is no cause for panic! Even after next year's deficit, there still will be about $35 billion in Social Security trust fund reserves.

But of course this situation cannot be allowed to continue indefinitely. The President recognized the challenge with his proposals last month. Congress must not duck because it is an election year. This is the year for solutions—well ahead of any crisis date—to provide that additional financing will be on hand when it is needed. Such action would be in accord with established congressional policy on Social Security.

Such action also would restore public confidence in the program, damaged by a recent rash of unwarranted—in fact, vicious almost beyond understanding—attacks on Social Security's soundness and viability.

All our institutions have lost credibility in the past few years. And the savage stabs at Social Security have caused deep anxiety among both old and young.

Even forgotten is the vital fact that Social Security benefits are among the greatest weapons we have against a prolonged economic slump.

There are several ways to meet the short-term financing problem of the Social Security program—without setting an arbitrary limit on benefit increases to the elderly, disabled, widowed and orphaned to help them keep up with inflation.

1. The rate of the SS tax, now 5.85 percent each for employe and employer and 7.9 percent for the self-employed, could be increased. Robert J. Myers, former chief actuary of the Social Security Administration, and now an adviser to the life insurance industry, proposes an increase of 0.5 percent each next year (1977) at the latest. President Ford has recommended an increase of 0.3 each, as of 1977.

But increasing the rates would hit all covered workers, socking it to the working poor as well as to middle and higher income workers. This also would affect all employers, who would have to contribute more for employees on the payroll and new employees hired. These additional costs might cause them to cut back on hirings—or pass on the costs to us in the form of higher prices for their products.

2. Instead of hiking the rate, Robert M. Ball, former commissioner of Social Security, recommends that Congress raise the maximum amount of earnings taxable for SS to $25,000, beginning in 1977.

This raise would not affect the SS taxes paid by the four out of five workers whose earnings fall below the maximum subject to Social Security taxes. That maximum is expected to be $16,800 in 1977, up from 1976's maximum of $15,300.

Those paying the tax on earnings between $16,800 and $25,000, Ball points out, would get added SS protection from the additional taxes. For instance, if you're 55 years old and earning $25,000 or more from 1977 to retirement at 65, you could look forward to a monthly benefit more than $100 higher than you otherwise would collect.

3. Still another proposal calls for general revenue funds to be contributed to the Social Security trust funds. But this would bring with it the danger that the program might eventually become a welfare system with benefits based on an ignominious "means test." A fundamental strength of the Social Security program is that benefits are paid as an "earned right."

Committees of Congress have heard these (and other) proposals, too. Congress can act with comparative ease to pass legislation before the election—and thereby to wipe out fears about the soundness of the system.

If Congress fails to act, Social Security is a virtual cinch to become a political football in the 1976 election campaign. That would harm us all.

Social Security: III

(By Sylvia Porter)

Our Social Security system faces two entirely separate financing problems. If you are to keep your balance during the coming months of debate about the system's soundness, you must keep this basic separation clearly in mind.

The first problem is relatively short-run. It results from the unprecedented 1973–75 combination of a galloping rate of inflation along with a very high unemployment rate. Because of this gruesome combination, the system is now paying out more in benefits than it is collecting in Social Security taxes.

The Social Security cash benefit trust funds have adequate reserves to cover any deficits over the next several years. But to maintain confidence and wipe out any premise for the "panic" stories, Congress should act NOW to proide the necessary additional financing. Yesterday's column outlined several possible solutions.

The other is the longer-range financing problem, which would not even hit until after the year 2000—assuming Congress did nothing to avert it (which is a stupid assumption). This problem arises from two causes:

—A fluke in the benefit formula written into the law in 1972 which, if not corrected, could result in a large number of retirees in the 21st century receiving benefits higher than the top wages they had ever earned.

—The assumption that there will be a continued drop in U.S. birth and fertility rates.

In 1972, the law was amended to provide for automatic adjustments of benefits if and as prices rose moderately from year to year. (There was no anticipation of 1973–75's nightmare inflation!) The '72 law additionally provides for the maximum taxable earnings under SS to rise as average wages rise (also moderately) from year to year.

But if you assume an indefinite continuation of a murderously steep rate of inflation, a strange situation results from the operation of these two provisions: benefits run way ahead of wages and of the system's taxes from wages. This situation would account for about half of the estimated long-range actuarial deficit of the system.

The other half of the projected deficit of "trillions of dollars" is based on that assumption about birth and fertility. If rates did continue dropping, there would, in the year 2010, be close to 30 Americans 65 and over for every 100 of working age. Today, the proportion is 18.3 people 65 and over for every 100 of working age.

Predicting birth and fertility rates is risky—but even if these assumptions turned out to be accurate, there are offsetting factors. For instance, if the public cost of supporting the elderly went up, the cost of supporting and educating the young would be reduced.

If fewer women were busy rearing children, more would be in the labor market and paying SS taxes. If fewer young people were entering the labor market, more elderly people could find jobs.

The recent Advisory Council on Social Security, a panel of prominent Americans from outside government, has proposed that Social Security benefit amounts be based on a system of wage indexing—under which your earnings would be adjusted to reflect the increases in your overall average earnings over your working lifetime.

You would get a benefit related to your average earnings level at the time you retired. After you retired, your benefits would be kept up to date with the cost of living.

The quirks in the law can be ironed out, the unanticipated flukes can be corrected. And there are signals that Congress is ready to correct the flaw in the computation formula so that benefits payable in the 21st century—and the cost of paying those benefits—will be realistic.

There also are reports that Congress really would prefer to wait until after the election to hit us, workers who pay Social Security taxes, with the facts about what additional taxes we must pay to meet the system's short-range financing problem.

Such timidity would be self-defeating.

Confidence in this system—the most effective and workable of all our social programs—must be fully restored before campaign oratory does its usual befuddlement job on the public.

[From the Washington Star, Feb. 5, 1975]

Social Security Outlook—Part 4

(By Sylvia Porter)

Our Social Security system is almost certain to be the target of hot campaign oratory as 1976's election nears. For our own peace of mind, examine now—in advance of any "panic" criticisms—the statements that may be made and what they might mean to the one out of seven of you currently receiving a monthly check and the 100 million workers who will be joining the benefit rolls in the future.

Beyond question, there are cruel inequities in the Social Security law today—for instance, provisions that discriminate against women and the dependents of woman workers, other provisions that penalize older people who work.

On top of these are the financing problems analyzed in this week's columns which Congress must tackle and solve to keep this basic program up to date and effective.

Mine are fair, objective criticisms, neither inviting panic nor insisting that all is in perfect order. But during this campaign, you are likely to hear vicious attacks on the system and proposals that, if adopted, could severely damage a program in which every one of us has a vital stake.

"Let's make Social Security voluntary" may be one suggestion (already in the headlines). "If a person doesn't want to participate in the program, let him use the money he otherwise would pay in Social Security taxes to invest as he wishes . . . in stocks, bonds, or in private insurance policies."

This proposal may be followed by a claim that the return on such investments would be better than the worker will get under Social Security.

Sound appealing? If so, make no mistake about it: The end result of that suggestion would be the death of our Social Security system, the abandonment of the program's fundamental purpose—to provide a floor of protection for all our citizens and prevent poverty before it occurs.

Even with the best of intentions, millions simply would not set aside money regularly, particularly if you are a low-income worker or have a growing family. When you reached your older years, became disabled or died, you or your survivors would be forced onto the welfare rolls, with your payments financed out of general federal revenues and state and local taxes. The cost to taxpayers would still be there, but the worker would not have contributed.

You and your survivors would be supported as public charges with all the loss of personal dignity that implies.

Other millions would more or less faithfully invest what you would have paid in Social Security taxes. But you would not find a private insurance policy providing the comprehensive package of protection you now get from Social Security: Retirement insurance, disability insurance, life insurance, health insurance for your older years. Even if you were able to put such a package together, it would cost far more than what you pay in Social Security taxes.

Few of you would be astute (or lucky) enough to create an investment portfolio that would give you the same return as Social Security. Most of you would end up short of your goal or wiped out.

What's more, those most likely to opt out of the system would be the relatively young and healthy. Older or high-risk people would stay in—to receive a disproportionately high return on their contributions. The costs of the shadow program remaining would rise rapidly—compelling higher taxes or a cut in benefits.

A variation of the "voluntary" concept that surfaced recently would require employers to give workers a raise in pay equivalent to the payroll tax the employer now pays. The workers then would be required to put 10 percent of their income, or $2,500 a year, whichever is less, into "retirement bonds." The bonds could be used for investments outside the system or a private insurance policy.

The candidate who praised this proposal apparently did not see any contradiction between making the system "voluntary" and then forcing people to invest a specified portion of their income in "retirement bonds." Nor did he say how we would get disability or Medicare protection. Nor did he suggest how benefits to those on Socal Security benefit rolls now would be financed.

These ideas don't improve the system. They kill it.

[From the New York Post, Feb. 6, 1976]

Social Security: V

(By Sylvia Porter)

If your earned income was under $8000 in 1975 and you have at least one dependent child living with you, be sure to file an income tax return this spring—even if you have not done so in the past because your income was too low to owe any federal tax. You may have as much as $400 coming to you under the 1975 tax law.

If you are a low-income worker and you regularly file a return, you will get a bigger refund check because of the provision in the '75 law designed to help families with children and to offset partially the impact of the Social Security taxes they pay. These families get a special earned income tax credit amounting to 10 per cent for workers earning $4000 a year or less, with the percentage decreasing for those with incomes between $4000 and $8000.

If your earnings are so low that you do not owe any income tax for '75, you still will get a payment from the Internal Revenue Service, but only if there is at least one dependent child in your family—and only if you file a return on Form 1040 or 1040A.

If you are a couple with children, file a joint return to get the special tax credit allowable if your combined income is under $8000. You don't need to be married to get the credit, though. You can be widowed, divorced, or even single, if you are entitled to a dependency exemption for your child or children.

The income tax instructions this year include a worksheet to help you figure the earned income tax credit. If you are not on the IRS mailing list because you haven't had to file returns before, ask your nearest IRS office for a set of instructions and forms. You will find the phone number and address in your phone book, or inquire at your nearest post office.

This is the way it works:

If your earned income last year—from salary, tips, wages, commissions, etc.—was $4,000 or less, your earned income credit is 10 per cent of that earned income, a maximum of $400.

If your earnings from work were between $4000 and $8000—or if you had up to $8000 in a combination of earned income and other income which is of a type subject to federal income tax, such as dividends, interest, rental income, etc.—the amount of the $400 credit is reduced. The reduction amounts to 10 per cent of the difference between $4000 and the amount of your "adjusted gross income." This is the amount the instructions tell you to enter on line 15 of Form 1040, or line 12 of 1040A, or roughly speaking your total income subject to Federal income tax.

The special earned income tax credit also will apply to your earings in 1976, under the extension of the '75 law. But no provision has yet been made in the law for low-income workers without dependent children—such as elderly persons. That's one oversight Congress should tackle this year.

Also crying for attention is the plight of Americans in their early 60s who lose their jobs and can't find new ones. As of today, they have no sure way to maintain their buying power between the time their unemployment insurance benefits run out and age 62, when they can begin to draw Social Security benefits.

The solution, says Wilbur J. Cohen, former Secretary of Health, Education, and Welfare, a drafter of the original S.S. law and now dean of the University of Michigan School of Education, is to allow people between 60 and 62 to collect their S.S. benefits early. As is now the case for those who take benefits between 62 and 65, monthly payments would be reduced to offset the longer period over which they would be drawing retirement benefits.

Another hard-hit group includes those 55 or older who become too disabled to continue working at their regular jobs but who can't qualify for disability benefits because they are capable of handling less demanding jobs. Say, though, that in this labor market, they can't get any kind of work. Cohen suggests they also be made eligible for early S.S. benefits in a reduced amount.

The cost of both of these Social Security changes would be modest because of actuarial reductions in the benefits.

These changes improve and strengthen the system. So would changes to wipe out discrimination against women and the elderly who work. Certainly so would the amendments that must be passed to solve the system's short-run and long-term financing problems.

But to attack Social Security—among the greatest, if not the greatest, social programs we've ever devised—for the sake of attack? That's vicious beyond reason.

OUR CITIES' FINANCIAL CONDITION

Mr. MATHIAS. Mr. President, the problem of the financial condition of many of our cities continues to disturb us. It was presented most dramatically some months ago in the case of New York. The Congress thought that it had acted to help resolve the New York situation by means of the legislation that we adopted and the President approved. But that, unhappily, is not necessarily the case. The New York situation has been spelled out by Howard Samuels, in a manner that I believe deserves wide attention, in an article published in the March 15 issue of New York. I think it is worthwhile to bring it to the attention of my colleagues who should be aware of the status of the program we adopted and I ask unanimous consent that it be printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

The Uses of Default—the Inevitable Is Now Desirable

(By Howard Samuels)

New York City is dying economically, and the three-year budget-balancing plan concocted by our political and business leaders to restore its health is, in fact, hastening its death. As every day's news informs us, the plan is already coming apart at the seams. Soon, the desperate effort to avoid default will be seen for what it is: a series of brilliant tactical moves based on shaky assumptions but lacking a coherent strategy for the city's long-term survival.

When the failure of the three-year plan becomes evident to the politicians, they will pull no more fiscal rabbits from their hats. They—and we—will at last realize that the fate we have been struggling so desperately to avoid—default—may now be the only way to save the city's economic life. A negotiated restructing of the city's crushing debt, with the help of the federal government, would be a better path to the same end. But if that cannot be done, then default is the only way to get the relief we must have.

Terror of the unkown of default—or, more accurately, a moratorium on the payment of city debt—was the rationale for many of the self-destructive policies we adopted under the three-year plan.

Under the three-year plan, our city's priority for salvation has been to repay our debt, at ridiculous interest costs, ahead of saving our economy, police, firemen, or schools. This is an approach opposite to that used in saving American business hurt by sudden economic reversal, where lenders become the last priority after expenditures necessary to keep the business viable. It was President Ford, of all people, who recognized this last fall when he turned his back on the city and instead of offering aid to us, proposed revision of the federal bankruptcy laws that would permit the city to default without chaos. Recently this bill was approved by a House-Senate conference committee and is expected to be passed by both houses and signed by the president before the end of March. The final conference bill establishes orderly procedures to restructure our debt and gives New York the vitally needed maneuvering room to evolve a real—not a rhetorical—program for our recovery. If our political leadership, backed by a public that finally understands the problem, does not take this opportunity to default and then to develop a program to save our economy, New York will be an economic wasteland—think of Newark, New Jersey—by 1985.

For all its claims of fiscal responsibility, the present budget-balancing plan is little more than a continuation of the unforgivably phony past management of city financing. The only real difference is that we've upped the stakes. We've gone on from manipulating city revenues and hiding deficits to gouging the business, real-estate, and middle-class taxpayers who create New York's economic life. The governor and his Emergency Financial Control Board behaved honorably in getting involved in our problems in the first place. But their good intentions have not been enough. Unless we seize on the coming failure of the three-year plan as an opportunity to reverse the ruinous one-two punch of tax hikes and service cuts, we've had it. This will be New York's last gimmick.

"Gimmick" derives from carnival slang meaning "a device employed, often illegally, to cheat, deceive, or trick." Our actions in the first months of the budget-balancing plan, unfortunately, fit that definition to a tee. Here's a sample:

Gimmick: our effort to roll over $1.6 billion in short-term city debt into Big MAC bonds. This was a characteristically half-baked beginning for the three-year plan. At best, it only postpones part of our debt, while increasing interest payments on it. And because it is nothing more than default by another name, it negates the ostensible goal of the plan—restoring investor confidence.

Gimmick: claims that city expenses have been significantly reduced. Yes, the city has cut almost 40,000 workers from the payroll. But because we've been willing to borrow at usurious rates to maintain the no-fault facade, interest costs will rise $500 million—a sum equal to the salaries of 30,000 laid-off employees.

Gimmick: our tax hikes at state and city levels. Projections of the increased revenues these taxes will bring in are built into the budget-balancing plan. But business, estate, stock-transfer, and real-estate taxes were on the brink of declining returns even before the hikes. The new taxes are likely to yield only a one-shot rise in revenues followed by a sharp fall-off ensuing years.

Gimmick: hiding from the public hundreds of millions of dollars of known expense. For well over a year we have known that city pensions were underfunded by at least $200 million. We have known, too, that if we weren't juggling the books of the Metropolitan Transportation Authority the deficit of that utterly vital service would be at least that high.

Gimmick: acting on the assumption that tax increases and service cuts can lead to repayments of our $13.5-billion in debt. This may be the greatest gimmick of them all. If we continue to raise taxes and cut services, there will soon be no economic base on which to build a repayment plan. Moreover, New York's financial institutions may be crushed by a combination of worthless city notes and the collapse of billions of dollars' worth of mortgages on city property.

The budget-balancing scheme will fail across the board for still other reasons. The three-year budget assumes, for example, a steady flow of state and federal aid to the city. But President Ford and Governor Carey have already proposed reductions in federal and state aid. Further cuts are inevitable.

The city's principal cost-cutting technique—across-the-board cuts—is a bludgeon, not a scalpel. Layoffs and productivity increases are critical needs for the city, but we've imposed abrupt, across-the-board wipeouts based only on percentages, or seniority, but not productivity. Agencies such as the Economic Development Administration, crucial to seeding the recovery of our private sector, have been affected as much as grossly inefficient, overstaffed, and in some cases, useless agencies such as the Taxi and Limousine Commission. The assumption that unplanned, instant cutoffs can increase efficiency is managerial fantasy.

The three-year plan flies in the face of a half-century of economic experience. We are one of the first government entities since the days of Herbert Hoover to become obsessed with balancing a budget in the midst of a severe recession. Our tax-hike, service-cut policies are exactly the opposite of those that President Ford has adopted to stimulate the election-year economy. Ford is running a $76-billion deficit and cutting taxes. City and state political leaders, in contrast, have swallowed a package of tax boosts that impact on the incomes of individuals and businesses in this city with the force of a $25-billion rise in federal taxes. Such taxes are even more disastrous for local governments than for the Feds. Why? Because when the United States government raises taxes and cuts spending, business has no alternative but to take it. Short of leaving the country, it has no exit. But when the state or city of New York does it, businesses and taxpayers can escape—to New Hampshire, North Carolina, New Jersey.

New York has been declining seriously for over a decade. In the period from 1965 to 1975, the city lost some 30,000 manufacturing jobs annually—30 Rheingold breweries a year. But something profoundly accelerated the decline beginning in 1969. The United States went into a severe recession. Most of the nation recovered by 1971. New York hasn't gotten over it yet.

Every major sector of our economy suffered. The downward graph of manufacturing jobs began to resemble a ski jump as service industries halted their spectacular growth; wholesale and retail trade fell off sharply; finance, insurance, real estate, transportation, and construction plunged. By 1975, the city endured its first full year in memory with unemployment running almost 3 percent above the national average.

The latest Bureau of Labor Statistics figures show a loss of 143,000 jobs from December, 1974, to December, 1975. In 1970, the city had 3.7 million jobs. By 1977, I predict, we'll have about 3 million—20 percent of our economy gone in seven years. A "city" of businesses and taxpayers as large as San Francisco has packed its bags and left New York. This mass destruction of our economy is accelerating, not slowing. It is feeding on itself, verging on a geometric, panic-level rate.

Prospects for next year are bleak. The momentum of this economic decline—its decade-long duration, breadth, and potential for catastrophe—is truly staggering. There are *no* significant signs of hope.

The loss of 70,000 jobs in seven years strips almost $2 billion in tax revenues, leading to a vicious cycle of deficit, futile tax increases, business flight, further drops in revenues, and deeper deficit. Both the governor and the mayor now realize that our economy is hemorrhaging, but they do not yet seem ready to acknowledge that the three-year plan's tax hikes are making matters very much worse. The most recent $600-million hike in state taxes and virtually all city tax boosts since the fiscal crisis fall exclusively on business.

The economic sector most afflicted by the mas exodous is real estate. It is the most important source of all city revenue, providing $3.2 billion a year—over 45 percent of locally raised tax levies. Because real-estate value is based on cash flow, value depends not on the money sunk into land and buildings, but on the economic dynamism going on inside. But very little real estate in the city has positive cash flows today. The departure of business has slashed values all over town. For the first time in 33 years, the total assessed value of real estate in New York City will drop in fiscal year 1976–77. Not only are offices empty, but the executives and managers who occupied middle-income apartments are leaving too. The multibillion-dollar liquidation of paper values in New York real estate from 1973 to 1976 ranks with the decimation of stocks and securities in the crash of 1929–32. Yet our three-year recovery plan forecasts stable, even rising, revenue from real-estate-tax increases.

The increasing disenchantment of distinguished builders with their properties is about to turn into a rout of abandonment. Real-estate values may plummet 20 percent by 1980, stripping the city of over $700 million in revenue. Apartment landlords are pincered between the politically administered rent-control law and rising tax and fuel costs. Tenants are caught between declining real incomes and increasing housing costs caused mainly by oil and tax increases. Few investors or builders see any future in real estate in New York. Instead, they are casting about for ways to cut and run. As a result, real-estate tax arrears are approaching levels—near 10 percent—last experienced during the Great Depression. Despite that, the business and political leaders on the Emergency Financial Control Board have apparently succumbed to the classic New York fallacy: that the city is a bottomless well that will yield more and more money as taxes are raised.

There is another decisive economic factor that dooms the possibility of balancing the budget in three years: rising interest costs. Under the provisions of the plan, interest costs will climb from $450 million in 1974 to possibly $1.1-billion by 1977–78. Total interest payments would then be greater than city taxpayers' outlays for welfare and Medicaid *combined*. They would be greater than city expenditures for police and fire protection.

It's time to realize that the three-year budget-balancing scheme not only can't work, it shouldn't work. It attempts the impossible in pursuit of the impossible: taxing a sick economy in the hope of restoring vanished investor confidence. In a stunningly naive way, our leaders have treated a social organism like a cold balance sheet. They are trying to accomplish too much too fast with too little. When Lockheed Aircraft was teetering on the edge of bankruptcy, it applied for, and got, a federal loan program that granted it seven years to put its house in order. Facing much larger human, management, and fiscal problems, we're attempting to do it in three years, with policies that will make it impossible ever to repay our loans. At the end of the three years, our budget will be thoroughly in the red because of the ruin of our economy: interest costs will have vastly increased; our real-estate and business base will be gutted; our infrastructure will be in total disrepair—potholes, sewer leaks, subway derailments. When the federal loans run out, when the last of our pension funds are sunk into worthless city bonds, we'll default anyway.

It doesn't have to happen. New York can be saved and its economy rebuilt. It will take changes in policy at all levels of government. But those changes won't come unless we stand up and fight. There is no better time to start than in the election year of 1976. The fight is not only for New York, but for all of our cities and suburbs—75 percent of the United States.

Unfortunately, our political leaders and their business advisers on the Emergency Financial Control Board have become so invested in the three-year plan that they are struggling to plug its leaks, rather than admit its inevitable failure. This reflects their almost hypnotic terror of default and a willingness to pay any price to avoid it.

And the price has been exorbitant—both economically and politically. All through our lame negotiations with the federal government last year, we allowed ourselves to be so bedeviled by the bogey of default that we were maneuvered into an economically suicidal position. Our leaders approached Ford and his administration with little more than a series of pleadings for Daddy to spank, forgive, and raise our allowance.

Nowhere in the negotiations did we force Ford to concede that New York's problems go deeper than mismanagement and fiscal tricks—that they are national urban problems likely to be shared by most other U.S. cities and suburbs in the next decade.

In the midst of a recession—concentrated in America's older cities and deepened by Nixon-Ford economic policies—New York and other cities labor under a welter of antiquated and discriminatory federal policies on health, welfare, energy, mass transit, and more. In an uneven political struggle with Ford, we left the country believing that we had ruined our own city.

We did not have to do it this way. When we face the fiscal crisis again, we need not negotiate from weakness. There is ample data today to indicate that a New York City default could threaten our banking institutions and the economic recovery of the country. There are also many ways our federal government could help us restructure our debt at little cost or risk to the rest of the nation. I believe it is obviously in the president's and the nation's interests to help us. But if we must default to save ourselves, now is the time.

New York politics has been too often the art of passing the buck to the future. Our leaders at the state and city levels are attempting to do just that. Their goal, apparently, is to keep the three-year plan afloat at any cost through the 1976 presidential election. The idea of New York in default when the Democrats convene here in July is anathema to them. Their only hope for a long-term solution of the city's problems is that a sympathetic Democratic president will be voted in in 1976 and embark on a Great Society program of urban reconstruction.

This is a delusion. The only way that the agony of urban America is going to be addressed is through our forcing politicians of both parties to take a stand this year. We know what Ford's "policy" has been: malignant neglect and political sniping. But we don't know how the major Democratic candidates stand. Not one has outlined an adequate urban platform that speaks to the needs of America's cities, and none will—unless we *make* him.

The political fallout of a decision to go to court in a default will be heavy. Ford could score points by claiming that profligate New York is on the skids again—in spite of his generous help. But there are limits to the political capital the president can mulct from our distress. Most of the city unions' pay hikes and pension levels, the city-budget manipulation schemes, the welfare and Medicaid rates, and "moral obligation" bonds that have brought the city and now the state to the edge, were passed by our Republican-controlled State Legislature during the sixteen-year reign of Ford's vice-president, Nelson Rockefeller.

But no one can argue that the city and state haven't tried Ford's way. Both have made harsh sacrifices; the sacrifices just haven't worked.

What will happen if we threaten to go to bankruptcy court, and Ford calls our bluff? The answer lies in the provisions of the municipal-debt-restructuring section of the bankruptcy law that is expected to be passed by Congress before April 1. Under this statute, a city can default on its loan obligations and continue to administer its governmental responsibilities subject to a judge-approved long-term workout plan. Congressman Herman Badillo, a House leader for the legislation, fought to restrict the judge's real power under the final bill to accepting or vetoing our plans for repaying debt. It will leave the political and governmental responsibilities for running the city and developing the workout plan in the hands of elected officials. There will be no need to fear the prospect of Bill Simon running New York City's schools, firemen, and police. The law would not force us into the relatively helpless position of a bankrupt. It would simply enable us to reduce the payments of interest and principal on our $13-billion debt. These payments are now eating away $2.3 billion annually, almost one third of the city's locally raised tax revenues. Relief from the debt burden would give city officials breathing room to halt the erosion of city services, resume needed capital construction, and invest in projects that promise to bring economic life back into the city and ultimately ease our loss of taxable industries.

Debt restructuring would also enable us to selectively ease the business taxes that are driving firms and their middle-class employees out of town.

How is this possible? Because the judge in a debt-restructuring process would place repayment of the city's outstanding principal and interest at the bottom of the ladder of priorities. The three-year budget-balancing plan, by contrast, places it at the top. The principle is simple, and widely applied by banks facing an insolvent but rescuable debtor. Currently, banks are carrying billions of dollars' worth of mortgages on real estate at reduced interest rates. Some are even asking no payments at all from troubled creditors. Why? Because the banks know that keeping property maintained and viable is their best chance to recoup most of their loans. In applying the same principle to the city, a federal judge would be forced to take a longer view, relieving the city of current debt so that it could recover. Ironically, this is the only policy that gives the city's bondholders a prayer of cash paid back.

Debt restructuring would give us breathing room to fight for the changes in state and federal policies necessary for our survival, but it is no panacea.

Freedom to stop punishing our economy may decrease its erosion, but only specific creative economic-development plans can rebuild our economic base. We must increase productivity and reduce the cost of services. So far, despite the efforts of the Emergency Financial Control Board, there is little visible indication of accomplishment. In default, however, the influence and power of the board to improve the management of the city could be greatly increased, not diminished. We have not yet redressed the inequities of the pension system, nor have we obtained real productivity commitments from the unions (although some have offered cooperation). Health services, which cost the city taxpayers even more than welfare, still lack a meaningful plan. The state still shows no inclination to redress its discrimination on state aid, particularly in the area of education.

But under default, the city, in cooperation with the federal judge, can distinguish between cuts that eliminate waste and inefficiency and cuts that push jobs and taxpayers out of the city. This distinction is commonly made by receivers in bankruptcy proceedings. No receiver seeking to protect creditors' interests sucks dry a bankrupt business if it can be saved.

Default could have negative psychological effects on our city, but none worse than the daily newspaper stories chronicling the failure of our present plan. Default, quickly followed with a positive ten-year plan, would tell the world that when the count was nine, New York got back up off the mat.

New York has assets to build on—tourism, port facilities, a large, skilled labor pool, and much more. A judge who steered the savings in debt service into investments in our future would be guaranteeing us a chance to revive and pay our debts.

Delay is decay. There is no economic or political rationale for stumbling on with our self-destructive three-year plan. Our determination to rot in peace aborts a long-overdue national debate on the needs of New York and other cities. If we don't act, this debate *will not be* one of the issues in this year's presidential election. The time to fight is now, before the three-year plan cracks of its own internal contradictions, before we elect another president with no position on the crisis of urban America. We may lose; but at least we'll go down in a style that befits the great city we are.

CHARLES G. DOBBINS' FRANKLIN LECTURE AT AUBURN UNIVERSITY, AUBURN, ALA.

Mr. ALLEN. Mr. President, I have just been privileged to read one of the Franklin Lectures in Science and Humanities delivered by Mr. Charles G. Dobbins of Washington at Auburn University, Auburn, Ala., on October 14, 1975.

Under the title, "Alabama Books: A Collector's Notes," Mr. Dobbins described his stimulating experiences in a half century of searching out rare old books about Alabama and her people. In the course of his searches, Mr. Dobbins has added greatly to the store of knowledge we have about our State.

The many treasures he has brought to light have given Alabamians new information and valuable insights into those who made Alabama history and those who played an important role in recording and preserving it.

Mr. Dobbins, a native of Greensboro, Ala., who later lived in Luverne, Camden, and Montgomery, Ala., is a distinguished editor and teacher. He served for many years as editor of the Montgomery Advertiser and also was owner and editor of weekly newspapers in Montgomery and Anniston He taught for several years at Alabama College in Montevallo. He served as a naval lieutenant commander during World War II and spent much of his service in the interior of China.

I commend Mr. Dobbins' remarks to the Senate and ask unanimous consent that they be printed in the RECORD.

There being no objection, the remarks were ordered to be printed in the RECORD, as follows:

OLD ALABAMA BOOKS: A COLLECTOR'S NOTES *

(By Charles G. Dobbins)

In our Nation's Bicentennial year, it may be said in retrospect that Alabama's efforts to preserve the state's heritage in early books, letters, and manuscripts should have been more diligent—and earlier. Albert James Pickett, the state's first and perhaps greatest historian, in 1851 presented his *History of Alabama and Incidentally of Georgia and Mississippi* with this complaint:

"I have sought materials for a correct history of my country, wherever they were to be procured, whether in Europe or in America, and without regard to cost or trouble. All the Atlantic States have Historical Societies, and books and manuscripts related to those states have been collected. In addition to this, agents have been sent to Europe by different Legislatures, who have transcribed the colonial records which relate to their history. I have had none of these aids. I have been compelled to hunt up and buy books and manuscripts connected with the history of Alabama, and to collect oral information in all directions."[1]

The neglect here described was corrected in some measure in the late 1890s when Thomas McAdory Owen brought new interest to Alabama's historical materials. Owen was the prime mover in reorganization of the Alabama Historical Society in 1898, and its first secretary. In that year he published his 495-page *Bibliography of Alabama*,[2] the first of any consequence, on which the *Montgomery Advertiser* commented: "The reader will be surprised at the extent and variety of literary work done by the citizens of our state."[3] Owen's activity resulted in legislative establishment in 1901 of the Alabama State Department of Archives and History which he directed, from dim corners of the State Capitol, until he died in 1920. Seemingly, death had thwarted his lifelong ambition to produce a history of Alabama—or, as it turned out an encyclopedia—but fortunately there remained his indomitable widow.

Marie Bankhead Owen, sister of Senator John Hollis Bankhead II and aunt of Tallulah Bankhead, in 1921 completed and published Owen's *History of Alabama and Dictionary of Alabama Biography*.[4] Those four volumes in my view form the state's most valuable reference work. Mrs. Owen not only succeeded her late husband as Director of the Department of Archives and History, but also she extracted from a reluctant legislature part of the funds for a handsome Archives and History Building to which, in 1940, she moved the state's historical treasures. Those who knew her well, as I did, can testify that when "Miss Marie"—as she was called by the many who loved her and some who did not—moved on Goat Hill to battle for her cause, she did not come back empty-handed!

In recent years many persons have helped in creating new studies and interest in Alabama's history, among them two whom I should like to mention. One is Rhoda Coleman Ellison, whose three books, *A Check List of Alabama Imprints 1807–1870*,[5] *Early Alabama Publications*,[6] and *History and Bibliography of Alabama Newspapers in the Nineteenth Century*,[7] are indispensable to any student or collector. The other individual is James F. Sulzby, Jr., whose labor of love in building membership and interest in the Alabama Historical Association is an extraordinary achievement. Sulzby's own books, *Birmingham Sketches, From 1871 Through 1921*,[8] and *Birmingham as It Was in Jackson County, Alabama*,[9] *and Historic Alabama Hotels and Resorts*,[10] are valuable, but his stimulation of public interest in Alabama's past is a major contribution.

Unfortunately, the work of Dr. and Mrs. Owen and of their successors at the Department of Archives and History has not stopped the loss of Alabama's literary and historical heritage. For years, it has disappeared by way of careless destruction, the assaults of water and rodents against unprotected documents, and the invasion of collectors from North Carolina, Wisconsin, Massachusetts, Louisiana, and other states with greater foresight than our own.

One way to preserve the historical heritage of Alabama is by the efforts of individual collectors. As one who has offered no resistance at all to this addition for almost a half century, my testimony is that the acquisition of what I call "Alabamianna" has been a rewarding avocation which now, in the perspective of later life, brings pleasure and satisfaction.

The collector may appear to be—and indeed probably is—a curious animal. He may become feverish over coins, stamps, old bottles, Lithuanian dolls, or even rare and ancient styles of barbed wire. Why? First, I believe, because of pride of ownership, the knowledge that this or that rare item is owned by few others, that one's collection stands among the best in the state, or even the nation. For me, however, there is in the selection of books another criterion—desirability. Unless a volume has quality and significance, its age and rarity do not suffice. For example, some hundred-year-old Alabama books sell today for $10 or less, but William H. Brantley's superb *Three Capitals: A Book About the First Three Capitals of Alabama*,[11] published as recently as 1947 at $7.50, is rare and quoted today at $35.

Some collectors claim they care nothing for the possible advance in monetary value. Nonsense! It is true, of course, that nobody in his right mind, at age 20, invests in a rare book just in hope of a profit it age 65. There must be satisfactions other than monetary—a genuine liking for books appreciation of the particular author, interest in the subject. And even though one may never sell, there is enjoyment in discovering what wisdom one had in selecting *that book* forty years ago. In the 1930s, old bookstores were overstocked with a little volume about Alabamas' Civil War hero *The Life of The Gallant Pelham*, by Philip Mercer, published in 1929.[12] I bought a copy for $1. In 1972 it sold at auction for $38.50. Can anyone doubt that this book now interests me more than ever?

The physical characteristics of books are important. Few published today can compare with the quality of printing and binding in two of Alabama's most valuable histories, John Witherspoon DuBose's *The Life and Times of William Lowndes Yancey*, published by Roberts & Son, Birmingham, in 1892, and Willis Brewer's *Alabama: Her History, Resources, War Record, and Public Men from 1540 to 1872*, published by Barrett & Brown, Montgomery, 1872. Some good books are marred by the absence of identifying date or place of publication, a cardinal sin committed by B. F. Riley, author and publisher of the delightful *Makers and Romance of Alabama History*. How could this have happened? Was it a bootlegged publication? Riley certainly knew better, for there is good editing in his *History of the Baptists of Alabama: From the Time of Their First Occupation of Alabama in 1808, Until 1894*.[13] (Please note reference to the Baptist occupation of Alabama.)

How does one become a confessed Alabamaniac, fascinated with the people, the incidents, the literature and artifacts of the state's past? There is no simple explanation but I would suggest first, love for one's home—the home town, the home people, the home state. My feeling for Alabama history may have started when boys near here in Russell County, rich in Indian history, spent Sunday afternoons searching the creek bottoms around Hurtsboro looking for arrowheads. Those findings, a modest sentimental treasure, I still enjoy.

It may well have been the move of my family in 1925 to Camden, in Wilcox County, that revealed the romance and delight of antiquities and confirmed my collecting instinct. During summers of the college years, I discovered and explored astonishing libraries in some of the great weathered, antebellum homes. One of these, now demolished, whose books indicated establishment about 1840–1860, was so extensive that it had been professionally catalogued and labeled. Surprisingly, however, there were few Alabama items. English and American classic predominated—Coleridge, Pope, Scott, Irving, Emerson, Hawthorne. In another Camden library I found one of this country's great first editions—Melville's *Moby Dick*, (1851).[14]

Research has shown that in the old Black Belt towns at mid-century there was cultural and literary sophistication. Even when I went there seventy-five years later, this was reflected in Camden by such residents as Emmett Kilpatrick who had published, in French, *The Executive Department of the Confederate States of America* as his dissertation at the Sorbonne,[15] and who for years would serve as co-editor of *The Alabama Historical Quarterly;* by Viola Goode Liddell, author in 1948 of *With a Southern Accent*,[16] a faithful and sensitive portrayal of life in the Black Belt; and by the Reverend Renwick Kennedy, whose articles in national periodicals a few years ago on the mores of the Black Belt have not been excelled.

There was—and still is in Camden—a pervasive sense of history, of things not much changed from the way they used to be. In the 1930s the *Wilcox Progressive-Era* was still being printed on a press from Civil War days. And the paper's issues from the 1860s were carelessly stored in an open upstairs room at the Courthouse—that is, what was left of them after the U.D.C. historians had clipped all the items wanted for their scrapbooks. The past remained large in people's minds, though the relics of that past often were neglected or ignored.

I remember that one Christmas, bird-hunting with a friend on his family plantation on the Alabama River, we came in sight of a great house, columned and still beautiful though almost hidden in the trees. "My grandfather's place," said my friend. "The family moved out years ago—too big to keep up. You might be interested in some old papers in the attic."

Inside the empty house we climbed two flights to the attic, our bird dogs scrambling along with us. I had not been prepared for what we saw. The floor was carpeted with family papers: bills for merchandise shipped by riverboat from Mobile before the Civil War; letters from Mobile brokers bewailing the low price of cotton in the 1840s; one from Montgomery describing a riverboat trip up from Wilcox County; another family letter saying that black Jim had run away for

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Footnotes at end of article.

the third time. "Take anything you want," my friend said. I took him at his word and filled my pockets.

In Camden lived Mrs. Lottie Beck whose late husband was a descendant of William Rufus King, who was elected in 1852 as Alabama's only Vice-President of the United States. She owned with understandable pride King's duelling pistols and other family relics including a book which, though not by an Alabamian, nor about Alabama, is to me an Alabama treasure.

King, a resident of Dallas County and for many years a United States Senator, was a man of the most striking talent and personality. DuBose describes him as "distinguished for the dignity and kindliness of his manner" [17] but also tells of two incidents that reveal him as a man of fire and physical force. Once, "being insulted by a citizen on the streets of Cahawba, [he] drew the sword from his cane, presented it to the breast of the offender, and, in contempt, returned the weapon to its sheath." With the same contempt he refused that citizen's challenge to a duel. Again, in the United States Senate, "Mr. Clay of Kentucky so offended Mr. King, of Alabama, by a slur upon the Democrats, that Mr. King promptly sent a challenge to Mr. Clay to the field of honor. The day following, Mr. Clay apologized in open Senate." [18]

Early in 1844, before the expiration of his 4th term in the Senate, King accepted appointment by President Tyler as Minister to France in a time of delicate negotiations related to the Annexation of Texas. A lifelong bachelor, King took with him his niece, Catherine Ellis, a Tuscaloosa widow of two years, to preside "over the domestic establishment of the American embassy in Paris."[19] William Garrett, in his *Reminiscences of Public Men in Alabama*, writes that "she presided in the drawing-room, at official receptions in Paris, with an ease and elegance which reflected credit upon herself, and upon the ladies of Alabama, in whose society she had moved." [20]

The book I acquired from Mrs. Lottie Beck is a leatherbound French dictionary of no date, bearing in delicate handwriting the name, Catherine Maria Ellis. It was sold by Berard & Mondon, 56 Courtland Street, New York, and probably bought by Mrs. Ellis as she embarked for her exciting two years in Paris.

The late Walter M. Jackson in his study, *Alabama's First United States Vice-President, William Rufus King*, quotes from many of King's letters to Mrs. Catherine Ellis. In one written on May 20, 1842, he tells her he loves her letters and holds sincere affection for her in which he "yields to no one." [21] Jackson, noting that after Paris, King's letters addressed her as "My dear Cate" rather than as Mrs. Ellis, asks, "Is it possible that this letter, and many like it, give a hint as to King's bachelorhood?" So far as I know, this question has not been answered, but I hope that Jackson's speculation is well founded!

Exciting book discoveries can be anywhere—beginning at home. A basic book in any Alabama collection was in my father's modest library—Pickett's *History*. It is not the excessively rare two-volume edition of 1851, published in Charleston, but the one-volume 1900 edition published by Webb Book Company, Birmingham, which includes Thomas M. Owen's *Annals of Alabama, 1819-1900*. My copy holds added value for me in the bold inscription. "J. G. Dobbins, Fayetteville, Ala., Sept. 27, 1900."

Pickett is Alabama's master writer-historian. Ellison comments that "All the poems and stories that have ever been written about the Creek War are pale, watered versions in comparison with the vivid narrative in Pickett's *History of Alabama*." [22] Peter Brannon, beloved archivist and collector, wrote in his delightful *Old Volumes by One Who Appreciates Them*, privately published in Montgomery in 1937, that "Colonel Pickett, in 1851, made history readable and many would profit today by emulating him." [23]

Pickett's account of the Creek War of 1813–14, of noble warriors on both sides of the battles of Horse-Shoe, Holy Ground, and Calebee Swamp, are as dramatic as any novel. This remarkable man, anticipating what often is regarded today as a modern sympathy for the Indians, emphasized that "the brave Creeks [were] opposed by the combined armies of Georgia, Tennessee and the Mississippi Territory, together with the Federal forces from other States, besides numerous bands of bloody Choctaws and Chickasaws." [24] Pickett reflected upon the bravery, endurance, self-sacrifice and patriotism of the Red Sticks and saluted them in these words:

"Brave natives of Alabama to defend that soil where the Great Spirit gave you birth, you sacrificed your peaceful savage pursuits! You fought the invaders until more than half your warriors were slain! The remnant of your warlike race yet live in the distant Arkansas. You have been forced to quit one of the finest regions upon earth, which is now occupied by Americans. Will *they*, in some dark hour, when Alabama is invaded, defend this soil as bravely and as enduringly as you have done?" [25]

Also from my father came Washington Bryan Crumpton's *Book of Memories, 1842–1920*.[26] Dr. Crumpton headed Alabama's Baptist legions for many years, and came as near being their bishop as Baptists permit. His style is honest and unpolished, representing very well the tall, ministerial figure who on occasion stopped for a meal at the pastorium in Hurtsboro or Luverne when I was a boy. He writes not only of people and churches, but of the Civil War. Even more readable and far rarer, however, is *The Adventures of Two Alabama Boys*,[27] by the same W. B. Crumpton and his brother H. J. Crumpton, whose lively tales of Indians, the California Gold Rush, and "The War" have made this a valuable collector's item.

The autobiography as a literary form, it may be noted, has seldom in the last 50 years been employed by Alabamians. When Senator Oscar W. Underwood retired in 1927 he produced the next year *Drifting Sands of Party Politics*,[28] an excellent analysis of legislative and political maneuvering but with almost no human drama of a career that placed him twice among contenders for the Democratic Presidential nomination. Since then, why are there no memoirs by Senator Thomas (Cotton Tom) Heflin, the master story teller; by Representative Frank W. (Everything's Made for Love) Boykin, one of the most colorful talkers who ever lived; by Representative Will Bankhead, not only Speaker of the House but father of Tallulah? Of those now living, why are there no reminiscences from Senator Lister Hill, or Congressman Albert Rains or Carl Elliott, men who not long ago stood large on the state and national scene? And why nothing from "Big Jim" Folsom, twice Governor? Our state's literature would have been enriched by the reminiscences of native sons like Clifford J. Durr, prominent in the Truman Administration, and Aubrey Williams, a leader in the recovery of the nation under President Roosevelt, both courageous men ahead of their times, both gone in recent years. Alabama's leaders might remember that, given the harsh scrutiny that comes with time, history's interpretation of their lives and deeds would benefit from their own accounts.

The inveterate collector is forever *looking* even in the most unlikely places, hoping to be surprised and rewarded. Sometimes he is! In England 25 years ago, glancing through a bookcase at the Inn of the village of Dunkeld, I was astonished to see a large red volume I had never heard of, titled *An Alabama Student*, published in Oxford in 1908.[29] The innkeeper told me the book had belonged to a Dr. J. A. Taylor, deceased. With only the briefest look inside its covers, I bought the book for a pound. Sir William Osler, the famous Professor of Medicine at Oxford University, wrote the thirteen lectures or biographical essays in this volume, more than half of which deal with the life of physicians in the United States. The title essay, "An Alabama Student," is based on the early life of Dr. John Y. Bassett, of Huntsville, Alabama, who in 1836 at the age of 21 studied medicine in Paris, then returned home to practice. In 1849 and 1850 he published two articles on the treatment of malarial fever which, read more than 40 years later by Dr. Osler, so impressed him that he inquired in Huntsville concerning Dr. Bassett's career. The Alabama doctor had died in 1851, but his daughter sent a packet of letters he had written home from Paris in 1836. Quotations from these letters, and Osler's selections from Bassett's professional writing, mark him as a man of intellect and sensitivity worthy of note in Alabama history. Responding to his wife's lament that he had left her and gone to Paris, Bassett replied:

"So people say that I have left you? Well, so I have, and you ought always to put the most charitable construction on such remarks; the same people when I come back will possibly say I have returned. Sometimes remarks of this sort are made carelessly, as men tramp upon worms, sometimes from wantonness, as boys pull off the wings of flies and pierce them with pins; sometimes for sport, as hunters shoot inoffensive creatures that are of no service; sometimes for spite, as we kill fleas; sometimes for experiment, as philosophers torture dogs; but seldom from wickedness, as pagans skin saints, and as Christians skin one another." [30]

Some books are valuable simply as curiosities, or as reflections of the mores or problems of their times. Among the most famous are those volumes published during the Civil War when paper scarcities forced the use of wallpaper for covers. In 1864, the *Confederate States Almanac* pleaded:

> Save your rags and save your tags,
> Save your good-for-nothing bags—
> Bring them to this office soon,
> Bring them morning, eve, or noon,
> Bring us scraps of cotton thread,
> Bring the nightcap from your head,
> Bring the shirt upon your back,
> Bring us pieces white or black,
> Bring us rags and bring us tags,
> Bring us good-for-nothing bags,
> Anything just so 'tis clean—
> White or black, blue or green,
> Anything that paper makes
> Every editor now takes. . . .[31]

One such item in my collection is Volume II of a four-volume novel, *Joseph II and His Court*, by Louise Muhlbach, translated from the German by Adelaide De V. Chaudron and published by S. H. Goetzel, Mobile, in 1864. There was also an 1863 edition,[32] indicating remarkable public interest in a European novel in a time of privation. But Goetzel was an enterprising publisher. During the war years he gave also to Alabama readers Dickens' *Great Expectations* and George Eliot's *Silas Marner*. Ellison has commented, "It was not until the late fifties and early sixties [of the twentieth century] that Alabama possessed such a publishing house as Goetzel's of Mobile, nor it since had another quite comparable to it." [33]

A rare and curious book is *X+Y=Z; Or The Sleeping Preacher of North Alabama, Containing an Account of Most Wonderful, Mysterious Mental Phenomena, Fully Au-*

Footnotes at end of article.

thenticated by Living Witnesses. The author, a Presbyterian minister of Athens, Alabama, published the volume privately in New York in 1876. His subject is another Presbyterian minister, the Reverend C. B. Sanders, whose ability to go into trances and foretell events of the day or to direct owners to their lost valuables, constituted—so the author announced—"the most remarkable, preternatural, mental phenomena that have come to light (so far as is known), since the days of Jesus Christ and His Apostles." The "authentication" consists of a Directory of 69 "witnesses and contributors," complete with addresses!

An extremely rare item is the attack in verse on an early Birmingham businessman titled *Soliloquy of Birmingham Bob of Rainbow Glen.* This book was written and published in 1908 by A. M. Prude, who described himself as an "Ex-Confederate Soldier in General Forrest's Cavalry" and author of *Fifteen Days Confederate Service or, War is Hell.* He priced his book at $1.00 per copy, "five percent of net proceeds to be given to indigent Confederate soldiers, their widows and orphans." Soldier Prude's effort is without literary merit, but his references to Bankhead, Underwood, Pettus, and other state leaders of the time are lively. The salacious verses on the unidentified "Birmingham Bob" apparently were too much for Birmingham, or perhaps for "Birmingham Bob" himself. A dealer back in the 1930s told me the books were bought up and destroyed. My copy, and one other, are all that I have seen.

Legislators are not usually authors, but C. H. Laney, of Geneva, who represented the 23rd District in the Alabama State Senate, 1884–86, earned distinction by producing *The Gopher, and Reminiscences of the Alabama Legislature.*[34] The book's title comes from a speech Laney had made 16 years before in opposition to certain bills unfriendly to the extension of railroad service into his area. When debate dragged on day after day, Laney attacked the legislation in a satirical speech on the need for railroads to transport South Alabama's most important product—gopher soup. Explaining his book, Laney wrote: "I know it is rather late to publish this speech but some men never have their speeches published until after they are dead, and having made this speech I found that I was politically dead."[35] Chapel Cory, in the *Montgomery Advertiser,* wrote these lines about Laney's speech:

Give the black belt Possum fat,
Give the white belt Rye,
But the thing to catch the wire grass man
Is Laney's Gopher pie.[36]

In a chapter, "Legislative Laconics," Laney writes:

"The Senator from —— says that owing to the size of my bill he will call me a pelican. Owing to the size of his brain I will have to call him a hummingbird.

"The senator says the senator from Geneva is the clown of the senate. The senator from —— is what the clown rides around the ring in the last act."[37]

There is special pleasure in the history, or associations, of a particular volume. Who has owned it? Is it autographed by the writer? Is it a presentation copy, perhaps to someone of prominence? Is there laid in a letter from the author telling how he came to write the book or how he feels about it, giving the reader a sense of intimate communication?

My copy of *Catholic Culture in Alabama: Centenary Story of Spring Hill College,*[38] bears this undated author's inscription: "To Alfred E. Smith whose visit to Spring Hill College enriched her historic memories. Michael Kenny, S.J." I wonder at what point in his career Al Smith, Governor of New York and Democratic standard-bearer for the Presidency in 1928, disposed of that handsome volume?

Some years ago I ordered from a dealer's catalogue *Constitutional Government in Spain. A Sketch,* by J. L. M. Curry, one of Alabama's finest statesmen, published in 1889.[39] Curry served as President of Howard College (now Samford University), as a member of the United States Congress and of the First Confederate Congress, and later as Minister to Spain. He is one of two Alabamians representing the state in National Statuary Hall, Washington. To my delight, when the book came, beautiful in red and gray leather, I discovered this inscription: "To my beloved wife with ever-increasing admiration and affection of J. L. M. Curry."

Booker T. Washington published in 1905 an attractive volume, *Tuskeegee and Its People: Their Ideals and Achievements.*[40] My copy bears the bookmark of Joseph M. Andreini, New York City, who pasted in the signature of Washington clipped from a letter, and enclosed two Washington letters addressed to him. One was written October 18, 1915, and enclosed with it was a *New York Herald* clipping of November 15, less than a month later, announcing Washington's death. Mr. Andreini's sense of history enhanced my pleasure in this volume.

A highly valued book of this century is Ethel Armes' *The Story of Coal and Iron in Alabama,* published in 1910 by the Birmingham Chamber of Commerce. In my copy is written: "To C. W. Ufford—from Ethel Armes . . . A few men there are who have far wider notions than merely to sell their pig iron . . . a few there are who have the spirit of empire builders—".

Many will remember the late Grover C. Hall, Jr., who in 1947 succeeded me as editor of the *Montgomery Advertiser.* Few may know, however, that from his service experience in World War II he published in 1946 a substantial volume entitled *1,000 Destroyed: The Life & Times of the 4th Fighter Group.* I value his autograph in my copy, though in view of our political differences, it puzzles me. He wrote: "21 Jan. 1946. For Charlie Dobbins, my traveling companion, of the left—with esteem, Grover."

An Alabama author of high distinction was T. C. DeLeon, of Mobile, who published many books including *Belles, Beaux and Brains of the 60's* in 1909[41] when he was 68 years old and blind, and long before that, in 1892, *Four Years in Rebel Capitals*[42] with fine descriptions of Montgomery in that time. My copy of *Four Years in Rebel Capitals* belonged, I am sure, to a Dr. A. L. Stavely, whose address in 1895 was the Garfield Hospital, Washington. How I do know this? Pasted to the end papers is an envelope addressed to Dr. Stavely at that address, and this graceful letter written in Mobile, November 25, 1895:

MY DEAR SIR: Though we have never met, I feel little toward you like a stranger, from the frequent and very warm expressions of appreciation for your personal kindness, and skillful attention, sent me by my sisters.

They seem, my dear Sir, to set their just value upon both; and I beg to assure you that I also am deeply recognizant of your courtesy and attention to them.

I hope, therefore, that it will seem to you less vanity than a desire to have you know me better, that prompts the sending of the volume with this.

Being a bachelor, my brain-children are the only heirs of my feelings; and this—the eldest and fullest grown—may perhaps reflect me best, and possibly be most certain of reception.

Hoping to have the pleasure of meeting you in the not distant future; and again assuring you of my gratitude and esteem, I hope that Thanksgiving may bring you all comfort, happiness and peace.

Faithfully Yours,

T. C. DELEON.

Old Alabama books tell us something about the remarkable people who built the state's foundations. Consider, if you will, three of these pioneers who left their marks not only in professional achievements, but in books that are almost priceless—if you can find them.

First, consider the author of Alabama's first book. Henry Hitchcock, a native of Vermont and grandson of the noted General Ethan Allen, came south in 1816 to practice law in Mobile but soon moved to St. Stephens, the territorial seat of Government. There in 1817 William Wyatt Bibb, Governor of the newly formed Alabama Territory, named Hitchcock Secretary. In Alabama's Constitutional Convention at Huntsville in 1819, Hitchcock represented Washington County and was one of the Committee of Fifteen who did the actual writing. At the age of 24, he was chosen the state's first Attorney General. Later he was elected to the State Supreme Court, served for a brief time as Chief Justice, and was named to the first Board of Trustees of the University of Alabama. Hitchcock must have been a fine speaker—when Governor Bibb died in 1820, the citizens of Cahawba called on him to deliver the eulogium. When LaFayette came by riverboat from Montgomery to Cahawba in 1825, it was Henry Hitchcock who delivered the address of welcome. In 1839, having moved to Mobile and there been elected to the legislature, he died of yellow fever at the age 44 before beginning his term in office.[43]

Just how he found the time to prepare such a volume one cannot imagine, but the first book known to have been published in Alabama was Hitchcock's *The Alabama Justice of the Peace, Containing All the Duties, Powers and Authorities of That Office, as Regulated by the Laws Now in Force in This State . . . Together With the Constitution of the State of Alabama.* It was published in 1822 at $5.00 in Cahawba, after being delayed two years by problems of printing and binding.[44] My copy, a thick 494 pages bound in full leather, was bought from an Alabama dealer in the 1940s for something more than $5.00.

A book collector can be incredibly lucky! At Montevallo in 1936 I lived for a time in the home of a kind and gentle lady, Mrs. Allen, who soon learned about my passion for Alabamiana. One day she said, "I've found an old book out in the coalhouse that may interest you, something about 'debates.' When you come home tonight I'll show it to you."

I was indeed interested. Could it be that rare and precious volume, *The History and Debates of the Convention of the People of Alabama, Begun and Held in the City of Montgomery, on the Seventh Day of January, 1861; in Which is Preserved the Speeches of the Secret Sessions, and Many Valuable Papers?* Surely not in a coalhouse! I had read about this book, dreamed of it a little, but had never even seen or dared hoped to own one. Brewer declares that "nearly the whole edition" was burned.[45] But when Mrs. Allen came that evening, it was Smith's *Debates* all right, in the original marbled boards. End papers were gone, but the title page was perfect: "By William R. Smith, One of the Delegates from Tuscaloosa, Montgomery: White Pfister & Co. 1861."

"Is it one you'd like to have?" asked Mrs. Allen. My conscience wavered, but remained alive. "Yes, Mrs. Allen," I said, "It is a rare and valuable book."

"Well, I'm so glad. I want to give it to you for your collection." And despite my protests that she must let me buy it, she made me accept it—just as I hoped she would!

Footnotes at end of article.

In 1938 when Carl Sandburg lectured at Alabama College, I was lucky enough to have him spend two nights in my home. Being still absorbed in his work on *Lincoln*, Sandburg read some of Smith's *Debates*, which he had never seen, and asked me to type and send him a long passage for his files.

The foresight and industry of William Russell Smith in recording and publishing the events of the Secession Convention is only one of many distinctions. Born in 1815, orphaned in Tuscaloosa at age eight, his literary talent and initiative surfaced early. Ellison tells how at age twelve, Smith offered a poem that was rejected by the editor of Tuscaloosa's *Alabama Sentinel.*[46] "Young Smith appealed to the printer's devil, with whose assistance the liberlous stanzas were inserted. Great was the editor's horror and rage when he found a crowd asembled in front of the *Sentinel* office roaring with laughter over the weekly edition just off the press." They were reading these verses:

PIGEON TOES

There is a young girl in our town
She has a pretty nose
The only fault about her is
She walks with pigeon toes.

I meet her every morning
And my heart with fervor glows
And I confess the witchery
Despite the pigeon toes

And when I see her slippers
Just where the drapery flows
I wonder how such ankles
Could sprout with pigeon toes!

I'll go and see the doctor
And ask him if he knows
If there is any way on earth
To straighten pigeon toes!

Ellison pays tribute to Smith as the man "Who touched almost every phase of the contemporary literary life in Alabama," yet she troubles me by labeling him "that dilettante."[47] Webster's Dictionary defines dilettante as "A lover of the fine arts; esp. one who follows an art or a branch of knowledge resultorily or superficially, or as a pastime." Should the word be applied to this Alabamian? At the age of 20 he began the practice of law in Greensboro; at 21 in Mobile he established Alabama's first literary periodical, *The Bachelor's Button*, and in the same year wrote what Ellison says is "probably the initial attempt at dramatic composition within the state, *Aaron Burr: A Tragedy.*" At 23 he edited *The Monitor*, a Tuscaloosa newspaper, until elected mayor at age 24. In the 1830s and 1840s he contributed to *The Southern*, a Tuscaloosa magazine, and to the *Southern Quarterly Review*. He was a poet and classical scholar, and when Phi Beta Kappa at the University of Alabama invited him to read a poem at the 1860 Commencement, he presented *The Uses of Solitude,*[48] a 34-page work which, according to Owen, was thought "by many critics to place him among the great American poets."[49] In 1869, Appleton published, in New York and London, Smith's translation, *Diomede: From the Iliad of Homer*. Moving to Washington in 1879, he produced law-related publications and, in 1889, one of Alabama's finest autobiographies, *Reminiscences of a Long Life.*[50]

Smith's political life was no less distinguished than his literary achievements, which may be the intended implication of Ellison's "dilettante." Indeed he moved about—mayor, legislator, member of the U.S. Congress, delegate to the Secession Convention, colonel in the Confederate Army, member of the Confederate Congress, President of the University of Alabama. Well might Garrett in his *Reminiscences* say, "William Russell Smith has had a career, political and literary, which particular attention."[51] One may conjecture whether his own life, so furious in activity, may be what he describes in these lines from *The Uses of Solitude:*

Ah! nothing so inspires the soul of youth,
And urges him to noble enterprises
Plann'd for the future, as the wish to live,—
To live immortal in the world's esteem;
That dead, he still may hear the lauding
shout
Mellifluous climb the advancing walls of
Time,
Sounding his name and calling generations,
Each as they pass, to note his character.[52]

For the sheer drama of Alabama's pioneer years, consider a very different kind of writer, General Thomas S. Woodward, a professional soldier who left a unique personal account of events in *Reminiscences of the Creek, or Muscogee Indians*, published in Montgomery in 1859.[53] The general, who had Indian blood in his veins, was described by Andrew Jackson as "a brave, intrepid and gallant soldier."[54] Partly in response to the appearance of Pickett's *History*—and with some criticism of that work—Woodward wrote to friends and newspapers a series of blunt, colorful letters in keeping with his rugged character. We are indebted to Johnson Jones Hooper, creator of the immortal "Simon Suggs" in Alabama literature, and editor of the *Montgomery Mail*, for collecting and publishing these letters. What Alabamian can read without a stirring of the blood, Woodward's letter describing the arrival of LaFayette at the Chattahoochee River border, just a few miles from Auburn? He wrote:

"In 1824, I think it was, LaFayette was looked for in Alabama . . . Gov. Pickens requested me to take an escort and conduct LaFayette through the nation. The Hon. James Abercrombie then commanded the Mongomery Troop, and Gen. Moore the Monroe Troop, both of whom volunteered their services . . . That was the day before platforms and conventions—men lived on their own money. You must guess then there was some patriotic feeling along, for there were between two and three hundred persons, all bearing their own expenses. Some in going and coming had to travel four hundred miles, and none less than two hundred miles . . . Our trip to the Chattahoochee was pleasant indeed. We made our headquarters three miles from Fort Mitchell, on Big Uchee Creek, at Haynes Crabtree's . . . After some three or four days' stay at Crabtree's, we learned that Gen. Lafayette had passed White Water, and we knew at what time he would reach the river. The Indians seemed to take as much interest in the matter as the whites. All hands mustered on the west or Alabama side, where we could see the Georgia escort approach the east bank of the Chattahoochee, with their charge. On the east bank Gen. LaFayette was met by Chilly McIntosh, son of the Indian Gen. McIntosh, with fifty Indian warriors, who were stripped naked and finely painted. They had a sulky prepared with drag ropes, such as are commonly used in drawing cannon. The General was turned over by the Georgians to the Indians . . . As the ferryboat reached the Alabama side, the Indians, in two lines, seized the ropes, and the General seated in the sulky, was drawn to the top of the bank, some eighty yards, where stood the Alabama Delegation. At a proper distance from the Alabama Delegation, the Indians opened their lines and the sulky halted. Everything, from the time the General entered the ferry, till this time, had been conducted in the most profound silence. As the sulky halted, the Indians gave three loud whoops . . . I have always been looked upon as rather dry-faced; but gazing on the face of the most distinguished patriot that it had ever fallen by lot to look upon . . . caused me, as it did most others that were present, to shed tears like so many children."[55]

The only cloud on my pleasure in Woodward's *Reminiscences* is the fact that my copy is the 1939 reprint, not the original of 1889 for which any collector would give an arm! Peter Brannon, in his Introduction to the reprint edition, notes that the original sold for 50¢. Today it has almost disappeared. In his fine biography, *Alias Simon Suggs: The Life and Times of Johnson Jones Hooper*, Stanley Hoole reported that only nine copies of the original were known to survive.[56]

What future is there for collecting and helping to safeguard Alabama's historical heritage A promising future, I am sure. The informed interest of citizens has been aroused. The Department of Archives and History, though far short of adequate State support, is serving well. Auburn University and The University of Alabama are building strong collections. Finding 19th-century items is not easy. The state's old bookstores are about gone and old Alabama materials are hard to find anywhere. But this is where the individual collector can serve well in the role of search-and-acquire. And the hunting, I claim, can be a lifetime joy.

FOOTNOTES

[*] Presented in the program of Franklin Lectures in Science and Humanities at Auburn University, October 14, 1975.

[1] Owen's Edition (Birmingham, Webb Book Company, 1900), 9.

[2] In *Annual Report Of The American Historical Association For the Year 1897* (Washington, Government Printing Office, 1898) 777–1248. Also separately as House Document No. 577, 55th Congress, 2nd Session, with addition of index, 777–1272.

[3] April 21, 1899. Listed by Owen among notices enclosed with his letter of May 5, 1899, to Dr. S. B. Weeks, Washington, D.C. (Author's collection).

[4] Chicago, The S. J. Clarke Publishing Company.

[5] University, Ala., 1946.

[6] University, Ala., 1947.

[7] University, Ala., 1954.

[8] Birmingham, 1945.

[9] Birmingham, 1944.

[10] University, Ala.: The University of Alabama Press, 1961.

[11] Privately printed.

[12] Macon, Ga., J. W. Burke Co.

[13] Birmingham, Robert & Son, 1895.

[14] New York, Harper & Brothers.

[15] *Le Département Exécutif Des Etats Confédérés D'Amérique, 1861–1865*, (Paris, E. De Boccard, 1924).

[16] Norman, University of Oklahoma Press.

[17] John Witherspoon DeBose, *The Life and Times of William Lowndes Yancey* (1892), 81.

[18] *Ibid.*, 90.

[19] Owen, *History*, III, 356.

[20] (Atlanta, Plantation Publishing Co., 1872), 241.

[21] (Decatur, Ala., 1952), 26, 34.

[22] Ellison, *Early Alabama Publications*, 152.

[23] *Ibid.*, 9.

[24] *History of Alabama*, 610.

[25] *Ibid.*, 611.

[26] Montgomery, Baptist Mission Board, 1921.

[27] Montgomery, Paragon Press, 1912.

[28] New York, The Century Company, 1931.

[29] William Osler, M.D., *An Alabama Student and Other Biographical Essays* (Oxford, The Clarendon Press, 1908).

[30] *Ibid.*, 3.

[31] Ellison, *Early Alabama Publications*, 22.

[32] *Ibid.*, 159.

[33] *Ibid.*, 40.

[34] Pensacola, Burrow Printery, 1902.

[35] *Ibid.*, 9.

[36] *Ibid.*, 13.

[37] *Ibid.*, 18.

[38] New York, The America Press, 1931.

[39] New York, Harper & Brothers, 1889.

[40] New York, D. Appleton and Company, 1906.

[41] New York, G. W. Dillingham Company, 1909.

[42] Mobile, The Gossip Printing Company, 1892.

[43] Owen, *History*, III, 816.

[44] Ellison, *Early Alabama Publications*, 135.

[45] *Alabama: Her History, etc.*, 561.

[46] Ellison, *Early Alabama Publications*, 37–38.

[47] *Ibid.*, 128.

[48] Montgomery, White Pfister & Co., 1860.

[49] Owen, *History*, IV, 1597.

[50] Washington, W. R. Smith, Sr., 1889.

[51] Garrett, *Reminiscences*, 558.

[52] *Ibid.*, 32.

[53] Barrett and Wimbish, Publishers.

[54] Johnson Jones Hooper, in his Introduction to *Woodward's Reminiscences*, noted that "the writer of this has now in his possession an original letter from Gen. Jackson, speaking of Gen. W. as 'a brave intrepid and gallant soldier.' It bears date, Nashville, September 30, 1819."

[55] *Ibid.*, 66–67. LaFayette arrived in Alabama in April, 1825.

[56] (University, Ala., 1952), 228.

FINANCIAL STATEMENT OF SENATOR J. GLENN BEALL, JR.

Mr. BEALL. Mr. President, in keeping with my usual practice, I am submitting a copy of my financial statement for 1975.

I ask unanimous consent that the statement be printed in the Record.

There being no objection, the financial statement was ordered to be printed in the Record, as follows:

Financial statement of Senator J. Glenn Beall, Jr., December 31, 1975

ASSETS

Cash in bank:	
Checking accounts	$11,161.26
Savings accounts	13,807.52
Total	24,968.78
Stocks and bonds (see attached list, Appendix A)	254,798.38
Life Insurance—cash surrender value	24,093.10
Vested interest—Beall, Garner, Screen, and Geare, Inc. Retirement Trust	38,805.58
Equity interest—Beall, Garner, Screen, and Geare Realty	12,507.62
Real Estate:	
Beall's Lane, Frostburg, Md	50,000
Western Avenue, Chevy Chase, Md	80,000
Total	130,000.00
Personal property	20,000.00
1972 Chrysler 4 Dr. Sedan	2,250.00
Total	507,432.46

LIABILITIES

Note payable, First National Bank and Trust Company of Western Maryland	4,987.36
Due on life insurance	2,744.26
Mortgages:	
The Fidelity Bank, Frostburg, Maryland (Frostburg house)	10,424.94
Citizens Building and Loan Association (Chevy Chase house)	51,703.67
Total	69,860.23
Net worth	437,563.23

APPENDIX A

Stocks and Bonds

34	Allegany Power System	629.00
39	Eeall, Garner, Screen and Geare, Inc., (Common)	123,968.91
100	Beall, Garner, Screen and Geare, Inc., (Pfd. A)	$26,000.00
460	Beall, Garner, Screen and Geare, Inc., (Pfd. B)	46,800.00
	Beall, Garner, Screen and Geare, Inc., (7% conv. notes)	5,000.00
100	Canadian Export Gas & Oil	250.00
1	Capitol Hill Associates	100.00
5	Charter New York Corporation	107.50
263	Cumberland Fair Association	5,260.00
30	Exxon	2,662.50
468	First National Bank and Trust Company of Western Maryland	23,400.00
50	General Telephone and Electronics	1,268.75
17	Kaiser Aluminum & Chemical (Common)	471.75
8	Kaiser Aluminum & Chemical (4¾% conv. pfd.)	440.00
181.699	Massachusetts Investors Growth Stock Fund	1,662.72
275	Mercantile Bankshares Corporation	2,956.25
60	Minnesota Mining & Manufacturing Co	3,330.00
30	Northern Illinois Gas	671.25
34	Tenneco	909.50
268	United States Fidelity & Guaranty Co	8,911.00
	Total	254,798.38

Statement of income and taxes for 1975

Gross Income	86,514.00
Less adjustment to income	3,681.00
Adjusted Gross Income	82,833.00
Less:	
Contributions	2,853.00
State, local and other taxes	8,238.00
Interest paid	4,681.00
Miscellaneous Expense	413.00
Total	16,185.00
Total	66,648.00
Less Exemptions	2,250.00
Taxable Income	64,398.00
Federal Income Tax Paid	24,527.00

HAPPY BIRTHDAY TO MIKE MANSFIELD

Mr. MONTOYA. Mr. President, when there are 100 members of any organization—even the U.S. Senate—it is not usually possible to remember birthdays or anniversaries of significance to individual members. Today, I think, must be an exception. Today is the birthday of Senator Mike Mansfield, and he has alerted us to the fact that this will probably be our last opportunity to congratulate him while he is still an active Member of the Congress. I want to take this opportunity to do that, and to express to him some of the feelings which I am sure every Member of the Senate shares with me when I consider his many years of service to the Nation.

Mike Mansfield is truly a 20th century man. His life will have been a vital and important part of the history of this century. He has made that life a quiet and dignified and very significant gift to this Nation. He has been, in the best sense of the word, a public man, devoted to representing the people of his State and his country.

He served in three branches of the military service in support of America. He served as a teacher for years, and the students who were fortunate enough to have the opportunity to work with him have been a growing influence in the Nation in the years since.

He came here to the Capital to represent his State in the 78th Congress—and he has been a part of our Government ever since then. He has been like a pillar of strength and commonsense in the U.S. Senate since 1952. All of us have come to depend upon him more with every passing year. It is very difficult for me to imagine what the U.S. Senate will be like without him in the years ahead.

Today, as he adds 1 more year of experience, I think it is important that we express to him, if we can, how very much we value and appreciate the years he has been willing to share with us, and the pride we all feel when we speak of the Mansfield years of leadership in the Senate.

Mike Mansfield is our friend, and our beloved colleague. He has been a part of our lives, and a part of the life of this Nation, during some of our most difficult and troubling times. His kindness has made difficult times easier, and his good sense has made problems less troubling.

Today, on his birthday, I hope that he realizes that everyone of us appreciates deeply what he has given to us. Our thanks are not really adequate—but I think it is appropriate for us to offer those thanks as a way of saying congratulations and happy birthday to Mike Mansfield, majority leader of the U.S. Senate—and 20th century citizen of the State of Montana and the United States of America.

DAN LEACH TO LEAVE THE DEMOCRATIC POLICY COMMITTEE

Mr. McGEE. Mr. President, it is a tremendous loss for the Democratic Policy Committee and for the Senate that my trusted friend, Dan Leach, who has had a long and fruitful tenure as associate general counsel for the committee, will be leaving for a position with the Equal Employment Opportunity Commission. EEOC has picked a winner.

No matter how late the hour or complex the issue, Dan always has time to deal with the matters at hand; the hours in his day are always in demand. When in demand, when the pressure is on, Dan Leach is at his best; his judgment sound, his insight into strategy or substance always keen. The mysteries of the Senate have not proved a stumbling block to his success.

Dan always kept senatorial staffs as well as myself and colleagues personally informed, time consuming as that is. The "little guy" has equal say-so with Dan Leach.

I know my colleagues join me in expressing to Dan our sincere appreciation for his reliability and dedication. Those attributes have not gone unnoticed. We wish him well as he accepts this new challenge.

HORIZONS ON DISPLAY: THREE IDAHO SUCCESS STORIES

Mr. CHURCH. Mr. President, recently the Department of Housing and Urban Development announced the selection of 200 projects across the Nation to participate in a program entitled "Horizons on Display," a Bicentennial tribute to community achievement. The scope of the selected examples is varied, but they all reflect ways in which we can enhance the quality of living for our American people.

In addition to being a Bicentennial tribute, "Horizon on Display" will also be the official American demonstration program for Habitat, the United Nations Conference on Human Settlements.

Three of the projects selected were from the State of Idaho. One is a telephone reassurance program for the elderly; another is a statewide executive reorganization plan adopted by Gov. Cecil Andrus; and the third is a joint effort with the States of Washington and Oregon to provide for the proper management and inventory of natural resources. In order to share these Idaho success stories with my colleagues, I ask unanimous consent that the descriptions of these programs be printed in the RECORD.

There being no objection, the descriptions were ordered to be printed in the RECORD, as follows:

HORIZONS ON DISPLAY: THREE IDAHO SUCCESS STORIES

(Pacific Northwest Regional, Land Resource Demonstration. Contacts: Paul Cunningham, Division of Budget, Policy Planning, and Coordination, State Capital Building, Boise, Idaho 83720—(208) 384-3416. Brent Lake, Land Conservation and Development Commission, State Capital Building, Salem, Oregon 97301—(503) 378-4296. Mike McCormick, Office of Community Development, State Capital Building, Olympia, Washington 98504—(206) 735-2425.)

The Pacific Northwest depends heavily upon resource-based industries such as agriculture and wood products for its long-term economic strength. Proper management of the region's land and water resources and access to the best information available are priority concerns for the region's planners, public officials, and citizens. Consequently the states of Idaho, Oregon, and Washington have joined with the National Aeronautics and Space Administration and the Department of Interior in a project designed to test the usefulness of information retrieved through satellite remote sensing.

Working as the Pacific Northwest Regional Commission, the governors of the three participating states and a Federal co-chairman in 1974 sponsored a Land Resource Inventory Task Force. The Task Force will monitor the demonstration project, which will continue through 1978, and evaluate the effectiveness of satellite remote sensing. Funding and task force representation exemplify the broadest range of cooperation—Federal, regional, state, and local involvement as well as the region's universities.

The task force will monitor information in five specific areas: urban land use, agriculture, forestry, range land, and noxious weeds. A remote sensing satellite (LANDSAT) will offer planners, managers, and elected officials a regional perspective for land resource planning and management. LANDSAT should provide prospective users with information on a cost effective basis. In addition to that advantage, LANDSAT offers a photo that covers 13,000 square miles with precise details on features of 30 meters or more. Satellite remote sensing also allows monitoring of man-made or natural changes in the earth's surface on a regular basis; it is expected that LANDSAT will provide the information at a cost competitive with more conventional methods of data retrieval.

Advanced technology, of course, makes such an experiment possible. But one should not slight the level of cooperation required for such an effort. In pursuing the demonstration project, cooperating Federal, state, and local governments and agencies will be able to utilize the LANDSAT information in making planning and management decisions for the Pacific Northwest.

The advanced technology, of course, makes such an experiment possible, but one should not slight the cooperation manifested by the groups carrying out the program. Presently, the experiment marks the cooperation of Federal and State governments, and the region's universities. If the project meets its goals, local governments will be able to draw upon the information in making their own decisions. Access to such information will help open up a dialogue throughout the region ensuring communication on and understanding of tomorrow's difficult choices.

(Planning and Management, Executive Reorganization Plan; Office of Governor, Cecil D. Andrus, Boise, Idaho 83720—(208) 384-2100. Contact: Joe Welch, Special Assistant to the Governor.)

Despite the incredible increase in the complexity of government, states have been slow to adopt the systems approach, the technology transfer, the computerized operations that are the hallmark of modern business. The house of government just grew, expanding into crowded warrens of committees, boards, agencies, and *ad hoc* subcommittees that often left the average citizen—and sometimes even the experienced legislator—unsure of who was minding the store.

By 1974, haphazard growth and repeated response to immediate needs with no concern for structure had made an unintelligible patchwork of the executive branch of Idaho's state government. Over 260 departments, boards, and commissions existed without any regard to functional relationships, effectively throttling any efficient response to contemporary needs. Citizens and even legislators were finding it difficult to wend their way through the executive branch. The proliferation of state agencies hampered Governor Cecil D. Andrus and the legislature in their work, especially in dealing with appropriations, performance review, and policy direction. The end result was "state governmental drift."

To address this problem, the Governor initiated a reorganization effort with five central goals. First, protection of the public interest. The reorganization process actively sought out the participation and input of those "outside the political arena." Second, establishment of a workable executive control: the creation of clear lines of authority and accountability through statutory provisions or administrative directives. At the same time independent offices were reduced to a number possible to supervise and hold accountable. Third, improvement of state services to the citizens. The haphazard and unplanned growth of government often left the citizen lost in a bureaucratic maze—or, conversely, provided the same service twice by competing agencies. Fourth, improvement in administration efficiency. In order to stem the rising costs of government, the duplication of staff functions had to be eliminated. Fifth, the development of competent administrators, with sufficient authority to run their own agencies and accept program responsibilities.

Once these goals were defined, things started to move. Executive staff initiated a comprehensive inventory of the existing state government structure. Since reorganization would require an amendment to the state constitution, they drew up such an amendment for the voters, limiting the number of state agencies to not more than 20. Then the public process began; statewide announcements, bipartisan support, media endorsement. Public hearings were held in each town of over 2,000. Citizens groups supported the effort. The legislative nitty-gritty and months of public hearings were handled by a committee of two citizens and twelve state legislators.

Today, Idaho has completed a successful reorganization of the executive branch from 260 agencies to 19 that deal with specific functional areas. Through the cooperation of citizens, the legislature, and the executive branch of state government, Idaho has completed two successful years under a modernized state government.

Reorganization is not a sexy subject. But as governments paradoxically become more involved in individual lives and more remote from any individual's sense of control, the existence of a rational structure where the citizen can determine accountability may be one of the hallmarks of good government.

(Elderly Contact and Help Organization (ECHO), 223 Basalt Street, Idaho Falls, Idaho 83401—(208) 522-4357. Contact: Ms. Dori Wakeman, Director.)

For the senior citizens of Idaho Falls, reassurance is as close as a phone call to 522-HELP. The number keeps more than 200 elderly residents in touch with the Elderly Contact and Help Organization (ECHO), assuring staff and volunteers each day that they are alive and well.

If there is a problem, then the staff can respond. If an expected call does not come by 11 a.m., the staff immediately will locate a neighbor or relative to check. More often than not, the missed call was caused by forgetfulness—but if not, then an ECHO staff member or a policeman with a locksmith in reserve go immediately to the home of the ECHO member. Where illness or injury prevented the old person from calling, ECHO's emergency assistance has averted disaster. In our increasingly mobile and anonymous society, old or handicapped persons have died because no one was near when they really needed help.

ECHO is a pilot program of the Eastern Idaho Special Services agency, which was started in October 1968 as a result of the death of several senior citizens who lived alone. ECHO service is available free to any senior citizen or handicapped resident of Bonneville County. To join, one simply dials 522-HELP and gives name, phone number, and numbers for pastor, doctor, and nearby relative. ECHO records this information immediately, stressing the importance of the daily check-in call.

An ECHO extra is a transportation service, a minibus driven by volunteers. Emergency calls have first priority, followed by trips for medical care. Then the bus is available to take senior citizens shopping, to church, or to visit a friend.

The ECHO office is open from 8 a.m. to 5 p.m. daily, with an answering service available to call staff in an emergency. There are community volunteers for the "Night Watch" program, as well, and they spell the staff in responding to emergencies. Local and state private organizations provide most of ECHO's funding, with perhaps a fifth of its budget from Federal agencies. ECHO is one of a number of simple and inexpensive outreach programs around the country that keep the elderly and handicapped in touch with their communities. Its members have discovered that the daily phone calls say more that "hello" . . . they lift the spirit and may save lives.

MIKE MANSFIELD

Mr. BAYH. Mr. President, during the more than 13 years it has been my privilege to represent the people of Indiana in the U.S. Senate, our Nation has experienced, and the Senate has been witness to, the heights of greatness and the murkiest depths of political corruption. Throughout this period, and in the longest tenure of any majority leader in Senate history, Mike Mansfield has been a paragon of integrity, dignity, and accomplished leadership. It was with a deep sense of personal sadness that I learned of his intention to retire at the end of his present term.

It is difficult to imagine the Senate without the leadership of Mike Mansfield. He is the essence of everything good in the Senate. He leads with patience, friendship, and courtesy. He is a man of few words, who does not seek to draw the spotlight of national attention, but rather to give light to Senate deliberations. He treats every Member of the Senate with fairness and works to see that each Member is assigned major legislative responsibilities.

Mike has never attempted to impose his will upon his colleagues, and partisan politics have never taken precedence over his personal convictions. He opposed a President of his own party over the Vietnam war, the most divisive issue of the past decade. His opposition to the war helped awaken his countrymen to the tragic error we were making in Southeast Asia.

Especially worthy of notice is the successful effort Mike has made to assist and educate first-term Senators. If there is one man who can show what a good Senator is by example, it is Mike Mansfield. He knows the Senate better than any man alive today. Mike uses that knowledge not for personal gain but to insure substantive achievements for his country, and he has quietly compiled a legislative and leadership record which may never be surpassed.

Mike's presence and leadership will be sorely missed by me, by our fellow Democrats, by the Senate, and by the Nation. He will be remembered by his colleagues, friends, and countrymen as a great Senator, a great majority leader, and a great man. Most importantly, Mr. President, Mike Mansfield will always be remembered as a fair and decent person.

"A PORTRAIT OF THE HANDICAPPED" BY TERRY NELSON

Mr. MUSKIE. Mr. President, Terry Nelson, a 12th grader at Portland High School won first prize in the 13th annual "Ability Counts" contest sponsored by the Governor's Committee on Employment of the Handicapped. In her winning essay, Ms. Nelson portrays vividly the hardship endured by a person who suddenly loses his ability to walk, and his success as he readjusts and accepts being handicapped:

> A person is only as handicapped as he wants to be. It is up to the individual. I live my life just as I did before I lost my legs.

Here is an extraordinary individual who has overcome many obstacles confronted by the handicapped. There exist hundreds of comparable situations that go by us unrecognized. Ms. Nelson's report can be considered a tribute to all those inflicted with the hardships of the handicapped who nevertheless maintain a positive outlook on life.

Mr. President, I ask unanimous consent that this essay by Ms. Nelson be printed in the Record.

There being no objection, the essay was ordered to be printed in the Record, as follows:

A Profile of Achievement: How a Handicapped Person Approaches Life

(By Terry Nelson)

(This report is based entirely on a personal interview with Clint on January 6, 1976. Since all of the quotations within the context of this paper were obtained through this interview, unnecessary footnoting was omitted.)

Clint had been driving a truck for three days without stopping to sleep, hoping to make a few extra dollars. Despite the fact that he had periodically taken Benzedrine capsules to battle drowsiness, the thirty year old truck driver fell asleep at the wheel. The uncontrolled tractor trailer truck sped rapidly to the soft shoulders and crashed into a concrete abutment. The cab of the truck was sliced in half, the slumbering driver lost his legs. The semi-conscious man could distinctly hear the sound of an ambulance and feared for his life. The voice of a doctor, however, was obscure to Clint, while the presence of sympathetic onlookers was confusing. Clint, unaware of the loss of his legs, was rushed to the hospital. After an operation to close the thighs against infection, Clint learned that he lost his legs at the scene of the truck accident and that he would never be able to drive a truck again. A period of deep depression followed. Clint spent a dismal nine months in the hospital, away from his wife and his three children, undergoing two additional operations on his thighs, and trying to cope with the probability of a despondent future. Finally, his legs began to heal and Clint was able to get around in a wheelchair. Physically, he made great progress, but mentally, he was still in a state of dejection. His doctor, quite concerned about his attitude, spoke with Clint and enabled the depressed man to look at his future from a different perspective. "People are going to stare at you, Clint, when you return home. They do, especially children. Get used to it and do not be ashamed. You could stay home and feel sorry for yourself for the rest of your life, or you could take a look at the rest of the world, get a job, and help yourself." Clint left the hospital days later with a renewed outlook on life and on his future. He was happy to be alive and had decided to lead his life as before.

Clint wanted to find a job. Realizing that employment possibilities were limited since he was restricted to a wheelchair, he decided to attend the University of Maine, at Portland, to become a certified public accountant. Within a year, he concluded that accounting was not for him. He did not want to spend his life behind a desk because he enjoys people and likes to stop and talk when he pleases. He then accepted an offer to work as a part time mechanic at a gas station, owned by his brother, where he has been employed for the past seven years. Although he would rather be driving a truck, Clint is happy with his job and explains, "I like working for my brother because he lets me do things my way, and I, in turn, put out good work for him. Working on an engine is the next best thing to operating one." Clint has always been mechanically inclined, has caught on quickly to the specialized work on engines, and has established himself as a skillful mechanic. "Of course, it is sometimes difficult to work under a car when it is on a lift, but when the car is parked on the ground, I can almost climb on top of the engine to repair it. Not many people can do that!" In spite of the fact that Clint is content with his job, he would like to own his own business someday.

Concerning everyday living, Clint's life is much the same as ours. He drives a car which is equipped with hand controlled brakes and accelerator. Also, for the past eight months, Clint has been trying to adjust to artificial legs. Although he find the legs difficult to wear during the winter months because of the icy walking conditions, he feels an overwhelming sense of accomplishment to be able to walk again. Being a man who truly appreciates the outdoors, Clint enjoys deer hunting and fishing. "I can do just about anything, but swim," he says, and even still, on a hot summer day, he will take a dip to cool off. Clint is also a family man. Since his accident, the former truck driver has spent many additional hours with his children. They have accepted and have become accustomed to their father's situation, while Clint is grateful that he is having the chance to watch his children grow.

The definition of the word "handicapped" is not applicable to Clint. He does not consider himself disabled or handicapped, as he explains. "A person is only as handicapped as he wants to be. It is up to the individual. I live my life just as I did before I lost my legs. I could have spent each day and each night isolated behind the closed doors of my home, constantly dwelling on thoughts of the accident, drowning in self-pity, but I enjoy life too much to let the loss of my legs hold me back."

FARM OUTLOOK

Mr. EAGLETON. Mr. President, on March 10, 1976, I had the privilege of chairing a hearing of the Agriculture Appropriations Subcommittee at which Dr. Don Paarlberg, Director of Agriculture Economics for the Department of Agriculture, was a witness. Dr. Paarlberg is one of this country's outstanding economists and the premier expert in the field of agriculture. His responses to a broad range of questions about the outlook for farm prices and production both here and abroad were highly informative and I ask unanimous consent that that portion of the hearing record be printed in the Record.

There being no objection, the excerpt was ordered to be printed in the Record, as follows:

Excerpt From Hearing of the Agricultural Appropriations Subcommittee

Senator Eagleton. Interestingly enough, I have been in the company of two of the greatest economists in the country today. I was with Walter Heller at lunch, a leading economist, and Dr. Paarlberg is widely regarded as the premier man in the field of economics and agriculture.

Mr. Paarlberg. Thank you. That is very kind of you, Senator.

Senator Eagleton. Dr. Paarlberg, I am not trying to embarrass you, but can you do a little crystal-ball gazing for me on the agricultural outlook this year? What do you feel is coming down the pike, what do you see down the road?

Mr. Paarlberg. We think agriculture is in a better balance than it has been for some time. We have all had a series of storms and gales and gusts that have buffeted us about—inflation, grain embargoes, price controls, the energy crisis. We have had a defeat in livestock—out of balance one way and then out of balance the other way.

It seems to us that those gales are abating that we have a better relationship between crops and livestock than we have had; that our supply situation is a little better. We will be slightly increasing our carry-over of the major grains during this marketing year, but not to any troublesome level. Our expenses which have been zooming up are still increasing, but not as rapidly.

The level of net farm income during the first half of this year is running above the first half of last year. We are not sure, of course, about the 1976 crop. If it is anything like a normal crop and if export demand is as it seems it will be and if the recovery continues on track, then we think that this can be a year that compares favorably with the last two.

Senator Eagleton. Crank into that forecast the effects of this dust bowl situation in Oklahoma, Kansas; fortunately, not yet Missouri, at least to my knowledge.

Mr. Paarlberg. It is Oklahoma, Kansas, Texas, eastern Colorado, eastern New Mexico. There is about 10 million acres of wheat in that area in stress. That is about one-fifth of our winter wheat crop. The winter wheat in the rest of the country is pretty good; but there is a precarious situation there. Some of that wheat is already lost. They have had some rains in this last week, perhaps an inch or thereabouts, which is enough to give them some relief, not enough to correct the problem.

They will be dependent on continuing rains. If they get them, they will get a fair crop of wheat. If they don't, they will have half a crop, maybe. Some of it is irrigated and is okay.

If the winter wheat crop is poor, there is a chance of increasing the seeding of the spring wheat. We are somewhat increasing our carry-over of wheat, as I said, and with a larger carry-over and with a fair crop, we still would be in a relatively good supply situation to meet domestic and export needs. We don't think that we are really in a condition of jeopardy in this respect.

Senator Eagleton. What are your forecasts concerning Russian need for additional wheat?

Mr. Paarlberg. We think they will be in this market during the remainder of this crop year for some additional wheat, maybe a couple million tons, not any great amount.

Senator Eagleton. Two million tons?

Mr. Paarlberg. That isn't all that big. They have agreed with us to take from six to eight million tons for each of the next five years. That will greatly stabilize the movement of grain to the Soviet Union and, I think, reduce some of the price gyrations that we have had.

Senator Eagleton. What do we know about what is sometimes referred to as the economic basket cases around the world—Bangladesh and others?

Mr. Paarlberg. The 1975 crop, fortunately, was good in exactly those basket case areas. They had a good crop in Bangladesh, they had a good crop in India, they had good crops in the area south of the Sahara; precisely those areas of the world where there was the greatest difficulty.

Their situation is somewhat improved, but they do not have large reserves and they continue to be heavily dependent upon the upcoming crop. It is too early to tell what the upcoming crop will be.

Senator Eagleton. What can you tell me about the economic outlook for livestock and dairy producers?

Mr. Paarlberg. They had a very difficult year. Throughout the latter part of 1974 and most of 1975, demand was weak, with a recession grain prices were high and they lost money. It was a very tough situation. Their cattle were selling for very low prices.

With a larger grain crop in 1975, their feed prices are a little better for them. With economic recovery, their markets have somewhat strengthened and they are now in a somewhat better position.

Senator Eagleton. Were you here a few minutes ago when I was talking about packer bonding?

Mr. Paarlberg. Yes, sir. I was.

Senator Eagleton. I was just shocked when I was in Sioux City that the farmland in that area was selling for $2,100 an acre. As an economist, how could you economically justify $2,100 an acre for farming purposes?

Mr. Paarlberg. Senator, the way I could justify it would be if I had a farm of 320 acres, paid for and an 80-acre farm which is not really big enough to be fully efficient, and I have got my equipment and everything and I have got the farm paid for and an 80-acre farm is available next to me, I could buy that and pay $2,100 for it, add to my 320 acres, improve my efficiency, lower my production costs per bushel, and pay out. But I could not, as a young man, buy a farm at that price and pay the carrying charges and come out on it.

Senator Eagleton. Maybe that was the case out there.

It could be just as you describe it. We have some very, very fine farmland in Missouri, up in Saline County, Marshall, Missouri. Unless I am mistaken, I can't see $2,100 an acre.

Mr. Paarlberg. I am Chairman of the National Agricultural Credit Committee, consisting of the mortgage lenders. We met this week, Monday, in Chicago, and debated this very major question. Some of those fellows are old enough to have been through the ringer that we had back in the thirties. There is some apprehension as to whether these land values have gone up beyond the capacity of the farms to pay for themselves at that level of prices.

Senator Eagleton. Did you have any input to the Secretary or through the Secretary to the President in his recommendations with respect to the estate tax situation?

Mr. Paarlberg. Yes.

Senator Eagleton. Without violating any confidence, could you tell me a little bit about how you view that situation?

Mr. Paarlberg. The estate tax exemption was established back in the 1940's, with a $60,000 exemption from the estate tax. Since that time, the whole price level has moved upward. It is my considered judgment that that figure is not any longer appropriate.

The President recommended that it be increased. To what level it should be incrased is a pertinent question. He said $150,000. There are various bills in the Congress.

Senator Eagleton. Some say $200,000.

Mr. Paarlberg. Congressman Burlison from your State has a bill calling for $200,000. There is one pertinent thing I might add. Some farmers think there should be an increase in the exemption for them, but not for other groups. This would be very difficult for two reasons.

One reason is the equity of it. I am not sure that the country would want to give that preference to agriculture. If they did, what I fear is that non-farm people would invest in real estate in order to pass their estate on to their children and we would have a moving into agriculture of non-farm people, bidding up farmland.

Senator Eagleton. We have enough tax shelters as it is without going out of our way to create more.

Mr. Paarlberg. It is hard for farmers to see that, but it is a good point.

Senator Eagleton. It is controversial, but you already have that dispute between the real life farmer and the hobby farmer.

Mr. Paarlberg. Right.

Senator Eagleton. You feel that if you made that rank discrimination with respect to estate taxes you would be intensifying the situation?

Mr. Paarlberg. I am afraid of that.

Senator Eagleton. What are the trends you see in the years ahead in terms of large farming and large farms owned by foreign nationals?

Mr. Paarlberg. The family farm is a very durable institution. If you define a family farm the way we do, which is a farm where the majority of the labor and management are supplied by the farmer and his family, if you define the family farm that way, 95 percent of farmers are family farmers.

That has been so for many years. They still produce the great bulk of the agricultural products for market.

This institution has survived drought, disaster, inflation and it is a very resilient kind of institution.

It is changing in that it becomes larger, it requires more capital, more skill, but it is still the basic agricultural institution and has thus far managed to very well meet the competition of the large corporate-type unit. I will give you an illustration of what happens.

1974 was a disastrous year for cattle food. Who went broke? The ones who went broke were the big corporate type feeders out in the Great Plains. The farmer feeder in Missouri, in Iowa, Illinois, had a hard time, but he had a diversity of income. He pulled in his belt and took his loss and he is back there in the nest next year.

So, there is a resilience in the family operation that I think the big corporate farm lacks. So I am optimistic about the future of the family farm if we give it the understanding and sympathy that as legislators we should, if we give good research, good credit, good cooperatives and all the things that it deserves having, good inheritance taxes. I am optimistic about it.

The other part of your question was about foreign investment in agriculture. As near as we know and we have done some general survey on this, that is miniscule. There are very, very few foreign countries that have invested in American agriculture. The few that have are exceptionally well advertised.

Senator Eagleton. They receive a lot of publicity. Scares the heck out of people.

Mr. Paarlberg. But it represents a tiny fraction of American agriculture.

Senator Eagleton. A year or so ago, I think some Japanese businessmen were buying up land in Iowa. It scared people to death.

Mr. Paarlberg. I know. But you look at it in the figures as to what it amounts to, you can hardly find it.

Senator Eagleton. We have gotten away from acreage allotments and I am glad we have. In terms of additional land that could be brought into cultivation, are we using about everything we have or could more be brought in? Do we have any extra that could usefully be introduced?

Mr. Paarlberg. We do have extra. We have in cultivation some 330 million acres. Our land economists say that another 100 million acres could be brought in if we had the incentive to do it. If the prices were rewarding enough for long enough, we could clear, we could irrigate and we could till lands that have been taken out of production.

It would take incentive to do this. But if the need is there, that could be done. These are lands that are marginal, have been marginal at the kind of returns that we have been accustomed to.

But if these lands were in Japan or if they were in Italy, they would be already in use.

Senator Eagleton. What about these 100 million acres—is this land scattered through all the farm States or do some areas have more of this marginal land than others? I am curious where it is.

Mr. Paarlberg. Some of it is coastal land along the Atlantic Coast. Some of it is land along the Mississippi Delta and some of it is land abandoned in the Southeast. It could be brought back for agricultural use.

Some of it is wetland that could be drained.

Some of it is land that could be irrigated—in the Far West, for example.

Senator EAGLETON. We have 330 million acres in cultivation?

Mr. PAARLBERG. Something like that.

Senator EAGLETON. What is your estimate of how much land Russia has in cultivation?

Mr. PAARLBERG. I can't give you the number exactly. It is in that same range. It is more than that. I am not sure.

Senator EAGLETON. Do we have any figures on Australia or Canada?

Mr. PAARLBERG. We are far ahead of Australia and Canada in land area.

Senator EAGLETON. What about yield per acre? How do we compare with Australia?

Mr. PAARLBERG. We are ahead of the Australians. We are far ahead of the Russians. We are not up to the French and Belgiums and the Dutch.

Senator EAGLETON. Canadians?

Mr. PAARLBERG. We are ahead of the Canadians.

Senator EAGLETON. I have asked you a lot of tough questions. Let me ask you one more. What does your crystal ball say about the livestock industry in the year ahead?

Mr. PAARLBERG. The cattle industry is coming through a very difficult situation. There is a cattle circle, about 10 years in length. We built up numbers for the past nine years and get too much beef. That is the reason the price went down. We have now reduced our herd this past year.

We reduced them from 131 to 128 million head. So we are on the way, I think, toward a better balance of supply and demand in the beef industry. That is encouraging.

Cattle feeding after having lost a lot of money, got into the black in 1975. The cow-calf people who had very hard time are now feeling a little better. Their prices have come up. So the cattle business prospects are a little better.

The hog supply was reduced very sharply as a result of the 1974 disappointing feed crop and they are now increasing their numbers. The price of hogs is good. It is going to stay good through virtually all of 1976.

The poultry industry had a good year in 1975, mostly and they are expanding their production. I think the cream is cosing off for them.

The dairy industry which is the other big livestock industry, is looking a little better. The dairy industry has never, however, been a high-paying activity.

Senator EAGLETON. It represents a large investment, too.

Mr. PAARLBERG. It does and it is a very steady job, I might say.

Senator EAGLETON. Am I correct that there are no longer any acreage allotments or planting restrictions on any crops? Is rice off now?

Mr. PAARLBERG. Rice is off. A little dab of long staple cotton.

Senator EAGLETON. And peanuts.

Mr. PAARLBERG. Yes.

Senator EAGLETON. If you were reliving your life, would you ever want to go back to the old days, call them bad old days or good old days?

Mr. PAARLBERG. No. I would not. I prefer the present days and the prospective days to the good old days.

Senator EAGLETON. I am talking about acreage allotments and all of that.

Mr. PAARLBERG. No, I think, Senator, that what has happened is that we have discovered our agricultural capability, we have discovered that we in the United States have comparative advantage in agriculture, that we can export into the world market, meet the competition, use our resources, earn income and I hope that we continue to develop and exploit the opportunities that are associated with our agricultural capabilities.

If we do that, I think we will want to use our resources rather than deliberately withhold them from use, deliberately short the supply, deliberately run up the price for the consumer.

I doubt whether the consumer in the present mood of the country and with the concern about inflation is going to be enthusiastic about again deliberately shorting the supply.

Senator EAGLETON. When did you join the Department, Doctor?

Mr. PAARLBERG. Seven years ago.

Senator EAGLETON. What do you think about proposals for a strategic grain supply?

Mr. PAARLBERG. We have sought to get cooperation from the various countries in a grain reserve plan. The United States took leadership in this, coming out of a recommendation in the World Food Conference that this be done. We developed a proposal involving cooperation in the various countries in building up a reserve. We found that the other countries were not enthusiastic about joining such a plan.

They have the feeling that if supplies again become burdensome, the United States will, as it has before, acquire stocks and hold them. So they say why should we do this if in all likelihood the United States itself would do it?

So they have been unwilling to join with us in this undertaking and the thing is now really on dead center.

Some countries are building up reserves of their own. In the natural course of events, autonomously without being part of big, international undertaking.

India, out of its better crop, is rebuilding its reserves. Our own reserves are slightly increasing this year. The Russians may be pushed into developing reserves of their own as a consequence of this agreement that requires them to take six million tons even if they got a big crop. That is not an awful lot.

But the effort to get international cooperation and the building up of an organized, strategic reserve, that has thus far not been very fruitful despite the strong leadership of the United States.

Senator EAGLETON. I read in the paper the other day that at the recent meeting of the Politburo, the Agriculture Minister of the Soviet Union was set aside and downgraded.

Why does Russia have so many bad crop years, other than the chance of weather, and so forth? What do you see as fundamentally wrong with their system?

Mr. PAARLBERG. Several things. One thing is the weather, as you say, which is extremely variable. Their weather is much more variable than ours. I think the most variable for any major agricultural country in the world.

Another thing is that they are very far north. They have a very short growing season. Most of their agricultural area is north of the latitude of St. Paul, Minnesota, very far north, very short growing season.

Another thing, it is my conviction that they have not emphasized their agriculture to the degree that they might. They have made their investments in industry, and in the military and a long time they were quite content for their people to live on bread and potatoes. They weren't ready to indulge the appetites of their people for better food.

So I don't think they invested as much in agriculture as they did in other areas.

I think their system lacks the incentives that ours does. It is heavily bureaucratic. Decisions are not made in a timely fashion. All of those things are against them, I believe.

Senator EAGLETON. How would you contrast the United States versus the Soviet Union as far as sophistication of mechanization?

Mr. PAARLBERG. We are far ahead of them. When they come to visit the U.S. and get on the farms, they ask where the labor force is. They can't understand there is a farm of this size that has only one or two men.

I have visited Russian farms and they have so many men. They are in the early stages of mechanization. They intend to mechanize more. You see all sorts of strange things. You see huge machines, operated by one man, very efficient. Then you will see a gang of 12 people sorting potatoes. They have not yet really learned how to, I think, organize their manpower and their capital with agriculture.

Senator EAGLETON. We don't know a lot about the People's Republic of China, but from what I have read I get the impression that they are doing better than the Soviet Union. Maybe I just don't know the facts.

If that be the case, what is China doing right that Russia is doing wrong?

Mr. PAARLBERG. That is a very penetrating question. Our analysts would confirm your impression, that the People's Republic is doing relatively better than the Soviet Union, that is the rate of improvement is superior to what it is in the Soviet Union.

I do believe that one thing is that the People's Republic is newer. They are filled still with revolutionary zeal which perhaps the Russian farm worker doesn't *feel in like* degree.

I think there is a nationalistic commitment there that the Chinese feel still being new revolutionaries that the Russians don't feel. They have done some, I think, wonderful things in the People's Republic of China.

For example, they have what they call their barefoot veterinarians. They give them a little training, just enough to take care of the majority of the general rule of animal troubles.

These people are out there taking care of all of this stuff.

They have emphasized practicality in their education work and in their research rather than things academic. They have made great changes in their land and water use.

In the off-season these people go out and build a reservoir and terrace the land. They work terribly hard. The Chinese people are hard-working people.

Senator EAGLETON. Is it true that they also are putting in a little bit of free enterprise? Don't they get an acre or two where they grow their own tomatoes or whatever and it is theirs to do with as they wish?

Mr. PAARLBERG. That is correct. They do that. A substantial part of the production comes from those intensive spots.

Senator EAGLETON. This will be my last question. I probably should have asked it of someone who is in Agricultural Research.

What can you tell me about the economic consequences of Beefalo, this cross-breed of beef cattle and buffalo. Out in the Far West somewhere, Oregon, and Wyoming. Does this mean anything for the future? Is this just one of these monetary aberrations?

Mr. PAARLBERG. I don't know anything more than I have read in the magizine on the airplane. You have read that, too. So I don't know.

There is a lot of excitement about it. I think it would seem that the buffalo, being a rugged creature of good foraging ability, if you could get some of those genes into the beef animal, you might do some good. I know they are paying fantastic prices for these creatures.

But I can't give you any real appraisal of it.

Senator EAGLETON. Doctor, you have contributed to my continuing education. I mean that most sincerely. I thank you for it.

Mr. PAARLBERG. Thank you for the excellent questions.

S. 2932—THE ENERGY CONSERVATION ACT OF 1976

Mr. MONTOYA. Mr. President, recently, I was pleased to be added as a cosponsor to S. 2932—the Energy Conservation Act of 1976. I would like to thank Senators KENNEDY and JACKSON for adding me as a cosponsor and commend their foresight in introducing this legislation which furthers our national effort toward energy self-sufficiency.

The purpose of this bill is very clear—it encourages those energy conservation measures that make economic sense. Saving energy means saving money. Less money spent for energy means more money that can be spent for food, services and ultimately, jobs. One can clearly see the ties that connect our economy with our domestic consumption of energy. With the enactment of the Energy Conservation Act of 1976, we will not only be aiding our Nation's energy effort, but stimulating our economy which is on the slow road to recovery.

I have received many letters of support from New Mexicans regarding this bill. It is encouraging to see this interest, not only in New Mexico, but in the entire Nation in energy conservation. If we are to ever release ourselves from the influence of foreign energy producers, we must initiate a strong national program of energy conservation. I believe this legislation is the necessary first step in formulating such a program, while making energy conservation economically viable.

Mr. President, I ask unanimous consent that a letter addressed to me in support of S. 2932 from the Honorable Jerry Apodaca, Governor of New Mexico, be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD as follows:

STATE OF NEW MEXICO,
Santa Fe, February 20, 1976.

Hon. JOSEPH M. MONTOYA,
New Senate Office Building,
Washington, D.C.

DEAR SENATOR MONTOYA: As you are aware, in New Mexico we find ourselves on the "horns" of a dilemma with regard to our state and national energy problems. Because we are a large producer of energy we naturally want to receive a fair market value for the energy resources that we produce. We are also concerned that energy producers must receive adequate compensation for their efforts in order to attract the massive amounts of capital that are necessary to provide for the growth which will be necessary in the years to come. However, while we readily admit that energy prices should continue to rise, we are faced with the problem of our low income and fixed income citizens in New Mexico and how they are to meet the financial obligations of increased energy costs.

One very viable alternative is energy conservation. This is not only consistent with our national goals to promote energy independence, but it is also the most direct method of reducing energy bills to the consumers. Unfortunately, the most effective means of energy conservation in residences and small buildings requires an initial monetary investment to retrofit the building. In our state 41.3 percent of the homeowners have incomes of less than $7,000 per year. This does not afford them the opportunity to make the financial commitment necessary to incorporate many of the most inexpensive energy conservation techniques.

There is now pending legislation in the Senate by Senators Kennedy and Jackson. It is the Energy Conservation Act of 1976—Senate Bill 2932. The staff of the Energy Resources Board has carefully reviewed this legislation and determined that it would be very beneficial for the citizens of New Mexico, especially those citizens with low or fixed incomes. The Bill provides for loan guarantees and loan subsidies for the renovation of existing residential and small business structures to make them more energy efficient.

I request that you support this legislation in any manner that is available to you.

Thank you for your consideration in this matter.

Sincerely,

JERRY APODACA,
Governor.

SENATOR BROOKE REPORTS ON MEETINGS WITH LEADERS OF SOVIET UNION, POLAND, AND ITALY

Mr. McCLELLAN. Mr. President, the Senate Committee on Appropriations has received a most perceptive report from the junior Senator from Massachusetts, Mr. BROOKE, summarizing recent meetings he had with leaders of the Soviet Union, Poland and Italy. I believe the facts he relates and the comments he makes are worthy of the attention and careful consideration of all Members of Congress.

In his wide-ranging series of conversations, Senator BROOKE discussed such important contemporary issues as détente, SALT, mutual balanced force reductions, trade, emigration of Soviet Jews, Portugal, Angola, and the 200-mile fishing limit.

I wish to call particular attention to Senator BROOKE's perspicacious comments on the nature of détente. He says:

> The Kremlin's approach to détente apparently does not include a willingness to lessen efforts to undermine U.S. prestige in the world. While the Soviets desire, to use their term, "a relaxation of tensions" in certain areas, they appear confident that the ideological struggle including explicit military and economic support to pro-Soviet elements throughout the world, can be prosecuted successfully without risking direct U.S.-Soviet confrontation.
>
> . . . I believe . . . that détente, defined as the "relaxation of tensions," should be pursued but with the sober realization that the Soviet Union will continue to seek a weakening of U.S. power in the world in areas of competition not specifically placed out of bounds by détente accommodations.

Mr. President I take this opportunity to highly commend Senator BROOKE for the thoroughness of his important report and for the depth of his insights into some of the most vital issues facing our Nation today.

Mr. President, I ask unanimous consent that Senator BROOKE's report to the Appropriations Committee be printed in the RECORD.

There being no objection, the report was ordered to be printed in the RECORD, as follows:

WASHINGTON, D.C.,
February 25, 1976.

Hon. JOHN L. MCCLELLAN,
Chairman,
Committee on Appropriations,
Washington, D.C.

DEAR MR. CHAIRMAN: I have recently completed official visits to the Soviet Union, Poland and Italy. It is my intent to file a detailed report on my findings at an early date. In the interim, the following summary of the impressions gained from conversations in these countries is provided in the hope that it will be of interest to you and other members of the Committee.

SOVIET UNION

My talks in the Soviet Union covered the following issues of concern to the Committee: détente, SALT, Mutual Balanced Force Reductions, conventional arms transfers, U.S.-Soviet trade, emigration of Soviet Jews, Portugal, Angola and the 200 mile fishing limit. Discussions on these topics were held with Boris Ponomarev of the Politburo; Deputies of the Supreme Soviet: members of the USSR Chamber of Commerce; the director and staff of the USA Institute; Gennadiy Fomis, First Deputy Chairman State Committee for Construction; U.S. businessmen stationed in Moscow; Soviet Jews; and U.S. diplomatic personnel.

1. *Détente*—Soviet officials expressed repeatedly their country's commitment to the continuation of détente. However, it must be noted that their definition of détente is restricted in meaning to (1) areas of U.S.-Soviet interaction where the dangers of confrontation far outweight any possible gains that could be achieved by a belligerant approach; and (2) areas where immediate material benefits could accrue to the Soviet Union such as increased access to U.S. technology and food commodities.

The Kremlin's approach to détente apparently does not include a willingness to lessen efforts to undermine U.S. prestige in the world. While the Soviets desire, to use their term, a "relaxation of tensions" in certain areas, they appear confident that the ideological struggle, including explicit military and economic support to pro-Soviet elements throughout the world, can be prosecuted successfully without risking direct U.S.-Soviet confrontation.

Despite the above, I believe it is tenable to argue that detente, defined as the "relaxation of tensions," should be pursued but with the sober realization that the Soviet Union will continue to seek a weakening of U.S. power in the world in areas of competition not specifically placed out of bounds by detente accommodations. Even in those areas it appears wise to assume that Moscow will try to negotiate agreements, the long term effect of which would be a lessening of U.S. influence. So long as we are aware of that possibility and guard against it, I believe it is in our interest to seek reasonable agreements that will lessen the dangers of the nuclear age and promote stability in the international system. At the same time, we should aggressively advocate the primacy of our ideals and be willing to support those who share them.

2. *SALT.*—The Soviets clearly indicated their desire for an early SALT II agreement. They often stated that progress had been made during Secretary Kissinger's recent visit to Moscow. I only heard one view that such progress had not been sufficient to provide a great deal of hope for an early agreement. There was also some opposition to a Soviet compromise on the strategic cruise missile on the grounds that once this system becomes operative as part of the U.S. strategic arsenal, the Soviet Union would also have to pursue such technology.

When asked about the Backfire bomber and its relationship to a SALT II agreement Soviet spokesmen indicated that they felt U.S. concern about the Backfire was a "red herring." They did not suggest that this issue would impede progress toward a new agreement.

From my conversations I came away with the impression that the Soviets were sincere in their desire for a SALT II agreement because they perceive that such an agreement would be to their advantage. It would apparently be one more means for Brezhnev to argue for the success of his detente policy and would possibly allow some allocation of resources away from strategic weaponry although not necessarily away from defense spending.

3. *Mutual Balanced Force Reductions*—None of the Soviets talked to were willing to concede that the concept of "balanced reductions" should be adhered to in the MBFR negotiations. Hence, they referred to these talks as the Mutual Force Reductions talks or simply as the Vienna Negotiations. Herein lies one of the basic impediments to progress in this area. The West, rightly so, does not believe its existing level of security can be maintained at lower force levels if there is an equal percentage force reduction on both sides. The East insists that the first reduction should be an initial aggregate of 20,000 men on each side shared by all direct participants. Equal percentage reductions would take place in the next two years after the initial agreement, 5% the next, according to the Eastern plan.

In order to break the deadlock, the West has proposed what is commonly termed Option III. This would include a Phase I reduction in the NATO Guidelines Area of 29,000 U.S. forces plus a reduction (commonly assumed to number 1000) of our tactical nuclear warheads and delivery systems stationed in Europe in return for a Soviet reduction of 69,000 men and 1,700 battle tanks. After completion of the Phase I reductions, negotiations would commence on Phase II, contemplated as an equal ground manpower ceiling for each side.

I broached the subject of Option III with several Soviets. There appeared to be little willingness to discuss the matter in any depth. The standard reply was that the leadership was considering the new proposal by the West but there had been no indication of receptivity to it. The general impression I received was that Moscow was not particularly interested in the subject and felt no particular need to push for substantive progress. The experience at Vienna of the past two years appears to substantiate this impression.

4. *Conventional Arms Transfers*—In raising the subject of arms transfers with Soviet officials I had no illusions as to their receptivity to the idea of placing constraints on such transfers to volatile areas of the world. However, I felt it would be useful to have their comments on the subject.

When asked if there existed any possibility for U.S.-Soviet agreement on limiting arms transfers to the developing world, the standard Soviet reply was that one had to eliminate the causes for such transfers—injustices, colonialism, exploitation, rather than focus on the transfers.

The only hopeful comment, if it can be termed such, from a Soviet spokesman on this subject was that once a political settlement had been arranged in the Middle East, the Soviet Union would seriously consider proposals to limit the transfer of military equipment to the area.

5. *U.S.-Soviet Trade*—As my conversations with Soviet representatives progressed, it became apparent that the main item of concern to them was trade with the United States. Every Soviet official emphasized this subject and the bulk of time was spent discussing it with them in one form or another.

Conversations at the USA Institute emphasized that the Stevenson and Jackson-Vanik amendments relating to trade with the Soviet Union had made the Soviet government very cautious in contemplating future trade arrangements with the United States. Soviet participants at the meeting emphasized that the problem caused by these amendments was essentially a political one in that the Soviet government did not need most favored nation status or credits to obtain what they needed in terms of technology from the West, but would like to see the amendments altered in order to improve political relations with the United States. However, it was pointed out by the Soviets that their government would not press for the desired changes out of fear of appearing to yield to blackmail if it should do so.

Soviet representatives were also quick to point out that Soviet trade with other Western nations was developing at a rapid pace. Implicit in their statements was the argument that the United States was rapidly losing ground in the Soviet market. One individual stated that without the Jackson-Vanik and Stevenson amendments, the United States could have been the Soviet Union's largest trading partner.

When asked about estimated economic loss to both the United States and the Soviet Union resulting from passage of the Jackson-Vanik and Stevenson amendments, Soviet officials quoted figures between $1.2 billion and $1.9 billion as the loss to the United States. They stated that there had been no loss to the Soviet Union because it had been able to procure the needed equipment elsewhere.

In sum, the Soviet position on the trade issue, as stated to me, is that Moscow is willing to go ahead with trade agreements with the United States on a modest basis. However, rapid expansion of the trading relationship depends on whether or not the United States will "correct its mistakes" in passing the Jackson-Vanik and Stevenson amendments.

6. *Emigration of Soviet Jews*—I had private meetings with Jews wishing to emigrate from the Soviet Union in Moscow and Leningrad. I also brought the subject up during my conversation with Soviet officials.

My conversations with the so-called "refuseniks" (a designation adopted by those who had been refused an emigration visa) highlighted the following problems: (1) Those applying for emigration visas are treated as outcasts. They lose their jobs; their children are expelled from school; other forms of economic and social pressures are brought to bear upon them and their families such as loss of housing, increased surveillance by security forces, and general expression of hostility from neighbors. (2) The visa application process is complicated beyond all reasonable necessity. A person applying for a visa must receive prior approval from parents (regardless of age of applicant), trade union boss, party official (even if not a member of the party) and officials having specific responsibility for housing unit within which the applicant lives. If divorced the applicant also must have approval from the former spouse. (3) Refusals of applications are arbitrary and the applicant is not provided any formal written reason why the application is being refused. Moreover, an applicant that has been refused is not given any specific indication of when he or she may be allowed to emigrate. In sum, the entire process, according to the "refuseniks" is arbitrary, capricious and intended to intimidate not only those who apply but also others who may contemplate emigration.

The Soviet authorities naturally view the matter in a different light. They were quick to point out that the vast majority of those who had applied had been given permission to leave. The claim was made that in 1973 over 98% of those who applied were allowed to leave. In checking this figure with U.S. embassy personnel I was told that the figure was probably not that high but it was not out of the ballpark. However, it should be noted that the figures upon which this percentage is based probably do not take into account applications that the Soviets voided for various reasons. Nor do they reflect the applications that were never filed because of the intimidating pressures that have been brought to bear on the Soviet Jewish community.

Soviet authorities also made the following assertions: (1) Refusals have occurred because of the sensitive nature of the work of applicants. (2) Many of those who have emigrated are asking to return to the Soviet Union. One Soviet official claimed to have over 2000 requests to return. (3) There is no arbitrariness in the manner in which applications are handled.

The emigration issue is an exceedingly complex one. It is one that is of concern to the Congress both because it touches upon our respect for basic human rights and because of its effect on U.S.-Soviet relations.

7. *Portugal*—Brief mention was made of Soviet attitudes toward Portugal. Soviet officials stated their satisfaction with the overthrow of the Caetano regime and acknowledged that the United States was also satisfied with that event.

They vehemently denied providing the Portuguese communists with funds and termed such allegations as slanderous. They admitted that they were naturally sympathetic to the cause of other communist parties but that the Soviet Union does not encourage subversive activities in other countries.

They also mentioned the recent visit of Portuguese President *Costa Gomes to* Moscow and the signing of the accord calling for mutual cooperation between the two countries. They indicated that the Soviet Union would have no trouble working with the present government.

8. *Angola*—The Soviets were adamant in claiming their involvement in Angola was fully justified. They claimed to have supported the MPLA for many years as part of their general support of "national liberation movements."

Soviet officials expressed surprise at the vehemency of Secretary Kissinger's reaction to their involvement in Angola. They said that there was no desire on their part for a confrontation in that part of the world.

The Soviets also said that they had absolutely no desire for military bases in Angola or elsewhere in Africa.

When asked about the Cuban presence in Angola, the standard Soviet reply was that that was an issue that should be discussed with the Cubans. When pressed further, one Soviet official claimed that the Cuban involvement was a response to the massive intervention of the South African forces.

Discussions with U.S. officials regarding possible Soviet objectives in southern Africa elicited the following suggestions:

1. Solidify relations with certain countries in Africa, namely Angola, Congo-Brazzaville and Guinea.
2. Convince other countries such as Mozambique and Tanzania that the Soviet Union will do what is necessary to help its friends.
3. Pressure other countries such as Zaire and Zambia to move away from a pro-Western orientation.
4. Counter Chinese influence in the area.
5. Set up the opportunity to establish bases in the area if conditions prove favorable over time.
6. Be in a position to take advantage of the turmoil that will occur in that region of the world as pressures grow on South Africa.

This assessment, if accurate, would indicate that the United States could encounter increased Soviet attempts to expand its influence in the resource rich area of southern Africa.

9. *200 Mile Fishing Zone*—One Soviet spokesman also brought up the subject of the passage of a 200 mile fishing zone. He mentioned that while from the standpoint of economics, the congressional action was disadvantageous to the Soviet Union, the immediate effect would be marginal. He foresaw that a long term effect of the action could be the inhibiting of progress toward an effective Law of the Sea agreement.

It was also stated that the major issue of mutual interest to the United States and the Soviet Union was the need for cooperation in preserving the viability of the world's oceans.

It was useful to have the Soviets express their opinions, however conditioned by ideological bias, as a means of gauging the particular issues of concern to them at the present time.

POLAND

Discussions in Poland covered many of the same topics of interest during the visit to the Soviet Union. Particular attention was given to the MBFR issue, the 200 Mile Fishing Zone, Polish views on the Angola issue and detente in general. Conversations were held with Stefan Olszowski, Polish Minister of Foreign Affairs; Henryk Kisiel, Polish Minister of Finance; members of the Polish Institute of International Affairs; U.S. businessmen stationed in Warsaw and U.S. diplomatic personnel.

1. *Detente*—The Poles adhere quickly closely to the Soviet line in foreign affairs. They argue strongly for detente because of this fact and because they believe it holds benefits for them including greater access to Western technology, a reduction of the danger they perceive to come from the Federal Republic of Germany, and a slight balancing of the overwhelming influence of the Soviet Union.

2. *MBFR*—Polish representatives indicated strong desire for success of the Vienna negotiations. Apparently they hope that an agreement would free up manpower for non-military efforts as well as lead to a reduction in defense expenditures. However, it is clear that they will follow the Soviet lead and will not make any independent inputs, even though they serve as spokesmen for the Warsaw Pact at the negotiations.

It appears that the primary objective of Poland in the negotiations is to bring about a reduction of the Bundeswehr in the Federal Republic. Every Polish official indicated that they could not accept any agreement that did not include effective limitations on the size of the Bundeswehr.

Polish spokesmen also indicated that their country was not particularly interested in seeing a reduction of American forces in Europe. They stated that those forces maintain a desirable balance in the area and provide an effective check on the size of the Bundeswehr.

They also tied progress in MBFR to a successful negotiation of a SALT II agreement. The opinion was voiced that if a SALT II agreement is reached in the spring or summer of 1976, success at Vienna might also be achieved this year.

Finally, some Poles indicated that the Option III proposal by the West had some interesting aspects regarding reduction of tactical nuclear weapons. However, they were concerned that the warheads and delivery systems to be withdrawn were those already considered obsolete. They based their views, at least in part, on U.S. Congressional statements.

3. *200 Mile Fishing Zone*—Polish officials evidenced especial concern over the congressional passage of a 200 mile fishing zone. They stated that it would be much better if the United States and others refrained from unilateral steps in this area. They feared that such action might jeopardize the prospects for an effective law of the Sea agreement.

They mentioned that the Polish economy would be adversely affected if their access to fish resources off the coasts of the United States was greatly circumscribed. A major portion of the Polish catch (upwards to 40%) is taken off coastal waters in the Western Hemisphere according to these officials.

It was mentioned that Poland's agreement with the United States regarding fishing rights expires in December of 1976. The hope was voiced that a follow-on agreement could be negotiated that would preserve a major portion of Polish access to U.S. coastal waters.

4. *Angola*.—Polish officials were very willing to express their views on Angola. They stated that the conflict appeared to be coming to an end with MPLA advances in both the north and south. With the military issue largely decided, they said it was not time to turn attention to political questions.

It was suggested that a major error of the FNLA and UNITA was their willingness to tolerate the involvement of South African forces in the fighting. Polish officials also state that it was a poor idea to recruit mercenaries.

The MPLA, according to Polish spokesmen, was not a unified movement. It was suggested that there would be a great deal of internal maneuvering for position within the MPLA. Doubts were expressed as to the possibility of including the FNLA or UNITA in the Angolan government in light of the fighting that had taken place.

Polish spokesmen also stated that they did not believe Cuban involvement would go beyond the immediate military support provided the MPLA. In their opinion neither Cuba nor the Soviet Union has expansionary interests in Africa.

My conversations with Polish officials on these and other subjects left the strong impression that the Poles were very conscious of their precarious position vis-a-vis the Soviet Union. They exhibited a keen awareness of the limits of their independence in discussing issues of international importance to Moscow as well as to the rest of the world. Nevertheless, they left an impression that their professed desire for improved relations with the United States was sincere.

ITALY

Present U.S. policy in Italy appears designed to inhibit enthusiasm for communist participation in the Italian government. There are three facets to that policy: First, the attempt is being made to communicate to the Christian Democrats that a decision on their part to accept the "historical compromise" (a coalition government with the communists), would lead to a change in U.S. policy toward Italy. (It is possible that the Christian Democrats' leadership, although anti-communist, may accept the "historic compromise" if that appears to be the only way they can maintain themselves in some position of power.)

The second facet of U.S. policy consists of an attempt to encourage reform in the Christian Democratic Party. The U.S. position appears to be that the Christian Democrats must become much more responsive to the needs of the Italian people, especially the poor and the young adults if they are to meet the present challenge of the communists. The young adults are especially important in light of the fact that the voting age in Italy has been lowered to 18. The June 15th regional elections were the first instance when the 18 year olds could vote. A significant portion of their vote went to the communists.

The third facet of the policy is to encourage the Socialist Party to oppose the "historical compromise." This is in the Socialists' interest because if the "historical compromise" takes place there will probably be great pressure on the political base of the Socialists to abandon their Party and join the communists. The leadership of the Socialist Party, being more moderate than its political base, appears desirous of avoiding such a situation.

I am convinced that the "historic compromise" would be very detrimental to U.S. interests and to the Italians. In my conversations with the Italians I stressed the following points:

(1) The decision on the "historic compromise" is an Italian one. However, in my opinion the United States cannot look upon that prospect with any degree of confidence that its interests will be preserved if it takes place.

(2) While Italy is going through a period of economic and political chaos, its problems are not insurmountable. I believe the United States, as Italy's ally within NATO, and as a long time friend, desires to help Italy over this period.

(3) I do not believe Italy's problems can be solved by participation of the communists in the government. I find that previous experience with communist participation in democratic governments does not give one much hope that the Italian communist party would resist the temptation to undermine democratic processes once it achieved a share of formal governmental power. Although the Italian Communist Party, under the leadership of Belinguer, professes allegiance to democratic ideals, there are disturbing indications that such allegiance may be superficial. For instance, the political base of the Party is much more pro-Soviet than the leadership. Moreover, the internal functioning of the Party is in accordance with the principles of "democratic centralism" which is little more than a euphemism for strict authoritarian control from the top.

The Italian Communist Party's links to the Soviet Union are extensive and of long duration. Although the Italian communists have struck an independent stance on several issues (i.e., Czechsolvakia 1968, Portugal, Zionist Resolution in the United Nations), they still have strong sentimental, fraternal, and organizational ties to Moscow. The Italian communists continue to hold up the Soviet Union and the regimes in Eastern Europe as the models for the future Italy.

In addition, while the Italian communists state that they would not advocate Italian withdrawal from NATO, they also argue that NATO bases should be curtailed and eventually removed. This contradicts the basic purpose of a security alliance. Moreover, although the Italian communists argue that they are neither anti-American nor pro-Russian, their literature exhibits an extensive anti-American bias.

In conclusion, proper handling of the Italian situation will require a high degree of sophistication on the part of the United States. A visceral anti-communist line of Cold War vintage will not prove effective in light of present political conditions in Italy. What we should do is encourage the true democratic forces in Italy to reform themselves and come to grips with the legitimate demands of the Italian people for effective government and increased attention to the needs of the people. In addition to this it will be necessary to encourage the democratic forces in Italy to challenge the Italian Communist Party on its own assumptions, arguments and actions. As pointed out above, the communists are susceptible to a great deal of criticism.

Perhaps most importantly, I believe the United States should, in conjunction with our other European allies, exhibit a willingness to provide economic help to Italy during the months ahead. If the democratic forces in Italy can institute the needed reforms and can count on the assistance of their NATO allies, they have a chance to avoid an "historic compromise" that cannot help but be detrimental to the Italian people and the interests of the United States. But they must be given the short term help necessary to deal with the immediate problems of inflation, unemployment and deteriorating social services.

My final report will expand on the issues I have summarised in this letter. Meanwhile, should you have any questions I would be delighted to discuss them with you.

Sincerely yours,

EDWARD W. BROOKE.

RESOLUTION TO DISAPPROVE IMPROPER AWACS NOTIFICATION

Mr. EAGLETON. Mr. President, the Senate may be called upon this week to vote on a resolution I have submitted to disapprove a notification introduced under the 20-day provision of the Foreign Military Sales Act—section 36(b)—to sell 32 airborne warning and control system—AWACS—aircraft to NATO.

I want to make it clear to my colleagues that I am not asking the Senate to take a position on the technical merit of AWACS, nor am I asking this body to disapprove a sale of AWACS to NATO. What is at issue here is the improper use of section 36(b) of the Foreign Military Sales Act.

The information on this proposed sale contained in the report submitted to Congress under section 36(b) is thoroughly inadequate. In fact, the information Congress requires to make a decision is simply not available at this time.

Mr. President, I have presented my views on this resolution to the Subcommittee on Foreign Assistance of the Senate Foreign Relations Committee. I ask unanimous consent that my testimony be printed in the Record so that my colleagues will have the opportunity to review my position in detail prior to voting on the resolution.

In addition, I ask unanimous consent that a Library of Congress memorandum on this subject be printed in the Record.

There being no objection, the material was ordered to be printed in the Record, as follows:

TESTIMONY BY SENATOR THOMAS F. EAGLETON

Mr. Chairman, I welcome this opportunity to testify in support of a concurrent resolution to disapprove the Air Force's proposed Letter of Offer to NATO for 32 Airborne Warning and Control System (AWACS) aircraft at a sale price of $2.2 billion.

As I will explain more fully, it is my belief that this notification—purportedly submitted in accordance with the reporting requirements of the Foreign Military Sales Act—represents an extralegal effort to receive tacit congressional approval for a sale the details of which are unavailable. If this proposed offer goes unchallenged, it is my view that it will stand as a precedent which could seriously distort the intent of Section 36(b) of the Foreign Military Sales Act, a provision of law intended to offer Congress an opportunity to scrutinize and control, through a veto process, arms sales to foreign nations.

I would like at the outset to discuss the accuracy of the section of this notification entitled "Description of Articles or Services Offered." Under that category the Defense Department has listed (Thirty-two (32) E-3A Airborne Early Warning Aircraft, training, spare parts and support equipment."

As this Committee will no doubt determine, there is no practical basis to assume that NATO will purchase 32 AWACS. In fact, it remains a highly questionable proposition that NATO will purchase any of these aircraft. The number 32 was apparently picked out of the air as the optimum number to sell to NATO . . . whether or not the number corresponds to a realistic expectation.

The general category "Description of Articles . . ." raises other questions as well about the individual items the Air Force wishes to sell. It leads one to ask the most elemental question, "What is an AWACS?"

In the broadest terms, there is an answer to that question. AWACS is a look-down radar and tracking system, designed to command and control friendly aircraft in a tactical air environment.

But describing the AWACS which might one day be used by NATO is a more difficult matter. As a matter of fact, NATO has not yet decided which of several possible AWACS configurations it will use, if any.

When AWACS was first justified on the basis of a primary mission of tactical command and control, it was to be built in what was called a CORE, or Block I, configuration—a bare-bones structure suitable for AWACS' former role, strategic air defense of the United States. In a November 2, 1973 letter to the Secretary of the Air Force, Deputy Secretary of Defense William Clements recognized the need to make major changes in the CORE model when he said: ". . . it is evident that a more capable configuration than the CORE is essential to support General Purpose Tactical Forces."

As a result of Deputy Secretary Clements' directive, a number of tactical subsystems were proposed, including a self-defense mechanism, a secure communications system and a maritime surveillance capability. These systems are still under development today. A December 4, 1974 Defense Department budget memorandum had this to say about the Air Force's efforts to satisfy Mr. Clement's directive:

"Despite two Deputy Secretary of Defense memorandums which directed that the Air Force actively pursue a more capable configuration than the CORE . . . the service has continued on a program path which will lead to production of 24 of the (first) 31 aircraft with a CORE configuration . . ."

Last year an independent panel of experts examined charged that AWACS could be easily and inexpensively defeated by electronic jamming. The panel, which was paid by the Defense Department, used great caution in concluding that jamming might be a secondary consideration if certain enhancement features were added to the system to make it more resistant to jamming. These recommendations have been studied. They have not yet been costed or programed by the Air Force.

At the time these studies were being conducted, a NATO technical center was also looking closely at AWACS. In two studies, which were subsequently reviewed by the General Accounting Office, NATO set forth its own preliminary set of enhancement features. Assuming that AWACS would perform the mission set for it by the U.S. Air Force—an assumption later questioned—NATO demanded a plane which had increased tracking capacity, a maritime capability and the ability to interface with the large number of NATO command and control systems operated in Europe.

Mr. Chairman, I have reviewed this history to show the Committee that AWACS has many faces, most of which are still on the drawing board. There is no real AWACS beyond the CORE model designed years ago to defend the United States against a Soviet bomber attack. As for the plane offered for sale in this notification, it is impossible to define—it is a myth.

More directly to the point, the proposed buyer here, the North Atlantic Treaty Organization, has never established a configuration for the AWACS it would buy. More recent, informed speculation is that the NATO council might settle on an austere version, adopting the AWACS radar but using existing ground-based command and control computers for tracking. The following quote from the November 1975 edition of the authoritative military journal Defense and Foreign Affairs reflects the latest thinking within NATO:

"As the operational requirement comes nearer to being written, it is increasingly likely that the core of NATO commanders are going to reject this "command post in the sky" aspect. Their airborne warning aircraft they state, would be required only to pass track and target information to the ground environment—and that is where senior decision-makers will operate the NATO combat aircraft."

Mr. Chairman, if NATO ultimately decides to take only the AWACS radar, it is conceivable that the low per-unit price listed in this notification, approximately $68.7 million, would be reasonable. But until NATO decides on a configuration, Congress cannot make a judgment as to the accuracy of the price information now provided.

Last year Deputy Secretary Clements approved a budget decision which stopped any further production of AWACS. No money would be requested for fiscal 1976 production and, according to that decision memorandum, "Resumption of AWACS production would be dependent on U.S.-NATO agreements, configuration and cost-sharing." Unfortunately, that decision was later reversed.

However, the plain fact is there are today no U.S.-NATO agreements on requirements, configuration and cost sharing. Despite this notification, no NATO nation has committed itself to purchase a single AWACS. That is why this notification is premature and, unless rejected, could be subject to serious misinterpretation both in the United States and in Europe.

Mr. Chairman, the failure of the Defense Department to meet minimal standards in the description of this proposed offer raises serious policy questions as to the implementation of the reporting provisions of the Foreign Military Sales Act. The section of that act involved here, commonly known after its author as the Nelson Amendment, was intended as a mechanism to control arms sales by assuring prompt and accurate notification of pending sales agreements.

I have heard the argument that this notification was submitted simply to satisfy Congress's desire to be informed at an early stage. As is reflected in the Senate-passed amendments to the Foreign Military Sales Act, Congress does want to be advised at the takeoff with respect to foreign arms sales.

Nonetheless, I think it is safe to say that we do not want to receive official notifications which are as amorphous as the one before us. Such formal notifications, of course, trigger the 20-day veto mechanism with all the attendant implications attached to whatever action or lack of action Congress might take. What we should properly demand are informal pre-notifications which do not trigger the legislative veto process. That is what is contemplated by the amendments to the Foreign Military Sales Act now in a House-Senate conference.

I think it is important to recognize that AWACS is in many ways a very special case.

The authorizing committees of Congress have stated categorically that the prospect of a NATO sale is the most crucial policy consideration in deciding whether to approve the AWACS program. The Senate Armed Services Committee, for example, in its May 19, 1975 report on the Defense Authorization Bill said: ". . . the Committee warns that the United States will not be procuring NATO's share of the AWACS program."

The House Armed Services Committee, concerned that the Department of Defense might try to sell AWACS to our NATO allies for approximately 50 per cent of the cost to the United States Air Force, stated as follows:

"The Committee directs that the Department of Defense take no action toward the consummation of any agreement with any foreign government relative to the sale of AWACS until the expiration of 30 days after a full report of the terms and conditions proposed for such sale have been reported to the Committee on Armed Services of the Senate and House of Representatives."

Mr. Chairman, the full and complete report requested by the House Armed Services

Committee was not submitted prior to our receipt of this notification. In fact, it would be impossible to submit such a report on the basis of the information now available on this offer.

What is important to understand is that Congress has been intimately involved in overseeing the prospective NATO sale, long claimed to be imminent. There is, therefore, absolutely no need to gratuitously notify Congress under this highly formal legal procedure. The explanation, therefore, that this notification is simply an effort to comply with Congress's need for prompt information simply does not wash.

The Pentagon has cited a Memorandum of Understanding signed in December 1975 by the NATO Defense Ministers as one basis for this notification. If the signing of this document did in fact suggest an impending sale, we must ask why this notification was not submitted even more promptly. If we accept the Pentagon's reasoning, we must ask, "Why did almost 2¼ months go by before this notification was submitted?"

More importantly, we must ask whether the December 1975 Memorandum of Understanding does represent a valid basis for a sale notification. That memorandum simply notes the views of the NATO military authorities that an airborne early warning and control capability is required by NATO. The Defense Ministers agreed only to consider a proposal for the acquisition and operation of such a system at their spring ministerial meeting, nothing more.

As is pointed out in an excellent memorandum on this subject prepared by the Library of Congress, "the NATO Defense Ministers neither confirmed the requirement for an airborne early warning and control capability nor agreed to purchase such a capability." That memorandum points out that even under Defense Department regulations, letters of offer are supposed to be submitted for final DOD approval only at a late stage in negotiations "after substantial agreement has been reached."

The Defense Department has asserted that one or two NATO nations may agree to contribute toward long-lead funding of AWACS in the near future. While I consider this possibility remote, I would suggest that it would be appropriate to notify Congress at such time as an agreement of this type is ready to be consummated.

The Air Force has negotiated intensely with NATO over the past few years. A mountain of information has been exchanged, including price quotations. It is, therefore, erroneous to claim that these negotiations cannot continue in the absence of a 36(b) report. When any NATO nation is ready to show us the color of its money, Congress will anxiously await notification of that fact.

Mr. Chairman, yesterday the Defense Department, at a hearing before the House International Relations Committee, revealed for the first time that the Air Force has a classified letter from NATO requesting that the United States submit a letter of offer on AWACS. I must observe that this revelation comes at a very convenient time.

I am sorry this letter-request is classified and that it is not available for public scrutiny. A key question Congress must resolve in determining the propriety of this 36(b) report is whether it is based on a "substantial agreement" between the United States and NATO. As this Committee knows, that is the criterion established for the submission of a notification, both in the legislative history of the law and in DOD regulations.

If this letter does in fact indicate such "substantial agreement," it could be significant. However, the Committee should be curious about the origin and the nature of the so-called 'NATO' request.

Was the request, for example, generated by the same military authorities who have agreed for over 2 years that they want AWACS? Was it drafted by the NATO AWACS office, which is largely run by the United States under a nominal British commander?

What is the date on the request? Does that date correspond chronologically with the Memorandum of Understanding signed in December 1975? If not, why not? Have all NATO nations signed this request? Who signed for the requesting nations?

The answers to these questions will help this Committee determine the significance of this eleventh-hour claim.

One last important legal point which, in my view, completely invalidates this notification. Under the category "Prospective Purchaser," the acronym "NATO" is listed. Yet NATO—the North Atlantic Treaty Organization—has absolutely no authority to obligate its member nations, without their agreement, to purchase weapons or weapons systems.

If a group of NATO nations, but not all member-nations, were to establish an entity to conclude this purchase, the United States, under the Foreign Military Sales Act, could not legally deal with that entity. Such an entity would be classified as an 'agent' under the law and the United States cannot sell arms to an agency representing a foreign nation or an international organization.

Short of an unprecedented grant of sovereignty to NATO by its member-states, the only way a sale of AWACS to NATO nations could be transacted would be through each of the participating nations. A separate Memorandum of Understanding would have to be concluded with the individual buyer-nations. This point is also made in the Library of Congress memorandum to which I have referred.

Mr. Chairman, I ask that this memorandum be made part of the record of this hearing.

Mr. Chairman, in light of the issues I have raised today, I think it is fair to say that this notification is highly improper. While of course I have no proof, this report appears to be motivated by something other than a desire to keep Congress informed. It raises fundamental questions about the way we in Congress want the reporting procedures of the Foreign Military Sales Act implemented.

I think it is clear that we do not want to receive worthless information about a sale which may never take place. It is equally clear that Congress would like some prior knowledge of ongoing negotiations—knowledge we do possess in the case of AWACS. But we do not want this veto mechanism triggered until substantial agreement has been reached as to the terms a letter of offer will contain. It will be impossible to make this provision of law work if we do not insist on at least this measure of common sense.

AWACS is a controversial system. Its workability has been challenged by military experts within the General Accounting Office and the Pentagon, and Congress has kept the program under careful review. We have made NATO's decision to purchase this system the bellwether for further production of AWACS beyond those few aircraft required for United States use.

As an author of this disapproval resolution in the Senate, I can state that its adoption by Congress would in no way prejudice whatever future decisions NATO might make. The Defense Department will continue to have the right to engage in preliminary negotiations on this matter, and Congress would reserve the right to consider an actual sale to individual NATO nations and to authorize the degree to which the United States will participate in a purchase as a NATO member.

While I remain convinced that NATO will not choose to buy this system, I want to assure this Committee that I would not object if a legitimate sale to NATO nations were to be proposed.

Mr. Chairman, I am not asking this Committee or any member of the Senate to judge the merits of AWACS as a weapons system. The issue here is whether the notification procedure under Section 36(b) is being twisted and distorted as part of a strategy to make AWACS more attractive to Congress and to our NATO allies. The real issue is whether we will allow a precedent to be established which could permanently distort the important measure of control over arms sales Section 36(b) gives the Congress. I urge this Committee to prevent such a distortion by recommending approval of this resolution.

[From the Library of Congress Congressional Research Service, Washington, D.C., March 8, 1976.]

To: Hon. Thomas Eagleton, Attention: Brian Atwood.

From: Herbert Y. Schandler, Specialist in National Defense.

VIA: Chief, National Defense Section.

Subject: Arms Sales Procedures.

This is in response to your request concerning the procedures of the Department of Defense in the sale of defense items, and whether those procedures were followed in the offer of the sale of AWACS to NATO.

Department of Defense (DOD) procedures concerning military sales are detailed in the Foreign Military Sales Act and in DOD directives and instructions. These procedures have been brought together and interpreted in the DOD Military Assistance and Sales Manual (portions of which are attached) and in congressional testimony (also attached).

Generally, requests for arms sales come from the foreign country involved. "Only in the case of NATO," according to the Director, Defense Security Assistance Agency (DSAA), "does the Department of Defense participate in the evolution of foreign military requirements." An essential characteristic of military sales, according to the Military Assistance and Sales Manual, is that all sales are negotiated. Both the buyer and the seller must be satisfied before a transaction can be concluded.

It would appear, in general, that the proffering of a formal Letter of Offer is at a late stage in these negotiations after substantial agreement has been reached. The Military Assistance and Sales Manual states that these Letters of Offer should be submitted to the Comptroller, DSAA "when it is in such form that it would be signed and issued to the purchaser" but for the requirement of DSAA authorization.

Insofar as the purchase of AWACS by NATO is concerned, the NATO defense ministers, at their meeting in December, 1975: ". . . noted the views of the NATO Military Authorities that an airborne early warning and control capability was an urgent military requirement for NATO. They agreed to consider (in consultation with other Allied countries), at the Spring Ministerial Meeting of 1976, a proposal for the acquisition and operation of such a system, with a view to making a decision at that time."

Thus, the NATO defense ministers neither confirmed the requirement for an airborne early warning and control capability nor agreed to purchase such a capability. They merely requested financial information on acquisition and operating costs of such a system, and indicated that a decision on procurement would be made next May at their spring meeting.

The proposed Letter of Offer to NATO from the Department of the Air Force on February 27, 1976 for the purchase of 32

E-3A Airborne Early Warning Aircraft, training, spare parts, and supporting equipment is one way of providing to NATO the requested information on acquisition costs of such a system. It is not the only way of providing such information. Defense Department regulations are silent, however, as to what point in the negotiations a Letter of Offer should be processed.

Another question arises, however, as to whether the prospective purchaser—NATO—is indeed a prospective purchaser within the meaning of DOD regulations. NATO as an entity, and as presently constituted, has no authority to obligate its member nations, without their agreement, to purchase weapons or weapons systems. Thus, the prospective purchaser cannot be NATO as a principal unless there is an unprecedented grant of sovereignty to NATO from its member states for this purpose. If the purchase is not to be concluded with member countries, NATO must establish or identify a legal entity to conclude this purchase. The purchase would then be a cooperative venture in which each country which desires to participate must agree as to the extent of its participation and contribution to the system. In his case, NATO or the subgroup it establishes, would be acting in the capacity of an agent for its participating member nations. The Foreign Assistance Act does not address sales to agents, either of nations or of international organizations.

Thus, it would appear that, without an unprecedented grant of sovereignty to NATO by certain of its member nations, the AWACS system will, in reality, be bought and owned by individual nations. A separate Memorandum of Understanding (MOU) will have to be concluded, either with the NATO agency or with the U.S., by each of the participating nations. Recent reports indicate that funds for AWACS would probably come from the U.S., Canada, Britain, and Germany, with some of the smaller countries of the Alliance participating in the purchase of the ground environment equipment. The number of countries to be involved is not known at the present time. Therefore, separate Letters of Offer to the participating nations cannot be prepared.

In summary, this Letter of Offer to NATO for a weapons system would seem to be unique for a number of reasons:

1. While conceivable, it is doubtful that NATO is a "prospective purchaser" within the meaning of DOD regulations and current legislation. More likely, the member nations of NATO will make individual decisions as to their purchase of components of this system, and will receive national ownership of these components.

2. As a member nation of NATO, the U.S. is in the unique position of being the seller as well as participating in the purchase.

3. If ownership of this system passes to NATO or a NATO agency, a unique control problem will be involved. Questions such as the manning, stationing and utilization of this system during peacetime would offer problems not previously faced by NATO. National ownership of systems which are placed under NATO operational control would eliminate many of those problems.

ARE YOU OVERPAYING YOUR INCOME TAXES?

Mr. CHURCH. Mr. President, the Internal Revenue Service estimates that nearly 85 million individual income tax returns will be filed this year.

Approximately 4.1 million joint returns will be filed by couples with one or both spouses aged 65 or older. Another 2.7 million returns will be filed by elderly single persons. And, 300,000 aged persons will file as surviving spouses, heads of household, or married individuals submitting separate returns.

All in all, the IRS expects about 9 million older Americans to file income tax returns this year.

Unfortunately, many will overpay their taxes because they are unaware of helpful deductions which can save them precious dollars. Older Americans cannot afford these costly errors, especially those struggling on limited incomes.

They need to be protected from overpaying their income taxes.

The Senate Committee on Aging, of which I am chairman, has taken several steps to safeguard the elderly from paying more income tax than the law requires.

First, the committee publishes each year a checklist of itemized deductions to alert the aged and others about tax relief provisions in the Internal Revenue Code.

Second, the Committee supports the enactment of an Older Americans Tax Counseling Assistance Act.

As the sponsor of this proposal—S. 390—I am hopeful that the Senate will approve this measure soon.

A major purpose is to build upon the successful efforts of the tax-aide for the elderly program, which is administered by the National Retired Teachers Association-American Association of Retired Persons.

We do not need any more proof that this program works well. What is needed is a genuine effort to make tax counseling assistance programs more readily available for the elderly.

Enactment of the Older American Tax Counseling Assistance Act would provide a major step forward in implementing that goal.

A recent article in the February-March edition of Modern Maturity, provides an excellent summary of the tax-aide for the elderly program. Written by American Association of Retired Persons Executive Director Harriet Miller, it also provides further compelling reasons for prompt approval of the Older Americans Tax Counseling Assistance Act.

Mr. President, I ask unanimous consent that this article—entitled "Are You Overpaying Your Income Taxes?" be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

ARE YOU OVERPAYING YOUR INCOME TAXES?

(By Harriet Miller)

Tax authorities estimate that up to 4,500,000 of the roughly 9,000,000 older Americans who file Federal income tax returns this year will pay more tax than the law requires.

Most Americans are confused by the complexities of our tax laws. But for older citizens—whose tax requirements are even more complex because of the different treatment of retirement income and the special deductions and credit to which they may be entitled—filing an income tax form can be a nightmare of frustration.

To make matters worse, older persons who may be regularly overpaying their taxes without knowing it often cannot afford the services of a professional tax preparer or accountant.

Now they can look to another source of help. Since 1969, our Association has sponsored a nationwide Tax Aide program in which our members, specially trained by the Internal Revenue Service, provide free tax counseling to other older citizens as a public service. This program, directed by National Tax Aide Coordinator William C. McMorran, has won the praise of the Internal Revenue Service and Senator Frank Church, chairman of the U.S. Senate Special Committee on Aging.

AARP VOLUNTEERS WILL HELP MANY PREPARE TAX RETURNS

During the 1976 tax season, which ends April 15, approximately 5,700 volunteer tax counselors and program coordinators will assist more than 310,000 older persons in 1,250 communities throughout the nation.

If we assume that all older persons who will be helped by the volunteer tax counselors had sought assistance from tax accountants at an average cost of $15 per tax return, then the value of the work done free by volunteer counselors would exceed $4 million this year.

There is also a possibility you may have been overpaying your taxes in past years. If you have proof of this, the Tax Aides will help you file Form 1040X to recover overpayments you may have made in the past three years.

To further assist you in filing your tax return, your Association has prepared an easy-to-read booklet called "Your Retirement Income Tax Guide," which is available free by writing to AARP at P.O. Box 2400, Long Beach, Calif. 90801.

In addition, if you had not already done so, you can get some very helpful advice at no cost from the Internal Revenue Service. Their booklets that would be of greatest value to you are IRS Publication 17, "Your Federal Income Tax"; IRS Publication 575, "Tax Information on Pensions and Annuities"; and IRS Publications 554, "Tax Benefits for Older Americans."

It's impossible, of course, to explain on this page all of the intricacies of the income tax code. But three recent changes in tax laws may save you money this year.

First, everyone gets a $30 tax credit for each family member claimed as an exemption. This credit is taken after you have finished computing the total taxes you would otherwise owe.

Second, the standard deduction for those who do not itemize deductions has been increased. Last year, you could deduct 15 per cent of your income up to a maximum of $2,000. This year, you can deduct 16 per cent, up to a maximum of $2,300 for single persons and $2,600 for couples.

Third, if you bought a newly constructed home or condominium between March 12 and December 31, 1975, and move in before the end of 1976, you are entitled to a tax credit of 5 per cent of the purchase price—up to a maximum credit of $2,000. If you qualify for a "new home" credit, you can use it to reduce or eliminate the tax you owe, but you will not get a rebate if the credit exceeds the amount of taxes due.

Also, [illegible] you have suffered a casualty loss because of theft, fire, wind or water damage, or other causes not reimbursed by insurance, you may have a legitimate tax deduction that should be taken.

All of us know—or should know—the importance of keeping good records, of being able to document such important items as the sources and amount of our income, our medical expenses, our interest charges and property taxes, and our contributions to charitable causes. If, throughout the year, you keep documents relating to your income tax in a special envelope, you will find it much easier to fill out your income tax return when that fateful time rolls round.

Your Government does not want you to pay more money than the tax structure requires, and neither do you. Nobody likes the chore of figuring out income taxes each year, but with the help of the Tax Aides, the Internal Revenue Service, and relatives or friends, that task can be made easier.

So this year, let's resolve to pay our just due in income taxes—and no more.

RACISM AND "VICTIMS"

Mr. HOLLINGS. Mr. President, on February 4, I had the pleasure of submitting for the CONGRESSIONAL RECORD an excellent column by William Raspberry on the need to reinstill in our Nation's classrooms the atmosphere in which a true learning experience can once again take place. Mr. Raspberry discussed particularly the efforts of Jesse Jackson toward the creation of this kind of classroom environment.

In the March 8 edition of the Washington Post, Mr. Raspberry has a related and thought-provoking column entitled "Racism and 'Victims.'" Once again, the focus is on Jesse Jackson, whose belief it is that only through the cultivation of excellence can we effectively combat the manifold effects of racism. The need, as Jackson sees it, is to mobilize the talents of every American for the long road ahead, and this mobilization can only be hindered by excessive glances backward or by preoccupation with erroneous theories which make the individual seem helpless before the workings of society and the tides of history. Mr. Jackson helps us refocus on what the individual can and should do—and it turns out the individual can do a lot.

Mr. President, this column, like the one I submitted earlier, speaks for itself, and it merits the widest reading audience. Therefore, I ask unanimous consent that the text be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

RACISM AND "VICTIMS"

(By William Raspberry)

The phrase "blaming the victim," coined, so far as I know, during the 1960s, conveys an important truth about the way America has reacted to discrimination against certain of its citizens.

It can describe, for instance, the process of denying job and promotion opportunities to minorities and then contending that the reason for their economic plight is that they have poor work records and too little ambition.

It might also refer to relegating black children to segregated, central-city schools, with all the cultural, psychological and educational deprivation that implies, and then blaming them for their lack of scholastic achievement.

So isn't the Rev. Jesse Jackson "blaming the victim" when he talks about parental neglect, insufficient motivation and lack of self-discipline as among the reasons black children in inner-city schools are not performing up to par?

It's a question the Chicago-based director of Operation PUSH gave some thought to during a recent, rambling interview.

There is no denying that black people have been, and continue to be, victims of racism, he concedes. And racism must be resisted on every front.

"But to dwell on it in a negative kind of way is to reinforce in the victims a sense of their own victimization and lead them not to action but only to feeling sorry for themselves," he said.

"Racism is the enemy, no doubt about that. But it takes strong soldiers to fight a strong enemy, and you don't produce strong soldiers by crying about what the enemy has done to you."

One way to produce those "strong soldiers," Jackson believes, is to work for a return of discipline and academic excellence in the classroom. He is embarked, through the newly formed Washington chapter of PUSH, on a program to do just that.

He is totally convinced that the children of Washington's 97 per cent black public schools can achieve excellently, and he is impatient with the excuses for nonachievement—even if his impatience does begin to sound like "blaming the victim."

"We keep saying that Johnny can't read because he's deprived, because he's hungry, because he's discriminated against. We say that Johnny can't read because his daddy is not in the home. Well, Johnny learns to play basketball without daddy.

"We do best what we do most, and for many of our children, that is playing ball. One of the reasons Johnny does not read well is that Johnny doesn't practice reading."

For Jackson, the cultivation of excellence is the only really effective way to combat racism.

"Sure they will try to change the rules when we begin to excel," he said. "They widened the free throw lane in basketball, but black players still dominate professional basketball. They moved the hash marks on the football field, but McIlhenny is still not better than O.J."

The former lieutenant of Dr. Martin Luther King believes that black people focusing on their victimization has had one other negative effect: It has diluted their moral authority.

"When we concentrate on our victimization, we abdicate on some of the major issues of the day. We will deal with the Office of Minority Business Enterprise or the Office for Civil Rights, for instance, and leave it to white people to deal with the excesses of the CIA and the FBI, at least until the reports came out on what the FBI did to Dr. King.

"Many of us were even late speaking up about Angola. We keep conceding all the important moral issues to white people. We let marijuana become a white folks' issue, and yet when I go around to schools all over the country, I see black boys smoking, too, their eyes all red and everything. That's just the opposite of a struggle toward excellence.

"We've abdicated on the question of abortion, even though that obviously affects black people too. I mentioned the subject of abortion to a prominent leader recently and he responded that that was a Catholic issue."

"Let's face it, of the four prevailing levels of authority—military, political, economic and moral—the only one we've had traditionally is moral authority, and some people have begun to try to convince us that that is an irrelevant authority.

"But moral authority is perhaps the ultimate authority.

"The point I try to make to young people all over the country is that the revolution is not over. The first goal of revolution is to stop the oppressor. The second is to replace the oppressor. Third, you have to improve the conditions that made us want to stop the oppressor in the first place, or, fourth, you will fall victim to counterrevolution and chaos.

"I'm not saying we should blame the victim. But I am saying we have to stop victimizing ourselves."

S. 3138—A BILL TO DISCOURAGE AMERICANS FROM PARTICIPATING IN THE ARAB BOYCOTT OF ISRAEL

Mr. JACKSON. Mr. President, I am pleased to join as a cosponsor of this pioneering legislation, a bill which will help us preserve an economic system consistent with our American traditions. For, in recent years, it has become apparent that there are those who wish to inject racial, religious, and sexual discrimination into America's international economic relations. This is an effort which we must resist and, in my view, the legislation being introduced today will give us a powerful new tool to protect Americans from those insidious practices.

For more than a decade, it has been the policy of the United States, as spelled out in the export control statutes, to oppose economic boycotts directed against states with which the United States has friendly relations. Other laws speak with even greater force on the inadmissability of racial and religious discrimination in our economic life.

Since October 1973, the quadrupling of international oil prices has given a handful of oil-exporting states enormous windfall profits. Some of these states now seek to use their new-found wealth as a weapon against the survival of the State of Israel. The so-called Arab boycott acquires new significance and new dangers in today's international economic environment.

It is equally true that the boycott can distort the economic processes of the United States. It has come to affect not only international trading relationships but relationships among American firms on a purely domestic basis. These "secondary aspects of the boycott clearly contravene our traditional commercial practices.

Those of us who are deeply concerned over this situation recognize that there is no single nor simple answer. The problem needs to be confronted across a broad front. What our bill proposes to do is to deprive U.S. firms of certain tax advantages whenever they derive profits from participating in the Arab-inspired boycott. The premise of the bill is simply this: Firms which derive profit in violation of established U.S. policy ought not to enjoy the same advantages as those other companies which respect both U.S. law and U.S. tradition.

The practical effect will be to make compliance with the boycott far less appealing—from the economic point of view—than it is at present. It would put our business community on notice that there will be a specific price attached to participation in a boycott against a friendly state—in violation of stated U.S. policy.

I commend Senator RIBICOFF, especially, for the important initiative he has taken in this matter. His long service on the Senate Finance Committee and his special responsibilities in the area of international trade and finance are important assets in this ongoing effort. His leadership is appreciated by all of us who want to see America stand up for its commitment to fair play and equal opportunity.

DEFENSE DEPARTMENT ENDORSES GENOCIDE CONVENTION

Mr. PROXMIRE. Mr. President, I am extremely pleased to report yet another series of endorsements of ratification of the Genocide Convention. Not only has the General Counsel of the Department of Defense endorsed the treaty but so has the Judge Advocate General for the Army, Air Force, and Navy in separate opinions. It is especially significant that the Defense Department has recognized that the Genocide Convention poses absolutely no threat to the United States, and that ratification would be a "positive step in the national interest of our country." This endorsement should allay the concerns of those who mistakenly argue that the convention would weaken our international standing.

The American Bar Association last month took up the issue of the Genocide Convention, which the ABA had consistently refused to support in past years. The ABA quite properly wanted to find out where the Defense Department stood on the Genocide Convention before making its own decision. The Defense Department unequivocally expressed their support of the Genocide Convention as subject to the understandings and declaration approved by the Committee on Foreign Relations of the Senate. Subsequent to the Defense Department's recommendation for Senate ratification, the ABA House of Delegates overwhelmingly voted to approve the Genocide Convention.

Virtually every major organization in the United States has expressed its support of the Genocide Convention. The recent announcements by the ABA and the Department of Defense should serve to convince those who have remained skeptical of the Genocide Convention that we should ratify the treaty. I sincerely hope that we can expedite the ratification of the convention so that we can join the world community in its admirable effort to combat genocide.

I ask unanimous consent that the letters from Richard A. Wiley, General Counsel of the Department of Defense; William O. Miller, Deputy Judge Advocate General of the Navy; Wilton B. Persons, Jr., and Harold R. Vague, Judge Advocate General of the Army and Air Force, respectively, endorsing the Genocide Convention be printed in the Record.

There being no objection, the letters were ordered to be printed in the Record, as follows:

General Counsel
of the Department of Defense,
Washington, D.C., February 9, 1976.
Harry A. Inman, Esq.,
Delegate, Section of International Law, To House of Delegates, American Bar Association, Washington, D.C.

Dear Mr. Inman: I appreciate your calling to my attention the Section's Resolution on the Genocide Convention which will be presented to the House of Delegates at its Midyear Meeting February 16 and 17.

The Department of Defense fully supports the position of the Administration that the United States should accede to the Genocide Convention with the Understandings and Declaration which were approved by the Senate Committee on Foreign Relations in S. Exec. Report No. 93-5, 93rd Congress, 1st Sess., (1973).

Inasmuch as the Section's Resolution is in complete accord with that position, I am pleased to endorse it by this letter. I share the Section's conclusion that acceding to the Convention would be a "positive step in the national interest of our country."

Richard A. Wiley.

Department of the Navy,
Office of the
Judge Advocate General,
Washington, D.C., February 13, 1976.
Harry A. Inman, Esq.,
Delegate, Section of International Law, To House of Delegates, American Bar Association, Washington, D.C.

Dear Mr. Inman: Your letter of February 4, 1976, to Mr. Waldemar Solf concerning the Genocide Convention has been brought to my attention. I am also aware of the views expressed by Mr. Richard A. Wiley, General Counsel, Office of the Secretary of Defense, in his letter on this subject of February 9, 1976.

I share the views expressed by Mr. Wiley and endorse the resolution of the American Bar Association's Section on International Law concerning the Genocide Convention.

I support accession to the Convention subject to the Understandings and Declaration approved by the Committee on Foreign Relations of the United States Senate.

Sincerely,
William O. Miller,
Rear Admiral, JAGC, U.S. Navy,
Deputy Judge Advocate General.

Department of the Army,
Office of the Judge Advocate General,
Washington, D.C., February 11, 1976.
Harry A. Inman, Esq.,
Delegate, Section of International Law, To House of Delegates, American Bar Association, Washington, D.C.

Dear Mr. Inman: Mr. Solf has called my attention to your letter of 4 February 1976 requesting the support of the service Judge Advocates General for the resolution of the ABA Section on International Law concerning the Genocide Convention.

I am pleased to concur in the views expressed by Mr. Richard A. Wiley, General Counsel, Office of the Secretary of Defense, in his letter of 9 February to you. I endorse the Section's resolution and fully support accession to the Genocide Convention with the Understandings and Declaration which were approved by the Senate Committee on Foreign Relations.

Sincerely,
Wilton B. Persons, Jr.,
Major General, USA,
The Judge Advocate General.

Department of the Air Force,
Washington, D.C., February 13, 1976.
Harry A. Inman, Esq.,
Delegate, Section of International Law, To House of Delegates, American Bar Association, Washington, D.C.

Dear Mr. Inman;: At the request of Air Force members of the ABA Section of International Law, I have reviewed the Section's recommendation and report concerning the Genocide Convention.

I believe reluctance by the United States to become a party to the treaty may be subject to misinterpretation in other countries. The laws of the United States under which the U.S. Air Force operates are consistent with the principles of the Convention. Accordingly, I agree with the view of the Defense Department's General Counsel that accession to the Genocide Convention, with the understandings and Declarations approved by the Senate Committee on Foreign Relations, would be a positive step.

Sincerely,
Harold R. Vague,
Major General,
The Judge Advocate General, U.S. Air Force.

PALMDALE BULGE MAY FORESHADOW A MAJOR SOUTHERN CALIFORNIA EARTHQUAKE

Mr. CRANSTON. Mr. President, the U.S. Geological Survey, USGS, has recently announced the discovery of a huge bulge in the Earth's crust along a 100-mile stretch of the San Andreas Fault near Palmdale, Calif. The uplift, which measures some 10 inches at its height near Palmdale, covers more than 4,500 square miles. It apparently began developing during the early 1960's but went unnoticed until last year when a team of USGS scientists searched back through records of local elevations and discovered this sizable bulge.

The USGS is quick to point out that this unusual bulge does not necessarily mean that a major destructive earthquake is imminent. While land uplift is known to have preceded destructive earthquakes in Niigata, Japan, in 1964, and San Fernando, Calif., in 1971, there is contrasting evidence to suggest that an earlier episode of land uplift may have occurred in the Palmdale region between 1897 and 1914 without the subsequent occurrence of a large earthquake. Thus, all we know about the significance of the Palmdale bulge is that in some instances such bulges have preceded earthquakes in the past and in some instances they have not.

The proximity of this crustal anomaly to the densely populated greater Los Angeles area requires that we proceed with the utmost care, caution, and good judgment. For if an earthquake of destructive character is the result of the Palmdale bulge, the consequences would be staggering. One recent estimate of the impact on Los Angeles suggests that as many as 40,000 structures would collapse or suffer severe damage, resulting in the following casualties:

Estimates of:	*Day*	*Night*
Deaths	12, 000	3, 000
Hospitalized injuries	48, 000	12, 000
Nonhospitalized injuries	360, 000	90, 000

Property damage: $15 billion to $25 billion.

It is notable that because most people in southern California live in single-story wood frame houses, by comparison a less hazardous kind of structure, the deaths and injuries would be far less if the earthquake were to strike at night than if it were to strike during the day. This is just the opposite of what happened in the recent disaster in Guatemala, where the majority of the population lives in poorly constructed adobe buildings which collapsed during the intense shaking of the 3 a.m. earthquake killing 22,000 people. Had the Guatemalan earthquake occurred during the day when most people are outdoors, the casualties would have been a fraction of what they were. The USGS recently briefed the California congressional delegation about the land uplift near Palmdale and its significance to the densely populated areas of Los Angeles and vicinity.

At this briefing, it was observed that there is supporting evidence for the proposition that this crustal anomaly will result in a major destructive earthquake.

First. We know of the existence of the uplift and the association of similar uplifts prior to other earthquakes;

Second. The location of the uplift is astride a section of the San Andreas Fault that has been "locked" and where strain has undoubtedly accumulated;

Third. The dimensions of the uplift are comparable with the fault dimensions of a great earthquake; and

Fourth. A great earthquake occurred in this region in 1857.

If there is any way to predict whether or not this crustal anomaly will result in a major destructive earthquake, an event which could shatter the lives of so many in Los Angeles, we must make that effort. Substantial additional funds must be available to the USGS and to other supporting Federal agencies, such as the National Science Foundation which now conducts an earthquake engineering program, so that preventive measures can be implemented now, before it is too late.

The Office of Management and Budget has approved the addition of reprogramed funds in the amount of $2.1 million for the fiscal year 1977 USGS earthquake program. This will allow only for expanded monitoring and evaluation of the uplifted area, including additional surveying, seismic velocity measurements, and continuous monitoring of ground tilt and strain.

I suggest that far more needs to be done. It is not only southern California which faces substantial risk from future earthquake destruction. Indeed, despite the commonly held view that earthquakes happen only in the Far Western States, virtually every State in the Nation faces some degree of risk from future earthquakes, and some 70 million people live in the 39 States which are wholly or partly in areas of moderate to major risk of earthquake destruction. The future of more than southern California is at stake.

I have authored S. 1174, the Earthquake Disaster Mitigation Act, which would pump $50 million a year for 10 years into a national program of earthquake hazards reduction and disaster mitigation. Hearings were held on this bill on February 17, in the Senate Commerce Subcommittee on Oceans and Atmosphere. I am hopeful that the committee will act favorably upon S. 1174 in the very near future. If the funds authorized by my bill are made available soon, it is possible that a major earthquake catastrophe can be mitigated.

Mr. President, I ask unanimous consent that my testimony at the February 17 hearing, a copy of the USGS press release announcing the discovery of the Palmdale uplift, and a copy of the USGS briefing paper presented to the California congressional delegation on March 4, 1976, and an article from the March 12 Los Angeles Times be printed in the Record.

There being no objection, the material was ordered to be printed in the Record, as follows:

Statement of Senator Alan Cranston on S. 1174

Mr. Chairman, I want to express my appreciation for so generously giving of your time today and for scheduling this hearing on S. 1174, the Earthquake Disaster Mitigation Act. As the author of S. 1174, I am hopeful that this hearing will lead toward quick enactment of this important legislation.

The recent tragic earthquake in Guatemala could be the harbinger of our own future if the federal government—indeed government at all levels—does not begin to take preventive, life-saving measures now.

It is unfortunate that it takes a tragedy of the magnitude of Guatemala's to shake us out of our complacence. But we all suffer from that peculiar "earthquake mentality" which chooses not to think about the destructive earthquake that could mar our future. Perhaps it is just human nature to avoid unpleasant thoughts. But in siding with the fatalists, we are courting certain disaster.

I do not intend to make a lengthy statement today since we have here the experts who can tell the tale better than I. But I would touch on a few points that need emphasis.

First, the threat of future destructive earthquakes is a national problem. Certainly, the Pacific Coast states—principally Alaska and California—are especially vulnerable to earthquakes and related disasters. Yet nearly every state in the nation faces some degree of risk from future earthquakes, and some 70 million people live in the 39 states that are wholly or partly in areas facing a risk of moderate to major damage from future earthquakes. Earthquakes have occurred in our history all over the United States, with major earthquakes in Charleston, South Carolina (1886), New Madrid, Missouri (1811–1812), Cape Ann, Massachusetts (1755), Seattle, Washington (1949) and Hebgen Lake, Montana, (1959), and the terrible "Good Friday" earthquake in Alaska (1964).

Second, we must remember that despite a considerable seismic history, the United States has been extraordinarily lucky. Less than 1200 people have lost their lives in United States earthquakes so far. Compare this to the more than 20,000 Guatemalans who died earlier this month in a major earthquake and its after-shocks. Throughout history somewhere in the neighborhood of seventy-four million people have died in earthquakes. And in just the second quarter of the 20th Century, 350,000 people worldwide have lost their lives in earthquakes and related disasters.

Third, the United States today faces the greatest potential danger from earthquakes that we have ever faced before. It is only in the last decade or so that our population has become concentrated in major cities and along our coastal regions, and major construction has occurred on land-fill and other unstable soils. Thus, it is only recently that the potential for great earthquake destruction in this country has existed. Indeed, if the San Andreas Fault were to give us an encore of the 1906 San Francisco earthquake, the deaths could number in the tens of thousands and the property damage could exceed $20 billion. On top of this, we must consider the incalculable losses resulting from the loss of economic and social functioning. Such an earthquake would have a major impact on our national economy and our national psyche.

In 1974, according to the Bureau of the Census, the value of new construction put in place in the United States totalled $134.8 billion. Approximately one-third of this new construction occurred in the high and moderate earthquake risk regions of the United States. Thus, new construction valued at approximately $45 billion in 1974 was put in place in areas with a high expectation of future earthquake damage. The annual expenditure authorized by my legislation is thus but one percent of the annual value of new construction in high risk zones. I believe that this is but a small price to pay to protect our massive annual expenditure on new construction.

I believe that S. 1174 could take major strides toward mitigating the hazards of future earthquakes. It would pump a total of $50 million a year for ten years into a major federal effort to understand earthquakes and to mitigate against their destructive impact on people, their lives, communities, property and economic well-being.

The major goals of this program would be:

1. to develop the ability to predict accurately the time, place and magnitude of future earthquakes;

2. to issue earthquake warnings in a way which avoids panic and promotes the safest possible human response during and after an earthquake;

3. to improve our understanding of earthquake-resistant design and construction so that future dams, bridges, homes and high-rises will be able to withstand the impact of an earthquake;

4. to undertake research into the social and psychological consequences of earthquakes and earthquake warnings;

5. to investigate the feasibility of modifying or controlling future earthquakes;

6. to assist local officials with the essential task of implementing the knowledge gained from this federally-supported research—to improve land use planning, building codes, and disaster preparedness;

7. to increase the likelihood that emergency facilities, such as hospitals, electrical generating plans, police stations, etc. will remain functional in the aftermath of a destructive earthquake.

8. to develop methods for the identification of existing hazardous structures and to assist local jurisdictions with the renovation or removal of such structures;

9. to improve earthquake risk assessment for regions and localities. Even those areas not likely to suffer the direct impact of an earthquake can nevertheless suffer damage from earthquake shaking due to the character of the underlying soil. Cities along coastal and inland waterways must be prepared for earthquake-induced tidal waves and flooding. Cities in the floodplain of dams must be prepared for flash flooding which can result from an earthquake-induced dam failure. It is thus of critical importance to make a better assessment of the actual risks faced by various localities and regions, which in turn can lead to improved land use planning and construction practices.

In closing, Mr. Chairman, I would like to say that you and I and many others have been supporting this legislation for nearly four years now. We have been repeatedly told by the Administration that this legislation is unnecessary because adequate authority exists now to implement an appropriate federal earthquake program. Indeed, I am advised that the Office of Management and Budget is again recommending against enactment of S. 1174.

Yet we just have to examine the President's recommended budget for fiscal year 1977 to see that this Administration's commitment to earthquake research is nil. The actual budgets for both federal agencies conducting vital earthquake studies have been cut. The National Science Foundation, which for several years was operating an $8 million a year engineering research program, has been forced by the budget cutters to operate within about a $6 million program. Yet, as I just indicated, we are spending $45 billion every year on new construction in high-risk regions.

The United States Geological Survey has also not been spared the OMB's radical surgery. This year's program is at $12 million. The proposed 1977 budget would be $10.5 million, a cut which in the face of inflation is even more serious than first glance. In short, I am absolutely convinced that S. 1174 is necessary to provide our citizens with some measure of protection from future earthquakes.

Mr. Chairman, it is foolhardy—even irresponsible—to pretend that destructive earthquakes will not happen again. We know they will! Let us make every effort to be better prepared for them when they do strike.

[News release from U.S. Geological Survey]

Land Swelling in Southern California Discovered

Recent land uplift of as much as about 10 inches (25 centimetres) has been discovered astride a large section of California's San Andreas fault about 40 miles north of Los Angeles, according to scientists of the U.S. Geological Survey, Department of the Interior.

The land swelling, in the shape of a huge kidney, has a 120-mile axis oriented roughly east-west and extending from the Pacific Ocean into the Mojave Desert. This uplift is receiving close attention among USGS earthquake specialists because similar swelling has occurred prior to some earthquakes in California and elsewhere. The scientists emphasize, however, that such uplifts also have occurred without subsequent earthquakes.

Discovery of the uplift was made by R. O. Castle, J. P. Church, and M. P. Elliott, scientists at the USGS Menlo Park, California field center.

Centered north of Los Angeles near Palmdale in the western Mojave Desert, the swelling apparently began about 1960 near the junction of the San Andreas and Garlock faults. Since then, it has grown east-southeastward to include an area of about 4,500 square miles (12,000 square kilometres).

The uplift discovery resulted from analyses of repeated measurements taken over a number of years along precisely surveyed elevation lines crossing the southern California region. The measurements were made by various organizations, including the USGS, the National Geodetic Survey, and several southern California municipalities and counties.

The significance of the uplift is not fully understood, according to USGS scientists; they are concerned, however, because it occurs astride a sector of the San Andreas fault that has remained "locked" since a great earthquake in 1857. Thus, the scientists explain, considerable strain could be building up in this area.

Dr. Robert M. Hamilton, Chief of the USGS Office of Earthquake Studies at the Survey's National Center, Reston, Virginia, said that, following the 1971 San Fernando earthquake, analysis of data collected earlier indicated that similar swelling had preceded that quake. Uplift has also been determined to have preceded earthquakes in other parts of the world, including uplift in Japan that started ten years before a destructive earthquake at Niigata in 1964.

"However," Hamilton emphasized, "such uplift also has occurred without being followed by earthquakes. For example, an uplift may have occurred between 1897 and 1914 within the Transverse Ranges north of Los Angeles, but no large earthquake followed. Consequently, the present swelling may or may not indicate that an earthquake is coming. We must not jump to conclusions based on geodetic data alone."

"Considerable additional information on the land deformation and seismic activity in the region is needed before we will be able to evaluate the significance of the uplight," Hamilton said.

Hamilton reported that some new studies of a limited nature are being started aimed at getting a better understanding of the uplift occurrence. He said that the new studies include additional geodetic surveys, installation of seismometers and tiltmeters (devices for monitoring of minute changes in the ground surface), and surveys of the Earth's gravity field in the region. "We hope that these new limited investigations will provide at least some information on the cause of the observed uplift," Hamilton said.

Geological Survey,
Reston, Va.

Land Uplift in Southern California

(Briefing for the California Congressional Delegation, March 4, 1976)

SUMMARY

Observations

Surveys of the land elevation in southern California show that a large area north of Los Angeles astride the San Andreas fault has risen by nearly a foot over the past 15 years. The uplift began near Maricopa and has spread slowly to the southeast with time. The area of maximum increase of ten inches is centered near Palmdale. The uplifted area includes much of the Mojave Desert and the San Gabriel Mountains.

Land uplift is known to have preceded destructive earthquakes at Niigata, Japan, in 1964 and San Fernando, California, in 1971. In contrast, there is suggestive evidence that an earlier episode of land uplift may have occurred in the Palmdale area between 1897 and 1914 without the subsequent occurrence of a large earthquake.

The region of the uplift experienced a major earthquake of magnitude greater than 8 in 1857. Through this century, this section of the San Andreas fault has been seismically quiet and is one of the "locked" or presently inactive sections of the fault. While this part of the fault has been locked, adjacent parts have been moving by creep or active faulting to accommodate, at least in part, the general movement of the Pacific plate on the west side of the San Andreas fault past the North American plate on the east side.

Implications

The observations indicate that conditions could be developing for a great earthquake in the Los Angeles region. The supporting evidence is:

1. The existence of the uplift and the association of uplifts with some earthquakes.

2. The location of the uplift astride the San Andreas fault in a section of the fault that is located and where strain energy has undoubtedly accumulated owing to plate motion.

3. The dimensions of the uplift which are comparable with fault dimensions of a great earthquake.

4. The occurrence of a great earthquake in the past in the region of the uplift.

There is presently no basis for estimating the time of occurrence of an earthquake in the region of the uplift.

Plans for additional studies

Scientists of the Geological Survey and the universities are presently planning several types of investigations to evaluate the uplift. Additional surveying, seismic velocity measurements, continuous monitoring of ground tilt and strain, and a more limited use of other potentially valuable earthquake prediction techniques are to be applied. Limited studies of the possible effects of a great earthquake in Los Angeles will be undertaken. New funds of $2.1M are to be provided in the FY 77 budget for these studies.

No expansion in the base program for basic research on earthquake prediction is to be undertaken. The new funds are to be used for monitoring and evaluation of the uplifted area itself. It is not expected, therefore, that a prediction of time of earthquake occurrence will be issued. It may be possible, however, to determine more reliably whether the uplift has the potential for generating a large earthquake.

Possible effects

The possible effects in the Los Angeles area of a magnitude 8.3 earthquake on the San Andreas fault in about the location of the uplift were analyzed in a report prepared for the Federal Disaster Assistance Administration in 1973. The intensity of damage would vary considerably over the area and would be closely related to geologic foundation conditions and to proximity to surface faulting. A structural engineer at UCLA has estimated that 40,000 buildings in the Los Angeles area would suffer either collapse or serious damage from a strong earthquake. Loss of life would depend critically on time of day, as the populace is generally safer when at home.

Estimates of:	*Day*	*Night*
Loss of life	12,000	3,000
Hospitalized injuries	48,000	12,000
Nonhospitalized injuries	360,000	90,000

Damage: $15 billion to $25 billion.

In addition, failure of one of the larger dams in the area could leave about 100,000 people homeless and cause tens-of-thousands of deaths.

Defensive action

If it were possible to issue a prediction of the time of occurrence of an earthquake in the area of the uplift, defensive actions could be undertaken to reduce loss of life and damage. The actions possible would depend on the lead time of a warning. Some examples of engineering actions are:

Engineering responses to an earthquake prediction

Leadtime, buildings, contents, lifelines, and special structures—

3 days: Evacuate previously identified hazards; remove selected contents; deploy emergency materials; shut down reactors, petroleum products pipelines.

30 days: Inspect and identify potential hazards; selectively harden (brace and strengthen) contents; shift hospital patients, alter use of facilities; draw down reservoirs, remove toxic materials.

300 days: Selectively reinforce; develop response capability; replace hazardous storage.

3,000 days: Revise building codes and land-use regulations: enforce condemnation and reinforcement; remove hazardous dams from service.

Some of the longer term actions and planning could be undertaken in the present situation in which the time of earthquake occurrence cannot be predicted.

[From the Los Angeles Times, Mar. 12, 1976]

Concern Voiced Over Bulge in Earth Along San Andreas Fault

(By George Alexander)

Concern and at times even apprehension was evident Thursday as the state Seismic Safety Commission weighed the possibilities that a huge bulge in the earth's crust near Palmdale is a premonition of a major earthquake to come.

Time and time again, commission Chairman Dr. Karl V. Steinbrugge, at a public hearing in Los Angeles, posed this basic question to witnesses:

Should the bulge be considered an indicator of an impending large earthquake such that prudent people should begin to take precautions?

And time and time again, the witnesses would answer: We don't honestly know.

"There's really not much new to report about the bulge since our first announcement in mid February," said Dr. Robert Wallace of the U.S. Geological Survey (USGS) in Menlo Park. "It is not a prediction, at least not now; it's simply an anomaly that we really don't understand."

The bulge developed during the early 1960s, but went unnoticed until last year, when a team of USGS scientists searched through back records of local elevations above sea level filed by surveyors.

The USGS comparison of the pre-1960 elevations revealed that a crustal blister had built up along a 100-mile stretch of the San Andreas fault between Ft. Tejon on the northwest and the Cajon Pass on the southeast.

The swelling is greatest around Palmdale, measuring some 25 centimeters (a little under 10 inches) there, and least along the western face of the San Gabriel Mountains, where it was 5 centimeters (just under 2 inches) or less. All told, the uplifted area covers more than 4,500 square miles.

Both then and now, scientists warned the public not to jump to any conclusions that a major earthquake was imminent.

There have been instances they said, in which a sudden uplift of land has preceded a large and destructive earthquake and other instances where the land has bulged and no tremors, major or minor, have followed.

Wallace tried to walk a very narrow line between overestimating and underestimating the seismic significance of the uplifted land.

At one point he described the bulge as "only a fire drill, not a fire" but he also agreed that if the crustal deformation is related to a buildup of stress along the San Andreas, then its wide extent could foreshadow a very powerful temblor.

Wallace noted that all available seismological evidence suggests that the bigger an earthquake, the longer the precursory events leading up to it. A giant earthquake of the size that devastated San Francisco in 1906 may take years or even decades to develop, giving off clues of its development all the while.

A larger temblor, registering 8 or more on the Richter scale of intensity, would do quite a bit of damage to Los Angeles and could take a potentially heavy toll of human life, Robert J. Williams, the general manager of the city's Department of Building and Safety, told the hearing.

There are approximately 14,000 unreinforced masonry buildings presently standing within the city limits, he said, and these structures do not meet present seismic safety codes.

Between 75,000 and 100,000 Los Angeles citizens live in these unsafe residential buildings, and Williams characterized them as being, for the most part, "the poor, the elderly, the disabled and the disadvantaged."

Of those 14,000 buildings, Williams said that there are about 300 which might be termed "public assemblies"—private schools, churches, movie theaters, restaurants and the like, which might easily collapse during a moderate earthquake and kill or seriously injure a great many people.

"The San Fernando quake lasted only 11½ seconds," he told reporters later, "and if it had lasted just another 5 seconds or so, a lot of these old unreinforced buildings here in the downtown area would have come down."

The 1971 San Fernando earthquake registered only 6.4 on the Richter scale. A tremor of magnitude 8 on the San Andreas would produce heavy ground shaking for 30 seconds or more, Williams said, and almost certainly would bring down every unsafe structure in the city.

In an attempt to reduce this hazard, Williams said a proposed ordinance is now being considered by his department that would require owners of unsafe structures to strengthen the buildings or demolish them.

"We anticipate a lot of opposition to this ordinance (when it finally comes before the Los Angeles City Council, probably in two or three months," he said, "because it's more economical for an owner to hire a lawyer than an architect."

Charles Manfred the director of the state's Office of Emergency Services, reviewed for the commission the procedures that his office has adopted to handle predictions of impending earthquakes.

Manfred also disclosed that Dr. Vincent E. McKelvey, the director of the U.S. Geological Survey, had requested a meeting with Gov. Brown next week to brief him and other officials on the "Palmdale Bubble" as Manfred termed it.

Whatever their public stance, many of the seismologists and earth scientists privately confess to being a little worried by the huge blister.

They note that the uplifted area is approximately the same region where the last large earthquake struck Southern California; that was in 1857.

Since then, the San Andreas Fault has been locked and accumulating stress as the Pacific Plate, which includes everything west of the San Andreas, tries to slide past the North American Plate, which includes everything east of the fault line.

For all the concern engendered by the huge crustal swelling, the seismologists have also been quick to point out that there are no other signs of change occuring beneath the bubble.

All of the presumed tipoffs to an impending tremor now under study at seismological laboratories around the world—changes in the velocities of sound waves; changes in the electrical resistivity of subterranean rock layers; fluctuations in the content of a certain radioactive gas in underground water tables—appear normal right now.

Only one witness—Ralph H. Turner, chairman of UCLA's sociology department—responded to Steinbrugge's repeated pleas for recommendations.

Turner suggested that businesses and industries within the uplifted area begin now to consider what steps they would take if the bulge should eventually become the basis for a prediction of a large earthquake.

Secondly, Turner urged that federal disaster agencies start now to determine what resources would be called upon if a prediction is issued.

And finally, he urged that a public education program be initiated immediately that would instruct people on what to do and not to do when an earthquake happens.

CONCLUSION OF MORNING BUSINESS

The PRESIDING OFFICER. Is there further morning business to be transacted at this time? If not, morning business is closed.

FEDERAL ELECTION CAMPAIGN ACT AMENDMENTS OF 1976

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of the unfinished business, which has been laid before the Senate.

The PRESIDING OFFICER. The bill will be stated by title.

The legislative clerk read as follows:

A bill (S. 3065) to amend the Federal Elections Campaign Act of 1971 to provide for its administration by a Federal Election Commission appointed in accordance with the requirements of the Constitution, and for other purposes.

The PRESIDING OFFICER. Without objection, the Senate will proceed to its consideration.

Mr. MANSFIELD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will please call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. GRIFFIN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. GRIFFIN. Mr. President, I send to the desk an amendment to the pending bill and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will please state the amendment.

The legislative clerk read as follows:

The Senator from Michigan (Mr. GRIFFIN) proposes an amendment in the nature of a substitute.

Mr. GRIFFIN's amendment is as follows:

Strike out all after the enacting clause and insert in lieu thereof the following:

That (a) the text of paragraph 1 of section 310 (a) of the Federal Election Campaign Act of 1971 (hereinafter referred to as the "Act") (2 U.S.C. 437c (a)) is amended to read as follows: "There is established a Commission to be known as the Federal Election Commission. The Commission is composed of six members, appointed by the President, by and with the advice and consent of the Senate. No more than three of the members shall be affiliated with the same political party.".

(b) Section 310 (a) (2) of the Act (2 U.S.C. 437c (a) (2)) is amended to read as follows:

"(2) (A) Members of the Commission shall serve for terms of six years, except that of the members first appointed—

"(i) two of the members, not affiliated with the same political party, shall be appointed for terms ending on April 30, 1977,

"(ii) two of the members, not affiliated with the same political party, shall be appointed for terms ending on April 30, 1979, and

"(iii) two of the members, not affiliated with the same political party, shall be appointed for terms ending on April 30, 1981.

"(B) An individual appointed to fill a vacancy occurring other than by the expiration of a term of office shall be appointed only for the unexpired term of the member he succeeds.

"(C) Any vacancy occurring in the membership of the Commission shall be filled in the same manner as in the case of the original appointment.".

(c) The provision of section 310(a)(3) of the Act (2 U.S.C. 437c(a)(3)), forbidding appointment to the Federal Election Commission of any person currently elected or appointed as an officer or employee in the executive, legislative, or judicial branch of the Government of the United States, shall not apply to any person appointed under the amendments made by the first section of this Act solely because such person is a member of the Commission on the date of enactment of this Act.

(d) Section 310(a)(4) of the Act (2 U.S.C. 437c(a)(4)) is amended by striking out "(other than the Secretary of the Senate and the Clerk of the House of Representatives)".

(e) Section 310(a)(5) of the Act (2 U.S.C. 473c(a)(5)) is amended by striking out "(other than the Secretary of the Senate and the Clerk of the House of Representatives)".

(f)(1) All personnel, liabilities, contracts, property, and records determined by the Director of the Office of Management and Budget to be employed, held, or used primarily in connection with the functions of the Federal Election Commission under title III of the Federal Election Campaign Act of 1971 as such title existed on January 1, 1976, or under any other provision of law are transferred to the Federal Election Commission as constituted under the amendments made by this Act to the Federal Election Campaign Act of 1971.

(2)(A) Except as provided in subparagraph (B) of this paragraph, personnel engaged in functions transferred under paragraph (1) shall be transferred in accordance with applicable laws and regulations relating to the transfer of functions.

(B) The transfer of personnel pursuant to paragraph (1) shall be without reduction in classification or compensation for one year after such transfer.

(3) All laws relating to the functions transferred under this Act shall, insofar as such laws are applicable and not amended by this Act, remain in full force and effect. All orders, determinations, rules, advisory opinions, and opinions of counsel made, issued, or granted by the Federal Election Commission before its reconstitution under the amendments made by this Act which are in effect at the time of the transfer provided by paragraph (1) shall continue in effect to the same extent as if such transfer had not occurred.

(4) The provisions of this Act shall not affect any proceeding pending before the Federal Election Commission at the time this section takes effect.

(5) No suit, action, or other proceeding commenced by or against the Federal Election Commission or any officer or employee thereof acting in his official capacity shall abate by reason of the transfer made under paragraph (1). The court before which such suit, action, or other proceeding is pending may, on motion or supplemental petition filed at any time within twelve months after the date of enactment of this Act, allow such suit, action, or other proceeding to be maintained against the Federal Election Commission if the party making the motion or filing the petition shows a necessity for the survival of the suit, action, or other proceeding to obain a settlement of the question involved.

(6) Any reference in any other Federal law to the Federal Election Commission, or to any member or employee thereof, as such Commission existed under the Federal Election Campaign Act of 1971 before its amendment by this Act shall be held and considered to refer to the Federal Election Commission, or the members or employees thereof, as such Commission exists under the Federal Election Campaign Act of 1971 as amended by this Act.

Sec. 2. All actions heretofore taken by the Commission shall remain in effect until modified, superseded, or repealed according to law.

Sec. 3. The provisions of titles III and IV of the Federal Election Campaign Act of 1971 of section 608 of title 18, United States Code, and of chapters 95 and 96 of the Internal Revenue Code of 1954 shall not apply to any election, as defined in section 301 of the Act (2 U.S.C. 431(a)), that occurs after December 31, 1976, except runoff elections relating to elections occurring before such date.

Mr. GRIFFIN. Mr. President, I will say only a few words at this point, and then turn the floor over to the distinguished ranking minority member of the Committee on Rules and Administration, the Senator from Oregon (Mr. Hatfield).

I have offered a complete substitute for the pending bill. This substitute measure would merely reconstitute the Federal Election Commission along lines to meet the constitutional requirements indicated by the Supreme Court. The substitute includes certain provisions having to do with the transition of personnel, which are purely routine.

The substitute does not include that part of the President's recommendation which would have the present law expire next year. While such a termination date may be a good idea, there is considerable controversy regarding it. Of course, it goes without saying that Congress, at any time, is always able to undertake a complete revision and reform of the act, and that should be done next year whether or not a termination date is included in this legislation.

What I seek to do is give the Senate a clear choice—a choice between this 51-page monstrosity reported by the Rules Committee, 90 percent of which is controversial and which has been adopted without adequate hearings. This substitute gives the Senate an opportunity to do what is the commonsense thing to do—that is, to simply reestablish the Federal Election Commission in a constitutional manner so that it may continue to function in a way that complies with the Supreme Court decision.

I am glad to indicate to the majority leadership and to the floor managers of the bill that, as far as we are concerned, we are ready to vote on this substitute at any time. We are ready to vote on it later this afternoon, if possible, or some time tomorrow.

Mr. ROBERT C. BYRD. Mr. President, will the Senator yield?

Mr. GRIFFIN. I yield.

Mr. ROBERT C. BYRD. How about a vote at 3 o'clock this afternoon on the proposed substitute?

Mr. CANNON. Mr. President, if the Senator will yield, I would be willing to agree to a time limit on the bill itself and all amendments, or anything to try to expedite it.

Mr. GRIFFIN. Mr. President, I would respond by saying that this Senator would be willing to try to work out such an agreement, but I have to say that there are other Senators who are not ready at this point to agree to such an overall time limit.

Mr. BROCK. Mr. President, if the Senator will yield, I think it might depend in some degree on the reaction to this proposed substitute. This is a very simple substitute the Senator from Michigan and I are offering, which does nothing but extend the present law in accommodation with the Supreme Court decision.

Personally, I think we could complete action on the whole bill today. I see very little to add to the bill.

Mr. GRIFFIN. Mr. President, I apologize for not stating, as I should have, that the Senator from Tennessee (Mr. Brock) is the cosponsor of this amendment.

Mr. ROBERT C. BYRD. Then, Mr. President, I ask unanimous consent that a vote occur on the substitute today at 3 p.m.

The PRESIDING OFFICER. Is there objection? The Chair hearing no objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I thank all the Senators.

PRIVILEGE OF THE FLOOR

Mr. CANNON. Mr. President, I ask unanimous consent that whenever consideration of S. 3065 is before the Senate, the following staff members of the Committee on Rules and Administration be granted the privileges of the floor:

William M. Cochrane, Edwin K. Hall, James F. Schoener, Peggy L. Parrish, Mary G. Daly, Dolores Eaton, Barbara Conroy, Gary Lawson, a GAO employee on detail to the Committee on Rules and Administration, Lloyd Ator, legislative counsel, and Nick Edes, staff of Senator Williams.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. CANNON. Mr. President, S. 3065 is an original bill amending the Federal Election Campaign Act of 1971, as amended in 1974, to provide for the act's administration by a Federal Election Commission having six commissioners appointed by the President by and with the advice and consent of the Senate. This bill also amends certain other provisions of the law relating to the financing and conduct of Federal campaigns which the committee found necessary and desirable in light of the decision of the Supreme Court of the United States in Buckley against Valeo, decided January 30, 1976.

Mr. President, I would like to review briefly the events of the recent past to help cast this proposed legislation in a proper historical perspective.

During the 92d Congress—1971–72—the Federal Election Campaign Act of 1971 (Public Law 92–225) was enacted to provide sweeping and thorough control over and public disclosure of receipts and expenditures in both Federal primary and general elections. The Federal Election Campaign Act amendments of 1974, enacted during the 93d Congress (Public Law 93–443), amended the 1971 act extensively. The resulting law provided for overall limitations on campaign expenditures and political contributions, extensive reporting and recordkeeping requirements for candidates and political committees, and the establishment of a Federal Election Commission with extensive powers to administer and enforce the act. The law also provided for the public financing of Presidential primary and general elections and conventions.

On January 30, 1976, the Supreme Court of the United States, in Buckley against Valeo, upheld the contribution limitations, the recordkeeping and disclosure requirements of the act and the provisions for public financing of Presidential elections and conventions. However, the Court held that certain expenditure limitations under the act were in violation of the first amendment and that the exercise of administrative and enforcement powers delegated to the Commission was unconstitutional, because of the way in which its members were appointed.

Public hearings were held by the Subcommittee on Privileges and Elections, chaired by Senator CLAIBORNE PELL, on February 18, 1976. Witnesses appeared to testify and submit written statements on the impact of the Supreme Court's decision and on the many bills which had been introduced in response to that decision.

The Committee on Rules and Administration met on February 25 and 26 and on March 1, 1976, to consider legislation, and on March 1, ordered this original bill, S. 3065, reported. The report of the committee was submitted to the Senate on March 4, 1976.

Mr. President, the Senate is faced with a deadline of March 22, imposed by the Supreme Court, during which the Congress should act in order to assure the continuity of such important powers of the Federal Election Commission as the certification of public matching funds to Presidential candidates.

Mr. President, although the provisions of S. 3065 are summarized at length in the report of the committee, I would like to review certain of the proposed changes at this time.

The bill provides that the Commission is to consist of the Secretary of the Senate, the Clerk of the House, both ex officio and without the right to vote, and six members appointed by the President by and with the advice and consent of the Senate. As so constituted, the constitutional requirements set forth in Buckley against Valeo will have been met, in the opinion of this Senator.

As with the existing Commission, no more than three members may be affiliated with the same political party. The bill furthermore contains some new provisions to help assure that the Commission might function in as nonpartisan a manner as possible. First of all, Commissioners may be appointed to fill expired terms only in an off-election year. Second, the bill provides that the Commission may not establish guidelines, initiate civil actions, render advisory opinions, prescribe rules and regulations, conduct investigations, or report apparent violations except by an affirmative vote of four members of the Commission, no less than two of whom are affiliated with the same political party. This provision will prevent three members of one party and only one of another from constituting a majority, and is intended as a safeguard to keep politics, or the appearance of politics, out of the actions of the Commission.

The bill gives the Commission exclusive and primary jurisdiction for the civil enforcement of the Federal Election Campaign Act of 1971, as amended, and of the public financing of Presidential campaigns. It should be noted that this would also encompass exclusive jurisdiction for the civil enforcement of many of the existing criminal code provisions of title 18 relating to Federal election campaigns, which are transferred by this bill into the Federal Election Campaign Act of 1971.

In addition to exclusive civil enforcement authority, the bill gives the Commission a more varied assortment of enforcement powers and provides for greater public disclosure of Commission enforcement activities. These are set forth in the bill and described at pages 7 and 8 of the committee's report.

It is important to note here, however, that the bill changes present law by providing criminal penalties for more substantial violations and a combination of formal conciliation actions, disclosure, civil enforcement and civil fines for less substantial violations of the law. For example, if a person—as defined under the act—unknowingly failed to report a $200 expenditure which advocated the election or defeat of a clearly identified candidate that person would be required to correct the error in response to the Commission's conciliatory efforts or in response to a court order obtained at the request of the Commission. The Commission would be required to make public the results of any such conciliatory efforts. However, a person who willfully and knowingly fails to report an expenditure in excess of $1,000 which expressly advocated the election or defeat of a clearly identified candidate would be subject to the civil fines and criminal penalties set forth in the bill in addition to the above enforcement actions.

The detailed enforcement procedures which are set forth on pages 19 to 27 of the bill will give the Commission a greater number of alternatives in enforcing the law, and at the same time afford a person who makes a good-faith attempt at compliance with the complex requirements of the act a greater degree of protection than presently available. Finally, and of perhaps greatest importance as an effective deterrent against abuses, the bill requires a greater degree of public disclosure of the Commission's success or failure at obtaining compliance with the campaign financing laws.

Mr. President, S. 3065 also proposes a revision in the Commission's procedures for issuing advisory opinions. The bill clarifies that an advisory opinion shall apply only to the person requesting such an advisory opinion and to any other person directly involved in the specific transaction or activity as to which the advisory opinion is rendered. It further requires the Commission, no later than 30 days after rendering an advisory opinion which sets forth a rule of general applicability, to prescribe rules or regulations relating to the transaction or activity involved, assuming it is not already subject to an existing rule or regulation.

Since its inception the Commission has issued well over 100 advisory opinions, giving each widespread publication in the Federal Register and elsewhere. This widespread dissemination of numerous advisory opinions has, of course, given the public and candidates an opportunity to learn the Commission's interpretation of the campaign finance laws. However, in many instances these opinions have related to transactions or activities of general applicability which would more properly have been the subject of proposed rules or regulations. The proposed legislation is intended to require the Commission to prescribe rules and regulations with respect to transactions or activities which would have general applicability to all candidates or political committees. However, in instances where a request for an advisory opinion is a matter of peculiar interest to a particular candidate or committee covering an individual problem, it would not be necessary for the advisory opinion to be prescribed as a rule or regulation.

Mr. President, S. 3065 also proposes a number of changes in the law relating to campaign contributions and expenditures to reflect the decision of the Supreme Court in Buckley against Valeo, and to restrict within the constitutional limitations set by the Supreme Court the flow of excessive sums of money into political campaigns.

A number of changes merely reflect the Supreme Court's decision upholding the constitutionality of requiring public disclosure of expenditures which expressly advocate a particular election result, and are summarized in the committee report.

Under present law any political committee, whether it is a multicandidate political committee which is qualified to make $5,000 contributions per election to a candidate, or any other political committee as defined in the act is permitted to make a contribution in an unlimited amount to any other political committee so long as the latter is not a candidate's authorized committee or the funds are not earmarked for a particular candidate.

Consequently, in the aftermath of Buckley against Valeo unlimited sums of money can be directed to a few select political committees to then be injected into a campaign without limitation as an independent expenditure in support of or in opposition to an expressly identified candidate.

In order to curb such an unintended abuse of the campaign finance laws the bill proposes that contributions by a political committee to another political committee—where the latter is not a candidate's authorized committee and the funds are not earmarked for a particular candidate—shall be limited to an aggregate sum of $25,000 in any one calendar year.

I note here that the Supreme Court in Buckley against Valeo expressly upheld the constitutionality of limitations on contributions, which included the present $25,000 calendar year aggregate limitation on contributions by individuals, whether the recipient be a number of candidates or a political committee such as the national committee of a political party. In other words, that was an overall limitation of $25,000 to the donor for all purposes for which he might have intended to give. The Court stated at pages 32 to 33 of the slip opinion as follows:

> The overall $25,000 ceiling does impose an ultimate restriction upon the number of candidates and committees with which an

> individual may associate himself by means of financial support. But this quite modest restraint upon protected political activity serves to prevent evasion of the $1,000 contribution limitation by a person who might otherwise contribute massive amounts of money to a particular candidate through the use of unearmarked contributions to political committees likely to contribute to that candidate, or huge contributions to the candidate's political party. The limited, additional restriction on associational freedom imposed by the overall ceiling is thus no more than a corollary of the basic individual contribution limitation that we have found to be constitutionally valid.

Mr. President, I submit that the proposed $25,000 aggregate calendar year limitation on political committee contributions to other political committees is similarly no more than a corollary of the basic limitation on political committee contributions and is thus constitutionally valid.

S. 3065 also contains a provision intended to curtail the vertical proliferation of political committee contributions. As set forth on page 28 beginning at line 15 of the bill, for purposes of the contribution limitations:

> All contributions made by political committees established, financed, maintained, or controlled by any person or persons including any parent, subsidiary, branch, division, department, affiliate, or local unit of such person or by any group of persons shall be considered to have been made by a single political committee.

There are three exceptions to this rule:

First. This antiproliferation rule would not apply to limit transfers between political committees of funds raised through joint fundraising efforts.

Second. This rule shall not apply to a political committee established, financed, or maintained by the national committee or the State, district, or local committee of a political party.

Third. This rule intended to curtail the vertical proliferation of political committee contributions would not preclude a political committee of a national organization from contributing to a candidate or committee merely because of its affiliation with a national multicandidate political committee which has made the maximum contribution it is permitted to make to a candidate or political committee.

I would like to illustrate this third exception by using an example which was referred to us during our committee deliberations. The proposed rule to curtail the vertical proliferation of political committee contributions would not preclude a national union through its political committee, such as for example, the boilermakers, from making a maximum contribution to a candidate through its national political committee in the event that COPE, the political committee of the AFL–CIO, with which the boilermakers are affiliated, has already made its maximum contribution to that candidate. On the other hand, the proposed rule would prevent the various local unions of the boilermakers from making a similar maximum contribution through their local political committees when such a maximum contribution has already been made from the national political committee of the boilermakers.

To use another example, if the national political committee of the National Association of Manufacturers had made its maximum contribution to a candidate, the political committee of a national corporation which is affiliated with NAM would not be precluded from making a maximum contribution to that candidate. However, the subsidiaries, divisions, or departments, et cetera, of that national corporation would be precluded from making a similar maximum contribution through their local political committees when such a maximum contribution has already been made by the national corporation's political committee to a candidate.

Mr. President, the bill retains the existing expenditure limitations on Presidential candidates, conditioning their application upon the acceptance of public financing. The bill also retains the existing expenditure limitations imposed upon the national and State committees of political parties.

Finally, Mr. President, the bill proposes a number of changes in existing section 610 of title 18, United States Code, which prohibits contribution or expenditures by corporations and labor organizations. First of all, the provisions of section 610, like a number of other title 18 provisions related to the financing of campaigns, are transferred to the Federal Election Campaign Act of 1971 as amended, and made subject to the proposed new enforcement and penalty provisions of the bill.

A second change relates to the provisions which permit a corporation to communicate with its stockholders and their families on any subject. This has been expanded to permit corporations to communicate with executive or administrative personnel and their families on any subject as well.

A third change would similarly expand those to whom a corporation can aim nonpartisan registration and get-out-the-vote campaigns to include executive or administrative personnel of a corporation and their families, as well as stockholders and their families.

A fourth change would make it unlawful for a corporation or a segregated fund of a corporation to solicit contributions from any person other than its stockholders, executive, or administrative personnel, and their families, or for a labor organization or a segregated fund created by a labor organization to solicit contributions from any person other than its members and their families.

This fourth change alters existing law as interpreted by the Federal Election Commission in its Sun PAC Advisory Opinion 1975–23, wherein the Commission interpreted section 610 to permit a corporation to solicit all its employees. It is felt that such an interpretation creates extraordinary pressure and undue potential for coercion, which was even acknowledged by the Commission in its advisory opinion, in a situation where management of a corporation is permitted to solicit political contributions from all its employees.

As evidenced by the dissent of Commissioners Harris and Tiernan, there is an extremely strong case to be made that the original intent of section 610 was to deny corporations the right to solicit contributions from anyone except stockholders and their families. Certainly, as the dissent in the Sun PAC opinion also pointed out, there are definite inequities involved when a corporation is permitted to solicit all employees:

> On a national scale, the majority ruling grants corporations as a group an unfair advantage over labor unions in the solicitation of political contributions. It is estimated that over 30,900,000 individuals own shares of stock in American corporations. 1975 *World Almanac* 94. But, out of the nation's total workforce of 84,000,000 workers, only 18,000,000 of them (or about 21%) are members of labor unions including AFL–CIO, independent, CNTU and CLC unions, 1975 *World Almanac* 108. Had corporations been restricted to soliciting only their stockholders, they could have solicited almost twice as many individuals as labor unions. Under the majority's ruling, however, corporations now have the potential of soliciting the entire workforce of the nation. Congress certainly did not intend to create such a gross disparity in the solicitation power of corporations and unions, by enacting the segregated fund exception to section 610, as the majority of the Commission now permits in its interpretation of the Statute. *Federal Register*, Vol. 40, No. 233—Wednesday, December 3, 1975, p. 56587.

Mr. President, I ask unanimous consent that the entire advisory opinion 1975–23 and dissent related to the Sun PAC matter I have referred to, be printed in its entirety after the conclusion of my remarks.

The **PRESIDING OFFICER.** Without objection, it is so ordered.

(See exhibit 1.)

Mr. **CANNON.** Mr. President, the changes proposed by S. 3065 will create a better balance in the equities between corporations and labor unions and reduce measurably the potential for coercion inherent in the employment relationship by limiting those whom corporations can solicit, other than stockholders and their families, to executive or administrative personnel, who are defined in the bill as "individuals employed by a corporation who are paid on a salary, rather than hourly, basis and who have policymaking or supervisory responsibilities."

Mr. President, there are a number of other provisions in the bill which I will certainly be willing to discuss as questions may arise. At this point I would like to yield to other members of the Senate who may wish to speak on this proposed legislation.

EXHIBIT 1

FEDERAL ELECTION COMMISSION

[Notice 1975–83]

ADVISORY OPINION

(Establishment of Political Action Committee and Employee Political Giving Program by Corporation.)

The Federal Election Commission announces the publication today of Advisory Opinion 1975–23. The Commission's opinion is in response to questions raised by individuals holding Federal office, candidates for Federal office and political committees, with respect to whether any specific transaction or activity by such individual, candidate, or popolitical committee would constitute a violation of the Federal Election Campaign Act of 1971, as amended, of Chapter 95 or 96 of Title 26 United States Code, or of Sections 608, 610, 611, 613, 614, 615, 616, or 617 of Title 18 United States Code.

The Commission points out that this advisory opinion should be regarded as an interim ruling which is subject to modification by future Commission regulations of general applicability. In the event that a holding in the opinion is altered by the Commission's regulations, the person to whom the opinion is issued will be notified.

ADVISORY OPINION 1975–23

ESTABLISHMENT OF POLITICAL ACTION COMMITTEE AND EMPLOYEE POLITICAL GIVING PROGRAM BY CORPORATION

In this advisory opinion, rendered pursuant to 2 U.S.C. 437f, the Commission responds to a request for an advisory opinion submitted by the Sun Oil Company and published as AOR 1975–23 in the FEDERAL REGISTER on July 29, 1975 (40 FR 31879). Interested persons were invited to submit written comments with respect to this request. A number of such comments were received and considered by the Commission before this opinion was issued.

A. Introduction

Sun Oil proposed to sponsor a bifurcated responsible citizenship program for political activities. One part of this program will involve the expenditure of general corporate treasury funds to establish, administer, and solicit voluntary contributions to a political action committee. This committee (hereinafter SUN PAC) will be maintained as a separate segregated fund and used by Sun Oil for political purposes under the provisions of 18 U.S.C. 610. The other part of this program will involve the expenditure of treasury funds to establish and administer a "trustee" plan. Under the plan (hereinafter SUN EPA) Sun Oil will open separate bank accounts for participating employees in order to channel their contributions to candidates for political office. The activities of SUN EPA will be separate and apart from those of SUN PAC.

The Commission has been asked to evaluate SUN PAC and SUN EPA with respect to the requirements of the Federal Election Campaign Act of 1971, as amended (hereinafter the "FECA" or the "Act") and the proscriptions of 18 U.S.C. § 610. In the following opinion, the Commission will discuss various legal aspects of corporate segregated funds and trustee plans.

B. Applicable Law

Section 610 of Title 18 of the United States Code provides, in pertinent part, as follows:

CONTRIBUTIONS OR EXPENDITURES BY NATIONAL BANKS, CORPORATIONS OR LABOR ORGANIZATIONS

"It is unlawful for any national bank, or any corporation organized by authority of any law of Congress, to make a contribution or expenditure in connection with any election to any political office, or in connection with any primary election or political convention or caucus held to select candidates for any political office, or for any corporation whatever, or any labor organization to make a contribution or expenditure in connection with any election at which presidential and vice presidential electors or [officials] to Congress are to be voted for, or in connection with any primary election or political convention or caucus held to select candidates for any of the foregoing offices, or for any * * * political committee * * * to accept or accept or receive any contribution prohibited by this section.

"As used in this section, the phrase 'contribution or expenditure' shall include any direct or indirect payment, distribution, loan, advance, deposit, or gift of money, or any services, or anything of value * * * to any candidate, campaign committee, or political party or organization in connection with any election to any of the offices referred to in this section; but shall not include * * * the establishment, administration, and solicitation of contributions to a separate segregated fund to be utilized for political purposes by a corporation or local organization * * *: *Provided,* That it shall be unlawful for such a fund to make a contribution or expenditure by utilizing money or anything of value secured by physical force, job discrimination, financial reprisals, or the threat of force, job discrimination, or financial reprisal; or by dues, fees, or other monies required as a condition of membership in a labor organization or as a condition of employment, or by monies obtained in any commercial transaction."

The history of section 610, prior to its amendment by section 205 of the Federal Election Campaign Act of 1971, was set forth in *United States* v. *UAW*, 352 U.S. 567 at 570–90 (1957). Moreover, the history of the 1971 amendment, which permits corporations to establish, administer and solicit contributions to separate segregated funds, was discussed in some detail in *Pipefitters Local 562* v. *United States,* 407 U.S. 385 at 409–13, 421–27, 429–32 (1972). See also, *United States* v. *CIO,* 335 U.S. 106 (1948). There is no need, therefore, to trace that history here in any detail. However, some general conclusions can be made in light of legislative history about the application of section 610 to the corporate political activities proposed by Sun Oil.

C. Conclusions

(1) First, it is lawful for Sun Oil to expend general treasury funds to defray expenses incurred in establishing, administering, and soliciting contributions to SUN PAC so long as it is maintained as a separate segregated fund. The language of section 610 and the supporting legislative history of the 1971 Amendment to the statute plainly permits such expenditures. See, *Pipefitters, supra,* at 429–33. SUN PAC must register and file reports just as any other political committee is required to do under the FECA.

(2) Secondly, it is lawful for Sun Oil to make any political contributions and expenditures it sees fit in connection with any Federal election so long as the monies used for such purposes are expended from SUN PAC and the fund consists of voluntary contributions.

In situations where SUN PAC makes contributions or expenditures in connection with Federal and non-Federal elections, it may establish and maintain a separate account for use in Federal elections. Thereafter, monies to be expended in non-Federal elections should not be commingled with monies to be expended in Federal elections. SUN PAC should designate the bank in which it maintains any such account for Federal elections as the campaign depository of the fund. 2 U.S.C. 437b. All contributions received or expenditures made in connection with Federal elections should be deposited in or drawn from this account. If SUN PAC so decides to maintain a separate account for use in Federal elections, it may file reports pertaining only to the separate Federal account. However, if SUN PAC fails to segregate the accounts and monies to be used in connection with both Federal and non-Federal elections, then SUN PAC will be required to report all contributions and expenditures regardless of whether they are made for non-Federal purposes.

Any political contributions or expenditures made by SUN PAC are subject to the applicable reporting requirements of the FECA and the limitations of 18 U.S.C. 608. Moreover, since individual contributions made to SUN PAC are also contributions within the meaning of 18 U.S.C. § 591(e), such contributions are also subject to the limitations of 18 U.S.C. § 608.

(3) Thirdly, it is lawful for Sun Oil to control and direct the disbursement of contributions and expenditures from SUN PAC. When the issue of the control of segregated funds was presented to the Supreme Court in the *Pipefitters* case, (which involved a section 610 criminal prosecution against a labor union) the Court held that "such a fund must be separate from the sponsoring union only in the sense that there must be a strict segregation of its monies from union dues and assessments." *Id.* at 414. After an exhaustive review of legislative history, the Court concluded that (*Id.* at 415–417):

> "Nowhere, however, has Congress required that the political organization [i.e., the fund] be formally or functionally independent of union control or that union officials be * * * precluded from determining how the monies raised will be spent. * * * Senator Taft adamantly maintained that labor organizations were not prohibited from expending those monies [from the fund] in connection with Federal elections. * * * Neither the absence of even a formally separate organization, * * *, nor the method for choosing the candidate to be supported was mentioned as being material. Similarly, the *only* requirements for permissible political organizations were that they be funded through separate contributions [which were voluntary]." (Emphasis added.)

The Court also concluded from the legislative history that (*Id.* at 426):

> "[T]he term 'separate' * * * is synonymous with 'segregated.' Nothing in the legislative history indicates that the word is to be understood in any other way. * * * It is difficult to conceive how a valid political fund can be meaningfully 'separate' from the sponsoring union in any way other than 'segregated.' "

Since corporations and labor unions are subject to the same restrictions under section 610, it is clear that under the language of the *Pipefitters* case, Sun Oil can exercise control over the operations and activities of SUN PAC.

There is much concern in the business community about the proper class of persons who may be solicited by a corporation with its treasury money for contributions to a political fund. Sun Oil advised in its request for an opinion that "[t]o achieve its purpose, SUN PAC will solicit and accept contributions from individuals and from other political committees." Sun Oil now advises, through counsel, that its solicitation efforts will not be as broad as the language of its request suggested. The Commission is now advised that Sun Oil "will not solicit contributions from members of the general public who are neither Sun employees nor shareholders" but that "Sun does intend to use corporate funds to solicit contributions to SUN PAC from its employees."

(4) It is the opinion of the Commission that Sun Oil may spend general treasury funds for the solicitation of contributions to SUN PAC from stockholders and employees of the corporation. The Federal Election Campaign Act of 1971 amended section 610 by defining contribution and expenditure and setting forth exemptions to that definition. The first two exceptions permit the use of corporate treasury funds for activities aimed only at stockholders and their families. The third exception places no limitation on the categories of persons who may be solicited for voluntary contributions to a separate segregated fund. However, the legislative history of the 1971 Act clearly states that general treasury money may not be used to solicit the general public. 117 Cong. Rec. 43380–81. The absence of a limitation in the third exception similar to that contained in the first two exceptions, indicates that it was Congress' intent not to limit the use of corporate funds

for solicitation of contributions to separate segregated funds only to stockholders. Furthermore, corporations have traditionally solicited their employees for both political and non-political purposes. Absent any express language in the statute or the legislative history prohibiting such solicitations, it would be illogical to conclude that corporations could solicit only their stockholders and not their employees. Finally, section 610 provides that contributions to a separate segregated fund may not be secured by "job discrimination" or "financial reprisals", actions which an employer may take against an employee.

The Commission recognizes, however, that there is in the best-intentioned plans a potential for coercion which is inherent in the employment relationship and which may be triggered by solicitation of employees by or on behalf of an employer. Section 610 forbids coercion or reprisal of any kind in the solicitation of contributions to separate segregated funds. To minimize the appearance or perception of coercion, the Commission recommends the following guidelines on solicitation of political contributions by employees to such funds. First, no superior should solicit a subordinate. Second, the solicitor should inform the solicited employee of the political purpose of the fund for which the contribution is solicited. Third, the solicitor should inform the employees of the employee's right to refuse to contribute without reprisal of any kind.

(5) An issue related to that of soliciting contributions is that of SUN PAC accepting contributions from any donor willing to make them. It is the opinion of the Commission that SUN PAC generally can accept any contributions from many donors, whether or not it is lawful for Sun Oil to solicit a contribution from that donor. However, section 610 would prohibit SUN PAC from accepting any political contribution which would be an unlawful contribution by the donor under that statute.

Although Sun Oil cannot spend treasury funds to solicit contributions from political committees, SUN PAC could solicit such contributions with expenditures from its fund of voluntary contributions. Accordingly, SUN PAC may accept contributions from political committees which it solicited and contributions which were not so solicited but freely donated by political committees.

(6) Finally, Sun Oil has proposed a detailed organizational plan for SUN PAC. Essentially, SUN PAC will be a voluntary, non-profit, unincorporated, political membership association open to certain employees of Sun Oil and its subsidiaries. Several employees will be appointed by Sun Oil to create SUN PAC. In addition, Sun Oil will appoint the administrative officers of SUN PAC. A contribution committee will manage the overall financial operations of SUN PAC and will designate the donees of contributions. The committee may delegate all of its powers to the Chairman of SUN PAC who is a Sun Oil appointee.

Section 610 does not mandate any formal organizational structure for corporate political committees. However, under 2 U.S.C. 432, SUN PAC, just as any other political committee, would be required to have a chairman and treasurer in order to accept or make any political contributions. Beyond these requirements, there are no other formal organizational requirements applicable to SUN PAC under Federal law.

Sun Oil also proposed to spend general treasury funds to establish a political giving program for its employees called SUN EPA. SUN EPA is what is commonly called a "trustee" plan. This plan was described in some detail in Sun Oil's request for an advisory opinion and briefly in the introductory paragraphs to this opinion. One commentator has described the concept of SUN EPA as follows:

"* * * SUN EPA conceptually serves a purpose not unlike a Christmas Club—*i.e.*, systematic 'saving' toward a set goal (in this case, in order to provide a source of individual contributions at campaign time, rather than a fund for Christmas gifts)."

Sun Oil conceded that SUN EPA would not be a segregated fund under the only applicable exception of section 610, and that it would not be a political committee subject to the registration and reporting requirements of the Act. Sun Oil stressed the fact that it will not exercise any control over the affairs of SUN EPA and that employees who participate in the plan will exercise complete control and discretion over the disbursement of their political contributions.

(7) It is the opinion of the Commission that the expenditure of general treasury funds by Sun Oil for the ordinary and necessary administrative costs of implementing SUN EPA is not prohibited by section 610. The assumption of these costs would not represent any direct or indirect payment by Sun Oil to any candidate, campaign committee, or political party or organization, within the meaning of section 610, so long as Sun Oil will exercise no control over the program nor will attempt to influence employee contributions.

The legislative history of the 1974 Amendments to the Federal Election Campaign Act clearly states that if a person exercises any direction and control over the making of a contribution then that contribution shall count as a contribution with respect to that person. Thus, in order to avoid making a contribution under section 610, Sun Oil and its management may not make any effort, either orally or in writing, to direct contributions by participants in SUN EPA to any candidate, group of candidates, political party or other person. Participants in SUN EPA must exercise independent judgment when making contributions.

The Commission notes that the Justice Department, which has criminal prosecution powers with respect to section 610, would not regard the use of corporate funds to administer such plans as being within the prohibitions of section 610:

"[P]rovided that the corporation in no manner suggests to the contributing employee the identity of certain candidates or committees which should be the beneficiaries of such personal contributions, provided that absolutely no pressure of any kind is applied to induce participation in the program, and provided corporate funds are not indirectly contributed to the ultimate recipients through such means as artificially inflating employees' salaries * * *." (Letter to John G. Murphy, General Counsel, Federal Election Commission, November 3, 1975.)

Sun Oil states that:

"[T]he bank, on a quarterly basis, will inform SUN of the total amounts of contributions under SUN EPA for the quarter to specific candidates, committees, or political parties receiving them, so it may be published for those participating in the plan."

The receipt and publication of any report on the source or recipient of any contribution(s) or donation(s) into or out of any SUN EPA account(s) may constitute the exercise of direction and control over future contributions. The Commission would not object to Sun Oil's receiving reports setting forth the total number of employees in the plan, the total amount of funds in all the accounts and the total amount of contributions made to all candidates and committees.

The Commission further notes that the possibility of exercising direction and control may be inherently present when an employee trustee plan and a political action committee are administered simultaneously by the same corporation. This, of course, will be a factual determination. However, under section 610, a violation need not be willful.

This advisory opinion is issued on an interim basis only, pending the promulgation by the Commission of rules and regulations or policy statements of general applicability.

Note: The foregoing opinion was adopted by the Commission by a 4 to 2 vote with Commissioners Harris and Tiernan voting against adoption. The dissenting opinion of Commissioners Harris and Tiernan is published as follows.

Dated: November 24, 1975.

Thomas B. Curtis,
Chairman for the Federal Election Commission.

COMMISSIONER HARRIS AND COMMISSIONER TIERNAN, DISSENTING

A. SUN-PAC: Solicitation of contributions

We do not think that the statute permits Sun Oil to use its general funds to solicit donations to its political fund from persons other than Sun Oil's stockholders. This conclusion is based on the language and overall objective of § 610, the legislative history of the Hansen Amendment, and the Supreme Court's opinion in *Pipefitters Local 562* v. *United States*, 407 U.S. 385 (1972). [Also, the effect of the Commission's decision appears to be to give corporations greater leeway than unions as respect solicitation for their political funds—a result surely astounding to both supporters and opponents of the Hansen Amendment.]

1. The language added to Section 610 in 1972 by the Hansen Amendment creates three exceptions to the section's general ban on the expenditure of corporate or union funds in connection with any election to federal office. They are (a) "communications by a corporation to its *stockholders* and their families or by a labor organization to its *members* and their families on any subject;" (b) "nonpartisan registration and get-out-the-vote campaigns by a corporation aimed at its *stockholders* and their families, or by a labor organization aimed at its *members* and their families;" and (c) "solicitation of contributions to a separate segregated fund to be utilized for political purposes by a corporation or labor organization." The first of these exceptions, i.e., as to communications, is paralleled in the definition of "expenditure" [2 U.S.C. 431 (f) (4) (c) and 18 U.S.C. 591 (f) (4) (c)], which excludes from "expenditure" "any communication by any membership organization or corporation to its *members* or *stockholders* * * *" (Emphasis added).

The first two Hansen Amendment exceptions are restricted in terms to stockholders in the case of a corporation and members in the case of a union, while the third exception has no restriction. Thus, read literally, the third exception would permit a corporation or union to solicit not only stockholders or members, but the general public, that is, anybody and everybody. Such a construction of the third exception would however go far to destroy the general ban of Section 610 on the expenditure of corporate or union funds in connection with a federal election; and it would likewise undercut the provision in the first exception that corporations may communicate with stockholders and union with members and the parallel provision in the statutory definition of "expenditure". This is so because the "solicitation" of contributions to a political fund necessarily includes representations as to what sort of causes and candidates the fund will support, and as to why those solicited should contribute to it. If corporations and unions are free to use their general funds to solicit the public at large, they may legally carry on extensive political campaigns in support of particular candidates or type of candidates as a part of their solicitation efforts.

A more rational construction of the statute is that the first and third Hansen Amendment exceptions are to be read together. Individuals cannot be solicited to make a voluntary contribution except by communicating with them. As § 610 states and as its legislative history makes emphatic, Congress intended to assure that corporate communications on political subjects financed by treasury money would be directed only at stockholders and their families and that such union communications would be to members and their families. It creates an inexplicable exception to that intent to read the permission to solicit contributions as separate from the permission to communicate with stockholders and members rather than reading these two clauses of the same sentence together. And, since there is in fact no dividing line between communication and solicitation, if such an exception were to be made there would soon be little if anything left of the rule. A corporation could then legally take out a full-page advertisement in the *New York Times* soliciting for contributions by stating who those contributions would be used to support and why. Except for the top and bottom line, such an advertisement would be no different than one communicating the corporation's views on those candidates to the general public through the expenditure of treasury money. That, of course, is precisely what § 610 prohibits.

Since a construction which permitted corporations and unions to solicit the general public would go far to undercut § 610, no one has urged it. Sun Oil has, subsequent to its initial presentation, disclaimed any purpose to solicit the general public. However, as far as a simple reading of the statute goes, there is no basis for drawing any distinction between the use of corporate funds to solicit the general public and their use to solicit employees of the corporation.

2. Since the statute is thus ambiguous and not to be read literally, it is of course appropriate to examine the legislative history of the Hansen Amendment. *Pipefitters Local 552 v. United States, supra*. That history confirms that the first and third exceptions are to be read together, and that the Hansen Amendment was intended to sanction the use of corporate or union funds only to communicate with and/or solicit stockholders or members.

In explaining his Amendment to the House, Representative Hansen stated:

> Next, the amendment, in further defining the phrase "contribution or expenditure", draws a distinction between activities directed at the general public, which are prohibited, and *communications by a corporation to its stockholders and their families and by a labor organization to its members and their families*, on any subject, which the courts have held is permitted.
>
> The amendment set forth the *limited circumstances* where *such communications* are permitted *in connection with an election*. These include:
>
> (1) non-partisan registration and get-out-the-vote campaigns by a corporation aimed at its stockholders and their families, or by a labor organization aimed at its members and their families.
>
> (2) *the establishment, administration and solicitation of contributions to a separate segregated fund to be utilized for political purposes by a corporation or labor organization.* (Emphasis added). (117 Cong. Rec. 43379)

Representative Hansen reiterated this distinction, between corporate political activity directed at stockholders (and union political activity directed at members) and political activity financed by treasury money directed at the general public, in three separate passages in his explanatory floor statement:

> Section 610 strikes a balance between organizational rights and the rights of those who wish to retain their *shareholding interest* or *membership status* but who disagree with the majority's political views. The balance presently obtaining provides, in my judgment, an optimum solution to the complex problem of accommodating these conflicting interests. This solution is sound in theory as I shall show, has proved workable in practice, and has generated a broad bi-partisan consensus in favor of continuation of the present rules. For this reason my amendment, with one exception, follows the present law.
>
> Thus, Section 610 as it stands, and under my proposal, represents a complete victory for those who believe that corporations and unions have no moral right to utilize their organizations' general funds for active public partisan politicking. It totally subordinates organizational interest to individual interests. (Emphasis added) (117 Cong. Reg. 43380)
>
> * * * * *
>
> Recognizing that group interests must be given some play and that the interest of the minority is weakest when corporations and unions confine their activities to their own *stockholders* and *members, the beneficial owners of these organizations*, the second subdivision of the amendment sets out three precisely defined and limited permissions for corporate and union activity related to the political process.
>
> The courts, as well as other independent students of section 610 and its legislative history, have concluded that the 1947 Congress did not intend to prohibit corporations or unions from communicating freely with their *members* and *stockholders*—see *U.S. v. CIO*, 335 U.S. 106—from conducting nonpartisan regulation and get-out-the-vote campaigns, or from securing voluntary contributions made directly to the support of a labor or management political organization—93 Congressional Record 6440, remarks of Senator Taft." (Emphasis added). (117 Cong. Rec. 43380).
>
> * * * * *
>
> At the present time there is broad agreement as to the essence of *the proper balance in regulating corporate and union political activity required by sound policy and the Constitution*. It consists of a strong prohibition on the use of corporate and union treasury funds to reach the general public in support of, or opposition to, Federal candidates, and a *limited permission to corporations and unions*, allowing them to communicate freely with members and stockholders on any subject, *to attempt to convince members and stockholders* to register and vote, and *to make political contributions, and expenditures financed by voluntary donations which have been kept in a separate segregated fund. This amendment writes that balance into clear and unequivocal statutory language*. (Emphasis added). (117 Con. Rec. 43381).
>
> * * * * *
>
> Representative Hansen further emphasized this distinction by quoting Senator Taft's explanation of section 610 as it was enacted in 1947:
>
> *The dividing line established by 610 is between political activity directed at the general public in connection with Federal elections which must be financed out of political donations and activities directed at members or stockholders which may be financed by general funds* * * *
>
> Finally, there can be no doubt that *union members* or *stockholders* should have the right to set up special political action funds supported by voluntary donations from which political "contributions and expenditures" can lawfully be made. As Senator Taft stated in his floor explanation of section 610:
>
> *If* [*union members or stockholders*] *are asked to contribute directly* * * * *to the support of a labor* [*or management*] *political organization, they know what their money is to be used for and presumably approve it.* From such contribution the organization can spend all the money it wants to with respect to such matters. But the prohibition is against labor unions using their *members'* dues for political purposes, which is exactly the same as the prohibition against a corporation using its *stockholders'* money for political purposes, and perhaps in violation of the wishes of many of its stockholders. 93 Cong. Rec. 6440 (Emphasis added). (117 Cong. Rec. 43381).

Earlier in the debate the following colloquy occurred among Rep. Hansen and Reps. Dellenback and Hays:

> May I ask as a general question, Mr. Hansen, *is it your intent by the way you have drafted the amendment to propose that corporations and unions be treated absolutely equally?*
>
> Mr. HANSEN of Idaho. That is correct.
>
> Mr. DELLENBACK. And, further, if a situation is proper for a corporation, it is also proper for a union and if it is proper for a union, then it is also proper for a corporation.
>
> I think it is extremely important that what you have *here proposed is an amendment that seeks to bring about equity*. I think it is important that a union be able to communicate with its *members* and do what the law already permits it to do, and likewise I feel it is important that a corporation be able to do that same thing with its *stockholders*.
>
> Mr. HAYS. I join in support of this particular amendment. It seems to me that it does work equity in what has been a very troublesome situation in the past. (Emphasis added). (117 Cong. Rec. 43380).

This statement of Congressional intent, involving as it does the author of the amendment (Rep. Hansen) and the Chairman of the House Committee (Rep. Hays) is entitled to special weight.

3. In line with this legislative history, the Supreme Court stated in the *Pipefitters* case that the first and third exceptions of the Hansen Amendment are integrally related and similarly limited to stockholders and members:

> With the exemption for communications to *stockholders* or union *members* and their families apparently in mind, Hansen stated, for example, 117 Cong. Rec. H11478:
>
> "[E]very organization should be allowed to take the steps necessary for its growth and survival. There is, of course, no need to belabor the point that Government policies profoundly affect both business and labor * * * If an organization, whether it be the NAM, the AMA or the AFL–CIO, believes that certain candidates pose a threat to its well-being or the well-being of its *members* or *stockholders*, it should be able to get its views to those *members* or *stockholders*. As fiduciaries for their *members* and *stockholders* the officers of these institutions have a duty to share their informed insights on all issues affecting their institution with their constituents. Both union *members* and *stockholders* have the right to expect this expert guidance.
>
> *This reasoning, of course, applies as well to solicitations for contributions to voluntary political funds.*" (Emphasis added). (*Pipefitters, supra* at 431 no. 42).

4. The interpretation given § 610 by the majority of the Commission seems to me to be slanted in favor of corporate political fund solicitations, as compared with union. Congress means to hold the balance even.

In introducing his Amendment, Rep. Hansen stated:

> The net effect of the amendment, therefore, is to tighten and clarify the provisions of section 610 of title 18 United States Code, and to codify the case law. It spells out more clearly the rules governing election activities *that apply equally* to labor unions and corporations. While prohibiting abuses that involve activities directed at the general public, the amendment recognizes that the constitutional guarantee of free speech protects the right of labor organizations and corporations to communicate with their own *members or stockholders*. (Emphasis added). (117 Cong. Rec. 43379).

The Commission's ruling destroys that balance. Unions are presumably limited to communicating with and soliciting their members, while corporations may solicit not only their stockholders, but all employees, whether union members or not. This is a curious result to flow from the union-supported and corporation opposed Hansen Amendment.

The imbalance resulting from the majority's ruling can readily be discerned by reference to statistical data. The Sun Oil Co.,[1] which had gross earnings in excess of 3.7 billion dollars at the end of 1974, has almost five times as many stockholders as it does employees. As of December 31, 1974, the company had 126,555 stockholders holding 57,301,668 shares of preferred and common stock in the company. At the end of the same period, the company had only 27,707 employees. Under the majority's ruling, Sun Oil is now permitted to solicit partisan political contributions from well over 127,000 individuals including employees who are not also stockholders. On the other hand, the labor union affiliated with Sun Oil is restricted in its solicitation to the small percentage of the 27,000 employee workforce which holds membership in the union. The union presumably cannot even solicit employees who must go through its hiring halls for employment with Sun Oil if those employees are not also union members. On a national scale, the majority ruling grants corporations as a group an unfair advantage over labor unions in the solicitation of political contributions. It is estimated that over 30,900,000 individuals own shares of stock in American corporations. 1975 *World Almanac* 94. But, out of the nation's total workforce of 84,000,000 workers, only 18,000,000 of them (or about 21%) are members of labor unions including AFL–CIO, independent, CNTU, and CLC unions. 1975 *World Almanac* 108. Had corporations been restricted to soliciting only their stockholders, they could have solicited almost twice as many individuals as labor unions. Under the majority's ruling, however, corporations now have the potential of soliciting almost the entire workforce of the nation. Congress certainly did not intend to create such a gross disparity in the solicitation power of corporations and unions, by enacting the segregated fund exception to § 610, as the majority of the Commission now permits in its interpretation of the statute.

5. Finally, the majority ruling is inconsistent with scholarly writings dealing specifically with the solicitation question. These writings demonstrate in clear terms that a reasonable interpretation of § 610 would restrict corporations to soliciting only their stockholders.

For instance, corporations have been advised in the *Business Lawyer*, a regular journal of the American Bar Association's Section of Corporation, Banking and Business Law, to direct solicitations of partisan political money to their stockholders. R. Garrett, "Corporate Contributions for Political Purposes," 14 *Bus. Law.* 365 (1959). Mr. Garrett closely examined § 610 and cases construing the statute including *United States* v. *CIO*, 335 U.S. 106 (1948) and *United States* v. *UAW*, 352 U.S. 567 (1957). On the basis of these and other Federal court decisions and labor union practices, particularly in operating COPE, Mr. Garrett reached the following conclusions:

> Since Section 610 in terms *applies equally to labor organizations and to corporations*, certain conclusions relative to corporations under that section may be derived from the labor cases and the known practices of the unions:
>
> * * * * *
>
> (3) Corporations may use corporate facilities for soliciting voluntary contributions from *stockholders* to a fund to be donated or used for political purposes. (Emphasis added). *Garrett, supra,* at 375–76.

Mr. Garrett explained further that:

> Corporate management eager to do something, but unwilling to put its neck in the noose for the purpose of making some law at the risk of heroic sacrifice, might well be advised to use the corporate facilities to arouse *stockholders* to voluntary contributions and political awareness. *The New York Stock Exchange has estimated that there are over 8½ million holders of stock in American corporations. They constitute a group who might be aroused to contribute and work for political purposes with possibly great effect*[2] Where corporate soliciting of contributions from stockholders is bipartisan, as, for example, where stockholders are invited to contribute a very small percentage of a dividend to the party which they designate individually, there would seem to be little real danger of prosecution. (Emphasis added). *Id.* at 377.

Another writer, the General counsel of the United States Chamber of Commerce, reached similar conclusions. Speaking in the *American Bar Association Journal*, the General Counsel said, after a thorough and careful analysis of Section 610 and Federal court decisions, that:

> As for the Federal Corrupt Practices Act, *the corporation can play safe in its partisan political activity only if it limits its appeals*, whether written or oral, so as to avoid the general public and communicate rather to *its stockholders*. On principle it seems a corporation should be allowed to appeal also to its employees, along with its stockholders, although there is no decision which settles this point. (Emphasis added). W. Barton, "Corporation in Politics: How Far Can They Go Under the Law," 50 *ABA Journal* 228, 231 (1964).

There have been no court decisions which have held that under § 610 corporations are authorized to solicit contributions from employees.

We see no warrant for the construction of § 610 adopted by the majority.

B. The establishment of SUN-EPA

We also dissent from the majority's ruling monies to establish a "trustee" plan contribution program for its employees.

1. As previously noted, the intent of the Hansen Amendment was to set forth in "clear and unequivical statutory language" the "*limited* circumstances" under which corporations could spend treasury money in connection with federal elections. Those "limited circumstances" included the establishment of segregated funds. They did not include any other types of political contributions or expenditures from general corporate funds. The majority ruling, permitting corporations to subsidize "trustee" plans with treasury funds, simply does violence to the plan language of § 610 which authorizes only three types of activities which are supportable with corporate or union treasury money.

2. The meanings of the terms "expenditure" and "in connection with a federal election," as used in § 610, are broad enough to embrace the "trustee" plan proposed by Sun Oil. Certainly, the expenditure of treasury funds for SUN-EPA is intended to be "in connection with a federal election" inasmuch as Sun Oil has admitted that as a result of these expenditures, its employees will have a facility through which they can make contributions to candidates for federal office. The Justice Department made a similar observation in its comments when it said that "the general objective of the program is certainly 'political' in that it encourages employees to participate voluntarily in politics through personal contributions."

This conclusion is consistent with judicial interpretations of the terms "expenditure" and "in connection with." As noted by the D.C. Circuit United States Court of Appeals in *Buckley v. Valeo*, 519 F. 2d 821, 852–53 (D.C. Cir. Aug. 29, 1975):

> An expenditure may obviously inure to the benefit of a candidate even though the expenditure was not directed by the candidate and the candidate was not in control of the expenditures or of the goods or services purchased.

Similarly, Mr. Justice Rutledge, concurring in *United States v. CIO, supra*, characterized the broad reach of the terms "expenditure" and "in connection with" as used in section 610. (*Id.* at 133):

> The crucial words are "expenditure" and "in connection with." Literally they cover any expenditure whatever relating at any rate to a pending election, and possibly to prospective elections or elections already held. The broad dictionary meaning of "expenditure" takes added color from its context with "contribution." *The legislative history is clear that it was added by the 1947 amendment expressly to cover situations not previously included within the legislative interpretation of "contribution." The coloration added is therefore not restrictive, it is expansive.* * * * (Emphasis added).

Mr. Justice Frankfurter applied these same principles, regarding the breadth of the term "expenditures," in upholding an indictment prosecuted under section 610. See, *United States v. UAW, supra*, at 585.

It matters not that Sun Oil will exercise no control over the operations of SUN-EPA or the activities of employees participating in the program. The law prohibits expenditures in connection with Federal elections—it does not go behind those expenditures to determine whether they will be made with a benevolent or patriotic intent. By facilitating employee contributions, through its subsidization of SUN-EPA, Sun Oil is necessarily using treasury funds in connection with Federal elections.

3. The majority concluded that expenditures of SUN-EPA were not prohibited by § 610 because they would not represent "any direct or indirect payment by Sun Oil *to* any candidate, campaign committee, or political party or organization." (Emphasis added). This conclusion apparently relies on the definition of the terms "contribution" and "expenditure" added to § 610 by the 1971 Amendment. But, that definition says that these terms "shall *include*" certain transactions. Since this is not language of limitation, it is clear that the majority's interpretation of these terms is too narrow. Mr. Justice Rutledge's broad interpretation of these terms in the *CIO* case has still survived the 1971 Amendment and is controlling. Accordingly, the majority should have restricted its focus to the broader concept of an expenditure "in connection with a federal election" which would have made expenditures for SUN-EPA unlawful. The Justice Department recently prosecuted a § 610 case against a labor union official where it expressed its views on the meaning of "contribution" and "expenditure" prior to the 1971 Amendment. In *United States v. Boyle*, 482 F. 2d 755 (D.C. Cir.), *cert. denied* —— U.S. ——, 94 S. Ct. 593 (1973), the Justice Department advised the trial court that:

> It is important to note that Section 610 itself *does not speak in terms of contributions to candidates for office but rather in terms of "in connection with any election."* (Emphasis added).

Trial Brief for Department of Justice at 11, *United States v. Boyle*, No. 1741–71 (D. D.C.)

The trial court sustained this view of the law in rejecting the defendant's motion to dismiss the indictment on the grounds that Section 610 was unconstitutional or vague. *United States v. Boyle*, 338 F. Supp. 1028, 1031–32 (D. D.C., 1972). This case shows that what makes an expenditure of treasury funds unlawful is simply the fact that it is "in connection with" an election.

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[1] The statistics on the Sun Oil Co. may be found in *Moody's Industrial Manual*, 2351–57 (Vol. 2, 1975).

[2] This was the 1959 estimate. As previously noted, the current estimate of stockholders in American corporations exceeds 30 million.

4. The majority's narrow interpretation of § 610, to permit expenditures for SUN-EPA, has the effect of overruling by implication practically all of the advisory opinions which have dealt with indirect contributions or expenditures. Three opinions which immediately come to mind are (1) AO 1975-4, 40 Fed. Reg. 29793) (July 15, 1975), in which the Commission held that the guarantee of a loan made to the Democratic National Committee, to the extent that the loan was not repaid, was a contribution even though the loan itself was not; (2) AO 1975-14, 40 Fed. Reg. 34084 (Aug. 13, 1975), in which the Commission held that the donation by a corporation of a computer, to analyze the results of a non-partisan public issue opinion poll issued by a Congressman, was a violation of Section 610; and (3) AO 1975–27, 40 Fed. Reg. 51351 (Nov. 4, 1975), in which the Commission held that expenses incurred by a candidate for legal and accounting fees for the purpose of complying with the election laws were expenditures.

For these reasons, we see no merit in the majority view that expenditures for SUN-EPA are lawful under § 610.

Sun Oil has not asked and the Commission has not ruled whether the two plans are permissible under § 611, assuming that Sun Oil is a government contractor. It should be noted, however, that the language of § 611 is even broader than that of § 610. It provides severe criminal penalties for any government contractor-who "directly or indirectly makes any contribution of money or other thing of value * * * to any person for any political purpose or use." And while § 611 contains a special proviso, added by the 1974 Act, validating a "separate segregated funds" which meets the requirements of § 610, it contains no exception in favor of a trustee plan, such as SUN–EPA.

THOMAS E. HARRIS,
Commissioner for the Federal Election Commission.

ROBERT O. TIERNAN,
Commissioner for the Federal Election Commission.

Mr. CANNON. Mr. President, while the Senate is considering S. 3065, the House of Representatives is considering similar legislation. On Thursday, March 11, the Committee on House Administration reported out H.R. 12406. There are many similarities between S. 3065 and H.R. 12406, and as it is necessary for the two Houses of Congress to come to eventual agreement on the form of this important legislation, I have asked that a copy of H.R. 12406 be made available to each of my colleagues for their information as we consider S. 3065. Although the two bills are virtually identical in structure and contain many provisions which are almost identical in substance as well, there are substantive differences in various sections of the bill which would be helpful for us to be aware of. Accordingly, I ask unanimous consent that a summary of the key differences between S. 3065 and H.R. 12406 be printed in the RECORD.

There being no objection, the summary was ordered to be printed in the RECORD, as follows:

SUMMARY OF THE KEY DIFFERENCES BETWEEN S. 3065 AND H.R. 12406

Whereas both bills would reconstitute the Federal Election Commission in an identical manner, H.R. 12406 would have the terms of one member of the Commission expire each year, providing that the terms of a member representing one political party shall expire on alternate years. S. 3065, on the other hand, provides that the terms of two members not affiliated with the same party expire every two years so that members are not reappointed in an election year.

H.R. 12406 requires, as does S. 3065, the affirmative vote of four members of the Commission in order to establish guidelines, initiate civil actions, render advisory opinions, make regulations, conduct investigations, or report apparent violations of law. However, S. 3065 contains an additional provision that no less than two of the four members voting in favor of such actions shall be affiliated with the same political party.

H.R. 12406 provides that the terms of all the present Commissioners, expire when all the new Commissioners are appointed and qualified, whereas in S. 3065, at pp. 5 and 6 of the bill, the existing Commissioners' terms would expire when a majority of the new Commissioners are appointed and qualified. The S. 3065 provision is intended to permit the new Commission to begin operations at an earlier date, in the event a delay occurs in the appointment or qualification of one or two Commissioners.

H.R. 12406 has an identical provision to S. 3065 prohibiting Commissioners from engaging in any outside business or professional activity while holding office. However, under Section 101(c) (1) on page 4 of S. 3065 this prohibition would not become effective until two years after the date the bill becomes law.

S. 3065, at Sections 101(d) and 101(g) contains certain transfer and continuity provisions which are not in H.R. 12406. These are summarized on pages 3 and 4 of the Committee's report on S. 3065.

Both bills contain certain changes, many of which are similar, in the definitional sections of the Federal Election Campaign Act of 1971 and are located at pages 8–11 of S. 3065 and 6–10 of H.R. 12406.

Subsections (a) and (b) of Section 103 of S. 3065 contain provisions to reduce the accounting and recordkeeping burdens for political committees by requiring that records be kept only on contributions in excess of $100 instead of in excess of $10. S. 3065 also has a provision which states that a contributor's occupation does not have to include the name of the employer, firm, business associate, customers or clients for recordkeeping or reporting purposes. These are set forth at pages 11, 12, and 13 of S. 3065. H.R. 12406 does not contain any provisions with respect to this subject matter.

Section 104(a) of S. 3065, at page 12 of the bill, provides that in a non-election year, a candidate and his authorized committees must file quarterly reports only for quarters in which more than $5,000 in contributions have been received, or more than $5,000 in expenditures have been made. Section 104(a) of H.R. 12406 has a similar provision but would exempt quarterly reporting in non-election years wherein a candidate and his authorized committees had received contributions or made expenditures in any calendar quarter totalling in excess of $10,000.

Section 106 of H.R. 12406 contains a provision amending 2 USC 437b(a) (1) to provide that the principal campaign committee of a candidate or any other authorized political committee which receives or makes contributions on a candidate's behalf shall maintain one or more checking accounts, at the discretion of any such committee, at a depository designated by the candidate. Existing law merely requires the keeping of "a checking account." S. 3065 does not contain a provision with respect to this subject.

H.R. 12406 revises the advisory opinion provisions of 2 USC 437(f) to provide that all advisory opinions, the transaction or activity with respect to which is not subject to an existing rule or regulation, shall be transmitted to the Congress as a proposed rule or regulation. S. 3065, however, would require only those advisory opinions which set forth a rule of general applicability to be transmitted to the Congress as a proposed rule or regulation.

H.R. 12406, at Section 108(d) has the effect of requiring the Commission to transmit all its outstanding advisory opinions, which are not the subject of an existing rule or regulation, to the Congress for review. Section 107 of S. 3065 (pp. 17–19 of the bill) and Section 108 of H.R. 12406 (pp. 15–17 of the bill) contain the respective provisions which would amend the advisory opinion provisions of existing law.

The enforcement provisions of the two bills provide for similar conciliation and civil enforcement procedures. H.R. 12406, however, does provide for a civil penalty not exceeding the greater of $5,000 or an amount equal to the amount of any contribution or expenditure involved in a violation where such violation is not a knowing and willful one. E. 3065 does not have such a provision. The House bill also provides a civil penalty, where a violation is knowing and willful, to be the greater of $10,000 or an amount equal to 200 per cent of the amount of any contribution or expenditure involved in such violation, whereas S. 3065 would provide a civil penalty for a knowing and willful violation of the greater of $10,000 or an amount equal to 300 per cent of the amount of any contribution or expenditure involved in the violation.

H.R. 12406 requires the Commission to make every endeavor, for a period of not less than 30 days, to correct or prevent a violation by informal methods of conciliation, except under certain specified circumstances just prior to an election which are set forth on page 20 of that bill. The Senate bill, S. 3065, would not bind the Commission to 30 days of conciliation efforts, so that it would have some discretion to take immediate action to invoke the civil relief provisions of the law in the event that it determined that there was probable cause to believe that a violation had occurred, or was about to occur, of such magnitude and nature that the interests of the public would compel immediate resort to the courts for judicial relief. As stated on page 8 of the Committee report on S. 3065, "If such a situation does not occur, the Commission is expected to pursue with diligence, for a reasonable period of time, an attempt to correct or prevent all violations by informal methods, except as otherwise provided in the bill."

There are two additional provisions in the enforcement portion of H.R. 12406 which are not contained in S. 3065. The first is on page 18 of that bill, and states as follows:

"Notwithstanding any other provision of this Act, the Commission shall not have the authority to inquire into or investigate the utilization or activities of any staff employee of any person holding Federal office without first consulting with such person holding Federal office. An affidavit given by the person holding Federal office that such staff employee is performing his regularly assigned duties shall be a complete bar to any further inquiry or investigation of the matter involved."

The second provision in the enforcement portion of H.R. 12406, not contained in S. 3065, is on page 26 of that bill, and provides that any member of the Commission, any employee of the Commission or any other person who makes public any notification or investigation under new Section 313(a)(2), without the written consent of the person receiving such notification or the person with respect to whom the investigation is made, shall be fined not more than $2,000. If it is a knowing and willful violation, the fine would be $5,000.

The other differences in the enforcement provisions of the two bills can be found in Section 108, pages 19–27 of S. 3065, and Section 109, pages 18–26 of H.R. 12406.

Section 110(a)(2) of H.R. 12406 requires the Commission to give priority to auditing and field investigating the verification for, and the receipt and use of, any payments received by a candidate under the public financing provisions of the Internal Revenue Code. S. 3065 does not contain such a provision.

Section 110(b) of H.R. 12406 contains a provision which would permit the Congress to disapprove a part of a regulation submitted by the Commission, rather than have to take disapproval action with existing law. S. 3065 does not contain such a provision.

Section 110(c) of H.R. 12406 contains a provision at pp. 27–28 of the bill not in S. 3065, that in any proceeding, including any civil or criminal enforcement proceeding against any person charged with a violation of the Act or the public financing provisions of the Internal Revenue Code, no rule, regulation, guideline, advisory opinion, opinion of counsel, or any other pronouncement by the Commission or by any of its members, officers or employees, (other than any rule or regulation of the Commission which has become effective) shall be used against any person, either as having the force of law, as creating any presumption of violation or criminal intent, or as admissable in evidence against such person or in any manner whatsoever.

S. 3065 would repeal Section 456 of Title 2, United States Code, which gives the Commission power to disqualify candidates in future elections. Section 111 of H.R. 12406 would retain this section and provide 30 days prior to the Commission's being able to exercise its disqualification powers.

Section 112 of H.R. 12406 contains a provision which would repeal existing Section 2 USC 43 requiring copies of all reports to be filed with appropriate state officers, S. 3065 does not contain such a provision.

With respect to the provisions limiting contributions and expenditures, the essential difference between the two bills would be that H.R. 12406 would limit contributions by persons to political committees in any calender year to an aggregate of $1,000. This is not in S. 3065, and, under present law, for example, an individual could make up to a $25,000 contribution in a calendar year to a political committee which is not authorized to receive funds on behalf of a particular candidate or where the funds are not earmarked for a particular candidate—assuming that the individual has not made any other contributions in that year.

S. 3065 has a provision limiting contributions one political committee can make to another political committee, (other than to a political committee authorized to receive funds on behalf of a particular candidate) to an aggregate of $25,000 in a calendar year. Under present law, such contributions are unlimited. H.R. 12406 would limit that amount to $5,000 in a calendar year. Both bills contain similar, though not identical language directed at curtailing the vertical proliferation of contributions by political committees. See pages 29–31 of H.R. 12406 and pages 27–29 of S. 3065 for a comparison of those provisions.

S. 3065 and H.R. 12406 both propose a revision of existing Section 610 of Title 18 related to limitations on contributions and expenditures by corporations and labor organizations. The changes proposed by both bills are similar with the following key exceptions. First, S. 3065 contains language at page 36 of that bill, which would treat public utility holding companies the same as other corporations for purposes of the limitations on contributions and expenditures set forth in the section. Second, H.R. 12406 contains language at page 40 of that bill which provides that an incorporated trade association or a separate segregated fund established by an incorporated trade association would be permitted to solicit contributions from the stockholders and executive officers of the member corporations of such trade association and the families of such stockholders and executive officers. This could be done to the extent that any such solicitation of such stockholders and executive officers and their families had been separately and specifically approved by the member corporation involved, and such member corporation had not approved any such solicitation by more than one such trade association in any calendar year. Third, S. 3065 contains a definition of stockholder not in H.R. 12406.

H.R. 12406 at page 44 of the bill, raises the limitation on contributions of currency from $100, which is in existing law and in S. 3065, to $250. It also sets a specific criminal penalty, not in S. 3065, for any person who knowingly and willfully violates the $250 prohibition.

H.R. 12406 restates existing Section 616 related to honorariums, whereas S. 3065 would increase the amount of individual honorariums from $1,000 to $2,000, and the aggregate calendar year amount which may be received as an honorarium from $15,000 to $24,000.

H.R. 12406 at page 45 of that bill, contains criminal penalties which would be applicable for any person who knowingly and willfully commits a violation of the Act involving the making, receiving, or reporting of any contribution or expenditure having a value in an aggregate of $5,000 or more during a calendar year, whereas S. 3065 would provide for criminal penalties where such aggregate amount is $1,000 or more. Also, with respect to the imposition of criminal penalties, S. 3065, at page 44 of the bill, provides that a conciliation agreement under certain circumstances would be a complete defense to criminal prosecution. H.R. 12406 does not have such a provision.

Section 115 of H.R. 12406, at page 47 of that bill, contains a provision providing for the termination of the authority of the Commission on March 31, 1977, if either House of the Congress, by appropriate action determines that such determination shall take effect. This provision requires the appropriate committee of each House of the Congress, commencing January 3, 1977, to conduct a review of the elections of candidates for Federal office conducted in 1976, the operation of the public financing provisions of the Internal Revenue Code with respect to such elections, and the activities of the Commission, and for these committees to report to their respective Houses not later than March 1, 1977, with a recommendation of whether the authority of the Commission shall be terminated on March 31, 1977.

Although there are other less substantive differences between the two bills, as well as some drafting differences, the final major difference is the provision in H.R. 12406, which S. 3065 does not have, providing that an individual who has ceased actively to seek election to the office of President or Vice President, to cease receiving public funds and return those funds received by that candidate which are not used to defray qualified campaign expenses. These provisions relating to both matching funds and direct grant payments are set forth at pages 55–57 of H.R. 12406.

Mr. HATFIELD. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. HATFIELD. In the unanimous-consent agreement that was offered by the distinguished assistant majority leader, Mr. Robert C. Byrd, a short time ago, and which was agreed to, I believe no time agreement was involved. Is that correct?

The PRESIDING OFFICER. There was no provision for time. However, the vote will take place, under the unanimous-consent agreement, at 3 o'clock.

Mr. HATFIELD. How is the time to be controlled?

Mr. ALLEN. There is no control of time. The Senator may make a request as to control of time.

Mr. HATFIELD. Mr. President, I ask unanimous consent that the time be equally allocated between the chairman of the Committee on Rules and Administration and the designated minority Member on this side of the aisle.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HATFIELD. Mr. President, in order to define that unanimous-consent agreement further, I ask unanimous consent that that time begin following my opening remarks, so as to correlate to the opening remarks period of the Senator from Nevada.

The PRESIDING OFFICER. Is there objection to the request? The Chair hears none, and it is so ordered.

Mr. HATFIELD. Mr. President, I ask unanimous consent that the following staff members of the Committee on Rules and Administration be granted the privilege of the floor during the consideration of and rollcall votes on the Federal Election Commission measure: James Schoener, Andrew Gleason, Larry Smith, Barbara Conroy, and Karleen Millnick.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HATFIELD. Mr. President, the Senate's consideration of S. 3065, in the middle of an election year, is most untimely. It is untimely because many candidates for Federal office have already established their respective campaign committees under the guidelines of the 1974 Election Act. While it was the Supreme Court which thrust this uncertainty upon us, the real uncertainty had already been cast in 1974 when the Congress passed the Federal Election Campaign Act Amendments of 1974. The responsibility for the confusion over the law which we have here today must lie directly with the Congress. Let me remind my colleagues that we will also be bearing the responsibility for the changes we make in the election laws this year.

Mr. President, we are debating this bill today because of the past desire of the Congress, and particularly the House of Representatives, to interfere and usurp the duties and functions of the President of the United States by appointing four members to the Federal Election Commission. The Constitution of the United States clearly provides in article II, section 2, that the President "shall nominate, and by and with the advice and consent of the Senate, shall appoint ambassadors, other public ministers and consuls, judges of the Supreme Court, and all other officers of the United States, whose appointments are not herein otherwise provided for, and which shall be established by law."

Mr. President, I find nothing in the Constitution which gives the Congress the power to nominate and appoint offices of the Federal Government. I find nothing in the Constitution which gives the House of Representatives the authority to provide "advice and consent" on the confirmation of Presidential appointments.

Mr. President, we must not ignore the Constitution in 1976 as we did in 1974. If we do, we will soon find ourselves back in this Chamber debating our national election laws.

I am concerned, Mr. President, that the Congress may once again be careless in the review and consideration of our election laws. I am fearful that we will load this bill up with so many items, resulting in major changes in the current law, that no one will know what types of reforms we have made, if any at all. Unless we are careful, we may be adding to the confusion which now exists, instead of clarifying matters, as we are supposed to do. Unless we are careful, we may find ourselves with another Supreme Court decision mandating more changes in our election laws, just as the Court has seen fit to do in this case.

If Congress is truly interested in reforming our election laws, then let us make sure that such reform is done in an atmosphere of calm, and without the time pressures we currently have. If Congress is really serious about the need to reform our election laws, then let us wait until after the 1976 elections to institute such changes. To make any substantial changes now, other than those suggested by the President and the Supreme Court, would only muddy up the electoral process, instead of clarifying the political waters.

I believe many of us can remember the last time we debated an election bill in 1974. There were so many amendments, so many changes, that no one really knew what we had in the end product. Our distinguished senior Senator from Rhode Island (Mr. PASTORE) summed up the situation in 1974 very well when he said on the Senate floor in October of 1975:

> Mr. President, maybe this group would like to hear from someone who is not a candidate.
>
> I quite agree. The law is absurd. We created a monster. It is our own fault. I said in the beginning that all we needed was to set a limit on spending; to have a full disclosure as to where one gets the money and how we spends the money. That would have been a two-page law that everybody would have understood.
>
> We have a law now that even the people who wrote it do not understand.
>
> I remember, I went to that conference and we were there for days and days and days and nobody understood what was in that bill. But at that we were running like scared rats for some reason. I do not know why. We were runing like scared rats. We thought the stronger we make it, the tougher we make it, the more people would believe us. I do not think they believe us any more today than they did before we passed the law.
>
> That is what we have.
>
> I think if we want to resolve this problem, what we ought to do is change the law, simplify the law. Just say how much an individual can spend, have him disclose where he gets the money, and have him itemize every nickel that he spends. Have him do it 60 days before the election so that the people know, and prohibit him from collecting any money after that. If we do that, we have solved this problem. Maybe I simplified it, but after all, simplicity in this body. I dare not say it.

Mr. President, the potential is here for us to do the very same thing we did in 1974. However, the situation could be even more disastrous, because we have so little time to accomplish the task the Supreme Court has said we must do—that being the reconstitution of the Federal Election Commission.

President Ford has suggested a very easy method by which we can accomplish this task. All we have to do is reconstitute the Commission as it is presently structured, calling for the President to nominate the commissioners with the advice and consent of the Senate. Then, after the 1976 elections, the new Congress can take a long hard look at our election laws and make the determination, based upon the experiences of the 1976 elections, which sections of the law need to be changed or reformed. The very law we are about to begin debating, the very law which is about to be substantially changed by some, has yet to be tested in an election. Why waste the Senate's time in rewriting this measure, when we will probably have to rewrite some sections of the amended law as a result of the 1976 elections? Why spend time changing our election laws to mollify certain interest groups, when the same could be done and should be done 10 months later?

Mr. President, if I may, I should like to make a few comments regarding S. 3065, the election law bill, as reported out of the Senate Rules Committee. While I differ with our distinguished chairman as to the contents of this bill, it needs to be made clear that we both share a common purpose—that purpose being the passage of a comprehensive and a fair election law measure. It should be noted that our chairman was extremely fair during the course of the markup sessions and permitted every member of the committee, no matter what his position may have been, to participate and discuss fully all aspects of the measure.

S. 3065, as reported out of the Committee on Rules, does trouble me. It troubles me because I feel it threatens the lifeline of the very Commission it purports to extend or to protect. If S. 3065 is adopted as written, the Congress in effect will be stripping the Federal Election Commission of its independence. How anyone can argue that the Commission will not be hamstrung, when in fact we are requiring it to issue regulations within 30 days of every advisory opinion which sets forth a rule of general applicability, is beyond comprehension.

Mr. President, if I may, I should like to read a portion of the proposed bill to my colleagues. Section 107(B)(1) reads as follows:

> The Commission shall, no later than 30 days after rendering an advisory opinion with respect to a request received under subsection (A) which sets forth a rule of general applicability, prescribe rules or regulations relating to the transaction or activity involved if the Commission determines that such transaction or activity is not subject to any existing rule or regulation prescribed by the Commission.

It has taken the Senate over 40 days even to get to the point of considering this legislation in response to the Supreme Court decision of January 30. How can we expect another body to perform, when we fail in discharging our responsibilities in a matter as simple as reconstituting the Federal Election Commission?

Here we sit as Members of Congress, able to reject, totally out of hand, regulations promulgated by the Commission, when our challengers, the nonincumbents, have no way of rejecting undesirable regulations. I have been one of those most critical of the Federal Election Commission and its large bureaucratic staff. I believe some of its regulations have been very unrealistic and lack any basic understanding of the demands placed upon Federal officeholders. But, even though I have felt that the FEC has overstepped its boundaries on occasion, I am not in favor of tying the Commission's hands.

Mr. President, if I may, I would like to read another portion of S. 3065 to my colleagues. Title I, section 101, subsection "C" (c) (1) read as follows:

> Members of the Commission shall not engage in any other business, vocation, or employment. Any individual who is engaging in any other business, vocation, or employment at the time such individual begins to serve as a member of the Commission shall terminate or liquidate such activity not later than one year after beginning to serve as such a member.

The question I have to ask of my colleagues is this: "Would we, as Members of Congress, accept or permit such a limitation on our outside activities?" Would we be willing to sell our family farms, our businesses, leave our law offices, or would we choose not to serve in the Congress? I believe for many the answer would be to leave the Senate. Are we asking the members of the Federal Election Commission to adhere to a code of ethics we are unable or unwilling to meet? I would suggest to my colleagues that we give serious thought to either removing this section from the bill or be prepared to vote on an amendment to include Members of Congress in this section.

Mr. President, I could go on as to the other inequities which can be found in this bill. I will not, however, discuss them at this time, because I am confident these inequities will be raised during the course of the debate.

Mr. President, I believe there is another course of action which can be taken by the Congress, and a responsible one at that.

Mr. President, I suggest to my colleagues that we vote in favor of the simple extension of the Federal Election Commission, as outlined in Senator GRIFFIN's bill. To do otherwise this late into the election year is purely irresponsible legislating. As one Senator, I want no part in politicizing the Commission. As one Senator, I want no part in stripping the FEC of its power and its independence. I want no part in giving one interest group an unfair advantage over another interest group. I want no part in an effort to make this measure an incumbent's bill. S. 3065 would accomplish these things. I urge my colleagues to vote against it and vote in favor of the simple reconstitution of the Commission. However, if the Senate should adopt S. 3065 as reported out of the Committee on Rules, I would hope that the President of the United States will see fit to veto the measure. To do otherwise, to subject the Federal Election Commission to such restraints, would be a disservice to the American people.

Mr. President, I suggest the absence of a quorum, and I ask unanimous consent that it be charged equally to both sides.

The PRESIDING OFFICER. Without objection, it is so ordered. The clerk will please call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. CLARK. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. CLARK. Mr. President, I ask unanimous consent that Andrew Loewi from my staff be allowed the privileges of the floor during the consideration of this measure.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. CLARK. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The request for the quorum call will be charged equally against both sides.

Mr. CLARK. That is correct.

The PRESIDING OFFICER. Without objection, it is so ordered. The clerk will please call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, on behalf of Mr. Cannon, I yield myself 1 minute. Mr. President, I ask unanimous consent that during the consideration of S. 3065, the Federal Election Campaign Act Amendments of 1976, Mr. Roy Greenway, and Jan Mueller of Senator Cranston's staff be given the privileges of the floor.

The PRESIDING OFFICER. Without objection, it is so ordered.

RECESS UNTIL 2 P.M.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that, with the understanding that at 2 o'clock when the Senate would come back in following a recess, the time between the hour of 2 o'clock and 3 o'clock today be equally divided between Mr. Hatfield and Mr. Cannon, and that the Senate stand in recess until the hour of 2 p.m. today.

There being no objection, the Senate at 1 p.m., recessed until 2 p.m.; whereupon the Senate reassembled when called to order by the Presiding Officer (Mr. Stafford).

FEDERAL ELECTION CAMPAIGN ACT AMENDMENTS OF 1976

The Senate continued with the consideration of the bill (S. 3065) to amend the Federal Election Campaign Act of 1971 to provide for its administration by a Federal Election Commission appointed in accordance with the requirements of the Constitution, and for other purposes.

The PRESIDING OFFICER. It is the understanding of the Chair that the pending amendment is the Griffin amendment to S. 3065. Who yields time?

Mr. GRIFFIN. Mr. President, I yield myself 10 minutes.

The PRESIDING OFFICER. The Senator is recognized for 10 minutes.

Mr. GRIFFIN. Mr. President, for all the reasons set forth in the Washington Post editorial of this morning entitled "Changing the Campaign Law," the substitute which I have offered should be adopted by the Senate. There are other reasons in addition to those set forth in the Washington Post editorial. I ask unanimous consent that this editorial and another one that appeared in today's Washington Star be printed in the Record.

There being no objection, the editorials were ordered to be printed in the Record, as follows:

[From the Washington Post, Mar. 16, 1976]

Changing the Campaign Law

When we last looked in on the question of amending the campaign laws, Rep. Wayne L. Hays (D-Ohio) and some allies were busy cementing a deal. Under this plan, the Federal Elections Commission would be reconstituted as mandated by the Supreme Court, but the commission's independence would be limited—and Congress would also take the opportunity to write new rules for political action committees, giving business groups less money-raising range and labor groups a little more.

Well, a familiar thing happened on the way to the floor. Members of both the House Administration Committee and the Senate Rules Committee had some further thoughts, primarily on ways to make compliance with the law less of a bother and investigations less of a threat. As a result, the bills now before the Senate and awaiting House debate are bulky, odd-shaped packages that contain some useful provisions, some undesirable ones and some that are downright mischievous.

To start with, many legislators are worried that the FEC and its staff could become too free-wheeling or too strict, so that candidates might face criminal prosecution for minor mistakes, or be hurt by endless investigation of a frivolous or malicious complaint. Thus the pending bills would remove criminal sanctions for minor violations, emphasize conciliation and civil penalties, and require complaints to be signed and sworn. Moreover, any official action—an investigation, rule-making or even the design of a form—would have to be approved by 4 of the 6 commissioners. These changes are generally constructive. However, it is too restrictive to require, as the Senate bill does, that two commissioners from each party must agree to anything.

The bills also invite trouble by cloaking crucial parts of the regulatory process in secrecy. This would be done by imposing criminal penalties on any FEC official who discloses any information about any pending case without the consent of the candidate involved. Meanwhile the candidate would be free to say anything he likes about the case or the FEC. Surely some less heavy-handed and more even-handed way can be found to enforce discipline and inspire some sense of responsibility on the part of FEC officials.

From there, the bills go rapidly downhill. Congressional influence over the commission would be intensified. Public disclosure of campaign finances in candidates' home states would be curtailed. Under the Senate bill, contributors would no longer have to identify their business affiliations, thus making it harder to find out who has given how much to whom. The House measure, meanwhile, would raise the ceiling on *cash* contributions from $100 to $250; that is a blatant invitation to abuse. Finally, the House committee, which is quite shameless where the interests of incumbents are concerned, even adopted an amendment that would block the FEC from looking into the activities of any congressman's staff—as long as the legislator says that his aides are doing official business.

Such provisions are so cynical that it is hard to believe they may survive. Yet most members of Congress seem preoccupied with other aspects of the bills. The most intricate dickering has been over what political committees, especially business groups, may and may not do. Some Republicans are suggesting, for instance, that President Ford may veto the bill if it bars corporate political action groups from soliciting funds from middle-level nonunion employees as well as stockholders and executives. Such intense interest in the flow of money may be inevitable in an election year. In the current political climate, however, maneuvers that obviously favor any special-interest group could cost a candidate a large amount of general public regard.

It is also untimely, in our view, for the self-styled champions of "campaign reform" to make a major push for public financing of congressional campaigns. Regardless of the appeal of such a plan, consideration of it ought to be deferred until the impact of contribution limits and public funding of presidential campaigns can be evaluated properly next year. For now, those legislators who do want serious, effective regulation of campaigns have quite enough to do in terms of cleaning up the measures that the two committees have devised.

[From the Washington Star, Mar. 16, 1976]

What Is Mr. Hays Up To?

It's hard to tell whether Rep. Wayne Hays is working for or against legislation to keep the Federal Election Commission in business.

You will recall that Mr. Hays had wanted to kill the commission but was turned around by George Meany of the AFL–CIO and House leaders who wanted the commission kept alive.

Mr. Hays's House Administration Committee has completed work on legislation ostensibly aimed at saving the Election Commission from legal infirmities found by the Supreme Court. But while fixing the flaws, the Administration Committee has added several appendages, at least one of which is highly controversial and might result in a presidential veto.

The Administration Committee has decreed that corporations that have organized political action committees to collect funds for candidates cannot solicit donations from employees; they could solicit only stockholders and management officials. No similar restriction was put on political action committees of labor organizations.

It is a blatant attempt by Mr. Hays & Co. to give labor an upper hand over management in raising political funds and electing candidates. A Republican member of the Administration Committee argued, to no avail, that limiting the right of solicitation to a certain class of individuals may be unconstitutional.

The White House has indicated that President Ford may veto the bill if it contains the restrictive provision when it reaches his desk. Mr. Hays, with his usual swagger, threatened to block requested appropriations for the U.S. Information Service unless Mr. Ford signs the bill—which smacks of political blackmail.

But wait. There may be more to all this than meets the eye. Perhaps the foxy Mr. Hays is trying to pull a fast one on his colleagues who want to keep the Election Commission in business. Could he be deliberately courting a presidential veto, hoping that the Election Commission will die of it?

Mr. GRIFFIN. Mr. President, this clearly is not the appropriate time to pass the bill that has been reported from the Committee on Rules and Administration. Under the circumstances existing at this time it would not be the right thing to do.

The proposal the Senator from Tennessee and I have offered as a substitute would simply, cleanly, and clearly reestablish the Federal Election Commission in a constitutional way and allow it to continue its functions.

The kind of proposal we have offered, and which will be voted on at 3 o'clock, can become law. There is no question but that the President would sign it. Everyone knows there is serious doubt as to whether the President would sign the kind of bill that has been reported from the Committee on Rules and Administration and is before the Senate or the kind of bill that has been reported in the House.

It is imperative that the Federal Election Commission be allowed to continue in existence, and that we meet our responsibilities to continue its life before the deadline set by the Supreme Court.

It is imperative and necessary so that those candidates in the Presidential election, not President Ford, incidentally, but the other candidates, will receive the funds to which they are entitled under the existing law.

It would put the President in a very awkward situation, of course, to place on his desk a monstrosity of this nature and, in effect, require him to veto it.

I can hear the charges now: "Well, he does not want the other candidates to receive Federal funds." I want to reject that kind of charge right now, and label it for what it is, because this Senate does have another choice. It has a responsible choice, and that is to pass a simple bill extending the life of the Federal Election Commission as separate legislation, and then deal later with these other so-called reforms, which are not reforms at all but which, in effect, seriously weaken the powers of the Federal Election Commission. The Senate can let those issues be submitted to the President on their own merits and in a separate bill.

This is no time to be tampering with the rest of the law. This is not the time to change the rules in the middle of the game, and we are in the middle of an election contest. The candidates have announced and are running on the basis of certain rules, and now the Committee on Rules and Administration comes along and wants to make major changes in those rules.

I do not argue that the present rules are perfect or that the present rules do not need changing, but I do say that this is not the time to change them. The time for changing the rules will be next year, after the election and after we have had the experience of this election. Then Congress, in a deliberative way and in an atmosphere free from the pressures of the election, should address itself again to the matter of the election financing laws and how to improve them. Without a doubt, there are many ways in which the existing laws can be improved.

I think one of the most interesting questions of the day is, why do we not hear the voice of John Gardner and Common Cause saying something about the bill that is before us, which cripples and weakens the independence of the Federal Election Commission? Why are we not hearing the voice of John Gardner and Common Cause in support of what the President is trying to do, and which is embodied in the substitute that is at the desk. The substitute extends the life of the Federal Election Commission, with all its authority and powers undiminished, and reestablishes it in a way that will be constitutional under the Supreme Court decision?

Perhaps we will hear from John Gardner and Common Cause and, perhaps, we will know they do support this approach. But so far they have been strangely silent.

I am not surprised, of course, that the heads of the big labor organizations are in favor of this bill. It is pretty clear what this bill seeks to do in terms of giving them even more power than they have now. But I am disappointed in the silence of some others who claim to be, and ought to be, nonpartisan and who claim to be, and ought to be, working for the public interest and not for special interests.

So, Mr. President, I hope at 3 o'clock the Senate will have the wisdom to put this subject in a posture that will, I think, be applauded by the American people.

I believe that most Americans believe that a simple extension of the Federal Election Commission would be the right thing to do at this time. We will see where the votes are, where the lines are drawn, and we will proceed from there.

I yield to the Senator——

The PRESIDING OFFICER. Who yields time?

Mr. GRIFFIN. I yield to the Senator from Tennessee such time as he may require, the distinguished cosponsor of the pending amendment.

The PRESIDING OFFICER. The Senator from Tennessee is recognized.

Mr. BROCK. Mr. President, I thank the Senator from Michigan.

I am privileged to coauthor this amendment with him, and I appreciate his leadership in the matter.

I hope in the next 50 minutes we will keep our eyes focused on the basic issue. The issue is the continuation of an independent election commission to insure that the elections in the United States are conducted without fraud, bias or some governmental impediment to equity to all parties concerned.

We have operated under a different law for these 200 years. In the last 50 years we operated under the Corrupt Practices Act, which has worked to the advantage of the incumbent in a fairly obvious fashion since no person has been indicted under this Act, to the best of my knowledge, where the Clerk of the Senate and the Clerk of the House were hired by the incumbents and then were in charge of enforcing the campaign statutes.

That is a nice cozy arrangement and it meant that incumbents simply did not have to abide by the same rules as everyone else. So when we got into a debate about reform, I think almost everybody in this body, Democrat, Republican, so-called liberals, so-called conservatives—if those words mean anything, and I do not know whether they do or not any more—everybody seemed to agree that the essential ingredient of a reform would be an independent commission to oversee the electoral process in these United States to insure equity for the American people in the process of acquiring representation.

The Supreme Court found our efforts wanting in certain areas and declared certain parts of that reform effort unconstitutional—and I think they probably were right.

They left us with a problem, what do we do now to see that the elections are run in an unbiased fashion.

The challenger and incumbent alike have equal protection under the law so that the American people may have equal protection under the law, and they left us with the responsibility of recreating the independent commission or not.

The bill that has been brought to us by the Rules Committee is a charade. It is not an independent election commission. The bill that is being proposed in the House is a charade. It is not an independent election commission.

Every dot and title of every decision they make would be resubmitted to the Congress so we know whether or not it would help our candidacy, incumbent or not, and the challengers have no rights whatsoever.

The bill is an effort to enlarge the rights of certain vested interests in the population and to diminish the rights of others.

Ultimately, the diminishment would apply to most people in this country.

So the Senator from Michigan and I offer a substitute which says with as much clarity and as much simplicity as we are capable of commanding, "Let's extend the existence of this commission as it was originally intended in an independent status, let's do it simply and straightforwardly, let's do it honestly, let's don't try to con anybody, let's don't build anybody's castle and let's don't try to tear anybody's castle down, let's simply extend the commission so that we can have an independent body to oversee the elections of these United States in a fair and unbiased fashion and nothing else."

It is straightforward. It avoids any complex, new problem. It assumes no additional constitutional question. As a matter of fact, it allows none because the court has already acted on the other parts of the bill and asked us to act on this section. It does not attempt to judge the merits of the arguments which can be taken up on other areas, such as the rights of labor to solicit nonunion members, the rights of management to solicit union members.

That is not the question before us. The question is not whether we are going to have an election supervisor, but an independent body under no one's control. That is the issue. Are we gong to have a strong, independent election commission, or are we not?

Mr. CANNON. Will the Senator yield for a question?

Mr. BROCK. Yes.

Mr. CANNON. I do not quite follow the Senator when he says the Commission would not be an independent election commission under the act that is proposed. Will he spell out precisely what he is talking about?

It seems to me we made the commission if anything, more independent. We even require with respect to decision, that it takes at least two of the same political party to constitute a majority in making their decision.

I do not know how more independent he can have it.

Mr. BROCK. The Senator knows as well as I do that will tie them up in courts. The Senator also knows, when we say, in effect, they cannot issue an opinion on a specific case and create, in effect, case law without turning it into a regulation in a stated period of time, that that will inhibit the decision process.

The Senator knows full well if they hand down a regulation, which they are then required to do, and that has to come back to Congress for approval, that they are independent to the extent we do not tell them different, that is just not independent as I determine it.

Mr. CANNON. The situation is exactly the same now. If they initiate a proposed regulation, it comes up here to Congress, and Congress can overrule or approve it and let it go by.

That is exactly the same situation in the new proposed bill.

The only thing we did is say that they should only issue the regulations when it was of general applicability, so it applies to everybody. We are really trying to simplify their process.

Mr. BROCK. Oh, no, no. I wish that were so.

Mr. CANNON. Let me suggest to the Senator that he read page 18 of the bill.

Mr. BROCK. It may be what the Senator intended, but it is what our bill does, not what the Senator's bill does. The Senator's bill has got this thing so bollixed up there is not any way in the world they can operate with independence.

How about the advisory opinions, can they do that? Not without a 30-day consideration.

Mr. CANNON. Advisory opinion?

Show me where it says that in the bill, read it to me, please.

Mr. BROCK. All right.

Mr. GRIFFIN. Take a look at page 18.

Mr. BROCK. By the way, will the chairman use some of his time?

Mr. CANNON. Yes.

I will read it to the Senator, I will read it to him on my time:

> "(B)(1) The Commission shall, no later than thirty days after rendering an advisory opinion with respect to a request received under subsection (a)

And listen to this:

> which sets forth a rule of general applicability, prescribe rules or regulations relating to the transaction or activity involved if the Commission determines that such transaction or activity is not subject to any existing rule or regulation prescribed by the Commission.

Mr. GRIFFIN. The Senator has restricted them if we pass this because they do not have to do that now.

Mr. BROCK. This is a new requirement.

Mr. CANNON. What they have to do now, they can issue an advisory opinion.

Mr. BROCK. That is right.

Mr. CANNON. And we are saying here, if it has general applicability, then they have to send it up within a 30-day period to become a rule.

Mr. BROCK. There is nothing they can rule on that does not have general applicability except divorce proceedings.

Mr. CANNON. I have not heard them rule on any divorce proceedings, but they have surely ruled on a lot of things down there that do not have general applicability.

Mr. BROCK. That is how the courts build up case law, and that is how this Commission will, on which we will make our decision, and the Senator knows full well what he is doing. I do not have to tell him.

Mr. CANNON. Why does the Senator not just say flat out he just does not like this proposal?

Mr. BROCK. I do not like the proposal.

Mr. CANNON. And not try to say that it is because we have tried to restrict or limit the Federal Election Commission.

We have made them as nonpartisan and as nonpolitical as we can possibly do.

Mr. BROCK. The Senator has made them as noncompetent as he could.

They are not going to be independent. Everything they do will come back up to us so we can say, "Well, let's look at it and is it going to help the incumbent or not." And if it does we will approve it. If not, too late.

That has been happening already. The chairman knows this has been happening already, and this makes it worse.

Mr. CANNON. I was not aware of that. Give me an example of what has happened so far, one case to support the Senator's position as to what has happened already.

Mr. BROCK. I will have to get the House votes on rejection of the proposals the Election Commission has already made. The Senator knows as well as I do, they have not accepted those proposals.

Mr. CANNON. Who is "they"?

I thought the Senator was talking about us.

Mr. BROCK. We are Members of the same Congress.

Mr. CANNON. Give me one example in the Senate, please.

Mr. BROCK. We are all part of the same Congress. I say, either body can disapprove. That is an incumbent definition. There are reelection possibilities. The House Members are up this year. A third of the Senate is up this year. When we are required to vote on these decisions every time they come up, if the Senator thinks we can be so far above the battle to make every judgment on the basis of merits, fine. Then we do not need an elections commission.

I think we do. I think that is why we set it up. In the first place, that is what it is all about, and that is all the Griffin-Brock proposal does. It sets it up, puts it out there, lets it be independent, and lets it operate in the interest of the American people.

Mr. CANNON. Let us be honest about it. The Senator says that is all the Griffin-Brock proposal does. That is absolutely absurd. There is even a self-destruct provision in there.

Mr. BROCK. No, sir.

Mr. CANNON. The Senator is saying he does not want this to apply after December of this year, the end of December.

Mr. BROCK. There is no self-destruct as part of my proposal.

Mr. CANNON. Let me read it:

> The provisions of titles 3 and 4 of the Federal Election Campaign Act of 1971—

That is the one we are talking about—

> of section 608 of title 18, United States Code—

That is what we are talking about—

> and of chapters 95 and 96 of the Internal Revenue Code of 1954—

Those are the provisions for the financing of the Presidential election—

> shall not apply to any election as defined in section 301 of the Act (2 U.S.C. 431(a)), that occurred after December 31, 1976, except runoff elections relating to elections occurring before such date.

Mr. President, let us be honest about this. The Senator says he wants this great Federal Election Commission that is nonpartisan and nonpolitical, that he wants it to go on forever, and in his own proposal he has a self-destruction provision to destruct the end of this year.

All he is saying, Mr. President, is that he wants this to continue through this Presidential election so that his Presidential candidate can continue to get funds up through the election.

Mr. GRIFFIN. Mr. President, who has the floor?

Mr. CANNON. Mr. President, I reserve the remainder of my time. That was on my time.

The PRESIDING OFFICER. The Senator from Michigan has the floor and has recognized the Senator from Tennessee.

Mr. GRIFFIN. Will the Senator from Tennessee let me have the floor?

Mr. President, the Senator from Nevada is correct in one respect. This substitute was drafted in two versions, one with the expiration provision and one without it. I am sorry that the version submitted does have the expiration provision in it.

I ask a parliamentary inquiry: Is it in order for me to modify my amendment?

The PRESIDING OFFICER. The Chair is advised it would take unanimous consent to modify the amendment.

Mr. GRIFFIN. I ask unanimous consent that section 3 of the substitute amendment as proposed be amended.

Mr. CANNON. I object.

The PRESIDING OFFICER. Objection is heard.

Mr. GRIFFIN. This is very interesting because, of course, it will only necessitate the Senator from Michigan then offering another substitute after 3 o'clock and we will vote again on another substitute without this provision in it. If the Senator from Nevada wants to take that kind of an attitude, I suppose it is all right and it is his privilege.

Mr. BROCK. Mr. President, if the Senator will yield, what the Senator from Tennessee was trying to do with the Senator from Michigan is to have at least one honest election this year. That is all. The fact that this amendment contains a section that—frankly, I thought we had stricken it, but, if we did not, fine. That does not change the fact that we still deserve an honest election in 1976. That does not change the merit of the argument. That should not change a single vote. Let us do these things one at a time. If we cannot have it for the next 5 years let us at least do it for 1 year. Let us have an independent commission that will oversee these elections in a totally unbiased, nonpartisan fashion to be sure that the American people have representation. For gosh sakes, just one time let us try and see if it will work. We have been 50 years with the other way and it sure has not protected the American people. Let us try it 1 year, just once, and see if we cannot get an independent election commission that will do a decent job.

Mr. GRIFFIN. Mr. President, a further parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. GRIFFIN. Would it be in order at 3 o'clock, under the agreement, that I could move to amend the substitute by striking section 3 thereof?

The PRESIDING OFFICER. The Chair is advised the amendment would be in order at 3 o'clock and not debatable.

Mr. GRIFFIN. Then we could have a vote first on an amendment striking out the expiration provisions contained in section 3, which I am sure the Senator from Nevada will support, and then if that amendment did prevail we would proceed to vote on the remainder. I wonder if the Senator from Nevada might reconsider his objection.

Mr. BROCK. I might object now, Mr. President. I would like to think about it a little bit.

Mr. CANNON. Is the Senator referring now to the provision that the Senator from Tennessee said was not in the amendment of the Senator from Tennessee?

Mr. GRIFFIN. He has indicated he was mistaken. This was drafted in two ways. It was drafted with the expiration provision in one instance and drafted in another version without it. By mistake, the wrong one was submitted in terms of the explanation. We concede that. Now we want to be sure that the measure before the Senate is the one that we have described and the one that we are having our debate about.

Mr. CANNON. I think a number of Senators have already discussed this provision with me and I have told them what it contains, as I understand it. Sometimes Senators arrive in the chamber and vote right at the last minute. I think we ought to really vote on the proposal that is here.

Mr. GRIFFIN. First we will vote, then, on a motion to strike out the provision.

The PRESIDING OFFICER. Who yields time

Mr. MANSFIELD addressed the Chair.

Mr. CANNON. I yield such time as the Senator requires.

The PRESIDING OFFICER. The Senator from Montana is recognized.

Mr. MANSFIELD. Mr. President, even with the best of intentions and efforts to avoid ambiguities, they creep into legislation and often lead to misunderstanding and difficult administration of laws. To avoid conflicts and confusion, it would be in the interest of the Congress and the future Commission to know the intention of the Senate and ultimately the Congress with regard to the roles of ex officio members, that is, the Secretary of the Senate and the Clerk of the House.

S. 3065, the Federal Election Campaign Act Amendments of 1976, now before the Senate, is a legislative response to the Supreme Court decision in Buckley against Valeo that the Federal Election Commission may not constitutionally exercise all the powers which the Congress conferred in 1974 unless the voting members are appointed by the President and confirmed by the Senate. The Court did not include the Secretary of the Senate and the Clerk in this dictum.

As reported in the form of an original bill by the Senate Rules Committee, S. 3065 remedies this constitutional problem by providing for a Federal Election Commission composed of the Secretary of the Senate and the Clerk of the House of Representatives, ex officio and without the right to vote, and six members appointed by the President with the advice and consent of the Senate.

As I understand it, during the committee consideration of the bill, two rollcall votes were taken with regard to the presence and participation of the ex officio members. Approval was given to a motion that the composition of the Commission include the Secretary of the Senate and the Clerk of the House of Representatives ex officio and without the right to vote. Rejected on an earlier vote was an amendment which would have provided for the Clerk and the Secretary to serve only in an advisory capacity and that they not be made ex officio members.

These votes indicate, apparently, that it was intended by the committee for the ex officio members to continue their present participation in the Commission. Nevertheless, it seems to me, it would be desirable for the chairman of the committee to comment on the presence of the ex officio members and to discuss the degree of participation expected of them.

It might be noted that the Secretary of the Senate, Frank Valeo, described a view of the Secretary's role in a letter to Senator PELL, part of which follows:

> As an ex officio member of the Commission, it has been my intention that the office of the Secretary of the Senate represent the Senate as an institution of government with a vital interest in the successful functioning of the Federal electoral process. My office has endeavored therefore to exercise our best judgment in this connection on various subjects and issues before the Commission which would be reflective of the public interest as well as in accordance with the law. In that perspective, it seems to me that the Senate's ex officio member also serves as a focal point for exchange of information leading to a better understanding of problems of Senate candidates and campaigns as distinct from problems associated with House and presidential candidates and campaigns. Similarly, it is my hope that this office will be able to provide insight into the problems of candidates for the Senate as they relate to the Commission's decisions and rules. It also seems to me valid for the Senate's ex officio to make recommendations to the Senate Rules Committee with a view to adjustments to the law which may be revealed by experience to be desirable.
>
> Other responsibilities prevent me from spending a great deal of time at the Commission. In order, however, to insure a full participation on the part of the Senate, I have, with the concurrence of the Majority and Minority Leaders, designated a Special Deputy of the Secretary of the Senate, (Ms. Harriet Robnett, J. D.) who is assigned exclusively to work in connection with the Commission.
>
> At the inception of the present Commission, I have the view and other members concurred that ex officio members should have all rights and privileges and responsibilities of the other Commissioners, except the right to vote . . .
>
> The need and value of an ex officio member is, of course, a matter primarily for determination by the Senate and the Congress. The Subcommittee may wish to discuss the role or define it differently than I have herein described. I have no wish to intrude on the decision of the Subcommittee in this regard but I do wish to suggest that the role of the ex officio be discussed at your hearings and be considered by the Subcommittee with reference to any proposal it may recommend to the full Committee.

Would the chairman of the committee agree generally with that description of the purpose and participation of the Secretary as an ex officio member?

Mr. CANNON. Mr. President, may I say to the majority leader that I have just received this at the moment.

Mr. MANSFIELD. Yes.

Mr. CANNON. I have had an opportunity to read through it, and I find only one problem area, and that is on page 3 as it was read, where it reads as follows:

> At the inception of the present Commission, I have the view and other members concurred that ex officio members should have all rights and privileges and responsibilities of the other Commissioners, except the right to vote.

Mr. MANSFIELD. Yes.

Mr. CANNON. I would not envision myself, that an ex officio member would engage in a discussion with relation to policy matters, or in the decisionmaking process, and then just simply not vote on it, or attempt to influence other Commission members. So right now I would not necessarily agree that that is correct, that an ex officio member should have all rights and privileges and responsibilities of the other members except the right to vote.

The rest of it I find no problem with, but I think this may go a little far, and might get into a question of whether the Supreme Court decision might really impinge on this area.

Mr. MANSFIELD. Well, what we had in mind was the fact that as an ex officio member, he would not just remain mute, that he could give advice and consent, that he could, in effect, represent the Senate's point of view; that he could have a voice but not a vote.

Mr. CANNON. I think certainly if the Commission calls on him for advice and consent he would be obligated to give them advice and consent, but when we say all the rights and privileges and responsibilities of other commissioners except the right to vote, I would find some problem with that. I think that perhaps is a little broader than an ex officio member is entitled to be.

Mr. MANSFIELD. If he had to wait for the commissioners to call on him, and something came up which affected the rights, duties, and privileges of the Senate, I would think that, as the Secretary of the Senate, representing all the Senate, he would have the right to express an opinion, so that the rights of the Senate could be safeguarded, as I would assume the rights of the House of Representatives would be in the person of the Clerk of the House.

Mr. CANNON. Yes. But I think to debate and discuss policy issues and decisionmaking problems that arise that did not relate, necessarily, directly to the Senate might go beyond what was intended.

Mr. MANSFIELD. It would be as related to the Senate.

Mr. CANNON. That, I think, would be proper.

Mr. MANSFIELD. That would be the intent of the words which the distinguished chairman of the committee has brought to the attention of the Senate, and that would be the matter which I would have in mind, because then we would have a protector down there which would look after our interests, and should be allowed to speak up in our behalf if events would warrant it.

Mr. CANNON. If that were conditioned upon matters related to the Senate, then I would agree.

Mr. MANSFIELD. Oh, yes, it would be with reference to the Senate.

Mr. BROCK. Mr. President, will the Senator yield for a question?

Mr. MANSFIELD. Yes, indeed.

Mr. BROCK. Was there any consideration of minority representation in this addendum to the Commission in an ex officio capacity?

Mr. MANSFIELD. It was stated in the law that the clerk of the House and the Secretary of the Senate would be the only two ex officio members, that I could recall, and as long as both those people represent, really, not a party but the Senate and the House of Representatives in their official capacities, I would think both sides would be assured that they would be given full representation.

Mr. BROCK. I think we would under the current leadership of the Senate, may I say, but I am not sure we would in the future. I am certainly sure we would not have been under certain circumstances in the past. I wonder if it would not make more sense to have two representatives of the Senate, one of the majority and one of the minority, just to be sure this protection would be available to all Senators.

Mr. MANSFIELD. I would think that would add to the difficulty, may I say to the distinguished Senator from Tennessee, because when a person becomes the Secretary of the Senate, he represents the Senate. The Sergeant at Arms of the Senate represents the Senate. I would hate to see minority and majority representation, especially in view of the fact that I have such high confidence in the present Secretary of the Senate, who has done a remarkably good job under extremely difficult circumstances.

Mr. BROCK. I have great confidence, may I say to the majority leader, in the present incumbent of that office and his employer, the Senator from Montana. I have no qualms about the equity that would be received under present circumstances. I just wonder, you know, what might happen in the future.

Mr. MANSFIELD. I understand.

Mr. BROCK. I think the law should provide for any and all circumstances. That would be my only point.

Mr. CANNON. Mr. President, will the Senator yield?

Mr. BROCK. I yield.

Mr. CANNON. I would point out to the Senator from Tennessee that that is precisely the same provision that is in the law now.

Mr. BROCK. That is why the question the Senator from Nevada raised was important, because he was trying to limit all of the areas where this ex officio person could speak.

Mr. CANNON. I was just trying to delineate what my belief was as to the meaning of ex officio in that regard. Part of that, of course, has been eliminated as unconstitutional, but the specific part and the Clerk of the House was not addressed by the Court, according to my recollection.

It reads:

> There is established a commission to be known as the Federal Election Commission, composed of the Secretary of the Senate and the Clerk of the House of Representatives ex officio, without the right to vote, and of six members appointed as follows:

And then the appointing provision is the part the Court struck down because Congress retained a part of the power of appointment.

Mr. MANSFIELD. Mr. President, if the Senator will yield, that is where you have your division of the parties on a three by three basis on the Commission.

Mr. BROCK. I understand.

The PRESIDING OFFICER. Who yields time?

Mr. BUCKLEY. Mr. President, will the distinguished Senator from Tennessee yield me time? I understand the Senator from Michigan is not here.

Mr. BROCK. I yield the Senator from New York 4 minutes.

Mr. BUCKLEY. I thank the Senator.

Mr. President, first of all, I ask unanimous consent that Mike Hammond of my staff be accorded the privilege of the floor throughout the course of the deliberations on this measure.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BROCK. Mr. President, will the Senator yield for a similar request?

Mr. BUCKLEY. I yield.

Mr. BROCK. I ask unanimous consent that Richard Vodra and Robert Perkins of the staff be accorded the privilege of the floor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BUCKLEY. Mr. President, I just wanted, at the outset of this debate, to make a couple of observations.

My friend from Tennessee has stated that the decision of the Supreme Court in the case of Buckley versus Valeo left us with a problem. I believe those are his exact words. Actually, it left us with a whole carload of problems, which I suggest none of the proposals before us even attempt to cope with.

I shall quote from one of the initial paragraphs of Chief Justice Burger's opinion in that case. He said:

> The courts rule does violence to the intent of Congress in this comprehensive scheme of campaign financing.

He then goes on to say:

> What remains after today's holding leaves no more than a shadow of what Congress contemplated. I question whether the residue leaves a workable program.

I tried to offer some suggestions. I introduced legislation that would have dealt with the effects of the Supreme Court's decision as a whole. I do not have any illusions that it will be enacted because the public, at large, and this Congress, in particular, have failed to focus on any aspect other than the fact that the FEC, as currently constituted, was declared to be unconstitutional. But what the decision also did was to give extraordinary advantages to candidates who are either incumbents or independently wealthy or who have the support of well organized, well financed special interest political action groups, such as the AFL–CIO's COPE. These individuals and groups can spend unlimited funds in support of their own candidacies or of candidates they favor whereas nonincumbent candidates who are of modest means or who do not have the support of well financed political action groups are subject, in that fundraising, to the limitations on contributions that survived the Supreme Court's ruling.

I submit that this creates enormous inequities that this body ought to cope with, and I intend later to offer an amendment which will have the effect of raising those limitations so that challengers may have the opportunity to raise the kind of seed money that alone can assure them of a decent start in an uphill fight.

Mr. President, I would like the Record to include the statement that I made before the Committee on Rules and Administration, and I ask unanimous consent that that statement be printed at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. BUCKLEY. What we have here, Mr. President, is an attempt to salvage legislation that was ill-advised to begin with.

It is legislation that the Congress adopted in a state of near panic in the wake of the Watergate scandals. I think it is very relevant that a majority of the members of the Watergate Committee felt that the provisions of the so-called reform legislation adopted in 1974 were so off target that they voted against them.

Mr. President, in the immortal words of the senior Senator from Rhode Island, we ran like rats in the wake of Watergate—is that a correct statement?

Mr. PASTORE. No. The statement was we created a monster and we ran like scared rats.

Mr. BUCKLEY. Scared rats. Thank you.

I totally agree with his estimation of the situation and we ran as scared——

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. BUCKLEY. May I have 1 more minute?

Mr. BROCK. Mr. President, I yield the Senator 1 more minute.

Mr. BUCKLEY. We ran like scared rats in part as a result of the enormous campaign launched by Common Cause.

Mr. President, for the edification of our colleagues I offer for the Record an editorial on John Gardner and Common Cause that appeared in the New Republic in the January 31, 1976 issue. To give you the flavor, I will merely read one sentence:

> From the moment, moreover, when, in upperclass living rooms across the country, he launched Common Cause, there were other indications that presumption would be his badge: demonstrably, he had come to believe in his own credentials as a keeper of public morals, though rather in the eldering way of people who, proclaiming themselves servants of God, insist also that they are "humble."

I ask unanimous consent that that editorial be printed at this point in the Record.

There being no objection, the editorial was ordered to be printed in the Record, as follows:

Money and Sanctimony

We do not recall ever sharing the general mugwump enthusiasm for John Gardner, certainly not since that day long ago when in this side of an hour we read his mediocre book on *Excellence*. From the moment, moreover, when, in upperclass living rooms across the country, he launched Common Cause, there were other indications that presumption would be his badge: demonstrably, he had come to believe in his own credentials as a keeper of public morals, though rather in the eldering way of people who, proclaiming themselves servants of God, insist also that they are "humble." Watergate was made for the likes of Gardner: at least it gave his unfocused enterprise a new lease on life—and a purpose. There is little so frantic, after all, as a democracy in one of its periodic fits of self-righteousness, and Gardner was able to channel the rage for some orderly purgative into legislation, popular initiatives, and—we now learn—detailed codes of campaign behavior to which his custodial army would try to hold aspirants for political office.

Gardner's greatest legislative accomplishment is the monstrously arcane campaign financing law whose constitutionality is now being tested before the Supreme Court. Passed in the shadow of Nixon's worst perfidies, the law has nearly everyone at least a bit apprehensive that the passion for reform may have led Congress to infringe on the first amendment guarantees of free expression. None of this, however, has diminished the political clout of Gardner's mission. A fortnight ago, his organization announced that all but two of the horde now running for President had pledged themselves to abide by rules that are either so vague as to be meaningless, so obvious as to be redundant, or so onerous as to make you wonder why any dignified person would think of complying at all. It is the last category which concerns us.

The contenders promise to make "public a statement of personal financial holdings, including assets and debts, sources of income, honoraria, gifts and other financial transactions over $1000, covering candidate, spouse and dependent children." What right does John Gardner have to information about the earnings of a candidate's teenage child, or a legacy left to a spouse by a rich aunt? Or for that matter even to information about the personal debts of a candidate? How does it help the public understand a campaign or judge a record? And why should the fact that an individual aspires to or holds office imply obligations upon his family to tell all—or anything for that matter—especially to reveal what only yesterday we thought legitimately to be private, even inviolate? A recent ugly instance of this is the assumption that Mrs. Marion Javits had no right to a job of her own choice because her husband is an influential senator.

On the evidence of the past, there is not even the sparsest argument that can be made for a genuine public interest in the information that is being demanded. The corrupt, moreover, will lie; and those who tell the truth will have contributed one more digression from the crucial substance of political debate, which should be how we are to be governed. In our day, however, personal exposure and revelation have displaced serious exposition and analysis as the favored mode of public discourse. The press certainly is more interested in the insignificant but perhaps scabrous aspects of a public person's life than in what the life stands for and has served. This is why "the search and destroy operation" is now standard fare in our best newspapers. Given this temper among the arbiters of the political culture, it is not surprising that most of the candidates supinely yielded to Gardner's snooping. Some of them seemed positively exhilarated to show how little or how much they had. Sensing political hay, Fred Harris and Sargent Shriver breathlessly promised Common Cause almost more than it asked. Of course, several of the candidates seem to concede that they are easily corruptible. In response to an environmental group's inquiry, they answered that they would not take contributions from oil company executives. Do they trust themselves so little?

There is, of course, some continuum between the public and the private life. But when the dividing lines are eroded, we all suffer: the politicians, their families and us. That Lyndon Johnson had the American people eyeing his post-operative scars was his grotesque way of being intimate with the millions. Yet anyone who knows children of politicians must be aware of the price they pay for the glare that illumines nothing important. The breakdown of the private sphere extends to the whole citizenry: if we claim the right to know the tax returns, the medical bulletins, the psychiatric histories of government officials, we should not be stunned when they do not respect our privacy, when they violate it as our reformers claim the right to violate theirs. In the end we will get what we deserve: politicians without private lives or private feelings, men and women, as the Austrian novelist Robert Musil put it, wholly "without qualities."

Common Cause is not alone in the business of scrutinizing the personal lives of the candidates. Jack Anderson has asked them all to submit to him both a current medical report and the last five years of their tax returns. He has not, to our knowledge, imputed wrong to those who refuse, as Common Cause has done with its two recalcitrants. But the editors of the slick New Times have done it for Anderson. "Failure to comply" with his request, they say in their issue of January 9, "may raise more interesting questions than those that surface in the tax returns and health reports themselves." This is prurient vigilantism. Gardner was predictably more delicate with his threats: "The public will want to know whether these two candidates disagree with the standards or cannot live with them politically," particularly the requirement for public disclosure of personal financial holdings. One of the two who has not signed on Gardner's dotted line is Ronald Reagan, though his spokesman assured The New York Times that the candidate "can probably agree with all these points." Eugene McCarthy, the other candidate out of step, has not himself responded either to Anderson or to Common Cause; but he did tell the Gridiron dinner that he had received an inquiry from a religious group that amounted to a request for "transcripts, if not tapes, of my confessions over the last 10 years." This is, we suppose, his way of answering. His campaign manager, however, wrote Gardner directly, not felicitously but expressing a sentiment with which we fully sympathize. "Take your enclosed standards and stuff them in your ear."

Exhibit 1

Statement of Hon. James L. Buckley, a U.S. Senator From the State of New York

Senator Buckley. Thank you, Mr. Chairman. I welcome the opportunity to discuss my bill, which was introduced yesterday. It is now 2½ weeks since the Supreme Court handed down its decision, and since then a number of bills have been introduced more or less as emergency measures that are intended to deal with only the most obvious of the gaps left by the decision.

None of these measures, I submit, addresses the full range of problems created by the Supreme Court decision, especially in congressional races.

We need to do substantially more than simply reconstitute the Federal Election Commission so that public subsidies may continue to flow to Presidential candidates. The Supreme Court's elimination of limits on individual spending has accentuated the inequities already ingrained in the Federal Election Campaign Act. They, too, must be addressed on an urgent basis.

Finally, there is broad agreement, based on actual experience with the act, that a number of its provisions are unwieldly and unduly burdensome. These can easily be corrected at this time if only we will take the trouble to do so.

Yesterday, Congressman William Steiger of Wisconsin and I introduced in our respective Houses a bill that will restructure the Federal Election Commission along constitutional lines, reallocate its responsibilities in a more efficient manner, adjust some of the major inequities in the law as it has survived the Court's decision, and make certain modifications that we believe will simplify the administration of the Federal Election Campaign Act, as amended. In preparing our bill, we have consulted with our coplaintiffs in *Buckley* v. *Valeo*. Our bill represents a consensus that cuts across partisan and ideological lines. It is the only bill before this committee that attempts to address all the major problems that have been precipitated by the Supreme Court's decision.

Our bill does not seek to change features of the act, such as the public financing of Presidential campaigns, which the plaintiff's in *Buckley* v. *Valeo* found objectionable, but which the Supreme Court left standing. Rather, we seek only to make those corrections in the law that are urgently required as a result of the Supreme Court's decision, while correcting some of the widely noted defects in the law that have become apparent since its enactment.

Specifically, our bill is addressed to the following deficiencies:

1. THE INEQUITIES AMONG CANDIDATES

The Supreme Court's rejection of limitations on expenditures by candidates and independent individuals and groups has dramatically magnified the inequities that exist under the law between different classes of candidates. On the one hand, wealthy candidates or candidates having the support of well-organized, well-financed political action groups, such as the AFL–CIO's Committee on Political Education, can now spend unlimited sums in the promotion of their candidacies. On the other hand, candidates without private means or without the support of such groups are limited to contributions that may not exceed $1,000 from individuals or $5,000 from political action committees. In practice, this has provided enormous handicaps in raising the kind of seed money that is especially important in launching the campaign of a candidate who is relatively unknown.

Our bill will help redress this imbalance by raising the limitations on individual and committee contributions to the following levels: $50,000 in the case of a Presidential candidate, $25,000 in the case of senatorial candidates, and $10,000 in the case of a candidate for the House of Representatives. These limitations are high enough to enable middle- and lower-income candidates to raise the money necessary to launch successful campaigns. Any possibility of abuse will, in our opinion, be checked by the effective enforcement of the disclosure provisions.

I would at this time point out that unless we substantially raise the limits on individual contributions, candidates for Congress runnng this year will face the danger of losing substantial control over their own campaigns. The $1,000 and $5,000 contribution limitations will no longer keep individuals on political committees from spending as much as they want on behalf of candidates they want to support. It will merely prevent them from coordinating their expenditures with the candidate's campaign. In other words, each one of us running for office this year could see chaos in their promotion of a singe cause.

2. THE FEDERAL ELECTION COMMISSION

Aside from the fact that the Supreme Court has found the method of appointing the Federal Election Commission to be unconstitutional, the Commission in practice has been found to reflect all the deficiencies that are to be found in too many other agencies that are clothed with very broad rulemaking and enforcement responsibilities. Arbitrary and at times capricious requirements impose excessive legal and bookkeeping costs on candidates without serving any apparent public service. We have also vested in the Commission extraordinarily broad powers over a most sensitive area of national life.

I suppose there is some sort of poetic justice in having Members of the Congress finally made subject to the kind of bureaucratic harassment and regulatory uncertainties and costs to which the Congress routinely has subjected so many others in American society. Nevertheless, our bill seeks to remedy this situation by allowing the functions currently delegated to the FEC to be reallocated between a reconstituted commission and a new election law section to be established in the Department of Justice. Our bill would vest the enforcement powers for the Federal election laws not with an independent election czar, but with appointive officials within the traditional enforcement arm of the Federal Government. The election law section would be headed by a Director and Deputy Director of different political parties who would be appointed by the President, with the advice and consent of the Senate. They would serve for 4-year terms and could be removed only for cause. We believe, in short, that this mechanism would insulate this section from political direction by an incumbent President.

This arrangement would leave audit, review, and certification responsibilities with the new Federal Election Commission while assigning the functions of enforcement, the issuance of advisory opinions, and the conduct of civil and criminal litigation to the new election law section of the Justice Department. This is the more normal arrangement, and we believe it represents better policy.

3. RECORDKEEPING AND DISCLOSURE

The current disclosure and bookkeeping provisions of the Federal Election Campaign Act impose costs that cannot be justified by any consideration of public policy. I speak of the current requirements that a record be kept of each contributor giving over $10 and that disclosure be made of each contribution in excess of $100.

With respect to the recordkeeping provisions, it is simply irrational to suppose that any candidate for national office will be influenced by a $100 contribution, let alone an $11 contribution. The only possible effect of the current provision is to discourage contributions by individuals reluctant to be identified with minor parties or unpopular causes. It does not in any way affect the problem of corruption in public office. Our bill would substantially lighten the current recordkeeping burden by limiting such records to contributions in excess of $100.

It is just as irrational to assume that candidates for national office could be bribed by the $101 contributions that must now be reported. The amount of money required to have a corruptive influence on a candidate for political office depends on the relative size of the contribution to the overall financial requirements of the campaign. In order to ameliorate the effect of disclosure provisions on public participation in a campaign, our bill would adopt various disclosure thresholds which would be calibrated to the office sought. Specifically, we would establish those thresholds at $1,000 in the case of a candidate for the Presidency, $500 in the case of a candidate for the Senate, and $250 in the case of a candidate for the House of Representatives. And I hope that no one suggests that any of us could be bought for lower sums.

4. MISCELLANEOUS PROVISIONS

The present rules appear unduly restrictive with respect to contributions to and from political parties and committees. There is also a great deal of uncertainty as to what constitutes a contribution to a particular candidate. Our bill incorporates language which will (a) remove some of the arbitrary restrictions that have been placed on the traditional role of parties and committees, thereby broadening the diversity of groups that can have an input on the electoral process, and (b) provide for necessary statutory guidelines for determining what constitutes a contribution. This will serve to remove many of the uncertainties that now exist in the law, and will facilitate the conduct of campaigns as well as the work of the election law section that would be charged under our bill with the enforcement of Federal election laws.

As I stated at the outset, the Supreme Court's decision in *Buckley* v. *Valeo* requires corrective action that is significantly broader in scope than the reconstitution of the Federal Election Commission. Inequities have been magnified which the Congress must address if we are not to establish two classes of candidates facing vastly different problems in financing and launching their political campaigns. Furthermore, the fact that some legislative action is necessary at this time provides us with a unique opportunity to correct the deficiencies that have been widely noted, deficiencies which add materially to the cost and complexity of political campaigns without serving any identifiable public purpose.

The American people have a right to expect that we will utilize this opportunity to effect something more than incremental changes intended to preserve the status quo. They have a right to expect their representatives in Congress to enact real election reform that will remove provisions whose net effect is to protect the wealthy or special-interest candidate from successful challenge, to say nothing of incumbent Members of Congress.

I thank you, Mr. Chairman. There has been distributed a synopsis of the legislation we introduced yesterday. And I would be happy to answer any questions you may have.

The PRESIDING OFFICER. Who yields time?

The Chair states that the Senator from Nevada has 11 minutes remaining and the Senator from Tennessee 4 minutes remaining.

Mr. CANNON. Mr. President, I suggest the absence of a quorum and ask that time be taken out of both sides.

Mr. BROCK. I ask that the Senator not make such a request. We only have 4 minutes remaining.

Mr. CANNON. I withdraw the request.

The PRESIDING OFFICER. The request is withdrawn.

Who yields time?

If nobody yields time, the clock will be charged equally against both sides.

Mr. PASTORE. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. On whose time?

Mr. PASTORE. Charged to both sides.

The PRESIDING OFFICER. Without objection, it is so ordered. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. BROCK. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BROCK. Mr. President, we are some 11 minutes shy of a vote on the pending amendment, and I shall just summarize very quickly the arguments of the proponents.

It is my very strong feeling that the bill, as presented to us by the Committee on Rules and Administration, as I said earlier, was something more than an extension bill, and yet that is the way it has been presented. It is, in fact, a Christmas tree, designed to advantage certain very important groups of high privilege and great political power in this country. It is designed to disadvantage certain other groups, but more than anything else, because those are not the points of contention, the bill as presented to us is a bill to destroy the independence of the Federal Election Commission, to pervert its basic purpose and to reconstitute the good old days where the Senate and House of Representatives were the judge of their own election process and no one else. The whole reason we got into this fight for reform some several years ago was to set up a commission whose independence was unquestionable from either this body or the other body.

The purpose was to allow the American people an opportunity to conduct an election for representation with assurance that there would not be an incumbent guarantee, that the incumbent would have available to him no more and no less than the challenger, so that the people could have an honest opportunity for choice. The effect of the bill before us is to pervert that purpose.

The effect of the amendment that we offer is to restore to the Commission its basic, fundamental purpose, and that is its independence in the oversight of the election process of these 50 States. I think that is a terribly important issue, and I hope that we will look upon it not in partisan terms but in terms of our responsibilities to the Republic and the Constitution; because we have no right to advantage ourselves by device, by law, by circumstance.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. CANNON. Mr. President, I want to be sure that my colleagues understand what would be covered in this substitute.

The Senator correctly stated that it would simply extend the life of the Commission, but we already have seen many instances in which we believe the Commission had erred in the proposal of regulations that they had sent up here, in the interpretation of existing law, and many other areas.

The initial proposal, the substitute that has been presented here, simply would let the Commission go on until December 31, 1976, at which time there is a self-destruct provision. If all the bad features suggested by the Senator are in this bill which the Rules Committee has reported, I do not know why he would want to self-destruct his proposal as of the end of December 1976, because then we would be back to where we had to write a new bill and come to the floor of the Senate and go all over again.

We have already seen to some degree how this bill works. So the only thing we would be doing by making a straight provision of it in this bill, a straight destruct, until the end of December 1976, would be to say that the Presidential candidates could go on their merry way, qualifying to get the money out of the Federal funds to carry out their campaigns.

We already have found some bad features; and I am going to propose an amendment to the bill reported by the Rules Committee, if the Senator's substitute is defeated, to make sure that we cannot have such a proliferation of candidates for national office running around the country at taxpayers' expense when they have absolutely no chance of being viable candidates.

Mr. BROCK. As long as the Senator understands they are all his. [Laughter.]

Mr. CANNON. After another primary or two, there may be some of both. At least, right now, I would say that perhaps they are mostly on this side.

In any event, I hope the Senater will support me in that.

I objected earlier to the request of the Senator from Michigan to modify his amendment by eliminating the self-destruct provision principle, because I did not know what would occur if the self-destruct provision were taken out. I have had time to review it, and I find that all we would be doing would be to perpetuate the Commission into the unforeseen future, and we would be giving them some unlimited authority, giving them a salary and operating expenses, and letting them go on their way.

I believe we need more clarification of the law. We need clarification with respect to the Sun Pac decision, which was very unfair on the part of one side; and we have to keep these things in balance.

When the Senator from Michigan returns to the Chamber, if he renews his motion to eliminate section 3, which is the self-destruct provision, that will be contrary to the recommendations of his leader at the White House; because the President, himself, suggested that we have a self-destruct provision early next year. I attended the meeting at which that suggestion was made. So that we then could look at it again in a calmer atmosphere and try to come up with a new bill. In any event, if the distinguished Senator from Michigan wants to oppose his President and moves to eliminate section 3 from the bill, I am inclined to go along with him on that point at present.

I see that the Senator has returned to the Chamber. I will be glad to yield some time to him, if he desires, within the very few minutes I have remaining, inasmuch as the time of the minority has expired.

I recapitulate, for the benefit of the Senator from Michigan: I have just stated that if the Senator from Michigan desires to oppose his leader, the President, who recommended that we have a self-destruct provision, and to look at this bill in a calmer atmosphere early next year, I will not object if he moves to strike section 3, the self-destruct provision, from his substitute.

Mr. GRIFFIN. Mr. President, while I will not accept the characterization of the Senator from Nevada, I am glad that he has changed his position and will cooperate to that extent.

Mr. President, I ask unanimous consent that section 3 of the substitute be stricken.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. BROCK. Section 3, on page 4.

The PRESIDING OFFICER. The amendment will be so modified.

Mr. CANNON. I take it that we are all talking about the same one, inasmuch as we had two earlier.

Mr. President, I yield 2 minutes to the Senator from Iowa.

Mr. CLARK. I thank the Senator.

Mr. President, I simply wish to speak during the last minute or two that we have before the vote.

I commend the distinguished floor manager of the bill, Senator CANNON, for the outstanding job he has done in bringing this much-needed attention to the floor of the Senate. I hope we will be able to pass S. 3065 in the near future, and it certainly appears that we will.

No one can dispute the urgent need for a reconstitution of the Federal Election Commission, so that the administration and enforcement of the law can continue without disruption. But S. 3065 does more than simply reconstitute the Commission, and that is what the pending amendment is all about. It establishes strict new limits on the proliferation of so-called political action committees which are set up by special interest groups, both business and labor, to funnel money to candidates. Certainly, if we adopt the pending substitute, we will be ignoring that problem.

Mr. President, I should like to have printed at this point in the RECORD some material which was prepared by Common Cause. It dramatically illustrates the massive special interest contribution and proliferation of committees that already has taken place. I ask unanimous consent to have this material printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

[News release from Common Cause, Washington, D.C., Mar. 10, 1976]

Special Interest Groups Accumulate $16.4 Million for 1976 Political Campaigns, Up More Than 40 Percent Over Similar Period in 1974, Common Cause Study Reveals

Special interest groups have accumulated $16.4 million for the 1976 political campaigns, according to a new study released by Common Cause. The $16.4 million political war chest—cash on hand as of January 1976—represents an increase of more than 40 percent over the $11.7 million held by interest groups at a similar early stage of the 1974 elections (February 28, 1974), the study revealed.

"The $16.4 figure doesn't even begin to tell the story," according to Fred Wertheimer, Common Cause Vice President and Director of its Campaign Finance Monitoring Project. "In one of the most significant developments since the passage of the 1974 campaign finance law, 242 new political giving committees have been established by special interest groups during the past year." (See Appendix A for complete list.) "Most of these new interest group committees have just begun their drive to accumulate funds for the 1976 elections. This means that many millions of additional political dollars will be raised by the new committees in the months ahead," Wertheimer said.

According to the study, the 242 new committees now constitute thirty percent of all interest group committees registered under the federal law. The cash the new committees have accumulated at this stage, however, amounts to only six percent of the $16.4 million total funds accumulated by all interest group committees.

The new committees so far have raised only $978,000 with $496,000 accumulated by just one group, a new committee connected with the American Trial Lawyers Association.

The study notes that the huge difference between funds available for all committees and those available for new committees will change dramatically over the course of 1976, as the new committees carry out their initial fundraising drives.

BUSINESS-RELATED COMMITTEES

Almost 75 percent of the 242 new committees have been formed by business-related interests, according to the study. One hundred and seven corporations and 22 banks have established new political committees in the last year, more than doubling the number of corporations and banks with registered committees prior to the 1974 elections. Seventeen oil companies have registered political action committees for the first time, including Atlantic Richfield Co., Cities Service Co., Standard Oil of California, Standard Oil of Ohio, Sun Oil Co. and Texaco. Prior to the 1974 elections, only one oil company, Union Oil of California, had registered a political committee.

Eight steel companies have registered funds for the first time, including ARMCO Steel Co., Lykes-Youngstown, National Steel Corp., Republic Steel Corp. and U.S. Steel.

Four major aerospace corporations—Grumman Corp., Lockheed Aircraft Corp., McDonnell Douglas Corp. and United Technologies (formerly United Aircraft) have also registered committees for the first time.

Other major corporations registering new political committees include American Express Co., Bristol-Myers Co., Continental Can Co., Dow Chemical Co., Litton Industries, Montgomery Ward & Co., Pan American Airlines, Pepsico Inc., R. J. Reynolds Industries and Sears, Roebuck & Co.

The remaining 25 percent of the new committees registering were sponsored by labor organizations and miscellaneous groups. Most of the 36 newly registered labor-related political committees represent additional committees formed by labor unions which already had one or more political committees prior to the 1974 elections. The Communication Workers of America, for example, registered 12 additional committees, and the Machinists registered four additional committees.

"Comprehensive public financing for the 1976 Presidential elections assures that the great bulk of all interest group contributions in 1976—new or old, business or labor, medical or dairy—are destined for the Congressional races," Wertheimer said. "These developments present one of the most compelling cases yet made on the need for Congressional public financing."

"They also demonstrate that it is essential for Congress to make clear that an organization cannot set up a number of political committees and thereby render meaningless the $5,000 limit on what an organization's political committee can give to a candidate. The need for this 'antiproliferation' legislation is strikingly demonstrated by just two cases," Wertheimer said. "During the period from October–December 1975, Dow Chemical Co. registered seven new political committees. During the period from August–December 1975 the Communication Workers of America registered 12 new committees. The bills to reconstitute the Federal Election Commission pending in the House and Senate contain clear 'anti-proliferation' provisions," Wertheimer said.

SPECIAL INTEREST AND LARGE GIVERS IN 1974 CONGRESSIONAL RACES

The Common Cause study also revealed that $35 million in campaign contributions to 1974 Congressional candidates came from large individual givers ($500 or more) and special interest groups. The $35 million total—$22.5 million from individuals who gave $500 or more and $12.5 million from special interest groups—represents over 40 percent of the $83.5 million contributed to 1974 Congressional candidates between September 1, 1973 and December 31, 1974. Candidates in 1974 provided an additional $6.2 million of their own money.

Of the $12.5 million in interest group contributions in 1974, labor organizations accounted for $6.3 million, and business and professional groups accounted for $4.8 million. (See Appendix C.) These figures do not reflect the amount of money spent by labor and other organizations in communicating with their own members and in conducting nonpartisan voter registration and get out the vote drives. Such expenditures are not campaign expenditures within the meaning of the federal law and the total amounts involved in these activities are not known.

The study also revealed that individuals with business or professional occupations accounted for $18.4 million given by individuals to 1974 Congressional candidates in amounts of $500 or more. This included $13.6 million from businessmen, $2.6 million from attorneys and $580,000 from individual doctors. (See Appendix B for breakdown.) The Common Cause figures are based on an analysis of occupation and employer information required to be listed by candidates on campaign finance reports. They represent the first comprehensive analysis ever done of the occupation of individual contributors to Congressional races.

"These findings again strongly demonstrate the need for Congressional public financing," Wertheimer said. "They show a strong reliance by candidates on larger gifts and special interest contributions. Public financing provides candidates with an alternative choice for their elections—an alternative based on less special interest dependence, smaller private contributions, and greater citizen involvement."

Earlier Common Cause studies have demonstrated that in the absence of public financing, incumbents in Congress have consistently outraised and outspent their challengers by an average of two to one, regardless of political party affiliation, Wertheimer said.

According to the latest study the largest individual interest group contributors to 1974 Congressional candidates were the political funds of the American Medical Association, $1,462,972; the AFL–CIO, $1,178,638; the UAW, $843,938; the maritime unions, $738,314; the Machinists, $470,353; and financial institutions, $438,428. (See Appendix C.)

Of the individual businessmen and professionals who gave $18.4 million to 1974 Congressional candidates in amounts of $500 or more, $2.5 million came from individuals in the construction and real estate industry, $2.3 million came from individuals in the financial industry and $1.7 million came from individuals associated with oil, gas, or other natural resource industries. (See Appendix B.)

1976 FUNDS ON HAND

Business and professional interest groups accounted for $8.8 million cash on hand as of January 1976, compared to $6.6 million held by labor organizations. (See Appendix D.) The $8.8 million total includes $3 million held by business groups, $2.7 million by agriculture and dairy groups and $2.5 million held by health groups. In early 1974 dairy groups also had $2.1 million cash on hand but wound up giving only $361,000 to 1974 Congressional candidates. "Dairy groups had a very difficult time during that Watergate period getting candidates to accept their contributions. It is not clear that this pattern will be repeated in 1976," Wertheimer said.

Labor organizations have on hand $1.6 million more than the $5 million they had at a similar stage in 1974. In addition, the AFL–CIO's COPE fund reports a balance of only $173,000 as of January 1976. (In 1974 the AFL–CIO COPE funds contributed $1.2 million to Congressional candidates.)

Health groups have on hand approximately $1 million more than the $1.5 million they had in 1974, with the AMA accounting for $728,000 of the increase.

The leading groups with funds available as of January 1976 were the Associated Milk Producers, Inc., $1,811,702; the American Medical Association, $1,616,978; the maritime unions, $1,347,332; UAW, $988,652; financial institutions, $635,765; and the American Dental Association, $612,792. (See Appendix D.)

1974 DATA TO BE PUBLISHED IN SERIES OF VOLUMES

Common Cause also announced that it would publish within the next month a series of volumes setting forth comprehensive campaign finance data for the 1974 Congressional elections. The volumes will present for each Congressional candidate in the 1974 general election a complete list of interest group contributions, and individual contributions of $500 or more. The volumes will also provide complete listings of the 1974 Congressional contributions made by each significant special interest group.

Common Cause said it will continue to monitor campaign finances in the 1976 elections, with particular focus on the activities of special interest groups. Since its inception in early 1972, the Common Cause Campaign Finance Monitoring Project has been directed by Fred Wertheimer. John J. Conway and Neil Upmeyer serve as Associate Directors of the Monitoring Project specializing in special interest activities, and candidate and individual contributor activities, respectively.

APPENDIX A

SPECIAL INTERESTS REGISTERING POLITICAL ACTION COMMITTEES SINCE JANUARY 1, 1975

(*Denotes groups that previously had registered political committees and are registering additional committees.)

BUSINESS (176)

Aerospace (4 committees):
Grumman Corp.
Lockheed Aircraft Corp.
McDonnell Douglas Corp.
United Technologies Corp.
Apparel (1):
Kellwood Co.
Chemicals and Metals (25):
Aluminum Co. of America.
AMAX Inc.
Anaconda Co.
ARMCO Steel Corp.
Dow Chemical Co. (7 committees)
FMC Corp.
Jones & Laughlin Steel Corp.
Kerr-McGee Corp.
Lone Star Steel Co.
Lykes-Youngstown
National Steel Corp.
NL Industries
Owens-Illinois, Inc.
Phelps Dodge Corp.
PPG Industries, Inc.
Republic Steel Corp.
U.S. Steel
W. R. Grace & Co.
Wheeling-Pittsburgh Steel Corp.
Coal, Oil and Gas (20):
Atlantic Richfield Co.
Cities Service Co.
Continental Oil Co.
Enserch Corp.
Halliburton Co.
Houston Oil & Minerals Corp.
Marathon Oil Co.
MAPCO Inc. (Okla.)
Peoples Natural Gas Co.
SEDCO Inc., Dallas
Skelly Oil Co.
Small Producers for Energy Independence
Standard Oil Co. (Calif.) (SOCAL)
Standard Oil Co. (Ohio) (SOHIO)
Sun Oil Co.
Texaco Inc.
Texas Eastern Transmission Corp.
Texas Gas Transmission Corp.
True Oil Co.
Universal Oil Products Co.

Source: Campaign Finance Monitoring Project, copyright by Common cause 1976.

Communications (4):
California Community TV Assn.
*Gen. Tel. & Electronics, Conn.
*Gen. Tel. & Electronics, Ill.
*Gen. Tel. & Electronics, Ind.
Construction (7):
*Assoc. Builders & Contractors, Inc., Mich.
*Assoc. General Contractors, Colo.
Brown & Root
Construction Industry PAC, Tex.
Flour Corp.
Metal Building Industry
Natl. Limestone Institute, Inc.
Electronics (1):
Watkins-Johnson Co., Palo Alto, Calif.

Financial Institutions (33)

Commercial Bank Groups (2):
*Arizona Bankers
*Louisiana Bankers
Commercial Banks (22):
Bank of Everett (WA)
Bank of Hawaii
Commercial Security Bancorp. (UT)
Crocker Bank (CA)
CT & B Bancshares (GA)
Detroit Bank Corp.
Fidelity Bank (PA)
First City Natl. Bank, Houston (TX)
First Intl. Bancshares, Inc. (TX)
First Natl. Bank (AZ)
First Security Corp. (UT)
First Wisconsin Corp.
Marine Natl. Bank (PA)
Merchants Natl. Bank & Tr. Co. (IN)
Natl. Bank of Detroit
Pacific Natl. Bank of Wash.
Pittsburgh Natl. Bank
Security Pacific Corp. (CA)
Union Planters Corp. (TN)
Valley Natl. Bank of Arizona
Waccamaw Bank & Tr. Co. (NC)
*Wells Fargo & Co. (CA)
Savings and Loans (5):
*Savings & Loan League Colorado
*Savings & Loan League Florida
Citizens Savings & Loan Assn., San Fran.
Citizens Savings Assn. (Canton, OH)
City Federal Savings & Loan, N.J.
Credit Unions (2):
Assoc. Credit Bureaus Inc. Texas
Consumer Bankers Assn.
Miscellaneous (2):
Am. Collectors Assn.
Household Finance Corp.

Food and food processing (14)

Beverages (3):
Coors Adolph Co.
Distilled Spirits Institute
Pepsico Inc.
Retail (4):
Handy Andy Inc.
Piggly Wiggly Southern
Natl. Assn. of Retail Grocers
Winn-Dixie Stores Inc.
Others (7):
Cane Sugar Refiners Assn.
Dillingham Corp.
Flowers Industries Inc.
Gerber Products Co.
Natl. Broiler Council
Pillsbury Co.
Quaker Oats Co.
Forest Products (6):
Boise Cascade
Crown Zellerbach Corp.
Intl. Paper Co.
Natl. Lumber & Bldg. Assn.
Potlach Corp.
Union Camp Corp.
Insurance (6):
American Family Corp.
Am. General Insurance Co., Texas
Insurance Pub. Aff. Council, Chicago
Kansas City Life Insurance Co.
*Life Underwriters, Texas
Utica Mutual Insurance Co.
Machinery (3):
Deere & Co.
Martin Tractor Co.
Natl. Machine Builders Tool Assn.
Pharmaceuticals (4):
Bristol-Myers Co.
CIBA-GEIGY Corp.
Natl. Assn. of Pharmacists
Proprietary Assn. The
Railroads (1):
Bessemer & Lake Erie RR
Real Estate (3):
Cabot Corp.
Natl. Realty PAC
*Natl. Assn. of Realtors Wash. State
Transportation (11):
Alaskan Skies Assn. Natl.
Allegheny Airlines
AMERCO
Am. Public Transit Assn.
Budd Co.
Matson Navigation (sub Alex & Baldwin)
Metro Services, Texas
*Natl. Auto Dealers Assn. Natl.
*Natl. Auto Dealers Assn. Texas
Pan American Airlines
Pullman Inc.
Utilities (2):
Columbus & S. Ohio Electric Co.
Florida Power Light Co.
Other (31):
Alton Box Board Co.
Am. Assn. of Nurserymen
Am. Express Co.
Am. Retail Federation
Am. Textile Mfrs. Assn.
Arthur Young
Broyhill Furniture Industries
Container Corp.
Continental Can Co.
Corning Glass Works
Dow Corning Corp.
Eaton Corp.
Evergreen Associates, Everett, Wash.
First Class Mailers Assn.
Franklin Electric Co., Inc.
John W. Graham Co.
L. M. Berry & Co.
Litton Industries, Inc.
Marco Comm. for Effect. Govt. (Balti)
Marcor Inc.
Montgomery Ward & Co.
Producers Cotton Oil Co. (CA)
R. J. Reynolds Industries Inc.
R. R. Donnelly & Sons
Rexnord Inc.
Sears, Roebuck & Co.
Square D Co.
TRW
Wheelabrator-Frye Inc.
Wellman Industries, Johnsville, SC (2)

Agriculture and Dairy (2)

Am. Feed Mfrs. Assn.
United Fruit & Vegetable Assn.

Lawyers (4)

Am. Trial Lawyers Assn.
Doherty, Rumble & Butler (MN) (3)

Health (14)

American Dental Association (9):
*Am. Dental Assn., Idaho
*Am. Dental Assn., Illinois
*Am. Dental Assn., Indiana
*Am. Dental Assn., Kansas
*Am. Dental Assn., Louisiana
*Am. Dental Assn., Maine
*Am. Dental Assn., Minnesota
*Am. Dental Assn., Nebraska
*Am. Dental Assn., Wyoming
Miscellaneous Health (5):
Assn. of Am. Physicians & Surgeons
Group Practice Pol. Comm. (VA)
Group P. Comm. (TX)
New Jersey Health Group
Oregon Health Group

Labor (36)

AFL-CIO (4):
*AFL-CIO, Connecticut (Senate Camp.)
*North Caro, Southern Piedmont
*North Caro, (Nash-Edgecombe-Wilson Cnty.)
*AFL-CIO, Ohio (Franklin Cnty.)
Building and Construction Trades (4):
*Carpenters—California
*Electrical Workers (IBEW)—Iowa
*Electrical Workers (IBEW)—Conn.
*Laborers #860—Ohio
Government (1):
Letter Carriers
Industrial (5):
AFL-CIO Affiliated (4)—
*Machinists #146—Texas
*Machinists—Washington
*Machinists—Wisconsin
*Machinists Dist. 10—Wisconsin
United Auto Workers, Independent (1):
*United Auto Workers, Independent (Grtr. Flint)
Service (5):
*Meatcutters #525 (NC)
*Retail Clerks #428 (CA)
*Retail Clerks #400 (MD)
*Retail Clerks #1393 (PA)
Utility Workers
Transportation (2):
Amalgamated Transit Union
Pan Am Chap Flight Eng. Intl. Assn.
Teamsters, Independent (2):
*Teamsters, Independent (AL)
*Teamsters, Independent (IN)
Miscellaneous Labor (14):
*Communications Workers (12)
*Hospital & Health Care, Natl.
*Hospital & Health Care Dist. 1199C (PA)

Miscellaneous (8)

National Education Association (3):
Natl. Educ. Assn. (MI) (Saginaw)
Natl. Educ. Assn. (NC)
Natl. Educ. Assn. (OK)
Other (3):
Gun Owners of Am.
Natl. Women's Pol. Caucus
Natl. Right to Work Comm.

Ideological (4)

Conservative Coalition of Iowa
Natl. Conservative PAC
Comm. for a New Majority/Freedom of Choice, Inc.
Fund for a Repres. Congress, Inc.

APPENDIX B

INDIVIDUAL CONTRIBUTIONS OF $500 OR MORE TO 1974 CONGRESSIONAL CANDIDATES BROKEN DOWN BY OCCUPATION OF CONTRIBUTOR

Occupation	House	Senate	Total
Agriculture	$424, 857	$291, 988	$716, 845
Oil, gas, and other natural resources	688, 697	993, 923	1, 682, 620
Construction/real estate	1, 270, 461	1, 197, 190	2, 467, 651
Transportation	131, 126	226, 909	358, 035
Manufacturing	808, 345	831, 550	1, 639, 895
Banking	331, 177	379, 941	711, 118
Investments	429, 953	583, 530	1, 013, 483
Insurance	225, 077	339, 756	564, 833
Financial industry	986, 207	1, 303, 227	2, 289, 434
General business	2, 145, 636	2, 312, 493	4, 458, 129
Business total	6, 455, 329	7, 157, 280	13, 612, 609
Doctors	$350, 110	$228, 685	$578, 795
Attorneys	1, 123, 019	1, 528, 809	2, 651, 828
Other professionals	793, 369	774, 606	1, 567, 975
Professional	2, 266, 498	2, 532, 100	4, 798, 598
Business/professional total	8, 721, 827	9, 689, 380	18, 411, 207
Housewife	485, 982	779, 352	1, 265, 334
Retired	411, 183	584, 813	995, 996
Others	1, 262, 508	542, 566	1, 805, 074
Miscellaneous total	2, 159, 673	1, 906, 731	4, 066, 404
Grand total	10, 881, 500	11, 596, 111	22, 477, 611

Source: Campaign finance monitoring project by Common Cause 1976.

APPENDIX C

SPECIAL INTEREST GROUP POLITICAL COMMITTEES

Total contributions to 1974 congressional candidates

Business/Professional:	
Business	$2, 506, 946
Agriculture and Dairy	361, 040
Health	1, 936, 487
Total	4, 804, 473
Labor	6, 315, 488
Miscellaneous	682, 215
Ideological	723, 410
Total interest group committees	12, 525, 586

Individual interest groups largest contributors to 1974 congressional candidates

1. American Medical Assns	$1, 462, 972
2. AFL-CIO COPEs	1, 178, 638
3. UAW	843, 938
4. Maritime Unions	738, 314
5. Machinists	470, 353
6. Financial Institutions	438, 428
7. National Education Assns	398, 991
8. Steelworkers	361, 225
9. Retail Clerks	291, 065
10. BIPAC (National Assn. of Mfrs.)	272, 000
11. National Assn. of Realtors	260, 870

Source: Campaign Finance Monitoring Project, © by Common Cause 1976.

APPENDIX D

Special interest group political committees

[Cash on hand, December 31, 1975]

Business/Professional:	
Business	$3, 055, 494
Agriculture & Dairy	2, 692, 794
Health	2, 542, 933
Lawyers	514, 638
Total	8, 805, 859
Labor	6, 600, 237
Miscellaneous	678, 263
Ideological	332, 734
Total interest group committees	16, 417, 093

Individual interest groups with most funds available, December 31, 1975

1. Associated Milk Producers, Inc	$1, 811, 702
2. American Medical Assn	1, 616, 978
3. Maritime Unions	1, 347, 332
4. UAW	988, 652
5. Financial Institutions	635, 765
6. American Dental Assn	612, 792
7. Trial Lawyers	496, 578
8. National Education Assn	487, 465
9. Steelworkers	465, 791
10. Transportation Union (UTU)	411, 705
11. Natl. Assn. of Realtors	375, 870

Source: Campaign Finance Monitoring Project, copyright by Common Cause 1976.

CAMPAIGN FUND OF SPECIAL INTEREST AND POLITICAL PARTY COMMITTEES

CASH ON HAND AS OF DECEMBER 31, 1975, SUMMARY BY COMMITTEE

BUSINESS

Affiliation or interest	*Committee name*	Closing cash
Aerospace:		
*Grumman Corp.	Grumman PAC	$0
Hughes Aircraft Corp.	Hughes Act Citizenship Fund	38, 591
*Lockheed Aircraft Corp.	Lockheed GGovt Prog	0
LTV Aerospace Corp/Vought Corp.	LTV Aero Corp Act Citizenship Comm	21, 128
*McDonnell Douglas Corp.	McDonnell Douglas GGovt Fund	0
*United Technologies Corp.	United Technologies Corp PAC	0
	Subtotal	59, 719
Apparel:		
American Apparel Mfrs Assn.	American Apparel Mfrs PAC	459
American Footwear Industries Assn.	Footwear Industry PAC	674
*Kellwood Co.	Kellwood Co Empl PAC (KELLPAC)	0
Menswear Retailers of America.	Menswear Pub Aff Comm	11, 641
	Subtotal	12, 774
Businessmen's groups:		
N A of Manufacturers	Business-Industry PAC (BIPAC)	192, 170
D. C. Businessmen	DC Comm of Businessmen to assist Cong Cands	1, 854
Georgia Businessmen	The Loose Group	5, 934
Mississippi Businessmen	Delta Fund	1, 902
	Subtotal	201, 360
Chemicals and metals:		
*AMAX Inc.	AMAX Concerned Citizens Fund	0
*Aluminum Co of America	ALCOA Emp Pol Fund	0
*Anaconda Co.	Anaconda Concerned Citizens Fund	6, 302
* ARMCO Steel Corp.	ARMPAC	0
*Dow Chemical Co.	Dow Eastern Emp PAC (OH)	1, 415
*Dow Chemical Co.	Dowell Emp PAC (DEPAC) (TX)	55
*Dow Chemical Co.	Emp PAC Cent Reg Dow (EMPAC) (TX)	6, 546
*Dow Chemical Co.	Emp PAC of Govt Affairs, SE Region of Dow (LA)	760
*Dow Chemical Co.	Health & Consumer Prod Emp PAC (IN)	608
*Dow Chemical Co.	Midwest Area PAC (MI)	571
	Western Dow Emp Comm for Free Enterprise (CA)	2, 125
* FMC Corp.	FMC GGovt Program	0
Kennecott Copper Corp.	Kennecott Execs Citizenship Assn	14, 723
* Lykes-Youngstown.	Lykes-Youngstown PAC	0
NA of Chemical Distributors.	Chemical Distributors PAC	0
Olin Corp.	Olin Exec Vol NP Pol Fund	28, 937
* Phelps Dodge Corp.	Phelps Dodge Emp for GGovt	0
* U.S. Steel.	USS Emp GGovt Fund	0
W. R. Grace & Co.	Grace GGovt Comm	0
	Subtotal	62, 042
Coal, oil and gas:		
* N/A	Small Producers for Energy Independence PAC	0
* Atlantic Richfield Co.	Atlantic Richfield Civic Act Fund	0
bituminous coal industry.	Comm on Amer Leadership (COAL)	5, 001
Consolidated Natural Gas Co. (PA).	CONPAC, Pittsburgh	7, 937
Consolidated Natural Gas Co. (NY & NJ) (9–30).	Consolidated Vol NP Pol Fund	258
Consolidated Natural Gas Co. (WV).	Consolidated Exec Vol NP Pol Fund	4, 527
East Ohio Gas Co. (sub. of Consol Nat Gas).	East Ohio Gas Emp Vol GGovt Assn	5, 185
* Enserch Corp.	Enserch Emp Pol Support Assn	0
* Halliburton Co.	Halliburton PAC (HALPAC)	0
Indiana Gas Co.	Meridian Pub Aff Comm	9, 041
* MAPCO Inc. (Oklahoma).	MAPCO PAC	0
Natl Council of Coal Lessors (8–31).	Coal Landowners Comm (VA)	1, 843
Natural Gas Retailers.	Gas Employees PAC	3, 780
Pacific Lighting Corp—natural gas.	Pacific Lighting Pol Assistance Comm	44, 367
* SEDCO Inc, Dallas.	SEDCO PAC	1, 500
* Skelly Oil Co.	Skelly Oil Co PAC	0
* Standard Oil Co (CA) (SOCAL).	Chevron Comm for Pol Particip	14, 735
* Standard Oil Co (OH) (SOHIO).	Sohioans Civic Contrib Fund	0
* Sun Oil Co.	SUNPAC	170
*Texaco Inc.	Texaco Emp Pol involvement	0
*Texas Eastern Transmission Corp.	Texas Eastern PAC	0
*Texas Gas Transmission Corp.	Vol NP Pol Fund (Owensboro, Ky)	2, 900
Union Oil Co of California.	Political Awarenness Fund	34, 217
*Universal Oil Products Co.	UOP Emp Pol Act Fund	4, 504
	Subtotal	139, 965

Asterisk (*) denotes committee registering after January 1, 1975.

CAMPAIGN FUNDS OF SPECIAL INTEREST AND POLITICAL PARTY COMMITTEES—Continued

CASH ON HAND AS OF DECEMBER 31, 1975, SUMMARY BY COMMITTEE—Continued

BUSINESS—continued

Affiliation or interest	*Committee name*	Closing cash
Communications:		
*California Community TV Assn.	California Cable TV PAC	1,869
Gen Tel & Electronics:		
California.	General Tel Emp (California) GGovt Club	64,566
*Conn.	GTE Stamford Emp GGovt Club	765
*Illinois.	General Tel Co of Illinois Emp GGovt Club	0
*Indiana.	General Tel Emp GGovt Club (Indiana)	3,141
Hawaii Telephone Co (sub of GTE).	Hawaiian Tel Emp GGovt Club	14,386
Meredith Corp (IA)—publishing.	Meredith Corp Emp for Better Govt	16,265
N A of Broadcasters.	Television & Radio PAC (TARPAC)	7,416
Natl Cable TV Assn.	Natl Cable TV PAC	10,084
Natl Telephone Coop Assn.	Telephone Ed Comm Org (TECO)	2,917
Recording Industry of America.	Recording Arts PAC	2,842
US Independent Telephone Assn.	Communications PAC (COMPAC)	6,662
	Subtotal	130,913
Construction:		
Architects & Consulting Engineers.	Pol Comm for Design Professionals	1,685
Assoc Builders & Contractors Inc.	Merit Shop Action Comm	9,463
*Assoc Builders & Contractors Inc, Mich.	ABC Free Enterprise PAC	0
Assoc General Contractors:		
National.	Committee for Action (WA)	90,681
Iowa.	Construction Action Comm	7,681
Michigan.	Construction Industry Mgmt PAC	2,919
St. Louis (3–10).	Construction Industry PEC	418
Missouri.	AGC of St Louis Pol Comm	2,400
Ohio (6–30).	Ohio Contractors PAC	72
Pennsylvania.	Assn for Pol Ed in Construction	264
Texas (6–30).	Big 50 PAC	5,796
Vermont.	Vermont Construction Ind PAC	1,483
Black & Veatch.	Black & Veatch GGovt Fund	8,590
*Brown & Root.	Brownbuilders PAC	0
Construction Equipment Industry.	Construction Equipment PAC	11,232
*N/A.	Construction Industry PAC (CIPAC) (TX)	3,801
Detroit Piping Industry.	Detroit Piping Ind PAC (PIPAC)	1,446
General Portland Cement.	Citizens for Representative Govt	0
N A of Home Builders.	Builders Pol Camp Comm (BPPC)	3,982
*Natl Limestone Institute Inc.	NLI Testimonial Dinner Comm	430
*Metal Building Industry.	Metal Building Industry PAC	
SM & AC Contractors Assn.	Sheet Metal & Air Cond Contr Pol Comm	19,124
	Subtotal	171,477
Electronics:		
General Electric Co, Conn.	Non-Partisan Pol Support Comm, Conn	28,968
General Electric Co, Mass.	Non-Partisan Pol Comm of Mass	792
*Watkins-Johnson Co, Palo Alto CA.	Watkins-Johnson PAC	0
	Subtotal	29,760
Financial Institutions—A. Commercial Banks		
1. Political Action Committees:		
Am banking interests.	Banking Profession PAC (BANKPAC)	85,271
*Arizona bankers.	Arizona Bankers PAC	0
California bankers.	CALBANK-FED PAC	0
Florida bankers.	Florida Bankers PAC	5,159
Indiana bankers (1/10/76).	Indiana Bankers PAC	20,988
Kansas bankers.	Kansas Bankers PAC	6,117
*Louisiana bankers.	Louisiana Bankers PAC	2,785
Minnesota bankers.	Minnesota Bankers PAC	13,631
Pennsylvania bankers.	Pennsylvania Bankers Pub Aff Acom	17,100
Texas bankers.	BALLOT—Bankers Leg Lg of Texas	14,441
Washington bankers.	Washington Bankers PAC	146
	Subtotal	165,638
2. Commercial banks:		
Am Fletcher Corp (IN).	Hoosier Govt Comm (Indianapolis)	23,778
Associates Management Corp (IN) (6–30).	Associates Employees PAC	0
*Bank of Everett (WA).	Bank of Everett Vol PAC (BEVPAC)	0
*Bank of Hawaii.	Special Pol Ed Comm (Honolulu)	0
Chemical Bank (NY).	Fund for GGovt (New York)	0
*Crocker Bank (CA).	Crocker Indiv Vol Inv in Cit (CIVIC)	0
*CT & B Bancshares (GA).	Comm for Quality Govt-F (Columbus)	398
*Fidelity Bank (PA).	1200 Committee (Philadelphia)	612
First Bank System Inc (MN).	First Bk Syst Minn GGovt Comm	1,808
First Bank System Inc (ND).	First Bk Syst ND GGovt Comm	68

CAMPAIGN FUNDS OF SPECIAL INTEREST AND POLITICAL PARTY COMMITTEES—Continued

CASH ON HAND AS OF DECEMBER 31, 1975, SUMMARY BY COMMITTEE—Continued

BUSINESS—continued

Affiliation or interest	*Committee name*	Closing cash
First Bank Systems Inc (SD).	First Bk Syst SD GGovt Prog	0
*First City National Bank, Houston (TX).	Natl GGovt Fund (Houston)	$225
*First Intl Bancshares, Inc (TX).	First Intl Bancshares Good Govt Fund	0
*First Natl Bank, Arizona.	FNBA GGovt Comm	0
First Natl Bank of Atlanta.	Fund for Better Govt (Atlanta)	69
First Natl Bank of Topeka (KS) (9–30).	Citizens for GGovt (Topeka)	250
First Natl City Corp (NY).	Citicorp Emp Vol Pol Fund	1,518
*First Security Corp (UT).	First Security Corp PAC	0
First Tenn National Corp.	Good Fed Govt Comm (Memphis)	722
First Union Natl Bank (NC).	Commonwealth Associates "F" Fund	23,497
*First Wisconsin Corp.	First Wisconsin Civic Aff Comm	0
Indiana Natl Bank.	INOPAC	2,526
Long Island Trust Co.	Litco GGovt Club	6,430
Manufacturers Hanover Corp.	Assn for Responsible Govt (NY)	3,524
Mellon Natl Corp (PA).	514 Committee (Pittsburgh)	5,743
*Merchants Natl Bank & Tr Co (IN).	Merchants Comm for Camp Contrib	382
*Pacific Natl Bank of Wash.	Pacific BANKPAC (Seattle)	0
Seattle First Natl Bank.	First Associates Natl	5,760
*Security Pacific Corp (CA).	Security Pacific Act Cit Today Comm	5,588
Trust Co of Georgia.	Good Govt Group (Atlanta)	21,115
*Union Planters Corp, Memphis (TN).	Union Planters Comm Govt Aff	502
*Valley Natl Bank of Arizona.	VNB Good Govt Comm (Phoenix)	3,110
*Waccamaw Bank & Tr Co (NC).	Public Aff Fund (Whiteville)	4,031
Wells Fargo & Co (CA).	Good Govt Comm (San Francisco)	17,198
*Wells Fargo & Co (CA).	Employees for GGovt (F) (San Francisco)	0
	Subtotal	128,854
Financial Institutions—B. Savings & Loans		
1. Political Action Committees:		
Savings & Loan League National.	Savings Assn PEC	92,424
Savings & Loan League—		
California.	Century Club Pasadena	12,401
*Colorado.	Savings Assn PEC CO	0
*Florida.	Savings & Loan PAC FL	1,101
Michigan.	Savings Assn Pub Aff Comm MI	9,983
New Jersey.	SAPEC NJ	4,731
New York.	Savings Assn PAC NY	14,230
Ohio.	Savings & Loan PAC OHIO (SALPAC–O)	25,762
Pennsylvania (6–30).	Public Affairs Comm of Savings Assns	39,648
	Subtotal	200,280
2. Savings institutions:		
*Citizens Savings & Loan Assn.	Citizens Savings PAC, San FRan	8,025
*City Federal Savings & Loan, New Jersey.	City FedPAC (Elizabeth)	0
Financial Federation Inc. (6–30).	FF Good Govt Fund (Los Angeles)	1,357
Savings Bankers.	Savings Bankers NP PAC	9,176
National League League of Insured Savings Assn.	Natl League PAC	1,027
	Subtotal	19,585
C. Credit unions:		
*Assoc. Credit Bureaus Inc. Texas.	Consumer Reporting & Collection Executives PAC	0
*Consumer Bankers Assn.	Consumer Bankers Assn PAC (CONPAC)	2,474
Credit Union Council.	Credit Union Legisl Act Council	9,064
Credit Union League Indiana.	Indiana Credit Union League Inc	1,812
Credit Union League Michigan.	M-C-U Legisl Act Fund	1,052
	Subtotal	14,402
D. Miscellaneous:		
*Household Finance Corp.	House PAC	0
Mortgage Bankers.	Mortgage Bankers PAC (MORPAC)	27,506
Savings Bankers.	Savings Bankers NP PAC	9,176
	Subtotal	36,682
E. Securities:		
Merrill Lynch.	Effective Govt Assn	70
Mitchell Hutchins.	Miachell Hutchins Vol Pol Fund	13,066
Paine Webber.	Paine Webber Fund for Better Govt	3,859
Securities Industry.	Securities Industry Camp Comm	50,974
Smith Barney.	SB Better Govt Comm	2,355
	Subtotal	70,324

CAMPAIGN FUNDS OF SPECIAL INTEREST AND POLITICAL PARTY COMMITTEES—Continued

CASH ON HAND AS OF DECEMBER 31, 1975, SUMMARY BY COMMITTEE—Continued

BUSINESS—continued

Affiliation or interest	*Committee name*	Closing cash
Food and food processing		
A. Beverages:		
Coca Cola Co.	Non-partisan Comm for Good Govt (GA)	$30, 043
*Coors Adolph Co.	Coors Emp PAC	0
*Distilled Spirits Institute.	Distilled Spirits Public Affairs Council	320
*Pepsico, Inc.	Pepsico PAC	0
	Subtotal	30, 363
B. Retail:		
*N A of Retail Grocers.	Retail Grocers PAC	0
*Handy Andy Inc.	Handy Andy PAC	0
*Piggly Wiggly Southern.	PWS Good Govt Comm (Vidalia)	0
*Winn-Dixie Stores, Inc.	Southeastern GGovt Comm	0
	Subtotal	0
C. Other:		
Am Bakers Assn.	BREAD PAC	28, 576
Am Frozen Food Institute.	Freezers PAC	1, 257
Canning Industry.	Canners Pub Aff Comm	3, 478
DelMonte Corp.	Del Monte Vol NP GGovt Comm	2, 746
*Dillingham Corp.	Dillingham Emp Cit Act Program	12, 150
*Cane Sugar Refiners Assn.	Cane Sugar Refiners PAC	1, 701
*Flowers Industries, Inc.	Flowers PAC, Thomasville GA	0
Food Industry, D.C.	Food Industry GGovt Comm	6, 372
Food Processing Industry (9-10).	Food Processor Pub Aff Comm	1, 335
*Gerber Products Co.	Gerber PAC	0
Krause Milling Co.	East Wisconsin Club	17, 168
Meat Industry (6-30).	Meat Industry PAC	515
Natl Confectioners Assn.	Govt Improvement Group	4, 427
*Pillsbury Co.	Active citizenship program	0
*Quaker Oats Co.	Public Interest Comm	0
	Subtotal	79, 725
Forest products:		
*Boise Cascade.	Boise Cascade Emp. GGovt Fund	0
*Crown Zellerbach Corp.	Crown Emp. Pol. Fund	8, 944
Forest Products (6-30).	Rosario Fund	415
Forest Products Industry.	Forest Products Pol. Comm	18, 492
Fort Vancouver Plywood Co. (1-30-76).	Fort Vancouver Plywood Co. Emp. PAC	62
Georgia Pacific Corp.	G-P Emp. Fund	35, 014
*Intl. Paper Co.	Vol. Contributors for Better Govt	0
Kirby Lumber Co.	Pine Tree Pol. Comm	3, 576
Mountain Fir Lumber Co.	Mountain Fir Pol. Comm	1, 106
*Natl. Lumber and Bldg. Assn.	Lumber Dealers PAC (LuDPAC)	0
Weyerhaeuser Co. Interests.	Hanson Fund	32, 316
Weyerhaeuser Co.	Tacoma Fund	4, 663
*Union Camp Corp.	Union Camp PAC	27, 440
	Subtotal	132, 028
Hotel, motel and restaurants:		
Am. Hotel and Motel Assn.	American Hotel Motel PAC (AHMPAC)	17, 047
Convenient Industries of Am.	Food Operators Pol. Act Tr. (FoPAT)	997
Natl. Restaurant Assn.	Restaurateurs PAC	39, 291
	Subtotal	57, 335
Insurance:		
*Am. General Insurance Co., Texas.	American General PAC	8, 767
CNA Financial Corp. (9-30).	CNA Civic Responsibility Comm	28
Independent insurance agents.	American Insur. Men's PAC (AIMPAC)	6, 632
Independent insurance agents, GA (6-30).	Independent Insurance Agents PAC	5, 898
*Kansas City Life Insurance Co.	Kansas City Life Emp. PAC	0
Kemper Insurance Co., Illinois.	Kemper Camp Fund	2, 642
Life Underwriters—National.	Life Underwriters PAC (LUPAC)	122, 248
*Life Underwriters—Texas.	Life Underwriters PAC, Texas	40, 851
Metropolitan Life Insurance Co., N.Y.	Metropolitan Emp. Pol. Participation Fund	30
Mortgage Insurance Companies of America (3-15).	Mortgage Insurance PAC	559
N. A. of Insurance Agents.	Natl. Agents PAC (NAPAC)	10, 786
*N/A.	Insurance Pub. Aff. Council, Chicago	3, 110
*Utica Mutual Insurance Co.	Insurance Executives PAC	121
	Subtotal	201, 672

CAMPAIGN FUNDS OF SPECIAL INTEREST AND POLITICAL PARTY COMMITTEES—Continued

CASH ON HAND AS OF DECEMBER 31, 1975, SUMMARY BY COMMITTEE—Continued

BUSINESS—continued

Affiliation or interest	*Committee name*	Closing cash
Machinery:		
*Deere & Co.	Illinois Fund	$8,042
Machinery Dealers Natl. Assn. (6-30).	Machinery Dealers PAC	925
*Martin Tractor Co.	Kansas Econ. Educ. Pol. Club	0
Tool Die Industry.	Tooling & Machining Ind. PAC	371
	Subtotal	9,338
Pharmaceuticals:		
Johnson & Johnson.	Johnson & Johnson GGovt. Fund	71
Martion Laboratories Inc.	Mid-America Comm. for Sound Govt	7,025
N. A. of Chain Drug Stores.	Chain Drug Stores PAC	2,348
*N. A. of Pharmacists.	Natl. Assn. of Pharmacists PAC	1,374
Pharmaceutical Mfrs. Assn.	Pharmaceutical Mfrs. Assn. Better Govt. Comm	1,848
*Proprietary Assn., The	Proprietary Industry PAC	1,585
Smith, Kline & French.	SKF Vol. NP Pol. Fund	1,902
	Subtotal	16,153
Railroads:		
Atchison, Topeka & Santa Fe.	Civic Trust 80 Santa Fe Emp. for GGovt	18,207
Burlington Northern Inc.	Burl. North Off. Vol. GGovt. Fund	31,101
Chicago & Northwestern RR Co.	Northwestern Off. Trust Acct	180,252
Chicago, Milwaukee, St. Paul & Pacific RR.	Milwaukee Off. Trust Acct	1,334
Gen. Am. Transp. Corp.—RR cars	Riverside Civic Assn	875
Illinois Central Gulf RR Co. (sub of I. C. Industries).	ICG Good Govt. Fund	8,200
I. C. Industries.	Industries Civic Trust	3,532
Louisville & Nashville RR.	Non-Partisan Vol. Pol. Fund	615
St. Louis-San Francisco RR.	Frisco Emp. Comm. for GGovt	8,070
Seaboard Coastline RR.	Special Projects Group	15,728
Southern Pacific Co.	Southern Pac. Mgmt. Officers GG Fund	11,107
Southern Railway System.	Southern Ry. GGovt. Fund	16,305
Southern Railway System.	Southern Ry. Tax Elig. GG Fund	1,700
Union Pacific Corp.	Fund for Effective Govt	2,817
	Subtotal	299,843
Real estate:		
Am Land Title Assn.	Title Industry PAC	27,230
Natl Apartment Assn (4-8).	Apartment PAC	813
N A Realtors:	Realtors PAC (RPAC)	316,014
National.		
Minnesota.	Minn Real Estate PEC	33,790
Nebraska (6-30).	Nebraska Real Estate PAC	9,942
North Carolina.	North Carolina Real Estate PEC	2,084
Oregon.	Oregon Real Estate PEC	11,448
Virginia (9-30).	Virginia Real Estate PEC (VAREPEC)	0
*Washington.	Real Estate PEC of Washington	2,592
*Natl Realty Comm, DC.	Natl Realty PAC	0
	Subtotal	403,913
Transportation:		
*Alaskan Skies Assn, Natl.	Alaskan Skies Assn Natl	1,377
*Allegheny Airlines.	Allegheny PAC	3,475
Am Export Lines Inc.	American Export Lines PAC	200
*Am Public Transit Assn.	APTA-PAC	1,674
*Budd Co.	Budd Citizenship Comm	0
Freight Forwarders Institute, DC.	Part IV Frgt Forwarders PAC	13,925
Genl Aviation Manufacturers Assn.	Gen Aviation Pub Aff Comm	374
*Metro Services, Texas.	Concerned Citizens PAC	386
*Matson Navigation (sub of Alex & Baldwin).	Matson Emp Fed Govt Prog	1,252
N A of Motor Bus Owners.	Bus Ind Pub Aff Comm (BUSPAC)	667
N A of Schl Bus Contr Operators.	Non-Partisan Transportation Action Comm	738
Natl Automobile Dealers Assn.	Comm of Auto Retailers (CAR)	3,511
*National Auto Dealers Assn, Natl.	Automobile & Truck Dlrs Elect Act Comm	141,857
*Natl Auto Dealers Assn, Texas.	Automobile Dealers PAC, Texas	0
Natl Auto Dealers Assn, Wisc.	Campaign Fund for Dealers PAC (Racine)	0
*Pan American Airlines.	Pan Am PAC	0
*Pullman Inc.	Pullman Emp Govt Fund	899
Texas Good Roads Assn.	Texans for Better Transportation	290
Trucking Industry.	Truck Operators Non-Partisan Operators	40,089
Am Imported Auto Dealers Assn.	AIADA PAC	8,451
	Subtotal	219,165

CAMPAIGN FUNDS OF SPECIAL INTEREST AND POLITICAL PARTY COMMITTEES—Continued

CASH ON HAND AS OF DECEMBER 31, 1975, SUMMARY BY COMMITTEE—Continued

BUSINESS—continued

Affiliation or interest	*Committee name*	Closing cash
Utilities:		
*Columbus & S. Ohio Electric Co.	Hickory Street Fund	$4, 255
*Florida Power & Light Co.	Constructive Congress Comm	0
Pacific Gas & Electric Co (CA).	Good Govt Fund, San Francisco	13, 921
Southern CA Edison Co.	Federal Citizenship Responsibility Group	11, 154
	Subtotal	29, 330
Other:		
*Am Assn of Nurserymen.	Nursery Industry PAC	1, 418
Am Book Publishers Assn.	American Book Publishers PAC	5, 618
Am Cotton Shippers Assn.	Comm Org for the Trading of Cotton (COTCO)	3, 719
*Am Express Co.	American Expr Off Comm for Responsible Govt	1, 949
Am Importers Assn (11-29).	American Intl Trade Pol Aff (AIRPAC)	1, 255
Am Society of Executives.	Effective Govt Group	364
*Am Retail Assn.	Retail PAC	0
*Am Textile Mfrs Assn.	American Textile Ind Comm for GGovt	32, 789
Boating Information Council.	Boating Info Council PAC	886
*Broyhill Furntiure Industries.	Broyhill PAC (Lenoir, NC)	2, 830
*Continental Can Co.	Continental Can Civic Assn	0
*Corning Glass Works.	Corning Glass Works Emp PAC	0
Cotton Warehouse Assn of Am (TN).	Comm of One Hundred	97
N/A.	Comm for Advancement of Cotton	6, 821
*Evergreen Associates, Everett WA.	Evergreen Associates PAC	0
Gould Inc.	Responsible Govt Assn	39, 452
*John W. Graham Co (1-10-76).	John Graham PAC	65
*N/A.	Marco Comm for Effect Govt (Baltim)	1, 716
*Marcor Inc.	Marcor Inc PAC	0
Mobile Homes Mfrs Assn.	Mobile Home Act Comm	265
*Montgomery Ward & Co.	Montgomery Ward & Co PAC	0
Natl Home Furnishings Assn.	Home Furnishings Pol Comm	906
Norgren CA Co.	Littleton Comm for Pol Ed	3, 955
*Producers Cotton Oil Co (CA).	Producers GGovt Comm	670
*RJ Reynolds Industries Inc.	RJRI GGovt Fund Comm	0
Texas Instruments Co.	Constructive Citizenship Prog	10, 742
Tobacco Industry.	Tobacco Peoples Pub Aff Comm	17, 377
*TRW.	TRW Good Govt Fund	0
*Wheelabrator-Frye Inc.	Comm for a Sensible Govt	0
*Wellman Industries, Johnsonville, SC.	Wellman Ind GGovt Fund	0
*Wellman Industries, Johnsonville, SC.	Wellman Ind Tax Elig GGovt Fund	0
	Subtotal	132, 894
	Total, All business	3, 055, 494

AGRICULTURE AND DAIRY

Dairy:		
Assoc Milk Producers Inc.	Comm for Thor Agri Pol Ed (C-TAPE)	1, 811, 702
Dairymen Inc:	SPACE—Trust for Spec Agri Comm Ed	310, 113
Georgia.	Georgia Comm for Pol Act	9, 978
Kentucky (1-31-76).	Kentucky Comm for Pol Act	9, 300
Louisiana.	Louisiana Comm for Pol Act	6, 810
Mississippi.	Mississippi Comm for Pol Act	7, 728
Tennessee.	Tennessee Comm for Pol Act	3, 250
Virginia.	Virginia Comm for Pol Act	13, 800
Land O'Lakes Inc.—Dairy.	M-PACT—Midwest Pol Act Co-op Trust	1, 941
Mid-America Dairymen Inc.	ADEPT—Agri & Dairy Ed Pol Trust	330, 437
Northwest Dairymen's Assn. (6-30).	North Pacific Dairymen's Co-op Trust	1, 714
	Subtotal	2, 506, 773
Other agriculture:		
Alexander & Baldwin, Hawaii.	A & B Emp Vol Pol Comm for Fed Cands	2, 813
Am Natl Cattlemen's Assn.	Cattlemen's Act Leg Fund (CALF)	47, 642
Am Rice Growers Coop Assn.	Rice Producers PRC	5, 680
California-Arizona Citrus League.	Calif-Ariz Citrus League Fund	575
California Canning Peach Assn.	Growers for Effective Govt	691
California Agriculture.	Comm on Agri Policy (Calif)	29, 568
California Rice Fund.	Calif Rice Fund	44, 021
Florida Agriculture.	Rural Americans for Voter Res & Act	3, 243
National Council of Farmer Co-ops.	Florida Agri Educ Comm	2, 387
National Council of Farmer Co-ops.	PACE—Pol Act for Co-op Effectiveness	6, 604
National Council of Farmer Co-ops.	Pol Act for Co-op Effectiveness KS	581
Rice & Soybean Growers.	Rice & Soybeans PAC	42, 216
*United Fruit & Vegetable Assn.	United PAC (UNIPAC)	0
	Subtotal	186, 021
	Total Agriculture and Dairy	2, 692, 794

CAMPAIGN FUNDS OF SPECIAL INTEREST AND POLITICAL PARTY COMMITTEES—Continued

CASH ON HAND AS OF DECEMBER 31, 1975, SUMMARY BY COMMITTEE—Continued

HEALTH

Affiliation or interest	*Committee name*	Closing cash
American Dental Association:		
National.	American Dental PAC	$218,740
Arizona.	Arizona Dental PAC	943
Arkansas (9–30).	Arkansas Dental PAC	725
California.	California Dental PAC	116,822
D.C.	DC Dentists for Effect Govt	234
Florida.	Florida Dental PAC	91,611
*Idaho (9–30).	Idaho Dental PAC	1,230
Illinois.	Legis Int Com of Illinois Dentists	N/A
*Indiana.	Indiana Dental PAC	4,808
Iowa.	Iowa Dental PAC	4,880
*Kansas.	Kansas Dental PAC	0
Kentucky (9–30).	Kentucky Dental PAC	2,978
*Louisiana.	Louisiana Dental PAC	0
*Maine (6–30).	Maine Dental PAC	835
*Minnesota.	Minnesota Dental Hlth Pub Aff Com	0
*Nebraska.	Nebraska Dental PAC	3,573
Nevada (7–10).	Nevada Dental PAC	4,726
New Hampshire.	New Hampshire Dental PAC	1,984
New York.	Empire Dental PAC	24,388
North Carolina.	North Carolina Dental PAC	19,831
Ohio.	Ohio Dental PAC	26,349
Oklahoma (7–9).	Oklahoma Dental PAC	15,107
Pennsylvania.	Pennsylvania Dental PAC	21,033
Tennessee.	Tennessee Dental PAC	9,990
Utah.	Utah Dental PAC	4,712
Washington.	Washington Dental PAC	36,531
*Wyoming.	Wyoming Dental PAC	782
	Subtotal	612,792
American Medical Association:		
National.	American Medical PAC (AMPAC)	712,812
D. C. Exec (9–30).	Physicians Comm for GGovt	0
Alabama (9–30).	Alabama Medical PAC	17,590
Alaska (9–30).	Alaska Medical PAC	2,648
Arizona.	Arizona Medical PAC	10,696
Arkansas.	Arkansas PAC	3,521
California.	California Medical PAC (CALPAC)	87,398
California.	Comm for Govt Improvement	149
California.	L.A. County Physicians Comm	29,960
Colorado.	Colorado Medical PAC (COMPAC)	2,205
Connecticut (3–10).	Conn Medical PAC (COMPAC)	3,340
D.C.	District of Columbia PAC (DOCPAC)	4,428
Florida.	Florida Medical PAC (FLAMPAC)	50,488
Georgia.	Georgia Medical PAC	51,990
Hawaii.	Hawaii Medical PAC	2,194
Idaho.	Idaho Medical PAC	3,577
Illinois.	Illinois Medical PAC	52,500
Indiana.	Indiana Medical PAC	41,967
Iowa.	Iowa Medical PAC	14,885
Kansas.	Kansas Medical PAC (KANPAC)	7,388
Kentucky.	Kentucky Ed Med PAC (KENPAC)	2,376
Louisiana (8–31).	Louisiana Medical PAC (LAMPAC)	12,257
Maine (6–30).	Maine Medical PAC	517
Maryland.	Maryland Medical PAC	38,120
Massachusetts (6–30).	Bay State Physicians PAC (BAYPAC)	725
Michigan.	Michigan Doctors PAC	11,439
Minnesota.	Minnesota Medical PAC	26,354
Mississippi.	Mississippi PAC	2,457
Missouri.	Missouri Medical PAC	16,382
Montana.	Montana PAC (MONTPAC)	2,397
Nebraska.	Nebraska Medical PAC	9,154
Nevada.	Nevada Medical PAC (NEMPAC)	4,560
New Jersey (2–28).	New Jersey Medical PAC (JEMPAC)	4,624
New Mexico.	New Mexico Medical PAC	4,448
New York (2–28).	Empire Medical PAC	74
North Carolina.	North Carolina Medical Pol & Act Comm	12,312
North Dakota.	North Dakota Comm on Med Pol Act (COMPAC)	1,505
Ohio (9–30).	Ohio Medical PAC	57,296
Oklahoma.	Oklahoma Medical PAC	12,005
Oregon.	Oregon Medical PAC	14,143
Pennsylvania.	Pennsylvania Medical PAC	55,385
Rhode Island.	Rhode Island Medical PAC (RIMPAC)	1,657
South Carolina.	South Carolina PAC (SOCPAC)	4,937

CAMPAIGN FUNDS OF SPECIAL INTEREST AND POLITICAL PARTY COMMITTEES—Continued

CASH ON HAND AS OF DECEMBER 31, 1975, SUMMARY BY COMMITTEE—Continued

HEALTH—continued

Affiliation or interest	*Committee name*	Closing cash
South Dakota.	South Dakota PAC (SODAPAC)	$1,307
Tennessee.	Independent Medicine's PAC	19,840
Texas.	Texas Medical PAC (TEXPAC)	159,715
Utah.	Utah Medical PAC (UMPAC)	5,510
Vermont.	Vermont Education Medical PAC	1,254
Virginia.	Virginia Medical PAC (VAMPAC)	9,975
Washington.	AMPAC—State of Washington	7,193
Wisconsin.	Wisconsin Physician's PAC	12,997
Wyoming.	Wyoming PAC	4,327
	Subtotal	1,616,973
American Nursing Home Association:		
*California.	ANHEPAC—Am Nurs Home Ed & PAC	25,067
Texas.	CAHEPAC—CA Assn of Nurs Homes Ed & PAC	783
Virginia 6-30.	Nursing Home Admin PAC of Texas	22,115
Colorado.	Virginia Nursing Home Assn PAC	5,074
	CANHEPAC—Colorado Assn Nurs Home Ed & PAC	533
	Subtotal	53,572
Miscellaneous:		
Am Academy of Family Physicians.	Family Physicians PAC	1,995
Am Nurses Assn.	N-CAP, Nurses Coal for Act in Politics	18,109
Am Optometric Assn.	American Optometric Assn PAC	36,261
Am Physical Therapy Assn.	American Phys Therapy Cong Act Comm	985
Am Podiatry Assn.	Podiatry PAC	52,222
Am Society of Oral Surgeons	Oral Surgery PAC	75,097
Am Society of Oral Surgeons.	Our United Republic PAC	0
Federation of American Hospitals.	FEDPAC—Arkansas	42,114
*N/A (6-30).	Group Practice Pol Comm (VA)	7,120
*N/A.	Group P Comm (TX)	615
Illinois Dentists.	DIAL—Dentistry Investing in Action on Legislation	17,638
Minnesota Health Group (6-30).	Natl Comm for Full Hlth Care	46
*New Jersey Health Group.	New Jersey Health Care PAC	878
*Oregon Health Group.	Chiropractic PAC of Oregon	5,674
Opticians Assn of Am.	Opticians Comm for Pol Ed	837
	Subtotal	259,591
	Total	2,542,933

LABOR

Affiliation or interest	*Committee name*	Closing cash
AFL-CIO:		
National.	AFL-CIO COPE PCC	51,431
Arkansas.	Arkansas COPE	625
California.	L A County COPE Vol PCC	9,797
California.	Volunteers for VLPEC, L A County	2,254
California (2-28).	COPE Santa Clara County	7,945
Colorado.	COPE Colorado	675
Connecticut.	AFL-CIO Conn COPE	0
*Connecticut (3-10).	Conn State AFL-CIO Sen Camp Comm	0
Kentucky.	Kentucky State AFL-CIO COPE	1,834
Michigan.	Michigan State AFL-CIO COPE Vol Fund	32,085
Missouri (1-10-76).	Missouri State Labor Council COPE	3,771
North Carolina.	North Carolina State COPE AFL-CIO	0
Ohio (2-28).	Ohio AFL-CIO COPE	61
Ohio (6-30).	Cleveland AFL-CIO COPE	1,060
Ohio.	Toledo Area AFL-CIO Council	12,749
*Ohio (7-10).	Franklin County PAC Vol Fund	22
Oklahoma.	Oklahoma State AFL-CIO Free Pol Camp Fd	1,170
Oregon.	Oregon COPE AFL-CIO	6,903
Texas.	Texas COPE	25,507
Utah.	Utah State AFL-CIO	0
Washington.	Washington State COPE	1,762
West Virginia.	West Virginia AFL-CIO COPE	2,537
Wisconsin.	Wisconsin State AFL-CIO COPE	10,333
Wisconsin (6-30).	Appleton Fed of Labor AFL-CIO	1,056
	Subtotal	173,577

Campaign Funds of Special Interest and Political Party Committees—Continued

Cash on Hand as of December 31, 1975, Summary by Committee—Continued

labor—continued

Affiliation or interest	*Committee name*	Closing cash
Building and construction trades:		
Boilermakers.	Legislative Education Action Progm (LEAP)	$16,110
Bricklayers.	Bricklayers Action Comm	2,754
Building & Construction Trade.	PEF of the Bldg & Constr Tr	76,220
Carpenters.	Carpenters Legisl Improvement Comm	79,248
Carpenters—California.	Carpenters Comm on Pol Act	1,696
*Carpenters—California (9-10).	State Cncl of Carpenters PAF	5,743
Carpenters—Ohio.	Ohio St Council of Carpenters	12,687
Electrical Workers (IBEW).	IBEW-COPE (Electrical Workers)	23,997
*Electrical Workers (IBEW)—Iowa (1-31).	IBEW COPE Local 1362	3,068
*Electrical Workers (IBEW)—Conn (6-30).	Local #35 Pol Comm Ntl	0
Ironworkers.	Iron Workers Pol Act Lg	7,458
Laborers.	Laborers Pol League	193,726
*Laborers—Ohio.	Local Union 860 Laborers Pol Lg	0
Operating Engineers.	Engineers Pol Ed Comm	14,876
Operating Engineers—Calif.	Supporters of Eng Loc 3 Fed Endorsed Candidates	2,220
Operating Engineers—N.J.	O E Local 825 Pol Act & Ed Comm	11,361
Operating Engineers—Wash.	Local 302 Vol Pol Fund, Seattle	46,404
Painters.	Pol Act Together Pol Comm	3,097
Plumbers & Pipe Fitters.	U A Political Education Comm	9,347
	Subtotal	510,012
Government:		
Firefighters.	Fire Fighters COPE	6,388
Firefighters—Virginia (7-10).	Fairfax City Firefighters PAC	63
Firefighters—New York.	Schenectady Firefighters PAC	0
Government Employees (AFGE).	Comm on Fed Emp Pol Ed	5,427
Government Employees (NAGE) (9-30).	Govt Emp Pol Research Institute	1,543
*Letter Carriers.	Comm on Letter Carriers Pol Ed	26,230
Postal Workers.	Pol Fund Comm on Am Postal Wkr	40,214
State-County Municipal Employees.	PEOPLE—Public Employees Organized	8,660
State-County Municipal Employees.	People Qualified Contrib Comm	3,422
State-County Municipal Employees.	Social Serv Emp Un 371 (NY)	277
Teachers (AFT)—National.	American Fed of Teachers	64,566
Teachers (AFT)—Minn.	Minnesota Fed of Teachers COPE	8,798
Teachers (AFT)—New York (UFT).	UFT COPE (NY)	32,251
New York State United Teachers.	VOTE COPE (Voice of Teacher Ed)	177,325
	Subtotal	375,464
Industrial		
A. AFL-CIO Affiliated:		
Chemical Workers (ICWU).	Labors Investment in Voter Ed	8,766
Clothing Workers:		
National.	Amalgamated Pol Ed Comm (APEC)	45,000
Illinois.	Chicago & Midwest PEC (CAMPEC)	6,075
Maryland.	Baltimore Rgn Jt Bd PEC	5,089
Massachusetts (7-10).	Boston Jt Bd Amalg PEC	1,480
Minnesota.	Minnesota Jt Bd PEC	2,725
New York.	New York Jt Bd Pol Act Fund	27,600
New York (3-10).	Rochester Jt Bd PEC	6,850
Clothing Workers—New York.	Amalg Serv and Allied Ind Jt Bd PEC	3,152
Clothing Workers—Pennsylvania.	Clothing Wkrs Pol Comm for Eastern PA	5,253
Clothing Workers—Pennsylvania (9-30).	Amalgamated Pol & Ed Comm of Phila	1,946
Electrical Workers (IUE).	IUE COPE	5,944
Garment Workers, Ladies.	ILGWU Camp Comm	229,717
Glass Bottle Blowers Assn.	GBBA Pol Ed League	7,250
Industrial Unions Dept.	IUD Voluntary Funds	39,832
Machinists:	MNPL:	
National (1-31-76).	Match NP Pol League	309,107
California.	District 727 Chap., Burbank	68
Colorado.	Colorado	46
Iowa.	of Iowa Cncl of Mach	5,236
Michigan.	of Michigan (Machinists)	0
Michigan.	District Lodge 117 Reading	
Minnesota.	of Minnesota	3,928
Minnesota.	Bean Feed Comm St. Paul	4,118
Minnesota.	Twin City Area St. Paul	7,471
Missouri.	Dist 9, Bridgeton	4,333
Missouri.	Dist 71, Kansas City	492
Ohio.	Ohio State Council	1,637
Oregon.	of Oregon	514
Pennsylvania (6-30).	Penn State IAM	1,911
Texas	Texas State Council	942

CAMPAIGN FUNDS OF SPECIAL INTEREST AND POLITICAL PARTY COMMITTEES—Continued

CASH ON HAND AS OF DECEMBER 31, 1975, SUMMARY BY COMMITTEE—Continued

LABOR—continued

Affiliation or interest	*Committee name*	Closing cash
Texas (9-30).	Local Lodge 15, Houston	$4,960
*Texas.	Texas Airline District 146	827
Washington.	Dist 751 Seattle	2,312
*Washington.	Washington State	918
*Wisconsin.	of Wisconsin	970
*Wisconsin.	Dist 10 Milwaukee	13,973
Oil Chemical & Atomic Workers.	OCAW Pol & Legisl League	20,111
Pulp & Papermill Workers.	United Paper Workers Intl Union	17,118
Rubber Workers.	COPE of UTD Rubber Wkrs	48,844
Rubber Workers—Colorado.	United Rub Wkrs Local 154 PEC Denver	815
Rubber Workers—Kansas (9-30).	COPE Vol Contr Fund UTD Rubber #307	0
Sheet Metal Workers.	Pol Act League—Sheet Metal	88,610
Steelworkers (1-1-76).	United Steelworkers of Am PAF	465,382
Steelworkers—Pennsylvania.	United Steel Wkrs of Am Dist 7 Ptsbg	409
Textile Workers (TWU).	TWUA Pol Fund	25,382
	Subtotal	1,427,113
Industrial		
B. United Auto Workers, Independent:		
United Auto Workers, independent.	Comm for Good Gvt (Detroit)	294,278
United Auto Workers, independent.	UAW-V-CAP	683,904
United Auto Workers, independent (2-28).	365 CAP Council Fund (Brooklyn)	5,709
*United Auto Workers, independent (12-31).	Greater Flint Comm Act Cncl Vol Fund	4,761
	Subtotal	988,652
Maritime related:		
Longshoremen.	Brooklyn Longshmn Pol Act & Ed Comm	81,308
Longshoremen (Masters Mates).	Masters, Mates & Pilots Pensioners Action Fund	491,293
Marine Engineers.	MEBA Pol Act Fund	273,113
Marine Engineers.	District 2 MEBA—AMO Pol Act Fund	149,461
Marine Engineers.	MEBA Retirees Group Fund	76,784
Marine Engineers (Air Traffic Controllers).	PATCO PAC	9,151
Maritime (NMU).	NMU Pol & Leg Organ On Watch (PLOW)	50,213
Seafarers.	Seafarers Political Activity Donation	69,353
Seafarers (Marine Cooks).	Marine Cooks & Stewards Pol Def Fund	61,390
Seafarers (Marine Firemen).	Marine Firemen's Union Pol Act Fund	7,359
Seafarers (Sailors-Pacific).	Sailors Pol Fund	77,907
	Subtotal	1,347,332
Service:		
Motel & Restaurant Empl.	H & RE & BIU COPE	87,344
Meatcutters.	AMCOPE	68,889
*Meatcutters, North Carolina.	Local 525 Vol Pol Act Fund, Asheville	0
Retail Clerks—National.	Active Ballot Club	278,210
Retail Clerks—California (11-3).	Active Ballot Club #648 San Francisco	880
Retail Clerks*—California.	Active Ballot Club #428 San Jose	208
Retail Clerks—Maryland.	Active Ballot Club #692 Baltimore	2,227
Retail Clerks—New Jersey.	Active Ballot Club #1262 Clifton	16,373
Retail Clerks—New York.	Active Ballot Club #1500 Queens Vil	6,196
Retail Clerks—New York (2-28).	Active Ballot Council #6 Queens Vil	2,659
Retail Clerks—Ohio.	Active Ballot Club #880 Cleveland	4,016
Retail Clerks—Pennsylvania.	Active Ballot Club #1393 Reading	0
Retail Wholesale (7-10).	Local #2 Pol Act Fund (NYC)	1,447
Retail Wholesale (9-30).	District 65 Pol Act Fund (New York)	2,524
Retail Wholesale.	Dist. 1199 Pol Act Fund (NYC)	14,728
Service Employees.	SEIU-COPE PCC	48,086
Plant Guard Workers, Ind.	PAC UPGWA	1,810
*Utility Workers.	Utility Workers of Am Pol Contrib Comm	0
	Subtotal	535,597
Transportation—A. Railway:		
Brhood of Railway Carmen.	Railway Carmen Pol League	16,104
Brhood of Railway Carmen NY (3-10).	Bhood of RWY Carmen Lodge 886 PAC	4,290
Firemen & Oilers.	Intl Bhood Firem & Oilers Pol League	2,306
Railway Clerks Illinois.	Illinois State Legisl Com (BRAC) Pol Ed Fund	1,505
Maintenance of Way Employees.	Maintenance of Way Pol League	26,192
Railway Clerks.	Railway Clerks Pol League	152
Railway Labor Exec Assn.	Railway Labor Exec Assn Pol League	25,300
Railroad Signalmen.	Signalmen's Pol League	3,258
	Subtotal	79,107

CAMPAIGN FUNDS OF SPECIAL INTEREST AND POLITICAL PARTY COMMITTEES—Continued

CASH ON HAND AS OF DECEMBER 31, 1975, SUMMARY BY COMMITTEE—Continued

LABOR—continued

Affiliation or interest	*Committee name*	Closing cash
B. Other transportation:		
*Amalgamated Transit Union.	ATU COPE Pol Contribs Comm	$8,406
Transport Workers (TWU).	Transport Workers Union PCC	99,869
Transportation Union (UTU).	Transportation Pol Ed League	411,705
*Pan American Chap Flight Eng Intl Assn.	Pan Am Flight Engineers PAC	0
	Subtotal	519,980
C. Teamsters, Independent:		
Teamsters, Independent:		
National.	DRIVE Dem Rep Ind Voter Education	9,950
*Alabama.	DRIVE Jt Council 85 Birmingham	3,727
Alaska.	DRIVE Alaska ALIVE Vol Comm	28,769
Arkansas (8-31).	DRIVE Little Rock	10,050
California.	DRIVE #42 Los Angeles	31,798
Connecticut.	DRIVE #559 Newington	2,709
Georgia.	DRIVE Atlanta	2,357
Teamsters, Independent:		
Illinois.	DRIVE Joint Council 65 Springfield	6,886
*Indiana.	Local Union 364 Voter Ed Pol Fund	5,222
Iowa.	DRIVE Sports Award	76
Do.	DRIVE #238 Cedar Rapids	476
Kentucky.	DRIVE Joint Council 94 Louisville	2,745
Louisiana.	DRIVE #568 Shreveport	590
Maine.	DRIVE #340 South Portland	2,861
Maryland.	DRIVE #557 Baltimore	13,616
Massachusetts.	DRIVE Joint Council 10 Boston	19,684
Do.	DRIVE Local Union #25 Boston	5,421
Michigan.	DRIVE Political Fund Detroit	315
Minnesota.	DRIVE Minnesota	18,562
Missouri.	DRIVE Joint Council 13 St Louis	6,642
New Jersey (9-30).	DRIVE New Jersey	459
North Carolina.	DRIVE Carolina Chapt 1 Greensboro	582
Ohio.	DRIVE Ohio	53,459
Oklahoma (3-10).	DRIVE #886 Oklahoma City	1,622
Pennsylvania.	DRIVE Local 115 Philadelphia	12,733
Texas.	DRIVE Texas	636
Do.	DRIVE Local 745 Dallas	49,995
Do (9-30).	DRIVE #968 Houston	504
Do (3-10).	DRIVE #941 El Paso	1,169
Do (9-30).	DRIVE #47 Fort Worth	5,833
Virginia.	DRIVE #592 Richmond	5,833
	Subtotal	299,811
	MISCELLANEOUS	
Miscellaneous:		
Clothing workers, longshoremen, operating engineers, seafarers.	Labor Comm for Pol Act in NY State	2,580
Am Radio Assn (6-30).	American Radio Assn COPE PCC	613
Communication Workers.	CWA-COPE PCC	178,910
*Communication Workers.	CWA Dist #1 PAC, NYC	5,494
*Communication Workers.	CWA Dist #2 PAC, DC	10,034
*Communication Workers.	CWA Dist #3 PAC, Georgia	994
*Communication Workers.	CWA Dist #4 PAC, Ohio	7,552
*Communication Workers.	CWA Dist #5 PAC, Illinois	10,951
*Communication Workers.	CWA Dist #6 PAC, Missouri	22,995
*Communication Workers.	CWA Dist #7 PAC, Nebraska	2,638
Miscellaneous:		
*Communication Workers.	CWA Dist #8 PAC Colorado	252
*Communication Workers.	CWA Dist #9 PAC, CA—SanFran	1,330
*Communication Workers.	CWA Dist #10 PAC, Alabama	559
*Communication Workers.	CWA Dist #11 PAC, CA—LosAng	1,379
*Communication Workers.	CWA Dist #12 PAC, Texas	34,049
Farmworkers (6/30).	Farmworkers Pol Ed Fund	15,276
Furniture Workers.	UFWA COPE	1,294
Graphic Arts Union.	Graph Arts Intl Union COPE	13,300
Molders.	Intl Molders & Allied Wkrs Un COPE	5,326
Office & Prof Employees.	Voice of the Electorate "VOTE"	3,396
Office & Prof Employees, New York.	OPEIU Local 153 VOTE Comm	7,184
Mine Workers.	Coal Miners Pol Act Contribs Comm	17,486
	Subtotal	337,059
	Total labor	6,600,237

CAMPAIGN FUNDS OF SPECIAL INTEREST AND POLITICAL PARTY COMMITTEES—Continued

CASH ON HAND AS OF DECEMBER 31, 1975, SUMMARY BY COMMITTEE—Continued

MISCELLANEOUS—continued

Affiliation or interest	*Committee name*	Closing cash
Environment and conservation:		
League of Conservation Voters.	League of Conservation Voters Camp Fund	$4,317
League of Conservation Voters.	League of Conservation Voters	1,641
League of Conservation Voters CA.	California League of Conservation Voters	0
League of Conservation Voters GA (1–31).	Georgia League of Conservation Voters	256
League of Conservation Voters OR (1–31).	Oregon League of Conservation Voters	0
	Subtotal	6,214
Rural electrification:		
Natl. Rural Electric Coop Assn.:	Act Comm. for Rural Electrification (ACRE)	54,830
Colorado (9–30).	Colorado Advocates for Rural Electr. (CARE)	1,828
Indiana.	Indiana Friends of Rural Electr	4,960
Iowa.	Iowa ACRE	1,454
Kansas.	Kansas ACRE	1,795
Kentucky.	Speak Up for Rural Electr. (SURE)	3,647
Mississippi.	Mississippi ACRE	800
Missouri (3–10).	Missouri ACRE	1,457
North Carolina.	Rural Electric Action Program (REAP)	5,805
Ohio (6–30).	Ohio ACRE	1,756
South Carolina.	Electric Coop Help Org. (ECHO)	0
Wisconsin.	Wisconsin ACRE	23
Iowa Assn. of Electric Cooperatives.	Low Cost Energy Comm	6,065
	Subtotal	84,420
Miscellaneous:		
	Concerned Seniors for Better Govt	0
	Congressional Victory Comm	2,594
	*Gun Owners of America (CA)	17,389
	Independence Club Pol. Comm	0
(6–30).	Louisiana Education Group	0
Natl Women's Political Caucus. (3–10).	Natl Womens Pol Caucus Camp Sup Comm	7,797
	Saginaw City Public Affairs Council (MI)	2,900
	Senate-House Assn for Resp Elections (SHARE)	0
	Right to Bear & Keep Arms Pol Vict Fd	25,909
	Sportsman PAC (NY)	170
(6–30).	Taxpayers Action Fund	166
	Women For	20,350
	Women's Campaign Fund (DC)	20,453
	Independence '76 (VT)	150
Natl Right to Work Comm.	Employee Rights Camp Comm (VA)	0
	Fund for a Representative Congress Inc	0
	Comm for a New Majority/Freedom of Choice Inc	877
	Special Comm for Pol Action (NY)	1,409
Neighborhood School Assn, Claymont.	Public Congress of Delaware	0
	Subtotal	100,164
	Total miscellaneous	190,798

CONGRESSIONAL LEVEL PARTY COMMITTEES

Republican Party Committees:		Democratic Party Committees:	
National Republican Congressional Committee	$348,825	Democratic Congressional Campaign Committee (6–30)	94,412
Republican Congressional Boosters Club	375,178	Democratic Congressional Dinner Committee	30,036
National Republican Senatorial Committee	182,968	Democratic Senatorial Campaign Committee (9–30)	11,112
Republican Candidates Conference (2–28)	51,010	Democratic National Congressional Committee (6–30)	110,252
Republican Campaign Committee (transf 252,926 to RNC)	0	Democratic Congressional Finance Committee	9,040

IDEOLOGICAL

Conservative Groups:		
Am Conservative Union.	American Conservation Union	3,021
Am for Constitutional Action.	Americans for Constitutional Action	11,391
	Comm for Responsible Youth Politics	3,784
	Comm for Survival of a Free Congress	95,326
	Comm of Nine	661
	Conservative Campaign Comm	2,833
	Conservative Victory Fund	2,669
Am Conservative Union.	*National Conservative PAC	56,154
(6–30).	United Congressional Appeal	9,363
	Young America's Campaign Comm	18,920
Conservative Coalition of Iowa.	Friends of Freedom Rally Fin Comm	187
	Subtotal	204,309

CAMPAIGN FUNDS OF SPECIAL INTEREST AND POLITICAL PARTY COMMITTEES—Continued

CASH ON HAND AS OF DECEMBER 31, 1975, SUMMARY BY COMMITTEE—Continued

IDEOLOGICAL—continued

Affiliation or interest	*Committee name*	
Liberal Groups:		
(6-30).	Congressional Action Fund	$1,768
	Council for a Livable World	48,401
(10-6).	Natl Comm for an Effective Congress (NCEC)	77,087
Ripon Society.	One Percent Fund	314
	1974 Campaign Fund	855
	Subtotal	128,425
	Total Ideological	332,734
	LAWYERS	
*American Trial Lawyers Assn.	Attorneys Congressional Camp Trust	496,578
*Doherty, Rumble & Butler (Attys).	DR & B Political Fund A (Minn)	1,500
*Doherty, Rumble & Butler (Attys).	Dr & B Political Fund B (Minn)	2,285
*Doherty, Rumble & Butler (Attys).	DR & B Political Fund C (Minn)	571
Lawyers & Clients (Orange Cnty).	Lawyers & Clients for Govt Orange Cnty	296
Patton, Boggs & Brand (Attys, DC).	Comm for Election of Cong Candidates	13,408
	Total Lawyers	514,638

Mr. CLARK. Mr. President, I yield back the remainder of my time.

Mr. CANNON. Mr. President, I wish to make absolutely clear to my colleagues that the provision requested by the White House has been stricken. The substitute, as it is now proposed, simply would reconstitute the Federal Election Commission. It would provide for the appointment of two members every other year. It would not continue the Secretary of the Senate and the Clerk of the House as ex officio members.

It would do nothing about the actions or interpretations of the commission which many Members of Congress believe the commission has erroneously interpreted so far. It would simply provide for the matching funds to be received by Presidential candidates and disbursed by the Commission to the candidates who are in the race. It would permit the Federal Election Commission to go ahead with what limited powers were retained to it under the Supreme Court decision.

I suggest to my colleagues that what we need here is a revision of law to conform completely to the Supreme Court decision and to try to make a campaign reform bill work. We have been working at this for a long time. I believe we have the opportunity now to make a success of it.

I hope my colleagues will defeat the substitute amendment of the Senator from Michigan.

Mr. CHURCH. Mr. President, because a campaign committee which I have authorized has obtained matching funds under the Federal Election Campaign Act, I believe that casting my vote on legislation to amend the act after that fact could be seen as a conflict of interest. Therefore, I am refraining from voting for or against any amendments to the pending bill, or the bill itself.

I would add, Mr. President, that I do believe, on the merits, that the act should be amended to meet the objections raised by the Supreme Court, and that I find great merit in many of the amendments that are proposed. But in order to avoid the appearance of any possible conflict of interest, I shall vote "present" on the amendments offered, as well as on final passage.

Mr. BROCK. Mr. President, I ask for the yeas and nays.

The **PRESIDING OFFICER.** Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

The **PRESIDING OFFICER.** The hour of 3 o'clock having arrived, the question is on agreeing to the amendment of the Senator from Michigan in the nature of a substitute, as modified. The yeas and nays have been ordered. The clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. CHURCH (when his name was called). Present.

Mr. ROBERT C. BYRD. I announce that the Senator from Michigan (Mr. PHILIP A. HART), the Senator from Florida (Mr. CHILES), the Senator from Indiana (Mr. HARTKE), and the Senator from South Dakota (Mr. McGOVERN) are necessarily absent.

Mr. GRIFFIN. I announce that the Senator from Illinois (Mr. PERCY) and the Senator from North Dakota (Mr. YOUNG) are necessarily absent.

I further announce that, if present and voting, the Senator from Illinois (Mr. PERCY) would vote "yea."

The result was announced—yeas 46, nays 47, as follows:

[Rollcall Vote No. 70 Leg.]

YEAS—46

Allen
Baker
Bartlett
Beall
Bellmon
Brock
Buckley
Byrd, Harry F., Jr.
Case
Curtis
Dole
Domenici
Eastland
Fannin
Fong
Ford
Garn
Goldwater
Griffin
Hansen
Hatfield
Helms
Hruska
Javits
Johnston
Laxalt
Long
McClellan
McClure
Morgan
Nunn
Packwood
Pearson
Roth
Schweiker
Scott, Hugh
Scott, William L.
Stafford
Stennis
Stevens
Stone
Taft
Talmadge
Thurmond
Tower
Weicker

NAYS—47

Abourezk
Bayh
Bentsen
Biden
Brooke
Bumpers
Burdick
Byrd, Robert C.
Cannon
Clark
Cranston
Culver
Durkin
Eagleton
Glenn
Gravel
Hart, Gary
Haskell
Hathaway
Hollings
Huddleston
Humphrey
Inouye
Jackson
Kennedy
Leahy
Magnuson
Mansfield
Mathias
McGee
McIntyre
Metcalf
Mondale
Montoya
Moss
Muskie
Nelson
Pastore
Pell
Proxmire
Randolph
Ribicoff
Sparkman
Stevenson
Symington
Tunney
Williams

ANSWERED "PRESENT"—1

Church

NOT VOTING—6

Chiles
Hart, Philip A.
Hartke
McGovern
Percy
Young

So Mr. GRIFFIN's amendment in the nature of a substitute, as modified, was rejected.

Mr. MATHIAS. Mr. President, I move to reconsider the vote by which the amendment was rejected.

Mr. BROCK. Mr. President, I ask for the yeas and nays.

Mr. CANNON. Mr. President, a point of order.

The **PRESIDING OFFICER.** The Senator will state his point of order.

Mr. CANNON. Did the Senator vote with the prevailing side?

Mr. MATHIAS. Yes; I did.

The **PRESIDING OFFICER.** What is the point of order?

Mr. CANNON. The inquiry was, Did the Senator vote with the prevailing side?

The **PRESIDING OFFICER.** The Senator who moved to reconsider voted "nay," and that is the prevailing side, so the question is on agreeing to the motion to reconsider. The yeas and nays have been called for. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. GRIFFIN. Mr. President, during this vote, may we have the well cleared.

Mr. ROBERT C. BYRD. Mr. President, I move to lay that motion on the table.

The **PRESIDING OFFICER.** The question is on agreeing to the motion to lay on the table the motion to reconsider.

Mr. ROBERT C. BYRD. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. GRIFFIN. I renew my request that the well be cleared.

The PRESIDING OFFICER. The question is on agreeing to the motion to lay on the table the motion to reconsider. The well will be cleared and the clerk will call the roll.

The second assistant legislative clerk called the roll.

Mr. CHURCH (when his name was called). Present.

Mr. ROBERT C. BYRD. I announce that the Senator from Michigan (Mr. Hart), the Senator from Indiana (Mr. Hartke), and the Senator from South Dakota (Mr. McGovern), are necessarily absent.

Mr. GRIFFIN. I announce that the Senator from Illinois (Mr. Percy), and the Senator from North Dakota (Mr. Young), are necessarily absent.

I further announce that, if present and voting, the Senator from Illinois (Mr. Percy), would vote "nay."

The result was announced—yeas 49, nays 45, as follows:

[Rollcall Vote No. 71 Leg.]

YEAS—49

Abourezk
Bayh
Bentsen
Biden
Brooke
Bumpers
Burdick
Byrd, Robert C.
Cannon
Chiles
Clark
Cranston
Culver
Durkin
Eagleton
Eastland
Glenn
Gravel
Hart, Gary
Haskell
Hathaway
Hollings
Huddleston
Humphrey
Inouye
Jackson
Johnston
Kennedy
Leahy
Magnuson
Mansfield
McGee
McIntyre
Metcalf
Mondale
Montoya
Moss
Muskie
Nelson
Pastore
Pell
Proxmire
Randolph
Ribicoff
Sparkman
Stevenson
Symington
Tunney
Williams

NAYS—45

Allen
Baker
Bartlett
Beall
Bellmon
Brock
Buckley
Byrd, Harry F., Jr.
Case
Curtis
Dole
Domenici
Fannin
Fong
Ford
Garn
Goldwater
Griffin
Hansen
Hatfield
Helms
Hruska
Javits
Laxalt
Long
Mathias
McClellan
McClure
Morgan
Nunn
Packwood
Pearson
Roth
Schweiker
Scott, Hugh
Scott, William L.
Stafford
Stennis
Stevens
Stone
Taft
Talmadge
Thurmond
Tower
Weicker

ANSWERED "PRESENT"—1

Church

NOT VOTING—5

Hart, Philip A.
Hartke
McGovern
Percy
Young

So the motion to lay on the table was agreed to.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent to have Pam Weller of Senator Stone's staff and Carey Parker of Senator Kennedy's staff given the privilege of the floor during further consideration of this bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT NO. 1436

Mr. MONDALE. Mr. President, I call up my amendment No. 1436, and ask unanimous consent that its reading be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

TITLE IV—COMMISSION TO STUDY PRESIDENTIAL NOMINATING PROCESS

DECLARATION OF POLICY

Sec. 401. It is hereby declared to be the policy of the United States to improve the system of nominating candidates for election to the office of the President of the United States by studying such system in a broad manner never before attempted in the two-hundred-year history of this Nation.

ESTABLISHMENT OF COMMISSION

Sec. 402. (a) There is established the Bicentennial Commission on Presidential Nominations (hereinafter referred to as the "Commission").

(b) The Commission shall be composed of twenty members to be appointed as follows:

(1) six members shall be appointed by the President pro tempore of the Senate, of whom at least two shall be Members of the Senate and at least two shall be elected or appointed State officials;

(2) six members shall be appointed by the Speaker of the House of Representatives, of whom at least two shall be Members of the House and at least two shall be elected or appointed State officials;

(3) six members shall be appointed by the President; and

(4) two members shall be the chairman of the two national political parties and shall serve as ex officio members.

(c) At no time shall more than three members appointed under paragraph (1), (2), or (3) of subsection (b) be individuals who are of the same political affiliation.

(d) A vacancy in the Commission shall not affect its powers, and shall be filled in the same manner in which the original appointment was made, subject to the same limitations with respect to party affiliations as the original appointment.

(e) Twelve members shall constitute a quorum, but a lesser number may conduct hearings. The Chairman of the Commission shall be selected by the members from among the members, other than ex officio members.

FUNCTIONS OF THE COMMISSION

Sec. 403. (a) The Commission shall make a full and complete investigation with respect to the Presidential nominating process. Such investigation shall include but not be limited to a consideration of—

(1) the manner in which States conduct primaries for the expression of a preference for the nomination of candidates for election to the office of President of the United States and caucuses for the selection of delegates to the national nominating conventions of political parties;

(2) State laws and the rules of national political parties which govern the participation of voters and candidates in such primaries and caucuses;

(3) the financing of campaigns for the nomination of candidates for election to the office of the President of the United States;

(4) the relationship between candidates for election to the office of the President of the United States and the news media, including how candidates achieve public recognition and whether such candidates should be guaranteed access to the television media;

(5) the interrelationship of the elements described in paragraphs (1) through (4) of this section;

(6) alternative nominating systems, including but not limited to a national or regional primary system for the expression of a preference for the nomination of candidates for election to the office of President of the United States and variations on the present nominating system; and

(7) the manner in which candidates are nominated for election to the office of Vice President of the United States.

(b) The Commission shall submit to the President and to the Congress such interim reports as it deems advisable, and not later than one year after the enactment of this resolution, a final report of its study and investigation based upon a full consideration of alternatives to our current Presidential nominating system, including an analysis of the strengths and weaknesses of all such alternatives studied, together with its recommendations as to the best system to establish for the 1980 Presidential elections. The Commission shall cease to exist sixty days after its final report is submitted.

POWERS AND ADMINISTRATIVE PROVISIONS

Sec. 404. (a) The Commission may, in carrying out the provisions of this joint resolution, sit and act at such times and places, hold such hearings, take such testimony, request the attendance of such witnesses, administer oaths, have such printing and binding done, and commission studies by any Federal agency or executive department, as the Commission deems advisable.

(b) Per diem and mileage allowances for witneses requested to appear under the authority conferred by this section shall be paid from funds appropriated to the Commission.

(c) Subject to such rules and regulations as may be adopted by the Commission, the chairman shall have the power to—

(1) appoint and fix the compensation of an executive director, and such additional staff personnel as may be necessary, without regard to the provisions of title 5, United States Code, governing appointments in the competitive service, and without regard to chapter 51 and subchapter III of chapter 53 of such title relating to classification in General Schedule pay rates, but at such rates not in excess of the maximum rate for GS-18 of the General Schedule under section 5332 of such title; and

(2) procure temporary and intermittent services to the same extent as is authorized by section 3109 of title 5, United States Code, but at rates not to exceed $100 a day for individuals.

COMPENSATION OF MEMBERS

Sec. 405. (a) Members of the Commission who are otherwise employed by the Federal Government shall serve without compensation but shall be reimbursed for travel, subsistence, and other necessary expenses incurred by them in carrying out the duties of the Commission.

(b) Members of the Commission not otherwise employed by the Federal Government shall receive per diem at the maximum daily rate for GS-18 of the General Schedule when they are engaged in the performance of their duties as members of the Commission and shall be entitled to reimbursement for travel, subsistence, and other necessary expenses incurred by them in carrying out the duties of the Commission.

TIMELINESS OF APPOINTMENTS

Sec. 406. It is the sense of the Congress that the appointments of individual to serve as members of the Commission be completed within ninety days after the enactment of this resolution.

AUTHORIZATION OF APPROPRIATIONS

SEC. 407. There are authorized to be appropriated such sums as may be necessary to carry out the provisions of this resolution.

Mr. BUMPERS. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state the parliamentary inquiry.

Mr. BUMPERS. Is there a time limitation on the Mondale amendment?

Mr. MONDALE. There is none.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the distinguished Senator from Montana (Mr. METCALF) be recognized for not to exceed 5 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

CONTINUANCE OF CIVIL GOVERNMENT FOR THE TRUST TERRITORY OF THE PACIFIC ISLANDS

Mr. METCALF. Mr. President, I ask the Chair to lay before the Senate a message from the House of Representatives on H.R. 12122.

The PRESIDING OFFICER (Mr. CURTIS) laid before the Senate the amendments in the House of Representatives to the bill (H.R. 12122) to amend section 2 of the act of June 30, 1954, providing for the continuance of civil government for the Trust Territory of the Pacific Islands, and for other purposes.

(The amendments of the House are printed in the RECORD of March 11, 1976, beginning at page 6148.)

Mr. METCALF. Mr. President, I have a brief statement on H.R. 12122.

Mr. President, H.R. 12122 was amended by the Senate, which amendment the House has agreed to with further amendments. The House amendments would accomplish two objectives contained in the original version of H.R. 12122. The House amendments would reauthorize the appropriation of $8 million for the construction of facilities for a 4-year college to serve the Micronesian community, but provides that no appropriation may be made until the President has conducted a study to determine the educational need and the most suitable educational concept for such a college and has transmitted that study to the Senate and House Interior Committees, which will have 90 calendar days to review the study recommendations. The second amendment would reinsert the original section 2 of H.R. 12122, which the Senate deleted in its original amendment. Section 2 provides for the extension to Guam of those laws of the United States made applicable to the Northern Mariana Islands by the provisions of section 502(a)(1) of House Joint Resolution 549, which approved the Marianas Commonwealth Covenant. The objective of section 2 is to equalize the treatment of Guam and the Northern Mariana Islands. I understand that the distinguished Senator from Arizona, Mr. FANNIN, has an amendment to offer to section 2 on behalf of the Finance Committee. I recommend that the Senate concur in the House amendments, as amended, by adoption of the amendment proposed by Senator FANNIN, on behalf of the Finance Committee.

Mr. FANNIN. Mr. President, I concur in the statement of the Senator from Montana. Will the Senator from Minnesota yield for me to offer the amendment?

Mr. MONDALE. I yield to the Senator from Arizona.

Mr. FANNIN. Mr. President, I move that the Senate concur in the House amendments with an amendment.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

In section 2, after "except for", insert "Section 228 of Title II and Title XVI of the Social Security Act as it applies to the several States and"

Mr. FANNIN. Mr. President, I am offering an amendment which will eliminate from the bill H.R. 12122 a House provision extending certain Social Security Act programs to the territory of Guam. This amendment is being offered on behalf of the Committee on Finance which thoroughly discussed this matter in its meeting of March 9, 1976 and voted to request that these Social Security Act programs not be extended under H.R. 12122. While it is true that the two programs in question—supplemental security income and special social security benefits for the uninsured—would be extended to the new Northern Marianas Commonwealth under the covenant establishing that territory, the Finance Committee believes that these programs were not intended to be applicable beyond the 50 States and the District of Columbia. There are in fact separate programs of assistance for the aged, blind, and disabled which now apply to the jurisdictions of Guam, Puerto Rico, and the Virgin Islands and which are designed to permit locally developed assistance plans tailored to the particular economic and other circumstances of each area.

On March 11, therefore, Senator LONG as chairman of the Committee on Finance introduced legislation which would provide for the establishment in the Northern Marianas Commonwealth of the Social Security Act assistance programs applicable to other territories. At the time that bill was introduced, the Senate had voted to strike from H.R. 12122 the provision extending the supplemental security income program and the special benefits program from H.R. 12122. Subsequently, the House has again added to H.R. 12122 the provision opposed by the Finance Committee and the amendment I am offering would again strike it from the bill.

I ask for the immediate consideration of the motion.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Arizona.

Mr. METCALF. I concur in the motion.

The motion was agreed to.

Mr. HARRY F. BYRD, JR. Mr. President, will the Senator from Montana yield?

Mr. METCALF. I do not have the floor.

Mr. MONDALE. I have the floor. I have an amendment pending. I will be glad to yield to the Senator from Virginia.

Mr. HARRY F. BYRD, JR. Does the Senator have an amendment to the legislation being presented by the Senator from Montana?

Mr. MONDALE. No, I have an amendment to the pending bill.

Mr. HARRY F. BYRD, JR. Before we proceed to that, may I ask the Senator a question?

Mr. MONDALE. I yield.

Mr. HARRY F. BYRD, JR. This is a conference report, I take it, that the Senator from Montana is handling?

Mr. METCALF. No, it is not. The bill that we passed, H.R. 12122, went to the House of Representatives. We received it back with an amendment. We now have moved, or I am going to move in a moment, to concur in the House amendment, with amendments.

Mr. HARRY F. BYRD, JR. May I say to the Senator from Montana that the Senator from Colorado (Mr. GARY HART) has been very much interested in this subject, and he is not here at the moment. I am wondering whether the Senator from Montana would agree to lay this matter aside temporarily until the amendment could be examined and Senator HART could be notified.

Mr. METCALF. I would be delighted to lay it aside, but I am informed that this amendment as passed by the House of Representatives has the concurrence of Senator GARY HART.

We tried to touch all the bases. We tried to meet with Senator FANNIN, Senator McCLURE, and many other Senators who were concerned with this legislation on this specific amendment. The bill has passed both the House and the Senate. The amendment came over from the House, and we feel that we can concur in the House amendment and the bill as amended by the House.

Mr. FANNIN. Mr. President, if the Senator from Minnesota will yield, maybe I can clarify it for the distinguished Senator from Virginia.

Mr. MONDALE. I yield.

Mr. FANNIN. This amendment is one being offered on behalf of the Finance Committee so we will not be giving privileges to Guam that were in the bill for the Northern Marianas. The first bill that came over to the Senate from the House gave it to all territories. The second one that came back over gave it to Guam. This was taken up in the committee, and it was agreed that this should not be done, and that this provision would be deleted from it.

So this limits the amount Guam would be entitled to, in accordance with the bill from the House of Representatives.

Mr. HARRY F. BYRD, JR. That is what the Fannin amendment did?

Mr. FANNIN. That is what the Fannin amendment did, yes.

Mr. HARRY F. BYRD, JR. The only other question I have is this: When the bill was before the Senate, it was amended in four particular places, as I recall. I am taking it from memory. Would one of the Senators indicate to me how the House proposal reads, now that it has been amended by the Fannin amendment?

Mr. METCALF. Mr. President, the various Senate amendments were agreed to by the House, except for the two now before the Senate, that we are calling up before the Senate. One of them is an amendment proposed by the Senator from Arizona with which I think all of us are in agreement. The other amendment is the one we agreed to for $8 million for a college, and they modified that by saying, "Let us wait until the President determines where the needs for a college are, and refer the matter back to the respective Interior Committees of the two Houses."

We concurred in that amendment.

Mr. HARRY F. BYRD, JR. I thank the Senator. That clears up the points in which I was interested.

Mr. METCALF. Mr. President, I move that the Senate concur in the amendments of the House of Representatives, with amendments.

The motion was agreed to.

FEDERAL ELECTION CAMPAIGN ACT AMENDMENTS OF 1976

The Senate continued with the consideration of the bill (S. 3065) to amend the Federal Election Campaign Act of 1971 to provide for its administration by a Federal Election Commission appointed in accordance with the requirements of the Constitution, and for other purposes.

Mr. MONDALE. Mr. President, I am going to speak briefly to my amendment, but first I yield to the Senator from Connecticut.

PRIVILEGE OF THE FLOOR

Mr. WEICKER. I thank the distinguished Senator from Minnesota.

Mr. President, I ask unanimous consent that Michael Scully and Robert Dotchin of my staff be accorded the privilege of the floor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HASKELL. Will the Senator yield for a unanimous consent request?

Mr. MONDALE. I yield.

Mr. HASKELL. Mr. President, I ask unanimous consent that John Cevett, of my staff, be granted the privilege of the floor during the consideration of the pending legislation.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. PACKWOOD. Mr. President, I ask unanimous consent that Mickey Barnett of Senator DOMENICI's staff and Alan Holmer and Debbie Robertson of my staff be accorded the privileges of the floor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MONDALE. Mr. President, on behalf of the Senator from Ohio (Mr. GLENN) I ask unanimous consent that the privilege of the floor be accorded to Mr. Walker Nolan of his staff.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MONDALE. Mr. President, the amendment just called up is cosponsored by many Senators, including the Senator from Oregon (Mr. PACKWOOD), the Senator from Illinois (Mr. STEVENSON), and the Senator from Tennessee (Mr. BAKER), as well as 19 other cosponsors.

This amendment would set up a commission to study the Presidential nomination process in this country.

There is a crying need for this study. It is one of the few failures of the Founding Fathers that in the development of our Constitution 200 years ago, they failed to perceive what would be necessary for a rational system to nominate candidates for our highest office, the President of the United States.

They believed that this country would not have political parties. They believed instead that, through the electoral system, distinguished citizens would gather together each 4 years and elect the best qualified person to be President of the United States. Because they did not accurately perceive how the system would evolve, it never worked out in the way they intended. Political parties—what they called factions—immediately arose. Now there is not a single system of nominating a President, but literally 55 different systems, each with a welter of differing rules, often conflicting. The spectacle of the present system is now obvious to all, and the system has arrived at the point where it is utterly ludicrous. It undermines the physical capacity of the candidates, it destroys the ability for rational debate, and it is a system which now cries out for reform.

Never once in the 200 years of American history has the Presidential nomination system been subjected to a comprehensive study. That is what this proposed commission would do.

It would be a bipartisan commission, with 18 members, to be equally appointed by the President pro tempore of the Senate, after advice from the majority and minority leaders, the Speaker of the House of Representatives, and the President, with the chairmen of the two national political parties serving ex officio. This commission would be asked to look into all aspects of the nominating process, including the manner in which States conduct Presidential primaries, caucuses, and conventions to select delegates to the national nominating conventions. It would look into State laws and rules of national political parties, which govern the participation of voters and candidates in such primaries and caucuses. It would look into Presidential campaign financing, and the relationship between the candidate for President and the media. It would look into alternative nominating systems, including a study of national and regional primary systems. Finally, it would look into the manner in which candidates are nominated for Vice President.

Mr. President, the nominating process desperately needs a comprehensive review of these areas and the relationship of each area to the others, in a way which seeks to resolve the problems consistent with clearly defined and broadly agreed upon goals.

The present system of nominating Presidential candidates is close to anarchy. There are 55 separate and different systems. This year 30 States will hold separate primaries, each without any relation to the others, and they will account for approximately three-fourths of the delegates to attend the national conventions. Thus, we virtually have a de facto national primary, albeit in a fragmented form, without ever having adopted it as a matter of national policy. The attempts at reform thus far have included proposals for a national primary, regional primaries, and a variation of the present system, but there has never been a national consensus on any of them. There is a consensus, however, among the cosponsors of this resolution and throughout the country that the system is badly in need of review.

There is always considerable interest in reforming the process during a Presidential election year, but it quickly fades after the election. Even though we believe this interest is higher now than ever before, we fear the same thing could happen again. The Commission we advocate would report back with its findings in early 1977, giving Congress the unique and compelling opportunity to act well in advance of the 1980 elections.

Whatever alternative system may be recommended by this Commission and adopted by Congress, we believe we can do much better than the present system. We also believe there is no more fitting effort we could undertake in this Bicentennial year than to try to improve one of the most fundamental elements of our democracy.

Mr. President, I yield.

Several Senators addressed the Chair.

The PRESIDING OFFICER. The Senator from Oregon is recognized.

Mr. PACKWOOD. Mr. President, I join with the Senator from Minnesota in cosponsoring this resolution and amendment of this bill.

Four years ago I introduced a bill, with several other Senators, to establish regional primaries. The bill had more editorial and academic support I think than any other bill that I have ever introduced. It had almost no opposition, except from those who preferred a national primary. And while a national primary is not my preference, it is an alternative to consider. The bill had one hearing, fell on deaf ears in the Senate and made no progress in the House of Representatives.

I have reintroduced it in each Congress since I first introduced it, and Congress has not acted.

As the Senator from Minnesota has said, if there is ever any time to pass a bill like this, one would think it would be at a time of heat and passion when we are in the midst of primaries, and I have frankly found that that is when there seems to be the most interest. About the time we get to the first of May, maybe the first of June, at the latest, the candidates who remain are tired. They have flown from New Hampshire to Florida to Illinois to California, in 1 day on occasion, making campaign speeches every place they go, being expected to sound rational. I think that kind of a schedule is training for the Olympics, but not training to be President. About that time there becomes a great hue and cry that we should do something to reform the primaries, but this is not the time to do it. Let us wait; it is too late now. Let us wait until this primary season is over and then in the cool and calm of 1973, was the last cry—now it is the cool and calm of 1977—let us look at this with dispassionate objectivity and pass a rational reform.

But then what inevitably happens is that as the ardor for this reform cools, as the primaries are over, and as the Presidential election is decided in November, this is put on a back shelf, nobody thinks about it, nobody is disturbed, and there is not much thought about it until the following primary season when again this issue bubbles to the top, is moved to the front burner about November of the year preceding the Presidential election year, and there is again great academic comment and editorial endorsement, but then it is too late to do anything for that Presidential year.

I, therefore, have joined the Senator from Minnesota in endorsing this idea of a commission which will report early, and I think that is a critical part of the amendment, in the hopes that this commission will come up with something that is preferable to the present hodgepodge Barnum and Bailey traveling sideshow we have that we call our Presidential primary system, and that we can find a rational way of selecting the nominees for our major and I might add minor parties, so that in 1980 we will not have to go through instead of 30 or 31 primaries, 35, 40, or 45 primaries throughout this Nation.

Mr. President, I yield the floor.

Several Senators addressed the Chair.

The **PRESIDING OFFICER**. The Senator from Illinois is recognized.

Mr. **STEVENSON**. Mr. President, I yield to the Senator from North Carolina for a unanimous-consent request.

Mr. **MORGAN**. Mr. President, I ask unanimous consent that my legislative aide, Henry Poole, and the legislative aide of Senator NUNN, Gordon Griffin, be allowed floor privileges during the discussion and debate of the Federal election matter pending before the Senate.

The **PRESIDING OFFICER**. Without objection, it is so ordered.

Mr. **STEVENSON**. Mr. President, I yield to the Senator from Virginia for the same purpose.

Mr. **HARRY F. BYRD, JR**. Mr. President, I ask unanimous consent that Phillip Reberger of my staff be granted privileges of the floor during consideration of the pending legislation.

The **PRESIDING OFFICER**. Without objection, it is so ordered.

Mr. **STEVENSON**. Mr. President, a Presidential candidacy today triggers a thousand skirmishes, a welter of detail, a morass of regulation and dervish-like activity all largely beyond the control and comprehension of the exhausted candidate. Today's contender is pressured to compete in 30 State elections and hundreds of district elections and caucuses. He is forced to spend money in order to raise money in order to qualify for Federal election subsidies.

Then the strength of the Presidential candidates is measured by their bankrolls and the applause levels at joint appearances. The substance disappears from the hallowed American political system. Television offers episodes and spectacles; serious comment by serious figures on complex issues is ignored or misunderstood.

The press, exhausted and bewildered, is spread too thin by the profusion of candidates, and the public is hard put to fathom the significance of the episodes and spectacles that now pass for Presidential politics.

Mr. President, this process has demonstrated that it can eliminate men well qualified to occupy the Presidency and I count as one the senior Senator from Minnesota, (Mr. MONDALE) with whom I am privileged to cosponsor this amendment. This process has also demonstrated that it can eliminate, and it has, thoughtful men ill-suited for a process which subsists upon sensation. I cite former Governor Sanford. It has not demonstrated that it will produce only the wisest and strongest in America to occupy the Presidency. It could become a process which only the unfittest can survive.

This system, Mr. President, is not an exercise in American democracy. It is a taxpayer supported mockery of the system we profess to celebrate in 1976. If there is no better way than this, then the experiment begun 200 years ago could fail. There is a better way. We simply do not know what it is.

The commission proposed by this amendment would recommend better ways to select the American President. A myriad of possibilities exist. If created now, its recommendations would be available in time for action before the Presidential elections of 1980. If we wait, as the distinguished Senator from Minnesota and the distinguished Senator from Oregon mentioned, it could be too late.

Indeed, I would add to what they say that it could be awkward for a President produced by this process to support changes in it.

So, for all these reasons and those expressed by my colleagues, Mr. President, I urge the Members to approve this amendment.

The **PRESIDING OFFICER** (Mr. GARN). Who yields time?

Mr. **BAKER**. Mr. President, I am pleased to support this amendment, and I congratulate the distinguished principal sponsors of the amendment for their foresight and wisdom in proposing it at this time.

I have long been a supporter of any reasonable effort to try to rationalize the Presidential nominee selection system. I have watched at close range for almost 10 years, as a Member of the Senate—and for somewhat longer as an interested observer of the general political process—and I believe that the adequacies of the present primary system and convention mechanism are fairly summarized by a remark that was made to me recently by one of our Democratic colleagues who was a candidate, who returned from the field of battle to say, "Howard, we simply can't continue having an election every Tuesday."

Mr. President, that is truly so. I think we are grinding up good men and women in the machinery of political combat at an unconscionable rate. We are placing burdens and demands on our leaders and potential leaders of the country that are beyond that which should be required of them, and which require no particular evidence of their future competence to serve in the positions to which they aspire.

Mr. President, I do not know the final answer; that is why I am glad that this proposal is for a commission. I have supported the early first utterances, I believe, of the distinguished junior Senator from Oregon, that we should try to figure out something, perhaps a regional primary system. But that has problems. For example, do you draw the lines for the regions north and south or do you cut a slice east and west and try to gather together States that are similar or States that are dissimilar? Good arguments could be made in both cases. Do you have a single national primary? In that case, do you have a runoff? Who pays the cost? What is the qualifying requirement? Perhaps you even call on Congress to participate in the selection of party nominees. That might very well strengthen the party responsibility and even the attractiveness of congressional service to party members. Perhaps you rejuvenate the electoral college. Perhaps that is the better way to choose the Vice President, in the case of a vacancy.

There are 100 variations on these and other things that suggest themselves in the debate that has been going on for a long time, at least the last decade, when I first began to hear the suggestions that we had to find a better way to select our respective nominees for President and Vice President for the two major political parties.

It is sometimes said, in an unkindly way, that Congress does nothing so well as trying to regulate politics and setting its own salaries. That really is not so. I do not think Congress is very good at either of these things, and I believe that is additional reason for constituting the commission to study and report to us on how we should proceed on this matter.

It is an extraordinarily important problem, Mr. President.

As some of my colleagues have heard me say from time to time, the importance and the relevance of the two-party system in the American scheme of things is often underrated or even overlooked. The two-party system is an instrumentality that came late to the Republic. It did not come to full flower, I believe, until well into the 19th century. It is not mentioned in the Constitution. It is not even memorialized in the statute law of the United States. The two-party system is unique in that it has served as the sensing mechanism by which the people of the country express the range of their desires and their dissent to the structures and the engines of Government. In that way, it becomes effectively the equivalent of a fourth department of Government, ranking in importance with the executive, the legislative, and the judiciary.

If that is true, and I believe it is true; if partisan politics is that important; if two-party politics is that unique and special in the American scheme of things; if it is essential, as I believe, to the sensing out and determining of the future policies of America, drawing on the collective genius of the people of this country—then it is also important that we modernize and update the method by which we select our nominees for President and Vice President.

I am not reluctant to say that I do not have the answers. I am in a position, however, to say that this is a step in the right direction.

I believe that a commission can do a good service for the country in this respect, and I look forward to their recommendations. I hope every much that the amendment will be adopted. I commend the Senator from Minnesota, the Senator from Oregon, the Senator from Illinois, and the Senator from Maryland for their cosponsorship.

Mr. MATHIAS. Mr. President, I ask the distinguished Senator from Minnesota, the chief sponsor of this amendment, if he is willing to accept an addition providing for study to the extent to which laws in the Federal Election Campaign Act, as amended, promote or retard independent candidacies for election to the office of President.

Mr. MONDALE. Mr. President, I discussed this matter with the distinguished Senator from Maryland. I believe the modification makes good sense. It adds another subject for the Commission to study which surely is deserving of study. Therefore, I modify my amendment to add that section——

Mr. MATHIAS. It would be section 8, appearing on page 4.

Mr. MONDALE. I so modify my amendment.

The PRESIDING OFFICER. The amendment is so modified.

The modification is as follows:

On page 4 add the following subsection (8) after line 14:

"(8) the extent to which State laws and the Federal Election Campaign Act, as amended, promote or retard independent candidacies for election to the office of President."

Mr. MONDALE. I also modify the amendment to add the following language on page 2, line 8, following the word "Senate":

On recommendation of the majority and minority leaders,

So that it would read:

Six members shall be appointed by the President pro tempore of the Senate on the recommendation of the majority and minority leaders.

The PRESIDING OFFICER. Will the Senator send the modification to the desk?

Mr. MONDALE. I so modify my amendment.

The PRESIDING OFFICER. The amendment is so modified.

The modification is as follows:

(1) six members shall be appointed by the President pro tempore of the Senate on recommendation of the majority and minority leaders, of whom at least two shall be Members of the Senate and at least two shall be elected or appointed State officials;

Mr. CANNON. Mr. President, I find much merit to the amendment proposed by Senator MONDALE, for himself and others.

I believe that this type of study is long overdue. I have a question as to the size of the commission. A 20-member commission, with 12 members necessary to constitute a quorum, would indicate that it might be some kind of problem to get the commission together properly to study this matter. That would be my only question about it.

I also wondered to myself about the advisability of including it in this bill. I am sort of reluctant to see additional items go into the bill that might possibly give the President some reason to veto it; although I certainly hope he would not have any reason to veto this.

Mr. MONDALE. May I say that the President, at a recent session with reporters—I do not have his precise language—expressed interest in the establishment of a commission of this kind. So I believe it is probable that the President would not have an objection to this. We have tried to establish a way that gives him a strong appointive role in the selection of some of its members.

In terms of the timing of this amendment, what I am afraid of is this: We now have 30 primaries, each on different days, established, as the chairman of the committee well knows, with no sense of relationship at all. I think that, on June 8, there will be Presidential primaries in California, Ohio, and New Jersey on the same day. In the previous week, I think there are three other Presidential primaries. A candidate would need a supersonic jet and maybe Skylab to fly over all of them, let alone campaign in them and be understood by the voters in those States.

The system is beyond human proportions. It is no longer rational. No one knows that better than the distinguished chairman of the committee, who has spent much of his career in the Senate trying to make election laws work for the people of this country. This Commission is established in a way that I hope will help the committee prepare such reform measures as are needed before the next Presidential election in 1980. What I am afraid of is that if we do not act now, when practically everybody who has looked at the nomination system is crying out for reform, including the candidates, we shall do as we have done for the previous 200 years: Just come up to the next election, when it is too late for reform and go through the same crazy-quilt system that we see today.

I think this is a modest proposal. It has received very wide-ranging support from editorialists around the country. I know of no opposition to it. The President commented favorably about the need for such a commission a few weeks ago.

While I greatly sympathize with the chairman's desire not to load this bill down, I do not think this adds much, if any, weight to the burden that the bill carries. As a matter of fact, it may make it more attractive.

One point on the number of members: it was our desire here to make certain that the Commission was representative of the Senate, of the House, of State elected officials, of the two political parties, and of the general public, as seen by the Presidential appointments. I think the Commission will have no trouble getting a quorum because, based on the reaction we have had around the Nation, there is a tremendous amount of interest in getting down to the study of this matter.

Mr. CANNON. Mr. President, I would be willing to accept the amendment of the distinguished Senator. I think it is a good amendment, as I have said. I only had a question as to whether or not it should be in this bill, and the second question is the size of the Commission, which seems to be a bit unwieldy. But if the Senator tells me that is a proper size, I am willing to accept the amendment.

Mr. MONDALE. We do not need a rollcall.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. HARRY F. BYRD, JR. and **Mr. PACKWOOD** addressed the Chair.

The PRESIDING OFFICER. The Senator from Oregon is recognized.

Mr. PACKWOOD. I send an amendment to the desk that does not have a number, but I want to call it up. I ask unanimous consent for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

On page 37, line 6, after "subject" insert the following: ", except that expenditures for any such communications which expressly advocate the election or defeat of a clearly identified candidate must be reported to the Commission in accordance with section 304(e)".

On page 37, line 10, after "families" insert the following: ", except that expenditures for any such nonpartisan registration and get-out-the-vote campaigns must be reported to the Commission under section 304(e)".

Mr. PACKWOOD. Mr. President, this amendment is designed to carry further the efforts at disclosure that have started in this Congress in the last few years. This is aimed both at business and at the unions. Under the present law, and under this bill, corporations are free to use corporate money to appeal to their shareholders or to their corporate officers and administrative personnel, and unions are free to use union money to communicate with their members—union dues; we are not talking about COPE dues here, or the voluntary contributions. We are talking about union money, dues. All this amendment does—and let us be frank about it—is require that corporations and unions, when they are using corporate money or union dues, file under section 304(e), which is the disclosure section of the present law, the expenditures when they use that money to—I read specifically the language—"expressly advocate the election or defeat of a clearly identified candidate" or—in the second part of the amendment—if they use the expenditures for "any such nonpartisan registration and get-out-the-vote campaigns."

Mr. President, the reason I am asking for this amendment is that we are all aware that corporate money and union money is used to solicit shareholders, to solicit administrative personnel in corporations, or union members in unions, to vote for or against particular candidates and, Mr. President, it is not reported; it is not identified. It is very easy for one candidate to say, "Oh, if I only had the money that my opponent had to spend," when that candidate making the charge may very well have been the recipient of hundreds of thousands of dollars worth of direct communications from corporations or from unions advocating defeat of the opponent of the person who made the statement.

I am not suggesting that this practice is good or bad. I am not suggesting the practice should be stopped or continued. All this amendment does is ask for disclosure.

Specifically, when a union mails out to its 200,000 or 300,000 or 400,000 members a 5- or 10-page brochure advocating the election or defeat of certain candidates, that should be disclosed. It does not even count against what used to be the candidate's limitation. That has even been stricken down. You can spend as much as you want. It just has to be disclosed. I think it is in keeping with the whole intent of this bill that we ask for public disclosure of those funds, whether they be corporate funds or whether they be union funds.

Again, I want to emphasize that I am not talking about the voluntary contributions that go to COPE from union members; I am not talking about the voluntary contributions that come from shareholders to a business political action fund. I am talking about the corporate money, I am talking about the union dues that are used to communicate with shareholders, administrative personnel, or, in the union case, with members.

Mr. GRIFFIN. Will the Senator yield to me?

Mr. PACKWOOD. Yes, I yield.

Mr. GRIFFIN. I commend him for offering this amendment and I associate myself with it. I think many people will be surprised to learn that it is now legal for unions to use union money for political purposes and not disclose it and for corporations to do likewise. I think the assumption is that that cannot be done.

Mr. PACKWOOD. I think many people just think they cannot use union money, or they cannot use corporate money for politics, and they do not realize that what we on the inside are talking about is using it to influence third parties or nonmembers or nonshareholders. Even under this amendment, that can be done in a limited way.

But I think the Senator is right. Many people are totally unaware that a corporation which has 3,000 or 4,000 shareholders or unions with 4,000 members can use union dues to advocate the defeat or election of a candidate or use corporate money to advocate election or defeat of a candidate.

Mr. GRIFFIN. Now, of course, under the Supreme Court decision, in an unlimited way.

Mr. PACKWOOD. Absolutely unlimited, and both unlimited as to what the corporation or union wants to spend, and because there are no spending limits because of what the court has said, have as much as they want, and it is only fair if we are talking about an election is money buying the election. It is not just money that the candidate has, it is money that is spent on behalf of the candidate by a corporation, on behalf of a candidate by a union and, I think, at a minimum the people in this country, the voters of this country, are entitled to know how much money from whatever source is spent on behalf of or against a candidate.

Mr. President, I will yield the floor.

The **PRESIDING OFFICER.** The question is on agreeing to the amendment.

Mr. CANNON. Mr. President, I feel that that precise requirement may be covered in the present proposal that we have reported from the committee.

The Senator has proposed a change on page 37, both of the changes.

If the Senator will go back to page 14 of the bill, and "person" is defined:

> Every person who makes contributions or expenditures expressly advocating the election or defeat of a clearly identified candidate, other than by contribution to a political committee or candidate, in an aggregate amount in excess of $100 within a calendar year shall file with the Commission, on a form prepared by the Commission, a statement containing the information required of a person who makes a contribution in excess of $100.

So I would just say to the Senator, I believe it is required in the law at the present time.

It was the intent to have it so required, and there is nothing that I find on page 37 that is contrary to that interpretation.

Now, (b)(1) was simply a definition, defining who a labor organization means, who is meant by a labor organization, and then goes on to refer to the exclusion of the communications by a corporation to its stockholders and its executive or administrative personnel and their families or by a labor organization which goes to members or families on any subject. So that it does not do away with any reporting requirements.

Mr. PACKWOOD. I might ask the distinguished chairman, that is the present law the Senator was reading from, is it not? That is the present law the Senator was reading from on pages 14 and 15 of the bill, is it not?

Mr. CANNON. Yes. Page 14 of the bill, S. 3065, section 304(e) of the act which is amended. I would have to check the present law and tell the Senator precisely.

Mr. PACKWOOD. Would the chairman do this: so long as the chairman and I are attempting to achieve the same end, would the chairman be willing to accept the same language, so long as the chairman says it is in the present law, if it is in the present law, and that no corporate committee or no union committee that was spending its own funds, dues and corporate money filed such a report in the last election?

Mr. CANNON. I would just note that the second part of the Senator's amendment—the first part is required, there appears to be no question about that, it is required now. The second part is not required where it says except that expenditures for any such nonpartisan registration and get-out-the-vote campaigns must be reported to the Commission under section 304(e). A nonpartisan drive, election drive, registration drive, has never been required to be reported and is not in the bill now.

Mr. PACKWOOD. Is the chairman aware of any reports that were filed in the last election, by either a corporate or a union committee spending funds for the purposes of advocating the defeat or election of a candidate that were filed in the 1974 elections?

Mr. CANNON. I do not have any information as to whether any were filed or not filed. I have never checked that particular thing, and I am not really aware of any election drives on the part of either to defeat a specifically identified candidate. There may have been. I just say I am not aware of any at the moment.

Mr. PACKWOOD. I will not in that case take any issue. I can get—I do not have them here, I have them in my office in Portland—many, many examples, more likely union than business—of union solicitations of members to vote for or against a candidate. They were numerous in the New Hampshire election in the last runoff campaign where unions were soliciting their members to vote for a particular candidate, and yet there would be no filing of this as money spent on behalf of a candidate when the filings are in.

Mr. CANNON. I just cannot say, I do not know whether any filings—I have not checked that so I cannot say. But I would say that under the law and under the bill we have reported to the Senate, if a person does make such on expenditure he would be required to file a report, but he would not be required to file in accordance with the second provision of the Senator's amendment where it is a nonpartisan registration drive on the part of either one.

Mr. PACKWOOD. I am advised, Mr. President, that under section 431(f)(4)(C) that unions and businesses are exempt from reporting under present laws in their solicitations of members while advocating the election or defeat of a candidate or money used in nonpartisan voter registration drives.

Mr. CANNON. Would the Senator give me the section reference again?

Mr. PACKWOOD. 431(f)(4)(C).

Mr. CANNON. I do not believe the Senator is correct. This is what it does not include. One, it does not include nonpartisan activity designed to encourage individuals to register to vote or to vote, and I already said that was not included.

> (C) Any communication by any membership organization or corporation to its members or stockholders if such membership organization or corporation is not organized primarily for the purpose of influencing the nomination for election or election of any person to Federal office.

Mr. PACKWOOD. They are exempt.

Mr. CANNON. They are exempt then, but if they are trying to elect or defeat someone for Federal office they are not exempt.

Mr. PACKWOOD. Will the Senator read that again. It says if they are organized for the principal purpose of not electing, is that not correct?

Mr. GRIFFIN. The Senator from Nevada is a better lawyer than that.

Mr. CANNON. If such membership organization or corporation is not organized primarily for the purpose of influencing the nomination for election or election of any person to Federal office.

Mr. GRIFFIN. A corporation is organized to make a profit, and a labor organization, a labor union, is organized to represent its members in collective bargaining and, therefore, they are exempt.

Mr. PACKWOOD. They are exempt from the reporting law.

Mr. GRIFFIN. So the amendment of the Senator from Oregon is needed and, as I understand it, this same amendment was offered by Representative WIGGINS over in the House of Representatives.

Mr. PACKWOOD. That is correct.

Mr. GRIFFIN. For the same purpose, and it was defeated over there on a close vote.

Mr. PACKWOOD. I think the chairman would have no objection to the amendment if what we are trying to do is simply do what the chairman says exists, although I think a reading of that law indicates they do not have to file and, indeed, they do not, and the chairman would be willing to accept the provisions of the amendment or at least the first part of it relating to the advocating defeat or election of candidates, specifically candidates.

Mr. CANNON. Mr. President, I would want to take a look at this. I think it is already covered.

I would say this to the Senator: If a corporation or a labor organization solicits the persons they are entitled to solicit for the defeat or election of a particular candidate, those funds should be reported as an independent expenditure. That is my intention.

Mr. PACKWOOD. Would the Senator say that again, they should be reported as a what?

Mr. CANNON. As an independent expenditure. In other words, the Supreme Court held there are no limitations on independent expenditures that can be made either for or against certain candidates.

Mr. PACKWOOD. Right.

Mr. CANNON. And we have required the reporting of those independent expenditures. I would say that my intent is—and I believe it is in the bill here that we have presented to the Senate—that those people should be required to report if they advocate the election or defeat of a known candidate.

Mr. PACKWOOD. Can I get the chairman's agreement on this, because I want to talk in addition about the voter registration?

Let us talk about advocacy of election or defeat for a moment.

Will the chairman agree to accept this amendment—and I will be willing to put it aside for a moment—if we find the present law does not require a corporation or a union using corporate funds or union dues—again, not talking about voluntary contributions—to communicate with their stockholders or administrative personnel, if the present law does not require them to report that as independent expenditures, that the chairman would accept an amendment that would make that correction?

Mr. CANNON. I would like to give some further study to it and then respond to the Senator. I want to be absolutely sure of what I am saying, as long as the Senator wants to talk on the other issue.

Mr. PACKWOOD. All right, I will talk on that a bit because I would like a vote eventually on that.

When talking about nonpartisan voter registration drives, especially as they are put on by corporations or by unions, they are nonpartisan only in the sense that they will register everybody in whatever party they want to register in.

They become very partisan in the sense of where one conducts the registration drive. Anybody who has been in the business of politics for 3 months soon learns there are certain areas that are heavily supportive of one's candidates and some heavily opposed.

In voter registration, one does the best he can to register them in the area they will support one, and ignore or give a very low priority to the area where voters will register and likely oppose one.

More often by unions than by business, voter registration drives are conducted in areas that are likely to register overwhelmingly Democrat.

There are some exceptions with other organizations and I compliment such organizations as the League of Women Voters, quite often the various junior chambers of commerce around the country, who do conduct what I consider genuine nonpartisan voter registration drives.

But, by and large, unions or to a lesser extent, corporations, simply do not conduct them as openly, or too much toward the partisan voter to support their causes.

I think if that is the case, if money is going to be spent to register voters, that we know 70, 80, 90 percent are going to support the candidate of one's choice, that that is, indeed, an expenditure toward the election of that candidate or that party and that money should be revealed.

I am not asking it be stopped. I am not commenting on whether or not the practice is right or wrong. But I am suggesting that the public is entitled to know what money was spent, and where, and when, to register certain voters. I do not think it is asking too much that the bill be amended in that respect.

Mr. President, I wonder if the chairman of the committee might yield for a question?

Mr. CANNON. Certainly.

Mr. PACKWOOD. I am reading now the present law under the definition of expenditure, and this is 431(f)(4)(C):

> Expenditure does not include (B) nonpartisan activity designed to encourage individuals to register to vote, or to vote;——

That is the second part of the amendment:

> (C) any communication by any membership organization or corporation to its members or stockholders, if such membership organization or corporation is not organized primarily for the purpose of influencing the nomination for election, or election, of any person to Federal office.

We have simply by the present law eliminated the definition of expenditure as including money spent by a union or corporation from its own funds to influence the outcome in an election. That explains why they have not reported. I think, under present law, even though we say any person, it does not mean who the person is. If we eliminate by definition expenditure of a corporation or use for this purpose, I think the amendment I offered would be enough, if we are going to achieve the purpose the chairman and I agree want to be achieved and requiring this to be reported as an expenditure.

Mr. CANNON. Mr. President, I do not agree with the Senator. I take it that is probably not the first time.

I am unalterably opposed to the second part because I think anything we do to discourage nonpartisan registration drives in this country today we are discouraging full participation in the voting process. We have done everything we could to try to encourage the nonpartisan election drives. We have the League of Women Voters who go out and work on a nonpartisan election drive. We have the labor people who go out. We have the corporation people who go out and urge their members to vote. If we are going to put a reporting requirement simply to spell out how much they spend in urging people to vote in nonpartisan election drives, I think we are subverting the intent of the act and I would oppose the intent of the act and I would be opposed to it. If the Senator wants to divide this, he might feel better about dividing it and having a vote on the issues separately.

Mr. PACKWOOD. The chairman says subverting the intent of the act. Is not the intent disclosure? I am not saying they cannot do it.

Mr. CANNON. The intent is disclosure of the amount spent to elect a particular candidate or the amount spent to independently defeat a candidate. But to discourage people to register and vote is not the intent of this act.

Mr. PACKWOOD. Apart from this second part, does the chairman agree that at the moment corporations and unions do not have to report expenditures for or against a candidate so long as they limit it to communications with their members, shareholders or executive personnel?

Mr. CANNON. Yes; I believe that is right, under the present law. I am not sure that that is right under the bill that we have presented here.

Mr. PACKWOOD. Can the chairman tell me where in the bill this is rectified?

Mr. CANNON. Where we define person on page 14 and say:

> Every person (other than a political committee or candidate) who makes contributions or expenditures expressly advocating the election or defeat of a clearly identified candidate, other than by contribution to a political committee or candidate, in an aggregate amount in excess of $100 within a calender year shall file with the Commission, on a form prepared by the Commission, a statement containing the information required of a person who makes a contribution in excess of $100 to a candidate or political committee and the information required of a candidate or political committee receiving such a contribution.

Mr. PACKWOOD. What happens when we get to section 431 and the expenditures for or against the candidate are simply not counted as an expenditure?

Mr. CANNON. But this is a different section and requires reporting under these conditions.

Mr. PACKWOOD. Where in this bill do we have a contradictory definition of expenditure from that in section 431, which is the controlling section on what must be reported? I might add to the chairman that on page 9 and page 10 of the bill the committee, starting with line 23 on page 9, has expanded the definition of expenditure and added a section 431 (c), added more exclusions to it. That is the definition section of the bill. But they have not changed this exclusion of expenditures for or against a political candidate made by a union with union funds or a corporation with corporate funds.

Mr. CANNON. Page 9 was a separate exclusionary item completely relating to the definition of whether or not legal and accounting services had to be counted as a contribution and had to be reported as a contribution. That was a change in the definition, that is true. It added a specific exemption to say:

> This paragraph shall not apply in the case of legal or accounting services rendered to or on behalf of the national committee of a political party, other than services attributable to activities which directly further the election of a designated candidate or candidates to Federal office, nor shall this paragraph apply in the case of legal or accounting services rendered to or on behalf of a candidate or political committee solely for the purpose of insuring compliance with the provisions of this Act or chapter 95 or 96 of the Internal Revenue Code. . . .

Mr. PACKWOOD. But all the committee has done there is to slightly broaden the exemptions. I am not arguing with that. I am not arguing whether they are right or wrong. They have not changed the present exemption in 431(c). Then on pages 36 and 37 of the bill, again in defining the phrase "contribution or expenditure," "shall not include communications by a corporation to its stockholders and executive or administrative personnel and their families or by a labor organization to its members and their families or any subject."

Mr. CANNON. That is simply a definition of the phrase "contribution or expenditure."

Mr. PACKWOOD. That is my point.

Mr. CANNON. It says that a contribution or expenditure:

> Shall not include communications by a corporation to its stockholders and executive or administrative personnel and their families or by a labor organization to its members and their families on any subject; nonpartisan registration and get-out-the-vote campaigns by a corporation aimed at its stockholders and executive or administrative personnel and their families, or by a labor organization aimed at its members and their families; or the establishment, administration, and solicitation of contributions to a separate segregated fund to be utilized for political purposes by a corporation or labor organization.

Mr. PACKWOOD. I think we are saying the same thing. It does not include for an expenditure any communication by a union to its members or any corporation to its shareholders or personnel. That is not an expenditure within the definition of this law, is that right, on any subject?

Mr. CANNON. That is not a contribution or expenditure within the definitions of the act on any subject within those parameters.

Mr. PACKWOOD. So that a corporation can spend corporate money to communicate with its shareholders and say, "Vote against Packwood," "Vote for Packwood," to its shareholders and it is not a definition of being an expenditure within the present law?

Mr. CANNON. I am sure a corporation would not do that.

Mr. PACKWOOD. But they can. There is no prohibition. Is that right?

Mr. CANNON. I think the Senator has raised a question there that opens up another part of the law. That is related to contributions. It might constitute an unlawful contribution on the part of a corporation, in violation of the criminal provisions of the code, if it in fact advocated the election or the defeat of a specific candidate under those conditions.

Mr. GRIFFIN. Mr. President, will the Senator from Oregon yield to me on that point?

Mr. PACKWOOD. Yes, I yield.

Mr. GRIFFIN. If we look in our yellow books here, on page 49, where section 610 appears, which gives the provision that would be applicable, notice, at the bottom of page 49:

> As used in this section, the phrase "contribution or expenditure" shall include—

So and so and so. Then, going over to page 50—

Mr. CANNON. The same language.

Mr. GRIFFIN. On page 50:

> but shall not include communications by a corporation to its stockholders and their families or by a labor organization to its members and their families on any subject.

Mr. PACKWOOD. I think that is clear. It is not a criminal violation, and it is not civil violation.

Mr. GRIFFIN. And you do not have to report it.

Mr. PACKWOOD. It is unfortunately not a reportable expenditure. I almost wish I could stop it. I wish corporations could not give or unions could not give in this fashion, but at least, if it is going to be done, let us report it. Let us tell the public where the money came from and where the money went, and let it be reported.

I think the chairman was in agreement, because initially the chairman said it was in the law; but I think we are coming to the conclusion that it is not in the law; it is exempt from the criminal statutes, and I ask the chairman if he is willing to accept the amendment.

Mr. CANNON. Well, the Senator has it tied in with the nonpartisan registration and get-out-the-vote campaigns, in any event, and there is no way I would be willing to accept that.

Mr. PACKWOOD. If those two were not tied together, would the chairman accept it?

Mr. CANNON. I am not sure that I would, so we had just as well leave them there.

Mr. PACKWOOD. Mr. President, I wish to amend my own amendment by striking out the latter part of it, which relates to nonpartisan registration and get-out-the-vote campaigns, which reads as follows:

> On page 37, line 10, after "families" insert the following ", except that expenditures for any such nonpartisan registration and get-out-the-vote campaigns must be reported to the Commission under section 304(e)".

The PRESIDING OFFICER. The amendment is so modified.

Mr. PACKWOOD's amendment, as modified, is as follows:

> On page 37, line 6, after "subject" insert the following: ", except that expenditures for any such communications which expressly advocate the election or defeat of a clearly identified candidate must be reported to the Commission in accordance with section 304 (e)".

Mr. PACKWOOD. Now we are talking only about corporation expenditures and union expenditures from corporate funds and union funds to elect or defeat a specific candidate. They are not now required to be reported under the law, and literally millions of dollars can be spent to support or defeat a candidate and the public will never be aware of it. Now we are talking about disclosure, just disclosure, and I do not see how the chairman or other Members of this body can oppose the amendment.

Mr. CANNON. Mr. President, I think the problem there is, what is a communication with its members? Certainly we have a provision in the law which makes it a criminal offense for a corporation to contribute to campaigns. I would think a communication advocating the election or defeat of a candidate could come within that provision.

Mr. PACKWOOD. Where do you draw that from, either the present criminal law or this bill, when it says a communication on any subject is not an expenditure?

Mr. CANNON. I just simply suggest that we have a vote on the Senator's amendment. I am not prepared to accept it.

Mr. PACKWOOD. Well, before we——

Mr. CANNON. I think that the law is such that a corporattion cannot legally make contributions to a candidate. We have gone through that exercise.

Mr. PACKWOOD. No, wait—do we—wait a minute. Can they give a name to their shareholders under present law?

Mr. CANNON. If a corporation makes a communication to its shareholders expressly advocating the election or defeat of a particular individual, I would say that would be a contribution that is in violation of the law.

Mr. PACKWOOD. And the same if a union uses union funds to make a contribution?

Mr. CANNON. If they use union funds. If we are talking about separate designated funds, that is a different proposition.

Mr. PACKWOOD. I am not talking about COPE funds. But I want to make sure that if the amendment fails, it is the position of the chairman that it is illegal under present law for a corporation to use corporate funds to mail or communicate to a shareholder or its executive or administrative personnel, and it is illegal under the present law for a union to communicate or mail to its members, in any event, anything advocating the election or defeat of a particular candidate. That is illegal?

Mr. CANNON. That is my understanding. That is the position that I would take, yes.

Mr. PACKWOOD. Mr. President, I ask for the yeas and nays on the amendment.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Oregon.

Mr. ROBERT C. BYRD. Mr. President, will the Senator yield?

Mr. PACKWOOD. I yield.

Mr. ROBERT C. BYRD. I ask unanimous consent that a vote occur on this amendment tomorrow at the hour of 11:45 a.m.

The PRESIDING OFFICER. Is there objection?

Mr. PACKWOOD. Mr. President, reserving the right to object, what is the program for tomorrow morning? I might want to make some concluding remarks on this amendment, and I do not want to get shut off.

Mr. ROBERT C. BYRD. Could we perhaps agree to 10 minutes to a side?

Mr. PACKWOOD. If we could have 10 minutes to a side before the vote, that would be satisfactory.

Mr. ROBERT C. BYRD. All right. Mr. President, I ask unanimous consent that at the hour of 11:25 a.m. tomorrow, there be a time limitation of 20 minutes on the amendment, to be equally divided between the Senator from Oregon (Mr. PACKWOOD) and the manager of the bill (Mr. CANNON), and that the vote occur on the amendment at 11:45 a.m.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

ORDER FOR RECOGNITION OF SENATOR GOLDWATER ON THURSDAY

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that on Thursday, after the two leaders or their designees have been recognized under the standing order, the Senator from Arizona (Mr. GOLDWATER) be recognized for not to exceed 15 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR ADJOURNMENT UNTIL 10:30 A.M. TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that when the Senate completes its business today, it stand in adjournment until the hour of 10:30 a.m. tomorrow.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR RECOGNITION OF SENATOR MANSFIELD, AND DESIGNATING A PERIOD FOR THE TRANSACTION OF ROUTINE MORNING BUSINESS TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that after the orders which have already been entered for the recognition of Mr. CLARK and Mr. GOLDWATER tomorrow, the Senator from Montana (Mr. MANSFIELD) be recognized for not to exceed 15 minutes, and that there then be a period for the transaction of routine morning business of not to exceed 10 minutes, with statements therein limited to 5 minutes each.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. I believe that would take us right up to the hour of 11:25 a.m.

I ask unanimous consent that the period for the transaction of routine morning business tomorrow not extend beyond the hour of 11:25 a.m.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Is there anything further for tonight?

ADJUSTMENT IN THE AMOUNT OF INTEREST PAID ON CERTAIN FUNDS

Mr. CANNON. Mr. President, I ask the Chair to lay before the Senate a message from the House of Representatives on S. 2619.

The PRESIDING OFFICER (Mr. GARN) laid before the Senate the amendment of the House of Representatives to the bill (S. 2619) to provide for adjusting the amount of interest paid on funds deposited with the Treasury of the United States by the Library of Congress Trust Fund Board, to strike out all after the enacting clause, and insert:

That section 2 of the Act of March 3, 1925, chapter 423, as renumbered by the Act of April 13, 1936, chapter 213 (2 U.S.C. 158), is amended by striking out "the rate of 4 per centum per annum," and inserting in place thereof "a rate which is the higher of a rate of 4 per centum per annum or a rate which is 0.25 percentage points less than a rate determined by the Secretary of the Treasury, taking into consideration the current average market yield on outstanding marketable obligations of the United States with remaining periods to maturity comparable to the average maturities of such investments, adjusted to the nearest one-eighth of 1 per centum".

Mr. CANNON. Mr. President, I move that the Senate agree to the amendment of the House to the bill (S. 2619) with an amendment, as follows:

On page 1, line 10, of the House engrossed amendment, beginning with "marketable" strike out all through line 13 and insert the following: "long-term marketable obligations of the United States, adjusted to the nearest one-eighth of 1 per centum,'.".

This proposed amendment would remove the "average maturity" language from the House-reported measure and add language to assure the Library of Congress permanent loan fund (2 U.S.C. 158) of an interest rate equivalent to the rate on Treasury long-term marketable obligations. The Senate-passed companion measure, S. 2619, would have accomplished this, but would have required investment of the fund—a procedure which would be more cumbersome for the Library and which could limit the interest return to the fund should long-term rates rise.

Mr. President, this amendment has been recommended by the Department of the Treasury and has the approval of the Librarian of Congress.

Further, I have been advised that the Honorable LUCIEN N. NEDZI, Chairman of the Subcommittee on the Library and Memorials of the House Administration Committee, is aware of this proposed amendment and prepared to urge its adoption by the House of Representatives, thus hopefully obviating the necessity for a conference on S. 2619.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

On page 1, line 10, of the House engrossed amendment, beginning with "marketable" strike out all through line 13 and insert the following: "long-term marketable obligations of the United States, adjusted to the nearest one-eighth of 1 per centum,'.".

The PRESIDING OFFICER. The question is on concurring in the House amendment with an amendment.

The motion was agreed to.

ADJUSTMENT IN THE AMOUNT OF INTEREST PAID ON CERTAIN FUNDS

Mr. CANNON. Mr. President, I ask the Chair to lay before the Senate a message from the House of Representatives on S. 2620.

The PRESIDING OFFICER (Mr. GARN) laid before the Senate the amendment of the House of Representatives to the bill (S. 2620) to provide for adjusting the amount of interest paid on funds deposited with the Treasury of the United States pursuant to the act of August 20, 1912 (37 Stat. 319), to strike out all after the enacting clause, and insert:

That section 3 of the Act of August 20, 1912, chapter 309 (37 Stat. 319, 320), is amended to read as follows: "That in compliance with said conditions the principal of the sum so received and paid into the Treasury of the United States shall be credited on the books of the Treasury Department as a perpetual trust fund; and the sum of two thousand dollars, being equivalent to 10 per centum on the principal of said trust fund, be, and the same is hereby, appropriated, out of any moneys in the Treasury not otherwise appropriated, and such appropriation shall be deemed a permanent annual appropriation and shall be expended in the manner and for the purposes herein authorized and as provided in the said bequest: *Provided, however,* That the United States of America shall pay interest on said principal only at an annual rate which is the higher of the rate of 4 per centum per annum or a rate which is 0.25 percentage points less than a rate determined by the Secretary of the Treasury, taking into consideration the current average market yield on outstanding marketable obligations of the United States with remaining periods to maturity comparable to the average maturities of such investments, adjusted to the nearest one-eighth of 1 per centum: *Provided, further, however,* That such rate shall not exceed 10 per centum per annum.".

Mr. CANNON. I move that the Senate agree to the amendment of the House to the bill (S. 2620) with an amendment as follows:

In lieu of the matter proposed to be inserted by the House amendment, insert the following:

That section 3 of the Act entitled "An Act to accept and fund the bequest of Gertrude M. Hubbard", approved August 20, 1912 (37 Stat. 320) is amended to read as follows:

"SEC. 3. In compliance with said conditions the principal of the sum so received and paid into the Treasury of the United States shall be credited on the books of the Treasury Department as a perpetual trust fund; and the Secretary of the Treasury shall thereafter credit such deposit with interest, semiannually, at a rate which is the higher of (1) a rate which is 0.25 percentage points less than a rate determined by the Secretary of the Treasury, taking into consideration the current average market yield on outstanding long-term marketable obligations of the United States, adjusted to the nearest one-eighth of 1 per centum, or (2) the rate of 4 per centum per annum; and such interest, as income, shall be subject to disbursement for the purposes herein authorized and as provided in the said bequest.".

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

In lieu of the matter proposed to be inserted by the House amendment, insert the following:

That section 3 of the Act entitled "An Act to accept and fund the bequest of Gertrude M. Hubbard", approved August 20, 1912 (37 Stat. 320) is amended to read as follows:

"SEC. 3. In compliance with said conditions the principal of the sum so received and paid into the Treasury of the United States shall be credited on the books of the Treasury Department as a perpetual trust fund; and the Secretary of the Treasury shall thereafter credit such deposit with interest, semiannually, at a rate which is the higher of (1) a rate which is 0.25 percentage points less than a rate determined by the Secretary of the Treasury, taking into consideration the current average market yield on outstanding long-term marketable obligations of the United States, adjusted to the nearest one-eighth of 1 per centum, or (2) the rate of 4 per centum per annum; and such interest, as income, shall be subject to disbursement for the purposes herein authorized and as provided in the said bequest.".

The PRESIDING OFFICER. The question is on concurring in the House amendment with an amendment.

The motion was agreed to.

APPOINTMENT BY THE PRESIDENT PRO TEMPORE

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the President pro tempore of the Senate or the Acting President pro tempore, be authorized to appoint a committee of Senators on the part of the Senate to join with the committee on the part of the House of Representatives to escort the Honorable Liam Cosgrave, Prime Minister of Ireland to the House Chamber tomorrow.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER THAT COMMITTEE ON COMMERCE HAVE UNTIL MIDNIGHT TONIGHT TO FILE REPORT ON S. 3149

Mr. FORD. Mr. President, I ask unanimous consent that the Committee on Commerce be given until midnight tonight to file its report on S. 3149, the Toxic Substance Control Act.

The PRESIDING OFFICER. Without objection, it is so ordered.

FEDERAL ELECTION CAMPAIGN ACT AMENDMENTS OF 1976

The Senate continued with the consideration of the bill (S. 3065) to amend the Federal Election Campaign Act of 1971 to provide for its administration by a Federal Election Commission appointed in accordance with the requirements of the Constitution, and for other purposes.

The PRESIDING OFFICER (Mr. ABOUREZK). The Senator from Alabama is recognized.

AMENDMENT NO. 1446

Mr. ALLEN. Mr. President, I ask unanimous consent that I might call up an amendment at this time and have it stated and that the amendment become the pending business after the vote on the Packwood amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ALLEN. I have the amendment at the desk.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

On page 27, between lines 5 and 6, insert the following new section:

USE OF REGULATIONS, ADVISORY OPINIONS, ETC., IN CIVIL AND CRIMINAL ENFORCEMENT

SEC. 109A. Section 315 of the Act (2 USC 438), as redesignated by section 105 of this Act, is amended by adding at the end thereof the following new subsection:

"(e) In any proceeding, including any civil or criminal enforcement proceeding against any person charged with violating any provision of this title or of title 18, no rule, regulation, guideline, advisory opinion, opinion of counsel or any other pronouncement by the Commission or any member, officer or employee thereof shall be used against any person, either as having the force of law, as creating any presumption of violation or of criminal intent, or as admissible in evidence against such person, or in any other manner whatsoever."

APPOINTMENT BY THE VICE PRESIDENT

The PRESIDING OFFICER (Mr. ABOUREZK). The Chair, on behalf of the Vice President, pursuant to Senate Concurrent Resolution 90, 94th Congress, appoints as members of the joint committee to make the necessary arrangements for the inauguration of the President-elect and the Vice-President-elect of the United States the following Senators; the majority leader, or his designee; the minority leader, or his designee; and the chairman of the Committee on Rules and Administration.

PROGRAM

Mr. ROBERT C. BYRD. Mr. President, the Senate will convene at the hour of 10:30 a.m. tomorrow morning. After the two leaders or their designees have been recognized under the standing order, Mr. CLARK, Mr. GOLDWATER, and Mr. MANSFIELD will be recognized each for not to exceed 15 minutes and in that order. There will then ensue a period for the transaction of routine morning business, with statements limited therein to 5 minutes each, such period not to extend beyond the hour of 11:25 a.m.

At 11:25 a.m. there will be a resumption of the debate on the amendment by Mr. PACKWOOD, amendment No. 1445, with the time limitation thereon of 20 minutes to be equally divided between Mr. PACKWOOD and Mr. CANNON.

At the hour of 11:45 a.m., the yeas and nays having already been ordered, a rollcall vote will occur on amendment No. 1445 by Mr. PACKWOOD.

At the conclusion of that vote, the majority leader will undoubtedly ask for a quorum call, and at about 12:13, 12:14, or 12:15 p.m., Senators will join in a body to proceed to the Hall of the House of Representatives for a joint meeting to hear an address by the Prime Minister of Ireland.

I ask unanimous consent, that upon the conclusion of the address by the Prime Minister of Ireland the Senate resume its session and that the Senate proceed with further consideration of the business now pending before the Senate, S. 3065.

The PRESIDING OFFICER. Is there objection?

Mr. McGEE. Mr. President, reserving the right to object, and I shall not object, but I wanted to ask a question. Does the Senator anticipate a possible resumption point for rollcalls after the Irish Prime Minister's appearance? When would he guess the time might be? With all due respect to the Irish Prime Minister, there are other extremely significant things going on downtown tomorrow about noon, and I was just interested in what the coincidence might be that would permit the participation of all the Irish on this occasion, not just some?

Mr. ROBERT C. BYRD. The Prime Minister will address the joint meeting of the two Houses at the hour of 12:30 p.m. I would assume that his address would be completed by, I would say, 1 p.m., and I would further assume that when the Senate resumes its consideration it will be 5 or 10 or 15 minutes after 1 p.m., and at that time there would be no amendment on which a vote had been ordered, and Senators would be able to call up an amendment at that time, but the vote on the now pending amendment would have occurred before the joint meeting. I should think that the Senator would be safe on tomorrow until at least 1:30 or 2 p.m. easily.

Mr. McGEE. Maybe even 2:20?

Mr. ROBERT C. BYRD. Even 2:20, perhaps.

Mr. McGEE. I thank the Senator.

I withdraw my objection.

The PRESIDING OFFICER. Without objection, it is so ordered.

ADJOURNMENT TO 10:30 A.M. TOMORROW

Mr. CANNON. Mr. President, if there be no further business to come before the Senate, I move, in accordance with the previous order, that the Senate stand in adjournment until 10:30 a.m. tomorrow.

The motion was agreed to; and, at 5:09 p.m. the Senate adjourned until Wednesday, March 17, 1976, at 10:30 a.m.

NOMINATIONS

Executive nominations received by the Senate March 16, 1976:

FEDERAL MEDIATION AND CONCILIATION SERVICE

James F. Scearce, of Virginia, to be Federal Mediation and Conciliation Director, vice Willie J. Usery, Jr.

AGENCY FOR INTERNATIONAL DEVELOPMENT

Christian A. Herter, Jr., of New Mexico, to be an Assistant Administrator of the Agency for International Development, vice Sidney Weintraub, resigned.

COMMUNITY SERVICES ADMINISTRATION

Samuel R. Martinez, of Colorado, to be Director of the Community Services Administration, vice Bert A. Gallegos, resigned.

IN THE ARMY

The following-named officers for promotion in the Army of the United States, under the provisions of title 10, United States Code, section 3447:

ARMY PROMOTION LIST

To be colonel

LaFrenz, Robert L., [redacted].
Taylor, William J., [redacted].

The following-named officers for promotion in the Regular Army of the United States, under the provisions of title 10, United States Code, sections 3284 and 3305:

ARMY PROMOTION LIST

To be lieutenant colonel

Abraham, Albert III, [redacted].
Abramowitz, Benjamin, [redacted].
Adamkewicz, Edward, [redacted].
Adams, Harvey L., [redacted].
Adams, Richard E., [redacted].
Adams, Robert B., [redacted].
Adams, Tom, Jr., [redacted].
Adsit, Charles C., [redacted].
Adsit, John M., [redacted].
Agnew, Jack S., [redacted].
Akin, Havis D., [redacted].
Albright, John E., [redacted].
Allaire, Christopher, [redacted].
Allen, James B., [redacted].
Alston, Charles A., [redacted].
Alton, Carlly L., [redacted].
Ameel, Joseph B., [redacted].
Ament, Richard G., [redacted].
Amlicke, John G., [redacted].
Anderson, Gerald O., [redacted].
Anderson, James J., [redacted].
Andre, Peter C., [redacted].
Andree, Robert G., [redacted].
Andrews, Thomas T., [redacted].
Antkowiak, Robert S., [redacted].
Arnecke, Charles O., [redacted].
Ashby, Mason K., [redacted].
Atkins, Roy A., [redacted].
Ayotte, Ronald J., [redacted].
Backus, Richard J., [redacted].
Bacon, Robert C., [redacted].
Baggett, Ronald L., [redacted].
Bagnal, Charles W., [redacted].
Bahnsen, John C., [redacted].
Bailey, George A., [redacted].
Baker, A. J., [redacted].
Bannister, Barry B., [redacted].
Bannister, Edwin J., [redacted].
Barlow, Keith A., [redacted].
Barrett, Reid A., [redacted].
Bartron, Hubert K., [redacted].
Batts, John H., [redacted].
Bauchsphes, James S., [redacted].
Baxter, Arthur S., [redacted].
Bear, Ben H., [redacted].
Bechtold, John G., [redacted].
Beck, Edmund S., [redacted].
Beckhoff, Otto F., [redacted].
Bell, Charles H., [redacted].
Bell, James C., [redacted].
Bell, Lawrence A., [redacted].
Bell, Leroy C., [redacted].
Bell, Walter C., [redacted].
Benacquista, John J., [redacted].
Bening, Robert G., [redacted].
Bennett, Donald G., [redacted].
Bennett, Donald P., [redacted].
Benton, William B., [redacted].
Bessler, Lawrence H., [redacted].
Binney, Charles W., [redacted].
Birt, Charles J., [redacted].
Bissell, Keith Jr., [redacted].
Blackwell, Jesse E., [redacted].
Blagg, Thomas E., [redacted].
Bland, Bigelow B., [redacted].
Blewster, James C., [redacted].
Bligh, Thomas F., [redacted].
Boatwright, Charles, [redacted].
Boehme, James A., [redacted].
Boerner, Dennis H., [redacted].
Bolam, Paul F., [redacted].
Bolin, James P., [redacted].
Bonnett, William B., [redacted].
Booras, Danny, [redacted].
Boozer, Harold E., [redacted].
Boswell, John R., [redacted].
Botts, Robert H., [redacted].
Bowes, Thomas M., [redacted].
Boyd, William A., [redacted].
Boyer, Henry Jr., [redacted].
Boylan, Steven V., [redacted].
Boyle, Rodger W., [redacted].
Bradby, Harold N., [redacted].
Bradford, Zeb B., [redacted].
Bradshaw, Harold D., [redacted].
Bramlet, James W., [redacted].
Bramlett, Mead R., [redacted].
Branch, John H., [redacted].
Brantley, Thomas J., [redacted].
Brashears, Bobby F., [redacted].
Brier, James R., [redacted].
Bright, Fred Jr., [redacted].
Britten, Samuel L., [redacted].
Broadaway, Thomas F., [redacted].
Brofer, Duane R., [redacted].
Brogi, David M., [redacted].
Bronson, Russell A., [redacted].
Brooks, Herman L., [redacted].
Brown, Bernard B., [redacted].
Brown, Frederic J., [redacted].
Brown, Marion L., [redacted].
Brown, William W., [redacted].
Bryant, Lloyd D., [redacted].
Bryant, Richard L., [redacted].
Buchanan, Paul J., [redacted].
Bullock, Victor T., [redacted].
Bunevich, Peter C., [redacted].
Burbules, John G., [redacted].
Burcham, Jerry J., [redacted].
Burgoon, Kenneth L., [redacted].
Burkett, Seth W., [redacted].
Burnette, Charles D., [redacted].
Burns, Thornton A., [redacted].
Bush, Robert C., [redacted].
Butler, Douthard R., [redacted].
Bynell, Harlan B., [redacted].
Byrnes, Graham F., [redacted].
Cahill, William J., [redacted].
Caldwell, Everette, [redacted].
Caldwell, Richard D., [redacted].
Callahan, James J., [redacted].
Calvert, Jack F., [redacted].
Cambell, Chester F., [redacted].
Campbell, Frank D., [redacted].
Campbell, Robert J., [redacted].
Carlisle, Alan R., [redacted].
Carlson, Raymond R., [redacted].
Carr, Eldon D., [redacted].
Carrington, Hugh C., [redacted].
Carroll, George F., [redacted].
Carver, Charley A., [redacted].
Casey, Leonard R., [redacted].
Cashman, James D., [redacted].
Cashwell, James E., [redacted].
Casipit, Felix L., [redacted].
Casto, Philip C., [redacted].
Caudill, James E., [redacted].
Chamberlain, Charles, [redacted].
Chapman, Joseph M., [redacted].
Chick, Robert L., [redacted].
Chilcote, Don L., [redacted].
Chillcott, Dewey A., [redacted].
Chisolm, Patrick D., [redacted].
Christensen, George, [redacted].
Christopher, Harry, [redacted].
Clayberg, Richard P., [redacted].
Clements, Philip J., [redacted].
Cluxton, Donald E., [redacted].
Cobbs, Richard C., [redacted].
Cocke, Eugene R., [redacted].
Cody, William F., [redacted].
Coffman, Ronald L., [redacted].
Coleman, Willie A., [redacted].
Collins, Marion H., [redacted].
Collison, John M., [redacted].
Conley, Samuel G., [redacted].
Connolly, John J., [redacted].
Connolly, Robert R., [redacted].
Conrad, Michael J., [redacted].
Cook, John H., [redacted].
Cook, Kenneth E., [redacted].
Cooksey, David O., [redacted].
Cooley, Andrew L., [redacted].
Cormany, Cecil D., [redacted].
Cornwell, Michael C., [redacted].
Cosby, Lloyd N., [redacted].
Costello, Charles J., [redacted].
Cotton, Thomas B., [redacted].
Covert, James L., [redacted].
Coyne, Robert A., [redacted].
Crain, Wallace S., [redacted].
Cralle, Maury S., [redacted].
Crandall, Harry W., [redacted].
Craver, Douglas M., [redacted].
Crawford, Charles W., [redacted].
Crawford, Theodore, [redacted].
Cremer, Robert D., [redacted].
Crews, Roy A., [redacted].
Crews, William F., [redacted].
Crompton, William B., [redacted].
Crosby, James C., [redacted].
Cross, Ernest E., [redacted].
Cross, Gerald K., [redacted].
Croswhite, James L., [redacted].
Crouter, Edgerton T., [redacted].
Cullen, James F., [redacted].
Cunningham, Clarence, [redacted].
Curl, Richard L., [redacted].
Cuthbertson, Robert [redacted].
Dail, Robert B., [redacted].

Daley, Edmund K., [redacted].
Dambergs, Ilmars H., [redacted].
Dambrauskas, Vincent, [redacted].
Dantos, Evangelos, [redacted].
Daub, Alfred V., [redacted].
Davis, Dale E., [redacted].
Davis, Sidney, [redacted].
Day, Edward A., [redacted].
Day, Frank L., [redacted].
Day, Raymond, [redacted].
Day, Thomas E., [redacted].
Decamp, William S., [redacted].
Defrance, Rudolph B., [redacted].
Dekle, Thomas A., [redacted].
Delahunty, Thomas C., [redacted].
Deleuil, Wood R., [redacted].
Demers, Gerald Z., [redacted].
Demick, Harold B., [redacted].
Dettmar, Richard, [redacted].
Devers, John P., [redacted].
Devilbiss, Donald R., [redacted].
Dewey, Arthur E., [redacted].
Diez, Everett S., [redacted].
Dillingham, William, [redacted].
Dixon, Bryan D., [redacted].
Dobbs, Herbert H., [redacted].
Doiron, Nicholas H., [redacted].
Dottle, James, [redacted].
Dozier, James L., [redacted].
Drury, Dan L., [redacted].
Dubois, Ronald W., [redacted].
Dugan, John E., [redacted].
Duggan, Daniel E., [redacted].
Dull, Harry L., [redacted].
Dunn, James T., [redacted].
Durant, John J., [redacted].
Durkin, Michael J., [redacted].
Eastburn, Charles E., [redacted].
Easton, Robert H., [redacted].
Ebbole, Robert, [redacted].
Ebert, Vernon E., [redacted].
Eckert, William N., [redacted].
Edmiston, Charles H., [redacted].
Edmondson, James P., [redacted].
Edwards, Charles A., [redacted].
Einseln, Aleksander, [redacted].
Eitel, James W., [redacted].
Eliot, Phillips G., [redacted].
Ellis, Donald R., [redacted].
Ellis, James N., [redacted].
Ely, Arch, H. Jr., [redacted].
Enloe, James A., [redacted].
Etzler, Roy T., [redacted].
Evans, Bobby G., [redacted].
Fargason, Leroy H., [redacted].
Farmer, Garry H., [redacted].
Farmer, Harold D., [redacted].
Farmer, William P., [redacted].
Farrell, Joseph G., [redacted].
Farris, Robert I., [redacted].
Feeley, Robert F., [redacted].
Feeney, Gerald F., [redacted].
Ferguson, Charles H., [redacted].
Filbert, Frederic J., [redacted].
Fisch, Donald A., [redacted].
Fitzgerald, John M., [redacted].
Fitzgerald, Thomas, [redacted].
Fitzmorris, Lawrence, [redacted].
Fletcher, Edward N., [redacted].
Flitcraft, Anthony, [redacted].
Flory, Robert A., [redacted].
Flynn, James J., [redacted].
Foradori, Harry L., [redacted].
Forrell, William J., [redacted].
Foss, John W., [redacted].
Fossett, John L., [redacted].
Foutz, Vernon E., [redacted].
Fox, Eugene, [redacted].
Fox, Eugene A., [redacted].
Fox, Frederick W., [redacted].
Fraker, William W., [redacted].
Fraley, Harold J., [redacted].
Frank, Winfield C., [redacted].
Frederick, William, [redacted].
Freeman, Clinton A., [redacted].
Fry, Llayll A., [redacted].
Frye, Ray E., Jr., [redacted].
Fucella, Edward D., [redacted].
Fuller, Thomas W., [redacted].
Gange, William B., [redacted].
Garner, James G., [redacted].
Garrison, Edgar C., [redacted].
Garvey, Charles J., [redacted].
Gates, Norman B., [redacted].
Gibbons, Gerald G., [redacted].
Gibbons, James H., [redacted].
Gibson, Mack L. Jr., [redacted].
Giese, William, [redacted].
Gillie, Gerald R., [redacted].
Gleason, Joseph E., [redacted].
Gleave, Paul R., [redacted].
Glenn, Charles A., [redacted].
Glock, Howard G., [redacted].
Gminder, Russell, [redacted].
Godding, Donald R., [redacted].
Goodman, Roland A., [redacted].
Goodyear, Clyde E., [redacted].
Gordon, John V., [redacted].
Gorlinski, Charles, [redacted].
Gould, Frank O., [redacted].
Gourley, William H., [redacted].
Grace, Paul M., [redacted].
Graham, Robert L., [redacted].
Grann, Richard A., [redacted].
Grant, Gordon E., [redacted].
Grant, Theodore, [redacted].
Grasmeder, John M., [redacted].
Griffith, James E., [redacted].
Griminger, Charles, [redacted].
Grinstead, John B., [redacted].
Grossheim, Paul W., [redacted].
Grover, Dwight L., [redacted].
Groves, Billie R., [redacted].
Gudger, Robert M., [redacted].
Guffey, Connie S., [redacted].
Gugel, Donald N., [redacted].
Gunter, Charles R., [redacted].
Gunter, Gurnie C., [redacted].
Haack, John K., [redacted].
Hacking, David, [redacted].
Hagee, Robert D., [redacted].
Haley, John P., [redacted].
Haley, Robert H., [redacted].
Hall, Harry T., [redacted].
Halleran, Kenneth E., [redacted].
Halsey, Milton B., [redacted].
Hammel, Donald A., [redacted].
Hammill, William C., [redacted].
Hammond, Verle B., [redacted].
Hanmer, Stephen R., [redacted].
Hannon, James D., [redacted].
Hansen, Charles M., [redacted].
Haponski, William C., [redacted].
Harbor, Frank F., [redacted].
Hargis, Glenn F., [redacted].
Hargrove, Richard L., [redacted].
Harmon, Marsden A., [redacted].
Harms, Norman D., [redacted].
Harnish, Albert G., [redacted].
Harper, Henry H., [redacted].
Harrell, Wilford R., [redacted].
Harris, Arthur M., [redacted].
Harris, James W., [redacted].
Harris, Loston, [redacted].
Harris, Walter B., [redacted].
Hart, Rufus, [redacted].
Harvey, Richard W., [redacted].
Hatcher, Walter L., [redacted].
Hatchett, Monte J., [redacted].
Hattersley, James G., [redacted].
Hay, James R., [redacted].
Haydon, Joseph J., [redacted].
Haynes, Jesse L. Jr., [redacted].
Hearn, Jerry L., [redacted].
Hedges, Oliver W., [redacted].
Hehle, Joseph P., [redacted].
Heikkinen, Kenneth, [redacted].
Helela, David H., [redacted].
Heller, John M., [redacted].
Helmick, Glelma O., [redacted].
Hendricks, Thomas E., [redacted].
Hendrickson, Donald, [redacted].
Hensley, William R., [redacted].
Herb, Charles D., [redacted].
Herlihy, Francis P., [redacted].
Herrmann, Carl G., [redacted].
Hewitt, Robert A., [redacted].
Hightower, Loyal G., [redacted].
Hill, James R., [redacted].
Hill, Robert A., [redacted].
Hix, Preston D., [redacted].
Hodgson, William E., [redacted].
Hoffman, Glenn F., [redacted].
Hoffman, John F., [redacted].
Hoglan, Curtis F., [redacted].
Holland, Billy C., [redacted].
Holland, Harold B., [redacted].
Hollowell, Emmett P., [redacted].
Holmes, Frederick S., [redacted].
Holmes, Justin A., [redacted].
Holt, Robert B., [redacted].
Holt, Roscoe L., [redacted].
Hooker, Richard D., [redacted].
Hookway, William A., [redacted].
Hopkins, Woodard B., [redacted].
Horan, Michael J., [redacted].
Horn, Will H., [redacted].
Horner, Roger H., [redacted].
Horton, Edward J., [redacted].
Hosmer, Calvin III, [redacted].
Hottel, David T., [redacted].
Howard, Matthew A., [redacted].
Howell, Leamon E., [redacted].
Howell, Thomas R., [redacted].
Howell, William H., [redacted].
Hudman, George D., [redacted].
Huff, Jerry H., [redacted].
Hull, Robert L., [redacted].
Hunt, James W., [redacted].
Hunter, Joseph L., [redacted].
Hutchins, Edwin M., [redacted].
Hutchinson, Jarold, [redacted].
Hutter, James L., [redacted].
Hutton, John D., [redacted].
Ingram, Duane C., [redacted].
Ippolito, Charles P., [redacted].
Jackson, George F., [redacted].
Jasper, Theodore C., [redacted].
Jensen, Kenneth G., [redacted].
Jerrett, Lyle E., [redacted].
Jezior, Anthony M., [redacted].
Jhung, Bryson, [redacted].
Johansen, William R., [redacted].
Johnsen, John L., [redacted].
Johnson, David S., [redacted].
Johnson, Harold L., [redacted].
Johnson, Harry W., [redacted].
Johnson, John C., [redacted].
Johnson, William A., [redacted].
Johnson, William V., [redacted].
Johnston, David J., [redacted].
Johnston, James W., [redacted].
Johnston, Norbert B., [redacted].
Jones, Herbert L., [redacted].
Jones, Isaac R., [redacted].
Jones, John L., [redacted].
Jones, Maury L., [redacted].
Jones, Robert E., [redacted].
Jones, Roy M., [redacted].
Jones, Warren A., [redacted].
Jordan, William A., [redacted].
Joyce, Robert M., [redacted].
Kammerdiener, James, [redacted].
Katta, Richard J., [redacted].
Keating, Richard J., [redacted].
Keener, Eugene F., [redacted].
Keipp, Martin W., [redacted].
Keliher, John G., [redacted].
Kelley, Horace S., [redacted].
Kelley, Norman D., [redacted].
Kelly, Thomas L., [redacted].
Kem, Richard S., [redacted].
Kemp, Freddie L., [redacted].
Kendall, Mark C., [redacted].
Kennedy, Billie J., [redacted].
Kennedy, Ralph P., [redacted].
Kenyon, Peter B., [redacted].
Kepler, Roger T., [redacted].
Keutmann, John A., [redacted].
Keyes, Terrence E., [redacted].
Kicklighter, Claude, [redacted].
Kilgore, James A., [redacted].
Killett, James L., [redacted].
Kincheloe, Carl E., [redacted].
Kinder, Norman W., [redacted].
King, Gregory N., [redacted].
Kirk, John M., [redacted].
Kistler, John S., [redacted].
Klein, Rudolph F., [redacted].
Kneibert, Richard G., [redacted].
Knowles, Kenneth J., [redacted].

Knudsen, Walter H., xxx-xx-xxxx.
Kottich, Charles R., xxx-xx-xxxx.
Kreilick, Elvin A., xxx-xx-xxxx.
Kuehn, Frederick G., xxx-xx-xxxx.
Labonge, Carl A., xxx-xx-xxxx.
Lally, Michael J., xxx-xx-xxxx.
Lamb, David O., xxx-xx-xxxx.
Lamons, Robert E., xxx-xx-xxxx.
Lampe, William J., xxx-xx-xxxx.
Lane, James F., xxx-xx-xxxx.
Lane, Robert L., xxx-xx-xxxx.
Large, Ulysses S., xxx-xx-xxxx.
Lascola, Harry R., xxx-xx-xxxx.
Lash, Peter W., xxx-xx-xxxx.
Lawley, Fred W., xxx-xx-xxxx.
Lawson, Warren G., xxx-xx-xxxx.
Laychak, Robert, xxx-xx-xxxx.
Layfield, Marvin C., xxx-xx-xxxx.
Leaf, George E., xxx-xx-xxxx.
Leakey, Robert J., xxx-xx-xxxx.
Lee, Curtis D., xxx-xx-xxxx.
Lee, Ray H., xxx-xx-xxxx.
Lehardy, Ward M., xxx-xx-xxxx.
Leister, Glenn A., xxx-xx-xxxx.
Levine, Seymour E., xxx-xx-xxxx.
Levy, Norman, xxx-xx-xxxx.
Lewis, Warfield M., xxx-xx-xxxx.
Libassi, Jerome J., xxx-xx-xxxx.
Lilje, Donald H., xxx-xx-xxxx.
Lilley, Walter G., xxx-xx-xxxx.
Lindquist, Gary E., xxx-xx-xxxx.
Little, Donald C., xxx-xx-xxxx.
Livingston, Allen C., xxx-xx-xxxx.
Liwski, John L., xxx-xx-xxxx.
Lockridge, Robert W., xxx-xx-xxxx.
Loeffler, John F., xxx-xx-xxxx.
Logerquist, Benjamin, xxx-xx-xxxx.
Longacre, David H., xxx-xx-xxxx.
Longuet, Charles Jr., xxx-xx-xxxx.
Looney, Robert C., xxx-xx-xxxx.
Lorigan, Robert E., xxx-xx-xxxx.
Lorix, Richard E., xxx-xx-xxxx.
Love, James R., xxx-xx-xxxx.
Lueders, Dirk H., xxx-xx-xxxx.
Lundin, Keith E., xxx-xx-xxxx.
Lutz, Joseph C., xxx-xx-xxxx.
Lyman, Myron E., xxx-xx-xxxx.
Maccini, Francis L., xxx-xx-xxxx.
MacDonald, John, xxx-xx-xxxx.
Macedonia, Raymond, xxx-xx-xxxx.
Mack, William H., xxx-xx-xxxx.
Mackin, Richard E., xxx-xx-xxxx.
MacNair, Douglas G., xxx-xx-xxxx.
Mah, Joe, xxx-xx-xxxx.
Mahaffey, Fred K., xxx-xx-xxxx.
Maher, Kevin L., xxx-xx-xxxx.
Mahlberg, Donald S., xxx-xx-xxxx.
Major, Dorrance D., xxx-xx-xxxx.
Manhan, Robert D., xxx-xx-xxxx.
Manning, Robert L., xxx-xx-xxxx.
Manzo, John M., xxx-xx-xxxx.
Marr, Giffen A., xxx-xx-xxxx.
Marshall, Richard H., xxx-xx-xxxx.
Martin, Richard C., xxx-xx-xxxx.
Martin, Thurman O., xxx-xx-xxxx.
Matheson, Robert G., xxx-xx-xxxx.
Matthews, Francis W., xxx-xx-xxxx.
Maupin, Joe S., xxx-xx-xxxx.
May, Robert M., xxx-xx-xxxx.
Mayers, Frederick H., xxx-xx-xxxx.
Maynes, George E., xxx-xx-xxxx.
Mayson, Elford M., xxx-xx-xxxx.
Mazyck, William L., xxx-xx-xxxx.
McAniff, Thomas J., xxx-xx-xxxx.
McCann, John R., xxx-xx-xxxx.
McCarthy, James F., xxx-xx-xxxx.
McCartt, James M., xxx-xx-xxxx.
McCarty, Douglas W., xxx-xx-xxxx.
McCracken, Julian, xxx-xx-xxxx.
McCue, Robert B., xxx-xx-xxxx.
McCurdy, Neal B., xxx-xx-xxxx.
McDonald, Merle A., xxx-xx-xxxx.
McDonald, Vincent P., xxx-xx-xxxx.
McDowell, Rowland F., xxx-xx-xxxx.
McFadden, Louis P., xxx-xx-xxxx.
McFadden, Willie J., xxx-xx-xxxx.
McGee, Lester E., xxx-xx-xxxx.
McGinn, John J., xxx-xx-xxxx.
McGoff, Leo F., xxx-xx-xxxx.
McGruder, Beverly L., xxx-xx-xxxx.
McKalip, Homer D., xxx-xx-xxxx.
McKay, William H., xxx-xx-xxxx.
McKee, Robert W., xxx-xx-xxxx.
McKinley, Davis J., xxx-xx-xxxx.
McManus, Booker, T., xxx-xx-xxxx.
McMillan, Druery C., xxx-xx-xxxx.
McNall, Jack G., xxx-xx-xxxx.
McNamee, Alfred A., xxx-xx-xxxx.
McNatt, Orville W., xxx-xx-xxxx.
McNealy, Richard K., xxx-xx-xxxx.
McNulty, James W., xxx-xx-xxxx.
McPheeters, Leander, xxx-xx-xxxx.
Meara, John J., xxx-xx-xxxx.
Mears, Charles D., xxx-xx-xxxx.
Medina, Efrain, xxx-xx-xxxx.
Medley, George W., xxx-xx-xxxx.
Mericle, Russell A., xxx-xx-xxxx.
Messer, Hollis D., xxx-xx-xxxx.
Metcalf, Jack A., xxx-xx-xxxx.
Meyer, Clyde E., xxx-xx-xxxx.
Meyer, Raleigh R., xxx-xx-xxxx.
Miller, Duane D., xxx-xx-xxxx.
Miller, Leonard L., xxx-xx-xxxx.
Miller, Robert A., xxx-xx-xxxx.
Minton, Paul B., xxx-xx-xxxx.
Missildine, William, xxx-xx-xxxx.
Mitchell, Glenn W., xxx-xx-xxxx.
Mitchell, Gregory W., xxx-xx-xxxx.
Mixan, Edgar J., xxx-xx-xxxx.
Monteith, Gerald E., xxx-xx-xxxx.
Moody, John Flett, xxx-xx-xxxx.
Moore, Herbert W., xxx-xx-xxxx.
Moore, William A., xxx-xx-xxxx.
Morelli, Donald R., xxx-xx-xxxx.
Morgan, Robert D., xxx-xx-xxxx.
Morrell, Richard S., xxx-xx-xxxx.
Morrison, William W., xxx-xx-xxxx.
Moser, John W., xxx-xx-xxxx.
Moses, George W., xxx-xx-xxxx.
Moss, Franklin A., xxx-xx-xxxx.
Mossellem, John J., xxx-xx-xxxx.
Moulton, Rodney F., xxx-xx-xxxx.
Mullen, Gordon R., xxx-xx-xxxx.
Munsey, Jack T., xxx-xx-xxxx.
Munster, Conrad H., xxx-xx-xxxx.
Murdock, Thomas E., xxx-xx-xxxx.
Murphy, John J., xxx-xx-xxxx.
Murray, Edward L., xxx-xx-xxxx.
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Muth, Arnold J., xxx-xx-xxxx.
Myers, Read E., xxx-xx-xxxx.
Myrick, Howard A., xxx-xx-xxxx.
Naclerio, Nicholas, xxx-xx-xxxx.
Narus, William E., xxx-xx-xxxx.
Nauman, Alan A., xxx-xx-xxxx.
Neely, Joe E., xxx-xx-xxxx.
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Neil, Arthur G., xxx-xx-xxxx.
Nelson, Ronald A., xxx-xx-xxxx.
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Newbill, James P., xxx-xx-xxxx.
Newman, Charles D., xxx-xx-xxxx.
Newman, Frank R., xxx-xx-xxxx.
Nichols, Elwood B., xxx-xx-xxxx.
Nicholson, John W., xxx-xx-xxxx.
Nolan, John W., xxx-xx-xxxx.
Oakes, John H., xxx-xx-xxxx.
Oakes, Norman L., xxx-xx-xxxx.
Oberg, Robert E., xxx-xx-xxxx.
Oberst, Guenter G., xxx-xx-xxxx.
Obryan, William P., xxx-xx-xxxx.
Oconnell, Maurice P., xxx-xx-xxxx.
Ohlemueller, William, xxx-xx-xxxx.
Olchovik, Stanley, xxx-xx-xxxx.
Oliver, Mahatha M., xxx-xx-xxxx.
Ondarza, Fred, Jr., xxx-xx-xxxx.
Oneil, Henry R., xxx-xx-xxxx.
Ono, Allen K., xxx-xx-xxxx.
Oram, Charles J., xxx-xx-xxxx.
Orr, James M., xxx-xx-xxxx.
Ortner, Anthony J., xxx-xx-xxxx.
Oshaughnessy, James, xxx-xx-xxxx.
Oshei, Donald M., xxx-xx-xxxx.
Otsuka, Yukio, xxx-xx-xxxx.
Owen, David T., xxx-xx-xxxx.
Pace, Donald L., xxx-xx-xxxx.
Painter, Brookman E., xxx-xx-xxxx.
Palmer, Dave R., xxx-xx-xxxx.
Paquin, Wilfred J., xxx-xx-xxxx.
Parker, Franklin S. xxx-xx-xxxx.
Parker, John R., xxx-xx-xxxx.
Parker, Julius, Jr., xxx-xx-xxxx.
Parsons, Walters H., xxx-xx-xxxx.
Partin, David W., xxx-xx-xxxx.
Patrick, Farrell G., xxx-xx-xxxx.
Patton, David W., xxx-xx-xxxx.
Payne, Robert W., xxx-xx-xxxx.
Pearce, Donnie D., xxx-xx-xxxx.
Pearson, Stanley R., xxx-xx-xxxx.
Perkins, George R., xxx-xx-xxxx.
Perry, Earl E., xxx-xx-xxxx.
Petty, Robert E., xxx-xx-xxxx.
Phillips, Gary R., xxx-xx-xxxx.
Phillips, Herbert C., xxx-xx-xxxx.
Phillips, Robert A., xxx-xx-xxxx.
Pierce, Richard B., xxx-xx-xxxx.
Pitre, George L., xxx-xx-xxxx.
Plant, Robert A., xxx-xx-xxxx.
Pohly, Glenn W., xxx-xx-xxxx.
Polak, Alexander P., xxx-xx-xxxx.
Polhemus, Richard E., xxx-xx-xxxx.
Polickoski, John S., xxx-xx-xxxx.
Porter, Jon E., xxx-xx-xxxx.
Potter, Allen R., xxx-xx-xxxx.
Powell, Frank M., xxx-xx-xxxx.
Powell, Ralph J., xxx-xx-xxxx.
Prather, Charles G., xxx-xx-xxxx.
Prescott, Donald P., xxx-xx-xxxx.
Price, Oscar G., xxx-xx-xxxx.
Price, Theodore W., xxx-xx-xxxx.
Priore, Fortunato R., xxx-xx-xxxx.
Propes, Norman C., xxx-xx-xxxx.
Pugmire, Robert M., xxx-xx-xxxx.
Pulliam, Nathan M., xxx-xx-xxxx.
Putnam, Earl L., xxx-xx-xxxx.
Pybus, Fred R., xxx-xx-xxxx.
Quackenbush, Robert, xxx-xx-xxxx.
Quest, Joseph W., xxx-xx-xxxx.
Quigg, Stuart M., xxx-xx-xxxx.
Quinlan, Harry L., xxx-xx-xxxx.
Quinn, Joseph G., xxx-xx-xxxx.
Rabdau, James L., xxx-xx-xxxx.
Radosh, Burnett H., xxx-xx-xxxx.
Ragovis, George, xxx-xx-xxxx.
Rall, Frederick A., xxx-xx-xxxx.
Ralls, Randall D., xxx-xx-xxxx.
Ramey, Hubert D., xxx-xx-xxxx.
Ramsey, John D., xxx-xx-xxxx.
Raudebaugh, James D., xxx-xx-xxxx.
Ray, James R., xxx-xx-xxxx.
Reed, James R., xxx-xx-xxxx.
Reed, Paul R., xxx-xx-xxxx.
Reid, Alton B., xxx-xx-xxxx.
Repp, Edgar F., xxx-xx-xxxx.
Rhode, Michael Jr., xxx-xx-xxxx.
Rhodes, Edward F., xxx-xx-xxxx.
Rice, Richard C., xxx-xx-xxxx.
Richards, Edward T., xxx-xx-xxxx.
Richards, John H., xxx-xx-xxxx.
Richardson, George, xxx-xx-xxxx.
Rigrish, Ernest E., xxx-xx-xxxx.
Riley, Leonard J., xxx-xx-xxxx.
Rinker, Richard, xxx-xx-xxxx.
Roberts, Rodney K., xxx-xx-xxxx.
Robinson, Richard T., xxx-xx-xxxx.
Roby, Robert L., xxx-xx-xxxx.
Rockey, James D., xxx-xx-xxxx.
Roddy, Patrick M., xxx-xx-xxxx.
Rodina, Stanley L., xxx-xx-xxxx.
Rogers, John E., xxx-xx-xxxx.
Rohland, Robert G., xxx-xx-xxxx.
Roll, William C., xxx-xx-xxxx.
Ropp, Richard F., xxx-xx-xxxx.
Rosenberg, Theodore, xxx-xx-xxxx.
Rostine, George W., xxx-xx-xxxx.
Rowe, Alvin G., xxx-xx-xxxx.
Rundgren, Ivar W., xxx-xx-xxxx.
Rush, Karl C., xxx-xx-xxxx.
Russell, James F., xxx-xx-xxxx.
Ryan, William J., xxx-xx-xxxx.
Ryder, Freddie O., xxx-xx-xxxx.
Saferstein, Thorton, xxx-xx-xxxx.
Salamone, Luciano C., xxx-xx-xxxx.
Sanders, Burnett R., xxx-xx-xxxx.
Sanders, Mac D., xxx-xx-xxxx.
Sanders, William C., xxx-xx-xxxx.
Sandlin, Malcolm R., xxx-xx-xxxx.
Sandstrum, Allan W., xxx-xx-xxxx.
Sanford, David G., xxx-xx-xxxx.
Sawey, James W., xxx-xx-xxxx.
Schelhorn, Carlton, xxx-xx-xxxx.

Scherer, Franklin J., [redacted].
Schmitz, Ralph, [redacted].
Schneider, William, [redacted].
Scholz, John C., [redacted].
Schrage, William K., [redacted].
Schuler, Bob D., [redacted].
Schull, Dunell V., [redacted].
Schulz, Otto R., [redacted].
Schvaneveldt, Noel, [redacted].
Schwarzkopf, H. Norman, [redacted].
Scott, Charles W., [redacted].
Scott, Douglas W., [redacted].
Scott, Frank H., [redacted].
Scott, Robert W., [redacted].
Scully, Robert C., [redacted].
Seago, Pierce T. Jr., [redacted].
Secord, John W., [redacted].
Seeberg, Richard S., [redacted].
Seeley, James L., [redacted].
Settle, Thomas A., [redacted].
Sevilla, Exequiel R., [redacted].
Shanahan, John A., [redacted].
Shannon, John W., [redacted].
Sharer, Frank E., [redacted].
Shattuck, Milton C., [redacted].
Shean, Frederic L., [redacted].
Sheldon, John D., [redacted].
Shelton, Huntly E., [redacted].
Shepardson, John A., [redacted].
Sherzer, Morton P., [redacted].
Shirey, James C., [redacted].
Shirley, Frank R., [redacted].
Shockley, Henry A., [redacted].
Short, Kenneth M., [redacted].
Short, William L., [redacted].
Shufelt, James W., [redacted].
Sidler, Garrett V., [redacted].
Sieminski, Edmund J., [redacted].
Simmons, Bobby B., [redacted].
Simoni, Richard J., [redacted].
Simons, John D., [redacted].
Simpson, Charles E., [redacted].
Sinclair, Allen B., [redacted].
Sirkis, Michael S., [redacted].
Sisinyak, Mark J., [redacted].
Sisk, Isaac R., [redacted].
Skidmore, Herrol J., [redacted].
Skidmore, Wilbur M., [redacted].
Slingo, James F., [redacted].
Sloan, John F., [redacted].
Smart, Ernest A., [redacted].
Smiley, Ronald H., [redacted].
Smith, Carl D., [redacted].
Smith, Carl G., [redacted].
Smith, Donald B., [redacted].
Smith, Edward P., [redacted].
Smith, Frank L., [redacted].
Smith, James A., [redacted].
Smith, Kenneth W., [redacted].
Smith, Lowell G., [redacted].
Smith, Scott B., [redacted].
Smith, Stainton, [redacted].
Smith, Willis B., [redacted].
Snodgrass, John C., [redacted].
Snow, Don F., [redacted].
Snowden, Edgar IV, [redacted].
Sorley, Lewis S., [redacted].
Sparks, Donald E., [redacted].
Spence, John D., [redacted].
Spencer, Joseph L., [redacted].
Spires, James W., [redacted].
Sposito, Paul, [redacted].
Springstead, Bertin, [redacted].
Stallings, David W., [redacted].
Staples, William B., [redacted].
Stapleton, George J., [redacted].
Staros, Edward J., [redacted].
Stedron, Charles J., [redacted].
Stevens, Phillip J., [redacted].
Stevenson, Carl B., [redacted].
Stevenson, Harry K., [redacted].
Stewart, Charles A., [redacted].
Stewart, Frank S., [redacted].
Stice, John E., [redacted].
Stillions, Eugene L., [redacted].
St. Louis, Robert P., [redacted].
Stokes, Theodore K., [redacted].
Stokes, William M., [redacted].
Stone, Joseph L., [redacted].
Stout, Anthony N., [redacted].
Stratton, Jerry R., [redacted].
Straughan, Robert M., [redacted].
Stroup, Glenn A., [redacted].
Strozier, James K., [redacted].
Stryker, Harm, [redacted].
Stubs, Harold E., [redacted].
Studebaker, Robert, [redacted].
Suddath, Leroy N., [redacted].
Sullivan, Robert P., [redacted].
Sullivan, William M., [redacted].
Sutliff, Lawrence N., [redacted].
Sutton, James L., [redacted].
Svirsky, William R., [redacted].
Swartz, Calvin, [redacted].
Sweetwood, Dale R., [redacted].
Tagge, Robert W., [redacted].
Talley, Robert E., [redacted].
Tapp, Richard L., [redacted].
Taylor, Joseph W., [redacted].
Taylor, Wesley L., [redacted].
Teague, Charles A., [redacted].
Teague, Gwynn A., [redacted].
Temperley, Nicholas, [redacted].
Thompson, Albert G., [redacted].
Thompson, Jackson D., [redacted].
Thompson, Robert S., [redacted].
Thorne, Phillip D., [redacted].
Thorpe, Marvin Jr., [redacted].
Tobiasen, Richard D., [redacted].
Tocher, Patrick A., [redacted].
Toler, William K., [redacted].
Tolfa, Edward Jr., [redacted].
Tollefson, Robert G., [redacted].
Tomes, Paul J., [redacted].
Toner, Richard B., [redacted].
Traver, Thomas G., [redacted].
Tripp, Richard L., [redacted].
Truby, Allen G., [redacted].
Turley, James R., [redacted].
Turner, Graydon C., [redacted].
Turner, William O., [redacted].
Tuszynski, Andrew J., [redacted].
Tutwiler, James D., [redacted].
Twichell, Heath Jr., [redacted].
Twilley, Leroy G., [redacted].
Tyler, Charles S., [redacted].
Tyler, Thomas H., [redacted].
Ulcak, Benedict J., [redacted].
Urbach, Walter Jr., [redacted].
Utz, John S., [redacted].
Vail, Nathan C., [redacted].
Valence, Edward Jr., [redacted].
Vandervort, Edmund, [redacted].
Vandyke, James A., [redacted].
Vanhorn, Jonathan S., [redacted].
Vanwert, John F., [redacted].
Varoz, Roman Jr., [redacted].
Vaughan, Frederick, [redacted].
Vergot, William D., [redacted].
Villella, Fred J. Jr., [redacted].
Vines, Ronald C., [redacted].
Vogentanz, Peter G., [redacted].
Vydra, Anthony L., [redacted].
Wadsworth, Frederic, [redacted].
Wagenheim, Herbert, [redacted].
Wages, Jerry S., [redacted].
Wagner, John F., [redacted].
Wagner, Keith A., [redacted].
Waldeck, James J., [redacted].
Walker, Wiley W., [redacted].
Walker, William C., [redacted].
Wall, John F., [redacted].
Wallace, George C., [redacted].
Wallace, James W., [redacted].
Walsh, Gordon P., [redacted].
Walton, John C. Jr., [redacted].
Ward, Dewitt H., [redacted].
Washington, Samuel, [redacted].
Wasko, Frank J., [redacted].
Waterman, Stephen I., [redacted].
Waters, George D., [redacted].
Watson, Dwane C., [redacted].
Weathers, John T., [redacted].
Webster, William L., [redacted].
Wegley, Frederick L., [redacted].
Weiher, Ronald G., [redacted].
Weihl, William L., [redacted].
Weiler, Harold E., [redacted].
Weinstein, Leslie H., [redacted].
Weinstein, Sidney T., [redacted].
Wells, Macon W., [redacted].
Wells, Norman S., [redacted].
Werner, Gary L., [redacted].
West, Arvid E., [redacted].
Westcott, William C., [redacted].
Whipple, Winthrop J., [redacted].
White, Jack A., [redacted].
White, William T., [redacted].
Whitley, George R., [redacted].
Wien, George E., [redacted].
Wilcox, William H., [redacted].
Wiles, James M., [redacted].
Wilkerson, Arlie ., [redacted].
Wilkins, Aaron E., [redacted].
Willcox, Lester A., [redacted].
Williams, Billy G., [redacted].
Williams, Bruce H., [redacted].
Williams, Donald G., [redacted].
Williams, Gary C., [redacted].
Williams, Leonard R., [redacted].
Williams, Richard L., [redacted].
Williford, Donald E., [redacted].
Willis, Raymond E., [redacted].
Willis, William, Jr., [redacted].
Wilson, Gary L., [redacted].
Wing, Thomas, [redacted].
Wingate, Charles S., [redacted].
Winkel, Paul P., [redacted].
Winnicki, Philip W., [redacted].
Winter, Thomas C., [redacted].
Withers, George K., [redacted].
Wolfgang, Albert E., [redacted].
Woliver, Clarence H., [redacted].
Woodmansee, John W., [redacted].
Woods, George, [redacted].
Woods, Stephen R., [redacted].
Woolworth, Wesley B., [redacted].
Works, Bobby, 431–46–4619.
Wratislaw, Roy E., [redacted].
Wright, Billy J., [redacted].
Wurman, James W., [redacted].
Yawberg, Harold D., [redacted].
Young, Ray A., [redacted].
Yuhas, Robert J., [redacted].
Zamora, Emilio B., [redacted].
Zittrain, Lawrence, [redacted].
Zorn, Jack L., [redacted].

CHAPLAIN CORPS

To be lieutenant colonel

Aiken, Clyde M., [redacted].
Beal, Donald B., [redacted].
Blustein, Allan M., [redacted].
Brandt, Richard A., [redacted].
Brown, Milton C., [redacted].
Dimont, Albert M., [redacted].
Gremmels, Delbert W., [redacted].
Hoogland, John J., [redacted].
Hosutt, Charles H., [redacted].
Jernigan, Duie R., [redacted].
Johnson, Charles M., [redacted].
Laubscher, Walter R., [redacted].
McCullah, John P., [redacted].
Moore, Jesse W., [redacted].
Murphy, James J., [redacted].
Oshea, Edward L., [redacted].
Ouzts, Paul D., [redacted].
Stover, Earl F., [redacted].
Straub, Frederick W., [redacted].
Tolbert, Carl E., [redacted].
Turner, Trevor D., [redacted].
Weathers, Clifford, [redacted].
Wetherell, Sterling, [redacted].
Wood, Arthur V., [redacted].

WOMEN'S ARMY CORPS

To be lieutenant colonel

Bizzelle, Joanalys, [redacted].
Capacio, Marguerite, [redacted].
Hedberg, Mildred E., [redacted].
Pleasants, Katherin, [redacted].

MEDICAL CORPS

To be lieutenant colonel

Altekruse, Ernest B., [redacted].
Baden, Melvin, [redacted].
Benincaso, Frank V., [redacted].
Bethlenfalvay, Nich, [redacted].
Birriel, Carmona T., [redacted].
Blount, Robert E., [redacted].
Brandel, George P., [redacted].
Broskey, Richard D., [redacted].
Butkus, Donald E., [redacted].
Cordes, Charles K., [redacted].
Diggs, Carter L., [redacted].
Fagarason, Lawrence, [redacted].

Fearnow, Ronald G., [redacted].
Feltis, James M., [redacted].
Gemma, Frank E., [redacted].
German, Norton I., [redacted].
Hamaker, William R., [redacted].
Hannegan, Michael W., [redacted].
Helsel, George R., [redacted].
Hill, Paul S., [redacted].
Holmes, Robert A., [redacted].
Khoury, Nicholas F., [redacted].
Killam, Allen P., [redacted].
Krank, Daniel F., [redacted].
Lanoue, Alcide, [redacted].
Levine, Seymour, [redacted].
Lindefjeld, Ole A., [redacted].
MacDonald, Bruce S., [redacted].
Manson, Richard A., [redacted].
Martins, Albert N., [redacted].
McCann, David T., [redacted].
McDowell, Milton K., [redacted].
Mears, William W., [redacted].
Morales, Hernan, [redacted].
Morgan, Donald W., [redacted].
Muir, Robert W., [redacted].
Omer, Lewis M., [redacted].
Orzano, Randel M., [redacted].
Raffety, John E., [redacted].
Rich, Norman M., [redacted].
Sanders, Daniel T., [redacted].
Short, Earl D., [redacted].
Smith, Roger H., [redacted].
Spaulding, Harry S., [redacted].
Stuart, Richard B., [redacted].
Swanson, David L., Jr., [redacted].
Thering, Harlan R., [redacted].
Turnbull, Gottlieb, [redacted].
Ward, Chester L., [redacted].
Ward, George W., Jr., [redacted].
Winter, Phillip E., [redacted].
Zeigler, Michael G., [redacted].

DENTAL CORPS

To be lieutenant colonel

Adams, Roy P., [redacted].
Bass, Kenneth D., [redacted].
Bauman, Richard, [redacted].
Byzewski, Lewis R., [redacted].
Chambless, Lewis A., [redacted].
Chinn, Clarence Y., [redacted].
Connelly, Mark E., [redacted].
Cox, Frederick L., [redacted].
Cuba, Phillip J., [redacted].
Freeny, Robert M., [redacted].
Heitman, Kenneth L., [redacted].
Houston, James E., [redacted].
Johnson, Billy, [redacted].
Kate, William Jr., [redacted].
Kennemer, Thomas O., [redacted].
Keoleian, Diran A., [redacted].
King, Billie C., [redacted].
Konzelman, Joseph L., [redacted].
Krakowiak, Francis, [redacted].
Lauttman, Richard J., [redacted].
Levin, Marvin P., [redacted].
Lewis, Lawrence M., [redacted].
Miklik, Robert A., [redacted].
Mullins, Billy P., [redacted].
Nelson, John F., [redacted].
Nelson, Robert N., [redacted].
Plank, Harold E., [redacted].
Post, Arthur C., [redacted].
Rigdon, Walter F., [redacted].
Rubin, Morton, [redacted].
Shade, Ned L., [redacted].
Smith, Donald E., [redacted].
Snyder, Alvin J., [redacted].
Strock, Richard G., [redacted].
Taylor, Peter F., [redacted].
Todd, Robert A., [redacted].
Tromly, Robert R., [redacted].
Urick, Howard B., [redacted].
Watts, Thomas R., [redacted].
Wells, John G., [redacted].
White, John C., [redacted].
Zielke, David R., [redacted].

MEDICAL SERVICE CORPS

To be lieutenant colonel

Allen, Harold E., [redacted].
Bass, Bobbie R., [redacted].
Beach, Douglas J., [redacted].
Blair, James D., [redacted].
Bourland, Gene M., [redacted].
Bradford, Charles E., [redacted].
Brannock, Joseph E., [redacted].
Christ, Charles E., [redacted].
Collins, William S., [redacted].
Coyle, George B., [redacted].
Crites, William R., [redacted].
Demaree, Gale E., [redacted].
Dettor, Charles M., [redacted].
Dowery, Gordon K., [redacted].
Erickson, Duane G., [redacted].
Green, Bruce E., [redacted].
Heinz, Robert F., Jr., [redacted].
Johnson, David E., [redacted].
Joyce, Brendan E., [redacted].
McBride, Dan J., [redacted].
Muntz, David C., [redacted].
Muzzio, Robert J., [redacted].
Potin, James B., [redacted].
Salmon, Ray W., [redacted].
Samuels, Alan, [redacted].
Simon, Thomas J., [redacted].
Ungar, Ralph F., [redacted].
White, Charles E., [redacted].
White, John J., [redacted].
Williams, Edwin H., [redacted].
Yim, Herbert K., [redacted].
Ziebell, Earl L., [redacted].

ARMY MEDICAL SPECIALIST CORPS

To be lieutenant colonel

Appleby, Howard A., [redacted].
Davis, Barbara A., [redacted].
Pfeiffer, Violet R., [redacted].

VETERINARY CORPS

To be lieutenant colonel

Anderson, William L., [redacted].
Davidson, David E., [redacted].
Keel, James E., [redacted].
Kinnamon, Kenneth E., [redacted].
Orthey, George F., [redacted].
Stolz, Hal F., [redacted].
Trevino, Gilberto S., [redacted].

ARMY NURSE CORPS

To be lieutenant colonel

Barkley, Velma J., [redacted].
Beckman, Ronald J., [redacted].
Christopher, Joyce, [redacted].
Condit, Mary M., [redacted].
Foley, Mary A., [redacted].
Galloway, Katherine, [redacted].
Gann, Ellen J., [redacted].
Gehringer, John, [redacted].
Hensley, Maurice H., [redacted].
Jagiello, Helen D., [redacted].
Larock, Ethel B., [redacted].
Learned, Grace, [redacted].
Maziarski, Frank T., [redacted].
Metcalf, Barbara E., [redacted].
Nagle, Lillian H., [redacted].
Narbuth, Benjamin L., [redacted].
Nellis, Virginia M., [redacted].
Odell, Margaret L., [redacted].
Phillips, Eugene J., [redacted].
Riviello, Carmen F., [redacted].
Robinson, John W., [redacted].
Smith, Cassandra, [redacted].
Taylor, Wilma B., [redacted].
Thomas, Nevaida, [redacted].
Yoder, Delores E., [redacted].

The following-named officers for promotion in the Regular Army of the United States, under the provisions of title 10, United States Code, sections 3284 and 3298:

ARMY PROMOTION LIST

To be captain

Brown, Robert W., [redacted].
Deline, Donald A., [redacted].
Saul, Joseph H., [redacted].
Schwabe, Francis E., [redacted].
Shackleton, Lawrence C., [redacted].

ARMY PROMOTION LIST

To be first lieutenant

Armstrong, John S., [redacted].
Fisher, Stephen L., [redacted].
Goeke, Richard K., [redacted].
Stoll, Ned C., [redacted].
Stuart, Paul A., III, [redacted].
Winkles, Ronald C., [redacted].

MEDICAL SERVICE CORPS

To be first lieutenant

McMurphy, William C., [redacted].

IN THE NAVY

The following-named officers of the U.S. Navy for temporary promotion to the grade of captain in the Medical Corps, subject to qualification therefor as provided by law:

Briska, Philip T.
Stucker, Fred J.
Izuno, Gene T.

The following-named officer of the Reserve of the U.S. Navy for temporary promotion to the grade of captain in the Medical Corps of the Reserve of the U.S. Navy, subject to qualification therefor as provided by law:

Rahe, Richard H.

The following-named officers of the U.S. Navy for temporary promotion to the grade of commander in the Medical Corps, subject to qualification therefor as provided by law:

Hopper, Richard E.
Wilson, Richard L.

The following-named officers of the U.S. Navy for temporary promotion to the grade of lieutenant commander in the staff corps indicated, subject to qualification therefor as provided by law:

MEDICAL CORPS

Chestnut, Julian S.
Williams, Richard A.
Dean, Norman A.

DENTAL CORPS

Goldman, Michael S.
Nappen, Dennis L.

MEDICAL SERVICE CORPS

Wood, Owen L.

The following-named officers of the U.S. Navy for temporary promotion to the grade of lieutenant in the line and staff corps indicated, subject to qualification therefor as provided by law:

LINE

Adams, Parks G., Jr.
Allard, Joseph M.
Backes, Mark D.
Brattland, Michael G.
Brinkac, Michael J.
Brooks, Frederick M.
Chavez, Michael R. L.
Condon, Thomas J.
Dachroth, Albert J., Jr.
Darcy, Thomas F.
Dillon, David R.
Edwards, Frank H.
Ezzell, Stephen M.
Finkelstein, Mark A.
Frensley, Leslie E., Jr.
Frimenko, Michael Jr.
Gabler, Barry D.
Graves, Marshall W., Jr.
Grissom, Mark P.
Harvey, James W.
Hendrix, Calhoun W., Jr.
Howell, Wayne M.
Jorgenson, Jerry D.
Kennedy, Michael G.
Leonard, John F., III
Marion, Kenneth T.
May, Kenneth L., II
Martin, Charles E.
McAtee, Thomas L.
McBride, Francis X.
McClellan, Mark W.
McDonald, John E.
Parker, Robin M.
Reeves, Wayne R.
Ross, Jim A.
Ross, John G.
Sanwick, Paul B., Jr.
Skidmore, Maynard B.
Stacy, William E.
Stettler, Gerald A.
Stinchfield, Kenneth M.
Thomas, Michael G.
Ulrich, Edward D.
Vickers, Sammy L.
Wolfe, Conrad E.
Williams, Jimmy C.

SUPPLY CORPS

Holly, Theodore S.
Milligan, Robert L.
Moffatt, Richard A., Jr
Westlake, Thomas E.

CIVIL ENGINEER CORPS

Morris, Donald G.

MEDICAL SERVICE CORPS

Caton, David C., Jr.
Crittenden, George H.
Daniel, David G.
Kretchner, Robert S.
Reading, Thomas E.
Straub, Ronald W.
Williams, Jimmy C.

NURSE CORPS

Centko, Marietta J.
Dobbs, Gwenda Q.
Ferriter, Joan M.
Hill, Judith A.
Huber, Joan M.
Lent, Rosalyn G.
McAskill, Nancy J.
Todoroff, Kathryn R.
Turpin, Lori A.
Twarog, Thomas W.
Williamson, Roy T.

EXTENSIONS OF REMARKS

RECOGNIZING JAMES MADISON ON THE 225TH ANNIVERSARY OF HIS BIRTH

HON. J. KENNETH ROBINSON

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 16, 1976

Mr. ROBINSON. Mr. Speaker, in this Bicentennial Year, we are being reminded of the courage and genius of those who dared to found a nation, and summoned the capacity to accomplish their objective. A major intellect among the Founding Fathers was James Madison, fourth President of the United States, often referred to as "The Father of the Constitution." It is on the occasion of the anniversary of his birth, 225 years ago today, that I wish to draw the attention of the House to his many accomplishments.

Madison served as a member of the committee which, in 1776, drafted the Virginia Declaration of Rights, the principal elements of which Madison later sponsored in the House of Representatives as the Bill of Rights. Chief among the provisions of the Virginia Declaration of Rights was one reworded by Madison to secure an equal right to the free exercise of religion, rather than the mere toleration of religious dissent.

At the Philadelphia Convention which drafted the Federal Constitution of 1787, Madison advocated the Virginia plan which called for a national government divided into an executive, a judiciary, and a two-house legislature. In debate, Madison espoused the idea that the rule by the people was safer in a large federal republic than in a small republic, because the rise of opposing factions would curb an oppressive majority.

In the fight over ratification of the Constitution, Madison joined with Alexander Hamilton and John Jay in authoring the Federalist Papers, a defense of the actions taken by the Philadelphia Convention. Through careful analysis, Madison sought to show that the Constitution established a proper balance between power and liberty.

Madison's later achievements also deserve recognition. As Secretary of State, he negotiated the purchase of the Louisiana Territory and insisted on free navigation of the Mississippi River. While President, he promoted the unity of the Nation by encouraging a national transportation system through approval of a program for road and canal construction. He strengthened the Nation's role in foreign affairs by calling for an end to the impressment of American seamen and other acts which were in violation of American rights abroad.

Upon retirement from public office, Madison retired to his Virginia home, Montpelier, where, as a strong believer of an agrarian society, he acquired national recognition for his scientific farming practices.

Mr. Speaker, Virginians are proud to have James Madison among their distinguished statesmen. The Nation will be indebted forever to him, his ideas, and his accomplishments. It is only proper that we take time today to honor this great American.

THE BLESSING OR THE CURSE?

HON. HOWARD H. BAKER, JR.

OF TENNESSEE

IN THE SENATE OF THE UNITED STATES

Tuesday, March 16, 1976

Mr. BAKER. Mr. President, the Upper Room, a daily devotional guide distributed throughout the world and headquartered in Nashville, Tenn., recently sponsored a sermon contest as a part of Resurgence '76, a special ministry during the Bicentennial Year. Sermons were submitted by ministers of every denomination, and a team of judges selected 12 of them to be published under the title "Under God—A New Birth of Freedom." While all of these efforts are indeed inspiring, I would like to share with my colleagues in the Congress the first sermon selected by the judges, "The Blessing or the Curse?" preached by Dr. Bevel Jones of Atlanta, Ga.

Mr. President, I ask unanimous consent that the text of Dr. Jones' sermon be printed in the RECORD.

There being no objection, the sermon was ordered to be printed in the RECORD, as follows:

THE BLESSING OR THE CURSE?

(By Bevel Jones)

Deuteronomy 8: 11–20; 11: 26–28

If you have visited Washington, D.C., in all probability you went to the National Archives Building, stood in a long line, and then looked with awe upon the original copy of the Declaration of Independence. It has yellowed with age during these 199 years since it was signed by our forefathers as an ultimatum to proclaim their freedom from the yoke of colonialism. The government recently became concerned over the deterioration of this priceless document, and a group of scientists was employed to see what could be done to insure its preservation. The scientists decided to encase it in helium as a guarantee against further decay.

This is gratifying, but more important, and more difficult, is the preservation of the way of life that this document represents. Those who conceived our political system knew it was a bold and somewhat precarious experiment. For persons to govern themselves is no small thing. It has been observed that human beings are good enough to make democracy possible and bad enough to make it necessary.

Benjamin Franklin, wise and seasoned with age, did not dissent or even demur when the day came to vote on the Constitution of the United States. But he offered advice that should be amplified again and again. The business began on that last day of the Constitutional Convention, September 17, 1787, with a speech written by Franklin but read by James Wilson. Franklin wrote the following:

"I accept this Constitution with all its faults, if such they be. . . . This experiment too shall certainly end in despotism when the people have become so corrupted that they are incapable of any other form of government."

Since that was an age of respect, the oldest statesman was allowed to leave first, and it was none other than Benjamin Franklin himself. A small crowd of less than a dozen persons stood outside Independence Hall. The incident has been preserved for us in the records of a doctor-dentist who was there at the time. He wrote that as Franklin stepped outdoors a woman present anxiously looked up and said, "Which is it, Dr. Franklin, the republic or a monarchy?" His reply echoed his previous words in an even more challenging way: "A republic, if you can keep it!"

Former United States Attorney General Ramsey Clark, recounting the event and reflecting on the meaning of the American Revolution today, wonders if maybe Mr. Franklin was thinking in that comment of those words of sorrow from ancient Rome when Marcus Cicero wrote:

"It was out of our own mortal failure and not any accident of chance that while preserving its appearance we lost the reality of the Republic." [1]

That's the way it happens, you see, not by some outward invasion or some accident of chance, but by slow deterioration and corruption of the people who constitute the republic. Many of us are observing the Bicentennial less with exuberance than with deep contrition and concern about the future of our nation.

The scripture lesson from Deuteronomy reminds us that individuals and civilizations always have two choices: a blessing if we obey the commandments of the Lord our God and a curse if we do not. This realization guided those who founded our nation and determined the precepts and policies enunciated in the Declaration of Independence and the Constitution. Certain moral and spiritual values are bases on which any civilization must be established if it is to be blessed and to be a blessing. Let us concentrate on some biblical principles by which to evaluate our conduct as individuals and as a people.

1. THE SOVEREIGNTY OF GOD

When the founders of the United States made their stand against British rule and declared their independence, it was on the basis of an authority beyond that of mere humans. The equality they claimed was rooted in the very "laws of Nature and of Nature's God." Their appeal for the justification of such liberation was to "The Supreme Judge of the Universe." From the beginning this was a nation established—in principle—"under God."

Would that we practiced that principle in all things! There is a sarcastic slogan that advises, "When all esle fails, follow the instructions." The present state of affairs would indicate our need to heed the will of God. This is impressively put forth in a remarkable book entitled *The Divine Yes,* written by Dr. E. Stanley Jones at age eighty-eight after suffering a stroke which resulted in severe paralysis. He lived for fourteen more months, convinced that God wanted him to produce still another book. He was unable to write and hardly able to see or speak but dictated the book as best he could into a cassette recorder. The book is a summary of all that this world-reknown Methodist missionary-evangelist did and said—a last will and testament as he called it.

Stanley Jones says Jesus is the *yes* to God's promises. Christ is literally the way, the truth, and the life. "When you say *yes* to *Jesus Christ* the universe says *yes* to you.

Footnotes at end of article.

When you say *no* to Jesus Christ, the universe says *no* to you." Dr. Jones used a very simple illustration of what he was saying. A little boy was found crying. When asked why, he said, "I've been playing hooky all day from school, and I just found out this is Saturday!" When you play hooky against the Way of the Kingdom, you play hooky against yourself.

In another of his writings Stanley Jones gives us this bit of poetic wisdom:

Modern man is a lonely soul,
Without a God and without a goal,
Stumbling in the night
Without a light,
Barking his shins
On the system of things,
Hurting himself

In his quest of self,
The end of this story,
Stark and without glory,
Must be told in bitter prose.
For modern man is without repose;
The rhyme and the rhythm have gone from life—
Man is plagued by inner strife.
The bitter prose is this:
He who would not live with God
Cannot live with himself.[2]

2. THE SACREDNESS OF PERSONS

This is the first great derivative of the point we have just made. Because this sovereign God is a loving Father, *all* human beings are his children. *All* of them are, or *none* of them is! God loves each and every human being with *infinite care*.

If I were trying to depict the outline of this sermon on a chart, I would first draw a horizontal line across the page, representing the sovereignty of God. Then, the first side of the resulting triangle would stand for the sacredness of persons. This is germane to all that we hold dear in our democracy. Did not those who conceived the Declaration of Independence affirm that all men (generic sense) are created equal? We know this is so, and yet it is not so. It is not so in that some are endowed with an IQ of 80, others with an IQ of 180; some are tall and strong, others are small and feeble; some are handsome and prepossessing, others are homely and rather repulsive. Yet, all are equal *in the sight of God*.

This endows each and every one with a dignity we dare not disregard. We must become increasingly sensitive to the feelings and concerns of others. Back of the contemporarily liberation movements, which are causing us so much confusion and inconvenience, is the determination on the part of all of God's children to claim the dignity, the rights, and the destiny for which God has created them and which our forefathers risked their lives to realize for themselves and their posterity. In other words, the whole world is now taking the Declaration of Independence seriously. Don't you see it? We were born in a revolution. This nation was conceived in a revolt against tyranny. Today people everywhere are following that guide, are believing that truth—that all persons are created equal under God. The mission of the United States and of the church is to see that they have the opportunity to fulfill their potential. It is not easy to apply to others the truth which is our most priceless possession as a republic—the incomparable worth of the individual human being.

3. THE STEWARDSHIP OF LIFE

This is the other side of the triangle. Since God is the Lord of creation, the earth and all who inhabit it are his. The big question always has been and always will be: Who owns the earth? Let us be specific here. I am increasingly convinced that the biblical principle of stewardship is the basic answer to the perplexing problems regarding the use and distribution of earth's resources.

To put this in perspective we at least ought to give attention, if not credence, to a paper now in the Congressional Record offered by Ronald Kotulak. This paper is the report of scientists from six other nations and the Massachusetts Institute of Technology who used a computer to figure the relationships among five factors: population increase, agricultural production, natural resources depletion, industrial output, pollution generation. The consensus is that at the present rate of economic and population growth, the world will collapse around the year 2100.[3]

We cannot dodge the thorny issue of economic justice. How can we have peace if the gap is ever widening between the haves and the have-nots; if almost 500 million of the people of earth are starving to death? I'm neither an economist nor a political scientist, but I agree with Dr. Robert E. Seymour that we tend toward one of two extremes—unlimited freedom or enforced equality, either one of which is detrimental to the human race. A healthy commonwealth is one in which freedom and equality are kept in a delicate balance. Unlimited freedom can result in extreme inequities, while enforced equality can be the death of freedom. In other words, the more freedom we have, the more likely we are to lose our equality, and the more equality we have the more likely we are to lose our freedom. In order to achieve economic justice, the communist may sacrifice freedom, while in order to insure freedom, the capitalist may sacrifice economic justice.

The way through this dilemma, it seems to me, is the way of responsible freedom: the right to property as a trust from God. We must use and share the earth's resources in the realization that the power to gain wealth (that's what we read in Deuteronomy) and the resources out of which our capital is developed are given to us by God. All that we are and have is meant to be used for the good of our fellow human beings. The hope of civilization is the biblical principle of stewardship—the trusteeship of life as a sacred responsibility under God.

4. THE SOLIDARITY OF PEOPLES

Around this triangle of the sovereignty of God, the sacredness of persons, and the stewardship of life, let's draw a circle representing the world and God's all-embracing love. If there is anything being clearly written on the walls of modern history, it is that we now live in a global village. We need a planetary view of our existence. We are not only citizens of the United States, but of the world. What the Bible says is literally true: God has made of one blood all the nations of the earth. We all bleed the same color. It is God's eternal purpose that we human beings should be one vast family.

Someone has said the greatest hindrance to peace in our time is the small-scale individual. As mature Christians we should put world horizons around our faith. So take that triangle and draw a circle around it representing our oneness with people everywhere. This is simple economic expediency, not to mention the Christian ethic. Senator Mark Hatfield, who is seeking to apply the Christian faith to the world we live in, has reminded us that thirteen basic raw materials are necessary for the economy of this country. In 1950 we imported one-half of four of these thirteen basic raw materials. In 1960 we imported one-half of six of these. In 1985 it is estimated that we will be importing one-half of nine of these. By the year 2000 it is expected that we will be importing more than one-half of twelve of the thirteen basic raw materials necessary to our economy. Is it not increasingly clear that we will live together somehow or we shall all perish on this earth?

The idea I am trying to convey is dramatically illustrated in what is said to have occurred at an ecumenical service of worship at St. Paul's Catholic Church, London, shortly after the close of World War II. The second stanza of the British National Anthem reads:

O Lord our God arise,
Scatter our enemies,
And make them fall;
Confound their politics
Frustrate their knavish tricks,
On Thee our hopes we fix.
God save us all.

The service was one of intercession for the newly organized United Nations. Significantly, the second stanza was omitted, and in its stead were sung the words that William Hickson wrote to that same tune.

Nor on this land alone,
But be God's mercies shone
From shore to shore;
And may the nations see
That men should brothers be,
And form one family the wide world o'er.

The American dream—indeed the Kingdom of our Lord—will be more fully experienced when the spirit of global goodwill is not just a substitute on occasion, but the dominant reality of our living. So be it!

FOOTNOTES

[1] Center Report, June, 1975, p. 15. Published by the Center for the Study of Democratic Institutions (Fund for the Republic, Inc.) at Santa Barbara, California.

[2] From The Christ of the American Road, written and renewal copyright 1972 by E. Stanley Jones. Used by permission of Abingdon Press, pp. 117–18.

[3] Quote, May 4, 1975, p. 414. Quote is a periodical published by Public Speakers Press, Inc., Anderson, South Carolina.

CITIZEN SENDS PARABLE CONCERNING SURVIVAL OF OUR INTELLIGENCE SYSTEM

HON. MARJORIE S. HOLT

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 16, 1976

Mrs. HOLT. Mr. Speaker, a good citizen from my district has sent me a very profound parable illustrating the dangers to our national survival if irresponsible actions by this Congress and the news media destroy our intelligence system.

I offer the parable written by Robert L. Spencer, of Gambrills, Md., for the benefit of the House of Representatives. I believe there is much to learn from this story about the tribulations of Caesar Minimus:

It came to pass in the second year of the reign of Caesar Minimus that the corridors of the Senate echoed with the righteous voices of Senators. For it was rumored that in the reign of the previous Caesar infamous acts had been committed. Agents of the Caesar had cleaved into the strictest secrets of the citizens and had even listened to the whispered intrigues of those who stood above reproach by virtue of their honorable position.

Lest such practices continue, perchance to discover transgressions of the pure, a body was named to investigate the loathsome practice and expose it to the world so the sinners could be banished beyond the farthest walls of the empire. And the body named comprised the talents of men

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Footnotes at end of article.

who in their time would be Caesar, and each knew that should the gods bestow upon his brow the golden wreath his reign would be wise and holy.

And the investigators proceeded at a gallant pace and the corpses of the gatherers of secrets were displayed beside the gates of the forum. And great public spectacles were staged where the agents of Caesar were called evil and castigated to the spontaneous cheers of those who had been paid to cheer. And the lions grew fat.

In the fall of the third year of Caesar the borders of the empire grew restless and the hordes from the cold lands to the north and east became hungry to taste the wines of the mighty civilization. Caesar called until his minions saying "Our empire seems in peril. Go forth into the lands of the barbarians and learn of their secret plans." But from the ranks came no movement for such agents had been laid to rest. And Caesar stood, blind and deaf. Valiant armies were thrown into battle, yet always they seemed to be in the wrong place at the wrong time, as though the barbarian hordes knew of Caesar's most private plans.

In the next year there was no Caesar and the once and future Caesars struggled to learn life supporting trades and stumbled their tongues over the language of the new rulers.

MINNESOTANS MOURN PASSING OF ATHLETIC TEACHER, MENTOR

HON. JOSEPH E. KARTH

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 16, 1976

Mr. KARTH. Mr. Speaker, the city of St. Paul and the Midwest have lost one of the region's most colorful figures and one of the most valued friends that Minnesota's amateur and professional athletes have ever had.

A few days ago John O'Hara, sportsman, promoter and teacher of young athletes, died in St. Paul. He is missed and will be missed throughout the upper Midwest where he was known as a mentor of aspiring pugilists. More young men than will ever be counted grew up sounder in body, sounder in mind, better sportsmen and better citizens, because of John O'Hara's guidance and encouragement.

Don Riley, noted sports columnist on the St. Paul Pioneer Press, commented recently that "Big John has been a pal to so many of us that a census taker'd lose count."

There's an intriguing footnote to Midwest sports history that Riley also recounts, an incident that many present and past members of this House from Nebraska and adjoining states may remember.

Riley recalled in a recent column:

> He's the only man I've ever known who punched Ronald Reagan in the snoot. That's back when politcal wonder boy Reagan was a sportscaster in Des Moines and John O'Hara was chaperoning boxers around the Midwest. John and Ron got into it over the respective merits of Al Van Ryan, an O'Hara protege, in Omaha.
>
> Before the ringside rhubarb was over, the fighters stopped to watch O'Hara and Reagan exchange fisticuffs in the best bout of the night.

We have to gather that this brouhaha went to no decision, but one thing we do know: with O'Hara in it there were no punches pulled and it was a fair-and-square skirmish.

In St. Paul and elsewhere, a great many of us are grateful for Big John O'Hara's contributions to the welfare of our young men.

SAM McNEAL APPRECIATION DINNER DANCE

HON. HENRY A. WAXMAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 16, 1976

Mr. WAXMAN. Mr. Speaker, a Sam McNeal appreciation dinner dance will be held on March 26, 1976, at the Hyatt House Hotel, Los Angeles Airport.

Mr. McNeal has a vast and varied background in the educational field. He has an A.A. degree in criminology from Los Angeles City College, a bachelor of science degree in criminology at Cal State, Los Angeles, and later did postgraduate work in public administration and education at the same institution, where he served as vice president of the extended day student body. He studied metaphysics at the Church of Religious Science, where he obtained a bachelor of science degree. He also attended Windsor University's School of Law in 1975, and later received a certificate of labor studies from UCLA School of Industrial Relations, where he served as vice president of the law school student body.

He was well prepared for a career as an executive in organized labor.

For approximately 6 years, he was the assistant general manager of Local 434 for the Los Angeles County Employees' Union. He held positions as president, first vice president, and executive board member of A. Phillip Randolph Institute—Los Angeles Chapter. He is also a member of the executive board of COPE—Committee on Political Education—of the AFL–CIO of Los Angeles. Currently, Mr. McNeal is the local's chief civil service advocate of Local 434. His responsibilities are quite encompassing. To cite a few, he handles all civil service disciplinary proceedings.

Mr. McNeal is actively involved in the community. He has been active in the civil rights struggle since birth, in that his father, Samuel McNeal, Sr., was a prime organizer of the NAACP in New Orleans. This inspiration stimulated Mr. Sam McNeal, Jr., to continue to be active in civil rights organization, including serving as first vice president, and chairman of the Labor and Industry Committee dealing with civil rights complaints. He served as an executive member of the NAACP, Los Angeles branch. In 1971–72, he served as southern area vice president of the NAACP. He served as executive board member of Southern Christian Leadership Conference West, and was one of the prime movers of the Los Angeles chapter of CORE.

Mr. McNeal is a Prince Hall Mason. He is a member of area nine council regional medical programs, and newly elected as board member of the United High Blood Pressure Foundation.

It is a pleasure for me to join in paying tribute to Samuel McNeal, Jr.

AFRICA INSTABILITY SPREADS

HON. BOB WILSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 16, 1976

Mr. BOB WILSON. Mr. Speaker, I include the following article from the San Diego Union, of February 18:

Congress' Delay Damaging: Africa Instability Spreads

In the future some historian may note that the United Nations Commission on Human Rights overwhelmingly adopted a resolution last weekend accusing Israel of having committed "war crimes" in occupied Arab territory. The principal crime was the occupation of the territory. Five west European nations refrained from voting on the pointless resolution.

During the same period, the historians also may note, Cuban mercenaries, using modern Soviet equipment, gained military control of Angola, a nation in southern Africa. The Cubans were invaders who were assisting the Soviet-backed Popular Movement for the Liberation of Angola (MPLA).

Not a peep was heard from the United Nations about the Communist breach of the U.N. charter and international law. And now some of the West European nations who abstained on the Israel vote already are considering whether to give immediate recognition to the Communist MPLA in Angola.

In other words, many nations that were criticizing the United States recently for not actively restraining Soviet adventurism in Angola now are rushing pell mell to strew roses in the Communists' path. And even Zaire and Zambia, who were supporting two other factions in Angola fighting the Communists now are tentatively seeking accommodation with the MPLA.

It's an old, old story that can be summed up in the phrase to the victor go the spoils. The modern footnote would list capitalists or non-Communist military governments as the exceptions.

As soon as Congress refused to support the administration's request for aid to non-Communist movements in Angola, our traditional allies felt free to vote on economic rather than political bases and supported the MPLA. Africa is the resource basket of the future and Europe does not want to deprive its industrial machine of raw material. Zaire and Zambia need the Benguela railroad to move their resources to world markets.

That is the hard, pragmatic and short range view. The problem that Western allies now face is that Angola is but a symptom of a more critical disease that is ravaging much of the African continent.

Wars or guerrilla activities are in progress or can be expected in Angola, Zaire, Zambia, South Africa, Southwest Africa, the French Colonies of Issas and Afars, the Spanish Sahara, Ethiopia, Rhodesia and perhaps in Sudan, Kenya and Tanzania which appear to be in the sights of President Idi Amin of Uganda. Many of them are Communist inspired.

The instability of Africa demands a resolute and clearly-understood African policy in the United States. And that, in turn, depends on the majority in Congress working with the Administration to display coherence and unity.

Each day that Congress delays in coming half way increases the damage that our policy suffers in Africa and puts increasing strains on our alliances.

MARKETING U.S. WHEAT PRODUCTION

HON. CHARLES THONE

OF NEBRASKA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 16, 1976

Mr. THONE. Mr. Speaker, it is timely, in July 1972, we wheat farmers suddenly found ourselves in a new ball game—far different from the one that had been known by our generation. The huge surpluses of the 1960's were gone—almost overnight. At long last, wheat prices began to return a decent living to producers. The administration called for all-out production and we expanded—and have continued to expand—our acreage to keep pace with the escalating demand. One-half of the world wheat imports will be supplied by us this year.

At the same time, our production costs—land, labor, equipment, fuel, fertilizer—began to skyrocket. These costs, which have more than doubled today, were accelerated by the oil embargo and quadrupled imported petroleum prices. Now declining wheat prices have been overtaken by rising production costs in many areas of our country.

From the experiences of these 3 years, the American wheat farmers have become vividly aware of one fact. Our livelihood is primarily dependent upon exports. Only one-fourth of our harvested wheat is needed to feed our own people and three of our States will easily combine that much this year. Except for an adequate carryover, we have to sell the rest of our wheat—not pile it up in expensive storage bins where it will depress prices and discourage production. Whether to Russia or to Japan or India or Brazil, the bulk of our wheat crops must be moved abroad.

Remember, agricultural exports do not just benefit the farmer. The farming communities with their banks, grocery stores, equipment dealers, and fuel distributors get a share. The machinery manufacturers, fertilizer factories, and petroleum refiners participate in profits. Our city cousins are dependent upon the proceeds from agricultural exports to pay for their imported gasoline, heating oil, Nikon cameras, and Volkswagens.

One out of every four jobs in the United States is related to agricultural production. This translates to 24 million people employed in some phase of agriculture or related industries. Adding their families would mean that 82 million Americans are directly dependent upon our crops for their livelihood.

Last year, the United States exported a record $21.6 billion worth of farm products. Of this, wheat accounted for over $5 billion or 23 percent. Without agricultural exports, the U.S. trade balance would be in the red, the dollar weaker, and the national economy in much deeper trouble.

Today, I am speaking on behalf of Great Plains Wheat and Western Wheat Associates—the two overseas market development arms of the U.S. wheat growers. Together we represent 12 States that grow 75 percent of our Nation's wheat. Perhaps the term "market development" is too limiting in this new era of the wheat industry. In addition to developing new markets and expanding old ones, we are servicing our foreign markets just as General Motors and Coca-Cola service theirs.

Reassuring our worried customers that we will have adequate supplies of quality wheat to meet their needs is an important part of our program. Another example is the urgent need for our organizations to restore buyer confidence in our grain inspection service whose reputation has been severely damaged by uncrupulous inspectors and exporters. Whether we completely revise the system or adequately strengthen the one we have, remedial steps must be taken without further delay.

As you know, our partner in this vital effort is the Foreign Agricultural Service of the USDA. Through FAS, we contract for funds generated from Public Law 480 and specifically set aside for this purpose. The amount allocated to our two groups has remained fairly static for several years at a little over $1½ million.

We wheat producers have steadily increased our contribution to this program over the years until we now put up about $1⅓ million a year. You can see that we provide a sizable share of the cost even though many other sectors of the American economy directly benefit from wheat exports.

The combined wheat farmer and USDA investment of less than $3 million is pretty insignificant when stood up against a $5 billion export market. We could double our expenditure and still only be spending one-tenth of 1 percent to sell and service our product. Compare that to the advertising budgets for Alka Seltzer, Cheer laundry soap, and Maidenform bras.

Better yet, compare FAS expenditures with those of our eight major competing countries who spent $140 million in 1974 for foreign agriculture market development for all commodities. Several invested more than 1 percent of the export value against our overall percentage of point zero 9—0.09 percent.

Since 1971, the Public Law 480 funds budgeted by the administration for the entire cooperator program have been steadily reduced from the $13 million level of that year. This year, the USDA budget for all market development cooperators—over 60 agriculture trade groups representing virtually all agricultural export commodities—is only a little over $11 million. This is less than the cost of one Boeing 747 airplane. The dollar devaluation and rampant inflation abroad have eroded the value of these funds until today they are really only worth about half as much as the 1971 budget.

Last year, wheat farmers actively joined other agricultural producers in asking Congress to increase the FAS market development budget request. This effort was strongly supported by many of our Congressmen who are with us this morning. The result was gratifying. Congress generously added $1 million over the amount budgeted by the administration. Unfortunately, most of this increase was spent for purposes other than the market development cooperators—who ended up with less than $150,000 of the additional amount.

This year, the cooperators are again asking Congress to increase the market development budget from the amount requested by the administration, which has even been reduced from last year by a half million dollars. We are asking for an additional $5 million, but, this time, we want it specifically earmarked for the cooperator programs.

Increased funding is absoultely necessary just to continue our programs at the same level. More important, however, is the need to intensify our activities to properly service our overseas customers, expand traditional markets and seek out and develop new markets. We cannot afford to continue all-out wheat production unless we can find new customers and hang on to the old ones.

FAIRNESS FOR FEDERAL BLUE-COLLAR WORKERS

HON. WILLIAM (BILL) CLAY

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 16, 1976

Mr. CLAY. Mr. Speaker, the Subcommittee on Employee Political Rights and Intergovernmental Programs, which I am privileged to chair, recently concluded public oversight hearings on the Federal wage system. This legislation aims to provide a fair and equitable basis for fixing and periodically adjusting the pay of Federal blue-collar workers. The wages of these workers—laborers, tradesmen, and craftsmen—are determined by conducting periodic wage surveys of similar work performed in private industry within local labor market areas.

During these hearings a number of unconscionable inequities in this legislation were brought to my attention. First, firms which pay some of their employees less than the minimum wage are included in the wage survey, thereby depressing the overall wage scale. Second, wage survey areas for blue-collar workers who are paid from nonappropriated funds—NAF—are smaller than those wage survey areas for blue-collar workers who are paid from appropriated fund—AF. This tends to depress the wages of nonappropriated fund employees. Third, wage surveys for NAF blue-collar employees are confined to lower paying, less skilled occupations, thereby depressing their wages. Fourth, NAF employees are often paid less than their AF counterparts despite the fact that they may perform similar work.

I have today introduced a bill which, if enacted, will go a long way toward eliminating these abuses. The bill provides that firms which pay any of their employees less than the minimum wage and whose wages have not resulted from collective bargaining shall be excluded from the wage survey. Second, the bill establishes a single wage area for both appropriated fund and nonappropriated fund employees. Third, the bill eliminates the existing provision that wage surveys for NAF employees be confined to retail, wholesale, service, and recreation establishments, whose occupations tend to be lower paying. Finally, the bill provides that NAF employees shall be paid no less than their AF counterparts who perform substantially similar duties, thereby insuring the principle of equal pay for equal work.

Mr. Speaker, simple justice dictates that all Federal employees should be treated with fairness and equity. My bill seeks to bring this Nation closer to that reality. I call upon my colleagues to support this important effort.

MOYNIHAN'S SIN WAS IN TAPPING THE HIDDEN WILL OF AMERICA

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 16, 1976

Mr. McDONALD of Georgia. Mr. Speaker, in my view there is nothing wrong with the spirit and will of the people of the United States if they are properly led. It was notable to me how much response Mr. Moynihan received while at the United Nations and the responsive chord he struck with the American people for speaking the truth and standing unabashedly up for America. In times gone by this would not have been unusual, but the thirst of the American people for real leadership was beginning to focus on him to the point where Americans were beginning to feel like Americans again and this was too much for some of our effete elite. Mr. Novak explained why in a very perceptive column written for the Washington Star of Sunday, March 7, 1976. I commend it to my colleagues who may wonder why Mr. Moynihan had to go.

The article follows:

MOYNIHAN'S SIN WAS IN TAPPING THE HIDDEN WILL OF AMERICA

(By Michael Novak)

The conflict between Henry Kissinger and Daniel Patrick Moynihan, which finally resulted in the latter's resignation as U.S. ambassador to the United Nations, almost certainly had far deeper roots than are usually recognized. Perhaps even these two central figures do not themselves perceive clearly what separated them.

An outsider cannot, of course, presume to be certain about such matters. Yet it has seemed to this private citizen for some time that I could not simultaneously hold both Mr. Kissinger's view of the world and also Mr. Moynihan's.

Widely noted personal factors may of course have also been involved. It is always possible that Mr. Kissinger was envious of the growing public popularity of Mr. Moynihan. It is possible that the Kissinger style of diplomacy depends on virtually total personal control of this nation's public, posture. But such suggestions emphasize merely subjective elements. Large-minded public men must be expected to transcend them.

The accusations against the Moynihan "style," however, so frequently leaked from the State Department and, it appears, from Mr. Kissinger himself, provide an important clue to the underlying difference. James Reston, writing in the voice of Henry Kissinger in his decisive column of January 30 (which convinced Mr. Moynihan he had no alternative to resignation), put it this way: "That's Pat. He didn't get where he is by English understatement. He's Irish."

State Department leaks and media editorialists frequently described Mr. Moynihan as "Celtic," "colorful," "not properly diplomatic," and "hot" rather than "cool." Mr. Moynihan did not, we were told, practice the style of upper-class British diplomacy. The unprecedented attack upon him by the representative of Great Britain heightened this accusation poignantly.

Elaborate politeness works when it is backed up with power so cast it need not be mentioned.

But, neither Great Britain nor the United States now carries as big a stick as it used to. Neither—to choose but one symbol—quite controls the oceans as one or the other has for 300 years. The elite in both nations, moreover, appears to lack guts. What was once described as "the Anglo-Saxon century" seems well before the year 1999 to have been reduced to a whimper.

It was, I believe, Mr. Moynihan's misfortune that he was not born sufficiently British, with the proper State Department manner—that combination of sweet reasonableness and liberal weakness which works very well when it is backed up by the power of the British navy and the regnant empire, but which looks pretty silly when no muscle lies behind it. The high gentle manner which James Reston and many others praise only has effect when it speaks with implicit power. When the underlying power and the will to use it have been dissipated, "quiet liberal voices" earn the contempt of the world.

Powerful people do not have to be worried about public opinion. Less powerful people are obliged to recognize in public opinion a potent form of power; little else avails them. The U.S. has not properly recognized its growing weakness, and its growing need to employ the rhetorical platform of the UN.

To complain about Moynihan's rhetoric while swallowing Amin's, Arafat's, Gromyko's, Castro's, and scores of others, for example, is to have observed a peculiar double standard.

The vision of the world promoted by the U.S. State Department under Mr. Kissinger seems to be based on an unusual illusion. Its first assumption is that the U.S. is powerful enough to prevail, whatever the deception and lies spread by hostile propaganda. Simultaneously, its second assumption is that the U.S. is too weak to prevail—too weak even to fight back. Not only is this a contradiction, it issues in a policy or retrenchment, retreat, defeat, and appeasement.

Under the guise of detente, the U.S. wins only that "relaxation of tensions" which is equivalent to surrendering without a fight; no more. The true meaning of detente, however, is supposed to be a continuation of power conflicts by every device short of war; surrendering nothing, advancing wherever possible. This, surely, is the Russian understanding. Why is it not ours?

Mr. Moynihan exposed in word and deed the underlying contradiction in Mr. Kissinger's vision. If Mr. Moynihan's vision prevails, Mr. Kissinger's "legacy" is likely to be a legacy of shame. He will face, perhaps, not only personal legal difficulties over wiretaps but also an exceedingly harsh judgment in history. Not only the private but also the public man may be destroyed. Mr. Moynihan's challenge went to Mr. Kissinger's jugular. It weakened Mr. Kissinger's chief historical hope.

If I grasp the underlying spirit of Mr. Kissinger's vision of the world exactly, it goes like this:

"The United States has lost both its relative position of power and its will. Our elites have no taste for a fight of any kind, even spiritual. Although the public outside of Washington and New York is braver in spirit, it too is caught in the cycle of decadence. This cycle also grips our allies. Western Europe is likely to fall into Communist hands within 15 years. Therefore, our task is to preside over an orderly surrender of as much of our world position as events demand. The public must not know that our policy is surrender, and blame must be discreetly shifted to liberals in the Congress and the media—let them register the decisive votes for surrender, against our weak appeal for standing firm.

By contrast, Mr. Moynihan tapped the hidden will of our people, an assertive will, a brave will, a spirited will. He showed glimpses of the true situation of liberty in the world today. He carried the assault to the enemy—not only the rhetorical assault but the assault of will.

No wonder some foreign embassies complained. For seven years they had been moving in on the carcass of America. When it turns out that the horse isn't dead, that it stirs itself, and that a new generation of young stallions is awakening from its dogmatic slumbers, the rules of the international game are suddenly changed.

Pat Moynihan altered the picture of the gameboard. He allowed fresh light to fall on hidden assumptions. He changed the prospectus, the horizon, and the criteria within which Americans are coming to judge the long national nightmare we have recently come through. His legacy to the future will be the undoing of Mr. Kissinger. Mr. Moynihan had to go, in the vain hope that he would not eventually prevail.

PHILADELPHIA'S NAZARETH HOSPITAL CELEBRATES 36TH ANNIVERSARY

HON. JOSHUA EILBERG

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 16, 1976

Mr. EILBERG. Mr. Speaker, on Sunday, March 1, I was fortunate to be the guest speaker at the 36th anniversary celebration of Nazareth Hospital in northeast Philadelphia.

The 36th anniversary of this pioneer health care facility in Pennsylvania coincides with the 100th anniversary of the founding of the congregation of the Sisters of the Holy Family of Nazareth.

Frances Siedliska, a Polish woman born in 1842, established the order in Rome in 1875. Ten years later she brought 11 other nuns to the United States, and began the American congregation with the establishment of St. Josephat's Parish in Chicago. The congregation came to Pennsylvania in September 1889 to the mining town of Scranton. Three years later, in 1892, the sisters opened the first Philadelphia convent and school in St. Stanislaus Parish.

Since this beginning in the United States, the service of the Sisters of Nazareth has grown in education, nursing, and social work. The congregation now numbers over 2,000 in 16 States and 4 continents.

Nazareth Hospital was conceived of and constructed in the Depression of the 1930's, through the personal courage and foresight of the Provincial Superior Mother M. Ignatius. Its doors opened before the economy was stimulated by the war boom, and during these difficult years no one could have predicted the increase in demand for the hospital's services.

The hospital opened March 9, 1940, and although it has experienced phenomenal growth since that time, the warmth and friendliness of the sisters and staff members has been continuous.

The hospital has grown from a 116-bed facility to a 352-bed community hospital. The nine-story St. Joseph's Pavilion opened in 1963.

Besides the dedicated work performed at Nazareth, the sisters also staff Blessed John Neumann Nursing Home and teach at Holy Family College, Nazareth Academy high school, four diocesan high schools, Archbishop Ryan, St. Hubert, Little Flower, Nativity of B.V.M., and 17 elementary schools in the Philadelphia area alone. Their services extend to diocesan and civic programs, volunteer activities, and other apostolic needs of the church.

I am proud to have participated in the "Bicentennial Birthday Party" at Nazareth Hospital, and their special celebration of turning "36 in 76." The dedication of the Sisters of the Holy Family of Nazareth is reflected in the services they perform.

I would like to insert into the Record a history of the Nazareth Hospital:

Nazareth Hospital Spans 36 Years of Service as Founding Order of Sisters Celebrate Their Centennial

Much of the Press and a TV Program carried the story and the origins of the Sisters of the Holy Family of Nazareth—the same Sisters that operate Nazareth Hospital for the Northeast Community. These Sisters also gear their apostolic endeavors in two other major areas with diversified services in education and social work.

The *educational apostolate* includes: teaching in parish schools, academies, diocesan high schools, colleges, inter-community programs, CCD classes, summer workshops, residence halls for girls. *Nursing members* staff hospitals, schools for nurses, nursing homes, clinics, dispensaries, home care of the sick, the aged and the infirm, and auxiliary services. *Social work* involves the care of orphans, day-care institutions, foster-home care, centers of family services, retreat centers, pastoral ministry, community assistance in rehabilitation centers, minority groups and the mentally retarded.

Currently, the Congregation of the Sisters of the Holy Family of Nazareth numbers over 2000 members working on four continents: North and South America, Europe, and Australia. For administrative purposes, it is divided into seven provinces and two vice-provinces. In all, there are 146 convents: one in Ireland, one in Peru, two in France, three in England, four in Italy, five in Australia, eight in Poland, and 112 in the United States.

The Congregation first came into Pennsylvania in September, 1889, into the mining town of Scranton. Two-and-a-half years later, in January, 1892, it opened its first Philadelphia convent and school in St. Stanislaus Parish.

And now, during its Centennial Year, in the Philadelphia archdiocese and its environs, the Congregation staffs Nazareth Hospital, Blessed John Neumann Nursing Home, Holy Family College, Nazareth Academy High School, and 17 elementary schools. In addition, 24 of the Sisters teach in four diocesan high schools: in Philadelphia—Archbishop Ryan, St. Hubert, and Little Flower, and in Pottsville, Nativity B.V.M. High School.

A brief historical résumé would be appropriate at this stage.

In Rome, Italy, in the year 1875, a young and devout noblewoman, the Reverend Mother Mary Frances of Jesus The Good Shepherd, founded the Congregation of the Sisters of the Holy Family of Nazareth. Ten years later, in 1885, accompanied by eleven Sisters, she arrived at St. Josaphats Parish in Chicago, a mission that constituted the first trans-planting of the order to America.

From the beginning of their mission the Sisters began a rapid succession of new establishments. The major services which they perform are primarily educational. However, only seven years after arriving in America, they opened their first hospital, St. Mary of Nazareth, in Chicago.

The Mother Foundress—Historians have said that when Frances Anne Josephine Siedliski was born in central Poland on November 12, 1842, the birth went unnoticed. The country was besieged by a series of national catastrophies, which had the people of the nation frustrated, poor, and without too many options or hope.

Others who have studied her life have written that even with that uncertain environment, her father Adolph Siedliski, a magnate of renown, remained unshaken in patriotism. The birth of the child was a major event in his life and his future. To many, the frail child was the enhancement of one important Polish leader, her father. Others say, the child was an important fact in the future of the country and Christianity.

No matter how historians view the life of Frances Anne Josephine Siedliski, it is a fact that Nazareth Hospital thousands of miles away from her birthplace and the events of her life, is an eloquent monument to her beliefs. The living, the breathing vitality of the hospital is characteristic of her life and faith.

Mother Mary Frances was a vibrant person. She deeply felt the needs of humans, she had compassion and vision. She would be pleased to know that Nazareth Hospital of today, the largest of the seven hospitals operated by the Sisters of the Holy Family of Nazareth in the United States, is an imperative part of Northeast Philadelphia's health—truly a monument to her life, to her wisdom, to her compassion and strength.

March 9th, 1975 marked Nazareth Hospital's 35th Anniversary—an institution conceived in the depression-ridden thirties, dedicated and in full operation in March 1940. It was a daring enterprise which proved that Mother M. Ignatius, of happy memory, the then Provincial Superior, had great foresight regarding its future. The attached information and the statistics give the story of its growth.

	1940	1965	1974
Admission	1,509	13,255	14,546
Patient days	14,306	104,265	124,528
Births	197	1,902	1,578
Surgical operations	768	6,063	7,908
Laboratory tests	9,925	328,334	697,181
Radiological and nuclear medicine services	831	58,136	85,273
Prescriptions filled	1,263	137,090	196,090
Emergencies	791	32,366	46,754

As mentioned above, Nazareth Hospital opened its doors on March 9, 1940, as a 116-bed hospital. This is the present Marian Pavilion—the central structure of the 3-building complex that at present forms Nazareth Hospital. In 1940 there was no separate convent. The upper floors of the hospital were used for living quarters for the Sisters.

At that time, the Hospital and its ancilliary facilities were adequate to care for the area. The maximum service area is all of the land now known as the Great Northeast. The northern portion, which comprises the immediate area referred to as the Far Northeast (north of Pennypack Creek), had less than 15,000 persons in 1940. During the first full year of operation 1,509 patients were admitted to Nazareth.

Following World War II a dramatic migration took place. The population expanded with a swiftness almost without parallel. The waves of people poured into the area in an endless flow that even now shows no sign of receding. (The Far Northeast alone now has more than five times its 1940 population.)

But the demands for hospital service increased far out of proportion to the population growth. By 1952 the Sisters had to move into the new convent which was built east of the Hospital, so that 55 new beds could be added by making use of the vacated quarters the Sisters had occupied in the Hospital.

New facilities were constantly being installed. An addition to the Pediatrics unit was added in 1952 and a new premature nursery was built. The following year a new pharmacy was built.

The pressing need for new services continued and in spite of unending modernization, additions, and planning, it seemed only to be a matter of the Hospital keeping pace with increasing demands.

The maternity department and well-baby nursery were extended in 1954. Four years later new interns quarters were built off the premises of the Hospital to make the rooms the interns had previously occupied available for new patient beds.

By 1959 Nazareth Hospital had increased to 201 beds, far short of the 9 beds for every 2,000 persons in the service area which the U.S. Public Health Service declared was the number adequate to provide satisfactory hospital care.

In October 1963, the new completely air-conditioned, nine-story building (the St. Joseph Pavilion) was opened for occupancy. Its walls embrace 226 patient beds, new and expanded surgical and x-ray suites; emergency, out-patient, central supply, and pharmacy facilities; the administrative offices, kitchen, dining room, solariums, laundry, a board room, and intern and resident quarters.

In February 1967, the renovation of the Marian Pavilion was completed. This modernized, air-conditioned structure contains now the most modern and complete labor and delivery rooms, intensive and extensive care units, a psychiatric unit, coronary care unit, cobalt, isotope, inhalation therapy, the printing department, eye clinic, Marian Lecture Hall, the gift shoppe, the Social Spot, and additional administrative offices.

By 1970 Administration recognized the fact, that the present ICU—a one room unit, is always overcrowded and lacks privacy; that the mental and physical health of the patients would be greatly enhanced in the single room to be provided each patient in a new unit. New elevators, right out of the Emergency Suite would relieve the constant pressure on the present three elevators in the St. Joseph Pavilion, and would separate patient and visitor traffic.

Proper studies were made by the Ryan Advisors of Washington, D.C., and the local and State Regional Planners and proper authorization was granted to plan for a proposed Special Care Unit.

This Special Care Unit, a composition of ICU, Coronary and Respiratory Care, is being developed on the basis of single private rooms surrounding a central nursing station for the purpose of visual observation. The Special Care Unit, in the immediate vicinity of the Emergency Suite will encompass 15,500 square feet or approxmately 500 square feet per bed. The architectural method of determination if space allocation is related to the functions to be accomplished, including waiting rooms, conference areas, locker facilities, clean and soiled linen rooms, physicians and storage areas.

Statistics regarding ICU and CCU Admissions:

	1972	1973	1974
CCU	776	881	1,011
ICU	583	690	890

Transfer agreements are presently in effect with 5 nursing homes, rehabilitation centers, and extended care facilities. There are about 300 transfers annually to be aforementioned facilities.

The Hospital presently is under agreement for sharing services as follows: Laundry facilities with John Neumann Nursing Home; Data Processing Services with Albert Einstein Medical Center; Clinical facilities with Holy Family College, Bucks County Community College, Temple University School for Allied Health Services, and Temple University Medical School.

The Sisters of the Holy Family of Naazreth have endeavored to make the physical plant functional, as well as beautiful. The success they have realized is reflected in the superb care given patients.

Despite the obvious signs of progress, the Sisters are well aware that a hospital is not just a building or series of construction efforts. They recognize that a hospital is actually an "organization" housed within a building—an organization which is truly a team of technically educated and trained individuals, helping to preserve the life God gives.

ARMS FOR EGYPT—A DANGEROUS PRECEDENT

HON. BENJAMIN S. ROSENTHAL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 16, 1976

Mr. ROSENTHAL. Mr. Speaker, under the guise of consultations, the administration has notified the Congress it intends to initiate an extensive arms supply relationship with Egypt. The door opener for this new policy is to be the sale of six C-130 military transports. In the months ahead, the administration reportedly would like to follow up with sales of mine detectors, helicopters, radar and communications equipment, TOW antitank missiles, Hawk antiaircraft missiles, F-5 jet fighters, and other equipment.

I believe this sale would be a dangerous precedent that would only serve to inflame an already volatile situation in the Middle East. The United States cannot continue arming both sides and still expect to prevent another war. We already have sold billions of dollars worth of arms, training and military facilities throughout the Arab world—including $4.5 billion to Saudi Arabia alone in a 5-month period this year.

This would be the first sale to one of the principal Arab belligerents—Egypt and Syria—although we have had a longstanding supply relationship with the third confrontation state, Jordan, and with several of the other arsenal or supply states.

These six transports might seem innocent enough, and they certainly would not alter the balance of power in one of the most heavily fortified parts of the world. That, of course, is probably why the administration chose them to begin the supply relationship. But the move is wholly transparent. It is abundantly clear to everyone that these transports are the vanguard of future arms sales that certainly would significantly disrupt the delicate balance of power in the Middle East.

President Sadat has reportedly called for the abrogation of the Treaty of Friendship and Cooperation he signed with the Soviets in May of 1971. Sadat told the Egyptian People's Assembly that his decision to cancel the treaty was prompted by the Soviet refusal to provide him new weapons and spare parts until he paid for the massive arms supplies he received up to and since the 1973 war.

Actually, Soviet arms shipments did not halt then, as some would have us believe. Nearly all of Egypt's losses in the 1973 war were replaced by the Soviets. In fact, shipments, including spare parts, apparently continued at least until mid-1975 and possibly even after the signing of the second Sinai disengagement agreement.

That equipment, according to the International Institute for Strategic Studies—IISS—includes 1,000 tanks—600 T62 and 500 T54/55; 30 SAM missile batteries—SAM III and VI; and 48 MIG-23s and an unspecified number of MIG-21s.

In addition, Egypt is engaged in a massive arms acquisition program from European sources, primarily Britain and France. This is being financed by the oil potentates.

In May 1975, Saudi Arabia, Kuwait, the United Arab Emirates and Qatar established a $1-billion-a-year military-industrial organization centered in Egypt for the years 1975 through 1978. This would provide financing for arms acquisitions and establishment of an Egyptian arms industry. The new organization, with Saudi Arabia providing the bulk of initial financing, is also seeking acquisition of factories to produce the British Hawk jet fighters and Lynx helicopters.

Egypt also is negotiating to buy, is in the process of purchasing, or is receiving the following Western weapons and weapons systems:

200 Hawk jet fighters (Britain).
250 Lynx helicopters (Britain).
Rapier surface-to-air missiles (Britain).
Matra-Magic air-to-air missiles (France).
64 Mirage F-1 fighter/bombers (France).
38 Mirage III fighter/bombers (France).
24 Westland Commando helicopters (Britain).
6 Westland Sea King anti-submarine helicopters (Britain).
200 Jaguar fighter/bombers (Britain).

In addition to these Western arms, it is believed Egypt is receiving some back door Soviet weapons through Eastern European countries, but types and amounts are unknown.

Thus it is clear that American arms are not vital to Egyptian defense and that such supplies will only further gorge a country already enjoying immense military strength. But even a token sale of American arms will signify this country's condoning of an arms race which heightens tensions in the area and discourages negotiations toward peace.

Egyptian defense expenditures for 1975-76 will nearly double those of Israel, according to IISS—about $6.1 billion as compared to $3.5 billion. And this does not take into consideration the military might of the other Arab nations confronting Israel or expected to contribute men and/or materiel to another Middle East war. Egypt alone outnumbers Israel in such vital areas as aircraft, troops, artillery, and missiles. When combined with the other Arab states, as the following chart shows, the balance is against Israel by anywhere from 3:1 to a lopsided 12:1—

BALANCE OF WEAPONS—1975

	Israel[1]	Egypt[1]	Ratio of Arms Arabs: Israel[2]
Aircraft	574	911	3:1
Tanks	2,700	1,975	3:1
Combat troops	154,000	322,500	5:1
Artillery	660	[1] 1,540	9:1
SAM missile launchers	45	[1] 500	12:1

[1] Source: Institute for Strategic Studies.

[2] Confrontation states plus anticipated contribution by other states Egypt, Syria, Jordan, Iraq, Libya, Saudi Arabia, Kuwait, Algeria: Morocco, Sudan and Tunesia.

Source: Intelligence reports.

While Egypt has been on a buying spree in Western Europe and the Soviets have been shipping arms to Syria and Libya faster than they can be uncrated, the United States has been busy selling billions of dollars worth of weapons and military facilities to Israel's other neighbors.

Our firstline antiaircraft missile, Hawk, is being sold to Saudi Arabia, Jordan, and Kuwait along with an assortment of other missiles, jet fighters, tanks, and cannons. And the United States is building Army posts, naval facilities, and Air Force bases, as well as training and supplying Arab military forces.

It is the United States more than any other power that is responsible for shifting the balance of power in the Middle East against Israel.

Despite the virtual suspension of Soviet arms aid, Egypt's Soviet military supplies "nearly equal those [of] the other Arab Middle East countries combined," according to Dr. Roger F. Pajak of the U.S. Arms Control and Disarmament Agency, an expert on the subject of Soviet arms in the Middle East.

Writing in a monograph titled "Soviet Arms Aid in the Middle East," published by Georgetown University's Center for Strategic and International Studies earlier this year, he stated:

> Despite the recent vicissitudes in Soviet-Egyptian relations and Cairo's probing for U.S. and Western European arms, it still appears that some type of working arrangement will be maintained between Cairo and Moscow. Both sides have too much at stake to accept a complete split.

The Soviet Union, he continued:

> Still regards Egypt as crucial to its Middle East policy. To permit the current strain in relations to lead to a complete rupture between Moscow and Cairo would have incal-

culable consequences on the Soviet position in the Middle East and elsewhere in the Third World.

Reports out of the Mideast say Egypt's abrogation of the Soviet friendship treaty will pay off in stronger political and financial backing from conservative, oil-rich Arab regimes like Saudi Arabia, on which Egypt already depends heavily.

But Egypt has by no means cut her strong economic ties to Moscow. In a very real sense, Sadat's actions this week were more form than substance. He has done nothing to change the Soviet Union's status as Egypt's largest trading partner.

The Soviet Union remains Egypt's top customer in use of the Suez Canal, and it continues assisting Egypt in a number of major projects. These include, according to the New York Times, enlarging the big Soviet-built iron and steel complex in Helwan near Cairo, an aluminum plant in Nac Hammadi in Upper Egypt, and land reclamation and rural electrification. These projects continue to employ several thousand Soviet civilian experts.

Still in effect is the 3-month-old Egyptian-Soviet trade agreement that is worth about $620 million this year alone. Under that arrangement, Egypt will send Russia cotton, rice, textiles, and citrus fruit in exchange for timber, newsprint, coal, and petroleum products, the Times reported.

Reporter Tad Szulc, writing in New Republic last fall, said:

> Early in November (1975) the Russians secretly resumed limited arms shipments to Egypt, the first since Moscow turned off the spigot last May . . . . As Russian, U.S. and other weapons systems flow into Arab hands, promised shipments of U.S. war material to Israel are running inexplicably behind schedule.

He reported that Pentagon intelligence experts said Soviet ships loaded with military cargoes "began arriving in Alexandria and other Egyptian ports in the first days of—November 1975. Described as 'low profile,' this flow is believed to consist of crates containing spare parts for airplanes and helicopters as well as for armored vehicles, artillery, and trucks. Intelligence sources do not rule out, however, that the new shipments may also include crated planes and various types of ammunition."

Belief that Egypt may be getting Soviet arms via Syria was strengthened by comments Sadat made in an interview February 29, 1976, in Kuwait.

Speaking of "a copious flow of arms from the Soviet Union—that—has been pouring into Syria," Sadat said, "We consider that the arms that Syria possesses, we also possess." He acknowledged receiving arms shipments from the Soviet Union since the 1973 war but expressed displeasure over not getting all he wished.

If Soviet arms in Syria are to be shared with Egypt, as Sadat contends, that will only serve to intensify the pressure Sadat will be under in May when the renewal of the U.N. forces in the Golan Heights comes up. Syria will be rattling its sabers and seeking to exact concessions from Israel and the United States for a renewal of the U.N. mandate. It will be interesting and vital to see how Sadat reacts.

In fact, it would be wise for the United States to see how Sadat responds to those pressures before any decisions are made in this country concerning the establishment of an arms supply relationship with Egypt.

Sadat said in his Kuwait interview barely 2 weeks ago:

> With regard to Haifiz al-Asad, you all know that I am totally loyal to him. I harbor for him every brotherly sentiment and love.

In that interview, Sadat reported Egypt concluded "three secret agreements" with the United States as part of the recent Sinai disengagement. He is either playing a bit too loosely with the facts, or the Ford administration has been less than candid and forthright with the Congress.

According to Sadat:

> The first agreement is that the United States guarantees that Israel will not attack Syria.
>
> The second agreement is that the United States pledges to bring about a disengagement similar to the first disengagement agreement on the Syrian front after the conclusion of the second disengagement agreement on the Egyptian front.
>
> And the third agreement is that the United States pledges to do all it can to insure the participation of the Palestinians in any settlement.

The Egyptian President said:

> These are the three secret pledges I took and did not announce . . . The time, however, has come to declare them to all of you.

Is the President of Egypt telling the truth? Did he misunderstand what he was negotiating with the Secretary of State? Was the Congress fully informed of all agreements concluded in conjunction with the Sinai disengagement? Or is it the practice of our State Department to tell different things to different people in the hope that no one will ever find out?

The Israel Government contends it was led to believe there would be no U.S. arms shipments to Egypt in 1976. There was nothing in the documents the administration submitted to the Congress in conjunction with the Sinai accord last year that said anything about establishing a military relationship with Egypt.

I do believe it is in the best interest of the United States and in the best interest of peace in the Middle East—and, yes, Israel's best interest—for the United States to improve its relationship with Egypt.

And I welcome President Sadat's apparent steps to break his close links with the Soviet Union. I hope they are sincere and long lasting. I supported and voted for a program of significant U.S. economic and agricultural assistance for Egypt. This year alone, we will be providing Egypt nearly $1 billion to rebuild a faltering economy. I believe this is the best way to bring about peace. We cannot follow a policy of arming both sides. And you can be certain any arms we sell to Egypt will not buy us any more power to prevent another war than such sales did in the Greece-Turkey or India-Pakistan conflicts.

Let us not overlook the fact that while every arms producing country in the world, including the United States, is clamoring to sell arms to the Arabs, only one is willing to do business with Israel. An "evenhanded" policy does not mean cutting off assistance to Israel while everyone else goes about doing business as usual. It is incumbent on us to help the only democracy in that part of the world defend her freedom and independence.

These six transport planes will not change the balance of power in the Middle East. Were they all that is involved in this transaction, there might be little opposition. But the administration has much more in mind than six transport planes. And Egypt knows it. Israel knows it. The Congress *and the* American people know it.

These aircraft are to symbolize a new relationship between the United States and Egypt—an arms supply relationship. This would be the first step, or "tier" as the administration prefers to term it. Sale of the military transports would open the way for future tiers—training facilities, communications and radar equipment, patrol boats and helicopters, missiles and jet aircraft.

It is ironic that the choice for the first military equipment to be sold to the Egyptians should come from Lockheed, a company so embroiled in scandal around the world for its conduct in arms sales. According to Pentagon reports, the going rate for "agent's fees" for a C–130 is about $28,250 per plane, judging from a recent Greek sale. A September 29, 1975, article in the Washington Post quotes a Defense Department report as stating that Lockheed "paid a former Greek Air Force officer, Constantine Exharhacos, $226,000 for the sale of eight C–130's in a contract valued at $53.1 million." If and when this sale to Egypt comes before the Congress, we will want to know whether Lockheed is making any payments to agents or anyone else for the honor of being the icebreaker in establishing the U.S. military sales relationship with Egypt.

Whether this transaction is for military transports or missiles or mufflers for jeeps, it is wrong. My opposition is not predicated on the precise equipment involved but on the meaning of the sale in the present context. And that is the establishment of a military supply relationship, something which I firmly believe is dangerously wrong at this time.

We must know more about Egypt's desire for peace, more than the fact that President Sadat wants a diversified arsenal.

TIME AND ERDA

HON. JOSHUA EILBERG

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 16, 1976

Mr. EILBERG. Mr. Speaker, on August 16, 1975, I sent a letter to Dr. Robert C. Seamans, Jr., Administrator, Energy Research and Development Administration, here in Washington.

On March 3, I received a reply from someone named Philip C. White, Assistant Administrator for Fossil Energy. In the interim, I have received no communications from Dr. Seamans' office or from anyone else in his department.

Assistant Administrator White's letter to me began, "Thank you for your recent letter."

If the Energy Research and Development Administration defines "recent" as a period of time 6 months in duration, it is quite clear why the Ford administration has made no headway in resolving the Nation's energy problems.

THE FEDERAL SOLAR ENERGY PROGRAM

HON. MORRIS K. UDALL

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 16, 1976

Mr. UDALL. Mr. Speaker, the Subcommittee on Energy and the Environment of the Committee on Interior and Insular Affairs recently held oversight hearings to review the long-term policy plans of the Energy Research and Development Agency. We are most concerned that ERDA live up to the mandate of the Federal Nonnuclear Research and Development Act of 1974 (Public Law No. 93–577). This legislation established that it is "the policy of the Congress to develop on an urgent basis the technological capabilities to support the broadest range of energy policy options through conservation and use of domestic resources by socially and environmentally acceptable means." Because one of the reasons for our energy problems is that "unconventional energy technologies have not been judged to be economically competitive with traditional energy technologies," the Congress directed that research of nonnuclear energy sources be pursued so as to "facilitate the commercial availability of adequate supplies of energy."

Solar energy is one such source that must be developed under this mandate. In the last few years Congress has demonstrated its commitment to the development of solar energy by enacting several laws that explicitly call for its development. Mr. David Morris has written a penetrating and persuasive critique of the Federal Government's solar energy program that was prepared for the Environmental Study Conference and I commend it to the attention of my colleagues:

THE ROLE OF SOLAR ENERGY IN THE FEDERAL ENERGY PROGRAM

(Prepared at the request of the Environmental Study Conference by David Morris[1] a director of the Institute for Local Self-Reliance)

There seems little question that solar energy technologies will provide energy at costs comparable to those of fossil and nuclear energy sources, in the future. Most federal studies estimate that even with modest funding levels, most solar technologies will provide energy at cost-competitive rates by the early and mid 1980's.[2] Some solar technologies, such as certain wind and simple collector heating systems, are competitive today in a limited number of geographical areas.

The major question is how quickly the costs of most solar technologies can become competitive and how rapidly production capacity can be scaled up to have a significant impact on our national energy picture.

The Project Independence Solar Energy Task Force Report presented its estimates of the future potential for solar energy in two scenarios: 1) a business-as-usual case with little federal assistance, the technology developing almost entirely within the constraints of the marketplace, and; 2) an accelerated orderly schedule, with federal direct subsidies and tax incentives for consumers and manufacturers. However, no crash program scenario was considered.

Under the accelerated schedule in the Project Independence report, "A reasonable extrapolation of solar energy system capabilities shows that solar energy could contribute from 15 to 30 percent of the Nation's total energy requirements about the turn of the century," the report concluded.[3] The Federal Energy Office reported in 1974 a high estimate of solar energy use in 1985 as 4 percent of total energy use.[4]

The estimates cited above assumed that energy consumption would grow for the rest of the century as it had grown in the 1960's, or from 71 quads (quadrillion Btu's) when the 1973–74 oil embargo struck to 180 quads in 2000. But recently, after two years of only marginal growth, these growth estimates have been revised downward. One of the lowest estimates, given by the Ford Foundation's Energy Policy Project, is 115 quads by 2000 based on a technical fix scenario. ERDA projected 121 quads in 2000 under an accelerated conservation strategy, in "A National Plan for Energy Research, Development and Demonstration: Creating Energy Choices for the Future," released in June 1975.

These government reports stress that if a business-as-usual attitude is adopted, all estimates of potential solar energy development under accelerated strategies would be reduced by about 90 percent, or rather, that the accelerated case estimates would not be achieved until five to ten years later.

Since publication of the Project Independence Report, federal agencies and Congress have pursued little more than a business-as-usual scenario. Funding, which was only a few million dollars at the time of the oil embargo, has been kept to minimal levels, and the vast proportion of spending has been for paper studies and some expensive demonstrations. No tax incentives for manufacturers or consumers have been passed yet by Congress. (The House has passed some incentives in HR 6860, the Ways and Means Committee energy tax bill, but the Senate Finance Committee has yet to act on the proposals.) There has been no national commitment to solar energy on the part of the federal government.

ERDA assumes in its solar program "Definition Report" of June 1975 a moderate-to-high-level program to further solar-electric applications. The report estimates that solar energy would supply 1 percent of the nation's total energy in 1985 and 7 percent in 2000, and adds,

"The scenario projects a modest and highly attainable impact for solar energy in deference to conventional fossil and nuclear sources. Significantly higher levels are possible and could arise in the event of future oil import embargoes, a slowing of nuclear development, or unexpected increases in environmental or production costs for new fossil energy technology."

Nuclear power growth already has slowed to the point where the Administration is projecting far less than the 200–240 nuclear plants on line it once envisioned for 1985. Passage of nuclear moratoria initiatives in California and Oregon, where votes are scheduled for June and November of 1976, respectively, could slow nuclear growth even more.

WHERE IS SOLAR-BREEDER-FUSION FUNDING PARITY?

ERDA's national energy R&D plan states, "The technologies for producing essentially inexhaustible supplies of electric power from solar energy will be given priority comparable to fusion and the breeder reactor." Yet, the Administration requests in its FY 1977 budget proposal almost 12 times as much funding for fusion and the breeder as for solar-electric applications, or $880 million compared to $73 million. The breeder is not expected to become commercial for another 15 to 20 years, and fusion for 20–25 years, while all solar technologies, with the possible exception of solar satellites, and ocean thermal energy systems, would be competitive before both of these nuclear technologies.

When solar and nuclear funding levels are compared, usually only the R&D expenditures are cited. But this greatly understates the funding disparity. If one adds the net expenditures on uranium enrichment facilities, funding for high energy physics research, naval reactor development, most of the expenditures for basic sciences research, space nuclear and a small part of the spending on national security, and a large part of the ERDA environmental research and safety spending, total proposed nuclear outlays for FY 1977 reach about $3 billion. Add to this the $300 million budget request of the Nuclear Regulatory Commission, and the total federal nuclear power budget proposed becomes $3.3 billion.

In comparison, the total budget proposed for FY 1977 is just $110.5 million, or about one-thirtieth of the nuclear request. The solar budget request is $30 million more this year than in fiscal 1976, while the nuclear increase in the same period is at least about $350 million. Although the overall solar budget request has increased, ERDA proposes to cut back funding for biomass conversion from $3.8 million to $3 million, agricultural and process heat applications of solar energy from $3.7 million to $2.5 million, and solar technology support and utilization from $4.6 million to $3 million. ERDA is increasing its emphasis on solar-electric systems, boosting that part of the solar budget from $49 million to $73 million. Solar heating and cooling R&D would increase from $24.8 million in fiscal 1976 to $34.5 million in FY 1977.

Far more money could be spent responsibly in FY 1977 for solar R&D than the Office of Management and Budget has requested for the Administration. OMB has asked for $110.5 million in outlays, but ERDA assistant administrators sought $188.5 million, and ERDA's solar division sought $216.7 million. Solar branch chiefs, according to the Office of Technology Assessment (OTA), have gone on record stating that three to 10 times more than OMB requested could be spent wisely in FY 1977.[5]

One more example of the lack of balance in the ERDA program is that the federal government is proposing to spend twice as much to protect Americans from nuclear reactor wastes and possible malfunctions as on the entire solar budget. It is true that we have no choice but to spend the money to control nuclear energy, but we do have a choice to strengthen the solar energy budget this year.

SOLAR ENERGY INCENTIVES

No legislation proposed to date will provide the same kinds of incentives to the solar energy industry that were provided for decades to the fossil fuel industry. As OTA emphasizes in "An Analysis of the ERDA Plan and Program," of October 1975, "There is a clear need for equitable treatment of the solar energy user." The individual user of solar energy, who actually becomes a pro-

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Footnotes at end of article.

ducer, does not now receive the benefits of investment tax credits, depreciation and depletion allowances, and other incentives afforded to corporate producers of fossil fuel energy forms, OTA adds. "No incentive recognizes his contribution to society in reducing pollution, preserving fossil resources, or reducing the Nation's dependence upon imported oil," OTA concludes.

Little direct government intervention would be required to accelerate the growing market necessary to reduce prices of certain solar energy technologies like photovoltaic cells, which can be dramatically affected by automation of production facilities. The Project Independence report projects that for the price to drop rapidly under a business-as-usual case, the government would have to buy $5 million worth of solar cells in the second year and $25 million in the eighth, when solar cells would become competitive. Yet ERDA's photovoltaic division proposes in its 10-year plan to spend only $1 million in FY 1976 on direct purchases, about $8 million in 1980, and progressively less in succeeding years.

The Defense Department directly subsidized the development of low-cost transistors in the early 1950's due to a need for lightweight, mobile communication equipment, and the integrated circuit in the early 1960's as part of the Minuteman missile program. Yet DOD is reticent to directly assist solar cell development in the same manner. This is ironic when possible nuclear proliferation through the use of waste products from peacetime nuclear reactors in the developing world is making the export of nuclear reactors a possible national security risk to the U.S.

DECENTRALIZATION AND SOLAR ENERGY

In the next 25 years, the U.S. will build an almost entirely new energy system. With this opportunity, it is unfortunate that there has been little debate about the desired scale of energy generating facilities, and the social future that different technologies create.

It appears that the U.S. public's strong support for solar energy is due less to a recognition that it is a renewable energy resource than that it can be operated and controlled at the local level, by a homeowner, a farmer, a manufacturer, and a town or city. Yet the goal of decentralization has been given no real priority in energy planning.

In fact, the case is just the reverse. Nuclear energy, under the best of conditions, demands a further centralization of U.S. energy supply. In Pennsylvania, energy parks recently proposed would produce all the electricity required by the entire state from one or two locations. Electrical generating facilities would be isolated from consumers and a relatively large police network may be required to protect against terrorism, sabotage, and theft of radioactive materials. The fear of sabotage may be heightened by the very fact that centralization breeds vulnerability and insecurity.

Most, but not all solar energy technologies can be decentralized. Ocean thermal systems and solar satellites cannot. But wind, heating and cooling, photovoltaic cells, and biomass conversion systems are ideally suited for decentralization. Wind systems in high-density areas, however, would be centralized.

Solar collectors and solar cells will become cost competitive first on the household and community level. As the Project Independence report notes, "Of all the solar energy systems under development, photovoltaic power systems are least affected by economies of scale, so that distributed systems on the roofs of individual dwellings are expected to show early economic feasibility."[6] A typical house could supply from its own rooftop array all the electricity and heating and cooling thermal energy it requires, the report adds.[7]

OTA points out that the technology for solar on-site systems is at least as well in hand as central station technologies. It criticizes ERDA for overemphasizing central power applications, and notes that ERDA set up the study of decentralized electrical production as a small part of the central station solar thermal branch. Besides the Sandia facility in Albuquerque, New Mexico, no other electrical generating facility will be ready for several years under ERDA's plans, despite the relative simplicity of the technology and the availability of all components. OTA concludes, "The reason for this delay in construction is not clear."

The government's indifference to on-site solar energy generation has led to an indifference to the kinds of R&D programs necessary to support such systems. The Administration spent only $680,000 in FY 1975 on electrical energy storage R&D other than that for the Gould and Pitcher batteries, which are primarily targeted for automobiles. The Administration proposes to increase the $680,000 figure to $1.5 million in the FY 1977 budget.

ERDA is devoting less attention to the kinds of backup systems appropriate for a decentralized energy generation system. OTA asks ERDA in its report assessing the ERDA R&D plan, "What methods appear attractive for self-contained on site supplementary energy storage?" Solar energy systems can be designed to demand supplementary energy at off-peak hours and store this until needed, minimizing peak demand problems, or they can rely on self-contained auxiliary sources like fuel oil.

NUCLEAR ENERGY VERSUS SOLAR ENERGY

The federal policy of vigorously supporting nuclear development in the short term and solar energy in the long term is possibly contradictory and self-defeating. In its solar "Definition Report" ERDA admits that "significantly higher levels" of solar, energy generation are possible, depending, among other factors, on a slowdown in nuclear development.

Until recently, the federal government had hoped to increase the number of operating nuclear reactors from the present number, 56, which supply less than two percent of U.S. energy needs, to more than 200 by the year 1985. This goal is now under reevaluation in light of financing problems, a slowdown in energy growth, and general uncertainty over the future of nuclear energy. Under a moderate energy growth scenario, government energy planners had forecast bringing on line about 400 nuclear plants between 1985 and 2000, increasing the total to nearly 520. Nuclear reactors ordered today will be coming on line in the mid 1980's because it takes about 10 years from the time a reactor is ordered until it produces electricity.

Even with a business-as-usual scenario, ERDA estimates that most forms of solar energy, including solar-electric generation, will be competitive with nuclear by the mid 1980's. Therefore, nuclear reactors ordered today will have to compete with solar technologies when the reactors come on line.

By the mid 1980's, when solar technologies at the household and community level compete with nuclear energy, businesses, homes, and entire communities may begin to unplug from the utility network, reducing the load factor considerably.

Nuclear power plants, unlike gas turbines, or other plants with relatively low installation costs and high operating costs, cannot be used economically as backup systems. We may expect to see a direct confrontation between solar and nuclear technologies within specific market areas, probably occurring first in Florida and Arizona, which have abundant sunlight and nuclear reactors ordered but not yet operating.

Nuclear reactors have a life expectancy of 30–40 years, so those coming on line in 1985 will still be operating in the years 2015–2025. Two thirds of the nuclear reactors on line in the year 2000 will have been installed between 1985–2000, so they will still be working into the second quarter of the next century. Yet even the most conservative estimates are that by the year 2015 solar energy can provide a vast proportion of our national energy requirements.

Nuclear financing ties up capital for very long periods, and it is precisely this type of capital which is most scarce.

Solar energy, on the other hand, requires short to medium term capital investment. It can come on line very rapidly and can be built in modular form. Private and public utilities, rather than gambling billions of dollars on predicting consumption habits ten years in advance, can scale up power plants quickly when the demand justifies. Already one major Florida utility has cancelled plans for a nuclear reactor and is seeking a solar-electric alternative. It seems likely that when solar-electric applications prove to be competitive, private capital will tend to dry up for the long term capital financing nuclear reactors require.

A RATIONAL FEDERAL ENERGY POLICY

If the next decade is seen as a transitionary one toward new energy forms, then conservation and solar energy systems should be aggressively pursued. As one ERDA-funded study finds, "If one takes into account the whole energy balance—supplier plus consumer—it is almost always cheaper to save a kilowatt of peak power than it is to invest about $1,000 for new capacity."[8] One solar expert added in recent testimony before the Senate Select Committee on Small Business that it is four to six times more effective to insulate a house and install storm windows than it is to build collectors.[9]

Yet the Administration's energy conservation budget request for fiscal 1977 is only $91 million, or about two cents on the federal energy dollar for conservation. And only $53 million of the $91 million is targeted for end-use conservation and technology to improve efficiency, probably the most effective means, at least for the short term.

As demand is curbed, load levelling should be pursued. Electrical and thermal storage systems should be stressed.

Solar energy R&D and a grant program to states and localities should be funded at least as much as nuclear energy, and solar energy should be given incentives at least comparable to those provided fossil fuel producers. The concept of the solar energy user as a producer should be taken seriously into account.

Finally, an independent study should be undertaken to determine if there is not a conflict looming in the massive proposed spending on nuclear power plants and their complex, expensive and dangerous fuel cycle backup facilities, while at the same time solar technologies will be coming on line at competitive prices.

FOOTNOTES

[1] David Morris, author of *Dawning of Solar Cells*, 1975, and *Kilowatt Counter: An Introduction to Energy*, is a specialist in energy planning for the Institute for Local Self-Reliance, a non-profit research organization based in Washington, D.C. (232–4108). This paper has been prepared as a vehicle for discussion of vital solar energy issues. ESC does not take positions on issues and assumes no responsibility for Mr. Morris' views.

[2] Among these studies are the "NSF/NASA Solar Energy Panel, Solar Energy as a National Energy Resource," 1972; "Solar Heating and Cooling of Buildings, Phase O," Westinghouse Report, 1974, and the "Project Independence Solar Energy Task Force Report," 1974, and ERDA–49, "Definition Report, National Solar Energy Research, Development & Demonstration Program," June 1975.

[3] Project Independence Report, p. I–28.

[4] Cited in "U.S. Energy Prospects, An Engineering Viewpoint," NAE, 1974.

[5] OTA is expected to publish its interviews

with ERDA solar branch chiefs. Dan Ahearne, a consultant, to OTA, conducted the interview.

[6] Project Independence Solar Energy Task Force Report, p. VII–13.

[7] Ibid., p. VII–32.

[8] David Goldstein and Arthur H. Rosenfeld, University of California, Berkeley.

[9] Committee hearings May 13 and 14, 1975.

H.R. 12203

HON. W. HENSON MOORE

OF LOUISIANA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 16, 1976

Mr. MOORE. Mr. Speaker, the taxpayers of this Nation have received little in return for their $285 billion investment in foreign aid over the past 30 years. Due to its lackluster record and significant contribution to our $600 billion national debt, I have consistently opposed legislation to authorize or appropriate foreign aid funds when the United States could not reasonably expect to benefit by such assistance. Serious fiscal deficits coupled with domestic spending shortages require that we attend to our own problems before engaging in benevolence overseas. We simply cannot afford to police and finance the actions of the world and simultaneously maintain economic order here at home. Therefore, all foreign aid must now be judged upon its ultimate benefit to the United States.

Careful analysis of the foreign assistance appropriation bill, H.R. 12203, reveals that the lion's share of this $5 billion foreign aid loan and grant appropriation for fiscal year 1976 will directly benefit the United States in terms of oil guarantees from Arab nations. I realize that some of the funds provided in this bill will go to Agency for International Development programs where dismisal failures have occurred all too often in the past, but the advantages of this bill outweigh its pitfalls. Moreover, total outlays provided in H.R. 12203 are $775 million or 14 percent below the President's budget request for foreign aid. More than $3 billion of the funds contained in this appropriation bill will be obligated to carry out the terms of the Middle East Peace Accords, our best hope for lasting peace in the Middle East and an uninterrupted supply of Arab oil to supplement our own everdwindling reserves. Those who recall the severity of the 1973 Arab oil embargo recognize that the impact of another embargo caused by renewed strife in the Middle East would be far more harmful to our economy today.

During the height of the Arab oil embargo, only 45 percent of our imported oil came directly from OPEC cartel nations. Today, more than 60 percent of our imported oil comes directly from those sources, an increase almost solely due to the renewed availability of Arab oil. In addition, oil imports now comprise 40 percent of our domestic consumption, an all time high. Today, the United States spends some $37 billion annually for imported oil or $125 for every man, woman, and child in this country. Less than 6 years ago, the cost of imported oil amounted to $3 billion annually, a per capita cost of only $15. Linked to this increased dependence on high-cost imports is the tragic fact that U.S. oil production declined from 9.2 million barrels per day in January, 1973, to 8.15 million barrels per day by the end of 1975.

In view of this information contributing to our increased reliance on Arab oil, another embargo would strike at the heart of our gradually recovering economy. Its impact would be severe at best and economic paralysis at worst. We have presently defused some of the major causes of aggression which ultimately led to the embargo. I trust the terms of the Middle East Peace Accords will preserve relaxed tensions in the Middle East and that those relaxed tensions will insure a continuous flow of Arab oil to the United States. The $3 billion in H.R. 12203 for Middle East nations will strengthen hopes for peace.

Foreign aid analysists must also recognize that not all of the $5 billion appropriated in this bill is in the form of grants. Of the $1.5 billion in military credit sales to Israel, half of that amount is exempt from repayment; but $750 million will be returned to the United States under the terms of military credit sales. On the whole, $1.435 billion of the $5 billion appropriated is in the form of repayable loan contracts.

As a safeguard to insure timely repayment of such loans, our colleague, BILL ALEXANDER, introduced a floor amendment that mandates repayment of the $633 million in outstanding loan principal and interest payments to the United States before any further aid to the 70 nations now in arrears would be allowed. I supported the Alexander amendment and I believe its adoption will strengthen the terms of our foreign aid policies. I trust that the conferees on H.R. 12203 will not flinch from their responsibility and retain this amendment in the conference report. To do otherwise would only diminish respect for this Nation's foreign policy.

Examination of past Soviet influnce peddling in the Middle East shows that Moscow has a close watch on Arab oil and its own interests at heart when Arab arms sales are made. Information I have received indicates that some $7 billion or more in Soviet economic and military aid has been provided to Arab States since the October 1973 war with oil concessions fully in mind and in some instances in practice. In order to offset this influence to some extent, the Middle East Peace Accords provide security assistance to Egypt, Syria, and Jordan on a scale that will establish inroads to a restoration of U.S. respect and credibility among all Arab nations. Access to military credit sales will give the United States a renewed stature among Arab countries which I believe will diminish the Soviet presence there. If American aircraft and munitions are not made available to meet legitimate defense needs, one Arab nation or another will funnel Soviet-made arms to Egypt to our disadvantage. In the long run, this could spell still higher prices for Arab oil with the potential for Soviet control over that oil as a condition of arms sales to Arab States.

This appropriation bill reflects a balanced approach toward the military defense needs of the Middle East. It does not promote war, and I sincerely trust it will enhance the likelihood of a lasting peace and friendly relations between the United States and all Middle East countries.

TWENTY-EIGHT HOUSE MEMBERS URGE DISAPPROVAL OF BYINGTON NOMINATION

HON. ROBERT F. DRINAN

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 16, 1976

Mr. DRINAN. Mr. Speaker, yesterday 27 other Members of the House of Representatives and I sent a letter to Chairman WARREN G. MAGNUSON and the other members of the Senate Commerce Committee urging the disapproval of the nomination of S. John Byington to become the new chairman of the Consumer Product Safety Commission.

Due to rapid developments relating to the nomination, cosignatures for the letter had to be gathered in just 27 hours. Thus the number of signatories is especially impressive.

In opposing the Byington nomination, we who signed the letter have joined Congressman JOHN E. MOSS, the coauthor of the Consumer Product Safety Act, as well as the Consumer Federation of America, Ralph Nader's Public Citizen, the National Consumers League, various other consumer organizations, the AFL-CIO, and the United Auto Workers.

Senator FRANK E. MOSS, in his opening statement during the Senate Commerce Committee hearings on the Byington nomination, made an important distinction between nominations for positions in typical executive departments and agencies on the one hand and nominations for positions with independent regulatory agencies on the other.

Senator Moss stated:

> There are two distinct categories of nominees with which the Committee must concern itself. First, there are nominations to Executive branch positions, such as the Secretaries or Assistant Secretaries of the various departments or the Administrators of various agencies that are situated within Executive branch departments. With respect to these officials, they are, in a very real sense part of the "President's team".
>
> The President is accountable for these individals in office—the fate of his administration rises and falls with their performance. Accordingly, the President should be and is given the authority to dismiss those officials.
>
> With respect to these individuals serving in Executive branch positions, I believe that while the Committee should closely evaluate the nominee's fitness to serve in the position for which he has been nominated, the President should be afforded the benefit of the doubt in selecting the employees with whom he will work.
>
> The situation is different, however, with respect to nominees to the independent regulatory agencies. These agencies are arms of Congress. Their mission is essentially a leg-

islative mission and is performed pursuant to authority delegated from Congress to the agency. They are not—nor should they be—considered members of the "President's team." They serve for fixed terms of office through successive presidential terms, and can be removed only in the narrowest of circumstances.

It is incumbent upon the Senate therefore to exercise independent judgment with respect to each nominee to the independent regulatory agencies. The Senate's consideration of these nominees should go beyond an examination of the nominee's potential disqualifications. Where the nominee is an unknown commodity, the Senate should review in-depth his background, his general regulatory philosophy, and his commitment to the enforcement of the laws which he would be empowered to administer and implement.

I trust that the Commerce Committee, in its continuing deliberations on the Byington nomination, will keep in mind the perceptive assertion of Senator Moss.

I am, at this point in the Record, inserting a copy of the letter sent to Chairman Magnuson and the Commerce Committee:

Congress of the United States,
House of Representatives,
Washington, D.C., March 15, 1976.

Hon. Warren G. Magnuson,
Chairman, Committee on Commerce, U.S. Senate, 5202 Dirksen Senate Office Building, Washington, D.C.

Dear Chairman Magnuson and Members of the Committee: We, the undersigned Members of the House of Representatives, oppose the nomination of S. John Byington to become Chairman of the Consumer Product Safety Commission and respectfully recommend that your Committee vote to disapprove his nomination.

In so doing, we join with the Consumer Federation of America, Ralph Nader's Public Citizen, the National Consumers League, various other consumer organizations, the AFL-CIO, and the United Auto Workers.

The Consumer Product Safety Commission, upon its activation in 1973, offered great hope to those who have sought to reduce the vast number of deaths and injuries associated with unsafe products. Yet during its three years of existence the Commission has not yet fulfilled its promise. In testimony before your Committee last week, the Virginia Citizens Consumer Council stated, "The performance of the Consumer Product Safety Commission during its first three years of operation has been spotty. No standards under the Consumer Product Safety Act have yet become operational. . . ."

The Commission has jurisdiction over a field that has literal life-and-death effect on Americans. According to testimony before your Committee, consumer products annually are associated with 20 million injuries in the United States, with 110,000 persons becoming permanently disabled and 30,000 being killed.

The Chairman of the Commission has particularly great opportunity for impact. He is empowered to exercise all of the executive and administrative functions of the Commission. Among his powers is that of deciding the agenda of determinations to be made. The next Chairman's influence will be especially profound because, in serving until 1982, he will, upon retirement, have chaired the Commission for more than six of its first nine years.

President Ford has given us, as a nominee for this powerful position in this powerful Commission, a Grand Rapids pharmacist/attorney/businessman whose only claim to consumer affairs experience is his two-year tenure as Deputy to Virginia Knauer in the HEW Office of Consumer Affairs.

Among true consumerists, association with Ms. Knauer and the OCA is accurately perceived more as a demerit than a credit. The Office, with 55 employees, has had no important favorable effect on Federal consumer legislation. It has failed even to publicly comment on many of the most important consumer bills that have been considered by the Congress in the past several years. Although the OCA originally favored the establishment of an Agency for Consumer Protection, the Office changed its mind after President Ford announced his opposition.

In addition to his association with the OCA, Byington can offer little more than business and politics on his resume. From 1961 to 1964 he was Director of Public Relations with the American Pharmaceutical Association. In 1964 through 1968 Byington worked on the reelection campaign and staff of former Michigan Governor George Romney. From 1968 to 1971 he was Corporate Secretary of the Synercom Communications Corporation. In 1971–72 he was Executive Vice President of Intermart, Inc. In 1972–74 he was Deputy Director and National Export Marketing Director in the Office of Field Operations of the U.S. Commerce Department, the most business-oriented department in the Federal Government. Aaron Locker, General Counsel of the Toy Manufacturers of America, has described Byington as "remarkably sympathetic to industry in the past."

Some witnesses before your Committee questioned Byington's integrity as reflected by his evasion of many Committee questions, including ones asking his stand on the Agency for Consumer Protection, inquiring whether he would accept employment by a Commission-regulated industry within twelve months after leaving the Chairmanship, and asking whether he supports the Commission's policy of open meetings. That is not our purpose here.

Our purpose is to say that Byington is unfit for the Chairmanship of the Consumer Product Safety Commission. The Commission has the mandate to protect American consumers from unsafe products. The Chairmanship of such a commission does not call for a business/bureaucrat who has worked in an ineffective consumer office; it calls for a man or woman who has shown an active personal commitment to consumers and particularly to product safety. S. John Byington is not such a person. On behalf of consumers and specifically on behalf of the 20 million citizens who annually suffer injuries associated with consumer products, we ask you to disapprove his nomination.

Sincerely,

Robert F. Drinan, Benjamin S. Rosenthal, Anthony Toby Moffett, Ronald V. Dellums, Charles B. Rangel, Frank Thompson, Jr., John Brademas, Michael Harrington.

James H. Scheuer, Edward I. Koch, Richard L. Ottinger, Fortney H. Stark, Robert N. Nix, Shirley Chisholm, Joe Moakley, Herman Badillo.

John L. Burton, Herbert E. Harris II, Bella S. Abzug, Frederick W. Richmond, Elizabeth Holtzman, Gladys Noon Spellman, Charles J. Carney, Parren J. Mitchell, Phillip Burton, Don Edwards, Jim Weaver, Paul S. Sarbanes.

HON. FLORENCE DWYER

HON. FRANK THOMPSON, JR.

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Monday, March 1, 1976

Mr. THOMPSON. Mr. Speaker, the news of the death of our former colleague, Congresswoman Florence Dwyer, brought a particular sense of sorrow to me. I found that over the years of our service together we agreed in principle much more often than we disagreed, particularly upon those major issues which closely affected our State of New Jersey. Mrs. Dwyer's voice was raised on behalf of the consuming public long before it was the popular thing to do. Flo Dwyer was a distinguished public servant, a devoted representative of her constituency, and an honored Member of this House. I am proud to have had the privilege of serving with her.

GRAVE INJUSTICE WOULD BE DONE

HON. CHARLES THONE

OF NEBRASKA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 16, 1976

Mr. THONE. Mr. Speaker, grave injustice would be done to all the constituents I represent and to millions of other people if the Federal Energy Administration adopts one of two alternate changes suggested to its entitlements program.

The Federal Energy Administration outlined these alternatives in the Federal Register on February 17, 1976. Both alternatives are intended to correct an unfair competitive advantage given by present regulations to one petroleum marketer, Amerada Hess.

The people of Nebraska would pay a penalty of $1.8 million per year if alternative No. 2 were adopted. This is based on Federal Energy Administration figures on page 7130 of the proposed regulations. There is no logical reason why Nebraskans and citizens of much of America should pay a penalty to correct an inequity among east coast refiners.

Alternative No. 2 would benefit foreign refineries, including two in Venezuela that have recently been nationalized and another in Trinidad which the government of that nation has announced will be seized. This would be completely outrageous. It would work against the free enterprise system. It would work against the FEA's stated goal of reducing America's dependence on petroleum sources outside the United States.

The Federal Energy Administration's goal is to take away the substantial competitive advantage that present regulations have given to Amerada Hess. Alternative No. 2 proposes to do this by giving similar cash subsidies to competitors of Amerada Hess. My prediction is that although this step might eliminate some or all of the advantage Amerada Hess now enjoys, it would result in new inequities.

Alternative No. 1, on the other hand, is a direct, sensible proposal. It attacks the problem of the competitive advantage of Amerada Hess directly, by taking away that advantage. It also provides an east coast solution to a problem that involves the east coast only.

Mr. Speaker, if the Federal Energy Administration attempts to adopt alternative No. 2, efforts will be made both in Congress and in the courts to prevent that alternative from being pursued.

WEST POINT'S 174TH ANNIVERSARY

HON. BENJAMIN A. GILMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 16, 1976

Mr. GILMAN. Mr. Speaker, my 26th Congressional District in New York State is justly proud that it is the home of our renowned U.S. Military Academy and its long gray line of distinguished graduates.

Lt. Gen. Sidney B. Berry, the superintendent of the U.S. Military Academy has recently informed me that West Point has been designated a Bicentennial community and has mailed to me some of the academy's historical background prepared by Lt. Col. John H. Bradley, director of USMA Bicentennial activities.

Mr. Speaker, it is with a great deal of pride that I introduce the following historical data into the RECORD today, because today, March 16, 1976, is the 174th anniversary of the founding of our U.S. Military Academy:

WEST POINT AND THE U.S. MILITARY ACADEMY

Recently the American Revolution Bicentennial Administration recognized the United States Military Academy at West Point, New York, as a Bicentennial Army Installation, a Bicentennial College, and a Bicentennial Community because of its extensive Bicentennial Program. The Military Academy's twenty-eight Bicentennial projects are educational in character and historical in thrust. They include the preservation of historic fortifications, the development of historical publications and programs, and the commemoration of key events such as the 200th Birthday of the United States Army and the 200th Anniversary of the Declaration of Independence. Most of the programs are underway or have been completed.

West Point's Bicentennial Program is built upon its Revolutionary War heritage which dates from the earliest days of the War of American Independence when the Second Continental Congress recommended that the Hudson River be blocked by fortifications to prevent the British from cutting the American colonies in two. In 1775, Patriots began to construct fortifications on Constitution Island, across from the West Point, and then in 1776 and 1777 built improved positions and installed an iron chain across the Hudson a few miles below West Point at Popolopen Creek. After the British destroyed these works in 1777 during an abortive move to assist Burgoyne's Army near Saratoga, American leaders finally decided to fortify West Point.

From January 1778 through 1779 American commanders, with the assistance of American, French, and Polish engineers—Louis de la Radiere, Thomas Machin, Thaddeus Kosciuszko, Rufus Putnam, Louis Duportail, and Stephen Rochefontaine—had their soldiers build a modern fortified zone around West Point. Fortress West Point eventually contained several forts, redoubts and batteries holding over ninety cannon and mortars and a new iron chain which stretched from West Point to Constitution Island. Fort Clinton, the main bastion, covered the river and the chain; Fort Putnam protected Fort Clinton from inland attack. The new fortifications blocked the Hudson River and deterred the British from repeating their 1777 campaign for the duration of the war.

In 1780, Major General Benedict Arnold, commanding West Point and the Hudson Highlands, attempted to sell West Point to the British, but he failed, turned his coat and joined the British Army. Arnold's accomplice, Major John Andre, was not so fortunate. Washington had the British officer hanged as a spy.

Following the American Revolution Washington, Hamilton, Knox, and other Americans proposed that a military academy be founded to provide the army with the engineers and artillerists who were so needed during the war. In 1802, Congress approved such an academy, and it was established at West Point where it has remained for 174 years. Growing and changing with the nation, the United States Military Academy has produced generations of graduates who have served the United States as soldiers and civilians at home, abroad, and in space, during war and peace. Today, Americans can trace the heritage of the Military Academy and the American military tradition to West Point, a key to this continent during the American Revolution.

USO KEEPS SERVING

HON. WILLIAM A. STEIGER

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 16, 1976

Mr. STEIGER of Wisconsin. Mr. Speaker, in both war and peacetime, members of our Nation's armed services have for the last 35 years known that they could find a place to rest, relax and provide them help, if they needed it.

That place is the USO. Regardless of where service men and women have been over those 35 years—whether on the European or Pacific front in World War II, in Korea or Vietnam, or in Washington, D.C.—they have known that a USO has been nearby. In this post-Vietnam era, the important role played by the United Services Organizations, Inc., is sometimes forgotten.

But the USO is continuing to respond to the needs of the men and women in the Nation's Armed Forces. With the large number of new, young recruits in the all-volunteer forces, a big USO emphasis is now on counselling and helping these recruits and their families adjust to their new communities.

This nonprofit, civilian organization has just held its 35th anniversary convention in Philadelphia. The Philadelphia Evening Bulletin, in a March 12 editorial, noted the tremendous contribution the USO has made over the years and spoke of its challenging future. I commend this well-deserved tribute to your attention:

AFTER 35 YEARS USO KEEPS SERVING

Loneliness, boredom and homesickness are moods that beset U.S. servicemen in peacetime as well as wartime. When a soldier, sailor, marine or airman needs a touch of home, the USO can be counted on to provide it.

Veterans of World War II, Korea and Vietnam all remember the USO clubs and dances, the stage shows and canteens, that relieved the tensions of battle, often within shooting distance of the front lines.

The new recruits in America's all-volunteer forces have different needs and the USO—United Service Organization, Inc.—is responding to them, too. Most of the recruits are barely out of high school; some are newly married and starting families of their own.

Counselling, not only of servicemen but their wives, is a big USO emphasis. Helping young recruits adjust to new communities in the U.S. and overseas is a USO concern.

Six agencies—the Young Men's Christian Associations, National Catholic Community Service, National Jewish Welfare Board, Young Women's Christian Association, The Salvation Army and Travelers Aid-International Social Service of America—joined to form the USO in 1941, 10 months before the U.S. entered World War II. The nonprofit civilian organization is holding its 35th anniversary convention in Philadelphia with a proud past and a challenging future.

Volunteers who have provided entertainment, service and companionship for military men and women have been the USO's indispensable assets. With 2.1 million men and women still in uniform, and 3.1 million dependents, the USO and its local affiliates still serve, too.

KGB AGENTS ON THE HILL?

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 16, 1976

Mr. McDONALD of Georgia. Mr. Speaker, last October, 50 of my colleagues and I asked Senator CHURCH to undertake an investigation of charges made by Senator BARRY GOLDWATER that the Soviet Secret Police, the KGB, had developed sources of information on Capitol Hill. Senator CHURCH had told the press on June 18, 1975, that he was interested in investigating "the problem of penetration by the KGB."

The response to our letter from Senator CHURCH was that the FBI "has no evidence at this time of any infiltration of congressional staff."

We wrote another letter in which we pointed out to Senator CHURCH that an FBI official, in answer to a question concerning KGB operations on Capitol Hill. indicated that there had been cases in the past, but "If you are asking me about the present, I have no knowledge or information that I can impart in response to your question." Notice that he did not say that he had no information, but that he had none that he could impart. We received no answer to that letter from Senator CHURCH.

Today's papers are filled with the story of a Senate staff member who had been supplying information to Soviet KGB agents. For at least part of that time the staff member had done so in cooperation with the FBI. The case was apparently leaked to the press because the office in which the staffer worked was that of Senator JAMES EASTLAND. As we all know, Senator EASTLAND is a staunch anti-Communist and worked closely with the FBI on this matter.

Now that we know about this one case, I am sure that it is too much to hope that those who leaked the story would reveal the details about the other cases of Communist intelligence services securing information from Capitol Hill employees.

We need a proper investigation of this problem. I hope that the newly created Senate Oversight Committee on Intelligence will take the responsibility of conducting this investigation and bringing the facts to the American public. The Church committee has failed in this duty.

JAMES H. RADEMACHER, LETTER CARRIERS' PRESIDENT, URGES UNIONISTS TO RESTORE FAITH OF OUR FATHERS

HON. JAMES G. O'HARA

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 16, 1976

Mr. O'HARA. Mr. Speaker, a few weeks ago, my good friend James H. Rademacher, president of the National Association of Letter Carriers, delivered the principal address at the labor recogniton service at Ebenezer A.M.E. Church in Detroit, Mich.

More than 1,000 union members and labor leaders took part in this special service, pausing to reflect on our American heritage and on our commitment to religious and ethical principles, and they heard Jim Rademacher express his concern about the dilution of this commitment over the span of 200 years.

Under leave to extend my remarks, Mr. Speaker, I am placing in the RECORD the text of Mr. Rademacher's remarks, and I commend them to the attention of my colleagues:

VIEWPOINT OF JAMES H. RADEMACHER, PRESIDENT, NATIONAL ASSOCIATION OF LETTER CARRIERS—AFL–CIO

To me, Christianity, free trade unionism and democracy are practically synonymous. Together they denote freedom.

In our great country, freedom, unfortunately, is taken pretty much for granted. We don't seem to realize that we are endangering that freedom through allowing ourselves to become disenchanted with the realities of our particular time.

Not surprisingly, but certainly regrettably, recent polls disclose a growing lack of faith in our Government and its leaders, and a lackadaisical attitude about participating in our democratic processes. Whether it is because of Watergate, or because of more recent disclosures, our people seem to have willingly relinquished their most precious possession, the right to determine their own future through the ballot box.

We have in many ways lost our vigor, and we have become a weary nation. We have suffered from unwanted wars. We have seen phenomena which we would have believed impossible—the resignation of a President and a Vice President in mid-term—the combination of a deep recession and rampant inflation, and a totally unprecedented epidemic of violence and crime, as well as severe unemployment.

All these things have combined to weaken our faith in government, and even our faith in God.

We all enjoy our freedoms to the hilt, but we choose to overlook the fact that all freedoms come from the Lord and that His, and His alone, is the kingdom, and that He is the Governor among the nations, as declares the scriptures.

No matter how faithful we think we are, I believe each and every American in this bicentennial year should pause and reflect on how he really stands in the light of our American and Christian heritage.

President Woodrow Wilson once said: "Our liberties are safe until the memory and experiences of the past are blotted out, and the Mayflower with its band of pilgrims are forgotten."

Certainly it is true that our nation was founded by convinced Christians, and that it was founded on Christian principles. But, over the span of 200 years, our Christian commitment has become diluted so that, with many of us, it goes no deeper than the placing of "In God We Trust" on our coins and the insistence upon the use of the Bible in formal swearing-in ceremonies.

The process of secularization has started from our childhood. We are taught to salute the flag, but not the cross. We are urged to sing the "Star Spangled Banner," but not "Faith of our Fathers" or "A Mighty Fortress Is Our God."

President Grant once said: "Hold fast to the Bible as the anchor of our liberties. To the influence of this book we are indebted for all the progress made in true civilization and to this we must look as our guide in the future."

Unfortunately, the Bible is playing a lesser and lesser part in our national affairs. Too often, once the oath of office is taken, it is returned to the shelf to gather dust while it awaits a new hand.

It was not always thus. To most Presidents and to most Americans, the Bible was a living, ever-present force. As President George Washington said: "It is impossible to rightly govern the world without God and the Bible." Andrew Jackson added: "The Bible is the rock on which our Republic rests." These protestations of faith were not merely lip-service; they came from the heart as an expression of a way of life.

As Americans and as Christians, we must not allow the errors of humankind to impair our faith in God and our faith in this country.

But, before we can restore faith in Government, we must restore faith in our own works and in the work of others.

We construct, we assemble, we deliver, we drive, we teach, we fight fires, we bake, we sew—but we are inclined to ignore our accomplishments. We forget the Biblical admonition that our labor is not in vain, and that we must be worthy of our hire.

Does the owner of a spectacularly beautiful new car ever stop to breathe a prayer of thanks for those who actually assembled it?

Do parents ever express gratitude for the teachers who have educated their children? Is anyone ever grateful to the truckers who have brought food-stuffs to the market, or, for that matter, to the letter carrier who often fights through bitter weather to deliver your mail?

We are inclined to make little islands of ourselves and to ignore what others have done to make our life happier and more meaningful. We must learn to become involved with one another, and to respect what each of us is doing to make a better world for all men everywhere.

I think that we, as trade-unionists, forget what union labor has done to improve the moral and social climate of this country. It was Samuel Gompers, first AFL President, who originally described the goals of organized labor as "more schoolhouses and fewer jails; more books and fewer aresenals; more learning and less vice; more work and less crime; more leisure and less greed; more justice and less revenge."

These goals are historic and constant. They are goals for today and for tomorrow and the day after tomorrow. In approaching these goals, organized labor has not only been the good strong right arm of America; it has also been its conscience.

Personally I have always taken great pride in certain leaders of labor over the years who have been, in my opinion, secular *apostles*—men who have been uniquely unselfish, subjugating themselves entirely to love of their fellow men.

In my own secular lexicon, an apostle is one who stood barefoot against the hobnails, rebelling against injustice and the corrupt culture of his time.

We have had many such apostles in our labor movement, and we should be prouder of them than we are; we should know more about them than we do.

I am thinking of men like John Mitchell, the first great leader of the miners. He organized his people in the period of company towns, brutal exploitation of children, and massacres perpetrated by company goons or the national guard whenever the slightest disagreement developed.

Out of the depths of degradation John Mitchell led the miners all the way to the arbitration table, with the President of the United States in the chair.

John Mitchell had his faults. We all do. But he also had magnificent virtues in that he was willing and eager to spend and consume himself for his fellow man.

When I think of our labor apostles, I also include Andrew Fureseth, who led the seamen out of the most miserable conditions imaginable to a position of reasonable security and dignity.

Fureseth always insisted on living in the most humble circumstances. Once when friends begged him to run away because the police were on their way to arrest him, he refused. "They cannot put me in a smaller room than I have always lived in," he said. "They cannot give me plainer food than I have always eaten. They cannot make me lonelier than I have always been."

A great man; a great apostle.

Another apostle of labor is one too well known to all of us for me to speak at length without presumption. He lived among us and worked with us and directly or indirectly raised the standards of every man and woman in America who works for a living.

I refer, of course, to our late and dear friend, Walter Reuther.

I think you will agree that Walter fits within the category of secular apostleship I have described.

There are many others, of course. Hundreds, and perhaps thousands. Some of them, undoubtedly, are in this gathering today. I have mentioned these three men only to make a point; only to describe a goal I think we all should struggle to attain.

If I have any message today, it is that we all should quietly, even ruthlessly, examine our consciences. We are all leaders of labor, but we should ask ourselves how well do we lead and in what direction are we leading our people.

We are faced with a society, a corporate and political complex just as corrupt as that which Sam Gompers faced, which John Mitchell and Andrew Fureseth faced, and which Walter Reuther faced. But are we willing to make the same sacrifices; to run the same personal risks, to take the same chances that they took?

As labor leaders, we are individually and collectively stronger than labor leaders have ever been in history. We and our unions represent potentially an infinite force for good, for justice, for equality, for world peace. Are we realizing the full potential of our power?

We hold in our heads and our hands the power to make or break not only the nation's economy but the economy of the entire world. Are we willing to subjugate our own natural and selfish desires to the common good of all men everywhere?

We have a frightening challenge in front of us in a world that is only 19 percent free. We have a challenge to restore faith in our Government—to see that men and women of integrity and character are elected to office.

We have a challenge to restore full employment—to provide the best imaginable education for our youngsters—and to provide peaceful and healthy security for our aged. We have a challenge to keep mankind free from wars and to divert the costs of war to peacetime pursuits of happiness; literally to hammer our swords into plowshares.

I don't know what we shall find within ourselves when we make our examinations of conscience, but I feel it is time we begin to appraise our role as citizens of the world—as the common children of God—as the brothers and sisters of every man and woman who walks the earth.

I am irresistibly moved to remember the third verse of organized labor's anthem:

"In our hands is placed a power greater than their hoarded gold;

"Greater than the might of armies, magnified a thousand fold;

"We can bring to birth a new world from the ashes of the old."

We *do* hold in our minds and in our hearts and in our hands the power to make and inhabit this brave new world—a world without limitations—without hatreds—without horizons.

But this brave new world is one we can inhabit and enjoy only if we do so together.

It is time for us—as aspirants of secular apostleship—to join hands—to lift up our eyes—and to comprehend the golden future which is ours to make and to keep.

RETIREMENT OF LAURIE C. BATTLE

HON. ROBERT E. JONES

OF ALABAMA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 16, 1976

Mr. JONES of Alabama. Mr. Speaker, Laurie C. Battle, my good friend and fellow Alabamian, has resigned as Chief Counsel and Staff Director of the House Committee on Rules, and all of us in the Congress who knew and worked with this dedicated man regret his departure most deeply.

Laurie and I entered the Congress together in 1947, and in the years we served together, I came to treasure his friendship and to admire his manifold talents and abilities. He earned an enviable reputation among his colleagues for his grasp of world affairs and is internationally celebrated for his authorship of the "Battle Act," controlling trade in war materials with nations that pose a threat to our national security.

After 8 years in Congress, Laurie Battle voluntarily gave up his seat in the House and told us he would not seek public office again. But he could not break his ties with the Congress, and when the Rules Committee called on him in 1965, he returned to serve for another 10 years as its Chief Counsel and Staff Director with the same outstanding quality of character and performance he displayed as a Member.

In the truest sense, our good friend and former colleague earned his place in life. He worked his way through college and graduate school to an A.B. at Birmingham Southern and a master's degree at Ohio State University, where he met and married his lovely wife, Janis. When World War II burst upon us, he enlisted in the Air Force as a private and rose through the ranks to major, winning the Bronze Star and a number of battle stars for service in the Pacific Theater.

Laurie has left us now to work for the U.S. League of Savings and Loan Associations as a special adviser on legislation, and I know of no one more qualified for such a position. I know that every Member of the House joins me in wishing our great and good friend well in his new career.

RIGHTS FOR WASHINGTON

HON. JONATHAN B. BINGHAM

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 16, 1976

Mr. BINGHAM. Mr. Speaker, today the House debates the proposed constitutional amendment, House Joint Resolution 280, to provide the District of Columbia with full voting representation in both Chambers of the Congress.

Our colleague from California, Representative DONALD EDWARDS, is to be highly commended for his leadership in this matter as chairman of the House Judiciary Subcommittee on Civil and Constitutional Rights.

I insert herewith an editorial on the subject which appeared in the San Francisco Chronicle for March 14:

RIGHTS FOR WASHINGTON

A letter to the Chronicle from Representative Don Edwards (Dem-San Jose), chairman of the House Judiciary subcommittee on civil and constitutional rights, says:

"Probably the most important civil rights issue of 1976 will be coming up in the House of Representatives on Tuesday, March 16. The issue is whether or not the 750,000 residents of the District of Columbia should be given the right to vote in congressional elections, as are all other citizens of the United States. For 176 years District of Columbia residents have had no voice in the government that controls their affairs, taxes them, and exercises complete legislative authority over them. This fundamental inequity must be corrected in this Bicentennial Congress, if the Founders' goal of 'No taxation without representation' is to be fully realized."

On the face of it, Chairman Edwards' statement is entirely reasonable and plausible—citizens and taxpayers anywhere in the union should surely have voting rights not unequal to those of other citizens and taxpayers. If not, what do we really mean when we utter the sacred concepts of "one man, one vote," of "equal protection of the laws" and so on?

It turns out that we really mean that all citizens are equal in their rights to representation only if they live within the borders of states, not if they happen to live in federal territories, such as Hawaii and Alaska were before statehood rescued them, and such as in effect the District of Columbia still is. By historic origin and the Founding Fathers' oversight the District, seat of the greatest experiment of federal self-government on earth, had almost without exception through the 19th and most of the 20th centuries been a no man's land of self-government for the people who lived there. Finally, in 1961, the District citizens were given the right to vote for president and vice president, in 1970 for a nonvoting delegate in Congress, and in 1973 for local home rule.

From this it can be seen that Washington has lately been moving forward in grace and favor toward equality with other Americans. But though their population—765,510—makes them more populous than Alaska, Delaware, Idaho, Montana, Nevada, New Hampshire, North and South Dakota, Vermont and Wyoming, the residents of the District of Columbia have only the obligations, not the basic representational rights, of citizens of the United States.

The Edwards subcommittee will be arguing on the floor of the House on Tuesday that the Constitution should be amended to provide the District with two Senators and the number of Representatives that it would be entitled to if it were a state. Manifestly, this would add two Senators to 100, diluting the strength of the existing states to the no doubt great objections of some. But, it is argued, each state will have two votes and none will be deprived of "equal suffrage."

It was Richard M. Nixon who first gave presidential support for the representation of Washingtonians in Congress: announcing in 1972 his plans for the Bicentennial, he felt there was nothing that could be done in the Bicentennial Year "more meaningful or more appropriate to the Spirit of '76 than granting this city and its people first-class status," and there must be a good many Americans who would agree with that Nixonian precept, if not with others. One would, however, be sanguine to suppose it will be easy to attract a two-thirds vote in the House this week, or in the Senate later, to send this proposition on its round of the state legislatures.

AMERICA VOTE 1976

HON. FORTNEY H. (PETE) STARK

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 16, 1976

Mr. STARK. Mr. Speaker, in recent years the falloff in voter turnout has been dramatic and needs serious attention from all public officials.

In my district one city has already started to tackle the problem with enthusiasm. Alameda, Calif., has adopted the goal and slogan of being "The Votingest City" in America during the Bicentennial Year.

Several civic groups in Alameda banded together before the 1975 municipal elections to reregister voters who had been dropped from the rolls and to register new voters moving to town or reaching the voting age.

In a few short weeks over 4,000 voters were added to the voting rolls in this city of 77,000. And the turnout at the municipal election was 65 percent of the registered voters, compared with only 57 percent at the previous municipal election.

That is a record of civic achievement that any city can envy. We can indeed be proud of the Alameda PTA Council, the League of Women Voters, the Jaycees, the Chamber of Commerce, Boy Scouts, Girl Scouts, Camp Fire Girls and others each playing a role in training registrars, distribution of voter handbills, the candidates parade, the evening forum, and other events.

NATIONAL BICENTENNIAL CONTEST

Alameda has challenged any other city to compete with registration and voter turnout drives to see which can be the "votingest" city. Already cities and towns in 31 States have entered the competition. With Presidential primaries, State primaries and the general election coming up in 1976 there will be many opportunities for citizens across the country to prove they can increase registration and voter turnout and end voter apathy.

And if I judge the enthusiams and dedication of the people of Alameda, old records of voter turnout will fall one by one and a new sense of civic pride will underline the real meaning of the Bicentennial birthday celebration.

As the San Francisco Chronicle said editorially about the contest, it is "a form of noncommercial celebration of the 200th national birthday that seems eminently worthwhile."

AFL-CIO FLUNKS SPENDING TEST

HON. JOHN M. ASHBROOK

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 16, 1976

Mr. ASHBROOK. Mr. Speaker, at the end of every session of Congress the AFL-CIO News carries a wrap-up of congressional activities. Following opening remarks by Andrew Biemiller, Director of the AFL-CIO Department of Legislation and Alexander Barkan, Director of COPE, the News prints what it calls "labor's report card" on the votes of Representatives and Senators.

Each Member of Congress is rated on whether he or she votes in accord with the position advocated by the AFL-CIO. These ratings supposedly show that a Member is either a friend of labor or a foe of labor. Readers are encouraged to help in "reelecting our friends—elect new friends—and replace antiworker incumbents."

Unfortunately the AFL-CIO rating charts do not accurately indicate who is a friend of the working man and woman in this country. Instead, they show who is a friend of the big spenders.

The bills and amendments backed by the AFL-CIO establish a consistent pattern of irresponsible spending. On issue after issue the AFL-CIO position calls for more spending by the Federal Government. Hardly ever, on the other hand, does the AFL-CIO favor reduced spending.

Let us take a look at the votes selected by the AFL-CIO from 1971 through 1975. In these five sessions of Congress the AFL-CIO rated Members on 68 votes, 33 of which had to do with spending. Of the 33 votes relating to spending, the AFL-CIO supported more spending every time. Never did it back less spending. Following is a year-by-year breakdown of the votes.

VOTES IN 1971

During 1971 the AFL-CIO based its ratings on 12 votes. Nine of these had to do with Federal spending. On every occasion the AFL-CIO position would have resulted in more spending. These votes were as follows:

Recorded Teller Vote No. 2. House Joint Resolution 468, an amendment to cut off $289 million for continued development of the SST. Approved by the House on March 18 by a vote of 217 to 204. The AFL-CIO opposed the amendment.

Rollcall No. 52. H.R. 7016, an amendment to increase Federal funding of education by $728.9 million. Defeated by the House on April 7 by a vote of 188 to 191. The AFL-CIO supported the amendment.

Rollcall No. 66. H.R. 5376, a motion to recommit that would have eliminated the $2 billion accelerated public works program. Defeated by the House on April 22 by a vote of 128 to 261. The AFL-CIO opposed the amendment.

Recorded Teller Vote No. 113. H.R. 8141, a substitute to the public service jobs bill that would have established a less expensive revenue-sharing approach. Defeated by the House on June 2 by a vote of 182 to 204. The AFL-CIO opposed the amendment.

Rollcall No. 161. H.R. 9270, an amendment to prevent strikers from receiving food stamps. Defeated by the House on June 23 by a vote of 172-225. The AFL-CIO opposed the amendment.

Rollcall No. 227. H.R. 8432, a bill providing Lockheed with a $250 million federally guaranteed loan. Approved by the House on July 30 by a vote of 192 to 189. The AFL-CIO supported the bill.

Rollcall No. 282. H. Res. 596, a resolution to override the President's decision to defer the $1.2 billion Federal pay raise. Defeated by the House on October 4 by a vote of 174 to 207. The AFL-CIO supported the resolution.

Rollcall No. 438. S. 2007, a conference report providing for a comprehensive child development program run by the Federal Government. Approved by the House on December 7 by a vote of 211 to 187. The AFL-CIO supported the report.

Rollcall No. 469. H.R. 6065, a conference report providing for a 13-week extension of unemployment compensation. Approved by the House on December 15 by a vote of 193 to 149. The AFL-CIO supported the report.

VOTES IN 1972

In 1972 the AFL-CIO selected 11 votes. Five of these involved Federal spending matters. In all five instances the AFL-CIO came out for more spending. Following are these votes.

Rollcall No. 205. H.R. 15417, an amendment to increase Federal funding of education by $364 million. Approved by the House on June 15 by a vote of 212 to 163. The AFL-CIO supported the amendment.

Rollcall No. 243. H.R. 15587, a bill providing for a 6-month extension of the emergency unemployment compensation program at a cost of $120 to $220 million. Approved by the House on June 28 by a vote of 275 to 108. The AFL-CIO supported the amendment.

Rollcall No. 247. H.R. 15690, an amendment to prevent strikers from receiving food stamps. Defeated by the House on June 29 by a vote of 180 to 199. The AFL-CIO opposed the amendment.

Rollcall No. 273. H.R. 13853, a bill to increase spending for public works projects by $5 billion. Defeated by the House on July 19 by a vote of 190 to 206. The AFL-CIO supported the bill.

Rollcall No. 331. H.R. 16071, an amendment to save approximately $100 million by deleting a provision guaranteeing unemployment compensation benefits for job losses resulting from pollution control orders. Defeated by the House on August 16 by a vote of 161 to 201. The AFL-CIO opposed the amendment.

VOTES IN 1973

Representatives were judged on 11 votes in 1973. Federal spending was at issue in four of these votes. In each instance the AFL-CIO favored more Federal spending. These votes were as follows:

Rollcall No. 291. H.R. 8877, an amendment to reduce Departments of Labor-Health, Education, and Welfare appropriations by $631 million. Defeated by the House on June 26 by a vote of 186 to 213. The AFL-CIO opposed the amendment.

Rollcall No. 355. H.R. 8860, an amendment to prevent strikers from receiving food stamps. Approved by the House on July 19 by a vote of 213 to 203. The AFL-CIO opposed the amendment.

Rollcall No. 449. S. 504, a vote to override the President's veto of a $185 million health care appropriation. The veto was sustained by the House on September 12. The AFL-CIO supported the veto override.

Rollcall No. 571. H.R. 9142, an amendment to limit the allowance for transferred railroad employees costing $36 million. Defeated by the House on November 8 by a vote of 187 to 198. The AFL-CIO opposed the amendment.

VOTES IN 1974

In 1974 the AFL-CIO ratings were based on 11 votes, 6 of which involved Federal spending. On each of the six votes the AFL-CIO position was for more spending. These were as follows:

Rollcall No. 159. H.R. 14013, an amendment to provide an additional $150 million for public service jobs. Approved by the House on April 10 by a vote of 236 to 168. The AFL-CIO supported the amendment.

Rollcall No. 214. H.R. 8053, a vote to adopt the rule on a bill to establish a Federal postcard voter registration system at a cost of $50 million. Defeated by the House on May 8 by a vote of 197 to 204. The AFL-CIO supported the rule.

Rollcall No. 233. H.R. 13834, a veto override of an energy bill that among other things would have established an unemployment compensation fund for workers losing their jobs as a result of the energy crisis. The House on May 21 failed to override by a vote of 191 to 207. The AFL-CIO supported the override.

Rollcall No. 278. H.R. 15155, an amendment to delete $800,000 in funds for the Dickey-Lincoln power project. Defeated by the House on June 6 by a vote of 186 to 201. The AFL-CIO opposed the amendment.

Rollcall No. 289. H.R. 10294, a vote to adopt the rule on a Federal land use planning bill that would have cost $800 million. Defeated by the House on July

11 by a vote of 204 to 211. The AFL-CIO supported the rule.

Rollcall No. 316. H.R. 15472, an amendment to prevent strikers from receiving food stamps. Defeated by the House on June 21 by a vote of 147 to 169. The AFL-CIO opposed the amendment.

VOTES IN 1975

The year 1975 brought more of the same. Nine out of the 23 votes related to Federal spending. In each of the nine cases the AFL-CIO favored more spending. These votes were as follows:

Rollcall No. 123. H.R. 5901 an amendment to increase Federal funding of education by $487.5 million. Approved by the House on April 16 by a vote of 259 to 143. The AFL-CIO supported the amendment.

Rollcall No. 201. H.R. 4296, a vote to override the President's veto of a farm bill that would have resulted in the payment of hundreds of millions of dollars in Federal subsidies. The veto was sustained by the House on May 13 on a vote of 245 to 182. The AFL-CIO supported the veto override.

Rollcall No. 227. H.R. 5247, a bill authorizing $5 billion in Federal spending for public works projects. Approved by the House on May 20 by a vote of 312 to 86. The AFL-CIO supported the bill.

Rollcall No. 258. H.R. 4481, a vote to override the President's veto of a $5.3 billion public service jobs bill. The veto was sustained by the House on June 4 on a vote of 277 to 145. The AFL-CIO supported the veto override.

Rollcall No. 351. H.R. 4485, a vote to override the President's veto of a $2 billion housing bill. The veto was sustained by the House on June 25 on a vote of 268 to 157. The AFL-CIO supported the veto override.

Rollcall 640. H.R. 8672, a bill to provide $240 million for jobs for railroad workers. Approved by the House on October 23 by a vote of 261 to 129. The AFL-CIO supported the bill.

Rollcall No. 691. House Concurrent Resolution 466, an amendment to increase new budget authority by $7.5 billion. Approved by the House on November 12 by a vote of 213 to 203. The AFL-CIO supported the amendment.

Rollcall No. 698. H.R. 10647, an amendment to a supplemental appropriations bill to put some limits on the food stamp program. Defeated by the House on November 13 by a vote of 159 to 230. The AFL-CIO opposed the amendment.

Rollcall No. 740. H.R. 10612, a motion to recommit the tax bill with instructions to establish a $395 billion Federal spending ceiling. Defeated by the House on December 4 by a vote of 202 to 220. The AFL-CIO opposed the motion.

TWO HUNDRED YEARS AGO TODAY

HON. CHARLES E. WIGGINS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 16, 1976

Mr. WIGGINS. Mr. Speaker, 200 years ago today, on March 16, 1776, the Continental Congress passed a resolution declaring May 17 a day of fasting and workship, and supplicating the Lord's help in the struggle with Great Britain. The resolution read in part:

> In times of impending calamity and distress; when the liberties of America are imminently endangered by the secret machinations and open assaults of an insidious and vindictive administration, it becomes the indispensable duty of these hitherto free and happy colonies, with true penitence of heart, and the most reverent devotion, publicly to acknowledge the over-ruling providence of God; to confess and deplore our offences against him; and to supplicate his interposition for averting the threatened danger, and prospering our strenuous efforts in the cause of freedom, virtue, and posterity.

THE "SUNSET" CHALLENGE

HON. ROBERT W. KASTEN, JR.

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 16, 1976

Mr. KASTEN. Mr. Speaker, I noted with interest and pleasure a column in this morning's Washington Post which I would like to share with my colleagues. Titled, "The 'Sunset' Challenge to Bureaucratic Growth," the column by Neal R. Pierce describes a bill nearing final passage in the Colorado State Legislature which will institute a self-destruct mechanism for State regulatory agencies unless they are specifically reauthorized by the legislature every 7 years.

This concept is very similar to H.R. 11730, which I have cosponsored, to require comprehensive reform of all Federal regulatory agencies on a rigid, 5-year timetable. Deadlines built into the bill require the President to submit reorganization plans to Congress each year between 1977 and 1981 for a specified group of the 35 Federal agencies involved. If Congress does not act by a specified deadline, the President's reforms would go into effect. If no reforms are initiated or enacted the agencies would automatically lose most of their powers.

Mr. Speaker, I believe the Members of Congress should weigh the implications of the broad-based, varied support of this legislation at a State level. It is certainly indicative of the growing unrest among the American public with the growth and unresponsiveness of the Government bureaucracy. I hope this will provide further encouragement for Congress to move forward with the needed Federal reforms.

I insert the article to be printed at this point in the RECORD:

THE "SUNSET" CHALLENGE TO BUREAUCRATIC GROWTH

(By Neal R. Pierce)

DENVER.—Can the mindless growth of bureaucracy, characterized by the layering of self-serving regulatory agencies that virtually defy public oversight and control, be stemmed? Perhaps not. But here in Colorado's state capital, the freshest and possibly most significant law of the '70s to do just that is moving toward passage.

The proposal has a catchy name—the "sunset" law. It would force automatic termination—the "sunset"—of state regulatory agencies every seven years, unless the legislature gives them a specific new lease on life.

No other state, and certainly not the federal government, has ever set up a comprehensive plan to review the operations of agencies and commissions on a systematic basis, with a triggering mechanism as effective as the threat of extinction.

It's not just the uniqueness of the Colorado law, however, that may make it one of the most important legislative initiatives of our times.

First, there is the law's sponsorship. It was conceived, and named, by the Colorado chapter of Common Cause. After some initial skepticism, national Common Cause has now made "sunset" one of its legislative priorities. That means a formidable lobbying force, both in Washington and state capitals, is in place to push the concept.

Second, the sunset idea has broad political appeal. The bill passed the Colorado House 55-11, with representatives of every ideological stripe in favor. The chief House sponsor was a consumer-oriented liberal Democrat, Gerald Kopel; the chief Senate sponsor, where passage seems imminent, is that body's conservative Republican president, Fred Anderson.

Third, Colorado is establishing a model that may be copied soon by Congress. Sen. Edmund S. Muskie, D-Maine, with cosponsors including Sens. Henry S. Bellmon, R-Okla., John H. Glenn, D-Ohio, and the two Senate party leaders—Mike Mansfield, D-Mont., and Hugh Scott, R-Pa.—has even proposed putting all federal programs on a four-year authorization cycle. Senate hearings on the Muskie bill start this Wednesday, with the Colorado Legislature sponsors and state Common Cause board chairman, Sidney Brooks, scheduled to testify Thursday.

Colorado has opted for a more modest pilot effort, striking first at that soft underbelly of state government—the multitude of regulatory boards and commissions that often turn out to be little beds of monopoly, restricting competition and driving up prices under the cloak of state power.

After a study of state licensing boards across the nation, the U.S. Labor Department concluded they are "frought with chaotic and inequitable rules, regulations and requirements and prone to restrictive and exclusionary practices as a result of pressures exerted by special interest groups."

No one questions the need for state commissions to regulate utilities, or regulations to protect citizens against fraud or health-endangering products in such areas as drugs, dentistry or medicine. But why does New Jersey, for instance, need to license such occupational groups as goats' milk dealers, tree experts and well drillers? Why must Illinois regulate egg dealers and wholesale minnow dealers?

Colorado's Board of Cosmetology considers such problems as acne scars and split hair ends so grievous that a prospective hairdresser must undergo 1,650 hours of instruction, including 100 hours of supervised practice at shampooing.

Most frequently, state licensing boards are comprised of members of the regulated profession—a practice reminiscent of the exclusionary medieval guild system. Plumbers watch over plumbers, doctors police doctors, cemetery keepers and nursing home administrators take care of their own.

The added costs for consumers probably number in the billions of dollars annually.

According to Brooks, the sunset bill will fight "regulatory obesity" through 1) the automatic termination provision; 2) shifting the burden of proof to an agency to show it is performing a valuable public service; 3) forcing the legislature to perform its often-neglected oversight responsibility; and 4) requiring public hearings on extending agencies, so that citizens and consumer groups can have a voice.

Several refinements have been added to the Colorado sunset bill. One requires that all agencies in a related field come up for review simultaneously, so they can be considered as a group and, in some cases, consolidated.

Another change provides a year's grace if the legislature fails to act on extending an agency. In that extra year, popular support for an important agency could be built up, even if a committee chairman had tried to bottle up an extension bill. The extra year would also minimize danger of arbitrary termination of a politically vulnerable agency, such as a civil rights commission.

Finally, Common Cause has agreed to an amendment by Sen. Anderson to require preparation, by an auditing arm of the legislature, of a full-scale performance audit report on each agency as it comes up for renewal. The report, Anderson claims, will provide "a solid case for judgment" on whether to extend a board or not, and reduce the influence of special interest lobbying.

On the surface, the sunset law looks quite different from the ethics issues—campaign spending, lobbying disclosure and "sunshine" laws to open up government meetings—on which Common Cause cut its teeth.

But ethics, sunshine and sunset laws have one thing in common; making government more accountable. Sunset has the virtue of appealing to conservatives as well as liberals. It has caused some conservative Colorado legislators to note, quite incredulously, that they are making "common cause" with Common Cause for the first time.

Thus Colorado Common Cause may have developed a thrust that could keep the citizen's lobby, with so many successes in the ethics area already to its credit, alive and influential on the state and national scene for years to come.

The sunset law also places Common Cause at the cutting edge of an overriding issue of our times—controlling the growth of bureaucracies, lest government, by its very complexity and distance from average citizens, becomes paralyzed and incapable of performing its essential tasks.

UNIONIZING THE MILITARY

HON. BOB WILSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 16, 1976

Mr. BOB WILSON. Mr. Speaker, I include the following article from the San Diego Evening Tribune of February 20:

Unionizing the Military

Now that military pay and benefits have been increased to attract volunteers to an all-volunteer defense force, it was predictable that the level of pay and benefits would become more important to the members of that force.

The economic advantages of serving in the peacetime military services have been stressed.

It must be remembered, however, that a military job is not an ordinary job. In wartime patriotic duty must become the dominating motive, and material considerations become secondary.

Therefore the introduction of labor union organizations into the ranks of our fighting men would be inappropriate. The collective bargaining and grievance procedure that is followed in private industry and, increasingly, in public employment would be out of place in the military.

And yet labor unions—the American Federation of Government Employes, the National Maritime Union and the Association of Civil Technicians—are thought to be ready to start organizing the three million men in uniform.

Many career servicemen here, in Hawaii and the San Francisco area favor a union, according to a survey by the Fleet Reserve Assn. They feel they need some kind of organization to protect their benefits.

Organization may be desirable, but not on the labor union model and not involving labor union organizers.

Military men are their own breed, holding their own kind of pride. Theirs is a special role in our society. They should have their own special organization, if they need one to lobby for them in Washington.

Meanwhile, our representatives in Washington should go slow whenever they are tempted to start trimming military benefits, lest they drive the troops into the arms of union organizers.

OF LITTLE IMPORTANCE TO PEOPLE BACK HOME

HON. CHARLES E. GRASSLEY

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 16, 1976

Mr. GRASSLEY. Mr. Speaker, I would like to bring to the attention of the Members of the House a statement made by a resident of the Third Congressional District of Iowa, which points out in a devastatingly simple manner how we in Congress often misdirect our attention into matters that are really of very little importance to the people back home, while ignoring important matters which in a very real sense are matters of life and death for them.

In a recent letter to me Mr. M. D. Gibson of Cedar Falls, Iowa, stated:

> I am sure that when we and the rest of the country locks, chains, bolts our doors at night, keeps a loaded gun close by, we are not afraid of nor do we fear the police or the F.B.I. or any other law enforcement agency.

It is all well and good to make sure that the FBI and CIA are not breaking any laws, but how can we as Congressmen justify the countless hours we have spent on these subjects while never seriously considering doing something about the crime problem in America. Every day countless numbers of innocent Americans suffer at the hands of criminals who perform ruthless acts of violence upon them. The rate of these crimes is not only high, but it is growing at a phenomenal pace.

And what have we as a Congress done about it? Nothing. Not one thing.

We have become preoccupied with international intrigue while our people back home are crying for relief from the domestic criminal sector.

Mr. Speaker, I suggest that this Congress would be viewed in better light by the citizens of this country if we worried a little more about protecting elderly ladies from purse snatchers, young girls from rapists, and children from child molesters, than keeping Fidel Castro insulated from poisoned cigars.

CHANGING THE CAMPAIGN LAW

HON. BILL FRENZEL

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 16, 1976

Mr. FRENZEL. Mr. Speaker, today the Washington Post ran a uncharacteristically enlightening editorial entitled, "Changing the Campaign Law."

The editorial staff correctly describes the bill we are going to be asked to consider as a "bulky, odd-shaped package that contain some useful provisions, some undesirable ones and some that are downright mischievous."

The Post, a past proponent of public financing, also correctly points out that we have enough to do to clean up the current bill without considering the public financing of congressional campaigns. Since we have yet to evaluate the success or failure of the experience with the presidential public financing, it would be unwise to consider expanding this use of taxpayers' money in election campaigns.

The editorial follows and I commend it to my colleagues:

Changing the Campaign Law

When we last looked in on the question of amending the campaign laws, Rep. Wayne L. Hays (D-Ohio) and some allies were busy cementing a deal. Under this plan, the Federal Elections Commission would be reconstituted as mandated by the Supreme Court, but the commission's independence would be limited—and Congress would also take the opportunity to write new rules for political action committees, giving business groups less money-raising range and labor groups a little more.

Well, a familiar thing happened on the way to the floor. Members of both the House Administration Committee and the Senate Rules Committee had some further thoughts, primarily on ways to make compliance with the law less of a bother and investigations less of a threat. As a result, the bills now before the Senate and awaiting House debate are bulky, odd-shaped packages that contain some useful provisions, some undesirable ones and some that are downright mischievous.

To start with, many legislators are worried that the FEC and its staff could become too free-wheeling or too strict, so that candidates might face criminal prosecution for minor mistakes, or be hurt by endless investigation of a frivolous or malicious complaint. Thus the pending bills would remove criminal sanctions for minor violations, emphasize conciliation and civil penalties, and require complaints to be signed and sworn. Moreover, any official action—an investigation, rule-making or even the design of a form—would have to be approved by 4 of the 6 commissioners. These changes are generally constructive. However, it is too restrictive to require, as the Senate bill does, that two commissioners from each party must agree to anything.

The bills also invite trouble by cloaking crucial parts of the regulatory process in secrecy. This would be done by imposing criminal penalties on any FEC official who discloses any information about any pending case without the consent of the candidate involved. Meanwhile the candidate would be free to say anything he likes about the case or the FEC. Surely some less heavy-handed and more even-handed way can be found to enforce discipline and inspire some sense of responsibility on the part of FEC officials.

From there, the bills go rapidly downhill.

Congressional influence over the commission would be intensified. Public disclosure of campaign finances in candidates' home states would be curtailed. Under the Senate bill, contributors would no longer have to identify their business affiliations, thus making it harder to find out who has given how much to whom. The House measure, meanwhile, would raise the ceiling on *cash* contributions from $100 to $250; that is blatant invitation to abuse. Finally, the House committee, which is quite shameless where the interests of incumbents are concerned, even adopted an amendment that would block the FEC from looking into the activities of any congressman's staff—as long as the legislator says that his aides are doing official business.

Such provisions are so cynical that it is hard to believe they may survive. Yet most members of Congress seem preoccupied with other aspects of the bills. The most intricate dickering has been over what political committees, especially business groups, may and may not do. Some Republicans are suggesting, for instance, that President Ford may veto the bill if it bars corporate political action groups from soliciting funds from middle-level nonunion employees as well as stockholders and executives. Such intense interest in the flow of money may be inevitable in an election year. In the current political climate, however, maneuvers that obivously favor any special-interest group could cost a candidate a large amount of general public regard.

It is also untimely, in our view, for the self-styled champions of "campaign reform" to make a major push for public financing of congressional campaigns. Regardless of the appeal of such a plan, consideration of it ought to be deferred until the impact of contribution limits and public funding of presidential campaigns can be evaluated properly next year. For now, those legislators who do want serious, effective regulation of campaigns have quite enough to do in terms of cleaning up the measures that the two committees have devised.

To provide information on the scope of the "cleaning-up" recommended by the editorial, I attach the following list of substantive changes from existing law which are now in the Hays bill. This is an awesome list in any case, but in consideration of the fact that it was created without benefit of a single witness or a single hearing, it becomes even more frightening.

The list follows:

FEDERAL ELECTION CAMPAIGN ACT AMENDMENTS OF 1976

Section 101:

1. Reconstitutes the Federal Election Commission.

2. Establishes new conditions for Members of the Commission.

3. Gives FEC "exclusive and primary jurisdiction" over civil enforcement.

4. Requires a vote of 4 Commissioners for FEC action.

5. Continues present Commission until new appointees qualified.

Section 102:

1. Excludes oral contracts from contribution definition.

2. Excludes legal and accounting services for national committees and presidential candidates from contribution definition.

3. Exempts contributions to national or state party committee for the construction or purchase of an office building.

Section 104:

1. Reduces filings in off years.

2. Redefines relationships between independent committees and candidates.

3. Increases reports immediately before elections for independent expenditures.

4. Requires FEC to publish indices of independent expenditures on timely pre-election basis.

Section 105: 1. Removes sections struck down by the Supreme Court.

Section 106: 1. Provides more flexibility in depositories.

Section 107:

1. Makes all FEC forms subject to a veto by a single House of Congress.

2. Gives FEC civil powers in Chapter 95 and 96 of the Internal Revenue Code.

Section 108:

1. Takes away advisory opinion authority of FEC by forcing opinions to become regulations in 30 days which are subject to a veto by a single House of Congress.

2. Expands definition of those who can rely on an advisory opinion.

3. Effectively repeals all existing advisory opinions of FEC.

Section 109:

1. Requires sworn affidavit for complaint.

2. Provides criminal penalty for falsely sworn complaint.

3. Protects any employee of an elected Federal official from FEC investigation.

4. FEC given exclusive civil remedy authority—not appealable through court until after 90–150 days.

5. Prohibits FEC from civil action for 30 days, except before elections.

6. Forbids FEC to ask that illegal practices be enjoined until after 30 days except immediately prior to election.

7. Eliminates jail penalties for civil violations.

8. Eliminates jail penalties for knowing and willful violations of less than $5,000.

9. FEC given power to conciliate—and assess fines up to $10,000.

10. Establishes penalties (fines only) for civil violations.

11. Establishes appeal process for persons aggrieved by FEC decisions.

12. Makes FEC a kind of prosecutor in civil cases.

13. Provides appeals are to be advanced on docket—but only after 150 days.

14. Requires Attorney General to make reports to FEC 60 days after referral of violation.

15. Requires FEC to publish new indices of reports, but no funding or contract authority given.

16. Provides fines up to $5,000 if a Commission Member or employee knowingly and willfully makes public an investigation.

Section 110:

1. Directs FEC to audit presidential candidates first before congressional candidates.

2. Provides that regulations can be vetoed "in whole or in part".

3. Provides non-debatable preference rule for veto resolutions in House.

4. Forbids use of any guideline, advisory opinion, rule or regulation by FEC in any enforcement proceeding unless former has been approved by Congress.

Section 111: 1. Prohibits FEC from acting on complaints within 5 days of an election.

Section 112:

1. Reduces contribution limits to committees and by committee.

2. Prevents proliferation of political action committees.

3. Prevents corporate PACs from soliciting all employees.

4. Limits Trade Association PACs from soliciting all employees.

5. Limits solicitation involvement of corporation to a single trade association.

6. Gives union PACs exclusive rights to solicit certain employees.

7. Forces check-off (now prohibited) for union PACs, if corporate PAC uses one.

8. Provides for publication and distribution of political statements.

9. Removes jail penalties on contribution by foreign nationals if less than $5000 violation.

10. Removes jail penalties on contributions in name of another if less than $5000 violation.

11. Increases allowable cash contributions by 250%.

12. Removes jail penalties on contributions in cash over $250 if less than $5000 violation.

13. Removes jail penalties for excessive honoraria if less than $5,000 violation.

14. Provides jail penalties for only willful and knowing offenses over $5,000; none under.

15. Removes jail penalties for fraudulent misrepresentation of campaign authority.

Section 113: 1. Provides for a savings provision relating to any repealed section of existing law for prosecution or enforcement purposes.

Section 114: 1. Allows candidate's committees to contribute to other candidates.

Section 115:

1. Puts FEC out of business March 31, 1977, either House votes to dissolve.

2. Directs appropriate committee of the House and Senate to conduct a review of election law and report to the House by March 1, 1977.

Section 116: 1. Technical and conforming amendments.

Sections 201, 202, Title II: 1. Removes most election law features from Title 18, Criminal Code, and moves to Title 3.

Section 301, Title III: 1. Limits personal expenditures of presidential candidates if federal funds are accepted.

Section 301: 1. Limits federal campaign funds to amounts in check-off funds.

Section 303: 1. Excludes legal and accounting services for presidential nominating conventions from expenditure definition.

Section 304: 1. Provides that regulations issued for Chapters 95 and 96 of the Internal Revenue Code can be vetoed "in whole or in part".

2. Provides non-debatable preference rule for said veto resolutions in House.

Section 305: 1. Technical amendment.

Section 306: 1. Conforming amendment.

Section 307: 1. Redefines the term "candidate" relating to the presidential race.

2. Provides pay-back of federal monies if presidential candidate ceases to be active in one or more states.

Section 308: 1. Technical and conforming amendments.

SUPPORT OF BLACK LUNG BENEFITS REFORM ACT

HON. STEPHEN J. SOLARZ

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 16, 1976

Mr. SOLARZ. Mr. Speaker, I was in Montreal on Tuesday, March 2, to speak to a conference on the prospects for peace in the Middle East. Were it not for my strong feelings on this vital issue, I would have been here to lend my support to the Black Lung Benefits Reform Act.

Specifically, I would have voted for the Rules Committee report and the final passage of the bill. I would have also voted against an amendment to strike the section of the bill giving black lung benefits to widows of miners killed in underground mines after 17 years of employment in the coal mines. Fortunately, my presence was not critical to the outcome of any of these votes and the bill passed with all its benefits for widows intact.

A CONSPIRACY, PART 2

HON. CHARLES B. RANGEL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 16, 1976

Mr. RANGEL. Mr. Speaker, yesterday I brought to my colleague's attention the first part of an article written by Carl Rowan concerning certain facts that tend to suggest that there is a conspiracy against black leaders in this Nation. I would like at this time to enter the conclusion of this most important article for my colleague's review. The text of the article follows:

[From Ebony, January 1976]

CONSPIRACY AGAINST LEADERS

LT. GOV. GEORGE BROWN

For more than two decades, George Brown built up a remarkable career as journalist, politician and civic leader in Colorado. Blacks across America rejoiced when he joined Dymally as one of only two black lieutenant governors in the whole land.

As Colorado's No. 2 man, Brown was immensely popular, with large numbers of whites saying openly, "He ought to be the governor."

Then Brown went to a lieutenant governor's conference in Alabama and gave a strange speech in which he made the false assertion that during World War II Alabamans had brandished his chest with the initials "KKK." A retraction, apology and explanation did not assuage the anger of Coloradans, many of them political foes of Brown. Suddenly someone in the Office of Accounts and Controls leaked vouchers of Brown's travels and the media was full of charges that Brown had illegally charged the state for $4,090.57 in travel expenses.

Richard D. Lamm, Colorado's first Democratic governor in 12 years, was already under heavy political fire. He panicked over this new charge against Brown. He didn't even bother to ask his black lieutenant governor for his side of the story before preparing a press release asking the District Attorney to investigate the charges against Brown, who had written a personal check reimbursing the state for what Brown said was a bookkeeping error.

Luckily for Brown, the grand jury insisted on knowing what practices were followed by previous lieutenant governors—and by other top state officials. The records showed that the "irregularities" charged to Brown were commonplace in Colorado.

Last Nov. 1, the grand jury voted not to indict Brown, leaving him clear of any criminal problems, but with a hard row to climb to get back to the political pinnacle he once enjoyed.

Meanwhile, lots of white Colorado officials were hustling to protect themselves, hoping they'd not be indicted for travel violations.

U.S. REP. WILLIAM L. CLAY

No outspoken black member of Congress—not Mrs. Chisholm, not even Adam Clayton Powell—has had to endure the variety of press allegations, editorial vilification and federal and state criminal investigations that has befallen William L. Clay, the St. Louis Democrat who in 1969 became the first black person elected to Congress from Missouri.

Clay first had widely-publicized charges of narcotics dealings hurled at him by a federal Organized Crime Strike Force in St. Louis. After months of stories that would have led many readers to believe that the congressman was a drug pusher, the U.S. Dept. of Justice announced that its investigation had cleared Clay. Deputy U.S. Attorney General Harold R. Tyler Jr. wrote Clay that the Department was closing its files on the narcotics probe.

The St. Louis Post-Dispatch, St. Louis' major white daily, had this to say in an editorial entitled "Smearing a Reputation":

. . . the Department's handling of the narcotics allegations has been a disgraceful affront to the principles of fair play.

To begin with, the charges were the fabrication of the Justice Department. A brief filed by . . . the Strike Force . . . at the narcotics trial of former State Representative John Conley, stated that a paid government informer could testify that Mr. Clay was in the presence of a known heroin dealer and that the sale of drugs was discussed. . . .

Acting Assistant Attorney General John C. Keeney, sent Mr. Clay a letter in January (1975) declaring that the brief "was a document prepared by the attorneys based on credible evidence."

Well, a funny thing seems to have happened to that "credible evidence." It has disappeared. . . .

The result of (its) reckless act, for which the Justice Department owes Mr. Clay an apology, has been a smearing of the Congressman's reputation. Beyond an apology, Attorney General Levi should inform Mr. Clay and his constituents why a government brief was put to so dishonorable a use.

Rep. Clay never got an apology. Federal authorities were too busy looking for other ways to "get" him.

But now the federal sleuths were chasing charges that Clay's 1974 campaign committees had committed certain illegalities and failed to report some contributions from labor organizations.

Last August 7, Clay got another letter from the Justice Department—this time informing him that investigation of his campaign contributions showed that no charges were justified, "Consequently, this matter has been closed in the criminal division."

Would you figure that Clay was home-free? His troubles had only begun.

The St. Louis Globe-Democrat, which had tried and failed to oust Clay in 1974 with editorials rarely matched in vitriol, carried a headline: "Possible Fraud in Clay Payroll Is Under Investigation by U.S."

The newspaper story said: "The Justice Department's investigation of the St. Louis congressman's payroll broadened this week after a Globe-Democrat story concerning Loretta V. Sanderson, who was a Los Angeles schoolteacher while listed as earning some $35,000 on Clay's payroll. She is a sister-in-law of Clay's top assistant, Michael E. McPherson."

The Globe-Democrat noted that, if found guilty of a conspiracy to defraud the government, Clay would receive five years in prison, a $10,000 fine and probably would have to give back to the government the money allegedly paid Miss Sanderson.

As this is written, his matter is before a grand jury in Washington, D.C. Clay may or may not be indicted; I've no idea what he is or is not guilty of, if anything. What I do know is that white congressmen have been putting relatives and friends on their payrolls from the first day that august body met, even as George Washington padded his expense accounts.

This is not to condone or justify the practice. It is to raise the question of whether it is a standard way to get rid of powerful or abrasive blacks by indicting them for doing things that are standard practice for white congressmen. And note, if you will, that if the grand jury decides Clay's payroll is not criminally out of order, the feds have another probe going. The Internal Revenue Service is conducting a "criminal investigation" of Clay's income taxes.

Clay told me that in 20 years he has never had a civil audit of his taxes—that's the genteel kind of audit that is a nuisance but not a threat—yet, all of a sudden he is told that he is under *criminal* investigation, which automatically means that the feds are looking for ways to send him to prison.

Clay thinks it's strange that, while he files his tax returns in the District of Columbia, it is a Missouri group that is carrying out the criminal investigation. He says that behind the income tax "fishing expedition" are the same people who tried to frame him on a narcotics charge.

There is no secret as to the force behind what Post-Dispatch columnist Jake McCarthy characterizes as a "Campaign Against Bill Clay." It is the Globe-Democrat.

In urging voters to unseat Clay in 1974 the Globe-Democrat described the congressman as "the original Mr. Protest in St. Louis." It called him "a vicious racist," arguing that "No decent person can subscribe to the bitter racial hatred promoted by Clay, who is a black Bilbo. Typical of Clay's boorish behavior was his boycott of President Nixon's State of the Union Address."

The Globe-Democrat urged voters in Missouri's 1st Congressional District to nominate Clifton W. Gates, a black banker and real estate man, instead of Clay in the Democratic primary. On August 5, 1974, virtually on the eve of the primary balloting, the Globe-Democrat published an editorial headlined "Hoodlum Support for Clay" with a photograph showing Clay standing with Fred D. Parker and Earl J. Davis, two men with long criminal records.

Clay told me that the photograph of him with Parker and Davis was *11 years old*. He said it was taken at a fund-raising affair at which people paid $2 to have their picture taken with the ward alderman (in this case, Clay), with $1 going to the photographer and the other $1 going to the ward organization. He said he was photographed with "all kinds of people" on that occasion, but makes it clear that he knew Parker and Davis were unsavory characters when they paid their money and stepped up for their photograph. His judgment at the time was not to provoke a dispute by declaring, "I won't have my picture taken with these guys."

Moreover, Clay said, *Davis was dead and Parker had been in prison for about three years when that picture was published,* so neither was "supporting" him.

Whatever the history behind the photo, it didn't sway many 1st District voters against Clay. He defeated Gates by more than a 2 to 1 margin, 37,513 to 17,195.

Meanwhile, Clay has filed a $12 million libel suit against the Globe-Democrat. One of these days we shall have a basis for deciding whether Bill Clay is a crook or, the victim of unconscionable harassment.

THE LATE DR. MARTIN LUTHER KING JR.

Surely the most infamous case of a possible conspiracy to drive a black leader out of power was that of J. Edgar Hoover's long vendetta against Dr. Martin Luther King Jr., coupled with the cooperation of a lot of other federal, state and city officials and newspaper editors.

Of late, Americans have been treated to repetition by columnist Jack Anderson and others of stories of how the FBI tried to destroy Dr. King's reputation in the late 1960s by spreading stories all over the U.S. and the world about the great civil rights leader's supposed "Communist ties" and "sexual transgressions." What a lot of people have forgotten—or never knew—is that the campaign to destroy Dr. King was begun by state officials in the South even before Hoover began to vent his spleen so viciously and illegally.

Early in 1960, Dr. King was charged with two counts of perjury by the State of Alabama in connection with the filing of his 1956 and 1958 state income tax returns. He was accused of understating his earnings by some $27,000 in those two years. Although he paid the state tax on the disputed amount, the charges nevertheless were pursued in the courts.

Dr. King was the *first* person in Alabama history ever to be charged with perjury in the filing of his income tax. The prosecutor admitted that the federal government normally handled such tax cases, but he defended the state's zealousness by saying "I would not expect the federal government to prosecute this defendant for any violation."

Apparently the federal government knew a hoked-up case when it saw one. Dr. King was acquitted of one perjury charge by a jury of 12 white men. The second indictment was dropped by the prosecutor a short time later for lack of evidence. Testimony to the flimsiness of the case was Circuit Solicitor William F. Thetford's explanation: "When we tried him before, the jury didn't think we had a case, and I don't think this case is any better."

A few months later, in October 1960, Dr. King was jailed in Georgia in an incident which may have changed the course of the 1960 presidential election.

On October 19, Dr. King was arrested for taking part in a sit-in demonstration at an Atlanta department store lunch counter. Judge Oscar Mitchell of DeKalk County, ruled that the arrest violated Dr. King's "probation" on a previous traffic charge, and he sentenced the civil rights leader to jail for four months. (The traffic case itself is an example of the petty harassment that black leaders are subjected to. Dr. King had received a one-year suspended sentence for driving with an Alabama license too long after he had moved to Georgia.)

The day after King's jailing, John F. Kennedy, then in the final days of a presidential campaign against Richard M. Nixon, called Mrs. King to express sympathy, and Robert Kennedy called the judge to see what could be done about furnishing bond. Two days later Dr. King was released on bond, and he never did serve the sentence. The Kennedy calls were credited with swinging thousands of black votes around the country and possibly providing JFK's narrow margin of victory.

A few years later, the Kennedy name became involved, along with the FBI, in the major effort to discredit Dr. King. The FBI, with the alleged approval of then-Attorney General Robert Kennedy, initiated wiretaps on Dr. King in 1964, tapped his phone, bugged his hotel rooms, and shadowed him right up to the time of his assassination on April 4, 1968.

There is controversy over what the exact roles of the FBI and Robert Kennedy were in this shameful incident. After I first wrote a column about the King taps in 1969, the FBI claimed it had been authorized by Robert Kennedy for "internal security" investigations. But my records, kept during my government days, including discussions of the matter with FBI officials, suggest that while Kennedy did approve the wiretap, it was not his idea originally. This version was backed by two former attorneys general, Nicholas deB. Katzenbach and Ramsey Clark, who said that Hoover proposed the wiretapping and pressed for its implementation until Robert Kennedy approved. Jack Anderson has written that Hoover wanted to discredit King because he hated the man and resented the fact that he had received the 1964 Nobel Peace Prize.

The FBI compounded the outrage by sending a small army of agents and allies around the country whispering dirt about King, allegedly obtained from the agency's surveillance. There was gossip about King's "secret Communist ties," about "sex orgies," extramarital dilly-dallying and association with homosexuals—all spread in an effort to discredit the country's foremost black leader. The strategy was based on the assumption that some of the public already hated Dr. King, others automatically despise heroes who turn out to have feet of clay, and still others are quick to adopt a holier-than-thou posture and throw the first stone.

Unfortunately, a lot of people fell for the barnyard gossip. So you had one of the FBI's favorite character assassins, former Representative John Rarick (D., La.) spewing out allegations in Congress about Dr. King's "close association with—identified subversives" and his "illegal, immoral and subversive activities." Or a respected influential columnist like Joseph Alsop writing an FBI-planted leak that Dr. King "has accepted and is almost certainly accepting Communist collaboration and even Communist advice." Alsop recounted stories leaked to him of King's association with "key figures" in the covert apparatus of the Communist party.

After my columns appeared criticizing the FBI for the surveillance of Dr. King, I had an exchange with the FBI's No. 2 man at the time, Clyde Tolson, who was closer to bachelor Hoover than a wife. I asked whether the FBI had tapped the telephones or bugged the homes of other civil rights leaders such as Roy Wilkins of the NAACP, the late Whitney Young of the National Urban League, the Rev. Ralph Abernathy of the Southern Christian Leadership Conference, or James Farmer, formerly of the Committee on Racial Equality. Tolson and the FBI never answered my question. Recent congressional hearings indicate why—all these black leaders were under surveillance.

But you don't have to be an FBI agent to know that the ever-watchful eye of Big Brother was trained on every prominent black. After all, the King surveillance was revealed during a federal court hearing in Houston, involving Muhammad Ali, who was asking the court to overturn his prison sentence for refusing to be drafted. Ali, too, had his telephones tapped—which goes to show that not just politicians and civil rights leaders but almost any black who becomes a hero runs the risk of harassment.

During the same trial, FBI agent C. Barry Pickett told the court that he had listened to the conversations of the late Nation of Islam leader Elijah Muhammad for eight hours a day, five days a week for four solid years. Pickett said he used both a telephone wiretap and a microphone planted in Elijah Muhammad's home.

In defending the taps on Dr. King and others, Hoover said they were done in the name of "national security." That excuse is such blatant nonsense there really is no need to refute it, but a Washington Post editorial in 1969 did so concisely: "If his (Hoover's) concept of 'national security' embraces the leadership of a civil rights movement, then he lacks either the judgment or the candor to direct the FBI."

So there you have a sampling of the woes of blacks who gain power. And I haven't even mentioned Julian Bond, Charles Evers and others who have faced efforts to strip them of power.

But it isn't just charges of crookedness and criminality that are used to drive powerful blacks out of office. One of the more incredible cases of recent years was the attempt in the Tennessee State Senate to harpoon the powerfully-outspoken, school busing supporter Senator Avon Williams with charges that he had insulted white womanhood. A crescendo of demands that the Senate censure Williams arose after press reports quoted the black lawmaker as saying "white women accomplish anything they they want in this world through the bedroom."

A recording indicated that Williams wasn't remotely suggesting in his controversial speech that white women were especially immoral sexually. He was saying that since they had the power to change the social and economic order through their influence in the bedroom, white women could not really consider themselves "decent" human beings as long as they tolerated the injustices heaped upon blacks. The Senate voted 13 to 8 to reject the censure motion.

But it is not enough to wail that blacks are about to be stripped of public power the way they were in the post-Reconstruction era. The question is: What do we do about this disquieting proliferation of criminal and other allegations against power-wielding blacks from one end of the country to the other?

The answer, in my view, is not to lapse into indiscriminate defenses of every black politician, declaring him to be the victim of evil whites or a sinister white press. Some black politicians *are* crooks—pure and simple. So we must be more discerning, more careful as to whom we defend with blanket charges of "racism." The Los Angeles Sentinel put it succinctly when it said: ". . . there are bad black politicians, and since we are responsible for their election we must also be responsible for their removal. There is no room for ambivalence here. We must seek only the best and we must fight to make sure that those men and women are not removed because they happen to displease the power structure."

But how to guarantee this? In my view, we black Americans must study the evidence closely in the cases that really matter. And where it is clear that a black politician has violated the trust and the hope that we as a people have placed in him, we must denounce him and applaud his prosecution. This will render *powerfully effective* those instances where we rise up to thwart the venal oppression of a public servant whose only "crime" is that he dares to say things and support causes that some reactionary newspaper, or U.S. attorney, or President does not like.

Eddie Williams, president of the Joint Center for Political Studies, raises two crucial questions: "Are blacks to be judged by codes of conduct and standards of performance which are different from those used to rate whites? If all public officials are expected to be as pure as Caesar's wife, are blacks expected to be even purer?"

If I know a fraction as much about this society as I think I do, the answer to both questions is YES! Unfair? Of course! But it is the grim political reality. The double standard is there, and any blacks who achieve exceptional power had better realize that extraordinary efforts will be made to discredit, even convict, them. And those eager to drive blacks out of power go on the assumption that few people are so clean that, if you keep enough agents investigating them long enough, something won't be turned up that either embarrasses them devastatingly or lays them vulnerable to criminal proceedings.

There is absolutely no way to deal with this kind of situation other than for blacks with great power to make themselves as immune as possible to such attacks.

In an era when Richard Nixon turned out to be a crook, and Spiro Agnew was illegally lining his pockets with money, is any black person to argue seriously that all those blacks accused of evading taxes, or milking money out of campaign chests, are merely the innocent victims of white jealousy? Not I!

Lt. Gov. Brown offers a solution. He thinks there ought to be a high-powered committee of blacks which would rush to Denver, to Nashville, to Los Angeles, or wherever, to probe the merits of serious charges against black officials. There is just no way that would suffice. First of all, any such black committee would not have legal access to the crucial income tax data and other information that a grand jury would consider—not to dwell on the reality that Americans are not about to replace grand juries with informal committees of blacks. Then, blacks with enough prestige to automatically win the trust of the whole nation would scarcely have the time or inclination to serve on such a roving investigative committee.

The *onus* is on the black elected official. Most are mindful of the special surveillance they face, the extra-harsh judgments they must endure. Most will rise to the challenge. But you and I must never forget that some black politicians, like some whites, are in the business to make money quickly—legally or illegally. Many of the most famous white politicians in our history entered federal service without a pot to put peas in and wound up millionaires. Bobby Baker and Bebe Rebozo got to be household words because of the financial "success" of a couple of U.S. presidents. So it is inevitable that some blacks will try to make as much money while in public office as Lyndon Johnson, Sen. Joseph Montoya, Richard Nixon, John Connally and many more.

When blacks try to become millionaires crookedly, you and I must show them no mercy, for they do it not only as a raid on the pocketbooks of all Americans but as an especially vicious bite into the hopes and dreams of black America.

But we absolutely must man the ramparts against any racist purge of black officials. There must be no repetition of the post-Reconstruction outrages.

So let the message go forth: We are watching black officials with a fine microscope. We will do in those who betray us. We shall also move mercilessly against those who seek cravenly to discharge those blacks who have the guts to try to shake up a system that is riddled with injustices.

But there must be more than talk. Most big-city daily newspapers want black subscribers and readers in the worst way. Their economic survival often depends on it. But the simple truth is that nowhere does the black community make itself heard and felt through letters, telephone calls, personal visits to editors and publishers. Until well-educated, articulate, influential blacks take the time to do that, the double-standard of press coverage that C. DeLores Tucker deplores will continue for a thousand years.

Only when enough black people truly care, and translate their caring into meaningful actions and pressures, can we feel assured of thwarting a campaign to disempower blacks.

SPACE TECHNOLOGY HELPING ELDERLY

HON. OLIN E. TEAGUE

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 16, 1976

Mr. TEAGUE. Mr. Speaker, last February, "Machine Design" magazine printed an interesting article entitled "Astronaut Food Technology Applied to Meals for the Elderly" and discusses the pilot program taking place at the Johnson Space Center in Houston, Tex. I urge my colleagues to "digest" this as another example of the benefits we may gain from the money well spent on the space program.

Astronaut Food Technology Applied to Meals for the Elderly

The food technology and packaging techniques that NASA developed to feed astronauts in space may find a down-to-Earth use.

In a pilot program designed to help provide balanced meals to elderly people who live alone, a team from the Johnson Space Center is developing a meal system to supplement the existing National Nutrition Programs for the Elderly. Field demonstration and evaluation phases of the program are expected to be completed late this year.

Surveys have shown that many elderly Americans do not receive adequate nutrition. Reasons include lack of single-serving products, limited mobility, loss of skills needed to prepare balanced meals, limited finances, and often a sense of loneliness and rejection that reduces the incentive to cook and eat nutritious meals alone.

The NASA team is striving to come up with a shelf-stable, multi-meal package that can be distributed by several methods—even parcel post—to senior citizens. The package will consist of meals that can be opened, cooked, eaten, and cleaned up by elderly people. The basic meal will consist of an entree, two side dishes, dessert, and beverage, with a 21-day menu cycle to provide variety from a list of 10 entrees, 20 side dishes, 10 desserts, and 5 beverages. Each meal will provide at least one-third of the daily dietary allowance for elderly persons.

A field demonstration will start soon. Selected elderly Texans will prepare and eat developmental meals and will give the team an evaluation of meal design and delivery methods.

ANOTHER VIEW OF NEW YORK CITY'S FUTURE

HON. HERMAN BADILLO

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 16, 1976

Mr. BADILLO. Mr. Speaker, last year, after a great struggle on the part of the New York delegation and our many friends outside the State, an aid package was finally put together to help New York. One of the major rationales behind the New York City "bailout" was to bail us out from growing debt service, to bail us out from a situation that, we were told, had closed the money markets to us for the next 20 years. That bill was passed last December, and since then, the rumblings have begun again. The mayor, formerly the comptroller of the city, conveniently, after the loans had been granted, found that the city's deficit was at least $297 million more than he thought. The much-touted exchange of New York municipal bonds for MAC paper took place—and what happened? Only 28 percent of those people who could, took advantage of the exchange. We were told that city services must be cut back and people laid off to prove our credit-worthiness—and so we cut back social services, health services, sanitation and police services, child care services, education services—in fact, the only service we have not been able to cut back on is our debt service, which we are now paying in increasing amounts and with help from the Federal Government. And what has been the result of all these steps the city has taken, and of the increased suffering of the city's citizens? The money markets are still closed to us for the next 20 years. And that is not my exaggeration. Standard and Poor's said that on January 24, 1976, only 5 weeks after the New York aid bill passed.

As the days go by, it becomes increasingly clear that we are not getting better, the disease of deterioration is growing, and we will need new and radical solutions if we are to survive. It is possible that the city and State will be returning to the Congress for help. It would be well if we had a clear picture of what was really happening when they do.

Within the next few weeks, the new statute governing municipal bankruptcy will be enacted into law. Now that it will be possible, perhaps it is time to begin "thinking the unthinkable." We have been loathe to consider the possibility of default. But I think we must consider what that means, particularly in light of what happened during the past months. In last week's New York Magazine, my friend, the distinguished former Undersecretary of Commerce, Howard Samuels, provides a lucid exposition of the gimmicks the city has used in its attempt to appear stable, and what the alternative of default will realistically mean. I recommend this article to each of my colleagues, for each of you may be called upon in the near future to once again deal with the survival of New York.

The article follows:

The Uses of Default—The Inevitable Is Now Desirable

(By Howard Samuels)

New York City is dying economically, and the three-year budget-balancing plan concocted by our political and business leaders to restore its health is, in fact, hastening its death. As every day's news informs us, the plan is already coming apart at the seams. Soon, the desperate effort to avoid default will be seen for what it is: a series of brilliant tactical moves based on shaky assumptions but lacking a coherent strategy for the city's long-term survival.

When the failure of the three-year plan becomes evident to the politicians, they will pull no more fiscal rabbits from their hats. They—and we—will at last realize that the fate we have been struggling so desperately to avoid—default—may now be the only way to save the city's economic life. A negotiated restructuring of the city's crushing debt, with the help of the federal government, would be a better path to the same end. But if that cannot be done, then default is the only way to get the relief we must have.

Terror of the unknown of default—or, more accurately, a moratorium on the payment of city debt—was the rationale for many of the self-destructive policies we adopted under the three-year plan.

Under the three-year plan, our city's priority for salvation has been to repay our debt, at ridiculous interest costs, ahead of saving our economy, police, firemen, or schools. This is an approach opposite to that used in saving American business hurt by sudden economic reversal, where lenders become the last priority after expenditures necessary to keep the business viable. It was President Ford, of all people, who recognized this last fall when he turned his back on the city and instead of offering aid to us, proposed revision of the federal bankruptcy laws that would permit the city to default without chaos. Recently this bill was approved by a House-Senate conference committee and is expected to be passed by both houses and signed by the president before the end of March. The final conference bill establishes orderly procedures to restructure our debt and gives New York the vitally needed maneuvering room to evolve a real—not a rhetorical—program for our recovery. If our political leadership, backed by a public that finally understands the problem, does not take this opportunity to default and then to develop a program to save our economy, New York will be an economic wasteland—think of Newark, New Jersey—by 1985.

For all its claims of fiscal responsibility, the present budget-balancing plan is little more than a continuation of the unforgivably phony past management of city financing. The only real difference is that we've upped the stakes. We've gone on from manipulating city revenues and hiding deficits to gouging the business, real-estate, and middle-class taxpayers who create New York's economic life. The governor and his Emergency Financial Control Board behaved honorably in getting involved in our problems in the first place. But their good intentions have not been enough. Unless we seize on the coming failure of the three-year plan as an opportunity to reverse the ruinous one-two punch of tax hikes and service cuts, we've had it. This will be New York's last gimmick.

"Gimmick" derives from carnival slang meaning "a device employed, often illegally, to cheat, deceive, or trick." Our actions in the first months of the budget-balancing plan, unfortunately, fit that definition to a tee. Here's a sample:

Gimmick: our effort to roll over $1.6 billion in short-term city debt into Big MAC bonds. This was a characteristically half-baked beginning for the three-year plan. At best, it only postpones part of our debt, while increasing interest payments on it. And because it is nothing more than default by another name, it negates the ostensible goal of the plan—restoring investor confidence.

Gimmick: claims that city expenses have been significantly reduced. Yes, the city has cut almost 40,000 workers from the payroll. But because we've been willing to borrow at usurious rates to maintain the no-default facade, interest costs will rise $500 million—a sum equal to the salaries of 30,000 laid-off employees.

Gimmick: our tax hikes at state and city levels. Projections of the increased revenues these taxes will bring in are built into he budget-balancing plan. But business, estate, stock-transfer, and real-estate taxes were on the brink of declining returns even before the hikes. The new taxes are likely to yield only a one-shot rise in revenues followed by a sharp-fall-off in ensuing years.

Gimmick: hiding from the public hundreds of millions of dollars of known expense. For well over a year we have known that city pensions were underfunded by at least $200 million. We have known, too, that if we weren't juggling the books of the Metropolitan Transportation Authority the deficit of that utterly vital service would be at least that high.

Gimmick: acting on the assumption that tax increases and service cuts can lead to repayments of our $13.5-billion in debt. This may be the greatest gimmick of them all. If we continue to raise taxes and cut services, there will soon be no economic base on which to build a repayment plan. Moreover, New York's financial institutions may be crushed by a combination of worthless city notes and the collapse of billions of dollars' worth of mortgages on city property.

The budget-balancing scheme will fail across the board for still other reasons. The three-year budget assumes, for example, a steady flow of state and federal aid to the city. But President Ford and Governor Carey have already proposed reductions in federal and state aid. Further cuts are inevitable.

The city's principal cost-cutting technique—across-the-board cuts—is a bludgeon, not a scalpel. Layoffs and productivity increases are critical needs for the city, but we've imposed abrupt, across-the-board wipe-outs based only on percentages, or seniority, but not productivity. Agencies such as the Economic Development Administration, crucial to seeding the recovery of our private sector, have been affected as much as grossly inefficient, overstaffed, and in some cases, useless agencies such as the Taxi and Limousine Commission. The assumption that unplanned, instant cutoffs can increase efficiency is managerial fantasy.

The three-year plan flies in the face of a half-century of economic experience. We are one of the first government entities since the days of Herbert Hoover to become obsessed with balancing a budget in the midst of a severe recession. Our tax-hike, service-cut policies are exactly the opposite of those that President Ford has adopted to stimulate the election-year economy. Ford is running a $76-billion deficit and cutting taxes. City and state political leaders, in contrast, have swallowed a package of tax boosts that impact on the incomes of individuals and businesses in this city with the force of a $25-billion rise in federal taxes. Such taxes are even more disastrous for local governments than for the Feds. Why? Because when the United States government raises taxes and cuts spending, business has no alternative but to take it. Short of leaving the country, it has no exit. But when the state or city of New York does it, businesses and taxpayers can escape—to New Hampshire, North Carolina, New Jersey.

New York has been declining seriously for over a decade. In the period from 1965 to 1975, the city lost some 30,000 manufacturing jobs annually—30 Rheingold breweries a year. But something profoundly accelerated the decline beginning in 1969. The United States went into a severe recession. Most of the nation recovered by 1971. New York hasn't gotten over it yet.

Every major sector of our economy suffered. The downward graph of manufacturing jobs began to resemble a ski jump as service industries halted their spectacular growth; wholesale and retail trade fell off sharply; finance, insurance, real estate, transportation, and construction plunged. By 1975, the city endured its first full year in memory with unemployment running almost 3 percent above the national average.

The latest Bureau of Labor Statistics figures show a loss of 143,000 jobs from December, 1974, to December, 1975. In 1970, the city had 3.7 million jobs. By 1977, I predict, we'll have about 3 million—20 percent of our economy gone in seven years. A "city" of businesses and taxpayers as large as San Francisco has packed its bags and left New York. This mass destruction of our economy is accelerating, not slowing. It is feeding on itself, verging on a geometric, panic-level rate.

Prospects for next year are bleak. The momentum of this economic decline—its decade-long duration, breadth, and potential for catastrophe—is truly staggering. There are *no* significant signs of hope.

The loss of 70,000 jobs in seven years strips almost $2 billion in tax revenues, leading to a vicious cycle of deficit, futile tax increases, business flight, further drops in revenues, and deeper deficit. Both the governor and the mayor now realize that our economy is hemorrhaging, but they do not yet seem ready to acknowledge that the three-year plan's tax hikes are making matters very much worse. The most recent $600-million hike in state taxes and virtually all city tax boosts since the fiscal crisis fall exclusively on business.

The economic sector most afflicted by the mass exodus is real estate. It is the most important source of all city revenues, providing $3.2 billion a year—over 45 percent of locally raised tax levies. Because real-estate value is based on cash flow, value depends not on the money sunk into land and buildings, but on the economic dynamism going on inside. But very little real estate in the city has positive cash flows today. The departure of business has slashed values all over town. For the first time in 33 years, the total assessed value of real estate in New York City will drop in fiscal year 1976–77. Not only are offices empty, but the executives and managers who occupied middle-income apartments are leaving too. The multibillion-dollar liquidation of paper values in New York real estate from 1973 to 1976 ranks with the decimation of stocks and securities in the crash of 1929–32. Yet our three-year recovery plan forecasts stable, even rising, revenue from real-estate-tax increases.

The increasing disenchantment of distinguished builders with their properties is about to turn into a rout of abandonment. Real-estate values may plummet 20 percent by 1980, stripping the city of over $700 million in revenue. Apartment landlords are pincered between the politically administered rent-control law and rising tax and fuel costs. Tenants are caught between declining real incomes and increasing housing costs caused mainly by oil and tax increases. Few investors or builders see any future in real estate in New York. Instead, they are casting about for ways to cut and run. As a result, real-estate tax arrears are approaching levels—near 10 percent—last experienced during the Great Depression. Despite that, the business and political leaders on the Emergency Financial Control Board have apparently succumbed to the classic New York fallacy; that the city is a bottomless well that will yield more and more money as taxes are raised.

There is another decisive economic factor that dooms the possibility of balancing the budget in three years; rising interest costs. Under the provisions of the plan, interest costs will climb from $450 million in 1974 to possibly $1.1-billion by 1977–78. Total interest payments would then be greater than city taxpayers' outlays for welfare and Medicaid *combined*. They would be greater than city expenditures for police and fire protection.

It's time to realize that the three-year budget-balancing scheme not only can't work, it shouldn't work. It attempts the impossible in pursuit of the impossible: taxing a sick economy in the hope of restoring vanished investor confidence. In a stunningly naive way, our leaders have treated a social organism like a cold balance sheet. They are trying to * * * that gives the city's bondholders a prayer of cash paid back.

Debt restructing would give us breathing room to fight for the changes in state and federal policies necessary for our survival, but it is no panacea.

Freedom to stop punishing our economy may decrease its erosion, but only specific creative economic-development plans can rebuild our economic base. We must increase productivity and reduce the cost of services. So far, despite the efforts of the Emergency Financial Control Board, there is little visible indication of accomplishment. In default, however, the influence and power of the board to improve the management of the city could be greatly increased, not diminished. We have not yet redressed the inequities of the pension system, nor have we obtained real productivity commitments from the unions (although some have offered cooperation). Health services, which cost the city taxpayers even more than welfare, still lack a meaningful plan. The state still shows no inclination to redress its discrimination on state aid, particularly in the area of education.

But under default, the city, in cooperation with the federal judge, can distinguish between cuts that eliminate waste and inefficiency and cuts that push jobs and taxpayers out of the city. This distinction is commonly made by receivers in bankruptcy proceedings. No receiver seeking to protect creditors' interests sucks dry a bankrupt business if it can be saved.

Default could have negative psychological effects on our city, but none worse than the daily newspaper stories chronicling the failure of our present plan. Default, quickly followed with a positive ten-year plan, would tell the world that when the count was nine, New York got back up off the mat.

New York has assets to build on—tourism, port facilities, a large, skilled labor pool, and much more. A judge who steered the savings in debt service into investments in our future would be guaranteeing us a chance to revive and pay our debts.

Delay is decay. There is no economic or political rationale for stumbling on with our self-destructive three-year plan. Our determination to rot in peace aborts a long-overdue national debate on the needs of New York and other cities. If we don't act, this debate *will not be* one of the issues in this year's presidential election. The time to fight is now, before the three-year plan cracks of its own internal contradictions, before we elect another president with no position on the crisis of urban America. We may lose, but at least we'll go down in a style that befits the great city we are.

BUREAU OF ALCOHOL, TOBACCO AND FIREARMS STUDY OF HANDGUNS USED IN CRIME

HON. ROBERT F. DRINAN

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 16, 1976

Mr. DRINAN. Mr. Speaker, I would like to commend to the attention of my colleagues the results of a recent study of handguns used in crime. This exhaustive analysis, conducted by the Bureau of Alcohol, Tobacco and Firearms, confirms the clear need to enact gun control legislation which would, at a minimum, ban the so-called Saturday Night Special.

The principal conclusion of the study is that a substantial majority of the handguns use in crimes is of a low quality, with a market value of less than $50 and a barrel length of less than 3 inches. The study also underscores the need for national legislation, as it reveals the ease with which would-be criminals in jurisdictions with stringent gun control laws can obtain weapons from other States.

It is clear that cheap, easily concealed handguns, with little or no sporting capability, are the single greatest tool of the violent criminal. Despite the overwhelming evidence of the pernicious effects of handguns, the House Judiciary Committee voted to recommit pending gun control legislation which would have banned the "Saturday Night Special."

I hope that the results of this study, the summary chapter of which is reproduced below, will serve as an added stimulus for the reconsideration of the vote to recommit the legislation, and will hasten the passage of meaningful firearms control legislation:

This consolidated report reflects a total of 10,617 crime guns submitted by police of 16 cities for tracing. Of this total, 7,815 or 74 percent were successfully traced. The analysis of this data by individual classifications is outlined with appropriate interpretations.

However, it should be noted that any conclusions based upon this data must be tempered with the knowledge that each firearm involved in the study had been obtained by police as the result of a crime or official investigation, and that this data does not represent general handgun ownership; only crime guns used by a small segment of the population.

CLASS *

	Percent
Class 1 (Quality handgun; valued at $100 or more)	25
Class 2 (Medium quality; valued at $50–$100)	18
Class 3 (Low quality; valued less than $50)	56

* Percentages listed in Class, Type, Barrel Length and Caliber relate to 10,617, the total crime guns submitted by police—all other percentages relate to 7,815 total number of crime guns successfully traced.

The terms "class" and "value" must be recognized as relative terms insofar as this project is concerned. The categorization of traced weapons into one of these three categories was a mechanical function, predetermined by the identity of the manufacturer. In other words, all Colts and Smith and Wessons, for example, were considered to be Class 1; all Harrington and Richardsons and Iver Johnsons, for example, were considered to be Class II; all Clerkes and Rohms, for example were considered to be Class III.

This predetermined classification system did not take into consideration the true market value of the weapon at the time of acquisition by the police, at the time of acquisition by the person from whom the police obtained it, or at the time of sale by the last known retail dealer. (The mechanics of the project were such that this information simply was not readily available.)

It is quite likely that many guns classified 1 and 2 had a market value of less than $50 at the time obtained by the police or acquired by the last known possessor. A S&W, for example, 20 years of age that had passed through various hands and was ultimately disposed of through a pawnshop could easily—through normal depreciation, lack of care, lack of demand, etc.—have fallen into the less than $50 bracket of market value no matter what its original price. (The opposite would be untrue except in those relatively few instances where value would increase because the weapon subsequently becomes a collector's item.) The fact that approximately 797 (23 percent) of the traced guns from the last 12 cities came from pawnshops is indicative of a considerable volume of depreciation. In addition, 624 (6 percent) of the total traced guns were stolen. This figure likely is minimal since weapons were classed as stolen only if reported by serial number to the National Crime Information Center. The value of these stolen guns—whether original or current market—is immaterial with relation to the question, "What kind of guns do criminals prefer for their criminal activities?"

Therefore, the only conclusion to be safely made from the "Class" data is that a substantial majority of handguns used in street crimes is of low quality with a market value of less than $50. This conclusion is based on the fact that 5,336 (56 percent) of the handguns traced never exceeded $50 in value and of the remaining 4,176, at least some portion of these represent handguns which, although originally valued in excess of $50, had market values of less than $50 at the time of the police acquisition due to depreciation, condition, age, lack of demand, etc. In addition, 624 of the handguns were found to have been stolen and therefore cost is not a factor to be considered.

TYPE

	Percent
Revolvers	76
Semi-automatic pistols	24

This three to one ratio, indicating that the revolver is the more heavily favored weapon by the criminal element, is directly proportional to the type of handguns manufactured in the United States. During the first 10 months of 1975, approximately 1.5 million revolvers were produced as compared to approximately 500,000 semi-automatic pistols: a ratio of three to one.

Another factor to be considered concerning "type" of weapon is that most individuals, exclusive of the law enforcement community and gun enthusiasts, do not fully understand the mechanical workings of the various types of weapons. When an individual acquires a handgun, whether for self-protection or to rob a gas station, his concern may be to obtain a weapon that will be simple to operate.

BARREL LENGTH

	Percent
Barrel 3″ or less	71
Barrel over 3″	29

Barrel length of a handgun relates directly to concealability and as such it is probably the single most significant factor in the entire project. Its significance stands alone and is not dependent upon any other factor.

Even though complete statistics are not available for the specific reasons that police acquired each handgun in all studies, a review of individual trace forms indicate that many of these weapons were used in street crimes or they were related to "carrying concealed weapon" charges. If a weapon is to be used for street crime activity, concealability is the first and foremost consideration of the acquirer and the length of the barrel of a particular handgun basically determines its concealability.

It is also important to note that handguns with a barrel length in excess of 3 inches generally are more accurate and therefore more desirable for sporting or other legitimate purposes. (Proposals placed before Congress in 1975 would eliminate the manufacture, importation, and sale of revolvers with a barrel length of less than 4 inches and pistols with an overall length of less than 6 inches. All of the revolvers and most of the pistols that had a barrel length of 3 inches or less in this study, 71 percent, would be prohibited. Additionally, at least some of the remaining 29 percent which had barrels in excess of 3 inches would also be prohibited, i.e., revolvers with barrels 3 inches to 4 inches in length.)

CALIBER

	Percent
.32 caliber or less	61
Over .32 caliber	39

The popularity of a small caliber handgun is related directly to concealability, second only to barrel length. This factor is related equally to the cost factor of the weapon. However, it may not necessarily be related to the quality of the product, i.e., a .22 caliber handgun generally is less expensive than a larger caliber weapon but numerous quality manufacturers produce the smaller .22 caliber handgun. Handguns produced during the first 10 months of 1975 do not indicate the same popularity of caliber among the general public as with handguns involved in street crimes. Manufacturers during this period produced an equal number of small and large caliber handguns, as compared to the three to two ratio found in the "caliber" category of this study.

SATURDAY NIGHT SPECIAL

This descriptive category was an attempt to arrive at a definition for statistical purposes that would only generally define an inexpensive, concealable weapon that has become common in street crime usage. To computerize and retrieve the information from the handguns in the study it became mechanically necessary to define this weapon as one which has a barrel length of 3 inches or less, one which had a caliber of .32 or less, and one which was relatively inexpensive (Class 3). For the purposes of this study a handgun had to meet all three criteria to be classified as a Saturday Night Special. (This restrictive definition was used only to facilitate statistical data compilation and ATF does not advocate its use as a legal definition.)

Forty-five percent or 3,436 of the weapons successfully traced could be categorized under this definition. Studies from individual cities indicate there was a high of 56 percent in Atlanta to a low of 26 percent in Miami/Dade County.

More significant than the number of weapons falling within this simple definition is the large percentage of handguns found in the study to be easily concealable, combining the caliber and barrel length factors only. As previously stated, concealability may be the most significant factor in the entire descriptive category. (Sixty-one percent of all handguns studied were small caliber and 71 percent had a barrel length of 3 inches or less.)

CRIME GUN SOURCES

The analysis also was directed toward crime gun sources and two factors were identified that are believed to be significant and indicative of a national pattern.

The number of Project I handguns traced to pawn/loan type businesses in the latter 12 project cities was totaled and indicate that 23 percent of all successfully traced handguns was sold to the public by a pawn/loan type business. A further in-depth study concerning the cities of Boston, Charlotte, Louisville and Los Angeles indicated that 25 percent of the handguns had been purchased from pawn/loan type businesses and 59 percent of these were Saturday Night Specials.

These statistics were manually obtained from the respective successfully traced handguns only if the licensees' business name reflected the words "pawn" or "loan," and therefore the totals are not conclusive but represent only the minimum number of weapons that had a pawn/loan type business as a source. Even though statistics are not available for all study cities with relation to "pawn/loan businesses, it is significant that this source may have supplied a disproportionate number of inexpensive, concealable weapons if the statistics in the last four cities studied are reliable indicators for all project cities.

The state of origin of each successfully traced handgun also was analyzed in an attempt to determine specific sources and possible flow patterns of weapons used in street crimes.

The majority of the individual studies indicates that most of the crime guns were purchased in the state where they were involved in a crime. Data was not available however to determine whether or not the handgun had been purchased within the particular jurisdiction of the study city or whether the handgun had been purchased in another part of the same state.

There were significant exceptions where a majority of the weapons found in five study cities was purchased in other states. It is apparent that in the study area, with a few exceptions, the percentage of out-of-State purchases is directly proportional to the strength of the local firearm regulations. Each study city, is major state or states of source, and a brief synopsis of local firearm regulations is outlined as follows:

NEW YORK

Four percent from New York, 20 percent from South Carolina, 11 percent from Florida, 8 percent from Georgia, and 6 percent from Virginia. (All other states of source were less than 4 percent each—see individual study.)

The New York City Municipal Code requires the issuance of licenses and permits in order to lawfully possess or purchase a handgun as well as a shotgun or rifle. The Code additionally enumerates certain prohibited persons who cannot receive permits or licenses as well as requiring dealers in firearms to adhere to stringent regulations and licensing requirements.

The New York firearms statutes commonly known as the Sullivan Law, are broadly accepted as one of the strictest in the United States and supplemented with potentially severe penalties.

One conclusion from the New York study is that a stringent local law has as a primary effect the funneling of local firearm purchasers to outside sources.

ATLANTA

Eighty-one percent from Georgia. (All other States were less than 4 percent—see individual study.)

The Atlanta Municipal Code requires that dealers in handguns obtain a license from the Mayor or Board of Aldermen. There is no registration or licensing provisions for handguns under this jurisdiction or any other restriction on private ownership of handguns. Except that under Article 20-61 of the Municipal Code, .22 caliber handguns which have a barrel length of 3 inches or less and which retail for $39 or less are prohibited. It is noted that Atlanta had the highest percentage for Saturday Night Specials (56 percent), even though there is legislative prohibition against this type of weapon. As in other study cities, sufficient data is not available to determine whether most of the crime guns were purchased in or outside of Atlanta's municipal jurisdiction, even though a majority were purchased within the same State.

DETROIT

Eight percent from Michigan, 19 percent from Ohio, 9 percent from Kentucky, 9 percent from Georgia, and 6 percent from Mississippi. (All other states of source are listed in the individual reports.)

The city of Detroit requires that prior to purchasing a handgun a resident must obtain from the Chief of Police a permit and prevents any person from selling such weapons unless the purchaser has a permit to acquire the handgun. Michigan law is similar in that it requires a local Chief of Police issue a permit to an individual prior to his purchase of a handgun.

As in the case of New York, the Detroit and Michigan statutes apparently are effective in that 92 percent of all successfully traced handguns was purchased in other States. Detroit's geographical location may be a contribution factor to the large percentage coming from Ohio.

NEW ORLEANS

Sixty-three percent from Louisiana. (All other states of source are listed in the individual reports.)

New Orleans Municipal Code requires that residents obtain from the Chief of Police a permit to purchase handguns as well as prohibiting firearm dealers from selling handguns unless a permit is obtained by the purchaser. Louisiana State law does not require licensing or permits prior to handgun acquisition. As in other studies, there is insufficient data to determine if a majority of the New Orleans crime guns was purchased in or outside of that jurisdiction. However, it appears that current state legislation directly relates to the high percentage of handguns purchased within the State.

DALLAS

Eighty-seven percent from Texas. (All other states of source are listed in the individual reports.)

The City of Dallas has no legislative restrictions on the purchase or possession of handguns and the State of Texas prohibits possession to certain persons, i.e., felons, minors, et. al. Of all cities included in the project, Dallas had the highest percentage of source from within its own State.

DENVER

Seventy-eight percent from Colorado. (All other states of source are listed in the individual reports.)

The City of Denver requires that handgun dealers maintain records of their sales, including more than one form of identification by the purchaser. There are no registration or permit requirements on the acquisition of handguns by private citizens. Similarly, the State of Colorado does not require licensing or the issuance of permits.

KANSAS CITY, MO.

Thirty-five percent from Missouri and 26 percent from Kansas. [All other states of source are listed in the individual reports.]

Kansas City has no specific registration or permit requirements dealing with the acquisition of handguns, however, the State of Missouri requires that weapons which are "concealable" must be purchased with a permit obtained from the Sheriff in the county where acquired for a fee of 50c. The State of Kansas has no registration, permit, or licensing requirement concerning purchase or possession of handguns.

The geographical location of Kansas City explains the high percentage of handguns which had Kansas as a state of source. However, an equally contributing factor may be the difference of regulation between Missouri and Kansas State laws.

OAKLAND

Seventy-four percent from California. [All other states of source are listed in the individual reports.]

The State of California requires the licensing of all firearm dealers and places upon that dealer certain restrictions as to the sale of "concealable" weapons. These restrictions include a waiting period between purchase and delivery of a handgun. [The waiting period has been extended to 15 days effective Jan. 1, 1976.] The dealer and the purchaser are required to file a registration form with the state that includes descriptive information about the purchaser.

The City of Oakland has no specific registration, permit, or licensing requirements other than those provided by state statutes at the time of this study.

The Oakland study and the Los Angeles study indicate that the majority of the crime guns had been purchased within that State. This is contrary to the patterns established in other cities that have relatively strong registration, permit, or licensing requirements. There is insufficient data available from the project studies to explain this situation. However, one factor simply may be the distance between California and other areas where handguns may be more easily obtained.

MIAMI

Eighty-two percent from Florida. [All other states of source are listed in the individual reports.]

Miami and Dade County have regulations that require a 72-hour waiting period between purchase and delivery of handguns. In addition, Miami requires the notification of the sale, along with certain information relevant to the weapon and purchaser, to the Chief of Police. The State of Florida has no specific registration, licensing, or permit requirements; it does have a prohibited persons category similar to most other States. As in other cities, the project information was not able to identify whether the crime guns used in Miami and Dade County were purchased from in or outside of those particular jurisdictions.

MINNEAPOLIS/ST. PAUL

Sixty-one percent from Minnesota. (All other states of source are listed in the individual reports.)

There is no specific registration, licensing, or permit requirement in either the State of Minnesota or the City of Minneapolis. Each jurisdiction prohibits the sale to certain persons, i.e., felons, minors, et. al.; and Minneapolis requires that whenever a handgun is transferred, a notice of that transfer be filed with the City Clerk. St. Paul requires that a permit be first obtained from the Chief of Police prior to purchase of a handgun. The data available from this study does not delineate sales in either St. Paul or Minneapolis, therefore no conclusion can be made except that a majority of the crime guns was purchased within the State of Minnesota.

PHILADELPHIA

Fifty-four percent from Pennsylvania, 9 percent from Virginia, and 8 percent from South Carolina. (All other states of source are listed in the individual reports.)

Pennsylvania State law requires a waiting period of 48 hours between purchase and delivery of a handgun, and filing with the state a notification of the purchase, accompanied by identifying data about the purchaser. The City of Philadelphia additionally requires a license or permit to purchase be obtained from the Philadelphia Police Department prior to the sale of a handgun. (The State of Pennsylvania has passed legislation nullifying local firearm regulations, however, Philadelphia continues to enforce some of its ordinances pending on appeal of the State law.) Even though data is not available from the project to identify whether the crime guns purchased in Pennsylvania were acquired in or out of the jurisdiction of Philadelphia, other enforcement projects have clearly indicated that in all probability they were purchased outside of Philadelphia. It is significant that Virginia and South Carolina, the two largest states of source outside of Pennsylvania, also are major states of source in the New York study.

SEATTLE

Seventy-six percent from Washington. (All other states of source are listed in the individual reports.)

The City of Seattle requires a 72-hour waiting period between purchase and delivery of a handgun and written notification of the purchase, with pertinent personal data, being sent to the Chief of Police. The State of Washington requires a similar action on the part of both the purchaser and the dealer. There is no specific permit or licensing requirements for possession or purchase and waiting period is to provide the police time for action if the proposed purchaser is a prohibited person.

BOSTON

Thirty-five percent from Massachusetts, 11 percent from Florida, and 7 percent from South Carolina. (All other states of source are listed in individual reports.)

Immediately prior to the project being instituted in Boston, the State of Massachusetts enacted mandatory sentencing legislation dealing with possession of firearms without a permit. Massachusetts State law basically requires an individual to obtain a firearm identification card prior to possession of a firearm. A permit to purchase a firearm is additionally required. Both the permits and licenses are issued by appropriate police agencies. Because of the enactment of the mandatory penalty section of the firearm regulations, the total number of firearms submitted in the Boston study was minimal for a major metropolitan area. If the limited number of study handguns is factually representative of the crime guns used in Boston, then it appears that Massachusetts regulations, even prior to mandatory sentencing, had an effect similar to the New York, Detroit and Philadelphia regulations; that is the prohibition in one jurisdiction caused potential purchasers to look elsewhere.

CHARLOTTE

Forty-three percent from North Carolina and 29 percent from South Carolina. (All other states of sources are listed in the individual reports.)

North Carolina requires that the Sheriff issue a permit prior to an individual purchasing a handgun in the county of the Sheriff's jurisdiction. Additionally, there are certain prohibited persons, i.e., felons, minors, et al., who cannot purchase or possess handguns and firearm dealers are required to be licensed and regulated. The enactment and enforcement of some portions of the state's regulations are recent. The project did not provide sufficient data to determine the effect that these laws had upon the source of Charlotte's crime guns. Charlotte's proximity to South Carolina apparently is a factor in the large percentage of crime guns purchased in that state, and of equal importance is the differing firearm regulations in each state at the time of the study.

LOUISVILLE

Eighty-two percent from Kentucky. (All other states of source are listed in the individual reports.)

The State of Kentucky has no specific registration, licensing, or permit requirements for the purchase or possession of handguns. The City of Louisville requires written notification to the Louisville police of each handgun transaction, with pertinent data about the purchaser and the weapon purchased. Thumb printing is included in this registration and there is a 24-hour waiting period between purchase and delivery. As in other studies, no determination can be made as to whether the crime guns used in Louisville and which were purchased in Kentucky actually were purchased in Louisville or outside of that jurisdiction where less stringent regulations were in effect.

LOS ANGELES

Eighty-two percent from California. (All other states of source are listed in the individual reports.)

The same comments for Oakland apply equally to this study.

In summary it appears that the following determinations can be made about crime guns used in the project cities:

1. In general, small caliber, short barreled handguns, that usually are inexpensive, are the favored weapon used in street crimes. Combining all factors, concealability may be the most significant factor found in the majority of these weapons.

2. That pawnshops or loan type businesses are the sources of a large number of the Saturday Night Special type handguns, disproportionate to the actual percentage that this class of business is of the total number of firearm dealers.

3. That the strength of firearm regulations or enforcement of those regulations in differing project cities is directly proportional to the percentage of crime guns that were purchased in another State. It also appears that a significant factor concerning the strength of a local ordinance is whether or not a prior permit or authority to purchase is needed. This means that regulations requiring after the fact notification do not have the same deterrent effect on potential handgun purchasers as do regulations requiring prior purchase permits.

WILFRED MESSER, MAN OF MANY TALENTS

HON. RON DE LUGO

OF THE VIRGIN ISLANDS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 16, 1976

Mr. DE LUGO. Mr. Speaker, on February 11, 1976 Wilfred Ethelbert Messer of St. Croix, U.S. Virgin Islands, died at the age of 82. The unique and varied achievements of this gentleman were so extraordinary that I would like to share them with my colleagues for our mutual admiration.

Born under the flag of Denmark, Wilfred Messer mastered the Danish language to such an extent that he was appointed to the position of administrative clerk of the Office of Education. He held that position for 30 years also becoming among the first stenographic writers on St. Croix. When later the Virgin Islands became an American territory, Mr. Messer went into the Federal service taking in the arduous task of deputy clerk for the St. Croix District Court. During these 22 years he performed an invaluable service to the judicial branch of the Virgin Islands Government.

Wilfred Messer's talents were equally matched by his diversity of interests and civic involvements. He became a most knowledgeable breeder of cattle, a noted sportsman in the St. Croix Turf Club, an accomplished musician and a dedicated worker for the American Red Cross and the Selected Service Board. Mr. Messer's thespian abilities entertained citizens of St. Croix for many years.

The greatest tribute to this unusually gifted individual was the degree of respect and love in which he was held by his family and friends. His considerate and even temperament was a joy to those who knew him and an honor to his concern for his fellow man.

I insert in the RECORD the funeral eulogy delivered by the Honorable Almeric Christian, Chief Judge of the Virgin Islands District Court.

EULOGY DELIVERED ON THE OCCASION OF THE BURIAL OF MR. WILFRED ETHELBERT MESSER

Had the suggestion been ventured, that I would be so soon again, standing on this very spot, addressing once more this doleful task, it would have been soundly rejected as being at war with reality. But another erstwhile verdant leaf has fallen from the tree of life, and anew I am highly privileged to briefly recall, though sorrowing, small segments of the pathways trod in the life now released from earthly toil.

Wilfred Ethelbert Messer. The light of day first focussed its broad smile on him the 22nd day of November in the year 1894, here in St. Croix, the child of Peter Messer and Catherine, his wife, nee Phillips. As he moved gallantly toward the 82nd furlong of his life, the earthly race, for him, ended on the 11th day of the current month. Left in the throes of grief by his passing are his children Lois Adelia and Gloria Eola, six grandchildren, three great grandchildren, sisters Leonora Jackson and Hansina Powlis and brothers Carlos and Basil—not to mention a host of friends.

Offspring in a modest fisher's family, he was not nobly born, but to his credit, and better by far, he shall always be nobly remembered.

An ambitious achiever from his earliest days, he eagerly devoured in full the limited, but basically sufficient education Christiansted offered at the turn of this century. Building on that foundation he avidly threw himself into commercial courses by correspondence, the Boyd School of Shorthand in particular. In short order he mastered the Boyd system of shorthand—matching this with the touch system of typewriting, self taught. Thus he was numbered among the first stenographic writers on the island.

Simultaneously with these studies he had by his diligence won employment in 1910 as a monitor-teacher in the Danish system of education, then administered by one Reubner Petersen, director of that department. His general competence joined with his proficiency in the Danish language to earn him the promotion to the administrative tasks of clerk in charge of the insular office of education, a position he was to occupy with various title changes for almost 30 years.

Turning the pages back for a few chapters, we witness his marriage on June 30, 1920 to the pert and beauteous Daphne Lange—a public school teacher—the union which gave him his two gems—his surviving daughters.

In June of 1940, he made the shift to Federal Service, taking on the arduous task of deputy clerk in charge of the St. Croix division of our district court. To that endeavor he gave his enthusiastic and competent all for 22 years before he closed out his Government service, and indeed the year 1962, by retirement on December 31st of that year. The anticipated joy of retired life was deeply scarred, almost to the point of nothingness, however, for in April of the preceding year his beloved "wherry" as he affectionately was wont to call his wife, was snatched from his side, in death.

But "Willie", sometimes "Williecito" as he came to be fondly known—and so respectfully addressed by many of us, several decades his junior, (or "papetes" as his grandchildren affectionately dubbed him) was not one to just mark time. He used time to make his indelible mark—and in varied spheres.

Livestock raising caught his fancy. The little farm he acquired at estate St. John provided not only an additional outlet for his unbounded energies, but also solace and satisfaction. Rank amateur at the outset, he was knowledgeable breeder of cattle and smaller stock by the time he called a halt to those activities.

A zestful sportsman. Horse racing was really "his thing". Tireless worker in furthering the efforts of the St. Croix Turf Club. For many years as secretary, the clubs backbone. In fact he was virtually the club. In his racing stable, "Eastbourne", "Flame", "Princess", "Pat" to name a few of his speedy steeds. Many here will recall his feats as he "faced off" with them around that 7-sided table. He, like me a veritable lamb among ravening wolves. He coined the phrase we so often repeat, "tis only chips".

In talents, well rounded, he was a competent musician, holding a chair as cornetist in the Smith Brass Band of now perhaps forgotten fame.

His fond memories of life under the Danes and his affection for that Nation quite naturally led him to charter membership in the Society of the Friends of Denmark. Gregarious to the core, he was instrumental in the founding of the St. Croix chapter of the "Improved Benevolent Protective Order of Elks" and an officer of that organization, achievements in which he justly took great pride. Tirelessly in the active was he in the Rotary Club of St. Croix—once and again in the nucleus of early members. In the humanitarian field of the American Red Cross, he was for years an unceasing volunteer worker. The Selective Service Board too, profited from his guiding hand and wise counsel.

But undoubtedly crowning all his many-sided labors and accomplishments, was his long and totally devoted service to his church, this religious community we know as St. John Anglican Church. On the vestry he faithfully served under several rectors. His participation in, and contribution to the parish work and life were nothing—if not tremendous. All this, however, is overshadowed by the monumental gift of his voice, in song, to his God and church. That voice had been widely acclaimed outside the church too. The major general of Gilbert and Sullivan's "Pirates of Penzance" was never more artistically and mellifluously portrayed than as performed by our W. E. Messer. In truth, he was the "very model of a modern major general". And in the days when variety shows were in vogue on the local scene, was ever a program put together without a song—the Messer way?

Within the hallowed walls of this church can yet be heard, in the mind's ear of many, that resonant voice—an authentic tenor, yet ranging into the baritone. In choir, in solo, in plain chant. Four decades a cantor in this church—an art form no longer heard as new liturgical expressions make their way to the fore. Numberless are the bereaved, comforted in this church as his sonorous voice intoned "deliver me oh Lord from death everlasting, in that fearful day when the heaven and the earth shall be shaken, when Thou shalt come to judge the world by fire". That big sound is now stilled, but not in the ears of those, if but once privileged to hear it.

In these late years failing health began to bog the path of this always exuberant soul. First the eyes, becoming sightless in one, partially so in the next, then the loss of one leg, later the amputation of the other. Yet even in such depths of adversity the cheerful, cheery countenance was not marred, the melodic voice still held its bell like tinkle in conversation—all of this because the manifest source was an abundantly happy heart.

Of gentlemen, the mildest mannered. Those who worked with him, in unison testify that never was he heard to utter an unkind or intemperate word to or about anyone. His concern always to please them rather than himself. Of him it may be said, as Tennyson wrote, "to do him any wrong was to beget a kindness from him, for his heart was rich of such fine mould that if you sowed therein the seed of hate, it blossomed charity".

Of such was the man.

Latterly, however, tho without trace of respondence the valiant spirit began to tire—or maybe he began to long for his "Wherry". Could be he even heard her call. So it was that a few scant days before he breathed his last he confided to a mutual friend, that he desired to take his place among the "great majority". He reminisced on the rich life he had led, and expressed grateful pleasure and satisfaction in it. He made known his wish that the Maker would send death to rock him asleep.

So to children, grandchildren, great grandchildren, from whose presence Peps Messer has now gone, I urge that you not too deeply grieve. In affliction, scarely less than yours, I would simply remind you, that "what the heart has once owned and had, it shall never lose".

On the lips of our departed, as he bravely, and with desire, prepared to take his place in another scene, must have been the words, I am resolved no longer to linger, charmed by the world's delight; things that are higher, things that are nobler—these have allured my sight.

So he has been granted his heart's desire.
His time was come
He ran his race
We know he's in a better place
Triumphantly he wears a victor's crown.

WILLIAM W. JENNESS

HON. JAMES A. BURKE

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 16, 1976

Mr. BURKE of Massachusetts. Mr. Speaker, it was with sadness that I learned of the death on March 6 of William W. Jenness of Quincy, Mass. Mr. Jenness was a devoted public servant whose political career spanned 34 years, beginning in 1938 when he was elected to the Quincy City Council. He served as president of the city council from 1941 to 1943 and was acting mayor of Quincy during 1942.

William Jenness served as a Republican State representative in the Massachusetts House of Representative from 1945 to 1958. I well remember his impressive 100 percent attendance record and high standard of debate during those years. Following his service as an elected official, William Jenness became legislative aide to house Republican floor leader, Frank Hatch, serving in that position until his retirement from public life 4 years ago.

Educated in the Quincy public schools and Thayer Academy, William Jenness earned two degrees from Harvard, graduating cum laude in 1925 and receiving a master's degree in public administration in 1953. He was a member of the Massachusetts Legislators Association, the Harvard Club, and Christ Episcopal Church, Quincy.

All of us who knew William Jenness will miss him. No tribute to William W. Jenness can be more fitting than his own long and devoted life of public service.

The article follows:

[From the Patriot Ledger, Mar. 5, 1976]

WILLIAM W. JENNESS, 71, EX-STATE REPRESENTATIVE

WEYMOUTH.—William W. Jenness, Quincy's wartime mayor and later a Republican state representative died Saturday at Quincy City Hospital after a long illness.

The 71-year-old former legislator had been a lifelong Quincy resident until moving to Weymouth eight years ago, a move which became necessary when the MBTA took his home by eminent domain.

His political career spanned 34 years beginning in 1938 when he was elected to the Quincy City Council. He was president of the council from 1941 to 1943. He was acting Mayor in November and December, 1942 when Mayor Thomas Burgin enlisted in the service.

Mr. Jenness entered political life at the state level in 1945 when he was first elected to the state House of Representatives, an office he held until 1958. He then became a legislative aide to House Republican floor leader Frank Hatch, holding that position until his retirement from public office four years ago.

Mr. Jenness boasted impeccable attendance and debating records and backed a variety of bills during his years in the House including the so-called "Tenant Selection Bill" and legislation aimed at curbing bait advertising and bogus sale close-outs.

He also backed legislation in 1945 which resulted in construction of Nut Island sewerage treatment plant and filed, at about the same time, a petition to dredge the channels of the Wollaston and Squantum Yacht Clubs. Both issues are currently the subject of debate.

He attended Quincy public schools and Thayer Academy in Braintree before entering Harvard, where he graduated cum laude in 1925. He later attended Northeastern University Law School and in 1953 earned a master's degree in public administration from Harvard.

Mr. Jenness was a member of the Massachusetts Legislators Association and the Harvard Club.

He is survived by his wife Mrs. Mary Alice (Thomey) Jenness.

Rector Steele Martin and retired Rector Chester Porteus will co-officiate at funeral services tomorrow at 11 am at Christ Episcopal Church, Quincy.

Visiting hours are today from 2 to 4 and 4 to 8 PM at the Wickens and Troupe Funeral Home, 26 Adams Street, Quincy.

Burial will be in the spring in Alton, N.H.

Contributions in Mr. Jenness' name may be made to the Norfolk County Newton Lung Association, Westwood.

EARTHQUAKES AND UNEMPLOYMENT

HON. DEL CLAWSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 16, 1976

Mr. DEL CLAWSON. Mr. Speaker, even those legislative goals which are feasible and attainable must compete for consideration with other equally attainable and feasible priorities when strenuous attempts are underway to reduce Government spending. This does not mean that we must automatically reject ambitious programs aimed at continuing national problems. It does mean, however, that it is the duty of the Congress to differentiate between attainable goals and visionary programs such as those described in the column by Mr. George Hagedorn, vice president and chief economist of the National Association of Manufacturers in the March 8 report of the N.A.M. The column follows at this point in the Record for the information of my colleagues:

Earthquakes and Unemployment

(By George Hagedorn)

I have a proposal to make to the American people: The federal government should pass legislation forbidding earthquakes from happening. It should then devote all its efforts to enforcing that legislation. Earthquakes, when they do happen, cause great destruction of life and property and widespread human anguish. What man of goodwill could possibly oppose my legislative recommendation? I offer it freely to any presidential candidate who wishes to embrace this program.

Small minds of limited vision will raise the objection that nobody really knows how to stop earthquakes from happening. My answer to that is that the goal of ending earthquakes, once and for all, is of such overriding importance that we should not let so small a matter as our inability to know how to do it stand in the way.

You may feel that all this is absurd and therefore be unwilling to join my crusade for abolishing earthquakes. I would point out to you that there is another crusade, being mounted in certain "liberal" quarters and apparently attracting some support, that must, by the same criteria, be regarded as equally absurd, or even more so. That is the crusade for *full employment*, now embodied in certain full-employment bills before Congress.

These legislative proposals are, essentially, laws which would, once and for all and practically instantaneously, abolish unemployment in the United States by act of Congress. Advocates of such legislation are quite passionate about it and adamantly refuse to listen to the objection that we don't really know how to abolish unemployment completely and instantaneously.

To revert to my proposal for legislative abolition of earthquakes: The answer to those who protest that we don't know how to accomplish that end must be that we shall nevertheless do the best we can. So far the only specific proposals for preventing earthquakes from happening are that we should rely on witchcraft. Perhaps the implementing sections of the legislation should require that all citizens participate, by government command, in certain ritual dances to appease the earthquake demon, for one hour a day. If, after that approach has been followed for a time, earthquakes nevertheless continue to happen, it will be evidence that we are not dancing hard enough. The government would thereupon require that all citizens must dance for *two* hours a day—and so forth until the authorities were satisfied that earthquakes had indeed been abolished.

(Confidential note to 1976 presidential candidates who might adopt my anti-earthquake proposal: There is of course the danger that by continuously escalating the daily requirement for ritual dancing the population might become totally exhausted, leading to a collapse of civilization. But that would be an issue in the 1980 or 1984 elections. You are after all trying to attract votes in 1976, so don't let it bother you.)

By contrast with my brilliant and original proposal for the abolition of earthquakes, proposals for abolishing unemployment seem very "old-hat" indeed. We have, after all, been trying to improve the state of the economy through escalating the degree of government involvement, always with special emphasis on achieving lower levels of unemployment. This effort has been going on for many years but was greatly accelerated during the past decade. One of the evidences of this effort is the fact that federal budget outlays nearly tripled during that decade.

Strangely, the end result of all this effort is that unemployment has risen to the highest levels in 30 years. Furthermore, the economy is showing symptoms of the same kind of exhaustion that might result from escalating the daily requirement for ritual dancing to prevent earthquakes. The prescription of the full-employment advocates is to do more of the same. If tripling government outlays seemed to be counterproductive during the past decade, then let us quintuple or sextuple them in the coming decade. (If *that* doesn't work, we can go to even higher multiples.) This seems to be the essence of the programs proposed in the full-employment bills now before Congress. Government is to be the employer of last resort and take surplus labor off the market by simply hiring it. The fact that this will impair the ability of the private sector to make jobs, leaving us worse off on the employment front, is lightly brushed aside although the experience of past years clearly confirms it.

Actually, the state of our knowledge regarding the causes and cure of unemployment is somewhat better than the state of our knowledge on how to prevent earthquakes from occurring. Our experience demonstrates that job creation thrives when the private sector is left free to grow, without the imposition on it of the heavy burdens created by rapid government expansion. When we rely, instead, on government expansion to create jobs, we experience rising unemployment.

This simple observation does not, of course, provide an instantaneous cure for unemployment. But, if government expansion is restrained in the future, we can rely on a gradual recovery of economic health and a return to a sustainable lower level of unemployment. The so-called full-employment legislation is the road to further economic troubles and worse unemployment problems.

FAMED CHOPIN SINGING SOCIETY SETS CONCERT SCHEDULE HERE

HON. HENRY J. NOWAK

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 16, 1976

Mr. NOWAK. Mr. Speaker, as part of our Nation's Bicentennial observance, the famed Chopin Singing Society, representing the Buffalo, N.Y., metropolitan area, will be performing in the Washington, D.C., area this Friday, Saturday, and Sunday.

The society was founded in 1899 and dedicated to the preservation of Polish music and song. It has developed an accomplished, award-winning mixed chorus that is one of the most versatile and long-lived in the entire Nation. An invitation for the society to visit Poland in 1975, at the request of the Polish Government, underscores this group's reputation for excellence.

In addition to appearances at the White House and the Embassy of Poland this week, the chorus will perform at 11 a.m. Friday on the east steps of the Capitol, at noon Saturday at the Kennedy Center, at 2 p.m. Saturday at the Lincoln Memorial and at 7:30 p.m. Saturday at Mongomery Blair High School in Silver Spring, Md. In the best traditions of the Chopin Singing Society, I am sure these performances will be memorable and I commend them to the attention of my colleagues and members of their staffs. At this point, I insert an article from the March 11, 1976 Am-Pol Eagle, a distinguished weekly newspaper in Buffalo, which details the Chopin Singing Society's itinerary here:

Chopin Singing Society To Perform at White House

Western New York's famed Chopin Singing Society is scheduled to appear next week at the White House, John F. Kennedy Center for the Performing Arts, the Capitol, at the National Shrine of the Immaculate Conception and elsewhere in the nation's capital, according to Congressmen Jack Kemp and Henry J. Nowak.

The congressmen said "the appearance of the 137 member, mixed chorus and featured singers on Friday, March 19 at the White House is a singular honor for this highly-respected society and our community on a day when many entertainment groups from New York State will participate in a District of Columbia, Bicentennial tribute to our state."

Led by Chopin President Theodore Mikoll, the performers plan to travel by bus from Buffalo to Washington, arriving at the Washington Hilton Hotel on Connecticut Avenue at 11 A.M. Thursday, March 18.

The group's first formal event is to be a society-sponsored reception from 9 P.M. until midnight Thursday at the hotel. The singers' guests will include members of the New York congressional delegation, members of Congress who have Polish ancestry and members of the Polish Arts Group of Washington. Myron Kuropas, President Ford's assistant for Ethnic Affairs.

In full regalia-bright red jackets and navy blue trousers or skirts with red, white and blue ties—the society will be accorded a VIP visit and tour of the White House on Friday. Later the same day, at 11 A.M. they will entertain members of Congress, the public and others on the east steps of the Capitol.

At noon, they will lunch with members of Congress and their staffs and then present a concert in the huge, high-ceilinged Caucus Room in the Cannon House Office Building on Capitol Hill.

Members of the society will be the honored guests of His Excellency Witold Trampczynski, Poland's ambassador to the United States at a Friday evening reception at the Polish Embassy. The diplomatic event will be highlighted by the ambassador's presentation of a special award to the Honorable Thaddeus J. Dulski for the retired congressman's outstanding contributions to the promotion of close relations between the people of the U.S. and Poland.

Congressman Dulski's father, Joseph Dulski, was a founder of the Chopin Singing Society in 1899.

The singers will present a program for tourists at noon Saturday, March 20, at the Kennedy Center for the Performing Arts following a society tour of the center.

At 2 P.M. Saturday, they will perform for the public at the Lincoln Memorial overlooking the Reflecting Pool on the Mall.

Commencing at 7:30 P.M. Saturday, the society will present a two-hour concert, similar to that presented last summer in Warsaw, at a public event sponsored by the Polish Arts Clubs of Washington at the Montgomery Blair High School Auditorium in Silver Spring, Maryland.

The last scheduled performance in the Capital Area will be the singing of a Latin Mass at 11 AM. in the Cathedral at the Shrine of the Immaculate Conception, north of Capitol Hill.

Many special guests invited to participate in the various events in Washington include Buffalo Mayor Stanley M. Makowski who formerly sang with the Chopin group: Erie County Executive Edward V. Regan, and Leonard P. Walentynowicz, administrator of the State Department's Bureau of Security and Consular Affairs and former Buffalo attorney.

SUPERMARKETS AND THE COMPUTER

HON. JAMES H. SCHEUER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 16, 1976

Mr. SCHEUER. Mr. Speaker, I would like to bring to the attention of my colleagues an interesting article which explains the alarm of both consumers and the labor movement regarding computerized checkouts in supermarkets.

"Packaged Without Prices—An Electronic Threat" appeared in the January 1976 issue of the AFL–CIO American Federationist.

This article explains that under such a computerized system, packages are no longer price-marked. Rather, they are marked with a block of black and white lines intelligible only to the computer, thus making price comparisons for the consumer difficult if not impossible once he has removed an item from the shelf.

We need to give more, not less information to the consumer. I see no objection to giving time-saving, money-saving checkout computers all the lines and markings they need to determine item prices, as long as we also provide customers with the vital information—in dollars and cents—they need to determine prices.

The article follows:

PACKAGES WITHOUT PRICES—AN ELECTRONIC THREAT

(By Walter L. Davis)

Two revolutions occurring in the nation's supermarkets have radical implications for both consumers and the labor movement.

First came the industry-wide adoption of the Universal Product Code (UPC). Since it's already on some 60 to 65 percent of all products in the average supermarket, its block of black-and-white lines is already familiar to American consumers, whether they know what it is or not.

The symbol can be as small as 1.5 square inches. In this tiny space, the lines on the symbol will be able to generate 10 trillion individual, distinct, machine-readable numbers. It can be affixed to almost any kind of merchandise and still be completely readable, whether the item comes in a bag, bottle, box, can, jar, sack, tube, cellophane wrapper or aluminum dish.

The second half of the revolution is the creation of the computerized checkout stand at which the UPC will be electronically read. Each checkout stand will be equipped with an electronic scanner. The checker will simply pull a UPC-marked product across the scanner. In a milli-second, the scanner can translate the UPC bar symbol to the UPC code number, transmit that information to the store's mini-computer file and the product price will then be "looked up" and flashed back to the register.

The price will then be visually displayed to both the consumer and the checker. At the same time, a description of the product and its price will be printed on the customer's cash register tape, and that information is also stored for computing the total bill.

The scanner can also handle situations in which two or three items have a different price when purchased together. The sorting and correct pricing would all be done by the computer. If you buy candy bars priced at three for 29 cents, you do not have to group them together on the conveyor.

When the first candy bar shows up and the laser beam informs the computer of the number, the computer will charge 10 cents for the bar. When the second shows up, the price will still be 10 cents. But when the third shows up, the computer will have stored in its memory the fact that two bars have already been charged within that particular order and it will flash 9¢ on the electronic sign above the checkout counter. No matter the number of such combinations of items within an order, there would be no necessity to group any of them.

Computerized checkstands are already proliferating in the supermarkets and neither the consumer nor labor movements oppose the electronic checkout. What they do oppose is taking the prices off the packages and that's what the legislative struggle in both the states and Congress will be about in coming months.

It is ironic that the new technology came so soon after the long struggle by consumers to get real, readable unit pricing on some of America's supermarket shelves.

The appearance of the UPC on a variety of products is new, but the idea is not. Company officials have toyed with the product scanning concept for as long as 40 years, and in 1966 the effort became intensive—to the tune of $50 million in design of the emblem.

This kind of cost represents one of the many concerns of consumer groups. Ultimately, the buyer pays and while the industry is steadfast in arguing that eventually there will be sizable savings, they are making no guarantees of when if ever they will pass it along to the consumer. Meanwhile the total cost of the conversion could run as much as $3 billion, and the consumer will be paying that tab.

Similarly, many of the claims the industry is making have another side. The magazine Media & Consumer charted five principal claims with the corresponding doubts consumers have about each. The five claims are less waiting time at the checkout counter; fewer errors in price ringups; advantage of a detailed sales receipt; price savings passed on to consumers because of lower labor cost; and ease in cashing checks.

The first claim is less waiting time because of the speed of the automated checkout's scanner and computer. It's possible, but it's more probable that some supermarkets will substantially reduce the number of checkout lanes when switching to the new system, thus forcing the food shopper to wait just as long as before.

The contention of fewer errors in price ringups is based on the argument that there's less room for error on the part of the clerk. The system will produce fewer errors, unless the wrong information is fed to the computer. And since the computerized system is capable of instantaneous price changes, there's no guarantee against changes made—or not made—on a given day's prices. The price could even change before the buyer gets from the shelf to the checkout stand.

Similarly, the industry claims the sales receipt available under the new system will contain minute detail of everything purchased. But a survey by the Retail Clerks of some of the nation's supermarkets where the new system is in effect found that the receipt is not available in all systems and where it is, the brand name, size and quantity of the product were not included, leaving the consumer little of real value in budgeting or consumer shopping.

In the final analysis, what the supermarket industry extols as a "detailed register tape" is really only a promotion. Not a single one of the surveyed register tapes was totally satisfactory. Even if the identification area on the tape were expanded to 20 spaces of alpha and numeric, even if brand name, size and quantity were all intelligibly spelled out, the tape would still not be the answer. With item pricing eliminated, the industry has provided nothing to fill the vacuum between the time the consumer looks at the shelf marker and then tries to figure out the tape in the privacy of home. This is a vacuum in which the consumer can be the loser, and the vacuum will exist as long as the price is not on the package.

Industry says that since the price code on the product can be read by the scanner, there's no need for prices on the individual product. And they keep saying this even after publishing their own surveys in which consumers show a distinct coolness toward the absence of item pricing.

As mentioned, the removal of prices from the item is potentially the most harmful element of the new checkout system—and the prime cause of consumer concern. This is true for a number of reasons:

The supermarkets are offering no guarantee that they'll share this savings with the consumer. In fact, it might mean only increased profits.

There's also no guarantee that the supermarkets can faithfully see to it that the price tag is accurate. The industry as a whole has a notoriously poor reputation for its ability to maintain shelf prices properly.

If the prices do not appear on the items, the consumer has little defense against instantaneous price changes.

Having the price on the item at the time it's used can reinforce the consciousness of price at the time food is prepared.

Comparison shopping will become quite complicated. Checking the price of corn—fresh, frozen or canned—will require either a superb memory or trips from aisle to aisle to compare prices, since none will be on items in the cart.

A visual terminal that will flash the price and product name as the UPC is scanned is cited as another assurance to the consumer that the correct price is being charged. Yet the increased speed of the system is based on a checker using a rapid two-handed motion to slide the groceries across the scanner and bag them almost simultaneously. That hardly allows the shopper enough time to match the product with the price flashed on the visual terminal.

Ease in check cashing, the fifth and final industry claim, is based on the computer's ability to store the records of more than 20,000 customers and thus okay a check in a flash. In compiling the list of industry claims, Media & Consumer found this "certainly an advantage and one that will save considerable time."

But there's still the question of how this information will be used. While the stores probably won't have much more information on a customer's employment and financial situation than they do now, the information will be readily available, possibly even for sale to credit bureaus or direct mail houses.

While the removal of item pricing is the hub of consumer opposition to the UPC, consumer groups have also been bothered by the haughtiness of the food industry.

The Consumer Federation of America reports that even though research and development on this project has been going on for more than 10 years, CFA doesn't know of any consumer group that has been asked for its advice at any time, anywhere in the entire nation. But now that research and development of the computerized checkout stand is an accomplished fact, chain stores which plan to install them are busily setting up "consumer committees" and "consumer advisor groups." But the instances are rare in the country where management has agreed to take the consumer advice to keep prices on the merchandise.

In addition, with thousands of jobs at stake, management has carefully avoided consulting with the affected unions, the Retail Clerks, Meat Cutters and Teamsters.

The industry insists it is in a "testing" posture; it pleads for time to perfect the system. In reply to that argument, CFA director Carol Tucker Foreman testified before a Senate subcommittee: "Development of the electronic system is not a test. It is rather the culmination of 10 years of capital expenditure, research and technological development. While the industry was experimenting, designing and redesigning, consumers were left in the dark until the system was a fait accompli. Then, with decisions made, consumers were consulted. What is happening around the country now is not a test. It is the promotion of a new product. As with all promotions, it is carried out in the most attractive surroundings; it is expensive; and the costs are passed on to the consumer. One East Coast chain has installed this system in an attractive, large new store. Their consumer advisor visits the store and speaks to the consumers frequently. They have assigned extra personnel to monitor shelf prices. What will happen when the product is accepted and the promotion period ended? What will happen when the extra personnel are removed? What will happen when the new wears off and we get back to business as usual, when the system is installed in other stores and inner city stores, in stores where the customers are old or infirm or don't speak or read English?"

In general, the attitude of the grocery industry toward consumers is patronizing, as shown in these comments by a prominent Chicago retail food executive: "Generally, people do not know what they want . . . We must be ahead of our customers, by anticipating and doing the things we know they need, even though they themselves do not know what they want." And, Alan Haberman, president of First National Stores, suggested that if consumers were really interested in having prices on merchandise, the supermarkets would be glad to supply grease pencils so the consumers could do the marking themselves. Mrs. Foreman compares that comment by Haberman with Marie Antoinette's "Let them eat cake."

Mrs. Foreman told the subcommittee the story of how delegates from more than 200 CFA-affiliated organizations voted unanimously for a resolution calling for clearly marked prices on all consumer commodities: "These delegates were consumer leaders from across the country voicing the concerns of grassroots consumers with whom they have regular contact. They believe that price information is the most basic and essential consumer information, and they are unwilling to forsake this information."

Typical of the consumer reaction was that of Ann Darrow, a housewife who lives in Conesus, New York. When a New York state legislative committee held a hearing on mandatory price-marking legislation in Rochester last fall, she was on hand to testify. After the committee had visited Wegman's Supermarket and viewed the computerized checkstand in operation, she made this report:

"Their proposal to take the prices off the packages is very inconsiderate. They want to take away our fundamental right to know. And frankly, I'm not prepared to give that up.

"Shopping today is bad news in the first place. If you take away our right to know, you might as will legalize pickpockets.

"Is Wegman unaware? Doesn't he realize who a shopper is? Doesn't he go into his stores and look around? Let me describe a shopper for him. She's got a three-year-old hanging on one hand, and she's pushing a shopping cart with the other. Clutched somewhere is a list of things she wants to buy. But she is working out of very limited resources caused to a large extent by the fantastic inflationary spiral in food prices. So here comes the supermarket industry telling her that she doesn't need the prices on packages. This is absolutely crazy. By the way, while the shopper is going through this maddening experience, that three-year-old she is dragging around is jerking at her hand, and with his other hand he is rearranging the shelf markers within his reach and restocking the shelves to suit himself. So when Wegman or anybody else tells you that you can rely on shelf prices, it almost makes you want to scream."

Industry's principal argument against retaining the price markings on individual items is that the labor cost involved would eat up as much as 30 percent of the potential savings from UPC. But a survey by Garvey-Labelmatic, a Consolidated Foods Company, revealed that putting the prices on the items is not that expensive.

"The results suggest that a typical $60,000 a week supermarket might expect to pay as little as $47.34 a week to 'duplicate mark' UPC-labeled goods. This is in sharp contrast to the $200 or so per week claimed by some sources," the survey report said.

The survey involved study of what clerks have to do with all products which come into the food store, such as the opening of cartons and arranging of individual items. It found that stamping the prices was as little as 40 percent of this total preparation time. Overall, the survey concluded that labeling individual items could be done for about 1 cent per customer transaction, based on the volume estimated for a $60,000 a week store.

Ellen Haas, former president of the Maryland Citizens Consumers Council, has listed the reasons price marking of individual items is necessary for the consumer: price marking is essential to comparison shopping; price changes can be made with impunity unless there is mandatory price marking legislation; shelf tags are inaccurate, so price on the package is the only way to insure accuracy of the price and also the only easily used, readily available element of price information.

Mrs. Haas concluded: "As innovative as the new cash register tape is, it falls short of any standard for adequate information, which is available at all times, in the store and at home."

In all, the consumer concern has added up to a wide brigade of opposition. In addition to the CFA, those endorsing legislation to require visible package pricing are the NAACP, the National Council of Senior Citizens, the National Consumers Congress and consumer protection officials in a number of cities and states. The AFL–CIO strongly endorsed mandatory price marking in a resolution passed at its 1975 convention.

Removing prices from packages will be particularly hard on the elderly, the National Council *of Senior Citizens* says. Mary A. Rollin, director of a group serving older adults in nine counties in Wisconsin says the visit of seniors to the grocery store is "an important social occasion. Families are often scattered; death decreases their circle of friends. A shopping trip can be an opportunity to talk with people, be an active member of society. Socialization and communication are vital if older adults are to be active members of the communities in which they live. Readable and legible prices marked on each purchase item will ensure that the older adults' shopping trips will not be occasions of stress, isolation and possible despair, but pleasant opportunities to mingle, independently and with dignity, and with their fellow members of society."

Already, four states have passed mandatory price marking legislation: California, Massachusetts, Connecticut and Rhode Island. The Consumer Federation of America expects that at least nine other major industrial states will pass the legislation by the summer of 1976. Hopes are high in many other states, where the issue is relatively new and virtually no stores with computerized checkstands have surfaced.

Similar legislation has also passed in 14 cities, including Chicago, scattered throughout the midwest.

The first and only county to mandate price marking was Rockland County, New York.

Consumer and labor groups feel that the outlook in Congress has been aided by defections within the industry. One chain put prices back on the products after the New York State Assmbly heard heated protests from consumers and Frank Montesi, vice president of a Memphis chain, told a Senate subcommittee: "If the price is left off the merchandise due to failure of passage of this bill the opportunity to rip-off the American public will be the greatest in history."

Labor has been working hard to get legislation passed at all levels of government. James T. Housewright, president of the Retail Clerks told the Senate subcommittee that his union supported legislation because "our people are union members and consumers. We have a very serious obligation to represent them on both counts."

He cited the experience of retail clerks in supermarkets: "Our members are particularly aware of such things as the reliability of shelf prices, the attitudes of customers, the intense pressure on individual store managers to produce profits, and the clever manipulation and motivation of customers by refined advertising and merchandising techniques."

Housewright said that because of the hard sell of the computer hardware industry and the apprehension that many supermarket operators might have about falling behind, "Some retailers may move too fast and overextend themselves. The disastrous economic conditions that our nation has experienced has already forced many retailers into bankruptcies. We have a great stake in avoiding still more bankruptcies."

He predicted the electronic revolution will come to the entire retail industry, not just supermarkets. He also predicted, "It will have vast social and economic implications—many of them for the common good. But if we wait and see what the future holds in this area, we will lose the battle for a basic consumer right—the right to know and be able to verify the price of our purchases."

HOUSE OF REPRESENTATIVES—*Wednesday, March 17, 1976*

The House met at 12 o'clock noon.

Msgr. Martin J. Flynn, St. Patrick's Roman Catholic Church, Huntington, N.Y., offered the following prayer:

Father-Creator, in your goodness, You made man a free being: It was a unique gift, but also a heavy responsibility. The Founding Fathers of this Nation recognized that gift and responsibility in the political sphere, when they dedicated this Nation to defend and to promote freedom. That endeavor is now a Bicentennial journey: Our people and its Government are still journeying toward the goal of assuring freedom through law.

Father, as our Representatives strive to carry out that mandate, give them dedication and courage, keenness of vision, and the wise political prudence to strike the just compromise between the competing claims of different values.

Father, grant to the honorable Members of this Congress, the boon of the old Gaelic blessing, which prays:

"May the roads rise with you,
And the wind be always at your back,
And may the Lord hold you in the hollow of His hand."

Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Without objection, the Journal stands approved.

There was no objection.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the House by Mr. Heiting, one of his secretaries.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Sparrow, one of its clerks, announced that the Senate had passed without amendment a bill of the House of the following title:

H.R. 9570. An act to authorize the sale and shipment incident to such sale of the chemical substance carbonyl chloride by the Department of Defense.

The message also announced that the Senate agrees to the amendments of the House with amendments to bills of the Senate of the following titles:

S. 2619. An act to provide for adjusting the amount of interest paid on funds deposited with the Treasury of the United States by the Library of Congress Trust Fund Board; and

S. 2620. An act to provide for adjusting the amount of interest paid on funds deposited with the Treasury of the United States pursuant to the act of August 20, 1912 (37 Stat. 319).

The message also announced that the Senate agrees to the amendment of the House to the amendment of the Senate with an amendment to a bill of the House of the following title:

H.R. 12122. An act to amend section 2 of the act of June 30, 1954, providing for the continuance of civil government for the Trust Territory of the Pacific Islands, and for other purposes.

The message also announced that the Senate had passed a bill and concurrent resolution of the following titles, in which the concurrence of the House is requested:

S. 3052. An act to amend section 602 of the Agricultural Act of 1954; and

S. Con. Res. 103. Concurrent resolution authorizing the Joint Committee on Arrangements for the Commemoration of the Bicentennial of the United States of America to provide facilities and services for visitors to the Capitol buildings and grounds.

The message also announced that the Vice President, pursuant to the provisions of Senate Concurrent Resolution 90, 94th Congress, appointed the majority leader or his designee, the minority leader or his designee, and the chairman of the Committee on Rules and Administration to be members, on the part of the Senate, of a joint committee to make the necessary arrangements for the inauguration of the President-elect and the Vice President-elect of the United States on the 20th day of January 1977.

INTRODUCTION OF MSGR. MARTIN J. FLYNN

(Mr. AMBRO asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. AMBRO. Mr. Speaker, it is my privilege to introduce to the House of Representatives Msgr. Martin J. Flynn, pastor of St. Patrick's Roman Catholic Church in Huntington, N.Y.

It is eminently appropriate that Monsignor Flynn, an accomplished student, devoted teacher, and spiritual leader, should offer the opening prayer in the House of Representatives on this Saint Patrick's Day when so many of us recall the debt this country owes to the "Isle of Saints and Scholars."

A product of my own native Brooklyn, Monsignor Flynn began his theological studies in Rome, Italy; was ordained a priest July 20, 1930; and completed postgraduate work at several institutions of higher learning both here and abroad, including the University of Bonn, the University of San Francisco, and University of Louvain. He earned doctoral degrees in both theology and philosophy and for almost 20 years was a professor of philosophy at the Immaculate Conception Seminary in Huntington, N.Y.

Monsignor Flynn later served as rector of that seminary before being named pastor of St. Patrick's Church in Huntington in 1963.

Religious and intellectual fervor runs deep in the Irish character. My longtime friend, Monsignor Flynn, represents a mingling of these traditions.

During his 46 years as a priest, the Monsignor has provided spiritual and intellectual leadership for countless thousands of students and parishoners.

His life's work is testimony to the Irish tradition of combining spiritual and scholastic learning that dates back to the Irish monastries and the Middle Ages—religious communities that served as centers of learning for all of Europe.

By his presence here today—a day commonly marked by festivities and merrymaking—Monsignor Flynn reminds all of us of the genuine contributions of the Irish people to our own history and culture. I am proud to call him friend and spiritual adviser.

SPECIAL ORDER ON MONDAY, MARCH 22, 1976, IN MEMORY OF THE HONORABLE WRIGHT PATMAN

(Mr. MAHON asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MAHON. Mr. Speaker, I wish to announce that on Monday, March 22, at the close of legislative business, a special order has been granted at which time Members will have an opportunity to pay tribute to the memory of the late dean of the House, Wright Patman of Texas. I know that many of my colleagues will want to join me in commemorating the life and career of this former distinguished Member of the House.

During the special order, I will ask unanimous consent that all Members may have 5 legislative days in which to insert remarks about Mr. Patman.

CALL OF THE HOUSE

Mr. HANLEY. Mr. Speaker, I make

the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

Mr. O'NEILL. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The call was taken by electronic device, and the following Members failed to respond:

[Roll No. 110]

Abzug
Allen
Andrews, N.C.
Annunzio
Barrett
Bell
Biaggi
Bolling
Bonker
Brown, Mich.
Burgener
Burke, Calif.
Burton, Phillip
Chisholm
Clawson, Del
Collins, Ill.
Conyers
Crane
Dellums
Derwinski
Diggs
Dingell
Drinan
Esch
Evans, Colo.
Fary
Fenwick
Foley
Ford, Mich.
Ford, Tenn.
Forsythe
Fountain
Fraser
Giaimo
Gilman
Guyer
Hannaford
Harsha
Hayes, Ind.
Hébert
Heckler, Mass.
Hinshaw
Howard
Jones, Ala.
Jones, Okla.
Karth
Kastenmeier
Leggett
McDade
McDonald
McKinney
Macdonald
Metcalfe
Michel
Mikva
Mills
Murphy, Ill.
Obey
O'Hara
Pike
Pressler
Rees
Risenhoover
Roncalio
Rosenthal
Rousselot
Ruppe
St Germain
Satterfield
Shuster
Simon
Spellman
Staggers
Stanton, James V.
Studds
Sullivan
Taylor, Mo.
Teague
Udall
Ullman
Weaver
Wilson, C. H.
Young, Alaska
Zeferetti

The SPEAKER. On this rollcall 348 Members have recorded their presence by electronic device, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

RECESS

The SPEAKER. Pursuant to a previous order of the House, the Chair declares a recess subject to the call of the Chair.

Accordingly (at 12 o'clock and 21 minutes p.m.), the House stood in recess subject to the call of the Chair.

JOINT MEETING OF THE HOUSE AND SENATE TO HEAR AN ADDRESS BY THE PRIME MINISTER OF IRELAND

The SPEAKER of the House presided.

The Doorkeeper (Hon. James T. Molloy) announced the President pro tempore and Members of the U.S. Senate, who entered the Hall of the House of Representatives, the President pro tempore taking the chair at the left of the Speaker, and the Members of the Senate the seats reserved for them.

The SPEAKER. The Chair appoints as members of the committee on the part of the House to conduct the Prime Minister of Ireland into the Chamber the gentleman from Massachusetts (Mr. O'Neill); the gentleman from California (Mr. McFall); the gentleman from California (Mr. Phillip Burton); the gentleman from Pennsylvania (Mr. Morgan); the gentleman from Arizona (Mr. Rhodes); the gentleman from Illinois (Mr. Michel); and the gentleman from Michigan (Mr. Broomfield).

The PRESIDENT pro tempore. Pursuant to the order of the Senate, the Chair appoints as members of the committee on the part of the Senate to accompany the Prime Minister of Ireland into the Chamber the Senator from Montana (Mr. Mansfield); the Senator from West Virginia (Mr. Robert C. Byrd); the Senator from Utah (Mr. Moss); the Senator from Alabama (Mr. Sparkman); the Senator from Massachusetts (Mr. Kennedy); the Senator from California (Mr. Tunney); the Senator from New Hampshire (Mr. Durkin); the Senator from Pennsylvania (Mr. Hugh Scott); the Senator from Michigan (Mr. Griffin); the Senator from Nebraska (Mr. Curtis); the Senator from New Jersey (Mr. Case); the Senator from Alaska (Mr. Stevens); the Senator from Idaho (Mr. McClure); and the Senator from Oklahoma (Mr. Bartlett).

The Doorkeeper announced the Ambassadors, Ministers, and Chargés d'Affaires of foreign governments.

The Ambassadors, Ministers, and Chargés d'Affaires of foreign governments entered the Hall of the House of Representatives and took the seats reserved for them.

The Doorkeeper announced the Cabinet of the President of the United States.

The members of the Cabinet of the President of the United States entered the Hall of the House of Representatives and took the seats reserved for them in front of the Speaker's rostrum.

At 12 o'clock and 34 minutes p.m., the Doorkeeper announced the Prime Minister of Ireland, His Excellency, Liam Cosgrave.

Prime Minister Cosgrave, escorted by the committee of Senators and Representatives, entered the Hall of the House of Representatives, and stood at the Clerk's desk.

[Applause, the Members rising.]

The SPEAKER. Members of the Congress, it is my great privilege, and I deem it a high honor and personal pleasure, to present to you His Excellency, Liam Cosgrave, the Prime Minister of Ireland.

[Applause, the Members rising.]

Prime Minister **LIAM COSGRAVE.** Mr. Speaker, Mr. President pro tempore, distinguished Members of the Congress of the United States, we have a saying in Ireland and I know you have heard it here but on St. Patrick's Day we drown the shamrock, and you certainly drowned me with your cordial welcome here today.

On this day in 1776, George Washington was already in Boston. The Declaration of Independence was 4 months in the future; and ours was 140 years away. Our two countries were both governed by the same king.

Ireland had then a slightly larger population than America; and many leaders of opinion on this side of the Atlantic saw it as the country whose situation and historic experience in relation to the British Crown were most clearly relevant to the great political debate in which they were then engaged. Because of this, what happened in Ireland was watched with great interest in America. In the summer of 1775 Benjamin Franklin went so far as to propose to the Continental Congress an elaborate scheme for a kind of legislative union between Ireland and the American Colonies. The Congress did not act on that proposal. Even then it sometimes rejected a proposal. But on July 28, 1775, it adopted "An Address to the People of Ireland" in which it expressed its "most grateful acknowledgment for the friendly disposition you have always shown us."

The news of the Declaration of Independence in Philadelphia 200 years ago reached Dublin in late August 1776. At that time news did not travel quite as fast as nowadays. The comment of a Dublin newspaper was:

> We weep for the brave Americans as lost departed friends, never again perhaps to be called fellow subjects or linked to us in the bonds of . . . amity and affection.

True, Mr. President, Irish and Americans have never since been fellow subjects under the Crown. But was a historical prediction ever so utterly and completely wrong as that newspaper's prediction 200 years ago that the Declaration of Independence might end the "bonds of amity and affection" between Ireland and America?

Let me say clearly to you that the link between our small island on one side of the Atlantic and your great continent on the other is not casual or of recent origin; it is not the simple or incidental connection between two countries whose histories, though separate, have touched on occasion. Ireland and America may be unequal in size or importance and we are certainly not equal to you in wealth, but they are linked by the deep and powerful bond which joins two nations that have each helped to form, and mold, and shape the other over several hundred years. Geography has made us distant neighbors; but history has made us close friends.

This is a bond which goes back beyond the Declaration of Independence to the thousands of Irish from north and south of the island who settled in America in the early and middle 18th century.

It is a source of immense pride to us in Ireland that so many Irish men and women have helped to build and develop the United States. We are proud of the 11 men of Irish birth or descent who signed the Declaration of Independence and of the thousands of Irish who fought in your Revolutionary Army. We are proud also of the anonymous millions who found refuge on your shores during some of the darkest days of Irish history. Their success in overcoming adversity and their contribution to America inspired us at home to take courage and build up our own country.

This bond was strengthened and deepened by millions of new emigrants of all creeds and classes when the stream which had flowed across the Atlantic during the 18th century became a floodtide in the middle of the 19th. It is a bond evident from a thousand names well known in business and in politics, in church and in state, in war and in peace.

But I believe its greatest strength has been the tens of millions unknown or half remembered—whose toil and sweat, traditions, and prejudices helped to build America.

So, Mr. President, Mr. Speaker, distinguished Members of Congress, when I congratulate you, as I do most warmly, in this Bicentennial Year, I congratulate you on what America has become since 1776. I am speaking of a development in which the Irish on this side of the Atlantic have taken a full part from the very outset; and which we in Ireland have always watched with admiration.

We look to America today with affection, with pride, and with hope. We are among your many friends abroad who may differ from you from time to time but who still think more of you, and of what you stand for in the world, than, in this time of self-questioning, you may often appear to think of yourselves.

It may indeed seem to you at times that, in differing, we apply a double standard and expect more of you than we expect of others. The simple answer is that we do. The world has always expected more of America; and if at times you are impatient about it remember that the idea your friends have of you is among your greatest strengths.

It is right that you should know that you have friends abroad who still believe in everything that America stands for. We have believed in America for too long to lose faith now; we have shared the hopes of America for too long not to take pride now in the achievement of two centuries; and we have had an affection for America for too long to turn now in an opposite direction.

You will understand, therefore, how deeply I am moved at your invitation and what a signal honor I regard it to address this joint meeting of the Congress of the United States on St. Patrick's Day in this Bicentennial Year.

The Congress speaking to the people of Ireland in that Address in July 1775 to which I have referred foresaw that for the Irish "the fertile regions of America would afford you a safe asylum from poverty and in time from oppression also; an asylum in which many thousands of your countrymen have (already) found hospitality, peace, affluence, and become united to us by all the ties of consanguinity, mutual interest, and affection."

Be assured now that the ties of consanguinity, mutual interest and affection alive in 1775 are still as deep and as strong in 1976 on the other side of the Atlantic—in Ireland, and in the Europe of which it forms a part.

Ireland, like America, was two centuries ago politically dependent—subject indeed to the same monarch. In the course of human events, as your Declaration says, a time came when each asserted its independence. Each did this in a single dramatic gesture; each explained and justified what it had done out of a decent respect to the opinions of mankind; the independence of each was contested; and each had to fight to have it recognized. So far our experiences were similar—ours was directly influenced by yours—and, so far, common to many other subject nations and colonies.

But, we shared something more. Neither of us in asserting independence was content to change the old order without replacing it with a new and democratic order deriving its just power from the consent of the governed. And that is a much less easy task. In Ireland we can be Democrats and Republicans at the same time and we do not find any conflict in that situation.

Independence may be proclaimed by a single dramatic gesture. But freedom—the right to life, liberty, and the pursuit of happiness—is a different matter. It does not come from a simple declaration. It must be earned by obtaining the consent of all; and it can be guaranteed only if democratic institutions are established which they are willing to accept.

You did these things in America in the 18th century. For us they came much later. The generation before mine had to grapple with these issues—so that they are still vivid for us; and they have raised problems which we are working today to resolve and for which we require your understanding. My own father, as an Irish nationalist, worked in his time on these problems. In his generation an independent democratic Irish State came into being and took its place in the modern world. He and his generation had to cope from the outset with what I have just decribed as the most difficult task for those who proclaim independence in the name of a people—the establishment of durable democratic institutions, on a solid basis of consent, so that freedom is not simply proclaimed but is actually achieved.

They did this well. The democratic structures they established in Ireland are solidly based on the will of the people.

But in one respect the aim of that generation was not realized. Their hope had been to see that all of the 4½ million people of Ireland joined to create an independent Irish State. But 1 million, a substantial element in the Irish population, who today form the majority in Northern Ireland, made it clear that they did not wish to be a part of such an independent Ireland.

This is still the central political fact in the island of Ireland. The 1 million Irish men and women, who make up the largely Protestant majority in Northern Ireland—an element in the Irish population whose emigrants, I would remind Members of Congress, contributed greatly to the building of America and who trace their origin in Ireland to a settlement 12 years before the *Mayflower*—did not, and do not at present, want to be part of an independent Irish Republic.

To this has been added a second and equally stubborn fact. Within Northern Ireland there is a large minority, for the most part Roman Catholic, who have always shared the traditional nationalist outlook predominant in the rest of Ireland. This minority, close to half a million people, have felt themselves disadvantaged and saw little reason to identify with the political institutions established in Northern Ireland. This is also a fact.

These two facts pose major problems for all of the people of Ireland:

For the people of Northern Ireland, the problem is how both parts of a community, divided by past bitternesses and by present fears, and insecure about the future can live together in peace;

For all of the rest of us in Island, and in particular for my Government, the problem is how best to ease fears in Northern Ireland and to promote peace and the rule of law in the interest of all the people living there.

The British Government, so long as it retains responsibility in the area, has the task of maintaining order and protecting the lives of all of the people.

How are these problems to be solved? I will briefly tell you first how they will not be solved.

They will not be solved by simplistic comparisons with colonial situations in other countries—since those who live in Ireland today belong in our island as of right, whether by origin they be in Ulster, whether they are Scots or Anglo-Norman, or Celts, or whether their ancestors arrived with Strongbow or with those who over 4,000 years ago built our megalithic tombs.

Most of us in Ireland, and sometimes we are accused of having long memories, North and South, see this issue clearly and have done so for a long time. We have consistently rejected men of violence, and they have been rejected, at every election in each part of Ireland which they have contested. These men of violence are not represented by a single democratically elected Member of our Parliament nor have they been represented by any Member of any recently elected parliamentary body in Northern Ireland. Few politically motivated groups that have secured attention in the public eye have ever, in any country, been so decisively and overwhelmingly rejected by the people.

As Prime Minister of Ireland, let me say this as clearly and as emphatically as I can. The Irish Government, acting for the people of Ireland, repudiate violence as a means of achieving unity. Violence destroys the natural concern of one member of the community for another. In the words of my countryman, Edmund Burke, speaking at the time of your Declaration of Independence:

> Power and authority are sometimes bought by kindness—they can never be begged as alms by an impoverished and defeated violence . . . the thing you fought for is not the thing you recover; but depreciated, sunk, wasted and consumed in the contest.

Those who use violence are destroying the very freedom in which they profess to believe. For many, they have destroyed the most fundamental freedom of all—the freedom to live.

The fact is that since the violence started in Northern Ireland in 1969 approximately 1,400 people have been killed there. This would be equivalent, Mr. President pro tempore and Mr. Speaker, in comparable terms to 200,000 deaths in America.

There are in Ireland and elsewhere, people who support violence at a distance and who can sleep easy on the wounds of others. Here you will forgive me if I speak plainly—even bluntly—on a matter which has direct relevance for Americans.

There are in this country some people who contribute in the most direct way possible to violence in Ireland—by sending either guns or explosives—for use in Northern Ireland. A larger number have contributed—thoughtlessly or otherwise—to organizations nominally engaged in "relief" work which have used that money to buy guns and explosives for use in Northern Ireland.

Let me tell such people in the most categorical manner possible what they are doing and what not.

What they are doing, whatever their motives, with every penny, dime or dollar they give thoughtlessly for such purposes, is helping to kill or maim Irish men and women of every religious persuasion in Ireland. They are clearly and directly postponing any possible hope of realizing the traditional aim of Irish nationalism to which they would claim to be committed—the establishment of harmony and a sense of common identity between "Protestant, Catholic and Dissenter" in our Ireland. That was the statement of Wolff Tone and Thomas Davis, and in our time of Arthur Griffin.

What they are not doing should be made equally clear. They are not helping—whatever they may think—to bring an end to what is being called "the British presence in Ireland." The British Government, a partner of Ireland in the European Community, declared formally 2 years ago, and this is of significance, that it would support Irish unity if and when a majority of the people of Northern Ireland accepted it. And this is the only basis on which our people seek unity. The problem today, therefore, for anyone who claims to favor unity in Ireland is rather to promote good relations and trust between all elements of the population there.

Basing our policy on these principles, we have said many times that it is for the people of Northern Ireland themselves, primarily to determine their future, in the light of the political and economic realities facing them. It is for them to develop or accept a system of government in which each community living there can work in partnership. The recent failure of the convention set up specifically to see if the people of Northern Ireland could themselves reach this type of agreement has been a setback—I hope it is a temporary setback. Certainly the history of Northern Ireland over the past 60 years demonstrates that there can be no permanent peace or no real stability, until each section of the community there can share in the administration and participate in government established for their own protection and welfare.

For our part I have pledged, on behalf of my Government, that we will fully support any institutions freely arrived at which command the respect of the people of Northern Ireland as a whole.

We are prepared to do all that is in our power to be of assistance, particularly in relation to any action needed against those who reject democracy and who can be counted upon to do their worst to prevent people from coming together. When agreement on institutions is arrived at, the way will be open for a mature relationship between North and South, free of the tensions of the past.

Does this mean that we have abandoned the hope that the people of Ireland will wish to live together in peace and unity one day? The answer is "No."

We have the aspiration of unity in our island. But we want to see that unity achieved by consent. We want to see all of the people of Ireland living in peace. We want to see Irish men and women, whatever their belief or class or origin, concentrate on those matters which are of the most profound and immediate concern to them and their future. We are not fighting the battles of 50 or 100 or 300 years ago; and we should not let any stale divisive ideology undermine our ideal of friendship and cooperation between all the people on our island.

We in Ireland are citizens of Europe. If the ideals of those who founded the Community are realized, the old barriers of border and race and creed in our part of the world will slowly dissolve.

We do not expect that this process can speedily or in the short term affect life in Northern Ireland or relations between the two parts of Ireland but, if the European Community develops into a European union of states, as I believe it must, with American understanding and help, this process cannot but have its effect on the relationships of the people in both parts of Ireland.

Our idea of attaining unity in Ireland by consent does not depend on economic or political arguments alone. We are embarked on programs of legislative and social reform aimed at making our part of Ireland a better place in which to live and in this way to make our country more attractive for those in the North.

This, in part, means developing our economy in a way that will give our people prosperity and a better way of life than the past has made for them. Before the world recession of recent years, our economy was indeed expanding rapidly. With the imminent ending of this recession we hope to see this progress resumed. Exports and imports together are equivalent, in value, to more than 90 percent of all we produce. For this reason we have a real and live interest in seeing the growth of world trade and with it the growth of American investment and American involvement in our prosperity.

We welcome American investment in Ireland because it can bring us forward, while contributing to American self-interest. They can secure for our people material progress on a scale unknown before; and provide for your people a lucrative and growing market in Europe—with friends even more deeply committed than they are now to the ideals for which America stands.

I would be less than frank, Mr. Speaker, if I did not mention the grave concern felt in the European Community about disturbing protectionist tendencies which appeared to have developed in American economic policy in recent years. Since 1958 the Community has run a substantial trade deficit with the United States. This deficit has been increasing in favor of the United States in recent years.

We are anxious not only because of the effect which protectionist measures may have on Community exports to America but also because of the powerful influence which the example set by the United States may have on other trading countries. Protectionist measures tend to have a chain effect and to encourage the pursuit of beggar-my-neighbor policies—as the experience showed in the 1930's when many countries—including your country—locked themselves into their own depressions by policies designed substantially to achieve the opposite effect.

The world economy appears now to be starting to pull out of the recession. During these troubled years we, in the European Community, like you in America, tried to pursue a liberal and outward-looking policy. It would, indeed, be a sad irony if, with the prospect of an economic upturn the demands for protectionism were to result in new restrictive measures.

I do not say this in any spirit of criticism for its own sake. I say it because I am conscious of the burden of responsibility which America carries in the world today. I say it fully conscious of the debt of gratitude which not only Ireland but Europe and the whole free world owe to America.

We in Ireland are more than usually conscious of this debt, America has given of her bounty freely to our people. This aid has taken many forms. It has been in the transfer of technology for our industry and agriculture, and finance for the reconstruction and development of our economy.

I remember personally signing an agreement with your country for the use of grant counterpart funds under the Marshall aid scheme about 20 years ago this year, for these very purposes. Elsewhere in the world the American presence and American determination to defend the interests and principles of democracy leaves those who believe in these principles deeply in your debt. I am honored to stand here today before the representatives of the American people and of the States of the Union to acknowledge this debt of gratitude.

Our debt to you is not merely a material one—we owe to you also the practical development in the modern world of the principles of democracy. It is on these principles that our State is founded. It is these principles which govern our policies with respect to Northern Ireland. With you they have been proclaimed for 200 years. They were formulated in Philadelphia and published to the world as self-evident truths on July 4, 1776. They are true today as they were then. They are true in Ireland as they are in America. Their content is simple, that governments, instituted among men to secure their unalienable rights to life, to liberty, and to the pursuit of happiness, derive their just powers from the consent of the governed. There is no other basis for the government of free men.

Mr. President, Mr. Speaker, distinguished Members of Congress, I again wish to thank you for the most cordial and friendly welcome; to salute you and to wish you well in this Bicentennial Year.

I know that many years ago you had a law which operated for some time in the States prohibiting intoxicating liquor, and I am very glad you repealed that.

We make a beverage in Ireland known as Irish whiskey, and it stimulates both thought and action, and if taken in reasonable quantities, you can coordinate both thought and action. I commend it to you to celebrate this Bicentennial Year.

[Applause, the Members rising.]

At 1 o'clock and 5 minutes p.m., the Prime Minister of Ireland, accompanied by the committee of escort, retired from the Hall of the House of Representatives.

The Doorkeeper (Hon. James T. Molloy) escorted the invited guests from the Chamber in the following order:

The members of the President's Cabinet.

The Ambassadors, Ministers, and Chargés d'Affaires of foreign governments.

JOINT MEETING DISSOLVED

The SPEAKER. The purposes of the joint meeting having been completed, the Chair declares the joint meeting of the two Houses now dissolved.

The Members of the Senate retired to their Chamber.

The SPEAKER. The House will continue in recess until 2 o'clock p.m. today.

AFTER RECESS

The recess having expired, the House was called to order by the Speaker pro tempore (Mr. McFall) at 2 o'clock p.m.

LEGISLATION TO AUTHORIZE BANKS TO PAY INTEREST ON DEMAND DEPOSITS OF GOVERNMENT UNITS

(Mr. MOTTL asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MOTTL. Mr. Speaker, once in a lifetime every Member of this House will have an opportunity to provide an additional billion dollars a year for State, local, and Federal governments—without increasing taxes a single penny.

We can accomplish this by enacting a bill being introduced in both Houses today by myself and by Senator William Proxmire, of Wisconsin.

This bill would authorize banks to pay interest on the demand deposits of Government units.

The banks make money by lending and committing these funds. To entice business deposits, they offer many varieties of services and inducements. Obviously, it would not hurt the banks to accord the same treatment to public funds.

This House has already unanimously adopted a previous measure which would authorize the payment of interest by the banks on the present tax and loan account. As you know, the Federal Government has lost as much as a million dollars a day for the past 50 years by failing to receive interest on these deposits.

The time has come for us to take whatever action we can to relieve the heavy tax burden of the American people. The bill which Senator Proxmire and I are introducing today would assure that the taxpayers of every level of Government receive the interest to which they are entitled.

TODAY IN CONGRESS

(Mr. BROOKS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BROOKS. Mr. Speaker, I am pleased to announce that, as of today, a free booklet for visitors to the Capitol is being distributed by the Capitol guides on a trial basis. This test will continue for 12 legislative days to ascertain visitor reaction to this new publication.

Prepared by the Joint Committee on Congressional Operations, the booklet is entitled "Today in Congress." The front cover explains the purpose and use of the publication. The inside cover briefly describes the way Congress works.

The inside pages, extracted from the Daily Digest of the Congressional Record, provide information on today's meetings of the House and Senate, followed by all committee meetings scheduled for today.

On the inside and outside back cover, visitors to the Capitol will find the office numbers and telephone numbers of all Members of Congress.

In preparing this new experimental publication, the JCCO was aided substantially by the Joint Committee on Printing and by the Government Printing Office. I would like to express my personal appreciation for this aid at this time.

If the booklet proves, in this test, to be as useful to visitors as we believe it will, appropriate resolutions will then be introduced in the House and Senate seeking authority and funding to continue this publication on a regular basis.

The joint committee would appreciate hearing from any Member as to his reactions or those of his constituents to this pilot project.

PRINTING OF PROCEEDINGS HAD DURING THE RECESS

Mr. BOLLING. Mr. Speaker, I ask unanimous consent that the proceedings had during the recess be printed in the Record.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Missouri?

There was no objection.

CALL OF THE HOUSE

Mr. HALEY. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

Without objection, a call of the House is ordered.

There was no objection.

The call was taken by electronic device, and the following Members failed to respond:

[Roll No. 111]

Abzug
Adams
Annunzio
Ashley
AuCoin
Barrett
Bell
Biaggi
Burgener
Burton, John
Clawson, Del
Clay
Collins, Ill.
Conyers
Davis
Dellums
Dickinson
Diggs
Dingell
Drinan
Esch
Eshleman
Evans, Colo.
Fary
Fish
Ford, Mich.
Fraser
Giaimo
Gibbons
Gilman
Guyer
Harsha
Hayes, Ind.
Heckler, Mass.
Henderson
Hightower
Hinshaw
Horton
Howard
Karth
Krueger
LaFalce
Leggett
Long, Md.
McKinney
Macdonald
Metcalfe
Michel
Moakley
Morgan
Murphy, Ill.
Murphy, N.Y.
O'Brien
O'Hara
Pike
Railsback
Rangel
Rees
Rodino
Rousselot
Santini
Sarbanes
Sisk
Skubitz
Stanton,
  James V.
Stephens
Sullivan
Teague
Thompson
Udall
Waxman
Wilson, C. H.
Zeferetti

The SPEAKER. On this rollcall 359 Members have recorded their presence by electronic device, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

PERSONAL EXPLANATION

Mr. ROUSSELOT. Mr. Speaker, on quorum call No. 111, I was unavoidably detained and arrived in the Chamber just seconds after the final rollcall was announced. I would like the Record to show my presence.

SCIENTIFIC WATERGATE? TIME TO LET THE SUNSHINE IN

(Mr. GOLDWATER asked and was given permission to address the House for 1 minute, to revise and extend his remarks and include extraneous matter.)

Mr. GOLDWATER. Mr. Speaker, in the February 29, 1976, edition of the Los Angeles Times there was a lengthy article entitled "EPA Study—The Findings Got Distorted". Reporter W. B. Rood, based on several weeks of intensive, careful investigative reporting, researched the way in which scientific research was conducted and conclusions reached that were included in the sulfate threat and remedy sections of the 1974 Community Health and Environmental Surveillance System—CHESS—Report.

The article alleges that under the direct supervision and participation of Dr. John F. Finklea, the investigation and report were "systematically distorted . . . in an effort to prove that pollution from sulfur-bearing fuels had an adverse effect on health."

The article is based primarily on firsthand information. My investigations of the allegations have to date served to increase by feeling that there is a clear factual basis for the allegations made in the Times article.

I am particularly concerned about the allegations that the bias of the Finklea report has been known for some time and has been covered up—deliberately. The falsification of scientific data and the covering up of the wrongdoing, for whatever reason, cannot be tolerated. The Congress has important environmental matters pending before it and the CHESS report is influencing our deliberations.

Consequently, I am today formally requesting the EPA, the OMB, and the GAO to conduct full and exhaustive investigations of the allegations made in the Times article. It is imperative that the truth be revealed, whether it involves a scientific Watergate or not. I urge each of you to join me in getting to the bottom of this matter.

I will discuss the issue more fully in a special order at the end of today's proceedings.

PERMISSION FOR COMMITTEE ON RULES TO FILE CERTAIN PRIVILEGE REPORTS

Mr. BOLLING. Mr. Speaker, I ask unanimous consent that the Committee on Rules may have until midnight tonight to file certain privileged reports.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

PROVIDING FOR DELEGATION OF MEMBERS OF CONGRESS TO GO TO THE UNITED KINGDOM TO ACCEPT LOAN OF AN ORIGINAL COPY OF THE MAGNA CARTA

Mr. BOLLING. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 1086 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 1086

Resolved, That upon the adoption of this resolution it shall be in order to consider the concurrent resolution (H. Con. Res. 580) to provide for a delegation of Members of Congress to go to the United Kingdom for purposes of accepting a loan of an original copy of the Magna Carta, and for other purposes, in the House as in the Committee of the Whole. After the adoption of H. Con. Res. 580, the proceedings by which the House rejected S. Con. Res. 98 and laid on the table a motion to reconsider the vote thereon on March 9, 1976, are vacated, and it shall then be in order to consider the said Senate concurrent resolution in the House.

GENERAL LEAVE

Mr. BOLLING. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks during the debate on House Resolution 1086, the matter now under consideration.

The SPEAKER. Is there objection to the the request of the gentleman from Missouri?

There was no objection.

The SPEAKER. The gentleman from Missouri (Mr. BOLLING) is recognized for 1 hour.

Mr. BOLLING. Mr. Speaker, I yield 30 minutes to the gentleman from Illinois (Mr. ANDERSON), pending which I yield myself such time as I may consume.

Mr. Speaker, the resolution that is before us provides for the consideration of House Concurrent Resolution 580, which makes in order the group to go to accept the Magna Carta loan in England. It provides for the funding of a very limited number of Members. It does not provide any money for wives or spouses. It does not provide any money for any other nationals to come to this country on our money.

It does provide for the opportunity of the leadership of the Congress to entertain a delegation when it is here.

Mr. Speaker, this matter will be open to amendment when the House acts on House Concurrent Resolution 580 in the House as in the Committee of the Whole.

Now, I am not going to go into an extended discussion of this matter now. I was not here on the last occasion when it was discussed. I had the flu. I was startled that it had been defeated. I think there was a great deal of misunderstanding.

This, basically, is the implementation of a request initiated by the President of the United States to the United Kingdom to participate in our Bicentennial. That initiation took place in 1973. This is the end of a long road. It seems to me clear that although I know in a political year this kind of thing can seem very embarrassing to Members, it is very clear that the House of Representatives owes it to the country and to the President and to the House and the Senate leadership to adopt this resolution making in order the acceptance of this invitation. I am well aware of the difficulty that this represents to some Members politically; but there have been many occasions on which these difficulties have arisen and the people do not show malice when they understand this kind of thing.

Mr. Speaker, I am going to yield first to the gentlewoman from Louisiana (Mrs. BOGGS) to explain in some detail the content of the resolution and the purpose of the resolution. Then, of course, the other side will have its opportunity.

Mr. Speaker, I yield 10 minutes to the distinguished gentlewoman from Louisiana (Mrs. BOGGS).

Mrs. BOGGS. Mr. Speaker, I join the gentleman from Missouri in saying to the House that I am quite certain that the purposes of the resolution when it was first offered were not really understood by the majority of the Members of the House. I would also like to join in saying that this was a request from the President of the United States, not only to the Government of Great Britain, but to all the governments of the world, to participate in our Bicentennial celebration. Over 63 nations have American Revolutionary Bicentennial Commissions, and Great Britain is one of the most active among these revolutionary commissions throughout the world.

In addition to the proposed gift of the Magna Carta and its magnificent presentation case, Great Britain has also participated in our Bicentennial celebration with a great number of other gifts, including fellowships in the creative and performing arts, a beautiful new peal of bells to enhance the "silent bell" in Philadelphia, and an art subcommittee of the British Bicentennial Liaison Committee, under the chairmanship of Sir Jack Lyons, which is actively engaged in planning and supporting a number of artistic manifestations to take place in the United States. They are sending the Philharmonic and London Symphony Orchestras. There will be performances by the Royal Ballet. In addition, the Scottish National Orchestra Chorus will be including in its itinerary a visit to Los Angeles where they will perform with the Los Angeles Philharmonic Orchestra.

But, their most important gift to the United States should not go to the executive branch, but should be a people-to-people gift, a gift from the people of Great Britain through their Parliament to the people of the United States through their representatives in the Congress. They have taken great pains in determining what this gift should be, and of course they decided that the most magnificent people-to-people gift would be one of the four remaining copies of the Magna Carta, the original Magna Carta documents sealed by King John in 1215. There are only four that are still in existence, none of which, incidentally, are in the Library of Congress of the United States.

These four are in the Lincoln Cathedral, the Salisbury Cathedral, and two in the British Library. It is one of these two in the British Library that is being loaned to the people of the United States through the generosity of the people of Great Britain for display in the Capitol.

Now, let me tell the Members about the loan. Along with it will come a magnificent presentation case which will be a permanent gift. It is designed and is being executed by the foremost goldsmith and silversmith, probably, in the world today, Louis Osman. It will be made of gold, silver, of titanium, of semiprecious jewels; and all the heraldry and even the animals that are being displayed to represent the history of the United States and of Great Britain are being researched most thoroughly; and they have even had to have new tools made to be able to do the proper kind of etching.

It is this kind of particular interest and pains that the people of Great Britain and their splendid Commission on the American Bicentennial have indeed taken to present to the people of the United States their most historic document. We can imagine what would happen if we would suggest that we send either the Declaration of Independence as it is in the Archives, or the Jefferson draft as it is in the Library of Congress, to Great Britain to be on loan for a year and to present it in the most magnificent type of presentation case. We would indeed want a delegation from Great Britain of the highest ranking members of their Parliament to come here for some type of special ceremony in which our people could participate.

The delegation of 25 Members of the Senate and House and their wives, who have been invited by number by the British Parliament to come to the ceremony presenting one of their four copies of the Magna Carta to the people of the United States, is a delegation that will be made up of people who are very interested in the historic meaning of the occasion and who are there not only for the ceremony, but to properly represent the people of the United States in accepting this magnificent gift of the grandfather of our Declaration of Independence and our Constitution.

Mr. Speaker, there is another feature in the resolution that I think should be explained, and that is when it says:

> For payment of expenses in connection with the display of the Magna Carta in the United States Capitol, including those expenses associated with delegations invited from the Government of the United Kingdom or other nations in connection with joint Bicentennial ceremonies at the Capitol.

The language does not mean we would be sending a plane or paying for the expenses of the delegation from Great Britain to the United States. It simply means that we would be paying for any expenditure in connection with the acceptance ceremonies here at the Capitol and for the entertainment of our Bicentennial guests.

We have had offered to the United States other magnificent gifts from other countries, including a statue of Galvez to be presented by the people of the government of Spain. If the King and Queen of Spain do come to the United States and we do indeed accept this statue there would certainly have to be some type of appropriate ceremony at the Capitol.

It is these types of expenses that the resolution attaches itself to.

I would urge the Members to reconsider their feelings about the delegation being a so-called "junket." It is a very determined effort of a very generous people, the people of Great Britain, to show their appreciation for the American Bicentennial celebration.

Mr. BAUMAN. Mr. Speaker, will the gentlewoman yield?

Mrs. BOGGS. I yield to the gentleman from Maryland (Mr. BAUMAN).

Mr. BAUMAN. I thank the gentlewoman for yielding.

I have listened with great interest to the gentlewoman's extensive explanation of the purposes of the resolution. I think the House probably could have used this information to good advantage when it was brought up unexpectedly last Tuesday.

One question, however, remains in my mind. A few moments ago, the gentleman from Missouri, if I heard him correctly, intimated that this entire trip grew out of a suggestion or invitation issued by the President of United States. During the debate, when this resolution was before us, the Speaker referred to the invitation as having originated in Great Britain with the leaders of Lords and Commons.

This morning the Los Angeles Times quoted a British official saying that the suggestion from the leadership of the House of Representatives and the Senate.

Who exactly came up with the idea of 25 Members and their wives going to England, along with their staff, to bring back this document, and why is this 25 number so sacred?

Mrs. BOGGS. In answer to the gentleman from Maryland, I would like to say that the original request from the President of the United States was issued to the government of Great Britain to participate in the American Bicentennial celebrations.

They have responded to this request by forming an American Revolution Bicentennial Commission that has been very active in offering many gifts, including the ones that I outlined earlier, in fellowships in the arts, in presentations of performing arts, in the presentation of a bell in Philadelphia, and so on. But the British commission itself chose to present its most magnificent gift—and they felt this was appropriate—directly to the people through the people's representatives in the Congress and not to the people through the Executive branch.

As far as the invitation of the delegation and the numbers included are concerned, I have no information about those matters except from the letter that was sent by the House of Lords and the House of Commons indicating that they would wish to receive as an appropriate number for the ceremonies that they had planned in Great Britain 25 Members of the Senate and the House, along with their wives and appropriate supporting staff.

Mr. BAUMAN. Mr. Speaker, if the gentlewoman will yield further, am I to understand that the gentlewoman has no knowledge of a report that the leadership of the House and the Senate were in fact the ones who suggested this particular visit of 25 Members?

Mrs. BOGGS. Mr. Speaker, I have no knowledge of that. I would be happy to yield to a Member of the leadership of the House for an answer.

Mr. BAUMAN. But it was certainly not the President of the United States who initiated this?

Mrs. BOGGS. No. My reference to the President of the United States was as to an invitation for participation in the American Revolution Bicentennial Commission.

Mr. ECKHARDT. Mr. Speaker, will the gentlewoman yield?

Mrs. BOGGS. I yield to the gentleman from Texas.

Mr. ECKHARDT. Mr. Speaker, is the gentlewoman aware of the dangerous doctrine contained in this instrument? I was wondering if the spouses should not boycott this delegation, because clause 5 of the Magna Carta itself says that no one is to be taken or imprisoned on account of a woman's appeal touching the death of anyone other than her husband.

Is that not the height of male chauvenism and reaction?

Mrs. BOGGS. Mr. Speaker, the Magna Carta also says:

> No freeman shall be taken or imprisoned, or dispossessed, or outlawed, or banished . . . unless by the lawful judgment of his peers, or by the law of the land.

Mr. BOLLING. Mr. Speaker, I yield myself 1 minute so that I may respond to the gentleman from Maryland (Mr. BAUMAN).

Mr. Speaker, I thought I had stated it accurately, but I would like to be sure. I think the gentlewoman from Louisiana (Mrs. BOGGS) has stated it accurately.

The President of the United States asked the Government of the United Kingdom to participate in the Bicentennial Celebration. The Government of the United Kingdom took that matter very seriously and gave it long consideration. There was some consultation with people of the United States as to the suitability of what they proposed to do.

It was agreed that it would be a magnificent gesture if they sent a copy of this great document to the United States. In the implementation of that agreement they decided that they wanted to schedule a set of ceremonies—and I understand there are 3 days of ceremonies—and they asked that the United States Congress, which will have control of the document, send 25 Members, the Speaker to be the leader of the delegation and the remainder of the delegation to be made up of 12 Members of the Senate and 12 Members of the House. They specifically asked that it include the possibility of wives coming and, if necessary, of staff accompanying the Members. There will have to be staff for the leader of the delegation.

I do not know what other staff there might be, but it would seem to me there would be a limited number of staff members. My understanding is that the spouses who go will go without expense to the Government on a space-available basis, and their husbands and wives will be expected to pay their incidental expenses.

Mr. Speaker, it seems to me that what we have said, I think two or three times, is an accurate depiction of the invitation by the President of the United States implemented by the United Kingdom in consultation with the U.S. Government.

Mr. ANDERSON of Illinois. Mr. Speaker and Members of the House, the resolution which we are now considering is somewhat unusual in that it would make in order consideration of House Concurrent Resolution 580, the resolution providing for a delegation of Members of Congress to go to the United Kingdom to accept the loan of the original of the Magna Carta, but that it be in order that we consider it in the House as in the Committee of the Whole. In other words, if we adopt the resolution, as I hope we will, there will be no general debate; but Members can be recognized under the 5-minute rule because this is an open rule which would provide the opportunity here to strike the requisite number of words and to offer a pro forma amendment or a substantive amendment to the legislation.

Mr. ECKHARDT. Mr. Speaker, will the gentleman yield?

Mr. ANDERSON of Illinois. I yield to the gentleman from Texas.

Mr. ECKHARDT. Mr. Speaker, the gentleman from Texas is concerned about the regressive provisions of this instrument.

Is the gentleman aware that it provides that Jews may not collect their debts from their debtors? I think that is in one of the clauses.

Mr. ANDERSON of Illinois. Mr. Speaker, in response to the gentleman from Texas (Mr. ECKHARDT), I am not an expert on the document. I think that in its sum total it represents something very important and precious to all of us as part of our democratic heritage. While some of the provisions would not perhaps be apropos in today's climate, I think, taken as a whole, it is a great and important document as far as our history and constitutional liberties are concerned.

Mr. HAYS of Ohio. Mr. Speaker, will the gentleman yield?

Mr. ANDERSON of Illinois. I yield to the gentleman from Ohio.

Mr. HAYS of Ohio. Mr. Speaker, certainly it was not a perfect document, but it was the first document that was ever signed setting forth the liberty of anybody except the King. It was signed in 1215, which is a long time ago.

Mr. Speaker, there have been some perfections in our thinking since then and, I would hope, even in the thinking of the gentleman from Texas (Mr. ECKHARDT).

Mr. ANDERSON of Illinois. Mr. Speaker, I might attempt to put in perspective the problem that has arisen in the mind of the gentleman from Maryland (Mr. BAUMAN) over the number suggested for the delegation.

I do recall, and we can find it at page 5898 of the CONGRESSIONAL RECORD for March 9, 1976, that the Speaker of the House, when he addressed us after the vote, at that time read the invitation of the British Parliament.

That invitation, which was issued in the name of the Lord Chancellor and the Speaker of the House of Commons, that particular letter of invitation reads:

> They suggest, therefore, that a delegation consisting of 25 Members of Congress, with their wives and supporting staff, should arrive in Great Britain on May 22 or May 23.

Therefore, Mr. Speaker, regardless of how that figure originated, it is contained in the original letter of invitation that did come to this country from the Lord Chancellor and the Speaker of the House of Commons.

Mr. SYMMS. Mr. Speaker, will the gentleman yield?

Mr. ANDERSON of Illinois. I yield to the gentleman from Idaho.

Mr. SYMMS. Mr. Speaker, I thank the gentleman for yielding.

I think my concern was that we were only going to send 25.

As I told the gentleman from Ohio the other afternoon, I would not have voted against this if the number would have been 218, so we could assure the country that we would have a quorum out of town.

Mr. ANDERSON of Illinois. Mr. Speaker, in response to the gentleman from Idaho (Mr. SYMMS), this is an open rule. If the gentleman desires to offer an amendment to increase the number from 25 to 218, I assure him in advance that I will not support his amendment, but he will have an opportunity to offer that if he will only vote for the rule.

Mr. SYMMS. Mr. Speaker, I thank the gentleman.

Mr. ANDERSON of Illinois. Mr. Speaker, unlike the gentleman from Missouri (Mr. BOLLING), I was present on the floor during a portion of the proceedings on the ninth of March.

Very frankly, I voted against Senate Concurrent Resolution 98 when, I remind the Members, it was brought up under unanimous consent, and like many of the other 219 Members of this body who voted against the matter at that time, I frankly was not aware of all of the ramifications surrounding this resolution.

For one thing, it was not listed, to my knowledge, on the House program for last Tuesday. Copies of the resolution had not been made available to Members prior to the vote. Particularly in view of the fact that only a few days earlier we had adopted the so-called Burton rule which provides for at least 2 hours' advance notice and that copies of matters that are going to be brought up be provided at least 2 hours in advance, it seems to me that that is really where the error lies.

Mr. Speaker, I still believe that this is the world's greatest deliberative body, although we did not act in the most deliberative fashion, I fear, when we voted against this resolution when it was previously considered.

Mr. BAUMAN. Mr. Speaker, will the gentleman yield?

Mr. ANDERSON of Illinois. I yield to the gentleman from Maryland.

Mr. BAUMAN. Mr. Speaker, I might point out that the gentleman from Illinois was quoted in the Washington Post, which might raise a question about the accuracy of the information in some of the Members' minds, that when the gentleman from Illinois came on to the floor of the House last Tuesday he was told that this legislation was a boondoggle and therefore he voted against it. The thing that disturbs me is why, now that the gentleman has seen proof that this is a boondoggle is the gentleman switching his position on his original vote?

Mr. ANDERSON of Illinois. Mr. Speaker, I cannot accept the explanation of the gentleman from Maryland (Mr. BAUMAN) entirely. It is true that I was under a misapprehension when I came on to the floor of the House that maybe this was just something that had originated in the mind of one of our Members, and that while it might be appropriate to send a small number of Members over there, that we certainly should not send a group of 24 over there. But when I learned after the vote had been taken that it was indeed the Speaker of the British House of Commons and the Chancellor of that body that had extended the invitation and had mentioned the number of 24 or 25. It seems to me that in deference to the wishes of the British to have the kind of a ceremony, which they plan to hold in Westminster Hall, as explained by the gentlewoman from Louisiana (Mrs. BOGGS) that it is not an unreasonable request that they are making, in view of the great importance they attach to it, and the solemnity that does surround the temporary loan of this great historic document.

Mr. DERWINSKI. Mr. Speaker, will the gentleman yield?

Mr. ANDERSON of Illinois. I yield to the gentleman from Illinois.

Mr. DERWINSKI. Mr. Speaker, I commend the gentleman in the well for acknowledging that his previous vote had been based on a lack of information. I think that there are many Members who are in the same position. Further, since this House has shown a great determination to emphasize the role of the legislative branch in foreign affairs, I think it would be a great height of parliamentary statesmanship to approve this rule and then to approve the resolution.

Mr. ANDERSON of Illinois. Mr. Speaker, I thank the gentleman from Illinois for his *contribution*. Again, without being censorious in my comments, I think that this somewhat embarrassing experience should teach the leadership that when they bring to this body matters which many Members might wish to discuss and when they bring to the floor matters that could prove embarrassing unless sufficiently explained, I think the leadership would be well advised to arrange for a procedure whereby before a vote is taken that all of these facts are brought to the attention of the membership.

Mr. EDGAR. Mr. Speaker, will the gentleman yield?

Mr. ANDERSON of Illinois. I yield to the gentleman from Pennsylvania.

Mr. EDGAR. Mr. Speaker, I commend the gentleman from Illinois for his comments and his remarks, however I am a little bit concerned, and that is that I am one of the Members who proposes to offer one of the more moderate amendments to the resolution, and I am concerned about the comments of the gentleman from Illinois in light of the fact that the resolution before us does not have any limitation in terms of the amount of expenditure or the amount of staff people. I was wondering whether the gentleman from Illinois would agree that it might be helpful in this resolution, as well as in future resolutions, if some estimate of the cost could be included, as well as an estimate of the number of staff.

On page 3 of the resolution, in line 3, item (1), it says that there is hereby authorized:

> For the expenses of the delegation, including expenses of staff members designated by the Chairman and Vice Chairman, respectively, to assist the delegation; . . .

My amendment that I plan to offer later on this afternoon would simply insert the words "not to exceed $10,000," and, also, "not more than 5 staff members."

It does not affect the transportation costs or the costs of the other provisions, it just simply puts a limit on the per diem expenses and on the kind of incidental expenses that the delegation might incur.

I think in that moderation I could support the resolution and would hope that the gentleman would consider seriously that possibility.

Mr. ANDERSON of Illinois. I, for one, think the gentleman has made some very excellent suggestions. I see nothing unreasonable in either of the amendments that he proposes to offer. I do feel, in view of the rather considerable publicity that this matter has now received, that those who attend this ceremony as members of the official delegation will comport themselves with great circumspection, and I am sure that there will be no expenditures of public funds that are not absolutely necessary and incidental to the function which they are performing.

Mr. KAZEN. Mr. Speaker, will the gentleman yield?

Mr. ANDERSON of Illinois. I yield to the gentleman from Texas.

Mr. KAZEN. I thank the gentleman for yielding

I agree with what the gentleman has said that the delegation that will go will not spend any money unnecessarily. I believe, of course in my opinion, as far as the amendments the gentleman is going to offer are concerned, that under the direction of the Speaker who is going to head this delegation, I would leave it to the Speaker to decide what is actually needed rather than restrict him by resolution.

Mr. ANDERSON of Illinois. There can be, of course, a difference of opinion on that point. If I support those amendments, it would not in any way be an indication of a lack of confidence in the Speaker, or anything of the kind. It would simply be a gesture that would somehow, I think, encourage some Members of this body, some of the 219 who voted against it the other day, to feel comfortable at this time in changing their votes, as I fully hope they will do.

Mr. ASHBROOK. Mr. Speaker, will the gentleman yield?

Mr. ANDERSON of Illinois. I yield to the gentleman from Ohio.

Mr. ASHBROOK. I thank the gentleman for yielding.

I sat through the entire debate when it was up originally. I have listened to the debate thus far today and I intend to be on the floor throughout the entire debate.

One point I would like to make to the gentleman, which I think is a real problem as far as this body is concerned, is the effort to create the feeling that this is not going to cost anything because there is an Air Force plane flying there anyway. I have heard it said three or four times that space is available; there has to be an airplane in the air anyway; it is not going to cost any more if wives go and so forth.

I think one of the reasons the American public holds us in such low esteem is the fact that we arrogate to ourselves a different concept of cost than anyone else in this country. I think if we want to vote for this resolution, let us vote for it, but let us not create the fiction for the American taxpayer that we can take along staff, we can take along wives, we can fill up a plane and it is not going to cost anything simply because that plane is going to be flying anyway. I do not think any other American taxpayer can do that and in truth, we cannot either. I would hope, for one, that we could put the fiction to rest. I have heard this statement made so many times that I cannot help but make this point in the interest of injecting a note of realism into this make-believe legislative world.

Mr. ANDERSON of Illinois. I cannot disagree with the gentleman from Ohio on what he said. I am perfectly willing to accept the fact that it is going to cost something to send this delegation to Great Britain. I also think that it was a great and generous gesture on the part of the people of Great Britain through their Government to make this great charter and symbol of human freedom and liberty available for exhibition in the Rotunda of the U.S. Capitol. I think that perhaps in a time and in a period when we are seeking in our Bicentennial Year to re-create some of the inspiration and some of the idealism that animated those Founding Fathers 200 years ago, it would be money well spent as thousands upon thousands file through that Rotunda—many of them schoolchildren—and, gazing upon that historic document, realize that in laws and charters of that kind rest these great guarantees of liberty that we now enjoy centuries later as free men. I think it will be a very beneficial thing as far as our country is concerned, and the dollars that it will cost will be well expended.

Mr. WRIGHT. Mr. Speaker, will the gentleman yield?

Mr. ANDERSON of Illinois. I yield to the gentleman from Texas.

Mr. WRIGHT. I thank the gentleman for yielding.

Would it not be about the same situation in the gentleman's opinion if some good friends of ours in the world were celebrating their double centennial and came to us in the United States and offered us an opportunity to participate in it, and we in an abundance of grace were to say to that friend, "All right, we will do the finest thing we can imagine to share with you this occasion," and we offer to encase in the finest case possible the original copy of the Constitution of the United States or the original copy of the Declaration of Independence written in the penmanship of Thomas Jefferson, and then they begin to quibble in petty puerility over whether they ought to send as many people as we had asked them to send to receive it?

Would we not be sort of insulted? Would we not feel a bit offended? Would it not occur to us if they were having a big debate and trying to show how chintzy they were, that they did not think it was worth spending a few dollars on?

Mr. ANDERSON of Illinois. I have the time.

Mr. WRIGHT. The gentleman has yielded to me and I have not finished. If the gentleman continues to yield to me I will finish.

Mr. ANDERSON of Illinois. The gentleman from Illinois continues to yield.

Mr. WRIGHT. It would be the most pusillanimous thing possible for a country with whom we were friends to reject sending a delegation we had requested to pick up the most precious document we had in our possession and in our heritage.

Mr. ANDERSON of Illinois. I think the gentleman has most eloquently and ably summed up my sentiments.

I think it would be sacrilegious and maybe this is not the most apt analogy, I will say to Rev. WALTER FAUNTROY, but as I look out and see who is sitting on the floor, I am reminded of that occasion spoken of in the Bible when Mary Magdalene brought the precious cask of ointment and broke it open and anointed the hair of our Lord. There were those around then who derided her for that act of devotion and who said, "This money could have been spent for the poor. This money could have been spent for some other purpose." But they were rejected by our Lord for their criticism.

I trust that in our vote today we are going to answer those who are rejecting, as the gentleman from Texas (Mr. WRIGHT) has said, this very generous and honorable gesture on the part of our British forebears, and rejecting it with the cynicism with which they have treated this subject.

Mr. FAUNTROY. Mr. Speaker, will the gentleman yield?

Mr. ANDERSON of Illinois. I yield to the Delegate from the District of Columbia.

Mr. FAUNTROY. I thank the gentleman for yielding, because as I sat here listening and seizing upon the pearls of knowledge as they fell from the gentleman's lips, I could not help but think what an eloquent speech the gentleman is making in support of voting representation for the District of Columbia, which is to be the next order of business.

I want to assure the gentleman that had I a vote in this Chamber, I would cast it on this measure in support of the gentleman.

Mr. BAUMAN. Mr. Speaker, will the gentleman yield?

Mr. ANDERSON of Illinois. I yield to the gentleman from Maryland (Mr. BAUMAN).

Mr. BAUMAN. Mr. Speaker, I think the gentleman has guaranteed he will be in London for the week of the celebration.

Mr. Speaker, I want to respond to one historic allusion by the gentleman from Texas who suggested we send the British a copy of the Declaration of Independence. The British were already forcefully delivered an original copy of the Declaration of Independence at great cost to that nation in 1776. I believe George III was the one who received it.

Mr. FLOWERS. Mr. Speaker, will the gentleman yield?

Mr. ANDERSON of Illinois. I yield to the gentleman from Alabama.

Mr. FLOWERS. Mr. Speaker, I hesitate to bring this debate off the mountain top and down to the pragmatic world that we regular people live in, but among the Members I associate with along the back rail here the question arose, and I ask the gentleman if he has the knowledge that 25 different Members might take the document back later on?

Mr. ANDERSON of Illinois. In answer to the gentleman from Alabama, there is no provision in this resolution for a delegation to return it, but I would certainly be in favor of a rotation system.

Mr. HAYS of Ohio. Mr. Speaker, will the gentleman yield?

Mr. ANDERSON of Illinois. I yield to the gentleman from Ohio.

Mr. HAYS of Ohio. Mr. Speaker, I did not mean to bring this up, but in view of the fact that the gentleman from Maryland (Mr. Bauman) had reference to George III, I do not know whether the gentleman really knows what the American Revolution was all about or not, but it really gave an opportunity for a bunch of Englishmen on this side of the Atlantic to kick the hell out of a bunch of German mercenaries.

The SPEAKER. The gentleman from Illinois has 11 minutes remaining.

Mr. ANDERSON of Illinois. Mr. Speaker, I yield 5 minutes to the gentleman from Maryland (Mr. Bauman).

Mr. BAUMAN. Mr. Speaker, I would like to inform the gentleman from Ohio, whose name does not suggest any particular ancestry, that the gentleman from Maryland is indeed of German extraction but his grandfather was a British civil servant.

We meet here in a great and grave time for the British Empire, a very difficult time, when the pound has dropped below $2 in value for the first time in history, the Prime Minister has resigned, Parliament is about to go to the ridings for a mandate, and Princess Margaret is in trouble with her sister. I think we, as sons of the Revolution—and I might say to the Speaker, regardless of what other type of son he might think the gentleman from Maryland might be characterized as—that we do have before us today a very important issue, if only symbolically.

I do not think any of us really object to receiving a copy of the Magna Carta. We are, in fact, greatly honored. It is one document that has given rise to many of our fundamental liberties.

There have been allusions to its contents, but the gentleman from Maryland wonders why it is necessary to send 25 Members of Congress, and I presume 25 wives, and an additional unknown number of staff in order to bring it back.

In the vaults of the Library of Congress there is a copy of the so-called Laycock Abbey facsimile of Magna Carta, which was created in 1225, 10 years after the original 1215 copy which we will receive. We can walk across the plaza and read it. It is a first copy. Twice before other copies of the Magna Carta have been sent to the United States, perhaps the very copy that is going to be sent here this year. One was sent here after World War II and in 1965 on the 750th anniversary of its signing in 1215. I do not recall that it took 25 Congressmen to bring it over on either occasion.

But Members of the House, there is a much larger issue involved here; are we ever going to collectively demonstrate our willingness to hold down government spending? Cannot we set our own House in order and set an example for the people we represent? Congress has greatly fallen in public esteem because of our irresponsible spending habits. And now this enormity! I am sure some would say raising an issue like this does not contribute to our standing among the American people. But the people have a right to know why we continue this kind of self-indulgent conduct at their expense.

Last year the Defense Department spent $1,372,663 for foreign travel for Congress. Some 158 Members of the House and 40 Members of the other body all traveling abroad, some of them for a good purpose, many not.

It might be well to remember our revolutionary origins and look back into the document we are talking about today that said:

> No constable or other royal officer shall take anyone's corn or other chattels without making immediate payment, unless the seller is willing. No sheriff or any other royal officer shall take any free man's horses or carts for carriage duty except with the owner's consent. Neither the king nor any of his officers shall take another's wood for castle building or other royal works without the consent of the owner.

In other words, taxation without representation, tyranny by rulers; that really is what the concern was in 1215. How far have we progressed from the mentality of the barons at Runnymede?

I must confess that I think we can display our proper concern by adopting a substitute which I will offer that limits the travelers abroad to five Members of Congress and limits their expenses to $10,000. It also limits staff members to two in number.

I do want to pay personal tribute to the Speaker for the tolerance shown to the gentleman from Maryland in this instance. I apparently struck a sensitive nerve. I hope the gentleman from Maryland has not offended the Speaker to any great extent in pursuing what I believe to be right. The Speaker has been most effective. Quite frankly, it is the first time I have ever seen the Ford administration mount such an effective lobbying effort on any legislation. The intervention of the President of the United States seems to have changed some minds. I know great pressure has been applied to many Members by the leadership on both sides. The many arms dangling from sockets may have produced the needed changes to reverse this vote. I hope not, but I can read the mood of the House when such a fundamental issue is involved, the issue of junketing abroad.

As for me, the gentleman from Maryland is willing to stand by his "no."

Mr. BOLLING. Mr. Speaker, I yield such time as he may consume to the gentleman from Indiana (Mr. Brademas)

Mr. BRADEMAS. Mr. Speaker, I rise in support of this resolution and hope that House Concurrent Resolution 580 will be adopted without amendment.

Mr. Speaker, the Magna Carta, or Great Charter, was issued in 1215 during the reign of John Plantagenet, son of Henry II and Eleanor of Aquitaine, and younger brother of Richard Coeur de Lion. John, sometimes called "Bad King John"—he was the tyrant of the Robin Hood legend—was constantly at odds with his barons, for the most part due to the incessant financial demands he made on them in order to support the wars in France.

Relations between the King and the barons deteriorated severely when the kingdom placed under interdict in 1208 during a quarrel with the Pope over the succession to the See of Canterbury.

By 1215 England was on the brink of civil war, with the clergy and barons ranged against the King and his judges. Recognizing the precariousness of his situation, John, who was probably a severely neurotic personality, agreed in effect to make a treaty with the barons which would not only set out the rights and liberties of the great landholders, but also the rights of the barons' own tenants.

Mr. Speaker, the document in this respect perfectly parallels the political and social structure of medieval England, where the King in effect was landlord in chief—some authorities say he literally owned the country—and, if I may somewhat oversimplify, political rights were systematically divided among tiers of tenants and subtenants.

The significance of the document may be illustrated by contrasting its style with the substance of some of its articles.

It begins with a recitation of the King's titles, "John, by the grace of God, King of England, Lord of Ireland, Duke of Normandy and Aquitaine * * *." This notion of the King as holding his office directly by authority of the deity was taken with deadly seriousness in medieval Europe. Kings were God's lieutenants on Earth, and offenses such as treason and regicide were crimes not only against the state, but against Heaven as well.

Mr. Speaker, the language contained in some of the articles of the Charter are thus not only admirable, but, in the context of the 13th century, startling:

> Article 39: "No freeman shall be taken or imprisoned or disseised (have his land taken away), or outlawed, or exiled, or in any way destroyed, nor will we go upon him, nor will we send upon him, except by the lawful judgement of his peers or by the law of the land."
>
> Article 40: "To no one will we sell, deny, or delay right or justice."
>
> Article 42: "All persons are to be free to come and go and stay in the land in time of peace except outlaws, prisoners and enemy aliens."

Thus there had now been interposed law between the King and his divine right to govern. And the law protected not merely the great magnates, but all freemen.

Nor, Mr. Speaker, did the framers of the charter rest content with broad statements of rights. The document also included specific protections against abuses by royal officials, for example article 28:

> No constable or any other royal officer shall take anyone's corn or other chattels without

making immediate payment, unless the seller is willing.

So the Kingdom now, with a stroke of the King's pen, underwent what was no less than a peaceful revolution. Where the King had been absolute, there were now limits to his authority. Where freemen had been merely subjects, they now acquired some of the attributes of citizens. And where "law" had followed the personality of the monarch, it was now fixed. A social contract had been made that could not be revoked. As Sir Edward Coke put it, "Magna Carta is such a fellow that he would have no sovereign."

Mr. Speaker, it would not be accurate to say that all of the provisions of Magna Carta were immediately and forever after followed to the strictest letter. John continued to feud with his barons, barons continued to abuse the rights of their tenants, and subsequent ages followed or dispensed with the charter's provisions, according to the exigencies of the time.

But, Mr. Speaker, the theory of the charter proved immutable. It was the direct descendant of the Petition of Right of 1628, the Habeas Corpus Act of 1679, the Declaration of Independence and the Constitution of the United States.

The legacy of the Magna Carta is strikingly apparent in some of the provisions of the Bill of Rights, for example the "due process" clause of the fifth amendment, which is the direct progeny of article 39, and its influence can be seen in the "equal protection" clause of the 14th amendment.

Mr. Speaker, four copies of the original charter still exist—it was signed and issued in multiple copies—two of them resting in the same cathedral churches in which they were originally deposited. The other two are in the British Museum.

The Lincoln Cathedral charter is the most complete, and it is this document that will be lent to Congress as part of the Bicentennial celebration.

Mr. Speaker, the document is, without doubt, one of the greatest treasures not only of England, but of the English-speaking peoples, and its loan is a gesture of great magnanimity and friendship.

Mr. Speaker, I hope that House Concurrent Resolution 580 will win the overwhelming support of Members of the House on both sides of the aisle.

Mr. BOLLING. Mr. Speaker, I yield 3 minutes to the gentleman from California (Mr. ANDERSON).

Mr. ANDERSON of California. Mr. Speaker, with respect to the proposal that this House shall send a delegation of 25 Members to accompany the Magna Carta from Great Britain to the United States, and, as one of the 219 who voted against this resolution the previous time around, I should like to offer a few comments.

I understand that only three Wise Men were sent to honor the birth of Jesus Christ.

The same number might be adequate to our purpose.

The Magna Carta is certainly a historic and a weighty document. Although wise men these days may not be what they once were.

The Latin words "magna carta" mean great charter. This, of course, has nothing to do with the charter of an Air Force plane for 25 Congressmen and their entourage, although I am sure this, too, will be a "great charter."

Rather, Magna Carta refers to the document signed by King John of England limiting his power.

Before the Magna Carta, kings ruled by divine right. Since there was no legal way to resist a king's will, the people could be taxed for any frivolity, such as useless wars, and the entertainment and amusement of the king's favorites.

I am, of course, mindful of the honor and generosity of the United Kingdom in offering to lend us this historic document.

But I would hope that we are not celebrating the end of the idea of the divine right of Kings—and the beginning of the divine right of Congressmen.

I fear many of the millions of our citizens who, as they prepare to pay their annual tax bills, may so regard this proposal for 25 of our colleagues together with traveling companions and staff at a cost of many thousands of dollars.

We owe much to the English nation and people: Our language; our culture; and our form of government is rooted in their great history.

I would be the last to counsel that we accept their generous gesture in anything but a generous spirit.

However, I am not convinced, and I believe the people will not be convinced, that the honorable Speaker, together with two or three of our eminent colleagues, would be unequal to the task.

I suggest, therefore, that we honor not only the letter—but the spirit of the Magna Carta by resisting the temptation to travel like lords at the peoples expense.

That is how King John got into trouble in the first place.

Let us profit—not only from his signature, but from his example as well.

Mr. BOLLING. Mr. Speaker, I yield 5 minutes to the gentleman from Georgia (Mr. LANDRUM).

Mr. LANDRUM. Mr. Speaker, the House of Representatives of this Congress enjoys a distinction unique in its history. CARL ALBERT is the only Rhodes scholar ever to study at Oxford University and return to become the Speaker and the leader of this, the greatest and most representative lawmaking body of free men and free women in the world. And, it is through him that the British Government has offered the loan of one of the four existing copies of the Magna Carta and an invitation to visit the United Kingdom and receive the document in person.

The meeting between King John and the rebellious barons on June 15, 1215, at Runnymede, set in motion tidal waves of enthusiasm for individual liberty still growing after eight centuries.

Sir Edward Coke, whose legal treatises have for more than 300 years been prime sources for scholars studying freedom, was among the first to comprehend that the Magna Carta was destined to become a model for individual liberty throughout the world. Our third President, Thomas Jefferson, was profoundly influenced by his study of Coke's treatises and decisions and by Sir Edward's recognition of the potential for liberty inherent in the document.

Originally, as my friend from Indiana (Mr. BRADEMAS) has stated, there were many copies. One was made for all officeholders, such as sheriffs; and as copies were prepared and duplicated by the clerks, changes in expression and words occurred. But the meaning was the same as the original accepted by King John.

Today there are four documents intact. One is at Salisbury Cathedral, one in Lincoln Cathedral and two at the British Museum in London. It is a copy of one of these that has been offered on loan for display during our celebration of 200 years of freedom, 200 years of freedom unmatched in world history.

Mr. Speaker, in the wake of the action taken last week on this invitation, it occurs to me that we must ask ourselves this question: Is our understanding of history so barren, is our appreciation of culture so corroded that we cannot support a delegation from this body, headed by the only Rhodes scholar ever to be its Speaker, to receive in person the loan of one of the four remaining copies of the Magna Carta?

Surely, the answer to this will be an enthusiastic and overwhelming vote in favor of House Concurrent Resolution 580.

Mr. BOLLING. Mr. Speaker, I yield 3 minutes to the gentleman from Ohio (Mr. HAYS).

Mr. HAYS of Ohio. Mr. Speaker and Members of the House, in view of the abysmal lack of knowledge displayed on other matters by the gentleman from Maryland, I am not surprised that he would not know the origin of my name. I do not think it is really worth taking much time to explain it to him, except to say that it predates the Magna Carta by about two centuries. And if he would take some time to go to Aberdeen, in Scotland, and make a speech there that nobody ever heard of Hays, we would be spared having him in this body any more, especially if he made it in some pub on Saturday night.

The present bearer of the heraldic name in Scotland is the hereditary High Constable of Scotland, and has been since sometime around the late 1000's.

But be that as it may, what we are talking about here is probably the most historical document of the liberty of ordinary citizens extant in the world today. And I doubt if it is going to cost as much to send 25 people, headed by the Speaker, to get the document as it will for us to debate this matter as long as we have debated it. If we figure the CONGRESSIONAL RECORD at $218 a page and the time of the Members and what they earn, about $50 a day, I think it is going to cost us about $100,000 to go through this exercise in nonsense. And that is what it amounts to.

I think it would be totally out of line for the House to reject the offer of Her Majesty's government, and I think it would be totally out of line on St. Patrick's Day, because in those days that charter applied to all of the islands in the Kingdom.

It took the Irish a long time to establish the further liberties that they wanted, but they ultimately did it, the same as we did in this country.

There are celebrations of America's Bicentennial in every free nation in the world, and every government in the free world is spending a lot more money to celebrate the American Bicentennial than we would spend to get the Magna Carta. It amounts to 10 times or 100 times in some cases more than what it will cost to go and get this document and bring it here for literally millions of Americans to look at and to keep it in their memories for the rest of their lives that they saw this historic piece of paper.

I would be humiliated to vote against this. If I did, I would feel that my constituents had a right to think that I had no understanding of world history, no understanding of American history, and no understanding of the price other people have paid for the liberties we enjoy.

Mr. Speaker, I hope the concurrent resolution will not be changed, and I hope it will receive an overwhelming vote of support.

Mr. ANDERSON of Illinois. Mr. Speaker, I yield 3 minutes to the gentleman from New York (Mr. PEYSER).

The SPEAKER. The gentleman from Missouri (Mr. BOLLING) has 4 minutes remaining, and the gentleman from Illinois (Mr. ANDERSON) has 3 minutes remaining.

Mr. BOLLING. Mr. Speaker, I yield 1 minute to the gentleman from New York (Mr. WOLFF).

Mr. WOLFF. Mr. Speaker, I rise in support of House Concurrent Resolution 580, relating to the Bicentennial loan of Magna Carta. It is indeed fitting that our consideration of this resolution should fall on St. Patrick's Day, as it brings home the fact that the minority in Northern Ireland do not enjoy Britain's "bill of liberties", and that, indeed, this is the major cause of the unrest that plagues Northern Ireland. I regret that we cannot bring back all four copies of the Magna Carta, as I feel our temporarily removing them from British soil would be an apt expression of our concern over the failure of the British Government to uphold the tenets of Magna Carta with regard to Northern Ireland. I hope that when we accept the loan of the Magna Carta, we will make it clear to the British that we believe its tenets should apply to all people.

Mr. BOLLING. Mr. Speaker, I yield 1 minute to the gentleman from Missouri (Mr. RANDALL).

Mr. RANDALL. Mr. Speaker, I rise in enthusiastic support of this resolution.

A little over a week ago on Tuesday, March 9 the House turned down this resolution. I was one of those who voted against sending the delegation to Britain on March 9.

I know we all thought that the resolution was going to pass. When I left the floor the vote was strongly in favor of the resolution. Then about 30 Members went down into the well to change their votes from "aye" to "nay".

Mr. Speaker, I intend to change my vote. Today I am going to vote in favor of the resolution.

One of the reasons for my negative vote last week was the presence of a lot of misinformation or put differently the full story was never fully explained here on the floor.

I distinctly recall that as I came through the west door, I was told along with other Members who had not been on the floor—by certain colleagues lobbying against the resolution "they are trying to spend a lot of money to send for a piece of paper that is only a copy of the Magna Carta".

These lobbying colleagues turned out to be like a guardhouse lawyer—they gave poor advice. They did not explain that the loan—is of an original copy and is one of the most valuable documents in the world. None of us were possessed of these facts. There were few Members on the floor because the resolution was brought up under unanimous consent and the entire debate took only a few moments.

Mr. Speaker, as I think the RECORD will reveal, all of the discussion of the resolution took only a matter of 3 or 4 minutes, and the vote on the resolution was objected to because there was not a quorum present on the floor.

Now all of us have the facts today. We know that this is an original document. I for one am willing to admit that I made a mistake in my vote because I was misled as to the facts. Honest confession is good for the soul.

Mr. Speaker, I hope to rectify my earlier mistake today. I hope other Members, whether they voted against the resolution on March 9 for reasons similar to mine, or for any other reason, may now, today, in possession of all the facts promptly pass this resolution.

Mr. PATTISON of New York. Mr. Speaker, I rise in support of the spirit of this resolution. There is no need for another Member of this body to gratefully acknowledge the gesture of the British Parliament in offering to lend America a copy of the Magna Carta for our 200th birthday, or to repeat our Nation's debt to the principles established in that document. On those matters, we all agree.

But I cannot support the specifics of this resolution. I cannot see the necessity of sending 25 Members of Congress over to England to receive the Magna Carta. I therefore intend to offer an amendment that will greatly reduce the size—and cost—of this venture.

My amendment specifies that the delegation consist of five Members of Congress: The Speaker of the House, the majority and minority leaders of the House, and the majority and minority leaders of the Senate. It also specifies that a maximum of four aides shall accompany the delegation.

Obviously, this is primarily a symbolic action. But it is very important symbolism, because it relates closely to the Federal budget. What will be the symbolic effect of this Congress sending 25 of its Members to London to accept this offer?

What are we all saying to our constituents? We are saying that we realize times are hard; we are saying that we are doing our best to get the economy of this country back in gear; we are saying that we are trying to provide the services that the people of this country need, as efficiently and effectively as possible.

If, at the same time, we spend a great deal of money to send 25 Congressmen and their wives and staff to London to pick up a document, can we expect those we represent to believe that we are serious when we say all those other things? This action would make light of our solemn pledges to practice economy. It would say that we are willing to cut costs, except when it comes to pleasure trips for Members of this body. I object to that.

Mr. Speaker, in terms of the Federal budget, this is a small expenditure. But it has great importance. In many of the matters that affect the pocketbooks of my constituents, I have little control. I cannot singlehandedly reform the tax law, or prevent billions from being spent on the B-1 bomber. But I can rise to oppose this wasteful expenditure.

Further, one of the key areas of congressional abuse, in the public mind, is all-expense-paid travel by Members. I feel very strongly about this. In the past year I have twice declined to participate in such trips because I felt they would not give the taxpayers their money's worth. The result of sending such a large delegation will be to further diminish the dignity of the Congress in the eyes of the American people.

I have complete confidence that our English brothers will not choose to interpret a reduction in the size of the congressional delegation as an affront to their kind offer. I am confident that the British nation will understand the reason for such action on our part. To think they would not would be an insult to their gentility and intelligence.

Mr. ANDERSON of Illinois. Mr. Speaker, I have no further requests for time.

Mr. BOLLING. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

Mr. BOLLING. Mr. Speaker, pursuant to the provisions of House Resolution 1086 just agreed to, I call up the concurrent resolution, House Concurrent Resolution 580, and ask for its immediate consideration.

The Clerk read the concurrent resolution as follows:

H. CON. RES. 580

Whereas, in recognition of the Bicentennial celebrations of the United States of America, the House of Lords and the House of Commons of the Parliament of the United

Kingdom of Great Britain and Northern Ireland have unanimously adopted motions respectfully praying that Her Majesty, the Queen, direct that an original copy of the Magna Carta be placed on loan to the people of the United States for a period of one year; and

Whereas, this loan has now been graciously authorized by Her Majesty, the Queen, and, by concurrent resolution of the United States Congress, this historic document of freedom and of the abiding principles of law will now be displayed in the Rotunda of the United States Capitol, there to be contained within a showcase to be donated by the United Kingdom for such purpose: Now, therefore, be it

Resolved by the House of Representatives (the Senate concurring), That (a) a delegation of Members of Congress shall be appointed to proceed at the invitation of the two Houses of Parliament, to the United Kingdom, there to attend the presentation of the Magna Carta, under suitable auspices, to the people of the United States, to be held in the custody of their representative, the Congress of the United States, for a period of one year.

(b) The delegation shall consist of the Speaker of the House of Representatives and not to exceed twenty-four additional Members appointed as follows:

(1) Twelve appointed by the Speaker of the House of Representatives.

(2) Twelve appointed by the President of the Senate on the recommendation of the Majority and Minority Leaders.

(3) The Speaker shall be the Chairman of the delegation and the Majority Leader of the Senate shall be the Vice Chairman.

Sec. 2. There are authorized to be paid from the contingent fund of the Senate on vouchers approved by the Chairman and Vice Chairman, such amounts as the Chairman and Vice Chairman of the delegation jointly shall determine to be necessary (one-half of such expenditures shall be reimbursed by the House of Representatives and such reimbursement is hereby authorized):

(1) for the expenses of the delegation, including expenses of staff members designated by the Chairman and Vice Chairman, respectively, to assist the delegation;

(2) for the reimbursement of any department or agency of the Federal Government for expenses incurred by it on behalf of the delegation and expenses incurred in connection with the functions of the delegation in the United Kingdom;

(3) for payment of expenses in connection with the display of the Magna Carta in the United States Capitol, including those expenses associated with delegations invited from the Government of the United Kingdom or other nations in connection with joint Bicentennial ceremonies at the Capitol.

Sec. 3. All authority for such expenditures shall expire at the close of business December 31, 1976.

AMENDMENT IN THE NATURE OF A SUBSTITUTE OFFERED BY MR. BAUMAN

Mr. BAUMAN. Mr. Speaker, I offer an amendment in the nature of a substitute.

The Clerk read as follows:

Amendment in the nature of a substitute offered by Mr. Bauman: Strike out all after the resolving clause on page 2, line 2, and insert the following:

"That (a) a delegation of Members of Congress shall be appointed to proceed at the invitation of the two Houses of Parliament, to the United Kingdom, there to attend the presentation of the Magna Carta, under suitable auspices, to the people of the United States, to be held in the custody of their representative, the Congress of the United States, for a period of one year.

"(b) The delegation shall consist of the Speaker of the House of Representatives and not to exceed four additional Members appointed as follows:

"(1) Two appointed by the Speaker of the House of Representatives.

"(2) Two appointed by the President of the Senate on the recommendation of the Majority and Minority Leaders.

"(3) The Speaker shall be the Chairman of the delegation and the Majority Leader of the Senate shall be the Vice Chairman.

"Sec. 2. There are authorized to be paid from the contingent fund of the Senate on vouchers approved by the Chairman and Vice Chairman, amounts not to exceed $10,000 in total as the Chairman and Vice Chairman of the delegation jointly shall determine to be necessary (one-half of such expenditures shall be reimbursed by the House of Representatives and such reimbursement is hereby authorized):

"(1) for the expenses of the delegation, including expenses of not more than two staff members designated by the Chairman and Vice Chairman, respectively, to assist the delegation;

"(2) for the reimbursement of any department or agency of the Federal Government for expenses incurred by it on behalf of the delegation and expenses incurred in connection with the functions of the delegation in the United Kingdom;

"(3) for payment of expenses in connection with the display of the Magna Carta in the United States Capitol.

"Sec. 3. All authority for such expenditures shall expire at the close of business September 30, 1976.

"Sec. 4. A full accounting of all expenses incurred and monies expended under the authority of this resolution shall be published in the Congressional Record on or before September 30, 1976."

Mr. BAUMAN (during the reading). Mr. Speaker, I ask unanimous consent that the amendment in the nature of a substitute be considered as read, printed in the Record, and open to amendment at any point.

The SPEAKER. Is there objection to the request of the gentleman from Maryland?

Mr. CARNEY. Mr. Speaker, I object.

The SPEAKER. Objection is heard.

The Clerk concluded reading the amendment in the nature of a substitute.

Mr. BAUMAN. Mr. Speaker, I do not wish to prolong the debate. This amendment in the nature of a substitute adopts the specific language of the original concurrent resolution with the following changes:

It reduces from 25 to 5 the members of the delegation, including the Speaker and two persons appointed by the Speaker of the House and two by the President pro tempore of the Senate in the instance of the other body.

It also puts a limitation of $10,000 in toto on the expenses to be authorized for this trip to Great Britain.

It removes the general clause which the original resolution contained which seemed to give authority to bring foreign delegations here to the U.S. Capitol at the expense of the contingent fund.

And it limits the time for expenditures to September 30, 1976, and requires a full accounting to be filed at the end of that time.

I urge all of the Members to support my amendment in the nature of a substitute.

Mr. RHODES. Mr. Speaker, will the gentleman yield?

Mr. BAUMAN. I yield to the gentleman from Arizona.

Mr. RHODES. Mr. Speaker, it is my understanding that the $10,000 limitation applies not only to the travel of those persons who would be designated to receive the Magna Carta, but also to the expenses of the display of the Magna Carta in the U.S. Capitol. Does the gentleman from Maryland really believe it would be possible to safeguard the Magna Carta adequately in the Capitol of the United States with such an outlay as this, bearing in mind that this is probably the most valuable document in the world today?

Mr. BAUMAN. The gentleman from Maryland cannot place any value on the individual Members of the Congress but is of the opinion that we have detailed here a large contingent of Metropolitan and Capitol Police that are always available, as well as the Secret Service for protection. I would suspect that that police force would be adequate to protect this great document.

Mr. RHODES. The gentleman from Maryland is well aware of the provisions and the principles of cost accounting, so that certainly the salaries of those policemen or the Secret Servicemen who might be detailed to guard the Magna Carta, should be charged to this purpose. If the gentleman from Maryland is sincere about trying to keep the expenses down to $10,000, does the gentleman not intend that that should happen?

Mr. BAUMAN. The gentleman from Maryland is sincere and also puts great faith in the Metropolitan and the Capitol Police detailed here to protect a great many other historical objects. I am sure that they can handle this protection throughout the coming year.

Mr. RHODES. The gentleman from Maryland still has not answered the question. Does the gentleman from Maryland feel that the expenses and the salaries of the Capitol Police and the Metropolitan Police who are assigned to guard the Magna Carta should be charged against this $10,000?

Mr. BAUMAN. In direct answer, I do not believe that the expense of the Capitol Police could properly be charged against the amount in the resolution because we would be using those police who are already provided to guard all property in the Capitol as well as protect all Members of the Congress.

Mr. HECHLER of West Virginia. Mr. Speaker, will the gentleman yield?

Mr. BAUMAN. I yield to the gentleman from West Virginia.

Mr. HECHLER of West Virginia. Mr. Speaker, I voted against this resolution last week and I probably will vote against it today, and I shall support the amendment in the nature of a substitute offered by the gentleman from Maryland.

Mr. BAUMAN. The gentleman from Maryland has some trepidation about that endorsement but accepts this support.

Mr. HECHLER of West Virginia. Mr. Speaker, I am concerned about one aspect of the gentleman's amendment in that the gentleman proposes to include two staff members to go over to Great Britain. Could the gentleman from Maryland justify for us why we have to send two staff members to Great Britain for this purpose?

Mr. BAUMAN. Because the Congress is obviously not used to heavy lifting.

Mr. HECHLER of West Virginia. Mr. Speaker, in the same spirit of levity I thank the gentleman from Maryland for his cogent remarks in strong support and justification for the two staff members.

Mr. PEYSER. Mr. Speaker, will the gentleman yield?

Mr. BAUMAN. I yield to the gentleman from New York.

Mr. PEYSER. Mr. Speaker, I thank the gentleman for yielding. The reason I rise at this time, is to state that the amendment I intend to offer, at the appropriate time, is practically exactly the same as the gentleman's amendment right to the total expenditure, the number of Members from the House and the Senate. But I do think there is a weakness in the gentleman's proposal.

Mr. BAUMAN. Mr. Speaker, I would decline to yield further at this time because I do not recognize that there is any weakness in my proposal. I do want to say that it is an unexpected honor to have the gentleman from New York (Mr. PEYSER) joining with me in this endeavor, the purpose of which is quite obviously to save taxpayers money.

Mr. PEYSER. Mr. Speaker, will the gentleman yield further?

Mr. BAUMAN. I yield to the gentleman from New York.

Mr. PEYSER. I thank the gentleman for yielding. I did not realize I was coming in for that accolade at that point. What I was simply going to say was that the one change that I have over the gentleman's amendment is merely saying that we would pay the expenses in connection with the display in protection of the Magna Carta while in the Capitol, because I do believe that this is a situation that we have to address and would have to be responsible for.

The SPEAKER. The time of the gentleman has expired.

Mr. BOLLING. Mr. Speaker, I rise in opposition to the amendment in the nature of a substitute.

Mr. Speaker, I have worried about this one ever since I heard about it a week ago. I have not really known how to address it. I finally came to a conclusion just a few minutes ago. The Members may think that what I am about to say is a little too strong, and perhaps it puts the Speaker of the House too much on the spot, but the House of Representatives—and I do not think anybody here does not know that I care about the House of Representatives in more than a casual way—has been trying very hard to reestablish itself in relation to the other branches of Government, and in a totally bipartisan way the leadership of the House of Representatives, in particular the Speaker, worked out an agreement with the United Kingdom on how to implement their generous response to the request of the President of the United States that they participate in our Bicentennial. I do not think they could have chosen a better gift, and I think they had a perfect right to request a certain number to participate in that ceremony.

I honor every person who opposes this. I can see how, superficially, it would seem to be not very important.

But fundamentally it is terribly important. It is terribly important to emphasize the relationship between the United Kingdom and the United States, the first of the free nations and the strongest of the present free nations still in a difficult world. It is terribly important to emphasize that that freedom depends on parliamentary institutions.

The Parliament is making the offer; the Congress is displaying the document. While I know what year it is, and I know how people can easily misunderstand this expenditure—which is not to great—it seems to me that it is overridingly important to support what has been done by our leadership in the interest of parliamentary institutions and their absolutely critical and crucial role in the freedom that we have.

I have great respect for the gentleman from Maryland, and I know his motives are entirely good and sincere; but I think in this one case as a parliamentary matter he has made a serious misjudgment. I hope that this amendment and all amendments will be defeated.

Mr. ANDERSON of Illinois. Mr. Speaker, I rise in opposition to the substitute. Again, I think it is not necessary to repeat the things that were said during the hour that we spent on the resolution, House Resolution 1086. But let me simply again reassert this important point. We have had a good deal of levity this afternoon on the subject of Members of Congress not being used to a great deal of heavy lifting. We are not sending 25 Members of the U.S. House of Representatives as a substitute for the Postal Service.

We are not interested in sending a delegation there for the purpose merely of physically transporting a document from the British Isles back to the United States. The presence of that U.S. delegation in London at these very solemn ceremonies at Westminster Hall will remind not just the British and the American people but also the entire world—because I have no doubt that these ceremonies will be carried by satellite to all parts of the world—of the traditional ties of friendship between the British and the American people.

I think this could be a very useful and very lasting benefit to be derived from the celebration of our Bicentennial, and I will ask for the defeat of the substitute.

Mr. RHODES. Mr. Speaker, will the gentleman yield?

Mr. ANDERSON of Illinois. I yield to the gentleman from Arizona.

Mr. RHODES. Mr. Speaker, I thank the gentleman for yielding.

I am bothered about this proposed amendment for the reasons the gentleman from Illinois has stated so well, but also for the reason that it appears to me that the small amount of money authorized for travel and for maintenance of the document here in the Capitol is tantamount to turning the document down. If I were a member of the British Parliament and I realized that only this amount of money would be available to be expended for the safeguarding of a document of the historic importance of the Magna Carta, I for one would vote to rescind the offer to send the document over here.

To me this is a very mischievous amendment. I hope certainly it will be turned down. I think it indicates a certain lack of graciousness on the part of this House which unfortunately has become all too apparent in this debate.

Mr. BRADEMAS. Mr. Speaker, will the gentleman yield?

Mr. ANDERSON of Illinois. I yield to the gentleman from Indiana (Mr. BRADEMAS).

Mr. BRADEMAS. Mr. Speaker, I commend the distinguished minority leader for what he has said, and I draw to the attention of the Members of the House some lines in a letter from the majority leader and the minority leader to Members of the House in which they make note of a fact that I do not think has been earlier remarked upon, namely, that this resolution does not contemplate 25 Members of the House but 12 Members of the House and 12 Members of the Senate, representing Congress, to compose a delegation that would go to Westminister Hall and be present at a ceremony attended by hundreds of people there. Therefore, Mr. Speaker, the numbers of persons who would be authorized to be sent under this resolution would really comport with the nature of the ceremonies that are planned.

The second point I would make, if the gentleman will yield further, is simply—and this point has been made but I think it needs underlining—is that it is not our request that 25 Members of Congress be sent with their wives and supporting staff. This number is a suggestion made to Congress by both Houses of the Parliament. So I want to underscore what the gentleman from Arizona, the gentleman from Illinois and the gentleman from Missouri have said, and I hope that the substitute is rejected.

Mr. ANDERSON of Illinois. I thank the gentleman for his contribution.

Mr. ROUSSELOT. Mr. Speaker, I move to strike the requisite number of words.

Mr. Speaker, I rise in support of the substitute offered by my colleague, the gentleman from Maryland. In honest disagreement with my colleague, the gentleman from Missouri, I think this substitute is a much more reasonable approach. Under this substitute, there will be five Members to bring back this document. I sincerely disagree with my two colleagues from my side of the aisle, the gentleman from Arizona and the gentleman from Illinois, that somehow by supporting this substitute we are rescinding the offer of the British to have Members of this body receive this document and bring it to this country for display. That is not true at all. We are just sending five Members rather than the 24 to properly acknowledge this gracious British offer.

Mr. BOLLING. Mr. Speaker, will the gentleman yield?

Mr. ROUSSELOT. Mr. Speaker, I will yield in just a moment, but I wish to make my point.

The Los Angeles Times on March 17 in an article written by Paul Houston, whom I consider to be an accurate reporter, has stated that he checked with an officer of the British branch of the Interparliamentary Union, to which my colleague, the gentleman from Missouri, referred, and that representative from the British branch of the Interparliamentary Union which is handling arrangements for the trip told the Times in London that the number 25 was "sort of a dreamed-up item," and I will not say by whom, but by one Member of this body and one Member of the other body. The number 25 came from this body. It did not come from the British Interparliamentary Union or the British Government.

I believe that my colleague, the gentleman from Maryland, has offered a legitimate substitute that in no way reflects against the British offer and the substitute in no way reflects against this body. We are just trying to be more prudent in this time when we have people out of work all over this country, when we do not have the financing to fund the programs that we are talking about here daily in this body. In my judgment, we should not indulge ourselves in sending 24 or 25 people to bring back a document that only requires five Members.

Let me provide the exact quote from the Los Angeles Times to substantiate the fact that the idea for 24 or 25 Members did not come from the British Parliament. It came from our leadership right here in this body:

> APPROVAL OF MAGNA CARTA TRIP LIKELY
>
> (By Paul Houston)
>
> WASHINGTON.—House Speaker Carl Albert (D-Okla.), enlisting President Ford in an all-out lobbying effort, appeared Tuesday to have switched enough votes to send 25 members of Congress plus wives and staff members to London to accept the loan of a copy of the Magna Carta.
>
> An Albert aide said the Speaker was having about 95% success in turning around congressmen who helped vote down the proposed trip last week, 219 to 167. Spot checks bore out the claim.
>
> However, on the eve of a House vote today to reconsider the matter, a British official contradicted Albert on a key point in the controversy.
>
> Albert has been calming congressmen's election-year jitters and winning votes with the argument that the trip could not be called a "boondoggle" or "junket" because the idea of sending a big delegation had been proposed by the British, not the Americans.
>
> But an officer of the British branch of the Interparliamentary Union, which is handling arrangements for the trip, told The Times in London that the number 25 "was sort of dreamed up by Carl Albert, Mike Mansfield and (other) congressional leaders."

Again, I repeat the idea for such a large delegation came from this body and we should correct that expensive idea.

Mr. BOLLING. Mr. Speaker, will the gentleman yield?

Mr. ROUSSELOT. I would be honored to yield to my colleague, the gentleman from Missouri.

Mr. BOLLING. Mr. Speaker, the gentleman happens to be in error.

Mr. ROUSSELOT. Well, then the gentleman is going to have to talk to Mr. Houston, who is right up here in the press gallery.

Mr. BOLLING. I am going to read from one of the documents that is in the papers that came from the British Embassy.

Mr. ROUSSELOT. The gentleman is going to read us the whole letter?

Mr. BOLLING. The gentleman wants it all?

Mr. ROUSSELOT. Absolutely.

Mr. BOLLING. All right. I will read what I have. This is all we have.

Mr. ROUSSELOT. No.

Mr. BOLLING. I think it may be all. It is to the executive assistant to the Speaker. It says "Magna Carta" at the head:

> It was very good of you to see Miss Fortescue and myself at such short notice on Friday afternoon to discuss the latest proposals which we had received from London about the presentation of Magna Carta to the U.S. Congress.

Mr. ROUSSELOT. Nobody disagrees with that.

Mr. BOLLING. It says further:

> I promised to let you have a letter to confirm our discussion, which you could show to the Speaker.

Mr. ROUSSELOT. Does the gentleman refer to the number of people that they requested?

Mr. BOLLING. I thought the gentleman from California wanted it all read.

Mr. ROUSSELOT. Well, if we can get to the part that suggests the number.

Mr. BOLLING. If the gentleman wants the specifics, it says:

> What the Lord President has in mind, therefore, is to invite Congress to send a delegation of about 20 to 25 Members of both Houses (the proportions from the House and the Senate would be for Congress to decide) accompanied by their wives . . .

Mr. ROUSSELOT. So the letter says it is for the Congress to decide.

Mr. BOLLING. Right.

Mr. ROUSSELOT. All right. Let us make the decision to send just five Members.

Mr. BOLLING. It says that the proportions from the House and the Senate would be for the Congress to decide. It is very clear from this language that the Lord President and the council and the leader of the House of Commons, the man that is in charge of this, suggested 20 to 25.

Mr. ROUSSELOT. My understanding is that the idea for 25 Members originated with one Member in this body and the other body.

Mr. BOLLING. That is not my understanding.

Mr. ROUSSELOT. I do not disagree with anybody's right to advise the British how many could come. But we should not be led to believe that the British Government insisted on 25 Members, when the whole concept started right here.

The SPEAKER. The time of the gentleman from California has expired.

Mr. HAYS of Ohio. Mr. Speaker, I move to strike the requisite number of words.

Mr. Speaker, I have no desire to cast any aspersions on the validity of any report made by the Los Angeles Times or any reporter thereof; but I know for a fact that the Interparliamentary Union is not handling this matter. The Interparliamentary Union is an organization of all parliaments in the world, including some pseudo parliaments, such as the Soviet Union, Poland, Czechoslovakia, and so on, and there just is not any way that they are involved in this. If the reporter called the Interparliamentary Branch in Great Britain and talked to some clerk there, God only knows what information he got, because they are not handling it. They do not have anything to do with it. It is being handled on a direct basis from the Lord Chancellor and the Speaker of the House of Commons to the President pro tempore of the Senate and the Speaker of the House.

Now, we know there are a lot of international organizations. People are always approaching me, including reporters, and saying, "You represent the Interparliamentary Union, don't you?"

I have never been to a meeting of the Interparliamentary Union and I do not have any desire to go to any. That is not casting any aspersions on them.

I do happen to be president of the North Atlantic Assembly, which is a group comprised of parliamentarians from the NATO countries and there are some other parliamentary organizations; but I can assure the gentleman from California, and I take the floor for that purpose only, that the Interparliamentary Union or the British branch of it does not have anything on God's green Earth to do with this matter in any way, shape or form.

Mr. BAUMAN. Mr. Speaker, will the gentleman yield?

Mr. HAYS of Ohio. I yield to the gentleman from Maryland.

Mr. BAUMAN. I called a friend of mine in London and asked him to go to the office of the Lord Chancellor and the Speaker of the House of Common's office to check these arrangements. I speak of Anthony Lejeune, correspondent for the Daily Telegraph, who also writes a column in the United States. He went to both places and was informed by the officials at those offices that all arrangements were being handled by the British Interparliamentary Union. The secretary of that British group, Brigadier Ward—I believe his title is Brigadier—confirmed that they are in charge of the trip. He also confirmed that the suggestion for 25 Members came from the leaders of the U.S. Congress.

Mr. HAYS of Ohio. There has been no correspondence that I know of from the Interparliamentary Union, and who they referred the newspaperman to—perhaps they wanted to get rid of him, I do not know. There are a lot of people who come into my office, and I refer them to whoever I can think of first. Sometimes I do not have time to talk to them.

Mr. DERWINSKI. Mr. Speaker, I move to strike the last word, and I rise in opposition to the amendment in the nature of a substitute.

Mr. DERWINSKI. Mr. Speaker, it is regrettable that, due to a misunderstanding last week, this body has not responded affirmatively to the generous offer made by our parliamentary colleagues in the House of Commons and the House of Lords by accepting the loan of an original copy of the Magna Carta during our Bicentennial Year.

I believe it is important to stress, Mr. Speaker, that this invitation to a delegation of the Congress to come to London for appropriate ceremonies marking our Bicentennial is one of the two principal ways in which the British people wish to honor the 200th anniversary of our independence as a nation. It seems appropriate to me that since Queen Elizabeth is making her second state visit to our President in July to commemorate this occasion that thetwo great legislative bodies of our repective nations, Parliament and Congress, should also play a significant role.

This invitation to a congressional delegation seems entirely fitting and proper under the circumstances. I am well aware of the concerns of some of our colleagues for the prudent use of taxpayer's money in this time of high deficits, and I would like to point out again what yourself, Mr. Speaker, indicated last week—the invitation from the British Parliament specified the number 25 as an upper limit on the size of a delegation they were prepared to entertain.

From my own experience as an officer of the Interparliamentary Union, I can say to our colleagues that very real benefits to our constituents do come from these meetings with our counterparts in other nations. Many of the problems we face in foreign affairs, in defense, in regulating the economy, in operating a national postal service—I could easily list more such areas of common concern—are shared by other legislative bodies. By exchanging ideas, pooling our information and expertise, we are often able to come back to our committees and to this body with very worthwhile suggestions for improvements. In many cases, we can learn what not to do by seeing at first hand the failure of a particular law to do what it was intended to do. In this way, all of us can do a better job for the people we represent.

For all these reasons, Mr. Speaker, I frankly believe that this Bicentennial delegation is most appropriate.

None of our colleagues need to be reminded at this time of the fundamental importance of the Magna Carta and of the other great documents of British liberty—the Habeas Corpus Act, the Bill of Rights of 1689, among others—to our own constitutional tradition. A member of my staff recently visited the Reform Club of London which was founded in 1834 to commemorate the reform bill of 1832. There are only two documents displayed in a place of honor in that British club; one is the Magna Carta and the other is the Declaration of Independence. We all know that our own Declaration in 1776 carried forward many of the principles enunciated in that earlier charter of 1215; namely, that the sovereign was bound by the law and that free citizens had a right to set up machinery—parliaments—to enforce limitations on the powers of the sovereign. As one historian—Bishop Stubbs—has noted, the whole of English constitutional history is one long commentary on Magna Carta.

I hope that today, Mr. Speaker, this House will recognize the great value that our British allies have provided in the positive development of our free institutions by accepting the invitation of Parliament to bring the Magna Carta to Washington so that the millions of Americans who will be visiting this city during our Bicentennial Year can see the great charter of the liberties of England on the same day that they see our Constitution, our Bill of Rights and the Declaration of Independence.

I believe it would be entirely appropriate at this time, Mr. Speaker, to include the full text of the Magna Carter in the CONGRESSIONAL RECORD. A noted British constitutional scholar, Sir Ivor Jennings has included the text—translated by G. R. C. Davis from the original Latin with minor modernizations of obsolete words by Sir Ivor—in his book, "Magna Carter and Its Influence in the World Today," London: Her Majesty's Stationery Office, 1965. This valuable work includes a numbering of the paragraphs for ready reference.

Our colleagues and others will be interested to see how many of the prerogatives of Parliament—and by extension, of this body—were formed by sections 14 and 61. I should also like to point out that sections 15 and 16 restrained arbitrary taxation, sections 17–19, 30–40, 45, and 48 laid down much of our fundamental understanding of the independence of the courts of law. Sections 20–21 and 39–52 are important for the implications regarding the right to a trial by one's peers. The rights of free men to their property or to just compensation are stressed in sections 27–28, 30–31, and 52; the right to travel freely abroad except in wartime is established in section 42. I should note that a few of the sections have long since been replaced by a more democratic understanding of the rights of women, for instance, or of members of the Jewish faith. Still, for it is time, there can be little doubt that this document was a milestone on the road to liberty.

Mr. Speaker, I hate to inject some personal comments into this high level legislative debate, but there is an underlying pattern of commentary here which I would like to address. That is, as much as I respect the good judgment, the sincerity of my colleagues, I find it most upsetting when Members take the well and demean this institution in which they are serving by chastising congressional trips as if they are all some sort of a frolic.

I would like to remind the Members, whether they know it or not, that they serve in the finest legislative body in the world, and they should respect their assignments. They should respect their colleagues. They should respect the obligations that they undertake. Then, we have to keep in mind that even in this controversy we have had within the last few years where the Congress has taken on the executive branch, which is normally much to my irritation, the stature of the Congress has risen abroad and people all over the world recognize the input, for better or worse, of the U.S. Congress.

For those Members who also like to take shots at our diplomatic corps, who like to second-guess foreign policy, is it not quite logical that if the Congress has all this talent that we sometimes say we have, that we make effective diplomats when we travel abroad? It is my opinion that with rare exception, any congressional delegation traveling abroad is an asset to our country. They make a practical contribution, and the United States is better off for it and the world is better off for it.

When we stop to think of the importance of our Bicentennial; when we stop to think of the great traditions that we have inherited from Great Britain, when we appreciate also, as we should, the great ceremonial approach the British like to use to a project of this kind, the vote last Tuesday and this debate this afternoon do not really demonstrate the kind of statesmanship that ought to exist in this body.

Mr. HAYS of Ohio. Mr. Speaker, will the gentleman yield?

Mr. DERWINSKI. I yield to the gentleman from Ohio.

Mr. HAYS of Ohio. Mr. Speaker, I would just like to throw in something in line with what the gentleman is saying about the cost of this. If I remember correctly, the year before last the budget for the U.S. Information Agency passed on a voice vote—and if there was anyone who voted against it, I do not recall hearing them. The U.S. Information Agency in the last fiscal year—and that is one of the small bureaucracies—one of the small bureaucracies with only a quarter of a billion dollars, spent 12 times as much in travel as the whole U.S. Congress, House and Senate put together.

Mr. HECHLER of West Virginia. Mr. Speaker, will the gentleman yield?

Mr. DERWINSKI. I yield to the gentleman from West Virginia.

Mr. HECHLER of West Virginia. Mr. Speaker, I have an amendment at the desk that will strike out the two staff members. I think my amendment will strengthen the Bauman substitute. Perhaps this will make the resolution more palatable generally, because it will save money and take up less space.

Mr. DERWINSKI. May I just close on the point I am trying to emphasize. Mr. Speaker, I am not quibbling over the number of staff.

Mr. Speaker, I would hope all of the Members recognize that when we as individuals or when we as a delegation travel abroad to represent our country and our Congress, that is in direct line of duty, that this is a definite diplomatic asset to our country.

So far as I am concerned, the 25-Member group would make as valuable a contribution to maintaining the strong ties that exist between our countries and our governments as any exchange of diplomats. I think the Congress ought to pride itself in the contribution it makes to international understanding by the proper conduct in meeting our responsibilities.

Mr. KEMP. Mr. Speaker, one of the principal grievances which gave rise to Magna Carta was government waste. Englishmen of that day complained about the excessive burdens of taxes and their equivalents caused by the monarch spending where there was no need to do so.

Americans of today complain about the excessive burdens of taxes caused by government making unnecessary or excessive expenditures. I have great sympathy for these views.

I intend to vote both for the Bauman amendment to reduce the cost of this resolution and, should it fail, to vote against the resolution. It is time Congress learn the lesson of June 1215—that public officials must be held more accountable for their exercise of the public trust and for their votes on spending and taxing issues.

I addressed the House on January 19 about the many parallels between the grievances cited in our Declaration of Independence and those we hear as we talk to our constituents in 1976.

There are many parallels between the grievances cited in Magna Carta and those today too. And we should never dismiss this as simply unavoidable grievances against government in general. If there is a common thread from 1215 to 1776 to 1976—and there is—it is simply that the people under any system resent deeply much of the product of their labor—their hard-earned income—being first taken from them through taxes and then misspent.

It is for this reason that I would like to read into the record of today's consideration of this resolution the actual text of Magna Carta.

This Great Charter of English Liberties was first issued by King John at Runnymede in June of 1215. Immediately after John's death in October 1216, it was reissued in the name of his successor, Henry III, with substantial excisions and alterations. Two subsequent reissues in 1217 and 1225 incorporated further revisions. In the form of the third and final revision of 1225, it was confirmed in 1297 by Edward I and a copy of his confirmation was afterward placed on the first or "the great" roll of English statutes.

Since then, Magna Carta has come to be regarded by Englishmen and by all who have adopted English laws, as their chief constitutional defense against arbitrary or unjust rule. Its two most famous clauses—clauses 39 and 40—express and give warranty to some of our most deeply held political beliefs. Translated from the original Latin, they read:

> No free man shall be seized or imprisoned, or stripped of his rights or possessions, or outlawed or exiled, or deprived of his standing in any other way, nor will we proceed with force against him, or send others to do so, except by the lawful judgment of his equals or by the law of the land.
>
> To no one will we sell, to no one deny or delay right or justice.

In these and other clauses, seventeenth century lawyers were to find a basis for such fundamental privileges and rights as trial by jury, Habeas Corpus, equality before the law, freedom from arbitrary arrest, and parliamentary control of taxation. These were the privileges and rights which found their way into our Declaration of Independence and our Bill of Rights because they were our heritage too. If the Bauman amendment fails, my vote will not be against the Magna Carta but against an excessive cost to the trip.

The text of this Great Charter follows:

Translation

Note.—(Clauses marked (†) are still valid under the charter of 1225, but with a few minor amendments Clauses marked (*) were omitted in all later reissues of the charter. In the charter itself the clauses are not numbered, and the text reads continuously. The translation sets out to convey the sense rather than the precise wording of the original Latin.)

John, by the grace of God King of England, Lord of Ireland, Duke of Normandy and Aquitaine, and Count of Anjou, to his archbishops, bishops, abbots, earls, barons, justices, foresters, sheriffs, stewards, servants and to all his officials and loyal subjects, Greeting.

Know that before God, for the health of our soul and those of our ancestors and heirs, to the honour of God, the exaltation of the holy Church, and the better ordering of our kingdom, at the advice of our reverend fathers Stephen, archbishop of Canterbury, primate of all England, and cardinal of the holy Roman Church, Henry archbishop of Dublin, William bishop of London, Peter bishop of Winchester, Jocelin bishop of Bath and Glastonbury, Hugh bishop of Lincoln, Walter bishop of Coventry, Benedict bishop of Rochester, Master Pandulf subdeacon and member of the papal household, Brother Aymeric master of the knighthood of the Temple in England, William Marshal earl of Pembroke, William earl of Salisbury, William earl of Warren, William earl of Arundel, Alan de Galloway constable of Scotland, Warin Fitz Gerald, Peter Fitz Herbert, Hubert de Burgh seneschal of Poitou, Hugh de Neville, Matthew Fitz Herbert, Thomas Basset, Alan Basset, Philip Daubeny, Robert de Roppeley, John Marshal, John Fitz Hugh, and other loyal subjects:

†(1) First, that we have granted to God, and by this present charter have confirmed for us and our heirs in perpeutity, that the English Church shall be free, and shall have its rights undiminished, and its liberties unimpaired. That we wish this so be observed, appears from the fact that of our own free will, before the outbreak of the present dispute between us and our barons, we granted and confirmed by charter the freedom of the Church's elections—a right reckoned to be of the greatest necessity and importance to it—and caused this to be confirmed by Pope Innocent III. This freedom we shall observe ourselves, and desire to be observed in good faith by our heirs in perpetuity.

To all free men of our kingdom we have also granted, for us and our heirs for ever, all the liberties written out below, to have and to keep for them and their heirs, of us and our heirs:

(2) If any earl, baron, or other person that holds lands directly of the Crown, for military service, shall die, and at his death his heir shall be of full age and owe a 'relief', the heir shall have his inheritance on payment of the ancient scale of 'relief'. That is to say, the heir or heirs of an earl shall pay £100 for the entire earl's barony, the heir or heirs of a knight 100s. at most for the entire knight's 'fee', and any man that owes less shall pay less, in accordance with the ancient usage of 'fees'.

(3) But if the heir of such a person is under age and a ward, when he comes of age he shall have his inheritance without 'relief' or fine.

(4) The guardian of the land of an heir who is under age shall take from it only reasonable revenues, customary dues, and feudal services. He shall do this without destruction or damage to men or property. If we have given the guardianship of the land to a sheriff, or to any person answerable to us for the revenues, and he commits destruction or damage, we will exact compensation from him, and the land shall be entrusted to two worthy and prudent men of the same 'fee,' who shall be answerable to us for the revenues, or to the person to whom we have assigned them. If we have given or sold to anyone the guardianship of such land, and he causes destruction or damage, he shall lose the guardianship of it, and it shall be handed over to two worthy and prudent men of the same 'fee', who shall be similarly answerable to us.

(5) For so long as a guardian has guardianship of such land, he shall maintain the houses, parks, fish preserves, ponds, mills, and everything else pertaining to it, from the revenues of the land itself. When the heir comes of age, he shall restore the whole land to him, stocked with plough teams and such implements of husbandry as the season demands and the revenues from the land can reasonably bear.

(6) Heirs may be given in marriage, but not to someone of lower social standing. Before a marriage takes place, it shall be made known to the heir's next-of-kin.

(7) At her husband's death, a widow may have her marriage portion and inheritance at once and without trouble. She shall pay nothing for her dower, marriage portion, or any inheritance that she and her husband held jointly on the day of his death. She may remain in her husband's house for forty days after his death, and within this period her dower shall be assigned to her.

(8) No widow shall be compelled to marry, so long as she wishes to remain without a husband. But she must give security that she will not marry without royal consent, if she holds her lands of the Crown, or without the consent of whatever other lord she may hold them of.

(9) Neither we nor our officials will seize any land or rent in payment of a debt, so long as the debtor has movable goods sufficient to discharge the debt. A debtor's sureties shall not be distrained upon so long as the debtor himself can discharge his debt. If, for lack of means, the debtor is unable to discharge his debt, his sureties shall be answerable for it. If they so desire, they may have the debtor's lands and rents until they have received satisfaction for the debt that they paid for him, unless the debtor can show that he has settled his obligations to them.

*(10) If anyone who has borrowed a sum of money from Jews dies before the debt has been repaid, his heir shall pay no interest on the debt for so long as he remains under age, irrespective of whom he holds his lands. If such a debt falls into the hands of the Crown, it will take nothing except the principal sum specified in the bond.

*(11) If a man dies owing money to Jews, his wife may have her dower and pay nothing towards the debt from it. If he leaves children that are under age, their needs may also be provided for on a scale appropriate

to the size of his holding of lands. The debt is to be paid out of the residue, reserving the service due to his fuedal lords. Debts owed to persons other than Jews are to be dealt with similarly.

*(12) No 'scutage' or 'aid' may be levied in our kingdom without its general consent, unless it is for the ransom of our person, to make our eldest son a knight, and (once) to marry our eldest daughter. For these purposes only a reasonable 'aid' may be levied. 'Aids' from the city of London are to be treated similarly.

†(13) The city of London shall enjoy all its ancient liberties and free customs, both by land and by water. We also will and grant that all other cities, boroughs, towns, and ports shall enjoy all their liberties and free customs.

*(14) To obtain the general consent of the realm for the assessment of an 'aid'—except in the three cases specified above—or a 'scutage', we will cause the archbishops, bishops, abbots, earls, and greater barons to be summoned individually by letter. To those who hold lands directly of us we will cause a general summons to be issued, through the sheriffs and other officials, to come together on a fixed day (of which at least forty days notice shall be given) and at a fixed place. In all letters of summons, the cause of the summons will be stated. When a summons has been issued, the business appointed for the day shall go forward in accordance with the resolution of those present, even if not all those who were summoned have appeared.

*(15) In future we will allow no one to levy an 'aid' from his free men, except to ransom his person, to make his eldest son a knight, and (once) to marry his eldest daughter. For these purposes only a reasonable 'aid' may be levied.

(16) No man shall be forced to perform more service for a knight's 'fee', or other free holding of land, than is due from it.

(17) Ordinary lawsuits shall not follow the royal court around, but shall be held in a fixed place.

(18) Inquests of *novel disseisin*, *mort d'ancestor*, and *darrein presentment* shall be taken only on their proper county court. We ourselves, or in our absence abroad our chief justice, will send two justices to each county four times a year, and these justices, with four knights of the county elected by the county itself, shall hold the assizes in the county court, on the day and in the place where the court meets.

(19) If any assizes cannot be taken on the day of the county court, as many knights and freeholders shall afterwards remain behind, of those who have attended the court, as will suffice for the administration of justice, having regard to the volume of business to be done.

(20) For a trivial offence, a free man shall be fined only in proportion to the degree of his offence, and for a serious offence correspondingly, but not so heavily as to deprive him of his livelihood. In the same way, a merchant shall be spared his merchandise, and a husbandman the implements of his husbandry, if they fall upon the mercy of a royal court. None of these fines shall be imposed except by the assessment on oath of reputable men of the neighbourhood.

(21) Earls and barons shall be fined only by their equals, and in proportion to the gravity of their offence.

(22) A fine imposed upon the lay property of a clerk in holy orders shall be assessed upon the same principles, without reference to the value of his ecclesiastical benefice.

(23) No town or person shall be forced to build bridges over rivers except those with an ancient obligation to do so.

(24) No sheriff, constable, coroners, or other royal officials are to hold lawsuits that should be held by the royal justices.

*(25) Every county, hundred, wapentake, and tithing shall remain at its ancient rent, without increase, except the royal demesne manors.

(26) If at the death of a man who holds a lay "fee" of the Crown, a sheriff or royal official produces royal letters patent of summons for a debt due to the Crown, it shall be lawful for them to seize and list movable goods found in the lay "fee" of the dead man to the value of the debt, as assessed by worthy men. Nothing shall be removed until the whole debt is paid, when the residue shall be given over to the executors to carry out the dead man's will. If no debt is due to the Crown, all the movable goods shall be regarded as the property of the dead man, except the reasonable shares of his wife and children.

*(27) If a free man dies intestate, his movable goods are to be distributed by his next-of-kin and friends, under the supervision of the Church. The rights of his debtors are to be preserved.

(28) No constable or other royal official shall take corn or other movable goods from any man without immediate payment, unless the seller voluntarily offers postponement of this.

(29) No constable may compel a knight to pay money for castle-guard if the knight is willing to undertake the guard in person, or with reasonable excuse to supply some other fit man to do it. A knight taken or sent on military service shall be excused from castle-guard for the period of this service.

(30) No sheriff, royal official, or other person shall take horses or carts for transport from any free man, without his consent.

(31) Neither we nor any royal official will take wood for our castle, or for any other purpose, without the consent of the owner.

(32) We will not keep the lands of people convicted of felony in our hand for longer than a year and a day, after which they shall be returned to the lords of the "fees" concerned.

(33) All fish-weirs shall be removed from the Thames, the Medway, and throughout the whole of England, except on the sea coast.

(34) The writ called *precipe* shall not in future be issued to anyone in respect of any holding of land, if a free man could thereby be deprived of the right of trial in his own lord's court.

(35) There shall be standard measures of wine, ale, and corn (the London quarter), throughout the kingdom. There shall also be a standard width of dyed cloth, russett, and haberject, namely two ells within the selvedges. Weights are to be standardised similarly.

(36) In future nothing shall be paid or accepted for the issue of a writ of inquisition of life or limbs. It shall be given *gratis*, and not refused.

(37) If a man holds land of the Crown by 'fee-farm', 'socage', or 'burgage', and also holds land of someone else for knight's service, we will not have guardianship of his heir, nor of the land that belongs to the other person's 'fee', by virtue of the 'fee-farm', 'socage', or 'burgage', unless the 'fee-farm' owes knight's service. We will not have the guardianship of a man's heir, or of land that he holds of someone else, by reason of any small property that he may hold of the Crown for a service of knives, arrows, or the like.

(38) In future no official shall place a man on trial upon his own unsupported statement, without producing credible witnesses to the truth of it.

†(39) No free man shall be seized or imprisoned, or stripped of his rights or possessions, or outlawed or exiled, or deprived of his standing in any other way, nor will we proceed with force against him, or send others to do so, except by the lawful judgement of his equals or by the law of the land.

†(40) To no one will we sell, to no one deny or delay right or justice.

(41) All merchants may enter or leave England unharmed and without fear, and may stay or travel within it, by land or water, for purposes of trade, free from all illegal exactions, in accordance with ancient and lawful customs. This, however, does *not* apply in time of war to merchants from a country that is at war with us. Any such merchants found in our country at the outbreak of war shall be detained without injury to their persons or property, until we or our chief justice have discovered how our own merchants are being treated in the country at war with us. If our own merchants are safe they shall be safe too.

*(42) In future it shall be lawful for any man to leave and return to our kingdom unharmed and without fear, by land or water, preserving his allegiance to us, except in time of war, for some short period, for the common benefit of the realm. People that have been imprisoned or outlawed in accordance with the law of the land, people from a country that is at war with us, and merchants—who shall be dealt with as stated above—are excepted from this provision.

(43) If a man holds lands of any 'escheat' such as the 'honour' of Wallingford, Nottingham, Boulogne, Lancaster, or of other 'escheats' in our hand that are baronies, at his death his heir shall give us only the 'relief' and service that he would have made to the baron, had the barony been in the baron's hand. We will hold the 'escheat' in the same manner as the baron held it.

(44) People who live outside the forest need not in future appear before the royal justices of the forest in answer to general summonses, unless they are actually involved in proceedings or are sureties for someone who has been seized for a forest offense.

*(45) We will appoint as justices, constables, sheriffs, or other officials, only men that know the law of the realm and are minded to keep it well.

(46) All barons who have founded abbeys, and have charters of English kings or ancient tenure as evidence of this, may have guardianship of them when there is no abbot, as is their due.

(47) All forests that have been created in our reign shall at once be disafforested. Riverbanks that have been enclosed in our reign shall be treated similarly.

*(48) All evil customs relating to forests and warrens, foresters, warreners, sheriffs and their servants, or river-banks and their wardens, are at once to be investigated in every county by twelve sworn knights of the county, and within forty days of their enquiry the evil customs are to be abolished completely and irrevocably. But, we, or our chief justice if we are not in England, are first to be informed.

*(49) We will at once return all hostages and charters delivered up to us by Englishmen as security for peace or for loyal service.

*(50) We will remove completely from their offices the kinsmen of Gerard de Athée, and in future they shall hold no offices in England. The people in question are Engelard de Cigogné, Peter, Guy, and Andrew de Chanceaux, Guy de Cigogné, Geoffrey de Martigny and his brothers, Philip Marc and his brothers, with Geoffrey his nephew, and all their followers.

*(51) As soon as peace is restored, we will remove from the kingdom all the foreign knights, bowmen, their attendants, and the mercenaries that have come to it, to its harm, with horses and arms.

*(52) To any man whom we have deprived or dispossessed of lands, castles, liberties, or rights, without the lawful judgement of his equals, we will at once restore these. In cases of dispute the matter shall be resolved by the judgement of the twenty-five barons referred to below in the clause for securing

the peace (§ 61). In cases, however, where a man was deprived or dispossessed of something without the lawful judgement of his equals by our father King Henry or our brother King Richard, and it remains in our hands or is held by others under our warranty, we shall have respite for the period commonly alowed to Crusaders, unless a lawsuit had been begun, or any enquiry had been made at our order, before we took the Cross as a Crusader. On our return from the Crusade, or if we abandon it, we will at once render justice in full.

*(53) We shall have similar respite in rendering justice in connexion with forests that are to be disafforested, or to remain forests, when these were first afforested by our father Henry or our brother Richard; with the guardianship of lands in another person's 'fee', when we have hitherto had this by virtue of a 'fee' held of us for knight's service by a third party; and with abbeys founded in another person's 'fee', in which the lord of the 'fee' claims to own a right. On our return from the Crusade, or if we abandon it, we will at once do full justice to complaints about these matters.

*(54) No one shall be arrested or imprisoned on the appeal of a woman for the death of any person except her husband.

*(55) All fines that have been given to us unjustly and against the law of the land, and all fines that we have exacted unjustly, shall be entirely remitted or the matter decided by a majority judgement of the twenty-five barons referred to below in the clause for securing the peace (§ 61) together with Stephen, archbishop of Canterbury, if he can be present, and such others as he wishes to bring with him. If the archbishop cannot be present, proceedings shall continue without him, provided that if any of the twenty-five barons has been involved in a similar suit himself, his judgment shall be set aside, and someone else chosen and sworn in his place, as a substitute for the single occasion, by the rest of the twenty-five.

(56) If we have deprived or dispossessed any Welshmen of lands, liberties, or anything else in England or in Wales, without the lawful judgment of their equals, these are at once to be returned to them. A dispute on this point shall be determined in the Marches by the judgment of equals. English law shall apply to holdings of land in England, Welsh law to those in Wales, and the law of the Marches to those in the Marches. The Welsh shall treat us and ours in the same way.

*(57) In cases where a Welshman was deprived or dispossessed of anything, without the lawful judgment of his equals, by our father King Henry or our brother King Richard, and it remains in our hands or is held by others under our warranty, we shall have respite for the period commonly allowed to Crusaders, unless a lawsuit had been begun, or an enquiry had been made at our order, before we took the Cross as a Crusader. But on our return from the Crusade, or if we abandon it, we will at once do full justice according to the laws of Wales and the said regions.

*(58) We will at once return the son of Llywelyn, all Welsh hostages, and the charters delivered to us as security for the peace.

*(59) With regard to the return of the sisters and hostages of Alexander, king of Scotland, his liberties and his rights, we will treat him in the same way as our other barons of England, unless it appears from the charters that we hold from his father William, formerly king of Scotland, that he should be treated otherwise. This matter shall be resolved by the judgement of his equals in our court.

(60) All these customs and liberties that we have granted shall be observed in our kingdom insofar as concerns our own relations with our subjects. Let all men of our kingdom, whether clergy or laymen observe them similarly in their relations with their own men.

*(61) Since we have granted all these things for God, for the better ordering of our kingdom, and to allay the discord that has arisen between us and our barons, and since we desire that they shall be enjoyed in their entirety, with lasting strength, for ever, we give and grant to the barons the following security:

"The barons shall elect twenty-five of their number to keep, and cause to be observed with all their might, the peace and liberties granted and confirmed to them by this charter.

"If we, our chief justice, our officials, or any of our servants offend in any respect against any man, or transgres any of the articles of the peace or of this security, and the offence is made known to four of the said twenty-five barons, they shall come to us—or in our absence from the kingdom to the chief justice—to declare it and claim immediate redress. If we, or in our absence abroad the chief justice, make no redress within forty days, reckoning from the day on which the offence was declared to us or to him, the four barons shall refer the matter to the rest of the twenty-five barons, who may distrain upon and assail us in every way possible, with the support of the whole community of the land, by seizing our castles, lands, possessions, or anything else saving only our own person and those of the queen and our children, until they have secured such redress as they have determined upon. Having secured the redress, they may then resume their normal obedience to us.

"Any man who so desires may take an oath to obey the commands of the twenty-five barons for the achievement of these ends, and to join with them in assailing us to the utmost of his power. We give public and free permission to take this oath to any man who so desires, and at no time will we prohibit any man from taking it. Indeed, we will compel any of our subjects who are unwilling to take it to swear it at our command.

If one of the twenty-five barons dies or leaves the country, or is prevented in any other way from discharging his duties, the rest of them shall choose another baron in his place, at their discretion, who shall be duly sworn in as they were.

"In the event of disagreement among the twenty-five barons on any matter referred to them for decision, the verdict of the majority present shall have the same validity as a unanimous verdict of the whole twenty-five, whether these were all present or some of those summoned were unwilling or unable to appear.

"The twenty-five barons shall swear to obey all the above articles faithfully, and shall cause them to be obeyed by others to the best of their powers.

"We will not seek to procure from anyone, either by our own efforts or those of a third party, anything by which any part of these concessions or liberties might be revoked or diminished. Should such a thing be procured, it shall be null and void and we will at no time make use of it, either ourselves or through a third party."

*(62) We have remitted and pardoned fully to all men any ill-will, hurt, or grudges that have arisen between us and our subjects, whether clergy or laymen, since the beginning of the dispute. We have in addition remitted fully, and for our own part have also pardoned, to all clergy and laymen any offences committed as a result of the said dispute between Easter in the sixteenth year of our reign (*i.e.* 1215) and the restoration of peace.

In addition we have caused letters patent to be made for the barons, bearing witness to this security and to the concessions set out above, over the seals of Stephen archbishop of Canterbury, Henry archbishop of Dublin, the other bishops named above, and Master Pandulf.

*(63) It is accordingly our wish and command that the English Church shall be free, and that men in our kingdom shall have and keep all these liberties, rights, and concessions, well and peaceably in their fulness and entirety for them and their heirs, of us and our heirs, in all things and all places for ever.

Both we and the barons have sworn that all this shall be observed in good faith and without deceit. Witness the abovementioned people and many others.

Given by our hand in the meadow that is called Runnymede, between Windsor and Staines, on the fifteenth day of June in the seventeenth year of our reign (*i.e.* 1215: *the new reginal year began on 28 May*).

AMENDMENT OFFERED BY MR. HECHLER OF WEST VIRGINIA TO THE AMENDMENT IN THE NATURE OF A SUBSTITUTE OFFERED BY MR. BAUMAN

Mr. HECHLER of West Virginia. Mr. Speaker, I offer an amendment to the amendment in the nature of a substitute.

The Clerk read as follows:

Amendment offered by Mr. HECHLER of West Virginia to the amendment in the nature of a substitute offered by Mr. BAUMAN: On page 2, line 5, after the word "delegation," strike out the comma insert a semicolon and strike the balance, line 5 through line 8.

PARLIAMENTARY INQUIRY

Mr. BOLLING. Mr. Speaker, I would like to make a parliamentary inquiry so the Members will understand the situation.

The SPEAKER. The gentleman will state it.

Mr. BOLLING. Mr. Speaker, do I understand the manager of this resolution—that is, myself—has the opportunity to move the previous question on the amendment or on the resolution and all amendments thereto?

The SPEAKER. We are in the House as in Committee of the Whole, and the gentleman has the right to move the previous question on the amendment or on the resolution itself.

Mr. BOLLING. Mr. Speaker, will the gentleman yield?

Mr. HECHLER of West Virginia. I yield to the gentleman from Missouri (Mr. BOLLING).

Mr. BOLLING. I thank the gentleman for yielding.

Mr. Speaker, I want to make it very clear in the House that I do not intend to cutoff debate. But I do want to say if we cannot have a relatively orderly and relatively prompt conclusion, with everyone that has an amendment having the opportunity to offer his amendment, at some point I think it will probably be the will of the House, and I will try to sense it, that they do not want this to go on forever.

Mr. HECHLER of West Virginia. Mr. Speaker, the gentleman from Maryland gave a very facetious and unresponsive comment when I suggested that these two staff members were unnecessary. I do not believe the gentleman from Maryland addressed the issue directly, as he frequently is in the habit of doing. I would merely ask the gentleman from Maryland why he does not accept such an obviously logical and money-saving amendment, in his prior response to the gentleman from West Virginia?

Mr. BAUMAN. Mr. Speaker, if the gentleman will yield, I am sorry if he took my answer to be facetious. It was only half so. Honestly, in the 3 years I have been here, I have established no frame of reference for judging what staff is needed for foreign travel and junkets abroad. I have not taken any junkets. Other Members who have, such as the gentleman from Illinois who just spoke, indicated that there is some need for some staff assistance on great occasions such as this.

Mr. HECHLER of West Virginia. In the gentleman's amendment he put two staff members in there. He gives absolutely no justification why those two staff members should be there.

Mr. RHODES. Mr. Speaker, will the gentleman yield?

Mr. HECHLER of West Virginia. I yield to the gentleman from Arizona (Mr. Rhodes).

Mr. RHODES. I thank the gentleman for yielding.

Mr. Speaker, I intend to support the amendment offered by the gentleman from West Virginia, for a very curious reason, perhaps. I hope the amendment offered by the gentleman from Maryland will be defeated, but if it is not, then there is a ceiling of $10,000, not only for travel, but for safeguarding the Magna Carta. I think the most important thing is to safeguard the Magna Carta when we get it here. So if we do not send these two staff people over there, we will have that much more left to safeguard the Magna Carta.

Mr. HECHLER of West Virginia. I thank the gentleman from Arizona, the distinguished minority leader, for his support.

Mr. BAUMAN. Mr. Speaker, will the gentleman yield?

Mr. HECHLER of West Virginia. I yield to the gentleman from Maryland (Mr. Bauman).

Mr. BAUMAN. I thank the gentleman for yielding.

Mr. Speaker, the minority leader is beating a dead horse to death. There is ample funding to protect the Magna Carta when it gets here.

Mr. HECHLER of West Virginia. With all this talk, the gentleman from Maryland still has not given any reason whatsoever as to why we need those two staff members. I reiterate that it would be a waste of taxpayer money to send two staff members on this trip.

Mr. CORMAN. Mr. Speaker, will the gentleman yield?

Mr. HECHLER of West Virginia. I yield to the gentleman from California.

Mr. CORMAN. Mr. Speaker, I only wish to make the comment that if the amendment offered by the gentleman from West Virginia (Mr. Hechler) is agreed to and the amendment in the nature of a substitute offered by the gentleman from Maryland (Mr. Bauman) is agreed to, I would hope the Speaker would appoint the gentleman from Maryland (Mr. Bauman). He is young, he looks vigorous, and I think this would be a better House if he would travel some.

Mr. PEYSER. Mr. Speaker, may I be recognized?

The SPEAKER. The Chair is going to recognize the gentleman from New York (Mr. Peyser), but if the gentleman is going to offer an amendment to the Bauman amendment at this time, the Chair will state that he is out of order, there is already an amendment pending.

PARLIAMENTARY INQUIRY

Mr. HECHLER of West Virginia. Mr. Speaker, I have a parliamentary inquiry.

Is a vote on my amendment in order at this point?

The SPEAKER. A vote on the gentleman's amendment will be taken.

Without objection, the previous question is ordered on the amendment to the amendment in the nature of a substitute.

There was no objection.

The SPEAKER. The question is on the amendment offered by the gentleman from West Virginia (Mr. Hechler) to the amendment in the nature of a substitute offered by the gentleman from Maryland (Mr. Bauman).

The question was taken; and on a division (demanded by Mr. Hechler of West Virginia) there were—ayes 25, noes 52.

So the amendment to the amendment in the nature of a substitute was rejected.

AMENDMENT OFFERED BY MR. PEYSER TO THE AMENDMENT IN THE NATURE OF A SUBSTITUTE OFFERED BY MR. BAUMAN

Mr. PEYSER. Mr. Speaker, I offer an amendment to the amendment in the nature of a substitute.

The Clerk read as follows:

Amendment offered by Mr. Peyser to the amendment in the nature of a substitute offered by Mr. Bauman: At the end of the amendment insert a new section 5 to allow for payment of expenses in connection with the display of the Magna Carta in the United States Capitol.

Mr. PEYSER. Mr. Speaker, while the gentleman from Maryland (Mr. Bauman) mentioned before that he and I have seldom voted together on a number of issues, I would appreciate it if he would give consideration at this time to my amendment and if he would be willing to endorse the amendment that I am now offering, because I believe that with this amendment we do now have sufficient support to agree to the gentleman's amendment.

I think this would make it a reasonable amendment, in that it provides for sending to England the highest elected officials from our House of Representatives and from the U.S. Senate. It is going to allow two staff members, it is going to allow an adequate amount of money to cover the expenses of those Members, and with my amendment it will guarantee sufficient funds to protect the Magna Carta and to give it the kind of treatment here in the U.S. Capitol to which it is entitled.

Mr. Speaker, I think this is a reasonable and worthwhile position to take. I hope that the gentleman from Maryland will consider this favorably.

Mr. BAUMAN. Mr. Speaker, will the gentleman yield?

Mr. PEYSER. I yield to the gentleman from Maryland.

Mr. BAUMAN. Mr. Speaker, the amendment that the gentleman from New York (Mr. Peyser) has offered is in exactly the language that is already contained in my resolution, in section 3, page 2.

Mr. PEYSER. Mr. Speaker, I believe the difference is that the gentleman included the total amount of $10,000, and I am saying that the $10,000 pertains to the travel of the delegation and the expenses of the delegation, and the new section says: "And whatever other expenses are necessary to the protection or for the protection of the Magna Carta."

Mr. BAUMAN. Mr. Speaker, I have no objection to that.

Mr. PEYSER. The gentleman has no objection to the amendment.

The gentleman will agree with that amendment. I hope we can vote on it, Mr. Speaker, and have a reasonable concurrent resolution to work with.

The SPEAKER. The question is on the amendment offered by the gentleman from New York (Mr. Peyser) to the amendment in the nature of a substitute offered by the gentleman from Maryland (Mr. Bauman).

The question was taken; and on a division (demanded by Mr. Peyser), there were—yeas 12, nays 87.

So the amendment to the amendment in the nature of a substitute was rejected.

Mr. BOLLING. Mr. Speaker, I rise to ask the Members of the House whether there are any further amendments to the amendment in the nature of a substitute offered by the gentleman from Maryland (Mr. Bauman).

If there are not, Mr. Speaker, I move the previous question on the amendment in the nature of a substitute offered by the gentleman from Maryland (Mr. Bauman).

The previous question was ordered.

The SPEAKER. The question is on the amendment in the nature of a substitute offered by the gentleman from Maryland (Mr. Bauman).

The question was taken; and the Speaker announced that the noes appeared to have it.

Mr. BAUMAN. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 94, nays 306, answered "present" 1, not voting 31, as follows:

[Roll No. 112]

YEAS—94

Abdnor
Alexander
Anderson, Calif.
Archer
Armstrong
Ashbrook
Bafalis
Bauman
Beard, Tenn.
Bennett
Brown, Ohio
Broyhill
Carr
Clancy
Clausen, Don H.
Cleveland
Cohen
Collins, Tex.
Conlan
Coughlin
Crane
Daniel, R. W.
Devine
Dickinson
Duncan, Tenn.
du Pont
Early
Emery
English
Eshleman
Evans, Ind.
Frenzel
Frey
Goldwater

Gradison
Grassley
Hammerschmidt
Hannaford
Harkin
Harrington
Harsha
Hechler, W. Va.
Hubbard
Jarman
Jones, N.C.
Kasten
Kelly
Kemp
Ketchum
Kindness
Lagomarsino
Latta
Litton
Lott
Lujan
McDonald
Madden
Maguire
Martin
Mazzoli
Meeds
Miller, Calif.
Miller, Ohio
Mills
Moore
Moorhead, Calif.
Myers, Pa.
Pattison, N.Y.
Peyser
Pressler
Quie
Regula
Rinaldo
Risenhoover
Robinson
Rousselot
Runnels
Ruppe
Sarasin
Schneebeli
Schroeder
Schulze
Shuster
Snyder
Spence
Steelman
Steiger, Ariz.
Symms
Vander Jagt
Wampler
Whitehurst
Wilson, C. H.
Wirth
Wydler
Satterfield
Scheuer
Sebelius
Seiberling
Sharp
Shipley
Shriver
Sikes
Simon
Sisk
Skubitz
Slack
Smith, Iowa
Smith, Nebr.
Solarz
Spellman
Staggers
Stanton, J. William
Stark
Steed
Steiger, Wis.
Stephens
Stokes
Stratton
Stuckey
Studds
Symington
Talcott
Taylor, Mo.
Taylor, N.C.
Teague
Thompson
Thone
Thornton
Traxler
Treen
Tsongas
Ullman
Van Deerlin
Vander Veen
Vanik
Vigorito
Waggonner
Walsh
Weaver
Whalen
White
Whitten
Wiggins
Wilson, Bob
Wilson, Tex.
Winn
Wolff
Wright
Wylie
Yates
Yatron
Young, Alaska
Young, Fla.
Young, Ga.
Young, Tex.
Zablocki

NAYS—306

Abzug
Adams
Addabbo
Allen
Ambro
Anderson, Ill.
Andrews, N.C.
Andrews, N. Dak.
Ashley
Aspin
AuCoin
Badillo
Baldus
Baucus
Beard, R.I.
Bedell
Bergland
Bevill
Biester
Bingham
Blanchard
Blouin
Boggs
Boland
Bolling
Bonker
Bowen
Brademas
Breaux
Breckinridge
Brinkley
Brodhead
Brooks
Broomfield
Brown, Calif.
Brown, Mich.
Buchanan
Burke, Calif.
Burke, Fla.
Burke, Mass.
Burleson, Tex.
Burlison, Mo.
Burton, John
Burton, Phillip
Butler
Byron
Carney
Carter
Cederberg
Chappell
Chisholm
Clay
Cochran
Conable
Conte
Conyers
Corman
Cornell
Cotter
D'Amours
Daniel, Dan
Daniels, N.J.
Danielson
de la Garza
Delaney
Dellums
Dent
Derrick
Derwinski
Diggs
Dingell
Dodd
Downey, N.Y.
Downing, Va.
Drinan
Duncan, Oreg.
Edgar
Edwards, Ala.
Edwards, Calif.
Eilberg
Erlenborn
Esch
Evins, Tenn.
Fenwick
Findley
Fish
Fisher
Fithian
Florio
Flowers
Flynt
Foley
Ford, Tenn.
Forsythe
Fountain
Fraser
Fuqua
Gaydos
Gibbons
Ginn
Gonzalez
Goodling
Gude
Hagedorn
Haley
Hall
Hamilton
Hanley
Harris
Hawkins
Hays, Ohio
Hébert
Heckler, Mass.
Hefner
Helstoski
Henderson
Hicks
Hightower
Hillis
Holland
Holt
Holtzman
Horton
Howard
Howe
Hughes
Hungate
Hutchinson
Hyde
Ichord
Jacobs
Jeffords
Jenrette
Johnson, Calif.
Johnson, Colo.
Johnson, Pa.
Jones, Ala.
Jones, Okla.
Jones, Tenn.
Jordan
Kastenmeier
Kazen
Keys
Koch
Krebs
Krueger
LaFalce
Landrum
Leggett
Lehman
Lent
Levitas
Lloyd, Calif.
Lloyd, Tenn.
Long, La.
Long, Md.
Lundine
McClory
McCloskey
McCollister
McCormack
McDade
McEwen
McFall
McHugh
McKay
McKinney
Madigan
Mahon
Mann
Mathis
Matsunaga
Melcher
Meyner
Mezvinsky
Michel
Mikva
Milford
Mineta
Minish
Mink
Mitchell, Md.
Mitchell, N.Y.
Moakley
Moffett
Mollohan
Montgomery
Moorhead, Pa.
Morgan
Mosher
Moss
Mottl
Murphy, N.Y.
Murtha
Myers, Ind.
Natcher
Neal
Nedzi
Nichols
Nix
Nolan
Nowak
Oberstar
Obey
O'Brien
O'Hara
O'Neill
Ottinger
Passman
Patten, N.J.
Patterson, Calif.
Pepper
Perkins
Pettis
Pickle
Pike
Poage
Preyer
Price
Pritchard
Quillen
Railsback
Randall
Rangel
Reuss
Rhodes
Richmond
Riegle
Roberts
Rodino
Roe
Rogers
Roncalio
Rooney
Rose
Rosenthal
Rostenkowski
Roush
Roybal
Russo
Ryan
St Germain
Santini
Sarbanes

ANSWERED "PRESENT"—1

Eckhardt

NOT VOTING—31

Annunzio
Barrett
Bell
Biaggi
Burgener
Clawson, Del
Collins, Ill.
Davis
Evans, Colo.
Fary
Fascell
Flood
Ford, Mich.
Giaimo
Gilman
Green
Guyer
Hansen
Hayes, Ind.
Heinz
Hinshaw
Karth
Macdonald
Metcalfe
Murphy, Ill.
Rees
Stanton, James V.
Sullivan
Udall
Waxman
Zeferetti

The Clerk announced the following pairs:

Mr. Annunzio with Mr. Burgener.
Mr. Barrett with Mr. Fary.
Mr. Giaimo with Mr. Davis.
Mr. Green with Mr. Fascell.
Mr. Waxman with Mr. Ford of Michigan.
Mr. Zeferetti with Mr. Del Clawson.
Mr. Biaggi with Mr. Hansen.
Mr. Flood with Mr. Macdonald of Massachusetts.
Mr. James V. Stanton with Mr. Gilman.
Mr. Rees with Mr. Metcalfe.
Mr. Murphy of Illinois with Mrs. Sullivan.
Mr. Hayes of Indiana with Mr. Heinz.
Mr. Karth with Mr. Udall.
Mrs. Collins of Illinois with Mr. Guyer.
Mr. Evans of Colorado with Mr. Bell.

Mr. SIKES and Mr. LEHMAN changed their vote from "yea" to "nay."

So the amendment in the nature of a substitute was rejected.

The result of the vote was announced as above recorded.

AMENDMENT OFFERED BY MR. EDGAR

Mr. EDGAR. Mr. Speaker, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. EDGAR: On page 3, line 3, insert "not to exceed $10,000" immediately after "(1)".

On page 3, line 4, insert "not more than five" immediately before "staff members".

Mr. EDGAR. Mr. Speaker, we of the House of Representatives have just voted down a very restrictive substitute for this resolution. I rise at this point to offer a more moderate amendment. It amends subsection 1 of section 2, and provides language with a bit more flexibility than that offered by my colleague from Maryland (Mr. BAUMAN). House Concurrent Resolution 580 authorizes the expenditure of funds for the expenses of the 25-Member delegation, including expenses of staff members designated by the chairman and vice chairman, respectively, to assist the delegation. But the language in this resolution specifies neither how much money in expenses can be spent nor how many staff may accompany the delegation.

My amendment is simple in this respect. It only deals with these two parts of this resolution. The language I offer would limit our expenses for the trip of the delegation to participate in the English Bicentennial activities to $10,000. This sum is sufficient to pay for the per diem expenses of 25 Members and 5 staff for 3 days, and allow over $3,000 for associated expenses. I believe that this limitation is more fiscally responsible than the unlimited funding language in the resolution. I do not wish to imply that the delegation will not wisely spend the money authorized in House Concurrent Resolution 580. This bill has received international attention. Approval of this amendment would be a positive statement that we in the Congress will place reasonable limits on all expenditures of taxpayers' money.

This bill can be perceived, with the current language, as a symbol of the frivolity of the 94th Congress when it comes to fiscal responsibility, regardless of our own personal respect for the integrity of the Speaker and his staff.

Although I would like to see a limitation on the number of Members who are sent as delegates, I do recognize, Mr. Speaker, the importance of our accepting this document.

Mr. Speaker, finally, I just want to reflect on the fact that I believe many of the 219 of my colleagues who voted against the original resolution were not voting against the Magna Carta, were not voting against the gracious gift of the English people, were not voting against the leadership; but were voting against the unlimited expenses and what seemed at that time to be an unnecessary junket.

Mr. Speaker, I believe if we include this very moderate language in the resolution, it would not only be acceptable to me, but I believe acceptable to many of the 219 persons who voted against the original resolution. I anticipate that we will pass the resolution with my amendment and that we will bring the Magna Carta to this country.

Mr. ECKHARDT. Mr. Speaker, I rise in opposition to the amendment and to the resolution.

Mr. Speaker, while this debate has been going on, I have gone and got the Magna Carta from the Library of Congress. Here it is. It has been at no expense to the taxpayers of the United States, except for 20 pages of Xeroxing. I should offer it for reprinting in the RECORD, but that would not be necessary, would, indeed, be too expensive and would be redundant because it is printed as Senate Document No. 180 of the 81st Congress, 2d session, a document titled "Magna Carta."

Mr. Speaker, I speak not facetiously on this proposition. The Magna Carta is of course the mother lode of constitutional rights of Englishmen and Americans.

It contains matter that is basic and extremely important like its items 39 and 40:

> 39. No freeman shall be taken or imprisoned or disseised or exiled or in any way destroyed, nor will we go upon him nor send upon him, except by the lawful judgment of his peers or by the law of the land.
>
> 40. To no one will we sell, to no one will we refuse or delay, right or justice.

It contains admonitions calling for good government, as in item 45:

> 45. We will appoint as justices, constables, sheriffs, or bailiffs only such as know the law of the realm and mean to observe it well.

It calls for due and fair process, as in item 52:

> 52. If any one has been dispossessed or removed by us, without the legal judgment of his peers, from his lands, castles, franchises, or from his right, we will immediately restore them to him; and if a dispute arise over this, then let it be decided by the five-and-twenty barons of whom mention is made below in the clause for securing the peace. * * *

But it is also a political document, administering the take-over power in a very practical way, a way that might please the distinguished gentleman from Ohio (Mr. Hays) in its directness. It says in item 50:

> 50. We will entirely remove from their bailiwicks, the relations of Gerard of Athée (so that in future they shall have no bailiwick in England); namely, Engelard of Cigogné, Peter, Guy, and Andrew of Chanceaux, Guy of Cigogné, Geoffrey of Martigny with his brothers, Philip Mark and his brothers and his nephew Geoffrey, and the whole brood of the same.

That is really pure Wayne Hays, isn't it?

POINT OF ORDER

Mr. HAYS of Ohio. Mr. Speaker, a point of order.

The SPEAKER. The gentleman will state it.

Mr. HAYS of Ohio. Mr. Speaker, I would like to have the gentleman's words taken down. He mentioned my name, but nobody was paying attention because there is so much noise. I do not know whether he praised me or damned me.

The SPEAKER. The gentleman was not criticized.

Would the gentleman withdraw that request?

Mr. HAYS of Ohio. I will withdraw the request.

Mr. ECKHARDT. Mr. Speaker, getting back to my subject: Magna Carta is a reflection of the common characteristic of the people of Britain and of the United States.

The matter that we have in common with our British cousins is that we are both pragmatic people. The matter we do not have in common with them is that we are not a ceremonial people. We do not change the guard. We do not send people as mere messengers to carry documents. If we were sending 10 persons or 25 or 50 to England to confer together about our great constitutional heritage, about the Magna Carta, the Constitution of the United States, and the real essential ingredients of our representative systems and then, as a symbolic act illustrative of our common heritage we should bring back an original of the Magna Carter on loan, I should vote for this resolution.

I vote against it because I consider it totally ceremonial. I consider that a kind of Disneyland operation that is not a worthy celebration of the Bicentennial. I shall vote against it for that reason and for that reason alone.

Mr. BOLLING. Mr. Speaker, I rise in opposition to the amendment. I will not take the full 5 minutes.

I think the amendment should be voted down for the very simple reason that it is inconceivable to me that we should put limitations on staffing of the chairman and vice chairman of this delegation without specific knowledge of the demands on those individuals and on the delegation.

Mr. Speaker, I move the previous question on the amendment.

The previous question was ordered.

The question is on the amendment offered by the gentleman from Pennsylvania (Mr. Edgar).

The question was taken; and the Speaker announced that the noes appeared to have it.

Mr. EDGAR. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were refused.

So the amendment was rejected.

Mr. ALLEN. Mr. Speaker, I move to strike the last word.

Mr. Speaker, I have listened to this debate from the beginning up to this point. As one of the newest Members of this body who have come to respect our distinguished Speaker, the distinguished majority leader and the distinguished minority leader and their integrity, I resent the imputations that have been made upon the integrity and truthfulness of the leadership of this body as to the invitation that was extended.

The distinguished Speaker has told me, the distinguished minority floor leader has told me, and the distinguished majority floor leader has told me, that the number of 25 was included in the invitation from the House of Commons and the House of Parliament and transmitted to the Speaker by the British Embassy.

So far as I am concerned, we are now at the point where we are either going to accept their very gracious invitation and offer, or we are going to reject it. I am hoping that we can bring this debate to an end by a motion simply to adopt this resolution, which would say, "Yes, we will accept your gracious and generous invitation," or vote no, and say "No, we will not accept the invitation." I think it has come to just that point.

Mr. SKUBITZ. Mr. Speaker, will the gentleman yield?

Mr. ALLEN. I yield to the gentleman from Kansas (Mr. Skubitz).

Mr. SKUBITZ. I thank the gentleman for yielding.

Mr. Speaker, I wholeheartedly agree with the gentleman. I would like to call the Members attention that we earn about $44,600 a year. If we break that down into weeks, that is about $860 a week. It is about $172 a day. It is $21 an hour, on a 5-day week. There are 435 of us here. That is $21 times 435, which is about $9,135 an hour of our time being wasted. Multiply that by 2, and already we have wasted $18,270, not counting the printers.

Let us get down to a vote.

Mr. ALLEN. I thank the gentleman for his observation.

Mr. Speaker, I would also call to the attention of the Members the fact that we are spending not just the little money that will be spent to go over and receive the charter that has been so graciously and generously extended to us in this invitation, but we are spending literally millions of dollars in celebrating this Bicentennial. We will be entertaining the Queen, and we know how much money we will have to spend to guard her and take her about this country.

I would hope we may now wind up this debate by a motion on the previous question.

AMENDMENT OFFERED BY MR. DERWINSKI

Mr. DERWINSKI. Mr. Speaker, I offer an amendment.

The Clerk read as follows:

> Amendment offered by Mr. Derwinski: On page 2, line 13, strike the period and insert "on the recommendation of the majority and minority leaders."

Mr. DERWINSKI. Mr. Speaker, this is just a minor technical amendment. I am not sure, but I think there was an oversight in draftsmanship. This merely has the language identical as to the House and Senate appointment procedure.

Mr. BOLLING. Mr. Speaker, will the gentleman yield?

Mr. DERWINSKI. I yield to the gentleman from Missouri (Mr. Bolling).

Mr. BOLLING. I thank the gentleman for yielding.

Mr. Speaker, I think the gentleman has a good point, and, so far as I am concerned, I accept the amendment.

Mr. ANDERSON of Illinois. Mr. Speaker, will the gentleman yield?

Mr. DERWINSKI. I yield to the gentleman from Illinois (Mr. Anderson).

Mr. ANDERSON of Illinois. I thank the gentleman for yielding.

Mr. Speaker, I would like to express the same sentiments as the gentleman from Missouri.

The SPEAKER. The question is on the amendment offered by the gentleman from Illinois (Mr. Derwinski).

The amendment was agreed to.

Mr. BOLLING. Mr. Speaker, I move the previous question on the concurrent resolution.

The previous question was ordered.

The SPEAKER. The question is on the concurrent resolution.

The question was taken; and the Speaker announced that the ayes appeared to have it.

Mr. BAUMAN. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were refused.

So the concurrent resolution was agreed to.

A motion to reconsider was laid on the table.

Mr. ASHBROOK. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. The Chair has already put the question, and the concurrent resolution has been agreed to. The gentleman's request comes too late.

Mr. ASHBROOK. I said it, Mr. Speaker, immediately after the Chair made the statement.

The SPEAKER. The Chair is going to count every Member here. The Chair knows that there is a quorum present at this time.

Mr. ASHBROOK. Mr. Speaker, if the Chair knows that a quorum is present, I will not press further, and I will withdraw my request and the point of order.

The SPEAKER. Pursuant to the provisions of House Resolution 1086, the proceedings by which the House rejected Senate Concurrent Resolution 98 and laid on the table a motion to reconsider the vote thereon on March 9, 1976, are vacated.

The Chair recognizes the gentleman from Missouri (Mr. Bolling).

Mr. BOLLING. Mr. Speaker, pursuant to the provisions of House Resolution 1086, I call up from the Speaker's table the Senate concurrent resolution (S. Con. Res. 98) to provide for a delegation of Members of Congress to go to the United Kingdom for purposes of accepting a loan of an original copy of the Magna Carta, and for other purposes, and ask for its immediate consideration.

The Clerk read the title of the Senate concurrent resolution.

MOTION OFFERED BY MR. BOLLING

Mr. BOLLING. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. Bolling moves to strike out all after the resolving clause of the Senate concurrent resolution, S. Con. Res. 98, and to insert in lieu thereof the provisions of H. Con. Res. 580, as agreed to, as follows:

That (a) a delegation of Members of Congress shall be appointed to proceed at the invitation of the two Houses of Parliament, to the United Kingdom, there to attend the presentation of the Magna Carta, under suitable auspices, to the people of the United States, to be held in the custody of their representative, the Congress of the United States, for a period of one year.

(b) The delegation shall consist of the Speaker of the House of Representatives and not to exceed twenty four additional Members appointed as follows:

(1) Twelve appointed by the Speaker of the House of Representatives on the recommendation of the Majority and Minority Leaders.

(2) Twelve appointed by the President of the Senate on the recommendation of the Majority and Minority Leaders.

shall be reimbursed by the House of Representatives and such reimbursement is hereby authorized):

(1) for the expenses of the delegation, including expenses of staff members designated by the Chairman and Vice Chairman, respectively, to assist the delegation;

(2) for the reimbursement of any department or agency of the Federal Government for expenses incurred by it on behalf of the delegation and expenses incurred in connection with the functions of the delegation in the United Kingdom;

(3) for payment of expenses in connection with the display of the Magna Carta in the United States Capitol, including those expenses associated with delegations invited from the Government of the United Kingdom of other nations in connection with joint Bicentennial ceremonies.

Sec. 3. All authority for such expenditures shall expire at the close of business December 31, 1976.

The SPEAKER. The question is on the motion offered by the gentleman from Missouri (Mr. Bolling).

The question was taken and the Speaker announced that the ayes appeared to have it.

Mr. BAUMAN. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. The gentleman from Maryland (Mr. Bauman) objects to the vote on the ground that a quorum is not present and makes the point of order that a quorum is not present. The Chair has mentioned before that he is certain that a quorum is present. However, the Chair will count.

Two hundred thirty-four Members are present, a quorum.

Mr. BAUMAN. Mr. Speaker, I demand a division.

On a division (demanded by Mr. Bauman) there were—yeas 180, nays 17.

Mr. BAUMAN. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. The Chair believes that there is a quorum present.

Mr. BAUMAN. Mr. Speaker, I understand there is some question as to that.

The SPEAKER. The Chair is tired of counting. We will let the Members count themselves.

When a quorum is not present, a rollcall is automatic.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 294, nays 98, not voting 40, as follows:

[Roll No. 113]

YEAS—294

Abzug
Adams
Alexander
Allen
Ambro
Anderson, Ill.
Andrews, N.C.
Ashley
Aspin
AuCoin
Badillo
Bafalis
Baldus
Beard, R.I.
Beard, Tenn.
Bedell
Bergland
Bevill
Biester
Bingham
Blanchard
Blouin
Boggs
Boland
Bolling
Bonker
Bowen
Brademas
Breaux
Breckinridge
Brinkley
Brodhead
Brooks
Broomfield
Brown, Calif.
Brown, Mich.
Brown, Ohio
Buchanan
Burke, Calif.
Burke, Fla.
Burke, Mass.
Burlison, Mo.
Burton, John
Burton, Phillip
Butler
Carney
Carr
Carter
Cederberg
Chappell
Chisholm
Clay
Cochran
Conable
Conte
Conyers
Corman
Cotter
Daniel, Dan
Daniels, N.J.
Danielson
de la Garza
Delaney
Dellums
Dent
Derrick
Derwinski
Diggs
Dingell
Dodd
Downey, N.Y.
Duncan, Oreg.
Duncan, Tenn.
Edwards, Ala.
Edwards, Calif.
Eilberg
English
Erlenborn
Esch
Evins, Tenn.
Fascell
Fenwick
Findley
Fish
Fisher
Flowers
Flynt
Foley
Ford, Tenn.
Forsythe
Fountain
Fraser
Frey
Fuqua
Gaydos
Gibbons
Ginn
Gonzalez
Hagedorn
Haley
Hall
Hamilton
Hammerschmidt
Hanley
Harris
Hawkins
Hays, Ohio
Hébert
Heckler, Mass.
Hefner
Helstoski
Henderson
Hicks
Hightower
Hillis
Holland
Holtzman
Horton
Howard
Howe
Hubbard
Hughes
Hungate
Hutchinson
Hyde
Jarman
Jeffords
Jenrette
Johnson, Calif.
Johnson, Colo.
Johnson, Pa.
Jones, Ala.
Jones, Okla.
Jones, Tenn.
Jordan
Kastenmeier
Kazen
Kindness
Koch
Nix
Krebs
Krueger
LaFalce
Landrum
Leggett
Lehman
Lent
Levitas
Lloyd, Calif.
Lloyd, Tenn.
Long, La.
Long, Md.
Lundine
McClory
McCloskey
McCollister
McCormack
McDade
McEwen
McFall
McKay
McKinney
Madigan
Mahon
Mann
Matsunaga
Mazzoli
Meeds
Melcher
Meyner
Mezvinsky
Michel
Mikva
Milford
Mills
Mineta
Minish
Mink
Mitchell, Md.
Moakley
Moffett
Mollohan
Montgomery
Moorhead, Pa.
Morgan
Mosher
Moss
Murphy, N.Y.
Murtha
Myers, Ind.
Neal
Nedzi
Nichols
Nowak
Oberstar
Obey
O'Brien
O'Hara
O'Neill
Ottinger
Passman
Patten, N.J.
Patterson, Calif.
Pepper
Perkins
Pettis
Pickle
Pike
Poage
Preyer
Price
Pritchard
Quie
Quillen
Railsback
Randall
Rangel
Reuss
Rhodes
Richmond
Riegle
Risenhoover
Rodino
Roe
Rogers
Roncalio
Rooney
Rose
Rosenthal
Roush
Roybal
Russo
Ryan
St Germain
Sarasin
Sarbanes
Satterfield
Scheuer
Schneebeli
Sebelius
Seiberling
Sharp
Shipley
Shriver
Sikes
Simon
Sisk
Skubitz
Slack
Smith, Iowa
Solarz
Spellman
Spence
Stanton, J. William
Steed
Steiger, Wis.
Stephens
Stokes
Stratton
Stuckey
Studds
Symington
Taylor, Mo.
Taylor, N.C.
Teague
Thompson
Thornton
Traxler
Treen
Tsongas
Ullman
Van Deerlin
Vander Jagt
Vander Veen
Vigorito
Waggonner
Walsh
Weaver
Whalen
White
Whitehurst
Wiggins
Wilson, Bob
Wilson, Tex.
Wolff
Wright
Wydler
Yates
Yatron
Young, Alaska
Young, Fla.
Young, Ga.
Young, Tex.
Zablocki

NAYS—98

Abdnor
Anderson, Calif.
Andrews, N. Dak.
Archer
Armstrong
Ashbrook
Baucus
Bauman
Bennett
Broyhill
Burleson, Tex.
Byron
Clancy
Clausen, Don H.
Cleveland
Cohen
Collins, Tex.
Conlan
Cornell
Coughlin
Crane
D'Amours
Daniel, R. W.
Devine
Dickinson
Drinan
du Pont
Early
Eckhardt
Edgar
Emery
Evans, Ind.
Fithian
Florio
Frenzel
Goldwater
Goodling
Gradison
Grassley
Hannaford
Harkin
Harrington
Harsha
Hechler, W. Va.
Holt
Ichord
Jacobs
Jones, N.C.
Kasten
Kelly
Kemp
Ketchum
Keys
Lagomarsino
Latta
Litton
Lott
Lujan
McDonald
McHugh
Madden
Maguire
Miller, Calif.
Miller, Ohio
Mitchell, N.Y.
Moore
Moorhead, Calif.
Mottl
Myers, Pa.
Natcher
Nolan
Pattison, N.Y.
Peyser
Pressler
Regula
Rinaldo
Roberts
Robinson
Rousselot
Runnels
Ruppe
Santini
Schroeder
Schulze
Shuster
Smith, Nebr.
Snyder
Steelman
Steiger, Ariz.
Symms
Talcott
Thone
Wampler
Whitten
Wilson, C. H.
Winn
Wirth
Wylie

NOT VOTING—40

Addabbo
Annunzio
Barrett
Bell
Biaggi
Burgener
Clawson, Del
Collins, Ill.
Davis
Downing, Va.
Eshleman
Evans, Colo.
Fary
Flood
Ford, Mich.
Giaimo
Gilman
Green
Gude
Guyer
Hansen
Hayes, Ind.
Heinz
Hinshaw
Karth
Macdonald
Martin
Mathis
Metcalfe
Murphy, Ill.
Rees
Rostenkowski
Staggers
Stanton, James V.
Stark
Sullivan
Udall
Vanik
Waxman
Zeferetti

The Clerk announced the following pairs:

Mr. Annunzio with Mr. Bell.
Mr. Barrett with Mr. Giaimo.
Mr. Addabbo with Mr. Davis.
Mr. Green with Mr. Eshleman.
Mr. Waxman with Mr. Burgener.
Mr. Biaggi with Mr. Fary.
Mr. Flood with Mr. Downing of Virginia.
Mr. James V. Stanton with Mr. Gude.
Mr. Rees with Mr. Del Clawson.
Mr. Murphy of Illinois with Mr. Hansen.
Mr. Hayes of Indiana with Mr. Gilman.
Mrs. Collins of Illinois with Mr. McDonald of Georgia.
Mr. Karth with Mr. Mathis.
Mr. Evans of Colorado with Mrs. Sullivan.
Mr. Zeferetti with Mr. Guyer.
Mr. Rostenkowski with Mr. Udall.
Mr. Staggers with Mr. Heinz.
Mr. Stark with Mr. Vanik.
Mr. Ford of Michigan with Mr. Metcalfe.

Messrs. HARSHA, ECKHARDT, LITTON, and COUGHLIN changed their vote from "yea" to "nay."

So the motion was agreed to.

The result of the vote was announced as above recorded.

The Senate concurrent resolution, as amended, was concurred in.

A motion to reconsider was laid on the table.

A similar House concurrent resolution (H. Con. Res. 580) was laid on the table.

IMPROVING INTERNATIONAL TRADE AND MONETARY ARRANGEMENTS—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES

The SPEAKER laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, referred to the Committee on International Relations:

To the Congress of the United States:

America in 1975 renewed and strengthened its commitment to pursue the traditional U.S. goals of freer trade and enhanced global economic stability and prosperity. The United States has proposed a series of major economic initiatives providing leadership in efforts to improve trade and monetary arrangements, to establish cooperative mechanisms for dealing with the problems of food and energy, and to offer effective international responses to those nations in greatest need. 1975 was a year of achievement which produced new and more effective international economic policies, as the following highlights indicate.

ECONOMIC SUMMIT MEETING

In November I met with the heads of the governments of France, West Germany, Italy, Japan and the United Kingdom at Rambouillet, France, to discuss the world economic situation and economic problems common to our countries. The Summit Meeting concentrated on the need for new efforts in the areas of world trade, monetary matters and raw materials, including energy. We agreed that sustained, stable economic growth in the industrial nations will be facilitated by our cooperative efforts. This Meeting, and the accompanying bilateral talks I had with leaders of the major industrialized democracies, established a new spirit of cooperation and confidence stemming from a deeper understanding of our common destiny. They set the stage for our efforts to deal with a variety of specific international economic challenges facing us in 1976.

MONETARY AFFAIRS

Efforts to revise the international monetary system resulted in major reforms. At the recent meeting of the International Monetary Fund's Interim Committee in Jamaica, we reached agreement on amendments to the IMF Articles of Agreement with respect to quotas, exchange rates, and the role of gold. The negotiations resulted in the first major revision of the international monetary system since the 1944 Bretton Wood Conference. The exchange rate provisions of the IMF Articles of Agreement will be amended to provide a flexible framework for the future evolution of the system. The Interim Committee also reached agreement on steps to phase gold out of the international monetary system.

MULTILATERAL TRADE NEGOTIATIONS

The Multilateral Trade Negotiations in Geneva have gained momentum since early 1975. At the Rambouillet Summit we unanimously agreed to seek a successful conclusion of these negotiations by 1977. The United States will continue to provide strong support and leadership to the effort to reduce trade barriers and otherwise improve the world trading system.

ENERGY

The establishment of the International Energy Agency by the United States and its OECD partners constituted a major response to the economic imbalance in the vital area of energy. The IEA has developed the details of an International Energy Program designed to limit the vulnerability of the participating nations to supply interruptions. Agreement was also reached on longer-term cooperation to reduce consumption and develop alternative energy sources in order to lessen dependence on imported energy. We have established emergency arrangements providing for energy reserves, consumption restraint measures, and allocation procedures.

DEVELOPING COUNTRIES

The United States is committed to assisting developing countries in their efforts to achieve economic progress. Our response tc the needs of the less developed countries was expressed clearly and positively at the Seventh Special Session of the United Nations in September. We proposed a new development security facility in the IMF to stabilize overall export earnings in developing countries, and numerous other ideas—including trade preferences—to achieve mutually beneficial solutions to the problems of economic development.

COMMODITIES

At the Seventh Special Session of the United Nations we indicated that we will consider participating in various commodity agreements on a case-by-case basis. We also announced that we intend to join the Fifth International Tin Agreement, subject to Congressional approval. The need, value and structure of commodity agreements vary for different commodities. In considering commodity agreements on a case-by-case basis, we will oppose concerted efforts to manipulate supplies and prices which ignore the interests of consuming countries while seeking to assure developing countries adequate income from their natural resources.

FOOD AND AGRICULTURE

The United States in 1975 continued its vital leadership in seeking strengthened cooperation to increase world food production and trade. We proposed an expanded international grain reserve system and enlarged our food aid assistance. We will continue our policy of encouraging maximum agricultural production, and our efforts to achieve an efficient distribution system to assure that hungry people will be fed.

U.S.-SOVIET AGREEMENTS ON GRAIN AND OIL

Last October, the United States and the Soviet Union signed an agreement providing for regular and orderly sales of American wheat and corn during the next five years. The American people—our farmers, our workers, and our consumers—will benefit from this agreement. The Soviet Union is committed to purchasing at least 6 million metric tons of grain per year, representing 1 billion dollars in annual export earnings.

In signing this agreement, we have assured a stable, long-term foreign market for our grain, and a more reliable flow of payments from abroad. We have assured American farmers that the Soviet Union will be a regular buyer of grain at market prices, thereby increasing the incentive for full production. We have provided jobs for American transportation workers and seamen. We have neutralized a great destabilizing factor in our grain markets. Perhaps most importantly, we have preserved our private marketing system, permitting us to maintain our highly successful policy of all-out production and open markets.

In the same constructive spirit, the governments of the United States and the Soviet Union have also committed themselves to negotiations on a 5-year agreement for the purchase of Soviet oil. These negotiations are currently underway.

MULTINATIONAL CORPORATIONS

Multinational corporations (MNC's) continue to be a highly visible and controversial factor in international affairs. MNC's have made major contributions to world economic development and will continue to do so in the future. While the major portion of foreign investment by multinational corporations is concentrated in industrial nations, many developing countries actively seek investments by MNC's, recognizing their potential contribution to economic development. Recognizing the generally positive impact of MNC's on world trade and production, I am distressed by reports of corrupt practices by some companies. For that reason, I have directed that members of my Administration undertake efforts, both domestically and internationally, to assure that multinational corporations obey the laws and conform with the public policies of the countries in which they do business.

We are participating in the development of an international code to provide guidelines for responsible corporate behavior. The Organization for Economic Cooperation and Development has made substantial progress toward drafting a code, and similar efforts will be undertaken in the United Nations and the Organization of American States in 1976. It is highly important that such codes of conduct provide that both multinational corporations and host governments share the responsibility for eliminating abuses.

INVESTMENT

The United States policy on international investment is based on our belief that a free market system without artificial barriers or incentives leads to the most efficient allocation of capital in the world economy. Accordingly we provide "national treatment" of foreign investors in the United States, treating them equally with domestic firms, and we expect similar treatment of U.S. companies investing abroad.

Following a comprehensive review of Administration policy toward inward investment, we concluded that it would be desirable to establish arrangements to monitor the flow of foreign investments in the United States. By Executive Order, I established the Committee on Foreign Investment in the United States to monitor the impact of foreign investment in the United States and coordinate the implementation of U.S. policy on such investment. A new Office of Foreign Investment was established in the Department of Commerce. We have also asked foreign governments contemplating significant investments in this country to consult with us prior to making such investments.

EXPORT POLICY

U.S. exports continue to play a vital role in strengthening our domestic economy. We are continuing our efforts to expand U.S. exports by providing competitive export financing, improved market information, and an increased foreign awareness of U.S. products. The United States prefers not to interfere with competitive markets. We oppose the use of export subsidies and similar measures which artificially distort trading relationships. At the same time, we must realistically take into account export policies of competitive countries, and we will continue to promote U.S. exports by insuring that competitive credit terms are available through the Export-Import Bank and the Commodity Credit Corporation of the Department of Agriculture, and sufficient tax incentives are available through the Domestic International Sales Corporation mechanism to meet foreign competition.

As we enter the last quarter of the twentieth century, our policies are directed toward working with others to ensure that the world's talents and resources better serve the well-being of mankind. We continue to seek a world in which all people can prosper, a world without hunger or severe want, a world in which the best efforts of all nations are prized and rewarded, so that their progress and health are insured.

My Council on International Economic Policy plays a significant role in the development of America's international economic policies to meet immediate needs and guide our future course. Through its participation on the Economic Policy Board we have achieved better coordination of U.S. domestic and international economic policy than ever before in our history.

This, the fourth International Economic Report of the President, measures the range of the Administration's concerns and the character of the American response to major international economic issues. I am proud of our progress and accomplishments in 1975. I am confident that they will lead toward a more free and open world of international economic relations benefitting the American people and all people.

GERALD R. FORD.

THE WHITE HOUSE, *March 17, 1976.*

LEGISLATIVE PROGRAM

(Mr. MYERS of Indiana asked and was given permission to address the House for 1 minute.)

Mr. MYERS of Indiana. Mr. Speaker, I have asked for this time for the purpose of asking the distinguished majority leader, the gentleman from Massachusetts (Mr. O'NEILL) if he will give us the program for the rest of the week, if any.

Mr. O'NEILL. Mr. Speaker, will the gentleman from Indiana yield?

Mr. MYERS of Indiana. I yield to the distinguished majority leader, the gentleman from Massachusetts.

Mr. O'NEILL. Mr. Speaker, tomorrow we will bring up (H.R. 8532) the antitrust amendments (parens patriae). We will finish that tomorrow. If it is finished at a reasonable hour, we will go down the program with H.R. 12226, Peace Corps authorization, with an open rule and 1 hour of debate; and H.R. 12046, Guatemala Earthquake Disaster Act, with an open rule and 1 hour of debate; and H.R. 11573, NASA authorization, with an open rule and 1 hour of debate.

After speaking with the chairmen of the various committees, it was decided there will be no Friday session this week.

We will finish the parens patriae bill tomorrow. If we just take that bill tomorrow, the remaining legislation will be put on Monday next, and the representation of the District of Columbia in Congress will be on the calendar on Tueseday next.

Mr. MYERS of Indiana. Do I understand the majority leader to say that there will be no Friday session?

Mr. O'NEILL. That is the decision that has been made, that there will be no Friday session.

Mr. ROUSSELOT. Mr. Speaker, will the gentleman yield?

Mr. MYERS of Indiana. I yield to the gentleman from California.

Mr. ROUSSELOT. May I inquire of my good colleague from Massachusetts, was there not a discussion last week that we would meet on Fridays?

Mr. O'NEILL. If the gentleman will yield, I will say that we announced in the program that there would definitely be a Friday session this week. But, due to the fact that we have discussed with the various chairmen of the committees this matter, let me say that there is sort of a reluctance on their part to bring this legislation up on Friday. None of it is of really tremendous import, and they think it can be done very easily on Monday.

For that reason, being the season of the year and with the concern of the Members for their future, we will acquiesce in the decision that has been made by the chairmen, and we will complete our session tomorrow night.

Mr. ROUSSELOT. I appreciate my colleague's reply.

Mr. MICHEL. Mr. Speaker, will the gentleman yield?

Mr. MYERS of Indiana. I yield to the gentleman from Illinois.

Mr. MICHEL. The distinguished majority leader mentioned next Monday. Would he tell us specifically what we would be taking up Monday?

Mr. O'NEILL. On Monday's program there will be two District bills and the conference report on child care, and then the bills we do not get through tomorrow. Those could possibly be the Peace Corps authorization, the Guatemala earthquake disaster and NASA authorization.

Then on Tuesday, we intend definitely to bring up the representation of the District of Columbia bill.

Mr. MICHEL. That clarifies it. I thank the distinguished majority leader.

"BICENTENNIAL PLEDGE"

(Mr. HANLEY asked and was given permission to address the House for 1 minute, to revise and extend his remarks and include extraneous matter.)

Mr. HANLEY. Mr. Speaker, during this Bicentennial Year, I have been privileged to take part in programs of a patriotic nature which have had as an ingredient the original compositions of lyrical and musical works by talented local artists. I can only say that the genuineness of the sentiment and the fervor of the performance at such moments made me proud to be a citizen of this great country.

Last weekend during the choral portion of a program at the annual St. Patrick's dinner sponsored by the Onondaga County Board and Ladies Auxiliary of the Ancient Order of Hibernians, the audience enjoyed the entertainment of one of our area's best know singing aggregations, the Tom Dooley Choraliers. I only wish that they could be with us in the Capitol today to salute this great House with song. In fact, I wish that their talent could be enjoyed by our fellow citizens from coast to coast.

The director of the group, incidentally, is Michael E. Pinkasewicz, a Ukrainian in whom every local Irishman can take pride as the inspiration of many a fine "hoolie" evening at Ed Epillett's Green Gate Inn in Camillus, N.Y.

I would like at this point to share with you, Mr. Speaker, and with our colleagues the words of a song introduced last Saturday evening at that same dinner. This musical Bicentennial Pledge is authored by Mike Pinkasewicz and is truly in the fashion of "America the

Beautiful," written by the distinguished Katherine Lee Bates. Unfortunately, I cannot include the musical arrangement for the Record, but here are the words. The parenthetical portions are the parts sung in harmonic complement to the major lyric.

Bicentennial Pledge

(By Michael E. Pinkasewicz)

From mountain to shining sea,
Land of faith and liberty,
America, America,
May God shed his grace on Thee.
I pledge to give my allegiance,
  (I pledge thee my allegiance)
To the flag,
And to the Republic,
And one Nation under God,
  (pledge my allegiance)
Forever,
With liberty for all, and
  (liberty for all, and)
Justice for all.
And one Nation under God,
Forever,
With Liberty and Justice for all.
  (liberty and justice for all.)
America,
Home of the brave,
Land of the free,
My pledge to Thee
  (my home, my land, my pledge to thee.)

REDUCTION OF TROOP STRENGTH ON TAIWAN

The **SPEAKER** pro tempore. Under a previous order of the House, the gentleman from Illinois (Mr. Crane) is recognized for 60 minutes.

Mr. CRANE. Mr. Speaker, the newspaper reports of late last week, to the effect that the United States will further reduce its troop strength on Taiwan possibly as the result of a secret pledge made between the President and the Red Chinese when the former visited Peking last December, once again bring the question of our relationship with the Republic of China to the fore. This is not just another minor troop reduction we are talking about; if implemented and particularly if implemented to placate the Red Chinese, such a step would not only drive another nail in the coffin of a long-time trusted friend and ally but it would be viewed by others as another step, and a dishonorable one at that, on the road toward isolationism. No amount of explaining will be able to alter the fact that we would be putting expediency before principle, a realization that could only give our other allies, dwindling as they are in number, even more cause for concern about the long-term value of our commitments.

If the servicemen in question did not have a symbolic value and and were not performing important military functions, perhaps there would be slightly less cause for alarm. However, the 2,200 men now stationed in Taiwan have a dual role. First, they are proof of our willingness to live up to the terms of our military assistance pact with the Republic of China, under which we are committed to come to the defense of Taiwan. And second, they monitor Red Chinese communications, maintain an air force presence in the area, help train Nationalist Chinese troops, and develop contingency plans in case of an outbreak of war in the Far East. Removing half of these troops would, therefore, constitute a military and psychological setback for the United States as well as for Nationalist China.

And what have the Nationalist Chinese done to deserve such treatment, or even the possibility of such treatment? Even if one discounts the fact that trade between the United States and the Republic of China amounts to $3.5 billion a year and the fact that U.S. companies have almost $2.5 billion invested in Taiwan, one cannot ignore the facts of history. In addition to having been our steadfast ally throughout World War II, the Nationalist Chinese have stood shoulder to shoulder with us in opposition to Communist aggression in the Far East. Can we simply forget the experience of Korea, which led us to sign the aforementioned Mutual Defense Pact with the Republic of China in 1954, or the shelling of Quemoy and Matsu, where the Nationalist Chinese stood so firm, or the offer of help in South Vietnam, which we did not accept, or the U.N. experience, where the Republic of China was amongst our strongest supporters from the outset to that infamous day in 1971 when the Republic of China was expelled and the so-called People's Republic of China seated in its place? If we have forgotten, then it would do us well to refresh our memories lest we turn around one day to look for our friends and discover we do not have any left.

To those who say that the friendship of the Nationalist Chinese is not worth the enmity of the Red Chinese, it should also be noted that it was the Red Chinese who intervened in Korea and killed thousands of American soldiers; that it was the Red Chinese who supplied much of the aid to Hanoi that resulted in the deaths of thousands more American servicemen; that it was the Red Chinese who pumped millions of dollars of aid into Africa to expand Communist influence there; that it was the Red Chinese who have so consistently voted against us in the U.N. since 1971 and that it is the Red Chinese who, despite their professed fear of the Soviet Union, are amongst the most ardent advocates of expansionistic communism. Yet, ever since 1972, we have been making concession after concession to them—almost as if they were our long-time friends—without getting much of anything in return. If the Red Chinese really desire our friendship, or want us to act as a counterweight against the Soviet Union, then the least they can do is recognize our commitment to the Republic of China and not ask us to renege on it.

Mr. Speaker, I think the overwhelming majority of the American people would oppose any sellout of the Nationalist Chinese to their avaricious foes on the mainland of China. Traditionally, American sympathies have been with the freedom loving people of the Republic of China, as is shown by the fact that 217 Members of Congress have cosponsored a resolution indicating that the United States should do nothing vis-a-vis Red China that would compromise our friendship with the Republic of China. Therefore, I think it is time we in the Congress make it crystal clear that détente, or whatever the latest name for it is, must be a two-way street that cannot lead to the further weakening of the United States or any of its allies, including the Republic of China.

Mr. Speaker, for the benefit of my colleagues, I would like to insert in the Record at this time an article by Mr. William Beecher, Washington correspondent for the Boston Globe which discusses the latest developments in some detail and gives some important perspective to the whole matter. After reading it, I hope all Members will agree that this is too important a matter to be overlooked or treated with anything less than our fullest attention. The article follows:

[From the *Boston Globe*, Mar. 11, 1976]

Ford Made Secret Pledge to Peking: United States Reportedly Will Cut Taiwan Force in Half

(By William Beecher)

Washington.—President Ford has given a secret pledge to China to reduce the American military presence on Taiwan by about 50 percent over the next year, according to well-placed Administration officials.

The pledge, the officials said, was made by Mr. Ford to Vice Premier Ten Hsiao-ping during his visit to China in December.

The prospective force reduction is meant not only to continue the trend begun by Richard Nixon four years ago, but also to reassure China's leaders that the United States is determined to further the normalization of relations even if it isn't quite ready to break formal diplomatic ties with Taiwan and establish them with China.

There have been indications that Peking is unhappy by what it perceives as a lack of toughness by the Ford Administration toward the Soviet Union and by the slow process of resolving the Taiwan issue.

American military men on Taiwan already have been reduced from a force of 8600 at the time of Nixon's first visit to China in February 1972 to approximately 2200.

In the Shanghai communique issued at the end of the Nixon visit, it was promised that American forces would be progressively reduced "as tension in the area diminishes."

The communique also acknowledged that Taiwan was an intrinsic part of China and that its future political situation should be settled by the Chinese.

The clear, though unstated, implication was that the United States would eventually end its mutual defense treaty with Taiwan and formally recognize Peking as the sovereign over both the mainland and Taiwan and its associated islands.

But such a move would be politically controversial in the United States, since the Nationalist government controlling Taiwan has been an ally since World War II. The Nationalists fled mainland China in 1949 after being defeated by the Communists.

Senior officials are trying to work out a formula whereby full-scale relations, with an exchange of ambassadors, might be established with China, while preserving unofficial yet still close relations with Taiwan.

Some American officials are concerned that with Chou En-lai's death and the 82-year-old Mao Tsetung's increasingly ill health, it might be harder to strike a reasonable deal with potentially less worldly and less self-confident successors.

The December pledge to cut remaining American forces on Taiwan in half is considered a holding action. It would serve to show the good faith of American intentions while getting the Administration past the presidential elections and into position for more dramatic moves, assuming Mr. Ford is reelected.

The new reductions doubtless will diminish one function that has been regarded as of special value to the United States—the work of about 1000 Air Force personnel at Shulinkou Air Base. They are involved in a substantial eavesdropping and code-breaking effort directed at China.

If the total American military presence is to come down to slightly more than 1000 this operation will probably be cut back significantly.

In addition, the United States performs three other military functions on Taiwan. A Military Assistance and Advisory Group helps train the Nationalist military forces in the use and maintenance of US equipment; another group is assigned to the Taiwan Defense Command to develop joint contingency plans in the event of an attack from China; and a third group protects and maintains a small tactical nuclear air force presence in the event of a major war in the Far East.

In the past, two or three F4 fighter bombers have been on strip alert on Taiwan as part of the so-called "quick reaction alert" nuclear forces in the Far East. The other two such tactical nuclear bases have been in South Korea and the Philippines.

Officials declined to give details on what specific functions will be cut back in the Taiwan force reduction.

Some officials feel if Peking will publicly promise not to resort to force to settle the Taiwan issue, it would be easier for the United States to abrogate the 1954 defense treaty designed to protect Taiwan from attack.

Until the future of Taiwan is resolved, the United States might continue to sell it defensive arms and to maintain close trade and political relations.

The Japanese, following the 1972 American shift in China policy, ended formal relations with Taiwan in favor of China. But it sent retired foreign office officials to Taiwan to preserve close though "unofficial" channels for political dialogue.

Some suggest the United States might try a similar tack with retired State Department and Pentagon personnel at the propitious moment.

China has been only a minor issue in the presidential campaign. Ronald Reagan has criticized President Ford for "timid, vacillating" leadership toward Russia and allegedly undermining relations with China. Reagan has also said he is opposed to withdrawing recognition from Taiwan.

All the Democratic contenders have spoken in favor of rapprochment with China, but George Wallace and Jimmy Carter have expressed opposition to withdrawing recognition from the Nationalist government on Taiwan.

Mr. DERWINSKI. Mr. Speaker, I am happy to join my colleagues in the special order this afternoon in expressing concern at the unsubstantiated reports that the United States will reduce the American military presence on Taiwan by about 50 percent over the next year.

As we all know, the United States has embarked upon new policies in many parts of the world and seeks to reinterpret responsibilities and its international role. However, I think it is essential that we not lose sight of our legal and moral responsibilities to long-time friends and allies, such as those of the Republic of China—Taiwan.

The special order this afternoon gives me an opportunity to applaud the moves of the Republic of China that has led to its remarkable growth. In the past, the Republic of China has received American economic assistance. However, since 1965, the Republic of China has not received such assistance. Through diligent labor, the free Chinese have progressed in all areas of economic life which has resulted in an increasingly better standard of living. Although Taiwan has far fewer people and much less in the way of material resources, its annual GNP is now about $700 per capita, while the capita GNP on the mainland is only about $340. The Chinese on Taiwan have built the second most prosperous economy in all of Asia, on a free enterprise foundation achieving a per capita income second only to Japan in all of Asia.

Trade between the United States and the Republic of China has been significant and is growing. If present trends continue, Taiwan will be our seventh largest trading partner this year, ranking just behind France and Italy. Our trade with Taiwan is roughly four times that of our trade with the mainland. With only 15 million in population, Taiwan does approximately the same amount of foreign trade as does mainland China with over 800 million people. And, economic forecasts show Taiwan economy growing over 10 percent each year—an astonishing rate.

In a real sense, Taiwan realizes that her life depends on her economic growth and, in a magnanimous and unheralded move in 1973, sent a trade mission to New York to specifically seek ways to rectify a U.S. trade deficit of $450 million in the balance of trade. This resulted in increased purchases of U.S. goods by Taiwan, long-term buying contracts, removal of import controls on some 319 items—many of which can only be imported from the United States—and, in an effort to give U.S. exporters an additional advantage, revalued their dollar in response to the devaluation of the U.S. dollar.

Seldom in history has a small nation made such an unselfish gesture in behalf of the United States.

By contrast and in my opinion, there is only a limited potential for increased trade between the People's Republic of China and the United States. They do not want consumer goods from us—they need sophisticated technological products. In 1974, the United States exported about $800 million worth of goods to the mainland—mostly agricultural products—and we imported only about $100 million of Chinese goods. In 1975, their purchases were substantially less since they did not find it necessary to import the same volume of agricultural products. While concentrating on building up its agricultural base, the Chinese leaders have also chosen to regiment their people to build a powerful heavy industry and war material sector. Thus the immediate prospects for increased trade with the mainland are limited.

Mr. Speaker, I have had the privilege of visiting both the Republic of China and Communist China in the past year and can thus make practicable comparisons. Comparative statistics tell us a very clear story about the relative merits of a free system compared to a totalitarian system. It is small wonder that the Communists on the mainland resent the continued existence of a free China. It is a sore spots for them to have a capitalist democracy flourishing within the shadow of their Communist government and outstripping their Communist regime in all save regimentation.

America has a stake, not only in the peace of East Asia, but also in the economic progress of the region. Our friendship with the Republic of China serves both purposes, serving to balance relationships in the area and to increase competition in the export markets of the Far East.

The United States is allied with the Republic of China by the Mutual Defense Treaty of 1954 and by the Formosa resolution, and the Republic of China has contributed steadily to keeping of the peace and the mutual defense of American security and interests in Asia.

Should we eventually remove all U.S. troops from Taiwan, it would seem to me to invite the day when an armed invitation will be launched by the Communists. I believe we should continue our friendship with and our support of the free Chinese on Taiwan. Ties between the American people and the free Chinese are of great importance and have withstood the test of time. We should take no steps in any relations with Peking that would jeopardize the freedom and security of the Republic of China.

Mr. SIKES. Mr. Speaker, I am very concerned over recent reports that there may be plans to further reduce the American military presence in Taiwan by as much as one-half the present number during the next year. Possibly the proposed reduction is meant to continue the trend begun by former President Nixon 4 years ago to reassure Communist China's leaders that the United States is seeking to further the normalization of relations even if we are not ready to break formal diplomatic ties with Taiwan and establish them with China.

The significant thing is that America's military presence on Taiwan already has been reduced from a force of 8,600 at the time of Mr. Nixon's first visit to China in February 1972 to approximately 2,200. At the end of Mr. Nixon's visit, he announced in Shanghai that American forces would be progressively reduced as tension in the area diminished. There was concern in many quarters in this country that the communique also acknowledged that Taiwan was an intrinsic part of China and that its future political situation should be settled by the Chinese. This leads to the implication that the United States may eventually end its mutual defense treaty with Taiwan and formally recognize Peking as the sovereign over both the mainland and Taiwan and its associated islands.

Such a move would be controversial in the United States since the Nationalist government controlling Taiwan has been an ally during and since World War II. During much of this period, Communist China has been a bitter foe to the United States. Recent changes in this attitude do not reflect friendship for the United States, but apprehension about Russia's plans concerning China. Efforts are now being made to work out a formula whereby full-scale relations might be established with China while preserving unofficial but close relations with Taiwan. I feel strongly that we should maintain official relations with Taiwan regardless what may be done to establish relations with Communist China.

Many Americans still regard the Nationalists, not the Communists, as the legitimate rulers of China, and a total break with Taiwan would set off a wave of protests in the United States. America's two-way trade with Taiwan amounted to about $3.5 billion in 1975, compared with less than $500 million with mainland China. Moreover, private American companies have a $2.5 billion stake on the island—more than $2 billion in loans and equity holdings and about $450 million in direct investments. Additionally, the United States has given the Nationalists more than $6.5 billion in economic and military aid since 1946. Japan is the only Asiatic nation with a higher standard of living and greater industrial development than Taiwan.

The new reductions will adversely affect the important work of the approximately 1,000 Air Force personnel at Shulinkou Air Base. They are involved in a substantial communication effort in the entire area. In addition, the United States performs other military functions on Taiwan. A military assistance and advisory group helps train the Nationalist military forces in the use and maintenance of U.S. equipment; another group is assigned to the Taiwan Defense Command to develop joint contingency plans in the event of an attack from China; and a third group protects and maintains a small tactical nuclear air force presence in the event of a major war in the Far East.

While officials have declined to give details on what specific functions will be cut, I firmly believe it would be a serious mistake to reduce American forces at all in Taiwan at this time. To the Chinese Communists, the U.S. presence in Asia represents a measure of insurance against what they perceive to be a serious Soviet threat. Our troop strength in Taiwan should be maintained.

Mr. Speaker, 217 members of the House are sponsoring a resolution expressing the sense of the Congress that the U.S. Government, while engaged in a lessening of tensions with the People's Republic of China, do nothing to compromise the freedom of our friend and ally, the Republic of China, and its people. I am a cosponsor of this proposal and I want to urge my colleagues to join in the support of these efforts.

Mr. McDONALD of Georgia. Mr. Speaker, I commend the gentleman from Illinois (Mr. CRANE) for taking the time to discuss the implications of our reduction in forces in Taiwan. This is an extremely important issue, one that could affect peace and stability in the Pacific for a long time to come.

According to news reports, the Ford administration plans to reduce our forces from the present level of 2,200 to 1,100 during the next year to continue compliance with our commitment in the "Shanghai communique" to eventually withdraw all forces and remove all military installations from Taiwan, thus demonstrating to the Red Chinese our determination to further our "normalization" of relations.

This could have grave consequences, for a number of reasons.

First, the 2 million Chinese on Taiwan who escaped from the brutality and terror of Red China have worked extremely hard to build up a thriving and prosperous nation. This has been made possible by their hard work and by their relatively free economy. For this reason alone, they deserve our support, as do any refugees escaping from tyranny. But when you add the fact that our Government is in large part responsible for the Communist takeover of their country, we certainly have a moral obligation to help them preserve their freedom.

Second, we have a treaty with Taiwan obligating us to protect them from aggression. Such an obligation has the full force of law, and certainly takes precedence over a "communique" which was never ratified by the U.S. Senate.

Third, and most importantly, continued support of Taiwan is our best means of avoiding war in the Pacific and thus of protecting the interest of the United States. Far from reducing tensions, our rapprochement is read by China as a sign of weakness, particularly when we begin selling-out an ally in the process. Removing our troops from Taiwan is a clear signal to the Red Chinese that we will not stand in the way of their aggression.

On the other hand, if we remain firm in our support, there is little chance we would be drawn into a war. Although Red China has a population advantage of 800 million to 14 million, Taiwan's strong economy and fierce resolve to defend its freedom, make direct military aggression unlikely unless the Red Chinese are assured that Taiwan's supply lines from the United States will be cut off.

And finally, how could we ever again expect an ally to remain firm in opposing Communist aggression if we desert Taiwan? Spineless capitulation by the most powerful country in the world is such an open admission of moral bankruptcy, that even the Communists would probably be embarrassed to associate with the United States in the future.

Mr. SYMMS. Mr. Speaker, it is reported in the press that Chairman Mao Tse-tung himself has taken the lead in denouncing Teng Hsiao-ping as an "unrepentant capitalist roader." As Chou En-lai's hand-picked successor, Teng was heir to the stable society Chou had built. But scarcely a month after Chou's death the campaign against Teng started and now it must be assumed that he is out of the picture.

Some of us thought, or at least hoped, that this turn of events manifesting the instability in Communist China would cause the administration to pause and consider its actions toward the Red Chinese and our faithful ally, the Republic of China. Our headlong pursuit of Peking's friendship at the expense of the free Chinese is an embarrassment to the United States and casts a shadow over our word.

Thus it is easy to imagine the concern some of the Members of this body felt upon hearing that President Ford was reported to have given a pledge to the Communists to reduce the American military presence from its already skeletal force of 2,200. Once again proving the basis of détente is a unilateral fulfillment of their wishes, whether it be the Chinese or the Soviets. We cannot even make use of a situation pitting two natural antagonists against one another.

Hopefully these reports are erroneous. I would hope that the President would hesitate before making any secret agreements that fly in the face of a clear congressional mandate. Last session 214 Members cosponsored resolutions stating that Congress acknowledges and assures that our close ties with the Republic of China will continue, and that they will not be compromised by our thawed relations with the People's Republic of China. Now it appears that the President has sacrificed our friend for the proverbial mess of potage.

It is said that nothing is more harmful to the security of a nation than inconstancy; the sellout of allies has always been the cause of war. In a world where even our allies in Europe look upon our friendship and support with a jaundiced eye, it would behoove us to at least stand by our most loyal allies. The Republic of China asks no more from us than that we honor our part of the bargain in the mutual defense pact. They have done their part by assuming the cost of the weapons needed to defend themselves. The least that we can do is deal with them honestly and openly in this matter which could well one day directly concern their existence.

Mrs. HOLT. Mr. Speaker, it is plainly evident that the situation in Asia is quite grave. South Vietnam, Cambodia, and Laos have toppeled leaving Thailand in perilous condition. One beacon of hope in this troubled area is the tiny Republic of China located on the island of Taiwan.

Despite its dense population and limited resources Taiwan is developing into a prosperous nation. Its economy continues to show steady growth; internal tensions have diminished; and its military remains in a high state of readiness. It is even more impressive that this has been accomplished despite the elimination of American economic aid in 1965. The Republic of China has truly demonstrated that it is a nation which can stand on its own two feet. It is a nation which due to its dedicated and industrious people has become prosperous in a hostile envirenment.

American military presence on Taiwan, consisting of 2,000 troops, is at best a token force which serves as a symbol of the U.S. support for the free Chinese—an international symbol of our determination to assist those nations seeking control over their own destiny. A reduction in this force should not be undertaken without consideration of the benefits which will accrue from such action.

It is reported that reductions will be implemented to "normalize" relations with the mainland. Will we benefit from normalizing relations with a totalitarian state which has consistently opposed us? Will our national interests be served by rejecting a faithful ally to curry favor with a dedicated opponent?

Mr. Speaker, I maintain that these questions must be answered before we unilaterally reduce our troops in Taiwan. I have deep reservations about a foreign policy which seemingly benefits our enemies at the expense of our allies.

GENERAL LEAVE

Mr. KASTEN. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks and to include therein extraneous material on the subject of the special order today by the gentleman from Illinois (Mr. Crane).

The SPEAKER pro tempore (Mr. Matsunaga). Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

THE LATE FLORENCE P. DWYER

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New Jersey (Mr. Rinaldo) is recognized for 30 minutes.

Mr. RINALDO. Mr. Speaker, I have requested this time today so that I and other members may pay tribute to the late Florence P. Dwyer, my predecessor in Congress. Flo was an outstanding public servant, and a warm and loving person.

She served in the Congress for 16 years—from 1957 through 1972; at the time of her retirement, she was the ranking minority member of the Government Operations Committee.

But these facts do not tell half the story. To know how well Flo represented the people of the 12th District, and to realize how capable a legislator she was, we need only to look at the record.

In 1969, Flo Dwyer called upon then-President Nixon to create a new Office of Women's Rights and Responsibilities in the White House.

And in 1970, Flo introduced legislation to create an independent Consumer Protection Agency at a time when other people were still talking of a Cabinet-level Department of Consumer Affairs. Flo, however, had a solid grasp of Washington, and knew exactly what it would take to represent the views of consumers in the Federal bureaucarcy. Now, although such legislation has been filibustered to death by the Senate in the past two Congresses, we are on the verge of enacting Flo's proposal into law, almost 6 full years after she sponsored her bill.

But Flo Dwyer not only introduced bills. She knew the inner workings of Capitol Hill, and she worked with her colleagues in getting these bills passed into law.

Shortly after her death, my colleague and good friend, the chairwoman of the Merchant Marine and Fisheries Committee, Leonor K. Sullivan, gave a very moving tribute of Flo Dwyer's activities. I would like to quote part of that speech now:

> Mrs. Dwyer played a crucial role . . . in the enactment of the Fair Credit Reporting Act of 1970 and of the amendments to the Truth in Lending Act banning unsolicited credit cards and limiting consumer liability to $50 for the unauthorized use of their credit cards. She was the only House Republican conferee to sign the conference report containing those provisions, providing the bipartisan support necessary in order to achieve their passage under unusual parliamentary circumstances. Her position took great courage and independence of thought and action.

Clearly, Flo was a down-to-earth, pragmatic legislator. She knew that to protect the people's interests, you have to be willing to get in and stand your ground. Flo never finched from that responsibility. She was a tough fighter, respected both by her supporters and her opponents.

Mrs. Dwyer did not only know Washington: She loved the 12th District, and she knew and loved her home State of New Jersey as only a life-long New Jerseyan can. She was first elected to the New Jersey legislature in 1949; she was reelected three succeeding times, and was the second woman in New Jersey history to be appointed assistant majority leader of the State assembly. She wrote the State's law on equal pay for women.

When she finally came to Washington, she had a thorough knowledge of the needs of the 12th District. She met those needs while she was here: today, the Corps of Engineers is working to complete flood control projects which were begun due to her initiative and perseverance.

Needless to say, I owe a great personal debt to Flo Dwyer. In my first campaign for Congress in 1972, no one worked harder than Flo Dwyer in helping my candidacy.

As my colleague and friend. Representative Dominick Daniels, said in his remarks of March 3:

> When Flo Dwyer retired in 1972, the House lost a great legislator. When she died last Sunday, we all lost a good friend.

His comments, I believe, speak for us all.

Mr. Speaker, I am pleased to be able to include in this special order statements from some of my colleagues who could not be present this afternoon.

Mr. RODINO. Mr. Speaker, our former colleague Florence Dwyer was truly one of the most remarkable women of this or any other time in American history. As a woman in a profession dominated by men, as a Republican in a Congress controlled by Democrats, her many achievements are all the more extraordinary because they reflect the dimensions of her courage, hard work, and dedication.

She not only helped to bring into existence the urban renewal and model cities programs, but she also acted to save them from abuses that threatened their existence.

It was she who joined with yet another remarkable woman, the gentlewoman from Missouri (Mrs. Sullivan), to champion the Fair Credit Protection Act. It was she who worked tirelessly to establish mass transit systems for our cities, fostered the Advisory Commission on Intergovernmental Relations and sponsored legislation to establish a Consumer Protection Agency.

In our home State of New Jersey, where Florence Dwyer's district adjoined mine, she introduced and won support for legislation to guarantee women equal pay for equal work with men—one of the earliest such laws adopted by any State. She supported State aid to education and mandatory minimum salaries for teachers.

In addition, she was one of the key people in the development of Port Elizabeth and Port Newark as a major facility serving our Nation's commerce.

I was proud to have had Florence Dwyer as my friend, and I was saddened by her death. She was a leader in the struggle to win equality for all people, a courageous and astute politician and a good and decent person.

Mr. ROE. Mr. Speaker, I am privileged and honored to join in today's congressional memoriam to a good friend and great lady, our former colleague, the Honorable Florence P. Dwyer, whose passing is deeply mourned by all of us.

The people of her congressional district, State of New Jersey, and our Nation were indeed fortunate to have had the quality of her leadership and the richness of her wisdom here in the Congress on their behalf. Her standards of excellence in seeking to meet the needs of our people—highlighted by her vigorous legislative action as an ardent consumer advocate, seeking justice for our citizens in the national and international marketplaces of the globe, as well as peace for all peoples throughout the world, particularly evidenced by her vehement opposition to the Vietnam war, and her exemplary accomplishments in the vanguard of congressional action for increased Federal aid for mass transit—are now forever lastingly etched in our historical journal of Congress—spanning 16 years as a distinguished Member of the House of Representatives and her tenure as ranking minority member of the House Banking and Currency Committee.

Flo Dwyer has truly inspired every American with her warmth, vibrance and brilliance as an integral part of our representative democracy. The success of her achievements and all of her good works have surely enriched the quality of life and the cultural heritage of our community, State, and Nation—because she cared and walked side-by-side with our people.

Mr. Speaker, words are inadequate to fill the void of her departure which is a great loss to our society. I join with you in silent prayer to her memory and trust that her family will soon find abiding comfort in the faith that God has given them and in the knowledge that Flo Dwyer is now under His eternal care. We do indeed salute a great American. May she rest in peace.

Mr. MICHEL. Mr. Speaker, it was just a few weeks ago that I was in the State of New Jersey speaking in Union County, the area once represented by Flo Dwyer, and special mention was made that evening of her hospitalization and there was thundering applause when appropriate tribute was made to her past service here in the House. I could not help but underscore that tribute during the course of my remarks, for we both came to Congress in the same class of 1956. She was the only women in our class but she was surely a political animal and she never resented our referring to her in those terms. She loved politics. It was on her mind continually and I know of no one who wanted to speak of nothing but that subject in our cloakroom patter.

I picked up a number of good pointers from our exchanges and regretted very much when she announced her decision to retire. I shall always treasure the memories of serving with Flo Dwyer and I am glad to have the opportunity to say so publicly during this special order.

Mr. BROOKS. Mr. Speaker, for 16 years the 12th Congressional District of New Jersey was represented by the distinguished and able gentlewoman, Florence Dwyer.

She was extremely dedicated to her constituents and had a deep personal concern for their interests. She was also an outstanding member of the Committee on Government Operations, serving actively and effectively always with the best interests of the American people at heart.

Flo Dwyer was a warm and amiable person with whom it was a pleasure to be associated and I am proud that she was my friend.

I join my colleagues in honoring her memory today and I know her son takes much comfort in the full and rewarding life she enjoyed and her many accomplishments and successes.

Mr. DEL CLAWSON. Mr. Speaker, for those of us who were privileged to serve with the late Florence Dwyer during her career in the House of Representatives, it is a sad privilege to honor her memory by participating in this special order. During the years we worked together when I was a member of the House Banking and Currency Committee, I found Flo's fairness in dealing with her colleagues—no matter their political or ideological alienment—her honesty and her dependability, qualities which eased the uncertainties facing me when I began work on that committee during my first term in the House. Flo Dwyer's legislative record through the eight terms of her service, in spite of the disadvantage which often accompanies the member of "the Minority" was a credit to her personally and to the people of the district who elected her with such regularity. We mourn the loss of this exceptional woman and outstanding legislator.

Mrs. MEYNER. Mr. Chairman, I would like to join my colleagues in paying tribute to the memory of Flo Dwyer.

Flo was a personal friend of my husband and I. We will deeply miss her.

I am personally grateful to Flo for the leadership she provided in increasing the participation of women in New Jersey politics. She was the first Republican woman ever to serve in the New Jersey congressional delegation. All women in New Jersey politics are indebted to her for her groundbreaking efforts.

Flo Dwyer was a public servant of the first order. She was deeply aware of the needs of her constitutents and always had their interests at heart. Flo's 16 years of distinguished public service in the House of Representatives was of great benefit to all of New Jersey and the Nation as a whole. I am pleased to join in honoring her.

Mr. ADDABBO. Mr. Speaker, I rise to join the Members of the House in a tribute to our late colleague, the Honorable Florence Dwyer. It was my privilege to serve with Florence for most of her 16 years in the Congress.

As ranking minority member in the House Banking and Currency Committee, Mrs. Dwyer made her mark on significant legislation in the fields of housing, mass transportation, and banking as well as an effective representative of the Nation's consumers.

Her passing was a loss to us all and I join her many friends in New Jersey and throughout the country in extending sympathies to her family.

Mr. CRANE. Mr. Speaker, it was with deep regret that I learned of the recent death of former Congresswoman Florence P. Dwyer of New Jersey.

I worked closely with Flo on the Banking and Currency Committee for 3 years before her retirement; and I was an admiring student of her legislative skill and competence. Flo was always very careful to insure that new Members of Congress gained the experience and expertise necessary to become effective legislators. I shall always be grateful to her for her patience and consideration.

I offer my sympathy to her son, Lt. Col. Michael Dwyer, and to her family. We shall all miss her presence and her influence.

Mr. HOWARD. Mr. Speaker, the sadness that we in Congress feel at the passing of Flo Dwyer is a sadness deeply felt on both sides of the aisle by her former colleagues from all States in the Nation, not just her home State of New Jersey.

As a freshman Congressman in 1964—and for the next 8 years—I learned a great deal from Flo Dwyer. She set an example for many of us in her ability as a legislator and as a representative who always voted her conscience. She was admired and respected by Republicans and Democrats alike for her ability to approach important issues in a bipartisan manner.

Flo Dwyer was also a trail blazer of a very special kind. Long before the women's liberation movement became popular, she was leading the fight for women's rights. She was the first woman officeholder in New Jersey to serve for 5 years on the policymaking committee of the State legislature and the second woman to be appointed assistant majority leader in the New Jersey Assembly.

During her eight terms in Congress, she continued to work with spirit and great commitment on behalf of women and consumers. She sought the creation of a new Office of Women's Rights and Responsibilities. She sponsored early legislation to create an independent consumer protection agency. It is sad that Flo Dwyer did not live to see what we hope will be the early establishment of the Consumer Protection Agency for which her legislation provided the groundwork. We need not dwell longer on her many legislative accomplishments which also include the Fair Credit Reporting Act and the Truth in Lending Act.

What is equally important but weighs heavier in our sadness is the honor, the kindness, and the dignity which characterized this fine woman. These are the attributes which have shaped my memories of Flo Dwyer and am sure will continue to serve as an example for all who worked with her. She was a good friend to many and her loss is deeply felt.

Mr. OTTINGER. Mr. Speaker, it is with a great deal of sadness that the House of Representatives marks the passing of Congresswoman Flo Dwyer.

I had the privilege and pleasure of serving with Flo during the sixties—the decade marked by turmoil, dissension, and change. Flo had the foresight during this turbulent time to recognize the grave problems facing the Nation and so she stood out as a champion of the American consumer and a proponent of ending the American involvemnt in Vietnam.

I join with my colleagues in mourning Flo's passing. The citizens of New Jersey were ably served by her years of representation.

Mr. McKINNEY. Mr. Speaker, by natural inclination, a freshman legislator observes his or her seniors in an effort to determine who is out in front on the issues so as to establish one's own legislative program. I had not been here long in 1970 when I realized that Florence Dwyer was a leader worth listening to. She combined two essential ingredients: Her own outstanding ability coupled with a boundless determination to stay abreast of her constituents' thoughts and needs. It quite naturally followed that she became one of the leading consumer advocates in Congress and one of the early voices telling us that an increase in our mass transit programs was fast becoming a desperate national priority. Further, few will deny the foresight she showed in denouncing the U.S. involvement in Vietnam.

When she decided not to seek reelection, I felt we had all suffered a great loss for few could match her talent. I was particularly saddened to learn of her passing but she will be long remembered here for there is little doubt that she left her mark.

Mr. LENT. Mr. Speaker, I rise to join my colleagues in paying tribute to Florence Dwyer, late a Congresswoman from New Jersey.

Those of us who were privileged to work with Florence know of her hard work and dedication, not only to the people of New Jersey who she served so well, but to the principles and progress of American democracy.

I myself was privileged to work with Flo for all too brief a time on the House Committee on Banking and Currency at a time when that committee helped to forge new policies in the areas of housing and finance, which allowed Americans all over the country to fulfill their dreams of living in decent homes, in neighborhood communities providing education, recreation, and the opportunity for children to grow up knowing the value of family ties. Our Nation owes a great deal to the hard work and dedication of Florence Dwyer, and I am proud to be able to stand before this body today and give testimony to her accomplishments.

The House of Representatives shall miss her presence.

Mr. ROYBAL. Mr. Speaker, as the House pauses today to honor the memory of a most distinguished former Member, I would like to express the deep loss shared by all those who had the privilege to know Florence Dwyer. She was a legislator of talent and charm who graced this hall with her presence for 16 years preceding her retirement in 1972.

A champion of many worthy causes and a full-fledged fighter for everything she believed in, she represented not only her own constituents, but national principles of the finest kind. She was an early and vocal critic of the Vietnam war and the original author of the Consumer Protection Act. Further, it was Congresswoman Dwyer, as ranking Republican on the Government Operations Committee, who cast the deciding vote in subcommittee which enabled the Freedom of Information Act to reach the floor.

Mrs. Dwyer found her way to politics as a lobbyist for the New Jersey Business and Professional Women's Clubs, working also for garden clubs and parent-teacher groups. In the process, she became strongly identified with the small and, at that time, not too powerful women's rights movement. As a member of the New Jersey Assembly she introduced her first equal pay legislation in 1950, and saw it through to victory. In addition, she sponsored the first statewide *minimum* salary schedule for schoolteachers, and took the lead in the struggle for increased school aid.

She was a friend of education, an advocate of civil rights, a firm backer of mass transit, and a woman of courage, energy, and talent. It is, indeed, with great sadness that we now mark the passing of this fine legislator, colleague, and friend.

Mr. QUILLEN. Mr. Speaker, I join my colleagues in paying tribute to the life and memory of Flo Dwyer, our former colleague, the late congresswoman from the State of New Jersey.

Flo Dwyer leaves many friends among the Members of the House who served with her during her 16 years here with us. She served, with great distinction, on the House Banking and Currency Committee, and was the ranking minority member at the time of her retirement from the Congress.

As a Member of Congress, Flo Dwyer demonstrated a genuine concern, not only for the people in her district, but for those throughout the country, and was particularly active in increasing the rights of the American consumer. She was highly respected and admired by her many friends, and was truly dedicated to our Nation and to our system of Government.

Flo Dwyer was able, hard working, and loyal, and I am proud to have known and served with her.

On this occasion, I extend my deepest sympathy to her family.

Ms. ABZUG. Mr. Speaker, today we have the opportunity to honor the memory of Congresswoman Florence Dwyer who passed away on February 29. Her independence and energy were directed toward reforming the rules of this House, and getting Congress to take action in the areas of housing, mass transit, and the environment.

The other characteristic which I like to recall about Florence Dwyer was her willingness to go to bat for other women. A former legislative chair for the New Jersey Business and Professional Women, Congresswoman Dwyer was conscious of discrimination towards women as a group, which propelled her to work actively in the areas of consumer protection and equal pay. I personally experienced that concern for other women in the warmth and cordiality she showed me as a new member of the Government Operations Committee.

My favorite recollection of her goes back to 1969 when she proposed to then President Nixon that he establish a new organizational structure in the executive branch to deal with sex discrimination.

Six months later when no action had taken place, Representative Dwyer and her three Republican women colleagues—Katherine May, Charlotte Reid and MARGARET HECKLER—drew up a memo to the President and later met with him, after which the members of the Task Force on Women's Rights and responsibilities were finally appointed.

That task force, which encountered great resistance within the Nixon administration, had difficulty in even getting its reports printed. However, the task force made a number of excellent recommendations including a National Conference on Women's Rights—which we have just taken action on this year.

Some of the other recommendations which Representative Dwyer was concerned with included passage of the equal rights amendment, establishment of an office of women's rights in the executive, and the appointment of more women to high positions in the administration. In the latter context it should be recalled that Representative Dwyer was responsible for pressuring President Nixon to appoint Helen Delich Bentley to the Maritime Commission when that appointment almost died.

The best memorial any of us could give Florence Dwyer would be the completion of her agenda—to insure equal rights for women. I hope my colleagues gathered here today will direct their energies to the attainment of those goals of simple justice for women, to which she was committed.

GENERAL LEAVE

Mr. RINALDO. Mr. Speaker, I ask unanimous consent that all Members may have five legislative days in which to revise and extend their remarks and to include therein extraneous material on the subject of this special order.

The SPEAKER pro tempore (Mr. MATSUNAGA). Is there objection to the request of the gentleman from New Jersey?

There was no objection.

LIAM COSGRAVE, PRIME MINISTER OF IRELAND

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from Massachusetts (Mrs. HECKLER) is recognized for 15 minutes.

Mrs. HECKLER of Massachusetts. Mr. Speaker, as a daughter of O'Shaughnessy it is with pardonable pride that I rise to pay tribute to Liam Cosgrave, the Taoiseach or prime minister of my ancestral home.

Mr. Cosgrave, a farmer, lawyer and politican in his own right, is the son of William T. Cosgrave, the first leader of the Irish Republic.

In his address to the joint session of Congress earlier today, the Taoiseach spoke movingly and eloquently of the ties which join our two great countries. Mr. Cosgrave's speech gave credence to the justified reputation of the Irish as good speakers.

He said:

> Let me say clearly to you that the link between our small island on one side of the Atlantic and your great continent on the other is not casual or of recent origin; it is not the simple or incidental connection between two countries whose histories, though separate, have touched on occasion. Ireland and America may be unequal in size of importance. But they are linked by the deep and powerful bond which joins two nations that have helped each other to form and mould, and shape the other over several hundred years. Geography has made us distant neighbours; but history has made us close friends.
>
> This is a bond which goes back beyond the Declaration of Independence to the thousands of Irish from North and South of the Island who settled in America in the early and middle 18th century.
>
> It is a source of immense pride to us in Ireland that so many Irish men and women have helped to build and develop the United States. We are proud of the nine men of Irish birth or descent who signed the declaration of Independence and of the thousands who fought in your revolutionary army. We are proud also of the anonymous millions who found refuge on your shores during some of the darkest days of Irish history. Their success in overcoming adversity and their contribution to America

inspired us at home to take courage and build up our own country.

Mr. Speaker, Prime Minister Cosgrave's words make me know that I have the best of both worlds—an American of Irish descent.

Mr. Cosgrave drew a parallel between our struggle for independence and that of the Irish people. He outlined the many similarities in our respective efforts to establish free and independent states. He spoke courageously in discussing the fighting which rages in the Auld Sod.

Speaking of his father's generation, Mr. Cosgrave said:

> The Democratic structures they established in Ireland are solidly based on the will of the people.
>
> But in one respect the aim of that generation was not realised. Their hope had been to see all of the four and one half million people of the island of Ireland join to create an independent Irish state. But one million, a substantial element in the Irish population, who today form the majority in Northern Ireland, made it clear that they did not wish to be part of such an independent Ireland.

Mr. Cosgrave, leader of the Fine Gael-Labor Party coalition, outlined his Government's desire for a united Ireland—a country joined not through violence but through a common effort by both the North and the South to establish a system of government "in which each section of the community living there in partnership."

I pray that his desire will be realized. It will not come easily to that great land which has been sorely tried throughout its existence.

Prime Minister Cosgrave asked the people of our country to join him in rejecting violence as a means of achieving a united Ireland. He urged that they not support those groups whose terrorism results in the killing and maiming of men, women and children of every religious persuasion in Ireland.

Mr. Speaker, I strongly support Mr. Cosgrave's plea that all Americans reject violence and death as a means of uniting Ireland.

History teaches us that violence begets violence and killings are followed by other killings until the disaster is of such proportions that we lose sight of the reasons for which we first took up the cudgels. It is a lesson which has been repeated time and again throughout recorded history. It is a lesson that a few firebrands here and in Ireland have chosen to ignore.

But I am confident that the Irish people will work out their differences. Peace and a united Ireland will not come easily. Every success achieved by the people of the land my ancestors called home came only after a struggle.

The Irish are a warm, romantic people. They are generous and good natured. They fear no man and enjoy battle as much as the victory. No matter how diverse their interests or backgrounds, the one thing all sons and daughters of Ireland share is a love of their fine country. This love will form the foundation of a united country.

Ireland forever. Erin go bragh.

"FAREWELL TO MANZANAR," A TV TRIUMPH

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California (Mr. TALCOTT) is recognized for 5 minutes.

Mr. TALCOTT. Mr. Speaker, last Thursday night television rose to two of its finest hours in many years during the first showing of a memorable new film, "Farewell to Manzanar."

The film takes its title from the name of one of the infamous internment camps which were used in World War II to confine nearly 100,000 innocent people who had committed no other crime than to be born of Japanese ancestry. Those of us who lived through those days still are shamed to remember that the home of the brave, and the land of the free, should have done such an intolerable thing to loyal Americans because of the color of their skin.

This remarkable film is the result of one woman's attempts to explain those days to her children. Jeanne Wakatsuki Houston has written a memorable manuscript, and John Korty, who is best known for his production of the "Autobiography of Miss Jane Pittman," have collaborated to bring us a film which treats a highly charged subject with great humanity, realism and fairness.

All of those who were involved in this production deserve praise for their efforts which I hope will remind all Americans that the greatest tragedy of any war is that it inevitably brings out the worst side of our character and produces some new chapter in the record of man's inhumanity to man. I urge all Americans to see this movie, and to learn the important lesson it contains.

JAMES TAYLOR—A FINE YOUNG MAN

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Alabama (Mr. EDWARDS) is recognized for 5 minutes.

Mr. EDWARDS. Mr. Speaker, I wish to commend a young man in my district who was honored March 12 by his fellow citizens of Citronelle, Ala., with a parade and an awards dinner in recognition of his outstanding efforts as a member of the University of Alabama's Sugar Bowl championship football team.

James Taylor, a speedster who played as a high school senior at Citronelle High School under Coach Billy Coleman, played on three consecutive Southeastern Conference championship teams at the University of Alabama under Coach Paul "Bear" Bryant.

Both of his former coaches were in attendance at the dinner. The awards dinner and parade were sponsored by the Citronelle Chamber of Commerce, the Civitan Club and the Jaycees of Citronelle. More than 200 of Taylor's friends attended.

Taylor was presented the keys to a new automobile by the sponsoring organizations, a $500 check from the Red Elephant Club of Mobile and a plaque, plus a $100 check from the Calcedeaver School PTA. Taylor attended Calcedeaver near his home in Mount Vernon before transferring to Citronelle High School his senior year.

When Taylor played football at Citronelle during his senior year, Coach Coleman's Wildcats earned an 8–2 record and a spot in the State 3–A championships.

Taylor was signed by Assistant Coach Gary White to an Alabama grant-in-aid because of his great speed and running ability. He was used as a running back and was a member of the specialty teams for the Crimson Tide. The university won 33 of its 36 games during Taylor's career on the squad.

I join with my fellow Alabamians in saluting James Taylor of Mobile County, Ala.

Mr. Speaker, aside from his football ability, James Taylor is a fine young man who is a great credit to his family, his community, and the State of Alabama. We are all very proud of him.

EXEMPTION NEEDED FOR CUSTOM HARVESTING AND SHEEP SHEARING CREWS

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from Nebraska (Mrs. SMITH) is recognized for 5 minutes.

Mrs. SMITH of Nebraska. Mr. Speaker, when the Congress adopted amendments to the Farm Labor Contractor Registration Act in 1974, it set as one of its goals the inclusion in the definition of farm labor contractors those who had previously been excluded by an exemption for intrastate operations and for operations involving fewer than 10 workers.

I feel that the removal of this particular exemption was a mistake and it is my opinion that we should move to reinstate it.

The 1974 amendments did take care to reinforce the exemption for housewives, teachers, and students operating within a 25-mile radius of their homes and for no more than 13 weeks a year. This was designed to preserve the historic relationship between growers and harvesting crews for hand-picked crops, particularly in the Northwest.

I agree that this exemption should be retained, just as I feel the previous exemption which covered custom harvesters and sheep shearing crews should be reinstated. In Nebraska, the major part of our extensive wheat acreage is harvested by "custom cutters." Custom harvesters also assist in the harvest of corn, milo, sugar beets, hay, dry beans, and potatoes.

These operations do not involve migrant labor in the accepted sense of the definition, so all of the added precaution against abuses is not necessary. The contractors and crew leaders should not be required to be registered, or to be certified, or to meet the other requirements for insurance, transportation, and housing which large crews of migrant workers have a right to expect.

I have, therefore, introduced legislation (H.R. 12369) to specifically exempt custom operations in harvesting the crops I have mentioned, and to also extend it to sheep shearing crews. I know that several of my colleagues from States where custom operations are an essential part of the annual harvest, have introduced similar bills.

I know the concern is great enough that this whole area should be reexamined and I trust the Agricultural Subcommittee of the Education and Labor Committee can schedule hearings and act on these bills. Otherwise, we have placed a hardship on the agricultural equivalent of the small businessman and we have subjected him to more of that over-regulation which strangles and can eventually destroy. I respectfully urge that there be immediate action to correct this inequity.

N. HOWARD SCOGGINS

The **SPEAKER** pro tempore. Under a previous order of the House, the gentleman from Texas (Mr. de la Garza) is recognized for 5 minutes.

Mr. de la GARZA. Mr. Speaker, a dedicated public servant, Mr. N. Howard Scoggins, who has made contributions of great value to my south Texas district, will retire at the end of this week after some 37 years in Federal service.

During the last 22 years of that period, Mr. Scoggins has devoted his time and highly effective efforts toward improving the operations of the International Boundary and Water Commission in the Lower Rio Grande Valley. In this border area between the United States and the Republic of Mexico, he is well known for his cooperative attitude and ready assistance to public officials and private citizens in both countries.

Prior to joining the International Boundary and Water Commission in 1954, Mr. Scoggins served with the Soil Conservation Service, Agricultural Adjustment Agency, and the U.S. Corps of Engineers at the Denison Dam and powerplant in Texas during construction and later as powerhouse superintendent.

That was the experience he brought to his work with the IBWC. His first assignment with the Commission was as operating engineer at the Falcon Dam powerplant. In 1958 he was promoted to the position of project superintendent, charged with the safe, effective operation and maintenance of the Falcon Dam, reservoir, powerplant, and village. He was responsible for the proper release of waters in storage for use by irrigators in the Lower Rio Grande Valley, for coordination of the automation of power facilities with Central Power & Light Co., and for international relations with Mexico regarding matters involving the IBWC.

In 1968 Mr. Scoggins' ability was again recognized when he was promoted to projects manager, headquartered in Harlingen, Tex. He assumed overall responsibility for the Lower Rio Grande flood control project. This giant project, completed in 1969, includes Anzaldua Diversion Dam, Falcon Dam, reservoir and powerplant, and Amistad Dam and reservoir near Del Rio, Tex.

On his shoulders fell responsibility for improvements totaling some $30.6 million to the Lower Rio Grande flood control project. These improvements were made necessary by the largest flood of record occurring in 1967 as a result of Hurricane Beulah. They will provide protection against another such flood or an even higher flood. Involved were the construction of Ratamel Dam with Mexico and a new floodway to provide controlled diversions to the floodways in each country of 50 percent of the river's floodwaters. This far-reaching project will be completed this year. Great credit is due Mr. Scoggins for his leadership in supervising its construction.

If ever a man was entitled to retire from Government service to the accompaniment of a hearty "well done" from the citizens he has served, it is Howard Scoggins. He is the kind of man who brings a badge of honor to public service. The projects with which he has been connected in my area are lasting monuments to him. I join with the citizens of south Texas in saluting Mr. Scoggins as he begins the retirement he has earned through many years of unstinting devotion to duty. Our good wishes are with him.

SID KADING TO BE HONORED BY EL MONTE CHAMBER OF COMMERCE

The **SPEAKER** pro tempore. Under a previous order of the House, the gentleman from California (Mr. Danielson) is recognized for 5 minutes.

Mr. DANIELSON. Mr. Speaker, on Saturday, March 27, 1976, the El Monte Area Chamber of Commerce will be honoring Councilman Sidney Kading who is retiring from public office this year. As a businessman, elected official, and community minded citizen, Sidney Kading has exemplified fine leadership.

As a former El Monte merchant—proprietor of Perluss Department Store—Sid actively worked to provide better business for the El Monte community. Through his efforts on the Chamber's Beautification, Off Street Parking, and Downtown Development, and Legislative Action Committees new life was given to the downtown shopping area.

Sid Kading has served a number of years as city councilman, and mayor of El Monte. His years in office have greatly benefited the El Monte community.

He is a past president of Kiwanis and has a 20-year perfect attendance record. He has served as a member of the Board of Directors of the El Monte Boys' Club. Sid has received many distinguished awards for the hard work he has given to make his community a better place to live.

I join the El Monte Area Chamber of Commerce in extending a hearty thank you for all that he has done. I am honored that our local government is so ably manned.

FINANCIAL REFORM A BOOM TO TO CONSUMERS

The **SPEAKER** pro tempore. Under a previous order of the House, the gentleman from Wisconsin (Mr. Reuss) is recognized for 5 minutes.

Mr. REUSS. Mr. Speaker, banking legislation is not always recognized as being, in essence, consumer legislation. But the Financial Reform Act of 1976, which will be acted on shortly by the House Banking, Currency, and Housing Committee, has a great many provisions of direct interest to the customers of the banks and thrift institutions.

The consumer's stake in financial reform is spelled out clearly and forthrightly in an article in the March 22, 1976, issue of Time magazine. I include this article at this point in the Record:

A Campaign for More Competition

A consumer who wants a checking account must now go to a commercial bank, which cannot pay him interest on the money he keeps in the account. But if congressional reformers get their way, consumers will soon be able to open interest-bearing checking accounts not only at commercial banks, but also at mutual savings banks, savings and loan associations or even credit unions. Further, consumers could turn to an S and L for a car or boat loan, to a mutual savings bank for a credit card, or to a credit union for a trust account—all services that these "thrift institutions" are now legally forbidden to offer.

These are among the major provisions of the proposed Financial Institutions Act of 1976, a bill that would force the most sweeping changes in the nation's financial system since the Depression. The bill would wipe away many of the present distinctions between commercial banks and thrift institutions (though not all; the thrifts would still be forbidden to make business loans). It would also concentrate the regulation of banks in a single new federal agency.

MORE INTEREST

The net result, say backers of the legislation, would be sharper competition among banks and thrift institutions. That would bring consumers better and cheaper financial services and offer small savers more interest on their money. The housing industry and would-be home buyers would be less vulnerable to recurrent squeezes on credit, because mutual savings banks and S and Ls, the prime sources of mortgage loans, would be better able to compete for savings during tight-money periods. And tighter regulation of banks could help ensure the continued soundness of the whole U.S. financial system.

A bill aimed at achieving some of these results passed the Senate last December. The Financial Institutions Act, on which the House Banking Committee will wind up hearings this week, is more comprehensive. Its most important provisions:

All types of financial institutions, not just commercial banks, could offer checking accounts.

As of January 1978, the present law prohibiting payment of interest on checking accounts would be repealed. A new federal coordinating committee would determine how much interest could be paid.

Five and a half years after enactment, Regulation Q, which limits the amount of interest that can be paid on small savings deposits, would be abolished. Banks and thrifts thereafter could pay any rate they thought desirable to attract deposits.

In addition to offering checking accounts, Mutual savings banks would get new power to make consumer loans, provide credit cards and trust services.

Savings and loan associations, now largely limited to making mortgage and construction loans, could make all types of consumer loans, invest in corporate bonds and other types of debt securities, and offer trust services.

Credit unions would be allowed to make larger loans for longer periods, to issue share certificates with varying interest rates and maturities (similar to bank certificates of deposit) and to offer trust services.

A new Federal Banking Commission would be created to take over regulatory responsibilities now divided between the Comptroller of the Currency and the Federal Reserve Board. Banks and thrift institutions would have to make much fuller disclosures about many aspects of their operations, including "inside" loans to their officers and directors, and regulators would get new powers to make the banks and thrifts heed their advice.

The bill would also tighten up regulation of bank holding companies and require all financial institutions offering checking accounts to keep reserves at levels set by the Federal Reserve Board. That would make easier the board's task of setting and carrying out a monetary policy to influence the course of the economy. The bill would make foreign banks operating in the U.S. subject to the same restrictions as domestic banks. That provision would stop the foreign banks from operating in several states at the same time, as some now do, to the dismay of domestic banks, which are confined to one state.

None of the ideas in the bill are new. Most have been floated by study group after study group for 15 years, only to be sunk repeatedly by opposition from politically powerful commercial banks. The American Bankers Association has vowed "total, all-out opposition" to the Financial Institutions Act too, as had to be expected: its members would get little out of the bill except stronger competition and closer supervision.

The A.B.A. has begun a fierce, nationwide lobbying effort to defeat the bill, and will try to persuade the House Rules Committee not to report it out for a floor vote. A.B.A. President J. Rex Duwe, who will testify before the House Banking Committee this week, calls the bill "a totally abhorrent attempt to disguise a laundry list of new powers for thrift institutions and credit unions under the label of financial reform."

Even so, the bill or something close to it now seems to have a genuine chance of enactment. The Ford Administration, though it has qualms about the regulatory provisions, supports the idea of allowing thrift institutions to offer services now reserved to commercial banks. Deputy Treasury Secretary George Dixon last week told the House Banking Committee: "The time to act on this legislation has come." He added: "If we increase competition among financial institutions, we will enhance the quality and reduce the cost of financial services to consumers and at the same time strengthen the institutions themselves."

The biggest reasons behind the new pressure for financial reform are the highly publicized troubles that banks are having with bad loans (Time, Jan. 26) and the failures that those troubles have sometimes caused. Latest example: the $400 million-deposit Hamilton National Bank of Chattanooga fell victim last month to uncollectible real estate loans and its parent holding company, which once owned 17 banks with assets of $1.1 billion, followed it into bankruptcy a few days later. Rightly or wrongly, many Congressmen believe that closer regulation would have kept the banks from overextending themselves. So the creation of a new Federal Banking Commission seems almost certain, and the drive to tighten regulation has aroused new interest in much broader financial reform.

SENSIBLE PACKAGE

A good thing too. On the whole, the bill is a sensible package of changes that should be enacted; all financial institutions ought to be free to compete in providing services to the consumer. What the bill could mean to depositors can be seen in New England right now. A separate piece of legislation that President Ford signed last month removed federal restrictions on NOW (Negotiable Order of Withdrawal) accounts in the six New England states. Essentially, these are interest-bearing checking accounts. After they sprang up among thrifts in Massachusetts and New Hampshire 3½ years ago, Congress blocked their spread, responding to a strong lobbying effort by bankers. State banking authorities will still not allow them in Vermont, but they are popping up rapidly in the other five states.

Providence's Industrial National Bank, for instance, last week began advertising "free checking, plus 5% interest." There is a catch: unless there is an average balance of $800 or a minimum balance of $500 during a month, no interest is paid and each check processed costs 25¢. Such accounts are obviously not for everyone. But who knows what other types of services may be offered if some of the antiquated restrictions on competition among financial institutions are largely eliminated?

H.R. 12455—TITLE XX MEANS TEST AND OUR SENIOR CITIZENS

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from New York (Ms. Abzug) is recognized for 20 minutes.

Ms. ABZUG. Mr. Speaker, yesterday the House unanimously passed H.R. 12455, which postpones implementation of the means test for all recipients of services under title IV–A and title VI of the Social Security Act. I regret that due to illness I was not here to cast my affirmative vote for this measure, which I strongly support.

At hearings before the Ways and Means Subcommittee on Public Assistance there was close to universal agreement among the witnesses that requiring seniors to sign a "pauper's oath" is not only degrading but a waste of already scarce social services dollars as well. A review of the eligibility of those older New Yorker, currently participating in the affected programs revealed that 97 percent of these individuals would remain eligible for services under the title XX income guidelines. Yet the administrative cost of reviewing these cases nationwide would approach $361 million in the first year alone. While I had hoped that the hearings would result in legislation to specifically exempt senior citizens from the means test, such as H.R. 9280 of which I am a cosponsor, the subcommittee was unable to reach a permanent solution to this problem before the regulatory reprieve expired on April 1. However, I am relieved by the commitment of the subcommittee chairman to resolve this issue once and for all before this latest grace period ends on October 1.

I expressed my support for exempting senior citizens from the means test in testimony I submitted to the subcommittee. I would like to insert that testimony into the Record at this point:

Testimony Before the Committee on Ways and Means; Subcommittee on Public Assistance on H.R. 12014 by Congresswoman Bella S. Abzug

Mr. Chairman, I appreciate the opportunity to testify before this subcommittee on an issue which is of great concern both to me and to so many of my constituents.

In December of 1974, after nearly two years of negotiations and deliberations, the Social Services Amendments of 1974, title XX of the Social Security Act, were enacted into law. Much of the conflict over this legislation centered on the question of eligibility for services. In place of the group eligibility criteria of title IV A and title VI, the legislation gave states the option of providing free services to those individuals with income levels below 80 percent of the State's median income. In addition, States could provide services on an income-related free-paying basis to people with incomes between 80 and 115 percent of the State's median income. Only information, referral and protective services for children and adults were exempted from the eligibility determination provision.

Among the beneficiaries of this program are a significant number of older Americans. Unfortunately, title XX does not provide specific language permitting group eligibility standards for these citizens. It is up to this committee to consider the special circumstances of the senior adult population. Among the goals of title XX are the attainment of self-sufficiency and the prevention of inappropriate institutional care through community based social services. These services are provided for the elderly to help them adjust to the loss of role and status which too often accompany aging and retirement as well as inhibiting physical and mental deterioration by furnishing outlets through which they may continue to be active in the community. It is my feeling that as a result of participation in the services offered by senior centers, scores of older Americans remain out of institutions and nursing homes. The centers become comfortable homes away from home where productive activity is possible. In its services goals for older Americans title XX is similar to the Older Americans Act. However, there is a very apparent conflict between the administration of the Older Americans Act and the administration of title XX, especially when services funded under both acts are melded under one roof—as is so often the case in senior citizen centers. Approximately 2,500 senior centers throughout the nation are supported in part through Federal funds provided under two titles of the Older Americans Act—title III, which encourages coordination of State and community resources for the development of coordinated systems of services, and title VII, which supports the delivery of meals in congregate sites where older Americans can receive social and rehabilitation services. In recognition of the unique nature of senior citizens services, these titles of the Older Americans Act require only a test of age, not of income, as a prerequisite for eligibility. In fact, title VII specifically prohibits both income eligibility testing and fees for services funded under the title. Title XX of the Social Security Act, however, does not single out senior citizens services for exemption from its eligibility determination provisions.

Need based on income and not by social circumstance is antithetical to our approach to the programs of senior citizens. Title XX is the first Federal statutory requirement mandating a means test for older people under a social service program. The establishment of economic barriers flies in the face of our public policy regarding senior citizens. We must distinguish between citizens programs and low-income oriented poverty programs. Unless we are to assume services funded under the Social Security Act are not uniquely vulnerable to abuse. The Federal Treasury will therefore hardly be ransacked or drained by extending title XX services to all senior citizens. Not only is the means test an unpalatable provision, offensive to those of us who believe that our society has an obligation to our elderly for their past contributions to their communities, but this test is also a needless intrusion into the privacy of senior citizens and a move against their fight to remain self-reliant. Many senior citizens will refuse to submit to the means test, viewing it as a "pauper's oath", regardless of their income level. Census data for my own State indicates that 78% of New York's older residents fall within the income levels established for eligibility for social group services. Moreover, samplings of recipients in New York City, admitted to the program on the basis of group eligibility, show that 97% would be eligible on the basis of an individual means test. If semi-annual recertifications were to be required for the more than 100,000 recipients in New York State, the administrative costs for the first year's alone could total $5.2 million, with subsequent years costing $3.6 million annually.

I believe that H.R. 9208, of which I am a co-sponsor, is a measure which recognizes the unique needs of senior citizens and insures the availability of title XX services to these individuals, I recommend it to the subcommittee. This legislation would substitute a group sampling procedure for the determination of eligibility in place of the current individual means test. The group analysis would be conducted on a geographic basis through the application of the best data available to the States.

On the other hand, I am very concerned over one possible negative impact of H.R. 12014, which would permit States to expend a specific proportion of Federal service dollars on services not subject to a means determination process of any kind. For example the inclusion of information, protective services and senior citizens services under this 25% ceiling would require the States to ensure that the outlays for these programs not increase above the mandated limits. If any service should threaten to exceed its share of these dollars the State would be faced of limiting access to services for more recipients or demanding a means test of new comers.

I hope that this subcommittee will acknowledge that the income eligibility requirements are unnecessary for senior citizens services under title XX and will act accordingly.

U.S. TROOP STRENGTH IN TAIWAN

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Mississippi (Mr. BOWEN) is recognized for 5 minutes.

Mr. BOWEN. Mr. Speaker, I am among those concerned about renewed agitation to reduce U.S. troop commitments on Taiwan by a substantial number, up to one-half according to some reports. I want to take this opportunity to urge the administration and the Congress not to consider taking such a questionable step at such an inopportune time in world affairs.

The Republic of China is one of this country's staunchest allies. They also are among the best of our export market customers, and the agricultural and industrial products we sell to the Republic of China have a significant economic impact for us domestically.

We already are witnessing an alarming trend of Soviet expansionism and imperialistic mischief in the aftermath of our tragic experience in Vietnam. It is certainly not in this Nation's best interests to further isolate ourselves and create additional power vacuums in other strategic areas around the globe.

What construction the Soviet Union and the People's Republic of China would put on a substantial U.S. troop cutback in Taiwan is a matter of conjecture, but only the blind or foolhardy can imagine anything less than their interpreting it as further prima facie evidence the United States is losing its will to remain a world power and may be prepared to sacrifice the Chinese of Taiwan.

Encouraging further Communist imperialism in the Far East would jeopardize not only Taiwan, but also South Korea, Japan, the Philippines, and Indonesia. We hope the domino theory will not work in Asia because of Vietnam, but it may in this case. A sharp cutback in support for Nationalist China will be a warning to all Asians that American support cannot be relied upon.

The Republic of China has shown a resolute willingness to defend itself as a non-Communist nation and a desire to more fully develop its resources and to economically uplift its people. It is a small price indeed for us to provide a relative handful of American troops and reasonable amounts of military equipment and supplies to help them remain at peace and not under the domination of a Communist regime. Particularly so, when we consider the very great cost it might involve later if we were forced into a major confrontation with far fewer friends surviving than we now have.

America cannot afford to isolate itself in a fortress if we plan on maintaining our survival and prosperity, which calls for preserving our world markets and sources of supply.

We cannot expect our allies and friends, of whatever degree of staunchness, loyalty, or longevity to respect our word and our commitments if by our actions we appear to be abandoning them piecemeal.

ST. PATRICK'S DAY

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Connecticut (Mr. DODD) is recognized for 5 minutes.

Mr. DODD. Mr. Speaker, as an American of Irish descent, I am always eager to celebrate St. Patrick's Day with a great deal of enthusiasm. I do think, however, that these hours of celebration should not be allowed to obscure the tragedy of contemporary Ireland.

While St. Patrick succeeded in driving out the snakes and liberating Ireland, there is another, deadlier snake afoot on the island today—and that, as we all know, is the beast of division and war that continues to claim dozens of innocent lives.

Thus, to interject a sober note into the festivities, I would like to share a few serious thoughts on this situation with my constituents and with my colleagues.

Let me say, first of all, that any solution to such a complex historical conflict must be worked out among Irishmen from all six counties in the North and from the Republic of Ireland. Any final solution must be settled with an absolute minimum of outside interference on the part of Britain or any other country. Any such interference can only make the reaching of an agreement that much more tortuous a process.

A lasting peace can be secured only through fundamental changes in the policies of the British and Ulster Governments. Peace is a byproduct of justice, and justice demands that equal religious, political and economic rights be guaranteed to the Catholic minority in Northern Ireland before any progress toward a settlement can be achieved.

In a more optimistic vein, I do think that there is evidence that substantial progress has been made since the last time we commemorated St. Patrick's Day. Both sides have decidedly moderated their stance, and both have shown a greater willingness to compromise.

There has also been a notable and encouraging decrease in the amount of violence used by all factions involved in the conflict.

If an interim agreement is reached in the next few months, and the Catholic minority is given its full and rightful share of governmental power, I think that the slow course of peace will be greatly furthered. It will then be possible to work toward the realization of an "Irish dimension"—the coming together of north and south to discuss and decide on common problems.

The establishment of a reasoned and healthy discussion would, in my opinion, greatly augment the chances of reaching a permanent settlement of the present conflict. Once there is dialog and tolerance on the part of all parties involved, there must be a gradual disengagement of the British troops followed by the eventual withdrawal of the British presence in Northern Ireland.

Thankfully, we are at the end of long era of colonialism and paternalism. It is now time to make the rhetoric of independence a reality, and time for internal problems to be solved internally. Only then will the Irish people govern their own fate, and have both full command of their actions and full responsibility for them. The ultimate question of unification will then also be one that the people of Ireland will have the opportunity and the task of answering themselves.

In sum, Mr. Chairman, I sincerely hope that in the coming year we will see greater restraint and less fanaticism, so that all sides can fully commit themselves to the serious negotiations that will someday bring peace to Ireland. March 17 will then become a day of unspoiled festivities, and St. Patrick's Day will also serve as a tribute to the great achievement of modern Ireland—unity and harmony among its people.

CONGRESSIONAL BUDGET OFFICE CRITIQUES OF ADMINISTRATION BUDGET POLICIES

The **SPEAKER** pro tempore. Under a previous order of the House, the gentleman from New Jersey (Mr. **Dominick V. Daniels**) is recognized for 5 minutes.

Mr. DOMINICK V. DANIELS. Mr. Speaker, the Congressional Budget Office has prepared an analysis of the administration's budget policies which should be reviewed by every Member of this House.

The CBO analysis concludes that if the administration's budget policies are followed, the rate of our economic recovery might slow next year to the point where there would be no further decline in unemployment.

Mr. Speaker, if that should happen, this Nation will have to contend with a continuing unemployment rate of 7 percent or higher.

And, to make matters even worse, the relatively slow rate of economic growth that would be realized under the administration's plan would bring little significant reduction in our inflation rate.

Mr. Speaker, as chairman of the Education and Labor Subcommittee which has primary responsibility for developing and overseeing national manpower policy, I was particularly interested in the Congressional Budget Office comments on the public service jobs program.

Administration officials have claimed that public service employment creates relatively few new jobs. Their contention is that Government jobs merely substitute for private sector jobs, and that only 50,000 net new jobs result from every $1 billion spent.

Mr. Speaker, I refute that contention, and the erroneous statistical methodology on which it is based. And, I am encouraged to note that the Congressional Budget Office also rejects the administration's claims about the so-called substitution effect.

In advancing their substitution argument, administration officials rely upon an erroneous statistical equation which fails to include the factor of restraints against such substitution—restraints which have been built into my public service jobs legislation.

I fail to understand why the administration denies the evidence of the facts on public service jobs substitution—facts which have been supplied by the Department of Labor itself. On February 2, 1976, in testimony before the Labor-HEW Appropriations Subcommittee, departmental spokesmen reported that the percentage of those employed under CETA's public service jobs titles who are rehires is averaging only 4 percent to 5 percent. This is obviously nowhere near the 50-percent substitution factor that has been bandied about so carelessly by some critics of public service jobs.

Mr. Speaker, the Congressional Budget Office has concluded that, depending upon the type of program adopted, 73,000 to 121,000 new jobs would be created by the end of a year for each $1 billion spent.

Those who seek to criticize the merit of public service jobs must now look for a noneconomic hook on which to hang their arguments.

Mr. Speaker, I would urge all of my colleagues to review the comprehensive budgetary analysis prepared by the CBO. It is, indeed, an impressive piece of work, and it provides this body with much-needed information on the implications of following different budgetary paths through 1981.

Dr. Rivlin and her dedicated staff have given us the tools of budgetary foresight with which we can forge a cohesive and effective national economic strategy. Let us hope these tools are used wisely and well.

Mr. Speaker, I would like to include at this point in my remarks an article from Monday's New York Times describing the Budget Office analysis. I would again urge my colleagues to personally review the analysis, and to keep its conclusions in mind when we consider legislation affecting jobs, health, defense, revenue sharing, and other vital issues.

Mr. Speaker, the article from the New York Times is included at this point in my remarks:

[From the New York Times, Mar. 16, 1976]

Panel Finds Ford's Policy Could Slow the Recovery—Congressional Budget Office Analysis Says His Proposals Would Not Cut Unemployment or Cure Inflation

(By Eileen Shanahan)

Washington, March 15.—The Congressional Budget Office warned today that, if the budget policies advocated by the Ford Administration were followed, the economic recovery might slow next year to the point where there would be no further decline in unemployment.

If that happened, it would leave unemployment at a level of 7 percent or more, according to the estimates of the budget office.

In addition, the Congressional group said, the relatively slow pattern of economic growth that would be realized under the Ford proposals would, in the short run, bring little payoff in the form of lessened inflation.

Even after two or three years, the office said, the inflation rate would be only about three-tenths of 1 percent less under the somewhat restrictive Ford proposals than it would be if present budgetary policies were simply continued.

The analysis of the economic impact of various alternative budget policies constituted was part of a 393-page analysis: "Budget Options for Fiscal Year 1977."

The analysis was prepared for the House and Senate budget committees by the budget office as a part of the new procedures for closer Congressional control over the budget.

The document examines not only the coming fiscal year 1977 but also the implications through 1981 of different budgetary paths.

For example, the budget office laid out what it called a "high-option budget," which would be generous to all programs, military and social, and would involve spending this year of $452.7 billion. That is a figure that compares with the $394.2 billion proposed by President Ford and the range of $419 billion to $424 billion that the budget office sees as a realistic estimate of the cost of continuing present programs.

The "low option" budget outlined by the office which would mean giving less than they want to both the Pentagon and social program agencies, would mean the spending of $398 billion in the fiscal year 1977. Even this figure is somewhat larger than Mr. Ford's.

COSTS OF MIXTURES

The office also looked at alternative mixtures of programs—more defense and less social services and vice versa, for example—and outlined the 1977 and 1981 costs of the various mixtures.

Among the new features of the office's study was a projection, for the first time by any governmental unit, of the prospective growth of what are known as "tax expenditures." These are the revenues that the Government does not collect because of some specific provision of the tax law that is aimed at helping a particular type of individual, business or economic activity.

Tax expenditures were estimated to grow from $106 billion in the fiscal year 1977 to $148.2 billion in the fiscal year 1981, a growth of nearly 39.8 percent, without any changes in the tax laws.

By comparison, the high-option budget would grow 46.4 percent and the low-option budget 31.2 percent over the same five-year period.

"BIG TICKETS" DETAILED

The study consists mainly of detailed discussions of alternative policies and their prospective costs in five areas that the director of the office, Alice * * * "big ticket" items. These are defense, programs to deal with unemployment, health, aid to state and local governments, and Federal pay policies.

In discussing some of these programs, the Congressional office arrived at judgments that differed from those made by the Administration.

For example, Administration officials have agreed that any program of public-service employment would create only about 50,000 new jobs after the end of one year for every $1 billion spent. They say that a large number of people would be taken off other payrolls and put on the Government payroll without any real increase in jobs.

The Congressional office, while agreeing that there would become such "substitution effect" that would diminish the usefulness of a public-service employment program, concluded, however, that, depending on the program adopted, 73,000 to 121,000 new jobs would be created, by the end of a year, for each $1 billion spent.

BASIC FORECASTS SIMILAR

As for the basic economic forecast by the budget office, Dr. Rivlin noted that her staff's predictions of unemployment and other economic indicators were not greatly different from those of the Administration.

But their analyses of the strength of the recovery were quite different, she said. That is because the Administration believes unemployment will be down to around 7 per cent by the end of this year with the adoption of the Ford $394 billion budget, while the budget office predicts that to get down to that unemployment figure would require budget expenditures of about $422 billion.

Dr. Rivlin nonetheless characterized her forecast of economic activity as "reasonably optimistic" and said that "clearly a quite strong recovery is in process."

ST. PATRICK'S DAY

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. WOLFF) is recognized for 5 minutes.

Mr. WOLFF. Mr. Speaker, on today of all days, St. Patrick's Day, it would be nice if we Irish, honorary Irish, and indeed, all persons of good will could set aside our worries for the future of Ireland for a moment and simply enjoy the good fellowship which has been part of the Irish heritage and part of the Irish gift to our country for the past 200 years.

But despite the occasion of the visit of Mr. Cosgrave of the Republic of Ireland, I find myself unable to put aside the fact that today in Ireland, and particularly in the six counties of the North of Ireland, there remains a persistent failure on the part of all sides to the dispute to come to grips with the political and social realities which prompt the violence.

Prime Minister Cosgrave said many kind and true things about the blood ties between our two nations, and about the intellectual and political ties we have maintained for the past 200 years. I have made those same points, though not so eloquently, I am afraid, on many occasions while urging congressional hearings on civil rights in Northern Ireland.

Much of what Mr. Cosgrave said today was heartening. But the Prime Minister failed to tell us what his government plans to do about Northern Ireland tomorrow, or next week, or in the foreseeable future. He told us what we must not do—we must not send guns or money for guns, and again, I am in complete agreement and have made this point a good many more times than most in this country. But neither the Members of Congress nor Mr. Cosgrave are policemen. We are political men, some of us leaders, and as such it is our duty to enunciate clearly and confidently what we are going to do as political leaders to solve a political problem.

I will respectfully suggest a political and economic solution, in a moment, after mentioning a few points the Prime Minister made on this floor here today.

Mr. Cosgraves' own words conceded that the 1,000,000 Protestants of the six counties have never in the past and do not today support unification with the Republic and was invalidated by the partition agreement of 1920. From that basic fact stems the history of racism and discrimination—and the impetus for violence which all of us join with the Prime Minister in our efforts to discourage in every way we can.

Let me interrupt my argument for a moment to make what I feel is an important distinction. Too often we see the struggle in Northern Ireland presented in sectarian terms because of the accident of history that the majority there are Protestants and the minority Catholics. Hence, we fall into the trap of saying the "Prods" did this and the "Catholics" did that as though the religion of these people actually prompted the violence.

But as a study of history makes it abundantly clear, real religious wars are relatively few and far between. Despite the horrible rhetoric, wars are usually fought over more general social or political issues which themselves are usually based on economic factors—one side or group has or lacks something and either won't share it with others, or determines to steal it.

In Northern Ireland, as my plan, which I shall discuss momentarily, recognizes, we must never lose sight of the economic discrimination in jobs, housing, and the vote which lies at the heart of the social discrimination of the past and present.

To bring the discussion back to Mr. Cosgrave in particular, and the Government of the Republic of Ireland, I must say in all frankness that my discussions with the leaders of the Republic, including Foreign Minister Garrett FitzGerald, have not convinced me that the Republic has really addressed itself to the facts of economic and social discrimination in the North of Ireland—regardless of the religious labels. Lipservice has been given recently to the hard conditions, but no coherent policy has ever been announced, or has ever been even proposed.

I plan to suggest a way in which that unfortunate situation can be rectified.

From the prime minister's forceful statement of the utter intractability of the majority Protestant community over the past 400 years, as recently reemphasized by the dual failure of the Constitutional Convention to meet either hopes of the British or the basic rights of the Catholic minority in the six counties—and again I note the deplorable use of religious labels—we find no coherent followup by the Prime Minister of what his government plans to do in the name of Ireland.

What do we get? We get an entirely laudable, long-range expression of a vague hope for economic development which the Prime Minister feels will somehow entice the Protestant community to join with the Catholic national majority in working out an Irish destiny. This may happen, Mr. Speaker, and I for one heartily endorse the plan, as I shall elaborate upon in a moment. Indeed, it would be the desired end of legislation I have sponsored in more than one Congress calling for reunification of Ireland into one community—a community of common interest—as intended.

But the hard fact is that this community of interest in 1920, has not existed in the history of Ireland, and it does not exist today. And for Mr. Cosgrave to suggest that guns and money from America are anything more than a symptom of this disunity is simply not supported by the facts. The cause of this disunity is the 400 years of racism and economic exploitation which has until recently passed for British policy toward all of Ireland, and which still stands as the policy of the majority community in the six counties, as the words and actions of the majority representatives to the Constitutional Convention have made abundantly clear.

It is to the credit of the British Government that having failed in the past to do its duty, it has in recent years made stumbling but no doubt sincere efforts to preserve the peace, if nothing else. But the results of British armed intervention are also abundantly clear today, and despite the resignation of Mr. Wilson, we see no hint of either the Labor Party or Conservative Party taking action based on reality which could lead to a political solution. We see only the words and actions of weary and frightened political men and women thinking and acting like policemen. This is the ultimate failure of government, indeed, this is the ultimate failure of all politicians—to try and substitute enforcement of the law for the settlement of political and economic grievance.

What is the Republic of Ireland going to do tomorrow, or next week, or even this year about the intractable fact of majority community intransigence? What is Great Britain going to do about these so-called "Loyalists" who shame the letter and spirit of Magna Carta and all that the English-speaking world has stood for?

The Irish-American community does not need to have its collective intelligence continually insulted by the failure of the governments involved in Northern Ireland to face the political and economic realities which prompt the violence, and certainly we in this Congress and the American people hope for better.

But our hopes and our needs pale beyond significance to the needs of the Irish and British people who, because of the continued failure of their politicians to think as anything more than policemen, must now face a whirlwind of violence stemming from the vacuum of political thought which for 400 years has begged a genuine solution to the "troubles" of Northern Ireland.

Mr. Speaker, I am often criticized for speaking out on Northern Ireland, and I admit that today I have given back a full measure of criticism—especially criticism of Prime Minister Cosgrave for what I consider to be a grievous failure to address this Congress on the political and economic steps which his government plans to initiate which have any short range hope of stemming the violence which he so eloquently denounced.

Accordingly, I am today presuming to suggest a plan stemming from Mr. Cosgrave's address today based on my personal visits to Ireland on two occasions, based on the fact of my British heritage, and founded on my belief in the strength of the economic system of the Western nations. Such a plan should, if implemented, give some hope of providing the people of Northern Ireland a genuine reason to stop fearing each other, and to start working together toward a united Ireland—a community in which they can live in peace. No one expects them to love each other, despite the fact that they allegedly inhabit a Christian nation. But they can at least live in grudging respect for each other's right to exist—a formula which I, as a Jew, and as a friend of Israel, appreciate only too well.

I respectfully suggest to Mr. Cosgrave, and to the incoming Prime Minister of our friend and ally, Great Britain, that their two nations enter into a joint development program for the six counties of the North of Ireland which will have as its basic and fundamental goal the economic self-sufficiency of the total community and the ultimate goal of a united Ireland.

Ideally, the very ties to America which Mr. Cosgrave detailed could prompt U.S. participation in a national Irish development project as well. Surely, never could so many do so much for so few who, almost despite themselves, presently represent such a threat to the peace and stability of two great nations.

One fundamental basis of the Protestant fear can be clearly seen to be fear of economic domination by a National Catholic majority. We know from our own national experience that one of the underpinnings of racism here has been economic uncertainty and fear of loss of jobs to minorities. But from our recent national experience, we have learned that while we cannot legislate against hatred, we can and have to our everlasting credit legislated against economic and legal discrimination. And we have, to our everlasting credit, continued to back up our legislation with economic and social programs which cost us dearly in money, but which surely enrich our national treasure by helping to build and maintain a genuine national community.

Mr. Cosgrave spoke very kind words about the "American experiment," and said that our present troubles should not cause us to lose sight of the hope that we still represent for the rest of the world.

I say to Mr. Cosgrave that, in all sincerity, charity begins at home, and I hope that he will take the words I have spoken here today in the proper spirit, and that he will seize upon the opportunity now presenting itself for new initiatives with a new British Government to jointly attack the economic and social problems of Northern Ireland. If he does not, those problems will surely engulf both nations in violence transcending any to date.

As Mr. Cosgrave noted, violence only begets more violence, but sending more troops to the North, or uttering pious hopes that guns will not be shipped to the North by those interests in the world community which place profit above all else, is not a solution.

The economic stability of the North, coupled with vigorously enforced civil rights legislation protection of the minority, will as surely erode the impetus to violence in Northern Ireland as it has eroded the racial violence of our own country. Obviously, the forces of violence will not cease their efforts immediately such a plan is announced, but it should be noted that a tenuous cease-fire did hold for much of the life of a Constitutional Convention which even the most sanguine admitted would probably fail in the end.

A coherent social and economic program entered into by the Republic and by the British Government could not fail if intelligently begun and forthrightly carried out. I know I speak for many colleagues in saying that our country stands ready to aid in such a great effort, and I urgently and respectfully urge such an effort upon Mr. Cosgrave and his colleagues, and to the new government of Great Britain.

STATEMENT BY REPRESENTATIVE GONZALEZ BEFORE SENATE COMMERCE COMMITTEE CONCERNING ROBINSON-PATMAN ACT

The **SPEAKER** pro tempore. Under a previous order of the House, the gentleman from Tennessee (Mr. Evins) is recognized for 5 minutes.

Mr. **EVINS** of Tennessee. Mr. Speaker, a great American statesman, in speaking of Congress, once said, "Here, sir, the people govern." It is also stated that the Capitol of the United States stands as a symbol of the power of the American people. These statements are facts, not mere rhetoric, and are borne out by recent events.

Last summer certain persons in the executive branch of the Government initiated strong efforts to amend or repeal one of the most important antitrust laws; namely, the Robinson-Patman Act, which prohibits price discrimination. Alarm and deep concern were expressed by countless persons and business groups to Members of both bodies of the Congress that this vital statute is under its most severe attack. As a direct consequence, the Committee on Small Business of the House established an ad hoc subcommittee to investigate these ill-advised efforts to emasculate or repeal the Robinson-Patman Act, which is the "Magna Carta" of small business.

On March 10, last, the Senate Commerce Committee held a hearing on the nomination of Calvin J. Collier to be a Federal Trade Commissioner and its Chairman. Inasmuch as that Commission is the principal agency to enforce the Robinson-Patman Act, the very able and distinguished Chairman of this Ad Hoc Subcommittee on Antitrust, the Robinson-Patman Act and Related Matters, the Honorable Henry B. Gonzalez submitted an excellent statement in connection with this matter.

Because of the current interest of my colleagues and the country in this subject, I ask unanimous consent to have Congressman Gonzalez's statement reprinted in the Record.

His statement follows:

Statement by Representative Henry B. Gonzalez

Mr. Chairman and Members of the Committee on Commerce of the United States Senate:

To come to the other body of the Congress is indeed a privilege and a pleasure, and I sincerely appreciate the opportunity given me to appear before this important and distinguished Committee.

The hearing today is on the nomination of one named to the Federal Trade Commission, who, I understand, is to become its Chairman and head of one of the most important agencies of the Federal Government. What I may say at this hearing would also be applicable to other nominees to the Federal Trade Commission.

The reason I requested to testify at this hearing stems from the same circumstances that led the Small Business Committee of the House of Representatives, under the inspired and able leadership of its distinguished Chairman, Congressman Joe L. Evins of Tennessee, to establish an Ad Hoc Subcommittee on Antitrust, the Robinson-Patman Act, and Related Matters, of which I have the honor of being Chairman.

The widely reported efforts on the part of some officials of the Antitrust Division of the Department of Justice to urge and persuade others to support their views to amend or repeal the Robinson-Patman Act, which has long been a part of the Clayton Antitrust Act—since 1936—have resulted in a very strong and negative response from representatives of the small business sector of the economy. Alarm and concern were expressed to Members of both bodies of the Congress that an important law is again under its most severe attack, and, as a direct consequence, it became the subject of the current investigation and hearings in-depth by the Ad Hoc Subcommittee. The importance of this matter cannot be too strongly emphasized when it is realized that this Nation's 9½ million small businessmen would be very adversely affected by the repeal or the emasculation of a statute long known as the "Magna Carta of small business." It should also be noted that these businessmen are consumers and entitled to the benefit of competition secured by the antitrust laws.

This distinguished Committee will make its recommendation whether the Senate should give its advice and consent that the nominee be confirmed as a Commissioner and Chairman of the Federal Trade Commission. In this connection, the fact that the Federal Trade Commission is the principal agency charged with the duty to enforce the Robinson-Patman Act, assumes significant importance, especially in the present hostile climate generated by certain attorneys in the Department of Justice. This impels me to invite your attention to the Ad Hoc Subcommittee's investigation and to its current efforts to implement

> ". . . the declared policy of the Congress that the Government should aid, counsel, assist, and protect, insofar as is possible, the interests of small business concerns in order to preserve free competitive enterprise . . ." (The Small Business Act, 15 U.S.C. 631).

To this end, the Ad Hoc Subcommittee on Antitrust, the Robinson-Patman Act, and Related Matters of the Committee on Small Business is firmly committed. It has already held thirteen days of public hearings, which began on November 9, 1975, and have continued during January and February of this year. Part I of the printed hearings has just been issued and, if I may suggest, a copy be made an exhibit and retained by your Committee for reference.

The witnesses who appeared before the Subcommittee included distinguished Members of the Congress of the United States, representatives of almost every conceivable association of small business firms, distinguished lawyers who have had a wealth of practical experience with the Robinson-Patman Act and other antitrust laws.

Additionally, the Subcommittee had the benefit of hearing testimony from noted economists, as well as officials from the

United States Department of Justice Antitrust Division and the Federal Trade Commission.

Among the representatives of various businesses, the Subcommittee was informed of the views of spokesmen for the following industries: food, drugs, clothing, home furnishings, gasoline and service stations, the dairy industry, and small business groups.

In the light of the purpose of this hearing by the Senate Committee on Commerce, the expression of members of the Federal Trade Commission regarding the importance of the Robinson-Patman Act is of special significance in order to determine whether or not nominees or appointees for the post of Commissioner of the FTC agree with them. This is all the more true because enforcement of that law is one of the duties and responsibilities of that agency.

On February 2, 1976, Acting Chairman of the FTC, the Honorable Paul Rand Dixon, in testifying before the Ad Hoc Subcommittee, stated:

"I should say at the outset that I believe strongly in the purpose of the Robinson-Patman Act, which, broadly stated, I see as being to provide small businessmen with a measure of equality of competitive opportunity. Unchecked, price discrimination can be the economic weapon with which a large multi-market seller can destroy smaller competitors, or deter their entry in particular market areas. On the secondary, or purchaser level, the granting of favored treatment less favored, small business competitors. The Robinson-Patman Act, in my view, was intended to forestall in their incipiency these sorts of anticompetitive practices which, if left undeterred, would result in the irreversible erosion of competition and the destruction of small business.

"Properly enforced, I believe the Robinson-Patman Act can contribute to the worthy purposes for which it was intended."

FTC Commissioner Stephen Nye, at our hearing, said in part:

"My principal conclusion as to the effectiveness of the Clayton and Robinson-Patman Acts, in their application to discriminatory pricing practices, proceeds from observations concerning that law's impact gathered during my thirteen years of private practice in trade regulation law . . . I have no question that the Acts as they now stand have made an effective and substantial contribution toward protecting small business enterprises from discriminatory pricing practices and, to the extent the Acts have done so, they have markedly enhanced free enterprise in this country."

In these days of emphasis respecting consumer protection, the words of FTC Commissioner Elizabeth Hanford Dole, in a letter to me dated January 26, 1976, sent in reply to a communication in connection with our hearings, wrote:

"There are, I think, important consumer interests in preserving a viable competitive small business presence in the marketplace. The antitrust laws would, in my judgment, be seriously deficient if they failed to prevent the type of territorial price discriminations which could, over time, substantially weaken competitors of the discriminating supplier. Selective price predation may, in some instances, be used as a method of intimidating existing competitors or discouraging entry by potential competitors, and this, in my opinion, impairs, rather than promotes, the full interplay of free market forces. Smaller firms may either be financially unable to survive periods of sustained predation, or if they do survive, they may be inclined to submit to price leadership out of fear of retaliation or become reluctant to otherwise engage in vigorous competitive activities. Moreover, at various levels in the chain of distribution, many types of discrimination by a supplier among its competing customers may, under certain circumstances, have adverse consequences, the net effect of which may be a decline in the competitive health of a particular market. It is of concern to me that reduced competition today may translate into reduced consumer welfare in the future."

The furtherance of public policy through strict and full enforcement of the Robinson-Patman Act and other antitrust statutes is the principal means of affording relief to the small entrepreneurs from the ravages of price discrimination as practiced by many large corporations and conglomerates, which have substantial power and wield considerable influence. Enforcement of these laws is also in the interest of consumers, bearing in mind that *everyone* must perforce be a consumer, whether he be a businessman, laborer, or engaged in any profession. The Executive Director of the Consumer Federation of America, Erma Angevine, at a 1970 hearing, testified that the consumer needs small business and that the well-being of consumers is indeed dependent on the economic well-being of small business.

It is a fact that small business is intricately related to the quality of life in the United States because it is considered as "the backbone of our economy." The instruction of small business intrinsically distributes power and control more broadly and helps increase distributional equity in society. The antitrust laws in general and the Robinson-Patman Act in particular are vital to making small business a viable factor in American life. Congress created antitrust weapons and put them in the hands of the Federal Trade Commission and the Department of Justice to enforce.

Congress makes the laws and declares the public will. It is up to the FTC and the Department of Justice to carry out the Congressional mandates and not to thwart the intent of Congress by lax efforts to enforce these basic laws.

During the course of the Ad Hoc Subcommittee's investigations and hearings, considerable testimony and other evidence was received to the effect that, in recent years, the Federal Trade Commission has, unfortunately, proven less than enthusaistic for the enforcement of some of the provisions of law, especially the Clayton Antitrust Act, as amended by the Robinson-Patman Act, which was designed to protect our free and competitive enterprise from predatory and discriminatory pricing practices. It has also been shown in the evidence received that less and less financial and manpower resources have been utilized by the FTC toward the enforcement of the Robinson-Patman Act. Surprisingly, some members of the FTC personnel who have served in the past have expressed reservations regarding the wisdom of the Act which was designed to prohibit destructive predatory pricing practices. Accordingly, some of the officials of the Commission have been lax in using their offices to properly and effectively enforce those provisions of the antitrust laws which come within the jurisdiction of the FTC, notwithstanding the fact that they have been sworn to enforce the laws.

In view of the foregoing, it would appear that nominees for membership on the FTC should be fully dedicated to, and accept without any mental reservations or equivocation whatsoever, the task to fully and effectively enforce all laws entrusted to the Commission, and, of course, including the Robinson-Patman Act.

I respectfully suggest that the Members of this Senate Committee give due consideration to the facts in my statement and develop all information that it thinks proper in order that the Members of the Senate and the American people know the true views of the nominees to the Federal Trade Commission. This is especially true because the point of view and the motivation of Commissioners of the Federal Trade Commission and their actions have a tremendous impact on the economic well-being of the Nation's 9½ million small businessmen, and those of the public who are their customers and consumers and who are entitled to the competition which can be accorded them only through the survival of small business.

I suggest that perhaps inquiry may also be made by your Committee of the nominee whether the activities of certain persons in the Department of Justice Antitust Division, in their efforts to repeal or amend the Robinson-Patman Act, may possibly affect such nominees for the important office of FTC Commissioner in their enforcement policies. It is the considered opinion of well-known antitrust experts that if the Robinson-Patman Act is strictly enforced, it would prove of tremendous assistance in maintaining the small business sector of the economy as a viable and effective force in our American way of life. I recommend that the Committee obtain a clear idea of the views any nominee to the FTC holds, with regard to the firm enforcement of the Robinson-Patman Act and the protection of small business in general.

In conclusion, I wish to thank this Senate Committee for giving me this opportunity to share with you some of my thoughts, which have resulted from the investigations of the Ad Hoc Subcommittee on Antitrust, the Robinson-Patman Act, and Related Matters of the Committee on Small Business of the United States House of Representatives.

IS THE U.N. COMMITTING SUICIDE?

The **SPEAKER** pro tempore. Under a previous order of the House, the gentleman from Arkansas (Mr. ALEXANDER) is recognized for 30 minutes.

Mr. ALEXANDER. Mr. Speaker, I would like to share with my colleagues an article written for the Reader's Digest by Dr. David Abshire, chairman of the Georgetown University Center for Strategic and International Studies, on the future of the United Nations. Dr. Abshire, a former Assistant Secretary of State, has also served on the recent Congressional Commission on the Organization of the Government for the Conduct of Foreign Policy.

I commend this article to my colleagues as "must" reading. It is the most concise summation of the fundamental changes that need to be made in the U.N. that I have read in a long time. Dr. Abshire's article follows:

Is the U.N. Committing Suicide?

(By David Abshire)

The United Nations came into existence 30 years ago amid soaring expectations that it would eventually become "the parliament of man." In the U.N. Charter, member nations pledged themselves "to maintain international peace and security . . . to practice tolerance" . . . to promote "the economic and social advancement of all peoples," and much else.

Some of these goals were doomed from the outset by the conflicting ambitions of the free world and the Soviet bloc. Global peace was preserved not by the U.N. but by military alliances such as NATO.

Nevertheless, during the first 20 years when the U.N. was led by democratic Western nations, the organization played a constructive role. A Universal Declaration of Human Rights was passed; the World Bank and the International Development Association were assisted; colonies gained independence; U.N. pressure supported withdrawal of Soviet troops from Iran; a U.N. army (albeit heavily manned by the United States) cleared invaders from South Korea; and U.N. peacekeeping forces were sent to the Middle East, Cyprus and the Congo.

Also established were a score of useful specialized agencies which, among other things, regulate international air traffic, exchange weather information, set nuclear safety standards, feed hungry children and seek to banish diseases from the world. However weak, the U.N. in those days was undeniably a force for world order, a deliberative body dedicated to peace, human rights and the rule of law.

In recent years, however, the U.N. General Assembly has degenerated into a cockpit of inflammatory rhetoric where its actions often exacerbate conflicts among nations and at times even thwart peace. Dominated by a new streamroller majority of Third World and communist countries addicted to passing outrageously one-sided resolutions, it has frequently become a hotbed of anti-democratic hostility, with the United States and other Western nations as targets of never-ending abuse.

Violations of human rights, such as forced labor in the Soviet Union and massacres in Africa and Asia, are ignored. But Israel is barred from UNESCO on the trumped-up ground that its archeological excavations are destroying the physical integrity of Jerusalem, and Zionism is declared to be "a form of racism." And the United States is forced to combat efforts to label Puerto Rico a repressed "colony," although Puerto Rico rejected the parties which favor independence—by a 92-percent majority in the 1972 election.

GRATUITOUS OFFENSE

Thus, morality in the U.N. has become whatever the majority declares it to be. Consideration of the murder of Israeli athletes at the 1972 Olympic Games ended in a resolution implicitly condemning the victims for having provoked their own deaths through the "repressive acts" of their "colonial and alien" regime. Efforts to condemn international terrorism and political imprisonment get nowhere. In the last two General Assemblies, thunderous ovations were accorded Palestinian terrorist leader Yasir Arafat and Ugandan dictator Idi Amin, who had praised Adolf Hitler for having slaughtered six million people.

Particularly destructive is the majority's practice of jamming through resolutions that gratuitously offend the values of democratic nations and do not stand the slightest chance of being implemented without their cooperation. For instance, the rough-riding Third World majority put through a resolution to redistribute the world's wealth from the "have" nations to the "have-not." Prices of commodities produced by developing countries were to be boosted through the formation of cartels; the rich countries were to transfer their technological know-how to the developing nations, and the poor nations would be authorized to nationalize foreign assets at will. Little mention was made of the recipient nations' obligation to help themselves through increased productivity. The bounty was simply "restitution and compensation" for past exploitation, real or fancied.

Such a program is a prescription for economic disaster that would dry up private foreign investments, and doom much of the Third World to decline. In an effort to prevent this, the United States offered an alternative program so far-reaching that it is likened to a second Marshall Plan. Yet the alternative was dismissed by some Third World leaders as a maneuver to create dissension among them. Indeed, almost every U.S. humanitarian proposal in the U.N. is automatically perverted into grounds for an assault against us.

MISCALCULATION

Until recently, when the excesses of the U.N. majority became too flagrant to ignore, the U.S. State Department tended to treat them with indifference. We looked upon the organization as merely a deliberative body. When nations really want to settle their differences, we felt, they do so through direct diplomacy in non-U.N. forums such as the European Common Market, SALT talks, and the like. We too often sent diplomats to the U.N. under instructions to "get along" and not to contest the radical rhetoric of some new members.

This downgrading was a mistake. Although the U.N. may be powerless to enforce the resolutions its majority bulldozes through, they are accepted by a large part of the world as "the general opinion of mankind." Thus, the vote equating Zionism with racism is likely to lend official sanction to anti-Semitism in many nations.

The United States and its allies have committed other errors with respect to the U.N.:

The one-nation-one-vote principle, written into the U.N. Charter largely at American insistence, has created an electoral monstrosity that permits some 90 countries, representing less than ten percent of U.N. membership population and less than five percent of its budget, to command two-thirds of the vote in the General Assembly. The mini-state of São Tomé e Príncipe, with 75,000 inhabitants, enjoys the same electoral authority as the Peoples' Republic of China, with 920 million.

Although we sought to vest the U.N. Charter with the sanctity of the U.S. Constitution, we neglected to install checks and balances. There is no second U.N. legislative body, based on population or contributions, to curb the tyranny of the Assembly, no president to veto its excesses, no Supreme Court to declare them unconstitutional.

The Western nations miscalculated in assuming that after throwing off the yoke of colonialism new-born state would turn to democracy. Of the 105 Third World nations, 48 are dictatorial, and only 15 are free—with the rest somewhere in between. And there is an increasing trend against freedom and human rights.

Perhaps the West's biggest miscalculation was in assuming that, once admitted to the U.N., new states would consider issues on their merits—or at least would vote in accordance with their own interests.

And so they did, for the most part, until 1973, when the Organization of Petroleum Exporting Countries (OPEC) discovered that by withholding petroleum from industrial nations they could jack up its price—without fear of reprisal. The event was a revelation to other Third World nations. Hoping through domination of the U.N. to gain their own share of the West's riches, they formed a voting bloc.

This "Group of 77,"[*] to which the 105 Third World countries now generally adhere, is one of the oddest alliances in history. Its members include the wealthy oil states; the communist republic of Cuba and the neo-fascist dictatorship of Uganda; a few democracies such as Colombia and Mexico; a few capitalist economies such as Brazil, Singapore and Malaysia; plus the 40 or more poorest countries on earth, sometimes referred to as the "Fourth World." Though not always acting unanimously, this Group of 77 generally passes whatever resolutions its militant leaders propose.

COURSE OF ACTION

How can we both defend ourselves against the tyranny of the Third World majority and keep the U.N. from committing suicide? The obvious answer is to restructure the U.N. so that voting power is equated with responsibility for carrying out decisions.

This can be done in several ways: Votes in the General Assembly can be weighted to reflect the member nations' populations or financial contributions, as is now done in the World Bank. General Assembly resolutions can be made subject to confirmation by a second deliberative body, where voting would be weighted. Voting can be eschewed altogether, with important decisions to be arrived at by consensus, as is the procedure at the Geneva Disarmament Conference. (Consensus would mean that practically all nations—and certainly the United States, U.S.S.R., China, Britain, and France—must concur in a decision.)

The difficulty with all such changes is that they could not be instituted without the approval of a majority of the Third World nations, which certainly would not surrender their power willingly. Theoeretically, the developed countries have the means to persuade them. The United States alone disburses $3.9 billion in economic aid each year, including $1 billion in food. We also contribute more than one-fourth of the entire U.N. yearly budget of $1.6 billion. (Thus, we were able to stave off a move to expel Israel from the U.N. by threatening to resign, and to forestall a resolution declaring Puerto Rico to be a nonself-governing colony by announcing that we would consider it an "unfriendly act.") But the fact is that, unlike the OPEC countries, which boast of their "oil weapon," the United States is most unlikely to withhold food or other aid. Hungry people should not be made to suffer for the follies of their governments.

Some argue that, in the face of past provocations, we should abandon the U.N., hoping that it would drift off into irrelevancy. But this would be a great mistake; totalitarian powers would take it over completely. And the Security Council, so long as we retain our veto, can be a peace-keeping instrument.

In the belief that the U.N. can be saved, I would urge the following course. At the opening of the next General Assembly session, the President of the United States should deliver a critique of the extent to which the U.N. has drifted away from its Charter, and outline proposals—none of which require changes in the Charter—that would convert the Assembly from a forum of conflict to one of conciliation:

1. All actions taken in the General Assembly to be by consensus, requiring concurrence of the five nations holding permanent seats in the Security Council.

2. New consultative procedures to be established which would permit small negotiating groups to deal with key economic issues. Difficult technical questions to be evaluated by committees of recognized experts, rather than by political bloc votes.

3. The United States to maintain the policy, dramatized by U.S. Ambassador Daniel P. Moynihan, of rebutting unsubstantiated attacks on its integrity. We would also redouble efforts to end the "selective morality" of the U.N. majority, which too often finds only the democracies at fault in matters of aggression, human rights and the like—with repression to be condemned wherever it occurs. Meanwhile, we would intensify our efforts to end blind bloc-voting by persuading Third World nations to support positions in accord with their own best interests. Secretary of State Henry Kissinger and Moynihan proved that this could be done

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[*] When it was formed as an economic bloc in 1968, the group had 77 participants, and the name has stuck.

in a recent special session when we persuaded Third World countries to support practical economic plans for development.

4. Continued U.S. support of the U.N.'s specialized agencies to depend on how sincerely these agencies devote themselves to their legitimate tasks. The adoption by any of them of political resolutions violating their charters to result in immediate U.S. withdrawal from such agencies.

Where it still proves impossible to reach constructive agreement in the United Nations in matter involving the economic survival of developing countries—and the hunger of their people—the United States should join with other interested nations in establishing independent programs free of emotional bloc-voting and polarization. The peace of the world and the welfare of all its people—particularly those 40 percent now living in conditions that affront human dignity—are far more important than support of any U.N. instrumentalities that promote conflict rather than conciliation.

BACK FROM THE NUCLEAR BRINK

(Mr. OTTINGER asked and was given permission to extend his remarks at this point in the Record and to include extraneous matter.)

Mr. OTTINGER. Mr. Speaker, I would like to call my colleagues attention to a series of hearings before the Subcommittee on International Security and Scientific Affairs, chaired by Congressman Clement Zablocki, which began yesterday regarding our policies on the first use of nuclear weapons and the adequacy of our safeguards with respect to theft, sabotage, seizure, delegation of authority, unauthorized use and command and control over those weapons.

These hearings are a timely and imperative investigation into a set of policies which threatens the future of modern investigation and I believe borders on insanity.

Yesterday I had the opportunity to express my concerns before Congressman Zablocki's subcommittee and would like to bring my comments to the attention of the House. My testimony follows:

Back From the Nuclear Brink

(Testimony of Hon. Richard L. Ottinger, before the Subcommittee on International Security and Scientific Affairs, March 16, 1976)

The atom has gotten out of hand. Nuclear technology has simply raced ahead, faster than man's ability to harness its use safely and for the benefit of mankind. Controlling the atom is a matter of survival. Our number one priority must be to lead the world to nuclear safety by example and persuasion.

Whether it is the question of use of nuclear weaponry which presently has us on the threshold of the ultimate in brinkmanship, or the proliferation of nuclear materials and devices from which nuclear weapons can be made, or the use of the atom for power generation with its unsolved problems of mining and plant safety, fuel enrichment and recycling dangers, low level radiation and waste disposal, it is clear that our failure to be able to anticipate the many areas of human ignorance and human failure attending the use of highly dangerous and toxic nuclear materials poses fearful hazards that must be curbed. While we address ourselves here primarily to weapons, we cannot proceed without an awareness that all the uses of atomic science are inter-related in their problems of control, their exposure to theft and sabotage and the safe disposal and control of their radioactive residues.

With nuclear weapons there is the added hazard of their intentional use for destructive purposes, an ability to destroy life on earth exponentially greater than any instrumentation previously known to man. Indeed, with nuclear weapons the nuclear powers hold in their hands the ability to end modern civilization. One would think this danger was so paramount as to be first on the agenda of every country, on the top of the list of concerns of every citizen of the world. Oddly, it is not. It seems as if the destructive power of nuclear weapons is so overwhelming, that the world has swept concern about them under a mental rug, as just too awful to think and worry about. We must not let this state continue.

I therefore congratulate you, Mr. Chairman, and the members of the Subcommittee on International Security and Scientific Affairs of the International Relations Committee, for holding these hearings so we can help address the attention of our people—and the people of the world—to the steps necessary to curb the nuclear terror, under which we all now live, from weapons directly as addressed in these hearings, and from proliferation of nuclear materials which was the subject of a series of hearings your subcommittee has just concluded.

It is an unfortunate truth, today, that each of us can look forward to a tomorrow, only by grace of the sanity and restraint of those unknown people (how many and who they are we do not know) who have the power (regardless of the authority) to unleash the horrors of nuclear war. The number of people who hold this awesome power of life and death grows daily, weekly, yearly, now encompassing citizens in the United States, Russia, China, France, England, and India of whom we know, and perhaps Israel and elsewhere as well.

Let us first address our conscious policy and that of the other countries that clearly possess deliverable nuclear weapons today. And let us discuss strategic use of large weapons first.

So long as we were the sole possessor of deliverable nuclear weapons, there was some logic, awful as it might be, to threaten first use the these weapons to deter any other nation from going to war against us or those whom we perceived to be our allies. The deterrent was then effective, regardless of its morality. Unfortunately, far too much of our nuclear weapons policy is still held over from the days when we were the sole nuclear power.

Today, our use of strategic weapons against another nuclear power which has the ability to retaliate in kind—so far as we know, Russia is the only country with that capability—invites our own destruction. We and the Russians have managed a balance of strategic nuclear terror in our mutual ability to survive a first strike attack sufficiently to permit us to destroy the other with a second strike. It is under this joyful security blanket that we are able to sleep and dream sweet dreams each night. From the point of view of a man from Mars, this has to be sheer insanity—yet for us on earth today, it is the grim reality.

But this is not enough for either party! Each is striving with incredible resources to cut holes in the security blanket of the other, to produce more bombs of greater destructiveness and greater accuracy which would permit a pre-emptive first strike, despite pious foreswearing of such an objective by each. Secretary Schlesinger's announcement in 1974 that we would start developing strategic weapons of such accuracy that we could hit Soviet military targets only, a seemingly humane objective, created the potential for us to destroy the Russian second strike capability. Our pursuit of strategic "cruise missiles" accentuates this potential. If the Russians think we are developing this potential faster than their ability to defend against it, their only recourse will be for Russia to strike first before our potential is realized. This makes the "scorpions in the bottle" situation a fearsome reality.

Somehow, we and the Russians must have or develop more common sense. We must quickly come to the conclusion that use of nuclear weapons, at the very least those of the strategic variety, is suicidal—to say nothing of their production and technological improvement being a sinful waste of resources—and relegate them to the disuse now provided for poison gas and biological warfare weaponry.

It should be our highest priority to conclude a treaty with all the nuclear states to relegate existing strategic (and I think, tactical) nuclear weapons and their delivery systems to international control and destruction, with whatever inspection systems may be necessary to assure against their future production or use anywhere in the world. I see this as so overwhelmingly logical from the viewpoint of every being on earth, save perhaps the weapons' manufacturers, that it should be attainable. Adequate effort simply is not being devoted to this end.

I propose we pass a sense of Congress Resolution proposing this as the top priority objective of our Government.

The objectives proposed with respect to strategic nuclear weapons can only be achieved by multilateral agreement including all nations capable of producing such weapons and their delivery systems in the foreseeable future.

So far as the Resolution which I and 92 of my colleagues introduced to declare it our policy to renounce the first use of nuclear weapons, this Resolution can have no adverse effects, and should not stir much controversy, as applied to strategic weapons. All the present states with deliverable strategic nuclear weapons capacity, including curselves, have already foresworn intent to deliver a pre-emptive first strike attack—and it is much in our own interest to affirm this intent by Act of Congress (though Secretary Schlesinger unfortunately cast some doubts on the firmness of our "no first strike" policy in his July 1st press conference).

There are other aspects to strategic nuclear weapons policy into which this committee should delve deeply besides the questions of conscious use and the "scorpion-in-the-bottle" dilemma described above. These questions appear to make it even more urgent to conclude the kind of treaty I have suggested.

First, who has the authority to launch a strategic nuclear attack today? Is it just the President in this country, as the American people have been led to believe? Or has the authority been delegated, and, if so, to how many commanders? Does the authority rest with just one man in each state? Are the procedures for informing him accurate and adequate to guard against error? Are the communications systems adequate under all conceivable circumstances to prevent his setting off Armageddon by accident? What happens if he becomes incapacitated or incompetent? And if the authority is delegated to others than the Chief of State, as I have been told is the case in this country, though I cannot verify it absolutely, then what is the adequacy of the protections against those to whom the power is delegated acting by error or becoming disabled from acting responsibly by reason of incapacity or incompetency? What protection is there against an insecure Chief of State threatening to start or starting a nuclear war to protect himself against being ousted, as reportedly President Richard M. Nixon speculated aloud during our Watergate crisis, hopefully in jest?

Next, regardless of authorized use, how many people have the power to use strategic nuclear weapons without authority? Do Army, Navy or Air Force personnel charged with strategic weapons responsibility have the power alone or with others to use these weapons without authority? And, how effective are the safeguards?

Next, how effective are the safeguards against theft or sabotage of these weapons here, in foreign countries where they have been placed, and at sea? What are the safeguards in the event of a quick-strike conventional war? What are the safeguards in the event of a revolution in the foreign countries where they are deployed?

And lastly, what is the security situation in the other strategic nuclear weapons countries in all these respects?

From classified material I have seen, as well as from unclassified briefings I have received from former high-ranking Defense Department personnel, which I hope this Committee will take the time and trouble to explore thoroughly, I have every reason to believe that the protections are inadequate against catastrophe by way of theft, sabotage, unclear and over-extensive delegation of authority, incompetence, or incapacity of authorized personnel, unauthorized use, weakness of communications and command and control. If this is so, the reasons for placing the highest priority on curbing the use of strategic nuclear weapons becomes all the more overwhelming.

Let us now turn to tactical weapons. The situation with respect to safeguards against theft, sabotage, seizure, dangerous delegation of authority, unauthorized use, incapacity or incompetence of those authorized, and ineffective communications, command and control is many times worse with tactical than with strategic weapons—and we should bear in mind that the differentiation between tactical and strategic weapons today is mostly a matter of mission—many weapons classified as tactical have destructive power many times that of the bombs we dropped on Hiroshima and Nagasaki! On these questions it is vital that the Subcommittee familiarize itself with the thorough, classified study prepared by the House Appropriations Committee.

Let's pass these questions for the moment, assuming for the sake of the present consideration, that there is no dispute about the necessity to maintain all nuclear weapons under complete security and control, subject only to the same decision of the Chief of State—and that there exist reasonable safeguards, despite all foreseeable failures of equipment and incidence of human error—assumptions I find difficult to accept—but, nevertheless, let's pass over them to conscious policy on use of tactical nuclear weapons.

There are two rationales I have heard for our deployment of tactical nuclear weapons: first, that they serve as a deterrent to conventional attack, tactical nuclear attack, or attack with chemical or biological weapons; second, that they give us a greater range of options in the event of actual warfare to react in a way short of admittedly suicidal strategic warfare. There is also a psychological factor cited, namely that our allies would not believe we would use our nuclear power to defend them if tactical nuclear weapons were not deployed on their soil—and therefore, if we withdraw them, they would feel compelled to produce their own tactical weapons weakening both our control over the nuclear situation and the cohesiveness of our alliances.

These arguments seem to me to be insupportable, for I find it impossible to conceive of a tactical nuclear exchange not accelerating into all-out suicidal strategic nuclear warfare. Indeed, I find it hard to conceive of our actually using tactical nuclear weapons at all.

Let's take the most compelling case, that of Europe. Let's assume an overwhelming Russian conventional attack that threatens the rapid capitulation of West Germany and France. It is impossible for me to conceive that our Generals would fire a tactical nuclear weapon, knowing as they do that the Russians have the capability of responding with either a tactical or strategic reply. Our Generals would almost certainly not advise such a risk, but would rather urge upon our President to risk the advantages of a strategic first strike for fear that the Russians otherwise would do so first. I don't think we'd ever take the risk of using tactical weapons.

In Korea or elsewhere, the same logic would apply, but the time frame might be a little longer since there is no evidence that the North Koreans, Russians or Chinese have tactical nuclear weapons positioned there.

Furthermore, in the Korea-type situation especially, use of tactical nuclear weapons would destroy the "firebreak" between nuclear and conventional weapons which has been a forebearance against nuclear weapons use by any country since our use of them in Japan, some thirty years ago now! Once the use of nuclear weapons, no matter how "tiny", becomes accepted, there will be no stopping their future use in limited wars, each time risking ultimate destruction by whatever party to a nuclear exchange is getting the worst of it. We should actually remove all our tactical nuclear weapons immediately from all countries not facing a nuclear threat and adopt the Aspin Resolution renouncing first use of nuclear weapons against any country not possessing nuclear weapons, as an absolute minimum.

My conclusion, therefore, is that tactical nuclear weapons are virtually as suicidal and unthinkable as strategic weapons, and must also be relegated to the same status of international disuse as poison gas and biological weaponry. In other words, if our leadership is sane and wants the world to survive, we won't risk using tactical nuclear weapons. The credibility of these weapons as a deterrent, therefore, must be called into serious doubt, and their actual utility in the event the deterrent fails, is a self-destructive nullity.

What this means is that by our present nuclear weapons policies we have deluded ourselves and our allies into a false sense of security, permitting our conventional defense forces to deteriorate to a point where resort to self-destructive nuclear weapons becomes a virtual imperative in the event of a conventional Russian attack.

To address the psychological implications of a change in our nuclear weapons policy, particularly in Europe, it will be necessary, first to educate our allies with respect to the fallacy of our existing posture in a world in which we no longer "enjoy" nuclear dominance. Second, we will have to build up our and their conventional forces to a point where use of nuclear weapons will become unnecessary. This represents a major policy departure for me, but I view the nuclear weapons' threat as so great that I am prepared to lead an effort to build up our conventional forces to permit nuclear weapons withdrawal.

I gravely doubt that the average citizens of Europe have really faced up to the consequences of a Russian conventional attack compelling NATO to respond with tactical nuclear weapons, for it would mean that Europe would be the theatre of a nuclear exchange that would certainly destroy it completely. It is high time the citizens of Europe were made to consider these consequences, and if they were made aware of them, I am sure they would opt for a conventional alternative which, while terribly destructive, would offer a more credible deterrent and, in the event of deterrent failure, at least would not be obliterating.

The ideal scenario for ridding ourselves of the fallacies and dangers of tactical nuclear weapons deployment would be to inform the Russians that we have decided that tactical nuclear weapons' use would be mutually suicidal and that we therefore intend to build up our conventional forces and those of our allies to the point at which they can meet the present Russian threat unless the Russians agree to reduce their conventional forces concomitantly. Further, we must simultaneously embark upon negotiations with the Russians and the other nuclear nations to gradually withdraw and arrange for the destruction of all nuclear weapons, under adequate international control and inspection, as conventional forces are equalized.

Again, I think that my Resolution calling upon the United States to renounce a policy of first use of nuclear weapons is a constructive step towards achieving these goals, though I would not want to see it implemented unilaterally until we had adequate U.S. and allied conventional forces in place to deter, and deal with, if necessary, any Soviet conventional attack.

There are intermediate steps that should be considered with respect to use of tactical nuclear weapons. We should consider carefully the advisability of requiring Congressional participation in any decision to make first use of nuclear weapons until such time as an international agreement can be reached. We should consider bringing back all or most of our nuclear weapons to the United States during the transition period. In the event of any enemy conventional attack of a scale such as to provoke consideration of nuclear weapons' use, there would certainly be plenty of advance warning. Any enemy would have to massively mobilize troops and transportation to launch an attack of this scale.

There is good reason, therefore, to determine that the frightful decision on first using nuclear weapons, which could well lead to universal strategic nuclear destruction, should not be in the hands of one man alone (or certainly not in the hands of those who may have been delegated such power), but should be shared by a committee or all of Congress. Such a solution has been proposed by Senator Alan Cranston of California.

I would like to point out, however, the reservations expressed on this solution by my good friend from Ohio, Mr. Sieberling, that such a measure would allow the President to escape the terrible responsibility of making the nuclear decision himself. Mr. Sieberling feels that a group might well find it easier to make the nuclear decision, and prefers, instead, a requirement that the President consult first with designated Congressional leaders or Committees, keeping the responsibility for the decision on his shoulders.

I like less the intermediate proposal of my good friend from New York, Mr. Bingham, for whom I have enormous respect. He proposes a unilateral renunciation of a strategic first strike only. While I understand his overriding concern about preventing insofar as possible a certainly suicidal strategic exchange through any miscalculation by the Russians of our intents, I am bothered by the reverse implementations of such a resolution, implicitly threatening tactical first use of nuclear weapons.

Finally, returning to my original thesis, no international agreement on removing nuclear terror from the world scene can be effective if it is confined to weapons alone. It must include adequate international control and inspection of all the materials and devices from which nuclear weapons can be made. If we are to continue with nuclear power production world-wide, it militates for regional international possession and control of all nuclear enrichment and reprocessing as a minimum—with the strongest conceivable safeguards against theft, seizure, or sabotage at every step of the nuclear cycle.

I greatly appreciate your patience in hearing me out for such a long statement, and for your consideration of these crucial issues. Unfortunately, the Joint Atomic Energy Committee and the executive agencies dealing with these matters have become too much fascinated with the atom, and too much the advocates of its use, to deal effectively with these questions. It is essential that this Committee, with its broad international relations and security mandate, conduct an independent investigation of these matters and provide this country and the world with an impartial assessment of our nuclear policies—which I think presently border on the insane.

THE CONYERS-OTTINGER FULL EMPLOYMENT BUDGET PROPOSAL

(Mr. OTTINGER asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. OTTINGER. Mr. Speaker, this morning my good friend and colleague from Michigan, JOHN CONYERS, and I appeared before the House Budget Committee to present an alternate budget proposing an accelerated jobs creation program designed to reduce unemployment to a 3.9-percent level by 1980. We view this as essential to the economic as well as to the social health of the Nation.

Last month the very able chairman of the Budget Committee, BROCK ADAMS, offered for consideration a very comprehensive and well-developed budget program which targeted various areas of economic growth over the next 5 years which will have to be met if the country is to realize the goals of full employment and maximum production envisioned by the Employment Act of 1946. Representative CONYERS and I built upon the excellent foundation laid by Chairman ADAMS in developing a more accelerated jobs-creation program which would create 1 million jobs in each of the next 2 fiscal years and a total of over 3.5 million jobs after 4 years, in such essential areas as housing construction, railroad improvement, mass transit system construction and public service employment at a net cost of $11.3 billion.

The proposal calls for putting first priority on job creation in the private sector, generating as many jobs as possible with such measures as the employment tax credit, with jobs provided by the Government to the extent necessary to close the private employment deficit. This is the basic thesis underlying the very commendable and highly desirable program developed by Congressman AUGUSTUS HAWKINS and Senator HUBERT HUMPHREY in their Full Employment and Balanced Growth Act of 1976—legislation of which both of us are cosponsors and fully endorse.

The Conyers-Ottinger program would be paid for first through increased tax receipts from those for whom employment is provided, and second through reform or elimination of inequitable and ineffective tax subsidies, and taxing capital gains at death—while increasing the tax exemption on small estates from $60,000 to $100,000. What we have done is to utilize eight existing or pending programs which could create additional employment opportunities, rather than suggesting programs which would have to inch their way through the often lengthy and laborious legislative process.

It is our belief that the power of the Federal budget must be fully exercised in order to deal with the employment deficit in a planned and systematic manner, utilizing the powers and planning systems established under the Congressional Budget and Impoundment Control Act of 1974.

I submit herewith for inclusion in the RECORD the text of the statement which Congressman CONYERS and I presented to the House Budget Committee this morning:

STATEMENT OF HON. JOHN CONYERS, JR. AND HON. RICHARD L. OTTINGER BEFORE HOUSE BUDGET COMMITTEE, WEDNESDAY, MARCH 17, 1976

Mr. Chairman and Members of the Budget Committee, we appreciate this opportunity—particularly on such sort notice—to discuss with you this morning the Federal Budget and its role in achieving social and economic goals which have long been sought, but have yet to be fully secured.

The Congressional Budget and Impoundment Control Act of 1974 represents an historic milestone in the legislative process. It enables the Congress to undertake holistic and long-term budget planning, based on an accounting of the effects of social and economic change on the quality of life and on a determination of the nation's future needs and priorities. As Yale economics professor James Tobin has observed, the new budget procedure "is an important step not only toward fiscal responsibility but also toward implementing the commitment of the Employment Act [of 1946] that Federal Policy should seek to achieve the Act's objectives, 'maximum employment, production, and purchasing power.' "

We are at a particularly critical juncture this year. The recommendations of this panel—and the process by which the Budget Act functions—will be severely tested in the coming weeks. Public confidence in both the economic and political systems is at its lowest point since World War Two. Consider also that this year is the first in a great many in which this nation has not been at war or involved in extricating itself from military action overseas. During these many years considerable changes have occurred in the economy and society, and pressing problems have been allowed to accumulate and fester. The challenge in the coming years is whether or not we as a people and government can redirect our energies and commitments to solving problems at home, in particular providing useful employment at fair rates of compensation for each and every American who wants to work.

Over three decades ago Americans were encouraged by President Franklin D. Roosevelt's declaration that every American who was able and willing to work had the right to a job. Tragically, the goal envisioned in FDR's Economic Bill of Rights of 1944 not only has never been achieved, but has been consistently avoided. At no time has the objective of full employment been the primary goal of any national administration of their political party.

Though unemployment eased during the last two months, the official rate of joblessness is still 7.6 per cent. And this figure does not include an additional one million workers who have given up looking for work, and therefore who are not counted, nor does it include an estimated 3.7 million more workers who want and need to work full-time but who are forced to work part-time. The true level of unemployment at the present time would be in the neighborhood of 11.5 per cent—or approximately one out of every nine workers.

The euphoria generated by recent signs of economic recovery should not make us complacent about what essentially remains an unemployment crisis. Five recessions mark the post-World War Two period, and each subsequent recession has left us with higher-level unemployment than the last and a revision downward of officially-designated "full employment," which only serves to conceal further the human and social toll.

For substantial numbers of Americans, joblessness has become the normal condition of life and employment, the exception. We have created, in fact, a permanent underclass who live at the margin of society and, being unassimilated into the traditions, customs, and laws we take for granted, are also unrestrained in the actions they take.

Since 1954 the jobless rate among Black Americans has been at least twice the rate among White Americans. Only in two years during this period did the unemployment rate among Blacks nationwide drop below 7 per cent. It has averaged 9 per cent during the past decade. Teenage unemployment has not fallen below ten per cent since 1953, and it has averaged more than 20 per cent in the last year. Unemployment among Black teenagers since 1954 has averaged 25.5 per cent. We have allowed to exist a human wasteland.

Not only must we consider those men and women now out of work but all who will be entering the labor market in the coming years. In the past 15 years, because of the post-war baby boom, the number of teenagers in the labor force has increased from 4.8 million to 8.8 million. And we haven't been able to find all of them jobs. During the next five years, according to Chase Econometrics, we can expect at least nine million new members in the job market but at the present rate of economic growth the creation of only five and a half million new jobs. *Business Week* estimates that 12 million jobs are needed in the next five years, that job growth must almost double. And we have seen estimates that as many as half of the jobs that now exist won't exist in 20 years. Where is the planning for new jobs, for training workers in the new technologies and new skills, for meeting the expanding and changing needs for goods and services?

However bad things are, we always manage to assure ourselves that the business cycle—being a cycle—will eventually correct itself and create all the jobs that are needed. But there are disturbing trends in production and employment in the private sector that we must consider if we are to provide all the jobs Americans want. Manufacturing is playing a diminishing role in the economy. Technology is displacing workers. For example, employment in the steel industry dropped 15 per cent between 1960 and 1974, while output rose 47 per cent. The construction industry has been especially hard hit. As of January 1976, 652,000 construction workers were unemployed, a 16 per cent unemployment rate, and in certain sectors of the construction industry a jobless rate that has soared to almost 80 per cent. A recent HUD report gives one reason for this inability of the construction industry to generate more jobs—85 per cent of America's families earn incomes under $23,000, the income level needed to be able to acquire an average home.

In the light of these facts, it is essential that the Congress take positive and bold steps to fill the unemployment gap and create urgently needed employment opportunities. We believe the Federal Budget is the only vehicle that can come to grips with the principal malady of our time—the inability of the American economy up to now to generate all the jobs that the American people want and require.

The distinguished and able chairman of this Committee certainly recognizes this fact as evidenced by his comprehensive and thought-provoking budget plan which outlines the key targets of economic growth over the next five years that will have to be met if we are to realize the goals of full employment and production. The Full Employment and Balanced Growth Act of 1976, which was introduced last week by Congressman Augustus Hawkins and Senator Hubert Humphrey is another indispensable conceptual framework for achieving these goals over the long-run. We all recognize that the private sector will remain the employer of the overwhelming majority of the American people. The primary objective should be to assist the private sector in generating as many employment possibilities as possible. Measures such as the employment tax credit must be enacted that mobilize the full resources of business and industry to create the jobs we need. But we also realize that jobless Americans need employment now, and in the near future, and that it will remain the continuing responsibility of government at all levels to do what it can to close the jobs deficit.

Building upon what Chairman Adams has so ably presented in recent weeks, we now propose a program which could create over one million additional jobs in both 1977 and 1978, and reduce unemployment to a level of approximately 3.9 per cent by 1980. We by no means envison this proposal as a panacea but simply as a workable alternative to the meaningless recommendations of the administration and the thoughtful presentation of the chairman and others in the Congress.

Developed with the assistance of the very capable staff of the House Budget Committee—particularly Mrs. Nancy Teeters—our recommendation suggests utilizing eight existing or pending programs, rather than creating any new ones. The Congressional Budget Office has suggested that of all the types of jobs creation programs considering cost, start-up time, and potential impact on inflation, public service employment, such as already exists under the CETA program, proves to be the least costly, the fastest to launch, and has the least inflationary impact on the economy.

The administration's budget calls for approximately $1.5 billion for FY 1977 to be spent from FY 1976 supplemental appropriations to CETA Title II. Such funds would sustain a level of 330,000 jobs until next January, at which point the program would be phased down until its termination by September 30, 1977. Our proposal assumes that with new House-passed Title VI authority, the current job level would be raised to 600,000 in FY 1976 and maintained at that level through FY 1978, with a slow phasedown of public service jobs to an average level of 260,000 jobs in FY 1980.

S. 1730, the Senate-passed Emergency Rail Transportation Improvement and Employment Act of 1975 provides for public services jobs to improve roadbeds and associated facilities. This measure calls for an annual appropriation of $700 million, generating 30,000 jobs each year.

The Conyers-Ottinger proposal would accelerate the work to be conducted under the Northeast Corridor Rail Program and envisions work on a 150 mph level of service, rather than the 120 mph presently mandated. Beginning with an investment of $200 million in FY 77, the program would generate 4,000 jobs, particularly in the heavily-depressed urban areas of the Northeast. With an eventual annual funding level of $150 million, 3,000 jobs would be sustained in fiscal years 1979 and 1980.

Substantial employment would be generated under an accelerated urban mass transit program. Additional contract authority would be provided immediately in order that UMTA can make several project approvals on new construction starts for rapid transit lines in various cities. The program would peak in FY 1979 with an expenditure of $2.4 billion and 96,000 jobs.

Title X of the Public Works and Economic Development Act authorized the Economic Development Administration to fund either the Federal or the local shares of highly labor-intensive projects which can be initiated quickly and substantially completed within one year. At the end of FY 75, EDA had allocated $125 million, with another $375 million being allocated the second quarter of FY 76. The average project funded was 75 per cent labor cost and the average job cost is estimated at $10,000. The maximum outlay would occur in FY 78 at a level of $375 million, resulting in 38,000 jobs.

Reflecting a complete disdain for the plight of unemployed Americans, Gerald Ford vetoed the accelerated public works program. Action to revive this program must be taken as a minimum of 190,000 jobs—with a $2.5 billion budget authority in FY 77 and an outlay of $1 billion—could be realized in the first year.

In a similar fashion, the proposed countercyclical assistance program to financially pressed state and local governments is essential to support, directly and indirectly, public service employment. A maximum of 100,000 jobs would be created in the first year (FY 77) under an outlay of $1 billion. This program would be gradually reduced and would be eventually phased out by fiscal year 1980.

Finally, we should take a long, hard look at the housing and construction industry situation. At a level of $5 billion annually, some 100,000 direct jobs in the severely depressed construction industry would be realized, plus additional off-site and supporting jobs. In order to simply maintain an inventory and to accommodate growth, from to 2 to 2.2 million housing units are required annually. Add to this the necessity to replace the several hundred thousand occupied substandard units and the average annual requirement rises to a range of 2.4 to 2.6 million housing units. The tragic fact is that total production of new housing in 1974 was in the range of 1.4 million units and, in 1975, this figure fell to a level of approximately 1.2 million units. Thus, there is currently a deficit of an estimated 1.2 to 1.4 million housing units.

Not included within the parameters of our original calculations but, nonetheless worthy of careful consideration, is action to revive the manner in which our housing programs are conducted. We believe that the Section 8 program under the 1974 Housing Act has been a complete disaster and it has neither provided the housing which is in such short supply nor the construction jobs which are now so scarce. Rather, we recommend that steps be taken to continue and revitalize the Section 235 and 236 housing programs of the Housing and Urban Development Act of 1968. Over 900,000 jobs could be created under a strengthened 235 program which would support 500,000 housing units each year at a cost of $.5 billion, assuming a five per cent rate. An additional 87,000 construction jobs would be generated under a 236 program which would support 100,000 units annually. Thus, under a new and more dynamic 235/236 program, an estimated 600,000 housing units—200,000 units more than had been built at the height of the 235/236 program a couple of years ago—would be constructed and almost one million more Americans employed. The cost would be reasonable and the gains tremendous and certainly worth the investment.

The following chart more fully describes the breadth of the program we are proposing, the costs of each segment and the number of jobs to be generated.

	Millions of dollars					Thousands of jobs [1]				
	In 1977 budget	1977	1978	1979	1980	In 1977 budget	1977	1978	1979	1980
CETA II [500]	$15,000									
CETA VI [500]		+$5,000	+$5,000	+$4,000	+$3,000	128	600	600	480	360
Railroad assistance [400]	0	+700	+700	+700	+700		30	30	30	30
Northeast rail [400]	125	+200	+300	+150	+150		4	6	3	3
Mass transit [400]	1,700	+500	+2,300	+2,400	+1,400		20	92	96	56
Job opportunities [500]	0	+250	+375	+290	+140		25	38	29	14
Accelerated public works [300]	0	+1,000	+1,800	+1,800	+1,200		190	154	115	40
Counter-cyclical revenue [850]	0	+1,000	+625	+125	0		100	63	13	0
Housing (tandem GNMA)	[3,000]	[+5,000]	[+5,000]	[+5,000]	[+5,000]		60	100	100	100
Total, outlays/jobs	3,325	+8,650	+11,200	+9,200	+6,590		1,029	1,083	866	603
Total credit	3,000	+5,000	+5,000	+5,000	+5,000					

[1] 4-yr total=3,500,000 jobs

The gross cost of this jobs creation program is estimated by the staff of the House Budget Committee to be about $36 billion for creating roughly 3,581,000 jobs. But the net cost, taking into account the additional revenues generated by these additional jobs and income as well as the social costs that are eliminated, comes to $11.3 billion.

A valid question to be raised is the manner in which this program is to be financed. We propose that the Committee take a hard look at Federal subsidies, many of which are grossly inequitable and have failed to achieve the policy aims for which they were established. It is estimated that tax expenditures in FY 1977 will be $106 billion and that they will grow to $148.2 billion by FY 1981, a growth of nearly 40 per cent.

Our proposal is to reform or eliminate some of the most glaringly inequitable and ineffective tax subsidies that have long been a target for abolition among leading tax reformers and students of the tax system.

The present system of not taxing assets that are passed from one generation to another is highly inequitable. People with small or moderate wealth are forced to sell capital assets during their lifetimes, and they have to pay taxes on realized assets. On the other hand, people of means don't have to sell their assets and therefore can pass them along to their heirs tax free. Existing legislation, the Tax Justice Act of 1975, proposes to tax the owner of accumulated gain before the transfer of assets. Taxing capital assets at death would yield $2.4 billion a year.

At the same time we believe that to make estate taxes more equitable we should raise the present exemption from $60,000 to $100,0000, at a cost of about $1 billion in lost Federal revenue.

We believe that the deferral of taxes on incomes earned abroad by corporations should be eliminated. It tends to encourage the export of investment and therefore the reduction of jobs creation at home. Elimination of this deferral would yield about $630 million per year to the Treasury.

The minimum tax on individuals can be strengthened and the measure passed by the House last fall makes important strides in this direction. The minimum tax rate was raised from 10 per cent to 14 per cent and the exemption was reduced from $30,000 to $20,000. Revenues from the minimum tax are expected to increase from over $700 million annually in 1976 to over $1 billion by 1981.

These are modest proposals for tax expenditure reform. The additional revenue generated as a result of these recommendations would more than pay for the net cost of the jobs program we are proposing.

Whatever the jobs creation program settled upon, we believe that one essential element must be economic planning. The Congress must consider those areas of the public sector that most require resource development, those areas of the country that are most in need of economic growth, and those groups in the population that have been out of work the longest and that most lack jobs skills. New types of employment must be developed, as well as alternative job-creation structures, including public enterprises.

Finally, we believe that in order to drive home the devastating impact of unemployment and to mobilize opinion behind a full employment policy, the Congressional Budget Act should be amended to provide for an annual audit of the quality of life in America, of the social and psychological state of the American people. Such an annual report would parallel the annual report on the state of the economy. Much has been written and spoken about the individual and social costs of unemployment and of the economic disorder in general. What is needed now is a more systematic accounting of the impact of economic conditions on individuals and on society, and the development of statistical indicators that adequately measure this impact.

Mr. Chairman, we do not presume to have all the answers. We firmly believe, however, that this nation cannot afford a budget that simply maintains the status quo and which tolerates horrendous levels of unemployment, so detrimental to our national well-being. We must learn the lessons of the past and take meaningful initiatives to effectively resolve the problems facing our country. The Federal Budget is the instrument by which American values are tested and, hopefully, realized. We respectfully urge that our recommendations be given careful consideration as you formulate new budgetary priorities in the days and weeks ahead.

AN ALTERNATIVE LOOK AT U.S. SPENDING ON STRATEGIC FORCES IN FISCAL YEAR 1977

(Mr. SEIBERLING asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. SEIBERLING. Mr. Speaker, on March 4, I testified before the Task Force on National Security of the House Budget Committee concerning the strategic weapons portion of the Defense Department budget. I have since had numerous requests from Members of Congress and others for copies of my prepared statement which was submitted at that hearing. Accordingly, I am offering a copy of my statement for printing in the RECORD following these remarks.

The Department of Defense is asking for a 29-percent increase in spending for strategic weapons, from $7.3 billion in fiscal year 1976 to $9.4 billion in fiscal year 1977. Ninety-five percent of this increase results from recommendations for procurement of the B–1 bomber, Trident submarine, and Trident missiles, The rest is accounted for by R. & D. increases in "counterforce" technology and cruise missile development.

While I think we must maintain a strong and secure strategic deterrent force until such time as a scheme of mutual and general disarmament has been negotiated and implemented, there are serious questions as to whether these expanded programs are necessary or justified. In fact, some of them appear to be counterproductive as a deterrent to nuclear attack.

As of mid-1976, the United States is expected to have some 8,900 separate strategic nuclear weapons, compared with approximately 3,500 possessed by the Soviet Union. Stated in other terms, the United States maintains some 40 strategic nuclear weapons per Soviet city of over 100,000 persons and the Soviet Union maintains some 17 per American city of over 100,000. In fact, the amount of nuclear overkill possessed by both the United States and Soviet Union is so huge, and the economic savings from a reduction by both sides would be so great, that the negotiation of such a reduction should be a prime goal of our foreign policy. In the meantime, strategic deterrent policy decisions, and related budget decisions, must revolve around the question of how to maintain effective deterrents at a reasonable cost and without undermining efforts to bring the strategic arms race under control.

In my prepared statement, I suggested that, with no loss of security, the U.S. strategic force budget for fiscal year 1977 could be cut by $2.77 billion. The details in support of this conclusion are set forth in the statement, which follows:

AN ALTERNATIVE LOOK AT U.S. SPENDING ON STRATEGIC FORCES IN FISCAL YEAR 1977

(By Representative JOHN F. SEIBERLING)

SPENDING FOR STRATEGIC FORCES, FISCAL YEAR 1977

The Department of Defense is asking for a 29% increase in spending for strategic weapons from $7.3 billion in FY 76 to $9.4 billion in FY77. 95% of this increase results from recommendations for procurement of the B–1 bomber, Trident submarine, and Trident missiles. The remainder is accounted for by Research and Development increases in the area of "counterforce" technology and cruise missile development. These expanded programs seem neither aimed at furthering the objectives of our own stated strategic policy nor justified by the estimates of the Soviet threat.

A study of our strategic forces and needs convinces me that the following cuts ought to be made in the strategic budget:

(1) Delete all funds for the B–1 Bomber production. This would yield a savings of $1,049 million in FY77.

(2) Stop all funding of the MX Missile Program in R&D ($84 million), high-accuracy NS–20 Guidance systems ($38.3 million), and bigger MK12A Warheads ($36.9 million). All of this will save $159.2 million in FY77.

(3) Delete all funds for further Trident submarines. This would save $1114.5 million in production funds and $75.3 million on Trident submarine development funds. The total savings in FY77 would be $1189.80 millions in FY77.

(4) Delete all funds for the Sea-Launched Cruise Missile (SLCM), including funds for testing. This will save $369.2 million in FY77.

Altogether, with no loss of security, the U.S. strategic force budget can be cut by $2,767.2 millions of dollars in FY77. There are good reasons for this as an examination of some key questions concerning strategic forces will show.

The foremost responsibility of the U.S. armed forces and the Department of Defense is the deterrence of nuclear war. Our strategic forces must be kept strong enough that no rational adversary could launch a surprise attack upon the United States and hope to escape overwhelming devastation in return from U.S. strategic forces. These forces must have the capability of absorbing a nuclear first strike from either the Soviet Union or some other antagonist and still retain the capability of inflicting unacceptable damage in retaliation upon the cities, factories, transportation centers, and military bases and units of the aggressor country.

For three decades, the United States has had a secure strategic deterrent force. It still does. As of mid-1976, the United States will have some 8900 separate strategic nuclear weapons capable each of devastating targets in any aggressor country. These 8900 strategic nuclear weapons (bombs and missile warheads) are carried by a so-called TRIAD of nuclear delivery vehicles. These include 1054 intercontinental ballistic missiles, 656 sea-launched ballistic missiles and 41 ballistic missile submarines, and nearly 500 continental strategic bombers. Beyond this awesome force exists a fourth nuclear force which contains many "tactical" fighter bombers capable of attacking the Soviet Union, Eastern Europe, and the People's Republic of China, should an attack come from these sources.

In the debate over the kind of strategic forces to develop and maintain, there has been controversy over several key issues. These issues and some of the differing answers are outlined below:

Let us review each of these questions in turn. The first is:

1. How can changes in U.S. foreign policy effect changes in U.S. strategic forces?

The need for a strategic deterrent is not particularly sensitive to changes in the foreign policy of the United States. If the U.S. adopted the role of a world policeman extending its nuclear umbrella to even more countries than is now the case, it is possible, but by no means probable, that it would decide to build and deploy a larger nuclear force. The one already in place is so awesome that it ought to protect any ally from attack if potential aggressors were reasonably sure the U.S. would indeed come to the aid of the additional allies taken in under the umbrella. If the U.S. adopted a more modest stance in the world such as moving to implement a pullback from mainland Asia and a continued emphasis on defense and deterrence in Europe, it would still need a strong deterrent similar in scope to the present one. And if it decided to play but a marginal role or no military role at all in Europe and Asia, it might still—in a hostile world—adopt a strong nuclear strategic deterrent force similar to the present one, although with its forward based systems (FBS) removed.

Only if it were perceived that there were no hostile powers at all capable of devastating or coercing the United States with nuclear or other weapons of mass destruction would it appear feasible to abandon the strong deterrent force capable of inflicting unacceptable damage on rival states.

Such a condition would be likely to exist if a scheme of mutual and general disarmament were to be negotiated and implemented. Clearly this is a goal which our nation's leadership should be seeking and towards which a major and continuing effort should be directed.

In the interim, and consistent with such an effort, it would be possible to scale down the overall size of U.S. deterrent forces if a comparable reduction were made by rival nuclear powers. The amount of nuclear overkill possessed by both the United States and the Soviet Union is so huge, and the economic savings from such a reduction is so great, that the negotiation of such a reduction should be a prime goal of our foreign policy. Indeed, it seems unlikely that any other policy can arrest widespread nuclear proliferation which could lead to the ultimate breakdown of the nuclear deterrence strategy.

In the meantime, however, strategic deterrence policy decisions, and therefore related budget decisions, must revolve around the question of how to maintain an effective deterrence at a reasonable cost and without undermining efforts to bring the strategic arms race under control. The rest of this testimony deals with various aspects of this question.

2. Do we want and need forces to maintain minimal deterrence or do we want and need open-ended counterforce strategic forces?

There has been a continued controversy over "how much is enough"? in the realm of strategic nuclear forces. Many believe that if the U.S. could destroy a dozen or so major cities in the homeland of a potential aggressor government, it ought to be able to deter an attack upon American soil. Thus, the argument goes, if the Soviet leadership knew it would lose Moscow, Leningrad, Kiev, Valdivostok, Khakov, Odessa, Minsk, Donetsk, Riga, Warsaw, Prague, Budapest, Kuybychev, Volgograd, Sevastopol, Tashkent, and Baku if it attacked the United States, it would never take the risk.

Similarly it might be argued that the U.S. would never launch such an attack on the Soviets (even if we were inclined to take on an aggressive role, which we are not) if we would lose New York, Chicago, Los Angeles, Dallas, St. Louis, Washington, D.C., Atlanta, Philadelphia, Baltimore, San Francisco, Cincinnati, and Miami in the process.

The United States and Soviet forces have long since amassed strategic weapons beyond what is needed for minimal deterrence. Calculations done in the Pentagon in the 1960s indicated that as few as 400 one-megaton nuclear weapons exploded on targets in the Soviet Union could inflict, 60 million deaths and would destroy at least 75% of all Soviet industry.[1] Today, the United States maintains some 40 strategic nuclear weapons per Soviet city of over 100,000 persons and the Soviet forces number 17 strategic nuclear weapons per American city of over 100,000 people.[2] Clearly, both forces have moved far beyond minimal deterrent capabilities into an incredible surplus of nuclear overkill capacity. Clearly, both sides can destroy the other with but a fraction of their strategic forces.

Pentagon planners have long targeted more than Soviet cities when they put together the contingency plans for a nuclear war with the Soviet Union. In the Strategic Integrated Operations Plan (SIOP) they have targeted most cities, factories, transportations systems, military bases, and military units of the Soviet Union. Most major targets have multiple weapons directed against them. Thus, American and presumably Soviet military plans contemplate launching strategic nuclear weapons against both the civilian society and military forces of the other side in a general war. It is clear that the U.S. strategic force already is poised to fight both against Soviet military and socio-economic targets.

Despite the fact that counterforce targeting is nothing new, it has been given a new emphasis by Secretaries of Defense Schlesinger and Rumsfeld. They argue that the U.S. needs still more counterforce weapons and that U.S. use of the nuclear weapons in wartime will first emphasize hitting selected military targets with an attempt to minimize destruction of population and industrial centers in the Soviet Union at the outset of a conflict.

Adopting such a posture, Pentagon leaders assert, will enhance the deterrent effect of our strategic forces by making them more believable. They will be more believable, it is argued, because the President will have the option of destroying only part of the Soviet Union and may thus be able to terminate hostilities through the threat of more of the same, rather than forcing the Soviets into all-out war to the finish. Such incremental doses of nuclear killing power are more likely to be used, the other side knows this, and—the argument goes—they will thus be less likely to initiate an attack than if they knew that the President had only the options of all-out nuclear holocaust or surrender. Such selective dose of nuclear seige also, it is argued, avoids the barbarism inherent in a decision to destroy millions of persons living in Soviet cities who would be the innocent victims of their leader's aggression and of American retaliation.

Most strategists who believe that a nuclear deterrent force is a necessary evil in a hostile world where others also possess such forces will agree that the President should have the option of not pushing all the buttons in such a wartime situation. What many in the debate over counterforce weapons have long ignored is the fact that the U.S. President has long had the capability to send off small groups of bombers and/or missiles against isolated military targets in the Soviet Union, Eastern Europe, or China. Such selective counterforce capabilities have long been part of the U.S. strategic forces and would be available in a war or a crisis.

Where Mr. Schlesinger and Mr. Rumsfeld part with the critics of the new counterforce doctrine and weapons proposals is in how extensively we should rely on counterforce doctrine, and how this should influence the kind of strategic forces we build and deploy. The Pentagon has argued that this new selective counterforce strategy will require: (1) a whole new class of highly accurate ICBMs, (2) extensive retraining of U.S. strategic nuclear forces in selective nuclear strike options, (3) more numerous strategic nuclear weapons to blanket all possible military targets in the Soviet Bloc, (4) as announced nuclear strategy that the U.S. stands ready to use nuclear weapons in a selected strike very early on in a confrontation and war with the Soviets. This, Pentagon leaders argue, will enhance deterrence of war with the Soviets by making our strategic forces even more credible.

The critics of the New Counterforce Program, however, argue that these new high-accuracy ICBMs and SLBMs will be destabilizing to the nuclear balance by making the Soviet ICBMs more and more vulnerable to destruction by surprise attack. This might force the Soviet leaders to put their force into a "launch-on-warning" posture that could easily result in accidental nuclear war. WWI began as an accident of fate, the assassination of one man, and resulted in the death of millions. A similar and even more catastrophic war could be unleashed if the Soviets felt compelled to counter U.S. counterforce weaponry with a "launch-on-warning" posture to guarantee their own deterrent capability. One mistake could trigger the nuclear storm.

As critics of the new Pentagon Counterforce Program point out, the new weaponry is more likely to cause pre-emptive attacks. If Soviet leaders know high-accuracy counterforce U.S. weapons can destroy their ICBM silos with pinpoint accuracy, they would be more likely to launch pre-emptive strikes during wartime or crises.

Also by setting loose within the U.S. armed forces the notion that nuclear weapons are usable and by initiating tens of new selected strike training routines, the new doctrine accustoms U.S. military leaders to think in permissive terms about the usability of nuclear force in crises and early war encounters. These routines make the military and their civilian leaders think in terms of the "useability" rather than the "unthinkableness" of these weapons. This may give rise to the illusion that nuclear warfare is likely to remain under control if administered in finite doses. It fosters the notion that nuclear war, once initiated, can be kept from escalating. This is a dangerous notion that critics of the new counterforce emphasis oppose.

Finally, the new posture inevitably will lead to further Soviet strategic force countermeasures beyond launch-on-warning status. If their ICBM force becomes vulnerable to highly accurate U.S. missiles they may launch a new round of weapons building creating perhaps mobile ICBMs or a larger number of sea-launched missiles, or ABM defense around the more vulnerable ICBMs. This would have disasterous consequences for SALT and would incite another round of strategic arms building in both camps. The ultimate result would be more billions of dollars for more strategic weapons with no perceptible gain in national security. Thus, the high-accuracy new technologies asked for by the Pentagon such as the terminal MARV weapons, the MX missiles system, the higher-yield MK12A warhead, and the high-accuracy long range cruise missile may all be counterproductive to the United States if developed. Billions of dollars may buy more insecurity than security if invested in such systems.

3. Do we need to match or exceed Soviet strategic forces?

Since decision-makers act on perceptions of reality as well as the ultimate reality itself, some Pentagon leaders, such as former Defense Secretary James Schlesinger, have argued that the U.S. must be preceived as equal or superior to the Soviet Union in strategic forces in the Kremlin leaders eyes. A perception of American inferiority, it has been argued, might cause Soviet leaders to commit aggression in a crisis which could escalate into war. Thus, Pentagon leaders have argued that in all major indices of strategic power (nuclear weapons, accuracy, delivery vehicles, throw-weight, reliability, and megatonnage) the U.S. should maintain rough parity or real superiority. The Pentagon catchphrase for this is maintaining "essential equivalence."

Critics of this new concept of "essential equivalence" argue that matching the Soviets in all phases of strategic forces is not necessary to deter attack by the U.S.S.R. Assymetries in the two forces, it is argued, do not mean that either is insufficient to do the job it was designed to do, namely to guarantee that the other side will suffer unacceptable social, economic, human, and military damage if it launches an aggressive attack. The Soviet force with its advantages in throwweight, in megatonnage, and in numbers of delivery vehicles can deter or destroy the United States. The U.S. strategic forces with their advantages in numbers of nuclear weapons, missile accuracy, and MIRV technology can deter or destroy the Soviet Union.

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[1] Alain Enthoven and Wayne K. Smith, "How Much Is Enough?," (New York, Harper and Row, 1974, pp. 207–210.

[2] Calculations are based on U.S. force loadings of 8900 strategic nuclear weapons and U.S.S.R. forceloading of 3500. There are 200 U.S. cities of 100,000 and 219 Soviet cities of that magnitude. See Donald Rumsfeld, Secretary of Defense, "Annual Report of the Department of Defense," FY 1977, Washington, D.C., Jan. 27, 1976, p. 54. This gives 1976 force loadings.

Neither side has to be symmetrical to the other in order to carry out its strategic function.

Thus, "essential equivalence" opens the door for ever more numerous deployment of nuclear weapons with no end point in sight. Whatever the Soviets do, our hardliners argue, we must match them to maintain a perception of equivalence. What is overlooked is that the targets remain finite while the number of new weapons required under such a doctrine may stretch out into an infinity of new weapons produced in order to match every new Soviet strategic weapons move.

A more sensible approach than "essential equivalence" is to conclude that nuclear sufficiency and "assured destruction" doctrines make more sense than an endless matching of Soviet capabilities. Once you can destroy the other society and much of its military force one time over, you need add no further strategic arms. The size of the forces on both sides make it wildly implausible that the leadership *on* either side can perceive any useable strategic advantages out of the fact that the two forces are not mirror images of each other. They both contain such formidable destructive power that they cannot be ignored. Different as they are, both forces will deter. The attempt to match the Soviets in every category of strategic strength also has another unfortunate result. It causes Pentagon planning to develop weapons not only to match present but also projected future Soviet strategic weapons. This creates a self-fullfilling prophecy whereby we build added weapons to offset weapons they are projected to be planning to build. This funding of U.S. weapons then provides further arguments for hardliners in the Kremlin to argue for the very weapons we predicted they might build. Thus, our actions based on fear of their future arms development help create that very Soviet armament. It is this kind of dynamics that help drive the strategic arms development on both sides.

4. Do we need a Triad and, if so, must we continually modernize it?

As mentioned at the onset, the U.S. maintains three acknowledged strategic forces and a fourth force, composed of many forward-based nuclear-loaded fighter bombers, which can be used strategically against the Soviet homeland. Within the strategic "TRIAD" the U.S. maintains ICBMs, SLBMs, and strategic bombers. While each system has different capabilities and vulnerabilities, together they provide an assured ability to destroy any aggressor in a retaliatory strike. While the Triad is a useful mix of strategic systems to insure survivability of the deterrent force, there is no necessity to goldplate all legs of the Triad. Continuous modernization of the bomber and ICBM and SLBM forces is not necessary at the rapid rate that we are currently turning out new and improved models. This leads to several questions about our ICBM, bomber, and submarine forces. For example:

5. Should we downgrade our emphasis on the increasingly vulnerable ICBM force? If so, what should take its place, if anything?

The 1,000 U.S. Minuteman intercontinental ballistic missiles (ICBMs) are the most accurate strategic systems in the U.S. arsenal and the most likely to be able to penetrate and destroy fixed military targets of an aggressor. Within the next year, some 550 of those ICBMs will have a MIRV capability. 450 will be retained with their MRV. 54 older Titan missiles still remain from the early sixties. All intercontinental ballistic missiles are under secure command and control and are buried in hardened concrete silos in remote areas of the U.S. ICBM command and control is considered superior to that for SLBMs and even for bombers. Any adversary seeking to destroy the entire ICBM force in a disarming attack would need to strike all of them within several minutes of the first explosion, would need to hit each with pinpoint accuracy from hundreds and even thousands of miles away, and would have to somehow hope that "fratricide effects" would not prevent secondary missiles from destroying silos where first missile shots had failed. The probability of destroying all U.S. ICBMs in such a surprise attack is not high although a significant portion may be destroyed as accuracies of Soviet missiles increase. The obvious U.S. and Soviet counter to such increases in accuracy might be to put more ICBMs on "launch-on-warning" status, not a desireable situation due to the possibility of accidental war.

The increasing accuracies and reliabilities of missiles on both sides makes a target kill probability close to 1.0 a likely possibility for U.S. missiles in the next decade. The Soviets are thought to lag in this technology but should also master it in time. This has led to the speculation that fixed-silo ICBMs may become more and more vulnerable to disarming attacks. This has led further to the speculation that ICMBs will then have to be made mobile, or would have to be protected with anti-ballistic missile (ABM) defenses. Or, some conclude, ICBMs must be abandoned and the strategic forces will have to rely upon sea-launched missiles and bombers to provide the deterrent. Others argue that ICBMs could retain their value if put on "launch-on-warning" status.

Such developments as these can be forestalled, if U.S. and Soviet leaders recognize clearly the fact that an attack on one element of the Triad, namely the ICBM force, would still bring a devastating attack from the bomber and submarine forces. Moreover, the presence of ICBMs would still draw resources away that otherwise might be pitted by an adversary against our bombers and submarines. Hence, the ICBM is likely to remain useful as a deterrent for some time to come, especially when it is realized that "fratricide effects" and the difficulty of achieving a high-confidence high-accuracy simultaneous attack on 1054 separate targets make it likely that U.S. ICBMs will get off the pad in some numbers even if attacked.

6. Do we need manned bombers? If so, do we need a new one now?

The bomber force is the most vulnerable to attack if caught on the ground. However, it is likely that any war would be preceded by a crisis that would give ample time for the Strategic Air Command to disperse its bomber fleet of B–52s and FB–111s. During the Cuban Missile Crisis, SAC bombers were dispersed to over 40 civilian airfields as well as being kept at regular SAC airbases. Aided by missile depression of Soviet or Chinese air defenses, it is likely that many of the manned bombers would be able to deliver their nuclear megatonnage upon aggressor targets as ordered.

Bombers can be used in selective strikes and have the advantage of being capable of recall if the leadership changes its mind in the midst of a crisis. They can also be moved to forward areas and dispersed as signals of serious intentions during crises.

Despite these points in favor of retaining a manned bomber capability in the U.S. strategic deterrent force, there is a serious question about how important the manned bomber remains in an age of missiles. Bombers are not only the most vulnerable part of the strategic triad, but they are also the slowest. ICBMs can traverse thousands of miles to Soviet targets in 30 to 40 minutes. SLBMs can hit coastal targets with but minutes warning time. Yet bombers will take several hours to reach their targets. Moreover, they, unlike the ICBMs and SLBMs are vulnerable to the heavy shield of Soviet interceptors and SAMs deployed in the U.S.S.R.. They are the least likely part of the triad to (1) survive and (2) pierce the active and passive defenses around Soviet targets.

Bombers are also expensive and consume enormous resources. They require highly skilled personnel and extensive operations and maintenance investments. There is considerable doubt whether they are cost effective when compared to ICBMs and SLBMs either from the standpoint of mission effectiveness or financial investment.

Ironically, manned bombers may be saved from being categorized as anachronisms by coupling them with missiles. As a standoff platform for air-launched cruise missiles or SRAMs the manned bomber may still retain a vital strategic capability. The improvements in cruise missiles and SRAMs offer the bomber a new life and renewed usefulness where it will not be required to test itself close in against the increased interceptor and concentrated SAMS surroundings many of its targets.

One of the key questions facing the U.S. in the near future is whether it needs to modernized its current manned bomber fleet of nearly 500–B–52s and FB–111s by producing 241 B–1 Bombers or a bomber equipped with long-range air-launched cruise missiles. Even the Air Force which has indicated an eagerness for the B–1 admits that the B–52s and FB–111s will provide an adequate bomber force into the 1990s. This being so, it is difficult to see why either the B–1 or the air-launched cruise missile should be produced at this time, except for purposes of further research and development.

Critics of the B–1 make the point that the aircraft is the most expensive ever proposed for mass production. The cost is now projected at $88 million per plane and has risen every year. They also reiterate that it is not needed since present SAC forces can do the job until the mid–1980s or later. They argue that this is the age of the missile and that the bomber is of declining importance and rising cost. Moreover, they find the extra bomb and missile capacity of the B–1 to be superfluous in an age of massive nuclear overkill. The costs of the entire B–1 fleet, some assert, should rather be spent on conventional forces where the military need is greatest or should be left out of the defense budget altogether since an expenditure of that magnitude has serious inflationary repercussions.

From an economic standpoint the B–1 is especially questionable. It is highly probable that the skyrocketing price of the B–1 could cause its early termination after a buy of perhaps 40 or 50 aircraft. This would have a serious dislocating effect in the aerospace industry and could cause large layoffs of aircraft workers who looked to the B–1 contract to supply jobs. Indeed, critics of the B–1 argue that rather than creating numerous jobs, the B–1 will cause a net job loss in the U.S. economy. Studies done by public interest research groups and the U.S. Department of Commerce indicate that more jobs would be created if the B–1 money were invested in other sectors of the economy.[3]

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[3] See Marion Anderson "The Empty Porkbarrel," Pirgim, East Lansing, Michigan, April 1975. See also a study by Roger Bezdek, "The 1980 Economic Impact—Regional and Occupational—of Compensated Shifts in Defense Spending," Journal of Regional Science, Vol. 15, No. 2, 1975. Bezdek is the Chief, Industrial GNP Branch, Bureau of Economic Analysis, U.S. Department of Commerce, Washington, D.C.

Dropping the B–1 will save $1,049 million in FY 1977 and perhaps an additional $90 billion over the lifecycle of 244 B–1s.

7. Should we move more of our strategic forces out to sea? Is Trident the most cost-effective strategic submarine option?

Undoubtedly, the most invulnerable part of the strategic triad resides at sea with the 41 U.S. ballistic missile submarines, half of which are on station at a given time. The ten Polaris and 31 Poseidon boats will soon be joined by the first of the Trident submarines in the late 1970s. This undersea force has about 5000 strategic nuclear weapons targetable upon adversary cities and fixed sites. With the retrofitting of ten Poseidon submarines with the new Trident I missile, these boats and new Tridents will have a missile range of 4000 miles. This will increase SLBM ranges in the U.S. force by 2000 miles and will give the ballistic missile submarine fleet 15 times more ocean to maneuver within in avoiding Soviet and other ASW forces.[4] Strategic submarine forces already were considered highly invulnerable to current ASW technology and this added range increases that degree of invulnerability immeasurably.

The Polaris C–2 and the Poseidon C–3 missiles are considered less accurate than the Minuteman III of new MX missiles being designed or deployed on U.S. ICBMs. Sea-launched ballistic missiles are considered primarily to be counter-value or counter-city weapons, ICBMs are considered to be increasingly capable of counterforce targeting and have superior command and control systems. However if the Navy receives the Trident II, they will clearly have a counterforce missile system.

While decisions on the Trident II missile are several years away, the necessity for such counterforce SLBMs is dubious, especially in view of the high cost of development and the possible destabilizing effect of high accuracy counterforce missiles.

In fact, the continued high cost of Trident submarines makes their continued deployment a questionable investment. Some scientific and strategic experts argue that retrofitting Poseidon submarines with Trident I missiles and then deploying the same system on a Narwahl submarine would be more cost-effective than investing billions more in the huge Trident submarines. Others have suggested building many conventionally-powered submarines armed with the Trident I missile. The Navy seem quite eager to continue deployment of the Trident system and so far no urging by critics has succeeded in getting them to carefully consider the alternatives of the SSBX or SSBNX to Trident. Such a study is obviously in order and might well reduce the requirements of costs projected for a large Trident force.

Of all of the legs of the Triad, the submarine system seems the most valuable and the least vulnerable. Moreover, no significant ASW threat looms on the horizon. The increases in range that will be secured by the Trident I missile will make the force even less vulnerable to any ASW developments. As bombers remain a marginal strategic force and as ICBMs become increasingly vulnerable, it is likely that the U.S. will depend more and more upon the sea-based deterrent for protection. This force when equipped with Trident I missiles should remain adequate even without further introductions of the Trident force in large numbers through the next decade or more. Even if the other legs of the U.S. strategic triad disappeared overnight, the sea-based deterrent would suffice. Recommended: Deleting all funds for the Trident Submarine in FY 77. This will save $1189.8 millions in FY 77.

8. What is the likely arms control impact of new U.S. strategic programs?

New U.S. Strategic systems on the horizon include the MX ICBM program, the Air-Launched Cruise Missile (LCM), the Sea-Launched Cruise Missile (SLCM), the B–1 Bomber, the terminal and evader MaRV missile systems and the Trident I missile system. Of these from an arms control point of view, the MX, ALCM, SLCM, and MaRV systems are damaging to attempts to cap and stop the strategic armaments race through a SALT agreement. In the case of each, they will make it harder to stop new rounds of arms building once tested and into engineering development.

The MX program contains at least three elements. It includes work on a more accurate missile system. It includes funds for development of missiles with a greater explosive yield and throw-weight than the Minuteman III. And, finally, it contains funds for development of a mobile land-based ICBM. This latter part of the program could have very serious and damaging impacts on SALT negotiations. Mobile ICBMs would be extremely difficult to verify by "national technical means" (i.e. by spy satellite) and would be next to impossible to count accurately without on-site inspection. These mobile ICBMs might be deployed underground on tracks which run beneath multiple silo holes. Such a shell game could confuse adversary military planners since they would not know which silo opening to target. At the same time, it would make verification of the number of ICBMs next to impossible unless each silo counted as an ICBM in an arms control treaty. Mobile ICBMs loaded on trucks or railway cars might be easily camouflaged or stored in garages and moved at night. All of this would create nightmares for the arms control community trying to negotiate meaningful and verifiable limits on the numbers of strategic weapons.

In similar fashion the development of cruise missiles, especially the sea-launched variety, might make SALT verification impossible. Once tested, any industrialized state could mass produce and hide large quantities of cruise missiles, the numbers of which would not be verifiable by "national technical means of inspection."

Since cruise missiles are now expected to be one-fifth to one-tenth as costly as the equivalent ballistic missile, cruise missiles could lead to a quantum leap in the number of strategic warheads in the U.S. and Soviet inventories. U.S. officials have predicted that as many as 21,000 SLCMs and ALCMs might be deployed in future years. The U.S. today has "only" 8900 strategic nuclear weapons and the U.S.S.R., 3500.

Once developed, cruise missile technology may spread and allow the near nuclear countries to "go nuclear" on the cheap. Overall, cruise missiles have the potential to thwart any chance for a verifiable ceiling on U.S. and Soviet strategic nuclear weapons. At a minimum, steps should be taken to ban strategic sea-launched cruise missile tests and development so as to preserve the option of achieving a SALT limit which can be verified adequately. This can also spare the United States the necessity of eventually erecting a thick air defense system against Soviet long-range cruise missiles.

SLCM BUDGET CUT RECOMMENDED

This leads me to the conclusion that the Congress should delete all funds for the Sea-launched cruise missile in the FY 77 budget, This will save $369.2 million in FY 77.

NEW COUNTERFORCE WEAPONRY DE-STABILIZING

The counterforce accuracies that reside in the new MX, terminal MaRV, and Trident II missiles ought also to be foregone in the interest of preserving some stability in the current strategic balance with the Soviet Union. MS, MARV, and Trident II will merely force the Soviets to build new systems that will doubtless incite U.S. strategic countermeasures as well. It is better to leave the U.S.S.R. ICBM force relatively invulnerable to prevent another cycle of frantic arms building without achieving additional security. The movement to mobile ICBMs, to new ABMs, or even to more sea-based strategic forces would be unfortunate from the standpoint of getting meaningful ceilings set at SALT for all major strategic forces. A quantitative and qualitative freeze and cutback will be possible only when the invulnerability of the respective deterrent forces is guaranteed. MX, MARV, and Trident II all tend to increase the vulnerability on the Soviets side and are counterproductive from an arms control and disarmament perspective.

COUNTERFORCE WEAPONRY CUT RECOMMENDED

Since these new counterforce weapons will be de-stabilizing and will incite new rounds in strategic arms building, I suggest that the Congress delete all funding in FY 77 for the MX, MK12A Warheads, and NS–20 guidance system. This will save $159.2 million in FY 77.

9. How can we improve our national security through SALT and halt the ever more expensive strategic arms race?

SALT to date has failed to stop the strategic arms race. At best it has led to a better understanding of the U.S. and Soviet positions by each side. It has begun a process, but it has yet to halt any important aspect of the arms race except ABM deployments. It has been convincingly argued that the negotiations have not stopped the deployment of record numbers of nuclear weapons and that at most the negotiations and agreements to date have rechanneled the strategic arms race but not stopped the flow of new arms. Indeed, the high and permissive limits set on launchers and MIRVs at Vladivostok in late 1974 has acted to set higher force limits than the military had then requested. These ceilings thus became high planning targets rather than firm ceilings. The talks also produced the unfortunate "bargaining chip" argument whereby new weapons were granted the military under the misguided assumption that this would pressure the other side into agreements at a faster rate and on more favorable terms. This was found to be untrue since all agreements to date have permitted the bargaining chip systems and left loopholes for new "chips" to be created to exploit. The negotiation of a threshold testban in 1974 led to a race to increase testing before the testing cutoff. SALT I was purchased at the price of promising Trident to the Navy among other things. Expanded military hardware has been the price of getting the military behind SALT agreements so as to make the SALT agreements politically safe for politicians.

A meaningful SALT agreement, one that served as a basis for arms reductions rather than as a platform for new arms production would include:

(1) a ceiling on all delivery vehicles and MIRVed launchers.

(2) a ceiling on all nuclear bombs and warheads (force loadings).

(3) a comprehensive test ban that included bans on peaceful as well as military tests of all kinds.

(4) a stringent limit on the development of qualitative strategic improvements such as MX, Trident II, ALCM, and SLCMs, and the Russian equivalents.

(5) an agreement not to develop systems that cannot be verified by national means of verification such as mobile missiles, long range cruise missiles, and terminal MARV. This agreement would probably have to in-

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[4] Testimony of Adm. Hyman Rickover, Hearings on Military Posture, Seapower Subcommittee, House Armed Services Committee, March 17, 1975, p. 3657, Part 3 of 4 parts.

clude a formal or tacit agreement not even to test such systems to avoid the problem of the "clandestine cache" of weapons.

(6) some limits on theater nuclear forces, especially those that have significant ranges capable of hitting the homeland of U.S. or U.S.S.R.

This kind of agreement would then serve as the baseline for further arms reductions.

BALANCED BUDGET HEARINGS ANNOUNCED

(Mr. **ICHORD** asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. **ICHORD**. Mr. Speaker, Congress and the executive branch have been responsible for almost continual Federal deficits since 1950. Yet, we really know very little about them. Do Federal deficits create jobs or lead us into boom-bust cycles that ultimately cost jobs? Are these deficits raising interest rates, depressing stock market prices, and reducing the supply of housing? Do the deficits cause inflation or help to reduce it? Many are discussing such issues, both within and outside the halls of Congress. I am chairman of the Committee to Investigate a Balanced Federal Budget, which is resolved to answer these questions. The committee is an outgrowth of the Democratic Research Organization—DRO—comprised of about 75 Congressmen who have pooled resources, and expertise for the last 3 years in order to provide accurate unbiased information to DRO members on issues facing the Congress. Representative DAVID E. SATTERFIELD, III, Democrat, of Virginia, is DRO chairman.

In carrying forward its DRO mandate, the Committee to Investigate a Balanced Federal Budget was created to determine the impact of deficits on all segments of the economy. Hearings will begin March 23 at 9 a.m. in room 2118, Rayburn House Office Building, where expert witnesses will discuss what is happening and what should be done about it. Arthur Burns, Chairman of the Board of Governors, Federal Reserve System, will present informal remarks and will answer prepared questions at that time. On March 24 at 9 a.m. in room 2118 Rayburn House Office Building, Kenneth Thygerson of the U.S. League of Savings and Loan Associations will tell us how Federal deficits have contributed to distress in the housing industry. He will be followed by Dimitris Balatsos, Manufacturers Hanover Bank, who will show how Federal deficits have influenced who got how much of the Nation's savings resources.

There will also be two witnesses appearing on Thursday, March 25, at 9 a.m., in room 334, Cannon House Office Building. The leadoff witness, Geoffrey Moore, National Bureau of Economic Research, is probably the Nation's foremost expert on business cycles. He will tell us whether our deficits have been making our economy's ups higher and its downs lower. James Duesenberry, chairman of the Economics Department at Harvard University, will discuss the likelihood that Government deficits are bringing about a capital shortage—such that full employment and a rapidly rising living standard may no longer be possible. This theme will be picked up on Friday at 9 a.m., in 334 Cannon by the day's three witnesses: Henry Wallich of the Federal Reserve System; James Needham, president of the New York Stock Exchange; and Michael Evans of Chase Econometrics Associates. Mr. Wallich will critique those who dismiss the capital shortage as a likely occurrence. Mr. Needham's remarks will focus on the stock market in particular. Michael Evans will describe the role of Federal deficits in his forecast of inflation, recession, and capital shortage.

These four sessions only begin our treatment of the deficits. A more extensive series of hearings commences on April 29. After 8 more days taking testimony, I am sure the Committee To Investigate a Balanced Federal Budget will be able to come to intelligent conclusions on issues raised by these deficits. Reports and legislative proposals will flow from our efforts. I intend to keep House Members informed of our progress.

HANLEY COMMENDS WASHINGTON POST ON POSTAL STAND

(Mr. **HANLEY** asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. **HANLEY**. Mr. Speaker, I would like to bring to the attention of the House an excellent editorial printed in the "Washington Post" on March 17, 1976. The editors of that newspaper have noted the dilemma of the U.S. Postal Service with respect to its massive budget deficit and declining incomes. They see the remedy as being additional funding for the USPS. They also note the contradiction of demands for improved service by those who ignore the fundamental financial problems facing that institution.

As the following editorial indicates, the time has come for the Congress to be realistic and responsible. I agree.

While we must encourage the USPS to promote efficiencies and increase productivity, we must also impress upon them the clear public need for universal mail service of good quality, easy access, and affordable cost. And if we truly feel that the Postal Service performs a public service, then we must be willing to risk the next logical step and act to fund, through the U.S. Treasury, if need be, the operating expenses and deficit of this vital function of national commerce and communication.

PAYING FOR THE MAIL

It may seem heretical for a Postmaster General to suggest that postal service as Americans know and love it "could become obsolete." But Postmaster General Benjamin F. Bailar said exactly that last week in a gloomy speech in Detroit. His message was not just that the era of six-days-a-week, door-to-door mail delivery is ending; he warned that the Postal Service may never be economically sound even if drastic cutbacks in service are made.

Problems at the post offices are nothing new. In fact, it was the government's inability to manage the mails that led Congress to put the system on a "business-like" basis in 1970 and direct the new agency to improve service, cut losses, increase workers' salaries and modernize facilities. But from the start those goals have been impossible to reconcile. Some major management mistakes and generous labor settlements have run up costs; soaring inflation and energy prices, unanticipated in 1970, have had a devastating effect. According to the General Accounting Office, cost-of-living increases in postal workers' pay have totaled $987 million in the past two years, while every one-cent increase in the price of gas has cost the Service $3.5 million per year.

Contrary to popular belief, the quality of postal service has improved since the dismal days of 1971. Even so, the immense volume of mail makes a large number of complaints inevitable. (GAO has noted that if 95 per cent of first-class mail were delivered on time, 2.6 billion letter per year would still be late.) What really worries Mr. Bailar is that as postal rates have climbed, postal patronage has begun to drop. More people are paying their bills in person; companies are stepping up their use of alternate delivery services and electronic communications systems. Yet declining volumes do not mean decreasing costs; the mailmen may be bearing fewer letters but they must still make their rounds.

Mr. Bailar maintains that more efficient systems and more flexbile use of manpower can only reduce the deficits somewhat, and that the only way to save the Service may be to cut services. He has just announced that two-a-day business deliveries in many cities will be stopped. He wants to close some small post offices and subsitute other types of service in rural areas; GAO has calculated that phasing out 12,000 of the 18,000 smallest post offices could bring savings of $100 million annually. Mr. Bailar is also promoting clustered or curb-side delivery instead of door-to-door service in new housing developments.

He has even mentioned revising rates so that pre-sorted, standard-sized first-class mail sent by bulk users would cost less than a hand-addressed birthday card. And so on. But he fears that even if such drastic changes are made, the system may be unable to avoid the spiral of rising costs, declining patronage and gradual decay that has already made other services—local bus systems, passenger trains, the old-style telegraph—bankrupt as businesses.

That points to the problem: the premise is wrong. The nation's postal system should be business-like, but it is not a business. It is a basic public service that Americans rely on heavily. Indeed, the services that matter most are often those that make least sense in cost-accounting terms: service to individuals, to small communities, to small businesses and little publications. This does not mean that, for instance, every rural post office must be kept open forever if equivalent or better actual service can be provided another way. It does mean that postal communications have to be maintained; the mails simply must go through.

However, in order to preserve the kind of postal systems Americans expect, the public has to be willing to pay—in part as users and in part as taxpayers. This is where the real problem arises because the numbers are immense. According to GAO, if current services are maintained and the federal payment to the Postal Service stays at its present $920 million per year, the price of a first-class stamp will rise to 23 cents by 1981. On the other hand, if stamps remain at 13 cents, the cost to the treasury could rise to

$8.5 billion annually within 5 years. The most acceptable arrangement probably involves some rate increases, some streamlined services and more public support—but detailed formulas are not going to be easy to devise.

All in all, this is the kind of problem that Congress is least happy with: one that affects every voter and interest group, and costs far more than anybody likes to pay. So far, most legislators have ducked. Last year the House authorized greater subsidies, but also voted to return the system's management to Congress—a move that is not likely to solve anything. More recently, about 50 representatives went to court to save some rural post offices, at least temporarily. We hope that they will follow through by addressing the problem of who pays. That is, after all, what Mr. Bailar is basically getting at, although in a somewhat backhanded way. The postal system cannot just muddle along much longer; some hard decisions about services and subsidies need to be made.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. Vanik, for March 17 and 18, on account of committee hearing.

Mrs. Sullivan (at the request of Mr. O'Neill), for March 17, 18, and 19, on account of official business.

Mr. Ford of Michigan (at the request of Mr. O'Neill), for today, on account of a necessary absence.

Mr. Martin (at the request of Mr. Rhodes), for after 2:30 p.m. today and balance of week, on account of official business.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

Mr. Gonzalez, for 60 minutes tomorrow, following the special order of Mr. Downing of Virginia.

(The following Members (at the request of Mr. Kasten) to revise and extend their remarks and include extraneous material:)

Mr. Rinaldo, for 30 minutes, today.

Mrs. Heckler of Massachusetts, for 15 minutes, today.

Mr. Talcott, for 5 minutes, today.

Mr. Edwards of Alabama, for 5 minutes, today.

Mrs. Smith of Nebraska, for 5 minutes, today.

(The following Members (at the request of Mr. Richmond) to revise and extend their remarks and include extraneous material:)

Mr. Annunzio, for 5 minutes, today.

Mr. Gonzalez, for 5 minutes, today.

Mr. de la Garza, for 5 minutes, today.

Mr. Danielson, for 5 minutes, today.

Mr. Reuss, for 5 minutes, today.

Mr. Cotter, for 5 minutes, today.

Ms. Abzug, for 20 minutes, today.

Mr. Bowen, for 5 minutes, today.

Mr. Dodd, for 5 minutes, today.

Mr. Dominick V. Daniels, for 5 minutes, today.

Mr. Wolff, for 5 minutes, today.

Mr. AuCoin, for 5 minutes, March 18, 1976.

Mr. Evins of Tennessee, for 5 minutes, today.

Mr. Alexander, for 30 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

Mr. Seiberling, and to include extraneous matter, notwithstanding the fact that it exceeds two pages of the Congressional Record and is estimated by the Public Printer to cost $1,144.

(The following Members (at the request of Mr. Kasten) and to include extraneous matter:)

Mr. Heinz.

Mr. Conte in two instances.

Mr. Rousselot in three instances.

Mr. Findley in two instances.

Mr. Gradison.

Mr. Hyde.

Mr. Rhodes.

Mr. Vander Jagt.

Mr. Wydler.

Mr. Shriver.

Mrs. Fenwick.

Mr. Don H. Clausen.

Mr. Symms in two instances.

Mr. Cohen.

Mr. Buchanan.

(The following Members (at the request of Mr. Richmond) and to include extraneous matter:)

Mr. Anderson of California in three instances.

Mr. Gonzalez in three instances.

Mr. Ichord.

Mr. de Lugo.

Mr. Lehman.

Mr. Drinan in two instances.

Mr. Won Pat.

Mr. Montgomery in two instances.

Mr. Allen.

Mr. Patten.

Mr. Breckinridge.

Mr. Russo.

Mr. Moakley.

Mr. Richmond.

Mr. Vanik in three instances.

Mr. Dodd.

Mr. Hamilton in 10 instances.

Mr. Jones of Tennessee.

Ms. Abzug in two instances.

Mr. Harrington in five instances.

Mr. Fraser.

Mr. Moorhead of Pennsylvania.

Mr. Howard.

Mr. O'Hara in two instances.

Mr. Rodino.

Mr. Ambro.

Mr. Preyer.

Mr. Ottinger in two instances.

Mr. Meeds.

Mr. John L. Burton in two instances.

Mr. Cotter.

Mr. Scheuer in three instances.

Mr. Levitas.

Mr. Mazzoli.

SENATE BILL REFERRED

A bill of the Senate of the following titles were taken from the Speaker's table, and, under the rule, referred as follows:

S. 3052. An act to amend section 602 of the Agricultural Act of 1954; to the Committee on Agriculture.

ENROLLED BILL SIGNED

Mr. HAYS of Ohio, from the Committee on House Administration, reported that that committee had examined and found truly enrolled a bill of the House of the following title, which was signed by the Speaker:

H.R. 9570. An act to authorize the sale and shipment incident to such sale of the chemical substance carbonyl chloride by the Department of Defense.

JOINT RESOLUTION PRESENTED TO THE PRESIDENT

Mr. HAYS of Ohio, from the Committee on House Administration, reported that that committee did on March 16, 1976 present to the President, for his approval, a Joint Resolution of the House of the following title:

H.J. Res. 549. A joint resolution to approve the "Covenant To Establish a Commonwealth of the Northern Mariana Islands in Political Union with the United States of America," and for other purposes.

ADJOURNMENT

Mr. HECHLER of West Virginia. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 11 minutes p.m.), the House adjourned until tomorrow, Thursday, March 18, 1976, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

2840. A letter from the Director, Office of Management and Budget, Executive Office of the President, transmitting seven plans for works of improvement in various watersheds, none of which involves a project with a structure which provides more than 4,000 acre-feet of total storage capacity, pursuant to section 5 of the Watershed Protection and Flood Prevention Act, as amended [16 U.S.C. 1005]; to the Committee on Agriculture.

2841. A letter from the Under Secretary of Agriculture, transmitting a draft of proposed legislation to amend the Soil Conservation and Domestic Allotment Act to provide an updated national direction to the conditions under which the Federal Government will provide financial assistance to agricultural producers for needed soil, water, woodland, and wildlife conservation on agricultural lands; to the Committee on Agriculture.

2842. A letter from the Assistant Secretary of Defense (Installations and Logistics), transmitting the annual report for fiscal year 1975 on independent research and development and bid and proposal costs, pursuant to section 203(c) of Public Law 91–441; to the Committee on Armed Services.

2843. A letter from the Assistant Secretary of the Air Force (Research and Development), transmitting a report on Air Force research and development procurement actions of $50,000 and over, covering the 6 months ended December 31, 1975, pursuant to 10 U.S.C. 2357; to the Committee on Armed Services.

2844. A letter from the Chairman, Privacy Protection Study Commission, transmitting a draft of proposed legislation to amend section 9 of the Privacy Act of 1974; to the Committee on Government Operations.

2845. A letter from the Comptroller, International Boundary and Water Commission, United States and Mexico, transmitting a report on the Commission's activities under the Freedom of Information Act during calendar year 1975, pursuant to 5 U.S.C. 552(d); to the Committee on Government Operations.

2846. A letter from the Chairman, Indian Claims Commission, transmitting a draft of proposed legislation to extend the life of the Indian Claims Commission, and for other purposes; to the Committee on Interior and Insular Affairs.

2847. A letter from the Secretary of Transportation, transmitting a comprehensive railroad safety report, pursuant to section 203 (c) of Public Law 93–633; to the Committee on Interstate and Foreign Commerce.

2848. A letter from the Director, Office of Management and Budget, Executive Office of the President, transmitting nine plans for works of improvement in various watersheds, each of which involves a project with at least one structure which provides more than 4,000 acre-feet of total storage capacity, pursuant to section 5 of the Watershed Protection and Flood Prevention Act, as amended [16 U.S.C. 1005]; to the Committee on Public Works and Transportation.

2849. A letter from the president, United States Railway Association, transmitting a proposed supplemental appropriation for fiscal year 1976 and the transition quarter, and a budget amendment for fiscal year 1977 for the association, pursuant to section 202(g) (2) of the Regional Rail Reorganization Act; jointly, to the Committees on Appropriations, and Interstate and Foreign Commerce.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. HAYS of Ohio: Committee on House Administration. H.R. 12406. A bill to amend the Federal Election Campaign Act of 1971 to provide that members of the Federal Election Commission shall be appointed by the President, by and with the advice and consent of the Senate, and for other purposes (Rept. No. 94–917). Referred to the Committee of the Whole House on the State of the Union.

Mr. TEAGUE: Committee on Science and Technology. H.R. 12567. A bill to authorize appropriations for the Federal Fire Prevention and Control Act of 1974 and the act of March 3, 1901, for fiscal years 1977 and 1978, and for other purposes (Rept. No. 94–918). Referred to the Committee of the Whole House on the State of the Union.

Mr. BOLLING: Committee on Rules. House Resolution 1092. Resolution providing for the consideration of the conference report on H.R. 9803 to postpone for 6 months the effective date of the requirement that a child day care center meet specified staffing standards (for children between 6 weeks and 6 years old) in order to qualify for Federal payments for the services involved under title XX of the Social Security Act, so long as the standards actually being applied comply with State law and are no longer than those in effect in September 1975 (Rept. No. 94–925). Referred to the House Calendar.

Mr. LONG of Louisiana: Committee on Rules. House Resolution 1093. Resolution providing for the consideration of H.R. 10799. A bill to amend title 10 of the Economic Opportunity Act of 1964 (Rept. No. 94–926). Referred to the House Calendar.

Mr YOUNG of Texas: Committee on Rules. H.R. 12453. A bill to authorize appropriations to the National Aeronautics and Space Administration for research and development, construction of facilities, and research and program management, and for other purposes (Rept. No. 94–927). Referred to the House Calendar.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. DANIELSON: Committee on the Judiciary. H.R. 1424. A bill for the relief of Mrs. Rose Thomas (Rept. No. 94–913). Referred to the Committee of the Whole House.

Mr. DANIELSON: Committee on the Judiciary. H.R. 1762. A bill for the relief of Mrs. Leslie Edwards (Rept. No. 94–914). Referred to the Committee of the Whole House.

Mr. DANIELSON: Committee on the Judiciary. H.R. 7685. A bill for the relief of Mildred N. Crumley (Rept. No. 94–915). Referred to the Committee of the Whole House.

Mr. DANIELSON: Committee on the Judiciary. House Resolution 382. Resolution to refer the bill (H.R. 5652) for the relief of Estelle M. Fass to the Chief Commissioner of the Court of Claims (Rept. No. 94–916). Referred to the Committee of the Whole House.

Mr. COHEN: Committee on the Judiciary. H.R. 6687. A bill for the relief of Doo Hoon Park (Rept. 94–919). Referred to the Committee of the Whole House.

Mr. EILBERG: Committee on the Judiciary. H.R. 8695. A bill for the relief of Eugene Homsy Phillips; with amendment (Rept. No. 94–920). Referred to the Committee of the Whole House.

Mr. EILBERG: Committee on the Judiciary. H.R. 10793. A bill for the relief of Mrs. Afaf Kanafani Yassine, Najla Yassine, Walid Yassine, Mona Yassine, and Maher Yassine. (Rept. No. 94–921). Referred to the Committee of the Whole House.

Mr. KASTENMEIER: Committee on the Judiciary. H.R. 4587. A bill granting a renewal of patent No. 54,296 relating to the badge of The American Legion (Rept. No. 94–922). Referred to the Committee of the Whole House.

Mr. KASTENMEIER: Committee on the Judiciary. H.R. 4588. A bill granting a renewal of patent No. 55,398 relating to the badge of the American Legion Auxiliary (Rept. No. 94–923). Referred to the Committee of the Whole House.

Mr. KASTENMEIER: Committee on the Judiciary. H.R. 4589. A bill granting a renewal of patent No. 92,187 relating to the badge of the Sons of The American Legion (Rept. No. 94–924). Referred to the Committee of the Whole House.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. ANDREWS of North Dakota:

H.R. 12583. A bill to require that imported meat and meat food products made in whole or in part of imported meat be labelled "imported", to provide for the inspection of imported dairy products, to require that imported dairy products comply with certain minimum standards of sanitation, and to require that imported dairy products be labeled "imported", and for other purposes; to the Committee on Agriculture.

By Mr. CLANCY:

H.R. 12584. A bill to provide that no interest will be payable for periods before January 1, 1978, on tax deficiencies which are attributable to the receipt of certain disaster relief payments; to the Committee on Ways and Means.

By Mr. COTTER:

H.R. 12585. A bill to require prior congressional approval of any arms sale to Egypt; to the Committee on International Relations.

H.R. 12586. A bill to prohibit wheat sales to the Soviet Union until October 1, 1976, unless the President reports to the Congress, after May 31, 1976, that such sales will not cause serious domestic price increases; to the Committee on International Relations.

By Mr. DE LUGO:

H.R. 12587. A bill to authorize certain grants to be made to the Government of the Virgin Islands, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. DRINAN:

H.R. 12588. A bill to amend title 38 of the United States Code to provide that the survivors of a veteran who was rated totally and permanently service-connected disabled for a period of at least 1 year would be automatically entitled to dependency and indemnity compensation; to the Committee on Veterans' Affairs.

By Mrs. FENWICK (for herself, Ms. ABZUG, Mr. ANNUNZIO, Mr. BEDELL, Mrs. CHISHOLM, Mr. DE LUGO, Mr. DOWNING of Virginia, Mr. FORSYTHE, Mr. GILMAN, Mr. HECHLER of West Virginia, Ms. HOLTZMAN, Mr. MITCHELL of Maryland, Mr. OTTINGER, Mr. ROYBAL, Mrs. SPELLMAN, and Mr. BADILLO):

H.R. 12589. A bill to amend the Bankruptcy Act to provide a priority for certain debts to consumers; to the Committee on the Judiciary.

By Mr. FRASER (for himself and Mr. D'AMOURS):

H.R. 12590. A bill to amend the Interstate Commerce Act to provide that no pipeline company engaged in the transportation of oil may transport oil through its pipelines if that company has an interest in such oil; to the Committee on Interstate and Foreign Commerce.

By Mr. KOCH:

H.R. 12591. A bill to amend the Civil Rights Act of 1964 to make it an unlawful employment practice to discriminate against individuals who are physically handicapped because of such handicap; to the Committee on Education and Labor.

By Mr. MEEDS (for himself, Mr. BADILLO, Mr. BRADEMAS, Mr. CONTE, Mr. FITHIAN, Mr. HARKIN, and Mr. NEAL):

H.R. 12592. A bill to create the Young Adult Conservation Corps to complement the Youth Conservation Corps; to the Committes on Education and Labor.

By Mr. MICHEL:

H.R. 12593. A bill to eliminate certain abuses in Federal student aid programs, to prescribe criminal penalties for misconduct by persons connected with such programs, and for other purposes; to the Committee on Education and Labor.

By Mr. MOAKLEY (for himself, and Mr. RYAN):

H.R. 12594. A bill to prohibit State and local law from permitting construction which interferes with sunlight necessary for solar heating and cooling equipment; to the

Committee on Banking, Currency and Housing.

By Mr. MOTTL:

H.R. 12595. A bill to permit the payment of interest on demand deposits which consist of public funds of the United States or of a State or political subdivision or instrumentality of a State; to the Committee on Banking, Currency and Housing.

By Mr. O'HARA:

H.R. 12596. A bill to amend the Fair Labor Standards Act of 1938 to repeal the provisions of that act permitting the employment of full-time students at less than the minimum wage required by that act; to the Committee on Education and Labor.

By Mr. OTTINGER (for himself, Mr. Coughlin, Mr. D'Amours, Mr. Dent, Mr. Hyde, Mr. Moorhead of California, Mr. Rosenthal, and Ms. Spellman):

H.R. 12597. A bill to amend title XVIII of the Social Security Act to include hearing aids and dentures among the items and services for which payment may be made under the supplementary medical insurance program; to the Committee on Ways and means.

By Mr. SOLARZ:

H.R. 12598. A bill to amend title IV of the Elementary and Secondary Education Act of 1965 in order to make the maintenance of effort provisions of that title more equitable, and for other purposes; to the Committee on Education and Labor.

By Mr. STARK:

H.R. 12599. A bill to amend the Consumer Credit Protection Act to prohibit certain practices in the case of second mortgages which secure residential real property; to the Committee on Banking, Currency and Housing.

By Mr. THONE:

H.R. 12600. A bill to amend the Rural Electrification Act of 1936, as amended, to correct unintended inequities in the interest rate criteria for borrowers from the Rural Electrification Administration, and to make other technical amendments; to the Committee on Agriculture.

By Mr. THORNTON (for himself, Mr. Corman, and Mr. Hicks):

H.R. 12601. A bill to amend section 376 of title 28, United States Code, in order to reform and update the existing program for annuities to survivors of Federal justices and judges; to the Committee on the Judiciary.

By Mr. TRAXLER:

H.R. 12602. A bill to authorize the Secretary of Agriculture to make financial assistance available to agricultural producers who suffer losses as the result of having their agricultural commodities or livestock quarantined or condemned because such commodities or livestock have been found to contain toxic chemicals dangerous to the public health; to the Committee on Agriculture.

By Mr. WYDLER:

H.R. 12603. A bill to prescribe the conditions with respect to affirmative action programs required of Federal grantees and contractors in complying with nondiscrimination programs, to prescribe the necessary requirements for a finding of discrimination in certain action brought on the basis of discrimination in employment and to prescribe reasonable limits on the collection of data relating to race, color, religion, sex, or national origin, and for other purposes; jointly, to the Committees on the Judiciary, and Education and Labor.

By Mr. YOUNG of Florida (for himself, Ms. Spellman and Mr. D'Amours):

H.R. 12604. A bill to amend part A of title XVIII of the Social Security Act to reduce the inpatient hospital deductible under the medicare program to its 1975 level; to the Committee on Ways and Means.

By Mr. BROOKS (for himself and Mr. Horton):

H.R. 12605. A bill to provide permanent changes in laws necessary because of the October–September fiscal year; to the Committee on Government Operations.

H.R. 12606. A bill to provide for the orderly transition to the new October 1 to September 30 fiscal year; to the Committee on Government Operations.

By Mr. FISH:

H.R. 12607. A bill to amend the Small Business Act to provide that determinations by the Administration of the reasonable assurance of repayment of prospective loans be made on a case-by-case basis and to clarify the eligibility of small business homebuilding firms for assistance under the Small Business Act; to the Committee on Small Business.

By Mr. McFALL (for himself and Mr. Edwards of California):

H.R. 12608. A bill to amend the Federal Power Act, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. MANN:

H.R. 12609. A bill to amend title XVIII of the Social Security Act to authorize payment under the supplementary medical insurance program for optometric and medical vision care; to the Committee on Ways and Means.

By Mr. RICHMOND:

H.R. 12610. A bill to provide emergency financial assistance to local firefighting units in order to maintain essential firefighting services at an adequate level; to the Committee on Banking, Currency and Housing.

By Mr. SCHEUER:

H.R. 12611. A bill to amend title XIX of the Social Security Act to permit State plans for medical assistance to provide for the provision of laboratory and X-ray services under arrangements by States and political subdivisions for the provision of such services, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. SCHEUER (for himself, Mr. Patterson of California, Mr. Solarz, and Mr. D'Amours):

H.R. 12612. A bill to amend the Internal Revenue Code of 1954 to provide a tax credit with respect to housing senior citizens in the principal residence of the taxpayer; to the Committee on Ways and Means.

By Mr. McCOLLISTER:

H.J. Res. 870. Joint resolution to authorize the President to issue a proclamation designating the last full calendar week in April of each year as National Secretaries Week; to the Committee on Post Office and Civil Service.

By Mr. PRICE:

H.J. Res. 871. Joint resolution proposing an amendment to the Constitution of the United States with respect to State and Federal power to protect life; to the Committee on the Judiciary.

H.J. Res. 872. Joint resolution proposing an amendment to the Constitution of the United States with respect to the right to life; to the Committee on the Judiciary.

By Mr. STEELMAN (for himself, Mr. St Germain, Mr. Melcher, Mr. Fascell, Mr. Sikes, and Mr. Bowen):

H.J. Res. 873. Joint resolution authorizing the President to proclaim the week beginning on November 7, 1976, as National Respiratory Therapy Week; to the Committee on Post Office and Civil Service.

By Mr. WINN (for himself, Mr. Harkin, Mr. Waggonner, and Mr. Roybal):

H.J. Res. 874. Joint resolution authorizing and requesting the President to issue a proclamation designating the 7 calendar days commencing on April 30 of each year as National Beta Sigma Phi Week; to the Committee on Post Office and Civil Service.

By Mrs. SMITH of Nebraska (for herself, Mr. Snyder, Mr. Schulze, Mr. Ketchum, Mr. Lujan, Mr. Runnels, Mr. Moorhead of California, Mr. Mollohan, Mr. Eckhardt, Mr. Ullman, Mr. Don H. Clausen, Mr. Obey, Mr. Lundine, Mr. Montgomery, Mr. Green, Mr. Baldus, and Mr. Sisk):

H. Con. Res. 587. Concurrent resolution with respect to post office closings; to the Committee on Post Office and Civil Service.

By Mrs. FENWICK (for herself, Mr. Bedell, Mr. Eckhardt, Mr. Fraser, Mr. Koch, Mr. Seiberling, Mr. Mitchell of Maryland, Mr. Howe, Mr. Mineta, Mr. McCloskey, Mr. Patterson of California, Mr. Oberstar, Mr. Rosenthal, and Mr. Simon):

H. Res. 1091. Resolution to provide for the speedy printing and publication of the report of the Select Committee on Intelligence; to the Committee on Rules.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. MEEDS:

H.R. 12613. A bill for the relief of Markku Tuomas Niemela; to the Committee on the Judiciary.

By Mr. NEAL:

H.R. 12614. A bill to provide for the free entry of a bell for the use of the National Children's Island, Inc., Washington, D.C., and to provide transportation for such bell; to the Committee on Ways and Means.

By Mr. STEIGER of Arizona:

H.R. 12615. A bill for the relief of Juan Martinez Rodriguez; to the Committee on the Judiciary.

PETITIONS. ETC.

Under clause 1 of rule XXII,

420. The SPEAKER presented a petition of the town council, Fincastle, Va., relative to revenue sharing, which was referred to the Committee on Government Operations.

AMENDMENTS

Under clause 6 of rule XXIII, proposed amendments were submitted as follows:

H.R. 12406

By Mr. HAYS of Ohio:

(Technical amendments):

Page 9, line 22, insert "and inserting in lieu thereof a semicolon" immediately after "end thereof".

Page 12, line 15, strike out the period immediately after "candidate" and insert in lieu thereof "; and".

Page 14, line 21, insert a semicolon immediately after "Code".

Page 14, line 23, insert "; and" immediately after "1954".

Page 31, line 10, strike out "prescribed" and insert in lieu thereof "provided".

Page 32, line 8, strike out "campaign" and insert in lieu thereof "authorized political".

Page 32, line 20, strike out "President of the" the first place it appears therein.

Page 33, line 21, insert a comma immediately before "in the case of".

Page 38, line 6, strike out the comma immediately after "convention".

Page 38, line 21, strike out "contributions" and insert in lieu thereof "conditions".

Page 39, line 5, strike out "officers" and insert in lieu thereof "offices".

Page 39, line 11, strike out the semicolon and insert in lieu thereof a comma.

Page 40, line 12, strike out "calendar year," and insert in lieu thereof "calendar year),".

Page 41, line 22, strike out "makes" and insert in lieu thereof "to make".

Page 41, line 23, strike out "promises" and insert in lieu thereof "to promise".

Page 44, line 21, strike out "exceeds and insert in lieu thereof "exceed".

Page 47, line 6, strike out "302(f)" and insert in lieu thereof "302(e)(1)".

Page 47, line 7, strike out "(f)) is amended" and insert in lieu thereof "(e)(1)), as so redesignated by section 103, is amended".

Page 48, line 6, strike out "on" and insert in lieu thereof "at the close of".

Page 49, line 15, insert a comma immediately after "United States Code".

Page 58, line 2, insert a comma immediately after "1971".

Page 58, line 8, strike out the comma immediately after "Code".

Page 58, line 13, strike out "305(a)" and insert in lieu thereof "306(a)".

Page 58, line 14, strike out the comma immediately after "Code".

H.R. 12046

By Mr. HECHLER of West Virginia:

On page 2, line 7, strike the period and insert a comma and the following: "except that not more than $4,000,000 of this amount shall be available for repairs to the Puerto Barrios highway in Guatemala, and that up to $13,500,000 of the amount authorized to be appropriated by this section shall be used for relief and rehabilitation of people including, but not limited to, removal of landslides and rehabilitation of the housing and community facilities."

FACTUAL DESCRIPTIONS OF BILLS AND RESOLUTIONS INTRODUCED

Prepared by the Congressional Research Service pursuant to clause 5(d) of House rule X. Previous listing appeared in the CONGRESSIONAL RECORD of March 16, 1976, page 6565.

HOUSE BILLS

H.R. 11956. February 18, 1976. Post Office and Civil Service. Extends to 120 days the period before any general election involving a Member of or Member-elect to Congress within which such Member or Member-elect is prohibited from sending mass mailings as franked mail.

H.R. 11957. February 18, 1976. Interstate and Foreign Commerce. Requires the National Railroad Passenger Service to provide public notice of the discontinuance of rail service not less than 30 days before such discontinuance.

Suspends for 30 days changes in rail passenger service with respect to specified trains for the purpose of providing time for representatives of labor and management to enter into negotiations.

H.R. 11958. February 18, 1976. House Administration. Amends the Federal Election Campaign Act of 1971 to require candidates for Federal office to return excess contribution funds not put to specified uses to the persons making such contributions or to deposit such contributions in the Presidential Election Campaign Fund.

H.R. 11959. February 18, 1976. Ways and Means. Amends the Internal Revenue Code to change the excise tax on large cigars to an ad valorem tax based on wholesale price per thousand.

Requires every manufacturer of tobacco products, every importer, and every export warehouse proprietor to maintain records which shall be available for inspection by Internal Revenue officers.

H.R. 11960. February 18, 1976. House Administration. Amends the Federal Election Campaign Act of 1971 to establish as an independent establishment of the executive branch the Federal Election Commission whose members shall be the Secretary of the Senate (ex officio), the Clerk of the House (ex officio), and six members appointed by the President with the advice and consent of the Senate.

H.R. 11961. February 18, 1976. Judiciary: Standards of Official Conduct. Requires candidates for Federal office, Members of Congress, and certain officers and employees of the United States to file statements with the Comptroller General with respect to their income and financial transactions.

H.R. 11962. February 18, 1976. Ways and Means. Amends the Internal Revenue Code to exempt farmers from the highway use tax on heavy trucks if the farmer: (1) uses such vehicle primarily for farming purposes; and (2) is not a corporation with gross receipts in excess of $950,000 or with gross receipts more than 50 percent of which is from activities other than farming.

H.R. 11963. February 18, 1976. International Relations. Amends the Foreign Assistance Act of 1961 and the Foreign Military Sales Act to authorize appropriations for foreign military sales and security assistance and to terminate grant military assistance programs.

Declares the policy of Congress regarding (1) security assistance to nations violating human rights and harboring terrorists, (2) a flexible position toward the Middle East, (3) Angola, (4) Korea, (5) the Indian Ocean, (6) Chile, (7) discrimination in supplying defense articles, (8) United States citizens in Mexico, (9) Turkey, (10) trade with Vietnam, (11) Soviet intervention in Angola, and (12) arms control.

Limits military sales and security assistance accordingly.

H.R. 11964. February 18, 1976. Banking, Currency and Housing. Amends the Consumer Credit Protection Act to prohibit specified practices in the case of second mortgages which secure residential property including: prepayment penalty, foreclosure without opportunity for judicial hearing, and harassment through collection practices.

H.R. 11965. February 18, 1976. House Administration. Amends the Federal Campaign Act of 1974 to establish as an independent establishment of the executive branch the Federal Election Commission whose members shall be the Secretary of the Senate (ex officio), the Clerk of the House (ex officio), and six members appointed by the President with the advice and consent of the Senate.

H.R. 11966. February 18, 1976. Judiciary; Ways and Means. Redefines "firearm" under the Omnibus Crime Control and Safe Streets Act of 1968 and "any other weapon" under the National Firearms Act to include certain electric weapons for purposes of regulation of the sale, manufacture, importation, transportation, and taxation of such weapons.

H.R. 11967. February 18, 1976. Education and Labor; Agriculture. Requires the Secretary of Agriculture to pay to any State or local agency administering a supplemental feeding program under the Agriculture and Consumer Protection Act of 1973, the administrative costs of such program in an amount not to exceed 20 percent of the total amount made available for such program in any fiscal year. Provides that the Secretary shall pay all administrative costs until such program has reached its projected caseload level or during the first 90 days after enactment of this act, whichever is greater.

H.R. 11968. February 18, 1975. Judiciary. Declares a certain individual lawfully admitted to the United States for permanent residence, under the Immigration and Nationality Act.

H.R. 11969. February 19, 1976. Banking, Currency and Housing. Amends the Consumer Credit Protection Act to prohibit abusive practices by debt collectors. Sets forth criminal and civil penalties for violations of such provisions. Requires the Federal Trade Commission and the Attorney General to oversee the enforcement of this Act.

H.R. 11970. February 19, 1976. Education and Labor; Ways and Means. Establishes a national program of child adoption and care services.

Directs the Secretary of Health, Education, and Welfare (1) to establish a National Registry of Adoptable Children; and (2) to establish a National Data Bank of Adoption Information and Resources for the purpose of disseminating information on sources of funding for prospective adoptive parents and on adoption agencies.

Sets forth requirements for all State child welfare organizations which receive Federal assistance.

H.R. 11971. February 19, 1976. House Administration. Establishes six regional Presidential primary election districts and sets dates for primary elections to be held in such districts for the purpose of electing delegates to the national political conventions. Prohibits any State from conducting a Presidential primary except in accordance with this Act.

H.R. 11972. February 19, 1976. Banking, Currency and Housing. Amends the Housing and Community Development Act of 1974 to provide supplementary community development block grant assistance to communities with high unemployment. Provides for the allocation of such funds.

H.R. 11973. February 19, 1976. Veterans' Affairs. Removes certain time limitations relating to veterans' education assistance programs administered by the Administrator of Veterans' Affairs.

H.R. 11974. February 19, 1976. Ways and Means. Establishes the Internal Revenue Administration in the executive branch of the Federal Government for the purpose of administering and enforcing the Internal Revenue Code.

Transfers all present functions, instructions, rules, or regulations which were promulgated or administered by the Secretary of the Treasury or his delegate with respect to the enforcement of the Internal Revenue Code to the Administration.

H.R. 11975. February 19, 1976. Interstate and Foreign Commerce. Requires that electric utility rate charges for a subsistence quantity of electric energy provided to residential consumers not exceed the lowest rate charged any other electric consumer.

H.R. 11976. February 19, 1976. Ways and Means. Provides an additional 26 weeks of unemployment benefits (presently limited to 26 weeks) under the Emergency Unemployment Compensation Act of 1974.

H.R. 11977. February 19, 1976. Atomic Energy. Directs the Nuclear Regulatory Commission to cease the granting of licenses or construction authorizations for certain nuclear power plants pending the outcome of a comprehensive study by the office of technology assessment. Requires a 5-year independent study of the nuclear fuel cycle by the office of technology assessment with final reports and recommendations to be made to the Congress.

H.R. 11978. February 19, 1976. Public Works and Transportation. Establishes an independent Federal Aviation Agency. Transfers to the Administrator of the newly created Agency the functions, powers, duties, personnel, assets, liabilities, contracts, property, records and unexpended funds of the Secretary of Transportation and the Administrator of the Federal Aviation Administration under legislation with respect to air transportation.

H.R. 11979. February 19, 1976. Ways and Means. Amends the Internal Revenue Code to (1) provide graduated investment credit rates; (2) establish graduated corporate income tax rates; (3) increase the corporate surtax rate and surtax exemption; (4) authorize the election of nonrecognition of gain on the sale or exchange of qualified small business property to the extent that the amount realized is reinvested in like property; and (5) allow the executive of an estate to elect to pay the estate tax in installments if the value of an interest in a closely held business exceeds 35 percent of the value of the gross estate or 50 percent of the value of the taxable estate.

H.R. 11980. February 19, 1976. Judiciary. Amends the Federal Rules of Evidence to prohibit, in cases of alleged rape or assault with intent to commit rape, the introduction of evidence of the victim's prior sexual conduct or reputation. Makes such prohibition inapplicable to evidence of the victim's prior sexual conduct with the alleged assailant.

H.R. 11981. February 19, 1976. House Administration. Repeals the Presidential Primary Matching Payment Account Act. Prohibits the Secretary of the Treasury from transferring any amounts of money to any candidate seeking nomination for election to the office of President after the enactment of this Act.

H.R. 11982. February 19, 1976. Interior and Insular Affairs. Authorizes the Secretary of the Interior to acquire specified lands for addition to the Bandelier National Monument, New Mexico.

H.R. 11983. February 19, 1976. Ways and Means. Amends the Internal Revenue Code to allow a tax credit for each form or document which the taxpayer is required by Federal law to file with the United States Government or any agency or establishment thereof.

H.R. 11984. February 19, 1976. Education and Labor. Authorizes each member of the Senate and House of Representatives to appoint five citizens from the State or district such member represents to serve as a Congressional Bicentennial Scholarship Board for that State or district. Authorizes each board to award one Bicentennial scholarship in 1976 to an academically proficient student who intends to serve with the government at the Federal, State or local level for at least one year following completion of undergraduate study.

H.R. 11985. February 19, 1976. Ways and Means. Amends the Internal Revenue Code to allow every person making a return to elect (1) to apply all or a portion of any overpayment of tax on such return to reduce the national debt or (2) to make a payment with such a return which is a contribution to the United States to be used to reduce the national debt.

H.R. 11986. February 19, 1976. Interstate and Foreign Commerce. Prohibits the manufacture, sale, distribution in commerce, and importation of certain electric weapons until the Consumer Product Safety Commission determines that each such weapon does not present an unreasonable risk of injury or until the Commission promulgates a consumer product safety standard for such weapon.

H.R. 11987. February 19, 1976. Judiciary. Prohibits corporate bribery of foreign officials and establishes penalties for the commission of such offense.

H.R. 11988. February 19, 1976. Ways and Means. Amends the Social Security Act to extend the coverage for dental services under the Medicare program to include any services performed by a properly licensed dentist and to authorize payment under such program for all inpatient hospital services furnished in connection with dental procedures requiring hospitalization.

H.R. 11989. February 19, 1976. Ways and Means. Amends the Social Security Act by including the services of optometrists under the Medicare supplementary medical insurance program.

H.R. 11990. February 19, 1976. Ways and Means. Amends the Social Security Act to authorize payment under the Medicare program for specified services performed by chiropractors, including x-rays, and physical examination, and related routine laboratory tests.

H.R. 11991. February 19, 1976. Education and Labor. Adds to the Elementary and Secondary Education Act of 1965 "Title X—Emergency Education Revenue Act", to authorize the Secretary of Health, Education, and Welfare to make grants to a local education agency which demonstrates that: (1) for bona fide budgetary reasons it has been forced to reduce the expenditure of funds for essential elementary and secondary education services, making it impossible to maintain such services at a quality level; and (2) the local government unit responsible for providing its revenues has made bona fide efforts to raise the revenue necessary to support essential elementary and secondary educational services and maintain quality education.

H.R. 11992. February 19, 1976. House Administration. Amends the Federal Campaign Act of 1974 to establish as an independent establishment of the Executive branch the Federal Election Commission whose members shall be the Secretary of the Senate (ex officio), the Clerk of the House (ex officio), and six members appointed by the President with the advice and consent of the Senate.

H.R. 11993. February 19, 1976. Interstate and Foreign Commerce. Prohibits any person or State from accepting any interstate off-track wager on the outcome of a horse race.

H.R. 11994. February 19, 1976. Ways and Means. Amends the Social Security Act to authorize payment under the Medicare program for specified services perfomed by chiropractors, including x-rays, physical examinations, and related routine laboratory tests.

H.R. 11995. February 19, 1976. Merchant Marine and Fisheries. Authorizes appropriations under the Marine Protection, Research, and Sanctuaries Act.

H.R. 11996. February 19, 1976. Judiciary. Allows an individual given or administered a drug in connection with an experiment conducted by or at the direction of the United States, while such individual was a member of the Armed Forces, to bring an action for damages if such experiment was conducted on or after January 1, 1945, but prior to the date of enactment of this Act.

H.R. 11997. February 19, 1976. Ways and Means. Amends the Internal Revenue Code to allow bank holding companies to distribute either prohibited property consisting of interests in nonbanking organizations, or property by reason of which such corporation controls a bank or bank holding company without the shareholder or security holder recognizing any gain on the receipt of such property.

Authorizes the installment payment of tax attributable to the divestiture of, instead of the distribution of, such prohibited property or bank property.

H.R. 11998. February 19, 1976. Agriculture. Establishes a bipartisan National Commission on Food Costs, Pricing, and Marketing. Requires the Commission to analyze and appraise the costs, pricing, functioning, and structure of the food marketing industry.

H.R. 11999. February 19, 1976. Judiciary. Establishes an Office of Special Prosecution to be headed by a Special Prosecutor appointed by the President and having exclusive jurisdiction to investigate and prosecute in the name of the United States all offenses against the United States which the Special Prosecutor determines were committed by any Federal officer, employee or agent in connection with intelligence or counterintelligence activities or operations.

H.R. 12000. February 19, 1976. Interstate and Foreign Commerce. Directs the Secretary of Health, Education, and Welfare to establish a National Diabetes Advisory Board to insure the implementation of a long range plan to combat diabetes. Authorizes the Secretary to make grants to scientists who have shown productivity in diabetes research for the purpose of continuing such research. Authorizes, under the Public Health Service Act, the appropriation of specified sums for the purposes of making grants to centers for research and training in diabetic related disorders.

HOUSE JOINT RESOLUTIONS

H.J. Res. 821. February 19, 1976. Judiciary. Proposes an amendment to the Constitution which would prohibit a member of Congress from becoming President or Vice President unless such member has ceased to be a member of Congress for at least two years.

H.J. Res. 822. February 19, 1976. Post Office and Civil Service. Designates the week beginning on November 7, 1976, as "National Respiratory Therapy Week".

H.J. Res. 823. February 19, 1976. Judiciary. Proposes a constitutional amendment limiting the time an individual may serve in the House or Senate to eighteen years.

H.J. Res. 824. February 24, 1976. Post Office and Civil Service. Designates the first Monday of March of each year as "President's Day" and makes such day a legal public holiday.

H.J. Res. 825. February 24, 1976. Post Office and Civil Service. Designates February 22, May 30, and October 12 as Washington's Birthday, Memorial Day, and Columbus Day respectively. Makes such days legal public holidays.

HOUSE CONCURRENT RESOLUTIONS

H. Con. Res. 571. March 2, 1976. International Relations. States that unless officially designated as such, former U.S. officials traveling abroad should not be considered to be spokesman for the foreign or domestic policy of the United States Government.

H. Con. Res. 572. March 3, 1976. Post Office and Civil Service. Expresses the sense of Congress that the U.S. Postal Service should not close or otherwise suspend the operation of any post office during the six-month period beginning on the date of adoption of this resolution.

H. Con. Res. 573. March 4, 1976. Interstate and Foreign Commerce. Expresses the sense of Congress that the negotiations between Southern Railway and Chessie System on one hand and railway labor organizations on the other should be resumed.

H. Con. Res. 574. March 4, 1976. Interstate and Foreign Commerce. Expresses the sense of Congress that the negotiations between Southern Railway and Chessie System on the one hand and railway labor organizations on the other should be resumed.

H. Con. Res. 575. March 4, 1976. Interstate and Foreign Commerce. Expresses the sense of Congress that the negotiations between Southern Railway and Chessie System on one hand and railway labor organizations on the other should be resumed.

HOUSE RESOLUTIONS

H. Res. 1046. February 19, 1976. Judiciary. Refers the bill H.R. 4048 and all accompanying papers to the Chief Commissioner of the Court of Claims for a determination of the nature and character of the claim and the amount of the award, if any.

H. Res. 1047. February 23, 1976. House Administration. Authorizes funds for the further expenses of investigations and studies to be made by the House Select Committee on Aging.

H. Res. 1048. February 23, 1976. House Administration. Authorizes funds for the further expenses of investigations and studies to be conducted by the House Committee on Veterans' Affairs.

H. Res. 1049. February 23, 1976. House Administration. Authorizes the expenditure of funds for the expenses of investigations and studies conducted by the House Committee on Interstate and Foreign Commerce.

H. Res. 1050. February 24, 1976. Post Office and Civil Service. Recognizes February as "Black History Month".

SENATE—*Wednesday, March 17, 1976*

The Senate met at 10:30 a.m. and was called to order by Hon. WENDELL H. FORD, a Senator from the State of Kentucky.

PRAYER

The Chaplain, the Reverend Edward L. R. Elson, D.D., offered the following prayer:

Father of our spirits, our Guide and Judge, show us who we are and what we ought to do.

Help us to look backward to see again the ideals of the Founding Fathers.

Help us to look around us to perceive the needs of our world today.

Help us to look inward to examine our own conscience.

Help us to look upward to seek wisdom and grace from Thee.

Help us so to labor as to set forward Thy kingdom on Earth as it is in heaven.

We pray in the Redeemer's name. Amen.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore (Mr. EASTLAND).

The legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, D.C., March 17, 1976.

To the Senate:

Being temporarily absent from the Senate on official duties, I appoint Hon. WENDELL H. FORD, a Senator from the State of Kentucky, to perform the duties of the Chair during my absence.

JAMES O. EASTLAND,
President pro tempore.

Mr. FORD thereupon took the chair as Acting President pro tempore.

THE JOURNAL

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the reading of the Journal of the proceedings of Tuesday, March 16, 1976, be dispensed with.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

COMMITTEE MEETINGS DURING SENATE SESSION

Mr. MANSFIELD. Mr. President, I ask unanimous consent that all committees may be authorized to meet during the session of the Senate today.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

H.R. 12188, COMMUNITY SERVICES ACT TECHNICAL AMENDMENTS OF 1976, HELD AT THE DESK

Mr. MANSFIELD. Mr. President, I ask unanimous consent that H.R. 12188, Community Services Act Technical Amendments of 1976, be held at the desk until further disposition.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

EXECUTIVE SESSION

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate go into executive session to consider nominations on the Executive Calendar, with the exception of those on which there is a hold.

There being no objection, the Senate proceeded to the consideration of executive business.

U.S. ARMY

The second assistant legislative clerk proceeded to read sundry nominations in the U.S. Army.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the nominations be considered en bloc, with the exception of the nomination of Col. James H. Patterson.

The ACTING PRESIDENT pro tempore. Without objection, the nominations are considered and confirmed en bloc.

U.S. NAVY

The second assistant legislative clerk proceeded to read sundry nominations in the U.S. Navy.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the nominations be considered en bloc.

The ACTING PRESIDENT pro tempore. Without objection, the nominations are considered and confirmed en bloc.

U.S. MARINE CORPS

The second assistant legislative clerk read the nomination of Robert S. Raisch to be brigadier general.

The ACTING PRESIDENT pro tempore. Without objection, the nomination is considered and confirmed.

Mr. MANSFIELD. Mr. President, that concludes the call of the Executive Calendar for today.

I ask unanimous consent that the President be notified of the confirmation of the nominations.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

LEGISLATIVE SESSION

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate resume the consideration of legislative business.

There being no objection, the Senate resumed the consideration of legislative business.

ORDER OF BUSINESS

The ACTING PRESIDENT pro tempore. The Senator from Pennsylvania is recognized.

Mr. HUGH SCOTT. Mr. President, I yield back my time.

The ACTING PRESIDENT pro tempore. Under the previous order, the Senator from Iowa (Mr. CLARK) is recognized for not to exceed 15 minutes.

JAPANESE-AMERICAN RELATIONS

Mr. CLARK. Mr. President, last fall, just prior to the visit of Japanese Emperor Hirohito to the United States, the U.S. Ambassador to Japan was casting about for an appropriate title for a speech on the state of United States-Japanese relations. After surveying the panorama of economic, military and political relations, Ambassador James Hodgson finally came up with what he considered an adequate description. His formulation was "The 'No Problem' Era in United States-Japanese Relations."

Reasonable enough. At the time, the "no problem" formulation did seem quite apt. Almost 30 years after the two great powers had fought a long and bloody war in the Pacific, relations had reached a truly impressive stage of maturity and mutual respect. The bitterness of the 1970 debates over the extension of the United States-Japanese Mutual Security Treaty had subsided. The return of Okinawa to the Japanese had removed another sensitive irritant. The climate of commercial and business relations had improved as the Japanese took measures to permit greater access to their markets, thus reducing sharply the earlier trade surpluses. The "Nixon shock," triggered by the U.S. initiatives toward Communist China, had abated.

The accuracy of Ambassador Hodgson's formulation was emphasized by the reception accorded the Emperor in the United States earlier this year. After an eye-opening visit to colonial Williamsburg, the Emperor arrived in Washington for a rousing reception from 2,000 persons outside the White House. At the state banquet in his honor, the Emperor thanked the United States for its help in rebuilding Japan after the war. In Japan, according to accounts, his visit was viewed as the "last act of reconciliation after World War II," and this was the general view in America.

Since then, however, a pall has fallen over our relations. As the result of hearings conducted by the Senate Multinationals Subcommittee, of which I am a member, it became clear that an American company, Lockheed Aircraft Corp., had paid commissions on sales to Japan which were so high that they could only be considered as bribes for their parties. The Lockheed president, Carl Kotchian, testified that some $12 million had been paid for this purpose in the course of a few years.

These revelations understandably stirred enormous interest in Japan, where the parties were gearing up for what had been expected to be national elections this spring. What particularly concerned the Japanese was the names of certain individuals either in or out of the government who allegedly were paid off by the Lockheed intermediaries for services rendered.

Overnight, the Lockheed story became the center of media and political interest in Japan and this has gone on unabated for more than a month. The tales dominated the newspaper headlines. I have seen some of these, and am amazed how the story survived day after day. The investigations were televised live in daylong sessions. As one commentator wrote,

> Lockheed monopolizes the conversations of ordinary Japanese and paralyzes government.

In part, there was a legitimate interest in exploring the corruption aspect of the story; to a degree, the affair was exploited for political purposes; for many persons it was little more than a whodunit raising the question who the benefactors had been. But whatever the reason, as Ambassador Hodgson told me in Washington last week, it was a real shokku—a shock.

Unfortunately, the immediate effect of the scandal was to focus all eyes on Washington. Each of the parties in the Diet dispatched representatives to Washington seeking the secret names and further information. Both houses in the Japanese Parliament—in the first such resolution addressed to a foreign government in Japanese history—adopted a resolution calling on the United States to make available everything possible in the case. The media—from the writing press to television—flooded Washington offices with correspondents in the futile search for those sensitive names. As I was on the subcommittee, my telephones were overloaded with calls.

A fortnight ago, the Japanese Prime Minister, Takeo Miki, also dispatched a personal letter to President Ford, requesting the fullest cooperation of the United States in their investigation. Miki wrote:

> Democracy in Japan may suffer a fatal blow.

A fortnight ago, the United States formally answered the Japanese requests. Speaking on behalf of the Government, Deputy Secretary of State Robert Ingersoll announced that machinery was being set up to enable foreign governments—not just Japan but other interested governments as well—to apply at the Department of Justice for assistance and information. The President responded to Prime Minister Miki's request with a letter assuring him the fullest cooperation within the framework of our laws.

Such a forthcoming response was vital in my opinion, Mr. President, for the unfortunate Lockheed affair has raised an issue which threatens the very basis of the "no problem" atmosphere of which we were so proud. I think it is incumbent on us to offer the Japanese authorities every possible cooperation in pursuing this investigation.

However much I welcome this cooperation, Mr. President, I think it is imperative to put this scandal into perspective, to explain to our Japanese friends why our response may at times have appeared weak or slow in coming. And, most of all, I think it is vital that all of us, Japanese and Americans, avoid magnifying this out of all proportion and letting it blind us to the basic solidity of United States-Japanese relations.

First of all on this question of the U.S. response, I think it is important to emphasize that the bribery was not an official act by an instrument of the U.S. Government. This was an instance where a private firm was acting solely on its own. Indeed, the U.S. Government is on record repeatedly in opposition to such activities. Deputy Secretary Ingersoll emphasized this again in his recent statement:

> Let me again state emphatically, that the Department of State condemns in the strongest terms any and all corrupt practices involving corporations, whether U.S. or foreign. The Department's view—and my own personal view as one with experience in business and government—is that bribes or other illicit payments cannot be condoned.

Second, and equally important, the Japanese, for their part, must understand the constraints upon the U.S. Government in responding to the Japanese request for assistance in the investigation. Fundamentally there were two separate investigations underway in the United States—one by our Multinationals Subcommittee and the other by the Securities and Exchange Commission. In neither case can the Department of State order these investigating bodies to turn over the results of their inquiry. But I realize separation of powers is not a concept familiar to Japan. The main point I want to make is simply that there are institutional differences and legal complexities which made the American response slower than the Japanese might have liked, but reflected absolutely no lack of good faith.

Finally, it must be emphasized that the purpose of this inquiry is not to investigate foreign governments, but to uncover misdeeds on the part of U.S. firms so that we may consider legislative remedies. Premature release of evidence, furthermore, could prejudice court trials. These problems apply across the board—not just in Japan's case.

Nevertheless, responsible U.S. officials—in the adminstration and in the Congress—have argued for the fullest possible disclosure. And, hopefully, the President's letter to Mr. Miki last week is the first big step in that direction.

Let me return to what fundamentally concerns me. As one who is extremely sensitive to the importance of our two nations to each other, I want to speak out against permitting what is essentially a peripheral issue in our relationship from becoming a disturbing factor which might permanently affect the basically sound relations so patiently established between the two governments over the years. As Secretary Kissinger said recently, "Japan is our principal Asian ally and largest trading partner."

Looking back, it is really quite remarkable how each of the major irritants in United States-Japanese postwar policies has been resolved. I think it might be worthwhile to recount them and refresh our memories.

In the security field, Japan and the United States have moved steadily closer to each other through the years. Much of the dispute over the security treaty dissipated after the negotiation of a consolidation of the U.S. bases in Japan—concentrating the central operational center into the suburban area of Tokyo, and consolidating naval and air facilities to make them both less visible and less of an irritant to local public relations.

Last August, the then Secretary of Defense James Schlesinger negotiated with the Japanese Defense Agency Director General Michita Sakata an even more comprehensive arrangement for defense cooperation. The heart of this project was the decision to push concrete studies of operational cooperation for times of "emergency for Japan" on how to cooperate in sea and air defense operations. Subsequently the new Secretary of Defense, Donald Rumsfeld, spoke of Japan's role in reinforcing the U.S. Navy's antisubmarine capability. This cooperation may be delayed somewhat because of the Lockheed flap, but officials assure me that plans are still on track. Most observers saw the agreement as a subtle expansion of relations under the treaty.

Obviously the two nations share a basic interest in working closely together. In a sense, Japan lies at the intersection of three great worlds—the Soviet Empire, mainland China and the western approach to the United States. Japan faces at close proximity two bellicose neighbors—China and the Soviet Union—and it is self-evident that the U.S. interest in Japan's security is enormous. America's effective role in Asia requires close ties with Japan.

In the international business arena, too, the record shows a gradual coming together. In the early 1970's, America was clearly becoming irritated at the Japanese refusal to do anything about the staggering $4 billion annual trade surplus being accumulated behind what we considered a protectionist wall. Fortunately, due both to Japanese measures and a changing world economic scene, this surplus has fallen off sharply. Ironically, after accepting the OECD rules on foreign investment opportunities, it is Japan which has a gripe against the United States—the application of some of the U.S. antidumping regulations.

Probably the biggest threat to smooth relations was the oil embargo in late 1973. Japanese sensitivities on that count are understandable—they import virtually all of their petroleum, compared to the United States which imports less than a third. But for all their nervousness, the Japanese were the first to respond to Secretary Kissinger's call for a Washington Energy Conference in 1974, and subsequently the Japanese have played an increasingly active role. They are now participating with the various subcommittees of the IEA in a mutual effort to protect against a new embargo, to develop new sources of energy, and maintain financial solidarity.

The areas of United States and Japanese cooperation in the business and financial world are enormous. Between the two countries, they account for 52 percent of the production and 26 percent of the total trade of the entire non-Communist industrialized world. Japan is our biggest market and we are Japan's major supplier for a wide range of goods, including soybeans, corn, wheat, cotton, and cattle hides. Japan imports roughly 50 percent of its food consumption, mostly from the United States—much of it from my home State of Iowa. A temporary flap in the wake of the "soybean crunch" in 1973, when the United States shocked Japan with export quotas, has given way to new guarantees which insure Japan a steady supply. Even in such esoteric areas as uranium enrichment for peaceful purposes, where the United States has a world lead, the Japanese are our biggest customer.

Indeed, across the board, the value of the total trade between our two countries has doubled since 1970. That means more than $20 billion in two-way trade in both 1974 and 1975. U.S. investment in Japan is larger than those of any other nation. And Japan's investment in America is one-fifth of its total overseas investment, and growing. A list of such investments makes an extremely impressive list. Japanese businessmen are producing soy sauce in Wisconsin, pulp and lumber products in Alaska, electronic watches in Connecticut, ball bearings in South Carolina, and textiles in Georgia. World famous firms like Sony produce electronic equipment in California; Panasonic has an assembly plant in Puerto Rico; the largest such manufacturer in the world, YKK, produces zippers in Macon, Ga.

As a matter of fact, Mr. President, the areas of potential cooperation seem unlimited. I read recently where the traffic congestion in Tokyo is so bad that the average automobile speed is 2.5 miles per hour in some sectors. Having just maneuvered the Washington Parkway this morning, it strikes me that in this area alone we have a lot to consult about in searching for remedies.

In international monetary affairs, Japan has consistently backed the United States. It supported the U.S. position on floating exchange rates. It backed us in opposing the French gold policy. And Japan will join with the United States and other OCED countries in supporting the financial "safety net" for weaker members. Significantly, the Japanese assessment is a respectable $3 billion, compared to $7 billion for the United States.

In international trade policy, too, the two governments stand shoulder to shoulder in consistent support for freer trade. It is worth noting that the current round of multilateral trade negotiations is called the "Tokyo round," recognizing their role in this important effort to reduce tariffs, remove nontariff barriers and assure access to markets and commodities.

It strikes me that what this all means, on balance, is that Japan has really come of age, and with that, American-Japanese relations as well. Japan no longer operates merely as a bilateral appendage to the United States, as in the early post-war period, but on a truly multilateral scale. More and more we work together for mutual approaches to the "big" problems of contemporary affairs, from producer-consumer confrontations to energy, from international commodity affairs to the law of the sea negotiations, in which he have such a mutual interest.

As ex-Ambassador Edwin Reischauer put it in describing Japan,

> No nation is more dependent on global resources and therefore on worldwide peace and trade. No nation has a greater stake in a workable world monetary system, the lowering of trade barriers, and the wise husbanding and rational allocation of limited resources.

Phillip Trezise, an Asian expert on the Brookings Institution staff, summed up the trend:

> The whole tendency is toward accepting Japan as another industrial country, the equal of the United States or Western Europe.

The ultimate recognition of this was the formulation of the so-called Trilateral Commission, a private, Washington-based operation designed to awaken Europe—and the United States—to Japan's new role.

The United States, Mr. President, has a very great interest in encouraging Japan's current defense strategy. A generation ago, Japan was a nation hypnotized by military power. Now, although as the world's third largest industrial superpower it has enormous industrial potential, Japan has chosen to pursue what is called the Great Experiment, an intentional disavowing of major military weapons systems and, in particular, nuclear weapons. This is indeed a unique course, and whether it can succeed depends, as the Japanese readily recognize, almost entirely on the state of United States-Japanese relations. No other alternative—for example, an alliance with China—can replace this relationship.

Finally, while emphasizing the parallel interests in the strategic and commercial fields, I do not want to overlook yet another basic bond between our two nations. That is the Japanese dedication to a free society, and a recognition of the political values of our system.

It is in recognition of this, I am sure, that the Japanese chose to participate in our Bicentennial celebrations. They have made a gift of $3 million to finish an experimental theater at the Kennedy Center for the Performing Arts.

For all these reasons, Mr. President, it is absolutely vital that we both—Japan and the United States—keep in perspective what has really happened in the Lockheed case.

It was the act of a private corporation, acting on the margins of legality in Japan. The U.S. Government condemnation of this has been unequivocal. The United States is firmly on record with a commitment to cooperate to the maximum possible extent in the investigation.

I commend to all of us the words of Japanese Prime Minister Miki. He wrote in his letter to President Ford:

> I am convinced that Japanese democracy is strong enough to stand the test. The truth must be sought with courage and we have the confidence to face up to its consequences.

Mr. President, as one Senator long interested in United States-Japanese relations, I should like to tell our Japanese friends: Let us put this behind us. Let us recognize the Lockheed affair as an aberation. Let us proceed further in the recognition that our mutual self-interest dictates for both of our great nations the closest possible relationship.

Mr. President, I yield back the remainder of my time.

ORDER OF BUSINESS

The ACTING PRESIDENT pro tempore. Under the previous order, the Senator from Arizona (Mr. GOLDWATER) is recognized for not to exceed 15 minutes.

Mr. GOLDWATER. I thank the Chair.

Mr. President, as I said yesterday, I intend to discuss every day matters relative to the supersonic transport, for which permission to fly to the United States has been granted. I shall speak against the amendment which will prevent that.

THE STRATOSPHERE, OZONE, AND EMOTION

Mr. GOLDWATER. Mr. President, long before the word "environmentalist" became fashionable, I was a conservationist—and proud of it.

America has natural assets that must be preserved for the enjoyment of future generations, because they provide beauty, recreation, and a refuge for creatures that might otherwise face extinction.

At the same time, the mainstream of the conservationist movement recognized that man was altering and would continue to alter the environment, as he had been doing ever since he took on the dinosaurs, not to mention the advent of agriculture.

In more recent years, the extreme wing of the environmentalist movement has come to the belief that man should go back to something approaching a state of nature. In other words, technology is the enemy of man.

Jacques Cousteau, I submit, has hit the nail on the head in stating that technology is not the enemy of man, only its misuse. For example, if technology has polluted our rivers, we will have to look to technology to clean them up.

Shutting down the factories is not the answer.

In any extreme movement, emotion tends to drown the facts. The anti-technology extremists of the environmentalist movement, highly charged emotionally, seize on any theory or probability to prove their point.

For example, during the debate over this Nation's SST in 1970 and 1971, charges were made that the emissions deposited in the stratosphere, that enchanted domain of dark mystery, would remain there. The resulting soil-bank in the sky would cause the death of the biosphere through freezing.

But for those who hate the cold, there were others whose calculations and models of the atmosphere indicated that the carbon dioxide released in the stratosphere would create a greenhouse effect, giving us a death by heat.

You had your choice: burn or freeze to death.

The hydrogen content of fuel creates a lot of water when the fuel is burned—about 1½ times as much water as fuel burned. This gave grounds for two more doomsday scenarios. In the first, condensation trails would form and freeze into long-lived reflective ice crystals, again shielding the Earth from the Sun and causing death by freezing.

A second, even more dreadful scenario was also based on the water emissions. It was a widely held article of faith at that time that water vapor was antagonistic to ozone and, if injected into the stratosphere, it would swiftly deplete the Earth's ozone, causing the death of the biosphere from ultraviolet radiation.

Of course, attempts were made to place the SST emissions in the perspective of natural events routinely processed by the stratosphere. Its effluents, for example, would be minuscule compared to that of a volcano, the input of water from the thousands of daily tropical thunderstorms or the water produced by the breakdown and oxidation of natural methane. However, the emotional mood of the day prevailed and in March 1971, we in Congress exorcised the demon by killing the SST.

But the Concorde lived—and, therefore, the debate on the fate of the Earth should the stratosphere be used for commercial travel did not die.

Water's ability to destroy ozone was an assumption based on some hypothesized reactions. About 1 year following the close of the SST program, water was exonerated. Empirical observations showed only that where water vapor was injected, ozone density increased slightly. However, it was quickly replaced by another objection; oxides of nitrogen, generated by the heat of the combustion process in the jet engines, would deplete the ozone.

Even though it was known that about 80 percent of the atmosphere is nitrogen and the rest oxygen, the proponents of the ozone destruction by oxides of nitrogen—NO_x—initially thought the SST's would be virtually the sole source of NO_x for the stratosphere. NO_x, incidentally, is the gas we try to eliminate with our catalytic converters.

According to Dr. John McKetta, Chairman of the National Air Quality Commission, NO_x produced by man's combustion engines and other heat-producing devices is less than 3 percent of that produced by natural means. It was then realized that NO_x is ubiquitous on Earth and that it does indeed permeate the stratosphere. In other words, should man actually succeed in his efforts to remove all NO_x produced by his automobiles, aircraft powerplants, and other combustion systems, the ambient level of NO_x would show less than a 3-percent reduction.

Usually, when an artificial effluent is shown to be a small fraction of that produced naturally, its threat value to natural systems is considered proportionately minor. However, in this case some rather nimble footwork was displayed by the theoreticians who believe that NO_x threatens our ozone. Staying with the assumption that NO_x in the stratosphere destroys ozone, and considering the surprising quantity of NO_x present, they simply concluded that the ozone density is controlled by the NO_x concentration. They then produced a number of models showing how much damage would be caused to the ozone by additional increments of NO_x added by man.

One of the atmospheric scientists who believes that ozone density is controlled by the amount of NO_x present is Michael McElroy of Harvard. Dr. McElroy has now identified another artificial source of NO_x which makes the quantity produced by man's heat engines appear even more trivial. NO_x is produced in nature by the decay of plant life and the release of nitrogen compounds which were provided to the plants by nitrogen-fixing bacteria. This natural process is enhanced greatly by man's use of nitrogen-containing fertilizers such as ammonia. Dr. McElroy estimates that this artificial NO_x source increases the natural concentration by about 50 percent. This seems to me to be a really significant increase—and a source that has been with us for decades. Now, if ozone density is controlled by the amount of NO_x present, our inability to detect changes in the ozone density cycle other than those normally present, is puzzling.

However, if that is not enough, we can add the recent rash of papers, press conferences, and panels identifying several other manmade substances believed by a fair-sized group in the academic community to have the potential of reducing the density of our ozone.

Most notable among these, at least in terms of publicity, are the freons. Chlorine, released by the breakdown of the freons in the upper atmosphere is felt to be a far more potent destroyer of ozone than NO_x. Numerous models of the atmospheric interaction of the freons in the upper atmosphere were made, all illustrating the serious threat posed by man's release of freon. Again, it has been shown that the stratosphere is no stranger to chlorine and again, we find that chlorine and chlorine compounds in the stratosphere originating from natural sources are much greater in quantity than manmade sources. However, this finding has not diminished the popular, though not universal conclusion that man's activities are indeed destroying the Earth's ozone.

Atmospheric models based on the photochemical destruction of ozone, without exception, predict that ozone will be most dense in the tropical zones. Yet, in nature we find that ozone is least dense in this region. The models also predict that the polar regions will have the least ozone. Yet, in nature we find that the poles have the most dense ozone concentration. In other words, all of the models on photochemical destruction of ozone predict an ozone distribution with latitude exactly the opposite to that we find in nature.

Another observation is also relevant here. Virtually all of these activities, identified as destructive of ozone, such as flying in the stratosphere, use of artificial fertilizer, release of bromine fungicides, release of freon, occur in the Northern Hemisphere. It seems logical to me that the ozone above the Northern Hemisphere would be affected by these compounds to a greater extent than ozone in the Southern Hemisphere. The transport of these effluents by natural air circulation over thousands of miles would have to result in considerable dilution due to their being altered by sunlight and/or washed out of the air. In view of this it seems strange that such data as we have of ozone densities should indicate that the ozone density is somewhat higher in the Northern than it is in the Southern Hemisphere.

Worthy of consideration in terms of a perspective on the ozone destruction issue are the results of analyses presented in various testimonies that ozone density data taken during the 1934–43 period shows no significant deviation from recent data. Yet, we have done a lot of artificial fertilizing since the turn of the century as well as a lot of stratospheric flying over the past few decades.

Several scientists have also pointed out that careful analyses of ozone density data taken before, during and following the United States and Russian nuclear testing in 1961 and 1962 showed no perturbations which could be related to the estimated 3.4 million tons of NO_x generated in the atmosphere by these tests.

My point is not that these topics do not merit study—it is simply the strong statements, doomsday press conferences and the like, based on theory but not supported by empirical evidence, are a disservice to the public. My final case in point is the 3-year $14 million climatic impact assessment program—CIAP—a study specifically aimed at determining whether or not stratospheric flight would adversely affect the stratosphere. Its general conclusion was that NO_x generated by aircraft engines could result in the destruction of some ozone. The study even included tables relating number of aircraft to percentages of ozone depletion.

It has been used extensively by the photochemical ozone destruction theorists as validation of their point of view. It might be noted that in some instances this "validation" simply rests on papers they themselves prepared for the CIAP program. Even the former director of the CIAP program, Dr. Robert H. Cannon, seems to have joined their ranks. He notes in a letter to Science, February 6, 1976, that the CIAP study showed the concerns of H. S. Johnston—the originator of the NO_x destruction theory—"to have been valid ones."

It should be noted that the CIAP effort never went beyond hypothetical modeling and incorporating extrapolations based on assumptions. The final model selected by CIAP was an arithmetic mean of two other models developed by Chang and Hunten. Hunten commented on this effort as follows:

> There has been a lively debate about those, or what kind of model is best for predicting SST effects. The reason we were reduced to this kind of thing is simple. *We did not have enough data about the actual atmosphere to decide*, and there was nothing left to do but hold a scholastic debate. (Emphasis supplied).

Somewhat less kindly, Prof. R. S. Scorer's review in Flight International, April 10, 1975, summed up the final report as "pompous claptrap."

Clearly CIAP felt compelled to reach some sort of conclusion within the time allotted to them and prior to the time they had adequate hard data from stratospheric study.

It is equally clear that the evidence of man-related threats to the Earth's ozone is at best tenuous and questionable. Its greatest strength at this time is its ability to generate media coverage.

However, let us imagine for a moment that all of it is absolutely true. We would then be forced to begin a multiphased attack on all destructive activities, logically beginning with the most potent and continuing with the phaseout of other activities in order of significance.

First we would halt all artificial fertilizing and all use of agricultural fungicides containing bromide compounds. Scientists have testified that this activity accounts for about half the NO_x released to the atmosphere. The bromide compounds, while less in quantity than the NO_x compounds have been identified as far more energetic in terms of their ability to destroy ozone.

As far as I know, the impact of this double ban—stopping the use of artificial fertilizers and bromide fungicides, has not been quantified. However, anyone familiar with agriculture should know the havoc such a ban would create—havoc at the supermarket or on the consumer's table.

Yet, it is important to remember that, should these theories of ozone destruction be true, this would have to be our first step. After all, we are told that the ozone density is controlled by the natural flux of NO_x. If farming operations are adding an additional 50 percent to this quantity, then these operations are clearly the major threat, but certainly not the only one.

We now come to another group of university chemists and scientists of the upper atmosphere who believe that the chlorine-bearing refrigerants and aerosol can propellants known as "freons" are the culprit. Accepting these theories as true, we would then proceed to ban their use.

According to EPS's estimate—EPA-450/3-73-073 Preliminary Economic Impact Assessment of Possible Regulatory Action To Control Atmospheric Emissions of Selected Halocarbons—we would thus dismantle an industry producing over $9 billion worth of products per year. The first tier of employment—those directly involved are estimated at over 200,000.

The direct effect on jobs is only the tip of the iceberg. Our ability to control temperature is indispensable to the economy and to our entire way of life. Personal comfort is the least important aspect of the problem.

Here are some activities that would have to be stopped or greatly curtailed:

First. Refrigeration for trucks, railroad cars, and supermarkets for perishable farm produce;

Second. Storage of blood, serums, and vaccines for medical and veterinary purposes;

Third. Operation of computer centers which are increasingly important for all human activities;

Fourth. Printing of large circulation newspapers and magazines; and

Fifth. Communication using the telephone.

Those who would favor doing all this speak too glibly of substitute systems. Let me tell you that the cases are rare where an alternate refrigerant can be used in an existing system and then only at the cost of drastic loss of efficiency. New equipment to use refrigerants which do not now exist is a conceivable situation—but one wonders how long it would take to mount another campaign to ban these too.

Finally, we come to the smallest of the so-called threats to the ozone layer—flight in the stratosphere. Please remember that it is not supersonic speed that is indicated here. It is all flight in the stratosphere. The heat of combustion in an engine gives rise to the creation of NO_x. Now should we accept the theory that stratospheric flight endangers the Earth's ozone supply, our first move would be to establish a national aircraft ceiling safely below the stratosphere.

Since military aircraft make many thousands of subsonic as well as supersonic flights in the stratosphere each year, and have been doing so for more than a quarter of a century, the new ceiling would have to apply to them. It would also curtail the air carriers from selecting their optimum cruise altitudes since these conventional transports, not SST's, frequently cruise in the stratosphere during portions of a flight. It would, of course, make commercial operation of SST's too costly, thus eliminating them.

Unless we arbitrarily decided to make exceptions, the ceiling would also apply to spacecraft since these vehicles too produce NO_x both as they depart the Earth and as they return.

Finally, we would wonder what to do about the other nations. Our heroic measures to save the Earth's ozone would be wasted unless all nations who farmed, used freons, or flew followed our lead in curtailing these pursuits. The question would then be whether or not our doomsday forecasters could be as convincing in Russian as they are in English.

What is needed is less emotion and more thought and work. We must acknowledge there is a possibility that man may in fact be altering his environment in such a way as to produce his own destruction—but we have not established that fact.

Before we rush to judgment, several questions need to be answered:

First. Does the amount of ozone present in the stratosphere vary according to the 11-year Sun cycle?

Second. Does the amount of ozone vary in other ways independent of any actions of man?

Third. If ozone depletions occur through man's activities, are the mechanics involved self-healing?

Fourth. If there is damage, and the mechanics are not self-healing, is there a way for man to replenish ozone through artificial means?

The questions cannot be answered today. More accurate measurements of ozone over an extended period are required. Moreover, a better understanding of the physics and mechanics of the stratosphere is needed and a better understanding that can only be obtained by additional well-organized and well-directed research.

The data we require is being gathered by a number of programs now underway, a few of which are:

First. FAA has initiated a high altitude pollution program—HAPP—to continue the study begun by CIAP, specifically to determine the effects of aircraft engine emissions on the stratosphere.

Second. NASA has initiated their upper atmospheric research program to develop a better understanding of all chemical and physical processes of the upper atmosphere. NASA is also conducting the global atmospheric sampling program in which commercial airliners are fitted with special sampling equipment.

Third. The IAS—Institut d'Aeronomie Spatiale de Belgique, and ONERA—French Office Nationale d'Etudes et de Recherches Aerospatiales—are contributing analytical and quantitative data on chemical compounds present in the stratosphere.

Fourth. Laurence Livermore Laboratory is supporting HAPP by creating and studying mathematical models of the upper atmosphere based on data provided by HAPP.

Fifth. Many other agencies and institutions are engaged in original and supporting activities for the study of the upper atmosphere. Among them are: The Institute for Defense Analysis, the National Oceanic and Atmospheric Administration, the University of California, the University of Maryland, and the University of Michigan.

The Congress has a grave responsibility to analyze environmental problems very carefully. We must make the right decisions, because error can cause great harm to the Nation's well-being.

If there really is a problem with ozone—and there is evidence to the contrary—we will not make it go away by scapegoating. It is meaningless, if not irresponsible, to curtail the production of freon and ignore artificial fertilizers and bromine fungicides.

Equally foolish is the idea of stopping the relatively minute amounts of NO_x produced by stratospheric flights while disregarding the major sources of NO_x.

Let us remember that it was only an acorn that panicked Chicken Little, not a piece of the sky.

OZONE

The authoritative statement of the World Meteorological Organization, dated November 26, 1975, concludes that a fleet of 30 to 50 SST's would have no detectable effect on the amount of stratospheric ozone.

The report of this group, which presents the present state of knowledge on the subject, determined that "currently planned SST's, due to their lower flight altitudes of 17 km and their limited numbers—30 to 50 projected—are not predicted to have an effect that would be significant or that could be distinguished from natural variations."

In this debate, we are only talking about six planes or less, not 30 or 50 or hundreds. Thus, these Concorde flights are well within the range of safety where there is now wide agreement that any effect on the ozone "is likely to be insignificant and undetectable."

In the event that the question should later arise of what the impact would be of a greater number of flights, we can answer that when it comes up, since before any additional flights would be granted the environmental impact statement process would have to be repeated.

SKIN CANCER

The skin cancer threat is completely speculative and is based on unproven scientific theory, the validity of which has been cast in serious doubt.

Dr. Frederick Urbach, medical director of the Skin and Cancer Hospital at the Temple University Medical School, testified recently that he does "not object to Concordes on the grounds of skin cancer." In fact, he warned against "numbers games" which he said "are not measurable or useful" in evaluating the effect of SST operations.

Dr. Urbach's testimony has particular weight since he has personal objections to the Concorde and would have reason to put the biological effect of SST operations in a bad light, if he believed that there was any rational evidence to support the charges being made against the Concorde.

If we should accept the concept behind the scare stories we are hearing about the risk of skin cancer, we would have to give up numerous of our normal activities. First, we would have to start with a ban on almost 2,000 subsonic aircraft that now operate in the lower part of the stratosphere and may be reducing stratospheric ozone by their own operations, absent any supersonic flights. Then we might add a total ban on any military supersonic aircraft operation.

Carrying our obsession with eliminating all risks to as close to absolute zero as we can, we would then impose a ban on driving automobiles since a sizable number of traffic accidents can be predicted every year. Also, we might prohibit any new construction of buildings since studies have shown that a certain number of accidents will occur on the job in these construction activities.

If these examples seem farfetched, they are actually based on much sounder scientific evidence than the predictions about the risk of operating the Concorde are.

Mr. President, my colleagues might wonder why I am spending so much time discussing rather highly scientific matters. It relates to the effort to ban the Concorde from flying in this country. As I said yesterday, I have never in my life heard so many distortions, outright lies, told about one subject as the Concorde aircraft.

I have flown in the airplane. Unfortunately, it would not go supersonic the day I was in it.

It has a noise level comparable with the 707—we have 2,000 of that type craft flying in this country every day.

So I want to provide the record with ample evidence that can refute the testimony that is going to be given in an effort to stop the Concorde from flying to this country.

This would have been like stopping my grandfather from running freight with mules to the Army out in the Far West. This would have been like stopping the railroads coming into the country or stopping the automobiles.

With respect to some scientists in this country, unfortunately it seems the more they learn the more they cease to know.

I am going to offer these statements day by day in the hope that, when the time comes to vote on the amendment that I hear will be offered by my friend from Connecticut, my colleagues can vote intelligently on this matter and allow the Concorde to fly in this country, as it should.

Mr. President, I yield back the remainder of my time.

Mr. ALLEN addressed the Chair.

The ACTING PRESIDENT pro tempore. The Senator from Alabama.

Mr. ALLEN. Mr. President, acting for the distinguished majority leader (Mr. MANSFIELD), at this time I yield back the time that was allotted to him.

ROUTINE MORNING BUSINESS

The ACTING PRESIDENT pro tempore. Under the previous order, there will now be a period for the transaction of routine morning business not to extend beyond 11:25 a.m., with statements therein limited to 5 minutes.

Mr. GRIFFIN. Mr. President, I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. GOLDWATER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. BUMPERS). Without objection, it is so ordered.

BUSINESS PAC'S: RESTORING THE BALANCE

Mr. GOLDWATER. Mr. President, it is shocking to me that anyone would propose amending the campaign finance law so that the big unions in this Nation can solicit voluntary political contributions from union member-workers but the employer of such workers cannot. Yet this is what the pending bill would do.

It is as recent as January 30 that the Supreme Court announced that the freedom of individual citizens to assist in supporting political action committees is important to their freedom of political expression. In fact, this finding was one of the key factors in the Court's decision that the contribution ceilings of the campaign law are valid.

While they do put significant limitations on the ability of citizens to contribute directly to candidates, the Court found that the act's contribution ceilings are constitutional because they do not foreclose the making of substantial contributions to candidates through political funds. Since persons are still free to engage in political expression by assisting these PAC's with voluntary contributions, the Court decided that the act may limit direct contributions to a candidate.

In other words, one of the major holdings in the Court's recent decision hinged on the fact that the law allows corporations and unions to solicit voluntary contributions to be used for political purposes. Change this fact and we change a major premise of the Court's decision. Change the premise of the Court's decision and we create new doubt as to the validity of the act.

Mr. President, the Supreme Court expressly wrote that corporate and union political action committees are "a prime example" of the way individuals could assist in supporting candidates through the combined effect of group association. Also, the Court found it to be important that the proliferation of these sources of contributions is not restricted by the law. In the words of the Court—

> The Act places no limit on the number of funds that may be formed through the use of subsidiaries or divisions of corporations.

Nor, the Court added, does it limit the funds that may be formed by the use "of local and regional units of a national labor union." Thus, the Court held, the act's contribution limits "do not undermine to any material degree the potential for robust and effective discussion of candidates and campaign issues."

Now, it is proposed that we do exactly what the Court has found the law does not do. We are asked to place limits on the growth of corporate PAC's by making it more difficult for these groups to raise funds.

Mr. President, the proposed revision of corporate PAC authority would not only upset the legality of other provisions of the campaign finance law which are constitutional only if such associations remain able to promote effective advocacy, but would flagrantly discriminate against corporate employees who may wish to avail themselves of this form of political association and expression.

What we must never forget in regard to political action committees is that it is not simply the corporation or union who establishes the fund that has interest in political expression, it is the individual worker or union member whose personal right to engage in political expression is at stake. In other words, any limit on the ability of companies to seek voluntary contributions from employees is a serious denial of the freedom of political expression enjoyed by all workers who may wish to make such contributions.

Moreover, any proposal which would treat employees of corporations as second-class citizens, who may not be informed of their right to make contributions, would constitute an unconstitutional classification of these citizens in violation of their right to due process of law.

Labor has taken full advantage of the PAC authority. As of late December, a study by Congressional Quarterly turned up 244 labor PAC's. There are now about 200 business PAC's. Labor has been much more active in setting up multiple PAC's. Of the 244 labor PAC's registered with the Federal Election Commission, Congressional Quarterly found that 83 have been formed by national unions and 161 by local affiliates. These labor committees had $6,235,841 cash on hand as of December 31, 1975, while corporate PAC's had only $1,052,944 available.

Congressional Quarterly reported that the activity of the Communications Workers of America, AFL–CIO, is typical of the proliferation of union committees. This union spent $104,000 to set up 12 district committees on political education in just a 1-month period.

Not satisfied with the advantage its long experience with PAC's gives it, big labor wants to destroy the opportunity for business to have a fair opportunity to raise equal amounts as labor does. If employees are not permitted to be informed of the availability of company PAC's, it is obvious business will be put at a great disadvantage in raising funds, which is exactly what labor wants.

Mr. President, the proposal to prohibit a business from soliciting voluntary contributions from its employees is an effort to maintain the imbalance of power that exists in this country between organized labor and business, with the scales now resting heavily on big labor's side. It is part and parcel of labor's goal of dominating the elections in 1976.

We might remember, however, what happens when labor bosses to gain control of a government. We might look at the present economic disaster in Great Britain for the consequence of allowing labor to gain the upper hand over both business and government. We might ask ourselves if we want that to happen here.

The PRESIDING OFFICER. Is there further morning business?

Mr. BROCK. Mr. President, very shortly we will start our time on the Packwood amendment; is that correct?

The PRESIDING OFFICER. The time is to commence at 11:25.

CATCHWORD: "DISCLOSURE"

Mr. BROCK. Mr. President, as a preface to the Senate resuming debate on the Packwood amendment, I would like to point out that if there has been a catchword applied to congressional activity on election legislation, that word is "disclosure." We have required that all contributions be disclosed. We have required that all expenditures made by individuals and political committees be disclosed, and rightly so.

The Supreme Court in the Buckley case held that even unauthorized expenditures made by citizens on behalf of a clearly identified candidate may constitutionally be subject to disclosure laws. As a result, "independent expenditures" by an individual in excess of $100 are now reportable to the Federal Election Commission.

Although we have placed these reporting obligations and burdens on individuals and political committees, unions and corporations are subject to no such legal responsibilities. Many read present law to say that corporations and unions may expend unlimited and unreportable amounts of treasury funds on communications to members or shareholders advocating the election or defeat of a clearly identified candidate.

These communications may take the form of campaign brochures about the candidate produced by the corporation or union and mailed to every member or shareholder. On the other hand, this communication supporting a specific candidate may be accomplished by setting up telephone banks, manned by corporate or union employees, who in turn are contacting members or shareholders on behalf of a clearly identified candidate. As the law is presently interpreted, all costs of mailings or of such telephone banks could be paid with union or corporate treasury funds. This may be constitutionally necessary. However, it is unforgivable for Congress to allow these types of expenditures to remain secret and beyond public inspection and knowledge.

The American people have a right to know the extent and cost of union and corporate activity on behalf of any specific, clearly identified candidate. If we are going to make the ordinary citizen file reports in Washington whenever he spends over $100 a year supporting a candidate, then the same disclosure standard should be applied to corporations and unions who have hundreds of thousands of dollars at their disposal.

That is the issue in debate this morning and that is an issue which must be resolved in the affirmative if we are going to afford the American people the kind of protection that full disclosure, and only full disclosure, can obtain.

Mr. MATHIAS addressed the Chair.

The PRESIDING OFFICER. The Senator from Maryland.

J. WILLIAM MIDDENDORF II, SECRETARY OF THE NAVY

Mr. MATHIAS. Mr. President, the press today notes that the Secretary of Defense has issued a letter admonishing the Secretary of the Navy, Mr. Middendorf, because of the fact that he accepted an invitation to go hunting on the Eastern Shore of Maryland at an establishment which, it is now revealed, belongs to a defense contractor, Rockwell International.

Secretary Middendorf has stated, as reported in the press, that he went to the establishment at the invitation not of Rockwell Inernational, but at the invitation of the Ambassador of Iran.

Without knowing all of the facts of that situation, I would just like to say to the Senate that I have complete confidence in the integrity of Secretary Middendorf; that if he says he did not know that the farm belonged to Rockwell International. I would accept that without further question.

If in fact the hospitality he was receiving was the hospitality of the Ambassador from Iran, and had to his knowledge no relationship with any defense contractor, I can see no impropriety on his part. I can see no way in which his judgment would have been influenced in any way.

I feel that Secretary Middendorf is an unusual public servant, a man who had entered public life out of highly patriotic motives, and I cannot conceive that he would consciously be guilty of any impropriety.

Mr. GOLDWATER. Mr. President, will the Senator yield?

Mr. MATHIAS. I yield.

Mr. GOLDWATER. I am glad the Senator arose to say what he had to say. I think this whole situation is getting utterly ridiculous.

For example, if a man working in the Pentagon has a classmate from one of the academies, he cannot go to lunch with that man because he might work for some Defense contractor. I am suggesting that this is also true: that every day there are at least two or three meetings in this town arranged by people who come here, not to make sure that we are adequately fed, but to make sure that we know what they have to sell that they want us to help them sell to the Government.

If we are going to have this stupidity practiced on friendship from the Pentagon, I suggest we might consider a resolution that would prohibit a Member of Congress from attending any social function put on by a foreign government. They are not asking us to come to dinner because we are nice fellows. We are Members of the Senate, and they want something from us.

There is nothing wrong in that, nothing wrong with eating a nice goose, well cooked, as a part of a meal given by some ambassador, served by meticulously garbed servants; but if you go down in the cold waters of the Eastern Shore of Maryland and shoot that goose, lo and behold, you have sold your soul.

Mr. President, I am getting sick and tired of this business. I am really sorry that Mr. Middendorf was singled out, as was the Director of Resarch and Development, the best man we have ever had on that job. I think we ought to stop it, and stop it soon, or include all of us, because we are just as subject to these pressures as any member of the Pentagon.

UNANIMOUS-CONSENT AGREEMENT ON SENATE RESOLUTION 268

Mr. ROBERT C. BYRD. Mr. President, this request has been cleared on both sides of the aisle.

I ask unanimous consent that at such time as Senate Resolution 268 is called up and made the pending business before the Senate, there be a time limitation thereon of 30 minutes, to be equally divided between the chairman and the ranking minority member of the Committee on Rules and Administration;

That there be a time limitation on any amendment, debatable motion, or point of order of 20 minutes, to be equally divided in accordance with the usual form; and

That no amendment shall be received that is not germane to the provisions of this resolution and confined to the text of the sentence of rule XXII as set forth in the resolution; and

That the agreement be in the usual form.

The PRESIDING OFFICER. Is there objection?

Mr. ALLEN. Mr. President, reserving the right to object, as I understand, no amendment would be in order that is not germane to the particular provision of the rule referred to in the resolution, which is star print—what is the number of the resolution?

Mr. ROBERT C. BYRD. Senate Resolution 268.

Mr. ALLEN. So it would not open up the whole rule?

Mr. ROBERT C. BYRD. The Senator is correct.

Mr. ALLEN. I have no objection.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

ORDER FOR ADJOURNMENT UNTIL 10 A.M. TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that when the Senate completes its business today, it stand in adjournment until the hour of 10 o'clock tomorrow morning.

The PRESIDING OFFICER. Without objection, it is so ordered.

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Roddy, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session, the Acting President pro tempore (Mr. Ford) laid before the Senate messages from the President of the United States submitting sundry nominations which were referred to the appropriate committees.

(The nominations received today are printed at the end of the Senate proceedings.)

INTERNATIONAL ECONOMIC REPORT OF THE PRESIDENT—MESSAGE FROM THE PRESIDENT

The ACTING PRESIDENT pro tempore (Mr. Ford) laid before the Senate the following message from the President of the United States, which was referred to the Committee on Banking, Housing and Urban Affairs:

To the Congress of the United States:

America in 1975 renewed and strengthened its commitment to pursue the traditional U.S. goals of freer trade and enhanced global economic stability and prosperity. The United States has proposed a series of major economic initiatives providing leadership in efforts to improve trade and monetary arrangements, to establish cooperative mechanisms for dealing with the problems of food and energy, and to offer effective international responses to those nations in greatest need. 1975 was a year of achievement which produced new and more effective international economic policies, as the following highlights indicate.

ECONOMIC SUMMIT MEETING

In November I met with the heads of the governments of France, West Germany, Italy, Japan and the United Kingdom at Rambouillet, France to discuss the world economic situation and economic problems common to our countries. The Summit Meeting concentrated on the need for new efforts in the areas of world trade, monetary matters and raw materials, including energy. We agreed that sustained, stable economic growth in the industrial nations will be facilitated by our cooperative efforts. This Meeting, and the accompanying bilateral talks I had with leaders of the major industrialized democracies, established a new spirit of cooperation and confidence stemming from a deeper understanding of our common destiny. They set the stage for our efforts to deal with a variety of specific international economic challenges facing us in 1976.

MONETARY AFFAIRS

Efforts to revise the international monetary system resulted in major reforms. At the recent meeting of the International Monetary Fund's Interim Committee in Jamaica, we reached agreement on amendments to the IMF Articles of Agreement with respect to quotas, exchange rates, and the role of gold. The negotiations resulted in the first major revision of the international monetary system since the 1944 Bretton Woods Conference. The exchange rate provisions of the IMF Articles of Agreement will be amended to provide a flexible framework for the future evolution of the system. The Interim Committee also reached agreement on steps to phase gold out of the international monetary system.

MULTILATERAL TRADE NEGOTIATIONS

The Multilateral Trade Negotiations in Geneva have gained momentum since early 1975. At the Rambouillet Summit we unanimously agreed to seek a successful conclusion of these negotiations by 1977. The United States will continue to provide strong support and leadership to the effort to reduce trade barriers and otherwise improve the world trading system.

ENERGY

The establishment of the International Energy Agency by the United States and its OECD partners constituted a major response to the economic imbalance in the vital area of energy. The IEA has developed the details of an International Energy Program designed to limit the vulnerability of the participating nations to supply interruptions. Agreement was also reached on longer-term cooperation to reduce consumption and develop alternative energy sources in order to lessen dependence on imported energy. We have established emergency arrangements providing for energy reserves, consumption restraint measures, and allocation procedures.

DEVELOPING COUNTRIES

The United States is committed to assisting developing countries in their efforts to achieve economic progress. Our response to the needs of the less developed countries was expressed clearly and positively at the Seventh Special Session of the United Nations in September. We proposed a new development security facility in the IMF to stabilize overall export earnings in developing countries, and numerous other ideas—including trade preferences—to achieve mutually beneficial solutions to the problems of economic development.

COMMODITIES

At the Seventh Special Session of the United Nations we indicated that we will consider participating in various commodity agreements on a case-by-case basis. We also announced that we intend to join the Fifth International Tin Agreement, subject to Congressional approval. The need, value and structure of commodity agreements vary for different commodities. In considering commodity agreements on a case-by-case basis, we will oppose concerted efforts to manipulate supplies and prices which ignore the interests of consuming countries while seeking to assure developing countries adequate income from their natural resources.

FOOD AND AGRICULTURE

The United States in 1975 continued its vital leadership in seeking strengthened cooperation to increase world food production and trade. We proposed an expanded international grain reserve system and enlarged our food aid assistance. We will continue our policy of encouraging maximum agricultural production, and our efforts to achieve an efficient distribution system to assure that hungry people will be fed.

U.S.-SOVIET AGREEMENTS ON GRAIN AND OIL

Last October, the United States and the Soviet Union signed an agreement providing for regular and orderly sales of American wheat and corn during the next five years. The American people—our farmers, our workers, and our consumers—will benefit from this agreement. The Soviet Union is committed to purchasing at least six million metric tons of grain per year, representing one billion dollars in annual export earnings.

In signing this agreement, we have assured a stable, long-term foreign market for our grain, and a more reliable flow of payments from abroad. We have assured American farmers that the Soviet Union will be a regular buyer of grain at market prices, thereby increasing the incentive for full production. We have provided jobs for American transportation workers and seamen. We have neutralized a great destabilizing factor in our grain markets. Perhaps most importantly, we have preserved our private marketing system, permitting us to maintain our highly successful policy of all-out production and open markets.

In the same constructive spirit, the governments of the United States and the Soviet Union have also committed themselves to negotiations on a five-year agreement for the purchase of Soviet oil. These negotiations are currently underway.

MULTINATIONAL CORPORATIONS

Multinational corporations (MNC's) continue to be a highly visible and controversial factor in international affairs. MNC's have made major contributions to world economic development and will continue to do so in the future. While the major portion of foreign investment by multinational corporations is concentrated in industrial nations, many developing countries actively seek investments by MNC's, recognizing their potential contribution to economic development. Recognizing the generally positive impact of MNC's on world trade and production, I am distressed by reports of corrupt practices by some companies. For that reason, I have directed that members of my Administration undertake efforts, both domestically and internationally, to assure that multinational corporations obey the laws and conform with the public policies of the countries in which they do business.

We are participating in the development of an international code to provide guidelines for responsible corporate behavior. The Organization for Economic Cooperation and Development has made substantial progress toward drafting a code, and similar efforts will be undertaken in the United Nations and the Organization of American States in 1976. It is highly important that such codes of conduct provide that both multinational corporations and host governments share the responsibility for eliminating abuses.

INVESTMENT

The United States policy on international investment is based on our belief that a free market system without artificial barriers or incentives leads to the most efficient allocation of capital in the world economy. Accordingly we provide "national treatment" of foreign investors in the United States, treating them equally with domestic firms, and we expect similar treatment of U.S. companies investing abroad.

Following a comprehensive review of Administration policy toward inward investment, we concluded that it would be desirable to establish arrangements to monitor the flow of foreign investments in the United States. By Executive Order, I established the Committee on Foreign Investment in the United States to monitor the impact of foreign investment in the United States and coordinate the implementation of U.S. policy on such investment. A new Office of Foreign Investment was established in the Department of Commerce. We have also asked foreign governments contemplating significant investments in this country to consult with us prior to making such investments.

EXPORT POLICY

U.S. exports continue to play a vital role in strengthening our domestic economy. We are continuing our efforts to expand U.S. exports by providing competitive export financing, improved market information, and an increased foreign awareness of U.S. products. The United States prefers not to interfere with competitive markets. We oppose the use of export subsidies and similar measures which artificially distort trading relationships. At the same time, we must realistically take into account export policies of competitive countries, and we will continue to promote U.S. exports by insuring that competitive credit terms are available through the Export-Import Bank and the Commodity Credit Corporation of the Department of Agriculture, and sufficient tax incentives are available through the Domestic International Sales Corporation mechanism to meet foreign competition.

As we enter the last quarter of the twentieth century, our policies are directed toward working with others to ensure that the world's talents and resources better serve the well-being of mankind. We continue to seek a world in which all people can prosper, a world without hunger or severe want, a world in which the best efforts of all nations are prized and rewarded, so that their progress and health are ensured.

My Council on International Economic Policy plays a significant role in the development of America's international economic policies to meet immediate needs and guide our future course. Through its participation on the Economic Policy Board we have achieved better coordination of U.S. domestic and international economic policy than ever before in our history.

This, the fourth International Economic Report of the President, measures the range of the Administration's concerns and the character of the American response to major international economic issues. I am proud of our progress and accomplishments in 1975. I am confident that they will lead toward a more free and open world of international economic relations benefitting the American people and all people.

GERALD R. FORD.

THE WHITE HOUSE, *March 17, 1976.*

MESSAGES FROM THE HOUSE

At 10:32 a.m., a message from the House of Representatives delivered by Mr. Berry, one of its reading clerks, announced that the House has passed the following bill and joint resolution, in which it requests the concurrence of the Senate:

H.R. 12455. An act to extend from April 1 to October 1, 1976, the maximum period during which recipients of services on September 30, 1975, under titles IV–A and VI of the Social Security Act, may continue to receive services under title XX of that Act without individual determination.

H.J. Res. 857. Joint resolution making further continuing appropriations for the fiscal year 1976, and the period ending September 30, 1976, and for other purposes.

ENROLLED BILL SIGNED

At 5:20 p.m., a message from the House of Representatives delivered by Mr. Hackney, one of its reading clerks, announced that the Speaker has signed the following enrolled bill:

H.R. 9570. An act to authorize the sale and shipment incident to such sale of the chemical substance carbonyl chloride by the Department of Defense.

The enrolled bill was subsequently signed by the Acting President pro tempore (Mr. FORD).

HOUSE BILL AND JOINT RESOLUTION REFERRED

The following bill and joint resolution were read twice by their titles and referred as indicated:

H.R. 12455. An act to extend from April 1 to October 1, 1976, the maximum period during which recipients of services on September 30, 1975, under titles IV–A and VI of the Social Security Act, may continue to receive services under title XX of that Act without individual determination; to the Committee on Finance.

H.J. Res. 857. Joint resolution making further continuing appropriations for the fiscal year 1976, and the period ending September 30, 1976, and for other purposes; to the Committee on Appropriations.

COMMUNICATIONS FROM EXECUTIVE DEPARTMENTS, ETC.

The Acting President pro tempore (Mr. FORD) laid before the Senate the following letters, which were referred as indicated:

Proposed Legislation To Refine the Procedures for Adjustments in Military Compensation

A letter from the General Counsel of the Department of Defense, transmitting a draft of proposed legislation to amend title 37, United States Code, to refine the procedures for adjustments in military compensation, and for other purposes (with accompanying papers); to the Committee on Armed Services.

Report of the Board of Governors of the Federal Reserve System

A letter from the Chairman of the Board of Governors, Federal Reserve System, transmitting, pursuant to law, the annual report of the Board of Governors of the Federal Reserve System on its functions with respect to section 18 of the Federal Trade Commission Act (with an accompanying report); to the Committee on Commerce and the Committee on Banking, Housing and Urban Affairs, jointly, by unanimous consent.

Report of the Consumer Affairs Division of the Comptroller of the Currency

A letter from the Comptroller of the Currency, transmitting, pursuant to law, the annual report for the Consumer Affairs Division of the Comptroller of the Currency (with an accompanying report); to the Committee on Commerce and the Committee on Banking, Housing and Urban Affairs, jointly, by unanimous consent.

Comments on Report of the Comptroller General on President's 11th Special Message on Rescissions and Deferrals

A letter from the Secretary of Housing and Urban Development, relating to the February 27, 1976, report of the Comptroller General on the President's 11th special message on rescissions and deferrals; to the Committee on Appropriations, the Committee on the Budget, and the Committee on Banking, Housing and Urban Affairs, jointly, pursuant to the order of January 30, 1975.

Cumulative Report on Rescissions and Deferrals, March 1976

A letter from the Director, Office of Management and Budget, Executive Office of the President, transmitting, pursuant to law, a cumulative report on rescissions and deferrals, March 1976 (with an accompanying report); to the Committee on Appropriations, the Committee on the Budget, the Committee on Agriculture and Forestry, the Committee on Commerce, the Committee on Armed Services, the Committee on Labor and Public Welfare, the Committee on Banking, Housing and Urban Affairs, the Committee on Interior and Insular Affairs, the Committee on Foreign Relations, the Committee on Public Works, the Committee on Finance, the Committee on the Judiciary, and the Committee on Aeronautical and Space Sciences.

Proposed Amendment to the Soil Conservation and Domestic Allotment Act

A letter from the Under Secretary of Agriculture, transmitting a draft of proposed legislation to amend the Soil Conservation and Domestic Allotment Act (Public Law 74–46), as amended (with accompanying papers); to the Committee on Agriculture and Forestry.

Nutrition Program Staff Study

A letter from the Assistant Secretary of Agriculture, transmitting, pursuant to law, a nutrition program staff study (with accompanying papers); to the Committee on Agriculture and Forestry.

Upstream Watershed Protection Work Plans

A letter from the Director, Office of Management and Budget, Executive Office of the President, transmitting, pursuant to law, on seven work plans for upstream watershed protection (with accompanying papers); to the Committee on Agriculture and Forestry.

Report of Insured Loan to Basic Electric Power Cooperative, Bismarck, N. Dak.

A letter from the Administrator, Rural Electrification Administration, Department of Agriculture, transmitting, pursuant to law, the report of an REA insured loan in the amount of $19,183,000 to Basin Electric Power Cooperative of Bismarck, N.D. (with an accompanying report); to the Committee on Appropriations.

Report of Transfer of Funds by the Department of Defense

A letter from the Deputy Secretary of Defense, transmitting, pursuant to law, a report of transfer of certain funds between the subdivisions of the operation and maintenance, defense agencies appropriation (with an accompanying report); to the Committee on Appropriations.

Proposed Supplemental Appropriation for the U.S. Railway Association

A letter from the president, U.S. Railway Association, transmitting, pursuant to law, a proposed supplemental appropriation in the amount of $6,700,000 for fiscal year 1976 and the period from July 1, 1976 through September 30, 1976, along with an amendment to their fiscal year 1977 budget increasing the request from $3 million to $12,100,000 (with accompanying papers); to the Committee on Appropriations.

Report of Final Determinations With Respect to Certain Indian Claim Cases

A letter from the Chairman, Indian Claims Commission, transmitting, pursuant to law, a report of final determination in respect to Docket No. 13–G, Docket No. 18–M, and Docket No. 40–F (with an accompanying report); to the Committee on Appropriations.

Proposed Supplemental Budget Request for the Privacy Protection Study Commission

A letter from the Chairman, Privacy Protection Study Commission, transmitting a request for a supplemental appropriation for fiscal year 1976 in the amount of $381,000 (with accompanying papers); to the Committee on Appropriations.

Report of Actions Affecting Navy Installations and Activities

A letter from the chief of legislative affairs, Department of the Navy, transmitting, for the information of the Senate, a report of actions affecting Navy installations and activities (with an accompanying report); to the Committee on Armed Services.

PROPOSED LEGISLATION RELATING TO TRAINING REQUIREMENTS FOR THE NATIONAL GUARD

A letter from the general counsel of the Department of Defense, transmitting a draft of proposed legislation to amend section 502 of title 32, United States Code, and section 2001 of title 10, United States Code, which relates to training requirements for National Guard units (with accompanying papers); to the Committee on Armed Services.

INDEPENDENT RESEARCH AND DEVELOPMENT AND BID AND PROPOSAL COSTS INCURRED BY MAJOR DEFENSE CONTRACTORS

A letter from the Assistant Secretary of Defense (Installations and Logistics), transmitting, pursuant to law, a report on independent research and development and bid and proposal costs incurred by major defense contractors in the years 1974 and 1975 (with an accompanying report); to the Committee on Armed Services.

REPORT OF DEPARTMENT OF DEFENSE PROCUREMENT FROM SMALL AND OTHER BUSINESS FIRMS

A letter from the Principal Deputy Assistant Secretary of Defense (Installations and Logistics), transmitting, pursuant to law, a report of Department of Defense procurement from small and other business firms for July-November 1975 (with an accompanying report); to the Committee on Banking, Housing and Urban Affairs.

PROPOSED EXIMBANK LOAN TO SOCIETE NATIONALE d'ELECTRICITE

A letter from the President and Chairman, Export-Import Bank of the United States, reporting, pursuant to law, with respect to the proposed extension of a direct credit of $34,263,000 to Societe Nationale d'Electricite and to guarantee loans in the amount of $34,263,000 made by private financial institutions, to facilitate purchase from the United States of goods and services necessary for completion of the Inga-Shaba extra high vol completion of the Inga-Shaba extra high voltage direct current transmission line (project), to carry power from the Inga hydroelectric generating facilities in western Zaire to the Shaba copperbelt in the southeastern part of the country, a distance of about 1,100 miles; to the Committee on Banking, Housing and Urban Affairs.

REPORTS OF THE FEDERAL TRADE COMMISSION

Two letters from the Acting Chairman, Federal Trade Commission, transmitting, pursuant to law, the 59th and 60th annual reports of the Federal Trade Commission covering its accomplishments during the fiscal years ended June 30, 1973 and June 30, 1974 (with accompanying reports); to the Committee on Commerce.

Proposed Legislation Relating to Hazards to Air Commerce

A letter from the Secretary of Transportation, transmitting a draft of proposed legislation to amend the Federal Aviation Act of 1958 to change the penalty applicable to section 1101, Hazards to Air Commerce (with accompanying papers); to the Committee on Commerce.

Proposed Legislation to Revise the Laws Relating to the Coast Guard Reserve

A letter from the Secretary of Transportation, transmitting a draft of proposed legislation to revise the laws relating to the Coast Guard Reserve (with accompanying papers); to the Committee on Commerce.

Report of the West Coast Corridor Study

A letter from the Secretary of Transportation, transmitting, pursuant to law, an interim report on the West Coast Corridor Study (with an accompanying report); to the Committee on Commerce.

Report of the Washington Metropolitan Transit Authority

A letter from the secretary-treasury, Washington Metropolitan Area Transit Authority, transmitting, pursuant to law, the ninth annual report of the Washington Area Transit Authority (with an accompanying report); to the Committee on the District of Columbia.

Report on Imports of Rubber Footwear From Korea

A letter from the Assistant Secretary (Enforcement, Operations and Tariff Affairs), Department of the Treasury, transmitting, pursuant to law, a report on imports of rubber footwear from Korea (with an accompanying report); to the Committee on Finance.

Report on Imports of Carbon Steel Plate and High Strength Steel Plate From Mexico

A letter from the Assistant Secretary (Enforcement, Operations and Tariff Affairs), Department of the Treasury, transmitting, pursuant to law, a report on imports of carbon steel plate and high strength steel plate from Mexico (with an accompanying report); to the Committee on Finance.

Report on Imports of Cheese From Austria

A letter from the Assistant Secretary (Enforcement, Operations and Tariff Affairs), Department of the Treasury, transmitting, pursuant to law, a report on imports of cheese from Austria (with an accompanying report); to the Committee on Finance.

International Agreements Entered Into by the United States

A letter from the Assistant Legal Adviser for Treaty Affairs, Department of State, transmitting, pursuant to law, international agreements other than treaties entered into by the United States (with accompanying papers); to the Committee on Foreign Relations.

Report of Agreement Between the United States and the Republic of Korea

A letter from the Assistant Legal Adviser for Treaty Affairs, Department of State, transmitting, pursuant to law, a memorandum of understanding between the Government of the United States and the Republic of Korea (with accompanying papers); to the Committee on Foreign Relations.

Report of the U.S. Information Agency

A letter from the Director, U.S. Information Agency, transmitting, pursuant to law, the 43d annual report of the U.S. Information Agency (with an accompanying report); to the Committee on Foreign Relations.

Reports of the Comptroller General

A letter from the Comptroller General of the United States, transmitting, pursuant to law, a report on opportunities for improving the effectiveness of rapid transit grants, Urban Mass Transportation Administration, Department of Transportation (with an accompanying report); to the Committee on Government Operations.

A letter from the Comptroller General of the United States, transmitting, pursuant to law, a report relating to more effective action needed to control abuse and diversion in methadone treatment programs, Food and Drug Administration, Department of Health, Education, and Welfare, Drug Enforcement Administration, Department of Justice (with an accompanying report); to the Committee on Government Operations.

A letter from the Comptroller General of the United States, transmitting, pursuant to law, a report on improvements needed in the Navy's fleet modernization program, Departments of Defense and Navy (with an accompanying report); to the Committee on Government Operations.

A letter from the Comptroller General of the United States, transmitting, pursuant to law, a report on ACTION's progress toward meeting the goals of its establishment (with an accompanying report); to the Committee on Government Operations.

Proposed Amendment to the Privacy Act

A letter from the Chairman, Privacy Protection Study Commission, transmitting a draft of a proposed amendment to section 9 of the Privacy Act of 1974, Public Law 93–579 (with accompanying papers); to the Committee on Government Operations.

Proposed New System of Records by the Energy Research and Development Administration

A letter from the Assistant Administrator for Administration, Energy Research and Development Administration, transmitting, pursuant to law, a proposal to establish a new system of records (with accompanying papers); to the Committee on Government Operations.

Report of New System of Records by the Department of Health, Education, and Welfare

A letter from the Assistant Secretary for Administration and Management, Department of Health, Education, and Welfare, transmitting, pursuant to law, a report on a new system of records which is being proposed by the department (with accompanying papers); to the Committee on Government Operations.

Proposed System of Records by the Department of the Treasury

A letter from the Assistant Secretary (Administration), Department of the Treasury, transmitting, pursuant to law, a proposed system of records by the department (with accompanying papers); to the Committee on Government Operations.

Proposed New Records System by the Federal Law Enforcement Training Center

A letter from the Assistant Secretary (Administration), Department of the Treasury, transmitting, pursuant to law a report on the implementation by the Federal Law Enforcement Training Center of a new system of records on employees and personnel under contract to the Center (with an accompanying report); to the Committee on Government Operations.

Report on Gasoline Service Station Market Shares

A letter from the Administrator, Federal Energy Administration, transmitting, pursuant to law, a report on gasoline service station market shares (with an accompanying report); to the Committee on Interior and Insular Affairs.

Proposed Legislation by the Indian Claims Commission

A letter from the Chairman, Indian Claims Commission, transmitting a draft of proposed legislation to extend the life of the Indian Claims Commission, and for other purposes; and a draft of proposed legislation to authorize appropriations for the Indian Claims Commission for fiscal year 1978 (with accompanying papers); to the Committee on Interior and Insular Affairs.

Report of Partial Deferment of Construction Repayment Installments to the United States

A letter from the Deputy Assistant Secretary of the Interior, reporting, pursuant to law, partial deferment of the construction repayment installments payable to the United States in 1976 and 1977 by Kansas-Bostwick Irrigation District No. 2, Pick-Sloan Missouri Basin program, Kansas (with accompanying papers); to the Committee on Interior and Insular Affairs.

Report of the Virgin Islands

A letter from the Director of Territorial Affairs, Department of the Interior, transmitting, pursuant to law, the annual report of the fiscal condition of the Government of the Virgin Islands for the fiscal year ended June 30, 1975 (with an accompanying report); to the Committee on Interior and Insular Affairs.

Report of the Federal Prison Industries, Inc.

A letter from the Commissioner, Federal Prison Industries, Inc., Department of Justice, transmitting, pursuant to law, the annual report of the Board of Directors of the Federal Prison Industries, Inc., for fiscal year 1975 (with an accompanying report); to the Committee on the Judiciary.

Third Preference and Sixth Preference Classifications of Certain Aliens

A letter from the Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting, pursuant to law, third preference and sixth preference classifications of certain aliens (with accompanying papers); to the Committee on the Judiciary.

Proposed Act for the Prevention and Punishment of Crimes Against Internationally Protected Persons

A letter from the Attorney General, transmitting a draft of proposed legislation to amend title 18, United States Code, to implement the "Convention To Prevent and Punish the Acts of Terrorism Taking the Form of Crimes Against Persons and Related Extortion that are of International Significance" and the "Convention on the Prevention and Punishment of Crimes Against Internationally Protected Persons, including Diplomatic Agents", and for other purposes (with accompanying papers); to the Committee on the Judiciary.

Reports of Administration of the Freedom of Information Act

A letter from the Deputy Director, ACTION, transmitting, pursuant to law, a report relating to the administration of the Freedom of Information Act (with an accompanying report); to the Committee on the Judiciary.

A letter from the counsel, National Railroad Passenger Corporation, transmitting, pursuant to law, a report relating to the administration of the Freedom of Information Act (with an accompanying report); to the Committee on the Judiciary.

A letter from the Secretary of Labor, transmitting, pursuant to law, a report relating to the administration of the Freedom of Information Act (with an accompanying report); to the Committee on the Judiciary.

Report of the Committee for Purchase From the Blind and Other Severely Handicapped

A letter from the vice chairman, Committee for Purchase From the Blind and Other Severely Handicapped, transmitting, pursuant to law, the annual report of the activities of the Committee for Purchase From the Blind and Other Severely Handicapped during the fiscal year ending June 30, 1975 (with an accompanying report); to the Committee on Labor and Public Welfare.

Final Regulations for Special Funding Grants to the Outlying Areas Under Part B of the Education of the Handicapped Act

A letter from the Executive Secretary to the Department of Health, Education, and Welfare, transmitting, pursuant to law, final regulations for special funding grants to the outlying areas under part B of the Education of the Handicapped Act, as amended (with accompanying papers); to the Committee on Labor and Public Welfare.

Feasibility Study: A Nationally Administered Retirement and Health Insurance System for Randolph-Sheppard Vendors

A letter from the Under Secretary of Health, Education, and Welfare, transmitting, pursuant to law, a report on the feasibility and desirability of establishing a nationally administered retirement, pension, and health insurance system for licensed vendors under the Randolph-Sheppard vending facility program (with an accompanying report); to the Committee on Labor and Public Welfare.

Proposed Work Plans for Upstream Watershed Protection

A letter from the Director, Office of Management and Budget, Executive Office of the President, relating to proposed work plans for upstream watershed protection projects; to the Committee on Public Works.

Pollution Abatement and Research Programs

A letter from the Administrator, Environmental Protection Agency, reporting, pursuant to law, on aspects of pollution abatement and research programs undertaken during the past 5 years to maintain and restore the environmental quality of the Nation's estuaries; to the Committee on Public Works.

Projects Recommended for Deauthorization

A letter from the Assistant Secretary of the Army (Civil Works), transmitting, pursuant to law, a report on projects recommended for deauthorization—the second annual report (with an accompanying report); to the Committee on Public Works.

PETITIONS

Petitions were laid before the Senate and referred as indicated:

By the ACTING PRESIDENT pro tempore (Mr. Ford):

A resolution from the Oregon State Board of Forestry, relating to multiple use of the National Forests; to the Committee on Agriculture and Forestry.

Resolution No. 317, adopted by the Legislature of the State of Hawaii; to the Committee on Armed Services:

"Resolution No. 317

"Whereas, 10 U.S.C. section 262 establishes that all branches of the United States military services, including the National Guard, is to provide trained units and qualified persons available for active duty in the U.S. Forces, in time of war or national emergency and at other times requiring national security; and

"Whereas, reserve members of the Hawaii Army and Air National Guard can be ordered by the Governor of the State of Hawaii to active state service in support of civil authorities of the state and each of the counties during periods of civil disturbance and national disasters; and

"Whereas, since the establishment and implementation of the Total Force Policy by the Secretary of Defense, the reserve component of all branches of the military have become more heavily dependent upon as the primary group to support active components of the military services during the period of war or national emergencies; and

"Whereas, since the adoption of a no-draft, voluntary recruitment policy for military service, the National Guard has had to solely depend upon voluntary recruitment and retention of guard members to maintain an adequate level of manpower and necessary levels of readiness; and

"Whereas, several provisions of the Department of Defense Legislative Addendum to the fiscal year 1976–77 budget, now before the Armed Services Committees and Appropriations Defense Subcommittees in the U.S. Congress, would substantially reduce the level of training required for the Army and Air National Guard and eliminate the benefit of military leave for full-time Civil Service employees who serve in the National Guard; and

"Whereas, in Hawaii, such proposals would (1) transfer 14,000 Army National Guard from category A to B drill status, or from 48 drills to 24 drills, and (2) eliminate the provisions of 15 days of military leave each calendar year per guardsmen who are full-time civil service employees; and

"Whereas, such proposed changes would substantially reduce Army and Air National Guard Reserve as well as frustrated the ability of the reserve component of the military to recruit and retain skilled personnel from the civil service community; now, therefore be it

"*Resolved* by the house of Representatives of the Eighth Legislature of the State of Hawaii, Regular Session of 1976 that the members of Hawaii's congressional delegation are requested to defeat and delete the aforementioned provisions of the Department of Defense Legislative Addendum to the fiscal year 1976–1977 budget and they continue to seek and work on legislation which would be conducive to the continuation of a strong and viable reserve of the U.S. Armed Forces, be it

"*Further resolved* that certified copies of this Resolution be transmitted to the members of Hawaii's congressional delegation, the President of the United States Senate and the Speaker of the United States House of Representatives."

Resolution No. 76–18, adopted by the Council of the County of Maui, Wailuku, Hawaii, relating to retention of favorable DOD programs for the Army and Air National Guard; to the Committee on Armed Services.

Resolution adopted by the Steuben County Board of Supervisors, Bath, New York, relating to negotiations for acquisition of the Erie Lackawanna Railroad; to the Committee on Commerce.

Senate Joint Resolution No. 60, adopted by the Legislature of the Commonwealth of Virginia; to the Committee on Commerce:

"SENATE JOINT RESOLUTION No. 60

"Whereas, both the Constitution of the United States and the Constitution of Virginia vest final legislative authority in popularly elected, representative assemblies whose power and authority derive from the consent of those whom they govern; and

"Whereas, the people's legislatures may be and are held accountable to their constituents by regular, free elections; and

"Whereas, as government and its scope have grown, it has become expedient for some rule-making authority to be delegated by legislatures to appointed or other non-representative bodies which are not directly expressive of the will of the people who are governed by the rules and regulations which such non-representative bodies promulgate; and

"Whereas, it is incumbent upon the duly elected representatives of the people, the legislatures of the states and the Congress of the United States, to see to it that rule-making bodies do not tyrannize the people by "legislating" instead of making operational legislation adopted by duly constituted legislative bodies; and

"Whereas, in particular, the Federal Trade Commission has exceeded its proper authority by, in effect, overturning laws adopted by the General Assembly of Virginia and by the legislatures of other states; and

"Whereas, this bureaucratic usurpation of authority by the Federal Trade Commission has taken the form of promulgation by the Federal Trade Commission of industry-wide trade regulations which would have the effect of striking down or preempting state laws under the alleged authority of the Federal Trade Commission Improvement Act, Title II of Public Law 93–637; and

"Whereas, authority for promulgation of such rules by the Federal Trade Commission on the authority of such Act has been denied in Concurrent Resolution 77 of the United States Senate (introduced by Senator Curtis of Nebraska) and in Concurrent Resolutions 483 and 484 of the United States House of Representatives (both introduced by Congressman Stuckey of Georgia); and

"Whereas, similar opposition to the actions of the Federal Trade Commission has been expressed in two resolutions adopted at the December nine, nineteen hundred seventy-five, meeting of the National Association of Attorneys General in Phoenix, Arizona; now, therefore, be it

"*Resolved* by the Senate, the House of Delegates concurring, That it is the sense of this Body that in acting as hereinbefore stated, the Federal Trade Commission has acted in a manner inappropriate for a non-legislative body and has usurped the proper authority of this Body; and, be it

"*Resolved further,* That this Body call upon the non-elected officials of the abovesaid federal agency to cease and desist from their efforts, 'at the stroke of a pen,' to abrogate or modify the laws of this Commonwealth, as they have been enacted by the elected representatives of the people of Virginia; and, be it

"*Resolved further,* That this Body endorses and urges approval of Senate Concurrent Resolution 77 and House Concurrent Resolutions 483 and 484; and, be it

"*Resolved finally,* That the Clerk of the Senate is hereby instructed to send copies of this Resolution, as an expression of the sense of this Body and as an expression of the will of the people of Virginia, to the President of the United States, the President of the United States Senate, the Speaker of the House of Representatives of the United States, the members of the Virginia delegation to the Congress of the United States, and to the Commissioners of the Federal Trade Commission."

Joint Resolution No. 31, adopted by the Legislature of the State of California; to the Committee on Finance:

"ASSEMBLY JOINT RESOLUTION No. 31

"Whereas, The United States International Trade Commission is holding hearings on the subject of eliminating or reducing the tariffs on tuna products; and

"Whereas, While the United States tuna industry has prospered in recent years, foreign caught frozen tuna and canned tuna imports have maintained a 60-percent share of the tuna market in the United States, mainly through the import of duty-free frozen raw tuna as canned imports represent only 7 percent of the United States canned tuna sales which totals $750,000,000 annually; and

"Whereas, The domestic processing industry, its infrastructure, and their total labor force of nearly 28,000 persons are protected by the present tariff on processed tuna products; and

"Whereas, The United States tuna industry is an extremely important factor in California's economy having as part of its impact the creation of 67 positions of employment in nonfishing related service industries for every 100 fishing positions of employment in San Diego alone; and

"Whereas, The elimination or reduction in the present tariff structure would adversely affect California's fishing industry to the detriment of its fishermen, those employed in the processing industry, and those employed in unrelated service industries; now, therefore, be it

"*Resolved by the Assembly and Senate of the State of California, jointly,* That the Legislature of the State of California respectively memorializes the United States International Trade Commission, the Congress of the United States, and the President of the United States to insure the continual viability of the United States tuna industry through the protection of the present tariff rates on canned tuna and competitive products; and be it further

"*Resolved,* That the Chief Clerk of the Assembly transmit copies of this resolution to the United States International Trade Commission, to the President and Vice President of the United States, to the Speaker of the House of Representatives, and to each Senator and Representative from California in the Congress of the United States."

Senate Joint Resolution No. 66, adopted by the Legislature of the Commonwealth of Virginia; to the Committee on Finance:

"SENATE JOINT RESOLUTION No. 66

"Whereas, the General Assembly has enacted legislation establishing a requirement that, in order to receive benefits, a public welfare recipient, in certain cases, must register for a job and accept a job if available; and

"Whereas, implementation of such legislation and any similar legislation has been enjoined in this State on the basis of judicial and administrative interpretation of the federal Work Incentive Program, Part C of Title IV of the Social Security Act, rather than an express provision of the Act; now, therefore, be it

"*Resolved* by the Senate, the House of Delegates concurring, That the Congress of the United States is hereby memorialized to amend the Social Security Act so as expressly to allow states to enact work requirements for welfare recipients; and, be it

"*Resolved further,* That the Clerk of the Senate is directed to send copies of this Resolution to the Speaker of the United States House of Representatives, the President of the United States Senate and to the members of the Virginia delegation in the Congress of the United States in order that they may be apprised of the sense of this Body."

Senate Resolution adopted by the Legislature of the State of Rhode Island; to the Committee on Interior and Insular Affairs:

"SENATE RESOLUTION No. —

"*Resolved,* That the members of the congress of the United States be and they are hereby respectfully requested to take immediate steps to recognize and assure each state's right to enforce its own laws concerning water, plant siting, taxation, transmission lines, pipelines, mining, pollution, reclamation, and other matters concerned with and attendant to resource development; and be it further

"*Resolved,* That the secretary of state be and hereby is authorized and directed to transmit a duly certified copy of this resolution to the members of the Appropriations, Interior and Public Works Committees of the United States House of Representatives and the United States Senate, to the Secretary of the Interior Thomas Kleppe and to his Assistant Secretaries of Land and Water Resources and Energy and Minerals; and to the chairman of the Federal Power Commission; and to the directors of the Bureau of Reclamation, Corps of Engineers, Bureau of Land Management, Bureau of Indian Affairs, Bureau of Mines, Federal Energy Office, and Environmental Protection Agency."

Senate Concurrent Resolution No. 58, adopted by the Legislature of American Samoa; to the Committee on Interior and Insular Affairs:

"Senate Concurrent Resolution No. 58

"Whereas, the Territory of American Samoa has been under the protection and hegemony of the United States for almost 76 years now; and

"Whereas, the United States is celebrating the bicentennial of its birth and creation; and

Whereas, the people of the Territory are proud and happy to be in the American system of government and prosperity. Now, therefore, be it

"*Resolved by the Senate of the Territory of American Samoa, the House of Representatives concurring*: That the United States of America is congratulated and praised for its contributions to peace, liberty and a democratic way of life to the free world over the past 200 years; and be it

"*Further resolved*, that, the celebration of this momentous historical event in the United States will be second only to the celebration of that event here in American Samoa by our own American Samoa Bicentennial Office; and be it

"*Further resolved*, that copies of this resolution be sent by the Secretary of the Senate to: the Honorable Gerald R. Ford, President of the United States of America; the Honorable Nelson A. Rockefeller, President of the Senate; the Honorable Carl Albert, Speaker of the House; the Honorable Henry M. Jackson, Chairman of the Senate Committee on Interior and Insular Affairs; the Honorable James A. Haley, Chairman of the House Committee on Interior and Insular Affairs; the Honorable Earl B. Ruth, Governor of American Samoa; the Honorable A. P. Lutali, Delegate-at-Large; Chief Paopaoailua F. Meko, Chief Coordinator, American Samoa Bicentennial Office."

House Joint Resolution No. 6-138, adopted by the Congress of Micronesia; to the Committee on Interior and Insular Affairs:

"House Joint Resolution No. 6–138

"Whereas, many Micronesians have demonstrated an interest in enlisting in the Armed Forces of the United States; and

"Whereas, the program of training and character development obtained through service in the United States Armed Forces would be beneficial to citizens of the Trust Territory; and

"Whereas, certain components of the Armed Forces of the United States limit enlistment, in time of peace, to a person who is a citizen of the United States or who has been lawfully admitted to the United States for permanent residence; now, therefore, be it

"*Resolved* by the House of Representatives of the Sixth Congress of Micronesia, Second Regular Session, 1976, the Senate concurring, that the Congress of the United States of America, the Department of Defense and the Attorney General be requested to amend certain laws and regulations in order to allow citizens of the Trust Territory of the Pacific Islands to enlist in any branch of the United States Armed Forces; and be it

"*Further resolved* That certified copies of this House Joint Resolution be transmitted to the President of the United States, the Speaker of the House of Representatives and the President of the Senate of the United States Congress, the Secretaries of the Department of Defense, Department of the Interior, and the Department of State, and the United States Attorney General."

Senate Joint Resolution No. 47, adopted by the Legislature of the Commonwealth of Virginia; to the Committee on Labor and Public Welfare:

"Senate Joint Resolution No. 47

"Whereas, pneumoconiosis, also known as "black lung", is a dreaded disease that afflct many Virginians; and

"Whereas, the Congress of the United States is presently considering the Black Lung Benefits Reform Act of 1975 (H.R. 10760), which would reform and simplify the "black lung" benefits procedures, especially for those most seriously affected by the disease; and

"Whereas, the prompt passage of the Reform Act will speed the benefits to Virginia coal miners afflicted with "black lung" and to their dependents; now, therefore, be it

"*Resolved* by the Senate of Virginia, the House of Delegates concurring, That the Congress of the United States is hereby requested to enact promptly the Black Lung Benefits Reform Act of 1975, (HR 10760); and, be it

"*Resolved further*, That the Clerk of the Senate of Virginia is directed to send copies of this resolution to the Speaker of the House of Representatives of the United States, the President of the Senate of the United States and to the Virginia delegation to Congress."

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. RANDOLPH, from the Committee on Public Works:

S. 3161. An original bill to authorize the Secretary of the Interior, with the approval of the Architect of the Capitol, to locate flag poles on the U.S. Capitol Grounds in order to fly the flag of each of the States of the United States, and its territories and possessions (Rept. No. 94–699).

By Mr. PROXMIRE, from the Committee on Banking, Housing and Urban Affairs, without amendment:

H.R. 3427. An Act to provide for the striking of medals in commemoration of the 200th anniversary of the signing of the Declaration of Independence by Charles Carroll of Carrollton (Rept. No. 94–700).

Mr. PROXMIRE. Mr. President, from the Committee on Banking, Housing and Urban Affairs, I report favorably H.R. 3427, to provide for the striking of medals in commemoration of the 200th anniversary of the signing of the Declaration of Independence by Charles Carroll of Carrollton, Md.

Charles Carroll was undoubtedly one of the foremost figures in our Nation's history. In addition to being one of the signers of the Declaration of Independence, he was also an important figure in the Revolutionary and Federal periods. He was a member of the Continental Congress, a U.S. Senator, a Maryland State senator, and held a number of other public and private posts.

The Baltimore Museum of Art, in conjunction with the Maryland Historical Society, is presently staging an extensive exhibit on Charles Carroll as their Bicentennial project. I think the reproduction of a medal struck to honor this great American would be an appropriate step toward a meaningful commemoration of our 200th anniversary.

By Mr. MOSS, from the Committee on Commerce, with an amendment:

S. 2935. A bill to authorize appropriations for the Federal Trade Commission, and for other purposes (Rept. No. 94–701).

By Mr. McCLELLAN, from the Committee on Appropriations, without amendment:

H.J. Res. 857. A joint resolution making further continuing appropriations for the fiscal year 1976, and the period ending September 30, 1976, and for other purposes (Rept. No. 94–702).

EXECUTIVE REPORTS OF COMMITTEES

The following executive reports of committees were submitted:

By Mr. STENNIS, from the Committee on Armed Services:

William K. Brehm, of Michigan, to be an Assistant Secretary of Defense.

(The above nomination was reported with the recommendation that it be confirmed, subject to the nominee's commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

By Mr. PROXMIRE, from the Committee on Banking, Housing and Urban Affairs:

Robert E. Barnett, of the District of Columbia, to be a member of the Board of Directors of the Federal Deposit Insurance Corporation.

(The above nomination was reported with the recommendation that it be confirmed, subject to the nominee's commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

Mr. PROXMIRE. Mr. President, as in executive session, I submit a report from the Senate Committee on Banking, Housing and Urban Affairs on the nomination of Mr. Robert Barnett to be a member of the Board of Directors of the Federal Deposit Insurance Corporation.

By Mr. CANNON, from the Committee on Commerce:

Calvin Joseph Collier, of Virginia, to be a Federal Trade Commissioner.

Betty Jo Christian, of the District of Columbia, to be an Interstate Commerce Commissioner.

(The above nominations were reported with the recommendation that they be confirmed, subject to the nominees' commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first time and, by unanimous consent, the second time, and referred as indicated:

By Mr. HUGH SCOTT (for himself and Mr. Javits):

S. 3155. A bill to implement the Convention on the Prevention and Punishment of the Crime of Genocide. Referred to the Committee on the Judiciary.

By Mr. BENTSEN:

S. 3156. A bill to amend the Comprehensive Employment and Training Act (PL 93–203) to provide relocation assistance to unemployed workers, and for other purposes. Referred to the Committee on Labor and Public Welfare.

By Mr. BENTSEN:

S. 3157. A bill to amend the Internal Revenue Code of 1954 to increase the exemption for purposes of the Federal estate tax, to increase the estate tax marital deduction, and to provide that certain farm land included in the gross estate be valued according to its use as farm land. Referred to the Committee on Finance.

By Mr. CRANSTON (for himself, Mr. Brooke, and Mr. Taft):

S. 3158. A bill to amend section 312 of the Housing Act of 1964 to extend the rehabilitation loan program for 2 years. Referred to the Committee on Banking, Housing and Urban Affairs.

By Mr. SPARKMAN:

S. 3159. A bill to amend the National Housing Act to extend the section 235 homeownership assistance program and the section 236 rental assistance program, to increase the annual contributions contract authority under the U.S. Housing Act of 1937, to extend the rehabilitation loan program, and to extend and increase the authorization for the elderly housing program, and for other purposes. Referred to the Committee on Banking, Housing and Urban Affairs.

By Mr. TAFT:

S. 3160. A bill to facilitate improved congressional coordination of financial benefit programs, and for other purposes. Referred to the Committee on Government Operations.

By Mr. RANDOLPH:

S. 3161. A bill to authorize the Secretary of the Interior, with the approval of the Architect of the Capitol, to locate flag poles on the United States Capitol Grounds in order to fly the flag of each of the States of the United States, and its territories and possessions. Ordered placed on the calendar.

By Mr. CANNON:

S. 3162. A bill to amend the Interstate Commerce Act and the Federal Aviation Act of 1958 in order to exempt certain compensation of employees from multiple taxation under the laws of States or subdivisions thereof other than the State or subdivision of residence or the State or subdivision wherein more than 50 percent of compensation is earned. Referred to the Committee on Commerce.

By Mr. PROXMIRE (for himself, Mr. BROOKE, and Mr. STEVENSON):

S. 3163. A bill to permit the payment of interest on demand deposits which consist of public funds of the United States or of a State or a political subdivision or instrumentality of a State. Referred to the Committee on Banking, Housing and Urban Affairs.

By Mr. EAGLETON:

S. 3164. A bill to amend the Communications Act of 1934 in order to expedite the issuance of licenses to operate citizen's band radio transmitters. Referred to the Committee on Commerce.

By Mr. PELL (for himself, Mr. HOLLINGS, Mr. MAGNUSON, Mr. PASTORE, Mr. STEVENS, and Mr. TUNNEY):

S. 3165. A bill to establish a national marine science and technology policy of the United States, to extend the national sea grant program, and for other purposes. Referred to the Committee on Labor and Public Welfare and the Committee on Commerce, jointly, by unanimous consent.

By Mr. BEALL:

S. 3166. A bill to consolidate the administration of certain programs of financial assistance to States for educational purposes. Referred to the Committee on Labor and Public Welfare.

By Mr. FANNIN (for Mr. JACKSON, for himself, Mr. FANNIN, and Mr. PEARSON) (by request):

S. 3167. A bill to expedite the delivery of Alaskan Natural Gas to U.S. markets, and for other purposes. Referred to the Committee on Interior and Insular Affairs and the Committee on Commerce, jointly, by unanimous consent.

By Mr. HUDDLESTON:

S.J. Res. 182. A joint resolution to authorize and request the President to issue a proclamation designating the period of May 9, 1976, through May 15, 1976, as "National Horse Week." Referred to the Committee on the Judiciary.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. HUGH SCOTT (for himself and Mr. JAVITS):

S. 3155. A bill to implement the Convention on the Prevention and Punishment of the Crime of Genocide. Referred to the Committee on the Judiciary.

THE GENOCIDE TREATY

Mr. HUGH SCOTT. Mr. President, I am today introducing, on behalf of the Senator from New York (Mr. JAVITS) and myself, the implementing legislation for the Genocide Treaty.

I ask unanimous consent that a section-by-section analysis of the bill be printed in the RECORD.

There being no objection, the analysis was ordered to be printed in the RECORD, as follows:

SECTIONAL ANALYSIS

Section 1 of the bill would add to title 18, United States Code, a new chapter 50A, Genocide, consisting of new sections 1091 and 1092;

Proposed section 1091 of title 18 contains definitions of some of the terms used in the Convention, in order to comply with the principle that criminal statutes should have a sufficient degree of certainty to make it clear without judicial interpretation just what acts are punishable.

Clauses (1)–(4) define the groups which the statue is intended to protect in terms of the characteristics which distinguished them from the rest of the population of the larger society of which they are a part. The larger society can be either a nation or the international community of nations.

Clause (5) defines "substantial part" in terms of its numerical significance to the group as a viable force. The term is used in proposed section 1092 defining the offense of genocide in order to comply with the understanding of the Senate Committee on Foreign Relations concerning the intent provision of Article II of the Convention. Senate Ex. Rep. 93–5, pp. 6–7.

Clause (6) defines children as dependent persons under 18 years of age.

Proposed section 1092 of title 18 creates the crime of genocide, tracking substantially the language of the Convention, except for the use of the terms "without justifiable cause" and "substantial part", and except for subsection (a)(3), which defines genocide by "mental harm" as the willful causing without justifiable cause of the permanent impairment of the mental faculties.

The term "without justifiable cause" is included to make it clear that certain acts, such as justifiable acts of war or acts done justifiably in self defense against domestic insurrection, do not constitute the crime of genocide.

The use of the term "substantial part" is explained in the discussion of clause (5) above.

The definition of genocide by "mental harm" complies with the second understanding of Senate Ex. Rep. 93–5. The definition also details precisely the means used to cause the impairment, in order to avoid a claim of impairment based on incidental or hypothetical mental harm. Not only must the act be willful and without justifiable cause, but it must be calculated to cause dysfunction. "Mental faculties" is amplified and focused in terms of mental processes, nervous system, and motor functions.

Genocide by killing and bodily harm use the Convention terminology entirely, since killing and assault are recognized crimes.

Subsection (a)(4) defines genocide by "inhumane treatment" and clarifies the ambiguity of the Convention's phrase "conditions of life."

Subsection (a)(5) defines genocide by imposed birth control as the willful imposition of measures intended to prevent the natural group increase "as a means of effecting the destruction of the group as such".

Subsection (a)(6) defines genocide by repatriation as the willful and forcible transfer of the children of the group as a means of effecting the destruction of the group.

Subsection (b) proscribes attempted genocide and public incitement to genocide, in order to comply with Article III of the Convention. In this regard, it is unnecessary to proscribe complicity in genocide, as required by Article III, since this inchoate offense would be covered, 18 U.S.C. 2 (principals), and 18 U.S.C. 3 (accessory after the fact).

Subsection (b) also sets forth the penalties for genocide and related offenses. Like the penalties for violations of other criminal statutes, increased penalties are provided if death results.

Section 2 of the bill would provide that the remedies in it are the exclusive means of enforcing the rights based on it, thus excluding civil remedies, but would also express the Congressional intent not to preempt State law in the field.

Section 3 of the bill would express the sense of the Congress that extradition treaties negotiated (pursuant to Article VII of the Convention) shall provide protection for Americans against double jeopardy for genocidal acts committed abroad if they have been proceeded against in the United States or if the United States intends to exercise its jurisdiction. See Senate Ex. Rep. 93–5, p. 11–12. This section is included because the draft statute would make it possible for the United States to assert jurisdiction over citizens of this country in cases of alleged genocide where the facts giving rise to the case took place outside United States territory. As a result it is possible that there may be situations where both the United States and another country will have jurisdiction to try someone for the same alleged offense. The statutes of the United States are not directed to the issue of who exercises jurisdiction, but leave the answer to the text of the extradition treaty involved. 18 U.S.C. 3184. See, for example, Treaty of Extradition with Brazil, 15 U.S.C. 2094, Art. V., which is the source of the language for this section. The Secretary of State is directed to ensure that future extradition treaties which treat genocide as an offense for which extradition may be granted shall reserve to the United States in cases where double jurisdiction exists the right to try its own citizens rather than grant extradition. Clause (b) of the section is, as a matter of policy, presently included in all extradition treaties.

By Mr. BENTSEN:

S. 3156. A bill to amend the Comprehensive Employment and Training Act—Public Law 93–203—to provide relocation assistance to unemployed workers, and for other purposes. Referred to the Committee on Labor and Public Welfare.

WORKER RELOCATION ASSISTANCE ACT OF 1976

Mr. BENTSEN. Mr. President, today I am introducing the Worker Relocation Assistance Act of 1976.

This bill would provide much-needed financial relocation assistance to the long-term unemployed who cannot find jobs within commuting distance of their current homes, but who have bona fide job offers or have been accepted into job training programs in another part of the country.

There are a number of reasons why this bill would be a significant part of a comprehensive program to reduce unemployment, both during this recession and as our economy recovers:

First. Unemployment is unevenly distributed across the Nation, with some areas suffering severe unemployment, while the unemployment rate in others is much lower.

Right now, the unemployment rate for the Nation as a whole is 7.8 percent, a number which is far too high. Among the States, however, unemployment varies widely, from a low of 3.7 percent in Wyoming and 3.8 percent in North Dakota, to 6.1 percent in my own State of Texas, and to 12.2 percent in Massachusetts, 12.3 percent in Florida, and 12.4 percent in Michigan. For our Nation's cities, the variation is just as great.

Nor does this variation occur only during a recession. In 1967–69, when the economy as a whole was operating at an unemployment rate of 3.6 percent, unployment ranged from 2.1 percent in New Hampshire to 6.1 percent in West Virginia and 9.0 percent in Alaska.

This uneven distribution of unemployment reduces the effectiveness of expansionary monetary and fiscal policies, since some parts of our country will rapidly approach full employment while others still suffer severe unemployment. A mobility allowance would help reduce this uneven impact of counterrecessionary policies.

Second. Even with more than 8 million Americans unemployed, millions of jobs currently go unfilled because job openings and worker skills are mismatched within local labor market areas.

According to a survey recently conducted by Dr. Leon Sullivan, chairman of the board of the Opportunities Industrialization Centers of America, the help-wanted ads in the Sunday newspapers across the country list over 3 million job openings weekly. Filling these jobs alone would bring our economy back to 5 percent unemployment, but many of them go unfilled week after week.

The Labor Department's own statistics show the same thing. Each month, the U.S. Employment Service receives notices of some 250,000 to 450,000 job openings, which it lists on its computerized job banks in each local area. According to its monthly report "Job Bank Opening Summaries," from 50,000 to 100,000 of these jobs go unfilled for 30 days or more.

A relocation allowance, such as the one in my bill, would help reduce this backlog of unfilled jobs.

Third. The number of long-term unemployed has risen during this recession to almost crisis proportions.

In January 1976, the number of Americans who had been jobless for 15 weeks or longer—that is, for almost 4 months or more—reached 2.8 million on a seasonally adjusted basis, almost 37 percent of the total number of Americans unemployed. Unemployment lasting 27 weeks or longer—7 months—had hit over 1.6 million workers, the highest number since the Great Depression.

The impact of this increased duration of unemployment can only be comprehended by comparing the unemployment figures for January 1976, with those of a year ago. Mr. President, I ask unanimous consent that a table on duration of unemployment from the Bureau of Labor Statistics' monthly unemployment release for January be printed in the RECORD at this point.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

TABLE 1.—DURATION OF UNEMPLOYMENT

[Number in thousands]

Weeks of unemployment	Not seasonally adjusted		Seasonally adjusted	
	January 1975	January 1976	January 1975	January 1976
Less than 5 weeks	3,641	3,017	3,267	2,706
5 to 14 weeks	2,985	2,403	2,599	2,091
15 weeks and over	1,554	2,754	1,572	2,785
15 to 26 weeks	960	1,221	940	1,155
27 weeks and over	594	1,532	632	1,630
Average (mean) duration, in weeks	10.1	15.8	10.8	16.9
Percent distribution				
Total unemployed	100.0	100.0	100.0	100.0
Less than 5 weeks	44.5	36.9	43.9	35.7
5 to 14 weeks	36.5	29.4	34.9	27.6
15 weeks and over	19.0	33.7	21.1	36.7
15 to 26 weeks	11.7	14.9	12.6	15.2
27 weeks and over	7.3	18.7	8.5	21.5

Mr. BENTSEN. Mr. President, as this table shows, the number of Americans who were out of work for less than 15 weeks was actually lower in January 1976 than it was in January 1975. However, the number of long-term unemployed—those out of work for 15 weeks or longer—more than doubled during the past year, while the number out of work for 27 weeks or more tripled.

Long-term unemployment means financial disaster for the average American family. Even with unemployment insurance, extended unemployment wipes out a family's savings and eats away at its assets. It certainly leaves precious little in the way of resources to finance a move to a new job. The relocation allowance in my bill would be a major source of help in obtaining employment for many of our Nation's 2.8 million long-term unemployed.

My bill would allow any worker who has been unemployed for 15 weeks or longer, and who does not have the resources to move to a new job, to apply for a relocation allowance, provided that he or she has a bona fide job offer or a position in a training program that will lead to employment beyond commuting distance from his or her current home.

The allowance would pay 80 percent of the necessary moving expenses, up to a maximum of $800, plus a flat sum of up to $500 to help with initial moving expenses.

The cost of this program would be minimal—$5 million for the remainder of fiscal 1976, including the transition quarter, and $10 million for fiscal 1977, to finance a test program.

The possible savings, however, could far exceed even this modest cost. Right now, we are paying over $20 billion yearly in unemployment compensation, much of which goes to the long-term unemployed. In addition, unemployment is costing the Treasury $60 billion in lost tax revenues this year alone. In fact, if we were at full employment, the budget for fiscal 1976 would be balanced and the fiscal 1977 budget would actually show a surplus.

Speedily returning the long-term unemployed to work would markedly improve the Federal budget. When a worker has been jobless for 15 weeks or more, in the current economic climate his or her job has probably disappeared for good. The worker is locked into unemployment compensation for the full 65-week entitlement period as a result. Moving workers into new jobs after only 15 weeks could potentially save up to $3,000 in unemployment compensation per worker, at an average relocation allowance of $1,000. Each $1 million used to help workers move to available jobs could save up to $3 million in unemployment benefits. This is one of the best ratios of any program to help Americans go back to work. On top of this, the newly employed workers would once again be paying taxes.

Mr. President, a relocation assistance plan cannot eliminate unemployment. But a relocation allowance must be part of a comprehensive program to reduce unemployment, since it will significantly improve the ability of our economy to match job openings—anywhere in the country—with the workers who have the skills to perform those jobs.

By Mr. BENTSEN:

S. 3157. A bill to amend the Internal Revenue Code of 1954 to increase the exemption for purposes of the Federal estate tax, to increase the estate tax marital deduction, and to provide that certain farmland included in the gross estate be valued according to its use as farmland. Referred to the Committee on Finance.

FAMILY FARM AND RANCH AND SMALL BUSINESS ESTATE TAX REFORM ACT OF 1976

Mr. BENTSEN. Mr. President, I am deeply disturbed by the growing number of family farms and ranches and small businesses that are being forcibly liquidated just to pay excessive Federal estate taxes. The Federal estate tax was never intended to have that effect and I am today introducing legislation to alleviate this problem.

Mr. President, the family farm and ranch is vital to American agriculture. Family farming and ranching is more productive than corporate agribusiness because the man who owns the land works longer and harder than a hired foreman. The present trend against these family owned enterprises is dangerous, and we must reverse any policy that contributes to it.

Small businessmen form the economic backbone of our Nation and are vital to our economy. It is the small businessman who provides jobs for about one-half our private work force. The survival of small businesses across our Nation is indispensable if we are to maintain healthy competition in our economy.

It is essential that Congress take swift action to reduce the excessive estate tax burden which threatens the survival of the family farm and small business.

My estate tax reform legislation has three major provisions.

First, it would increase the present

estate tax exemption from $60,000 to $200,000.

Second, it would add $100,000 to the present estate tax marital deduction of 50 percent of the value of the adjusted gross estate.

Third, it would allow farms and ranches to be valued for estate tax purposes at their value as farmland rather than their value for other commercial purposes, as long as the land continues to be used for farming for 5 years after the decedent's death.

These provisions were repeatedly recommended by witnesses at joint hearings of the Senate Financial Markets Subcommittee, which I chair, and the Senate Small Business Committee, chaired by Senator NELSON, on the tax and financial problems of small businesses and family farms.

At these hearings we heard from small businessmen and farmers about the problems they face in paying Federal estate taxes. In some cases, heirs are forced to sell part or all of a family farm or business in order to pay the heavy estate tax burden. This obviously hurts the family that loses its farm or business. It also hurts the community that loses the support and concern that local ownership brings. And it hurts our national economy. When family farms and ranches are taken over by huge corporate farming operations; and when independent and innovative small businesses are taken over by large outside corporations; the healthy competition our economy needs to provide stable noninflationary growth is undermined.

And we have to remember that the present estate tax exemption of $60,000 was last revised in 1942. We are living in a far different world now than those days of World War II. Land values have since increased over 200 percent. The value of stocks has soared, and many homes have doubled and tripled in value.

Sixty thousand dollars is no longer a typical value for a middle-sized farm. Some experts estimate that a farmer earning about $10,000 a year will leave an estate valued at $320,000. An inheritance exemption of only $60,000 for him means his widow and his sons and daughters would have to sell a lot of the family farm just to pay the taxes.

The U.S. Department of Agriculture, in fact, estimates that a fourth of all farm property sold today is sold to cover the cost of the estate settlement. And one farm publication projects that 200,000 to 400,000 farms will disappear over the next 20 years if present trends continue.

The Federal estate tax was never intended to break up small family farms and ranches. After working hard all their lives, after struggling with the uncertainties of the elements, farmers and ranchers deserve better than to have their heirs forced to sell their land for taxes. And, as consumers who count on continued high agriculture production, all other Americans deserve better, too.

My proposal to increase the estate tax exemption to $200,000 will adjust for the inflation that has occurred since the exemption was at $60,000 in 1942.

My legislation would also liberalize the marital deduction in the estate tax law. Under current law up to one-half the value of the adjusted gross estate may be transferred to the surviving spouse without being subject to taxation in the decedent's estate. The remaining half is subject to the estate tax and when a decedent transfers his entire estate to the surviving spouse, the estate tax burden often can be extremely burdensome. In the case of a moderate-sized estate with surviving minor children, the surviving spouse may suffer considerable hardship when the burden of the estate tax is combined with loss of the decedent's earning capacity. The children may suffer additional hardship when the surviving spouse dies and the property is again subject to an estate tax. My proposal would help ease these hardships by increasing the marital deduction to $100,000 plus 50 percent of the adjusted gross estate. An increase in the marital deduction will give recognition to the importance of husband and wife partnerships in farming, ranching, and other small businesses.

My legislation also includes a provision to correct the present inequity concerning farm valuation. Under existing law, the Internal Revenue Service often values farm and ranch land for estate tax purposes on the basis of unrealistically high market levels rather than on the land's current agricultural value. When a farmer or rancher dies, his land will be increased to higher commercial market value if the land is close enough to a metropolitan area to be affected by speculative values. These inflated values mean higher estate taxes, and the heirs may be forced to sell the farm or ranch in order to pay them.

My bill would help correct this inequity by allowing the valuation of farm and ranch land for estate tax purposes according to the land's agricultural value. The value could not be increased to reflect the value of the property for some other use, such as a shopping center, office building, or housing development.

Two safeguards in the bill prevent abuses of the alternate valuation method.

First, the property must have been actually used for farming or other qualified purposes during the 5 years before the owner's death. Second, the property must continue to be used for similar purposes for 5 years from the date this provision is used. If the property does not continue to be used similarly, or if it is sold by the person who inherited it during that period, the higher value will be used and additional estate taxes will be assessed.

Mr. President, adoption of this estate tax reform legislation would eliminate a major obstacle to the preservation of family farms, ranches, and businesses.

By Mr. CRANSTON (for himself, Mr. BROOKE and Mr. TAFT):

S. 3158. A bill to amend section 312 of the Housing Act of 1964 to extend the rehabilitation loan program for two years. Referred to the Committee on Banking, Housing and Urban Affairs.

Mr. CRANSTON. Mr. President, I join with my colleagues, Senator TAFT and Senator BROOKE, in introducing an amendment to extend the 312 rehabilitation loan program for a 2-year period with an authorization of $100 million a year.

Section 312 authorizes the Secretary of Housing and Urban Development to make 3 percent low interest rate loans to property owners to rehabilitate their property if it is in an urban renewal area or in an area where a program of concentrated code enforcement is being carried out. Those of you who are familiar with the history of the 312 program know that the administration has consistently over the past 3 years attempted to terminate this program despite its admitted success as in inner-city rehabilitation vehicle. They argue that community development funds are available for this purpose. There have been requests by local communities in the fiscal year 1977 HUD budget to use 9 percent of the total community development block grant money for housing rehabilitation. However, very few of these programs are operational or offer direct loans with interest rates as low as the 312 program. In addition, 24 States still have constitutional restrictions which may bar lending block grant funds to an individual for housing rehabilitation. The Department of Housing of Urban Development has a history of terminating successful programs before new and untried programs are operational to replace them.

The 312 program is still the only specific program vehicle for assisting in the rehabilitation of single family housing and preserving neighborhoods operated by HUD on a nationwide basis. It has been extremely successful, exhibiting a nationwide default rate of only 5 percent. Moreover, in San Francisco there has been a default rate of only 2 percent during the program's entire 10-year existence. In addition, it has served as a catalyst in causing local communities to develop private financing techniques for inner city rehabilitation and should not be discontinued until other programs are sufficient to replace it.

My colleagues and I have been successful in preserving the 312 program and now again are faced with the need for extending it past the August 1976, expiration date. The Housing Subcommittee will be having hearings on this amendment and other housing items on March 24 and 25. HUD will have an opportunity at this time to present justification for their views on this program.

I would like to call your attention to an article which appeared in the Journal of Housing, No. 5, 1975, by Patricia Marshall, entitled "Locally-Funded Rehabilitation Programs." In nine cities, what is being tried? How is it working? The article examines the use of the 312 program by local communities and alternative techniques for rehabilitation and concludes that other sources of funding have not produced a good substitute for the low-interest rate financing provided by the 312 program.

I ask unanimous consent that this article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the Record, as follows:

Locally-Funded Rehabilitation Programs in Nine Cities: What's Being Tried? How Is It Working?

(By Patricia Marshall)

An eleventh hour rescue of the Section 312 rehabilitation loan program from its scheduled August 22 demise occurred with the one-year extension of the program included in the Emergency Housing Act of 1975 (see page 320). The act authorizes the appropriation of 100 million dollars for Section 312, raising hopes in localities across the country that one of the mainstays of low-income rehab efforts may again become an effective force in ongoing local programs.

However, Section 312, though officially still alive, has had an on-again, off-again history that has made it necessary for cities to seek out more dependable methods to assure continuance of local rehab programs. The methods and strategies being employed locally are of great variety, according to a recent Journal survey of cities that have reported on local financing attempts.

Some states and cities are issuing bonds to finance rehabilitation; others are using tax dollars, often in the form of seed money to stimulate private investment in rehabilitation programs. Community development block grant monies also are being sought for rehabilitation, in spite of local competition for these funds. In some cases, however, state laws inhibit the use of block grant money in rehabilitation loan programs. More than 20 states have a state constitutional provision prohibiting localities from giving or lending their credit to any person, association, or corporation or assuming debts or other liabilities for such persons or groups. In three states—Alabama, Washington, and Louisiana—the language of the provision is clearly restrictive; in the other states, the constitutional language is broader and appears to be less inhibiting.

Many localities, though developing alternative financing plans for rehabilitation loans, do not always see them as a good substitute for Section 312, since other sources of funding often result in higher interest rates and fewer loans, which greatly diminishes the impact of rehabilitation efforts in declining neighborhoods.

In Cambridge, Massachusetts, the redevelopment authority's assistant director of residential renewal, Gordon Gottsche, says the city has done rehabilitation under 312 for eight years without a single foreclosure. "With few exceptions, there won't be any effective neighborhood rehabilitation and stabilization program in the country without the type of support 312 offers," Mr. Gottsche asserts.

Additionally, however, the Cambridge authority has been working on what Mr. Gottsche calls "an aggregated resources approach" in its Wellington-Harrington neighborhood, where rehabilitation has been underway for the past seven years.

The resources that have been pulled together under this program are more than 1 million dollars in Section 312 loans; $155,000 in Section 115 grants; $283,000 in a 312/115 combination; and about 1.5 million dollars in federal and state funds for multi-unit housing, both new and rehabilitated, that is owned by a community corporation or that is being built for cooperative ownership.

More than 1 million dollars in loans from traditional lenders at interest rates ranging from 6½ to 9 percent also have been invested in the neighborhood.

Two important resources that have been used in the rebirth of Wellington-Harrington are a citizens' committee and a community corporation, which has built or improved about 160 housing units. These groups have drawn on many thousands of hours of volunteer help and have used students in work-study programs to lower costs. Moreover, they use zoning as a tool to protect their neighborhood. For example, five rather large sections of Wellington-Harrington have been down-zoned for low density and for restoration to residential rather than commercial use.

Added to these multiple resources are self-help, the use of phased rehabilitation, and rent-skewing (the use of prevailing rents in a number of units and rent supplements in others).

Unlike some rehabilitation efforts, the Cambridge program works with all property-owners in its area, including absentee landlords. About 25 percent of all owners pay for some of the rehabilitation out of their own pockets. This results in lower amortization costs to the owners and helps keep rents down in rental properties, Mr. Gottsche says.

Neighborhood Housing Services: A dozen cities are operating neighborhood housing services (NHS) programs that were inaugurated with help from the Urban Reinvestment Task Force, a joint effort of the Federal Home Loan Bank Board and the Department of Housing and Urban Development (see 1974 Journal No. 5, page 225). At the core of these programs is a high-risk revolving fund from which loans are made at interest rates of 0 percent to 6 percent, with terms as long as 20 years. Loans made from the revolving fund are secured by liens on the property undergoing rehabilitation so that any unpaid balances can be collected eventually, enabling the revolving fund to remain intact so that it can continue financing low-cost, non-bankable loans for rehabilitation purposes. In NHS programs, city commitments to upgrade public facilities and services and to operate a code compliance program in the target area are necessary. There also is a commitment by private lenders to make loans on regular terms to qualified residents and to contribute to administrative costs in the program.

Dallas launched a neighborhood housing services program in 1973 with a $100,000 commitment from the Ford Foundation and about $60,000 from local foundations to set up a high-risk revolving loan fund. Commercial banks and savings and loans have chipped in to cover the administrative budget of $50,000 a year.

Homeowners who want to make repairs and are not able to get credit on their own for this purpose apply to Neighborhood Services of Dallas, Inc., which calls the city for a courtesy code inspection. Next, the NHS staff gets specifications written up both for work needed to bring the property up to code requirements and for other work the homeowner wants done. NHS then puts the job out for bid and screens contractors.

The loan package to cover the cost of repairs is passed on by a board made up of two persons from the neighborhood, two from financial institutions, and one from the city at large. The board reviews NHS staff findings on what a homeowner can comfortably repay and makes its own decision on whether an owner is a good candidate for a bankable loan or requires a high-risk loan.

If the high-risk fund is used, the board decides on the terms. Recently, it made a loan of $5000 from this fund to an aged woman whose total income is $109 a month. She is repaying $5 a month in principal and has no interest charges. As in all NHS programs, a lien on the property protects the integrity of the revolving fund so that it can continue to serve neighborhood residents.

In its first two years, the Dallas NHS made 10 high-risk loans and has committed another 10 that are still in some stage of processing. At least 55 owners got conventional loans from private lenders. A great many other people also received conventional loans as a result of the program's presence in the neighborhood but did not go through the NHS office, according to NHS executive director Billie Richards.

While there are hopeful signs, there are also indications that rehabilitation problems are outpacing rehabilitation solutions in Dallas. The city estimated in a report on minimum housing code enforcement that "approximately 2,000 more units of housing are falling into 'substandard' condition annually than are being maintained in standard condition, demolished, or rehabilitated to standard condition." The report also predicted that this figure will mount in future years if federal support for code enforcement is lost.

In Corpus Christi, the success of a federally-assisted code enforcement (FACE) program and the subsequent federal impoundment of funds for this program led the city to seek alternatives in order to continue its neighborhood preservation efforts. It came up with what it calls a "mini-housing finance agency" to open an avenue for some high-risk low- and moderate-income property owners to travel in the rehabilitation of their homes. The Corpus Christi Municipal Loan Program (see 1974 No. 8 Journal, page 380) offers technical assistance in the rehabilitation of substandard housing, including design, contract supervision, and the purchase of materials; arranging financing; and a comprehensive homeownership and related family financial counseling program.

To carry out improvements systematically, the city council designated areas in Corpus Christi for concentrated code enforcement. Propertyowners who need to make repairs get help from the city's neighborhood improvement division staff in packaging an application for a rehabilitation loan. Then, private lenders make loans to propertyowners who are able to pass through the scrutiny of loan committees of the community development corporation, a city contractor, and the participating lending institutions. Each lender who signed up to participate in this program agreed to make a certain percentage of the rehabilitation loans.

To protect lenders, a special reserve fund is maintained. It is made up of fees charged borrowers for overhead and for construction management services provided by the city and the community development corporation. The fee is set at 20 percent of the total cost of materials, subcontracts, and other out-of-pocket expenses involved in the rehabilitation of each dwelling unit, plus a 3 percent contingency reserve. This account is used to cover any defaults that may occur.

One of the most ambitious attempts to stabilize urban neighborhoods is in New Jersey. The state has launched a neighborhood preservation program in 13 cities that is scheduled to run two years in all but one of these cities and that will get up to 4 million dollars in state funds (see Journal No. 4, page 192).

This program follows on the heels of a demonstration rehabilitation grant program that the state funded last year in 16 cities to pick up where the Section 312 program left off when the federal government impounded 312 funds. In the earlier state program, $570,000 went out in rehabilitation loans and stirred up about 1.3 million dollars from private lenders for rehabilitation.

In both New Jersey programs, a combination of grants and loans is the typical device used to bring rehabilitation within reach of homeowners with modest incomes. Direct grants of 30 percent of the amount needed to improve a property are teamed with 70 percent financing from private lenders at market interest rates. The grants and conventional loans, when used in tandem in this manner, are roughly equivalent, in terms of the homeowner's total outlay, to the loans that have been available under the Section 312 program.

The New Jersey cities vary widely in their program plans. Some are going to work in neighborhoods where rehabilitation needs are modest and where there are strong positive features that can be brought out and made dominant with some start-up funding, technical assistance, and encouragement. Other cities are trying to root out pockets of serious decay before they spread, an approach that Allan Mallach of the New Jersey County Municipal Government Study Commission describes as "the rotten apple theory" in neighborhood preservation. The commission worked with the state department of community affairs in developing the program and it is evaluating the results.

In Jersey City, the state grant of $250,000 for the first year's neighborhood preservation program is part of a 1.4-million-dollar publicly-funded effort to rehabilitate the city's housing and its neighborhoods. In addition to the neighborhood preservation program funded by the state, six similar programs are operating in Jersey City, with about 1 million dollars in community development block grant funds.

In all of the program neighborhoods, owner-occupants can get loan-and-grant combinations for rehabilitation work to be done by a contractor or to make repairs themselves (in the self-help program, loans and grants are accompanied by construction advice and the loan of power equipment from a tool bank). Also, "good neighbor award" loans and grants are available to owner-occupants who have maintained their property in good condition but want to make some improvements in it. In all of these programs, the grants serve to keep the effective interest rate on loans to 6 percent, although 12 percent is now the going rate in Jersey City.

In addition, hardship grants are made to owner-occupants to cover all of the costs of housing rehabilitation for two groups of people—senior citizens whose shelter costs are high and unemployed persons who are physically unable to work in the self-help program.

Nonoccupant owners who must make repairs on account of code violations can get grants and loans that will subsidize up to 20 percent of the cost of repairing maintenance items and up to 50 percent of capital improvement costs to install central heating or to improve a building's facade.

Jersey City also is planning to rehabilitate 11 homes that were abandoned by owners who bought them under HUD-subsidized programs and then were unable to keep up mortgage payments. These properties will be taken off HUD's hands and will be rehabilitated and sold in a locally designed homesteading program. This program will be funded with another allotment, this one for $200,000 from the Jersey City community development block grant. Dennis Enright, administrator of community development revenue sharing in Jersey City, gave this example of how the scheme will work.

"We will pay all of the costs of rehabilitation out of the block grant. First of all, this does away with the need to pay interest for construction financing. Then, if the rehabilitation costs $30,000 and a bank makes a $20,000 mortgage loan on a house, we will put the loan funds from the bank back into the program fund. In effect, we will have given the homesteader a $10,000 grant."

Plainfield, New Jersey, is going to use its preservation monies from the state to get its NHS program rolling. The state gave the Plainfield NHS a one-time grant of $100,000, which went into a high-risk loan fund, and $14,000 to pay administrative costs this year. The rest of the $165,000 in Plainfield's high-risk loan fund was committed by the Urban Reinvestment Task Force. As in other NHS cities, the high-risk fund is used to supplement conventional loans made by private lenders at market interest rates—currently 10 percent in Plainfield. Loans are made from the fund to homeowners who fail to qualify for other credit or to those who can get only a portion of the credit they need elsewhere. Interest will vary from nothing to market rates but is expected to average about 4 to 5 percent.

Most of the houses in Plainfield's 13-block NHS neighborhood are occupied by owners and about half of the houses show early signs of decay. The city is pitching in to help restore the area. It is going to put in curbs and resurface streets throughout the neighborhood; is doing code enforcement inspections and preparing work write-ups for each unit to be repaired; and has provided $4000 for general landscaping purposes.

Irvington, New Jersey, is putting its state dollars to work in 31 city blocks where incomes are low and unemployment is high but where there are parks, a police athletic program for youngsters, good recreation facilities, and a good school. The area has been attracting many mobile black families away from Newark and is now 70 percent black. The white population consists mostly of elderly persons who have lived in the community for many years.

Financing for rehabilitation in Irvington follows the standard pattern in the state program: loans from private lenders cover 70 percent of the costs, with a 30 percent grant from program funds to lighten the load on homeowners and put rehabilitation within their grasp. James Zangari, executive director of the project, says there was no difficulty in attracting private credit for the 151 houses that were rehabilitated in last years' demonstration grant program and he expects no problems in lining up private lenders this time. The demonstration program was in an adjacent neighborhood that was in much worse shape, Mr. Zangari says. The major problem he anticipates in the present effort is with new residents who have no equity in their homes. They probably will have to make repairs as best they can, with some grant funds to help in hardship cases.

Hoboken is putting most of its $200,000 state grant for this year into a citywide home improvement project that has been underway for three years (see 1974 Journal No. 8, page 379). So far, some 250 homeowners have done housing repairs through this program. Funding for program administration and grants to reduce the effective interest rate on loans from private lenders has come from state grants, model cities money, and, more recently, from community development block grant funds.

The project has had a major impact on the city, according to Robert Armstrong, director of redevelopment and planning for the Hoboken Community Development Agency. For the first time, private lenders are making a significant amount of loans for the repair of homes. About 1.5 million dollars in such loans have been made in the company of grants from the project. In the beginning, the grants reduced the effective interest rate on loans to 3 percent but with going rates now at 12 percent in Hoboken, the effective rate has climbed to 6 percent. The relatively low cost for loans is given credit for overcoming such serious disincentives to housing renovation as the high taxes in Hoboken and the fact that the largest group of homeowners is not accustomed to buying on credit.

The correction of code violations is not a condition for getting loans and grants. It was feared that the rigid enforcement of code standards might discourage potential borrowers. They would run the risk of having new violations uncovered and, if they were unable to get a loan, have no way to correct the problems. Instead, homeowners must give priority in making repairs to central heating; up-to-standard plumbing and electrical systems; and good quality walls and ceilings. As long as these are to be taken care of or if a home already meets these standards, funds up to a subsidized loan limit of $20,000 per property can be used for whatever rehabilitation work the owner wants done.

For the past two years, San Francisco has been working to develop a city-financed substitute for federal financing of neighborhood rehabilitation (see 1974 Journal No. 3, page 129). This has involved adopting a policy and a plan; enactment of state legislation; amending the city charter; setting up a financing system that is agreeable to the private sector; getting an appellate court decision on the constitutionality of public loans to individuals; and seeking a ruling from the Internal Revenue Service on whether the interest that is earned on bonds issued by the city to finance its rehabilitation loan program is tax free. These complicated preparations are nearing completion and the avenue to be used in financing the city's "rehabilitation assistance program" (RAP) is finally about to be cleared of obstacles.

The San Francisco bureau of building inspection has been doing housing rehabilitation since 1959, when it began its neighborhood conservation program employing the concentrated enforcement of the city housing code in three large residential areas. This was supplanted eight years later by federally-assisted code enforcement (FACE), which provided much needed financial assistance for affected propertyowners, tenants, and administration. Work is now finished in four of the city's seven FACE areas and is nearing completion in the others, despite the fact that more than half of the time during the past six years the funds for this program essentially have been unavailable from the federal government.

According to the department of planning, the program was one of the most successful housing efforts in the city but at the rate it has been funded "it would take over 45 years to provide assistance in those neighborhoods which are considered to be in need." Begining in June 1973, the city has done almost all of the funding in this program itself at a reduced level and using emergency supplemental appropriations from the general fund while it sought a dependable financing mechanism for rehabilitation.

RAP, the new local program that is about to start into operation, is based in large part on a Norfolk, Virginia, plan that also was stimulated by the drying up of federal rehabilitation loan funds (see 1974 Journal No. 5, page 223). The procedures that are used in making loans are basically the same as those in the Section 312 program, with the main difference being the fact that loan funds are obtained through the sale of bonds.

This is the financing plan for the RAP program in San Francisco: the city will sell bonds and use the proceeds to establish a rehabilitation loan fund. As security for its loan, the city will pledge the deeds of trust it acquires when it makes rehabilitation loans; a special fund made up of money received in rehabilitation loan repayments; and a bad debt reserve established from the proceeds of the bonds. The bonds are to be repaid only from these resources and are not general obligations of the city.

Because the bonds are unusual, they may be difficult to market generally, but San Francisco has a commitment from the Bank of America to submit a bid at public sale for up to 20 million dollars worth of bonds over a five-year period. A condition of the bank's offer was that the city obtain a favorable resolution as to the legal and tax-exempt status of the bonds. One of the legal issues was whether the use of the bond proceeds to make loans to propertyowners, without regard to their income, would violate a provision of the state constitution prohibiting the legislature from authorizing a city to make gifts or lend its credit.

The city sought clarification of any constitutional impact before offering the bonds for sale. The decision was a favorable one. The appellate court ruled that if a public purpose is served by the expenditure of public funds, the constitution is not violated, even though there may be incidental benefits to private persons. The determination of what constitutes a public purpose is primarily a matter for the state legislature to decide, the court said. The decision also pointed out that there is no longer any question about the use of public funds for the purpose of slum clearance and redevelopment and that rehabilitation is less disruptive to the lives of people than is redevelopment and preserves many human values, such as personal associations, attachment to a church, and a sense of community.

The first priority in the RAP program is to complete work in the three remaining FACE areas, if no Section 312 funds are available. Rehabilitation in these areas is over 90 percent complete but, to finish up, about 3.3 million dollars is needed, according to James Jaquet, director of the mayor's office of community development for the city and county of San Francisco. The city also hopes to start into two new areas under RAP this year and may try to begin an additional one or two next year, Mr. Jaquet said.

RAP loans will cover minimum code work, incipient violations, or obsolescence and will be available to all propertyowners in target neighborhoods who demonstrate an ability to repay a loan. The program will provide up to $17,500 for each unit, with a maximum indebtedness of 90 percent of after-rehab appraised value. These loans are to be repaid over a period of 20 years or three-fourths of the economic life of a building, whichever is less. A low interest rate will accompany the loans but the exact amount will not be set until the interest rate on city bonds is determined at the time of their sale. The low rate on loans to propertyowners is predicated on a below market rate for city bonds, which will be available if they are exempt from federal taxes. The city anticipates an IRS ruling before the end of July.

RAP also will make some hardship loans of up to $3500 per building. These will be available only to owner-occupants of one- to four-unit residences. An applicant must have a low income and not be able to qualify for a regular RAP loan. The loans will be limited to the cost of code enforcement repairs, will be interest free, and will carry a lien against the property, with no repayments due until sale, transfer, or after 20 years.

Based on its experience in the Section 312 program, the city expects the average life of a regular RAP loan to be 8 to 10 years and a delinquency rate not exceeding that in the conventional market.

In St. Paul, the city is in the process of implementing a rehabilitation loan and grant program that is backed by an authorization from the city council for the sale of 3 million dollars in general obligation bonds. Half of this authorization was sold in a few days without any difficulty. One of the keys to the city's success in marketing these bonds was the good results in the Section 312 program, according to Edward Helfield, executive director of the housing and redevelopment authority. About 8.8 million dollars were spent in that program and helped to develop strong local support.

Most of the bond issue is to be used for loans and no more than 5 percent will be used for grants. A small part of the proceeds will be used for a loan default reserve, to pay administrative costs, and to make up the difference in interest between what the city has to pay private lenders on its bonds and the interest it will get on loans it makes to homeowners. The city hopes to build a firm foundation for the rehabilitation program by leveraging some additional millions from private lenders to use in making rehabilitation loans. Still other funds for the rehabilitation program are to come out of the city's community development block grant—$400,000 for loans, $600,000 for grants, plus some funds for administration, code enforcement, and street improvements.

St. Paul has identified six high priority areas for concentrated rehabilitation efforts. Within these areas, it is selecting smaller areas in which most of the rehabilitation loans and grants will be made. Sixty percent of the funds in the program will go into these designated neighborhoods; 40 percent of the loan and grant funds will be spent citywide.

Rehabilitation loans will be made only to persons with low to moderate incomes who are owner-occupants of the residence to be repaired; are acceptable credit risks; and are able to repay the loan. By and large, the loans will be made to rehabilitate a property so that it meets code requirements. Grants will be made only to cover the correction of immediate health and safety hazards when an applicant's income and assets are extremely limited.

The loans will be made for up to 20 years or the remaining economic life of the property, whichever is less. The interest rate depends on the income and family size of the homeowner. There will be a two-point differential between each of three categories of applicant household: low income (4 percent); low-moderate income (6 percent); and moderate income (8 percent). All loans will be secured by a lien against the property.

Grants—up to a limit of $5000—will also require a lien and must be repaid in full if the property is sold during the first year, by two-thirds if sold during the second, and by a third if sold during the third.

Mr. TAFT. Mr. President, today I am joining my friend from California (Mr. CRANSTON) in submitting legislation to extend section 312(d) of the Housing Act of 1964 until the end of fiscal year 1978, to provide for a continuation of funding of rehabilitation loans for the improvement of existing housing in depressed areas.

We have all learned the lesson that an ounce of prevention is worth a pound of cure. With general inflation, high interest rates, and rising building costs, a pound of cure is well beyond the reach of many of our homeowners, and potential homeowners. Indeed, it is beyond the reach of many of our cities and States.

When the Senate Banking, Housing and Urban Affairs Committee was considering the Housing and Community Development Act of 1975, Senator CRANSTON and I argued successfully for the continuation of a separate program, outside of general block grants and development programs, to spotlight the concern of the Congress that special consideration be given to the maintenance of our existing housing assets. The need to preserve our neighborhoods, and to prevent decay, is even more important today, because of the enormous expense which failure to act could produce within a few years. If we are to bring inflation under control, and move toward a balanced budget, we cannot afford to be penny wise and pound foolish.

I should like to point out that the cities and States support this approach. Where they can, under the block grant program, they have been turning their attention to existing housing. This is because they see a real need in this area, and because Federal efforts in this field are not adequate to handle the problem.

A recent HUD report states that, in deteriorating neighborhoods, section 312 loans account for as much as 20 percent of the rehabilitation loans made. Because of the lack of interest in such areas of the traditional bank and savings and loan lenders, the remainder of the loans are provided by consumer discount, finance company, and other short-term, high interest sources, which can work real hardship on low-income, inner city residents. There is clearly a need for a Federal program in such neighborhoods.

I urge the support of my colleagues for the continuation of this successful and necessary program.

By Mr. TAFT:

S. 3160. A bill to facilitate improved congressional coordination of financial benefit programs, and for other purposes. Referred to the Committee on Government Operations.

BENEFIT PROGRAM COORDINATION ACT OF 1976

Mr. TAFT. Mr. President, today I am introducing legislation entitled "the Benefit Program Coordination Act of 1976."

A major purpose of this bill's provision is to encourage more careful congressional consideration of the full impact of proposed income transfer legislation—public assistance, inkind benefit and social insurance programs—before final action is taken. In particular, the bill is designed to promote more careful consideration of the impact of such proposals on other assistance programs they affect indirectly—for example, the impact of a social security benefit change on a recipient's eligibility for food stamps, public housing, or other Government benefits.

It is presently my honor to serve as ranking minority member on the Joint Economic Committee's Subcommittee on Fiscal Policy. For the past several years, the subcommittee has been conducting an exhaustive study of the collection of Federal programs designed to improve the financial situation of various groups of Americans. This work has documented in some detail what all of us feel to be the case—that the present patchwork of individual assistance programs often relates to its supposed beneficiaries in inequitable and seemingly almost random ways.

When Congress increased social security benefits by 20 percent in 1972, all of us were reminded of the kind of difficulties this problem causes. While Congress was still congratulating itself on this great humanitarian step, congressional offices began to receive a considerable volume of mail indicating that some of the neediest social security beneficiaries had been made worse off or not much better off than before. They gained in social security benefits, but they lost medicaid, food stamps, and other program benefits, sometimes worth much more money than the increase.

It should be no surprise that some of those who observe such effects have become less confident that our Government knows what it is doing.

It is hardly surprising, however, that such anomalies have developed. Since fiscal 1968, Federal outlays for income security have mushroomed from a total of about $65 billion to more than $160 billion this fiscal year. Unfortunately, these programs have not been developed as a system, but rather as separate congressional responses to specific types of needs—often covering particular categories of persons. Furthermore, as the number of income-based programs have proliferated to fulfill the cash, food, health, housing, education, jobs, social services, and other needs of various groups, congressional consideration of the problem has become increasingly fragmented. In a memorandum to the President in 1974 on the possibilities for welfare reform, HEW Secretary Weinberger described the situation as follows:

> Some nineteen different congressional committees continuously recommend and obtain enactment of incremental changes, often "solving" one apparent problem only to create another—sometimes intentionally.

I observed this shortcoming most obviously in my experience as a member of the Senate Subcommittee on Housing and Urban Affairs. As part of its work on the Housing and Community Development Act of 1974, the subcommittee attempted to rewrite our subsidized housing programs. Although a major effect of these programs is to boost recipients' effective incomes, our discussions centered almost solely on the programs' housing supply effects. As a result I feel that we did not come to grips with some of the hard questions involved in coordinating the public housing program, a possible cash assistance or housing allowance program, and other aspects of our housing strategy, with Federal income support efforts in as effective and sensible a manner as possible.

With the blossoming of a multitude of assistance programs, the receipt of multiple benefits has become common and thus the coordination problems have worsened. One of the Fiscal Policy Subcommittee's studies estimated that 26 of the largest federally-funded income transfer programs and the major non-Federal programs were expected to have a gross total of 119 million beneficiaries in fiscal 1972, but actually would be aiding no more than 60 million different individuals.

In another subcommittee study of the receipt of benefits in six low income areas, it was estimated that between 60 and 75 percent of the households receiving any benefits at each site received benefits from more than one program, and that about 10 to 25 percent of the beneficiary households at each site benefitted from five or more public assistance programs. For example, in January, 1973, about 60 percent of the families receiving welfare—aid to families with dependent children—also received food stamps. Virtually all these families received medicaid and more than 4 percent of them received social security. A more recent study of food stamp recipients indicated that recipients participated in an average of three major benefit programs. The survey indicated that only about 7-percent of the food stamp recipients relied solely on food stamps for Federal income-related support. With regard to social security, the study of six low-income areas indicated that far less than half the beneficiaries receive Federal income-related support only from that program.

Thus, the problem of uncoordinated and overlapping financial assistance programs affects a very considerable number of Americans and a large proportion of those receiving Federal aid. The example I gave of the social security increase illustrates some of the situation's least desirable consequences, but it is far from the only type of example. Along the same lines, a person who has earned both veterans' assistance and social security benefits may be worse off than a person who has earned neither, because he will lose public assistance and medicaid benefits worth a higher total amount if his income from the VA and social security programs exceeds the maximum public assistance eligibility level. The opposite type of problem occurs when a welfare recipient is penalized for refusing to accept a validly offered position of employment. This penalty may be offset by benefit increases in other programs with different rules, such as a reduction in public housing rent and the price of food stamps.

More importantly, the diverse patterns of participation by the poor in these various programs leave each participant's total level of Federal assistance virtually unpredictable. At two of the six low-income areas covered by the subcommittee survey, households receiving benefits from five or more programs on average had total incomes of more than $6,500 per year. This level matched the highest level of guaranteed income advocated by any group in the national political spectrum of which I am aware, and is higher than the wages of millions of full-time workers. At the same time, our income assistance programs leave more than 24 million Americans below the poverty line. Many of these Americans even belong to population subgroups favored by our present programs, such as mothers with children. To say the least, this is highly inequitable and certainly not the type of "system" which Congress could have had in mind.

The existence of a multiplicity of uncoordinated programs also guarantees that a higher proportion of Government social program dollars will be devoured by administrative costs and increased errors. Each additional Government program adds a layer of administrative costs and increases the chances of errors in the disbursement of benefits. These cost layers can be quite thick, as the current absorbtion of 13 percent of food stamp dollars in administrative costs illustrates.

The great issue with regard to these income assistance programs has always been their relationship to work. With respect to this issue, too, the mishmash of uncoordinated programs has produced some unintended and perverse results. This has happened in two major ways. First, as I have discussed, it is possible to combine the benefits from several programs for an income which makes a recipient better off than million of full-time workers. This may discourage work effort by recipients and understandably causes resentment by those who are working for low wages. Second, the programs' penalties for increased earned income can accumulate quickly to a level which makes additional work over a broad income range an irrational choice. For example, recipients of AFDC basically are allowed to keep one-third of each additional dollar they earn. However, in addition to a 67-cent reduction for AFDC, an additional earned dollar will trigger a reduction of at least another 8 cents in food stamp benefits and 8 cents in public housing benefits through a rent increase. Thus, for the 8 to 10 percent of AFDC families who receive both food stamps and public housing, there is a substantial income range over which an additional dollar of earnings will increase the family's income by only about 17 cents if in-kind benefits are given their cash value. Furthermore, the dollar of earnings which results in a loss of AFDC eligibility will result in the loss of medicaid benefits worth an average of several hundred dollars.

Of course, the importance of these work disincentives is decreased to the extent that persons participating in these programs either cannot work or fail to report additional earned income. While both of these considerations are important, neither should be overemphasized. With regard to the employability of recipients, about one-fifth of the families below the poverty line had a year-round, full-time worker in 1974; 72 percent of all poor male-headed families and 51 percent of all poor female-headed families had some earnings in 1972.

Although it is true that the working poor are still slighted by our financial assistance programs, families with workers certainly are not totally excluded. In the six low-income areas study, from 32 to 68 percent of the public welfare recipients at each site reported earned income. For AFDC households, the average was 47 percent. The study's analysis of the recipient groups receiving benefits from five or more programs also indicated that families wtih employable heads are far from excluded from this group.

For all of these reasons, it clearly is time for Congress to accept its responsibility for doing all it can to rationalize the coordination of income assistance programs. The bill I am proposing today would foster this effort in three ways. First, it would require any congressional committee which reports legislation altering or establishing one of these programs to accompany the measure with a statement explaining its impact on other such programs. This impact statement would include an explanation of anticipated effects on eligibility for and receipt of other program benefits, anticipated impact on program administration, anticipated changes in work incentives and other relevant information the committee may decide to include. The committee could omit parts of the statement, or the statement in its entirety, on the grounds that inclusion in the report would not be practicable, but only if it instead included in the report the reasons for any such determinations. The bill in question could be considered by the full parent body only if it were accompanied by the impact statement.

Second, the bill requires the designation of a unit within the Congressional Budget Office to be charged with helping the Congress do a better program coordination job. This would be required in recognition that Congress concern with the problem in the past has been inadequate and that committee staffs often are ill-equipped to deal with program-related problems which reach beyond the scope of their committee's jurisdiction. The CBO unit would be expected to be of assistance particularly on such extra-jurisdictional problems. The unit would collect and develop relevant information, building upon the efforts of other agencies to the extent they are suitable.

Third, the President would be required to designate a specific unit or agency within the executive branch to have responsibility for assuring adequate income assistance program coordination and for collecting and developing relevant information. The bill allows the President the latitude he needs to determine the agency or unit best suited to perform this task on an ongoing basis. The President would be required to report annually to Congress on any significant developments in program coordination, such as administrative innovations; any significant impact which income assistance legislation enacted during the past 3 years has had on other income assistance programs; and his recommendations, if any, for further program coordination improvements.

I believe that by fostering sustained and concentrated congressional and executive branch attention on these concerns, this bill takes a necessary first step toward some important program improvements. However, improvement of these programs undeniably poses some intractable problems for Congress, regardless of the amount of attention devoted to the task. In particular, program reformers generally must balance the vital but largely conflicting goals of providing the most adequate benefits possible to those most in need, encouraging work and keeping costs reasonable. To mention just one more problem, the multiplicity of programs may be hard to reduce partly because the public prefers to give assistance to the poor in the form of housing, food, or other inkind benefits than in cash, regardless of this strategy's limitations in increasing recipients' well-being and the administrative complications.

There obviously is no guarantee that the passage of the bill I am introducing would lead Congress to solve these tough problems, or even to address them. However, I do not believe that the need for major reforms in these programs, which I have felt to be critical for years, detracts in the least from the importance of passing this bill. Some important improvements within the present program structure may be achieved as a result. For example, a better meshing of the programs' treatment of recipient income and benefit eligibility standards which could cut administrative costs and errors, and a fairer distribution of multiple program benefits, may be possible to achieve. But just as importantly, this bill's provisions would prod legislators and administrators to view the assistance programs as a system, rather than as separate entities within the feifdoms of their particular committees or agencies. I believe that this is bound to increase congressional determination to iron out program anomalies and rationalize the programs, eventually with major benefits to both recipients and taxpayers.

The prospects for any overhaul of Federal income support programs in the near future obviously are uncertain at best. But, if the passage of this bill focuses legislators' attention on the total effects of these programs on recipients rather than allowing continued considerations of each program piecemeal, we certainly will be taking a step in the right direction.

I ask unanimous consent that the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 3160

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Benefit Program Coordination Act of 1976".

FINDINGS

Sec. 2. The Congress finds that—

(1) the United States Government will spend more than $160 billion to improve the financial plight of more than 70 million Americans this year;

(2) a number of Government programs designed to improve the financial situation of needy Americans have been developed without sufficient efforts to coordinate these programs;

(3) a majority of individuals receiving Federal financial benefits are participants in more than one such program and a significant proportion of such individuals are participants in several such programs;

(4) as a result of this situation, legislative initiatives affecting such programs have sometimes had unforeseen or ill-considered effects, including irrational treatment of program beneficiaries, payment of inequitably high benefits to some beneficiaries while others remain in need, frustration of Congressional intent, reduced incentives for individuals to work rather than rely upon government assistance, and complications in the administration of such programs which increase program costs;

(5) the existence of such effects has been criticized widely and has helped to undermine public confidence in Government assistance programs and government generally; and

(6) as part of its responsibility for the creation and revision of such programs, the Congress has a compelling duty to enact legislation which minimizes these problems of program coordination to the greatest extent feasible.

PURPOSES

Sec. 3. The purposes of this Act are (1) to provide an improved legislative procedure and technical assistance designed to facilitate more careful Congressional consideration of the full effects of proposed legislation establishing or changing financial benefit programs, particularly the indirect effects on individuals, families, or households receiving assistance under more than one such program, and (2) to facilitate improved executive branch monitoring of interactions among financial benefit programs.

DEFINITION

Sec. 4. As used in this Act, the term "financial benefit program" means a program financed in whole or in part by the Federal Government under which financial assistance or benefits are made available to individuals (or families or households) on the basis of present or past income (including social insurance programs based in part on taxes deducted or paid on wages or income), and includes financial assistance or benefits provided under the Federal income tax laws.

FINANCIAL BENEFIT PROGRAM IMPACT STATEMENTS

Sec. 5. (a) The following subsections of this section are enacted by the Congress—

(1) as an exercise of the rulemaking power of the Senate and the House of Representatives, respectively, and as such they shall be considered as part of the rules of each House, respectively, and such rules shall supersede other rules only to the extent that they are inconsistent therewith; and

(2) with full recognition of the constitutional right of either House to change such rules (so far as relating to such House) at any time, in the same manner, and to the same extent as in the case of any other rule of such House.

(b) (1) Whenever a committee of the Senate or the House of Representatives reports a bill or resolution establishing or changing a financial benefit program, the report accompanying such bill or resolution shall, except as provided in this subsection, contain a statement describing any expected significant impact on any other financial benefit program or programs. Such statement shall include an explanation of—

(A) anticipated changes in the amounts of benefits provided (or wages or income taxed) under such other program or programs, including both the incidence and magnitude of increases and decreases in such amounts;

(B) anticipated impact on eligibility under such other program or programs;

(C) anticipated impact on the administration of such other program or programs; and

(D) anticipated changes in work incentives for participants in such other program or programs.

Such statement may also include such other information and recommendations as the committee deems appropriate. If the committee determines that the establishment or change of such financial benefit program will have no expected significant impact on any other financial benefit program, the report accompanying such bill or resolution shall contain a statement to that effect, and its reasons for making such determination.

(2) If the committee determines that it is impracticable to include the statement required by paragraph (1) or a portion thereof in such report, and includes in such report its reasons for making such determination, then paragraph (1) shall not apply to such report or such portion.

(3) Each committee of the Senate and House of Representatives which has jurisdiction over bills or resolutions establishing or changing any financial benefit program or programs shall adopt rules setting forth its criteria for determining whether the establishment or change of a financial benefit program would have any expected significant impact on any other financial benefit program.

(c) (1) Whenever a committee of the Senate or House of Representatives reports a bill or resolution making any change in the application of the Federal income tax laws to individuals (other than a change which establishes or changes a financial benefit program) the report accompanying such bill or resolution shall, except as provided in this subsection, contain a statement describing any expected significant impact on any financial benefit program or programs. Such statement shall include the matters described in subsection (b)(1) and may include such other information and recommendations as the committee deems appropriate. If the committee determines that the change in the application of the Federal income tax laws to individuals will have no expected significant impact on any financial benefit program, the report accompanying such bill or resolution shall contain a statement to that effect and its reasons for making such determination.

(2) If the committee determines that it is impracticable to include the statement required by paragraph (1) or a portion thereof in such report, and includes in such report its reasons for making such determination, then paragraph (1) shall not apply to such report or such portion.

(3) Each committee of the Senate and House of Representatives which has jurisdiction over bills or resolutions changing the application of the Federal income tax laws to individuals shall adopt rules setting forth its criteria for determining whether such a change would have any expected significant impact on any financial benefit program.

(d) (1) It shall not be in order in the Senate or the House of Representatives to consider any bill or resolution reported on or after the effective date of this section which establishes or changes a financial benefit program unless the report accompanying such bill or resolution contains the statement required by subsection (b)(1) or the reasons for making a determination under subsection (b)(2).

(2) It shall not be in order in either the Senate or the House of Representatives to consider any bill or resolution reported on or after the effective date of this section which changes the Federal income tax laws unless the report accompanying such bill or resolution contains the statement required by subsection (c)(1) or the reasons for making a determination under subsection (c)(2).

(e) This section shall take effect on the first day of the first session of the 95th Congress.

ASSISTANCE BY THE CONGRESSIONAL BUDGET OFFICE

SEC. 6. (a) As soon as practicable but not later than the first day of the first session of the 95th Congress, the Director of the Congressional Budget Office shall designate a unit within that office to be responsible for providing assistance to the committees of the Senate and the House of Representatives in complying with the provisions of section 5 and in other efforts to improve the coordination of financial benefit programs, particularly assistance to any such committee relating to financial benefit programs which are not within the jurisdiction of such committee.

(b) The unit of the Congressional Budget Office designated under subsection (a) shall, under the supervision of the Director, collect and develop relevant information concerning interactions between financial benefit programs, using information collected or developed by other agencies to the extent such information is suitable.

(c) The Director may, at any time, upon his own initiative or at the request of any committee or committees of the Senate or House of Representatives, submit to Congress or to such committee or committees alternative recommendations for improved coordination of financial benefit programs.

EXECUTIVE BRANCH MONITORING AND REPORTS

SEC. 7. (a) The President shall designate a governmental unit, department, agency or instrumentality, to be responsible for assuring adequate monitoring of the interactions among financial benefit programs and for the collection and development of relevant information concerning such interactions.

(b) The President shall submit to the Senate and the House of Representatives, on or before April 1 of each year, a report setting forth—

(1) any significant developments in the coordination of financial benefit programs during the preceding year;

(2) any significant impact which legislation establishing or changing a financial benefit program and implemented during the past three years has had on other financial benefit programs; and

(3) any recommendations he may have to provide further improvements in the coordination of financial benefit programs.

By Mr. CANNON:

S. 3162. A bill to amend the Interstate Commerce Act and the Federal Aviation Act of 1958 in order to exempt certain compensation of employees from multiple taxation under the laws of States or subdivisions thereof other than the State or subdivision of residence or the State or subdivision wherein more than 50 percent of compensation is earned. Referred to the Committee on Commerce.

Mr. CANNON. Mr. President, the legislative proposal I offer today is an attempt to remedy an inequitable situation that has developed since the enactment in 1970 of Public Law 91–569. That legislation permitted a State to require employers to withhold income tax from employees engaged in interstate transportation if more than 50 percent of employment travel occurred in that State.

I feel there are strong arguments for providing an exemption to the 1970 law for workers who can be characterized as transportation employees who resided in one State but yet must travel to another State or several States in order to perform their work duties. I am thinking specifically of railroad employees, truck drivers, water carriers, and air carrier employees. The proposal I have submitted would insure that these employees would have a State income tax liability to the State in which they physically reside rather than being liable to the State or States in which the interstate transportation employee performs his work duties.

To illustrate the problem I would like to share with my colleagues the current situation in Nevada. Numerous Nevada residents are employed in interstate travel into California and the State of California requires Nevada based employers to withhold income tax from the wages of such employees, according to the percentage of employed travel occurring in California under threat of making the employer responsible for any taxes which are not withheld.

These Nevada residents receive no services from the State of California in return for such taxes, nor does their presence in California during the course of their employment result in any expense to California that is not fully compensated for by their employers in the form of highway use, corporate income, and other taxes. I feel that the withholding of California income taxes from Nevada residents imposes an unfair and discriminatory burden on them and I would hope that the Congress will act favorably on the bill I introduced today.

The proposal I offer today is identical to the one that passed the Senate in 1970 but unfortunately there were several changes in conference with the House. I believe that these interstate transportation employees should meet their tax obligation in the State in which they physically reside.

The 1970 Public Law 91–569 exempted these employees from the withholding for State income tax purposes, my proposal exempts these employees from the tax liability if they meet the criteria outlined in the bill.

By Mr. PROXMIRE (for himself, Mr. BROOKE, and Mr. STEVENSON):

S. 3163. A bill to permit the payment of interest on demand deposits which consist of public funds of the United States or of a State or a political subdivision or instrumentality of a State. Referred to the Committee on Banking, Housing and Urban Affairs.

Mr. PROXMIRE. Mr. President, on behalf of the distinguished Senator from Massachusetts (Mr. BROOKE), the Senator from Illinois (Mr. STEVENSON), and myself, I am introducing today a bill to provide a measure of financial relief to our hard-pressed State and local governments, and to the Federal Government as well, by authorizing payment of interest on billions of dollars in public funds held as demand deposits in commercial banks throughout the country.

The legislation I am proposing would repeal the sections of Federal law prohibiting interest payments on demand deposits for those deposits which consist of public funds of the United States or of any State or local government. The effect of his repeal would be to enable units of government to earn interest on all their funds, including short-term deposits held in checking accounts, until they are drawn out to pay expenses.

Mr. President, it is the taxpayers who should get the benefit of the earnings on their money, and not the banks. The legislation I am proposing will help governmental bodies get the best possible rate of return on all their tax dollars.

I should point out that the Senate has already passed the Financial Institutions Act, which includes the complete repeal of the prohibition on payment of interest on demand deposits, effective in 1978 or 1980 at the latest. The committee report on the bill states that this prohibition, enacted in the wake of the bank failures of the early 1930's, "is no longer justified and its repeal is in the public interest." The House Banking Committee is now working on similar legislation.

Thus the legislation I am proposing does not represent any radical departure from present thinking in Congress and in the public at large. Quite the contrary. All my bill would do is accelerate the changes that are already slated to occur, while confining the scope of those changes at this point to demand deposits of Federal, State, and local governments.

Mr. President, I see no reason for Congress to delay allowing interest payments on public demand deposits. The potential benefits far outweigh the costs. Public funds constitute a small proportion of the total demand deposits in the banking system—less than 7 percent—so the impact on the system as a whole would be rather small. On the other hand, the amount of public funds held as demand deposits is rather large—about 30 percent—so the financial gain to our units of government should be substantial. Furthermore, there is the incontrovertible argument that the benefits of this reform could hardly be more widespread, since they will accrue to all levels of government and thus to all our citizens.

So there is every reason for Congress to act swiftly to lift the prohibition on payment of interest on demand deposits where the funds involved are deposits of the U.S. Government or of State and local governments.

In the case of Federal deposits, both House and Senate Banking Committees have been considering legislation to allow earnings on Treasury tax and loan accounts, which contain most of the noninterest bearing deposits of the U.S. Government. Congressional action came in the wake of a Treasury Department study released in June 1974 showing that the Federal Government was losing over $260 million a year on the balances in those accounts, which then averaged $4 to $5 billion a day. Since that time, Treasury has adopted a new policy of drawing down the balances in tax and loan accounts more rapidly, to an average of only $1.4 billion in calendar year 1975, which has substantially reduced the earnings loss on these accounts.

The House passed a bill last December giving the Treasury general authority to invest the excess cash balances in tax and loan accounts and thereby earn interest on them. For a number of reasons, I believe that direct payment of interest—along the lines proposed in this bill—is a better approach. Meanwhile, we at least have the assurance that the Treasury is no longer losing large sums of money on tax and loan accounts while we deliberate on the best course of action to take.

Unfortunately, we have no such assurance with respect to State and local deposits. I believe the handling of these public funds is a far more pressing concern at this time. The sums of money involved are much larger, and the problems far greater.

Mr. President, we all know that our State and local governments are in financial trouble. Inflation and recession have raised the cost of services and cut into tax revenues, putting them in a real budget squeeze. The legislation I am proposing would not be a magic cure for these problems, but it would help State and local governments to get the most for the money they do have.

And they do have a lot of money. According to the most recent figures published by the Federal Reserve, State and local governments hold over $18 billion in demand deposits at commercial banks. This means they are losing about $1 billion a year—the earnings value of that money at today's interest rates, which range from 5 to 5½ percent.

That $1 billion in lost earnings is no small sum. It is equal to almost half of all the Federal funds allocated to community development programs in the last fiscal year. It is one-sixth of the money spent for the general revenue sharing program, which is the Federal Government's largest program of aid to State and local governments.

I see a strange paradox here. The Federal Government passes one law to turn over $6 billion in its own tax revenues to help States and localities meet their expenses, while at the same time it keeps on the books another law which prevents those same units of government from earning $1 billion out of their own tax revenues so they can take care of their needs by themselves.

Going beyond the financial advantages involved, I believe that authorizing payment of interest on State and local demand deposits would stimulate major reforms in the cash management practices of public bodies. Traditionally this has been an area riddled with corruption and influence peddling. Very often a State treasurer, or a municipality's money handler, has few or no restrictions placed on his authority to deposit unexpended cash balances. All too often those funds end up in banks controlled by prominent politicians, or by their friends, relatives and campaign contributors—so-called pet banks.

The big prize—and the biggest source of corruption—is the non-interest-bearing account. Sometimes these are genuine demand accounts, with the funds deposited and then withdrawn in a very short time. All too often the money stays there for long periods of time. Either way, the banks make huge amounts of money on these accounts, by investing them either short term in the Federal funds market or in longer term, higher yield assets. And they get to keep every cent they make.

I asked the Federal Deposit Insurance Corporation—FDIC—to supply me with a list of the top 100 banks in the country in ratio of State and local demand deposits to total demand deposits. The top bank on the list got 86 percent of its demand deposits from State and local governments. All of the top 100 got over 40 percent of their demand deposits from States and localities, and 36 of them had ratios of over 50 percent.

These ratios far exceed any normal amount of banking holdings of public demand deposits. Looking at FDIC figures for the 100 largest banks in the country, one finds that public deposits make up an average of just 5.8 percent of their total demand deposit holdings, and very few have ratios of over 10 percent. And in this case, public deposit figures include U.S. Treasury tax and loan account funds as well as State and local demand deposits.

These ratio comparisons suggest that something is wrong. A few banks are soaking up most of the gravy, for whatever reasons, while others are getting little or none. In the end, of course, it is the taxpayer who really gets soaked—because it is his money and he is not getting one penny out of it.

Occasionally gross abuses in the management of public funds come to light and receive some publicity, and maybe a few changes are made. New York State has recently been embroiled in a major scandal involving several millions of dollars in lottery funds deposited interest free in Bankers Trust Co. in Albany, one of whose vice presidents is the treasurer of the State Republican Party. The assembly ways and means committee is investigating the matter, and finding a number of abuses of State funds. Corrective legislation is being considered. Meanwhile, New York State teeters on the brink of bankruptcy, and its hard-pressed taxpayers have been losing millions.

All too often the abuses do not come to light. Or they are not really major abuses; maybe the noninterest bearing accounts are relatively small, and are spread out among a number of banks. The basic problem—and the real temptation—lies in the fact that by law demand deposits cannot bear interest, and State and local governments have to keep some of their money in checking accounts or they cannot pay their bills.

If Congress acts to amend the Federal law, so there are no barriers to obtaining interest on any type of public funds account, it will be pretty hard for any State treasurer or other money handler to justify keeping public money in interest-free accounts. By removing the major source of temptation, I believe we would get rid of the major source of corruption as well. This simple legislative change would give State and local governments the ability and the incentive to get a better return on their funds.

There is also a brighter side to the picture of State and local cash management. Some States and municipalities have made genuine, even creative efforts to handle their funds so as to get the maximum benefit from them. A study published by the Council of State Governments in November 1975 reveals that many States have well-developed policies for managing their cash balances, by investing them to stimulate in-State economic growth or to achieve maximum yield consistent with security and liquidity.

For those States and localities which already have good cash balance management policies, allowing payment of interest on demand deposits will help them do their job still better, by expanding their options and giving them access to a higher return on their funds. It should be of particular benefit to smaller communities with relatively low cash balances. These communities may not be able to make effective use of the investment options currently available, such as certificates of deposit or short-term Treasury bills, because of minimum dollar amounts and processing costs.

Mr. President, I intend to hold hearings later on in the session, with two objectives in mind.

The first is to get action on this bill to repeal the prohibition on payment of interest on public demand deposits, so that the U.S. Government and State and local governments can get the benefit of the earnings value of the money they hold in demand accounts.

The second, broader scale objective is to conduct a general examination into the way in which State and local governments handle the public funds under their control. Do they use them to get the best return for the public or to reward special interests in the banking industry? Is there a need for better distribution of information about the cash balance management practices of certain States and municipalities, so that others can profit from their ideas and experience?

Mr. President, I hope we can answer some of these questions in the course of the hearings. The answers we arrive at and the action we take should make a major contribution toward strengthening the financial condition of Governments at all levels and protecting the interest of the taxpayers.

By Mr. EAGLETON:

S. 3164. A bill to amend the Communications Act of 1934 in order to expedite the issuance of licenses to operate citizen's band radio transmitters. Referred to the Committee on Commerce.

CB RADIOS

Mr. EAGLETON. Mr. President, if trends continue, more than 9 million Americans will become citizens band radio operators this year. Judging from past experience 20 to 40 percent of them will not bother to apply to the Federal Communications Commission for a license and will operate their radio illegally without call letters.

Those who do apply for a license will wait, up to 4 months recently, for approval from the FCC before they can use the radio. Fewer than one-hundreth of 1 percent of the applications will be rejected for reasons other than age, ineligibility, or technical errors on the application form.

Mr. President, today I am introducing legislation to allow point-of-sale licensing for citizen band radios.

This bill will enable a CB radio purchaser to fill out a license form at the retail store. The form will have call signals printed on it. CB license eligibility regulations, usage requirements, and the penalties for violations of such requirements will be read by the applicant and the document will be signed. The signed license and application fee will be mailed by the retailer to the FCC. The retailer will charge a reasonable amount for his efforts.

Following the point-of-sale licensing procedure, the CB owner can begin broadcasting immediately. If he is not notified by the FCC within 90 days about license ineligibility, he can assume that he is permanently licensed.

Enactment of this bill will make it very difficult for anyone to purchase a new citizens band radio without receiving a license and call signals from the Federal Communications Commission. According to the FCC the swift proliferation of CB's has made rule enforcement very difficult—particularly among the unlicensed. Abuses by irresponsible radio owners have cast aspersions over the vast majority of conscientious CB operators.

Point of sale licensing will tend to reduce the bureaucracy necessary for the licensing of citizen band radios. The current mailing of half a million letters a month from the FCC to the newly licensed CB'ers can be eliminated.

The Federal Communications Commission recently studied the elimination of CB licensing altogether. They rejected that alternative citing problems of international license agreements, the impairment of effective enforcement and others.

I believe that the bill I am introducing today would create a licensing procedure which is superior to the current practice. I would hope, however, that congressional hearings on this bill will also consider other alternatives.

The ramifications of the citizens band radio phenomenon are not yet fully understood. Full and complete congressional hearings on all aspects of the issue will enable the Government to more adequately deal with the matter.

Mr. President, I ask unanimous consent that the text of the legislation be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 3164

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 309 of the Communications Act of 1934 is amended by inserting at the end thereof the following:

"(i) (1) In order to expedite the licensing of operators of citizen's band radio transmitters the Commission may—

"(A) authorize any retail dealer selling such transmitters to issue, on a conditional basis subject to denial pursuant to clause (C), such a license furnished by the Commission complete with call number, upon application completed by the applicant on forms furnished by the Commission and mailed by registered mail to the Commission by such dealer;

"(B) authorize such dealer to collect (i) and transmit to the Commission the Commission's fee for such license, and (ii) a reasonable amount, determined by the Commission, as compensated for such dealer's costs in supplying services authorized in this subsection;

"(C) at any time within the 180 day period following the date of the mailing of such application, deny, by notice only mailed to such applicant, the issuance of such license upon determining that such applicant is not qualified for such license.

"(2) The Commission shall include in appropriate places in applications and licenses pursuant to this subsection—

"(A) requirements with respect to eligibility for such a license;

"(B) requirements with respect to radio usage pursuant to such a license;

"(C) a specific statement that all licensees will be expected to comply with such requirements which each applicant must agree to by signature; and

"(D) the penalties provided for violating such requirements.

"(3) The Commission is authorized to promulgate such regulations as are necessary to carry out the provisions of this subsection.".

By Mr. PELL (for himself, Mr. HOLLINGS, Mr. MAGNUSON, Mr. PASTORE, Mr. STEVENS, and Mr. TUNNEY):

S. 3165. A bill to establish a national marine science and technology policy of the United States, to extend the national sea grant program, and for other purposes. Referred to the Committee on Labor and Public Welfare and the Committee on Commerce, jointly, by unanimous consent.

STRENGTHENING THE SEA-GRANT COLLEGE PROGRAM

Mr. PELL. Mr. President, I am introducing today, with Senator MAGNUSON, Senator HOLLINGS, my senior colleague, Senator PASTORE, and Senator STEVENS, legislation to extend and strengthen the national sea-grant college program, and to improve the capability of the National Ocean and Atmospheric Administration—NOAA—to carry out the vital oceans and coastal zone responsibilities Congress has assigned to it.

The legislation I am introducing is the result of months of study of the sea-grant college program by the Senate National Ocean Policy Study conducted under the auspices of the Senate Commerce Committee. Senator MAGNUSON, the distinguished chairman of the Commerce Committee, and Senator HOLLINGS, chairman of the National Ocean Policy Study, have made major contributions to the development of this legislation, and I commend and thank them for their interest and their leadership in this cooperative effort to strengthen and expand the sea-grant college program. I want to commend also my senior colleague, Senator PASTORE, the ranking member of the Commerce Committee, who has through the years given strong and essential support to the sea-grant college program.

As the original Senate sponsor of legislation which established the sea-grant college program 10 years ago, in 1966, I am proud of the work and the accomplishment of the program.

The intent of the original Sea-Grant College Act, was to bring to bear on our Nation's rich ocean resources the same mechanisms that our system of land-grant colleges applied so successfully to the development of our Nation's agricultural resources.

Accordingly, the Sea Grant Act authorized matching grants to colleges, universities, and other institutions for programs of education, to provide the scientific engineering and technical skills required for marine resource development; applied research to find ways to improve our utilization of marine resources, and advisory and extension services, to make certain that the fruits of education and research programs reached those involved in the utilization of marine resources.

The sea grant program emphasized the necessity for a comprehensive, multidisciplinary approach to marine resource development and protection, recognizing that the combined talents of marine biologists, physical oceanographers, engineers, lawyers, home economists, and other specialists are required for sensible and effective development of marine resources.

I believe the sea grant program, despite limited funding, has demonstrated through its achievements the wisdom of the Congress in approving and supporting the sea grant approach to marine resource education, research, and development.

It is primarily because of the sea grant program that we now have strong centers of competence and proficiency in marine science and technology that we can and do draw upon to assist in the wise use, management, and preservation of the increasingly important food, mineral, recreational, and commercial values of our coastal and Great Lakes areas.

The examination of the sea grant college program by NOPS produced the conclusion that the program has performed consistently and well in striving to fulfill its congressional mandate.

The sea grant authorization bill presented today preserves the essential quality and characteristics of the program, and adds several provisions designed to strengthen its capabilities as a component of NOAA. The major change is the addition of a separately authorized program of grants, with no matching requirements, for research designed to meet national needs in addition to the existing matching grants for marine programs which may be primarily responsive to regional, State, or local needs. This provision will enhance the capability of sea grant to meet national research needs as determined within NOAA.

In addition, the legislation gives specific authority for some activities already being conducted under the broad authority of the existing Sea Grant Act, including the participation by regional consortia, and the sponsorship of sea grant fellowships by participating universities.

In addition to authorizing a strengthened sea grant college program, this legislation includes under a separate title, significant provisions designed to strengthen NOAA's capabilities for policy planning, research, technology assessment, and management of ocean and coastal resources. This would be accomplished primarily through a new Office of Marine Resources, Science and Technology Policy headed by an Associate Administrator of NOAA.

This legislation already has benefited in the course of its preparation from comments and suggestions offered by a broad national cross-section of the national oceans and marine affairs community. I would emphasize that the bill is still subject to modification and improvement.

Hearings on the legislation will be conducted jointly by the Education Subcommittee of the Senate Committee on Labor and Public Welfare, and the Commerce Committee on Monday and Tuesday, May 22 and 23. I hope and expect that testimony at those hearings will lead to further refinements and improvements.

Mr. President, I ask unanimous consent that the text of the bill, and a summary of its provisions be printed in their entirety in the RECORD at the conclusion of the remarks by myself and other cosponsors of the legislation.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. MAGNUSON. Mr. President, in recent years the Congress has recognized and highlighted the importance of the oceans and coastal zone to the Nation's future. Several of us have stressed the need for national policies and programs for the wise development and conservation of our marine resources. I have been particularly concerned with the application of the nation's prodigious science and technology capability to meet national ocean goals. In a world of "limited" resources the oceans offer a potential view source of certain scarce resources. But one "unlimited" resource is the knowledge gained through scientific and technological endeavors. Development of both these "limited" and "unlimited" resources will be of benefit to the Nation.

In 1966 Congress passed the Marine Resources and Engineering Development Act and the National Sea Grant College and Program Act. The Sea Grant Act was part of the culmination of efforts to launch a strong Federal program in the oceans and coastal zone through the application of science: First, to solve national needs for marine resources; second, to develop skilled manpower; and third, to provide new economic opportunities for the people of the United States. The program established by the Sea Grant Act provides for grants to colleges and universities for education, training, and research to accomplish these goals. The sea grant program authorization expires June 30 of this year.

The establishment of NOAA, by executive reorganization in 1970, was the result of recommendations from the Marine Science Commission established by the Marine Resources Act. NOAA was originally envisioned as an agency to advance marine science generally, and to lead the ocean and coastal program of the Federal Government. Although the accomplishments of NOAA have been extensive, the hopes and expectations of Congress for a strong, independent agency to carry forth an ocean and coastal zone program, of which sea grant would be an important part, have not been fully achieved. And, in the absence of a strong parent organization, it is clear that the sea grant program may not meet some of the goals set by Congress.

The Ocean and Coastal Resources Act of 1976, which I am cosponsoring, has been drafted to correct certain existing deficiencies in both the sea grant and NOAA organization. In the decade ahead, this Nation and its people will increasingly realize the importance of ocean and coastal resources. I, and the other cosponsors of this bill, wish to establish a marine science and technology policy for the United States, with NOAA clearly designated as lead agency. This bill would also authorize the sea grant programs to use its capabilities to deal with national as well as state and local problems. By introducing this legislation, we can focus our attention on the need to realine our present institutional capabilities to achieve national ocean goals.

Mr. HOLLINGS. Mr. President, it has been 10 years since the Congress passed the National Sea Grant College and Program Act. Its creators recognized then that marine resources were a vast, untapped asset of tremendous potential significance to this Nation and its people. To wisely utilize the resources of the oceans and coastal zone, it was realized that cooperative programs with State and local governments, academic institutions, and industry were necessary. Ten years is a long time, and therefore, through the National Ocean Policy Study, we have undertaken an appraisal of the accomplishments of sea grant in view of the need for reauthorization.

Sea grant's unique character has been its recognition from the outset that cooperative programs to develop marine resources require a balance between research, education and training, and advisory services. As presently administered by the National Oceanic and Atmospheric Administration, the emphasis of the sea grant mechanism has been to apply marine science research to practical problems and needs at the State and local level.

The record of accomplishments by sea grant has been checkered. I am delighted that the program has been successful in a number of areas. However, in looking toward the future, I am doubtful that sea grant as presently administered will be able to be as strong and effective as the Congress desires unless it receives a revised and updated mandate to address national needs as well as increased financial support. To face the challenge of the next decade, sea grant must be reoriented to deal with national as well as State and local problems. Sea grant must be part of a dynamic and strong, policy-oriented parent organization. Without proper planning and management in NOAA to meet future needs, more funds, in the absence of a strong mandate and institutional reform, will not be sufficient. That is why, Mr. President, I am cosponsoring today with my distinguished colleague from Rhode Island (Mr. PELL) the "Ocean and Coastal Resources Act of 1976." This bill is the result of nearly 2 years of observation of the sea grant program and its parent agency, the National Oceanic and Atmospheric Administration.

The bill would promote the effective utilization and conservation of marine and coastal resources to meet national, international, and local needs through: First, the wise development, application and dissemination of marine science and technology; second, a strengthened capability in NOAA as the lead Federal agency for planning, research, technology assessment, and management of marine and coastal resources; and third, the reauthorization and improvement of the National Sea Grant Act.

The bill proposes that NOAA be assigned lead responsibility to implement Congressionally mandated policy for marine science and technology, filling the void resulting from deficiencies in Reorganization Plan No. 4 of 1970. These responsibilities, including sea grant, would be administered by an Associate Administrator through a new Office of Marine Resources, Science, and Technology. It would be the function of this office to strengthen the planning, coordination, and management capabilities of NOAA in utilizing marine science and technology to meet national objectives. In this Office there also would be a National Ocean and Coastal Advisory Service to coordinate all advisory services within NOAA and to work with other Federal agencies involved in ocean and coastal affairs to get information about their services to the widest practicable audience of users.

As national ocean and coastal problems and opportunities emerge in the decades ahead, we must be assured that government will be more capable of making and implementing policy level decisions. Through this bill we will place sea grant at the cutting edge of solving problems and seeking opportunities of national, international, and State significance. Moreover, we will insure that NOAA meets the expectations the Congress has for a strong, decisive, and forward looking ocean agency.

One need look only to the legislation which has passed Congress in the past few years to recognize the opportunities which lie ahead in the oceans and coastal zones:

The Coastal Zone Management Act of 1972 gave NOAA lead agency responsibility to carry out a new land use program for the Nation's coastal regions, including Federal aid to States to establish management programs to determine proper uses of coastal lands and waters.

The Coastal Zone Management Act Amendments of 1975, now in conference with the House, will require NOAA to administer a significantly larger program, including loans, grants, and other assistance to the States to help them deal with energy facility siting in coastal areas, public access to beaches, and major interstate and regional land-use problems.

The Outer Continental Shelf Lands Act amendments (S. 521) would vest significant new authorities in NOAA to conduct and monitor offshore environmental studies related to OCS oil and gas development.

The Deepwater Port Act requires NOAA to play a significant role in determining the landside impact solutions involved in proposed offshore oil import terminals such as those proposed in the Gulf of Mexico.

H.R. 200, the legislation establishing a 200-mile economic resource zone and Federal/State management of marine fisheries, will require significantly new responsibilities for NOAA as well as a unprecedented international negotiating undertaking.

Moreover, the Congress may this year move legislation dealing with deep seabed mining, requiring expansion of NOAA's new Office of Marine Minerals.

There are other new intitiatives, Mr. President, which do not need enumeration here today. Suffice it to say that the ocean and coastal challenge of today is far greater and more complex than that which faced us in 1970 when the President by Executive order established the National Oceanic and Atmospheric Administration within the Department of Commerce. NOAA is at the crossroads of moving from being simply a scientific "service" agency to a major resource management agency in the ocean and coastal zones. Today's challenges call for new organization initiatives, broadened vision, and aggressive action. This legislation is aimed at making NOAA such an organization, and giving sea grant a vital role in this expanded mission.

I look forward to wide support and prompt handling of this legislation by the Senate. The Committee on Commerce will hold hearings on this legislation Monday, March 22, and Tuesday, March 23.

Mr. PELL. Mr. President, I ask unanimous consent that the bill which we are introducing reauthorizing the sea grant college be referred jointly to the Committee on Labor and Public Welfare and the Committee on Commerce.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

The bill and analysis, ordered to be printed in the Record, are as follows:

S. 3165

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act with the following table of contents may be cited as the "Ocean and Coastal Resources Act of 1976".

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GENERAL PURPOSES

Sec. 2. It is the purpose of the Congress in this Act to improve the utilization and conservation of ocean and coastal resources of the United States—

(1) through the encouragement of marine science and technology directed toward the wise development and conservation of ocean and coastal resources, the promotion of long-range planning capability, the training of the skilled manpower necessary, and the dissemination and application of the knowledge so developed, for ocean and coastal resource assessment, development, utilization, and conservation;

(2) by establishing an Office of Marine Resources, Science, and Technology and a national ocean and coastal advisory service within the National Oceanic and Atmospheric Administration to stimulate and coordinate such planning, development, promotion, training, dissemination, and application, and to maintain a complete and accessible national center of information and expertise with respect thereto; and

(3) by extending the national sea grant program.

DEFINITIONS

Sec. 3. As used in this Act, unless otherwise specified, the term—

(1) "Administrator" means the Administrator of the National Oceanic and Atmospheric Administration;

(2) "Administration" means the National Oceanic and Atmospheric Administration;

(3) "annual report" means the annual report required under section 103 of this Act;

(4) "Director of the service" means the Director of the national ocean and coastal advisory service;

(5) "includes" and variants thereof should be read as if the phrase "but is not limited to" were also set forth;

(6) "Office" means the Office of Marine Resources, Science, and Technology;

(7) "Secretary" means the Secretary of Commerce; and

(8) "service" means the national ocean and coastal advisory service.

TITLE I—MARINE SCIENCE AND TECHNOLOGY POLICY

DECLARATION OF POLICY AND NATIONAL PRINCIPLES

Sec. 101. (a) Findings.—The Congress finds the following:

(1) The resources of the oceans and of the coastal zone would, through the development and wise application of marine science and technology, satisfy many human needs and contribute to the achievement of national and international objectives. The oceans and the coastal zone can supply food, energy, and minerals, and can contribute to human health and the quality of the environment, the national security, and the enhancement of commerce.

(2) A successful marine resources, science, and technology program for the United States would return enormous benefits. Such a program requires (A) the establishment and maintenance of a strong research capability in government, industry, and the universities; (B) systematic assessment and forecasting of needs, capabilities, and consequences and the setting of research priorities; (C) a continuing partnership between the Federal Government and State and local governments, private industry, universities, scientists, and individuals and groups concerned with and affected by ocean and coastal resources and the marine environment; (D) prompt dissemination and ready availability to potential users of the knowledge gained through research; (E) international communication and cooperation in scientific and technological ventures; (F) the investment and efficient expenditure of public funds; (G) coordination of effort to avoid duplication, waste, and delay; and (H) encouragement and leadership from the Federal Government and the establishment, within the Federal Government, of a central focus for the implementation of policy and the promotion of marine science and technology activities.

(3) Such a program is needed and feasible.

(b) Purposes.—It is therefore declared to be the purpose of the Congress in this title to recognize the National Oceanic and Atmospheric Administration as the central focus for the planning, development, and implementation of a successful marine resources, science, and technology program for the United States, and to establish an Office of Marine Resources, Science, and Technology within the Administration to carry out this function in accordance with the national principles set forth in subsection (c) of this section.

(c) National Principles.—(1) Effective and proper management, conservation, protection, and utilization of the Nation's ocean and coastal resources require coordinated planning, the setting of priorities, and continuing assessment of national policies. Basic research; applied research; technological development, application, and transfer; and education and training programs are all prerequisites for the achievement of these objectives.

(2) Basic research in marine science adds to mankind's understanding and knowledge of the resources and processes of the oceans and the coastal zone and is an essential prerequisite for future development. Such basic research should be fostered by the Federal Government through the encouragement and

support of theoretical and empirical efforts in the traditional scientific disciplines, and through the promotion of interdisciplinary research activities which seek to integrate and advance the knowledge gained by disparate disciplines.

(3) Applied research in marine science and technology utilizes this understanding and knowledge and should receive continuing support from the Federal Government in order to achieve the following national objectives:

(A) the strengthening of national well-being and security;

(B) the management, conservation, protection, and enhanced utilization of living and nonliving resources of the oceans and the coastal zone;

(C) the discovery and utilization of renewable energy resources;

(D) the prevention, control, and elimination of pollution; and

(E) the monitoring and predicting of conditions of the global environment.

(4) Technological development, application, and transfer should be advanced through Federal programs of engineering development and technological innovation, encouragement of private investment in technological development, and public participation in the decisionmaking process relating to technological development, application, and transfer.

(5) Education and training programs in marine science and technology, including interdisciplinary programs, should be encouraged and supported by the Federal Government.

OFFICE OF MARINE RESOURCES, SCIENCE, AND TECHNOLOGY

SEC. 102. (a) ESTABLISHMENT.—There shall be established, within 60 days after the date of enactment of this Act, a new Office in the Administration to be known as the Office of Marine Resources, Science, and Technology. The Office shall function continuously pursuant to the provisions of this title.

(b) ASSOCIATE ADMINISTRATOR.—The Office shall be directed by one of the Associate Administrators of the Administration as provided in section (2)(e) of Reorganization Plan Numbered 4 of 1970, as amended by section 105(d) of this Act.

(c) DUTIES.—In addition to its duties and responsibilities under other provisions of this Act, the Office, in accordance with the national principles set forth in section 101(c) of this title and with the national plan prepared under subsection (d) of this section—

(1) shall develop and implement a program for marine resources, science, and technology within the Administration;

(2) shall coordinate marine research, technology development, and demonstration programs and projects within the Administration, and may initiate such supplementary research in marine resources, science, and technology as may be appropriate, in accordance with subsection (d) and subsection (e) of this section;

(3) shall conduct planning activities, including the identification of national and international objectives and human needs which may be satisfied through marine science and technology, undertake technology assessment, and establish a means for determining, and determine, priorities for research and technological development, application, and transfer;

(4) shall review and make recommendations to the Administrator on the budgetary requests of the various ocean and coastal programs in the Administration to the extent that such requests pertain to marine science and technology;

(5) may participate in and cooperate with marine resources, science, and technology programs conducted by other agencies and entities;

(6) shall establish and maintain an information service and exchange or other facility, for the prompt and timely dissemination to potential users and interested persons, of the results of marine research;

(7) shall develop measures for evaluating, and shall evaluate, to the fullest extent practicable, the impacts of marine science and technology activities carried on by the Administration in relation to the amount of Federal investment therein;

(8) shall assist the Administrator in the preparation of the annual report;

(9) may initiate and promote cooperative research and development projects and programs involving the Administration, State and local governments, private industry, universities, and individual qualified persons in accordance with subsection (e) of this section; and

(10) shall report on its activities to, and shall carry out such additional functions and responsibilities as may be assigned by the Administrator.

(d) PLAN.—(1) The Administrator with the assistance of the Office shall prepare and the Secretary shall submit to the Congress and the President and shall publish, not more than 365 days after the establishment of the Office, a 6-year national plan for research and development in marine science and technology and for the demonstration and practical implementation of marine science and technology developments. Such plan shall assess the potential benefits and estimated costs involved, and shall set forth requirements and conditions for successful implementation. In the development of this plan, the Office shall seek the cooperation of, and assistance from, the National Academies of Sciences and Engineering, the National Advisory Committee on Oceans and Atmosphere, the academic community, industry, State and local governments, and other interested parties. The plan shall be revised from time to time to reflect new data and information.

(2) Each department, agency, and independent instrumentality of the Federal Government is authorized and directed to cooperate with the Secretary in carrying out the purposes of this subsection and, to the extent permitted by law, to provide such information as may be requested.

(e) RESEARCH ASSISTANCE.—(1) Specific projects shall be identified and specific proposals invited by the Office in accordance with regulations promulgated by the Administrator, for financial assistance in the form of grants or contracts for the conduct of planning and research in marine resources, science, and technology. Such assistance is for the purpose of ensuring that the objectives of sections 101(c) and 102(d) are being carried out when existing programs within the Administration are not able to provide the necessary assistance. Such assistance shall be administered through existing programs where appropriate.

(2) Each recipient of financial assistance under this subsection shall keep such records as the Associate Administrator shall prescribe, including records which fully disclose the amount and disposition by such recipient of the proceeds of such assistance, the total cost of the project or undertaking in connection with which such assistance was given or used, the amount of that portion of the cost of the project which was supplied by other sources, and such other records as will facilitate an effective audit. Such records shall be maintained for 3 years after the completion of such a project or undertaking. The Administrator and the Comptroller General of the United States, or any of their duly authorized representatives, shall have access, for the purpose of audit and examination, to any books, documents, papers, and records of receipts which, in the opinion of the Administrator or of the Comptroller General, may be related or pertinent to such financial assistance.

(f) NATIONAL OCEAN AND COASTAL ADVISORY SERVICE.—(1) The Office shall operate and maintain, in accordance with the provisions of this subsection, a service to be known as the national ocean and coastal advisory service. The service shall impart useful information, knowledge, and technique to organizations and individuals employed or otherwise interested in the assessment, development, utilization, and/or conservation of ocean and coastal resources; and shall communicate research needs to the Associate Administrator. The service shall be headed by a Director, who shall be appointed by the Administrator and subject to the supervision of the Associate Administrator. Such Director shall be appointed and compensated, without regard to the provisions of title 5, United States Code, governing appointments in the competitive service, classification, and General Schedule pay rates, at a rate not in excess of the maximum rate for GS-18 of the General Schedule under section 5332 of such title.

(2) In order to (A) increase the supply of available useful information, (B) facilitate the coordination of advisory services, and (C) prevent unnecessary duplication, the service may enter into a formal agreement and conduct a joint or cooperative program of ocean and coastal advisory services with any other agency or instrumentality of the Federal Government which is engaged in programs or activities relating to ocean or coastal resources. The service shall, pursuant to such an agreement and program, process and disseminate the knowledge and techniques so generated. Any such agency or instrumentality shall provide, within the discretion of the Director, up to but not exceeding one-third of the costs which are attributable, directly or indirectly, to such a joint or cooperative program.

(3) The Director of the service shall—

(A) support, through fund transfers, and coordinate all advisory service programs relating to ocean and coastal resources (such resources as defined in section 203 of the National Sea Grant Act), which are conducted (as of the date of the establishment of the Office) by or within the Administration, other than the marine and environmental data dissemination programs administered by the Environmental Data Service;

(B) establish and maintain effective liaison with any appropriate person (including a government entity) which (i) provides ocean and coastal advisory services, (ii) provides information dissemination services in support of government instrumentalities regarding ocean and coastal resources, or (iii) plans and coordinates programs for any such advisory service;

(C) formulate (and review and revise from time to time, as necessary) a comprehensive plan, in accordance with the national principles set forth in section 101(c) and the national plan under section 101(d) of this title, for the production and delivery of advisory services regarding ocean and coastal resources. Such plan shall be developed in consultation with representatives of (i) the several offices within the Administration, (ii) institutions participating in the sea grant program, (iii) industry, and (iv) the interested public. Such plan shall recognize that regional and local advisory services are an essential activity within a balanced sea grant program, shall recognize the existing capabilities and expertise of the sea grant colleges, regional consortia, and programs for such services, and shall provide for the support of such services to the extent that they are necessary and appropriate to a comprehensive ocean and coastal advisory service system. Such plan shall include a strategy for implementation and continuing review of the effectiveness and efficiency of the advisory services involved. Such plan shall be reviewed by the Administrator and the Secretary and published in the Federal Register;

(D) implement the plan formulated and reviewed under subparagraph (C) of this paragraph;

(E) periodically evaluate the activities of the service in accordance with criteria prescribed by the Office and report thereon to the Administrator; and

(F) carry out such other functions and responsibilities as may be requested by the Associate Administrator.

(4) There is authorized to be appropriated to the Secretary for the purposes of this subsection not to exceed $3,750,000 for the fiscal transition period ending September 30, 1976; not to exceed $15,000,000 for the fiscal year ending September 30, 1977; not to exceed $15,000,000 for the fiscal year ending September 30, 1978; and not to exceed $15,000,000 for the fiscal year ending September 30, 1979. Such sums as may be appropriated under this paragraph shall remain available until expended.

(g) Other Federal Agencies.—The chief officer of each department, agency, or instrumentality of the Federal Government who is engaged in, or concerned with, matters relating to ocean and coastal resources is authorized, upon request of the Secretary, to make available to the Secretary from time to time, on a reimbursable basis, or as otherwise agreed, such personnel, services, and facilities as may be necessary to assist the Secretary in fulfilling the purposes of this Act.

ANNUAL REPORT AND EVALUATION

Sec. 103. (a) Annual Report on Marine Science and Technology.—The Secretary shall submit to the Congress and the President, not later than February 15 of each year, a report on the status and prospects for marine science and technology. Each such report shall include—

(1) a general description of the marine science and technology projects and programs conducted or assisted by the Federal Government;

(2) an analysis of such projects and programs in terms of the national principles set forth in section 101(c) of this title;

(3) an evaluation of the Nation's marine science and technology capability, including the status of personnel, vessels, facilities, and equipment;

(4) a statement of the efforts undertaken to promote the application and utilization of the knowledge gained through marine science and technology research;

(5) a survey of professional opportunities for individuals in marine science and technology; and

(6) a summary of the efforts undertaken and planned to coordinate marine science and technology activities within the Federal Government and to coordinate such activities with similar programs of State and local governments, private industry, and the scientific and university communities.

(b) The Administrator is authorized to secure directly from any executive department, agency, or independent instrumentality of the Federal Government, the information required to prepare the report. Each such department, agency, and instrumentality is authorized and directed to cooperate with the Administrator and, to the extent permitted by law, to furnish such information upon request to the Administrator.

(c) Evaluation by NACOA.—The National Advisory Committee on Oceans and Atmosphere shall, in accordance with the Act of August 16, 1971, as amended (33 U.S.C. 857–6 et seq.), have the opportunity to review each report prepared pursuant to subsection (a) of this section. Such advisory committee shall be invited to submit, for inclusion in such report, comments and recommendations and its own independent evaluation of the Nation's marine science and technology program, including the matters set forth in such subsection (a). Such material shall be transmitted to the Secretary not later than February 1 of each year, and the Secretary shall cause it to be published as a separate section in the annual report submitted to the Congress pursuant to subsection (a) of this section.

DISTINGUISHED RESEARCH AWARDS

Sec. 104. (a) Establishment and Selection.—There is established a National Oceanic and Atmospheric Administration distinguished research award for outstanding achievements and contributions in problem-oriented research related to ocean and coastal resources which meets international, national, and/or regional needs. One such award shall be made not less than every 3 years from the date of enactment of this Act by the Secretary with the advice of the Administrator and the National Advisory Committee on Oceans and Atmosphere, and shall consist of a citation and a cash honorarium in the amount of $10,000.

(b) Eligible Nominees.—Any citizen or national of the United States, or group thereof is eligible for nomination. Such a nomination may issue from any source, with the exception of the National Advisory Committee on Oceans and Atmosphere and Federal employees.

(c) Nomination.—In submitting a nomination, the following shall be included: a description of the research and its importance; letters of support from other researchers in such field or fields; and letters of support from those affected or benefited by such research.

(d) Tax Exemption.—Any amount received as an award under this section shall be exempt from any Federal, State, or local income tax.

CONFORMING AND MISCELLANEOUS PROVISIONS

Sec. 105. (a) Section 7 of the Marine Resources and Engineering Development Act of 1966 (33 U.S.C. 1106), is repealed.

(b) Section 5314 of title 5, United States Code, is amended by adding at the end thereof the following new paragraph:

"(22) Administrator, National Oceanic and Atmospheric Administration.".

(c) Section 5315 of title 5, United States Code, is amended by adding at the end thereof the following new paragraphs:

"(98) Deputy Administrator, National Oceanic and Atmospheric Administration.".

"(99) Associate Administrator, National Oceanic and Atmospheric Administration.".

(d) (1) Section 2(e) of Reorganization Plan Numbered 4 of 1970 is amended to read as follows:

"(e) In addition, there shall be in the Administration three Associates Administrators who shall perform such functions as the Administrator shall from time to time assign or delegate. Such Associate Administrators shall be appointed by the President, by and with the advice and consent of the Senate. The President shall appoint such Associate Administrators from among individuals who by reason of general background and experience are especially qualified in the areas of marine resources, marine science or technology, or other areas of particular interest to the Administration. Such Associate Administrators shall receive compensation at the rate now or hereafter provided for level V of the Executive Pay Rates (5 U.S.C. 5316).".

(2) Persons appointed by the Secretary as additional officers in the Administration pursuant to section 2(e) of Reorganization Plan Numbered 4 of 1970 and serving in that capacity on the effective date of this Act shall continue as Associate Administrators, notwithstanding the provisions of paragraph (1) of this subsection.

(e) Section 5316 of title 5, United States Code, is amended by adding at the end thereof the following new paragraph:

"(135) Associate Administrators, National Oceanic and Atmospheric Administration (3).".

AUTHORIZATION OF APPROPRIATIONS

Sec. 106. (2) There are authorized to be appropriated to the Secretary for purposes of carrying out this title, excepting section 102(f), not to exceed $3,330,000 for the fiscal transition period ending September 30, 1976; not to exceed $10,000,000 for the fiscal year ending September 30, 1977; not to exceed $10,000,000 for the fiscal year ending September 30, 1978; and not to exceed $10,000,000 for the fiscal year ending September 30, 1979. Such sums as may be appropriated under this section shall remain available until expended.

TITLE II—NATIONAL SEA GRANT PROGRAM AMENDMENTS

AMENDMENT TO THE NATIONAL SEA GRANT COLLEGE AND PROGRAM ACT OF 1966

Sec. 201. The National Sea Grant College and Program Act of 1966 (33 U.S.C. 1122 et seq.) is amended to read as follows:

"SHORT TITLE

"Sec. 201. This title may be cited as the 'National Sea Grant Act'.

"DECLARATION OF POLICY

"Sec. 202. (a) Findings.—The Congress finds:

"(1) The vitality of the Nation and the quality of life of its citizens depend increasingly on the understanding, assessment, development, utilization, and conservation of ocean and coastal resources.

"(2) A strong education base, responsive research and training activities, and broad and prompt dissemination of knowledge and technique are an essential prerequisite to such understanding, assessment, development, utilization, and conservation.

"(3) These national objectives require, for their continuing and increasing realization, a broad commitment and an intense involvement on the part of the Federal Government in continuing partnership with State and local governments, private industry, universities, organizations, and individuals concerned with or affected by ocean and coastal resources and the marine environment.

"(4) The National Oceanic and Atmospheric Administration through the Office of Marine Resources, Science, and Technology, the national ocean and coastal advisory service, and the national sea grant program, offers the most suitable locus and focus to promote and maintain such activities. Continued and increased Federal support of the establishment, development, and operation of programs by sea grant colleges and regional consortia, institutions of higher education, institutes, laboratories, or public or private agencies is the most cost-effective way to satisfy these national needs.

(b) Purposes.—It is therefore declared to be the purpose of the Congress in this Act to extend and strengthen the national sea grant program, initially established in 1966, to promote research, education, training, and advisory services in fields related to ocean and coastal resources.

"DEFINITIONS

"Sec. 203. As used in this Act, unless the context otherwise requires, the term—

"(1) 'Administration' means the National Oceanic and Atmospheric Administration;

"(2) 'Administrator' means the Administrator of the National Oceanic and Atmospheric Administration;

"(3) 'Associate Administrator' means the Associate Administrator within the National Oceanic and Atmospheric Administration who directs the Office of Marine Resources, Science, and Technology;

"(4) 'coastal environment' means the coastal zone, as defined in section 304(2) of the Coastal Zone Management Act of 1972 (16 U.S.C. 1453(a)), and the fish, wildlife, and other living resources, and the nonliving resources, located in such zone;

"(5) 'coastal resource' means any of the natural or manmade resources of the coastal environment and any other resource, tangible or intangible, actual or potential, which is located in or traceable to the coastal environment and which is or may be of value to mankind. The term includes recreational, commercial, scenic, habitational, economic, conservation, esthetic, and biological values, and the wildlife habitat the coastal space, the marine and coastal ecosystems, the nutrient-rich areas, and the other components of the coastal environment from which such values result The living coastal resources include natural and cultured plant life, fish, shellfish, marine mammals, and wildlife. The nonliving coastal resources include energy sources, minerals, and chemical substances;

"(6) 'Director of the program' means the Director of the national sea grant program appointed under section 205(a) of this Act;

"(7) 'marine environment' means the coastal environment; the Great Lakes; the waters of the contiguous zone and waters of the high seas; the seabed, subsoil, and waters of the territorial sea; the seabed and subsoil of and beyond the Outer Continental Shelf; and the fish, wildlife, and other living and nonliving resources located therein;

"(8) 'ocean resource' means any of the natural or manmade resources of the marine environment, including the natural and cultured living (that is, plant life, fish, shellfish, marine mammals, and wildlife) and nonliving (that is, energy sources, minerals, and chemical substances) resources; the physical, chemical, geological, biological, recreational, economic, esthetic, and social resources; and any other resource, tangible or intangible, actual or potential, which is located in or traceable to the marine environment and which is or may be of value to mankind;

"(9) 'Office of Marine Resources, Science, and Technology' means the Office of Marine Resources, Science and Technology of the Administration established by the Ocean and Coastal Resources Act of 1976;

"(10) 'panel' means the sea grant review panel authorized under section 208 of this Act;

"(11) 'sea grant college' means any suitable public or private institution of higher education which conducts major sea grant programs and which is designated as such by the Secretary;

"(12) 'sea grant program' means any activities involving education, training, advisory services, or research which are related to ocean and coastal resource understanding, assessment, development, utilization, and conservation, and which are supported by contracts with or grants to institutions of higher education, institutes, laboratories, persons, and public or private agencies pursuant to the provisions of this Act;

"(13) 'sea grant regional consortium' means an association or combination of two or more institutions of higher education, institutes, laboratories, or public or private agencies, which is established for the purpose of sharing expertise, research facilities, educational facilities, and similar resources, in order to facilitate research, education, training, and/or advisory services for understanding, assessing, developing, utilizing, and conserving ocean and coastal resources;

"(14) 'Secretary' means the Secretary of Commerce.

"NATIONAL SEA GRANT PROGRAM

"Sec. 204. (a) Establishment.—There shall be maintained within the Administration, in accordance with this Act, a program of research, education, training, and advisory services to be known as the national sea grant program. The national sea grant program shall be administered by the Office of Marine Resources, Science, and Technology.

"(b) Content.—The national sea grant program shall be designed and administered to further, and it shall promote, research, education, training, and advisory services in ocean and coastal resource understanding, assessment, development, utilization, and conservation, including relevant research, education, and training in such elements of marine science and technology as ecology, engineering, education, economics, sociology, communications, law, planning, and public administration.

"(c) Contracts and Grants.—(1) The national sea grant program shall include the making of grants and contracts in accordance with specifically identified national needs and problems. The Director of the program shall identify such specific needs and problems of a national nature in fields related to ocean and coastal resources, and may invite sea grant colleges, regional consortia, other suitable institutions of higher education, institutes, laboratories, public or private agencies, and persons to submit proposals which are responsive to such needs and problems. The activity supported by any such grants and contracts should be interdisciplinary in nature, to the extent practicable. The total amount paid pursuant to any grant or contract under this subparagraph may, in the discretion of the Director of the program, be up to 100 percent of the total cost of the program, project, or activity involved. There is authorized to be appropriated to the Secretary for the purposes of this paragraph not to exceed $3,750,000 for the fiscal transition period ending September 30, 1976; not to exceed $15,000,000 for the fiscal year ending September 30, 1977; not to exceed $15,000,000 for the fiscal year ending September 30, 1978; and not to exceed $15,000,000 for the fiscal year ending September 30, 1979. Such sums as may be appropriated under this paragraph shall remain available until expended.

"(2) The national sea grant program shall include the making of grants and contracts in accordance with the needs and problems of individual States. The total amount paid pursuant to any such grant or contract shall not exceed 66⅔ percent of the total cost of the program, project, or activity involved.

"(d) Limitations.—The following limitations shall apply to payments made under any grant or contract awarded or entered into pursuant to subsection (c) of this section:

"(1) No such payment, or portion thereof, may be applied to (A) the purchase or rental of any land; (B) the rental, purchase, construction, preservation, or repair of any building or dock; or (C) the purchase, construction, preservation, or repair of any vessel; except that such payments may, if approved by the Director of the program, be applied to non-self-propelled habitats, buoys, platforms, other similar devices or structures, and to the rental or lease of a research vessel used principally for ocean and coastal resource research purposes.

"(2) No more than 15 percent of the total amount appropriated in any fiscal year to carry out the purposes of this Act shall be obligated or expended during such year within any one State.

"ADMINISTRATION

"Sec. 205. (a) Director.—There shall be, within the Office of Marine Resources, Science, and Technology a Director of the national sea grant program who shall be appointed by the Administrator and who shall be subject to the supervision of the Associate Administrator. The Director shall be appointed and compensated, without regard to the provisions of title 5, United States Code, governing appointments in the competitive service, classification, and General Schedule pay rates, at a rate not in excess of the maximum rate for GS-18 of the General Schedule under section 5332 of such title.

"(b) Duties.—In carrying out the duties assigned under this title, the Director shall—

"(1) establish long-range planning guidelines, consonant with the guidelines established under the plan prepared under section 102(d) of the Ocean and Coastal Resources Act of 1976, for the administration of the national sea grant program;

"(2) establish priorities consonant with the priorities established by the Office of Marine Resources, Science, and Technology under section 102(c) of the Ocean and Coastal Resources Act of 1976, for the national sea grant program. Programs of advisory services shall be supported under and subject to section 102(f) of the Ocean and Coastal Resources Act of 1976;

"(3) advise the Associate Administrator of existing expertise and capabilities within the national sea grant program, which are or could be of use to other offices and programs within the National Oceanic and Atmospheric Administration;

"(4) administer grants to, or contracts with, suitable public or private institutions of higher education, institutes, laboratories, persons, and public or private agencies which are engaged in, or concerned with, marine and coastal resource understanding, assessment, development, utilization, and conservation, with the advice of the sea grant review panel;

"(5) adivse the Administrator and the Secretary on the designation of sea grant colleges and sea grant regional consortia in consultation with the sea grant review panel;

"(6) provide supoprt for sea grant fellowships through institutions of higher education for educational and training assistance to persons in fields related to marine and coastal resource understanding, assessment, development, utilization, and conservation, on the undergraduate and graduate levels of education, in consultation with the sea grant review panel;

"(7) cooperate with the national ocean and coastal advisory service to the fullest extent possible, and advise the Director of the service of the existing expertise and capabilities within the national sea grant program to expedite advisory services related to ocean and coastal resources understanding, assessment, development, utilization, and conservation; and

(8) serve in a nonvoting capacity on the sea grant review panel.

"SEA GRANT COLLEGES AND REGIONAL CONSORTIA

"Sec. 206. (a) Designation.—The Secretary is authorized to designate, through the national sea grant program, sea grant colleges and, where appropriate, sea grant regional consort. Any such sea grant college and regional consortium shall initiate, conduct, and support programs of research, education, training, and advisory services in disciplines and fields that are relevant to the understanding, assessment, development, utilization, and conservation of ocean and coastal resources. Each sea grant regional consortium shall focus upon ocean and coastal resource needs of a regional character and shall encourage a regional approach to problem solving, in cooperation with any sea grant colleges and programs in the region served by such consortium.

"(b) Guidelines.—The Secretary shall, in accordance with section 553 of title 5, United States Code, issue guidelines with respect to the obligation of entities which are designated as sea grant colleges and sea grant regional consortia.

"FELLOWSHIPS

"Sec. 207. (a) Establishment.—The Director of the program shall support a sea grant fellowship program to provide educational and training assistance to qualified individuals at the undergraduate and graduate levels of education in fields related to ocean and coastal affairs, through sea grant colleges and regional consortia, institutions of higher education, and suitable institutes, both public and private.

"(b) Limitation.—The total amount of fellowship grants under the sea grant fellowship program available in any fiscal year shall not exceed 5 percent of the total amount appropriated for the purposes of this Act for such fiscal year.

"SEA GRANT REVIEW PANEL

"Sec. 208. (a) Establishment.—There is established a committee of seventeen members to be known as the sea grant review panel. The panel shall supersede the sea grant advisory panel chartered pursuant to the Federal Advisory Committee Act.

"(b) Duties.—The panel shall function solely as an advisory body to the Director of the national sea grant program to review and advise on—

"(1) institutional programs, individual project proposals, and the fellowship program for support under this Act;

"(2) establishment and operation of a regional and local network of sea grant colleges and regional consortia; and

"(3) such other matters as the Administrator may find appropriate.

The Director of the program shall make available to the panel such information, personnel, and administrative services and assistance as it may reasonably require to carry out its duties.

"(c) Membership, Terms, Powers.—(1) The members of the panel shall be appointed by the Secretary upon the recommendation of the Administrator and the Director of the program. Not to exceed seven members of the panel shall be individuals who, by reason of background and experience, are especially qualified in marine science and technology. The remaining members of the panel shall be individuals who, by reason of background and experience, are especially qualified in, or representative of, the areas of education, State government, industry, economics, planning, or other appropriate areas. No member of the panel may serve concurrently as the director of a sea grant college, regional consortium, or State or local sea grant program, be the recipient of a grant under this Act, or be a full-time officer or employee of the United States; except that the Director of the program and a representative of the national ocean and coastal advisory service shall serve in a nonvoting capacity on the panel. The Chairman may appoint additional temporary members of the panel who have special expertise for the purpose of reviewing specific subject areas during a given fiscal year.

"(2) The term of office of a member of the panel shall be 3 years, except that of the original appointees, five shall be appointed for a term of 1 year, five shall be appointed for a term of 2 years, and five shall be appointed for a term of 3 years.

"(3) Any member appointed to fill a vacancy occurring prior to the expiration of the term for which his predecessor was appointed shall be appointed only for the remainder of such term. A member may serve after the expiration of his term until his successor has taken office or until 90 days after such expiration, whichever is earlier.

"(4) The panel shall select one member as the Chairman and one member as the Vice Chairman. The Vice Chairman shall act as Chairman in the absence or incapacity of the Chairman.

"(5) Members and temporary members of the panel, who are not employed by the Federal Government or any State or local government, shall receive compensation at the daily rate for GS-18 of the General Schedule when engaged in the actual performance of duties for such panel; and such members and temporary members shall be reimbursed for actual expenses incurred in the performance of such duties.

"(6) The members of the panel shall meet on a quarterly basis, and at such other times as the Chairman may request.

"(7) The panel is authorized to exercise such powers as are reasonably necessary in order to carry out its duties under subsection (b) of this section.

"AUTHORIZATION OF APPROPRIATIONS

"Sec. 209. There is authorized to be appropriated to the Secretary for purposes of carrying out the provisions of this Act, other than section 204(c)(1), not to exceed $8,750,000 for the fiscal transition period ending September 30, 1976; not to exceed $35,000,000 for the fiscal year ending September 30, 1977; not to exceed $35,000,000 for the fiscal year ending September 30, 1978; and not to exceed $35,000,000 for the fiscal year ending September 30, 1979. Such sums as may be appropriated under this section shall remain available until expended.".

Description of the Ocean and Coastal Resources Act

The purpose of the Ocean and Coastal Resources Act of 1976 is to improve the utilization and conservation of ocean and coastal resources through:

(1) the wise development, application and dissemination of marine science and technology;

(2) a strengthened capability in the National Oceanic and Atmospheric Administration as the lead Federal agency for planning, research, technology assessment and management of marine and coastal resources; and

(3) the re-authorization and improvement of the National Sea Grant Act.

The bill consists of two titles.

Title I deals with marine resource, science and technology policy, finding that ocean and coastal resources will contribute to the achievement of national and international objectives through a successful United States program. This program would require (1) strong research capability, (2) partnerships between government, private industry, universities and other groups, (3) planning for and assessment of science and technology, (4) dissemination of research knowledge, and (5) a central focus for leadership within the Federal Government. Principles are stated regarding resource management needs, basic research, applied research, technological development, application and transfer, and education.

An Office of Marine Resources, Science and Technology Policy is established under an Associate Administrator within NOAA to initiate and coordinate marine research and technology development, conduct planning, cooperate with other agencies, establish an information clearinghouse, and develop research evaluation criteria. The Office shall prepare a 6-year national plan for marine research and development. The Office is authorized to provide research assistance for the implementation of the plan within NOAA, and shall assist the Administrator of NOAA in the preparation of an annual report dealing with accomplishments in marine science and technology. In recognition of research contributions, the Administrator is authorized to grant a $10,000 award for major research accomplishments in meeting national needs.

The Office shall formulate a plan for and operate a National Ocean and Coastal Advisory Service. The purpose of the service is to make available nationwide the knowledge and techniques developed within NOAA, and to provide a mechanism to obtain from various users their needs for marine research and information.

Authorizations for Title I are not to exceed $10 million per year for the Office and $15 million per annum for the Advisory Service.

Title II is an amendment to the National Sea Grant College and Program Act of 1966 reauthorizing the program to develop a strong educational base, responsive research and training activities, and broad and prompt dissemination of research findings related to ocean and coastal resources. The program shall be implemented and supported by making available grants and contracts to Sea Grant Colleges, regional consortia, and other suitable institutions. The Program shall be administered by the Office established in Title I through a Director.

The Director shall establish planning guidelines, establish priorities for research education, and training, and make available appropriate advisory services. For research directed at national needs and problems, grants or contracts up to 100 percent of the cost are authorized, while research directed at State needs and problems shall be funded at up to two-thirds of the cost.

The Director is further authorized to establish appropriate regional consortia to implement the objectives of the program. University sea grant fellowships shall be provided for the purpose of educational and training assistance. A sea grant review panel of up to 15 members is established with specified terms, membership and powers as an advisory body to the Director. Authorizations for Title II are $50,000,000 per year.

By Mr. BEALL:

S. 3166. A bill to consolidate the administration of certain programs of financial assistance to States for educational purposes. Referred to the Committee on Labor and Public Welfare.

FINANCIAL ASSISTANCE FOR ELEMENTARY AND SECONDARY EDUCATION ACT

Mr. BEALL. Mr. President, on behalf of the administration, I am introducing the Financial Assistance for the Elementary and Secondary Education Act, a bill to consolidate the administration of certain programs of financial assistance to States for educational purposes. Specifically, this proposal consolidates 24 existing elementary and secondary, handicapped, adult, and vocational education programs.

Mr. President, I favor the concept of consolidation and the simplification of administration of Federal programs. Today there is obviously too much paperwork, too much bureaucracy. The complaint of former Commissioner of Education, Dr. Marland, regarding the time the Office of Education personnel spends in paper shuffling, if anything, has increased. Time after time in my discussions with administrators of school systems, principals, and teachers, I have been told that too great an amount of the funds are utilized and too much of the professional time is expended in complying with administrative rules and regulations, with the result that a lesser amount of money actually reaches the students. So, I believe the concept of consolidation enjoys widespread support.

Now, in the past, consolidation efforts were greeted with skepticism and suspicion. The main reason: Such proposals were perceived as a guise to reduce the Federal commitment to education. President Ford, by his commitment to increase the education funding by $200 million annually for each of the next 3 years, hopefully will mean this proposal will be examined and debated on its merits.

A second concern regarding past consolidation proposals was the concern that special needs of groups, such as the disadvantaged and the handicapped, might be shortchanged. The administration proposal attempts to address these concerns by stipulating that not less than 75 percent of the consolidated funds must be expended for handicapped and educationally disadvantaged children.

While I have not had the opportunity to secure reaction on the overall bill, some concern undoubtedly will remain that one or the other—handicapped or disadvantaged—could end up losing. The administration was not unmindful of this fear, and has included a provision designed to minimize this potential problem by providing for an 85-percent holdharmless provision.

Perhaps, a more important concern is that the administration's consolidation proposal would result in the elimination of the requirement in the Education for All Handicapped Children Act of 1975 that States must educate all the handicapped children by 1980. While this would not alter the situation in my State, where we are under a court order to address the needs of the handicapped, it may result in a diminution of the urgency to act in the handicapped area in other States.

This is an issue which we will need to critically examine during any consideration of the administration's proposal.

Another concern expressed by handicapped leaders is that the consolidation proposal may make certain discretionary programs in the handicapped area vulnerable. These discretionary programs include the training grants for those in special education and early childhood programs, two of the most productive programs for the handicapped. It has been suggested to me that the discretionary programs should be removed from the consolidation and that a better consolidation might be these discretionary programs and title VI, part B.

This and other concerns and suggestions will be explored during any hearings on the measure.

The Congress also may wish to provide the handicapped and the disadvantaged with the same 100-percent hold harmless provided for vocation education in the administration bill. Also, there is a requirement in the vocational education consolidation provisions that each State must spend no less than the percentage of Federal funds which it received in fiscal year 1976 and that 25 percent of a State's vocational education funds must be targeted on special needs groups.

An open and comprehensive planning process which would allow participation by elected officials and concerned citizens at all levels would be required from each State. A separate State plan for vocational education may be submitted. Although such a plan would also be subject to the same requirements for public participation.

The Commissioner of Education would continue to have separate authority to conduct certain special projects and innovation and development activities of regional or national scope relating to vocational education and education of the handicapped.

Mr. President, another reason why consolidation has failed in the past is that previous administrations have not shown a willingness to compromise. While I have not spoken to the President personally, I do know that considerable flexibility and a compromising spirit has been evident in the evolution of this bill. One example of this willingness to listen and work out differences was the elimination of the college and public library programs from the bill. These programs, which are not administered by State and local education agencies, have no business in the consolidation proposal and when this was pointed out to the administration, they agreed and made the necessary adjustments.

Since the enactment of the First Morrill Act in 1862, the Federal Government has recognized a need for national leadership in establishing and supporting broad objectives for the Nation's educational effort.

However, State and local control predates even this early Federal involvment. Local control is a proud and a practical tradition which recognizes that those who are closest to the problem are those most likely to identify and to administer the proper solution. Another feature of the administration bill is a requirement that 75 percent of the funds must be passed through to local educational agencies.

In the decades of the 1950's and 1960's, the Federal Government brought about numerous programs of education aid to the States and local education agencies until today we have 130 separately authorized program activities in the Office of Education. In many cases these programs were created in recognition of national priorities which needed to be met such as education in the physical sciences, student assistance programs, services for educationally deprived, handicapped, and limited English-speaking children, vocational and adult education, and reading, through the national reading improvement program, which I authored.

This concern for national excellence in education has brought with it many problems. Programs designed to assist often have produced rigid requirements and administrative burdens upon State and local education agenices. School systems often had to augment their staffs, not for education purposes, but to meet Federal requirements, and to master the game of grantsmanship. School districts, without this skill or ability, often lost out. State and local priorities were often submerged to secure Federal grants or matching funds.

That paperwork and regulation have proliferated and are unduly burdening school districts is generally recognized. The President in the Financial Assistance for the Elementary and Secondary Education Act, believes that he has found a way to reduce that burden and a better method to deliver education services to our schools and children.

The Congress has taken steps, under the leadership of Senator Pell, in the direction of consolidation and the simplification of administration, as part of the Education Amendments of 1974. I supported that action. The administration proposal can serve as the vehicle for the Education Subcommittee to consider further progress and additional steps.

As the ranking minority member, and as one who has been working closely with Senator Pell on S. 2657, the Education Amendments of 1975, I must indicate my displeasure that the administration's proposal has been submitted so late. We are well along in our work on S. 2657; the bill, having already been reported from subcommittee to full committee, and I, for one, do not believe that the introduction of this bill should impede or delay our deliberations, although the vocational education program, which is included in the President's consolidation, is also a main part of the Education Amendments of 1975.

Mr. President, I hope that all involved in education will examine the administration bill carefully and seriously with the same flexibility and spirit of compromise which the President has exhibited. I am introducing the administration bill so that it might be before the Congress and examined by the Congress and the country. While I favor the concept, I am not endorsing the specifics or the mechanisms until I have had an opportunity to solicit the views of the education community and the citizens of my State on its impact.

Mr. President, I ask unanimous consent that the administration's letter of transmittal, summary, and fact sheet, as well as the text of the bill itself be printed in the Record.

There being no objection, the bill and material were ordered to be printed in the Record, as follows:

S. 3166

Be it enacted by the Senate and the House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Financial Assistance for Elementary and Secondary Education Act."

STATEMENT OF PURPOSE

Sec. 2. It is the purpose of this Act—

(1) to consolidate the administration of those programs of assistance to States for education currently authorized under titles I, II, III, IV, and V of the Elementary and Secondary Education Act of 1965, the Education of the Handicapped Act, the Vocational Education Act of 1963, and the Adult Education Act.

(2) to provide greater flexibility to the States in their use of Federal education assistance funds;

(3) to focus Federal education assistance to States on meeting the special education needs of handicapped and educationally deprived children;

(4) to provide assistance to States for vocational and adult education programs;

(5) to provide a means of ensuring full public participation in, and awareness of, the process of planning for the use within a State of Federal education assistance funds; and

(6) to support activities, including innovation and development, having a national impact on vocational education, and education of the handicapped.

TITLE I—GENERAL PROVISIONS

AUTHORIZATION OF APPROPRIATIONS; PAYMENTS TO STATES

Sec. 101. (a) There are authorized to be appropriated for the purposes of titles II and III of this Act $3,231,000,000 for the fiscal year beginning October 1, 1976, $3,-

431,000,000 for the fiscal year beginning October 1, 1977, $3,631,000,000 for the fiscal year beginning October 1, 1978, and $3,831,000,000 for the fiscal year beginning October 1, 1979. Funds appropriated for any fiscal year under this section shall be made available to States on or after July 1 of that fiscal year for expenditure by the States in the school year immediately following that July 1.

(b) From the amount allotted to each State under section 102 for carrying out this Act, the Commissioner shall pay to that State an amount equal to the amount expended by the State in carrying out the comprehensive plan of the State adopted under section 103.

ALLOTMENTS

SEC. 102. (a) From not to exceed three per centum of the amount appropriated under section 101(a) for any fiscal year, the Commissioner shall—

(1) allot such amounts as he deems appropriate to the Commonwealth of Puerto Rico, Guam, the Virgin Islands, American Samoa, and the Trust Territory of the Pacific Islands to meet the educational needs addressed by this Act in those jurisdictions; and

(2) pay to the Secretary of the Interior such amounts as the Commissioner deems appropriate for the purpose of meeting the educational needs of Indian children served by schools operated by the Department of the Interior.

(b) (1) From the remainder of the amount appropriated for this Act for any fiscal year, the Commissioner shall first allot to each State—

(A) $5,000,000 or the amount allotted to that State in the preceding fiscal year under this Act or under the programs consolidated in this Act, as the case may be, whichever is lesser, and

(B) eighty-five per centum of the amount in excess of $5,000,000 allotted to that State in the preceding fiscal year under this Act or under the programs consolidated in this Act, as the case may be.

(2) From the remainder of the amount appropriated for this Act for any fiscal year (after deducting the amounts necessary for the allotments and payments required by subsection (a) and paragraph (1) of this subsection) the Commissioner shall allot to each State, the sum of—

(A) an amount which bears the same ratio to sixty per centum of such remainder as the product of the number of children from low-income families in the State (determined under paragraph (3) (A)) and the State's expenditure index (determined under paragraph (3) (B)) bears to the sum of such products for all the States, and

(B) an amount which bears the same ratio to forty per centum of such remainder as the product of the number of children in the State aged five to seventeen, inclusive, in the preceding fiscal year and the State's expenditure index bears to the sum of such products for all the States.

(3) (A) The number of children determined for the purposes of this paragraph is the number of children aged five to seventeen, inclusive, in the State from families below the proverty level. For the purposes of this paragraph, the Commissioner shall determine the number of children aged five to seventeen, inclusive, from families below the poverty level on the basis of the most recent satisfactory data available from the Department of Commerce; and in determining the families which are below the poverty level, the Commissioner shall utilize the criteria of poverty used by the Bureau of the Census in compiling the 1970 decennial census, as adjusted to reflect changes in the Consumer Price Index as of the time to which such date relate.

(B) The expenditure index for a State shall be the average per pupil expenditure in the State divided by the average per pupil expenditure in the United States, except that (i) if the average per pupil expenditure in the State is less than 80 per centum of the average per pupil expenditure in the United States, such amount shall be 80 per centum of the average per pupil expenditure in the United States, or (ii) if the average per pupil expenditure in the State is more than 120 per centum of the average per pupil expenditure in the United States, such amount shall be 120 per centum of the average per pupil expenditure in the United States.

(c) For the purposes of subsection (b) the term "State" does not include the Commonwealth of Puerto Rico, Guam, the Virgin Islands, American Samoa, and the Trust Territory of the Pacific Islands.

(d) Funds granted to a State under any program consolidated in this Act which remain available for expenditure during the fiscal year ending September 30, 1978, pursuant to section 412(b) of the General Education Provisions Act, shall be available for use by the State during that year for the purposes for which they were originally granted or for carrying out the State's plan for that year under this Act.

STATE ADMINISTRATION AND PROGRAM PLANNING

State Agency and Certifications

SEC. 103. (a) A State desiring to receive a grant under this Act for any fiscal year shall—

(1) as provided by the laws of the State, designate the State educational agency or other appropriate agency or agencies within the State which will administer the assistance provided under this Act; and

(2) (A) develop and publish a plan for the use within the State of funds provided under this Act, which plan has been developed in accordance with procedures meeting the requirements of subsection (c) and contains the elements set forth in subsection (d), or

(B) in the case of a State which has adopted (pursuant to subsection (c)), and has in effect, a plan containing the elements set forth in subsection (d) covering more than one year, publish an annual update of that plan in accordance with procedures meeting the requirements of subsection (c)); and

(3) certify to the Commissioner that it has a plan described in paragraph (2); and

(4) certify annually that it has complied with each provision of the plan; or inform the Commissioner of any substantial failure to comply with any provision of that plan, and certify that it has complied with the remaining provisions.

State Monitoring, Evaluation, and Audit Requirements

(b) A State desiring to receive a grant under this Act for any fiscal year shall, in addition to the requirements of subsection (a)—

(1) consistent with regulations of the Commissioner, develop and have in operation procedures for the periodic determination, by an agency of the State other than the agency or agencies designated for the purposes of subsection (a) (1), of the State's compliance with its plan developed pursuant to subsection (c), and for periodically reporting on that compliance to the Commissioner;

(2) submit to the Commissioner for his approval the procedures required by paragraph (1), with such supporting material as the Commissioner may require; and

(3) provide, consistent with the Commissioner's regulations, for (i) an annual audit of expenditures in accordance with generally accepted accounting principles, conducted, as determined by the State, by (I) an auditor of the State, or an auditor representing the legislature of the State, using certified public accountants and not under the control, direction, or supervision of any agency of the State engaged in administering this Act, or (II) a private certified public accountant or auditing firm utilizing certified public accountants; (ii) an annual evaluation of the implementation of the State's final comprehensive plan, and any amendment thereto, adopted under subsection (c), and (iii) an annual report of that audit and evaluation, that shall describe the activities of the State under that plan, which report shall include such additional information as the Commissioner may from time to time prescribe.

State Planning Procedures

(c) A State's procedures for developing the plan for administering the assistance provided under this Act meets the requirements of this subsection if, as a matter of State law—

(1) a date is established for the beginning of the State's program year for the purposes of this Act;

(2) a means is established for obtaining the views of appropriate State agencies or organizations (such as State vocational education agencies, State rehabilitation agencies and State Manpower Services Councils) and units of local government in the development of a proposed comprehensive plan for the use of funds provided to the State under this Act for that year and for coordinating with those agencies and units of local government compliance with the requirements of subsection (d);

(3) a means is established to ensure that the needs of all residents of the State are taken into account in the development of the plan;

(4) at least ninety days prior to the beginning of the State's program year, the State educational agency or other agency designated pursuant to subsection (a) (1), publishes and makes generally available (as defined in regulations of the Commissioner) to the public and distributes to local educational agencies the proposed comprehensive plan or annual update thereof;

(5) public comment on the proposed plan or annual update is accepted for at least forty-five days;

(6) at least forty-five days after publication of the proposed plan or annual update thereof and prior to the beginning of the State's program year, the State educational agency or other agency designated pursuant to subsection (a) (1), publishes and distributes to local educational agencies a final comprehensive plan or annual update thereof for the use of funds provided to the State under this Act for that fiscal year, which sets forth the same information required to be included in the proposed plan, together with a summary of the comments received and the disposition thereof, and an explanation of the differences between the proposed and final plan and the reasons therefor; and

(7) any amendment to the final comprehensive plan is prepared by the State educational agency or other agency designated pursuant to subsection (a) (1) and published as a proposed amendment on which public comment is accepted for a period of at least thirty days and then published as a final amendment, together with a summary of the comments received and the disposition thereof, and an explanation of the differences between the proposed and final amendment and the reasons therefor.

The Commissioner may for good cause waive compliance with all or any portion of any requirement of this subsection as to the number of days prior to or in which any action was to be taken.

Contents of State Plan

(d) A State's comprehensive plan meets the requirements of this subsection if it—

(1) sets forth the objectives to be achieved under the plan;

(2) provides for the allocation of funds within the State in accordance with the requirements of section 202 and section 301,

and provides for the use of those funds as provided in titles II and III;

(3) sets forth the policies and procedures to be followed by the State in the distribution to local educational agencies of funds made available under this Act, so that such distribution takes into account the number and concentration of children from low-income families and educationally deprived and handicapped children in each local educational agency in the State, with appropriate adjustments to reflect—

(A) the costs within each local educational agency of providing special educational services to educationally deprived and handicapped children, and

(B) the relative resources available within each local educational agency to provide such services;

(4) sets forth the amount of funds to be distributed to each local educational agency in the State;

(5) contains a description of the organizational structure through which the program will be administered, including the extent to which public and private agencies will be consulted with regard to the use of funds provided under this Act;

(6) contains a description of the process the State will use to ensure that any local educational agency which will receive funds under this Act will annually develop a comprehensive plan for the use of those funds, which plan will be made available to the public for comment in a manner consistent with that required for the State comprehensive plan under this subsection;

(7) sets forth the means by which the requirements of section 107 (regarding services to children enrolled in nonpublic schools) will be met;

(8) provides that not less than seventy-five per centum of the funds provided to the State under this Act for any fiscal year will be distributed to local educational agencies in the State;

(9) provides that not less than seventy-five per centum of the funds provided to a State under this Act for any fiscal year shall be used to meet the special educational needs of educationally deprived children and handicapped children. *Provided*, That amounts used within the State to meet the requirements of section 202(b) and 302(a) (6), and any other amounts expended under titles II and III of this Act to meet those needs, shall be included in determining compliance with this paragraph; and

(10) provides that, of the amount made available to a State under this Act for any fiscal year, not more than—

(A) five per centum of the such amount, or

(B) the percentage which the amount received by the State in the fiscal year ending June 30, 1976, under the programs consolidated in this Act and specifically available to the State for administration, is of the total amount received by the State in that fiscal year under those programs, whichever is greater, will be used for administration of the State plan.

Delegations, Transfers of Funds, and Contracts by the State Agency

(e) The State agency or agencies designated pursuant to subsection (a) (1) may, to the extent necessary to carry out the purposes of this Act—

(1) delegate their administrative functions under this Act to other appropriate State agencies,

(2) transfer to such agencies any funds provided to the State under this Act, and

(3) enter into contracts with public and private agencies, organizations, and institutions for carrying out any activities authorized under this Act.

Any arrangements entered into under this subsection for any fiscal year shall be set forth in the comprehensive plan of the State for that year.

ENFORCEMENT

Sec. 104. (a) (1) No payment may be made under section 101(b) to any State that has failed to provide the certifications required by section 103(a) (3) and (4).

(2) In the case of any State that has provided those certifications, if the Commissioner, after reasonable notice and opportunity for a hearing to the State, finds that the comprehensive plan fails to comply with the requirements of section 103 (c) and (d), or the State has failed substantially to comply with any provision of that plan or of sections 201, 202, 301, or 302, or has failed to inform the Commissioner of any substantial failure to comply with any provision of that plan or those sections, the Commissioner shall—

(A) make no further payments to the State under section 101(b) until he is satisfied that there will no longer be any failure of the plan to comply with the requirements of section 103 (c) and (d) or of the State to certify or comply with the plan or sections 201, 202, 301, or 302, or

(B) in lieu of suspending further payments, instead reduce the amount otherwise payable to the State under section 101(b), until he is satisfied that there will no longer be any such failure, by not in excess of three per centum of the amount payable to the State.

(3) In the case of any State that has provided the certification required section 103 (a) (3) and (4), if the Commissioner, after reasonable notice and an opportunity for a hearing to the State—

(A) disapproves, or withdraws his approval, of the procedures submitted under section 103(b) (2), or

(B) finds that the State has substantially failed to comply with the procedures approved under section 103(b) (2),

the Commissioner shall notify the State that further payments will not be made to the State under section 101(b) until he is satisfied that there will no longer be any such failure to comply, and until he is satisfied he shall make no further payments to the State.

(b) (1) If any State is dissatisfied with the Commissioner's final action with respect to the approval of its procedures submitted under section 103(b) (2) or with any action taken by the Commissioner under subsection (a), the State may, within sixty days after notice of that action, file with the United States court of appeals for the circuit in which the State is located a petition for review of that action. A copy of the petition shall be forthwith transmitted by the clerk of the court to the Commissioner. The Commissioner thereupon shall file in the court the record of the proceedings on which he based his action, as provided in section 2112 of title 28, United Stats Code.

(2) The findings of fact by the Commissioner, if supported by substantial evidence, shall be conclusive; but the court, for good cause shown, may remand the case to the Commissioner to take further evidence, and the Commissioner may thereupon make new or modified findings of fact and may modify his previous action, and shall file in the court the record of the further proceedings. Such new or modified findings of fact shall likewise be conclusive if supported by substantial evidence.

(3) Upon the filing of such petition, the court shall have jurisdiction to affirm the action of the Commissioner or to set it aside, in whole or in part. The judgment of the court shall be subject to review by the Supreme Court of the United States upon certiorari or certification as provided in section 1254 of title 28, United States Code.

(c) The Secreary of Health, Education, and Welfare and the Comptroller General of the United States, in the exercise of their authority under section 434(a) (2) of the General Education Provisions Act, may only audit activities undertaken within the State with funds provided under this Act, and shall not, under any authority in this Act, prescribe to the States any requirement for expenditure of funds other than funds provided under this Act.

CONSTRUCTION

Sec. 105. Funds paid to a State under this Act shall be available for construction of any facilities for which funds would have been available under any program consolidated in this Act. For the purposes of this Act the term "construction" means the erection, acquisition, alteration, remodeling, or improvement of facilities, including the acquisition of land necessary therefor, and the cost of construction includes the cost of architect's fees.

CIVIL RIGHTS REQUIREMENTS

Sec. 106. (a) Funds made available under this Act shall be subject to title VI of the Civil Rights Act of 1954 (42 U.S.C. 2000d), title IX of the Education Amendments of 1972 (20 U.S.C. 1681–1686), and section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794).

(b) Whenever the Secretary of Health, Education, and Welfare determines, pursuant to the procedures applicable to any of the statutory provisions in subsection (a), that one or more local educational agencies in a State are not in compliance with any of those statutory provisions, none of the funds provided to that State under this Act shall be made available to such local educational agencies during the period of such noncompliance; and the allotment to that State under section 102 for that period shall be reduced by the percentage which the number of children aged five to seventeen, inclusive, in those local educational agencies is of the total number of such children in the State.

PARTICIPATION OF NONPUBLIC SCHOOL CHILDREN

Sec. 107. (a) The State educational agency of any State receiving a grant under this Act shall provide that—

(1) to the extent consistent with the number of—

(A) children enrolled in private nonprofit elementary and secondary schools who reside in areas of the State served by programs assisted under this Act, and

(B) children in Indian tribal elementary and secondary schools in the State,

who have need for the services provided by those programs, such children will be given an opportunity to participate, on an equitable basis, in activities assisted under this Act; and

(2) title to and control of funds received under this Act and other property derived therefrom will remain in one or more public (including Indian tribal government) agencies.

(b) The means by which the requirements in subsection (a) will be met within a State shall be set forth in the plan of the State adopted under section 103.

(c) If a State is prohibited by law from providing for the participation of children enrolled in private nonprofit or Indian tribal elementary and secondary schools, or if the Commissioner determines, after affording notice and opportunity for a hearing, that a State has substantially failed to provide for such participation, he shall waive the requirements of subsection (a) (1) and he shall arrange, by contract or otherwise, for such children to receive, on an equitable basis, services similar to those provided under this Act to public school children in the State. The cost of providing those services for any fiscal year shall be paid from the allotment of the State under section 102.

DEFINITIONS

Sec. 108. For the purposes of this Act—

(a) The term "average per pupil expenditure" in a State, or in the United States, means the aggregate current expenditures, during the second fiscal year preceding the fiscal year for which the computation is made (or if satisfactory data for that year not available at the time of computation, then during the most recent preceding fiscal year for which satisfactory data are available) of all local educational agencies in the State, or in the United States (which for the purposes of this subsection means the fifty States, and the District of Columbia), as the case may be, plus any direct current expenditures by the State for operation of such agencies (without regard to the source of funds from which either of such expenditures are made), divided by the aggregate number of children in average daily attendance to whom such agencies provided free public education during such preceding year.

(b) The term "Commissioner" means the United States Commissioner of Education.

(c) The term "current expenditures" means expenditures for free public education, including expenditures for administration, instruction, attendance and health services, pupil transportation services, operation and maintenance of plant, fixed charges, and net expenditures to cover deficits for food services and student body activities, but not including expenditures for community services, capital outlay, and debt service, or any expenditures made from funds granted under this Act or the Elementary and Secondary Education Act of 1965.

(d) The term "educationally deprived children" means those children who, as a result of poverty, neglect, delinquency, or cultural or linquistic isolation, have a need for special educational assistance in order that their level of educational attainment may be raised to that appropriate for children of their age. The term includes children living in institutions for neglected and delinquent children and migratory children of migratory agricultural workers.

(e) The term "handicapped children" means mentally retarded, hard of hearing, deaf, speech impaired, visually handicapped, seriously emotionally disturbed, orthopedically impaired, or other health impaired children, or children with specific learning disabilities, who by reason thereof require special education and related services. The term "children with specific learning disabilities" means those children who have a disorder in one or more of the basic psychological processes involved in understanding or in using language, spoken or written, which disorder may manifest itself in imperfect ability to listen, think, speak, read, write, spell, or do mathematical calculations. Such disorders include such conditions as perceptual handicaps, brain injury, minimal brain disfunction, dyslexia, and developmental aphasia. Such term does not include children who have learning problems which are primarily the result of visual, hearing, or motor handicaps, of mental retardation, of emotional disturbance, or of environmental cultural or economic disadvantage.

(f) The term "local educational agency" means a public board of education or other public authority legally constituted within a State for either administrative control or direction of, or to perform a service function for, public elementary or secondary schools in a city, county, township, school district, or other political subdivision of a State, or such combination of school districts or counties as are recognized in a State as an administrative agency for its public elementary or secondary schools. Such term also includes any other public institution or agency having administrative control and direction of a public elementary or secondary school.

(g) Except for the purposes of section 102 (b), the term "State" includes, in addition to the several States of the Union and the District of Columbia, the Commonwealth of Puerto Rico, Guam, American Samoa, the Virgin Islands and the Trust Territory of the Pacific Islands.

(h) The term "State educational agency" means the State board of education or other agency or officer primarily responsible for the State supervision of public elementary and secondary schools, or, if there is no such officer or agency, an officer or agency designated by the Governor or by State law.

(i) The term "vocational education" means vocational, technical, or occupational training or retraining which is provided in public or private secondary or postsecondary institutions or classes, at the work site, or under other innovative arrangements under public supervision and control or under contract with a State board or local education agency and which is designed (1) to prepare individuals at the secondary or postsecondary level for employment as semiskilled or skilled workers, as homemakers, technicians, or subprofessionals in recognized occupations and new and emerging occupations, or (2) to increase the occupational proficiency of individuals, or (3) to prepare individuals for enrollment in advanced specialized vocational or technical education programs, except those which require a baccalaureate or higher degree.

EFFECTIVE DATE; REPEALER

Sec. 109. (a) The provisions of this Act shall be effective on and after July 1, 1977.

(b) Effective with respect to fiscal years beginning after September 30, 1977, the following provisions of law are repealed:

(1) titles I, II, III, IV, and V of the Elementary and Secondary Education Act of 1965;

(2) the Vocational Education Act of 1963;

(3) the Adult Education Act;

(4) the Smith-Hughes Act (20 U.S.C. 11–15, 16–28);

(5) the Education of the Handicapped Act; and

(6) title III of the National Defense Education Act of 1958.

(c) The following provisions of the Education of the Handicaped Act, as amended by the Education for All Handicapped Children Act of 1975 (P.L. 94–142), are repealed effective on the date of the enactment of this Act:

(1) section 607 of the Education of the Handicapped Act;

(2) clauses (A), (C), (D), and (E) of paragraph (2) of section 612 of that Act;

(3) section 617(a)(1)(D) of that Act;

(4) section 617(b) of that Act; and

(5) section 618(a) of that Act.

(d) Section 434(b) of the General Education Provisions Act is repealed, effective on and after July 1, 1977.

TITLE II—ELEMENTARY AND SECONDARY, HANDICAPPED, AND ADULT EDUCATION PROGRAMS

PROGRAM DESIGN

Sec. 201. (a) The comprehensive plan developed by a State pursuant to section 103 shall provide for a program designed to improve the educational opportunities of educationally deprived and handicapped children in the State and for a program of adult education. In addition, the plan may provide for the use of funds provided under this Act (other than funds subject to the requirements of section 202 or 301 of this Act) for—

(1) school library resources, textbooks, and other instructional material;

(2) instructional equipment and other learning resources;

(3) testing, guidance, and counseling;

(4) educational innovation and support; and

(5) any other educational activity authorized under a program consolidated in this Act.

(b) The comprehensive plan of of the State shall provide——

(1) for an assessment of the special educational needs of, and the costs of providing services for, educationally deprived and handicapped children in the State; and

(2) for an assessment of the needs of adults in the State for basic and continuing educational services; and

(3) for an assessment of the Federal, State, and local resources available in the State to meet those needs; and

(4) reasonable promise of substantial progress in meeting those needs.

ALLOCATION OF FUNDS TO LOCAL EDUCATIONAL AGENCIES

Sec. 202. (a) Of the funds provided to a State under this Act in the fiscal year ending September 30, 1977, the State shall allocate to each local educational agency in the State not less than eighty-five percentum of the aggregate amount received by that local educational agency from funds appropriated for the fiscal year ending June 30, 1976, under title I of the Elementary and Secondary Education Act of 1965, and part B of the Education of the Handicapped Act. Of the funds provided to a State under this Act in the fiscal year ending September 30, 1978, and in each succeeding fiscal year, the State shall allocate to each local educational agency not less than 85 per centum of the amount required to be allocated to each such agency in the preceding fiscal year under this subsection.

(b) The amounts allotted by a State to a local educational agency pursuant to subsection (a) shall be used by that agency to meet the special educational needs of educationally deprived and handicapped children.

TITLE III—VOCATIONAL EDUCATION FUNDS RESERVED

Sec. 301. Of the funds received by a State under this Act for any fiscal year the State shall use for the purposes of this title an amount equal to or greater than the proportion which the amount received by the State in fiscal year 1976 under the Vocational Education Act of 1963 is of the total amount received by the State in that year under the programs consolidated in this Act.

PROGRAM DESIGN

Sec. 302. (a) A State's vocational education program meets the requirements of this section if it—

(1) takes into account the present vocational education needs of students and the labor force in the State;

(2) takes into account the vocational education needs of persons who have completed or left high school and who are available for study in preparation for entering the labor market;

(3) affords reasonable promise of substantial progress toward meeting those needs;

(4) takes into account other Federal, State, and local resources which are available to meet those needs;

(5) is designed to provide the individuals to be served with education programs which will make substantial progress toward preparing them for a career or for advancement in their present employment, and

(6) provides that at least twenty-five per centum of the funds used by a State for the purposes of this title for any fiscal year will be used to meet the vocational education needs of persons who are or have been adversely affected by physical, mental, academic, socioeconomic, geographic or other factors and conditions and who require special supportive, educational, or guidance as-

sistance in order to benefit from vocational education programs and services.

(b) Funds available to a State for the purposes of this title may be used for any vocational education activity in a program meeting the requirements of subsection (a), including, but not limited to—

(1) vocational-technical programs of instruction, including the development, installation, and operation of programs of vocational education in public and nonprofit private secondary and postsecondary institutions;

(2) work experience and work-study programs;

(3) vocational guidance and counseling;

(4) constructing, equipping, maintaining, and operating area vocational-technical schools and residential facilities;

(5) placement and follow-up of vocational education graduates;

(6) vocational education personnel development and training; and

(7) research into problems relating to vocational education, development of innovative means to address those problems, and demonstration of promising new projects and activities in vocational education.

SEPARATE STATE PLANNING FOR VOCATIONAL EDUCATION

SEC. 303. In the case of a State which designates a separate State agency to administer all or part of the funds made available for this title, a separate State plan may be developed for the use of such funds if such plan—

(1) is developed in coordination with the comprehensive plan required to be developed pursuant to section 103;

(2) is developed in consultation with the agency of the State (if any) responsible for administration of vocational education programs for students who have completed or left high school and who are available for study in preparation for entering the labor market;

(3) is published at the same time and in the same manner as that required for the comprehensive plan under section 103(c); and

(4) meets all the other requirements of subsections (b), (c), and (d) of section 103.

TITLE IV—NATIONAL IMPACT PROJECTS

PURPOSE

SEC. 401. It is the purpose of this title to provide support for special activities, and for innovation and development, in vocational education and the education of the handicapped through projects which can more effectively be carried out on a national or regional basis.

ACTIVITIES AUTHORIZED

SEC. 402. (a) The Commissioner is authorized, either directly or through grants and contracts with public and private agencies, organizations, and institutions, to carry out the following activities—

(1) innovation, development and dissemination activities relating to vocational education and the education of the handicapped;

(2) establishing and operating model centers for deaf-blind children, including—

(A) residential facilities for such children,

(B) a comprehensive educational program for such children, along with diagnostic, evaluative, and other support services,

(C) related consultative services for parents, teachers, and others who play a role in the lives of such children;

(3) establishing and operating regional resource centers which will develop and apply the best methods of appraising the special educational needs of handicapped children referred to them and providing services to assist in meeting those needs, including—

(A) testing and evaluation,

(B) developing special programs to meet unique needs of handicapped children, and

(C) providing consultative services to schools and other agencies and institutions which provide services to handicapped children;

(4) establishing and operating a loan service of captioned film and other educational media for the handicapped for the purpose of making such material available in the United States for nonprofit purposes to handicapped persons, their parents, and other persons directly involved in assisting such persons.

(b) The Commissioner may accept gifts, contributions, and voluntary and uncompensated services to assist in carrying out the purposes of this title.

AUTHORIZATION OF APPROPRIATIONS

SEC. 403. There are authorized to be appropriated for the purposes of this title $69,000,000 for the fiscal year beginning October 1, 1976, and for each of the three succeeding fiscal years.

Letter of Transmittal

Department of Health, Education, and Welfare,
March 1, 1976.

Hon. Nelson A. Rockefeller,
President of the Senate,
Washington, D.C.

Dear Mr. President: Enclosed for the consideration of the Congress is a draft bill, "To consolidate the administration of certain programs of financial assistance to States for educational purposes."

In the past decade, as educational problems of national scope have been identified, we have responded with narrowly focused Federal programs to meet those needs primarily through assistance to State and local educational agencies. The result is a complex and often confusing maze of Federal programs, containing varying programmatic requirements, addressing different target groups and establishing different administrative structures.

While these programs have sensitized the States to a number of educational problems and have assisted the States in developing their capacity to deal with those problems, the point has been reached at which the burden placed upon the States of administering these many separate programs outweighs the advantages of the Federal assistance. Furthermore, the narrow focus of each of these programs denies to the States the ability to develop their own programs to meet their unique needs.

For the above reasons, the President in his message to the Congress of this date, proposed the consolidation into a single authority of twenty-four existing programs of assistance to the States for elementary and secondary, handicapped, adult, and vocational education. The enclosed draft bill, entitled the "Financial Assistance for Elementary and Secondary Education Act," would accomplish that objective. This bill would extend to the States substantial discretion in their use of Federal education funds and would significantly reduce what the Administration sees as unnecessary Federal control over the States' educational programs.

Under our proposal there would be only a minimum number of Federal requirements applicable to this program. The most significant of these would be a requirement for an open planning process within the State for use of these funds, a requirement for not less than seventy-five percent of the funds to be used for the special needs population (handicapped and educationally deprived), and a requirement for at least seventy-five percent of the funds to be passed through to local educational agencies.

Each State would be required to expend for the purposes of vocational education at least the same percentage of its Federal funds received under this Act as the percentage of the State's Federal vocational education funds were of its total Federal funds received under the programs consolidated in this Act in fiscal year 1976. A State could plan separately for the use of those funds; however, that planning would have to be carried out in coordination with the comprehensive planning process and would be subject to the same requirements for public participation.

The bill would continue the separate authority for the Commissioner to conduct certain special projects and innovation and development activities of regional or national scope relating to vocational education and the education of the handicapped.

An appropriation of $3,300,000,000 annually would be authorized for the first year of the program, which would be school year 1977–78, and funds for that year would be appropriated in the fiscal year 1977 Appropriation Act, to be made available to States on July 1, 1977. The authorization would increase by $200 million each year thereafter through 1980. Under the formula in this bill for the allotment of these funds, no State would receive less than the total amount which it received under the programs consolidated in this Act in fiscal year 1976.

A detailed description of the bill is provided in the enclosed summary. We urge the Congress to give prompt and favorable consideration to this proposal.

We are advised by the Office of Management and Budget that enactment of this proposal would be in accord with the program of the President.

Sincerely,

Marjorie Lynch,
Acting Secretary.

Summary of the Financial Assistance for Elementary and Secondary Education Act

The purpose of the bill would be to consolidate into a single block grant authority the following programs:

1. Titles I, II, III, IV and V of the Elementary and Secondary Education Act of 1965,
2. The Education of the Handicapped Act,
3. The Vocational Education Act of 1963, and
4. The Adult Education Act.

This authority would provide greater flexibility to the States in the use of Federal education funds and would focus those funds on meeting special educational needs of handicapped and educationally deprived children.

The bill would have four titles. Title I would contain all the general provisions relating to appropriations, allotments to States, State planning requirements, and other provisions applicable to the entire bill. Title II would set forth minimum criteria for that portion of the funds which would be used for elementary and secondary (including disadvantaged), handicapped, and adult education programs. Title II would set forth minimum criteria for that portion of the funds which would be used for vocational education programs. Title IV would continue a number of existing programs for research and innovation and certain special services relating to vocational education and education of the handicapped.

The first year of operation of the program would be school year 1977–78, and $3,300,000,000 would be authorized for that year. This authorization would be increased by $200 million each year thereafter through school year 1980–81. Funds for each school year would be appropriated in the preceding fiscal year Appropriations Act and would be made available to States on July 1 preceding each school year.

Section 102 would provide for allotment of the amount appropriated as follows:

Up to 3 percent of the funds would be reserved for the outlying areas and for Bureau of Indian Affairs Schools,

From the remainder of the funds each State would be paid $5 million (or the amount it received under the programs proposed to be consolidated under this Act in the preceding fiscal year, whichever is less) plus 85 percent of the amount in excess of $5 million allotted to that State in the preceding fiscal year under those consolidated programs. Any funds remaining would then be allotted to the States under a formula providing for 60 percent of the remainder to be distributed on the basis of the number of children from low-income families in the State and 40 percent on the basis of the school age population of the State, with this sum being weighted by a fraction determined by dividing the average per pupil expenditure by the State (but not less than 80 percent nor more than 120 percent of the national average) by the national average per pupil expenditure.

Section 103 sets forth State administration and program planning requirements. Under subsection (a) each State desiring to participate in the program would be required to—

(1) designate the State agency or agencies to administer the program.

(2) develop and publish a plan for use of the funds,

(3) certify to the Commissioner that it has such a plan, and

(4) certify annually that it has complied with the plan or inform the Commissioner of any substantial failure to comply with the plan.

Under subsection (b) of section 103, the State would be required to—

(1) develop procedures for the independent monitoring within the State of compliance with the plan,

(2) submit those procedures to the Commissioner for approval, and

(3) meet certain independent audit, evaluation, and reporting requirements.

The Secretary's approval authority would not be exercised, under this provision, through extensive regulations governing matters of procedural detail. The authority is granted merely in order to emphasize to the States the importance to the Federal Government that the States design adequate compliance procedures.

Subsection (c) of section 103 would require that the State plan be developed under procedures, which must be established as a matter of State law, which would provide a means for obtaining the views of appropriate State agencies and units of local government in the development of a proposed plan. The plan would have to take into account the educational needs of all residents of the State. The proposed plan would have to be published at least ninety days prior to the beginning of the program year. Public comment would be accepted for at least forty-five days and the final plan would then have to be published prior to the beginning of the program year. The State would have to summarize the comments received and the disposition thereof.

Under subsection (d) the State plan would have to—

(1) set forth objectives of the plan,

(2) provide for the allocation and use of funds within the State in accordance with requirements set forth in titles II and III,

(3) set forth the policies and procedures used by the State to distribute funds to LEA's so that such distribution takes into account the number of handicapped, educationally deprived, and low-income children in each LEA, with adjustments to reflect the costs in each LEA and the resources available to each LEA,

(4) set forth the amount of funds to be distributed to each LEA,

(5) describe the organizational structure through which the program will be administered,

(6) describe the process the State will use to ensure adequate planning by local educational agencies for use of these funds,

(7) describe the means by which nonpublic school children will be served under the program,

(8) provide that at least 75 percent of the funds are passed through by the State to local educational agencies,

(9) provide that not less than 75 percent of the funds are used to meet the special educational needs of handicapped and educationally deprived children, and

(10) provide that the State will use not more than five percent of its allocation for administrative purposes, unless a larger percentage of the funds under the programs consolidated was available for administration, in which case the State could use up to that amount of these funds for that purpose.

Subsection (e) would permit the State agency to enter into contracts and delegations of authority and to transfer funds to other State agencies as may be necessary to carry out the purposes of the Act.

Section 104 sets forth procedures for enforcement of the requirements of the Act. No payments could be made to any State unless it provides the certifications required by this section. In the case of a State which fails to comply with one of the above requirements or which fails substantially to comply with any provision of its plan, the Commissioner could, after notice and opportunity for a hearing, either make no further payments to the State or reduce the amount otherwise payable by up to 3 percent.

The Commissioner could also, after notice and opportunity for a hearing, terminate payments to a State which does not implement or comply with the self-monitoring procedures discussed above. Provision would be made for judicial review of any such determination by the Commissioner.

Section 105 authorizes the use of funds under this Act for construction.

Section 106 provides that if any local educational agency in the State is determined by the Secretary of Health, Education, and Welfare to be out of compliance with title VI of the Civil Rights Act, Title IX of the Education Amendments of 1972, (relating to discrimination on the basis of sex) or section 504 of the Rehabilitation Act of 1973 (relating to discrimination against the handicapped), the State's allotment would be reduced by an amount equal to the percentage which the number of children in the local educational agency is of the total number of children in the State. No funds would be paid to any local educational agency which is out of compliance with those statutes.

Section 107 sets forth requirements for the participation of nonpublic school children which are similar to those now contained in title IV of the Elementary and Secondary Education Act. This provision would essentially require that children in nonpublic schools be given an equitable opportunity to participate in programs assisted by this Act to the extent that they reside in areas served by the programs and have the needs addressed by those programs. The State would also be required to serve children in Indian tribal schools. If the State is legally unable, or fails, to provide for such participation, the Commissioner would arrange for services to such children by contract or otherwise and deduct the cost thereof from the States allocation.

Section 108 would provide a number of definitions of terms used in the Act.

Section 109 would establish October 1, 1976, as the effective date of the program authorized by this Act. This section would also repeal those authorities which are consolidated in this Act.

The requirement in section 434(b) of the General Education Provision Act for each State to submit to the Commissioner a single application for all State-administered programs would be repealed. The programs now included within that single application would all be consolidated under this Act, so section 434(b) would no longer be necessary.

Title II sets forth minimum requirements for the use of that portion of the funds provided under this Act which would be available for elementary and secondary, handicapped, and adult education purposes. The State's comprehensive plan would have to take into account the special educational needs of educationally deprived and handicapped children, assess the resources available in the State to meet those needs, and demonstrate reasonable promise of substantial progress in meeting those needs. The plan would also set forth an adult education program.

The State would be required to allocate to each local educational agency in the first fiscal year at least 85 percent of the amount received by that agency in the preceding fiscal year (1976) under title I of the Elementary and Secondary Education Act and part B of the Education of the Handicapped Act. In subsequent years each local educational agency would be required to be allocated at least 85 percent of the amount required to be allocated to it in the previous year. These funds must be used to meet the special educational needs of educationally deprived and handicapped children. Funds not subject to that requirement of not reserved for vocational education purposes could be used for educational activities such as school libraries, textbooks, educational materials and equipment, guidance, counseling, and testing, innovation and support or for any other educational purpose for which funds could have been used under the programs consolidated by this Act.

Title III sets forth requirements for vocational education programs under this Act. Each State would be required to expend for its vocational education program a portion of the funds received under this Act equal to or greater than the proportion which its fiscal year 1976 allocation under the Vocational Education Act is of the total amount received in that fiscal year under the programs consolidated in this Act.

Under section 302, the State's vocational education program would be required to take into account the vocational education needs of the State (including postsecondary vocational needs), to assess the resources available to meet those needs, and to be designed to provide individuals with educational programs that will make substantial progress toward preparing persons for a career or for further advancement in their present employment. At least 25 percent of the amount the State uses for vocational education under this Act must be used to meet vocational education needs of persons with special needs.

If a State designates a separate State agency to administer its vocational education program under this Act, it could also develop a separate State plan for that purpose. However, that plan would be subject to the same "sunshine" provisions as the comprehensive State plan, and it would have to be developed in coordination with the comprehensive plan, and be published at the same time and in the same manner as that plan.

Title IV would continue the Commissioner's authority to fund certain special projects and innovation and development activities relating to vocational education and the education of the handicapped. Section 402 would authorize the Commissioner either directly or through grants or contracts to support innovation, development, and dissemination activities in vocational education and the education of the handicapped. He would also be authorized to support centers and services for deaf-blind children (similar to the authority now contained in section 622 of the Education of the Handicapped (EHA)), regional resource centers (similar to the authority now contained in section 621 of the EHA), and a loan service for captioned films and other educational media for the handicapped (similar to the authority now contained in section 652 of EHA). A total appropriation of $69,000,000 would be authorized for these activities for fiscal year 1977 and each of the three succeeding fiscal years.

FACT SHEET: FINANCIAL ASSISTANCE FOR ELEMENTARY AND SECONDARY EDUCATION ACT

The President announced today that he is proposing the Financial Assistance for Elementary and Secondary Education Act to provide for a more effective use of Federal funds in support of elementary and secondary education programs at the State and local level.

I. BACKGROUND

The Federal Government supports about 7 percent of the total cost of elementary and secondary education. The bulk of that support is channeled through numerous narrow categorical programs. It is distributed through States to local educational agencies through mechanisms that take into account such factors as school age population and income levels of students' families.

The Federal effort has helped to assure that children with special needs receive an equal educational opportunity, but it has also led to the promulgation of layers of rules and regulations and the imposition of administrative burdens at the local level which are unrelated to the development of programs of quality education.

In his State of the Union address the President announced his intention to propose consolidation of a number of education programs into one block grant in order to minimize the intrusiveness and burden of Federal regulations while continuing appropriate Federal support for education.

II. DESCRIPTION OF PROGRAM

This legislation will consolidate into a single block grant authority the following programs:

1. Titles I, II, III, IV, and V of the Elementary and Secondary Education Act of 1965,
2. The Education of the Handicapped Act,
3. The Vocational Education Act of 1963, and
4. The Adult Education Act.

The bill will have four titles.

Title I—contains all the general provisions relating to appropriations, allotments to States, State planning requirements, and other provisions applicable to the entire bill.

Title II—sets forth minimum criteria for that portion of the funds which will be used for elementary and secondary, handicapped, and adult education programs.

Title III—sets forth minimum criteria for that portion of the funds which will be used for vocational education programs.

Title IV—continues a number of existing programs for research and innovation and certain special services relating to vocational education and education of the handicapped.

III. FUNDS

In fiscal year 1977 (school year 1977–1978) there would be authorized for the purposes of this Act $3.3 billion. This authorization would be increased by $200 million annually in fiscal years 1978, 1979, and 1980.

Of the $3.3 billion available in fiscal year 1977, $3.231 billion would be directly available to States under Titles II and III of the legislation. The $200 million annual additional funding would also be directly available to the States in succeeding years. $69 million would be authorized annually for Title IV for the use of the Commissioner of Education on national impact projects for vocational education and for the handicapped.

The legislation continues to assure, as now, that funds are available to the States and localities before the start of the school year.

IV. PROGRAMS CONSOLIDATED

Listed below are the presently existing programs which will be consolidated in Titles II, III and IV of this Act, together with the actual fiscal year 1975 and 1976 appropriations for those programs.

TITLE II—ELEMENTARY AND SECONDARY, HANDICAPPED, AND ADULT EDUCATION PROGRAMS

[Dollars in millions; fiscal years]

	Appropriations	
	1975	1976
Elementary and secondary education:		
Grants for disadvantaged	$1,900.0	$2,050.0
Support and innovation grants	173.0	185.0
Education for the handicapped:		
State grants (pt. B)	100.0	110.0
Severely handicapped projects	3.0	3.0
Specific learning disabilities	3.0	5.0
Early childhood education	13.0	22.0
Regional vocational, adult, and post-secondary education	.6	2.0
Recruitment and information	.5	.5
Special education manpower development	38.0	40.0
Adult education	68.0	72.0
Library resources: School libraries and instructional resources	137.0	147.0

TITLE III—VOCATIONAL EDUCATION

Basic vocational education	428.0	423.0
Programs for students with specific needs	20.0	20.0
Consumer and homemaking education	36.0	41.0
Work study	10.0	10.0
Cooperative education	20.0	20.0
State Advisory Council	4.0	4.0
Curriculum development	1.0	1.0
Research	18.0	18.0

TITLE IV—NATIONAL IMPACT PROJECTS

Vocational innovation	16.0	16.0
Innovation and development for handicapped	9.0	11.0
Deaf-blind centers	12.0	16.0
Media services and captioned films	13.0	16.0
Regional resource centers for handicapped	7.0	10.0
Total	3,030.0	3,242.0

The list of programs to be included in the consolidation reflects changes made subsequent to the time the President's fiscal year 1977 Budget was submitted to the Congress. These changes result from discussions which the President directed Administration officials to initiate with leaders in the education community and representatives of State and local officials. These discussions produced a number of helpful suggestions and the President believes they have led to a strengthening of the legislation.

Four programs which dealt with higher education and libraries were deleted from the proposal. They are:

[Dollars in millions]

	Appropriations FY 1975	FY 1976
Public libraries (Library Services and Construction Act)	52	52
College libraries (Higher Education Act)	10	10
Training and Demonstrations for Librarians (Higher Education Act)	3	2
Undergraduate Instructional equipment (Higher Education Act)	8	8

A later request will be made to the Congress by the Administration for one-year extension of authorities needed to fund the College Libraries Program. Authority will not be requested for the Training and Demonstration for Librarians or the Undergraduate Instructional Equipment programs. Additional authority is not needed for public libraries.

In the original budget proposal, the Deaf-Blind Centers Program was listed as a separate program. As the legislative proposal was developed, a Title IV, National Impact Program was created, and the Deaf-Blind Centers Program became a part of that Title. A total of 24 programs are now included in the Act.

V. DISTRIBUTION TO THE STATES

The formula for distribution of Federal funds to the States under this Act is based upon the number of children from families below the poverty level and the school-age population (ages five through 17 inclusive) of a State.

Each State would receive as a floor amount either $5 million or the amount it received in fiscal year 1976 for the 24 programs to be consolidated whichever is less.

Each State would then receive not less than 85 percent of the amount allotted to that State in the preceding fiscal year under the 24 programs now consolidated, less the initial sum referred to in the preceding paragraph.

After these allocations, the remaining funds would be distributed on the basis of 60 percent, on the number of children from families below the poverty level and 40 percent on the basis of school age population. The sum thus obtained is multiplied by the ratio of the State average per pupil expenditure to the national average per pupil expenditure—however, no State will be treated for purposes of this formula as being at less than 80 percent or more than 120 percent of the national average per pupil expenditure.

No State loses under this formula—all States gain. A State by State distribution table is attached at Appendix A.

In the accompanying detailed analysis, the actions which a State must undertake to receive Federal funding under this Act are described.

In general terms, the State is required to develop a plan for use of Federal funds. That plan must be developed in a public process with ample opportunity for public review and comment. The State plan, as such, is not subject to Federal review, but the progress the State makes as measured against its own plan is subject to Federal review.

The legislation retains in full force all relevant civil rights procedures. It requires service to non-public school children and to Indian tribal children.

The legislation requires that 75 percent of all Federal funds go to serve the needs of the educationally-deprived and handicapped. It requires States to pass through Federal funds for use of local educational agencies. It also requires that Federal funds be spent on vocational education needs.

Funds not subject to the requirement for use to serve the educationally disadvantaged or not reserved for vocational education purposes could be used for educational activities such as school libraries, textbooks, educational materials and equipment, guidance, counseling, and testing, innovation and support or for any other educational purpose for which funds could have been used under the programs consolidated by this Act.

Where States do not comply with the requirements of the legislation or meet the commitments set forth in their own plan, the Commissioner of Education has a flexible penalty provision at his disposal.

Finally, Title IV of the legislation would continue the Commissioner's authority to fund certain special projects directly.

VI. STATE PLAN REQUIREMENTS

This legislation will require each State to establish, as a matter of State law, the structures and procedures of its own planning process. Within that broad flexible authority, each State would be required to:

(1) designate the State agency or agencies to administer the program,

(2) develop and publish a plan for use of the funds,

(3) certify to the Commissioner that it has such a plan, and

(4) certify annually that it has complied with the plan, or inform the Commissioner of any substantial failure to comply with the plan.

Further, States would be required to:

(1) develop procedures for the independent monitoring within the State of compliance with the plan,

(2) submit those procedures to the Commissioner for approval, and

(3) meet certain independent audit, evaluation, and reporting requirements.

The Commissioner's approval authority described in number two above is a limited one. It is granted only to emphasize the importance to the Federal Government of the States establishing the means to comply with their own plans.

With regard to procedures, States would be required to establish means for obtaining the views of appropriate State and local agencies, units of local government, citizens, and private institutions, and establish a means to ensure that the educational needs of all residents of the State are taken into account.

The proposed plan would have to be published at least ninety days prior to the beginning of the program year. Public comment would be accepted for at least forty-five days and the final plan would then have to be published prior to the beginning of the program year. The State would have to summarize and publish the comments received and the disposition thereof.

Finally, the State plan would have to:

(1) set forth objectives of the plan;

(2) provide for the allocation and use of funds within the State in accordance with requirements set forth in Titles II and III;

(3) set forth the policies and procedures used by the State to distribute funds to LEA's (local educational agencies) so that such distribution takes into account the number of handicapped, educationally-deprived, and low-income children in each LEA, with adjustments to reflect the costs in each LEA and the resources available to each LEA for providing services to such children;

(4) set forth the amount of funds to be distributed to each LEA;

(5) describe the organizational structure through which the program will be administered;

(6) describe the process the State will use to ensure adequate planning by local educational agencies for use of these funds;

(7) describe the means by which non-public and Indian tribal school children will be served under the program;

(8) provide that not less than 75 percent of the funds is passed through by the State to local educational agencies;

(9) provide that not less than 75 percent of the funds is used to meet the special educational needs of the educationally-deprived and the handicapped;

(10) provide that the State will not use more than 5 percent of its allocation for administrative purposes, unless a larger percentage of funds under the programs consolidated was available to the State for administration in fiscal year 1976, in which case the State could use up to that amount of funds for administration.

If a State designates a separate State agency to administer its vocational education program under this Act, it could also develop a separate State plan for that purpose. However, that plan would be subject to the same due process provisions as the comprehensive State plan. It would have to be developed in coordination with the comprehensive plan, and be published at the same time and in the same manner as that plan.

VII. COMPLIANCE PROCEDURES

Where a State fails to comply with the above requirements or fails substantially to comply with the provisions of its own plan, the Commissioner has the authority, after notice and opportunity for a hearing, either to make no further payments to the State, or to reduce the amount otherwise payable to the State by up to 3 percent.

The Commissioner could also, after notice and opportunity for a hearing, terminate payments to a State which does not implement or comply with the self-monitoring procedures discussed above. Provision would be made for judicial review of any such determination by the Commissioner.

This provision of the legislation gives the Commissioner new flexibility in applying penalty provisions. Where a State is in substantial non-compliance or indicates refusal to comply, the Commissioner may cut off all funds. Where the non-compliance is of a minor nature and, particularly, where the State is making an effort to comply, the Commissioner will have at his disposal more reasonable penalty provisions.

VIII. CIVIL RIGHTS

If any local educational agency in the State is determined by the Secretary of Health, Education, and Welfare to be out of compliance with Title VI of the Civil Rights Act, Title IX of the Education Amendments of 1972 (relating to discrimination on the basis of sex), or Section 504 of the Rehabilitation Act of 1973 (relating to the discrimination against the handicapped), the State's allotment would be reduced by an amount equal to the percentage which the number of children in the local educational agency is of the total number of children in the State. No funds could be paid to any local educational agency which is out of compliance with those statutes.

IX. NON-PUBLIC SCHOOL CHILDREN

The requirements in this proposal for the participation of non-public school children are similar to those now contained in Title IV of the Elementary and Secondary Education Act. This provision would essentially require that children in non-public schools be given an equitable opportunity to participate in programs assisted by this Act to the extent that they reside in areas served by the programs and have the needs addressed by those programs.

The State would also be required to serve children in Indian tribal schools.

If the State is legally unable, or fails to provide for participation of children as required by the legislation, the Commissioner would arrange for services to such children by contract or otherwise, and deduct the cost thereof from the State's allocation.

X. TITLE II PROVISIONS—ELEMENTARY AND SECONDARY, HANDICAPPED, AND ADULT EDUCATION PROGRAMS

Title II sets forth minimum requirements for the use of that portion of the funds provided under this Act which would be available for elementary and secondary, handicapped, and adult education purposes. The State's comprehensive plan would have to take into account the special educational needs of educationally-deprived and handicapped children, assess the resources available in the State to meet those needs, and demonstrate reasonable promise of substantial progress in meeting those needs. The plan would also set forth an adult education program.

Under Title II, the State would be required to allocate to each local educational agency in the first fiscal year after enactment at least 85 percent of the amount received by that agency in the preceding fiscal year under Title I of the Elementary and Secondary Education Act and Part B of the Education of the Handicapped Act. These funds must be used to meet the special educational needs of the educationally deprived and handicapped.

Funds not subject to the requirement for use to serve the educationally disadvantaged or not reserved for vocational education purposes could be used for educational activities such as school libraries, textbooks, educational materials and equipment, guidance, counseling, and testing, innovation and support or for any other educational purpose for which funds could have been used under the programs consolidated by this Act.

XI. TITLE III PROVISIONS—VOCATIONAL EDUCATION

Title III sets forth requirements for vocational education programs under this Act. Each State would be required to expend for the purposes of vocational education at least the same percentage of its Federal funds received under this Act as the percentage of the State's Federal vocational education funds were of its total Federal funds received under the programs consolidated under this Act in fiscal year 1976.

As an example, if a State received from the Federal Government $30 million for the purposes of vocational education in FY 1976, and this amount represented 10 percent of the total Federal funds received under the programs consolidated under this Act by that State, this proposal would require that henceforth that State can spend no less than 10 percent of the Federal funds it receives under this Act for the purposes of vocational education.

The State's vocational education program would be required to take into account the vocational education needs of the State, to assess the resources available to meet those needs, and to be designed to provide individuals with educational programs that will make substantial progress toward preparing persons for a career or for further advancement in their present employment. At least 25 percent of the amount the State uses for vocational education under this Act must be used to meet vocational education needs of persons with special needs (the educationally-deprived and the handicapped).

The Federal funds which a State uses for vocational education for persons with special needs count toward the 75 percent of Federal funds which Title II requires to be spent on persons with special needs.

XII. TITLE IV PROVISIONS—NATIONAL IMPACT PROJECTS

Title IV would continue the Commissioner's authority to fund certain special projects and innovation and development activities relating to vocational education and the education of the handicapped. The Commissioner would be authorized to support innovation, development, and dissemination activities in vocational education and the education of the handicapped either directly or through grants or contracts. He would also be authorized to support centers and services for deaf-blind children, regional resource centers, and a loan service for captioned films and other educational media for the handicapped. A total appropriation of $69 million would be authorized for these activities for fiscal year 1977 and each of the three succeeding fiscal years.

APPENDIX A

FINANCIAL ASSISTANCE FOR ELEMENTARY AND SECONDARY EDUCATION ACT—STATE TABLE (ESTIMATES PROVISIONAL-DOLLAR AMOUNTS AND PERCENTAGES SUBJECT TO MINOR ADJUSTMENTS LATER)

[Dollar amounts in thousands]

State	Estimated 1976 appropriation	Estimated 1977 block grant	Dollar difference	Percent difference
Alabama	$69, 265	$71, 291	$2, 026	2. 92
Alaska	9, 413	9, 799	385	4. 09
Arizona	30, 579	31, 311	732	2. 39
Arkansas	41, 607	42, 711	1, 104	2. 65
California	262, 651	266, 012	3, 361	1. 28
Colorado	33, 739	34, 400	661	1. 96
Connecticut	36, 214	37, 520	1, 306	3. 61
Delaware	10, 073	10, 782	708	7. 03
Florida	109, 840	110, 532	692	. 63
Georgia	80, 350	82, 421	2, 071	2. 58
Hawaii	11, 926	12, 688	762	6. 39
Idaho	12, 555	12, 820	266	2. 12
Illinois	152, 191	155, 677	3, 486	2. 29
Indiana	56, 802	57, 749	947	1. 67
Iowa	34, 115	35, 132	1, 016	2. 98
Kansas	29, 679	30, 355	676	2. 28
Kentucky	56, 905	58, 476	1, 570	2. 76
Louisiana	78, 809	81, 007	2, 198	2. 79
Maine	15, 380	15, 812	432	2. 81
Maryland	55, 583	58, 127	2, 545	4. 58
Massachusetts	69, 860	70, 427	566	. 81
Michigan	139, 967	140, 492	525	. 38
Minnesota	54, 363	55, 895	1, 532	2. 82
Mississippi	61, 002	63, 062	2, 060	3. 38
Missouri	60, 852	62, 318	1, 466	2. 41
Montana	12, 583	13, 159	576	4. 58
Nebraska	19, 124	20, 077	953	4. 98
Nevada	6, 546	7, 208	662	10. 12
New Hampshire	9, 159	9, 701	542	5. 92
New Jersey	96, 052	98, 277	2, 224	2. 32
New Mexico	25, 802	26, 272	471	1. 82
New York	296, 378	298, 094	1, 717	. 58
North Carolina	91, 052	92, 347	1, 295	1. 42
North Dakota	11, 280	11, 782	502	4. 45
Ohio	118, 236	120, 337	2, 100	1. 78
Oklahoma	38, 556	39, 448	892	2. 31
Oregon	33, 253	33, 628	375	1. 13
Pennsylvania	158, 531	161, 723	3, 191	2. 01
Rhode Island	13, 961	14, 752	791	5. 66
South Carolina	54, 961	56, 407	1, 445	2. 63
South Dakota	11, 972	12, 577	605	5. 05
Tennessee	68, 154	69, 730	1, 575	2. 31
Texas	201, 148	201, 683	535	. 27
Utah	15, 472	15, 875	403	2. 60
Vermont	9, 226	9, 551	326	3. 53
Virginia	72, 314	73, 896	1, 582	2. 19
Washington	47, 128	47, 512	384	. 81
West Virginia	30, 419	31, 382	962	3. 16
Wisconsin	60, 004	60, 956	952	1. 59
Wyoming	7, 088	7, 550	461	6. 51
District of Columbia	19, 372	19, 755	384	1. 98

Note.—Parameters—Budget authority: $3,231,000,000. Hold harmless: 100 percent of 1st $5,000,000 (or previous year appropriation amount, if lower). Plus: 85 percent of remainder (previous year appropriation amount minus $5,000,000). Formula: 60 percent—poor; 40 percent—school-age; 80-120 percent—current expenditures.

By Mr. **FANNIN** (for Mr. JACKSON) (for himself, Mr. FANNIN and Mr. PEARSON) (by request):

S. 3167. A bill to expedite the delivery of Alaskan natural gas to U.S. markets, and for other purposes. Referred to the Committee on Interior and Insular Affairs and the Committee on Commerce, jointly, by unanimous consent.

ALASKAN NATURAL GAS TRANSPORTATION ACT OF 1976

Mr. FANNIN. Mr. President, the shortage of natural gas in this country is a problem with which we have been long familiar. Although complete deregulation of FPC price controls on interstate natural gas is by far the best solution, there are other actions that may be taken. One involves arctic gas. Until arctic gas reaches the lower 48 its resource value for the country as a whole is nearly zero. The issue is which route—through Alaska or Canada—is the best means of transporting the gas to the lower 48. The Federal Power Commission is now in the midst of a proceeding involving two applicants, each arguing the merits of its proposal. But Alaskan gas is too big an issue for the FPC alone to handle.

That is why the administration has transmitted to the Congress a bill which would direct the FPC to complete its review and recommend to the President by January 1, 1977, which is the most feasible means of proceeding. Other agencies would also make recommendations to the President who would be required to decide on the arctic gas transportation issue by August 1, 1977. The Congress would have 60 days to veto his opinion. Absent a congressional veto, the executive branch agencies would be directed to issue the needed certificates, permits, leases, rights-of-way, and other authorizations after review of a final environmental impact statement. The legislation also provides for limited judicial review as did the trans-Alaska pipeline legislation.

Senators JACKSON, PEARSON, and I have agreed to cosponsor by request this important legislation. Hearings on the arctic gas issue will continue on March 24 and 25. The bill will undoubtedly receive consideration at these hearings which are being jointly conducted by the Senate Interior and Commerce Committees.

Mr. President, I ask unanimous consent that the bill as introduced be printed in the RECORD at this point, along with Mr. Zarb's letter of transmittal with the attached factsheet.

There being no objection, the bill and material were ordered to be printed in the RECORD, as follows:

S. 3167

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLE

SECTION 1. This Act may be cited as the "Alaskan Natural Gas Transportation Act of 1976".

CONGRESSIONAL FINDINGS

SEC. 2. The Congress finds and declares that:

(a) A natural gas supply shortage exists in the United States.

(b) Large reserves of natural gas in the State of Alaska can help significantly to alleviate this supply shortage.

(c) The construction of a natural gas pipeline system to transport natural gas from Alaska to the contiguous 48 States at the earliest practicable time, is essential to the national interest.

(d) Alternative delivery systems for transporting Alaskan natural gas to the contiguous 48 States are available, and the decision as to the selection of a system is one which involves critical questions of national energy policy, international relations, national defense, and economic and environmental considerations, and which therefore should appropriately be addressed by the Congress of the United States and the Executive Branch, in addition to the Federal Power Commission.

STATEMENT OF PURPOSE

SEC. 3. The purpose of this Act is to expedite the selection and construction of a natural gas transportation system for delivery of Alaskan natural gas to the contiguous 48 States through establishment of new administrative and judicial procedures. To accomplish this purpose it is the intent of the Congress to exercise its constitutional powers to the fullest extent in the authorizations and directions herein made and in limiting judicial review of the actions taken pursuant thereto.

DEFINITIONS

SEC. 4. As used in this Act—

(a) The term "Alaskan natural gas" means natural gas derived from the area of the State of Alaska generally known as the North Slope of Alaska, including the continental shelf thereof.

(b) The term "Commission" means the Federal Power Commission.

(c) The term "Secretary" means the Secretary of the Interior.

FEDERAL POWER COMMISSION REVIEW

SEC. 5. (a) Notwithstanding the provisions of the Natural Gas Act (15 U.S.C., 717–717w), the procedures established by this Act shall govern actions by the Commission with respect to review and approvals of applications for a certificate of public convenience and necessity filed by any person with respect to proposals to transport Alaskan natural gas from the State of Alaska for use within other States in the continental United States. The provisions of the Natural Gas Act shall apply to the extent they are not inconsistent with this Act. Any certificate of public convenience and necessity related to the transportation of Alaskan natural gas from the State of Alaska shall be issued by the Commission in accordance with section 9 of this Act.

(b) The Commission is hereby directed to complete its proceedings with respect to proposals for the transportation of Alaskan natural gas from the State of Alaska, which proceedings are pending on the date of enactment of this Act, and to transmit a determination thereon to the President by January 1, 1977.

(c) The determination required by subsection (b) of this section may be in the form of a proposed certificate of public convenience and necessity, or such other form as the Commission deems appropriate, and should include such information as the Commission deems appropriate, including:

(i) estimated capital and operating costs, including analysis of any likely cost overruns;

(ii) analysis of construction schedules and possibilities for delay;

(iii) extent of reserves, both proven and probable, and their deliverability into a transportation system;

(iv) analysis of environmental considerations, including pipeline design criteria, and maintenance and construction procedures;

(v) financing capabilities;

(vi) safety in design and operation;

(vii) anticipated demand in, and deliverability to particular markets, including analysis of displacement questions and substitute fuels;

(viii) anticipated transportation tariffs, both short term and long term.

OTHER AGENCY REPORTS

SEC. 6. By February 1, 1977, the President shall require from such agencies as he deems appropriate the submission of reports to him with respect to the alternative methods for delivering Alaskan natural gas to the other States in the continental United States. Such reports should include information with respect to:

(a) issues related to national energy policy;

(b) environmental considerations, including a detailed study of the air and water quality and noise impacts;

(c) issues related to pipeline safety and liquefied natural gas transportation;

(d) foreign policy aspects, including evaluation of the status of Canadian approvals and plans;

(e) national defense, particularly questions of security of supply;

(f) issues relating to natural resources, use of Federal lands, and fish and wildlife resources; and

(g) issues relating to financing.

PRESIDENTIAL DECISION

Sec. 7. (a) As soon as possible after receipt of the reports required by section 6, but not later than August 1, 1977, the President shall issue a decision as to which system for transportation of Alaskan natural gas, if any, shall be issued the necessary approvals in accordance with sections 9 and 10 of this Act. The Presidential selection of the natural gas transportation system shall be based on the determination as to which system best serves the national interest in bringing Alaskan natural gas to the contiguous 48 states and shall include such terms and conditions as the President deems appropriate.

(b) The decision of the President made pursuant to subsection (a) of this section, along with a statement of the reasons therefor, shall be transmitted immediately to the Senate and the House of Representatives.

(c) The decision of the President shall become final as provided in section 8.

CONGRESSIONAL REVIEW

Sec. 8. (a) A Presidential decision issued pursuant to section 7 shall become final after the close of the 60-day period beginning on the day on which such decision is transmitted to the Senate and to the House of Representatives.

(b) If, because of Congressional action, the Presidential decision does not become final, the President may submit the same or a new decision to the Senate and the House of Representatives. Any such new submission may only become final in accordance with the procedures specified in subsection (a) in the same manner as a decision issued pursuant to section 7.

CERTIFICATION

Sec. 9. (a) The Congress hereby authorizes and directs the Commission, within thirty days after a Presidential decision has become final in accordance with section 8 of this Act, to issue all certificates, permits, and other authorizations necessary for or related to the construction, operation, and maintenance of the transportation system selected in accordance with sections 7 and 8 of this Act. The Commission, in issuing such certificates, permits or authorizations, shall include the terms and conditions set out by the President in his decision pursuant to section 7 of this Act.

(b) No action may be taken by any agency pursuant to this Act until any environmental impact statements considering a system for transportation of natural gas from Alaska to the contiguous 48 States, which statements are in draft form on the effective date of this Act, are completed in final form and filed with the Council on Environmental Quality. Section 102(2)(C) of the National Environmental Policy Act of 1969 shall not be applicable to the Alaskan natural gas transportation system selected in accordance with this Act, except as provided in this subsection.

OTHER ADMINISTRATIVE AUTHORIZATIONS

Sec. 10. (a) The Congress hereby authorizes and directs the Secretary of the Interior, the Secretary of Transportation, and other appropriate Federal officers and agencies to issue and take all necessary action to administer and enforce rights-of-way, permits, leases, and other authorizations that are necessary for or related to the construction, operation, and maintenance of the Alaskan natural gas transportation system: *Provided that*, Nothing in this subsection shall be construed to require the granting of any authorization relating to Federal financial assistance.

(b) Rights-of-way, permits, leases, and other authorizations issued pursuant to this Act by the Secretary shall be subject to the provisions of section 28 of the Mineral Leasing Act of 1920 (30 U.S.C. 185) (except the provisions of subsections (h)(1), (j), (k), (q), and (w)(2)); all authorizations issued by the Secretary and other Federal officers and agencies shall include the terms and conditions required, and may include the terms and conditions permitted, by the provisions of law that would otherwise be applicable if this Act had not been enacted, and they may waive any procedural requirements of law or regulations which they deem desirable to waive in order to accomplish the purposes of this Act. The direction contained in subsection (a) of this section shall supersede the provisions of any law or regulations relating to an administrative determination as to whether the authorizations for construction of the Alaskan natural gas transportation system shall be issued.

(c) The Secretary of the Interior and the other Federal officers and agencies are authorized at any time when necessary to protect the public interest, pursuant to the authority of this section and in accordance wih its provisions, to amend or modify any right-of-way, permit, lease, or other authorization issued under this Act.

JUDICIAL REVIEW

Sec. 11. The actions of the Federal officers concerning the issuance of the necessary rights-of-way, permits, leases, and other authorizations for construction, and initial operation at full capacity of the Alaskan natural gas transportation system, including the issuance of a certificate of public convenience and necessity by the Commission, shall not be subject to judicial review under any law, except that claims alleging the invalidity of this section may be brought within sixty days following the date of enactment, and claims alleging that an action will deny rights under the Constitution of the United States, or that the action is beyond the scope of authority conferred by this Act, may be brought within 60 days following the date of such action. A claim shall be barred unless a complaint is filed in the United States District Court for the District of Columbia within such time limits, and such court shall have exclusive jurisdiction to determine such proceeding in accordance with the procedures hereinafter provided, and no other court of the United States, of any State, territory, or possession of the United States, or of the District of Columbia, shall have jurisdiction of any such claim whether in a proceeding instituted prior to or on or after the date of enactment of this Act. Any such proceeding shall be assigned for hearing at the earliest possible date, shall take precedence over all other matters pending on the docket of the district court at that time, and shall be expedited in every way by such court. Such court shall not have jurisdiction to grant any injunctive relief against the issuance of any right-of-way, permit, lease, or other authorization pursuant to this section except in conjunction with a final judgment entered in a case involving a claim filed pursuant to this section. There shall be no review of an interlocutory or final judgment, decree, or order of such district court except that any party may appeal directly to the Supreme Court of the United States.

SEPARABILITY

Sec. 12. If any provision of this Act, or the application thereof, is held invalid, the remainder of this Act shall not be affected thereby.

Federal Energy Administration,
Washington, D.C., March 10, 1976.

Hon. Nelson A. Rockefeller,
President of the Senate,
Washington, D.C.

Dear Mr. President: I am transmitting herewith a bill entitled the "Alaskan Natural Gas Transportation Act of 1976." This bill is designed to expedite the selection and construction of a system for the transportation of natural gas from the North Slope of Alaska to the lower 48 states.

The bill recognizes the importance to the Nation of prompt selection of such a transportation system, and will provide a means to obtain a decision on this vital issue as soon as feasible, but no later than October 1, 1977. At the same time, it will provide adequately for the detailed technical, financial and environmental studies that must be completed to assure a decision in the public interest, with participation by both the Congress and the Executive.

Production of natural gas in the United States continues to decline. This trend weakens the efforts the Nation must make to promote domestic production of energy resources, to reduce our dependence upon foreign energy sources and our vulnerability to another embargo. Although natural gas from Alaska is not the only answer to our energy needs, we must act now to assure that we can use this significant domestic energy resource as soon as possible. The long lead times required by the scale and sophistication of the engineering and construction effort to transport Alaskan gas argue strongly for an efficient decision-making process. Unnecessary procedural delay would be unconscionable.

Two applications for a system to transport North Slope natural gas to the lower 48 states are now pending before the Federal Power Commission. The Commission is well along in the difficult and complex task of reviewing and analyzing these applications as well as alternative systems. I believe that it would be a mistake, as some have suggested, to truncate this carefully conducted deliberative process by the agency most familiar with the natural gas industry. While we need a prompt decision, we also need the right decision.

Nonetheless, selection of a system, because of the size of the project and the complexity of the decision, will transcend the responsibilities of any single Federal agency. Final selection of a route will involve national security, energy, environmental and diplomatic considerations which it is neither fair nor appropriate to ask the Federal Power Commission alone to resolve. Accordingly, the proposed legislation provides for the Federal Power Commission to complete its review and make a recommendation to the President by January 1, 1977. The proposed legislation provides for the final decision to be made by the President, with such information and recommendations from other Federal agencies as the President deems appropriate. The bill would require the President to make a decision as soon as possible after receipt of agency recommendations, but in no event later than August 1, 1977. The Congress would then have 60 days in which it might review and act upon this decision.

If the Congress takes no negative action on the President's decision, the Federal Power Commission and other relevant Federal agencies are mandated to promptly issue, consistent with normal procedures and criteria, the needed certificates, permits, leases, rights of way and other necessary authorizations, which would occur after completion of a final environmental impact statement. In addition, the bill limits the scope and timing of judicial review, consistent with constitutional safeguards, so that lawsuits by private parties will not hamstring expeditious construction of a system that the President and the Congress have agreed is in the national interest.

These provisions of the bill are similar to those adopted by the Congress in the Trans-Alaska Pipeline Authorization Act of 1973. This legislation is no less urgent, and commends use of the same means promptly to assure a decision which carries out the public interest.

The Office of Management and Budget has advised that enactment of this legislation would be in accord with the energy program of the President. I urge early action by the Congress on this important legislation.

Sincerely,

FRANK G. ZARB,
Administrator.

[Factsheet]

PROPOSED LEGISLATION RELATIVE TO CONSTRUCTION OF A NATURAL GAS PIPELINE FROM ALASKA

BACKGROUND

Natural gas is a vital source of domestic energy consumption and over 40 percent of non-transportation needs. Yet, domestic production of gas peaked in 1973 at 22.5 trillion cubic feet and has declined in each of the past two years. Domestic proved reserves have been declining since 1965, with the exception of 1969 when the North Slope Reserves were added to the national resource base. As a consequence of declining supply, curtailments have been increasing steadily since they were first experienced in 1970.

While the President has declared that deregulation of new natural gas is the most important action that can be taken to improve our future situation, it is also imperative to assure that all possible proven sources of additional gas supply are developed. Such a source is the vast reserves on the North Slope of Alaska, estimated at 26 trillion cubic feet.

Proposed alternative delivery systems for transporting Alaskan natural gas to the "Lower 48" States are now under consideration. Current federal studies indicate that proposals to deliver the gas are economically viable. Unless the federal selection and implementation processes are expedited, the delivery of this critical fuel will be delayed, and the costs of the proposed transportation systems will rise markedly. Delay will also increase the prospects of future curtailments and costs to the consumer.

STATUTORY DELAYS

Current Alaskan gas transportation proposals involve critical questions of national energy policy, international relations, national defense, and economic and environmental considerations. These concerns are not, however, insurmountable and indeed, must be resolved quickly if delays in construction are not to inflate the ultimate costs of the system.

Some of the areas of potential delay are:

Federal Power Commission—

1. Issue a certificate of public convenience and necessity for the construction and operation of the transportation system (including the allowable tariff).

2. Authorize gas sale by Prudhoe Bay gas producers.

3. Approve agreements, including quantities and price, between parties affected by any proposed displacement of natural gas supplies.

Interior Department—

1. Permits for rights-of-ways over federal land, both in Alaska and the "Lower 48" States.

2. Assure that the interests of the Alaskan natives are fully protected.

Environmental Protection Agency (and the affected States)—

1. Permits for discharge of liquid waste into waters of the State, if relevant.

Corps of Engineers—

1. Permits for river crossings and for dredging of river bottoms.

Coast Guard—

1. Various approvals regarding construction and operation of liquid natural gas tankers, if relevant.

Other Federal Agencies—

1. Federal Maritime Commission, Public Health Service, Maritime Administration, Federal Communications Commission.

Individual State Approvals—

1. Alaska authorization on the natural gas Maximum Efficient Rates (MER) of production. Any other State authorization or permits regarding roads, sewage, coastal zone impacts, etc. Some States may institute additional certification requirements to minimize adverse effects or to influence the selection process.

HOW LEGISLATION DEALS WITH THESE FACTORS

The proposed "Alaskan Natural Gas Transportation Act of 1976" would expedite the selection and construction of a natural gas transportation system for delivery of Alaskan natural gas to the "Lower 48" States through the establishment of new administrative and judicial procedures.

The Federal Power Commission is already engaged in comprehensive hearings on Alaskan Gas transportation proposals which they expect to complete by the end of the year. The Bill would require the FPC to complete its current proceedings and transmit a determination to the President by January 1, 1977. Such determination may be in the form of a proposed certificate of public convenience and necessity or such other form as the Commission deems appropriate.

The President is required to obtain such other reports and recommendations with respect to the alternative delivery systems from other Federal agencies by February 1, 1977, as he deems to be appropriate.

After reviewing the FPC's recommendations and other information, the President will select a route for the delivery of Alaskan natural gas and will transmit this decision, along with a statement to the Congress of his reasons, as promptly as feasible, but not later than August 1, 1977.

The Congress will then have 60 days to review the President's decision before it becomes final. If Congress takes action to disapprove this decision, the President may submit the same or a new decision which would be subject to the same review process.

If Congress takes no negative action on the President's decision, the Federal Power Commission shall issue all necessary authorizations within 30 days after the President decision is final.

To ensure adequate environmental safeguards, no authorizations may be issued unless a final Environmental Impact Statement has been completed.

All Executive Agencies would be directed to expedite the issuance of all permits and authorizations necessary to implement the Presidential decision. The Act would also limit judicial review of all actions taken under the Act, including those relating to environmental questions.

Mr. FANNIN. Mr. President, I ask unanimous consent that the bill be referred jointly to the Committee on Interior and Insular Affairs and the Committee on Commerce.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

By Mr. HUDDLESTON:

S.J. Res. 182. A joint resolution to authorize and request the President to issue a proclamation designating the period of May 9, 1976, through May 15, 1976, as "National Horse Week." Referred to the Committee on the Judiciary.

NATIONAL HORSE WEEK

Mr. HUDDLESTON. Mr. President, during the Bicentennial Year, the attention of every American is being drawn to the Founding Fathers of our country and to the men and women who were responsible for the development and growth of this great Nation. Much has been written about the accomplishments of those who fought the Revolutionary War. We are reminded regularly of the hardships of those who made the long, arduous journey across the country to open the West for future generations. We see pictures, both moving and still, of settlers in the East and the West clearing the land and tilling the fields without the benefit of modern-day machinery. We see statues of the great military heroes of our early years throughout this and other cities in the United States.

However, many of us fail to realize and recognize the unifying thread among all of the scenes which I have just depicted. That common element is man's greatest ally and most faithful servant, the horse. No matter what the circumstances, no matter how difficult or dangerous the task, the horse always responded to our forefathers' needs. We have heard of the brave deeds of the colonial soldiers and of the fearless pioneers who pushed forward against every adversity to reach the West. We marvel at the accomplishments of Pony Express, which placed a great burden on the horses that were used. And yet who could say how many of these deeds could have been performed or journeys made without the horse.

The founders of our country even relied upon the horse for entertainment. We were informed by the newspapers recently that the first professional sporting event in the Colonies was horse racing.

It is, therefore, more than appropriate to recognize the virtues of this great and handsome animal in this our Bicentennial Year. True, there are many other animals which are near and dear to the hearts of all of us, some of which are more commonplace in our society than the horse. Nevertheless, with the possible exception of the food producing animals, there is none upon which our Nation was so dependent in its infancy and thus there is none which is more deserving of commemoration and honor at this time.

Recently, the U.S. Humane Society conducted a survey of 70,000 youngsters in the United States to determine which animal deserved to be named the Bicentennial animal. I am happy to say that these children had done their homework well and knew of the great contributions by the horse to our Nation. The horse was overwhelmingly voted as the first choice for the Bicentennial animal.

For all of these reasons, I introduce today a joint resolution which acknowledges our early dependency upon the horse and which will commemorate the horse during National Horse Week the week of May 9, 1976.

ADDITIONAL COSPONSORS OF BILLS AND RESOLUTIONS

S. 588

At the request of Mr. HANSEN, the Senator from Texas (Mr. BENTSEN) was added as a cosponsor of S. 588, a bill to require labeling of imported meat and meat food products.

S. 595

At the request of Mr. Bartlett, the Senator from North Dakota (Mr. Burdick) was added as a cosponsor of S. 595, a bill to amend Public Law 88-482.

S. 2925

At his own request, the Senator from Illinois (Mr. Percy) was added as a cosponsor of S. 2925, the Government Economy and Spending Reform Act of 1976.

S. 2962

At the request of Mr. Hugh Scott, the Senator from Maryland (Mr. Mathias) was added as a cosponsor of S. 2962, a bill to require the U.S. Postal Service to make certain considerations prior to the closing of 3d and 4th class post offices.

S. 3016

At the request of Mr. Laxalt, the Senator from Ohio (Mr. Taft) was added as a cosponsor of S. 3016, a bill to amend the Comprehensive Alcohol Abuse and Alcoholism Prevention, Treatment, and Rehabilitation Act of 1970.

S. 3091

At the request of Mr. Humphrey, the Senator from Indiana (Mr. Bayh) was added as a cosponsor of S. 3091, a bill to amend the Forest and Rangeland Renewable Resources Act of 1974.

S. 3098

At the request of Mr. Weicker, the Senator from Minnesota (Mr. Humphrey) was added as a cosponsor of S. 3098, a bill to amend the Community Services Act of 1974.

S. 3113

At the request of Mr. Bartlett, the Senator from Utah (Mr. Garn) and the Senator from South Carolina (Mr. Thurmond) were added as cosponsors of S. 3113, a bill to amend the Congressional Budget Act of 1974 to require that concurrent resolutions on the budget recommend levels of Federal revenues not lower than the appropriate levels of total budget outlays.

S. 3132

At the request of Mr. Laxalt, the Senator from Arizona (Mr. Fannin) and the Senator from Tennessee (Mr. Brock) were added as cosponsors of S. 3132, a bill to amend the Occupational Safety and Health Act of 1970, and for other purposes.

S. 3138

At the request of Mr. Ribicoff, the Senator from Florida (Mr. Stone), the Senator from Idaho (Mr. Church), and the Senator from Minnesota (Mr. Mondale) were added as cosponsors of S. 3138, a bill to amend the Internal Revenue Code to deny benefits to taxpayers who participate in the boycott of Israel.

S. 3149

At his own request, the Senator from Washington (Mr. Magnuson) was added as a cosponsor of S. 3149, the Toxic Substances Control Act.

S. 3149

At the request of Mr. Magnuson, the Senator from Kansas (Mr. Pearson), the Senator from New Hampshire (Mr. Durkin), the Senator from Michigan (Mr. Philip A. Hart), the Senator from Utah (Mr. Moss), the Senator from Alaska, (Mr. Stevens), the Senator from Illinois (Mr. Stevenson), and the Senator from Connecticut (Mr. Weicker) were added as cosponsors of S. 3149, the Toxic Substances Control Act.

SENATE JOINT RESOLUTION 179

At the request of Mr. Bartlett, the Senator from Wyoming (Mr. Hansen), the Senator from Idaho (Mr. McClure), and the Senator from Arizona (Mr. Fannin) were added as cosponsors of Senate Joint Resolution 179, a joint resolution to authorize the President to issue a proclamation designating July 2, 1976, a National Bicentennial Day of Prayer of Thanksgiving and Guidance.

SENATE RESOLUTION 407—SUBMISSION OF A RESOLUTION TO PROVIDE FOR THE PRINTING OF THE POLICY STATEMENTS OF THE PRINCIPAL ORGANIZATIONS OF STATE AND LOCAL ELECTED OFFICIALS

(Referred to the Committee on Rules and Administration.)

Mr. BROCK (for himself and Mr. Humphrey) submitted the following resolution, which was referred to the Committee on Rules and Administration:

S. Res. 407

Whereas, it is in the national interest for the Federal Government to be concerned about and aware of the needs of State and local governments;

Whereas, the Congress of the United States needs to be better informed about the concerns and priorities of elected officials at the State and local level;

Whereas, the organizations composed of elected officials of State and local governments annually prepare statements and resolutions concerning legislative policy and programs: Now, therefore, be it

Resolved, That the Secretary of the Senate shall print as a Senate document and bind in a single document under the title of "The Annual Federalism Report" the policy statements of The National Governor's Conference, The National League of Cities, The United States Conference of Mayors, The Conference of State Legislatures, and The National Association of Counties.

Mr. BROCK. Mr. President, today I am submitting a resolution calling for an annual federalism report. I am extremely pleased that the distinguished Senator from Minnesota, Hubert H. Humphrey, is joining me as an original cosponsor in this resolution.

As we approach our Bicentennial anniversary date, it is particularly important that we recognize, indeed, renew, our faith in our American federalist way of government. To reaffirm and celebrate this federalist form of government, I think that nothing would be more appropriate than to initiate an annual federalism report in this, our Bicentennial Year.

It has long been my feeling that Congress needed a direct and regular report on the state of the States and local governments. Last year I introduced a resolution providing for a joint session of Congress to receive a state of the States message from the chairman of the National Governor's Conference. Unfortunately, this resolution did not pass, but I feel the need is still very pressing for some formal mechanism for the Federal Government to officially hear the problems of our federalist partners, the State and local governments.

The resolution that Senator Humphrey and I are today introducing has just that purpose. To give the various State and local government organizations a formal opportunity to relay their message to the Congress. In brief, the resolution directs the Secretary of the Senate to print and bind in a single document the policy statements of the National Governors Conference, the National League of Cities, the U.S. Conference of Mayors, the National Conference of State Legislatures, and the National Association of Counties. Thus, in one single document, the policy statements from the elected officials of the United States will be available to Congress, and, of course, the general public.

In this, our Bicentennial Year, it is particularly important that we recognize the important role played by State and local governments. The relationship between the Federal Government and the State and local governments—federalism—is the very foundation of our American democratic type of government.

Article 10 of the Constitution specifically delegates all the powers not vested to the Congress to the States. Over the years, the relationship between these different levels of government has expanded, and, as the problems of government have grown more complex, we in Washington should remember that our State and local governments are closest to the people.

There has always been a close relationship between the Congress and the States. We in the Senate should never forget our federalist tradition, since until passage of the 17th amendment, Senators were appointed by the various State legislatures.

Thus, while the Constitution gave the Federal Government certain and often supreme power, it already was its intent to recognize the role of our State and local governments. Indeed, in Federalist Paper 9, Publius—Hamilton—wrote:

> The proposed Constitution, so far from implying an abolition of the State governments, makes them constituent parts of the national sovereignty, by allowing them a direct representation in the Senate, and leaves in their possession certain exclusive and very important portions of sovereign power. This fully corresponds, in every rational import of the terms, with the idea of a federal government.

SENATE RESOLUTION 408—SUBMISSION OF A RESOLUTION DISAPPROVING THE PROPOSED DEFERRAL OF BUDGET AUTHORITY FOR THE U.S. ARMY CORPS OF ENGINEERS TO PLAN AND DESIGN HOPPER DREDGES

(Referred to the Committee on Appropriations and the Committee on the Budget, jointly, pursuant to the order of January 30, 1975.)

Mr. STENNIS (for himself, Mr. Magnuson, Mr. Hatfield, Mr. Johnston, Mr. Bellmon, and Mr. Stevens) submitted the following resolution, which was referred to the Committee on Appropriations and the Committee on the Budget, jointly, pursuant to the order of January 30, 1975:

S. RES. 408

Resolved, That the Senate disapproves the proposed deferral numbered D76-96, as set forth in the President's special message of January 23, 1976 (S. Doc. 94-151), transmitted to the Congress under Section 1013 of the Impoundment Control Act of 1974.

AMENDMENTS SUBMITTED FOR PRINTING

IMMIGRATION AND NATIONALITY ACT AMENDMENTS OF 1976—S. 3074

AMENDMENTS NOS. 1474 THROUGH 1489

(Ordered to be printed and referred to the Committee on the Judiciary.)

Mr. FONG submitted 16 amendments intended to be proposed by him to the bill (S. 3074) to amend the Immigration and Nationality Act, and for other purposes.

Mr. FONG. Mr. President, on March 4, our distinguished colleague, Senator EASTLAND, chairman of the Judiciary Committee and of its Subcommittee on Immigration and Nationality, of which subcommittee I am the ranking minority member, sent to the desk a bill to revise the Immigration and Nationality Act.

At that time, he said:

> More than ten years have passed since President Lyndon Johnson in an historic ceremony signed the Act of October 3, 1965 on Liberty Island at the base of the Statue of Liberty in New York harbor.
>
> Many of the changes wrought in our immigration law by the 1965 Act have worked out well. Some have not. The time has come to take stock and to address ourselves to the question of what further revisions of the immigration laws are needed or are desirable in the best interests of the United States.

Senator EASTLAND addressed himself to two major problems: Immigration from the Western Hemisphere and the illegal alien. S. 3074, which he introduced, in essence, addresses itself to these and other problems which emerged in the years since the enactment of the Immigration and Nationality Act Amendments of October 3, 1965 (79 Stat. 911). In these years, my concern with the humanitarian problem of reuniting families, with the problem of refugees and their resettlement, with the elimination from our statute books of the vestiges of discriminatory legislation still on our books, and with the day-to-day operations under the Immigration and Nationality Act, lead me, at this time, to send to the desk a series of amendments to S. 3074, so that they too may be considered.

I. AMENDMENTS AFFECTING REUNION OF FAMILIES

Reunite permanent residents with parents—amendment 1474 to S. 3074.

At the present time, there is no way for permanent residents to be reunited in the United States with their parents, unless the parent qualifies for a third, sixth, or nonpreference visa. Older people are not frequently able to obtain the labor certification required for these types of visas as they frequently enter the labor market only marginally.

Parents of U.S. citizens over the age of 21 years, on the other hand, are eligible for immediate relative status under section 201(b) of the Immigration and Nationality Act, which I shall hereinafter refer to as "the act." They need no labor certification and are not subject to the numerical limitations imposed by the act.

My amendment would compromise the difference in treatment. It would permit resident aliens to apply for second preference visas for their parents as they now may do for their spouses, unmarried sons, or unmarried daughters. Mr. President, I ask unanimous consent that the text of amendment No. 1474 to S. 3074 be printed in the RECORD at this point.

There being no objection, the amendment was ordered to be printed in the RECORD, as follows:

AMENDMENT NO. 1474

On page 7, between lines 11 and 12, insert the following:

(b) amending paragraph (2) of subsection (a) by inserting "parents," immediately after "spouses,".

On page 7, line 12, strike out "(b)" and insert in lieu thereof "(c)".

Mr. FONG. To facilitate reuniting of sons or daughters of U.S. citizens or permanent residents by extending waiver provisions for fraud or misrepresentation—amendment No. 1475 to S. 3074.

Section 212 (i) of the act, dealing with excludability of aliens, now reads:

> (i) Any alien who is the spouse, parent, or child of a United States citizen or of an alien lawfully admitted for permanent residence and who is excludable because (1) he seeks, has sought to procure, or has procured, a visa or other documentation, or entry into the United States, by fraud or misrepresentation, or (2) he admits the commission of perjury in connection therewith, may be granted a visa and admitted to the United States for permanent residence, if otherwise admissible, if the Attorney General in his discretion has consented to the alien's applying or reapplying for a visa and for admission to the United States.

This leaves it, based on the facts and equity in each case, to the discretion of the Attorney General to consent or not to consent to the alien's applying or reapplying for a visa and for admission to the United States.

Parents love sons and daughters over the age of 21 as much as they love their children under the age of 21.

My amendment would enable the Attorney General, based upon the same considerations, to waive the ground for excludability whether the offspring be under this age of 21—as now provided by the act—or over the age of 21—as my amendment would revise the act.

Mr. President, I ask unanimous consent that the text of amendment No. 1475 to S. 3074 be printed in the RECORD at this point.

There being no objection, the amendment was ordered to be printed in the RECORD, as follows:

AMENDMENT NO. 1475

On page 8, line 23, insert "(a)" immediately before "The".

On page 9, between lines 5 and 6, insert the following:

(b) Section 212(i) is amended by striking out "or child" and inserting in lieu thereof "son, or daughter".

Mr. FONG. To facilitate keeping together of sons or daughters of U.S. citizens or permanent residents with parents by extending waiver provisions in deportation proceedings—amendment to S. 3074.

Section 241(f) of the act, dealing with deportation of aliens, now reads:

> (f) The provisions of this section relating to the deportation of aliens within the United States on the ground that they were excludable at the time of entry as aliens who have sought to procure, or have procured visas or other documentation, or entry into the United States by fraud or misrepresentation shall not apply to an alien otherwise admissible at the time of entry who is the spouse, parent, or a child of a United States citizen or of an alien lawfully admitted for permanent residence.

In this instance, the son or daughter is already in the United States. The same consideration of familial reunion and love applicable to amendment 1476 to S. 3074 prevail in these cases. Families should not be torn apart because an offspring is over 21, while provision is made for action by the Attorney General if the offspring is under 21 years of age.

Mr. President, I ask unanimous consent that the text of amendment 1476 to S. 3074 be printed in the RECORD at this point.

There being no objection, the amendment was ordered to be printed in the RECORD, as follows:

AMENDMENT NO. 1476

On page 9, line 6, insert "(a)" immediately before "Section".

On page 9, between lines 22 and 23, insert the following:

(b) Section 241(f) of the Immigration and Nationality Act is amended by striking out "or a child" and inserting in lieu thereof "a son, or a daughter".

Mr. FONG. Treatment of aliens chargeable to dependent areas of a foreign state—amendment 1477 to S. 3074.

Section 202(c) presently limits the visa numbers available in any year to persons born in a colony or dependent area of a foreign country to a total of 200 for all categories of immigrants.

Section 5 of S. 3074 would increase this number to 600. This is a good step forward.

My amendment 1477 to S. 3074, would even go one step further. It would initially permit the issuance of up to 600 visas to any single dependent area in a year. Then, it would permit the use of any of the balance of the 20,000 visa numbers available to natives of a foreign state under section 202(a) of the act by persons chargeable to the dependent areas of that foreign State.

For example: At present, persons born in Hong Kong are chargeable to the 20,000 visa limitation of Great Britain, with a present maximum 200 visas available under sections 203(a) (1) to (8) of the act to persons who qualify as relatives under paragraphs (1), (2), (4), and (5), to persons who qualify because of labor certification under paragraphs (3) and (6), and to persons who qualify as refugees—paragraph (7)—or to nonpreference immigrants—paragraph (8). It now is and has been at all times, prior to the 1965 act and since, almost impossible to reunite more than unmarried sons or daughters of U.S. citizens—first preference visas—with their parents because of the huge demand for immigrant visas.

S. 3074 would bring that number up to 600 and would likely enable spouses, unmarried sons or unmarried daughters to be reunited with their permanent resident parents—second preference. Whether this will make visas available for persons in the professions—third preference—or for married sons or married daughters of U.S. citizens to be reunited with their parents—fourth preference—is, in my opinion, doubtful because of the demands for immigrant visas by persons born in Hong Kong.

Amendment 1477 to S. 3074, would make any balance of the 20,000 numbers available to Great Britain, but unused, available for persons born in Hong Kong and who otherwise qualify for immigrant visas under the act. Many more families would thus be reunited.

Mr. President, I ask unanimous consent that the text of Amendment 1477 to S. 3074 be printed in the RECORD at this point.

There being no objection, the amendment was ordered to printed in the RECORD, as follows:

AMENDMENT NO. 1477

On page 3, lines 24 and 25, strike out ", or who may, pursuant to section 203(a)(7) enter, conditionally,".

On page 4, lines 10 and 11, strike out "or who may, pursuant to section 203(a)(7), enter conditionally".

On page 4, lines 22 and 23, strike out the comma after "visas" and insert in lieu thereof "and", and strike out ", and conditional entries".

On page 5, line 3, immediately after "year" insert ", except if the foreign state to which such area is dependent has not exceeded the numerical limitation set forth in clause (1), aliens otherwise chargeable to such dependent area may be charged instead to such foreign state".

II. REFUGEES

Mr. FONG. In my opinion, the provisions of the act dealing with refugees are defined in light of experiences which, in today's unsettled world, have proven to be inadequate and to require much too much expenditure in money and personnel and too much special legislation to assist refugees to obtain entry or to regularize their status.

Revised admittance for refugees—amendment to S. 3074. Section 203(a)(7) of the act provides for the Attorney General to make available up to 10,200 conditional entries for persons inspected by Immigration and Naturalization Service officers in non-Communist or non-Communist-dominated countries to persons who have fled because of persecution of fear or persecution on account of race, religion, or political opinion from any Communist or Communist-dominated country or area or from any country in the Middle East, and are unable or unwilling to return to such country or area on account of race, religion, or political opinion, and are not nationals of the countries or areas in which application for conditional entry is made; or are persons uprooted by catastrophic natural calamity as defined by the President and who are unable to return to their usual place of abode. Then, the act provides that when such persons have been continuously present in the United States for 2 years, they may apply to adjust their status to that of permanent residents.

First, in all countries with which we have diplomatic relations, we already have consular officers who presently issue all visas. Section 203(a)(7) of the act requires the added presence of Immigration and Naturalization Service personnel to grant conditional entry to this category of immigrant. Then after 2 years of continuous physical presence in the United States of the refugee—during which time he is in limbo and ineligible to join our Armed Forces or work for the Government since he has no permanent residence—the Service must again take time and effort of their personnel, at great expense, to adjust these refugees to permanent residents. This procedure requires an added initial cost and an added cost 2 years hence on the part of the Immigration and Naturalization Service. This should be corrected.

Second, in most countries there are no INS facilities for granting conditional entry. This makes it impossible for qualified refugees to even apply for what is now conditional entry to the United States.

Two examples make it amply clear what problems this creates in today's world.

First. People who in the 1940's and 1950's had fled Communist China, resettled in Cuba. Then, they fled from Cuba to Spain. These people, born in the Eastern Hemisphere, were refugees from a Communist or Communist-dominated Cuba and thus eligible for seventh preference entry to the United States. But, there were no INS officers in Spain to process their applications. Despite all the cooperation and efforts on the part of both INS and the State Department, it was necessary to move these people from Madrid to Rome and then process them for seventh preference entry in Rome, where there were INS officers, before they could proceed to the United States. If the Consul in Madrid had been able to issue visas, as he would have been able to do for all other immigrants, the added cost and time and heartbreak on the part of all could have been avoided.

Second. Refugees from the People's Republic of China have been fleeing into Hong Kong and the surrounding area since at least the 1950's—at great personal risk to their lives. When they got to Hong Kong, no INS officers were present, so there was no way for them to apply for conditional entry, as provided for in the 1965 act. After much negotiation initiated at my insistence, an INS office was opened in Hong Kong in November 1970 and seventh preference visa numbers were allocated to Hong Kong in January 1971.

For the first time, people who would have been otherwise eligible for entrance to the United States under section 203(a)(7) of the act were able to avail themselves of its provisions. And, they did apply in droves. The British Crown Colony of Hong Kong, under date of October 22, 1971, promulgated an immigration ordinance effective April 1, 1972, providing for a category of persons known as Chinese residents. Persons who for 7 years prior to April 1972, had been in Hong Kong were granted this status. True, they could remain in Hong Kong, travel on the document provided them and reenter Hong Kong—they had no other documents—but under the very same ordinance, the privilege of being a "Chinese resident" could, at any time, be withdrawn by the government, with or without cause.

Immediately, INS determined these refugees, who until 1971 were unable to obtain even conditional entry to the United States, through no fault of their own, were deemed ineligible for conditional entry. In most instances, these people in order to live had gone to work; to stay alive, they had rented apartments or even, if financially able, bought their residences. Because of these successful efforts on their part to survive, they could not overcome the presumption that they "resettled" in Hong Kong and, therefore, were denied conditional entry to the United States. Because of the inaction of the United States in earlier setting up facilities to process section 203(a)(7) entries from Hong Kong, the United States penalized these people and created an almost irrebuttable presumption of resettlement, which even under the Woo case, was only to be one factor to be considered—not the sole factor, as it became. This is an injustice we wrought and should correct.

To correct this, my amendment 1478 to S. 3074 provides that a refugee who could not have obtained conditional entry from the country in which he lived would, for a period of 3 years from the enactment of the Immigration and Nationality Act Amendments of 1976 (S. 3074), not be considered permanently resettled. This would give these persons denied access to conditional entry to the United States a 3-year period in which to apply for seventh preference visas.

Third, the definition of a person qualifying for a section 203(a)(7) conditional entry permit is cast in the political concept of an earlier time. It should be simplified, clarified, and made contemporaneous. This section of my amendment 1478 to S. 3074 would do so.

Fourth, there is no reason for a different processing of refugees from that of immigrants. A refugee, like any other potential immigrant to the United States, should be granted an immigrant visa by the consul wherever he finds himself and become a permanent resident immediately. Not only would this eliminate wasteful expenditures of money, but it would make adjustment easier and less fraught with concern to the refugees. My proposed amendment to S. 3074 would accomplish these ends.

Mr. President, I ask unanimous consent that the text of amendment 1478 to S. 3074 be printed in the RECORD at this point.

There being no objection, the amendment was ordered to be printed in the RECORD, as follows:

AMENDMENT NO. 1478

On page 7, between lines 15 and 16, insert the following:

(c) amending paragraph (7) to read as follows:

"(7) Visas shall next be made available, pursuant to regulations in a number not to exceed 6 per centum of the number specified in section 201, to aliens who are refugees. For the purpose of this paragraph, the term 'refugee' means (A) any alien (i) who is outside the country of his nationality or who, not having a nationality, is outside the country of his habitual residence, and who is unable or unwilling to return to such country because of persecution or a well-founded fear of persecution on account of race, religion, nationality, membership in a particular social group, or political opinion, or (ii) who has been uprooted by catastrophic natural calamity and who is unable to return to his usual place of abode, and (B) the spouse and children of any such alien, if accompanying or following to join such alien. For purposes of this section, a refugee who has lived outside the country of his nationality, or the country of his habitual residence, as the case may be, for not more than 3 years from the date on which the Immigration and Nationality Act Amendments of 1976 take effect shall not be considered permanently resettled in such country if such refugee was precluded from entering the United States because conditional entry was not available from such country under this Act."

Mr. FONG. Adjustment of Status for Parolees of Attorney General—Amendment to S. 3074. Section 212(d)(5) of the Act reads:

(5) The Attorney General may in his discretion parole into the United States temporarily under such conditions as he may prescribe for emergent reasons or for reasons deemed strictly in the public interest any alien applying for admission to the United States, but such parole of such alien shall not be regarded as an admission of the alien and when the purposes of such parole shall, in the opinion of the Attorney General, have been served the alien shall forthwith return or be returned to the custody from which he was paroled and thereafter his case shall continue to be dealt with in the same manner as that of any other applicant for admission to the United States.

Under this provision, entry to the United States has been granted to such groups as the Hungarian refugees, the Cuban refugees, the Ugandan refugees, and last year, the Indochina refugees, as well as to individuals on humanitarian grounds.

In most instances, it was necessary to enact legislation to enable these groups of people to adjust their status and become permanent residents and to permit this adjustment without affecting the numerical limitations on the number of permissible visas for the hemisphere.

Section 212(d)(5) should be amended to give the Attorney General discretionary power to permanently parole in individuals or groups of refugees and they should be afforded permanent residence at once, without regard to visa numerical limitations, if the Attorney General so determines.

Amendment 1479 to S. 3074 would accomplish this end. By making the immigration status of a refugee uncertain, we make it that much more difficult for him to acquire the necessary peace of mind to adjust to a new life in the United States and rebuild the broken pieces of his life which every immigrant hopes to put together effectively and happily in the United States.

Mr. President, I ask unanimous consent that the text of amendment 1479 to S. 3074 be printed in the RECORD at this point.

There being no objection, the amendment was ordered to be printed in the RECORD, as follows:

AMENDMENT NO. 1479

On page 9, between lines 5 and 6, insert the following new subsection:

(b) Section 212(d)(5) of the Immigration and Nationality Act (8 U.S.C. 1182(d)(5)) is amended to read as follows:

"(5) The Attorney General may in his discretion parole into the United States under such conditions as he may prescribe for emergent reasons or for reasons deemed strictly in the public interest any alien or group of aliens applying for admission to the United States, and such parole of such alien or group of aliens shall be regarded as an omission of the alien or group of aliens who thereafter shall be dealt with without regard to the numerical limitations under this Act.

Mr. FONG. Adjustment for Indochina Refugees—amendment to S. 3074.

The latest large influx to these shores were the refugees from Vietnam, Cambodia, and Laos. These people are starting out on a hard process of adjusting to a new country, a new cultural environment, even new climatic conditions for many. Life is hard and uncertain to them.

One of the most oft-repeated worries of the Indochina refugees is the question of what is their status in these United States. Words do not reassure them.

Many of the young men have spent their entire adult life fighting alongside our troops. They wish to join our Armed Forces. Permanent residence would enable them to do that.

Many of the Indochina refugees have been long-term, dependable and efficient employees of the U.S. Government. Once again, they should be afforded the opportunity of having the Government employ them and avail itself of their skills, if it so desires.

Amendment 1480 to S. 3074 would accomplish this.

Mr. President, I ask unanimous consent that the text of amendment 1480 to S. 3074 be printed in the RECORD at this point.

There being no objection, the amendment was ordered to be printed in the RECORD, as follows:

AMENDMENT NO. 1480

On page 18, between lines 12 and 13, and immediately before section 21, insert the following new section:

SEC. 20B. (a) Notwithstanding any other provision of law, and without regard to the numerical limitations specified in the Immigration and Nationality Act (8 U.S.C. 1101), the status of any alien who is a native or citizen of Cambodia, Vietnam, or Laos and who has been inspected and admitted or paroled into the United States subsequent to April 1, 1975, may be adjusted by the Attorney General, in his discretion and under such regulations as he may prescribe, to that of an alien lawfully admitted for permanent residence if—

(1) the alien makes an application for such adjustment; and

(2) the alien is otherwise eligible to receive an immigrant visa and is otherwise admissible to the United States for permanent residence.

(b) Upon approval of an application for adjustment of status under subsection (a), the Attorney General shall establish a record of the alien's admission for permanent residence as of the date of the alien's arrival in the United States. The provisions of this section shall be applicable to the spouse and child of any alien described in subsection (a) regardless of their citizenship and place of birth, who are residing with such alien in the United States.

(c) Except as otherwise provided in this section, the definitions contained in section 101 (a) and (b) of the Immigration and Nationality Act shall apply in the administration of this action. Nothing contained in this section shall be held to repeal, amend, alter, modify, affect, or restrict the powers, duties, functions, or authority of the Attorney General in the administration and enforcement of the Immigration and Nationality Act or any other law relating to immigration, nationality, or naturalization.

III. ELIMINATION OF DISCRIMINATORY PROVISIONS OF U.S. LAWS

Mr. FONG. Repeal of Obsolete Provision of Chinese Exclusion Act—amendment 1481 to S. 3074.

Since the act of March 17, 1894, as amended by the act of April 28, 1904 (33 Stat. 478), there has been provision in our statutes (8 U.S.C. 298) for the use of the Bertillon system of identification at our various ports of entry to prevent the unlawful entry of Chinese into the United States. This was a part of the section of the law titled the "Chinese Exclusion Laws."

Webster's New International Dictionary, second edition, unabridged, describes the Bertillon system as a system for the identification of persons by a physical description based upon anthropometric measurements, notes or markings deformities, color, impression of thumb lines, and so forth.

Webster's Third New International Dictionary, unabridged, describes it as a system for the identification of persons by a physical description based upon anthropometric measures, standardized photographs, notation and classification of markings, color, bodily anomalies, thumb print impressions, and other data that has been largely superseded by fingerprinting.

In 1943, the other sections of the Chinese exclusion laws, of which this section providing for the use of the Bertillon system was a part, were repealed—act of December 17, 1943, 57 Stat. 600. However, this section was not included in the provisions of that repeal statute even though for some years prior thereto, no moneys had been appropriated to prevent entry of illegal aliens referred to this section.

I feel I need say very little to support repeal of this last, obsolete section of the Chinese exclusion laws. The very memory of this discriminatory legislation based solely on race should be eliminated from our statute books.

Mr. President, I ask unanimous consent that the text of amendment 1481 to S. 3074 be printed in the RECORD at this point.

There being no objection, the amendment was ordered to be printed in the Record, as follows:

Amendment No. 1481

On page 19, between lines 12 and 13, insert the following new section:

Sec. 21. The portion of the first section, entitled "Enforcement of the Chinese-exclusion Act", of the Act entitled "An Act making appropriations for sundry civil expenses of the Government for the fiscal year ending June thirtieth, nineteen hundred and five, and for other purposes", approved April 28, 1904 (33 Stat. 478), is repealed.

On page 19, line 13, strike out "21" and insert in lieu thereof "22".

Mr. FONG. Elimination of statement of "country of former nationality" from Certificate of Naturalization—amendment 1482 to S. 3074.

Section 338 of the act entitles a naturalized citizen to receive a certificate of naturalization which, among other information, contains the "country of former nationality" of the citizen.

We are all equal citizens of the United States, be we born in the United States, in Asia, Africa, Europe, North or South America—anywhere in this world.

Any document given a citizen as evidence of his citizenship should not show his origin since in fact, as well as in law, I trust that we are all just citizens of the United States. Lest the naturalized citizens from one area or one country be discriminated against, because of former nationality, this provision of section 338 of the act should be eliminated.

Mr. President, I ask unanimous consent that the text of amendment 1482 to S. 3074 be printed in the Record at this point.

There being no objection, the amendment was ordered to be printed in the Record, as follows:

Amendment No. 1482

On page 16, between lines 19 and 20, insert the following new section:

Sec. 15A. Section 338 of the Immigration and Nationality Act (8 U.S.C. 1449) is amended by striking out "marital status, and country of former nationality" and inserting in lieu thereof "and marital status".

Mr. FONG. Elimination of statement of birthplace from U.S. passports—amendment 1483 to S. 3074.

U.S. passports bear information as to the birthplace of its U.S.-citizen holder. Nothing in our statutes requires this information to appear on a U.S. passport. As I have repeatedly stated, we are all equal citizens of the United States, regardless of the accident of our place of birth.

Countless naturalized citizens have called this to my attention. They point out that this information is used by some foreign countries to deny them visas to visit that country. Whether this is so or not is immaterial. I have pointed out this problem to the Passport Office, to no avail. They advised me that foreign countries would ask for the information before granting a visa to a U.S. citizen-passport-holder. If so, so be it. But, we do not have to be an agent for any foreign government. From our standpoint, this invasion of privacy is evidence of unnecessary differentiation of citizens—those born in the United States and/or some other country against those born in the less favored nations.

The information as to a birthplace is immaterial to the fact that the holder of a U.S. passport is entitled thereto as a citizen of the United States. This information should not appear on our passports. Amendment 1483 to S. 3074 would require that information as to birthplace of a U.S. citizen not appear on the U.S. passport.

Mr. President, I ask unanimous consent that the text of amendment 1483 to S. 3074 be printed in the Record at this point.

There being no objection, the amendment was ordered to be printed in the Record, as follows:

Amendment No. 1483

On page 19, between lines 12 and 13, insert the following new section:

Sec. 20A. The Secretary of State shall not require any person applying for a passport to indicate such person's country of former nationality, if any, nor include in the passport any information indicating the birthplace of the holder.

Mr. FONG. Attorney General to be empowered to institute action where alien is not hired or is discriminated against because of national origin—amendment 1484 to S. 3074.

Section 12 of S. 3074 provides for civil penalties against any employer, agent, or referrer who knowingly hires or refers for employment any alien not authorized to accept employment. To be sure that there is no discrimination because of national origin, I propose to add authorization to that section for the Attorney General to institute action in the U.S. district courts for any failure or refusal to hire or refer an alien because of his national origin. Hopefully, this will help eliminate some of the discriminatory practices which may ensue on the part of employers and others who fear they may be subject to a penalty for hiring an alien not entitled to employment.

Mr. President, I ask unanimous consent that the text of amendment 1484 to S. 3074 be printed in the Record at this point.

There being no objection, the amendment was ordered to be printed in the Record, as follows:

Amendment No. 1484

On page 11, line 16, strike out "(e)" and insert in lieu thereof "(f)".

On page 11, line 17, strike out "and (d)" and insert in lieu thereof "(d), and (e)".

On page 14, line 16, strike out the quotation marks and the final period.

On page 14, between lines 16 and 17, insert the following new subsection:

"(e)(1) Whenever the Attorney General has reasonable cause to believe that any employer has failed or refused to hire any alien, or otherwise discriminated against such alien, because of such alien's national origin, in addition to any other remedies available, the Attorney General may bring a civil action in the appropriate district court of the United States by filing with it a complaint (1) signed by him (or in his absence the Acting Attorney General), (2) setting forth facts pertaining to such incident, pattern or practice, and (3) requesting such relief, including damages, an application for a permanent or temporary injunction, restraining order or other order against such employer, as he deems necessary.

"(2) The district courts of the United States shall have jurisdiction of any action instituted pursuant to this subsection.".

IV. AMENDMENTS TO S. 3074 TO IMPROVE OPERATION OF IMMIGRATION AND NATIONALITY ACT

Mr. FONG. Labor certification—amendment 1485 to S. 3074.

Section 212(a)(14) of the act excludes aliens from admission to the United States unless the Secretary of Labor has determined and certified to the Attorney General that, first, there are not sufficient workers in the United States who are able, willing, qualified, and available at the time of application for a visa and at the place where the alien is destined to perform his skilled or *unskilled* labor, and second, the employment of such aliens will not adversely affect the wages and working conditions of the workers in the United States similarly employed.

Despite that language, employers in Hawaii have been unable to obtain certification for needed employees when qualified workers were available in mainland United States. This has caused considerable hardship to Hawaii employers.

Section 2 of S. 3074 requires the workers to be "available at the time and place" where they are to be employed. A similar provision should be utilized under section 214(a)(14) of the act. It is utterly ridiculous to be told engineers are in excess in Atlanta or Seattle when a plant in Hawaii cannot continue its operation because labor certification is denied their prospective employee even though no engineers are available in Hawaii.

Furthermore, there are no time limitations set forth in the act within which the Secretary of Labor must act on an application for labor certification under section 214(a)(14). It has been reported to me that this has taken 6, 8, and 12 months before action was completed after filing of the application.

Section 2 of S. 3074 requires that within 60 calendar days of the date on which the employer files a request for certification the Secretary of Labor must make and issue a certification; and in the case of agricultural workers, the period is reduced to 20 calendar days.

A time limitation for action by the Secretary of Labor of 90 calendar days on all other applications for labor certification should be more than adequate.

In addition, the standards for certification should be set by the Secretary of Labor by regulation.

The amendment I now propose would, first, make labor certification dependent on availability of labor at the time and place, where the service is to be performed; second, require the Secretary of Labor to act upon a request for labor certification under the act within 90 calendar days from the filing of the request; and third, make such action subject to standards set forth in regulations promulgated by the Secretary of Labor.

Mr. President, I ask unanimous consent that the text of amendment 1485 to S. 3074 be printed in the Record.

There being no objection, the amendment was ordered to be printed in the Record, as follows:

Amendment No. 1485

On page 8, line 23, insert "(a)" immediately before "The".

On page 9, between lines 5 and 6, insert the following new subsection:

(b) The first sentence of section 212 (a) (14) of the Immigration and Nationality Act (8 U.S.C. 1182 (a) (14)) is amended to read as follows: "Aliens seeking to enter the United States for the purpose of performing skilled or unskilled labor, unless the Secretary of Labor has determined, according to standards which he shall prescribe by regulation, and certified to the Secretary of State and to the Attorney General that (A) there are not sufficient workers in the area in which such alien seeks employment who are able, willing, qualified, and available at the time of application for a visa and admission to the United States and at the place to which the alien is destined to perform such skilled or unskilled labor, and (B) the employment of such alien will not adversely affect the wages and working conditions of the workers in the United States similarly employed. The Secretary of Labor shall approve or disapprove any application for a certification described in this paragraph within 90 days after such application is filed.".

Mr. FONG. To make actions of consular officers in visa cases subject to appeal to the Secretary of State, without right to any further appeal to the courts—amendment 1486 to S. 3074.

Section 291 of the act vests in the consular officer final authority within the State Department for the making of a determination as to whether or not a person seeking a visa meets the burden of proof to establish he is entitled to such visa. Unfortunately, consular officers, like all human beings, are not infallible and at times, have been guilty of the exercise of what to me seems like poor judgment in denying a visa application. Despite the feeling within the State Department that the denial may have been unjustified, there is no action which can be taken to rectify the action of the consular office, short of disciplining or removing him, which is too drastic a remedy.

This difficulty arises frequently in requests for visitor visas which are denied based on a failure on the part of the alien to overcome the statuory presumption that the person seeking entry to the United States is an immigrant—section 214(b) of the act.

Some feasible remedy should be available to correct bad judgment on the part of a consular officer. Accordingly, I propose that an appeal from the denial of an application for a visa or document by the consular officer lie with the Secretary of State, without recourse to further appeal to the courts.

Mr. President, I ask unanimous consent that the text of amendment No. 1486 to S. 3074 be printed in the Record at this point.

There being no objection, the amendment was ordered to be printed in the Record, as follows:

Amendment No. 1486

On page 15, between lines 5 and 6, insert the following new section:

Sec. 13A. Section 291 of the Immigration and Nationality Act (8 U.S.C. 1361) is amended by striking out the second sentence and inserting in lieu thereof the following:

"If such person fails to establish to the satisfaction of the consular officer that he is eligible to receive a visa or other document required for entry, no visa or other document required for entry shall be issued to such person, nor shall such person be admitted to the United States unless he establishes to the satisfaction of the Attorney General that he is not subject to exclusion under any provision of this Act. Such person may appeal the decision of the consular officer to the Secretary of State, who may direct that the required visa or other document be issued to admit such person to the United States. The decision of the Secretary of State shall be final without any right of appeal.".

Mr. FONG. Nonvisa visitor program: Several years ago, I proposed that based upon reciprocity, the Secretary of State, in his discretion, be empowered to enter into agreements with foreign countries to permit their citizens or subjects to visit the United States for a period of up to 90 days, during which visit it would not be possible for the alien to change or adjust his status in any manner. Particularly in this Bicentennial Year and as evidence of our desire to share this celebration of our free Nation, what could be more fitting than enactment of such provision for nonvisa visitors.

Mr. President, I ask unanimous consent that the text of amendment 1487 to S. 3074 be printed in the Record at this point.

There being no objection, the amendment was ordered to be printed in the Record, as follows:

Amendment No. 1487

On page 9, between lines 5 and 6, and immediately before section 9, insert the following new section:

Sec. 8A. Section 214 of the Immigration and Nationality Act (8 U.S.C. 1184) is amended by adding the following new subsection at the end thereof:

"(d) Any alien may be admitted without a visa to the United States as a nonimmigrant for a period of 90 days or less if—

"(1) the foreign state of which such alien is a citizen provides for similar entry for citizens of the United States; and

"(2) the Secretary of State enters into a written agreement with that foreign state providing for the reciprocal entry rights described in this section.

Such 90-day period may not be extended.

On page 10, line 20, strike out "or".

On page 10, line 25, immediately before the first period insert ", or (3) an alien admitted without a visa under section 214 (d)".

Mr. FONG. Permit entry to the United States of spouse of citizen who dies during active duty status in Armed Forces of the United States—amendment 1488 to S. 3074.

If the citizen spouse were alive, the alien spouse would be eligible for an immigrant visa as an "immediate relative," under section 201(b) of the act. The alien spouse could gain entry to the United States as a permanent resident, outside of the numerical limitation provisions applicable to either Eastern or Western Hemisphere and without labor certification.

Upon the death of the citizen spouse, the alien spouse remains eligible for naturalization without prior residence or specified physical presence in the United States.

The problem is how is the spouse to enter the United States. Obviously, if coming to the United States for immediate naturalization, the surviving spouse is not a visitor. If the spouse is coming as an immigrant, it is necessary to qualify for a preference under section 203(a) of the act, if visa numbers are available for the country of birth and preference.

To restore the surviving spouse to the legal position in which that spouse would have been prior to the death of the citizen spouse while on active duty in the Armed Forces of the United States, the entry requirements should be waived or made consistent with what they would have been if the citizen spouse had applied for immediate relative status for the alien spouse. Then, upon entry, the alien spouse could proceed to be naturalized under section 319(d) of the act.

Presently, it is usually necessary to have a private bill enacted to enable the surviving spouse to enter the United States so as to proceed with naturalization.

Mr. President, I ask unanimous consent that the text of amendment 1488 to S. 3074 be printed in the Record at this point.

There being no objection, the amendment was ordered to be printed in the Record, as follows:

Amendment No. 1488

On page 16, between lines 19 and 20, insert the following new subsection:

Sec. 15A. Section 319(d) of the Immigration and Nationality Act (8 U.S.C. 1430(d)) is amended to read as follows:

"(d) Any person who is the surviving spouse of a United States citizen, whose citizen spouse dies during a period of honorable service in an active duty status in the Armed Forces of the United States and who was living in marital union with the citizen spouse at the time of his death, if otherwise qualified, shall be immediately admissible as a lawful permanent resident without regard to labor certification any numerical limitations under this Act, and shall be immediately eligible for naturalization upon compliance with all the requirements of this title except that no prior residence or specified physical presence within the United States, or within the jurisdiction of the naturalization court shall be required."

Mr. FONG. Waiver of literacy requirements for naturalization of persons over the age of 60 years with 20 years of residence—amendment 1489 to S. 3074.

Presently, section 312 of the act permits naturalization of persons otherwise qualified for naturalization, who as of December 24, 1952, the effective date of the act, were at least 50 years of age and had been living in the United States for periods totaling at least 20 years, without their being required to meet the English proficiency tests.

As the chairman in his section-by-section analysis points out, this benefit is available now to persons who are over 73 and have now been in the United States for over 43 years.

At age 60, it is generally conceded that it is too difficult for a person to become sufficiently proficient in a foreign language, especially English, so as to enable them to read, write, and speak well enough to pass the tests for naturalization.

Section 15 of S. 3074 would waive the English literacy requirements for persons over 60 years of age, with 20 years residence, as of the effective date of the Immigration and Nationality Act Amendments of 1976. This is a good idea but would require continuous revision of this section of the act.

My amendment to section 15 of S. 3074 would eliminate the time restriction and enable a person whenever he reaches more than 60 years of age and has 20 years of residence to become naturalized without being subject to the English proficiency requirements of the act.

Mr. President, I ask unanimous consent that the text of amendment 1489 to S. 3074 be printed in the RECORD at this point.

There being no objection, the amendment was ordered to be printed in the RECORD, as follows:

AMENDMENT No. 1489

On page 16, line 14, strike out "1428" and insert in lieu thereof "1423".

On page 16, lines 17 and 18, strike out ", on the effective date of the Immigration and Nationality Act Amendments of 1976,".

Mr. FONG. With these amendments to S. 3074, it is my considered opinion that the Immigration and Nationality Act will be much improved.

Persons born in the Eastern Hemisphere and the Western Hemisphere would be treated similarly—if separately.

The employment of illegal aliens would, hopefully, be stopped, without causing discrimination against others based on national origin.

Family reunions would be facilitated.

Refugees throughout the world seeking entry to the United States would be treated as immigrants, equally, with less duplicative work and at less cost.

Discrimination in or under our laws would be eliminated.

Changes would, hopefully, improve operation of the Immigration and Nationality Act.

FEDERAL ELECTION CAMPAIGN ACT AMENDMENTS OF 1976—S. 3065

AMENDMENT NO. 1490

(Ordered to be printed and to lie on the table.)

Mr. STEVENS submitted an amendment intended to be proposed by him to the bill (S. 3065) to amend the Federal Election Campaign Act of 1971 to provide for its administration by a Federal Election Commission appointed in accordance with the requirements of the Constitution, and for other purposes.

AMENDMENT NO. 1491

(Ordered to be printed.)

Mr. GRIFFIN proposed an amendment to the bill (S. 3065), supra.

AMENDMENT NO. 1492

(Ordered to be printed and to lie on the table.)

Mr. CHILES (for himself, Mr. NUNN, Mr. PACKWOOD, Mr. BROCK, Mr. GARY HART, Mr. DOMENICI, and Mr. HANSEN) submitted an amendment intended to be proposed by them jointly to amendment No. 1491 to the bill (S. 3065), supra.

AMENDMENT NO. 1493

(Ordered to be printed and to lie on the table.)

Mr. MATHIAS submitted an amendment intended to be proposed by him to amendment No. 1491 to the bill (S. 3065), supra.

AMENDMENT NO. 1494

(Ordered to be printed and to lie on the table.)

Mr. CANNON submitted an amendment intended to be proposed by him to the bill (S. 3065), supra.

AMENDMENT NO. 1495

(Ordered to be printed and to lie on the table.)

Mr. TAFT submitted an amendment intended to be proposed by him to the bill (S. 3065), supra.

AMENDMENTS NOS. 1496 AND 1497

(Ordered to be printed and to lie on the table.)

Mr. ALLEN submitted two amendments intended to be proposed by him to the bill (S. 3065), supra.

AMENDMENT NO. 1498

(Ordered to be printed and to lie on the table.)

Mr. CLARK submitted an amendment intended to be proposed by him to the bill (S. 3065), supra.

AMENDMENT NO. 1499

(Ordered to be printed and to lie on the table.)

Mr. SCHWEIKER (for himself and Mr. CLARK) submitted an amendment intended to be proposed by them jointly to the bill (S. 3065), supra.

AMENDMENTS NOS. 1500 AND 1501

(Ordered to be printed and to lie on the table.)

Mr. TOWER submitted two amendments intended to be proposed by him to the bill (S. 3065), supra.

INTER-AMERICAN DEVELOPMENT BANK AND AFRICAN DEVELOPMENT FUND ACT OF 1976—H.R. 9721

AMENDMENT NO. 1502

(Ordered to be printed and to lie on the table.)

Mr. DOMENICI submitted an amendment intended to be proposed by him to the bill (H.R. 9721) to provide for increased participation by the United States in the Inter-American Development Bank, to provide for the entry of nonregional members and the Bahamas and Guyana in the Inter-American Development Bank, to provide for the participation of the United States in the African Development Fund, and for other purposes.

Mr. DOMENICI. Mr. President, in our consideration of H.R. 9721 concerning the replenishment of the Inter-American Development Bank and U.S. participation in the African Development Fund I wish to offer an amendment which would direct the U.S. Governor to the African Development Fund to cause the Executive Director representing the United States to vote against any loan, any extension of financial assistance, or any technical assistance to any country which pursues or has pursued anti-U.S. policies, including any policy pursued by such country in international or other organizations, particularly when the adoption of such anti-U.S. policies do not reflect the direct interests of the country adopting such policies, unless such loan or assistance will directly benefit the needy people of such country.

Considerable criticism has been directed at the participation by the United States in the African Development Fund in view of the consistently anti-American policies which have been adopted in the past and which continue to be adopted by some African countries. In this regard, we are aware that a new office has been created in the State Department to monitor the voting activities of some countries in international organizations as these activities consistently reflect the adoption of anti-U.S. policies on issues which do not involve the direct interests of such countries. In becoming a member of the African Development Fund, the United States is somewhat put in the position of the mountain going to Mohammed in that the Fund represents a subterfuge by African countries which have consistently opposed direct participation in the African Development Bank by the developed countries.

The creation of the African Development Fund in a sense is an acknowledgement of the fact that the African Development Bank, with participation therein limited exclusively to African countries, has failed to attract the necessary resources with which to extend badly needed economic assistance and to foster economic development in the poorest of the African countries.

In proposing my amendment I wish to make it clear to my colleagues in the Senate that I am not in favor of counting votes or reviewing policies of African countries or other countries with a view to bringing pressure to bear on countries which, from time to time and for a variety of sound reasons, are unable to support U.S. policies on a variety of issues. However, I am concerned with the fact that anti-American policies adopted by some countries in some instances are almost generic in nature. I believe therefore, that it behooves us to put such countries on notice that U.S. taxpayers will not view with equanimity a process of extending U.S. aid and technical assistance to countries which consistently criticize us or which otherwise consistently oppose U.S. policies without justification. I believe that such aid and assistance should, wherever possible, be extended to our friends and supporters in Africa and not to our critics and detractors. I urge my colleagues in the Senate to support my amendment.

I ask unanimous consent that this amendment be printed at this point in the RECORD.

There being no objection, the amendment was ordered to be printed in the RECORD, as follows:

AMENDMENT No. 1502

At the end of the bill add the following new section:

"SEC. 212. The United States Governor of the Fund is authorized and directed to cause the Executive Director representing the United States to vote against any loan, any extension of financial assistance, or any technical assistance to any country which pursues or has pursued anti-United States policies, including any policy pursued by such country in international or other organizations, particularly where the adoption of such anti-United States policies do not concern that country's direct interests, unless such loan or assistance will directly benefit the needy people in such country."

ADDITIONAL COSPONSOR OF AN AMENDMENT

AMENDMENT NO. 1437

At the request of Mr. WEICKER, the Senator from South Carolina (Mr. THURMOND) and the Senator from Arizona (Mr. FANNIN) were added as cosponsors of amendment No. 1437 to S. 3065, the Federal Election Campaign Act Amendments of 1976.

NOTICE OF HEARING

Mr. EASTLAND. Mr. President, on behalf of the Committee on the Judiciary, I wish to give notice that a public hearing has been scheduled for Wednesday, March 24, 1976, at 9:30 a.m., in room 2228, Dirksen Senate Office Building, on the following nomination:

John M. Manos, of Ohio, to be U.S. district judge for the northern district of Ohio, vice Ben C. Green, retired.

Any person desiring to offer testimony in regard to this nomination, shall, not later than 24 hours prior to such hearing, file in writing with the committee a request to be heard and a statement of their proposed testimony.

The subcommittee will consist of the Senator from Arkansas (Mr. MCCLELLAN); the Senator from Nebraska (Mr. HRUSKA), and myself as chairman.

NOTICE OF HEARING

Mr. SPARKMAN. Mr. President, I wish to announce that the Subcommittee on Housing and Urban Affairs of the Committee on Banking, Housing and Urban Affairs will hold a 2-day hearing, on March 24, and 25, 1976, on 1976 housing legislation.

The hearing will begin at 10 a.m. each day and will be held in room 5302, Dirksen Senate Office Building.

NOTICE OF HEARINGS

Mr. PROXMIRE. Mr. President, I am pleased to announce that the Committee on Banking, Housing and Urban Affairs will hold hearings beginning at 10 a.m., April 12, 13, and 14, 1976, on S. 2532, a bill to establish an Energy Independence Authority.

The April 12 hearing will be held in room 318, Russell Senate Office Building; on April 13 and 14, the hearings will be held in room 5302, Dirksen Senate Office Building.

Anyone who wishes further information regarding these hearings should contact Ms. Elinor Bachrach, room 5300, Dirksen Senate Office Building, 202-224-7391.

NOTICE OF HEARINGS ON BLACK LUNG LEGISLATION

Mr. RANDOLPH. Mr. President, on Tuesday, March 2, 1976, the House of Representatives passed the Black Lung Benefits Reform Act, H.R. 10760. The other body has brought forward legislation to further aid the disabled coal miner, widows of coal miners, and dependents.

As Senators know, it is my responsibility to represent a State heavily dependent on coal for its economic well-being. I know the conditions under which miners work, and of the plight of thousands of miners, disabled by pneumoconiosis and associated pulmonary and respiratory conditions. Often the coal miner's widow and her children have, because of the unavailability of proof, been denied black lung benefits.

Mr. President, unquestionably there are problems and abuses associated with the black lung benefit program. The House of Representatives, as I studied the debate, has addressed these problems.

These matters should be considered in the Senate. Toward this end I announce that the Subcommittee on Labor of the Committee on Labor and Public Welfare will hold hearings on H.R. 10760, the Black Lung Benefits Reform Act on Tuesday, March 23, 1976, and on Friday, March 26, 1976, in room 4232, Dirksen Office Building, beginning at 10 a.m.

The able chairman of the Subcommittee on Labor and of its parent committee (Mr. WILLIAMS) has requested that I chair these hearings.

ADDITIONAL STATEMENTS

THE IRISH HERITAGE OF AMERICA

Mr. KENNEDY. Mr. President, on this St. Patrick's Day it is fitting that we honor not only the many millions of Americans of Irish heritage, but also the role our Irish ancestors played in the development of the United States.

Whether we go back 20 or 200 years, the Irish have cherished their freedom in the past as they do today. They have fought oppression in all ways in which history bears witness. Indeed, the Irish experience in America serves as an inspiration to our people, and to people everywhere who treasure man's greatest right—his right to be free.

For a people who have contributed selflessly to our country's growth—the United States of a century ago was not a hospitable land for the Irish immigrant. No welcome hand greeted them at our shores. For the Irish in America were met with discrimination wherever they turned—in housing, in employment, in their daily contact with their brethren who came from elsewhere as the Irish before them.

The Irish fled from famine, to escape suffering and hardship, and crossed the ocean to the west. They came to Boston, New York, and other American cities. And as these waves of Irish immigrants reached America's shores, they began one of the great movements of people to our land.

The Irish built the mills which launched the industrial revolution. They spanned the continent—pioneering their way across the United States. Today, there are more Irish in our Nation than in the Ireland they left behind.

They left their mark in every facet of American life. Wherever we look, in business and the labor movement, in literature and music, in science and religion, in public service, at every level of our Government, we find citizens of Irish heritage.

They built our railroads and canals. They dug our coal and built our cities. They fought as heroes in all our wars. They rose to lead our Nation.

To this day their monuments endure. Almost 200 years ago, the ordinary men who fought for America's independence, and at times, just endured, were the men who contributed most to America's freedom—and among them were the Irish.

Irish names abound the muster rolls of the Continental regiments and the Navy.

Over 10 Irish generals commanded George Washington's regiments in our battles against the British. The father of America's young Navy—John Barry—was an Irishman who came to serve his country well.

At least 11 members of the First Continental Congress were born in Ireland, and such great Americans as James Smith, George Taylor, and Matt Thorton were Irish-born signatories to our Declaration of Independence.

But Irish immigrants to colonial America were not the only Irish to participate in our struggle for freedom. When France entered the war, the Irish Brigade was committed to the struggle for our independence. And after Benjamin Franklin visited Ireland in 1769, he returned home and told the American people that "Ireland is strongly in favor of the American cause."

Their commitment received the thanks of a grateful Nation. For after the Revolutionary War began, the American Continental Congress adopted on July 28, 1775 a historic "Address to the People of Ireland" which acknowledged with gratitude Ireland's American patriots who nobly distinguished themselves in the cause of humanity and America.

For the many battles which were later fought to defend our Nation's freedom, the legacy of Irish-American courage bears witness to our national pride.

On a plaque amid the ruins of the Alamo you can read the names of the brave men who fought and died for Texas' freedom. Side by side with Bowie and Crockett, we read that O'Shaughnessy and Bailey also died.

And when Abraham Lincoln sent a call throughout the land, the sons of Ireland were among the first to respond. They formed the famed 28th Massachusetts Regiment—part of the Union's Irish Brigade.

Historians later wrote of the desperate assault on Mary's Hill at Fredericksburg in December of 1862. The battle was hopeless, but still they charged, the Irish Brigade advanced with their green standards cutting through the cannon fire, with shamrocks on their sleeves and courage in their hearts. After the battle, after the terrible defeat and casualties, a chaplain told one of the few survivors:

> It must have been great consolation to you, in your hour of danger, to have known that you were supported by Divine Providence.

Answered the survivor:

> We were supported by the Irish Brigade and that was consolation enough.

Throughout the years and especially in our Bicentennial Year, in my home State of Massachusetts as across the Nation, let us honor our Irish heritage. Let us pay tribute to the great traditions that span the ocean and bind our two lands. For America's identification with Ireland remains as strong today as it was so long ago—in the cause of equality, in the cause of peace, and in the cause of freedom.

A famous poet—T. D. Sullivan—expressed this bond so well long ago, he wrote:

Columbia the free is the land of my birth
And my paths have been all on American earth
But my birth is as Irish as any can be,
And my heart is with Erin afar o'er the sea.

My father, and mother, and friends all around.
Are daughters and sons of the sacred old ground;
They rambled its bright plains and mountains among,
And filled its fair valleys with laugh and with song.

But I sing their sweet music; and often they own
It is true to old Ireland in style and in tone;
I dance their gay dances, and hear them with glee
Say each touch tells of Erin afar o'er the sea. . .

Dear home of my fathers! I'd hold thee to blame
And my cheeks would at times take the crimson of shame,
Did they sad tale not show, in each sorrow-stained line,
That the might of thy tyrant was greater than thine.

These words are in our hearts on this St. Patricks' Day as we honor the Ireland and the Irish heritage we hold so dear.

A CASE FOR REGULATORY REFORM

Mr. FANNIN. Mr. President, yesterday I called to the attention of my colleagues an excellent booklet, "The Case Against the Reckless Congress," edited by Congresswoman Marjorie Holt of Maryland and issued by the House Republican Study Committee. In this 248-page paperback, several Members of Congress discuss major issues confronting the Nation upon which the Congress has failed to take speedy and responsible action. One of these problem areas is Government overregulation.

In the section of this volume entitled, "Big Brother," Congressman William M. Ketchum of California takes a cursory look at several Federal agencies—the Consumer Products Safety Commission, the Federal Communications Commission, the Civil Aeronautics Board, and the Interstate Commerce Commission. From his findings, Congressman Ketchum concludes that: First, Government regulation is costly to the economy and to consumers; second, Government regulation is harmful to small business while protecting big business from competition; and third, the Congress has failed to exercise proper oversight or take remedial action to rectify the situation. As he points out:

> It is a situation that Congress alone can correct. The attack must be all-encompassing and immediate if it is to be effective. It is a sad fact indeed that it has taken the shocks of inflated price levels and economic disarray—borne by the American citizenry—to remind us of the free market foundations upon which this country is based.

Mr. President, I am pleased that, as methods for reform, Congressman Ketchum recommends the adoption of my own Regulatory Reform Act, S. 2792, and its counterpart bill, H.R. 11026, introduced by Congressman Archer of Texas. Although the Congressman's description of my bill is somewhat misleading, I agree wholeheartedly with his view that "the key word is oversight" and that Congress should aim at "Zero Agency Growth in Government" if it is serious about regulatory reform.

Mr. President, I ask unanimous consent that the complete text of this article, "Who's That Looking Over My Shoulder—and Why? A Case for Regulatory Reform," be printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

Who's That Looking Over My Shoulder—and Why? A Case For Regulatory Reform

(By Congressman Bill Ketchum)

Our country's Constitution provides for the delegation of governmental powers into three specific branches—Executive, Judicial, and Legislative. Some of the most brilliant minds in our nation drew up this plan, with good reason. But over time, increasing power has been usurped by what has become known as the *fourth* branch of Government. While Congress turned its back, the regulatory agencies—a power group unforeseen by our nation's founders—came to occupy a position of unparalleled power and influence in the United States. With a workforce of over 63,000 employees in 30 agencies, and with literally trillions of rules and regulations in its control, this fourth branch of government has lately become a sad fact of the American way of life.

How did this shameful situation develop? It did not happen overnight. It was allowed to develop by the only government agencies that could have prevented it—the three traditional branches of government. We intend to point out the evils of our present condition, to examine attitudes toward it, and to recommend ways to put an end to it as soon as possible.

Our branch, the "Reform Congress" is largely responsible for the neglect of this primary issue. When before have we witnessed the spectacle of Ralph Nader and the U.S. Chamber of Commerce on the same side of one issue? And still Congress has failed to act on the vital issue of Regulatory Reform. The elected representatives of U.S. citizenry have recklessly failed to address the fact that these citizens overpay an estimated $2,000 per year per family in inflated regulation-era prices. Only if we act *now* with responsibility and forcefulness, can we avoid taking the nation beyond the point of no return in the name of "protection."

Congress, the servants of the democratic process, is about to destroy one of its fundamental concepts: the free enterprise system. We have interpreted our role of legislators to be one of nursemaid to the citizenry, and in doing so have very nearly smothered the baby under too many blankets. Syndicated columnist James J. Kilpatrick has aptly defined the current situation:

"Within the Congress . . . there develops what John Randolph called the legislative itch. On the body politic a rash is seen; it must be scratched. Statutes tumble upon statutes . . . and these laws must be administered . . . interpreted, construed, amplified, extended and enforced. Enter the regulator. He is a decent man but his passion is to regulate. It becomes a consuming passion."

It must be admitted that the causes are usually considered just: environmental conservation, job safety, antimonopoly, consumer advocacy. But what has happened to the ideas of self-regulation by business, employee accountability, and free market *economics*? Congress pays lip service to these laudable ideals, then casually passes legislation and creates more regulatory agencies that nullify these concepts. Congress must wake up before the baby smothers altogether.

Congressional ineptitude is amply demonstrated by the passage of legislation mandating the creation of an Agency for Consumer Protection. Fully 75 percent of the American people registered their opposition to this "protective" device. They saw it for its true worth: another layer of federal bureaucracy, subject to minimal accountability, capable of producing tons of memos and paperwork, capable of intruding into the lives and affairs of the American public—but incapable of actually protecting the American consumer. A confounding task indeed: just which of the 231 million American consumers would the Agency choose to protect? And from what? Laws already exist to protect buyers from force and from fraud and to prevent dishonest business transactions—or at least to provide retribution against dishonesty. The proliferation of regulatory agencies is unnecessary. Instead of facing up to the nightmare we have created and perpetuated, Congress has chosen to shrug off the responsibility. It's time to take some action.

We've all heard "horror stories" arising from federal activities in the name of regulation and protection. I cite just a few of these outrageous facts and figures here—not in the name of sensationalism, but to catalog distinct situations in which Congress can and must assert its remedial legislative authority. Interior bureaucratic reform has become a laughing matter. Abolition of federal regulatory agencies is politically impossible. Therefore, the legislators must do the job: Draft and pass legislation addressing the country's ills.

PROTECTION FROM WHAT?

The Consumer Product Safety Commission (CPSC) was created by Congressional fiat in 1972. The Commission has jurisdiction over a mind-boggling number of consumer products—everything from bicycles to diapers to slide projectors—and until recently, the absolute autonomy of this agency has wreaked havoc throughout the retail and consumer communities. In its zeal to protect against "unreasonable risk of injury" the Commission publishes mandatory standards. Although only one set of standards has yet been promulgated, one hundred such narrow rulings are foreseen by the target date of 1982, designed to save us from the evils of book matches, TV sets, and pot holders. Unpredictably, the one existing set of standards undertakes to carefully define the proper use and installation of swimming pool slides (at the request of the National Swimming Pool Institute). It seems irrelevant to comment on the effectiveness of a sign reading "Look out for people and objects below," when the children who use the slide cannot read.

In terms of costs of these brilliant standards, the figures are outrageous. Consider the cost of $142,000 for a study of bathtubs, the conclusion of which reads: "Slips and falls are by far the most frequent type of bathtub accident."

Power lawn mower requirements if effected could increase the cost of a $100 mower to $186 and might put 25 manufacturers out of business. How about dangerous dolls? In Los Angeles, the CPSC confiscated 80,000 of the Bradley Import Company's doll inventory, because the dolls had pins in them. Confiscation caused a Christmas-order season loss of $600,000. But these dolls were collector's items, never intended for a child's toy. Is this kind of regulation justified?

Currently, the CPSC operates with a staff of 1,024 and a budget of $42.8 million. The fiscal year 1977 request is for $54.8 million to employ 1,226. These facts and figures say one thing to me in a very loud voice: Investigate. Are these activities worth $54.8 million or $42.8 million—or even two cents? Is this a federal matter at all? Congressional oversight committees—with the help of Federal Trade Commission specialists and manufacturer cooperation—could perform the same function. This generation has opened the door to consumer scrutiny and skepticism; is a special federal policeman any more than an insult to the consumer's intelligence (as well as a blight on their pocketbooks and an invader of privacy)? These issues must be answered by Congress immediately.

Another area of regulatory excess is the communications field, handcuffed since 1934 by the Federal Communications Commission (FCC). We have only recently become painfully aware of this agency's powers by implementation of the TV "family hour." Instead of attacking the issue of poor and deleterious programming, the FCC chose the "cosmetic approach." While this fiat may seem innocuous it does have ominous overtones. What is in fact involved are serious infringements upon our Constitutional rights. The FCC has intruded upon the individual's freedom of choice and the media's freedom of the press. Such blindness should not be tolerated.

Moreover, in the name of protection, the FCC has seriously retarded technological advances that could improve the quality and quantity of broadcast programming while lowering its costs. In its approach to the proposals concerning cable and pay TV the FCC is effectively fostering the unprecedented monopoly of the air waves that the three major networks now enjoy. Congress must see that the Commission it created more than 40 years ago needs revamping. Network profits rose 21 percent in 1974; certainly the industry can now stand on its own. Moreover, if free market economics were allowed to operate, and competition in cost and broadcast offerings were stimulated, the quality of this popular form of national entertainment would certainly improve.

It is the duty of Congress as makers of the laws of the land to see that the rules of the open marketplace prevail. The FCC must recognize right of entry to the many small new communications companies that offer specialized services at substantial savings. The FCC must allow entry to new technology and systems—not to delay for 11 years the launching of an international communications satellite designed to cut data transmission costs and long distance telephone rates. Examples like these should be carefully investigated by Congress to prevent their repetition. Autonomy in these agencies is frightening, especially when it becomes apparent that protection is often being extended to special interest groups, not to the consumer.

The Civil Aeronautics Board (CAB) is yet another case in point. Granted broad authority in 1938 to set rates and fares for commercial air transport, the CAB seems to have lost sight of the consumer in its zealous industry promotion. But the elected officials in Congress are the voices of the consumer; Congress must act to discourage these powers. For example, CAB rejected a British company's 1974 application to fly between London and New York City for $125 one way. Why? "Unfair competition" to American airline companies. But it seems to me that such service is indeed the very fairest of competition, offering a real choice to the consumer. Who is the CAB protecting?

The wonders of modern living are due in large part to the achievements of big business, through research enabled by investment of profit dollars. Government controls have only discouraged technological advances. Government's regulatory dabblings are becoming increasingly counterproductive. By driving up prices, driving away competition and small business, and jeopardizing free enterprise, regulation does nothing but harm the consumer. Why does it cost $44.37 to fly 334 miles from Chicago to Minneapolis and only $20.75 to fly 337 miles from Los Angeles to San Francisco? Because Pacific South-West airlines, the California carrier, is exempt from CAB regulations since it operates intrastate. In general it has been estimated that CAB regulations elevate air fares from 40 to 70 percent on 250-mile flights, from 75 to 100 percent on flights of 250 to 1,000 miles, and about 100 percent on trips of more than 1,000 miles. Why?

The CAB and the airline industry maintain that airlines need high fares to cover losses on unprofitable routes, and approximately 372 of the 994 domestic nonstop routes are considered unprofitable. But are these judgments justified? James Miller, of the President's Council of Economic Advisors, feels that if major airlines abandoned these "unprofitable" routes, most of the abandoned routes would be eagerly adopted by commuter airlines that are exempt from CAB regulations. Who benefits from the fact that no new major carriers have been certified since 1938? Not the consumer. Or from a situation in which through mergers and acquisitions the total number of trunk lines and local carriers has dropped from 33 in 1946 to 20 in 1975—with no observable economies for enlarged operations? Certainly not the consumer.

But, surprisingly, the industry isn't winning either. CAB's repeated acceptance of the industry's proposed rate schedules and increases has backfired. In the first quarter of 1975, airlines lost $190 million. Consumers who can choose alternate modes of transportation have done so. They don't believe the sales pitch about the opportunity to turn the neighboring empty seat into an arm rest: *they* know who subsidizes that empty seat. If airlines were allowed to compete for prices, the consumer wouldn't have to pay for the sales appeal of pastel-painted aircraft, movie selection, complimentary hors d'oeuvres, and the like. Unless serious investigatory moves are initiated and meaningful legislative reforms enacted, the CAB will price this marvel of technology right out of the sky!

ICC: FRIEND OR FOE?

Another ogre in need of Congressional censure is the Interstate Commerce Commission (ICC). It is the ultimate anchronism in terms of "consumer protection." Indeed, carriage regulated by ICC has proved too inflexible and costly to efficiently serve the consuming public's needs. It has been estimated that ICC rules and regulations cost consumers $5–10 billion per year in terms of higher prices, not to mention the waste of up to 460 million gallons of precious fuel annually and the production of 150,000 tons of pollutants added to our already fouled air. This Commission is the perfect example of Congressional inattention. The world is a different place now than in 1887 when the ICC was established to protect customers and rail lines from discriminatory pricing. The rules applied to the interstate trucking industry in the thirties and forties are long outmoded—and we pay through the teeth for this regulatory senility. It's time Congress called to account these 2,000 employees and the $34 million budget.

The ICC is yet another example of consumer protection run amok. Contrary to its intended purpose, the ICC has become the protector of trucking industry moguls in a bastardized version of antimonopoly policies. The Commission has power to decide which trucks may go into interstate business. Entry rights are judged solely on the proof that established carriers lack the capacity to haul specific traffic. Considerations such as lower cost, faster service, or greater responsiveness to customers are dismissed by the Commission as irrelevant. In addition, the ICC has control over what a commercial trucker may or may not carry. Thus, when Quaker Oats started a pizza plant in Tennessee, trucks hauling tomato paste from California were not allowed to carry pizzas back. While the ICC cites the fact that this ruling gives more truckers jobs, it disregards the obvious corollary: Consumers pay for the second truck to carry what could have been loaded in the first. The upshot of this situation is that regulated truckers travel empty an estimated 30 percent of their miles.

"Gateway restrictions" have created ludicrous routing procedures preventing truckers from taking the quickest, most economical route in order to pass through ICC-mandated "gateway cities." And the incredible practice of allowing competing truckers to set rates high enough to sustain their least efficient colleague is flatly sanctioned by the ICC. Economists estimate that, were ICC regulations relaxed, prices of almost everything would be reduced by an average 0.5 percent. When frozen vegetables were removed from federal regulations in the 1950s, shipping rates dropped at least 20 percent.

Naturally, the government can exempt itself from its own regulations. Defense Department shipments between May and November 1972 cost $60.1 million for 3 billion pounds of freight by truck: *$36.6 million* less than the going ICC rates! Other branches of government have caught on to ICC rip-off. Why hasn't Congress?

If ever a picture of a reckless Congress were painted, these regulatory nightmares certainly should suffice! The Constitutional image of a system of checks and balances has given way to unchecked regulations and imbalanced favoritism. How can Congress continue to call itself representative of the people after having implicitly approved federal regulations costing buyers of 1975 new cars more than $3 billion? If there are those among us who still believe all these regulation *protect* consumers, they'd better reflect upon the case of the mandatory buzzer and harness systems. Over 40 percent of car owners have disconnected this annoying contraption, but none can avoid the large chunk of the $320-per-car cost for protective devices this item caused.

REGULATORY REFORM

The methods for reform are visible, waiting only to be implemented. The President is urging action through his Regulatory Reform Commission. Versions of a Regulatory Reform Act have been introduced in both Houses. The Senate measure (S. 2792) outlines a careful five-year time plan for acceptance of comprehensive reform plans in five economic areas with the threat of *abolition* of specific agencies and regulations unless reform legislation is enacted. The House version, H.R. 11026, introduced by Mr. Archer, grants veto power to Congress over all federally promulgated rules and regulations. Others have called for expiration dates to be written into all legislation, so that reflex action repassage will come to an end. The suggestion has been made for performance standards to be defined in every new program, as a guideline to check on its success or failure. On a simple level, the bright attorneys and rule makers of the various agencies might be required to spend some time in the field, actually dealing with some of the bureaucratic snarls they have imposed.

All of these concepts deserve serious and prompt attention. The key word is oversight; heretofore a mere perfunctory step in Congressional Committee function. The hours and days spent in oversight hearings lead to one lone item: the neatly printed transcript of all that has transpired. Congress is squandering a most valuable resource. Regulatory reform begins in Congress, and the people must demand significant and realistic solutions to the problems uncovered during oversight hearings. Moreover, these solutions must be timed right to apply effective remedies where and when needed.

ZERO AGENCY GROWTH

Let's aim for Zero Agency Growth (ZAG) in Government. Let Congress adopt a standard whereby every new regulation or regulatory agency it approves will be matched by the abolition of one outdated regulation or agency. Thus, while we attack the problem of comprehensive reform of existing regulatory structures, we will not continue to pile up new and conflicting regulations.

Dr. Paul MacAvoy, of the President's Council of Economic Advisors has outlined a scandalous picture of Congressional ineptitude. In his speech at a recent Conference on Regulatory Reform, Dr. MacAvoy said, in part:

"Many agencies were created by, and continue to operate under, misdirected or misguided legislation. In some cases, the mandate has been so constraining as to make the impact of administrative change, reorganization within the Commission, negligible. . . . In other cases, the legislative mandate has been so vague that regulatory agencies have been virtually unconstrained. When the legislative mandate is vague, practices usually reflect incentives offered commissioners and they become quite susceptible to interest group pressures. At other times, the practices of the commissions under a vague mandate deflect case-by-case decisions in other regulated industries as imposed on them by the Appeals court."

This, then, is the situation—for which a reckless Congress must take the greatest share of the blame. It is a situation that Congress alone can correct. The attack must be all-encompassing and immediate if it is to be effective. It is a sad fact indeed that it has taken the shocks of inflated price levels and economic disarray—borne by the American citizenry—to remind us of the free market foundations upon which this country is based.

Thomas Jefferson would be distressed at the distance we have have come from "a wise and frugal government which shall restrain men from injuring one another(and) shall leave them otherwise free to regulate their own pursuits." Distressed because this distance is measured not in terms of progress, but in terms of serious regression. At this momentous point in our nation's history, we are very near destroying the foundations upon which it was so carefully built. It is our duty to decide upon a well-defined legislative program for across-the-board regulatory reform. This pressing issue must be a major concern as we elect members of the Congress. If we choose instead to shirk this responsibility, we may very well be forcing the demise of all Constitutional freedoms now treasured by the American people.

NATIONAL MAGAZINES PRAISE MINNESOTA

Mr. HUMPHREY. Mr. President, we Minnesotans are proud of our State—and justifiably so. We have fought to keep its lakes and rivers clean and its air pure. We have worked to keep its standard of living high and its crime rate low. We have kept the health and welfare of our citizens foremost in our deliberations while demanding a sound fiscal structure and a competent government.

Our Democratic Farmer-Labor Party is an example of the best in cooperative politics and our great urban centers are a model of what progressive city planning can become.

But recently we have even more cause to be proud. Two national magazines, National Geographic and Fortune, have printed substantial feature stories on the Minnesota way of life. Because of the enlightening and informative nature of these arcticles, I ask unanimous consent that they be printed in the Record.

There being no objection, the articles were ordered to be printed in the Record, as follows:

[From National Geographic, February 1976]

Minnesota, Where Is the Magic Word

(By David S. Boyer)

In the language of the Dakota Nation, the Sioux, the very sound is soft and flowing: Minnetonka, Minnehaha, Minneapolis, Minnesota. Big water, laughing water, city of water, sky-blue water.

Land of 10,000 lakes, as the automobile license plates proclaim? Not really. Fifteen thousands, two hundred and ninety-one. And in Minnesota, if a lake hopes to count, it has to cover at least ten acres and flow with fresh water. No ponds or potholes, please.

From Lake Itasca rises a gentle stream that gathers such waters as the Turtle, Prairie, Crow Wing, Rum, and Minnesota as it bends and falls away southward. Its name is Mississippi—big river. Another system flows northward along the path of a long-vanished glacier. The Red River—fed by the Otter Tail and the Buffalo and myraid other waters—reaches toward Hudson Bay.

Thus geography and water impose upon the state an image that has as much truth as poetry. Minnesota is located almost exactly in the middle of the North American Continent, and its way of life seems permanently positioned in the middle of the American dream.

I'm talking now about the vision that brought immigrants to our shores, that bent men to the plow, that promised in return for honest labor a life of some plenty, some peace, and some dignity. A life in which people respect their community, and each man repays something of what he thinks he owes to it. A life formed by a closeness to nature.

Not every Minnesotan, of course, has a cottage on a lake. Or a canoe, sailboat, or powerboat. Some spend the long northern summers dry and dusty, working the rich prairie soil in the state's southern tier, cultivating corn and soybeans, feeding pigs and cattle, milking cows and keeping an ear tuned to the barn radio to catch the fluctuation of futures on the Minneapolis Grain Exchange.

"If crops and prices are good enough," a farmer in Blue Earth County told me, "we get rewarded for our summer penance. We can escape the worst weeks of below-zero weather by flying to Florida in January."

Both of us knew his admission bordered on heresy. A good Minnesotan is supposed to come alive when the temperature falls below zero. "I remember walking to work when the wind-chill factor was ninety below," a small-town girl told me. "I don't remember, ever, that they closed our schools because of cold."

Minnesotans do feel obliged to be outside—fishing through the ice, snowshoeing, snow-mobiling, skiing, skating, or iceboating—except perhaps for some southbound farmers and a handful of orthodox urbanites in what other Minnesotans call the "Cities."

TWINS BY GEOGRAPHY ONLY

The Cities are a vast conglomeration of urbanity spreading into seven counties and containing two million people, half the state's population. Minneapolis and St. Paul, at the heart of the complex, are known as the Twin Cities—though they are about as untwinlike as any cities ever linked by bridges.

Russell Fridley, director of the Minnesota Historical Society, knows both intimately, and he characterizes them succinctly: "St. Paul—old, staid, Irish Catholic, conservative. Minneapolis—youthful, inventive, cosmopolitan, trying hard to be liberal."

The sprawling confusion of the urban area around the Twin Cities was giving 134 local governments such headaches that a few years ago the state created a Metropolitan Council with the power to decide where such things as highways, parks, and hospitals should or shouldn't be.

The Council has become Big Brother to the local governments, and they are slowly learning to live with him. "Metro" may well become a national model for urban organization.

CULTURE, NOT CRIME, IN THE CITIES

The Cities, almost more suburban than urban in layout and personaltiy, suffer less than most American metropolises from traffic jams, human congestion, poverty, and violent crime. The Cities are far more congenial to the Muses. Wealthy underwriters of the arts live there, and over the years they have contributed half a billion dollars to cultural and other civic development in the Cities as well as throughout the state.

From all over Minnesota people pour into the Cities for such cultural amenities as theater, music, dance, art, and education. But they take pride in their state's rugged outdoor image as well. On radio and TV they are often reminded of it by the haunting voice of the loon, Minnesota's state bird, which inhabits its wilderness lakes.

The image of life and action stems from the immigrants of the 1800's—Germans and Norwegians, Swedes and Finns, Slavs and Irish, Danes and New England Yankees. Together they subdued this rigorous northland—logged its white-pine forests, mined its deep-down iron ore, and broke its prairies to the plow. To achieve it at all, they had to help one another. Their progeny are still there, still helpful, still proud of their ethnic backgrounds and their common pioneer courage.

One afternoon I leaned against the stone fireplace of Hubert Humphrey's summer guest cottage on Waverly Lake and listened to Minnesota's favorite son talk about the state that made him Mayor of Minneapolis, then United States Senator.

He recalled how close he had come to conferring his Minnesota-bred philosophy on his nation as a Presidential candidate in 1968. Now, however, he was the philosopher in work shirt, looking back, glad for limited success in demonstrating the Minnesota way.

"There are other Minnesotans to come," the Senator said. "For a time Fritz Mondale wanted to be President. Wendy Anderson could be a candidate one day, too."

Months earlier I'd watched Governor Wendell Anderson go sprawling across the ice, missing a hockey goal, laughing about it later: "Playing hockey is part of campaigning up here," he said.

With fishing rods, I'd gone campaigning with Senator Walter (Fritz) Mondale, on the Mississippi south of St. Cloud. "Too many of our lakes are polluted," he told me, "but we also have 25,000 miles of rivers and streams, most of them still pure. We're determined to keep them that way—including this still-unruined stretch of the Mississippi. If the legislation we're sponsoring goes through, we'll be able to fish and swim in it forever."

Fritz Mondale grinned and cast a purple-colored "ugly bug" over beside a beaver lodge near the shore.

"The Washington scene is fascinating," he said. "But, believe me, the best place to be a politician is Minnesota. This is a vast and exciting physical and political environment. And the things that count here are lakes and rivers and people."

Senator Humphrey understood all this. "Maybe," he said, "it will finally prove more important to Fritz and Wendy that they've got Minnesota in their blood than whether they really hit the big time. It is for me."

We left the guesthouse and walked on down to the boat dock. The Senator, who had brought along a bucket and a broom, started washing down the deck of his pontoon boat.

STATE FOSTERS LIBERAL IDEAS

"There's a really great thing about Minnesotans," he said. "If you try to maintain the kind of honesty and morality they stand for—and it's pretty rigid—they'll forgive any crazy ideas you have. No matter how liberal. Lots of the great liberal ideas of this nation came from Minnesotans."

Before the 20th century came the Grange, the first national farm organization. Ignatius Donnelly in the 1890's trumpeted the cause of the Populist movement, the People's Party. "From the same prolific womb of governmental injustice," he wrote, "we breed two great classes—paupers and millionaires!"

During World War I, Charles A. Lindbergh, father of the aviator, was a leading exponent of the Progressive movement, opposing Wall Street, and vested interests everywhere. Arthur C. Townley organized the Nonpartisan League of antiwar socialists.

Out of Minnesota liberalism grew the Farmer-Labor Party. Merging with the state Democratic Party in 1944, it contributed many liberal ideas to the Democratic national platform. Today the Democratic-Farmer-Labor Party is the party of Wendell Anderson.

Senator Humphrey sloshed another bucket of water across the deck.

"What we do is lash three or four of these pontoon boats together out in the lake," he said. "We and the neighbors. One boat becomes the bar, another one the dance floor, and a third one for just talking. Only we don't talk politics. No politicians out there on that water. Just Minnesotans."

Humphrey, born in neighboring South Dakota, is a proud graduate of the University of Minnesota and was later a professor there. Its medical school is world famed, and many of its physician-professors are enshrined in medical history.

In the 1940's Dr. Ancel Keys warned the world that a culprit called cholesterol was causing hardening of the arteries. Before that, Dr. Owen Wangensteen had pioneered in intestinal surgery. During the 1950's and 1960's, Dr. C. Walton Lillehei proved that open-heart surgery was practical.

"BIG JOHN" TACKLES KIDNEYS

When I entered operating room F, at seven o'clock on a Thursday morning, I knew that today's star was Dr. John S. Najarian. "Big John," they called him, the nurses and students and interns scrubbing for surgery; years ago, at 245 pounds, he had played left tackle for the University of California. Because of Dr. Najarian, Minnesota has become a world center for kidney transplants.

In adjoining surgical theaters doctors made incisions in the sides of two men from St. Paul—a father-to-son transplant.

Not until 9:30 did I open a nodding acquaintance with Big John, over surgical masks. I watched as he tenderly accepted the father's severed kidney and plunged it into a cold solution of salt water, to cool it and drain it of blood, minimizing trauma to the organ.

But his eyes clearly showed that something was wrong. The bath was scheduled for two minutes. Four long minutes went by, a nurse nervously counting off the seconds. Dr. Najarian and Dr. Robert Casali worked, their hands under water. Worry furrowed every forehead in the room. Finally, no more time could be allowed. The kidney was carried to the son, and the operation went on. For hours more, the strain was almost palpable.

"You happened in on a tough operation," Dr. Najarian said, shucking off his green operating gown and sitting down with a sigh in his office at 1:30. "We never had one quite like that before. A branch artery to one-third of that kidney was damaged beyond repair in its removal. The only thing I could think of was to pull over an artery leading to the left leg, to supply the kidney with blood. When that final third went pink, I felt a lot better. He's going to be fine.

"That boy's mother had given him a kidney eight years ago. Now, his father. When people make sacrifices like that, you'd feel pretty bad if you had to sew up both father and son without a kidney."

At Rochester, eighty miles southeast of the university medical school, is the Mayo Clinic. Almost everyone knows something about the Mayo brothers, Will and Charlie. Born in southern Minnesota farm country in the 1860's, sons of a country doctor, they went on to become the most celebrated team of diagnosticians and surgeons of the 20th century.

MAYO CLINIC: MODERN MEDICAL SHRINE

Rochester today is a mecca for nearly a quarter of a million medical pilgrims annually—a city of rooming houses and motels for outpatients; of doctors, hospitals, medical students, and technicians.

On a Monday I watched a thousand new patients, full of hopes and fears, apprehensively sign Mayo registers in the giant lobby of a gray marble skyscraper, one of two rising out of the rolling Minnesota cornfields. Hundreds of others waited on every floor for their names to be called—for exams, injections, X rays, cobalt treatments for cancer.

Dr. Hillier L. (Bud) Baker of the diagnostic radiology department took me down rows of dressing rooms, like some super-antiseptic country club. Nurses, technicians, and patients scurried around on waxed floors.

"We do a million X rays a year," Dr. Baker said. That's more than any other medical facility in the world—and the problems are ones of scheduling, filing, and retrieving. Today it's all being computerized.

Dr. Paul W. Scanlon, specialist in radiation therapy, showed me his department's new computer. "In three minutes it can plot the radiation around a tumor anywhere in the body. It used to take us three hours.

"We're curing more and more cancers. There are more than 200 kinds. Some have a cure rate of 95 percent. Others, only 2. Early detection is the key. Anyone who smokes should have an X ray every six months."

Far north of Mayo's, almost to the Canadian border, I met a different face of Minnesota. Two grinning faces, in fact. Brothers Richard and Lynn Rynning are farmers in the Red River Valley, a "valley" 80 miles wide, dead flat, and quilted with the lush green of sugar beets and the changing shades of malting barley and high-yield semidwarf wheat.

It was almost harvesttime, and the valley was becoming a water bed. Rain. But that didn't kill the grins on the faces of these two genial, giant young men.

"When it rains, we come in here, to our think tank," they said. The room was a paneled hideaway in a giant new garage, with lounge chairs, sofa, desk, telephone, calculator, books on farming, and machinery catalogs. We slumped into the soft seats.

"Every minute it rains, we're losing money," Richard said. "Up here, we say a farmer's time during harvest is worth $1,000 an hour. For one thing, this rain's going to cost us $8,000 for a bigger grain dryer."

"But if it weren't for the weather," Lynn said, "farming would be an incredible bore."

Trouble was, the weather poured down and became a tragedy. Thousands of farms flooded (pages 216–17). Nearly a hundred million dollars in damage.

"But it's awfully hard to kill us off," Richard told me after it was all over. "The average U.S. wheat yield is 32 bushels an acre. We get 50, sometimes 74. We just have to wait for next year.

"Anyway, we didn't lose it all. If the Russians buy enough wheat and the price goes up, we could still make out this year."

The waiting, in the northern Minnesota winter, is long. "Once," Lynn said, "we had a blizzard for three days. I'd have had to climb out an upstairs window if a neighbor hadn't shoveled a tunnel to my front door."

SNOWMOBILE FLEET STIRS DEBATE

There is one snowmobile for every 13 people in Minnesota, and only in Florida will you find more water skis per capita. You'd think the men who developed them—both Minnesotans—would be wealthy, but they're not. And to most Minnesotans I've met, money for money's sake seems singularly unimportant.

Edgar Hetteen has given twenty years to the snowmobile, and he remains so busy building, riding, and defending them, he doesn't take time to wonder why he's not rich.

Defend snowmobiles in Minnesota? That's like having to uphold champagne in France.

In Thief River Falls, where he is an executive for Arctic Enterprises, Edgar admits that too many of his customers mix gasoline with alcohol. "You can become intoxicated with the freedom of a snowmobile, or you can become just plain intoxicated."

Cross-country skiers, particularly, complain about snowmobiles desecrating the silence and disturbing the wildlife, about damage to trees and fences, about beer cans, about snowmobile deaths and injuries.

"There's far too much truth in all that," Edgar continued. "But there's another side to the coin. Who knows how many Minnesota families owe their solidarity to getting out into the wilderness together? Besides, snowmobiling is growing up. Trails are being built. And snowmobilers are learning to respect private property and to stay out of areas reserved for skiing and snowshoeing."

I tried snow-covered Minnesota both ways. Several times I rode roaring snowmobiles over the ice and the white-carpeted canoe portages of the north country's lakelands. Even through a frosted face mask I came to understand, a little, the snowmobile mystique. There's a sense of suddenly owning the wilderness when you're racing around the trackless racetracks of frozen lakes. But to hear only the rhythmic whisper of skis, and perhaps the sound of a deer, is to know another feeling—as if the wilderness owns you.

Ralph Samuelson never got rich either, though he invented water skis 54 years ago at Lake City, where the Mississippi widens into Lake Pepin. In those days there wasn't a boat fast enough to get Ralph really going on his primitive pine boards, so he made some of his first rides towed by a seaplane.

Water skis and motorboats are forbidden

in most parts of the Boundary Waters Canoe Area—a million acres of wilderness, mainly reserved for canoes. This blue, forested silence blends into another vast wilderness, Quetico Provincial Park, in Canada—the legendary land of the voyageurs (map, page 205).

Through these rivers and lakes, in birchbark canoes, 18th-century French-Canadians carried the axes and guns, the blankets and beads, and the wine and whiskey that were traded to the Indians for furs.

MINNESOTANS CHERISH THEIR WILDERNESS

More than half a century ago a few far-sighted men anticipated the craving of future generations for lonely land and sky-blue water—in the Cities as well as in the wilderness. For example, much of the open space so cherished by residents of Minneapolis today was nurtured and developed into one of the nation's finest municipal park systems during the 30-year superintendency of Theodore Wirth. Building on this tradition, his son, Conrad L. Wirth, rose to become director of the National Park Service. Others in Minnesota carry on the gospel of conservation.

Sigurd F. Olson, of Ely, is one (page 220). In *Wilderness Days* and other books he has pressed into prose the poetry of the singing wilderness. Long before the environmental revolution of the sixties, he sensed the saving grace of wind and rain and sun, of water and stars and silence—for the soul of man.

Frank B. Hubachek, of Minneapolis and Chicago, is another. He has poured much of his life and wealth into studies, conducted by the Wilderness Research Foundation, that may one day repopulate the northland with the stately white pine. First by logging and then by disease, that noble tree has been threatened over the years in Minnesota.

A third is Ernest C. Oberholtzer, of Ranier. Together with Sig Olson, "Hub" Hubachek, and others, he launched the successful fight to keep Minnesota's power and pulp-and-paper industries from turning the white-water rapids of the voyageurs' country into one long polluted sluiceway. Recently another 340 square miles of that wilderness has been set aside as Voyageurs National Park.

But if there is a patron saint of the Minnesota wilderness, it is Sig Olson. I watched scores of people beating a trail to his door in Ely, just to say "thank-you" before leaving for their week or their month in the Boundary Waters Canoe Area.

With Sig, I took a canoe into the quiet land of the lakes, camped with him under a Milky Way arching over an infinity of wilderness, and watched a rising Venus pouring out a silver pathway across the black water.

Sig stays on to savor the long, deep silence of winter in the north. But with some of the less hardy, I retreated to the Cities.

On the snowiest day of December you can walk in shirt-sleeves to a dozen of the finest hotels, restaurants, and department stores of Minneapolis. Eleven city blocks are connected by second-floor pedestrian arcades, called skyways.

MAESTRO A STUDY IN INTENSITY

In their acoustically exquisite new hall, musicians of the renowned Minnesota Orchestra sat in white tie or black evening dresses. The audience sat in formal gowns and black tie, and I sat in splendor between a trombone and a bass viol, playing a Nikon camera.

Through a telephoto lens I followed the movements of the maestro, Stanislaw Skrowaczewski—the blurring motion of the baton and hands; the purse-string tightening of the lips; the imperative admonishing of the eyes, and the rapierlike signaling by finger to individual musicians (page 206).

Now when I play Minnesota Orchestra records, I see and I understand as well as hear.

At the Guthrie Theater one night I watched a magnificent production of King Lear, and I also understood more about perfection in drama, for I had been backstage all day. One of the best repertory theaters in the nation, it creates all its own scenery and costumes and employs a full-time voice-and-body coach.

I had watched, wincing, as Fran Bennett put her actors and actresses through two hours of excruciating yogalike exercises (page 223). Imagine being tied into a knot, rocking back and forth on the floor, and maneuvering your vocal cords through an almost endless series of sounds from what Fran calls "your basement to your attic."

Culturally, St. Paul is a close rival of its twin, but its dramatics take other forms: The St. Paul Winter Carnival is the show of the year. But St. Paul, in its conservatism, places more emphasis on its venerated architecture, as well as on the treasures of its museums. Even so, it is St. Paul that is the seat of the state's liberal government—marked, perhaps, by high taxes, but also by notable results in education and social services, and in balancing the protection of the environment with the promotion of industry.

To the East Coast and to the Far East fly planes of Minnesota-born Northwest Orient Airlines. North Central Airlines, from its Twin Cities home, brackets eight states and two Canadian provinces. From here the Great Northern and Northern Pacific Railroads opened the Northwest, pushing their steel across the mountains to Portland and Seattle. Even so, it is St. Paul that is the seat of the northland's commerce. Down the Mississippi from the cities go barges laden with grain, oil, and coal. From the 9th Federal Reserve District building, and other banks, flows much of the financing for a six-state area.

Robert L. Herbst, head of the state's Department of Natural Resources, briefed me on Minnesota's delightful new problem, the exploitation of important deposits of copper and nickel—delightful because of what it may mean to the economy, a problem because of the potentially grim impact on the environment. The ore, and the proposed mining, lie in prime northern vacationland.

TACONITE A MIXED BLESSING

Minnesota has started down such a road before, and its end is still uncertain. *The United States of America et al* v. *Reserve Mining Company et al* is one of the most prolonged and complicated pollution controversies in U.S. history. It began 35 years ago when a Minnesotan, Dr. E. W. Davis, led the development of a process to transform taconite, a low-grade magnetic iron ore, into a high-grade pelletized concentrate. Taconite would become a turning point in the life and prosperity of northern Minnesota.

Mining companies were aware that the nation's largest deposits of high-grade iron ore in the Mesabi Range would not last forever. By the 1960's depression and unemployment were threatening the mining towns and their mother city, Duluth.

But giant companies had begun pouring billions into developing far greater deposits of taconite, shipping the pellets by rail to Lake Superior ports. Taconite was a superior product for the blast furnaces of the East.

Reserve Mining Company, with state encouragement, had built a processing plant and an attractive community for its workers at Silver Bay. For the past ten years, Reserve has deposited nearly 60,000 tons of taconite tailings daily in Lake Superior.

Everyone was happy with taconite. Except, belatedly, the Department of Natural Resources, the Pollution Control Agency, the U.S. Government, and Judge Miles Lord. For a year, the struggle raged before his federal bench in St. Paul. Judge Lord's name became a household word.

The outcome: Reserve must stop polluting the lake and the air and dispose of its tailings on land. But where?

Bob Herbst and his staff had helped fight Reserve's first proposal for a tailings basin behind Silver Bay. I understood why when I went there. Two shimmering lakes lay like sapphires set into the forested hills. Tailings basins? Never! Exactly what Miles Lord thundered from his bench.

But with a pilot from Silver Bay I flew over the plant and the town and the pilot's home. "The judge and the state did their best to get Reserve shut down," he said. "They saw it as a pollution problem. But it's a people problem, too. There are 700 families with homes and jobs down there, and we've gone through hell worrying about this."

I met the judge, by chance, one Sunday afternoon on Lake Minnetonka, most famous of all the playground lakes within the Cities. He wore a crushed fishing hat and baggy pants, and had, in fact, just arrived on a floatplane from a fishing trip in Canada. That, like escaping to Florida in January, is a Minnesota heresy. To atone, he was now fishing on Minnetonka with his grandchildren.

The State of Minnesota and Reserve had been ordered by an appeals court to agree on a better site for the tailings basin.

And Judge Miles Lord? "I'll be out of the eye of the storm now," he replied, squinting into the water. "But I'll still be involved, settling all the fines and penalties."

Never known for reticence, Judge Lord may yet have more to say about pollution and tailings basins. So will Bob Herbst. Bob introduced me to staff engineer Bill Brice.

"Suppose," Bill said, "you want to find all the places across the north best suited for taconite tailings basins or copper-nickel waste—areas where the least harm would be done to the environment."

He unrolled a sheaf of maps created by computer. Some depicted forests, rivers, recreation areas, and farmland; others traced mineral deposits, highways, towns, transmission lines. Overlaid, they became a composite of resources, identifying land of least overall value, the best locations for dumping industrial waste.

Bob Herbst summed up the story: "One day we hope all Minnesota will be mapped by computer. We're a computer state. IBM, Control Data, Honeywell, Univac are among our larger industries. What better job for computers than to compile all the known facts about our land and draw designs for its salvation?"

Economic salvation is on its way to the port city of Duluth, partly through taconite, but also through increased shipment of grain to the Soviet Union and other countries (page 215), and through other Minnesota resources like soybeans and sunflower seeds. New facilities to process and ship them are part of Duluth's new hope for the future.

IMMIGRANTS STRESSED RELIGION, EDUCATION

Minnesotans have always lavished money and concern on a more important resource, their children. The state has a major university and 58 colleges, 47 of them founded as church schools. With the earliest Minnesota immigrants had come commitments to learning as well as to God.

For the most part graduates find their futures within their own state. Their dedication helps rank Minnesota high in the nation in economic growth.

Technical and vocational schools have begun to proliferate, rivaling academic institutions in number. The Hennepin Technical Centers operate 52 weeks a year, day and night, and include, scattered throughout the student body, people who are mentally or physically handicapped. "We're trying to serve every kind of citizen in the community," campus director James P. Lund told me.

Daytimes, students from high schools are bused in to join classes in auto mechanics, professional cooking, carpentry, television, and dozens of other trades. Nighttimes are for paying adults.

Nearly half of Minnesota's 23,000 Sioux and Chippewa Indians can call on the educational advantages of the Cities, for they live there.

Chris Cavender, of suburban Hopkins, is a Dakota, or Sioux. He is a University of Minnesota graduate, one of about a hundred American Indians with a Ph.D.

"My daughters, Audrey and Angela, are practically acculturated," Chris said, "what with white schoolmates, TV, air conditioning, and stereo. I hope they won't inherit my own suspicion and bitterness about the white man. That should die with my generation.

"But we will teach them to be Indians in their hearts. Our new Native American Center here, the nation's first, should help many Indians understand and hold to their heritage."

The way of the Minnesota Indian, from the day of the legendary Hiawatha and Minnehaha, has been a way of water. Today his birchbark canoe is gone, replaced by one of aluminum. And in autumn, when he loads it on his car for the ritual of harvesting the wild rice of Minnesota lakes, he is joined by thousands of non-Indians from the Cities.

Minnesota's lakes are more than just a way of life. A bikini-clad girl I once met in a canoe put it this way:

"Yesterday, as I paddled along, I was aching and tired and hungry. But then I realized there was nowhere else in the world I would rather be. Except maybe at the next campground, with the fire flickering, the stew simmering, and moonlight on the water."

INSTITUTE STUDIES FRESHWATER BIOLOGY

It is not surprising that the religion of water includes in its congregation many Minnesota philanthropists. Their contributions of some four million dollars have built a Freshwater Biological Institute, administered by the University of Minnesota.

To head it, a committee selected John Wood, of Leeds University, England, a chemist and microbiologist who discovered how mercury, accumulating in fish, may poison the human nervous system.

In the new institute on Lake Minnetonka, John Wood guided me through the sparkling laboratories where scientists pursue the problems and wonders of fresh water. And, by extension, of Minnesota.

"Our work," he said, "is the freshwater system, and its animals and plants, from those of a single cell to the wild rice and beaver. That, and combating water pollution.

"Our goal will be clear lakes, teeming with fish, and enjoyed by people who know that only they can keep them that way."

John Wood and Hubert Humphrey are both Minnesotans by adoption. Though they come from far different places, each has a home and a boat on a Minnesota lake.

And what comes through when you talk to either one of them is that water is the magic word. No politicians or scientists out there on that water. Just Minnesotans.

[From Fortune magazine, January 1976]

How Minneapolis Fends Off the Urban Crisis

(By Gurney Breckenfeld)

Once a monument to the nation's wealth and power, the big city in America has become a symbol of the society's ailments—rampant crime in the streets, fiscal mismanagement, a deteriorating quality of life. But more and more often, any recitation of these urban failures ends up with mention of a shining exception: Minneapolis. In a magic sort of way, that city has taken on a cloak of glamour as the place where a lot of things are going right. Out-of-town delegations come to study what makes it tick, and its own citizens take just pride in their community's success. "This is the last outpost of urban paradise. The problems hit here last," says Wayne Thompson, former city manager of Oakland, California, who came to Minneapolis ten years ago to work for Dayton Hudson Corp., the big retail chain. He is now senior vice president.

In an era of municipal incompetence, Minneapolis boasts good government. Its fiscal structure remains sound; the budget is balanced, and investors are satisfied with a relatively low yield on the city's bonds. Some neighborhoods are aging and a few look a bit shabby, but there is nothing approaching the squalor of the South Bronx or of some sections of Chicago, Detroit, and St. Louis. And the downtown, far from deteriorating, has been given new vitality and distinction by some of the most elegant architecture in the land.

SETTLERS WITH A WORK ETHIC

The whole Minneapolis region has an unusually homogeneous population, chiefly of Scandinavian, German, or Yankee descent, overwhelmingly white (97 percent), and solidly middle class. The city escaped the mass migration of unskilled southern blacks in the Fifties and Sixties, and now it largely escapes the problems of poverty and racial friction that afflict other cities.

To a great extent, the spirit of Minneapolis reflects the character of its people. Early settlers, mostly farmers, brought with them a work ethic, a strong sense of self-responsibility, and a zealous dedication to education. At its second session in 1851, seven years before Minnesota became a state, the territorial legislature passed the law creating the University of Minnesota. Today the school ranks among the nation's finest, though it is also among the largest, with 45,000 students on the Minneapolis campus alone. Among the nation's twenty-five biggest metropolitan areas, the Minneapolis region has the lowest rate of high-school dropouts.

A visitor to Minneapolis quickly notices the evidence of civic pride, civility, and mutual trust. "People care about this place," says David W. Preus, the smiling minister who is president of the Minneapolis-based American Lutheran Church. "And they're cooperative. There's a conviction that if people keep plugging, something constructive will come out. There is a devotion to democratic process. Faith hasn't been lost."

The high level of morale derives partly from another of Minneapolis's special advantages: its relatively small size (1975 population: 416,000). Much of the informality and convenience of a midwestern small town is still preserved, and citizens have a sense of control over their local government. Yet Minneapolis is no backwater. It is the center of business and finance in a metropolitan area large enough (population: 2,000,000, including the 301,000 in rival St. Paul) to have a symphony orchestra respected around the world, three art museums, and more than two dozen legitimate theaters.

A LOVE AFFAIR WITH THE OUTDOORS

The low population density of Minneapolis and its suburbs has certainly helped the city avert any tensions brought about by crowding. This diffused pattern of settlement imposes huge costs (for roads, sewers, travel, etc.) but, as Arthur Naftalin, a distinguished mayor of Minneapolis in the Sixties, notes, "It is a great social boon." Easy access to nature, in town or out, nourishes a mass love affair with outdoor sports and recreation. People used to seal themselves indoors during the frigid winter. Now they come out by the thousands for crosscountry skiing, ice skating, snowshoeing, iceboating, and ice hockey. In summer, highways are jammed every weekend with camper trucks heading for a cabin in the woods and cars towing the family boat on a trailer toward a lake up north. By some estimates, the exodus involves a fifth of the area's population.

The outdoors is, of course, a great leveler. Factory workers fish alongside bankers and corporation presidents. Rich and poor kids skate on the same lakes. Executives go hunting with postmen. The tradition of egalitarianism, which is part populist and part old shoe, spills into other realms. The rich and powerful—and there are a lot of them—live Gerald Rauenhorst, whose contracting and concerts, dowagers in long dresses are generaly outnumbered by youths in jeans.

Simplicity and fairness are key ingredients of the thriving commercial life as well. "Minneapolis is a great place to do business," says Gerald Rauenhorst, whose contracting and developing company took in some $42 million in 1974. "I'll tell you why in one word: integrity. We prepare for jobs costing as much as $300,000 or $400,000 from data we get on the telephone. In twenty-five years, I've never been caught in a bind doing that. People don't maneuver and try to cut corners on you. I could never operate that way around, say, New York."

In that atmosphere, a remarkable number of companies have grown into major national or multinational enterprises. Among the nation's metropolitan areas, the Twin Cities ranks seventeenth in population, slightly below Houston and Newark. But it stands seventh in the number of corporations on the two Fortune 500 lists and the six "fifty largest" lists, with thirty-six entries in all. Among them are two of the nation's largest computer companies—Honeywell and Control Data—as well as a diversity of such other giants as General Mills, Minnesota Mining & Manufacturing, Pillsbury, Gamble-Skogmo, Green Giant, and Investors Diversified Services, the large mutual-fund conglomerate.

Urban geographer John R. Borchert, a professor at the University of Minnesota, argues convincingly that the flowering of innovative entrepreneurship is what accounts for most of the region's (and state's) jobs and income. Neither location, natural resources, nor the high cost of labor favor the place. Minneapolis and St. Paul lie too far from great centers of population for heavy industry to flourish. The once-abundant stands of timber were exhausted sixty years ago. Little of the state's grain crop is still milled there; General Mills, for example, has only one small plant left in Minnesota. Even so, says Borchert, in 1973 Minneapolis had more publicity held companies doing over $10 million a year of business than any other city its size in the U.S. Part of that achievement is a dividend from the community investment in education. Its large supply of highly trained young men and women has helped the region over the past decade to become one of the nation's three top centers of electronics and related technical companies (along with Boston and California's Santa Clara County).

BUSINESSMEN DIG DEEP FOR GOOD WORKS

Corporate executives devote an astonishing amount of their time—and money—to good works and civic affairs. Management of most of the major corporations has long since passed out of the hands of their founding families, but the professional managers who have taken their place are no less dedicated to the community. Ten companies, including some of the largest, now follow the practice started thirty years ago by the Dayton family of donating 5 percent of their department store's pretax earnings to community betterment, the maximum that the federal government lets companies deduct in computing their income taxes. Over the past six years, private sources have contributed some $70 million to Twin Cities cultural organizations. Fund drives under way or about to begin in the area are out to get a staggering $586 million, of which some $212 million has already been raised.

Tax policies help make Minneapolis a headquarters city rather than a manufacturing center. Both property taxes and corporate taxes are high (though the former have recently been reduced, the latter have gone up). The state income tax is steeply graduated; for families of four with income of $5,000 to $25,000, it is the highest in the nation.

Minneapolis has some other disadvantages. The low-density sprawl fostered by an all-too-efficient freeway system means that 95 percent of the Twin Cities labor force gets to work by private auto, while the mass-transit system consisting entirely of buses, runs a large and growing deficit. One result of the dependence on autos is that parking lots and garages occupy a quarter of downtown Minneapolis.

A whole new strip city of industry, office parks, shopping centers, nightclubs, and even a twenty-four-story financial center has formed along Interstate Highway 494 near the Minneapolis-St. Paul airport and the stadium shared by the Vikings and Twins. The strip already has more first-class hotel and motel rooms than downtown Minneapolis and St. Paul combined, and some authorities predict it will soon provide more jobs than downtown St. Paul. By the year 2000, such growth seems likely to turn the Twin Cities into triplets.

WINTERS THAT BUILD CHARACTER

The drawback everybody talks about—the climate—is probably a disguised blessing. Minneapolis summers are burning hot. Winters are stinging cold and they last from Thanksgiving to April. Connoisseurs of the climate perceive four distinct phases: the dark of December, the cold of January (average daily low: 2° Fahrenheit), the snow of February, and finally the dead of winter, in March. Some top executives report that absenteeism at corporate board meetings by out-of-state directors always hits a peak that month. Yet those winters undoubtedly contribute to the character and high productivity of the hardy inhabitants. As Gerry Rauenhorst says, "If you're lazy, it's easier to be where it doesn't freeze."

The business climate, unlike the weather, is by no means the same in Minneapolis and St. Paul. The difference has helped to foster the notorious rivalry between the two cities. St. Paul, predominantly Catholic, is a big railroad town and the seat of state government. Minneapolis, predominantly Protestant and heavily Lutheran, has a more diversified economy. St. Paul is older and once was the larger city, but Minneapolis passed it in 1880 as settlers followed the railroads across the Northwest frontier.

The opening of the Panama Canal ruined the region's Northwest trade, and with the Depression of the Thirties, St. Paul's economy all but collapsed. FORTUNE, reporting on a wave of strike violence that helped turn Minneapolis from an open-shop city into a heavily unionized one ("Revolt in the Northwest," April, 1936), noted that St. Paul's "economic decadence" had bred "an unmistakable inferiority complex betrayed by a conspicuous scorn of bustling Minneapolis. The Twin Cities hate each other."

Commercially, St. Paul is still the underdog struggling to catch up. Its downtown looks drab despite some recent and fairly extensive rebuilding. Its retail sales are about half those of Minneapolis, and several months ago a local columnist counted 139 vacant storefronts. Nonetheless, St. Paul is doing better at hanging on to its residents. Since 1950, St. Paul's population has declined by only 3 percent, while Minneapolis's has gone down 20 percent. The disparity was caused partly by freeway construction, which ripped bigger holes in Minneapolis, and partly by the fact that the supply of vacant residential land lasted longer in St. Paul.

STARTING WITH THE SEWERS

The fortunes of the two cities not only intertwine but increasingly depend on their relations with the more populous suburbs. What is really impressive about the Twin Cities—and instructive to other cities willing to learn—is that they have buried enough of their old enmity to work together. With their suburbs, they have forged a new and so far quite successful strategy for the management of a whole urban region. The centerpiece of this rare achievement is the Metropolitan Council, first of its kind in the U.S. After rejecting the idea in four previous sessions, the state legislature finally created the council in 1967 to bring order out of governmental chaos around the Twin Cities.

The Metro Council took jurisdiction, up to a point, over the 3,000-square-mile metropolitan area, and its seven counties, 135 municipalities, sixty townships, and nearly one hundred special districts for schools, parks, libraries, etc. Well aware that voters have usually rejected such consolidation wherever it has been proposed, the state legislature stopped short of creating a full-fledged metropolitan government. The lawmakers limited Metro's scope to matters that demand regional decisions: major sewers, highway routes, mass transit, solid-waste disposal, parks and open space, airport sites, and regional planning. To avoid getting snarled in administrative details, the council operates like a corporate holding company, setting policies to be carried out mainly through semi-independent commissions.

The principal problem that Metro has brought into being to solve was that of suburban sewage. As early as 1959, health authorities discovered that thousands of backyard wells in suburbia were being contaminated by backyard septic tanks, and that pollution was endangered lakes and rivers as well as the area's underground water table. The obvious solution, a regional sewerage system, had become bogged down in wrangling about how and where to build it. After Metro was established, the council quickly ended the sewer impasse. The Metropolitan Waste Control Board took over all trunk lines and major treatment plants, absorbed a clutter of independent sewer districts, and floated $104 million in bonds to expand sewerage facilities.

Metro has made a number of controversial decisions. Twice the council has struck down proposals by the Airport Commission for a huge second airport in the peat bogs. And it blocked construction of a $3-billion rail-transit system after studies indicated the network would carry only 7 percent of the region's jobholders to work. The council has even nudged reluctant suburbs into accepting limited amounts of low-income housing in exchange for approval of, for example, a park.

Such decisions have involved Metro in considerable friction. But when challenged in the legislature, the council has not only triumphed, but often won more power to make its views prevail. Today, the council screens applications by other governmental units for federal grants and subsidies (disapproval is fatal), appoints the members of some commissions, and oversees their capital budgets. And it can block for a year a development plan, public or private, that is of "metroploitan significance" and in conflict with plans of its own. In short, Metro has enough clout to do a job that is hardly even attempted around most large cities.

REACHING OUT TO THE ISSUES

The seedbed in which the Metro Council concept took root, a Minneapolis-based nonpartisan group called the Citizens League, is one of the region's most unusual assets. Its money comes from dues, plus foundation and business grants, but its strength lies in the expertise and willingness of its directors—businessmen, women, academic intellectuals—and many of its 3,000 members to spend vast amounts of time studying incipient problems. Their wide-ranging proposals, unlike those of most "good government" groups, command serious attention. "The political system doesn't reach out any distance to meet issues," explains executive director Ted Kolderie, a former editorial writer for the Minneapolis *Star*. "So we try to raise issues where interests conflict, and resolve them on a metropolitan scale."

In its innovative way, the league has generated progress on several urban problems, including property taxes. A league proposal led the state to adopt a law to halt the destructive rivalry among cities and suburbs for new business and industry, which pay hefty real-estate taxes. The law, called the Fiscal Disparities Act, is another national first, and applies only to the Twin Cities metropolitan area. In essence, it lets individual localities keep only 60 percent of the tax revenue from new commercial or industrial property and increased assessments on existing property of the same type. The other 40 percent is redistributed among the 300-odd taxing districts in the area. The law took effect only last year, after the state supreme court upheld its constitutionality, so it is too soon to judge the long-range effect. But the measure should help municipalities resist the temptation to woo plants that might ravage the environment, or to engage in "fiscal zoning" to keep poor families out.

The innovative spirit has led some of the region's big companies to get involved in a new form of transit. Concerned about traffic jams in company parking lots, St. Paul's 3M Corp. began testing unconventional ways to reduce the number of its employees who drive their cars to work. It arranged for a $1-a-day subscription bus to a nearby suburb, but the bus attracted only a few riders. Then the company bought half a dozen twelve-passenger vans and found six employees, each of whom was willing to haul eleven fellow workers to and from their jobs. Drivers are allowed to use the vans in off-hours for personal trips and they can keep the fare (averaging $26.25 a month) for all passengers beyond the first eight to sign up. The scheme clicked and 3M now has seventy vans hauling some 800 of its employees to Work. General Mills, Honeywell, and Control Data have also adopted the plan.

A NOOSE TO CONTAIN SPRAWL

The most ambitious—and controversial—effort around Minneapolis to control the region's destiny involves the Metro Council's plan to impose broad land-use controls on almost all of the metropolitan area. The complex scheme, which the legislature must approve before it goes into effect, is intended to stop urban sprawl. Metro planners insist that, unless checked, scattered settlement will spread over another 1,000 square miles by 1990 and make the place look like, well, New Jersey. The Metropolitan Development Guide proposes to concentrate most future growth in sixteen "centers" (including downtown Minneapolis and St. Paul). Except for these clusters, the whole area would be divided into urban and rural zones, and the council would simply refuse to provide sewer service in the rural part

In theory, this arrangement is supposed to save taxpayers $2 billion between now and 1990 because fewer new roads and water and sewer lines would be needed. If the plan works, it would obviously increase the proportion of new housing built in or near the two center cities. It is possible that soaring gasoline prices and stringent energy-conservation measures will compile such a trend in any case. But by placing a noose around the area where builders can erect homes and apartments, Metro seems equally apt to promote development in the boondocks beyond its jurisdiction, thus increasing the very sprawl that controls are supposed to curtail. Moreover, since nobody is suggesting price controls on raw land, it is logical to conclude that the price of buildable land inside the noose will soar, pushing the already stiff price of new housing in the Twin Cities higher still.

Some earlier government blunders have already added to the Minneapolis region's housing difficulties. The state's 8 percent usury ceiling on mortgage interest rates means that almost no conventional mortgage money has been available for nearly two years. And a two-year-old real-estate tax freeze for elderly home owners who have lived in the same house for at least a year is encouraging space hoarding, just as rent control does. The Minneapolis area has long taken pride in the high proportion of people (76 percent) who live in their own homes. Thousands of those homes are inhabited by senior citizens who no longer need so much space. But the tax freeze, as James Hetland, a former chairman of Metro Council, puts it, "makes the home they always had the cheapest home they can get."

The Commission on Minnesota's Future, created by the legislature in 1973, has predicted a severe housing shortage, starting in three or four years. Some efforts that might have helped forestall it have fallen short. Two partly built new towns—Cedar-Riverside, on the edge of the University of Minnesota campus, and Jonathan, on 6,000 acres of farmland twenty miles from downtown—have been saved from collapse mainly because HUD granted the developers a moratorium on interest payments on $45 million of federally guaranteed bonds.

A BLACK EYE FOR THE BUILDING TRADES

A show of force by organized labor is depriving Minneapols of several hundred of the inexpensive rental units that it badly needs. Union action stopped General Mills from financing a Minneapolis remodeling contractor who was turning decrepit three-story brick apartment houses into attractive walk-up flats renting from $85 to $200 a month. With the aid of $800,000 from General Mills, James Larson had renovated some 200 apartments in a neighborhood at the edge of downtown before the building unions grew indignant because he was using nonunion labor, paid considerably less than union scale.

The state A.F.L.-C.I.O. called for a nationwide boycott of all General Mills products, and the company reluctantly withdrew its financial backing. Larson shut down the remodeling part of his operation and laid off some forty workmen. At union pay scales, he says, he might have to raise rents by an average of $100 a month, pricing himself out of the market. The "biggest union beef," he says, was that he bought $8,000 worth of kitchen cabinets every month from a nonunion group of native Indians, the Woodhammer Collective, at a time when many union carpenters were out of work. Larson adds: "This state, county, and city are controlled by labor to a degree I can hardly believe."

Smarting over editorials in Minneapolis and St. Paul newspapers attacking the unions for using dog-in-the-manger tactics, David Roe, the onetime plasterer who is president of the Minnesota A.F.L.–C.I.O., said not long ago over a cigar and whiskey in the IDS Center, "We feel damn bad about all this. We're getting a black eye." Nevertheless, the unions have been standing firm.

It is evident that, if urban problems reach the Twin Cities last, they do eventually arrive. Like other central cities, Minneapolis and St. Paul are increasingly becoming repositories for their region's elderly and poor. Among the fifty largest cities, Minneapolis at last count ranked No. 1 in its proportion of residents sixty-five years old or more. The number of Minneapolis children supported by the aid for dependent children program has risen 34 percent in five years.

The region's response to these problems will be affected subtly but powerfully by a new atmosphere in public affairs. For decades in Minnesota, no single group—ethnic, religious, labor, or business—has been able to dominate politics. Three patterns evolved: Temporary coalitions, nonpartisan candidacies for local and most state offices, and a government in which citizens serving part time occupied many key positions. These arrangements prevented the rise of political machines, kept elections focused on issues and personalities rather than party loyalties, and drew many men of outstanding talent into political life.

The beginnings of what may be a momentous shift have become evident since the Democratic-Farmer-Labor party captured control of the legislature two years ago for the first time in the state's history. The law prohibiting candidates for certain offices from running under party labels has been repealed. Legislative sessions have stretched to the point that many veteran lawmakers have quit because they can no longer afford to spend so much time away from their livelihood. A new law permits unions to spend their dues in state or local elections, though corporate contributions are still banned. The largest single bloc in the legislature now consists of members of a militant schoolteachers' union.

CHALLENGES TO THE GOOD LIFE

To the extent that these and other changes reduce broad citizen participation in government, Minneapolis and the rest of Minnesota will have lost a vital ingredient of their successful society. Last fall, a maverick former mayor named Charles Stenvig, a tough-talking police lieutenant running on a law-and-order platform, stunned Minneapolis by regaining that office by a minuscule 500-vote margin. Many analysts dismiss his upset victory as an aberration, for the voter turnout was unusually small. Still, the complacency gave the city a mayor its voters had turned out of office by a big margin two years earlier.

Given its new and complex problems, Minneapolis may find it just as hard to keep its good life together as it was to achieve it. Yet the genius of the city is its people and their propensity for overcoming obstacles. By working together they have not only given the city a glamorous new heart, but built a modern economy that triumphs over adverse climate, geography, and taxation. Their business leaders have set a standard of corporate citizenship that, if widely copied, would profoundly alter the shape of American philanthropy, culture, and cities—all for the better. One should not underestimate the power of such a citizenry to overcome new challenges. On balance, that great asset may be equal to the task of keeping Minneapolis a shining exception among American cities.

[From Fortune Magazine, Jan. 1976]

A CITY SHAPED FOR PEOPLE, INDOORS AND OUT

Corporations occasionally have trouble persuading coveted executives to move to Minneapolis. They regularly find themselves unable to persuade employees to accept a transfer *away*. People fall in love with the city's way of life.

After fifteen years of ambitious rebuilding, the marveously compact downtown has been transformed into an uncommonly exhilarating and cosmopolitan place. Fountains, sidewalk cafes, and tree-filled plazas have been added, and several new architectural gems provide elegance and grandeur. The most notable are Philip Johnson's IDS Center, Gunnar Birkerts's shimmering Federal Reserve Bank, and Minoru Yamasaki's porticoed temple for Northwestern National Life Insurance Co. They lift the eye above commonplace older buildings.

Downtown Minneapolis invites and rewards the pedestrian, indoors and out. Nicollet Mall, now eight years old, draws strollers and shoppers with large planter boxes, informational kiosks, and heated sidewalks and bus shelters. Knitting downtown together is a network of indoor walkways and a heated and air-conditioned system of skyway passages. Entirely financed by private funds, the skyway crosses streets on carpeted bridges and weaves through or to thirty-eight buildings in eleven blocks.

A recently started renewal project will create additional close-in housing, which is much needed, and will tie some of the city's famed cultural attractions into the downtown ambit. Nicollet Mall will be extended four blocks, past Orchestra Hall, and a spur of "greenway" will lead to a park across from the Guthrie Theater and its world-famous neighbor, the Walker Art Center. Shortly beyond lie lakes and parks that are the signature of Minneapolis's devotion to outdoor life.

SEVENTIETH ANNIVERSARY OF THE CINCINNATI AIR POLLUTION CONTROL LEAGUE

Mr. TAFT. Mr. President, today the Air Pollution Control League of Greater Cincinnati is holding its 70th annual meeting. This organization grew out of the Smoke Abatement League, which was started in 1906. It was the first group in the Nation to be organized solely for the purpose of educating citizens on the dangers and causes of air pollution. I commend the annual report of the league to my colleagues for their information and ask unanimous consent it be printed in the RECORD. I salute the members of the league for their leadership in the Cincinnati community.

There being no objection, the report was ordered to be printed in the RECORD, as follows:

ANNUAL REPORT TO THE AIR POLLUTION CONTROL LEAGUE OF GREATER CINCINNATI

(By Charles Howison, Executive Secretary)

In this bicentennial year it is fitting and proper for us to reflect on the programs and movements which have been of outstanding benefit to the health and comfort of this city and to this entire metropolitan area.

Air pollution is no respecter of rank or wealth, of property or position, or of political boundaries. Thus all persons in the area and their property may be subject to its harmful effects.

Old records including reports in the public press of the time demonstrate that the air over and around Cincinnati at the turn of the century was almost indescribably dirty. In 1906 a group of concerned and aroused citizens formed the Smoke Abatement League of Hamilton County. The name of the organization was later changed to The Air Pollution Control League of Greater Cincinnati. Thus, the organization has been conducting its educational campaign for seventy years and is the oldest organization of its kind in this country.

Recently I reviewed the minutes of the Smoke Abatement League starting back in January 1906. You may be interested to know who some of the original incorporators were. They included Mrs. Annie Sinton Taft, J. G. Schmidlapp (Treasurer), Frank A. Lee, L. A. Ault, Dr. Charles A. L. Reed (first president), W. H. Alms, Harry G. Pounsford, Lucien Wulsin, Leopold Kleybolte, Mary C. Gallagher, Georgine H. Thomas, Mrs. George B. Kerper, William C. Procter, and Stephen F. Dana. Other early members included Mrs. Mary Emery, Howard Wurlitzer, Murray

Seasongood, Professor Louis T. More, Miss Ruth Harrison, Miss Isabelle Ellison, Mrs. Mary Wilby, and many others.

Fortunately the League continues to be blessed with a board of trustees and a membership made up of citizen leaders concerned with problems of the environment and the need for a continuing program to reduce needless pollution of the atmosphere.

Since coming with the League in February 1946 as your executive secretary, I have given lectures and talks before a great many civic clubs and educational institutions wherein we provided essential information about air pollution and its control—past, present, and future.

During the past year we have given lectures before the following organizations:

Yavneh Day School.
Princeton High School Ecology Club.
Wyandot Elementary School (Indian Hill).
Seton High School.
Summit Country Day School.
Ohio-Kentucky Progress Committee.
Hamilton County Extension Service.
Ohio Bureau of Employment Services.
Colerain High School Science Club.
City-Wide Learning Community (Hughes High School).
Kiwanis Club of Clifton.
LaSallette Academy.
Cincinnati Executives Association.
Southern Ohio College.
Cincinnati Management Association.

These lectures pertain to "protecting our air resources in an industrial society." The discussion involves the importance of the effects of air pollution on health, the environment, the economy, conservation of natural resources, the energy crisis, population and employment, and the quality of life itself.

Concerned citizens at all levels are sending for unbiased information on air pollution, energy requirements and the interactions of these and other forces on our national life. Our commitment is to continue to advance the knowledge and practice of air pollution control in our area communities.

We have also been privileged to assist other communities throughout the United States and Canada while serving as chairman of the National Cleaner Air Week Committee of the APCA from 1949 through 1970. Cleaner Air Week (originated by the League in 1949) is an educational project occuring in late October. Its purpose is to advance the knowledge and practice of air pollution control throughout the nation.

The Air Pollution Control League has prepared several publications for educational purposes. About 6,000 copies of the following materials were distributed during the past year to educators, students, and interested civic organizations and individuals:

The Cleaner Air Commitment.
The Troubled Air.
A Commitment to the 70's.
The Ohio Air Quality Index.
The Energy Crisis.
Air Pollution Control—Benefits in Relation to Cost.
The Catalytic Converter and Related Problems.
Some Comments on Recent Developments in Air Pollution Control.

While our major concern is the need for air pollution control, we are not unmindful of the need for additional energy and productivity in our industrial society. This also concerns the conservation of our natural resources. We must make both short term and long term plans for a safe environment. Someone has said, "You may take what you want, but you must be willing to pay for it."

We all have a personal stake and a responsibility to help reduce needless pollution of the air. We must also provide for our economic needs and the employment of 1½ to 2 million persons entering the labor force each year. Health problems are involved. We are all involved. We have a great respect for the enormous problems involved and appreciate the spirit of mutual aid provided by cooperating industries in this community.

There is hope that with wise leadership and a continuing educational program as conducted by the Air Pollution Control League of Greater Cincinnati, it will be possible to manage the problems of our economy, energy needs, and the environment.

ENERGY CONSERVATION AND INVESTMENT CAPITAL

Mr. KENNEDY. Mr. President, the benefits of a serious nationwide program of energy conservation are well known, whether from the perspective of maintaining a healthy national economy or in reducing our dependence on imported oil. But it is equally clear that one of the major barriers to achieving a higher level of energy conservation is the difficulty of obtaining the front-end capital that is needed to accomplish energy conservation improvements.

In recent testimony before the Subcommittee on Energy of the Joint Economic Committee, Lola Redford, president of Consumer Action Now, described the critical role that capital plays in making energy conservation a reality. She tells the story of CAN's unsuccessful attempt to help install a solar hot water heater in a New York City cooperative apartment and describes the lessons of this experiment.

Ms. Redford concludes that investment incentives for energy conservation are urgently needed, along the lines of the provisions contained in S. 2932, the Energy Conservation Act of 1976.

Mr. President, I ask unanimous consent that Lola Redford's recent testimony before the Subcommittee on Energy of the Joint Economic Committee be printed in the RECORD. I also ask unanimous consent that a recent editorial, "America's Wasted Energy," that appeared in the February 22, 1976, issue of the Sacramento Bee be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

TESTIMONY OF LOLA REDFORD

Good Morning. My name is Lola Redford, I am the Director of Consumer Action Now (CAN) an organization with its headquarters in New York City, and with me today is Susannah Lawrence, Director of our Washington, D.C. office. CAN was formed six years ago as the result of our concern for environmental quality and specifically how consumer behavior affects our environment. This point of view has given CAN a wide scope of interests, from air pollution and toy safety, to over-the-counter-drugs and no-fault insurance. However, of the many topics which have concerned us, energy problems and solutions have now become our major focus. Along with other environmental organizations, we were alarmed about the energy crisis long before it became a national issue. We began to realize the enormous importance of conserving our dwindling supply of fossil fuels and developing clean and renewable energy sources.

By renewable energy sources we mean energy that emanates directly or indirectly from the sun's radiation, such as: solar-thermal power, bioconversion, ocean-thermal gradients, and wind power. These are solutions to the energy crisis that respect the vulnerability of our life sustaining resources—the air, water and the good earth.

By conservation, we do not mean rationing, but the encouragement of investments that will enable us to use energy more efficiently and the development of lifestyles in which it is the quality of life not the quantity of things that is most important.

We need to conserve the fossil fuels that are available because they are very limited. Our main sources of energy today are oil and natural gas. Recent studies reveal that petroleum production may have already reached a peak and that U.S sources will probably be exhausted in 15 to 30 years—within the life span of most Americans living today.

Even though this country's coal reserves are plentiful compared to petroleum, they too are finite. Moreover, coal has serious drawbacks. It is difficult to mine and exacts high health and environmental costs during the mining; it is expensive to transport; and it is difficult to burn coal in a manner that preserves air quality. Coal is an important energy resource that must serve as a bridge between our present liquid and gaseous fossil fuels, and the day we can rely on cleaner, renewable energy sources.

Some might argue that conservation and renewable energy development is not critical because nuclear energy will be available as fossil fuels are depleted. While it may be foolish to suggest that nuclear energy has no place in meeting the energy goals of this nation, its problems are awesome. They include its ever increasing costs, its unreliability, its questionable safety, its waste disposal problems, and its vulnerability to sabotage. To proceed primarily down the nuclear track would be at the least, shortsighted, perhaps foolhardly and possibly catastrophic. Compared to nuclear power, a policy of energy conservation coupled with the development of renewable energy sources is certainly far safer and more compatible with environmental goals, and may be more economical.

For these reasons, Consumer Action Now is committed to doing what it can to implement conservation and to ensure that renewable energy is developed and becomes a basic element in this nation's energy picture within the next decade and beyond. Out of this commitment, we have undertaken several projects designed to increase public awareness of both conservation and solar energy. I would like to relate our experience with one of these projects.

In the fall of 1975 we decided to implement a solar hot water demonstration project. We wanted to do so for the following reasons:

1. To show that in an urban setting and in a northern city it would be possible to save money and fuel through the use of a solar hot water system.
2. To focus public attention on the viability of solar.
3. To finance this project through conventional financing channels.
4. To promote awareness of the necessary partnership between conservation and solar.
5. To assess what the possible legal impediments or other impediments might be.

We wanted our demonstration building to be located in a middle income, high density, stable neighborhood. We also wanted a cooperative building, for we felt that, since cost savings would go directly to the tenant/owners, each resident would have a vested interest in this project's success. Since there had never been a solar heating system in a building over four floors we hoped that we could locate a building of at least twelve stories.

The other main requirements for evaluation for possible buildings included:

1. Minimal shading of roof by other buildings.

2. Minimal equipment on roof which could interfere with collectors, i.e., water towers, skylights and penthouses.

3. Space for a large storage tank near the boiler room.

4. Ratio of collector area to roof area approximately 1:2 or less.

5. Orientation of building towards the south.

After reviewing the data gathered on visits to several buildings we felt the best candidate for a solar water heater system was a building located on Manhattan's upper west side, 924 West End Avenue.

Working with a solar architect we did preliminary financial assessments and arrived at some very rough installation figures and projected energy savings. Armed with these figures we then approached three banks to see if there would be any possibility of financing this project. Needless to say in November, the financial situation in New York was hardly optimistic. It was clear a loan or mortgage would be hard to obtain but not necessarily impossible. We did find that the bank which held the first mortgage would be the most likely source for additional funding.

At the same time we also investigated other means of assisting the funding of this project. We looked into the possibilities of federal, state or city tax incentives. We discovered there was an existing city bill which allowed for tax abatement on real estate taxes for certain buildings that had made specific improvements including some energy conservation measures. This bill was up for renewal and included an amendment which would allow for qualified co-operatively owned buildings to participate. This abatement bill would provide a return in eleven years of 90% of the initial cost. Convinced that this would make our solar project viable, CAN lobbied for passage of this bill and testified on its behalf.

With his preliminary information we then met with the board of directors of the building. In this initial meeting they expressed enthusiasm for the entire project. They were excited about the notion of becoming the first major apartment house to use a solar hot water system, and the possibility of cutting their fuel costs. Like most middle income co-operatives, financing is their major concern. CAN agreed to obtain more complete data. We contacted Dublin-Mindell-Bloome, a firm of consulting engineers with experience in both energy conservation and solar applications. Their first assessment included the following:

Based on 20 gallons of hot water per day per person for 260 people, and calculations from similar projects, the 924 West End building would require about 5200 square feet of collector. The initial cost of the entire system, including collector panels, support structure, storage tanks, piping, water conserving shower heads, a new domestic water heater, miscellaneous equipment, installation and engineering fees, would be in the order of $140,000 to $150,000. The annual savings for the system would be in the order of $10,000 per year based on present oil costs of $0.40 per gallon. However, over the next 10 years, Dubin felt oil prices would rise at 10% or more per year. Therefore, the average savings would be $15,000 per year or more, making the simple payback about ten years.

One of the key elements in the proposed solar water heater system is a new storage type, domestic water heater. Old boilers in buildings such as this, generate domestic hot water very inefficiently, especially in the summer. *Over half of the energy savings previously mentioned are attributable to this energy conservation measure.*

We once again met with the board to give them this information. We needed an indication of their interest in this project before we could justify the expenditure of $2,000 for a complete engineering study. After a serious consideration of these facts, the board reluctantly decided not to go forward with the solar installation. They did not believe they could obtain the initial capital. However, they were astounded with the energy savings the building could realize with the installation of a new domestic water heater. This equipment would cost $15,000, a sum which at the present price of fuel could be recovered in only two years based on fuel cost savings. We strongly urged this energy saving step, and are delighted that they are taking our recommendation.

While CAN was disappointed that this particular building would not be our solar water heating demonstration project, we feel what we have learned and the experience we have gained are extremely valuable. With regard to energy conservation we have made the following conclusions: People are uninformed about energy conservation techniques; they have no concept of the enormous cost savings that can result from implementing conservation measures. Once people do understand our experience suggests they are eager to make the investment if they can obtain the initial capital at reasonable terms. It is the lack of reliable cost saving information and access to capital that is holding people back.

We need a program at the grass roots level that will make reliable information about conservation and solar energy available to consumers. Such conservation programs need to include:

1. Energy audits by competent, reliable people independent of the companies who would benefit from such audits.

2. Reliable information about companies that can supply and install conservation equipment.

3. Access to capital on reasonable terms.

4. Government programs at the grass roots level to assure that the information and investment capital is readily available to consumers.

5. Energy cooperatives to make it more feasible for consumers to insulate or solarize their homes by pooling their purchasing power, expertise, and information.

In closing let me say that our experience convinces us that government officials driving in large limousines must pay more than lip service to energy conservation. We have managed to squander in just a few decades the precious fuels it took millions of years to create, and each year we are without an ambitious energy program for conservation shortens the time available for shaping an energy system and way of life that can endure.

We hope that the Joint Economic Committee will address the fundamental issue of developing patterns of economic growth for this nation that are less polluting, less energy intensive and which make better use of the creative talents of people. Perhaps these hearings will help move us down that road.

Thank you very much for the opportunity to present the views of Consumer Action Now on this very important subject. I would be happy to try to answer any question that you might have.

[From the Sacramento Bee, Feb. 22, 1976]

AMERICA'S WASTED ENERGY

If the United States requires special incentive to develop an effective national energy policy, it is contained in a study sponsored by the Federal Energy Administration that concluded: This country currently wastes more than half the energy it consumes.

From every standpoint—political, environmental, economic—the case for conservation has never been stronger. The voracious demand for energy, the report said, has outstripped the capacity of domestic, nonrenewable sources to fulfill American needs.

The findings appeared at an opportune time, right before a joint hearing by several Senate committees in Washington next week on legislation seeking to establish a serious national commitment to energy conservation.

The bill by Sen. Edward Kennedy, D-Mass., and others, seek to minimize the use of energy in residential housing, commercial and public buildings, and industrial plants through federally supported programs carried out under direction of the individual states. Federal loan guarantees would be offered to finance better ways to use energy.

Three compelling reasons are cited as supporting the concerted effort to cut down on energy waste this nation cannot afford indefinitely.

There would be substantial economic savings for householders, businesses and industry. It would serve notice on foreign oil suppliers the U.S. intends to stop the nearly open-ended reliance on imported oil. And the efficient use of energy is often the least expensive, most environmentally safe, and the quickest way to increase supply.

Well-insulated homes. Automobiles that aren't gas-eaters. Greater efficiency out of appliances at home and production in industry. Cutting fuel required to generate each kilowatt hour of electricity. These are all attainable goals that can be achieved to an important degree by a full-scale attack on the problem.

"The inescapable truth," Kennedy told the Senate recently, "is that we are going to import sizeable quantities of oil for the foreseeable future. The sooner we implement an energy policy that recognizes that fact, the better."

It makes sense to provide a partnership of federal resources with state implementation of a conservation program which can best be installed and directed at the state level. Some states already have energy policy offices. Moreover, differing climatic conditions and patterns of energy use support state management rather than creating still another layer of federal bureaucracy.

There is no complete assurance that reliance on outside sources will fade away with the enactment of conservation measures. But looking at it another way, Congress might well ask itself, what are the alternatives?

ALFRED IAN GLASBY, ESQ., HMG ENERGY ATTACHÉ IN WASHINGTON

Mr. FANNIN. Mr. President, at approximately the same time that Mr. Wilson announced that he was resigning as Prime Minister another official of the British Government was given a new assignment. His name is Alfred Ian Glasby, who presently is serving as energy attaché with the British Embassy here in Washington. Mr. Glasby will be leaving Saturday for Uganda where he will become, as they say in State Department terminology, Deputy Chief of Mission. There is no reason, of course, to believe that there is any connection between Mr. Wilson's resignation and Mr. Glasby's departure.

Those who have had the pleasure of knowing Ian Glasby during his nearly 5-year tour in Washington will sorely miss him and his charming and intelligent wife Herma. He has served the British Government with distinction. Mr. Glasby in fact has served as a vital communications link between the United States and the United Kingdom for all sorts of matters affecting energy policy formulation.

He has been an astute observer of energy policy development within the United States. He has seen as clearly as anyone how the Congress has launched the United States into a policy of accelerating dependency upon imported oil. He is expert in his knowledge of the horrendously adverse impact of Federal price controls and other regulations on the development of our indigenous energy resources.

Ian Glasby was born and raised in Scotland. Although he grew to a height of 6 feet 4 inches, his mother, for nearly all her life, called him little Alfie. She was not referring to his intellect. Because when he was in fact a little boy his Scottish mother would sit Alfie on her lap and read to him from the great writings of another Scot. His mother would read to him Adam Smith's "The Wealth of Nation." This made a substantial impression on Ian.

In conversations he engages in about the Socialist economic policies of the nationalized energy industries of the United Kingdom, Ian recognizes that Government officials in charge of the nationalized industries have closed their eyes to Adam Smith and the results show it. It really pains Ian Glasby to recognize this because he is always so loyal to his country. Nearly 5 years in this country, however, have taught Ian the superiority of the capitalist system.

Ian, on the other hand, has not yet been convinced of the superiority of American sports and athletes. He still thinks that rugby players, as he puts it, "are a far tougher lot than your foam-padded football players." Ian feels the same way about comparisons between cricket and baseball players. "Our fielders," he boasts, "don't protect their hands with sissy leather gloves; they catch the ball with their bloody bare hands." Perhaps Ian has a point.

To sum it up, Ian and Herma Glasby will be missed in Washington. They have served HMG well and we wish them good luck and godspeed as they depart for the challenge of a new post.

MINNESOTA GOOD ROADS

Mr. HUMPHREY. Mr. President, each year Minnesota Good Roads, Inc. sponsors a Washington fly-in so that those who are interested in good roads can talk with Members of Congress who are addressing the transportation needs of our Nation.

This year, several members of the State legislature, county commissioners and county engineers representing all parts of the State, businessmen, and interested citizens made the trip.

I would like to share with my colleagues the remarks Mr. Larry Schaub, acting president of Minnesota Good Roads and County Engineer of Stevens and Traverse Counties, made to the Minnesota congressional delegation at the fly-in. Mr. President, I ask unanimous consent that Mr. Schaub's remarks be printed in the RECORD.

There being no objection, the remarks were ordered to be printed in the RECORD, as follows:

This is my second trip to Washington, D.C., the first being last year's Minnesota good roads fly-in. My colleagues and I, who are participating in this fly-in, are most appreciative of the time that you gentlemen are giving us during our short stay here in Washington, D.C. In the talk given to you last year I discussed the problems county highway departments in Minnesota are experiencing in trying to meet the needs of the people whom they serve. This year I would again like to make as my topic county highway department problems.

I am sure that it comes as no surprise to all of you to find out that the problems I expounded upon last year have not been alleviated or gone away. The roads that needed bituminous overlays last year are still there and in dire need or work. They have, in fact, had an additional year of wear and the condition has worsened. The bridges that were restricted last year and in need of replacement are still restricted, and an additional year of wear has certainly not improved their condition. The roads that need to be regarded to a modern standard to effect a snow-free road in the winter months are still there and in need of construction. Our method of financing is still not keeping pace with inflation, and we are falling further and further behind each year. In other words, gentlemen, I am not equipped with some fairy godmother's magic wand which I can wave mysteriously and all of our problems will be solved. The problems we experienced a year ago are still with us and have, in fact, intensified.

Time does not permit me to go into all of the reasons for just why we continue to be in dire financial distress. I touched on many of these reasons last year, and they are a matter of record; but suffice it to say that the same reasons which prevailed last year still apply this year. With this thought in mind, it absolutely mystifies and alarms me to see articles written by supposedly well-informed persons saying that we do not have a road problem and that all of the roads have been constructed and, therefore, we no longer need a highway trust fund. The fact that the completion of the interstate system is now in sight does not mean that all of the other road systems within the country have been completed. Our county system of roads is far from completed, and at the rate of new construction, it likely never will be completed. A road is just like a home that you might own. You don't just build it and then it is complete for eternity. It needs refurbishing and repairs from time to time. Every so many years it needs a coat of paint. A road is no different from a house. It does not last forever. It does, from time to time, need rebuilding and upgrading.

In order to properly calculate needs on a road, one must compute a replacement cost, so to speak. Bituminous-surfaced roads must, from time to time, have new surfacing placed on them. Do you know, for example, that the cost of resurfacing a road in Stevens County—using present day cost figures—will cost as much as the original cost of placing the entire aggregate base and bituminous surfacing on the road? Do we protect our original investment or do we let them deteriorate? In most cases the choice is made to protect our original investment, but the fact remains that the roads are wearing out or deteriorating at a faster pace than we can rebuild them. The same principle can be applied to our bridge problem. The anticipated life of a bridge is estimated at 50 years. Therefore, how does one catch up? It obviously is not possible, but we can do a creditable job if we have a somewhat reasonable financing program to go along with our needs. It is interesting to note that in Stevens County, which is one of the counties I serve, the county board of commissioners just last month passed a new road program which placed a very strong emphasis on bridge replacements and also bituminous overlays on some of our bituminous-surfaced roads. There is very little new construction other than bridges in this road program. There are many, many more requests for road improvements within our counties than we are able to accomplish.

If we are not able to meet the needs of the people we serve with present revenues, how are we supposed to do any sort of creditable job at all if we were to do away with the highway trust fund? These persons writing about doing away with the highway trust fund either are misinformed or haven't taken the time to get out of the cities and off the freeways to find out just what is happening to our rural system of highways. By highways I mean all types: State, county, township and municipal. They all have a definite purpose in the transportation network. Some of the articles I have read this past year have been so far from telling the truth and the entire story that I almost believe I'm reading "Alice in Wonderland." I presume it is the old story that in order to plead their case for the needs of mass transit they somehow must downgrade the needs of the road systems within the country. No one here is saying that mass transit does not have dire needs as well as highways, but let those writers go out into the countryside and do a little research on what the needs of the country road system are and tell that story as well. There is no way possible that there are sufficient funds within the Highway Trust fund to construct and maintain both the highway system and the mass transit system. If we choose to dump highways for mass transit, we are going to be faced with an impossible problem some time in the future. If we allow our original investment to be lost and let our roads deteriorate beyond repair, the task of restoring these roads to a creditable standard would be monumental and next to impossible. In the end, with much of our economy dependent upon being supplied by truck movement of goods and food, the cities would suffer, probably more than the rural sector. This is an area which the anti-highway groups have not focused upon, but have they considered where the food is produced?

It is not my intention in my talk here today to get into a fight with proponents of mass transit, but the rural voice seems to me to be very small. I hear very few people telling this story, and I think it is a very important story that needs telling. I would strongly encourage writers of highway issues to research their subject matter a little better and tell the story as it really exists today. The need for the Highway Trust Fund will remain for a long, long time. There is no such thing as the highway system being complete for all eternity.

There is another story which needs telling here today. The reason this story needs telling is because I haven't heard or read too much on the subject except that which is derogatory: that is the subject of roads being such a detriment to the environment.

You have all read or heard the old story of the entire countryside being paved over. There, of course, is a certain portion of the road which must be paved in order for the movement of food and produce to take place, which in turn is necessary for our society to function. Let us for just a brief moment take a good look at a typical road. Normally we have a 32-foot road surface which is the paved portion and including travel shoulders. With a road right-of-way of 140 feet, which is what we use in our counties, what happens to the remaining 108 feet of right-of-way? What happens is that it is seeded down with grasses that are compatible to its particular area. It is in effect returned to its natural state, which in our area of the state was prairie sod. How is this bad for the environment? It's true, we took land which would normally be cultivated and used in the production of food, but we did return this area to its natural state. Therefore, looking at it from the outlook of an environmentalist, we should be doing the right thing.

We have gone one step further with our roadside seeding in recent years. As all of you know, lack of wildlife habitat has become a serious problem, especially within our farming areas. The major source of wildlife nesting cover left for our wildlife is within the road right-of-way. We have worked very closely with the area game manager in our area in developing roadside cover which is very compatible to our wildlife. To quote a statement made by our area game manager recently: "If we didn't have roads for wildlife cover, we wouldn't have any wildlife." To give you an example of the number of acres of roadside cover we have just in Stevens County, I offer the following: on state highways we have 1,036 acres, on our county roads we have 2,571 acres, making a total of 5,968 acres of roadside which is used for wildlife habitat. Why, then, are roads so bad for our environment?

I suppose that if I were to look at downtown Minneapolis or St. Paul, I might get the impression that the countryside was all paved over. However, there is a lot of the country that is not a downtown metro area. It behooves the antihighway groups to get out of the downtown metro areas and take a drive into the rural areas and find out what functions a road really has, who it serves, and what it does. I would especially like to invite persons doing articles on highways and the environment to visit the Red River Valley, which is the area we live in. If it were not for roads, there would be very little cover for wildlife. Therefore, the end result is that in addition to the movement of goods and people, our roads also serve as a very valuable source of cover in which our wildlife can flourish and survive.

This past year, for the first time, Federal monies were provided for the off-system roads. I do not know how the other States used this particular fund. But in Minnesota a decision was made to use these funds for bridge replacements on our off-system roads. This proved to be an excellent program as it did provide some relief of this system of roads—a system of roads, incidentally, which does not have an adequate source of revenue. This system of roads is financed 100 percent by local levies, and the large amounts such as needed to replace a bridge are not available to local governments. This is a Federal program which has worked out very well, and it is my hope that this program of using Federal monies for off-system bridge replacements can be continued in the future. If this program could be expanded and continued, it would go a long way toward helping alleviate the bridge problem in Minnesota.

As I mentioned last year, the 6 percent levy limitation on our road and bridge levies has restricted the amount of funds that can be raised locally and, therefore, any and all funds received from the Federal Government are most welcome and put to good use. We are most appreciative to the Federal Government for providing us with these badly needed funds. It goes without saying that we are very dependent upon our regular Federal aid secondary funds which are used for construction on our on-system roads. It is most vital to us that this program be continued in the future.

We are very much aware of the massive exposure being given to the financial problems of the railroad industry and mass transit. We will most likely hear more about financial problems in other transportation modes as well. There is no possible way that the highway trust fund can finance all of the transportation systems in our country. It is not adequately able to even finance the problems of our highways, with 5 percent of the total mileage being replaced each year and with the tremendous problem of replacing many bridges. Incidentally, 75 percent of our bridges were constructed prior to 1935, with 80,000 of them unsafe. With just these problems to contend with, it is obvious that the pay-as-you-go trust fund, even being left intact, is still not sufficient to do the job. It is with all of these things in mind that we here today wish to strongly recommend that the Federal Highway Trust Fund remain intact and be used for the purpose for which it was originally designed to do, and that is for the construction and maintenance of our highway system. Please do not minimize what I have said here today, especially in relation to maintaining our system of highways. As I mentioned earlier, if our highway system is allowed to deteriorate, it will spell disaster for our society, both urban and rural.

SOVIET OPPRESSION OF HUMAN RIGHTS IN LITHUANIA

Mr. HANSEN. Mr. President, a reading of "The Gulag Archipelago," by Alexandr Solzhenitsyn, points out the institutionalized use of repression that exists in the Soviet Union. This repression inundates that society and is visibly shown by the labor camps where political prisoners are sent for their belief in basic human dignity and freedom for the individual. This repression permeates the lives of all people in the Soviet Union and in countries who live under Communist rule.

Mr. President, as Solzhenitsyn has described, individuals are incarcerated in labor camps because of their convictions in the dignity of human beings and in the basic rights that should be accorded to individuals by government. Solzhenitsyn's strength through his various incarcerations, and his adamant belief in the dignity and worth of individual freedom is most admirable. Solzhenitsyn's writings in "Gulag Archipelago One" and "Two" eloquently express this belief.

It is clear to me that one of the great evils of communism is the total subjection of the individual to the state. Appalling as it is, the "Archipelago" described by Solzhenitsyn, obviously is essential to the Communist state in ordering all aspects of the lives of its people.

I feel it is most important for us to keep in mind the oppressive nature of the Soviet Union and other Communist governments. Therefore, I must comment on a recent repressive act by the Soviet Union of an individual who advocated greater human liberty in Lithuania.

Lithuania is a small country in Eastern Europe. It is the southernmost of the three Baltic republics—Estonia and Latvia are the other two.

Lithuania was an independent nation from the middle of the 13th century until 1795 when it was occupied by czarist Russia. In 1922, independence was declared and a constitution adopted, which provided for freedom of speech, assembly and religion. The United States recognized this government.

In 1940, after a Communist orchestrated election, Lithuania was declared a republic of the U.S.S.R. by the Supreme Soviet Moscow. It is estimated that during the first Soviet occupation—the Germans occupied Lithuania for part of World War II—30,000 members of Lithuanian intelligentsia were deported to Siberia and 5,000 political prisoners were executed. The United States has not recognized the Soviet inclusion of Lithuania.

Although dominated by the Soviet Union, there are movements in Lithuania for independence and for basic human rights. This is not surprising in light of the country's long history of independence. These are a proud people.

Recently, I read of a scientist who was tried in Vilnius, Lithuania, on a charge of "anti-Soviet" agitation and propaganda. After a perfunctory trial, Dr. Sergei A. Kovalev was convicted and sentenced to 7 years in a labor camp—part of the "Archipelago." I understand this is a severe sentence requiring lower food rations and harsher working conditions than in other Soviet labor camps.

Dr. Kovalev's crime, was apparently his involvement in a human rights journal in Lithuania. His crime was a quest for basic human rights in Lithuania. The action against him is intolerable.

The alternative in this oppressive system to people like Dr. Kovalev, is cogently expressed by a recent emigrant writer from Lithuania, Ausra Mariga Jurasas:

> Gradually, one gets habituated to oppression, just as a dog gets used to its chain. The instinct for survival compels us to adopt ourselves. We begin to control each other in accordance with the theory of "sober common sense." And we tell ourselves: Let us not commit suicide. Let us not kill our culture which we are creating with such difficulty. Better less than nothing at all. Better to speak with half-closed lips than be struck dumb.

Mr. President, I feel its important to keep in mind these injustices perpetrated by the Soviet Union upon people who desire freedom and human dignity. The resolve of those who expose this institutionalized repression, and, who continue to strive for freedom under reprehensible conditions, is to be commended and admired.

RUTGERS BASKETBALL TEAM

Mr. CASE. Mr. President, history notes that in the late 18th century the trustees of Queens College in New Brunswick, N.J., by a vote of eight to seven, rejected a proposal to merge with that other New Jersey college at Princeton. Who knows how history might have been different had there been a joining of forces between Princeton and Queens College, renamed in 1825 after Col. Henry Rutgers.

The one vote represents an interesting historical parallel. On Saturday, in Providence, R.I., in the first round of the NCAA college basketball tournament, the trustees of Rutgers' undefeated season and national ranking defeated a valiant Princeton team by 54 to 53.

It is a pleasure to be able to congratulate the players and the coach for their remarkable record to date. As an alumnus, I want to urge the men on to bigger and better heights—four more victories for an undefeated season and the national title. As senior Senator from New

Jersey, I should point out that I do not remember the last time that our State university has so distinguished itself in sports and has become such a rallying point for New Jerseyites. Finally, Mr. President, as a member of this august body, I am gratified to join the ranks of my colleagues who have been lucky enough to be able to adorn their offices with truly nonpartisan bumper stickers. The front door of my office has for some weeks now proudly proclaimed, "Go Rutgers."

THE WATERSHED PROTECTION AND FLOOD PREVENTION ACT

AMENDMENT NO. 1473

Mr. BROOKE. Mr. President, the Watershed Protection and Flood Prevention Act of 1958 (Public Law 83–566) has improved our watershed areas, cleaned and protected important streams and rivers and saved many vital land areas from flooding. However, it contains a major inconsistency. Under amendments made in 1959, the funds can be used for improving the habitat of fish and wildlife in the water, but they may not be used to build fish ponds, hatcheries nor for propagation of fish. All of us recognize the importance of building and maintaining fish stocks by establishing farms or hatcheries for anadromous species. And we should not allow this irrationality to persist in law.

The amendment Senator STEVENS filed for himself, Senator KENNEDY, and me would make utilization of watershed for aquaculture purposes an eligible activity for funds under the Watershed Protection Act. We have defined aquaculture as—

> The culture or husbandry of aquatic animals or plants by private industry for commercial purposes, or public agencies or state or local government for scientific purposes; or the culture and growing of fish by private industry, public agencies, or a state or local government for the purpose of creating or augmenting publicly owned and regulated stocks of fish in streams or rivers.

Mr. President, this change will not lead to any significant drain on the resources being made available under the Watershed Protection Act. The increments needed to create hatcheries and farm areas typically run $10,000 to $60,000. Furthermore, this is a fledgling science and a new industry. While we should encourage its growth, there is no reason to expect it to impose large costs on our programs in the foreseeable future. Senator STEVENS and I are working on a comprehensive program for assistance to a variety of aquaculture ventures which we hope to bring to the Senate floor later this spring. Such a program would be the major source of support for future experimentation with and commercialization of fish farming and hatching.

I trust my colleagues, and the sponsors of S. 2484, will find it easy to support this amendment to improve our watershed protection policies.

SUBMISSION OF THE REPORT OF THE COMMITTEE ON APPROPRIATIONS TO THE COMMITTEE ON THE BUDGET.

Mr. McCLELLAN. Mr. President, in accordance with section 301 of the Congressional Budget Act of 1974, the Committee on Appropriations has transmitted its target ceilings on expenditures for fiscal 1977 to the Committee on the Budget.

First, I wish to emphasize that of the total $433.4 billion requested for new obligational authority in the President's budget, only about 60 percent—or $263.8 billion—comes directly under the jurisdiction of the Committee on Appropriations and is subject to the appropriations process.

The appropriation's 13 subcommittees recommendations will add $17.6 billion in new obligational authority—increasing the $263.8 billion sought by the administration to a ceiling of $281.4 billion.

In terms of actual outlays, the Federal spending ceiling in fiscal 1977 would be increased by $15.6 billion—from $257.8 billion to $273.3 billion.

I regret exceedingly that the Committee on Appropriations found it necessary to recommend overall increases of this magnitude.

It certainly is to be hoped that as the subcommittees proceed to a review of each line item in the appropriations bills, we will be able to reduce some of these recommended increases, but we will not know whether this will be done until the process of evaluating each budget request and the reporting of each appropriation bill is completed.

The largest single increase over the Presidents request was recommended by the Subcommittee on Labor, Health, Education, and Welfare. This subcommittee revised the target upward by $11.5 billion in budget authority and by $8.2 billion in outlays.

In recommending this increase, the members of the subcommittee said it was their belief "that the Labor, HEW portion of the President's budget appears unrealistically low." It was further stated that reductions proposed by the administration "seem to lack sound rationale and judgment."

Significant increases were also recommended by the Subcommittee on State, Justice, and Commerce—an increase in budget authority of $750 million and in outlays of $1.9 billion. The Subcommittee on Transportation has proposed an increase of $866 million in budget authority and of $1.3 billion in outlays.

Four subcommittees—District of Columbia, Foreign Operations, Military Construction, and Defense—have approved target recommendations conforming to the requests of the administration.

Mr. President, it was only after the most careful consideration of all the factors involved that the Subcommittee on Defense, of which I am chairman, recommended a target ceiling of $107.7 billion in budget authority and $95.3 billion in outlays—the same amount in the budget request.

This constitutes a reversal of past policy by our subcommittee—a reversal made mandatory by the trend of international events, the state of our military readiness and the demands of national security.

During the past 4 fiscal years—from fiscal 1973 to fiscal 1976—Congress has reduced total budget requests for regular appropriations by a net total of approximately $23 billion.

The four annual regular defense appropriations acts accounted for $20.9 billion of this, or 91 percent of the total reduction made over the 4-year period. In addition to cuts in the regular annual defense appropriation bill, cuts in military construction accounted for reductions of $1.5 billion and military assistance accounted for reductions of $1.2 billion.

Thus, over the past 4 fiscal years, the three major sections of the national defense function of the budget provided total reductions of $23.6 billion—or $600 million more than the net total by which Congress reduced all regular budget requests submitted to it.

This means that national defense has been practically the sole source of congressional reductions in the administration's budget requests—in Federal spending. Defense spending has borne almost the entire burden of a reversal in priorities that has placed greater emphasis on human resource programs.

Mr. President, I submit that we cannot allow this trend to continue. In view of the fact that our major international rival—the Soviet Union—is diverting an ever-increasing proportion of its resources to national defense, we must not be indifferent to our military capability and defense posture. Prudent concern dictates a reversal of the trend followed during the past 4 years.

A dollar comparison of Soviet and American defense activities released last month, based on the Central Intelligence Agency's best estimates, shows that total dollar costs of Soviet defense programs has exceeded U.S. defense appropriations in each year since 1970.

The dollar costs of Soviet defense programs in 1975 exceeded those of the United States by 40 percent. When expressed in constant U.S. prices which measure growth in real terms, Soviet spending has been increasing while that of the United States has declined continuously since the peak of 1968.

During the past decade, the Soviet military has increased manpower, increased tank production, increased aircraft procurements and increased the number of ships in its navy. They are also spending more on research and development, a clear indication they plan to maintain this momentum.

There is an ever-widening gap between Soviet and American defense expenditures and increase in military capability which has resulted in a situation where the Soviets now have: 1,600 intercontinental ballistic missiles, compared to 1,054 for the United States; 730 submarine-launched ballistic missiles, compared to our 656; 42,000 tanks, compared to a U.S. inventory of 9,000; 20,000 artillery pieces, compared to 6,000 for the United States; 229 major surface combatant ships, compared to our 172—the U.S. Navy had 950 active ships in mid-1968—there were less than 500 active ships in mid-1975; 255 general purpose submarines, compared to a U.S. fleet of 76; and 4.4 million military personnel, compared to U.S. strength of 2.1 million.

Both in testimony before the Subcommittee on Defense and in public statements, defense officials warn that we are in danger of losing the rough equivalence in military capability that we have been able to maintain in recent years.

The major trends in comparison between the military efforts of the United States and the Soviet Union are clear. All the available measurements show that American power is declining while Soviet power is rising.

No one can now say with assurance when the point of peril will come. But if real expenditures by the United States remain constant or continue to decline, while real Soviet outlays continue to rise and she increases her military strength accordingly, the peril point will occur all too soon.

Of course, there are those who argue that the Defense Department has been profligate and inefficient in the use of the resources made available to it. They say that we can maintain the military balance merely by reducing waste. Thus, under that theory no real increase would be needed in defense spending to maintain our forces at a high level.

I am firmly convinced, however, that such reasoning is not valid. No doubt there has been some waste and inefficiency in the disbursement of defense funds. But to rely on such an argument is to completely miss the point of what is happening in the international arena.

We are witnessing the evolution and determined effort of a great world power that is dedicated to equalling and exceeding us in all forms of military capability. There may be disputes over the motives for this development but the trend is definite. That cannot be denied.

The Secretary of Defense has said the budget before us is not designed to match Soviet military strength in detail or to achieve a clear superiority over the Soviet Union. Instead, he has described it as one that will simply arrest the downward trend in our state of military readiness.

The Subcommittee on Defense is convinced that we cannot allow our defense posture to become further eroded. It is for these reasons, that the subcommittee has recommended a ceiling amount equal to the administration's budget request for defense. I emphasize, however, that although the amount may be the same, we do not plan to necessarily approve each individual request or program. Rather the committee will continue to review every line item, system and program to determine if it should be approved, cut, added to, or eliminated.

If we continue the policy of diverting dollars from our national security to support social programs, as we have been doing, we will be accelerating the arrival of the grim days when we will be a second class military power. The consequences of that day I leave you to ponder.

In today's turbulent world, there is only one certainty: Peace can only be made secure through instant readiness. This not only means adequate funds for manpower and weaponry but also for research and development, for tomorrow's weapon systems must be researched and developed today if they are to be produced and ready for use some 3, 4 or even 5 years in the future.

Our troop level is at its lowest since 1950. I do not think anyone will seriously suggest cutting it further at this time. Therefore, if cuts are made in this budget, they are most likely to be made in the funds that are requested for new weapons. This means that we would continue to fall further and further behind the Soviets.

In this, the Bicentennial Year of our independence, let us remember and be willing to make the necessary sacrifices to preserve it. We face hard choices in the use of scarce resources—but we must make the right choices if we are to remain the bastion of freedom in this dangerous world.

Mr. President, a few days ago I received a letter from Mr. Perris S. Jensen, an attorney of Salt Lake City, Utah, with which he enclosed a copy of his letter dated March 8, 1976, to the editor of the Deseret News of Salt Lake City.

In his letter, Mr. Jensen draws a "striking" parallel between conditions that prevailed in 1935 with those that are present today. To say the least, the facts he recites and his comments thereon are thought-provoking, indeed. I believe it would be well for all Members of Congress to ponder and weigh carefully the realities of the situation as we consider the defense appropriations bill and especially proposals to make substantial reductions therein below budget requests.

Mr. President, I ask unanimous consent that Mr. Jensen's letter to which I have referred be printed in the Record at this point as a part of my remarks.

There being no objection, the letter was ordered to be printed in the Record, as follows:

Salt Lake City, Utah,
March 8, 1976.

Dear Senator: The enclosed letter was first composed as a letter to the Editor of the Deseret News, but the parallel between conditions in 1935, which I well remember, and as shown by Lowell Thomas on television last week, and the conditions now prevailing, are so very striking that I deemed it of sufficient importance to call to the attention of all members of the United States Senate.

I sincerely trust that you will take the time to read it.

Respectfully,

Perris S. Jensen.

Salt Lake City, Utah,
March 6, 1976.

Deseret News,
Salt Lake City, Utah.
To the Editor:

A couple of nights ago Lowell Thomas presented on television a review of Movietone scenes of 1935. The parallel with 1976 was so striking that I cannot refrain from pointing it out.

In 1935 Mussolini, urged on and supported by Hitler invaded Ethiopia. The League of Nations looked the other way. America said, "Naughty! Naughty!" but did nothing.

In 1935 Hitler was engaged in a massive build-up of military might in Germany, including vastly increasing the navy and a huge fleet of submarines, devoting to the purpose 19% of Germany's gross national product. He had fully announced his plans in Mein Kampf, but no one paid much attention. Chamberlain, British Prime Minister, carried on extensive negotiations to ease the tension, and by the treaty at Munich Czechoslovakia was offered up as a sacrifice to "satisfy the wolf." Churchill later declared that official intelligence on German disarmament violations was subjected to "some watering down or whittling down of the facts."

America was too engrossed with N.R.A., W.P.A., C.C.C. and other governmental agencies to pay much heed to the growing danger. Her distraction with internal efforts in a coming election, with massive efforts to aid the poor and improve the living conditions of the people, was a clear signal to Hitler and Mussolini that they could do as they pleased without interference from us. Probably Hitler might have been stopped at this point if America had rolled up its sleeves and given a clear warning that aggression would not be tolerated—but we didn't.

In 1976 Cuba, urged on and supported by Russia has invaded Angola. The United Nations looked the other way. America said, "Naughty! Naughty!" but did nothing.

Russia is presently engaged in a massive build-up of her military might, including vastly increasing her navy and building a huge fleet of submarines, devoting to the purpose 20% of her gross national product. She has fully announced her plans to Communize the whole world, but no one pays much attention. Kissinger has carried on extensive negotiations to ease the tension, and by the treaty at Helsinki the once free nations now behind the iron curtain were offered up as a sacrifice to "satisfy the wolf." We now learn that the findings of our intelligence services as to Russian violations of Salt and other agreements, have been "watered down or whittled down as to the facts."

America is too engrossed in E.P.A., C.P.S.A., and countless other alphabetical programs, discrimination, integration, health and safety acts, welfare, reports, regulations, investigations, and studies of environment, to heed the growing danger. She is constantly reducing her preparations for defense to the point where expenditures to save us from the holocast of war now use the smallest percentage of our gross national product since the end of World War II.

America's distraction with the coming election and with internal affairs, her reduction of military spending, and her refusal to hear the pleas of other nations being raped, like Angola, is a clear signal to Russia that she can do as she pleases without interference from us. Kissinger can say, "You mustn't do that. We won't tolerate it," but Congress has repudiated him to the point where his words mean nothing. Our actions speak louder than our words.

If, one day, Russia, believing as Germany did that America has no will to fight, should march into western Europe, behind her tremendous mass of tanks, what would we do?

What could we do—with our oil supply cut off by submarine warfare, bringing our vast industry to a halt? What could we do, particularly if Russia should threaten to blast us into oblivion by atomic power—a threat she is fully capable of carrying out? Solzhenitsyn, who is in a position to know, says it is already too late. Perhaps it is, but if Congress awoke to the danger and rolled up its sleeves, Russia might just take warning.

The parallel between 1935 and 1976 is just too striking to ignore.

Sincerely submitted,

PERRIS S. JENSEN.

Mr. McCLELLAN. Mr. President, I also ask unanimous consent that the report of the Senate Committee on Appropriations to the Senate Committee on the Budget be printed in the RECORD.

There being no objection, the report was ordered to be printed in the RECORD, as follows:

VIEWS OF THE COMMITTEE ON APPROPRIATIONS, UNITED STATES SENATE, ON THE FIRST CONCURRENT RESOLUTION ON THE BUDGET, MARCH 15, 1976

INTRODUCTION

The Committee on Appropriations submits the following report to the Committee on the Budget in accordance with section 301(c) of the Congressional Budget Act of 1974.

The report presents the separate recommendations of the 13 subcommittees for target ceilings on budget authority and outlays under their respective jurisdictions, accompanied by a narrative explaining divergences between the President's request and the Committee recommendations. These recommendations are then consolidated and melded together into budget major functional categories.

The contents of this report are consistent with a Committee practice inaugurated by the Chairman several years ago to have the subcommittees set budget authority and outlay targets prior to detailed analysis of the appropriations bills. This procedure, which seems to have worked well for the past 3 years, enables the Committee to establish Committee-wide spending objectives early in the year and then evaluate each subcommittee's efforts at meeting the targets as its appropriations bills are brought before the full Committee for action.

The Committee is pleased to report this information to the Committee on the Budget on time and hopes that it will be useful in the process of formulating a Government-wide concurrent spending resolution.

1976 BUDGET TARGETS BY SUBCOMMITTEE STRUCTURE

Of the total $433 billion in budget authority requested in the President's budget, only about 60 percent, or $264 billion, comes directly under the jurisdiction of the Committee on Appropriations. This section of the report contains table 1 which displays the recommended budget authority and outlay targets in each subcommittee's jurisdiction. These targets provide the subcommittees' best present estimate of the totals derived from consolidating their recommendations for funding the appropriations line items in their pending appropriations bills. The subcommittees' narrative reports, which accompany the chart, explain any increases or decreases in their targets from the President's budget to provide a rationale for such differences.

TABLE 1.—COMMITTEE ON APPROPRIATIONS, SUBCOMMITTEE BUDGET TARGETS FOR 1977

[In millions of dollars]

Subcommittee and chairman	Budget request			Outlays		
	1977 request	1977 target	Difference	1977 request	1977 target	Difference
Agriculture and Related Agencies (McGee)	11,448.5	12,043.0	+594.5	11,467.5	12,286.3	+818.8
Defense (McClellan)	106,666.5	106,666.5	0	95,255.6	95,255.6	0
District of Columbia (Chiles)	396.9	396.9	0	467.8	467.8	0
Foreign Operations (Inouye)	5,056.2	5,056.2	0	4,974.7	4,974.7	0
HUD-Independent Agencies (Proxmire)	45,023.8	45,575.8	+552.0	34,824.6	35,246.3	+421.7
Interior and Related Agencies (Byrd)	4,582.8	5,872.8	+1,290.0	4,686.5	5,788.5	+1,102.0
Labor-HEW (Magnuson)	54,192.9	65,688.9	+11,496.0	61,202.8	69,402.8	+8,200.0
Legislative (Hollings)	932.4	979.2	+46.8	955.9	982.4	+26.5
Military Construction (Mansfield)	3,467.0	3,467.0	0	3,197.0	3,197.0	0
Public Works (Stennis)	9,224.4	9,704.4	+480.0	8,483.2	8,762.2	+279.0
State, Justice, Commerce (Pastore)	6,234.3	6,984.3	+750.0	6,911.4	8,781.4	+1,870.0
Transportation (Bayh)	4,546.2	5,412.2	+866.0	13,707.6	15,027.6	+1,320.0
Treasury, Postal Service (Montoya)	7,978.7	8,480.4	[1] +501.7	7,972.4	8,477.4	[1] +505.0
Subtotal	259,750.6	276,327.6	+16,577.0	[3] 254,107.0	268.650.0	+14,543.0
Pay and contingencies:						
DOD pay raises	1,441.5	2,172.5	[4] +731.0	1,399.1	2,129.1	[4] +730.0
Other Federal pay raises	790.0	1,090.0	[4] +300.0	760.0	1,060.0	[4] +300.0
Contingencies	1,800.0	1,800.0	0	1,500.0	1,500.0	+0
Total	263,782.1	281,390.1	+17,608.0	257,766.1	273,339.1	+15,573.0

[1] Includes $225,900,000 as an allowance for a proposed supplemental for claims, judgments, and relief. The President intends to transmit formally this supplemental during fiscal year 1977.

[2] Includes programs funded in regular annual 1977 appropriations bills, as shown in a Feb. 27 report from the Congressional Budget Office.

[3] Includes outlays for programs funded in regular annual 1977 appropriations bills along with outlays from 1976 supplementals requested by the President, as shown in Feb. 23 and Feb. 27 reports from the Congressional Budget Office.

[4] Allowances based on OMB estimates and other data were provided in the expectation that Congress may override the President's proposed pay cap on Federal pay raises. This table was prepared prior to receipt of a CBO analysis on this subject.

AGRICULTURE AND RELATED AGENCIES

The Subcommittee recommends that the fiscal year 1977 targets be revised upward from those proposed in the President's budget request. The target for new budget authority is tentatively set at $12.0 billion, which is $594.5 million more than the budget request. The Subcommittee proposes the target for outlays be set at $12.3 billion, which is $818.8 million more than the President's request.

The increase in budget authority includes $28.4 million for various educational and scientific research activities of the Department of Agriculture. For the agencies dealing with water resources and land management, the Subcommittee recommends increases totaling $231.8 million. For these agencies the President proposes to eliminate several programs within the Soil Conservation Service and the Agricultural Stabilization and Conservation Service. The recommended increases would restore and/or retain these programs at substantially the fiscal year 1976 appropriation level.

An increase of $16.5 million is proposed for rural housing programs of the Farmers Home Administration, which will retain programs proposed for elimination by the President. The Subcommittee includes $100 million for the water and sewer grant program of the Farmers Home Administration and $13.5 million to restore other grant programs of this agency.

The recommended increases included $17.5 million for meat and poultry inspection activities of the Animal and Plant Health Inspection Service. The Subcommittee also recommends $144 million for the special milk program and $28 million for the non-food assistance program of the Child Nutrition Service.

The increase in outlays in the fiscal year 1977 budget is primarily attributable to a $500 million increase for the Commodity Credit Corporation, a relatively uncontrollable item.

DEFENSE

During the past four fiscal years (1973–76), Congress has reduced total budget requests for regular appropriations by $23 billion. The four annual Defense Appropriations Acts accounted for $20.9 billion, or 91 percent of the total reduction for the period. During the same time, the four annual Military Construction Appropriations Acts cut $1.5 billion, and the Military Assistance appropriations accounted for an additional reduction of $1.2 billion. Thus, during this 4-year period, the three major portions of the current national defense function (050) provided total reductions of $23.6 billion, or $600 million more than the net total by which Congress reduced all budget requests submitted. This illustrates that, for the past 4 fiscal years, the national defense function has been practically the sole source for congressional reductions from the President's annual budget submissions.

A dollar comparison of Soviet and United States defense activities released last month, based on the Central Intelligence Agency's best estimates, shows that total dollar costs of Soviet defense programs have exceeded United States defense appropriations in each year since 1970. The dollar costs of Soviet defense programs in 1975 exceed those of the United States by 40 percent. When expressed in constant U.S. prices, which measure growth in real terms, the trend in the Soviet defense program is one of continuous growth since 1970 averaging about 3 percent each year. Despite increases in the current dollar costs of U.S. defense programs, appropriations for our defense expressed in constant dollar terms have declined continuously since the peak of 1968 and since 1973 have been below the 1965 level. The decline reflects reductions in nearly every major U.S. force component in the seventies, including strategic defense forces, general purpose forces, and command and support activities.

The ever-widening gap between Soviet and United States defense expenditures, plus the drawdown of U.S. equipment for the conflict in Southeast Asia and assistance to Israel in the 1973 war, presents a situation wherein the Soviets now have:

1,600 intercontinental ballistic missiles, compared to 1,054 for the United States;

730 submarine-launched ballistic missiles, compared to our 656;

42,000 tanks, compared to a U.S. inventory of 9,000;

20,000 artillery pieces, compared to 6,000 for the United States;

229 major surface combatant ships, compared to our 172 (the U.S. Navy had 950 active ships in mid-1968—there were less than 500 active ships in mid-1975);

255 general purpose submarines, compared to a U.S. fleet of 76; and

4.4 million military personnel, compared to U.S. strength of 2.1 million.

The Defense Subcommittee does not suggest that we appropriate the amount of funds that would be necessary to achieve a one-for-one comparability with the Soviet Union. We cannot, however, continue to ignore the trends in defense spending and capability between the United States and the Soviet Union. We must reverse the downward trend in spending for our own defense and begin providing appropriations sufficient to insure our military strength, preparedness, and readiness. To do less at this time will weaken our military posture and imperil future national security.

For fiscal year 1977, the Defense Subcommittee expects to receive budget requests totaling $107.9 billion in budget authority and $96.5 billion in outlays. Of this amount, requests for $106.7 billion in budget authority and $95.2 billion in outlays have been transmitted to date; the remainder consists of pay supplementals and legislative proposals to be transmitted at a future date. Because the first concurrent resolution addresses the total anticipated request, recommendations are based on the larger anticipated amounts, which will be subsequently requested for the Defense Establishment.

That portion of the Defense appropriations discussed herein represents about 93 percent of the budget authority requested in the total national defense function (050). The remaining 7 percent is included in such other bills as military construction, foreign assistance, and public works.

The total amounts requested for the Defense bill compare with fiscal year 1976 amounts (appropriated to date, plus supplemental requests) of $92.7 billion in budget authority and $86.7 billion in outlays. Therefore, the total increase requested over fiscal year 1976 is $15.2 billion in budget authority and $9.8 billion in outlays. Of the budget authority increase requested for fiscal year 1977 over fiscal year 1976, $3.7 billion is for operation and maintenance (including stock funds) of the forces, $882 million is for increased costs of military personnel, additional procurement of $8.1 billion, retired pay increases of $1.1 billion, and research, development, test and evaluation increases of $1.4 billion.

Approximately $6.6 billion of the $15.2 billion increase is for inflation and pay costs, while the remaining $8.6 billion represents real program growth. The principal components of this real program growth are procurement ($6.7 billion), operation and maintenance ($1.5 billion), research, development, test and evaluation ($0.7 billion) and military retired pay ($0.4 billion), offset by real decreases in military personnel (—$0.7 billion). Major increases are being provided in new weapons investment associated with increases in force structure. Major operational increases in equipment and facilities maintenance are also requested. Military end strengths remain basically constant at 2,101,000, while civilian strengths decline about 26,000 to 1,035,800.

There is a complicating factor that must be taken into account in considering the defense budget for fiscal year 1977. The President's budget assumes favorable congressional action on certain administrative and legislative proposals valued at anywhere from $3.5 to $5.2 billion. If favorable action on these proposals is not forthcoming, then it is entirely probable that an amount in that range will have to be added to the pending budget request. Administratively, the budget assumes a $0.8 billion reduction associated with overall personnel economies, decreased entitlements, cutbacks to the National Guard and Reserve, and base closures; the military construction and family housing programs have also been constrained by about $0.9 billion. In addition, the following proposed savings are contingent upon enactment of enabling legislation:

$731 million associated with a "cap" on military and civilian pay raises (low range; could grow to $2.4 billion depending on size of raise compared with cap);

$52 million related to increasing the percentage of military pay raise applied to basic allowance for quarters;

$75 million saving achieved through elimination of the 1 percent retired pay "kicker";

$13 million tied to reduction in number of paid drills for the National Guard;

$45 million associated with elimination of dual compensation for Federal workers while undergoing National Guard/Reserve training;

$94 million achieved through a 3-year phaseout of appropriated support for commissaries; and

$746 million associated with increased strategic stockpile sales.

With the exception of military construction constraints and the proposal for increased stockpile sales, the above are largely or entirely applicable to the Defense appropriations bill.

After careful consideration of the factors involved, the Defense Subcommittee recommends a target ceiling of $107.9 billion in new obligational authority for the portion of the national defense function over which it has jurisdiction. This is the same amount as the budget request. Although reductions in some areas of the budget are undoubtedly possible, it is the Subcommittee's view that additional funding requirements are likely to offset these reductions. The Subcommittee emphasizes that, as previously discussed, congressional action and/or inaction can add as much as $3.5 to $5.2 billion to the budget request for the total national defense function.

It is not in the national interest for the defense budget to continue bearing the full burden of reductions in Federal expenditures. It is imperative to the national interest that the practice be stopped. A further weakening of our military capability and further impairment of the status of our readiness posture will incur unacceptable risks that are fraught with danger to our national safety and security.

DISTRICT OF COLUMBIA

The Subcommittee approves a target recommendation to conform with the President's request of $396.9 million in budget authority and $467.8 million in outlays. These amounts primarily include the Federal payment to the District of Columbia Government and borrowing authority for capital outlays.

On January 13, 1976, the Mayor sent his fiscal year 1977 budget request to the City Council and under the Home Rule Charter the Council has 50 days (or until March 3, 1976) to act on the budget. Following that, the Mayor has 10 days to consider City Council action and the City Council has a subsequent 30 days to override any possible vetoes by the Mayor.

While the City has promised to expedite the process by not taking all the allowed time, it will probably be at least mid-March before the President submits the details supporting the gross estimates in his January budget. At this time, the District of Columbia Subcommittee will be able to provide more accurate target figures for both budget authority and outlays.

FOREIGN OPERATIONS

For fiscal year 1977, the Subcommittee recommends target figures for both budget authority and outlays be set at $5.1 billion and $5.0 billion respectively, the same as the President's budget request.

In the absence of the enactment of a regular fiscal year 1976 appropriations bill the Subcommittee has found it virtually impossible to establish meaningful fiscal year 1977 target ceilings. Therefore, the target figures reflect fiscal year 1977 budget requests of new budget authority as of February 27, 1976. Projections of outlays are also based upon pending fiscal year 1977 budget requests as projected by the Congressional Budget Office.

It should be noted that not all foreign assistance is appropriated in the Foreign Assistance and Related Programs Appropriations Bill. For instance, the Committee estimates that total foreign assistance proposed for fiscal year 1976 equaled $9.1 billion. Of this amount, only $5.8 billion in requests for new budget authority was considered by the Foreign Operations Subcommittee. Although no similar estimate is yet available of total foreign assistance proposed for fiscal year 1977 we contemplate that numerous transfers of U.S. resources such as Public Law 480 foodstuffs, excess defense articles, Department of Defense real estate transfers, and the Pan American Highway will be provided outside the jurisdiction of the Foreign Operations Subcommittee.

HUD-INDEPENDENT AGENCIES

For fiscal year 1977 the Subcommittee proposes a target of $45.6 billion in budget authority which is $552 million above the President's request. It is estimated that this additional budget authority will add $421.7 million to the President's 1977 outlay request for a recommended outlay target of $35.2 billion.

The increase in budget authority includes an additional $5 million for continuation of environmental research in the Chesapeake Bay area, a $25 million add-on for section 701 comprehensive planning grants, and $50 million for the rehabilitation loan fund.

In addition, under the Subcommittee recommendation the budget authority target will increase for the Department of Housing and Urban Development's operating subsidy program by $112 million in recognition of the fact that the Congress will, in all likelihood, not enact legislation tightening income standards for public housing residents.

The Subcommittee recommends an increase of $360 million in budget authority for the Veterans Administration. Of this total increase, $350 million is attributable to the likelihood that Congress will not only extend pension increase legislation scheduled to expire on September 30, 1976, but also provide a further cost-of-living increase. An additional $10 million increase is to allow the Subcommittee the opportunity to consider the initiation of worthwhile major hospital construction projects.

INTERIOR AND RELATED AGENCIES

The Subcommittee proposes that the 1976 targets for budget authority and outlays be revised upward from those recommended in the President's budget request. The target for budget authority is set at $5.9 billion, which is $1.3 billion more than the President's request The Subcommittee recommends that the target outlays be set at $5.8 billion, which is $1.1 billion increase in the budget request.

Of the total increase in budget authority, $209 million represents anticipated program increases that the Subcommittee considers to be justified as a result of underfunding in the President's budget. Another $900 million in budget authority is included to cover a major budget amendment expected to be submitted by the President in the near future for newly authorized energy conservation programs under the Federal Energy Administration. A total of $181 million represents anticipated supplemental appropriations that are to be requested by the President for firefighting costs and other unforeseen program increases, and for coal leasing needs brought about by implementation of a new coal policy for Federal lands. The higher outlay figure is the result of the increased new budget authority discussed above and expected Senate denial of fiscal year 1976 deferrals proposed by the President.

LABOR AND HEALTH, EDUCATION, AND WELFARE

The Subcommittee recommends that the fiscal year 1977 targets for new budget authority and outlays be revised upward from those proposed in the President's budget. The target for budget authority is set a $65.7 billion which is $11.5 billion more than the budget request. The Subcommittee proposes the target for outlays be set at $69.4 billion, an increase of $8.2 billion over the President's budget request.

Approximately 500 individual programs make up the Labor-HEW bill, which, in one way or another, touches upon the lives of every person in this country. A large portion of the bill (75 percent) is made up of programs for which legislation mandates spending levels. There is also a significant number of other programs which are largely uncontrollable because of certain entitlements and hold-harmless provisions in law, such as vocational rehabilitation grants to States and impact area aid.

The sensitive nature of this bill, however, does not arise out of the number or complexity of the programs and budget activities. Its importance must also be measured in terms of benefits to society and opportunities provided to individuals. Unemployment, illness, and illiteracy place severe, long-term burdens on the economy. A heavy price is paid when the potential of our citizens is wasted; the tax base is lowered, and our overall productivity hampered when large numbers of the population cannot work. The hidden costs of disease, economic despair, and neglect run in the billions each year. For this reason, the members of the Subcommittee believe the proposed target amounts to be a worthwhile investment of scarce Federal dollars.

This Subcommittee believes that the Labor-HEW portion of the President's budget appears unrealistically low. Financial aid to State and local governments would be severely reduced at a time when Federal assistance is most crucial; support for education and training efforts would be reduced despite the need for trained health professionals; and Federal involvement in the areas of health research and medical services would be phased down.

In general, most of the proposed reductions seem to lack sound rationale and judgment. Mandatory entitlement and spending provisions in law were ignored, as was the cost-effectiveness of established programs. More than 45 budget activities would be eliminated under the President's budget, while many others would be earmarked for phaseout. Most of these programs have traditionally been considered a high-priority in the Congress.

Department of Labor

The increase in the budget authority target includes $6.7 billion for the Department of Labor. The target figure includes major changes over the budget-request level for these Labor Department programs: (1) unemployment insurance benefit payments; (2) public service employment, summer youth jobs, and jobs for older Americans; and (3) occupational safety and health.

Four billion dollars of the increase for the Department of Labor, is for mandatory unemployment benefits, based on the assumption that the unemployment rate will average 8.0 percent during fiscal year 1977. The President's budget assumes unemployment will average 6.9 percent compared with an average of 8.5 percent for the past year. Another $2.2 billion of the increase for this Department is included to finance additional public employment programs.

The Subcommittee recommends an increase of $4.2 billion in budget authority for the Department of Health, Education, and Welfare.

Health agencies

Of this amount, $1.3 billion is for health agencies. The President's budget for fiscal year 1977 proposes that responsibility for several Federal health activities be transferred to the State and local governments. The Subcommittee believes the States are presently unprepared for this sudden shift of responsibility and unable to assume the additional financial burdens it would entail. The Congress rejected this proposal in fiscal year 1976, and it is expected that the same may occur in fiscal year 1977.

Education division

The Subcommittee recommendation includes an additional $2.1 billion for the Education Division, including $682 million required simply to mantain aid to local school districts at the current level of support. The Subcommittee views these programs as perhaps the most essential Federal investment in this Nation's education system. Local schools continue to be faced with serious financial burdens. The failure of tax levies, recent court rulings, new State education laws, and inflation all contribute to the hardships being felt by more than 13,000 school districts.

Social and rehabilitation programs

In addition, for the Department of Health, Education, and Welfare the Subcommittee proposes an increase of $605 million for the Social and Rehabilitation Service. The bulk of this increase is likely to be required to cover the Federal share of noncontrollable public assistance costs. Another increase of $206 million is provided for human development programs. The proposed increase takes into account the effects of inflation on Headstart projects and modestly expands community services and nutrition programs for the elderly.

Related agencies

The Subcommittee proposes an increase of $565 million over the President's budget request for related agencies. Almost half this increase, $261 million, provides for continuation of antipoverty programs which the President proposes to eliminate, including emergency food services, energy conservation, and programs for disadvantaged youth. An increase of $294 million is recommended for payment to the Corporation for Public Broadcasting. Of the increase, $33 million is for payment to the Corporation in fiscal year 1977; the remainder would advance fund payments for fiscal years 1978 and 1979.

LEGISLATIVE BRANCH

The Subcommittee establishes for fiscal year 1977 a budget authority target of $979.2 million, $46.8 million over the President's budget request. The level of outlays has been set by the Subcommittee at $982.4 million, an increase of $26.5 million over the budget request.

The Subcommittee recommendation is greater than the President's budget due to the unique procedure followed for some of the activities of this bill. The Senate and Architect of the Capitol only budget for those activities already authorized so that the President's budget covers only the on-going costs of those activities approved in the prior year. The budget estimates do not provide for new activities and programs planned in the coming year. Therefore, the Subcommittee adds, in budget authority, $7 million for the Senate, $1 million to the Joint Items, and $32.5 million to the Architect of the Capitol. In addition, the Subcommittee includes in the target figure $1.3 million to administer the copyright revision bill that passed the Senate last month and $4.7 million for the Government Printing Office and General Accounting Office for budget requests forwarded to the Subcommittee since the budget was printed.

MILITARY CONSTRUCTION

The Subcommittee proposes that the target figure for budget authority be set at $3.5 billion and outlays at $3.2 billion, both the same as the President's budget request.

The Subcommittee has determined there does not appear to be room for a reduction in the Military Construction program for fiscal year 1977. Furthermore, the Subcommittee generally concurs with the major priorities expressed in the President's budget for distributing funds among major programs in the bill.

The largest single item in the bill is $437 million for an engineering test facility at the Arnold Engineering Center at Tullahoma, Tenn. The rest of the program for the active forces—namely, Army, Navy, Air Force—is made up of three types of facilities: (1) energy conservation and pollution; (2) troop housing; and (3) housing maintenance.

PUBLIC WORKS

For fiscal year 1977, the Subcommittee recommends a $9.7 billion target in budget authority, an increase of $480 million over the President's budget. The outlay target is set at $8.8 billion, an increase of $279 million over the budget request. All of the recommended increases would be in the functional category Natural Resources, Environment and Energy (Function 300).

About $110 million of the increase in budget authority proposed by the Subcommittee is for the Energy Research and Development Administration. This increased amount is principally for continued acceleration of research, development, and demonstration of new energy technologies, consistent with the right priority national goal established by Congress for an accelerated energy R&D program for energy self-sufficiency.

The Subcommittee estimates that there will be some small adjustments in the National Defense function (050) and General Science, Space and Technology function (250) amounts that come within the ERDA budget. However, these adjustments would not significantly alter the overall budget as such changes would be in the lower range of less than $50 million.

For the Civil Works Program of the Army Corps of Engineers, the Subcommittee proposes that budget authority be increased by $325 million over the budget request. The President's request for the Corps clearly is inadequate to maintain ongoing construction work schedules. The Administration's budget policy, as stated in the President's budget message, is to slow down and stretch out work on a large number of current, ongoing construction projects, thereby introducing significant schedule delays.

The Subcommittee strongly disagrees with this policy which not only results in increases in the cost of the projects through inflation and overhead, but delays needed project benefits and exacerbates the unemployment problem in general and unemployment in the construction industry in particular. Few ongoing projects are proposed for funding at an optimum level or at the Corps capability level. Even power projects are funded at the minimum amount to meet power delivery dates previously established, not at the level needed to accelerate the availability of these needed projects to produce essential electric power generation sooner. Additionally, the budget specifically denies new construction starts and suspends funding of the special continuing authorities for the small projects program.

The Subcommittee recommendation would provide for a more realistic program effort in meeting our Nation's highest priority water resource needs including maintaining ongoing work to prevent further schedule delays, additional preconstruction planning and investigations, a higher level of operation and maintenance work to avoid creating a huge backlog of unfunded needed maintenance and continuing the small projects program. The recommended funding level also anticipates selection of a few high-priority new starts for funding in fiscal year 1977.

The Subcommitttee recommends an additional increase in budget authority of $45 million for progams and activities of the Bureau of Reclamation. Interior power marketing agencies, Appalachian Regional Development, Nuclear Regulatory Commission, Federal Power Commission, The Tennesseee Valley Authority, and the Water Resources Council. The additional amounts are proposed to meet unbudgeted, but needed water and related land resources work, principally Bureau of Reclamation and TVA projects and activities.

The Subcommittee estimates that there are other potential funding changes which could be required based on proposed legislation and contingencies. While it is difficult to clearly identify the potential amounts that could result from legislative action, it is anticipated that approximately $200 million in budget authority and $60 million in outlays would be required if Congress decided to change the sale price of enriched uranium and if the Federal government povides the next increment of enriched uranium production capacity should the private sector plans not be implemented. Because of the complexities and the uncertainties involved in legislative changes, these latter amounts are not included in the Subcommittee target at this time.

STATE, JUSTICE, COMMERCE, THE JUDICIARY

For fiscal year 1977 the Subcommittee recommends a budget authority target of $7.0 billion, an increase of $750 million over the President's budget request. The Subcommittee recommends that the target for outlays be set at $8.8 billion, which is $1.9 billion more than the President's request.

The increased budget authority target of $750 million is necessary for the following reasons.

First, the fiscal year 1977 President's budget proposes over $100 million worth of reductions in the law enforcement assistance program, including reductions in the law enforcement education program, the juvenile justice and delinquency prevention program, and the State block grant program. The budget also proposes reductions in the staff and training programs of the Federal Bureau of Investigation and cutbacks in the Legal Services Corporation. Inasmuch as most of these proposals have already been considered and rejected by the Congress during the processing of the fiscal year 1976 budget, it is unlikely that the Congress would change its position and agree to these proposals during the processing the fiscal 1977 budget. A more realistic view is that the Congress will add about $150 million to the 1977 budget request to restore the proposed cuts and provide for some small increases in selected law enforcement progams such as the Legal Services Corporation.

Secondly, the fiscal year 1977 President's proposes a decrease of $529 million for the development assistance programs of the Department of Commerce. The proposed change from $820 million in fiscal year 1976 to $291 million in fiscal year 1977 is a year-to-year reduction of about 65 percent. In contrast, the Congress, despite the sustained veto of the Public Works Employment Act of 1975, still may authorize additional amounts for antirecession employment programs. In any event, the Senate is likely to restore appropriations for the ongoing tried and proven EDA programs to at least the level contained in last year's Senate bill. This could add about $600 million to the President's budget.

The outlay increase of $1.9 billion over the President's request includes $1.5 billion associated with a possible fiscal year 1976 public works employment supplemental appropriations bill for which provision has already been made in the 1976 second concurrent resolution.

TRANSPORTATION

The Subcommittee recommends that the fiscal year 1977 targets for new budget authority and outlays be revised upward from the President's request. It is proposed that the target for new budget authority be set at $5.4 billion, which is $866 million over the budget request. The target for outlays is set at $15.0 billion, an increase of $1.3 billion over the budget request.

It is estimated the budget authority increase will be required for an additional $562 million for railroads, $50 million for aviation, $127 million for maritime, $50 million for mass transit, and $77 million for highways.

The increase in outlays includes funds to restore Urban Mass Transportation Administration grants which are deleted as a result of a legislative proposal to change the method of computing transit formula grants. If that proposal is not enacted, those increased outlays will occur.

The Subcommittee notes that the authorizing legislation for grants-in-aid for airports and for Federal-aid highways have not been passed by Congress as yet. It appears to the subcommittee, however, that the obligation ceilings recommended in the budget will be low in light of the authorizations contained in both House and Senate versions of these bills.

TREASURY, POSTAL SERVICE, GENERAL GOVERNMENT

For fiscal year 1976 the Subcommittee proposes a budget authority target of $8.5 billion, an increase of $501.7 million over the President's budget request. The Subcommittee recommends that the target for outlays be set at $8.5 billion, which is $505.0 million more than the President's request.

The increase by the Subcommittee in both budget authority and outlays is mostly attributable to the failure of the President to include $307.4 million in his recommendations for continued subsidy to the Postal Service to support extended phasing-in of full rates for certain second-, third- and fourth-class mailers as authorized by Public Law 93–328. Without adding this item for support of continued subsidy to the Postal Service, the Subcommittee target figures would, as a result of numerous small program reductions in various activities, be less than the President's budget request.

Both the increases for budget authority and outlays contain a $225.9 million allowance for a supplemental appropriation for claims, judgments and relief. The President has indicated he will formally transmit this supplemental request to the Congress during fiscal year 1977.

OTHER ITEMS UNDER THE COMMITTEE'S SPENDING JURISDICTION

The budget authority column in table 1 for the President's 1977 request includes these budget accounts proposed by the President for consideration in the regular, annual 1977 Appropriations Act. The outlays column in that table for the President's 1977 request includes 1977 outlays from new and previously enacted budget authority for programs considered in the regular Appropriations Acts, along with the outlays from fiscal year 1976 Federal pay and program supplementals. These tables are consistent with reports received from the Congressional Budget Office on February 23 and March 1, 1976.

In addition to the budget requests specifically included in table 1, other types of budget transmittals are also included in the spending jurisdiction of the Committee on Appropriations. These include fiscal year 1977 Federal pay supplements, fiscal year 1977 proposals for new legislation and program supplementals, fiscal year 1976 rescission proposals, and contingencies. Each of these items will be considered separately.

1977 Federal pay supplementals

The President included $1,441.5 million for military and civilian pay raises in the Department of Defense. The Committee recommendation in table 1 includes an allowance of $731 million, in the expectation that Congress may override the President's "pay cap" proposal in order to permit salaries to keep pace with the inflation rate.

In his budget, the President included $790 million for other Federal pay raises including $35 million for personnel involved in new legislative proposals. The Committee has included at the bottom of table 1 this figure in its fiscal year 1977 recommendations, along with a $300 million allowance in case the Congress also overrides the proposed pay cap on Federal salaries outside the Department of Defense. These allowances are based on estimates provided by the Office of Management and Budget and other agencies and are subject to change later in the year. It was prepared prior to receipt of any analysis on this subject from the Congressional Budget Office.

1977 legislative proposals and program supplementals

In its description of the fiscal year 1977 Budget request, the Congressional Budget Office separates out fiscal year 1977 legislative proposals and supplemental appropriations proposed for later transmittal to the Congress.

While some items falling under this category have been covered previously in the report, the Committee thought it might be helpful to briefly discuss in one place many of the major Budget request increments (those over $50 million) involved in new legislation and fiscal year 1977 program supplementals.

Agriculture and Related Agencies

Food and Nutrition Service (—$1.1 billion)—The spending levels recommended by the Subcommittee assume current legislation rather than the lower estimates anticipated in the Administration's block grant proposal. The block grant proposal in the 1977 request is similar to the Administration's 1976 child nutrition proposal, which was not adopted by the Congress.

Agricultural Stabilization and Conservation Program (+$90 million)—The Subcommittee assumed that the program would be funded under current legislation rather than under the new $90 million program proposed here.

Defense

DOD military reductions (−$203 million)—The Subcommittee assumes that only about half of these reductions will be eventually realized.

Foreign Operations

International financial institutions (+$532 million)—The Subcommittee on Foreign Assistance suggests that the Committee on the Budget bear in mind that its target recommendations do not include any amounts relating to the +$532 million increase. If legislation along these lines is enacted, budget targets should be adjusted accordingly.

HUD-Independent Agencies

Veterans program reductions (−$921 million)—In considering target levels for the Veterans Administration the Subcommittee did not incorporate projected savings contingent on the passage of legislation restricting GI bill benefits, eliminating certain compensation and pension costs, and providing for private carrier reimbursement of medical care costs. Furthermore, the Subcommittee did not include additional budget authority to implement an as yet unenacted state cemetery program. All of these recommendations have been made in the past, none have been approved by the Congress, and passage in calendar 1976 seems doubtful at best.

Interior and Related Agencies

Energy Research and Development Administration—The Subcommittee has made no recommendation concerning the legislative proposal to establish a Synthetic Fuels Demonstration Fund. This proposal would provide supplemental budget authority of $503 million for fiscal year 1976 and $1 million for the budget transition quarter. No budget authority or outlays were estimated for fiscal year 1977, and the status of the proposal was uncertain at the time recommendations were drawn up.

Energy Independence Authority—The Subcommittee has made no recommendation concerning the renewal of a legislative proposal to establish the Energy Independence Authority. The fate of the authorization was uncertain at the time recommendations were drawn up. The legislative proposal estimated $42 million in budget authority and outlays for fiscal year 1977.

Federal Energy Administration weatherization program (+$55 million)—The Subcommittee has not recommended any funds for this program which is now being funded under the Labor-HEW bill and is included in that Subcommittee's estimates. Should the authorization for an FEA program be enacted, the amount estimated under Labor-HEW can be shifted to the Interior Subcommittee without any changes in the functional totals.

Labor and Health, Education, and Welfare

Proposed Block Grant Legislation—The President has proposed legislation to consolidate several categorical programs funded throughout the Labor-HEW bill.

Specifically, the President has proposed to consolidate 16 health planning and services programs (including Medicaid) into one block grant totalling $10 billion. The President has also proposed legislation which would consolidate 24 education programs under one grant.

The Committee has made no special adjustments in its ceiling targets to reflect these proposals. It appears unlikely at this time that these block grant proposals would be enacted in time to be included in this year's appropriations process.

Public Service Jobs—A reduction of $1.6 billion from fiscal year 1976 funding levels is proposed in the President's budget for public service jobs. The President's budget would phase out this program entirely in fiscal year 1977.

The Committee's proposed budget ceiling assumes enactment of new authorizing legislation to continue and expand the current public service jobs program. A total $2.2 billion is included in the budget authority ceiling amount for this purpose.

Treasury, Postal Service, General Government

Claims, judgments, relief (+$225.9 million).—The Subcommittee's recommendations include an allowance for this increase, which the President plans to transmit formally as a fiscal year 1977 supplemental.

1976 rescission proposals

The Committee did consider the outlay effects of fiscal year 1976 rescission proposals in its recommendations displayed in table 1.

Excepting those rescissions approved by the Senate in H.R. 11665, the Committee has assumed that funds withheld pursuant to all other pending rescission proposals in the President's budget will be released promptly after the 45-day expiration date.

Contingencies

The President proposes $1.8 billion for unforeseen contingencies. The Committee tentatively supports this figure at this time.

1977 BUDGET TARGETS BY FUNCTION

This next section of the report will translate the Committee's recommendations by subcommittee structure into an array based on functional budget categories. The Committee believes that this functional array should be particularly helpful to the Committee on the Budget in developing its concurrent resolution by functional categories.

In tables 2 and 3, significant increases and decreases in the budget request for each subcommittee are tabulated by function. Small changes to the budget request (under $50 million) are not shown separately on this table, but are aggregated at the bottom of it. These tables indicate that if the tentative recommendations of all subcommittees are accepted, aggregate national spending for fiscal year 1977 will total approximately $450.0 billion in budget authority and $408.7 billion in outlays, plus allowances for Federal pay raises.

In compiling these tables, the increments recommended in table 1 were rearranged by functions. Thus, tables 2 and 3 reflect recommendations only on those portions of the Federal budget for which the Committee on Appropriations has spending jurisdiction. They do not include suggested changes to the remaining portions of the budget.

As spending legislation is reported to the Senate floor, the Committee will attempt, where possible, to sustain the Budget Control Act provisions which are intended to reduce the amount of future "backdoor" legislation bypassing Appropriations review. In the process of formulating the first concurrent resolution, the Committee recommends that the Congress analyze carefully the budgetary impact of the large amounts of spending for programs financed through the "backdoor" of the Treasury.

TABLE 2.—COMMITTEE ON APPROPRIATIONS RECOMMENDATIONS FOR 1977 BUDGET AUTHORITY BY FUNCTION

[In billions]

Functional budget category	Budget authority: 1976 request	Budget authority: 1977 request	Budget authority: 1977 committee recommendation	Budget authority: Difference	Subcommittee contributing to difference
050 National Defense	$102.3	$114.9	$114.9		
150 International Affairs	6.5	9.7	9.7		
250 General Science Space and Technology.	4.4	4.6	4.6		
300 Natural Resources, Environment and Energy.	19.2	9.7	11.6	$+1.9	Agriculture (+0.2), Interior (+1.2), Public Works (+0.5).
350 Agriculture	4.1	2.3	2.3		
400 Commerce and Transportation.	18.6	17.9	19.1	+1.2	Transp. (+0.9), Treasury (+0.3).
450 Community and Regional Development.	4.8	5.8	6.6	+0.8	Agric. (+0.1) HUD (+0.1), Labor, HEW (+0.3), State, Justice (+0.3).
500 Education, Employment, Training and Social Services.	19.7	15.9	21.8	+5.9	Labor, HEW (+5.6), State, Justice (+0.3).
550 Health	32.3	38.0	39.7	+1.7	Interior (+0.1), Labor, HEW (+1.6).
600 Income Security	$140.3	*$157.7	$162.1	+$4.4	Agric. (+0.2), HUD (+0.1), Labor-HEW (+4.1).
700 Veterans Benefits and Services.	19.9	17.7	18.1	+0.4	HUD (+0.4).
750 Law Enforcement and Justice.	3.3	3.3	3.5	+0.2	State, Justice (+0.2).
800 General Government	3.5	3.5	3.7	+0.2	Treasury (+0.2).
850 Revenue Sharing and General Purpose Fiscal Assistance.	9.5	7.3	7.3		
900 Interest	34.8	41.3	41.3		
Allowances	.2	2.6	2.6		
Undistributed offsetting receipts.	−15.2	−18.8	−18.8		
Miscellaneous adjustments			−0.1	−0.1	
Total	408.4	433.4	[1] 450.0	[1] +16.6	

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[1] Excludes at least $1 billion required if Congress overrides the proposed pay cap on Federal salaries. These amounts are shown in table 1.

TABLE 3.—COMMITTEE ON APPROPRIATIONS, RECOMMENDATIONS FOR 1977 BUDGET OUTLAYS BY FUNCTION

[In billions]

Functional budget category	Budget authority: 1976 request	1977 request	1977 committee recommendation	Difference	Subcommittee contributing to difference
050 National Defense	$92.8	$101.1	$101.1		
150 International Affairs	5.7	6.8	6.8		
250 General Science Space and Technology.	4.3	4.5	4.5		
300 Natural Resources, Environment and Energy.	11.8	13.8	15.1	+$1.3	Interior (+1.0), Public Works (+0.3).
350 Agriculture	2.9	1.7	2.2	+.5	Agric. (+0.5).
400 Commerce and Transportation.	17.8	16.5	18.1	+1.6	Transportation (+1.3), Treasury (+0.3).
450 Community and Regional Development.	5.8	5.5	7.1	+1.6	HUD (+0.1), Labor-HEW (+0.1), State, Justice (+1.4).
500 Education, Employment, Training and Social Services.	18.9	16.6	20.0	+3.4	Labor, HEW (+3.0), State, Justice (+0.4).
550 Health	32.1	34.4	35.4	+1.0	Labor, HEW (+1.0).
600 Income Security	$128.5	$137.1	$141.4	$+4.3	Agric. (+0.2), Labor, HEW (+4.1).
700 Veterans Benefits and Services.	19.0	17.2	17.5	+.3	HUD (+0.3).
750 Law Enforcement and Justice.	3.4	3.4	3.5	+.1	State, Justice (+0.1).
800 General Government	3.5	3.4	3.6	+.2	Treasury (+0.2).
850 Revenue Sharing and General Purpose Fiscal Assistance.	7.2	7.4	7.4		
900 Interest	34.8	41.3	41.3		
Allowances	.2	2.3	2.3		
Undistributed offsetting receipts.	−15.2	−18.8	−18.8		
Miscellaneous adjustments			+.2	+.2	
Total	373.5	394.2	[1] 408.7	[1] +14.5	

[1] Excludes at least $1 million required if Congress overrides the proposed pay cap on Federal salaries. These amounts are shown in table 1.

ZERO-BASED BUDGETING

Mr. PERCY. Mr. President, the Subcommittee on Intergovernmental Relations of the Senate Government Operations Committee begins hearings today on S. 2925, the Government Economy and Spending Reform Act of 1976. This legislation, which was introduced by Senators MUSKIE, ROTH, GLENN, and BELLMON, requires that all Federal programs, other than earned-benefit programs and interest on the national debt, be reviewed, rejustified and reauthorized every 4 years. It requires congressional standing committees to conduct a zero-based study of the programs scheduled for termination, identification of similar programs, and cost effectiveness studies.

I strongly support the zero-based budget concept and congratulate the sponsors of S. 2925, as well as those who have introduced proposals with similar objectives. I ask unanimous consent that I be added as a cosponsor of S. 2925 at this time.

The PRESIDING OFFICER. Without objection, it was so ordered.

Mr. PERCY. As an author of the congressional budget reform bill, I am very well aware of the difficulty inherent in making significant changes in Government administration. Currently, the reauthorization process is often little more than an opportunity to expand programs, rather than to consolidate and reform them, and I intend to work with other members of the subcommittee as well as the full Government Operations Committee to develop the procedures necessary to assure a true zero-based review. In addition, we must guard against creating an entirely new, uncontrollable, bureaucracy to oversee the one we are trying to streamline.

Overall, I believe the procedures embodied in S. 2925 can be of significant help in eliminating duplication, inefficiency and waste in the Federal Government, assuring that the taxpayer's dollars will be spent with the greatest possible effectiveness.

COMPARING U.S. AND SOVIET DEFENSE SPENDING

Mr. PROXMIRE. Mr. President, in recent weeks Congress and the public have been subjected to a steady barrage of assertions by the Pentagon and the White House concerning the Soviet military. The argument is now being made in committee hearings that we must increase our defense budget in order to prevent being outpaced by increases in the Soviet defense budget.

THE SPENDING GAP

We are witnessing the birth and cultivation of nothing less than a new alleged "gap" between the Soviet Union and ourselves, the spending gap. All of us must ask whether the spending gap is as phony as the missile and bomber gaps of the past.

I have no wish to ignore the reality of Soviet military strength, to turn away from the implications of growth in certain areas of the Soviet military establishment, or to close my eyes to the need for continuing support for our own program. It goes without saying that we must remain strong.

We must also continue to keep up with Soviet military developments and improve our understanding of the Soviet defense program. Indeed, for a number of years I have made a considerable effort to improve the data base and analytical capabilities with regard to the Soviet economy, including the defense sector, through my work on the Joint Economic Committee. The Joint Economic Committee has published numerous studies and hearings on many aspects of the Soviet economy.

In addition, the committee has encouraged a number of Government agencies to focus greater attention on the Soviet economy and to make the results available to scholars and the general public.

CIA ESTIMATES ARE BEING MISUSED

It is with some dismay, therefore, that I have observed the information and analysis generated by some of the agencies, particularly the Central Intelligence agency, being misused by spokesmen for the Pentagon.

Statements are being made, much of it based on information previously published by the Joint Economic Committee, to the effect the Soviet Union is outspending the United States by a wide margin; more recently, statements have been made that we are being outspent by 50 percent. I can only urge individuals who make such statements to read the hearings, study the data, and try to understand the significance of dollar cost comparisons.

My own view is that dollar cost comparisons are valuable primarily as evidence of the trends of Soviet spending. Some hold the view that the comparisons are also useful for sizing the Soviet military. I disagree with that view because of the severe limitations inherent in the dollar comparisons as they are now performed.

It may be that as the dollar comparisons are refined they may be useful in the future for sizing purposes. For example, if the dollar comparisons are matched by ruble comparisons, and if the margins of error are reduced, such information may be helpful in determining the relative size of military forces.

DOLLAR COMPARISONS DO NOT MEASURE EFFECTIVENESS OR STRENGTH

Certainly, dollar comparisons cannot be used by themselves to evaluate the effectiveness of Soviet defense programs or the relative strength of the Soviet and United States military establishments.

It is most unfortunate that Pentagon spokesmen are using the CIA's dollar cost comparisons for such purposes and to scare Congress and the Republic.

While the new CIA analysis of United States and Soviet defense costs in a careful, workmanlike job, it does not reflect actual Soviet expenditures or military strength, cannot be used to compare the United States and Soviet relative military power, and does not justify "the Russians are coming" scare tactics of the Pentagon.

PROCEDURES NEEDED FOR ORDERLY DISCLOSURE OF INTELLIGENCE DATA

For years, military leaders have been abusing their access to the data and analysis developed within the intelligence community by selecting the facts they want to reveal to the public, leaking them to Congress or the press, and ignoring other facts which the public ought to know.

Perhaps the greatest need today with regard to information about the Soviet military is for new, regular procedures for public disclosure of what the Government knows. Disclosures should be made routinely throughout the year, as with the case of our own economic indicators, and not whenever it suits the convenience of the military leaders.

Disclosures should be made on a comprehensive basis, with caveats and margins of error clearly identified, and not with such a high degree of selectivity that the true significance of the information is distorted.

The CIA analysis documents the need for better estimating techniques, improved procedures for release of information about the Soviet military, and greater disclosure of facts about our own defense budget.

ESTIMATING TECHNIQUES NEED TO BE IMPROVED

The new CIA analysis shows that in dollar terms the Soviet military costs more than the U.S. military and that the disparity has increased in the past year. But due to the type of analysis used—the dollar cost comparisons—the CIA conclusions can be easily distorted. In fact, they are being distorted by Pentagon spokesmen.

For example, the CIA takes the huge 5-million-man-plus Soviet Military Establishment and gives it the same manpower costs as if they were Americans with the expensive All Volunteer Army, retirement benefits and American pay scales. This gives the appearance of the Soviets outspending the United States by a wide margin in manpower when in reality Soviet pay scales are substandard and far below the amounts paid to U.S. Armed Forces personnel.

In addition, dollar comparisons seriously understate the higher relative costs of U.S. weapons. There is no counterpart in the Soviet Union for much of our advanced technology, and estimates of what it would cost the Soviets to reproduce some of our arms would be astronomical.

If the CIA ever gets around to making ruble cost comparisons in the systematic way it now makes dollar comparisons, I believe we will find much different relative defense costs. I have asked that this be done on several occasions and am hopeful that we will see some progress in this regard.

Whenever a Pentagon spokesman says the U.S.S.R. is outspending the United States by 50 percent, it is an outright distortion of the facts.

The CIA analysis covers U.S. spending through fiscal 1975, which ended last July, and is thus dated by about 8 months. In the past the cost comparisons were completed and released much sooner after the end of the fiscal year, a practice which provides for more current information.

It is important to keep in mind the CIA's dollar comparisons do not measure actual Soviet defense spending. They are simply an attempt to estimate in dollars how much it would cost to reproduce Soviet military programs in the United States. The CIA itself points out that such calculations tend to overstate the costs of Soviet programs.

The CIA also points out that dollar cost estimates alone should not be used to draw inferences about the relative effectiveness or capabilities of United States and Soviet forces. The dollar cost comparisons do not measure how well forces perform, the quality of weapons, or the different missions assigned to the forces.

MISESTIMATES OF SOVIET AND OUR OWN SPENDING

One of the most interesting features of the analyses are the reasons cited for the increased disparity between United States and Soviet defense costs. According to the CIA, one factor was downward revision in U.S. authorizations for 1974 and 1975 in the latest editions of the Pentagon's 5-year defense program. Apparently, the Pentagon misestimated its own budget last year and has now revised it downward. This Pentagon misestimate is puzzling. When the 5-year defense program was estimated in January of 1975 Congress had completed most of its action on the fiscal 1975 defense request.

The CIA cites as the principal reason for revising the Soviet side of the comparison the fact that it has changed its estimates of the costs of some weapons and activities. This means that the intelligence community now believes that some Soviet weapons and activities cost more than was once thought. It does not mean that there are more weapons or greater activities.

The CIA says that changes in the number of deployed weapon systems contributed to the increased Soviet custom "but to a lesser extent."

What the analysis seems to be saying is that there have been misestimates of both the costs of our own and the costs of the Soviet defense program.

I do not intend my statements to be interpreted as criticism of the CIA. The CIA does an excellent job in making the dollar comparisons. It is obviously difficult to analyze the Soviet defense budget when so much of it is kept secret by the Soviet Government, and it is a tribute to the analytical skills of the experts in the agency that so much about Soviet defense costs can be reconstructed.

LIMITATIONS OF CIA ESTIMATES

But the CIA is the first to recognize the limitations of this kind of comparison. There has been an unfortunate tendency for individuals to use the CIA's analyses for their own purposes by taking facts out of context or by ignoring the CIA's warnings about their significance. The most serious offenders in this regard are inside Defense Department the most common abuse has been to exaggerate the size of the Soviet military or to create illusions of gaps between Soviet and United States forces.

These problems underline the need for a total overhaul of the procedures for using and disclosing intelligence estimates about the Soviet military. I want to make it clear, however, that I favor greater disclosure, not less. These disclosures should be routine, comprehensive and factual.

We need more and better information. We need fewer distortions of intelligence information by individuals more interested in increasing the size of their budgets than in national security.

LEGISLATIVE PROGRAM OF THE AMERICAN LEGION

Mr. DOLE. Mr. President, recently an outstanding individual and fellow Kansan, Mr. Harry G. Wiles, was elected to the office of National Commander of the American Legion.

The election of Mr. Wiles to this position of great national importance is a highly commendable personal achievement. In the opinion of this Senator, the American Legion could not have made a better choice in electing such an extremely well-qualified individual to their highest office. I am pleased to note that Commander Wiles is the third National Commander of the American Legion who has come from the great State of Kansas.

Harry Wiles, as National Commander of the American Legion, will certainly be of tremendous assistance to all Senators and Congressmen in our efforts to improve veterans' legislation. He is a man whose qualifications are supported by many years of diverse experience, which includes, private law practice, dedicated public service, and long-term involvement in veterans' affairs.

Earlier this month, Commander Wiles stated the position of the American Legion on veterans' legislation to the Senate Committee on Veterans' Affairs. The matters upon which he spoke are of great importance to veterans and to the Nation as a whole.

Mr. President, I ask unanimous consent that Mr. Wiles' statement before that committee be printed in the Record.

There being no objection, the statement was ordered to be printed in the Record, as follows:

Statement of Harry G. Wiles

Mr. Chairman and Members of the Committee:

My first task, today, is to express to this distinguished Committee the thanks and appreciation of The American Legion for the opportunity to present to you our legislative program for the year of 1976. One of the signal honors associated with the office of National Commander to which I was elected at our last National Convention, is that of representing before this Committee, our 2,700,000 members who belong to some 16,000 posts throughout the United States and around the world in 28 foreign countries. I am mindful of this honor, and I assure you I am most appreciative of it.

America is approaching the 200th anniversary of her birth as a free and independent nation. During that time, every generation of Americans has found it necessary to go to war. The military history of this country is a glorious one. And no chapter of that history reflects more honorably on the valor of American arms than that of the most recent war in which we have engaged. Those who fought and served during the war in Southeast Asia deserve, perhaps more than the military effort of some other generations of Americans, the recognition and gratitude of the American people. The American Legion feels very strongly about this. The men and women who carried America's cause during the war in Vietnam were confronted by problems that did not affect those who fought the nation's earlier wars. It is not necessary for me here to recite details of the national trauma that accompanied America's path through the war in Vietnam. But, I am sure we can all agree that if it was a difficult experience for the American people, it was far more so for America's sons and daughters, who were required to follow the flag to far places, and to risk their lives and their bodies for an ill-defined cause. Of course, this difficult period of our history is now behind us, and we are on the path to healing the wounds that it inflicted. But, the important point I make here is that the men and women who fought the war are still with us. And, if this nation ever had a debt to its war veterans, it assuredly has a most particular one to these veterans.

I know that much has been done for our Vietnam war veterans. They are, in fact, entitled to the full range of the veterans benefits program. And certainly, for those things which have been done for them, much credit is due this Committee. And I take this opportunity to express to the Committee and its members the appreciation of The American Legion for the effort that has been made, to look to the needs of Vietnam war veterans. However, I believe it is necessary to make the additional point that our obligation to these veterans has not been fulfilled. It is necessary that all of us continue to accquaint ourselves with their needs and their problems, and to be responsive in a constructive and timely fashion. Vietnam war veterans returned from difficult service to a nation that was plunging into a severe recession. This has made it very difficult for many of them to complete their readjustment, and to establish themselves in a satisfactory situation in the civilian community.

We know that the unemployment rate affecting the youngest element of Vietnam veterans is more than twice that of the national unemployment picture. These young men and women need to be equipped with skills that will enable them to be competitive on the job market. We think that some progress is being made, but we know, too, that much more needs to be done before this particular problem is solved.

We, of The American Legion, have confidence that the Congress, acting through this Committee, will follow through in its traditional role in identifying and responding to the needs of our youngest generation of veterans. History tells us that, following all of our nation's wars, it has been the Congress, in the main, that has concerned itself with the needs and the problems of veterans. The result of that concern is the most comprehensive program of veterans benefits provided by any nation for its veterans. I believe that I can speak for all veterans in expressing our gratitude to Congress for what has been done, and our confidence that as the late war recedes further into history, Congress will not forget the veterans who fought; nor indeed, any of our veterans, who have responded, as Americans always have, to their country's call.

For our part, I pledge to this distinguished Committee that we will continue to work with you to solve the problems of veterans, and that we will strongly support and assist your efforts.

With your permission, I would like now to address myself to certain areas of particular concern to The American Legion, in our legislative program for this 2nd Session of the 94th Congress.

DEATH AND DISABILITY PENSION

It is the earnest hope of The American Legion that this year of 1976 will see the accomplishment of the long needed reform of the veterans and survivors pension program. Recent years have seen a succession of situations in which veteran and survivor pensioners have experienced on the one hand an increase in social security benefits, and on the other a threatened corresponding decrease in VA pension benefits. Repeatedly, enactment of stop-gap legislation, usually at the end of a Congressional session, has been necessary to avert wholesale pension reductions and, in many instances, total loss of pension. Our Organization is the recipient of an unending stream of pathetic letters from pensioners who write us, literally in a panic state at the prospect of suffering substantial loss of income—income they desperately need to meet basic living costs, and in most cases, heavy medical expenses, incurred by reason of the diseases of age.

All of us are agreed, I am sure, that the most terrible thing that can confront the average citizen is the prospect of reaching the sunset years without sufficient means to live with dignity, and without, at least, the basic requirements for subsistence. In these days of recession and inflation this is a grave national problem. We, of The American Legion, believe the American people want their veterans, and the survivors of those veterans who have died, to be able to live out their lives in a condition that is at least above poverty level.

By virtue of legislation enacted through the years, we believe that Congress feels the same way. We acknowledge, that to achieve the desired goal, much has been and is being done. Most significant is the improved Veterans Administration medical care program, recently advanced by Public Law 93–82. However, in our judgment, the basic problem of the older veteran cannot be solved without the enactment of pension reform.

At its 1974 and 1975 National Conventions, the Legion addressed itself to this problem by devising specific proposals for pension reform. The basic approach we are suggesting is that instead of a program that requires the constant enactment of stop-gap legislation, Congress should establish a program based on an income floor, which is set above the poverty level, and which guarantees to pension beneficiaries a pension, supplementing their income from other sources, that will place them above that poverty level. The concept is relatively simple. By gearing the guaranteed income to the Cost of Living Index, the constant need for remedial legislation will be eliminated. It is our hope that the Committee will address itself to this major problem during the present session, and that legislation can be developed that will achieve the goal I have outlined. I pledge the support of The American Legion for any proposed legislation that will do so.

VETERANS ADMINISTRATION FISCAL YEAR 1977 BUDGET

The Fiscal Year 1977 Budget for the Veterans Administration proposed by the President, calls for appropriations totaling 18.1 billion dollars. This is a decrease of 1.4 billion dollars from the total appropriations for the VA for Fiscal Year 1976. It is the opinion of The American Legion that the reductions proposed by the President are too severe, that they are unrealistic in terms of the needs of established veterans programs, and that they are not justified given the present state of national affairs.

I shall not at this time present a detailed analysis of the VA Budget for Fiscal Year 1977. However, I will mention briefly, certain specific recommendations of the President with which we are in immediate disagreement.

For example, the new Budget proposes to save 623.5 million dollars by rescinding the ten year delimiting period that was provided by Public Law 93–337. There is absolutely no justification for this proposed restriction. The two year extension of education benefits was carefully thought out during preparation of Public Law 93–337, and the granting of this extension is as valid now as it was in 1974.

The new Budget proposes the saving of 85 million dollars through the elimination of what the Budget refers to as duplicate Federal burial benefits. We have been over this road before, and happily, Congress did not agree with earlier proposals of this kind. The term "duplicate Federal burial benefits," refers to the fact that many veterans are entitled to both the social security death benefit and the VA burial allowance. To call these benefits duplicates is a misstatement of fact.

The social security death benefit is an earned benefit, for which the veteran pays in direct taxation upon wages, just as do all employed persons. The VA burial allowance is, in fact, a gratuity, granted by the nation to its veterans, and intended to insure that each veteran shall have a dignified and fitting burial. These are not duplicate benefits.

VA construction programs are budgeted at 194 million dollars less than for the current Fiscal Year. We disagree with this proposed reduction because one of the most serious problems confronting the Veterans Administration is the need to renovate and replace aging medical facilities. If these replacements are not completed in timely fashion, the VA will find itself practicing second class medicine by reason of inadequate and out-dated facilities. Presently, the VA hospital system is the finest in the world. But it is not going to stay that way if it does not keep up with the constant advancements in medical technology. To do this requires a major construction program extending over the next several years. Such a program cannot be maintained with the kind of budget reductions included in the proposed VA budget for Fiscal Year 1977.

We hope for the support of members of this Committee in an effort to correct these and other deficiencies in the President's budget, so that veterans programs can be properly maintained.

VETERANS ADMINISTRATION PAY SCALES FOR PHYSICIANS AND DENTISTS

The American Legion supported the enactment of Public Law 94–123, known as the "Veterans Administration Physician and Dentist Pay Comparability Act of 1975." This was stop-gap legislation, intended to forestall a disastrous loss of physicians and dentists from the VA medical care program, threatened by reason of the completely inadequate pay scales that prevailed for these professional categories in the VA system. We believe the purpose intended was accomplished. Some immediate relief in the form of added compensation was provided.

An essential element of the law, however, was Section 4 thereof, which calls for a study by the Comptroller General, and the Director of the Office of Management and Budget, looking to a long-range solution to the problem of professional compensation within the VA Department of Medicine and Surgery. The required study is to be submitted to Congress by August 31, 1976. The American Legion anticipates the study will result in legislation that will provide a definitive solution to the serious problem of recruiting and retaining within the VA, an adequate number of thoroughly qualified physicians and dentists.

Public Law 94-123, while it alieviated the critical problem created by the disparity in professional salaries in the health profession, as between the VA, other Federal agencies, and the private sector, in reality accentuated an additional problem caused by salary differentials affecting executive level employees within the Veterans Administration. We are now confronted with instances of Hospital Directors who are salaried at a lesser level than certain staff professionals. This discrepancy in salary scales cannot but create confusion, discouragement and lowered morale within the Veterans Administration.

The American Legion urges that this Committee address itself to this problem during the current session, and develop a solution that will be both economically feasible and fair to VA career employees. This is the only way in which there can be achieved the staff stability that is essential to insure that veterans will receive the full measure of service that is due them when they approach the VA for those benefits to which they are entitled by law.

DELIMITING DATE FOR VIETNAM ERA VETERANS EDUCATION ASSISTANCE PROGRAM

The American Legion has encountered misunderstanding regarding its position on the establishment of a delimiting date for the Vietnam Era veterans education assistance program. We are still trying to dispel this misunderstanding. The fact is that The American Legion, as author of the original G.I. Bill, stood among the foremost of those seeking readjustment programs for Vietnam veterans. However, at the time of enactment of the original G.I. Bill, and the subsequent provision of similar programs for veterans of later wars, The American Legion had clearly in mind that these were readjustment programs for war veterans. We believe it is essential to maintain a distinction between the citizen soldiers who fight America's wars and those who choose the mlitary professions as a peacetime career.

The fact is that the war in Southeast Asia was ended by Proclamation of the President on May 7, 1975. It, therefore, becomes the responsibility of Congress, acting with due deliberation, to set a delimiting date for those wartime programs that were established to facilitate the readjustment of the men and women who served during the late war.

If Congress desires to establish a new post-service education program, as a career incentive for the All-Volunteer Armed Forces, such a program should be clearly identified and funded, and should not be confused with the present Vietnam Era veterans education assistance program.

It is important for the nation to know and to be able to identify the cost of the wars in which it engages. And it is important for the American people to know what they are paying for in the various Congressionally enacted benefit programs.

The issue here is not whether certain disadvantaged groups within our society should be aided by Federally funded programs, nor whether the education industry needs the infusion of funds that come with such programs. The issue is: have necessary and adequate readjustment programs been provided for those who served during the Vietnam war; and have these programs been marked down as a cost of that war. That is what The American Legion is saying, and we think it is important, now and for the future.

We urge the Committee to proceed in this matter, for the good of all concerned.

NATIONAL HEALTH INSURANCE

The American Legion observes, with close interest, the continuing debate on the subject of National Health Insurance. Veterans have a very real stake in the outcome of that debate. We are aware that the President has indicated he will not send up to Congress a plan for National Health Insurance during the present session. We know that Committees of the Congress continue to study this matter, and we anticipate that at some point, specific legislation will be developed and that Congress will come to grips with the question of whether the nation should have National Health Insurance, and if so, what form it should take.

We know that the preparation of legislation, and the investigation of the vast implications of National Health Insurance for the American people will be worked out in other Committees of the Congress. We trust, however, that this Committee, with its responsibilities for the welfare of veterans and their dependents, will watch carefully what transpires on this most important subject. And certainly, each Member will participate in the final decision that is made.

Very simply, the overriding concern of The American Legion is that any plan for National Health Insurance that may become law shall not endanger the integrity of the Veterans Administration medical care program for veterans. The Veterans Administration Department of Medicine and Surgery is now thirty years old. Its contribution to the field of medicine has been tremendous. Today, the VA medical care program is not only the largest, but it is also the finest system of health care delivery in the nation. The care and services it is rendering to veterans are basic to the total program of veterans benefits that has been developed through the years since the end of the first World War. The VA system has become a key element of medical education. Its research programs have made a significant contribution to the advancement of medical science.

In the judgment of The American Legion, if the VA medical care program, as it is now functioning is tampered with, its viability will be jeopardized. We do not believe that the VA system can maintain its present state of excellence if its integrity is fractured or diminished by its merger with other health care programs. We, of The American Legion, are most anxious that this shall not happen.

Specifically, it is our hope that the Members of this Committee will support our request that legislation to establish a National Health Insurance program shall include specific guarantees of the integrity of the VA medical program as one to be maintained and operated exclusively for the care of veterans. We believe it to be essential that these guarantees be written into National Health Insurance legislation. If that is not done we foresee a very real danger that the VA system, at some point, will be threatened with merger into a comprehensive national health care plan, and if that should happen, health care for veterans will, in our judgment, be adversely affected.

A further word on this subject should be said about the possibility that a comprehensive National Health Insurance plan may be preceded by some form of nationally administered catastrophic health insurance. We believe that catastrophic health insurance also must be studied carefully, to insure that even in its limited form it does not contain a threat to the integrity of the VA system. I assure you that the American Legion will continue to be alert, and will seek to be heard by the Committees that have this matter in charge. But, we of the Legion, know full well that the safeguarding of veterans' interests requires that we have the active support and assistance of our friends in the Congress.

JOBS FOR VETERANS

All of us are agreed, I am sure, that the rehabilitation of a veteran is not complete until he has been reestablished in his community with a job that provides him with security and with an adequate income to meet the needs of himself and his family. The American Legion continues to be deeply concerned with the excessively high unemployment rate affecting veterans, and especially the youngest segment of the veteran population—those in the 20-24 age group.

At the present time there are approximately one million jobless veterans of all wars, 628,000 of whom are Vietnam veterans, whose unemployment rate is 20.2 percent. This is 5.2 percent higher than at this time last year, and nearly nine percentage points above that for non-veterans in the same age group.

Congress addressed itself to this high unemployment rate in approving Title V of Public Law 92-540 and Title IV of Public Law 93-508, the Vietnam Era Veterans Readjustment Acts of 1972 and 1974. We regret that up to this time, those sections of the laws that sought to improve veterans' employment have not been effecive.

The failure of implementation of these laws has several aspects. The net effect is that unemployed veterans are simply not getting the assistance to which they are entitled from the Department of Labor.

In spite of the magnitude and importance of the task of assisting the nation's veterans to find meaningful employment, the Department of Labor is not doing the job. The American Legion strongly recommends legislation to authorize an Assistant Secretary of Labor for Veterans Employment, and to establish the Veterans Employment Service as a separate agency within the Department of Labor. This would give the officer responsible for veterans employment services direct access to the Secretary of Labor, and those services would no longer be a stepchild within the Department.

We hope the serious problem of veterans employment will engage the attention of the Committee.

Once again, may I express my personal appreciation, and that of The American Legion, for the courteous attention this Committee gives to our recommendations for legislative action looking to the welfare of the nation's veterans. Through the years it has been the Congress, representing as it does, the will of the American people, to which we have looked for sympathetic understanding of veterans problems, and for legislative programs that will help veterans and their families. Our foremost concern, as is yours I know, is for those who have sacrificed life and health on the field of battle, and for the widows and orphans of those who have made the supreme sacrifice. Beyond that, we are agreed I am sure, that all of us have a continuing responsibility to care for those veterans who, whether by reason of age or illness, need our help. Congress has always been responsive to the needs of veterans, and for that, we, of The American Legion, are deeply grateful.

In concluding, I wish to extend again, as I have by formal invitation, my sincere wish that I shall have the pleasure of acting as your host at the annual dinner we shall have this evening at the Sheraton-Park Hotel, honoring the Congress. There you will have the opportunity to greet the Legionnaires from your home states, who have journeyed to Washington to express their appreciation for the interest of the Congress in the welfare of veterans.

Thank you very much.

RESEARCH AND DEVELOPMENT DIRECTIONS

Mr. **HUMPHREY**. Mr. President, recession and changing priorities have had a significant impact on the amount and pattern of the U.S. commitment to research and development. In the context of the reactions that these developments have provoked, Dr. John Diebold of the Diebold Group, Inc., presented testimony before a United Kingdom Parliamentary Committee addressing these questions.

Dr. Diebold's paper was directed toward analyzing the factors contributing to successful technology-based industries. Dr. Diebold believes that fundamental inducements from increased research and development must come from the marketplace if they are to have major impact, and that problems of institutional relations relate more to the efficiency with which these market-generated requirements are met.

Diebold believes that health service delivery, crime prevention, application to education delivery, and some of the technological concepts that have emerged from research and development establishment are all areas ripe for improvement. These have implications for both governments, the United States and the United Kingdom. He feels that what is needed is the right set of incentives to bring enterprise and dynamism to the task. He suggested to the United Kingdom Committee that imaginative and innovative feasibility studies which are goal-oriented, rather than technique-oriented, be carried out.

Mr. President, I ask unanimous consent that the paper presented by Dr. Diebold be printed in the RECORD.

There being no objection, the paper was ordered to be printed in the RECORD, as follows:

FACTORS CONTRIBUTING TO SUCCESSFUL TECHNOLOGY BASED INDUSTRIES

(Testimony in Evidence By John Diebold)

INTRODUCTION

Viable, technology or knowledge based industries for countries like the UK and the United States are of mounting importance. In areas of high production cost, such industries must assume an ever larger share of exports in one form or another, as the more straight forward manufacturing industries are developed by lower cost producers. Such technology based industries are related to a healthy research and development establishment, and it is an ever present concern to know whether an organization, an institution, or a country is doing enough or too much R&D, whether one's R&D is of the right kind, and whether the "fruits" of the R&D effort are being properly used. This committee seeks ways in which the government can bring about improvements in this area of concern. I hope I can make some small contribution to the Committee's basic goal.

I am not a scientist nor does the firm I head perform scientific research and development tasks. My views are those of a businessman concerned with public policy issues who has been involved in a number of technology based industries, most importantly computers, automation, and communications. Through my consulting firm, The Diebold Group, Inc., and our foundation, we have been involved in a number of studies concerned with R&D incentives, structure, and practices, primarily for the National Science Foundation in the United States and the Ministry of Technology of the German Federal Republic.

Our National Science Foundation work has been concerned with the ways in which government and industry interact in the application of government research allowances, It has also dealt with impediments to technology based investments particularly in the venture capital area Finally, the basic practice on my firm has been helping business capitalize on new technology business opportunities through identification of product and market opportunities.

My basic view is that the causes for a country's *industrial* success in technology are diverse and largely based on market factors and ways of thinking. Lacking these underlying elements, it is questionable how much fundamental improvement can be accomplished by tinkering with grants, committees, "arranged" personnel interchanges, desirable as these practices may be if they take place within an expansive, entrepreneurial, and dynamic context. Similarly, a sound R&D infrastructure in universities, government agencies, and industry is a necessary but not sufficient ingredient. Use of government efforts to create the effective demand pull to encourage and sustain technology based industries in a market atmosphere has more potential.

SOME SIMILARITY OF R&D PATTERNS IN UNITED KINGDOM AND UNITED STATES

In preparing for this meeting, I was struck by a number of at least surface similarities between US and UK R&D patterns, and where differences exist in these patterns they do not appear dramatic.

To the extent that one can find valid figures, both countries appear to spend on R&D about the same percentage of gross national product, running at 2.7 to 2.8 percent a few years ago and declining in the US to 2.3 percent in 1974 and 1975 There were probably similar declines in the UK.

About the same proportion of total R&D (somewhat over 50 percent) is funded by the government.

Industrially oriented R&D in both countries is highly concentrated in a few industry areas—aerospace, electronics, chemicals.

As to universities, the US institutions appear to perform a somewhat larger proportion of the total research than their UK counterparts (12 percent–16 percent vs. 8 percent based on what are probably outdated UK figures for 1969–70), and I am not qualified to say whether this is the basis for a dramatic difference or not.

Senior technical management in multinational companies with whom I have spoken are not at all unanimous in feeling that university—industry relationships are closer on the technical level in the US than in the UK. There are those who say it is better in the UK.

LIMITS TO "SUPPLY" ORIENTED TECHNOLOGY TRANSFER

These and other considerations make me wonder whether the UK pre-occupation with technology and research is as warranted as the public posture might indicate. Indeed, given the necessarily smaller resources available to the UK, is it not an area of accomplishment in which to take pride?

More basically, how productive is the emphasis on R&D technology transfer from the "supply" side. Experience at technology transfer with the inventor or supplier pushing his wares and "finding applicants" for pre-developed solutions has not worked really well in the US. Aerospace companies have set up "profit centers" to sell technology for commercial uses with a singular lack of success. NASA has a "technology utilization program" that aims to apply aerospace technology to industry, medicine, and public sector problems. Behind the claims of successful projects, one senses that the program's true purpose is to justify the earlier claims made by NASA in its appropriation requests. There is a Federal Laboratory Consortium that seeks to transfer technology from 53 different agency laboratories. An investment company I run has had a (very profitable) investment in a company set up to transfer technology from university/institutions' R&D efforts. In business since 1968, it has succeeded in generating revenues in this area of only $370,000 in its latest year Fortunately it was wise enough to acquire a carpet company alongside its technology transfer activities!

I cite these activities to show that efforts have been made, but it is a rare person in the US industrial sphere who regards these as significant contributors to the viability of US technology based industries.

DETERMINING FACTORS FOR INDUSTRIAL SUCCESS

What then are the determining factors for a dynamic, industrially oriented R&D nexus and how can they be stimulated or simulated? The "heyday" of the US technology based businesses (which some say is losing its vitality in spite of continued large volume R&D expenditures and in spite of the continued existence of one large, "continental" market available to US business) was mainly characterized by "demand pull". By this I do not limit myself to Lord Rothschild's "customer-contractor" relationship, but I refer to a whole complex of qualitative market and attitude factors (as distinct from market size and volume of expenditure) that created self-generating stimuli for turning R&D into market successes:

The government created unparalleled demand for task oriented technology, primarily in the space and defense areas.

A buoyant and growing economy created a demand for productivity-aiding and labor saving developments, with institutional resistance minimized by ample job opportunities.

A period of corporate and institutional prosperity created the reasons, the readiness and the means to take risks:

In *applying* new technologies (computers, industrial automation) to companies' internal activities.

In meeting *effective* demand for new products and processes.

In hiring large number of science and technology graduates, and thus creating the demand for their training.

Investment market growth, perhaps euphoria is a better term, provided "demand" for new enterprises and entrepreneurs, attracting people from the corporate and university world. In 1972, the investment community provided about $1.7 billion for "new, unseasoned common stock offerings." It is here that one should look for the major element in the "Route 128 syndrome".

Finally, there was a general view that materialism, technology, change, and the resulting profits therefrom were "good" and that practical technology pursuits were "honorable".

R&D CHARACTERISTICS RESULTING FROM DYNAMIC MARKET FACTORS

Which of all these factors provided the critical mass is impossible to say, but there resulted three important characteristics for the R&D field:

Diversity of sources of support—a concept could get support from any number of separately managed, often competing government, university, corporate, or investment sources.

Personnel *movement* as people moved with their projects or were sought after by other institutions or corporations, and as people had "nothing to lose" by moving, because they could always be sure of another position if something went wrong.

Competition for an *openness of new ideas*, and (often excessive) generosity in pursuing them on the part of technology oriented corporations and institutions.

It is my belief that *fundamental inducements* must come via the market place if they are to have *major* impact and that problems of institutional relations, interchanges etc. relate more to the *efficiency* with which these market generated requirements are met.

IMPLICATIONS FOR GOVERNMENT ACTION

This does not mean that the government is helpless or that it can take only indirect action. As an example of a technology based industry that has been largely government created, consider environmental control. Government established standards and regulations created a market for a great variety of technology based products that promoted the right conditions for significant technological development on a large scale. There appear to me to be a number of fields in which the government can actively stimulate demand factors, directly and indirectly, that would "auto-generate" the complex of conditions, perhaps on a smaller scale, needed to foster technology based industry. The whole area of municipal and government services appears overripe for rationalization, and "privatization" of some of these areas is a major potential. Energy sources is another fertile area.

Health service delivery, crime prevention, application to education delivery of some of the technological concepts that have emerged from the R&D establishment are all areas ripe for improvement. What is needed is the right set of incentives to bring enterprise and dynamism to the task.

My suggestion to the Committee would thus be to call for imaginative and innovative feasibility studies, that are goal oriented rather than technique oriented, to see how one can create the ingredients for "pockets of market dynamism" even during a generally uncertain economic period.

MID-AMERICA'S SUCCESS STORY—LEADING THE WAY TO PROSPERITY

Mr. CURTIS. Mr. President, the Great Plains of the United States have customarily been somewhat apart from the rest of the country in some societal and economic areas. Agriculture formed the basis of much of the area's economy and the region supplied the rest of the country with foodstuffs.

During the past several years, the area has experienced a spurt of economic development which the rest of the country is starting to notice. I would like to call attention to an article in the March 22 issue of U.S. News & World Report by Kenneth R. Sheets which documents the success story of this six-State region. While the rest of the country is faced with a slow recovery from the recession and other economic ills, the heartland is booming.

The boom is measurable not only in dollars but in jobs, with the Midlands showing probably the lowest unemployment figures for any region in this country. Of special note in the article is a section on Lincoln, Nebr., in my home State. Lincoln has a 2.3 unemployment ratio, a figure many other metropolitan areas would give their eye teeth for.

I ask unanimous consent that the article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

MID-AMERICA'S SUCCESS STORY—LEADING THE WAY TO PROSPERITY

WICHITA, KANS.—While most of the U.S. cautiously nurses a slow recovery from recession, business is booming as never before here in mid-America.

The nation's worst economic down-turn since the 1930s scarcely caused a bump in this region. People kept right on working and prospering.

"We've sailed through the recession unscathed," says a banker in this onetime prairie cow town situated where the hills of eastern Kansas give way to the world's most productive wheat ground to the west.

In a broad sweep from Texas northward to Colorado and Nebraska, most industries are operating at capacity. Unemployment is well below the national average. Small towns are enjoying unprecedented prosperity. Big cities are bulging with growth.

Farmers have produced bumper grain crops for three years in a row. Railroads, highways and waterways are heavy with traffic as the bounty moves to domestic and foreign markets.

The oil and gas industry has budgeted a record 16.4 billion dollars for exploration and production in 1976, according to a survey by the Oil and Gas Journal, published in Tulsa.

Virtually every available drilling rig has been pressed into the search for new fuel sources. Last year, 39,905 wells were completed, a 15 per cent increase over 1974.

Discovery of new fields has touched off a boom in pipeline construction to move the fuel to market.

Taxes on oil and gas production and on retail trade and other businesses are swelling the revenues of State and local governments.

Texas amassed a 1.45-billion-dollar surplus over the past two years. Dallas County recently granted property owners a token 1-cent tax reduction while approving a record 83.5-million-dollar budget.

In Oklahoma, Governor David Boren is arguing with the legislature over how to spend a surplus of 80.3 millions.

There is one dark cloud on the horizon. Drought and wind are stirring up dust storms on the wheat plains, threatening the 1976 crop. Even this has something of a silver lining. With the possibility of a short crop, prices have strengthened. Farmers still own much of the 1975 harvest and will benefit over the short run, at least.

Aside from drought worries, optimism is the prevailing mood. Says an economist at the Federal Reserve Bank of Dallas: "Every statistical yardstick indicates the regional economy will continue to outpace the national recovery."

Unemployment in the Dallas Federal Reserve District stood at 6.8 per cent at latest reckoning. That compares with 7.8 per cent nationally.

In the Kansas City Federal Reserve District, the jobless rate is 5.9 per cent.

The rate is also low in individual cities. Houston has 4.6 per cent unemployment; Tulsa 6 per cent, and Odessa, Tex., 4.3 per cent.

In Wichita, Robert G. Langenwalter, president of Central Bank & Trust, says:

"We seem uniquely blessed to ride out the kind of recession the country has gone through. Our industry is diversified and well managed. The farm economy has never been better, and rising oil and gas prices have encouraged more drilling activity."

PLANE OUTPUT UP

Two years ago, at the peak of the Arab oil embargo, Wichita feared that the energy crisis would wreak havoc with the city's four aircraft-manufacturing plants. These employ about a fourth of the city's labor force. But when the Arab embargo ended, business took off like a jet for the plane makers. The reason, according to Russell W. Meyer, Jr., chairman of Cessna Aircraft Company:

"The 55-mile-per-hour speed limit and cutbacks in commercial-aviation schedules have made business and private flying more acceptable to corporations and individuals who are too busy to cope with reduced airline schedules and airport tie-ups."

Cessna's work force has increased by nearly 4,000 over the past two years. The firm built 7,650 aircraft in 1975, up from 7,100 in 1974. Sales totaled 491 million dollars last year, against 421 million the year before. Says Arthur E. Mahoney of the Wichita chamber of commerce:

"General-aviation business is great across the board. Lear, Cessna and Beechcraft are all doing well. It does look like Boeing will be cutting back by about 1,000 workers over the next year, but these people will be snapped up by the other firms. In fact, all three already have personnel officials interviewing at Boeing."

At Midland and Odessa, twin cities in the center of the west Texas oil and gas country, growth was restrained during the recession only by shortages of skilled workers and housing to accommodate newcomers.

The Midland-Odessa airport is humming with traffic. Boardings on the two airlines offering scheduled service jumped to 246,000 from 206,755 in 1974. Two additional airlines have pending requests to initiate service.

The spur of good times in the oil industry is seen there in such examples as Kobe, Inc., a firm that manufactures and repairs pumps specially built for oilfield uses. It opened a plant in Odessa with 30 workers and 40,000 square feet in 1973 and now occupies 130,000 square feet and employs 212 skilled people.

Since 1970, Odessa has added 12,595 jobs. The unemployment rate is at 4.3 per cent. Sixteen hundred new homes were built in 1975—more than in the three previous years combined, according to Gene Garrison, president of the Odessa chamber of commerce.

Another relatively small city enjoying high prosperity is Lincoln, Nebr., where the unemployment rate is down to 2.3 per cent, thanks to new industries that provide jobs for Nebraskans and newcomers entering the labor force.

JAPANESE SUCCESS

Japanese-owned Kawasaki Heavy Industries, as one example, opened a motorcycle-manufacturing plant in Lincoln two years ago. Employment has expanded to 340 at the present time, and the firm expects to have a payroll of around 400 by the end of this year.

Big Houston, with one of the hottest economies in all of the U.S., had only a brief brush with recession before resuming the boom that has lasted for more than a decade. Says James Gibbs, chief economist for Texas Commerce Bank:

"Houston's economy went into recession in February, 1975, and came out of the downturn in May. The only impact was a 2.5 percent drop in industrial production, which has increased at a 16.4 per cent annual rate since then."

Adding 70,000 residents a year, Houston is the fastest growing of the 10 largest American cities. More than 150 companies, including giant Shell Oil, have moved headquarters to the Texas metropolis on the Gulf of Mexico in the past five years.

Shell recently opened a sparkling new research center on the outskirts of the city. Built at a cost of 50 million dollars, it is staffed by 1,100 highly paid researchers and technicians.

ANOTHER TEXAS SKYSCRAPER

What is believed to be the largest privately financed urban-renewal project is taking shape in downtown Houston. The builder, Texas Eastern Transmission Corporation, has announced plans to start a second office tower rising to 46 stories. All told, a billion dollars will be spent on this development over the years ahead.

Downtown renewal is also going full speed ahead in Dallas, Oklahoma City, Albuquerque and Wichita, changing skylines and adding parks and plazas for open space. A separate report on Tulsa's renewal project is on page 48.

A Dallas project will convert the decaying west end of the city's downtown district into a dazzling new office, shopping and hotel complex.

Denver has dedicated the Auraria Education Complex, covering 100 acres of what had become a rundown area of the inner city. Built at a cost of 100 million dollars, it will be the campus for three institutions: Denver Community College, Metropolitan State College and the University of Colorado at Denver.

Also planned for the mile-high city is a "new town" destined to cover 500 acres of old railroad yard.

"We are determined to head off the problems that have hurt older cities in the East," says Rex Jennings, president and manager of the Denver chamber of commerce. "Our goal is to keep jobs and people in the core city to retain our tax base because we are already surrounded by bedroom cities."

KEY INDUSTRIES

The broad base for mid-America's soaring boom is in two key industries—food and energy. This region produces for the U.S. food supply and also feeds millions of people around the world. It raises vast quantities of beef for American dinner tables. And from its wells comes most of the oil and natural gas that warms homes and powers industry in this country.

Hughes Tool Company has predicted a encouraging more production from older fields by making more expensive recovery methods feasible. Now, with a rollback in oil prices because of the energy bill passed by Congress and signed by President Ford late in 1975, there is some worry that the edge will be taken off the boom. The drive for new production, however, appears to be maintaining momentum.

Hughes Tool Company has predicted a 1 to 5 per cent increase in drilling activity in 1976. Petroleum Information Corporation of Denver foresees a 5 per cent gain.

As for agriculture, demand for farm equipment is running strong even in the face of drought worries. Chet Nash, head of a dealership in Guymon, Okla., reports sales of 2.4 million dollars in 1975, about the same as the year before, which he describes as "very good." He says that Deere & Company still is allocating equipment to dealers, unable to fill all orders. Similar reports come from other farm-machinery dealers.

FULL FEED LOTS

In the panhandles of Texas and Oklahoma, beef-cattle feed lots are again full. Just under 2 million head were being fattened in Texas feed lots in February, a 53 per cent gain over a year ago.

A recent drop in prices for fat cattle has hurt feeders, but they are hopeful for an upturn, and H. C. ("Ladd") Hitch, Jr., reports from his Guymon office: "Up until early January, feed lots had been enjoying profits since last April."

Business leaders see a reason other than natural resources for this region's good fortune.

"It is attitude, not just oil," says Ben Love, chairman of Texas Bancshares Corporation, a Houston-based bank holding company. "We still believe in the free-enterprise system and hard work. Healthy business conditions create jobs—not the Government."

BEST IN NATION

A recent study by the Fantus Company, a subsidiary of Dun & Bradstreet, Inc., found that Texas had the best business climate of any State in the nation. In this study, the States stretching from Texas to the Canadian border rank in the top 24 of the "Lower 48" States.

"This part of the country is not recession-proof. The depression and the dust bowl proved that," says Charles Thornton, president of Reading & Bates Offshore Drilling Company, headquartered in Tulsa. "But our people are determined not to let it happen again. It's an attitude held by people working on assembly lines in plants, right up to corporate executives."

A visiting British journalist, Graham Searjant, recently toured this region and in one article described Houston as the "holy city of hard cash." He criticized the city's preoccupation with making money, but then added: "For us in Britain, it could be worth paying quite a price to regain that sort of forward momentum."

Mid-America, indeed, is charging into the future with zest. People have put their worries behind them. They are carrying out their plans with confidence—building new homes, remodeling old ones, purchasing big-ticket items and setting a brisk pace for the rest of the nation.

THE GENOCIDE CONVENTION

Mr. PROXMIRE. Mr. President, there are many fears which have stood in the way of U.S. action to ratify the Genocide Convention. One of the leading arguments is that ratification of this treaty would negate certain provisions of the Constitution. This objection, though widely used as an excuse for failure to ratify the convention, has no basis in fact.

An article by Mikell published in the University of Pennsylvania Law Review outlines those cases where a treaty would transcend the Constitution:

> A treaty or treaty provision would transcend the Constitution if the treaty: (1) Alters the form of government, (2) Alters the departmental structure of the Federal government, (3) Alters the constitution of any of the branches of government, (4) Deprives the Federal government of a delegated power, (5) Exercises a power confided to another branch of government, (6) Exercises a power prohibited to the Federal government or reserved to the States.

None of the provisions of the Genocide Convention fall within these six cases where the provisions of the treaty would transcend certain provisions of the Constitution. The argument that ratification of the Genocide Convention could violate constitutional provisions simply is not valid. This argument cannot stand in the way of ratification any longer, and we must take action without further delay.

Mr. President, the United States has always maintained a commitment to the preservation and expansion of individual human liberties. We must make amends for this incongruity with that ideal now, and take action to ratify the United Nations Genocide Convention.

DEFENSE AND FOREIGN POLICY ISSUES

Mr. GOLDWATER. Mr. President, Dr. James R. Schlesinger appeared before the Association of the U.S. Army at lunch on the 4th of March and made a speech that has had great impact among those who heard it, and I have had so many requests for it that I want to put it in the Record for my colleagues. Therefore, I ask unanimous consent that this speech be printed in the Record.

There being no objection, the speech was ordered to be printed in the Record, as follows:

Transcript of Remarks and Responses to Questions by James R. Schlesinger

It is a pleasure to be back here with the AUSA after 18 months; there have been a number of changes in the course of that period and some of them encouraging. There are indications that the public mood is now changing in regard to defense and foreign policy issues. What has been said about the dangerous times, through which we have been passing, is percolating through; and as you recognize, when the public mood changes, political behavior is not likely to be far behind.

There has been, I think, a significant revival of national spirit. I believe this is due to the swing of the pendulum, external events, possibly the implications of the Bicentennial year. There has been a slow disappearance of the heads-in-sand attitudes that characterized this country in recent years. It is not gone, but it is changing. The implications with regard to the adverse trends in our military posture, vis-a-vis that of the Soviet Union, are beginning to get through. It is recognized that our strength is being sapped and that of the Soviet Union has been burgeoning. And the full implications of that are beginning to come home. So, in those respects, I think, we can see some encouraging signs. And this has been reflected, I believe, once again, in the political realm. It has been some years since DOD witnesses on the Hill have been asked by more than one or two Congressmen has the Administration requested sufficient funds? That is a novel development. Prior to this all of the rhetoric went in the direction of why have you asked for so much?

And there is another intriguing development which can be put in a paraphrase of what Harry Truman once said: "Detente ain't bean bag." The Soviets have been telling us all along that Detente from their standpoint meant an intensification of the ideological struggle. That may be something of an euphemism, but they are utterly serious about it. And we have not been well prepared to maintain our western end of the struggle in this conflict of ideologies. We do note, I think, that the world trends are becoming increasingly disconcerting to the American public and as a consequence of that, I believe, we shall see changes in the performance of the American system. We must recognize that we still lack cohesion in this country, that to some extent we lack national will that comes from a sense of common purpose; a sense of shared purpose amongst all of our citizens. That lack of national will, as perceived abroad, is leading to dangerous failure of confidence in the United States which, after all, must continue to be the principal counterweight to the power of the Soviet Union.

We are also having some difficulties, I think, in unlearning the false lessons of the Vietnam war, but we are unlearning them. As a result of the war, there developed a view that military power was somehow irrelevant in foreign policy developments. That was an illusion. It was a rationalization. Military power was not irrelevant from the standpoint of Hanoi and the ultimate fall of South Vietnam. It is not irrelevant according to observers of the Cuban forces operation in Angola. It was not irrelevant in the Middle East. It certainly was not irrelevant in World War Two. Some of these false lessons, presumably learned in Vietnam, are being unlearned and that is a welcome development.

So much for the general observations I wanted to make. Since this is a meeting of the AUSA, I thought you might possibly be interested in some reflections on the Army and the role of the U.S. Army as it reflects these trends in popular opinion. I think it is more widely recognized today what the role of the general purpose forces must be for the United States. There are many who have put their faith—at least their rhetorical faith—in nuclear deterrence; but they do not recognize they have not recognized, that nuclear deterrence implies that, in the event of massive conventional aggression, first use of nuclear weapons. They have come to recognize the implications of reliance on nuclear weapons and they also recognize that to the extent in our deterrent posture we wish to reduce—to diminish—our reliance on nuclear weapons there is only one way to do it and that is to maintain effective general purpose forces and a stalwart conventional capability. That applies, I believe, above all, in Western Europe; but it applies beyond Western Europe.

For that reason, we have stressed the importance of bringing the Army up to 16 divisions. The Army was at 16⅓ divisions prior to Vietnam. As a result of the major cutbacks as we came out of Vietnam—and the reductions in outlays come only at the expense of manpower, if one wants to do that quickly—we were cut back to 13 divisions. Some years ago, General Abrams and I reached a contract which was 785,000 men if you can get back up to 16 divisions, we are going to do our utmost to protect your manpower strengths. We need those additional divisions. We will protect you against the Comptroller's Office, against the OMB, and, to the extent possible, from the U.S. Congress. To this point, that has been successfully carried out. The Army still aspires to 16 divisions from a manpower strength of 785,000. And resistance is diminishing, so far as I can see, on the Hill but there is still resistance. Why expand the divisional strength of the U.S. Army, is the question. We got by with 13 divisions and we have shrunk from a 2½ war to a 1½ war strategy. No recognition given to the fact that we are developing this additional combat power against a stable manpower level. So why do we go to 16 divisions?

One answer, it seems to me, is to look at what has developed in Europe over the course of the last 15 years and, particularly, in the period since the quieting of Czechoslovakia in 1968, when 5 Soviet divisions moved into Czechoslovakia. During that period of time the Soviets have increased their manpower strength in Eastern Europe by 140,000 men. They now have close to 500,000 men in the NATO guidelines area; the U.S. has 190,000. Their forces are growing but, more important, they are growing qualitatively. They have vastly improved their logistical system so that they can sustain combat operations effectively for a longer period of time. And they have upgraded their equipment—both tanks and aircraft. They have added substantially to their TOE for their tank armies and as a consequence the Western Allies are faced with a steadily growing capability to the East.

It is ill advised for us to stand still under those circumstances. The requirements for the U.S. Army of 1960 are different in 1976. And the reduced levels of the U.S. Army, as they emerged after the Vietnamese cutbacks, do not necessarily reflect what is required today of us if we are to maintain a stalwart conventional capability and attempt to keep the nuclear threshold high.

It is easy to discuss the calculation of the balance in Western Europe, relatively easy, and one of our problems within the defense establishment is our habit of dealing with only those areas in which calculations are simple. It brings back to mind my years as an analyst at Rand when we distinguished between two types of analysts: the contingency planners and the contingency planners. It depended upon which word one wished to emphasize. There were some who were willing to recognize that the nature of contingency planning is emphasis on flexibility and adaptability; that you didn't—you could not—predict an unpredictable future with precision. That, of course, gave less opportunity for quantification and that caused a certain amount of dismay in the analytical fraternity. So, there were others who preferred to be contingency planners; that is, they would plan in advance precisely what was going to happen. And if they did so, they did discover that the world was unpredictable, that they could not forecast the precise contingencies that might develop.

That is a problem for the DOD today. It is a problem in particular, it seems to me, in sizing the U.S. Army. The only areas of the world in which we have been able to get even a flimsy quantitative handle on the sizing problem is Western Europe and Northeast Asia. The Third World is difficult to deal with and, as a result, in justifying the size of the U.S. Army, we have tended to stress the NATO problem. We are planning precisely for a prescribed contingency. However, experience of the U.S. of the last 30 years indicates that one should not put too much faith in that process.

As we look at the developments in the Third World today, the tinder box that is the Middle East, the growing interdependence of the economies of the several nations of the world, one recognizes that military power must be available—may have to be available—for circumstances other than the contingencies we could prescribe in advance as in Western Europe and Northeast Asia. The problem is spelling out the scenario and defining which country is on which side so that one can develop precise force requirements.

You will notice, in many posture statements, a kind of vacuum in this area; diplomatically speaking, a well-advised vacuum. We would be ill-advised if we allowed our forces to reflect that vacuum and to have forces only sufficient to deal with those contingencies that we can prescribe with precision in advance. It is necessary for us to have adequate general purpose forces to fulfill our responsibilities around the world. It is necessary for us to provide the American public, the Commander-in-Chief, with options, other than nuclear, and that we should not live with a too high level of risk. The role of the ground forces is indispensable. I will not distinguish, at the moment, between the Marines and the Army but the role of the ground forces is indispensable despite the many illusions that continue to come in American life that somehow we can get by on air and sea power. Only ground forces can hold, defend or take real estate. They must be adequate in size. We must be realistic, it seems to me, about the many contingencies in which American power, or the awe of American power, may have a role to play in stabilizing a local development. And, that the size of the Army—the mobility of the Army—must be adequate to deal with these many unspecified and, to some extent, unspecifiable contingencies.

As I mentioned earlier, the public mood is changing; that is encouraging. There is less role for the political snake oil salesmen who have repeatedly indicated that America can have military power second to none, with meat-axe cuts in the military budget. Or, that we are going to be a preeminent military power with an ever-shrinking share of the gross national product of 4 percent, 3 percent, 2 percent. It was 2 percent prior to Pearl Harbor and the results were not impressively good. If we want to maintain forces we shall have to see to it that the political rhetoric is matched by the performance in terms of budget and the creation of an appropriate force structure.

But I find signs of encouragement. I think that the trends are getting through. The public has been restless with developments that they now recognize. So, while the uncertain trumpet still sounds uncertainly, it sounds somewhat less uncertainly than it did 6 or 12 months ago.

Thank you.

Question. Would you address yourself to the headline in the paper today? (Reference is to African events.)

Dr. SCHLESINGER. I think we have to recognize that the slogan—which prevailed for some time that there would be no more Vietnams—did not really mean much. What that meant was that there would be many more Vietnams; but that others would be the major factor in such developments. The world has become a single strategic theater and wherever local conflict develops, nations will be looking for big friends. If the U.S. is opted out of the conflict, they will find other big friends. I think that is what's going on in Africa at the present time; Angola represented the start. I do not want to dwell on Angola at any length, because it was plain that the domestic debate about proposed actions by the United States could not deal with the situation that had evolved in Angola after the introduction of the Cuban forces; that we were having a debate here that would have no effect on the outcome. But in the larger sense, it is plain that Angola was one of the early dominoes that fell after the fall of Vietnam, and that this process of gradual erosion of Western influence will continue until such time as we, or our allies, are prepared to call a halt.

Question. Would you reflect a bit upon the cruise missile as a quote bargaining chip or as a weapons system (inaudible)?

Dr. SCHLESINGER. The question had a hook on it, which was to compare the cruise missile as a bargaining chip as opposed to a deployable weapons system. In my judgment, almost everything is subject to bargaining in negotiations, provided that the outcome is one that is equitable and stable—or more stable—than otherwise be. So, I have no objection, in principle, to regarding the cruise missile as a possible bargaining chip, provided the outcome is one that is equal from the standpoint of the United States and contributes to stability.

I am more reluctant to see the utility of the cruise missile reduced because the cruise missile is one of the more exciting developments in military hardware in course of the decade that lies ahead. It holds out the promise, if we acquire considerable accuracy, of substantially improving the effectiveness of conventional forces and therefore our conventional deterrent. And any spill-over of the negotiation of the nuclear armed cruise missile would, I think, be detrimental, from the standpoint of our conventional posture, and, therefore from the standpoint of arms control. Because, it would mean that we had lost—were losing—an opportunity to substitute conventionally armed vehicles for nuclear armed vehicles. Now, specifically, it seems to me that the cruise missile, in the face of major Soviet deployed air defenses, contributes to stability by assuring the penetration of our bombers. As Soviet counterforce capabilities improve, the weight that we put on our bomber forces increase. I would hesitate to see any agreement that was discriminatory against the United States, in real terms, which interfered with our ability to deploy conventionally-armed cruise missiles or adequate cruise missile deployment for penetration of the Soviet air de- the Standby Selective Service is being dismantled. Draft boards are being closed. Regional headquarters are phased out. In view of what you just said, could you comment on this condition?

Dr. SCHLESINGER. It is not something that I would have recommended. I spoke earlier about some improvements in the public attitudes, as I saw those improvements. And I recall the observation by Churchill which I have cited frequently: "And so the great democracies triumphed and were in a position to resume the follies that so nearly had cost them their lives."

I had, as I indicated earlier, believed that we were beginning to get over the post-war follies, in this case the follies emanating from the Vietnam war. After World War II, we abandoned the draft but maintained the Selective Service System and then, 18 months later, the draft was reestablished. I don't know what the long run will result in but I do think that we must recognize that we are just about at the limits of the manpower that we can acquire through the all-volunteer force, at 2.1 million men. Perhaps that is adequate. Certainly, there is no public base at the moment for doing anything more. But the capability to do some more should be preserved.

We should also recognize one of the reasons the all-volunteer force has been a success is that we've had a very high level of unemployment in this country—just below 8 percent at this moment. It is not clear to me that we want to make the all-volunteer force a success by preserving that level of unemployment.

Finally, we ought to look at the little matter of birthrates. In the 1950's, there was a boom, a baby boom. The number of births in this country reached about 4.1, 4.2, million per year. Starting in the 1960's, the annual crop was reduced to something around 3 million a year. And without going into the vexed questions of the proportions of men and women in the services, I will submit as an axiom that a high proportion are going to be males and that as a result we face a fall in the number of males coming into the annual rotation from about 2.1 million to 1.5 million, with a rising proportion of those who are going on to college. Now, the pool of available manpower, toward the end of the decade coming in each year, will be on the order of 600,000–700,000 when you dismiss the college population.

Under those circumstances, it would seem hard for me to predict the all-volunteer force will continue to be successful in raising the present manpower levels in that environment, with smaller birth cohorts and, presumably, a higher level of employment. Whatever the future brings, it would seem to me, therefore, ill-advised to dissipate the Selective Service infrastructure.

NATIONAL ECONOMIC PLANNING

Mr. HUMPHREY. Mr. President, the March 1976 issue of Dun's Review contains an interesting article on national economic planning which I would like to bring to the attention of my colleagues. The article, entitled "A Plan for the U.S. Economy?" focuses on the Humphrey-Javits bill and the considerable discussion that has been provoked by this proposed legislation.

The article, written from a businessman's perspective, is a well balanced and careful appraisal of a number of the most pertinent issues involved in national economic planning.

For example, while some business spokesmen seem categorically opposed to the idea, others favor it to one degree or another. Dun's Review points out that:

> Opposition to planning is not universal among businessmen. Chairman Henry Ford of Ford Motor Co., for example, believes that the materials shortages of 1973-1974 could have been avoided with more government planning. At the same time, he opposes the kind of planning that would involve more government controls over business.

The article also refers to William May, chairman of the American Can Co., as a proponent of a limited form of planning. Mr. May would support a small planning group with a mandate to deal with one problem at a time and with a 3-year limit to come up with answers. Dun's quotes May as saying:

> If that works, I would be willing to try it with something else. But I just don't want to create a superagency over everything.

I would like to assure the Senate that I do not want to create a superagency over everything either. I object to the elite-group approach to economic policy as much as any businessman.

Indeed, one of the principal purposes of the Humphrey-Javits bill is to get away from the elitist manner in which economic policy is now made. The fact is that very few officials form a tight little circle around the President when it comes to economic policy. These few individuals are the President's chief economic advisers, and it is the decisions of these few individuals which Congress and the private sector must follow, more often than not.

There is a virtual monopoly on economic policy held by a small group within the executive branch and all of us must ask ourselves whether we are satisfied that this is the best system for economic policymaking that our representative democracy can design.

I believe we can do better and it is toward this end, in the area of long-term economic policy, that S. 1795, the Balanced Growth and Economic Planning Act was drafted. The Humphrey-Javits bill broadens the base on which long term economic policy is made. It does not narrow it. It does not delegate decision-making authority or policymaking authority to a group of "planners." Those who believe otherwise have not carefully read the bill or they do not understand it.

The Humphrey-Javits bill would bring about a degree of coordination in the executive branch that does not now exist, it provides a mechanism for rational and systematic long-term economic policymaking, it provides for participation by the States and localities, and it requires that Congress be a full partner in the policymaking role.

I ask unanimous consent that the article by Gerald R. Rosen, in the March 1976 issue of Dun's Review be printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

[From Dunn's Review, March 1976]

A Plan for the U.S. Economy?

(By Gerald R. Rosen)

National economic planning. The very words are enough to make most businessmen move to the attack as they conjure up visions of bureaucrats trying to tell them how to run their companies. They may well have to arm themselves, because economic planning could become a big issue in the 1976 Presidential campaign. Sorely distressed by the severe recession and double-digit inflation, growing numbers of lawmakers, labor leaders and even some businessmen have concluded that there must be a better way to deal with economic problems—and that the better way is national planning. Even if they lose the contest now shaping up, they believe that time is on their side.

HUMPHREY-JAVITS BILL

The cutting edge of the planning drive is the Balanced Growth and Economic Planning Act, cosponsored by Democrat Hubert Humphrey and Republican Jacob Javits in the Senate and by Democrat Michael Harrington in the House. Humphrey, of course, is the undeclared but still very possible Democratic Presidential nominee. Three declared Democratic candidates—Indiana Senator Birch Bayh, Washington Senator Henry Jackson and Sargent Shriver—endorse the planning bill.

Under the bill, a three-member White House Economic Planning Board, with members subject to Senate confirmation, would draw up a national economic plan every two years after consulting with business, labor, government groups and other interested parties. The proposal would be submitted for review and possible revision to a Council of Economic Planning composed of the entire Cabinet, the Federal Reserve chairman, the Director of the Office of Management and Budget and the Federal Energy Administrator. The plan would then be sent to the President, who in turn would submit it to Congress. The Joint Economic Committee would hold hearings, and within 105 days it would submit a resolution to Congress approving, disapproving or modifying the plan. If Congress disapproved, the President would have to revise and resubmit the proposal. No portion of it could be implemented without Congressional approval.

The plan would establish broad economic objectives such as employment levels, price stability and income distribution, as well as goals in such areas as transportation, housing and urban development. To assess the resources available to attain the objectives, the document would forecast levels of activity in all key sectors of the economy. It would then recommend legislative and administrative actions that might be needed to help achieve the goals.

Both Javits and Humphrey continually stress that there is nothing in the bill forcing corporations to do anything. Still, whatever legislation Congress passed to implement the plan would obviously affect decision-making in the private sector, since the legislation could deal with anything from taxes to land use to energy controls.

Thus, although most advocates of planning say they may have no intention of treading on traditional corporate prerogatives, businessmen fear that a government-prescribed master plan would inevitably lead to bureaucratic directives on, say, the number of autos that should be produced or the kind of machine tools that should be manufactured to increase productivity. As these businessmen see it, such directives would be the first step towards telling companies what to charge for their products and what to pay the workers who produce them. The end result would be public-utility-type regulation for most large companies. "How do you keep planners, who believe that they have a better vision of the future than anyone else, from eventually trying to run the private sector as a self-appointed elite?" asks Eli Shapiro, chairman of the finance committee of Travelers Corp., the giant insurance company.

THE BUSINESS VIEW

Business opposition to national planning is being led by Chairman Thomas A. Murphy of General Motors Corp. and Chairman Walter Wriston of Citicorp. Murphy insists that government get its own house in order before it tells business how to manage, while Wriston sees planning as the first step towards an "economic police state." Wriston asserts that planning would lead to a concentration of economic power that "would destroy both our personal liberty and our productive power." This fear of the loss of liberty is perfectly understandable when one looks at what has happened in Communist-dominated countries. But many partisans insist that planning can exist side-by-side with political democracy, and they cite many West European countries as examples. There is considerable question, however, about how much material benefit planning has brought to those countries.

Opposition to planning is not universal among businessmen. Chairman Henry Ford of the Ford Motor Co., for example, believes that the materials shortages of 1973–74 could have been avoided with more government planning. At the same time, he opposes the kind of planning that would involve more government controls over business. Chairman William May of American Can Co. opposes the Humphrey-Javits proposal, but he would like to set up a small planning group in the White House and throw it one problem at a time—for example, on energy or food. He would give the group a three-year limit to come up with answers. "If that works, I would be willing to try it with something else. But I just don't want to create a superagency over everything," says May.

PULLING IT TOGETHER

There is even a small group of businessmen that actually supports broad national planning. It includes Robert V. Roosa of Brown Brothers Harriman, Stanley Marcus of Neiman-Marcus, John Bunting of the First Pennsylvania Bank and J. Irwin Miller of Cummins Engine. As these businessmen see it, the federal government is hip-deep in the economy already. But, says Miller, "There is no coordination among the various branches of government that do the managing. We need a planning agency to pull it all together." Right now each agency makes decisions in its own bailiwick without considering how it affects the economy as a whole.

In a wider context, the President's annual State of the Union Message and his budget are certainly short-range economic blueprints. But neither looks much past the twelve months ahead. In sharp contrast, virtually every major corporation goes beyond its annual budget and develops goals that look five and even ten years down the road. General Electric Co., for example, has a sophisticated strategic planning apparatus that forecasts the future demand for its many products. The forecasts range from as little as a year for toasters to as much as ten years for turbines. These constantly revised projections are used to determine which divisions get the most capital investment. The scattering of businessmen who support national planning insist that they could not run their companies without a long-range plan and that the government will continue to make bad, ad-hoc decisions unless it also has one.

Other influential businessmen are beginning to think about national planning. The prestigious Committee for Economic Development, for example, has appointed a group under Chairman Franklin Lindsay of Itek Corp. to examine the issue and make policy recommendations. "We want to be sure that whatever we come up with fits American institutions and philosophy," says CED president Alfred C. Neal.

Any national planning system can only be as good as the information on which it bases its decisions. In the case of Stalinist Russia, political repression was certainly a major reason for the failure of the Soviet Five-Year Plans in the 1920s and 1930s. But a more benign government would probably have missed the mark as well. Even a relatively simple economy consists of a complex set of interdependent factors. Until fairly recently, there was a shortage of information about how various economic forces interact—and no way to handle the huge mass of data if it had been available. But two things have changed that situation—computers and input-output analysis.

Computers, of course, enable economists to analyze and process tremendous quantities of information with lightning speed. Organizations such as Data Resources, Inc. and the Wharton School now crank out steady streams of econometric models on which planning decisions can be made. Such models already play a major role in the decisions that go into the formulation of the President's budget and Economic Report.

VERSATILE MATRIX

Input-output analysis is even more important than computers. Using it, economists can develop a matrix of the economy, showing how one sector affects another, or all the others. The experts can then work up equations and crank in variables to arrive at estimates to find out, for example, what will be needed in the way of coal, brick, transportation facilities and manpower to boost steel production 1 million tons per year. Such a tool is of obvious value to a government trying to plan five years ahead.

Input-output analysis was developed by Russian emigré economist Wassily Leontief, who was awarded the 1973 Nobel Prize in economics for his achievement. After 43 years on the Harvard faculty, the 69-year-old Leontief is now at New York University, doing a study for the United Nations on what the economies of seven regions of the world will be like in the year 2,000. "While I do not like to push my wares, national planning would not be possible without input-output analysis," says Leontief.

He believes that any planning mechanism ultimately created in the United States will bear a uniquely American stamp. In his view, whatever works in, say, France, Sweden or Italy—which have far different traditions—does not necessarily apply to the United States. He is particularly impatient with critics who point to Soviet economic failure and its political repressiveness as reasons for not introducing planning to the United States. A deep believer in individual freedom, Leontief thinks that the Soviet failures are more a commentary on Marxism than on planning.

The man who is probably most responsible for setting in motion the current drive for national planning is Leonard Woodcock, president of the United Auto Workers Union. At the White House economic summit conference in September 1974, Woodcock said that the energy shortage and the slump in auto sales that caused so much unemployment might have been averted if the nation had economic planning. After Presidential economic coordinator William Seidman asked him for concrete proposals, Woodcock was instrumental in forming The Initiative Committee for National Economic Planning. The auto union chief is cochairman with Leontief.

SPECIFIC TARGETS

The high-powered Initiative Committee—its members include Harvard's John Kenneth Galbraith, J. Irwin Miller and Robert V. Roosa—convinced Humphrey and Javits of the need for such a measure. But the bill that was finally written is far more moderate than the proposal originally drafted by the Initiative Committee. Acutely conscious of business discomfort about planning, Humphrey and Javits rejected the Initiative Committee's call for specific targets for auto, electric generator and even frozen-food production and its insistence that a planning board "try to induce the relevant industries to act accordingly." The Senators also ignored the committee's call for such government persuaders as "guidance of capital flows" and "selective credit controls."

So while there is a broad spectrum of support for planning, there is widespread disagreement about what it should encompass. The left fringe of the Initiative Committee, for example, worries that the Humphrey-Javits approach could evolve into a mechanism that would be dominated by large corporations. In this view, influential companies could convince the planners that sharply increased production of their products was in the national interest, and that *legislation* should be passed increasing investment incentives in their industry. Nat Weinberg, a former Woodcock aide who is now a Washington-based economic consultant, says: "I am not interested in planning to stimulate private investment that will further skew income distribution."

Other members of the Initiative Committee make no secret of their belief that government should control the pricing decisions of the nation's largest corporations. They are also long-time advocates of greater income redistribution, using such devices as even greater progression in tax rates and the abolition of such preferences as capital gains.

The Congressional attitude on planning is fluid, as most legislators test the political winds on the issue. Still, Humphrey and Javits are not entirely alone. The cosponsors of their measure include such Democrats as Indiana's Bayh, Missouri's Thomas Eagleton, South Dakota's George McGovern, Wyoming's Gale McGee, Wisconsin's Gaylord Nelson, Washington's Jackson and Iowa's Dick Clark—a fairly broad geographic representation.

An early testing-of-the-waters on national planning may already be underway at hearings that started last month before a Senate Government Operations subcommittee. The sessions are designed to explore where America is headed socially, economically and culturally during its third century, and subcommittee chairman John Glenn of Ohio says: "National planning is certainly a facet of where we might be heading."

Savvy political operator Humphrey has already pulled off a legislative maneuver to get the planning process underway. In 1974, after the Arab oil boycott, he slipped an amendment establishing an Advisory Committee on National Growth Policy Processes into a bill dealing with materials shortages. The bill is now law. "Of course, that means national planning," admits Advisory Committee chairman Arnold Saltzman, president of the Seagrave Corp. The committee has a mandate to submit a report by the end of this year. Significantly, Woodcock and Leontief are on the Advisory Committee. "We will have a concrete planning proposal ready for whatever Administration takes over next year," says Leontief.

THE OUTLOOK

Advocates of planning hope to get a law enacted within the next two years. If that effort fails, many of them believe, there will be another outbreak of inflation combined with deep recession—and if that happens, there will be a national outcry to "do something." Since the nation's politicians and economists seem to have run out of other ideas, planning could well be that "something."

ASIAN BENEVOLENT CORPS EMBASSY SEMINARS

Mr. HATFIELD. Mr. President, Prof. Harley Hinrichs, a man of many talents and considerable energy, has been conducting of late a series of embassy seminars for the Asian Benevolent Corps, an organization with which many of us are familiar and for which several of my colleagues serve as advisers. The seminars, held at the embassies of Asian, Latin American, and European nations, help the participants gain a better understanding of the other nations of this world, their leaders, and their goals.

Professor Hinrichs has written a description of the seminar program for the Corps publication, Asian Voice, and I shall ask that that article be printed in the Record at the conclusion of my remarks.

Professor Hinrichs has also penned a short statement on the state of our Revolution which appeared in the special Bicentennial issue of Asian Voice. The statement, entitled, "We The People Two Hundred Years Later," lays special emphasis on the continuous process of the permanent revolution and the fact that the revolution goes on because "we are masters of change and not its slaves." I ask unanimous consent that the full statement, presented by the Asian Benevolent Corps in honor of America's Bicentennial, and the description of the seminar program be printed in the Record.

There being no objection, the material was ordered to be printed in the Record, as follows:

EMBASSY SEMINARS: AN EDUCATIONAL ADVENTURE

(By Professor Harley H. Hinrichs)

Sitting down with an Ambassador, sipping champagne or drinking tea, discussing current political and economic issues with him and his aides—all in the setting of a magnificent Embassy: this would seem to be the dream of an educational adventure. ABC has now made it a reality.

This was the scene October 16 when the highly articulate Ambassador from Sri Lanka (formerly Ceylon) kept some twenty seminar participants enthralled with his Oxfordian wit and charm for two hours past the usual closing time of 9 p.m. Of course, the exotic cuisine and ample stimulants served to keep the conversation vital and alive.

Such a scene has been going on since June when ABC initiated its "Embassy Seminar Program" with a dozen seminars at Asian Embassies and the National Economist Club. So far it has been a roaring success. So successful that attendance has been limited to about two dozen (including about half a dozen faculty and staff). To add to the sociocultural diversity input in the educational process the seminars have aimed for (and achieved!) a fairly even distribution between male and female, East and West, Black, White, Yellow, Red and other colors and cultures that add to a decided Renaissance approach to life.

The essence of the seminars has been the intellectual meat of heated and enlightened discourse. Topics have ranged from the income distribution implications of economic development in Indonesia, the emergency powers of Indira Gandhi, the future role of Japan and China in Southeast Asia after Vietnam, and the state of Pakistan-Afghanistan relations to the bitter and debatable Middle East controversy. The format of the seminars begins with an Embassy presentation (lectures, films, panel discussion) starting at 6:30 p.m. for about an hour, a refreshment break, and then discussion till about 9 p.m.

Participants have included government officials from the Departments of State, Defense, Treasury, Commerce, members of the World Bank and International Monetary Fund, congressional staff and interns, executives of multinational corporations and business trade associations, as well as graduate students from local Washington universities—Maryland, George Washington, Georgetown, Howard, Federal City College, American, and Catholic. It has been a fascinating potpourri of young and old, veteran expert and rookie learner, retired citizens and young beginners.

Faculty has ranged from law professors to those in economics, political science and international relations, members of local university faculties, visiting professors who fly in from New York City each week (Prof. Thomas Herrick of Long Island University) and who are here on sabbaticals from the University of Hawaii (Prof. Robert Ebel), and leading Government experts (Prof. James Robinson, Office of Management and Budget and current president of the Society of Government Economists) and economists at the World Bank (Prof. Horst H. H. Eschenberg). ABC's own leaders, Dr. Dwan L. Tai (Ph.D., G.W., Economics and International Relations) and Washington Chapter President, Alfred H. Liu (A.I.A., Columbia University) also participate.

The summer success with an Asian Embassy Semester (with National Graduate University) led to the development of a broader, continuing program for the Bicentennial Year. In September the program was expanded to cover three seminar areas: Latin America, Europe, and Asia (including Middle East) meeting once each week on Mondays, Wednesdays, and Thursdays, respectively.

This continuing "Embassy Seminar Program" is now organized under the direction of the International Policy Institute, an educational division of ABC. The IPI is headed by its President, Prof. Harley H. Hinrichs (Ph.D., Harvard, Political Economy and Government), Howard University Graduate School and University of Maryland, and a set of dynamic vice-presidents and others developing various educational programs (Herrick, China tours; St. Clair Tweedie, Energy Conference; Jean McRae, Caribbean Cruise; David Green, Arts and Cultural Tours for District of Columbia teachers and pupils; and Ann Orleans, noted broadcaster and public relations expert who is developing a television public affairs format for the embassy seminars). The IPI programs are directed by ABC Board Chairman Dwan L. Tai, Chapter President Alfred H. Liu, and Professor Hinrichs along with the array of vice-presidents (including the earlier mentioned faculty members, Professors Robert Ebel and James Robinson). The Executive Coordinator is Ms. Ravi Aulakh, M.S. from Delhi University and completing a Ph.D. at Howard University.

The purpose of the IPI is to broaden the educational scope of ABC to relate Asian and Asian-American interests to the rest of the world. The IPI is developing a special Advisory Council to give equal representation to all continents and to reflect the inputs from the European, Latin American and African communities in Washington.

Even though those reading these words now have already missed such exciting Embassies as Egypt, Israel, Kuwait, Lebanon, Afghanistan, India, Pakistan, Sri Lanka, Malaysia, Korea, Yugoslavia, Mexico, Indonesia, and Chile, have no fear—they will be repeated at a later date. One can still join! (Phone 331-0129 and talk to Ravi about details.) And if your university department agrees, you can get up to 3 credits toward a degree.

Upcoming in November, December and January are challenging seminars to be held for the European Seminars (United Kingdom, Germany, Turkey, Ireland, and the Soviet Union), Latin American Seminars (Jamaica, Trinidad-Tobago, Panama, Paraguay, Nicaragua and much of South America), and Asia (Afghanistan, Iran, India, Nepal, Thailand, Australia, New Zealand and others).

Come, learn and enjoy the world here in Washington! It may be only here in Washington that one can sit down with leaders of both the Arab world and Israel, India and Pakistan, Russia and America—and see the world without leaving town. We thrive on controversial issues; we live to learn about the world and ourselves.

WE THE PEOPLE TWO HUNDRED YEARS LATER

(Presented by the Asian Benevolent Corps)

We the People of the United States of America are from the Peoples of the World.

We came more than Two Hundred years ago to this land to find a place to live an idea.

Two Hundred years ago we put the idea to words.

Two Hundred years have tested the idea: the Revolution still works because the Revolution means change within a constancy of purpose and a process of change. Change goes on, process remains permanent: together they are the Permanent Revolution.

Change is vital to a Living Revolution because:

We were born free and would fight to live free. . . .

We were conceived in the problems of the Old World and had to change that world for one new.

We want our children to change into better beings in a better world.

We are vital and alive because we are masters of change and not its slaves.

Process as permanence in our Revolution means:

We could agree to disagree until change allowed peaceful transition.

We could agree on the rules of the game—on the process of change—and on the due process of laws governing people living together.

We could agree on a unity of method with diversity in cultures—we could unite East and West, North and South in common purpose to defend the right to be different.

We the Peoples of the World came to create a New World—and we go forward fearless of change because we are bound to unity in the process of making change.

[From Congressional Record, June 16, 1975]

ASIAN BENEVOLENT CORPS ENCOURAGES CROSS CULTURAL UNDERSTANDING

Mr. Brademas. Mr. Speaker, in our country today we too infrequently note the contributions made to many communities by those Americans who are of Asian descent. These people, who trace their ancestry to such lands as China, Japan, Burma, the Philippines, Korea, and Vietnam have made positive, constructive contributions to the life of their communities.

A leading organization which has been working vigorously for over a decade to encourage greater understanding of the cultural contributions made by Asians to America and to promote participation by Americans of Asian origin in the life of their local communities is the Asian Benevolent Corps—ABC.

Since 1963, ABC has directed educational and cultural programs in which Americans of Asian descent join Americans of other backgrounds to explore and enjoy the many dimensions of the Asian heritage, such as painting, music, literature, and other arts and activities.

ASIAN ARTS FESTIVAL

For example, Mr. Speaker, the Asian Benevolent Corps recently held a highly successful 6-day Asian Arts Festival at the Montgomery Mall in Bethesda, Md. At this very interesting festival, works by traditional and contemporary Asian artists were featured, embracing both the fine and applied arts. Theater, music, dance, fashion, flower arrangement, cooking, film, and architecture were on display.

The 6-day Asian Arts Festival was the fruit of ABC's longstanding interest in the arts and its ongoing involvement with them in forums, instruction and training, workshops, publications, and exchange programs.

Mr. Speaker, as sponsor in Congress of the National Arts and Humanities Foundation Act, I was pleased to learn that the Asian Arts Festival was sponsored in part by a grant from the National Endowment for the Arts.

The festival included exhibits of Asian-American paintings and other visual art works; Chinese and Japanese water color demonstrations; Korean, Chinese, Burmese, and Philippine folk dances; demonstrations of Vietnamese, Chinese, East Indan, and Philippine cooking; performances of Vietnamese, East Indian, and Philippine music; demonstrations of Chinese Kung Fu, Japanese Judo, and Korean Martial Arts; and fashion shows of costumes of various Asian countries.

Participating in the Festival were over 100 artists, many of whom were of Asian descent, many of whom were not, and hundreds of community participants and staff members.

DISTINGUISHED PUBLIC SERVICE AWARDS

Mr. Speaker, I would like to add that at this festival, the Asian Benevolent Corps also presented its Distinguished Public Service Awards for 1975 and that the recipients were four of our own colleagues here in Congress, including the distinguished Senators from Hawaii, the Honorable HIRAM L. FONG, and the Honorable DANIEL K. INOUYE, as well as the two Members of the House from Hawaii, our distinguished colleagues, the Honorable SPARK M. MATSUNAGA and the Honorable PATSY T. MINK.

In the words of the citations which accompanied their awards, these four outstanding Americans of Asian descent were recognized for:

"Their meritorious and outstanding contributions made as Americans of Asian descent, for fostering mutual understanding and goodwill among persons of all national origins, for individual participation and growth in community life through inspiring citizenship and responsibility."

OBJECTIVES OF ABC

Mr. Speaker, I would also like to note here that these awards follow closely from the objectives of the Asian Benevolent Corps which I would like here to note:

The foster mutual understanding and goodwill among persons of all ancestries and backgrounds.

To make the arts, especially Asian arts, available to Americans and other people, and to promote cross cultural exchanges.

To develop interests, talents, and skills in furthering individual growth and harmonious community relations.

To improve the quality of life in the community, especially for disadvantaged persons, by developing community services and resources.

To encourage active participation in public affairs and to foster better citizenship and civic responsibility.

Both Congressman JOHN M. MURPHY of New York's 17th Congressional District, which includes the famed Chinatown, and Congressman MATSUNAGA addressed the persons attending the festival.

Mr. Speaker, the ABC, active here in Washington, also undertakes many other activities to realize these goals.

Through programs or chapters in Washington, D.C., New York, New Jersey, Pennsylvania, Texas, Indiana, and California, as well as through the efforts of individuals working in other Asian communities in this country, about 25 programs are now operating in education, community services and manpower training and referral.

These programs provide career counseling, bilingual education, citizenship, business education, and courses in Asian affairs. ABC's Asian embassy semester, where students gain academic credit for courses in government, economics, and the arts and culture of various Asian countries, is a prime example of ABC's innovation and creativity.

ABC also publishes the magazine, Asian Voice, which features thoughtful articles on the arts and other aspects of Asian lands and which I believe Members of Congress will find a useful source of information on Asian and Asian American affairs.

Indeed, Mr. Speaker, I hope that Members of both the Senate and the House of Representatives will follow with sympathetic interest the many constructive activities of the Asian Benevolent Corps.

ABC is an organization that is making a positive contribution to American life and I wish ABC continued success in its several activities.

GOVERNORS EVANS, LAMM, AND DUKAKIS VIEW FOREIGN POLICY CHOICES FOR THE 1970'S AND 1980'S

Mr. SPARKMAN. Mr. President, on February 25, the Foreign Relations Committee resumed its series of hearings on "Foreign Policy Choices for the 70's and 80's" with a "View From the Governor's Mansion," by Gov. Daniel Evans of Washington, Gov. Richard Lamm of Colorado, and Gov. Michael Dukakis of Massachusetts.

As you may know, previous hearings in this series featured the thinking of mayors, religious leaders, farm and labor officials, representatives from the current and past administrations, and a panel of public opinion pollsters.

The intention of these Bicentennial hearings is to further public education and discussion.

In late Spring, at the conclusion of this series, we will have on the record a full spectrum of American thinking concerning the kind of Nation we want to be in the next decade.

It is rather unusual for the Foreign Relations Committee to hear from Governors. In most cases, witnesses before the committee come from those areas of society most closely associated with legislation, crises or programs that have traditionally been affiliated with the foreign policy community.

But this is a changing world. Today foreign policy is more than ever a reflection of domestic policy. In some cases the opposite is true. Domestic policy is a reflection of events that occurred overseas. The energy crisis is a prime example.

The view from the Governor's mansion was valuable. Governors not only reflect their electorate on such matters as energy, resource use, and the overriding values and goals of our society—they themselves are often a part of the process which we call international relations.

I could list many examples, but it is sufficient to point out only two. First, I would expect that more U.S. trade missions abroad are led by Governors than any other representatives of the people. Second, the energy crisis and its ramifications on the people of the United States, has been one of the most thoroughly discussed topics in the entire catalog of Governors' problems.

So we asked distinguished State leaders to give us their thoughts on where this Nation might be going.

I might add here that Gov. Michael Dukakis of Massachusetts fully expected to be with us. Although pressing State business prevented his appearance, the Governor's prepared statement was available to the committee.

This was an educational and useful session, filled with ideas that I think will be of interest to Members of Congress unable to attend. Mr. President, I therefore ask unanimous consent to have the Governors' statements printed in the RECORD.

There being no objection, the statements were ordered to be printed in the RECORD as follows:

REMARKS BY DANIEL J. EVANS, GOVERNOR OF WASHINGTON

I am grateful for this opportunity to present my views to the committee. Rather than attempt to give a global view of American foreign policy, let me, as Governor of a Pacific Rim state and one who has visited the Far East, including the People's Republic of China a number of times in recent years, confine my remarks to our relations with the countries of south and east Asia.

While for nearly 200 years our primary concern has been in Western Europe, at least equal importance must be given to our relations vis-a-vis the Far East. We are a Pacific Power. Our interests in the Far East go back to the beginning of our Nation. Three times in the last 35 years we have fought wars in the area. The frustrations of our most recent military action in southeast Asia should in no way limit, but rather should accelerate, our policy concerns in Asia.

Over one half of the world's population is in Asia and the major powers of Japan, China, and the Soviet Union are in Asia. While our capital investments in the Pacific Rim are far less than in Western Europe, our trade with south and east Asia is more substantial than that with the European Common Market. The United States may not have the cultural links with Asia that it does with Western Europe but much of the leadership in Asia has been educated in the United States. Furthermore, the massive American presence in the region during the past two decades has fostered a web of ties that will continue to grow in the years ahead.

The present system of Asian alliances and the policies which have flowed from that system for the past 25 years are bankrupt. These policies, which were in large measure originally conceived and implemented as a reaction against the People's Republic of China, are now supported, ironically, most enthusiastically by those against whom they were directed. To continue to maintain the trappings of this policy in Asia seems useful to no one except those who prize historical futility. With the end of the war in southeast Asia, the recent change of leadership in China, our strong trading position, other changes which will inevitably occur in the future, and the dangers inherent in inaction as well as the opportunities for constructive action, I believe a re-examination and a recasting of our policies in east and southeast Asia must begin immediately.

In accomplishing this end we must avoid articulating policy in terms of morality or amorality. Not only must American foreign policy—any nation's foreign policy—be based on self-interest, but it is the responsibility of political leadership to justify policy from this perspective. While press and public may enjoy the rhetoric and drama of morality plays, the experience of the 1960's should be convincing evidence of the error of this approach. Self-interest, of course, is not synonymous with short-sightedness. To the contrary, our self-interest will be best served by a policy which is far seeing, and which begins preparing for the year 2000 in the year 1976.

While international political conflicts rooted in clashes of both ideology and self-interest will command part of our attention, the key problem of the 1980's and the 1990's in south and east Asia will not be that of political morality, ideological conformity or capitalism vs. communism.

Most centrally, it will be that of poverty. The grinding poverty, compounded by low agricultural productivity, hunger, disease and consequent high rates of infant mortality leads, paradoxically, to high rates of birth—"insurance" against those infant deaths—and to ever increasing population which adds to poverty so that the circle is begun again. No country on the planet has solved its population problem in this century without first substantially solving its poverty problems: a solution signalled at the grass roots by a sharp decline in infant mortality rates.

The decay of political institutions, the rise of popular movements fueled by military adventurism, and the fury of the hungry masses against the well-fed can critically, if not mortally, endanger our interests. At the best we will have extreme political instability where stable, non-belligerent governments in south and east Asia are essential to the interests of the United States. At the worst, with the money and knowledge readily available to these countries for such purposes, we will have military conflict culminating in the spectre of nuclear blackmail.

While from the aspect of cultural ties and immediate economic interest our major concern may be western Europe from the aspect of security, there is little question but that we must have a vital and continuing concern in Asia, a serious potential area of conflict.

American foreign policy in this region must deal with the issues which really threaten the interests of the United States in ways which will meet and resolve the dangers of the next 25 years rather than replay the anxieties of the last 25 years. The political leaders of this nation need to make clear to our people that dollars spent today and policies directed today toward stimulating economic self-reliance and raising living standards, as well as combatting hunger, represent the most profound self-interest for which these funds could be spent. It must be understood that the costs of not dealing with poverty will be linked directly to a greatly increased potential for political and military conflicts.

We also need to make clear to the governments and people of south and east Asia that our interest is not to enforce any ideological viewpoint of government, but rather to help them improve their living conditions. As George Marshall in 1947 put it in words that are equally relevant now: Our struggle must be "against hunger, disease, desperation, and chaos."

Let me suggest 6 steps which can be taken by the United States.

(1) A continued effort on the part of the United States to limit and ease tensions between the U.S. and China, the U.S. and Japan, and the U.S. and the USSR. Diplomatic efforts to lessen tensions between North and South Korea. Renewed efforts, difficult as they may be, to reach a better understanding with India.

(2) Recognize that while we may continue to live in the short term with the existing system of bilateral alliances in east and south Asia we must seek a restructuring of the old alliance system which recognizes our changing interests in the area and which will enable us to cope with the terrors of poverty, hunger and population.

(3) A massive increase in direct food aid to Asia. We should return very quickly at least to our 9- to 10-million-ton level of the early 1970's and better still, to at least the mid 1960's level of 15 to 18 million tons, or greater. The value of food shipments to our self-interest can most vividly be seen in our trading of wheat to the Soviet Union. Without these shipments it is doubtful if any semblance of detente could have been maintained and it is reasonable to believe that a new and presumably hostile regime would have taken over.

(4) More funds need to be committed to long-term economic development and better means provided for resource transfers from the U.S. to the less developed countries of Asia. It is imperative that we help these countries to achieve the economic self-reliance which will enable them to break the poverty-hunger-population cycle.

(5) Agreements of mutual benefit need to be reached to insure the stability of resource transfer—not the unilateral model of the OPEC cartel—but new forms of international organization which would address the self-interest of all parties to the agreement. Just as the natural resources of other countries are assets which we badly need, so the vast reservoir of educated talent which we have is desperately needed by other countries. Surely our self-interest dictates the need for multi-lateral agreement.

(6) Worldwide the various nations spend in excess of $300 billion on armaments. Without compromising the essential security of the United States, we need to have intensive critical efforts to devise cuts in defense spending. Our self-interest can be met by cuts in our military spending, not only as an example to other countries, but as a method of releasing funds to be spent in far more productive means of protecting our interests

In recent years the anology of the industrialized world as a well-stocked lifeboat with enough provisions for the few, limited supplies for the many, but not enough for all who must be left behind to thrash and drown—has had a certain vogue. Rather than use the lifeboat as the model, I would argue that we are more truly on a yacht where we can still have difficulties, but where with skill and judgment there will be both room enough and provisions enough for all. Certainly the demonstrated capacity of erstwhile less-developed countries to double or triple their agricultural production and then to cut their birth rates, with the right institutional reforms and the right kind of help, is evidence of the "not a lifeboat but a yacht" thesis.

A policy directed toward feeding the hungry and encouraging with dollars and other resources the self-development of Asian countries will not, I believe, receive automatic acceptance from the people of this country. A significant change in public opinion will be required. However, results of a Harris Survey published in December, 1975, suggest that a large majority of Americans no longer believe the accumulation of physical possessions and the steadily-increasing consumption of the world's energy and raw materials are either right or essential to well-being. While it is a long way from a troubled conscience to established policy, I believe people would be receptive to a leadership which cast our highest self-interest in the light of the help we would provide to others. It is certainly a position which is worth pursuing.

Statement of Colorado Governor Richard Lamm

As governor of a State rich in natural resources, I have taken a particular interest in the whole question of natural resources. Perhaps that view could, in some way, help the deliberations of this committee. At least I have a very strong viewpoint on it.

Two hundred years ago when Cornwallis surrendered in Yorktown, the band played "The World Turned Upside Down." I believe in some very major variables relating to the entire health of our social, economic, and political system that in the last few years we have obviously seen the world turned upside down. Its implications I suggest are immense.

I would like to advance the case that these problems are in fact more than just problems, but represent a significant turning point in the entire history of the world and one that has great implications for our country.

This committee has access to and has already heard from a number of witnesses who have summed up the case better than I can.

The swing of history is the power to set priorities. As in energy, from consuming nations to the producing nations.

These producing nations are looking to share our wealth to a very significant degree, and the new economic order can only cause an economic disorder to this country.

Despite that the fact we are desperately dependent on foreign minerals, energy and materials, our supply lines are tenuous. If this was a war, no general could possibly allow his troops to become so isolated from their major supply lines upon which their economy or their well-being depended.

A recent United Nations survey showed 875 enterprises in 62 countries were nationalized between 1960 and '74. An overwhelming proportion of these were American companies, and most of them dealt with minerals, materials or energy.

Consequently, the date of our dependence is growing, not shrinking. We import now 35 percent of our petroleum, more than 50 percent of major minerals, and a number of other materials; the percentage of dependency is growing.

We have thus seen in a very short period of time, in my opinion, a gigantic change in the relative position of this country, and one that is yet unrecognized by the public; a power shift set not by the movement of armaments but a subtle movement of those who control prices—and while subtle, I would suggest this is more powerful in many cases than the movement of armies.

At the same time we continue to make the continuing traditional policy assumptions in this country. I would like to list what I see those to be, particularly as they relate to our dependence: materials, minerals, and energy.

Number one, we make the assumption of unlimited availability of resources.

Number two, we also accept the assumption of a laissez faire policy towards material development, even as the international scene becomes more unstable and more unpredictable.

Our exploration of oil, for instance, has been decreasing. The only exception I know of—this only until recently—was the Critical Materials Stockpiling Act of 1946.

But again, we continue to have as our policy the policy of laissez faire towards minerals and materials development. We have no national plan that I know about, no national priorities, no one looking after tomorrow in the area of these things; although there has been, granted, a recent start in the area of energy.

Let me give you one example particularly important to the West: water. In 20 years we estimate that this nation will need two-and-a-half times more of our existing supply for our farms and houses and industry.

Yet we have no water policy, or we have a considerable lack of policy, in all of these critical areas to which our domestic and foreign policy relates.

I sum this up by saying we are running an international marathon like it was a hundred yard dash.

It is said maturity in individuals is a recognition of one's limitations. So also should we recognize that maturity as a society is a recognition of that society's limitations.

Recognize that there is no reason to panic. This is still a rich, strong country. However, we have to get over our assumptions of infinite resources and we must think about such probelms as a creative adaptation to shortage and how we gear a society to these new realities.

I suspect our foreign policy in the future will be to some considerable extent dependent upon our ability to reduce our vulnerability to foreign sources.

If we tighten our belts, waste less, and use more wisely, our foreign policy can be said to be perhaps tied (a) to Detroit and how much mileage we can get from our automobiles, (b) to our drawing rooms and how we can better insulate them; and (c) to domestic policy and how we can intelligently get the political leadership to make people understand we live in a new world of restraints we have never lived in before.

Testimony of Governor Michael S. Dukakis of Massachusetts

Mr. Chairman, members of the Foreign Relations Committee, I am pleased to be given the opportunity to appear before you today to talk about the foreign policy choices of the next decade.

It may seem presumptuous for a Governor to talk about the future of American foreign policy. Surely everyone realizes that foreign policy must be the concern of the Federal Government and that a Governor's influence on U.S. foreign policy is negligible.

Nevertheless, I believe there are, or should be, a very strong relationship between domestic and foreign policies which are very much the concern of State officials as well as all citizens. Let me explain.

In recent months I have made several speeches describing what I believe to be the proper division of responsibilities between Federal, State and local governments. I have contended that State and local governments are being driven to the verge of bankruptcy because the Federal Government has not committed itself to certain basic guarantees such as a job and decent health care. We at the local level simply do not have the capacity to deal with these problems.

I have argued that the Federal Government, by turning its back on the problems of employment and health care, has robbed the States and cities of resources to meet responsibilities for which we are peculiarly equipped—education, metropolitan transportation, mental health, delinquency prevention, law enforcement and consumer protection.

In foreign policy, I believe there is a similar confusion of thinking. The present administration persists in following self-defeating and inhumane policies—under the guise of what is called "national self interest"—while ignoring the larger issues and problems which threaten to inundate the globe.

"Balance of power" is the watchword of its foreign policy, which means that a handful of world leaders from the so-called major powers determine what is "proper", if not right and just, for the rest of the world.

But the balance of power system has outlived its usefulness, if indeed it was ever the proper basis for international relations. The problems the world now faces—crises of population, food, raw materials, energy, and a monetary system—are international in scope and must be addressed through international mechanisms and institutions.

I am not suggesting for a minute that we ignore the basic fact that the world is made up of nation-states which will surely outlive all of us. Each of these nations must of necessity pursue its own foreign policy.

But the notion that a small group of super powers can deal privately and exclusively with each other on issues of crucial importance to the rest of the globe must now be cast aside. The idea that a balance of power is the proper means to deal with the world's fundamental problems would be laughable if it were not being pursued with such zeal by the White House.

Just as the administration must recognize its responsibilities to ensure that American citizens have jobs and good health care, it must also recognize its responsibilities to deal with problems of food and resources around the globe.

But the administration is not recognizing its responsibilities in either count. Our policies at the United Nations are a perfect case in point.

The United Nations and its associated agencies can be important instruments to deal with a wide range of crucial issues:

The population explosion;

Worldwide shortages of food and resulting famine;

Uncontrolled exploitation of raw materials;

Abuse of the environment;

Disarray of the world monetary system;

Proliferation of armaments, both conventional and nuclear; and

Widespread international disputes.

Even partial solutions to these profound problems will require the combined energy and imagination of the best minds of many, many countries. So what is the bold new policy pursued by the Ford administration at the United Nations? Simply this: American economic aid to individual foreign countries will henceforth depend on the political stands taken by those countries at the U.N.

As Theodore Hesburgh has so persuasively argued, this new policy is both immoral and counterproductive: immoral because it subordinates the survival and well-being of millions of suffering human beings to winning votes on transitory political issues, counterproductive because it may well achieve the opposite effect.

Or national government must put together a responsible foreign policy in which the United States begins to address the common human problems facing virtually all countries of the world.

Destroying the villages and people of Southeast Asia; propping up every tinhorn dictator on the planet; and overthrowing constitutionally elected governments—these are not the destiny of America. Over the past generation official American policy has embraced and sustained many repressive regimes. We must break those ties which still exist and not get into new ones.

Why, after a decade of futility and despair in Vietnam, our leaders now tell us it is imperative that we jump into the conflict in Angola is beyond me. The tired phrases and short-sighted thinking used to justify our intervention in that distant country will, if allowed to go unchecked, only lead to further foreign policy fiascos of the kind so familiar to us in recent years.

The cold war is over, and it is about time we stopped waging that battle. We can maintain an adequate defense without making the notion of Soviet expansionism the cornerstone of American foreign policy.

We must stop thinking about enemies, imagined and real, and start thinking about the plight of millions of human beings in other nations—and even our own—who live, and die, in inhuman conditions. For the problems we face in the 1970's and 1980's are international in substance and in scope. We must deal with these problems through all the international institutions, forums and mechanisms at our disposal.

This is not simply a matter of humanity on our part. It is a question of self interest as well. The rest of the world will not forever tolerate a situation in which the United States survives as an island of plenty in an ocean of misery. The longer we persist in ignoring this reality, the harder it will be to resolve these tensions in peaceful fashion.

"People"—not "balance of power," or Vietnam, or Angola—must be the focus of American foreign policy in the years ahead.

A NEW HOME FOR CHIMPANZEES

Mr. GOLDWATER. Mr. President, I would like to bring an article about an interesting land reclamation project to the attention of my colleagues. Jo and Paul Fritz are two Arizonans, who with the help of 40 acres of land leased from the Bureau of Reclamation, have established a home for unwanted chimpanzees. The land, which was the former site of a Salt River project hydroelectric plant, will be renovated, providing facilities for the care and observation of these chimps. Basic aims in providing the home for the unwanted chimpanzees include, first, to breed enough chimpanzees in captivity to slow down the importation of wild chimpanzees—a practice which is threatening the entire wild population of these primates, and second, to provide opportunities for student and investigators to study these animals. Among the people observing will be members of the Primate Foundation of Arizona.

Paul Fritz is donating his time to the care of these primates and 75 percent of all the chimps' food is donated by a local supermarket. The administrative work, including clerical assistance, is contributed by Arizona State University students.

Mr. President, this farm for chimpanzees, when completed, will be the only one of its kind in the United States, and because of the hard work of all the people involved in the project, dedicated to making a home for these chimpanzees, I ask unanimous consent that the article, "A New Home for Chimpanzees" be printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

A New Home for Chimpanzees

Who says the Bureau of Reclamation is monkeying around? Well, nobody—but the Bureau is helping a Tempe, Ariz., couple establish a home for unwanted chimpanzees.

The Bureau has leased 40 acres of land to Jo and Paul Fritz to establish living quarters for 14, and soon to be more, chimpanzees. The land is northeast of Mesa, Ariz., and was originally the site of a Salt River project hydroelectric plant, built in the 1920's. The Salt River project, one of Reclamation's first, was authorized by the Secretary of the Interior on March 14, 1903, only months after the Reclamation Service had been established in 1902.

The plant's remains—viaducts, canal systems, and the large shell of a concrete building—will all be used to create outdoor island areas and indoor cages for the chimpanzees. The 40 acres will be divided into islands, each containing shelters, climbing facilities, and varied terrains. Only students, investigators, animal keepers, and occasionally members of the Primate Foundation of Arizona will be allowed to observe. There will be no general public visitation.

The main building will have two floors with an observation deck on top. The ground floor will contain the cages where the chimps may be observed daily for signs of illness or possible injury. The second floor will contain offices, nursery, treatment rooms and all other facilities necessary for good care. And two large areas will be developed into indoor play cages, in case of inclement weather.

"But why all this fuss," you may be asking. Jo Fritz explained that the chimpanzee is being threatened with extinction. To capture a wild baby, one must first kill the mother. It is estimated that for every live arrival into the importing country, four to six mothers have to be killed. Each mother could have produced about 10 offspring in her lifetime. This is a potential loss of 40 to 60 chimpanzees. Today, there are about 1,000 chimpanzees in the United States and an additional 350 are being imported each year. One needs only to multiply these figures and add other importing countries to understand why the wild chimpanzee population is endangered.

Paul Fritz, president of the foundation and its resident director was born in Berlin, Germany. He worked in European zoos for many years before coming to the United States. He has had 20 years' experience working with chimpanzees and has a broad background in handling exotic animals. Jo, who also has had experience working with exotic animals, has long been concerned about the chimpanzee, and is now doing something about them.

GENERAL AIMS OF THE FOUNDATION

The foundation has established three basic aims: first, to breed enough chimpanzees in captivity at least to slow down some of the wild chimpanzee importation. This is done by mating the chimps already in the United States. The foundation will not import chimps. Proof that breeding in captivity is possible came with the first birth in the colony on January 28, 1973.

The second aim of the foundation is to solve the problem of unwanted chimpanzees now in captivity. Until now, there has been no place for captive chimps once they outgrew their homes, became too difficult to handle, or served their usefulness as laboratory animals. Many have been destroyed as a result.

Jo explained, "For some families, giving up the pet chimp is like giving up one of the family." She has seen incidents where a couple has acquired a baby chimpanzee when it was yet small, cute, and controllable. "The couple dresses and teaches their new 'child' to look and act just like a human being.

"Then suddenly, sometimes as long as 4 years later, it becomes completely uncontrollable. It begins to smash furniture, throw food around, and hurt small children as it plays with them. Perhaps the most difficult time for the couple is when they finally realize the animal is not a human and is now following its natural instincts," Jo explained.

She said, "It is sad to watch a couple drive up with their fully-dressed chimpanzee and walk it to a cage where it is locked behind bars."

The third aim of the foundation is to provide opportunities for students and investigators to study these animals. The new site will allow for controlled educational tours and lectures. Even though the foundation will not be open to the general public, it will allow certain groups and organizations to visit. They will be able to view the chimps from observation decks built around the periphery of the islands.

Already, a graduate anthropology student is using a colony as basis for a master's thesis. Graduate and undergraduate students are also using the colony to obtain information for class papers and a Scottsdale Community College student is using the chimps in a television film.

The foundation also offers a public speaker who is available to speak to organizations such as Kiwanis, Rotary Clubs, etc.

TIME AND FOOD DONATED

All time spent caring for the chimpanzees is given by Paul Fritz. Seventy-five percent of all food for the chimps is donated by a local supermarket. Even all administrative work, including clerical assistance, is contributed by Arizona State University students.

CHIMP LIFE SPAN

Chimpanzees mature in about 10 years and their life span approaches 50 years. Since the foundation is so interested in breeding new chimps it has had to become familiar with their breeding and nurturing habits. The gestation period is about 8½ months. Babies born in the wild stay with their mothers until they are 4 years old.

The Fritzes will remove babies from their mothers at about 1 year of age since the mother will not breed while nursing a young. At 1 year, the baby has received enough "education" from its mother so that, given the proper surroundings, it will be a near-normal chimpanzee in adulthood. Near-normal means as near as possible without having been raised in the wilds.

FOUNDATION POLICIES

The primal farm, when completed, will be the only one of its kind in the United States. This sanctuary for retired circus performers, laboratory specimens, and misplaced house pets will undoubtedly aid in the preservation of the chimp. And you animal-lovers can rest assured that those funny chimps who mimic humans so well, will be around to do so for many years to come.

CHAIRMAN BURNS TESTIFIES BEFORE THE JOINT ECONOMIC COMMITTEE

Mr. HUMPHREY. Mr. President, on February 19, the Joint Economic Committee received testimony from Dr. Arthur Burns, Chairman of the Federal Reserve Board, who presented the views of the Board on the economic outlook.

Overall, according to an analysis by the Joint Economic Committee staff, it appears that the growth of monetary aggregates is falling short of the various targets that have been set. Measured from March 1975 to January 1976, the money supply has been growing at a rate of 4.8 percent, or below the 5 to 7½ percent which the Federal Reserve Board set as the money supply target.

The pattern of money supply growth over the past year certainly raises some puzzling questions. Last spring, most observers were concerned that the money supply would exceed the top of the target range. Few would have guessed that the real problem would be money growth so slow that it fell below the lower end of the target range.

Chairman Burns presented an optimistic view of the economic recovery. He cited the increase in total production and the even stronger rebound of the industrial sector of our economy as primary indicators that we have experienced a substantial economic recovery. As a result, according to Dr. Burns, "total employment across the Nation has risen," this "gain has been accompanied by a significant lengthening of the average workweek, and the unemployment rate has come down from about 9 to 7¾ percent."

Chairman Burns attributes the strength of the recovery to increased consumer confidence in the handling of our economic problems. He states:

> It is clear that the consumer led the way out of the recession and into the recovery.

He cited retail sales as evidence of increased consumer confidence.

Although I agree with Chairman Burns that consumer confidence has played a major role in ending the current recession, it is apparent that other forces may work against a complete rebuilding of consumer confidence. For example, the housing industry which traditionally has led the way out of past recessions remains depressed due to high mortgage interest rates. The average family simply cannot afford to pay mortgage interest rates equal to or in excess of 9 percent. As a result, the demand for housing will remain weak and new home construction will recover very slowly. Only an increase in the money supply and a reduction of interest rates will revitalize the housing industry and help restore consumer confidence.

Dr. Burns believes that the increase in consumer confidence which has led to a decrease in business inventories to an "unusually low" level will sustain the economic recovery, and he would not "be surprised if orders and production advance rather briskly in the months just ahead." However, he believes that "the present optimistic mood of the consumer could be destroyed by a new burst of inflation."

While Dr. Burns acknowledges that we have made "notable progress" in slowing the rate of inflation, he also indicated that there had been some worsening in the past few months in the rate of inflation. He believes, and I agree with him, that it is clearly the responsibility of the Government to manage economic policies so that a new wave of inflation is avoided. I might add that it is also the Government's responsibility to return this economy to its full employment level and reduce the intolerably high unemployment levels which exist in many of our urban centers, and I urge him to work on this great problem.

Dr. Burns stated that in view of the continued threat of inflation and the need to sustain the recovery:

> The only sound fiscal and monetary policy is a policy of prudence and moderation.

He warned that—

> Still larger Federal expenditures and bigger deficits may fail in their purpose of speeding the economy to its full employment level.

In reviewing monetary policy, Dr. Burns stated:

> Moderation in monetary policy is also needed to bolster confidence in the economic future.

However, he assured us that the growth in the money supply would not slow too much or for too long.

In closing, Chairman Burns said that structural changes can make a significant contribution to the economic recovery and to controlling inflation. He concludes that structural policies adopted in conjunction with moderate fiscal monetary policies "offer the best hope for the attainment of lasting prosperity."

S. 2541—DISPLACED HOMEMAKERS BILL

Mr. RIBICOFF. Mr. President, today I wish to call attention to S. 2541, the Displaced Homemakers Equal Opportunity

Act introduced in October by Senator TUNNEY and cosponsored by myself and 15 other Members of this body. This bill addresses a growing problem in our society and must not be allowed to get lost.

We are all aware of the change in opportunities for women in our society. We must also take note of changing conditions for homemakers. Many of these women who stayed home to cook, to clean, and to raise children in return for support from their husbands now face a terrifying abyss. These women gave up education, training, and work experience to be homemakers. They did so on the assumption that the marriage and the income that supported them would remain intact; that they would be protected. In many cases these assumptions have proved invalid.

What of the housewife who finds herself widowed or divorced at the age of 50? Because she is too young or because she is divorced from the income-earner, she is ineligible for social security benefits. Because she has been left with a house she is "too rich" for some low-income porgrams; because she is healthy and has no young children she is ineligible for others. And because she has no job and no income, she cannot afford the mortgage payments on the house. We live in a mobile society, so she does not move in with her grown children. Finding employment is difficult; she has very little or no paid work experience and few recognized skills; and she is "too old." Eventually she may lose the house and go on welfare—a defeated and bitter woman.

All of us should have a selfish interest in helping these women find meaningful employment. Without jobs they become disillusioned welfare recipients; with jobs they can be active members of society and taxpayers.

Most of us have professed to value and respect the contributions of the housewife. Let us put that respect into action.

The model program centers established under this bill would offer counselling and job assistance to the displaced homemaker. Over the 18 months of this pilot program we would gain some insight into how best to help these women.

This bill is a responsible one. It sets up a pilot program and mandates a report with recommendations. If this novel program does not prove its worth after 18 months of trial then it will cease to exist. I have long felt that this pilot approach is the best way to introduce new programmatic ideas without running the risk of incurring lasting obligations for what may or may not work in the marketplace.

I urge the Committee on Labor and Public Welfare to begin hearings.

SENATOR HANSEN ON BEEF IMPORTS

Mr. FANNIN. Mr. President, the Subcommittee on International Trade of the Committee on Finance held hearings this week on S. 595, a bill to reduce imports of foreign beef.

My colleague, Senator HANSEN of Wyoming, attended these hearings and testified in support of the bill, which would place an annual ceiling on imports of 750 million pounds. Also, beginning in calendar year 1978, the 750 million figure would be increased or decreased according to levels of grain-fed slaughter as a percentage of total slaughter in this country. Thus, in years when there is an oversupply at home and grass-fed slaughter is up, imports would be decreased.

Senator HANSEN is one of the most knowledgeable Members of Congress when it comes to discussing the livestock industry and the harmful effects of excessive foreign beef imports.

I ask unanimous consent that his testimony before the International Trade Subcommittee and the attachment be printed in the RECORD for the information of my colleagues.

There being no objection, the testimony was ordered to be printed in the RECORD, as follows:

STATEMENT OF SENATOR CLIFFORD P. HANSEN

Mr. Chairman, American Livestock producers and feeders have had it pretty tough this past couple of years, and I am pleased the Subcommittee is holding this hearing on a bill that would help put the industry back on its feet.

Livestock producers have been losing money for the past 24 months. Many have gone out of business. Others will soon follow if conditions don't improve. To illustrate the point, figures gathered by the Department of Agriculture show that in 1973, livestock producers were getting $43 per hundredweight for beef cattle. Last year, they got only $32.90. There was a silght recovery in January of this year to $33.50 per hundredweight, but this is scant reason for rejoicing, especially since agricultural production costs have increased 46 per cent since 1972—from $52.8 billion then, to $77.2 billion for the third quarter of last year. The livestock producer's share of the dollar consumers spend for his product has declined from 66 cents in 1973, to 64 cents last year.

If the majority of citizens in this country had suffered a similar reduction in income at the same time their expenses increased, there would be an uprising of sufficient intensity to cause immediate Congressional action on appropriate remedial legislation.

Last year, cattle numbers were up by some seven million head, and the supply-demand situation was grossly out of balance. When low beef prices combine with high grain prices, more and more cattle go directly from the range to slaughter, and a much smaller percentage of total production is fed grain. That's because feed lot operators cannot afford the grain to operate. Grass-fed slaughter as a percentage of total slaughter increases, and it is during such periods that imported meat, which is grass-fed, endangers our domestic livestock industry. It competes directly with domestic grass-fed beef, and acts to further depress already lowered prices.

The present Meat Import Quota Law permits increases in imported grass-fed meat in proportion to increases in domestic beef production. Instead, the law should work the other way around—when grass-fed slaughter increases as a percentage of total slaughter, imports of grass-fed meat should be reduced instead of increased, so that domestic livestock producers would be protected from unfair competition.

It doesn't make sense for the United States to encourage foreign beef imports at a time when domestic cattlemen are producing an over-supply and are going broke.

Since the enactment in 1964 of the current Meat Import Quota Law, foreign imports have taken over an increasing share of our domestic beef market. In 1966, imported beef accounted for about 5.8 per cent of American consumption. By 1973, imports represented almost 10 per cent of our market. While the figure declined to 7.3 per cent for last year, it still is a substantial portion.

In 1966, the dollar value of imported meat was $353 million. Last year, it was $661 million. In 1966, total imports of beef and red meat were 1.2 billion pounds. Last year, we imported 1.8 billion pounds of foreign beef. I request that a chart showing these and other figures provided by the Department of Agriculture and the Library of Congress be included in the record at the end of my statement.

The present law has three major faults. First, it amplifies short-run market imbalances by encouraging higher imports when domestic production is more than adequate to meet demand. Second, it places domestic producers of grass-fed beef at a competitive disadvantage. Third, it promotes long-term market erosion.

S. 595 amends the current law so it would not worsen short-run market imbalances. Foreign imports would no longer increase at the very time there was over-production at home.

By enacting the 1964 quota law, Congress recognized that excessive amounts of beef imports were harmful to the domestic livestock industry. Now, that law needs revision so that it will accomplish what it was meant to do.

Year	U.S. production beef and veal (billion pounds)	Total imports (billion pounds)	Total (exports million)	Net imports (imports less exports) (billion pounds)	Imports as per cent of U.S. production	Exports as per cent of U.S. production	Net imports as per cent of U.S. production
1966	20.6	1.2	39.1	1.1	5.8	0.2	5.6
1967	21.1	1.3	42.2	1.2	6.3	.2	6.1
1968	21.6	1.5	38.2	1.4	7.0	.2	6.8
1969	21.8	1.6	36.7	1.6	7.5	.2	7.3
1970	22.2	1.8	39.8	1.7	8.2	.2	8.0
1971	22.4	1.7	52.8	1.7	7.8	0.2	7.6
1972	22.8	1.9	62.1	1.9	8.7	.3	8.4
1973	21.6	2.0	90.9	1.9	9.3	.4	8.9
1974	23.2	1.6	63.2	1.5	7.0	.3	6.8
1975	24.5	1.8	53.4	1.7	7.3	.2	7.1

DOLLAR VALUE OF IMPORTS OF BEEF AND VEAL

1966	$353,900,000
1967	403,900,000
1968	485,600,000
1969	568,800,000
1970	679,900,000
1971	734,700,000
1972	861,700,000
1973	1,171,800,000
1974	896,700,000
1975	661,444,000

RANGE FREELOADERS

Mr. CANNON. Mr. President, the ranchers in Nevada who use the public lands have recently been levied a 50-percent increase in grazing fees. This has imposed an economic hardship on many of these livestock producers.

The question of assessing grazing fees on a statutory basis was recently considered in connection with the BLM Organic Act, S. 507. The Senate rejected the proposed formula in favor of additional study. I am hopeful hearings will be undertaken in the near future on the proposed statutory formula as proposed in S. 3071.

In connection with the question on the grazing formula, a thoughtful editorial appeared in the Reno Evening Gazette which raises a number of questions about the public lands, and particularly on the assessment of costs. These questions should be considered in any policy decision and I commend the article to my colleagues for consideration and ask unanimous consent that it be printed in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the Reno Gazette, Mar. 4, 1976]

EDITORIALS—RANGE FREELOADERS

If the federal land management agencies are interested in patching up relations with Nevada stockmen, here's an idea that might help do the trick.

It's not to stop charging grazing fees, but simply to charge all forage users on the same basis as the rancher.

Stockmen have been paying at the rate of $1 a month per "animal unit," and now that rate is going up to $1.51. Stockmen are furious. They say it's too much, but some non-stockmen around the state have been saying it's not nearly enough.

They contend that the cowman has had far too much political clout down through the years, and were it not for this he'd be paying lots more.

Even at $1.51 a month, stockmen are still getting more than a good deal, these critics claim.

But how about the wild horses and burros and the deer and antelope playing out there? They eat forage, too—about 20 per cent of the total according to U.S. Bureau of Land Management figures.

They are owned by the public, are of value to the public, but the public doesn't pay a red cent for range rental.

The land managers got allocations from Washington for managing the resource—rounding up wild horses, improving deer range, hiring game wardens. But they receive no fees for feed.

Well, that's as it should be, say some of those who are not too sympathetic with the stockman. The public lands bring a return to the cattleman. The public realizes no such profit.

But you shouldn't try to tell the ladies of WHOA that the mustang is worthless or the hunter with the 150 pounds of deer meat in the freezer that he's not saving money in groceries. They'd spit in your eye.

For sure, Washington will not soon be allocating to the BLM in Nevada an amount comparable to the range fees those wild animals are consuming. Some other groups we could name have a lot more political muscle these days than the cowman.

But we would like to suggest that the public compare the range fees that the ranchers are paying to those that the other users are paying and choose sides in the current controversy in that light.

And we would further suggest that a lot of the hostility that has been building up on the part of the cowmen toward the land managers would probably be softened if the ranchers got the impression that they're not being forced to carry more than their fair share.

SOCIALIST AMERICA? SOME WON'T SETTLE FOR ANYTHING LESS

Mr. GOLDWATER. Mr. President after 40-odd years the American businessman both large and small and medium is beginning to realize that the major efforts made in those years by legislators and not too well posted economists has been to change our economic system into a state-controlled one. Now these very people would be sickened to the core if anyone suggested that their movement was socialism, but that is exactly what it is and the sooner we recognize it, the better off we are going to be.

I guess there is nothing particularly bad about the word Socialist or socialism except that applied to a theory or theories that have never worked in the history of man. For example, here is Russia with far more natural resources than we or any other country have, with people who are equally talented and work as we do with academic brains equalled to ours, and yet they have an economic system based on state control that lags so far behind ours that it is ridiculous to try and compare them.

There are bills in both Houses of the Congress today that would put the complete planning of the economy in the hands of a few men and their decisions would be final. However, to counteract this, there are people who are now beginning to speak out with authority and intelligence and courage against what they see on the horizon for the United States. One of these men is Dr. Stephen R. Maloney who teaches English at the University of Georgia. In late January in Washington he gave a report on the meeting of the Democratic Socialist Organizing Committee and it is such worthwhile reading that I ask unanimous consent that it be printed in the RECORD so that we may all benefit from it. This article appeared in the Arizona Republic and in the same edition appeared a column of mine that runs rather regularly around this country, indicating disillusionment with socialism by other countries. I ask unanimous consent that the article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

SOCIALIST AMERICA? SOME WON'T SETTLE FOR ANYTHING LESS

(By Stephen R. Maloney)

(Dr. Maloney teaches English at the University of Georgia. He is a contributor to National Review, The Alternative, and other publications. This is his report on the meeting of the Democratic Socialist Organizing Committee in Washington Jan. 31–Feb. 1.)

Under the auspices of the Democratic Socialist Organizing Committee (DSOC), a political action group centered in New York City, 600 socialists and other leftists recently met at the Mayflower Hotel in Washington.

If one episode sums up the meeting, it occurred at the opening "workshop" on "Full Employment and National Planning." After a crowd of perhaps 200 people had been harangued by Michael Harrington (DSOC chairman and chief theoretician) and Rep. John Conyers, D-Mich., economist Helen Ginsburg rose to speak. But someone had neglected to turn on the microphone.

As Ms. Ginsburg returned to her seat, presumably awaiting the arrival of a union electrician, an irreverent participant muttered, "a typical example of socialist planning."

As the conference progressed, this conservative observer could only wish (in vain) for more microphone failures. The self-righteousness, jargon, and general long-windedness of the typical socialist orator makes Hubert Humphrey (a socialist favorite) appear a model of rhetorical brevity.

As speaker after speaker assailed President Ford and other "reactionaries" for every American malady from unemployment to our spiritual malaise, three main points became clear.

First, socialist rhetoric, pregnant with the language of compassion, gives them an unearned political and moral advantage over their free-enterprise opponents.

Second, socialist programs of the past enacted into law (including Social Security and minimum wage legislation) are themselves the causes of most of the problems from which the present-day socialists stand ready to "rescue us."

Third, having damaged the competitive economy of America through past actions, the socialists have several new, concrete proposals designed to complete the destruction of our capitalist system.

Listening to the socialists discourse on matters such as economic planning, housing, and energy policy, I was reminded of the old question about what would happen if the Russians took over the Sahara Desert. The answer: Nothing—for 50 years; and then there would be a shortage of sand.

Under socialism, one infers from the Washington meeting, there would be a shortage of everything except words and economic planners.

Socialists in this Bicentennial year are concentrating—under the leadership of their chairman, Mike Harrington—on some specific goals.

We can expect an intensive socialist lobbying effort for a full-employment bill, specifically HR 50, the Humphrey-Hawkins Bill. In the sarcasm-edged word of John Conyers, "everyone is for full-employment," and thus HR 50 has picked up over 100 cosponsors.

"Comrade" (his word) Jerry Wurf, militant president of the American Federation of State, County, and Municipal Employes, the man who gave us $20,000-a-year garbage collectors, revealed in his luncheon speech that Humphrey-Hawkins is even now being "rewritten by the AFL–CIO." An interesting problem: If one wants to oppose the bill should he write to his congressman, or to his shop steward?

What does Hawkins-Humphrey say? This "Equal Opportunity and Full Employment Act" states "that all Americans able and willing (note this qualification) to work have the right to equal opportunities for useful paid employment at fair rates of compensation."

"Equal opportunity" has become the new euphemism, meaning: discriminate against Caucasian males and hire the currently fashionable minorities lest HEW first huffs and puffs, and then blows down your place of business.

"Useful" certainly does not mean "leaf-raking," as DSOC participants made clear; high school dropouts could presumably hold out for positions as neurosurgeons; "fair rates" means of course that those who do accept public-service jobs (paid for by the public disservice of higher taxes) would be overpaid.

Moreover, they would almost certainly be induced both to join Wurf's union and also to convey their gratitude to such liberals as Humphrey, Hawkins and Conyers by re-electing them until America's tricentennial.

How does this bill differ significantly from other federal boondoggles? In the words of Mike Harrington, "The Employment Act of 1946 said that the citizen should have a job; Hawkins-Humphrey holds that he or she has a right to a job."

A right, we might add, conspicuously missing from the U.S. Constitution, a document not much quoted by the socialists, who prefer the Declaration of Independence when they cannot cull an apt phrase from the Collected Utterances of Norman Thomas.

Our main potential problem is certainly with the economic disaster HR 50 would produce, but the tactical difficulty in defeating such legislation lies, I believe, in the language of the bill. Who can oppose "full employment?" What hard-hearted soul can vote against "equal opportunity?"

Jerry Wurf, who modestly entitled his luncheon address "A Voice for Decency," spoke glowingly of "the vision of a just society at peace with itself and its neighbors": this is the kind of rhetoric, vague and syrupy, that attracts votes.

National security is a code-word for militarism to socialists. Social Security, which they claim justly as one of their packages, is becoming a code-word for lower paychecks to many Americans. Viewing a Social Security trust fund about to go into receivership, and seeing a new generation of wage earners cynical about ever receiving their "benefits", socialists appear to be accepting the counsel for Gar Alperovitz who suggests that we raid the general fund for more social security revenues.

(In this regard, a correspondent to the Atlanta Journal suggests that when the well is dry putting another bucket down will not help.)

The economic consensus at the conference seemed to be that we should raise taxes on the "malefactors of great wealth" and the corporations; freeze corporate profits; and increase wages. We are, in short, to paralyze the free-enterprise system and then, presumably, have the socialists call another conference to criticize it for not producing full employment.

American socialists are prepared to move gradually toward their goal of the total nationalization of American industry. Their ultimate aims are suggested by the enthusiastic response given visitor Clive Jenkins, prominent British Laborite and Trade Union Congress official. He announced the next step for Britain would entail "shipbuilding and ship-repair to be taken into public ownership."

Socialists chatter constantly about their devotion to the workers, to the blacks, to the People. But there were few black faces in Washington, and few of the begrimed fingernails, seamed hands, and bent backs one traditionally associates with "working men."

The participants in Washington included a disproportionate number of academic economists and sociologists, of bureaucrats, and of foundation and union-funded "researchers and strategists." People, that is, who listed their employers as "The National Committee for Tax Justice" or "The Institute for the Study of Sane and Humane Health Care."

In short, these people are those planners and implementers who would benefit most from a centralized, bureaucratized, socialized America. Thus, their own potential unemployment problem would be solved by the election of, say, Fred Harris; they could re-order priorities, redistribute wealth, and rewrite position papers to their hearts' delight.

Nonproducers except in the area of political and economic jargon, these socialists do "have a dream" as they often say. But it is a dream of personal preferment and governmental regulation that would be a nightmare for the rest of us.

Socialists seem to believe that wealth (that is, capital) is created ex nihilo (from nothing), like the universe in Genesis. As I mentioned, they have expropriated terms such as "security, health, and equality," thus allowing them to feel self-righteous.

The young British journalist, Clive Welch, recently described the typical socialist (in The Alternative):

"He does not see poverty and toil as the natural or original state of affairs, in which capitalism found nearly everybody and from which it has rescued many. No, it is poverty that has to be explained . . . He is not astonished that islands of wealth and culture should slowly have risen from the sea of savagery, but vexed that civilization is not universal and evenly spread."

Wurf quoted with approval the old quip about a liberal being a man with both feet planted firmly in the air; on the evidence of the SDOC conference, a socialist is a man with one foot planted in his mouth—and one hand in your pocket.

However, the socialists demonstrated a capacity for enduring boring rhetoric and for "sitzkreiging" that would stand them well in such things as Democratic precinct caucuses. Derek Shearer, campaign manager for California senatorial candidate Tom Hayden (Mr. Jane Fonda) told the group, "we have to use every political trick and device to build a grass roots movement." (So much for the post-Watergate morality!)

We conservative defenders of free-enterprise must of course, respond. That is, we must exercise what the socialists call our "negativism," our "cruel priorities," by defeating Hawkins-Humphrey, which will, if passed, surely turn us into a nation of leaf-rakers.

More than this, we must regain the rhetorical and moral advantage. We can demonstrate that nothing has contributed so much to the health, security, and equality (of dignity and respect) of Americans so much as the free-enterprise system; we must reject—in word and action—the socialist "vision" of Heaven on Earth, which leads, as Orwell said, only to "paradise of little fat men" or, alternatively, to the nightmare world of 1984.

THE NEED FOR GREATER FISCAL RESPONSIBILITY IN CONGRESS

Mr. BENTSEN. Mr. President, I urge swift congressional action on S. 2925, the Government Economy and Spending Reform Act, which I am cosponsoring. This much needed legislation would require Congress to reexamine all Government programs every 4 years to see whether they are really doing the job they were intended to do. Funding would be ended for ineffective programs.

Mr. President, this legislation would help cut big Government down to size by eliminating waste and duplication. Congress has simply failed to take sufficient steps to eliminate wasteful spending and curb the giant bureaucracy. Continued congressional inaction in addressing this serious problem is unacceptable.

Today there are about 1,000 categorical programs administered by 54 Federal agencies. Ten agencies, for example, administer some 230 different health programs. With such a multiplicity of programs, it is not surprising that the people of this Nation are questioning more and more whether they are really getting the dollar's worth for their tax dollars sent to Washington.

It has become common practice here in Washington to keep appropriating more money for a program simply because it existed the year before. But the American people are no longer content to idly watch the Government haphazardly throw their tax dollars into areas that give the public little or no results. Instead of adding one new program after another, we should backtrack and evaluate those programs already created to determine whether there is, in fact, any justification for their continuation.

I believe the Senate should act favorably on the Government Economy and Spending Reform Act of 1976 which calls for a regular congressional review and reauthorization of Government programs at least every 4 years to see whether they are accomplishing their purposes. Those programs not reauthorized would be terminated, with the exception of interest payment on the national debt and programs under which individuals make payments to the Federal Government in expectation of later compensation. This group would include social security, railroad retirement, civil service retirement, and medicare. But, regardless of how little the cost is for a particular program, it would still be subject to this review process. When the taxpayer's money is involved, we as legislators cannot be too frugal, nor can we afford to let small excesses go unnoticed.

A desirable feature of the bill is the fact that programs with similar functions would be grouped together and scheduled to come up for reauthorization within the same 4-year cycle. Therefore, programs would be examined side by side, and any duplicate or overlapping aspects would be readily apparent.

When reviewing budget allotments for Government programs, Congress must break itself of the habit of mechanically approving the status quo. The proposed legislation would reverse that procedure by requiring the committees of both the House and Senate to conduct a zero base review. This concept operates by first assessing how a program would function without any additional expenditures, and then by progressing through a series of evaluations of the same program with incremental levels of expenditures.

If a committee of Congress recommends that funds be authorized for a program that has been identified as being similar in objectives to another one, the members must submit a detailed report justifying their actions and explaining how any duplication will be avoided. To aid the committees in their evaluations, the General Accounting Office would be required to provide them with financial audits of the program being reviewed. Under the legislation, the GAO would also perform a one-time duty of pinpointing inactive programs in order that the committee might focus on areas of possible consolidation or elimination. As an enforcement measure, any bill authorizing expenditures for a Federal program would not be considered in order by either House unless it were accompanied by its zero base review and related evaluation report.

As an added check for wasteful spending, the legislation would be extended to include the executive branch. Before submitting the President's budget message, the executive branch would likewise be required to conduct a zero base review of all Government programs and activities slated for termination in the year ahead. In his annual budget, the President must evaluate how effectively any program achieved its objectives originally set in the previous budget.

The bill also states that the Comptroller General must make a followup analysis at least every 6 months of any program which the GAO has found not meeting its objectives. In order to speed up the elimination process of ineffective programs, the Comptroller General would submit a report to Congress before July 1, 1977, specifying any duplicative programs and those for which no outlays have been made in the last 2 fiscal years. The appropriate congressional committee would then be responsible for taking corrective action.

Furthermore, the legislation sets up a logical timetable for carrying out the zero base review and evaluation, as well as establishes a schedule for termination of inactive programs.

It has become a well-worn phrase to say that we must cut down on the size of big government. But until we devise some orderly plan for eliminating this excess bureaucracy, we will continue to hear that phrase. We can no longer afford to keep plodding forward with our day-to-day business without looking back over our past business. What is long overdue is a realistic appraisal of all Government programs created in the past that are now being perpetuated, to see how applicable they are today. It is important that we concentrate on weeding out those that have outlived their usefulness. We owe it to the taxpayers of this Nation to be more cautious about where we channel their tax money. Only those programs that have proven to be functional and productive deserve to receive continued funding.

This legislation would provide a framework within which Congress can conduct a comprehensive review of all Federal programs and activities. What is more important is that it will insure this will be done on a regular basis. I am sure it would be reassuring to the American people to know that their representatives in Congress have more control over the Federal budget and could insure that tax dollars are spent in the most effective way.

COMMONSENSE VERSUS IDEOLOGY IN BRITISH POLITICS

Mr. BROCK. Mr. President, Columnist William F. Buckley, Jr., has been writing from London, and has offered an article entitled, "Commonsense versus Ideology in British Politics." I do not know that I can improve with any of my words that title. However, we in this country can take it to heart. Mr. President, I ask unanimous consent that Mr. Buckley's article be printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

Commonsense Versus Ideology in British Politics

(By William F. Buckley, Jr.)

London.—Mr. Denis Healey, who is chancellor of the exchequer in the Socialist cabinet of Mr. Wilson, is plagued by the awful seductions of common sense, which are fatal to the fantasies of ideology. As a faithful advocate of socialism, he manages a fine performance when on duty, and you can sit back and relax in professional admiration, much as you might in hearing Lee Bailey make the case for the Boston Strangler.

But when Mr. Healey is engaged in formulating policy, he is required to yield to the vector of forces: England is going broke, her inflation is wild, the morale of the merchant class is shot, the taxation schedule is sadistic and unprofitable.

In a recent seizure of exasperation against ideologues on his left who clamored for more taxation of the "rich," Mr. Healey pointed out that if he were to confiscate 100 per cent of the income of every Englishman earning more than 12,000 pounds ($24,000) it would not raise money sufficient to pay 1 per cent of the national budget.

More and more Mr. Healey sounds like the man who justifies the necessity for setting fire to the house while doing everything he can, discreetly, to put it out. It is a juggler's act, from which the poor British can take only the consolation that nowadays most of the rhetoric is left-oriented while the deeds are conservative-minded. The trades unions have been forced to ask for only moderate pay increases, there is talk of diminished taxation and there are high hopes that by letting the pound suffer the discipline of the float, the trade deficit will reverse.

By contrast with Healey, the singular emotional event of the week was Lord George-Brown's statement that he had had it with the Labor Party. A proximate cause of Brown's defection was a single broadcast by Solzhenitsyn, said to have been the most stirring forensic experience by a foreigner since Garibaldi mobilized England on the side of Italian *aggiornamento*. George-Brown has always been an interesting man, in part because of the purity of both his virtues and his vices. It was in the tradition of Ernest Bevin, a child of the labor movement whose eyes were trained on socialism as the instrument of the liberation of the individual.

Brown was made foreign minister by Harold Wilson on two separate occasions, but lost his post because he could not, after a while, manage to win even the safest seat. This was in part owing to his unabashed devotion to the grape, which he is frank in considering to be, even ahead of the dog, man's very best friend.

Accordingly, after listening to the speech by Solzhenitsyn, after enduring the latest assault on private liberty—the government-backed closed shop bill—and the coincidental death of a beloved father, he called a rather boozy press conference at which, however, he spoke of the ideals that many years ago had brought him to socialism: the quest for liberty.

These ideals, he said, were no longer being served by the Labor Party, from which he said, just before falling on his face, he now chose to disassociate himself. Paradoxically, he has at least earned that financial security the socialists have wanted for everyone. Mr. Wilson stuck him in the House of Lords where, characteristically, instead of choosing to call himself something like Lord George of Wick Hampshire, he renamed himself, simply Lord George-Brown.

Though, come to think of it, he is not entirely safe. The left wing of the Socialist party continues in its ravenous search for neglected liberties and traditions to obliterate. Anthony Wedgwood Benn, who will not be happy until he has nationalized the swans in Windsor Park, proposes yet another assault on the House of Lords, and incidentally on the monarchy.

The Young Socialists, in their newest resolution, have come up with a marvelous idea, for limiting criticism of themselves and other Socialists. Simply a) nationalize the newspapers, and b) instruct printers to remove editorial copy offensive to them. Why didn't we think of that? Perhaps I can persuade the sainted junior senator from New York to pass a bill nationalizing book reviewers.

THE LEADERSHIP OF SENATOR MIKE MANSFIELD

Mr. BUMPERS. Mr. President, I have been a Member of the Senate only since January of 1975, but even in that brief period of time I have learned to appreciate and respect the qualities of leadership demonstrated by the distinguished majority leader, the Senator from Montana (Mr. Mansfield). It is a matter of regret to me that his tenure as majority leader will overlap with my own service in this body for only 2 years, the term of the 94th Congress. I count myself fortunate, however, to have served under his leadership, even for so brief a period of time.

Senator Mansfield's greatest contribution, from my own personal point of view, has been his insistence that each Member of this body, whatever his seniority or position, is an equal. This equality includes even the Members of the leadership themselves, and he has been careful to conduct himself not as a director or a superior of his fellows, but rather as first among equals.

Mr. President, there are many unique things about Mike Mansfield. He has been majority leader of the U.S. Senate for 15 years, longer than any other person. He has served in three major branches of the Armed Forces of this country, the Army, the Navy, and the Marine Corps, a record that I feel sure is unparalleled. He became majority whip in his first term in the Senate, thus refuting in the most impressive manner possible the outdated proposition that freshmen Senators should be seen and not heard.

Mr. President, there are many styles of leadership, some more assertive than others. Each of these styles has its own virtues, and each is productive in its own way. The Mansfield style of leadership has been gentle without being weak, courteous without being subservient, strong without being oppressive. He has led by persuasion rather than compulsion, and his name has become synonymous with integrity.

I join with all the people of this country in thanking the State of Montana for permitting Senator MANSFIELD to serve it and the Nation in Congress since 1943.

AMERICANS COME HOME FROM VIETNAM

Mr. KENNEDY. Mr. President, several days ago the last two American servicemen to lose their lives in the Indochina war came home to rest, and with full military honors, the bodies of Cpl. Charles McMahon, Jr., of Woburn, Mass., and Lance Cpl. Darwin L. Judge, of Marshalltown, Iowa, were buried in their hometowns by their families and friends.

These two young marines, who lost their lives in the last hours of the American presence in Vietnam, deserve our country's high honor. And their sacrifice as the sacrifice of the many thousands of other servicemen before them, will forever be remembered by the American people.

The circumstances surrounding the deaths of these two young men were especially tragic. And during the chaos and confusion of the evacuation of Saigon, their remains were somehow left behind. When the parents of the Woburn marine learned of this, they telephoned me to ask my assistance in having the remains of their son returned to the United States for burial.

Throughout the many months which followed—months of frustration and anguish—to these parents—I pursued their request through every appropriate channel, and I appealed directly to the Honorable Nguyen Thi Binh, the Foreign Minister of the Provisional Revolutionary Government of the Republic of South Vietnam, and the Honorable Nguyen Duy Trinh, the Foreign Minister of the Democratic Republic of Vietnam, for their understanding and help.

In December and January, I received favorable replies from both ministers, who indicated that arrangements were underway by the competent authorities of their governments to facilitate the repatriation of the remains of the two marines. In February my personal representatives traveled to Southeast Asia to undertake the repatriation, which was accomplished in Saigon, on February 22, with the assistance of the United Nations High Commissioner for Refugees.

Mr. President, I know that the McMahon family feels, as I do, deep gratitude over the repatriation. This was an important humanitarian act and a significant gesture of goodwill by the Vietnam authorities. And, as I stated in my recent correspondence with the Foreign Ministers, I am hopeful that the repatriations will serve as another step in building better relations between the American and Vietnamese people, especially today when our peoples are at peace.

Americans have already acknowledged with appreciation the repatriation by Vietnamese authorities of the American missionaries and others caught in the conflict a year ago in South Vietnam. And they have also acknowledged with appreciation the repatriation of the remains of three American pilots previously missing in action, whose names were sent to me last April.

Mr. President, I would like to commend the Vietnamese for their response to the humanitarian appeals of the American people, and would like to share with the Senate the repatriation document signed in Saigon on February 22, and, in special tribute to Corporal McMahon from Massachusetts, a number of articles relating to his return. I ask unanimous consent that this material be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

PROCES-VERBAL OF THE HANDING OVER OF THE REMAINS

I. On February 22, 1976, at Tan Son Nhut airport, the RSV Office in charge of seeking information about missing personnel handed over the remains of the following two (2) U.S. marines who lost their lives on April 29, 1975 at Tan Son Nhut airport to the representative of U.S. Senator Edward M. Kennedy:

1. Judge, Darwin Lee
2. McMahon, Charles, Jr.

II. The representative of Senator Edward M. Kennedy has received all the remains of the two (2) marines mentioned above in the presence and with the assistance in transportation of the Office of the United Nations High Commissioner for Refugees.

Signed at: Tan Son Nhut, February 22, 1976.

For U.S. Senator Edward M. Kennedy: s/Dale S. deHaan.

For the U.N.H.C.R.: Darryl Nyun Han.

For the RSV Office in charge of seeking information about missing personnel: Trinh Van Anh.

[From the Boston Herald-American, Mar. 4, 1976.]

MARINE'S LONG JOURNEY HOME ENDS; VOW TO HIS MOTHER FULFILLED

(By Bob Keeley)

The long journey home ended yesterday for Marine Cpl. Charles McMahon, Jr., of Woburn.

His family watched in silence as the steel-grey, flag draped casket containing the remains of the 21-year-old Marine—one of the last two Americans to die in the Vietnam War—was removed from the cargo hold of American Airlines fight 160 and transferred to a hearse.

Moments later, his mother, Mrs. Edna McMahon wiped away tears and sobbed softly: "My boy said he would come home and I knew he would."

Thus the ten-month ordeal for the McMahon family came to an end on a cold, sleet-covered runway apron at Logan Airport.

Last April 29, on the eve of the American evacuation from Saigon, McMahon, of 51 Montvale ave., and Lance Cpl. Darwin Lee Judge, 19, of Marshalltown, Iowa, were killed in a rocket attack on Tan Son Nhut.

In the confusion that accompanied the American withdrawal, the bodies of the two young Marines were left behind.

The McMahon family appealed to Sen. Edward M. Kennedy for help in returning their son's body, but it wasn't until last December that Kennedy was informed by the Provisional Revolutionary Government in Vietnam that the bodies could be repatriated.

The bodies were flown to California Monday. The final leg of the long trip home was completed yesterday with McMahon's uncle, Air Force Sgt. Francis McMahon, serving as escort.

A Marine Corps honor guard was present, with family members and Sen. Kennedy.

Mrs. McMahon said she had never given up hope her son would be returned home.

"That's why we never had a memorial service for him. I'm glad it's over and he is back home with us where he belongs," she said.

Moments after the honor guard had placed the casket inside the hearse, McMahon's youngest brother, 18-year-old Marine Lance Cpl. Scott McMahon asked that the door be reopened.

Scott, dressed in full uniform, is confined to a wheelchair as a result of injuries received last summer in a West Coast automobile accident.

He was wheeled to the rear of the hearse, sat motionless several minutes and then raised his hand in a final salute to his fallen brother.

Full military honors will be accorded Saturday with services at 11 in the First Congressional Church, Main st., Woburn. Interment will be in Woodbrook Cemetery, Woburn.

"He was a Marine. There's nothing more to say," said the young Marine's uncle.

[From the Boston Globe, Mar. 7, 1976]

CORPORAL MCMAHON BURIED—"HOME WITH US"

(By John F. Cullen)

It was 11 o'clock yesterday morning when the bells atop the First Congregational Church in Woburn center began to toll slowly for Marine Cpl. Charles McMahon, Jr., the last American killed in Vietnam to be buried.

"This ends a bloody period in our history and I'm glad it's over. I'm glad he's home with us," said Charles McMahon, Sr., the Marine's father, after the funeral.

The weather was clear and crisp as six Marines wearing full dress blues, carried Cpl. McMahon's flag-draped casket into the 100-year-old church.

Across the street in the center of this city some 200 persons stood motionless. Traffic in the normally busy square was at a halt. The only sounds were the pealing bells and the wind going through the trees in the church yard.

Charles McMahon, Sr., his wife, Edna, their daughter, Susan, and their son, Michael, alighted from the black limousine. They stood on the sidewalk and watched their other son, Scott, throw his arms around two Marines as they lifted him from the front seat of the car. Two other Marines pushed Scott's wheelchair beside the car door. Gently the soldiers placed the young man in the chair.

During the next few seconds the Marines helped Scott adjust his full dress Marine Corps uniform. He is paralyzed from the waist down because of an auto accident in September at Camp Pendleton in California. Scott had enlisted in the Marines, two months after his brother's death in April 1975.

The family moved inside the church and walked slowly up the twisting stairs. Fourteen Marines at rigid attention flanked either side of the staircase.

Scott was carried into the church.

Cpl. McMahon's casket was placed before the altar. His family was a few feet away. Scott sat alone in the center of the aisle directly in front of the casket.

Sunshine seeped into the church. It was nearly full. In the balcony news persons began jotting down notes while photographers moved about taking pictures.

Rev. Stuart Nutter, the pastor, began the services. He asked Charles Gardner, the executive director of the Woburn Boys Club to give the eulogy.

"Today we are honoring a young man who gave his life so we may fulfill ours. Knowing Charlie as I did, I can assure you he did this not as a hero but only as a job that had to be done."

Gardner's voice began to crack.

He paused for a second and continued, "The success of life is not measured in terms of years, it is not the length but the quality that is the measure of man, success is not measured in terms of wealth or prominence or notoriety. It is by the quality and the contributions we have made to create a better world that we are measured.

"By this measurement Charles was a giant."

For Charlie the big people in his life were the underprivileged, the delinquents and kids in need, he said:

"From this service and in love and memory for the young man, let it echo in this whole town, in the homes, in the schools, on the corners, to the old and the young that there be no more violence, no more weapons, no more hurts, no more deaths . . . and no more wars," he said.

"Let us all live in peace."

The church services lasted 25 minutes.

Then Cpl. McMahon's coffin was placed back into the hearse. Three Marines on either side. Less than 30 feet away, 15 Marines stood at attention in the middle of Main street. They were to lead the funeral procession.

The crowd lining the sidewalk had swelled. Men held children on top of their shoulders. Merchants had temporarily closed their stores to watch There was silence on Main street as the procession began its slow trek of about a mile to the soldiers' lot at Woodbrook Cemetery opposite Woburn High School.

It took the procession 20 minutes to reach the grave site. A sparse crowd lined the streets to the cemetery.

At graveside more than 300 persons formed a circle around the six Marines who were holding the American flag over Cpl. McMahon's casket.

On a knoll 100 feet away 13 more Marines stood still, their rifles braced close against their bodies.

Rev. Mr. Nutter led the mourners in prayer and asked God to give the McMahons the strength to face their loss.

Then Marine Capt. Michael Maloney raised his hand, signaling the detail of Marines standing on the knoll.

The soldiers raised their rifles skyward and fired three rounds into the air. Then their rifles were placed at their sides in military precision.

Three buglers began to play taps. It created an echoing effect.

When they concluded, the six Marines held the American flag over the casket, folded it and handed it to Capt. Maloney.

Capt. Maloney saluted the McMahons, then handed Mrs. McMahon the flag. People began to leave.

Cpl. McMahon's death came less than 12 hours before the final evacuation of Americans from Saigon began. He was 21.

Three weeks before his death, Cpl. McMahon graduated top in his class at Marine Embassy School in Washington, D.C.

On April 5, 1975, he had attended the Woburn Boys' Club dinner. He was on leave after serving a brief period as an embassy guard for the consular corps in Washington. He attended the banquet in full dress blues.

He departed from his hometown 12 days later, telling friends he was scheduled for duty in Lima, Peru, at the U.S. Embassy there. However, a last minute change in his orders sent him to Hawaii. He was going to Vietnam.

He talked with his family from Hawaii. That was the last time anyone heard from him.

Twelve days after his departure from Woburn, on April 29, 1975, Cpl. McMahon, Jr., was killed in an artillery and rocket attack on Tan Son Nhut Air Base in Saigon while on guard duty.

A second Marine killed in the airport attack was Lance Cpl. Darwin L. Judge of Marshalltown, Iowa.

They were the last two American servicemen killed in action in Vietnam. In the confusion of the mass evacuation from that country, their bodies were left behind.

Cpl. McMahon was the 1423d Massachusetts serviceman to be killed in Vietnam.

In December, Sen. Edward M. Kennedy was informed by the Provisional Revolutionary Government in Vietnam that the bodies would be returned.

It wasn't until February that two Kennedy aides were able to obtain clearance to Saigon to claim the Marines.

The plane carrying the aides and the two bodies arrived Monday in California.

Cpl. McMahon's body was escorted from California by his uncle, Air Force Sgt. Francis McMahon.

Wednesday, the McMahons, Sen. Kennedy and a few close friends stood on the runway at Logan Airport and watched as snow fell on the steel-gray military casket, draped in the American flag protected with a plastic covering. Charles was home.

Cpl. McMahon, Jr., was the 13th resident of Woburn to be killed in the Vietnam war. The others were Joseph C. Drew, William Cooley, Edward S. O'Brien, John H. Moreno, Russell W. Noyes, William E. McCormack, Charles L. O'Neill, Alfred E. Peterson, Robert E. McDonough, Alan R. Gerrish, David E. Kenney and John Frongillo.

There is a granite monument in a small common area in Woburn Square dedicated by the Woburn High School class of 1969 to those killed in Vietnam. Below the names there is a sentence which reads: "They are not dead, they are just gone."

[From the New York Times, Mar. 7, 1976]

HOMETOWN BURIES MARINE, ONE OF LAST VIETNAM DEAD

(By John Kifner)

WOBURN, MASS., March 6.—Three sharp cracks of a rifle salute echoed in the chilly morning air. Taps was played as a Marine honor guard stood at attention.

Cpl. Charles McMahon Jr. of the Marine Corps, one of the last American servicemen killed in the Vietnam war, whose body had been left behind in the confusion of the United States withdrawal was finally laid to rest here today.

Around town, he was known as a kid who spent almost all his time at the Woburn Boys Club, where he was on the swimming team and once played Santa Claus at the Christmas party for the younger boys.

Last April 28, while on embassy security duty at Tan Son Nhut Air Base, he was caught in a rocket attack, just 12 hours before the Marine evacuation teams ended the American presence in Vietnam. He was 22 years old.

Somehow, while the Marines barricaded the embassy compound, pushing back terrified erstwhile Vietnamese allies as the helicopters rose from the roof, his body and that of Lance Cpl. Darwin L. Judge of Marshalltown, Iowa, who also died in the rocket attack, were left behind.

When the oversight was discovered, it was difficult for Capt. Michael Maloney of the Marines to have to come back a second time to tell the family about it, because the crops has a tradition that it brings out its dead.

But in December, through the efforts of Senator Edward M. Kennedy, Democrat of Massachusetts, arrangements were made with the Provisional Revolutionary Government to return the bodies of Corporal McMahon and Corporal Judge. They arrived in the United States this week.

In Marshalltown this afternoon, Corporal Judge was also buried with a Marine honor guard after services at the Hope United Methodist Church.

WAR NOW LONG WAY OFF

The war seemed so very far away now, one of Corporal McMahon's friends was saying the other night at his wake. The flags in front of Woburn's Town Hall were at half staff today. The people who clustered on the main street of this working man's town north of Boston, in front of Brigham's ice cream store, Sunshine Subs and the hockey shop, where there is a sale on skates, were silent. So were the several hundred who gathered at the cemetery.

No one spoke about the war.

Along a wall of the boys club are framed photographs of those who were named "Boy of the Year." The award was set up to honor PFC. Joseph L. Drew, also a marine, who was the first Woburn man killed in Vietnam, and the trophy on which the winners' names are engraved is studded with the eagle, globe and anchor emblem of the corps.

Corporal McMahon's picture is there for 1971. He set some records for the club pool, friends said, but most of them are broken now. He was in a rock band five years ago, playing guitar with Dave O'Rourke, who said it was "mostly just for fun, you know, to play at parties—we played 'Light My Fire,' some of the early Beatles."

The corporal was the 13th young man from Woburn to die in the war, 2423d from Massachusetts and one of more than 50,000 Americans and uncounted Vietnamese. Near the World War monument, the Woburn High School Class of 1969 put up a granite marker bearing the names of the 13. It says, "They are not dead, they are just gone."

EULOGY BY CLUB'S LEADER

The boy's club was the center of his life, and its director, Charles Gardner, a big, husky man who had been a marine himself and is called "the boss" around the club, gave the eulogy at the white frame First Congressional Church, in front of the flag-draped coffin.

"Let there be no more violence, no more weapons, no more hurt, no more deaths, no more wars," he said. "Charlie, God bless you."

There was a Marine honor guard in dress blues at the cemetery, composed of recruiting sergeants from the Boston area. There were American Legionnaires, too, older men, with pins from various conventions in their overseas caps.

Corporal McMahon's younger brother Scott, who had gone on active duty shortly after his brother's death, was in a wheel chair in his Marine blues, crippled in an automobile accident. The dead youth's father stood with his wife Edna, red-eyed but silent, another son, Michael and his daughter, Susan.

The others who had been "Boys of the Year" marched along with the hearse—Fred Callahan, Chris Glazer, Victor Souza, Jamie McKeon, Charlie Morgan and the rest. Mike Mulrenan could not make it because he was in Marine boot camp at Parris Island, S.C. George Holland, Corporal McMahon's inseparable best friend, was with the family. He is a Marine, too.

[From the Boston Sunday Herald, Mar. 7, 1976]

CHARLIE, GOD BLESS YOU—IT'S BEEN AN HONOR TO KNOW YOU

(By Alex MacPhail and Harold Banks)

For the Marine who had been the Woburn Boys' Club 1972 Boy of the Year, the executive director summed it all up.

The Marine was Lance Cpl. Charles McMahon, Jr.

The executive director was Charles Gardner.

He stood at the altar in the First Congressional Church in Woburn sq., and he said:

"Charlie, God bless you. It has been an honor for all of us to know you."

Charlie McMahon was below the altar in a flag-draped, steel-gray casket.

The 300 men, women and children who were in the church had waited unhappily for more than 10 months to pay their last respects to Charlie McMahon.

It had taken that long—from April 29, 1975, the last Wednesday to get him home.

To Charlie McMahon had fallen the ironic distinction of being one of the last TWO U.S. service men to be killed in Saigon, only hours before the last American evacuation plane flew out of Tan Son Nhut Air Base there—ironic because only weeks earlier he had finished his special training in the Marine Embassy School and was awaiting assignment either to the U.S. Embassay in Moscow or the one in Lima, Peru.

He was 21 and he had joined the Marines soon after he was graduated from Woburn High School in 1972, the same year he had been chosen Boy of the Year.

In the front pew just to the right of the center of the great, white church sat Charlie's immediate family—his father, his mother, Enda; his brother Michael, 19; his sister, Susan.

His other brother, Scott, 17, sat alongside the pew. He was the only man sitting in the aisle. He was in his own Marine uniform with the lance corporal's stripes on it, and he was in a wheelchair. A car accident had made him a paraplegic.

And when all who had come to mourn Charles McMahon in his flag-draped, steel-gray casket had settled into the pews, Lance Cpt. Scott McMahon raised himself on his arms in tribute to his brother.

Nineteen more Marines were in the church, and one of them was Capt. Michael Maloney of Weymouth. It had been his terrible duty 10 months ago to go to the McMahon home on Montvale ave., Woburn, to tell them that Charlie had been killed in action.

The last thing he could do for Charlie McMahon was to head the Marine detachment that saw him from the Everett J. Bixby funeral home on Main st., Woburn, to the church, and then to nearby Woodbrook Cemetery.

For the funeral director the occasion was more somber than usual. Charlie McMahon was his grandnephew.

Among those who gathered in the church to hear Rev. Stuart A. Nutter invoke the blessing of God on the spirit of Charlie McMahon were Vice Adm. Julian LeBourgois, president of the Navy War College in Newport, R. I., representing President Ford; Maj. Gen. Michael Ryan, director of the Marine Corps Reserve; John Comer of Quincy, state commander of the American Legion; Ernest B. Montrond of Middleboro, representing Harry G. Wiles of Kansas, national commander of the American Legion.

And there were others—75 members of the Woburn American Legion post, headed by Frank Lambert; a delegation of the Marine Corps League of Woburn, headed by William Langill; a 23-man Navy detachment, and members of the VFW.

Flags flew at half-staff all over Woburn—in front of the district court, in front of city hall, in front of the post office, and only a few steps from the church, on Woburn Common, where Charlie McMahon's name is the 13th—and last—engraved on a small gray stone to commemorate the city's young men who gave their lives in the Vietnam war.

The stone was contributed by the Woburn High School class of 1969—and below the names, incised in the stone, there is a short sentence: "They are not dead; they are just gone."

Outside the church stood several hundred persons who watched in silence while Charlie McMahon's family and friends walked in, stood in silence while the simple rites were held for him, and watched in silence again as his body was borne out by six Marines.

Inside the church, Charles Gardner, the executive director of the Boys' Club of Woburn, stood in the sanctuary and said:

"It is by the quality and the contributions we have made to create a better world that we are measured.

"By this measurement, Charlie was a giant.

"His people were the underprivileged, the delinquents, kids in need.

"At his Boy's Club, he gave of himself in helping other boys enjoy being young.

"He doesn't have a monument or a building to his memory, but, throughout our city, because of Charlie, a lot of people know that there was someone who cared, and their lives have been enriched for having known him.

"In closing, I would like to say a few special words. To phrase it as another who laid down his life—John F. Kennedy—would phrase it:

" 'Let the word go out from this time and from this place—from this service and in love for a memory of the young man—let it echo in this whole town, in the homes, in the schools, on the corners, to young and old—no more violence, no more weapons, no more hurts, no more deaths, no more wars.' "

So they left the church and they took Charlie McMahon to his grave. And the pastor commended the soul of Charlie McMahon to God. And 13 Marines, commanded by a 14th who flashed a saber, fired three volleys. And two buglers, one echoing the other, blew "Taps." And Captain Maloney folded the flag from the casket and presented it to Charlie McMahon's father and mother.

As Police Capt. Leo McElhiney, a past director of the Boys' Club, put it:

"Charlie was a giant of a kid.

"It's a shame that most people get to say these things when it's all over."

Charlie McMahon's uncle, Air Force Sgt. Francis McMahon, put it a little differently.

"He was a Marine," the sergeant said. "There's nothing more to say."

FOOD FOR THOUGHT

Mr. BROCK. Mr. President, there are many, many serious issues which must be faced in this national election, and they need to be considered now. One such issue was correctly pointed out by Mr. C. L. Sulzberger in an article from London recently. I ask unanimous consent that Mr. Sulzberger's article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

C. L. SULZBERGER: FOOD FOR THOUGHT

LONDON.—So far there is little sign that the world at large and the United States in particular have yet come to grips with what will almost inevitably become a crucial international problem during the next U.S. president's term, namely the threat of mass starvation in many lands.

This may become critical, even desperate, by the end of the 1970s but there does not seem to be sufficient recognition of the fact or preparation to deal with it. If such inattention should continue it is entirely possible the number of people doomed to die of malnutrition will exceed total deaths computed for any war that has so far ravaged the earth.

Much loose talk is heard of potential American use of food as a foreign policy weapon, implying that by withholding its export to the Soviet Union, whose agriculture is a mess, it can wring concessions from Moscow. But nourishment differs qualitatively from energy, which was rationed by the petroleum exporting countries to bring pressure; nor would the American ethical tradition easily tolerate the menace of famine for political extortion.

Trying to blackmail Russia into bargains could be counterproductive. Moscow would undoubtedly take in the national belt a notch, seek the best available grain import arrangements elsewhere, and cultivate savage hatred for the United States. All in all this would be a foolishly immoral American approach and would do nothing to save from death people far more menaced than the Russians.

I am indebted to Wolfgang Hager of the Atlantic Institute for International Affairs for pointing out that western food production (which includes Canada, Australia and West Europe) is unlikely to increase much more as genetic improvement of plants attains its limits, arable land is virtually all employed and irrigation water becomes less plentiful.

American grain reserves are depleted—at least until next autumn—and the U.S.A. is logically soon due for one of those catastrophically bad harvests which hit North America recurrently about each generation. So far there has not yet been adequate agreement among exporting and importing nations to create sensible global food reserves.

The developed capitalistic lands are for the most part best off agriculturally while Socialist societies like Russia's have become such huge importers that there is little left over for the hungry underdeveloped world living on starvation's brink.

And newly rich countries like the Arab states, who now possess about one quarter of all monetary reserves, have tiny populations, don't need masses of food, and have not yet been sufficiently integrated into a world approach on the problem of approaching faminine.

To some degree (and often associated by implication with carrot-and-stick diplomacy the richer northern lands have helped poorer lands south of them to escape the massive threat of hunger: The U.S.A. in Latin America, the Common Market in North Africa, Australia (in reverse, feeding states to its north).

But the degree of coming crisis is inadequately acknowledged and too much time has been wasted in getting ready to meet it. There has been woeful lack of the needed massive transfer of capital and fertilizers to new farming areas, like the Sudan (which could someday feed all Africa).

The mumbled lip service to population control one hears in India and Bangladesh is scandalous: and yet that region's babies will be the first to suffer. Already as food prices, like energy prices, have climbed, poor countries are forced to reduce needed imports.

A starving world would inevitably be featured by strife, terrorism and war. It would expose the fragility of pluralist democratic governmental systems more than authoritarian ones because such free societies depend on the satisfaction of the substantial majority.

Divided as they are into various types and levels of civilization, the world's nations discover on the issue of food just how tightly interdependent they have become. If famine starts producing a breakdown in order among some of them, the entire uneasy fabric of peace may rip apart.

The United States, with its spacious agriculture, mineral deposits, a highly competitive industry, a workable society, a history largely free from war, must play the leading role. Its economy remains by far the world's most important.

It has gained a habit of practical leadership and pragmatic know-how. The time has come for Americans to face the world's greatest imminent problem and the more this is now discussed by Republican and Democratic presidential aspirants, the better.

AN IRISH BIRTHDAY FOR SENATOR PASTORE

Mr. McGEE. Mr. President, one of the earliest members of my St. Patrick's Day Birthday Club, an informal organization established to celebrate the Irish, was the distinguished Senator from Rhode Island, my good friend and colleague JOHN PASTORE.

Since Senator PASTORE has announced his retirement from the Senate, this St. Patrick's Day past, his birthday gives me an opportunity to not only wish him a happy Irish birthday, but to note his dedication to the Nation and service to the Senate.

Senator PASTORE is one of those "most unforgettable characters," his career in public service pursued with typical Irish determination and flare, his background and heritage providing spunk and fidelity. These characteristics have resulted in success for a deserved individual.

Senator PASTORE has brought to the Senate the "luck of the Irish" and may it always be with him when he leaves.

THE LAST TO KNOW

Mr. BROCK. Mr. President, it is our Bicentennial Year. It is also an election year. There are many important questions facing us today and the Nation needs to have a thorough soul searching. The time to do it is now.

There recently appeared in the Government Executive magazine an editorial by C. W. Borklund which I found to be very interesting in this regard. Mr. President, I ask unanimous consent that this editorial be printed in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

THE LAST TO KNOW

(By C. W. Borklund)

In a Washington, D.C., newspaper's crossword puzzle the other day, one question was, "Politician's Mental Milieu?" The answer: "Stone Age."

Some politicians in town, already busily trying to build a record that will win them re-election this Fall, seem not to have gotten that word. And some of the camp followers who have taken past credit for having put them up on Capitol Hill in the first place seem to be missing the message, too.

With increasing frequency in the past several weeks, our sensors have been telling us the vast majority of this Nation's voting age people have "had it up to here with Government"—said while extending a hand horizontally and placing it somewhere between the Adam's apple and the upper lip.

Senator Edmund Muskie (D-Me. and up for re-election) asked a Minneapolis industrialist recently what the people in his neighborhood thought. The man's answer: "We're not against helping the poor or the sick or old people or ending racial discrimination. What we are sick and tired of is getting ripped off all the time."

About the same time, Muskie was visited by labor union leaders from Maine's paper industry. Their message: Either put some sensible limits on the unchecked pollution control drive that threatens the industry with depression—or look elsewhere for votes next Fall.

This Spring, Muskie suggested in the Senate that every regulatory agency be required at the end of each four years to justify its existence; and, if it can't, automatically be abolished. Laughed Senator Barry Goldwater (R-Ariz.), while offering to cosponsor such a bill, "These Democrats are smarter than hell; they're taking away the only issue the Republicans have."

Meanwhile, a Republican Congressman on the House Subcommittee (of the Interstate and Foreign Commerce Committee) on Energy and Power, arguing against continued regulation of natural gas prices, reports the people in his Western Ohio district are "telling me to stop doing so much for them (with regulations) because it does entirely too much to them."

And from the same State, Ohio Democrat Wayne Hays succinctly summarizes the sudden cooling of public Congressional witch-hunts into the CIA with, "My constituents keep asking, 'Why are you giving all our secrets to the Russians?' "

And *Chicago Tribune* Washington correspondent Harry Kelly writes last month a front page report of comments from a batch of pollsters, e.g. Louis Harris, Gallup's Irving Crespi, Patrick Caddell, Peter Hart, et al.

Their message, he sums up, "Americans are facing the 1976 elections hungering for something they don't expect to get. . . . Looking for someone who runs for President because he believes the country is in crisis."

Asked at the National Space Club what kind of man he thinks should be in the White House, Goldwater thinks a bit; says, "Someone who will put the problems of his country above the problems of his party; someone willing to say in public that unless we change we may have only five more years to live as a country; only five more years to survive as a Free Enterprise economy."

Adds he, "The people are fast catching up with what we've been doing wrong (in Washington) for the past 40 years." That, Kelly's pollsters claim, in sum, is what has propelled Republican Ronald Reagan and Democrat Jimmy Carter so dramatically into being viable Presidential candidates.

Out in the hustings, as they say, the message is being heard. New York Governor Hugh Carey, in his "State of the State" message, announces a reversal of last year's decision to seek new taxes. Instead, he calls for further cutbacks in State services beyond the $600 million already planned; asks for incentives to increase private business growth.

His goals: "less government; less government spending; fewer government employees; less interference in the lives of our citizens and businessmen." And over in New Jersey, Governor Brendan Byrne asks for lowered taxes and a re-examination of environmental laws that discourage industrial growth.

Up in Connecticut, Governor Ella Grasso cuts her own salary; says the State could eliminate one-eighth of its 40,000 employees and warns she will sell the State's silver tea service if necessary to meet a predicted $35 million State deficit this year. Out in California, Governor Edmund Brown, Jr., announces, in effect, the same tight lid on State spending.

And the one speech President Gerald Ford has given (as of this writing at least) which drew non-partisan cheers was his charge that Congress was "gutless" in not voting military aid to the non-communist fighters in Angola.

But back in Washington none of this seems to have had much effect. The *Washington Post* liberalistically editorializes: "Your opinion of President Ford's budget will probably depend on which you think more important: reducing unemployment or reducing inflation." In homes and farms and factories of Middle America, stretching from the Adirondacks to the San Andreas Fault, they've known for some time—except in little pockets where people are thriving on Government doles—that inflation *causes* unemployment.

And what causes inflation is, in turn, Government spending more money than it takes in; and, at the Federal level anyway, simply printing enough to make up most of the difference. And at both the Federal and State levels, invading the money market with borrowings and bond sales to cover the rest.

With their ability to rig the markets in their favor, they thereby freeze out industry from its sources of capital investment; thus curtailing economic growth; which reduces their tax revenues and cuts down on job opportunities at the same time. Halting that spiral into inevitable depression disaster is the heart of President Ford's economic program.

The outspoken, selfstyled liberal Keynsians and "true protectors of our downtrodden fellow citizens" on Capitol Hill and elsewhere around Washington persist in trying "more of the same"—which didn't work 40 years ago and won't again.

They vote to over-ride Presidential vetoes of medical-care and "jobs" programs which, if history is any measure, will cost billions more than the billions the programs' advocates claim.

Moreover, they don't investigate fraud, payoffs and stupidity in the Food Stamp program; Medicare and Medicaid; job training of welfare grants with anything approaching the fervor they have devoted to the CIA and multi-national corporate sales activities in the U.S. and abroad.

Instead, they simply propose to their colleagues the increase of expenditures on these programs (heath, education and welfare spending in fiscal '77 is already to be $190 billion, nearly twice that proposed for the military) to cover "these understandable errors."

The irony is, while they vote billions to curry favor with segments of society, "organized labor," "blacks", "retired persons," attitude researcher Daniel Yankelovich can recall a report he made a year ago—93% of Americans, "just about a consensus, express their willingness to 'make personal sacrifices, if necessary, to preserve the free-enterprise system.' "

Whether the voters will turn out this Fall to shock the mostly incumbent politicians into realizing the Nation has had enough of their crippling of its way of life is, of course, the question. This will be, indeed, as one pollster claimed, as great a crisis year in America as 1933.

CONSUMER FOOD ACT OF 1976

Mr. HATHAWAY. Mr. President, when S. 641 is considered by the Senate, the Senator from New Hampshire (Mr. DURKIN) and I will be offering a printed amendment, numbered 1470, which is set forth in the RECORD of March 16. This amendment strikes out section 113 of S. 641 and thereby preserves the strict criminal liability standard of the Federal Food, Drug, and Cosmetic Act. Section 113 of S. 641 would substitute instead a requirement that the Government prove beyond a reasonable doubt that an individual charged acted "knowingly, willfully, or negligently" with respect to the violation in order for criminal penalties to be imposed.

Much of the debate concerning our amendment will focus upon what these three words mean, with the primary emphasis upon the definition which ought to apply to "negligently." In this regard I would like to share with my colleagues a memorandum of opinion of the Office of the Legislative Counsel prepared by Mr. Daniel H. Murray, assistant counsel.

Mr. President, I ask unanimous consent that the text of my letter to Mr. Murray and his opinion be printed in the Record for the benefit of my colleagues.

There being no objection, the material was ordered to be printed in the Record, as follows:

U.S. Senate,
Committee on Finance,
Washington, D.C., March 15, 1976.

Mr. Daniel H. Murray,
Assistant Counsel, Office of the Legislative Counsel, U.S. Senate, Washington, D.C.

Dear Mr. Murray: I hereby request an opinion of the Office of the Legislative Counsel regarding the effect of the amendment to Section 303 of the Federal Food, Drug, and Cosmetic Act as proposed in Section 113 of S. 641, Calendar No. 655.

I am particularly concerned about the likely interpretation which courts would give to the word "negligently" as utilized in the proposed amendment. What sort of burden of proof would this standard impose upon the government if this amendment is adopted?

Sincerely,
William D. Hathaway,
U.S. Senator.

Memorandum for Senator Hathaway

This memorandum is in response to your request, dated March 15, 1976, for an opinion regarding (1) the interpretation of the word "negligently" as used in the amendment to section 303 of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 333) as proposed in section 113 of S. 641, Calendar Number 655, and (2) the burden of proof imposed on the government if the proposed amendment is adopted.

The provision in question is as follows:

Sec. 113. Section 303(a) of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 333 (a)) is amended to read as follows:

"(a) Any person who violates a provision of section 301 of this chapter shall be imprisoned for not more than 1 year or fined not more than $10,000, or both; except that such penalties shall apply to any individual who violates a provision of such section 301 with respect to food or who causes a violation of such section 301 to occur with respect to food, only if such individual knowingly, willfully, or negligently violates, or causes the violation of, such provision.".

The provision cited above clearly provides for a criminal penalty, and is contrasted with the civil penalties provided for in section 106 of the proposed legislation. Therefore, the discussion of the word "negligently" as used in the context of the proposed amendment to section 303 of the Federal Food, Drug, and Cosmetic Act shall be with regard to the criminal penalty which immediately precedes the limiting language of the proposed amendment.

INTERPRETATION OF CRIMINAL STATUTES

In most respects the interpretation of criminal statutes does not differ from the construction of other statutes. The standard of decision is either the intent of the legislature or what the statute means to others. *Holy Trinity Church* v. *United States*, 143 U.S. 457, 12 S. Ct. 511 (1892). The history of legislation, other statutes in pari materia, titles and headings, committee reports, and contemporary or practical interpretation may weigh heavily upon the issue of the meaning to be given a criminal statute. Such laws will be given their common and ordinary meaning so that they may be understood by all.

The courts are inclined to give health statutes a liberal interpretation (with regard to scope) despite the fact that such statutes may be penal in nature and frequently may impose criminal penalties. *United States* v. *Antikamnia Chemical Co.*, 231 U.S. 654, 34 S. Ct. 222 (1914). However, with regard to criminal penalties other rules of statutory construction are of course considered. The operation of traditional general rules of statutory interpretation in relation to Federal statutes also appears to continue unaffected by the decision repudiating a Federal substantive common law. *Deupree* v. *Levinson*, 186 F. 2d 297 (1950).

NEGLIGENCE; CULPABLE OR CRIMINAL

In general the courts have found a marked distinction between simple or ordinary negligence, which gives one the right of action for damages, and negligence which renders one guilty of a criminal offense. The latter is generally termed "criminal" or "culpable negligence".

To establish guilt on a negligence basis the Model Penal Code would require conduct which "involves a gross deviation from the standard of care that a reasonable person would observe in the actor's situation." (Section 2.02(d)).

The negligence concept as applied in criminal law has had the most elaborate consideration in homicide cases but the results found there are equally applicable elsewhere—*a greater degree of fault is required for guilt of a crime than is needed to establish civil liability* (emphasis added).

STANDARD OF PROOF

It has been held that whenever a legal duty of a public nature was imposed by statute or common law, neglect of that duty was indictable. *People* v. *Knapp*, 206 N.Y. 373, 99 N.E. 841. A successful prosecution for a violation of section 301 of the Federal Food, Drug, and Cosmetic Act under section 303, as proposed to be amended, on the grounds of negligence would, given the common and ordinary meaning of the term and the context of the statute, require proving negligence in a higher and grosser degree than is sufficient to support a judgment in a civil case. *Weaver* v. *State*, 185 Tenn. 276 (1947). The trend has been to employ the word "reckless" for the purposes of showing a degree of negligence sufficient to warrant a criminal penalty. *State* v. *Scott*, 201 Kans. 134 (1968); *Penny* v. *People*, 44 Cal. 2d. 861 (1955).

SUMMARY

The legislation under consideration clearly provides for a criminal penalty and such criminal penalty applies to "any individual who violates a provision of section 301 with respect to food . . . only if such individual knowingly, willfully, or *negligently* violates, . . . such provision". Based on the prior material presented, it is my opinion that the interpretation of the legislation under consideration would be to require "culpable or criminal negligence" rather than simple or ordinary negligence which would be required in a civil suit for damages.

It would necessarily follow that the burden of proof for a successful prosecution under the proposed legislation would be commensurate with the degree of negligence required to sustain a criminal penalty, in this case culpable or criminal negligence.

Respectfully submitted,
Daniel H. Murray,
Assistant Counsel.

CONGRESS AND THE DEFENSE BUDGET

Mr. HANSEN. Mr. President, the senior Senator from Florida (Mr. Chiles) has written several excellent articles on a most important subject—Congress and the defense budget.

Mr. President, Senator Chiles proposes an alternative method to congressional deliberation of the defense budget. Senator Chiles submits that a "mission approach" to the Defense appropriation might best take into consideration our foreign policy and defense strategy.

Mr. President, I ask for unanimous consent that the two articles by Senator Chiles, "Defense: Shotgun Planning," and "Defense Spending: Determining How Much Is Enough," appearing on March 4 and 5, 1976, in the Washington Post, be printed in the Record.

There being no objection, the articles were ordered to be printed in the Record, as follows:

[From the Washington Post, Mar. 4, 1976]

Defense: Shotgun Planning

The perennial frustration with Congress' failing role in defense matters seems to produce more good analysis than it does improvement.

Last May 25, The Post's lead editorial, "Congress and the Defense Budget," dealt perceptively with the problem of Congress' hollow "capacity to exert real and reasonable influence over the military budget."

And again on Jan. 20, Jim Woolsey's article, "Igniting the Defense Debate," provided an agonizingly authentic description of the failure—as well as a tempting taunt at the media which seems well served by Congress' "annual Punch and Judy Show."

Another perspective that should be added involves one growing effort to improve the congressional role—what can be loosely labeled as a "mission approach."

In simple terms, a mission approach to defense planning and budgets means we should not be so concerned with paying for particular weapons, research and development, manpower or construction items. Instead, we should be more concerned with what those activities are together *buying* in terms of specific defense "mission" capabilities, the ability of our forces to carry out missions such as strategic offense, sea control or air superiority.

After all, we're really not interested in defense manpower, R&D or weapons procurement for their own sake: We're interested in how well those expenditures together allow American forces to perform certain functions—mission capabilities—to support our foreign policy and defense strategy.

Taking such a mission perspective—what end-purpose capabilities do we need—tells much about the congressional frustration in controlling the defense budget as well as suggesting some avenues for improvement.

Congress annually confers inordinate alarm and attention on a few of the most faddish or controversial weapon systems, as if we had found the devil and by exorcising a B-1 bomber, all would be right with the world and the Defense Department.

The votes on whether to delay Trident submarine IOC (Initial Operational Capability) two years (a big 1973 fracas) may be symbolic for Americans for Democratic Action (ADA) or Americans for Constitutional Action (ACA) ratings. Regardless of the outcome, however, such a vote does relatively little to control the shape or direction of America's defense posture.

In short, Congress falls into the "rut," as Mr. Woolsey terms it, of trying to confront literally thousands of separate line-items and programs put forward by the defense establishment.

The mission, the end capability being bought with these expenditures, becomes lost, as does the connection with defense policy judgments. In the process, the Congress unconsciously abdicates a crucial role in providing early policy guidance and controls over the defense program and, instead, winds up mainly second-guessing what are really less important decisions on weapons, technology and management.

The results have been disastrous for three prime reasons.

First, pressure builds for Congress to try to arm itself with duplicate managerial and technical expertise to match the "hordes across the river." The attempt is futile and misdirected. When we talk about swarms of government bureaucrats and red tape tying us up in knots, let's not forget the contingent of congressional members, committees and staffs. No one in all of Washington will deny there are already too many layers of managers managing the managers in the Defense Department, at considerable cost.

Hence, the second undesirable outcome: outright waste and inefficiency. Congress' annual obsession with weapons and line-items does, in fact, disrupt programs and cost the taxpayers millions through the "stop/start" and "cut-a-corner" syndromes.

True, many of the programs should never have been started in the first place. But, is that any excuse for not having expressed a voice before they were started? It hurts to write-off a billion dollar investment and cancel a program that's already built up the momentum of sunk money, contracts, jobs and constituents.

As a consequence, critics leave the floor more often with an ear than a scalp on their belts. The program is delayed, reoriented, stalled, in the best traditions of political compromise.

But, this is precisely the game the Congress chooses to play—and not even the game the Pentagon cares to have us play, necessarily. Odds are, the Congress will be licked every time on a weapon vote or, if not, well, not much damage is done anyway. There's always the next contract.

Former Defense Secretary James Schlesinger pleaded with the Congress to come to grips with foreign policy implications of the defense budget. If the budget choices were drawn on missions—how much has been spent for sea control?—the next question would deal with Mediterranean balance of power and NATO resupply convoys. Why do we need sea control and how much?

But, today, with budget choices down around Research, Development, Test and Evaluation (RDT&E), procurement, and a B–1 bomber, the next logical questions lead "down" into management and fat, not "up" to needed defense capabilities.

So, the third and most dismaying result of the shotgun approach to defense spending is that it even further fogs congressional visibility over the connection between foreign policy, defense capabilities and the military budget that should be the true grounds for debating and directing defense expenditures. It seems the harder we look to find and fell the B–1, F–18, and AWACS trees, the more lost in the forest we become.

[From the Washington Post, Mar. 5, 1976]

Defense Spending: Determining How Much Is Enough

(By Lawton M. Chiles)

Congressional failings in defense budget matters have been beat to death since the 1950s in studies, newspaper columns, floor debates, television commentaries and think-tank epistles.

For the last three years or so, several tentative steps have been taken to see whether or not a mission approach to spending might not be a key to unraveling Congress' confused roles and responsibilities.

These efforts have been aimed at collecting all the funds spent for hundreds of diverse activities into mission categories which described the common end-purpose capability being provided.

On a broader basis, compare the current structure of defense budget decisions with what a mission structure might look like.

First, here is the basic defense budget structure used today:

Military Personnel—
Army,
Navy,
Air Force,
Marines,
Reserves,
National Guard.
Retired Personnel.
Operations and Maintenance—
Army,
Navy,
Marines,
Air Force,
Reserves,
Defense Agencies,
National Guard.
Procurement—
Army (Aircraft; missiles; tracked vehicles; ammunition; other),
Navy (aircraft; weapons; shipbuilding; other),
Air Force (aircraft; missiles; other).
Research, Development, Test and Evaluation—
Army,
Navy,
Air Force,
Defense Agencies.

This appropriation structure itself implicitly perpetuates inter-service overlap and duplication.

Now, consider an alternative mission-oriented defense budget structure:

Strategic Warfare—
Strategic Offense,
Strategic Defense,
Strategic Command, Control and Communications.
Tactical Warfare—
Sea Control (naval projection; area control; amphibious operations),
Air Warfare (air superiority; close air support),
Land Warfare (combat forces; support forces, other forces),
Tactical Mobility.
Defense-Wide Support—
Basic Research,
Intelligence,
Communications,
Management.

It's not hard to see that such a mission-oriented budget tells more about what Congress should be concerned with in controlling defense spending.

Take any position on détente, for example, then try to translate that position into a set of meaningful budget actions using the existing structure above.

Where do you start? Manpower? Procurement? RDT&E? Air Force missiles?

Now apply a judgment on détente to the mission structure and the focus automatically begins with spending for strategic offensive forces.

The Senate Budget Committee has been trying to extract such a mission budget out of a recalcitrant Pentagon.

In its first report, the panel committed itself to "using a mission approach to assess the content of the defense budget. Such an approach would allow the total resources devoted to each major defense mission to be considered in light of foreign policy requirements and defense strategy. It is the committee's view that such a mission approach should be pursued to provide a framework for considering levels of outlays and budget authority."

It is difficult to understand the Pentagon's recent hesitation in joining with this effort since, for years, the defense establishment has complained about Congress' bungling around in their program details. We are trying to lay the groundwork for new operating patterns in which Congress assumes more meaningful perspectives and controls over the budget.

These first tentative moves to put Congress and defense planning on a mission basis have generated generally limited and mixed reactions.

Some congressional analysts fear a "mission approach" to defense budgeting will spell the demise of traditional line-item controls. No such thing is intended: Both sets of controls will be there but the emphasis and exercise can presumably be shifted to the higher-order mission budget decisions. And when a particular weapon needs special treatment, it can be examined in the context of all other programs and activities aimed at the same basic mission capability.

Penagon critics fear mission controls on top of line-items will create an even stronger congressional stranglehold on the defense budget. This need not be the case at all. We should be working to shift our weight to the mission leg. There are good reasons to do so, among them the realization that members of Congress can be far more productive and competent in dealing with major mission capabilities and defense objectives than in dealing with B–1 penetration studies, Trident tubes and fighter tail-clearance angles.

Then there are the observers whose attitude is typically reflected in the rhetorical question, "How much is enough?" as if to imply there can never be a satisfactory answer.

If we try to build an answer by looking at just the total defense budget, the decision factors are macro-economic budget considerations; a loosely-defined sense of domestic vs. military priorities; and a gross sense of our military well-being deduced with a heavy helping of Kremlin psychoanalysis.

If an answer is attempted through examining weapons and line-items, the decision criteria dwell on technical, management and efficiency considerations.

If, however, we try to reach a position on "How much is enough?" from a mission framework, the decision process asks, for each mission:

How the mission capability will be used in given foreign policy and conflict scenarios around the world;

How crucial, therefore, such mission capability may be in relation to other mission priorities;

How well are we able to execute the mission in the face of expected threats and adversaries;

And, based on the above, whether mission funding needs to be increased or cut.

A mission approach would seem to offer a sensible bridge between judgments on defense capabilities and the defense budget itself.

The American taxpayers don't pay congressmen's salaries to manage weapons programs. They don't pay Pentagon employees to preempt the defense policy commitments Congress should be debating.

It would seem that if Congress can learn to emphasize budget controls built on mission capability limits, they can better serve themselves, the Defense Department, the American defense posture—and the taxpayers who are footing the bill for the damage done by the street brawls anyway.

ST. PATRICK'S DAY

Mr. WILLIAMS. Mr. President, it is hardly necessary to point out that today is St. Patrick's Day, an occasion filled with joy for the Irish and for all those who are Irish just for today. Just one glance at the profusion of green ties and green suits in the Senate Chamber should provide us with evidence enough.

This St. Patrick's Day is particularly

noteworthy as we have been honored by the visit of the Honorable Liam Cosgrave, Prime Minister of Ireland, who has traveled from his native land on such an important day to share in our celebration of St. Patrick's Day and the American Bicentennial. The Prime Minister's visit should serve as a reminder of the contributions of the Irish to the growth and progress of this Nation. Indeed, the story of the Irish in America is virtually the story of America itself.

We have only to note the participation of the Irish in our struggle for independence to understand the impact that they have had on the great events that have shaped our history. Eight signers of the Declaration of Independence were Irish or of Irish origin, while the Secretary of the Continental Congress, Charles Thomson, came from Ireland to this country at an early age. The father of the American Navy, John Barry, was Irish, as were one-third of George Washington's soldiers.

From the birth of our Nation to the present day, the Irish have achieved honor and distinction in all fields of endeavor. Their accomplishments take on added significance in light of the discrimination that accompanied the great wave of Irish immigration during the 1840–60 period. President John F. Kennedy's election clearly demonstrated their success in overcoming the barriers of prejudice which prevented their full participation in American life.

So, as we welcome Prime Minister Cosgrave of Ireland, let us also acknowledge the Irish in America who have contributed so much to their adopted country, and thereby enriched us all.

VA MEDICAL BUDGET IS "BRIGHT SPOT"

Mr. HANSEN. Mr. President, my colleagues will be pleased, I feel certain, to learn what is happening within the Veterans' Administration, further to insure that quality care is provided our Nation's veterans.

I ask unanimous consent that an article from U.S. Medicine dated February 1, 1976 be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

VA MEDICAL BUDGET IS "BRIGHT SPOT"

WASHINGTON.—Funding for the health care of veterans is once again increased under President Ford's fiscal 1977 budget request.

"We're the one bright spot in the budget as far as medical programs are concerned," one VA staff member commented.

The increases will be used to finish implementing the recommendations contained in the Quality of Care survey made in 1974 under the direction of Chief Medical Director John D. Chase.

The VA medical budget, in fact, tops the $4 billion mark for the first time (last year's authorization was $3.6 billion), and provides an increase of nearly $308 million over the regular and supplemental appropriation funds for the current fiscal year.

If Congress adopts the budget as presented, employment in the Department of Medicine and Surgery will increase by 2,136. The staffing ratio in VA hospitals will rise from 127 employees for each 100 patients to 174 employes for each 100.

Of the 2,136 new employes, 1,757 will complete the manpower requirements outlined in the Quality of Care survey.

The survey, which uncovered deficiencies in staffing and space requirements, also cited inadequate physician pay as the most serious problem facing VA medical care.

That problem was addressed last year when Congress passed a bonus pay bill for physicians and dentists.

The fiscal 1977 budget also requests funding to solve the construction and equipment problems cited in the survey.

The amount sought for hospital construction actually is lower than last year's by $193.8 million. However, spending authority carried over from previous years should make obligated construction funds in 1977 the highest in VA history, the agency said in a statement released along with its budget.

The budget provides for inpatient medical care of 1.4 million veterans. An increase of 145,336 over fiscal 1975, this also is an "all-time high."

Funding is included for a "record" 15.6 million outpatient visits—an increase of nearly 1 million over fiscal 1975.

On any one day, some form of VA medical care will be provided to more than 183,000 beneficiaries, VA said.

Funding for medical programs represents 24 per cent of the total VA budget of $18.1 billion. Last year it was 23.4 per cent of the total budget.

In addition, 4 per cent will go for hospital construction and general operating expenses.

VA's total budget request is up $1.7 billion over last year's. It does not include the $4.5 billion to be used for the three-month transition period that occurs between July and October.

Under the terms of the Congressional Budget and Impoundment Act passed in 1974, the fiscal year will be changed to run from October 1 to September 30 beginning this year.

The change was implemented in an attempt to give the legislative body more control over the budget process.

HEALTH MAINTENANCE ORGANIZATIONS

Mr. MONDALE. Mr. President, the General Accounting Office last November published an excellent report on the "Effectiveness of Grant Programs Aimed at Developing Health Maintenance Organizations and Community Health Networks."

This report—which was most useful to the Committee on Labor and Public Welfare in preparation of S. 1926, the Health Maintenance Organization Amendments of 1976, soon to come before this body—has been thoughtfully reviewed by Mr. Jeffrey Prussin in a recent issue of Hospital Progress.

I ask unanimous consent that Mr. Prussin's article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

GAO REPORTS HMO SUCCESS/FAILURE FACTORS

(By Jeffrey A. Prussin)

The General Accounting Office (GAO), Congress' watchdog agency,[1] has recently reported on a study of 38 health maintenance organization (HMO) and community health network (CHN) development projects in California, Colorado, Illinois, Kentucky, Maine, Maryland, Massachusetts, Montana, New Hampshire, New Jersey, New York, Ohio, Pennsylvania, and Rhode Island.[2] These projects had been awarded a total of approximately $33.4 million by the Department of Health, Education, and Welfare (HEW) and the Office of Economic Opportunity (OEO) during fiscal years 1971–74, which represents about 45 per cent of the total demonstration grant and contract funds awarded by HEW during fiscal years 1971–74 and by OEO during fiscal years 1971–73.[3]

While the projects included in the GAO study were initiated prior to enactment of the Health Maintenance Organization Act of 1973 (PL 93-222),[4] they all had as their common goal the development and operation of HMO-type organizations. The CHNs, however, were targeted for "low-income areas serving 100,000 to 200,000 persons."

Basically, the report concluded that neither OEO's CHN program nor HEW's pre-PL 93-222 HMO development program were as effective as they might have been. The report stated that "the OEO-initiated programs have made very limited progress in developing CHN projects into viable prototypes even on a subsidized basis." While 11 of the 14 CHN projects were either operational or in various stages of development as of October, 1974, only four were providing services on a prepaid basis. Enrollments in these projects ranged from 1,400 to 5,800 and totaled about 14,600.

Furthermore, HEW's pre-PL 93-222 HMO development program had only "limited success in developing self-sustaining HMOs." While there were numerous delays in the HMO development projects, 29 of the 84 funded projects were operational as of October, 1974, and had a total enrollment of 177,000. In addition, 18 projects were still in the developmental stage, and 37 had been terminated or had expired without developing HMOs.

The import of the GAO's report, however, goes far beyond its basic conclusions and excellent documentation. Indeed, the report is probably one of the most valuable pieces of literature which have been produced to date.

In addition to a wealth of factual information presented on the HEW and OEO programs, as well as the specific projects studied by the GAO, the report identifies a number of factors which have significantly contributed to the success or failure of CHN and/or HMO developmental and operational efforts and translates these factors into recommended administrative practices and policies for HEW to follow if it is to administer PL 93-222 projects more effectively than it has earlier projects.

For example, the GAO found that overly optimistic enrollment forecasts were a problem at most of the projects studied. However, the GAO went on to identify factors resulting in poor enrollment experiences and discuss means for alleviating the enrollment problem, such as the use of incentive-type, as opposed to nonincentive-type third-party marketing arrangements. Finally, the GAO recommended that HEW could "reduce the impact of unanticipated under-enrollments of developing health maintenance organizations by: 1. Emphasizing preoperational marketing and enrollment activities and/or 2. making operational loans conditional upon an organization reaching a minimum enrollment level within a specific time." Furthermore, the GAO recommended that HEW "give strong consideration to requiring applicants for initial development assistance that contemplate the use of third parties for marketing, to give third parties financial incentives for successful performance."

Of course, the report does not identify all the problems extant in HMO development and operation and does not present recommendations for improvement for all problem areas which are identified in the report. Furthermore, the large majority of the insights in the GAO report did not originate with the GAO. For example, many of the observations

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Footnotes at end of article.

and insights came from interviews with individuals at the organizations included in the study, and others have almost become conventional wisdom in the HMO field.

Nonetheless, the GAO's report is the first document which brings together such observations and insights in a systematic manner and in which such observations are considered comparatively across a relatively large group of organizations which are, or recently have been, involved in HMO development and operation.

In sum, while "HEW generally agreed with the thrust of [the] GAO's suggestions and emphasized that many had already been adopted in connection with administration of the Health Maintenance Organization Act of 1973," one cannot help but to wonder whether the CHN and HMO development programs would have been more effective had they been administered by the GAO rather than OEO and HEW.

FOOTNOTES

[1] The GAO is an arm of Congress rather than the executive branch of government. It audits the appropriateness and effectiveness of federal expenditures.

[2] *Effectiveness of Grant Programs Aimed at Developing Health Maintenance Organizations and Community Health Networks*, Report No. MWD-75-98, November 21, 1975. Available from U.S. General Accounting Office, Distribution Section, P.O. Box 1020, Washington, D.C. 20013 for $1.

[3] Twenty-nine of the projects included in the study were funded by HEW, six by OEO, and three by both HEW and OEO.

[4] The current study should not be confused with the forthcoming GAO study on implementation of PL 93-222, a study mandated by the act itself.

ADMINISTRATION'S MEDICAL BLOCK GRANTS

Mr. JAVITS. Mr. President, 15 of the 16 health programs included within the recently introduced administration block grant bill (S. 3137) are under the jurisdiction of the Labor and Public Welfare Committee, of which I am ranking minority member.

In essence the bill proposes to repeal and consolidate medicaid with 15 other formula and project grant health programs, to wit:

1. Medicaid.
2. Community Mental Health Centers.
3. Alcoholism project & formula grants.
4. Veneral disease activities.
5. Immunization.
6. Rat Control.
7. Lead-based Paint Poisoning Prevention.
8. Community Health grants.
9. State Health grants.
10. Maternal & Child Health.
11. Family Planning.
12. Migrant Health.
13. Emergency Medical Services.
14. Health Planning.
15. Medical Facilities Construction.
16. Developmental Disabilities Activities.

The administration's rationale for this block grant approach—reduce Federal "red tape"; control wasteful program duplication and overlap; and permit States maximum flexibility in using funds to address the health priorities of their citizens responsibly and with accountability—are worthy goals but we must not be trapped by the rhetoric.

We must examine the substance of the proposal before us and seek answers to hard questions:

Where is the evidence that:

The aggregate funding totals proposed by the bill actually reflect even current levels of program activity?

The proposed distribution formula for the block grants among the States is equitable?

Flexibility and self-determination is given the States, when 90 percent of the block grant is specifically earmarked for personal health services?

States will be able to look to the needs of special groups and meet special health problems?

The aggregate funding totals proposed by the bill actually reflect even current levels of program activity?

FUNDING LEVELS

According to preliminary analyses by the Congressional Budget Office, under, first, current eligibility and benefits policies and second, with no new program starts, the costs in fiscal year 1977 would be $10.9 billion, rather than $10 billion as set forth in the bill. Who is to make up this $900 million shortfall across the Nation? What are the assumptions that underlie the administration's projections, and how valid are they?

FORMULA

Where is the evidence that the proposed distribution formula for the block grants among the States is equitable?

While it would appear that no State would lose actual dollars between 1976 and 1981—when the formula has been fully phased in, if current levels of service are maintained and inflationary trends continue, New York for exchange would experience a shortfall of $1 billion in 1981—according to the Congressional Budget Office. The New York State Health Planning Commission estimates that the shortfall for New York attributable to inflation alone would grow from $58 million in 1977 to $933 million by 1986.

I believe there are too many unknowns, too many assumptions, for any State to swallow the bitter pill of a block grant. One important reason for this is that formula programs, project grant programs and the statutory program of medicaid—much of which is properly called "uncontrollable"—are all lumped together in the block grants approach.

One fact is obvious: New York's share decreases from 17.6 percent of the aggregate funding in 1976 to 13.7 percent in 1981, to 11.2 percent in 1986 and other big industrial States show the same pattern. This is true despite alleged "hold harmless" provisions.

I believe the distribution formula for health programs must take into account the State's contribution to health expenditures—not solely the generic tax effort of a State as set forth in the bill. I do not think it is fair to punish New Yorkers who have generously given their tax dollars to underwrite health services for all their citizens.

New York, the State with a proud historical tradition of being in the vanguard of developing programs and services as well as paying for them, loses the most under this proposal. But, I suggest that my colleagues in California, in the Northeast, and in the large industrial States, look very closely at how they would fare, and ask themselves whether an arbitrary formula is the right way to achieve equitable distribution of health care for all of the Nation and to solve public health problems that cut across State lines.

STATE SPENDING DETERMINATIONS

Where is the evidence for flexibility and self-determination for the States, when 90 percent of the block grant is specifically earmarked for personal health services?

When we are accumulating substantial evidence regarding the importance of the environment and individual lifestyle for health—and resources are limited—I submit that it may well be wasteful to "lock-in" such a substantial portion of the block grant for personal health care, which is the most costly, resource-intensive sector of the health care system.

ARBITRARY PROGRAM CONSOLIDATION

Where is the evidence that States will look to the needs of special groups and meet special health problems?

The Congress has developed, with time, effort and experience, a wide range of programs precisely because States have been inefficient or slow to meet their responsibilities; and today the problem is compounded further by States' fiscal problems. Under such constraints, will the States protect the needs of migrant workers? Will States assure the family planning and maternal and child health services are available to those who need them?

Let us not forget that the Congress sought to develop a National Community Mental Health Center network precisely because local governments were not providing this kind of community-based care.

Likewise, alcoholism—one of our Nation's most pressing public health problems—knows no economic or social class distinctions. How will it compete effectively for funds within the block grants approach? Such target health programs were created for target populations.

Let us look at each program, on its merits, to see if it is working, if it is meeting the objectives of legislative intent. But let us not leave these programs and their special populations to the mercies of hard-pressed States. To paraphrase Governor Carey of New York State, States cannot indulge in the luxury of deficit spending forever and will have to put back on services.

The administration claims that the States' required plan under the bill will have to address these needs. But this plan would dismantle a local and nationwide planning process that has now, after much time and effort, just been enacted into law—Public Law 93-641.

Also, I am not convinced that individual States can or should take responsibility for problems that do not recognize State boundaries.

The Federal Government first became involved in matters of public health precisely because the public good was at stake. What will happen if a State chooses to be less than vigorous in immunizing its children? Suppose a State slackens its efforts to control venereal disease. Its neighbors—indeed the entire Nation—would suffer increased risk of these dread epidemics, just because a State was engaging in "self-determination."

However seductive the broad brush, block grant approach simplification might appear to those who fear "big government," I am deeply concerned that the public health will be endangered if the Federal Government fails on its responsibilities to provide policy leadership and assistance.

I will urge public hearings by the Committee on Labor and Public Welfare, of which I am ranking minority member. We must have answers to the questions that I have raised.

Only then can we work to explore alternative solutions to the very valid problem of the proper mix between national and local responsiveness and initiative.

The objectives that the administration seeks are worthy; but I am far from convinced this bill provides us the best means to reach them.

Mr. President, I ask unanimous consent that a recent New York Times article on the subject be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the New York Times, Mar. 7, 1976]

BLOCK GRANTS: OLD ISSUE, RE-JOINED

President Ford has intensified the Congressional debate over the appropriate method of supplying assistance to the states by sending the legislators a plan to consolidate a number of Federal education grant programs into a single block grant to each state.

Under the present system, there are 24 separate grants for educational purposes, including teaching the poor and handicapped, that are carefully defined by the Federal government. Mr. Ford proposes to substitute the single grant, setting out broad educational goals but allowing each state to decide how it wishes to spend the money.

Mr. Ford makes the classic argument for his position. He contends his plan would be more efficient, would reduce administrative costs and, most important, would allow state and local officials, who he says know their constituents' needs better than officials in Washington, the flexibility to determine their own spending priorities. Mr. Ford has also proposed extending the block grant system, which is similar to that used in revenue sharing, health and other fields.

There is little likelihood that Congress will approve the proposal this year, primarily because of a belief among legislators that the Federal government should retain control of the spending of Federal funds.

Many Congressmen have contended that the poor and minority groups, who often lack political power in their communities, do not receive their fair share of Federal funds when spending is left to state and local officials. Some legislators also believe that block grants may be used as an excuse for limiting Federal assistance. They also fear that the allocation formula proposed by the Administration would, relatively, reduce the share of funds now received by more populous states.

Members of Congress also have a political reason for maintaining the existing system. Many of the specific programs are popular in their home districts, and influential educational lobby groups want to ensure the programs' perpetuation.

WOMEN ALCOHOLICS

Mr. WILLIAMS. Mr. President, New Jersey State officials estimate there are more than half a million alcoholics in our State, and at least 150,000 of them are women. Yet, because of the stigma attached to the disease, only one in nine receives treatment. Many try to hide their symptoms, causing anguish and suffering to themselves and their families. This is a situation repeated to a greater or lesser degree in every State in the Nation.

Recently, the Newark Star-Ledger ran a series of articles by Reporter Barbara Kukla pointing up the special problems of women alcoholics and the need for treatment facilities designed for them. By removing the cloak of secrecy surrounding women alcoholics, and pointing up the programs available to them and their families, as well as the need for additional programs, these articles will help untold numbers of women who otherwise might continue to suffer in despair. Certainly, the Star-Ledger and its truly outstanding reporter, Barbara Kukla, are to be commended for this outstanding service.

In 1970, I was pleased to be the coauthor of a landmark bill on alcoholism which launched prevention, treatment, and rehabilitation programs. I am now cosponsoring legislation to step up these efforts. Moreover, in recent years, the New Jersey State government has increased its efforts to combat this disease, and I am hopeful that my State will warrant more support for its programs in the future.

However, we still have a long way to go to reduce the dimensions of this national epidemic, especially with regard to women alcoholics. In order to bring to the attention of my Senate colleagues the special plight of women alcoholics, I ask unanimous consent that the Star-Ledger articles be printed in the RECORD.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

FAMILIES HESITANT TO ADMIT PROBLEM—JERSEY'S "HIDDEN RANKS" OF WOMEN ALCOHOLICS

(By Barbara Kukla)

Some 150,000 New Jersey women are believed to be suffering from alcoholism, yet, because of the stigma attached to the disease, only one in nine is receiving treatment.

As one alcohol counselor sums up the problem:

"No one wants to admit a woman is an alcoholic. She won't. Her family—confusing shame with love—won't. And her doctor is likely to have little training in spotting even the most basic symptoms."

Among alcoholism experts, there is a growing belief that women, more often than men, are becoming addicted at the same time to tranquilizers, a combination thought to be the cause of many accidental deaths and suicides.

"I was hooked on booze and Valium, really spaced out," said Marge, an attractive 38-year-old homemaker who began hitting the bottle hard when one of her five children was sent to a special school.

"I blamed myself because my son was emotionally disturbed," she said. "So I drank and took pills the doctor prescribed as if they were candy."

That was two years ago. Since joining Alcoholics Anonymous, Marge hasn't had a drink. And she rarely takes any kind of pill. As a member of AA, she's helping others to achieve sobriety.

"I still have the same problems," she said. "Nothing has changed but me and the way I try to handle my problems," she said. "It isn't easy, but I'm trying."

Rich or poor, young or old, intelligent or ignorant, there is no prototype of the female alcoholic, just as there is no typical male alcoholic.

Generally, authorities agree, the male alcoholic functions in the open and often is viewed as more virile by his peers because he can "hold his liquor," at least in the beginning stages of the disease. A man, in fact, may even brag about his hangovers and drinking experiences.

The female alcoholic, on the other hand, is entrapped in her illness because of double standards, a moral view which concludes that "nice women don't drink excessively."

"But women are drinking and they are drinking more and more," said Kitty McGrath O'Neil, acting director of the State Division on Women. "Unfortunately, it is more difficult to detect the woman alcoholic because her drinking is concealed, usually confined to the home."

Because so many women are hidden drinkers, chances of treatment are more remote than for men and it is virtually impossible to assess their numbers.

The 150,000 figure, which the State Health Department's Alcoholism Control Program cites, is considered a conservative estimate, not a head count.

Nationwide, it is believed there are upwards of two million women alcoholics.

As a major health problem, alcoholism for many years has been considered second only to cancer and heart disease.

"To cite only a part of its destructive effects, alcoholism plays a major role in crime, auto fatalities, suicides, divorces, hospital admissions, lost jobs and wrecked careers," says William Chamberlain, chief of the state's control program.

"No one who drinks is immune and 70 per cent or more of the population drinks," according to Marty Mann and other experts in the field of rehabilitation.

As a rule, it is believed that at least four persons are directly affected by the behavior and problems of the alcoholic.

With regard to women, that means an additional 600,000 Jerseyans, primarily parents, husbands and children.

Studies show, however, that the family takes an average of five years to admit the problem and another seven years to seek help.

"Generally, if the alcoholic is quiet and dignified, she can drink herself into oblivion and the family will disintegrate without anyone taking action," Geraldine O. Delaney, director of Little Hill-Alina Lodge in Blairstown, told the first statewide conference on "Women and Alcoholism."

"This happens," she said, "simply because the alcoholic is causing no problem. Patients themselves usually violently resist treatment."

The World Health Organization first recognized alcoholism as a chronic disease in 1951, followed by the American Medical Association in 1956 and the American Hospital Association in 1957.

As with the general public, however, some doctors and other medical personnel still have difficulty dealing with that definition, authorities on alcoholism contend.

According to Chamberlain, 150,000 to 600,000 persons hospitalized last year in New Jersey had problems which were alcohol-related, ranging from co-existing illnesses and accidents of the alcoholic to a wide range of illnesses of family members.

N. W. Peterson of the Toronto-based Addiction Research Foundation concluded in a 1973 paper that many medical professionals agree that a person is sick when drunk, but believe that nothing more can be done when the person is sober.

According to his findings, persons referred to the emergency rooms of hospitals in both the United States and Canada more often than not were turned away if the hospital did not have a special detoxification unit and if the patients had no other illness.

Betty Anderson, president pro-tem of the New Jersey Association of Alcohol Counselors, said she believes economic factors prompt doctors to admit alcoholics to hospitals for other causes.

If a doctor believes an alcoholic should be hospitalized, she said, chances are he or she will be admitted for some concurrent problem.

"This is the case," she said, "because insurance carriers view alcoholism as a second-class disease.

"At best," she said, "any carrier within New Jersey will pay only for a limited period of treatment."

Assemblyman James Bornheimer (D-Middlesex), who authored legislation which has decriminalized alcoholism, has sponsored another bill which would require insurance carriers to pay for the entire period of hospitalization, as is the case in several neighboring states. The bill, however, remains locked in committee.

Mrs. Delaney, during the first statewide conference, said she believes much of the problem of diagnosis and care has occurred because of inadequate medical training.

"Most medical schools devote only a few hours to the study of alcoholism," she said. "And only three—Georgetown and the Universities of Arizona and Nebraska—require students to attend meetings of Alcoholics Anonymous, which is generally considered the program which gets the best results of any that is known."

The New Jersey College of Medicine offers no separate course on alcoholism. However, there is heavy emphasis on diagnosis and treatment of the disease within the study of hepatic metabolism, according to the office of Dr. Carroll Leevy, a specialist in liver ailments who serves as chairman of medicine at the college.

Generally, alcoholism is believed to progress faster in women. It has been concluded also that women have less tolerance of alcohol.

The tolerance study, conducted by two University of Oklahoma scientists, matched men and women of equal weight, drinking habits, food intake and drinking time.

The simplest explanation for the sex difference, the scientists said, was that a woman's body is made up of 55 to 65 per cent water, while a man's body is made up of 65 to 75 per cent water. Therefore, a given amount of alcohol is more diluted in a man's body, it was found.

The scientists also concluded that there is a relationship between a woman's tolerance for alcohol and estrogen levels. They found the highest level of alcohol in the blood occurred just before the menstrual cycle and the lowest level during the first day of the cycle.

No one really knows the causes, according to Marty Mann. Experts generally agree that there is no single cause, such as a germ or virus or alcohol itself. The current consensus is that there are three causes—physiological, psychological and social.

"What is known," ex-Iowa Sen. Harold Hughes, himself a former alcoholic, told the women's conference, "is that the disease can be diagnosed, it can be treated and lives can be saved."

OUT OF THE CLOSET: FOUR WOMEN ALCOHOLICS TELL THEIR STORIES—II

(By Barbara Kukla)

"If I'm shaking tonight, it's not because I need a drink," Susan, a 40-year-old secretary, told the 60 men and women assembled in the suburban church basement. "It's because I'm nervous."

And then, hesitatingly, she began:

"Hi, I'm Susan and I'm an alcoholic."

"That's a monumental admission, especially the first time," said Jane, the founder of an Alcoholics Anonymous group in Essex County. "Women have been taught that respectable women don't drink excessively, so most female alcoholics go underground. They conceal their drinking, probably over a period of years.

"In AA," she said, "we see all kinds of women in increasing numbers. We really can't pinpoint any particular type. There are the young girls wiped out on pills, single working women, widows and home closet drinkers like I was."

Although AA keeps no statistics, it has been estimated that about a quarter of the one million members worldwide are women.

AA, according to its literature, is a method of treating alcoholism in which the members act as "therapists" to each other, sharing a large body of similar experiences—suffering and recovering from alcoholism.

In AA, there is no such word as "recovered." An alcoholic may be "recovering," but he or she is an alcoholic for life, a person who cannot drink without losing control.

As a fellowship of alcoholics, AA's primary purpose is to have the individual stay sober and then help other alcoholics to achieve sobriety. There are no dues, no fees, no permanent officers.

As Jane explained, "We don't stay anonymous out of shame. We keep our anonymity at the levels of the media only so there are no big shots. That's one of the greatest pitfalls of an alcoholic—trying to be a big shot."

An alcoholic, according to host experts in the field, is a person whose drinking detrimentally affects some vital part of his or her life—family life, social life or work life.

There are, according to counselors, as many kinds of alcoholics as there are individuals.

Here are the stories of four women alcoholics of different ages and backgrounds who were willing to share their experiences in an attempt to help others. All but one are members of AA.

"I was the complete incompetent," said Jane, 50, a suburban homemaker whose physical appearance showed no signs of dissipation that usually comes with alcoholism. "I never made a decision in my life until I stopped drinking. First my parents made all the decisions and then my husband took over."

For more than 20 years of their married life, she said, she and her husband drank only socially at their country club. She dates the time she began drinking "alcoholically" to six years ago when she started having an occasional afternoon drink with a neighbor.

"Soon I began to have drink when I was fixing supper, then occasionally at lunch," she said. "Within two years I was drinking a pint of vodka a day. From the time I started drinking in the morning to stop the shakes it was a disaster."

Although Jane's husband sometimes found her vodka hidden behind the towels in the linen closet, "he never said a word," she recalled. "Once he wrapped a piece of paper around the bottle to let me know he had discovered it, but he never said anything.

"And neither did my daughter. We never had any kind of real relationship until I stopped drinking. Before that she had no respect for me. She was apt to sass me or even push me around once in a while, and because I had such little respect for myself I took it."

Jane went to her first AA meeting the same day she contemplated suicide by ramming her car into a wall.

"I had a few drinks before I went and I drank for the rest of the week, but I kept going back because I really wanted help," she said. "I haven't had a drink in four years now. As we say in AA, I live one day at a time."

Rosy-cheeked Patty, a wiry 16-year-old, was hooked on amphetamines first and then turned to alcohol because it was cheaper.

"I knew I wouldn't get busted for drinking," she said. "And my parents didn't mind. They let me drink at home.

But after she dropped out of high school and was hospitalized for alcoholism, Patty's parents offered her no support. They never came to see her at the hospital and they repeatedly broke appointments with her counselor.

Patty now is living in a halfway house for women recovering from mental illnesses. It's nowhere near the ideal situation, because most of the women are much older and because there's a curfew that at first prevented her from attending the AA meetings she so desperately needs to maintain her sobriety.

"But I'm doing O.K.," Patty said with a confident grin, trying not to let the hurt show.

And she is doing surprisingly well in view of the facts. She's studying for her high school equivalency diploma and she's planning to go to college to study for a profession in which she can "help other people."

"I was raised in the ghetto, the oldest of six children," said Betty, 42, a divorcee. "I was ashamed of being poor," she said.

"My goal was to be better, but being black in those days you had nowhere to be better except working in a factory or a department store."

Looking back, she said, she is not surprised she fell in love with and became pregnant by a man who had lots of money and picked her up for dates in a Cadillac. The money, she found later, came from pushing drugs.

Later she married a man who was studying to become a teacher and she worked to help him through college.

"We never did anything, never went anywhere and I had no say in any of the decisions. That's when I began drinking heavily, I only drank beer but I drank barrels of it." she related.

"Because of my drinking I fought with my family and had blackouts, yet I never realized that I had a problem," she said. "I went to AA because my husband challenged me and am I glad I did. I'm a grateful alcoholic."

Through her involvement in AA, Betty now is helping other alcoholics. One of her goals is to bring about more involvement in AA by the black churches.

Esther, 68, a frail looking woman who walks with a cane, began drinking six months after her husband died.

"The children lived far away and we never had many close friends. I didn't know what to do with Fred gone," she said. "I didn't have any skills to get a job. Who'd want me?"

Depressed and lonely, she turned to her doctor and took his advice about having "a little wine" before bedtime. "Soon," she said, she was drinking "a white wine with the taste of grapes" by the gallon.

"I'm glad my minister told me about AA," she said. "It's given me something to do and I've made a lot of new friends who have similar problems. From what I've learned, a woman my age goes downhill fast if she keeps drinking."

These, in a sense, are the success stories. Not all women are so fortunate. There are others, like Sara, whose family knows she drinks and in that sense aid and abet her illness, and Ellen, a widow, who gets drunk each night and makes no excuses about it.

In fact, it is estimated, only one of nine female alcoholics in New Jersey has sought and is receiving treatment.

"The rest literally are drinking themselves to death," said Nancy Brach, a founder of the New Jersey Task Force on Alcoholism. "We are working to bring about better education, better laws and a better general perspective of the illness so that these women, too, can emerge from the shadows and find the help they so desperately need," she said.

Women Alcoholics: Families Delay Help Out of Misguided Love—III

(By Barbara Kukla)

Confusing shame and guilt with love, the relatives of a woman alcoholic are likely to cover up for her and therefore prevent her from getting help.

"Studies show that it takes the family almost five years to admit the problem," Garland Bradley, director of the Alcohol Recovery Unit at Carrier Clinic, a private hospital in Belle Mead, said. "But, for the most part it's another seven years before the family goes for help."

"In the meantime," she said, "the life of each member of the family may become twisted and distorted. In some cases, even when the alcoholic member of the family makes a turnabout, the supposedly well members may remain sick."

"I was just as fouled up as my wife," said Tom, an executive with a large New Jersey firm. "I'd been living with an alcoholic for nearly 10 years, but even when it was apparent to everyone else. I didn't want to believe it. I even pinned my father-in-law to the wall when he suggested Mary had a drinking problem."

According to Tom, now a delegate to the World Service Board of Al-Anon, an organization for relatives of alcoholics, the fact that a wife becomes alcoholic is a shattering experience for most male egos.

"It reflects on a man's judgment," said Tom. "Telling him his wife is an alcoholic is like telling him he's stupid."

As a family tool in alcoholism, Al-Anon Family Groups, was founded 21 years ago in an attempt to restore some measure of stability to the lives of 30 to 40 million Americans who are living with an estimated 9 million alcoholics.

It has four major objectives:

To learn facts about alcoholism as an illness and about the treatment process.

To benefit from the therapy of contact with members who have the same problems.

To improve individual attitudes and personalities by studying and practicing "Twelve Steps" adapted from Alcoholics Anonymous.

To reduce tensions and improve the understanding attitude and behavior of children in the family through a chance on the part of the nondrinking parent. Alateen, a separate unit, offers similar goals for children 12 to 18 years old.

Al-Anon does not give specific advice on family members or on medical, psychiatric or clerical aids. Its members may suggest what has been helpful in their own situations and refer relatives of the alcoholic to professional sources.

"Family support is extremely important," Tom said. "It's been documented that 75 per cent of alcoholics who had family support show tremendous progress, while only 25 per cent who did not have the support of their families fared as well."

"The family, however, must learn to encourage and support the alcoholic, not lead him or her in efforts toward sobriety," Tom said.

"The keystone of the Al-Anon program is detachment," he explained. "It's letting go, but it does not mean abandonment. Simply put, the Al-Anon member must learn not to take personally the rage of an alcoholic.

"The family has to realize that the more one does for the alcoholic, the longer the illness will be prolonged," he said. "That doesn't mean being vindictive. It means having the compassion and understanding to realize that the alcoholic must be responsible for herself and her actions."

Often, because alcoholics tend to be skillful manipulators, Tom said, family members respond like puppets on strings under the threat that the alcoholic will get drunk.

"If the alcoholic threatens to get drunk, just say, 'It's your choice,' and if she does, let her take the consequences. Keep your own emotions under control," he advised.

The Al-Anon member, he said, also must closely scrutinize his own actions and behavior. Some men, he said, resent their wives if they regain their sobriety because they no longer are easy to out talk or dominate.

"At first, when my wife was sober again, it took away my whipping boy," he said. 'I had taken over almost all her responsibilities—making meals, doing the food shopping and cooking and taking care of bills and I was reluctant to give them back. They were my security blanket."

Tom's experiences are not unusual. In fact his feelings and reactions as the spouse of an alcoholic are quite common, according to Betty Anderson, president pro-tem of the New Jersey Association of Alcohol Counselors.

"Because of double standards, the image of the 'proper lady' is instilled in most of us," she said. "It is quite difficult then for both the alcoholic and the spouse to resolve guilt.

"Most men," she said, "feel that they don't need treatment. Generally, there's the feeling that if the wife stops drinking everything will be fine again. But it won't. Too much has happened over a long period that cannot be simply repaired."

In some cases, she said, the non-alcoholic spouse begins to "mirror" the behavior of the alcoholic, perhaps to such an extent that the characteristics are retained even if the disease is arrested in the alcoholic.

Because of that syndrome, she said, the spouse who is "mirroring" alcoholism often will conclude that the wife or husband "used to be more fun" when he or she "was drinking."

"In children, she said, "we see various kinds of neglect. A child may not be fed or may otherwise be lacking in maternal care or guidance. It is almost impossible for children to be treated consistently when alcohol is distorting the mother's life," she said. "One day the mother is punitive. The next day she is overloving."

"Our house was pretty messed up," said Rob, 24, who spent part of his teen years in Alateen. "My mom drank only on weekends, but there was no control. I was ashamed so I'd tell the kids they couldn't come over because she was sick or in a bad mood."

Through his association with Alateen, Rob said, he learned to understand that his mother was just as ashamed as he was.

"Alcoholics will tell you that they don't feel guilty," he said, "but on the inside they do. They're constantly torn up inside because they're addicted. But they don't realize it. They try to use will power to stop drinking instead of seeking professional help. That's a losing battle."

According to Rob, children of alcoholics may appear very grown-up because they often feel responsible for taking over the role of the alcoholic parent.

"A girl might be adept at housekeeping, taking care of her brothers and sisters and being a mother figure," he said. "And a boy might run a house and make decisions in the absence of a father."

But, in reality, he said, most young people feel unloved, confused and resentful toward both parents.

"Kids will almost always fail in trying to win the love of an alcoholic by being good," Rob said. "First, because kids naturally do things wrong and second because the boy or girl will be counting on consistent behavior on the part of the parent.

"Alateen," he said, "changed my life, as is has for thousands of other young people. It works because there are so many common problems and bonds. Through it we can relieve many of our feelings of guilt and confusion and get a better perspective of ourselves. We also can learn to understand our parents and realize that their drinking will stop only if they get professional help."

Women Alcoholics: Business, Government Counsel the Troubled—IV

(By Barbara Kukla)

"I think I might be in a mental institution if my company didn't have a program like this," 54-year-old Anna said. "I might have done the whole scene—drank on my lunch hour, had car accidents, been put in jail."

Anna is one of the lucky ones. As a working woman, she is more visible than many other female alcoholics.

She hasn't lost her job as she had feared because of alcoholism. Instead, she's been helped by her company, one of about 60 in New Jersey which has an employe assistance program. She's well on the road to sobriety.

"I still have a long way to go," Anna admits, "but the bottle no longer is my God, my ruler. Now I go to AA (Alcoholics Anonymous) meetings twice a week and spend a lot of free time talking with other women who have similar problems."

Her performance at work has improved significantly, she said, and she believes she has recaptured much of the confidence of her family and friends.

"I'm a brand new person," she proudly states.

According to the Alcoholism Control Program of the State Health Department, alcoholism costs New Jersey business, government and industry at least $500 million yearly in lost time and medical benefits.

A study conducted by the National Council on Alcoholism concluded that 25 per cent of an alcoholic's salary may be lost in sick pay, poor quality work, accidents, and in the more progressive stages of the disease, prolonged or frequent absenses.

Economics, then, provides a natural incentive for business, industry and government to undertake programs to help the employe regain his or her prior level of competence or perhaps even perform better. But there also is a humanitarian aspect to most programs, those closely associated with them emphasize.

"From what I've seen, the main reason many companies start programs is because someone at the top is really concerned," said William A. Reilly, administrator of New Jersey Bell Telephone Company's program.

New Jersey Bell, which has approximately 31,000 employes throughout the state, has had some sort of employe assistance program within its medical department since 1956, he explained.

Two years ago, a new program, emphasizing identification and referral of employes who have problems which appear to be hindering their achievement levels on the job was begun under the direction of Dr. George Bisgeier, medical director.

Since then, Reilly said, more than 5,200 management level employes have participated in training programs to learn to spot employes whose performance has deteriorated and refer them to the program. About 300 employes have taken part in the program.

"Our job is not to weed out and fire people," Reilly emphasized. "The company realizes that alcoholism, among other problems, occurs in all levels of society, so the program is consistent from the executive suite to the basement."

Of the 300 individuals referred since September, 1973, he said, 145 were found to have problems with alcohol, 10 were members of families in which there was a problem drinker and 12 had dual problems involving drugs or finances as well as alcohol.

"The average age is 40. The average length of service is 15 years and most participants are either single, separated, widowed or divorced," Reilly said.

Overall, women accounted for 24 per cent of the participants in the program. There was, however, no statistical breakdown on women with alcohol-related problems.

No official feedback of results of the program will be available until a survey by an Atlanta-based firm is completed, Reilly said.

"Even without that report," he said, "you can see the plus factors of the program," he said. "One indication that employes want it and are making use of it is evident in the fact that 51 per cent of the participants were self-referrals. The other 49 per cent were referred through management.

For women like Anna, help has come primarily because she was employed and substantially easier to identify than the woman whose drinking is confined to the home.

"For a long time I didn't think I had any problem, at least not at work," she recalled. I used to rush home more and more to drink, but I thought I was a good, hardworking employe because I didn't drink on the job.

"Drinking it tricky," she said. "In the two years I've been in the program I'm much more aware of that. I thought I was a social drinker, but one or two drinks always led to more.

"No one really said anything about my drinking except for one young boy at work who joked about 'how nice I smelled,' but I just laughed that off."

Gradually, Anna said, she realized that her drinking had gotten out of control, and, as she described it, "was affecting everything and everyone around me. I couldn't make decisions," she said. "By the time one of the men I work with asked if I thought I had a problem, I really wanted help."

Close to 10 per cent of the work force is involved in alcoholism, and overall, it is estimated, probably 20 per cent has problems of various kinds which require professional help, according to Monroe Drew, director of the assistance program for 100,000 state employes and their families. "That's pretty grim when you consider that it's not the same 20 per cent each year. It's no longer a minority."

Drew said he's found women who have problems with alcohol to be "far more concerned, but also far more sensitive and secretive."

The ratio of women alcoholics, he said, is becoming substantially higher among the state employes and family members he and three other counselors see in offices in Newark, Trenton and Hammonton, he said.

By and large, Drew believes polyaddiction—addiction at the same time to tranquilizers or other pills—is the major problem among women who abuse alcohol.

"Pills often are handed out indiscriminately, particularly by doctors of suburban housewives," he said. "Too often a doctor takes the attitude that he doesn't want to listen to a woman's long story. And very often he isn't properly trained to diagnose alcoholism. So he starts to drug her.

Among females whom his office serves, Drew said, he is counseling a significantly increased number of women under 25 years of age who are addicted to alcohol alone or both alcohol and pills.

"We've seen a far greater increase in teen age female alcoholics than in any other age bracket," he said, "and they're usually harder to help. Being able to tolerate more liquor usually is considered a great achievement among the young.

"Prevention is the name of the game," Drew said. "We must do more to educate our young people and society in general of the dangers of alcohol abuse.

"And alcoholism as a disease must be covered by insurance carriers for the entire treatment period, as it is in Pennsylvania and other states.

"DETOX" FACILITIES ALMOST NONEXISTENT—WOMEN ALCOHOLICS LACK HALFWAY HOUSES—V

(By Barbara Kukla)

Although alcoholism is the third-ranked disease in New Jersey, the state sadly lacks a full range of rehabilitation services for the female alcoholic, especially for the poor or homeless woman.

Most experts agree the most pressing needs are for halfway houses and for additional detoxification facilities, which require medical supervision.

"Unlike our neighboring states and many others in the nation, New Jersey does not have a single halfway house," said Connie Woodruff, chairwoman of the State Advisory Commission on the Status of Women. "Simply put, that's a disgrace.

"We need such facilities where long range treatment, love and understanding can be given to those desperately seeking a way back to a useful life," she asserted.

A similar outcry came from the first statewide conference on women and alcohol held in January in Cherry Hill. The two-day conference was sponsored by the State Division on Women, an Ad Hoc Committee of Women concerned with alcoholism; the Alcohol Control Program of the State Health Department and the National Council on Alcoholism. It attracted an overflow crowd of 500, primarily women.

"If we can save just one life—and women in all parts of the state are dying from alcoholism—then this conference will have been worthwhile," said Sen. Harrison A. Williams Jr. (D-N.J.). Williams was responsible for federal legislation which has decriminalized alcoholism and resulted in federal funding for state control programs.

As many alcohol counselors point out, there are few detoxification programs within hospitals in the state and fewer such private facilities.

"The problem is so bad," said Max Searles, supervisor of Turning Point in Verona, that many women are going out-of-state to be detoxified."

A religious order in Graymoor, N.Y. has received so many calls from New Jersey women wanting to enter its free detoxification program, he said, that it is considering enlarging its facility to meet this need.

Turning Point itself is a welcome new-addition to the range of facilities available to poor alcoholic men and women in Essex County. In operation a year, it initially was funded by the State Law Enforcement Planning Agency (SLEPA) and the State Health Department to treat alcoholics referred by the Essex courts, along with private admissions.

As of February, additional funding from the State Department of Institutions and Agencies has allowed for expansion of the program to serve low-income alcoholics, meeting another critical need.

Searles says there is an overwhelming need for the state to find surrogate homemaker assistance so that women alcoholics may be treated while their children and homes are looked after.

According to some experts on alcoholism, the state has perpetuated an archaic system of treating alcoholism. While it is making headway in some areas, they believe, it is losing ground in others.

They point particularly to the phasing out of one of the most successfully state-run programs for women, the rehabilitation unit at the Neuropsychiatric Institute at Skillman, recently shut down because of a shift in health priorities. The men's program also is being phased out as the institute prepares to become a center for mental retardates.

Additionally, at three of the state's four general psychiatric hospitals, alcoholics still are mixed haphazardly among the rest of the hospital population, receiving little intensified care. Only at Marlboro State Hospital in Monmouth County is there a distinct program for women, the 12-bed New Hope Unit which has just opened.

"Bringing alcoholics together under one roof means that we can have a truly therapeutic community," said Peg Page, the program director at Marlboro. "It gives alcoholics an opportunity to identify and share and not have people with other problems as their only source of contact. It makes a tremendous amount of difference."

All told, the State Alcoholism Control Program has a current annual budget of $1.5 million.

Nevertheless, the state, which collects more than $76 million annually in taxes on alcoholic beverages, contributes just $158,000 of the program's budget—two cents per capita for rehabilitation programs. Wisconsin leads the states in this area, spending $5.60 a person yearly; New Jersey ranks 46th nationwide.

"There have been some improvements in the number of outpatient programs in the past few years, particularly in the southern part of the state," said Betty Anderson, president pro-tem of the New Jersey Association of Alcohol Counselors.

"But we still have no half-way houses for women and we lack facilities for children who need treatment. What's more, some hospitals still are reluctant to treat the alcoholic."

There are some bright signs, however.

Under a new law, which by next year will decriminalize alcoholism, the state control program will be elevated to divisional status within the health department, giving it broader powers, and, hopefully, a larger budget with which to attract federal funds.

A new citizens' group has formed to lobby for more funds for treatment and education. And a bill has been introduced in the Legislature by Assemblyman James Bornheimer (D-Middlesex) which would require insurance carriers to pay for entire treatment periods. At best, carriers now cover only a limited period of hospitalization for any given year.

As a means of aiding the poor, the control program two years ago instituted the Aid to Low Income Alcohol Abusers Program, which now is in operation in seven counties—Mercer, Morris, Salem, Hudson, Camden, Burlington and Ocean—and soon is expected to start in Middlesex County.

The program, as of December, had 2,200 low-income participants, referred by county welfare boards, in treatment on an outpatient basis. The state has contributed $100,000 in federal funds and the counties have provided $470,000.

"Although we have not completed a three-part evaluation of the program, we can see that it is very well accepted," Fred Scoville of the control program, said. "It is generally gratifying because we have found that in certain areas from 60 to 80 per cent of the cases involve child abuse. We feel that if the parents don't get help, their children also will be headed for trouble."

Returning participants to gainful employment is one of the major goals of the program, he explained. Broader objectives include enhancing the functioning of the individual and of the family and diminishing community social problems such as alcohol-related deaths, arrests and hospital admissions.

In general, authorities on alcoholism appear agreed treatment of the disease is better handled by the private sector than by the state. But because of high costs it is mandatory that the person carry insurance. In some instances payment must be paid in advance.

Among the private treatment facilities which are highly regarded are Little Hill-Alina Lodge in Blairstown the Alcohol Recovery Unit of Carrier Clinic in Belle Mead

Honesty House in Stirling and Fair Oaks Hospital in Summit.

Mount Carmel Hospital for Alcoholism in Paterson offers a five-day detoxification program as well as a fuller range of services for both men and women.

In addition to these long-established facilities, there is at least one other new residential treatment center in the private sphere—Haven of Hope, an all-female facility operated by the Atlantic City Rescue Mission.

As its director, the Rev. Rex Whiteman explained, Haven of Hope takes women from all parts of the state who have been sober for at least 72 hours and offers "a structured program of medical, psychological and counseling assistance within a Christian setting." Each person also has a work assignment within the home, a refurbished Colonial mansion.

Some residents are transients, he explained, and some are referred by the courts, but most are referred by their families or themselves.

TRIBUTE TO SENATOR HUGH SCOTT

Mr. FONG. Mr. President, I rise today to pay tribute to the highly esteemed Senate minority leader, our distinguished senior colleague from Pennsylvania (Mr. Hugh Scott) who recently announced he will not seek reelection to the Senate next November.

It was my privilege and pleasure to have met Hugh Scott in 1959, when I arrived as one of Hawaii's two Statehood Senators, he having been elected to the Senate for the first time only the year before. We have been friends since.

Long before then, however, Hugh Scott had already made his name on the national as well as Pennsylvania State political scene. By the time he became a U.S. Senator, Hugh Scott had served eight terms as the U.S. Representative from Pennsylvania's Sixth Congressional District. In addition, he was Republican National Chairman in 1948–49 and, prior to that, had gained a reputation as a dedicated and capable member of the National Crime Commission representing the district attorney of Philadelphia.

This earlier experience certainly stood the fine Senator in good stead as he worked vigorously to bridge what he himself called the "justice gap" that exists today in our society. On the Senate Judiciary Committee, he is known for his expertise in criminal justice. He was cosponsor and a key supporter of such laws in this field as the Omnibus Crime Control and Safe Streets Acts of 1968, and the Omnibus Crime Control Act of 1970.

Hugh Scott also has been a leader in such fields as curbing drug abuse, juvenile justice, protecting the right of every citizen to be provided with legal assistance in matters before Federal agencies, bail reform and, very importantly, a cosponsor of a bill to compensate innocent victims of crimes.

In addition, Hugh Scott has been a member of the important and prestigious Foreign Relations Committee, and Rules and Administration Committee.

As GOP leader, the senior Senator from Pennsylvania meets regularly with the President and provides the link between the White House and the Senate so essential for any measurable degree of cooperation between the two branches of Government. He was reelected to his fourth term as Senate Republican leader in January 1975.

Despite his busy schedule and his heavy responsibilities, Hugh Scott, throughout the period I have known him, has displayed a sharp wit and a marvelous sense of humor which reveal a keen intellect and a broad field of knowledge and experience.

Soon after the historic trip in 1972 to mainland China by President Richard Nixon, Hugh Scott and the majority leader of the Senate, Senator Mike Mansfield, led a congressional delegation on a visit to the People's Republic of China in April of 1972. I can think of no one who would have been more suited for that congressional mission than Hugh Scott. It is a measure of the man, who on top of his many other accomplishments, is an avid collector of and authority on orient art and the author of the Golden Age of Chinese Art, a highly acclaimed book on that field.

Mr. President, as I have announced earlier, I also will be retiring at the end of my current term.

At this time I would like to say that one of my greatest privileges during my more than 17 years in the U.S. Senate was the opportunity to meet and to work with men of stature such as Hugh Scott.

I wish him and his gracious wife, Marian, many years of abundant good health and happiness.

To both I say: Aloha.

AMERICAN STRENGTH

Mr. BIDEN. Mr. President, in America's troubled reactions to the shock of Vietnam and the oversell of détente, we would do well to remind ourselves that the United States is still the world's leading power, by far, and that everything is not going the U.S.S.R.'s way. Despite the Soviet Union's growing strategic power, the fact remains—as President Ford remarked last week—that the United States has numerous significant advantages over the U.S.S.R. in this respect. We have many more warheads, long-range bombers, and carrier decks of nuclear-capable aircraft. We have greater weapons accuracy and a superior technological level. We have greater capabilities to support forces at great distances than do the Soviets. More broadly, we have great productive strength and unprecedented economic ties with much of the world. Our cultural influences are everywhere. Our Bicentennial of self-government has meaning everywhere. We are perfecting our ties with China. We have gained significant diplomatic influence in the Middle East. We have weathered a severe constitutional crisis. Perhaps most importantly, in this election year we will be providing for political change—or continuity—in a peaceful and orderly manner. These are tremendous strengths which we should not underestimate or submerge because of having experienced certain setbacks in the world.

Furthermore, America's strength also flows to some degree from the U.S.S.R.'s many weaknesses and vulnerabilities. We thus do well also to remind ourselves that behind the U.S.S.R.'s new weapons and African adventurism exist armed confrontation with China, diplomatic setback in the Middle East, massive grain failure, a collectivized system of agriculture which does not produce, new pressures from within Soviet society for a relaxation of bureaucratic oppression, and significant nationalistic assertiveness on the part of certain of the principal Western European Communist parties.

In a provocative article in the Washington Post, the distinguished Kremlinologist, Mr. Victor Zorza, raises the possibility that this latter development, the prospect of increasingly independent Western European Communist parties, "bids fair to produce a historic shift in the world's alinement of political forces, just as Moscow's quarrel with Peking did." Whether or not such serious estrangement develops between Moscow, say, and the Italian and French Communist parties, the American Government and public will do well to follow this Soviet problem closely. Greater American awareness of this and other Soviet weaknesses will be a useful antidote to sensations that somehow the United States is alone in its problems and in trouble on all fronts. To these ends, I ask unanimous consent that Mr. Zorza's article, "Soviet Nightmares," be printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

[From the Washington Post, Mar. 5, 1976]

Soviet Nightmares

The ruse which is said by some experts to have been sprung on the world at the Moscow party congress seems breathtaking in its audacity, but only at first sight. The quarrel between the Kremlin and the Western Communist parties evident in congress speeches is an elaborately contrived plot, these experts say, designed to win votes at home for the European Communists.

In some ways they are right. But to jump from this to the conclusion that the quarrel is a sham is to display the same blindness that led Western experts to dismiss the Sino-Soviet conflict, in its early stages, as a Kremlin plot designed to deceive the West.

The French and Italian Communists are certainly eager to earn in Moscow any votes that their public defiance of the Kremlin may win them at home. In this they are no different from the Western politicians who journey to Moscow to ingratiate themselves with the electorate at home. But the Western Communists' argument with the Kremlin also suggests another analogy with the first Sino-Soviet conflict. The present dispute bids fair to produce a historic site in the world's alignment of political forces, just as Moscow's quarrel with Peking did.

Dr. Kissinger has, of course, been wringing his hands at the prospect of a Marxist take-over of Europe. He makes no secret of his belief that the participation of the Italian Communists in the government could lead to a serious Communist coalition role in some other European countries.

His nightmare scenario envisions a European domino effect, with one country aping another, with cuts in military budgets, with participation in NATO a mockery, until the United States, disgusted, distrustful, disillusioned, withdraws to "Fortress America" leaving Europe to the Russians.

The other specter which haunts Europe is producing a mirror-image nightmare in the Kremlin. This too envisions West European Communists entering coalition governments. What Moscow fears is Communist participation in the democratic process, believing that the prospect of electoral success could wean the Western comrades from the totalitarian Soviet diet. The Kremlin believes—even if Kissinger does not—that this could lead them back into the European democratic mainstream of which they were originally an integral part, and from which the Russian-Asian despotic attraction had for a time separated them.

Which nightmare is more likely to come true? Kissinger concedes that the Western parties are something of an irritant to Moscow, but that master of real politik refuses to exploit the Kremlin's vulnerability because he fears that to do so could boomerang on the West.

For one thing, he believes that Western Communists will make some trouble for Moscow whatever Washington does—even if it refuses entry visas for Italian party leaders who want to visit the United States. So why give something for nothing? For another, he is convinced that in the permanent tug of war between Washington and Moscow, European Communists would usually take the Kremlin's side, since they feel a greater ideological affinity with Russia by reason of their shared Marxist beliefs and leftist habits of behavior.

But, as Kissinger's deputy for Europe, Helmut Sonnenfeldt sees it, one reason the United States should refuse to give any encouragement to Western Communists, or to make use of their anti-Moscow potential, is that this could upset the Kremlin and damage detente. He reiterates the argument—much of which I happen to share—that there is a considerable potential for change in Soviet society and policy, and that the policy of detente should be used to channel this in the right direction. But from this he proceeds to the view that the United States—and the West generally—should deal with the Kremlin rather than upset it by looking to dissident Communist parties which create political problems for the Soviet Union.

Kissinger is certainly right to believe that if Washington gave the nod to Western Communists, this would give them added strength with some voters who might otherwise oppose them. But Communist participation in Western coalitions would also produce a challenge to the Soviet Union to liberalize itself, and ultimately to experiment with some forms of democratic rule, as Czechoslovakia did. It could spark a process of reform in Russia as momentous as the successful attempt, after Stalin's death, to abandon the terror and the killings of millions as a system of "government."

Certainly the Kremlin fears some such result, and has therefore been doing its best to slow down the liberalization of Western communism. The Soviet party congress has focused the world's attention on the issue, and even Washington officials are beginning to pay heed to the startling headlines from Moscow.

But the problem has been with us for some time. Washington's failure to recognize it and to see European Communists as a legitimate aspirant to a share of political power, is comparable, in yet another analogy to the Sino-Soviet dispute, to its much delayed recognition of the quarrel between Peking and Moscow. The United States made full use of that conflict only 10 years after it began, when Kissinger's skills were brought to bear on it, with great benefit not just to the United States but to the West as a whole.

Now it is Kissinger's failure to perceive the new opportunity, and to leave it to Europe to absorb its Communists instead of warning it of an American withdrawal if it does, that threatens once again to delay a major change in the course of history.

LANGLEY FIELD'S 60TH ANNIVERSARY

Mr. HARRY F. BYRD, JR. It was 60 years ago that Langley Field was established on the peninsula of Virginia near the port of Hampton Roads.

Langley Field has the distinction of being our Nation's oldest continuously operated air base. It was from Langley that Gen. William Mitchell flew in his ship bombing experiments in 1921, and Langley Field was the operational headquarters for the Air Corps from 1935 to 1941.

During World War II, Langley's research in antisubmarine operations provided invaluable information for our military forces.

Today, Langley Field's leadership continues.

For the past 30 years it has been the home of the Tactical Air Command Headquarters which is responsible for training and maintaining highly mobile forces capable of world-wide deployment. Langley is also the home of the First Tactical Fighter Wing.

As a Virginian, I am proud of the long and honorable record of Langley Field. I am proud of the military and civilian personnel who have done so much to make Langley the outstanding air base that it is.

Because our Nation's Bicentennial celebration this year is so closely associated with military action, it is appropriate that one of the Peninsula's first major Bicentennial events is Langley Field's open house Saturday, March 20.

Mr. President, I salute my friends at Langley—our Nation's oldest air base.

THE 1976 SENIOR OLYMPICS

Mr. CRANSTON. Mr. President, from January 31 through September 18, 1976, one of the fastest growing and most complex sporting events in the world, the annual Senior Olympics, is being held in California. Under the sponsorship of Senior Sports International, Inc., the Recreation Department of the County of Los Angeles, and the Irvine Bicentennial Committee, the 1976 games are providing competition in 38 popular sports for men and women who are 25 and over.

The Senior Olympics was developed in 1970 with the goals of promoting healthier and more productive lives for adults through sports, bringing adults and youth together in a positive environment, and, recognizing adult athletic ability. From a miniscule beginning of 225 competitors in three sports, the games' scope has substantially broadened—encompassing some 3,000 competitors in 38 sports this year—as greater numbers of adult athletes return to the competitive arena. When the program is fully developed, it is expected that adult athletes will compete in over 40 sports.

As a track and field competitor myself, I am delighted to see this surge of interest on the part of our adult athletes.

I extend a cordial invitation to Senators and their constituents to attend the Senior Olympics. If there are any potential entrants among us, I urge them to enter and compete.

TRIBUTE TO SENATOR MIKE MANSFIELD

Mr. FONG. Mr. President, I rise to join my fellow Members of this august body in paying tribute to our distinguished majority leader, the senior Senator from Montana (Mr. Mansfield), who last week announced that he will not seek reelection to the U.S. Senate following the end of the current 94th Congress.

The people of Montana deserve the highest praise from the entire Nation for having sent Mike Mansfield to the U.S. Congress for so many years. After winning the election in 1942 as U.S. Representative from the First District of Montana, Mike Mansfield has served in the Nation's Capitol for 34 continuous years—10 of them in the House and another 24 in the Senate, the last 15 of these as majority leader. The record of his accomplishments and many contributions to his State and to our Nation during these years stands as testimony to his greatness. His place in history is assured.

Many will marvel at the varied and full life Mike Mansfield lived before his arrival in Congress. The son of Irish immigrants, born in New York but then raised in the mining region of western Montana, he joined the U.S. Navy at the age of 14 during World War I and then saw service in the U.S. Army and the U.S. Marine Corps, before deciding to further his education.

His amazing intellectual capacity was underscored early in his life, when, after leaving the Marine Corps, he entered college without the benefit of a grammar school diploma or a day in high school, by passing the required tests. He rose in the academic ranks until, when he began his career in elective public office, he was a full professor of both Far Eastern and Latin American history.

Rather than recite further details about a remarkable list of accomplishments, however impressive, I would like to speak of Mike Mansfield as a person and a man. When I first arrived in Washington in 1959, as one of the first two U.S. Senators from Hawaii, Mike Mansfield already had earned the gratitude of the 50th State for his efforts as majority whip under then Majority Leader Lyndon B. Johnson in gaining statehood for the Hawaiian Islands. Only 2 years later, Mike Mansfield was to become the majority leader himself, and to hold that post longer than any other person.

Though we have sat on the opposite sides of the aisle over these many years, I can say, because of my experiences with him since then, that there are few men who can match Mike Mansfield in integrity, fairness, and human decency. He is a man of great understanding and patience, a man of honor whose word is his bond, and a man who reflects the best in people from the Big Sky Country.

Mike Mansfield and I still have more than 9 months to go in our current terms in the U.S. Senate, but I would like to take this opportunity to wish him and his gracious wife, Maureen, many many years of abundant good health and happiness as they go forward, not to retire, but to find new challenges in an exciting and full life.

Aloha.

IMMIGRATION HEARINGS

Mr. KENNEDY. Mr. President, one of the oldest themes in our Nation's history is the story of immigration. It is appropriate, therefore, in our Bicentennial Year, to give our immigration policy the attention it needs and deserves, and I commend the distinguished chairman of the Judiciary Committee (Mr. EASTLAND) for calling a series of hearings on pending bills to reform the Immigration and Nationality Act.

As chairman of the Judiciary Subcommittee on Refugees, and as a member of the Subcommittee on Immigration, I have closely followed the growing number of problems surrounding our immigration and naturalization policies and practices. Hopefully these problem areas will be fully aired during the hearings which began today, and will be resolved with appropriate legislation.

Mr. President, I identified some of these problem areas in the statement I submitted this morning at the opening of the immigration hearings, and I would like to share it with my colleagues. I ask unanimous consent that the text of my statement be printed in the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

HEARINGS ON IMMIGRATION REFORM

STATEMENT OF SENATOR EDWARD M. KENNEDY

Immigration and naturalization policy and practice is plagued by many problems. But three areas deserve our immediate attention and concern:

First, the finding of viable alternatives to help ameliorate the difficult problem of illegal and out of status aliens;

Second, refining the new immigration system established by the Immigration Act of 1965, which abolished the discriminatory national origins quota system; and

Third, establishing a new asylum policy for refugees throughout the world.

Pending legislation to accomplish these ends includes S. 561 and S. 2405, which I introduced last year. S. 561 contributes an additional legislative alternative in the continuing discussion over how to deal with the issue of illegal aliens. S. 2405 continues the reform effort initiated in 1965, and provides for a comprehensive asylum policy for refugees.

ILLEGAL ALIENS

Any meaningful legislation in this area should accomplish at least three objectives.

First, employers should be assessed reasonable civil penalties for employing illegal aliens, including penalties of up to $2,000 for each such alien employed. In serious cases, the Attorney General should also be authorized to bring suits in U.S. district courts to enjoin violations by the employers of illegal aliens.

Second—in responding to the unavoidable question of what to do with illegal aliens already present in the U.S.—the Attorney General should be given a broad, temporary authority to regularize the status of certain illegal aliens, and certain other aliens present in the U.S. in violation of law, who have resided continuously in our country for at least 3 years.

The primary purpose of this provision is to recognize the de facto situation of many illegal alien families, who have not only resided in the U.S. for a number of years, but who also have American citizen family members and have fully adjusted to the communities in which they live. For humanitarian, family unity, and hardship reasons, I am hopeful we can be compassionate and humane in dealing with the problem of illegal aliens. I am hopeful we have the good sense to avoid the alternative of mass deportations, which would seriously injure many people and families, and the ideals for which our country stands.

And third, to remedy the frequent discrimination against immigrants and ethnic minorities, we should strengthen the Civil Rights Act of 1964, and bar job discrimination against alien refugees "lawfully present" in the U.S. and "aliens lawfully admitted for permanent residence."

No pending legislation offers a panacea in resolving the issue of illegal aliens. But legislation incorporating the areas I have mentioned, will go a long way in providing remedies and meaningful reform.

The issue also has other immigration dimensions, including the need for new general legislation involving the more equitable allocation of visas to immigrants from Western Hemisphere countries. And finally, the issue has economic and social dimensions, which not only involve our own citizens and society, but also our diplomacy in the international community and our relations with other countries.

The time is past due to face squarely the issue of illegal aliens, and the many domestic and foreign relations problems involved.

REFINING THE NEW SYSTEM ESTABLISHED IN 1965

Of immediate importance, is removing the discriminations against visa applicants in Western Hemisphere countries. Extending the Eastern Hemisphere preference system and the per country limit of 20,000 visas annually to the Western Hemisphere, are some of the ingredients to accomplish this end. Special consideration should be given, however, to allocating up to 35,000 visas per year to both Mexico and Canada.

Modifications should also be made in the preference system for a more orderly, flexible, and humane method of allocating visas to applicants of all countries, on a first-come, first-served basis. These modifications should include preference status for the parents of permanent resident aliens. They should also include changes in percentage allocations from the general pool of visas to each preference category, so as to better reflect the pattern of anticipated demands and, more importantly, by permitting the drop down of unused visas in any category to meet excessive demands in the categories that follow. Consideration should also be given to removing the distinction between the Eastern and Western Hemispheres, by establishing a worldwide ceiling and preference system after a transition period of at least 3 years.

Special immigrant visas should be allocated to applicants in Ireland, Germany, and other countries disadvantaged in the transition to the new immigration system established in 1965.

And long overdue is the need to remove needless barriers to naturalization and citizenship—including those involving the English language requirement.

ASYLUM FOR REFUGEES

In practice, our country has traditionally been generous in providing resettlement opportunities for refugees, although our basic immigration statute has never included a comprehensive asylum policy. As a result, unnecessary delays and difficulties often accompany the admission of refugees—and some are excluded from our shores.

As Chairman of the Subcommittee on Refugees, I share the view of many Americans that our law should fully recognize world refugees and resettlement problems, and provide a better basis for admitting the homeless to our country.

First, the definition of a refugee should be broadened from its present European and "cold war" framework, to include the refugees from many other areas of the world. This would hopefully alleviate, for example, the problem of admitting refugees from countries such as Chile.

Second, without increasing the total annual immigration, the number of refugee admissions allocated within the preference system should be raised significantly from the current maximum of 10,200. Among other things, this would help to diminish the persistent demands on the Attorney General's parole authority for admitting refugees outside of the preference system. It would also help to avoid the senseless competition for refugee numbers, and some of the problems associated with the current movement of Assyrian and Armenian refugees now in Lebanon.

And, third, the Attorney General should be specifically authorized, following consultations with Congress, to parole into the country additional numbers of refugees in times of emergency. He should also be authorized to adjust the status of such refugees to avoid the need for special legislation which is currently required for the more than 130,000 refugees from Indochina.

IMMIGRATION REFORM: A TRIBUTE TO THE BICENTENNIAL

Since 1965, new immigration reform has not been accomplished, even though it was generally recognized at the time that additional legislation would soon be needed. And this failure to act has not only been detrimental to fulfilling the intent of the Immigration Act of 1965, but it has also helped to create some serious new problems.

The failure to act has contributed to the alarming problem of illegal aliens. It has brought personal hardship to many families, even in the traditionally important area of family reunion. It has perpetuated discriminations against the nationals of Mexico and Canada and all other countries in the Western Hemisphere. It has brought confusion to our traditional policy of welcome to refugees. And it has fostered undue harshness in the administration of the present statute. In short, it has brought a needless measure of chaos to a significant area of public policy and concern.

Legislation pending before this Subcommittee does not alter the general flow of present immigration, nor does it solve all the problems at hand. But it does help to meet some of the more pressing needs in the immigration field—needs which Congress and the Executive Branch have failed to meet for too long.

In all candor, I must say that it is difficult at this time in our Nation's life—when we are faced with serious problems at home and abroad—to concentrate effort and concern in the currently less dramatic aspects of our country's progress and pursuit of justice. But there is work to do in perfecting the policy which governs one of the oldest themes in our Nation's history. And in this Bicentennial year I am hopeful that Congress and all Americans will join in giving immigration policy the attention it needs and deserves.

PUBLIC EMPLOYEE PENSIONS

Mr. HATHAWAY. Mr. President, I want to call attention to an excellent article in the March 1976 issue of Dun's Review, which highlights and expands upon the excellent speech on public employee pensions by the distinguished senator from Missouri (Mr. EAGLETON) before the New York Society of Security Analysts. This year, as several committees of the Congress are probing the mess in these pension systems, it is particularly useful that Senator EAGLETON has emphasized this ticklish problem.

I ask unanimous consent that the article entitled "The Mess in Public Pensions" be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From Dun's Review, March 1976]

THE MESS IN PUBLIC PENSIONS

For almost a generation, Americans have been arguing about the soundness of the Social Security system, and that argument is far from over. But now a major new storm is brewing over an equally significant, if far less publicized, financial issue affecting millions of citizens: public pensions. Federal, state and municipal pensions already represent an enormous burden on U.S. taxpayers. And in the years ahead, they could get completely out of hand.

The basic problem is that the pension benefits being earned by government employees at every level are outrunning the funds available to pay them. Consequently, the amount of unfunded liabilities—the gap between total pension obligations and the actual funds on hand to pay them—has grown to many millions, and even billions, of dollars for some cities and states and to more than $200 billion at the federal level. Some pension plans, in fact, accumulate no funds at all, but are run on a strictly pay-as-you-go basis.

As more and more workers become vested in their pensions, and more begin collecting them, the gap between income and outgo can be expected to keep widening under present funding practices. On the other hand, if funding is increased to close the gap, there is a real question whether taxpayers can bear the ever-bigger load. "For states and municipalities, retirement costs over the next quarter century may force choices between crushing tax increases and bankruptcy," Missouri Senator Thomas F. Eagleton, who is conducting a major study of public pensions, recently told the New York Society of Security Analysts.

The states and cities, moreover, operate at a distinct disadvantage as compared to the federal government. They cannot print more money to meet their bills, but are under Constitutional requirements to operate on balanced budgets. As pension obligations keep growing—especially as the tax base erodes in a number of municipalities—some hard choices will have to be made. Public services may have to be cut, and Senator Eagleton even foresees a day when some cities may have to choose between paying their pensioners and meeting their payrolls. "If that day comes, you can be sure the city will go on paying the police and firemen," he says. "So the challenge is to somehow ward off any moratorium on public pension benefits."

By recent count, there are 2,100 state and city pension plans in the country, plus another 200 set up on a county basis, covering some 9.5 million participants. By far the bulk of the contributions to the plans are paid by the states or cities; most plans call for contributions from workers, but they represent a small part of the total, generally around 7% of annual salary.

Several of the big cities are already known to be in trouble, but no overall analysis of the situation has been possible because so little information is available. It is virtually impossible even to get figures showing unfunded liabilities, and their growth over the years, for most cities and states. Both government officials and labor leaders are urging Congress to move faster on the study it is undertaking on the nation's public pension systems, but the lack of information is proving a major stumbling block.

PROBLEM CITIES

A few major cities, such as Dallas and Milwaukee, have reportedly been prudent and are in no trouble. But problems are becoming acute for many older cities in the Northeast and Midwest with declining populations and expanding costs. The extreme example, of course, is New York City, whose Perils-of-Pauline existence is unique—at least to date. Having tripled its pension payments over the past ten years, Gotham is now putting $1.2 billion a year into its retirement programs. But according to Senator Eagleton, New York should be spending $400 million-to-$700 million more to achieve full funding. By 1985, he predicts, the city will have at least $3 billion in unfunded pension liabilities.

Less well known is that Washington, D.C., with a population only one-tenth that of New York, already has unfunded liabilities of more than $1 billion. Washington's police-and-fire plan has no funding at all. The teachers are slightly better off because the city makes an annual contribution to their fund to maintain it at a level set by the district authorities, but the liabilities are still growing faster than the fund's ability to meet them. One illustration of how the burden is growing: Washington's former police chief, who recently retired in his early fifties, is expected to collect an aggregate pension of $1 million with a normal life expectancy. To relieve the mounting pressure, the district is now calling for some form of federal subsidy.

Los Angeles has three pension funds for city employees. One of them, the police and fire fund, has unfunded liabilities of more than $1.2 billion. "We are not hurting now, but the big question is inflation," says M. Louis Thompson, general manager of the fund. "If it continues at the present level, we'll be in trouble—as will every other pension system. There is no way pension funds can survive with double-digit inflation without taxpayers coughing up enormous amounts of money."

As far back as the late 1960s, for that matter, Connecticut had to take emergency action to work itself out of a pension bind. The state's contributions to its pension funds were running so far behind current benefit payments that the legislature was forced to authorize issuance of $56 million in long-term bonds to make up the difference. Then in 1971, the state overhauled its pension financing system, adopting a rigid schedule of contributions that calls for full funding of all liabilities within forty years—still far from being in the clear, but at least a long step in the right direction.

Few states have taken similarly tough measures, though, and sometimes the courts have had to intervene. In Illinois, a recent lawsuit forced the state to boost its payments to its teachers' retirement fund to an adequate level. Detroit had to levy a special property tax assessment in 1973 to satisfy an $18 million court judgment that required additional funding for the city bus drivers' pension plan. Court actions have also brought about emergency payments to underfunded plans in Philadelphia and Los Angeles, among others.

The situation in a few states seems particularly dangerous. In Indiana, for example, state employees make annual contributions toward their own pensions, but the state puts that money right into its general revenues instead of a pension fund; consequently, it has to pay pensions out of appropriations. Massachusetts, too, is a pay-as-you-go state. And in Nevada, the Public Employees Retirement Fund was told by its actuaries that it faced insolvency if the state did not raise its contribution level from 7% to 21% of the state payroll.

POLITICAL ENTITIES

One reason for the mess in city and state pensions, of course, is that economics so often takes a back seat to politics. Politicians who want to be reelected today often find it easy to be generous with promises that someone else will have to pay tomorrow. "Many, and perhaps most, public pension funds have been managed as political entities from the city hall or the statehouse," noted the Twentieth Century Fund in a recent study.

Well aware of the political climate, the unions have found pension benefits a prime bargaining issue. Union leaders like to point out that most public pension plans are legislated, not negotiated. Nevertheless, municipal unions have exerted consistent bargaining pressure, sometimes reinforced by strikes or strike threats, which has clearly been a strong force in pushing up pension benefits.

As happened in New York, other cities and states could eventually get into such a bad situation that turning to Washington will be their only recourse. But the federal government has been setting a pretty poor example itself. Ten different federal pension programs—of which the Civil Service System's is the largest—cover some 2.6 million civilian workers plus the whole military establishment. At the end of 1973, the civilian programs had $70 billion in unfunded liabilities, the military a huge $131 billion. Indeed, although military personnel can retire after only twenty years of service, their huge pension plan has been allowed to operate totally unfunded. The money simply comes out of the current defense budget—in ever-growing amounts; last year's payout was an estimated $6.3 billion. According to a recent Brookings Institution report, unless this haphazard system is corrected, military pension benefits will begin to siphon off funds that are essential for national security. Senator Eagleton says: "Unless we act now, the classic question of economic priorities could become: guns or pensions?"

On the civilian side, the unfunded liabilities of the Civil Service System are growing every year, even as payments to retirees keep mounting. On the most conservative projections, pension payments by the Civil Service Commission (see chart), will increase 1,000% between 1970 and 1980, as the retirement rolls go up 75% to 2 million individuals.

One reason federal pension payments grow so much faster than the number of annuitants is that civil servants, except for those in the very top grades, automatically get a pay raise every year. More important, a cost-of-living kicker is built into their retirement pay. In 1969 Congress decreed that every time the Consumer Price Index went up by 3% and stayed there for three months, federal pensions should go up 4%. The onset of double-digit inflation has greatly increased the impact of that formula. Since 1969 retired federal workers have received eight cost-of-living adjustments, each with that 1% kicker. The effect has been to persuade many workers to retire early—federal employees can retire on full pension as early as age 55—to keep ahead of inflation, since there is no cost-of-living adjustment for active federal workers. Compensation expert Arch Patton says: "A federal employee who retired in 1970 with a pension totaling 56% of his salary—itself high by industry standards—has seen his pension rocket up to nearly 80% of his salary."

The General Accounting Office has recommended that the government offer inducements to make civil servants stay on the job longer, say by changing the pension formula to make benefits bigger but available only after a longer vesting period. A number of state and city plans also have attractive early-retirement inducements, and even some labor leaders agree that the nationwide trend to early retirement is putting unusual pressure on many systems. "We simply do not believe that people should retire to a second career," says Victor Gotbaum, executive director of New York District Council 37 of the American Federation of State, County and Municipal Employees. "That is not the purpose of the pension. It is to let working people retire with some dignity."

LOOKING AHEAD

In preparation for that retirement every federal civil servant today contributes 7% of his pay into a pension fund, and the agency he works for matches it dollar for dollar. Currently, though, the private actuaries who advise the Civil Service Commission on such matters say that, conservatively, contributions would have to exceed 28% of payroll to keep up with pay raises and cost-of-living adjustments. Right now the government is quietly making up part of that growing differential out of general revenues—thus, in effect, subsidizing federal pensions with even more taxpayers' money. President Ford has recommended that the 1% kicker be repealed, but the unions are fighting the repeal. "The real villain is simply inflation, and the government is to blame for letting it get out of hand," says President Clyde Webber of the American Federation of Government Employees.

The Congressional study of public-pensions is supposed to be completed by the end of this year, but except for Senator Eagleton's work as a member of the Labor Committee, little has been done. Congressional insiders say the study will take much longer. The GAO, for its part, argues that before Congress gets involved in any further legislation, the first essential is to make a realistic assessment of both current and projected pension costs. It all adds up to a long struggle, in which some harsh choices and tough trade-offs will have to be made in trying to reconcile the interests of governments, workers and taxpayers.—JOHN C. PERHAM.

SECRETARY OF THE NAVY MIDDENDORF

Mr. PELL. Mr. President, I note the newsstory today concerning the admonishment of Secretary of the Navy William Middendorf and wanted to express my own belief in the personal rectitude and character of Mr. Middendorf. There is no question in my mind but that Bill Middendorf would never knowingly violate any code of behavior or do anything to sully his reputation which is of the highest order.

I am glad, at this juncture, to reaffirm my personal faith in him and his integrity.

LATE PSYCHOLOGIC EFFECTS OF A SERIOUS ILLNESS IN CHILDHOOD

Mr. HATHAWAY. Mr. President, the crisis of serious illness and hospitalization is not an easy burden to bear for any individual. But it can be extremely difficult for those of a very young and vulnerable age who must undergo the additional trauma of separation from parents and familiar surroundings.

In many cases, a critically ill child facing extensive hospitalization also suffers psychological scars because of this drastic change in environment. But a recent study at the Children's Hospital of Philadelphia indicates that this need not be the case, and that increased participation by the child's parents in the child's treatment and a full discussion of the facts of his disease with the child can help reduce the impact of such emotional side effects.

My sister, Mrs. Jean H. Fergusson, an instructor in pediatric oncology and pediatric nurse practitioner at the hospital, recently published findings of a study, which she conducted as part of her certification in the PNA program at Northeastern University. This report, "Late Psychologic Effects of a Serious Illness in Childhood" recently appeared in the March 1976, issue of Nursing Clinics of North America.

The cases involved youngsters between the ages of 2 and 5 years who were being treated for cancer at the hospital. Most of those tested for behavior adjustment problems who knew their diagnosis were found to be within the normal psychological range. Jean partially attributes these surprising findings to the existence of the hospital's program encouraging parents to participate in the care of their child. All of the children in this study were attended either by one parent or both, at least part of the day, and in several instances, all of the time.

Mr. President, we have yet to find the secret to the cure for cancer and a host of other illnesses striking people of all ages. But I believe this study provides additional light on the importance of taking the patient's psychological health into consideration when treating his physical ills. When the illness is serious and the patient is a frightened and a highly impressionable child, it appears this factor is particularly significant.

Mr. President I am proud of the contribution my sister has made in the field of pediatric oncology and I ask unanimous consent that her report be printed in the RECORD.

There being no objection, the report was ordered to be printed in the RECORD, as follows:

LATE PSYCHOLOGIC EFFECTS OF A SERIOUS ILLNESS IN CHILDHOOD

(By Jean H. Fergusson, M.A., P.N.P.)

A study was initiated at the Children's Hospital of Philadelphia in 1972 to ascertain any late effects of treatment for cancer in children. As the effectiveness of treatment was becoming apparent and many more patients were being cured, concern was expressed regarding delayed psychologic sequelae.[5] It was postulated that most of these children would continue to have remnants of anxiety because of their early hospitalization, and that this anxiety would manifest itself in psychologic testing.

Patients were selected for participation in the late-effects study if they had survived for approximately four years or more after diagnosis and had received extensive surgery, radiation, and chemotherapy. Psychologic tests, to be described, were given by the author to 45 children during the course of the study; 18 of these children form the basis of this detailed report.

METHODS AND MATERIALS

From the group of 45 children,[5] 18 cases were selected for more intensive scrutiny. These 18 children had been hospitalized and treated for cancer between the ages of 2 and 5 years. This age group (2–5 yrs.) was selected, and was later evaluated, because late infancy, the toddler years, and the preschool years are an especially unfavorable time for hospitalization and surgery.[6] This is the period when children most poorly tolerate prolonged separation from their parents, and when body image becomes a major issue.

All of the children had undergone major surgery, with the exception of child E (Table 1). One child (H) underwent two major surgical procedures. Seventeen of the children received chemotherapy over periods of time ranging from 9 months to 2 years and 6 months. One child (H) did not receive chemotherapy. Fifteen children were irradiated. Three of the children were not irradiated (H, J, and P.).

All of the children were hospitalized and exposed to potentially frightening treatments and diagnostic procedures at a vulnerable time in their development.

EFFECTS OF TREATMENT MODALITIES

Surgery, chemotherapy, and radiation either in combination or singly have long been considered the appropriate modalities for treatment and/or cure of cancer in childhood.

SURGERY. The psychological sequelae of extensive surgery during the toddler stage, when even a haircut can be a major traumatic event, have been well documented.[2,4,6] Another undesirable long-term side effect of surgery can be the development of adhesions and, less frequently but more immediately, surgical infections.

CHEMOTHERAPY. The chemotherapeautic agents used were vincristine and actinomycin D. These agents can produce alopecia, nausea, vomiting, diarrhea, bone marrow suppression, peripheral neuropathy, and severe constipation. Extravasation of either of these agents into the skin will produce tissue sloughing and chemical cellulitis. Phychologic sequelae due to frequent venipunctures, which are necessary for intensive chemotherapy, are frequently seen. This may be due partly to the fact that these children are at an age when direct verbal communication is limited, and reasoning and rationalization are not effective means of dealing with their fears.

RADIATION. In general, radiation may cause bone marrow suppression, generalized fatigue, and anorexia. In particular, and depending upon the area treated, the child may develop pneumonitis, nausea, vomiting, diarrhea, alopecia, flare reactions of tissues being radiated, and mucositis of oral cavity and pharynx associated with dysphagia.

DATA COLLECTION

A review of the hospital records was made to determine the emotional status of the child during his or her hospitalization. Information was sought from the admission history, nurses' notes, and notes from the Children's Hospital Activities Department.

Telephone interview

Because the information obtained from hospital records was meager and noncontributory in most instances, the parents were asked in a telephone interview to describe what they could remember of their child's behavior during his stay in the hospital (Table 1, Column II). Parents were also asked to describe their child as they currently perceived him (Table 1, Column IV). They were also asked about significant interval events or changes (e.g., moves, deaths, births, change of job, change in family structure) that may have occurred in the child's or family's life since hospitalization (Table 1, Column III). These questions were asked in order to determine whether the event could be a factor in the results of the phychologic evaluation.

Information obtained from these telephone interviews was not meant to supply critical evaluation data regarding psychologic adjustment, but merely to add to whatever objective information was available. As for interval events, in some instances parents were asked to recall events that had taken place as long as 12 years ago. Three

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Footnotes at end of article.

of the 18 families interviewed could recall specific events that had occurred since the child's hospitalization that may have influenced the child's responses to psychologic testing.

PSYCHOLOGIC TESTS

In order to evaluate such items as intellectual functioning, the child's concern about illness, and his present behavioral adjustment, a series of tests were devised by a child psychologist at The Children's Hospital of Philadelphia. The interpretations derived from the collective test findings are summarized in Table 2.

Drawing

Instructions were given the child to draw a person, then a house, and then a tree. Finally, the child was asked to draw everyone in his family, including himself, performing an activity.

The Draw A Person segment of the test was adapted from the Goodenough Draw A Man test.[3] This test provides a simple method of assessing developmental level, and also serves to reflect the child's image of himself.

The House Tree Technique provides additional information concerning the growth (tree) and environmental (house) feelings of the child.[1] A child from the study (R) provided us with a dramatic drawing of a house (Fig. 1).

The Family Drawing provides indications of how the child views himself within the family constellation (Table 2, Column III).

Footnotes at end of article.

TABLE 1.—DATA COLLECTED FROM TELEPHONE INTERVIEW

	Col. I	Col. II	Col. III	Col. IV
Patient	Age in hospital-age when evaluated	Parents' perception of child during hospitalization	Significant interval event	Current status
A	4 9/12–10 5/12	At first very frightened, then adjusted. A pleasant child before, during, and after hospitalization. Comment (staff nurse): Parents with child constantly.	None recalled	Active child, loves school. Joins everything. Many friends. Knows diagnosis.
B	2 9/12–12 10/12	From a nonconforming child at home, this child's behavior changed during hospitalization to a child anxious to please and get along with others.	Older brother died of Wilms' tumor (1965). Younger brother diagnosed Wilms' tumor and successfully treated (1970). Two other sibs born.	Loves sports, likes school. Good grades, plays piano. Knows diagnosis.
C	3 9/12–8 4/12	Parents felt there was no change in behavior; however, stated child did worry about the children there. Comment (activities department): Initially took minimal part in play. Felt overwhelmed. Developed friendship with another child and seemed happier.	Mother now works, full-time teacher	Outgoing, aggressive, loves school, plays clarinet and piano. Maturing more rapidly than older sister. Knows diagnosis.
D	3 8/12–10 5/12	No change in behavior. Child never complained in hospital.	New brother	Matured quite rapidly, very serious, grown-up child. Takes on responsibility. Teachers feel a delightful child to have. Knows diagnosis.
E	2.0–13 9/12	Child remembered toy lady best and liked her. No change in behavior was recalled.	Infant brother. Moved to better neighborhood. Mother was employed, now unemployed.	Outgoing, lots of activities, school, clubs, etc. Helpful at home. Knows diagnosis.
F	2.0–10 5/12	Baby described as feisty before hospitalization, just as feisty in hospital, and did not change after hospitalization. Comment (staff nurse): At first detached, observing with glum expression. After several days, able to enter into activities and smile.	In 1971, child broke his leg, compound fracture of left thigh bone. No complications. Mother now employed. Husband changed jobs.	Extremely bright child, selected for special schooling because of abilities. Knows diagnosis.
G	4 9/12–13 3/12	Parents saw no change in child's behaviour during hospitalization.	Moved to new neighborhood. Husband changed jobs to a more demanding job.	Very sensitive child, perhaps insecure, overwhelmed by intellectual older sister, good at sports, does not push himself. Was not told diagnosis.
H	3 3/12–8.0	Changed from happy outgoing child to distraught, clinging child in hospital. Returned to former behavior about 2 months after discharge.	Sister became ill at 3 years old. Diagnosis brain stem astrocytoma. 2 new sisters.	Serious child who studies hard. Enjoys sports, has 3 good friends. Many activities. Knows diagnosis.
I	2 3/12–11 4/12	Felt that child developed and became more "mature" while in hospital. Experience produced growth in her personality.	Mother and children have made a rededication to Jesus Christ. (Father does not go along with this.) Mother had promised God that if child spared, she would change. New baby born 9 months after diagnosis. Child was planned as a replacement child.	Involved in church activities. Active, interested in school. Has many friends. Knows diagnosis.
J	5 3/12–9 3/12	Child's behavior did not change. Temper tantrums were frequent happenings, before and after hospitalization. Comment (staff nurse): Mother very anxious. Child withdrawn and shy. Parental anxiety reflected by child's frequent temper tantrums. Difficult for parents to leave, even for a coke.	Mother now works full time. Father changed jobs	Active, outgoing. Has some difficulty reading. Mother's concerned that this may be psychological. Was not told diagnosis.
K	4 4/12–12 9/12	Prior to hospital was an active, outgoing child. During hospitalization, became very quiet, subdued and nonsmiling. It was several years before child regained his confidence and resumed former activities.	Child's maternal aunt had car accident leaving her brain damaged. Aunt was favorite. Mother away for 6 months caring for aunt's family.	Child is a twin, with a strong desire to achieve on his own. Academically has some difficulty attributed to reading disorder. Enjoys competitive sports. Sometimes wonders why he always seems to be the one to be knocked down. i.e., had a tumor, then had hard cases of mumps and chickenpox. Knows diagnosis.
L	4.0–9 9/12	Child's behavior during hospitalization was totally withdrawn initially, but as time went on, became very fond of personnel. Behavior before and after hospital independent.	Son married, left home, has 2 children. 2 deaths, grandmother and grandfather. Mother has returned to work.	Hyperintense child whom the mother says she spoiled in spite of academic ability. Child very fat, but won't diet. Worries a lot. Does not enjoy school. Mother feels generation gap with this child but considers this normal. Was not told diagnosis.
M	3 9/12–12 3/12	Child's behavior very dependent in hospital, before hospitalization, and is still a child who is dependent with many fears. Remembers hospital as a terrifying time. Comment (activities department): Initially needed mother constantly, eventually was able to play independently. Plays more freely without parents hovering; an entirely dependent child.	Parents divorced. Mother being sued for ex-husband's debts.	Father died of brain tumor 1 month ago. Maternal uncle died, a suicide, within past month. Child is frightened. Needs to leave all the lights on; is terribly concerned about her father and uncle's recent deaths. Has said that if anything happens to her mother. she will kill herself. Comment (author): Both deaths occurred 6 months after psychologic evaluation and within a month before telephone interview. Knows diagnosis.
N	4 9/12–8 5/12	Happy, easygoing child before hospitalization. Resumed this behavior about 2 months after discharge. Family had tendency to spoil her after hospital stay. Took time to correct this.	Moved, same area; changed schools	Active child who enjoys school. Has many activities Was not told diagnosis.
O	5 9/12–9 5/12	Very active child before, during, and after hospitalization. Behavior did not change. Comment (staff nurse): Child does not know about operation. Parents do not understand importance of explaining everything. Child very apprehensive. Concerned about hospital food.	Father quit his job because of emphysema. He is on workman's compensation.	Likes to play and is a good student. Very active father finds him an exhausting child. Has a weight problem. Was not told diagnosis.
P	2 9/12–15 9/12	Disposition same. He was very good	4 additional children. Father has a better job. Mother employed.	Cheerful, happy child. Not fond of school. Enjoys friends, very mechanical. Knows diagnosis.
Q	2.0–9 5/12	No appreciable change in child's behavior during hospitalization. Strong-willed before, during, and after. Comment (staff nurse): Quiet, solemn child, content to watch others, has reacted strongly to hospital, refuses to participate in play program. Needs her security blanket. Parents always there.	Son in college. Mother now works full time	Child is feeling quite insecure because she has not matured and her best friends have. Usually, she is happy cheerful child. However, now, even her studies have dropped off. Father looks at this as temporary—a developmental lag that will soon right itself. Knows diagnosis.
R	1/6–12 1/12	Father felt child's behavior was same before hospitalization and now. A cheerful, normal kid with no problems. Everything was fine then and is now. Comment (social worker): Mother had recently died unexpectedly, no cause given. Child cared for by older sister. Neighbor feels child has been mistreated and poorly cared for since mother's death. Comment (activities department): Quiet, passive, very withdrawn. Family visiting frequently. Joined play program after much coaxing and careful explanations about what it was. Could be happy for brief periods, then withdraw altogether.	Remarried widow with 3 children	Cheerful, outgoing child. Growing normally. No problems. Gets along with everyone. Comment (author): The degree of denial on the part of this parent was striking. Was not told diagnosis.

TABLE 2.—RESULTS OF PSYCHOLOGICAL TESTING

	Col. I	Col. II	Col. III	Col. IV	Col. V
Patient	Intellectual functioning	Relates to others	Relates to family	Concern about illness	Present behavioral adjustment
A	Average	Open	Integrated	Not present	Normal.
B	Low average	Constricted	Integrated	Not present	Normal.
C	Above average	Constricted	Integrated	Not present	Mildly abnormal.
D	Average	Open	Integrated	Not present	Normal.
E	Low average	Open	Integrated	Not present	Normal.
F	Above average	Open	Integrated	Not present	Normal.
G	Average	Constricted	Integrated	Not present	Mildly abnormal.
H	Average	Open	Integrated	Present	Mildly abnormal.
I	Average	Open	Integrated	Present	Normal.
J	Low average	Constricted	Integrated	Not present	Moderately disturbed.
K	Above average	Open	Integrated	Not present	Normal.
L	Low average	Constricted	Integrated	Present	Mildly abnormal.
M	Above average	Open	Integrated	Present	Normal.
N	Average	Constricted	Integrated	Present	Mildly abnormal.
O	Low average	Constricted	Not integrated	Present	Mildly abnormal.
P	Low average	Open	Integrated	Not present	Normal.
Q	Above average	Constricted	Integrated	Present	Mildly abnormal.
R	Low average	Constricted	Not integrated	Present	Moderately disturbed.

Summary: Of the 18 children tested, 9 showed no obvoius signs of maladjustment. 7 showed evidence of mild behavioral adjustment problems. 1 child showed a moderate amount of difficulty and 1 child's problems were severe enough to warrant psychiatric intervention. Somatic disorders were noted for 2 of the children (L, O). Both of these children were described as obese.

Verbal

The child was asked to make three wishes and to explain his reasons for them. Most of the children wished for material things (e.g., trip to Disneyland, or a new bike); one of the children (R) wished never to be sick again.

The sentence completion section consisted of 14 incomplete sentences such as "The happiest time ———" or "My greatest worry is ———." These sentences were completed with the first thing that came into the child's mind. These devices serve to elucidate wishes, fears, and anxieties which may not be expressed with direct questioning, particularly those relating to the prior illness. Sentence completions are easily interpreted because of the simple, clear. descriptive language of childhood. For example, "*My greatest worry is* coming to the hospital" or "getting sick again." In this way, the child can reveal concerns indirectly without committing himself, or endangering his ego structure. This section of the test provides information regarding specific fears and, in several instances, revealed a concern about illness (Table 2, Column IV).

Lowenfeld Mosaic Test

This is a procedure for evaluating personality factors as expressed in spontaneous action, and is sensitive to developmental changes in the childhood years. In this test, a design is created by the child, using flat multi-colored and multi-shaped plastic pieces. Most of the boys made airplanes, rockets, or stop-and-go signs, whereas the majority of girls tended to design houses, flowers, trees, birds, and jewelry.

RESULTS AND DISCUSSION

The data derived from this study suggest that, for the most part, psychologic damage in children does not necessarily follow treatment for cancer in early childhood. It was found that in most instances in which the diagnosis of cancer was freely and fully discussed with a child, he was found to be functioning normally. Those children all tested within the normal range and were perceived by their parents to be well adjusted. This result was unexpected since we had anticipated that the child who was separated from home at a vulnerable age might sustain a psychologic insult that would be a permanent threat to his mental health. This could be particularly true when the stress of hospitalization is intensified by pain.

None of the children in this study became seriously disturbed during hospitalization or showed evidence of maladjustment at a later age that could be directly attributed to early illness and hospitalization. This finding may be partly attributed to the fact that The Children's Hospital of Philadelphia encourages parents to participate in the care of their child. Nurses, for the most part, do not wear uniforms. Families may visit with their children at any time. In this hospital, parents are treated as valuable and contributing members of the health team. All of the children in this study were attended either by mother or father, or both, at least part of the day, and in several instances, all of the time.

Other factors identified as contributing to the child's well-being during hospitalization, and afterwards, include his relationship to his parents, changes in family structure, and interaction with the health team. When a child feels secure with his parents, he can apparently adjust to the crisis of illness and hospitalization. When parents are well informed and act as part of the health team in the planning and carrying out of treatment for their child, they are, indeed, parent practitioners. The relationships between parent practitioners, the child, and other members of the health team create an atmosphere of trust for the family and, particularly, for the child. Fantasy and confusion during hospitalization, and for years after, are thereby minimized.

Finally, the author found that parents have a need, even twelve years after a crisis, to discuss this crisis with a concerned professional. All of the parents interviewed were eager to talk, none of the parents refused the telephone interview. Phone calls lasted from one to two hours, averaging 80 minutes. The eagerness on the part of the parents to discuss their child's former illness with the author implies a need for supportive follow-up.

SUMMARY

The results of psychologic testing and parent interviews showed that children who experience catastrophic illness between 2 and 5 years of age do not necessarily have severe adjustment problems at a later date. Only 2 of the 18 children studied, who are long-term survivors of childhood cancer, have been found to have moderately severe adjustment problems. The problems of these two children could be related to continuing stress within the family and are not necessarily caused by the child's illness.

ACKNOWLEGEMENTS

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This paper was originally written as a partial fulfillment for certification in the P.N.A. program at Northwestern University.

FOOTNOTES

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HATCH ACT REPEAL

Mr. MATHIAS. Mr. President, it is always encouraging when a journalist looks beneath the surface of events and describes for his readers the bone and sinew that he actually sees. Peter A. Jay did just this in a column in the Baltimore Sun commenting on the virtual repeal of the Hatch Act.

I ask unanimous consent that his article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

DOWNING THE HATCH FOR THE AFL–CIO

(By Peter A. Jay)

The current debate in Congress over the future of the 37-year-old Hatch Act, which restricts the political activities of federal employees, should have done a lot to separate politics from principles. Unfortunately, about all it did was separate Democrats from Republicans.

At the heart of debate is a bill, furiously lobbied by the AFL-CIO, to "reform" the Hatch Act. "Reform" in this case is tantamount to evisceration; under the guise of ending "second-class citizenship" for federal workers, the bill would hopelessly politicize the 2.8 million-member federal civil service. It has already passed both houses of Congress, in slightly different form, and is likely to be vetoed by President Ford.

The President probably has the votes to sustain a veto. If he does not, then federal employees will soon be allowed to engage in a number of activities from which they are now prohibited, including running for partisan offices, soliciting money and votes for political candidates (though not, theoretically, while on the job), managing election campaigns and endorsing political candidates.

Do you remember how Governor Mandel financed his 1970 and 1974 election campaigns? He did it by, among other things, shaking down the state government. If you liked your job, you bought tickets to the fundraising dinner. Simple as that. Congress now proposes to institutionalize this sort of bureaucratic shakedown on the national level. When they start talking about reforms like this, hold tight to your valuables, soon they'll be distributing walking-around money through the Social Security system.

It is ironic the way the lines in the curent debate have been drawn. The "reformers" of the Hatch Act are almost entirely Democrats, though the Act itself was one of the most durable reform achievements of the New Deal.

In most polls, federal workers have indicated a preference for leaving the law more or less as it is. Rather than an infringement on their rights as citizens, it is an important protection, and recognized as such. It is a buffer—often breached, as by Enemies List compilers of the Watergate White House, but a buffer nevertheless—against political interference.

Now, despite the recommendation of the Senate Watergate committee that the Hatch Act be strengthened to guard against new outbreaks of Colsonitis, many of those who were most horrified by Watergate are leaping to do quite the opposite. This has nothing to do with the rights of federal workers, who under the existing law are already permitted a considerable amount of both partisan and nonpartisan political activity. It has to do with union money, and union influence.

John McCart, the AFL-CIO's director of its public employee department, was happily candid about the bill. "I suppose that to the extent we make our people more aware of the political process, you could say we could acquire more political clout," he said. "But what's wrong with that? Our union's whole history is related to politics."

Not all Democrats back the bill, but the exceptions were few and far between. One of them was the sharp young liberal representative from Brooklyn, Elizabeth Holtzman.

"If there is one lesson we should have learned from Watergate, it is that we must strive to reduce, rather than increase, political influence in the federal law enforcement and investigative agencies," she said. "This bill would, instead, authorize and invite the politicizing of the Justice Department, FBI, U.S. attorneys' offices, Internal Revenue Service, (and) the CIA, National Security Agency and Defense Intelligence Agency."

In Maryland, both Senators Mathias and Beall opposed the bill and spoke against it on the floor of the Senate. So did Gilbert Gude, the Republican congressman who represents the bureaucratic master bedroom of Washington, Montgomery county. (Labor has usually been able to count on Mr. Gude in the past, but he is retiring this term.)

The major Democratic candidates to oppose Mr. Beall this fall, Congressman Paul S. Sarbanes and former Senator Joseph D. Tydings, have taken the party-line view. Mr. Sarbanes voted for the bill in the House (as did all Maryland Democrats except Goodloe E. Byron of western Maryland). Mr. Tydings said yesterday he would have voted for it.

It is a very bad bill, and Democrats tumbling over each other to win labor support by backing it did their party little credit.

THE NEED TO ASSURE AVAILABILITY OF POTASH FOR AMERICAN AGRICULTURE

Mr. DOMENICI. Mr. President, as a Senator from a State with a significant agricultural industry, I strongly supported Senate Resolution 403, a resolution relating to the need to assure availability of potash for American agriculture and would like to praise the action of the Senate that passed this important resolution.

About 95 percent of all U.S. potash consumption is for fertilizer for agricultural production. Potash is an essential plant nutrient, for which no alternative now exists. It is expected that demand for potash will increase dramatically, domestically and worldwide. The most reasonable projections indicate that by the year 2000 about 12 million tons of potash will be needed in America, and 48 million tons throughout the world. If we are going to feed this Nation's estimated 275 million Americans by the year 2000, and even help to a minor degree to feed the estimated 6 billion world citizens anticipated by the turn of the century, we must make sure we have enough potash.

Mr. President, the United States is dependent on Canada for about 70 percent of the potash it uses. Because of this the recent actions which would permit the government to take over the Province's potash industry may very well cause serious difficulties for American agriculture.

Before World War I most of the potash used in this country was imported from Germany. During that war the supply was cut off and attempts were made to produce potash from a number of sources, including seaweed and sea water. After World War I, the need to be self-sufficient in this mineral became apparent and extensive exploration efforts were undertaken which ultimately resulted in the discovery of the Carlsbad deposits. Mining began there in the early 1930's. This self-sufficiency lasted until 1962 when increasing production in Canada, in which U.S. companies participated, started to supply ever-growing quantities of the U.S. market.

Mr. President, if the government takeover of the Province's potash industry occurs, the American agriculture industry may very well experience supply irregularities or the supply could be permanently disrupted. This, of course, would be disastrous to the agricultural industry and the entire economy.

This sense of the Senate resolution directs the Department of State to express our concern to the Canadian Government and the government of the Province of Saskatchewan that supplies the critical plant nutrient, potash, not be disrupted. Further, the anticipated conclusions of the proposed takeover by the government directs the Department of Agriculture should immediately develop contingency plans to assure an adequate supply of potash in the event that supplies from the Saskatchewan deposits should be temporarily or permanently disrupted.

EXECUTION AS OPPOSED TO POLICY OF THE FEDERAL RESERVE

Mr. BAYH. Mr. President, many of us have been quite critical of the policies of the Federal Reserve in recent years. Little has been said, however, regarding the Fed's execution of its policies.

Recently, Mr. Adolph P. Schuman, a good friend and long-time student of the Federal Reserve, forwarded an analysis of the Fed's failure to execute its stated policy in 1974 and 1975. I believe Mr. Schuman's observations and recommendations merit serious consideration, and I ask unanimous consent that his paper be printed in the Record.

There being no objection, the paper was ordered to be printed in the Record, as follows:

Execution as Opposed to Policy of the Federal Reserve

Methods of execution nullify both intent of the Federal Reserve and thwart the desires of Congress and the Joint Economic Committee . . .

For many of the recent years, particularly since 1965, economists of the class of Samuelson and Freidman, and particularly the monetarests headed by Milton Friedman, could never understand the abrupt shifts and policy of the Federal Reserve which have caused extreme sharp changes in the economy of the United States. Economists and the Government continuously disagreed on the wisdom of the Federal Reserve policy and were greatly disturbed by the stunning effect in the progress of the American economy and its growth.

While the Federal Reserve had many critics, it had many supporters. Because of the great respect that the head chairman of the Federal Reserve had in the banking community, there was an underlying feeling all through Congress and the Nation that perhaps they would be in the position to know best. But the recent developments in the fall months of 1974 and the clarifying action of the Joint Economic Committee in the early months of 1975 have led to a stunning and almost unbelievable fact, that the Federal Reserve's abrupt changes, at least in the fall of 1974 and the year 1975, have been a result of inept and mistaken execution and not a considered action dictated by policy. On the contrary, the results have been directly opposed to the stated policy of the Federal Reserve.

In the September 1974 meeting of the Federal Reserve, a policy was stated to increase the money supply at the rate of between 5% and 7% per annum, (although it was as usual concealed from the general public for the 90 mandatory days.)

It was felt and stated at the meeting that an increase of approximately 7% would help to bring the recession to an early end and would help to enable an increase in the money supply sufficient to bring out an orderly recovery. And what may I ask was the result of this policy meeting? The action Committee in New York, following a policy of maintaining Federal funds at the stipend they felt would arrive at the policy objective, misjudged to such an extent that not only would they not purchase short term treasurys, but they began consistent sellers, forcing the money supply to a zero growth for the months of October, November and December, and a minus growth for the first two weeks of January. It is generally recognized that this action of the Federal Reserve succeeded in creating and extending the depression. But what was not generally recognized was that this was not the intention of the Federal Reserve, but was the result of inept and mistaken forms of execution.

Senator Humphrey, as Chairman of the Joint Economic Committee and his staff, forced a ruling and an acceptance from Mr. Burns of the Federal Reserve that he would state his objectives in the increase in the money supply for the subsequent year of April 1, 1975 to April 1, 1976. Mr. Burns stated before this committee that the objectives of the Federal Reserve would be an increase between 5½% and 7% in the money supply which would have sent a sum very close to $18 billion dollars into the economy. This was the first time that the plans of the Federal Reserve had ever been clearly stated and this has done a great deal to display the lack of effectiveness of their methods of execution. (Because what happened is clear) The Federal Reserve had been increasing their money supply in an attempt to correct and undo the damage that was done by the zero growth of October, November, December and early January 1974. The Federal Reserve had swung to an expansive increase in the monetary supply running up to the annual rate of 9% and 10%. But beginning at the end of May and running through the months of June, July, August and September 1975, the Feleral Reserve abruptly once more dropped to a zero growth in the money supply. This stunning and nullifying action will, of course, bring an abrupt halt to the recovery. If this were to continue for two more months, it would again throw us into a recession.

So, let us examine why and how these actions came into being. We ask first—Is this a policy of the Federal Reserve? The answer is obviously, no. Chairman Burns is an honorable and proper man and certainly would not have declared a false objective before the Joint Economics Committee. Now, we must come to a conclusion that this four months of zero growth was a result of the errors of execution.

Let us examine the action of the Federal Reserve under this premise. The methods used by the Federal Reserve is to use the Federal fund rate and a percentage is arrived at (in this particular case, between 6¼% and 6½%.) Based upon this considered guess, which is all that can be said for it, it was expected that the rate in the increase of the money supply will be at the desired objective, whatever that may be.

In this case, between 5½% and 7%. But once more, the Federal Reserve misjudged, with the result that the Action Committee of the Federal Reserve in New York once again sold treasurys to keep the Federal fund rate up instead buying it to increase the money supply. Once again, they arrived at a zero growth. Fortunately for all of us, in the fifth, month the Federal Reserve attempted to correct their error, being forced to drop their Federal funds to 5⅜%, and in order to make up for lost time, showing a rate of growth in the recent four weeks of 14%.

Now we ask ourselves—Won't this correct itself? Damage that is done to the monetary supply over a four-month period will eventually be corrected, but not at once. It generally takes between four and six months for a change in the money supply to take effect so we can expect a slowing down of the recovery in the months of December, January and February, 1976. Fortunately, the Federal Reserve this time has caught itself, so the recovery should not be aborted.

Let us see what corrective measures can be taken. First, when Mr. Burns steps in before the Joint Committee, instead of setting his objectives in the terms of percentages, let the Federal Reserve clearly state how many billion dollars they are going to propose to increase in the monetary supply in 1976, and let them suggest it quarter by quarter. This will clear the minds of the American public, will allow the businessmen of the United States to plan their factory expansions, will allow labor to be more freely employed, and will abort the terrible uncertainly that the policies, and more important the lack of execution, which the Federal Reserve has put on our economy in the past ten years. It will also alleviate a very bad habit that the Federal Reserve has acquired of hiding its mistakes, perhaps inadvertently and perhaps intentionally.

The second corrective measure is to bring in economists, particularly of the class of Mr. Freidman and Mr. Samuelson, and have them suggest a different way of meeting the objectives of the Federal Reserve other than the Federal funds. The use of the Federal funds method was an innovation of the 50's when the mistaken idea that interest rates and the handling of the interest rates were the major methods used to control the economy. The Federal funds may be good for interest control, but they are proven inept when it comes to handling the growth of the monetary supply.

Respectfully submitted,

Adolph P. Schuman.

GOVERNMENT AND SCIENCE

Mr. DOMENICI. Mr. President, those of us in Government and science share a common concern about the world's future. We know that we must make decisions of great magnitude within increasingly shorter time frames. We also know that the margin for error in our decisions decreases almost yearly.

The status of science and technology as prime components of many of the decisions Government must make stands unchallenged today. Unfortunately, just what consequences technology's rise has had on our social and political institutions has not been adequately explored.

We now live in a time when knowledge and brainpower are at a premium. One of our top chores in the legislature will be proper use of the great scientific knowledge our experts now provide us. To this end I note that Senator Culver of Iowa has served as a catalyst for attempting to develop a framework within which we in the legislature can anticipate the future and act upon it instead of reacting to it. I have been pleased to join him and other Members of Congress in this "anticipatory" movement.

In addition, I wish to compliment the Committee on Aeronautical and Space Sciences for its recent approval of a bill to create a permanent White House Science Adviser office. This permanent point of input into decisions made within the executive branch is an important part of formalizing the scientific and technological policy of the Government.

I believe the decisions ahead will be unique ones, demanding extraordinary insight and a long-range view of our society and world. Political problems must be expected as we try to shape institutions to cope with a constantly shifting world. In this respect, I was impressed by remarks made recently by Harvard University sociology Prof. Daniel Bell. He outlines his theory of a post-industrial society in which theoretical knowledge is a strategic resource and science policy determines political action.

As a Senator from one of the most science-oriented States in the Nation, a State in which scientists and engineers have always stood ready to serve in all capacities in Government and in the scientific world, I feel a special obligation to work on guaranteeing that science's discovery are translated into proper scientific policy. My contact with the scientists are engineers of New Mexico persuade me that they, too, recognize the pivotal role they will play in the Nation's future.

Mr. President, I ask unanimous consent that Professor Bell's recent article in "Physics Today" magazine, "Welcome to the Post-Industrial Society," be printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

Welcome to the Post-Industrial Society

(By Daniel Bell)

A number of countries in the West, the United States among them, are now passing from an industrial into a post-industrial phase of society. The change primarily affects the socio-technical dimensions of society and is generally independent of the nature of political change or political structure. The main difference between an industrial and a post-industrial society is that the sources of innovation in a post-industrial society are derived increasingly from the codification of theoretical knowledge, rather than from "random" inventions. Every society in human history has been dependent upon knowledge, but it is only in recent years that the accumulation and distribution of theoretical knowledge has come to the fore as a directive force of innovation and change.

INFORMATION SOCIETY

A post-industrial society is basically an information society. Exchange of information in terms of various kinds of data processing, record keeping, market research and so forth is the foundation for most economic exchanges. The changes that this implies are shown in figure 1. Data-transmission systems are the transforming resource of the society, just as in an industrial society created energy—electricity, oil, nuclear power—is the transmuting element, and natural power—wind, water, brute force—is the transforming resource of the pre-industrial society. The strategic resource of the post-industrial society becomes theoretical knowledge, just as the strategic resource of an industrial society is money capital, and the strategic resource of a pre-industrial society is raw materials. Thus, just as capital and labor frame the problems of an industrial society, so information and knowledge frame the problems of a post-industrial society. Instead of a society based on a labor theory of value, the central idea of which comes from Adam Smith or Karl Marx, the post-industrial society rests on a knowledge theory of value—that is to say, value is fundamentally increased, not by labor, but by knowledge.

TALENTED TINKERERS VERSUS SCIENTISTS

The industries that have come forth as representative of the last third of the twentieth century are science-based industries, which derive fundamentally from the application of the findings of theoretical knowledge. These twentieth-century industries differ radically from nineteenth-century industries, which are still the major industries in Western society—steel, automobiles, electricity, telephone and aviation. These can all be regarded as nineteenth-century industries, even though steel began in the eighteenth century with Abraham Darby and the coking process, and aviation was invented in the twentieth century with Wilbur and Orville Wright at Kitty Hawk, because they were founded or created by talented tinkerers, men who worked independently of the scientific establishment and were ignorant of many of the theories of basic science. Sir Henry Bessemer, who created the open-hearth process, knew little of the work of Henry Sorby on metallurgical properties. Thomas Edison, who was a great genius in creating the electric light, the motion picture and the gramophone, was literally mathematically illiterate. Alexander Graham Bell was an elecutionist who invented the telephone largely to amplify sound so that deaf people could hear, and he knew nothing of the work of James Maxwell on electromagnetism. In a similar way Guglielmo Marconi invented the radio with little theoretical knowledge of the fundamental physical principles he employed.

These nineteenth-century industries contrast strongly with twentieth-century industries, which derive directly from the investigations of scientists into the basic phenomena of nature and the application of this research to technological problems. The basic research of I. I. Rabi and Charles H. Townes into the possibility of sending a molecular beam through an optical field led to the creation of a maser and then a laser, and this in turn led to Dennis Gabor's development of the hologram. William B. Shockley's research on transistors is responsible for a huge transformation in modern electronics, and the work of Felix Bloch on solid-state physics is the basis of much of computer technology. Theoretical knowledge in the twentieth century is organized and used in a radically different way than in the nineteenth century. Advances in twentieth-century technology are dependent upon the progress of basic research and the codification of theoretical knowledge, as well as upon science's sense of direction and sense of search. For this reason the first truly modern industry is the chemical industry, because a base of theoretical knowledge is necessary in order to manipulate macromolecular structures and develop new products and new techniques.

Just as twentieth-century industries have not replaced the basic nineteenth-century industries, however, the post-industrial society does not replace or displace an industrial society. Rather, the whole structure is a system of superimposed layers, like a palimpsest. An industrial society does not displace an agrarian society, except in numbers. Agriculture in the United States today is important in that it furnishes food for our society and a large part of the rest of the world, but only 4% of the US labor force is involved in food production. But just as an agricultural base still exists, an industrial base still exists.

DESIGN OF THE SOCIETY

One other aspect is crucial to an understanding of the way in which the sense of one's world is colored by sociotechnical changes. This is the so-called "design of the society." A pre-industrial society is a game against nature, a game in which one is subject to the vicissitudes of wind and water, the depletion of the soil and the never-ending turn of the seasons. The rhythms of life are played out against a conflict with the elements. An industrial society is a game against fabricated nature, in which Man has used energy to make large machines that add to his power to transform his world. But a post-industrial society is a game between persons, between teacher and student, doctor and patient, research team members, and so forth. It means that in the experience of most of our lives, Nature is excluded, except as recreation, and things are excluded, except as hobbies. The basic experience of each person's life is his relationship between himself and others. This state is rather unique in Man's existence. Most of the coding of Man's behavior has been predicted by his role as a member of a hunting society or an agrarian society, in which he was forced to use his ingenuity against Nature. The Man-machine relationship is a fairly reecnt phenomenon in terms of Man's history and Man's experience. But the Man-Man relationship has never been the central issue in terms of his history or his attempts at survival.

The problem with the exclusion of Nature and things, with interpersonal relationships as the focus of each man's thoughts and actions, is the fact that people do not know how to live easily with one another. We often need an external artifact, such as Nature or machines, in order to weld us together or to discharge our aggressions. This point is important because the one other element that is crucial to a sociological understanding of the modern world, particularly the post-industrial society, is the increasing multiplication of interactions between persons. If there is any single characteristic that is true of our time, it is not so much the increase in the pace of technology, but the increase in the number of personal transactions we experience.

A person born in 1830 would have experienced a steam engine and a steamship, just as a person born in 1930 would have experienced television, space satellites and commercial jet transportation. The great difference does not seem to be the acceleration of change, but the enlargement of an individual's world that accompanies the advance of technology. There is a tremendous change of scale in the number of persons one knows or knows of. Developments in transportation and communication have exended each person's pool of potential interaction from a village to a city to a nation and beyond.

THE LIMITS OF THE SCALE

This change of scale is a central issue as we approach the twenty-first century. John von Neumann pointed out about twenty years ago that the rapid development of modern technology increased speed not so much by shortening the time requirement as by increasing the areas affected by its development. The reason is clear. Since most time scales are fixed by human reaction time, by physiological processes, the increase in speed of technological processes enlarged the size of political, economic and cultural units that are affected by technological operations. That is, instead of performing the same operations as before in less time, now large-scale operations can be performed in the same time. This important evolution has a natural limit—the earth's actual size. This limit will soon be approached.

In one sense the first limit was reached in the geopolitical sphere. As von Neumann pointed out, World War II was in many ways the last war of mass human civilization because it was the last war in which there was sufficient land area for a large army to retreat, as the Russian army could still retreat from the Germans. But there is no retreat from intercontinental ballistic missiles. We have reached an absolute limit in that respect.

In other senses, too, we are reaching the limits of our physical world. We are now in a situation of "real time" in almost every part of the world. The revolution in telecommunications, which is in many respects the last major revolution in the twentieth century, allows for immediate exchange of information, financial transfers throughout the world, the shipping of news and so forth, all almost immediately to every part of the globe. There is a very real question of what happens when the whole world becomes part of a world-interactive network and the increase in interaction is brought to its outer limits.

It was once suggested that 5040 persons was the optimum size for the city-state, based on the fact that it took at least half a day per year for each person to have at least some intercourse with another individual. Athens, the largest of the Greek city-states, had at its peak 40,000 male citizens, with the quorum in the assembly fixed at 6000. The number of adult citizens in New Zealand is about 30 times that of Athens, in the Netherlands 100 times, in France 500 times, in the US 2500 times, and in India about 6000 times that of Athens. In the face of this, what does participation mean? What is the character of human contact? What are the limits of human comprehension?

PROBLEMS FOR INSTITUTIONS

The increase of scale creates two effects that pose problems for the institutions that govern the post-industrial society. One is that the increase of scale in communications and transportation extends the range of control from a center of power, particularly when there is a command-and-control system. (A wit once remarked that Stalin was Genghis Khan with a telephone in one hand.)

A second problem is that the linear extension does not simply make an initial institution large, but creates a threshold that transforms it. A university that has 50,000 students is not the same university as one with 5,000 students, even though the name may be the same. The Harvard University of 1869 under Charles Eliot is not the Harvard of today. Its entire structure is vastly different.

This refers to something familiar to all physicists—the notion set down by Galileo called the "square-cube law." If something doubles in size, it will triple in volume, but its shape will also change. The biologist D'arcy Wentworth Thompson once pointed out that Galileo said that if someone tried to build ships, palaces or temples of enormous size, the beams and bolts would cease to hold together. Nor can Nature grow a tree or construct an animal beyond a certain size and still retain the proportions and materials that sufficed for the smaller structure. The monster will fall to pieces under its own weight unless either the relative proportions are changed or a harder and stronger material is used. So it appears clear that a change in scale becomes necessarily a change in institution. The problem appears to be that institutions that double in size do not always take the appropriate shape.

POLITICAL PROBLEMS

The key political problems in a post-industry society are essentially elements of science policy. Theoretical knowledge, the strategic resource of the post-industrial society, must be produced and distributed. This implies the care and nurturing of science and a research and development effort, and the identification of human capital becomes important in the development of the strategic resource. We know very little about identifying human capital, about spotting good people early and nurturing them, enriching their education, making them creative and innovating and developing opportunities for them. Even though we may have a surplus of educated labor at the moment, human capital is still a scarce resource in the society.

In the end a major political problem will be the post-industrial society's information policy. Whether a computer utility is established or a completely free market in computer systems is developed, various other dimensions of the politics of information handling will arise from the nature of information itself.

SECRETARY OF STATE HENRY KISSINGER

Mr. PERCY. Mr. President, as we enter what some have called the "silly season" of campaigning for the highest office in the land, I would like to say a few sober words on behalf of the Secretary of State—both the office and the present incumbent. In season and out, the Secretary is all too likely to find himself the target of ill-conceived partisan attack by certain candidates for the Presidency. Recently, Secretary Kissinger has been condemned for "campaigning" because he delivered a major foreign policy address in Boston.

As I read the U.S. Constitution, the legislative and executive branches are jointly responsible for the formulation of foreign policy. Neither branch can perform this task as well alone as the two branches working together. Moreover, the Executive has primary responsibility for the conduct of foreign affairs. The Secretary of State cannot cease to perform his constitutional role during our quadrennial election campaign. To do so would abdicate the very respectability he has sworn to carry out.

Last week while I was in Illinois with the President, Secretary Kissinger made a major foreign policy address in Boston. Later, I read the attacks that were made on Secretary Kissinger by certain candidates—who alleged that he was taking part in a partisan exercise. I frankly did not recognize the Secretary's speech from the way it was described by his critics.

Therefore, I ask unanimous consent to have printed in the Record the text, reported by the New York Times, as well as Mr. Louis Harris' latest analysis of public opinion on Secretary Kissinger's conduct of his office in which 68 percent of the American public give Secretary Kissinger positive marks on "working for peace in the world."

There being no objection, the material was ordered to be printed in the Record, as follows:

[From the New York Times, Mar. 12, 1976]

Excerpts From Speech by Secretary Kissinger in Boston on U.S. Foreign Policy

Washington, March 11.—Following are excerpts from the official text of Secretary of State Henry A. Kissinger's speech in Boston today. In his actual delivery of the speech, Mr. Kissinger made some minor changes.

Since the dawn of the nuclear age, the world's fears of catastrophe and its hopes for peace have hinged on the relationship between the United States and the Soviet Union.

In an era when two nations have the power to visit utter devastation on the world in a matter of hours, there can be no greater imperative than assuring that the relationship between the superpowers be managed effectively and rationally.

This is an unprecedented task. Historically, a conflict of ideology and geopolitical interests such as that which characterizes the current international scene has almost invariably led to conflict. But in the age of thermonuclear weapons and strategic equality, humanity could not survive such a repetition of history. No amount of tough rhetoric can change these realities. The future of our nation and of mankind depends on how well we avoid confrontation without giving up vital interests and how well we establish a more hopeful and stable relationship without surrender of principle.

We therefore face the necessity of a dual policy: on the one hand, we are determined to prevent Soviet military power from being used for political expansion; we will firmly discourage and resist adventurist policies. But at the same time, we cannot escalate every political dispute into a central crisis; nor can we rest on identifying foreign policy with crisis management. We have an obligation to work for a more positive future. We must couple opposition to pressure and irresponsibility with concerned efforts to build a more cooperative world.

History can inform—or mislead—us in this quest.

MUNICH REMEMBERED

For a generation after World War II, statesmen and nations were traumatized by the experience of Munich; they believed that history had shown the folly of permitting an adversary to gain a preponderance of power. This was and remains a crucial lesson.

A later generation was chastened by the experience of Vietnam; it is determined that America shall never again overextend and exhaust itself by direct involvement in remote wars with no clear strategic significance. This too is a crucial lesson.

But equally important and too often neglected is the lesson learned by an earlier generation. Before the outbreak of the first World War, there was a virtual equilibrium of power. Through crisis after crisis nations moved to confrontation and then retreated to compromise. Stability was taken for granted until—without any conscious decision to overturn the international structure—a crisis much like any other went out of control. Nation after nation slid into a war whose causes they did not understand but from which they could not extricate themselves. The result was the death of tens of millions, the destruction of the global whose consequences still torment mankind.

There is no question that order and domestic upheavals peace rests, in the first instance, on the maintenance of a balance of global stability. Without the ultimate sanction of power, conciliation soon becomes surrender. Moderation is a virtue only in those who are thought to have a choice.

WARNING ON EXAGGERATION

No service is done to the nation by those who portray an exaggerated specter of Soviet power and of American weakness, by those who hesitate to resist when we are challenged, or by those who fail to see the opportunities we have to shape the U.S.-Soviet relationship by our own confident action. Soviet strength is uneven; the weaknesses and frustrations of the Soviet system are glaring and have been clearly documented. Despite the inevitable increase in its power, the Soviet Union remains far behind us and our allies in any over-all assessment of military, economic, and technological strength; it would be reckless in the extreme for the Soviet Union to challenge the industrial democracies. And Soviet society is no longer insulated from the influences and attractions of the outside world, or impervious to the need for external contacts.

The great industrial democracies possess the means to counter Soviet expansion and to moderate Soviet behavior. We must not abdicate this responsibility by weakening ourselves either by failing to support our defenses or refusing to use our power in defense of our interest; we must, along with our allies, always do what is necessary to maintain our security.

It is true that we cannot be the world's policeman. Not all local wars and regional conflicts affect global stability or America's national interest. But if one superpower systematically exploits these conflicts for its own advantage, and tips scales decisively by its intervention, gradually the over-all balance will be affected. If adventurism is allowed to succeed in local crises—an ominous precedent of wider consequence is set. Other nations will adjust their policies to their perception of the dominant trend. Our ability to control future crises will diminish. And if this pattern is not broken, America will ultimately face harder choices, higher costs and more severe crises.

But our obligation goes beyond the balance of power. An equilibrium is too precarious a foundation for our long-term future. There is no tranquility in a balance of terror constantly contested. We must avoid the twin temptations of provocation and escapism. Our course must be steady and not reflect momentary fashions; it must be a policy that our adversaries respect, our allies support and our people believe in and sustain.

EFFORTS TO COOPERATE

Therefore, we have sought with the Soviet Union to push back the shadow of nuclear catastrophe—by settling concrete problems such as Berlin so as to ease confrontations, and negotiating on limitation of strategic arms so as to slow the arms race. And we have held out the prospect of cooperative relations in the economic and other fields if political conditions permit their implementation and further development

It goes without saying that this process requires reciprocity. It cannot survive a constant attempt to seek unilateral advantage. It cannot, specifically, survive any more Angolas. If the Soviet Union is ready to face genuine coexistence, we are prepared to make every effort to shape a pattern of restraint and mutual interest which will give coexistence a more reliable and positive character making both sides conscious of what would be lost by confrontation and what can be gained by cooperation. And we are convinced that when a vigorous response to Soviet encroachment is called for, the President will have the support of the American people—and of our allies—to the extent that he can demonstrate that the crisis was imposed upon us; that it did not result from opportunities we missed to improve the prospects of peace.

No policy will soon, if ever, eliminate the competition and irreconcilable ideological differences between the United States and the Soviet Union. Nor will it make all interests compatible. We are engaged in a protracted process with inevitable ups and downs. But there is no alternative to the policy of penalties for adventurism and incentives for restraint. What do those who speak so glibly about one-way streets or preemptive concessions propose concretely that this country do? What precisely has been given up? What level of confrontation do they seek? What threats would they make? What risks would they run? What precise changes in our defense posture, what level of expenditure over what period of time, do they advocate? How concretely do they suggest managing the U.S.-Soviet relationship in an era of strategic equality?

It is time we heard answers to these questions.

In short we must—and we shall—pursue the two strands of our policy towards the Soviet Union: firmness in the face of pressure and the vision to work for a better future. This is well within our capacities. We owe this to our people, to our future, to our allies and to the rest of mankind.

It is the West—and overwhelming this nation—that has the resources, the technology, the skills, the organizational ability and the good will that attract and invite the cooperation of the developing nations. In the global dialogue among the industrial and developing worlds the Communist nations are conspicuous by their absence and, indeed, by their irrelevance.

Yet at the very moment when the industrial democracies are responding to the aspirations of the developing countries, many of the same countries, attempt to extort what has in fact been freely offered. Lopsided voting, unworkable resolutions and arbitrary procedures too often dominate the United Nations and other international bodies. Nations which originally chose nonalignment to shield themselves from the pressures of global coalitions have themselves formed a rigid, ideological, confrontationist coalition of their own. One of the most evident blocs in the world today is, ironically, the almost automatic alignment of the nonaligned.

The United States remains ready to respond responsibly and positively to countries which seriously seek justice and an equitable world economic system. But progress depends on a spirit of mutual respect, realism and practical cooperation. Let there be no mistake about it: Extortion will not work and will not be supinely accepted. The stakes are too high for self-righteous rhetoric or adolescent posturing.

VALUES WE SHARE

Our efforts to build peace and progress reflect our deep-seated belief in freedom and in the hope of a better future for all mankind. These are values we share with our closest allies the great industrial democracies.

The resilience of our countries in recovering from economic difficulty and in consolidating our cooperation has an importance far beyond our immediate well-being. For while foreign policy is unthinkable without an element of pragmatism, pragmatism without underlying moral purpose is like a rudderless ship.

Together, the United States and our allies have maintained the global peace and sustained the world economy for more than 30 years. The spirit of innovation and progress in our societies has no match anywhere, certainly none in societies laying claim to being "revolutionary." Rarely in history have alliances survived—let alone flourished—as ours have in vastly changing global and geopolitical conditions. The ideals of the industrial democracies give purpose to our efforts to improve relations with the East, to the dialogue with the third world and to many other spheres of common endeavor.

Our ties with the great industrial democracies are therefore not alliances of convenience but a union of principle in defense of values and a way of life.

CONCERN ABOUT RED ROLE

It is in this context that we must be concerned about the possibility of Communist parties coming to power—or sharing in power—in governments in NATO countries. Ultimately, the decision must, of course, be made by the voters of the countries concerned. But no one should expect that this question is not of concern to this Government. Whether some of the Communist parties in Western Europe are in fact independent of Moscow cannot be determined when their electoral self-interest so overwhelmingly coincides with their claims. Their internal procedures—their Leninist principles and dogmas—remain the antithesis of democratic parties. And were they to gain power they would do so after having advocated for decades programs and values detrimental to our traditional ties. By that record, they would inevitably give low priority to security and Western defense efforts, which are essential not only to Europe's freedom but to maintaining the world balance of power. They would be tempted to orient their economies to a much greater extent toward the East. We would have to expect that Western European governments in which Communists play a dominant role would, at best, steer their countries' policies toward the positions of the nonaligned. The political solidarity and collective defense of the West, and thus NATO, would be inevitably weakened, if not undermined. And in this country, the commitment of the American people to maintain the balance of power in Europe, justified though it might be on pragmatic, geopolitical grounds, would lack the moral base on which it has stood for 30 years.

We consider the unity of the great industrial democracies crucial to all we do in the world. For this reason we have sought to expand our cooperation to areas beyond our mutual defense—in improved political consultation; in coordinating our approaches to negotiations with the East; in reinforcing our respective economic policies; in developing a common energy policy; and in fashioning common approaches for the increasingly important dialogue with the developing nations. We have made remarkable progress in all these areas. We are determined to continue. Our foreign policy has no higher priority.

The challenges before us are monumental. But it is not every generation that is given the opportunity to shape a new international order. If the opportunity is missed, we shall live in a world of chaos and danger. If it is realized we will have entered an era of peace and progress and justice.

A NEED FOR UNITY

But we can realize our hopes only as a united people. Our challenge—and its solution—lies in ourselves. Our greatest foreign policy problem is our divisions at home. Our greatest foreign policy need is national cohesion and a return to the awareness that in foreign policy we are all engaged in a common national endeavor.

The world watches with amazement—our adversaries with glee and our friends with growing dismay—how America seems bent on eroding its influence and destroying its achievements in world affairs through an orgy of recrimination.

They see our policies in Africa, the eastern Mediterranean, in Latin America, in East-West relations—undermined by arbitrary congressional actions that may take decades to undo.

They see our intelligence system gravely damaged by unremitting, undiscriminating attack.

They see a country virtually incapable of behaving with the discretion that is indispensable for diplomacy.

They see revelations of malfeasance abroad on the part of American firms wreak grave damage on the political structures of friendly nations. Whatever wrongs were committed—reprehensible as they are—should be dealt with in a manner consistent with our own judicial procedures—and with the dignity of allied nations.

CHARGES ARE DANGEROUS

They see some critics suddenly pretending that the Soviets are 10 feet tall and that America, despite all the evidence to the contrary, is becoming a second-rate nation. They know these erroneous and reckless allegations to be dangerous, because they may, if continued, persuade allies and adversaries of our weakness, tempting the one to accommodation and the other to adventurism.

They see this Administration—which has been condemned by one set of critics for its vigorous reaction to expansionism in Southeast Asia, in the Middle East, in Africa—simultaneously charged by another group of opponents with permitting unilateral Soviet gains.

The American people see all this, too, and wonder when it will end. They know that we cannot escape either our responsibilities or the geopolitical realities of the world around us. For a great nation that does not manage events will soon be overwhelmed by them.

If one group of critics undermines arms control negotiations and cuts off the prospect of more constructive ties with the Soviet Union; while another group cuts away at our defense budgets and intelligence services and thwarts American resistance to Soviet adventurism, both combined will, whether they have intended it or not, end by wrecking the nation's ability to conduct a strong, creative, moderate and prudent foreign policy. The result will be paralysis, no matter who wins in November. And if America cannot act, others will, and we and all the free peoples of the world will pay the price.

UNPRECEDENTED CHALLENGES

So our problem is at once more complex and simpler than in times past. The challenges are unprecedented but the remedies are in our own hands. This Administration has confidence in the strength, resilience and vigor of America. If we summon the American spirit and restore our unity, we will have a decisive and positive impact on a world which, more than ever, affects our lives and cries out for our leadership.

Those who have faith in America will tell the American people the truth:

That we are strong and at peace.

That there are no easy or final answers to our problems.

That we must conduct a long-term and responsible foreign policy, without escape and without respite.

That what is attainable at one moment will inevitably fall short of the ideal.

That the reach of our power and our purpose has its limits.

That nevertheless we have the strength and determination to defend our interests and the conviction to uphold our values.

And finally that we have the opportunity to leave our children a more cooperative, more just and more peaceful world than we found.

In the bicentennial year, we celebrate ideals which began to take shape around the shores of Massachusetts Bay some 350 years ago. We have accomplished great things as a united people. There is much yet to do. This country's work in the world is not a burden but a triumph—and the measure of greatness yet to come.

Americans have always made history rather than let history chart our course. We the present generation of Americans, will do no less. So let this year mark the end of our divisions. Let us usher in an era of national reconciliation and rededication by all Americans to their common destiny. Let us have a clear vision of what is before us—glory and danger alike—and go forward together to meet it.

Kissinger Adding to Ford Allure

(By Louis Harris)

The attack by Ronald Reagan on President Ford's foreign policy is likely to backfire badly. The heart of the Reagan argument is that Secretary of State Henry Kissinger has been far too yielding in relations with the Russians and that the President is allowing the U.S. to drop to second place in military capability.

Since most Americans attribute the basic formulation of the Ford foreign policy to the secretary of State, the commanding fact politically is that Kissinger receives an impressive 58 to 37 per cent positive job rating from the public in the latest Harris Survey among a cross section of 1,512 adults. Even among conservatives, Kissinger is praised by a 58 to 38 per cent margin.

These figures suggest that Washington Sen. Henry Jackson [D.] who is also criticizing the secretary, may be making the same mistake as Reagan. Although Jackson might temporarily benefit by picking up the support of Kissinger critics in the primaries, he would find out quickly as the Democratic nominee that he had made a strategic blunder.

The continuing popularity of Kissinger is one of the real phenomena in current public opinion but the reason is not hard to find. For all the criticism in Congress, in the media, and in politics, a massive 68 to 28 per cent give Kissinger positive marks on "working for peace in the world."

This seems to be an article of faith among the American people, who do not see any other figure on the national scene in whom they have as much confidence in handling foreign policy.

On the basic issues of foreign policy, Kissinger receives the following positive ratings:

Relations with Russia: He is given a positive rating by a margin of 56 to 37 per cent.

Relations with China: Kissinger receives positive marks of 55 to 36 per cent.

Peace in the Middle East: Kissinger's standing is 56 to 37 per cent postive.

Relations with Western allies: He is given a positive rating of 50 to 39 per cent.

The 68 to 28 per cent rating on "working for peace" can be traced to the comparable majority who thinks Kissinger is the most effective negotiator this country has in world affairs and that the U.S. should try to work out agreements for peace rather than to back to confrontations.

Despite this highly positive public view of Kissinger, he is criticized in specific areas:

By 59 to 32 per cent, a majority takes him to task for his relations with Congress.

By 47 to 40 per cent, he received negative marks on his efforts to negotiate an arms-control agreement with the Soviet Union. This is a turnaround from last September, when a 49 to 38 per cent plurality gave him a positive job rating on SALT negotiations.

By 53 to 27 per cent, a majority criticizes Kissinger for the way he handled United States involvement in the civil war in Angola.

By 56 to 27 per cent, a majority also gives him negative marks on the way he has cooperated with the congressional investigations of the CIA.

One of the assumptions of Reagan and Jackson in attacking President Ford and Kissinger is that there is widespread resentment, particularly among conservatives, over the failure of the United States to send more effective military aid to the forces opposing the Russian-backed faction in Angola.

Yet, this latest survey indicates that a 56 to 34 per cent majority of all adults and a 51 to 41 per cent majority of conservatives opposed that kind of U.S. aid.

In contrast, a 58 to 31 per cent majority supported the action by Congress in banning American aid to anti-Russian forces in Angola. An 86 to 6 per cent majority wanted the U.S. to try to negotiate a fair settlement that would bring the fighting to a halt. By the same token, however, 72 per cent were critical of the Soviets and Cubans for their action in Angola.

The Harris Survey asked a national cross-section of adults:

"How would you rate the job Secretary of State Henry Kissinger is doing—excellent, pretty good, only fair or poor?

[In percent]

	Positive	Negative	Not sure
February, 1976	58	37	5
November, 1975	60	33	7
September	63	31	6
May	56	37	7
March	68	26	6
December, 1974	75	19	6
July	79	15	6
May	85	10	5

The Harris Survey also asked:

"How would you rate the job Secretary of State Kissinger has done on [the following]—excellent, pretty good, only fair or poor?"

	Positive	Negative	Not sure
Working for peace in the world	68	28	4
Handling relations with Russia	56	37	7
Working to achieve lasting peace in the Middle East	56	37	7
Handling relations with China	55	36	9
Handling relations with our Western allies	50	39	11
Negotiating arms control agreements with the Russians	40	47	13
Handling relations with Congress	32	59	9
Handling civil war in Angola	27	53	20
Cooperating with the investigations of the CIA	27	56	17

Although obviously controversial, Kissinger maintains solidly positive marks, on the basics of foreign policy. As such, he is proving to be a valuable asset to President Ford, especially when opposition such as Reagan and Jackson try to get votes by attacking the administration's foreign policy.

A ST. PATRICK'S DAY BIRTHDAY FOR SENATOR PASTORE

Mr. **DOMENICI.** Mr. President, today is an auspicious occasion, both to the Irish and to the Italians.

For today is not only St. Patrick's Day, a day of some conspicuous celebration among our Irish citizens, but today is the 69th birthday of my esteemed colleague and friend from Rhode Island, Senator JOHN PASTORE.

It is very appropriate that Senator PASTORE's birthday falls on St. Patrick's Day, Mr. President, for I have it on very reliable historical information that in truth St. Patrick, who drove the snakes from the Emerald Isle, was really an Italian.

Of course, no one is ever positive in matters of history. However, I recall what a writer once said, "that Ireland is a country in which the probable never happens and the impossible always does." Thus, this predilection for the improbable further persuades me that, in truth, St. Patrick was really an Italian, however improbable that may seem to my Irish friends.

I cannot prove that Senator PASTORE's ancestor, nor mine from the environs of Lucca, in northern Italy, were related to this famous St. Patrick. But, no doubt this Patricio came from a fine family and, like Senator PASTORE, dedicated himself to doing good deeds. He saw the snake-infested isle to the north and went there on a mission of mercy.

That he succeeded we all know. I also wish to note, Mr. President, that Senator PASTORE has succeeded. His wit, ability, and tenacity have been valuable assets in this body. He has fought for what he believed to be right and necessary and he has never failed to make his points cogently and forthrightly. I am most pleased for him that he has seen another season come as he nears the proverbial three score and ten.

My only regret is that because he has decided that this will be his last term, I will be left as the only Italian American in the U.S. Senate. I alone will have to bear the burden each St. Patrick's Day of setting the historical record straight. In the memory of Senator PASTORE I will do my best, if my Irish colleagues do not gang up on me in my aloneness.

QUORUM CALL

Mr. **MANSFIELD.** Mr. President, I suggest the absence of a quorum.

The **PRESIDING OFFICER.** The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. **PACKWOOD.** Mr. President, I ask unanimous consent that the time that is running now not be charged against either party.

The **PRESIDING OFFICER.** There is a quorum call in progress.

Mr. **PACKWOOD.** I ask unanimous consent that the order for the quorum call be rescinded.

The **PRESIDING OFFICER.** Without objection, it is so ordered.

CONCLUSION OF MORNING BUSINESS

The **PRESIDING OFFICER.** The time for morning business has expired.

FEDERAL ELECTION CAMPAIGN ACT AMENDMENTS OF 1976

The **PRESIDING OFFICER.** Under the previous order, the hour of 11:25 a.m. having arrived, the Senate will resume the consideration of the unfinished business, S. 3065, which the clerk will state.

The assistant legislative clerk read as follows:

A bill (S. 3065) to amend the Federal Election Campaign Act of 1971 to provide for its administration by a Federal Election Commission appointed in accordance with the requirements of the Constitution, and for other purposes.

AMENDMENT NO. 1445

The **PRESIDING OFFICER.** The pending question is on agreeing to the amendment (No. 1445) of the Senator from Oregon (Mr. PACKWOOD).

Mr. **CANNON.** Mr. President, I yield myself 3 minutes.

Mr. **ROBERT C. BYRD.** Mr. President, will the Senator yield?

Mr. **CANNON.** I yield.

Mr. **ROBERT C. BYRD.** Mr. President, I ask unanimous consent that the 20 minutes begin running now, and that the vote on this amendment occur at 10 minutes until 12.

The **PRESIDING OFFICER.** Without objection, it is so ordered.

Mr. **CANNON.** Mr. President, in light of my colloquy with Senator PACKWOOD yesterday, I have reviewed the legislative history of the existing section 610 exemptions to the overall prohibitions against contributions and expenditures by corporations and labor unions.

The explanation in the CONGRESSIONAL RECORD by the sponsor of the statutory language in question, Representative Orville Hansen, and the Supreme Court's decision in *Pipefitters* v. *United States*, 407 U.S. 385 have convinced me that section 610 is intended to permit corporations and unions to advise their stockholders and members of the organization's support of or opposition to a candidate. I quote from a portion of Representative Hansen's remarks from the CONGRESSIONAL RECORD.

> Every organization should be allowed to take the steps necessary for its growth and survival. There is, of course, no need to belabor the point that Government policies profoundly affect both business and labor . . . If an organization, whether it be the NAM, the AMA or the AFL–CIO, believes that certain candidates pose a threat to its well-being or the well-being of its members or stockholders, it should be able to get its views to those members or stockholders. As fiduciaries for their members and stockholders, the officers of these institutions have a duty to share their informed insights on all issues affecting their institution with their constituents. Both union members and stockholders have the right to expect this expert guidance

Since such communications are of a privileged nature, because of first amendment considerations, the present law completely excepts them from the disclosure and limitation requirements of the act. These exceptions apply to every type of membership organization under section 431(f)(4)(c) of title 2 of the United States Code and section 591(f)(4) of title 18.

The Packwood amendment would alter this first amendment exception from the act. An analogous attempt to require disclosure in similar circumstances was made in a House amendment contained in the 1974 act—section 437 of title 2 of the United States Code. That provision was declared unconstitutional by the U.S. Court of Appeals for the District of Columbia Circuit in Buckley against Valeo. The decision on this point is so persuasive that no appeal was taken. I submit that the amendment proposed by Senator PACKWOOD would also infringe on constitutionally protected rights and should not be adopted.

The Buckley against Valeo case is the case that went on to the Supreme Court on other issues, and the Supreme Court held unconstitutional some of the other provisions, but this particular provision did not go beyond the circuit court of appeals.

So I wanted to make that explanation in light of my colloquy yesterday with Senator PACKWOOD when I told him what my view was of the requirements of the law.

Mr. President, I reserve the remainder of my time.

Mr. BROCK. Mr. President, will the Senator yield me 2 minutes?

Mr. PACKWOOD. Yes, I yield the Senator 2 minutes.

Mr. BROCK. Mr. President, it is patently ridiculous to say that this disclosure amendment is unconstitutional. That represents something or other. I cannot quite describe it. I am so awed by the exercise of logic or illogic involved in this particular presentation. The Packwood amendment is by no definition unconstitutional. As a matter of fact, the Packwood amendment affects section 301 of the bill, and any disclosure requirement that the Senator referred to would be under section 321. We do not even try to change that.

All we are saying, in the Packwood amendment, is, if a corporation is going to use corporate money to support a candidate, doggone it, it ought to tell us about it. We have a right to know. The American people have a right to know. By what conceivable logic can we say that that is something that can be hidden from the American people?

Mr. FORD. Mr. President, will the Senator yield for a question at this time?

Mr. BROCK. Not on my time. I do not have the time.

Mr. FORD. I do not have any time either. I wish to ask the Senator a question.

Mr. BROCK. Mr. President, if the Senator from Nevada will yield, I shall be delighted to respond.

Mr. FORD. I shall ask the question quickly.

Mr. CANNON. I yield 1 minute to the Senator from Kentucky.

Mr. FORD. Let me ask the Senator from Tennessee this question as to his interpretation now of the disclosure. If there is a threat to the voting record of one of us in the Chamber, is that part of the expenditure for the disclosure?

Mr. BROCK. No.

Mr. FORD. The Senator was talking about the Farm Bureau would be required to disclose. Are we able to require disclosure under this amendment?

Mr. BROCK. I commend to the Senator the amendment. If the Senator will take the time to read it, he will find out that it applies to corporations and labor unions; it does not apply to voting record.

Mr. FORD. The Farm Bureau is incorporated, and they have no stockholders.

Mr. BROCK. Is the Senator going to allow me to answer the question? The Senator asked the question. I am delighted to answer it.

The amendment is very precise in saying that it must identify and support specifically a clearly identified candidate.

Mr. FORD. Would it indirectly be supporting a candidate if it revealed the voting record?

Mr. BROCK. If they are using it in a favorable light, supporting him——

Mr. FORD. If it were in an unfavorable light?

Mr. BROCK. Why should they not disclose it? What are we trying to hide? What is anyone afraid of if we have disclosure?

Mr. FORD. That is so if the Senator is referring to business corporations, but he forgets about those rural area people who are incorporated. The Farm Bureau is incorporated.

Mr. BROCK. Every Farm Bureau man who I know is proud of his convictions and have nothing to hide. As far as I am concerned he would not be apologetic in what he might say.

Mr. FORD. The Senator is imposing another hazard on them.

I yield back the remainder of my time.

Mr. BROCK. No, I am not. I am saying we should not have a cop-out?

The PRESIDING OFFICER. The 1 minute that has been yielded by the Senator from Nevada has expired.

Who yields time?

Mr. BROCK. Mr. President, I still have part of my 2 minutes remaining, do I not?

The PRESIDING OFFICER. The Senator has a minute remaining.

Mr. BROCK. Let me continue then by saying, as I started out, that there is no possible way one can say to me that there is justification for hiding contributions in this country any more. Have we not learned? Where have we been? What is the lesson of our experience of the last 4 years, that we are not going to let the American people know what is going on?

If there is one single element in the whole reform movement, it is disclosure, disclosure, disclosure. There is nothing else that counts. If the American people know what is going on, they are intelligent enough to make a rational judgment. But we must not hide from them what is being done on behalf of a candidate, and that is solely within the law today, unless we pass this amendment, and every Member of this body knows it. There is no constitutional question here. It is a matter of honesty in disclosure.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. CANNON. Mr. President, I yield myself 1 additional minute simply to point out that the Senator has completely misstated the case. He referred again to contributions. A corporation or labor union cannot make a contribution from either corporation funds or labor union dues, and it is not a disclosure of a contribution. The contribution is required to be fully disclosed, fully reported in connection with a committee that is organized pursuant to the law to make a contribution to candidates or to political parties.

Now that is covered completely, separate and apart, from this precise first amendment provision which relates to the right of a corporation or a union to communicate with its stockholders.

Mr. President, I yield 1 minute to the Senator from California.

Mr. CRANSTON. Mr. President, the Packwood amendment applies to any membership organization, in effect. It represents, in my view, a dangerous Federal intrusion into the internal affairs not only of corporations and labor unions but of all membership organizations which may communicate political endorsements or opinions to their members—organizations like Common Cause, which don't endorse candidates; organizations like the Americans for Democratic Action and Americans for Constitutional Action, which on the other hand do endorse candidates, the Environmental Defense Fund, and the Sierra Club.

I see no reason why the costs of such internal communications are any business of the Federal Government, and I approach this from a conservative point of view about whether Government has a right to intrude to that degree into the affairs of private organizations.

The fact that an endorsement has been made is certainly no secret. There is nothing about disclosure involved here.

Mr. President, may I have yielded to me one additional minute?

Mr. CANNON. Mr. President, I yield one additional minute to the Senator from California.

Mr. CRANSTON. Certainly the public has no difficulty in finding out whom labor unions support, whom corporations support, or whom other organizations support. But to subject the internal communciations of a membership organization with its members to disclosure requirements—to open their internal operations to audit by Federal authorities seeking to find discrepancies—clearly infringes on our basic rights of free speech and free expression. Volunteer citizens organizations formed for the purpose of lobbying the Government should be subjected to the absolute minimum of Government regulation.

I urge our colleagues to defeat the Packwood amendment.

The PRESIDING OFFICER. Who yields time?

Mr. CLARK. Mr. President, will the Senator yield a minute or two to me?

Mr. CANNON. I yield 2 minutes to the Senator from Iowa.

Mr. CLARK. Mr. President, I want to raise the question that Senators FORD and CRANSTON raised, and I would like to have an answer. Are all organizations included in the Packwood amendment, or is it simply labor organizations and corporations? Are such organizations as the Farm Bureau, if they are not incorporated, or the Sierra Club, or Common Cause covered? Is that the interpretation of the amendment of the Senator?

Mr. PACKWOOD. No.

I was talking with Fred Wertheimer, who is with Common Cause, last night on the telephone. He suggested perhaps this amendment ought to be changed to include the right to have the National Rifle Association——

Mr. CLARK. Does it?

Mr. PACKWOOD. Wait a minute.

Fred Wertheimer was in my office this morning. He said:

> No, I changed my mind. I don't think we ought to do it this time. We ought to continue to limit it at the moment to corporations and unions.

This amendment amends section 610. It does not apply to any other organization but unions and corporations.

Mr. CLARK. I am not interested so much in the telephone conversation as in whether that is all that is covered. Does the Senator mean to say that the League of Conservation Voters, under this amendment, may actually send out communications and say that Senator PACKWOOD ought to be defeated, or ought to be supported, and not fall under the requirements of this amendment?

Mr. PACKWOOD. They can do that now.

Mr. CLARK. I understand that. But the Senator is going to say that corporations and labor unions may not do that, but any other membership organization in the country may do it?

Mr. PACKWOOD. No, we are not saying they cannot do it. This amendment does not stop it.

Mr. GRIFFIN. If the Senator will vote for this amendment, there could be another amendment later to expand on the principle.

The PRESIDING OFFICER. The time of the Senator has expired. Who yields time?

Mr. GRIFFIN. Mr. President, will the Senator yield me a minute or two?

Mr. PACKWOOD. I yield.

Mr. GRIFFIN. Mr. President, I should like to go back to the question that was raised yesterday. I wish to address a question to the distinguished chairman of the committee.

Can we agree now that under existing law corporations can use corporate funds and unions can use union funds, including funds obtained from union dues, to communicate with their stockholders or members, as the case may be, for the purpose of advocating the election or defeat of particular candidates; that this can be done legally, without limitation, and that they do not have to report it? Let us get an answer to that.

Mr. CANNON. Yes. The Senator is correct.

I answered that yesterday, that I did not think they could do it.

I have since reviewed the Pipefitters' case and the Supreme Court decision, the language in the U.S. Supreme Court reports, and I am convinced that a corporation and a union are allowed to communicate freely with members and stockholders on any subject, to attempt to convince members and stockholders to register and vote, and make political contributions and expenditures, financed by voluntary donations which have been kept in a separate, segregated fund, and that they can express an opinion, under the first amendment, as to whether a candidate should be defeated or rejected.

Mr. GRIFFIN. Mr. President, now that we have that point clear——

Mr. CANNON. To their members only.

Mr. GRIFFIN. It seems to me that the remainder of the provisions of the law requiring disclosure as to campaign expenditures are somewhat meaningless, if a labor organization can spend without limit, and without reporting, to support or defeat a candidate.

The PRESIDING OFFICER. The Senator's 2 minutes have expired.

Mr. PACKWOOD. I should like to ask the chairman of the committee this question.

Yesterday, when Senator CANNON and I were debating, he said:

> I would say this to the Senator: If a corporation or a labor organization solicits the persons they are entitled to solicit for the defeat or election of a particular candidate, those funds should be reported as an independent expenditure. That is my intention.
>
> Mr. PACKWOOD. Would the Senator say that again, they should be reported as a what?
>
> Mr. CANNON. As an independent expenditure.

Then he said:

> those people should be required to report if they advocate the election or defeat of a known candidate . . .
>
> The intent is disclosure of the amount spent to elect a particular candidate or the amount spent to independently defeat a candidate.

Is that still the chairman's position?

Mr. CANNON. I said yesterday that that was my position. It was then. It is not now, since I have had the opportunity to review the Supreme Court decision. I am bound by the Supreme Court, the same as the Senator is, and I do not believe that such a limitation could be imposed. That was my feeling at the time. It would be my feeling now. But I cannot support that position in light of the Court's decision in the pipefitters' case and in light of the history that is stated on this matter in the U.S. Supreme Court reports.

Mr. PACKWOOD. Senator CANNON has admitted being wrong yesterday and he is wrong today. Let me read from the case we are talking about:

> There has been discussion that the proposed amendment is unconstitutional since it is similar to the so-called "Common Cause" disclosure requirement, Section 437(a) of the 1974 Amendment, which was held unconstitutional by the District of Columbia Court of Appeals and was not appealed to the Supreme Court. The instant amendment is clearly distinguishable. Section 437(a) required the disclosure of not only the amount expended by any person other than an individual but also required the disclosure of the persons who contributed monies to the group or committee which made the expenditures for the purpose of influencing the outcome of a Federal election. The Court of Appeals found that this disclosure requirement failed to conform to the necessary standards of certainty which must be followed in order to abridge an individual or group's association rights and therefore, disclosed that it was unconstitutionally vague. The proposed Amendment violates none of the Constitutional requirements.

We are not requiring in this amendment that a single contribution to that organization be disclosed, or any other expenditures, just the expenditures they make for politics.

If Johnny Jones, of Dufur, Oreg., is a candidate for office, he has to report it, under the rules. The AFL–CIO or General Motors, today, who spend a million dollars of union dues or corporate treasury money, do not have to report it.

What has happened between yesterday and today is that pressure has been brought on the Senate. The unions want to spend millions of dollars and not report a single dollar of it to the American public, so that we cannot identify where the money came from.

We are not talking about constitutionality. We are talking about power, raw power, and everybody in this Chamber knows it.

Mr. CANNON. Mr. President, I yield myself 10 seconds.

We are not talking about contributions. A union or a corporation cannot make contributions now. It is illegal.

I yield 1 minute to the Senator from Iowa.

Mr. CLARK. Mr. President, Senator PACKWOOD made the point on the floor of the Senate yesterday that only corporations and labor unions are permitted to communicate with their stockholders or members without disclosure. Such is not the case. As I tried to indicate before, this is not a loophole for corporations or labor unions. No organization may be required to disclose that activity, as explained very clearly in the act itself—431(f)(4)(C).

Of course, the amendment applies only to corporations and labor unions, and that is why the distinguished Senator from Michigan is quite right in saying that this amendment deals only with them. Indeed, what we find here is that if this amendment is agreed to, any organization, any membership organization, may advocate the defeat or success of a candidate without restriction, without a reporting requirement, except for labor unions and corporations.

The PRESIDING OFFICER. The Senator's time has expired. Who yields time?

Mr. CANNON. Mr. President, how much time remains?

The PRESIDING OFFICER. One minute to the Senator from Nevada, and 3 minutes to the Senator from Oregon.

Mr. CANNON. I reserve the remainder of my time.

The PRESIDING OFFICER. Who yields time? If neither side yields time, time runs equally.

Mr. PACKWOOD. Mr. President, in the 2 minutes I have remaining, let us put the clear points before the Senate once more.

This amendment applies to corporations and unions, and they must disclose where they spend their money. I would be happy to entertain an amendment by the Senator from Iowa or anybody else to have them disclose where they spend their money politically. The whole subject of this issue is disclosure. If this loophole is allowed to remain, if General Motors can spend a half million dollars of their corporate treasury money to advocate the defeat or election of a candidate, or if the AFL–CIO can do the same, while Johnny Jones, in Dufur, Oreg., has to report the expenditure of $100 that he spends independently, we have created the biggest single loophole that exists in the law.

It will be a loophole big enough to drive every candidate through; and he can run his campaign on what appears to be $10,000 while millions are spent on his behalf which are never reported. If there is any fairness or equity, then everything that is spent on behalf of a candidate, whether it comes through the candidate's committee or is spent on his behalf by any other committee, should be reported, so that the voters can look at it before the election.

Mr. President, how much time do I have remaining?

The PRESIDING OFFICER. The Senator has 1 minute.

Mr. PACKWOOD. I yield back the remainder of my time.

The PRESIDING OFFICER. All time has been yielded back.

The question is on agreeing to the amendment of the Senator from Oregon. On this question the yeas and nays have been ordered, and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. CHURCH (when his name was called). Present.

Mr. ROBERT C. BYRD. I announce that the Senator from Indiana (Mr. HARTKE), the Senator from Washington (Mr. JACKSON), the Senator from South Dakota (Mr. MCGOVERN), the Senator from Rhode Island (Mr. PASTORE), and the Senator from Utah (Mr. MOSS) are necessarily absent.

I further announce that, if present and voting, the Senator from Rhode Island (Mr. PASTORE) and the Senator from Washington (Mr. JACKSON) would each vote "nay."

Mr. GRIFFIN. I announce that the Senator from New York (Mr. BUCKLEY) and the Senator from North Dakota (Mr. YOUNG) are necessarily absent.

I further announce that the Senator from Vermont (Mr. STAFFORD) is absent due to illness.

The result was announced—yeas 50, nays 41, as follows:

[Rollcall Vote No. 72 Leg.]

YEAS—50

Allen
Baker
Bartlett
Beall
Bellmon
Bentsen
Biden
Brock
Bumpers
Byrd,
  Harry F., Jr.
Chiles
Curtis
Dole
Domenici
Eastland
Fannin
Fong

Garn
Goldwater
Griffin
Hansen
Hart, Gary
Hatfield
Helms
Hruska
Kennedy
Laxalt
Leahy
McClellan
McClure
Morgan
Nunn
Packwood
Pearson
Percy

Randolph
Ribicoff
Roth
Scott, Hugh
Scott,
  William L.
Sparkman
Stennis
Stevens
Stevenson
Stone
Taft
Talmadge
Thurmond
Tower
Weicker

NAYS—41

Abourezk
Bayh
Brooke
Burdick
Byrd, Robert C.
Cannon
Case
Clark
Cranston

Culver
Durkin
Eagleton
Ford
Glenn
Gravel
Hart, Philip A.
Haskell
Hathaway

Hollings
Huddleston
Humphrey
Inouye
Javits
Johnston
Long
Magnuson
Mansfield

Mathias
McGee
McIntyre
Metcalf
Mondale

Montoya
Muskie
Nelson
Pell
Proxmire

Schweiker
Symington
Tunney
Williams

ANSWERED "PRESENT"—1

Church

NOT VOTING—8

Buckley
Hartke
Jackson

McGovern
Moss
Pastore

Stafford
Young

So Mr. PACKWOOD's amendment was agreed to.

Mr. PACKWOOD. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. GRIFFIN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 1446

The PRESIDING OFFICER (Mr. LEAHY). Under the previous order, the Senate will now resume consideration of the amendment of the Senator from Alabama (Mr. ALLEN) No. 1446.

The Senate will be in order and the clerk will report.

The legislative clerk read as follows:

The Senator from Alabama (Mr. ALLEN) proposes an amendment No. 1446: On page 27, between lines 5 and 6, insert the following new section:

USE OF REGULATIONS, ADVISORY OPINIONS, AND SO FORTH IN CIVIL AND CRIMINAL ENFORCEMENT

SEC. 109A. Section 315 of the Act (2 U.S.C. 438), as redesignated by section 105 of this Act, is amended by adding at the end thereof the following new subsection:

"(e) In any proceeding, including any civil or criminal enforcement proceeding against any person charged with violating any provision of this title or of title 18, no rule, regulation, guideline, advisory opinion, opinion of counsel, or any other pronouncement by the Commission or any member, officer, or employee thereof shall be used against any person, either as having the force of law, as creating any presumption of violation or of criminal intent, or as admissible in evidence against such person, or in any other manner whatsoever.".

Mr. JAVITS. Mr. President, will the Senator from Alabama yield to me for a minute?

Mr. ALLEN. Yes.

The PRESIDING OFFICER (Mr. LEAHY). May we have order in the Senate so that the Senator from New York can be heard?

Order in the Senate and in the galleries.

The Senator from New York.

Mr. JAVITS. Mr. President, I ask unanimous consent that Charles Warren of my staff be granted privilege of the floor during consideration of this measure.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. JAVITS. I thank my colleague.

Mr. BAYH. If the Senator from Alabama will yield, I ask unanimous consent that Barbara Dixon of my staff be granted privilege of the floor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BAYH. Mr. President, with deep gratitude to the distinguished Senator from Alabama, I ask unanimous consent to add the name of Herb Jolovitz of the distinguished junior Senator from Vermont's office, as well.

The PRESIDING OFFICER. The Chair thanks the Senator.

Without objection, it is so ordered.

The Senator from Alabama.

Mr. ALLEN. May we have order, Mr. President?

The PRESIDING OFFICER. The Senate is not in order. The Senator from Alabama has a right to be heard. I ask that the Senate be in order. Senators having conversations, the Chair respectfully requests that they conduct them in the cloak rooms or off the floor. The galleries will also be in order.

The Senator from Alabama.

Mr. ALLEN. Mr. President, my attention was drawn to the need for this amendment by a letter from Honorable Brice M. Clagett of the firm of Covington & Burling here in Washington. He wrote Mrs. MARJORIE S. HOLT, sending me a copy. She is a member of the House and on the House Administration Committee where this bill, or a similar bill, was pending.

The PRESIDING OFFICER. The Senate is not in order. The Chair is having difficulty hearing the Senator from Alabama.

Mr. ALLEN. Mr. President, I have been requested to yield to the distinguished majority leader in order that the Senate may go over to the House Chamber for a joint meeting.

I ask unanimous consent that I may yield to the distinguished majority leader and that I have the floor on the return of the Senate to the Senate Chamber.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Senator from Montana.

JOINT MEETING OF THE TWO HOUSES—ADDRESS BY THE PRIME MINISTER OF THE REPUBLIC OF IRELAND

Mr. MANSFIELD. Mr. President, on that basis, I move that the Senate stand in recess subject to the order granted to the distinguished assistant majority leader on yesterday.

The PRESIDING OFFICER. Without objection, it is so ordered.

Thereupon, the Senate at 12:14 p.m. took a recess, subject to the call of the Chair, and the Senate, preceded by the Assistant Secretary of the Senate, Darrell St. Claire, the Sergeant at Arms, F. Nordy Hoffmann, and the President Pro Tempore, JAMES O. EASTLAND, proceeded to the Hall of the House of Representatives to hear an address by the Prime Minister of the Republic of Ireland.

(The address delivered by the Prime Minister of the Republic of Ireland to the joint meeting of the two Houses of Congress is printed in the proceedings of the House of Representatives in today's RECORD.)

At 1:26 p.m., the Senate, having returned to its Chamber, reassembled, and was called to order by the Presiding Officer (Mr. GLENN).

FEDERAL ELECTION CAMPAIGN ACT AMENDMENTS OF 1976

The Senate continued with the consideration of the bill (S. 3065) to amend the Federal Election Campaign Act of 1971 to provide for its administration by a Federal Election Commission appointed in accordance with the requirements of the Constitution, and for other purposes.

Mr. MANSFIELD. Mr. President, will the Senator from Alabama who has the floor yield to me for a few minutes?

Mr. ALLEN. Yes, I am happy to yield to the Senator.

Mr. MANSFIELD. Just to clear up a situation which developed yesterday.

Mr. President, may I say I discussed this with the distinguished Republican whip who has been the acting manager of this bill and he gave it his approval.

Now I would like to call it to the attention of the distinguished manager of the bill and the distinguished Senator from Alabama, Mr. ALLEN, a member of the committee, and the distinguished Senator from West Virginia, Mr. BYRD, who is also a member of the committee.

Mr. President, if I may, I should like to address one further question to the distinguished chairman of the Rules Committee pursuant to our colloquy on yesterday. I would like to restate my present understanding of the chairman's interpretation regarding the role of the Senate's ex officio member of the Federal Election Commission, that is, the Secretary of the Senate.

Would the Senator agree that the ex officio member for the Senate serves on the Commission, irrespective of his party affiliation, in connection with Senate campaign matters which come within the purview of the Commission and that the law permits the Secretary to advise with, discuss, question and, except for the right to vote, participate fully in the proceedings of the Commission in this respect?

Mr. CANNON. Mr. President, I say to the distinguished majority leader that if the bill that we have proposed here is passed in its present form, my answer would be "Yes" to his inquiry.

Mr. MANSFIELD. And what about the bill which is already on the books? This question was not raised by the Supreme Court, as the Senator recalls.

Mr. CANNON. Yes, the question was not raised before the Supreme Court. The Court did not rule on that precise point and I say that the answer would be the same because under the original bill which we passed earlier and which the Supreme Court ruled on, the Secretary of the Senate was an ex officio member of the commission, without the right to vote.

Mr. MANSFIELD. I appreciate that.

May I ask the opinion of the acting minority manager of the bill in response to the question I have raised?

Mr. GRIFFIN. In response to the distinguished majority leader's inquiry, I believe he has stated the committee's intent, as I understand it.

I think it ought to be acknowledged, however, that some question has been raised about the constitutionality of inclusion of the Secretary of the Senate and the Clerk of the House as participating but nonvoting members of the Commission. The Supreme Court did not rule directly on that point.

I think it is the view of the committee that, to the extent of constitutionality, it is expected that the Secretary of the Senate and the Clerk of the House of Representatives would be participating but nonvoting members of the Commission.

Does that answer the Senator's question?

Mr. MANSFIELD. Yes. I take it that the acting Republican leader, in effect, says what the manager of the bill has said. That is, that this is what the Senate intended, no question has been raised concerning its constitutionality, and it is applicable under the law as it is now in effect.

Mr. GRIFFIN. In my view, that is correct in terms of the intent of the Senate.

Mr. MANSFIELD. Yes.

I wish to ask the distinguished Senator from Alabama to render an opinion on this matter.

Mr. ALLEN. I think that was the intent of the committee in drafting the bill, that the Secretary of the Senate should serve as an ex officio, nonvoting member of the Commission, but would have full right to advise with the Commission and to participate in any discussion or in any matter coming before the Commission; to give his advice, arising from his expertise in this area, but not to have the right to cast a vote.

Mr. MANSFIELD. I appreciate the statement of the distinguished Senator from Alabama, the statement of the distinguished manager of the bill, the Senator from Nevada (Mr. CANNON), and the distinguished Senator from Michigan, the acting manager of the bill now under consideration.

I thank the Senator from Alabama for allowing me to intercede.

Mr. MANSFIELD subsequently said:

I have had a colloquy with various members of the Committee on Rules and Administration relative to the position of the ex officio member of the Senate. Since that time, I have contacted Senators HATFIELD, SCOTT, BYRD, WILLIAMS, PELL, and CLARK. I want the record to show that they all answered in the affirmative and approved of the position taken by the manager of the bill, the Senator from Nevada (Mr. CANNON), the acting Republican leader at that time and the minority manager of the bill (Mr. GRIFFIN), and the distinguished Senator from Alabama (Mr. ALLEN) all of whom spoke at that time.

Mr. ALLEN. Mr. President, in view of the fact that many of the Senators following the joint session went to lunch, I would like to have the opportunity to discuss this amendment before somewhat more Members than present in the Chamber at this time. I would at this time suggest the absence of a quorum until a larger number of Senators are present in the Chamber.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

RECESS UNTIL 2 P.M.

Mr. ROBERT C. BYRD. Mr. President, I move that the Senate stand in recess until the hour of 2 p.m. today.

There being no objection, the Senate, at 1:34 p.m., recessed until 2 p.m.; whereupon, the Senate reassembled when called to order by the Presiding Officer (Mr. FANNIN).

The PRESIDING OFFICER. What is the will of the Senate?

Mr. ALLEN. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. ALLEN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

The question is on agreeing to the amendment. All in favor signify by saying "Aye."

Mr. ROBERT C. BYRD addressed the Chair.

Mr. ALLEN. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. ALLEN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ALLEN. Mr. President, I ask the clerk to state the amendment again.

The PRESIDING OFFICER. The clerk will state the amendment.

The legislative clerk read as follows:

On page 27, between lines 5 and 6, insert the following new section:

USE OF REGULATIONS, ADVISORY OPINIONS, AND SO FORTH IN CIVIL AND CRIMINAL ENFORCEMENT

SEC. 109A. Section 315 of the Act (2 U.S.C. 438), as redesignated by section 105 of this Act, is amended by adding at the end thereof the following new subsection:

"(e) In any proceeding, including any civil or criminal enforcement proceeding against any person charged with violating any provision of this title or of title 18, no rule, regulation, guideline, advisory opinion, opinion of counsel, or any other pronouncement by the Commission or any member, officer, or employee thereof shall be used against any person, either as having the force of law, as creating any presumption of violation or of criminal intent, or as admissible in evidence against such person, or in any other manner whatsoever.".

Mr. ALLEN. Mr. President, my attention was called to the need for this amendment by the Hon. Bryce M. Clagett, who was the chief attorney for the firm of Covington and Burling in the Supreme Court case of Buckley against Valeo. He called my attention to the fact that, without this amendment, the Election Commission's power to make rules and regulations creates a prior restraint on political expression. Citizens who disagree with the Commission about the meaning of the law would generally not dare to act on that disagreement, since the very fact that the Commission has spoken will prejudice their position in enforcement litigation. The Supreme Court, of course, has recognized that first amendment rights are involved in political spending. With a statute as complex and vague as the campaign spending law, I think it is unconstitutional for an agency such as the Commission to have vast discretionary power over political expression. The Supreme Court found it unnecessary to decide that question, since it invalidated the Commission's powers on other grounds, but if the Commission is reconstituted without solving this problem, months and perhaps years of further uncertainty and litigation will be necessary. Mr. Clagett suggests that the solution is quite simple. He suggests the amendment which I have introduced.

Here, Mr. President, we have a case of prior restraint under the existing law and under the law as provided by the bill. We have a case of prior restraint on the exercise of first amendment rights because, if the Commission says that its interpretation of the law is thus and so, that would put a chilling effect—a chilling, negative effect—on any person acting contrary to the Commission's statement of its view of the law. This amendment would provide that in any civil or criminal action arising under the Federal Election bill, the controlling factor would be the law, what the statute says; not what the Commission says the law is, but what is the law.

If a person wishes to go contrary to the Commission's statement of its concept of the law, if he wishes to take his chances that his view of the law is correct, then he would have a right to act contrary to what the Commission says the laws is. Then, in a proceeding against him, the Commission's rule or regulation or interpretation would not have the force of law in the proceedings against him.

What would have the force of law, then? The statute itself. Without this amendment, we are going to leave this important constitutional question still up in the air.

Why was it not decided, then, in the Buckley against Valeo case? Well, the appellate courts do not decide any question that they do not have to decide. They decided that the Commission was improperly set up and that it did not have any power in this area at all, so it was not necessary for it to decide the further constitutional question as to whether the Commission could make rules and regulations having the effect of law.

It was not necessary to decide that question, because they threw the Commission out, to all intents and purposes, other than carrying out ministerial acts that it could have carried on had it been appointed by Congress alone and without having any executive powers at all.

If we leave in here the power of the Commission to create prior restraint on expressions of first amendment rights—and the court has said that in an area of spending, this is an expression of free speech guaranteed by the first amendment—if we allow the Commission to be able to put the chilling effect on free expression under the first amendment, we shall have to go through this same process in years to come.

Mr. CRANSTON. Will the Senator yield for a question?

Mr. ALLEN. Yes, I shall be glad to yield.

Mr. CRANSTON. I ask the Senator if there is any existing Federal agency whose rules and regulations do not have the force and effect of law.

Mr. ALLEN. I believe the Senator misses the point, because this has to do with first amendment rights. Possibly other commissions or agencies might be able to promulgate rules that might have the force and effect of law, but that is merely the exercise of rights not guaranteed by the first amendment.

Mr. CRANSTON. I recognize the distinctions the Senator is seeking to make, but is the answer "no" to my question?

Mr. ALLEN. I did not understand the question.

Mr. CRANSTON. Is there any other agency that can pass regulations that do not have the force and effect of law?

Mr. ALLEN. I am not sure of that. I am sure there are other agencies that do not have the right to pass regulations that have the force and effect of law, but I would not feel that all agencies have that right. On the contrary, I think that most agencies do not have that right. Here we have involved first amendment rights.

I know the Senator is interested in protecting first amendment rights.

Mr. CRANSTON. I certainly am.

Mr. ALLEN. The Senator from Alabama is not going to violate the law if he can help it. He is not going to violate any regulations of the Commission. But if regulations of the Commission should be violated by someone and proceedings are brought against him, it is not proper, in the judgment of the Senator from Alabama, and it would be unconstitutional to have the regulations and rules of the Commission set up as having the force of law where they go beyond the statute. To require any thing other than regulations consonant with the law would be an invasion of first amendment rights, in the view of the Senator from Alabama.

Mr. CRANSTON. The Senator used phrase "where they go beyond the statute." Of course, if they went beyond the statute, they would not have the force and effect of law. We are talking about regulations that carry out the intent of the statute.

Mr. ALLEN. The Senator from Alabama is talking about a different situation. Here we have the power of restraint. Where we have a Commission that is empowered to set up rules and regulations, then they are going to exercise a prior restraint on someone who who interprets the statute differently. He would be afraid or hesitant to exercise rights which the statute gives him in the face of regulations by the Commission that, while they may go beyond the statute, would still have some force and effect under the present law in the proceedings against him. What this amendment would do is keep those rules and regulations from having the force and effect of law and we would rely on the statute itself.

Mr. CRANSTON. Does not the bill provide that Congress would review any opinions, rules, regulations issued by the Commission before they would have the effect of law?

Mr. ALLEN. Yes; and, I think, I might say, Mr. Clagett, in his testimony before the Subcommittee on Privileges and Elections, points out that Congress, having the right to veto the regulations of the Commission, does not save it from unconstitutionality because to do so would give Congress and the Commission the power to enact laws without the Executive having the right to participate in that lawmaking process, in other words, having the right of veto.

If you follow the reasoning of the Senator from California, the Commission could come up with any farfetched regulations and then if Congress fails to veto that, or one House of Congress, then the Senator from California would have that binding law without the Chief Executive having his constitutionally guaranteed right to review that legislation and veto the legislation if he saw fit.

So I think if the Senator is relying on the right of one House of Congress to veto regulations he is overlooking the requirement of the Constitution that the legislation by Congress has got to be presented to the President for his signature or his veto.

Mr. CRANSTON. Of course, the question is not whether it is legislation. It deals with regulations, rules, opinions that must be in keeping with the intent of legislation or obviously they would be overturned in the courts. Of course, there is always the opportunity to go to court if the executive branch or anyone else feels there should be a legal challenge.

Mr. ALLEN. Well, why not rely on the statute? Why must you interpose a bunch of regulations? Why must you rely on what the Commission says that the law is rather than relying on the statute itself? That is the purpose of it.

Mr. CRANSTON. The answer, I suppose, is that in a great many cases a law is passed which requires regulations to spell out exactly how you comply with that law.

Mr. ALLEN. Still, should not the law itself rather than what the Commission says the law is be the criterion?

Mr. CRANSTON. It would be.

Mr. ALLEN. The point though that the Senator from California does not appreciate, I believe, is the fact that if the Commission spreads a bunch of regulations on its books and they are not overturned by Congress then the average citizen would hesitate to follow his interpretation, his concept, of what the law is in the face of the chilling effect of the regulations adopted by the Commission. By allowing the Commission to do that it constitutes a prior restraint on freedom of expression by a person wishing to avail himself of his first amendment rights.

Mr. CRANSTON. It seems to me that we are following here the normal practice with any law. There would be a chilling effect on the citizen if there were no regulations giving guidance as to what the law meant when it was not entirely clear.

Mr. ALLEN. Well, the citizen has got a right, if he wishes, to act according to his interpretation of the statute. He has got a right or should have the right to so act, and that is all this amendment would give him. It would be the right to be subject to the statute and for the regulations not to have the binding force and effect of law.

Now, the constitutional question has been spelled out. If the Senate in its wisdom wants to turn the amendment down, and then face this issue on down the road, well, that is certainly all right with me. I have no pride of authorship in the amendment because I did not author it, but I do agree with Mr. Clagett's interpretation of the Constitution.

Let me read further from his testimony before the subcommittee:

> The Supreme Court has clearly recognized that any regulation of campaign expenditures and contributions operates in a critically sensitive area of constitutional concern. The Court left no doubt that such regulation inevitably encroaches on free speech and makes inevitable a balancing process between compelling governmental needs and first amendment freedoms. When activity by citizens in this most sensitive area is subjected to regulation, especially with criminal sanctions, the inhibiting effect on political expression is acute.
>
> Moreover, the election law is both highly complex and in many respects perhaps unavoidably vague—as was fully recognized in the Senate debate last fall on the Commission's office-account regulations.
>
> In the circumstances the power to interpret the law is largely the power to make new law. A commission with that kind of power has vast influence over the political process, not necessarily excluding the power to determine the results of particular elections.
>
> The existing Commission has used these powers with a vengeance. In many respects its pronouncements made new law—sometimes where the statute as enacted by the Congress was silent; sometimes in rather striking disregard of what the statute did say.

And he attaches as an appendix to his statement before the committee a list of just a few of the more conspicuous lawmaking pronouncements of the Commission issued in only 4 months of operation.

He states he does not mean to be too hard on the Commission. Given the exceptional complexity and vagueness of the statute, possibly no interpreting and enforcing agency could have avoided making itself subject to the same degree of criticism—

> It is highly inappropriate, and perhaps unconstitutional, for any agency in effect to make law in an area trenching so sharply on so basic a constitutional right as freedom of speech, and on a subject so crucial to our survival as a free democratic country as the electoral process itself. The fact is that, when either a candidate or an ordinary citizen is told by the Commission that certain political activity which he wishes to undertake would violate the law, he will in the overwhelming majority of cases refrain from engaging in that activity although he is convinced the Commission's interpretation is wrong. Even if he is otherwise disposed to litigate the issue, if he is well advised by counsel he will be aware (1) that a court probably will enforce a Commission rule as having the force of law, at least unless it flatly and unquestionably is contrary to the words of the statute, and (2) that a court will give great weight to any Commission pronouncement, because of alleged agency expertise, in deciding on the proper interpretation of the statute. He will thus be chilled from exercising what a court might well ultimately hold were his rights under both the Constitution and the statute. He will in effect be subjected to a prior restraint on the exercise of his first amendment rights.
>
> It may well be that this chilling effect or prior restraint resulting from Commission pronouncements would itself be held to violate the Constitution.[1] The Court had no occasion to decide that issue in *Buckley* v. *Valeo*, although, the plaintiffs raised it, because the Court held the Commission's powers unconstitutional on other grounds.

So if the Commission is recreated without any changes to address the problem that Mr. Clagett outlines, there will be still a heavy constitutional cloud over the statute and the Commission, and the removal of the cloud will necessarily await still further litigation.

He suggests that the proper solution is that a recreated Commission should not be given rulemaking power except, perhaps, with respect to the Federal subsidy provisions. If it is given enforcement responsibilities it should have the power to issue guidelines and advisory opinions, if those are necessary, so that citizens can get help in deciding what they can safely do.

This amendment would not undo or would not abrogate the force of advisory opinions in protecting those who seek the advisory opinion from the Commission.

The point is that if he would go against the advisory opinion, relying on his interpretation of the law, then that advisory opinion would not have the force and effect of law.

Now, there should be a provision to the effect that such pronouncements do not have the force of law and are valid only to the extent that they conform to the statutes, and that they may not be used to create any presumption of violation or criminal intent in an action against a candidate or other citizen who has chosen to disregard them, and are inadmissible in evidence against a citizen in such enactment.

Mr. President, I ask unanimous consent to have printed in the RECORD certain correspondence on this issue, together with Mr. Clagett's testimony before the Senate Subcommittee on Privileges and Elections.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

COVINGTON & BURLING,
Washington, D.C., March 11, 1976.

Hon. JAMES B. ALLEN,
Dirksen Senate Office Building,
Washington, D.C.

DEAR SENATOR ALLEN: The enclosed letter to Congresswoman Holt is self-explanatory. She called me on Tuesday to say that she had proposed the suggested amendment and that the House Administration Committee adopted it.

If you agree with the amendment, you might wish to propose its addition to the Senate bill.

Yours sincerely,

BRICE M. CLAGETT.

COVINGTON & BURLING,
Washington, D.C., March 1, 1976.

Hon. MARJORIE S. HOLT, M.C.,
Longworth House Office Building,
Washington, D.C.

DEAR CONGRESSWOMAN HOLT: In addition to being a constituent of yours, I was the senior lawyer for Senator Buckley, et al. in the Supreme Court case of *Buckley* v. *Valeo*, concerning the constitutionality of the election laws. I am writing to suggest an amendment to the bill which the Committee on Administration is now considering which would reconstitute the Federal Election Commission in a constitutional manner.

The problem is described at pp. 2–5 of my testimony (copy enclosed) of last month before the Senate Rules Committee. I also enclose the text of an amendment which would solve the problem.

Briefly, the problem is that without such an amendment the Commission's power to make rules, etc., creates a prior restraint on political expression. Citizens who disagree with the Commission about the meaning of the law will generally not dare to act on that disagreement, since the very fact that the Commission has spoken will prejudice their position in enforcement litigation. The Supreme Court has of course recognized that First Amendment rights are involved in political spending. With a statute as complex and vague as the campaign spending law, I think it is unconstitutional for an agency such as the Commission to have vast discretionary power over political expression. The Supreme Court found it unnecessary to decide that question since it invalidated the Commission's powers on other grounds. If the Commission is reconstituted without solving this problem, months—perhaps years—of further uncertainty and litigation will be necessary.

The solution is quite simple. I should think the enclosed amendment might well commend itself to you, Chairman Hays and the rest of the Committee.

I should be glad to discuss this matter with you or a member of your staff if you should wish.

Yours sincerely,

BRICE M. CLAGETT.

Enclosures.

TESTIMONY

"(e) In any proceeding, including any civil or criminal enforcement proceeding against any person charged with violating any provision of this title or of Title 18, no rule, regulation, guideline, advisory opinion, opinion of counsel or any other pronouncement by the Commission or any member, officer or employee thereof shall be used against any person, either as having the force of law, as creating any presumption of violation or of criminal intent, or as admissible in evidence against such person, or in any other manner whatsoever."

STATEMENT BY BRICE M. CLAGETT BEFORE THE SUBCOMMITTEE ON PRIVILEGES AND ELECTIONS OF THE SENATE RULES COMMITTEE, REGARDING S. 2911, 2912, AND 2918, FEBRUARY 18, 1976

Mr. Chairman, members of the Subcommittee: My name is Brice M. Clagett, and I as a member of the law firm of Covington & Burling, in Washington. I was one of the lawyers for the plaintiffs in the case of *Buckley* v. *Valeo*, some of the consequences of which you are considering today. I do not appear here as a representative of those plaintiffs or anyone else, but simply as a citizen who over the past year has had occasion to do a good deal of thinking about the election laws.

I am not here to take any position on whether the Federal Election Commission should be re-created on the basis of a constitutionally permissible method of appointment or whether, rather, its powers should be transferred to some other agency or agencies. I wish to make only two limited points with regard to S. 2911:

(1) If the Commission is re-created with its prior enforcement powers, it should not be given rule-making authority; it should be given power to issue guidelines and advisory opinions, but the status of those pronouncements should be qualified so as to protect the constitutional rights of citizens which the Supreme Court has recognized.

(2) If, contrary to my first point, a new Commission is given rule-making power, its rules should not be made subject to a legislative veto.

I.

The Supreme Court has clearly recognized that any regulation of campaign expenditures and contributions operates in a critically sensitive area of constitutional concern. The Court left no doubt that such regulation inevitably encroaches on free speech and makes inevitable a balancing process between compelling governmental needs and First Amendment freedoms. When activity by citizens in his most sensitive area is subjected to regulation, especially with criminal sanctions, the inhibiting effect on political expression is acute.

Moreover, the election law is both highly complex and in many respects, perhaps unavoidably, vague—as was fully recognized in the Senate debate last fall on the Commission's office-account regulations (121 Cong. Rec. S. 17873–89, daily ed., Oct. 8, 1975).

In these circumstances, the power to interpret the law is largely the power to make new law. A commission with that kind of power has vast influence over the political process, not necessarily excluding the power to determine the result of particular elections.

The existing Commission has used these powers with a vengeance. In many respects its pronouncements made new law—sometimes where the statute as enacted by the Congress was silent; sometimes in rather striking disregard of what the statute did say. Attached as an appendix to this statement is a list of just a few of the more conspicuous law-making pronouncements the Commission issued in only four months of operation.

I don't mean to be too hard on the Commission. Given the exceptional complexity and vagueness of the statute, possibly no interpreting and enforcing agency could have avoided making itself subject to the same criticism.

It is highly inappropriate, and perhaps unconstitutional, for any agency in effect to make law in an area trenching so sharply on so basic a constitutional right as freedom of speech, and on a subject so crucial to our survival as a free domestic country as the electoral process itself. The fact is that, when either a candidate or an ordinary citizen is told by the Commission that certain political activity which he wishes to undertake would violate the law, he will in the overwhelming majority of cases refrain from engaging in that activity although he is convinced the Commission's interpretation is wrong. Even if he is otherwise disposed to litigate the issue, if he is well advised by counsel he will be aware (1) that a court probably will enforce a Commission rule as having the force of law, at least unless it flatly and unquestionably is contrary to the words of the statute, and (2) that a court will give great weight to any Commission pronouncement, because of alleged agency expertise, in deciding on the proper interpretation of the statute. He will thus be chilled from exercising what a court might well ultimately hold were his rights under both the Constitution and the statute. He will in effect be subjected to a prior restraint on the exercise of his First Amendment rights.

It may well be that this chilling effect or prior restraint resulting from Commission pronouncements would itself be held to violate the Constitution.[1] The Court had no occasion to decide that issue in *Buckley* v. *Valeo*, although the plaintiffs raised it, because the Court held the Commission's powers unconstitutional on other grounds. So if the Commission is recreated without any changes to address the problem I have outlined, there will still be a heavy constitutional cloud over the statute and the Commission, and the removal of the cloud will necessarily await still further litigation.

I suggest that the proper solution is that a re-created Commission should not be given rule-making powers, except perhaps with respect to the federal-subsidy provisions. If it is given enforcement responsibilities, it should have the power to issue guidelines and advisory opinions—those are necessary so that citizens can get help in deciding what they can safely do—but there should be a provision to the effect that such pronouncements do not have the force of law, are valid only to the extent they conform to the statute, may not be used to create any presumption of violation or criminal intent in an action against a candidate or other citizen who has chosen to disregard them, and are inadmissible as evidence against the citizen in such an action.

The present statute has a provision (section 437f) that protects a citizen who acts in accordance with a Commission advisory opinion. That is a good provision and should be retained. What I suggest is a further provision to protect a citizen who, because he disagrees with a Commission pronouncement, chooses to act in disregard of it and finds himself the object of proceedings. Such a person of course must take his chances that a court will decide independently that his actions violated the statute. But he should not be made worse off, and in effect forced to bow to whatever restrictions the Commission chooses to place upon him, because of the danger that a court will be influenced by the position the Commission has taken.

Only by such a solution, I submit, can the Congress prevent the Commission from operating as it has, perhaps unavoidably, in the past: as a czar over the entire political process whose every view has the force of law for most practical purposes. Only thus can citizens be permitted their constitutional right to disagree with the Commission, to act on that disagreement, and to take their chances with the statute as the Congress wrote it and enacted it.

The 1974 Act did impose one very substantial restraint on the Commission: the power of either house of Congress to veto the Commission's regulations. I submit that, while the restraints I have suggested are appropriate if not necessary for constitutionality, the legislative veto is an inappropriate and very probably unconstitutional restraint, and should be excluded from any new legislation if the Commission is to be given rulemaking power at all.

The plaintiffs in the *Buckley* case challenged the legislative veto as an unconstitutional infringement of separation-of-powers principles. If Commission rules subject to the veto are regarded as legislative in nature, then the veto results in what is in effect legislation by Congress without the President's having his constitutionality required opportunity to participate in the legislative process. If, on the other hand, the rule-making function is executive—as the Court strongly suggested in its discussion of the method of appointing the commissioners—then the veto is an impermissible intrusion on executive authority. And the Act's provision for a veto by either House acting alone is even more questionable than the more usual device of a concurrent resolution. The Federalist, No. 51 (Madison), Cooke ed. 1961, p. 350.

The Court found it unnecessary to pass on the legislative-veto issue as such, since it held the Commission's rule-making power unconstitutional because of the appointment method. The Court's opinion contains a lengthy footnote (slip opinion page 134, n. 176) which carefully outlined the legislative-veto question and expressly left it open. In that footnote the Court cited two law review articles which argued that the legislative veto is unconstitutional.[2]

There are other strong intimations in the Court's opinion in *Buckley* that the legislative-veto provision of this statute will be held unconstitutional when the question comes before the Court. The Court recognized that the Commission, viewed as a legislative agency because of the appointment method, could properly exercise any powers which Congress could exercise directly or through one of its committees. But the Court squarely held that rule-making is not such a power. That being the case—it having been held that Congress cannot make campaign rules through the instrument of a legislative agency—I find it hard to see how the Court could avoid holding that direct participation by Congress in the rulemaking process through the legislative veto is likewise unconstitutional.[3]

The legislative veto is particularly inappropriate where, as here, it carries a sharp conflict of interest. Members of the Congress, of course, are candidates for office, and as such they are intimately affected by the Commission's regulations. If, as has been repeated endlessly, a primary purpose of campaign reform is to avoid even the appearance of impropriety, that end is hardly served by constant and detailed embroilment of the Congress in interpreting and fleshing out the campaign restrictions under which they—and their challengers—operate. Of course implementation of the campaign law contains a host of opportunities for tilt in favor of incumbents, and repeated congressional involvement will continually feed the suspicion that the Act is an incumbent's protection law. Far better to let the rulemaking process be carried on, under proper safeguards, by a genuinely independent and impartial agency rather than one under incumbent domination. I should think that the Congress would welcome the opportunity to avoid future public spectacles of the sort that occurred over the rejection of the office-account regulations last fall.

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[1] See, *e.g.*, Speiser v. Randall, 357 U.S. 513 (1958), where the Court held that tax-assessment procedures which shift the burden of proof to the taxpayers are not adequate where First Amendment issues are at stake. See also, *e.g.*, Bantam Books, Inc., v. Sullivan, 372 U.S. 58 (1963); Freedman v. Maryland, 380 U.S. 51 (1965); Southeastern Promotions, Ltd., v. Conrad, 43 L. Ed. 2d 448, 460 (1975); Saia v. New York, 334 U.S. 558 (1948); Keyishian v. Board of Regents 385 U.S. 589, 604 (1967); Lamont v. Postmaster General, 381 U.S. 301 (1965).

[2] Ginnane, "The Control of Federal Administration by Congressional Resolutions and Committees," 66 Harv. L. Rev. 569 (1953); Watson, "Congress Steps Out: A Look at Congressional Control of the Executive," 63 Calif. L. Rev. 983, 1081–82 (1975).

[3] The brief submitted by the Justice Department in *Buckley* for the Attorney General as appellee and for the United States as amicus curiae argued that the legislative veto could be justified only if the Commission was a legislative agency, which of course the Court has now held it cannot be (pp. 111–12). The brief correctly described the Watson law-review article, one of those cited by the Court in its opinion, as "the most recent and thorough study [which] concludes that [congressional control] devices are often an unconstitutional intrusion into executive authority" (p. 111, n. 70). Congressional power to veto regulations of executive or independent agencies is a device expressly found constitutionally "unacceptable" and "invalid" by Watson (*op. cit.* at 1082).

Finally, if the legislative veto is resurrected there will be ample room for an argument that, even if such veto provisions in other contexts may not be unconstitutional, its presence in this highly charged political context makes the Commission an arm of Congress, even absent congressional appointment of the commissioners, and thus constitutionally invalidates the rule-making power. It could also be argued that the resulting incumbent domination violates the constitutional rights of challengers.

I am personally persuaded that the legislative veto in the 1974 Act is unconstitutional and that the Supreme Court will, if necessary, so hold. To resurrect it in a new statute would leave the Commission and its rules under a constitutional cloud which only new litigation could—eventually—resolve.

Thank you.

Attachment.

ATTACHMENT

1. Interim guidelines to govern special New Hampshire election, 40 Fed. Reg. 40668 (Aug. 21, 1975).

2. Eligibility of contributions for matching grants under Subtitle H, FEC Notice 1975-40, 40 Fed. Reg. 41933 (Sept. 9, 1975).

3. Interim guidelines to govern special Tennessee election, 40 Fed. Reg. 43660 (Sept. 16, 1975).

4. Spending limit applicable to a candidate running for two Federal offices simultaneously, FEC Notice 1975-44, 40 Fed Reg. 42839 (Sept. 16, 1975).

5. Disclosure regulations, 40 Fed. Reg. 44698 (Sept. 29, 1975).

6. Office-account regulations, 121 Cong. Rec. S. 17873-89 (daily ed. Oct. 8, 1975).

7. Rule requiring candidates to file reports with the Commission, House Rep. No. 94-552, 94th Cong., 1st Sess. (Oct. 9, 1975).

8. Attorneys' or accountants' fees as expenditures, AO 1975-27, 40 Fed. Reg. 51351 (Nov. 4, 1975).

9. Delegates to national nominating conventions: rules on contributions and expenditures, AO 1975-12, 40 Fed. Reg. 55596 (Nov. 28, 1975).

10. Contribution to a candidate from members of his immediate family—overruled by the Supreme Court (slip op. 48, n. 59), AO 1975-65, 40 Fed. Reg 58393 (Dec. 16, 1975).

Mr. ALLEN. I yield the floor.

Mr. CANNON. Mr. President, I would like to discuss the questions which have been raised regarding the constitutionality of the congressional disapproval provisions of the Federal Election Campaign Act of 1971.

These congressional disapproval provisions are substantially similar to many other congressional veto provisions which have been enacted in recent years. I understand the Senator's argument because he contends that we do not invoke first amendment rights—that was as I understood it.

Despite the frequent use of congressional veto provisions, its constitutionality has never been directly tested in court.

The case of Buckley against Valeo presented perhaps the first opportunity for a Federal court to pass upon the constitutionality of such provisions. In Buckley, the constitutionality of the rulemaking provision contained in 2 U.S.C. 438(c), of which the congressional veto provision constituted a large part, was squarely before the Supreme Court by certified question from the court of appeals. The constitutionality of the two other congressional veto provisions contained in sections 9009 and 9039 of title 26 had not been challenged. Despite this opportunity, the Supreme Court in Buckley expressly declined to decide whether the congressional veto device contained in 2 U.S.C. 438(c) was unconstitutional. The Court stated in its per curiam opinion that "because of our holding that the manner of appointment of the members of the Commission precludes them from exercising the rulemaking powers in question, we have no occasion to address this separate challenge here." Buckley against Valeo, slip opinion at page 134, footnote 176.

Justice White, concurring in this part of the Court's holding, agreed that since the manner in which the Commission's members were appointed was unconstitutional, the rules and regulations issued by the Commission were invalid without regard to the congressional disapproval mechanism set out under section 438(c). Justice White, in strongly worded dicta, indicated, however, that if the members of the Commission had been constitutionally appointed, the congressional disapproval provisions of section 438(c) of title 2 would not violate the Constitution. Justice White stated:

> I am also of the view that the otherwise valid regulatory power of a properly created independent agency is not rendered constitutionally infirm, as violative of the President's veto power, by a statutory provision subjecting agency regulations to disapproval by either House of Congress. For a bill to become law, it must have passed both Houses and be signed by the President or passed over his veto. Also, every order, resolution, or vote to which the concurrence of the Senate and House of Representatives may be necessary . . . is likewise subject to the veto power. Under Section 438(c) the FEC's regulations are subject to disapproval; but for a regulation to become effective, neither House need approve it, pass it, or take any action at all with respect to it. The regulation becomes effective by nonaction. This no more invades the President's powers than does a regulation not required to be laid before Congress. Congressional influence over the substantive content of agency regulation may be enhanced, but I would not view the power of either House to disapprove as equivalent to legislation or to an order, resolution, or vote requiring the concurrence of both Houses.[35]
>
> In terms of the subatantive content of regulations and the degree of Congressional influence over agency lawmaking, I do not suggest that there is no difference between the situation where regulations are subject to disapproval by Congress and the situation where the agency need not run the congressional gantlet. But the President's veto power, which gives him an important role in the legislative process, was obviously not considered an inherently executive function. Nor was its principal aim to provide another check against poor legislation. The major purpose of the veto power appears to have been to shore up the Executive Branch and to provide it with some bargaining and survival power against what the Framers feared would be the overweening power of legislators. As Hamilton said, the veto power was to provide a defense against the legislative departments' intrusion on the rights and powers of other departments; without such power, "the legislative and executive powers might speedily come to be blended in the same hands."
>
> I would be much more concerned if Congress purported to usurp the functions of law enforcement, to control the outcome of particular adjudications, or to pre-empt the President's appointment power; but in the light of history and modern reality, the provision for congressional disapproval of agency regulations does not appear to transgress the constitutional design, at least where the President has agreed to legislation establishing the disapproval procedure or the legislation has been passed over his veto. It would be considerably different if Congress itself purported to adopt and propound regulations by the action of both Houses. But here no action of either House is required for the agency rule to go into effect and the veto power of the President does not appear to be implicated.

Justice White's concurring opinion is the strongest judicial declaration to date affirming the constitutionality of the congressional veto device.

Mr. President, I submit to my colleagues that Justice White's position is a persuasive one and I think it certainly should guide us somewhat in our discussions here.

With respect to Senator ALLEN's remarks about the chilling effect of prior restraint, I have no doubt but what this would create a chilling effect or a prior restraint on actions of an individual, and I think it was really intended that way.

I think what we were trying to get here were some guidelines upon which a candidate could rely without having to go to court and find out the nature of a declaratory judgment, or other type of relief, what the situation was intended to be.

So we did provide that advisory opinions could be issued by the FEC and that they could adopt regulations and if the Congress did not disapprove them, then they would have the effect of law.

This is similar to the situation at IRS. IRS adopts regulations all of the time, as do many other agencies of government, and they do have the force and effect of law, once they go through the prescribed process.

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[35] Surely the challengers to the provision for congressional disapproval do not mean to suggest that the FEC's regulations must become effective despite the disapproval of one House or the other. Disapproval nullifies the suggested regulation and prevents the occurrence of any change in the law. The regulation is void. Nothing remains on which the veto power could operate. It is as though a bill passed in one House and failed in another.

So I submit that what we are doing here is saying that the Commission has the right to do these things, and if a person then wants to be subjected to the chilling effect, that is his decision, or he can contest the matter in law, if he so desires. True, it would place a burden on him, as the Senator points out, but I submit that the regulations themselves ought to have the force and effect of law.

I must say, I do not feel as strongly about the advisory opinion situation, but the regulations themselves ought to have the force and effect of law because that is what we have said the legal effect is, once we do not override them, when they present them to the Congress.

Now, once a rule or regulation has come to Congress, and been prescribed by the Commission, then it should, in my judgment, have the force and effect of law.

Of course, it could be challenged later in a court proceeding on the ground it had exceeded the language intended in the statute. That is one of the things about it that the Senator does not like.

It appears to me that the amendment proposed by the distinguished Senator from Alabama would provide that such a rule and regulation would not have the force of law and is, thus, contrary to Congress intent in enacting the Federal Election Campaign Act.

We went further in this bill, S. 3065, than in the initial act we passed because we have said here that we wanted to restrict, perhaps, the Commission's actions somewhat. We said that every advisory opinion of general applicability then had to be proposed to the Congress in the nature of a regulation so that Congress could act on it, or fail to act on it, as it saw fit. But we did not require this, of course, with respect to the advisory opinion peculiar to a problem of a particular individual, a particular candidate, or a committee, or someone else. Only where they are of general applicability, did we provide the requirement that they have to come up here.

So I find some trouble with the Senator's amendment as it is proposed here.

I may say that I would find less trouble with it if he were to eliminate the regulation part of it, although I am not sure that I would support him even then.

I would like to suggest that the requirement of S. 3065, that advisory opinions of general applicability be promulgated as rules and regulations by the Commission, will certainly serve to limit what has heretofore been an extremely large number of Commission interpretations of the act which do not have the force and effect of law.

I do not believe that those advisory interpretations have the force or effect of the law.

As a result of this provision which is in section 107(b) of S. 3065 on pages 18 and 19 of the bill, the large majority of the Commission's future public interpretations of the Federal Election Campaign Act will be in the form of rules and regulations subject to congressional review and having the force and effect of law when they are finally prescribed.

For the above reasons, I would have to oppose this particular amendment.

Mr. ALLEN. I thank the distinguished chairman.

The Court did find it unnecessary to pass on the legislative veto issue, as such, since, as I have said, it held the Commission's rulemaking power unconstitutional because of the appointment method.

The Senator has cited the opinion of Mr. Justice Byron White, and it is a very fine opinion. I do not agree with everything that he said, and I do not necessarily draw the conclusion from it that the distinguished chairman has drawn.

The Court's opinion, not the concurring opinion but the Court's opinion, contains a lengthy footnote which carefully outlined the legislative veto question and expressly left it open. In that footnote, the Court cited two law review articles which argued that the legislative veto is unconstitutional.

I feel as much comfort can be drawn from that fact in the court's opinion citing two law review articles that held that the veto power was unconstitutional. I would draw as much comfort from that circumstance as the distinguished Senator has drawn from Mr. Justice White's concurring opinion.

Why did they put those law review articles in the footnote? Why did they refer to them if they did not expressly concur in the reasoning of those law review articles?

The other strong intimation in the Court's opinion in the Buckley case is that the legislative veto provision of this statute will be held unconstitutional when the question comes before the Court. The Court recognized that the Commission performed as a legislative agency because of the appointment method. That was the full gist of the case, that this is a legislative agency performing executive duty. That is the reason the Commission was thrown out. If it had just been called on to carry out legislative functions, it would not have been stricken down. But since it had to carry out executive functions, then the method of setting it up, four named by the Congress and two by the President, did make that unconstitutional.

So recognizing the Commission as a legislative agency, that the Commission could properly exercise any powers which Congress could exercise directly or through one of its committees, the Court squarely held that rulemaking is not such a power. The making of rules is not a congressional power that this Commission could exercise.

That being the case, it held that Congress cannot make campaign rules through the instrument of a legislative agency.

I find it hard to see how the Court could avoid holding that direct participation by the Congress in a rulemaking process through the legislative veto is likewise unconstitutional.

Let us analyze that again. The Commission, being a congressional agency, could not make rules. So if the Congress could not make rules, then the Commission making rules and having them approved and not stricken down by the Congress would also be something that they could not do.

Since, under the Supreme Court ruling, the Congress cannot make rules as to how campaigns shall be conducted, the Commission cannot do that through the instrument of a legislative agency.

If the Commission should come up with a rule that went beyond the statute as seen by everyone, and then Congress refuses to veto that rule, the chairman would have that rule have the force and effect of law. That is where I disagree. It should not have the force and effect of law.

In a proceeding against some person, not necessarily a candidate but against some person, who has disagreed with the Commission and felt that the law made some other provision, that person should have the right to act as his reasoning and his understanding dictated with regard to what the law is, and he should not be met with a regulation having the force and effect of law.

What the amendment would do would be to make the law control, make the statute enacted by Congress be the criterion or the guideline, and not have to face a ruling or a regulation of the Commission.

Every act of Congress has to be submitted to the President for his approval or disapproval by veto. But in the broad area of the campaign law if it is permitted, as would be permitted without this amendment, for the commission to go beyond the statute and then have Congress, in effect, endorse that action by not itself vetoing that provision or that regulation, we would have the Congress and this agency having the right to make law because it is not provided that it would be submitted to the President for his approval or disapproval.

Under this amendment, under any proceeding, civil or criminal, against a person for violating the provisions of a law, what would control would be the law itself, not some interpretation placed on the law by a nonjudicial body. All it would provide is that the law will control, not the Commission's interpretation of the law.

If that is not the rule, if these regulations are given the force and effect of law, what would they charge a man with? Would they charge him with violating the law, or violating a rule or regulation of the Commission? And is that violating the law, or is it violating a rule or regulation of the Commission? What are you going to charge the man with?

What ought to be charged is that he violated the law. Now, on the first amendment right of free expression, free speech, if the Commission has promulgated rules and regulations either stating how they interpret the law or making new law, John Q. Citizen would certainly feel that the cards were stacked against him if he, not agreeing with that interpretation but relying on the express wording of the statute, proceeds according to his interpretation of the statute and then, when he is hauled into court, he is confronted not with the law itself, not with the statute, but he is confronted, as having the force and effect of law, with some rule or regulation that the Commission has dreamed up that may go beyond the law.

So all this amendment would do, Mr. President, is have the law, the statute, control a person's actions, and not have government by commission and commission rule and regulation.

There is an important constitutional question involved which could be solved by adopting this amendment. And I am not relying merely on my judgment, because I have not made a sufficient study, but the leading attorney in the case of the plaintiffs who carried this case to the Supreme Court, the case of Buckley against Valeo, has suggested this amendment, and I have submitted for the record his testimony before the subcommittee of the Committee on Rules and Administration on Privileges and Elections.

I believe by adopting the amendment we can preclude the possibility of another constitutional crisis requiring Congress to act again in this area. But it will certainly go to the Supreme Court, and if we are allowing the Commission to make law to exercise prior restraint on a citizen's first amendment rights of freedom of expression and freedom of speech, then we will just have to face it.

We were assured that all of these limitations that the election law provided did not violate constitutional provisions, but here we are, working on this problem. I suggest that the way to prevent that at this particular point would be to adopt this amendment.

The PRESIDING OFFICER (Mr. LAXALT). The Senator from Iowa is recognized.

Mr. CLARK. Mr. President, the Senator from Alabama certainly makes an interesting point in terms of first amendment principles that may be considered to be involved. But I think the effect of the amendment, if it were to be adopted, would be to so weaken the commission that it would not have the enforcement powers that certainly a majority of the Members of Congress intended for it when the legislation was originally passed. Or, to put it more bluntly, if we adopt this amendment we will be saying that the Commission's rules and regulations, and their advisory opinions, have no standing in law, that they can be violated by anyone without fear of penalty. That is the way I interpret the amendment.

Rules and regulations are written by the Federal Election Commission to provide a practical explanation of campaign law. We have to have rules and regulations to implement the law. Furthermore, these rules and regulations, along with the advisory opinions that are of general applicability, must be submitted to Congress, where they can be vetoed by either House. That is a requirement of the law. There are, therefore, very adequate checks on the content of those rules and regulations, to make sure that this body and the House of Representatives agree that they are consistent with the law as we intended.

However, the Allen amendment would render those rules and regulations essentially meaningless. This would represent an unprecedented restriction on the rulemaking authority of the executive branch, and would open, I think, many serious problems. Such a restriction would be entirely new in government as far as I know. No such restriction exists on any other independent agency, whether it may or may not have some effect on first amendment principles.

Specifically with respect to advisory opinions, I think the Senate knows well that there is a provision in S. 3065 which states that if a person is in compliance with an advisory opinion rendered by the Commission on his or her request, that person is presumed to be innocent of any violation of the act.

Mr. ALLEN. This would not disturb that situation.

Mr. CLARK. Well, I know it would not disturb the provision, but are we now to say also that a person is to be presumed innocent if he is in violation of such an advisory opinion? Clearly that would be the effect of the Senator's amendment.

If you ask for an advisory opinion and get one—let us suppose that any one of us, as a candidate, goes to the Commission, and we say we want an advisory opinion on this, and we receive one, and then violate it; we say, "We have an advisory opinion, but we are not going to live by that." That has no standing in law as evidence of wrongdoing, if this amendment is adopted.

Let me try to summarize very briefly what I am saying. First of all, it is a basic rule of law that a rule issued by any agency acting consistent with statutory law has the force of law. If we undermine that principle of law, and say that rules and regulations have no standing, that they do not have the force of law, then certainly we could not continue to operate this Government.

Second, that rule is especially applicable here, because a rule issued by the Commission would become effective only if Congress does not veto it. Thus the possibility of rules that are not consistent with congressional intent is not even present. If a rule is not consistent with congressional intent, then we have the power to veto it; so clearly it is the congressional intent to allow that regulation to stand if we do not act.

Third, I believe the pending amendment would permit a person to violate with impunity an advisory opinion that that person sought. That is why I think the advisory opinion is also an essential part of the matter.

So, Mr. President, we ought to reject this amendment, and I say again, if we do adopt this amendment, we will be saying that the Election Commission rules and regulations and advisory opinions have no standing in law, cannot even be introduced in evidence, and that they can be violated with impunity and without fear of penalty. That would simply undermine the whole concept of enforcement under the Election Commission that we have created.

Mr. ALLEN. Mr. President, the distinguished Senator from Iowa has said that the effect of the amendment would be to undermine the Commission's rules and regulations and that they could be violated with impunity.

I think the distinguished Senator has overstepped the real meaning of the amendment. Certainly, it would not allow anyone to violate the rules and regulations of the Commission with impunity as long as they violated the law itself.

He spoke of the right to get an advisory opinion and then go against that opinion if the person so desired. There is nothing strange about that, because a person might request an advisory opinion, being sure in his own mind of what the statute provides, and then, if the advisory opinion should be such that it was not in line with his thinking, he would have a right to go according to his interpretation of the law. If he were right in his interpretation of the law, then he could not be successfully prosecuted. But if the Commission were right in its interpretation of the law, then he could be successfully prosecuted.

But the mere fact that the Commission has said, "Now we interpret this law to mean thus and so," under the present law and under the bill, that ruling or that regulation would have the force and effect of law in a proceeding against the person. But under the amendment, the ruling or regulation of the Commission would not have the force and effect of law. The law itself would be all that would have the force and effect of law.

So if the law is violated, one would not need the Commission to say that the law has been violated. The court would reach that decision and make that interpretation, without having to lean on the interpretation of a nonjudicial body, a body under the complete control or under a great control of Congress and under complete control of Congress as to any regulations or rules that it might adopt.

The present statute does have this provision allowing a person to obtain an advisory opinion, and it protects that citizen through acts in accordance with the Commission's advisory opinion. This amendment does not have any effect on that. A person would be protected in following the advisory opinion.

This is a good provision and should be retained. What I am suggesting is a further provision to protect a citizen who disagrees with a Commission pronouncement. Surely any citizen has a right to disagree with the Commission. I am suggesting a further provision to protect a citizen who, because he disagrees with the Commission pronouncement, chooses to act in disregard of it and finds himself the object of proceedings. Such a person, of course, must take his chances that a court will decide independently that his actions violated the statute. So if he is wrong in his interpretation, he is going to be convicted.

But he should not be made worse off and, in effect, forced to bow to whatever restrictions the Commission chooses to place upon him because of the danger that a court will be influenced by the position the Commission has taken.

So, as long as the people agree with the Commission's interpretation, these rules and regulations will have considerable effect, and they will have an adverse effect, too, by resulting in or causing an inhibition against the exercise of first amendment rights of freedom of expression, or freedom of speech, in many areas of activity.

Only by such a solution can Congress prevent the Commission from operating as it has, perhaps unavoidably in the past, and that is as a czar over the entire political process whose every view has the force of law for most practical purposes.

Only thus can citizens be permitted their constitutional right to disagree with the Commission, to act on that disagreement, and to take their chances with the statute as Congress wrote it and enacted it.

The 1974 act did impose one very substantial restraint on the Commission; that is, the power of either House of Congress to veto the Commission's regulations. While the restraints I have suggested are appropriate, it is not necessary for constitutionality. The legislative veto is an inappropriate and very probably unconstitutional restraint and should be excluded from any new legislation, if the Commission is to be given rulemaking power at all.

Mr. President, I call for the yeas and nays on my amendment.

The PRESIDING OFFICER. Is there a sufficient second? There is not a sufficient second.

Mr. ALLEN. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. CANNON. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. CANNON. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Alabama. On this question the yeas and nays have been ordered, and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Idaho (Mr. Church), the Senator from New Hampshire (Mr. Durkin), the Senator from Indiana (Mr. Hartke), the Senator from South Carolina (Mr. Hollings), the Senator from Washington (Mr. Jackson), the Senator from South Dakota (Mr. McGovern), the Senator from Utah (Mr. Moss), and the Senator from Rhode Island (Mr. Pastore) are necessarily absent.

I further announce that, if present and voting, the Senate from Rhode Island (Mr. Pastore) and the Senator from Washington (Mr. Jackson) would each vote "nay."

Mr. GRIFFIN. I announce that the Senator from New York (Mr. Buckley), the Senator from Maryland (Mr. Mathias), and the Senator from North Dakota (Mr. Young) are necessarily absent.

I further announce that the Senator from Vermont (Mr. Stafford) is absent due to illness.

The result was announced—yeas 23, nays 65, as follows:

[Rollcall Vote No. 73 Leg.]

YEAS—23

Allen
Bellmon
Byrd,
  Harry F., Jr.
Curtis
Eastland
Fannin
Garn
Goldwater
Hansen
Hatfield
Helms
Hruska
Huddleston
Laxalt
Long
McClellan
McClure
Scott,
  William L.
Sparkman
Stennis
Talmadge
Thurmond
Tower

NAYS—65

Abourezk
Baker
Bartlett
Bayh
Beall
Bentsen
Biden
Brock
Brooke
Bumpers
Burdick
Byrd, Robert C.
Cannon
Case
Chiles
Clark
Cranston
Culver
Dole
Domenici
Eagleton
Fong
Ford
Glenn
Gravel
Griffin
Hart, Gary
Hart, Philip A.
Haskell
Hathaway
Humphrey
Inouye
Javits
Johnston
Kennedy
Leahy
Magnuson
Mansfield
McGee
McIntyre
Metcalf
Mondale
Montoya
Morgan
Muskie
Nelson
Nunn
Packwood
Pearson
Pell
Percy
Proxmire
Randolph
Ribicoff
Roth
Schweiker
Scott, Hugh
Stevens
Stevenson
Stone
Symington
Taft
Tunney
Weicker
Williams

NOT VOTING—12

Buckley
Church
Durkin
Hartke
Hollings
Jackson
Mathias
McGovern
Moss
Pastore
Stafford
Young

So Mr. Allen's amendment was rejected.

Mr. CANNON. Mr. President, I move to reconsider the vote by which the amendment was rejected.

Mr. GRIFFIN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. BUMPERS. Mr. President, if the Senator will yield, I ask unanimous consent that Richard Arnold, one of my staff, be given the privileges of the floor during the debate on this legislation.

The PRESIDING OFFICER (Mr. Tower). Without objection, it is so ordered.

AMENDMENT NO. 1437, AS MODIFIED

Mr. WEICKER. Mr. President, I call up my amendment No. 1437, as modified.

The PRESIDING OFFICER. The clerk will state the amendment.

The assistant legislative clerk read as follows:

The Senator from Connecticut (Mr. Weicker) proposes an amendment No. 1437, as modified.

The amendment, as modified, is as follows:

On page 51, after line 16, insert the following:

TERMINATION OF PUBLIC FINANCING

Sec. 307. (a) Subtitle H of the Internal Revenue Code of 1954 (relating to financing of Presidential election campaigns) is repealed.

(b) (1) Part VIII of subchapter A of chapter 61 of such Code (relating to designation of income tax payments to Presidential election campaign fund) is repealed.

(2) The table of parts for such subchapter is amended by striking out the item relating to part VIII.

(c) (1) The repeal made by subsection (a) takes effect on January 1, 1979, except that such repeal shall not affect the authority of the Federal Election Commission or of the Secretary of the Treasury to require repayments from candidates under section 9007 (b) of the Internal Revenue Code of 1954 (relating to repayments).

(2) The repeal and amendment made by subsection (b) apply to taxable years beginning after December 31, 1978.

(d) The repeal and amendments made by subsections (a) and (b) shall take effect unless, before January 1, 1979, the Congress by law determines that the repeals and amendments made by this section shall not take effect.

Mr. WEICKER. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. WEICKER. Mr. President, this amendment would repeal those sections of the law which created the tax checkoff system and the public financing of Presidential campaigns. It would not—and I underline "not"—affect the Presidential campaign of 1976. The amendment calls for the repeal of the tax checkoff system after taxable years 1978, and the termination of public financing effective January 1, 1979 unless the 95th Congress reexamines and reenacts the public financing concept.

The PRESIDING OFFICER. Will the Senator suspend.

Let us have order in the Chamber, please, the Senator is entitled to be heard.

Mr. WEICKER. I yield to the distinguished Senator from Wisconsin.

Mr. NELSON. Mr. President, I ask unanimous consent that Ira Shapiro of my staff be granted privilege of the floor during the debate and votes on the pending legislation.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. WEICKER. Mr. President, several of my colleagues have suggested a new approach in determining whether individual Federal programs are effectively spending the taxpayers' dollars.

Through a zero-base review procedure—what is also known as zero budget—each program on a regular basis, would require a new authorization by the Congress. Their budget would be zero and the Congress would have to justify each dollar expended for a particular project.

In essence, the modified amendment I offer today would require the Congress to go through a similar procedure with respect to public financing for political campaigns.

My amendment would terminate public financing of Presidential campaigns as of January 1, 1979, unless Congress acts prior to that date to extend this program.

Thus, after witnessing the implementation of this act in 1976, the 95th Congress would be forced to evaluate public financing of Presidential campaigns.

After hearing a wide spectrum of viewpoints and reviewing the facts, Congress would determine whether public financing was a wise expenditure of public funds; indeed, whether or not it is a wise policy; whether it met the campaign reform objectives, and whether it is in the public interest to continue this program.

Such a scrutiny is healthy. Too many programs are placed on an automatic pilot and are free from congressional review. This Senator has serious reservations about public financing. Many of our colleagues think the system should be fundamentally altered. My amendment will insure a forum for debate. After taxpayers pay for the ride in the 1976 elections, Congress will determine whether it is worth the trip.

Let me give an example as to the type of debate I think should take place in this area.

I understand the motivation behind public financing. It was deemed a reform measure to reduce the role of money in the American political process, and to diminish the amount of money spent in the course of an election. But I suggest that, in effect, all we did when we enacted public financing was to accept the problem and merely find a way to finance it.

What am I talking about here? I am specifically saying that the reason why so much money is expended is the length of our political campaigns.

Why then did we not attack the basic problem, reduce the time? Because, indeed, if we had done that, we would have reduced the funds to be expended. Instead, we accept the inordinately long length of campaign time.

Believe me, unless the funds are coming from some source other than individuals, it does demand a sort of financing scheme.

This is the type of debate that should be taking place and, if my amendment is adopted, will take place after we have had an experience with public financing.

I want to see this legislation passed—I want to make that point clear. I do not want to interrupt the system as it applies to the 1976 campaign. I think it would be a big mistake for the U.S. Senate or the Congress or anyone else to delay S. 3065 so that we would have only gone half way with this public financing system during the course of the 1976 Presidential election campaign.

Let it run all the way and see how it looks. I am all for that. But I am also calling for a review before we automatically renew our license to dip into the U.S. Treasury.

From the start, I have believed that public financing was a mistake. This proposal reflects my long-held belief that public financing of Presidential campaigns rather than being a reform is a dangerous step toward decontrol of the Federal Government, and decontrol in the sense of the control exercised over us by the sovereign people of the United States.

With the best of intentions, the Congress enacted campaign reform legislation calling for direct Federal subsidies to Presidential candidates. However, that accommodates rather than eliminates the problem. The problem is long time translating into big money. Public financing only pays the blackmail imposed by that sin.

Matching funds have kept floundering Presidential campaigns afloat beyond their time. They have allowed one issue candidates and those with only a marginal chance of success to overspend their budgets, knowing a taxpayer bonanza waited in the wings. Mr. President, allowing the Federal Government to bankroll everybody who wants to be President is a subsidy that can only sap the vitality of a free society whose excellence depends on the survival of the fittest ideas.

One measure of a candidate is his or her ability to generate contributions for public office. Candidates should sell their ideas to win, not just be a warm body and rely on the Federal dole. Worse, public financing gives Congress control of the campaign war chests of Presidential challengers. The Campaign Reform Act was drafted in 1974, with the Congress and White House controlled by different parties. Under these circumstances, each candidate of a major political party would receive $20 million in a general election. Were the Nation to elect a President with a large majority of his own party in the Congress, who can say that the formula for allocating funds would remain the same? And what of enforcement? Once we hand the Congress the political purse strings, the people will no longer have the final say. Instead, politicians will be monitoring politicians. And that is not a healthy situation.

Mr. President, the dangers of public financing were recognized by the majority of the Watergate Committee when they opposed enactment of that decision. In a brief filed by the appellants for the Supreme Court, in the case James L. Buckley against Francis R. Valeo, these dangers were clearly described:

> Grave dangers to the future of democratic government result from direct payments to parties and candidates. Democracy depends largely on free political competition and the freedom to form, join or leave political organizations. Once a party becomes officially sponsored by the government or government begins to determine the allocation of political resources, that freedom is endangered.

The experience to date with the tax checkoff to finance Presidential campaign funds indicates little interest and enthusiasm among the people. Only 10 percent of the taxpayers chose to direct the $1 of their taxes owed for 1972 to the campaign fund. The total amount designated for 1972 was $12.9 million. For the taxable year 1973, approximately 14 percent of the taxpayers exercised this option, accounting for $17.3 million. Approximately 20 percent of the taxpayers submitting returns for 1974 funneled moneys into the Presidential campaign fund. The total amount for that year was $31.9 million. As of February 25, 1976, approximately $6.1 million has been accumulated. The total funds received since 1971 is approximately $68 million.

With 80 percent of the American people saying no to checkoffs, it is time the Congress reexamined the policy of paying checks out to Presidential candidates.

I understand that there are those who would want to extend the Federal financing principle to senatorial and congressional campaigns. Then how long will it be before nondesignated general funds are used when indeed the pot becomes too small for the numbers desiring to run or participate?

I confess that with today's myriad of unresolved needs, I find financing political campaigns rather far down on my priority list. If we have become so devoid of initiative, ideas, and courage that the American people are walking away from today's politicians, then it is time to get out, rather than to monetarily assure a continued presence. If we want to reduce the role of money in politics, reduce the time of politicking. In so doing we will preserve the rights of Americans, while getting better men and women to serve.

Mr. President, I have heard comment that in fact these are not general funds, that these are designated by various taxpayers.

Well, now, let us examine that just for a minute. I do not have the right, neither does any American taxpayer, to designate that a certain amount of my tax shall go to HUD, or that a certain amount of my tax shall go to Defense. So, in effect, we are giving a special privilege here. It is money that does come out of the general fund. It is money not going into the general fund but, rather, into the business of politics and financing of campaigns.

I think, and this is all the amendment is stating, that if we are going to take this step, both in the sense of its effectiveness in reducing the ills of our political system and in the sense of what it does to the basic rights of Americans, this is something we should tred into with a light step. It makes eminent sense to examine our experience, as we will the experience of the election of 1976, before we impose such a system forever on the American people. It would be very hypocritical, indeed, for this Congress to demand a zero budget-type base for all the other agencies and programs of Government if we are not willing to do it to ourselves.

I hope the American people understand what is at issue here. I have always thoroughly objected to this public financing being labeled as Watergate reform. It was no such thing. It has no relationship to the facts of Executive abuse, no relationship whatsoever. Indeed, what we have done with this type of reform is to put more power into the hands of the Executive; more power into the hands of the Congress.

One thing the American people still have to themselves is their vote, their support, their contributions. This is their one check on the Government, and it is one that I feel they should preserve. But certainly, since the Congress, the representatives of the people, deemed it advisable to give a new system a chance, let us try it out, but then let us put an affirmative responsibility on our shoulders to justify its continued existence.

I would hope, Mr. President, that the Senate would rise to support this measure because, in effect, it means that we are not afraid to challenge ourselves; that we can stand up to the arguments of logic, that which tests our ability, tests the record of our performance, and that we are just not here because the law says we are here, but, rather, that we are here on the basis of our abilities.

This is, to me, very important in the total concept of this democracy.

I repeat to my colleagues it in no way interferes with the present Presidential campaign, but as far as the continuation of this public financing system it does demand that the facts and the experience justify its continuation.

The **PRESIDING OFFICER**. The Senator from Nevada.

Mr. **CANNON**. Mr. President, we have gone up the hill and down the hill on this particular issue. I submit the Senator has made his position clear. I think his position was clear before, that he is opposed to public financing. What he is doing here is going through the legislative process in reverse. He is saying if his amendment is passed, that the public financing provision would be repealed unless Congress, before a certain date, takes action to say that it is not repealed.

If he wants to repeal it, all he would have to do is propose legislation next year that would repeal the public financing provision, have hearings on it and make that determination, instead of doing it in the reverse of the legislative process.

We argued this matter very thoroughly before, as to whether we ought to have financing of Presidential races. There are many people who feel we ought to go far beyond that. I sat through weeks of hearings, of floor consideration, and consideration in the conference committee on this issue. I hope we will not go back and start it all over again, Mr. President.

I am ready to have a vote on this issue up or down.

Mr. **WEICKER**. The purpose of the amendment is to impose upon us the obligation of review. In the sense that this affects politicians, clearly, I think, there is an added burden placed on each Senator to justify the expenditure of these moneys. We have devised something for our own benefit. This is money that would be available for other programs, except that we have allowed it to be available to ourselves.

We ask everybody to justify their actions and their programs. It seems to me what is sauce for the goose is sauce for the gander. It is incumbent upon us to justify our expenditure of public moneys in campaigning. Nobody is going to deny the fact that money has played too great a role in American politics. But understand this: We are not reducing the role of money in American politics with this legislation. We are just going ahead and slapping the bill on all the taxpayers. The money does not change at all. The concept of money does not change. This is the time to debate reform.

I have accepted the judgment as it came to pass in the form of this legislation, but I want to make sure that we are going to have another debate 4 years from now and, after that election as well, debate how we can improve this system.

As I indicated in my opening comments, we all realize where the basic fault lies. There is no way one can run a 2-year campaign in this country and not incur substantial sums of money. In the case of U.S. Senator most campaigns last a year and a half, and involve substantial sums of money. In the case of a Representative, it is 1 year. But there has been no attempt to address that aspect of the problem.

Maybe the suggestion I made the other day is not perfect, but at least it tries to reach the real problem, not just accept it and finance it.

I made the statement that I thought in this country what we should do is have the candidates file the first Tuesday in September, let there be direct primaries the first Tuesday in October, and then let the general election take place the first Tuesday in November, letting the whole process consume 60 days. Believe me, then we will reduce the role of money in campaigns and we will also, I think, achieve a very affirmative result: No. 1, I think most people's attention span is quite good, if we are talking 60 days. I think in 2 years it sort of wavers a little thin.

There is no question in my mind that in this way ideas will be at a premium and they will count. By the same token, obviously, the funds expended will nosedive. But what we in effect have done—and I admit this is an argument to be made several years from now if my amendment takes hold—is just to go ahead and accept a bad situation and figure out not how we are going to pay for it, but how the American taxpayers are going to pay for it.

Mr. **WILLIAM L. SCOTT**. Will the Senator yield?

Mr. **WEICKER**. I yield to the Senator from Virginia.

Mr. **WILLIAM L. SCOTT**. Mr. President, my position was similar to that of the distinguished Senator from Connecticut when this measure originally passed. I feel a little stronger on it now, and I wonder if the American people do not feel a little stronger also, having read in the newspapers about the millions of dollars of taxpayers' money that is being spent in public financing, and as we have read from time to time what each candidate receives by way of matching funds.

I would submit that if we had a referendum on this subject, the position of the distinguished Senator would prevail among the American people. I believe the proposal for public financing is less popular after we have seen these tables, and see how the taxpayers' money is being spent.

So I commend the distinguished Senator for bringing this matter up. I hope we will have a vote rather soon, though. I doubt that many Senators are going to change their minds on this matter.

Mr. **WEICKER**. I agree with the distinguished Senator. Along the lines he has mentioned, it must be appalling to people to see candidates use words of art, as they drop out of the race, so they will not lose any money to pay their bills.

It used to be that you were either in or out of a race. Now you suspend; you are not either in or out, you suspend—a very serviceable word—to keep the money coming in.

They raise that initial money, cross that threshold, and then frankly they are in; just stay alive. In other words, be a warm body and the money keeps coming in.

This is not a reform. It is a nice cushion for all of us and our colleagues, but believe me, I think the American people are paying a fearful price in the sense of being an effective check on their own Government.

I am willing to continue this for this year, but it seems to me we have an affirmative obligation before the next election to check and see what we have done, and then reconsider the problem.

Mr. President, unless there are further comments, I am perfectly agreeable to going to a vote. I believe the yeas and nays have been ordered.

Mr. **MANSFIELD**. Mr. President, I am prepared to yield back the time of the distinguished Senator from Nevada.

EXECUTIVE SESSION

Mr. **MANSFIELD**. Mr. President, I ask unanimous consent that the Senate go into executive session to consider a nomination at the desk, reported earlier in the day by the Committee on Banking, Housing, and Urban Affairs, which has been cleared all around.

The **PRESIDING OFFICER**. Without objection, it is so ordered. The nomination will be stated.

FEDERAL DEPOSIT INSURANCE CORPORATION

The second assistant legislative clerk read the nomination of Robert E. Barnett, of the District of Columbia, to be a member of the Board of Directors of the Federal Deposit Insurance Corporation.

The **PRESIDING OFFICER**. Without objection, the nomination is confirmed.

Mr. **MANSFIELD**. Mr. President, I ask unanimous consent that the President be immediately notified of the confirmation of this nomination.

The **PRESIDING OFFICER**. Without objection, it is so ordered.

LEGISLATIVE SESSION

Mr. **MANSFIELD**. I move that the Senate return to legislative session.

The motion was agreed to.

FEDERAL ELECTION CAMPAIGN ACT AMENDMENTS OF 1976

The Senate continued with the consideration of the bill (S. 3065) to amend the Federal Election Campaign Act of 1971 to provide for its administration by a Federal Election Commission appointed in accordance with the requirements of the Constitution, and for other purposes.

Mr. **FANNIN**. Mr. President, I am

pleased to cosponsor the amendment to S. 3065 offered by Senator Weicker to eliminate the tax checkoff and public financing provisions from the current Federal campaign law. I am in complete agreement with the Senator from Connecticut that Federal subsidies of Presidential campaigns has done nothing but "subsidize mediocrity at taxpapers' expense."

In my opinion, public financing of elections was never a good idea. I voted against the 1974 amendments to the Federal Election Campaign Act approved by Congress because I was convinced then that, instead of reforming our electoral system, those amendments would only weaken the system by encouraging ambitious but weak political aspirants to seek public office at the taxpayers' expense. To my regret, my worst fears have been realized.

Campaign "reform" legislation has proved a total flop. By providing Federal matching funds what we are really doing is putting up millions of dollars of taxpayer money—and I do not care whether there is a so-called voluntary checkoff or not—so that politicians who want to take the greatest of all ego trips can indulge at no expense to themselves. We now have the phenomenon of single-issue candidates getting into an important Presidential race, drawing hundreds of thousands of dollars in Government subsidies, to help plug their cause without any hope or chance of winning the nomination or the election.

Mr. President, yesterday's Arizona Republic carried an editorial which accurately reflects what has come about as a result of Federal campaign subsidies legislated by the Congress. I ask unanimous consent that the full text of this editorial be printed in the Record.

There being no objection, the editorial was ordered to be printed in the Record, as follows:

Ego Trip Subsidies

The little box on the federal income tax reporting form (1040) allowing a $1 deduction for presidential hopefuls obviously has become a boondoogle for political egos.

As of last week, the Federal Election Commission reported it has paid out $10,664,278 to 14 candidates hoping to be President.

Included were five who now either have announced they've dropped out, or are doing so badly that they've all but stopped campaigning.

These five collectively have been handed some $2 million in taxpayers' contributions to pursue their short-lived and predictably futile ego trips.

Pennsylvania Gov. Milton Shapp's oversized ambitions were subsidized with $283,749; former North Carolina Gov. Terry Sanford's quizotic adventure cost taxpayers $246,388; populist Fred (Tax The Super Rich) Harris wangled $409,363 from the till; millionaire Texas Sen. Lloyd Bentsen's dead-in-the-water presidential tryout cost $611,022; and Indiana Sen. Birch Bayh took a $450,034 slice.

Others will fold, and with their campaign collapse will go the funds supplied by compliant taxpayers.

What all this means is that the taxpayer has been sucked in to provide subsidies and political dole for oversized egos who knew perfectly well their chances ranged from zero to impossible, but cashed in on taxpayer generosity to spread their faces in media campaigns.

For taxpayers who yet have not checked off the little box on their Form 1040, there still is time to say no.

Mr. FANNIN. Mr. President, the only solution is for the Congress to admit its mistake and to repeal the tax check-off provision and end public financing as soon as possible. Accordingly, I urge my colleagues to vote for the Weicker amendment.

Of course, no matter how much we amend this bill, there is very little that can be done to improve the many bad provisions of S. 3065. This proposed legislation will severely weaken the Federal Election Commission as an effective independent enforcement agency. The bill strongly favors incumbent office holders by allowing them a veto over FEC opinions they dislike, a powerful option not available to their challengers. S. 3065 would also greatly weaken the two-party system, in my opinion. It contains a number of loopholes which will work to the advantage of special interest groups, labor unions and incumbent candidates, while discriminating against businessmen and private individuals.

S. 3065 is a mish-mash of ill-conceived proposals to change current campaign financing laws which, in my view, will seriously abridge the rights of ordinary Americans to contribute to and engage in the political process of our Nation.

I am extremely disappointed that the House and Senate Rules Committees held only brief hearings on S. 3065 and the Hays bill, H.R. 12015. It is disgraceful that the House and Senate Rules Committees would not consider alternative measures to a bill which was virtually written by the AFL–CIO. Before the Federal Election Commission is reconstituted or the campaign laws are radically revised, extensive hearings should be held and careful consideration should be given to the constitutionality, administrative feasibility and probable effects of various proposals on the Federal election process.

The President recommended that the Congress pass a simple bill reestablishing the Federal Election Commission and hold off on election reform measures until next year. I hope that the majority of my colleagues will heed his warning and will vote against S. 3065. Failing that, I pray that the President will veto this ill-conceived piece of legislation.

Mr. CLARK. Mr. President, the Senate first adopted public financing of Presidential elections in 1966. The Senate again passed Presidential public financing in 1970, as did the House, and in 1971 public financing of Presidential elections became law.

The amendment of the Senator from Connecticut would wipe the slate clean. The Weicker amendment would once again put the Presidency of the United States up for sale—to once again be auctioned off to the rich "fat cats" and special interest groups that have always dominated private campaign financing and always will.

As a member of the Subcommittee on Privileges and Elections, I will be delighted to hear the Senator's case after the 1976 election. Now is the wrong time.

Mr. DOLE. Mr. President, although we are still very early into our first experience with public financing of Presidential campaigns, I think we are beginning to realize that the concept is not everything its proponents have made it out to be. Unfortunately, I am afraid, it is much, much more—and in terms of taxpayers' dollars, that is of concern to every American citizen.

According to the Federal Election Commission's most recent figures, public matching funds have even now exceeded $20 million. The expectation is that they will go as high as $100 million by the November election. Moreover, the attraction of doubling one's money and using the proceeds to promote his personal ambitions promises to leave us with a large slate of candidates who will hang on just to keep the treasury bonuses coming in.

POLITICAL WELFARE REFORM

What all this means is that it is time to take another look at the public financing ideal. In that regard, I wish to commend the distinguished Senator from Connecticut (Mr. Weicker) for bringing the matter to the attention of the Senate with this amendment—for which I offer my complete support. Certainly, he is right when he points out that the Politicians' Subsidy Act which we have now hardly represents real reform.

Those of us who were so critical of the concept during Senate debate on the 1974 amendments find it very difficult not to look back now and say, "I told you so." For instead of purifying the political process as it was supposed to do, it has resulted only in the proliferation of candidates whose causes have less support in votes than they do in Federal dollars.

PROMOTES EXCESS SPENDING

As the 1976 Presidential election moves forward toward its ultimate destiny of becoming the most expensive in history, I think the public is going to question more and more the entire notion of their tax dollars going to buy bumper stickers for a candidate with whose views they are totally unable to associate. When it is all over, we are going to have the same President we would have had without public financing—the only difference being that he will have spent twice as much in getting there.

Mr. President, it was my feeling 2 years ago—and it has not changed—that strict reporting and disclosure requirements—and not a mixture of private and public dollars—are the ingredients of true campaign reform. I also continue to believe that of the great many concerns on the list of the American people, the financial problems of politicians is not very high.

PUBLIC FINANCING UNNECESSARY

Besides being fundamentally dangerous, Mr. President, public financing is ineffective and, most of all, unnecessary. We simply do not need it because—regardless of all the crocodile tears on Capitol Hill—there is money to support the political system cleanly, honestly, and sufficiently, without milking the Federal Treasury. The campaigns of Barry Goldwater in 1968 and George McGovern in 1972 are the best evidence available that small contributors can be tapped—even against hopeless odds—to support major campaigns.

As far as I know we still subscribe to the free enterprise system in this country. And a basic element of that system is the old saying that if you build a better mousetrap the world will beat a path to your door.

I do not recall anything in the free enterprise ethic that mentions Government beating a path to your door with handouts if you merely want to build a better mousetrap. So why should there be any difference between mousetrap makers, shoe salesmen, lawyers—or politicians?

END COSTLY EXPERIMENT

Admittedly, there have been inequities in the state of political affairs—but these are never going to be corrected by an artificial "one-candidate, one-dollar" formula of equality among candidates. I think it is time we face up to that fact now and restore some confidence in our ability to make wise use of our constituents' tax dollars by adopting this amendment.

While it is too late to change the course of public financing events for our Bicentennial election year, perhaps its repeal during this historic period will be regarded in another 200 years as a landmark exercise in remedial legislation. For if we are honest enough to admit a mistake with the public financing experiment and refuse to impose its burdens on our electorate again, we will no doubt be accorded more than the casual degree of respect normally given a congressional body.

Mr. President, in urging my colleagues to support this worthwhile and expedient amendment, I would call their attention to an article from the most recent edition of U.S. News & World Report magazine entitled "When the Public Foots Bill for Politicians on the Stump." I ask unanimous consent that it be printed in the RECORD following those remarks.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

$20 MILLION FOR STARTERS—WHEN THE PUBLIC FOOTS BILL FOR POLITICIANS ON THE STUMP

Taxpayers' cash for presidential candidates is running into big money. Now a move is on to help Congressmen campaign as well.

With more than seven months of electioneering yet to go, the federal plan to bankroll presidential campaigns already has begun to raise eyebrows.

Sheer costs is part of the concern.

So far, more than 11 million dollars in tax revenues has been funneled into the war chests of 14 presidential candidates. Several have spent most of their money and dropped out of the race.

In addition, an estimated 10 million dollars will be spent to provide Secret Service protection for candidates this year, as described on page 17.

And that 20 millions plus is only a starter. By the November election, federal subsidies for presidential campaigns are expected to reach 75 to 100 millions. What's more, a big push is on in Congress to provide taxpayers' dollars not only to presidential aspirants, but also to candidates for the Senate and the House of Representatives.

Reformers are talking about limiting subsidies for Congressmen this year. But if the plan approved by a Senate committee two years ago were to be adopted, the public could end up shelling out more than 350 millions in each four-year period to subsidize presidential and congressional politicking.

NOT REAL REFORM

"I can see an endless subsidization of campaigns going higher and higher year after year," complains Senator Lowell P. Weicker, Jr. (Rep.), of Connecticut, who served on the Senate Watergate Committee. "This is not real reform."

Besides the matter of dollars, other questions are being raised about the law. When enacted in 1974, the Election-Reform Act was aimed at removing the influence of big-money contributions on officeholders.

Limits were placed on the size of private contributions to candidates for the Presidency and Congress. A key part provided for Federal subsidies for candidates in presidential primaries. To qualify for these subsidies, a candidate must collect at least $5,000 in each of 20 States through private contributions of $250 or less.

Such money is then matched dollar for dollar up to a maximum of 5.4 million dollars per candidate for the primaries alone. The subsidy money comes from a special campaign "checkoff" fund in the U.S. Treasury. Taxpayers can divert $1 of their federal income-tax payments each year into the fund by checking a box on their tax return.

The whole question of the campaign law has been reopened on Capitol Hill by a recent Supreme Court decision.

The Court ruled on January 30 that the public financing of presidential campaigns is constitutional. However, it turned thumbs down on the body set up to administer the law—the Federal Election Commission—because of the manner in which its six members were appointed.

Congress, as a result, is now debating legislation to reorganize the Commission. In the process, legislators are battling over other parts of the law as well.

According to critics in and out of Washington, the present law makes it too easy for candidates to qualify for subsidies and enables them to remain eligible for subsidies even if they are defeated in primary after primary.

"We're subsidizing mediocrity," declares Senator Weicker.

ATTRACTS EVERY SQUIRREL

Says Representative Bill Frenzel (Rep.), of Minnesota: "Public financing attracts every squirrel in the cage, and it keeps them in there. They don't know when they're beaten."

Critics point out that even an antiabortion crusader, Ellen McCormack, has been able to qualify for $135,000 in public money, yet few voters take her seriously as a presidential contender.

Pennsylvania Governor Milton J. Shapp has collected $266,000 in campaign subsidies. But he received only 3 per cent of the vote in the Massachusetts primary and 2 per cent in Florida.

In an editorial urging Governor Shapp to "return to Pennsylvania," the *Philadelphia Inquirer* on March 11 said, "Still more of the cost of this exercise in futility is also borne by the taxpayers, who foot the bill for Secret Service agents protecting Milton Shapp from nonexistent crowds." On March 12 the Pennsylvania Governor pulled out of the presidential contest.

Three other Democratic recipients of subsidies—Senator Lloyd Bentsen of Texas, Senator Birch Bayh of Indiana and former North Carolina Governor Terry Sanford—dropped out of the presidential race when their campaigns flopped.

Yet they are still technically eligible for further matching funds, if they apply for them. They will not have to refund any portion of the public money given them until the end of the year after all their campaign debts are paid.

All told, the infusion of public money into the presidential-primary campaigns this year may well make them the most expensive in U.S. history, according to some estimates.

But defenders of public financing say it's achieving two of its main goals:

Making it easier for candidates of limited resources to get their views before the voters. "Fourteen candidates for the Presidency is not an untoward number for the early primaries," says Representative Phillip Burton (Dem.), of California. "Let's leave the choice up to the voters and not exclude candidates who don't happen to have a big block of money."

Reducing dependence on contributions from special interests who may seek favor in return. "A candidate without money has to take it from business or labor—then he is beholden to the giver," observes Representative Richard Ottinger (Dem.), of New York. "Money is the single most corrupting factor in politics. It was never contemplated by the Founding Fathers."

WISEST INVESTMENT

Arguing in the same vein, Senators such as Hugh Scott (Rep.) of Pennsylvania, Edward M. Kennedy (Dem.), of Massacchusetts, and Dick Clark (Dem.), of Iowa, term public financing "the wisest investment a taxpayer can make in the future of the country." They are leading sponsors of a bill that would extend public financing to congressional campaigns.

They argue that the case for their bill is made more compelling by the Supreme Court's ruling. One part of the ruling struck down the spending ceiling on congressional candidates.

Under the Court's interpretation, these ceilings can be reimposed only if candidates voluntarily accept the limits as a precondition for receiving campaign subsidies.

"Without spending ceilings, we're going to have to have seats going to the highest bidder. Congress will be back on the auction block," laments one Democrat.

SPECIAL-INTEREST MONEY

A study of Common Cause, the self-styled "citizens lobby," contends that special interests are primed for bigspending. According to the study.

As of January, special-interest war chests totaled 16.4 million dollars—40 per cent more than was on hand at the same point in the 1974 campaign.

Business, agricultural and professional groups raised 8.8 millions of this total, labor organizations 6.6 millions. The remainder was put up by other groups.

At the moment, Capitol Hill supporters of public financing for congressional races are pushing a plan that would divert any money left over in the presidential checkoff fund into this year's congressional campaigns.

This fund is expected to reach a total of 95 to 100 million dollars, but all but 25 million or less will probably be spent in the presidential-primary and general-election contests.

Funds left over would pay only a fraction of congressional-campaign costs, but backers of congressional financing would have a nose in the tent.

Whether or not such a plan wins approval this year, the use of taxpayers' money to bankroll political candidates is an issue that promises to grow in the months ahead.

THOSE SUBSIDIES FOR CANDIDATES—HOW BILLS STACK UP

Latest tally of funds certified by the Federal Election Commission for distribution by the U.S. Treasury to presidential candidates. These sums, matching private contributions, are for spending on pre-Convention campaigning, including primaries—

DEMOCRATS	
George Wallace	$2,445,592
Henry Jackson	1,485,848
Jimmy Carter	847,132
Morris Udall	783,826
Lloyd Bentsen	511,022
Fred Harris	444,847
Birch Bayh	418,799
Milton Shapp	265,790
Sargent Shriver	255,814
Terry Sanford	246,388
Frank Church	209,692
Ellen McCormack	134,739
Total	8,049,479
REPUBLICANS	
Gerald Ford	1,532,052
Ronald Reagan	1,473,169
Total	3,005,221
All told	11,054,700

Source: Federal Election Commission.

The PRESIDING OFFICER (Mr. TOWER). All remaining time having been yielded back, the question is on agreeing to the amendment—No. 1437, as modified—of the Senator from Connecticut (Mr. WEICKER). On this question, the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. ALLEN. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. A rollcall is in progress.

Mr. ALLEN. There has been no answer.

The PRESIDING OFFICER. The absence of a quorum has been suggested. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. ALLEN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

The question is on agreeing to the amendment of the Senator from Connecticut. The yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Idaho (Mr. CHURCH), the Senator from New Hampshire (Mr. DURKIN), the Senator from Indiana (Mr. HARTKE), the Senator from South Carolina (Mr. HOLLINGS), the Senator from Washington (Mr. JACKSON), the Senator from South Dakota (Mr. McGOVERN), the Senator from Rhode Island (Mr. PASTORE), and the Senator from New Jersey (Mr. WILLIAMS) are necessarily absent.

I further announce that, if present and voting, the Senator from Washington (Mr. JACKSON), and the Senator from Rhode Island (Mr. PASTORE) would each vote "nay".

Mr. GRIFFIN. I announce that the Senator from Oklahoma (Mr. BARTLETT), the Senator from New York (Mr. BUCKLEY), and the Senator from North Dakota (Mr. YOUNG) are necessarily absent.

I further announce that the Senator from Vermont (Mr. STAFFORD) is absent due to illness.

The result was announced—yeas 34, nays 54, as follows:

[Rollcall Vote No. 74 Leg.]

YEAS—34

Allen
Baker
Beall
Bellmon
Brock
Byrd,
  Harry F., Jr.
Curtis
Dole
Domenici
Eastland
Fannin

Fong
Ford
Garn
Goldwater
Griffin
Hansen
Hatfield
Helms
Hruska
Laxalt
McClellan
McClure

Nunn
Packwood
Pearson
Roth
Scott,
  William L.
Stennis
Taft
Talmadge
Thurmond
Tower
Weicker

NAYS—54

Abourezk
Bayh
Bentsen
Biden
Brooke
Bumpers
Burdick
Byrd, Robert C.
Cannon
Case
Chiles
Clark
Cranston
Culver
Eagleton
Glenn
Gravel
Hart, Gary

Hart, Philip A.
Haskell
Hathaway
Huddleston
Humphrey
Inouye
Javits
Johnston
Kennedy
Leahy
Long
Magnuson
Mansfield
Mathias
McGee
McIntyre
Metcalf
Mondale

Montoya
Morgan
Moss
Muskie
Nelson
Pell
Percy
Proxmire
Randolph
Ribicoff
Schweiker
Scott, Hugh
Sparkman
Stevens
Stevenson
Stone
Symington
Tunney

NOT VOTING—12

Bartlett
Buckley
Church
Durkin

Hartke
Hollings
Jackson
McGovern

Pastore
Stafford
Williams
Young

So Mr. WEICKER's amendment (No. 1437), as modified, was rejected.

Mr. CANNON. Mr. President, I move to reconsider the vote by which the amendment was rejected.

Mr. HATFIELD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. CLARK. Mr. President, I yield to the Senator from Oklahoma.

AMENDMENT NO. 1447

Mr. BELLMON. Mr. President, I call up my amendment No. 1447.

The PRESIDING OFFICER (Mr. PEARSON). The amendment will be stated.

The second assistant legislative clerk read as follows:

> The Senator from Oklahoma (Mr. BELLMON) proposes Amendment No. 1447.

The amendment is as follows:

> On page 51, after line 16, add the following:
>
> TITLE IV—AMENDMENTS TO THE VOTING RIGHTS ACT OF 1965
>
> SEC. 401. Section 14(c) of the Voting Rights Act of 1965 is amended by striking paragraph (3) and inserting the following new paragraph in lieu thereof:
>
> "(3) The term 'language minorities' or 'language minority group' means persons who are American Indian, Asian American, Alaskan Natives, or of Spanish heritage, and whose dominant language is other than English.".
>
> SEC. 402. Section 203 of the Voting Rights Act of 1965 is amended by striking subsection (e) and inserting the following new subsection in lieu thereof:
>
> "(e) For purposes of this section, the term 'language minorities' or 'language minority group' means persons who are American Indian, Asian American, Alaskan Natives, or of Spanish heritage, and whose dominant language is other than English.".

Mr. BELLMON. Mr. President, this amendment would correct a flaw that exists, in my opinion, in the Voting Rights Extension Act which was passed last year. In that act, the purpose clause of the bill refers to the need to prevent voting discrimination against citizens of language minorities "from environments in which the dominant language is other than English." However, the qualifying phrase "whose dominant language is other than English" was missing from the definition sections stating which minority groups would be covered.

This amendment simply adds those words, and it stops the totally unnecessary practice that has been forced on us in Oklahoma of having interpreters present at voting places where the American Indians in our State vote. These Indians speak English. In many cases, they do not even have a written language other than English; but it terms of the law as it now exists, it is necessary for us to have interpreters present at those polling places, even though no one makes use of them.

This has caused a great hardship on our State. The law that now exists has done no good for the Indian citizens who do not need this help. It has caused a great hardship on our election officials and great expense to areas that in many cases are hard pressed to find the money to pay for these extra costs.

I have discussed the matter with both the manager of the bill and the ranking minority member, and I believe they have agreed to accept the amendment, unless something has happened in the last moment.

Mr. President, last July when the Senate passed the voting rights extension bill, I warned that it contained a provision which was totally unnecessary and which, if not removed, would prove to be both burdensome and costly in future elections. I refer to the requirement that political subdivisions conduct bilingual elections even though there is no single language minority.

At that time I sought to amend the bill to correct what appeared to be an oversight. The purpose clause of the bill referred to the need to prevent voting discrimination against citizens of language minorities "from environments in which the dominant language is other than English." However, the qualifying phrase, "whose dominant language is other than English" was missing from the definition sections stating which minority groups would be covered. My amendment simply sought to add those words.

My amendment was defeated, the bill was passed and signed into law, and the Department of Justice went to work to enforce its provisions.

For the benefit of those who chose not to heed my warning, I would like to touch briefly on what has taken place since the bill became law.

The Census Bureau determined that political subdivisions in 26 States would be required to conduct bilingual elections and otherwise provide special assistance to minority group voters. These groups included Spanish-speaking Americans, Asian Americans, Alaskan Natives, and American Indians.

Under the Census Bureau finding, seven States were required to provide the special assistance statewide. These States are: Alaska, Hawaii, Arizona, California, Colorado, New Mexico, and Texas. In the remaining States, some 270 counties fell under the guidelines. Those States are: Connecticut, Florida, Kansas, Louisiana, Minnesota, Mississippi, Montana, Maine, Nebraska, Nevada, North Dakota, New York, North Carolina, Oklahoma, Oregon, South Dakota, Utah, Washington, and Wyoming.

In Oklahoma, 25 of the State's 77 counties come under the provisions of the 1975 act—2 because of Spanish language minorities, the remainder because of their Indian population.

This law has been a particularly difficult problem for Oklahoma because more than 60 Indian tribes are represented in my State, and some of the tribes have more than one native language. But because Indians do not live on reservations in Oklahoma and have comingled with the rest of the population, they are accustomed to speaking and writing English. Few Oklahoma Indians can even understand their tribal language because it is no longer used. Many tribes do not even have a written language.

A census of the Choctaw Nation conducted by Oklahoma State University last year showed that less than 1 percent of the population did not speak English. All were in one county, McCurtain, and were over 65 years old.

In spite of the fact that English is the dominant language among Oklahoma Indians, and that tribal elections are conducted in English, Oklahoma election officials were confronted with an impossible situation in locating, transporting, and paying translators to comply with the law.

A good example of the difficulty faced by Oklahoma election officials is Sequoyah County. According to the Census Bureau, Sequoyah County has around 1,900 Cherokees, plus a few Creeks, Alabamas, Coushattas, Kaws, Omegas, Osages, Poncas, and Quapaws—nine different tribes. The county has 36 precincts, which means that to be in full compliance with the law, up to 324 interpreters would be needed to cover all the polling places.

A. J. Henshaw, Jr., secretary of the Sequoyah County Election Board, explained his plight in a letter to State Senator James E. Hamilton. Henshaw wrote:

> The procedures this county must adopt to comply with this Act are a financial burden our county is not able to bear. The minimum amount the Election Board could pay these people is $17 per day, plus mileage, assuming you could get the interpreters to work 12 straight hours for that amount. The cost for the interpreters for just one election would be in excess of $6,000.

Henshaw stated further:

> To find the 324 people who speak all of the respective languages that the Census Bureau alleges we have is virtually impossible.

Yet, Senator Hamilton has told me, representatives of the Justice Department have, in effect, threatened law suits against the individual election board workers if any of them fail to comply with this Federal edict.

Another election board secretary, Glenn Wood of Pawnee County wrote Assistant Attorney General J. Stanley Pottinger concerning the experience in his county in attempting to abide by the law in a city of Pawnee special election last November:

> After considerable searching, we finally found five Indians, one each for the five precincts in the City of Pawnee, who claimed they could speak both dialects of the Pawnee language, thus qualifying as interpreters for this election. Of 1,300 registered voters, we had a total vote cast of 825 of which 25 were Indians, none of whom requested or needed assistance in voting their ballot.

Wood said that in giving the interpreters their instructions prior to election day, they were asked for comments on the new law. He stated:

> Each of them made a very definite statement, stating in their opinion the law was ridiculous, not needed and an insult to the intelligence of the American Indian. They called attention to the fact that when they held their tribal elections all ballots and other materials necessary to the conducting of the election are printed in the English language only, and no effort is made to provide interpreters, due to the fact there are no Indians, at least in this area, but what understand and speak the English language.

The Mayes County Election Board secretary, Hetta Morgan, wrote me that the election officials in that county believe the bilingual election requirements are "an atrocious expense and certainly not a feasible or economical plan for our taxpaying people in Mayes County."

Oklahoma Indian tribal leaders are equally critical of the new law. When I explained the bill's provisions to Sylvester Tinker, Chief of the Osages, he was amazed. He told me that although far more than 5 percent of the voting age citizens in Osage County are Osage Indians, only a very few members of the tribe can read or speak the Osage language. Even as chief of the tribe, Tinker has difficulty himself in reading the Osage language although he can speak it fluently. Overton James, Governor of the Chickasaw Nation, wrote me that "in the Chickasaw Tribe, we have so few—in fact, I doubt any—who cannot read and understand English that it would be insignificant."

The Oklahoma State Election Board recently completed a survey concerning the implementation of the 1975 amendments to the 1965 Voting Rights Act in the 25 counties in Oklahoma affected by the act. Lee Slater, election board secretary, sent me a summary of the survey findings:

> School elections conducted throughout Oklahoma on January 27, 1976, presented the first opportunity for elections to be held simultaneously throughout the state since the Voting Rights Act became effective in those 25 counties.
>
> A total of 246 polling places were used for the school elections in the affected counties, and 42,154 persons cast ballots. Of that number, a total of 22 (Indians) requested assistance.
>
> County Election Boards provided a total of 116 interpreters—including 39 for Cherokee, 32 for Choctaw, 25 for Creek, six for Cheyenne, five for Chickasaw, three for Seminole, and one each for Apache, Shawnee, Spanish, Osage, Seneca-Cayuga and Pawnee.
>
> Of those requesting assistance, 15 requested assistance in Cherokee, six in Choctaw and one in Apache.
>
> A total of $1,637.60 was paid to these interpreters. That figure does not include the cost of printing materials in Spanish, of meetings by the County Election Boards and other costs which probably tripled or quadrupled the total cost. As you can see, that is a very high cost per voter using the service.

Pointing out the problems that lie ahead, Slater said that for regular primary, runoff primary, and general elections in Oklahoma this year, the number of polling places will nearly triple the number used in school elections. Likewise, he said, the participation by voters will increase substantially, as school elections historically produce the smallest voter participation of any elections in Oklahoma.

Mr. President, I believe there is ample evidence, at least in my home State, to illustrate the absurdity of the bilingual provisions of the Voting Rights Act. It is a situation similar to that of the Boy Scout who sought to do a good deed by helping an elderly woman across the street. The problem was, she did not want to go.

Congress, through its failure to correct a technical error in the drafting of this law, has forced election officials in 26 States to provide assistance that is unneeded and unwanted, and which imposes an unnecessary additional financial burden upon the taxpayers of those States.

We should act now to rescind this legislative mistake by enacting my amendment.

This amendment will simply clarify the sections in titles II and III of the Voting Rights Act, defining the term "language minorities," by adding to the various groups listed—American Indians, Asian Americans, Alaskan Natives, and Americans of Spanish heritage—the qualifying phrase: "and whose dominant language is other than English." This clause more properly defines those single language minorities who should be subject to protection under the Voting Rights Act.

It should be emphasized that the language added by this amendment is not foreign to the bill. The phrase, "and whose dominant language is other than English," is identical to the purpose clause of the act which states:

> The Congress finds that voting discrimination against citizens of language minorities is pervasive and national in scope. Such minority citizens are from environments in which the dominant language is other than English.

In addition, it should be noted that Senator STEVENS' amendment adding this identical language to the minority group "Alaskan Natives" was eventually accepted during floor debate on the Voting Rights Act. I am merely asking that this modification be extended to all groups.

The goal of the new bilingual provisions is a good and just one—to insure that no citizen is denied the right to vote because his dominant language is other than English. I fully support this goal and the remedial device, bilingual elections, as a means to guarantee full participation and equal voting rights.

However, there is one major flaw in these provisions. Because of the absence of the qualifying language from the purpose clause, "and whose dominant language is other than English," many political subdivisions will be forced to conduct bilingual elections even though there is no single language minority where 5 percent of the voting age citizens have a dominant language other than English.

The way to prevent this from occurring is for the Congress to adopt the language of my amendment, which will insure that the costly and burdensome bilingual registration and voting mechanism will only be applied where there is an actual need to assure citizens' voting rights because of an English deficiency.

State Senator Hamilton, a former president pro tempore of the Oklahoma State Senate, told me that if this law remains unchanged, he feels that mass resignations will result among election officials in Oklahoma. These officials know that they cannot comply with the law and simply will not take a chance on being sued by some Federal official because of their inability to do the impossible.

Time is of the essence in this matter because of the forthcoming elections.

This change will strengthen the act. The remedies and triggering provisions will remain intact. No instance of voting discrimination cited in either the House or Senate reports will fail to be corrected because of the adoption of this amendment. I urge its approval.

Mr. CANNON. Mr. President, I did tell the Senator that, so far as I was concerned, I would be willing to accept the amendment. However, that matter has been up on a previous occasion, when I was not the floor manager of the bill. The floor manager of that matter is in the Chamber, and I understand that he is strongly opposed to the amendment, so I will have to defer to Senator Tunney.

Mr. BELLMON. Mr. President, I did not know that this would be a matter in controversy. I understood that the amendment would be accepted. Perhaps I had better discuss the matter with Senator Tunney.

The PRESIDING OFFICER. Does the Senator withdraw his amendment?

Mr. BELLMON. I withdraw the amendment temporarily.

Mr. CLARK. Mr. President, I send to the desk an unprinted amendment.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk proceeded to read the amendment.

Mr. CLARK. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 22, beginning with "The" in line 22, strike out through line 2 on page 23 and insert in lieu thereof the following:

"(7) The Commission shall make available to the public the results of any conciliation attempt, including any conciliation agreement entered into by the Commission, and any determination by the Commission that no violation of this Act or of chapter 95 or 96 of the Internal Revenue Code of 1954 has occurred.

On page 23, line 3, strike out "(7)" and insert in lieu thereof "(8)".

On page 23, line 21, strike out "(8)" and insert in lieu thereof "(9)".

On page 23, line 22, strike out "(7)" and insert in lieu theerof "(8)".

On page 23, line 25, strike out "(9)" and insert in lieu thereof "(10)".

On page 24, line 22, strike out "(10)" and insert in lieu thereof "(11)".

On page 25, line 4, strike out "(11)" and insert in lieu thereof "(12)".

On page 25, line 8, strike out "(12)" and insert in lieu thereof "(13)".

Mr. CLARK. Mr. President, this is a technical amendment. The enforcement provisions of S. 3065, embodied in section 313, specify that:

> The Commission shall make available to the public the results of any conciliation attempt, including any conciliation agreement entered into by the Commission, and any determinations by the Commission that no violation of the Act or chapter 95 or 96 of the Internal Revenue Code of 1954 has occurred.

Unfortunately, Mr. President, this important provision inadvertently was tacked on as part of the civil penalty provision, section 313(a)(6). To avoid any possible confusion, my amendment would simply provide that this provision be redesignated as a new subsection (7).

Mr. CANNON. Will the Senator yield?

Mr. CLARK. I yield.

Mr. CANNON. Do I understand correctly, then, that there is no change other than a renumbering in the bill itself?

Mr. CLARK. That is exactly right.

Mr. CANNON. Mr. President, I have no objection to that amendment.

The PRESIDING OFFICER (Mr. Percy). The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. CLARK. Mr. President, I send to the desk an unprinted amendment and ask that it be read.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk proceeded to read the amendment.

Mr. CLARK. I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 46, line 14, after "Sec. 301." insert the following: "(a)".

On page 47, between lines 7 and 8, insert the following:

(b) For purposes of applying section 9006 (d) of the Internal Revenue Code of 1954, as amended by subsection (a), expenditures made by an individual after January 29, 1976, and before the date of enactment of this Act shall not be taken into account.

On page 50, after the matter between lines 6 and 7, insert the following:

(c) For purposes of applying section 9006 (d) of the Internal Revenue Code of 1954, as amended by subsection (a), expenditures made by an individual after January 29, 1976, and before the date of enactment of this Act shall not be taken into account.

Mr. CLARK. Mr. President, S. 3065 reinstates the $50,000 limit on personal expenditures by a Presidential candidate as a condition for receiving public financing in accordance with the Supreme Court decision in Buckley against Valeo. It is important, however, that no candidate be penalized for any personal expenditures he or she may have made between the time of the Supreme Court decision and the day of enactment of this act. My amendment, therefore, would simply stipulate that personal expenditures made between January 29, 1976, the date of Buckley against Valeo, and the enactment of this bill shall not count toward the personal limitation.

Mr. CANNON. Mr. President, it seems to me that the amendment is a good amendment, simply making one change, that people who may have expended money after January 29, 1976, and before the date of the enactment, should not be taken into account, covering the interim period of the Supreme Court decision. I think the amendment should be accepted. I approve of it.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. CLARK. Mr. President, I send to the desk an unprinted amendment and ask that it be read.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

On page 18, line 24, strike out "prescribe rules or regulations" and insert in lieu thereof "propose a rule or regulation in accordance with the provisions of chapter 5 of title 5, United States Code,".

Mr. CLARK. Mr. President, section 107(b) of the bill requires that an advisory opinion of general applicability must be prescribed as a rule or regulation within 30 days. This would conflict with the provisions of the Administrative Procedures Act, which requires that a proposed regulation must appear in the Federal Register to allow for a 30-day period of comment before a regulation can be formally prescribed. Obviously, both provisions cannot be met; they are in contradiction. This amendment simply would stipulate that the Commission, within 30 days, would have to propose a rule or regulation in accordance with the procedures set forth in the Administrative Procedures Act.

Mr. CANNON. Mr. President, the Senator is correct that the word "prescribed" should be changed to "proposed" rule or regulation. I am willing to accept the amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. CLARK. Mr. President, I send to the desk an unprinted amendment and ask that it be read.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk proceeded to read the amendment.

Mr. CLARK. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 9, line 7, after "party" insert the following: "(unless the person paying for such services is a person other than the employer of the individual rendering such services)".

On page 9, line 14, after "1954" insert the following: "(unless the person paying for such services is a person other than the employer of the individual rendering such services)".

On page 10, line 9, after "party" insert the following: "(unless the person paying for such services is a person other than the employer of the individual rendering such services)".

On page 10, line 17, after "1954" insert the following: "(unless the person paying for such services is a person other than the employer of the individual rendering such services)".

On page 50, line 24, after "party" insert the following: "(unless the person paying for such services is a person other than the employer of the individual rendering such services)".

Mr. CLARK. Mr. President, this amendment simply seeks to clarify the sections added in committee with regard to legal and accounting services. It is clear that the committee's intent was to exempt certain specified legal and accounting services from the contribution and expenditure limits in the act. However, it was certainly not the committee's intent to allow outside individuals or groups to pick up the tab for these services. My amendment would simply clarify that point.

Mr. CANNON. Mr. President, the Senator is correct. This amendment would properly clarify the intent of the committee.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. CLARK. Mr. President, I send to the desk an unprinted amendment and ask that it be read.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

On page 12, lines 18 and 19, strike "totaling in excess of $5,000, or made expenditures totaling in excess of $5,000," and inserting in lieu thereof the following: "or made expenditures or both, the total amount of which, taken together, exceeds $5,000,".

Mr. CLARK. Mr. President, during committee consideration of the bill now before us, some confusion arose regarding the off-year reporting exemption provided for in section 104. Briefly put, this provision was intended to provide that in any quarter of a nonelection year in which a candidate's campaign committee engaged in less than $5,000 of activity, the committee will not be required to report such activity until the end of the calendar year.

Because of some ambiguity in the original language, an amendment was offered which changed the meaning of that section so that the exemption would apply if the candidate's committee received less than $5,000 in contributions or made less than $5,000 in expenditures, taken separately.

My amendment simply would restore the original intent of the provision, which would now stipulate that if a candidate's authorized committees received contributions or made expenditures, or both, the total of which taken together was $5,000 or less, the committees would not have to report to the Federal Election Commission until the end of the calendar year.

Mr. CANNON. Mr. President, that amendment is acceptable and I am willing to accept it.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. CLARK. Mr. President, I send to the desk an unprinted amendment and ask that it be read.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk proceeded to read the amendment.

Mr. CLARK. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 21, line 21, insert ", including a civil penalty which does not exceed the greater of $5,000 or an amount equal to the amount of any contribution or expenditure involved in such violation," immediately after "order".

On page 22, line 1, insert ", including a civil penalty which does not exceed the greater of $5,000 or an amount equal to the amount of any contribution or expenditure involved in such violation," immediately after "other order".

On page 22, beginning with line 13, strike out through line 2 on page 23 and insert in lieu thereof the following:

"(6) (A) If the Commission believes that there is clear and convincing proof that a knowing and willful violation of the Act or chapter 95 or 96 of the Internal Revenue Code of 1954 has been committed, any conciliation agreement entered into by the Commission under paragraph (5) (A) may include a requirement that the person involved in such conciliation agreement shall pay a civil penalty which does not exceed the greater of (i) $10,000; or (ii) an amount equal to 300 percent of the amount of any contribution or expenditure involved in such violation.

"(B) If the Commission believes that a violation of this Act or of chapter 95 or chapter 96 of the Internal Revenue Code of 1954 has been committed, a conciliation agreement entered into by the Commission under paragraph (5) (A) may include a requirement that the person involved in such conciliation agreement shall pay a civil penalty which does not exceed the greater of (i) $5,000; or (ii) an amount equal to the amount of the contribution or expenditure involved in such violation.

"(C) The Commission shall make available to the public the results of any conciliation attempt including any conciliation agreement entered into by the Commission and any determination by the Commission that no violation of the Act or chapter 95 or 96 of the Internal Revenue Code of 1954 has occurred.

Mr. CLARK. Mr. President, the civil penalty provisions now in S. 3065 provide for penalties only in the case of "knowing and willful" violations of the act. In other words, the Commission must be able to demonstrate criminal intent even to assess civil penalties. Gross negligence, therefore, would go completely unpunished.

The purpose of this amendment is to add language already in the House bill, to provide a civil penalty of $5,000 or 100 percent of the amount involved in the violation, whichever is greater, for any violation of the act.

At present, the Federal Election Campaign Act provides for a criminal penalty for any violation. This amendment would simply provide a minimal civil penalty for any violation.

Mr. CANNON. Mr. President, that amendment of the Senator's is acceptable.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Iowa.

The amendment was agreed to.

Mr. CLARK. Mr. President, I send to the desk an unprinted amendment and ask that it be read.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

On page 44, line 2, strike the period and insert the following: ", except that in the case of a knowing and willful violation of section 325 or 326, the penalties set forth in this section shall apply to a violation involving an amount having a value in the aggregate of $250 or more during a calendar year. In the case of a knowing and willful violation of section 328, the penalties set forth in this section shall apply without regard to whether the making, receiving, or reporting of a contribution or expenditure of $1,000 or more was involved.".

Mr. CLARK. Mr. President, under the Federal Election Campaign Act as it now stands there are extensive and severe penalties, criminal penalties, for any violation which falls under the act.

The bill now before us, S. 3065, establishes a new and elaborate civil penalty structure and combines all criminal penalties into one new section 329.

Unfortunately, as it is presently written, section 329 contains three significant weaknesses, in my judgment, which this amendment is designed to correct. Both the present law and S. 3065 contain a vitally important prohibition against making cash contributions which are in excess of $100.

We all know, Mr. President, that the unrestricted flow of cash in political campaigns was at the very heart of the Watergate affair, and that it represents by far the most serious threat to effective enforcement and administration of the campaign law.

Because the general penalty provision of section 329 contains criminal sanctions only for violations which are in excess of $1,000, a significant gap would occur between the criminal provision and the prohibition against cash contributions.

I recognize that there is some concern about providing criminal penalties for rather minor violations of the act. Therefore, Mr. President, my amendment would stipulate that the criminal penalties of section 329 would apply in any violation involving cash contributions of $250 or more. Cash is so dangerous that we are lowering the threshold, in other words, from $1,000 to $250.

Mr. President, just as both the present law and S. 3065 provide a separate provision against cash contributions so do they also provide a separate provision to prohibit the earmarking of contributions. Earmarking—where a contribution is funneled through an intermediary to a candidate—is a practice which represents a very serious threat to the integrity of the contribution limits provided in the campaign law.

Therefore, Mr. President, as with cash contributions this amendment would establish a $250 criminal penalty threshhold for violations of this important section.

Finally, Mr. President, because the structure of section 329 connects the criminal penalties to violations involving a certain amount of money, S. 3065 now contains no criminal penalty to cover the fraudulent misrepresentation of campaign authority provision embodied in section 328 of this bill. This amendment would simply add a criminal penalty to cover this section.

This amendment would represent, I think, an important strengthening of the criminal provisions of S. 3065, and I urge its adoption.

Mr. CANNON. Mr. President, I have discussed this amendment with the distinguished Senator, and I think it is a valuable addition to the bill, and I am willing to accept the amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Iowa.

The amendment was agreed to.

Mr. CLARK. Mr. President, I send to the desk an unprinted amendment and ask that it be read.

The PRESIDING OFFICER. The clerk will state the amendment.

The legislative clerk read as follows:

On page 44, strike out lines 3 through 15 and insert in lieu thereof the following:

"(b) A defendant in any criminal action brought for the violation of a provision of this Act, or of a provision of chapter 95 or 96 of the Internal Revenue Code of 1954, may introduce as evidence of his lack of knowledge of or intent to commit the offense for which the action was brought a conciliation agreement entered into between the defendant and the Commission under section 313 which specifically deals with the act or failure to act constituting such offense and which is still in effect.".

Mr. CLARK. Mr. President, section 329 (b) of the measure before us, S. 3065, stipulates that once a person has entered into a conciliation agreement with the Federal Election Commission, the Department of Justice would be barred from initiating any action relating to the violation dealt with in the agreement.

My own concern goes to this point: No one would want the Department of Justice to be continually undercutting the actions of the Federal Election Commission, by initiating criminal prosecutions against people who have already entered into conciliation agreements with the FEC. Nevertheless, I do not believe we would want the FEC to be able to go completely unchallenged in entering into such agreements.

If the Commission should enter into a particularly weak agreement, even in the face of a serious violation of the act, it should be held accountable for such an action. Prohibiting criminal prosecutions by the Justice Department would eliminate this necessary check.

Furthermore, Mr. President, section 329(b) would be an unprecedented restriction on the prosecutorial powers of the Attorney General. A mere agreement entered into by an independent executive branch agency would, in and of itself, be enough to tie the hands of the Justice Department.

This amendment seeks to strike a balance between the intent of the provision, on the one hand, and the important issue of Commission accountability, on the other. It would provide that a defendant in a criminal action brought for the violation of a provision of this act could introduce as evidence of his lack of knowledge of and/or intent to commit the offense for which the action was brought the fact that a conciliation agreement regarding the offense had already been entered into with the Commission.

Mr. CANNON. Mr. President, the original provision in the bill S. 3065, as we presented it here, was the result of an amendment of the Senator from Alabama, and I would like to have him respond as to whether or not he believes this language is adequate. It seems to me it probably is, but I would like to defer to the distinguished Senator from Alabama on this point.

Mr. ALLEN. Yes, I agree with the thrust of the Senator's amendment.

I think it ought to be stated that it not only be, the conciliation agreement not only be, received as evidence of lack of knowledge of the offense or lack of intent, I think it might add some wording to the effect that it be considered in mitigation of the offense, some language of that sort which, I think, would be helpful.

I wonder if the Senator would consider adding a clause to that effect?

Mr. CLARK. A clause to the effect that what?

Mr. ALLEN. That the conciliation agreement that bars any civil action, I believe, even under the Senator's amendment, that that would be accepted in evidence, I believe, under the Senator's amendment, as evidence of lack of knowledge of the offense and of lack of intent to violate the law. Could it not also be added that it could be accepted in mitigation of the offense?

Mr. CLARK. Well, does the Senator have specific language to offer at this time?

Mr. ALLEN. I think it might be well if we passed this one over. The Senator has had about eight amendments adopted, and possibly other Senators might have some amendments, and it would give us an opportunity to discuss this amendment.

Mr. CLARK. Fine.

Mr. President, I withdraw the pending amendment.

The PRESIDING OFFICER. The amendment is withdrawn.

Mr. CLARK. Mr. President, I have an additional amendment to send to the desk and I ask that it be read.

The PRESIDING OFFICER. The clerk will state the amendment.

The legislative clerk read as follows:

On page 27, beginning with line 16, strike out through "graph," on line 16 on page 28 and insert in lieu thereof the following:

"SEC. 320. (a) (1) No person shall make contributions—

"(A) to any candidate and his authorized political committees with respect to any election for Federal office which, in the aggregate, exceed $1,000;

"(B) to any political committee established and maintained by a political party, which is not the authorized political committee of any candidate, in any calendar year which, in the aggregate, exceed $25,000; or

"(C) to any other political committee in any calendar year which, in the aggregate, exceed $5,000.

"(2) No multicandidate political committee shall make contributions—

"(A) to any candidate and his authorized political committees with respect to any election for Federal office which, in the aggregate, exceed $5,000;

"(B) to any political committee established and maintained by a political party, which is not the authorized committee of any candidate in any calendar year, which, in the aggregate, exceed $25,000; or

"(C) to any other political committee in any calendar year which, in the aggregate, exceed $10,000.

For purposes of this paragraph, the term 'multicandidate political committee' means a political committee which has been registered under section 303 for a period of not less than six months, which has received contributions from more than fifty persons, and, except for any State political party organization, has made contributions to five or more candidates for Federal office.

"(3) For purposes of the limitations under paragraphs (1) and (2),

On page 29, line 9, strike out "(3)" and insert in lieu thereof "(4)".

On page 29, line 16, strike out "(4)" and insert in lieu thereof "(5)".

On page 30, line 14, strike out "(5)" and insert in lieu thereof "(6)".

On page 30, line 22, strike out "(6)" and insert in lieu thereof "(7)".

Mr. CLARK. Mr. President, this obviously is not a technical amendment. It is a substantive amendment.

S. 3065 retains the $1,000 limitation on contributions by an individual to a candidate and the $5,000 limitation on contributions by a political committee to a candidate.

However, S. 3065 also retains the unnecessarily high limitation of $25,000 for contributions by an individual to a multicandidate political committee and imposes merely a $25,000 limitation on transfers of funds from one noncandidate committee to another.

In light of the Supreme Court decision against the constitutionality of expenditure limitations, these $25.000 limits on contributions to political committees clearly are inadequate. Such high limitations will only serve to vastly increase the already disproportionate influence of the wealthy and the special interests in the political process.

The purpose of this amendment is to establish a new $5.000 limitation on contributions by an individual to a multicandidate political committee. However, an individual would still be permitted to contribute up to $25,000 to a political committee established and maintained by a political party, which, of course, generally supports the activities of all the candidates of that particular party.

Further, my amendment would establish a new $10,000 limitation on transfers of funds from one political committee to another.

Again, however, transfers of funds from any committee to a party committee would still be permitted in amounts up to $25,000.

Mr. GRIFFIN. Mr. President, I suggest the absence of a quorum.

The **PRESIDING OFFICER.** The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. CANNON. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The **PRESIDING OFFICER** (Mr. Stone). Without objection, it is so ordered.

Mr. CANNON. Mr. President, if no one else wishes to speak on this amendment, we could proceed to vote.

Mr. HATFIELD. Mr. President, I ask for the yeas and nays.

The **PRESIDING OFFICER.** Is there a sufficient second. There is a sufficient second.

The yeas and nays were ordered.

The **PRESIDING OFFICER.** The question is on agreeing to the Senator from Iowa. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Idaho (Mr. Church), the Senator from New Hampshire (Mr. Durkin), the Senator from Indiana (Mr. Hartke), the Senator from South Carolina (Mr. Hollings), the Senator from Minnesota (Mr. Humphrey), the Senator from Hawaii (Mr. Inouye), the Senator from Washington (Mr. Jackson), the Senator from South Dakota (Mr. McGovern), the Senator from Wisconsin (Mr. Nelson), the Senator from Rhode Island (Mr. Pastore), and the Senator from New Jersey (Mr. Williams) are necessarily absent.

I further announce that, if present and voting, the Senator from Washington (Mr. Jackson), the Senator from Rhode Island (Mr. Pastore), and the Senator from Minnesota (Mr. Humphrey) would each vote "yea."

Mr. GRIFFIN. I announce that the Senator from Oklahoma (Mr. Bartlett), the Senator from New York (Mr. Buckley), and the Senator from North Dakota (Mr. Young) are necessarily absent.

I further announce that the Senator from Vermont (Mr. Stafford) is absent due to illness.

The result was announced—yeas 53, nays 32, as follows:

[Rollcall Vote No. 75 Leg.]

YEAS—53

Abourezk
Allen
Bayh
Bentsen
Biden
Brooke
Bumpers
Burdick
Byrd,
  Harry F., Jr.
Byrd, Robert C.
Cannon
Case
Chiles
Clark
Cranston
Culver
Eagleton
Glenn
Gravel
Hart, Gary
Hart, Philip A.
Haskell
Hathaway
Javits
Johnston
Kennedy
Leahy
Magnuson
Mansfield
Mathias
McGee
McIntyre
Metcalf
Mondale
Montoya
Morgan
Moss
Muskie
Nunn
Pearson
Pell
Proxmire
Randolph
Ribicoff
Schweiker
Sparkman
Stennis
Stevenson
Stone
Symington
Talmadge
Tunney
Weicker

NAYS—32

Baker
Beall
Bellmon
Brock
Curtis
Dole
Domenici
Eastland
Fannin
Fong
Ford
Garn
Goldwater
Griffin
Hansen
Hatfield
Helms
Hruska
Huddleston
Laxalt
Long
McClellan
McClure
Packwood
Percy
Roth
Scott, Hugh
Scott,
  William L.
Stevens
Taft
Thurmond
Tower

NOT VOTING—15

Bartlett
Buckley
Church
Durkin
Hartke
Hollings
Humphrey
Inouye
Jackson
McGovern
Nelson
Pastore
Stafford
Williams
Young

So Mr. Clark's amendment was agreed to.

Mr. CLARK. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. CRANSTON. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. BROCK. Mr. President, I have two amendments at the desk which I offer on behalf of myself and the Senator from Florida (Mr. Stone) and the Senator from California (Mr. Cranston). I ask unanimous consent that they be considered en bloc.

The **PRESIDING OFFICER.** Is there objection? Without objection, it is so ordered.

The amendments will be stated.

The assistant legislative clerk read as follows:

On page 27, strike out lines 11 through 14, and insert the following in lieu thereof: "is amended—

"(1) by inserting '(a)' before 'No' in section 318 (2 U.S.C. 439b), as redesignated by section 105 of this Act;

"(2) by adding the following new subsection at the end of section 318 (2 U.S.C. 439b), as redesignated by section 105 of this Act:

'(b) Notwithstanding any other provision of law, no Senator, Representative, Resident Commissioner, or Delegate shall mail as franked mail under section 3210 of title 39, United States Code, any general mass mailing when such mailing is mailed at or delivered to any postal facility less than 60 days prior to the date of any primary or general election in which such Senator, Representative, Resident Commissioner, or Delegate is a candidate for Federal office. For purposes of this subsection the term "general mass mailing" means newsletters and similar mailings of more than 500 pieces the content of which is substantially identical and which are mailed to or delivered to any postal facility at the same time or several different times.';

"(3) by striking out section 320 (2 U.S.C. 441), as redesignated by section 105 of this Act; and

"(4) by inserting after section 319 (2 U.S.C. 439c), as redesignated by such section 105, the following new sections:".

At the end of the bill, add the following new title:

TITLE IV—MISCELLANEOUS PROVISIONS

USE OF FRANKED MAIL BEFORE ELECTIONS

Sec. 401. Section 3210(a)(5)(D) of title 39, United States Code, is amended to read as follows:

"(D) any general mass mailing when the same is mailed at or delivered to any postal facility less than 60 days prior to the date of a primary, general, or special election, or a nominating caucus or convention, for any Federal office which is held in the State, district, or territory from which he was elected. For the purpose of this subparagraph, the term 'general mass mailing' shall mean newsletters and similar mailings of more than 500 pieces in which the content of the matter mailed is substantially identical and which are mailed at or delivered to any postal facility at the same time or at several different times.".

Mr. BROCK. Mr. President, these two amendments do identical things. One amends the existing law on the Federal Election Commission and the other amends the Postal Code. The purpose of the amendments is very simple and very clear. It is to prohibit the use of the frank for mass mailing purposes for a period of 60 days prior to an election.

I remind my colleagues that the Senate has already adopted this posture in the past; that, as a matter of fact, in the last consideration of this particular piece of legislation, we adopted, I think, an identical amendment.

On consideration by the House, the term of the prohibition was reduced from 60 to 28 days. The reason I offer this, then, is to restate and attempt to reestablish the Senate position, simply because, if there is one simple criterion that should be in this bill, it is equity for all parties. There is no one who can successfully challenge the fact that an incumbent with an unlimited use of the frank has an unbelievable advantage over any potential challenger which can be almost impossible to overcome. What we try to do with this particular amendment that the Senator from California and I have worked on, together with the Senator from Florida, is create a time frame during which no special advantage would accrue to the incumbent but, rather, that the two candidates can compete with each other on their merits before the people of their respective constituencies so that the people can make their own determination.

I shall be delighted to yield to the Senator from Florida if he wishes to comment.

Mr. CRANSTON. I am delighted to join with the Senator from Tennessee in this very important amendment, which is a needed reform relating to the use of the frank. I hope that it will be adopted unanimously.

Mr. BROCK. I thank the Senator for his comment. May I say he has been a long-time leader in this effort. I appreciate very much his support.

Mr. CLARK. Mr. President, I wish to join with the Senator from Tennessee, as well. Certainly, it is a well-known fact that incumbents have an enormous advantage in elections now. Although this is not going to correct the balance entirely, it is a very significant step in that direction, and I wish to support it, also.

Mr. BROCK. I thank the Senator for his comments and support.

Mr. CANNON. Mr. President, the Senator is correct. The Senate has adopted that position in the past. We were required in conference to give up on that particular point and take a shorter period of time. I certainly supported the provision before, and I am willing to support it now. Unless some of my colleagues object to it, I am willing to accept the amendment.

Mr. BROCK. I am very grateful. I am prepared for a vote.

The **PRESIDING OFFICER.** The question is on agreeing to the amendments.

The amendments were agreed to en bloc.

Mr. **PACKWOOD**. Mr. President, I have an amendment at the desk that I wish to call up. It does not have a number. It was handed in only several hours ago.

The **PRESIDING OFFICER**. The amendment will be stated.

The second assistant legislative clerk read as follows:

On page 37, beginning with line 22, strike out through line 3 on page 38 and insert in lieu thereof the following:

"(3) It shall not be unlawful under this section for a corporation or a separate segregated fund established by a corporation to solicit contributions from stockholders and their families or from employees of the corporation (whether or not they are members of a labor organization) and their families. It shall not be unlawful under this section for a labor organization or a separate segregated fund created by a labor organization to solicit contributions from members of that organization and their families or from stockholders or employees of a corporation and their families if that organization is the labor representative of some employees of that corporation in dealing with that corporation as to matters of pay, working conditions, and other benefits.

Mr. **PACKWOOD**. Mr. President, I shall explain what this amendment is, and it is controversial. I expect a rollcall vote on it.

This amendment would strike out the present provision of the bill indicating whom unions can solicit in a corporation and whom a business political action fund can solicit in a corporation and, in essence, lets everybody solicit everybody in the corporation. A union or a separate segregated union fund can solicit any union employees of the corporation or any nonunion employees of the corporation. It may happen to be nonsupervisory personnel. They can solicit administrative and executive personnel, officers, stockholders, and the families of any of those people.

Conversely, a fund created by the corporation can solicit shareholders, executive personnel, administrative personnel, nonunion personnel, and union personnel.

The amendment, pretty much, puts the situation back where the Federal Election Commission had left it with their rulings in the creation of what was known as the SUNPAC decision. It seems to me that, in fairness and in equity, if a union can solicit the union employees of a corporation, as is now presented in the bill, they ought to have equal access to solicit the nonunion and nonsupervisory employees. And there is no reason why they should not be allowed to mail to the shareholders of a corporation, asking those shareholders to contribute to a union fund or a separate segregated fund provided by the union.

Again, it treats unions and businesses equitably. Any money raised by these funds would have to be disclosed, any money spent would have to be disclosed. I think it is a step toward encouraging political participation, because it will encourage people to give to whatever fund they choose and they can be equally solicited by either side.

I yield the floor, Mr. President.

The **PRESIDING OFFICER**. The question is on agreeing to the amendment of the Senator from Oregon.

Mr. **PACKWOOD**. Mr. President, I ask for the yeas and nays.

The **PRESIDING OFFICER**. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The **PRESIDING OFFICER**. The yeas and nays have been ordered, and the clerk will call the roll.

The second assistant legislative clerk called the roll.

Mr. **ROBERT C. BYRD**. I announce that the Senator from Idaho (Mr. CHURCH), the Senator from New Hampshire (Mr. DURKIN), the Senator from Indiana (Mr. HARTKE), the Senator from South Carolina (Mr. HOLLINGS), the Senator from Washington (Mr. JACKSON), the Senator from South Dakota (Mr. MCGOVERN), the Senator from Wisconsin (Mr. NELSON), the Senator from Rhode Island (Mr. PASTORE), and the Senator from New Jersey (Mr. WILLIAMS) are necessarily absent.

I further announce that, if present and voting, the Senator from Rhode Island (Mr. PASTORE) and the Senator from Washington (Mr. JACKSON) would each vote "nay."

Mr. **GRIFFIN**. I announce that the Senator from Oklahoma (Mr. BARTLETT), Senator from Massachusetts (Mr. BROOKE), Senator from New York (Mr. BUCKLEY), Senator from Arizona (Mr. GOLDWATER), and Senator from North Dakota (Mr. YOUNG) are necessarily absent.

I further announce that the Senator from Vermont (Mr. STAFFORD) is absent due to illness.

The result was announced—yeas 40, nays 45, as follows:

[Rollcall Vote No. 76 Leg.]

YEAS—40

Allen
Baker
Beall
Bellmon
Bentsen
Brock
Byrd,
Harry F., Jr.
Chiles
Curtis
Dole
Domenici
Eastland
Fannin
Fong
Garn
Griffin
Hansen
Hatfield
Helms
Hruska
Laxalt
Mathias
McClellan
McClure
Nunn
Packwood
Pearson
Percy
Roth
Scott, Hugh
Scott,
William L.
Sparkman
Stennis
Stevens
Stone
Taft
Talmadge
Thurmond
Tower
Weicker

NAYS—45

Abourezk
Bayh
Biden
Bumpers
Burdick
Byrd, Robert C.
Cannon
Case
Clark
Cranston
Culver
Eagleton
Ford
Glenn
Gravel
Hart, Gary
Hart, Philip A.
Haskell
Hathaway
Huddleston
Humphrey
Inouye
Javits
Johnston
Kennedy
Leahy
Long
Magnuson
Mansfield
McGee
McIntyre
Metcalf
Mondale
Montoya
Morgan
Moss
Muskie
Pell
Proxmire
Randolph
Ribicoff
Schweiker
Stevenson
Symington
Tunney

NOT VOTING—15

Bartlett
Brooke
Buckley
Church
Durkin
Goldwater
Hartke
Hollings
Jackson
McGovern
Nelson
Pastore
Stafford
Williams
Young

So the amendment of the Senator from Oregon was rejected.

Mr. **CANNON**. Mr. President, I move to reconsider the note by which the amendment was rejected.

Mr. **CLARK**. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. **PACKWOOD**. Mr. President, I am curious, because I do have other——

The **PRESIDING OFFICER**. The Senate will be in order.

Mr. **PACKWOOD**. I do have other amendments to offer and I shall offer them. I am trying to reach some common ground, some median that this body will regard as fair to unions and to employers. This last amendment, which was defeated by a 45-to-40 vote, would have allowed union political action funds to solicit anybody in a corporation that that union had any organization in, and it would have allowed a corporate political fund to solicit any of the employees. It was a complete crossover.

As we heard the vote going on, several people asked me about it and they expressed the feeling that maybe the corporation should not be allowed to solicit union employees, although I see no reason not to allow it. It seems to me that a union employee might have as much interest in his corporation that employs him as he does in the union he belongs to But that is neither here nor there. The amendment lost.

The feeling was expressed that a corporation should not solicit from union employees. Others said that unions should not be soliciting from shareholders and executive personnel, administrative personnel, because basically their alinement was not with the union and everybody ought to be left to solicit really those with whom they have a common interest.

Mr. President, I send to the desk an amendment. I ask that it be read in full and I ask for its immediate consideration.

The **PRESIDING OFFICER**. The amendment will be stated.

The legislative clerk read as follows:

On page 37, beginning with line 22, strike out through line 3 on page 38 and insert in lieu thereof the following:

"(3) (A) It is lawful for a corporation, or a separate segregated fund established by a corporation, to solicit contributions to such fund under paragraph (1) from stockholders and their families and from executive and administrative personnel and their families.

"(B) It is lawful for a labor organization, or a separate segregated fund established by a labor organization, to solicit contributions to such fund under paragraph (1) from members of that organization and their families.

"(C) It is lawful under this section for a corporation, a labor organization, or a separate segregated fund established by a corporation or a labor organization to solicit contributions from employees of a corporation, and their families, who are neither executive and administrative personnel nor members of that labor organization.

"(D) It shall be unlawful under this section—

"(i) for a corporation, or a separate segregated fund established by a corporation, to solicit contributions from employees of that corporation who are represented by a labor organization in dealing with that corporation with respect to matters of pay, working conditions, and other employee benefits, and "(ii) for a labor organization, or a separate segregated fund established by a labor organization, to solicit contributions from stockholders of a corporation and their families or from executive and administrative personnel of a corporation and their families.

Mr. PACKWOOD. Mr. President, this is what is called the middle ground amendment. I had the Library of Congress check for me with the major corporations in this country to find out how many total employees they had, how many were unionized, how many were nonunionized. Let me just go down the list.

General Motors has 480,000 employees in this country. There are 352,000 who are unionized and 128,000 are not.

Ford Motor Co. has 206,000 employees. There are 138,500 who are unionized, and 66,791 are not.

International Telephone & Telegraph refused the information.

General Electric has 270,000 employees. There are 118,000 who are unionized, and 152,000 not unionized.

International Business Machines—and I checked this figure by calling one of their officers today because I found it hard to believe but it is true—International Business Machines has 157,000 employees in this country and none are unionized, period. Zero.

Chrysler has 129,000 employees of which 105,000 are unionized. There are 24,000 not unionized.

Westinghouse Electric: 130,000 total; 78,000 unionized, 52,000 not unionized.

Western Electric: 149,700 employees. There are 98,428 who are unionized, and 51,272 not unionized.

Goodyear Tire and Rubber: 80,600 employees. There are 40,000 who are unionized, and 40,600 are not unionized.

If we add all of these up, what we come to is this situation with the major industrial corporations in this country: About half of what we would call their blue collar or nonsupervisory white-collar employees are unionized and about half are not.

Under what was called the SUNPAC decision of the Federal Election Commission, all of the employees of a corporation, whether they were unionized or not, could have been solicited by a business or a union political action fund or a lawfully separate segregated fund.

After that decision came down, there was strong opposition to it, frankly, strong opposition from unions. They did not like the idea that unions and businesses would have an equal access to all employees. So an amendment was offered to this bill and it carried in committee, and a similar amendment carried in 'he House in the committee, which limits unions to soliciting only union employees, and it limits a corporate political action fund to soliciting only shareholders or very high echelon executive and administrative personnel. In each case either of those funds can solicit the families. But it leaves out this great middle group. These nonsupervisory, nonunionized employees, who are half of the work force of the major corporations in this country cannot be solicited by the union and cannot be solicited by the employer.

They surely have a stake in what goes on that might affect their company. They surely have a stake in what the unions who represent half of the employees of that company may advocate. Yet they cannot be solicited.

So, all I am doing with this middle ground amendment is allowing those employees who at the moment are nonunionized and nonsupervisory to be solicited by a union political action fund or a corporate political action fund.

Just let me read a selective list of the kinds of employees we are talking about:

Corporate Occupations That Do Not Fall Within Definition of an "Executive" or "Administrative" Employee [1]

Total: 152.

Accountant, accounting clerk, actor, administrative clerk, advertising workers/writers, announcer, radio, announcer, television, apprentice machine operator.

Artist, assistant section supervisor (key tape), assistant unit supervisor, bank clerks, bank tellers, bookkeeper, bookkeeper, head, camera men, carpenter.

Cartographers, cartoonist, cashiers, checker, chemist, cleaning staff, clerk, clerk, chief, clerk, coding, clerk, counter, clerk, data exam, clerk, mail/bindery.

Clerk, principal, clerk, receipts, clerk, shipping, clerk typist, clerks, file, columnist, comparison shopper, composer.

Computer operator, computer operator trainee, computer programmer, correspondence typists, craftsman, custodian, delivery man, dental assistants, dental technicians.

Dentist, dietitian, displaymen, doctor/surgeon/anesthetist, draftsman, dramatic critic, driver salesmen, editorial assistant, engineer, engineer, junior, executive secretary, food processors.

Graphic designers, guard, hotel assistants, illustrator, inside salesman, inspector, interns, interpreters, jobber's representative, jobber's salesman.

Journalist, junior programmer, key punch operator, key tape operator, laundry/dry cleaning personnel, lawyer, legal paraprofessional, legal stenographer, librarian, library assistants.

Linotype operator, lumber grader, machine operator, maintenance personnel, master press operator, mechanic, medical paraprofessional, medical technologist, messengers.

Methods engineer, musician, newspaper writer, novelist, nurse, office machine operators, painter, painter's assistant, personnel clerk, pharmacist, photographers.

Physician, physician intern, physician osteopathic, physician resident, podiatrist, press operator, programmer trainee, proofreader, psychologist.

Psychometrist, rate setter, receptionist, record control clerk (K/P), registered nurse, reporter, representative, manufacturer's, researchers.

Retail routeman, retoucher photographic, route driver, routeman, salesman, dealer, salesman, distributor, salesman, laundry, salesman, mail, salesman, route, salesman, telephone.

Salesman, typewriter repair, salesman, wholesale, salesman's helper, sales research expert, scientific technicians, secretary, serviceman, social worker, statistician, stenographers, stock clerks, tape librarian, teaching assistants.

Technologist, therapist, timekeeper, traffic clerks, trainer-salesman, truck driver, typists, unit supervisor, watch engineer, word processing operator writer, xerox operator, x-ray technician public relations staffer.

We all know the kind of employee we are talking about. Is there any reason why they should be excluded from either a union political action solicitation or a corporate political action solicitation?

I want to make clear in this amendment we are not saying that a union or business political action fund can solicit somebody unrelated to the corporation. Business cannot use its political action fund to go out and solicit shareholders of other corporations or employees of other corporations, nor can a union go outside the corporation where it is organized and solicit willy-nilly from other employees or from the public at large.

I think in fairness, in trying to reach a middle ground, this amendment does give an evenhanded chance to both groups to reach a group of employees that at the moment cannot be solicited by either group. I think that is unfair.

I have given up, although I was unhappy with the defeat of the amendment, employers soliciting union members and unions soliciting shareholders or higher echelon executive personnel.

Mr. BUMPERS. Will the Senator yield for a question?

Mr. PACKWOOD. I yield.

Mr. BUMPERS. The last amendment which was just defeated, I think, troubled most of the Members in this body for a very simple reason: Everybody is concerned about the possibilities of a gentle, nevertheless overt, pressure when employees are solicited by their employer.

It is no less true in some instances, and I know you are all talking about employees who belong to unions who might be solicited by shop stewards by at least a gentle pressure that is always there. The Senator's amendment, if I understand correctly, would, for example, permit a small employer with perhaps 100 employees that are nonunion to solicit those 100 employees for his political action committee; would that be correct?

Mr. PACKWOOD. For his nonunion employees, yes; that is correct.

Mr. BUMPERS. Provided they are nonunion.

Mr. PACKWOOD. Pardon me?

Mr. BUMPERS. Provided they are nonunion.

Mr. PACKWOOD. Yes.

Mr. BUMPERS. If they are nonunion employees, he may solicit them.

Mr. PACKWOOD. That is correct.

Mr. BUMPERS. The thing that troubles me about that is that it occurs to me that the pressure is really more stark in the instance where the employee is not unionized and does not have anyone as a bulwark between him and the employer. He has no organization; he has no one to protect him if he decides to say no to the employer. Does the Senator not see that as a problem?

Mr. PACKWOOD. It is a problem. It is illegal under existing law to coerce or pressure anyone into making contributions, but the Senator from Arkansas is correct; I will admit it is a problem, but a problem we disregard when we passed the remission of the Hatch Act this last week. The fear was expressed that people would be solicited in the Federal Government and, because they were worried about their jobs or desired promotions, they might give. But that argument at that time did not wash.

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[1] Source: Fair Labor Standards Act and Regulations Title 29, Part 541 of the Code of Federal Regulations, U.S. Department of Labor, Wage and Hour Division.

Mr. BUMPERS. I thank the Senator. That answers my question. I see the Senator is cognizant of the problem. I am not talking about the question of where there is overt pressure to either give or you will not have a job next week, but I think the pressure is there, and that troubles me.

Mr. BROCK. Mr. President, will the Senator yield?

Mr. PACKWOOD. I yield.

Mr. BROCK. I just wanted to tell the Senator from Arkansas, because I think I agree with him on the problem, that I realize that what the Senator from Oregon is reaching for is a situation where a salesman, for example, for a particular company, cannot be solicited by either side. That does not seem to limit the access to the persons, and I do not know how to resolve it without some amendment of this sort. If the Senator wanted to offer a modification which would say hourly employees in a nonunion plant could not be solicited, I might be willing to take a look at that. But I think you have got to find some way other than a rejection of the amendment to deal with the problem.

I have here, I do not know, there are about 150 occupational codes listed by Civil Service of types of occupations which fall between the cracks. How do you handle that? That is the basic problem.

Mr. CLARK. Mr. President, will the Senator yield for a question?

Mr. PACKWOOD. I yield.

Mr. CLARK. I am just trying to anticipate what would happen under this amendment, as I understand it, if you have a nonunion shop, where there is no union. The employees who work for that corporation, the nonunion employees, would be open game for the corporation to solicit for funds, but no labor union would be allowed to solicit them, since they do not have a labor union. Am I right or wrong about that?

Mr. PACKWOOD. That is true. The reason for that is—so far as I am concerned, I would be delighted to open it up and find out whether or not we are talking about corporations, but this Senator wanted to narrow that, to show there is no interest in a corporation on the part of a union that never bothered to organize it.

Mr. CLARK. Well, if that is the case, under the Senator's amendment, as I understand it, the only available new people for the union to solicit are those in a plant where there is a union, but where the employees have refused to join that union or do not belong to that union. Those are the only additional people, under the Senator's amendment, who would be available for unions to solicit, are they not?

Mr. PACKWOOD. Yes; if there is no union in the plant, then the union cannot solicit those employees.

Mr. CLARK. And in those plants where there is a union, the only new source of recruitment for funding would be from those members who have decided against joining the union; is that correct?

Mr. PACKWOOD and **Mr. BROCK** addressed the Chair.

Mr. PACKWOOD. Go ahead.

Mr. BROCK. I was going to say if they have a boilermaker's union, for example, they would rarely ask the artist in the PR department to join. As a matter of fact, I do not think they would give him the opportunity; he is not considered suitable by the union, since unions organize by their own crafts.

Mr. CLARK. So the Senator is saying nonorganized crafts within the same shop?

Mr. BROCK. Sure.

Mr. CLARK. As I understand the law now, a corporation under the law may use a checkoff system for either stockholders, executive employees, or, indeed, any employees.

Mr. PACKWOOD. Under the present law, under the SUNPAC decision, that is true. Under this bill it is very limited as to whom they can solicit.

Mr. CLARK. Well, to make my question very clear, as I understand it a corporation under present law my use a checkoff system to collect funds from those people who are eligible to give funds to them.

Mr. PACKWOOD. If a person wants to volunteer and say, "Yes, you may use a checkoff and take a dollar out of my salary or my dividends each year," that is permitted.

Mr. CLARK. That is correct, it is permitted under the law, but as I understand it, under the Taft-Hartley law unions may not use a checkoff for a similar purpose. Is that correct?

Mr. PACKWOOD. No, I do not think that is correct. Under the bill, on page 38, unions would be allowed to check off.

Mr. CLARK. So under this system both unions and corporations would be allowed to use a checkoff for additional recruits that are going to be made available?

Mr. PACKWOOD. They do not have to. They could, according to what we have been talking about today. It applies to both unions and corporations. If one does it, the other can do it.

Mr. CLARK. I thank the Senator.

Mr. BROCK. Mr. President, I want to be very sure we understand what we are doing here. I am sympathetic with what the Senator from Iowa was doing, by implication at least, and I think the Senator from Arkansas; and I would like to be very honest: any of these pacts, they all bother me. There is implict in a pact, if not the fact at least the opportunity for pressure. That bothers me greatly. It occurs just as much in a union shop as it does with a corporation soliciting its lower management group, and I think it is something we ought to be troubled about, and we ought to be extremely careful what we do.

I do not know how to resolve that, because I do not know how to limit voluntary associations for public purposes. I think they are very good, but, boy, it does trouble me to have a law setting these things up with full understanding, in a posture whereby people can be abused, or at least be concerned about being abused. That is the real danger. They do not know what is going to happen. They do not know if they are going to have their union card pulled, or if they are going to lose that opportunity for promotion.

But we had the same problem in the Hatch Act debate, as the Senator from Oregon pointed out. I think the Senate made a mistake in that case. I voted against that bill, but I was in the distinct minority. I think we may be making a mistake again.

The only argument I have on this amendment is as to the merit of the pact. I cannot make that argument, because I am not sure I believe in it. But I think if we have a law it should apply to all individuals. That is all the Senator from Oregon is saying, that these people should not be allowed to fall between the cracks because they happen to be a bookkeeper-clerk, an artist, or a comparison shopper. That is all.

Mr. PACKWOOD. Mr. President, I agree with the Senator from Tennessee. I would be very happy if it were constitutional. If we could pass a law in this country that would say there could be no political action funds and all contributions must be individual and that one cannot have contributions of over $100, if we could tie that all together, I think it would be a good thing for the political system of this country. I am not sure it is constitutional, but it certainly would be desirable.

Mr. BROCK. I think it would be, too.

I tell the Senator that one of these days someone is going to read this law carefully, and is going to find the loopholes that are in it, and some corporation is going to do something like send out a letter, or maybe all of them will, to the 25 or 30 million American stockholders, and people are going to scream like stuck pigs in Congress about the abuse that that constitutes.

I say to Senators that is exactly what they are allowing to happen in this bill today, and I think it is wrong.

Mr. CANNON. Mr. President, first I wish to respond to the Senator——

The **PRESIDING OFFICER.** Did the Senator from Oregon yield the floor?

Mr. PACKWOOD. No, I have not yielded the floor, but I am happy to yield.

Mr. CANNON. I am sorry. I thought the Senator had yielded.

The **PRESIDING OFFICER.** The Senator from Oregon has the floor and is still recognized.

Mr. PACKWOOD. Worry was expressed by the Senator from Arkansas about the subtle coercion or suggestion that might be used by employers who seek contributions. Again I assure the Senate such coercion is illegal under present law. There is nothing in this bill that changes that.

I quote from the condition that the Federal Election Commission laid that down in their SUN PAC decision:

> 3. Sun may solicit contributions for SUN PAC from its stockholders and employees, provided there is "no coercion or reprisal of any kind in the solicitation of contributions." The Commission set out three guidelines to "minimize the appearance or perception of coercion":
>
> (a) No superior should solicit a subordinate;

(b) The solicited employee must be informed of the political purpose of SUN PAC;

(c) The employee should be informed of his right to refuse to contribute without reprisal.

I am sure we can expect that if we pass this amendment, although in a somewhat more limited degree than the Federal Election Commission allows, legalizing the creation of these union and business political funds and saying they can solicit within a broad range, but not everyone, all these employees, the Federal Election Commission is going to come right back and put in these guidelines again that one cannot coerce an employee, that he must tell the employee what the purpose of the fund is and must inform the employee of the right to refuse. I would support those guidelines. I think those would be good provisions.

So I think again, in conclusion, that this is nothing but a middle-of-the-road amendment making sure that employees who are neither union nor supervisory will have a chance to be solicited by unions and by employers, without coercion from either side, and they, too, should have a chance to participate in these funds.

I yield the floor.

Mr. HANSEN. Vote.

The PRESIDING OFFICER. The Senator from Nevada is recognized.

Mr. CANNON. Mr. President, first, I say to the Senator from Tennessee as to his statement a little while ago about the possibility of corporations sending out letters to all of their stockholders making a solicitation and there would be a great furor, that provision is not true in this proposal here. That is in existing law, and apparently they have not overly abused this, or we would have had that furor from the stockholders already. So I just wanted to make that clear, that this is not new in S. 3065.

Mr. BROCK. I say to the Senator, if they did it with a vengeance and spending a lot of corporate money, the Senator knows people would be screaming up here.

Mr. CANNON. I would certainly think so.

Mr. BROCK. Why do we allow something that we know is wrong? That is all I am saying.

Mr. CANNON. I do not quite follow the Senator there. If he is trying to change existing law, he has not proposed it in this provision.

Mr. BROCK. May I say to the Senator that we are prepared to talk about that later on. We have an amendment on which we will give the Senator an opportunity to vote.

Mr. CANNON. I assume the Senator will, because I do not think the Senator will vote for the bill no matter how it comes out.

Mr. BROCK. I would vote for a simple extension, yes, I would.

Mr. RANDOLPH. Vote.

Mr. CANNON. Then, the Senator from Iowa raised the question about whether or not the method permitting a solicitation to a corporation was the method that would be permitted or would be the same method permitted a union, and that is not quite true, because on page 38, subsection 5, it provides as follows:

> Any corporation that utilizes a method of soliciting voluntary contributions or facilitating the making of voluntary contributions, shall make available, on written request, that method to a labor organization representing any members working for that corporation.

So this does not reach the problem of the nonunion corporation or the problem of the nonunion employees. In other words, the same method of solicitation would not be permitted to unions as it would to the corporations insofar as those people are concerned.

There is one other very bad feature of the Senator's proposal, and I do not believe he intended it this way, but if one will note under the unlawful provisions: It shall be unlawful for this section, and this is subsection (d), and if we go down to (2) listen now what it is unlawful to do:

> For a labor organization or a separate segregated fund established by labor organizations to solicit contributions from stockholders of a corporation and their families, or from executive and administrative personnel of a corporation and their families.

What he is doing there is disregarding completely the fact that the many labor people, employees of corporations are likewise stockholders in the corporation, and he makes it unlawful there for a union to solicit union members who happen to be stockholders.

We had the provision on page 38 in the definition of a stockholder:

> For purposes of this section, the term "stockholder" includes any individual who has a legal or vested beneficial interest in stock, including, but not limited to, an employee of a corporation who participates in a stock bonus, stock option, or employee stock ownership plan.

Many corporations in the country have precisely that kind of a plan where they permit the employees, labor union or not labor union, whichever it happens to be, to share in the corporation through the stock bonus plan, the stock purchase plan where a person can reinvest dividends through many forms of stock ownership, and the Senator's amendment would, therefore, make it unlawful for a labor organization or a separate segregated fund established by that organization to solicit contributions from stockholders of a corporation even though those stockholders might be members of the union.

I do not think the Senator intended that, but that is what his amendment says, and I ask him if he has any proposal to correct it so that it would make it certainly fairer because we have to recognize that stockholders of corporations are certainly not limited to people who are not members of labor organizations.

Mr. PACKWOOD. I think the chairman has brought the valid point to the amendment, and I will be happy to amend it to read as follows:

On the next to the last line after the word "families" "unless said stockholders are members of the union," and that would allow the union to solicit all of the shareholders who happen to be members of the union. I certainly do not want to limit the union from soliciting those people just because they happen to be stockholders.

Mr. CANNON. Did the Senator propose an amendment to his amendment there?

Mr. PACKWOOD. Mr. President, I so offer that amendment.

Mr. CANNON. Mr. President, will the Senator restate it?

Mr. PACKWOOD. Yes.

After the word "families" insert the words "unless said stockholders are members of the union"—or change it "to labor organization."

The PRESIDING OFFICER. The Senator has the right to modify his amendment, and the amendment will be so modified.

Mr. CANNON. Mr. President, could we ask the clerk to read subparagraph 2 as it is now amended.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

> For a labor organization, or a separate segregated fund established by a labor organization, to solicit contributions from stockholders of a corporation and their families unless said stockholders are members of labor or from executive and administrative personnel of a corporation and their families.

Mr. PACKWOOD. Instead of "union," it should read "labor organization."

I thank the Chairman for catching that, because there was no intention in my mind to eliminate the many union members, especially when we are talking about pension plans and employee stock ownership plans, to prohibt the union from soliciting them.

The modified amendment is as follows:

> On page 37, beginning with line 22, strike out through line 3 on page 38 and insert in lieu thereof the following:
>
> "(3) (A) It is lawful for a corporation, or a separate segregated fund established by a corporation, to solicit contributions to such fund under paragraph (1) from stockholders and their families and from executive and administrative personnel and their families.
>
> "(B) It is lawful for a labor organization, or a separate segregated fund established by a labor organization, to solicit contributions to such fund under paragraph (1) from members of that organization and their families.
>
> "(C) It is lawful under this section for a corporation, a labor organization, or a separate segregated fund established by a corporation or a labor organization to solicit contributions from employees of a corporation, and their families, who are neither executive and administrative personnel nor members of that labor organization.
>
> "(D) It shall be unlawful under this section—
>
> "(i) for a corporation, or a separate segregated fund established by a corporation, to solicit contributions from employees of that corporation who are represented by a labor organization in dealing with that corporation with respect to matters of pay, working conditions, and other employee benefits, and
>
> "(ii) for a labor organization, or a separate segregated fund established by a labor organization, to solicit contributions from stockholders of a corporation and their families unless said stockholders are members of labor organizations or from executive and administrative personnel of a corporation and their families.

Mr. PACKWOOD. I am prepared to vote, Mr. President.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

Mr. PACKWOOD. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Oregon, as modified. On this question the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Delaware (Mr. Biden), the Senator from Idaho (Mr. Church), the Senator from Indiana (Mr. Hartke), the Senator from South Carolina (Mr. Hollings), the Senator from Washington (Mr. Jackson), the Senator from Louisiana (Mr. Long), the Senator from South Dakota (Mr. McGovern), the Senator from Maine (Mr. Muskie), the Senator from Wisconsin (Mr. Nelson), the Senator from Rhode Island (Mr. Pastore), the Senator from Mississippi (Mr. Stennis), the Senator from Georgia (Mr. Talmadge), the Senator from New Jersey (Mr. Williams), and the Senator from North Dakota (Mr. Durkin) are necessarily absent.

I further announce that, if present and voting, the Senator from Washington (Mr. Jackson), and the Senator from Rhode Island (Mr. Pastore) would each vote "nay."

Mr. GRIFFIN. I announce that the Senator from Oklahoma (Mr. Bartlett), the Senator from Massachusetts (Mr. Brooke), the Senator from New York (Mr. Buckley), the Senator from Arizona (Mr. Goldwater), and the Senator from North Dakota (Mr. Young) are necessarily absent.

I further announce that the Senator from Vermont (Mr. Stafford) is absent due to illness.

The result was announced—yeas 33, nays 47, as follows:

[Rollcall Vote No. 77 Leg.]

YEAS—33

Allen
Baker
Beall
Bellmon
Bentsen
Brock
Byrd, Harry F., Jr.
Curtis
Dole
Domenici
Eastland
Fannin
Fong
Garn
Griffin
Hansen
Hatfield
Helms
Hruska
Laxalt
McClellan
McClure
Packwood
Pearson
Percy
Roth
Scott, Hugh
Scott, William L.
Sparkman
Stevens
Taft
Thurmond
Tower

NAYS—47

Abourezk
Bayh
Bumpers
Burdick
Byrd, Robert C.
Cannon
Case
Chiles
Clark
Cranston
Culver
Eagleton
Ford
Glenn
Gravel
Hart, Gary
Hart, Philip A.
Haskell
Hathaway
Huddleston
Humphrey
Inouye
Javits
Johnston
Kennedy
Leahy
Magnuson
Mansfield
Mathias
McGee
McIntyre
Metcalf
Mondale
Montoya
Morgan
Moss
Nunn
Pell
Proxmire
Randolph
Ribicoff
Schweiker
Stevenson
Stone
Symington
Tunney
Weicker

NOT VOTING—20

Bartlett
Biden
Brooke
Buckley
Church
Durkin
Goldwater
Hartke
Hollings
Jackson
Long
McGovern
Muskie
Nelson
Pastore
Stafford
Stennis
Talmadge
Williams
Young

So Mr. Packwood's amendment, as modified, was rejected.

Mr. CANNON. Mr. President, I move to reconsider the vote by which the amendment was rejected.

Mr. HATFIELD. I move to lay that motion on the table.

The PRESIDING OFFICER (Mr. Nunn). The question is on agreeing to the motion to lay on the table.

The motion to lay on the table was agreed to.

Mr. SCHWEIKER. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

On page 11, beginning with line 22, strike out through line 5 on page 12 and insert in lieu thereof the following:

(b) Section 302(c) (2) of such Act (2 U.S.C. 432(c) (2)) is amended by striking out "$10" and inserting thereof "$100."

On page 13, beginning with line 10, strike out through line 20.

On page 13, line 21, strike out "(5)" and insert in lieu thereof "(1)".

On page 13, line 23, strike out "(6)" and insert in lieu thereof "(2)".

On page 14, line 1, strike out "(7)" and insert in lieu thereof "(3)".

Mr. SCHWEIKER. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. FANNIN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, will the Senator yield to me without losing his right to the floor?

Mr. President, I am informed that the amendment the distinguished Senator from Pennsylvania (Mr. Schweiker) is offering, will be accepted by the manager of the bill thus relieving the Senate of another rollcall vote today.

I am also advised that Mr. Griffin will then lay down his substitute, and we think we have worked out an agreement whereby a final vote on that substitute would occur tomorrow at 1:30 p.m., and if the Chair will get order, I will attempt to get the request now, so that Senators will know what the agreement is, and they can then go to their separate abodes without concern that there will be another rollcall vote tonight.

Mr. MANSFIELD. Mr. President, may we have order?

The PRESIDING OFFICER. Senators will take their seats and will clear the well.

Mr. CHILES. Mr. President, will the Senator yield?

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that on the substitute which will be shortly offered by Mr. Griffin—I yield to the Senator.

Mr. CHILES. If the Senator will yield, I do not intend to offer a substitute or lay down an amendment. I have an amendment which I want to place on the desk and have printed, and I would like to have a couple of minutes to talk about it before we adjourn tonight.

Mr. ROBERT C. BYRD. Yes; the Senator will be accommodated in that regard.

REQUEST FOR TIME LIMITATION AGREEMENT

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the substitute which will be shortly offered by Mr. Griffin have a time limitation thereon, without any time running on the substitute tonight, of not to exceed 2 hours, the time to be equally divided between Mr. Cannon and Mr. Griffin; that there be a time limitation on any amendment thereto or to the bill of not to exceed 1 hour, the time to be divided and controlled in accordance with the usual form; that a vote occur on the substitute tomorrow at 1:30 p.m.; provided further, that no amendment be in order after the hour of 1 p.m. tomorrow; provided further that the Senate proceed to the consideration of the substitute at 10 o'clock tomorrow morning; and ordered further that the agreement be in the usual form.

Mr. HATFIELD. Mr. President, I think there is also the matter of the germaneness of the amendments.

Mr. ROBERT C. BYRD. That was taken care of in the phraseology "usual form."

Mr. MATHIAS. Mr. President, reserving the right to object, I have an amendment pending which, I think, should be disposed of prior to the vote on the Griffin amendment. I wonder if the distinguished majority whip might contemplate that?

Mr. ROBERT C. BYRD. Is the Senator's amendment to the substitute?

Mr. MATHIAS. No.

Mr. ROBERT C. BYRD. It would be a perfecting amendment to the bill?

Mr. MATHIAS. It is an amendment to the bill, but it deals with the question of the composition of the Election Commission and, I think, it could be disposed of in advance, and it would then be desirable——

Mr. ROBERT C. BYRD. May I ask a question as to whether or not the Griffin substitute is a substitute for the entire bill?

Mr. HATFIELD. It is.

Mr. ROBERT C. BYRD. It is.

Mr. HATFIELD. It is a substitute for the entire bill.

Mr. ROBERT C. BYRD. The Senator could offer his amendment under this agreement.

Mr. MATHIAS. It is not an amendment to the Griffin substitute.

Mr. ROBERT C. BYRD. Yes, but he could offer his amendment to the bill. The Senator could offer his amendment to the bill under this agreement.

Mr. BROCK. Unless the substitute is passed.

Mr. MATHIAS. Mr. President, just so we are perfectly clear on this, my amendment is not an amendment to the Griffin substitute. It is an amendment to the bill, and what I would like to see, before we enter into this agreement, is that I have an opportunity to call up the amendment prior to the vote on the Griffin substitute.

Mr. CHILES. I now understand that on the Griffin substitute—reserving the right to object—before the Griffin substitute is locked in I think the amendment I was going to lay down tonight would have to be conformed so that it could be an amendment to the Griffin substitute, otherwise I might be wiped out, so I would like to be included and in the time on that.

Mr. ROBERT C. BYRD. Let me rephrase my request in part, Mr. President.

I ask unanimous consent that there be a time limitation on any amendment to the substitute or to the bill of 30 minutes; that there be a time limitation on any debatable motion or appeal or point of order of 20 minutes; that no amendment either to the bill or to the substitute be in order after the hour of 1 p.m. tomorrow, and that the agreement be in the usual form, with consideration of the bill beginning tomorrow morning at 10 a.m.

Mr. BROCK and Mr. TAFT addressed the Chair.

Mr. BROCK. Reserving the right to object, Mr. President, will the Senator yield?

Mr. ROBERT C. BYRD. Yes.

Mr. BROCK. The Senator from Florida and I have, I think, a very significant and major amendment. It is going to take some time. We will try to do a little bit of talking tonight about it, but I honestly am not sure it will be possible for us to adequately dispose of it in 30 minutes. I wonder if we might ask for an exception to the rule and allow 1 hour for the Chiles-Brock amendment?

Mr. CHILES. Are we getting time now?

Mr. BROCK. I was asking for a modification so that the amendment of the Senator from Florida can be accorded 1 hour instead of a half hour.

Mr. CHILES. Yes.

Mr. ALLEN. Reserving the right to object, Mr. President, did I understand the distinguished assistant majority leader to say that the amendments had to be germane to the substitute?

Mr. ROBERT C. BYRD. That the agreement be in the usual form, so that we do not get a busing amendment or an amendment of that kind.

Mr. ALLEN. I understand. But that an amendment could be offered during the pendency of the substitute to the bill itself, could it?

Mr. ROBERT C. BYRD. Yes.

Mr. ALLEN. And it would only have to be germane to the bill; it would not have to be germane to the amendment?

Mr. ROBERT C. BYRD. It ought to be germane to the amendment or to the bill.

Mr. ALLEN. I have not seen the substitute. I do not know what is in there. I have some amendments, one of which the floor manager of the bill, the distinguished Senator from Nevada, has agreed to accept. I would not want to have the substitute cut-off good amendments that would be germane to the bill.

Mr. ROBERT C. BYRD. I think I may have confused the Senator by my request.

The vote which would come at 1:30 p.m. tomorrow would be on the substitute for the bill. It is not a vote on the bill.

Mr. ALLEN. I understand. But the substitute would wipe out any future amendments to the bill itself, and the substitute does not cover all contingencies, I am sure.

If a substitute is pending, an amendment would be in order to the bill itself.

Mr. ROBERT C. BYRD. Yes.

Mr. ALLEN. I would not want to cut-off the right to amend the bill. I do not know what is in the substitute.

Mr. ROBERT C. BYRD. My request does not cut-off the right to amend the bill.

Mr. ALLEN. The Senator said a moment ago it would have to be germane to the substitute.

The PRESIDING OFFICER. Amendments offered to the substitute would have to be germane to the substitute, but amendments offered to the bill would not have to be germane.

Mr. ALLEN. That has never been stated.

The only trouble is that by having a time limit on the substitute, that could well cut off taking action on proper and substantial and constructive amendments to the bill. We would be sitting there with a handful of good amendments and the substitute would cut off those amendments.

Mr. ROBERT C. BYRD addressed the Chair.

Mr. CANNON. Will the Senator yield to me to respond?

Mr. ALLEN. Yes.

Mr. CANNON. If the Senator voted against the substitute, as I intend to do, then the bill would be wide open after the substitute is defeated, so the amendments would then be in order.

Mr. ALLEN. I understand.

I do not know how it is going to go, but I might want to vote for the substitute.

Mr. ROBERT C. BYRD. Mr. President, for the time being, I withdraw my request and, in the meantime, the Senator from Pennsylvania can proceed, after which we will renew the request.

I think all Senators can be assured there will be no more rollcall votes tonight.

The PRESIDING OFFICER. The unanimous-consent request is withdrawn.

The Senator from Pennsylvania has the floor.

Mr. SCHWEIKER. Mr. President, very simply, this amendment does one important thing. That is, it restores something that the committee bill had taken away, which is the disclosure requirement of the employer of a person who makes a contribution of over $100.

The bill before us would have withdrawn that requirement and merely listed the person's name and address. It would not have required that person's employer or occupation to be listed.

My amendment—which is cosponsored by the distinguished Senator from Iowa (Mr. CLARK), who has done a great deal of work in this area and deserves much credit for the work he has done—would simply change the law back to what is now on the books, the law that says that a candidate must report the employer of the person who makes a contribution over $100.

This disclosure is needed so that we know if there is a heavy, weighted contribution from any one segment, any private interest, any special interest. These contributions can be earmarked, they can be targeted, and they can be reported. The theory of election reform is disclosure, and that means disclosure of what interests are giving contributions.

I think this amendment is an important step. I am very hopeful that the distinguished chairman of this committee will see fit to accept this amendment.

Mr. CLARK. Mr. President, I am pleased to join with my distinguished colleague, the Senator from Pennsylvania (Mr. SCHWEIKER) in offering this amendment. I think all of us would agree that disclosure represents the single most essential element in the entire campaign law. Disclosure of a contributor's occupation and place of business, including the name of the firm where the person is employed, is vitally important if the public is to know and understand the source of a candidate's campaign funds. Our amendment would restore this necessary disclosure requirement, and I urge its adoption.

Mr. CANNON. Mr. President, we had previously agreed in the committee to the provision requiring reporting with respect to contributions in excess of $100. The Senator from West Virginia had an amendment that was accepted by the committee.

This proposal now would change the proposed language back to existing law. I am advised by the Senator from West Virginia that it is acceptable to him. Accordingly, I am willing to accept the amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. CHILES. Mr. President, the Senator from Florida has an amendment at the desk that he is not going to take up tomorrow. I suppose it will come as an amendment to the Griffin substitute if there is a time limitation agreement and if the Griffin amendment is made a substitute. I believe it will bring this thing into focus a little bit.

What we have been talking about are exceptions to the prime purpose of the act, of allowing individuals to contribute in political campaigns. I believe the amendment of the Senator from Florida, as cosponsored by a number of Senators, among them Senator PACKWOOD, Senator NUNN, Senator BROCK, Senator BELLMON, Senator DOMENICI, would simply say that corporations would not be able to solicit their stockholders, their executives, their vice presidents, nor would labor unions be able to solicit their members. Neither side would be able to get a war chest for trying to invoke their own special interest. We simply allow it to individuals.

The whole electoral process, as I understand it, Mr. President, was created so that individuals could vote, so that individuals could nominate, so that individuals could elect. It looks like the fight that I have been seeing going on all day is sort of the fight between the giants. Each side believes the other has a little advantage so each side is trying to get a foothold.

I have not heard much talk about the people today. I have not heard much talk about what is really good as far as democracy and what is really good as far as individuals. It is whether we are going to allow AMPAC to be able to get its funds so it can promote itself. It is whether we are going to allow COPE to get its funds to promote itself. It is whether we are going to allow whatever the organization of the American banking group is to promote itself, or General Motors, or any of the other giants.

I believe one of the problems we have today is that all of those groups are well represented, too well represented. The people know it and the people are tired of it. The people feel it is time that they are the ones who are represented.

If we start talking about how to save some campaign costs, if we start talking about how to get people where they participate more in their electoral process, we will limit this to individuals.

Somebody said to me that constitutionally they are not sure whether this is all right. I would sure like to try that; I would sure like to test that. I do not find anything in the Constitution that says General Motors has the right to vote. I do not find anything in there that says the AFL–CIO has the right to vote. If they do not have the right to vote, why should they have the right to solicit funds to set up a war chest so that they can go out and work their will?

Nothing in this amendment says that COPE cannot be the Committee on Political Education. Nothing in this amendment says that AMPAC cannot be a committee to educate people on the benefits of the American Medical Society. Nothing says that the bankers cannot go out. They will be able to get their funds to put on their cocktail parties, to put on their solicitations to politically educate people.

What it says is that those groups are not going to walk around with a bag, they are not going to walk around with a sack, and they are not going to say:

> Wait a minute, Senator CHILES. If you want our support, if you want our contributions, we are going to look at your voting record a minute. We are going to see how you stand on these particular issues. We have a little honey sack here and we have it all prepared and set up. If you want to get your nose in the honey sack, you better do right, boy, if you are going to get in there.

What I think this says is that each one of us, and every other elected official, is going to have to go out and sort of put his trust with the people. He is going to have to go out. He cannot please a Mr. Big who heads up the American Medical Society. He cannot please a Mr. Big who heads up a labor union. He has to go out to the rank and file. He has to go out to individuals. He has to kind of get his message across and go out and campaign where he is.

If Senators want to talk about incumbents and who is better off, we know all the keys. We incumbents know who have the honey sacks. We know who has what kind of campaign war chest. We know that every time we start taking a vote.

It seems to me that for those who want to vote against the Packwood amendment that is going to give some special advantage to the corporation, and those who want to vote against the Packwood amendment who think the labor unions have a special advantage, here is a home. Here is a place where they can come home because they are coming home to what the process is about. They are coming home to what our Government is supposed to be about—representing people, not committees, not unions, not bankers, not doctors, but individuals. People.

That is the kind of question I think we are going to have a chance to vote on tomorrow. I urge Senators to take the chance to look at this amendment. We would like to have Senators participate in the vote and in the amendment tomorrow.

Mr. BROCK. Will the Senator yield?

Mr. CHILES. I yield.

Mr. BROCK. May I at this early moment take the opportunity of joining my colleague from Florida, as I have done on occasion in the past to my privilege, to support this amendment. I think he knows as well as I do that this bill without this amendment is nothing but a major loophole in and of itself. It applies to the American people but it does not apply to any groups, corporate or labor, because they are exempt from the law. They can spend all the money they want to out of their own committees to elect anybody they want to and there is no way we can control it. There is no way we can stop the abuse of people who work in those groups, and the opportunity for pressure and human abuse is great.

That is what this is all about, to let every American citizen be the equal of every other American citizen. That is what the amendment is designed to do. I appreciate the Senator's leadership in the matter and intend to support him the best I can.

Mr. CHILES. I thank the distinguished Senator.

Mr. CLARK. Will the Senator yield for a question?

Mr. CHILES. I yield.

Mr. CLARK. It is really a comment and a question, I guess.

I think it is a great temptation to support the amendment. I am not going to support it, I suspect, but I think it is a great temptation. I would like to discuss why I think it would present one major problem.

First of all, obviously it would correct a number of situations. It means that there would no longer be groups to bring together money to influence politics. Each individual would make his or her contribution and that would be the money that would be raised.

I assume that the Senator would, therefore, limit the amount that an individual can give and the amount that he or she can contribute to their own campaign.

Mr. CHILES. That amount is already limited in the bill itself.

Mr. CLARK. Right.

Mr. CHILES. I have not attempted to do it. The Supreme Court struck out the amount that a person could spend from his own money. I do not purport to put myself over that decision, so I have not done anything about that.

Mr. CLARK. As I understand it, under the amendment, if it were to pass, we would have a $1,000 limitation in terms of what a candidate could accept from an individual.

Mr. CHILES. I guess that is true that is in the bill. The Senator from Florida has not paid too much attention to that because I limited my campaign contributions to $10. Because of that I guess I have not paid too much attention to that.

Mr. CLARK. I know that. I think it is an excellent practice, and I commend the Senator for doing it.

I think there is really only one problem that is created by the Senator's amendment, and that is that it will end up being very favorable to an incumbent. Why? Because if, as a candidate running for office for the first time, as I did and as I recall you did and several other people did, being unknown, if I am limited to contributions from individuals only, I think a $1,000 limitation, what that means is that my chance of ever raising enough money to go against an incumbent candidate, with all the advantages of incumbency, would be next to nothing.

Mr. CHILES. I have to disagree with the Senator on that. I happened to spend $370,000, in total, in my campaign. I spent, I think, less than $100,000 in the first primary. The man who ran third in the first primary spent $550,000 of his own money.

I got into the primary. The Senator from Iowa kind of walked his State, like I did. There is always a way for someone who wants to take his case to the people.

I think what the Senator from Iowa did was run against big money. I did, and I think the people responded to that. I think if the incumbent has an advantage, you can use that.

The Senator from Iowa got here, and the Senator from Florida got here. I did not spend big money, and I do not think he spent big money to get here. So the very argument the Senator makes does not ring true to me on that score.

The other thing I want to point out now is that if you want to look at spending, if you look at the records—I have, and I hope you have—you will find that the incumbent has outspent the challengers in virtually every race that has taken place in the Senate by, in many instances, two times, and in almost every instance over a third.

If you want to talk about an advantage, I think an incumbent has an advantage with these groups, a tremendous advantage: You know who they are, you know what they are interested in, you know the issues, and you know how to contact them. You know how to spring, and play the field.

Mr. CLARK. I do not question that for a moment.

Mr. CHILES. I do think an incumbent has that advantage.

Mr. CLARK. I do not question that for a moment. I think they do have an advantage. I think that is clear from the record. What I am saying is that if my colleague back here from California, let us say, is challenged, obviously by a nonincumbent if he is challenged, in a State where you have 20 million people, if he was limited to a few thousand dollars, or, indeed, a few tens of thousands of dollars, or a few hundred thousand dollars, if he or she is unknown, it is very unlikely that that challenger can make a credible campaign against an incumbent.

Mr. CHILES. Still, this has done nothing about the limitation on the total amount of spending that is in the bill.

Mr. CLARK. I understand that.

Mr. CHILES. It has done nothing about what an individual can spend himself. And if the Senator from California does not have a better advantage than incumbency in getting this kind of money, he is just no good. He has that because he is an incumbent.

Mr. CLARK. He has the advantage on individual money as well.

Mr. CHILES. Well, what we are talking about is something different from the amendment. There is something that bothers the Senator from Florida, and that is that an incumbent, regardless of this amendment or not, has an advantage.

Mr. CLARK. Yes.

Mr. CHILES. I do not think he has any greater advantage with this amendment. I think he has less. We might differ on that.

Mr. CLARK. Well——

Mr. CHILES. You know what the Senator from Iowa is talking about? The one thing an incumbent has is, he has a record, and some day we are going to require that he has to stand on that record and present himself on that record, and give the other man a chance to talk about that record. That is the only way of evening that up. But I do not believe this bill will do that, or this amendment.

Mr. CLARK. Let me say, to finish, because I know the Senator from Georgia has some questions as well, my own view is that the best solution to this problem is public financing of campaigns.

Mr. CHILES. Oh——

Mr. CLARK. Wait until I finish. Because it seems to me that if we are going to give a challenger the same kind of position, an equal position insofar as that can be done in a campaign——

Mr. CHILES. Yes.

Mr. CLARK. In effect, we are going to have to see that they are both going to have an adequate amount of money to be seen and viewed by all of the people in their States.

Mr. CHILES. I do not dispute that. I voted last time——

Mr. CLARK. I know you did.

Mr. CHILES. In every instance, for trying public financing. I think it has to be a mixture of public and private. But again, that question is not in front of us. The question now is whether we are going to allow these giants to compete and fight among themselves to get the most leverage, to get the most war chips so they can work their will.

I say a pox on both of their houses, because I do not think either one of them are doing the kind of things for the fabric of this society that the people are looking for. I do not think the people are looking for us to represent corporations or labor unions.

Mr. CLARK. I agree.

Mr. CHILES. I think they are looking for us to represent them, and the best way I know to do that is to allow them to be the ones to make the contributions, and that is where we look for support. That is where we owe our allegiance; that is where we owe anything that gets us elected, not to some group, whether it be on one side or the other.

Mr. CLARK. In closing, is it the——

Mr. CHILES. You have looked at the polls, I know you have, strongly. And you find that the majority of the people of this country do not believe that the decisions are made for the average person.

Mr. CLARK. Right.

Mr. CHILES. If they are not made for the average person, who are they made for? They have got to be made for Mr. Big, or they have got to be made for someone else that is less—you know, that sits in a group. And the people know that, and you know that it is true for the legislation that comes in here, and the way we fight and the way we divide up.

Mr. CLARK. The Senator does not say anything with which I disagree. But I think we must be concerned that we not create a situation in which challengers cannot raise enough funds to be known to the constituency they are running for, that we are not going to have an incumbent's bill.

Mr. CHILES. If you are saying to me that that challenger, to get that right, must go either to business or to labor——

Mr. CLARK. No, he goes to public financing.

Mr. CHILES. But that is not before us. If you want to argue that, I am with you. But what you are saying is that now he has to go—if you are against my amendment, if you are not supporting it—now he has to go toward labor or toward business so he will have the wherewithal to make it. If he courts them, who does he belong to?

Mr. NUNN. Mr. President, will the Senator yield on that point?

Mr. CHILES. I yield.

Mr. NUNN. The argument of the Senator from Iowa, it seems to me, is that a nonincumbent, in order to get started and get known, has to start off with special interest financing.

Mr. CLARK. No, he has to have some money from somewhere, and if he has no public money and no financing——

Mr. CHILES. The Senator from Iowa did not have any money.

Mr. NUNN. We will let him get money from any individual in the State of Iowa, or from any individual in the State of California, but the Senator from Iowa is basically telling us that with all the limitations we put on financing in the bills that we have had, and it will continue under this measure, that the only way an incumbent can be challenged successfully is for a person to go either to a labor organization or a business organization, and if that is what the Senator is saying, what he is really saying is the mechanism we have created prevents any kind of meaningful challenge to an incumbent unless the challenger is paid with seed money.

Mr. CLARK. That is precisely what I am saying because the record——

Mr. NUNN. We have a very bad situation, if the Senator is correct.

Mr. CLARK. That is right. That is why we have to go to public financing.

Mr. NUNN. That goes to the heart of the very limitation on expenditures in the beginning. That argument does not go to the amendment of the Senator from Florida. That argument goes to the whole process that has been set up here.

Mr. CLARK. Let us remember that less than 5 percent of the individuals in this country contribute to some campaign, whether it is presidential, down to the local campaign. Very little of the money that the Senator from Georgia, I, and others here received in our campaigns came from individuals in terms of percentage of the whole.

Mr. CHILES. Why?

Mr. NUNN. The Senator is incorrect. In my situation I did not get any special interest contributions until I had the nomination. I was running against an incumbent. I think the fact is the opposite. I think a person running against an incumbent would have a more difficult time getting special interest donations than a person who is here.

As the Senator from Florida pointed out, everyone here knows what makes the special interest tick. They know the votes. They know the records.

Mr. CLARK. I agree with that.

Mr. NUNN. They know who does it. What we have is a very sick situation. The reason we have it is not because of recent laws. The reason is because of the political process in terms of fund raising has been dominated by special interests for a long time, and individuals in this country have gotten discouraged with the political process.

If we take out the special interests, then I think we will stimulate greatly the participation of individuals in the political process, not only in fund raising but also in getting active in campaigns, which I think is even more important than monetary contributions.

Mr. CLARK. I am going to listen to the debate with great interest tomorrow.

Mr. CHILES. I thank the distinguished Senator from Iowa. I think he has helped the debate already, and I appreciate it.

Mr. President, I yield to the distinguished Senator from West Virginia who wishes to make a unanimous consent agreement, providing I do not lose my right to the floor.

Mr. ROBERT C. BYRD. Mr. President, I thank the distinguished Senator from Florida.

UNANIMOUS-CONSENT AGREEMENT

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent—with the understanding that no time will be charged against any amendment or against the substitute or the bill tonight—that there be a time limitation on a substitute amendment which will be offered by Mr. Griffin today of 1 hour to be equally divided between Mr. GRIFFIN and Mr. CANNON; that there be a time limitation on an amendment by Mr. TAFT of 30 minutes, to be equally divided and controlled in accordance form; that there be a time limitation on any amendment of 1 hour to be equally divided in accordance with the usual form; that there be a time limitation on any debatable motion, appeal, or point of order of 20 minutes, to be equally divided and controlled in accordance with the usual form; that no amendment not germane either to the bill or to the substitute be in order; and that a final vote occur on the substitute at 1:30 p.m. tomorrow, with the understanding that no amendment be in order to be called up between the hour of 1 p.m. tomorrow and 1:30 p.m.

The PRESIDING OFFICER. Is there objection?

Mr. ALLEN. Mr. President, reserving the right to object, and I do not wish to object, the distinguished Senator has stipulated in the unanimous-consent request that no amendment not germane either to the substitute or the original bill be in order. There is no doubt in the mind of the Senator from Alabama that an amendment providing for public financing of House and Senate races would not be in order, but there would be nothing under the agreement to prevent such an amendment being offered, and if the Parliamentarian had it submitted to the Senate, or the Chair ruled it was not germane and an appeal was taken, then the Senate could pass such an amendment with a time limit.

Would the Senator be willing to stipulate that no amendment providing for public subsidies to House and Senate races be in order?

Mr. ROBERT C. BYRD. That would be agreeable with me. The distinguished Senator does raise a very nice point here, and it could apply not only to an amendment of that subject matter but also to other types of amendments if the Senate wanted to overrule the Chair on an appeal as to germaneness.

I would, if it is agreeable with other Senators——

Mr. TAFT. Mr. President, reserving the right to object——

Mr. CLARK. I object.

Mr. ALLEN. That is the reason the Senator from Alabama made the point.

Does the Senator from Iowa object to the——

Mr. CLARK. I would object, Mr. President. I am not in opposition to any part of the unanimous-consent request except that which would obviously automatically rule out the possibility of a public financing amendment being offered.

Mr. ALLEN. Offered? What I am saying——

Mr. CLARK. I do not mean offered. I mean in order.

Mr. ALLEN. In order during this period. That is what I am trying to rule out, because I do not want a time limit on such an amendment.

Mr. CLARK. When does the period end?

Mr. ROBERT C. BYRD. 1:30 p.m.

Mr. CLARK. Until 1:30 only. I am not opposed to that.

Mr. TAFT. Mr. President, reserving the right to object, the problem I have is that I have an amendment at the desk which I may offer either to the substitute or to the bill. I will probably offer it first to the substitute and if the substitute is adopted my end would be achieved. If it is not adopted, I might wish to offer it to the bill. But I am concerned because while the amendment deals with the subject matter of the law involved, dealing specifically with the campaign contribution portion, or the campaign participation section of the Internal Revenue Code, that section, as I see it, is not covered in the bill itself, and I would like to reserve the amendment that I had pending being in order to the amendment, to the substitute, or to the bill.

Mr. ROBERT C. BYRD. The Senator's amendment is protected under the request.

Mr. TAFT. It is protected as to time but not as to germaneness.

Mr. BROCK. Yes, as to both.

Mr. GRIFFIN. Mr. President, if it is so understood, I have no objection.

Mr. TAFT. If it is, I have no objection.

Mr. ROBERT C. BYRD. The amendment of the Senator is protected in any event.

The PRESIDING OFFICER (Mr. NUNN). The Senator's amendment is protected on both time and germaneness under the present proposal.

Mr. PACKWOOD. Mr. President, reserving the right to object, I ask: Did the Senator say that if the amendment were germane to either the bill or the substitute it would be germane to either one?

Mr. ROBERT C. BYRD. Yes.

Mr. PACKWOOD. So the amendment to the bill offered to the substitute would be germane.

Second, what was the part of the request about 1 p.m. to 1:30 p.m.?

Mr. ROBERT C. BYRD. To assure Senators that after the hour of 1:30 p.m. tomorrow, in the event the substitute is not adopted, amendments to the bill will be in order.

Mr. PACKWOOD. Say that again—between 1 p.m. and 1:30 p.m. what happens?

Mr. BROCK. No new amendments.

Mr. ROBERT C. BYRD. No new amendment can be offered during that period.

Mr. BROCK. So we can vote at 1:30 p.m.

Mr. HATFIELD. And dispose of it.

Mr. PACKWOOD. I am speaking for Senator GOLDWATER. He is not here. He is ready to offer an amendment. If for one reason or another he does not get to the Chamber before 1 p.m. and no amendment is offered until 1:30 p.m., I want a further understanding that if the substitute is adopted at 1:30 p.m., his amendment would still be germane if germane to the original bill.

I have to object.

Mr. ROBERT C. BYRD. If the substitute is adopted, it would not be. The ball game would be over then.

Mr. GRIFFIN. Germaneness after that.

Mr. PACKWOOD. Then I have to object. If he does not get the floor and have a chance to offer it, then I object on his behalf.

Mr. BROCK. Can the Senator not guarantee him the right to have it?

Mr. ALLEN. If the substitute is not adopted, it would then be in order.

Mr. PACKWOOD. If he gets to the floor and is not able to offer it, because we are stacked up with all the amendments, he is precluded from 1 p.m. to 1:30 p.m. At 1:30 p.m. the substitute may be adopted. Hopefully, that is the end of it.

Mr. ROBERT C. BYRD. Any Senator is caught in that situation.

Mr. PACKWOOD. Yes.

Mr. ROBERT C. BYRD. Any Senator who might not have had an opportunity to offer an amendment prior to 1 p.m. would be shut out. It would not be only Mr. GOLDWATER.

Mr. PACKWOOD. I understand that.

Mr. ROBERT C. BYRD. Could he not offer it prior to 1 p.m.?

Mr. PACKWOOD. If he can get the floor, that is why I want to make sure he gets a chance to get on. I will advise him tonight. But it looks like we have a lot of amendments to be considered and we are not going to get them all.

Mr. ROBERT C. BYRD. Of course, if the substitute is not adopted, then——

Mr. PACKWOOD. I understand that.

Mr. ROBERT C. BYRD. Anyone can offer an amendment.

Mr. GRIFFIN. As I understand it, under this arrangement, any Senator is able to offer an amendment and have it voted on, even though he did not have time to debate it. Is that correct?

Mr. BROCK. That is correct.

Mr. ROBERT C. BYRD. Not after 1 p.m.

The PRESIDING OFFICER. The Senator is correct.

Mr. GRIFFIN. He would have to offer it before 1 p.m.

The PRESIDING OFFICER. He would have to have offered it before 1 p.m.

Mr. PACKWOOD. All right. It would be voted on with no debate.

Mr. BROCK. That is right.

The PRESIDING OFFICER. Is there objection to the unanimous-consent request?

Mr. ALLEN. Mr. President, reserving the right to object, is it stipulated then that prior to the vote on the substitute there will be no amendment offered dealing with public financing of House and Senate races?

Mr. ROBERT C. BYRD. That was included in the request.

The PRESIDING OFFICER. That is part of the unanimous-consent request.

Is there objection?

Mr. ALLEN. I have no objection.

The PRESIDING OFFICER. Is there objection?

Mr. GRIFFIN. Mr. President, reserving the right to object——

Mr. ROBERT C. BYRD. Mr. President, reserving the right to object, I should like to amend the proposal in the following respect: that the vote on the substitute occur at 1:45 p.m. instead of 1:30 p.m.

The PRESIDING OFFICER. Is there objection?

Mr. ROBERT C. BYRD. And that no amendment may be called up between 1:15 p.m. and 1:45 p.m.

The PRESIDING OFFICER. Is there objection?

Mr. ALLEN. I understood the Senator

to say that amendments could be called up but there would be no debate.

Mr. ROBERT C. BYRD. No. I meant that no amendment may be called up after 1:15 p.m.

Mr. ALLEN. I do not know whether that suits Senator PACKWOOD.

Mr. PACKWOOD. So long as we can call it up before 1:15.

The PRESIDING OFFICER. Is there objection to the unanimous-consent request? The Chair hears none, and it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I thank all Senators.

Mr. GRIFFIN. Mr. President, I should like to be recognized for a half minute to send the substitute to the desk.

The PRESIDING OFFICER. The substitute will be stated.

The assistant legislative clerk proceeded to read the substitute amendment.

Mr. GRIFFIN. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The substitute amendment is as follows:

Strike out all after the enacting clause and insert in lieu thereof the following:

SHORT TITLE

SECTION 1. This Act may be cited as the "Federal Election Campaign Act Amendments of 1976".

SEC. 2. (a) The text of paragraph 1 of Section 310 (a) of the Federal Election Campaign Act of 1971 (hereinafter the "Act") (2 U.S.C. 537c(a)) is amended to read as follows: "There is established a Commission to be known as the Federal Election Commission. "The Commission is composed of the Secretary of the Senate and the Clerk of the House of Representatives, ex officio, and without the right to vote, and six members appointed by the President of the United States, by and with the advice and consent of the Senate. No more than three of the members shall be affiliated with the same political party."

(b) Section 309(a)(2) of the Act (2 U.S.C. 437c (a) (2)), as redesignated by section 105, is amended to read as follows:

"(2)(A) Members of the Commission shall serve for terms of six years, except that of the members first appointed—

"(i) two of the members, not affiliated with the same political party, shall be appointed for terms ending on April 30, 1977,

"(ii) two of the members, not affiliated with the same political party, shall be appointed for terms ending on April 30, 1979,

"(iii) two of the members, not affiliated with the same political party, shall be appointed for terms ending on April 30, 1981.

"(B) An individual appointed to fill a vacancy occurring other than by the expiration of a term of office shall be appointed only for the unexpired term of the member he succeeds.

"(C) Any vacancy occurring in the membership of the Commission shall be filled in the same manner as in the case of the original appointment.".

SEC. 3. (1) The President shall appoint members of the Federal Election Commission under section 309(a) of the Act (2 U.S.C. 437(a), as redesignated by section 105 and as amended by this act, as soon as practicable after the date of the enactment.

(2) The first appointments made by the President under section 309(a) of the Act (2 U.S.C. 437c(a)), as redesignated by section 105 and as amended by this section, shall not be considered to be appointments to fill the unexpired terms of members serving on the Federal Election Commission on the date of the enactment of this Act.

(3) Members serving on the Federal Election Commission on the date of the enactment of this Act may continue to serve as such members until all six of the members of the Commission are appointed and qualified under section 309(a) of the Act (2 U.S.C. 437c(a)), as redesignated by section 105 and as amended by this section. Until all six of the members of the Commission are appointed and qualified under the amendments made by this Act, members serving on such Commission on the date of enactment of this Act may exercise only such powers and functions as are consistent with the determinations of the Supreme Court of the United States in Buckley et al. against Valeo, Secretary of the United States Senate, et al. (numbered 75-436, 75-437) January 30, 1976.

SEC. 4. The provisions of section 309(a)(3) of the Act (2 U.S.C. 437c(a)(3)), as redesignated by section 105, which prohibit any individual from being appointed as a member of the Federal Election Commission who is, at the time of his appointment, an elected or appointed officer or employee of the executive, legislative, or judicial branch of the Federal Government, shall not apply in the case of any individual serving as a member of such Commission on the date of the enactment of this Act.

SEC. 5. (1) All personnel, liabilities, contracts, property, and records determined by the Director of the Office of Management and Budget to be employed, held, or used primarily in connection with the functions of the Federal Election Commission under title III of the Federal Election Campaign Act of 1971 as such title existed on January 1, 1976, or under any other provision of law are transferred to the Federal Election Commission as constituted under the amendments made by this Act to the Federal Election Campaign Act of 1971.

(2)(A) Except as provided in subparagraph (B) of this paragraph, personnel engaged in functions transferred under paragraph (1) shall be transferred in accordance with applicable laws and regulations relating to the transfer of functions.

(B) The transfer of personnel pursuant to paragraph (1) shall be without reduction in classification or compensation for one year after such transfer.

(3) All laws relating to the functions transferred under this Act shall, insofar as such laws are applicable and not amended by this Act, remain in full force and effect. All orders, determinations, rules, advisory opinions, and opinions of counsel made, issued, or granted by the Federal Election Commission before its reconstitution under the amendments made by this Act which are in effect at the time of the transfer provided by paragraph (1) shall continue in effect to the same extent as if such transfer had not occurred.

(4) The provisions of this Act shall not affect any proceeding pending before the Federal Election Commission at the time this section takes effect.

(5) No suit, action, or other proceeding commenced by or against the Federal Election Commission or any officer or employee thereof acting in his official capacity shall abate by reason of the transfer made under paragraph (1). The court before which such suit, action, or other proceeding is pending may, on motion or supplemental petition filed at any time within twelve months after the date of enactment of this Act, allow such suit, action, or other proceeding to be maintained against the Federal Election Commission if the party making the motion or filing the petition shows a necessity for the survival of the suit, action, or other proceeding to obtain a settlement of the question involved.

(6) Any reference in any other Federal law to the Federal Election Commission, or to any member or employee thereof, as such Commission existed under the Federal Election Campaign Act of 1971 before its amendment by this Act shall be held and considered to refer to the Federal Election Commission, or the members or employees thereof, as such Commission exists under the Federal Election Campaign Act of 1971 as amended by this Act.

SEC. 6. By addition to Section 610 of title 18 United States Code at the end thereof viz: On page 37, line 6, after "subject" insert the following: ", except that expenditures for any such communications which expressly advocate the election or defeat of a clearly identified candidate must be reported to the Commission in accordance with section 434(e)".

Mr. GRIFFIN. Mr. President, this is essentially the same substitute that was offered before, with two exceptions: one, it provides that the Secretary of the Senate and the Clerk of the House will be members of the Federal Election Commission, ex officio. It also incorporates the amendment offered by Mr. PACKWOOD, which was adopted by the Senate earlier today, the major amendment that the Senate has adopted, having to do with the reporting by corporations and labor organizations. Otherwise, it is essentially the same amendment that we had before.

Mr CRANSTON. Mr. President, I should like to address a brief question to the distinguished Senator from Nevada. This will take just a moment.

There is an ambiguity in the proposal before us which I would like to try to clarify. Pages 9 and 10 deal in part with the legal and accounting services donated to the national committee of a political party which do not further any candidate's election to Federal office and to similar services donated to a candidate or political committee which enable him to comply with Federal law. Both categories of donation are exempted as contributions and from spending limits. Following the exemptions, however, the bill requires that "such legal or accounting services" be reported in accordance with the requirements of section 304(b)." It is not clear whether the disclosure requirements cover both donations to the political party and to the candidate or only to the latter.

I feel the second interpretation makes most sense. In other words, disclosure should apply only to donations to candidates or campaign committees but not to political parties.

There is ample argument that volunteer legal and accounting services donated to a particular candidate or campaign committee should be disclosed. The basic purpose of disclosure is to enable the public to know what private individuals and interests are helping in the election of the men and women who are running the Nation, who are making national decisions affecting all of us.

But volunteer services donated to a political party's convention processes is an entirely different matter. Such a contribution has negligible influence on the outcome of an election. Moreover, the political party has no legislative nor executive responsibilities in the conduct of our national affairs. The party's major responsibilities end on election day.

After then their influence on national affairs is most akin to general interest lobbying groups like Common Cause or the Sierra Club. If anything, the party is less influential, since many incumbents see themselves—not party officials—as the embodiment of the party.

Thus I see no justification for the Federal Government's requiring disclosure of volunteer services donated to the party. While I favor full disclosure of all aspects of the election process of candidates, I do not favor disclosure for disclosure's sake. It seems to me that the volunteering of institutional services which do not relate to the election of candidates should be a private matter—in the same category as the volunteering of time to help Common Cause or the Sierra Club or any other similar organization.

Thus, Mr. Chairman, I would hope that we could agree that the requirement of disclosure should apply only to a donation of legal or accounting services to a candidate or political committee—not to the national committee of a political party.

I ask the distinguished chairman, is this an appropriate interpretation of the bill?

Mr. CANNON. Mr. President, I believe the statement of the Senator from California is a helpful interpretation and will serve to clarify that the requirement of disclosure should apply only to the donation of legal accounting services to a candidate or political committee and not to the party committee. I would say, therefore, that his interpretation is correct, in my judgment.

Mr. CRANSTON. I thank the Senator very much.

Mr. CANNON. Mr. President, I propose two amendments to S. 3065 of a technical and clarifying nature. The first one is a traditional amendment to make technical and conforming changes to S. 3065 deemed necessary from review after it was reported to the Senate.

The second amendment restates existing law and is necessary because of the transfer of the title 18 limitations on contributions into the Federal Election Campaign Act of 1971. As the law now exists, section 501(e)(1) of title 18 U.S.C. excepts from the definition of contribution for limitation purposes a loan of money by a bank in the ordinary course of business. This second amendment would transfer the language in section 591(e)(1) on this subject to section 431 (e) in order to except such a loan on the same terms from the definition of contribution for limitation purposes. The amendment, however, would require such a loan to be reported as in existing law.

Mr. President, as these two amendments are of a technical and clarifying nature I ask unanimous consent that they be approved en bloc as part of S. 3065.

The PRESIDING OFFICER. The amendments will be stated.

The amendments are as follows:

On page 9, between lines 16 and 17, insert the following:

(d) Section 304(e)(5) of the Act (2 U.S.C. 431(e)(5)) is amended by striking out "individual" where it appears after clause (F) and inserting in lieu thereof "person".

On page 9, line 17, strike out "(d)" and insert "(e)".

On page 10, line 20, strike out "(e)" and insert "(f)".

On page 17, line 23, after "candidate" insert "Caucus, Conference,".

On page 26, line 16, strike out "thirty" and insert in lieu thereof "30".

On page 26, line 18, strike out "thirty" and insert in lieu thereof "30".

On page 26, line 18, strike out "fifteen" and insert in lieu thereof "15".

On page 31, line 6, insert "(1)" immediately before "No".

On page 36, line 19, strike out "791" and insert in lieu thereof "791".

On page 36, line 22, strike out "anything" and insert n lieu thereof "anythng".

On page 45, line 13, strike out "(1)".

On page 45, after line 22, add the following new subsections:

(d)(1) Section 301(e)(5)(F) of the Act (2 U.S.C. 431(e)(5)(F)) is amended by striking out "the last paragraph of section 610 of title 18, United States Code" and inserting in lieu thereof "section 321(b)".

(2) Section 301(f)(4)(H) of the Act (2 U.S.C. 431(f)(4)(H)) is amended by striking out "the last paragraph of section 610 of title 18, United States Code" and inserting in lieu thereof "section 321(b)".

(e) Section 314(a) of the Act (2 U.S.C. 437h(a)), as redesignated by section 105, is amended by striking out "or of section 608, 610, 611, 613, 614, 615, 616, or 617 of title 18, United States Code" in the first sentence of such section and by striking out "or of section 608, 610, 611, 613, 614, 615, 616, or 617 of title 18, United States Code," in the second sentence of such subsection.

(f)(1) Section 406(a) of the Act (2 U.S.C. 455(a)) is amended by striking out "or of section 608, 610, 611, 613, 614, 615, 616, or 617 of title 18, United States Code".

(2) Section 406(b) of the Act (2 U.S.C. 455 (b)) is amended by striking out "or section 608, 610, 611, or 613 of title 18, United States Code,".

(g) Section 591 of title 18, United States Code, is amended—

(1) by striking out "608(c) of this title" in subsection (f)(4)(H) and inserting in lieu thereof "section 320(b) of the Federal Election Campaign Act of 1971";

(2) by striking out "by section 608(b)(2) of this title" in subsection (f)(4)(I) and inserting in lieu thereof "under section 320 (a)(2) of the Federal Election Campaign Act of 1971"; and

(3) by striking out "310(a)" in subsection (k) and inserting in lieu thereof "309(a)".

On page 51, after line 16, add the following new subsections:

(e) Section 9004(a)(1) of the Internal Revenue Code of 1954 (relating to entitlements of eligible candidates to payments) is amended by striking out "608(c)(1)(B) of title 18, United States Code" and inserting in lieu thereof "320(b)(1)(B) of the Federal Election Campaign Act of 1971".

(f) Section 9007(b)(3) of the Internal Revenue Code of 1954 (relating to repayments) is amended by striking out "9006(d)" and inserting in lieu thereof "9006(c)".

(g) Section 9012(b)(1) of the Internal Revenue Code of 1954 (relating to contributions) is amended by striking out "9006(d)" and inserting in lieu thereof "9006(c)".

On page 9, between lines 16 and 17, insert the following:

(d) Section 301(e)(5) is amended—

(1) by striking out "or" at the end of subparagraph (E),

(2) by inserting "or" at the end of subparagraph (F), and

(3) by inserting after subparagraph (F) the following new subparagraph:

"(G) a loan of money by a national or State bank made in accordance with the applicable banking laws and regulations and in the ordinary course of business, but such loans—

"(i) shall be reported in accordance with the requirements of section 304(b); and

(ii) shall be considered a loan by each endorser or guarantor, in that proportion of the unpaid balance thereof that each endorser or guarantor bears to the total number of endorsers or guarantors;".

On page 9, line 17, strike out "(d)" and insert in lieu thereof "(e)".

On page 10, line 5, strike out "or".

On page 10, line 19, strike out the closing quotation marks and the period and insert in lieu thereof "(or)".

On page 10, between lines 19 and 20, insert the following:

"(K) a loan of money by a national or State bank made in accordance with the applicable banking laws and regulations and in the ordinary course of business, but such loan shall be reported in accordance with section 304(b);".

The PRESIDING OFFICER. The question is on agreeing to the amendments en bloc.

The amendments were agreed to en bloc.

ADDITIONAL STATEMENTS SUBMITTED ON S. 3065

Mr. HRUSKA. Mr. President, as the Senate moves to final consideration of the pending bill to amend the Federal Election Campaign Act, it is of paramount importance that we do so in a careful and judicious manner. We are in the midst of a presidential campaign year. There is much at stake.

President Ford stressed the seriousness of the situation on February 27:

> With the 1976 elections only nine months away, I do not believe this is the proper time to begin tampering with the campaign reform laws, and I will veto any bill that will create confusion and will invite further delay and litigation.

Mr. President, in my judgment, President Ford has adopted the right attitude. He has asked the Congress to reestablish the Federal Election Commission in conformity with the Supreme Court decision, as quickly as possible and get on with the job of insuring that the political system in 1976 be fair and equitable to all candidates for Federal office.

The Supreme Court, when it ruled in Buckley against Valeo, made clear its intention that the present election laws could be simply remedied by a reconstitution of the Federal Election Commission. We should not make any significant or overreaching changes in our election rules in the middle of an election campaign. Another time, preferably after the election this fall, would be more appropriate for a deliberate and comprehensive consideration of changes in existing law.

Mr. President, a careful reading of the court's decision in Buckley against Valeo clearly reveals the intent of the court to not unduly disrupt the political process in this campaign year. In its ruling on the Commission's makeup, the court said:

> It is also our view that the Commission's inability to exercise certain powers because of the method by which its members have been selected should not affect the validity of the Commission's administrative actions and determinations to this date, including its administration of those provisions, upheld today, authorizing the public financing of federal elections. The past acts of the commission are therefore accorded *de facto*

validity. . . . *Buckley v. Valeo,* ——US ——, (U.S. Supreme Court Docket No. 75-436, January 30, 1976, Slip Opinion, p. 136).

There are other reasons, of course, why this bill only should make the minimum, necessary corrections in current law.

There are serious problems in the pending bill with regard to contributions by political action committees. The limitations placed on corporations and their methods of making political contributions will generate more legal problems and litigation than they will solve. The consideration of hastily drawn changes such as these in the current campaign laws can only inject more uncertainty into the campaign process. Such action should be avoided at all costs.

Mr. President, I support the administration's proposal to simply reestablish the Federal Election Commission and correct the errors found in the election law as pointed out by the Supreme Court. To do anymore would be unwise and contrary to our political system and the interests of the people of America.

Mr. PELL. Mr. President, the legislation before us, S. 3065, is essential to provide a legal framework for the financing of the Presidential and congressional election campaigns already underway this year.

It is, I believe, unfortunate that we are required to make substantive changes in the laws governing our Federal election campaigns at this time in an election year, allowing candidates and campaign contributors relatively little time to adjust to changes in the law.

But as we all know, we are required to act now because the Supreme Court in its decision Buckley against Valeo on January 20 invalidated certain critical provisions of the Federal Election Campaign Act of 1971, as amended in 1974.

Immediately after the Supreme Court decision, as chairman of the Subcommittee on Privileges and Elections of the Committee on Rules and Administration, I conducted hearings on the Court decision and on proposals for revision of the Federal Election Campaign Act in light of the court decision.

Those hearings provided the basis for the legislation prepared by the Committee on Rules and Administration which is now before the Senate.

Legislation involving the financing of Federal election campaigns is extremely sensitive, touching as it does on the political nerve endings of all us who are elected officials, and reaching close to the heart of our democratic political processes.

In this sensitive context, I believe our committee has acted promptly, but with careful consideration, in reporting this legislation to the Senate, and I would particularly commend the distinguished chairman of the Rules Committee, Senator CANNON, for his fairness and leadership in the handling of this legislation.

The provisions of the bill are well summarized in the committee report. In my remarks, I will focus on several of what I believe to be the most important provisions.

The most significant effect of the Supreme Court decision in Buckley against Valeo was the elimination, as unconstitutional, of the limitations which the Congress had imposed on expenditures in campaigns for Federal office, except for those Presidential candidates who accept public funding.

The foreseeable result of that decision will be an influx of unlimited amounts of money into political campaigns, particularly in the form of expenditures on behalf of or in opposition to candidates by independent organizations or persons.

In these circumstances, I believe it is critically important that, if the amount of expenditures cannot be limited, that there be firm requirements for full disclosure so that the voting public can judge a candidate on the basis of the source of his campaign support.

S. 3065 has an extensive reporting requirement for political committees and other persons who spend more than $100, expressly advocating the election or defeat of a clearly identified candidate. The Court held such a reporting requirement to be constitutional, and these reports, together with the indices of such expenditures to be prepared by the Commission on a candidate-by-candidate basis will enable candidates and the general public to know where money being spent on campaigns is coming from and and whether it is being authorized by particular candidates.

In the same regard, S. 3065 has a provision requiring that any printed or broadcast communication which expressly advocates the election or defeat of a clearly identified candidate, and which is disseminated to the public, must contain a clear and conspicuous notice that it is authorized by a candidate, or that it is not authorized by any candidate. In the latter case, the communications must contain the name of the person who made or financed the communication, including in the case of a political committee, the name of any affiliated or connected organization.

Mr. President, the bill gives to the Federal Election Commission the exclusive and primary jurisdiction for the civil enforcement of the Federal Election Campaign Act of 1971. The bill also gives to the Commission additional civil enforcement powers and reasonably differentiates between more serious violations of the act, which are subject to criminal penalties, and less substantial violations which would be subject to the civil enforcement and conciliation powers of the Commission.

Finally, as I believe disclosure may be an even greater deterrent than the threat of criminal prosecution for violating provisions of an act such as this, I would note that a new disclosure provision would require the Commission to make available to the public the results of any attempt to correct violations or possible violations of the act through conciliation. Thus the public would be made aware of the results, whether favorable or unfavorable to the candidate, of all conciliation efforts of the Commission.

These reporting, disclosure, and enforcement provisions are vital safeguards to the integrity of our Federal elective processes. They are, I believe, the best guarantee we can provide, within constitutional limits, that the financing of our Federal election campaigns will be fair and open and not subject to the corrosive effects of secret contributions and financing.

Mr. President, the legislation before us will fill an urgent need in the wake of the Supreme Court decision. I urge its prompt approval.

Mr. BAKER. Mr. President, while I agree with the query of the Chief Justice, in dissent in Buckley against Valeo, as to whether the majority opinion in that decision left "a workable program" of campaign regulation for Federal office, and not withstanding my belief that the Federal Election Campaign Act Amendments of 1974, even as modified by the Supreme Court, are cumbersome at best and illogical at worst, I consider S. 3065, and the proposed Federal office, and notwithstanding my bements of 1976 contained therein, to be undesirable and a further compounding of our earlier errors.

As may be remembered, I voted against the 1974 amendments, after sponsoring five unsuccessful revisions, primarily because of my opposition to the public financing of Federal elections and to limitations on campaign expenditures. Consequently, because the Court overturned expenditure limitations, and because I was pleased that Congress would be afforded another opportunity to review the unwise and unworkable 1974 amendments, I was gratified by some aspects of the decision in Buckley against Valeo.

Unfortunately, it appears that not only is the Senate forgoing the opportunity to respond to the more dubious aspects of the 1974 amendments and the Buckley against Valeo decision, but that S. 3065, as reported to the Senate by the Rules Committee, would elaborate and extend the mistakes propounded both in the 1974 act and by the Supreme Court.

It was my hope that the Congress would have responded to the Buckley against Valeo decision by reconstituting the Federal Election Commission in a constitutional manner; by eliminating public financing of Federal elections; and by removing or substantially raising the limitations on individual contributions to candidates for Federal elections. This latter recommendation is necessary, I believe, to counteract the distortive effect of the Supreme Court's upholding limitations on individual contributions to candidates, but finding unconstitutional expenditure limitations upon so-called "independent" efforts to elect or defeat candidates. I think that this rather curious distinction mitigates against the time-honored and traditional form of American politcal expression, that is, direct participation in and support for a particular candidate's campaign, in that the result of the decision is implicit encouragement of political expression independent of campaigns and parties; and I believe that removing limitations on contributions would reduce the incentive of those who are now tempted to establish and finance efforts independent of the candidate and his party.

In supporting the removal of limitations upon contributions, I am not advocating a return to an era in which campaigns for Federal office largely are financed by a few people making large contributions; and I think that such situations would be avoided by requiring full and timely disclosure and by the deterrent effect of our Watergate experience. I do think, however, that campaign contributions are an integral element of freedom of expression; and, notwithstanding the Court's decision to the contrary, I believe that restriction of contributions should be removed forthwith. Furthermore, I would rather see substantial contributions channeled into the official campaign process and, thereby, subject to the control of the candidate and his party, rather than being expended through independent efforts free of the checks and balances of the political process.

The proposed 1976 amendments, however, do not meet these concerns but, rather, would do mischief of their own. S. 3065 would reconstitute, and weaken, the Federal Election Commission. While I share the reservations of those who question the breadth and scope of the license appropriated by the FEC in utilizing its enforcement authorities, the new procedures that would be imposed are to complex and unwieldy for direct, effective regulations. Moreover, by further enhancing the advantages of incumbency, and through reduction of criminal sanctions, this bill abrogates two vital, but apparently not lasting, lessons imparted by our recent distress.

More disturbingly, the 1976 amendments, under the guise of reform and refinement, interjects elements of partisan expediency by limiting those employees who may contribute to political action committees, and by exempting certain fund-raising transfers traditionally utilized by only one of the two national parties.

During the pendency of the 1974 amendments, I offered an amendment which would have prohibited all group contributions, under the justification that, as only individuals can vote, only individuals should be able to contribute to political campaigns. But if we are to allow group giving, as we apparently are, I firmly believe that the ground rules should not favor or discriminate between groups, and that businesses and labor unions should be able to solicit contributions on an equal footing.

Mr. President, although I would prefer that Congress respond in a definitive fashion to the challenge provided by the Buckley against Valeo decision, the proposed amendments before the Senate are fraught with difficulty and advantage. Thus, while I rue this loss of opportunity, I voted for, and hope to again, the unsuccessful amendment offered by my distinguished colleague from Michigan (Mr. Griffin) for a simple extension of the Federal Election Campaign Act Amendments of 1974. It appears that the best we can do is to pass a straightforward bill reconstituting the Federal Election Commission.

I hope that the Senate and House do not continue along the track evidenced by S. 3065; and, if this or similar legislation is agreed to, I shall urge President Ford to veto it. The regulation of political campaigns is an area of great constitutional and democratic sensitivity, and our republic will be ill-served by the passage of this legislation as reported by the committee.

APPOINTMENTS BY THE VICE PRESIDENT

The PRESIDING OFFICER. The Chair, on behalf of the Vice President, pursuant to 10 U.S.C. 4355(a), appoints the following Senators to the Board of Visitors to the U.S. Military Academy: the Senator from Rhode Island (Mr. Pastore), the Senator from Missouri (Mr. Eagleton), and the Senators from Oklahoma (Messrs. Bellmon and Bartlett).

The Chair, on behalf of the Vice President, pursuant to 10 U.S.C. 9355(a), appoints the following Senators to the Board of Visitors to the U.S. Air Force Academy: the Senator from Wyoming (Mr. McGee), the Senator from Colorado (Mr. Gary Hart), the Senator from Wyoming (Mr. Hansen), and the Senator from Alaska (Mr. Stevens).

The Chair, on behalf of the Vice President, pursuant to 10 U.S.C. 6968(a), appoints the following Senators to the Board of Visitors to the U.S. Naval Academy: the Senator from Hawaii (Mr. Inouye), the Senator from Ohio (Mr. Glenn), the Senator from Oregon (Mr. Hatfield), and the Senator from Ohio (Mr. Taft).

JOINT REFERRAL OF COMMUNICATIONS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that two communications relative to the annual report of the Board of Governors of the Federal Reserve System and the annual report for the Consumer Affairs Division of the Comptroller of the Currency be referred jointly to the Committee on Commerce and the Committee on Banking, Housing and Urban Affairs.

The PRESIDING OFFICER. Without objection, it is so ordered.

SOUTHEASTERN UNIVERSITY OF THE DISTRICT OF COLUMBIA

Mr. ROBERT C. BYRD. Mr. President, I ask the Chair to lay before the Senate a message from the House of Representatives on S. 611.

The PRESIDING OFFICER (Mr. Allen) laid before the Senate the amendment of the House of Representatives to the bill (S. 611) for the relief of Southeastern University of the District of Columbia, as follows:

Page 5, after line 19, insert:

Sec. 11. The provisions of sections 2 and 3 of the Act of August 30, 1964 (Public Law 88-504; sections 2 and 3, 73 Stat. 636; 36 U.S.C. 1102, 1103) entitled "An Act to provide for audit of accounts of private corporations established under Federal law" shall apply with respect to the corporation.

Mr. ROBERT C. BYRD. Mr. President, I move that the Senate concur in the House amendment.

The motion was agreed to.

TRANSFER OF PEANUT ALLOTMENTS

Mr. ROBERT C. BYRD. Mr. President, I ask the Chair to lay before the Senate a message from the House of Representatives on S. 1545.

The PRESIDING OFFICER (Mr. Allen) laid before the Senate the amendment of the House of Representatives to the bill (S. 1545) to amend the Agricultural Adjustment Act of 1938 with respect to peanuts, as follows:

On page 1, line 7, strike out "1975" and insert "1976".

Mr. ROBERT C. BYRD. Mr. President, I move that the Senate concur in the House amendment.

The motion was agreed to.

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR ADJOURNMENT UNTIL 9 A.M. TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that, when the Senate completes its business today, it stand in adjournment until the hour of 9 a.m. tomorrow.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBSTITUTION OF CONFEREE—S. 2498

Mr. MORGAN. Mr. President, I ask unanimous consent that Senator Tower be substituted for Senator Packwood as a conferee on S. 2498. That is the small business bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR RECOGNITION OF SENATORS JAVITS, LEAHY, AND HUDDLESTON TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that, after Mr. Goldwater is recognized, under the order previously entered, on tomorrow, Mr. Javits be recognized for not to exceed 15 minutes and that he be followed by Mr. Leahy and Mr. Huddleston, each of whom is to be recognized for not to exceed 15 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR RECOGNITION OF CERTAIN SENATORS AND FOR TRANSACTION OF ROUTINE MORNING BUSINESS TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that after the two leaders are recognized on tomorrow, Mr. Javits, Mr. Leahy, and Mr. Huddleston be recognized, each for not to exceed 15 minutes, after which there be a period for the transaction of routine morning business not to extend beyond the hour of 10 a.m., with statements therein limited to 3 minutes each.

The **PRESIDING OFFICER**. Without objection, it is so ordered.

PROGRAM

Mr. ROBERT C. BYRD. Mr. President, the Senate will convene at the hour of 9 o'clock tomorrow morning. After the two leaders or their designees have been recognized under the standing order, Mr. Javits will be recognized for not to exceed 15 minutes, Mr. Leahy will be recognized then for not to exceed 15 minutes, and then, Mr. Huddleston will be recognized for not to exceed 15 minutes. If there be any intervening time between the completion of Mr. Huddleston's statement and the hour of 10 o'clock, there will be a period for the transaction of routine morning business during that intervening time, with statements limited therein to 3 minutes each.

At the hour of 10 a.m., the Senate will resume consideration of Senate bill S. 3065, at which time, the question will be on the adoption of the substitute by Mr. Griffin. There is a time limitation agreement on the Griffin substitute, with amendments in order to either the bill or the substitute if they are germane either to the bill or to the substitute. Rollcall votes may occur on such amendments, debatable motions or appeals or points of order in relation to either the bill or the substitute prior to the hour of 1:45 p.m. tomorrow. There is a time limitation on any amendment of 1 hour and a time limitation on any debatable motion or appeal or point of order, if such is submitted to the Senate, of 20 minutes. At the hour of 1:15 p.m., no further amendment, either to the bill or to the substitute, will be in order. A vote will finally occur on the substitute at the hour of 1:45 p.m. and that will be a rollcall vote. So several rollcall votes may occur, up to and including the hour of 1:45 p.m.

Subsequent to the hour of 1:45 p.m., it remains to be seen what will happen, because it will depend upon the outcome of the 1:45 vote on the Griffin substitute. If that substitute is adopted, then no further amendments will be in order to the bill. If that substitute is not adopted, further amendments to the bill will be in order and rollcall votes will likely occur throughout the afternoon.

ADJOURNMENT TO 9 A.M. TOMORROW

Mr. ROBERT C. BYRD. Mr. President, if there be no further business to come before the Senate, I move, in accordance with the previous order, that the Senate stand in adjournment until the hour of 9 o'clock tomorrow morning.

The motion was agreed to, and at 8:05 p.m., the Senate adjourned until tomorrow, Thursday, March 18, 1976, at 9 a.m.

NOMINATIONS

Executive nominations received by the Senate, March 17, 1976:

Department of State

Frank E. Maestrone, of Connecticut, a Foreign Service officer of class 1, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the State of Kuwait.

Judiciary

John M. Manos, of Ohio, to be U.S. district judge for the northern district of Ohio; vice Ben C. Green, retired.

CONFIRMATIONS

Executive nominations confirmed by the Senate, March 17, 1976;

Federal Deposit Insurance Corporation

Robert E. Barnett, of the District of Columbia, to be a member of the Board of Directors of the Federal Deposit Insurance Corporation for a term of 6 years.

The above nomination was approved subject to the nominee's commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.

In the Army

The following-named officers for temporary appointment in the Army of the United States to the grade indicated, under the provisions of title 10, United States Code, sections 3442 and 3447:

To be brigadier general

Col. George E. Marine, [redacted], Army of the United States (lieutenant colonel, U.S. Army).

Col. Donald W. Connelly, [redacted], Army of the United States (lieutenant colonel, U.S. Army).

Col. Louis C. Wagner, Jr. [redacted], Army of the United States (lieutenant colonel, U.S. Army).

Col. Arthur J. Junot [redacted], Army of the United States (lieutenant colonel, U.S. Army).

Col. David K. Doyle, [redacted] Army of the United States (lieutenant colonel, U.S. Army).

Col. Orlando E. Gonzales, [redacted], Army of the United States (lieutenant colonel, U.S. Army).

Col. Joseph T. Palastra, Jr. [redacted], Army of the United States (lieutenant colonel, U.S. Army).

Col. John S. Blair, [redacted], Army of the United States (lieutenant colonel, U.S. Army).

Col. James H. Mapp, [redacted], Army of the United States (lieutenant colonel, U.S. Army).

Col. Charles T. Lynn, Jr. [redacted], Army of the United States (lieutenant colonel, U.S. Army).

Col. Hugh J. Clausen, [redacted], U.S. Army.

Col. Howard F. Stone, [redacted], Army of the United States (major, U.S. Army).

Col. Maxie O. Redic, Jr., [redacted], Army of the United States (lieutenant colonel, U.S. Army).

Col. Thomas P. Lynch, [redacted], Army of the United States (lieutenant colonel, U.S. Army).

Col. Ransum E. Barber, [redacted], Army of the United States (lieutenant colonel, U.S. Army).

Col. Norman G. Delbridge, Jr., [redacted], Army of the United States (lieutenant colonel, U.S. Army).

Col. Fred K. Mahaffey, [redacted], Army of the United States (major, U.S. Army).

Col. Charles W. Dyke, [redacted], Army of the United States (major, U.S. Army).

Col. John P. Casey, Jr., [redacted], Army of the United States (lieutenant colonel, U.S. Army).

Col. Robert S. McGarry, [redacted], Army of the United States (lieutenant colonel, U.S. Army).

Col. Robert W. Sennewald, [redacted], Army of the United States (lieutenant colonel, U.S. Army).

Col. Drake Wilson, [redacted] Army of the United States (lieutenant colonel, U.S. Army).

Col. James J. Lindsay, [redacted], Army of the United States (lieutenant colonel, U.S. Army).

Col. William C. Moore, [redacted], Army of the United States (lieutenant colonel, U.S. Army).

Col. Charles W. Bagnal, [redacted], Army of the United States (major, U.S. Army).

Col. Charles E. Graves, [redacted], Army of the United States (lieutenant colonel, U.S. Army).

Col. Richard S. Sweet, [redacted], Army of the United States (lieutenant colonel, U.S. Army).

Col. Robert H. Forman, [redacted], Army of the United States (lieutenant colonel, U.S. Army).

Col. Paul F. Pearson, [redacted], Army of the United States (lieutenant colonel, U.S. Army).

Col. William K. Hunzeker, [redacted], Army of the United States (lieutenant colonel, U.S. Army).

Col. Joseph H. Kastner, [redacted], Army of the United States (lieutenant colonel, U.S. Army).

Col. Corey J. Wright, [redacted], U.S. Army.

Col. Frank P. Ragano, [redacted], Army of the United States (lieutenant colonel, U.S. Army).

Col. Emmett Paige, Jr., [redacted], Army of the United States (lieutenant colonel, U.S. Army).

Col. Theodore S. Kanamine, [redacted], Army of the United States (major, U.S. Army).

Col. Michael N. Bakarich, [redacted], Army of the United States (lieutenant colonel, U.S. Army).

Col. Jeremiah J. Brophy [redacted], Army of the United States (lieutenant colonel, U.S. Army).

Col. Frank J. Palermo, Jr. [redacted], Army of the United States (lieutenant colonel, U.S. Army).

Col. Dan H. Williamson, Jr., [redacted], U.S. Army.

Col. Richard M. Wells, [redacted], Army of the United States (lieutenant colonel, U.S. Army).

Col. James S. Welch, [redacted], Army of the United States (lieutenant colonel, U.S. Army).

Col. Benjamin E. Doty, [redacted], Army of the United States (lieutenant colonel, U.S. Army).

Col. Archie S. Cannon, Jr. [redacted], Army of the United States (lieutenant colonel, U.S. Army).

Col. David W. Einsel, [redacted] U.S. Army.

Col. Theodore G. Jenes, Jr. [redacted], Army of the United States (lieutenant colonel, U.S. Army).

Col. Richard X. Larkin, [redacted], Army of the United States (lieutenant colonel, U.S. Army).

Col. Tommie G. Smith, [redacted], Army of the United States (lieutenant colonel, U.S. Army).

Col. Richard D. Boyle, [redacted], Army of the United States (lieutenant colonel, U.S. Army).

Col. Allen M. Goodson, [redacted], Army of the United States (lieutenant colonel, U.S. Army).

Col. Vaughn O. Lang [redacted], Army of the United States (lieutenant colonel, U.S. Army).

Col. Robert L. Herriford, Sr., [redacted], Army of the United States (lieutenant colonel, U.S. Army).

Col. Robert B. Solomon, [redacted], Army of the United States (lieutenant colonel, U.S. Army).

IN THE NAVY

The following-named officers of the Navy for permanent promotion to the grade of rear admiral:

LINE

James W. Montgomery
John A Walsh
Lee W. Fisher
Thomas J. Hughes, Jr.
Earl B. Fowler, Jr.
Frederick F. Palmer
Kent J. Carroll
William D. Roberston, Jr.
Claude P. Ekas, Jr.
Norman K. Green
Robert B. McClinton
Albert J. Monger
Murray C. Cook
John H. Alvis
John C. Dixon, Jr.
Donald P. Hall
James B. Linder
Lucien Capone, Jr.
Richard E. Nicholson
Arthur K. Knoizen
Roy D. Synder Jr.
Paul H. Speer
Sylvester R. Foley, Jr.
William P. Lawrence
Edward W. Carter III
Gerald E. Thomas
Bobby R. Inman
Hugh A. Benton
Steven A. White
Robert W. Chewning
"M" Staser Holcomb

SUPPLY CORPS

Leroy E. Hopkins
Ralph F. Murphy, Jr.
Edward M. Kocher

CHAPLAIN CORPS

Withers M. Moore

Real Adm. Patrick "J" Hannifin, U.S. Navy, having been designated for commands and other duties determined by the President to be within the contemplation of title 10, United States Code, section 5321, for appointment to the grade of vice admiral while so serving.

IN THE MARINE CORPS

The following-named officer of the Marine Corps Reserve for temporary appointment to the grade of brigadier general.

Robert S. Raisch.

EXTENSIONS OF REMARKS

1976 CONGRESSIONAL SCHOLARS

HON. WILLIS D. GRADISON, JR.

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 17, 1976

Mr. GRADISON. Mr. Speaker, I would like to extend formal recognition to a group of high school seniors participating in the Greater Cincinnati Chamber of Commerce congressional scholarship program, now in its fifth consecutive year. In sponsoring this program, Congressman DON CLANCY and I are undertaking to provide indepth insight into the functioning of our Federal Government to those who will undoubtedly be among the leaders of their generation. The 67 students participating faced stiff competition in order to qualify for this program and deserve to be proud of their achievement.

For the next 3 days they will meet with an impressive array of persons representing each of the three branches of our Federal Government. Not only the leadership of the House of Representatives, but also representatives of the freshman class will give the students their perspective on the role and functioning of the Congress. The students will be able to question their Senators at some length. Ron Nessen will explain to them the responsibilities of the White House Press Office. A fellow Cincinnatian, Justice Potter Stewart, will reflect on the crucial function of the judiciary in our democracy. In addition, these young people will examine the process by which private interests are represented in the legislative process and will be treated to the perspective of humorist Art Buchwald.

It is my strong hope that this experience will not only spur a few of these young people to someday serve in our Government, but also imbue them all with a real understanding and appreciation of its role in our society. I am pleased at this time to recognize those who were chosen to participate in the congressional scholarship program and the schools they represent. They are as follows:

Ms. Tracy Flowers, Aiken.
Mr. Tim Okel, Aiken.
Ms. Claire Aikin, Anderson.
Ms. Sue Azadian, Anderson.
Mr. Robert Kaiser, Anderson.
Mr. Bob Harris, Anderson.
Mr. Ron Gieseke, Colerain.
Ms. Kathryn Frommer, Colerain.
Mr. Daniel Wile, Cincinnati Country Day.
Ms. Michelle O'Conner, Deer Park.
Ms. Linda Haas, Diamond Oaks.
Mr. David Eby, Elder.
Mr. Robert Schehl, Elder.
Mr. Steve Wright, Finneytown.
Ms. Sally Bedford, Forest Park.
Ms. Lisa Hancock, Forest Park.
Mr. Dave Ulmer, Green Hills.
Mr. Alfred Beasley, Hughes.
Ms. Kathy Coleman, Hughes.
Ms. Camille Leugers, Indian Hill.
Mr. Jim Redmond, LaSalle.
Ms. Amy Wojcik, Live Oaks.
Mr. Brice Askren, Lockland.
Ms. Barbara Cherry, Mariemont.
Mr. Terry Gunter, Mariemont.
Ms. Mary Pat Klotz, Marian.
Ms. Katherine Juemmel, McAuley.
Ms. Dora Newman, McNicholas.
Ms. Fori Fette, McNicholas.
Ms. Cindy Cox, Norwood.
Mr. F. J. Brosnan, Moeller.
Ms. Mary Ulmschneider, Mother of Mercy.
Ms. Patricia Baas, Mt. Healthy.
Mr. Greg Greer, Mt. Healthy.
Ms. Elaine Veid, Mt. Notre Dame.
Ms. Christine Bruch, Northwest.
Ms. Christine Zimmer, North College Hill.
Mr. Thomas Huth, Oak Hills.
Ms. Sharon Luebbers, Oak Hills.
Mr. Brian Mitchell, Madeira.
Ms. Amy Brigham, Madeira.
Mr. Herschel Smith, St. Bernard.
Ms. Shirley Echoles, Our Lady of Angels.
Mr. Virgil Lovitt, Princeton.
Ms. Cheryl Ann Hedges, Princeton.
Ms. Peggy O'Donnell, Regina.
Mr. Dan Hoffman, Roger Bacon.
Ms. Laura Reyering, St. Ursula.
Mr. John Wessling, St. Xavier.
Mr. Ronnie McKinney, Scarlet Oaks.
Ms. Susan Pfeiffenberger, Seton.
Ms. Christina Krohn, Summit Country Day.
Mr. George Junker, Summit Country Day.
Ms. Sue Welsh, Sycamore.
Mr. James Wise, Taft.
Mr. Ronald Morris, Taft.
Ms. Nancy Korb, Taylor.
Ms. Linda Kessel, Walnut Hills.
Mr. Ed Robinson, Walnut Hills.
Mr. Raymond Wilke, Western Hills.
Mr. James Essell, Western Hills.
Ms. Amy Schlarman, Wm. Henry Harrison.
Ms. Glenda Shaw, Withrow.
Mr. Russell Huekler, Withrow.
Mr. Lawrence Foster, Woodward.
Mr. Stephen Hacken, Woodward.
Mr. Richard Uhle, Wyoming.

Chaperones: Mr. Mark Pace, Mr. Dixon Edwards, Mr. Steve Baker, Ms. Rosemary Burke.

ALCOHOLISM AND ADVERTISING

HON. GEORGE E. BROWN, JR.

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 17, 1976

Mr. BROWN of California. Mr. Speaker, I would like to draw Members' attention, especially those serving on the Ways and Means Committee, to an issue which should be of concern to all of us. The issue is alcoholism and the toll it takes on our society in various ways—traffic deaths, broken homes, shattered personal lives, et cetera. We all recognize these adverse effects of alcoholism. What we do not clearly recognize is the relationship between alcohol use and advertising of alcoholic beverages. We do know that the industry spends hundreds of millions of dollars to promote alcohol consumption. We do know that the costs to society of alcoholism are staggering. We can reasonably infer that advertising increases use, consistent with the ethic that guides our consumption oriented society.

In an attempt to provide a modest solution to this problem, I have been joined by over 70 Members of this House in introducing legislation to disallow alcoholic beverage advertising as a business tax deduction. I would like to quickly point out that our bill would not restrict the right of the industry to advertise its product, but would simply take the Federal Government out of the business of providing an incentive, through the tax structure, for such advertising. It is about time that we consider the social costs to our society before routinely providing tax incentives for every kind of business activity, regardless of its impact on the human environment.

State Senator William Plymat of Iowa has been deeply involved in this area for many years, and has made important contributions to our understanding of this issue. Just last week, Senator Plymat testified before the Senate Subcommittee on Alcoholism and Narcotics of the Labor and Public Welfare Committee on precisely this issue. Because I believe this to be a matter of public concern and importance, I would like to insert Senator Plymat's thoughtful testimony in the

RECORD at this point. I commend it to my colleagues.

The article follows:

STATEMENT OF STATE SENATOR WILLIAM N. PLYMAT

I passed up today's session of the Iowa State Senate and came here to speak to your committee because I am convinced that the alcoholic beverage trade of this country, through its advertising practices, is pursuing a policy that is calculated to increase alcoholism in this country, and that there is something that the Congress of the United States can do about it. And I believe your Committee can take some leadership action in this direction.

THE MOST POTENT AREA OF ADVERTISING

It is one thing for the alcoholic beverage trade to remind people to buy liquor, to stress individual brands to portray their bottles in multicolored, attractive advertisements. While I am not happy about this type of advertising, the worst that can be said about it is that it keeps nagging those on the road down into alcoholism to buy some more liquor. But the really disturbing advertising, and the most potent in its long-run bad results, so far as alcoholism in this country is concerned, is that which induces youth to start drinking at an early age. I am speaking about the advertising that suggests that a single girl should be drinking scotch—that suggests that a young person cannot have a successful social relationship with a person of the other sex without alcohol—that hints that for success in sexual relationships, alcohol is the device that should be used. That such advertising often leads to unwanted pregnancies is well known, since persons under the influence of alcohol are certainly often careless in their sexual relationships, but far worse is the fact that young people are being led into addiction to alcohol in large numbers. I have brought with me some of the advertisements that I am complaining about and will show them to you at the end of my remarks.

WHY THE SPECIAL CONCERN ABOUT YOUTH?

While admittedly alcohol produces a pleasant euphoria and sedation for many people, it produces intoxication for all who use it in sizable amounts and leads to the deaths of around half the people killed in traffic accidents in this country. But in the case of about one out of twelve of our people, it produces an addiction which is devastating in multitudes of serious ways in the lives of millions and, unless arrested, in most cases results in death.

There is no common agreement why the small minority become addicted and the majority do not. There is no test that can be given to a young person to tell him or her whether, if he uses alcohol, he will become hooked on it in a similar way that youths become hooked on such hard drugs as heroin. I have often heard that around 6 percent of the people consume 50 percent of the liquor, beer and wine in this country. I believe we are dealing primarily with a drug addiction. And I fear that the alcoholic beverage trade knows all too well who their most important customers are—it's the heavy drinkers.

It is clear to me that if the alcoholic beverage industry is able, through heavy advertising that runs in the hundreds of millions of dollars, to induce a million young people to start drinking, that sooner or later, around 80,000 of these youth will wind up with a severe alcohol problem that will be described by the terms alcoholism or, at least, severe problem drinking. Now, if the advertising of this industry was respectful of this danger to youth, their ads would be limited to those I first described. But they are not content with that—they direct large amounts of their advertising to youth. And they are successful. Pick up a copy of *Playboy, Playgirl, Oui, Penthouse,* and the multitude of other such publications aimed at our young people.

THE MYTH THAT ALCOHOL ADVERTISING MAKES NO DIFFERENCE

There is a widely promoted idea that alcohol advertising has no effect toward alcoholism. This is based, I believe, on the contention that alcoholism is just a manifestation of either a psychosis or, more commonly, a neurosis, and that somehow advertising is impotent in inducing such alcohol use as results in addiction. The theme is that all we need to do is to somehow teach people to "drink responsibly", and that this is an achievable objective in nearly all cases. Those persons who are susceptible to addiction cannot be taught to be "responsible drinkers". Have you ever heard of any brilliant psychiatrist converting an alcoholic into a successful social drinker? For such persons, when the chips are down, it is ultimately abstinence or death.

FOR MANY, IS ALCOHOLISM A SIMPLE DRUG ADDICTION?

A couple of years ago, the National Institute on Alcohol Abuse and Alcoholism entered into a reported million dollar contract with the Education Commission of the States to make a study on how to educate the American people to make responsible decisions about alcohol—that is, either to abstain or, if drinking, to drink "responsibly". Under this contract, former Governor John C. West of South Carolina has led a 19-person Task Force in a study, and hopefully they will come out with a fruitful report next year. I was invited to speak to their Task Force in the summer of 1974 and later to set up a special seminar of 50 persons to explore the case for the like-style of abstinence, which I did. In my initial speech to the group, I outlined the reasons, aside from neurotic and psychotic, that cause some people to become hooked on alcohol. In my 22-page writen text, I outlined these other reasons in detail, and I have some copies of this talk for any who may be interested.

But for quick reference, let me cite them to you. The hypothalamus appears to be related to addiction in some, if not many. It is contended that in some, the section of the brain which controls the autonomic nervous system of the body—the non-conscious functions—is sensitive to alcohol and causes addiction. Hyperinsulinism is involved in others—the body produces an excess of insulin, rather than an inadequate amount, as in the case of diabetes. Genetic origin, hereditary and nationality factors appear relevant. There appears to be a possible hormone factor—it's contended, and I personally have observed, that there are relatively few bald-headed male alcoholics. Dr. James W. Smith, M.D., Director of the famous Schick-Shadel Hospital in Seattle, which, I believe, has the best track record of permanently sobering up alcoholics in this country, is the authority for the statement that alcoholics and non-alcoholics have many metabolic differences. Details of this are in the talk I referred to.

It is interesting to observe the fact that a large majority of alcoholics are heavy smokers—often quitting alcohol but being unable to stop smoking even when a three pack a day addiction is causing great physical damage; note also that alcoholics are most often heavy coffee drinkers. All this indicates the existence of addictive types.

Where does this take us? If, for large numbers, alcoholism is simply a drug addiction, then persons that have those susceptibilities should never drink. This takes us back to advertising. If alcoholism is, for many, a drug addiction—and advertising induces initial use, then its inducement, for those, leads to addiction.

I have heard it contended that for one to get lung cancer from smoking, he must smoke heavily for many years and, in addition, have a personal susceptibility, the nature of which is unknown at this time. A person with a distorted sense of humor observed that if one did not know whether he had that susceptibility, he could smoke heavily for twenty years, and if he got lung cancer, he would then have the satisfaction of knowing he was susceptible. Our youth cannot know in advance whether, if they use alcohol, they have "susceptibility" and will wind up hooked on it. But we know that about one out of twelve has it. And it follows that, to the extent that alcoholic beverage advertising induces and promotes youth usage, it is a potent adverse factor in our national alcoholism problem. And this is true whether the cause be psychological or physical or a combination of the two.

Dr. George Valles, M.D., is a psychiatrist extensively involved in therapy work in alcoholism at the U.S. Veterans Hospital in Houstion, Texas. He is a leading advocate of the hypothalamus theory of addiction. He said at one time: ". . . the younger the age at which an individual starts to ingest alcohol, the greater the chances that he will develop into a chronic alcoholic. For the action of the alcohol is channeled directly toward the adolescent's imbalanced hypothalamus and autonomic nervous system, thereby obstructing his emotional maturation on both psychological and physiological levels."

Others may blame the apparent special dangers of youth addiction to alcohol on other causes, such as the fact that youth have not developed adequate maturity, character, will power or other human traits. But the fact is that most people (society in general) seem to believe that alcohol holds special dangers for youth. Why did we for so long have a legal drinking age of 21 in this country? And although many states have lowered the legal age in one way or another to 19 and, in some cases, to 18, why is there a drive on an many states to raise the legal age? The Minnesota Legislature has just passed a bill to raise the legal age in that state from 18 to 19 and sent the bill to Governor Anderson, who is expected to sign it in a few days. In my State, 40% of the House and Senate have co-sponsored bills to raise the legal age back from 18 to 19, and the House has already passed it.

WHAT ACTION SHOULD BE TAKEN

I have talked with liquor industry officials urging them to "clean up" their adverising, but it seems to no avail. I told them they will face legal sanctions if they do not, because society was getting fed up with the trend of alcoholic beverage advertising aimed especially at youth. This has not resulted in any constructive action that I can see.

What legislative action can be taken? There are two possibilities. One has to start in the U.S. House, since it deals with taxation—and it has. We can put an economic damper on alcoholic beverage advertising by making it a non-deductible expense item in computing net income for tax purposes. If the industry spends 500 million dollars a year in advertising and continues that expenditure, since it is mostly, if not entirely, in the 48% tax bracket, it would have to pay nearly 250 million dollars in additional income taxes, and facing that, it seems reasonable that they would cut their ad budgets. There are over 70 co-sponsors of the Brown Bill in the House, but the House Ways and Means Committee is still stalling in giving the bill even a short hearing.

The other possibility I see is to follow the example of the Province of Ontario and put in some censorship of alcoholic beverage advertising. I wish to call to your attention the Directives on Advertising and Sales Promotion of the Liquor Control Board of Ontario. Time will not permit me to discuss all of these, but let me quote just one: "Advertising shall not encourage the consumption of beverage alcohol products nor represent the consumption of beverage alcohol products as a factor of personal or collective merit, and especially, create the impression that the consumption of beer, wine, cider, or spirits in any way enhances or promotes a life-style or way of life such as prestige, success in business, relationships with the opposite sex, or becomes a necessary element in paritcipating in sports, activities, improving performance in sports, or helping to solve personal problems."

In Ontario, the industry is permitted to engage in public service advertising, corporate advertising and brand or product advertising. Ads are required to be submitted to the Board for approval prior to publication. There is currently a 2 hour limitation on radio programming and a 1½ hour limitation on TV programming per station per week. In daily newspapers, there is a lineage limit per week and year.

I think Congress has the authority to take some constructive action of this kind, although I am sure that a careful study will have to be made. I believe actions of this kind can be taken in spite of possible Constitutional limitations. The police power of governments is wide and powerful.

I am sure that many would prefer to take positive action to bring the alcoholic beverage advertising into some compliance with reasonable standards rather than to attempt to attack it through the tax power, as proposed by the Brown Bill. But if we cannot, or will not, take that kind of action in an adequate way, I am hopeful that Congress will pass the Brown Bill, which, I believe, can take us a long way down the road in dampening down the alcoholic beverage advertising that I feel will give us an increasing number of young alcoholics in this country.

SOUTH BOSTON POST TO CELEBRATE 30TH ANNIVERSARY

HON. JOE MOAKLEY

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 17, 1976

Mr. MOAKLEY. Mr. Speaker, as a member of the South Boston Post No. 6536 VFW, I would like to commemorate the 30th birthday of this VFW Post, an anniversary which will be officially recognized on Saturday, April 10, 1976.

To share with my colleagues and friends this most auspicious occasion, I would like to quote the following article, which appeared in the March 1976 edition of the Massachusetts VFW News:

> On April 10, 1946 a small group of veterans, mostly World War II, but also numbering some from World War I and the various campaigns in the so-called "Banana Republic Wars" gathered in the first floor of an old "three decker" in the Andrew Square section of South Boston to form the nucleus of what was to become a proud close knit VFW unit. A few years later the Post moved to a small storefront location on Southampton street just off the Square. In 1966 due to the efforts of its members led by some of the most dedicated Veterans of Foreign Wars supporters, an abandoned laundry building on Ellery street in the rear of Andrew MTBA Station was purchased. The property was in need of much repair, large holes existed in the floor where the old laundry machinery had been removed, part of the roof was missing and the rear wall was for all practical purposes nonexisting. A massive repair program was launched with a great part of the work done by members on their own time; and in a very short time we were able to begin operations.
>
> South Boston Post has not only been active within the Veterans of Foreign Wars, but has taken a leading role in community affairs. In addition to a most active ladies auxiliary, the Post sponsors the cadet ship Springfield of the Junior Naval Cadets of America, Sons of the VFW, junior girls auxiliary unit, a Boy Scout troop and a Cub Scout pack. At present quarters have been made available for the training of the new Dorchester Heights militia, a unit which will play a leading part in the upcoming bicentennial observance of the Evacuation of Boston by British forces in 1776. The Post has supported the annual "Shamrock Fund" of the Allied War Veterans' Council of South Boston which was set up to assist local youngsters in furthering their education. The list of community projects supported is so long we have listed only these token few in order to stress how we are carrying out the VFW's dedication to community service.
>
> South Boston Post has contributed much to veterans' activities as well. Several of our members have served on the state and national level among them, Past District Commanders Harold Epstein, Arnold E. McGee, Walter M. Clark, John H. Neas. The chief marshal of the annual Evacuation—St. Patrick's Day has been chosen from this Post more often than any other in the district, including this year's bicentennial chief marshal Arnold E. McGee. South Boston Post was foremost in the fight to return Veterans Day to November 11th. Our Post received much publicity and the fight on this issue in turn received public recognition, by the action of our members in voting not to fly our Post colors on this prostitution of this most important holiday. Over the years our membership has continued to grow and we look forward to a continuation of service to VFW and our home community.

ALL THREE LEADING CIVIL AIR PATROLS IN NATION COME FROM MACOMB COUNTY, MICH.

HON. JAMES G. O'HARA

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 17, 1976

Mr. O'HARA. Mr. Speaker, this evening Members of the Congress will attend a reception in the caucus room of the Cannon House Office Building to pay tribute to the Civil Air Patrols which have been selected for their outstanding achievements during 1975. I am exceedingly proud to be able to report that the top three national winners come from Macomb County, Mich., a major portion of which is in the 12th Congressional District which I am privileged to represent in the Congress of the United States.

The winning squadrons, Mr. Speaker, are the South Cacomb Squadron under the command of Capt. Vern Michalke, which was rated No. 1 in the Nation; the Van Dyke Squadron under the command of Lt. Harold Van Kirk, which was rated No. 2 in the Nation; and the Selfridge Air National Guard Squadron under the command of Capt. Thomas Fellows, which was rated No. 3 in the Nation.

The winners of these national awards are judged on the basis of a number of different achievements, including the achievements of individual cadets in such areas as leadership training, aerospace education, moral leadership and physical fitness. In addition, local CAP units are graded on the basis of participation in 2-week annual encampments, the number of orientation flights which CAP members participate in, and the number of individual cadet awards for outstanding achievement in a variety of areas.

The selection process is, as I understand it, a rather long and involved one. Recommendations and nominations for these awards are made by wing and regional commanders, and the top 10 nominations go to a special selection board at CAP Headquarters at Maxwell Air Force Base in Alabama, which makes the final determination of the outstanding squadrons.

It is my understanding, Mr. Chairman, that this is the first time in the history of the CAP program that the top three squadrons came from the same area, and I am proud, indeed, that they are *all* from Macomb County, Mich.

At the reception this evening, Mr. Chairman, the three Macomb County winners will receive unit citations, and the No. 1 and No. 2 squadrons will also receive plaques. I know that the Congress will be paying its respects to these Civil Air Patrol units this evening, but I wanted to take this opportunity here in the House of Representatives to pay my own tribute to these dedicated units, which have brought such credit upon the Civil Air Patrol organization, upon Macomb County, Mich., and, of course, upon themselves.

I salute all three for a job well done.

HUMANITARIAN AWARD

HON. RICHARDSON PREYER

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 17, 1976

Mr. PREYER. Mr. Speaker, on April 11 citizens of my hometown of Greensboro and many of their neighbors from throughout the State of North Carolina will gather to honor a distinguished friend, Benjamin Cone, Sr., as he receives the National B'nai B'rith Humanitarian Award.

Ben Cone is a man of extraordinary talents and accomplishments. He is a man of deep faith who has demonstrated his service to all mankind in countless ways.

He has been mayor of Greensboro and has served on the city council. He has been a guiding force in the development of medical services through the Moses H. Cone Hospital. His commitment to the arts has been demonstrated through his generosity, tangible and intangible, to the University of North Carolina at Greensboro and the Weatherspoon Art Gallery.

Perhaps his most rewarding service in a personal sense has been his leadership in support of the Children's Home Society of North Carolina and the Oxford Orphanage.

His life has already earned for him such recognition as the Eleanor Roosevelt Humanitarian Award of the Israel Bond Organization and the Distinguished Citizen Award of the Greensboro Chamber of Commerce.

Most important of all, Ben Cone's life and its commitment has won for him the admiration and the respect of those who have known him, worked with him and share with him the joy of living.

All of these people join together in the sentiments expressed in the citation to be presented next month which reads:

B'NAI B'RITH YOUTH SERVICES HUMANITARIAN AWARD IN HONOR OF BENJAMIN CONE, SR.

With grateful recognition of his dedicated commitment to bettering the lives of his fellow man, his excellence of leadership, and his devoted service to his community and country.

A man of wisdom and vision, of compassion and selfless generosity, his life is truly a model for the young people of America.

With deep and abiding concern for the future of our great country and all its people, he has extended a generously helping hand to our young people through the Youth Services of B'nai B'rith.

Motivated by the spirit that made North Carolina "First in Freedom", Benjamin Cone, Sr., is a man whose commitment to his community and its citizens exemplifies the finest in both American and Jewish tradition. B'nai B'rith is proud to honor such a man.

GOVERNMENT IS THE CAUSE OF INFLATION AND THE RESULTANT RISE IN PRICES

HON. JACK F. KEMP

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 17, 1976

Mr. KEMP. Mr. Speaker, an important article has come to my attention by Dr. Richard Timberlake, professor of economics and finance at the University of Georgia, who is recognized as an expert on money and inflation.

Dr. Timberlake points out that we can directly observe increases in the money prices that we pay as we go about our everyday affairs, but that we cannot directly observe increases in the supply of money except by following changes in statistical data and charts that only technical experts keep up with. Therefore, it is easy for us to misinterpret price increases as being the cause of inflation when in fact they are the result of inflation.

Dr. Timberlake reminds us that the cause of inflation is the new money pumped into the economy through the Federal Reserve System to finance the fiscal deficits of the Federal Government. Government deficit spending causes new money to be pumped into the economy at a faster rate than the production of new goods and services, so prices must rise.

When we overlook that it is too rapid expansion of the supply of money that causes inflation, we run the great risk of manufacturing nonexistent crises that lead to an increase in Federal bureaucracy, bureaucracy that has no real purpose other than self-justification. The March 9 issue of the Wall Street Journal points out that the new and supposedly temporary Federal Energy Agency has 112 press agents, 1,000 press releases and is engaged in the production of coloring books for grade school children.

By not doing our homework we in the Congress have created another bureaucratic monster that is busily devouring taxpayers' dollars at an increasing rate, when in fact there never was an "energy crisis." Dr. Timberlake points out that the real prices of delivered fuel have gone down and a much greater quantity is being consumed. How is it a crisis to have more at a lower price? The reason we thought there was a crisis was that we mistook a rise in the money price for a rise in the real price.

Writing in February 1975, when the Consumer Price Index stood at 154, Dr. Timberlake points out that in spite of the big jump in the money price of gasoline to the consumer during the so-called gasoline shortage, the price of gasoline has gone up by less than the Consumer Price Index so that the real cost to consumers has declined.

If we update Dr. Timberlake's figures to February 1976, we see that although the price of gasoline per gallon has increased from 34 cents in 1967 to 56 cents today the Consumer Price Index has gone from 100 to 163. Therefore, the real price of gasoline to the consumer today is the same as it was in 1967. If the Congress had taken the actual facts of the matter into account, we would not have stacked another bureaucracy on the taxpayer's back, a bureaucracy whose redtape also adds to the cost of the energy industry.

It is important that consumer groups also take into account real, rather than money, price changes when protesting regulated price increases for fuel and electric power. If utilities are not allowed rate increases to match the change in the price level, their profitability is erroded and, thereby their ability to make the investment necessary to meet future energy demands is undermined.

The U.S. Congress can best help consumer advocates protect the consumer's pocketbook by exercising fiscal restraint. It is legislated deficits which become monetized that cause prices to rise.

I commend Professor Timberlake's article, which I am putting in the RECORD at this time, to my colleagues:

GOVERNMENT SPONSORED INFLATION, "REAL" PRICES

(By Dr. Richard Timberlake)

The recent spectacle of "consumerists" and "consumer groups" protesting regulated price increases for fuel electric power demonstrates again one of the principal evils of chronic inflation—the utility of money prices as measures of real value.

The problem starts with the inflation generated by the federal government. New money is pumped into the economy through the Federal Reserve System primarily to finance the exorbitant fiscal deficits that have emerged because of government spending. This new money comes into the economy at a faster rate than the production of new goods at current prices, so market prices are constantly bid up.

Several characteristics should be noted about the inflation. First, it is entirely a responsibility of the federal government's power and willingness to create money—yes, just like counterfeiters; except that the government can endow its paper money with the legal tender provision, something a counterfeiter cannot do. Private citizens share absolutely no responsibility for this condition. They are not "piggy"; they are self-interested individuals trying to avoid a tax, which reduces the value of the money they hold, by spending the money.

Second, the inflation cannot "run away" unless the government's monetary printing press runs away. This eventuality is unlikely, even for a federal government, because it would cost the government more than it would return. People do not spend their money faster and faster during an inflation; they simply spend the greater and greater amounts that the government so graciously provides at a slightly increased rate for each dollar. It is the number of new dollars coming into existence, rather than the rate at which each dollar is spent, that makes the inflation.

Third, contrary to popular belief, the inflation is the best (or the least bad) thing that can happen once the conditions for inflation—the too-large increases in the money supply—are present. Money prices are the safety valve that led off the pressure of greater spending. For the government to try and control prices by statutory and comprehensive wage and price ceilings forces immense real costs on the economy. People, both buyers and sellers, try to evade the legal ceilings. These evasions also involve many real costs. Production is hampered, not only by the bureaucratic red tape imposed by government agencies on businesses, but also because resource allocation is significantly biased from its most efficient path.

Since 1967, the average of all money prices for commonly used goods and services has incrased by 54 per cent. The Consumers Price Index based at 100 in 1967 is now at 154. Some money prices have gone up more than the average and some less. Food, for example, has gone up by about 70 per cent, while apparel has increased by only about 40 per cent.

In general, any item whose money price has gone up by less than 54 per cent has gone down in real price. As an example, consider the price of a given quality of gasoline that currently is selling at about $.49 per gallon at the service station. In 1967, this same gasoline sold for about $.34 per gallon. But the dollars and cents at which this item is priced have changed their "size." They are, specifically, only 65 per cent as large as they were in 1967. Therefore, the $.49 price for gasoline today must be scaled down by 100/154 in order to compare it validly with the 1967 price. When this operation is carried out, the 1975 price turns out to be slighlty less than $.32 per gallon. Therefore, the real price of gasoline, the only valid measure of its relative value, is seen to have fallen, not risen. In addition, the economy consumes almost 50 per cent more of this product.

The foregoing is an empirically verifiable observation. It is, therefore, not political. It also suggests strongly that the "energy crisis" is a contrivance of the government by which the government's self-interest is furthered. If prices of delivered fuel have gone down and a much greater quantity is being consumed, how is that a crisis? It can only be a crisis if material increase is regarded as mortal sin.

This example, however, demonstrates how the unsuspecting general public can be led astray. People see the money prices of energy fuels increase and they treat these changes as if they were real increases—as though the value of money is remaining constant. If the value of money were constant, this view would be correct. Money price changes would be real changes.

The same kind of error is seen in the current controversy over the proposed increase in electricity rates. These rates in money terms are controlled by both state and federal regulatory agencies. Since 1967, money rates for electricity as allowed by these agencies have increased 34 per cent. Since the general price level has risen by 54 per cent, the real cost of electricity to the consuming public has declined by 13 per cent. The government regulators have forced the electric company to provide a real decline in rates which has been veiled by inflation. Surely, the well-meaning activists who are calling for public demonstrations against an increase in money rates for electricity do not intend that the electric power company should bear all the real burdens that inflation and the government might impose upon it. If they succeed, we will have no electricity at all.

And if this same element succeeds in other critical areas, we will end up with a government wielding complete power over a stone age economy.

LAUGHING AT THE HOUSE

HON. MICHAEL HARRINGTON

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 17, 1976

Mr. HARRINGTON. Mr. Speaker, in its wide-ranging investigation of the U.S. intelligence establishment, Chairman Pike's Select Committee on Intelligence spent about $470,000. Now Chairman Flynt's Committee on Standards of Official Conduct is asking for very close to that amount simply to investigate the leak of the Pike report to CBS news correspondent Daniel Schorr.

A number of writers and commentators have remarked on the absurdity of this venture, but none has stated it better than syndicated columnist Mary McGrory. I am inserting two of her recent articles in the Record at this point for the attention of all my colleagues, and particularly those whose votes to launch this investigation have made a laughing stock of the House:

HOUSE VERSUS THE CIA: MISMATCH ALL THE WAY

(By Mary McGrory)

Looking back, you would have to agree that the Humane Society should have stepped in and stopped the match between the CIA and the House of Representatives before it ever started.

The CIA is a highly trained, intensely focused outfit, skilled in the dark arts of lies, propaganda, manipulation and dirty tricks.

The House, on the other hand, is a large, slow-witted, thin-skinned, defensive composite that wants to stay out of trouble. Its real passion is reserved for its creature comforts: salaries, recesses, office space, allowances, ever more staff to help to reach its timid decisions.

The CIA has made some poor intelligence assessments in its time, but it sized up the House just right. The CIA could tell from the way the House went about it that the House didn't really want to know what the CIA had been up to.

In the first place, it should have known all along. There is something called the "oversight committee," and the House's original impulse to put its chairman in charge of the probe told everything about its penchant for earmuffs and blinders.

In the second place, if the House found out something terrible about the CIA, people would expect it to do something—an awful prospect for people who wish to be taken seriously without ever doing anything serious if they can help it.

Finally, after months of dithering and wrangling, the House chose Rep. Otis Pike, D-N.Y., whom it certified to be one of its sharpest-eyed and sharpest-tongued members.

Pike set to work trying to find out how the CIA had been using the taxpayers' money. Every time he found out anything—and it wasn't easy—the information promptly found its way into the press.

The President scolded, Henry Kissinger thundered. The House was uneasy. Members didn't care about the contents of the leaks—which revealed a measure of perfidy and incompetence that might have outraged the "People's house."

Pike, at length, made an agreement with the executive branch. He would make public no document vouchsafed him without the President's permission.

Director William E. Colby went on every television show except "Mary Hartman, Mary Hartman." He went to Washington parties and buttonholed Congressmen pleading for oversight and guidelines. In December, a CIA agent was murdered in Athens.

A 10-day official panoply of solemn, guilt-producing ceremonies followed: a military funeral with full honors in Arlington Cemetery, a memorial service at the CIA headquarters.

The House went into a panic. It pulled down the curtains, bolted the doors, called for the smelling salts. What had it done? Actually neither the House, nor the Senate committee which also was investigating, had revealed the name of a single agent. The House was too terrified to notice.

When Pike was ready with his report—most of it had already been published here or there—the House waved it away. It recalled Pike's promise to the President. The President had not said that the House could publish the report of wrongdoing in the executive branch. It was a matter of honor. The House voted 246–124 to bury the document, which, as a matter of fact, is now on sale in bookstores.

On Feb. 11, the Village Voice published its first installment of the House report. Daniel Schorr, a CBS reporter (who has since been suspended by his company) believing in the public's right to know, had provided it to the newspaper.

The House immediately knew what to do. It sat up and rang for the House Ethics Committee, a moss-covered band peopled with members of the right-thinking House Armed Services Committee. The Ethics Committee would find the villain who gave the report to Dan Schorr.

The House would be saved. The dilemma had become manageable. Sure, some CIA people had broken the law. But somebody else, some unknown, evil person, had broke the rules of the House. The House, with the wrong end of the stick, began to beat itself bloody.

The House Ethics Committee is asking for $350,000 to find out who leaked the report that the House of Representatives had paid $470,000 to have prepared and decided not to publish. That makes sense, doesn't it?

Everyone is laughing at the poor befuddled House. The Senate laughs out loud. The CIA is laughing up its sleeve.

The CIA has scored its greatest domestic coup. It has made the House go to war against itself, like some ignorant, underdeveloped country. Henry Kissinger said the investigation was "self-flagellation." That's exactly what it has turned out to be for the House of Representatives.

S. ADAMS LACKING IN HOUSE

(By Mary McGrory)

WASHINGTON.—In the first Congress, when a foolish notion raised its head, it was smartly put down.

A passage from a letter written by John Adams to his wife Abigail from Philadelphia on Sept. 16, 1774, illustrates how one man can deal with mindlessness.

"When the Congress first met, Mr. Cushing made a motion that it could be opened with prayer. It was opposed by Mr. Jay of N. York and Mr. Rutledge of South Carolina, because we were so divided in religious sentiments . . . Mr. S. Adams arose and said he was no bigot, and could hear a prayer from a gentleman of piety and virtue who was at the same time a friend to his country."

Whereupon the members came to their senses and voted to call in a local clergyman who conducted a service that Adams reports had "an excellent effect on every body here."

It no longer the fashion in Congress to attack folly head on. It is considered bad form to do so. A lunatic course, once embarked on, must be pursued to the end—hang the expense and the reputation of the House.

The House is embarked on a costly manhunt for the person who made it look foolish. Actually House members had already done that themselves, when they refused to read a report on the CIA prepared for them by a select committee. They suppressed the report because the President, who never wanted it written, did not wish them to make it public.

It had already been published in large measure, so their subservience netted them nothing. But, maddened by their own incompetence, they decided to find the person who gave the report to CBS reporter Dan Schorr, who gave it to the Village Voice, which printed it in full.

No Mr. S. Adams was on hand to say he was no blockhead to be bullied by the Executive Department and to suppress information intened for citizens. So the Ethics Committee is asking for $350,000 and 43 people and 1000 investigative hours to find out what a competent cop could uncover in a morning.

Originally, the enterprise was conceived as a lynching party for Dan Schorr, to make an object of those who will not subscribe to the House doctrine that what you don't know won't hurt you. But even the members of the Ethics Committee came to realize that this would bring them in conflict with a document authored by the Adamses and their ilk which contains a First Amendment guaranteeing freedom of the press.

Instead, the committee has set itself the task of finding a needle in a haystack. Some 2000 members of the Executive Department read the CIA report, as it made its rounds, crying for deletions—thanks to a witness pact between CIA Committee Chairman Otis Pike and the President. The committee will examine them all behind closed doors.

Blinding examples of how quickly and cleverly these matters can be resolved are lost on the House.

Its principal tormentor, Secretary of State Kissinger, has shown the way. Every time the leaky committee sprang another leak, the Secretary cried that the foreign policy of this country was imperiled by the loss of confidentiality.

Just last week, the Secretary developed a massive plumbing failure of his own. A torrent of secret documents washed through the pages of Foreign Policy magazine. Although they all served to reveal him as the greatest negotiator since Moses bargained with God, the Secretary pronounced himself appalled.

In a move reminiscent of Richard Nixon ordering John D. Ehrlichman to get to the bottom of the Watergate cover-up, the Secretary called in his deputy, Lawrence Eagleburger, and bade him find the culprit. In three days flat, a scapegoat was discovered, formally reprimanded and Kissinger was back in his pulpit, flaying election year meddlers in foreign affairs.

An even more spectacular precedent was still reverberating in the press. District police and FBI agents set up a fencing operation, lured in local thieves, fed them meatballs and fractured Italian and bought their hot goods cut-rate. At a climax of the enterprise, they threw a party for their clients and bagged 187 enemies of society on video tape.

The brilliant coup, unremarked by the House, took 12 men, five months and about $160,000.

The House is spending twice that to get one man.

It lacks the guiel of Kissinger and the imagination of the police-FBI fencing team. Most of all, it lacks a Mr. S. Adams to put a stop to its policy.

CONSUMER FEDERATION OF AMERICA TESTIMONY ON BYINGTON NOMINATION

HON. ROBERT F. DRINAN

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 17, 1976

Mr. DRINAN. Mr. Speaker, in yesterday's CONGRESSIONAL RECORD I inserted, with introductory remarks, the March 15 letter that 27 other Members of the House of Representatives and I sent to Chairman WARREN G. MAGNUSON and the other members of the Senate Commerce Committee urging the disapproval of the nomination of S. John Byington to become the new Chairman of the Consumer Product Safety Commission.

On March 1, during the Commerce Committee's hearings on the Byington nomination, Carol Tucker Foreman, Executive Director of the Consumer Federation of America, delivered important and convincing testimony.

So that all Members of the House will have an opportunity to read Ms. Foreman's testimony, I am inserting at this point in the RECORD a copy of that testimony:

TESTIMONY OF CAROL TUCKER FOREMAN, EXECUTIVE DIRECTOR, CONSUMER FEDERATION OF AMERICA, BEFORE THE COMMITTEE ON COMMERCE, U.S. SENATE

I am Carol Tucker Foreman, Executive Director of Consumer Federation of America, a federation of 208 national, state and local non-profit organizations that have joined together to espouse the consumer viewpoint. CFA and its member organizations represent over 30 million consumers throughout the United States. Among our members are: Consumers Union, publisher of *Consumer Reports,* 17 cooperatives and credit union leagues, 45 state and local consumer organizations, 66 rural electric cooperatives, 27 national and regional organizations ranging from the National Board of the YWCA to the National Education Association, and 16 national labor unions.

Mr. Chairman, the Consumer Product Safety Commission was established for the primary purpose of protecting the public against unreasonable risks of injury associated with consumer products. The agency was created because the Congress found that an unacceptable number of consumer products present unreasonable risks of injury. The variety and the complexity of many consumer products make many users unable to anticipate risks and to safeguard themselves adequately. Varying degrees of consumer education, sophistication and awareness intensify the problem.

In an increasingly complex and technological society, the CPSC performs an important task. The degree to which it performs that task adequately is an almost direct reflection of the integrity and the performance of the Chairman of the Commission. Section 4(f) (1) of P.L. 92-573, the law creating the Commission states that the Chairman shall be the principal executive officer of the Commission and he shall exercise all of the executive and administrative functions of the Commission.

Increasingly, over the past several months, public criticism of the incompetence and lack of integrity of government has intensified. There is a growing hostility to government regulation. We believe that hostility grows in large part from the inadequate administration of the laws Congress has passed. In part, Congress must bear responsibility for that inadequate administration because in many cases where it has created independent regulatory agencies and required that their members be appointed with the advice and consent of the Senate, the Senate has not exercised its responsibility to approve only qualified appointees.

In recent months this Committee in particular has begun to exercise that authority vigorously. We hope that you will continue to do so. I would particularly like to commend the committee for compiling and submitting to the nominee a detailed list of questions designed to elicit information about his background, qualifications, and regulatory philosophy. This information has been made available to those who have expressed an interest in the nominee and has been an invaluable aid in preparing comments regarding his nomination. I hope the committee will continue this practice.

CFA's long-standing commitment to the appointment of highly qualified persons to government agencies is reflected in two resolutions passed at its Annual Meeting on January 24, 1976. At that time, delegates unanimously approved the following resolutions:

QUALIFICATIONS FOR REGULATORY COMMISSION MEMBERS

The President has been highly critical of the functioning of the regulatory process. In other sections of our resolutions, CFA addresses specific actions to improve the efficiency, effectiveness and fairness of regulation. An essential element of effective regulation is the appointment and confirmation of highly qualified personnel. It is the responsibility of the President to appoint only highly qualified individuals and the responsibility of the Senate to confirm only those who meet this standard.

Highly qualified must include demonstrated sensitivity to the public interest, independence of action, dedication to the furtherance of the role of the agency as well as knowledge of the subject field.

There are several existing regulatory vacancies. We insist that the President appoint only highly qualified individuals to those positions. We will not support any who are not qualified.

RESOLUTION ON S. JOHN BYINGTON

In keeping with the resolutions setting forth CFA standards for appointment of persons to regulatory commissions, CFA believes that S. John Byington, recently nominated by the President as Chairman of the Consumer Product Safety Commission, fails to meet these requirements. CFA, therefore, urges the Senate to uphold its important role in the advice and consent process and to reject Byington's nomination.

We have studied the record of the nominee and we believe he is not qualified by experience, by history of independent action, or by a dedication to the public interest.

Consumer Federation of America believes that Mr. Byington is not qualified by exprience for the Chairmanship of the Consumer Product Safety Commission. Since graduating from college sixteen years ago, Mr. Byington has worked as a businessman or government official assisting businessmen in export development for a total of five years and four months and as an assistant to Governor George Romney with responsibility in areas of communication, transportation, urban affairs, industrial and trade relations and campaigning for almost four years. Only two and one-half years of his experience appear to be substantively related to the position for which he has been nominated. This period includes his present position, held for almost two years; Assistant Prosecuting Attorney, held for six months; and pharmacist, held for four months. It is suggested that Mr. Byington's position as Deputy Special Assistant to the President for Consumer Affairs and as Deputy Director of the Office of Consumer Affairs in the Department of Health, Education, and Welfare confers some credentials as a representative of the public interest. Whether that is so should be based on record and not on title. To base it on title only would be to suggest that the Director of Consumer Affairs for Gulf Oil would be a good public interest member of the Federal Power Commission.

The Byington record of responsiveness to the public interest is meager. Mr. Byington acknowledges his large role in the development of the Consumer Representation Plans. These plans are described as an alternative to the Agency for Consumer Advocacy. To state the issues more directly, the Consumer Representation Plans were dreamed up by the White House to justify vetoing legislation to create an independent consumer protection agency. A majority of Congress supports such legislation. All consumer groups support it. A majority of the public, according to reputable polls, supports it. The Chamber of Commerce, the National Association of Manufacturers, the Business Roundtable, Ford Motor Company and General Motors oppose it. The President has knuckled under to them and John Byington has chosen to reject the consumer interest and go along with the Chamber of Commerce and the President.

Not only were the Consumer Representation Plans developed in order to oppose the consumer position and favor the business position, the plans were initially developed with no participation by consumers. In April the President's consumer advisor, Mrs. Virginia Knauer invited consumer representatives to her office. She told the consumer representatives of the President's plan and asked for specific suggestions to be made to her on ideas for the plans. The consumer representatives expressed strong and continuing support for the Agency for Consumer Protection but also provided the Office of Consumer Affairs with a detailed paper, prepared by Public Citizen, which made a number of suggestions for improving agency procedures with regard to consumers. In addition, individual consumer representatives present at the meeting made specific suggestions for ways the agencies could be made more responsive to consumers. Not one of these suggestions can be found anywhere in the proposed Consumer Representation Plans. It it possible they were not forwarded to the individual agencies by the Office of Consumer Affairs for inclusion. If they were forwarded and rejected by the agencies, there is no indication that OCA questioned the rejection or insisted on reconsideration.

We believe that Mr. Byington's role in developing and attempting to push these phony plans off on the public is not consistent with a concern for the public interest. In addition, his willingness to advocate the creation of an Agency for Consumer Protection one year and then do an abrupt about face and oppose the legislation when it became unpopular at the White House is hardly an example of the kind of independence of thought and action that is so essential to the effective chairmanship of an independent regulatory commission.

Not only is Mr. Byington's work history predominantly industry oriented but, during his tenure as Deputy Director of the Office of Consumer Affairs, he has spent most of his time with industry groups. The announcement of his appointment to the CPSC chairmanship was greeted warmly by industry. The toy industry trade press, *Toy and Hobby World Weekly Report* described him as a "conservative Republican . . . from Grand Rapids, Michigan, President Ford's home town . . ." The General Counsel of the Toy Manufacturers of America, Aaron Locker described Mr. Byington as "remarkably sympathetic to industry in the past." Mr. Byington's communication with consumer groups has ranged from limited to nonexistent.

In responding to the Committee's request for information, Mr. Byington submitted a list of legislation opposed or supported by the Office of Consumer Affairs during his tenure there. The Office of Consumer Affairs is supposed to be the spearhead within government for the consumer interest. Consumer advocacy is listed first among OCA functions. It has a staff of 55 persons assigned to carry out its functions. In examining the list of legislation supported or opposed by the Office during Mr. Byington's tenure, several points become obvious. First, the Office of Consumer Affairs has opposed the most basic piece or consumer legislation, the creation of an Agency for Consumer Protection. Second, there are a number of important consumer bills on which the nominee and his office have remained conspicuously and totally silent. Among these are: No-Fault Automobile Insurance, the Price Disclosure Act, the Anti-Trust Improvements Act, the Anti-Trust Enforcement Authorization Act, the Competition Improvements Act, the Home Mortgage Disclosure Act (redlining), the Clinical Laboratories Improvements Act, the Beef Research and Information Act, the proposed audit of the Federal Reserve System, food stamp amendments, and the DES Control Act.

Although there is no issue before the American people that is more pressing than energy, the list of bills supported or opposed by the nominee's office does *not* include: H.R. 7104, the Energy Conservation and Oil Policy Act; H. Res. 641, Oil Price Decontrol; S. 1849, the Emergency Petroleum Allocation Extension, Nor did the nominee's office comment on S. 2310, the Emergency Natural Gas Deregulation Act or the proposed amendments to that legislation which would have required horizontal or vertical divestiture of the oil giants.

Third, in several cases the nominee has stated that his office supported legislation when that support cannot be found in the public records. The support mentioned involved nothing more than a reference in a speech by the nominee or Mrs. Virginia Knauer, or a press release praising the action *after* the bill was on the President's desk.

Perhaps the best example of this action is found in the Equal Credit Opportunity Act of 1974 and the Equal Credit Opportunity Act Amendments approved in House-Senate Conference last week. Both of these are listed as items of legislation supported by the Office of Consumer Affairs. We are unable to find any reference in the hearing record to comments on the Equal Credit Opportunity Act of 1974 by the Office of Consumer Affairs. The role of OCA in supporting that legislation appears to have been a brief reference in a speech given by the Director of the office on October 22, 1974 after the bill had been sent to the President and a press release praising the President for signing the legislation.

Work has just been completed on the Equal Credit Opportunity Act Amendments. The only reference we can find to support of these amendments by the nominee's office is a one sentence statement in a letter to Chairman Annunzio of the Consumer Subcommittee of the House Banking and Currency Committee. The letter was in response to a series of questions on a number of issues forwarded to the Office of Consumer Affairs at the request of Representative Gladys Spellman. The letter says that OCA supports the amendment. I do not have to point out to the Commerce Committee members that such a statement is hardly an example of strong consumer advocacy. The Equal Credit Opportunity Act amendments were hotly debated. There was great dispute over several issues of importance to consumers, for example, (1) whether to require a written statement of reasons for denial of credit; (2) whether to exclude business credit; (3) whether to provide strong class action rights and meaningful penalties for violations of the act; and (4) whether receipt of public assistance should be among the categories protected from credit discrimination. Despite substantial efforts by the banking and retailing community to weaken the bill by eliminating these provisions, a few consumer advocates waged a lonely and often discouraging battle to ensure the strongest possible bill. Throughout that seven month struggle, absolutely no comment or support was forthcoming from the Office of Consumer Affairs.

Fourth, the Office of Consumer Affairs has commented generally on a piece of legislation without acknowledging that the essential debate is not over the bill's passage but over key amendments. While the office on a limited number of occasions endorses general principles, that office consistently retreats when industry wages massive campaigns to thwart those consumer principles with countless amendments designed to gut the legislation. Perhaps the Office of Consumer Affairs does not understand the legislative process. Perhaps they do not understand that it is the language after the title of the bill that is important to consumers.

The Office of Consumer Affairs has taken credit for proposing Truth-In-Savings legislation and has taken credit for the Nixon Administration's submission of a Truth-In-Savings bill. However, last year the Ford Administration gave little attention to that provision in resubmitting the Financial Institutions Act to Congress. In fact, the Administration's 35-page summary of the bill devoted one meager sentence to the Truth-In-Savings provision. The Office of Consumer Affairs did not appear before the Senate to testify on the legislation. During debate on the legislation, at the urging of business, the Truth-In-Savings provision was deleted. Typically, it was only after it was deleted that OCA spoke out. No serious attempt was made by OCA to preserve the provision they had presumably supported. To date there has been no communication by OCA to the Senate or the House about Truth-In-Savings other than four lines from an undated press release inserted in the 1974 record.

Although the Office of Consumer Affairs testified on the Magnuson-Moss Warranty-Federal Trade Commission Improvement Act before House and Senate committees in 1971, no one from that office testified or submitted written comments when the legislation was considered in 1973. On each of the above bills, there was strong industry involvement. Although consumers desperately needed the help of the Office of Consumer Affairs, there was no help. By refusing to become involved, the Office of Consumer Affairs in effect advanced the cause of industry, not consumers.

The record of the Office of Consumer Affairs in supporting important consumer protection legislation during the tenure of the nominee is minimal. The nominee has submitted to the Committee a list of comments on regulatory issues. It shows the record of the Office of Consumer Affairs in supporting or opposing proposed regulations is not much better.

The nominee professes great interest in and concern for issues of product safety. However, these did not seem to be of very great concern to the OCA during his tenure there. Of the list of 40 comments submitted in 1975 and to date in 1976, only two were concerned with issues pending before the Consumer Product Safety Commission. During that same period of time OCA did *not* comment on the proposed banning of toys and other children's articles presenting puncture or laceration injury due to sharp points (FR 1491) and on proposed amendments bicycle banning and safety regulations (FR 25480). These were actions of very great importance. In addition, the Office of Consumer Affairs did not comment on the following proposed actions by the Consumer Product Safety Commission:

FR 3279, Proposed labeling, recordkeeping and other requirements under standards FF 5-74, children's sleepwear sizes 7-14.

FR 3282, Policy statement and solicitation of comments, children's sleepwear sizes 7-14 (FF-5-74).

FR 6818, Inquiry on ammunition for hand guns, petition for banning.

FR 12111, Flammability standards, proposed simplification of procedures for establishment.

FR 20293, Proposed rules, baby cribs, non-full size: banning and safety requirements.

If the list submitted by the nominee is a full one, the Office of Consumer Affairs also failed to comment on a number of other important consumer issues pending before regulatory commissions. They did not file comments with the Federal Reserve Board on the proposed regulations for the Equal Credit Opportunity Act nor did they file comments with the Federal Power Commission on proposed new rate increases for old natural gas (Docket R 478); on direct sales from pipelines to industrial users of natural gas, bypassing FPC regulation (Docket 75-25); advance payments to natural gas producers from utilities to insure the option of purchasing gas (Docket R 411, RM 74-4).

It can be argued, of course, that it is impossible for the Office of Consumer Affairs to comment on every proposed proceeding. However, there is a very large staff at the office and the issues listed above are all of major importance. All of these proceedings were the subject of strong industry pressures opposing the consumer position. By remaining aloof, the Office of Consumer Affairs advanced the position of business, not consumers.

In responding to Committee questions, Mr. Byington has stressed advances in the Federal program of consumer education as one of the accomplishments of his tenure at the Office of Consumer Affairs. The only message from Gerald Ford on any consumer issue during his Presidency has been on the subject of consumer education. However, the President's FY 1977 budget for consumer education slashes the funds available for that program from $3.1 million per annum to $1.6 million, a drastic cut of almost 50%. Similarly, the budget for metric education is cut in half, going from $2,090,000 in 1976 to $1,045,000 in 1977. CFA is concerned that, if approved, Mr. Byington will have the same sort of success in funding CPSC.

Mr. Chairman, we believe that, other than his service as Deputy Director of the Office of Consumer Affairs, the nominee has a deplorably weak and inadequate record on which to base his qualification for appointment to this important consumer protection position. Upon examination, even that OCA record is notably unimpressive in accomplishment. There is nothing included in the record that marks Mr. Byington's tenure at OCA as one of active or effective consumer advocacy. There is a record of inaction. Because the Office of Consumer Affairs is supposed to be the leading government agency in this field, in practical effect, lack of action becomes action against the consumer. The opposition to the Consumer Protection Agency is but one example of how consumer advocacy and protection is weakened by the position advanced by OCA. The nominee's record of action is in direct opposition to consumers' best interests and expressed desires.

The Consumer Product Safety Commission is an independent regulatory agency. Congress clearly intended that it not be subservient to the President. There is nothing in Mr. Byington's history to indicate independence. We have already noted his action in following the White House line on the Consumer Protection Agency.

The answers Mr. Byington has provided the Committee on his views of the independence of the Chairman of the Consumer Product Commission do not provide any indication that he feels strongly or is committed to independence. Perhaps this is simply because his answers to the Committee's questions are not specifically responsive to the question asked. It is our hope that the Committee will at a minimum require Mr. Byington to provide adequate responses to the following questions:

Page 22, Question 7b—Mr. Byington has not provided the simple answer the question requires. We do not know if he would support the budget submitted by the Commission even if it differs from that submitted by the President.

Page 21, Question 5—The Committee asks if Mr. Byington believes the Commission can be independent while the Justice Department controls the Commission's litigation. Mr. Byington has gone on for several lines without answering the question. Legislation embodying this concept has passed the Senate but was rejected in the House. He could easily have researched the legislative history to provide an answer. Furthermore, this is a matter of regulatory philosophy and one which will continue to be a critical issue at the Consumer Product Safety Commission. It does not require experience at the agency in question to have well defined attitudes on this subject.

While we can understand a reluctance on the part of a nominee to provide specific answers on questions of substance before entering the Commission, we believe that it is not only fair but essential that the Committee determine the nominee's view of the regulatory process. Congress has an obligation to ascertain the nominee's views on process. Mr. Byington, in his written responses to the Committee has failed to provide that much needed insight. On page 23, Question 1, Mr. Byington is asked for his view on CPSC's meeting policy. We are unable to understand why the nominee is not able to read the regulation in question and provide the Committee with his view on it. Either the nominee believes in a process for open meetings or he does not.

On Page 25, Question 4 states: Do you believe that you should list your attendance at a "get acquainted" cocktail party or reception hosted by a trade association which has petititon or other matters pending before the Commission's Public Calendar? If a lobbyist were to attempt to discuss the merits of a substantial interest . . . at a party . . . would you refuse to discuss the matter until a meeting listed in the Public Calendar could be arranged? This appears to require only a simple yes or no answer. The nominee was not asked to disclose his social calendar. He was asked two very specific questions that are of great importance in affecting the regulatory process. If he cannot or will not answer affirmatively he should not be confirmed.

We find a number of the answers given to the Committee by Mr. Byington to be so obscure that they place his credibility in question. We presume that the Committee will secure adequate answers from the nominee on all questions including:

Page 7, Question 3—Mr. Byington does not answer whether his philosophy of regulation was discussed.

Page 13, Question 7(b)—This question refers to employment after leaving the Commission. We believe the response is inadequate and the nominee should be asked to include whether he will practice law in a firm which includes clients who have pending matters before the Commission. We believe the nominee should be willing to state that he will not work for a firm which represents any of the groups named.

Mr. Chairman, this Committee has devoted a great deal of effort over the past few years to the development and oversight of the Consumer Product Safety Commission. We believe you care strongly about the Commission's goals and purposes. It will be impossible for the Commission to achieve its goals if it has inadequate leadership. The proposed term of appointment of Mr. Byington is seven years. The performance of the nominee is crucial to the future of the Commission. We find nothing in his background or responses to your questions that gives cause to believe the CPSC will move toward its goals under his leadership. We urge you to reject this nomination.

LET US BURY THE "MEAN" TEST

HON. JAMES H. SCHEUER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 17, 1976

Mr. SCHEUER. Mr. Speaker, I am pleased that my colleagues in the House listened to the views of the thousands and thousands of elderly citizens in this country and voted to extend until the fall the period during which senior citizens may continue to participate in senior citizen center activities without submitting to a degrading and demoralizing means test.

I am equally disappointed and appalled for apparently, my colleagues only listened with one ear. We should have buried this issue today forever by voting to eliminate, for all time, the means test for senior citizen center participation.

Why must we prolong the agony?

Two weeks ago, I testified before the Ways and Means Subcommittee on Public Assistance on this issue by citing letters from my elderly constituents. I put these letters in the Record, but obviously my colleagues did not read them. The comments made in these letters described in the most immediate and poignant way the destructive effect of the means test on the participation by senior citizens in the many activities and functions of their neighborhood centers. Our seniors' concern for the ways in which the imposition of the means test would demean them, would force financial distinctions among friends, and would impose additional strains on them emotionally and physically is heartbreaking.

Why must we prolong their anxieties and fear of humiliation, when we could easily resolve the problem once and for all by removing the means test requirement forever?

Before the end of September the entire question of eliminating the means test will have to be raised and debated once again.

In the meantime, centers will experience great difficulty in doing any long-range planning, in predicting numbers of members eligible for participation in on-going activities, in hiring staff with any certainty of being able to retain them. All because the Congress failed to vote once and for all—with the absolute finality that the morality of this situation literally cries for—to eliminate the means test.

Extending the exemption for a few additional months certainly is better than imposing the means test now on our senior citizens. But it falls far short of what is urgently needed: The total and final burial of the means test with the proper ceremonies. I hope this will be achieved long before the exempt period is over, so that our centers staffs can go back to their real function—planning and implementing the multitude of programs and activities which keep our seniors busy, active, productive, healthy, and happy—and so that our seniors can go back to enjoying these programs free from the fears and the anxieties they have experienced since the immoral and demeaning means test requirement was first proposed.

ZULU LEADER QUERIES ROLE OF FOREIGN FUNDS IN SOUTH AFRICA

HON. DONALD M. FRASER

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 17, 1976

Mr. FRASER. Mr. Speaker, March 10, Nicholas Ashford filed a dispatch with the Times of London concerning foreign investment in South Africa.

Chief Gatsha Buthelezi, Chief Executive Councilor of the Kwa Zulu homeland and Dr. C. F. Byers Naudé, Director of the respected Christian Institute addressed themselves in a joint statement to this issue: "If the homelands exist to make labour available to maintain the cash economy and standard of living of the elite—black, white or both—and to establish an economic buffer zone of homeland economies to protect the central economy and provide benefit for the favoured few, we can only come to one conclusion: foreign investment in the central economy is devoid of all morality."

Mr. Speaker, this is a significant turn around for moderate South Africans living in South Africa. The words of these opponents of apartheid must be carefully pondered by the opponents of apartheid in this country.

The March 11 Ashford article and the complete statement follow:

[From the London Times, Mar. 11, 1976]

Zulu Leader Queries Role of Foreign Funds in South Africa

From Nicholas Ashford,
Johannesburg, March 10.

Chief Gatsha Buthelezi, Chief Executive Councillor of the Kwa Zulu homeland and a leading black moderate, has expressed serious doubts about the role of foreign investment in South Africa, which he had previously defended.

In a joint statement with Dr. Beyers Naude, director of the Christian Institute, Chief Buthelezi states that "foreign investment in the central economy is devoid of all morality" if it serves to perpetuate a system where a white minority exploits the black majority. The two men call for a national convention in which the blacks in South Africa can speak for themselves on the matter.

They say that a radical redistribution of wealth, land and political power is essential for the establishment of a stable and moral society in South Africa. The present capitalist system, in which "the many have been blatantly crushed to produce wealth for the few", was doomed because the blacks wanted to be liberated.

The statement was in response to a newspaper interview with Mr. M. C. Botha, the Minister of Bantu Administration, suggesting that the economies of the tribal homelands, which have been promised independence, would remain interwoven with that of the republic.

Chief Buthelezi and Dr. Naude state: "If the homelands exist to make labour available to maintain the cash economy and standard of living of the elite (black, white or both) and to establish an economic buffer zone of homeland economies to protect the central economy and provide benefits for the favoured few, we can only come to one conclusion. Foreign investment in the central economy is devoid of all morality."

FOREIGN INVESTMENT IN SOUTH-AFRICA

(By C. F. Beyers Naude and Gatsha Buthelesi)

A radical redistribution of wealth, land and political power is essential for the establishment of a stable and moral society in South-Africa. In South-Africa, for over a century capitalistic paternalism has produced the conclusive evidence which makes us reject government by minority elite. Men have been consistently dehumanised, the many blatantly crushed to produce wealth for the few, and the whole of society designed to protect and intensify this naked exploitation of men by men.

We are convinced that this capitalistic endeavour is doomed. It will fail because the selfishness of South-Africa's white elite is already unrealistic and cannot survive in today's world.

It will fail because the needy millions of South-Africa require for themselves the liberation they witness amongst their brothers in neighbouring states. It will fail because no "concession" can relax the grip of capitalistic control enough to enable the oppressed masses to discover and express their own dignity and self-respect in our land.

Within this framework we must respond to the following statement by the Hon. M. C. Botha, Minister of Bantu-Administration and Development: ". . . in the economic framework of the country, the economy of the homelands is interwoven with that of the republic. And it stands to reason that the development of the homelands cannot be carried out at a pace which would have a detrimental effect on the economy of the country . . .".

If the homelands exist to make labour available to maintain the cash-economy and standard of living of the elite (black, white or both) and to establish an economic bufferzone of homeland-economies to protect the central economy and provide benefit for the favoured few, we can come to only one conclusion: foreign investment in the central economy is devoid of all morality. It is equally evident that attempts to increase the responsibility of employers and investors within ths system will do nothing to produce the radical redistribution of wealth and power which are the essential prerequisites of justice and peace. Nor can professional economists in theoretical debates produce a relevant solution. Progress depends on realising the priorites and power locked in the wisdom of the black man, who has suffered and will survive to make the real contribution to the new society which he is seeking.

Whites in South Africa have denied blacks access to the central parliamentary decisionmaking process. They have imposed on blacks a divide and rule policy as though the blacks of the country have no right to speak on issues of national importance. The question of investment in South-Africa is one such issue.

We call for a national convention in which the blacks in South-Africa can speak for themselves on the matter of foreign investment.

THE PANAMA CANAL

HON. JOHN H. ROUSSELOT

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 16, 1976

Mr. ROUSSELOT. Mr. Speaker, I regret that I was not able to be on the floor yesterday to participate in the special order requested by Congressman Dan Flood on the subject of the Panama Canal. At this time, I wish to commend my colleague and good friend from Pennsylvania for his tireless efforts to turn the attention of this body, and the country, to the question of continued U.S. sovereignty over the Panama Canal and Canal Zone. Dan Flood is the unquestioned leader of those who support the rightful control by the United States of the canal and Canal Zone. All Americans owe Representative Flood grateful thanks for his untiring activity.

The United States has sovereignty in the Panama Canal Zone and over the Panama Canal. In my opinion, it would be to the detriment of both the United States and Panama to relinquish our present status there by transferring sovereignty to the country of Panama. The Panama Canal has for over 60 years played a vital role in the strategic and commercial life of the United States. It served us well during World War I, World War II, the Korean war, the Cuban missile crisis, and during our involvement in Vietnam as a transport route between the Atlantic and Pacific Oceans. It would be folly to adopt a policy that would jeopardize the transit of goods and soldiers to a war zone. It would be folly to risk a Communist stranglehold on Western Hemisphere trade and shipping. The United States has built, operated, and maintained the canal, not only for ourselves but for other countries of the world. Since the canal was opened in August of 1914, it has been available to ships of all nations at all times on equal terms. It has served to strengthen the security of the United States and of the free world. We must ask ourselves if this would be the case if sovereignty was relinquished and the frequently unstable government of Panama gained control.

As I stated in my remarks to this body on December 9, 1975, the U.S. Congress must maintain its constitutional rights, responsibilities and duties in the Canal Zone. Only the Congress has the power to "dispose of and make all needful Rules and Regulations respecting the Territory or other Property belonging to the United States." We must actively oppose the so-called Agreement on Principles, approved by Secretary Kissinger which clearly envisions the surrender of U.S. sovereignty in the Canal Zone. I believe I speak for the majority of the American people when I say that we cannot be swayed by any demands regarding the sovereignty terms of the 1903 treaty under which we built, maintained, and protected the canal. Instead, let our consistent policy affirm that any Panamanian desires to improve the economic and social status of that nation, in accordance with the terms of the 1903 treaty, will be considered in a favorable light by the people of the United States and our Government.

Once again, I wish to commend my colleague, Mr. Flood, for his perseverance and dedication and I urge the Members of this body to support his efforts.

THE BALANCE(S) OF POWER: I—THE U.S. STRATEGIC SITUATION

HON. JOHN BRECKINRIDGE

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 17, 1976

Mr. BRECKINRIDGE. Mr. Speaker, the balance of military power has shifted sharply from the United States toward the Soviet Union since the Cuban missile crisis 14 years ago. Fundamental trends, as traced by John M. Collins, senior specialist in National Defense for the Library of Congress—in a study entitled "The United States/Soviet Military Balance" prepared for Senator John C. Culver and published by the Senate Armed Services Committee January 21, 1976—reveal a profound transformation in U.S. policy and posture since that time:

In the early 1960's, this country still occupied the pinnacle of world power, secure at home and strong overseas.

Thereafter, some U.S. Armed Forces improved technologically, but a relative decline in combat power characterizes many others in comparison with the Soviets.

For the first time since the American Revolution a competitor has the capability to destroy this Nation if it cares to run the risk.

To guard against that eventuality the United States now depends on mutual vulnerability, diplomacy, and arms control measures to insure nuclear deterrence.

Should a nuclear exchange occur nonetheless, we are exposed to its full effects having all but repudiated strategic defenses that could limit U.S. casualties and damage.

The prevailing nuclear stalemate, the long-term durability of which is dubious, magnifies the importance of conventional U.S. forces to deter and, if need be, cope with subordinate threats.

Despite that situation, this country has cut its active general purpose forces by more than a third since 1969, although U.S. security treaty commitments have expanded.

To safeguard its national interests, the United States therefore must rely heavily on reserve components, whose readiness is spotty, and on a global alliance system that exhibits significant cracks.

As implications of such developments are debatable, I plan to publish a series of articles in the CONGRESSIONAL RECORD over the ensuing months supporting my contention that Soviet military strength will significantly outclass the United States in the short-term future unless current trends are reversed.

Subjects to be covered will include, but not be limited to:

1. A panoramic perspective.
2. Strategic offensive balance.
3. Strategic defensive balance.
4. Ground force balance.
5. Naval balance.
6. Tactical air force balance.
7. Strategic mobility balance.
8. Budgetary balance.
9. Scientific/technological balance.
10. Balance in Europe.
11. Balance in East Asia.
12. Balance in Middle East.
13. Balance in the Indian Ocean.
14. Balance in Africa.
15. Balance in Latin America.

The U.S./Soviet military balance, of course, constitutes only a part of the strategic equation. I intend, therefore, to introduce a series of companion articles that concern national power in its broader perspective: political considerations, both foreign and domestic; strengths and weaknesses of national institutions; geographic factors and situations; economies, especially natural resources, including industrial capacity agriculture and finances; national character; and leadership.

Having covered the U.S./Soviet strategic balance in some depth, the series will then touch on other countries that contribute to this country's global balance of strategic strengths and weaknesses, both present and projected. Outlines for those items will appear at a later date.

In each case the series will relate coverage to crucial U.S. security interests, which Collins summarizes as follows:

Survival: The irreducible security interest is survival, under conditions that preserve independence, fundamental institutions and values intact. This concern was academic throughout most of our history, because the United States was so insulated by time and space—oceans—that no foreign power could imperil our existence. America's survival in the 20th century is imperiled by the Soviets' strategic nuclear strike force.

Physical security: Safeguarding individual elements of the national entity, especially geographic integrity, key population centers, transportation and productive capacities was—like survival—largely a self-satisfying U.S. interest until the past decade. Physical security of the United States can no longer be taken for granted, given the Soviet Union's nuclear strength and growing naval power.

Peace: Even limited strife between U.S. and Soviet associates conceivably could escalate to general nuclear war (say with Warsaw Pact nations or in the Middle East). Peace therefore is a salient U.S. interest, expressed by successive presidents for the past 30 years.

National credibility: Credibility is an indispensable asset for any nation that aspires to international leadership, or hopes to function effectively as a global power. It comprises demonstrable capabilities, intentions, fortitude, and integrity, without which no deterrent of defense program can command the respect of opponents, allies or the uncommitted. This country's interest in credibility increased by orders of magnitude after World War II, when American military might became the Free World bulwark.

Freedom of action: Finally, freedom of action—sometimes called flexibility—overlaps all other U.S. interests. It is the key to strategic initiative, without which this country would be compelled to react to Soviet schemes, which would control our course.

The second issue, The Panoramic Perspective, I plan for publication in the RECORD on March 31.

AMENDMENT TO TITLE XIX OF THE SOCIAL SECURITY ACT

HON. JAMES H. SCHEUER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 17, 1976

Mr. SCHEUER. Mr. Speaker, today I am introducing an amendment to title XIX of the Social Security Act, specifically dealing with clinical laboratory reform and cost control in the medicaid program.

Under this amendment States will be allowed to purchase laboratory clinical services for medicaid recipients through competitive bidding. Laboratory services could then be done only by those laboratories which provide high quality services at the most reasonable price. A second provision mandates that laboratory charges billed for by a physician but performed in a laboratory must be based on actual costs plus a nominal charge determined by the State to be reasonable. Such abuses, as recently cited in the hearings before the Senate Committee on Aging, of medicaid being billed for $58 for a test costing $3.40 would be outlawed under this amendment.

Under the existing freedom of choice provision in title XIX States and localities have been prevented from instituting competitive bidding for clinical laboratory services. In reality, patient "freedom of choice" in selecting a laboratory for their clinical tests is a concept with very little basis in fact. The vast majority of patients have absolutely no say whatever in which laboratory processes their tests. Their needs, as both patient and taxpayer, would best be served by having laboratory tests performed by high quality, reasonably priced laboratories selected through a competitive bidding process.

Kickbacks and rebates are rampant and endemic in the existing medicaid laboratory program. Fraudulent billing and overpayments are everyday practices. Honest laboratories have been virtually barred from obtaining medicaid accounts. It is estimated that of $180.5 million paid to laboratories for specimen analysis, at least $45 million are siphoned off illicitly in costs that are either fraudulent or clearly unnecessary. In New York City alone, laboratory costs under medicaid rose from $3 million in 1970 to $10.5 million in 1974 although fewer persons were enrolled in the program in 1974 than in 1970.

On February 13 I chaired hearings of the Oversight and Investigations Subcommittee of the Committee on Interstate and Foreign Commerce on medicaid fraud and abuse in New York City. The hearings dramatized the urgent need for an end to the open doors and loopholes in the medicaid program which are costing the taxpayer hundreds of millions of dollars each year. This amendment will be a constructive first step in improving an existing Federal health program by eliminating much of the systematic fraud and abuse, involving tens of millions of dollars annually before we commit ourselves to an even larger and uncontrolled Federal obligation in the form of national health insurance.

HOUSE JOINT RESOLUTION 280

HON. JOHN BUCHANAN

OF ALABAMA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 17, 1976

Mr. BUCHANAN. Mr. Speaker, I would like to call to the attention of our colleagues statements by Common Cause and by the League of Women Voters of the District of Columbia in support of the amendment which I will offer the House Joint Resolution 280, the District of Columbia representation legislation.

I would appreciate your consideration of my amendment and the reasons given in the following letters to support it:

LEAGUE OF WOMEN VOTERS
OF THE DISTRICT OF COLUMBIA,
Washington, D.C., March 17, 1976.

Hon. JOHN BUCHANAN,
2159 Rayburn Building,
Washington, D.C.

DEAR CONGRESSMAN BUCHANAN: The League of Women Voters of the District of Columbia is vitally concerned with the passage of H.J.R. 280, which would provide for a Constitutional Amendment to grant citizens of the District of Columbia full voting representation in Congress. It has been and continues to be our position that citizens of the District of Columbia should be allowed the same rights as all other citizens in the United States of America. Therefore, we would find any diminution of this unsatisfactory.

However, if a compromise amendment becomes the only means to gain full House support for passage of H.J.R. 280 we favor your amendment granting one voting representative now, with enlarged representation to follow by Congressional action.

Our sister Leagues in all 50 states helped greatly in our Home Rule effort and are all supporting us in this attempt to gain full voting rights. They will likewise exert themselves in the State legislatures when the Constitutional amendment is ratified.

An amendment such as the Railsback-

Flowers proposed, which would necessitate further Constitutional amendments would, we feel, be totally unsatisfactory, because of the prospect it presents of prolonged waiting and additional national effort to secure full voting representation.

We appreciate your support of our basic position and hope we will soon all be working together for the passage of a bill that will be mutually satisfactory.

Sincerely,

ELLYN W. SWANSON,
President.

COMMON CAUSE,
Washington, D.C., March 16, 1976.

DEAR REPRESENTATIVE: H.J. Res. 280, a constitutional amendment providing full voting representation in Congress for the District of Columbia is scheduled for a House floor vote on Wednesday, March 18. The resolution would provide the District of Columbia two Senators and representation in the House based on the Congressional apportionment formula.

At least two amendments to the constitutional amendment are anticipated. The first amendment, to be introduced by Representative Buchanan, is a full representation bill providing one immediate representative in the House and the authority for Congress to extend additional voting representation in the House by law, not to exceed that representation which the District would be entitled to under the Congressional apportionment formula. In addition, the Buchanan amendment would give Congress the authority to provide by law one or two voting representatives in the Senate.

A second amendment, to be offered by Representatives Railsback and Flowers, would limit Congressional representation to the House. No current or future representation would be provided in the Senate. This shortsighted amendment ignores the fact that it requires action by both bodies to enact any federal law, those governing the District of Columbia or any others. It would be grossly inequitable if the 750,000 District residents would continue to be banned from participation in those national matters handled solely by the Senate, such as the confirmation and treaty-making processes.

Common Cause urges you to be present and to vote for H.J. Res. 280 or such other constitutional amendment as would provide at minimum, immediate representation in the House, and authority for future representation in either body not to exceed the number the District would be entitled to under the normal Congressional representation formula. We also urge you to oppose any amendment which would limit representation for the District of Columbia solely to the House of Representatives.

Sincerely,

JOHN W. GARDNER.

PENSION REFORM AND SMALL BUSINESS

HON. GOODLOE E. BYRON

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 17, 1976

Mr. BYRON. Mr. Speaker, for many years small businesses provided pension plans to their employees on a voluntary basis. It is quite remarkable the number of pension plans sponsored by small business over the years. However, with the enactment of the Employee Retirement Income Security Act in 1974, the situation is changing very rapidly.

Because of the additional cost and complexity of administering pension programs under the new law, an alarming number of businesses are now being forced to terminate successful pension programs which they had sponsored for many years. Many of these small businesses are not equipped or staffed to comply with the extremely complex regulations implementing the new law.

I joined with 69 other Members of the U.S. House of Representatives this week in an appeal to the General Accounting Office to conduct an immediate investigation of the effects of the Pension Reform Act on small businesses. I would hope that such an investigation can be undertaken as quickly as possible and that it will be a thorough and complete study of the facts.

To date over 5,000 notices of intent to terminate pension plans have been filed with the Pension Benefit Guaranty Corporation, one of the three Government agencies with combined—and often duplicative—responsibility for administering ERISA. The impact of these cancellations on employees and their relationship with their employers should be obvious. This situation cannot be allowed to continue. Congress has a responsibility to see that pension reform does not become pension obliteration.

BELVERON PARK IN TIBURON, CALIF. COMPLETED

HON. JOHN L. BURTON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 17, 1976

Mr. JOHN L. BURTON. Mr. Speaker, at a time when the revenue sharing legislation is up for consideration and renewal, I think it is important to indicate the type of things that have been done by some local governments with these Federal funds.

Recently the city of Tiburon, which I have the honor to represent in the Congress, completed its neighborhood facility, Belveron Park.

The park was proposed in 1968 by the Belveron Homeowners Association as a neighborhood project to provide a safe playground for small children. The project was authorized in 1971 after the city acquired the property from the Northwestern Pacific Railroad, and a generous donation by an adjacent property owner.

In 1974 the Parks and Recreation Commission, with the help of a volunteer landscape architect and the Belveron community, obtained city council approval and funding to expand the original playground concept to a landscaped park that would meet the needs of the Belveron neighborhood. The city was able to fund the project with the exception of $6,800.

Revenue Sharing funds in that amount were allocated toward the final project cost of $38,625. This Federal assistance helped provide for a professional landscape contractor whose work progressed under the watchful eye of Belveron neighbors. The Belveron Homeowners Association donated not only time, but a park bench. Another park bench was donated by the Shark Lions Club of Tiburon, making this a broad community project.

The park was completed in August 1975 and officially dedicated by George Ellman, mayor of Tiburon, on October 26, 1975.

ST. PATRICK'S DAY PARADE IN HOLYOKE, MASS.

HON. SILVIO O. CONTE

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 17, 1976

Mr. CONTE. Mr. Speaker, today, as the Irish—and as is popularly said, those who wish they were Irish—celebrate the feast of the patron saint of Ireland, St. Patrick, I salute the 25th anniversary of the Holyoke, Mass. St. Patrick's Day parade. I would also like to take this opportunity to commend the Irish-American community in that city and around the country in this Bicentennial Year on the great contributions the Irish have made to the building of America.

The Holyoke St. Patrick's Day parade is an event that annually draws throngs of hundreds of thousands of spectators to the city of Holyoke.

Twenty-five years ago, on March 16, 1952, the first Holyoke St. Patrick's Day parade stepped off on High Street under the direction of parade committee officials, William Lunney, president; William P. Sullivan, vice president; Thomas Mulvihill, secretary; and Emmett J. Cauley, treasurer.

Today, a committee of some 150 citizens coordinate the endeavor, whose activities have grown from a single parade to a series of events, including a colleen contest, a coronation ball, a songfest, a benefit to assist a parade committee scholarship drive, and receptions to honor award winners. This year's counterparts to the original parade officials include: Maurice J. Ferriter, president; John E. McHugh, first vice president; Roger Breen, second vice president; Russell J. McNiff, treasurer; Dr. Francis M. Baker, financial secretary and chairman of the Board of Directors; John J. Mansfield, recording secretary; and Leo J. Hickson, sergeant at arms.

The coveted parade awards, given in several categories, honor men and women of Irish and non-Irish descent. Leading this year's award winners is Attorney Edward Bennett Williams of Washington, D.C., who has been named to receive the John F. Kennedy Memorial Award, an honor bestowed upon "an American of Irish ancestry who, by his life's work and contributions to our country, has become a credit to his forefathers and a friend and benefactor to all of mankind." Parade marshal for this anniversary edition of the Holyoke St. Patrick's Day parade will be Richard J. Murphy, managing editor of the Holyoke Transcript-Telegram. And winner of the Citizenship Award, given to a person of non-Irish extraction for wholeheartedly supporting the parade, is Louis J. Ryback.

Mr. Speaker, I cannot lay claim to any Irish blood. But each year for the past 25, I have marched proudly in the Holyoke St. Patrick's Day parade with my

Irish friends. What has impressed me most about the parade is the enthusiasm it generates among all of the residents of Holyoke—those of all ethnic backgrounds and of all ages. It is not only a community festival, and a superb one, but its renown has spread so that the spirit of the parade encompasses the entire western Massachusetts area.

I am looking forward to marching this Sunday, March 21, in the 1976 Holyoke St. Patrick's Day parade and I take this time to congratulate all of those persons who have been involved over the past 25 years in making the Holyoke St. Patrick's Day parade one of the foremost of its kind in the Nation.

TENNESSEE LEGISLATURE THANKS AND COMMENDS JOE L. EVINS FOR HIS LONG RECORD OF OUTSTANDING SERVICE IN THE CONGRESS

HON. CLIFFORD ALLEN

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 17, 1976

Mr. ALLEN. Mr. Speaker, as you know, the distinguished dean of the Tennessee delegation, Congressman Joe L. Evins, has announced that he will not seek reelection to the Congress following completion of this term.

In this connection, the Tennessee General Assembly recently passed Joint Resolution No. 164 expressing thanks to the gentleman from Tennessee and commending him for his outstanding record of public service spanning 15 terms and 30 years in the Congress.

Joe L. Evins has served his district, State, and Nation faithfully and well. He is one of the great Tennesseans of all time and history will record his great achievements and accomplishments for Tennessee and the Nation, along with such other outstanding Tennessean giants as Andrew Jackson, James K. Polk, Andrew Johnson, Sam Houston, and Cordell Hull. Joe L. Evins has served longer in continuous service in the Congress than any other Tennessean in history.

As the Congressman from the "Andrew Jackson District," I am pleased to have this honor of placing in the Congressional Record the resolution passed by both houses of the Tennessee General Assembly and signed by Gov. Ray Blanton, officially thanking and commending Congressman Evins for his tireless and productive career of public service for the people of Tennessee and the Nation:

Senate Joint Resolution No. 164

A resolution to express thanks to Congressman Joe L. Evins, of Smithville, on his thirty years of service to the people of Tennessee in the United States Congress

Whereas, One of the most powerful and influential officials on the national scene for the past several years has been Tennessee's Fourth District Congressman Joe L. Evins, of Smithville, who has been an outstanding congressman since 1947; and

Whereas, The "Dean" of the Tennessee congressional delegation has for some time been chairman of the House Appropriations Committee's powerful Subcommittee on Public Works Appropriations and chairman of the House Small Business Committee, and has been chairman of other influential committees and subcommittees at various times during his congressional career; and

Whereas, Congressman Evins has recently announced publicly his intention not to seek reelection in 1976 after thirty years of outstanding service and leadership on "The Hill," a decision which will mean the loss of a powerful voice in Washington on behalf of Tennessee and Tennesseans; and

Whereas, In his thirty years of dedicated service in the Congress he has risen to a high state of prominence and respect, attained through a diligent application of some good advice he received years ago from the late Cordell Hull that, "of the many qualities necessary in being a successful Congressman, two of the most important are patience and perseverance. Be patient and keep plugging for success," and some equally good advice from his father, J. Edgar Evins—". . . always remember there is no substitute for honesty, loyalty, and sincerity. Make this your motto"; and

Whereas, As he lays down his burden of responsibility, all Tennesseans, and particularly those of the Fourth District, can know and take pride in a simple truth spoken by former President Lyndon B. Johnson concerning Joe L. Evins, that "Generations of Americans yet unborn will benefit from the labors of this man"; now, therefore,

Be it resolved by the Senate of the eighty-ninth General Assembly of the State of Tennessee, the House of Representatives concurring, That the thanks and appreciation of the General Assembly are hereby extended to the Honorable Joe L. Evins, of Smithville, for his thirty years of loyal, dedicated service in the United States Congress, representing Tennessee's Fourth Congressional District with style and dignity as one of the most distinguished and hardest working members of the Congress, and that our best wishes go with him as he retires to private life.

Be it further resolved, That a copy of this resolution be forwarded to Congressman Joe L. Evins, 2300 Rayburn House Office Building, Washington, D.C. 20515.

HAPPY BIRTHDAY, AMERICA!

HON. GARNER E. SHRIVER

OF KANSAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 17, 1976

Mr. SHRIVER. Mr. Speaker, William F. Farha, a businessman and distinguished citizen of Wichita, Kans., whose family emigrated from Lebanon to the United States has taken the time during this Bicentennial year to express his thanks for being an American. Mr. Farha's personal thoughts on being a citizen of this great land are inspiring to me, and I would like to bring them to the attention of my colleagues in the Congress. Under leave to extend my remarks in the Record, I include Mr. Farha's essay which he had published in the Wichita, Kans., Beacon.

Happy Birthday, America!

1776 BICENTENNIAL 1976

I thank God in being an American. I also thank God that my family 81 years ago left Lebanon to come to America. Who knows? If we hadn't come to America we could have been killed or injured within the past 9 months of senseless fighting. Where else in the world could you have the freedom, justice, mercy, and opportunity for every American regardless of what country you came from or what race, color, or creed you belong to? Where else in the world will you find over $25 billion last year was given to charities by the American people? We always seem to condemn our people, our country, in our society, I'm not saying that the American people are perfect, but certainly the majority of the people love mercy, and are courageous enough to justly remove even the person of the highest office and walk humbly with God. To me this is the American spirit. I believe the intention of the American people is to be good citizens and to be free in thought indeed, and is to be creative and useful with our minds, hands, and above all, to believe in one God as our Father and always to remember the Biblical verse stating, "Blessed is the nation whose God is the Lord."

William F. Farha, Wichita.

THE ST. LOUIS SENIOR CITIZEN CENTER

HON. FREDERICK W. RICHMOND

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 17, 1976

Mr. RICHMOND. Mr. Speaker, the St. Louis Senior Citizen Center is a community center for the elderly located in the 14th Congressional District. Recently, 430 members of the SLSCC gathered to honor the acting director, Mr. Ernest A. Smith, as their "Man of the Year." Mr. Smith has been actively involved in a number of community affairs for some time now, and has brought these experiences with him to his present position. It is obvious that his efforts are well appreciated.

A recent article in the Brooklyn Record detailed the past activities of Mr. Smith, and also noted the very warm atmosphere at the gathering which carries from the center into the surrounding community. There is an important sense of sharing existing within the center which is essential to the future of our cities and our Nation.

The members of the center are all individuals who have lived very full productive lives, and who continue to do so through their activities at the center. The St. Louis Senior Citizens Center, and others like it, should remind us that our senior citizens should not become forgotten members of our society. These people have contributed a great deal to our growth, and can continue to do so if we only let them.

The article from the Brooklyn Record follows:

St. Louis Senior Citizen Center: A House Full of Rich Happiness

77TH PRECINCT PLAQUE AWARDED TO ERNEST SMITH

A house full of happiness. That's the way Community Relations Detective Stanley Gibbs characterized the beautiful St. Louis Senior Citizen Center where some 431 neighbors gathered at lunch to honor Acting Director Ernest A. Smith, their "Man of the Year" and present him with a plaque donated by the 77th Precinct saying so.

Smith comes to the Catholic Charities sponsored St. Louis Center at 839 St. Marks Ave. where all creeds are welcome, with a long list of accomplishments: Supervisor

Bed-Stuy, Crown Heights, and St. John The Baptist Human Service Centers, Board Advisor Flatland Guidance Clinic and a sponsor Christian Concern Group at St. Vincent Ferrer parish.

A symbolic plaque was presented to him by Anna Marie Blinn and together they danced the "presentation waltz" to the tune of "The Decades", talented senior citizens musical group. Songfest led by vivacious program director Sister Catherine Anne Greene set the tempo for after luncheon "halloween" festivities.

Participants included Mrs. Anne Holderness, Dir. Office of Aging Services, Catholic Charities; Mrs. Jessie Easter, Operational Manager Crown Heights Human Service Center; Capt. Robert Turner of Fire Dep't; and Charles Richman, editor of Brooklyn Record.

Strolling along the neighborhood on a sunny fall afternoon, one can hardly believe that news and tv media stressing racial conflicts and drug operations present a fair evaluation of the area. The homes are magnificent exemplary architecture with an abundance of tudor style enclaves and the tree lined streets, multicolored by nature's paint brush, present an eye-pleasing and invigorating scene.

Det. Gibbs who represented Deputy Inspector Hugh J. B. Cassidy, Commander of the 77th Precinct, summed it all up. He'd like to bottle the happiness permeating the party so that he could have a few whiffs from it on not so happy occasions and there are plenty of them during a policeman's tour.

Those who would cut budgets for senior center operations should take time out to see that they could do irreparable damage to the citizens who gave the nation their best and now should enjoy the fruits of their labor and taxes. The retirement years should be the rich years and there should be more places such as the St. Louis Center where senior citizens can meet, eat and greet, regardless of "means" in enriched fellowship which makes for a tonic no doctor's prescription can surpass. We know, for we shared a table with a retired pharmacist who served the neighborhood for over 40 years after graduating from Brooklyn College of Pharmacy.

ST. PATRICK'S DAY

HON. PETER W. RODINO, JR.

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 17, 1976

Mr. RODINO. Mr. Speaker, today most Americans are wearing a bit of green to signify that they hold a special place for the spirit that is uniquely Irish. That spirit brought the sons and daughters of Ireland to this country where they helped build a nation with compassion, and understanding and opportunity for all people.

The warmth and wisdom of the Irish are found in every aspect of American life—its art, its politics, and, indeed, its very fiber.

We can only hope that these qualities will prevail in Ireland and we wish for its people an end to violence and the restoration of the principles to which St. Patrick himself was dedicated.

Last weekend in the city of Newark, I was honored to join thousands of people who paraded to celebrate St. Patrick's Day. Newark is composed of citizens of all heritages, but the crowds in attendance reflected the respect and kinship found in my district for those of Irish descent.

I think it is indicative of the Irish that here in America and around the world millions of people of every nationality and creed are today saying, "I am an Irishman."

TRIBUTE TO THE IRISH

HON. JEROME A. AMBRO

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 17, 1976

Mr. AMBRO. Mr. Speaker, on this St. Patrick's Day as we near the 60th anniversary of the Easter Uprising of 1916 in Dublin, Ireland, I think it fitting that we pause to reflect on the contributions of the Irish people and their descendants to American culture and politics.

The waves of Irish immigrants who poured into our teeming cities during the half century beginning in the 1880's brought with them a love of freedom and deep longing for independence that was forged in a centuries-old cauldron of armed insurrection against political oppression and religious persecution.

This stream of immigrants searching for self-determination began to ebb only when the Irish people won independence and self-government through a bloody rebellion against colonial domination. On Easter Sunday 1916, 1,200 men marched into the streets of Dublin and unleashed a force that in 3 years brought to birth the independent Republic of Ireland.

The strong ties between the American and Irish peoples remain firmly knotted in both war and peace. It was a Brooklyn-born mathematics teacher, the late Eamon DeValera, who politically and militarily led the Irish rebels through the strife-torn rebellion.

In that struggle, the Irish leaders were careful to stress that their effort was aimed not at creating a new nation, but rather at reasserting the historic, inalienable right of the Irish people to the control of Irish destinies. The Irish declaration of independence proudly stated—

> The long usurpation of that right by a foreign peoples and government has not extinguished the right, nor can it ever be extinguished, except by the destruction of the Irish people.

This same strong tradition of political independence and love of freedom was infused into the American system by those immigrants who came to our shores.

In the American democracy, the Irish found political mobility and a safety valve release for centuries of repressed political ambitions. They quickly spotted the potential for political gain that their numbers represented in our eastern cities.

In Boston and New York City, these Irish immigrants and first-generation Irish-Americans moved to wrest control from the aristocratic Brahmins who had ruled these cities since the American Revolution.

The Irish set the tone for the immigrant Italians, Jews and other European ethnic groups that followed. Today in similar fashion, Hispanics and Blacks are consolidating their bases of political power and sending their representatives to city hall, Washington and State capitals.

With political power comes slow, often painful social advancement.

The offspring of these uneducated Irish immigrants entered our American universities and, in time, gained entry into our professions and corporate suites of our multibillion corporations.

Predictably, the mark of the rich Irish culture was indelibly imprinted on American arts and letters. A stroll through the shelves of plays, novels or poetry in any of our libraries reveals a disproportionately high number of surnames only a few years removed from the soil of Cork, Galway, Killarney, Down, and the other Irish counties.

The Irish legacy to American arts and politics is as broad as it is deep.

The Irish have traditionally gravitated to "people" careers—fields that bring them in contact with others where their charming ways and magnetic personalities can win over the most skeptical antagonists.

At one time or another, we have all been pleasantly jolted by those legendary flashes of Irish wit and captivated by the warmth of these heirs to the Emerald Isle.

During the rebellion of 1916, the Irish leaders were fond of reminding their people that "England's difficulties are Ireland's opportunities." It can truly be said that Ireland's preindependence difficulties, those problems that pushed hundreds of thousands of Irishmen and Irishwomen to our land, were indeed "America's opportunities."

Our country is richer and stronger for the Irish people who settled here. The contributions of these people and their descendants have been, and continue to be impressive. This Government and our people owe them much.

A WELCOME TO THE PRIME MINISTER OF IRELAND

HON. JOHN J. RHODES

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 17, 1976

Mr. RHODES. Mr. Speaker, I would like to take this opportunity to welcome the Prime Minister of Ireland, Liam Cosgrave, who has taken over the reins of a troubled country. We are pleased that he has chosen this traditional Irish holiday to visit the U.S. Congress. He has been in Irish politics for 32 years, having been elected to Parliament at the age of 23. He has had a distinguished and colorful career capped by his election to head the Irish Republic.

This observance of St. Patrick's Day creates a situation where the distinguished majority leader and myself can be in agreement. It is a great day for the

Irish, and for his home town of Boston, where in 1779 the Irish volunteers first paraded, and then proceeded to join George Washington's Army and become part of the fight for a free America. Our national culture has been influenced greatly by the millions of Irish who came to these shores and helped build our Nation. The Society of the Friendly Sons of St. Patrick has nourished the Irish observance of St. Patrick's Day since 1771 when they were organized in Philadelphia.

We are most pleased to have Erin's leader here on this auspicious day, when all Americans are a little bit Irish.

ONE MAN'S BATTLE AGAINST OSHA

HON. JOHN H. ROUSSELOT

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 17, 1976

Mr. ROUSSELOT. Mr. Speaker, the Occupational Safety and Health Act of 1970 has been in operation nearly 5 years — it became effective April 28, 1971—and the flood of complaints and horror stories increases daily from those employers trying to comply with the multitude of complex regulations issued by the Occupational Safety and Health Administration. Many of us here in the House have participated in special orders, supported amendments, and introduced bills to either control the proliferation of OSHA regulations, to aid employers in compliance with the regulations, or to repeal the 1970 act and abolish the administration altogether. Constituent support for these efforts has been high and is growing every day.

OSHA regulation has, in many cases, imposed costly demands on employers and hampered production capability of employees. Harassment by uninformed and inexperienced inspectors has occurred with alarming frequency while the paperwork burden has become truly mountainous. It is time this Congress stopped creating bureaucracies and then leaving them to run roughshod over the American taxpayers who are forced to support these agencies. We must exercise the constitutional congressional oversight responsibility to assure that unreasonable Government mandates do not interfere with the citizen's right to do business. At a time when regulatory reform is becoming increasingly popular, we must start to put some punch behind the campaign rhetoric and carefully examine the functions and roles of our many regulatory agencies. And certainly, OSHA is a good starting point.

At this time, I would like to bring to the attention of my colleagues an article which appeared in the January, 1976 issue of "Government Executive" entitled, "One Man's Battle Against OSHA." In fact, this article should be required reading for all members, especially those serving on the Education and Labor Committee which has the oversight responsibility in this case.

[The article is reprinted in its entirety from The New Englander "New England's Business Magazine", with kind permission from its Editor, Bradford W. Ketchum, Dublin, N.H., 03444.]

ONE MAN'S BATTLE AGAINST OSHA

(By Raymond J. Larson)

"I won't pay the damn thing. Paying it would make me a criminal. I am a businessman trying to run an honest business." Howard Dearborn, President, Howard Dearborn, Inc. Fryeburg, Maine.

Basically, Howard Dearborn wants to be left alone. He does not want the government coming around telling him what to do (he calls it "damn government meddling"); he does not care at all for the increasing regulation Uncle Sam exerts over the operation of his precision machine shop in rural Fryeburg, Maine.

He has, you might say, a healthy mistrust of big government, and he cannot resist taking a potshot at it now and then. For example, when Warner & Swasey, Cleveland, ran an advertisement recently, entitled "Memo to Washington: You'd Be Surprised What Most of Us Do Without—You Ought to Try It Sometime," he sent the president of W&S a letter which said:

"I sincerely agree that the relationship between the number of productive people in the United States and the number of unproductive people in government employed to regulate and harrass the productive few is to the point of alarm. The productive few are paying the unproductive many to regulate and harass them. Yet the government cannot seem to understand why we have inflation."

With such an attitude, when the U.S. Occupational Safety and Health Administration (OSHA) announced that it was going to visit Dearborn's 18,000-sq. ft. plant last year, a collision was inevitable.

The fact that the collision took place on schedule is hardly news in itself. But its repercussions are still being felt, both by Dearborn and the federal government; and before everything is sifted out and settled, some hard questions about OSHA operations and its regulations will have to be answered.

Dearborn built the company that bears his name by designing and building special machinery for precision boring, honing and drilling of such difficult materials as beryllium, zirconium, titanium and stainless steel. His customers, most of them in the nuclear reactor field, send parts to his shop from all over the U.S.—sometimes reluctantly.

"If there were any place else for some of them to go other than way up here," he says, "they would. But there is no other place; we're it."

Because of his unique niche in metalworking, Dearborn has been free until now to turn his attention to those things that interest him most, such as the recent development of a new generation of machinery for making uniform-walled tubing.

But Robert McNeally's visit to Dearborn's plant June 24, 1974, changed all that. McNeally is a compliance officer of OSHA.

McNeally liked most of what he saw. He would later testify before the Occupational Safety and Health Review Commission that "the plant is in good physical condition. The housekeeping is fine. There were a few violations noted of the code, but I believe the company is very safety conscious and is doing its best to comply."

But because of one of those "few violations"—"nonserious" is how McNeally himself characterized it in his citation—the OSHA compliance officer decided that Dearborn, Inc. was liable for a fine of $25. And on July 5, the U.S. Labor Dept. sent Dearborn a Notification of Proposed Penalty in which he was informed that Howard Dearborn, Inc. was liable for a $25 fine because it had "failed to replace welding electrode cable which has damaged insulation and exposed bare conductors."

Howard Dearborn wouldn't pay. Instead, he hired Attorney Thomas D. Shaffner, who on Aug. 20, 1974, filed a response with the Review Commission. It said, in part:

"At the outset it should be made abundantly clear that the respondent is as interested as OSHA in providing a safe and healthy environment for its employees. In fact, a great deal of time, energy and money is expended in this regard. A penalty is only useful as a deterrent to future conduct of the type for which the penalty was levied. Since the respondent is desirous of preventing any reoccurrence of the alleged unsafe condition, it wants the penalty to be levied against the person who created it and/or permitted it to exist. Thus the penalty must necessarily be levied against either the employee(s) actually using the welder or the foreman to whom the welders report or the superintendent of the plant.

"During the course of discussion of the alleged OSHA violation with the above described employees, however, it was learned that none of them knew of the subject OSHA regulation. If they had known of it, steps would have been taken to correct any deviation therefrom. To penalize a person for not knowing of a regulation of the U.S. government, without first advising such person, amount to a violation of due process."

To make it clear that the violation itself was not the issue, Shaffner that same day notified T. R. Amirault, area director of the U.S. Dept. of Labor in Concord, N.H., that the "welding cable was actually replaced to alleviate any and all disputes with respect to the safety of its repaired condition."

On Oct. 29, 1974, a hearing was held in Portland, Me., before David J. Knight, administrative law judge for the Review Commission, and on June 26, 1975, Judge Knight issued his opinion. Knight found that the Dearborn plant "is in good physical condition, is safety conscious, and the compliance officer believes it does its best to comply with the regulations." But he went on to order that the $25 fine be enforced, saying that Dearborn, Inc., "was under obligation to advise its employees of the safe operations of the arc welding machinery" but failed to do so.

Dearborn still won't pay. "The first time I ever had anything to do with OSHA was the time the inspector came here," he says. "We never saw any book of rules and regulations or anything else. We got fined for not knowing, even though they never told us in the first place. There are so many people passing laws these days you couldn't read them all in one lifetime.

"We got the impression that the fine might have been partly to help pay for sending the inspector here. So we offered to pay an inspection fee; we offered to pay OSHA $100 to come up here and inspect the place and find everything that's wrong. But as for this fine, I won't pay the damn thing. Paying it would make me a criminal and I'm no criminal. I'm a businessman trying to run an honest business."

Because he felt so strongly about it, Dearborn instructed Shaffner to file an appeal, even though it already had cost him more than $3,000 in legal fees.

Notes Shaffner, "We went to court, we lost and we've appealed. Don't get me wrong, I don't really think we're going to win. But even after we've exhausted all of our avenues of appeal, the government still has to collect the $25. And that isn't going to be easy."

Shaffner says the government will have to put a lien on Dearborn's plant here and even sell it if it is serious about collecting the fine. "It isn't the money," he says, "it's the principle."

Will it really come to that?

"I won't pay it," insists Dearborn. "Someone has to change the system, and I guess that means us."

THE DEFENSE BUDGET

HON. LEE H. HAMILTON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 17, 1976

Mr. HAMILTON. Mr. Speaker, I include my Washington Report, entitled "The Defense Budget":

THE DEFENSE BUDGET

A thorough evaluation of our defense needs by the United States Congress is necessary.

Last year the President requested an appropriation of $105 billion for defense spending, a 15% increase over the previous year. After an extensive review the Congress reduced the request by $7½ billion, but it only trimmed expenditures in certain categories and it did not stop programs. The Congress often uses this approach in military expenditures, shaving a little bit here and there, stretching out programs—which means that they will cost more in the long run—and cutting funds for operation and maintenance. This year the President is asking for defense expenditures of $112.7 billion.

The President's view is that every dollar he requests is necessary and that anything less will endanger the security of the nation. He points out that the Soviet military power is growing steadily. (The Central Intelligence Agency has now come to the conclusion that it has been underestimating perhaps by more than 50% the share of Soviet economic resources being devoted to defense.) The President also argues that the burden of defense has declined from more than 9% of national output in 1968 to approximately 6% today. Furthermore, he believes that the United States must now begin to rebuild and modernize its power.

Others disagree with this view. They argue that expenditures for defense during a time of peace should not be more than in a time of war, that the world is safer today than it was ten years ago, and that expenditures for pressing social problems must be made. They also stress the problem of cost overruns on new weapons and wasteful military expenditures, and they contend that the present Armed Forces, though smaller in size, more mobile, pack greater firepower and have greater flexibility than the forces of a decade ago.

In evaluating our defense needs, the Congress knows that the world is still full of dangers and that there are nations which do not wish us well. It also knows that comparing Soviet and American military potential is a somber exercise. Soviet military budgets have been rising by 3% to 5% a year since 1962, while United States military budgets have dropped, or leveled off, since 1968. According to some informed estimates, the Soviets now outspend the United States by about $40 billion a year on defense. They have 100% more men under arms (4 million compared to 2 million for the United States), four times as many tanks, three times as many submarines, six times the artillery and a stronger air defense. They are building toward equality in strategic forces and their Navy, which is expanding at an impressive rate, is the largest in the world although it is not as versatile as the U.S. fleet. In air power and the sophistication of its nuclear arsenal the United States has a lead.

Other factors have to be considered by the Congress, too. Not all increases in Soviet spending threaten the United States. Much Soviet military spending is directed toward the internal security of the communist world and the threat the Soviets perceive from China. The Congress should not determine the level of military spending as a percentage of gross national product, but rather by the threat our country faces and by the steps we must take to defend against the threat.

For some time I have felt that the Congress has avoided the tough choices presented by the military budget. The Congress has not really been helping to shape defense posture, but simply reacting to the President's proposals and reducing the resources which he has requested in response to the sharply rising costs of military manpower, sophisticated weapons and the high ratio of support to combat forces.

In evaluating military expenditures, the Congress needs to begin by examining our military commitments. The size and nature of our military force depend, not only on their ability to defend the nation, but also on American foreign policy objectives. Today the United States has mutual defense treaties with some 43 nations and informal commitments to many more. We cannot be the world's policeman and remain committed to defend virtually two-thirds of the world. The United States has vital interests in Europe, the Middle East and Japan, less important interests elsewhere, and our military forces should reflect these interests. This means that the Congress should begin to consider reducing our forces in Asia (we now have 140,000 troops there).

The Congress must also insist that arms control efforts be pursued vigorously. Because the cost of weapons and the risks they create are becoming unsustainable, the superpowers must someday consider, not just arms limitation, but arms reduction.

The Congress must also insist on a lean military establishment. The whole area of defense manpower, military and civilian, needs to be reviewed to eliminate unnecessary or marginally useful jobs. (For example, the student to teacher ratio in military training courses is 2 to 1, and we have a top heavy military today with more three and four star Admirals and more Navy Captains and Colonels than at the height of WW II.)

Finally, in effectively evaluating the defense budget the Congress should assure the existence of a strategic balance with the Soviet Union with secure retaliatory capabilities, but this does not mean that we must match Soviet forces in every aspect of strategic power.

ESTATE TAXATION AND PRESERVATION OF FARMLAND

HON. GOODLOE E. BYRON

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 17, 1976

Mr. BYRON. Mr. Speaker, now that hearings are being held on estate taxation legislation before the House Ways and Means Committee, I would like to urge the committee and my colleagues in the House to give favorable consideration to H.R. 3832, the agricultural land estate taxation bill I introduced earlier this year with 55 cosponsors.

The trends in land use in the State of Maryland provide a valuable lesson in the need for this type of legislation. In 1945, 67 percent of the State's land area was in farms. By 1969 this farm acreage had decreased to 2.8 million acres or 44 percent of the total land area. This is an alarming tendency, and one of the major causes of conversion of farmland has been the archaic Federal estate tax laws.

H.R. 3882 would provide for evaluation of farmland at its present use for estate tax purposes if the farm family decided that they wanted to continue farming. This would considerably reduce Federal estate taxes on most farms since the development or highest use evaluation is almost always higher than the present use evaluation.

Land and our family farms are our most precious resource. Family farms still predominate in this country. For instance, in Maryland, 87 percent of the commercial farms in 1969 were operated as individuals or family organizations. This Congress has a unique opportunity to provide the means for continuing the tradition of passing on family farms from generation to generation. Enactment of H.R. 3882 would establish beyond doubt the interest of the Congress in maintaining the productivity of our farms and in preserving farmlands for future generations. This is a great responsibility which I feel sure the Congress will not ignore.

BUREAUCRATS HAVE BECOME OUR RULERS

HON. STEVEN D. SYMMS

OF IDAHO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 17, 1976

Mr. SYMMS. Mr. Speaker, despite the vote in this Congress to kill plans for Federal land use planning, this insidious practice continues in legislative chambers and in our Federal agencies.

An excellent editorial column came across my desk recently in which Mr. Allan C. Brownfeld leveled excellent and enlightening criticism against all manner of "Federal planners." I would like to place that column as it appeared in the February 9 Anaheim Bulletin in the RECORD at this point:

BUREAUCRATS HAVE BECOME OUR RULERS

(By Allan C. Brownfeld)

The function of government agencies in our system of checks and balances and division of authority is to administer the laws which the elected representatives of the people in the Congress see fit to enact.

It is not the function of government administrators—bureaucrats—to make laws of their own. They were, after all, not elected by anyone. They do not have to return to voters at stated intervals in elections to receive approval or disapproval. To live in a society in which laws are made by men and women who are not subject to any degree of accountability is to live in a society with unrepresentative government. That is certainly not the system the Constitution meant to establish.

At the present time there are many examples of rule-making by non-elected government officials. The Congress, for example, never passed a law calling for "Affirmative Action" programs in hiring individuals for college faculty positions—"affirmative action" being, after all, simply a euphemism for racial and sexual quotas. The Congress, in fact, passed the Civil Rights Act of 1964 which specifically bars any form of racial or sexual discrimination—whether on behalf of a particular group or to its detriment. Bureaucrats at the Department of Health, Education and Welfare have, however, "interpreted" this law to mean its opposite. They have, in effect, passed a new law—although they have no legal authority to do so. This, unfortunately, is only one example of the manner in which a system of limited government is on its way to becoming a system of virtually unlimited government.

Bureaucrats are doing more than simply making their own laws. They are, in addition, in the business of using the taxpayers' money to lobby for laws which they feel unable to impose upon us by fiat. An example of this activity is the role being played by the Environmental Protection Agency in pushing as hard as it can for Land Use laws—something the Congress has, thus far, refused to enact, believing such an approach to be a violation of traditional private property rights.

In a study which has just been published, "The EPA and Land Use Controls," journalist Solveig Eggerz discusses this question in some detail. The study, published by the U.S. Industrial Council (918 Stahlman Building, Nashville, Tennessee, 37201) is subtitled: "A Federal Agency's Expansion From Pollution Regulation to Policing Of Private Land Uses."

Miss Eggerz makes a powerful case. Consider several of her examples:

In 1973, Dr. Stanley M. Greenfield, Assistant Administrator of EPA's Office of Research and Monitoring, told an American Society of Planning Officials Conference that, "It would be a shame if EPA were not given a role to play in land use planning."

In its November, 1974 land use policy statement, EPA emphasized the need to coordinate environmental programs and announced EPA's intention to shift from a "pollution abatment mind set to a pollution prevention focus."

EPA's Administrator, Russell Train, testified before the U.S. Senate Committee on Interior and Insular Affairs on behalf of land use bills under consideration. He said that, "It is a matter of urgency that we develop more effective nationwide land use policies and regulations."

An EPA Task Force in 1973 called for a "new land ethic" whereby land is viewed as a resource rather than a commodity, and concluded that EPA needed a land use office and that the nation needed a land use bill. The Task Force called for "a dramatic change in the attitude with which Americans view the land. . . . A new interpretation of the 'taking' clause of the Constitution would be a significant step in realizing a new land ethic. . . . Citizens in this country must adopt the attitude that the land . . . belongs to all mankind—not just to those few who can afford to purchase little pieces for themselves."

Miss Eggerz details the lobbying activities of the EPA in much greater detail. Anyone who reads her study will have little doubt that a government agency created for one purpose—to administer the National Environmental Act and the Noise Control Act—has become, instead, a major lobbying force in behalf of a "new property ethic," which, again, is simply a euphemism for a virtual end to private property rights.

Bureaucrats speak their own euphemistic language—calling racial quotas "affirmative action" and referring to the elimination of private property rights as "a new land ethic"—hoping, as a result, to close the eyes of the public to what they are doing. Too they are successful. Miss Eggerz concludes that, "This is bureaucratise for EPA's intention to involve itself more intensively in restricting private activities in the interest of the 'public good' . . . EPA has become deeply involved in regulating land use and in promoting land use legislation as an umbrella act to solve the chaos created already by existing environmental legislation."

The fact that private property rights are essential to a free society is something which has been taught to us by history. The Founding Fathers, in 1776, were most seriously concerned about the violation by Great Britain of the property rights of the colonies. As Justice Brandeis has said, freedom is never taken away except for a "good" reason. EPA may have many "good" reasons but the result would, nevertheless, be a contraction of freedom. Beyond this, a government official should carry out laws already passed—not make himself a lobbyist for new legislation he deems worthwhile. Any official who abuses his position in this manner should be removed. All of us would be better off as a result.

THE ENERGY CRISIS AFFECTS EVERYONE

HON. CHRISTOPHER J. DODD

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 17, 1976

Mr. DODD. Mr. Speaker, the current energy crisis affects every American in differing degrees. Each one of us has had to readjust our life style to learn to live with limited supplies of energy. However, at the same time the crisis has sparked a great deal of interest in trying to find solutions to our energy shortages. One such individual is Jonathon Pelto of the Mansfield Middle school who has prepared an extensive study of the energy crisis and his ideas on ways to help solve the problem. At this time, Mr. Speaker, I would like to insert a portion of Jon's paper that I am sure my colleagues will find interesting:

There have been many sources of energy throughout the ages, from wood to nuclear energy. But now, for the first time, we are going into an energy crisis era.

At the present time we use two different kinds of energy: natural energy and manufactured energy. The natural energy can be broken into two kinds: fossil fuels, which are oil, gas and coal, and non-fossil fuels such as solar energy, wind and geothermal energy. The main type of manufactured energy is nuclear energy. The following is a list of some of the kinds of energies we use, and some of their problems.

Coal: Coal is a fossil fuel and is our most plentiful fossil fuel. We have somewhere between 86 billion and 2 trillion tons left in the U.S. which means that we have between 500 and 700 years of coal left.

Eighteen percent of our total energy consumption is coal. Two-thirds of this is used by the electric companies, and the rest is used by industry. The major reason we don't use much coal is because coal has a major pollution problem. The main source of coal pollution comes in the mining and burning of the coal. Getting coal out of the ground is done by either deep mining or strip mining. Deep mining is unsafe, unhealthy, and it also causes acid drain-off and unstable waste piles. Strip mining is cheaper than deep mining, but causes greater environmental damage and acid drainage which pollutes the water. It also wrecks the land and causes many other environmental problems. The other way coal pollutes is that it gives off many pollutants when it is burned.

At the moment, then, coal cannot be used as a major source of energy. But there are two new ideas being researched to find better ways of using coal. These are gasification and liquification. These processes would, for the most part, do the same thing—they turn the coal into a usable gas.

Oil: Another one of the fossil fuels is oil. We have somewhere between 100 billion and 175 billion barrels in the United States which can be pumped. This amount would last somewhere between 20 and 50 years.

We use oil for heating, running our cars and trucks, making plastics and for motor oil.

How oil gets to its place: When the oil is drilled and pumped out of the ground, it is called crude oil. This oil goes to a distillation plant, which heats, vaporizes and separates the oil. Some of the oil is changed into gas, and this is used as cooking gas. Other amounts of gas go to a polymerization plant, which converts the gas into giant molecule compounds. Other gases are made from these molecules, then these gases go to blending tanks. Still other amounts of the crude oil, after going to the distillation plants, is called unrefined gasoline. This also goes to blending tanks. Still another part of the crude oil is called naphtha. It goes to a catalytic reformer, which makes the naphtha into reformed gasoline. This goes to blending tanks too. Other parts of the crude oil go into heavy gas oils. Some of this heavy gas oil goes to a catalytic cracker, and it is made into a catalytic gasoline, and this too goes to blending tanks. Then all the oils that went to blending tanks are mixed, and this produces fuel for jets, diesel fuel for trucks, furnace oil and car gasoline. And the rest of the crude oil is turned into lubricating oils.

Natural Gas: The other major fossil fuel is natural gas. This is a fairly new energy source, but we are already running low. We have somewhere between 1,053,000,000,000,000 and 958,000,000,000,000 cubic feet in the U.S. which will last from 40 to 50 years.

Natural gas is another energy source that has to be drilled. It is used mostly for heating and cooking.

Coal, oil and natural gas, three fossil fuels are our major energy sources. Two of them are going to run out in around 50 years, and one (coal) gives off too much pollution to make it a major energy source.

The following are natural, non-fossil fuel energy sources being looked into now.

Solar energy: Solar energy (energy from the sun) appears to be a very clean source, but current use is very small. Only about 30 houses (test stations) in the U.S. run on solar energy. Solar water heaters are being used in some places around the world. There are about 12 million solar water heaters being used in homes in Japan, South America, and Australia. This source of energy would be a very good source because the earth receives over 200 times as much energy in one day as is needed in the U.S. for a whole year. This means that, if we got all the energy coming to the earth for every day for a year, in that one year alone we would get enough energy to feed all the needs in the U.S. for 73,000 years. This figure would not only heat all the houses but all the factories, too.

The only problem with solar energy is how to store it for cloudy days and use it at night. Research is now going on to find an answer for this problem. Researchers have come up with an idea: massive lead acid storage batteries that could store one million kilowatt hours of electricity or a four-day winter supply for 10,000 homes. The other problem with solar energy is that all of the southwest U.S. would have to be solar collectors to be able to collect enough of the sun's energy.

Wind energy: Another one of the natural, non-fossil fuels being looked into is wind energy. A committee, jointly appointed by the National Science Foundation and the National Aeronautics and Space Administration (NASA) has suggested that by the year 2000, a development program could result in an annual yield per year of 1.5 trillion kilowatt hours of electricity, the amount of electricity consumed in the U.S. in 1970. Wind power has been used for many centuries, but there has always been one major problem. How do you store the wind? This problem has finally been solved. In a wind-powered home, producing a direct current (DC) power can be stored by charging lead-acid batteries. In a large system the energy can be stored mechanically or hydraulically by pumping water or air into a tank or reservoir, then releasing it later to drive an engine that operates on an electric generator.

Another storage device is a flywheel, which is similar to a spinning top. The fly wheel can be spun by energy from the wind-generated electrical power. The storage is in kinetic energy (motion). A fly wheel is cheaper and more efficient than battery storage which only stores 8–10 watt hours of electricity for each pound of material. A fly wheel can store more than 20 watt hours per second. This is enough electrical power for a week of windless days.

Geothermal energy: Another one of the natural, non-fossil fuels is geothermal energy. This is a low-polluting source of energy. The major problems involve hydrogen sulfide emissions and saline discharges. Geothermal energy is now being used in California. There it is used to produce about 400 megawatts or about 0.1 percent of our present electric power capacity. Although the flow of heat from the middle of the earth is only one-thousandth as much as we get from the sun, the heat accumulated over the past ages is so large that it can be considered limitless. The way geothermal energy is trapped can be divided into three groups: steam-dominated, hot water-dominated, and dry hot rock resources.

PART II. MANUFACTURED ENERGY

The other kind of energy we use is manufactured energy, and the main thing that falls under this category is nuclear energy.

Nuclear energy: This is the most controversial source of energy around, mostly because nuclear energy is feared in most minds because it came in with a bang (to say the least).

In 1940 work began on making an atomic bomb. A team of scientists led by Dr. Glenn T. Seaborg, who was the chairman of the U.S. Atomic Energy Commission, started the work. In a couple of years they found that plutonium and U–235 and other elements could be brought together to form a bomb. By the summer of 1945 all the design and industrial problems had been solved. Then on July 16, 1945, our first nuclear weapon was exploded in a test in the desert near Alamagordo in New Mexico. Three weeks later on August 6, 1945, another bomb was dropped on Hiroshima, and then on August 9, 1945, another bomb was dropped on Nagasaki, and this started our nuclear age.

Problems: Nuclear energy has many problems. The major dangers from nuclear energy are radiation and environmental pollution. Not only is radiation connected with cancer, but it also changes chromosomes, so that our offspring will have mutations that can be very dangerous. There are also very large environmental problems, especially thermal pollution from the nuclear plants dumping waste into the water. These bombs are unbelievably powerful. Most normal fires only get a few thousand degrees, but atomic bombs create temperatures of millions of degree temperatures, hot enough to vaporize not only the firemen, but also every piece of fire-fighting equipment.

The three major things that must be done to solve the energy crisis are: (1) We must change from fossil fuels to solar, geothermal and wind power; (2) We must find ways to burn coal without polluting so much, and we must find a way to make nuclear power less dangerous and polluting; (3) The third thing we must do to solve the energy crisis is conserve the fuels we have now. We must have better mass transit and many other things to make the energy last.

One idea to save energy started in Congress as a bill authorizing the Secretary of the Interior to establish on certain public lands of the U.S. national petroleum reserves, the development of which needs to be regulated in a manner consistent with the nation and for other purposes.

This would mean that 300,000 barrels of oil per day of production at the Elk Hills Naval Reserve would be used for every-day gasoline instead of naval reserves. This would reduce our balance of payments to other countries for imported crude oil by about 1.3 billion dollars and save the government about 10 billion dollars per year.

Another very good way to conserve energy is to use and make more mass transportation. People should use more mass transportation to get around, and more funds should go into building better transportation systems in big cities.

We should also have tougher building standards to make houses have better insulation and lighting design. There was a bill on this matter, but it did not pass.

We should also have more carpooling which saves a lot of gas. Another way to save energy is to make a law that auto manufacturers have to make their cars get better mileage. There are also many bills in Congress to help solve the energy crisis like automobile weight tax, carpool deductions, fuel economy tax, insulation deduction, more recycling, a resources and recycling expansion act, mass transportation, a solid waste management act, a homeowner's energy conservation loan act, an energy adjustment act, an energy efficiency labeling act, a national energy emergency policy and conservation act, and many others.

There are many things that you can do to conserve energy:

For lighting: (1) Turn off lights when not using them; (2) Reduce lights in areas where no large light work is done; (a) use smaller bulbs; (b) use a dimmer switch; (3) Don't use gas yard lights; (4) Keep lamps clean; (5) Don't use the inefficient long-life type bulbs; (6) Minimize display and advertising lights and shut down these lights after midnight.

For Heating: (1) Turn down thermostats to 68° F; (2) Insulate walls to 3½" or more; (3) Cut down on air conditioning; (4) Shut off furnace pilots in summer; (5) Weatherstrip all homes.

For Water heating: (1) Wash dishes by hand; (2) Minimize use of hot water for washing clothes; try to wash with cold water; (3) Put insulation around hot water lines; (4) Set water heater at 110° F.; (5) . . . Install solar hot water heaters . . .

For Transportation: Drive at 55 miles per hour or less.

A MEMORIAL TRIBUTE TO NORMAN PAIGE

HON. GUY VANDER JAGT

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 17, 1976

Mr. VANDER JAGT. Mr. Speaker, Norman Paige, a valued friend of many present in this House Chamber, passed away on Wednesday, March 7, 1976, in Mexico City. The following Monday he was buried in his family home community of Tacoma, Wash. At the time of his death Norman was a distinguished business executive with the Distilled Spirits Council of the United States. Prior to that our friend had a varied career as a thespian, reporter, war correspondent, broadcaster, and businessman.

In his all too short life span of three score years, Norman Paige reflected credit on his every undertaking and on those who were honored to associate with him along the way. His friendship was a privilege of special meaning. His loyalty to the causes in which he believed was unremitting. He had a patriot's commitment to our Nation and exemplified good citizenship in his daily life. His beloved wife, Marianna, has our sincerest expression of deepest sympathy.

A memorial gathering of some of Norman's Washington-based friends was held at the Capitol Hill Club on Friday, March 12, 1976. Leaders from Government, business, and labor, as well as personal friends, were in attendance. The eulogy was provided by four speakers who had been associated with Norman in various capacities. The encomiums were expressed not in sorrow but in appreciation for the privilege of a valued friendship and a cherished memory. Mr. Speaker, as a part of my remarks today I will include the eulogies in the RECORD.

The first was by our former colleague in the House of Representatives, the Honorable Harold R. Collier, who presided at the memorial service. Mr. Collier serves as chairman of the Board of Governors of the Capitol Hill Club. As a part of his remarks Mr. Collier said the following:

> Ladies and Gentlemen, this is an occasion of sadness because it marks the passing of a good and valued friend.
>
> Yet in memorializing the late Norman Paige, most of us share the kinship of pleasant memories of our association with him—good times—some laughs, and frequently serious conversation.
>
> Thus in our sadness we know that while he left us much sooner than it should have been, he lived a full and interesting life. He had been a stunt man in motion pictures in Hollywood for several years—he was a war correspondent in combat zones during World War II and later worked hard and with great competence in private industry.
>
> Norm Paige was blessed with qualities of character and personality which attracted those around him. He possessed a good sense of humor on one hand and strong convictions in the things he believed.
>
> For these things we shall remember him, yet most important he was blessed with a lovable and totally devoted wife, Marianna.
>
> In saying so long, Norm, we salute you for all of these things and say, "We know that your soul rests in peace."

Mr. Speaker, the second eulogy was by Mr. John Francis Mahoney who is the president of the National Democratic Club and a long time friend of Norman and Marianna Paige. In his remarks Mr. Mahoney commented on Norman's life as follows:

> When I first learned of Norman Paige's untimely death, I was reminded of an old prayer, offered, I believe, by St. Francis of Assisi: Lord, That the world might be a little better for my having passed through. Those

of us who were fortunate to know Norman, realize that the world is a little better for his having passed through for he touched each and everyone of us in this room deeply—and individually.

Norm was a man of studied contrasts. He was conservative in temperament, yet his was a genuinely liberal spirit. He was a totally competitive individual, but his was the competitiveness of a gentleman inveighing against the ugly incivilities of life. He used to complain vigorously and regularly about incompetence and stupidity—particularly as they related to the government; still, on a one to one, man to man basis, he was one of the most compassionate men I ever knew.

Norm loved the showmanship of politics and public life. Nonetheless, he despised any sham that degraded a high art form into low burlesque.

There are three dimensions to our lives, as we all know: the past, the present, and the future. So it is in our relation with Norman Paige. We loved and respected him in the past; we miss him today; we will remember him fondly in the future.

Mr. Speaker, the third eulogy was by Mr. Robert W. Coyne who spoke as a distinguished member of the Fellowship Committee of the National Press Club. Mr. Coyne had also a longstanding business association with Mr. Paige. Mr. Coyne remarked as follows:

Good morning. I am Bob Coyne. I have the honor to say a few words on behalf of the Fellowship Committee of the National Press Club of which Norman was a member for many years.

The National Press Club is the most cosmopolitan club in the world and in Norman we had a great cosmopolitan, distinguished in many fields of endeavor—a great newsman, a great foreign correspondent, a great broadcaster, a great advocate—to mention but a few of the fields of his endeavor. Norman crossed many bridges and each one with great distinction. A worshiper of brevity, Norman would wish me to be brief. Norman's crowning accomplishment in his words was the campaign resulting in his marriage to the lovely Marianna. So as I say 'so long' to Norman, may my wishes be simple. May God bless and help us to emulate his great memory. May God bless his lovely wife and may God have mercy on his soul.

Mr. Speaker, the concluding eulogy was given by Mr. Thomas A. Martin, who is a member of the Executive Committee of the Board of Governors of the Capitol Hill Club. Mr. Martin's eulogy pertained to the recent period in Norman's life that was spent in governmental relations work. In memory of Norman Paige, Mr. Martin said the following:

Beloved Marianna and Valued Friends—

It is my privilege to remark briefly on the significance of Norman Paige's professional career during the more recent years of his patriotic, busy, and productive life. I will comment on the period of his executive involvement in governmental affairs.

As Director of Government Relations for the Distilled Spirits Council of the United States, Norman worked in behalf of an industry that is heavily taxed and comprehensively regulated by governments at Federal, state, and local levels. He regularly coped with problems that encompassed all the varied segments of our economy—agriculture, labor, resource development, manufacturing, distribution, and marketing. In the discharge of his demanding responsibilities he dealt with public officials across the governmental spectrum—councilmen, mayors, governors, state legislators, cabinet officers, Members of Congress—even Presidents and other heads of state.

It was the privilege of some of us to work with Norman on mutual causes as he performed his demanding duties. What I say hereafter is based on my personal and rewarding experience of professional association with this staunch friend and steadfast colleague.

Norman abided by the most noble precepts in a daily life that reflected integrity, perceptivity, resourcefulness, judgment, and discretion. A cause had to be meritorious and creditable for him to undertake it. His work was done with effective directness without fanfare; he sought results, not plaudits. He was thorough and scrupulous in marshalling facts; he was convincing in his advocacy which met the highest ethical standard. Norman so conducted his business affairs that he was always more welcome in a place if he had been there before. His character and personal quality, his demeanor and thoughtfulness earned for him the esteem and confidence of all who were privileged to know him. He was demanding of himself and understanding of others.

Norman believed deeply in his Country and in the ethic of human freedom on which our Nation is founded. He believed in the people who constitute our Nation. He lived and worked in a constructive and creative way; his constant goal was to strengthen those things that were good and to rectify those things that were not. As he addressed himself to governmental affairs, Norman proceeded with a motivation that sought to improve the legacy that each day left to the next day and to the future. He was impatient with man's injustices and supportive of causes that promised to foster the brotherhood of mankind.

Norman brought to his responsibilities an abiding confidence that the American private enterprise system was the best economic approach to human freedom, opportunity, and advancement. He understood the responsibility the business community owed to society; but he also comprehended the threat unrestrained government posed for the survival of private enterprise and individual initiative. Thus, we define his commitment to good citizenship on the part of business and good stewardship on the part of government.

The assertion cannot be contested that those of us who have worked with Norman are better qualified people because of our association with him. In a personal sense, we will miss Norman sorely. However, in another and more enduring sense we haven't lost him at all. The challenge of his example, the memory of his friendship, the recognition of his achievements will be with us for all time as our inspiration and incentive. As far as I am concerned when the going is tough, Norman will still be at my side. So for me it's, "Hello, Norman, it's good to be with you again."

Marianna, with you we share the reassurance of an omnipresent love and strength from one who will be with us always through an undeniable and indomitable faith. Thank you.

Mr. Speaker, Mr. Martin's spoken words concluded the eulogy. The assemblage then stood briefly in silent prayer. Mrs. Marianna Paige received the many friends of Norman after the memorial services.

During that memorable Friday morning when so many fine people paid their respects to a wonderful man, I could not help but reflect on how our future will be better and more productive because of our recollections of Norman Paige's worthwhile life, the warmth of his friendship and the high principles which motivated his career. Yes, Mr. Speaker, we will remember Norman Paige and be better Americans because we do.

TRIBUTE TO BECKY MATTHEWS OF MEMPHIS

HON. ED JONES

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 17, 1976

Mr. JONES of Tennessee. Mr. Speaker, I have recently had the opportunity to read an article in the Commercial Appeal newspaper which, in effect, gave overdue recognition to Mrs. Becky Matthews of Memphis for the very outstanding job she has been doing as regent of the Tennessee Society of Daughters of the American Revolution.

Mrs. Matthews has gained a fine reputation as a qualified administrator and promoter of the Tennessee Daughters and they are, indeed, fortunate to have her in such a challenging role of leadership. She has met every challenge given to her and carried out her work in that capacity in a truly outstanding manner.

In addition to working a full time job as vice president of the Barretville Bank and Trust Co., and being a mother to two sons, she has been able to meet the responsibilities of the DAR quite admirably. In recognizing her for the work she has done on behalf of the Daughters of the American Revolution, I would like to take this opportunity to insert the following newspaper article from the Commercial Appeal newspaper:

TRIBUTE TO BECKY MATTHEWS

(By Nickii Elrod)

Becky Matthews has criss-crossed Tennessee so many times in the past two years that she refers to herself as "the Daughter with the traveling bag glued to her wrist."

"I've tried to go wherever they've wanted or needed me," says the regent of the Tennessee Society of Daughters of the American Revolution, known at state and national levels for her amiable, unflappable disposition.

This week, Mrs. Joseph Curtis Matthews of Barretville is presiding at the annual TSDAR conclave, her second of the three-year state regent's tenure. Although some preconference events were scheduled last night and today, the conference officially opens tonight at the Hyatt Regency. It will continue through Saturday.

Always eager to pass the credit along, Mrs. Matthews downplayed her role in conference planning, saying, "The Daughters that have made the plans have really distinguished themselves. It's going to be first-rate.

Among the speakers scheduled are Mrs. Robert L. Jackson of Carlsbad, N.M., who will speak at the official opening session at 8 tonight; Mrs. Ray Wallace Mettetal of Johnson City, Tenn., a national vice president general, national school chairman and immediate past Tennessee regent who will speak at the Youth Breakfast at 7:30 a.m. Saturday, and Mrs. Phyllis Schafly of Alton, Ill., who will speak at the National Defense Luncheon at 1 p.m. tomorrow.

Mrs. Matthews moved herself into the Regency yesterday although she could easily commute from her sprawling, comfortable country home if she chose.

"Oh, I wouldn't choose," she said, happily thinking of the anticipated visits with long-time friends. "The official events keep DAR strong and growing but it's the afterhours unofficial events that makes DARing fun."

As she organized her personal effects, including the modish Colonial-style gown she will wear at the Chapter Regents Banquet tonight, and made a final check of her volume of paper work, she reflected on her past 2 years as regent, an accolade to her 27 DAR years.

"Well, of course, I've loved it but I'll admit that I feel a little rushed from time to time. There are some weeks that I barely have time to get unpacked before I'm packing again.

"Like last week, when I was a guest at the Florida conference. Next week I'll be going to Texas and the last week in March, I'll be in Iowa.

"Thank heaven, there will be a couple of weeks after Iowa before the Continental Congress convenes in Washington." (The DAR congress annually convenes the week of April 19, date of the American Revolution's battle of Lexington.)

Mrs. Matthews says the traveling has drawbacks as well as pleasures. "You know that old saying that 'traveling makes you more winsome and wiser.' Let me say, it also makes you fatter. DARs feed you so well, I always have to come home and lose five pounds," she said.

She said she also had to come home to hear her dad, teasingly, threaten to fire her as vice president of Barretville Bank and Trust Co., the bank he founded—"If I don't stay home more."

Mrs. Matthews works full-time in the Peoples State Bank in Millington, a subsidiary of Barretville B&T. "I may have to work out irregular hours to handle my workload, but I get it done," she says.

With the Matthews' sons, Barret, attending medical school, and Paul, in law school, away from home, at-home family responsibilities have slackened some. "But," she said, "there are often painful reminders that I don't give them as much time as I formerly did.

"This past Christmas is the first time in the boys' lives they have ever come home to find the tree not yet up. But if they minded, they didn't let me know. They just got busy and put it up themselves."

Her husband always has been a strong believer in her DAR work, she said. "Joe has been a real strength. And since we have many good friends throughout the state that we enjoy as a couple, when he can spare time from his business (general insurance), he travels with me."

Mrs. Matthews said the Tennessee DAR was in good shape when she became regent. "So my job is simply to keep things together, plan for future growth and stimulate interest in the Bicentennial.

"Our State membership dropped slightly three years ago when national dues went up, but we're regaining ground fast. (Present state membership is about 6,500). Three chapters have been organized since I became regent—the Ephriam McClain in Waynesboro, Alexander McCullar in Munford and the William Cocke in Newport.

"We're especially proud of the Cocke chapter. It was organized by juniors (DARs are junior members until age 35). We are also pleased that we've had a steady increase of juniors in already-organized chapters.

"The Bicentennial observance has done a lot to stimulate interest in DAR work among young women. They have suddenly stopped to realize that our country didn't just jump up full-grown."

She said that most individual chapters have adopted Bicentennial projects such as historical restoration and preservation. "There are Daughters all over the state working to copy old records in county courthouses and churches so they will not be destroyed."

Mrs. Matthews own Bicentennial project, a prerogative of the regent which requires adoption at state level, is the refurbishing of the Tennessee Room at the DAR museum in Washington. "We have bought a new couch (new is a figure of speech, since any item that goes into the Tennessee Room must be authenticated as pre-dating 1830). In consultations with the museum curator, we are changing the room to make it comparable to a White House room during the Andrew Jackson presidential years. (The finest Andrew Jackson portrait known already is TSDAR property.)"

Mrs. Matthews' own dream is to find a portrait of Rachel Jackson for the Tennessee Room. "I just have to believe one will show up somewhere.

"I got terribly excited last year when a woman from Huntsville, Ala., wrote me that she had a portrait she believed was of Rachel. But after one round of correspondence, I have heard nothing further from her. I plan to contact her again immediately after this conference, with a prayer that it is of Rachel and that it can be authenticated.

"If it doesn't work out, I still have to believe that somebody has Rachel's portrait and will come forward with it."

Mrs. Matthews said that when she was named Tennessee DAR regent, she adopted as a constant companion a poem she had read as a child. "Some days, I have to remind myself two or three times." It reads:

"I am only one, but I am one.

"I can't do everything but I can do something.

"What I can do, I ought to do.

"What I ought to do, by the Grace of God, I will."

PENN SOUTH CO-OP RESIDENTS ASSIST THEIR CITY

HON. BELLA S. ABZUG

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 17, 1976

Ms. ABZUG. Mr. Speaker, New Yorkers love their city, and in its present fiscal crises they are rallying to its support. One of the most heart-warming examples of the kind of support the city is getting came recently from residents of Penn South, a cooperative housing development in my district.

Penn South, one of the finest co-op developments in the city, is sponsored by the International Ladies Garment Workers Union. Its residents are noted for their civic-mindedness and community spirit, so it was not surprising that Penn South was the first co-op in the city to volunteer to pay its real estate taxes early, without accepting the 8 percent tax discount given to businesses.

A full report on this generous action appeared in the New York Times March 4. I would like to share this report with my colleagues:

[From the New York Times, Mar. 4, 1976]

Co-op Residents Prepay Taxes To Help the City

(By Francis X. Clines)

The residents of Penn South Houses yesterday joined the list of those helping the city by paying their real-estate taxes early—but with an altruistic distinction.

The residents, many of them elderly and retired garment workers, not only paid their taxes, but also waived the 8 percent tax discount that various business leaders had been granted as a sweetener by the city as they prepaid taxes and basked in words of civic praise in the last year.

Another important difference was that much of the $200,000 prepayment offered by the Manhattan housing cooperative came from hardly affluent residents who agreed to pay one month's housing costs early to help the city.

"I'll do all I can for this city," said one of the residents, Bertha Zwerin, who was born in Kiev, Russia, and who has lived here for 60 years. She added:

"My daughter graduated from Hunter College, another daughter went to City College and now my granddaughter's graduating from Juilliard and is getting a job with the Houston Symphony—all because of this city. This is my town. I'll never leave it."

For Michael and Paula Brenner, a handsome gray-haired couple—he had been a dressmaker and she an office worker—the prepayment meant putting up an extra $199.50 this month in payment of next July's carrying charges.

"We love New York, we love our development," said Mrs. Brenner. "We sit in the midst of New York City at 28th Street and Eighth Avenue, and we wanted to help the city."

Mayor Beame walked over and thanked the residents who, moments earlier, had smiled proudly in a ceremony in City Hall's Blue Room as David Smith, president of the co-op, presented the check to the Mayor. Mr. Smith said that some of the 22 other co-op members of the United Housing Foundation were considering similar help.

The prepayment of taxes by business representatives has been helping the city meet its need for ready cash during the fiscal crisis. Last year, when the crisis forced the city to raise the discount to 8 percent from the traditional 2 percent, $383.5 million was prepaid, often handed over at news conferences of well-known business leaders.

$21.4 MILLION LOSS

City officials said that virtually all of them had taken advantage of the 8 percent discount for prepayments. The varying durations of the prepayments meant that the city, while being able to accumulate badly needed cash, also lost $21.4 million through the discount.

City officials stressed that there was genuine sacrifice on the part of business leaders taking the discount, since some may have aggravated their own cash flow plans to accumulate the payment, or even borrowed at a rate higher than 8 percent to help the city, according to fiscal specialists.

"Until now, it's the co-ops that have been receiving various benefits from the city," said Mr. Smith, who added that there was no fiscal advantage for the co-op in waiving the 8 percent the waiver cost residents $16,000 and saved the city the same amount.

"Now we're giving rather than receiving," Mr. Smith said.

Mr. Brenner, who retired five years ago at the age of 71, explained that the city, by helping the co-op find the Chelsea site within a short walk of the garment industry, had made it possible to extend his career by six years.

"Not bad," he said, appreciatively. "If I had to keep taking the subway from the Bronx, I wouldn't have been able."

Other favors he currently counted from the city included his hours of daily reading at the Bryant Park library and his wife's regular trips to Lincoln Center.

"My granddaughter, Robin Graham, has played at Lincoln Center," Mrs. Zwerin chimed in.

To meet the prepayment, 1,200 of the co-op's 3,000 residents advanced a month's charges. The co-op, which costs about $40 a room each month, plus utilities, is about 50 percent occupied by retired persons, Mr. Smith said.

After all the months of heated, often accusatory confrontation at City Hall over the fiscal crisis, the visit from the old people was clearly welcomed by the Mayor.

"It's a sacrifice," said Elmer Epstein, a retired laundry union worker, "but the city is sacrificing much worse."

ENCOURAGING SIGNS FOR REREFINING OF WASTE LUBRICATING OIL

HON. CHARLES A. VANIK

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 17, 1976

Mr. VANIK. Mr. Speaker, as many of my colleagues are aware, for over 5 years I have worked for the establishment of a national program to encourage the recycling of waste lubricating oil. Since 1971, I have sponsored the National Oil Recycling Act which removes the serious Federal tax and regulatory disincentives to the recycling of waste lubricating oil.

The following article, which appeared in last Thursday's newspaper, details how the economic climate for refining lubricating oil has improved. But the article goes on to point out that there are several major impediments to continued progress in rerefining waste oil. These problem areas include:

First, current Federal Trade Commission regulations on the labeling of rerefined oil;

Second, excise tax policies which discourage the use of rerefined oil;

Third, the environmentally hazardous policy of burning untreated waste oil as fuel oil, and

Fourth, lingering doubts about the quality of rerefined oil.

I am hopeful that some of these problems will be resolved through a program of research and testing of rerefined oil by the National Bureau of Standards. Under the Energy Policy and Conservation Act of 1975—Public Law 94–163—the NBS was directed to devise test standards to determine the quality of rerefined oil relative to new oil. These test procedures should help resolve finally the question of the quality of rerefined oil and lead to a satisfactory resolution of the controversy over labeling rerefined oil.

For the interest of my colleagues, I am submitting the article on rerefined oil to the RECORD. The article follows:

[From the Wall Street Journal, Mar. 11, 1976]

EXPENSIVE OIL, ENVIRONMENTAL MOVEMENT PROVE BOONS TO THE RE-REFINING INDUSTRY

(By James Carberry)

The oil re-refining industry is getting a boost from widespread efforts to reduce the high cost of oil and protect the environment.

About 2.4 billion gallons of lubricating oil are sold annually n the U.S. for use in industrial machinery and in cars, trucks, planes and other vehicles. Only about half of it is actually consumed in the lubricating process; some 1.2 billion gallons of waste oil are drained annually from those machines and vehicles and replaced with new oil.

By far the biggest use of this waste oil today is as a supplement to fuel oil; roughly half of the waste oil is used for this purpose, primarily by utilities and industry. Waste oil sells for around 10 cents a gallon less than fuel oil in some markets, so a company that burns a million gallons of it a year saves $100,000. (Waste oil can't completely replace fuel oil because there is so little of it available compared with the billions of gallons of fuel oil used annually.)

Once it is burned, waste oil is lost forever as a resource. And the re-refining industry is trying to convince people that a better use would be to re-refine more of it for re-use as a lubricant. Re-refining is the removal of dirt, gasoline, lead and other contaminants from waste oil and the insertion of additives, such as corrosion inhibitors, to improve its performance. Re-refining employs a technology different from that of oil refineries, which don't process waste oil because some of the contaminants could foul up refinery operations.

SOME REASONS

Now, less than 10% of the waste oil is re-refined—about 110 million gallons last year—compared with the nearly 50% used for fuel. Another 18% or so is used for road oil and in asphalt. The rest presumably is dumped on land or in sewer systems.

Why is so little oil re-refined? For one thing, poor-quality oil was turned out by some re-refiners in the past, and that has scared off some potential buyers. The federal government, for example, refuses to use re-refined oil in its military or civilian vehicles. For another, sales of re-refined oil have been discouraged by federal policies on its taxation and labeling. Also, the scavenging companies that buy waste oil from service stations, car dealers, airports and other sources sell a lot of it to fuel-oil users, who generally have been able to pay more for it than re-refiners.

As a result of all this, some re-refiners haven't been able to obtain adequate supplies of waste oil or to drum up enough business. In the past 15 years or so, the number of U.S. re-refiners has dwindled to around 45 from 150.

But the surviving companies did around $134 million worth of business last year and are optimistic about the future. So are some independent observers. A study by Frost & Sullivan Inc., a New York market research firm, forecasts that by 1985, about 1.4 billion gallons of waste oil will be generated annually, and 60% of it will be re-refined. That would mean 840 million gallons of re-refined oil a year, almost an eightfold increase. "The growth in re-refined lubricating oil," the study says, "will be at the expense of waste oil used as a fuel" and in other applications.

One reason for this bullish outlook: Prices of lubricating oils have increased as much as 100% in the past two years, and this has increased the demand for re-refined oil. "Our business is growing considerably," says Belton Williams, president of Motor Oils Refining Co., a re-refiner near Lyons, Ill. Mr. Williams says his company sells re-refined oil for 10% to 25% less than new lube oils. One of its customers is Burlington Northern Inc., a railroad company, which uses about a million gallons of re-refined oil annually. Some of it is purchased from Motor Oils; the rest is re-refined by Burlington in its own plant.

IMPACT OF POLLUTION RULES

Another reason for the bullish outlook has to do with the environment. To meet air-pollution regulations, some fuel-oil users face the expense of buying equipment that prevents lead and other contaminants from escaping into the air when waste oil is burned. In some cases, it will be cheaper simply to burn fuel oil. That is expected to dampen some of the demand for waste oil as a fuel, and make it easier for re-refiners to compete for waste-oil supplies.

The environmental movement is spurring the re-refining industry in another way. Partly because waste-oil collection services aren't available throughout the U.S., about 22% of the waste oil generated yearly, or 260 million gallons, isn't collected. Studies in 1974 by the Environmental Protection Agency suggest it is probably dumped in sanitary land fills or down sewer systems. Some of it finds its way into underground water tables or rivers, lakes and, ultimately, the oceans.

Concerned that water pollution may result from such haphazard disposal practices, localities such as Sunnyvale, Calif., and Chittenden County, Vt., have initiated programs for the systematic collection and refining of waste oil. In Minnesota, about 50 of Continental Oil Co.'s FasGas self-service stations accept waste oil from people who change their own oil. (The stations themselves don't change oil). The stations sell the waste oil to scavengers for three cents a gallon and donate the proceeds to charities. The scavengers, in turn, sell some of the waste oil to re-refiners. The program was initiated last year at the request of Minnesota's Pollution Control Agency. And in Wisconsin, legislation has been drafted that would encourage waste-oil recycling.

While such efforts have given the re-refining industry a shot in the arm, re-refiners still face obstacles in the marketing of their products.

TAX TREATMENT

One obstacle is the complicated tax treatment of lubricating oils. A six-cent-a-gallon federal excise tax is included in the sale price of new, or virgin, lube oil (there isn't such a tax on refined oil), but the consumer can get a refund of the tax from the government if the oil is used for something other than highway driving such as farming. However, if the consumer buys a blend of, say, 50% virgin oil and 50% re-refined oil, he pays a tax based on the percentage of virgin oil in the blend—three cents a gallon in this instance—and can't get a refund. Re-refiners say that this has hurt their sales of blended oils for non-highway uses, a significant part of their market, by effectively raising their price. Bills have been introduced in Congress to change this, but nothing has come of them.

Another problem is that the Federal Trade Commission requires containers of refined oil to be labeled "Made from previously used oils." Re-refiners say that this unfairly brands their product as inferior and has cost them sales. An FTC official says: "Our position is that we will re-examine this requirement when it can be shown that re-refined oil is equivalent to virgin oil."

And that raises perhaps the thorniest problem of all: How can re-refiners prove their claims that they consistently turn out a product just as good as virgin oil?

It is generally agreed that the best way is to subject re-refined oil to some commonly accepted quality-control tests. But there are differences between those inside and outside the re-refining industry over what tests should be used. Should the tests be the same as those used to determine the quality of virgin lube oils? Or are more stringent tests required? Or would less stringent tests suffice? Unless such questions are resolved, re-refined products aren't expected to win widespread acceptance in some markets, such as the huge market for motor-vehicle lube oils.

There are indications that the problem is receiving sympathetic consideration in Washington. The Energy Policy and Conservation Act signed by President Ford last December directs the National Bureau of Standards to develop test procedures for comparing re-refined oil and virgin oil. The bureau will submit its recommendations to the Federal Trade Commission, which will prescribe test standards and labeling requirements for re-refined oil.

As proof that their product is as good as new, re-refiners note that many of their customers have been using it for years. A Midwest railroad—a spokesman asks that it not be identified—has been using some re-refined oil in its diesel engines for about eight years; it says this has cut its lube-oil bill by about $120,000 a year. In Chicago, Flash Cab Co. says it has been using re-refined oil in its fleet for about 20 years. And in Houston, Billups Western Petroleum Co. has been marketing a re-refined oil for motorists for five years; the price now is 41 cents a quart, compared with a current range of 46 cents to 74 cents a quart for the firm's new lube oils.

RECENT DEATH OF MRS. ANNIE DE CHABERT CLARKE

HON. RON DE LUGO

OF THE VIRGIN ISLANDS
IN THE HOUSE OF REPRESENTATIVES
Wednesday, March 17, 1976

Mr. DE LUGO. Mr. Speaker, I bring to the attention of my colleagues the recent death of Mrs. Annie de Chabert Clarke on January 12, 1976, in St. Croix, U.S. Virgin Islands.

"Miss Annie," as she was affectionately called, was widely known throughout the Virgin Islands as a leading business and political figure. Always active in civic and political organizations, she was for several years the Democratic national committeewoman from the Virgin Islands, vice president of the Red Cross, a member of the social welfare board and the board of education, the Professional Women's Club, and the League of Women Voters.

Because her accomplishments were so notable and her achievements so praiseworthy, I am inserting in the RECORD the funeral eulogy delivered by the Honorable Almeric Christian, chief judge of the Virgin Islands District Court which eloquently pays honor to this outstanding woman:

Eulogy Delivered on the Occasion of the Burial of Mrs. Ansetta Elena de Chabert Clarke

There must have been a very special celebration in the modest Muckle household in Christiansted, incidentally, not too far from this church, just around the corner, on Smith's Street, on the anniversary of the birth of the great liberator, Abraham Lincoln, in February of 1908, for the day before a baby girl had been born to Ernest Muckle and Sarah, born Jeffers, and they named the infant Ansetta Elena. Today, 67 years 11 months and some five days later a heavy pall of sadness envelopes the length and breadth of the Virgin Islands as we lay that child to rest in death.

My high honor and privilege this afternoon is to, in my imperfect and woefully inadequate way, pay homage to the life lived by this extraordinary person, as she coursed the trail of all flesh, from birth to death. Time and my unsufficing capability makes impossible a full and complete logging of that voyage, and to what purpose would be the exercise. The litany is too long and too well known for meaningful rehearsal. Yet the occasion demands that at least in a fleeting glance, we call to mind a few of the sandy summits on which the remarkable footprints of this woman of distinction are so indelibly imbedded.

Child of an energetic father, his influence strongly decreed the person she was to be. In him was the happy combination of fisherman and merchant—following both pursuits out of watergut in this very town, he would go out to haul his pots before dawn, return to sell his catch in the morning, and tend his family-type store known as "the Little Red Shop" in the afternoon and early evening.

From early childhood young Ansetta was at his side in the shop. Not even the natural childhood inclination for play with brothers and sisters, (not necessarily listed in proper chronological sequence) Ena, Iantha, Axel Casmus, Alfredo, Berhardt, Eneca and Julia, could keep her away. Eager to learn, intelligent and energetic, she in short order mastered the rudiments and vagaries of business. Not surprisingly then from her earliest teens she was placed by her dad in full charge of "the Little Red Shop"—when school did not dictate otherwise—as he plied his fisher's trade in the first half of the day.

In acknowledgment of the love and respect showered on her by father and customers in the store, an appropriate form of address was fashioned for the bright-eyed little moppet, they little knowing, at the time, that this was the name by which she would become known in virtually every Virgin Island household. Fondly they dubbed her "Miss Annie". Even her parents so addressed her.

Among those first to own a Model T Ford on this island in the 1920's, Ernest Muckle added that of itinerant merchant to his activities. As often as possible Miss Annie would accompany him as he sold his wares from estate to estate. Thus was the opportunity presented for Miss Annie to learn to know, appreciate, and love her people—and they her. The contacts which would later stand her in such good stead, were early made.

In the same decade this vivacious young woman on the move caught the eye and fancy of an equally electrifying and already distinguished native son, Ralph De Chabert. Wooing and winning followed, and on July 18, 1929, Mr. Ralph and Miss Annie, monikers by which they were thereafter known, formed a partnership, cemented by holy wedlock, which was to last some 36 years, cut off as it was on the rise to its zenith by the great leveller. All his talent and accomplishment, notwithstanding, Mr. Ralph was a quiet, reticent man, qualities which, more for good than ill, never rubbed off on Miss Annie—and so the one complemented the other.

This marriage was blest with five offspring, all now in respectable adulthood, Ralph Andrew, Austin Alexander, Rita May, Mario Norman and Shirley Joyce. So first and foremost we mark Miss Annie as loving and devoted-child, wife, and mother.

As a businesswoman, few, if any, are her peers. From the little red shop and itinerant merchant—and as she journeyed about in the model-T, who can doubt that she valiantly cranked it up a few times—or at least set the sparks and gas as her daddy cranked. On her own came first the King Street store "De Chabert Fashions". Here she was owner, manager, sales lady and seamstress—sold the material—made the dress—characteristically, she got you both ways—coming and going. Next the family ventured into dairy farming and livestock raising—in the beginning the 35 acre farm at Rosegate then the many times over larger acreage at "Hope", "Jerusalem" and "Blessing".

Miss Annie's 47th birthday was an unhappy one, for five days earlier death had reached out and snatched her Ralph from her. Undaunted she perservered. The children were educated, now to the benefit of the community, doctor, lawyer, educators, business persons. The farm prospered. Came the venture into real estate sale and development, Miss Annie holding off when the time was not ripe, seizing the propitious moment and parlaying the holdings into a seven-digit fortune and giving the territory the stability of oil refineries and our first shopping center.

A feminist to the core. In an age where in this insular setting women, like children, were to be little seen and never heard, she broke the barriers of sight and sound in ways more than one. She championed womens rights, not by flaming rhetoric but rather by accomplishments. She was indefatigably active in BPW Club and League of Women Voters.

In the sector of public health, who labored more assiduously, or journeyed wider for the American Red Cross, the St. Croix Community Blood Bank as charter member, the Caribbean Mental Health Association, and the Charles Harwood Hospital Auxiliary.

In the forefront always in government with special effort on the Board of Education, Board of Social Welfare, and The *Citizen's* Rehabilitation Commission.

In politics she etched out an especial niche. For many years the heart and soul of the Democratic Party. Who would launch a candidacy without her blessing—not to mention financial contributions—party fund raiser beyond compare—as all upon whom she has put "The Bite" from time to time will attest. V.I. National Committee Woman and convention delegate she walked with the Presidents, near Presidents and other luminaries on the national democratic scene—yet never lost "The Common Touch".

Communicant of this church—active in all spheres consoler, stand-in at ceremonies, donor, landscaper—all of which lead naturally into her second marriage at this same altar—on November 14, 1971, to the Reverend L. Seymour Clarke—rector (I add par excellence) of this church—whom she leaves with us to mourn her passing.

But why go on—as well I could. Miss Annie will long be remembered for more than these matters I've touched on.

Frail human, she was not without taint of fault, and there may be those who on this count only will remember her. To them, if any, I answer with Tennyson,

> But friend, to me
> He is all fault who hath no fault at all
> For who loves me
> Must have a touch of earth.

So she had her touch of earth—but on the other side of the ledger she was heavy.

All heart—charitable to a fault. Students assisted. A loan here forgiven. A palm there, coming away from a hand shake with a needed crisp bill nestled in. Considerate of the poor for which she has been, it is evident, blest.

An indomitable will reaching and infusing family friend alike. Not the least bit faint hearted hence fortune sided with her. Unafraid to beat new paths. A guiding principle of her life being who never walks save where he sees men's tracks, makes no discoveries.

Always exemplifying the basics: Hard work and love—a deep love, conceived in faith, ever nurtured by hope.

Not really "born to the purpose" she "bent ulysses' bow" as the saying goes.

For her many virtues a crown to two husbands. And if, as has been said, one "cannot leave a better legacy to the world than a well educated family" her bequest can hardly be surpassed.

So as she sleeps in beauty—a sleep the common fate of us all, though the loss be irreplaceable, and the sorrow profound, let the tears be few, for Miss Annie "like the sun in its meridian [has] spread [s] a lustre throughout [that envelops] and enlightens" this entire corner of the universe. We will all often long for the touch of that vanished hand—for the sound of this so familiar voice, now still.

As we salute the triumph of her life over death, we remember the words of the Bard of Avon.

> Thou art not conquered;
> Beauty's ensign yet
> Is crimson in thy lips,
> And in thy cheeks,
> And death's pale flag is not advanced
> there.

So Miss Annie 'Til we chat again—a fond adieu.

THE DICKEY-LINCOLN DAMS

HON. SILVIO O. CONTE

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 17, 1976

Mr. CONTE. Mr. Speaker, my opposition to the construction of the Dickey-Lincoln hydroelectric dams in northern Maine remains constant and insistent.

I have attempted to get the facts on the proposed project on the record before my colleagues. To that end, I would like to insert in the RECORD at this time an excellent article, the second of a three-part series, written by Janice Snow, for the February 1976 edition of New England Outdoors. I commend it to my colleagues:

THE DICKEY-LINCOLN DAMS—MONEY BUYS POWER, BUT HOW MUCH POWER WILL OUR MONEY BUY?

(By Janice Snow)

Last May we printed the first of three articles dealing with the proposed Dickey and Lincoln School Dams, a multimillion dollar public works project slated to inundate 89,000 acres of Northern Maine wilderness. The larger of the two dams will exceed in volume the Aswan Dam (11th largest in the world) and create a 57 mile long lake of two-thirds of the free-flowing Upper St. John River. One hundred and twenty four miles of lesser known rivers and streams will also be flooded.

The project's designers, the Army Corps of Engineers, expect the construction to span 7½ years, provide flood control for the town of Fort Kent, generate base electric power for Maine and peaking power for Southern New England, reduce unemployment in Maine, encourage the flow of development capital to shore up Maine's sagging economy and save New England's taxpayers money in the process.

The value and necessity of this essentially hydroelectric power facility (95% of the projects claimed benefits are power benefits) have been hotly disputed. As we detailed in our May issue, environmentalists have been the most vocal opponents. The Friends of the St. John (a coalition of environmental and outdoor sportsmen's groups) decries the loss of the "most outstanding stretches of wilderness river east of the Mississippi . . . graced with forested banks and some of the country's best native brook trout fishing . . . habitat of white tailed deer, moose and bald eagles."

The Army Corps of Engineers expects to provide a "recreational master plan" to make the man-made lakes region more accessible, more convenient and thus increase recreational use and land development.

Although an environmental impact statement must be submitted before the project can be approved by Congress, the decision to build or not to build will most likely be decided on the real or imagined economic merits of the project.

A detailed analysis of the process of computing the cost and benefits is essential to obtain any realistic assessment of the project's economic worth. The methods of determining these economic benefits are complex, confusing and deceptive.

The Army Corps of Engineers not only proposes, designs and oversees construction of such mammoth public works projects, they also hire the private consultants who determine the projects' economic feasibility and environmental impact—an obvious conflict of interest. The size and prestige of the Corps increases with the scope and duration of such projects, thus magnifying the possibility of biased accounting.

According to the Corps' most recently published cost analysis (July 1975), the "benefits" to be derived from the Dickey-Lincoln Lakes outweight the "costs" by 2.6 to 1. Does this mean that for every dollar spent, New England taxpayers will receive a $2.60 return on their investment in the form of cheaper energy, lower taxes or both? No.

The Corps has also released a study of the cost of Dickey-Lincoln hydroelectric power compared to privately produced fossil fuel power. Here the Corps report claims a 2.0 to 1 ratio in favor of Dickey-Lincoln Lakes. "If private utilities could obtain financing equivalent to the Federal rate," the report states, "water resource benefits could be provided at half the cost of the private utility alternative." Does this mean that Dickey-Lincoln electricity will cost 50% less than Boston Edison electricity? No. Is the Army Corps of Engineers lying to us? No. Are they telling us the truth? Not exactly.

What will the project cost? According to the July 1975 Army Corps of Engineers Dickey-Lincoln Lakes Fact Sheet, the total investment for dams and transmission lines (computed at 1975 prices) and including interest during construction totals $539.8 million. This figure reflects a $75.6 million write off, as the Army Corps expects to recoup 50% of the $151.3 million cost of construction and maintenance of the transmission lines by selling transmission or "wheeling rights" to private power companies. The validity of this deduction is highly questionable. According to Corps officials, the Dickey-Lincoln site is one of the last available hydroelectric power sites in New England, thus we cannot expect additional private dams to be built. Northern Maine is now and no doubt will continue to be sparsely populated. It would not make economic sense to build conventional power plants in Northern Maine and pay to "wheel" the electricity along costly transmission lines across hundreds of miles of wilderness when such facilities could be built closer to population centers. If we add this highly questionable deduction back into the project cost, the figure approaches $615.4 million. But, this estimate assumes no further transmission costs for tying into existing lines at Augusta, Maine, or the more expensive possibility that existing lines from Maine to Boston may be at capacity in the late 1980s when the dam is completed. If this is the case, then hundreds of additional miles of costly transmission lines will have to be constructed at the taxpayer's expense.

Even if low cost tie-in lines are available, the $616.6 million figure does not accurately reflect the real cost of the project. In order to acquire capital to finance such an enormous project, the Army Corps of Engineers must be authorized to borrow money from the U.S. Treasury. This money is then paid back over a period of years at a fixed interest rate. Electricity sales must generate sufficient income to pay the annual mortgage fee plus operating expenses.

The Corps calculates the annual cost of paying back the loan on the dams and 50% of the tranmission lines to be $18.3 million based on an interest rate of 3¼% paid over a period of 100 years. The U.S. Department of Interior sets repayment criteria for all Federal water resource projects. The current rate is 6⅛% paid over a period of 50 years. The current repayment criteria will no doubt increase as the 1974 Water Resources Development Act provides for a 6⅞% interest rate for water resource planning. A grandfather clause in the '74 Act, included at the insistence of the powerful water lobby, allows projects proposed before 1968 to be evaluated at the old rate of 3¼%. The Corps figures are then legal, but false. The actual, annual rate of paying back the loan is approximately double the stated rate upon which they base the 2.6 to 1 benefit to cost ratio.

The annual cost of repaying the loans to build and operate both the Dickey and Lincoln School Dams and 100% of the transmission lines from Dickey to Augusta exceeds $44 million. The Corps report admits on page 7 of their 12 page fact sheet, that as "a point of interest, if the project were evaluated on a 6⅞% interest rate, it remains justified with a 1.3 to 1 ratio." Yet the only table which computes the annual benefit to cost ratio makes no note of the actual repayment interest and offers only the 2.6 to 1 ratio. One might question the use of taxpayers money on such involved tabulations, obviously calculated to get certain projects approved at any cost and at a real cost carefully concealed from notice.

The Fact Sheet claims annual benefits derived from the project to be in excess of $55 million. Of this amount, $52.8 million are projected power benefits (income from the sale of Dickey-Lincoln electricity). The remaining $2.2 million are "non-power benefits—$77,000 in flood control, $1.25 million in recreation and $983,000 in redevelopment. The flood control figure is based on the cost of two flood control dikes which would be required to protect Fort Kent if the Dams are not built. No mention is made however of the five flood control dikes which must be built to prevent the new lakes from spilling over into adjacent watersheds.

"Redevelopment benefits" are merely the annual wages paid to unemployed or underemployed local residents. Only 30% of the total Dickey-Lincoln work force (approximately 550 unskilled and semiskilled workers) can be drawn from the Fort Kent area. The permanent loss of logging jobs due to the flooding of 140 square miles of timberland will offset some of these temporary gains in employment. The remaining 60% of the labor force, all the highly paid skilled workers and many of the semi-skilled workers must be imported. Nearby Canadians can be expected to fill many of these positions. Harsh Maine winters may reduce the work year to five or six months, leaving hundreds of locals and transients jobless during the most difficult months. The local economy, swollen by the influx of new wages will suffer regular deflations during the long winter lay-off periods and a sharp decline at the completion of the eight to ten year construction period. Of the nearly 1600 workers, only about 35 will be assured long term jobs maintaining and operating the Dickey-Lincoln facility.

The "recreational benefits" reflect the Corps of Engineers assumption that the man-made lakes environment will draw an additional 1.2 million tourist dollars to this "improved" recreation area each year. The numerous uncongested natural lake vacation areas in Southern Maine, Northern New Hampshire and Vermont may discourage any large migrations farther north.

Although the projected "recreational", "redevelopment", and "flood control benefits" inflate the estimated value of the project, the cost of producing these services are "non-reimbursable". In other words, the rates charged for Dickey-Lincoln electricity will not repay the money expended for these "non power benefits." The taxpayers will foot the bill.

The "power benefit" figure, the last measure of the project's economic feasibility, like the 3¼% interest rate, has only paper significance. If Dickey-Lincoln electricity sold at the same rate as electricity from a privately financed fossil fuel plant yearly income ("power benefits") would total $52.8 million per year (at 1975 rates).

Calculating the annual "benefits to cost ratio" strictly on the Corps of Engineers

estimated annual cost of construction and operation, paid back at 6⅞% interest ($44.3 million) in relation to these claimed power benefits ($52.8 million) yields a slim 1.17:1 benefit to cost ratio. But if Dickey-Lincoln is to provide the promised reductions in electrical rates, this slim margin of profit will disappear. Rate reductions of only 18% will put the project in the red.

Might not the possibility of another fuel shortage, the need to conserve diminishing fossil fuel supplies, and the inevitable increases in fuel prices justify this investment in hydroelectric power? Perhaps, if the only energy alternative to Dickey-Lincoln were fossil fuel plants, and the current energy policy remained unchanged, the project could eventually operate in the black.

The law (Senate Docket No. 97) requires the Army Corps of Engineers to prove the economy of its hydroelectric power projects over the least costly alternative. As no large scale public power facilities exist in New England, the comparison has been limited to a privately financed pumped storage and gas turbine facility. More economical and ecological Federally financed power possibilities escape consideration.

Dickey-Lincoln is primarily a peaking power facility, designed to produce large amounts of electricity during hours of greatest demand. Although the kilowatt output is high, the operating periods are brief—2½ to 5 hours per day, depending on seasonal water levels. Expensive turbines will remain idle about 80% of the time. All peaking power facilities are expensive. A gas turbine facility operating a few hours a day consumes 25% more fuel than a steady or base power facility, which operates 12 to 14 hours per day.

The New England Regional Commission, recognizing the need to conserve energy, has recommended to the New England Governor's Council that New England electric rates should be "revised" to discourage "peak time/peak season consumption and help to level demand load through reduction of peak demands, thus promoting more efficient operation of power generating facilities." If the peaks level out as the Commission proposes there may be no market for 85% of Dickey-Lincoln's capacity. Seasonal dry spells and an uneven flow make the Upper St. John River unsuitable for a large scale base power facility.

If energy consumption patterns remain stable, Dickey-Lincoln would provide an estimated 10% of New England's peaking power, but less than 1% of New England's total electrical needs in the 1980s. The amount of development capital required to build a facility, which may be outmoded before it is completed will exceed (assuming a modest 7% rate of inflation) $1 billion.

A billion dollars in investment capital wisely invested in energy conservation and new energy technology could save many times the energy an enormous hydroelectric peaking power dam could produce. The "Summary of Scope of Work—Environmental Impact Statement for the Dickey Lincoln Lakes project" prepared for the Corps of Engineers by Metasystems lists on p. 32 of a 45 page report some possible energy alternatives to Dickey-Lincoln: "combined cycle gas turbine and steam generating plants recovering up to 40% of the heat lost in burning, total energy systems integrating power generation with heating and cooling systems, fuel cells and solid waste burning." Dickey-Lincoln will cost 20 times as much as a garbage power plant currently under construction in Saugus, Mass., yet will produce less than three times the energy.

R. Buckminster Fuller, in the introduction to *Earth, Energy, and Everyone* (Medard Gable with the World Game Energy Report, 1975) states, "an inventory of daily income, [renewable] energy resources, proven know-how technologies, and proven rates of realization of the full complex of developments" indicates adequate non-fossil fuel production can be accomplished by 1985.

The New England Regional Commission recommends public financial assistance to develop such new income energy technologies as solar heating systems, windmill power generators and heat pumps.

It makes little long-term economic sense to pour a billion dollars of development capital into the last feasible hydroelectric power site in New England, when that same money could generate new energy producing and energy saving technology. Comparable investments in home and industrial insulation, mass transit, and improved rail freight service and recycling of waste heat and raw materials would have two to ten times the energy produced by a mammoth, environmentally damaging hydroelectric or nuclear power facility.

THE SILENT PARTNER OF HOWARD HUGHES—PART VIII

HON. MICHAEL HARRINGTON

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 17, 1976

Mr. HARRINGTON. Mr. Speaker, today I am inserting the eighth installment of the Philadelphia Inquirer's exposé regarding Howard Hughes' privileged relationship with sectors of the U.S. Government. In this segment, reporters Donald L. Barlett and James B. Steele outline Howard Hughes' influence with American politicians over the last 30 years.

The article follows:

HOWARD HUGHES: NONVOTER AND KING MAKER

"Bob, you must remember that . . . I, Howard Hughes, can buy any man in the world, or I can destroy him."—Attributed to Hughes by former aid Robert Maheu.

(By Donald L. Barlett and James B. Steele)

If there is a constant that has governed Howard R. Hughes in the bizarre and mysterious administration of his secret empire, it is his abiding faith in the power of political influence.

During World War II, Hughes—whose Trans World Airlines was seeking permission from the Civil Aeronautics Board (CAB) for exclusive rights to fly to certain European cities—flew Elliott Roosevelt, the President's son, and his bride-to-be to the Grand Canyon, gratis, for their wedding.

In the 1960s, Hughes, a leading defense contractor, financed airborne coyote hunts in Texas for Pentagon brass who hunted their prey in Hughes supplied helicopters and cars.

In 1968, the Hughes organization pledged a substantial contribution to Richard M. Nixon's campaign shortly before it sought an exemption from the anti-trust laws to acquire an additional Las Vegas hotel and gambling casino.

Such practices have served Howard Hughes well in Washington.

The CAB granted TWA's request for exclusive overseas routes in 1945.

The Pentagon has consistently awarded Hughes hundreds of millions of dollars in defense contracts without competitive bidding.

And the Justice Department, in a dramatic turnaround just three days before Nixon's 1969 inauguration, agreed not to oppose Hughes' proposed acquisition of the Landmark, a Las Vegas hotel and casino.

Only 28 days before, the same Justice Department had informed Hughes' attorneys of the reverse—that the government intended to oppose in court any attempt by Hughes to acquire the Landmark on the ground that such a move would violate the antitrust laws.

As The Inquirer has previously disclosed, the Hughes organization collects and spends billions of American tax dollars without any public accountability. Hughes is shielded and protected by a variety of federal agencies in Washington from the Internal Revenue Service (IRS) to the Civil Aeronautics Board.

Howard Hughes never votes, but he exercises more power over American government than all but a few of the Americans who do.

Hughes now-famous secret contributions to former President Nixon's campaign might seem to suggest an affinity on Hughes' part for the policies of the former President.

But actually, Hughes has an affinity for any politician either in office or likely to be so soon. He has long given lavishly to both major parties. He has sought to influence every administration since Franklin D. Roosevelt's. Often, he has succeeded, sometimes stunningly so.

In 1947, a Senate Committee investigated Hughes' entertainment of high Roosevelt officials during the war, including Elliott Roosevelt, as part of its probe of Hughes' performance as a major defense contractor in World War II.

The committee interviewed witnesses who claimed that Hughes, then an active moviemaker as well, often stocked Hollywood parties with movie stars and actresses to mingle with high government officials and military brass.

Elliott Roosevelt, who as an Army reconnaissance officer during the war had recommended that Hughes be awarded a contract to build a new Army reconnaissance plane, admitted to senators that Hughes had once paid his hotel bill. It was in those hearings that Roosevelt acknowledged that Hughes had, at no charge, flown him and Faye Emerson, the actress, to Arizona for their wedding near the Grand Canyon.

Roosevelt was also accused of having accepted other favors from Hughes. A Hughes public relations officer's expense account, which was read into the record of the Senate hearings, listed such items on Roosevelt's behalf as "presents for four girls, $200."

By the 1950s, Hughes was leaving such details as entertaining politicians and government leaders to other men in his empire.

He relied heavily on Robert Maheu, a private public relations consultant and former FBI agent, to represent him in Washington. Maheu became one of the most powerful men in the Hughes realm before his fall from power in 1970.

In 1956, according to Maheu's testimony in a defamation lawsuit he filed against Hughes in Los Angeles, Hughes "picked up the price tag for a good portion of (a) poll" conducted during the Republican campaign that year.

Maheu added that he himself took an active part in Eisenhower's 1957 inaugural and made it known to dignitaries that he represented Hughes.

When John F. Kennedy was elected President in 1960, Hughes asked Maheu to host an airplane for entertainers from Los Angeles to Washington to take part in the Kennedy inaugural, Maheu also testified.

Maheu said Hughes also instructed him to purchase four boxes, at $10,000 each, for the Kennedy inauguration; to purchase additional boxes for the inaugural ball, and to hold a "banquet at the then most famous restaurant in Washington" as his personal representative.

By then, early in 1961, Howard Hughes had of course, already slipped out of public view. But his presence was felt from the opening days of the Kennedy Administration.

Not long after the new Democratic regime had taken office, Hughes sought to cement his ties with it even more firmly. As Maheu testified:

"I think it was in 1961 that Mr. Hughes wanted me to contact the then Vice President Johnson and have him suggest a law firm in Washington, D.C., to be the law firm of record in the TWA litigation."

A long legal battle between Hughes and TWA's directors for control of the airline had just begun. Hughes needed a politically important Washington law firm to represent him in court and before the Civil Aeronautics Board (CAB).

Maheu testified that Johnson, in a meeting in his vice presidential office, recommended the firm of Arnold, Fortas & Porter, where Johnson's long-time friend and associate, Abe Fortas, was then a senior partner.

The law firm was subsequently employed as one of the Hughes attorneys in the TWA case.

After Richard Nixon was elected President in 1968, Maheu recommended that the President's former New York law firm be added to the battalion of Hughes attorneys in the continuing TWA battle.

Hughes also gave Maheu one other instruction in 1961: Tell the vice president (Johnson) that he (Hughes) would support any candidate for political office whom the vice president would "like to see elected."

Maheu said he later was sent word that Johnson was "interested" in John Connally's candidacy for governor of Texas.

"Mr. Hughes instructed me to make a contribution out of Houston," Maheu said. "I believe it was Mr. Holliday (chief financial officer of Hughes Tool Co.) who handled that contribution."

A decade later, Connally was secretary of the Treasury. In early 1972, he was informed that the Internal Revenue Service, which reported to him, was conducting an intensive investigation of Hughes Tool.

"We had not only a civil investigation moving forward," former IRS Commissioner Johnnie M. Walters told an executive session of the Senate Watergate Committee in 1974, "but one being conducted by the Intelligence Division for possible criminal violations."

Walters said Connally's only instructions were that "IRS should act properly" and that the agency "should never harass taxpayers, should never be overbearing." Because IRS tax investigations are always secret, there is no way to determine the outcome of the agency's inquiry into the Hughes organization.

In 1968, Hughes was eager to help finance Richard Nixon's campaign, apparently more for reasons of political expediency than any identification with the former President's political beliefs. In a memo to Maheu, Hughes wrote:

"I want you to go see Nixon as my special emissary. I feel there is a really valid possibility of a Republican victory this year. If that could be realized under our sponsorship and supervision every inch of the way, then we would be ready to follow with Laxalt as our next candidate."

Laxalt is Paul Laxalt, a Hughes booster who was then governor of Nevada and now one of Nevada's U.S. senators.

Even though Hughes was confident of a Republican victory in 1968, he took out political insurance. The Hughes organization gave $50,000 and $25,000 to the campaigns of Nixon's chief Democratic rivals, Sen. Hubert Humphrey and the late Sen. Robert F. Kennedy.

Though Hughes often demonstrates a surprising grasp of political realities for someone isolated from the outside world, occasionally his eccentricities get the best of him. Maheu, in a deposition taken in Los Angeles, explained:

"One time in 1967 I showed Mr. Holliday (chief financial officer of Hughes Tool) a handwritten memorandum from Mr. Hughes wherein Mr. Hughes was asking me to make a million-dollar payoff to a President of the United States. Mr. Holiday fainted, dropped the yellow sheet of paper on the floor and requested of me whether or not his fingerprints could be taken off the piece of paper."

Maheu added later that he refused to carry out Hughes' instruction.

Nevertheless, money is indeed dispensed with ease for political reasons in Hughes' secret empire.

For years, the Hughes organization maintained an apartment at the Balboa Bay Club in Newport Beach, Cal., near the Pacific Ocean, and a 60-foot sport fishing craft called the Aloutte II moored nearby, for use by politicians and government leaders.

Frank L. Doyle, a Hughes employee, recalled in court testimony a "memorable" party aboard the Aloutte.

Doyle said he received a call at the Hughes-owned Sands Hotel and Casino, where he worked, to prepare food for the vice president and a party of 20 aboard the Aloutte that night.

"Arrangements were made for an airplane and they (the food) were flown to Newport Beach and taken on board the Aloutte," Doyle said.

"And I was invited to go along and help serve the vice president and his party that evening. And we proceeded to Avalon where we had a buffet dinner on board the Aloutte."

There were similar Hughes-sponsored affairs in Washington.

A barge cruise for top miltiary men up the historic Chesapeake and Ohio Canal was described in congressional testimony by a former Hughes executive:

". . . They laid in a whale of a party, using that barge on the old canal up beside the Potomac River. A lot of senior people were invited, and it was quite the talk of aviation circles."

Taking care of politicians' needs is an important task in the Hughes organization. As Maheu explained in one court proceeding:

"The activity consisted mostly of keeping a close contact with individuals in the political arena, entertaining them, going to various dinners myself or sending one of any representatives to the dinners, making the apartment in Balboa available to them, making the boat available to them, meeting them socially, learning when their wives were sick or children, and sending flowers; a continuing type of relationship."

Political favors were more direct—cash, in the form of generous political contributions or of retainers.

In Maheu's defamation suit against Hughes, Maheu contended he received $475,000 in cash or checks from Hughes for "political contributions" from 1968 through 1970 alone.

According to documents filed in that case, "Hughes was apparently channeling through Maheu $1,000 a month to a judge in Los Angeles." The judge's name was not disclosed.

The $475,000 figure cited by Maheu did not include, of course, any political contributions made by executives or directors of Hughes Aircraft Co. during that same period.

In the 1972 elections alone, for example, Hughes Aircraft executives contributed $254,200 to both major parties.

CONGRESSMAN ANDREW YOUNG REVIEWS OUR NATION'S PROBLEMS

HON. WILLIAM LEHMAN

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 17, 1976

Mr. LEHMAN. Mr. Speaker, on January 26, Congressman Andrew Young of Georgia addressed the United Auto Workers and International Association of Machinists Legislative Conference in Washington, D.C.

In his remarks, Congressman Young astutely reviewed our Nation's pressing problems. I am pleased to include in the Congressional Record the transcript of Congressman Young's speech:

Presentation by Hon. Andrew Young, U.S. Representative, Georgia, Before the United Auto Workers and International Association of Machinists Legislative Conference

PROCEEDINGS

Congressman Young. Thank you very much. Mr. Woodcock, the outstanding president of this great international union, to all of my good friends from both the United Auto Workers and the International Association of Machinists, I come here to first of all say thank you, because had it not been for some of the work that you have done through the years I wouldn't be in Congress. What I represent, and what we now see happening across the nation, is the result of a coalition of goodwill that was formed in the early sixties, that you were very much a part of.

I don't think we can fully appreciate what happened in this nation in the last fifteen years, because it happened so smoothly, but whenever I see the troubles in Northern Ireland, or whenever I see the fighting and feuding that we now see on a day-to-day basis in Lebanon, I realize that our nation could have looked that way had it not been for Martin Luther King in 1955 and had he not found in organized labor, and especially on the part of your former president, Mr. Walter Reuther, a strong ally that let blacks in America know that the problems that we faced were not problems that we were going to have to deal with alone.

(Applause.)

Congressman Young. And when we came to march on Washington in '63 your unions were with us, and I think that that was something of a turning point in this nation. That was the coalition that put together the Voting Rights Act of 1965, that put together the Civil Rights Act of 1964, and blacks could not have done that alone.

You know, in the early days Dr. King used to say that if organized labor would come down South and organize we wouldn't have any trouble getting our rights, and we always hoped that we could get an organizing drive going in the South, because we knew that that would automatically liberalize the South. But it turned out to be the other way around.

We got our freedom in terms of an end to segregation as public policy, and in terms of the right to vote, and we so liberalized the South that now the climate there is safe for unions to organize. And when the state of Georgia could elect a governor out of a coalition of blacks and trade unionists you know there's a new day in the South altogether.

We see that coalition still continuing. We had a march in Atlanta just on the 15th of January, Martin Luther King's birthday, and we were pleased that UAW was so well-represented by your international vice-president, Mark Stepp. That continued association carrying on the mass action approach to change in this country, I think is one of the things that gives me great hope in America.

But then on the D.C. front I'm pleased to be a member of the Rules Committee.

And because of your support I find myself now sitting there where many of the political decisions are made about the process of what bills come to the floor, and that would not be without the coalition of goodwill which you have nurtured through these years, and which I think is still the most powerful force in the nation today.

There may be Republicans in the top seats, but actually, the broad base of American people are much more in tune with us than they are with the White House, and I think that we will see an end to the kind of anti-people rule that we have seen for the last eight years, come November 1976.

(Applause.)

Congressman Young. When I think of these past eight years I think that it's been almost like a bad dream. The things that we worked for in the early sixties, that were very much at the tips of our fingers—we had first of all the desegregation of public accommodations. We had political changes in the South which brought not just me to the Congress of the United States, but at least thirty new types of Congresspersons from southern states that would represent the people's interests rather than the special interests.

We had a beginning of taking on the economic plight of poor people in this nation. But it was ended by some strange acts of assassination and accidents. No nation can afford to lose men like Martin Luther King, Robert Kennedy, John F. Kennedy, Walter Reuther, in a short period of time and survive. And we found ourselves in 1968 sitting back almost in a torpor. We didn't know what was going on, and we let Richard Nixon slip into the White House, not because we worked hard and he defeated us, but because most of us were still reeling from the effects of these assassinations, and accidents, and we did not get politically active until it was just a little bit too late.

And we have paid a terrible price for it, but I think we're going to right that wrong. We're going to correct that mistake, and we're going to turn this nation back into the right direction, and we're in the process of doing it now. When I hear President Ford talk about his priorities for the nation I hear a strange mixture of code words that while they sound good, when you stop and think about them they're really quite disastrous. Everybody now is upset with Big Government, and so do we tend to get upset with Big Government at times, because if you say a thing long enough and frequently enough, people begin to believe it.

But when I hear the Republican administration talk about Big Government, they're talking about dismantling the bureaucracy that helps people. By and large, when they say do away with Big Government controls they're talking about doing away with OSHA. They're talking about doing away with the Environmental Protection Agency. They're talking about not having a Consumer Protection Agency. They talk about the bureaucratic fiasco of the food stamp program, but they're really not after the poor, or the poorest of the poor.

Food stamps is the new code word for "niggers," and we'd just as well face it. But if you look at who is involved in the persecution, directed at our food stamps, by and large it's working Americans, Americans who have contributed to making this country great, who have paid a greater percentage of their income in taxes than the oil companies, and who because of faulty economic policies find themselves working only eight months out of the year.

Those are the people that this administration wants to cut off. Those are the people that Gerald Ford and William Simon are talking about when they talk about food stamp chislers. They're talking about honest, hard-working Americans. They're talking about you, and they're talking about me.

(Applause.)

Congressman Young. So let's just take a look at that program as one example. That program has grown largely because unemployment has grown. Nobody wants to be on food stamps. People want to eat, though, but by and large they want to work for a living. But it's been the economic policies of high interest rates and cutting back on federal spending at every point, it's been the kind of subsidy for the rich and free enterprise for the poor that's created a terrible economic climate.

And then, William Simon, the Secretary of the Treasury, talks about the food stamp chislers. But even in looking at the food stamp program, the errors in the food stamp program are not in food stamps going into poor people's pockets, or it's not in somebody getting more food stamps than they're entitled to. They call the error rate a certain percentage of error, but as many of those errors are people getting less than they're entitled to as are getting more than they are entitled to.

But the amount of money in the total food stamp program does not equal the amount of money that the Internal Revenue admits that it loses because of people not paying taxes. The amount of money that escapes from Internal Revenue each year is estimated by the Internal Revenue and the Treasury Department itself as being somewhere close to $20 billion, and the entire food stamp program is only 6.2 billion. And so I wonder why it is that William Simon doesn't make some of his corporations pay the taxes that they're entitled to, instead of harassing the poor.

But the same whole program of divide and conquer, of pitting working people who have jobs twelve months a year against working people who only have jobs eight months a year, is part of the new strategy of dividing the labor movement and the American people in order that under the guise of so-called fiscal responsibility the administration might stay in power.

But you see, what we see in terms of bureaucracy is really an administration of a structure established by Democrats to help the people, which is now administered by a bunch of scoundrels and hoodlums and political hacks who don't believe in it in the first place. And no wonder the things are not working! It's like the cost of living was. I believed in the need of wage-price guidelines, but not the way the Republicans administer it, for they keep the lid on wages and allow prices to go wherever they want to go.

(Applause.)

Congressman Young. And so I say to you this morning that the government that we have helped put together to serve the people of the United States doesn't need to be drastically changed. The only thing that needs to be changed is the people who are administering it.

(Applause.)

Congressman Young. Of the two or three main issues that I think we've got to take on in this session of Congress, one of them we were marching about, and that is full employment. I think if there's anything we learned in this period, it is that you can't continue to have an economy that is held down by monetary policies, and expect the economy to expand. We also know now that an increased level of unemployment, which in most places now in the cities has gotten at least to twelve percent, and in the inner cities of our industrial areas, sometimes as high as twenty percent—that that happens, and still inflation does not come down, the old formula of having high unemployment to keep down inflation, just isn't working.

And we're not going to really deal with the problems of this economy until we have a growing, thriving economy where every American citizen who needs to work and wants to work can find a job at a decent wage.

(Applause.)

Congressman Young. And that doesn't require any economic miracle. That only requires sound government policy. It requires low interest rates and a stimulation of the housing markets. It requires the kind of interest in working people in America that realizes that when they have money in their pockets they buy American goods and people go back to work. That's what happened in the tax cut. The Ford administration wanted to give the tax cut to the rich, but the rich would have put it away somewhere for a rainy day. The Congress which you elected insisted on sending that tax cut, seventy percent of it, back to people who made less than $20,000.00 a year, and they went out immediately and spent it.

And one of the reasons we see people going back to work in the automobile industry is because people took their $200.00 tax rebate, and with the kind of mechanisms that the automobile industry used to promote sales, we find people buying automobiles now, and the economy beginning to turn around and the date of that turnaround, everybody—Democrat and Republican alike—dates back to April of 1975 when people began to get their tax rebates.

The people do have confidence in the American system. People do have the confidence in the American products and goods, and if people have any money at their disposal they will go out and purchase those, and that's the way to get an economy moving.

But government policy has got to decide that every American citizen has a right to a job, and they're not going to decide that unless we make them decide it, and I think that we've got to realize that fighting for full employment is not doing something for somebody else, it's doing something for ourselves, for you see the person who is unemployed almost has a better time than the person who has a job, and is scuffling along paying taxes trying to make ends meet.

When Mark Stepp was down marching with us in Atlanta and we marched down Auburn Avenue 25,000 strong on a cold day in Georgia, it must have been about 25 degrees, the wind whistling down Peachtree Street, but we had about 25,000 people out there marching. But the things that disturbed us was there were people lining the sides of the streets, almost as many as were in the march, and they weren't getting in the march, and halfway down the street I began to wonder, why the hell am I out here marching for these folks, and they don't want to march for themselves?

(Laughter.)

Congressman Young. Because I was cold!

(Laughter and applause.)

Congressman Young. But then I realized I'm not marching for them. I realized that I'm marching because each one percentage point of unemployment takes $16 billion out of our budget, and that that $16 billion is money that we need for health insurance. That's money that we need to stimulate an economy and create economic growth. And that poor people have learned to survive, and they've been poor so long that they have lost hope.

Dr. King used to talk about an old guitar player on Auburn Avenue that used to sit there and pluck his guitar, and he would sing a song saying that I've been down so long that getting up don't cross my mind.

(Laughter.)

Congressman Young. And that's what happened to the hard core unemployed in America. They have learned to make it. They have learned to make it on all kinds of federal programs which are good federal programs, but unfortunately, too many of them have learned to make it in crime. Our cities pay a price for unemployment in terms of the stuff that is stolen from us day by day, and the only proven answer to crime is jobs, and either we put people to work gainfully, or we continue to struggle with them trying to steal to get by, and to hustle.

On a day-by-day basis the average guy on the street sees the crime in the suites, and we see what's happening in terms of the sort of big business hustle, and so they say that's the name of the game. I'd just as soon hustle in my little numbers thing down here on the street. I do just about as well as I can any other kind of way.

But those same people will do again what they did in 1964 when we introduced a massive program in the office of economic opportunity. Some of those same little hoodlums off the street put on a shirt and tie and got themselves an attache case and went to work every day, and were just as proud, even though they didn't have anything in their attache case but their lunch.

(Laughter.)

Congressman Young. They were part of the dream, and they felt like they were citizens who were respected by the nation. We can turn around this economy with jobs better than any other way to turn it around much better than the kinds of tax incentives for big business, which President Ford is advocating. And I won't say such about health insurance, except that it's getting to the place where we've got to have it. I've got four children. My oldest daughter is twenty years old. She was born in a little hospital down in South Georgia. My wife stayed in the hospital two and a half days. It cost us $32.00. I was a poor country preacher, didn't have any kind of insurance. I had saved up $50.00 for my hospital bill, and was pleased to death that I got $18.00 back.

We had another baby two years ago and I got the best health insurance in the country, the Congressional Health Insurance, and yet when my wife spent the same two and a half days in the hospital—we've been paying money every month and never used it except to have that baby—and they told me after two and a half days that I still owed an additional $154.00.

(Laughter.)

Congressman Young. Now it's getting to the place where you cannot afford to be sick, where being in the hospital is tantamount to bankruptcy, and they say in the District of Columbia that by 1980 hospitals beds will be about $400.00 a day.

I just want to say that I've introduced comprehensive health care legislation to do for the American people what they do for the Congress. When I got——

(Applause.)

Congressman Young. When I got to the Congress they took me in and they gave me an electrocardiograph and a full health examination and they put my whole medical history on a little card that I can keep in my wallet. If I get sick, everything the doctor needs to know in terms of the preliminary examinations is right here. If there had been anything seriously wrong with me they would have cut it down to about half this size and put it around my neck as a dog tag.

(Laughter.)

Congressman Young. That—these tests, doing it in advance like that, made it cost about $35.00. If they did them on an emergency basis when I got sick it would cost upwards of $200.00. But there are ways to deliver health services and save money by doing health care in a preventive manner, rather than waiting till the machine breaks down before they start cutting and chopping on it.

(Applause.)

Congressman Young. But Congress is not going to move on that this year unless you make us move.

(Applause.)

Congressman Young. It's not that the Congress is evil or bad. Privately everybody says they need it and they want it, but we are weak and frail and sinful just like everybody else, and you all have jurisdictional disputes in unions all the time. We've got a jurisdictional dispute going in the House of Representatives. Everybody wants to know where it belongs. Ways and Means has got health care going, and the Commerce Health Subcommittee has got health care going. Somebody's got to get us together.

And you can go to the leadership of the House of Representatives and say look, whether the Senate votes or not, whether the President vetoes it or not, the American people need on the agenda for the presidential elections a comprehensive health care bill that will establish it as a national priority to be implemented by the Democratic President in 1977.

(Applause and cheers.)

Congressman Young. And the only way we can get that is by the House of Representatives passing a bill and letting the people overcome the fears that have been instilled by the American Medical Association.

You know, they accuse us of socialized medicine, but they don't call it socialized insurance when the doctors want the state to pick up malpractice insurance. They don't call it socialized medicine when they come to the federal government for the capitation of medical colleges. They don't call it socialized medicine when they come to the federal government for new funds to build additional hospitals. They only call it socialized medicine when it's going to give the people something.

And we've got to get over that, and we've got to help the American people to see that there's no reason in the world why this nation shouldn't extend its health care delivery system to every American citizen.

(Applause.)

Congressman Young. And that's basically a question of tax reform. The Congress started a very good tax reform bill, and we would have gotten it through the House of Representatives just before this Christmas recess, except that it sort of got bogged down in the Senate. But all we were trying to do was close the loopholes. We weren't trying to take anything from anybody. We were just trying to make sure that because you paid at least 13, sometimes as much as 17 percent of your income in taxes, we just think that Exxon ought to pay a little more than 3.2 percent of their billions.

(Applause and cheers.)

Congressman Young. But the attempt to have an equitable tax system in this nation was sandbaged by a Republican minority hiding behind a so-called veto-proof Congress, because some of our Democrates can slip over, and under the guise of fiscal responsibility and conservatism give a vote that takes money out of your pockets and puts it in the pockets of big business. I hope you're here to track down those fellows and tell them that their days are numbered, that they've got to straighten up and do right.

(Applause and cheers.)

Congressman Young. Now finally let me say that the foreign policy of this nation is something we've got to be actively concerned about. We have a vote in the House of Representatives tomorrow on whether or not we should send funds to Angola. Now I have studied Africa for a long, long time. In fact, I almost went to Angola as a missionary when I came right out of school. My church used to send money to Angola when I was in Sunday School, six, seven years old, and every one of those people over there struggling to be free got their education in Christian missionary schools.

Now they also, when they—when we told them they were children of God, and they wanted to run their own country, we were tied up with Portugal in NATO, and we said no, we can't help you. So they turned to the Russians and to the Chinese and to the East Germans and to the Czechs, and they got guns from wherever they could, and they succeeded in getting rid of the domination of Portugal.

Now, they came to visit members of the Congress back in June and July, and what they said to us was please don't do us what you did to the Cubans. Don't drive us into the Soviet camp. Don't cut us off. They said, we want to sell our goods. They've got to sell their goods to the United States, because they produce oil, they produce copper, they produce cobalt, they produce bauxite, they produce coffee and cocoa, and Russia isn't importing any of those things, and China isn't importing any of those things either. If they are going to have money to run their governments they've got to be able to sell to the west, and they insisted that they wanted to be a non-aligned African nation.

But somehow Kissinger doesn't understand that. And somehow Kissinger has wanted to extend the Cold War politics into Africa where frankly I don't think we can win, because regardless of what you say, we cannot win in Africa when we are in any way linked up with South Africa.

And so I don't see us sending good money after bad. I don't see us sending American goods and weapons in to what essentially is a tribal war. Africa will have its tribal differences, and one tribe will usually end up conquering the others, or pulling it together, and working out some government. It's happened almost everywhere in Africa, but whenever they have finally gotten it together two things have happened. The first one is they put the Russians out. They did it in Algeria, they did it in Egypt, they did it in Ghana, they did it in Guinea, they did it in Congo Brazzaville, they did it in Nigeria most recently, and just last month or so they did it in Mozambique.

Mozambique was almost totally financed by the Rusians. But when the war was over, and Russia wanted a naval base in Mozambique the people of Mozambique said no, we are a non-aligned African nation. I think Angola will do the same thing, no matter which government dominates, and I think it's a terrible mistake to get America involved in a war in Africa, because that's the only way the Russians can win. The only thing the Africans need and want from Russians is weapons, and as long as there's fighting going on the Rusians have a stake in Africa. As soon as the fighting stops the Russians have to go.

And the truth of it is the Russians are worse racists than Americans. They are! They've never had any contact with colored peoples. They have a segregated university for African students called Patrice Lumumba University that the average Russian calls The Zoo.

(Laughter.)

Congressman Young. And every African student I've seen that studied in Russia has had a miserable experience, whereas in spite of our problems here we have been fussing and fighting, but we've been getting along, and we know each other, black and white, in this nation, and every African student that comes to this country, while he might have one or two unpleasant experiences in the course of his four years, overwhelmingly they love America and they want to relate to the American way of life.

And you see, we don't need to conquer Africa with weapons, because American working people have demonstrated the capacity to do it better. When Nigeria got ready to buy trucks, even though they were given weapons by Russia they looked around at who had made the best trucks in the world, the American worker, and so they got a contract to buy $125 million worth of American trucks, because the only thing that can stand up on African roads are something built for the kind of dirt roads and superhighways that we have in this country.

(Laughter and applause.)

Congressman Young. When the African people look around for goods they look to

America, because we have produced the kind of lifestyle that the whole world wants a piece of, and as soon as we get through fighting and allow these people to enter into the economic trade, giving their resources in exchange for the goods that we manufacture, the sooner the American economy is going to get back on the mainstream, and the sooner we will have peace in the world through economic competition, and not through military confrontation.

(Applause.)

Congressman Young. And so I would turn America's destiny over to the American worker. I would not trust the Kissingers and their deals.

(Applause and cheers.)

Congressman Young. I think that as we look at this nation, and as we think of all the troubles that we have, as we think of the problems that we've been through, and we have been through many, still we have come further, and come further together, than I ever imagined would have been possible. There are thirty new members from the south in the House of Representatives. There are seventeen black members in the Congressional Black Caucus—and yet we're not a black caucus. We haven't had a black vote since I've been here.

(Laughter.)

Congressman Young. The Black Caucus functions mainly as a poor people's caucus, because most black folk happen to be working people and poor people, and so by and large, if you look at the votes that the black caucus considers important, and you look at the votes that organized labor considers important, they are one and the same.

(Applause.)

Congressman Young. And so I approach this 200th anniversary of this nation with a great deal of hope, and sometimes when I get discouraged and think that it's—you know, we're not making the progress that we want to, when I see the bad things that get the publicity, I turn on a record that I have sung by one of our prophets, by the name of Ray Charles, and he sings a song that we sang in school, and it starts out "O Beautiful, for heroes proved in liberating strife, who more than self their country loved, and mercy more than life. America, America, God done shed his grace on thee, and crowned thy good with brotherhood from sea to shining sea."

And that's what you represent. From California to Maine, from Chicago down to Mississippi, you represent America, and America is great and wonderful today because you have worked hard, you have contributed to the building of an economy, you have fought for justice for your brothers, and though we have just begun that fight we are making such progress that in the words of the old blues singer, we've gone too far, we're too far gone to turn around.

And so I'm sure we're on the right track, and I'm sure we're going to get there. How hard you work and how hard we work will determine how soon we get there, and I think we're going to make it, and we're going to make it much quicker than any of us might have imagined.

Thank you.

(Applause.)

PUERTO RICAN CULTURE AT MUSEO DEL BARRIO

HON. CHARLES B. RANGEL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 17, 1976

Mr. RANGEL. Mr. Speaker, I rise to bring to the attention of my colleagues the fine creative work being done by female Puerto Rican artists in my home community. The work that these women have done, in spite of the numerous obstacles they have faced, illustrate that these are truly dedicated artists determined to achieve their goals.

The Museo del Barrio, located in the East Harlem community in the Fifth Congressional District, had an exhibit of the work of female Puerto Rican artists during the month of February. I would like to include in the Record at this point a news release detailing the lives of two of the artists whose works were displayed. I know my colleagues will enjoy learning about this new breed of artists. The release follows:

Isabel Nazario—Portrait of the Artist, as a South Bronx Puertorriquena

(By Robert Collazo)

Although they have arrived at the same place about the same time, Puerto Rican artists Alicia Maury (CNS—February 24) and Isabel Nazario, both of whom recently participated in East Harlem's Museo del Barrio's all-female exhibition, have traveled by very different routes. Unlike Ms. Maury who, despite later hardships, had the good fortune of spending her formative years in Puerto Rico surrounded by a healthy, creative environment, Isabel Nazario, a native of Ponce, Puerto Rico, but a product of the streets of the South Bronx, had to make it virtually alone, surviving the kind of family trauma that might have shattered the most serious of artistic spirits.

"I want to tell stories with my work," Ms. Nazario said this week, motioning to a pencil sketch displayed in one wing of the Museo exhibition. The sketch entitled "El Sueño" (The Dream), is what she calls a representational work, and it depicts an event which has become a Puerto Rican nationalist rallying point, "El Masacre de Ponce" (The Massacre at Ponce). That day in Ponce, Puerto Rico, March 21, 1937, government troops opened fire on a contingent of nationalist demonstrators marching through the city streets. Many of the marchers were killed. Isabel had become familiar with the incident through stories that her father, an eye-witness, had recounted to her as a child.

The artist, years later, had a dream about the incident as if she herself had been in Ponce on that fateful March day. She portrays the 1937 carnage in "El Sueño," but in a way which is almost devoid of violence. The penciled figures are drawn very lightly, almost tentatively. And almost without exception the group of standing, bending, running and crouching figures are faceless, save for the outlines distinguishing male from female, adult from infant. The effect is errie, indeed, ghostlike in impact. There are no identifying signposts, benchmarks; no frame of references at all to place the viewer in Ponce, Puerto Rico on that day in March, 39 years ago. Thus, the scene takes on the intangible property of a dream, depicting, not so much one colonizer pitted against one colonist, as unveiling an ethereal, universal crime in which man destroys man.

The Nazario family, like the thousands of others who came north during the great migration of the early fifties, came primarily to escape the deprivation that gripped Puerto Rico's stagnant agrarian economy. And like the rest of the new arrivals, they came entertaining grand dreams of prosperity.

The family came to settle after a brief year stay in Chicago, at 1133 Longfellow Avenue in the heart of the South Bronx. There, Isabel along with her five brothers and sisters were to grow up and go to school, taking their place alongside the sons and daughters of the earlier waves of European working class immigrants.

As Isabel worked her way through grade school, her father—once a sugar cane cutter on the island—then became, in gradual stages, a dishwasher, an alcoholic, and finally a man of the street, whom Isabel would hardly ever see.

Her mother developed terminal cancer which would set the stage for the family's dissolution. "I remember coming home from school one day and seeing Mami and Papi there together watching television. I was always afraid of him because he was always beating everybody when he was drunk, so I carefully cuddled up to my mother and whispered my question: 'What's he doing home, Mami?' She just laughed and then told me that he was turning over a new leaf. He had promised to stop drinking and get himself together. I never remembered sketching anything at home before, just at school. But this time I went to my room, got my crayons and sat down to sketch the whole scene. I was very happy."

Even as she spoke, knotted into a crouch with her legs folded yoga-style upon a wooden bench in the gallery of the East Harlem museum, Isabel Nazario's soft, fragile voice wavered before the prospect of recounting the trials of her youth, frame by frame.

And as her story developed, Ms. Nazario wove a tapestry of despair and alienation, of sorrow and pain leaving one to marvel that so sensitive a spirit was not completely overwhelmed by the lonely struggle. She worked in one of the hundreds of little factories that dot the South Bronx to help maintain her family while her mother was dying from cancer. She eventually saw her brothers and sisters split up after her mother's long illness and death. Two of her younger brothers and sisters turned addicts in their struggle to escape the detachment and loneliness of the orphanage they were placed in after their mother's death. And her father also would return to drinking.

All of this combined to make an already reticent little girl retreat further inward. Despite the progress she had recently been making after school in her art studies with the help of a kind and concerned teacher, she was forced to drop out of junior high school.

But she survived. "I returned to classes just a few months before I was supposed to graduate. I had some really great teachers who really wanted me to graduate and they helped me put a portfolio together to apply to both Art and Design high school or Music and Art. So I struggled through some very rough times there, passed my final exams, completed my portfolio and got accepted to Music and Art. After that I didn't go back for the remaining time I had at J.H.S. I guess you could say I 'bogarted' my way through J.H.S."

Another stride forward came when Ms. Nazario was awarded a summer scholarship to the Art Students League, but the fragile Puerto Rican teenager would be shocked when she got there.

"I walked into the class," said the artist smiling, "and looked up to find all these people busy sketching this nude woman. She was absolutely naked; I was shocked and had to leave the room. The instructor hurried out to see what was wrong with me and when I told him, he couldn't believe it. Well, I'd never seen a nude before, not even a picture of one. I went home for the day and told my mother and she laughed at me. After that day, when I would return home from the League with nude sketches my mother would look at them and remember that first time, and laugh all over again."

But, however much she tried, Isabel could not feel completely at ease with her new found colleagues. She sensed that she was not the same as the others. And she began to feel that her upbringing had kept her from developing her self-confidence and was inhibiting her creative energies. Her instructor encouraged her to continue despite the difficulties but in the end Isabel did not return for her second month of summer instruction.

Her experience at Music and Art High School was also disappointing. The artist completed only one year at the prestigious special school. "That was that period that they had a lot of racial strife at the school. Things were happening and I was frightened. I was also becoming much more aware of who and what I was and how different I was from the majority of other kids there, White kids, wealthy kids. It was a real trip. I'd see many of these kids being driven to school by their parents all the time. There was also a great difference in their manner and experience. All these kids had been places, done things, exposed to lots of things; they were really hep."

The artist' anxiety over the gulf between her own humble beginnings, as matched against those of her White middle class peers, grew steadily, only to be heightened by the overt racial hostility between students that began to flare up at the school circa 1966. But even the most innocuous classroom situations caused Isabel great emotional stress.

Isabel described one incident during one of her art classes that completely unnerved her. "My teacher told us he wanted to see some drawings of our homes. I panicked. 'Does he mean where we live? I asked a student on my right, 'That's right' he said. Well, I didn't know what to do. I didn't want those kids to see where I lived. I just couldn't do that.

"There were also other things about the way they did things at Music and Art that bugged me. I couldn't paint, for example, still lifes. And this was something they required you to do. But I simply couldn't relate to doing paintings of apples and bananas when there was so much turmoil in my life. It wasn't a matter of ability either, just relevance."

By the end of her first year at Music and Art High School, she had decided to drop-out, but another factor had already rendered her decision academic; Isabel was pregnant.

She married her baby's father, but the marriage died quickly. Isabel, nevertheless, bore a son, Jerry, who is now nine years old. In the meantime, she continued to paint, thinking she would be fulfilled by her art and her son. Her contentment was short-lived. "I became independent very young," admitted the artist, "and I knew that set me apart from a lot of people. I was on my own now. But I began to think of my mother, of her life, and how she was illiterate until I taught her how to write her name at the age of 35. It was then I think that I realized that I wanted to go to school, that there was a lot that I wanted to know about. And I did."

Isabel completed a high school equivalency course, then briefly attended Manhattan Community College in 1970, and finally matriculated at Queens College where she graduated with a B.A. in Art this past January.

While at Queens College, Isabel met and married her second husband, Julio, and had a second child, a daughter named Athena, age five. "Julio would actively help with the housework and things, but I really felt guilty because he was picking up after me, and we fought about it all the time. I guess I hadn't heard about the women's movement then. But we've managed to work a lot of things out in so far as roles, so I guess you could say that I've really lived my feminism and am still growing, along with Julio."

And so at this point, Isabel Nazario, the once shy little girl who used to escape the monotony of her elementary school routine by secretly drawing funny pictures of her teachers from the back of the room, has come full circle to become a serious artist and painter, a mother and wife. "I'm just glad to be running my own life," Isabel said.

THE REALITIES OF POWER

HON. JOHN L. BURTON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 17, 1976

Mr. JOHN L. BURTON. Mr. Speaker, in today's world of global power struggles, the players remain the same, but the stakes continue to get higher and higher.

World politics is certainly no game in which the players can afford to be ignorant of the rules, nor blind to the realities of military power and defense capabilities.

Almost as important as the weapons we fight with are the attitudes and policies which motivate us to wage battle.

And since there is an important relationship between these two factors, it behooves us even further to have a clear understanding of the realities of power.

Mr. Speaker, the perils and potentials of oversimplification of power have been effectively dealt with in an editorial which appeared in the March 15, 1976 issue of the U.S. News & World Report magazine.

I believe that it is important for my colleagues in Congress to read and be aware of this particular viewpoint on this matter.

The text of the editorial follows:

REALITIES OF POWER

(By Howard Flieger)

This being election year, the air will be filled from now until November with argument about defense and military power.

Much of it will be beside the point.

Already, the campaign trail is strewn with such charges as—

We are spending too much on arms;

We are neglecting our defense;

We are too tough on our opponents;

We are not tough enough;

We are the No. 1 military power;

We are second to the Soviet Union in arms, or soon will be;

The Soviets are cheating us;

Not so. We're cheating ourselves.

On and on, and it's only the beginning. It isn't too early, therefore, to pay heed to a note of caution:

There is a serious danger in all this oratory—the danger of oversimplification. Military might involves far more than the numbers of weapons and divisions on one side or the other. The intangibles of defense have become as significant as the arsenals.

This is a problem much on the mind of Gen. Maxwell D. Taylor, a distinguished military and diplomatic careerist who has not let retirement distract him from concern about the U.S. and its place in today's world.

In a communication to this magazine, the former Chief of Staff says:

"As an old soldier of hawkish persuasion, I would instinctively rally to the side of those who insist on being at least second to none if I were sure of what that slogan means in practical terms. The concern of the vocalizers is clear enough—an apparent imbalance to our disadvantage developing between the warmaking potential of the United States and that of the U.S.S.R.—but how can such a difference in potential be measured?"

How, indeed?

Certainly, national will and cohesion are key factors. If, in a crisis, a nation falls short in such intangibles, then any advantage it may have in weapons becomes meaningless.

No matter how one may feel about Angola, to pick an example, there can be little doubt that it was a test of just such intangibles between Moscow and Washington. The Soviet Union, even though inferior in long-distance strategic power, won over a superior U.S. because the Soviets had the determination to act and the U.S. lacked a unified will to challenge them.

Intangibles, not firepower, were decisive.

It probably is such situations that cause General Taylor to worry that defense will be debated in terms that are too narrow to be meaningful. As he puts it:

"What we should want to know is whether our aggregated national power, made up of political, economic, military and spiritual components, is adequate to assure our security and well-being despite the opposition to be expected from the Soviets and all other unfriendly forces in a turbulent world.

"While Soviet malevolence backed by increasing military strength is likely to remain a primary obstacle, it is only one of several. . . . We have serious internal weaknesses which the Soviets exploit but did not cause—inadequacies of government and leadership, national disunity, and self-destructive political and social practices.

"We would be ignoring the essential needs of national security if we focused our concern exclusively on our military strength in relation to that of the U.S.S.R. . . . After all, unlimited military force is of little avail without a trusted national leader to direct it and a united people to support him in its use.

"Heavily armed but divided, we would run the danger of feeling superior to all but being in fact second to many in the effectual power which counts."

That is the pitfall if simplistic debate ignores the realities of power.

OUR BICENTENNIAL HERITAGE

HON. DON H. CLAUSEN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 17, 1976

Mr. DON. H. CLAUSEN. Mr. Speaker, I rise to call the attention of the Congress to a speech given recently by Patty Gordon of Napa, Calif., in the Veterans of Foreign Wars "Voice of Democracy Scholarship Program."

Patty was awarded first place in a contest which drew 35 contestants speaking on the theme, "My Responsibility as a Citizen."

Patty has been very active in school and community activities showing that she "practices what she preaches" in her own life. Patty typifies the spirit and attitude of the young people of our country and, in my judgment, gives us reason to look forward confidently to the future.

Because of the articulate and appropriate way in which Patty expressed views that all of us share, I believe her speech is worthy of being inserted in the CONGRESSIONAL RECORD during this Bicentennial year.

The speech follows:

OUR BICENTENNIAL HERITAGE—PATTY GORDON

Involvement!!! I feel that this is the key to our American Bicentennial Heritage. Over the past 200 years America has come alive through involvement. One person alone can not build a strong, successful country such as ours, not ten, not a hundred, not even a thousand. But numbers mean nothing when it comes to building a country. It takes people working together, fighting together, living together as a whole. All working for a common cause . . . America.

When a person wants to become a leader or follower or inventor or any part of a group that is doing something, it shows that he cares. These are the people that have built America. They were not all leaders and not all followers, but they all did their best to bring America up to the standard it is at now.

Looking back on our strong heritage, the slogan "Join or Die" comes to my mind. This slogan first appeared as the caption of an illustration which accompanied an editorial by the great man and inventor, Benjamin Franklin. This slogan was started to stir up the colonies and unite them to hold forces against the French and their Indian allies. Later, in the Revolutionary War, the slogan was interpreted to signify that the colonies must unite in their struggle for political rights against domination and interference by parliament and the Crown. I personally think that, although the slogan was used literally, it was in the backs of everyone's minds when World War Two broke out here. And is still in peoples minds when they think of their patriotic duty to America.

Freedom and Liberty are other words I associate with our American Heritage. Samuel Adams and Patrick Henry were instrumental in articulating and keeping alive the spirit of America. Adams was the leader in The Sons of Liberty and organizer of many acts of resistance such as the "Boston Tea Party." Henry, a distinguished lawyer and statesman from Virginia, was the most consistent spokesman for colonial rights ever. He is most remembered for his "Give Me Liberty, or Give Me Death" speech which is recorded in history books everywhere.

I feel that with people like these to look up to with honor and pride, I can better appreciate the effort I put into my own working in school activities and school government as well as activities to help in my community.

This means very much to me and I am sure that all over the United States, young people just like myself have the same feelings of the powerful heritage we have learned to maintain. And I think the past generations have not only maintained this image but added to it for the better. Now, in our country people can do whatever they want, within suitable boundary, and be whatever they want to be. My goals may go as far as being the first female president ever. For me, this seems possible for the future. The way our country is working now on, not only female involvement, but in all reaches of involvement, anything could happen. People are working together, and striving together for a Better America. This has proven to me that from the past we can learn for the future.

ST. PATRICK'S DAY

HON. LLOYD MEEDS

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 17, 1976

Mr. MEEDS. Mr. Speaker, St. Patrick's Day has been observed in America since colonial times, and all over the world. Wherever there are Irish, their feast day is celebrated March 17. In 1976 the "Friendly Sons of St. Patrick" will convene at the Mirabeau Room in Seattle to celebrate the 36th annual dinner. Presiding will be President Jerry F. Lavell and Vice Presidents Jim Price and John Costello.

Irishmen of all types will be present to honor the patron saint of the Irish, Saint Patrick.

Highlights of the event will be the awarding of scholarships by Cornelius Chevell; the first public appearance of the acting president of Seattle University, Father William Sullivan, S.J.; and the installation of new officers.

This event is the only one of its kind in the Pacific Northwest and is traditionally the focal point of all activities for all Irishmen in the Seattle area.

My congratulations to the Friendly Sons of St. Patrick, the officers, Mr. Chevell, and Father Sullivan.

A CONCERNED YOUNG AMERICAN

Hon. G. V. (SONNY) MONTGOMERY

OF MISSISSIPPI

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 17, 1976

Mr. MONTGOMERY. Mr. Speaker, I recently received a most thought provoking letter from a high school senior in my district which very well summed up my own feelings about our Nation and my fellow Americans.

Miss Margy Lee, a student at the Forest, Miss., high school echoed my own sentiments in very compelling words of the disaster course we are charting with excessive Government spending.

However, she also rightfully recognized the ability of the American people to solve their problems and their willingness to do so. I am encouraged that we have young Americans like Margy Lee who love their country and want to be a part of the solution to our Nation's problems. I would like to share her letter with my colleagues and urge them to take Miss Lee's message to heart:

> MARCH 9, 1976.
>
> Cong. G. V. "SONNY" MONTGOMERY,
> *U.S. House of Representatives,*
> *Washington, D.C.*
>
> DEAR SIR: I am an 18 year old senior at Forest High School. As you probably know, American government is a required course for high school seniors. About a week ago, in my government class, we learned about debt ceilings. We learned that Congress has the power to borrow money on credit of the United States, and that there is no Constitutional limit on how much it can borrow; instead, Congress has to limit itself. As Mrs. Margaret Richardson, my government teacher, told us, the debt ceiling is the farthest we can go into debt. Our entire class was shocked at the present debt ceiling of $577,000,000,000.
>
> How can our great country survive if we keep going farther and farther into debt? We must stop going deeper into debt and start paying them off or quit extending this debt ceiling. We have got to do as the word implies; put a "ceiling" over our debts once and for all.
>
> Mr. Montgomery, I am a young person—a concerned young person. I love my country so much that there are no words to express it. It is true that "the young people are the leaders of tomorrow," and I want to be a leader of tomorrow—I want to be a leader of today. I feel that we must start now to get our country going in the right direction.
>
> The United States of America is the greatest country in the world. I would give my life to preserve our freedoms we take so for granted. I don't want to sound like I'm making some kind of patriotic speech—or maybe I am. All I know is I'm writing to you each word as it comes into my heart.
>
> I've thought many times that I would like to have some sort of career that would benefit my country. It all started when I was in the eleventh grade and taking American history—again, under Mrs. Richardson. We were required to read a book on Communism. Thank Heaven I read mine! I got totally involved with the book Masters of Deceit by J. Edgar Hoover, and read many more books about Communism. This feeling has stayed with me even to this day. The future frightens me because Communism frightens me. I see it all around us, and I feel so helpless. But I'm not helpless; America is not helpless. Our older people need re-educating on its threat, and our young people need to understand it if we're going to continue to live free lives. I believe there should be required courses on Communism. The Soviets are taught from the moment they are born that they exist only for the Party. I feel that somewhere along the way, we tend to forget to instill in our young people that we are living in a free country, but that there are sometimes certain measures that have to be taken to keep these freedoms.
>
> This is the first time I've ever written to my Congressman. So many people don't want to get involved in these matters; some people do, but just never get around to doing anything. I want to get involved, and I appreciate those like you, the people's representatives.
>
> Sincerely,
>
> MARGY LEE.

ACTION NEEDED ON SYNTHETIC FUELS

HON. WILLIAM S. MOORHEAD

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 17, 1976

Mr. MOORHEAD of Pennsylvania. Mr. Speaker, this country is dragging its feet in developing synthetic fuels and we might as well face up to the problem. We simply are not moving fast enough or showing enough determination to find and produce substitutes for natural gas or gasoline, even though much of the technology exists right now to do the job.

To remedy this, I have introduced H.R. 11494 which would give great financial confidence to synthetic fuel industries—large and small—to forge ahead without the need for any Federal grants, loans, or guaranties. In short, the Federal Government would support the price of synthetic fuels against any disastrous disruption if the price of oil should drop—a highly unlikely possibility, but one which is impeding the investment of the necessary private capital.

We cannot lick this problem simply by mouthing a new dedication to the conservation of energy, however desirable that may be. We must learn some of the lessons of the past in this regard. For that reason, I am including as part of my remarks an editorial from the March 12 issue of Science magazine. The text follows:

Synthetic Rubber in World War II

(By Arthur M. Bueche, Vice President for Research and Development, General Electric and Development Center)

It is ironic that in the bicentennial year of our Declaration of Independence, one of the major national issues is concern about our dependence on foreign nations for some of our vital resources. However, the idea of a foreign cartel setting the world price for a crucial world commodity is not new. Southeast Asia is particularly well suited to the growth of rubber trees on plantations. This fact made that part of the world even more important to the rubber industry than the Persian Gulf is to today's oil industry, and the owners of the rubber plantations were not slow to take advantage of that.

In 1922, Great Britain felt secure enough in its command of the rubber supply to set in motion a cartel program called the Stevenson Plan. They succeeded in quadrupling the price of raw rubber within 4 years. Incidentally, the "Shiek Yamani" of the Stevenson Plan was Britain's Foreign Secretary, a rising young politician named Winston Churchill. In 1934, the Dutch joined the British in a second rubber cartel. Between them, they were able to control prices and dominate world markets. This situation persisted right up until the beginning of World War II. Indeed, only tentative steps were taken to alleviate our dependence during the first 6 months after Pearl Harbor.

In short, it certainly was not due to the foresight of the American people or their leaders that we managed to pull off the amazing feat of going from complete dependence on foreign rubber supplies to virtually complete rubber independence in three short years. How did we manage it?

There were two unusually lucky circumstances. First, some imaginative people had been attracted to the emerging field of polymer science in spite of the rather dim prospect of anything forthcoming that would be practical on a large scale. Second, the Germans had had the lack of foresight to export to the United States a lot of technological know-how in the chemical field. However, the synthetic rubber program involved much more than luck. At least one aspect of the program carries a lesson which is applicable today.

America's "rubber crisis" of 1942 underlined an important point about technology and human nature. That is, it is easier to meet a problem through the large-scale use of technology than to get people to make a major change in their style of living. Let me explain how the rubber program illustrates this.

After Malaya and Indonesia fell to the Japanese in 1942, the reality of the nation's rubber shortage began to dawn on our national policy-makers. Two obvious courses of action presented themselves. One was to step up the effort to find a "technological fix"—that is, to greatly accelerate the synthetic rubber program. The other was the idea of "resource conservation"—that is, to drastically curb civilian uses of rubber and collect scrap rubber to meet our needs.

At first, the idea of conservation got the main attention. The papers were filled with the exploits of people like Abner Peel of Rahway, New Jersey, who figured out a way of patching and recycling ladies' girdles.

But conservation was a disappointment. Much less scrap rubber was collected than had been expected, and problems of storage and transportation prevented even that from being used. The problem was not lack of patriotism or public willingness. Rather, it was the simple impossibility of totally turning around the ingrained habits of a society in a short time.

Fortunately, the technological fix solution was a bit more successful. Indeed, the success of the synthetic rubber program was fantastic by any standard. In 1940 not a single pound of general-purpose synthetic rubber was produced in the United States. By 1944, the annual production was over 670,000 tons.

What can this story teach us? The synthetic rubber program showed that a joint university-government-industry effort *can* be an effective method of meeting a national need that is just too big and too risky to ask a single industrial firm to undertake. The program also showed that we should not let important efforts be impeded by artificial distinctions between "pure" and "applied" research. Planning, research, and development are all necessary components of a total technical effort.

SAVING DAY CARE

HON. ELIZABETH HOLTZMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 17, 1976

Ms. HOLTZMAN. Mr. Speaker, the House will shortly consider the conference report on H.R. 9803, which will provide the States with an additional $125 million to permit day-care centers around the country to meet health, safety, and staffing standards.

The Washington Post and New York Times each ran editorials on Monday, when H.R. 9803 was expected to come to the floor under suspension of the rules, explaining why the bill is essential to the preservation of the day care program. I commend these editorials to my colleagues' attention:

[From the Washington Post, Mar. 15, 1976]

Giving Day Care a Chance

There is little doubt that the day care program has been a great benefit to working women in this country, especially those who have been trying to make the transition from welfare to careers. No one can accurately count the dollars saved in welfare payments, or the dollars gained in the economy from goods and services sold or tax revenue received. But day care has proved that it makes sense to help people work. Now, because of legislative and bureaucratic entanglements, the day care programs in most of the 50 states are in jeopardy.

The House, acting under a suspension of its rules, will vote today on whether to accept a $125 million conference report intended to assist the states in meeting a set of tough health, safety and staffing standards in their day care programs. Without these additional funds, the day care programs in most of the states will not be in compliance with federal regulations. Failure to comply with any one of the standards can mean loss of all federal funds.

A survey of the 50 governors has found that meeting those health and safety standards has been impossible for most of them with the funds available up to now. In many states, the staff requirements have been difficult to meet, but most governors say they can't meet the health, safety and management standards either. Yet, those standards are important if the parents of children are going to have confidence in the day care program. They must feel their children are in a safe and healthy setting.

In themselves, the standards pose no other problem than the money to help the states meet them. There is an argument from some Republicans on the Hill that the answer might be to delay putting into effect standards indefinitely. That is decidedly not the solution. Further delay only means either cutting services to meet the standards out of existing revenue or exposing small children to the danger that might befall them because the standards are not being met.

Neither of those is as attractive an alternative as that of having the House accept the conference report. It is an investment whose benefits demonstrably outweigh the cost. In addition to helping the states meet the physical standards, that $125 million will result in the employment of more welfare recipients in the day care program. We think the House should make the investment without further delay.

[From the New York Times, Mar. 15, 1976]

Day Care Savings

The provisions of the Social Security Act which support child care programs may be substantially nullified unless the House acts favorably on a bill which provides funds to bring local day care programs up to the standards required by Federal law.

Most states were already severely strapped for social services money when, in 1974, Congress enacted mandatory standards for federally assisted day care facilities covering such matters as health, nutrition and staff-child ratios. The trouble was that Congress failed to provide funds to help the states meet those standards and, as the time for putting them into effect approached, many programs were in danger of being cut off. To meet that problem, Senator Russell B. Long of Louisiana drafted a bill to provide the money and added strong incentives for programs to hire people off the welfare rolls.

There is now some reluctance in the House—bolstered by menacing noises from the White House—to act favorably on the measure because it will cost $125 million for the balance of this fiscal year. That is a pound-foolish view because in addition to serving nearly two million children, the program helps shave welfare costs. The director of Social Services in Georgia has estimated that its implementation in his state alone will produce an overall saving of $2 million. The House ought not to miss this rare opportunity to do good and save money at the same time.

TRIBUTE TO MAURICE STEMBER

HON. JOHN W. WYDLER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 17, 1976

Mr. WYDLER. Mr. Speaker, recently a most distinguished resident and long time acquaintance of mine in the Fifth Congressional District, Mr. Maurice Stember, passed away. A great part of his life was devoted to the service of his country and his fellowman and a tribute to him was published in the American Legion magazine in the issue of March

1976. I wish to spread it on the RECORD as a tribute to the service he rendered to his fellow Americans:

MAURICE STEMBER, 81, LEGION HONORARY PAST NATIONAL COMMANDER, DIES AFTER LONG ILLNESS

Maurice Stember, 81, of Rockville Centre, N.Y., long-time Adjutant of The American Legion's Dep't of New York and an Honorary Past Nat'l Cmdr, died January 20, 1976, after a long struggle against cancer.

Born in Brooklyn, N.Y., where he attended public schools, he distinguished himself both as an athlete and later as an official in basketball, baseball and football, during his school years and after graduation. He was a pioneer of what is now the nation's oldest organized youth activity outside those of schools and colleges, The American Legion Baseball Program.

During WWI, Stember served with Headquarters Company, 304th Field Artillery and "F" Company, 305th Infantry, both units being part of the famous 77th Division.

Stember played a vital role in the formation of The American Legion following WWI, after seeing the need for a large-scale veterans organization as a result of public apathy toward servicemen of that era. He was elected Adjutant for the Dep't of New York in 1927, a position he held up to the time of his death. Because of his long experience in Legion programs, he was mentor and advisor to many Legion Nat'l Commanders, Nat'l Executive Committeemen, and Legion staff members on all levels. During his long service to The American Legion, Stember held a number of national level commission and committee appointments. He contributed significantly to The American Legion's 50th Anniversary observance in 1969 as a member of the national organization's 50th Anniversary Com.

The American Legion recognized his outstanding service by naming him an Honorary Past Nat'l Commander through the unanimous action of the 57th Nat'l Convention of the organization in Minneapolis, August 19, 1975. Stember shared this unusual honor with only six other men, including Bennett Champ Clark and Theodore Roosevelt, Jr.

Stember was married in 1922 to the former Madlyn Heckler, who died in 1968. He donated a coronary care unit to her memory at Mercy Hospital in Rockville Centre where he spent his last days. Maury was remarried in 1970 to the former Muriel D. Habacker, who survives.

American Legion services took place at the Clayton & Forbell Funeral home, Rockville Centre, with Nat'l Cmdr Harry G. Wiles representing The American Legion. "Maurie served his fellow Legionnaires generally in an anonymous background," said Cmdr Wiles. "His last great contribution to America and to humanity was his original interest and great support for The American Legion's War on Cancer project, to which Mrs. Stember requested that, in lieu of flowers, memorial contributions be sent. Participating also in the services were Past Nat'l Chaplain Alfred G. Thompson, N.Y., New York Dep't Cmdr Leonard E. Baxter, and the Commander of Maury's post, Post 342, Freeport, Kenneth E. Combs. In charge of the funeral arrangements was Aldo R. Benedetto, New York Nat'l Executive Committeeman.

A large delegation of Legion leaders from around the nation attended the funeral services. Among those in addition to Nat'l Cmdr Wiles, were Past Nat'l Cmdrs James W. Wagonseller, Robert E. L. Eaton, John H. Geiger, L. Eldon James, Judge Daniel F. Foley, Martin B. McKneally, and James F. O'Neil, publisher of The American Legion Magazine.

Also, Nat'l Adjutant William F. Hauck, Executive Director James S. Whitfield, Judge Advocate Bertram G. Davis, Assistant Executive Director Hollis C. Hull, Director of Public Relations James C. Watkins, Federal Maritime Commissioner James V. Day, Dep't of Maryland Adjutant Daniel H. Burkhardt, Dep't Adjutant of Pennsylvania Edward T. Hoak, Dep't Adjutant of Indiana William D. Jackson, and Dep't Adjutant of Minnesota Frank C. Momsen. Gilberto M. Font, Nat'l Cmdr's Representative of the Foreign Relations Commission, came from Puerto Rico to attend, as well as Nat'l Executive Committeemen from many states.

COMMEMORATING SLOVAK FREEDOM

HON. EDWARD J. PATTEN

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 17, 1976

Mr. PATTEN. Mr. Speaker, this past weekend, I had the distinct honor to participate in a ceremony at city hall in Perth Amboy, N.J., commemorating the 37th anniversary of Slovak freedom. I want to share a speech given at that ceremony by Emil Bacha, former deputy commissioner of police in Perth Amboy. Mr. Bacha speaks of the history of the Slovak people, and of their long heritage of striving to be free. His words inspire us to support their wonderful cause, and I commend them to you.

REMARKS OF EMIL BACHA

On behalf of the combined Societies of Holy Trinity Parish, it is both a privilege and a pleasure, to welcome you here this morning, as we commemorate the 37th Anniversary of the declaration of Slovak Freedom.

Slovakia, consisting of 18,921 square miles with a population of 5,000,000 is a separate country. It is an individual member of the European family of nations. Though Slovakia lies in the very center of Europe, its name is not heard of in the world. The reason for that is the fate of this country, which for ages has not been able to emerge in history under its own name, and is not even today an independent country on the map of Europe.

The Slovaks occupied this country at the end of the 4th century, when it belonged to no one. The ancestors of the Slovak people attached to this country the destiny of all the succeeding Slovak generations, who in turn, established their claim to this land by the fact that during more than a thousand years, they never deserted or renounced it.

Out of the tiny Slovak principalities, a united Slovak State came into existence already in the first half of the 9th century. It was the first organized state in central Europe. By the year 830 during the reign of Prince Pribina, a Christian Church was standing in the ancient home of the Slovak princes in Nitra. It was the first Christian Church in the entire territory of the western Slavs. King Svatopluk (870–894) whom contemporary sources consider "the most glorious of the Slavonic rulers—almost as mighty as an emperor" extended his domain to include the neighboring Czech and Polish tribes. He waged successful wars against his western neighbors, maintained diplomatic relations and concluded diplomatic peace treaties with neighboring rulers, and safe guarded the independent status of his country.

For a century and a half (from 1540 until the end of the 17th century) Slovakia served as a bastion in the bulwark that defended Christian Europe against the danger from the East—against the attacks of the Turks.

The new ideas which later, under the slogan of "Liberty, Equality and Fraternity" resulted in the French Revolution, made their way into the Danube basin and affected also the nations of that region. Slovak consciousness developed and became strongly rooted in Solvak life itself. New great leaders emerged: Anton Bernolak, Jan Holly, Ludovit Stur, Hurban and many others.

When World War I was nearing its end, the leaders of the Slovaks saw that the military defeat of the Austro-Hungarian Monarchy would give them the opportunity to attain the goals they were not able to achieve in the Monarchy.

On May 30, 1918, representatives of the Slovak League of America met with representatives of Czech organizations and with the President of the Czecho-Slovak National Council, Mr. Thomas G. Masaryk, in Pittsburgh, Pennsylvania, and drew up an agreement which guaranteed political and cultural independence to Solvakia in the new common state.

The Slovaks welcomed the Czecho-Slovak Republic with joy and sincere hope. But, the relationship between the Slovak and Czech nations was dimmed from the very beginning of their union. Slovakia was handled as a colony of another state. This was the reason why the Slovak Parliament on March 14, 1939, declared Slovakia an independent and self governing state. Unfortunately, today Solvakia serves as a huge prison behind the iron curtain. The Slovak nation, however, insists on an independent position in the great family of equal nations in Europe.

We hope and pray that the Slovak nation will one day, be granted to establish its own free, democratic state in a new age, that will not only universally recognize the natural right of nations to be free, but will provide the necessary means of world opinion and power, to guarantee that all men be free on our planet, and that it can no longer afford to tolerate human beings being half slave and half free.

CONGRESSMAN DRINAN INTRODUCES LEGISLATION TO ASSIST SURVIVORS OF SERVICE-CONNECTED DISABLED VETERANS

HON. ROBERT F. DRINAN

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 17, 1976

Mr. DRINAN. Mr. Speaker, I am today introducing legislation which provides automatic entitlement to dependency and indemnity compensation to the survivors of a veteran who was rated as totally and permanently disabled due to service-connected cause for at least 1 year prior to his death.

Current law does not recognize the full impact of total and permanent disability which has a catastrophic effect on overall physical or mental functioning and which can severely shorten the life expectancy of a veteran. Under present practice the survivors of a 100 percent service-connected disabled veteran are not entitled to DIC assistance unless the veteran's death is clearly ascribed to the disability or the disability is determined to have been a major contributory factor to the death.

Although the Veterans' Administration maintains that such determinations are made on a very liberal basis, a study of DIC claims showed that nearly 25 percent of claims for death benefits filed by widows of totally and permanently disabled veterans were denied by the Veterans' Administration. Pursuant to the study of DIC claims the Veterans' Administration included material in its program guide for compensation and payment to "reemphasize and encourage a more equitable use of the discretionary power which is vested in the rating boards by controlling regulations and instructions pertaining to contributory cause of death." This material acknowledges that greater consideration should be given to the question of whether service-connected disability impaired the general health of the individual so that he or she was less able to fight disease.

In testimony before the Senate Veterans Affairs Committee, a representative of the Disabled American Veterans noted that:

> In many instances even though a claimant may submit medical evidence which supports the claim for contributory cause of death, DIC benefits are denied by the VA on the basis of difference in medical opinion. This holds true even in cases where a veteran prior to death had a service-connected disability permanent and total in nature of many years duration. . . . We hold to the view that such a total disability must in and of itself virtually affect the general well-being of a veteran and therefore materially hasten the death process.

In addition to the question of whether the death was service connected, there is the matter of the financial condition of survivors of total and permanently disabled veterans. Veterans with such a rating are under severe economic handicaps as well. Their highly diminished earnings capacity most often denies their survivors, regardless of the cause of the veteran's death, an economic status they might have otherwise experienced. According to the Veterans' Administration study the average total income of widows denied DIC benefits was $2,621 a year. This figure was apparently based upon a study of 1974 claims.

Beyond a liberal interpretation of the guidelines for establishing that death was service connected, there should be a statutory guarantee to a totally and permanently disabled veteran that at the time of death his survivors will receive some measure of security through DIC benefits.

The Veterans' Administration utilizes procedures for rating disability which provides for a clear and definite establishment of total and permanent service-connected disability before benefits are paid. Furthermore in other than disabling conditions which are static such as loss of limbs, VA policy provides for periodic review of the rating. There can be no doubt that the veteran who is awarded a total and permanent service-connected disability is severely incapacitated.

I am convinced that the death of these veterans cannot be separated from the total impact of the conditions for which they were rated as 100 percent service-connected disabled. Implementation of this change in the law would not alter the distinction that has always been held between service-connected and non-service-connected disability; it merely acknowledges that in the case of catastrophic disability, death should be presumed to be related to the existence of a total and permanent disability.

Our national policy toward veterans benefits has always recognized the compassion and consideration that is due survivors of our disabled veterans. The survivors of totally disabled veterans whose death was not certified as related to their service-connected injuries and illnesses, have not been provided an equitable measure of our compassion.

Provisions to accomplish this change in the law have been discussed in the past. Most recently, the Senate approved an amendment to the Veterans Disability Compensation and Survivor Benefit Act which provided for automatic DIC entitlement to the survivors of 100 percent service-connected disabled veterans.

Before the above noted legislation was enacted it was decided to delete this provision until the VA completes a study of DIC claims made under the new guidelines. This entitlement should be moved from discretion and into a statutory right.

In commenting on the Senate amendment, the Veterans' Administration reported that the cost of implementation would be negligible—probably less than $1 million a year. Furthermore, cost would be offset by reduced administrative costs entailed in determining such claims.

ST. PAUL'S CHURCH—THE NATIONAL SHRINE OF BILL OF RIGHTS

HON. RICHARD L. OTTINGER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 17, 1976

Mr. OTTINGER. Mr. Speaker, several months ago I introduced legislation which would provide for the National Park Service to permanently maintain and administer St. Paul's Church of Mount Vernon, N.Y., as a national shrine of the Bill of Rights. A companion measure was introduced in the Senate by Senator JAVITS.

St. Paul's was the site of the events leading up to the first free press trial in this country—the trial of John Peter Zenger, which took place over two centuries ago. The entire question of our first amendment free press guarantee has been the subject of much recent debate in this body. By way of enhancing our discussion of this topic, I would like to share with my colleagues some very thoughtful remarks concerning the indispensable role press freedom plays in this Nation and its relationship to St. Paul's Church. The following speech was delivered by the esteemed president of WVOX radio in New Rochelle, N.Y., Mr. William O'Shaughnessy. It is most fitting that these most insightful remarks on the subject of our first amendment protections were made on the grounds of St. Paul's Church, a truly historic symbol of our constitutional liberties:

REMARKS BY WILLIAM O'SHAUGHNESSY

Ladies and gentlemen: I shall not intrude for very long on your holiday. I come in gratitude and friendship for all the City of Mount Vernon has done for WVOX. I come to be with you because while others have forgotten what day it is—you have not forgotten. You come here as patriots and I am proud to be with you and proud to share this day with you.

We come to this Independence Day Observance without shame.

We come with confidence that our American nation will prevail. America will prevail because it deserves to prevail. And America will prevail because of each one of you.

You, ladies and gentlemen, members of the Westchester community and citizens in 1974 of the American nation have not forgotten your country today.

To many this July 4th is but the first of a five day holiday. "The glorious 4th," the headline writers will call it as they show our neighbors pursuing all sorts of fun and games and in flight, many of them, from their responsibilities of citizenship.

And though so few of us have remembered, it is right and proper that we should come here today to the Eastchester Village Green, to historic St. Paul's Church to renew and restore and rededicate ourselves to the great and towering principles which were identified and established in this special place.

It is the peculiar glory of this spot that it witnessed that dawn of civil liberty in America.

We do not honor this so-called Shrine of the Bill of Rights. This lovely old church is but a monument and thus it is perishable and will not last forever.

But the idea and the principle of freedom of thought which was affirmed here and went forth from this spot and spread throughout America and England is worthy of our tribute.

On this summer day in the 198th year of our American nation that idea, that glorious principle, is still not secure, is still under attack and is still in need of and requires your patronage and protection.

A big Westchester developer suggested to me at a dinner only a month ago: "Maybe we've gone too far with civil liberties."

Some years ago, we recall sadly, it was demanded that Eldridge Cleaver not be allowed to speak and be heard on the campus of a great Westchester college. I'm proud that our radio station identified with those who insisted that the militant be heard.

"We can never be sure," said John Stuart Mill, "that the opinion we are endeavoring to stifle is a false opinion, and if we were sure, stifling it would be an evil still."

And I haven't gone "public" with this, ladies and gentlemen, but I can tell you in the intimacy of this village green, that during this week just past—an outstanding national organization which should know better, has been trying to drive a radio program off the airwaves simply because it does not agree with the views espoused on the program or with the views of the principal backer of the program.

For me it is a simple issue: if you believe as we do that a radio station achieves its highest calling when it resembles a platform or a community soapbox or a forum of the expression of many different viewpoints—then as fiduciaries and trustees and permittees of the public airwaves, do we not have a clear obligation to let diverse and even at times, outrageous viewpoints, share that platform.

I think we do. And that's why I'm so proud to be associated with a station over which many different voices are heard in the land.

That's why I'm proud of the Daily Argus and the Standard Star and the other Westchester-Rockland newspapers which are encouraging more dissent, more feedback from their readers and in very creative ways, are encouraging greater participation by its readership in our local papers.

A radio station went bankrupt in Rockland County last year and we recall the demise of two major New York City newspapers in recent years. It was not easy for the itinerant printer John Peter Zenger 200 years ago. And it is not easy for his heirs today. And thus I hope you will object and disagree with all your might when a newspaper or a broadcaster says or publishes something you disagree with. But remembering the lessons which are enshrined here in this place I hope you will insist on his right to say it.

By the same token, if a publisher or broadcaster will not allow you access or is doing a poor job—"censor" him by changing channels or by not buying his newspaper. That's as it was intended by our forefathers who tried to eliminate real censorship from our vocabulary forever.

"If all mankind minus one, were of one opinion, and only one person were of the contrary opinion, mankind would be no more justified in silencing that one person, than he, if he had the power, would be justified in silencing mankind."

That's good advice.

Finally, I would not do justice to the occasion, ladies and gentlemen, if I did not say a few words about our country and what it means to be a citizen in the 198th year of our splendid Republic.

These are difficult and confusing times for America. But it was ever thus. And even a casual reading of our exciting history will convince you that it has never been lacking in drama and turbulence.

It has never been easy for America. And it is not easy now. But America—I promise you, I guarantee you and I assure you—will be equal to the challenge of the present and to the challenge of the future as well.

It has been written that a nation is its people. America is not the Statue of Liberty or the Lincoln Monument. It is not this great historical site, St. Paul's Church. It is not even our magnificent flag—the stars and stripes. These are symbols.

America's richest asset are its people.

America is the courage and sensitivity and determination and devotion in the hearts of ordinary men and women just like each of us.

We cannot leave the preservation of our democracy in a republic to our president or to our governor or to our legislators. The responsibility is ours as members and citizens of the American Nation.

We salute a great nation today. And as we do, there are certain timeless virtues which must guide us: love of our fellow man, reliance on Almighty God—benevolent and generous Creator—and an awareness of the responsibilities of citizenship.

And as the great Governor of New York, Malcolm Wilson so often does, I would comment to your favorable judgment the inscription which appears on the facade of the Federal Courthouse at Foley Square in New York: "The true administration of justice is the firmest pillar of good government."

It has long been my belief that our nation can survive short-fall in its executive branch.

The country can get along with short-fall in its legislative branch.

But the Republic will not long prevail if the judicial branch is less than fair and just.

We must have a place—a special place—where citizens like us can go to seek redress against one another or even against a government.

I'm reminded of a marvelous quotation by the late Adlai Stevenson of Illinois which is quite appropriate to this occasion.

"What do we mean by patriotism in the context of our times? There is no great World War and as of this precise moment we thank God that American troops are not engaged in any ground action anywhere in the world. Thus, what is patriotism in the context of these times?"

Stevenson said it is a much harder proposition than it is in time of war and strife.

Listen to this description from Adlai Stevenson: "We need a patriotism that puts country ahead of self." And that is easy enough to prescribe. But we also need "a patriotism which is not short, frenzied outbursts of emotion, but the tranquil and steady dedication of a lifetime. These are words which are easy to utter, but it is a mighty assignment. For it is often easier to fight for principles than to live up to them."

When an American says he loves his country, he means not only that he loves the Westchester hills, the Hudson River glistening in the sun, the wide and rising Long Island sound, the great mountains and the sea. He means that he loves an inner air, an inner light in which freedom lives and in which a man can draw the breath of self-respect.

"Be Counted Again" is the current and recurring theme of the American Legion and other patriotic groups. By your presence here this morning . . . you have truly been "Counted Again."

Now, go to your homes, ladies and gentlemen—secure in the knowledge that you at least remembered what it is we celebrate on this day in July. You remembered why the bands play and why the flags fly. You remembered why we send up rockets into the summer sky. The principles and ideas of freedom and liberty and independence are alive in your hearts. Let them mean something in our every day lives and let our fellow men learn from your example.

BAD BLOOD FOR SALE

HON. JAMES H. SCHEUER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 17, 1976

Mr. SCHEUER. Mr. Speaker, for some years it has been well established that blood from paid donors carriers a higher risk of infecting recipients with hepatitis than does blood from voluntary donors. In view of this fact, the Food and Drug Administration recently proposed that such blood be labeled as to its source so that physicians and patients who use the blood would know that they are running this additional risk.

In a stunning example of current administration policy, the Council on Wage and Price Stability has objected to this proposal as being anticompetitive. This objection has brought a sobering response the Department of Community Services of the AFL–CIO which I am today inserting in the Record for the interest and use of the Members:

January 20, 1976.

Mr. William E. Simon,
Secretary of the Treasury,
Washington, D.C.

Dear Secretary Simon: I should like to call your attention to the comments of the Council on Wage and Price Stability on whole blood and red blood cells submitted to the Food and Drug Administration on January 15.

The Council states, at the very outset, that "the incidence rate of post-transfusion hepatitis associated with blood from paid donors (blood from "commercial" blood banks) is substantially higher than the incidence rate associated with other blood."

The Council states, further, that "such information should (not) be kept from patients, their relatives, and their physicians."

In fact, according to the Council, it generally "views with favor regulations, such as the proposed one, that increase the amount of information available to consumers at relatively little cost."

What are the regulations proposed by FDA? The FDA proposes to adopt regulations to require that whole blood and red blood cells: (1) bear a statement distinguishing blood from volunteer donors and blood from paid donors, and (2) a warning that blood collected from paid donors is associated with a higher risk of transmitting hepatitis."

Since the Council agrees (a) that the risk from paid blood is substantially higher, and (b) that this information should be made available to everybody concerned, why not leave well enough alone?

In these inflationary times, what compulsion drove the Council to waste staff time and tax dollars to produce a ten-page document designed to deny the very conclusions it reached on page two?

In a period of high unemployment and high prices, what compulsion drove the Council to spend time on a program which, under the worst conditions, could have only a minimal impact on inflation?

Is it possible that, under the cloak of the Council on Wage and Price Stability Act of 1974, the four signatories to the document are giving aid and comfort to the commercial blood interests—thereby frustrating recent efforts by the Federal establishment, including the U.S. Department of Health, Education and Welfare, to develop a national, rational voluntary blood system?

The effect, of course, is the same. Here is why:

The document questions the "humanitarian and altruistic" reasons of volunteer blood donors. Now I don't know how the Council managed to arrive at this suspicion, but it is my guess that people who give their blood free, but not tax exempt, to friends, family, fellow-workers, soldiers, sailors and strangers are discharging a community responsibility in a humanitarian and altruistic fashion. Are these volunteer blood donors less humanitarian than philanthropists who take tax deductions for their gifts to charity? The tax deduction may be an incentive—but it is hardly an act of selfishness.

After denigrating voluntary donations as less than humanitarian and altruistic because they "have been given to replace blood used by friends or relatives . . . or to insure against their families' possible future blood requirement," the document makes the unique point that "these people also have a great incentive to conceal their experiences with hepatitis." What an incredible statement! Does your Council seriously believe that people would deliberately take chances with the health, welfare and very life of their friends and relatives? Would volunteer donors "conceal their experiences with hepatitis" and risk the lives of their parents and children?

But the signatories to the Council statement keep going. Since "not all commercial blood is associated with a high risk of hepatitis . . . it would be misleading to patients and physicians," they state, "to require a label on all blood from paid donors . . ." How else would they separate "high risk" from "low-risk" blood? Would you eliminate commercial blood altogether since your Council does not question the premise that blood from "commercial blood banks" is riskier than "other blood?"

Apparently, you would not. While you see the appropriateness in an "appeal to humanitarian motives and other lofty ideals," you do not see any dividends in such an approach. On the contrary, your Council states squarely that "blood is a product that is not very different from other consumer goods." Does the Council mean such consumer goods as hearts, kidneys and corneas? Or does the Council mean such consumer goods as yachts, limousines and summer places? Aside from the fact that blood is human tissue and not just another "consumer product," how hard-boiled, hard-headed and hard-nosed must one become to achieve distinction in our bureaucracy? One could have guessed that the Council's cavalier dismissal of "humanitarian motives and other lofty ideals" would have led it to equate human blood with "other consumer goods," and to proclaim that "no blood is 'free,' " even if given voluntarily or altruistically. Here, after delving into the simplicities of amateur economics, the Council comes up with the unusual discovery that it takes money to raise blood, that it takes effort to encourage volunteers. So what's new? It takes money to raise money. This statement springs from the same source which produced that all-time profundity that "there is no free lunch."

Your Council states accurately that the "public is largely unaware of the risks and quality of transfused blood, while physicians and hospitals do not have enough incentive to search for quality blood." The reasons should be obvious to anyone who will look. Over the years, there were people, like the signatories to the Council statements, who preferred to rationalize and justify higher-risk "commercial" blood banks than to promote their complete elimination. In another part of the statement, the four signatories questioned the wisdom of "sole reliance" on voluntary blood. "Thus far," they say, "the United States has had to rely on commercial blood banks." That's right—but only because they and people like them have done nothing to develop an all volunteer blood system. That's right—because an all volunteer system has never been tried. These are the same kind of people who are fond of saying that Rome wasn't built in a day—but I have always suspected that those people never helped to build Rome in the first place.

Now it is the Council's view, according to the statement, that "competition between suppliers, both commercial as well as nonprofit . . . should be encouraged." In the words of Oscar Wilde, the Council appears to know the price of everything but the value of nothing. Human blood is not big business—and should not be tossed lightly into the marketplace. It is a gift of God—a gift to be shared with all God's children, whenever and wherever they need it. Or is this too "lofty an idea" for the "practical people" of the Council?

I suppose so—since the Council's official statement suggests that blood donors "could be paid in order to make it worthwhile to give at the most needed times." It is a sad commentary on our society when an official body of the U.S. Government recommends that blood donors be paid when it is well known that most paid donors—if not all—sell their blood simply because they feel they have no other way of earning a few dollars—for food or for drink or whatever. One would expect a more compassionate approach to needy American citizens by their Government—like full employment, a rational welfare program, national health security and, yes, even food stamps. The chiselers, Mr. Secretary, are those who would suck such blood from the poor for a few pennies rather than those who are compelled, by circumstances beyond their control, to resort to food stamps.

It is in this mean spirit that the Council statement descends to recommending that "blood that is associated with a higher risk of hepatitis . . . need not (be) excluded from the competitive market . . . (since) such blood would be safe for use in treating patients, such as many hemophiliacs, who have already had serum heptatis and who are therefore immune to the disease . . ." Aside from the fact that there are some professional differences about the finality of the Council's "conclusions," how would they organize this bargain basement business in blood? And wouldn't it be better—and safer—to obtain low-risk blood from millions of potential volunteers who have never—or hardly ever—been reached?

Hemophiliacs, the Council states, "would be encouraged to use such (possibly tainted) blood by its lower prices." Donning the mantle of the consumer advocate, the four signatories to the Council statement are suggesting something new: cut-rate human relationships, devotion at a discount, varying qualities of the essence of brother's keeper bottled in different sizes at different prices. God save us!

What, in the final analysis, is the burden of the Council's statement? In the Council's own words, it is this:

"Contrary to what is implied by the National Blood Policy (that means, from the White House through HEW to the American Blood Commission during the past three years) increased commercialism may be the most appropriate way to alleviate the inefficiencies, shortages, and poor quality of product that currently pervade blood programs in the United States."

And the Council's statement concludes with this observation: "Surely there must be instances where marginally inferior blood is preferable to no blood at all." This, I suppose, is true enough—but only if one believes that a case of syphilis is better than no sex at all. It is such thinking that is responsible for much of our misery—the kind of thinking that refers to millions of our volunteer blood donors, as the statement does on page five, as the "wealthier" portion of the population. Their wealth can be matched only by the statement's wisdom.

However, since the four signatories are not known to be blood experts, one wonders whom they consulted, what materials they read and how they reached their conclusions.

The Council's statement should be withdrawn—with an apology to the American people.

Sincerely,

LEO PERLIS,
Director, Department of Community Services.

STUDY QUESTIONS METRO BENEFITS

HON. ROMANO L. MAZZOLI

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 17, 1976

Mr. MAZZOLI. Mr. Speaker, following is the summary chapter and recommendations from a study of Metro conducted by the Library of Congress at the request of myself and my distinguished colleague from Connecticut (Mr. McKINNEY) as chairman and ranking minority member of the House District Subcommittee on Fiscal Affairs.

Questions are being raised from many corners about the cost-effectiveness of the Metro-rail system now under construction. Some of the participating jurisdictions in the Washington area are expressing reservations about further funding for Metro in view of the soaring cost of construction and the multimillion dollar operating deficits.

Furthermore, many Capitol Hill friends of Metro have publicly retreated from their earlier unquestioning support of the construction of the full 98-mile Metro system.

Under these circumstances, I—who also share these concerns and doubts about Metro—believe the House Members should have an opportunity to examine the Library of Congress report.

The report has been soundly denounced by Metro officials, Members of Congress, and other local Government officials. Others cite it with approval.

Be that as it may, whether one agrees or disagrees with the study's conclusions it makes an important contribution to the debate on Metro.

The report is too lengthy for inclusion in the RECORD in its entirety, but those Members who wish to read the entire report can obtain a copy by calling our subcommittee office at 5–1615.

The report follows:

STUDY QUESTIONS METRO BENEFITS

IX. SUMMARY

Since its inception, Washington's METRO has enjoyed considerable popular support. The vision of travel in a comfortable, air-conditioned, high speed public facility compared favorably with that of crowded roads, noisy traffic, and polluted air. Furthermore, in the long-run METRO promised a way to restructure development within the area so that automobiles were less essential.

Even though concerns about congestion and the environment have greater basis today than ever before, there is increasing evidence that suggests questioning at this juncture whether the benefits of the full METRO system outweigh its costs. This evidence is of essentially three types: shifts in the area's overall growth and developmental patterns, escalation in the capital costs of building METRO, and the prospect of substantial operating deficits in future years. There is also mounting evidence that METRO, as planned, may not be well suited to the requirements of one potential user group that is likely to need it most—persons without automobiles.

The 98-mile Adopted Regional METRO system approved by Congress in 1969 was based on the premise that urban growth and travel could be channeled in a coordinated, mutually supportive pattern. Since its adoption, however, a number of events have reshaped the key assumptions in that premise. The use of automobiles has generally continued to rise and, with the exception of a slight upturn in 1973, public transport patronage has continued to erode and remains beneath 1970 levels. The wedge and corridor planning concepts which were anticipated to bring concentrations of population, employment, and commerce within reach of METRO stations have not developed and do not appear likely to develop. Indeed, local zoning policy in many of the area's jurisdictions is adamantly opposed to intense development in the neighborhood of METRO stations. New transportation facilities, such as the Shirley Highway bus on freeway, have come to play major roles in the area's public transport. Increased public awareness of the environment, parking, traffic, and developmental implications of METRO have highlighted problems of the original plan and have generated numerous proposals for route realignments, most notably in the Silver Spring, College Park, and Anacostia areas.

Only recently has the problem of public transport operating subsidies come to be fully realized in the Washington areas. With a fiscal year 1976 operating deficit for METRO bus operations expected to be in excess of $53 million, the jurisdictions in the region might well question whether METRO rail service will compound or alleviate the need for further public transport subsidies.

Furthermore, recognition of the fiscal implications of METRO has given rise to questions concerning the priority of this project compared with other public projects. The total costs of building the rail system, when conceived, were estimated to be under half of what they are now anticipated to be. At the same time the Washington area, like most of the nation's major metropolitan areas, has experienced a sharp decline in the growth rates of earlier decades. Thus, there are more costs to pay, fewer than projected passengers to carry, and a smaller than expected population base to support the project. These changes are of sufficient magnitude to call into question the merits of constructing the full system at this time.

This study explores some of the changes in the Washington region's growth and activity patterns which have occurred since METRO was conceived as well as shifts in the projected costs of building and operating the system. An analysis of alternative systems is conducted to explore whether the 98-mile Adopted Regional System is the most efficient way to provide the area's public transport.

Three possible alternative rail systems are selected for examination. These are:

Alternative I—a minimum rail system of 41 miles incorporating only those segments where construction is now underway.

Alternative II—an intermediate rail system of 68 miles.

Alternative III—the 98-mile Adopted Regional System.

Considering the time and resource limitations of this preliminary study, the procedures employed in this analysis necessarily involved making some assumptions and judgments which are discussed in the body of the report. It is felt that the procedures employed were objective and reasonable, and that the results reached give rise to some serious questions about the relative merits of the 98-mile Adopted Regional System.

The results of the analysis of these three systems are shown in Table 27. These results are based on the findings of Chapter III–VI, and the reader is referred to those sections for supporting details and assumptions.

From the Table, it is clear that both capital costs and operating deficits tend to increase as the size of the rail system increase. Estimated capital costs range from $3.3 billion for the shortest rail system analyzed up to $5.5 billion for the largest alternative considered. Estimated 1990 operating deficits range from $13 million for the shortest rail alternative considered to nearly 5 times that much for the 98-mile ARS. Furthermore, these deficits assume that operating costs remain constant, in real terms, between now and 1990, an assumption which probably understates future operating costs when it is considered that real transit labor costs and real energy costs, two key inputs to urban public transportataion operating costs, have risen in real terms in recent years. The deficit figures shown also reflect an assumption that fares will remain unchanged, in real terms, from now to 1990. This assumption may also understate operating deficits, since political pressures tend to inhibit increases in rapid transit fares.[1]

Table 27 does not highlight the incremental merits of expanding the METRO rail system, however. Rather, it examines the average costs, revenues, and patronage of the three alternatives. If instead we look at the additional costs and additional patronage which result from extending the system beyond the portion already under construction (i.e., beyond Alternative I), then the relative merits of extending the METRO rail system appear considerably more questionable.

TABLE 27.—SUMMARY OF ANALYSIS OF METRO RAIL ALTERNATIVES (FOR THE YEAR 1990)

Alternative	I	II	III
Description	Includes portions now under construction	Intermediate system	98-mile adopted regional system
Length (miles)	41	68	98
Number of stations	46	62	82
Capital cost (billions)[1]	$3.294	$4.358	$5.500
Operating cost (millions)[2]	$53.5	$88.8	$127.9
Revenues (millions)[2]	$40.4	$53.6	$64.6
Trips (millions per year)	100.1	130.2	153.0
Passengers per average weekday (thousands of round trips)	175	228	268
Annual operating deficit (millions)[1]	$13.1	$35.2	$63.3
Operating deficit per trip[2]	.13	.27	.41
Capital cost per average weekday passenger[1]	$18,823	$19,114	$20,522

[1] In escalated dollars as used WMATA.
[2] In 1976 dollars.

Table 28 examines the incremental operating deficits, capital costs, and patronage which are associated with building and operating the systems described here as Alternative II and Alternative III. The second column of Table 28 shows the extra operating deficits, capital costs, and patronage generated by Alternative II, assuming that Alternative I were already built and operating. Similarly, the rightmost column shows the corresponding characteristics for Alternative II on the assumption that Alternative II is already in place. The advantage of computing the costs and patronage figures on this basis is that they permit the relative performance of rail system extensions to be viewed by themselves, without the characteristics of the minimum system being averaged in. As apparent from Table 28, the operating deficit per trip for Alternative I, the minimum system, is 13 cents, while the additional deficit per additional trip implicit in Alternative II, the intermediate system, is 73 cents. Similarly, the extra trips and extra operating deficits generated by selecting Alternative III, the ARS, over Alternative II, the intermediate system, result in additional deficits per additional trip of $1.23.

It should also be noted the primary beneficiaries of system extension, especially from Alternative II to Alternative III, tend to be areas with considerably higher than average income.

It is difficult to estimate what impacts the smaller rail system might have on automobile traffic and bus volumes. One plausible set of assumptions set out in the report suggests that the increase in traffic caused by going from Alternative III to Alternative I is under two percent, equivalent to about a third of a year's growth at recent traffic growth rates. The corresponding effect on bus operations is estimated to be an increase in patronage of about three percent. The effect of curtailment on rail system costs and operations appears likely to outweigh the adverse impacts created on other modes.

The specific network alternatives analyzed here are preliminary; detailed design considerations and local transportation and development policies would undoubtedly require considerable revision of such network concepts to make them fully acceptable. However, the results of this analysis suggest that alternative rail networks with less mileage than the Adopted Regional System could produce comparable net benefits for a lesser amount of public resource commitment.

TABLE 28.—INCREMENTAL EFFECTS OF RAIL SYSTEM EXPANSION BEYOND PORTIONS NOW UNDER CONSTRUCTION (FOR THE YEAR 1990)

	Alternative I (minimal system)	Increment on which characteristics are computed: Alternative I to alternative II	Increment on which characteristics are computed: Alternative *II* to alternative III
Additional capital cost (billions)[1]	$3.294	$1.064	$1.142
Additional operating deficit (millions)[2]	$13.1	$22.1	$28.1
Additional trips (millions/year)	100.1	30.1	22.8
Additional passengers per average weekday (thousands of roundtrips)	175	53	40
Incremental operating deficit per trip[2]	.13	.73	1.23
Incremental capital cost per average weekday passenger[1]	$18,823	$20,075	$28,550

[1] In "escalated dollars" as used by WMATA.
[2] In 1976 dollars.

CONCLUSIONS OF THE ADVISORY PANEL

An advisory panel was assembled for the study reported above. Its purpose was to suggest questions which the study should address as well as to recommend procedures for answering them. This panel met on two occasions during the course of the study to discuss findings and to review draft sections of the report. In view of the preliminary evaluation of METRO rail systems set out in the attached report, the advisory panel feels that the following conclusions are justified.

(1) Enough serious questions currently exist concerning the relative merits of the 98-mile METRO rail system to warrant a thorough alternatives analysis prior to proceeding to construct new segments of that system. Any further federal project approvals should be premised upon this careful alternatives analysis. In our view, simply requiring that new projects represent "operable segments" as called for in the recent Federal Budget may not provide adequate assurance that the fraction of the system thus built will reflect reasonable overall transport priorities. We understand that deferring further decisions on new METRO rail construction may lead to delays in construction of some system segments, but do not feel that substantial hardship would be created by delaying further construction by six to nine months, while the benefits to the rail system which finally emerge could be considerable. In essence, it is a question of whether rational priorities or fiscal constraints whose implications are poorly understood will dictate the final design of METRO. In our judgment, the potential gains of a systematic approach more than outweigh the cost and inconvenience of the associated delay. Of special concern in this regard is the Addison Road Branch which is just now entering the construction contract stage.

The alternatives analysis recommended here should be conducted in greater depth than that consonant with the resource limitations of the investigation presented in the preceding report. It is also essential that the alternatives analysis be undertaken with more objective oversight than has characterized previous Washington Metropolitan Area Transit Commission Net Income Analyses.

Part of this analysis should be an objective and thorough review of the expected costs of operating alternative METRO rail systems and the revenues likely to be produced by them. This review should identify the fare levels needed for break-even operations of bus and rail services. Recognizing that political prerogatives tend to inhibit fare increases, this examination should also identify the subsidy requirements if fares remain unchanged at current levels.

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[1] A ten cent fare in 1940 would correspond, in real terms, to a 38 cent fare in 1975 if the Bureau of Labor Statistics' Consumer Price Index is used as a basis.

(2) Upon completion of the alternatives analysis, there would be a sounder basis for determining what the future federal posture with respect to METRO should be. At that point, an indication of the total federal commitment to METRO could be made and state and local jurisdictions could re-evaluate their *system* plans and financial arrangements accordingly.

(3) In preparation for this reassessment, regional and local planning agencies should intensively review the development pressures that are likely to accompany METRO rail system expansion, as well as the level of development required to make METRO service a reasonable public investment. This review should address parking and commercial and residential development, and should indicate the compatibility of the level of development thus projected with local planning objectives and zoning regulations.

(4) In light of the much greater involvement of public funds that have been and seem likely to be needed in order to construct and operate the METRO rail system, especially those which are of federal origin, a more careful determination should also be made at the amount and incidence of expected non-farebox benefits and unrecoupable costs of METRO rail throughout the Washington metropolitan area. Such a determination should take into consideration the trip types and user groups who would be the chief beneficiaries of METRO and should identify them on a jurisdictional basis, as well as developmental, environmental, and other non-user benefits stemming from METRO rail service. The cooperative forecasting process now underway at the Council of Governments forms a logical starting point for such an examination, and COG may be the appropriate agency to conduct it.

Members of the Advisory Panel:

Damian J. Kulash, Vice President, Jack Faucett Associates, Inc. (Study Director).

W. Bruce Allen, Associate Professor of Regional Science and Transportation, University of Pennsylvania.

Alan Altshuler, Professor of Political Science, Urban Studies, and Planning, Massachusetts Institute of Technology.

James R. Nelson, Charles E. Merrill Professor of Economics, Amherst College.

Robert A. Nelson, Transportation Consultant.

Martin Wohl, Professor of Transportation System Planning, Carnegie-Mellon University.

BARON DE KALB—REVOLUTIONARY WAR HERO

HON. ELLIOTT H. LEVITAS

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 17, 1976

Mr. LEVITAS. Mr. Speaker, as America prepares to celebrate her Bicentennial, our focus quite naturally turns to our history, and one inescapable fact emerges. The genius of our settlement and development as a nation has been our peculiar ability to attract the interest, devotion, and commitment of many from other countries—men and women who have believed in the promise of America and who have sacrificed to insure its fulfillment. France's Marquis de Lafayette made an inestimable contribution as a general and diplomat; Prussia's Baron Von Steuben was largely responsible for instilling military discipline in the Continental Army; Poland's Count Pulaski was the successful and valuable commander of a cavalry unit. The list continues, and in our Bicentennial Year we will reflect with gratitude on the contributions of these volunteers from overseas.

In my own State of Georgia there is a strong sense of identification with the Revolutionary period in which Georgia patriots played a vital role; a sense of identification which recognizes the contributions made by European volunteers.

And in all of Georgia there is no area more concerned about the matter than De Kalb County, in my district, where the Baron De Kalb Chapter, Daughters of the American Revolution, have inaugurated a research program with the object of setting straight the facts, in the best interests of American historical tradition.

Georgia was spared some of the early ravages of the Revolution, in that no fighting took place there until 1778; but once begun it proceeded at a gallop. British forces attacking along the coast from Florida seized Savannah in December 1778, and Sunbury and Augusta the following month. By December 1779, every important city and town in the State had fallen to British control, and the Colonial Militia, under Gen. Robert Howe, had been driven from the State into South Carolina.

Georgia's greatest weakness lay within. Not that there were not patriots there in quantity, for surely there were. And not that they were lacking in ability; for surely they were able, in high degree. It was simply that a large element within the State—particularly in the hill country, in the settled and populated areas in the central and western counties—was friendly to the crown and opposed to independence. Wherever patriot support appeared in quantity in Georgia it was matched by Tory sentiment of equal, or almost equal strength. The Whig Party, thoroughly in control in many States, was by no means as formidable in Georgia, and help was clearly needed in the patriots' struggle to drive the British from the place. Luckily for Georgia and luckily for the patriot cause, help was forthcoming in the person of the notable Baron Johann De Kalb, a soldier of remarkable ability, for whom De Kalb County, Ga., is named.

Baron De Kalb was one of the more colorful figures in the patriot army. The title of "Baron" had no relationship to reality. It was a wholly pretended claim to royalty, required by the fact that no one was capable of obtaining an officer's commission in a European army, in the 18th century, unless he was of royal birth—or at least said that he was. Johann Kalb, of Huttendorf, Germany was of humble peasant background. He had left the farm to take a job as a waiter before deciding, finally, that his major purpose must be military. When the War of the Austrian Succession began, in 1740, Johann Kalb was already established as a lieutenant in Count Lowendal's regiment of French infantry, opposing the interests of Austria and Britain. It was then that he assumed the name of Baron De Kalb. By 1747, with the war still in progress, he had risen to the rank of captain and adjutant, serving also an officer of detail—a post combining the offices of general manager and judge of the regiment.

Opposition to British purposes became the guiding aspect of De Kalb's way of life. When France again opposed England in the Seven Years' War he rose to major, fighting for the French cause, and when the American Colonies first showed signs of restiveness under the authority of England, in the 1760's, he undertook a secret mission to America, in behalf of the Duc De Choiseul, to report back on worsening political conditions there.

Arriving in Philadelphia in January 1768, he traveled in the Colonies about 4 months. His numerous and detailed reports were the observation of a shrewd and impartial investigator. With the accession of Louis XVI, the French Government began edging toward more of an official interest in the American-British dispute, and De Kalb was a leader in the movement. By the time the American Revolution had begun in earnest, De Kalb was a major general in the French army, and in this capacity sought direct entrance to the American military cause, in company with another French officer of note, his protege, Gilbert du Motier, Marquis de Lafayette.

After numerous delays attending their attempt to leave Europe, the two officers sailed in April 1777, landing in June on the coast of South Carolina. Commisioned major general in the American Army, De Kalb entered combat near Philadelphia, in command of a division of New England troops. Shortly afterwords he withdrew, in company with his division, to Valley Forge.

The performance of General De Kalb in America was less than brilliant for many months owing to his various assignments to areas devoid of major action. At times he wanted to return to the French army, at others to become the French envoy to America. He also had dreams of representing France in Geneva. But nothing came of these possibilities. In 1778 he was Lafayette's second in command in the ill-starred Canadian expedition. Until 1780 he was constantly with the army, although without the conspicuous distinction for which he had hoped.

With the British besieging Charleston, S.C., in April 1780, De Kalb was ordered to relieve the city. In this endeavor he was joined by Gen. Horatio Gates, recently appointed to command in the South. Near Saunders' Creek, the combined American forces encountered the army of Lord Cornwallis. The first attack of the British scattered the Virginia and North Carolina militia who, in company with General Gates, fled the battlefield. But De Kalb, commanding the right wing, held firm. Moreover, to the amazement of all observers, he counterattacked, charging the enemy on three separate occasions. The action became known as the battle of Camden.

In the hand-to-hand fighting the issue of the battle of Camden was long in doubt. When the American position became hopeless, De Kalb led his last remaining men in a final charge—an action that was to cost him his life. Mortally wounded and bleeding profusely, he fell, and his surviving soldiers retreated. Three days later, on August 19, 1780, he died at Camden a hero of the Revolution.

Some 45 years later in 1824–25, De Kalb's good friend the Marquis de Lafayette visited the United States on a triumphal tour. It has been observed that rarely if ever has the gratitude of a republic been more signally displayed than it was on this occasion amounting to a long series of honors and ovations. Few of the countless invitations received by Lafayette, in this glorious hour, touched him more deeply than that received from the town of Camden, to perform the pious office of laying the cornerstone of a monument to De Kalb. The duty was performed by Lafayette with touching reverence for the deceased and words of praise for a brave friend and brother officer.

In calling attention to the sterling performance of Baron De Kalb, the Baron De Kalb Chapter, NSDAR deserves the respect of patriots throughout the land. It is well to remember at this time, in our Bicentennial celebration, that our Revolution had the blessings of democratic people throughout the world.

It still has today.

Two centuries' time is not enough to dull the luster of so noble an undertaking, which shall live in the memory of patriots so long as memory prevails.

AMERICAN AGRICULTURAL TRADE POLICY

HON. PAUL FINDLEY

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 17, 1976

Mr. FINDLEY. Mr. Speaker, agricultural trade has its roots in the founding of this great country. Trade restrictions played a major role in bringing about the American Revolution. In this Bicentennial Year, the American farmer is again faced with the prospects of trade restrictions. At the same time that the American farmer has worked to reduce inflation through increased production, some are calling for restrictions on exports under the banner of "cheap food."

Gary Seevers, Commissioner, Commodity Futures Trading Commission, recently spoke on the need to continue a liberal trade policy. His timely remarks address the benefits of the free market system in both domestic and international trade. His review of agricultural trade history places the issues in perspective. If we understand the pitfalls of the restrictive policies of the past, we are more likely to avoid restrictive trade policies in the future.

Mr. Seevers discusses the limits of the use of food power. Too often, policymakers have taken our agricultural production machine for granted. Too often, the policymakers have attempted to use food as a tool of diplomacy without any thought to the cost to the farmer or the cost to our own moral principles. Mr. Seevers' timely and forthright article provides for a better understanding of the value of agricultural trade.

Mr. Seevers' address follows:

AMERICAN AGRICULTURAL TRADE POLICY UNDER STRESS

(Remarks by **Gary L. Seevers** before the Bicentennial Symposium on American Agriculture, Oregon State University, Corvallis, Oreg.)

A discussion of U.S. agricultural trade raises completely different questions today than as recently as five years ago. If one were to look at American agriculture in an international context five years ago, and several decades before that, here is the picture that would emerge and how it would compare with today.

1. Five years ago U.S. agriculture was plagued with chronic surpluses. A few other exporting countries had surpluses as well but they carried a minor share of the surplus burden. Today there are no big surpluses.

2. Our abundance was a national problem. The Government attempted to deal with the surpluses by paying producers not to produce. Acreage diversion payments exceeded $3 billion for several years. Today there are no acreage diversion programs and the cost of remaining price support programs is minimal.

3. Farm income was not high enough to hold and expand resources in agriculture. Today income is more favorable to investment and employment in agriculture.

4. Many factors led to the earlier unhappy state of affairs. Trade barriers abroad were a major cause. Many foreign markets were simply closed except for residual import needs that depended very little on the competitiveness of our products. Where markets were open the overvalued dollar put an effective surcharge on our agricultural exports. Today the dollar is valued at its market price and trade barriers are important in a new sense. Today's problem is that trade barriers in other countries insulate their markets from year-to-year fluctuations in worldwide supply and demand. The U.S. market must therefore absorb most of the shocks from throughout the world.

5. Five years ago the United States was the residual supplier for the world. Crop shortfalls were rather easily absorbed from our surpluses and the price consequences in our markets were minimal. Today we are still the shock absorber for the world, but shocks seem bigger and must be absorbed in our domestic markets, with more price repercussions.

6. Five years ago purchases by Communist countries from free-world countries were exceptional and practically none were being made from the United States. Today their orders have become the rule rather than the exception although the magnitudes are still very erratic.

7. Ten years ago, in the mid-1960's, poor countries were poorly fed and many were heavily dependent on the United States for food-aid under P.L. 480. Today they are still poorly fed. In the meantime our P.L. 480 program has gone through several stages. The program was scaled down in the late 1960's when the Green Revolution seemed to be solving the food production problem in developing countries. It then became almost purely a tool of foreign policy. As Congress slashed away at general foreign aid, the Administration latched onto P.L. 480 as a substitute in foreign diplomacy. In one year almost all P.L. 480 shipments went to Indochina. P.L. 480 then became the victim of the fight against food inflation and efforts to control Federal spending. In the past 18 months, P.L. 480 shipments have become more generous again and today we are supplying about 60 percent of worldwide food-aid. Nonetheless, today, P.L. 480 accounts for little more than 5 percent of our exports. Ten years ago it was one-third of the total.

In going from the old situation to the present, the common denominator has been U.S. agricultural trade. In recent years there has been a marked shift by both Communist countries and Third World countries toward more food imports from the developed countries. And the United States has been raising its share of the grain exports shipped from developed countries. From the 1969–1971 period to the 1973–1975 period we supplied 84 tons of every 100-ton increase in world grain exports.

Not only is U.S. agricultural trade bigger in the world context today than 5 years ago, it is bigger when it comes to U.S. international economic relations in total, and when it comes to our economy here at home. Of course, agricultural trade has always been important to this country. But something brand new may be happening with respect to agricultural trade policy.

For most of this nation's 200 year history, agricultural trade policy has been a relatively safe and stable compartment of national affairs. We have consistently favored freer international trade and especially free and expanded trade in agricultural products.

Our policy positions have followed quite naturally from two factors. The first was our national commitment to a free enterprise economy that emphasized individual initiative and accomplishment. The second factor was pure economics—our long-term comparative advantage in agricultural production. From the earliest days of the American colonies to modern American agriculture, agricultural exports have been in our national interest.

Today, however, the basic assumptions of our long-term agricultural export policy are being questioned more fundamentally than perhaps they have ever been before. Agricultural trade policy is no longer in a safe, stable compartment of national affairs. One reason is domestic inflation. Complaints about high and rising food prices have raised doubts in many minds about the desirability of greater agricultural exports. A second reason is simply the loss of confidence in the value of free markets domestically. The third reason is that popular support for a liberal overall international trade policy seems to be vanishing. If that umbrella goes, it will be hard to continue a free agricultural export policy.

From that early commitment to the principle of free trade, the United States has continued to pursue liberal trade between nations, and to seek easier access to markets for her agricultural exports abroad.

The path has not always been smooth. The free trade policy has always been subject to attack from special interest groups. Nevertheless, the free trade commitment has been more consistently followed than most of our national policies over a comparably long period of time.

The last time the U.S. political system rejected the free trade principle in a major way was during the tariff wars of the 1920's and 1930's. Along with generally unsound monetary and fiscal policies, the tariff wars helped bring on the Great Depression.

Like most traumatic episodes caused by policy errors, at least in a democracy, the seeds of correction were sown in the episode itself. Public and Congressional reaction in favor of free trade produced legislation in 1934 that provided the foundation for America's world economic leadership during the ensuing 40 years

AGRICULTURE AND FREE TRADE

The United States also backed away—somewhat inadvertently—from free trade in agricultural products during that traumatic period of the 1930's. The nation lost faith in the ability of free markets to effectively organize and reward agricultural production. We turned to government price supports and land control programs instead.

We still favored agricultural exports during the period that followed but found that our domestic agricultural programs forced the use of duties and quotas to restrict imports, and various kinds of subsidy programs to maintain our exports.

Over the years, government management of U.S. agriculture was found to be relatively ineffective. We made poor use of our agricultural resources. The government programs raised production costs by idling acres, hampering private management and discouraging desirable economic adjustments.

We also found that our use of agricultural import barriers and export subsidies encouraged other nations to adopt similar techniques.

Both the higher production costs and the proliferation of trade barriers hampered export market growth.

The conflict between our liberal trade policy and our managed agriculture helped turn the United States back toward a market-oriented farm policy starting in the mid-1960's. The surge in exports that followed pushed exports from $5 to $6 billion annually during the 1960's to the $22–$23 billion level today. Farm exports are now the nation's largest single source of foreign earnings, and a major underpinning of the dollar in foreign exchange markets.

Despite the obvious importance of our agricultural exports, and our long commitment to liberal trade, agricultural trade policy is currently in a state of some disarray. Fundamental questions are being raised about both free trade in general and agricultural exports in particular.

The support for liberal trade has always had to come from the general public because it was usually opposed by special interest groups. Today, the public support has been weakened by fears of inflation and examples of trade intervention by dozens of countries around the world. The success of OPEC makes cartels look attractive. The 40 percent increase in U.S. food prices in the last three years has raised consumer doubts about the wisdom of unlimited agricultural exports. And after the Soviet buying sprees, people question the ability of free markets to deal effectively with centrally-planned economies. Much of the Third World is pushing for an entirely new world economic order.

All of these developments have given ammunition to critics of free international trade.

It is true that the U.S. is proceeding with the Tokyo Round of trade negotiations. But the arguments in favor of free trade are rarely heard in public. Our free trade commitment is suffering from "benign neglect."

IS TRADE LIBERALIZATION STILL GOOD POLICY?

There are two basic paths this nation's trade policy can take today. One is to continue our efforts to liberalize trade between nations. The alternative is to move toward an administered world economy, with trade terms settled between governments.

The choice is much like the one facing us in our overall national economic policy—the basic choice between reliance on the discipline of markets or reliance on the discipline of government. As an economist and an ordinary citizen, I come down on the side of market discipline. But that would take me into a semi-theological issue.

The point is that, broadly speaking, the choices facing us are mutually dependent. If we go toward more government management domestically, we probably will internationally also. And if we do, it surely will alter not only agricultural trade but also the structure of our agricultural system.

So, is a policy based on the standards of free trade internationally a good policy? To me the case for trade liberalization is as strong as it ever was. In fact, improvements in transportation and communications are probably making it stronger than ever. And the arguments against trade liberalization are just as short-sighted and heavily oriented to special interests as ever.

I may not have glowing expectations for the Tokyo Round of trade negotiations, but the effort to liberalize trade is just as worthwhile as it has ever been.

Let me turn to some of the questions being asked which demonstrate that or liberal agricultural trade policy has become exposed.

1. Should there be U.S. government grain reserves to moderate fluctuations in domestic farm and food prices?

Clearly there are costs to both producers and consumers from unstable prices. If greater stability could be achieved with government grain reserves at small expense, it would be hard to argue against the idea. However, there are several reasons to doubt the efficacy of government reserves for purposes of price stabilization.

First, government reserves would probably turn out to largely substitute for holdings that would otherwise be held in private U.S. hands and in the importing countries. These private holdings currently are quite large, especially by farmers. I suspect that if the other nations of the world were really convinced that the U.S. would no longer hold their reserves for free, their holdings would increase substantially too.

The second problem is whether the U.S. government would really manage its reserves in a disciplined fashion. History shows it is all too easy for policy-makers to succumb to short-run political pressures, building stocks too high and releasing them too soon.

The third problem is that any price stabilizing benefits that actually are achieved would be partly exported to world markets. Either the United States would have to be willing to pay the costs of providing worldwide stability or we would have to institute some form of export management to insulate our markets. It is for this latter reason that U.S. grain reserves are potentially contrary to a free agricultural trade policy. Finally, in the long run, government-held reserves probably would lead us back into high price supports, then into surplus management and finally back into conflict with free trade.

2. Should the United States give higher priority to food aid? It is sometimes argued that everyone in the world has a basic right to an adequate diet, and that food-aid should be given priority over cash exports. In addition to presuming that the government should have a heavier hand in the export business, this view attributes more to food-aid than is warranted.

Food-aid has helped various nations through serious food emergencies. On the other hand, food-aid has seriously discouraged agricultural development in Third World nations.

* * * * *

Beyond that, bilateral agreements which have any content build rigidities into trade relations and make trade flows less flexible to changing economic circumstances. They also presume more government involvement in commercial trade than has been true in the past, especially in a tight year when quantitative commitments to supply might exceed exportable supply.

4. Does that mean our long-term grain agreement with the USSR was a mistake? Not necessarily. The Soviet Union, because of its huge size and its very erratic grain production, has been a powerful destabilizing force in world grain markets. The recently signed agreement adds a stabilizing factor. It will encourage the USSR to accept and store a minimum amount of grain even during good crop years, providing additional buffer stocks for poor crop years.

5. Should the U.S. Government take over agricultural exporting as a public utility? We have an experiment to help answer this question. Canada's Wheat Marketing Board has achieved a mixed set of reviews. In 1972, they sold all their wheat before the United States did, and at a lower price. The following year they held on too long for too high a price, losing sales and income for their farmers. In both cases they help destabilize grain markets in the process. Government management is far from a guarantee of perfect decision-making.

A government marketing board is also at a serious disadvantage in periods of ample supply, when private firms are out searching for customers.

Perhaps the key consideration is simply efficiency to get the job done. The Canadians have been unable to take much advantage of the growing world demand for grain, while U.S. producers and our grain marketing system have been able to expand exports sharply. This may have something to do with Canada's land and water resources. But, it also has to do with insulating their producers from market demand, with the lack of incentive to put money into export facilities, and with the unreliability of Canadian exports due to labor problems.

6. Should the United States exploit its "food power" as the OPEC nations have done? This question would never be asked by advocates of liberal trade. One really does not have to go beyond pure economics to answer this question. Acting alone we do not have a monopoly position in grain markets even though we have about one-half of world grain exports. The ability to expand production elsewhere is so great that any attempt to monopolize would last a very short time, if at all. And if it did work, it would be to the disadvantage of American producers unless a complicated system was devised to pass the monopoly profits back to them.

Why not form an OGEC (organization of grain exporting countries) with Canada and Australia? Economically it might be "effective" for a while but eventually it would suffer the same fate as if we did it alone.

7. Should U.S. agricultural exports be used for diplomatic leverage in dealings with other countries? It is appealing for agricultural groups to think of their exports as "food power" which enhances the U.S. posture abroad. To the extent we make sales and generate foreign exchange earnings, the benefits are great and our economic position is improved. However, to use food for diplomacy implies taking it away from those who fail to cooperate. To do this would be adverse to domestic producers, thereby discouraging domestic production. It also offends many sensibilities. For many centuries food has been used for political purposes, to maintain governments in power and to expand territories, but to turn our agricultural export capacity over to the use of a Secretary of State does not strike me as a good idea in the 20th Century. . . .

PRIVACY LAWS: A THREAT TO CRIMINAL JUSTICE

HON. WILLIAM S. COHEN

OF MAINE

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 17, 1976

Mr. COHEN. Mr. Speaker, on the editorial page of this morning's edition of the Washington Post appeared an article by James Russell Wiggins, former editor of the Post, former U.S. Ambassador to the United Nations and present editor and publisher of the Ellsworth, Maine, American.

Mr. Wiggins has for many months

been concerned about the long-range implications of Federal and State laws that close to the public the arrest records of persons acquitted of crimes and the records of those convicted who have completed prison terms or have been pardoned.

Mr. Wiggins has written many editorials on the issue in his newspaper in Maine, and in today's article he extends the debate on this issue to the National Capital. Mr. Wiggins fears that by sealing criminal records, the privacy laws may work against the public interest in several ways. He is particularly concerned that such laws may forever close to press and public scrutiny a considerable portion of Government activity.

Mr. Speaker, because of the importance of the issues involved and because the House Subcommittee on Civil and Constitutional Rights is now considering legislation on this subject, I urge all my colleagues who have not already done so to read Mr. Wiggins' thought-provoking article.

The article follows:

[From the Washington Post, Mar. 15, 1976]

Privacy Laws: A Threat to Criminal Justice

(By J. R. Wiggins)

Americans are risking their priceless heritage of a relatively open system of criminal justice that protects them against secret arrest, secret trial and secret punishment, by submitting to the enactment of federal and state laws enforcing privacy upon the arrest records of persons acquitted, and the files of those who have completed prison sentences, and records of those who have been pardoned.

Twenty-eight states have passed varying laws enforcing some degree of concealment, expungement, or sealing of such records. The Tunney subcommittee of the Judiciary Committee held hearings on a sweeping federal statute (S. 2008) last July. The Law Enforcement Assistance Administration has been promulgating regulations requiring the states to conform to concealment guidelines in the circulation of criminal justice information.

In the forefront of this assault upon historic protections against secrecy in the criminal justice system, odd to relate, are the American Civil Liberties Union, and liberal legislators such as Sen. John Tunney and Sen. Edward Kennedy.

The wave of privacy laws being enacted in the states already has brought to two states the reality of secret arrest which Americans have hitherto associated only with fascist and Communist countries.

In Hawaii, in August, 1974, Honolulu police, acting under a privacy statute, refused to release any information about incarcerations or arrests, and the public could not find out the names of those arrested or the offenses with which they were charged. A prosecutor refused to release the names of persons indicted by a grand jury.

Acting under their interpretation of an act lobbied through the Oregon legislature by the American Civil Liberties Union, law officers at the Umatilla county jail at Pendleton, Ore., held 175 persons in jail on Sept. 15, 1975, refusing to acknowledge their presence to relatives and friends or bail bondsmen. On Sept. 17, the Oregon legislature summoned into special session by Gov. Robert W. Straub, hastily repealed the law entirely. In Maine, acting under his interpretation of the Maine expungement statute, the then secretary of state, Joseph Edgar, in November, 1974, directed newspapers in the state to excise from their files records of the arrest and conviction and prison service of persons pardoned by the governor. (The Maine legislature now is considering legislation to repeal an expungement statute.)

Areyeh Neier, executive director, American Civil Liberties Union, in his testimony before the Tunney subcommittee on July 15 and 16 made a strong appeal for privacy of both arrest and conviction records. He said that only if the victim of an arrest consents should the fact be made public, and he argued that it violates due process to disseminate to the press conviction records "absent the individual's consent." If the press discovers the records, it should be free to publish them, in Neier's view—an empty privilege if laws punish all disclosure of the records. In its current solicitation of funds the ACLU states: "ACLU court cases and legislative action seek to open government actions to public view." S. 2008 and the Oregon, Hawaiian and Maine laws seem singular ways to "open government actions to public view." Neier revives a Blackstonian opinion that freedom of the press consists only of immunity to prior restraint in an age when society, by two centuries of experience, has found that it comprehends (1) the right to get information about government; (2) the right to print without prior restraint; (3) the right to print without fear of punitive punishment; (4) the right to distribute. A press that is deaf and blind, by law, is not able to make effective use of the power of speech.

The state laws already passed, and the agitation launched by ACLU and others, is already, in many practical ways, diminishing the power of the press to fulfill its function as the public's surrogate in the constant scrutiny of the law enforcement process. The extreme interpretation of the Hawaii statute, the Oregon statute, and the Maine statute flow logically from the spirit of the expungement and concealment laws. They give a sanction to secrecy by police and courts. Over time, they will draw about the transactions of the police and the courts a cloak of secrecy that will be so difficult to penetrate that citizens will come to know very little about criminal justice processes.

The very citizens these statutes are intended to protect will have their basic rights imperiled, exposing them to the risk that none will learn of their arrest, scrutinize the conduct of the police and judges who deal with them, or keep alive the just public concern with the conditions of their incarceration. These are all public matters that involve all of society which is interested in seeing that justice is done and injustice is not countenanced.

PINE TREES GROW IN IDAHO'S MINING TUNNELS

HON. STEVEN D. SYMMS

OF IDAHO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 17, 1976

Mr. SYMMS. Mr. Speaker, the House Committee on Agriculture has recently finished consideration of budget levels for the upcoming fiscal year within the Forest Service. A large part of that discussion centered around this Nation's failure to maintain adequate reforestation activities on the national forest system.

In the course of those budget sessions, I ran across an interesting application of technology which has enabled Idaho foresters to grow over 4,000 pine trees deep in the tunnels of Idaho's mining district.

I would like to enter an article of February 12 from the Gazette Record about this accomplishment in the Record at this point:

[From the Gazette Record, Feb. 12, 1976]

Trees Grow Great 3,000 Feet Down at Bunker Hill

Deep in the sunless depths of the 90-year old Bunker Hill mine in Kellogg over 4,000 pine trees are growing and thriving in an old, worked out tunnel, located over 3,000 feet underground.

The idea of growing vegetation underground is not new, but this probably marks the first time a mine has been used to produce large quantities of plants for practical application.

Local lore has it that the first plant grown underground was an orange tree which sprang from a seed an unknown miner spit out while several feet underground.

Since that discovery, miners have grown many types of plants underground, including vegetables and flowers, even fruit trees, often with spectacular results. The plants are easy to care for requiring only occasional fertilizer, water and the light supplied by incandescent bulbs. Only recently has the potential for large scale production been explored.

Last year, Bunker Hill, a subsidiary of Gulf Resources and Chemical Corporation, launched a massive program to revegetate 18,000 acres of land near Kellogg which had suffered many years of environmental insult from both nature and man. Over 45,000 trees were planted last spring. Millions more are scheduled to be planted in the next 10 years.

The revegetation program is directed by Ed Pommerening, a 29-year old graduate of the University of Idaho School of Forestry, who joined the Bunker Hill in 1974.

Pommerening's research to determine plant species best suited for the Silver Valley area also demonstrated that trees grown in containers in a greenhouse had better survival and growth rates than those grown in outdoor seedbeds and planted with bare roots while dormant.

While containerized trees offer obvious advantage, there are two drawbacks, both economic. They are very expensive to purchase, and even more expensive to grow because of the high costs of constructing and operating enough conventional glass greenhouses to produce the 200,000 trees required each year for the revegetation project.

Pommerening had heard the stories about miners successfully growing plants underground, and decided to investigate the possibilities.

He found almost all the necessary elements for plant life exist in the mine. The temperature underground is constant and the humidity is nearly 100 per cent. Further, a mine provides a disease-free environment containing no insects. The only missing element is sunlight. But, sufficient artificial light can be provided by high-intensity multi-vapor quartz lamps.

Pommerening reasoned that a greenhouse underground would save construction costs of a conventional greenhouse and also save the costs of heating in the winter and air conditioning during the hot summer months. The trees would also be available as needed without shipping costs or delays. He estimated he could produce trees underground for $80 per thousand, compared with $300 per thousand demanded by commercial nurseries.

Bunker Hill appropriated $3,000 to construct a prototype greenhouse in a ventilation tunnel on number five level of the mine, 3,000 feet underground. The temperature at the site is a constant 75 degrees year around and ideal humidity.

The rather simple structure consists of a 40-foot timbered frame supporting a solid roof, a wooden floor, and two long benches for the container racks. Eight 1,000 watt lamps hang over the benches at 10 foot intervals and provide illumination 12 hours per day to simulate th esummer day length.

On September 2, 1975, Pommerening planted 4,000 containers with ponderosa, lodgepole, and austrian pine seed. Within a week, they began spouting, and within five months have grown a healthy five inches, far surpassing the growth of seedlings planted at the same time in a conventional greenhouse on the surface.

The success of the experiment has prompted Bunker Hill to extend the greenhouse another 40 feet, increasing the growing capacity to 13,000 trees. The trees will stay in the greenhouse six months and will then be transplanted in the spring. A second crop will be planted in March and transplanted in the fall.

Ultimately, the greenhouse may be extended to a total of 510 feet, which will produce two successive crops of 100,000 trees per year for use in the revegetation project.

There has already been widespread interest in the project by timber and mining companies around the country who feel the greenhouse is not only novel and interesting, but may prove to be the most efficient and economical means yet developed for producing the millions of trees required each year for forestation and revegetation projects.

The full potential is not yet known. But what started decades ago with an orange seed is being developed today by a modern Johnny Appleseed with an idea and a goal of making a valley green again.

GREATER PROTECTION TO CONSUMERS IN BANKRUPTCY

HON. MILLICENT FENWICK

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 17, 1976

Mrs. FENWICK. Mr. Speaker, today I am reiterating, with 15 of my colleagues, H.R. 11871, a bill to afford greater protection to consumers in bankruptcy proceedings. Increasingly, retailers and service establishments tend to accept partial or full payment from customers, and then file a petition in bankruptcy before delivering the goods and services promised. When the bankruptcy proceedings are held, the consumer is far down the list of creditors and risks the chance of never seeing his money again. This is clearly an injustice to the consumer and I hope my amendment to the Bankruptcy Act will remedy it.

The current law lists five categories and the order of creditors who are to be paid off in a bankruptcy proceeding. The priorities are: Administrative fees for processing bankruptcy; wages due to employees; expenses of creditors in previous suits which have led to the bankruptcy proceedings; Federal, State, and local taxes; and debts owed under government laws and contracts. Consumers usually are listed as "general unsecured creditors." In the case of a bankruptcy, they are allowed to share equally with all other unsecured creditors what is left of the bankrupt's assets after the secured creditors and those with priority debts have received their share. In most cases, this means that consumers recover nothing. By the time they are allowed to collect on their claims, nothing is left in the bankrupt's estate.

My bill would create a new, separate category for consumers, adding them to the priority list of creditors. In the order of priority, consumers would come after administrative costs, wage claims, and expenses of creditors in previous suits which have led to the bankruptcy proceedings.

There are an average 26,000 annual commercial bankruptcies in this country. While the majority of these cases involve small proprietorships with few if any consumer creditors, each year there are a number of bankruptcies involving major retail stores and consumer outlets. A department store is likely to produce from 500 to 5,000 unsatisfied consumer creditors, and the bankruptcy of a major consumer outlet may produce many thousands of unsatisfied consumer claimants.

In one case, Shield International, Inc., of New York City, a mail-order firm, filed for an arrangement under chapter XI of the Bankruptcy Act. It listed among its unsecured creditors 4,616 consumers who had paid in full for undelivered merchandise. These consumers were notified of the proceedings and advised to file proofs of claim in order to obtain their merchandise or recover their money. Many consumers, confused by the notice, wrote letters to the bankruptcy referee complaining about not having received their merchandise. Only a few filed proofs of claim. A few months later, the case was closed. None of the consumers received their merchandise or got their deposit back.

Legislation is urgently needed to correct the many abuses consumers experience in their dealings with businesses which accept consumer deposits and then enter bankruptcy proceedings. The Bankruptcy Act was last overhauled in 1938 by the Chandler Act. Since then, many provisions of the act have become outmoded or inadequate for present needs. Last January, H.R. 31 and 32 were introduced in the House. Both of these bills provide plans which would thoroughly revise the current Bankruptcy Act. Yet as comprehensive and as far-reaching as these plans are, they still lack a protective measure for consumer creditors.

Some have questioned the inclusion of an additional priority claim under the theory that in a bankruptcy, the bankrupt's assets should be divided as equally as possible. However, the major creditors in a bankruptcy are usually well-organized interests like banks and insurance companies, which are able to represent their own interests more than adequately. Consumers, who are most often unorganized and ignorant of their rights in bankruptcy procedure, would undoubtedly lose out to these interests if all were given a strictly "equal" opportunity to claim part of the bankrupt's assets. In addition, a consumer considering placing a deposit with a retailer has relatively little means of knowing the financial condition of the retailer and for this reason is in a far less advantageous position than other general creditors to avoid committing funds to what may already be a "sinking ship."

Low-income consumers are especially vulnerable because they are most apt to make payments under an installment plan or shop in a financially marginal neighborhood store. The loss of a $100 deposit can have a devastating effect on a low income individual.

I have made an informal survey of several State attorneys general about the need for legislation to protect the consumer creditor, with a favorable response. Officials from California, Massachusetts, Maine, Minnesota, New Jersey, and Utah cited cases where thousands of consumer creditors were unable to collect under bankruptcy proceedings. State officials from Alaska, Arizona, Hawaii, Maryland, New York, North Dakota, Oregon, South Dakota, Vermont, and Wisconsin wrote in strong support of a new priority to protect consumers.

As director of New Jersey's Division of Consumer Affairs, I became aware of many cases of straight fraud—deposits accepted and no orders placed for months before the bankruptcy was filed—which left innocent consumers with no recourse. Without a clearly established priority, businesses will surely establish claims before consumers can move and the race will indeed be won by those who are better equipped and more able to win.

POST ROADS GIRL SCOUTS HELP TO SAVE ST. PAUL'S CHURCH

HON. RICHARD L. OTTINGER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 17, 1976

Mr. OTTINGER. Mr. Speaker, last week was National Girl Scout Week and Girl Scouts everywhere celebrated their 64th anniversary. To the Post Roads Girl Scout Council of Westchester County, N.Y., the anniversary highlighted the local organization's special commitment to the preservation of a landmark which represents the beginnings of our American freedom of the press and the Bill of Rights—St. Paul's Church of Mount Vernon, N.Y.

This national shrine to the Bill of Rights was the site of the events leading up to the celebrated trial of John Peter Zenger which was responsible for the later incorporation of our free press guarantees in the U.S. Constitution. I, along with Senator JAVITS, have introduced legislation calling for the National Park Service to permanently maintain and administer this national historic site. The Post Roads Girl Scouts have been an invaluable help in rallying public support for this measure.

The Post Roads Council has recognized a need to act as an advocate for future generations of youth and to work to preserve this symbol of our American freedom. Beginning in 1971, Post Roads Girl Scouts began an outstanding Bicentennial project—a restoration project in the cemetery to help uncover overgrown gravestones, record their fading inscriptions and mark their locations on a map to confirm, correct or complete existing records.

Under the direction of Mrs. Eugene Moskowitz, then president of the Society for the National Shrine of the Bill of Rights and now a council board member, Mrs. Arthur Willis, then an executive staff member and now retired, and Mrs. John McNamara, project coordinator, hundreds of Girl Scouts representing several communities volunteered to help. These girls were witness to the further deterioration of this nationally significant site. The 4-year project, combining educational experience for girls with a service project for a revered and imperiled national landmark, has grown into a commitment by the adults of the council to help save the landmark for future generations.

Under the leadership of council president Ms. Herbert T. Kerr of Ardsley-on-Hudson, N.Y., executive director Ms. Edward T. Blauth, and Ms. Carmen Corbin, publicity director, the council mounted a campaign to arouse the interest of Girl Scouts everywhere and to solicit their aid in demonstrating the Girl Scout concern for this national treasure. As a result, the newly elected president of the Girl Scouts of America, Dr. Gloria D. Scott has lent her support to the project.

The council has been commended for their project in St. Paul's cemetery by the National Trust for Historic Preservation, the Ann Hutchinson and Knapp Chapters of the New York State chapter of the Daughters of the American Revolution, American Girl magazine, and Girl Scouts of the U.S.A. I, too, wish to commend the Post Roads Girl Scouts for their fantastic efforts on behalf of this cherished shrine.

LT. GUS RETHWISCH RETIRES FROM TORRANCE POLICE DEPARTMENT

HON. GLENN M. ANDERSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 17, 1976

Mr. ANDERSON of California. Mr. Speaker, on Friday, April 2, members and friends of the Torrance Police Department will gather together to give a fond send-off to an old and trusted comrade. After 26 years on the force, Lt. Gus Rethwisch is retiring from police work.

"Gus," as he is affectionately known to his many friends on the force and on the golf courses of our area, was born in New Jersey 59 years ago. After serving in the U.S. Infantry during World War II, Lieutenant Rethwisch joined the Torrance Police Department in 1949. He graduated from El Camino College in Torrance, and attended California State University at Long Beach, majoring in criminology.

Lieutenant Rethwisch has returned to El Camino as an instructor of law enforcement and police science, sharing his many years of experience with young students considering law enforcement as a career.

During his long career with the Torrance Police, Gus was promoted to sergeant in 1957 and to lieutenant only 2 years later, in 1959. He saw tours of duty on the patrol, traffic, juvenile, records and identification, services, and planning divisions, and also served as a court liaison officer.

Besides his interest in golf, Gus is an avid fisherman, and an ardent fan of the theatre. He is a member of the Torrance Police Officers Golf Association, the Los Angeles County Peace Officers Association, Torrance Elks Lodge No. 1948, Masonic Lodge No. 447, El Toga Shrine and Al Malaikah Shrine.

Mr. Speaker, the people of Torrance have long been fortunate to be served by an outstanding police force. With personnel as outstanding as Lt. Gus Rethwisch, the force has combined effectiveness as a law enforcement organization with consistently friendly relations with the community at large.

When his retirement dinner is held on April 2, the many friends Gus has made over the years will have an opportunity to congratulate him on a successful career. And the people of the Torrance community will have a chance to thank him for his many years of service on their behalf. My wife, Lee, and I join in this acknowledgement of Gus' achievements and service.

Undoubtedly, Lieutenant Rethwisch will be able to fully enjoy his many activities and interests after he hangs up the badge. I also understand that he plans to do some extensive traveling with his lovely wife, Ruby, and their son, Larry. His family and friends must be very proud of the recognition being given Gus as he retires.

HOW TO HALT EXCESSIVE GOVERNMENT REGULATION

HON. MARTIN A. RUSSO

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 17, 1976

Mr. RUSSO. Mr. Speaker, one of the most consistent complaints received from businessmen in my district is one aimed at the extensive regulatory arm of the Federal Government. Government forms, environmental impact statements, and all sorts of regulatory requirements have served to harass, perhaps unduly, the legitimate enterprises of our most industrious citizens.

The issue of Government regulation, like all issues we face in the national legislature, is a most complex issue. The public interest is best served when the governed and the Government fully understand the important economic, social, and political implications of government regulatory policy. Only through effective communication among government, the business community, and the American people can our democracy function in a truly effective manner.

Mr. Speaker, a recent article that appeared in "Nation's Business" written by the distinguished chairman of the board of Pepsi-Cola, Mr. Donald Kendall, is a most objective and thoughtful treatment on the problem of excessive Government regulation. At this point I would like to insert this article in the RECORD and I recommend it to my colleagues:

HOW TO HALT EXCESSIVE GOVERNMENT REGULATION

(By Donald M. Kendall)

Government regulation of business is accelerating. Government is not only involving itself more and more in the affairs of business, but in entirely new directions.

This is a legitimate concern of every thinking businessman and businesswoman in the country. Therefore, the sooner we make our own realistic appraisal of government's larger presence in business, the sooner we will be able to adjust our thinking and to cope with it.

We will, of course, always have government regulation; there is no escaping that fact. But we need to know how to live with regulation and to hold it in check.

To begin with, there are today at least three ways in which government's attitude toward business is undergoing a drastic change and bringing about increasing control.

FIRST CHANGE IN ATTITUDE

The first change in the attitude of government has to do with the consumer. Government is redefining the responsibility of business for the protection of the consumer and is assuming obligation for the enforcement of that responsibility. Here are some of the things which government has done in recent years, or is projecting, relating to the consumer:

An Office of Consumer Affairs has been established, headed by a special assistant to the President.

The Consumer Product Safety Commission has been legislated into being and is operating in Washington.

Other government agencies, at the behest of the President or Congress—or on their own initiative—are expanding their consumer programs affecting business. The Food and Drug Administration and the Federal Trade Commission have both broadened their activities, for example, with the latter projecting an extensive new program to regulate advertising.

In a word, the doctrine of caveat emptor is just about dead. It is now the maker and the seller who must beware, and not the buyer.

SECOND CHANGE IN ATTITUDE

The second change in the attitude of government toward business has to do with the environment. Government is redefining the responsibility of business for the protection of the social and physical environment and is assuming obligation for the enforcement of that responsibility.

For example, Environmental Protection Agency activities are expanding, especially in regard to the automotive industry, the pulp and paper industry, and packaging. Emission controls for automobiles and proposals for a ban on nonreturnable containers are two examples of such extended activity.

THIRD CHANGE IN ATTITUDE

The third change in the attitude of government toward business has to do with the structure of business, from entire industries to individual firms. Government seems to be seeking every opportunity to regulate every phase of business.

Here are some examples of what government has done recently, or is now projecting, pertaining to the structure of business. In one sense, this type of government control is as old as the Sherman Antitrust Act, updated and extended by the creation of the Federal

Trade Commission; in another sense, it breaks entirely new ground.

For example:

Stepped-up antitrust activity by the Justice Department, as exemplified by government suits against International Business Machines Corp. and the American Telephone and Telegraph Co.

Orders by the Federal Trade Commission that companies be required to report publicly on sales and earnings by each product line.

Pending legislation to break up companies in such so-called concentrated industries as oil, steel, and automobiles.

Legislation enacted a few months ago giving the President new powers to control the flow of energy supplies, continuing price controls on domestic oil, setting fuel efficiency standards for automobiles, and authorizing government checkups on information given federal agencies by energy producers and distributors.

Proposed legislation for the federal chartering of corporations, including specific requirements for government-appointed board members with access to all company data who would have the option to publish the information.

CONSEQUENCES OF DELAY

Whether or not the items listed here are still in the debating stage, they illustrate an established trend of accelerated government intervention in business. Given the favorable attitude toward this trend generally ascribed to the 94th Congress, the situation must be taken seriously by top business management—which means that to delay doing something about it could prove disastrous for the American incentive system and for the American people.

Paradoxically, by what business has done, as well as by what it has not done, business has added fuel to the acceleration of government control.

For one thing, business has encouraged government involvement in business affairs by seeking special help from government in certain situations. The problem here is a complex one, and businessmen have not always been to blame.

It is a fact of life that government can grant favors and that its ability to do so is a function of its power. With hundreds of billions of dollars to spend on goods and services, government is a particularly good customer of business.

So long as the meeting between the two takes place in the open market, no harm is done. But when businessmen seek special legislative treatment as suppliers to government, business tends to make itself dependent on government and, to that extent, impairs the market system.

UNREASONED ANTIPATHY

A second way in which businessmen abet the spread of government involvement in business is by unreasoned antipathy toward government. By failing to appreciate the essential functions of government appropriate to a democratic society, some businessmen—too many, in fact—disqualify themselves as relevant voices in public debate.

Clearly, good government is vital to our society in carrying out effectively the duties and responsibilities assigned to government by the Constitution and the law of the land. When businessmen fail to affirm the need for good government and refer to government as evil per se, they lose both credibility and influence.

Although political democracy and an economic system based in private enterprise are in many ways interdependent—and always will be—there is, by the very nature of things, a built-in tension between them. The interests of business and other social institutions, government included, do not always appear identical. They often must be reconciled through negotiation and trade-off.

FAILURE TO COMMUNICATE

Business, therefore, does itself no good by dismissing the claims of government or of any other social institution. If the claims have merit—as some of those of consumers and ecologists, for instance, have proved to have—they will be met in spite of the aloofness of business and without the socially constructive help which business is so well-equipped to contribute.

A third way in which business paradoxically encourages increased government regulation is by failing to communicate clearly and convincingly to its many constituents—customers, employees, stockholders—and by failing to get its story across to the media.

The fault is not always the fault of business. For a number of reasons, the media often distort the business picture. Scandals involving a handful of shady operators make the headlines, for example, while the daily constructive and ethical activities of reputable businessmen—that is, the vast majority—go unnoticed.

Thus, the judgment of the general public tends to be formed on the basis of sporadic aberrations, rather than on the sustained performance of the private business system.

The result—both of ineffective communication by business and unbalanced reporting about business—has been and is a pervasive popular antipathy toward business, which reflects itself in the election of many antibusiness public officials and the passage of much of the antibusiness legislation which we see today.

Still, it is too easy to point the finger at the media and to feel sorry for ourselves. The truth is that, if the story of business is not being accurately and adequately told, it is the fault of business. The blame can be put on no one else.

Business management, therefore, must communicate, not only to the media, but to everyone concerned. This is the reality we must face up to. And the art of communication, as we employ it, must include both knowing exactly how to communicate and specifically what to communicate.

DUAL RESPONSIBILITY

In other words, the business executive's overall responsibility for the business climate is a dual obligation both to inform and to be informed by public opinion. The problems of business in dealing with government are relatively simple. Regulation becomes a problem only when enough public support has been mustered to legislate it.

The real challenge to management is to win enough public support to head off government action which is likely to be harmful to business and which is without social merit.

Effective action of this kind on the part of business is possible. This has been demonstrated in at least two recent and important cases.

1. When the Justice Department announced its suit against the American Telephone and Telegraph Co., the larger part of the national press—not generally probusiness—was opposed to the government's action.

2. Elements of the 1974 Trade Reform Act favoring free international trade can be traced to the active involvement of businessmen working together through the Emergency Committee for American Trade.

In one case, a private company, and in the other, an association of private businessmen, worked methodically and unremittingly to solve a problem. The problem in both cases, as businessmen saw it, was that the proposed public policy would injure both private and public interests. In both cases, businessmen assembled the facts to support their positions and communicated them with skill and diligence to the public at large and to interested groups, both in and outside government.

AT&T was able to demonstrate that breaking it up would only result in higher prices and poorer service to the public. The Emergency Committee for American Trade showed that certain kinds of restrictive international trade policies were detrimental to both the United States and the international economy.

COME OUT OF HIDING

The issues involved in both instances have, of course, not been resolved, but then, in a free dynamic society, issues rarely are. However, these examples do suggest a number of guidelines for management in dealing with public issues affecting the business climate.

Business managers must come out of hiding on social questions affecting their companies and industries, and they must pay a more active, forthright role in public debate. There is a powerful tendency among businessmen faced with criticism to call out the technical troops—lawyers, scientists, public relations people, among them—and to retire to the familiar and comfortable worlds of finance, marketing, administration, and so on.

Needless to say, management in this complex world needs all the technical assistance it can get, but technicians are only as effective as the leadership they work under. Ultimate responsibility for dealing with the world in which the company operates rests with top management, and this responsibility cannot be delegated.

Not only is it top management's job, but in the light of mounting criticism of business and the growing trend for this criticism to be translated into government action, it is a top-priority job and an urgent one.

To deal effectively with criticism, management must be sure of its own position. It is vital to listen, actively and creatively, and to evaluate criticism on its own merits.

Is the criticism bigness? Well, what does bigness mean? What is the optimal size of a business organization, for what purpose, and from whose point of view? What are the alternative methods of industrial organization, and what are their social and political implications? What would the results of such industrial reorganization be in terms of costs, distribution, prices to the consumer?

HOW CLEAN IS CLEAN?

Is the charge pollution of the environment? Well, what are the facts? How clean is a clean environment, and how much is society willing to pay for what level of cleanliness? At what point are we willing to trade off ecological for economic factors?

Is the question one of excess profits? Well, when are profits excessive? What is the relation between profit on one hand and supply and demand on the other? Between profit and capital accumulation to finance commerce and industry? Between profit and willingness to assume risk in order that the goods and services society wants and needs get produced and distributed—and that the all-important jobs be created?

QUESTION OF ETHICS?

Is the charge that businessmen are unethical? What are the facts? Which particular businessman in what specific circumstance? What is the difference between illegal and unethical activities? By what system of values is an act judged unethical?

Is the charge that merchandise is shoddy or dangerous or that service is poor? What is the responsibility of the maker and seller, on one hand, and of the buyer and user on the other? What recourse does a competitive market provide the consumer?

Is the charge that advertising and packaging mislead the consumer? Are people buying too much of what is bad for them and too little of what is good for them? Well, what is the presumed level of competence of an adult citizen in our society? And who is making the presumption? Moreover, if the popular level of taste or judgment is deemed too low, then who shall have the responsibility for raising it? And will that power be enforceable by government? And how will it be policed?

REAL AND RELEVANT

In the contemporary business climate, in the current social debate, these are all real and relevant questions—and there are many more. They are difficult questions, and they will not go away. Managers must ask these questions of themselves before they confront the critics of business with them.

Moreover, the answers cannot be routine or mechanical because the issues go to the heart of the free-market system. They must be founded in conviction about the kind of society we want, and they must be well-documented.

However, knowing where he stands on social and political issues as they relate to business is only half of the business manager's job. The other half of his job—the important half at the present time—is to communicate.

He must communicate and keep on communicating until he gets the truth across—until he makes his voice heard and his influence felt.

The newspaper editorial and the TV newsclip have a direct bearing on what happens in the polling booth. Legislation tends to follow hard upon photographs of geese dying in oil slicks, automobile accidents, or women with baby carriages marching in protest.

Against a backdrop of such high emotionalism, it is admittedly not always easy to communicate coolly, clearly, and wisely. But it is essential for the economic well-being of the country that businessmen not be singled out as the villains in these daily dramas and that businessmen not react defensively.

If industrialization creates ecological and social problems, responsibility for solving them rests with everyone who participates in them—which is everyone.

The businessman is a citizen, a family man, a sharer of social values like everyone else.

HIGH RESPONSIBILITY

He should be prepared to present himself as such, to argue each case on its merits, and, if he believes in it, to argue the merits of the free-market system with skill and imagination. He should see this as a high-priority responsibility and take every opportunity to accept this responsibility individually as a representative of his business or in association with others.

If the media are, as many businessmen believe unsympathetic toward business or poorly informed about it, that is no reason to hide from the media.

It is all the more reason to regard media relations as a tough management problem that must be solved. But it is by no means an impossible problem.

GET BUSY AND DO IT

The way to solve this problem is to get busy and do it. Business surely has all the resources and organization needed to communicate adequately and effectively to the media and to all individuals concerned.

Similarly, in government relations, communications can be vastly improved between businessmen and government officials by making use of every opportunity for formal and informal contact. It is surely worth the effort.

Government regulation will always be with us. But there is no sense in letting the present trend continue, allowing government regulation to get out of hand, when, by waking up to the situation and putting forth the required effort, we can live with regulation and hold it in check.

SOLVING THE MEANS TEST PROBLEM NOW

HON. H. JOHN HEINZ III

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 17, 1976

Mr. HEINZ. Mr. Speaker, the swift passage of H.R. 12455 which calls for delay of individual means testing for some groups until October 1 of this year—shows that when Congress wishes to move with alacrity, it can. I support this measure, but only as a step to forestall the impending disaster of having to implement this measure on April 1. Congress should now act with equal speed to prohibit individual means testing for the elderly, blind, and disabled, a measure which an overwhelming majority of individual constituents and citizen groups nationwide support.

H.R. 12455 which calls for an extension from April 1 to October 1, 1976 of the maximum period during when recipients of services under title IV–A and VI of the Social Security Act may continue to receive services under title XX of that act without individual determinations, does not solve the problem of eligibility determination of the elderly, blind, and disabled. It merely puts off until a time when it is unlikely that Congress and the administration will be able to act on it effectively—the time of our national elections.

The question is—what reason do we have to delay this issue until after the elections. All sides have been heard. An impressive array of testimony and evidence has been marshalled which supports the contention made by senior citizens, blind, disabled, and other groups that the individual eligibility determination procedure is degrading, wasteful, and ineffective in targeting title XX moneys to these groups who need them most.

There are many groups who have already had to give individual means testing. Continuation of group eligibility—really area eligibility for group services—under H.R. 12455 depends on prior designation of a geographic area as imposed or as a poverty target area. But in many rural areas, and for persons and groups of persons who may have individual incomes below State title XX eligibility levels who live outside of these title IV–A and VI areas, this "grandfathered group" eligibility does not apply. They must take the means test now.

The individual means test under title XX is thus already inequitably applied, and has been demonstrated to be unworkable both in terms of administrative feasibility and senior citizen acceptance. H.R. 12455 is needed as a measure to forestall the immediate implementation of that procedure—but it should not be left to stand alone until October 1 which, practically speaking, means until after the elections. I believe that Congress must settle the question now by voting any suitable measure, for example, H.R. 8922, that would eliminate individual means testing for those categories of individual and services which have been shown to merit such exemption on both humane and economic grounds—the elderly, the blind, and the disabled. These groups clearly have inordinate difficulty in complying with individual means tests. They are less able to provide for their own needs on their own initiative without some form of assistance in the form of social services, and unlike children, do not have a societally designated caretaker or parent.

We should not delay any longer. We have within our power the capability to remove this grim barrier to help for those groups. We should finish the job that H.R. 12455 addresses itself to before the next congressional recess.

SUGAR AND SUPPLY AND DEMAND

HON. PAUL FINDLEY

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 17, 1976

Mr. FINDLEY. Mr. Speaker, the free market is working. Sugar prices are balancing at a reasonable price. In fact, consumption is increasing because of moderate prices. That must be taken as good news by the sugar industry. Under the old Sugar Act, the price objective for January 1976 would have been $13.71 per hundredweight. The current domestic spot price is $15.50 according to Richard E. Bell, Assistant Secretary for International Affairs and Commodity Programs, USDA. At the same time, the market has worked to provide lower prices to the consumer for sugar in 5-pound bags and in processed foods.

Contrary to the doom predicted by the sugar lobby, the sugar industry and the consumer both have benefited from the change in the law.

Mr. Bell's comments also address the timely subject of sugar substitutes. Artifically high prices do encourage substitute products. The competition from lower-cost high-fructose corn syrup should be a warning to the proponents of a new sugar act. Higher prices and restrictive production will hasten the demise of the sugar industry. The free market is the sugar industry's friend, even if it does not treat the sugar lobby as sweetly.

Text of Assistant Secretary Bell's remarks follows:

THE OPEN SUGAR POLICY: ONE YEAR'S EXPERIENCE

(By Richard E. Bell)

Last year, for the first time in 40 years, the United States had an open-market policy for the production and marketing of sugar.

Expiration of the U.S. Sugar Act on December 31, 1974 removed quotas on domestic cane and beet supplies. The decision in 1973 not to continue economic provisions of the International Sugar Agreement and expiration of the Commonwealth Sugar Agreement in 1974, placed trade of world sugar on a much freer basis. The only limitations for U.S. sugar imports in 1975 were a nonrestrictive 7-million ton global quota and a tariff of .625 cents per pound. The same provisions apply this year.

At the beginning of 1975 there was anxiety in some quarters of government and industry about possible effects of an open-market policy on U.S. sugar production and trade.

Domestic sugar prices had reached $64.50 per cwt. on November 20, 1974, and sugar prices in the world market also were at a record high. There was concern about increased beet acreage and about prospects for increases in both cane and beet sugar production. There was apprehension about reduced returns and consumer resistance to high sugar prices.

But, in fact, 1975 turned out to be a relatively good year for the U.S. sugar industry. Prospects for increased production did prove to be correct. The 1975/76 sugar crop is now estimated at 82.3 million metric tons on a raw value basis—a record output and some 4 million tons above production in 1974/75. Prices, in recent months, have remained between 14 and 16 cents per pound in contrast to unprecedented highs in 1974. And consumption is on the rise following the decline in price. Price is balancing supply and demand.

Increased world sugar production in 1975/76 is primarily the result of expanded beet plantings, particularly in Europe and the United States. But also contributing is slightly higher cane production.

U.S. beet sugar production is expected to total 750,000 metric tons more than a year earlier, while cane sugar will be up about 300,000 metric tons. Output in Europe is expected to be about 2 million tons higher. Expanded acreages, both here and in Europe, were encouraged by the higher prices prevailing early in the season.

World stocks at the end of the 1975/76 crop year are estimated to total about 15 million metric tons. If estimates are correct, world stocks as a percent of world consumption will have declined over a 10-year period from around 35 percent in 1966/67 to less than 19 percent in 1975/76. If stocks remain at the current relatively tight level, there will be no real threat of a depression in sugar prices.

One of the most significant effects of the U.S. open-market sugar policy is the changing pattern of U.S. sugar imports. In 1975, U.S. raw sugar imports totaled 3.3 million metric tons—a decrease of more than one-third from the previous year. At the same time, refined sugar imports increased from about 200 tons to 150,000 tons.

During 1975, imports of sugar into the United States were considerably reduced from such traditional suppliers as Brazil, Mexico, the Philippines and Venezuela as compared with a year earlier. On the other hand, U.S. sugar imports from Australia almost doubled.

Establishment of a quota which is essentially unrestrictive, maintaining the tariff at its lowest legal rate, and failure to extend the Sugar Act all signalled a shift in U.S. policy toward a freer market for sugar. These all were actions consistent with policies being pursued for other U.S. food and fiber commodities.

For the past several years we have been pursuing an international commodity in agriculture based on the same principles as our domestic agricultural policy. We have been urging market orientation. We have been urging the removal of production and import restraints on agricultural products. We have been urging removal of restraints which limit consumption. We have been urging adoption of policies which stimulate food production in chronically food-deficit countries.

At present, our efforts are concentrated in the Multilateral Trade Negotiations taking place in Geneva under the auspices of the General Agreement on Tariffs and Trade (GATT). But we are also pursuing these same objectives in the Organization for Economic Cooperation and Development (OECD) in Paris as well as at the International Wheat Council (IWC) in London and in ongoing bilateral discussions with our international trading partners.

It would be these same principles that would guide our participation in any renegotiation of the International Sugar Agreement. The United States is not a signatory to the present International Sugar Agreement. Meetings to renegotiate the International Sugar Agreement are scheduled to take place in Geneva from September 13 to October 15, 1976. The United States plans to participate in those meetings.

International commodity agreements of the traditional type, such as the International Sugar Agreement, and restrictive domestic legislation, such as the U.S. Sugar Act, are clearly not consistent with the aims of our present national agricultural policy. We are not interested in outdated concepts where price ranges are set and supplies and markets allocated among participants. We do, however, see some merit in international agreements which facilitate the exchange of market information and provide mechanisms for international consultations on short-term commodity problems.

Without traditional institutional arrangements of the International Sugar Agreement, some people thought the world price of sugar would fluctuate wildly. Without the U.S. Sugar Act, some suppliers felt the differential between the price objective under the Sugar Act and world prices would widen substantially. Neither has proved true. Prices have declined gradually. They have not fluctuated unduly. Under the old Sugar Act, the price objective for January 1976 would be $13.71 per cwt. The current domestic spot price is $15.60.

Perhaps the greatest problem created by protectionist measures for sugar—as well as for almost any other commodity—is invitation for substitutes when the price level is too high. This has happened to sugar. Primarily because of favorable prices, corn sweeteners have gradually made great inroads into the U.S. industrial sweetener market.

The dramatic sugar price increases in 1974 stimulated a substantial increase in facilities to produce the relatively lower-cost high-fructose corn syrup (HFCS). Even greater inroads into the demand for sugar in the United States can be expected as these plants begin production in the late 1970's.

Corn sweeteners may now have a long-run comparative advantage over sucrose (sugar) in many food processing applications in the United States. The implications for sugar suppliers—domestic and foreign—are clear. Unless sugar remains competitive in price, HFCS will at a minimum take market growth from sugar. U.S. sugar consumption, therefore, could remain relatively static over the next few years. U.S. cotton and dairy industries have had similar experiences with substitutes.

Trading commodities in a relatively free and open market tends to discourage introduction of substitutes. Broadening of the world sugar market permits countries to view the market in the context of a competitive market, rather than a residual market. This should lead to a market that will be more responsive to longer term supply and demand factors rather than short term supply fluctuations.

When restrictions are placed on trade of agricultural products through mechanisms such as international commodity agreements, the opportunities for government intervention are increased. Usually, several government agencies are involved in negotiations and the additional and diverse views tend to complicate trade procedures. Effects other than economic can become determinant—i.e., political or foreign policy considerations may become dominant. Trade based on comparative advantage offers the best hope for U.S. agriculture.

Some studies already completed indicate that there will be a world gain from free trade in sugar. Countries with a comparative advantage in production will produce more, and consumers will receive sugar under more favorable terms.

TRITON COLLEGE SPONSORS "ALL NATIONS POETRY CONTEST"

HON. HENRY J. HYDE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 17, 1976

Mr. HYDE. Mr. Speaker, believing that its educational function should not be limited by community, State, and national boundaries, Triton College, of River Grove, Ill., has decided to offer the lovers of poetry throughout the world an opportunity to enter its "All Nations Poetry Contest." With the help of the U.S. Information Agency, announcements of this program have been distributed to all parts of the world. In the three years that the program has existed, thousands of poets have taken the time to enter this program, and have come to know of the concern of Triton College with world unity and human accord. Triton College, as demonstrated by the programs that emanate from its curriculum, is a place where sensitivity exists and people can meet and have a dialog as individuals, not as representatives of a nation, political party, or any specific ideology.

Mr. Speaker, I include a selection of the poems from the All Nation Poetry Contest to be printed in the Record for the benefit of my colleagues. The poems selected are from the first volume of Passage, edited by Malcolm D. Berd and Robert F. Hlavin, and printed by the Triton College Press. "Passage" was compiled from the poetry judged as best submitted to the first All Nations Poetry Contest. "Passage" itself has been accepted for inclusion in the Library of Congress, and represents the first volume in a series of volumes of poetry to be published by the Triton College Press, as a culminating activity to their international poetry contest, and as further evidence of their desire to work for greater human harmony. The world of poetry is benefited by the presence of "Passage," and the poets of the world have another outlet for their self-expression—a deep need that cannot help but be in the best interest of us all.

Passage to Nature

POEM

(By Rudy Shackelford, Gloucester, Va.)

Last light edging inland
The river blind
Among rushes finding its way
By touch
The brooding mountain folding about flocks
Its wings of clouds
Myriad silence of stars
The deep quiet of many eyes locked in sleep
I am the runner with the torch that was the sun
The grave of my shadow receives me.

NATURAL CALENDAR OF EVENTS

(By Dennis D. Roach, South Lake Tahoe, Calif.)

Suppose Nature became the new government
And the ocean washed the sewage back into the suburbs

Suppose game-birds wore bullet-proof vests
And the rivers disassembled all the dams

Suppose fresh air smothered the smog
And freeways freely returned to soil

Suppose god is an American Indian
And tomorrow is Judgment Day.

ESSENCES

(By David Stuart Ryan, Surrey, England)

The estuary of the sea has filled, now it empties.
Why do grey blistering clouds smother a weaning new moon?

The pale crescent blows swirling in vapour above curfew trees.
This is still evening's hour, it is announced the joy will be soon.
Watery promises of the sky fill sea waters
The middle is set solid, a dark mound of wet earth,
Below bubbles waters containing changing moods, an altar.

The waters cannot speak they feel, cannot affect a swan's worth,
On mud flats the heavenly swan waddles, its soft prints
Are left, but majestic the swan returns with the ingress
Of the sea, now floats white in blue crystals under moonlight glints.

The white faced sea batters old rocks by the castle's ruins, progress
Of the breath of all, contained in sea surging, presences
Of night's unuttered knowledge, grey upright stones were left
On middle England's plains, old man guardians of messages
From the Milky Way's beyond parts, for doubting men to accept
As time's hints of sublimity at the end, such dwells
Deep within, announce the trillion stars glistering freshness
On the hollow earth, ravished the earth was, cleared of summer's swells,
Gouged out flooding colour flowers, rich sweet leaves, those excresences.

To purge is to sweep away all the loose stuff in life
Till returns the underlying harmony of strength.

In so old stones, so old so old, is rough strength, the hues grow rife
On the return of the Spring waters, for time is the waters' length.

RECOVERED

(By Barbara V. Mark, Lombard, Ill.)

Months of a green-lawned summer
I knotted daisies, plentiful
Chains of pecking orders
To crush viciously in my hands

Until I found
Myself less than a flower,
Estimator of their strengths,
Counter of their dead bodies.

In a heap they lay
Broken, juice-blackened stems,
Rusting petals——

On my palms quiet evidence
Stayed, deliberate
Delicate particles
Of impermeable gold

Keeping me
To free me
To other seasons.

SUMMER SNOW

(By Elizabeth Kemf, Fanas, Switzerland)

It is in the Summer that I come warm.
Roll me in the grass on a hot afternoon
And chase me to the cool stream.

Let's plunge together running up the river
And climb past the molten lava
Where the rock is hard.

Oh stand with me again inside the waterfall!

The mountain roars overhead
Spraying our bodies hell cold as it lunges into the stone smooth crevice.
Die with me in ice until the night falls down.
Then
Carry me home to light a fire
Inside my breasts
Making a home beside my hearth.

And when you discover
My thighs are charred logs, smouldering
Think of how they glowed
When you stoked the hot coals
And remember the snow.

It melts on the mountain.

BACKPACKING

(By Jana Harris, Berkeley, Calif.)

Summer has brought me a dry heat?
The rotten wood snaps—a thousand Chinese puzzle pieces unhinge.

In these canyons the wasps and children sing, while bees wrapped in black rat fur swarm on my legs;
There is something here that they want, their abdomens pant after it—They hear no excuses.

For comfort I run to the Columbine Tiger-lillies, the rat-foot leaf of the Bleeding Heart;
But they do not speak while I sit among them.
For revenge I pick the scabs of trees, such the crusts of dry sap.
Dead branches strike back like snakes.

Somewhere, among these Ming landscapes, is the soft fur of elk antlers;
My fingers wear the edges smooth, the stones are white from urine.
Late afternoon brings me the knife nosed mosquito;
The drill, drill, drill of the bit and the brace.
These sunsets have burnt my high peaked cheek bones,
The trees are screaming;
My teeth melt to sand.
What I want now are the soft rocks to mother me,
I would lay in them like lakes of milk.

PASSAGE TO SPACE

THE LONG RELEASE

(For my father)

(By Michael Dow, Penngrove, Calif.)

I

In my sleep you called to me last night.
You had been awakened by your death.
Like all travellers you needed someone to see you off.

II

A child huddled in sleeping bag
I watched you disappear, hunting into the night,
Leaving me wondering: will I see you again?

III

You sit on the edge of your bed in the yellow light.
Bony knees clasped by bonier hands.
For years your breath has kept you from wandering.
You won't need breath for this journey.
Still you gulp air like a swimmer preparing to dive.

IV

As you watch me hovering here your eyes appear to grow small with effort, fear;
They seem to adjust to a change of scene and light.

V

You reach to me your birdlike hand,
A blue shoot struggling from a dead stem.
Visions flicker in the wash of my eyes—
Marsh leaf-mold blooming into bird bursting into flight.

VI

When I see you clearly, I reach to steady your ribs,
Feel the heat rising through you into your sweating head
As your breath heaves like an animal giving birth, I feel, see
You leaving your body.

VII

And I awake in the dark
Alone with my life on this mountain I farm.
On the summit a shadow floats in a pool of light,
Flickers, then quickly, as if pulling itself out of the earth
The moon appears bearing in upraised arms the ghost of its self.

PASSAGE TO SPACE

(By Pedro Bandeira Freire, Lisbon, Portugal)

Living outside the self the risk
of wanting to say the impossible
brethren with death.
Dreaming of communicating silence
where words become clear
sought in the strangulation
that knots the flesh

Going as far as emptiness
can take us piercing screams
because to say is not yet saying
in this too grammatical universe
where words exist no more
just stickers just tickets
pronouncing it is enough
repeating it rereading it
perceive that the word is saved
from the vastness of meaning behind it

We usually just slip
slip slip slip away
into the institution of nothing
intuition of nothing
only to utter another word
the word Nothing
depending on what we hide or show
bitter attempt that only leads to
the day of the word's destruction
words to be used nothing more
than word-fragments
as the consciousness of being
is nothing more than a fragment of conscience

Let us sing the body in its voluptuousness
its burning appetites its extravagant richness
all natural joys
let us celebrate the love of the flesh the spirit

let us make evil become the good
let us believe the demands of "I"
to become social
cosmic the world's perfection
We will not walk toward the nothing
We will turn to intuition
We will say it categorically;
"I know we are immortal."

BEYOND THE GREEN AND THE YELLOW

(By Thomas Daniel Rowe, Canton, Ohio)

The steep-banked watersides
Reflected emerald on cerulean
And merged with the lake isle,
Resembling a centerless disk.
No breezes rustled the oak leaves
And no winds caught the cloud-sails,
As they would if some snow-geese flocked
On their endless journey to Canada.

In this zone of perfect emptiness
I sat for six hours motionless
In some strange lethargic state.
Then inwardly roused, I leaped,
My eyes suddenly and expectantly
Following the guiding sun as it passed,
Blazing into the mystic island,
And, at last, disappearing behind.

Sliding down the steep waterside
I took to a dugout rowing
With strokes swift and silent,
To the isle disk across the lake.
Stepping out of the boat with fees
Sinking in the moss shore mud,
Six speckled missel thrushes
Darted into the fertile oaks.

Standing there I remembered
Summer morning sacrifices
When torches were pale against the sun
And altars smoked in a stone-circle;
Priests dressed themselves in bison skins—
Hoary heads of hair held by bone-pins,
Grisly tusks goring their enemies,
Horrible painted faces convulsing

Green oaks yellow with mistletoe
Out of harmony with the season
As I was out of harmony
With the prophetic of life.
A sole profound intuition
Came, like the moody thaws of spring,
Before all things primordial—
And the autumn is not far behind.

Beyond the green and the yellow,
In some further part of the forest,
Breezes were stirring fallen leaves—
Leaves that fell in some other year
And in this zone of divine reign,
I found myself transported away—
Riding on the cloud-sails in the skies,
Forever in the sight of God.

FREEWIND

(By Maeve Butler, Minneapolis, Minn.)

Each hour moves in sentences
of footsteps on the stairs,
red floors, or the track
of treadings off in dew.
After the years one dares
to wake and to remember
the soughing of the grass blown back,

the poplar leaves that signal
inversely silver destiny for rain;
their velvet April chatter
make the skirl of September:
the midnight clatter,
as the house behaves.
Who wake and who remember

later the footsteps
crunching
on the stone?
And tuneless snatches humming
from the air?
A cupboard shutting
in the farther room?

And, earlier, the sunlit lintel
and paint-locked window;
the champion sun and mullion prison,
framing the anecdotal trees . . .
in a room where morning
tips and creaks a different waking
for each person.

What landing do we cross alone
to wake and to remember moods.
or trespass from
to hear—
where grass is sadness
and a year has grown—
the partridge drumming from the woods?

ONLY THE WAREHOUSE

(By D. S. Long, Christchurch, New Zealand)

only the warehouse
knows the true sadness
of an empty box
the sense of despair
in a full one

it stands with its tapes
and twines
preparing those
who want to leave

even the damp bins
of shredded newspaper
can't help but tell the truth

its best friend
is a crowbar
its enemy
a packer's knife

and birds
trapped up among the rafters
search for nails
on which to hang their tired wings

PASSAGE TO SELF

THE BIG ROOM

(By Ron Ellis, Fort Atkinson, Wis.)

i.

It was too easy,
growing notes long and full like melons,
tumbling handfuls of trills like berries into a pail,
harvesting morning, sun, and self
in a garden made of boards, my tree-house.

ii.

I play again, but each tone is a blade
scraping away my hanging garden.
I put the recorder down,
polished cherry on rough boards.

iii.

The clearing I've bulldozed with melodies
grows thick with old rebukes:
squawk of hairy woodpecker,
harangue of chipmunk,
hiss of leaves.

iv.

Last night we sat by the fire,
a couple trying to make a space of quiet.
We stared at embers, age-rings
pulsing chromatics beneath a fur of ash.
Our son when rebuked sat beside us,
willing at last to stop shouting,
to give up strewing sparks and trails of smoke
with his torch of cherry wood.

Now he fidgets and mimics the hissing fire
until she touches him, her urging just right.
We watch. He says he'd like to be
small enough to walk right in—
"You'd be in a big room,
the walls all glowing colors—"

We walk with him
in our fireproof suits
gasping at the high hall,
the great flaring beams
hewn from the sun.
We look at each other;
we can only smile.

v.

I watch and hear their music blaze:
woodpecker, chipmunk, leaves.
I can feel a smale kindling.
I am taught by woman and woods, son and fire

FREYA'S CAT

(By Phyllis Janik, Hinsdale, Ill.)

When I am out of cream
you will drink my coffee black,
black as the sky this morning
we watched out the window,
awaiting the forecast snow.

Birth occurred at 10:15 and is continuing.
History will say about this time
that the pictograph for "sky"
began to mean "heaven." Meanwhile
Disaster opened his cold wings
and now covers us like the capes
of the snowy mountains.

What is standing there in the shadows
that I should feel distant rituals
of life, death, the birth
of another disaster,
through the living skeleton in my hands?

O my sister is lovlier than I;
her ankles are slim,
her dresses are delicate and thin
and all four winds move them,
and at her legs,
at her knees are gray cats with gray voices
She dines at a table of emerald
with her cats, all with fur coats
and long, slow lives.
She would not have these dogs of mine
waiting at the oven.
waiting for my dinner
or barking at the windows
upsetting the visitors and plants.

What does Freya need? she has her cats,
her colors, emerald and gray.

To charm relatives and enemies I hold this,
carved out of stone or bone:
six rings surmounted by a fish-eagle
symbolizing the fight spirit of the clan

and sign my name:
an acrobat somersaulting over a bull

DREAM OBEDIENCE IN SIX STEPS

(By Enid Shomer, Miami, Fla.)

THE DREAM

There is a dream flying in this house,
roustabouting mustache cups, fingering bells,
lifting the window sash. It wants to get out.

It wants to get in. It scuds through each bedroom
searching a suitable host. It hovers over the face
like a silk scarf before it parts over
the swordswallower's blade. It hovers like
a hummingbird choosing a flower.

Sometimes I wake before it leaves, into a room
stuffy as a taxi in winter, as sad as a pricked
balloon. I can see its eyes swiveling in the dark,
desperate for the way in, the way out.

I

Calipers to crack a walnut, or feathered spiderlegs.
Nutcrackers on a walnut was only taking out the garbage.
They say it is holding on tight and fearing a thing that may crack, or crack me.
First step in obedience: ignore the new mythology.
Try to dream of Dionysius with his thick musk-ox heavy blond hair or epicene with golden Shirley Temple curls.
I try to dream him and fail.

II

Think of the new myths as templates, giving shape, some cognate meaning to the dream.
Paisley or parabolic, ellipses far-flung as flying saucers, ellipses the shape of infinity moving like live wires across the dream expanse.
There is a pleasure in this stage, like watching birds make sudden aerial formations.
But shapes, finally, too distant to touch, all the blood wrung out, lacking color.

III

Stitch the dream into a tapestry to warm the walls of the mind.
It is Gothic, full of shape and color and when sewn right behind the eyes gives some insulation to the wearer.
It is florid and overripe, with natura naturans and symbols of love and fright, such as unicorns, lions, doves, small percolating dogs.
Even calipered walnuts and feathery spiderlegs find a place among the pendulant flowers and threadworn smiles of courtly lovers.
The only trouble is nothing moves.

IV

I deflate the dream and squeeze it under my fingernail, flick it into the corner like a speck of dirt.
But I forget. I have not chosen it. It chose me.
It is unhappy and cries out in the night like a small dog at the bottom of basement stairs.
No bone I throw allays its pain.
No place for it but snuggled close by in the bed.
It is a pitiful small thing that needs me. It is an irresistible lackey, like all dreams.

V

One day I realize it is growing up from pup to fullgrown pet, but still cries if I closet it away.

I have grown fond of waiting for its ingot eyes to find me.
Only yesterday I remembered the smell of childhood woolens (damp flowerpot) on the first cold day of the year.
Also the taste of my uncle's purple lips in Baltimore, his voice on alternate Sundays like coffee slushing in the cup.
I almost felt the touch of the first boy's hand on my electric-fence stomach.

VI

Today the dream awoke, dressed and had breakfast as usual, then slumped into a trance, spoke in human tongues, undressed the past.
No shape or symbol or matter what they say, or myths.
How betrayal felt like feathered spiderlegs walking inside a deserted chest.
How the leap to love was a measured thing before it moved, like a calipered walnut aligned by human hands.

ON THE SUICIDE OF A RELIGIOUS FANATIC

(By Linda Ann Roach, South Lake Tahoe, Calif.)

Mother, last night I did dream of a visit to your grave;
You woman who made mystery beside my bed.
Who came swiftly in the black
After the air I sucked was no longer
A relief.
Then could I take white knuckles from my ears.
For in small comfort you would stroke
The blood of your blood.

I writhed in blankets of discomfort, praying
For censure in words
Which flew higher than birds
With flaming feathers.

Female praying on an axis of disbelief. "I am
The Way, The Truth, The Holy Nest which has
Rejoiced at the second coming of the Holy Egg.
A virgin of love, I bring a harvest
Of fruit too pure to savor.
Spiritual ecstasy.
Crescendo of divine."

I did kneel by the green, grass plot.
You have propagated your faults, my
Heritage of forbidden emotion.
Osmosis of pain, that insanity swims like
Spangled fish in the essence of my heat.

The wine and the bread were your imaginative conception.
Your miracles were the simple lines drawn
Between blue words on maps in the Bible.

But you were a fearful proselytizer. Those
Labored secrets and I will stretch so that all skin
Is massaged by the white roots of sharp
Blades, the sheer cover of your pale sacrifice.
Each pore of mine will taste the loam of your decay.
For if my mind can reach over rainbows, I will
Sink belly down into your rotting womb again.

SALAMANDER MOON

(By Juan Ricardo Cole, Evanston, Ill.)

the children greet you at the crazy house
like refugees at the barbed wire border
they jump on your shoulders like little brothers
when you've come back from the war
but they carry the
war inside them

along with the drugs

dig tom sawyer
I brought some Ray Bradbury this week
(he has great appreciation for tennis shoes
and after all it's October)
making purple macrame herons
"hey, gimme back that!
Sucker! look what you
did to the wing!" the war
proceeds in nutshell fists
the tranquilizers never work

Jesse helped put his mother in the hospital
but with ten brothers and sisters on the south side
here's as good a place for him . . .
been showing some hostility of course
it's not the best environment
only stutters with the social worker
his black face distorted, an african carving
and Matt's dad's got
a drinking problem
and ol' autistic Eddie
mostly sits and rocks

the D.M.Z.

Mariana sits quietly by and
Sean plays karate; the others ignore him
the "slip," the hurt, the bawling and brawling
the piling on top, the biting and smothering
mothering Joanie screams nigh.
Mariana sits quietly by
"Mariana, put down that knife,
little *punta!*"—"Yo te mataras,
Madre!" the radio crackles in
the new barrio. *Mother, I want
to kill you.*

the war sits inside of Mariana, now

something happened in secret to Sean
a terrible fear in a three-day darkness
of a pumpkin-sounding head crack young
disarranged like a hammered magnet
"look, Sean, in a magnet the . . .
and the diamond-back is primarily
found in . . ." a karate chop to
the neck, mischievously giggling

the war has no respect for science

"I—I d-din't like the other p-place
the t-teacher would hit m-me
but I wrote an' tol' my brother,
an he almost c-come and beat him up
I almost coudda
"liar, liar to the fire,
liar, liar to the fire . . .
and then the dirty verses
come, the ritual excommunication

of the victim of the war

twelve year old bodies and
ancient passions raging
within the flimsy frames
carnival mirrors revealing yourself
"man, if you need a fix
an' some rich dude's gotta
die so ya c'n get it,
what's that?" She wriggles
her hips in an arrogant shrug

the war says *look at me*

Mariana 'protects' you from vicious Sean
"you're going to *kill* him," she admonishes
and your stomach twinges in irony
yet the cuban cadences speak real concern
and a hill is taken in the war
one skirmish won in one year's time
"the bus is here!" you depart
from one bedlam through to its
slyer, maturer, outside
interface

the war has come too soon to the children
made by and making the warring world
it wages deep in you as well
yet in the fiercest moment
of the savagest encounter
dwells that profound serenity

waiting to be unleashed upon the universe

A TEMPORARY MORATORIUM ON WHEAT SALES TO THE SOVIET UNION

HON. WILLIAM R. COTTER

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 17, 1976

Mr. COTTER. Mr. Speaker, our failure in 1973 to predict the consequences of massive Soviet grain purchases was costly for the American consumer. We allowed the Russians to import more than 13 million metric tons of this vital commodity, a decision that reduced our grain reserves and contributed to a 21-percent increase in food prices over the past 2½ years.

This must not happen again. It is therefore disturbing that a similar lack of foresight seems to govern this administration's attitude toward Soviet purchases from our 1976 wheat crop, which becomes available for export in early June. But the American-Soviet grain export agreement, which is supposed to control Russian purchases from this crop, does not go into effect until October 1st, 4 months later. During this unregulated period, the only limitation on Soviet wheat imports is the physical capacity of Soviet and American port facilities.

Two unpredictable factors add to my concern. First, the Russians are facing serious crop failures in their winter wheat areas, a fact which leads some analysts to conclude they may try to buy up as much American wheat as they can legally import from this country. Second, our own winter wheat is in danger. No one knows the eventual losses in production that drought conditions will cause in the southern plains, where the winter wheat is grown.

The Department of Agriculture appears to share this concern. They recently admonished grain exporters not to ship out more than 1 million metric tons to the Soviets per month during the unregulated period from June to October. In reality, this limit is meaningless, since one million tons seems the monthly maximum of American wheat that Soviet ports can handle. The Department's apparent concern is encouraging, but even shipments up to this limit could have a significant impact on domestic wheat prices.

Therefore, I have introduced legislation that will impose a temporary moratorium on wheat sales to the Soviet Union until the President certifies to Congress that these sales will not seriously aggravate wheat prices. In any event, this moratorium will expire on October 1st, the date our export agreement with the Soviet Union goes into effect.

By early June, when the wheat harvest begins, we can make an accurate determination of domestic wheat production. If the administration certifies at this time that sales to the U.S.S.R. will not cause significant price increases, shipments to the Soviet Union will not be interrupted.

Mr. Speaker, American wheat farmers understandably support grain exports to the Soviet Union. My legislation is not intended to hurt the farmers or to deny them a legitimate market. That is why the moratorium provided in my legislation is temporary. But I feel strongly that wheat sales should be linked to consumer prices. If we discover that wheat sales will not hurt the consumer, they should proceed. It is important, however, that our food exports be governed by informed and thorough analysis, not by a cavalier attitude that subjects the American consumer to the whim of the Soviet Politburo.

The proposed legislation follows:

H.R. 12586

A bill to prohibit wheat sales to the Soviet Union until October 1, 1976, unless the President reports to the Congress, after May 31, 1976, that such sales will not cause serious domestic price increases

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, after the date of enactment of this Act, no person doing business in the United States may sell or offer to sell any wheat grown in the United States to or for the Soviet Union until October 1, 1976; except that, after May 31, 1976, the President may suspend the provisions of this Act if he determines (and so reports to the Congress) that United States domestic supplies of wheat are such that sales to or for the Soviet Union will not cause serious increases in the domestic price of wheat.

SEC. 2. Whoever knowingly violates the first section of this Act shall be fined not more than $10,000 or imprisoned not more than one year, or both.

GENERAL MOTORS' PROGRESS REPORT ON MEETING NEED FOR GASOLINE EFFICIENCY AND OIL CONSERVATION

HON. CHARLES A. VANIK

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 17, 1976

Mr. VANIK. Mr. Speaker, shortly after the Congress passed the Energy Policy and Conservation Act last year, I asked the chairman of General Motors Corp., Mr. Thomas A. Murphy, to provide me with the sales trends in 1975 as they related to gasoline efficient automobiles. I also asked for a comparison of similar sales made during 1974.

At this point I include the text of both letters to be printed in the RECORD, for the benefit of my colleagues:

JANUARY 6, 1976.

Mr. THOMAS A. MURPHY,
Chairman, General Motors,
New York, N.Y.

DEAR MR. MURPHY: In connection with an evaluation of the Energy Policy and Conservation Act which passed Congress last December and which sets forth a schedule for the development of gasoline-efficient automobiles, will you kindly advise me of the trends which have developed in your 1975 sales. For example, how many automobiles were sold in each category of designated gasoline consumption per mile? How do 1975 sales in these categories compare with 1974?

Last year, I was among those in the Congress who advocated a special gasoline tax on the so-called gasoline guzzlers. It is my hope that essential goals may be met by voluntary action of the industry and the motoring public. What progress are we making in meeting the need for gasoline efficiency and oil conservation?

Sincerely yours,

CHARLES A. VANIK,
Member of Congress.

GENERAL MOTORS CORP.,
Detroit, Mich., March 2, 1976.

Hon. CHARLES A. VANIK,
U.S. House of Representatives,
Washington, D.C.

DEAR MR. VANIK: I am pleased to respond to your recent letter requesting information on the progress we are making in meeting the need for gasoline efficiency and oil conservation.

Your statement that it is your "hope that essential goals may be met by voluntary action of the industry and the motoring public" is most welcome, even though mandatory standards are now required by the Energy Policy and Conservation Act.

In testimony before four Congressional committees last year, including the Ways and Means Committee, of which you are a member, General Motors pointed out that voluntary action by manufacturers to improve auto fuel economy as well as customer buying trends, had already achieved substantial results. Since the 1973 oil embargo, no other energy consuming sector has made more progress than the automobile industry in achieving improved energy efficiency. Moreover, the automobile industry was well on its way to achieving a dramatic 40% increase in average miles per gallon between the 1974 and 1980 model years. Yet, in spite of the manifest success of the voluntary fuel economy improvement program, Congress imposed on the industry mandatory standards that are so stringent as to threaten substantially adverse effects—in the 1980's—on automobile production, employment and the national economy.

With respect to your question as to the trends which have developed in our 1975 sales, the Environmental Protection Agency estimated that our 1975 sales-weighted average fuel economy improvement was 28%—from 12 mpg in 1974 to 15.4 in 1975. This improvement is expected to continue in 1976, up to 16.6 mpg. This will be a 38% total improvement over two model years.

Another way to look at this improvement is represented by the attached chart. You will notice that in 1974 only 60% of our production averaged over 12 mpg, whereas beginning in 1975 all of our cars exceeded that level. Each of the other higher mpg categories also shows a steady improvement.

The fuel economy improvements we have made during the past two years evidence our commitment to the President to meet or exceed the Administration's fuel economy improvement goals. For GM, by 1980 this means an average of at least 18.7 mpg, or a 56% improvement in the sales-weighted average fuel economy of our cars, compared to 1974.

The Energy Policy and Conservation Act of 1975, enacted in December, imposes gas-mileage standards on a production-weighted average basis, beginning at 18 mpg in 1978 and rising to 27.5 mpg by 1985. Congress must grant the necessary relief from the stringent emission standards that are now scheduled to go into effect in 1978 if the Act's 1978 gas-mileage standard is to be within reach. We are working diligently to attain the fuel economy requirement for 1978, but the existing emissions level for that year could preclude achievement of the 18 mpg.

Moreover, even at current emission standard levels, for General Motors to meet the gas-mileage requirements for post-1984, all but a small fraction of our production would be cars no heavier than today's Vega—no matter how many Americans might want to buy larger cars.

It is hard to imagine so massive a disruption of free-market choice in the United States, but the Energy Act which would cause it is now the law of the land and, at least for General Motors, is already a factor in our future product planning.

A great many large families—and more than 20% of American families consist of five or more persons—simply will not want small four-passenger cars, no matter how many miles they can go on a gallon of gasoline.

GM's forward-product planners have attempted to forecast the shape of the auto marketplace as the Energy Act's impact begins to be felt. With many people reluctant to give up their old, full-size family car, new car sales could be reduced by as much as three million cars in 1985 alone. With large-car production sharply curtailed in order to obtain a sales mix necessary to achieve the gas-mileage requirements, a black market seems certain to develop for the fewer large cars which will be built.

The so-called "gas-guzzler" tax which Congress considered and rejected last year would have a similar negative effect on car sales and the economy. Many people who need full size cars for family or business reasons would continue to drive the cars they own rather than pay an excessively high price.

Furthermore, lower income people who normally buy second-hand cars also would be penalized since used cars prices reflect increases in new car prices.

Thank you for your interest in this important subject and giving us this opportunity to review what General Motors has been doing to develop more fuel efficient automobiles.

Sincerely,

T. A. MURPHY.

GM FUEL ECONOMY, 1974, 1975, 1976

SALES WEIGHTED AVERAGE

1974, 12.0.
1975, 15.4.
1976, 16.6.

PERCENT OF GM TOTAL SALES BY MPG GROUPS

12 MPG and over—1974, 60; 1975, 100; 1976, 100.

15 MPG and over—1974, 18; 1975, 64; 1976, 79.

18 MPG and over—1974, 18; 1975, 22; 1976, 32.

20 MPG and over—1974, 11; 1975, 11; 1976, 24.

MPG Values Based on the EPA 55/45 Composite. Excludes California Cars.

1974 and 1975 Sales are Based on History. 1976 Sales are Estimated.

BIG OIL'S ACHILLES HEEL

HON. EDWARD I. KOCH

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 17, 1976

Mr. KOCH. Mr. Speaker, I would like to share with my colleagues a very interesting editorial by Vic Rasheed, who is editor of the Nozzle, the official publication of the Greater Washington/Maryland Service Station Association. I believe it indicates that the major oil companies, in their attempts to further concentrate the oil industry and stifle competition, have alienated many elements within the industry. Simply put, independent service station owners and operators, as well as wildcatters and independent refiners, have nothing to fear from divestiture. In fact, divestiture could significantly help the independent elements within the oil industry.

As the effort to break up the major oil companies picks up steam in the Congress, I think we will find big oil isolated, finding little support from independent elements within the industry.

Service station operators, after all, will lose nothing in a freer market. And, of course, consumers will gain.

I am appending the editorial for the interest of my colleagues:

FRANKLY SPEAKING . . . OIL COMPANIES OVERTURN DIVORCEMENT LAW—NOW WANT DEALERS TO HELP KILL DIVESTITURE

(By Vic Rasheed)

Recently Exxon, Amoco, Shell and other major oil companies have begun actively lobbying their dealers to support them against the stark nightmare of divestiture which has been thrust in their faces with new reality.

Last January 27, the oil companies' suit to declare the Maryland divorcement law unconstitutional, bore fruit and the celebration is probably still in progress.

When you analyze both of these events you could easily come to my conclusion that the oil companies showed very poor judgment in challenging the divorcement bill in Maryland.

Our bill only sought to bar the companies from engaging in the actual retail operation of a service station. It said nothing about divesting station properties or other holdings, as a flock of bills pending in Congress would require. It certainly stopped far short of the Senate amendment which would have split the companies up so that they could only engage in one phase of the industry—production of crude, transportation, refining of marketing. It almost blew the companies' corporate minds when it came within nine votes of passage in October. A switch of five votes would have done it.

Obviously divorcement from engaging in the retail market with the bulletin pricing advantages oil companies enjoy, means a lot more to dealers than total divestiture.

Had the companies kept hands off the retail market and protected themselves by supporting our amendment to also bar jobbers, it may have been possible to bargain with us on divestiture. As of now, dealers will show no sympathy for "big brother" in his desperate struggle to cling to his crumbling empires and prevent a break-up of the oil companies that will make the historic Standard Oil breakup of 1911 look like peanuts.

Congressmen Neal Smith's HB 811 would have SBA loan dealers up to $350,000 each to buy their station properties to help divestiture.

Marketing incidentally represents only 16 percent of big oil's total investment.

The portions of big oil's fixed asset pie (using 1974 figures) are: production 44 percent (an investment of $71 billion) refining 20 percent or $32 billion, marketing 16 percent or $26 billion, transportation *10 percent* or $16 billion, chemicals 7 percent or $11 billion and other items 3 percent for $5 billion.

Each segment of the petroleum industry is a major industry in its own right—a breakup of the five major U.S. oil companies would result in at least two dozen smaller firms.

Each of the top Democratic presidential candidates support divestiture and even FEA's No. 2 man, John Hill is quoted as saying that there will be a major change in the structure of the oil industry within the next five years. Hill's significant quote is, "forces have been unleased here that can't be stopped." Too bad . . . Exxon had 1975 revenues of $44.5 billion. Of the top-ten profitmakers in the U.S. six are oil-companies. They also produce 21 percent of the nation's coal, 32 percent of our uranium and 20 percent of the world's petro-chemicals.

Sometimes even a giant needs a friend.

HOUSE OF REPRESENTATIVES—*Thursday, March 18, 1976*

The House met at 12 o'clock noon.

The Chaplain, Rev. Edward G. Latch, D.D., offered the following prayer:

I am the vine, ye are the branches; he that abideth in Me and I in him, the same bringeth forth much fruit.—John 15: 5.

Almighty God, who art the light of the minds that know Thee, the life of the hearts that live Thee, and the strength of the souls that serve Thee, give us insight to see Thy hand leading us in all of life's endeavors. Show us how in the quest of the mind for truth and the heart for love we are one with Thee in Thy creative purposes. Lead us in the paths of goodness and truth that by the power of lofty ideals which stir our minds we may draw quiet strength from Thy unseen presence.

Reveal to us goals which are worthy of honor and which keep us in partnership with Thee in our endeavors to lead our Nation in the ways of justice, peace, and good will.

In the spirit of Him who is the Way, the Truth, and the Life, we pray. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Without objection, the Journal stands approved.

There was no objection.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Sparrow, one of its clerks, announced that the Senate agrees to the amendments of the House to bills of the Senate of the following titles:

S. 611. An act for the relief of Southeastern University of the District of Columbia; and

S. 1545. An act to amend the Agricultural Adjustment Act of 1938 with respect to peanuts.

The message also announced that the Vice President, pursuant to section 6968 (a) of title 10, United States Code, appointed Mr. INOUYE, Mr. GLENN, Mr. HATFIELD, and Mr. TAFT to the Board of Visitors to the U.S. Naval Academy.

And that the Vice President, pursuant to section 9355(a) of title 10, United States Code, appointed Mr. MCGEE, Mr. GARY HART, Mr. HANSEN, and Mr. STEVENS to the Board of Visitors to the U.S. Air Force Academy.

And that the Vice President, pursuant to section 4355(a) of title 10, United States Code, appointed Mr. PASTORE, Mr. EAGLETON, Mr. BELLMON, and Mr. BARTLETT to the Board of Visitors to the U.S. Military Academy.

The message also announced that Mr. TOWER be a conferee, on the part of the Senate, on the bill (S. 2498) entitled "An act to amend the Small Business Act to transfer certain disaster relief functions of the Small Business Administration to other Federal agencies, to establish a National Commission on Small Business in America, and for other purposes," vice Mr. PACKWOOD.

THE PLIGHT OF THE ABRAMOVICH FAMILY

(Mr. GREEN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. GREEN. Mr. Speaker, all of the nations which signed the Helsinki accords, including the Soviet Union, pledged to do everything possible to reunite families separated by political boundaries.

Today, I join with several of my colleagues who are conducting a vigil on behalf of Soviet families which remain separated.

At this time, I would like to bring to the Members' attention the situation of the Abramovich family.

Mark Abramovich was a mechanical engineer. He is now unemployed. He and his wife have a 1-year-old daughter. His parents are living in Israel. He applied for exit visas but was refused in 1973, and repeatedly since then, on the grounds of previous army service even though he was demobilized in 1971.

Currently the leading activist in Kishinev, he has constantly been in danger in his efforts to help Kishinev Jews obtain exit visas to Israel. He is the support and hope of the 50,000 Jews in Kishinev. Mark has been arrested several times and the family is constantly harassed. At all times, there are Soviet Secret Police outside his apartment.

Mark Abramovich is guilty of no crime other than trying to emigrate to Israel to be reunited with his parents.

The Congress and the American people seek justice under international law. We ask that the Soviet Government apply its own freedom of emigration law evenly, and we beseech them to put an end to the human suffering, the indignities, and the outright repression. In the name of humanity, we can ask for nothing less.

THE NEED FOR REINVESTIGATION OF THE KENNEDY ASSASSINATION

(Mr. DOWNING of Virginia asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DOWNING of Virginia. Mr.

Speaker, as the Members probably know, the Committee on Rules in an informal meeting last week decided not to allow the resolution introduced by the gentleman from Texas (Mr. GONZALEZ) and myself, along with 125 other cosponsors in the House, concerning the reinvestigation of the Kennedy assassination to come up for consideration. That is all we were asking; we were not asking for a ruling at that time.

I think this is wrong. I think the American public wants to know the truth about the Kennedy assassination, and I believe they deserve the truth. It may be that an investigation would confirm the Warren report, and I would hope that it would.

However, based on the evidence previously withheld and now available, I think the Warren report is wrong.

As a consequence, Mr. Speaker, the gentleman from Texas (Mr. GONZALEZ) and I have scheduled 2 hours of special orders at the close of business today to further discuss the need for reinvestigation of the Kennedy assassination. I would hope that as many of our colleagues as can will stay and listen to our efforts.

CALL OF THE HOUSE

Mr. RUSSO. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

Mr. O'NEILL. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The call was taken by electronic device, and the following Members failed to respond:

[Roll No. 114]

Andrews, N.C.
Barrett
Bell
Bevill
Breckinridge
Brooks
Brown, Ohio
Burton, John
Clawson, Del
Clay
Collins, Ill.
Conlan
Conte
Conyers
D'Amours
Diggs
Dingell
Duncan, Oreg.
Eckhardt
Esch
Fary
Giaimo
Guyer
Hansen
Hawkins
Hayes, Ind.
Hays, Ohio
Hébert
Hinshaw
Hyde
Jarman
Jeffords
Jones, Ala.
Karth
LaFalce
Lundine
McCloskey
McKinney
Macdonald
Martin
Metcalfe
Moffett
Murphy, N.Y.
O'Hara
Rees
Richmond
Riegle
Rogers
Rostenkowski
St Germain
Sarbanes
Satterfield
Shuster
Sikes
Spellman
Stanton, James V.
Stark
Stephens
Sullivan
Teague
Udall
Ullman
Vanik
White
Wilson, C. H.
Wilson, Tex.

The SPEAKER. On this rollcall 366 Members have recorded their presence by electronic device, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

PERMISSION FOR JOINT COMMITTEE ON ATOMIC ENERGY TO HAVE UNTIL MIDNIGHT FRIDAY, MARCH 19, 1976, TO FILE REPORT ON H.R. 12388, AMENDING ERDA AUTHORIZATION ACT

Mr. PRICE. Mr. Speaker, I ask unanimous consent that the Joint Committee on Atomic Energy may have until midnight Friday, March 19, 1976, to file a report on H.R. 12388, a bill to amend Public Law 94–197, the ERDA Authorization Act for fiscal year 1976 and the transition period for the purposes of providing additional funds in the national security area.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

PROVIDING FACILITIES AND SERVICES FOR VISITORS DURING BICENTENNIAL

Mrs. BOGGS. Mr. Speaker, I ask unanimous consent for the immediate consideration of the Senate concurrent resolution (S. Con. Res. 103) authorizing the Joint Committee on Arrangements for the Commemoration of the Bicentennial of the United States of America to provide facilities and services for visitors to the Capitol buildings and grounds.

The Clerk read the Senate concurrent resolution as follows:

S. CON. RES. 103

Resolved by the Senate (the House of Representatives concurring), That section 3 of Senate Concurrent Resolution 44, Ninety-fourth Congress, is amended by inserting "(a)" before "The" and by adding at the end thereof the following new subsection:

"(b) In carrying out its functions under subsection (a), the joint committee is authorized to provide facilities and services, including facilities for food and first aid, restrooms, and information, for visitors to the Capitol buildings and grounds.".

SEC. 2. Section 4 of such concurrent resolution is amended—

(1) by striking out "and" at the end of paragraph (6),

(2) by striking out the period at the end of paragraph (7) and inserting in lieu thereof "; and", and

(3) by adding at the end thereof the following new paragraph:

"(8) enter into contracts and leases with public or private corporations or organizations or with individuals to provide, or assist in providing, facilities and services described in section 3(b), and purchase equipment and supplies for the operation of such facilities and services.".

SEC. 3. Section 5 of such concurrent resolution is amended by adding at the end thereof the following new sentence: "All sums received from the provision of facilities and services described in section 3(b), whether pursuant to contract or otherwise, shall be paid over to the Secretary of the Senate and shall be deposited by him in the Treasury as miscellaneous receipts.".

The SPEAKER. Is there objection to the request of the gentlewoman from Louisiana?

Mr. BUTLER. Mr. Speaker, reserving the right to object, and I will not object, I would like to take this opportunity, if I may, to ask the gentlewoman from Louisiana if she would explain to us what is contemplated in Senate Concurrent Resolution 103.

Mrs. BOGGS. Mr. Speaker, the Senate Concurrent Resolution 103 is an effort to give contractual authority to the House-Senate joint committee on Bicentennial arrangements for the Congress. I would like to say that at the outstart today on this Bicentennial project, nobody is going anywhere. It is a project for our own people and the Government is going to make some money out of it. This resolution would amend Senate Concurrent Resolution 44, which established the Joint Committee on Arrangements for Commemoration of the Bicentennial, to provide the committee with specific authority to make arrangements for visitors to the Capital this year. It grants the committee the power to enter into contracts for food, restrooms, first aid, and informational facilities for visitors, and to accept for transmittal to the Treasury whatever profits might be derived from such arrangements.

Hearings by the committee prior to this decision had established that existing facilities were completely inadequate to cope with the anticipated increase of 20 percent in visitors to the Capital this year. After consulting with the leadership of both Houses, the committee on Bicentennial arrangements proceeded to develop plans for providing these necessary services.

The committee proposes to operate from a series of tastefully designed white and blue tents on the previously approved location. Picnic tables will be located on the site, and on the patio of the Botanic Gardens. A tent will house an information center linked by telephone to the other Government information centers in the city. The Capitol Historical Society will also sell its publications from a portion of the tent. The plan also calls for portable restrooms, a first aid facility, and bleachers for 1,000 persons to permit a holding operation as they wait for buses or tours of the Capital. Entertainment will be provided periodically by visiting groups and performers from the Festival of American Folklife.

The cost to the Congress, which will be taken from the Senate contingency fund, for the facility will be between $200,000 and $250,000, which includes both the cost of facilities and the personnel to operate them. The food concessionaire, the Marriott Corp., will invest nearly $1.2 million in the project. Once Marriott recovers its costs, profits will be shared with the committee on a 50–50 basis. The committee initially had hopes of realizing substantial sums from this arrangement, but the delays that accompanied the final decision as to whether the committee had authority to implement its plans or whether additional legislation would be needed have all but eliminated that possibility. However, there is still a real possibility of the committee receiving in excess of $50,000 as its share of the profits, although the final figure, of course, will be determined by the volume of food sales. This entire project is a unique operation for the Congress to provide much-needed services to visitors while actually receiving a return on the moneys spent. If the resolution can be promptly passed, there is every possibility that the visitors area will be operational by early April. The alternative to the project is simply that there will be no services for visitors to the

Capitol. The Union Station Visitors' Center is not expected to be able to provide services until much later this year, and there are no other facilities on the Capitol end of the Mall. Constituents will find a place to eat where they will have adequate restroom facilities. They will wait in comfortable seats, entertained free of cost, while waiting in long lines for the Capitol tours, and information about the Capitol area and Bicentennial events generally will be dispensed to them.

Mr. Speaker, I would hope that we would receive the unanimous approval of the House for this resolution.

Mr. **ROUSSELOT.** Mr. Speaker, will the gentleman yield?

Mr. **BUTLER.** I am happy to yield to the gentleman from California.

Mr. **ROUSSELOT.** Mr. Speaker, I appreciate my colleague yielding, and I appreciate the very complete explanation of the gentlewoman from Louisiana.

What Mrs. BOGGS is saying, then, is that this resolution as newly constituted would in no way cost either the Congress or the Federal Treasury one dollar. The money to start this operation will all be put up by the private sector?

Mrs. **BOGGS.** It will not cost the Congress any money except in the opening of the center for the personnel services, and we would expect that would be returned to us in profits, in payments, and we would still make a profit at the end of $50,000.

Mr. **ROUSSELOT.** I appreciate the gentlewoman's explanation. I think that it is a good legislative concept to have the costs assumed by those who might benefit from the surplus and are willing to provide the initial seed money. It is very proper that this resolution states that any surplus would be shared by both the Bicentennial Commission and those who have been willing to put up the seed money.

I do have this one additional question: I remember so clearly when we were told that the remodeled Washington, D.C., railroad station was going to provide the kind of space that is contemplated in this resolution. Whatever happened to that great promise that the Washington, D.C., railroad station was going to be ready for the Bicentennial celebration?

Mrs. **BOGGS.** I say to the gentleman from California that, of course, is another problem. It will be finished, I understand, later in the year. I think our project would be a necessary adjunct to that facility anyway. It was a site that had been predicted as a congressional holding action and information center before our committee was ever constituted. There was a nonprofit organization that had expected to take over the initial expenses. However, that nonprofit organization suffered some severe financial losses.

Mr. **ROUSSELOT.** We have heard about those financial losses.

Mrs. **BOGGS.** What we have done is to try to create the same type of service and facilities for our constituents which will not only accommodate them, but will allow us to be able to go about our business without interruption from huge crowds, improperly handled. So that what we are really doing here is saying that our committee has the contractual authority to be able to let a contract, sign a contract in which the Marriott Corp., a private sector corporation, will be able to put up the moneys we had hoped the private nonprofit corporation was going to put up. We would be able also, within the resolution, to have the ability to have some moneys returned.

Mr. **ROUSSELOT.** I appreciate the very explicit explanation by my colleague from Louisiana. I wish to thank both my colleague from Louisiana (Mrs. BOGGS) and my colleague from Virginia (Mr. BUTLER) in bringing us a resolution that does not cost the Federal Government a dime. It is nice to have that type of resolution, especially for our Bicentennial.

Mr. **PICKLE.** Mr. Speaker, will the gentleman yield?

Mr. **BUTLER.** I yield to the gentleman from Texas, who is also a member of the Arrangements Committee.

Mr. **PICKLE.** Mr. Speaker, I appreciate the gentleman yielding to me. Within approximately 30 days or less, we will be receiving probably the largest number of visitors which this city has ever experienced in its history—tens of thousands, of millions of them. We must do something to take care of them within the area of the Capitol. That is why we are asking for this resolution.

It has been endorsed, and has received the unanimous support of every member of the Congressional Bicentennial Committee. The House should support this resolution wholeheartedly.

Mr. **MITCHELL** of Maryland. Mr. Speaker, will the gentleman yield?

Mr. **BUTLER.** I yield to the gentleman from Maryland.

Mr. **MITCHELL** of Maryland. Mr. Speaker, I want to ask the gentlewoman just one or two questions.

I know of the gentlewoman's tremendous interest in developing minority enterprises, and I am wondering to what extent the committee has tried to include minority companies in the program.

I hear, for example, that we are going to enter into a contract with Marriott. Is there a possibility of doing some joint venturing with Marriott and some minority food suppliers?

I raise the question only because it is the position of the President and, hopefully, this Congress to use minority enterprise; and I think this is a golden opportunity to do so.

Mr. **BUTLER.** If I may answer the question, the contract which is contemplated, and which is in draft form now, has the appropriate provisions for the protection of minority companies in connection with contracts.

Mr. **MITCHELL** of Maryland. That is not quite what I am getting at.

Mr. **BUTLER.** I will yield to the gentlewoman from Louisiana (Mrs. BOGGS).

Mrs. **BOGGS.** Mr. Speaker, in the interests of having someone in the private sector help us in this regard, because we were not able to do it on our own, we went to the appropriate areas or corporations that could really service the numbers of people in the fast food delivery service who were able to put up sufficient funds immediately, without any type of loan difficulties, because of the urgency of the timing. The other groups of companies who will be working on setting up this facility I assume would indeed have some joint venture type of program.

Mr. **MITCHELL** of Maryland. I thank the gentlewoman, and I would hope that, before the contract is finalized with Marriott, the gentlewoman and other members of the committee would use their powers of persuasion to consider the possibility of a joint venture between Marriott and some of the minority companies which are capable of supplying foodstuffs for this operation.

Mr. **BAUMAN.** Mr. Speaker, will the gentleman yield?

Mr. **BUTLER.** I yield to the gentleman from Maryland (Mr. BAUMAN).

Mr. **BAUMAN.** I thank the gentleman for yielding.

Mr. Speaker, I would like assurances from the distinguished gentlewoman from Louisiana (Mrs. BOGGS) that this contractual authority while general in nature is confined only to the purposes of paragraph B. This authority cannot be used for the hiring of consultants or any sort of other staff except people to carry out the project the gentlewoman has described?

Mrs. **BOGGS.** If the gentleman will yield further, that is correct.

Mr. **BAUMAN.** I thank the gentlewoman.

Mr. **GONZALEZ.** Mr. Speaker, will the gentleman yield?

Mr. **BUTLER.** I yield to the gentleman from Texas (Mr. GONZALEZ).

Mr. **GONZALEZ.** I thank the gentleman for yielding.

Mr. Speaker, I too join with the gentleman from Maryland (Mr. MITCHELL) in his expressed desires. I hope we take care of the soul food necessities. But what about spicing it with Mexican food? We have good cuisine in Texas. We have real merchandizers. They are going national now. We have tortillas in cans and enchiladas in cans. I really think we have to host the Bicentennial occasion for every palate, including soul food of the Southwest.

Mr. **MITCHELL** of Maryland. Mr. Speaker, will the gentleman yield further?

Mr. **BUTLER.** I yield to the gentleman from Maryland (Mr. MITCHELL).

Mr. **MITCHELL** of Maryland. I thank the gentleman for yielding.

Mr. Speaker, I merely want to let the record show that minority enterprises possess a catholicity of interests broad enough to embrace all cuisines and sufficient enough to more than satisfy any gourmets.

Mr. **DANIELSON.** Mr. Speaker, will the gentleman yield?

Mr. **BUTLER.** I yield to the gentleman from California (Mr. DANIELSON).

Mr. **DANIELSON.** Mr. Speaker, while we are talking about minorities, I think the Swedes ought to get into this. I would like to have some ost kaka and some sill. Can we take care of that?

Mr. BUTLER. We can take care of it.

Mr. Speaker, I withdraw my reservation of objection, and I hope we can quickly agree to this resolution.

The SPEAKER. Is there objection to the request of the gentlewoman from Louisiana?

There was no objection.

The Senate concurrent resolution was concurred in.

A motion to reconsider was laid on the table.

REVISING PER DIEM ALLOWANCE AUTHORIZED FOR MEMBERS OF AMERICAN BATTLE MONUMENTS COMMISSION WHEN IN TRAVEL STATUS

Mr. ROBERTS. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 8507) to revise the per diem allowance authorized for members of the American Battle Monuments Commission when in a travel status, with the Senate amendment thereto, and concur in the Senate amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendment, as follows:

> Strike out all after the enacting clause and insert: That the second paragraph of the first section of the Act entitled "An Act for the creation of an American Battle Monuments Commission to erect suitable memorials commemorating the services of the American soldier in Europe, and for other purposes", approved March 4, 1923 (42 Stat. 1509; 36 U.S.C. 121), is amended to read as follows:
>
> "The members of the Commission shall serve as such without compensation, except that (1) their actual expenses in connection with the work of the Commission, (2) when in a travel status outside the continental United States, a per diem at the same rate prescribed for members of the uniformed services under section 405 of title 37, United States Code, in lieu of subsistence, and (3) when in a travel status within the continental United States, a per diem at the same rate authorized to be paid under sections 5702 and 5703 of title 5, United States Code, in lieu of subsistence, may be paid to such members from any funds appropriated for the purposes of this Act, or acquired by other means hereinafter authorized."

The SPEAKER. Is there objection to the request of the gentleman from Texas?

Mr. HAMMERSCHMIDT. Mr. Speaker, reserving the right to object—and I do not plan to object—I wish to yield to our distinguished chairman of the committee for an explanation of this technical amendment.

Mr. ROBERTS. Mr. Speaker, I thank the gentleman for yielding.

Mr. Speaker, on November 4, 1975, the House passed by voice vote H.R. 8507. The bill would authorize members of the American Battle Monuments Commission, when in travel status outside the continental United States, variable per diem rates identical to those authorized for members of the uniformed services in special status.

The members serve without any pay or allowances and are reimbursed only for their expenses. The current per diem rate of $40 per day was established in 1970. This bill will entitle members of the Commission to per diem at the rate established for members of the uniformed services. The per diem schedule varies from a low of $43 to a high of $83, with the average in countries in which our cemeteries are located being $55.30. The travel rate schedule for the uniformed services is reviewed periodically by the Department of Defense per diem and travel allowance committee and is adjusted to reflect current costs. Therefore, the necessity of this body and our committee to continually review and adjust this rate would be obviated with this legislation.

The technical amendment added by the Senate is consistent with the changes made by the Travel Expense Amendment Act of 1975, Public Law 94–22, which simplified the provisions of section 5703 of title 5, United States Code. Currently the law pertaining to the American Battle Monuments Commission provides that members of the Commission receive per diem allowances for travel within the continental United States in accordance with section 5703(c)(1). However, section 5703(c)(1) was repealed by the Travel Expense Amendment Act of 1975. In that act, Congress reorganized subchapter 1 of chapter 57 of title 5, United States Code, and deleted separate provisions for per diem allowances for employees serving as experts, consultants, or those either serving without pay or at $1 a year. Consequently, H.R. 8507 contains a technical amendment to the American Battle Monuments Commission Act which reflects the changes made by the Travel Expense Amendment Act of 1975. Thus, when members are in a travel status within the continental United States, they are authorized a per diem at the same rate as authorized to be paid under sections 5702 and 5703 of title 5, United States Code.

Mr. Speaker, the total annual cost of this bill is less than $1,900.

Mr. HAMMERSCHMIDT. Mr. Speaker, I am in agreement with the gentleman's unanimous consent request to concur in the Senate amendment to H.R. 8507.

This measure passed the House of Representatives on November 4, 1975. It authorized a per diem schedule for members of the American Battle Monuments Commission that is identical to the per diem payable to members of the uniformed services traveling abroad. At the present time, members of the American Battle Monuments Commission receive $40 per day. Under the schedule authorized by this legislation, the per diem will vary from a low of $43 to a high of $83, with the average in countries in which we have cemeteries being $55.30.

The Senate amendment is purely technical and reflects changes in existing law made by the Travel Expense Amendment Act of 1975. In that act, separate provisions for per diem allowances for employees serving as experts and consultants was deleted from the then existing law.

Mr. Speaker, I urge that the Senate amendment be concurred in.

Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

A motion to reconsider was laid on the table.

PROVIDING FOR CONSIDERATION OF H.R. 8532, ANTITRUST PARENS PATRIAE ACT

Mr. BOLLING. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 1033 and ask for its immediate consideration.

The Clerk read the resolution as follows:

H. Res. 1033

> *Resolved*, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 8532) to amend the Clayton Act to permit State attorneys general to bring certain antitrust actions, and for other purposes. After general debate which shall be confined to the bill and shall continue not to exceed one hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on the Judiciary, the bill shall be read for amendment under the five-minute rule. It shall be in order to consider the amendment in the nature of a substitute recommended by the Committee on the Judiciary now printed in the bill as an original bill for the purpose of amendment under the five-minute rule. At the conclusion of such consideration, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and any Member may demand a separate vote in the House on any amendment adopted in the Committee of the Whole to the bill or to the committee amendment in the nature of a substitute. The previous question shall be considered as ordered on the bill and amendments thereto final passage without intervening motion except one motion to recommit with or without instructions.

The SPEAKER. The gentleman from Missouri (Mr. BOLLING) is recognized for 1 hour.

Mr. BOLLING. Mr. Speaker, I yield 30 minutes to the gentleman from Ohio (Mr. LATTA), and pending that I yield myself such time as I may consume.

Mr. Speaker, this rule has been controversial. On November 5, 1975, the Committee on Rules held a hearing, and a motion was adopted to postpone action indefinitely.

Recently the Committee on Rules reconsidered the matter and, by a very substantial vote of 11 to 5, reported this rule.

This rule makes in order a very controversial matter. This is entirely an open rule; it is in fact wide open. There are no tricks in it; there are no complications in it, except that the rule does make in order the committee amendment in the nature of a substitute to be considered as an original bill.

Mr. Speaker, I would say that very few bills, in my experience, have ever been lobbied as strenuously as this one has been. I think it would be a great mistake for the House not to consider it both on the merits and under the conditions that exist.

Mr. Speaker, I do not believe that even the energy matter was more intensively lobbied than this one, on both sides, I will say. It seems to me, therefore, that being the circumstance, the House should, with near unanimity, adopt the rule.

Mr. LATTA. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I quite agree with the gentleman from Missouri (Mr. BOLLING). There is no controversy over this rule.

However, Mr. Speaker, this is a very controversial piece of legislation. I think that the action taken by the Committee on Rules on the 5th of November 1975, when it indefinitely postponed this piece of legislation, was the proper one.

As far as lobbying activities are concerned, I have not been lobbied by anyone on this piece of legislation, but I happen to know what it contains. I think it would be well for Members of this House, before they vote on it, to become acquainted with its provisions.

Mr. Speaker, this rule is noncontroversial; but the provisions of H.R. 8532 certainly are controversial. The bill made in order by this rule will permit State attorneys general to bring suits for treble—and I stress that word "treble"—damages against alleged—and I stress that word "alleged"—antitrust law violators.

Mr. Speaker, we are talking about possible violations of Federal statutes. It will be something new for States attorneys general, to be enforcing Federal laws rather than State laws. Certainly this new procedure could be subject to great abuse. For example, a politically ambitious State attorney general could attempt to portray himself as the consumers' friend by bringing a treble-damage suit against any and all businesses he believes—and I stress that "he believes"—may be violating our antitrust laws.

Mr. Speaker, antitrust suits are often long and drawn out. Whether innocent or guilty, the business is forced to bear the heavy legal costs of defending the suit. In the case of a small business, the firm could be put out of business by the cost of defending such a suit, even if it had done nothing wrong. In the case of a larger business, which survives such a suit, it will simply pass the additional cost along to the consumer. Thus this law could end up harming the very consumers that it is supposed to help.

Another serious problem with this bill is that the reason for awarding damages seems to have gotten lost in the drafting process. The bill provides that instead of actual documented losses suffered by identical claimants, damages will be ascertained by statistical sampling and other reckoning. These guesstimates will then be tripled to arrive at the potentially staggering total penalty. If an antitrust violation is found, damages under this bill will be awarded by the court like a pot of gold for some innovative public purpose.

Together these provisions erase the link between damages and incentives for antitrust action—the individual consumers have little chance of benefiting from the damages awarded. The amount is a rigid one which cannot be adjusted by the court to bear any relation to the actual damages, the seriousness of the antitrust violation, or the continued ability of the defendant to continue doing business, providing services or products, and offering employment. In short, the penalty procedure offers neither recompense, incentive, or justice.

Mr. Speaker, this bill is antibusiness and anticonsumer. It should be defeated.

Mr. Speaker, I was quite intrigued by the statement that appears on page 24 of the report, toward the bottom of the page. I will read it.

> By calling on the States attorneys general to champion these antitrust actions, the bill seeks to provide a political incentive for antitrust enforcement in cases where even treble damage awards provide no economic incentive.
>
> We believe that politics and antitrust will not make a happy marriage. The temptations for the politically ambitious to ride into the public eye as its champion against "fat cat" antitrust violators by filing lawsuits to the sound of political trumpets may be too great.

Mr. Speaker, I might say that there has been some question raised as to the position of the President of the United States on this legislation.

I have in my hand a copy of a letter dated March 17, 1976, from the President, addressed to the minority leader, the gentleman from Arizona, Mr. JOHN RHODES, and I will read the letter, Mr. Speaker, for the RECORD:

> THE WHITE HOUSE,
> *Washington, March 17, 1976.*
>
> Hon. JOHN J. RHODES,
> *Minority Leader, House of Representatives, Washington, D.C.*
>
> DEAR JOHN: As I outlined to you on Tuesday, March 16, I support vigorous antitrust enforcement, but I have serious reservations concerning the parens patriae concept set forth in the present version of H.R. 8532.
>
> I question whether federal legislation is desirable which authorizes a state attorney general to sue on behalf of the state's citizens to recover treble damages that result from violations of the federal antitrust laws. The states have the ability to amend their own antitrust laws to authorize parens patriae suits in their own courts. If a state legislature, acting for its own citizens, is not convinced the parens patriae concept is sound policy, the Administration questions whether the Congress should bypass the state legislatures and provide state attorneys general with access to the federal courts to enforce it.
>
> In addition to my reservations about the principle of parens patriae, I am concerned about some specific provisions of the legislation developed by the House Judiciary Committee.
>
> The present bill is too broad in its reach and should be narrowed to price fixing violations. This would concentrate the enforcement on the most important antitrust violations.
>
> In addition, the Administration is opposed to mandatory treble damage awards in parens patriae suits, preferring instead a provision which would limit awards only to the damages that actually result from the violation. The view that federal penalties were inadequate, which has been used to justify mandatory treble damages in the past, is no longer justifiable given the substantial increases in these penalties in recent years.
>
> The Administration opposes extension of the statistical aggregation of damages, beyond parens patriae legislation, to private class action suits because this is outside of the appropriate reach of this legislation.
>
> Finally, the Administration prefers discretionary rather than mandatory award of attorneys' fees, leaving such awards to the discretion of the courts.
>
> During the last two years, the Administration has sought to improve federal enforcement efforts in the antitrust area and the resources devoted to antitrust enforcement have increased substantially. In December 1974, I signed the Antitrust Penalties and Procedures Act which increased maximum penalties from $50,000 to $1 million for corporations and $100,000 for individuals. As I indicated above, I support vigorous antitrust enforcement, but I do not believe H.R. 8532 is a responsible way to enforce federal antitrust laws.
>
> Sincerely,
>
> GERALD R. FORD.

Mr. COHEN. Mr. Speaker, will the gentleman yield?

Mr. LATTA. I yield to the gentleman from Maine.

Mr. COHEN. Mr. Speaker, I thank the gentleman for yielding to me.

I would simply like to point out that if there is any confusion about this bill, and there is a great deal of confusion, that much of that confusion has been injected by the administration itself.

I think there are a number of defects in the bill and there will be certain amendments offered which are designed to correct the objections of the administration.

I would also like the record to reflect a letter sent to the chairman of the Committee on the Judiciary, the gentleman from New Jersey, Mr. PETER RODINO, dated September 25, 1975, signed by Mr. Kauper, Assistant Attorney General, head of the Antitrust Division wherein it states:

> The Administration has taken a position in support of the basic concept of permitting a State to sue on behalf of its citizens for damages sustained because of violations of the Sherman Act. H.R. 8532 would establish a workable mechanism for assuring that those antitrust violations which have the broadest scope and perhaps the most direct impact on consumers do not escape civil liability.

Similarly I have a copy of a letter addressed to the Honorable HUGH SCOTT of the U.S. Senate, dated February 19, 1976, signed by Harold R. Tyler, Jr., of the Attorney General's Office that reaffirms the administration's commitment to the concept of parens patriae in suits brought by the Attorney General on behalf of citizens of the States.

So if there is confusion and if there is doubt it seems to me that the administration has caused a great deal of that confusion.

Mr. LATTA. Mr. Speaker, I would reply to the gentleman from Maine by stating that the question would appear to me to be whether or not this gentleman, whom I never heard of, was speaking for the President of the United States back in September 1975 or was speaking for himself, because I just read a letter dated March 17, 1976 from the President to the minority leader, I do not believe that this person, whoever he might be, was speaking for the President of the United States.

Mr. COHEN. Mr. Speaker, it would seem to me that this then puts the Committee on the Judiciary, or in fact any other committee, in the position of perhaps insisting that we can only accept testimony from the Justice Department if we have either the Attorney General or a person directly under him coming forth to articulate the administration's position.

Mr. LATTA. I think that this is one of the things wrong with our bureaucratic form of government. We have too many underlings attempting to set administration policy. They do not speak with the authority. They are not elected by the people. I repeat this is one of the things wrong with our Government.

I might point out, to illustrate, that last Saturday morning we had a meeting in my district with elected officials all in favor of a certain needed project. They were the direct representatives of the people. Yet, there was some bureaucrat present, elected by nobody who gave every indication that he intended to thwart the will of the people and see to it that the project did not go through. I think this is wrong. I also think it is wrong for some unknown person in the Department of Justice to attempt to speak for the administration.

I just read a letter from the President of the United States dated March 17, 1976, wherein the President has spoken on this issue and set forth the position of the administration on it as of today.

Mr. COHEN. Mr. Speaker, will the gentleman yield further?

Mr. LATTA. I would be happy to yield further to the gentleman from Maine.

Mr. COHEN. This was not just some small bureaucrat speaking on behalf of the Attorney General, this was the Assistant Attorney General who heads the Antitrust Division. If we are not to be in a position to accept his testimony then I think the chairman of the Committee on the Judiciary should be put on notice that at least this Member will not accept testimony from anyone in the Justice Department other than the Attorney General in future hearings.

Mr. LATTA. I am happy to have the gentleman's comments. I would not accept this statement either.

Mr. Speaker, I have no further requests for time, and I reserve the balance of my time.

Mr. BOLLING. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

RESIGNATION AS MEMBER AND APPOINTMENT AS MEMBER OF ADVISORY COMMISSION ON INTERGOVERNMENTAL RELATIONS

The SPEAKER laid before the House the following resignation from a commission:

> WASHINGTON, D.C., *March 1, 1976.*
>
> Hon. CARL ALBERT,
> *Speaker of the House,*
> *Washington, D.C.*
>
> DEAR MR. SPEAKER: This is to inform you of my resignation from the Advisory Commission on Intergovernmental Relations effective March 1, 1976.
>
> My increasing legislative duties and subcommittee chairmanships do not permit me to devote sufficient time to the preparation and deliberation of the complex issues before the Commission. In good conscience, I cannot continue to perform only a limited service to this distinguished advisory body.
>
> It was a great privilege to have participated on the Commission and to have been chosen for this honor.
>
> With kindest regards,
> Sincerely,
>
> JAMES C. CORMAN,
> *Member of Congress.*

The SPEAKER. Without objection, the resignation is accepted.

There was no objection.

The SPEAKER. Pursuant to the provisions of section 3(a), Public Law 86-380, the Chair appoints as a member of the Advisory Commission on Intergovernmental Relations the gentleman from Michigan, Mr. VANDER VEEN, to fill the existing vacancy.

ANTITRUST PARENS PATRIAE ACT

Mr. RODINO. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 8532) to amend the Clayton Act to permit State attorneys general to bring certain antitrust actions, and for other purposes.

The SPEAKER. The question is on the motion offered by the gentleman from New Jersey.

The motion was agreed to.

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H.R. 8532, with Mr. BINGHAM in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

The CHAIRMAN. Under the rule, the gentleman from New Jersey (Mr. RODINO) will be recognized for 30 minutes, and the gentleman from Michigan (Mr. HUTCHINSON) will be recognized for 30 minutes.

The Chair recognizes the gentleman from New Jersey (Mr. RODINO).

Mr. RODINO. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, as the sponsor of H.R. 8532, I rise to urge all my colleagues to support this important bill.

This bill is, in my judgment, the most significant contribution to antitrust enforcement and to the deterrence of widespread antitrust violations in more than a quarter century.

My colleagues in the legal profession often speak of the antitrust laws in a jargon confusing to the world at large. But these laws are truly the charter of our free enterprise system. They prohibit collusive practices, such as agreements to fix prices or divide markets, which clog the channels of commerce and cause consumers to pay more for their goods and services. They seek to guarantee the free competition which is the lifeblood of free enterprise.

The basic premise of this bill is that many if not most antitrust violations have their ultimate impact on the consumer. The need for the bill arises because under our present antitrust enforcement scheme, the consumer has no effective mechanism for seeking redress, in light of the small value of individual claims and the enormous cost and complexity of antitrust litigation. As a result, many violations go unredressed, and violators reap—and retain—billions of dollars in illegal profits every year.

The bill would fill this enforcement void by empowering State attorneys general to bring antitrust suits on behalf of consumers in their States injured by antitrust violations. It would create no new antitrust liability. It would merely provide for the first time an effective mechanism for the vindication of existing consumer claims and the enforcement of long-standing policy.

This bill has been carefully crafted by the Judiciary Committee to protect the constitutional rights of potential claimants and antitrust defendants alike. It has the strong support of organized labor, consumer groups, Common Cause, the National Association of Attorneys General, and—until day before yesterday—the administration. Indeed, support for this bill in committee has been bipartisan throughout, and the administration has made many helpful suggestions through the Assistant Attorney General in charge of the Antitrust Division. Mr. Kauper testified in favor of this bill in both the House and the Senate, and the administration's support for the committee's final product was officially reiterated in a letter to me from Mr. Kauper dated September 25, 1975, which I shall at an appropriate time seek leave to insert in the RECORD.

In that letter Mr. Kauper said:

> The administration has taken a position in support of the basic concept of permitting a State to sue on behalf of its citizens for damages sustained because of violations of the Sherman Act.

He concluded:

> We would * * * urge enactment of this legislation.

The President himself has repeatedly spoken out in favor of strong antitrust enforcement. On October 8, 1974, he told a joint session of the Congress:

> To increase productivity and contain prices, we must end restrictive and costly practices, whether instituted by government, industry,

labor or others, and I am determined to return to vigorous enforcement of the antitrust laws.

Mr. Chairman, it was, therefore, quite surprising to me to learn that the President yesterday had written a letter to the minority leader opposing this bill and calling it a less than a responsible way of enforcing Federal antitrust laws. Certainly the President's statement is indeed a rejection of his oft-repeated commitment to antitrust enforcement as a means of preserving the free enterprise system and combating inflation.

In closing let me make an observation about the broader significance of what we are doing today. C. Wright Mills, a noted educator and author, once observed:

> It is better to take one dime from each of ten million people at the point of a corporation than $100,000 from each of ten banks at the point of a gun. It is also safer.

Price-fixing is a crime. It is one, however, that presently pays for most who commit it. The Justice Department has recently found that price-fixing is "a common business practice." Every day millions of consumers are robbed of nickels and dimes they never know about by antitrust violations. At a time when we agonize over the problem of crime and over the morality of our institutions and corporate practices, we should be prepared to provide a realistic deterrent to such "common business practices" which are undermining our commerce and contributing to our rate of inflation.

I include the following:

DEPARTMENT OF JUSTICE,
Washington, D.C., September 25, 1975.

Hon. PETER W. RODINO, Jr.,
Chairman, Committee on the Judiciary, House of Representatives, Washington, D.C.

DEAR MR. CHAIRMAN: This is in response to the letter of Mr. Alan A. Ransom of your staff, seeking our views on H.R. 8532, which now has been favorably reported out of the Committee on the Judiciary. You will recall that I appeared before the Subcommittee on Monopolies and Commercial Law on March 18, 1974, and testified in considerable detail about an earlier version of the bill. Subsequently, I again had occasion to consider the advisability of parens patriae legislation, this time in connection with S. 1284. See Hearings on S. 1284 before the Subcommittee on Antitrust and Monopoly of the Committee on the Judiciary of the United States Senate, pp. 93-96 (1975).

The Administration has taken a position in support of the basic concept of permitting a State to sue on behalf of its citizens for damages sustained because of violations of the Sherman Act. H.R. 8532 would establish a workable mechanism for assuring that those antitrust violations which have the broadest scope and perhaps the most direct impact on consumers do not escape civil liability.

Antitrust violations that result in relatively small economic damage to each of a large number of people are very troublesome: the economic incentives for such conduct are made more alluring by the realization that no single consumer has a sufficient economic stake to bear the litigation burden necessary to maintain a private suit for recovery under Section 4. Although it was once thought that the 1966 liberalization of Federal Rule of Civil Procedure 23 might provide a satisfactory mechanism for effectuating the deterrent objectives of Section 4, the class action device is apparently of limited utility in securing relief for large classes of individual consumers, see *Eisen* v. *Carlisle & Jacquelin*, 417 U.S. 156 (1974).

The parens patriae concept, as embodied in H.R. 8532, is both desirable and useful from the perspective of better antitrust enforcement. Such a provision is also consistent with the enforcement goals of the Clayton Act.

In our view, with only minor exceptions, the parens patriae provisions of H.R. 8532 are appropriately designed and limited to serve these goals.

Section 4c(b) of the bill authorizes a court, in any suit brought pursuant to Section 4C(a), to order that the state attorney general proceed "as a representative of any class" of persons alleged to have been injured by a violation of the antitrust laws. Given the broad parens patriae authority conferred in Section 4C(a), I remain uncertain of the purpose to be served by Section 4C(b), and I continue to be apprehensive about the entanglement of parens patriae authority with interpretive problems of Rule 23. When I testified before the Subcommittee on Monopolies and Commercial Law in early 1974, the *Eisen* case had not yet been decided by the Supreme Court. The Court's decision is suggestive of the panoply of problems presented by large class actions, and I would be reluctant to make the effectiveness of H.R. 8532 dependent upon judicial construction of Rule 23. H.R. 8532 imposes certain requirements upon parens patriae actions that are less burdensome than corresponding provisions of Rule 23. Compare the notice provisions of Section 4C(c) with Rule 23(c)(2). Those less onerous requirements may be quite reasonable when taken in the context of the traditional responsibilities of an attorney general to the citizens of his State. But Section 4C(b) apparently contemplates the possibility of a class action on behalf of citizens outside the State represented by the attorney general, and in those circumstances it is unclear whether a departure from the carefully developed protections of Rule 23 is desirable. We continue to believe that deletion of Section 4C(b) would strengthen the bill.

In order to forestall any uncertainty, the Administration favors inclusion of a provision in H.R. 8532 that would make it clear that the States could sue to recover treble damages for the entire amount of overcharges or other damages sustained in connection with any federally funded state program. Under current law, it is not clear whether a State has the power under the Clayton Act to sue for such damages, but we see no reason why States should be denied the power in circumstances such as these where the deterrent purposes underlying Section 4 would be advanced. Section 4E(a) of S. 1284 contains such a provision, which we have supported, and we favor amending H.R. 8532 to conform in this respect to S. 1284.

Section 4G(1) defines the term "state attorney general" so as to exclude "any person employed or retained on a contingency fee basis." The impact that this limitation will have upon the effectiveness of the parens patriae legislation is sufficiently unclear so as to warrant careful consideration. While the primary goals of H.R. 8532 are to increase the deterrent force of the Clayton Act and provide redress for injuries caused by antitrust violations, this legislation would accomplish these objectives in a way that might have beneficial consequences extending far beyond this rationale. By drawing state attorneys general directly into the enforcement of the federal antitrust laws, the long run impact of H.R. 8532 may be to encourage the development and sophistication of state antitrust enforcement capacities.

We certainly would welcome that development, and the definition of "State attorney general" presently contained in the bill would probably force States to develop internal antitrust enforcement capacity. Such a proposition, however, is not without its trade-offs. By depriving States of the option of retaining outside counsel on a contingency fee basis, the bill would delay full implementation of the parens patriae authority until such time as States could start-up a program of rigorous antitrust enforcement. While this is a short-run concern, the restriction might cause some smaller States, with limited law enforcement personnel, to forego completely antitrust enforcement because of the impracticality of internal development. The contingency-fee scheme has proven to be an important spur to antitrust enforcement, however, the Administration has not taken a position with regard to this provision.

Finally, the Administration has taken no position with regard to the provision in Section 3 that requires an award of attorneys' fees to a private party who secures injunctive relief in a suit brought under Section 16 of the Clayton Act.

The provisions of this legislation about which I expressed primary concern in my earlier testimony have largely been eliminated or satisfactorily modified. While we think the further refinements suggested above would strengthen the bill, we would still urge enactment of this legislation.

The Office of Management and Budget has advised this Department that it has no objection to the submission of this report from the standpoint of the Administration's program.

Sincerely yours,
THOMAS E. KAUPER,
Assistant Attorney General,
Antitrust Division.

Mr. HUTCHINSON. Mr. Chairman, I yield myself 10 minutes.

Mr. Chairman, I deeply regret that general debate on this bill is limited to 1 hour. It is technical and it proposes a concept in antitrust law, unfamiliar to most Members.

This is a lawyers bill. It will benefit antitrust lawyers but won't help consumers. The increased liability unmeritorious but politically motivated lawsuit which will be imposed on business enterprise will at least offset if not counterbalance any supposed price benefit from increased competition. In fact, this bill contains the power of State attorneys general to effectively drive some out of business. And for others the only survival against ruin would be a settlement out of court, no matter how innocent.

In times of rapid price increases, when the cost of an item goes up and you cannot buy it anywhere for less than a uniformly high price, it is only human nature to suspect that somewhere in the chain of distribution there has been price fixing. Now, price fixing is a violation of the antitrust laws.

Anyone who is injured in his business or his property by reason of anything forbidden by the antitrust laws, whether it be price fixing or anything else, may sue therefor and recover three times his damages. Suppose you purchase an item and because of the antitrust violations entering into the price mechanism you pay five cents more for it. Your treble damages would be 15 cents. You probably do not even realize your damage and certainly its not worth recovering, even at treble amounts. So you do nothing about it.

But suppose a manufacturer sold 10 million of those items directly to consumers. He would have received half a million dollars unlawfully. His treble damage liability would be $1.5 million. How to make him answer for it is the subject of the bill we are now discussing.

One possible way is to bring a class suit. The champion of the class would have to prove the violation of the antitrust laws by the manufacturer and that he was injured thereby and the amount of his damages. He would also have to prove that each and every member of the class was likewise injured and the amount of damages. The plaintiff for the class would also have to give legal notice to every member of the class he represents that the suit was pending, so that anyone who did not want to be bound by the decision could opt out. Even for champions of large classes of people, antitrust cases are lengthy and costly.

So out in California in the early 1970's a new procedure was tried. They called it parens patriae. Now parens patriae is an old term in the law referring to the king's prerogative to act as protector of persons under legal disability, such as minors, the insane, and the mentally incompetent. Literally, it means "father of the country."

California brought a suit against Frito-Lay, Inc., claiming to act as parens patriae for people in California who had purchased Frito-Lay's snack foods at a price tainted by antitrust violation and who were economically helpless to act for themselves. As parens patriae, the State maintained it did not need to comply with the safeguards of rule 23 of the Federal Rules of Civil Procedure. The Ninth Circuit Court of Appeals rejected the State's suit on the ground that its theory was only a device to sue for a class without the procedural safeguards surrounding class actions, and suggested that any such procedure would have to be a legislative creation; the court would not generate it.

And that is what this bill is, the Judiciary Committee's effort to create a new procedure to accommodate consumers in class actions involving antitrust damage suits.

Over in the Senate, the subject matter of this bill is only part of an omnibus antitrust bill. As matters now stand, the Senate is not expected to act upon the House bill or their own parens patriae bill separately. The Senate version will likely come to us as part of a large package.

This bill will empower a State attorney general to sue in Federal district court in the name of the State as parens patriae on behalf of all natural persons within the State injured by any violation of the antitrust laws, and recover treble damages. He will, of course, have to prove the fact of the violation, the fact of injury, and the causal connection between the two, but the proof of the amount of damages would be in the aggregate, using statistical and sampling methods. He would not have the burden of bringing into the courtroom individual purchasers to prove the amount of damages. There would thus be no aggrieved persons for defendant to cross-examine. Whether or not this is constitutional, this is not very good policy.

After the damages had been aggregated, the figure would be trebled, without regard to any equities, and the award, no matter how huge, would be paid to the State to be used as the court directed. Of course, provision would have to be made for any injured person to claim against the State for his appropriate share of the judgment, but it is not expected that very many would be able to prove their injury to the State, nor that many would even try because their individual damages, even trebled, would be so small.

So, what the bill provides, in effect, is a new kind of a civil fine. But unlike a true fine, where the court may vary the punishment to fit the equities of the case, there would be no flexibility. Whatever the aggregate damages, computed according to statistical or sampling methods, that amount must be trebled. The sum could be enormous, completely beyond the ability of the defendant to pay. It could put him out of business, wiping out hundreds and even thousands of jobs.

The end result could be a failure of justice. After all, antitrust law is judge-made. The statutory language is sweeping and imprecise. Consequently, this is a branch of law where a defendant business can find itself involved in antitrust cases in all innocence, with a violation unknown until a court finds it so. It is one thing to pay actual damages, but to have those damages trebled is punitive where the alleged conduct was generally thought to be legal and proper until the court ruled otherwise.

There is no justification for treble damages in this bill. The rationale for writing them into the law was to encourage injured persons to sue in cases where single damages would not be worth the effort. But in a parens patriae case, the State would not need the promise of treble damages to make the action worth while. The State attorney general is motivated by factors not financial but political. He will be eager to start a case regardless of the amount involved if he can see some political benefit in it. This bill will put politics into antitrust enforcement, at the State level. This plus the treble damage provision make it unacceptable to me.

But worst of all, this bill, offered in the guise of a mechanism to obtain money damages for refunds to millions of consumers, will deliver virtually no refunds to them at all. The judgment, to the extent collectible, will be used for public purposes just as a civil fine would be used. It will subject the business economy to the innovative legal theories of 50 State attorneys general. A good share of the cases will not be particularly meritorious, but they will all be politically appealing. And even those without merit will be settled by the defendants to avoid costly defense. The result might be a kind of shakedown of business by State attorneys general, in the name of the consumers but without direct benefit to them. This bill should be defeated. And if the States think it is a good idea, they have the power to enact it themselves.

Mr. RODINO. Mr. Chairman, I yield the balance of my remaining time to the gentleman from Ohio (Mr. SEIBERLING).

Mr. SEIBERLING. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I am not going to spend my allotted time describing in detail the provisions of this fairly simple bill, although I will go into it to some extent. The details can be understood easily by reading the short committee report or by reading the dear colleague letter sent out by the chairman, the gentleman from New Jersey (Mr. RODINO), the gentleman from Illinois (Mr. McCLORY) and others; or the very excellent letter sent out by the labor consumer-small business coalition supporting this bill, copies of which are available at both desks.

Mr. Chairman, having practiced antitrust law for 21 years before coming to Congress, and having lived with this bill for a year and a half, I would like to point out what I think it really amounts to.

In 1945, I went straight from Columbia Law School to one of the largest Wall Street law firms, and for the next 5 years spent a major part of my time defending corporations, large and small, in antitrust litigation. One of the first cases I worked on involved a suit against one of the leading corporations in America, and it was an antitrust suit. The owner was suing under the antitrust laws for $100 million trebled. If he won, he would have simply taken over control of the corporation. The patent owner contended that the corporation had acquired an exclusive right under the patent, and then suppressed its use in order to promote a competing invention of its own and avoid paying royalties.

Frankly, the plaintiff's case had some merit. Defense counsel, of which I was one, managed to drag the case on for years, through endless motions, depositions and other expensive legal wrangling. In the end, the plaintiff settled for a couple million dollars plus attorneys fees, all of which amounted to less than 1 percent of the potential damage claim.

I cite this case because it is typical of antitrust litigation. The antitrust bar includes some of the best legal minds in the world, men who get $1,000 a day for their services. Over the years, they have developed the art of delay to a real science. They have applied this art in their efforts to delay and block this bill. I have gotten literally dozens of letters from Wall Street law firms, all in opposition to the bill, and many Members have, too.

Obviously, they are not doing this out of an overwhelming sense of public duty. No. They are doing it because their clients want them to, and they are willing to pay them to do it. They did in fact succeed in delaying this bill from September until now. And they are still working at it.

I am going into this because I personally believe that as far as litigation is concerned, and despite what the distinguished gentleman from Michigan has just told the Members, this bill is not going to live up to expectations of either its supporters or its opponents—the fears of its opponents, I might say.

We are not going to see a large increase in antitrust litigation under this bill, for the simple reason that bringing an antitrust lawsuit is a very expensive, complex process and a process fraught with risk and uncertainty for the plaintiff.

I could spend the rest of my time telling the Members about all of the pitfalls that are going to lie in the way of any effort by an attorney general of any State to collect money for the consumers of the State under this bill.

So if anyone thinks the bill is going to produce an avalanche of new litigation, I can tell them right now it is not going to happen.

Mr. RAILSBACK. Mr. Chairman, will the gentleman yield?

Mr. SEIBERLING. I yield to the gentleman from Illinois (Mr. RAILSBACK).

Mr. RAILSBACK. I thank the gentleman for yielding.

Who pays for the expense of the plaintiff's action?

Mr. SEIBERLING. If the plaintiff wins, then the plaintiff will collect attorneys' fees.

Mr. RAILSBACK. And if he loses?

Mr. SEIBERLING. If the plaintiff loses, he is just out, so far as the lawsuit is concerned.

Mr. RAILSBACK. If the gentleman will yield further, if the plaintiff is unsuccessful, who bears the expense of that unsuccessful action?

Mr. SEIBERLING. The plaintiff bears the expense.

Mr. RAILSBACK. The taxpayers?

Mr. SEIBERLING. No.

Mr. RAILSBACK. The government? Sure.

Mr. SEIBERLING. I am talking now about the way the law is. If this bill is passed and if the Flowers amendment is adopted, then in many, many cases the attorney general of the State can hire a private attorney on a contingency basis.

Mr. RAILSBACK. If the gentleman will yield further, as I understand it, if the Government brings the action and the Government is unsuccessful, the taxpayers would foot the bill.

If on the other hand the Flowers amendment should pass, and a defendant prevails and can recover attorneys' fees and costs, again the taxpayers will pay the cost, either way.

Mr. SEIBERLING. The taxpayers would bear only a small fraction of the cost.

Mr. HUGHES. Mr. Chairman, will the gentleman yield?

Mr. SEIBERLING. I yield to the gentleman from New Jersey (Mr. HUGHES).

Mr. HUGHES. I thank the gentleman for yielding.

Mr. Chairman, I wonder if my colleague will agree that the taxpayers will pay it, because if we do nothing, the taxpayers will pay it through the unjust enrichment that some companies are presently overcharging; is that not correct? And is it not the thrust of this legislation to rectify such unfair and inequitable practices?

Mr. SEIBERLING. That is the thrust of the legislation, and that assumes that the case that is brought at that particular time has merit.

Mr. HUGHES. I thank the gentleman.

Mr. SEIBERLING. Mr. Chairman, let me continue.

Whether the taxpayers or the State pays, or whether the attorneys are on a contingency-fee basis and they pay, the fact is that bringing an antitrust suit is a very expensive and very time consuming and very risky undertaking, even if one has a very strong case.

What is going to happen is an attorney general is not going to bring a case if he is not convinced that he has a reasonably good chance of succeeding. So we are not going to get an avalanche of litigation. If we pass the Flowers amendment, there is going to be even less likelihood that a private attorney is going to spend his time and his money bringing a case where he does not have a very good chance of ever winning.

Nevertheless, this bill is going to benefit the consumers tremendously, and the reason is because it is going to produce more voluntary compliance by businessmen all over this country. Ninety-nine percent of the enforcement of the antitrust laws is accomplished by corporate counsel advising their clients. We could quadruple the size of the Antitrust Division and not even begin to make a dent in enforcement of the antitrust laws because that has to be done by each company and by each businessman complying with the law.

Mr. Chairman, I happen to know this is so because I practiced as a corporate lawyer for 17 years in the antitrust field, and I can tell the Members that the most effective tool I ever had with which to persuade my clients to comply with the antitrust laws was the risk of a treble damage action if they failed to heed my advice. Unfortunately, there is a serious gap in the provision for treble damages established by the Clayton Act 62 years ago. The gap exists in situations where individual claims are too small to make it feasible to sue for damages even though the total cost to all consumers as a class may be very large.

H.R. 8532 will plug that gap, but it will do so without jeopardizing the legitimate rights of any businessman who acts in good-faith reliance on his lawyer's advice. H.R. 8532 will do this without changing the substantive law in any way. The principles evolved by 86 years of court interpretations of the Sherman Act remain untouched.

Antitrust exemptions laid down by statute covering certain regulated industries and covering matters dealing with labor-management negotiations will not be altered in any way. All this bill will do is provide a means to make more effective an existing procedural remedy which every consumer already has in theory, but which small consumers are in practice unable to exercise.

Mr. COHEN. Mr. Chairman, will the gentleman yield?

Mr. SEIBERLING. I yield to the gentleman from Maine.

Mr. COHEN. Mr. Chairman, that is not exactly correct. They do not have a procedural remedy available; they have a substantive right available. There is a substantive liability on behalf of the conspirators engaged in price fixing, but as a practical matter individuals have no procedural remedy available to take advantage of that.

Mr. SEIBERLING. Mr. Chairman, they have a theoretical procedural remedy, but it is not one readily available to them because of the economics of the situation.

Mr. COHEN. Mr. Chairman, I assume the gentleman is referring in particular to the Eisen case. Perhaps the gentleman might elaborate a little upon the Eisen case for us.

Mr. SEIBERLING. Mr. Chairman, I will elaborate on that further later on in my presentation. Just let me say that the Eisen case made a narrow construction of rule 23 of the Federal Rules of Civil Procedure, the rule which authorizes class actions. In that case they said that Congress can change this, but under the rule, if it is possible to notify every member of the class, then they must notify them by actual notice. In many cases the actual notice would cost far more than one particular member of the class would have as a stake in the litigation; yet if we would take this and spread it over hundreds of thousands and even millions of consumers, even small amounts of $2 or $3 are going to add up to one very large amount in the aggregate.

Mr. COHEN. Mr. Chairman, if the gentleman will yield further, as a matter of fact, in the Eisen case the damages suffered by the plaintiff, as I recall, were $70, and the cost of notifying all those similarly covered was $315,000.

Mr. SEIBERLING. The gentleman is correct.

Mr. Chairman, I agree with President Ford's oft repeated support of effective antitrust enforcement. The need is urgent. Economists have been puzzled by the fact that our economy no longer responds as they expected the economy to respond from the current recession. In the past, as unemployment increased and demand dropped, prices fell. Yet general price levels did not fall this time; in fact, they continued to rise.

To many economists this seems to indicate that the forces of the marketplace no longer govern large segments of our Nation's economic system or, in other words, that the marketplace is no longer competitive. It is an ominous sign for the free enterprise system.

This bill, by restoring competition in some of the most important segments of our economy, can be a major step toward the renewal of free enterprise system.

Mr. Chairman, I am not going to go into great details as to the bill's provisions. As I said before, we have all kinds of "Dear Colleague" letters, summaries, and the committe report with notices, and so forth.

I am going to say that the chamber of commerce, which is one of the opponents of this bill, the National Chamber of Commerce, has stated the thrust of the bill in a very simple way, and I quote:

> A simple idea underlies the bill. Most purchasers of price-fixed goods cannot afford to sue a violator individually. This problem can be overcome by giving a State attorney general power to represent all State citizens as a public official. The attorney general has abundant resources, financial and otherwise, to sue on behalf of all individually injured consumers in a single proceeding.

Mr. Chairman, when this bill was being considered by the House Committee on Rules, our astute colleague, the gentleman from Missouri (Mr. BOLLING), captured the essence of the bill when he said:

> The issue, to me is very clear. Are we going to be willing to attempt to assist the weak and the small in dealing with possible overcharges by the large and the powerful?

As a matter of fact, the present antitrust laws, going all the way back to 1947, to the Supreme Court decision in the case of Georgia against Pennsylvania Railroad, have authorized State attorneys general, as a matter of common law, to bring suits under the antitrust laws in behalf of the citizens of their States under the doctrine of parens patriae.

In the Frito-Lay case in the 1960's, the circuit court of appeals in California said that while they thought that the States ought to have the power to bring damage actions under the antitrust laws in behalf of their citizens, the Congress had not so extended that privilege, but could if it wished to do so. This bill would take up that invitation.

Mr. Chairman, in case the Members think that we are talking about small potatoes, let me turn to the subject of bread.

Mr. RAILSBACK. Mr. Chairman, will the gentleman yield?

Mr. SEIBERLING. I yield to the gentleman from Illinois.

Mr. RAILSBACK. Mr. Chairman, the case that the gentleman in the well just alluded to, as I recall, awarded only injunctive relief and no monetary damages; is that correct?

Mr. SEIBERLING. That is correct. That was an injunction action.

Mr. RAILSBACK. Mr. Chairman, I thank the gentleman.

Mr. SEIBERLING. Mr. Chairman, in 1964, the Federal Trade Commission obtained an injunction against companies engaged in the price-fixing of bread in the Seattle area. In the 10 years preceding the injunction judgment, the bread had been illegally overpriced an average of 4 cents a loaf.

That amount may seem trivial, but the FTC estimated that this cost the consumers in the Seattle area $35 million. Therefore, that $35 million was money out of pocket that they never recovered because the amounts were very small, on the order of probably $5 per family per year.

In 1967 the FTC obtained equitable relief against the manufacturers of tetracycline, an antibiotic. Numerous antitrust cases were filed thereafter. For 8 years, from 1953 to 1961, it was found that the price of tetracycline had been fixed at $30.60 per 100 tablets. Following the Federal action and private filings, the price dropped from that amount to $5 for 100 tablets. Furthermore, in the resultant settlements against the five principal manufacturers, $235 million was collected. Incidentally, over 1 million consumers received direct payments from these settlements; and the balance of the money was used to fund health programs, for medical research, and to train medical personnel.

This bill would retain that pattern and make it available to consumers.

Mr. Chairman, I submit that it is long overdue. Economists have estimated that consumers pay an unnecessary $10 billion annually because of price-fixing alone, and that other antitrust violations cost about $20 billion, and in ineffective, but not illegal, anticompetitive situations there is added another $50 billion.

Mr. Chairman, that amounts to an $80 billion a year bill which it is time we started to cut into.

H.R. 8532 is supported by a broad group of labor, consumer, and small business groups. It is supported by the Justice Department, and until yesterday, by the President of the United States.

Mr. HUTCHINSON. Mr. Chairman, I yield 5 minutes to the gentleman from Illinois (Mr. McCLORY).

Mr. McCLORY. Mr. Chairman, I rise in support of this legislation (H.R. 8532)—bearing the intriguing title Antitrust Parens Patriae Act.

I wish to confirm the extensive and detailed hearings held by the subcommittee covering a period of 2 years. Of course, this means that some of the hearings were held during the 93d Congress, and thereafter supplemented by testimony and statements received last year.

Mr. Chairman, in reviewing the entire record, I find almost universal support for the concept of permitting antitrust proceedings to be undertaken by the attorneys general of the 50 States in behalf of the residents of the States.

In this connection, I have reviewed the two volumes of hearings.

But, Mr. Chairman, I have been primarily impressed by the support provided by the Assistant Attorney General in charge of antitrust actions, and, indeed, by the determination of the President in support of promoting freer competition in our private economy, and in stricter enforcement of our Nation's antitrust laws.

Mr. Chairman, that is precisely what this legislation undertakes to do; namely, to provide a new and a workable remedy for recovering damages in behalf of those residents of a State who suffer injury because of a violation of the antitrust laws. Let me add, that at this time such damages are rarely recoverable. Existing remedies for class actions on behalf of injured citizens are virtually unavailing and, as a consequence, there is widespread unjust enrichment, extensive price fixing, and other antitrust anticompetitive and monopolistic practices which permit violations of our existing antitrust laws to continue without a remedy.

Mr. Chairman, there are several essential elements which form this legislation.

They are few in number—they are expressed simply in the legislation before us—and these provisions are fully capable of clear interpretation.

Essentially, the measure authorizes the attorney general of each of the States to bring a civil action in the district court on behalf of the natural persons residing in the State where certain violations of the antitrust laws have occurred. These violations consist primarily of price fixing and specifically exclude violations resulting from monopolys, mergers, or from violations under the Robinson-Patman Act.

Plaintiffs will have to prove the fact of injury to the class. Plaintiffs will have to prove that defendants' wrong caused that injury. Plaintiffs will have to prove the amount of damages to the class. It is only on this last point that the bill speaks. It says that in proving the amount of damages to the class the court need not be required to determine that figure by adding together each individual claim but may instead determine damages to the class in the aggregate. In other words, the court may use some commonsense in computing class damages.

It is significant to note that the aggregation of damages provision bears only on this final stage of the suit and does not change the current law on standing, causation, or fact of injury. It would, of course, deprive courts of the excuse that they do not have the time to hear such cases. And this would mean that the cases could be decided on their merits.

I can well understand why wrongdoers would fear this bill. But I cannot understand why anyone would find their fear of justice in the public interest.

Under the amendment which I shall offer, and which I understand the committee will accept, damages recoverable will be only those which are sustained where the antitrust violations are inadvertent or not committed in bad faith. It is only in those cases where there is a wilfull and deliberate or bad faith violation of the antitrust laws that a State attorney general would be entitled to recover treble damages—a form of deterrent which exists under current law.

Another part of the bill would permit the aggregating of damages in order to hold down the cost of the proceeding and to reduce the expense of the litigation to all parties, and so that there might be a maximum recovery in behalf of the consumers, who are those who ultimately suffer with respect to price-fixing arrangements.

Mr. Chairman, I should add that my amendment also provides specifically that this authority for aggregating damages is limited to actions brought by the attorney general—and does not alter the existing laws respecting conventional class actions.

Mr. Chairman, there are other elements in this legislation relating to questions of notice—and other questions which the committee has endeavored to adjust consistent with the real or imagined fears of some in the business community.

In endeavoring to fulfill the goal of the high objectives which have been stated by the President, by the Office of the Attorney General, and by many others in all sectors of our society, it is my feeling that the committee has endeavored, in good faith, to respond to those goals, without any intention of being punitive, unfair, or irresponsible.

Mr. Chairman, in recent days there have been many expressions in opposition to the entire concept of this legislation.

Mr. Chairman, I can only conclude that such objections, if successful, would permit the existing injuries to continue unabated—to injure the American consumer through continuing violations of the antitrust laws—laws which, I believe, as a national policy, we should strive earnestly to enforce.

Mr. Chairman, it is possible that the mere enactment of this legislation will discourage most deliberate price fixing and other antitrust violations which are repugnant to a free economy.

Mr. Chairman, there is criticism current these days of American business, and the sins of a very minute part of the business community are leveled against the entire institution of our free enterprise system. There is one definite way in which the attitude toward American business, and particularly the American corporation, can be improved. And that is by discouraging any and all violations of law, preventing, to the extent possible, anticompetitive and monopolistic practices—and by promoting free, fair, and open and above board, competition. The development of this image can enhance the role and influence of the business community in our society and can contribute to an expansion of the economic benefits which have been made possible under our system of private enterprise. Indeed, the enactment and implementation of this measure, in my view, would enable a continuing expansion of American business, provide for a continuing strong economy, more jobs, and increased benefits to the American consumer and to all segments of our society.

Mr. SEIBERLING. Mr. Chairman, I yield such time as he may consume to the gentleman from New York (Mr. BADILLO).

Mr. BADILLO. Mr. Chairman, I wish to commend the chairman of the committee and the gentleman from Ohio for their contribution.

Mr. Chairman, I rise to speak in support of H.R. 8532 on behalf of consumers throughout our great Nation. At long last, the individual, consumer citizens of this country will, through the voice of their respective State attorneys general, have an antitrust provision with some substance to it. The Supreme Court long ago recognized that States, in the person of their highest legal officer, could sue parens patriae on behalf of consumers within that State for injunctive and other equitable remedies. These suits naturally included injuries sustained by the consumer as a result of illegal price fixing and other antitrust violations. This legislation, now at hand, seeks merely to provide the innocent consumer victim a concomitant legal remedy in damages for those same injuries. No legitimate business organization need worry about liability under this measure so long as it avoids engaging in conduct outlawed by the Clayton and Sherman Antitrust Acts. Without a doubt, this bill will be an effective spur to ethical business practices for the benefit of the entire general public. On that account alone, I strongly urge my colleagues to consider its favorable passage.

The need for this legislation is incontrovertible. The economic evidence indicating elimination of antitrust practices is conclusive. These facts were well established by hearings held on H.R. 8532. Economists William Shepherd and David Kamerschen have calculated that consumers annually pay $30 billion in higher prices; and that industry falls $60 billion short of its production potential due to activities strictly associated with monopoly power.

Assistant Attorney General for Antitrust, Thomas Kauper, has estimated that some $80 billion is probably lost annually to consumers because of "ineffective competition." FTC Commissioner Thompson has also estimated that price fixing alone costs consumers about $10 billion annually. Much of these moneys could be recovered by effective enforcement of our present antitrust law.

The crucial issue, from the consumer point of view, is economic incentives toward enforcement. The very nature of "price-fixing" demonstrates the lack of individual consumer motivation. This bill, H.R. 8532, attempts only to provide a focal point for consumer enforcement, that is, enforcement of rights which are inherently theirs under the law. As was recently shown, in the Seattle bread price-fixing case, a 4 cents overcharge per loaf resulted in a total monetary loss to Seattle consumers of some $75 million. Similarly, in another case, as a result of persistent FTC enforcement, the cost of the antibiotic, tetracycline, moved from its original cost in 1953 of $51 to a cost in 1961 of only $5. The five manufacturers of this essential antibiotic eventually settled private antitrust actions for $235 million.

In yet a third case, at the intervention of the Antitrust Division of the Department of Justice, the price of quinine fell from a whopping $2.13 per ounce to a mere 37 cents per ounce. These cases are just examples of violators who were caught and countered in the courts. These cases amply point up the enormous profits and unjust enrichments which regularly accrue to businesses who engage in illegal antitrust activities. At the same time, these cases reflect the puny monetary incentives which individual consumers have to seek injunctive relief and redress of their injury.

It is for this very reason that the impartial State attorney general must be allowed to take up the cudgel in protection of his State's citizen-consumers. Only by granting the State attorney general the right to secure damages, will the accrual of unjust enrichment be prevented. To that extent; this legislation clarifies what had been the law until the recent holding in the Frito-Lay case. I firmly believe that this power of the State attorney general should be maintained and secured firmly in our statutes. I recommend passage of H.R. 8532.

Of course, national and international business concerns have objected strenuously to consideration of this bill; however, their objections have been founded primarily on technical grounds. The doctrine of antitrust prevention is historically well grounded in sound public policy. No one has ever objected to the principle of better antitrust enforcement. The issues of potential abuse, class action safeguards, character of notice, mode of aggregating damages and the distribution of recovery are all issues more properly considered by the judicial branch. Rules to meet those objections should be fashioned on a case by case basis.

H.R. 8532 sets forth the principle of supplemental antitrust protection and a procedure whereby that protection can be readily obtained. It is folly to think that more extensive drafting will make this measure any more airtight than it already is. Practically speaking this parens patriae legislation reflects the best legislation which could be written to protect the individual consumer's actual monetary interests at stake. I am convinced that it satisfies due process and provides effective, workable remedies for those consumers whose injuries have been too small to bear the cost burden of complex litigation. I believe that a vote for passage is a vote for the citizen-consumer and a vote for the improvement of the public welfare.

In the final analysis, it must be admitted that this legislation will enhance the rights of persons injured by antitrust violations and will clarify procedures for parent patriae suits without establishing any new liability under current antitrust provisions. Since the economic burden of most antitrust violations is ultimately borne by consumers in the form of higher prices, this bill would go far in reducing consumer prices and combating inflation. The antitrust proscription currently afforded under the Clayton and Sherman Acts is adequate. The crucial issue is the ability to secure enforcement; and H.R. 8532 allows enforcement in the true sense of the word. This bill gives the State attorneys general a real tool, with teeth in it, for fighting price fixing and other illegal monopolistic actions. Accordingly, I strongly recommend its immediate adoption by the Members of the House of Representatives.

Mr. SEIBERLING. Mr. Chairman, I yield 2 minutes to the gentleman from Kentucky (Mr. MAZZOLI).

Mr. MAZZOLI. Mr. Chairman, I rise in support of this bill, especially the requirement in section 4C(e) that the courts approve all settlements of parens patriae actions.

I point this out because there are those who fear businessmen will be forced into blackmail settlements, because of the specter of massive parens patriae damage liability.

But this fear is a myth. The Federal courts have long approved settlements in these kinds of cases, and they do so on the basis of probable liability—not imaginary or speculative liability. They have not approved blackmail settlements in the past, and they are not going to permit them in the future.

Let us look at the record.

In the hotel telephone charges case, the plaintiffs demanded hundreds of millions of dollars in damages. But not one penny was paid in settlements—because the defendants won that case.

In Kline, the California real estate case, $750 million in damages were demanded. But did anyone settle? No. And the defendants won.

In the Eisen case, even greater damages were sought. But the defendants won, and not one penny was paid in settlement.

Now in the tetracycline cases, $200 million have been paid out in settlements to date. But were these blackmail settlements? I think not, Mr. Speaker.

What happened in those cases? In the criminal price-fixing cases, the jury returned a verdict of guilty on all counts against all the defendants. That was thrown out on appeal on an abstruse point, and the Supreme Court only upheld that on a 4-to-4 vote—and they do not come any closer than that.

Moreover, this settlement was only won after 10 years of litigation. It is doubtful anyone with a frivolous claim could survive 10 years of the most intense judicial scrutiny? It is not likely that anyone would invest that much money and effort, only on the hope that a lucky, blackmail settlement will suddenly appear? I do not think so.

We should be worried about blackmail settlements. But we should also be worried about unconscionable profits, and that is why I support this bill, and its requirement that our Federal judiciary supervise and approve parens patriae settlements. This protects not only the defendants, but also the consumers who can thereby be assured their claims are not being unwisely compromised or settled.

Mr. HUTCHINSON. Mr. Chairman, I yield 5 minutes to the gentleman from California (Mr. WIGGINS).

Mr. WIGGINS. Mr. Chairman, there will come a time later this afternoon when I will have more to say about this bill and the consequences of its adoption; but for present purposes I would like to focus upon a very troublesome section in the bill. It is on page 9, and it is section 4D which deals with something called the aggregation of damages. This is the so-called fluid recovery section of the bill, a concept which has been characterized by one very distinguished jurist as unconstitutional, a concept which has been characterized by others as bad policy. So that I know whether it is just bad policy or whether it might be unconstitutional, I am going to ask some questions and, in the interest of time, answer them in accordance with my understanding. I hope that the majority side will pay attention, and if they disagree with me, will take their own time to express their disagreement.

Under section 4D the words "aggregate" and "aggregate damages" appear, and I take that to mean the total damages sustained by the entire class for which the action is brought.

Will proof of aggregate damages require in every case proof of individual damages sustained by at least some members of the class?

I think that the proponents of this bill may answer the question no, but I, on the other hand, feel that it will require in each case proof of individual damages by at least some members of the class.

If proof of aggregate damages is undertaken by the sampling method as is authorized by section 4D, would this require proof of individual damages sustained by a sufficient number of individuals within the class to constitute a statistically reliable sample of the whole class?

I think the answer to that question must be yes. If we are dealing, Mr. Chairman, with a class of several million—perhaps as large as the consumers of the State of California: 21 million—what might we expect a statistically reliable sample to be?

Such a reliable sample might include a thousand or more individuals and, if so, I ask: What happens to the administration of justice if a parade of a thousand or more witnesses must be brought before a court? This raises the important fact that rule 23's safeguards of manageability are utterly abandoned in this bill. Under rule 23, no court could be expected to allow such a parade, simply because the class would be unmanageable. But under the bill, we reject the careful standards written in rule 23.

In parens patriae cases where proof of loss by individuals is undertaken, must the individual show by convincing evidence his own loss? I think the answer to that must be yes, because if this section permits an individual to recover without demonstrating that he has been injured, we offend fifth amendment values.

Does section 4D affect the duty of proving that illegal overcharges have been passed through to the individual claimant? This whole problem of pass-through is a technical one; but I am of the opinion that the bill does not relieve the plaintiff of the duty of proving that damages have been passed through to individual claimants.

In an attorney general brings a parens patriae case on behalf of "consumers," must every other natural person in the chain of distribution "opt out" in order to protect his own rights to bring an independent treble damage action?

The CHAIRMAN. The time of the gentleman from California has expired.

Mr. HUTCHINSON. Mr. Chairman, I yield 2 additional minutes to the gentleman from California.

Mr. WIGGINS. Mr. Chairman, I think the answer to the last question must be yes. In order to protect these rights, then, the kind of notice given becomes very important and is elevated to constitutional magnitude. Under the bill we use the phrase found in rule 23 "The best notice practicable," but the bill carefully and deliberately omits the balance of the language of rule 23, indicating that individual notice must be given, if that can be done reasonably.

Mr. SEIBERLING. Mr. Chairman, will the gentleman yield on that?

Mr. WIGGINS. I yield to the gentleman from Ohio.

Mr. SEIBERLING. Mr. Chairman, rule XXIII is not a constitutional rule. It is a rule of court.

Mr. WIGGINS. That is a surprising statement for the gentleman to make. The gentleman should read the advisor's notes following the rule. I have them in my file. The gentleman will find that he is wrong. It is a constitutionally required rule.

Mr. SEIBERLING. It is not constitutional.

Mr. WIGGINS. Mr. Chairman, I do not have the time to engage yet in a dialog, but I am eagerly awaiting the opportunity.

Mr. Chairman, finally, if someone in the chain of distribution may "opt out" or if there is a corporation in the chain of distribution which is not affected by this parens patriae action, it is clear that the person or entity can bring an independent treble damage action. If so, I ask, is that person entitled to recover from the same defendant? Some courts have addressed this problem of double recovery and have said that the system which is proposed in this legislation, unwisely, and pershaps unconstitutionally, permits double recovery trebled.

The questions I have asked are very troublesome to me. They deal with only one section of the bill. I believe the section is unamendable. It fatally flaws the entire legislation and so long as it exists this bill must be defeated.

Mr. SEIBERLING. Mr. Speaker, I yield 3 minutes to the gentlewoman from Texas (Miss JORDAN).

Miss JORDAN. Mr. Chairman, I rise in support of this legislation and specifically in support of section 4D which relates to the computation of damages and proving of damages in the aggregate.

I have only a few minutes and so I hope the manager of this legislation will talk about the difference between the computation of damages in the aggregate, which the bill allows and which 4D allows, and fluid recovery, which has nothing to do with the computation of the aggregation of the damages.

Fluid recovery runs to the matter of disbursement of the funds which are recovered and not to the aggregation of the damages.

There is nothing complicated and nothing unusual about proving damages in the aggregate. We can look at case after case, most recent, and see that the courts have approved the aggregation of damages. Briefly there is the Safeway case on February 26, 1975, in the District Court for the Northern District of California which talks about the aggregation of national averages reflecting what the loss is and the plaintiffs being made whole for that loss. There is the antibiotics case in New York, that was in May of 1971, where there was a question whether "defendants are constitutionally entitled to compel a parade of individual complainants to establish damages." The court did not reach this conclusion. The court said it could not conclude that the defendants could require this parade of witnesses in an effort to prove damages, the operative word being cannot make that conclusion by the court.

Aggregation of damages is a very simple concept, as I have stated. Take this as a for instance. One has a sugar refinery which sells 5-pound bags of sugar. It overcharges by 50 cents per bag. How is one going to prove the damages?

Are we going to require every consumer to line up at the courthouse door and somehow prove to the judge over the weeks and months and years that may ensue that that consumer purchased one 5-pound bag of sugar? That is one way to do it.

Or the other way to prove damages is to take the refinery which manufactured and sold the sugar, go to their records, see how many bags of sugar they did sell, multiply that number by the 50 cents and we get damages in the aggregate.

We either count them one by one, the 10 million bags of sugar, or we take the aggregate, the number of bags of sugar sold and multiply that by the figure. So we come up with the same result. Instead of adding, we say in aggregation of damages, we multiply. We get the same result, and it is quite simple.

So, I ask the Members that they discount any argument that aggregation of damages is such a new and novel and unconstitutional concept, that it does great violence to the thrust of this bill.

Mr. HUTCHINSON. Mr. Chairman, I yield 5 minutes to the gentleman from Illinois (Mr. RAILSBACK).

Mr. RAILSBACK. Mr. Chairman, I want to begin by commending and congratulating my friend from Ohio (Mr. SEIBERLING) for the many, many long hours that he has put in on this legislation. I say that despite the fact that I may disagree with him.

No. 1, I wonder why a State attorney general cannot take the normal course of seeking legislation from his State legislature? States, right now, have a right to enact whatever antitrust laws they believe to be necessary. Second, there was testimony that antitrust cases, whether justifiably founded or poorly founded, can result in enormous attorneys fees and costs to a business, whether large or small. The bill pending before us provides for attorneys fees and costs to the plaintiff, but not to the defendant.

I am worried about, not just aggregating damages, but aggregating them by a statistical statutory sampling method. I am perhaps most worried that a crusading, politically ambitious attorney general could bring an action arbitrarily or politically motivated, at taxpayers' expense if he or she is unsuccessful, and with the end result perhaps, being of putting a business out of business, depending upon how rich or how poor that particular business is.

I intend to support an amendment to be offered by the gentleman from Alabama which would also provide attorneys fees and costs to a prevailing defendant.

Mr. SEIBERLING. Mr. Chairman, will the gentleman yield?

Mr. RAILSBACK. I yield to the gentleman from Ohio.

Mr. SEIBERLING. I would like to commend the gentleman for the attention and care with which he has studied this legislation. I would just like to say that with the various amendments which are acceptable to this gentleman, and I believe to the subcommittee, and with the courts' control over frivolous actions, and with the fact that unlike private parties who can now bring actions under the antitrust laws to prove damages, an attorney general is also responsible not only to his State legislature but to the public, it seems to me that the fears expressed by the gentleman are not really likely ever to materialize, at least not except in only a few rare cases.

The attorney generals already can bring parens patriae actions, and yet there is not a single documented case of abuse.

Mr. RAILSBACK. For injunctive relief only, but what we are talking about here is aggregate damages, which can be trebled and in addition to that we are talking about arriving at the aggregate damages by a statutory statistical sampling method, which as far as I know is an entirely new concept. Then, the gentleman is even talking about permitting a trebling of that kind of aggregate statistical sampling.

Mr. COHEN. Mr. Chairman, will the gentleman yield?

Mr. RAILSBACK. I yield to the gentleman from Maine.

Mr. COHEN. Mr. Chairman, I hesitate to get on my feet and speak, since we both seem to be afflicted with the same disease of the throat.

Mr. RAILSBACK. It is not communicable.

The gentleman suggested that the State attorney general can only bring parens patriae for injunctive action. That clearly is not the case. A State attorney general can bring an action if it is in fact in a proprietary capacity.

Mr. RAILSBACK. That is not what I said.

Mr. COHEN. If the gentleman will yield further, the gentleman objects to the States bringing actions based on Federal law.

Mr. RAILSBACK. If my good friend will just forgive me for a moment for interrupting, I said that there have been no monetary damages awarded in a parens patriae action, and that the Georgia case clearly awarded only injunctive relief.

Mr. COHEN. If the gentleman will yield further, under existing law it is permissible for the State attorney general to bring an action under the Clayton Act for money damages if it is in a proprietary capacity.

Mr. HUTCHINSON. Mr. Chairman, I yield such time as he may consume to the gentleman from Ohio (Mr. KINDNESS).

Mr. KINDNESS. Mr. Chairman, I would defy any Member of this House to present a comprehensive, meaningful, understandable, and incontestible definition of "price fixing" within a half hour.

Many businesses are constantly uncertain as to what might or could be determined to be a course of action or inaction constituting "price fixing."

Years later, there may be the occasion to find the answer to that question in court.

H.R. 8532 is intended to make the consequences of a wrong guess more severe.

This bill is a confession of the failure of the Federal Government to meet its responsibility to enforce the Federal antitrust laws. I think that is premature.

This bill aims to put the attorneys general of the States in the position of enforcing Federal laws. The States could do this for themselves, by enacting their own laws.

What is wrong with this Congress when it fails continually to address its own problems, and instead seeks to apply window dressing like this and to shove off to the States the enforcement burden related to the laws, enacted by the Congress?

Nothing is wrong with the Congress acting to improve the enforcement of Federal antitrust laws; but where are those efforts?

Instead, we have a bill that even its strong supporters, such as the gentleman from Ohio (Mr. SEIBERLING), admit will do very little, or will do much less than either its supporters or its opponents expect or fear.

H.R. 8532, if its effect is noticeable, will have a heavy-handed effect upon the innocent employees of businesses that may be forced out of business because of a very large judgment awarded to a State attorney general.

I submit that the most imaginative and proper way to use those funds represented by that judgment would be to provide relief and assistance to the innocent employees who might be thus displaced from their employment.

Perhaps the flowery title of this bill should be changed to the Contingent Unemployment Act of 1984.

I ask the Members to remember that this bill will not have its effect upon the people who wrongfully violate the antitrust law, but rather upon the employees and stockholders who are innocent of any knowledge of or involvement in wrongdoing. We can do better than this.

Mr. HUTCHINSON. Mr. Chairman, I yield the balance of my time to the distinguished minority leader, the gentleman from Arizona (Mr. RHODES).

Mr. RHODES. Mr. Chairman, a great attorney, Clarence Darrow, once wrote that—

> Laws should be like clothes. They should be made to fit the people they are meant to serve.

We have before us today H.R. 8532, the Antitrust Parens Patriae Act, which is an ill-fitting attempt to make radical changes in antitrust enforcement at great cost to our economic system. Procedures of questionable constitutionality and dubious authority are justified as being necessary to protect that newfound idol of authoritarians—the American consumer.

I received a letter on March 17 from President Ford, which outlines his strong objections to this bill. Mr. Ford wrote:

> I question whether Federal legislation is desirable which authorizes a state attorney general to sue on behalf of the state's citizens to recover treble damages that result from violations of the federal antitrust laws. The states have the ability to amend their own antitrust laws to authorize parens patriae suits in their own courts. If a state legislature, acting for its own citizens, is not convinced the parens patriae concept is sound policy, the Administration questions whether the Congress should bypass the state legislatures and provide state attorneys general with access to the federal courts to enforce it.

The President also said this bill is too broad in its reach and should be narrowed to price fixing violations. He noted that the Antitrust Penalties Procedures Act, which he signed in December of 1974, increased maximum penalties for corporations and individuals in antitrust cases. He concluded:

> I support vigorous antitrust enforcement, but I do not believe H.R. 8532 is a responsible way to enforce Federal antitrust laws.

Mr. Chairman, I wonder why the leadership is attempting to stampede this ill-considered legislation through Congress today. On March 11, I informed the leadership that Chief Justice Warren Berger has placed the question of Parens Patriae on the agenda of the Judicial Conference of the United States. It is scheduled for consideration on April 7. It would seem logical to me that we should examine the Judicial Conference report on this legislation before the House plows ahead with legislation that proposes sweeping changes in the antitrust concept. My request that consideration be deferred has been rejected. Obviously, those pushing this punitive and poorly written piece of legislation do not want to see what the Judicial Conference recommends, and are trying to push this measure through in haste, which because of the bill's flaws, may well make waste of these efforts.

This bill has some strange provisions. It allows antitrust suits to be filed without the traditional type of notification of those on whose behalf the case is brought. It allows State attorneys general to establish a statistically derived figure as to the number of persons allegedly injured by violations. No proof of individual injury is required. It allows State attorneys general to establish a guesstimate of the amount of damages, and then treble it. Most revolutionary of all is the concept that those who have been damaged will not necessarily receive restitution, but the money will be converted by the court to some other purpose. This is bad legislating, an example of the road to hell being paved with good intentions.

If passed in the form we are considering today, this bill faces constitutional challenges. The Supreme Court recently decided that the Federal Elections Commission's enforcement powers were unconstitutional because all members were not Presidential appointees. The same problem may arise with this act, because State attorneys general are not officers appointed under article II of the Constitution to enforce Federal laws by litigation in the Federal courts to enforce heavy forfeitures under the Sherman Act.

I am certain that in this great rush to put something on the books that looks like it will benefit consumers, little consideration has been given to what it will do to our court system, and its detrimental effect on our legal processes. Antitrust cases are generally complex and time consuming. One case can tie up a Federal court for a long period of time. Federal courts already face a dramatic increase in antitrust cases. During 1975 there were 1,431 civil antitrust cases filed. This is an increase of 54 percent from the 1970 total of 929 cases. The courts are currently shorthanded, and are struggling to handle this increased workload.

Judge Robert A. Ainsworth of the Fifth Circuit Court of Appeals estimates the current shortage of judgeships at 13 circuit court judges and 52 district court judgeships. This shortage is without any consideration of the cases expected to result from the parens patriae bill. An antitrust case generally takes twice as long to litigate as other litigation. A flood of private antitrust cases would seriously impair the ability of the courts to handle their heavy criminal dockets. This bill would be a blow to swift justice and threaten the Federal court system with failure to meet the mandates of the Speedy Trial Act.

This bill would also levy a heavy financial burden on the court system. It provides for special masters, economic experts and other personnel to be appointed by the court to assist in complex antitrust cases. The act fails to adequately explain the source of funds to hire these extra people.

In short, this bill would precipitate an avalanche of antitrust cases onto an already overcrowded court system, and would delay justice for those entitled to a speedy trial in criminal cases.

Mr. Chairman, this bill would open a Pandora's box of legal complexity. In addition, it could well cost thousands of workers their jobs. It is paradoxical that this Congress, whose leadership has trumpeted its demands for more jobs, now wants to ram through a bill that could put many small firms out of business, that would subject labor unions to treble damage actions and weaken their bargaining position with firms subject to extremely costly damage suits. It would curb incentives for investment capital, and lessen the opportunity for business to create more jobs. This is an antijobs bill that poses great danger for working men and women it supposedly is designed to benefit.

This measure also opens the door to political misuse of antitrust laws by bestowing on State attorneys general almost blanket authority to file cases, regardless of the validity or merit of the case. Since no injury need be established, it would be a temptation for many politically ambitious attorneys general to file indiscriminately, hoping to reap a politically beneficial harvest of favorable publicity.

During the hearings on this bill, it was established that doctors and real estate brokers may face enormous liability, jointly and individually. The small concern, hit with potentially devastating damage obligations, would be in serious jeopardy.

The contingency fee provision of the Senate bill, which I understand is going to be offered as an amendment to this legislation, opens another can of worms. This method of reimbursement generates great interest in filing cases regardless of merit. Instead of enforcement of the antitrust act, which is the avowed purpose of this bill, it would invite speculative complaints in great numbers, further clogging the court system. This bill has rightly been characterized as a potential shakedown for corporations, ripoff for consumers and the great bicentennial money machine for antitrust entrepreneurs.

Mr. Chairman, there are a great many flawed aspects of this bill that make it unworthy of passage by this Congress. Its constitutionality is suspect. Its effects are far reaching. It could cost jobs and slow economic recovery. It will impede justice. It establishes unsound principles as the basis for antitrust litigation. This is a bad bill. I urge my colleagues not to embark on this unjustified extension of antitrust enforcement that has so many deleterious features. Surely we can do better than this.

The CHAIRMAN. The gentleman from Ohio (Mr. SEIBERLING) has 3 minutes remaining.

Mr. SEIBERLING. Mr. Chairman, I yield 1 minute to the gentleman from New Jersey (Mr. HUGHES).

Mr. HUGHES. Mr. Chairman, there have been a number of reasons advanced by the critics of this legislation as to why it should not be adopted. I would like to address myself in the limited time I have to the argument that consumers will not benefit by this.

First, the mere possibility of parens patriae actions will serve to deter and prevent many anticompetitive practices. This deterrent effect alone will yield enormous benefits.

More importantly, however, are the direct benefits from the strong law enforcement potential contained in parens patriae. Federal judges will in many cases be able to reimburse countless consumers for their losses.

In a ruling handed down just last year in the case of Washington against Peyser, $38 million was distributed to 885,000 consumers of antibiotics. The Federal judge who ordered these refunds expressly observed that—

> This class action has proven not only to be manageable but of great benefit to the consumers involved.

In his opinion, Judge Lord specifically addressed:

> The ongoing argument on the manageability of fluid class action.

and pointed out that—

> The court has been hearing for years that this type of settlement and this type of class action are unmanageable and will not work. The defendants strenuously argued that the consumers are not interested in this litigation and will not come forward to "lay claim" to the proceeds. In fact, the drug companies predicted that only 30,000 or 40,000 consumers would ever gain any recovery. But this prediction of only 30,000 or 40,000 consumers has been proven wrong.

Over 1 million claims were filed by on or behalf of consumers, resulting in some 800,000 allowances by the court. That sounds like a success story for consumers to my way of thinking.

Mr. SEIBERLING. Mr. Chairman, I yield 1 minute to the gentleman from Maryland (Mr. SARBANES).

Mr. SARBANES. Mr. Chairman, I rise in support of this legislation.

Mr. Chairman, this is a very important bill, one concerned with providing protection for the consumer against irresponsible business practices which violate our antitrust laws.

The charge that States' attorneys general would abuse the powers which they would receive under this legislation must be addressed. I point out that at a time when we are hearing a great cry for returning powers to the States, this is exactly what this legislation would do. It would provide an opportunity for the States' attorneys general to act on behalf of their consumers.

As Judge Sirica pointed out:

> The court is persuaded that the States, acting through their attorneys general, are the best representatives of the consumers residing within their jurisdictions. This court agrees that it is difficult to imagine a better representative of the retail consumers within a State than the State's attorney general.

Mr. Chairman, we can have irresponsible, abusive, politically ambitious officials in Washington as well as in State capitals. The way to deal with them is for the electorate or other governmental checks and balances operate upon them, not to deny the authority to move forward with this very important legislation.

Mr. SEIBERLING. Mr. Chairman, I yield myself the balance of my time.

Mr. Chairman, I am very sorry that the distinguished minority leader has attempted to drag the Chief Justice of the U.S. Supreme Court into this matter.

He did not say that the Chief Justice was asking us to hold up our legislation. He merely suggested it, but the inference could be drawn.

As a matter of fact, Mr. Chairman, the director of the Judicial Conference does not believe this bill will burden the courts.

In a letter dated July 23, 1975, to our committee, he stated that because the control of parens patriae litigation will be in the hands of responsible Government officials, the Judicial Conference does not expect parens patriae cases to be numerous.

As a matter of fact, Mr. Chairman, they are a fairer, more efficient alternative to large antitrust class actions, and the courts have the power to prohibit these large class actions if there is a less burdensome, more efficient alternative. A parens patriae action is such an alternative.

Mr. Chairman, I simply think that while we may expect the President to do a flip-flop, as he has done, that to try to drag the Chief Justice in is really not warranted.

Mr. ANDERSON of Illinois. Mr. Chairman, I rise in support of H.R. 8532, the so-called Antitrust Parens Patriae Act. It is my understanding that the administration position on this bill has changed somewhat from its earlier expression of support for the bill as expressed by the Justice Department and cleared by OMB. But it would be my hope that the administration can support this bill now that certain amendments have been adopted.

Mr. Chairman, H.R. 8532 amends the Clayton Act to permit State attorneys general to bring parens patriae suits on behalf of "natural persons" injured by any antitrust violations for treble damages and litigation costs.

Mr. Chairman, I think this bill is necessary because there presently is a gaping hole in our antitrust enforcement scheme. To quote from a letter to Chairman RODINO from Thomas E. Kauper, Assistant Attorney General of the Antitrust Division on September 25, 1975:

> Antitrust violations that result in relatively small economic damage to each of a large number of people are very troublesome: the economic incentives for such conduct are made more alluring by the realization that no single consumer has a sufficient economic stake to bear the litigation burden necessary to maintain a private suit for recovery under Section 4.

Mr. Kauper went on to write, and again I quote:

> Although it was once thought that the 1966 liberalization of Federal Rule of Civil Procedure 23 might provide a satisfactory mechanism for effectuating the deterrent objectives of Section 4, the class action device is apparently of limited utility in securing relief for large classes of individual consumers. . . . The parens patriae concept, as embodied in H.R. 8532 is both desirable and useful from the perspective of better antitrust enforcement. Such a provision is also consistent with the enforcement goals of the Clayton Act.

Mr. Chairman, I have the highest respect for Mr. Kauper and the job he has been attempting to do as the head of the Antitrust Division at the Department of Justice. He is most knowledgeable about the present gaps in our antitrust enforcement system and what is needed to close those gaps and thereby provide more effective enforcement efforts. I think more and more Members of this body are coming to realize how essential such efforts are in promoting a competitive free enterprise society and holding down inflation. Mr. Kauper has estimated that imperfect competition costs the American consumer in the neighborhood of $80 billion per year.

In a letter written to me on February 6, 1976, Chairman RODINO put it this way, and I quote:

> The President and many others have spoken of the terrible toll which anticompetitive conduct in violation of the antitrust laws takes on our economy each year, and of the concomitant need for vigorous antitrust enforcement. H.R. 8532 is desperately needed to fill a major gap in our enforcement scheme and to act as a realistic deterrent to antitrust violations.

And then, at a later point in his letter, Chairman RODINO made the following statement, with which I am in wholehearted agreement:

> In my judgment, strong antitrust enforcement is vital to the future of business in this country, for the channels of commerce and trade must be kept free of unfair and restrictive practices and conspiracies if the free enterprise system is to retain credibility.

In conclusion, Mr. Chairman, I think this is a fair and reasonable bill and moreover a necessary new tool for our antitrust enforcement program. It does not entail the expenditure of additional Federal funds, and it enlists the States in this enforcement effort. Whereas the present gap in this effort only invites violations which can cost consumers millions of dollars in the aggregate, this bill can help to close that gap by serving as an effective and realistic deterrent to such violations in the first place.

Mr. FISHER. Mr. Chairman, I would like to speak in favor of H.R. 8532, the antitrust enforcement amendments. This bill will permit State attorneys general to initiate actions to recover monetary damages on behalf of State residents injured by violations of the antitrust laws. It will eliminate practical obstacles that have prevented individual consumers from getting the compensation for antitrust injuries to which they are already entitled in principle.

Price fixing and other practices which impair the free market are violations of the antitrust laws and they hurt consumers by raising the prices they must pay for goods. The injury to each individual is often quite small and difficult to document. Under the provisions of H.R. 8532 all the consumers in a State will be able to recover their damages collectively. The damages would then be distributed on a reasonable statistical basis.

As the law is now, a bakery, for example, could be guilty of price fixing resulting in higher prices for consumers, but could not be required to pay those consumers' damages. The cost to the individual consumer of bringing his own suit for damages against a company are prohibitive, especially compared to the amount he could collect. Collectively, however, a group of consumers, such as the citizens of a State, can find it worthwhile going to court to try to collect the damages which are due them. The parens patriae bill will make suits for damages on a collective basis possible.

The attorney general of my own State of Virginia, Andrew P. Miller, is the chairman of the antitrust committee of the National Association of Attorneys General. He has written to me expressing his strong support for this bill and I commend his views to you:

OFFICE OF THE ATTORNEY GENERAL,
Richmond, Va., February 27, 1976.

Hon. JOSEPH L. FISHER,
Member, House of Representatives, Cannon House Office Building, Washington, D.C.

DEAR JOE: As Chairman of the Antitrust Committee of the National Association of Attorneys General, I request your support for passage of H.R. 8532.

This bill has the endorsement not only of our National Association but of the Ford Administration as well. H.R. 8532 constitutes *one of the* most significant proposed amendments to the federal antitrust laws in recent years. It does not change any substantive antitrust law. If adopted, however, it will provide a needed mechanism for States to coordinate antitrust enforcement so that their activity, together with action on the federal level, can ensure genuine competition in our American economy.

The bill in its present form prohibits retention of counsel on a contingent fee basis. This limitation as a practical matter would prevent smaller states without in-house expertise from engaging effectively in antitrust enforcement. I therefore ask your support for an amendment that would authorize contingent fees in antitrust cases if such fees were judicially approved but in no other circumstances.

Needless to say, I and the other members of our National Association would be most grateful for your favorable consideration of this legislation which is so clearly in the national interest.

With kindest regards, I remain
Sincerely yours,
ANDREW P. MILLER,
Attorney General.

Most of those who have spoken on this bill are lawyers. Their profession obviously is deeply concerned. As an economist also concerned over the years with antitrust matters, I remind my colleagues of the considerable benefit of this measure to consumers; that is, to all Americans who can only gain by legal actions that hold prices down to costs plus reasonable profits. All those who, like me, are strong believers in a free competitive economy must logically support this bill.

I think this is an important and worthwhile piece of legislation and I hope that my colleagues will vote for it.

Mr. ROSENTHAL. Mr. Chairman, I want to bring to the attention of the Members the corporations who are members of the Business Roundtable and have antitrust violation cases pending, have been found to have violated the antitrust laws, or admitted violating the antitrust laws:

(1965–1975)

1. Alcoa.
2. American Can Co.
3. American Home Products.
4. American Telephone & Telegraph.
5. Anaconda Co.
6. Armco Steel Corporation (three violations and two pending).
7. Atlantic Richfield Co.
8. Bendix Corp.
9. Bethlehem Steel Corp.
10. Boeing Co.
11. Boise Cascade Co.
12. Borg Warner (found guilty of price-fixing twice, violated merger law, forced to divest; one merger case pending).
13. Burlington Industries, Inc.
14. Certain-Teed Products Corp.
15. Champion International Corp.
16. Chrysler Corp.
17. Cities Service Co.
18. Continental Can Co.
19. Continental Oil Co.
20. Corning Glass Works.
21. Dart Industries Inc.
22. Dressler Industries Inc.
23. E.I. Dupont de Nemours & Co.
24. Exxon.
25. Federated Department Stores.
26. Firestone Tire & Rubber.
27. First National City Bank.
28. FMC Corp.
29. Ford Motor Corp.
30. GAF Industries.
31. General Dynamics.
32. General Electric Co.
33. General Food.
34. General Mills.
35. General Motors Co.
36. General Tire & Rubber Co.
37. Greyhound Corp.
38. B. F. Goodrich Co.
39. Goodyear Tire & Rubber.
40. Gulf Oil Co.
41. Ideal Basic Industries.
42. Inland Steel.
43. IBM.
44. International Harvestor Co.
45. Halliburton Co.
46. Hercules Inc.
47. International Nickel.
48. International Paper Co.
49. Kennecott Copper Co.
50. Kraftco.
51. 3 M Co.
52. Mobil Oil.
53. National Steel Co.
54. Owens Illinois Co.
55. Phillips Petroleum.
56. PPG Industries.
57. Proctor & Gamble.
58. Republic Steel.
59. Reynolds Metals Co.
60. Rockwell International Co.
61. Scott Paper Co.
62. Shell Oil Co.
63. Standard Oil of Indiana.
64. Stauffer Chemical.
65. Texaco.
66. Union Camp Corp.
67. Uniroyal.
68. United Aircraft Corp.
69. United States Steel.
70. Westinghouse Corp.
71. Weyerhauser Corp.
72. Caterpillar Tractor Co. (Case was dismissed after filing when corporation withdrew its plans to merge.)

Mr. SYMMS. Mr. Chairman, I rise in opposition to H.R. 8532, the antitrust parens patriae bill. I wonder if, in the name of helping the consumer, we are going to be hurting the consumer even more. My remarks will be brief—I would just like to toss in four items as food for thought for my colleagues.

First. I believe that this legislation may be based upon some assumptions which are not well grounded in the real world of economics and antitrust law. The bill seems to envision State attorneys general suing on behalf of consumers who have been injured through violations of the antitrust laws at the retail level. An article by Milton Handler and Michael Blechman, which many of you may have seen since it has been widely circulated here in the Congress, would dispute this assumption. These gentlemen point out that out of 341 civil and criminal actions commenced during the past 5 years by the Justice Department, only a small number are price-fixing conspiracies directly affecting consumers. The vast majority of antitrust suits allege violations far removed in the chain of distribution from consumers. The distinguished authors state that most of the retail price fixing suits, which do have a direct impact upon consumers, involve associations, such as realtors, lawyers, doctors, and other professionals, which use fee schedules or codes of ethics. They go on to state:

> The fee schedule cases provide a dramatic example of the potential dangers of parens patriae . . . where the equities fail to match the pre-conceived notions of the proponents [of parens patriae legislation]. Here we are generally dealing with small individual businessmen and practitioners and not giant corporations. . . . It is highly unlikely that any of these groups of defendants have amassed collective "pots of gold" by gouging consumers; to the contrary as one [Alabama] court noted . . . in each and every case where real estate brokerage fee schedules have been enjoined, the effect has been to increase rather than lower rates.

Mr. Chairman, I feel that in the small number of cases in which alleged price gouging can be proven, we will be doing the consumer more damage in the long run. Rates will be driven up by those small businessmen who subscribe to codes of ethics and fee schedules. Treble damages against such small retailers may also be unconscionable in many, if not most, cases. It will drive them out of business. The Justice Department itself acknowledges that prices have risen after each price fixing suit.

My second point—what about price fixing and other antitrust violations which occur higher up in the chain of distribution? How will this legislation help States protect their citizens from these types of violations? I think it will not be of help. Arriving at an estimate of damages which were actually suffered by the consumer will be impossible. Oftentimes, the price fixed item is a small component of the actual product purchased by the consumer. So many other, competitive markets have intervened between the points of actual price fixing and actual purchase by the consumer of the total product that it is impossible to ascertain what, if any, injury has been done. This problem is illustrated by Justice White's classic opinion in the Hanover Shoe case in which he points out that it is impossible to figure out pricing decisions in the real business world, and what impact price fixing at one level in the chain of production will have upon other levels. Different, and presumably more competitive markets, intervene.

For example, if there is a $5 overcharge in the price of a battery for a car, can it be said that the consumer was actually hurt by this amount? After all, other components might have been obtained at cheaper costs—and the automobile sales industry is characterized by price haggling between salesman and purchaser. If it is impossible for an individual consumer as plaintiff to prove this damage, how may the State attorneys general speculate upon the actual damage done to all the citizens within the State?

My third objection to this bill is that it seeks to overrule legislatively some wise decisions rendered by courts in the best interest of justice and fairness. Among these decisions is an opinion rendered by the Ninth Circuit Court which encompasses my own State of Idaho. In the case of Kline against Caldwell Banker involving a class-action suit for $750 million against Los Angeles realtors, the ninth circuit introduced the notion of "fairness to defendants" as being a requirement of the law—rule 23 Civil Procedure Rules. The judge pointed out that the court should dismiss this treble damage suit because it asserted astronomical claims against a large number of individuals in business for themselves and would work too great a hardship upon them.

Without this notion of fairness, courts would not be able to prevent abuse of small businessmen, such as those in Kline. And yet, this bill seeks to strip away the court's discretion to apply a fairness requirement. Those who support this bill say that it will be applied to hard core antitrust violators—not small businessmen. And yet, I must note that the danger I have outlined is not just hypothetical—the danger of inequitable results is apparent right now in the kinds of cases being brought by the Justice Department and by private plaintiffs in antitrust actions.

My fourth and final objection to the bill is largely philosophical. The good gentlemen who objected to this legislation in Judiciary Committee point out in their minority views that the purpose of treble damage awards in existing antitrust law is to compensate the actual victims of antitrust violations and to give them an incentive to bring a legal suit. By empowering State attorneys general to bring this type of suit, we are changing the rationale for treble damages. In this new context, treble damages will become a criminal fine—not a mechanism to encourage individuals to seek redress of their injuries in court. It is dubious that most of the individuals who actually suffered the damage will ever seek reimbursement from the State when it is victorious in one of these actions. However, this grant of power to the States will, of itself, create "immense pressures on State officials to sue in every case where their consumer-constituents may potentially have a claim"—Handler quote. This bill adds a political incentive to the antitrust laws.

I believe that this union of politics and antitrust law is destined for a bad result. I do not feel that the best interests of the consumer will be served because prices will rise as a result of the harrassment of the small business community. I do not feel that the best interests of the antitrust laws will be served because the problem of proving damages against the truly large corporations, high up in the chain of product disrtibution, will be insurmountable even under this bill. And I do not feel that the best interests of good government will be served by this bill because it proffers temptations to the politically ambitious to parade themselves as champions of the public when, in fact, an antitrust suit may be unwarranted and, in the long run, hurt the consumer.

Mr. HARRIS. Mr. Chairman, before us today is H.R. 8532, the Antitrust Enforcement Improvements Act, landmark legislation for the average American. It simply provides a practical means of enforcing antitrust laws already on the books. It would allow a state attorney general to sue companies guilty of price-fixing and other antitrust violations on behalf of the citizens of the State.

Currently, price-fixing conspiracies and other antitrust violations increase the price of bread, milk, gasoline, prescription drugs and numerous other items. For example, in one case, bread manufacturers fixed and raised the price of bread by several cents. Over a 10-year period this cost consumers $35 million. Such violations are particularly common in the food industry. Some of the Justice Department's recent cases have included price-fixing prosecutions involving milk in the Washington, D.C., area, bread and bakery products in Philadelphia, dairy products in Colorado, and sugar refiners nationally.

Antitrust violations such as price fixing, monopolization, and conspiracies to limit production injure consumers, whether by higher prices, illegal limitations on a consumer's choices, or by illegal withholding of goods and services. Additionally, illegal antitrust actions inevitably mean more inflation. Also, they introduce illegal and anticompetitive forces into the market.

Antitrust violations cost American consumers at least $30 billion a year. Price fixing alone results in consumers paying $10 billion more than they should. But corporations can get away with violating the antitrust laws because the individual consumer cannot afford to take them to court. The damages to each citizen may amount to only a few dollars per year, for example, as a result of a price fixing of prescription drugs, but the cost of filing a suit are proportionately large. Though the individual's injury may seem small, the total injury to all consumers is often billions of dollars. Under this bill, individual consumers would have a chance to claim their fair share of the money. Any money left over would be used to benefit the injured class of consumers, usually by having the court order that prices for the product be lowered for several years.

I am pleased that this House has the opportunity to take this giant step today for the consumer by considering this bill. I am proud to vote for the bill—a measure that can mean lower grocery bills for the consumer. I urge my colleagues to join me in voting for the measure. It is very distressing to me to learn that the President—whose law enforcement officials had until this week enthusiastically supported the bill—has announced that he will side with big business. I am convinced that this House will not also walk down that costly path.

Mr. MEZVINSKY. Mr. Chairman, I rise in support of the parens patriae bill. I believe it is landmark legislation and will make a major contribution toward the enforcement of our antitrust laws. This bill, perhaps more than any other antitrust measure, will help insure that consumers pay fair and competitive prices for their goods, and if they do not, there will be some redress. It is designed to increase the talent pool of those who enforce the law and to change our antitrust laws fom sometimes empty rhetoric to a means for constructive action.

One of the key provisions of this bill, which applies not only to parens patriae cases, is the awarding of reasonable attorneys fees to the prevailing plaintiff in injunctive antitrust cases. It hardly makes sense to provide a right of action without providing the means to exercise that right.

Antitrust laws, as exemplified by the recovery of treble damages, are formulated as encouragement for meritorious antitrust suits. The recovery of attorneys' fees is not only necessary when monetary relief is the goal, but are even more vital when no money is awarded and the relief is merely injunctive. Following the dictates of Alyeska, in which the Supreme Court asked Congress to specifically state that attorneys fees are to be awarded, this bill insures that in parens patriae injunctive cases and all other private antitrust cases, a plaintiff may recover reasonable attorneys' fees. As our committee report states:

> Without the opportunity to recover attorneys' fees in the event of winning their cases, many persons and corporations would be unable to afford or unwilling to bring antitrust injunction cases.

I commend the gentleman from New Jersey, the distinguished chairman of the Judiciary Committee and original sponsor of the bill, and the gentleman from Ohio, (Mr. SEIBERLING) on their work and hope that my colleagues will agree with their wisdom and overwhelmingly pass H.R. 8532.

Mr. DOMINICK V. DANIELS. Mr. Chairman, I rise in support of H.R. 8532, the Antitrust Parens Patriae Act of 1976.

The purpose of H.R. 8532 is to provide a new Federal antitrust remedy which will permit State attorneys general to recover monetary damages on behalf of State residents injured by violations of the antitrust laws. The bill is intended to compensate the victims of antitrust offenses, to prevent antitrust violators from being unjustly enriched, and to deter future antitrust violations.

Mr. Chairman, the economic burden of many antitrust violations is borne in large measure by the consumer in the form of higher prices for his goods and services.

This is especially true of such common and widespread practices as price fixing which usually result in higher prices for the consumer.

It is also true of other antitrust violations such as monopolization, attempts to monopolize, group boycotts, division of markets, exclusive dealings, tie-in arrangements, and conspiracies to limit production. All of these violations are likely to cause injury to consumers—either through higher prices or by placing limitations upon consumer choices.

Unfortunately, Federal antitrust statutes do not presently provide effective redress for the injury inflicted upon consumers. This lack of an effective consumer remedy sometimes results in the unjust enrichment of antitrust violators and undermines the deterrent effect of the treble damage action. H.R. 8532 fills this gap by providing the consumer an advocate in the enforcement process—his State attorney general.

In testimony presented in the 93d Congress, Assistant Attorney General for Antitrust Thomas Kauper underscored the positive deterrent value of the treble damage remedy.

Additionally, Mr. Kauper said there was a need for "the availability of a method by which damages can be recovered where antitrust violations have caused small individual damages to large numbers of citizen-consumers."

Mr. Chairman, it is apparent to me that without such a redress method, antitrust violations which have the most direct and far-reaching impact on consumers escape the penalty of the loss of illegally obtained profits.

The individual consumer is not likely to engage in litigation to recover the relatively small amount of his personal economic injury caused by antitrust violations. However, when the individual consumers—and their small individual losses—are added up, we can determine that the amount of injury is very substantial indeed.

Under the well established doctrine of parens patriae, States have successfully sued to halt continuing wrongs which injure or threaten to injure their citizens. The Clayton Act has been interpreted by the Supreme Court as authorizing States to maintain parens patriae lawsuits to enjoin violations of the antitrust laws when those violations are injuring the State's citizens.

However, when the State of California recently tried to sue to recover monetary damages on behalf of persons who had allegedly been injured by the price-fixing of snack foods, the Ninth Circuit Court of Appeals held that parens patriae damage actions were not authorized by the Clayton Act.

Mr. Chairman, H.R. 8532 is a legislative response to that case, and it recognizes that the consuming public currently has no effective means to obtain compensation for its injuries.

It is important to bear in mind that a State attorney general is an effective and ideal spokesman for the public in antitrust cases, because he has a primary duty to the public to protect their health and welfare, and he is directly accountable to them.

Mr. Chairman, I have heard a lot about the costs to industry of this legislation. What costs are they talking about? Are they talking about the illegal profits they might have to return to the public? Surely, the industrial and commercial sector cannot adopt a stance of righteous indignation on this issue.

In my view, a responsible industry or business has nothing to fear from this legislation. Those that are engaging in pricefixing or other antitrust activity have a reason to worry.

Let us also not forget that consumers have been paying as much as $10 billion per year for price-fixing violations—a figure also arrived at by the Justice Department's Antitrust Division.

Mr. Chairman, $10 billion per year is no paltry sum—and it is time to provide consumers with the mechanism to seek redress and compensation for the economic injury they suffer as a result of antitrust behavior.

Mr. Chairman, I urge my colleagues to join with me in strong support for the legislation. Now is not the time nor the place to say to the consumers of America that we will accept "business as usual"—especially when that attitude is robbing them of their hard-earned dollars.

On the contrary, now is the time to put the industrial and commercial sector of our economy on notice that in the future, they will pay a penalty for antitrust activity.

The CHAIRMAN. All time has expired.

Pursuant to the rule, the Clerk will now read the committee amendment in the nature of a substitute printed in the reported bill as an original bill for the purpose of amendment.

The Clerk read as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Antitrust Parens Patriae Act".

Sec. 2. The Act entitled "An Act to supplement existing laws against unlawful restraints and monopolies, and for other purposes", approved October 15, 1914 (15 U.S.C. 12 et seq.), is amended by inserting immediately after section 4B the following new sections:

"ACTIONS BY STATE ATTORNEYS GENERAL

"Sec. 4C. (a) Any State attorney general may bring a civil action, in the name of the State, in the district courts of the United States under section 4 of this Act, and such State shall be entitled to recover threefold the damages and the cost of suit, including a reasonable attorney's fee, as parens patriae on behalf of natural persons residing in such State injured by any violation of the antitrust laws.

"(b) In any action under subsection (a), the court may in its discretion, on motion of any party or on its own motion, order that the State attorney general proceed as a representative of any class or classes of persons alleged to have been injured by any violation of the antitrust laws, notwithstanding the fact that such State attorney general may not be a member of such class or classes.

"(c) In any action under subsection (a), the State attorney general shall, at such time as the court may direct prior to trial, cause notice thereof to be given by publication in accordance with applicable State law or in such manner as the court may direct; except that such notice shall be the best notice practicable under the circumstances.

"(d) Any person on whose behalf an action is brought under subsection (a) may elect to exclude his claim from adjudication in such action by filing notice of his intent to do so with the court within sixty days after the date on which notice is given under subsection (c). The final judgment in such action shall be res judicata as to any claim arising from the alleged violation of the antitrust laws of any potential claimant in such action who fails to give such notice of intent within such sixty-day period, unless he shows good cause for his failure to file such notice.

"(e) An action under subsection (a) shall not be dismissed or compromised without the approval of the court, and notice of the proposed dismissal or compromise shall be given in such manner as the court directs.

"MEASUREMENT OF DAMAGES

"Sec. 4D. In any action under section 4C (a) or (b) or in any other action under section 4 of this Act which is maintained as a class suit, damages may be proved and assessed in the aggregate by statistical or sampling methods, by the computation of illegal overcharges, or by such other reasonable system of estimating aggregate damages as the court in its discretion may permit, without the necessity of separately proving the individual claim of, or amount of damage to, each person on whose behalf the suit was brought.

"DISTRIBUTION OF DAMAGES

"Sec. 4E. Damages recovered under section 4C(a) shall be distributed in such manner as the district court in its discretion may authorize, subject to the requirement that any distribution procedure adopted afford each person a reasonable opportunity to secure his appropriate portion of the damages awarded less unrecovered costs of litigation and administration.

"ACTIONS BY ATTORNEY GENERAL OF THE UNITED STATES

"Sec. 4F. (a) Whenever the Attorney General of the United States has brought an action under section 4A of this Act, and he has reason to believe that any State attorney general would be entitled to bring an action under section 4C(a) based substantially on the same alleged violation of the antitrust laws, he shall promptly give written notification to such State attorney general with respect to such action.

"(b) To assist a State attorney general in evaluating the notice and in bringing any action under section 4C of this Act, the Attorney General of the United States shall, upon request by such State attorney general, make available to him, to the extent permitted by law, any investigative files or other materials which are or may be relevant or material to the actual or potential cause of action under section 4C.

"DEFINITIONS

"Sec. 4G. For purposes of this section and sections 4C, 4D, 4E, and 4F:

"(1) The term 'State attorney general' means the chief legal officer of a State, or any other person authorized by State law to bring actions under this Act; except that such term does not include any person employed or retained on a contingency fee basis.

"(2) The term 'State' means a State, the District of Columbia, the Commonwealth of Puerto Rico, and the territories and possessions of the United States.

"(3) The term 'antitrust laws' does not include sections 2 and 7 of this Act.

"(4) The term 'natural persons' does not include proprietorships or partnerships.".

Sec. 3. The Act entitled "An Act to supplement existing laws against unlawful restraints and monopolies, and for other purposes", approved October 15, 1914 (15 U.S.C. 12 et seq.), is amended—

(1) in section 4B (15 U.S.C. 15b), by striking out "4 or 4A" and inserting in lieu thereof "4, 4A, or 4C";

(2) in section 5(b) (15 U.S.C. 16(b)), by

striking out "private right of action" and inserting in lieu thereof "private or State right of action"; and by striking out "section 4" and inserting in lieu thereof "section 4 or 4C"; and

(3) by adding at the end of section 16 (15 U.S.C. 26) the following: "In any action under this section, the court shall award reasonable attorneys' fees to a prevailing plaintiff.".

Mr. SEIBERLING (during the reading). Mr. Chairman, I ask unanimous consent that the committee amendment in the nature of a substitute be considered as read, printed in the Record, and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from Ohio?

There was no objection.

AMENDMENT OFFERED BY MR. M'CLORY

Mr. McCLORY. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. McClory: On page 9, strike lines 14 through 22 and insert in lieu thereof the following:

Sec. 4D. In any action under section 4C (a) or (b), damages may be proved and assessed in the aggregate by statistical or sampling methods, by the computation of illegal overcharges, or by such other reasonable system of estimating aggregate damages as the court in its discretion may permit without the necessity of separately proving the individual claim of, or amount of damage to, persons on whose behalf the suit was brought; provided, that any damages awarded a defendant which are proved and assessed in the aggregate as provided in this section shall be reduced to actual damages and the cost of suit, including reasonable attorneys' fees, if the defendant establishes that he acted in good faith and without reasonable grounds to believe that the conduct in question violated the antitrust laws.

Mr. McCLORY (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the Record.

The CHAIRMAN. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. McCLORY. Mr. Chairman, this amendment has a twofold purpose. The amendment would, first of all, narrow the scope of the impact of section 4D, which provides for aggregate damages, and would confine its application to parens patriae cases and would not open the door to aggregating damages in private class actions.

Mr. Chairman, I believe that the scope of section 4D should be narrowed to treat only the subject before us—parens patriae actions.

The second major change that my amendment would accomplish concerns the inflexibility of the treble-damage provision. Congress provided in 1914, in section 4 of the Clayton Act, that persons injured in their business or property by reason of antitrust violations would be permitted to recover threefold damages for two reasons: First, to induce private parties to bring wrongdoers to justice and thus act as "deputy" attorneys general in enforcing the antitrust laws, and second, to punish wrongdoers and thus deter future violations.

Mr. Chairman, the policy of punishing wrongdoing should depend upon whether the defendant willfully or inadvertently violated the law.

What my amendment would do would be to allow treble damages only in cases where there is a willful or deliberate violation of the antitrust law. In cases in which the violation is inadvertent or where the defendant acted in good faith, there would only be single damages.

I might say, Mr. Chairman, with respect to this amendment that I am offering, that we meet two of the objections which the President has referred to in his letter to the minority leader and the amendment seems partially to meet another part, because where the President recommends that single damages should be allocated in all cases, my amendment would limit the single damages only to those cases where the antitrust violation is committed inadvertently and in good faith.

Where there is a bad-faith violation, deliberate bad-faith violations of the antitrust laws, we should have, it seems to me, the punitive value of treble damages.

Of course, with respect to the damage element, the limitation on the aggregation of damages part of my amendment would also satisfy another one of the President's recommendations.

Mr. SEIBERLING. Mr. Chairman, will the gentleman yield?

Mr. McCLORY. I yield to the gentleman from Ohio.

Mr. SEIBERLING. Mr. Chairman, I certainly want to commend the gentleman from Illinois for offering this amendment. I think the amendment is very much in order. I think it is entirely consistent with the purposes of this bill. The Attorney General does not need the same incentives as a private person does to bring an action under the Clayton Antitrust Act which has been in effect since 1914. From the standpoint of deterrence, treble damages are important. But if a person has acted in good faith, without believing that he had in fact violated the law, then to ask for treble damages would not provide any deterrent in that instance. But, in addition to that, we make certain that where there was a clear bad-faith violation of the antitrust laws then that person has to accept the results of his actions.

Mr. RODINO. Mr. Chairman, will the gentleman yield?

Mr. McCLORY. I yield to the gentleman from New Jersey.

Mr. RODINO. Mr. Chairman, I want to concur in the comments made by my colleague, the gentleman from Ohio (Mr. Seiberling), with regard to this amendment and to state that this certainly does meet the objections which were raised regarding the measure. I wholeheartedly support the amendment. I believe it is an improvement to the legislation and I would hope that the House would support the amendment and the bill.

Mr. HUTCHINSON. Mr. Chairman, will the gentleman yield?

Mr. McCLORY. I yield to the gentleman from Michigan.

Mr. HUTCHINSON. Mr. Chairman, I would like to state that although I am opposed to the bill, I think this amendment improves a bad bill.

Mr. McCLORY. Although these twin policies are appropriate in the typical private antitrust action, parens patriae cases involve different considerations. With regard to the policy of inducing lawsuits, two points *must be made*. First, the State attorney general has a legal duty to serve the people of his State and safeguard their interests as the law would allow. Unlike private parties, he has a duty to enforce the law. Second, if victorious, he will receive no monetary reward at all. Thus no multiplier of that amount can increase his incentive to sue. Therefore, treble damages in parens patriae cases are not needed to induce State attorneys general to sue.

The other policy of punishing wrongdoing should depend upon whether the defendant willfully *or inadvertently violated* the law. Normally, this distinction cannot be tolerated lest it deprive the private party of the incentive to bring the suit. But here the incentive policy is inappropriate. Thus there is no sustaining reason to punish the innocent.

Consequently, my amendment would impose treble damages on willful violators and single damages on those who acted in good faith. Single damages must be imposed on good faith violators lest wrongdoers be permitted to profit from their wrongs. Those wrongly injured should be made whole. On the other hand, if single damages were all that willful violators had to pay, there would be an economic incentive to disregard the law, for at worst the wrongdoers would only have to return their illegal gains when and if they were caught.

I realize that I might be subject to much criticism for this amendment because it in fact reduces the potential liability of antitrust violators. I cannot deny that my amendment would reduce current treble-damage liability to single-damage liability so that good faith violators might prefer to be sued by the State acting as parens patriae rather than by the aggrieved parties themselves. I prefer to believe that State attorneys general will act honorably and not file sweetheart parens patriae suits at the secret request of would-be defendants. The fact that current treble-damage liability is seldom realized because cases are dismissed for technical reasons, such as that it would take too long a time to hear each victim tell his or her story, should induce defendants to continue to prefer traditional class actions to parens patriae actions, at least until class-action law is reformed.

Those who have read the Committee Report will note that the minority views complain of the inflexibility of treble-damage awards *and suggest* the wisdom of permitting a reduction in view of named factors. My amendment differs in two respects: First it would not merely permit reduction of treble damages but mandate single damages where defendant acted in good faith; and second, it would not subscribe to the theory that poverty should be a defense to liability in whole or in part. It would not permit a willful wrongdoer to have his liability reduced because his financial condition was marginal. Rather, reduction would be permitted on the basis of good faith. I respectfully suggest that my amendment is the better. I urge your support.

Mr. SEIBERLING. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I personally support the amendment offered by the gentleman from Illinois (Mr. McCLORY) and I can say further that as far as I know, all of the members of the committee on this side support it, certainly all of the members of the subcommittee do, and I urge approval of the amendment.

AMENDMENT OFFERED BY MR. FLOWERS TO THE AMENDMENT OFFERED BY MR. M'CLORY

Mr. FLOWERS. Mr. Chairman, I offer an amendment to the amendment.

The Clerk read as follows:

> Amendment offered by Mr. FLOWERS to the amendment offered by Mr. McCLORY: On page 9, line 14, after "(b)", insert the following, "in which there has been a determination that the defendants agreed to fix prices in willful violation of the antitrust law."

Mr. FLOWERS. Mr. Chairman, this amendment would narrow the operation of the so-called fluid recovery damage provisions of section 4D and 4E of the bill. I have restudied these provisions since the Judiciary Committee voted to report the bill out last summer. I am now convinced that they go too far.

This amendment would limit the use of the fluid recovery damage provisions to willful, nickel-and-dime price fixing where the injury falls directly on consumers. There are probably many of us who think that this is what the bill is aimed at. The Washington Post story this week about the possible Presidential veto called H.R. 8532 a price-fixing bill. That is not so. The fluid recovery provisions are far broader. They cover every conceivable type of business activity from mergers to the Rozelle rule and baseball's reserve clause.

What problems do we cause by not limiting fluid recovery to the kinds of nickel-and-dime price fixing that everyone is talking about? In the first place, the antitrust laws are vague and uncertain, and the genius of these laws may be their flexibility to deal with individual situations on a case-by-case basis. The law, moreover, is constantly changing. In many circumstances, there is no way to predict how the courts will ultimately rule. For this reason, the courts generally grant injunctive relief that is prospective only. Private consumer actions for retroactive damages are generally brought only for clear-cut price-fixing violations.

If the law changes, it should be applied prospectively. But a businessman should not be subjected to large damage awards that are retroactive for conduct he had every reason to believe was legal—and that a different court may in fact view as legal. Because of differing court decisions, baseball is exempt from damages under this bill, but basketball is not. Does this make any sense?

There is often a very fine line between conduct that is clean competition, and conduct some court will find is too aggressive and thus destructive of competition. Fear of massive damage claims has to caution a businessman to be less competitive.

These lawsuits could do more than just terrify a businesman and stifle competition. The mere filing of a massive damage action, no matter how frivolous, must be disclosed under SEC rules. Disclosure can lead to qualified audit reports or audit disclaimers which, in turn, will cut off bank credit, halt a public offering for capital, or even cause suspension of stock trading. The damage is done when the suit is filed. There is no way to cure the problem afterwards, such as by reducing the damage award. Most companies settle before trial anyway. They cannot operate under the heavy cloud of large and uncertain claims, no matter how frivolous. Not one large-scale consumer antitrust action has gone to trial in the last 10 years, except possibly North Carolina's unsuccesful antibiotic case after the defendants had already spent well over $100 million settling with the 49 other States.

This is why Mr. McCLORY's proposed amendment is illusory. If the past is any guide, the damage reduction provision will hardly ever come into play. No suit will ever get that far. The defendants will have been forced into settlement and the damage done. They cannot take the risk that the jury will not find good faith. Only the biggest companies may be able to risk litigation in order to establish their good faith.

We recognized this problem of uncertainty in the Judiciary Committee when we eliminated sections 2 and 7 of the Clayton Act from the scope of H.R. 8532. These antitrust provisions deal with such things as mergers, reciprocal dealing arrangements and sales below cost. Both the law and the measures of damages are unclear in these areas. If anyone here still wonders, let me say I'm not an antitrust lawyer—I'm still unclear on this legislation.

The fluid recovery damage provisions may be unconstitutional. The Judiciary Committee report says that the fluid recovery provisions merely codify existing law, but I am afraid that this is not the case. The fluid recovery provisions radically alter existing law. One Federal court of appeals has held fluid recovery to be unconstitutional, and two other Federal courts now appear to agree. There is no case upholding fluid recovery. The only example of the use of fluid recovery is the antibiotic drug case settlements. Such a settlement stands as no precedent.

The constitutional issues arise because the fluid recovery damage provisions dispense with proof of individual damages. This may deprive a defendant of his property without a due process hearing. It may also violate the Constitution's "case or controversy" requirement that only those plaintiffs who can actually show individual damage have "standing" to sue. I am not sure how serious the problems are. Many of the proponents of this legislation in the antitrust bar believe this is a revolutionary concept. Let me quote from a class action advocate in an editorial in a class action journal, which states that if H.R. 8532 became law, quote:

> The concept of recovering aggregate lump sum damages will revolutionize antitrust class actions and set an irresistible precedent for other areas of class action law and economic order.

Price fixing is a fairly clear-cut violation. It is something businessmen know they ought not to do. And it is, of course, what the bill is supposedly aimed at.

From a legal point of view, the amendment limits many of the due process and standing problems. Many violations involve injury to businesses, not consumers—I mean competitors, suppliers, purchasers. The consumer injury, if any, may be speculative and difficult to measure.

This is because price-fixing cases may be the only kinds of cases where the damage in the form of an overcharge is clear enough to prove the "fact" of injury on a class basis involving thousands and thousands of absent persons. But the fluid recovery provisions are not limited to price-fixing, and thus may indirectly frustrate the Committee intent. This amendment is therefore necessary only to solve a lot of difficult issues.

One further technical point is essential. Retention of the "fact-of-injury" requirement also means that States will ordinarily be able to sue only for price-fixing that occurs at the retail level. This is a consequence of the Supreme Court's Hanover Shoe decision. It is also in accord with our Judiciary Committee report, but it is important to emphasize the point. As the Judiciary Committee report itself states—page 7—there, quote, "has been relatively effective antitrust enforcement where the violation has occurred high up in the chain of distribution, and where the impact has been upon other business entities." The problem identified by the report is where the violation itself occurred at the retail level or, and I quote, "where wholesalers and retailers have passed on" the violation to the consumer. I think we should take care to make it clear that the damage provisions are in fact limited to the reasons for their adoption. I might add that permitting consumers to sue for violations where only businesses could sue before also raises problems of duplicative recovery. The reserve clause in baseball, for example, is a problem for the players and only very indirectly for the spectators. If Congress or the Supreme Court were to lift the exemption, damages for the past would be obviously unfair. But they belong to the players, if anybody, and not 200 million spectators.

For these reasons and others I urge that we proceed cautiously at first here—let us limit the fluid recovery to price fixing. If we decide to expand it later, we will have another opportunity to do so.

Mr. SEIBERLING. Mr. Chairman, I rise in opposition to the amendment. I certainly agree with the concept that price-fixing is the most serious antitrust problem we have to deal with and one which most of the cases which might arise under this bill will undoubtedly be dealing with. But nevertheless it seems to me it breaks up the symmetry of our antitrust laws.

This sort of amendment was the subject of discussion with the Assistant Attorney General in charge of the Antitrust Division. The Antitrust Division and the Justice Department oppose such an amendment. I think if I can explain a little bit the Members will begin to see why it is not a desirable amendment.

During the long period between the time that this bill came out of the subcommittee and the time to date I have been approached by many, many business executives as well as lawyers. One of them was the chief counsel of General Motors Corp. who came in to see me. His big idea was: "Limit this bill to price fixing and we would not have any problem with it." I said, somewhat tongue in cheek: "Could it be you are more worried about monopoly?"

I cite that simply because there are many, many offenses under the antitrust laws and under the Sherman Act in particular which have very serious impacts on our economy and on consumers that are not price fixing, for example: agreements not to compete; agreements to divide markets among competitors; agreements to drive competitors out of business by predatory practices; agreements not to produce certain products, et cetera, et cetera.

As a matter of fact I am perfectly willing to limit this parens patriae action to Sherman Act offenses. The bill already eliminated two very fuzzy areas of antitrust law, the Robinson-Patman Act and section 7 of the Clayton Act which deals with mergers, but it seems to me it would be appropriate to limit the bill to Sherman Act offenses, and I intend to offer an amendment that will do just that.

However, the Sherman Act has been interpreted now for 86 years. The major lines of precedent are very, very strong and very clear to anyone practicing in the field and I do not see any need for this kind of narrow limiting.

Mr. RHODES. Mr. Chairman, will the gentleman yield?

Mr. SEIBERLING. I yield to the gentleman from Arizona.

Mr. RHODES. Mr. Chairman, I am impressed with the number of amendments being offered. Even the chairman of the subcommittee says he is going to offer a very far-reaching amendment.

I wonder if the gentleman would agree with me that the best thing that could happen to this bill would be to recommit it to the gentleman's subcommittee so you can take up these amendments instead of trying to write this bill on the floor. This is a very important piece of legislation and I am afraid when it comes out of this committee it will not make much sense at all. Would the gentleman agree with me?

Mr. SEIBERLING. I thank the gentleman for calling me the chairman of the subcommittee, but that honor falls to the gentleman from New Jersey (Mr. RODINO). I am the floor manager of this bill.

Let me say my amendment is not a very major amendment. It is a very simple amendment because outside of the Sherman Act itself there is very, very little jurisprudence that is likely to involve this bill.

There are not a very great many amendments being offered, but nevertheless in view of what the gentleman has said I would not expect the gentleman to feel very enthusiastic about the bill.

Mr. COHEN. Mr. Chairman, will the gentleman yield?

Mr. SEIBERLING. I yield to the gentleman from Maine.

Mr. COHEN. Mr. Chairman, I would say to my friend, the gentleman from Arizona, the reason so many amendments are being offered on the floor is that the House is trying to respond to the administration's criticism which came about in just the last few days. The committee had been misled in thinking the administration approved this bill.

Mr. RHODES. Mr. Chairman, if the gentleman will yield further, what is the hurry? If the objection has recently come from the administration and the committee wants to respond to the objection, why not take the bill back to the committee and respond in an orderly way instead of trying to write the bill on the floor.

Again I ask, "What is the hurry?"

Mr. COHEN. As late as February 19 they said, "We support parens patriae" and just 2 days ago they reversed their position.

The CHAIRMAN. The time of the gentleman from Ohio has expired.

(By unanimous consent, Mr. SEIBERLING was allowed to proceed for an additional 3 minutes.)

Mr. SEIBERLING. Mr. Chairman, of course, the gentleman from Maine is absolutely right. As a matter of fact, a year ago last spring the Assistant Attorney General came and testified in favor of this bill and laid down the changes that he would like to see made in the bill that was before us at that time. We made all the changes that the Attorney General recommended.

He stated the second time he appeared that this bill had the support of the administration if we made the changes they recommended; so we did.

Up until yesterday this bill had the support, not just of the Department of Justice, but the entire administration.

Now, I do not know what happened on the way to the Illinois primary, but it was certainly a surprising change. We are simply trying to respond, to the best of our ability and to the extent that we can without changing and frustrating the intent of this bill, to the very specific comments that the President made only yesterday. We are not rewriting this bill in any major sense, but we are responding to those specific comments.

Mr. WIGGINS. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I ask the attention of the gentleman from Alabama (Mr. FLOWERS) and request that the gentleman take the microphone.

My purpose in doing so, Mr. Chairman, is to understand fully what the intent of the gentleman from Alabama (Mr. FLOWERS) is.

Is it the gentleman's intent that an Attorney General may bring only a parens patriae case in the case of a willful price-fixing violation?

Mr. FLOWERS. Mr. Chairman, if the gentleman will yield, no, sir.

Mr. WIGGINS. The gentleman's intent, therefore, is only to preclude the aggregation of damages to those cases which are based upon a willful price-fixing violation?

Mr. FLOWERS. Yes, sir.

Mr. WIGGINS. In those cases where the Attorney General brings his action as parens patriae, but the action has not been certified as a class under section 4C(b), in other words, in 4C(a) actions, is the Attorney General permitted to aggregate damages only in a willful price-fixing case?

Mr. FLOWERS. I will say to the gentleman, I had intended to offer my amendment as a claim offering until the gentleman from Illinois offered it and I had to then attach my amendment to that amendment, because the gentleman's amendment would have created a substitute and I could not have later offered my amendment.

It is my intention to cover, I think, as the gentleman suggests, merely the damage aspect and to limit the aggregation of damages, or a fluid recovery, as it is called, only to willful price fixing.

Mr. WIGGINS. Under either 4C(a) or 4C(b)?

Mr. FLOWERS. Under either 4C(a) or 4C(b).

Mr. WIGGINS. All right. The gentleman's intent is clear to me. I certainly support, Mr. Chairman, the purposes which are addressed by this amendment.

This is a complicated field and it is tough to understand fully the implications of amendments offered on the floor. I am persuaded more and more by the comments of the minority leader that issues as complicated as this which affect the economic viability of large segments of our economy ought to be considered deliberately by a committee. That is not our privilege now and we must vote on the amendment. I am going to support the amendment.

Mr. SEIBERLING. Mr. Chairman, will the gentleman yield?

Mr. WIGGINS. I yield to the gentleman from Ohio.

Mr. SEIBERLING. As I recall, this very issue was discussed at some length in the committee, and rejected.

Mr. WIGGINS. It was not discussed in the full committee, I will say to the gentleman. It may well have been discussed by the subcommittee.

Mr. SEIBERLING. I think it was discussed in the full committee, but it certainly was discussed in the subcommittee. In fact, the gentleman from South Carolina (Mr. MANN), I believe, offered an amendment to this effect in the full committee, and it was voted down.

Mr. WIGGINS. My memory is that we discussed the problem of confining the remedy to Sherman Act violations and not limiting it only to price fixing.

Mr. RODINO. Mr. Chairman, will the gentleman yield?

Mr. WIGGINS. I am happy to yield to the chairman of the committee.

Mr. RODINO. It is my recollection, and I am sure that the committee minutes will reflect this, that during the course of the full committee deliberations the gentleman from South Carolina offered such an amendment which went to the question of price fixing, and to the question relating to the aggregation of damages.

Mr. WIGGINS. I appreciate the chairman's comments. I am not challenging the gentleman's recollection except that I do believe we considered it in the context of 4(c), which involves the right to bring the action, and not in the context of aggregation of damages. In the event, I think it is evident to all of us here that this is a confusing and complicated issue and one which must be treated warily. Perhaps the better course of valor and wisdom would be to refer this bill back to committee.

Mr. McCLORY. Mr. Chairman, will the gentleman yield?

Mr. WIGGINS. I yield to the gentleman from Illinois.

Mr. McCLORY. Mr. Chairman, I cannot help feeling that we are treading some new ground here with respect to this legislation, but it seems to me that notwithstanding the fact that the committee has given careful and thoughtful consideration to this, there is nothing wrong with the further perfection of the bill on the floor of the House. The amendment I am offering is, in general, in line and consistent with the views expressed by the President, although not completely. I do not say it satisfies his objections, but it does satisfy, in major part, two of his objections.

It seems to me it is consistent with equity and fair play, and since the majority is willing to accept it, I think we should vote on it.

The CHAIRMAN. The time of the gentleman from California has expired.

Mr. McCLORY. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I am going to oppose the amendment offered by the gentleman from Alabama (Mr. Flowers), and state that it seems to me that the impact of this legislation should be, as the gentleman from Ohio indicated, far beyond that of price-fixing, Therefor, it seems to me that the authority for aggregation of damages should cover the gamut of antitrust violations—not merger cases, not Robinson-Patman cases, but the rest of them. Therefore, I *do not* think that this right should be limited further—in parens patriae cases. On the other hand, I think we should not extend this rule to class actions which are not parens patriae.

My amendment endeavors to avoid that dilemma. I think that if anything, the amendment offered by the gentleman from Alabama would be confusing and not consistent with the general thrust of this legislation. So, I hope that we will oppose the amendment offered by the gentleman from Alabama and thereafter approve the amendment which I have offered.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Alabama (Mr. Flowers) to the amendment offered by the gentleman from Illinois (Mr. McClory).

Mr. FLOWERS. Mr. Chairman, I demand a recorded vote, and pending that, I make the point of order that a quorum is not present.

The CHAIRMAN. The Chair will count. Fifty-five Members are present, not a quorum.

The Chair announces that pursuant to clause 2, rule XXIII, he will vacate proceedings under the call when a quorum of the Committee appears.

Members will record their presence by electronic device.

The call was taken by electronic device.

QUORUM CALL VACATED

The CHAIRMAN. One hundred Members have appeared. A quorum of the Committee of the Whole is present. Pursuant to clause 2, rule XXIII, further proceedings under the call shall be considered as vacated.

The Committee will resume its business.

PARLIAMENTARY INQUIRY

Mr. SEIBERLING. Mr. Chairman, I have a parliamentary inquiry.

The CHAIRMAN. The gentleman will state his parliamentary inquiry.

Mr. SEIBERLING. Mr. Chairman, I ask if my understanding is correct that the vote that is now going to come up will be on the Flowers amendment, which is the one that was not approved by the committee.

The CHAIRMAN. The Chair will state that the question is on the amendment offered by the gentleman from Alabama (Mr. Flowers) to the amendment offered by the gentleman from Illinois (Mr. McClory).

Mr. SEIBERLING. I thank the Chair.

RECORDED VOTE

The CHAIRMAN. The pending business is the demand of the gentleman from Alabama (Mr. Flowers) for a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 220, noes 171, not voting 41, as follows:

[Roll No. 115]

AYES—220

Abdnor
Alexander
Ambro
Anderson, Calif.
Andrews, N.C.
Andrews, N. Dak.
Archer
Armstrong
Ashbrook
Ashley
Aspin
Bafalis
Baldus
Bauman
Beard, R.I.
Beard, Tenn.
Bennett
Bevill
Boggs
Bowen
Breaux
Broomfield
Brown, Mich.
Brown, Ohio
Broyhill
Buchanan
Burgener
Burke, Fla.
Burleson, Tex.
Butler
Byron
Carter
Cederberg
Chappell
Clancy
Clausen, Don H.
Cleveland
Cochran
Cohen
Collins, Tex.
Conable
Coughlin
Crane
Daniel, Dan
Daniel, R. W.
Danielson
Davis
de la Garza
Delaney
Dent
Derrick
Derwinski
Devine
Dickinson
Downing, Va.
Duncan, Tenn.
Early
Edwards, Ala.
Emery
English
Erlenborn
Eshleman
Evans, Ind.
Findley
Fish
Fithian
Flood
Flowers
Flynt
Foley
Forsythe
Fountain
Frenzel
Frey
Fuqua
Ginn
Goldwater
Goodling
Gradison
Grassley
Hagedorn
Haley
Hamilton
Hammerschmidt
Hannaford
Harsha
Hefner
Henderson
Hicks
Hightower
Hillis
Holland
Holt
Horton
Howe
Hubbard
Hungate
Hutchinson
Hyde
Jarman
Jenrette
Johnson, Pa.
Jones, Ala.
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Kasten
Kazen
Kelly
Kemp
Ketchum
Kindness
Krueger
Lagomarsino
Latta
Leggett
Lent
Levitas
Lloyd, Calif.
Lloyd, Tenn.
Long, La.
Lott
Lujan
McCollister
McCormack
McDonald
McEwen
McKay
Mahon
Mann
Mathis
Michel
Milford
Miller, Ohio
Mills
Mitchell, N.Y.
Mollohan
Montgomery
Moore
Moorhead, Calif.
Morgan
Mosher
Murphy, N.Y.
Murtha
Myers, Ind.
Neal
Nichols
O'Brien
Pettis
Pickle
Pike
Poage
Pressler
Preyer
Pritchard
Quie
Quillen
Railsback
Randall
Regula
Rhodes
Risenhoover
Roberts
Robinson
Rogers
Rose
Roush
Rousselot
Runnels
Ruppe
Santini
Sarasin
Satterfield
Schneebeli
Schulze
Sebelius
Sharp
Shipley
Shriver
Shuster
Sikes
Sisk
Skubitz
Slack
Smith, Nebr.
Snyder
Spence
Staggers
Stanton, J. William
Steelman
Steiger, Ariz.
Steiger, Wis.
Stephens
Stratton
Stuckey
Symington
Symms
Talcott
Taylor, Mo.
Taylor, N.C.
Teague
Thone
Thornton
Treen
Vander Jagt
Waggonner
Walsh
Wampler
Whitehurst
Whitten
Wiggins
Wilson, Bob
Winn
Wydler
Wylie
Yatron
Young, Alaska
Young, Fla.
Young, Tex.
Zeferetti

NOES—171

Abzug
Adams
Addabbo
Allen
Anderson, Ill.
Annunzio
AuCoin
Badillo
Baucus
Bedell
Bergland
Biaggi
Biester
Bingham
Blouin
Boland
Bolling
Bonker
Brademas
Brodhead
Brown, Calif.
Burke, Calif.
Burke, Mass.
Burlison, Mo.
Burton, Phillip
Carney
Carr
Chisholm
Clay
Conlan
Conte
Conyers
Corman
Cornell
Cotter
D'Amours
Daniels, N.J.
Dellums
Diggs
Dingell
Dodd
Downey, N.Y.
Drinan
du Pont
Eckhardt
Edgar
Edwards, Calif.
Eilberg
Evans, Colo.
Fascell
Fenwick
Fisher
Florio
Ford, Mich.
Ford, Tenn.
Fraser
Gaydos
Giaimo
Gibbons
Gilman
Gonzalez
Green
Hall
Hanley
Harkin
Harrington
Harris
Hawkins
Hechler, W. Va.
Heckler, Mass.
Heinz
Helstoski
Holtzman
Howard
Hughes
Ichord
Jacobs
Jeffords
Johnson, Calif.
Johnson, Colo.
Jordan
Kastenmeier
Keys
Koch
Krebs
LaFalce
Lehman
Litton
Long, Md.
Lundine
McClory
McDade
McFall
McHugh
McKinney
Madden
Maguire
Matsunaga
Mazzoli
Meeds
Melcher
Meyner
Mezvinsky
Mikva
Miller, Calif.
Mineta
Minish
Mink
Mitchell, Md.
Moakley
Moffett
Moorhead, Pa.
Moss
Mottl
Murphy, Ill.
Myers, Pa.
Natcher
Nedzi
Nix
Nolan
Nowak
Oberstar
Obey
Ottinger
Patten, N.J.
Patterson, Calif.
Pattison, N.Y.
Pepper
Perkins
Peyser
Price
Rangel
Reuss
Riegle
Rinaldo
Rodino
Roe
Roncalio
Rosenthal
Roybal
Russo
Ryan
St Germain
Sarbanes
Scheuer
Schroeder
Seiberling
Simon
Smith, Iowa
Solarz
Spellman
Stanton, James V.
Steed
Stokes
Studds
Traxler
Tsongas
Udall
Ullman
Van Deerlin
Vander Veen
Vigorito
Weaver
Whalen
Wilson, Tex.
Wirth
Wolff
Wright
Yates
Young, Ga.
Zablocki

NOT VOTING—41

Barrett
Bell
Blanchard
Breckinridge
Brinkley
Brooks
Burton, John
Clawson, Del
Collins, Ill.
Duncan, Oreg.
Esch
Evins, Tenn.
Fary
Gude
Guyer
Hansen
Hayes, Ind.
Hays, Ohio
Hébert
Hinshaw
Karth
Landrum
McCloskey
Macdonald

Madigan
Martin
Metcalfe
O'Hara
O'Neill
Passman
Rees
Richmond
Rooney
Rostenkowski
Stark
Sullivan
Thompson
Vanik
Waxman
White
Wilson, C. H.

Mr. RANGEL and **Mr. LEHMAN** changed their vote from "aye" to "no."

So the amendment to the amendment was agreed to.

The result of the vote was announced as above recorded.

The **CHAIRMAN**. The question is on the amendment, as amended, offered by the gentleman from Illinois (Mr. McCLORY).

The amendment, as amended, was agreed to.

AMENDMENT OFFERED BY MR. SEIBERLING

Mr. SEIBERLING. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. SEIBERLING: Page 8, line 10, strike out "antitrust laws" and insert in lieu thereof "Sherman Act".

Page 8, line 15, strike out "antitrust laws" and insert in lieu thereof "Sherman Act".

Page 9, line 5, strike out "antitrust laws" and insert in lieu thereof "Sherman Act".

Page 10, line 13, strike out "antitrust laws" and insert in lieu thereof "Sherman Act".

Page 11, strike out lines 12 and 13 and insert in lieu thereof the following:

"(3) The term 'Sherman Act' means the Act entitled 'An Act to protect trade and commerce against unlawful restraints and monopolies', approved July 2, 1890 (15 U.S.C. 1, et seq,)."

Mr. SEIBERLING. Mr. Chairman, this is a very simple amendment. It simply limits the scope of the parens patriae bill to Sherman Act cases and eliminates cases arising out of certain special features of other statutes, such as section 3 of the Clayton Act.

The Sherman Act has been black letter law for 86 years. Interpretations of it are numerous, and the precedents are well established. It seems to me that in order to meet one of the points raised by the President it is appropriate to limit the bill to Sherman Act cases. For this reason, I am offering the amendment and I believe the rest of my colleagues will support it.

The **CHAIRMAN**. The question is on the amendment offered by the gentleman from Ohio (Mr. SEIBERLING).

The amendment was agreed to.

AMENDMENT OFFERED BY MR. ASHBROOK

Mr. ASHBROOK. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. ASHBROOK: On page 11, line 8, after the word "retained" insert the following: "to represent the State in such actions".

Mr. ASHBROOK. Mr. Chairman, I would like to direct several questions to my colleague from Ohio (Mr. SEIBERLING). First of all, as I understand it, the definition of State attorney general in the present bill excludes any person employed or retained on a contingent fee basis.

Mr. SEIBERLING. That is correct.

Mr. ASHBROOK. But, as I understand it, and I guess that is what I want clarified, the bill would still permit the hiring of private attorneys on a basis of contingency fee to conduct parens patriae suits. Is that the gentleman's understanding?

Mr. SEIBERLING. That is not correct. It does not permit the hiring of private attorneys on contingency basis.

Mr. ASHBROOK. At any level of the proceedings?

Mr. SEIBERLING. At any time in a parens patriae case, as the bill is presently written.

Mr. ASHBROOK. I thank the gentleman for that observation, because it is my concern that as written, the State attorney general could bring suit, but after bringing the suit, after it is drawn in his name for the State of Ohio, for example, he could then employ persons on a contingent fee basis. My colleague from Ohio is saying that is not the case, that cannot be done at any level of the proceedings. Is that correct?

Mr. SEIBERLING. That is not permitted under the bill as presently written, no.

Mr. ASHBROOK. Well, I guess we get into the whole matter of what we mean by bringing a suit. It is pretty obvious that the State attorney general would be the only one who could file the suit. Whether, after that point, it can be turned over to private lawyers on a contingent fee basis, remains in question as far as many lawyers are concerned but I am glad the gentleman from Ohio, who is knowledgeable in the area, gives us that assurance, that these fears are unwarranted.

I would say, Mr. Chairman and Members of this body, that there are many who do not agree with that interpretation. I would ask my friend, the gentleman from Michigan, the ranking minority member of the committee, Mr. HUTCHINSON, whether his understanding is the same as the gentleman from Ohio (Mr. SEIBERLING).

Mr. HUTCHINSON. Mr. Chairman, if the gentleman will yield, if I understand the gentleman's amendment, he has the fear that although a State attorney general might actually file such a suit, that he might thereafter have some power to retain outside counsel on a contingency fee basis.

Mr. ASHBROOK. That is an exact statement of what the gentleman from Ohio is concerned about—this gentleman from Ohio, I should say.

Mr. HUTCHINSON. I would have no objection to the gentleman's amendment for that purpose, if there is any ambiguity or any fear on anybody's part that might happen. I think the gentleman is trying to plug that loophole.

Mr. ASHBROOK. I would say to the gentleman that if my amendment is adopted, line 6 would read:

Except that such term does not include any person employed or retained to represent the state in such actions on a contingency fee basis.

Reasonable minds can differ. I think there would be less chance of a loophole for such a contingent fee arrangement if the words of my amendment were added. I am well aware that the committee feels there is not this likelihood. I would be frank to say that others in the legal profession, are not that sure.

Mr. HUTCHINSON. If the gentleman will yield further, it would be my opinion that his amendment could do nothing more than clarify the bill, and I would have no objection to it.

AMENDMENT OFFERED BY MR. FLOWERS AS A SUBSTITUTE FOR THE AMENDMENT OFFERED BY MR. ASHBROOK

Mr. FLOWERS. Mr. Chairman, I offer an amendment as a substitute for the amendment.

The Clerk read as follows:

Amendment offered by Mr. FLOWERS as a substitute for the amendment offered by Mr. ASHBROOK: Page 11, line 4, amend Section 4G(1) to read as follows:

"(1) The term 'State attorney general' means the chief legal officer of a State, or any other person authorized by State law to bring actions under this Act; except that such term does not include any person employed or retained on a contingency fee basis, unless the amount of any such fee is to be determined by the court."

Mr. FLOWERS. Mr. Chairman, I rise to speak in support of my amendment to section 4G(1) of H.R. 8532. Section 4G (1) was originally a definitional provision that explained what was meant by the term "State attorney general." However, during the deliberations of the full Committee, an amendment was added that restricts the options of the State in selecting the attorneys to act on its behalf in these actions. The purpose of my amendment is to restore the discretion to the States to decide how they want to handle these cases, subject only to a requirement that the court approve any attorney's fee to be awarded on a contingent basis.

The States have a long history of bringing suits under the antitrust laws in their proprietary capacities. In some of these cases, State attorneys general have utilized members of their staffs but in many others they have hired outside counsel, almost universally on a contingent fee basis. How to handle a particular case may depend on the money available to the attorney general in his budget or whether the State will play a major or a minor role in a particular case where other States have similar claims. This system, which allows the State attorney general to decide how to handle a particular case, has worked well in the past and has overcome such problems as the absence of money, the absence of experts on the atorney general's staff, and the State's inability to handle a number of cases simultaneously.

As this legislation moved forward, it was assumed that this flexible system would be carried forward into the parens patriae area as well. In the debate in the full committee, concern was expressed about the potential for high fees to be awarded to attorneys who would bring such actions, particularly, when there were contingent fees involving a percentage of the recovery. In addition, several of the members of the committee spoke of their concern in trying to expand the antitrust capabilities of the States and of their fears that farming out all such actions to private counsel would undermine this desirable goal of increased State antitrust enforcement. As a result, an amendment was offered and passed to add a requirement to the definition of a State attorney general in section 4G(1) that in essence prohibits any kind of contingent fee arrangement and means that only staff attorneys can handle these cases.

The effect of this amendment is to all but wipe out the capabilities of every State save perhaps California, since none of the others has either the expert staff to handle these cases nor the budget to hire staff on either a permanent basis or pay ouside counsel on a fixed hourly rate. Unless this is remedied, we would place antitrust enforcement at the budgetary mercies of the State legislatures and thus almost completely undermine the parens patriae concept. Moreover, even if the State budgets were expanded to provide for funds to hire additional assistant attorneys general, there may not be a sufficient number of qualified attorneys at the present time who would be willing to accept such positions.

Mr. Speaker, I share the concern that prompted the adoption of this amendment. The funds that are recovered in parens patriae actions should go primarily to the consumers and not to the lawyers. I, too, strongly oppose the percentage fee award in cases such as this where the amounts of the recoveries can be very large. On the other hand, it is important to note a fact that was not pointed out and considered in the brief debate on this matter in committee, and that is that the courts in cases such as this in the class action area simply do not award fees on a percentage basis any more, regardless of what the contract may be between the named plaintiffs and their attorneys. I refer specifically to two decisions: *Lindy Bros. Builders, Inc.* v. *American Radiator & Standard Sanitary Corp.*, 487 F.2d 161 (3d Cir. 1973) and *City of Detroit* v. *Grinnell Corp.*, 495 F.2d 448 (2d Cir. 1974), which are becoming increasingly accepted in all the circuits of the country. Just last month in a case involving a multimillion-dollar recovery, the court of appeals for the District of Columbia circuit adopted the Lindy Bros. analysis which is primarily centered on the hours of work put in by the attorney and then considers such other factors as the skill involved, the contingent nature of the case, the result obtained, and other factors going into the assessment of the reasonableness of the fee. *National Treasury Employees Union* v. *Nixon*, 521 F.2d 317 (D.C. Cir. 1975).

The amendment that I propose today is proposed specifically with these cases in mind and is intended not to permit percentage recoveries as the sole or even predominant basis of determining the reasonableness of a fee award. My amendment requires court approval of any fee awarded if the fee is any way contingent, and I believe that this is the way to insure that only reasonable fees are awarded in cases brought under this statute.

By this amendment we will be restoring to the States a desirable flexibility in choosing among a range of alternatives as each situation comes before the attorney general. Such a program will realistically serve as an incentive for States to increase their capacities to handle antitrust actions themselves while doing so at their own speeds. It will permit them to use a mixture of methods including in some cases both inside and outside counsel where the situation warrants. I believe that we do have a responsibility to see that the consumer gets a fair share of the recovery, but I do not believe that we have any business in telling the States how to run their lawsuits once we have created this remedy. In my view, Mr. Speaker, the amendment that I propose today fairly balances the interests expressed in the committee and at the same time insures that there will be effective ways of bringing the cases provided for in this bill.

Mr. COHEN. Mr. Chairman, will the gentleman yield?

Mr. FLOWERS. I yield to the gentleman from Maine (Mr. COHEN).

Mr. COHEN. I thank the gentleman for yielding.

Mr. Chairman, would the gentleman be agreeable to an amendment to his amendment that would prevent any kind of fee splitting, as happened in the case of Mr. Alioto in Washington, whereby the attorney general was actually sharing a fee with Mr. Alioto at that time? In other words, if we have the attorney general splitting fees with private counsel.

It seems to me that a legitimate objection has been raised on this side of the aisle about encouraging spurious cases.

Mr. FLOWERS. Actually, I do not have any fault with the main provision that the gentleman is offering there, but I do not think the attorney general himself should ever be entitled to the fee. It should go to the State.

Mr. SEIBERLING. Mr. Chairman, will the gentleman yield?

Mr. FLOWERS. I yield to the gentleman from Ohio (Mr. SEIBERLING).

Mr. SEIBERLING. I thank the gentleman for yielding.

Mr. Chairman, that is already illegal, as I understand the law.

What would be the point in adding this?

Mr. COHEN. If the gentleman will yield, I was referring to a case in California.

Mr. SEIBERLING. If the gentleman would yield further, it is still illegal.

Mr. ASHBROOK. Mr. Chairman, will the gentleman yield?

Mr. FLOWERS. I yield to the gentleman from Ohio.

Mr. ASHBROOK. Mr. Chariman, that is not determined to be illegal in Washington, I will remind my colleague, the gentleman from Ohio (Mr. SEIBERLING). In that particular case there was both a civil suit and a criminal prosecution. I have this in front of me.

The arrangement was found to be technically illegal, but in part the Washington State law does not prohibit the State attorney general from engaging in illegal fee splitting, and it was thrown out of court. They did split $2.3 million worth of fees.

Mr. SEIBERLING. Mr. Chairman, will the gentleman yield?

Mr. FLOWERS. I yield to the gentleman from Ohio.

Mr. SEIBERLING. Mr. Chairman, it seems to me this raises a question of criminal law enforcement, and it is something that is not appropriate to be handled in a bill dealing with antitrust matters. So I would think that is a problem that ought to be taken up by the appropriate subcommittee and dealt with as a separate matter.

Mr. FLOWERS. Of course, Mr. Chairman, I have not seen any proposed amendment or proposed language here, but I think the gentleman from Ohio and the gentleman from New Jersey, as well as other Members on this side of the committee, would agree for the purpose of legislative history that it is not contemplated, at least by this Member, that there would be any fee splitting between the attorney general and private counsel. It is contemplated only that the attorney general on behalf of his State could have this case handled on a contingency-fee basis.

Mr. RAILSBACK. Mr. Chairman, will the gentleman yield?

Mr. FLOWERS. I yield to the gentleman from Illinois.

Mr. RAILSBACK. Mr. Chairman, there is one question which bothers me considerably, so let me ask the gentleman this:

Suppose we have somebody who will take the case on a contingency-fee basis; would the State still have to foot the bills for all the pretrial expenses, for discovery expenses, depositions, and so forth?

In other words, I would certainly not favor giving a lawyer the advantage of receiving the contingency fee and having this additional help from the State to be paid by taxpayers' money as far as preparing his case on all other levels of the litigation is concerned.

The CHAIRMAN. The time of the gentleman from Alabama (Mr. FLOWERS) has expired.

(By unanimous consent, Mr. FLOWERS was allowed to proceed for 3 additional minutes.)

Mr. FLOWERS. Mr. Chairman, I will say, contrarily, that I do not find any problem with that. I think we must rely on the good faith, at least in this particular instance, of the attorney general of one's State, and we should require that he does not unduly spend the money of the taxpayers of his own State.

Mr. RAILSBACK. Mr. Chairman, will the gentleman yield further?

Mr. FLOWERS. I yield to the gentleman from Illinois.

Mr. RAILSBACK. Mr. Chairman, I agree with the gentleman as to that, of course, but I think what the gentleman is doing here is this: He is generating on behalf of many, many plaintiffs' lawyers an opportunity to take a risk—and this could be a very, very expensive lawsuit—and then he is even giving them the additional opportunity to receive certain costs and expenses that would normally be advanced by the firm of a plaintiff's attorney. Here we are going to let the government do it.

Mr. Chairman, I feel very strongly that the Ashbrook amendment would be much preferable to the gentleman's substitute.

Mr. FLOWERS. Of course, Mr. Chairman, the gentleman's amendment would not allow for any such contingency-fee basis. I feel strongly that this is a very important matter, and I cannot say that enough.

Mr. RODINO. Mr. Chairman, will the gentleman yield?

Mr. FLOWERS. I yield to the distinguished chairman of the committee.

Mr. RODINO. Mr. Chairman, I think the gentleman from Alabama (Mr. FLOWERS) has offered a substitute which makes a great deal of sense. The very thrust of this legislation is to insure that there is effective antitrust enforcement, and I believe that any suggestion that we are going to condone illegal action by fee splitting is something that was never intended. It is certainly something that the courts would never support.

Mr. FLOWERS. Mr. Chairman, if I might respond, I can look back over this and can perhaps make a comment.

I will ask this question: Did we not find out that only about two or three States were sufficiently staffed, as it now stands, in their antitrust divisions in their own attorneys general offices to handle this kind of legislation?

In other words, they might have adequate facilities in the State of California, the State of Illinois, and the State of New York, but the State of Alabama, the State of Maine, and perhaps the State of Arizona are smaller States with smaller budgets set up for the operation of their attorneys general offices, and they just do not have the expertise in antitrust law.

Mr. RODINO. Mr. Chairman, the gentleman is absolutely correct.

Ms. JORDAN. Mr. Chairman, will the gentleman yield?

Mr. FLOWERS. I yield to the gentlewoman from Texas.

Ms. JORDAN. Mr. Chairman, I rise in support of the amendment to the amendment which the gentleman has offered. It is very simple; it does not have the pernicious effect which is perhaps being contemplated by some Members on the other side.

Is it not correct that if the gentleman's amendment were adopted, not only would we make legal talent available to the attorney general's office in a case where that office did not have that talent inherent in the operation, but that we also, by making it contingent and subject to the approval of the court, provide an opportunity for a total evaluation of the case before it is brought, so that a determination as to whether this is a case which is likely to result in a successful termination and not a frivolous or pernicious kind of lawsuit which would result in further recriminations can be made?

Mr. FLOWERS. Mr. Chairman, the gentlewoman from Texas has hit the nail on the head.

Mr. SEIBERLING. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I strongly support the amendment of the gentleman from Alabama (Mr. FLOWERS), and I strongly oppose the amendment of the gentleman from Ohio (Mr. ASHBROOK).

Let me say that the question raised about whether we need a further amendment to prohibit fee-splitting is easily answered. The provision of the amendment of the gentleman from Alabama (Mr. FLOWERS) that says that any fee arrangement has to be approved by the court takes care of both the problem of any fee-splitting and the problem of a contingent fee.

The effect of this amendment is still to retain the objective of preventing a fee that was based on the amount of recovery because the court itself would have to set the amount; it would not be set by some prearranged agreement. Secondly, the court is not going to approve any fee-splitting with the attorney general, so I think it achieves both objectives.

Mr. Chairman, it is an excellent amendment, and I would support it.

Mr. McCLORY. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in opposition to the amendment or the substitute offered by the gentleman from Alabama (Mr. FLOWERS), for a number of reasons.

The State attorneys general have come to us and they have said that they want this authority, that they want to enforce antitrust actions through his parens patriae act.

If they are not capable of doing it and they do not want to establish within their departments the capability for handling this kind of authority, then they should not have that authority. If they do want this authority, they should establish within their departments the capability of handling the legislation.

Mr. Chairman, I think that if there is anything that is going to be scandalous that could arise out of this kind of legislation, it would be outrageous contingent fees, which might amount to millions of dollars. We are talking about big recoveries in these cases, and potentially enormous contingent attorneys' fees and that sort of thing would certainly be most repugnant to the people of this Nation.

It seems to me that for us to suggest that we want to authorize this kind of action is completely antithetical to the entire concept of this legislation and it is something that we should not countenance.

It is suggested that no attorney is going to invest in a contingent-fee case unless he is well prepared and he knows he is going to make a recovery.

Mr. Chairman, let us not kid ourselves. He might take a purely frivolous case and then come before the court and say, "I want to have fees allowed at a certain amount, and I want to make this kind of recovery."

The only protection we have in here is that the court has to approve the fee, but we know, any of us who have practiced law, that many times we find that we do not have a good case or we may take a bad case. Nevertheless, it is on a contingent-fee basis. We want to make the best settlement that we can and make the best fee we can.

Mr. Chairman, that is not the kind of legislation we want to enact here today to improve the enforcement of the antitrust laws to provide improved competition on the one hand and to protect the consumer on the other.

Mr. THORNTON. Mr. Chairman, will the gentleman yield?

Mr. McCLORY. I yield to the gentleman from Arkansas.

Mr. THORNTON. Mr. Chairman, I would like to say that it is not necessarily true that a small State cannot develop, in-house, sufficient antitrust capability in the attorney general's office.

Speaking for Arkansas, I have had the privilege of being involved in civil antitrust legislation. We did have, in-house, an attorney general's office which was capable of prosecuting antitrust cases. Mr. Chairman, that capability still remains.

There is no monopoly or legal expertise in the hands of a few antitrust lawyers. However, with regard to the protection of the courts on this, we had the experience in Arkansas where, in a case which I handled with my staff, without assistance of outside counsel, the court allowed outside counsel part of the fees awarded on the claims of citizens within the State of Arkansas, even though that attorney had not been employed by the State of Arkansas.

The protection of having court approval of an award is not sufficient, in my judgment, to protect against the eventuality that a law firm taking a case on a contingent-fee basis becomes in control of that case, decides whether or not it is a good case, makes the decision because of the investment which that attorney has, and, not in the interest of the State, decides whether the case should be settled, continued into final stages of the litigation, or is otherwise resolved.

It was for those reasons that I offered the amendment to remove the contingent fees from this bill at the time it was considered in the Committee on the Judiciary. Although I no longer am a Member of that committee, and I did support the provision, I strongly recommend that we continue to prohibit congent fees in that type of recovery.

Mr. McCLORY. Mr. Chairman, I think they acted wisely in the committee in their recommendations in this connection. But for the majority to reject the committee action on the floor and support an amendment which was not approved by the committee is quite inconsistent. I think that what the committee should be doing is to work to get a piece of legislation here that will be approved in the other body and ultimatey by the President. It just seems to me that kind of an offensive provision might amount to the kind of objections that could frustrate our work.

Mr. FLOWERS. I might say, Mr. Chairman, that I have a second amendment to this if my substitute is adopted, which will allow reasonable attorneys fees to attorneys for a successful defendant whether the action is frivolous or not.

Mr. McCLORY. That is a different amendment but you will not need it in this amendment.

The CHAIRMAN. The time of the gentleman has again expired.

(On request of Mr. FLOWERS, and by unanimous consent, Mr. McCLORY was allowed to proceed for 1 additional minute.)

Mr. FLOWERS. Mr. Chairman, it seems to me that the gentleman from Illinois who has a longstanding history of confidence in the Federal judiciary system and in the good work that judges do should reconsider this. I have heard the gentleman speak out for higher wages for our judges, which would seem to me to be recognition of the fact that we ought to at least have confidence that a judge in a given case would use proper discretion in awarding a contingent fee that was fair and just.

Mr. McCLORY. Mr. Chairman, I am sure the judge would allow adequate fees, but the thing is that the judge might approve an early settlement which the Attorney General might not have approved but which the contingent fee lawyer would want, so I think we should not vest him with that kind of authority.

Mr. FLOWERS. I would state that my friend, the gentleman from Arkansas (Mr. THORNTON), is perhaps an outstanding antitrust lawyer and he gives expertise to their State laws, but I would predict that now that the gentleman has come to Congress, they would sure like to have a lawyer hired on a contingency fee basis.

Mr. RODINO. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I would merely like to make certain that the Members understand what we are voting on. The gentleman from Arkansas (Mr. THORNTON) referred to the fact, and the gentleman from Illinois (Mr. McCLORY) I think mentioned the fact before that, that this amendment was considered in committee and was rejected. It was not. This amendment that is being offered now by the gentleman from Alabama (Mr. FLOWERS) as a substitute for the amendment offered by the gentleman from Ohio (Mr. ASHBROOK) was not considered as such in the committee or rejected. There was an amendment that was offered by the gentleman from Arkansas (Mr. THORNTON) that related to contingencies but not this. This is entirely different.

I would suggest that we recognize that what the gentleman from Alabama (Mr. FLOWERS) is doing is going to have, I think, the effect of assuring that certain attorneys general who have the capability and the ability will proceed without hiring any other outside attorneys, but that where there is the necessity then they will hire outside attorneys. I think there should be no concern on the part of anyone that interested attorneys general who have the capability are going to go outside of their offices to hire any outside attorneys. So I do not think that the fears that are being expressed here really lie and, as such, I would continue to support the amendment offered as a substitute by the gentleman from Alabama.

Mr. SEIBERLING. Mr. Chairman, will the gentleman yield?

Mr. RODINO. I yield to the gentleman from Ohio.

Mr. SEIBERLING. I thank the gentleman for yielding.

It does not really matter to me personally whether this amendment passes or fails. The State of Ohio happens to have a strong antitrust department in the attorney general's office. But I must say that there are States which do not.

I would like to point out one other thing. The gentleman from California (Mr. WIGGINS) has expressed fears that attorneys general might bring frivolous suits for political purposes. Let me point out that if a lawyer, on a fee that is dependent on approval by the court, where he has to put his own time into a case, takes a case, he is going to make darn sure that that case has merit or he is not going to proceed.

Mr. McCLORY. Mr. Chairman, will the gentleman yield?

Mr. RODINO. I yield to the gentleman from Illinois.

Mr. McCLORY. I thank the gentleman for yielding.

Is it suggested that if the Flowers amendment is adopted in this respect, and the subsequent Flowers amendment is adopted which would permit defendants to recover attorneys' fees, that they would be recovered personally from the contingency lawyer who represents the State under a contingent fee arrangement? Not on your life.

Mr. SEIBERLING. Mr. Chairman, will the gentleman yield?

Mr. RODINO. I yield to the gentleman from Ohio.

Mr. SEIBERLING. I thank the gentleman for yielding.

The two have no connection. What I am saying is that where we have a contingency fee arrangement that has to be approved by the court, we get two safeguards. The first safeguard is that the court has to approve it; the second safeguard is the safeguard that goes to the merits of litigation, because on a contingency basis the attorney is not going to get paid unless he has a successful outcome, and he is not going to be taking that case and putting in thousands of hours of time, thousands of man-hours, unless he has a pretty good idea that in the end he is going to get compensated. That is all I am saying.

Mr. WIGGINS. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in opposition to the amendment. We finally have gotten around to talking about what this bill is all about—attorneys' fees. The reason for all of the heat being generated at the moment is because we have arrived at a point where something really vital is concerned—attorneys' fees. Let me ask the Members, Mr. Chairman, do they for 1 minute believe, honestly, that actions will be maintained to recover 50 cents for clients, or will they be maintained to recover $1 million for the attorney? What is the motivation for these lawsuits? Is it the fee, or is it the interest of the nameless, faceless, unknowable class of people we laughingly call "clients" in this situation?

Let me dispel a few misunderstandings. First of all, it has been stated by the chairman and the manager of the bill that somehow States lack the capacity to hire competent representatives unless they are permitted to do so on a contingent fee basis. Balderdash. The States have a perfect right to hire competent private counsel on an hourly rate basis and that have the economic ability to do so. It is not prohibited by this bill. The States have the power and the ability to hire on a per diem basis. That is not prohibited by the bill. The plaintiff and the defendant are in exact parity.

I have been troubled all along by this problem of contingent fees. When we see attorneys recovering $10 or $11 or $12 million in fees, it is apparent that fees are a powerful incentive to the bringing of these lawsuits. I added an amendment in committee to prohibit contingent fee arrangements, contingent not only as to amount but contingent as to recovery. And now I find an effort to gut it, and I mean gut it absolutely.

Let me tell the Members what the present law is. The present law is that a successful plaintiff may recover a reasonable attorney fee. That is a sufficient inducement now to get the plaintiffs' bar to work to stimulate these cases.

The effect of the amendment by the gentleman from Alabama is to return to existing law. He says that contingent fees are allowed if the amount is approved by the court. That is existing law, and it is well known what the effect of this amendment is. Its purpose is to gut this commonsense and reasonable prohibition against contingent fees.

This amendment must be defeated. This is a bad amendment. This amendment is going to create scandal in States, and indeed it is scandalous to me to talk about an attorney maintaining a lawsuit for his own interest and that is exactly what is going to happen if this amendment is passed.

Mr. RAILSBACK. Mr. Chairman, will the gentleman yield?

Mr. WIGGINS. I yield to the gentleman from Illinois (Mr. RAILSBACK).

Mr. RAILSBACK. Mr. Chairman, I think we are making it very, very clear that we are not talking about a $100,000 recovery. We may be talking about millions. How would the State go about selecting the contingency attorney? Who is going to finance the $1 million action? How do they pick that attorney? Do not kid me. They are going to pick their friends.

Mr. WIGGINS. I will tell the gentleman how it works. It is said no responsible attorney would pursue a case unless there was a high probability of recovery. In fact, the attorney is never going to try his case. The first time the case is going to get into court is when the Attorney General brings the defendants into court, hat in hand, and they propose a settlement of $50 million, for example. That is the only time they are going to go to court, and they are going to get about a 10 to 15 percent fee or a $7.5 million fee.

Is it a reasonable fee? The attorney gets $50 million out of the defendant. Maybe the $7.5 million is reasonable in those circumstances. But the question remains: For whose benefit are these cases brought? The answer is obvious.

Mr. FLOWERS. Mr. Chairman, will the gentleman yield?

Mr. WIGGINS. I yield to the gentleman from Alabama.

Mr. FLOWERS. Mr. Chairman, I would say the same thing to the gentleman as the gentleman from Illinois. I know the gentleman has a great deal of faith in our system. I do not believe that is going to happen.

Mr. WIGGINS. It has happened.

Mr. FLOWERS. The gentleman has done a job of overstating it. But as the author of the amendment I will certainly tell the gentleman it is the intention of the author of the amendment that the contingency be based upon the time spent as well as any success gained at the bar. It is not contemplated that there would be unjust enrichment to the plaintiff's lawyers.

Mr. WIGGINS. But the amendment returns to existing law. That is the problem.

AMENDMENT OFFERED BY MR. COHEN TO THE AMENDMENT OFFERED BY MR. FLOWERS AS A SUBSTITUTE FOR THE AMENDMENT OFFERED BY MR. ASHBROOK

Mr. COHEN. Mr. Chairman, I offer an amendment to the amendment offered as a substitute for the amendment.

The Clerk read as follows:

Amendment offered by Mr. Cohen to the amendment offered by Mr. Flowers as a substitute for the amendment offered by Mr. Ashbrook: Strike the period at the end of the amendment and add a semicolon and the following words: "*Provided, however,* That any contingency fee awarded by the court shall not be shared with the chief legal officer of the State."

Mr. COHEN. Mr. Chairman, contrary to the assumption of my friend, the gentleman from Alabama, I have been persuaded by the logic of the gentleman from California (Mr. Wiggins) as far as the correctness of his position, but I think in the event the amendment offered by the gentleman from Alabama (Mr. Flowers) should pass, we ought to see to it that we do not have repeated the scandal that took place in California whereby they had not only the contingency fee, but also a contingency fee that was split.

Mr. FLOWERS. Mr. Chairman, will the gentleman yield?

Mr. COHEN. I yield to the gentleman from Alabama.

Mr. FLOWERS. Mr. Chairman, in the attempt to gain the support of my friend, the gentleman from Maine, and also to set the record straight, that language is satisfactory with this Member, and the chairman has informed me it is satisfactory to him, and the manager of the bill is in agreement, so I think we have a deal.

Mr. COHEN. Mr. Chairman, it does not persuade this gentleman to support the amendment, but I think it adds a safeguard.

Mr. SEIBERLING. Mr. Chairman, will the gentleman yield?

Mr. COHEN. I yield to the gentleman from Ohio.

Mr. SEIBERLING. Mr. Chairman, in addition to supporting the amendment, which has merit although I do not think it is necessary, I would like to say the remarks of the gentleman from California went much too far. They carried with them the implication that somehow the managers of this bill and the gentleman from Alabama really had in mind that the big thing about this bill was to help some lawyers earn big fees. I made it perfectly clear as far as the State of Ohio is concerned that I do not even care whether the Flowers amendment passes or fails, but I think that if we want to help some States that do not have the capability, and cannot get their State legislatures to adequately finance their Departments of Justice in the State, or whatever they call their departments, that we ought to give them a little flexibility.

Mr. ASHBROOK. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in support of the Cohen amendment.

Mr. Chairman, let me make it clear, I am not an expert on antitrust law, but I do see some problems that we need to study carefully.

The great problem I see was effectively dealt with by my colleague, the gentleman from California (Mr. Wiggins). Let us be honest about it. Despite all the protestations, despite the high commendations and high statements of the sponsors of this bill, there is a fact of life we should recognize. Lawyers have a way of giving life to the old adage: "Where there is a will, there is a way."

Let us take a look at a specific case of abuse by an attorney general. This could happen anywhere.

Mr. SEIBERLING. Mr. Chairman, will the gentleman yield?

Mr. ASHBROOK. I yield to the gentleman from Ohio.

Mr. SEIBERLING. Mr. Chairman, I think we would also agree that where there is a will, there is usually a beneficiary.

Mr. ASHBROOK. Well, the beneficiaries in this case were lawyers, so to that extent the gentleman's observation is correct.

Let us look at one specific case and, of course, we know this can happen again. Are we dangling before the members of the bar the same type of situation as happened in the State of Washington? As I stated yesterday in my remarks, we know there are irresponsible segments of the bar. This is dangling accidents in front of ambulance-chasing attorneys in addition to putting an important matter in State politics where it should not be. The great problem I see was effectively dealt with by my colleague, Mr. Wiggins. Lawyers have a way of giving life to the old adage, where there is a will there is a way.

Mr. Chairman, the State of Washington and several Washington municipalities organized in 1961 an ad *hoc* Washington Public Utilities Antitrust Group to recover damages to Washington public utilities resulting from the famous electrical equipment antitrust conspiracies.

The Washington State attorney general, John J. O'Connell, approached a prominent private antitrust lawyer, Mr. Joseph Alioto, in 1962, to handle these cases on behalf of the group. Mr. Alioto was to be paid a contingent fee of 15 percent of the gross recovery, up to a maximum of $1 million. The State attorney general paricipated in the litigation on behalf of the State of Washington, always identified in his capacity as the State's attorney general. Mr. O'Connell, however, arranged with Mr. Alioto to share the contingent legal fees generated by the settlements. The timing of this agreement was never made clear.

Settlements were reached far exceeding those expected when the group was formed—by May 1965, the contingent fees had already reached the $1 million maximum. Mr. O'Connell then agreed that the $1 million ceiling would be eliminated. Within a few weeks, Mr. O'Connell received his first share of the fees, amounting to over $100,000.

Eventually, settlements were reached totaling over $16 million; attorneys' fees were generated of $2.3 million, of which $800,000 went to the State attorney general and his chief assistant.

In a civil suit, and in a criminal prosecution, this arrangement has been found not to be technically illegal, due in part to Washington State law which does not technically prohibit the State attorney general from engaging in private legal practice.

The bill reported by the House Judiciary Committee (H.R. 8532) prohibits State attorneys general from hiring private lawyers to bring parens patriae suits for the States on a contingency fee basis. Now it is proposed that the House overturn that sensible restriction written in by the Judiciary Committee. Such action by this body, however, would open up two enormous areas of potential abuse—fee excesses for lawyers and political opportunism for State attorneys general.

The courts have already found that the "contingent fee syndrome" can result in a serious "conflict of interest" between counsel and his ostensible client. When the attorney's prospective fee is very large, and the plaintiff's individual recovery is very small, "there is always the temptation for the attorney for the class to recommend settlement in terms less favorable to his clients because a large fee is part of the bargain. The impropriety of such a position is increased where the attorney is also the representative who brought the action on behalf of the class."

Private counsel has obtained enormous, disproportionate personal recoveries in the form of fees in massive antitrust litigation, in many instances reaching several million dollars. Moreover, these attorneys' fees have been paid in cases where there has never been an adjudication of liability—where the case was resolved by a "blackmail settlement." In the Lindy Brothers case (*Lindy Bros. Builders* v. *American Radiator & Standard Sanitary Corp.*, 341 F. Supp. 1077) E.D. demanded over $2 million.

Other examples come to mind which should make us pause before approving such an enormous grant of power to these elected State attorneys general. For example, the former attorney general of the State of Alabama received a lengthy prison sentence, for an extortion arrangement made possible because the attorney general had control over corporate security issues in the State, resulting in illegal payments of many hundreds of thousands of dollars. That State attorney general received a Federal prison sentence of 8 years, and a $10,000 fine.

And more recently, a former attorney general from the State of New Mexico has been indicted by a Federal grand jury for alleged extortion practices during his term in office from 1971–74.

Thus, the ordinary antitrust cases give us reason to be suspicious of any arrangement which would permit enormous recoveries to plaintiffs' lawyers, disproportionate to any recovery to an actual plaintiff. Indeed, the contingency of the recovery is not the really important issue; even a noncontingent arrangement can be set up to result in an enormous recovery. The best alternative would be to flatly ban any involvement by private counsel in these lawsuits, and leave them to be prosecuted solely by States' attorneys general and government personnel.

Even then, these clear examples of impropriety and misconduct on the part of State attorneys general suggest that even they ought not be trusted with the power this bill would give them.

The **CHAIRMAN**. The question is on the amendment offered by the gentleman from Maine (Mr. COHEN) to the amendment offered by the gentleman from Alabama (Mr. FLOWERS) as a substitute for the amendment offered by the gentleman from Ohio (Mr. ASHBROOK).

The amendment to the amendment offered as a substitute for the amendment was agreed to.

The **CHAIRMAN**. The question is on the amendment, as amended, offered by the gentleman from Alabama (Mr. FLOWERS) as a substitute for the amendment offered by the gentleman from Ohio (Mr. ASHBROOK).

The question was taken, and the Chairman announced that the noes appeared to have it.

RECORDED VOTE

Mr. **FLOWERS**. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 167, noes 217, answered "present" 1, not voting 47, as follows:

[Roll No. 116]

AYES—167

Abzug
Adams
Addabbo
Allen
Ambro
Annunzio
Ashley
Aspin
AuCoin
Badillo
Baldus
Baucus
Beard, R.I.
Bergland
Bevill
Biaggi
Blanchard
Blouin
Boggs
Bolling
Bonker
Brademas
Brinkley
Brodhead
Brown, Calif.
Burke, Calif.
Burke, Mass.
Burlison, Mo.
Burton, Phillip
Carney
Carr
Carter
Chisholm
Clay
Cochran
Conyers
Cornell
Cotter
D'Amours
Daniels, N.J.
Danielson
Dent
Derrick
Dickinson
Dingell
Dodd
Downey, N.Y.
Drinan
Early
Eckhardt
Edgar
Edwards, Calif.
Eilberg
Evans, Colo.
Evins, Tenn.
Fascell
Fish
Fisher
Flood
Florio
Flowers
Foley
Ford, Mich.
Ford, Tenn.
Fraser
Fuqua
Gaydos
Gibbons
Green
Hall
Hamilton
Hanley
Hannaford
Harkin
Harrington
Harris
Hawkins
Hechler, W. Va.
Helstoski
Hightower
Holland
Holtzman
Howard
Hungate
Ichord
Jenrette
Johnson, Calif.
Jones, Ala.
Jordan
Kastenmeier
Keys
Koch
Krebs
Leggett
Lehman
Levitas
Litton
Long, Md.
Lundine
McFall
McHugh
Madden
Maguire
Matsunaga
Meeds
Melcher
Meyner
Mezvinsky
Mikva
Miller, Calif.
Mineta
Minish
Mink
Mitchell, Md.
Moakley
Moffett
Moorhead, Pa.
Morgan
Moss
Mottl
Murphy, Ill.
Murtha
Natcher
Nedzi
Nolan
Nowak
Oberstar
O'Neill
Ottinger
Patten, N.J.
Patterson, Calif.
Perkins
Pickle
Price
Rangel
Reuss
Riegle
Rodino
Roe
Roncalio
Rosenthal
Ryan
St Germain
Sarbanes
Scheuer
Seiberling
Shipley
Simon
Smith, Iowa
Solarz
Spellman
Stanton, James V.
Stokes
Studds
Symington
Traxler
Udall
Ullman
Vander Veen
Vigorito
Waxman
Weaver
Wirth
Yates
Yatron
Young, Ga.
Zablocki

NOES—217

Abdnor
Alexander
Anderson, Calif.
Anderson, Ill.
Andrews, N.C.
Andrews, N. Dak.
Archer
Armstrong
Ashbrook
Bafalis
Bauman
Beard, Tenn.
Bedell
Bennett
Biester
Bingham
Boland
Bowen
Breaux
Broomfield
Brown, Mich.
Brown, Ohio
Broyhill
Buchanan
Burgener
Burke, Fla.
Burleson, Tex.
Butler
Byron
Cederberg
Chappell
Clancy
Clausen, Don H.
Cleveland
Cohen
Collins, Tex.
Conlan
Conte
Coughlin
Crane
Daniel, Dan
Daniel, R. W.
Davis
Delaney
Derwinski
Devine
Downing, Va.
Duncan, Tenn.
du Pont
Edwards, Ala.
Emery
English
Erlenborn
Eshleman
Evans, Ind.
Fenwick
Findley
Fithian
Forsythe
Fountain
Frenzel
Frey
Giaimo
Gilman
Ginn
Goldwater
Gonzalez
Goodling
Gradison
Grassley
Gude
Hagedorn
Haley
Hammerschmidt
Harsha
Heckler, Mass.
Heinz
Henderson
Hicks
Hillis
Holt
Horton
Howe
Hubbard
Hughes
Hutchinson
Hyde
Jacobs
Jarman
Jeffords
Johnson, Colo.
Johnson, Pa.
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Kasten
Kazen
Kelly
Kemp
Ketchum
Kindness
Krueger
LaFalce
Lagomarsino
Landrum
Latta
Lent
Lloyd, Calif.
Lloyd, Tenn.
Long, La.
Lott
Lujan
McClory
McCollister
McDade
McDonald
McKay
McKinney
Madigan
Mahon
Mann
Mathis
Mazzoli
Michel
Milford
Miller, Ohio
Mills
Mitchell, N.Y.
Mollohan
Montgomery
Moore
Moorhead, Calif.
Mosher
Murphy, N.Y.
Myers, Ind.
Myers, Pa.
Neal
Nix
Obey
O'Brien
Pattison, N.Y.
Pepper
Pettis
Peyser
Pike
Poage
Pressler
Preyer
Pritchard
Quie
Quillen
Railsback
Regula
Rhodes
Rinaldo
Risenhoover
Roberts
Robinson
Rogers
Rose
Roush
Rousselot
Roybal
Runnels
Ruppe
Russo
Santini
Sarasin
Satterfield
Schneebeli
Schulze
Sebelius
Sharp
Shriver
Shuster
Sikes
Sisk
Skubitz
Slack
Smith, Nebr.
Snyder
Spence
Staggers
Stanton, J. William
Steed
Steelman
Steiger, Ariz.
Steiger, Wis.
Stephens
Stratton
Symms
Talcott
Taylor, Mo.
Taylor, N.C.
Teague
Thone
Thornton
Treen
Tsongas
Van Deerlin
Vander Jagt
Waggonner
Walsh
Wampler
Whalen
Whitehurst
Whitten
Wiggins
Wilson, Bob
Winn
Wolff
Wright
Wydler
Wylie
Young, Fla.
Young, Tex.
Zeferetti

ANSWERED "PRESENT"—1

Schroeder

NOT VOTING—47

Barrett
Bell
Breckinridge
Brooks
Burton, John
Clawson, Del
Collins, Ill.
Conable
Corman
de la Garza
Dellums
Diggs
Duncan, Oreg.
Esch
Fary
Flynt
Guyer
Hansen
Hayes, Ind.
Hays, Ohio
Hébert
Hefner
Hinshaw
Karth
McCloskey
McCormack
McEwen
Macdonald
Martin
Metcalfe
Nichols
O'Hara
Passman
Randall
Rees
Richmond
Rooney
Rostenkowski
Stark
Stuckey
Sullivan
Thompson
Vanik
White
Wilson, C. H.
Wilson, Tex.
Young, Alaska

Messrs. **LUJAN**, **GRASSLEY**, and **JONES** of Tennessee changed their vote from "aye" to "no."

Mr. **RIEGLE** and Mr. **KREBS** changed their vote from "no" to "aye."

So the amendment, as amended, offered as a substitute for the amendment was rejected.

The result of the vote was announced as above recorded.

PARLIAMENTARY INQUIRY

Mr. **SEIBERLING**. Mr. Chairman, I have a parliamentary inquiry.

The **CHAIRMAN**. The gentleman will state his parliamentary inquiry.

Mr. **SEIBERLING**. Mr. Chairman, as I understand it, the vote now occurs on the Ashbrook amendment without any amendments to it; is that correct?

The **CHAIRMAN**. The Chair will state that the gentleman is correct.

Mr. **SEIBERLING**. I thank the Chair.

The **CHAIRMAN**. The question is on the amendment offered by the gentleman from Ohio (Mr. ASHBROOK).

The question was taken; and on a division (demanded by Mr. SEIBERLING) there were—ayes 52, noes 70.

So the amendment was rejected.

AMENDMENT OFFERED BY MR. FLOWERS

Mr. **FLOWERS**. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. FLOWERS: On page 9, following line 12, insert the following new subsection:

"(f) In an action under subsection (a) or (b), the court may in its discretion award a reasonable attorney's fee to a defendant upon a finding that the action is frivolous or that the State attorney general has acted in bad faith, vexatiously, wantonly, or for oppressive reasons."

Mr. HUTCHINSON. Mr. Chairman, will the gentleman yield?

Mr. FLOWERS. I am happy to yield to the gentleman from Michigan.

Mr. HUTCHINSON. Mr. Chairman, I will simply say that we would accept the amendment on this side.

Mr. FLOWERS. I thank the gentleman.

Mr. SEIBERLING. Mr. Chairman, I think the gentleman's amendment is an excellent one and we accept the amendment on this side.

Mr. FLOWERS. Mr. Chairman, once before I saw a Member who had both sides in agreement speak at length on an issue and he lost it. I am not going to say a thing except ask for a vote.

Mr. ASHBROOK. Mr. Chairman, as currently drafted, the parens patriae bill does nothing to discourage—and in fact encourages—"blackmail" suits that are frivolous, and that are designed to extort settlement funds from defendants. As experience with rule 23 demonstrates—and as States will no doubt appreciate—defendants cannot today afford to defend even the most frivolous class action suits on the merits because of the open ended nature of the potential liability. These defendants are forced to settle for a limited sum certain than run the risk, however remote, of having to pay an indeterminate sum in the future. Indeed, no class action under amended rule 23 has ever been fully litigated; each has been settled.

This amendment is similar to a bill which I introduced last November (H.R. 10848) to allow private parties to sue the Consumer Product Safety Commission for improper official action by the Commission which results in economic damage to the plaintiff. That bill resulted from Commission action in erroneously listing two products of the Marlin Toy Co. on the Commission's banned products list which literally drove the company into bankruptcy.

Similarly, charging costs of suit, including attorneys' fees, to the States in the event of unsuccessful parens patriae action is absolutely essential to provide some measure of balance. Accordingly, I support the amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Alabama (Mr. FLOWERS).

The amendment was agreed to.

AMENDMENT OFFERED BY MR. ASHBROOK

Mr. ASHBROOK. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. ASHBROOK: On page 9 line 13 insert a new subsection (G) as follows:

"(G) No action shall be brought under subsection (a) against any small business; provided, however, that a small business may be named as a co-defendant where alleged to be an indispensible party in a complaint against one or more companies which are not small businesses. For purposes of this subsection a 'small business' is defined as any business enterprise which, including any affiliates, has fewer than 1,000 employees and less than $10 million in annual sales."

Mr. ASHBROOK. Mr. Chairman, in reading this bill it is very clear as presently worded that it does not contain any exemptions for small businesses.

I am extremely concerned about the disproportionate effect that I believe this bill would have on small businesses in this country. I am therefore offering at this time an amendment to the bill which would exempt small businesses from the actions that would be authorized under the bill, except where it is necessary to include a small business as an indispensible party to the suit.

The purpose of this amendment is to protect the mutual interests of consumers and small business by exempting small businesses from potentially ruinous parens patriae suits.

As an example of the type of problem presented, a private antitrust class action suit was recently brought in California asserting $750 million in treble damages against 2,000 real estate brokers, jointly and individually. In castigating the abuses inherent in such actions the judge in that case pointed out that the defendants "cannot afford to participate in such an action as this, much less defend it effectively" (*Kline* v. *Coldwell, Banker & Co.*, 1974).

As the bill presently reads therefore, small business firms would be subject to astronomical damage claims, particularly when named as codefendants or coconspirators in a suit. Unlike larger companies, small firms rarely have the legal expertise or the capital to enable them to engage in such lengthy and costly litigation. Therefore they would be forced instead to settle separately out of court in so-called blackmail settlements.

Furthermore, a company named in such a suit would be required to disclose the amount of the total damage claims against all defendants as a contingent liability on its financial statements. Disclosure of such enormous contingent liabilities by a small, or even a medium-sized, firm would seriously impair its ability to obtain capital financing necessary for the maintenance and development of its operations. This, too, will lead to small companies being forced to accept out-of-court settlements even where the charges may be only marginally meritorious.

This inability of small businesses to successfully defend themselves will make them more alluring targets than the less vulnerable big businesses to politically ambitious State attorneys general seeking funds for their State treasuries. Such attacks on small business will lead to the financial demise of many small firms, and, contrary to the purpose of the bill, to increased economic concentration within industry.

In view of the disproportionate impact this bill would have on small businesses I offer the following amendment at this time:

Mr. SEIBERLING. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to this amendment.

There is absolutely nothing in all of the records that we had before us at the hearing for 2 years in a row that indicates the necessity for any exemption for small business. On the contrary, the good faith amendment offered by the gentleman from Illinois (Mr. MCCLORY) which we have adopted, will provide protection for any businessman, be he big or small, who acts in good faith and without grounds to believe that his actions violate the antitrust law.

If a small businessman, however, knowingly violates the antitrust law, he should respond in damages the same as anyone else.

Competition is the essence of our free enterprise system, and we should not make exceptions unless we have very, very clear-cut reasons for doing so.

Mr. McCLORY. Mr. Chairman, will the gentleman yield?

Mr. SEIBERLING. I yield to the gentleman from Illinois.

Mr. McCLORY. I thank the gentleman for yielding.

I want to concur with the statements made by the gentleman from Ohio and state that it seems to me that we are finding that anticompetitive, monopolistic, antitrust practices exist, and we want to eradicate those, and we are providing an additional remedy.

If we were to exempt a firm that has up to 1,000 employees and annual sales of $10 million, and it is engaged in anticompetitive practices, price fixing, or what not, and making a lot of illegal money, it seems to me that it is something that we want to eliminate through parens patriae actions. So I just think that this is a bad amendment. I think that the free enterprise system ought to operate at large and ought to operate with respect to the entire economy, with respect to all business, small or big. I certainly hope that we will not adopt this amendment.

Mr. SEIBERLING. I thank the gentleman from Illinois.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Ohio (Mr. ASHBROOK).

The amendment was rejected.

The CHAIRMAN. Are there further amendments?

Mr. WIGGINS. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, there is a sufficient number of Members on the floor now that an explanation of how this bill works might be useful to all of us. My little explanation is prompted by a "Dear Colleague" letter which I received, a letter authored by the majority supporters of the bill. The letter stated that in the city of Seattle, Wash., there has been an illegal price-fixing scheme which deprived the users and consumers of bread of some $35 million.

Let us just suppose we pass this bill. I want to tell the Members how it would work in the State of Washington against this illegal price-fixing scheme.

The State attorney general in the State of Washington would file a parens patriae action on behalf of all the consumers of Washington, not just in Seattle. Starting with $35 million of illegal profits in Seattle, let us say for the purposes of the argument the amount of ill-gotten gain during the period would be $70 million statewide. The attorney general acting as parens patriae would file an action for $70 million against the bread manufacturers in the State of Washington, and that sum would be tripled, raising it to a total demand in the complaint to $210 million. The bread industry in the State of Washington would be confronted with a $210 million law suit filed by the attorney general of that State.

I am told by the "Dear Colleague" letter that the individual loss suffered by the individual consumer in Seattle was on the order of $8.

I think it is evident to everybody here that the lawsuit would have to be settled. The bread industry simply could not risk litigating an issue which, if lost, would threaten its economic existence. Let us suppose the bread manufacturers got together and decided they could come up with 10 cents on the dollar and settle the claim for $20 million.

The settlement agreement would be presented to the court, and the first thing the court would consider would be the matter of the attorney's fees. Historically these fees have been in the range of 10 percent or 15 percent. I will be conservative. Let us suppose the court awarded only 10 percent in this case. It would thus take off the top $2 million and pay it over to the attorney for the plaintiff.

Bear in mind that this lawsuit was brought about on behalf of the consumer who had an $8 stake in the outcome. The consumer would not get the $8. The individual claims have been compromised down to roughly $2.

Mr. SEIBERLING. Mr. Chairman, will the gentleman yield?

Mr. WIGGINS. I yield to the gentleman from Ohio.

Mr. SEIBERLING. The gentleman has stated that the suit was settled so there is not a continguency fee in this case.

Mr. WIGGINS. Of course there is not a contingency fee. The court would award a reasonable fee. Based upon what has been done in the past, the reasonable fee would be about $2 million.

Then how do we get the rest of the $18 million out to the bread consumer who has a $2 per capita stake in the outcome? To tell the Members the truth, nobody is going to be much worried about that problem after the $2 million is paid over, but let us suppose they find some way to identify and pay out a couple of bucks to the consumer who probably does not even realize he was injured.

Let me ask a couple of questions. If that scenario is played out, and it is a fairly common one, what do the Members think is going to happen to the price of bread in Washington? Is it going to go up or is it going to go down? Who do the Members think is going to pay the $20 million business expense paid by the bread manufacturers in Washington. I will tell the Members who is going to get it right in the neck. The consumer is going to get it.

And this action was conceived for the benefit of the consumer. Indeed.

Is it not plain that this action was conceived for the benefit of the person who is going to collect the $2 million?

That is the way this bill works. It ought to be clear to us that this is not a consumer bill at all. It is really an attorney's bill.

I am frankly proud to be a member of that distinguished profession, but when my profession starts worrying about its fees rather than the interest of its "clients," then I am not so sure my profession deserves my support.

Members of Congress, this is the way this concept of parens patriae works. It ought to make us pause and then vote "No."

The **CHAIRMAN.** The time of the gentleman from California has expired.

(On request of Mr. HUTCHINSON, and by unanimous consent, Mr. WIGGINS was allowed to proceed for 3 additional minutes.)

Mr. HUTCHINSON. Mr. Chairman, will the gentleman yield?

Mr. WIGGINS. I yield to the gentleman from Michigan.

Mr. HUTCHINSON. Mr. Chairman, I wonder if the gentleman would not agree with me that what would happen so far as the man who would be injured to the extent of $8 was concerned is he would have to go to the State to get his $8. He would have to prove that he actually bought the bread and he would have to be able to satisfy by legal evidence that he was the purchaser of the bread and he was damaged $8. Perhaps the ordinary consumer would think that was not worth the trouble, especially if he had to hire a local lawyer to go up to the State capitol to work on behalf of the $8.

Does not the gentleman think that is what is going to happen, too? They are not even going to get a penny out of it, are they?

Mr. WIGGINS. Let us not kid ourselves. The consumers are not going to get anything. This money is ultimately going to escheat to the State. What we have really done is impose a tax on the industry to the tune of $18 million and, lo and behold, we revert to the archaic practice of paying the tax collector out of the taxes he collects from the taxpayer.

Mr. RODINO. Mr. Chairman, will the gentleman yield?

Mr. WIGGINS. I yield to the gentleman from New Jersey.

Mr. RODINO. Mr. Chairman, under the gentleman's hypothetical case, did the gentleman state $80 million or $70 million?

Mr. WIGGINS. I said $70 million.

Mr. RODINO. Seventy million dollars. And a $20 million settlement. So if we did nothing, those who have violated the antitrust laws would still be unjustly enriched to the tune of $50 million. What does the gentleman intend to do about that?

Mr. WIGGINS. I am glad the gentleman from New Jersey asked that. I do have a proposal. It is one that has been endorsed by many distinguished men in the field. What we need is an effective civil fine mechanism. We need a means of punishing the wrong-doer but not for the phony purpose of distributing damages to consumers. That solves the problem. The amount of the fine should be very substantial.

Mr. RODINO. Mr. Chairman, will the gentleman yield further?

Mr. WIGGINS. I yield to the gentleman from New Jersey.

Mr. RODINO. What more effective way is there to deter antitrust violations of this sort than to insure that the moneys obtained from this kind of antitrust violation would then be returned to the injured public?

Mr. WIGGINS. We have a policy issue here. The gentleman takes the position that public policy is served by imposing a very significant economic burden to an industry as a deterrent to future misconduct. I answer the gentleman by saying that the industry ought to pay, but it ought not to be threatened with a claim which jeopardizes its existence, because to do so lends itself to blackmail. It lends itself to unconscionable settlements.

The **CHAIRMAN.** The time of the gentleman from California has expired.

(At the request of Mr. RODINO, and by unanimous consent, Mr. WIGGINS was allowed to proceed for an additional 2 minutes.)

Mr. RODINO. Mr. Chairman, will the gentleman yield?

Mr. WIGGINS. I yield to the gentleman from New Jersey.

Mr. RODINO. Mr. Chairman, I do not intend to prolong this dialog. I recognize the gentleman's position. It seems to me we would be left with a situation where business people would be in a position to continue their antitrust violations. They would be unjustly enriched, and we would again have to wait for the opportunity to pass the kind of legislation that the gentleman now concedes might be the kind of deterrent we need. Up until now there has been no such proposal from the gentleman, even though the attorney general in charge of the Antitrust Division has stated that it is common practice to continue this kind of price fixing and other anticompetitive practices.

Mr. Chairman, I do not see how we are going to ever do anything in behalf of the public that is defrauded in this way, unless we take this kind of action today.

Mr. WIGGINS. Mr. Chairman, I must reclaim my time. I want to let everyone know what the law presently is. The Attorney General of the United States can bring a criminal action against an antitrust violator and extract a fine of up to a million dollars per violation. That is the law now. The Attorney General of the United States and the attorney general of each State in the Union can enjoin and stop the misconduct right now. At the present time a class of consumers who believe they have a lawsuit worth prosecuting and are willing to finance may bring a treble-damage action right now without amending the law. I am urging that we build on this existing structure and impose a substantial civil fine. The bill ought to go back to the committee for that consideration.

Mr. HYDE. Mr. Chairman, will the gentleman yield?

Mr. WIGGINS. I yield to the gentleman from Illinois.

Mr. HYDE. Mr. Chairman, is the gentleman saying that the violation should not go unpunished, but the punishment should be based upon other considerations other than imposing treble damages based upon a fictional computation, but also take into account the economic impact a huge verdict will have on the industry, the likelihood that imposing this measure of damages may close down the business, put people out of work and accomplish nothing but gratify the political ambitions of some State attorney general.

Mr. SEIBERLING. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I do not see any point in prolonging this rather hypothetical debate, because it does not bear much resemblance to the realities of the situation. Let me just say that after practicing antitrust law as a Wall Street lawyer and corporate lawyer for 21 years, I have a pretty good idea about how the system works. Let me say that if this bill is passed, we are not going to have many situations like the Seattle price fixing case, for the simple reason that the people who are involved are going to take this law seriously.

As I said in general debate, 99 percent of the enforcement of the antitrust laws is by private lawyers dealing with their clients, and that is the way it is always going to be because we could not build an antitrust division big enough to police the entire industry of the United States.

The most effective tool that I ever found in getting my clients not to step over the line into these dubious areas was to point out to them that if they did, they ran the risk of treble damage actions.

So, that is the thing that is going to deter people from ever getting into a mess in the first place. The bill with the McClory amendment, which we have adopted, provides that even if they do step over the line unwittingly and in good faith, they get no more than single damages, so we have taken care of good faith situations.

But the gentleman from California (Mr. WIGGINS) would not even have them pay back their illegal earnings in single damages, because all this bill does is say that if there are ill-gotten, illegal gains, they ought to go back to the class of people that are injured and not stay in the hands of the violators. It seems to me that is very elementary, reasonable good sense.

Mr. McCLORY. Mr. Chairman, I move to strike the last word.

Mr. Chairman, it would certainly be a misinterpretation of this legislation to suggest that it is for the purpose of providing attorneys fees and attorneys fees only. There is a lack of remedy at the present time in price-fixing cases. There is no existing remedy whereby the residents of a State can recover the ill-gotten gains of the corporation or the business that engages in this kind of antitrust violation, in this kind of monopolistic, anticompetitive practice.

So, what we are providing here, it seems to me, is an adequate remedy. Now, the gentleman might like to convert that into some kind of criminal case. I do not want to. I do not want to impose fines and require the institution of criminal proceedings. We have denominated this as civil-type action.

We are providing for a civil remedy, and it is limited to actual damages where the defendant acted in good faith. I think that limited deterrent is certainly adequate to discourage further violations.

Let me say this: The allegation that we are going to threaten the existence of companies that are able to survive only if they engage in practices that are against the law, it seems to me that is a pretty poor excuse for a business operation to continue. As a matter of fact, if they are operating in good faith and they inadvertently violate the antitrust laws, they are only liable to return the amount of money that they got over and above what they should have received. It seems to me that there is one other provision here which is essential to have well in mind, and that is that the manner in which the recovery is to be distributed is left up to the court.

If it is possible to provide for distribution to the consumers because there is enough money involved to pay each one of them, then that will be done, and we provided for notice to them. If there is not, then the funds will be turned over to the State for the benefit of all of the residents of the State. What could be fairer?

Should we let the money remain in the hands of the corporations? It seems to me that we should not. We should let the money be in the hands of the people who are deserving it because of the violation of the law which occurred.

Therefore, this legislation is sound, and it should receive an overwhelming vote from the Members.

Mr. SEIBERLING. Mr. Chairman, I ask unanimous consent that all debate on the bill and all amendments thereto close in 5 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Ohio?

There was no objection.

The CHAIRMAN. Members standing at the time the unanimous consent request was agreed to will be recognized for approximately 45 seconds each.

The Chair recognizes the gentleman from Ohio (Mr. ASHBROOK).

Mr. ASHBROOK. Mr. Chairman, I would merely state at this time that the gentleman from California succinctly stated the case. The only difference is he could have taken 5 minutes on 100 different situations. This is just one: Medical associations are being challenged by the FTC. What if antiadvertising or limited advertising is found in restraint of trade? Think what would happen if parens patriae would bring suit against doctors or the medical profession and professional people of all kinds because of restraints on advertising. Just think what would happen as a result of that. Multiply that as it applies to newspapers, radio, and television. There is not any limitation to a thing of this kind.

The CHAIRMAN. The Chair recognizes the gentlewoman from New York (Ms. HOLTZMAN).

Ms. HOLTZMAN. Mr. Chairman, I rise in strong support of H.R. 8532, the Antitrust Parens Patriae Act.

The purpose of this bill is to make the antitrust laws effective for the typical consumer. Under its provisions, a State attorney general will be able to sue an antitrust violator for damages on behalf of the residents of the State. Thus, individuals who have suffered losses—because of violation of the antitrust laws, will be compensated for those losses.

Although H.R. 8532 does not expand the coverage of the antitrust laws, it makes their sanctions far more effective. At the present time, a large corporation which violates the antitrust laws generally need fear only a suit by a damaged competitor or by the Federal Government.

Under this bill, 50 State attorneys general will be empowered to investigate and bring actions for antitrust violations. In addition, damages, since they involve payments on behalf of thousands, perhaps, millions of consumers, should be severe enough to deter most antitrust violators. The net effect should be increased competition, greater freedom in the marketplace, and lower prices to consumers.

H.R. 8532 is, however, not as useful a remedy for consumers as it might have been, for it denies State attorneys general the authority to retail private counsel on a contingency fee basis to prosecute antitrust cases. Antitrust law is extremely complex. Because prior to this bill, States had little occasion to bring antitrust suits, few if any of the offices of State attorneys general have developed antitrust expertise.

The most sensible answer to this problem is to allow States to retain private attorneys, experienced in antitrust law, to prosecute antitrust parens patriae cases for a contingency fee. If the State wins, the court awards a reasonable attorney's fee which the violating corporation must pay. If the State loses, it does not have to pay a substantial legal fee. Because this arrangement offers the greatest benefit to consumers at the least risk to the State, I regret that Representative FLOWERS' amendment to allow contingency fees in parens patriae cases was defeated.

The defeat of the Flowers amendment was all the more disturbing because its only serious defect could have been remedied by an amendment which I was prepared to offer. In debate, a number of Members expressed the concern that allowing a State attorney general to retain private counsel for a contingency fee provided an easy opportunity for political patronage. The concern was that an attorney might be retained to prosecute a lucrative antitrust case in return for political services or contributions.

I believe this is a legitimate concern. We should not allow the very important power to bring antitrust suits to be turned into a device for political payoffs. Had the Flowers amendment passed, therefore, I would have offered an amendment to deny the payment of a fee to an attorney selected for political reasons.

The text of my amendment follows:

> Sec. 4H. No attorney's fee may be awarded in an action brought under section 4C to or on behalf of any person who is not a salaried employee of the State and is employed or retained to bring such an action on account of such person's making or promising to make a contribution of a thing of value (including services) for the benefit of any candidate or any political party.

This amendment would have prevented the antitrust parens patriae power from being misused, and it would have assured the consumer of high quality legal representation.

I am hopeful that when the Senate considers H.R. 8532, it will add both the Flowers amendment to allow the use of contingency fee arrangements, and my amendment to prevent their misuse.

The **CHAIRMAN.** The Chair recognizes the gentleman from Michigan (Mr. Brown).

Mr. BROWN of Michigan. Mr. Chairman, I ask unanimous consent that I may be permitted to yield my time to the gentleman from California (Mr. Wiggins).

The **CHAIRMAN.** Is there objection to the request of the gentleman from Michigan?

Mr. TALCOTT. Mr. Chairman, I object.

The **CHAIRMAN.** Objection is heard.

The gentleman from Michigan (Mr. Brown) has time, if he wishes to use it.

Mr. WIGGINS. Mr. Chairman, will the gentleman yield?

Mr. BROWN of Michigan. I yield to the gentleman from California (Mr. Wiggins).

Mr. WIGGINS. Mr. Chairman, I just want to clear up a little matter. The gentleman from Illinois I am sure misspoke himself when he said this great class of consumers has no remedy now. Of course that is incorrect. They do have a remedy. They may bring an action for treble damages, so long as they qualify under rule 23.

The **CHAIRMAN.** The Chair recognizes the gentleman from California (Mr. Wiggins).

Mrs. FENWICK. Mr. Chairman, will the gentleman yield?

Mr. WIGGINS. I yield to the gentlewoman from New Jersey (Mrs. Fenwick).

Mrs. FENWICK. Mr. Chairman, I rise in strong support of this bill. I think the State should concern itself with the difficulties of consumers. I urge that the bill be passed.

The **CHAIRMAN.** The Chair recognizes the gentleman from Michigan (Mr. Hutchinson).

Mr. HUTCHINSON. Mr. Chairman, although the amendments made to this bill have improved it somewhat, I still shall vote against it on final passage because it still amounts to simply putting antitrust enforcement into State politics, and I think that is going to be a very unfortunate situation.

Mr. Chairman, I urge my colleagues to support me and vote against final passage of this bill.

The **CHAIRMAN.** The Chair recognizes the gentleman from Ohio (Mr. Seiberling) to close debate.

Mr. SEIBERLING. Mr. Chairman, the gentleman from California (Mr. Wiggins) said that the consumers have a remedy today. However, if all one's claim amounts to is $8, one is not very likely to hire an expensive lawyer to prosecute an antitrust action in his belief.

Mr. Chairman, I thank all the members of the subcommittee, as well as all the other Members present, for their cooperation and help in insuring that we have an intelligent and informative debate.

The **CHAIRMAN.** The question is on the committee amendment in the nature of a substitute, as amended.

The committee amendment in the nature of a substitute, as amended, was agreed to.

The **CHAIRMAN.** Under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. Bingham, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee having had under consideration the bill (H.R. 8532) to amend the Clayton Act to permit State attorneys general to bring certain antitrust actions, and for other purposes, pursuant to House Resolution 1033, he reported the bill back to the House with an amendment adopted by the Committee of the Whole.

The **SPEAKER.** Under the rule, the previous question is ordered.

Is a separate vote demanded on any amendment to the committee amendment in the nature of a substitute adopted by the Committee of the Whole? If not, the question is on the amendment.

The amendment was agreed to.

The **SPEAKER.** The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

MOTION TO RECOMMIT OFFERED BY MR. WIGGINS

Mr. WIGGINS. Mr. Speaker, I offer a motion to recommit.

The **SPEAKER.** Is the gentleman opposed to the bill?

Mr. WIGGINS. I am, Mr. Speaker.

The **SPEAKER.** The Clerk will report the motion to recommit.

The Clerk read as follows:

> Mr. Wiggins moves to recommit the bill H.R. 8532 to the Committee on Judiciary with instructions to study the possibility of establishing a civil penalty or fine to deter violations of the antitrust laws as that term is defined in the bill.

The **SPEAKER.** Does the gentleman California (Mr. Wiggins) desire to be heard on his motion to recommit?

Mr. WIGGINS. I do, Mr. Speaker.

The **SPEAKER.** The gentleman from California (Mr. Wiggins) is recognized for 5 minutes.

Mr. WIGGINS. Mr. Speaker, one of America's most distinguished judges is Henry J. Friendly, a senior judge in the second circuit. Several years ago Judge Friendly wrote a book entitled "Federal Jurisdiction: A General View," in which he discussed at some length the problem which has commanded the attention of this House this afternoon. I would like to read a short excerpt from that book, and I hope the Members will find it enlightening. Judge Friendly said as follows:

> Something seems to have gone radically wrong with a well-intentioned effort. Of course, an injured plaintiff should be compensated, but the federal judicial system is not adapted to affording compensation to classes of hundreds of people with $10 or even $50 claims. The important thing is to stop the evil conduct.

The judge said further:

> For this an injunction is the appropriate remedy, and an attorney who obtains one should be properly compensated by the defendant, although not in the astronomical terms fixed when there is a multi-million-dollar settlement.

The judge continued:

> If it be said that this still leaves the defendant with the fruits of past wrong-doing, consideration might be given to civil fines, payable to the government, sufficiently substantial to discourage engaging in such conduct but not so colossal as to produce recoveries that would ruin innocent stockholders or, what is more likely, produce blackmail settlements. This is a matter that needs urgent attention.

Mr. Speaker, the purpose of my motion to recommit is to give it that attention. I urge that the Members vote "aye" on the motion to recommit.

Mr. SEIBERLING. Mr. Speaker, I rise in opposition to the motion to recommit.

Mr. Speaker, I will not take 5 minutes.

I think the issue has been very thoroughly debated here.

The simple answer to the excerpt from Judge Friendly is that the Assistant Attorney General in charge of the Antitrust Division and the entire Justice Department has now, for several years, been urging us to adopt a bill of this sort. Indeed, several courts have invited us to adopt a bill of this sort.

Mr. Speaker, I do not think that we are about to repeal the antitrust laws, which is what the excerpt from the judge's book, which the gentleman from California (Mr. Wiggins) read, would almost seem to advocate.

Mr. Speaker, I have nothing further to add beyond urging a "no" vote on the motion to recommit.

The **SPEAKER.** Without objection, the

previous question is ordered on the motion to recommit.

There was no objection.

The SPEAKER. The question is on the motion to recommit.

The question was taken; and the Speaker announced that the noes appeared to have it.

RECORDED VOTE

Mr. WIGGINS. Mr. Speaker, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 150, noes 223, not voting 59, as follows:

[Roll No. 117]

AYES—150

Abdnor
Andrews, N.C.
Andrews, N. Dak.
Archer
Armstrong
Ashbrook
Bafalis
Bauman
Beard, Tenn.
Boggs
Bowen
Breaux
Brinkley
Broomfield
Brown, Mich.
Brown, Ohio
Broyhill
Buchanan
Burgener
Burke, Fla.
Burleson, Tex.
Butler
Byron
Carter
Cederberg
Chappell
Clancy
Clausen, Don H.
Cleveland
Cochran
Collins, Tex.
Conlan
Crane
Daniel, Dan
Daniel, R. W.
Davis
Delaney
Derwinski
Devine
Dickinson
Downing, Va.
Duncan, Tenn.
Edwards, Ala.
Erlenborn
Eshleman
Forsythe
Fountain
Frenzel
Frey
Ginn
Goldwater
Goodling
Gradison
Hagedorn
Haley
Hammerschmidt
Harsha
Hébert
Henderson
Hillis
Holt
Horton
Howe
Hutchinson
Hyde
Jarman
Johnson, Pa.
Jones, Ala.
Jones, N.C.
Jones, Tenn.
Kasten
Kazen
Kelly
Kemp
Kindness
Lagomarsino
Latta
Lloyd, Tenn.
Long, La.
Lott
Lujan
McCollister
McDonald
McEwen
McKay
McKinney
Madigan
Mahon
Mann
Mathis
Michel
Milford
Miller, Ohio
Mills
Mitchell, N.Y.
Montgomery
Moore
Moorhead, Calif.
Myers, Pa.
O'Brien
Pettis
Poage
Pressler
Quie
Quillen
Railsback
Randall
Rhodes
Risenhoover
Robinson
Rousselot
Runnels
Ruppe
Sarasin
Satterfield
Schneebeli
Schulze
Sebelius
Shipley
Shriver
Shuster
Sikes
Skubitz
Slack
Smith, Nebr.
Snyder
Spence
Stanton, J. William
Steiger, Ariz.
Stephens
Stratton
Stuckey
Symms
Talcott
Taylor, Mo.
Taylor, N.C.
Thone
Treen
Waggonner
Walsh
Wampler
Whitehurst
Whitten
Wiggins
Wilson, Bob
Wilson, C. H.
Winn
Wydler
Wylie
Young, Fla.

NOES—223

Abzug
Adams
Addabbo
Alexander
Allen
Ambro
Anderson, Calif.
Anderson, Ill.
Annunzio
Ashley
Aspin
AuCoin
Badillo
Baldus
Baucus
Beard, R.I.
Bedell
Bennett
Bergland
Bevill
Biaggi
Biester
Bingham
Blanchard
Blouin
Boland
Bolling
Bonker
Brademas
Brodhead
Brown, Calif.
Burke, Calif.
Burke, Mass.
Burlison, Mo.
Burton, Phillip
Carney
Carr
Chisholm
Clay
Cohen
Conte
Conyers
Cornell
Cotter
Coughlin
D'Amours
Daniels, N.J.
Danielson
Dellums
Derrick
Dingell
Dodd
Drinan
du Pont
Early
Eckhardt
Edgar
Edwards, Calif.
Eilberg
Emery
English
Evans, Colo.
Evans, Ind.
Evins, Tenn.
Fascell
Fenwick
Findley
Fish
Fisher
Fithian
Flood
Florio
Flowers
Foley
Ford, Mich.
Ford, Tenn.
Fraser
Fuqua
Gaydos
Giaimo
Gibbons
Gilman
Gonzalez
Grassley
Green
Gude
Hamilton
Hanley
Hannaford
Harkin
Harrington
Harris
Hawkins
Hechler, W. Va.
Heckler, Mass.
Heinz
Helstoski
Hicks
Hightower
Holland
Holtzman
Hubbard
Hughes
Hungate
Ichord
Jacobs
Jeffords
Jenrette
Johnson, Calif.
Johnson, Colo.
Jones, Okla.
Jordan
Kastenmeier
Keys
Koch
Krebs
Krueger
LaFalce
Lehman
Levitas
Litton
Lloyd, Calif.
Long, Md.
Lundine
McClory
McDade
McFall
McHugh
Madden
Maguire
Matsunaga
Mazzoli
Meeds
Melcher
Meyner
Mezvinsky
Mikva
Miller, Calif.
Mineta
Minish
Mink
Mitchell, Md.
Moakley
Moffett
Mollohan
Moorhead, Pa.
Morgan
Moss
Mottl
Murphy, Ill.
Murphy, N.Y.
Murtha
Natcher
Neal
Nedzi
Nix
Nolan
Nowak
Oberstar
Obey
O'Neill
Ottinger
Patten, N.J.
Patterson, Calif.
Pattison, N.Y.
Pepper
Perkins
Peyser
Pickle
Pike
Preyer
Price
Pritchard
Rangel
Reuss
Riegle
Rinaldo
Rodino
Roe
Rogers
Roncalio
Rose
Rosenthal
Roush
Roybal
Russo
Ryan
St Germain
Santini
Sarbanes
Scheuer
Seiberling
Sharp
Simon
Sisk
Smith, Iowa
Solarz
Spellman
Staggers
Steed
Steelman
Stokes
Studds
Teague
Thornton
Traxler
Tsongas
Udall
Ullman
Van Deerlin
Vander Veen
Vigorito
Waxman
Weaver
Whalen
Wirth
Wright
Yates
Yatron
Young, Ga.
Young, Tex.
Zablocki
Zeferetti

NOT VOTING—59

Barrett
Bell
Breckinridge
Brooks
Burton, John
Clawson, Del
Collins, Ill.
Conable
Corman
de la Garza
Dent
Diggs
Downey, N.Y.
Duncan, Oreg.
Esch
Fary
Flynt
Guyer
Hall
Hansen
Hayes, Ind.
Hays, Ohio
Hefner
Hinshaw
Howard
Karth
Ketchum
Landrum
Leggett
Lent
McCloskey
McCormack
Macdonald
Martin
Metcalfe
Mosher
Myers, Ind.
Nichols
O'Hara
Passman
Rees
Regula
Richmond
Roberts
Rooney
Rostenkowski
Schroeder
Stanton, James V.
Stark
Steiger, Wis.
Sullivan
Symington
Thompson
Vander Jagt
Vanik
White
Wilson, Tex.
Wolff
Young, Alaska

The Clerk announced the following pairs:

On this vote:

Mr. Flynt for, with Mr. Thompson against.

Mr. Passman for, with Mr. Dent against.

Mr. Landrum for, with Mr. Howard against.

Mr. Vander Jagt for, with Mr. Diggs against.

Mr. Martin of North Carolina for, with Mr. Downey of New York against.

Mr. Young of Alaska for, with Mr. Rooney against.

Mr. Regula for, with Mr. Richmond against.

Mr. Del Clawson for, with Mr. Wolff against.

Mr. Myers of Indiana for, with Mr. McCormack against.

Mr. Hansen for, with Mr. Barrett against.

Mr. Ketchum for, with Mr. Rostenkowski against.

Until further notice:

Mr. Hays of Ohio with Mr. Bell.

Mr. Breckinridge with Mr. Hayes of Indiana.

Mr. Brooks with Mr. Hefner.

Mr. Rees with Mr. Roberts.

Mr. James V. Stanton with Mr. Mosher.

Mr. Stark with Mr. O'Hara.

Mr. White with Mr. Karth.

Mr. Macdonald of Massachusetts with Mr. Nichols.

Mr. Duncan of Oregon with Mr. Symington.

Mr. Hall with Mr. Vanik.

Mr. Leggett with Mr. John L. Burton.

Mrs. Schroeder with Mr. Conable.

Mrs. Collins of Illinois with Mr. de la Garza.

Mr. Corman with Mr. Esch.

Mr. Fary with Mr. Guyer.

Mr. Lent with Mr. Metcalfe.

Mrs. Sullivan with Mr. Steiger of Wisconsin.

Mr. McCloskey with Mr. Charles Wilson of Texas.

Messrs. BEARD of Rhode Island, RIEGLE, and FINDLEY changed their vote from "aye" to "no."

So the motion to recommit was rejected.

The result of the vote was announced as above recorded.

The SPEAKER. The question is on the passage of the bill.

The bill was passed.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. RODINO. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the bill (H.R. 8532) just passed, and that I may be permitted to revise and extend my remarks and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the House by Mr. Roddy, one of his secretaries, who also informed the House that on March 17, 1976, the President approved and signed bills of the House of the following titles:

H.R. 4979. An act to establish the Chickasaw National Recreation Area in the State of Oklahoma, and for other purposes; and

H.R. 8508. An act to authorize the Secretary of Transportation to release restrictions on the use of certain property conveyed to the city of Camden, Ark., for airport purposes.

PROVIDING FOR CONTINUANCE OF CIVIL GOVERNMENT FOR TRUST TERRITORY OF THE PACIFIC ISLANDS

Mr. PHILLIP BURTON. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H.R. 12122) to amend section 2 of the act of June 30, 1954, providing for the continuance of civil government for the Trust Territory of the Pacific Islands, and for other purposes, with the Senate amendment to the House amendments to the Senate amendment and concur in the Senate amendment to the House amendments to the Senate amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendment to the House amendments to the Senate amendment, as follows:

Page 2, line 10, of the House engrossed amendments to the Senate engrossed amendment, after "for" insert: "section 228 of title II and title XVI of the Social Security Act as it applies to the several States and".

Mr. PHILLIP BURTON (during the reading). Mr. Speaker, I ask unanimous consent that further reading of the Senate amendment to the House amendments to the Senate amendment be dispensed with.

The SPEAKER. Is there objection to the request of the gentleman from California?

Mr. DON H. CLAUSEN. Mr. Speaker, reserving the right to object, and I do not intend to object, I would like to understand the gentleman's position on this amendment.

Mr. PHILLIP BURTON. Mr. Speaker, will the gentleman yield?

Mr. DON H. CLAUSEN. I yield to the gentleman from California.

Mr. PHILLIP BURTON. Mr. Speaker, H.R. 12122 passed the House on February 26, 1976. At that time, we included a provision making certain provisions of the Mariana Islands covenant legislation applicable by reference to Guam. When the Senate approved the bill, with amendments, this provision along with some others were deleted. Later, on March 11, 1976, the House again considered H.R. 12122 and concurred in the Senate amendment with amendments. Those amendments reinserted the provision now in question, but the Senate apparently will not agree to it. For that reason, I am now asking the House to concur in the deletion by the Senate of "section 288 of title II and title XVI of the Social Security Act as it applies to the several States and".

Although this represents a further concession to the Senate, the bill still provides some additional program and financial value to Guam.

For example, the ceiling restrictions on AFDC and medicaid now currently applicable in Guam will no longer be operative because such overall ceilings are not imposed on the several States. Similarly, Guam would be eligible for the more favorable matching percentage—as would be applicable to the several States, because of the lower income situation of its population.

Mr. DON H. CLAUSEN. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. PHILLIP BURTON. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the Senate amendment just concurred in.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

REPORT ON IMPOUNDMENT CONTROL ACT OF 1974—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 94-410)

The SPEAKER laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, referred to the Committee on Appropriations and ordered to be printed:

To the Congress of the United States:

In accordance with the Impoundment Control Act of 1974, I herewith report six new deferrals. One of the deferrals—a routine one deferring Navy shipbuilding and conversion funds—accounts for all but $316.3 million of the $2,562.2 million associated with these six new deferrals. The other five affect funds for the Departments of Labor, Commerce, and Agriculture.

In addition, I am reporting an increase of $188,510 in a previously transmitted deferral of funds for a program of the Department of Health, Education, and Welfare.

The details of each deferral are contained in the attached reports.

GERALD R. FORD.

THE WHITE HOUSE, *March 18, 1976.*

LEGISLATIVE PROGRAM

(Mr. RHODES asked and was given permission to address the House for 1 minute.)

Mr. RHODES. Mr. Speaker, I take this time for the purpose of asking the distinguished majority leader, the gentleman from Massachusetts (Mr. O'NEILL) as to the program for the rest of the week, if any, and the schedule for next week.

Mr. O'NEILL. Mr. Speaker, will the distinguished minority leader yield.

Mr. RHODES. I yield to the distinguished majority leader, the gentleman from Massachusetts.

Mr. O'NEILL. Mr. Speaker, the program for the House of Representatives for the week of March 22, 1976, is as follows:

Monday is District day and there are no bills.

We will consider the following legislation:

H.R. 9803, child day care services, conference report.

H.R. 12226, Peace Corps authorization, under an open rule with 1 hour of debate.

H.R. 12046, Guatemala Earthquake Disaster Act, under an open rule with 1 hour of debate.

H.R. 11573, NASA authorization, under an open rule with 1 hour of debate.

On Tuesday we will consider the following:

House Joint Resolution 280, Representative of District of Columbia in Congress, votes on amendments and the bill.

H.R. 10799, amendments to title 10 of the Economic Opportunity Act, under a modified rule with 1 hour of debate.

H.R. 11598, U.S. Information Agency, under an open rule with 1 hour of debate.

Wednesday, Thursday, and Friday we will consider the following bills:

H.R. 12490, tax treatment for exchanges under ConRail, by unanimous consent.

H.R. 12406, Federal Election Campaign Act amendments. This is subject to a rule being granted.

Then, we will have H.R. 9725, surface mining control and reclamation. That is the strip mining bill, subject to a rule being granted.

Conference reports may be brought up at any time, and any further program will be announced.

In view of the fact that we are having FEC on Wednesday and Thursday and the strip mining bill on Thursday, we have to anticipate that there will be a Friday session.

Mr. RHODES. I thank the gentleman.

ADJOURNMENT TO MONDAY, MARCH 22, 1976

Mr. O'NEILL. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet on Monday next.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

DISPENSING WITH CALENDAR WEDNESDAY BUSINESS ON WEDNESDAY NEXT

Mr. O'NEILL. Mr. Speaker, I ask unanimous consent that the business in order under the Calendar Wednesday rule be dispensed with on Wednesday next.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

APPOINTMENT AS MEMBER OF THE JOINT ECONOMIC COMMITTEE

The SPEAKER. Pursuant to the provisions of 15 United States Code 1024(a), the Chair appoints as a member of the Joint Economic Committee the following Member on the part of the House: the gentleman from New York, Mr. PIKE, to fill the existing vacancy thereon.

FEDERAL ELECTION CAMPAIGN AMENDMENTS OF 1976

(Mr. BRADEMAS asked and was given permission to address the House for 1 minute to revise and extend his remarks and include extraneous matter.)

Mr. BRADEMAS. Mr. Speaker, I take this time, on behalf of the gentleman from New Jersey (Mr. THOMPSON), and myself, to make the following observations with respect to H.R. 12406, the Federal Election Campaign Amendments of 1976, on which the House of Representatives is scheduled to vote next week.

This bill, Mr. Speaker, continues the reforms aimed at removing the corrupting influence of large contributors and special-interest groups from the election process.

President Ford, on the other hand, Mr. Speaker, proposes a simple reconstitution of the Federal Elections Commission and opposes any additional reforms. But this procedure would legitimize virtually unlimited contributions from big business, sanction the corruption of the past and open the gates to the greatest avalanche of corporate political spending since the late 19th century.

We support the legislation reported by the House Administration Committee because it meets the Supreme Court's objections to the 1974 law, extends the reforms voted in 1974 and clarifies ambiguities in the law.

LESSONS OF WATERGATE

Mr. Speaker, the 1974 law was aimed at the immoral and illegal practices that came to public attention during the Watergate investigations and prosecutions. Subsequently there have been additional revelations of millions of dollars handed out by major corporations to affect the political process.

Candidate Ford's relationship with big business was underscored today in an Associated Press report that Ford's decision to oppose an antitrust bill came after he "heard objections to the bill from one or two key campaign contributors during his visit to Chicago last weekend."

Although administration witnesses appeared before Congress to support the antitrust bill, Ford the fund raiser now has "serious reservations" about the legislation and his spokesmen have said he intends to veto it. The antitrust bill would authorize State attorneys general to sue in Federal courts to collect triple damages in behalf of consumers injured by businesses convicted of price fixing and other antitrust law violations.

FORD WOULD RATIFY SPECIAL INTEREST INFLUENCE

Mr. Speaker, Candidate Ford's desire to merely extend the life of the FEC without the corrective amendments in H.R. 12406 would sanctify interpretations of the law that have undercut the attempt to control corporate and union influence. If allowed to stand, these interpretations would ratify rather than restrict the ability of special interest contributors to unreasonably influence the election process.

One amendment in H.R. 12406 would restore the limit on the amount of money special interest groups can contribute to campaigns by prohibiting these groups from establishing an unlimited number of allied political action committees.

Another amendment would rescind an advisory opinion of the Federal Elections Commission that, despite the clear legislative intent of Congress in 1974, allowed giant corporations to solicit political contributions from their hourly paid employees.

PROLIFERATION OF COMMITTEES

Mr. Speaker, the proliferation of special interest political action committees was called "one of the most significant developments since the passage of the 1974 campaign finance law" by Common Cause in reporting on March 10 the establishment of 242 new political giving committees.

Fred Wertheimer, Common Cause vice president and director of its campaign finance monitoring project, said that—

> It is essential for Congress to make clear that an organization cannot set up a number of political committees and thereby render meaningless the $5,000 limit on what an organization's political committees can give to a candidate.

If a corporation or union is allowed to establish an unlimited number of political fundraising and dispersal committees, the intent to limit their financial influence in Federal elections will be gutted.

This legislation attacks that problem by continuing the $5,000 limit on contributions by these committees and by specifying that all subsidiaries of a corporation or union are to be treated as one for contribution limits. Thus the $5,000 maximum contribution will not become a sham, and wealthy corporations, unions, and trade associations will not be able to use their unlimited funds to corrupt the political process.

CORPORATE INFLUENCE

Mr. Speaker, the lack of hesitancy displayed by big corporations in throwing their influence into Federal elections is obvious from a look at the 242 new political action committees that have been established. Almost 75 percent of them, according to Common Cause, represent business-related interests.

Oil companies have been among the major malefactors whose money has sought to corrupt Federal election campaigns. Before the 1974 elections, only one oil company, Union Oil of California, had a registered political committee. Now, under the 1974 law, 17 oil companies have political action committees, including such giants as Atlantic Richfield Co., Cities Service Co., Standard Oil of California, Standard Oil of Ohio, Sun Oil Co., and Texaco.

Under an advisory opinion issued by the Federal Elections Commission to Sun Oil Co., moreover, these national and international corporate giants are permitted to solicit funds from all their employees, even those most poorly paid and most vulnerable to subtle or overt pressure.

PROTECTION OF EMPLOYEES

Mr. Speaker, because it recognized the possibility of abuse under such a freewheeling system, Congress did not intend to grant such power to corporations when it enacted the campaign reform law in 1974. Its intent was to allow labor unions to seek funds from their members and corporations to solicit contributions from their shareholders and management employees, not from their hourly workers.

The FEC opinion, however, ignored the intent of Congress and subjected hourly employees to pressure from supervisors to make contributions, thus destroying the protective shield fashioned by Congress.

Mr. Speaker, this legislation will restore the balanced, evenhanded approach voted in 1974 by placing labor unions and corporations under the same kind of rulings.

Rejection of the reform provisions in this legislation will legitimize many of the abuses by oil companies and other corporate giants that have become a staple of the news in recent months.

Rejection will be an invitation to special interest groups to open wide their pocketbooks and legally intrude in political campaigns to an unprecedented degree.

OTHER PROVISIONS

Mr. Speaker, among other major provisions in H.R. 12406 are those to—

Prohibit FEC Commissioners from holding other jobs;

Require four affirmative votes of the six-member Commission to establish compliance guidelines and to take other substantive action;

Provide the FEC with exclusive civil enforcement jurisdiction;

Establish a conciliation procedure to correct violations before civil action is taken;

Authorize the Commission to impose financial penalties on certain violators;

Require FEC advisory opinions of general applicability to be codified within 30 days and to be submitted to Congress as a proposed regulation;

Prohibit the promulgation of any regulation that is disapproved by either House of Congress;

Limit contributions by any person to any candidate for Federal office or to any political committee to $1,000 in a calendar year;

Require that any "independent expenditure" by a person or group made in collusion with a candidate or a candidate's committee be counted as a contribution subject to the $1,000 limitation; and

Require the clear identification of the source of funds paying for political advertisement made in behalf of a candidate whether or not it is authorized by the candidate.

REMARKS TO ACCOMPANY INTRODUCTION OF ELEMENTARY AND SECONDARY CAREER EDUCATION ACT

(Mr. BLOUIN asked and was given permission to address the House for 1 minute, to revise and extend his remarks and include extraneous matters.)

Mr. BLOUIN. Mr. Speaker, today I am privileged along with the distinguished chairman of the Education and Labor Committee, Congressman PERKINS to introduce the "Elementary and Secondary Career Education Act of 1976." The concept embodied in this legislation is the same as presented in H.R. 11023, which was introduced December 4, 1975, by Congressman PERKINS. The bill introduced today attempts to make constructive changes in H.R. 11023 which I think will help attain the goal of making education more relevant to the world of work.

The bill essentially makes three major changes: First, it charges the Office of Education with developing rules and regulations which specify sufficient detail be included in State plans consisting of an inventory of progress in implementing the concept by each school in the State, an identification of teacher education needs, the establishment of priorities to meet these needs, and the identification of methods to be used to meet those needs; second, it raises the minimum funding level from $25,000,000 to $50,000,000 for the fiscal year beginning October 1, 1980; and third, it expands the grants to local education agencies to include the development and implementation of programs to foster access of students to individuals from business, labor, industry, the professions, and Government who volunteer for service as resource personnel for career education activities. The bill makes a few additional changes which I feel strengthens the bill and in no way detracts from the concept expressed in H.R. 11023.

The need for career education is obvious. Millions of students leave high school and college each year with no salable skills. The Office of Education's policy statement on career education, which is quoted in the November 1975 interim report of the National Advisory Council for Career Education, reflects the criticism currently leveled against American education for failing to prepare students for the world of work.

THE OFFICE OF EDUCATION'S POLICY STATEMENT ON CAREER EDUCATION

First. Too many persons leaving our educational system are deficient in the basic academic skills required for adaptability in today's rapidly changing society.

Second. Too many students fail to see meaningful relationships between what they are being asked to learn in school and what they will do when they leave the educational system. This is true of both those who remain to graduate and those who drop out of the educational system.

Third. American education, as currently structured, best meets the educational needs of that minority of persons who will someday become college graduates. It fails to place equal emphasis on meeting the educational needs of that vast majority of students who will never be college graduates.

Fourth. American education has not kept pace with the rapidity of change in the postindustrial occupational society. As a result, when worker qualifications are compared with job requirements, we find overeducated and undereducated workers present in large numbers. Both the boredom of the overeducated worker and the frustration of undereducated worker have contributed to growing worker alienation in the total occupational society.

Fifth. Too many persons leave our educational system at both the secondary and collegiate levels unequipped with the vocational skills, the self-understanding and career decisionmaking skills, or the work attitudes that are essential for making a successful transition from school to work.

Sixth. The growing need for and presence of women in the work force has not been reflected adequately in either the educational or the career options typically pictured for girls enrolled in our educational system.

Seventh. The growing needs for continuing and recurrent education of adults are not being met adequately by our current systems of public education.

Eighth. Insufficient attention has been given to learning opportunities which exist outside the structure of formal education and are increasingly needed by both young and adults in our society.

Ninth. The general public, including parents and the business-industry-labor community, has not been given an adequate role in formulation of educational policy.

Tenth. American education, as currently structured, does not adequately meet the needs of minority or economically disadvantaged persons in our society.

Eleventh. Post high school education has given insufficient emphasis to occupational educational programs in harmony with academic programs.

Each of these criticisms centers on the relationship between education and future employment opportunities of individuals. Programs designed to meet these criticisms must find a common ground between the worlds of education and work. It is my contention that this legislation introduced today will help bridge that gap which now exists between the world of education and the world of work.

Mr. Speaker, I include the bill in the Record at this point:

H.R. 12620

A bill to authorize a career education program for elementary and secondary schools, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this bill may be cited as the "Elementary and Secondary Career Education Act of 1976".

PURPOSE

Sec. 2. In recognition of the prime importance of work in our society and in recognition of the role that the schools play in the lives of all Americans, it is the purpose of this Act to assist States and local educational agencies to increase the emphasis they place in elementary and secondary schools on career awareness, exploration, decisionmaking, and planning.

AUTHORIZATIONS

Sec. 3. (a) Subject to the provisions of subsection (d), there is authorized to be appropriated no more and no less than the sum of $5,000,000 for the fiscal year beginning October 1, 1976, for the purpose of carrying out section 5.

(b) Subject to the provisions of subsections (c) and (d), there are further authorized to be appropriated no more and no less than the sums of $100,000,000 for the fiscal year beginning October 1, 1977, $75,000,000 for the fiscal year beginning October 1, 1978, $50,000,000 for the fiscal year beginning October 1, 1979, and $50,000,000 for the fiscal year beginning October 1, 1980, for the purpose of carrying out section 6.

(c) No funds are authorized to be appropriated for any fiscal year under subsection (b) unless appropriations have been provided under subsection (a) for the fiscal year beginning October 1, 1976.

(d) No funds are authorized to be appropriated for any fiscal year under either subsection (a) or (b) unless such funds are appropriated in the fiscal year prior to the fiscal year in which such funds will be obligated, and unless such funds are made available for expenditure to the States prior to the beginning of such fiscal year.

(e) Notwithstanding any other provisions of law, no funds may be made available under the provisions of section 406(f) of the Education Amendments of 1974 for grants or contracts with local educational agencies for any fiscal year for which funds have been appropriated pursuant to subsection (b).

ALLOCATIONS

Sec. 4. (a) For any fiscal year for which funds are appropriated pursuant to section 3, these funds shall be made available to the States in the same proportions that each State's population, aged five to seventeen, bears to the total population, aged five to seventeen, of all the States.

(b) Any funds allocated to a State under subsection (a) for which a State has not applied or for which a State has not been approved shall be reallocated by ratably increasing the allocations of each of the States which have approved applications in proportion to the original allocations.

STATE PLANNING

Sec. 5. (a) Every State desiring to receive funds appropriated under subsection (a) of section 3 for fiscal year 1977 shall submit to the Commissioner of Education (hereinafter in this Act referred to as "the Commissioner") an application containing assurances that—

(1) the State educational agency will be the agency responsible for planning the use, and administering the expenditure, of funds received under this Act;

(2) the State board of education has adopted, or will adopt during fiscal year 1978, a statement of policy that career education is of prime importance in elementary and secondary education within the State;

(3) the State legislature and the Governor have been notified of the State's application for these Federal funds;

(4) the funds received under this Act will be used in accordance with the provisions of subsection (b); and

(5) the State will, in administering the expenditure of funds and in implementing the plan required by subsection (b)(2), develop a program, in conformity with specific guidelines promulgated by the Commissioner, for—

(A) evaluating the progress of each school in the State in implementing the goal of providing career education;

(B) identifying the educational needs of the teachers responsible for career education in such schools;

(C) establishing priorities for satisfying such educational needs; and

(D) identifying suitable methods for satisfying such educational needs.

(b) Every State receiving funds under this Act for fiscal year 1977, after the approval of its application of assurances by the Commissioner, may use these funds only for—

(1) the employment of a State coordinator of career education who shall be directly responsible to the chief State school officer within the State and who shall be the chief officer responsible for planning the use, and administering the expenditure, of the funds received under this Act, and for staff to assist such coordinator including at least one professional trained in guidance and counseling;

(2) the preparation of a new, or the updating of an already adopted plan, for the initiation, expansion, or improvement of programs for the infusion of career education into the education programs being offered by local educational agencies throughout the State; and

(3) planning in local educational agencies to prepare to carry out the State's plan.

STATE AND LOCAL PROGRAMS

Sec. 6. (a) Every State desiring to receive funds appropriated pursuant to subsection (b) of section 3 for the fiscal years beginning after September 30, 1977, shall submit to the

Commissioner by July 1, 1977, a State plan which meets the requirements of subsection (b) and which contains assurances that—

(1) the State educational agency will be the administering agency for funds received under this Act; and

(2) the State coordinator of career education employed pursuant to aparagraph (1) of subsection (b) of section 5 shall be directly responsible to the chief State school officer and shall be the chief administering offices for funds received under this Act.

(b) Every plan submitted to the Commissioner by a State pursuant to this section shall—

(1) set out explicitly the objectives the State will seek to achieve by September 30, 1982, in implementing the goal of providing career education for students in elementary and secondary schools within the State, and set out the means by which the State will seek every year to achieve these objectives within the limits of resources available to it; and

(2) set out how the funds received under this Act will be used to implement the overall objectives and how these funds will be used every year, subject to the restrictions contained in subsection (c), as means by which the State will seek to achieve these objectives.

(c)(1) Subject to the provisions of section 7, funds received under this Act for fiscal years beginning after September 30, 1977, may be used by a State only for the following activities:

(A) the employment of the State coordinator of career education and of the coordinator's staff;

(B) providing services for local educational agencies, such as in-service institutes for teachers and counselors and the training of local career education coordinators; and

(C) grants to local educational agencies for—

(i) developing and implementing programs for students in grades one through ten which involve career awareness and exploration;

(ii) developing and implementing programs for students in grades seven through twelve which involve work experience, career planning, and decisionmaking;

(iii) developing and implementing programs of guidance and counseling for students in all such grades and job placement assistance for students in grades seven through twelve: *Provided*, That no less than 15 per centum of a State's grant for any fiscal year shall be used for programs described in this division;

(iv) the employment of coordinators of career education in local educational agencies;

(v) training of the local career education coordinators;

(vi) in-service training of teachers from the early elementary grades through high school in order to acquaint these teachers with the purposes and techniques of career education;

(vii) in-service training of counselors in order to acquaint them with the importance of career education;

(viii) institutes to acquaint school administrators and school board members with the importance of career education;

(ix) the purchase of instructional materials and supplies for career education activities; and

(x) developing and implementing programs to foster the access of students to individuals from business, labor, industry, the professions, and government who volunteer for service as resource personnel for career education activities.

(2) Grants made to local educational agencies pursuant to clause (C) of paragraph (1) from funds received under this Act, must, to the extent practicable, be made in amounts proportionate to the enrollments in public and nonpublic schools within the school districts of such agencies, except that substantially greater amounts must be provided (A) to local educational agencies whose tax effort for education is substantially greater than the State average tax effort for education, but whose per pupil expenditure (excluding payments made under title I of the Elementary and Secondary Education Act of 1965) is no greater than the average per pupil expenditure in the State, and (B) to local educational agencies which have the greatest numbers or percentages of children whose education imposes a higher than average cost per child, such as children from low-income families, children living in sparsely populated areas, and children from families in which English is not the dominant language.

(3)(A) To the extent consistent with the number of children enrolled in private nonprofit schools within the State as regards services provided under clause (B) of paragraph (1) and within the school district as regards a grant made to a local educational agency under clause (C) of paragraph (1), such children and the teachers of such children must participate in these services and in the programs funded with these grants.

(B)(i) The control of funds provided under this Act and title to materials, equipment, and property repaired, remodeled, or constructed therewith shall be in a public agency for the uses and purposes provided in this title, and a public agency shall administer such funds and property.

(ii) The provisions of services pursuant to this paragraph shall be provided by employees of a public agency or through contract by such public agency with a person, an association, agency, or corporation who or which in the provisions of such services is independent of such private school and of any religious organization, and such employment or contract shall be under the control and supervision of such public agency, and the funds provided under this Act shall not be commingled with State or local funds.

PAYMENTS

SEC. 7. (a) (1) The Commissioner, upon receipt of an application of assurances for fiscal year 1977 which is found to be in compliance with section 5, and upon finding the State to be in compliance with section 6 with respect to each of the succeeding two fiscal years, shall pay to the State the amount which it is entitled to receive for each such year under this Act.

(2) The Commissioner, after he has found the State to be in compliance with section 6 for fiscal years 1980 and 1981 by reviewing the report required to be submitted by the State by section 9 for the second preceding fiscal years, shall pay to the State the amount which it is entitled to receive for each such year under this Act.

(b)(1) Any State receiving funds appropriated under subsection (b) of section 3 may reserve not more than 5 per centum of such funds for services performed for local educational agencies pursuant to clause (B) of paragraph (1) of subsection (c) of section 6 and not more than another 5 per centum for the purposes of clause (A) of such paragraph. The remainder of such funds shall be distributed to local educational agencies.

(2) In fiscal year 1977, funds available under this Act to a State may be used, subject to the provisions of paragraph (1), to pay the entire cost of employing the State career education coordinator and staff assisting such coordinator. In fiscal year 1978, funds available under this Act to a State may be used to pay, subject to the provisions of paragraph (1), not more than 75 per centum of such costs, and in the succeeding fiscal years not more than 50 per centum of such costs.

(3) In fiscal year 1978, funds available under this Act may be used to pay the entire costs of carrying out the State plan adopted pursuant to section 6. In fiscal year 1979, funds available under this Act may be used to pay not more than 75 per centum of such costs, and in the succeeding fiscal years funds may be available to pay not more than 50 per centum of such costs.

(c)(1) If a State is prohibited by law from providing for the participation in programs of children enrolled in private elementary and secondary schools, as required by section 6(c)(3), the Commissioner may waive such requirement and shall arrange for the provision of services to such children through arrangements which shall be subject to the requirements of that section.

(2) If the Commissioner determines that a State or a local educational agency has substantially failed to provide for the participation on an equitable basis of children enrolled in private elementary and secondary schools as required by section 6(c)(3), the Commissioner may waive such requirement and shall arrange for the provision of services to such children through arrangements which shall be subject to the requirements of that section.

FEDERAL ADMINISTRATION

SEC. 8. (a)(1) The Office of Career Education created pursuant to section 406 of the Education Amendments of 1974 shall be the administering agency within the Office of Education for the review of the State plans, applications, and reports submitted pursuant to this Act.

(2) In reviewing these plans, applications, and reports, the Office of Career Education shall provide technical assistance to those States in need of improving such plans, applications, and reports. The Office shall also work with all the States so that curriculum materials developed with funds available under, and projects funded under, section 406 of the Education Amendments of 1974, the Vocational Education Act, and the authority of the National Institute of Education are used or continued, as the case may be, wherever such use or continuance would serve the purposes of this Act.

(b) The National Advisory Council on Career Education created pursuant to section 406 of the Education Amendments of 1974 shall perform the same functions with respect to the programs authorized under this Act as it is authorized to perform with respect to the programs authorized under that section.

(c) The National Institute of Education shall continue its complimentary efforts in career education, including product and program development, evaluation, policy analyses, and research and studies to improve career education measurement. The Office of Education shall cooperate with the Institute in identifying research and development priorities and in disseminating the products and findings of research and development undertaken by the Institute.

REPORTS

SEC. 9. (a) No later than December 30 of each fiscal year each State receiving funds under this Act shall submit to the Commissioner a report evaluating the programs assisted with funds provided under this Act for the preceding fiscal year. Such report shall include—

(1) an analysis of the extent to which the objectives set out in the State plan submitted pursuant to section 6 have been fulfilled during that preceding fiscal year;

(2) a description of the extent to which the State and local educational agencies within the State are using State and local resources to implement these objectives and a description of the extent to which funds received under this Act have been used to achieve these objectives; and

(3) a description of the exemplary programs funded within the State, including an analysis of the reasons for their success, and a description of the programs which were not successful within the State, including an analysis of the reasons for their failure.

(b) The Commissioner, through the Office of Career Education, shall analyze each one of the State reports submitted pursuant to subsection (a) and shall provide to the State no later than three months after the date of such submission an analysis of the report and recommendations for improvement in the operation and administration of programs being provided by the State with funds made available under this Act.

(c) The National Advisory Council on Career Education shall submit a report to the Congress by April 30 of each year evaluating the effectiveness of the programs operated during the preceding fiscal year with funds provided under this Act.

(d) The Commissioner shall conduct a comprehensive review of the programs funded under this Act and shall submit this report to the Committee on Education and Labor of the House of Representatives and the Committee on Labor and Public Welfare of the Senate by no later than September 30, 1980.

DEFINITIONS

SEC. 10. For purposes of this Act the term—

(1) "career education" shall be limited to those activities carried out by State educational agencies and local educational agencies involving career awareness, exploration, decisionmaking, and planning;

(2) "State" shall mean the 50 States, the District of Columbia, and the Commonwealth of Puerto Rico; and

(3) "local education agency" has the meaning given it by section 403(6)(B) of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 244(6)(B)).

LIFTING THE VIETNAM EMBARGO: NO SUBSTITUTIONS PLEASE

(Mr. BINGHAM asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BINGHAM. Mr. Speaker, indications are that the administration is about to invite the Governments of Vietnam to open negotiations promptly on the broad range of problems separating our Government and theirs. The administration has long taken the position that differences between ourselves and the Vietnamese would have to be negotiated, so an invitation to negotiate is only a slight step forward, particularly if, at the same time, the administration reaffirms its commitment to the total economic embargo of Vietnam which makes negotiation so difficult.

As Members will recall, the House approved by record vote language in the fiscal year 1976 military assistance bill now in conference requiring a partial lifting of the embargo against Vietnam. The administration opposed that amendment, and as recently as March 4 Secretary Kissinger told the House International Relations Committee that he wanted to maintain the embargo as a "weapon"—hardly an indication of a sincere desire to negotiate. One can only conclude that the moves currently under consideration by the administration are designed as much to undercut the Congress as to make real progress with respect to Vietnam.

Whatever the motives, a clear invitation to the Vietnamese to begin negotiations is overdue and welcome. But if the administration is sincere about getting such negotiations underway, it should embrace the House bill easing the trade embargo. An invitation to negotiate while maintaining the embargo would lack credibility and would defy the clear will of a solid majority of the House, as well as the support of the House language now expressed by the League of Families of MIA.

An invitation to the Vietnamese to negotiate should accompany an easing of the embargo—not substitute for it. Only a combined invitation to negotiate and unilateral easing of the embargo by the administration would offer any realistic hope of serious negotiations leading to early resolution of the problems of the MIA families and others still affected by the situation in Vietnam. Anything less in the way of action by the administration can only be taken as an empty gesture inadequate either to move us significantly toward more normal relations with Vietnam or to justify dropping the House language.

Accordingly, I hope that the House conferees will insist upon the House provision, and that the Senate conferees will accept it.

AMENDING INTERNAL REVENUE CODE TO ALLOW $1,000 FOR TUITION DEDUCTION

(Mr. SNYDER asked and was given permission to address the House for 1 minute, to revise and extend his remarks, and include extraneous matter.)

Mr. SNYDER. Mr. Speaker, I have introduced legislation today to amend the Internal Revenue Code to allow a Federal tax deduction up to $1,000 per year per person, for tuition paid by a taxpayer to any educational institution, from elementary school to university—inclusive—to provide an education for himself or herself, for a child of the taxpayer, or for any other individual or individuals. Vocational schools would be included.

My bill would enable some of our citizens with lesser means to do what many of their wealthier neighbors have done, transfer their children to private or parochial schools, away from the public schools with which so many parents are dissatisfied. I recognize and admire the noble, in fact, the heroic efforts of many teachers in our public schools to impart high quality education to the students in their classrooms, despite disastrous discipline problems which have driven thousands of fine teachers completely out of teaching.

But I am equally aware that many, many citizens are deeply concerned about the poor quality education their own children are receiving in their particular schools. The majority of those parents are unable, for economic reasons, to send their children to private or parochial schools where educational standards are higher and a healthy discipline is enforced.

Most of those with the financial means to do so, have already taken this step on behalf of their children. My bill would help bring some equity into this situation, enabling at least some of the folks with less financial resources to do what their wealthier neighbors have already done.

Similarly, other parents are distressed over the severe impact of forced busing on their lives and on their children's lives, while other families go unaffected because their name begins with a different letter, or what have you. But for lack of sufficient finances they cannot change schools.

Still other citizens have been appalled at the secularization of the public schools by Supreme Court decisions that have virtually eliminated any reference to God or religious principles from those schools. They, too, have been unable, for lack of money, to make the desired change so their children in another school could benefit from increasing knowledge of spiritual values that underlie this Nation's foundation and growth to greatness. Those values were proudly proclaimed to the entire world in our Declaration of Independence, but in recent decades our Supreme Court Justices, seemingly ashamed of them, have all too successfully tried to purge them from all areas of public life. My bill will help Americans determined to safeguard those values.

LEGISLATION TO REQUIRE THAT FEDERAL BUDGET BE BROUGHT INTO BALANCE OVER A 5-YEAR PERIOD

(Mr. ROGERS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. ROGERS. Mr. Speaker, I am today introducing a bill to amend the Congressional Budget Act to require that the Federal budget be brought into balance over a 5-year period.

The bill would accomplish this by providing that the deficit amount called for in the second concurrent resolution on the budget shall not exceed the amount of the deficit provided for in the second budget resolution for 1976, reduced by 20 percent each year.

I believe this amendment is necessary and consistent with the intent of the Budget Act.

That act was intended to require Congress to think about overall budget effects as it acted upon individual programs, by requiring the adoption of budget targets which Congress must then live with. But I believe that the history of deficits over the last 15 years and last year's deficit, with the Budget Act partially in effect, indicates that we did not go far enough in that law. The fact is that we have consistently run a deficit—in 14 of the last 15 years. Congress has been unable to balance the budget, with the result that the national debt stood at $544 billion at the end of fiscal year 1975.

Mr. Speaker, we spent $24.7 billion just to pay interest on the $376 billion of this debt held by the public; 7.6 percent of the budget went not to providing for the national defense, for health, for building, public works, or for other programs for the American people; 7.6 percent of the budget went to pay interest on money we borrowed in previous years, to provide for programs we could not afford. And besides tying up tax dollars in interest payments, borrowing to finance these deficits have driven up interest rates, crowded private borrowers out of the money markets, and contributed to inflation.

I understand that much of this year's projected $76 billion deficit can be attributed to the recession, and that with a strong recovery the Congressional Budget Office's most optimistic prediction is that we will be running a surplus by 1979. But I predict that even with an economic turnaround, that surplus will not occur.

Congress could insure that it does occur and has laid the necessary groundwork with the Budget Act. My bill would amend that act so that, when Congress makes its budget decisions tentatively in the spring and finally in the fall, it must make its spending and taxing decisions in a way that will insure that spending does not exceed revenues. Congress will still decide what levels of spending and taxation are appropriate. And most importantly, it will still decide spending levels for each of the 14 functional categories.

But as long as the deficit option is open to Congress, I think the pressure will be great to exercise it, whether through tax cuts or through spending on new programs.

I would urge that we remove this option once and for all, and maybe someday we can spend that $27.6 billion on something besides interest.

A MOTHER'S CALL FOR HELP

(Mr. YATES asked and was given permission to address the House for 1 minute, to revise and extend his remarks and include extraneous matter.)

Mr. YATES. Mr. Speaker, officials of the Soviet Union have said that they place great store in the reunification of families. Their statements, both public and private, and more recently by their agreement to the so-called Helsinki Pact, they have told the world that a borderline drawn on a map shall not separate the members of families from each other. To date, such statements are mere words divorced from fact. By their actions we will judge them—and their actions have noted their indifference to the often unbearable strain that forced separation has brought to these courageous people.

Nearly 3 years ago Mrs. Lubov Dinenzon and her son Viktor were allowed to emigrate to the United States from the Soviet Union. Her son Felix Aranovich, however, was denied a visa. When Felix's mother and brother protested, they were threatened with imprisonment if they did not leave immediately without him. They were told as well that if they refused to leave, that Felix would be in "serious trouble." Faced with the possible imprisonment of both of her sons or the freedom of one and the lifting of threats against the other, Mrs. Dinenzon left the Soviet Union for our country. She resides today in my district in Chicago with her son Viktor, waiting sometimes patiently, sometimes nearly hysterically for her other son to join her. Letters in her own blood to Soviet officials have gone unanswered as have the various inquiries I have attempted to make.

I had hoped after my recent trip to the Soviet Union and my meetings with the First Secretary and others that we would be able to reach the accords needed to facilitate emigration that would lead to the joining of families such as that of Mrs. Dinenzon. Those hopes are now shattered. We find that letters, entreaties, pleas fall on deaf ears.

I have written a personal letter to Georgi Arbatov the head of the Soviet Institute of American and Canadian Affairs asking for his personal intercession in the case. I am waiting for his answer.

Mr. Speaker, I attach Mrs. Dinenzon's plea.

A MOTHER'S CALL FOR HELP

I have been compelled to make an appeal for help. People suffer not only from wars, but also from inhumane treatment of them in times of peace. This problem prevents solution of the great tasks of peace all over the world.

My family is small; there are three of us, myself and two sons. We lost my husband and their father in the years of World War II. I have carefully brought up my two sons. They are not married . . . we have always lived together.

In 1972 we presented an application for permission to leave the Soviet Union. The result was that emigration was permitted only me and my younger son. My older son, Felix Aranovich, an engineer, was refused the right to leave on the basis that he had at some time worked at a secret plant.

In his appeals to higher authorities, Aranovich has denied that he possessed secret information for the simple reason that for a long time he had not worked at secret plants and the questions with which he had previously had contact have since been dealt with more extensively in public literature.

The reliance on secrecy and on the interests of the government are only worn-out excuses, covering up evil. The actual reason is found elsewhere; to inflict punishment upon us, to break up the family, to deprive Felix of a home, to create hardship for him through the traumatic surrounding of loneliness, to brutalize us.

It is clear that this is supported by further actions of the OVIR.

When my younger son, upon receipt of permission to emigrate and upon the order of the OVIR, presented all of the documents necessary to receive a visa and brought to the bank the required fees (for education, for the visa, for the renunciation of citizenship), OVIR refused to grant him a visa on the basis that I was not going together with him.

I stated that I would remain with my older son Felix and would leave only with him. Such questions, by law and by nature, should be decided by the mother. OVIR took this right from me. Despite having been granted permission to emigrate, my younger son Victor was not granted a visa. He lived for a long time without means of support, without work, and yet could not leave. I tried to avoid fulfilling the illegal demands and appealed to higher authority. They answered that the way OVIR had decided was the way it was going to be. They called me in and notified me that if did not immediately leave the Soviet Union, the permission already granted to my younger son would be annulled, the money already paid out would not be returned and, in addition, he would be harshly dealt with. It became clear that we were unprotected by the law.

In fear for the fate of my totally innocent son, I was forced to go away, leaving Felix Aranovich in an empty home. The day of our exit occupies in our lives a place along with the sufferings in the years of World War II.

The destruction of our family by a method of threats and violence is not only a violation of the Declaration of the Rights of Man ratified by the Soviet Union and the conditions accepted by them at the Helsinki Conference, but the actions of the Leningrad OVIR are criminal according to the laws of the Soviet Union. For forcing me, without guilt, a trial, and outside legality, to abandon my son, for the threat of illegal repressive acts, and for the rude violation of the civil rights of my son, the head of the Leningrad OVIR, Mr. Bokov, is criminally liable under Article 171, Section 2 of the Criminal Code of the RSFSR. And for the harm inflicted upon us by his criminal acts, he is liable for damages in accordance with Articles 444 and 446 of the Civil Code of the RSFSR, which claim could be satisfied by the unification of our family, that is, by granting Felix Aranovich permission to emigrate.

However, the law no longer works in relation to us. Mr. Bokov continues to work successfully; Felix Aranovich leads a lonely, miserable existence. Soon it will be three years since I have seen my son with whom I had lived for his entire life; soon it will be three years since I have known peace during the day or night.

All this serves as proof that the law does not protect us.

Once in a state of deep despair I addressed to the Soviet leaders a letter written in blood. I asked them to give me back my son. The physicians treating me advised the Soviet leaders that the trauma inflicted upon me by breaking up my family was destructively affecting my health, and that the treatment would be ineffective until the cause of the ailment was removed.

To all this the Leningrad OVIR answered my son in September 1975 with still one more refusal (the third). This time it was without any reason at all. Reliance on secrecy by now has become completely impossible. It is well-known that such sadism leads to physical annihilation of people.

In the south in the Soviet Union there is a chimpanzee nursery. Soviet medical workers are conducting medical investigations in this nursery. They broke up chimpanzee families. The chimpanzees flew into a violent rage. They ran from corner to corner, trying to break out of the cage, but they were not strong enough to deal with iron bars. Gradually, the chimpanzees quieted down and fell. When their blood pressure was measured, it turned out to be very high. As a result of their suffering, the chimpanzees grew ill with hypertension and died.

Nor does a mother have the ability to withstand that kind of suffering.

In the summer of this year Nina Podriadchik unexpectedly passed away. She, like I, fought for a long time to be reunited with her son Yuri, whom the Soviet Union had refused permission to emigrate. She did not survive her suffering and died. This is not death . . . it is murder by a method of slow torture. When they buried her, Yuri Podriadchik was given permission to emigrate.

It is necessary, in order that all might hear, to cry out to the Soviet Union in the name of all mothers who have abandoned their sons in the Soviet Union: Let our sons go to their living mothers and not to their graves!!!!! An oath would thus be taken that people would no longer be brutalized.

According to the law concerning tort damages, on the basis of rights guaranteed to man by twentieth century civilization, and in fulfillment of international obligations accepted by the Soviet Union, I am addressing an appeal to it: Give me back my son!!!!! I am calling for help!

LUBOV DINENZON.

Felix Aranovich's Address:

Aranovich, Felix, Poste Restante, Leningrad 192028 RSFSR, U.S.S.R.

Lubov Dinenzon (mother):

7022 North Sheridan Road, Chicago, Illinois, 60626, [312] 761-4163.

FURTHER INVESTIGATION NEEDED IN PRESIDENT KENNEDY'S ASSASSINATION

The **SPEAKER** pro tempore. Under a previous order of the House, the gentleman from Virginia (Mr. DOWNING) is recognized for 60 minutes.

Mr. DOWNING of Virginia. Mr. Speaker, I have served in this House for 17 years. I hope I have served conscientiously and honorably. At the end of this session, I shall retire from the House and return to private pursuits.

Until a few weeks ago, I thought that I would return to my home district with a feeling of accomplishment and satisfaction—certainly with a feeling of a thorough understanding of the Congress to which I have devoted the major part of my adult life. However, in the past few weeks, certain events have transpired in this House which concern me deeply and which lead me to believe either that I do not understand the House half as well as I thought I did, or that the House is undergoing a deep and fundamental transformation as a result of those tragic events which we collectively label "Watergate."

Until now, it has seemed to me that, although Congress might not have dealt with all problems wisely, it has not been its policy simply and doggedly to refuse to look at a serious national problem, no matter how difficult, no matter how distressing. Yet, I fear that is precisely what it is doing today. It is simply and doggedly refusing to look at the problem of who executed our former President, John F. Kennedy, and why he was executed.

I do not exaggerate. I have chosen my words carefully, and I mean precisely what I say: We do not know who killed John F. Kennedy or why, and the House apparently is uninterested and, in my opinion, shamefully unwilling even to attempt to find the answers.

Many months ago, along with a few colleagues, I introduced a resolution which provides for the establishment of a special House Committee to examine into the death of J. F. K. and the subsequent investigation of that murder by the Warren Commission. My colleague from Texas, HENRY GONZALEZ, introduced a somewhat broader resolution. Since that time, more than a hundred Members of this House have sponsored identical or similar resolutions; in fact, almost exactly one-fourth of the House Members have called for such a special investigating committee. However, we not only have failed to make any progress toward establishment of such an investigating committee, we also have not even been able to get a hearing on the merits before the Rules Committee. Whether the Rules Committee would endorse such a project would, of course, be a matter of discretion on their part, after hearing the evidence pro and con.

However, the Rules Committee will not listen to any of the evidence for the passage of the resolutions. It will not listen to evidence that a real and very serious problem exists. Despite our appeals and our offer to share with them the hard evidence that has moved us to sponsor our resolutions they refuse to give me and the other hundred odd sponsors even a hearing on the merits.

There is to be no hearing, no evidence, no witnesses, no vote, no nothing.

This is not only difficult for the many, many Members who have sponsored the proposed legislation to understand, it is a regrettably poor answer to approximately 80 percent of the American people who do not believe that their leader was cut down by a "lone nut."

Why would there be reluctance on the part of the leadership and the committee. Have they been told by the Intelligence Community, which, incidentally, possibly acted as sole investigator for the Warren Commission, what really did happen to our young President, and why? Do they know who was behind the killing? Is it too horrible for the American people to face?

You will recall that there was a reluctance on the part of many to approach the impeachment program 2 years ago. Many cautioned that such a public exposure would be more than the American public could stand. However, we did our duty, the Republic did not collapse, the American public did not fall apart, and the country was better off knowing the truth.

And over on the Senate side, when the Church committee began to look into foreign assassinations and assassination attempts by U.S. agencies, we heard the same cries that the public could not stand it. Yet, Senator CHURCH and his colleagues did their duty. They carefully examined a number of U.S. sponsored murders or murder attempts abroad, and printed the results in a thick report. Again the pillars of the Republic did not crumble.

Why is it that we seem to think the public can assimilate the truth about the killings of foreign leaders but cannot tolerate—and is not entitled to—the truth about the assassination of their own popular, elected President?

It would seem strange to me that the wrongful death of their own President is of less concern to the American people than the deaths of the leaders of Vietnam, the Congo, the Dominican Republic, Haiti, et cetera, et cetera. Yet, it is that truth that is being withheld from them.

Let me interject at this point that I have no clear idea whatever of the forces behind John Kennedy's death or the motives for the killing. What I do know is that there is an overwhelming abundance of evidence—physical, documentary, and scientific—that indicates that Lee Harvey Oswald could not have been a lone assassin.

Equally as important, a mass of evidence has come to light which indicates that the Warren Commission unfortunately may have made no real effort to get to the bottom of the killing. They were prohibited in many instances by the U.S. intelligence community which acted collectively as their sole investigator. Evidence which has come vividly and dramatically to light in recent months was withheld from the Commission. Some of it has been revealed by committees and subcommittees of this House. It points to a coverup. The Commission deserved better than that. The American people deserved better than that.

All of this notwithstanding, there is still this unwillingness to let the House find out the truth. Someone apparently does not want us to see the evil, hear the evil, and certainly does not want us to talk about it.

The question is frequently put: "Even if you are right, what is to be gained by reopening the Kennedy case?" Our answer from the beginning has been, "the truth," but this answer does not seem to satisfy. One would think that truth about the death of a President in a democracy such as ours would be sufficient cause for reopening the case. After all, if a President is eliminated, not by a "lone nut" but for political reasons, is not the whole fabric of our form of government in direct danger if we cover up the political motivations and go on as if nothing happened?

Mr. Speaker, in the 11 months since I became convinced of the need for a reinvestigation of the assassination by a Select Committee of the House, I have learned a great deal about the circumstances surrounding the death of the late beloved John F. Kennedy. I have learned far more than I ever expected that I could learn. I am frank to admit that I have learned far more than I ever wanted to learn.

Yet, Mr. Speaker, with all of this knowledge which has been forced on me has come the alarming realization that—to use a time-worn phrase—I have only touched the tip of the iceberg. Without subpena power, without the official backing such as the House of Representatives, no one has any real chance to get to the solid facts of the issue.

What has been equally amazing to me has been the marvelously high degree of interest shown by the American people and continued to show in the unexplained death of their leader. They want to know the truth. In every case where the people have been polled, the response calling for a new investigation has been overwhelming.

Following the death of President John F. Kennedy, a Presidential Commission was established to secure the facts about that murder, and to assure the American people that all of the facts had been secured and that all of the facts had been reported to the American people.

Today, more than 12 years after that tragedy, a substantial portion of the evidence remains locked away in the National Archives where the American people and their representatives, the Members of the Congress, cannot see it. Even more surprising, more than a decade after the publication of the Warren Commission Report—which asserted that one man was responsible for the assassination—every poll taken by a reputable news organization during the last year has revealed that the vast majority of the American people do not believe that central finding of the Warren Commission.

CBS revealed that 65 percent of those polled in its recent national survey said that they believe that there had been a conspiracy to assassinate the President.

The Philadelphia Daily News conducted a survey in that city last year which showed that more than 96 percent of those who responded to the question supported the reopening of the investigation into the assassination of President Kennedy. The recent Detroit News survey showed that 87.3 percent of those questioned there said that they believed that a conspiracy was responsible for the assassination.

A distinguished former member of the Warren Commission, President Gerald R. Ford, has publicly stated that another investigation would be in order. He has, therefore, joined with two Warren Commission lawyers, David Belin and John Hart Ely, in understanding the need for a new investigation and in supporting such demands.

The Saturday Evening Post, responding to this widespread feeling in the United States, has called for a new investigation and offered a $250,000 reward for information leading to the conviction of those who murdered the President. Major newspapers, including the Boston Globe and the New York Times, have called for Congress to investigate.

During the last year, more students at our colleges and law schools throughout the country attended lectures on the subject of the assassination than on all other subjects combined. At Purdue University in Indiana, about 7,000 students listened to a lecture and watched a film about the assassination for more than 5 hours. In Monroe, La., 4,800 crowded into the Coliseum to hear a similar talk.

This matter, obviously, remains high on the American agenda now, more than 12 years later. It is an issue which will not, which cannot die until our people are satisfied that they know the truth, all of the truth. That is why 125 Members of the Congress have joined with Congressman GONZALEZ and me in sponsoring a resolution to establish a committee to investigate a crime which so many Americans consider to be an unsolved crime.

What argument can be offered against such an investigation or against permitting Congress to at least vote on this question? That it is too expensive? Are we not willing to authorize a $350,000 investigation into how one reporter secured a report? Are we not willing to provide 10 full-time independent investigators in that search? The Warren Commission conducted its investigation without a single independent investigator. It relied almost exclusively upon the reports it received from the FBI.

As a result of hearings held by Congressman EDWARDS' FBI oversight committee recently, we learned that the FBI deceived the Warren Commission, and destroyed a crucial document, and never so informed the Warren Commission.

Many Americans believe that it is more urgent and now more important to determine who killed President Kennedy than it is to determine how Mr. Schorr got his hands on a report. I agree that it is important. I believe that most of the Members of this House, if given the opportunity to vote on this vital question, would also agree. I believe further that credibility in our institutions can only be enhanced by our full and public commitment to all of the truth. I believe that our people, those we represent on this floor, those who in overwhelming numbers have stated that they do not believe they have been told all of the truth, are entitled to the facts and that this issue will not pass until the American people are satisfied that the truth has been told.

Mr. Speaker and Members of the House, that concludes my statement, but I will submit and ask unanimous consent to submit an ample amount of information concerning the assassination of President Kennedy. That material will be printed in the CONGRESSIONAL RECORD.

Mr. Speaker, the purpose of all of this is to try to get the Congress, and mainly the Committee on Rules, to reconsider its former decision to not even look at this evidence. I would be hopeful that the Committee on Rules would give us this opportunity, particularly since 125 of our colleagues have sponsored similar resolutions.

Mr. Speaker, the people want to know the truth. They are not afraid of the truth, and perhaps in the conduct of this investigation we may find ways in which to minimize assassination attempts on future Presidents.

Therefore, Mr. Speaker, my plea to the Committee on Rules is to reconsider and give us the opportunity to go into this matter anew.

Mr. LAGOMARSINO. Mr. Speaker, will the gentleman yield?

Mr. DOWNING of Virginia. I yield to the gentleman from California.

Mr. LAGOMARSINO. Mr. Speaker, as a strong supporter of legislation to conduct an investigation into the circumstances surrounding the death of the late President Kennedy, I regret the recent Rules Committee decision not to consider House Resolution 574 or like legislation to this purpose.

The specter of assassination has loomed ominously over the political scene for more than a decade. President Kennedy was the first in a succession of public assassinations and assassination attempts. Yet, speculation and controversy surrounding his murder continue to escalate even as we approach the 13th anniversary of Mr. Kennedy's death. Theories and suppositions abound in the press and in the media while—as I am sure all Members here today can testify—mail pours into Congress requesting a reopening of the murder probe. It is becoming more and more apparent that the Nation is dissatisfied, if not disbelieving of the Warren Commission Report.

In my opinion, it is unconscionable that the Congress would allow this matter to continue unresolved any longer. Inasmuch as almost one-third of this body has cosponsored legislation to reconsider this Presidential assassination, I believe that, at the very least, the House membership should be given the opportunity to vote on whether or not to further study this sensitive and persistent issue.

To ignore the problem as new, and previously undisclosed, evidence mounts concerning the matter could be to ignore the truth, or at least not present an opportunity to ascertain the truth. Therefore, I strongly urge that the House be allowed to hear the arguments, pro and con, surrounding the legislation in question, and to work its will.

Mr. DOWNING of Virginia. Mr. Speaker, I want to thank the gentleman from California for his contribution.

Mr. Speaker, I do not mean to indict anybody in this investigation of the assassination and I certainly do not indict the members who constituted the Warren Commission because those men were able, dedicated and patriotic Americans who did the best job they could under the circumstances. But we now know that there was a raft of evidence which was withheld from the eyes of those gentlemen and which has now just come to light. We are getting this under the Freedom of Information Act, although there was much that was not available to us without the subpena power. I do not know what that information will reveal but I am sure just from the very documents that we have gotten recently that it will be most interesting and I think it would shed some more light on the matter.

In my judgment, the Warren Commission either did not see these facts, were not shown them or, if they were, they might have concluded that it was in the best interests of the country at that time to close the report and to rely on the single-bullet theory. Had I been a member of the Warren Commission and had I thought it was in the best interests of the country at that time I might have done similarly. Now it is 12 years later and we now know the American public can stand the shock that can come if the truth is told.

Mr. MINETA. Mr. Speaker, will the gentleman yield?

Mr. DOWNING of Virginia. I am glad to yield to the gentleman from California.

Mr. MINETA. Mr. Speaker, I rise today in support of the Downing resolution—House Resolution 432—to create a select committee to investigate the assassination of President John Kennedy which the Rules Committee last week decided not to consider.

I rise today because I, along with 65 percent of the American people—according to a recent public opinion survey—doubt the findings of the Warren Commission. Over the past several years, more and more people have begun to question the Warren Commission's methods and conclusions. Too many questions remain—questions regarding Lee Harvey Oswald's background, the single bullet theory, the capabilities of the supposed murder weapon, Jack Ruby's association with the FBI and organized crime, and the alleged discrepancies between the testimony and evidence given to the Warren Commission and its published conclusions.

Mr. Speaker, the list of questions and allegations could go on for many hours, and that is the point. The American people are entitled to have their questions answered.

I do not stand today and pretend to know who did, or did not kill John Fitzgerald Kennedy. I only know that the American people are not satisfied with the Warren Commission's conclusions, and, as such, I believe a full investigation by a select committee would help to dispell these doubts.

I respectfully urge the Rules Committee to reconsider its action and allow the full House to determine whether there is a sufficient number of Members who share my view that the American people have a right to have their questions regarding the John Kennedy assassination answered.

Mr. DOWNING of Virginia. I thank the gentleman, and I appreciate his assistance in this whole matter for a period of months.

Mr. Speaker, I now yield to the gentleman from Georgia.

Mr. MATHIS. I thank the distinguished gentleman from Virginia for yielding.

Mr. Speaker, I would like to rise to pay tribute to the gentleman from Virginia for the leadership he has taken in this area that I consider to be very, very vital in order that the faith of the American people might be restored to some degree in their institutions of government, because I do not think there is any question but that they have been deceived either deliberately or through error on the part of distinguished men who served on the Warren Commission. I think that the public has been deceived. I think the public has a right to know.

The gentleman from Virginia with the distinguished gentleman from Texas (Mr. GONZALEZ) have provided leadership in this area, and I am very much appreciative of that.

I would also say, Mr. Speaker, that this body, his district, and this country are going to miss very much the leadership of the gentleman from Virginia (Mr. DOWNING) when he retires at the end of this session from this body. We all regret seeing him go.

Every one of us, almost without exception, remembers that date of November 22, 1963, where we were and what we were doing at precisely the time we heard the news on radio, television, or whatever it might have been, that President John F. Kennedy had been shot at Dealey Plaza in Dallas, Tex. I think what we have a right to know now as Americans is not only where we were and what we were doing, but why that tragic series of events came together all at that particular point in our Nation's history.

I would like to ask the gentleman from Virginia at this point what the procedure would be that he intends to use to try to get this matter to the floor. Is there a way that we can in fact, frankly, bypass the Committee on Rules to try to bring a resolution to the floor, or must we now under the leadership of the gentleman from Virginia go back to the Committee on Rules and ask for reconsideration?

Mr. DOWNING of Virginia. There is a procedure, of course, with which the gentleman is very familiar, known as a discharge petition, which requires the signature of 218 names. I would hesitate to take this route because it is flaunting the Committee on Rules, and I have the greatest respect for every member of that committee. I would hope that we could go back again to the Committee on Rules and beseech them to reconsider the matter and take it under consideration.

As I said, I have heard rumors to the effect that the Committee on Rules is talking about this very thing. I think as a last resort we could go the discharge petition route, but I hope that that would not be necessary.

Mr. MATHIS. I sincerely hope that the gentleman is correct in his assessment that there will be reconsideration by the Committee on Rules of this very important matter and that we will not have to go the historical discharge petition route.

But if we should have to go that way, I will pledge to the gentleman my support in attempting to obtain the signatures of as many Members in this body as possible to try to bring that resolution to the floor.

I think it is imperative that we move with a great degree of expedition on this matter because of the fact that every day that passes, memories dim, witnesses disappear, as the gentleman knows, and the record has shown exactly how many people who had some part, however minute, in that sorry display of things that happened in Dallas, are no longer with us for one reason or another. Witnesses are not available, and the longer we wait, the less likelihood there is that the American people will ever know the truth about what happened on that miserable day in Dallas.

I again commend the gentleman for his leadership in what he has done. I pledge to him my continued support, and I hope that other Members of this body, in addition to the 125, will join him and our distinguished friend, the gentleman from Texas, in sponsorship of this resolution and will continue to press not only the Committee on Rules but other Members of the House in the hope that we can get a resolution to the floor where we can have some kind of select committee established so that we may be able once and for all to let the American people know what was involved, lay some rumors to rest, and let America once again at least have one burden removed from her conscience.

Mr. DOWNING of Virginia. Mr. Speaker, I want to thank the gentleman from Georgia for his kind comments about the gentleman in the well. I do appreciate them. Also I want to thank the gentleman for his leadership early on in this resolution fight before it was so generally publicly popular. The gentleman from Georgia has been a real wheelhorse and he has been like a bulldog: He will not give us.

Mr. MATHIS. Mr. Speaker, if the gentleman will yield further, the gentleman from Georgia has been called a great deal worse than wheel horse. I take that as a compliment.

Mr. OBERSTAR. Mr. Speaker, will the gentleman yield?

Mr. DOWNING of Virginia. I yield to the gentleman from Minnesota.

Mr. OBERSTAR. Mr. Chairman, the question of who killed John F. Kennedy continues to intrigue Americans and will continue to do so because of the extraordinary mystique of the Kennedy family which fascinates the American public. So long as our doubts about the assassin of President Kennedy remain unresolved, speculation about the event will run rampant.

The conflicting evidence and the uncertain theories must be clarified in the name of truth, out of respect for our legal tradition of conclusion of law based on findings of fact. Contrary to that tradition, however, is the present status of the John F. Kennedy assassination phenomenon.

The issue is clouded by unresolved conflicts including the one-bullet theory, the direction of the bullet, conspiracy, and questionable evidence regarding the exit wound. These issues cannot be ignored; they must be resolved for our own best interests, for our posterity, and in the long-term service of truth.

Because of this I support the resolution offered by the gentleman and I join in appealing to the Rules Committee for action on this resolution.

I commend the gentleman for the splendid leadership he has given the House in the service of truth and in resolving this extraordinary issue.

Mr. DOWNING of Virginia. Mr. Speaker, I thank the gentleman from Minnesota very much for his kind comments and I thank him for his assistance in this entire effort. He has been a real help, and he is as determined as I that the American public should know the truth.

Mr. Speaker, I yield now to the gentleman who sponsored the resolution which was a little broader than mine but which I have always thought had tremendous merit. I cannot say enough about this gentleman. He is one of the leaders in the Congress. He is one of my friends. I am glad to yield to the gentleman from Texas (Mr. HENRY GONZALEZ).

Mr. GONZALEZ. Mr. Speaker, I most sincerely thank my distinguished colleague and I wish to take this opportunity to express my regrets about his decision not to seek reelection. When I read this in a newspaper back home there was no way I could get hold of him to try to find out if that was a fixed and inflexible decision, or whether he could reconsider continuing his great public service in the Congress. I sincerely regret that he made the decision to devote full time to his family, which is understandable, but at the same time many of us sincerely regret his decision. I particularly regret it because we have been working in our joint efforts to try to center some kind of congressional action on discharging the congressional responsibility to review the circumstances surrounding the death of President Kennedy, and in respect to the more than a decade following his assassination—the violence on the national level, all of which impacted on national and governmental processes.

When I introduced what is now known as House Resolution 204, it was the first one, and I deliberately provided for a review by the Congress of the key points involving this decade of assassination beginning with the death of John Kennedy, but at that time it was not very well understood even then, but it turned out that it coincided with the beginning of a deep inquiry on the part of more than a dozen individuals throughout the various States and the Nation and coincided with very disturbing developments that had come to light in the summer of 1973.

Everything that the distinguished gentleman from Virginia has said is a very accurate chronological description of what has happened to most of us. I think it is true to say that the country collectively, and we individually, were a lot more innocent in that period that we refer to following November 1963 than we are now. Many, many things have happened. I know in my own case, I see clearly that things we had always considered not possible of happening in America—or if they were to happen were wholly unacceptable—now seem to be accepted.

The threat of assassination of national leaders seems to be the sort of thing we have come to accept. We used to think that coups d'etat and political assassinations in order to change the course of power of government, that those were things wholly foreign and abhorrent to the American way. Today there is a tendency to say, this is world-wide. It is a phenomenon. We are part of it. We have to accept it. We live in the day and time of murders, assassination, cold-blooded killings of innocent people, men, women and children for some cause, sometimes a defined cause, sometimes a nebulous cause.

We do live in an era of violence, but the only opposition since I introduced House Resolution 204 has come from very isolated cases of individuals, of about three or four who have bothered to write and say, "Why do you seek to stir this up?" On the other hand, I have received thousands of letters of support.

Even as the gentleman from Virginia said awhile ago, even if it is true that there was an assassination plot or some type of a conspiracy, what good is that going to do the Nation? How will that serve the national purpose, They seem to want to change the old scriptural injunction:

> Ye shall know the truth and the truth shall make you free.

They would change it to:

> Don't know the truth, because it might make you free.

They seem to be the same kind of people that have been throughout the ages afraid of freedom, afraid of truth. But what is it that we must fear? What can there be in the circumstances surrounding the death of President John Kennedy, Senator Robert Kennedy, Martin Luther King, the attempt on George Wallace and others? What can there be about these incidents that have made it impossible for the only body in the Nation, able and sufficient to do a thorough job of not necessarily just investigating, or in the absence of a word, snooping around here and there, but in assessing what this has done to the American democratic republican form of government; for, indeed, it has had an impact.

We now have a unelected President. We have an unelected Vice President, that I do not think would be there unelected had President John Kennedy not been assassinated.

I doubt seriously that the 25th amendment, which in my opinion continues to be pointing a revolver at our heads in the sense of stability and continuity in the democratic processes of our Government, never would have been adopted if President Kennedy had not been killed.

Why now? Why should the Congress feel that it is a responsibility on their shoulders? Well, because it goes to the heart of the matter about which Congress is all about and everything else. Are we then to accept the rule of the bullet, rather than the ballot, which is, in effect, what we are doing?

There is ample precedent for the Congress to have in order a judicious, a serious review of these facts and evaluation. There are many serious-minded Americans, some of whom the distinguished gentleman from Virginia has referred to, that have on a scientific basis raised very serious questions that demand answers, at least an honest attempt to get an answer to their well-pondered questions.

There are many other individuals, ranging from some who started their queries in the very beginning, when it was very difficult, I am sure, for them to have raised the question, "We think it was more than one man." Men such as Mark Lane, and many others, who have since followed very early in the game, frankly at a time when I thought, "Well, it is really too early to speculate because we have the Warren Commission looking into this."

But, at the time of the Warren Commission it is impossible to try to reconstitute the environment that existed at the time the Commission was trying to operate. The pressure was on it daily to produce something. It had been in activity less than a year before the pressure increased and heavy demands were made, such as, "Why have you not come up with something? What is it you are dragging your feet on?"

The distinguished gentleman from Virginia has enumerated the facts that now prove to be failings in the method and manner in which that was conducted in 1964, mostly. We cannot help but agree, but we were innocent and many, including, I am sure, all of the members of the Warren Commission with perhaps one or two exceptions, were certainly, as I view the record of the Warren Commission and the many exhibits that it incorporated into its volumes of exhibits, show clearly that certainly Allen Dulles had more than a passing knowledge of some things that now look to be accusing and have been enshrouded in an attempt to be submerged, obscured and not evaluated or considered at all.

I can understand many of the remarks that are now in cold print attributed to some of the other members of the Commission because, as the gentleman from Virginia said a while ago, if we too had been on the Commission at that time, we might have succumbed to the tendency to try to accept some things on face value that needed to have been followed through. There is no question now, the record is there and the record is irrebuttable.

The assassin, presumably Lee Harvey Oswald, was more than just some loner. His background and associations beyond doubt in New Orleans, the very lurid attempts that have been very graphically brought out by the once district attorney of New Orleans, Jim Garrison, on the part of the Federal agencies to impede his investigation, not help it, should have been very disturbing to us at the time that was occurring. Yet, nobody really much cared because Jim Garrison, apparently in the public eye, ended up in ridicule and in failure in his attempts to bring one or a select number of individuals to account.

But, we must remember that this was an American tribunal; it was an American prosecutor, no matter how vengeful or how wrong he appeared before a court of new jurisdiction, presented evidences, many of which have since been substantiated. As far as I know, Jim Garrison was the first to proclaim loud and clear that some of our agencies that had been charged by the Congress for foreign work were in violation of their charter, doing domestic work that was wholly inimical to the purposes for which the agency was founded.

So, there is no question in my mind that there is a clear responsibility on the part of the Congress to look into this. Again, I have not gone off into any particular theory or concept or accusation, because I think this is the reason why we want a responsible committee to look into it. I think that nobody in the United States can properly look into this matter unless he is assisted by such a body as a congressional committee, invested with the right of subpena. There is no question here that the distinguished gentleman from Virginia and I are in complete agreement.

At any rate, I wind up as I started, by thanking the distinguished gentleman from Virginia (Mr. DOWNING) for seeking these special orders and for the great work he has done in concentrating House attention for the need of this type of committee.

Mr. Speaker, one might argue that it is not true that there is still much debate regarding the assassination of President Abraham Lincoln. Did Booth really kill him? Who else was involved, who was not brought to justice?

While this is true, you cannot compare more than a decade of political assassinations with single instances of assassination in our country. There has been no similar period of history in our country. There has been no similar period of history in our country which began with the murder of President John F. Kennedy in Dallas, Tex., on November 22, 1963.

During this more than a decade the electoral system has, for all practical purposes, been manipulated, either deliberately or through a strange set of circumstances. The American people have been denied options, and the democratic process thwarted.

What is the Congress responsibility? Well, I would think that as the elected Representatives of the people it would be our responsibility to look into the nagging questions which have not been answered, and to do so would mean the creation of a select committee with subpena power.

This is what I have advocated since February 19, 1975 when I introduced House Resolution 204 which, if approved by the House, would establish in the House a select committee for the purpose of studying the circumstances surrounding the deaths of President John F. Kennedy, U.S. Senator Robert F. Kennedy, and Dr. Martin Luther King, and the attempted assassination of Gov. George Wallace.

I have pushed for the enactment of such legislation in the House because I sincerely feel that there is everything to lose if we do not act courageously in the pursuit of truth. If conspiracy existed in connection with even one of these deaths, or the attempt on Governor Wallace, then we cannot have a free electoral system until such conspiracy is fully exposed and dealth with.

I have chosen not to deal directly with the various theories regarding any of the assassinations because I feel that it is difficult to develop a case in respect to any of them without an official investigation—with subpena power. The lack of subpena power has, of course, hampered the ability of countless individuals engaged in research on the assassination.

These researchers, among them distinguished pathologists, writers, political scientists, and others in various fields of science, have done a credible job, and should be called upon by the Congress to pool their studies for use in the investigation I am advocating.

There are literally thousands of articles and books written about the recent political assassinations, many of which are worthy of our close study. Robert Sam Anson has written a good comprehensive study of the John F. Kennedy assassination entitled: "They've Killed the President! The Search for the Murderer of JFK" which is available in paperback, by Bantam.

Another book which deals with the assassinations I have listed which is worthy of study by Congress is being published this month, entitled "The Assassinations—Dallas and Beyond—A Guide to Cover-Ups and Investigations," the book is edited by Peter Dale Scott, Paul L. Hoch, and Russell Stetler (Random House).

Mr. Speaker, when I first introduced House Resolution 204 a year ago February, I did it alone, without too much hope that other Members of this House would join me in my effort. Since that time many other House Members have joined me. My good colleague, Congressman THOMAS DOWNING, introduced the same resolution last April, but specified a study of the John F. Kennedy assassination only, because he feels that it is easier to make a case for a reinvestigation of that assassination.

Between the two of us we now have more than 125 cosponsors, yet the House Rules Committee has thus far refused to formally consider these resolutions.

Why not? Are we going to hide our heads in the sand, because we are afraid of what we might find out? The truth will make us free—free to continue to conduct the elections in a free and open manner, free of the fear and doubt that rob the people of faith in their national Government.

We need this investigation more than ever now with revelations of recent date which prompt us to ask: What was the Cuban connection with the murder of J. F. K.? What was the role of the FBI in the life of Dr. Martin Luther King just prior to his death at the hands of an assassin?

Many of us have had lingering questions which have gone unanswered regarding the death of U.S. Senator Robert Kennedy, a candidate for the Presidency, and the attempt on Gov. George Wallace, also a candidate for the Presidency. Why was convicted Watergate burglar E. Howard Hunt dispatched to Milwaukee by Charles Colson, to search the apartment of Arthur Bremer?

There are many unanswered questions and much controversy regarding the circumstances surrounding the death of Robert Kennedy. I have, among my voluminous files on the assassination an interesting exchange between ballistics expert William W. Harper and the Washington Post regarding a story done by Ronald Kessler in which Mr. Harper says that Mr. Kessler misquoted him.

Kessler's story was headlined "Ballistics Expert Discounts RFK 2nd-Bullet Theory", but Harper, despite many letters to the Post has not been able to get a follow-up story which would more truly convey what he said to Kessler.

There is no assurance that a congressional committee will will find out any more about these assassinations than wht is already known, but I contend that if anybody can, it will be done through the congressional study which I propose.

I really cannot think of any one issue of any more importance in this election than this.

We need to act courageously in the pursuit of truth, and we need to act now.

Mr. DOWNING of Virginia. Mr. Speaker, I wish to thank the gentleman from Texas for his tremendous contribution in this area. The gentleman from Texas was in the motorcade the day President Kennedy was assassinated.

Mr. Speaker, in my mind one of the most outstanding individuals to address the varied aspects of the death of John F. Kennedy is a well-known attorney and physician from Pittsburgh, Pa., Cyril Wecht, B.S., M.D., LL.D., J.D.

He is the coroner of Allegheny County, Pittsburg, Pa. He is a research professor of law and director of the Institute of Sciences of Duquesne University School of Law. Dr. Wecht is the youngest former president of the American Academy of Forensic Science. Dr. Wecht, a leading authority on the Kennedy assassination, is one of very few individuals who have examined the autopsy photos and X-rays.

I have asked Dr. Wecht to let me have the benefit of his research into this matter, and he has provided me with the following letter which I insert at this point:

COUNTY OF ALLEGHENY,
Pittsburgh, Pa.

I am grateful for this opportunity, through Congressman Downing, to express my views to the Congress on the many questions which still surround the assassination of President Kennedy and which continue, more than twelve years after the event, to cause deep concern and doubt among so many of our people. I wish it were possible for me to address you in person, with slides and films to show you in detail exactly what is wrong with the Warren Commission's explanation of the shooting. In this brief summary, I can give you only a few highlights.

In lieu of a detailed presentation, I have attached to this statement a number of articles I have prepared over the past several years. While even these are not the entire story, they will describe to you the fundamental weaknesses in the Warren Commission's single bullet theory and show you why I have concluded that there must have been two gunmen firing at President Kennedy. These articles have not been refuted. Indeed, they have scarcely been addressed.

I am primarily a medical man and a practitioner of science. I try to work only with facts and evidence, and I avoid speculative theorizing wherever I can. As a result, my views of the JFK assassination perhaps lack the sensational quality which so attracts the news media. I cannot offer you any CIA, Mafia, or international villains. But I do think I can prove to you that this case is unsolved, or at least incompletely solved, and that there has been a certain amount of governmental skulduggery in the official representations about the case. That alone, I should think, would be enough to stimulate further investigative action. Beyond this, however, with the evidence presently available, I cannot go. That is up to such bodies as the Congress.

There are those who will tell you that all the important questions about President Kennedy's assassination have been answered and that nothing of legitimate concern remains. They say, with a maddening glibness and an indifference to facts, that the skeptics who persist with their questions are negativists nitpicking over details of no significance, that there are some kinds of people who can never be convinced anyway, and that the doubt which continues to plague the nation is just another emotional aberration of our times, if not worse.

But these defenders and apologists for the Warren Report never face up to the really hard evidentiary questions about the case. Some of them do not deal with matters of evidence at all, and probably could not tell you, between their scoffs, even such fundamental things as the locations of the President's and Governor Connally's wounds. Instead they sneer at the frailness of some of the questioners and compare them with the stature of the Warren Commission, the Rockefeller Commission, the FBI, the CIA, and the White House itself. Already forgetting Watergate and all its sequelae, the Sevareids, the Buckleys, and the Krafts tell us that established authority alone ought give us assurance of truth.

The second and third string defenders do occasionally attempt to meet objections on evidentiary grounds, but when they do they usually pick only the weakest and most outlandish criticisms as their targets. Creating strawmen by focusing public attention on the absurd, they make a great show of bowling them over, thus managing to cast doubt on the sanity of everyone else who dares question the case. If you think I exaggerate here or imagine too much, I invite you to read the details of my encounter with the staff of the Rockefeller Commission in the attachment entitled "A Post-Mortem on the Warrenfeller Commission". This article will also show you what kind of intellectual integrity and ethical scruples are still being practiced in some parts of the Executive Branch.

I cannot go into the details and specifics of my objections to the Warren Report's single bullet theory in this summary, or why these objections lead inevitably to the conclusion that more than one assassin was involved. For these I must refer you to the attachments, particularly the rather lengthy article entitled "The Medical Evidence in the Assassination of President John F. Kennedy". But I must point out, at the expense of being obscure to those not familiar with the details of the case, that there are no less than three ineluctable flaws in the single bullet theory which remain unrepaired to this day, any one of which is sufficient to destroy the theory and with it the Warren Commission's lone assassin conclusion. They are:

(1) In regard to the wounds of Governor Connally and the non-fatal wounds of the President (back and throat wounds), there is no plausible postural alignment of the two men which will allow the locations and pathways of their wounds to be reconciled with the theory that the wounds were all caused by one bullet and which is also consistent with the visible positions and movements of the two men as seen in the Zapruder film and other photographic records. Moreover, the non-fatal wounds in the President, by themselves, cannot be reconciled with the alleged location of the Commission's single assassin and the visible position of the President as seen in the films.

(2) The timing and nature of the movements and reactions of the two men in response to their wounds (or any other postulated stimuli, such as the sound of a missed shot), again as seen in the Zapruder film and other photographic evidence, is simply not compatible with the theory that both men were struck by the same bullet.

(3) The essentially intact condition of the bullet designated Commission Exhibit 399, which has been theorized as having caused all these non-fatal wounds in the two men, including the fracture of two bones in Governor Connally (chest and arm) and the deposit of several fragments of lead in at least two separate anatomical locations while retaining an unpunctured copper jacket, is totally at variance with the experience of myself and of every other forensic pathologist with whom I am acquainted.

These are overwhelming objections to the single bullet theory, singly and collectively. They have not been answered, despite all kinds of absurd claims about tumbling or backward traveling bullets, delayed reactions, lurching cars, early shots through the trees, reactions by Governor Connally to the sounds of backfire, and a variety of other speculations unworthy of mention. The plain fact is that the men were hit by separate bullets, one of which (most likely the one which hit the President, in view of the indicated near-horizontal trajectory) escaped the car after passing through him. But of course the die-hard defenders of the Warren Report cannot admit to this, because to do so is to concede that there had been another gunman, inasmuch as Oswald's gun could not be fired twice in the short time span between the woundings of the two men. Their response has thus been either to ignore these questions, as did the Rockefeller Commission, or to dismiss them as mere "details" of the kind one can never explain. The second piece of tape on the Watergate door was a detail, too, but fortunately someone other than one of our national pundits found it.

I want to emphasize that my objections to the Warren Report have nothing to do with the CIA, the Mafia, Oswald as an FBI agent, E. Howard Hunt perched in a tree, or the Illuminati. They simply concern the basic question of how the shooting could have been accomplished, which ought not to be too much for the public to demand in regard to the assassination of its President.

Moreover, it may still be possible to resolve some of these problems, and others related to them, if only some authoritative body would take the initiative. As an additional attachment, I have appended a "Suggested Priority List for Investigating Medical and Scientific Questions in the FK Assassination", which suggests some relatively straightforward lines of inquiry that might be undertaken. Many of these suggestions amount to no more than securing the release of data and records already known to exist within the Executive Branch. Surely, if nothing else has been learned from the past few years of American history, we must be aware that the judgment and discretion of the Executive Branch are not the best guides for what the public may be allowed to know.

If the defenders and apologists for the Warren Report have their way, all effort to resolve these questions would be given up. Apparently, they would prefer to live with the distrust of virtually a whole generation of our young people, and let the history books of the future say that the Government of the United States could not adequately explain the murder of one of its Presidents.

I urge you not to let this happen. The questions about this case may be difficult to answer, and we may not like the answers if we get them. But to turn away from them, pretending that they have been answered or, worse, that it does not matter, would make us all parties to the crime.

Cyril H. Wecht, M.D., J.D.,
March, 1976.

Mr. Speaker, I am told that the additional material which I had hoped to include in this edition of the Record cannot be inserted until a cost estimate has been obtained from the Government Printer. So that material will be inserted, hopefully, in Monday's Record. I direct the attention of the Members to the statement concerning the actual assassination that will appear in the Record then.

Mr. McDONALD of Georgia. Mr. Speaker, on August 9, 1975, our distinguished colleague from Virginia, Mr. Thomas Downing, delivered a speech on the subject of the Kennedy assassination to the Virginia Commonwealth Attorneys Association. It is a powerful argument which I believe accurately and persuasively summarizes the conflicts in evidence and testimony which lead me to believe that Congress must act swiftly to reexamine the assassination of President Kennedy.

At this point, I would like to include that speech in the Record.

Remarks of the Honorable Thomas N. Downing to Virginia Commonwealth's Attorneys Association, August 9, 1975.

The legislation that I have introduced over the past 16½ years is usually limited to certain areas. Generally, they are matters in which the First Congressional District has a high degree of interest: Merchant Marine, port activities, shipbuilding, fisheries, space research, and national defense matters. In addition to these, there have always been certain areas of national priority in which I have tried to reflect the interests of the district.

I suppose that is why nobody seems to be able to understand why I introduced a resolution in April calling for the creation of a select committee of Members of the House to study the circumstances surrounding the death of John F. Kennedy. It doesn't seem to fit my image. But if you will bear with me for a little while, I will try to explain it.

None of us will forget what happened in Dallas almost 12 years ago. I was as stunned as any American. Congress had adjourned and I had gone home for the weekend.

When I had the first news that the President had been shot, I prayed that it would not be fatal. And then I found myself in somewhat of a trauma for the next few days as word came of his death, the swearing-in of LBJ, the plane ride back to Washington, the lying-in-state and the sorrowful funeral procession ending at the grave with the eternal flame.

In the midst of all of it came the capture of Lee Harvey Oswald and his subsequent murder—live on television—by Jack Ruby in the basement of police headquarters in Dallas.

It was all so unbelievable, yet all so true.

Then came the appointment of the President's Commission, chaired by Chief Justice Earl Warren. They investigated and reported, concluding that there was no evidence of conspiracy and that Lee Harvey Oswald, alone and unassisted, was responsible for the death of President Kennedy and the wounding of Governor John B. Connally of Texas. And there the matter was supposed to rest for all time.

I did not believe it.

I did not beileve that one man could have fired three shots in six seconds from a cheap, foreign made, single shot bolt action rifle with the deadly accuracy credited by the FBI and the Warren Commission. No way.

The great majority of Americans, it seems, never believed it. Yet except for a comparative few people no one attempted to do anything about it. The Warren Commission was sacrosanct. Its members included, in addition to the Chief Justice of the United States, Senators Richard B. Russell of Georgia and John Sherman Cooper of Kentucky, Representatives Hale Boggs of Louisiana and Gerald R. Ford of Michigan, the former Director of the Central Intelligence Agency Allen Dulles and the noted attorney and former high commissioner of Germany, John J. McCloy. Their position of eminence was bolstered by that of the Chief Investigative Agency of the United States, the Federal Bureau of Investigation under its Director, J. Edgar Hoover.

During the intervening years a sizable group of experts about the assassination and the resulting investigation has developed. They include attorneys, physicians, college professors, former government investigators and specialists in a number of fields. Many of them have extremely high degrees of expertise.

Among them is a young man named Robert Groden who is particularly adept and imaginative in the field of optics. Groden obtained a copy of the eight millimeter color movie of the assassination taken by the late Abraham Zapruder, a Dallas dress manufacturer who was in Dealey Plaza that day.

Enlarging each of the movie frames that showed the fatal shot to President Kennedy's head. Groden put them back in sequence at slow motion so that it is possible to view the event from a greater enhanced perspective than you would get in watching a home movie at normal speed. He has taken his film to a number of college campuses and appeared with it before thousands of students. He also had it on late night television twice earlier this year.

In April, students from the University of Virginia who had seen the presentation asked members of the Virginia delegation in the House to take a look at it. They brought Groden and the film to Washington and I was one of five Members who saw the presentation.

It is difficult to explain in complete detail what the film shows but you can see Kennedy grab his throat and start to lean forward after being shot high in the back. A second or two later you see Connally's face distort and he starts to crumple into his wife's lap. Then with the President bending forward with his head thrust slightly down, he suddenly bolts upright and backward as his head literally explodes. His body slams back against the back of the seat and then bounces to the left toward his wife.

I have seen this film shown a number of times since then and there are always people in the group who gasp at the impact. My immediate conclusion was that he was hit from the right front, more than likely by someone who was firing from the so-called grassy knoll. I concluded that in all probability the Commission was wrong. There had to be more than one assassin.

I waited several days and considered all the aspects then I introduced my resolution.

It went in originally with the co-sponsorship of Bill Whitehurst and Herb Harris. I have reintroduced it on three other occasions and now there are thirty sponsors in all with the promise of still additional support.

Nobody pressured me to introduce this resolution. Nobody even tried to persuade me. I did it because I believe that the American people have lived for almost twelve years following that terrible day in Dallas without knowing the truth, certainly without knowing the whole truth; and that in a time when we have had a great many other myths exploded and brought to light, it is time for the truth, the whole truth, to be known about what really happened to John F. Kennedy.

I am in no way trying to criticize the members of the Warren Commission. The American people, however, have faced terrible truths in the last few years, truths which few of us ever expected to have to face, and our nation has survived. I believe it is time that we bring this one out into the open.

As everyone in this country knows so well, Lee Harvey Oswald was never brought to trial. As literally millions of Americans watched on television, he was gunned down by Jack Ruby in the basement of the Dallas police station, less than 48 hours after the murder of John Kennedy. As a result, no prosecutor was faced with the problem of prosecuting Lee Harvey Oswald for the first degree murder of President Kennedy. However, it is a most interesting exercise for prosecutors to look at the theoretical situation with which a district attorney would be faced if Oswald had not been himself murdered and if he had been brought to trial.

As a prosecutor, what would you have going for you? In a warehouse building along the parade route, near the scene of the crime, the police found a Mannlicher-Carcano rifle which had been purchased through the mail by Oswald. Three cartridges which had been fired by that gun were found on the sixth floor of this warehouse, the Texas school book depository. A nearly perfect bullet which might have been fired from the mannlicher-carcano was found on a stretcher in the hospital to which President Kennedy and Governor Connally were taken for emergency treatment. That in essence is all of the positive evidence linking the suspect to the crime.

But even this evidence has its weak spots. For example, there is no clear record, despite the fact that Oswald worked in the Texas school book depository, of how or when the gun was taken into the building. There is also considerable evidence that a second rifle, a 7.65 Mauser, was also taken from the building by the police. There is no way of knowing when the cartridges had been fired in the Mannlicher-Carcano; they could easily have been fired at an earlier time and placed in the building. Although the pristine bullet found in the hospital appears to have been fired from the gun, there is no clear evidence whatever as to how it got onto a stretcher in Parkland hospital.

And now let's look at what a defense attorney would have going for him in this same case.

1. Despite a multitude of people in Dealey Plaza, no creditable witness could be found that saw anyone firing a rifle. It should be noticed in passing that, despite this total lack of eye witnesses, a rather good physical description of the alleged murderer went out over the Dallas police radio 14 minutes after the last shot rang out. The description matched Lee Harvey Oswald, but no one has explained how the police at that time had any idea for whom they were looking.

2. The great majority of spectators believed that the shots came from in front of the President's car, from a place generally called the grassy knoll. The police officers riding along side the presidential car dropped their motorcycles and rushed to this area.

3. Approximately 90 seconds after the last shot was fired, Lee Harvey Oswald was found on the *second* floor of the school book depository, drinking a coca cola. If, in fact, he was the assassin, in that 90 seconds he would have had to conceal his gun, cross the whole width of the large warehouse descend five flights of stairs, find a dime, get his coca cola, open it, and calmly begin to drink it. This sounds more like a decathlon champion than Lee Harvey Oswald.

4. The Mannlicher-Carcano is a very cheap ($19.95) surplus World War II Italian carbine. It is a bolt action, single short, fourth-rate gun, hardly the type that any serious assassin would even consider.

5. There is no trace of the source of the ammunition used in the murder. The Italians quit manufacturing ammunition for the Mannlicher-Carcano during the closing years of World War II. Any of this old ammunition would be highly unreliable. The only known source of new ammunition for the gun was the United States Government. It has never been determined from which source the assassin actually obtained the ammunition.

6. For the Mannlicher-Carcano to be fired three times in six seconds, the use of a clip is almost imperative. Yet, no clip was ever found.

7. The telescopic sight on the rifle was defective. At the range it was being fired in Dealey Plaza, it was off approximately eleven inches . . . an almost fatal flaw in itself under the circumstances.

8. The FBI's ballistic tests on the bullet fragments taken from President Kennedy, from Governor Connally, from the automobile, etc., were inconclusive. In effect, there was no positive ballistics evidence connecting the bullets with the alleged assassin's gun.

9. A paraffin test was made on Oswald's right cheek and it turned out negative, indicating that he had probably not fired a rifle that day.

10 Oswald himself denied the killing.

On top of this rather hopeless evidential situation, you would also be faced with a number of most serious constitutional defects.

First and foremost, Oswald was questioned for a total of 13 hours during his 45 hour detention. Despite his requests for legal assistance, he was never furnished with a lawyer. Lawyers from the Civil Liberties Union who volunteered were turned away. Yet, the questioning went on. On top of that, the Dallas police force has given sworn testimony that there is not a scrap of evidence as to what Oswald said during the 13 hours of interrogation. According to the police, the Dallas police force did not own a tape recorder. Further, they did not even bother to have a stenographic record of the interrogation. More incredibly, they say no notes were taken. It is difficult to believe that any judge or jury . . . with the exception of the Warren Commission . . . would accept such statements as true.

There was massive tampering with evidence. Despite a Dallas ordinance that an autopsy must be performed by the coroner in cases of violent death, no autopsy was performed in Dallas. Despite the protests of local authorities, the body of President Kennedy was forcibly removed to Bethesda, Maryland, where a grossly inadequate autopsy was performed by three military pathologists with little, if any, forensic experience. On top of this, the contemporaneous notes of the chief surgeon were later burned by him in the fireplace of his recreation room . . . he later swore that he did not think they were important. Many of the X-rays and photographs which would normally be taken during a competent autopsy were found not to exist.

The car in which the President was riding at the time of his death, was completely dismantled by the secret service and all evidence relating to it was destroyed.

Oswald's wife, who apparently had nothing to do with any crime, was held in "protective custody" for a number of months. For all practical purposes, she was held incommunicado.

I could go on and on with this list but I think I have made my point that any prosecution of Lee Harvey Oswald would have been undermined by the most serious constitutional abuses.

Until now, I have been discussing the problem of a prosecution of Oswald, not necessarily as the sole assassin of President Kennedy, but merely someone who may have played a role in the assassination. As we know, the Warren Commission insisted most strongly that Oswald was unassisted in his commission of the crime.

What new problems would be raised if it were necessary to prosecute Oswald as the lone-nut killer? Is there any way in which a prosecutor could convince a jury that he and he alone had committed the act?

Let us go back for a moment to the Zapruder film of which I spoke earlier. Knowing that the film in Mr. Zapruder's camera ran at 18.3 frames per second, it is possible to determine very accurately the time frame in which all the shooting took place. It is known . . . and the Warren Commission concurs . . . that 5.6 seconds elapsed between the first shot and the final shot which hit John Kennedy in the head. For practical purposes, let's round this off to six seconds. Now remember that this is a single shot, bolt action rifle. After each shot a cartridge had to be ejected by the bolt, a new bullet put into place and the gun re-aimed. Some of the world's finest riflemen have practiced with the Mannlicher-Carcano but none have been able to re-load, re-aim and fire accurately in less than three seconds. This means that in the time frame for the firing, a maximum of three shots could have been fired from the Mannlicher-Carcano, the initial shot plus two re-loads.

Realizing these limitations, and insisting that only a single gunman was involved, the Warren Commission insisted that all of the damage done during the fusillade was done by three shots. The Warren Commission admits that one shot missed the target completely, striking the street curb. One shot hit President Kennedy in the head and disintegrated. That left only one shot which, for convenience sake, has often been labeled the "magic bullet."

According to the Commission, this shot entered President Kennedy's back, exited his adam's apple, went through Governor Connally's chest, broke a rib, went through Connally's wrist shattering it, and wound up in his thigh. This is the bullet which allegedly was found undamaged on a stretcher in Parkland Hospital.

If the "magic bullet" is central to the whole contention that Oswald was a lone-nut killer, let's examine its feasibility.

If the shots fired by the murderer came from the sixth floor window of the School Book Depository, their course would have been downward and to the left. If a bullet had entered the President's back and exited his adam's apple, it should have either hit Mrs. Connally who was sitting in front of the President and to the left, or harmlessly struck the side or floor of the car. To have hit Governor Connally on his right side, when he was sitting directly in front of the President, the bullet would have to have made two 90 degree turns in mid air. From this evidence alone it can be deduced that Governor Connally was not gravely injured by any of the bullets which struck President Kennedy, something which Governor Connally insists to this day. Furthermore, the "magic bullet" that was taken from the stretcher was pristine. The only lead missing from it was that removed by the FBI for tests. Yet, a great deal of lead was left in Governor Connally's chest and wrist when the bullet that struck him, struck a bone.

From this mass of evidence, all serious critics including a number of eminent pathologists, criminologists, and lawyers have all concluded that there must have been at least four shots at Dealey Plaza.

As no one has been able to fire the Mannlicher-Carcano four times in six seconds, we know that there was at least a second rifleman if the Carcano was used in the killing. This means a conspiracy. This means that the Warren Commission was wrong on its central thesis.

There are a number of other very disturbing aspects to this matter which are of particular interest to prosecutors. A huge amount of vital evidence was withheld from the Warren Commission . . . presumably, it would have been withheld from a prosecutor.

The FBI was deeply involved with this withholding of evidence. As an example, the Dallas police turned over to the FBI an address book which belonged to Oswald. In it was one page which gave the name, address, telephone number and license plate number of an FBI agent in Dallas. The FBI removed this page from the book before turning it over to the Warren Commission. Eventually the Warren Commission got the page but did not seem upset that it had been willfully withheld. The FBI also withheld much of the evidence which linked Jack Ruby to organized crime, to Cuban gamblers, to the narcotics trade, and last but not least, to the FBI itself. It has only recently been discovered that Jack Ruby was formerly enrolled as an FBI informant for quite a period of time.

Time does not permit me to go into this matter as deeply as I would wish tonight, but I would like to give you just one more example of this type of withholding and of what smacks of a serious cover-up. When Lee Harvey Oswald went to Mexico in September of 1963, he had to obtain a Mexican entry card from the Mexican consulate in New Orleans. These cards are numbered serially. After the murder, the FBI obtained from the Mexican consulate a list of all of the persons who obtained entry permits in New Orleans on the same day that Oswald obtained his. The FBI did a massive investigation with respect to these people and published the results in detail in the volumes of evidence accompanying the Warren report. There was only one small exception. The identity of the person who received his permit immediately ahead of Oswald was never made public.

In 1972 following a periodic review, a list of commission documents which had formerly been withheld was released. Among them was the missing information about the man who obtained the permit. He was William George Gaudet, who was based in New Orleans and traveled widely in Latin America in 1963. A previously withheld FBI report, dated coincidentally the day after Jack Ruby murdered Lee Harvey Oswald, says that William George Gaudet gave them details as to certain of Jack Ruby's activities, not in Dallas, but in New Orleans.

William George Gaudet has been interviewed. He admits that he did receive his entry permit immediately ahead of Oswald. He denies that he accompanied Oswald to Mexico. He also admits being a CIA operative from 1947 until 1969.

He says that he was guaranteed that his identity would never be made public and was quite irritated at the FBI for having revealed his name, even at this late date. He says emphatically that the FBI is lying when it says that he volunteered information about Jack Ruby in November of 1963.

From the interviews with Gaudet it has been learned that Lee Harvey Oswald was known to agents in charge of the CIA operation in New Orleans in 1963. Their identities and whereabouts are known.

Lee Harvey Oswald certainly was no hero and I am not trying to make him one, but I do not believe that he was the lone-nut assassin that the Warren Commission says he was. I do not know who was involved in the assassination of President Kennedy but I think it is time that all of us learned the truth. Our system of Government cannot remain strong if our leaders can be murdered and the Government itself consents to covering up the crime.

Mr. McKINNEY. I regret very much that this discussion has had to occur for I had hoped that the Rules Committee would have given its approval to House Resolution 204 over a year ago. Had it done so, many of the nagging questions in the minds of so many Americans could have long since been put to rest. Frankly, I am baffled at the committee's intransigence for I know its members to be men of integrity who have demonstrated a constant willingness to bring progressive and worthwhile legislation to the floor.

Like most Americans, I have no new information nor have I devised an intriguing theory. Simply, like most Americans, I have questions—too many questions and too few answers. I have said before that the citizens of the United States—by their very nature—are not a conspiratorial lot nor do they believe in conspiracies and I numbered myself among them. However, certainly the events of the past few years have caused many of us to question what before we took as gospel truth. There is merit—we have learned—in being inquisitive.

At the very least, what is at stake here is the credibility of this Government and the faith of its people have in it. The Watergate hearings demonstrated to all the unique character of a congressional investigation, a method which brought out truths not yet revealed. There are many today who feel a House select committee can accomplish that same goal. I agree and I would hope that in time, the Rules Committee will agree as well.

Mr. SYMMS. Mr. Speaker, I would like to call to the attention of the House an interview with Dr. Cyril Wecht, the only independent pathologist/critic of the Warren Commission to examine the classified autopsy material in the Archives.

It is particularly interesting to note Dr. Wecht's comments that his examination of all the available medical evidence leads him to conclude that the Warren Commission's single bullet theory is incorrect and that his study of all available evidence proves that the assassination was committed by two gunmen.

Mr. Speaker, I insert the text of the interview contained in an article in Citizens Quarterly in the RECORD at this point:

DR. CYRIL WECHT—FROM THE CUTTING ROOM FLOOR

(By Amy Blotcher)

Dr. Cyril Wecht, currently Coroner for Allegheny County (Pittsburgh, Pa.) and former President of the American Academy for Forensic Sciences, has been the only independent pathologist/critic of the Warren Commission to examine the classified autopsy material in the Archives. CCI spoke to him on February 12 and obtained the following interview.

CCI. What are your feelings about the recent CBS Special which you participated in?

Dr. WECHT. Well, I think it was a one-sided presentation and I think it's unfortunate that they edited in the fashion they did. They completely emasculated the presentations that several of us made. I know that Mark feels that way about his, I do about mine. Other people's interviews wound up on the cutting floor completely; they never even survived as much as thirty seconds. So I think it was not an honest, unbiased presentation on CBS' part.

CCI. Can you take any recourse?

Dr. WECHT. No. I've written letters to tell them what I think, but there is no legal recourse and I'm not going to get involved with writing to the FCC to demand equal time. I don't think that I would be successful.

CCI. Could you explain the autopsy photograph of the head with what appears to be a flap attached?

Dr. WECHT. I don't know what it was. I'm very concerned about it. Indeed, I am doubly concerned because nobody else has ever made mention of it. It is there, there can be no doubt about it. I'm very suspicious about the fact that the original pathologists and subsequent medical people who reviewed this on behalf of the government, namely, the Rockefeller Commission panel (1975), and the Ramsey Clark panel (1968), have never commented on it. It could simply represent a piece of tissue, or it could be a small exit wound.

CCI. Was it a flap of skin?

Dr. WECHT. I don't know. It's a piece of grayish white colored material and it could be everted skin.

CCI. How do you classify the President's throat wound which all the doctors at the Parkland Hospital at first described as being an exit wound?

Dr. WECHT. Well, as you know, the throat wound was obliterated by the tracheostomy. So the examination of the photographs and everything else at the Archives does not permit me to make any further observations since the original margins are completely gone. I can only go by what is present in the original reports. Based upon that evidence and correlating it with the wound in the back, the neck wound would seem to be a wound of exit. But that's not based upon direct observation of the wound. That's just based on all those items of evidence that are known to me.

CCI. Do you think that Exhibit Number 399 could have done all the damage that was claimed by the Warren Commission?

Dr. Wecht. No, I do not. The bullet that supposedly hit both Kennedy and Connally weighed 158.6 grains when it was recovered. Before it was fired, that type of ammunition would have weighed between 160 and 161 grains. Therefore, the bullet in question lost only approximately 1.5 per cent of its original weight after being fired.

Yet this bullet supposedly entered the right side of the President's back, coursed through the uppermost portions of the thorax and mediastinum, and exited from the midline of the anterior neck region at about the level of the knot of the tie. Then this "magical missile" allegedly entered the right side of Governor Connally's back, broke his right fifth rib, exited from the anterior aspect of his right chest, entered his dorsal right wrist area, where it shattered the distal radius, and finally entered Connally's left thigh.

We're expected to believe that after doing all this damage, the bullet emerged with a total weight loss of only two grains. It's simply not possible for a bullet to leave grossly visible particles on X-rays in four different anatomic locations in two human beings and emerge with a loss of substance amounting to only two grains out of 161.

On top of this, the condition of the bullet after allegedly causing all these wounds was virtually pristine. The upper two-thirds of the bullet show no grossly visible deformities, or any other kind of mutilation. This is not characteristic of a bullet that has struck two bones, particularly a dense bone like the distal radius.

CCI. Having been the only Warren Commission pathologist/critic to examine the Archives autopsy material, do you feel that there is enough information to support conclusively the Warren Commission theory on the source of the shots?

Dr. Wecht. No. On May 7, 1975, I testified by deposition for approximately five and a half hours before the Rockefeller Commission, to the effect that the Warren Report's principal conclusion, namely that the President was assassinated by a lone gunman, was wrong and absolutely irreconcilable with the medical and scientific evidence in the case. In several technical papers I had previously published on the case, it is true that I had stated that the available medical evidence, assuming it to be valid, gives no support to theories which postulate gunmen to the front or right-front of the Presidential car. However, in addition to the medical evidence, there is other evidence to be considered. The crux and primary thrust of my testimony, as well as the papers I have published, is that the Warren Commission's single-bullet theory is wrong, and that the available medical, physical, and photographic evidence all prove that the assassination was carried out by two gunmen.

Although the official report mentions the microscopic examination of the periphery of the small occipital wound, no mention is made of a similar examination of the periphery of the large, gaping wound on the right side of the head. Without such an examination and other studies such as neutron activation analysis, we cannot be sure that there was not a second wound of entrance in the head contained within the large gaping defect on the right side. I mention this only because of the extremely persuasive evidence on this point in the Zapruder film. I have seen this film in the superior copy owned by Life magazine. Quite clearly, the President's body moves sharply backwards and to the left following the impact of the fatal shot. It seems to me extremely unlikely that his body would have moved in this direction if he had been struck from above and behind as concluded by the Warren Commission; however, it is a physical possibility that I cannot rule out.

Ms. ABZUG. Mr. Speaker, I am a cosponsor of House Resolution 204 to create a select committee for the purpose of conducting a "full and complete investigation and study of the circumstances surrounding the deaths of John F. Kennedy, Robert F. Kennedy, and Martin Luther King, and the attempted assassination of George Wallace. I urge the House to accept this inquiry, or to accept House Resolution 498 which I also cosponsored, which is limited to an investigation and study of the circumstances surrounding the death of John F. Kennedy. I believe it is important to have as broad an investigation as possible since the critical issues to be explored are the role of Government law enforcement and intelligence agencies in these investigations as well as the pervasive secrecy which still shrouds their activities and procedures. The issue of secrecy and the role of the FBI and CIA are present in varying degrees in each of the assassinations and consequently if they are to be explored adequately the select committee should have jurisdiction over all of them.

Mr. Speaker, every poll, every contact with our constituents, every learned observation of the populace reinforces the conclusion that people have lost faith in their Government, particularly faith that their Government does not lie to them. This loss of faith can be traced to that fateful day in Dallas when John F. Kennedy was shot down. It grew and was nurtured by other lies which the Government told to the American people during the Vietnam war and during Watergate, but it was surely not assuaged by the handling of the investigations into the John F. Kennedy and King assassinations.

Since the publication of the "Report of the Warren Commission on the Assassination of President Kennedy," volumes and volumes have been written attempting to discredit the conclusions and methods of that study and investigation. I want to state as forcefully as I can that I do not support all the critics' conclusions, nor am I convinced that the Warren Commission had before it all of the relevant data to support its conclusions. The point is that I, and millions like me, simply do not have enough information upon which to make an informed judgment concerning the Warren Commission findings and the criticism to which it has been subjected.

For example, as chairman of the House Government Operations Subcommittee on Government Information and Individual Rights, my subcommittee held hearings last November on the National Archives and its handling of Freedom of Information Act requests for access to the Warren Commission files. There was some indication that certain information was not available and that certain documents are still not available to historians and researchers.

In fact, there is information in the National Archives concerning the Warren Commission's investigation which is not available to Members of Congress. This is all the more astonishing when we consider another revelation of the hearings conducted by my subcommittee on this subject—namely, it is doubtful if anyone had authority to classify documents originating with the Warren Commission as secret or top secret. That power was simply assumed by the Commission's counsel, but there is little or no justification for his having done so.

Following the hearings conducted by the subcommittee, one witness, David Belin, who was a member of the Warren Commission staff and Director of the Rockefelller Commission study of the CIA, stated that he believed that the Warren Commission inquiry should be reopened in order to once and for all lay to rest the unfair charges against its conclusions. While I am not in a position to conclude that any findings will or will not stand the test of further inquiry, I certainly agree that it is necessary to finally settle the still open questions, particularly the role of the FBI in the investigations of the murder of Kennedy and Martin Luther King.

Mr. Speaker, it is too obvious that nothing any inquiry can do will bring back the great men who have been cut down by assasssins. But there are lessons to be learned from the manner in which the agencies of Government charged with investigating and studying these tragedies performed their duties. We can learn a good deal about the need for secrecy of so many documents, about classification policies, about political pressures, about how the FBI conducts an investigation. I urge that any House interested enough in the Daniel Schorr matter to establish a special inquiry should not hesitate in opening an inquiry into these far more significant questions.

Mr. de la GARZA. Mr. Speaker, like many of my colleagues, I am troubled by some of the questions that continue to be raised about the circumstances surrounding the tragic death of President Kennedy more than 12 years ago.

The feeling of persistent, nagging doubt that the country has learned all the facts is shared by a considerable number of people in the south Texas district I represent here. They desire, and I support, a reopening of the investigation into the assassination of President Kennedy.

The investigation should be of sufficient scope and carried out in such a way as to settle once and for all the questions that prey on the minds of many Americans.

As a people, we pride ourselves on our regard for the truth. Our quest for the truth—the whole truth—about the assassination should be pressed forward in order that this dire chapter in our national history can be brought to a conclusion.

Mr. BIAGGI. I am pleased to participate in this special order to discuss the urgent need to establish a select committee of Congress to investigate the assassination of President John F. Kennedy. As a cosponsor of this resolution I feel strongly that Congress must take this important step so that the many doubts which have racked this Nation regarding the assassination can be dispelled.

I was most disturbed over the decision of the House Rules Committee to prevent the full House from having the opportunity to debate this resolution. We have again seen this committee employ arbitrary and high-handed tactics to block consideration of legislation which it opposes. They took this action despite the fact that these resolutions enjoy more than 125 cosponsors and are supported by millions of Americans who consider it a national disgrace that there are still so many lingering and unanswered questions regarding this monumental event.

Congress has never officially investigated the Kennedy assassination. Exclusive responsibility for investigating the assassination was vested in a Presidentially appointed commission which reported its findings based on the limited amount of evidence it had at its disposal. Anyone who has had the opportunity to read Mark Lane's "Rush to Judgment," or who has viewed the horrifying film of the assassination by Abraham Zapruder would agree that a sufficient number of basic questions have been raised which merit a new full-scale investigation into this tragedy.

The questions which are raised go right to the very heart of the assassination. Was there more than one gun fired? Was there a conspiracy involved? Was the Dallas Police Department responsible for failure to provide better protection for the President? Was the Warren Commission as objective as it could have been? Did they pursue all possible angles to the case? Does the new evidence present basic new evidence which was unavailable to the Warren Commission.

We cannot allow these fundamental questions to go unanswered any longer. Even the President who was a member of the Commission stated that if sufficient new evidence was available it could merit a new investigation. I feel it is time that this investigation was begun and I urge the House Rules Committee to reverse itself and allow this issue to be debated on the House floor in a responsible manner. The more we let this issue go unresolved the more emotional the debates will become. Let reasonable men make reasonable judgments. The American people will be the better for it.

GENERAL LEAVE

Mr. DOWNING of Virginia. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the subject of my special order today.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Virginia?

There was no objection.

MANAGING OUR NATIONAL FORESTS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Oregon (Mr. AuCoin) is recognized for 5 minutes.

Mr. AuCOIN. Mr. Speaker, I ask unanimous consent to proceed for an additional 15 minutes.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Oregon?

There was no objection.

Mr. AuCOIN. Mr. Speaker, today I am introducing a bill that will, I believe, assure improved management of our national forests by strengthening our commitment to the wise use of all forest resources—at a time when the future of our national forests has become a powder keg—a powder keg with a fuse that is very short indeed. This bill is designed to defuse this situation, to lay the ground work for a future in which the Nation can do a better job in meeting accelerated demand for timber products and to do so without relenting on sound environmental safeguards.

Mr. Speaker, population growth, combined with the effects of inadequate long-range resource planning in the private forest sector, is bringing severe pressures to bear on our national forests. We must respond with a determination to protect the renewable quality of these resources, with careful planning, and with a willingness to work toward meeting both esthetic and economic needs. We must address critical short-term problems while strengthening our commitment to sustained yield and to multiple-use management policies. Most important, we must resist simplistic answers to this complex problem and establish policies and procedures that will stand the test of time.

Mr. Speaker, this bill is a companion to the bill introduced in the other body by the distinguished Senator from Minnesota (Mr. HUMPHREY) whose important role in the passage of the Forest and Rangeland Renewable Resources Planning Act of 1974 has already assured him a secure place in the history of the management of our national resources. A similar bill was introduced in the House earlier this week by my distinguished colleague from California (Mr. JOHNSON).

This bill flatly requires the development of an environmentally sound management plan for each national forest that is consistent with multiple use and with sustained yield principles. It requires the protection of the integrity of the regenerative capacity of our forest soils and waters and assures an end to this Nation's short-sighted and wasteful forest management principles.

This bill also establishes a commitment to stepped-up research to find better answers to the perplexing technical problems of forest management and ecology. It calls for the Federal Government to set a leadership pattern in providing greatly increased productivity in the 59 percent of our Nation's commercial timberland owned by farmers and private individual citizens. And, perhaps most important, it strengthens requirements for public input in the process of reviewing and establishing land management plans for the national forests.

FOREST MANAGEMENT AND THE COURTS

Mr. Speaker, recent disputes over the proper use of clearcutting—an important forest management tool—have cast a cloud on the future use of that tool in the national forests, without regard for the far-reaching consequences that hang in the balance.

The roots of the problem are found in the 1897 law—the so-called Organic Act—that created the National Forest System. Reflecting forest management realities of an earlier day, Congress by law said that the cutting of trees within national forests must be limited to "dead, matured, or large-growth trees."

There have been many changes in forest management practices and great advances in the understanding of forest ecology over the past 80 years, but Congress has never taken the occasion to review this phrase—which remains frozen in the law to this day.

Recently, when concerned environmentalists found themselves unable to secure administrative review of clearcutting abuses in the Monongahela National Forest in West Virginia and the Tongass National Forest in Alaska, they brought suit in Federal court on the grounds that the practices used were in violation of the 1897 law.

In upholding the original Monongahela decision, the Fourth Circuit Court of Appeals admitted:

> . . . it may well be that this legislation enacted over seventy-five years ago is an anachronism which no longer serves the public interest. However, the appropriate forum to resolve this complex and controversial issue is not in the courts but the Congress.

In the absence of any meaningful congressional review of this prescriptive legislation, the courts felt compelled to enforce a law that has no meaning for modern forests. Mr. Speaker, what is at stake here is the viability of our housing industry, the health of our economy, and our very ability to come to grips with some of our most pressing natural resource management questions.

Should the Tongass decision be upheld in the Ninth District Court of Appeals, clearcutting would be banned in the national forests of the Pacific coast States. This would have the immediate effect of reducing timber production in these forests by one-half.

In the Northwest alone, reduced production would represent the equivalent of about 750,000 3-bedroom homes in the first year.

At least 23,000 people will be out of work in Oregon alone if clearcutting ends in our national forests.

The cost of timber from our national forests would immediately rise 30 to 50 percent.

Who would stand to gain? Not those committed to environmental quality, Mr. Speaker. The immediate effect of a clearcutting ban would be a greatly intensified demand for logs from old, original growth stands in the national forests. A reduction in the rate of logging these is one of the primary goals of the environmentalists. Yet these stands are the prime locations for "dead, matured, or large-growth trees."

NATURAL RESOURCE IMPLICATIONS

Mr. Speaker, this crisis confronts us at a time when thinking Americans are engaged in a sober reappraisal of our natural resource allocations. Belatedly, we are coming to realize the finite nature of our nonrenewable resources and to plan how they can be preserved to meet the needs of future generations.

Roughly 25 percent of all photosynthetic matter produced on Earth is timber—and forest products account for about 98 percent of the tonnage of renewable materials currently in use in the United States.

And, Mr. Speaker, at a time when the Nation is coping with an energy crisis, the importance of this natural energy source can be seen by comparing the energy demands for wood and its substitutes. For example:

Steel floor joists need 50 times the energy required to produce wood joists.

Aluminum framing for exterior walls need 20 times the energy required for wood.

Steel studs for interior walls need eight times the energy for wood; aluminum studs need 12 times the energy.

Steel rafters need seven times the energy for wood.

Aluminum siding needs five times the energy for plywood or fiberboard.

Brick siding needs 25 times the energy.

Mr. Speaker, the recently released renewable resource program projects a doubling of our national demand for timber over the next 50 years, assuming constant real prices. Using present management practices, supply will fall far short and replacements using nonrenewable resources will be necessary.

But by improved management of both public and private forests, conservation, and improved utilization, production can meet demand and renewable wood products can reduce the need for more energy-intensive alternatives.

On our national forests this increased management can be provided without abandoning the multiple-use concept and at the same time increase the availability of most of the other resources, as provided in the renewable resource program. What is needed, Mr. Speaker, is determination, investment, a sound management plan, and an effective system for implementation.

A FRAMEWORK FOR BETTER FOREST MANAGEMENT

Mr. Speaker, this is the third major bill before the House dealing with the long-term management of our national forests. I believe it is the one bill that strikes a sound, reasonable middle course—permitting timber for our homes and our papermills while protecting the environment and assuring perpetuation of our forests.

This bill provides a framework that will assure the adoption of responsible management programs for our overall national forest system and for each of our national forests. It specifically recognizes that forest management practices will change with time and avoids setting prescriptive standards that could actually serve to impede introduction of improvements in management methods.

The bill recognizes and affirms the need for a national program planned for the long term and based on a comprehensive assessment of present and anticipated uses. It provides a specific mechanism for the implementation of the goals established by the Forest and Rangeland Renewable Resources Planning Act of 1974, the Multiple Use-Sustained Yield Act of 1960, and the National Environmental Policy Act of 1969 as it applies to forests.

The bill also recognizes the important role research is playing and will continue to play in the management of our forests. Programs now in progress promise a revolution in American forest management practices.

Studies of soil chemistry and hydrologic processes and conditions offer hope for improved stability and integrity during road construction and timber harvesting. New natural and artificial means of providing soil nutrients are under study. New and improved strains of trees are being developed, and work is even being done in growing whole trees from bits of tree tissue to bypass the slow process of growing trees from seeds. More environmentally acceptable weapons for fighting insect pests and tree diseases are already being tested. Computer simulations of forest growth patterns are being developed that will save years in comparing the long-range effects of alternative management practices.

The bill recognizes that while national forests play an important role in providing timber for national needs, they can only supplement timber produced on the 78 percent of American commercial forests which are in private hands. The bill calls for Federal leadership in encouraging more productive use of private timberlands to moderate the demand for timber from national forests. A number of important existing programs to accomplish this have consistently been inadequately funded despite excellent results to date.

The bill requires and establishes a procedure for the development and implementation of a detailed management plan for each and every national forest, consistent with an overall Federal program. These plans will be developed by an interdisciplinary team of professional scientists and foresters qualified to provide specific guidelines and standards based on climate, terrain, soil and water conditions, and type of trees. Public participation is required in both the formulation and review of these plans. Environmental impact statements are required for each plan.

These standards will deal with timber harvesting, conversion of tree types, logging contract conditions, protection of forest ecosystems, preservation of soil and water quality, and the protection of fish and wildlife. To be acceptable, the standards must assure the protection of each forest resource identified in the Multiple Use-Sustained Yield Act of 1960.

These plans are to be monitored by interested professionals and environmentally concerned citizens to determine whether they are being fulfilled and whether they are producing the intended results. These national forest resource plans, in my view, will provide sound protection for our national forests.

THE TRUE ISSUE

Mr. Speaker, clearcutting is not the true issue in this dispute. More important issue by far is whether we will manage our forest using laws that are prescriptive in nature or by laws specifying performance standards.

Some feel there are no alternatives to prescriptive standards. The Forest Service has been tried, according to this view, and has been found wanting. The agency is characterized as being helpless in the face of pressures of the timber industry, and as a consequence, the agency's regard for long-term environmental concerns has been called into question.

Mr. Speaker, I was not born yesterday and I do know that the timber industry can bring tremendous pressures to bear. But I have seen the Forest Service stand firm under tremendous pressures when the industry fought a reduction in the allowable cut from the Gifford Pinchot Forest in accord with the sustained-yield policy.

I have also seen just as clearly how the Forest Service can botch its management responsibilities. The agency's resources are so badly misallocated that funds for timber management, reforestation, and stand improvement are greater in regions with low timber values than in regions where values are high.

But, Mr. Speaker, I am convinced that prescriptive standards are no solution. Their use implies that 535 Members of Congress—not one of whom is qualified to understand the technical implications—can correctly establish national standards for controlling timber cutting, for assuring water quality, for providing optimum timber production while maintaining optimum environmental quality.

Adoption of prescriptive standards imply these standards must fit coastal Douglas-fir forests in Oregon, southeastern coastal pine forests in Louisiana, mixed pine and hardwood forests in the Lake States, mixed spruce hardwood forests in New England, high altitude mixed conifer forests in the Rocky Mountain States, and for the ponderosa pine forests of New Mexico. Prescriptive standards will have to apply whether the annual rainfall is 7 inches or 70 inches, whether the annual hours of direct sunlight are 1,800 hours or 3,600 hours, whether annual growth rates are 15 cubic feet per acre or 150 cubic feet per acre.

I personally doubt whether the same set of prescriptive standards would be effective in controlling management abuses in the national forests of eastern and western Oregon.

Rather than prescriptive standards, Congress should establish policy-related standards that can be evaluated in terms of performance and instead of being applied with uniformity will instead permit changes to reflect local conditions and management practices. As an example, consider the statement made by Congressman McRae in 1893 when he first introduced the bill that eventually became the basis for the 1897 Organic Act:

> The main purpose of this bill . . . is to protect the forest growth against destruction and the preservation of forest conditions upon which the water flow is said to depend.

This standard, which would permit cutting at any age as long as overall forest growth is protected, clearly puts the emphasis on critical hydrological conditions. Perhaps that is what should have been written into law rather than the prescriptive prohibition against cutting "dead, matured, or large growth trees."

If we cannot grasp this, then we have learned nothing from the mistake Congress made in 1897.

Mr. Speaker, I want to close by emphasizing that the Congress must recognize the coming problems and opportunities that we face in the area of timber supply, and must provide itself with adequate professional expertise to handle it—including major oversight responsibilities to assure Forest Service resources are better allocated and that the terms of the Multiple Use-Sustained Yield Act are honored.

Congress must make it clear to the timber industry and to the Forest Service that Federal forests are not to be raided to tide the industry over because it planned poorly and began management too late. Taking a leaf from this lesson, Congress can reject the President's budget recommendations and provide full funding for the renewable resource program, begin accelerating the reforestation and forest management efforts for our own long-term timber supply needs, and insist that the funds be spent where they will be most productive.

Mr. Speaker, we are at a turning point. We can pass prescriptive criteria for managing national forests that will have very limited effectiveness, and boost lumber prices while sharply reducing supply. We can drop the last restraint on management controls and leave the Forest Service to fend for itself without adequate tools in the face of increased demand for national forest timber.

Or we can roll up our sleeves and get down to work—environmentalists, industry, and Government alike—to hammer out the details of a bill that establishes a means for planning the wisest use of all our national forest resources. I believe the bill I am now introducing is an important point of departure for accomplishing this.

SCIENTIFIC WATERGATE? TIME TO TO LET THE SUNSHINE IN

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California (Mr. GOLDWATER) is recognized for 20 minutes.

Mr. GOLDWATER. Mr. Speaker, there has been a great debate raging since 1970 over the validity of air quality standards for sulfur oxides. These standards were set by the Environmental Protection Agency and the Congress in response to certain scientific reports which supposedly demonstrated the level at which sulfur oxides became health hazards.

There have been many in both industry and the scientific community who questioned the validity of the reports and research, but, to my knowledge, no one has ever suggested that the reports were, in fact, deliberately altered, doctored, or fabricated.

However, on February 29, 1976, an article by investigative reporter W. B. Rood appeared in the Los Angeles Times. The article was entitled "EPA Study—The Findings Got Changed." I would like to quote from its opening paragraph:

> Reports from a major Environmental Protection Agency research program were systematically distorted by a former agency scientist in an effort to prove that pollution from sulfur-bearing fuels had an adverse effect on human health.

The article goes on to allege that under the direct supervision and instigation of Dr. John F. Finklea, the reports prepared under the Community Health and Environmental Surveillance System—CHESS—program were arbitrarily altered to agree with the prejudgments and biases of Dr. Finklea.

Further, the article alleges that this situation has been known within the EPA and certain other sectors of the scientific community for some time and in spite of that knowledge the report and Dr. Finklea's role have not been fully or properly investigated.

Those, my fellow colleagues, are rather substantial statements and accusations. They need to be immediately and thoroughly investigated. After all, the Congress, the executive branch, and the American public have relied in good faith on the sulfur oxide portions of the CHESS report. The Congress has passed several pieces of environmental legislation that clearly relied on the CHESS report or grew directly out of conclusions and recommendations based on that report. Private industry and the consumer have had to pay out billions of dollars over the last several years to purchase equipment that would remove sulfur oxides down to the levels considered acceptable and pay for residential energy bills that are directly related to these environmental protections.

If the EPA, the Congress, and the Nation have been misled, we must know it and know it now. Legislation of importance and far-reaching impact is pending in the Congress that is directly related to the sulfur oxide positions taken in the CHESS report.

Because of the serious questions raised in the Times article, I today asked the EPA, the OMB and the GAO to begin immediate, full-scale investigations into the allegations made in the Times article.

I have made initial inquiries to determine the accuracy of the Times article, and I have found nothing to refute the allegations. Therefore, I sincerely believe that enough "probable cause" exists to launch an intensive investigation of a possible fraud that has cost the American consumer and taxpayer billions of dollars.

For example, at least three Federal agencies—OMB, FEA and the EPA—have conducted inquiries on the sulfur oxide sections of the CHESS report over the last 3 years. Each investigation centered around the academic validity of the report, that is, were the conclusions and recommendations consistent with the facts adduced in the report? were the scientific controls valid and sufficient? and so forth. Many of these inquiries overlooked the question of whether the data had been deliberately tampered with. That oversight is indeed understandable for in all cases the presumption was that honorable men had been involved in the preparation of the reports. However, to my deep regret, that assumption may not have been warranted because correspondent Rood has demonstrated that such a question was and is very relevant and must be resolved. He personally interviewed individuals that worked on the investigations and the report. They expressed concerns that deliberate doctoring of the data occurred. And, I have found in talking off the record with individuals in Washington that there are members of the general scientific community and the public at large that are concerned about the same question.

It is my hope that the investigations I have requested will resolve the issues raised in the Times article. We have much at stake. The Congress has taken a position of trying to correct serious environmental problems and preventing others before they occur. That commitment is a responsible one and is supported by a majority of Americans. However, no one would want to see the Congress or the Nation act on the basis of bogus or falsified information. The very strength of our Nation is at stake, for we are having to pour millions and millions of dollars into the support of many of our recently passed air quality laws. Our resource development and consumer bills are greatly higher as a result. Jobs have been lost because of some of the laws Congress has passed. Tremendous economic readjustment has had to take place. It would be a gross tragedy if the information we relied upon had been deliberately manipulated, for we may have wasted precious time and resources pursuing the wrong course. And, we have important, far-reaching legislation currently being considered in the Congress that builds on the laws and positions taken because of the CHESS report.

I am confident that the three agencies I have asked to investigate this matter will move quickly. They too should recognize the situation we are confronting. They too will want to get at the truth.

Because of the interest and concern I know Chairman STAGGERS of the House Commerce Committee has in the integrity of the legislative and regulatory process, I sent him a letter laying out my concerns and urging his attention.

For the convenience of the House, I am including the Los Angeles Times article and copies of the letters sent to the three Federal agencies and to Chairman STAGGERS.

I intend to pursue the inquiry I have begun and the investigations I have formally requested and will keep the House informed of the progress and outcome.

The material follows:

EPA Study—The Findings Got Changed

(By W. B. Rood)

Reports from a major Environmental Protection Agency research program were systematically distorted by a former agency scientist in an effort to prove that pollution from sulfur-bearing fuels had an adverse effect on human health.

This distortion, disclosed to The Times by both government and nongovernment scientists, has resulted in a mounting controversy over the need to spend billions in controlling sulfur pollution from electric power plants and raised questions about the credibility of EPA research.

While scientists are generally agreed that sulfur pollution at higher levels poses a health hazard, criticisms of the distorted EPA research has raised serious questions over how low the harmful levels really are.

The EPA reports were prepared as part of the agency's Community Health and Environmental Surveillance System (CHESS) and published in 1974.

Extensive interviews with scientists and others have shown that:

Dr. John F. Finklea rewrote the work of agency scientists, often deleting what the researchers felt were important qualifiers on experimental results;

Finklea deleted material from the reports that did not show a connection between sulfur pollution and adverse health effects;

Finklea screened statistical analyses to downplay evidence tending to weaken or contradict the case against pollution; and

Finklea overrode agency scientists' objections to publishing estimates of the health impact of pollution which were either statistically dubious or unsupportable.

The consequences of these actions have far outstripped technical debate over one set of EPA studies.

Relying heavily on the disputed CHESS studies, EPA has called for controls on sulfur pollution that would cost power companies and ultimately American consumers billions of dollars.

Citing the CHESS evidence, the agency says many of the nation's power plants will not be able to switch to coal without heavy expenditures for pollution controls—costs industry spokesmen say undermine their efforts to shed dependence on foreign oil sources.

The agency's effort to defend the published CHESS studies has seriously delayed EPA's progress on new research and damaged morale among its scientists.

Evidence of bias in the CHESS studies has led to credibility problems for the agency's research arm and charges that EPA should not be entrusted with research in support of air pollution regulations.

The man whom numerous scientists within and without EPA blame for causing these problems resigned his post with the agency last year to become director of the National Institute for Occupational Safety and Health.

In answer to the charges against him, Finklea said in an interview that if air pollution researchers make mistakes, the mistakes should be in the direction of overestimating the health effects.

"I think the way we're sort of set up by law, we're supposed to give it the best professional shot we can," he said.

"But if we make a mistake it should be on that side."

Controversy over conclusions drawn in the EPA studies preceded their formal publication in May, 1974, in a monograph entitled "Health Consequences of Sulfur Oxides: A Report from CHESS, 1970–1971."

Written during the summer of 1972, the studies were circulated in draft form to scientists all over the world.

In a paper prepared for delivery at an October, 1973, National Academy of Sciences conference, two scientists—Dr. Ian T. T. Higgins of the University of Michigan and Dr. Benjamin G. Ferris Jr. of Harvard—wrote:

"It is particularly disquieting . . . that there has been a rather marked tendency to overinterpret the (CHESS) data and in particular to select findings which point to an effect of pollution on health and ignore those which do not."

Scientists were quickly joined in the fray by spokesmen for the electrical utilities, who were anxious to kill proposals for installing an estimated $11 billion in equipment for controlling sulfur oxide emissions from power plants.

Encouraged by the Nixon administration, the utilities were turning to coal in an effort to reduce their dependency on foreign oil sources.

Citing the CHESS studies as a basis for its action, EPA called for installation of costly devices termed scrubbers on 30% of the utility industry's projected coal-fired capacity by 1980.

And the industry fought back as it never had before.

American Electric Power Co.—operators of a largely coal-fired utility system serving seven states in the Midwest and Appalachia—launched a $3.1 million advertising campaign to turn public opinion against what the company called EPA's "unnecessarily restrictive regulations."

Other utilities began working through government channels to discredit the CHESS studies.

The Federal Energy Administration and the Federal Power Commission also joined in.

FEA hired its own consultants to critique the CHESS studies. The $38,000 FEA consultant study concluded that "the assumption (that) the health effects of sulfur-bearing air pollutants are largely due to the formation of sulfates, is theoretical."

Just before release of the FEA-sponsored report, the Federal Power Commission staff charged the EPA's air quality goals could result in critical power shortages.

The Office of Management and Budget—responsible to the President for watching the cost and efficiency of federal programs—was also asking questions about the CHESS program.

Faced with this barrage, EPA called for an internal review of the program. The task was assigned to the agency's Science Advisory Board, a panel of outside scientists reporting directly to the agency administrator.

The board appointed an ad hoc committee headed by Dr. James L. Whittenberger, chairman of Harvard's Kresge Center for Environmental Health, to conduct the CHESS review.

In what has become known as the Whittenberger report, the committee acknowledged that charges that "EPA scientists were 'over-interpreting their data,' that their conclusions were not supported by their data led to problems of credibility for the agency."

Although members of the committee now say they were told by EPA scientists that Finklea had distorted results of the study, the Whittenberger report did not reflect that finding.

"There was considerable feeling at various levels (in EPA) that in that indeed this was a correct observation, that indeed there was something of this nature happening," said Dr. George B. Hutchison, a Harvard scientist who served on the committee.

"I don't remember to what extent our report reflects this. Some of the earlier drafts reflect this more than the final report did. That's probably true. How we came to watering it down I don't really know."

Hutchison told The Times, "Yes, the finger was pointed very much at Dr. Finklea. This was rather clearly what the statisticians at Research Triangle Park (an EPA research facility in North Carolina) told us, that he was the bete noire of this difficulty and we in fact never had any evidence to the contrary.

"I guess the best guess is that he as an individual was more responsible than anyone else we know of."

Hutchison said the published CHESS studies were "systematically distorted in the direction of tending to demonstrate more association (between sulfur pollution and health) than in fact exists.

"If this sort of thing were happening nonsystematically, some of the studies exaggerating the relationships and others playing them down, then one might imagine that the thing sort of canceled itself out," he said.

"I don't think that. I think this sort of thing tended to be largely a systematic error in the direction of exaggerating the associations—making the pollutants seem more hazardous than the data supported."

The CHESS program was born of the best scientific intentions even before EPA was formed about five years ago.

Responding to calls for action from environmentalists, Congress was on the verge of enacting the Clean Air Act Amendments of 1970, the first legislation to put teeth in the nation's effort to clean up its air.

Air quality standards were to be set—to protect the health of the most sensitive segments of our population—with a margin of safety.

The CHESS program had three main objectives: to document the benefits of air pollution cleanup, to evaluate whether air quality standards set by EPA were adequate and to provide information for use in determining new standards.

To accomplish this, EPA scientists would eventually set up air monitoring stations in about 30 communities throughout the country.

Health information about residents in those communities, including seven in Southern California, would be collected using questionnaires, lung function tests and personal diaries kept by persons with heart and lung disease.

Data on levels of air pollutants would be correlated with health information in an effort to find cause-and-effect relationships.

What began as a relatively modest program with a budget of about $500,000 a year eventually became one of EPA's top research priorities with annual funding of about $5 million, according to Dr. Carl M. Shy, a former EPA scientist who helped organize CHESS.

"One of our big pushes in the CHESS program came when Jack Finklea got into the agency. He became head of the laboratory here (in North Carolina). He was an exceptionally good advocate and promoter of the CHESS program and was largely responsible for accelerating the development of it," said Shy, who left EPA in 1973 to direct an environmental studies program at the University of North Carolina.

Finklea's capacity for working long hours amazed those who worked for him at Research Triangle Park where EPA has established its largest laboratory facility.

"He could work harder than any of us," said one scientist. "If he had an objective, we were never sure what that was, but he was going to accomplish it. That was the only thing consistent about him.

"When he first came here the program had been floundering a lot more. He immediately gave us some projects to sink our teeth into and immediately that led to some publications."

Then came what EPA scientists in North Carolina call "the summer of '72."

CHESS had been under way for about two years. There had been a rash of technical problems—the kind painfully familiar to most who have conducted such studies:

Air monitoring equipment had occasionally malfunctioned, resulting in the loss of some data;

A spirometer used to measure the lung function of thousands of school children had proven unreliable and had to be replaced with another instrument;

There were problems in keeping up with the massive flow of data that was coming into Research Triangle Park.

And while researchers in North Carolina were grappling with their problems, EPA headquarters in Washington had problems of its own.

Kennecott Copper Corp. in late 1971 had sued the agency in the first legal challenge of an air quality standard set by EPA under the Clean Air Act Amendments of 1970.

After hearing the corporation's arguments challenging the agency's standard for sulfur dioxide, a U.S. Court of Appeals judge on Feb. 18, 1972, ordered the EPA administrator to supply information to "enlighten the court" on the basis for the standard.

Standards come in pairs—primary standards, those to protect the public health with a margin of safety, and secondary standards, those to prevent damage to the public welfare such as injury to plant life.

Although Kennecott had challenged only the secondary sulfur dioxide standard, EPA decided to update the information in support of both standards, according to Finklea.

Among the areas chosen for study in the CHESS program was Utah's Salt Lake Basin. A major source of pollution in the area was a Kennecott smelter near Salt Lake City, and the smelter was the springboard for the company's concern over EPA's sulfur dioxide standard.

"At that time, we were told, 'You guys have got to go out and do something with no increase in budget and you've got to begin in six weeks,'' Finklea recalls.

Until the emergency that grew out of the Kennecott court case, EPA scientists had not viewed the portions of their studies dealing with sulfur oxides as having any greater priority than CHESS studies of other pollutants.

What ensued in the spring and summer of 1972 would have lasting impact on a young bureaucracy tasked with safeguarding the environment and on the people who were caught up in those events.

For instance, it would raise questions on whether an agency pressed in court to justify its regulatory actions could, at the same time conduct objective scientific research in support of those actions.

And it would leave lasting scars on the lives of scientists—those whose marriages were broken, whose careers were threatened. Some, they say, became psychotic, and some still sweat at the memory of turning out about 20 complex scientific papers in a matter of weeks.

"In the course of June, July and August of 1972, I'd estimate that Finklea probably worked on these studies an average of 16 hours a day," recalled one scientist.

"We were here more than one weekend, Saturdays and Sundays. Well, this had only occurred on isolated occasions before. Tempers got going. Dr. Finklea kept saying this had to get out for the good of the agency."

Another said, "We probably averaged working 100 hours a week, at least that long. He (Finklea) probably put in more time than I did.

"He would call me at eight o'clock on a Sunday morning and ask me where I was."

Against this backdrop, issues arose which scientists feel—some still with the agency and some who since have left—feel threatened to ruin their professional reputations.

Papers written by staff scientists were extensively rewritten in Finklea's office.

"The paper as it came out in (publication) did not resemble the first draft that we wrote, so whether or not you want to call it a rewrite or just a whole new paper . . . The papers were not recognizable from the point which we had originally written them," said one scientist.

There were cases in which Finklea went beyond revision of the drafts and ordered a new set of statistical analyses in an effort to establish a connection between sulfur pollution and health.

Health indicators such as chronic respiratory disease and asthma attacks were plotted graphically in relationship to pollution levels.

A statistical technique called multiple regression would then be performed with computers to show if there were significant relationships between pollution levels and health.

Statisticians involved in these analyses say that often Finklea would select for publication only the results that supported the connection between pollution and adverse health.

A scientist recalled a study of persons with such diseases as asthma.

"In one particular study there were 248 regressions run and those cases which showed the desired adverse effects (on health) were selected and placed in the paper," he said.

"So it's not really the things that are in the papers. It's the things that are not in the papers," said a statistician. "He would come back and say let's do this and this and this and he would take what he wanted from it."

Asked if scientists protested, he said, "probably not strongly enough, but I got to the point where I said I'm not trying to interpret this stuff any more. I'm just going to do what you tell me."

Another statistical issue arose over the publication of what are called "hockey stick functions," so named because when they are plotted graphically the pattern resembles a hockey stick.

They are based on the theory that there is a pollution level below which a certain health effect is either nonexistent or nearly imperceptible and above which the health response rises sharply.

Publication of these functions in scientific papers attracts the sharpest scrutiny because such evidence can be used in setting air quality standards. As one EPA research administrator put it, "The lawyers in the agency are always saying, 'Give us the number.' "

An extensive effort was made to discover such relationships in the CHESS data.

In each case, statisticians worked out what they called "confidence intervals" or tests by which they could judge the strength of relationships between given health effects and pollution levels.

One scientist involved in doing these analyses said there was often no statistical justification for saying any relationship existed.

Asked if the truth as he saw it was misrepresented in the papers, he said:

"I do believe that between the discussions and the selection of the data sets it did not represent the truth as I saw it as a statistician. I believe I was not the only one that perceived it in that manner."

At one point, "I practically broke down in tears once and I don't think I was the only one," the statistician recalled in describing attempts to confront Finklea with the issue.

"Several of us sort of made an attempt to stand up to him, to disagree with him. Remember we were doing this at like eight o'clock at night since being up at six in the morning and we were kind of tired.

"What it would amount to is that his personality would just dominate you and there was just no . . ." He paused.

"So that I've forgotten how he did it but he had a way. To a couple of us he said, 'If you don't want to do this just get out and we'll get it done without you.' That kind of an effect.

"You'd already sunk maybe as many hours in those few weeks as you had in the rest of the year altogether and it represented everything the whole lab had been doing."

Finklea himself says he was unaware of such intense dissatisfaction among his scientists at EPA.

"Well, you know I'm not talking to the individuals involved and I'd have to accept your judgment and appraisal of their responses there. I think a number of the drafts were not really responsive to the problems you had to deal with," he said.

"I think that I'd almost have to have all the series of drafts and lay *them out for you.* I think that many of them would not have been helpful to anybody looking at air pollution about anything, and if sensibilities were offended I could only apologize.

"I think we did press very hard in the time frame available. Maybe steamrolling is the correct word."

Shortly after that hectic period, Finklea was promoted from his position as head of the health effects research program to director of the entire EPA research center at Research Triangle Park.

He said that following his promotion the drafts of documents produced while he was head of the CHESS program were sent out for review by more than 100 scientists outside the agency.

And he contends that the scientists who wrote the CHESS reports were free to incorporate criticisms that came to the agency prior to final publication of the documents.

But some of the outside reviewers have reservations.

"They (EPA) got a lot of comments. They got some praise and a lot of kicks. But my feeling is that they didn't really respond very much to the criticisms at that time and many of the things that had been criticized in the draft are still in (the published monograph)," said Dr. Ian Higgins of the University of Michigan. "This made some people unhappy."

The outside reviewers are not the only ones who are skeptical about Finklea's contention.

A former EPA official said, "Up to the moment he left that (research center in 1975 about a year after publication of the monograph) he pulled the strings in that health effects laboratory. To say that the problems with those studies were corrected free of his influence is absolute nonsense."

Up until the time he left EPA and since, Finklea has repeatedly cited the published CHESS studies on sulfur oxide pollution in congressional testimony and in research papers.

In a paper bearing his name as the lead author and released just prior to his departure from EPA, Finklea cited the CHESS studies as evidence that sulfur oxides could be responsible for "thousands of premature deaths, millions of days of illness among susceptible segments of the population, hundreds of thousands of needless acute lower respiratory illnesses in otherwise healthy children and hundreds of thousands of chronic respiratory disorders among adults."

Statements such as these have rankled many scientists, among them those still working with EPA at Research Triangle Park with masses of CHESS data yet to be reported.

"After things were (published) what happened is that Finklea moved up and people were sort of left defending what was done . . . We didn't think it was a scientific document most of us wanted to defend," said one EPA scientist.

Finklea carried his case to contacts in Congress.

"I think Jack was concerned that his scientific findings wouldn't get the attention he thought they deserved," said a source close to the Senate subcommittee on environmental pollution who said he developed 'a relatively unique relationship with Finklea."

The result was that even before the sulfur oxides papers had been published the CHESS studies became a major bit of ammunition in the national debate over control of sulfur oxide emissions.

And when they were published they became a controversy unto themselves.

"The very controversy around this caused so much scrutiny. Look full—page ads in the New York Times and the Washington Post by the electrical power companies attacking the sulfate dioxide sulfur oxides control policy of the agency which was largely predicated on the CHESS monograph" said Dr. John Knelson who inherited the EPA program once under Finklea.

"I see this tremendous attack by industry. The Office of Management and Budget is responding to that by saying gee what did you guys do wrong why is the CHESS program so controversial?

"This caused repeated review by outside experts and so forth. The review process itself brings the program to a halt, which is essentially what has happened."

The issue has placed EPA in an excruciating regulatory position.

The CHESS monograph cites sulfates as being the sulfur oxide most suspected of causing adverse health effects, yet EPA publicly says this finding needs further confirmation and, consequently, no air quality standard for sulfates can be set.

(Sulfates are a part of the sulfur oxides family and are produced in the atmosphere by a complex series of reactions from sulfur dioxide—the major sulfur pollutant emitted during fossil fuel combustion.)

There are however, air quality standards for sulfur dioxide. The generators of electrical power say they can meet these standards by what they call intermittent control strategies—such things as tall power plant stacks and switching to cleaner—burning fuels when sulfur dioxide exceeds allowed levels around the plants.

EPA argues this is not enough. The agency points to evidence that tall stacks loft sulfur dioxide over the area immediately surrounding power plants—that this pollutant is transported downwind and converts to sulfates as it goes.

And the agency contends that these sulfates exist for days in the atmosphere, traveling perhaps hundreds of miles from their source.

Thus, the great debate over sulfates and CHESS. Sulfate discharges over urban areas have already reached concentrations the published CHESS papers indicate are harmful to health.

So while the agency says it doesn't know enough to set a firm standard for sulfates, it has said there is sufficient information to believe existing sulfate levels pose "significant risk."

On these words significant risk, hinges EPA's decision to call for control strategies that industry says will cost billions of dollars.

Federal law allows the agency to require emission controls on power plants converting to coal under certain conditions if they will produce pollutants for which there is at present no air quality standard—pollutants which pose a significant risk to health.

The agency has chosen to apply this "significant risk" provision only to sulfates "based on currently available health effects information," including CHESS.

At the same time, EPA has declared that it will take three to five years before research can provide the information needed to decide on an air quality standard for sulfates.

To date, EPA has published only the sulfur oxides information from CHESS studies conducted during 1970 and 1971.

Meanwhile, according to agency scientists, billions of bits of additional data have been collected—far more than served as a basis for the published monographs.

Those who have looked at preliminary reports based on the unpublished data say they contradict conclusions drawn in the published studies done during the summer of 1972.

Dr. Stanley M. Greenfield, former EPA assistant administrator and now president of a consulting firm, has been retained by the Electric Power Research Institute—an industry group.

As part of an effort to help build a research program for the institute, Greenfield is examining the CHESS studies.

"We have found definite contradictions between the published studies and those based on data from later years," he said.

He cited a study of elderly cardio-pulmonary patients in three communities in the New York City metropolitan area.

In the published studies, Greenfield said, average daily percentages of patients reporting shortness of breath were 6.7%, 25% and 30%.

A draft report of data from the following two years noted that the percentages for the three communities had dropped to 6.3%, 5% and 2%. However, Greenfield said, there was no corresponding drop in concentrations of sulfate in the three communities, which the published study linked to shortness of breath.

So the controversy over CHESS rages on even after collection of data under the program has been halted by EPA.

The man who is currently overseeing analysis of the remaining mound of data explained what it has all meant to him and to his research program.

"First of all let me say I believe the weight of evidence does indicate that, if there was not conscious overinterpretation, at least there was some selective inclusion of conclusions in (the published CHESS) report.

"What that has meant to me is that I've had one hell of a time convincing the country, if you will, that this kind of a program can be conducted to the benefit of everybody, including industry.

"It has made my job very difficult. It's made me discouraged to the point of despairing that I'll ever be successful in continuing the kind of studies that are indispensable to establishing a reasonable control strategy for the country."

House of Representatives,
Washington, D.C., March 17, 1976.

Hon. Russell E. Train,
Administrator, Environmental Protection Agency, Waterside Mall, Washington, D.C.

Dear Mr. Train: Attached, please find an article that appeared in the Los Angeles Times of February 29, 1976. The article makes several allegations concerning the behavior of one Dr. John F. Finklea while he oversaw the scientific investigations and report preparations on the sulfur oxides sections of the Community Health and Environmental Surveillance System Report, issued in 1974.

Specifically, the article alleges that Dr. Finklea altered, doctored and otherwise adjusted the scientific evidence of the study he was administering and thus biased the conclusions of the reports he contributed or prepared to fit his personal, arbitrary convictions and notions.

Further, the article indicates that the questionable nature of the investigations and reports have been known for some time and may have been deliberately covered up by peers of Dr. Finklea's in the scientific community.

Worse, there is evidence that the Congress has been allowed to continue to rely on the allegedly tainted portions of the report as it has conducted its legislative responsibilities and activities.

These are indeed grave charges of the worst order. If true, they would raise further serious questions about the validity of many important environmental actions taken by the three federal branches of government, about the ability of the scientific community to police itself, about the ability of the government to rely on such studies and reports, and about the apparent willingness of some elements of the scientific community to permit such activities to occur and then go unreported and uncorrected.

Because of the gravity of the allegations in the Times' article, and because of the pending legislative business of the Congress that has or will rely on the conclusions and recommendations of the sulfur oxide sections of the CHESS report, and because of the inability of my investigations to dispute the basic allegations of the newspaper report, I hereby request that the Environmental Protection Agency begin an immediate, full, and detailed investigation of the allegations contained in the article.

I wish to be kept informed of the progress of the investigation and will, of course, assist it in any way that I can. That scientific data could apparently be deliberately mishandled and that such a situation could go for so long without thorough investigation and correction is appalling.

Your assistance in this matter is appreciated. I look forward to hearing from you at your very earliest opportunity.

Sincerely,

Barry M. Goldwater, Jr.,
Member of Congress.

House of Representatives,
Washington, D.C., March 17, 1976.

Hon. Elmer B. Staats,
Comptroller General of the United States, General Accounting Office, Washington, D.C.

Dear Mr. Staats: Attached, please find an article that appeared in the Los Angeles Times of February 29, 1976. The article makes several allegations concerning the behavior of one Dr. John F. Finklea while he oversaw the scientific investigations and report preparations on the sulfur oxides sections of the Community Health and Environmental Surveillance System Report, issued in 1974.

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Sincerely,

BARRY M. GOLDWATER, Jr.,
Member of Congress.

HOUSE OF REPRESENTATIVES,
Washington, D.C., March 17, 1976.

Hon. JAMES T. LYNN,
Director, Office of Management and Budget, Executive Office Building, Washington, D.C.

DEAR MR. LYNN: Attached, please find an article that appeared in the Los Angeles Times of February 29, 1976. The article makes several allegations concerning the behavior of one Dr. John F. Finklea while he oversaw the scientific investigations and report preparations on the sulfur oxides sections of the Community Health and Environmental Surveillance System Report, issued in 1974.

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Sincerely,

BARRY M. GOLDWATER, JR.,
Member of Congress.

HOUSE OF REPRESENTATIVES,
Washington, D.C., March 17, 1976.

Hon. HARLEY O. STAGGERS,
Chairman, Committee on Interstate and Foreign Commerce, Rayburn House Office Building

DEAR MR. CHAIRMAN: I have today requested OMB, GAO, and the EPA to immediately begin an investigation into the management and preparation of the sulfur oxide portions of the 1974 C.H.E.S.S. (Community Health and Environmental Surveillance System) Report.

An article in the February 29, 1976 Los Angeles Times, a copy of which is attached for your convenience, alleges that the Director of that portion of the C.H.E.S.S. project tampered with both the scientific data being collected and with the conclusions based on that data—deliberately—for the purpose of reaching a pre-determined conclusion.

Furthermore, the article indicates that inquiries into the validity of the study and its conclusions carefully skirted the issue of whether the scientific control standards for the project had been violated. The implications of cover-up are strong.

The Executive, Legislative and Judicial branches have relied rather heavily, and in good faith, on the conclusions and recommendations of the sulfur oxide portions of the C.H.E.S.S. Report. The Clean Air Act Amendments being considered by your Committee are in part, a product of that reliance.

I am deeply concerned that this matter be cleared up as soon as possible. For that reason, and because I do not desire to see the basically sound environmental concerns of the Congress damaged, I have asked for the investigations.

I wish to take this opportunity to urge your interest and attention in this most difficult matter.

With best wishes,

BARRY M. GOLDWATER, Jr.,
Member of Congress.

RECOMMENDATIONS ON PUBLIC POLICY AND DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE PROCEDURES

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Minnesota (Mr. FRENZEL), is recognized for 30 minutes.

Mr. FRENZEL. Mr. Speaker, if asked to estimate the number of paraplegics in the United States few Members of Congress would guess that there are over 100,000. Even fewer of us are aware that there is now hope for an eventual cure for these victims of spinal cord injuries and other neurological diseases. Scientists indicate central nervous system regeneration, previously considered hopeless, is a possibility. A strong basic research program in regeneration, would improve the likelihood that paraplegics can eventually be liberated from their wheelchairs.

Last spring, I convened a meeting of 40 individuals—neuroscientists and lay leaders—concerned with this problem. The group was optimistic, but they and their organizations urged greater material commitment to eliminate this suffering. They point out that such a cure would exceed a saving of $2 billion per year in the United States alone.

The National Institute of Neurological and Communicative Disorders and Stroke—NINCDS—a division of our National Institute of Health, is the Federal agency charged with leading the basic research effort required. At this meeting, Dr. Donald Tower, NINCDS director, described the Institute work and indicated greater funding would be necessary to realize such a cure.

I have been pleased that NINCDS recently sponsored, on behalf of its advisory council, an impressive scientific report setting the future direction for research toward a cure. This 300 page report was prepared by a task force of eminent neuroscientists. They are:

Dr. Sidney Carter (Chairman), Professor of Neurology, College of Physicians and Surgeons, New York, N.Y.

Dr. Stanley H. Appel, Professor of Medicine, Duke University School of Medicine, Durham, N.C.

Dr. Bernice Grafstein, Associate Professor of Physiology, Cornell University Medical College, New York, N.Y.

Dr. Lloyd Guth, Head, Section on Neuronal Development and Regeneration, Laboratory of Neurochemistry, NINDS, Bethesda, Md.

Dr. Frederick W. L. Kerr, Professor of Neurosurgery and Neuroanatomy, Mayo Medical School, Rochester, Minn.

Dr. Walle J. Nauta, Professor of Neuroanatomy, Massachusetts Institute of Technology, Cambridge, Mass.

Mr. Alan A. Reich, U.S. Department of State, 6017 Copley Lane, McLean, Va.

Dr. Richard L. Sidman, Chief, Department of Neuroscience, Children's Hospital Medical Center, Boston, Mass.

Dr. Silvio Varon, Professor of Biology, University of California School of Medicine, La Jolla, Calif.

EXECUTIVE SECRETARY

Dr. Eugene Streicher, Staff Scientist, NINDS, Extramural Programs, Bethesda, Md.

Mr. Speaker, because I consider this task force report so important for all paraplegics, I would like to share the report's recommendations with my colleagues. I urge their continuing support until this problem is solved. The task force recommendations are inserted here in full:

RECOMMENDATIONS ON PUBLIC POLICY AND DHEW PROCEDURES

The Task Force's recommendations to the Council fall into three general categories: High Priority Research Areas, Training, and Planning and Coordination. These recommendations flow from the more detailed position papers and workshops reported.

A. HIGH PRIORITY RESEARCH AREAS

In our search for rational therapy of neurological disorders, one of the highest priorities is to gain understanding and control of growth and regeneration in the nervous system. Advances made mainly since 1969 have shown that central nervous system axons in mammals commonly sprout or regenerate following injury, and sometimes make new synaptic connections that may transmit signals. Such growth activity is rarely sustained, and integrated function is almost never recovered except in simpler vertebrates than mammals, but there are grounds for the spreading belief that detailed investigation of the biological rules governing regenerative growth may in time give us the power to promote functionally effective regeneration in mammals, even in humans. The areas where the likelihood of progrss appears highest, given an explicit program of intensive support, are these:

1. *Axonal and dendritic elongation.* This area focuses on growth cone behavior and encompasses those mechanisms by which intrinsic and extrinsic influences channel the growth of neural processes in the correct directions during development and regeneration, often along complex routes before they reach their targets.

2. *Collateral sprouting.* Now that sprouting has been shown to occur widely in the injured brain, spinal cord, and peripheral nervous system, the major issues are definition of the extrinsic factors which initiate sprouting and the intracellular and extracellular factors which terminate it.

3. *Intraaxonal transport.* The structural bases and molecular mechanisms of intraaxonal transport are fundamentally important to uncover because of evidence that such passage of macromolecules is necessary for maintenance and sustained growth of axons. The essential issues, now becoming accessible, are how the materials required for regeneration are induced and then how they are delivered to nerve endings.

4. *Properties of neurons with damaged axons.* This area is important because some of the changes that occur after even relatively minor injuries may lead to death of the nerve cell, and some means must be found to minimize such changes. On the other hand, procedures must be sought that would selectively enhance the processes leading to increased production of materials required for axonal outgrowth.

5. *Synaptogenesis.* This previously unapproachable topic is now coming to be seen as a problem in acquisition of addresses (positional information), in cell-cell recognition, and in chemical or temporal coding mechanisms that allow specificity of contacts. In these terms, it becomes one of the most attractive problems in the mainstream of modern cell and developmental biology, and is open to analysis by the increasingly powerful methods of that broader discipline.

6. *Biology of neuroglia.* There is effective new interest in the behavior of assorted neuroglial cell types with reference to possible roles in promoting or impeding regenerative growth, in guiding growth in particular directions, and in possibly defining local synaptic territories on the surfaces of target cells.

7. *Development of systems.* Conceptual advances usually follow methodological advances. High priority must be given to development of a wide range of new experimental systems, ranging from a controllable method for making a closed spinal cord lesion in animals that would be comparable to the common types of human injuries, to simple neural cell systems *in vivo* and *in vitro* suitable for analysis of growth and regeneration mechanisms. Also needed are methods for separation of individual cell types from complex neural cell suspensions and for analysis of the mosaic molecular organization of neural cell surface membranes.

8. *Drug and hormone effects.* The powerful effects of the well-defined protein, Nerve Growth Factor (NGF), and the suggestive effects of several hormones on growth and regeneration in the central nervous system call for two types of follow-up action. One is an Institute-sponsored program to assure production and delivery to qualified investigators of such standardized products as certain types of genetically uniform laboratory animals, purified reagents, difficult to prepare uniformly, such as NGF, specific glycosidases and glycosyl transferases, antibodies, and lectins, and new prosthetic materials that might serve as potential guides for regenerating axons. The second type of necessary action, given the provision of these materials, is support of studies targeted directly on the mode of action of NGF and other extrinsic factors with the objective of increasing the prospect of extending the presently abortive sprouting and regenerative activity in the mammalian nervous system.

B. TRAINING

As research problems concerning growth and regeneration in the nervous system come into sharper focus, it is becoming clear also that relatively few of the persons now engaged in neurological research in the United States are adequately trained in those concepts and techniques of cell and developmental biology that are becoming fundamental to further progress on regeneration. At the same time, the increasing numbers of cell biologists, chemists, immunologists and others who are turning their attention to neutral growth generally lack the requisite background for something as complex and plastic as the mammalian central nervous system unless they also receive further training. Our recommendations:

1. Establish increased number of Institutional Training Awards, focusing on environments where developmental neuroscience is (or can be encouraged to become) closely integrated with the broader discipline of cell and developmental biology.

2. Establish a mechanism for the retraining of selected relatively senior professionals, e.g., via a Visiting Investigator program that would underwrite visits of 1–12 months to laboratories active in developmental neurology in general or expert in some particular pertinent technique.

3. State a particular interest in the field of nervous system growth and regeneration in fellowship announcements and other channels of information.

4. Recognize the particular dearth of expertise in the neuropathology of trauma at the present time. Historically, this has not been the most vital area of neuropathology, and yet the extraordinary advances in developmental neurobiology in recent years have made available a powerful set of new methods of microscopy and microchemistry that should be engaging the attention of the current generation of trainees in neuropathology. A few excellent training programs in the neuropathology of trauma would seem essential to produce the personnel who should form the crucial link between the experimenters working with animals and tissue cultures on the one side and the clinicians on the other side. The pathological problem of trauma to the human spinal cord and brain, and indeed the much more general problem of focal destructive disease of the nervous system, must be viewed in terms of the concepts and laboratory techniques now coming to the fore on the experimental side of developmental neurology. Yet today, it is virtually impossible to identify a single young neuropathologist in the whole country who could take a position with an academic group focusing on spinal cord injury research.

5. Reorganize and expand the staff, space and budget of the intramural regeneration research program of the NINDS in Bethesda so as to provide a training focus as well as a strong research focus. The NIH has excellent examples where an intramural program over a period of years has trained virtually all the outstanding investigators of the nation in a particular field.

C. PLANNING AND COORDINATION

1. We recommend formation of a standing advisory committee on Nervous System Growth and Regeneration to monitor research in this area and make ongoing policy recommendations to the NINDS. This recommendation is based on our recognition that the topic is fast becoming a central research theme in the neurosciences, and one of fundamental relevance to the long-range prospect of effective therapy (as opposed to prevention) of many forms of stroke, focal epilepsy, chronic multiple sclerosis, cerebral palsy, and mental retardation, in addition to traumatic injury of spinal cord and brain. Clearly the field is ripe for a push.

2. We recommend that the Institute prepare a budgetary projection, to be added to its present commitments, that would encompass its plan for promoting laboratory research programs aimed toward accomplishing effective regeneration in the central nervous system. These laboratory programs should be distributed nationally among about a dozen Centers of Excellence (Program Project size) and a much larger number of small groups and individual grantees, the latter working especially in problem areas where urgency is great and predictability is low.

3. The Institute should encourage national lay groups with interests in particular neurological diseases to recognize a common objective in promoting laboratory research on nervous systems at cellular and molecular levels in whatever species or systems may yield the most powerful understanding of normal function and disease.

4. The Institute should coordinate and partially underwrite the presently somewhat haphazard efforts to exchange ideas among neuroscientists nationally and internationally, including conferences, laboratory workshops, visiting lectureships and preparation of focused bibliographies.

Mr. Speaker, this May, I am calling a 1976 meeting, the fifth in this annual series. I am especially grateful for those Members who have participated in the past and will welcome participation by all Members again this year.

THE ASSASSINATION OF PRESIDENT JOHN F. KENNEDY

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California (Mr. HINSHAW) is recognized for 5 minutes.

Mr. **HINSHAW.** Mr. Speaker, over the past year, it has become increasingly disconcerting to me that certain established facts, with direct bearing on the assassination of former President John F. Kennedy, have been omitted from the final official report by the Warren Commission.

Hearsay evidence could not persuade me to accept this conclusion. Scant and insufficient evidence could likewise be ignored. But the regularity with which carefully documented data continually comes to light, its obvious contradictions to the Commission's published findings, and its conspicuous absence from the Warren Commission report command further responsible and thorough investigation.

While I concur with the observation that a further investigation at this time may be too tardy, it is my feeling that, in a case such as this which manifests an unmistakable omission of facts as well as an incomplete effort, the credibility of the Federal Government to conduct or even require a thorough and exhaustive study is seriously undermined. To be faced with a situation where any citizen can read for himself the errors and inaccuracies in an official report of this nature, leads those same individuals to question the resolve of the Government to dig for the truth in a multitude of other areas, and to doubt its basic commitment to the tireless search for the full and complete truth in every decision made. Daily, we are confronted with criticism by the media and press, aimed at the holes in our logic, the gaps in our data, the inaccuracies in our statements, and finally, charges against us not only of ignorance but of willful conspiracy to conceal certain information from the public. The investigation of the CIA, the enactment of the Freedom of Information Act, the current debate over nuclear regulation, and numerous other recent developments should sufficiently warn us, as Members of Congress, to pursue the truth to wherever it leads. We, as a national effort should take every criticism of the Warren Report and every piece of new information and respond in a detailed analysis to these conflicting views and information.

Again, we are facing the electorate in a year when faith in Congress and other national leadership falters. I support this resolution in an effort to establish a complete, full, and accurate public record on this specific matter, and will pledge my efforts to likewise pursue the facts on every important matter which may come to my attention on this subject.

IMPROVING FEDERAL LAW ENFORCEMENT AID

The **SPEAKER** pro tempore. Under a previous order of the House, the gentlewoman from New York (Ms. HOLTZMAN) is recognized for 30 minutes.

Ms. **HOLTZMAN**. Mr. Speaker, the Federal Government spends nearly $1 billion annually in aid for local law enforcement through the Law Enforcement Assistance Administration. LEAA programs, however, have not done enough to protect Americans from crime.

I would like to call to the attention of my colleagues testimony which I presented to the Crime Subcommittee of the House Judiciary Committee, in which I offer a number of suggestions for making LEAA a genuinely effective Federal crimefighting program:

TO MAKE LEAA A MORE EFFECTIVE WEAPON AGAINST CRIME

(Testimony of Representative ELIZABETH HOLTZMAN, before the Subcommittee on Crime of the House Judiciary Committee, March 11, 1976.)

Mr. Chairman, Members of the Subcommittee on Crime, I appreciate your giving me the opportunity to appear before you today to speak about the Law Enforcement Assistance Administration.

Certainly one of the top priorities of government at all levels must be to protect Americans from the ravages of crime—from the death, injury, and fear that it brings. While State and local governments have the primary responsibility for fighting crime, the Federal government—despite the rhetoric of the President and others—has failed to meet its own duty to aid the States and cities in this effort.

LEAA was intended to be the major weapon of the Federal war on crime, but, as testimony before this Committee has shown, it has failed to have significant impact. In 1968 Congress passed the Omnibus Crime Control and Safe Streets Act, mandating the LEAA to aid State and local governments in fighting crime. From 1969 through 1974, LEAA spent more than $3.6 billion in that effort. In that same period, according to the FBI, the crime rate increased 32% and the rate of violent crime increased 40%. This is hardly a record of achievement of which we can be proud.

I do not mean to imply that LEAA has been a total failure. Many useful projects have been funded, many improvements have been made in State and local law enforcement efforts, and many of the programs funded by LEAA offer significant promise for the future. The fact remains, however, that the average American does not feel safe walking in the streets of most cities, many Americans do not feel safe in their homes, and at least one out of every 20 Americans will be the victim of a serious personal or property crime this year.

It is clear, then, that we must make substantial improvements in Federal efforts to protect our citizens from crime.

I have introduced a bill, H.R. 12362, which constitutes a first step toward those initially needed improvements. My bill focuses on four areas of particular concern: First, the need to speed the processing and disposition of criminal cases; second, the need to evaluate LEAA-funded programs to determine whether they work; third, the problem of violent crime in our cities; and fourth, the unique vulnerability of the elderly to crime and criminals.

Perhaps the signal failure of LEAA to-date has been the lack of attention given to speeding the disposition of criminal cases. This fact has been attested to by, among others, the General Accounting Office, the Advisory Commission on Inter-governmental Relations, the American Bar Association, and the Conference of Chief Justices of the State Courts. LEAA's latest annual report shows that only 13% of fiscal year 1975 action funds were spent on the adjudication of criminal cases, and less than half of this went to the courts.

This neglect must not be allowed to continue. Probably the greatest deterrent to crime is the assurance of swift and certain punishment. Trial delay and overcrowded courts, however, make justice in America anything but swift or certain. While no reliable nationwide figures on trial delay exist, (indeed this very absence of information demonstrates the lack of attention which has been devoted to the problems), LEAA studies in Cleveland, Indianapolis, and New York City have shown that it takes an average of 7 to 8 months to bring a case to trial, not including the time consumed in the trial itself. Thus it is not surprising that many criminal cases drag on for one to two years or more, and, because we don't know which cases are tried quickly, it may well be that the most serious crimes take the longest to process. These figures should be compared with the recommendation of the National Advisory Commission on Criminal Justice Standards and Goals that trials begin within 60 days after arrest and the recommendation of the President's Crime Commission that trials be completed within 3 weeks later.

And the problem is getting worse, not better. The GAO found that criminal case backlog grew in Colorado from 3,409 cases in 1969 to 5,429 in 1972, in Massachusetts from 18,306 cases in 1969 to 33,194 in 1972. Chief Justice Walter McLaughlin at the Superior Court of Massachusetts testified before the Senate that this backlog had grown to 38,933 by 1975. Indeed, if LEAA does increase police effectiveness, without dealing with trial delay, the result will be no reduction in crime but only greater backlogs.

Society pays for trial delay and crowded court calendars in a number of ways. Defendants released on recognizance or bond may commit additional crimes during the lengthy waiting period. Witnesses move away, become unwilling to testify, or simply forget. Prosecutors agree to plea bargain which results in reduced sentences or probation for the most serious of crimes. Police become disgusted as they see criminals repeatedly returned to the streets with a slap on the wrist or less. Innocent defendants who cannot raise bond are kept in overcrowded jails, for lengthy stays at public expense.

Added to all of these consequences is the mockery which trial delay makes of our criminal justice system, convincing police, defendants, and the public at large that so-called "justice" is simply a game to be played and beaten.

My bill makes an important start in focusing Federal efforts on this problem. It makes reducing criminal case backlog and trial delay a specific objective of the LEAA program, and requires that both LEAA and the States give special emphasis to these goals. The bill also requires that one-third of part C discretionary funds be used for speedy trial programs. Thus, LEAA will be mandated to compensate for its prior neglect of the delays in the criminal trial process. Finally, the bill assures that the courts will be represented on State planning agencies by requiring that at least two members of each SPA come from persons nominated by a State's chief justice.

These steps can and should be taken right away. They will move us towards the goal of providing swift and sure justice for defendants and society at large.

The second chief focus of my bill is on improving the evaluation of LEAA-funded programs. The shocking fact is that after 8 years and more than $4 billion in Federal expenditures, LEAA has no idea whether the programs it paid for have worked. Study after study, report after report, have shown that LEAA projects have not been evaluated for their impact on crime or whether they achieved the goals set for them. In fact, LEAA does not even know what all of its money has been spent for.

The LEAA program was intended first to encourage States to create comprehensive plans for reducing crime and improving law enforcement; second, to fund new and innovative approaches to these problems; and third, to enable States to implement useful programs for improving law enforcement. Because neither State plans nor the projects contained in them are evaluated, however, we simply do not know whether the existing State plans offer the promise of reducing crime, or which innovative projects have been successful and should be repeated, or what steps a State can take to improve its efforts against crime.

In the words of Victor L. Lowe, director of the General Government Division of the GAO: "Are we any closer now, after 8 years of the LEAA program, to knowing why the crime rate increases, and what to do to reduce it? We believe the answer is no".

A brief look at one of the programs LEAA has evaluated illustrates how serious the problem is. From 1972 through 1975 LEAA spent $140 million on a high impact anti-crime program in 8 cities. LEAA also spent $2.4 million on a national-level evaluation of the program. In the words of LEAA's own evaluators: "Evaluation planning at the national-level took place during November and December of 1971. Given the short time-frame, however, it proved impossible to establish an evaluation plan for the national-level evaluation (outcome objectives, for example, were never operationally defined)".

And, further on, the evaluation report says:

"All of these considerations necessarily signified the renunciation of any experimental or quasi-experimental design for the national-level evaluation, and the decision was taken to concentrate on process rather than outcome".

In other words, this $2.4 million evaluation of a $140 million program was not intended to find out whether the program worked, but only to find out what the program did and how it did it.

As a result, in the High Impact program, $2 million was spent buying helicopters for Atlanta, Baltimore and Dallas, with no idea of whether those helicopters were at all useful. Nearly $7 million was spent to improve police response time in Cleveland, Dallas, Newark, and St. Louis, but no one knows whether police response times actually improved.

It is clear, Mr. Chairman, that in the interests of both fighting crime and of assuring that Federal tax dollars are not simply going down the drain, greatly increased evaluation of LEAA programs and projects is absolutely necessary.

My bill contains several provisions to improve LEAA evaluation efforts. State plans for the expenditure of block grant, corrections, and juvenile justice funds are required to provide for the development and implementation of evaluation procedures. This provision not only mandates that evaluations be done, but makes it clear that block grant funds can and should be used for this purpose.

In addition, if a State wishes to develop a uniform statewide evaluation program, it may do so with up to 10% of its part C funds exempted from the requirement of mandatory pass-through to localities. This provision, recommended by the GAO in testimony before this Committee, encourages uniform, central evaluation.

The bill directs the National Institute of Law Enforcement and Criminal Justice to develop uniform procedures for making and reporting evaluations. This will allow comparison of the effectiveness of projects from different States and localities.

The Institute is also mandated to receive evaluations of all programs and projects, to make such evaluations as it deems advisable, and to compile and circulate among the States information about successful programs. Thus, a State planning agency will be able to learn whether a project it is contemplating has been used with success elsewhere, and will also have valuable source of promising future projects. It will also know what has failed, and thus, what to avoid.

I would note, too, Mr. Chairman, that by making the Institute—which is the professional rather than bureaucratic side of LEAA —responsible for evaluation, my bill provides the maximum of technical assistance to the States with a minimum of red tape and interference.

Finally, the bill requires that LEAA report to the Congress and the President about its efforts. Thus, we will be able to learn regularly how its programs are working and what changes are necessary.

The third major feature of my bill is the creation of a program of aid to urban areas which have high rates of so-called "high fear" crimes—homicide, rape, aggravated assault, robbery and burglary. The need for a special effort in major metropolitan areas is obvious. According to the FBI, standard metropolitan statistical areas with populations over 250,000 have a rate for violent crime that is 22% higher than the overall national rate, more than twice as high as the rate in small cities, and nearly four times as high as the rate in rural areas.

The "high fear" crimes are those which are the greatest direct threat to most Americans and they deserve special attention. In addition, by focusing LEAA funds—$100 million annually—on a limited number of crimes in a limited number of areas, the program will hopefully have a substantial impact.

While this provision is based on the High Impact program I referred to earlier, which has not been as successful as it should have been, I am hopeful that the increased funding and stepped up evaluation provisions contained in my bill will give the program a real impact on the areas most affected by serious crime.

The prevention of crimes against the elderly is made a specific objective of LEAA aid under my bill. No segment of the population is more vulnerable to crime than elderly people who frequently live alone, often in declining neighborhoods, and who are least able to avoid or resist being victimized. In addition, an elderly person can often least afford the financial loss or physical injury which result from crime. Thus, the elderly person must be a special concern of LEAA crime prevention efforts.

Finally, my bill removes the restriction that no more than one-third of an LEAA grant may go to personnel costs. This limit has contributed to LEAA's fondness for hardware—for helicopters, surveillance equipment, wrist heart monitors and other Dick Tracy devices. The restriction is unnecessary and should be removed.

I would stress, Mr. Chairman, that H.R. 12362 is only the beginning toward making LEAA an effective crime-fighting program. The provisions which I have discussed today are, in my opinion, the irreducible minimum of improvements that are needed to have an impact on crime and assure Federal taxpayers that their money is being sensibly spent. A far more extensive revision of LEAA is desirable, although the pressure under which this Committee is operating makes that not a practical goal at this time. I intend within the next few days to introduce legislation to make such a revision. I would like, Mr. Chairman, to outline briefly the major aspects of this proposed legislation.

One of the chief problems with LEAA is that its efforts have been diffused across the entire range of law enforcement and criminal justice activities. Because LEAA accounts for only 5 percent of nationwide law enforcement expenditures, it has not been able to have a significant impact. Any serious overhaul of LEAA has to remedy this by focusing its efforts on the most serious problems in law enforcement.

Thus, my proposed bill targets LEAA funding on three critical crime problems.

The bill makes an all-out attack on crowded courts and trial delay by allocating 40 percent of LEAA action funds to solve those problems. It would require States, in order to receive these funds, to develop multiyear plans for expediting the processing of criminal cases. It would treat the criminal trial process as a whole, providing funds for courts, prosecutors, defenders, and supporting agencies. This unified approach should ensure that no single component of the process becomes a bottleneck.

An Office for Speedy Trial would be created within LEAA to coordinate and monitor State efforts, to provide technical assistance, and to determine whether programs are working.

Two important protections are built into the speedy trial section. First, courts would participate in coordinated planning, but would receive funding independently of the State planning agency. Second, the States in which trial delay is not a problem would be permitted to use speedy trial funds as regular part C block grant monies.

Thus, without unnecessarily restricting any State, LEAA can undertake a massive effort to improve our criminal justice system.

The bill's second major focus is on juvenile crime. Juveniles commit half the serious crime in America. According to LEAA, the peak age for arrest for violent crime is 18 years, followed by 17 and 16 years. The peak age for arrest for major property crimes is 16 years, followed by 15 and 17 years.

Juvenile crime is increasing at a terrifying rate. For example, according to the FBI, from 1973 to 1974 arrest of persons under the age of 18 increased 9 times faster than arrests of persons 18 and over.

The criminal justice system has been totally unable to cope with juvenile offenders. It does not know how to rehabilitate them. It does not have adequate treatment facilities or alternatives to incarceration.

Instead, the criminal justice system simply washes its hands of juvenile offenders. For example, while more than 25,000 juvenile arrests were made in New York City in 1975—including 6,700 for murder, rape, armed robbery, and felonious assault—fewer than 900 juveniles are now in the custody of State or privately run institutions. The rest are back on the street, presenting a continuing threat to the public.

Thus, LEAA must address juvenile crime and make a strenuous and sustained effort to control it. My bill will build on the Juvenile Justice and Delinquency Prevention Act of 1974. It assures that at least 15% of LEAA funds go to reduce delinquency and improve juvenile justice. It subjects programs in these areas to rigorous evaluation and reporting requirements. I am hopeful that these improvements will end the shameful and destructive neglect of juvenile crime.

The bill builds on the increased evaluation requirements of H.R. 12362, on the assumption that as evaluation becomes a normal component of all LEAA projects, it will be more useful. In addition, the bill requires, beginning in the fiscal year 1979, that each State spend at least 25% of its block grant, corrections, and juvenile crime funds on programs that have already proven to be effective. Thus, while innovation remains a chief goal of LEAA, assurance is provided that same funds will be spent on programs that are already known to work. Part E corrections programs would be continued under the new program, and the bill continues the High Fear Crime program of H.R. 12362.

We must recognize that trying to do everything at once often produces nothing. Therefore, Congress should define certain broad areas for the concentration of effort. Within those areas, Congress should not tell States what to do, but only provide assistance to allow them to find approaches that work.

Part C—the block grant section—provides additional funds so that States can meet their own particular needs. My bill, therefore, removes the "laundry list" of objectives in Part C. In addition, because the priorities contained in my bill may not be relevant to a particular State, the bill allows a waiver of earmarking requirements.

Finally, Congress should reconsider the LEAA program in three years to determine whether a shift in national priorities is needed.

These are the directions in which, I believe, LEAA must go in order to have the maximum impact in fighting crime. I realize, Mr. Chairman, that these are major changes and will require most careful consideration by this Committee. I also understand that the many months this Subcommittee and the full Judiciary Committee have spent trying to place some sensible and essential restrictions on the availability of handguns, have made it impossible to undertake a thorough revision of LEAA before the program expires.

For these reasons, I urge you to pass H.R. 12362, which contains the essential improvements I described earlier, but which only extends the LEAA program through the fiscal year 1977.

I hope this Committee will then turn its attention to a major restructuring of LEAA, hopefully along the lines I have suggested. It should be noted that Senator Kennedy has introduced the major LEAA reform effort in the Senate, and while his approach differs from that I will take in the bill I intend to introduce next week, it is an important effort and merits most serious consideration.

In conclusion, Mr. Chairman, I would note that whether this Committee at a later date ultimately chooses the approach suggested by Senator Kennedy, by myself or a different approach altogether, I believe that H.R. 12362 is compatible with, and an important precedent to any major improvement of LEAA. The changes H.R. 12362 recommends, while simple, are essential to beginning a genuinely effective Federal war on crime. I hope this Committee will act on it quickly.

MILITARY SALES TO EGYPT SHOULD REQUIRE CONGRESSIONAL APPROVAL

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Connecticut (Mr. Cotter) is recognized for 5 minutes.

Mr. COTTER. Mr. Speaker, I am concerned that proposed military sales to Egypt may upset the precarious balance of power between Israel and her Arab adversaries.

In addition to an initial sale of six C–130 transport planes, the administration reportedly intends to provide Egypt with a comprehensive arms package that will include tactical fighter planes, helicopters, antitank missiles, and communications equipment. By themselves, these items might not change the balance of power, but what will be their effect in combination with future Egyptian purchases of British and French hardware?

Certainly, the present government in Cairo has done much to reduce tensions in this troubled part of the world. If limited and symbolic sales to Egypt can strengthen Mr. Sadat's position, it may be in our interest to allow these sales to take place. But the administration's reported arms deal does not look very symbolic to me: it looks like the beginning of a major resupply effort for the Egyptian Armed Forces and a potentially disabling factor.

Therefore, I believe that no sales to Egypt should be approved until Congress has sufficient time to weigh their impact on Israel's security. Under legislation I am proposing no Government or commercial military sale to Egypt would take place unless Congress passed an act to approve the sale.

In the case of Egypt, this legislation will considerably expand Congress limited veto power over foreign military sales. Under present law, Government sales of military equipment or services over $25 million are contingent on prior notification to Congress and a 20-day waiting period. The International Security Assistance Act, now in conference, would include commercial sales in this category and extend the waiting period to 30 days.

However, I believe we should have more control over future sales to Egypt than the new act will provide. The potential consequences of sales to this country are so significant that full and open debate is needed. In other words, these sales should require enabling legislation from Congress. Where the future security of Israel is concerned, we cannot be too cautious.

HON. FLORENCE DWYER

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New Jersey (Mr. Hughes) is recognized for 5 minutes.

Mr. HUGHES. Mr. Speaker, although I did not have the honor and privilege of serving in the Congress with Representative Florence Dwyer, I feel that I have come to know her by the splendid record that still remains here.

She achieved much during her 16-year tenure and reached the position of ranking minority member on the House Banking and Currency Committee. She took a special interest in those issues most vital to New Jersey, and was a leader in increasing Federal aid for mass transit.

Her loss brings a special sorrow to me as I know it does my colleagues from New Jersey and the rest of the Nation.

WOMEN'S VOCATIONAL EDUCATION AMENDMENTS OF 1976

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from New York (Ms. Abzug) is recognized for 15 minutes.

Ms. ABZUG. Mr. Speaker, today I am introducing a bill to assure equal educational opportunities in vocational education programs for women. Congress has made a commitment to providing equal educational opportunity to women through enactment of title IX of the Education Amendments of 1972 and the Women's Educational Equity Act in 1974. This legislation will fill a gap by addressing the special needs of women in vocational education. Vocational education programs have not encouraged women to secure nontraditional better paying jobs. Rather, most vocational programs follow traditional sex role lines, preparing women for jobs in the home economics, office training, and health occupations.

Women now account for 39 percent of the civilian labor force, yet they continue to be concentrated in fewer occupational categories than men. These jobs are found at the lower end of the pay scale and provide little opportunity for advancement. According to 1974 Labor Department statistics, the majority of clerical and service jobs are held by women. For example, women comprise 98 percent of private household workers, 78 percent of clerical workers, and 59 percent of service workers. The average salary for women in the previous year was $6,340 as compared to over $11,000 for male full-time workers. Rather than perpetuating these distinctions vocational education programs should be a tool for preparing women to enter the many higher paying, traditionally male-dominated fields.

There is ample evidence to demonstrate that vocational education has not been concerned with advancing the needs of women. Almost half of the girls and women in public vocational education are still being trained in home economics and more than one-fourth are being trained in office practices. A survey conducted by the Office of Civil Rights identified 21 single sex area vocational schools, despite the title IX requirement to the contrary.

A 1974 General Accounting Office report on vocational education noted that several States have practices which could discourage women from enrolling in nontraditional programs. For example, course descriptions with pictures of only one sex reinforce traditional job stereotypes and sometimes "female" courses are housed in one building and "male" courses held in another.

Moreover, in high administrative levels in this field women appear in only token numbers. In a random sample of 400 area vocational school directors, men comprised 93 percent of the directors.

This legislation would require each State to set up an office for women within its vocational education agency. It would be responsible for reducing sex stereotyping in all vocational education programs by gathering and disseminating data on the status of women and men students and employees in the program; reviewing the programs for sex bias; reviewing grants to assure that the needs of women are addressed; monitoring the implementation of laws prohibiting sex discrimination in employment; assisting local educational agencies in improving educational opportunities for women; and reviewing the annual State plan and submitting recommendations to overcome sex stereotyping.

In addition, special assistance will be given to programs in counseling, curriculum development, materials, research, and training which are designed to overcome sex bias in vocational education programs and support services.

The bill also calls for balanced representation on both the National Advisory Council on Vocational Education and on State advisory councils on the basis of race, color, sex, and national origin.

This bill will advance the full participation of both sexes in vocational education and will prepare our women and men for meaningful and decent paying jobs in our society. I would like to take this opportunity to print the text of this bill which has already been introduced in the Senate by Senator Walter Mondale.

Text follows:

H.R. 12616

A bill to amend the Vocational Education Act of 1963 to assure equal educational opportunities in vocational education programs for individuals of both sexes and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Women's Vocational Education Amendments of 1976".

Sec. 2. Section 101 of the Vocational Education Act of 1963 is amended by inserting before the word "and" the second time it appears in such section a comma and the following: "to develop and carry out programs of vocational education within each State so as to overcome sex discrimination and sex stereotyping in all occupations (including the occupation of homemaking), and thereby furnish equal educational opportunities in vocational education to persons of both sexes".

Sec. 3. (a) Section 104(a)(1) of the Vocational Education Act of 1963 is amended by redesignating clauses (F) and (G) as clauses (G) and (H), respectively, and by inserting immediately after clause (E) the following new clause:

"(F) familiar with the special experiences and special problems of women and problems of sex stereotyping in vocational education,".

(b) Section 104(a)(1) of such Act is further amended by inserting after the second sentence thereof the following new sentence: "In making appointments under this paragraph the President shall assure that there is a balanced representation on the National Council on the basis of race, color, sex, and national origin.".

(c) Section 104(b)(1)(A) of such Act is amended by redesignating subclauses (viii) and (ix) as clauses (ix) and (x), respectively, and by inserting immediately after clause (vii) the following:

"(viii) familiar with the special experiences and special problems of women and problems of sex stereotyping in vocational education,".

(d) Section 104(b)(1) of such Act is amended by inserting at the end thereof the following new sentence: "In making appointments under this paragraph the Governor or the State board, as the case may be, shall assure that there is a balanced representation on the State Advisory Council on account of race, creed, color, sex, and national origin so that the Council is representative of the population of the State which that council will serve.".

Sec. 4. Section 122(a)(6) of the Vocational Education Act of 1963 is amended by inserting "(A)" after "(6)" and by adding at the end thereof the following new subclause:

"(B) vocational guidance and counseling training designed to acquaint guidance counselors with (i) the changing work patterns of women, (ii) ways of effectively overcoming occupational sex stereotyping, and (iii) ways of assisting girls and women to select careers solely on their occupational needs and interests, and to develop improved career counseling materials which are free;".

(b) Section 122(a) of such Act is further amended by—

(1) striking out "and" at the end of clause 7,

(2) redesignating clause 8 as clause (B), and

(3) inserting immediately after clause 7 the following:

"(8)(A) the development of curriculum and guidance and testing materials and for inservice training programs designed to overcome sex bias in vocational education programs, and support services designed to enable teachers to meet the needs of individuals enrolled in vocational education programs traditionally limited to members of the opposite sex;".

Sec. 5. (a) Section 122 of the Vocational Education Act of 1963 is amended by adding at the end thereof the following new subsection:

"(d)(1) In addition to the amounts appropriated pursuant to section 102, there are authorized to be appropriated $5,000,000 for each fiscal year in order to establish within the State board or any appropriate agency of the State, an office for women. Each such office shall assist the State board in fulfilling the purposes of this Act by—

"(A) taking such action as may be necessary to create awareness of programs and activities in vocational education that are designed to reduce sex stereotyping in all vocational education programs;

"(B) gathering, analyzing, and disseminating data on the status of men and women students and employees in the vocational education programs of that State;

"(C) developing and supporting actions to correct any problems brought to the attention of that office through activities carried out under clause 2 of this sentence;

"(D) reviewing the distribution of grants by the State board to assure that the interests and needs of women are addressed in the projects assisted under this Act;

"(E) reviewing all vocational education programs in the State for sex bias;

"(F) monitoring the implementation of laws prohibiting sex discrimination in all hiring, firing, and promotion procedures within the State relating to vocational education;

"(G) reviewing and submitting recommendations with respect to the overcoming of sex stereotyping and sex bias in vocational education programs for the annual State vocational education plan;

"(H) assisting local educational agencies and other interested parties in the State in improving vocational education opportunities for women; and

"(I) developing an annual report on the status of women in vocational education programs in the State and furnish the report to the State Commission of Vocational Education, the State board, the State and National Advisory Councils on Vocational Education, the State Commission on the Status of Women, and the Commissioner.

Each report prepared and submitted under clause I of this subsection shall be made available to all interested persons. Each such report shall contain the self-evaluations required by regulations implementing title 9 of the Education Amendments of 1972 of institutions receiving Federal assistance.

"(2) From the funds appropriated to carry out this subsection each State shall receive $100,000 in each fiscal year in which an office for women has been established in accordance with this subsection.

"(3) For the purpose of this subsection, the term 'State' means the several States and the District of Columbia.".

(b) Section 123(a)(2) of such Act is amended by inserting before the semicolon a comma and the following: "and establishes an office for women as an agency of such board in accordance with the provisions of section 122(d)".

Sec. 6. (a) Section 123(a) of the Vocational Education Act of 1963 is amended by redesignating paragraphs (17) and (18) of such section as paragraphs (18) and (19), respectively, and by inserting immediately after paragraph (16) the following new paragraph:

"(17) sets forth the conduct of a thorough study of the policies, procedures, materials, and administrative procedures that the State will follow in vocational education programs so as to permit equal access to such programs by both men and women, including (A) a detailed description of the policies and procedures to be followed, (B) actions that will be taken to overcome sexism in all vocational education programs, (C) incentives which will be provided to local educational agencies to develop model programs to reduce sex sterotyping in all occupations and provides for making the results of study required by this paragraph available to the public;".

(b)(1) Section 123(a)(18) (as redesignated by subsection (a) of this section) is amended by inserting after the word "title" a comma and the following: "including statistical reports of enrollments in vocational education programs by sex, by race, by type of program, and by level of educational achievement.".

(2) Section 123 of such Act is amended by adding at the end thereof the following new subsection:

"(e) For each fiscal year beginning after fiscal year 1976, the Commissioner shall prepare and make available to the public the statistics for each State submitted pursuant to paragraph (18) of subsection (a) of this section.".

(c) Section 123(b) of such Act is amended by inserting "(1)" after "(b)" and by adding at the end of such section the following new paragraph:

"(2) Beginning in fiscal year 1976, and for each fiscal year thereafter, the Commissioner shall not approve a State plan submitted under this section until he has received assurances that the office for women established by the State pursuant to section 122(d) has reviewed the plan, and that the State board has given due consideration to the needs of female students and the State board provides assurances that all vocational education programs described in the plan are designed to attract individuals of both sexes and that no sex stereotyping exists in such programs.".

Sec. 7. (a) Section 132 of the Vocational Education Act of 1963 is amended by inserting "(a)" after the section designation, and by adding at the end thereof the following new subsection:

"(b) In making grants and entering into contracts under section 31(a), the Commissioner and the State board shall give priority to programs and projects designed to reduce sexual stereotyping in vocational education.".

(b) The section heading of such section 132 is amended to read as follows:

"USES OF FEDERAL FUNDS; PRIORITY"

Sec. 8. Section 143(b) of the Vocational Education Act of 1963 is amended by redesignating paragraph (4) of such section as paragraph (5) and by adding after paragraph (3) the following new paragraph (4):

"(4) In making grants or entering into contracts the Commissioner or the State board, as the case may be, shall give priority to programs and projects designed to reduce sex sterotyping in vocational education.".

Sec. 9. (a) Section 161(a)(1) of the Vocational Education Act of 1963 is amended to read as follows:

"Sec. 161. (a) (1) There are authorized to be appropriated for the fiscal year ending June 30, 1976, $60,000,000, for the period beginning July 1, 1976, and ending September 30, 1977, such sums as may be necessary and for each fiscal year thereafter, $75,000,000, for the purposes of this part. From the sums appropriated pursuant to this paragraph for each fiscal year 1976 and each fiscal year thereafter the Commissioner shall reserve 10 per centum of the sums appropriated pursuant to this paragraph for each fiscal year for demonstration and model programs in family life education authorized under section 163, and from the remainder of such sums the Commissioner shall allot to each State an amount which shall be computed in the same manner as allotments to States under section 103, except that for the purposes of this section, there shall be no reservation of 10 per centum of such remainder for research and training programs and 100 per centum of the amount of the remainder of the amount appropriated pursuant to this section shall be allotted among the States.".

(b) Section 161 of such Act is amended by striking out subsection (b) and by redesignating subsection (c) and subsection (d) of such section as subsection (b) and subsection (c), respectively.

Part K—Special Grants To Assist in Overcoming Sex Bias

AUTHORIZATION OF APPROPRIATIONS

Sec. 199. There are authorized to be appropriated, to carry out the purposes of this part, $5,000,000 for the fiscal year commencing July 1, 1976, and ending July 1, 1977, and for each subsequent fiscal year.

PROGRAM AUTHORIZATIONS

Sec. 199A. (a) The Commissioner is authorized to pay the Federal share of supporting activities which show promise of overcoming sex stereotyping and bias in vocational education.

(b) The Federal share shall not exceed 75 per centum of the cost of the application.

TRIBUTE TO FLORENCE P. DWYER

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from North Carolina (Mr. FOUNTAIN) is recognized for 5 minutes.

Mr. FOUNTAIN. Mr. Speaker, I want to join with other Members in paying tribute to the late Florence P. Dwyer.

It was my privilege to work closely with Mrs. Dwyer during her entire 16 years in the House of Representatives. We served together on the Committee on Government Operations and its Intergovernmental Relations Subcommittee from the time she first came to Congress.

Mrs. Dwyer was cosponsor with me of the 1959 legislation to establish the Advisory Commission on Intergovernmental Relations, and we served together as members of the Commission until she left the Congress.

Mrs. Dwyer's work on both the subcommittee and the Commission helped greatly in strengthening the position of the States and their local governments in our Federal system.

As ranking member of the subcommittee and of the Committee on Government Operations, she worked tirelessly and effectively to promote greater efficiency and economy in the administration of Federal programs. She was justifiably regarded as a leading champion of consumer interests.

During the 16 years I served with her, I had a firsthand opportunity to observe the uniformly dedicated and capable manner in which Flo Dwyer served her constituents and the Nation. She invariably worked constructively and cooperatively in the public interest, without regard to partisan considerations.

Flo Dwyer richly deserved the respect and admiration accorded her by her constituents and her colleagues.

She will be missed.

NEW PERSPECTIVES IN HEALTH CARE FOR OLDER AMERICANS

(Mr. PEPPER asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. PEPPER. Mr. Speaker, together with other members of the Subcommittee on Health and Long-Term Care of the House Select Committee on Aging, I am today introducing a package of 12 bills which would implement the recommendations of our subcommittee's recent report, "New Perspectives in Health Care for Older Americans."

As chairman of the subcommittee, I want to express my deep gratitude for the dedication and hard work placed into the report by all the members of the subcommittee. In addition, the report reflects the excellent suggestions of a number of members of the full House Select Committee on Aging, which approved the report on January 28.

Our subcommittee's report, "New Perspectives in Health Care for Older Americans," is based on hearings over the last 8 months, the testimony of 182 witnesses, and subcommittee surveys of 800 organizations with expertise in health of the elderly.

The report focuses on the extreme fragmentation of health services, the very serious unmet need for home health services, the need to reduce costly and often inappropriate institutionalization, and improved methods of achieving quality patient care.

The subcommittee's recommendations emphasize the need to alter the Nation's current orientation of an acute medical crisis episodic model, to a preventive, health-social model, allowing the elderly to function as healthy, productive citizens in the community.

The recommendations include:

Extension of home health benefits and eligibility under medicare and medicaid as a cost-effective alternative to expensive institutionalization;

Additional appropriations for home health;

The inclusion of comprehensive home health care in any national health plan;

Implementation of the 1971 White House Conference on Aging's home health recommendations calling for a comprehensive, effective program of widely available homemaker and home health services in any Federal health and welfare programs;

New incentives for the development of outpatient clinics specializing in—but not exclusively for—geriatrics;

Incentives for multipurpose senior centers providing health, nutritional, recreational, and social services;

Consolidation of fragmented health programs within HEW by creating an Assistant Secretary for Elderly Health;

Placing under the jurisdiction of the proposed new Assistant Secretary for Elderly Health all long-term care interagency task forces, thereby ending the current structural conflict of interest of the Office of Nursing Home Affairs' coordination of HEW's interagency home health task force; and

A new House committee on health to remedy current congressional and statutory fragmentation.

Initial membership for the proposed new standing committee would be drawn from the various current House health subcommittees—six from Ways and Means, six from Interstate and Foreign Commerce, and three from Education and Labor. As an interim solution to the current jurisdictional dispute over national health insurance, the subcommittee has strongly urged the Committee on Ways and Means and the Committee on Interstate and Foreign Commerce to hold joint rather than separate hearings on that subject.

The report states that during the subcommittee's hearing on auditing of nursing homes, testimony revealed that 20 States had not audited a single medicaid nursing home since 1967 and that hundreds of thousands of dollars had been inappropriately spent in those that had been audited. The subcommittee has recommended federally supervised, unannounced, onsite audits of federally funded nursing homes on at least a random basis.

The report lists areas the subcommittee intends to investigate during the coming year, including the Federal life safety code, institutionalization of the mentally impaired elderly, the escalating cost of medical services to the elderly, HEW's decisionmaking process in developing long-term care regulations, recent cutbacks in State medicaid health services for the elderly, and important questions relating to nursing homes. The framework for these investigations will be the development of a continuum of integrated, quality care for the elderly providing a spectrum of services to meet preventive, acute medical, and health-social needs.

The recommendations focus on the need for a national health-social model, rather than a purely acute-medical one, and both incremental and long-range solutions are included. The report states that alternatives within the recommendations regarding home health care and innovative alternatives to institutionalization are offered to furnish each of the legislative committees with jurisdiction over the particular matter the fullest possible range of legislative options to accomplish the goals cited in the report.

The subcommittee considered the question of the cost of the proposed recommendations. It concluded that the proposals to end proliferation and fragmentation could reduce cost. The proposals providing home health care to persons inappropriately institutionalized would reduce costs—testimony before the subcommittee indicated by as much as $700 million nationwide—nursing homes are a $9 billion industry. Provision of care to additional persons who would apply for home care but who would enter nursing homes only as a last resort would cost, but much of this cost would be saved by the fact that, in the future, many persons will be able to avoid institutionalization or decrease the length of stay. While some experts say there will even be an overall saving, the evidence does tend to indicate there will be an increase in cost because of an increase in the number of persons who will seek the more humane benefits to be provided.

During the coming year, the subcommittee will continue to analyze the cost and savings implications of the recommendations.

Even if there is to be an increase in costs, the subcommittee believes that the elderly of the Nation deserve far better health care than they are now receiving. An affluent society is obligated to undertake the responsibility to minimize the illness and suffering of its aged population.

The majority and minority staffs of the subcommittee and the full committee members worked together in creating the report. The National Council of Senior Citizens, instrumental in the creation of medicare in 1965, has written a letter saying that—

> Our Subcommittee has produced a creative and productive set of recommendations.

The American Personnel and Guidance Association has stated as follows:

> The new initiatives cited in this report promise new functioning for the infirm and lonely, and the type of humane treatment that all Americans should be able to expect once they achieve senior citizen status. The National Cancer Foundation has praised the report because, quoting, "In very few in-

> stances are the elderly cancer patients in our caseload in need of or eligible for the kind of home health services that are covered by Medicare. More commonly they need some kind of help in the home."

The National Association of Retired Persons and National Retired Teachers' Association have provided invaluable assistance as the report has developed.

During the coming year the subcommittee will work toward implementation of the proposed recommendations. The recommendations, based on the data available to the subcommittee to date, will be continuously analyzed. Additional and possibly revised recommendations will be offered in future reports as further investigations and new documentation may direct.

This report represents an initial step in the efforts of this subcommittee to assess the health needs of the elderly.

The subcommittee hopes that the Congress will consider the legislative recommendations, and that the enactment of the recommendations will lead to alteration of the fragmented approach of the past, which has kept hundreds of thousands of older Americans inappropriately institutionalized and has denied to still others adequate health care.

The subcommittee made 22 recommendations, four of which were administrative proposals to the Department of Health, Education, and Welfare. The legislative recommendations are reflected both in the bills we are introducing today, and in three additional bills already introduced in the House by Representative Edward Beard of Rhode Island, Representative Edward Koch of New York, and myself.

The new legislation I am introducing today would—

Amend the Older Americans Act of 1965 to authorize funds for the establishment and operation of multipurpose senior centers;

Make a supplemental appropriation for payments under home health service grants and make an appropriation for payments under multipurpose senior center grants;

Amend the National Housing Act and other acts for the purpose of providing assistance for outpatient geriatric clinics and for multipurpose senior centers;

Amend the Internal Revenue Code of 1954 to allow a deduction to taxpayers who contribute the right to use certain real property to charitable organizations for outpatient geriatric clinics or for multipurpose senior centers;

Amend title XX of the Social Security Act to provide for the reallotment of unused social services funds, in any fiscal year, to States which will use such funds during the succeeding year in furnishing services aimed at preventing or reducing inappropriate institutional care by making home or community care available; to provide additional Federal matching for multipurpose senior center programs; and to provide for the standardization of eligibility requirements for the funding of senior centers;

Amend the Older Americans Act and the Public Health Service Act to provide expanded counseling assistance for the elderly sick and disabled;

Amend the Legal Services Corporation Act to provide legal assistance to older persons in connection with their participation in certain health insurance and medical assistance programs under the Social Security Act;

Establish within the Department of Health, Education, and Welfare a home health clearinghouse to provide elderly persons with a single place where they can obtain complete information on the Federal health programs available to them, and create within the Department an Assistant Secretary for Elderly Health with responsibility for all health and health-related matters involving the elderly;

Amend the Rules of the House of Representatives to create a standing committee to be known as the Committee on Health;

Amend the Social Security Act to prohibit nursing homes participating in the medicare or medicaid program, or otherwise receiving funds under that act, from requiring patients to turn over their social security benefit checks after giving reasonable advance notice of their intent to leave such homes;

Amend title XVIII of the Social Security Act to remove all limits on the number of home health visits for which payment may be made under both part A and part B—eliminating the requirement of prior hospitalization in the case of home health care under part A—to include additional types of services as home health care, to provide coverage for preventive care and various related items and services under part B, to provide coverage for services furnished in outpatient rehabilitation facilities and elderly day care centers, and to improve the administration of the medicare program; and

Promote the provision and availability of necessary health services for the elderly by expanding existing programs of grants for home health services, requiring the inclusion of specified preventive and home health services under the medicaid program and making various improvements in the administration of such program, providing assistance to demonstration and pilot projects for home health and supportive services—including demonstration grants for community care, and authorizing grants for annual health fairs and mobile geriatric health units.

In addition, my earlier bill, H.R. 1354, would amend title XVIII of the Social Security Act to provide long-term care services as a part of the supplementary medical insurance program, and encourage the creation of community long-term care centers to assist in providing such services.

H.R. 8733, introduced by Representative Edward Beard, would amend title XIX of the Social Security Act to require the Secretary of Health, Education, and Welfare to conduct an annual audit of each hospital, nursing home, and other institutional facility participating in the medicaid program and each State or local agency distributing medicaid funds, and amend title XVIII of such act to require annual audits of providers of services under the medicare program.

H.R. 10422, introduced by Representative Edward Koch, would amend part B of title XVIII of the Social Security Act to broaden the coverage of home health services under the supplementary medical insurance program and remove the 100-visit limitation presently applicable thereto, eliminate the requirement that an individual need skilled nursing care in order to qualify for such services, amend part A of such title to liberalize the coverage of post-hospital home health services thereunder, amend title XIX of such act to require the inclusion of home health services in a State's medicaid program and permit payments of housing costs under such a program for elderly persons who would otherwise require nursing home care, and provide expanded Federal funding for congregate housing for the displaced and the elderly.

RESOLUTION ON BEHALF OF VALENTYN MOROZ

(Mr. KOCH asked and was given permission to extend his remarks at this point in the Record and to include extraneous matter.)

Mr. KOCH. Mr. Speaker, today Congresswoman Millicent Fenwick and I are introducing a resolution directed at briging Valentyn Moroz, now a Soviet prisoner, to the United States this year. The Koch-Fenwick resolution calls upon the President of the United States to urge the U.S.S.R. to permit Moroz to accept an invitation extended him by Harvard University to join the Harvard Ukrainian Research Institute for the academic year 1976–77. The resolution recalls to the Soviet Union that it signed the Helsinki Accord promising to facilitate "wider travel by their citizens for personal or professional reasons."

Valentyn Moroz is a renowned Ukrainian historian. He is the symbol of the Ukrainian struggle for maintenance of a cultural identity against Russian domination. His crime, according to Soviet authorities, is that of creating "anti-Soviet propaganda and agitation." His essays which described Moscow's plan to Russianize U.S.S.R. satellite republics were labeled anti-Soviet propaganda and precipitated his prison sentence. His 14-year sentence includes 6 years in "special prison," 3 years in a labor camp, and 5 years of exile.

During his first 6 years of imprisonment, Moroz has been subject to forced injections of drugs, contaminated food, and solitary confinement. He has been confined with violent criminals who have assaulted him. In 1974 Moroz began a hunger strike which lasted 145 days. To end his strike, the Soviet authorities promised an improvement of prison conditions. On concluding the hunger strike, he was transferred to a special psychiatric prison hospital, because Soviet authorities said "a normal person would not have able to last through a 5-month-long hunger strike."

Because the first 6 years of Moroz' sentence end later this year, many believe that this is a key time to work for Moroz' release before he begins his labor camp period. International efforts aimed at persuading the U.S.S.R. to commute the remaining 9 years of the sentence are now being mobilized. It is time to consolidate and intensify our efforts to have this Ukrainian freedom fighter released—a man who speaks so eloquently not only for his countrymen in the Ukraine, but for all of us who revere our personal right to express our beliefs. Those who are waging the fight to free Soviet Jews, political prisoners in the Soviet Union, and all dissidents under attack, know that the struggle for freedom is indivisible.

Mr. Speaker, our efforts will not be in vain. Due to international pressure, the Soviet Union has recently released the renowned mathematician, Leonid Plyushch. Plyushch himself is calling for worldwide efforts to effect Moroz' release. Amnesty International and Human Rights Research, Inc. are also pinpointing Moroz' release as an immediate and crucial goal.

I am pleased that 80 Members of the House are cosponsoring the Koch-Fenwick resolution. These cosponsors are:

List of Cosponsors

Frank Annunzio, Bill Archer, Les AuCoin, Herman Badillo, Max Baucus, Berkley Bedell, Tom Bevill, Mario Biaggi, Jonathan Bingham, James Blanchard, William S. Broomfield, George E. Brown, Jr. of California, Phillip Burton, John Buchanan, Silvio Conte, William R. Cotter, Lawrence Coughlin, Dominick V. Daniels of New Jersey, Edward J. Derwinski, John Dingell, Christopher J. Dodd, Thomas Downey, Robert Drinan, Robert B. Duncan of Oregon, Pierre S. duPont, Don Edwards of California, and Joshua Eilberg.

Dante Fascell, Hamilton Fish, Jr., James J. Florio, Edwin Forsythe, Bill Frenzel, Benjamin Gilman, William J. Green, H. John Heinz, III, Henry Helstoski, Elizabeth Holtzman, Frank Horton, James Howard, William J. Hughes, Henry Hyde, Jack Kemp, John H. Krebs, Robert Lagomarsino, Norman F. Lent, Clarence Long of Maryland, Andrew Maguire, John Melcher, Helen S. Meyner, Abner Mikva, Joseph Minish, and Parren J. Mitchell of Maryland.

Ronald Mottl, Charles A. Mosher, Stephen L. Neal, Robert Nix, Henry Nowak, James G. O'Hara, Richard Ottinger, Edward J. Patten, Edward W. Pattison of New York, Claude Pepper, Peter A. Peyser, Richardson Preyer, Thomas M. Rees, Matthew J. Rinaldo, Peter W. Rodino, Jr., Robert Roe, Benjamin S. Rosenthal, Edward R. Roybal, Ronald A. Sarasin, Paul Sarbanes, James H. Scheuer, Stephen J. Solarz, Gladys Spellman, Fortney H. (Pete) Stark, Frank Thompson, Jr., Paul E. Tsongas, Henry Waxman, and Lester Wolff.

ESTABLISHING NATIONAL BICYCLE TRAILS AND BICYCLE ACCESS TO NATIONAL PARKS AND FOREST LANDS

(Mr. KOCH asked and was given permission to extend his remarks at this point in the Record and to include extraneous matter.)

Mr. KOCH. Mr. Speaker, I am pleased that Representative Roy A. Taylor, chairman of the Subcommittee on National Parks and Recreation of the Committee on Interior and Insular Affairs, recently held hearings on the National Trails System Act of 1968, and considered testimony on the question of expanding the national trails system to provide an increased number of bicycle trails, as well as trails for hikers and horseback riders.

The 1968 act designated two national scenic trails: The Appalachian Trail, a foot trail which runs from Maine to Georgia, and the Pacific Crest Trail, a foot trail which runs from the Mexico-California border to the Canada-Washington State border along the mountain ranges of the west coast States. These were in addition to the trails in various national parks and forests. The 1968 act also called for the study of the feasibility of new trails in 14 other locations throughout the Nation. I was distressed to learn that only four of these studies have been carried out in the intervening years.

Since the passage of the National Trails System Act, the bicycle has become even more popular as a means of recreation and transportation. Yet there are only 325 miles of trails useable for bicycles in the entire national trails system. I am a cosponsor of H.R. 1990, the legislation introduced by Representative Ralph S. Regula, which would amend the National Trails System Act to authorize the Secretaries of Interior, Agriculture, and Transportation jointly to conduct studies to determine the feasibility of establishing national scenic bicycle trails along the routes of three great U.S. highways: U.S. Highway No. 1, extending from Maine to Florida; U.S. Highway No. 30, extending from New Jersey to Oregon; and U.S. Highway No. 101, following the Pacific coast from Washington to southern California. I believe these routes, or others like them, would be popular recreation and transportation corridors for the millions of people who currently ride their bicycles for recreation, health, and transportation.

I understand that John W. Crutcher, the Director of the Bureau of Outdoor Recreation of the Department of the Interior, in his testimony before Chairman Taylor's subcommittee gave a summary of the progress that has already been made in cooperation with State governments in evaluating the feasibility of bicycle routes along the Pacific and Atlantic coasts. I commend this effort, but I fear that not enough has been done to bring into use on these routes the safe and scenic bicycle trails demanded by the public for this Bicentennial year. I would like to see the Departments of the Interior, Transportation, and Agriculture report to the Congress on the feasibility of establishing bicycle trails on the east and west coasts and a transcontinental bicycle trail.

I was also interested to see the testimony of James J. Hayes, executive director of the Bicycle Manufacturers Association, who testified before the same subcommittee, on March 12. He made the excellent suggestion that the National Trails System Act be amended to provide for bicycle trails to run from our major metropolitan areas to the national parks and forests. This would allow thousands of people to bicycle to our parklands, keeping their automobiles at home and reducing the pollution and congestion in our national parks. Because he made this suggestion and also included some facts about the popularity of bicycle riding, I am happy to append his statement for your consideration:

Statement by James J. Hayes

My name is James J. Hayes. I am Executive Director of the Bicycle Manufacturers Association of America, a trade association representing the producers of nearly 80% of all domestically produced bicycles. For nearly 40 years, one of the principal purposes for the existence of the Bicycle Manufacturers Association has been the promulgation and support of programs designed to provide for the safer and more pleasant use of its products.

It is because this Committee is considering just such a program today that I have asked to testify here, and I am most grateful for the opportunity.

In reviewing the National Trails System Act (Public Law 90-543), with a view to amend, expand or improve its provisions, certain basic information on the need for such expansion is in order. American bicycle sales had doubled—from 3.7 million units to 7.5 million units between 1960 and 1968 when Public Law 90-543 went into effect. Mr. Chairman, these sales figures doubled again, from 7.5 million units to more than 15.3 million units by 1973. In the first five years of the decade more than 55 million new bicycles have taken their place on the nation's roads and trails.

Millions of these bicycles, surely, are ridden by children from 5 or 6 years old up to 15 or so, purely for fun, and mostly on short trips around the neighborhood. But a growing number of adults are joining the market mix for a wide variety of reasons that have a bearing on your deliberations here today. In 1969, for instance, 85% of the 7.1 million bicycles sold in America were high-risers . . . the small wheeled, small frame bicycles that by then had taken the youth market by storm. By 1973, it is estimated that as many as 65% of the 15.3 million bicycles sold in that year were bought for young adults and adults over 16 years of age. This trend continues today in spite of the recessionary decline in sales suffered by the industry in late 1974 and throughout 1975.

What excites industry leaders, and should furrow the brows of recreation planners, is the dramatic shift to lightweight, multi-speed bikes by millions of Americans of all age groups. The lightweight 3, 5 or 10 speed bike is designed to travel with—to take the rider from 5 or 10 to as many as 100 miles a day, depending on his skill, in relative ease and comfort at the lowest cost per mile of any means of transportation except walking.

Bicycles are being used by growing numbers of commuting cyclists in the urban environment, by suburban shoppers and recreation-minded families, and by long-distance cyclists who, with back pack, panier bag, stout heart, and a vision of America that most of us will never know, take off on thousand mile trips over the highways, back roads and scenic trails of this great country.

Though accurate demographic statistics are difficult to obtain, we estimate that somewhere between *10* and 15 million adult bicycle riders are out there somewhere, looking desperately for more pleasant, safer and more interesting and scenic places to ride their bicycles. It is in their name that I speak to you here today.

The Bicycle Manufacturers Association urges the expansion of the National Trails System Act to meet the needs of this growing army of bicycle riders, and offers willingly to work with this Committee and the Administration in supporting legislation that will accomplish this broad goal.

More specifically we urge the Committee's favorable consideration of the following proposals:

1. Amending Public Law 90-543 to convert single use trails, such as foot trails, to multiple-use trails to accommodate bicycles, wherever possible.

2. To expand the scope of the National Trails System Act to specifically include the development of bicycle trails.

3. To expand sections 2(a), 4(i), and 6 of the Act to encourage the development of connecting trails from our major metropolitan centers to the scenic and recreation trails in the outlying areas. This is most critical, Mr. Chairman, for what good are recreational facilities out in the country, if millions of city-bound urban dwellers cannot get to them. Our national trails system should not be only for the use of the affluent . . . those who can afford to put their bikes on top of $6,000 station wagons in order to get to recreation facilities out in the country; they must also be made accessible to the millions of recreationally deprived urban dwellers who have the same needs and the same right to have them satisfied.

4. We strongly recommend this Committee's favorable reporting of H.R. 3878, authorizing a feasibility study of the Pacific Coast Bicycle Trails of over 1,000 miles.

5. We urge your favorable support of H.R. 519 and five related bills authorizing feasibility studies of certain bicycle trails along the East Coast, West Coast and across the country.

6. We urge your favorable reporting of H.R. 1524 and related bills that would establish the Bartram Trail as a national scenic trail that provides additional cycling facilities.

Mr. Chairman, there are not more than 325 miles of trails useable for bicycles in the entire National Trails System. Expanding existing single purpose foot and horseback trails to multiple purpose use would add an additional 260 or so miles. This is not enough to provide for the existing recreational needs of the nation's hundred million cyclists, to say nothing about preparing for growing future needs.

The Bicycle Manufacturers Association of America strongly supports not only the expansion of the National Trails System Act as a step in the right direction, but urges as well your support of the House Resolutions named as your recognition of the urgent need to provide recreational facilities for millions of urban, suburban and rural cyclists. Only by your support can all Americans have access to the rich tradition of healthful outdoor recreation and scenic beauty that so many of us take for granted.

Thank you for allowing me to appear before you today.

PERSONAL EXPLANATION

(Mr. BRADEMAS asked and was given permission to extend his remarks at this point in the Record and to include extraneous matter.)

Mr. BRADEMAS. Mr. Speaker, I insert at this point in the Record a statement regarding two recorded votes I missed on Monday, March 15, 1976, and an indication of how I would have voted had I been present:

Rollcall No. 104, a vote on final passage of H.R. 12188, to make certain technical and conforming changes to the Community Services Act of 1974. The bill was passed by vote of 346 to 2. I was paired for this bill and had I been present, would have voted in favor of it.

Rollcall No. 105, a vote on final passage of H.R. 7743, Pennsylvania Avenue Development Corporation Act Amendments. The bill was rejected by a vote of 149 to 201. I was paired for this bill and had I been present, would have voted in favor of it.

BRIEFING ON THE FOOD STAMP PROGRAM

(Mr. MITCHELL of Maryland asked and was given permission to extend his remarks at this point in the Record and to include extraneous matter.)

Mr. MITCHELL of Maryland. Mr. Speaker, I would like to insert into the Congressional Record a briefing on the food stamp program prepared by the staff of the House Budget Committee and presented to the Human Resources Task Force of the House Budget Committee on February 18, 1976.

I commend it to my colleagues for their review:

Briefing on the Food Stamp Program

INTRODUCTION

The many food stamp bills pending in Congress could have dramatic impacts on the cost of the Food Stamp Program, the number of eligible persons, and the distribution of the program's benefits. Our purpose is to highlight these potential impacts. We will begin with a review of how the current program is structured. Then we will discuss the key issues in the debate about food stamp reform. These key issues are:

(1) Who should receive food stamp aid and for what reasons?

(2) Should itemized deductions of certain expenses be permitted in computing food stamp benefits?

(3) Should we attempt to control the spending patterns of food stamp recipients by requiring them to pay for their stamps?

Provisions of the current program reflect one set of answers to these three questions. Similarly, each of the pending food stamp bills is based on its own answers to them. The actual provisions of the proposed legislation are varied and numerous, and so we shall focus on the basic three issues, *not* on individual pending bills.

The cost and caseload estimates used were developed by CBO based on 1975 income statistics. There is disagreement and controversy surrounding any given method of computing costs of program changes. But using one method consistently allows us to see the relative impact of various options.

PROGRAM BACKGROUND

The modern Food Stamp Program began as a pilot program in 1961. It grew as more localities ran the program, and in 1971 was given national standards. Congress enacted semi-annual automatic adjustments for increases in food prices, effective January 1, 1974, and in July 1974 the program was extended to all counties. Today it is the only program that supplements the income of *all* groups of the needy. Other programs are limited to women and children, or the aged, or the blind or disabled, or veterans; or, if theoretically available to all groups (such as subsidized housing), actually reach only a fraction of the eligible persons because of limited funds.

Rapid growth in costs and participants has resulted naturally from three causes: (1) the program's 1974 transformation into a nationwide operation (over 1.5 million people joined the program in Puerto Rico alone); (2) inflation, which has expanded eligibility and (3) high levels of unemployment, which also have expanded eligibility. Many believe that during the recession the program has been fulfilling well its basic objective of supplementing low and falling incomes. And, in fact, as the unemployment rate has fallen, so have food stamp caseloads. The food stamp population has dropped from a high of 19.3 million persons in May 1975, to 18.8 million in December 1975—a cut of 3%, but still equal to about 9% of the population.

Many are concerned about the large number of participants—one out of 11 Americans—and many object to the much greater share of the population that is *eligible* for the program—estimated to be almost one in five at some point during the year. The issue concerns the income levels beyond which families should be barred from food stamps. In large part, of course, that issue is a question of values: Should food stamp benefits be more closely confined to the poor? Or is supplementation of modest-income families a reasonable activity of the Federal Government? The goal of many pending bills is to reduce costs and the number of participants on the grounds that people who are not poor do not need and should not receive Government aid; other bills would explicitly expand eligibility for the program. Our purpose is to explore the options available for reducing or increasing food stamp eligibility, and the effects of such options. To do this, we must first discuss how the program works now.

THE STRUCTURE OF THE FOOD STAMP PROGRAM

One of the basic purposes of the Food Stamp Program is to provide more nutritionally adequate diets for people who otherwise could not afford to pay for such food. The amount of food stamps given to families depends on their family size. The Department of Agriculture develops a so-called "thrifty food plan" for each family size, and the cost of this plan is given in food coupons worth that amount. Clearly, there is no need to give everyone food stamps, so a way had to be found to limit food stamps to persons most in need of them. This is done by giving the stamps *free* to people with no income or very low income, and requiring others to buy the stamps. It was found that the average family spends about one-third of its income for food. So, people with income are required to pay roughly 30% of their *net* income for the stamps.[1] (*Net* income for food stamp eligibility purposes is generally much lower than *gross* income, and later we will discuss the consequences of using net rather than gross income.) This means that when people go to their local welfare offices or wherever else food stamps are sold, they will pay varying amounts for their stamps, depending on how much income they have. At some point, 30% of net income equals or exceeds the value of the stamps, so families are ineligible and won't benefit from participation in any case.

Currently the thrifty food plan for a family of four—and consequently the food stamp allotment—is nearly $2,000 a year—$1,992 to be precise. A family with $3,000 in annual net income pays about 30% of its net income ($900) for the stamps. The difference between the $1,992 face value of the stamps and the $900 the family must pay for the stamps is $1,092. There are the "bonus" or free stamps, and $1,092 is the value to this family of participation in the food stamp program.

From schedule A on Chart 1, you can see that there is a mathematical relationship between these program features—the $1,992 coupon allotment, the 30% purchase requirement, and the eligibility ceiling of over $6,600. The eligibility ceiling can be computed roughly by *dividing* the $1,992 allotment by 30%—the purchase price requirement.

Schedule B on Chart 1 shows what happens if only one element of that mathematical equation is changed. Raising the allotment from nearly $2,000 to $2,400 automatically raises the eligibility ceiling to $8,000. And, the food stamp allotment, by law, is automatically increased twice a year to offset rising food costs. Thus, the eligibility ceiling also rises twice a year.

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[1] In fact, the percentage purchase requirement is not a flat 30%, but varies somewhat by income. 30% is, however, roughly the average purchase requirement across the eligible income range. In the FY 1976 *Budget*, the President proposed a flat 30% requirement. These regulations were rejected by Congress because under the food stamp schedule, then as now, some families pay less than 30%.

Chart 2 shows you on an annual basis the impact that increases in the food stamp allotment have had on the eligibility ceiling since 1971. Allotment increases to offset higher food prices have raised the eligibility ceiling for a family of four from $4,320 per year in July 1971 to over $6,600 per year currently—an increase of over 50%. Thus, what looks like modest cost-of-food increases at one end of the program have potentially *not* so modest increases in eligibility cutoffs, causing sharp boosts in costs and caseloads. As can be seen from Chart 3, the gross income range from $6,000 to $10,000 is much more densely packed with families of four than the income range below $6,000. Thus. as the food stamp allotment and eligibility ceilings rise, the program potentially reaches an ever-larger share of families because of cost-of-living increases alone.

CHART 1.—*Food stamp benefits for a family of four*

A. CURRENT SCHEDULE

If family has no income, it pays zero and receives: $1,992 in free stamps.

If family has income it pays: 30% of its *net* income for the $1,992 in stamps. Example: 30% of $3,000=$900 "purchase requirement."

Thus: Families are eligible until net income equals: $1,992÷30=$6,640. At $6,640 net inncome, 30% of net income=$1,992.

B. HYPOTHETICAL SCHEDULE

If family has no income it receives: $2,400 in free stamps.

If family has income it pays: 30% of its net income for the $2,400 in stamps.

Thus: Families are eligible until net income equals: $2.400÷.30=$8,000.

CHART 2.—IMPACT OF HIGH FOOD STAMP ALLOTMENTS ON NET INCOME ELIGIBILITY CEILING

(Family of four)

Date	Annual Allotment	Maximum allowable annual net income
July 1971	$1,296	$4,320
July 1972	1,344	4,476
July 1973	1,392	4,644
July 1974	1,800	6,000
July 1975	1,944	6,480
January 1976	1,922	6,636
Increase from 1971	+696	+2,316

CHART 3.—PERCENTAGE DISTRIBUTION OF FOUR-PERSON FAMILIES, BY 1974 GROSS CASH INCOME

Gross income range:	
Under $3,500	2
$3,500–4,999	2
$5,000–5,999	2
Subtotal	6
$6,000–6,999	2.5
$7,000–7,999	3
$8,000–8,999	4
$9,000–9,999	5
Subtotal	14.5
$10,000+	80
Total	100

CHART 4.—ANNUAL EFFECTS OF RAISING PURCHASE REQUIREMENT (FAMILY OF 4; ANNUAL STAMP ALLOTMENT IS $1,992)

Annual net income level	Current purchase price (approximately 30 percent)	35 percent purchase requirement	50 percent purchase requirement
Annual purchase requirement to receive $1,992 in food stamps:			
$2,000	$492 (1,500 bonus).	$700 (1,292 bonus).	$1,000 (992 bonus).
$4,000	$1,140 (852 bonus).	$1,400 (592 bonus).	Not eligible.
$6,000	$1,680 (312 bonus).	Not eligible.	Do.

CHART 5.—ANNUAL BONUS STAMPS UNDER THE CURRENT FOOD STAMP SCHEDULE (ABBREVIATED)

Annual net income	Coupon allotment		
	3 persons= $1,560	4 persons= $1,992	5 persons= $2,376
Annual bonus amounts:			
$3,720 to $3,960	$504	$924	$1,296
$4,680 to $5,040	228	636	1,008
$5,400 to $5,759	(1)	420	792
$5,760 to $6,120	(1)	312	684
$6,840 to $7,200	(1)	(1)	360
$7,920 to $8,280	(1)	(1)	(1)

[1] Not eligible.

ISSUE NO. 1: AID FOR MODEST-INCOME WORKERS

As discussed earlier, the first key issue in the food stamp debate is who should receive food stamps and why. Some are concerned because the food stamp program extends aid to persons above the poverty line—which was about $5,040 in 1974 for a family of four. Hence, most of the pending bills attempt in some way to reduce the income eligibility ceiling. What are the choices for achieving this objective? Basically, there are 3 possibilities which will be discussed in turn:

(1) To raise the purchase price requirement above 30% of net income;

(2) To reduce the food stamp allotment; and

(3) To impose an eligibility cutoff at some desired point, even though that point is below the level produced by the arithmetic of the allotment and the 30% purchase price requirement.

Let us examine option 1—raising the 30% purchase price requirement so that a family spends a large percentage of its income for the stamps. Chart 4 shows the impact of this change. First, as the percentage is raised from 30 to 60, the eligibility ceiling does in fact fall. Families of four with net income of $4,000 and $6,000 are currently eligible. Raising the percentage of income that must be paid for food stamps to 35 knocks out $6,000 families, and raising it to 50% knocks out $4,000 families too. This, of course, reduces costs and the number of program participants.

There are other effects. Raising the percentage requirement means that families must earmark for food larger percentages of their net budgets—ranging here from 30 to 50%. For example, a family with $2,000 now pays only $492 for its nearly $2,000 worth of stamps. It would have to pay half its net income—$1,000—if the requirement were raised to 50%. Poorer families with less total income have to balance food needs against their needs for rent, clothing, and utilities. Thus, some families might decline to buy food stamps if required to spend a higher portion of their budget on food.

Also, of course, as the purchase requirement rises, the bonus drops. A family with $4,000 in annual net income now gets bonus or free stamps worth $852. The bonus drops to $592 with a 35% requirement and to zero with a 50% requirement.

Finally, raising the purchase price can be viewed as similar to raising income tax rates for participants. A portion of each extra dollar earned by food stamp participants has to be spent on the stamps. At the same time, each extra earned dollar also causes higher social security taxes and, often, higher work expenses and income taxes. If there is a very high overall bite on each extra earned dollar, theory and research suggest, work becomes less rewarding financially, and, consequently, some people may reduce work effort. Small increases in the tax rate or purchase requirement, it seems clear, would have much less of an impact on work than large jumps. But, since many food stamp participants receive other income-related benefits, the impact of larger bites into food stamp benefits caused by added income has to be examined in light of other benefit losses for multi-program beneficiaries.

By contrast, reducing the purchase price requirement to 25% would raise the eligibility ceiling to $7,968 ($1,922÷.25), would raise bonus amounts at each income level, would lower purchase prices at each income level, and would raise costs and caseloads.

Let us turn to option 2, the second way to reduce income ceilings for food stamp eligibility. This alternative is to reduce the food stamp allotment. This would mean that the program would fall below the level the Department of Agriculture says is minimally adequate for nutrition. The impact of this change can be seen on Chart 5 by comparing current benefits for a family of three with a family of four. In addition to reducing the income eligibility ceiling, one impact of reducing benefits is to reduce bonus amounts at each income level—a $504 vs. $924 bonus at about $3,800 in net income. For both reasons, costs would be reduced.

By contrast, *raising* benefits for a family of four to the level of a family of five raises the eligibility ceiling, raises bonus amounts at every income level, and, consequently, raises costs.

Apart from raising the 30% purchase price requirement or lowering the food stamp allotment, there is a third alternative for limiting eligibility. Option 3 circumvents the mathematical equation relating coupon allotment and purchase price requirement to the income eligibility ceiling. It simply imposes an eligibility ceiling at some desired level relating to notions about who requires aid. The lines across Chart 5A roughly approximate an imposed cutoff at the estimated 1974 poverty line for 3-, 4-, and 5-person families. Families above the line would be eligible; persons below would not be eligible.

This would cause rather abrupt losses of fairly substantial benefits. The extra small bit of income that takes a family of four out of the income range marked A costs it an annual bonus of $636. This kind of situation in which earning more gives you lower total income is called a "notch." The notch costs a family of five $684 annually.

The next chart (6) focuses on the consequences of an imposed cutoff for families of four near the so-called notch. First, this policy departs from the dictum that more work should equal more income. Someone earning $4,200 net has a higher total income after food stamps than someone earning $5,040. Under it, public benefits would reverse income positions. An employer granting a small raise from $5,000 to $5,400 could disadvantage his employees. To the extent that families have control over such income increases (by controlling hours or days of work or the number of family workers), they might avoid income increases that would cost them income.

CHART 5A. CUTTING OFF FOOD STAMP ELIGIBILITY AT POVERTY LINE VERSUS CURRENT INCOME CEILINGS (ABBREVIATED SCHEDULE)

Annual net income	Coupon allotment (annual bonus amounts) 3 persons= $1,560	4 persons= $1,992	5 persons= $2,376
$3,720 to $3,960	$504	$924	$1,296
$4,680 to $5,040	228	636	1,008
$5,400 to $5,759	[1]	420	792
$5,760 to $6,120	[1]	312	684
$6,840 to $7,200	[1]	[1]	360
$7,920 to $8,280	[1]	[1]	[1]

[1] Not eligible.

CHART 6.—ANNUAL CONSEQUENCES OF NOTCH IN FOOD STAMP SCHEDULE

(Family of four)

If eligibility is cut off when net income reaches 1974 poverty level . . .

	Annual food stamp bonus	Annual total net income
Annual net:		
$4,200	$852	$5,052
$4,600	744	5,344
$5,000	636	5,636
		Notch
$5,040	0	5,040
$5,400	0	5,400
$5,700	0	5,700

Another potential consequence is less visible. That again relates to food stamps in combination with other income-tested programs such as AFDC and medicaid. If the food stamp notch should occur near the income level at which a woman also loses eligibility for AFDC and medicaid then the combined benefit loss could be very large and the work incentive and equity problems would be magnified.

Informal CBO staff estimates are that if the eligibility ceiling were set at the poverty line based in gross income FY 1977 costs would be lower by 34% that is lower by $2.1 billion and the number of average monthly participants in the program would fall by about 7.5 million persons.

What we have been discussing of course are the practical implications of the alternatives for reducing eligibility for the food stamp program. Because of the mathematical relationship among various program features changing anyone feature will affect the others in predictable ways.

ISSUE NO. 2: BENEFIT RESPONSIVENESS TO INDIVIDUAL NEED

We now turn to the second major issue in the food stamp debate. One reason why there are some participants with relatively high gross income is that the program permits a large number of deductions from gross income to arrive at net income for food stamp purposes. You will recall that it is net income that is used to compute benefits. It is interesting to note that the law specifies only that the purchase price shall not exceed 30% of "income." The food stamp law does not define "income." It does not specify whether this shall be net or gross income and does not mention the itemized deductions. This was done by regulations issued by the Department of Agriculture.

Chart 7 gives an example of how these itemized deductions can reduce a rather high gross income to a much lower net income for food stamp purposes. The deductions shown here do not include all the permissible deductions.

There are several implications of these itemized deductions. First, they are costly. Second, they introduce administrative complexity. Each such arithmetic computation increases the likelihood of error. Moreover, persons with heavy *non*-deductible expenses do not fare as well as persons whose expenses are deductible. Finally, of course, these deductions are the reason for the participation of some relatively high-income people in the program. (Even with the deductions, however, the bulk of food stamp participants are below the poverty line. Based on CBO tabulations from the August 1975 Current Population Survey, 76% of all food stamp households have monthly gross incomes below $399 88% are under $499; and 94% are under $599.) But the deductions do help compensate for extraordinary expenses. The issue is whether these deductions should be permitted.

Several bills would replace the itemized deductions with a standard deduction or eliminate nearly all deductions. Moving to a standard deduction of $100 a month would cut costs in Fiscal Year 1977 by $700 million to $1 billion, according to infromal CBO staff estimates.

ISSUE NO. 3 CAN/SHOULD WE CONTROL CONSUMPTION?

The third and final major issue in the food stamp debate revolves around the extent to which we can and should attempt in benefit programs to control recipients' spending. The original rationale for the 30% purchase price requirement was to assure that food stamps would add to food consumption rather than merely pay existing food bills. There are proposals to eliminate the purchase price and simply give each family its quota of the bonus stamps rather than "selling" the full $1,992 allotment to each family of four at prices scaled to income. This approach would seem to move in the direction of less control over consumption since it frees families from having to make any personal investment in food stamps. Opponents argue that this proposal would move the food stamp program more clearly in the direction of an income supplement program rather than a food program, and some say that the result would be less adequate nutrition.

Proponents of eliminating the purchase price and simply distributing the bonus stamps argue that some needy people do not participate because they cannot afford to pay the purchase price. Further, they argue, this approach would allow families with limited resources greater control over these resources.

CHART 7.—*Examples of itemized deductions under the food stamp program*

Family of four with gross annual earned income of $10,000, monthly income of	$833.00
Less food stamp work allowance	−30.00
Less mandatory deductions:	
Social security taxes	−49.00
Federal income taxes (may include State/local income taxes if applicable)	−54.00
Less medical expenses in excess of $10 per month	−65.00
Less child care costs	−100.00
Subtotal, net income	535.00
Less shelter costs in excess of 30 percent of net income subtotal (shelter costs include mortgage payments, rents, and utilities) *	−140.00
Net income	395.00

*Assumes total shelter costs of $300.50 monthly.

It is useful to consider the extent to which the public can control consumption by means of earmarked benefits in the form of stamps, coupons, allowances, vouchers, or whatever. In practice, people who are hard-pressed financially or who are truly irresponsible about providing for their families may not be completely constrained by the form of benefits. Some people sell and trade their food stamps illegally.

What non-cash subsidies automatically do is to free up for other purposes some money that the family formerly spent on the newly subsidized items. For example, suppose a family formerly spent $1,500 of its own funds for food. Then it joined the food stamp program and only had to pay $900 for its stamps. So, it has $600 to spend on other things. By subsidizing food, the food stamp program frees up money for use on non-food items that may be "reasonable" or "unreasonable" items in the eyes of the taxpayer. Thus, in judging the impact that earmarked benefits make on consumption patterns, it is necessary to distinguish between the earmarked benefit itself and the non-earmarked family income that is released for other uses.

Research on the impact of the food stamp program on food consumption supports the view that the program in fact has increased food consumption. One study concludes that bonus stamps are about twice as effective as cash income supplements in expanding demand for food.

On the other hand, research on whether expanded food consumption has increased the nutritional content of diets is much more mixed. On balance, short-term improvements do not appear to be substantial. Research is underway on long-term effects on nutrition.

Informal CBO staff estimates are that eliminating the purchase price requirement would raise costs in Fiscal Year 1977 from $400 million to $1 billion, and that the average number of participants each month would rise by from 2.9 million to 6.8 million persons.

REPEALING THE AGE LIMITATIONS FOR APPOINTMENTS TO THE PUBLIC HEALTH SERVICE COMMISSIONED CORPS

(Mrs. MINK asked and was given permission to extend her remarks at this point in the RECORD and to include extraneous matter.)

Mrs. MINK. Mr. Speaker, I recently offered legislation amending the Public Health Service Act and repealing language in that act which currently denies appointment to persons over 44 years of age in the Commissioned Officer Corps of the Public Health Service.

I have been informed by the Public Health Service that present law—section 207(a) (3) of the Public Health Service Act, 42 U.S.C. 20900—precludes appointing applicants in the Commissioned Officer Corps and calling them to active duty after they have passed 44 years of age. The age of 44 is said to have been selected as the maximum age for appointment "in order to provide the Public Health Service a realistic period of fruitful service before officers qualify for retirement annuity."

This maximum age, which at 44 could readily be the prime period of a professional's career, arbitrarily denies admittance to experienced and otherwise highly qualified applicants. This is at a time in which the Public Health Service is offering scholarships and bonuses to attract doctors into its ranks. We seem to be working at cross purposes in enticing young doctors into the Service while prohibiting the commissioning of veteran professionals.

While I believe it is neither a wise nor an efficient policy to refuse experienced, proven professionals, I believe it is unconscionable to discriminate solely on the basis of age.

In 1967 we approved the Age Discrimination in Employment Act which in spirit and in fact acknowledged the value of experience among middle-aged employees and sought to protect their rights against discrimination in hiring and benefits solely on the basis of age.

I believe the "maximum age" set under the Public Health Act for the Public Health Service Commissioned Officer Corps violates the intent of the 1967 age discrimination law and should be brought into compliance with it. Section 15 of the Age Discrimination in Employment Act provides for nondiscrimination on account of age in Federal Government employment, stating that:

> All personnel actions affecting employees or applicants for employment . . . shall be made free from any discrimination based on age.

I urge my colleagues to support this amendment deleting the present "maximum age" of 44 from the Public Health Service Act. I believe this action will affirm the spirit and letter of the 1967 Age Discrimination law and assist the Public Health Service Corps in recruiting qualified, middle-aged applicants.

PERSONAL EXPLANATION

(Mr. **MIKVA** asked and was given permission to extend his remarks at this point in the Record and to include extraneous matter.)

Mr. **MIKVA**. Mr. Speaker, I was unable to be present in the House of Representatives during the session of Tuesday, March 16, 1976, because I was in Illinois for the Illinois primary. Had I been present in the House, I would have voted "aye" on rollcall 106 which extended services under title XX of the Social Security Act. I also would have voted "aye" on rollcall 107 making further continuing appropriations and "aye" on rollcall 108 providing for consideration of the issue of the District of Columbia's representation in Congress.

A PROPOSAL FOR A PERMANENT INTELLIGENCE COMMITTEE AND FOR PROTECTING CONFIDENTIAL DATA WITHIN CONGRESS

(Mr. **MILFORD** asked and was given permission to extend his remarks at this point in the Record and to include extraneous matter.)

Mr. **MILFORD**. Mr. Speaker, today I introduced House Resolution 1095, a resolution to establish a permanent House Committee on Intelligence and to protect the unauthorized release of confidential data and information within Congress.

Most people will agree that an efficient intelligence effort is vital to our national defense. Most will also agree that intelligence activity, by its very nature, is a highly secretive business. This Nation simply cannot publish its intelligence plans and activities in the daily newspaper. Furthermore, it is a well known fact that the ability to keep a secret is directly proportioned to the number of people who know the secret.

In past years, the general membership of Congress was content by allowing intelligence matters to be handled exclusively by a few key members on the Armed Services, Foreign Relations and Appropriations Committees. While every Member of Congress "technically" could gain access to any information in the classified files, this right was rarely pursued. Those Members of Congress who previously handled extremely sensitive matters usually had long years of service and considerable experience in dealing with intelligence matters.

Beginning in the 93d Congress, and accelerating rapidly in the 94th Congress, many reform measures were enacted that drastically altered past congressional practices. There emerged a new individual Member awareness, expanded Member participation in congressional processes and a diminishing of leadership controls and prerogatives.

While these new reforms greatly increased individual Member participation in the political process, they also presented a new and grave problem in the maintenance of national secrets and the oversight of intelligence activities.

The new liberated Members of Congress were no longer content to let the "old bulls" exclusively handle intelligence matters. As the hearings conducted by both the Senate and House Intelligence Committees clearly show, detailed congressional oversight has been noticeably absent during past years. Even the few senior Members who handled intelligence matters never really had the time and staff resources to question the agencies or followed their activities to the extent needed.

The new freedom of the liberated Congress also presented some very serious problems for the Nation concerning not only intelligence activities but also the maintenance of confidentiality of executive sessions. As stated earlier, security of secrets is directly proportional to the number of people that know the secret.

There are six committees in Congress that have jurisdiction over intelligence matters. Immediately, that means that 39 Members of Congress and over 100 staff members have access to the Nation's highest classified and most sensitive secrets.

In addition, rule XI(2)(e)(2) of the House Rules clearly gives any Member of Congress the right to examine any file, in any committee, in the Congress. Therefore, potentially, 411 more Members can have access to the Nation's most vital secrets.

This type of access, as a practical matter, makes it impossible for Congress to protect highly confidential or super sensitive information. Under article I, section 6 of the Constitution, any Member of Congress clearly has the right to say anything, his conscience dictates, on the floor of the House. This means that he can take the Nation's most closely held secret and read it to the world in a floor speech.

A small number of Congressmen have strong conscientious feelings against governmental secrets. They believe in a totally open society. They are strongly opposed to any form of intelligence gathering agencies. Furthermore, out of 535 Members of Congress, there exists wide and divergent opinions. What might seem extremely important to the majority can be extremely offensive to a small minority or to a single Member.

Obviously highly secretive intelligence matters and the confidentiality of executive sessions cannot be maintained unless the will of the majority is respected by all Members. One dissenter, with strong conscientious feelings, can blow the works for the entire Nation. This greater exposure of intelligence secrets and individual Member access to executive session records increases the chances that data vital to national welfare will be revealed.

It is also no secret that a few Members of Congress have been guilty of "leaking" security information. The deliberate leaks are made for many reasons ranging from press favors and publicity to political motives and as a means of embarrassing the administration. Parenthetically, the administration also uses this despicable tactic to embarrass Congress.

By establishing a Permanent Select Committee on Intelligence and giving it exclusive oversight and legislative jurisdiction, Congress will make a quantum jump in responsibly protecting national secrets and maintaining firm control of intelligence activities. In the absence of strict secrecy, intelligence work is of negligible value.

THE PHILOSOPHICAL MAKEUP OF A PERMANENT INTELLIGENCE COMMITTEE

By overwhelming agreement, among both intelligence committees in the House and Senate, they concurred that Congress should have a Permanent Committee on Intelligence.

In order to successfully protect the vital national secrets that will be involved; in order to properly oversee the extremely sensitive national matters that will be involved; and in order to responsibly represent the will of the majority of the Congress; the selection of Members to serve on the Permanent Intelligence Committee must be made in an extraordinary manner.

From the outset, one fact is clearly evident and vitally necessary: "Every member of that Permanent Intelligence Committee must clearly hold the respect and confidence of a majority of the entire membership of Congress."

Of necessity, the general membership of the Congress is going to have to surrender some individual prerogatives and rights in order to succeed in creating an effective and responsible Permanent Intelligence Committee. Therefore, those committee members will be a select few that of necessity must garner the respect of the many.

There is another very important reason why the membership of this committee must be selected in a very special manner. In addition to the "confidence factor" there is also a very important "technical factor" involved.

Of necessity, this special committee

must encompass a broad spectrum of knowledge. Members must have an expertise in military matters, foreign relation, business, science, space, agriculture, law, economics and transportation. Of supreme importance, all members of that committee must strictly abide by majority will.

It takes only one person to release a secret or reveal an intelligence plan. While individual members might have strong feelings against a particular situation, no one member should have the unilateral right to void the will of the majority of the committee or of Congress.

The present committees handling intelligence matters not only present a problem in securing confidential data but also present other difficulties. First, each committee tends to look at intelligence activities in the light of its particular field of expertise. For example, the Judiciary Committee would be very concerned about the legalities of activities, but would tend to give scant attention to military matters, economic matters, or agricultural intelligence. The Foreign Relations Committee would quite naturally be preoccupied with State Department matters, Armed Services Committee with military matters, et cetera.

In truth, and in fact, all of these fields of expertise are vital for good intelligence oversight and legislation. Only when these fields are viewed collectively can Congress formulate a balanced national intelligence policy.

Second, since—under the present system—any one of the six congressional committees can individually hold legislative or oversight hearings on intelligence matters, a balanced view is almost always lacking. The resultant legislative bill or oversight investigation will clearly be weighted toward the expertise of the committee holding the hearing.

THE FACTORS IN SELECTING COMMITTEE MEMBERS

If one were to ask a man on the street, or even most Members of Congress, to describe the functions of the CIA, an incorrect answer would most probably be forthcoming.

Almost everyone believes that the CIA is primarily a "James Bond" type of organization, or "cloak and dagger" agents that lead paramilitary operations in foreign countries, or "spies" that operate behind the Iron Curtain.

Very few citizens know that the CIA contains far more scientists than agents; that the CIA spends much more time analyzing foreign crop reports and economic conditions in foreign countries than they spend on clandestine or covert operations; and that the CIA has far more people now studying the industrial and technical capabilities of Iron Country nations than the total number of "spies" that have ever been employed by this Nation throughout its history.

In selecting a Permanent Committee on Intelligence, the "expertise" of the individual members will be very important. In the past, failures in congressional oversight can rationally be traced to this most important factor. Rarely will Members of Congress negligently fail to oversee their areas of responsibility. Apparent negligence usually develops because the Member or Members did not fully understand or recognize the technical matters involved and therefore did not fully realize the national impact.

Furthermore, Congressmen are political creatures. They react to the "now" feelings of people. They must. Otherwise, they cannot exist under the every-other-year election process. The real life situation faced by a Member of Congress is an antithesis of the problems that a member of a permanent intelligence committee must face.

Intelligence looks into the future. Good intelligence uncovers "tomorrow's headlines"—yet, the Member must keep them a secret, or seriously harm the national welfare. Good intelligence sometimes involves "taking chances," that can backfire and cause political repercussions. Good intelligence work means "staying out of the press and limelight," a blight to the existence of a Member of Congress.

Finally, the intelligence community of our Nation—unlike other Federal agencies—has no constituency. No high-priced lobby will be circulating on Capitol Hill, extolling the virtues of the intelligence community, or making campaign contributions on its behalf, or pushing its programs, or generating "grassroots support" back home in the Member's district. Intelligence is a necessary, sometimes nasty, and a secretive business that will neither help the Member in the House or in his district.

For these reasons, the selection and confirmation processes for Members that will serve on the Permanent Committee on Intelligence must be extraordinary. The individual Members must be sought after by the House. He must have a strong standing in his district because his service on the committee must be outside the limelight and in addition to other committee work. Most of all, the House membership, in general, must have firm confidence in the Members that are chosen to serve on the Permanent Committee on Intelligence.

TECHNICAL MAKEUP OF A PERMANENT COMMITTEE ON INTELLIGENCE

As mentioned earlier, this Nation's intelligence community is not primarily a "James Bond" organization. More appropriately, the community is a scientific, economic, agricultural, military and politically oriented—internationally—group. The intelligence community is just as concerned with the wheat crop in the Communist bloc nations as it is with their military weapons. The intelligence community considers the monetary policies and the economy of adversary nations to be of equal importance to their battle order. The political stability of an adversary nation can be more important than the total number of men under arms.

Therefore, the personal and technical expertise of the few members of a Permanent Intelligence Commitee is very important. A broad spectrum, encompassing many disciplines must be understood and dealt with by the committee.

Furthermore, there is a vital need for a "cross-pollination" of information between the Permanent Intelligence Committee and other committees of Congress. Of primary necessity, the Armed Services Committee and the International Relations Committee need to have a close liaison with intelligence activities.

There is also a limited "need to know" on the part of the Government Operations Committee, Science and Technology, Agriculture Committee, Judiciary Committee, Banking and Currency, and others. Full access to all intelligence activities, on the part of these various committees, would jeopardize the security of information vital to the national welfare.

Both cross-pollination of information and proper technical makeup can be solved in the selection process of the Permanent Committee on Intelligence. At the same time, the all important problem of discreet individual member selection can also be resolved.

In lieu of the usual Committee on Committees selection of members to serve on committees, it is suggested herein that the membership on the Permanent Intelligence Committee be selected in the following manner:

First. The Speaker would nominate the chairman;

Second. The Armed Services Committee would nominate two members;

Third. The International Committee would nominate two members;

Fourth. The Science and Technology would nominate one member;

Fifth. The Banking and Currency Committee would nominate one member;

Sixth. The Judiciary Committee would nominate one member;

Seventh. The Public Works and Transportation Committee would nominate one member;

Eight. The Government Operations Committee would nominate one member; and

Nine. The Interstate and Foreign Commerce Committee would nominate one member.

The House leadership would designate the party ratio, following the proposed rule that "not less than one-third of the membership of the Permanent Intelligence Committee shall consist of Members of the majority party and not less than one-third shall be Members of the minority party."

While not specifically mandated in the House Rules, it is envisioned that the various committees, designated to supply members of the Permanent Intelligence Committee, would make specific recommendations to the Committee on Committees for nominees from their respective committees.

Recommendations from the various source committees would insure a good cross-pollination of information and would assist in the selection of the unnecessary expertise needed on the Permanent Committee on Intelligence.

PROTECTION OF CLASSIFIED AND CONFIDENTIAL DATA WITHIN CONGRESS

At the beginning of the 94th Congress, the landmark "sunshine rules" made Members of this body virtual heroes. The subsequent flurry of "leaks," unauthorized disclosures and unilateral declassifications have made the Congress appear to be a collection of fools.

No argument is made here against the

open meeting rules. They were necessary and the rule should stand as written. However, there are some matters within Congress that must remain confidential and the rules must be amended to accomplish this goal in a responsible manner.

There is a desperate need to restrict the flow of confidential information that is considered in executive sessions of committees. Premature or unauthorized release of data or information, discussed in executive sessions, is often damaging to the national welfare.

Many Members of Congress have a fear that some committees might abuse the provision for executive sessions. Others will from time to time disagree with the need for keeping certain information confidential. A considerable number of Members, including this one, believe that Congress should be able to publicly release information that has been classified by the administration.

This resolution is designed to provide responsible means to protect individual Member interests and resolve the fears of all Members.

In this resolution, there is a strict prohibition against any Member releasing data or information that has been classified by executive committee session, or by administrative action.

Parenthetically, there is an "escape valve" or appeal procedure that is available to any Member who believes abuses of the executive session have been committed or information or data has been improperly classified by the administration. These procedures also clearly establish a method for Congress to declassify information that has been improperly given a secrecy stamp by the administration.

This resolution would establish a "Leadership Committee" consisting of the Speaker as chairman, the majority and minority leaders, majority and minority whips, plus the chairmen of the following committees: Armed Services, International Relations, Science and Technology, Banking, Currency and Housing, Public Works and Transportation, Judiciary, Government Operations and Interstate and Foreign Commerce. The Leadership Committee would serve as the "court of last resort."

While the new rule would strictly prohibit any Member from unilaterally releasing confidential data—under penalty of expulsion, responsible procedures are established to protect every Member's concern. Generally, Members worry about two possible abuses of the people's right to know: First, improper executive sessions in the Congress, and second, improper secrecy classifications by the administration.

If a Member feels that data or information is being withheld from the public as a result of an executive session, he would appeal the committee's decision by the following procedure:

First. The Member would transmit a confidential letter to the Speaker identifying the specific information or data that he believes should be released and ask for a hearing before the Leadership Committee.

Second. If the Speaker fails to call a hearing to consider the Member's request, the petitioning Member can then solicit assistance from individual members of the Leadership Committee. If three or more members of the Leadership Committee request a hearing, the Speaker must convene the Leadership Committee for a hearing on the matter.

Third. The Leadership Committee's decision will be final. If any Member feels that data or information has been improperly classified by the administration, he may obtain public release through the following procedure:

First. The Member would transmit a confidential letter to the chairman of the committee, having jurisdiction over the Administrative Agency that classified the material or data, identifying the specific material or data to be released.

Second. If the chairman fails to call a hearing to consider the Member's request, the petitioning Member can solicit assistance from individual Members of the committee of jurisdiction. If three or more Members of the committee of jurisdiction request a hearing, the chairman must convene the committee for a hearing on the matter.

Third. During the hearing, the committee of jurisdiction must consult with the appropriate Administrative Agency and obtain views and recommendations concerning the need to keep the data or information classified.

Fourth. If either the agency or committee of jurisdiction objects to public release, the petitioning Member may then appeal to the Leadership Committee under the same provisions as listed above for appealing executive session matters.

These procedures will protect the confidentiality of those matters that should remain confidential within Congress. At the same time, the procedures establish a responsible means of making sure that the public's right to know is not jeopardized.

The irresponsible release of confidential or classified information, by individual Members, reflects negatively on the integrity and reputation of all Members of Congress. Adoption of these procedures will put a stop to that practice.

Mr. Speaker, so that all Members may know the exact wording of the resolution, the following is the text of the resolution:

H. RES. 1095

Resolved, That (a) clause 1 of Rule X of the Rules of the House of Representatives is amended by redesignating subclauses (j) through (v) as subclauses (k) through (w), respectively, and by inserting immediately after subclause (j) the following:

"(k)(1) Committee on Intelligence, to consist of eleven Members as follows:

"(A) two Members who are members of the Committee on Armed Services;

"(B) two Members who are members of the Committee on International Relations;

"(C) one Member who is a member of the Committee on Science and Technology;

"(D) one Member who is a member of the Committee on Banking, Currency and Housing;

"(E) one Member who is a member of the Committee on Public Works and Transportation;

"(F) one Member who is a member of the Committee on the Judiciary;

"(G) one Member who is a member of the Committee on Government Operations;

"(H) one Member who is a member of the Committee on Interstate and Foreign Commerce; and

"(I) one Member who shall be designated by the Speaker and who shall serve as chairman.

Members shall be selected for service on the basis of individual qualification and technical expertise. Not less than one-third of the membership of the committee shall be members of the majority party and not less than one-third shall be members of the minority party.

"(2) Foreign and domestic intelligence activities of the United States.".

(b) Rule XI of the Rules of the House of Representatives is amended by inserting at the end thereof the following:

"Release of Information From Committees of the House

"7. No Member, officer, or employee of the House of Representatives may release any classified material within the possession or control of any committee or executive session transcripts of the committee relating thereto except in accordance with the following procedures:

"(1) Three or more members of the committee transmit a letter to the committee requesting that certain classified material and related transcripts be made public.

"(2)(A) The committee, after permitting the head of the agency of the United States which has classified such material to present to the committee his comments concerning the making public of such material, adopts a committee resolution recommending that such material and related transcripts be made public, together with a statement of its reasons for the recommendation; or

"(B) If the committee fails to adopt or consider such a resolution within the thirty-day period commencing upon the date of transmittal of the letter under paragraph (1), any Member may present a written petition to the Special Leadership Committee established under clause 7 of this Rule, requesting that it make such material and related transcripts public.

"(3) Within three days after the adoption of a resolution under paragraph (2)(A) or the presentation of the written petition to the Special Leadership Committee under paragraph 2(B), the committee shall transmit to the Special Leadership Committee, a copy of the classified material and related transcripts and a copy of any comments received from the agency which has classified such material.

"(4) The Special Leadership Committee, by a majority vote of its full membership, votes to permit such material and related transcripts to be made available to the public and directs the committee to do so.

"Special Leadership Committee

"8. (a) There is established a Special Leadership Committee consisting of the Speaker as chairman, the Majority Leader of the House of Representatives, the Minority Leader of the House of Representatives, the Majority Whip of the House of Representatives, the Minority Whip of the House of Representatives, the chairman of the Committee on Armed Services, the chairman of the Committee on International Relations, the chairman of the Committee on Science and Technology, the chairman of the Committee on Banking, Currency and Housing, the chairman of the Committee on Public Works and Transportation, the chairman of the Committee on the Judiciary, the chairman of the Committee on Government Operations, and the chairman of the Committee on Interstate and Foreign Commerce.

"(b) The Special Leadership Committee shall meet at the call of its chairman or any three of its members.

"(c) The function of the Special Leadership Committee shall be to consider requests made pursuant to clause 6 that classified material within the possession or control of any committee of the House and related executive session transcripts of the committee be made available to the public, and, when appropriate, by a majority vote of its full membership, to direct the committee to make certain classified materials and related transcripts available to the public.".

(c) The Rules of the House of Representatives are amended by adding at the end thereof the following new Rule:

"RULE XLV

"PUNISHMENT FOR RELEASING CERTAIN CLASSIFIED MATERIALS

"1. Any Member who releases any classified material within the possession or control of any committee or executive session transcripts of the committee relating thereto other than in accordance with clause 7 of Rule XI shall be liable to expulsion by the House with the concurrence of two-thirds of its Members, or censure or such other punishment as the House may deem proper.

"2. Any officer or employee of the House who releases any classified material within the possession or control of any committee or executive session transcripts of the committee relating thereto other than in accordance with clause 7 of Rule XI shall be liable to censure or such other punishment as the House may deem proper.".

THE STATE OF BLACK AMERICA

(Mr. YOUNG of Georgia asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. YOUNG of Georgia. Mr. Speaker, throughout the social movement of the last decade equal opportunity was considered to be a national priority. Today, however, there is a rising feeling among many black Americans that the problems confronting blacks in the past have not been resolved, and furthermore, have been put aside and now are disregarded.

The indifference now manifest in the Government in regards to black Americans and other minority groups, has become a major issue of concern among those groups. To them, President Ford's state of the Union address was completely void of issues relating to their everyday lives.

Foremost among those expressing this feeling is the distinguished Vernon E. Jordan, Jr., executive director of the National Urban League. In an address presented on January 28, 1976, entitled "The State of Black America," Mr. Jordan states:

> All across the board Black people have lost out in 1975. We believe that the social fabric of our nation is too tenuous to withstand continuation of the policies that brought us to the brink of survival in the last twelve months. We believe in a "New Realism" that brings solutions to our country's problems, rather than one that worsens those problems.

Mr. Jordan makes important recommendations for solutions relating to issues which are now having the greatest impact on the lives of black and many other Americans—a full employment policy; an income maintenance system to replace the current welfare system; and housing, health and education policies. These are issues which the Government has failed to suitably resolve. The following statement has been issued by the National Urban League as "an alternative to failed public policies." I urge my colleagues to consider this message:

The State of Black America

Last week the President declared that the State of the Union "is better, in many ways a lot better." I am here today to say that the state of black Americans is worse, in many ways a lot worse, as a direct consequence of the social and economic policies followed by recent Republican administrations and Democratic Congresses.

The slow but steady decline in racial cooperation and in the black condition became, in 1975, a headlong rush into the deep pit of Depression and hardship. The condition of black Americans, once the benchmark of America's commitment to equality and justice, is now the object of malign neglect and hostile disregard.

That neglect is manifest in the President's State of the Union address, which did not include a single mention of black citizens and their needs. It included not one word about the government's commitment to enforce the civil rights laws, about the disproportionate sufferings black people have endured in the current Depression, about mob attempts to defy court orders to desegregate the schools, about the impact of urban fiscal problems on our most urbanized minority—not one word!

Nor did Senator Muskie's reply to the President include even a single reference to the hopes and aspirations of black people. His long catalogue of promises that are in danger of being broken fails to mention our nation's single most important promise of racial equality. We have travelled a long way since a President stood in the well of Congress and proclaimed "We Shall Overcome," and it's all been in the wrong direction.

If the President's Budget is any indication, 1976 will be even worse than 1975 for black people. Boiled down to its essentials, the Budget means intolerable high unemployment and drastic cuts in desperately needed domestic programs to finance the swollen appetite of the Pentagon. Coupled with similar belt-tightening in many state and local governments' budgets, the nation appears to have embarked on a "new realism" that substitutes callousness for compassion and parsimony for progress.

Because the public has been subjected to an analysis of the State of the Union that excludes black people, the National Urban League has prepared a document that delineates the State of Black Americans today. It is a document that does not attempt to cover up the seriousness of the situation black people find themselves in. In this Bicentennial year, it is a sad commentary upon a nation celebrating a revolution fought on the proposition that "all men are created equal."

Last year at this time the media were busy announcing that blacks were now solidly entrenched in the middle class. Today, the Urban League reports that middle income black families have declined from a fourth of all black families to a fifth, while those in poverty have increased. The income gap between whites and blacks has widened to the point where it was a decade ago, reflecting the rollback in black economic gains.

In 1975, every fourth black worker was unemployed, and the majority of them were ineligible for unemployment compensation. Federal programs in employment, in public service jobs, in training, in food stamps, in housing, in welfare, in many important areas, simply did not reach the eligible black population in equitable proportions.

All across the board black people lost out in 1975. We believe that the social fabric of our nation is too tenuous to withstand continuation of the policies that brought us to the brink of survival in the last twelve months. We believe in a "new realism" that brings solutions to our country's problems, rather than one that worsens those problems.

The National Urban League's State of Black America document makes important recommendations that spell out some of the solutions—a full employment policy that assures decent jobs for all; an income maintenance system that alleviates economic hardship and replaces the welfare mess; housing, health and education programs that go beyond rhetoric to bring our nation closer to a prosperity that includes all of its citizens.

It is our hope that this document will pierce the dark veil of neglect that has thus far smothered efforts to right the wrongs of the past and present. It is presented as an alternative to failed public policies.

I hope that it will be read closely in the White House and in the Congress and that it may influence decision-makers to open their eyes to the plight of black Americans. I hope it will be read by all of the candidates in both parties, whose campaigns thus far largely exhibit a refusal to grapple with real issues and with the concerns of black citizens. And I hope it will be read closely by the press and the electronic media, whose neglect of black interests and black concerns in 1975 was as pervasive as Washington's.

And I know it will be read by black Americans, in order that they may document their grievances and understand the terrible dilemma they face. I urge black people, whose condition has so drastically worsened and whose very survival is at stake, to educate themselves to the issues, to register, and to vote in the coming primaries and election. For this Bicentennial election of 1976 could be the most crucial election in recent history for black people. The implications of the mass impoverishment of blacks and the massive assault on our newly-won rights demands that every black vote be mobilized in defense of black interests and aspirations.

The State of Black America

(By The National Urban League)

As the nation enters its Bicentennial Year, Black America is in a state of crisis. By any of the accepted indicators of progress—employment, housing, education, etc.—many of the gains blacks made over the past decade were either wiped out or badly eroded in 1975, and the portents for the future are not encouraging.

True, on a limited and individual basis there were exceptions to this downward trend in 1975, but the growing number of blacks without jobs, the increasing gap between white and black income, new public displays of racism and the negative attitude of policy-makers toward programs that aid the poor, marked the year as one of increasing hardships for Black America.

Without question, much of the responsibility for many of the reverses sustained by blacks lay with the economy. Blacks suffered disproportionately because of their low position on the economic ladder as unemployment climbed to depression levels in many of their communities and inflation cut into their already limited purchasing power.

But this is only part of the story of what happened to Black America in 1975. The other has to do with the rapidly drying up of the nation's willingness to face up to the seriousness of the problems that years of racism have created, and to deal with those problems with the intensity and commitment their solution demands.

It also has to do with the failure of those in leadership roles to create the type of moral climate in which Americans could understand the true nature of the problems that afflict blacks and the poor, and how this nation has an overriding obligation to address itself to these problems, instead of ignoring them.

There were no riots in 1975 to call America's attention to the massive discontent in many of her cities, and perhaps this helped lull her people into a false sense of complacency. But underneath the apparently placid surface ran deep tides of cynicism and bitterness, and faith in the ability of the nation to make the system work for the poor, or even in its willingness to try, reached a low point among blacks.

It could hardly have been otherwise. There were abundant signs of growing indifference and even hostility to the legitimate aspirations of blacks. At the national level there was mounting pressure on the part of the Administration to cut social services to the poor and to discredit programs that served them. An example of this was the controversy over food stamps and the launching of a campaign against them spearheaded by the Secretary of the Treasury who condemned recipients as "chiselers."

With violence breaking out in Boston and Louisville in 1975 over the implementation of court ordered desegregation the President himself gave encouragement to the mobs by criticizing the courts and expressing opposition to busing. Lost in the emotional furor was the basic Constitutional issue of the right of black children to an integrated education.

For its part, Congress purportedly the most liberal in years, failed to develop new policies which would address themselves to the basic problems that beset blacks and the poor, and failed to serve as a counterbalance to the Administration's policies.

The revelations of how the late J. Edgar Hoover used the FBI to harass civil rights groups and their leaders, most notably the late Dr. Martin Luther King, Jr., demonstrated to blacks the precarious status of their civil rights and further eroded their confidence in the impartiality of law enforcement agencies.

In the area of foreign policy and in the light of America's traditional disinterest in the darker nations of Africa, there was a keen sense of disappointment among blacks over the Administration's decision to become involved in the Angolan Civil War on the side of racist South Africa.

There was a growing feeling within the black community of isolation from the total society, induced in part by the above described coldness of government, and in part by the stresses that appeared in relationships with some old allies over such matters as quotas and seniority versus affirmative action. While the differences were not fatal to these relationships, they served to reinforce the feeling that there are issues affecting blacks which may find them on one side and their old friends on another.

And finally, the ugly outbreaks of racial violence in Boston—long regarded, if incorrectly, as the fountainhead of liberalism in this country—served notice that racism has no geographical limits and continues to exist in the American body politic.

As this paper will show there was no escaping in 1975 the fact that the Second Reconstruction had indeed come to an end, and it, like the First Reconstruction that followed the Civil War, was uncompleted.

THE ECONOMY

Inflation slowed in 1975 but the year saw a further decline in middle income families, continuing a trend that between 1973–74 saw these families decrease from one-fourth of the total of black families to one-fifth.

In 1974 (the last full year for which income statistics are available) the median income for black families was $7,808, while the median income for white families was $13,356. Thus black family income was only 58 percent of white family income. This is the same ratio that existed in 1966 and represented a drop from 61 percent in 1969.

Even during 1974, before the full impact of the 1974–75 depression was felt, the number of poor people increased by 1.3 million (including 139,000 blacks) to 24.3 million, the greatest growth since the government began recording poverty statistics in 1959.

Moreover, the actual extent of poverty in America is much greater than governmental figures indicate. Although 24 million persons are classified as poor, according to official poverty statistics, a more realistic definition of poverty that sets a higher income figure than the government, reveals that about twice as many persons (over 40 million) are in fact poor and in dire need today, as a result of the cumulative effects of inflation and recession/depression.

More important, however, it is a fact that blacks have been in a state of chronic recession for the past 20 years. Over the past two decades, this country has had at least five recessions: 1953–54, 1957–58, 1960–61, 1969–71 and 1974–75. Before blacks had a chance to recover from one recession they were subjected to another. While white unemployment has only recently begun to go over 6 percent, black unemployment has not been under 6 percent at any time during the past two decades.

The work experience of all black wage earners has steadily declined. Families headed by black women are getting poorer, despite the fact that most are in the work force. Two-parent black families—the keystone of the black middle class—also experienced severe declines in their standard of living because of reduced job opportunities for working wives, as well as disproportionate layoffs of married black men due to the 1974–75 depression.

EMPLOYMENT

The most realistic manner of reporting what took place with the black worker during 1975 is to describe the general situation for blacks as worse than at any time since the Great Depression of the 1930s.

During the third quarter of 1975 black unemployment rose by 14,000 to a record high of 3,075,000, taking into account those workers who had become discouraged and dropped out of the labor market and those workers holding parttime jobs because they could not find full-time jobs. Over the year, this unofficial but more accurate black jobless rate remained at an almost constant 26 percent. Thus, from the beginning of the year, one out of every four black workers in the nation was unemployed.

Even when the "official" measurement of the Department of Labor is used (this excludes the two categories used in the unofficial tabulation) black unemployment remained virtually unchanged at 14.1 percent for the first three quarters of 1975, while white unemployment dropped from 8.0 percent to 7.6 percent.

Using the unofficial rates, over half of all black workers in many poverty areas were unemployed during the past year, while over two-thirds of the teenagers could not find jobs.

Further aggravating the employment situation was the ineligibility of over half of all the black unemployed for unemployment compensation.

Complicating the employment picture for blacks is the factor of long-term unemployment. Among unemployed black males, 26 percent of them were out of work half-a-year or more, followed by 16 percent of the adult women, 10 percent of the male teenagers, and 5 percent of the female teenagers.

These figures mean that those who have been out of work the longest are remaining out of work.

A major issue that emerged full blown during the year was that of seniority as opposed to affirmative action. With lay-offs occurring in industry because of the economic downturn, the question arose as to how these lay-offs would affect the minority worker since in many instances he was the last hired and under the strict observance of seniority would be the first to go. This meant that in some instances blacks who had been victims of past discrimination were unfairly penalized.

Blacks also found themselves losing ground in other employment areas. The National Urban League completed a survey of prime sponsor hiring practices under Title II and Title VI of the Comprehensive Employment and Training Act (CETA) that showed there has been a shifting of emphasis from helping people most in need of jobs to helping those recently unemployed and with higher educational levels.

Additionally, a Department of Labor report indicates there has been a *substantial* drop in manpower training funds available to the nation's inner-cities where unemployment is highest, with more of these funds going to suburban and rural areas. Here again is an example of the minority poor being made even poorer as funds are diverted to other areas.

Despite claims that the recession has bottomed out and the worst is behind us, unemployment is still rampant in the nation and even the most optimistic forecast projects a continuing official unemployment rate of over 7 percent. For blacks this automatically means an official unemployment rate of 14 percent, and the unofficial rate will be even higher.

To assume that the nation can live with so many people unable to find jobs and forming a permanent cadre of the helpless and hopeless, is dangerous. What is being created by this situation is social dynamite that will not be defused by retreat to the position that the government cannot create enough jobs to provide work for all her citizens.

Indeed, the government cannot afford not to create these jobs through incentive to the private sector as well as public work projects and public service employment jobs. The nation can do nothing less than create a full employment policy that will provide a decent job for everyone willing to work.

HOUSING

The homebuilding industry suffered a second year of continuing disaster during 1975. The 1,161,500 units of housing started in 1975 was the lowest number in 30 years and far below the 2.6 million units established as a goal by Congress in 1969.

Prolonged construction downturns, such as endured during 1975, create conditions under which discrimination deprives large numbers of black households of opportunities to improve their housing conditions even if their incomes are maintained or improved during the period.

As one consequence, the National Urban League has concluded that the gains in homeownership registered by blacks during the 1960's (from 38 percent to 42 percent of black households) have been eliminated by the recession continuing in 1975.

Under the Housing and Community Development Act of 1974, in full effect for the first time in 1975, the Administration promised to deliver *400,000* units of the new housing subsidy program by mid-1976. At year's end 1975, however, only about 25 percent of this figure had been committed. With incompletion rates in the untested program likely to be high and with evidence that financial commitments are about exhausted for the new program, it is highly unlikely that the Administration will meet its goal.

The impact on blacks of the Community Development Block Grant Program which replaces the old urban programs such as Urban Renewal and Model Cities is even more problematic.

In a study of this program the National Urban League concluded that no more than 50 percent of first-year grants under this program are likely to provide benefits for lower income persons as specified in the Act. Actually, fully one-third of the grants are likely to be used for purposes counter to the welfare of lower income people such as redevelopment of land occupied by lower income persons for reuse by higher income residents.

The persistence of housing discrimination and the continued lack of adequate fair housing law enforcement was documented in 1975 by the U.S. Commission on Civil Rights in a report—"Twenty Years After Brown: Equal Opportunity in Housing"—that cited abandonment of federal goals for low-and-moderate income housing as a contributing factor to the persistence of racial and sexual discrimination as "fundamental operating principles" of the housing market in the United States. The report also charged the Federal government with a "piecemeal approach" to fair housing law enforcement.

The only significant positive event in housing for blacks that occurred in 1975 was the passage by Congress of the Mortgage Redlining Bill which requires all federally-regulated lending institutions to disclose the location of all mortgage secured loans.

The bill was enacted largely as a result of data showing that minority applicants for mortgages were rejected much more than white applicants with the same economic characteristics.

HEALTH

The generally poor health picture in black communities was adversely impacted by the Depression of 1975. This conclusion is based on a number of reputable studies which demonstrate that the rate of unemployment, adverse changes in per capita income, and the annual rate of inflation have the most serious negative effects on levels of health.

Because in many instances the results of declining levels of health and well-being take several years to become apparent—for example, increased infant mortality rates—it is not possible at this time to accurately gauge what 1975 will cost blacks in these two areas. However, it can be assumed that the impact was negative and the results will continue to plague black people for years to come.

The dimensions of the black health problem became apparent with the examination of several sets of statistics.

White women are expected to live to be 76.7 years old and black women 71.3 years. Black males have a life expectancy of 62.9 years as against the 68.9 average of white males.

The infant mortality rate for nonwhites in the U.S. is nearly twice the rate of whites.

The gap between black and white maternal death rates has increased in the last 30 years. Today at 63.6 black childbirth and pregnancy related deaths per 100,000, it is four times greater than the rate for white women.

The urban ghetto usually has a paucity of medical facilities and manpower. Almost 24 million Americans, 12 percent of the population are black, but only 2 percent of the nation's physicians are black. About 2.6 percent of the dentists are black and 5.7 percent of the professional nurses.

EDUCATION

Rational national discussion about the quality of education available to blacks was clouded in 1975 by the inordinate amount of attention focused on busing, and the manner in which that issue was wrapped up in emotional and political trappings. Twenty years after the Brown decision of the Supreme Court, the Constitutional rights of black children to an integrated education were again under attack.

Lost from view in the heat of Boston and Louisville, the unfortunate and ill-timed statements of the President questioning court decisions, and in the efforts of politicians to cash in on what they saw as the growth of anti-busing sentiment was the more substantial issue of whether our schools are providing adequate educations to minorities and the poor.

By any test, the answer was no.

Not only were black children not being educated by the schools, a fact attested to by declining test scores, but they were also being thrown out of the institutions in disproportionate numbers for alleged infractions, the majority of which had nothing to do with offenses connected with school safety or protecting property.

Statistics collected by the Children's Defense Fund revealed that about two million school-age children, about half of them under the age of 13, are not enrolled in school. There is evidence that the figures are conservative and that the number is even higher than this, especially in some states and among black children.

The Federal government's attitude toward the education of disadvantaged children was reflected in the drop in appropriations for the Elementary and Secondary Education Act which was designed to assist school systems and community groups to operate programs to reduce the effects of racial isolation.

The Federal government appropriated $215 million in 1975 for ESEA as compared to $236 million in 1974.

Furthermore, in 1975, because of the lack of funds, several school systems proposed quality programs which could not be funded.

A report prepared by the National Association for Equal Opportunity in Higher Education indicated that the gap between the number of black and white college graduates is widening. The report also emphasized the need for the education of more black professionals stating that blacks comprised only two percent of the nation's physicians, 2.5 dentists, 1.5 lawyers and 2.0 Ph.D. graduates.

LEGISLATION

The first session of the 94th (1975) Congress ended on a sour note for black and poor Americans. It was unable to enact any substantial legislation pertaining to socio-economic programs and policies that would foster full employment and the President's plan to hold down federal spending obviously had an overwhelming effect.

Despite the biggest Democratic majority in ten years, the only social legislation that was not compromised was the food stamp program when Congress beat back an attempt by the Administration to have recipients pay more money toward the cost of such stamps.

In 1975, the Congress sustained the President's veto of a Democratic-sponsored bill aimed at creating more than one million jobs in both the public and private sector and then settled for a much smaller version of the original bill. This action came as the national unemployment level was climbing to its May, 1975 high of 9.2 percent.

Congress also scaled down legislation to help the slumping housing industry at a time when the unemployment rate in the construction industry stood at almost 22 percent and new housing starts were at their lowest level in three decades.

On three occasions Congress did override Presidential vetoes of legislation important to blacks and the poor. One override renewed funding authority for health services and nurse training programs, the second amended and extended the school lunch and child nutrition programs, and the third passed the education appropriation.

After much filibustering in the Senate Congress reaffirmed its guarantee of the right to vote for blacks and expanded that guarantee to include Spanish-speaking Americans when it extended the Voting Rights Act of 1965 to another seven years.

Rebuffing an Administration attempt to end special employment programs for older workers, Congress did pass legislation extending jobs nutrition and other programs for the elderly and after one of the most heated legislative debates of the year it approved federal loan assistance for financially ailing New York City.

Finally, a major Congressional turn-around on the issue of court ordered busing occurred when several northern senate Democrats, usually considered to be liberals on civil rights issues, joined ranks with opponents to support an anti-busing amendment.

CRIME

Despite the millions of dollars poured into local police departments, the Federal government; despite the thousands of new police hired, and despite the hue and cry for stiffer penalties for those convicted of criminal acts, the rate of crime continued to grow in 1975.

The majority of the victims were not whites, but blacks who were compelled by socio-economic forces to live in high crime areas. Blacks were four times as likely to be robbed as whites; twice as likely to be assaulted, and four times as likely to be raped. Of the nation's murder victims last year, 51 percent were black.

While blacks are over-represented as crime victims, they are underrepresented in the criminal justice system. The city of Chicago is an example with a population that is 32.7 percent black, it has a police force that is only 16 percent black.

A survey by the Race Relations Information Center revealed that in 42 states out of a total of 41,894 state police personnel, only 616 or 1.5 percent are black.

In 1975 there were increasing efforts within black communities to deal with the matter of crime internally. Black media dealt more and more with "black on black" crime and the need for blacks themselves to combat it. In a number of areas imaginative community-run programs were undertaken that while scantily funded, demonstrated that community involvement could be effective where other methods had failed.

Fresh attention was focused in 1975 on the prisons and what they do to people who are incarcerated there. While the black community supported strong measures to remove dangerous offenders from society, it also supported the constitutional and human rights of prison inmates and the need to rehabilitate offenders.

On the national level, in spite of evidence that juveniles who commit minor offenses could be better served if they were diverted from the juvenile court system and given adequate social services in their respective communities, the Administration dragged its feet in implementing the new Juvenile Justice Delinquency Prevention Act of 1974. This program is to fund experiments in diverting children away from court and confinement. However, the $1.5 billion original price tag was cut down to $350 million with only $25 million actually allocated.

The experiences over the past year made it clear that in addition to monies, part of the new directions that must be followed in solving the crime problem is the broader participation of black and minority communities in the planning, development and implementation of crime prevention programs.

Special efforts must also be undertaken to empower minority groups to recruit among their members in order to increase the number of minorities serving on the law enforcement agencies throughout the country.

SOCIAL WELFARE

The Administration's "Benign Neglect" policy toward social welfare programs continued during 1975. Its approach toward social service programs was consistently restricted as demonstrated through the use of the Presidential Veto threats.

On five occasions the President used his veto power to kill social service legislation and on only two occasions—the school lunch program and the health services and nurse training programs—was the veto overridden.

Many attempts by the Administration to defer spending on social welfare programs were rejected by the Congress. On the other hand Congress was apprehensive about increasing spending on moving (or implementing) new initiative.

At the very time that there was a growing need for increased spending on social welfare programs, induced in large measure by the severe economic dislocation sustained in black and poor communities, these services were being advocated at their present level.

The Department of Health, Education and Welfare recently reported that the number of families on welfare increased in August, 1975, possibly setting a new record. Over 3.5 million families received assistance that month, representing 9.2 percent more than received assistance in August, 1974, and 8 percent more than in July, 1975.

The growing need for these services were exemplified by a number of situations affecting black people including the growing number of older people; pressures on mothers of small children to go to work thus increasing the need for day care; efforts to reduce the incidence of institutional care thus requiring a vast expansion of community services; continued migration, and the need to deal positively with behavior society defines as pathological, such as drug addiction.

CONCLUSION AND RECOMMENDATIONS

In the context of the recent past, no year has been more destructive to the progress of blacks than 1975. Though it can be argued with complete justification that other Americans also sustained losses during the year, what has to be recognized is that blacks lost more and every loss represented a major setback from which it will take them years to recover.

America should not make the mistake of believing that because the problems of blacks and the poor did not have high visibility or command public attention in 1975 that they no longer exist, or have been ameliorated to such an extent they are no longer important.

The problems remain. They grew worse in 1975.

The implications of this should not be lost on the American people, for the future of this nation is bound up in how it deals with these problems. To be remembered is that other societies have disintegrated when they ignored signs of spreading poverty and disenchantment among their people. It can happen in America but it does not have to. The hour is late but there is yet time to set the American house in order.

A proper beginning could be made in the Bicentennial Year—an election year—by a pledge by each of the Presidential candidates to discuss openly and honestly with the American people the critical issues that have been outlined in this report, and suggesting what remedial actions should be taken.

Eschewing political banalities, sloganeering and appeals to fears and suspicions, the candidates should seize the opportunity to challenge the nation to regain her sense of purpose by facing her imperfections, not apologetically, but with the firm resolve that this nation can and should do better.

The civil rights organizations and related groups can aid in this process of creating a national dialogue around these issues by coming together in a coalition for the express purpose of formulating and implementing a nationwide non-partisan voter registration and education campaign.

Such a campaign would not only seek to register the unregistered, but to encourage understanding and support of the political process.

This report concludes with a number of recommendations that the American people should seriously consider in addressing the problems that have been cited.

RECOMMENDATIONS

The economy

1. The present welfare system should be replaced with a national income maintenance program that would insure every American a liveable minimum income. The program would be accomplished through a universal refundable credit income tax that in its application would provide a basic annual grant or tax credit for all.

2. Existing tax loopholes should be closed and a tax system created that would be fairer than the present illusion of a progressive tax system that actually takes more from the pockets of moderate income working people than it does the rich.

3. Until such time as the tax system is overhauled, there should be direct tax relief to the lower wage earners in the form of an increase in the personal exemption or replacement of the exemption by a tax credit.

Employment

4. A federal program of public service employment that would create one million jobs in needed public services should be initiated immediately. The program should include training, a career mobility component and special efforts to include young people and residents of high unemployment neighborhoods.

5. A full employment program that would guarantee every American a job who wants to work and is able to work, should be adopted as national policy. The policy would include incentives to private industry to hire and train workers, a modernized federal works program along the line of the old WPA, and a vastly expanded public service employment program that will improve our schools, hospitals, public safety, conservation and other essential public services.

Housing

6. Procedures should be instituted by the Department of Housing and Urban Development that would provide incentives for local initiatives in achieving the goal of a decent home and suitable living environment, and disincentives for the unworthy use of Federal resources.

7. The Department of Housing and Urban Development should require a commitment from individual localities that they will move to overcome housing discrimination, as a precondition to receiving both federal housing subsidy grants and federal middle and upper income housing benefits, such as mortgage insurances.

8. The construction of new housing units should be raised to the 2.5 million units annual standard set by Congress. There should be an expansion of the availability of housing for families earning below median incomes through active programs of rent allowances, neighborhood maintenance of rehabilitation projects, direct and indirect housing subsidies, construction of new housing units, and strict enforcement of federal civil rights law.

Social services

9. The growing trend toward the reduction of social services to the poor as an economy measure should be halted, cuts restored and funding increased to respond to growing needs.

Health

10. It is imperative that the government develop a comprehensive national health service that is consumer-orientated, federally-supported, and assures dignified, quality health care for all Americans, regardless of race, economic circumstances, or geographical location.

Education

11. The President should clarify for the American people the constitutional requirements for integrated education and urge support for all court orders that seek to bring this about.

12. The federal government should undertake support for demonstration projects, for parental involvement, for measures that help to equalize local school district expenditures, for funds needed for compensatory education programs and for special programs serving pupils who need more educational resources.

13. There should be increased federal support for the black colleges, which grant two-thirds of the bachelor degrees earned by blacks.

Crime

14. A strong federal gun control law should be enacted.

15. New federal initiatives to deal with the problems of crime should be *undertaken*, but these initiatives should emphasize new programs of citizen participation in crime prevention, reforms of the criminal justice system, neighborhood based probation programs, services to accused offenders.

The recommendations offered here are admittedly sweeping in nature, but the experiences of the past year argue persuasively for such massive action. The urgency of the problems that grip the American people allow no time for delay or for half-way measures.

FUTURE OF THE WASHINGTON METRO SYSTEM

(Mr. GUDE asked and was given permission to extend his remarks at this point in the Record and to include extraneous matter.)

Mr. GUDE. Mr. Speaker, at a hearing recently held by the District of Columbia Committee of the House, our colleague, the Honorable Stewart B. McKinney, delivered an excellent statement on the future of the Washington area Metro transit system. Long an advocate of improved public transportation, Congressman McKinney offered several cogent thoughts which certainly merit the attention of all of our colleagues, and I would like to include them for the Record at this point:

Statement of the Honorable Stewart B. McKinney

Mr. Chairman, after having had an opportunity to carefully read the study performed for the Congressional Research Service, I must conclude that its findings, while containing much of value to those attempting to make rational policy choices in the Washington area, do not warrant the six to nine month delay called for by the advisory group. Certainly it is an addition to the public discussion of Metro's merits, but it was not intended to be, nor should it be viewed as, the final verdict on mass transit in the Washington area.

In the words of the authors, this is a "preliminary appraisal" of Metro, and I emphasize the word preliminary. The scope of the analysis performed, as I think the authors will agree, was constrained by the short time and money limits placed upon it. Many crucial considerations have not been made and until they are, any attempt to pass final judgement on Metro's future would be premature at best and irresponsible at worst.

Some of these considerations which have not been made will be crucial determinants of the success of mass transit in this area. Remember, we are considering a system not just for the next five or ten years, but for the next fifty to one hundred years. A major assumption made by the consultants which I see as open to question is that automobiles will continue to be used at the same ratio as at present.

There are two major trends which I see as leading to opposite conclusions. First, the slowdown in population growth which the consultants identify could have implications for automobile usage in the future. The trend towards smaller families will certainly cut into the second car mentality and could also lead to living closer to urban centers, where transit usage would tend to be higher. Secondly, if current trends continue (and our current lack of progress towards a coherent energy policy for the nation leads me to believe they will), the real costs of energy will continue to increase in the next twenty years while the real per capita income decreases. This means that the maintenance of an automobile will take a larger and larger portion of each individual's dollars. When this becomes apparent, there will be a search for an alternative—and hopefully—Metro will be there to provide one.

Another comparison which the consultants did not make was the costs of building, operating, and subsidizing mass transit against the sizable subsidies which are built into each automobile passenger mile. Over the last thirty years, immense amounts of public funds have been invested in public highways. It becomes a matter of public policy. Are we willing to invest as large a sum of money now to promote for our children the goals of less urban congestion, less pollution, and alternative means of transport for those urban poor without even a *single* automobile?

Nor has there been a careful analysis of the many social costs which continued dependence on the automobile will impose. Although there are no hard figures on air pollution related disease, the District of Columbia Lung Association estimates that there are as many as 10,000 individuals in the District with one or more respiratory ailments and as many as 75,000 with "abnormal lung functions" who would be severely affected by concentrated amounts of pollution. The severe smog to which Washingtonians are treated on many summer days forces most of those with respiratory ailments to become virtual shut-ins, missing school, recreation, and work. What the actual costs of work lost and human misery are have not been determined. I would like to know them before we delay construction of one mile of track. Such diseases hit especially hard at the poor, who cannot afford air conditioners on hot days and so open their windows and let the smog roll in. What are the redistributive effects here?

I would also mention that Metropolitan Police figures show that 65% of all traffic accidents occur during those parts of the day when the city is congested with commuters. This has not been entered into the calculations yet either.

I do not blame the consultants for not considering some of these factors. They had neither the time or the resources. But we must look at these factors which might balance the scales against the ever increasing costs of Metro. Let's not kid ourselves that building this system is not going to require sacrifices. But when all the factors have been weighed, I believe the sacrifices now will have been well worth the effort.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. Corman (at the request of Mr. O'Neill), after 3:45 p.m. today, on account of official business.

Mr. Flynt, for balance of today, after 3 p.m. on account of official business.

Mr. Hefner (at the request of Mr. O'Neill), for today, on account of official business.

Mr. Randall, for the balance of day from 3 p.m. on Thursday, March 18, and for all day Friday, March 19, if meeting, on account of official business, chair hearings, Select Committee on Aging, Chattanooga, Tenn.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. Hyde), to revise and extend their remarks, and to include extraneous matter:)

Mr. Kemp, for 60 minutes, today.
Mr. Goldwater, for 20 minutes, today.
Mr. Frenzel, for 30 minutes, today.
Mr. Hinshaw, for 5 minutes, today.

(The following Members (at the request of Mr. Santini) to revise and extend their remarks and include extraneous material:)

Ms. Holtzman, for 30 minutes, today.
Mr. Annunzio, for 5 minutes, today.
Mr. Cotter, for 5 minutes, today.
Mr. Charles H. Wilson of California, for 10 minutes, today.
Mr. Hughes, for 5 minutes, today.
Ms. Abzug, for 15 minutes, today.
Mr. Fountain, for 5 minutes, today.
Mr. Milford, for 10 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

Mr. Mitchell of Maryland, and to include extraneous matter notwithstanding the fact that it exceeds two pages of the Record and is estimated by the Public Printer to cost $786.50.

Mr. Young of Georgia and to include extraneous material, notwithstanding the fact that it exceeds 2 pages of the Record and is estimated by the Public Printer to cost $1,144.

(The following Members (at the request of Mr. Hyde), and to include extraneous matter:)

Mr. Heinz.
Mr. Cederberg.
Mr. Young of Alaska.
Mr. Crane.
Mr. Kasten in two instances.
Mr. Gilman.
Mr. Whitehurst.
Mr. Cohen.
Mr. Frenzel in four instances.
Mr. Miller of Ohio in four instances.
Mr. Steiger of Wisconsin.
Mr. Abdnor.
Mr. Ashbrook in three instances.
Mr. Wydler.

(The following Members (at the request of Mr. Santini) and to include extraneous matter:)

Mr. Moorhead of Pennsylvania.
Mr. Eilberg in two instances.
Mr. Jacobs.
Mr. Anderson of California in three instances.
Mr. Gonzalez in three instances.
Mr. de Lugo.
Mr. Brodhead in three instances.
Mr. McCormack in two instances.
Mr. Baucus.
Mr. Clay in 10 instances.
Mr. Ryan.
Mr. Drinan in three instances.
Mr. Jones of Oklahoma.
Mr. Murtha.
Mr. Allen.
Mr. O'Hara in two instances.
Mr. Maguire.
Mr. Harrington in two instances.
Ms. Abzug in two instances.
Mr. Hall.
Mr. Harris in 10 instances.
Mr. Russo in three instances.
Mr. Harkin.
Mr. Miller of California.
Mr. Ichord.
Mr. Phillip Burton.
Mr. Downing of Virginia.
Mr. Johnson of California.
Mr. McDonald of Georgia in five instances.
Mr. Hungate in two instances.

(The following Members (at the request of Mr. AuCoin) and to include extraneous matter:)

Mr. Gaydos in three instances.
Mr. Downey of New York in two instances.

SENATE ENROLLED BILLS SIGNED

The SPEAKER announced his signature to enrolled bills of the Senate of the following titles:

S. 611. An act for the relief of Southeastern University of the District of Columbia; and

S. 1545. An act to amend the Agricultural Adjustment Act of 1938 with respect to peanuts.

BILL PRESENTED TO THE PRESIDENT

Mr. HAYS of Ohio, from the Committee on House Administration, reported that that committee did on March 17, 1976, present to the President, for his approval, a bill of the House of the following title:

H.R. 4034. An act to designate the Veterans' Administration hospital in Loma Linda, Calif., as the "Jerry L. Pettis Memorial Veterans' Hospital," and for other purposes.

ADJOURNMENT

Mr. AuCOIN. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 6 o'clock and 20 minutes p.m.), under its previous order, the House adjourned until Monday, March 22, 1976, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

2850. A letter from the President of the United States, transmitting proposed supplemental appropriations for fiscal year 1976 and the transition quarter for the Department of Transportation, and a budget amendment reducing the fiscal year 1977 request for the U.S. Railway Association (H. Doc. No. 94-411); to the Committee on Appropriations and ordered to be printed.

2851. A letter from the President of the United States, transmitting proposed supplemental appropriations for fiscal year 1976 and the transition quarter and a budget amendment for fiscal year 1977 for the legislative branch (H. Doc. No. 94-412); to the Committee on Appropriations and ordered to be printed.

2852. A letter from the Assistant Secretary of Defense (Installations and Logistics), transmitting detailed data to accompany the report on independent research and development and bid and proposal costs for fiscal year 1975; to the Committee on Armed Services.

2853. A letter from the Secretary of Labor and the Secretary of Health, Education, and Welfare, transmitting a draft of proposed legislation to amend title IV of the Social Security Act to redesign the work incentive (WIN) program; to the Committee on Education and Labor.

2854. A letter from the Executive Secretary to the Department of Health, Education, and Welfare, transmitting proposed allotment procedures for the State student incentive grant program for fiscal year 1976, pursuant to section 431(d)(1) of the General Education Provisions Act, as amended; to the Committee on Education and Labor.

2855. A letter from the Acting Director, Defense Security Assistance Agency, transmitting notice of the intention of the Department of the Army to offer to sell certain defense articles to Greece, pursuant to section 36(b) of the Foreign Military Sales Act, as amended; to the Committee on International Relations.

2856. A letter from the Chairman, Interstate Commerce Commission, transmitting the annual report on the effectiveness of the Rail Passenger Service Act of 1970, as amended, pursuant to section 308(c) of the act; to the Committee on Interstate and Foreign Commerce.

2857. A letter from the Executive Director, Civil Air Patrol, transmitting the annual report and audit of the organization for calendar year 1975; to the Committee on the Judiciary.

2858. A letter from the Secretary of Commerce, transmitting a report on actions taken under the Merchant Marine Act, 1936, as amended, to assure direct and adequate service by U.S.-flag commercial vessels to each of the Nation's four seacoasts, pursuant to section 809(a) of the act (89 Stat. 680); to the Committee on Merchant Marine and Fisheries.

2859. A letter from the Assistant Secretary of the Army (Civil Works), transmitting a report recommending deauthorization of certain projects, pursuant to section 12 of Public Law 93-251 (H. Doc. No. 94-413); to the Committee on Public Works and Transportation and ordered to be printed with illustrations.

2860. A letter from the Administrator, Small Business Administration, transmitting a draft of proposed legislation to amend the Small Business Investment Act of 1958 to increase the authorization for the Surety Bond Guarantee Fund; to the Committee on Small Business.

2861. A letter from the Under Secretary of Health, Education, and Welfare, transmitting the annual report of the Social Security Administration for fiscal year 1975, pursuant to section 904, 1382(e)(3)(B), and 1395ll(b) of title 42, United States Code, and 30 U.S.C. 936(b); to the Committee on Ways and Means.

2862. A letter from the Chairman, U.S. Nuclear Regulatory Commission, transmitting the second report on abnormal occurrences at licensed nuclear powerplants, pursuant to section 208 of Public Law 93-438; to the Joint Committee on Atomic Energy.

2863. A letter from the Chairman, Federal Deposit Insurance Corporation, transmitting the first annual report of the Corporation's Office of Bank Customers Affairs, covering calendar year 1975, pursuant to section 18 (f)(5) of the Federal Trade Commission Act, as amended (88 Stat. 2197); jointly, to the Committees on Interstate and Foreign Commerce, and Banking, Currency and Housing.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. TEAGUE: Committee on Science and Technology. H.R. 12566. A bill authorizing appropriations to the National Science Foundation for fiscal year 1977 (Rept. No. 94-930). Referred to the Committee of the Whole House on the State of the Union.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. FISH: Committee on the Judiciary. H.R. 5666. A bill for the relief of Won, Hyo-Yun (Rept. No. 94-928). Referred to the Committee of the Whole House.

Mr. EILBERG: Committee on the Judiciary. H.R. 8557. A bill for the relief of Carmen Thomas; with amendment (Rept. No. 94-929). Referred to the Committee of the Whole House.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Ms. ABZUG:

H.R. 12616. A bill to amend the Vocational Education Act of 1963 to assure equal educational opportunities in vocational education programs for individuals of both sexes and for other purposes; to the Committee on Education and Labor.

By Mr. AuCOIN:

H.R. 12617. A bill to amend the Housing Act of 1959; to the Committee on Banking Currency and Housing.

By Mr. BIESTER (for himself and Mr. Anderson of Illinois):

H.R. 12618. A bill to create a Joint Committee on Intelligence Operations with exclusive jurisdiction over intelligence matters and to impose conditions on the expenditure of funds by or for the Central Intelligence Agency for nonintelligence gathering operations; to the Committee on Rules.

By Mr. BLOUIN:

H.R. 12619. A bill to amend the Tariff Schedule of the United States to repeal the special tariff treatment accorded to articles assembled abroad with components produced in the United States; to the Committee on Ways and Means.

By Mr. BLOUIN (for himself and Mr. Perkins):

H.R. 12620. A bill to authorize a career education program for elementary and secondary schools, and for other purposes; to the Committee on Education and Labor.

By Mr. BLOUIN:

H.R. 12621. A bill to make loans available for small businesses in the petroleum and petrochemical industries and to preserve and protect such small businesses; jointly to the Committees on Small Business, and Interstate and Foreign Commerce.

By Mr. DON H. CLAUSEN:

H.R. 12622. A bill to amend the Forest and Rangeland Renewable Resources Planning Act of 1974 (88 Stat. 476) and the act of June 4, 1897 (30 Stat. 35); to the Committee on Agriculture.

By Mr. COTTER:

H.R. 12623. A bill to require prior congressional approval of any arms sale to Egypt; to the Committee on International Relations.

By Mr. CRANE (for himself, Mr. Collins of Texas, Mr. Rose, Mr. Burgener, Mr. Melcher, Mr. Harrington, Mr. Whitehurst, Mr. Charles H. Wilson of California, Mr. Kemp, Mr. Fauntroy, Mr. Won Pat, Mr. Bafalis, Mr. Conlan, and Mr. Martin):

H.R. 12624. A bill to provide for the confidentiality of medical and/or dental records of patients not receiving assistance from the Federal Government, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. D'AMOURS (for himself and Mr. Fauntroy):

H.R. 12625. A bill to amend section 518(a) of the National Housing Act for the purpose of extending the time period during which a homeowner may apply for assistance under such section; to the Committee on Banking, Currency and Housing.

By Mr. HARSHA:

H.R. 12626. A bill to abolish the U.S. Postal Service, to repeal the Postal Reorganization Act, to reenact the former provisions of title 39, United States Code, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. HEINZ:

H.R. 12627. A bill to authorize the Secretary of Housing and Urban Development to make grants to local agencies for converting closed school buildings to efficient, alternate uses, and for other purposes; to the Committee on Banking, Currency and Housing.

H.R. 12628. A bill to amend the Internal Revenue Code of 1954 to encourage businesses to purchase surplus school or hospital buildings from governmental and nonprofit entities by providing rapid amortization for such buildings; to the Committee on Ways and Means.

By Mr. LaFALCE:

H.R. 12629. A bill to amend the Housing and Community Development Act of 1974 to provide supplementary community development block grant assistance to communities with high unemployment due to adverse national economic conditions, and for other purposes; to the Committee on Banking, Currency and Housing.

By Mr. LLOYD of California (for himself, Mr. Harkin, Mr. McDonald of Georgia, Mr. Mollohan, and Mrs. Schroeder):

H.R. 12630. A bill to abolish certain Federal regulatory agencies and to bring about the abolition of certain Federal regulatory agencies or their successor agencies after a specified period of time, and for other purposes; to the Committee on Government Operations, and Rules.

By Mr. McCORMACK:

H.R. 12631. A bill to amend the Internal Revenue Code of 1954 to increase the exemption for purposes of the Federal estate tax, to increase the estate tax marital deduction, and to provide an alternate method of valuing certain real property for estate tax purposes; to the Committee on Ways and Means.

By Mr. McDADE:

H.R. 12632. A bill to prevent arbitrary franchise termination by major petroleum refiners and other purposes; to the Committee on Interstate and Foreign Commerce.

H.R. 12633. A bill to amend part A of title XVIII of the Social Security Act to reduce the inpatient hospital deductible under the medicare program to its 1975 level; to the Committee on Ways and Means.

By Mr. MAGUIRE:

H.R. 12634. A bill to amend title XIX of the Social Security Act to permit State plans for medical assistance to provide for the provision of laboratory and X-ray services under arrangements by States and political subdivisions for the provision of such services, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. MOSHER (for himself, Mr. Abdnor, Mr. Bafalis, Mr. Blouin, Mr. Cleveland, Mr. Cochran, Mr. Cohen, Mr. Conable, Mr. D'Amours, Mr. Fithian, Mr. Hagedorn, Mr. Harris, Mrs. Holt, Mr. Hughes, Mr. Hutchinson, Mr. Ketchum, and Mr. Lagomarsino):

H.R. 12635. A bill to deny Members of Congress any increase in pay under any law passed, or plan or recommendation received, during a Congress unless such increase is to take effect not earlier than the first day of the next Congress; to the Committee on Post Office and Civil Service.

By Mr. MOSHER (for himself, Mr. Lehman, Mr. McCloskey, Mr. Mazzoli, Mr. Michel, Mr. Montgomery, Mr. Patterson of California, Mr. Quie, Mr. Roe, Mr. Schneebeli, Mr. Stark, Mr. Steiger of Wisconsin, Mr. Thone, and Mr. Whitehurst):

H.R. 12636. A bill to deny Members of Congress any increase in pay under any law passed, or plan or recommendation received, during a Congress unless such increase is to take effect not earlier than the first day of the next Congress; to the Committee on Post Office and Civil Service.

By Mr. PEYSER (for himself, Mr. Badillo, Ms. Burke of California, Mr. Conte, Ms. Chisholm, Mr. D'Amours, Mr. Fauntroy, Mr. Gilman, Mr. Harrington, Mr. Hughes, Mr. Koch, Mr. Lehman, Mr. Mottl, Mr. Ottinger, Mr. Patterson of California, Mr. Rodino, Mr. Rosenthal, Mr. Scheuer, Mrs. Spellman, Mr. Stark, Mr. Waxman, Mr. Won Pat, Mr. Zablocki, and Mr. Zeferetti):

H.R. 12637. A bill to restrict changes in the standards for slaugther cattle and carcass beef, and to direct the Secretary of Agriculture to create a different and nondeceptive grade of beef; to the Committee on Agriculture.

By Mr. PEYSER (for himself, Mr. Roe, Mr. Clay, Mr. Howard, Mr. Mitchell of Maryland, Mr. Scheuer, Ms. Abzug, Mr. Rinaldo, and Mr. Patterson of California):

H.R. 12638. A bill to amend the Elementary and Secondary Education Act of 1965 to provide emergency financial assistance to local education agencies in order to maintain essential elementary and secondary education services at a quality level; to the Committee on Education and Labor.

By Mr. RISENHOOVER:

H.R. 12639. A bill to establish the National Diabetes Advisory Board and to take other actions to insure the implementation of the long-range plan to combat diabetes; to the Committee on Interstate and Foreign Commerce.

By Mr. SNYDER:

H.R. 12640. A bill to amend the Internal Revenue Code of 1954 to allow a deduction for amounts paid by a taxpayer for tuition to provide an education for himself or for another individual; to the Committee on Ways and Means.

By Mrs. SULLIVAN (for herself, Mr. McFall, and Mr. Metcalfe):

H.R. 12641. A bill providing for the temporary deferment of payment to the Treasury on the net direct investment of the Government in the Panama Canal Company; to the Committee on Merchant Marine and Fisheries.

By Mr. TAYLOR of North Carolina:

H.R. 12642. A bill to provide a uniform date for the holding of all Presidential primary elections; to the Committee on House Administration.

By Mr. WAXMAN:

H.R. 12643. A bill to amend title XIX of the Social Security Act to permit State plans for medical assistance to provide for the provision of laboratory and X-day services under arrangements by States and political subdivisions for the provision of such services, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. YATRON:

H.R. 12644. A bill to amend title XVIII of the Social Security Act to authorize payment under the medicare program for certain services performed by chiropractors; to the Committee on Ways and Means.

By Mr. YOUNG of Alaska (for himself and Mr. Don H. Clausen),:

H.R. 12645. A bill to extend the life of the Indian Claims Commission, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. BONKER (for himself, Mr. Adams, and Mr. Pritchard):

H.R. 12646. A bill to amend the Marine Mammal Protection Act of 1972 in order to prohibit the taking of the killer whale, and for other purposes; to the Committee on Merchant Marine and Fisheries.

By Mr. BRINKLEY:

H.R. 12647. A bill to amend the Internal Revenue Code of 1954 to exclude from the gross estate the amount of any life insurance on the decedent which is payable to a beneficiary other than the decedent's estate to the extent that such insurance is attributable to premiums paid by the beneficiary; to the Committee on Ways and Means.

H.R. 12648. A bill to amend the Internal Revenue Code of 1954 to provide that canceled checks shall be treated as prima facie evidence of any payment for which an income tax deduction is claimed; to the Committee on Ways and Means.

By Mr. COUGHLIN:

H.R. 12649. A bill to amend title 10 of the United States Code to prohibit the exclusion, solely on the basis of sex, of women members of the Armed Forces from duty involving combat; to the Committee on Armed Services.

By Mr. HARKINS:

H.R. 12650. A bill to amend the Consolidated Farm and Rural Development Act for the purpose of permitting any person assisted under such act to employ an attorney or title insurance company of such person's choice to perform legal services and title searches in connection with loans made or insured under such act; to the Committee on Agriculture.

By Mr. McCORMACK:

H.R. 12651. A bill to establish energy conservation research, development, and demonstration institutes, to create a cooperative energy extension service, to promote a more adequate national program of research, development, and demonstration in technologies related to energy conservation, and for other purposes; to the Committee on Science and Technology.

By Mr. MOAKLEY (for himself, Mr. Badillo, Ms. Chisholm, Mr. Conte, Mr. Helstoski, Mr. Minish, Ms. Mink, Mr. Murphy of New York, Mr. Ottinger, Mr. Rodino, Mr. Seiberling, Mr. Won Pat, and Mr. Zeferetti):

H.R. 12652. A bill to establish a Bureau of Agricultural Statistics for the purpose of monitoring the changes in prices which occur in the price of agricultural commodities from the time they are sold by the farmer until the time when the consumer purchases such commodities or products thereof, and for the purpose of making recommendations to the Congress with respect to correcting situations in which the retail price of an agricultural commodity, or product thereof, rises while the prices received by the farmer for the same commodity decreases; to the Committee on Agriculture.

By Mr. MOTTL:

H.R. 12653. A bill to amend the Tariff Schedules of the United States to repeal the special tariff treatment accorded to articles assembled abroad with components produced in the United States; to the Committee on Ways and Means.

By MURPHY of Illinois:

H.R. 12654. A bill to mandate the Secretary of Housing and Urban Development to implement the program established by the Emergency Homeowners' Relief Act in standard metropolitan statistical areas which high home mortgage foreclosure rates; to the Committee on Banking, Currency and Housing.

By Mr. RINALDO:

H.R. 12655. A bill to restrict changes in the standards for slaughter cattle and carcass beef, and to direct the Secretary of Agriculture to create a different and nondeceptive grade of beef; to the Committee on Agriculture.

By Mr. ROGERS:

H.R. 12656. A bill to amend the Congressional Budget Act of 1974 to require a balanced budget within 5 years, in accordance with a schedule gradually reducing the maximum amount of the deficit which is permitted under the congressional budget process; to the Committee on Rules.

By Mr. SCHEUER:

H.R. 12657. A bill to establish equal employment opportunities for individuals over 40 years of age under a nationwide program for full employment and balanced growth; to the Committee on Education and Labor.

By Mr. STOKES (for himself, Mr. Mitchell of Maryland, Mr. Metcalfe, Mr. Conyers, Mr. Dellums, Mr. Harrington, Mr. Roybal, Mr. Pepper, Mr. Fauntroy, Mr. Badillo, Mr. Nix, Mr. Rodino, Mr. Brown of California, Mr. Fraser, Mr. Helstoski, Mr. James V. Stanton, Ms. Chisholm, Ms. Burke of California, Mr. Beard of Rhode Island, Mr. Carney, Mr. Moakley, Mr. Brodhead, Mr. Stark, Mr. Young of Georgia, and Mr. Drinan):

H.R. 12658. A bill to amend the National Housing Act to authorize expenditures by the Secretary of Housing and Urban Development for repair of certain dwellings; to the Committee on Banking, Currency and Housing.

By Mr. STOKES (for himself, Ms. Jordan, and Mr. Clay):

H.R. 12659. A bill to amend the National Housing Act to authorize expenditures by the Secretary of Housing and Urban Development for repair of certain dwellings; to the Committee on Banking, Currency and Housing.

By Mr. TAYLOR of North Carolina (for himself, Mr. Beard of Rhode Island, Mr. Bell, Mr. Bennett, Mr. Cleveland, Mr. Conlan, Mr. Goldwater, Mr. Hamilton, Mr. Hanley, Mr. Harrington, Mr. Koch, Mr. Mazzoli, Mr. Montgomery, Mr. Mottl, Mr. Nowak, Mr. Oberstar, Mr. Patterson of California, Mr. Pepper, Mr. Quie, Mr. Regula, Mr. Roe, Mr. Roush, Mr. St Germain, Mr. Vanik, and Mr. Young of Georgia):

H.R. 12660. A bill to amend the Land and Water Conservation Fund Act of 1965, as amended, and to amend the act of October 15, 1966, to establish a program for the preservation of additional historic properties throughout the Nation, as amended, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. TAYLOR of North Carolina (for himself, Mr. Bonker, Mr. Bowen, Mr. Cochran, Mr. Conte, Mr. Corman, Mr. Dellums, Mr. Derrick, Mr. Edgar, Mr. Esch, Mr. Gude, Mr. Hammerschmidt, Mr. Harris, Mr. Hays of Ohio, Mr. Hubbard, Mr. Hughes, Mr. Macdonald of Massachusetts, Mr. Moakley, Mr. O'Hara, Mr. Pressler, Mr. Preyer, Mr. Pritchard, Mr. Rodino, Mr. Sarasin, and Mr. Studds):

H.R. 12661. A bill to amend the Land and Water Conservation Fund Act of 1965, as amended, and to amend the act of October 15, 1966, to establish a program for the preservation of additional historic properties throughout the Nation, as amended, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. **TAYLOR** of North Carolina (for himself, Ms. Burke of California, Mr. Thompson, Mr. Ullman, and Mr. Charles Wilson of Texas):

H.R. 12662. A bill to amend the Land and Water Conservation Fund Act of 1965, as amended, and to amend the act of October 15, 1966, to establish a program for the preservation of additional historic properties throughout the Nation, as amended, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. **AuCOIN** (for himself and Mr. Baucus):

H.R. 12663. A bill to amend the Forest and Rangeland Renewable Resources Planning Act of 1974 (88 Stat. 476) and the act of June 4, 1897 (30 Stat. 35); to the Committee on Agriculture.

By Mr. **FLORIO** (for himself, Mr. Rogers, Mr. Preyer, Mr. Symington, Mr. Scheuer, Mr. Waxman, Mr. Hefner, Mr. Carney, Mr. Maguire, Mr. Carter, Mr. Broyhill, Mr. Heinz, and Mr. Mollohan):

H.R. 12664. A bill to revise and extend the provisions of title XII of the Public Health Service Act relating to emergency medical services systems, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. **JONES** of Tennessee:

H.R. 12665. A bill to amend title 39, United States Code, to require the U.S. Postal Service to make certain considerations prior to the closing of third- and fourth-class post offices; to the Committee on Post Office and Civil Service.

By Mr. **PEPPER** (for himself, Mr. Randall, Mr. Andrews of North Carolina, Mr. Beard of Rhode Island, Mr. Florio, and Mrs. Lloyd of Tennessee):

H.R. 12666. A bill to establish within the Department of Health, Education, and Welfare a Home Health Clearinghouse to provide elderly persons with a single place where they can obtain complete information on the Federal health programs available to them, and to create within the Department an Assistant Secretary for Elderly Health with responsibility for all health and health-related matters involving the elderly; to the Committee on Interstate and Foreign Commerce.

H.R. 12667. A bill to amend the Older Americans Act and the Public Health Service Act to provide expanded counseling assistance for the elderly sick and disabled; to the Committee on Education and Labor.

H.R. 12668. A bill to amend the Legal Services Corporation Act to provide legal assistance to older persons in connection with their participation in certain health insurance and medical assistance programs under the Social Security Act; to the Committee on the Judiciary.

H.R. 12669. A bill to amend title XX of the Social Security Act to provide for the reallotment of unused social sevices funds, in any fiscal year, to States which will use such funds during the succeeding year in furnishing services aimed at preventing or reducing inappropriate institutional care by making home or community care available; to provide additional Federal matching for multipurpose senior center programs; and to provide for the standardization of eligibility requirements for the funding of senior centers; to the Committee on Ways and Means.

H.R. 12670. A bill to amend the National Housing Act and other acts for the purpose of providing assistance for outpatient geriatric clinics and for multipurpose senior centers, and for other purposes; to the Committee on Banking, Currency and Housing.

H.R. 12671. A bill to amend the Internal Revenue Code of 1954 to allow a deduction to taxpayers who contribute the right to use certain real property to charitable organizations for outpatient geriatric clinics or for multipurpose senior centers; to the Committee on Ways and Means

H.R. 12672. A bill to amend the Older Americans Act of 1965 to authorize funds for the establishment and operation of multipurpose senior centers, and for other purposes; jointly to the Committees on Education and Labor, and Interstate and Foreign Commerce.

H.R. 12673. A bill making a supplemental appropriation for payments under home health service grants and making an appropriation for payments under multipurpose senior centers; to the Committee on Appropriations.

H.R. 12674. A bill to amend the Social Security Act to prohibit nursing homes participating in the medicare or medicaid program, or otherwise receiving funds under that act, from requiring patients to turn over their social security benefit checks after giving reasonable advance notice of their intent to leave such homes; jointly to the Committees on Interstate and Foreign Commerce, and Ways and Means.

H.R. 12675. A bill to promote the provision and availability of necessary health services for the elderly by expanding existing programs of grants for home health services, requiring the inclusion of specified preventive and home health services under the medicaid program and making various improvements in the administration of such program, providing assistance to demonstration and pilot projects for home health and supportive services (including demonstration grants for community care), and authorizing grants for annual health fairs and mobile geriatric health units, and for other purposes; to the Committee on Interstate and Foreign Commerce.

H.R. 12676. A bill to amend title XVIII of the Social Security Act to remove all limits on the number of home health visits for which payment may be made under both part A and part B (eliminating the requirement of prior hospitalization in the case of home health care under part A), to include additional types of services as home health care, to provide coverage for preventive care and various related items and services under part B, to provide coverage for services furnished in outpatient rehabilitation facilities and elderly day care centers, to improve the administration of the medicare program, and for other purposes; jointly to the Committees on Ways and Means, and Interstate and Foreign Commerce.

By Mr. **ROGERS** (for himself, Mr. Preyer, Mr. Symington, Mr. Scheuer, Mr. Waxman, Mr. Hefner, Mr. Florio, Mr. Carney, Mr. Maguire, Mr. Carter, Mr. Broyhill, and Mr. Heinz):

H.R. 12677. A bill to extend for 3 fiscal years the programs of assistance under the Comprehensive Alcohol Abuse and Alcoholism Prevention, Treatment, and Rehabilitation Act of 1970, and for other purposes; to the Committee on Interstate and Foreign Commerce.

H.R. 12678. A bill to amend the Public Health Service Act to provide authority for health information and health promotion programs, to revise and extend the authority for disease prevention and control programs, and to revise and extend the authority for venereal disease programs, and to amend the Lead-Based Paint Poisoning Prevention Act to revise and extend that act; to the Committee on Interstate and Foreign Commerce.

H.R. 12679. A bill to amend the Public Health Service Act to extend for 3 fiscal years assistance programs for health services research and statistics and programs for assistance to medical libraries, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. **CONABLE**:

H.J. Res. 875. Joint resolution proposing an amendment to the Constitution of the United States providing for the election of the President and Vice President; to the Committee on the Judiciary.

By Mr. **RISENHOOVER**:

H.J. Res. 876. Joint resolution authorizing the President to proclaim the week beginning November 7, 1976, as National Respiratory Therapy Week; to the Committee on Post Office and Civil Service.

By Mr. **ROSENTHAL** (for himself, Ms. Abzug, Mr. Badillo, Mr. Boland, Mr. Brown of California, Ms. Burke of California, Mr. Corman, Mr. Dodd, Mr. Downey of New York, Mr. Drinan, Mr. Duncan of Oregon, Mr. du Pont, Mr. Edgar, Mr. Edwards of California, Mr. Fraser, Mr. Harrington, Mr. Hawkins, Mr. Hayes of Indiana, and Ms. Holtzman):

H.J. Res. 877. Joint resolution designating April 8, 1976, as National Food Day; to the Committee on Post Office and Civil Service.

By Mr. **ROSENTHAL** (for himself, Mr. Koch, Mr. LaFalce, Mr. McHugh, Mr. Maguire, Mr. Mazzoli, Mr. Mitchell of Maryland, Mr. Nowak, Mr. Ottinger, Mr. Patterson of California, Mr. Pattison of New York, Mr. Peyser, Mr. Richmond, Mr. Rodino, Ms. Spellman, Mr. Tsongas, Mr. Waxman, Mr. Weaver, and Mr. Young of Georgia):

H.J. Res. 878. Joint resolution designating April 8, 1976, as National Food Day; to the Committee on Post Office and Civil Service.

By Mr. **KOCH** (for himself, Mrs. Fenwick, Mr. Annunzio, Mr. Archer, Mr. AuCoin, Mr. Badillo, Mr. Baucus, Mr. Bedell, Mr. Bevill, Mr. Biaggi, Mr. Bingham, Mr. Blanchard, Mr. Broomfield, Mr. Brown of California, Mr. Phillip Burton, Mr. Conte, Mr. Cotter, Mr. Coughlin, Mr. Derwinski, Mr. Dingell, Mr. Dodd, Mr. Downey of New York, Mr. Drinan, Mr. Duncan of Oregon, and Mr. du Pont):

H. Con. Res. 588. Concurrent resolution expressing the request of the U.S. Government that the Government of the U.S.S.R. provide Valentyn Moroz with the opportunity to accept the invitation of Harvard University; to the Committee on International Relations.

By Mr. **KOCH** (for himself, Mr. Edwards of California, Mr. Eilberg, Mr. Fascell, Mr. Fish, Mr. Florio, Mr. Forsythe, Mr. Frenzel, Mr. Gilman, Mr. Green, Mr. Heinz, Mr. Helstoski, Ms. Holtzman, Mr. Horton, Mr. Howard, Mr. Hughes, Mr. Hyde, Mr. Kemp, Mr. Krebs, Mr. Lagomarsino, Mr. Lent, Mr. Long of Maryland, Mr. Maguire, Mr. Melcher, and Mrs. Meyner):

H. Con. Res. 589. Concurrent resolution expressing the request of the U.S. Government that the Government of the U.S.S.R. provide Valentyn Moroz with the opportunity to accept the invitation of Harvard University; to the Committee on International Relations.

By Mr. **KOCH** (for himself, Mr. Mikva, Mr. Minish, Mr. Mitchell of Maryland, Mr. Mottl, Mr. Mosher, Mr. Neal, Mr. Nix, Mr. Nowak, Mr. O'Hara, Mr. Ottinger, Mr. Patten, Mr. Pepper, Mr. Peyser, Mr. Preyer, Mr. Rees, Mr. Rinaldo, Mr. Rodino, Mr. Roe, Mr. Rosenthal, Mr. Roybal, Mr. Sarasin, Mr. Sarbanes, Mr. Scheuer, and Mr. Solarz):

H. Con. Res. 590. Concurrent resolution expressing the request of the U.S. Government that the Government of the U.S.S.R. provide Valentyn Moroz with the opportunity to accept the invitation of Harvard

University; to the Committee on International Relations.

By Mr. **KOCH** (for himself and Mrs. Spellman, Mr. Stark, Mr. Thompson, Mr. Dominick V. Daniels, Mr. Tsongas, Mr. Waxman, Mr. Buchanan, Mr. Pattison of New York, and Mr. Wolff):

H. Con. Res. 591. Concurrent resolution expressing the request of the U.S. Government that the Government of the U.S.S.R. provide Valentyn Moroz with the opportunity to accept the invitation of Harvard University; to the Committee on International Relations.

By Mr. **McCORMACK**:

H. Con. Res. 592. Concurrent resolution authorizing the printing of 2,000 copies of a Joint Committee on Atomic Energy print entitled, "Review of National Breeder Reactor Program"; to the Committee on House Administration.

By Mr. **STUCKEY** (for himself, Mr. Broyhill, Mr. Ichord, Mr. Vigorito, Mr. Bafalis, Mr. Bennett, and Mr. Brinkley):

H. Con. Res. 593. Concurrent resolution relating to the authority of the Federal Trade Commission to prescribe rules preempting State and local laws; to the Committee on Interstate and Foreign Commerce.

By Mr. **MILFORD**:

H. Res. 1095. Resolution to amend the rules of the House of Representatives to establish a permanent Committee on Intelligence and for other purposes; to the Committee on Rules.

By Mr. **MATSUNAGA** (for himself, Mr. Bob Wilson, Mr. Beard of Rhode Island, Mr. Biaggi, Mr. Blouin, Mr. John L. Burton, Mr. Downey of New York, Mr. Florio, Mr. Ford of Tennessee, Mr. Grassley, Mr. Hammerschmidt, Mr. Heinz, Mr. Hughes, Mr. Pepper, Mr. Randall, Mr. Risenhoover, Mr. Rooney, Mr. Roybal, Mr. Santini, Mr. Sarasin, Mr. Walsh, and Mr. Oberstar):

H. Res. 1096. Resolution providing for senior citizen interns; to the Committee on House Administration.

By Mr. **RODINO**:

H. Res. 1097. Resolution to provide funds for the Committee on the Judiciary; to the Committee on House Administration.

By Mr. **PEPPER** (for himself, Mr. Randall, Mr. Andrews of North Carolina, Mr. Beard of Rhode Island, Mr. Florio, and Mrs. Lloyd of Tennessee):

H. Res. 1098. Resolution to amend the Rules of the House of Representatives to create a standing committee to be known as the Committee on Health; to the Committee on Rules.

MEMORIALS

Under clause 4 of rule XXII, memorials were presented and referred as follows:

321. By the **SPEAKER**: Memorial of the Senate of the State of Hawaii, relative to unemployment compensation funds; to the Committee on Ways and Means.

322. Also, memorial of the Legislature of the State of New York, relative to estate taxation; to the Committee on Ways and Means.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

421. By the **SPEAKER**: Petition of the National Advisory Council on Education Professions Development, Washington, D.C., relative to the Commissioner of Education's annual report for the years 1973, 1974, and 1975; to the Committee on Education and Labor.

422. Also, petition of Tom Bradley, McAlester, Okla., and others, relative to gun control; to the Committee on the Judiciary.

FACTUAL DESCRIPTIONS OF BILLS AND RESOLUTIONS INTRODUCED

Prepared by the Congressional Research Service pursuant to clause 5(d) of House rule X. Previous listing appeared in the Congressional Record of March 17, 1976, page 6823:

HOUSE BILLS

H.R. 12001. February 19, 1976. Ways and Means. Authorizes a limited deduction, under the Internal Revenue Code, for amounts paid by the taxpayer in any contiguous less-developed country.

H.R. 12002. February 19, 1976. Judiciary. Incorporates the National Ski Patrol System, Incorporated.

H.R. 12003. February 19, 1976. Interior and Insular Affairs. States that the United States holds specified public domain lands in trust for the Pueblo of Santa Ana Indian tribe, New Mexico.

H.R. 12004. February 19, 1976. Interior and Insular Affairs. States that the United States holds specified public domain lands in trust for the Pueblo of Santa Ana Indian tribe, New Mexico.

H.R. 12005. February 19, 1976. Interior and Insular Affairs. States that the United States holds specified public domain lands in trust for the Pueblo of Santa Ana Indian tribe, New Mexico.

H.R. 12006. February 19, 1976. Armed Services. Amends the National Security Act of 1947 to make the Director of the Central Intelligence Agency responsible for protecting intelligence sources and methods from unauthorized disclosure. Imposes penalties for such disclosure. Bars prosecution for such offense where the information disclosed was not lawfully classified and where there was no process by which the defendant could obtain review of the continuing necessity for the classification.

H.R. 12007. February 19, 1976. Government Operations. Sets forth priority expenditure categories under the State and Local Fiscal Assistance Act and allows local governments to spend no more than 45 percent of their revenue sharing funds in any one category. Requires public participation in the local allocation of revenue sharing funds.

H.R. 12008. February 19, 1976. Judiciary. Authorizes the Attorney General, whenever there is reasonable cause to believe that a State or its agents are as a matter of practice subjecting persons involuntarily confined in an institution to conditions which deprive them of Constitutional or other federally protected rights, privileges, or immunities, to institute a civil action against such parties.

H.R. 12009. February 19, 1976. Judiciary. Directs the Secretary of the Treasury to pay a specified sum to certain individuals in full settlement of such individuals' claims against the United States for loss of life, personal injuries, and damage to their real and personal property which occurred between February 27 and May 8, 1973, in Wounded Knee, South Dakota.

H.R. 12010. February 19, 1976. Interior and Insular Affairs. Directs the Secretary of the Interior to make payments on a fiscal year basis to each unit of local government in which are located specified types of Federal lands.

Directs the Secretary to make additional payments to local governments for five fiscal years with respect to lands acquired by the United States for addition to the National Park System or National Wilderness Preservation System after December 31, 1970 which were subject to local real property taxes within five years preceding such acquisition.

H.R. 12011. February 19, 1976. Public Works and Transportation. Grants the consent of Congress for the construction of causeways and similar structures across navigable waters of the United States for the construction of certain highways in Louisiana.

H.R. 12012. February 19, 1976. Ways and Means; Interstate and Foreign Commerce. Amends the Old-Age, Survivors, and Disability Insurance and Medicare programs of the Social Security Act to specify the types of treatment, persons covered, and amount of coverage which will be provided with respect to treatment procedures and programs for end stage renal disease.

H.R. 12013. February 19, 1976. Judiciary. Authorizes classification of a certain individual as a child for purposes of the Immigration and Nationality Act.

H.R. 12014. February 23, 1976. Ways and Means. Amends the program of Grants to States for Services of the Social Security Act to authorize the States to provide social services to individuals and families in addition to those services specified in such title, and to permit each State to individually establish standards of financial eligibility for such services.

H.R. 12015. February 23, 1976. House Administration. Amends the Federal Election Campaign Act of 1971 to establish in the Executive branch the Federal Election Commission whose members are the Secretary of the Senate (ex officio), the Clerk of the House (ex officio), and six members appointed by the President with the advice and consent of the Senate.

Confers upon the Commission primary and exclusive jurisdiction with respect to civil enforcement of the provisions of the Internal Revenue Code dealing with election law.

Sets limitations on campaign contributions and expenditures. Provides criminal penalties for violation of specified provisions of this Act.

H.R. 12016. February 23, 1976. Government Operations. Requires Federal administrative agency decisionmaking meetings be open to the public. Provides exemptions to such open meeting policy in order to protect individual rights or the public interest. Requires that all agency meetings be recorded and such records, edited pursuant to this Act, be made available to the public.

H.R. 12017. February 23, 1976. Rules. Requires review of Federal programs to determine if they warrant continuation. Directs the President to conduct such review of the programs covered by the annual budget. Requires Congress to make such review every four years.

H.R. 12018. February 23, 1976. Education and Labor. Amends the Rehabilitation Act of 1973 to rename the National Center for Deaf-Blind Youths and Adults the Helen Keller National Center for Deaf-Blind Youths and Adults.

H.R. 12019. February 23, 1976. Ways and Means. Reduces the tax rates for Old Age, Survivors, and Disability Insurance and hospital insurance under the Internal Revenue Code of 1954. Raises the ceiling on income taxable for Old Age, Survivors, and Disability Insurance under the Social Security Act and Internal Revenue Code of 1954. Provides that one-third of the cost of the Old Age, Survivors and Disability Insurance program be borne by the Federal Government.

H.R. 12020. February 23, 1976. District of Columbia. Exempts Congressional employees from jury service in the Superior Court of the District of Columbia upon the filing with such court of a notice of disapproval by the individual with the authority to appoint such employee.

Permits Congressional employees to receive compensation for service as jurors in a court of the District of Columbia.

H.R. 12021. February 23, 1976. Interstate and Foreign Commerce. Directs the Secretary of Health, Education, and Welfare to establish a National Diabetes Advisory Board to insure the implementation of a long range plan to combat diabetes. Authorizes the Secretary to make grants to scientists who have shown productivity in diabetes research for the purpose of continuing such research. Authorizes, under the Public Health Service Act, the appropriation of specified sums for the purpose of making grants to centers for research and training in diabetic related disorders.

H.R. 12022. February 23, 1976. Interstate and Foreign Commerce. Directs the Secretary of Health, Education, and Welfare to establish a National Diabetes Advisory Board to insure the implementation of a long range plan to combat diabetes. Authorizes the Secretary to make grants to scientists who have shown productivity in diabetes research for the purpose of continuing such research. Authorizes, under the Public Health Service Act, the appropriation of specified sums for the purpose of making grants to centers for research and training in diabetic related disorders.

H.R. 12023. February 23, 1976. Post Office and Civil Service. Limits during fiscal year 1977 increases in pay rates under Federal statutory pay systems to five percent of the pay rates in effect September 30, 1976.

H.R. 12024. February 23, 1976. Banking, Currency and Housing; Science and Technology. Authorizes the Federal Energy Administrator to provide financial assistance in the form of loan guarantees, interest subsidies, or grants for the implementation of eligible State energy conservation programs.

Establishes an Energy Extension Service in the Energy Research and Development Administration to develop a program of technical assistance and practical demonstration of energy-conserving technologies for agricultural and commercial purposes.

H.R. 12025. February 23, 1976. Government Operations. Requires that all forms used by each executive agency be discontinued progressively over a five year period. States that no form may be placed in use by any executive agency after the effective date of this Act unless it has been approved by the Comptroller General.

Stipulates that if the Comptroller General determines that the use of an existing form is necessary and that such form is as short, simple, and understandable as it can be, continued use of such form shall be approved.

H.R. 12026. February 23, 1976. Ways and Means. Amends the Social Security Act by removing the limitation upon the amount of outside income which an individual may earn while receiving Old-Age, Survivors, and Disability Insurance benefits.

H.R. 12027. February 23, 1976. Armed Services. States that no reduction shall be made in the retired or retainer pay of any person who elects to provide an annuity under the armed forces survivor benefit plan during any full month in which there is no beneficiary eligible to receive such annuity.

H.R. 12028. February 23 1976. Public Works and Transportation; Merchant Marine and Fisheries. Establishes strict liability for damages caused by oil spills. Creates within the Department of Transportation an agency to settle claims arising from oil spills and to assist in providing compensation for oil spill damage.

H.R. 12029. February 23, 1976. Education and Labor. Authorizes Federal financial assistance to the States for programs of career education in elementary and secondary State schools. Sets forth the requirements of State education plans necessary to qualify for Federal aid.

H.R. 12030. February 23, 1976. Judiciary. Establishes criteria for the imposition of the death penalty for specified explosive related offenses.

H.R. 12031. February 23, 1976. Ways and Means. Amends the Tariff Schedules of the United States to repeal the duty imposed on (1) articles assembled abroad with components produced in the United States, and (2) certain metal articles manufactured in the United States and exported for further processing.

H.R. 12032. February 23, 1976. Interstate and Foreign Commerce. Amends the Federal Power Act to require that rate increases for the interstate sale of electricity not be granted until public hearings on such increases have been completed by the Federal Power Commission.

Requires 30 days' notice of all rate changes by a public utility to the Commission and to the public.

H.R. 12033. February 23, 1976. Ways and Means. Amends the Tariff Schedules of the United States to suspend for three additional years customs duties on manganese ore (including ferruginous ore) and related products.

H.R. 12034. February 23, 1976. Interior and Insular Affairs. Increases the maximum amount authorized to be appropriated for acquisition, development, and rehabilitation of sites of specified events which occurred in Kansas during the decade prior to and during the Civil War.

H.R. 12035. February 23, 1976. Science and Technology. Authorizes appropriations to the Environmental Protection Agency for fiscal year 1977 for environmental research, development, and demonstration programs. Imposes limitations on the transfer of funds from one area of research to another without Congressional consent.

SENATE—*Thursday, March 18, 1976*

The Senate met at 9 a.m. and was called to order by Hon. CLIFFORD P. HANSEN, a Senator from the State of Wyoming.

PRAYER

The Very Reverend Father Boris Geeza of St. Vladimir's Orthodox Theological Seminary of Crestwood, N.Y., offered the following prayer:

Let us pray:

O Lord and Master of our life, take from us—

The spirit of sloth which pushes down instead of lifts up;

The spirit of dispair which makes it impossible to see anything good;

Take from us the spirit of lust of power which makes us selfish and self-centered;

The spirit of idle talk which makes our words hurt instead of help.

Give us rather, O Lord—

The spirit of wholeness which restores the true scale of values;

The spirit of humility which helps us see things as they are;

Give us the spirit of patience which keeps us from being quick to condemn;

The spirit of love which crowns all effort, and is the foundation of peace and justice.

Yea, O Lord and King—

Grant us to see our own transgressions, and not to judge, but to serve our people, our Nation, and Thee, our Master.

For blessed art Thou, unto ages of ages. Amen.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore (Mr. EASTLAND).

The assistant legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, D.C., March 18, 1976.

To the Senate:

Being temporarily absent from the Senate on official duties, I appoint Hon. CLIFFORD P. HANSEN, a Senator from the State of Wyoming, to perform the duties of the Chair during my absence.

JAMES O. EASTLAND,
President pro tempore.

Mr. HANSEN thereupon took the chair as Acting President pro tempore.

THE JOURNAL

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the reading of the Journal of the proceedings of Wednesday, March 17, 1976, be dispensed with.

The PRESIDING OFFICER (Mr. FORD). Without objection, it is so ordered.

COMMITTEE MEETINGS DURING SENATE SESSION

Mr. MANSFIELD. Mr. President, I ask unanimous consent that all committees may be authorized to meet during the session of the Senate today.

The PRESIDING OFFICER. Without objection, it is so ordered.

EXECUTIVE SESSION

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate go into executive session to consider nominations under "New Reports."

There being no objection, the Senate proceeded to the consideration of executive business.

DEPARTMENT OF DEFENSE

The second assistant legislative clerk read the nomination of William K. Brehm, of Michigan, to be an Assistant Secretary of Defense.

The PRESIDING OFFICER. Without objection, the nomination is considered and confirmed.

INTERSTATE COMMERCE COMMISSION

The second assistant legislative clerk read the nomination of Betty Jo Christian, of the District of Columbia, to be an Interstate Commerce Commissioner for the remainder of the term expiring December 31, 1979.

The PRESIDING OFFICER. Without objection, the nomination is considered and confirmed.

FEDERAL TRADE COMMISSION

The second assistant legislative clerk read the nomination of Calvin Joseph Collier, of Virginia, to be a Federal Trade Commissioner for the term of 7 years from September 26, 1975.

The PRESIDING OFFICER. Without objection, the nomination is considered and confirmed.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the President be notified.

The PRESIDING OFFICER. Without objection, it is so ordered.

LEGISLATIVE SESSION

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate return to legislative session.

There being no objection, the Senate resumed the consideration of legislative business.

ORDER OF BUSINESS

The PRESIDING OFFICER. The Senator from Wyoming.

Mr. HANSEN. I thank the Chair. I have nothing at this time.

The PRESIDING OFFICER. Under the previous order, the Senator from New York (Mr. JAVITS) is recognized for 15 minutes.

Mr. MANSFIELD. Mr. President, I suggest the absence of a quorum with the time taken out of the Senator's time.

The PRESIDING OFFICER. Without objection, it is so ordered. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that it be in order for the distinguished Senator from Vermont (Mr. LEAHY) to replace the distinguished Senator from New York (Mr. JAVITS) as the first speaker to be recognized.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Senator from Vermont (Mr. LEAHY) is recognized for not to exceed 15 minutes.

Mr. LEAHY. I thank the distinguished majority leader and the Presiding Officer.

THE B-1 BOMBER

Mr. LEAHY. Mr. President, in the next few months Congress will be faced with deciding whether or not to make a commitment to produce the B-1 bomber. No other decision to be made by us this year will have as profound an impact on the lives of all Americans for years to come. No other decision will so vitally affect the establishment of our national priorities for the coming decades.

More than $2.4 billion has already been spent on the B-1. A decision to proceed with production will result in a dizzying escalation of costs. Spending will increase from the $740 million spent in fiscal year 1976 to approximately $2.5 billion annually in the late 1970's. The Air Force currently estimates that each B-1 bomber will cost $86 million, more than twice the 1971 estimate of $36 million. At the current price, this means a total expenditure of approximately $21 billion.

And that enormous figure is only the beginning. If we include the short-range missiles and other weapons to be placed in the planes, fuel, operation and maintenance of the bombers and the supporting tanker fleet over 30 years we arrive at a total cost of approximately $90 billion.

A decision of such magnitude calls for a serious public discussion and congressional debate. Although it was generally understood during the debate on the military authorization bill last year that a production decision on the B-1 would not be made until November of this year, the President has requested production money for three B-1 aircraft in his budget for fiscal year 1977. In other words, the decision to produce the B-1 has already been made by the administration.

This was confirmed in recent testimony before the Senate Armed Services Committee by Gen. David Jones, the Chief of Staff of the Air Force. Also disclosed in those hearings was a letter from Deputy Secretary of Defense William P. Clements to the chairman of the Armed Services Committee in which Secretary Clements stated that, in its request for production money, "the Department of Defense made an explicit commitment to acquire the B-1 bomber."

Mr. President, the administration has made its decision, but we in the Congress have the constitutional responsibility to decide whether funds will be authorized or appropriated to implement it. To simply rubberstamp the B-1 without serious debate would constitute an abdication of that responsibility. It would be a disservice not only to Americans living today but to generations to come.

Mr. President, the United States is the greatest military power in the world. I certainly want us to keep our preeminence and will continue to support appropriations to assure that end. But a sound economy and a sound dollar are also essential to our Nation's security. Before embarking on a program that will cost more than $90 billion in the next 30 years, we must take a critical look at whether the B-1 is vital to our national security.

Can these tens of billions of dollars be better spent by investing in a cheaper alternative, or by enhancing our real military capabilities in increasing the operational readiness of the weapons we already have?

And then we must consider the effectiveness of a manned bomber force. Is the bomber a viable weapon system in this age of ballistic missiles capable of reaching their targets in minutes? How would the bomber be used in the limited counterforce war that has been talked about in recent years? What role would the bomber have in an all-out nuclear war, when both the Soviet Union and the United States would be literally destroyed hours before even the first bomber could reach its target?

The fact is that we will soon have more than 7,000 ballistic missile reentry vehicles deployed that would penetrate any but the most extensive and extremely sophisticated ABM system. And the treaty severely limiting the deployment of ABM's has all but obviated that possibility. Furthermore, the economic and technological obstacles to an effective ABM defense are likely to persist. Of these 7,000 missiles, approximately 5,000 will be based in nuclear submarines, as safe a deployment mode as can be made. If just one nuclear submarine survives a surprise attack, its 160 warheads could virtually destroy any country on Earth.

Certainly, with the ability we have to hide our submarines, we can count on far more than that one surviving such an attack. The remaining 2,000 will be carried by land-based intercontinental ballistic missiles also capable of surviving a surprise attack.

Perhaps most important we must also consider possible alternatives. Can our strategic deterrent be maintained with a less costly weapon system? Is a third leg of the strategic Triad needed? If so, must that third leg be a manned bomber? Or could we invest in a standoff bomber force equipped with cruise missiles? Have these alternatives been adequately studied?

These are just some of the questions involved but they are questions the Congress has to ask if we are going to carry out our responsibilities to the taxpayers of this country. We cannot allow them to be asked by the administration alone and answered only by the administration. And they have got to be answered before we commit the spending of tens of billions of taxpayers' dollars to the production of a B-1 manned bomber force, before we determine that it is vital to our national security.

To date I do not believe that the Department of Defense has adequately provided meaningful answers to them. The latest Pentagon study of the B-1 and alternatives was the joint strategic bomber study conducted in 1974.

After that study was completed, Senator MCINTYRE, chairman of the Research and Development Subcommittee of the Armed Services Committee, wrote the Secretary of Defense saying that:

> It failed to meet . . . standards of completeness and objectivity and, therefore, is a most inadequate tool in informing a Congressional decision about the B-1. The study's failure was not in its execution, but in its conception. Its basic premises were flawed and the study was consequently biased toward the B-1.

If the Senate is to approve the construction of this new bomber, the decision must come after a thorough review of the justifications provided for the program based on adequate studies, and not simply on the urging of the Pentagon.

Mr. President, in the 14 months I have served in this body and as a member of the Armed Services Committee, I have seen us routinely, often with only a pro forma debate, approve programs that involve the immediate expenditure of billions of dollars and the eventual expenditure of many billions more. To blindly follow the lead of the Pentagon year after year on program after program, is to make a farce of the legislative process. The B–1 program is far too important and far too costly to be given such cursory examination and routine approval.

The ramifications of what we in Congress decide on the B–1 this spring will reverberate well into the 21st century. It will in many ways determine the kind of lives our children and our grandchildren will lead. It will, perhaps, be the most fateful decision to be made by the 94th Congress.

Mr. President, it is not a case of standing here and simply saying the B–1 should or should not be built. I have very strong feelings on that, and I have and will continue to express them. I have expressed them to the Pentagon, I have expressed them to my fellow members of the Armed Services Committee, and I have previously expressed them in this Chamber. The fact is that the Congress has to realize that if we appropriate the requested funds for the B–1 this year, we are appropriating money for production; we are making the decision to go into production.

I am not questioning the fact that the B–1 bomber is a superb machine. It has done a number of things, although not all those it was originally designed to do. That is really not the question. The question is, Do we really need it today? Can we really afford it?

Mr. President, I yield back the balance of my time.

Mr. MANSFIELD. Will the Senator yield me that time so that I may suggest the absence of a quorum and have that time allocated to the reserved time of the Senator from New York?

Mr. LEAHY. Certainly.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. LEAHY. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

PRIVILEGE OF THE FLOOR—S. 3065

Mr. LEAHY. Mr. President, I ask unanimous consent that Herbert Jolovitz and Paul Bruhn of my office be granted the privileges of the floor during any debate or vote on matters relating to the Federal Election Commission today.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. LEAHY. Mr. President, I suggest the absence of a quorum under the same time conditions as before.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. HUDDLESTON. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered. The Senator from Kentucky is recognized for not to exceed 15 minutes.

THE SCOTIA MINE DISASTERS

Mr. HUDDLESTON. Mr. President, the two mine disasters at the Scotia mine in Letcher County, Ky., last week are tragic in the very grimmest sense of the word. We have lost 26 men—young men with wives, families, and years of growth, achievement, and fulfillment ahead of them. And, as tragic as it is in itself, the Scotia disaster is a brutal reminder of the hazards of coal mining which left 155 dead, 11,156 disabled, and 8,705 injured in 1975 alone. Clearly, we are deficient in our efforts to make every mine in America reasonably safe. And, we owe it to the memories of these men and to the lives and safety of every working miner to find those deficiencies and correct them. To do that will require not only complete and comprehensive investigation of the disasters themselves, but also careful scrutiny of the Coal Mine Health and Safety Act of 1969 and the manner in which it is being implemented. I am firmly convinced that there is not a single aspect of our safety efforts—from the statutory and regulatory requirements, the inspection procedures, the enforcement procedures, penalties assessments and collections, and safety training, to rescue facilities and procedures—which could not stand exhaustive study and improvement. The distinguished chairman of the Senate Labor and Public Welfare Committee, Mr. WILLIAMS, is to be highly commended for the work he has done already, and for the hearings he has called for next week. I am confident that they will prove a significant part of just such an effort.

Mr. President, until all the investigations into the Scotia explosions are completed, we can only speculate on causes and solutions. There do not appear to be any definitive answers at this point. But, I believe there are certain areas that we should look at very closely in the hearings next week and the days ahead—some of which have long been concerns of mine, and some questions which have been raised as a result of the events that took place.

Certainly, the primary thrust of our efforts must be preventive—that is the development, implementation and strict enforcement of whatever standards and procedures are necessary to make coal mining a safe and healthful occupation. And, inherent in any preventive efforts must be full and adequate education and training of the miners themselves. I am convinced that this is one area in which we are lacking.

Of primary consideration should be safety training for all miners. MESA has been working on regulations in this area for over 3 years. Surely that is sufficient time—probably too long—to perfect those regulations. They should be issued as quickly as possible so that the lengthy process of hearings and review can begin.

We should also consider whether the Federal Government is doing all that it can and should as far as training is concerned, and its proper role in terms of cost and quality of training.

The Federal Government does provide grants to State departments of mines for education and training programs in coal mine technology and safety, but this program is inadequately funded. Existing law provides a $5 million annual authorization, but until now Congress has never provided more than $1 million. I know that in my own State several colleges have established, or wish to establish, effective programs to provide training for miners—but they do not have sufficient funds.

I received yesterday from MESA information indicating that it would like to see the funding for this program increased by at least $600,000 to $800,000 for fiscal year year 1977. I am inclined to think it ought to be increased by at least $1 million.

MESA has moved to establish a mine training center in Lexington, Ky., which will overcome a major deficiency in my State. Once that center is at full strength, we will have approximately 16 full-time instructors who will be available to provide both classroom and onsite safety instruction to miners throughout our State.

But, education and training alone are not sufficient. We need to remove potential accident sources. In this area, a problem tragically brought to mind by Scotia is methane. An ideal solution would be to get the methane out of the mines entirely—to remove it as a threat to underground miners. The Senate Labor and Public Welfare Committee, in its report accompanying the passage of the Coal Mine Health and Safety Act of 1969, directed that methane drainage research "be accelerated in terms of safety." The technology for harnessing methane and putting it to commercial use is being developed. But is there anything we can do to speed up that process? Are our research efforts being adequately financed? Are there any obstacles to its implementation that Congress can remove legislatively? And what steps can we take to reduce the methane threat in the meantime?

We know that any drop or rise in barometric pressure can increase methane concentration dangerously. MESA presently notifies only mines that emit 1 million cubic feet or more of methane a day when such fluctuations occur. Perhaps the threat would be lessened to some degree through an extension of the notification services to mines with smaller methane concentration, or through a simple requirement that every mine have a barometer.

And, sadly, we must face the possibility that there may be other methane explosions and that rescue operations may again be necessary. How can we improve the procedures employed for reopening and rehabilitating a mine after an accident? Would it be feasible, for example, to require that where an explosion has occurred and the victims have been recovered, miners would be prohibited from going back into the mine until after a period of air quality testing from the surface?

And, finally, I think we need to look at the adequacy of our rescue procedures and facilities. Time is precious in any rescue effort, and it may be necessary to require that rescue teams and equipment be strategically located so as to be within minutes of all mines in operation. Certainly, it would be reasonable to require that such teams be available onsite during reopening or restoration of any mine that has been closed because of an accident.

There are obviously many more questions which have been raised by this tragedy. Some of them can only be answered after accumulation of evidence gathered at the hearings next week and in the investigations which are taking place. Some of them may never be answered. But of one thing I am certain. Every one of us who has a responsibility in this area—State, Federal officials, companies, and unions—must respond to this tragedy by reexamining and strengthening all existing laws, regulations, programs and procedures that bear on the safety of individual miners.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. Leahy). The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. GRIFFIN. Mr. President, is time now running against the special order allocated to the Senator from New York (Mr. Javits)?

The PRESIDING OFFICER. It is.

Mr. GRIFFIN. Since the time is running anyway, I ask unanimous consent that pending his arrival the Senator from Arizona be recognized.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Senator from Arizona is recognized.

PRIVILEGE OF THE FLOOR

Mr. GOLDWATER. Mr. President, first, I ask unanimous consent that a member of my staff, Mr. Terry Emerson, be granted privileges of the floor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. GOLDWATER. Mr. President, the Senator from New York is here now.

Mr. JAVITS. Mr. President, I gave up my time.

Mr. GOLDWATER. The Senator did? We did not hear about it.

ORDER TRANSFERRING TIME ALLOTTED TO SENATOR JAVITS TO SENATOR GOLDWATER

Mr. JAVITS. Mr. President, I ask unanimous consent that the order by which I am to be recognized this morning be transferred to Senator Goldwater.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. GOLDWATER. I thank my friend from New York.

RELATIONSHIP OF THE CONCORDE TO WORLD POLITICS

Mr. GOLDWATER. Mr. President, I had not intended to discuss this matter this morning because the legislation to which the amendment attempting to ban the landing of the Concorde will not come up until next week, but having the time available, I shall proceed.

Mr. President, I shall discuss today the relationship of the Concorde to world politics, the role that the Concorde plays in our foreign policy and the way other countries view us. Because of the decision of Congress in disapproving public financing of an American SST, foreign leaders of industry, aviation, and engineering came to believe that America no longer looks to the future, but only wants to stay where it is and become an isolated, inward-looking country. If we now compound this original error by blocking commercial supersonic service to our airports, we will give further reason for Europe's impression that the United States is rapidly becoming a has-been world power.

If we give additional reason for the outside world to think that the United States is keeping a sack over its head, believing that we can thereby avoid participation in the great advancements being made in aviation, we will only weaken the position of our own manufacturers and airlines. If, by our action, we give cause for other nations to believe that the United States has lost its awareness of the key role which aviation plays in the affairs of the world, this can only serve to undermine the strength of our foreign policy around the globe. And, if we give the impression by our conduct that the United States is discriminating against foreign-built aircraft because it is not made in the United States, this will be likely to incite serious retaliation against our trade.

Mr. President, in this context I will repeat my strong belief that the questions being raised about the Concorde are so ill founded on theoretical uncertainties and unsupported by facts that the Europeans could justly interpret a decision against Concorde as being based upon nothing more than economic protectionism. They could believe that if we had our own SST, we would not deny operating rights to theirs. They also could view a negative decision as being made to isolate our airlines from foreign competition in our own market. The Europeans already perceive us as moving toward protectionism as a result of the numerous antidumping and countervailing duty cases that have been instituted here under the new Trade Reform Act of 1974.

What form will this retaliation take? It could be a decision to embark full steam ahead on a program to develop a common, general aviation aircraft industry within the nine member European Community, to which both Britain and France belong. Or it could be a decision to boycott purchases of U.S. manufactured aviation equipment, which has been one of our leading export items. In fact, we have sold more than $13 billion worth of U.S.-made civil jet transports to foreign countries, including Britain and France, and we tread upon very dangerous waters if we take any action that is likely to encourage countermeasures against this great asset.

Nor should we be surprised if we see a delay in certification by some foreign governments of the U.S.-made 747–SP's, which will fly twice as far and be in flight four times as long as the Concorde. Like the Concorde, it, too, will cruise in the stratosphere. If we ask questions about the fuel range and ozone effect of the Concorde, what similar questions can foreign governments ask regarding the 747–SP?

Moreover, a negative action against the Concorde would be perceived by other countries as a nontariff barrier and we could expect to see difficulties in our negotiations at the Geneva trade talks, where the United States has hoped to win trade concessions which are valuable to our domestic industries. Our trading partners might well doubt the resolve of the United States to live by a new international trade agreement when we are simultaneously breaking our formal aviation treaties with Great Britain and France.

The Chicago Convention on International Civil Aviation, and the Bermuda and Paris bi-lateral Air Services Agreements with Britain and France, each grant to the British and French the rights to operate commercial flights to the United States without discrimination. According to these treaties, certificates of airworthiness issued by one government shall be recognized as valid by the other. No exception is specified for treating noise or emission rules differently from other criteria of airworthiness and saying that we can recognize a foreign certification for one purpose but not for others.

A strong legal case can be made that these agreements mean that the United States is bound to approve the applications by British Airways and Air France to operate the Concorde. Certainly, the legal arguments are strong enough so that third-party foreign governments, which look at these treaties objectively, would have reasonable ground for believing that the United States had violated them, if we voted for a ban against the Concorde. It is true that, as a constitutional matter, Congress has the theoretical power to pass a law which overrides earlier treaties; but regardless of this concept, the fact of the matter is that the United States would be viewed as having broken its sacred word as pledged in a written treaty.

Mr. President, we must recognize that we are no longer living in an isolated world where our actions will not generate counterreactions; nor are we living in the kind of world where we can dictate what other nations can do. Nearly all Americans know this and nearly all want us to share in the benefits of a modern transportation system. I urge that my colleagues in the Senate will make their decision based upon the facts and the welfare of the broad general public, and not upon misfacts and the whims of a few people.

ROUTINE MORNING BUSINESS

The **PRESIDING OFFICER**. Under the previous order, there will now be a period for the transaction of routine morning business, not to extend beyond 10 a.m., with statements therein limited to 3 minutes each.

Mr. GRIFFIN. Mr. President, I suggest the absence of a quorum.

The **PRESIDING OFFICER**. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. GRIFFIN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The **PRESIDING OFFICER**. Without objection, it is so ordered.

MESSAGE FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Roddy, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session, the Acting President pro tempore (Mr. HANSEN) laid before the Senate messages from the President of the United States submitting sundry nominations which were referred to the appropriate committees.

(The nominations received today are printed at the end of the Senate proceedings.)

REPORT OF PROPOSED DEFERRALS—MESSAGE FROM THE PRESIDENT

The **ACTING PRESIDENT** pro tempore (Mr. HANSEN) laid before the Senate the following message from the President of the United States, which was referred to the Committee on Appropriations, the Committee on the Budget, the Committee on Agriculture and Forestry, the Committee on Armed Services, the Committee on Commerce, and the Committee on Labor and Public Welfare, jointly, pursuant to the order of January 30, 1975:

To the Congress of the United States:

In accordance with the Impoundment Control Act of 1974, I herewith report six new deferrals. One of the deferrals—a routine one deferring Navy shipbuilding and conversion funds—accounts for all but $316.3 million of the $2,562.2 million associated with these six new deferrals. The other five affect funds for the Departments of Labor, Commerce, and Agriculture.

In addition, I am reporting an increase of $188,510 in a previously transmitted deferral of funds for a program of the Department of Health, Education, and Welfare.

The details of each deferral are contained in the attached reports.

GERALD R. FORD.

THE WHITE HOUSE, *March 18, 1976.*

MESSAGES FROM THE HOUSE

At 9:44 a.m., a message from the House of Representatives delivered by Mr. Berry, one of its reading clerks, announced that the House has agreed to the concurrent resolution (S. Con. Res. 98) to provide for a delegation of Members of Congress to go to the United Kingdom for purposes of accepting a loan of an original copy of the Magna Carta, and for other purposes, with an amendment, in which it requests the concurrence of the Senate.

At 1:20 p.m., a message from the House of Representatives delivered by Mr. Berry announced that the Speaker has signed the following enrolled bills:

S. 611. An act for the relief of Southeastern University of the District of Columbia; and

S. 1545. An act to amend the Agricultural Adjustment Act of 1938 with respect to peanuts.

The enrolled bills were subsequently signed by the Vice President.

At 2:31 p.m., a message from the House of Representatives delivered by Mr. Berry announced that the House has agreed to the concurrent resolution (S. Con. Res. 103) authorizing the Joint Committee on Arrangements for the Commemoration of the Bicentennial of the United States of America to provide facilities and services for visitors to the Capitol buildings and grounds, without amendment.

The message also announced that the House agrees to the amendment of the Senate to the bill (H.R. 8507) to revise the per diem allowance authorized for members of the American Battle Monuments Commission when in a travel status.

The message further announced that, pursuant to the provisions of section 3 (a), Public Law 86–380, the Speaker has appointed Mr. VANDER VEEN as a member of the Advisory Commission on Intergovernmental Relations.

At 6:30 p.m., a message from the House of Representatives delivered by Mr. Hackney, one of its reading clerks, announced that the House agrees to the amendment of the Senate to the amendments of the House to the amendment of the Senate to the bill (H.R. 12122) to amend section 2 of the act of June 30, 1954, providing for the continuance of civil government for the Trust Territory of the Pacific Islands, and for other purposes.

The message also announced that, pursuant to the provisions of 15 United States Code 1204(a), the Speaker has appointed Mr. PIKE as a member of the Joint Economic Committee, on the part of the House, to fill the existing vacancy.

ENROLLED BILLS PRESENTED

The Secretary of the Senate reported that on today, March 18, 1976, he presented to the President of the United States the following enrolled bills:

S. 611. An Act for the relief of Southeastern University of the District of Columbia.

S. 1545. An Act to amend the Agricultural Adjustment Act of 1938 with respect to peanuts.

REPORTS OF COMMITTEES

The following reports of committees were received:

By Mr. SPARKMAN, from the Committee on Foreign Relations, without amendment:

S. 3168. An original bill to authorize fiscal year 1977 appropriations for the Department of State, the United States Information Agency, and the Board for International Broadcasting, and for other purposes (Rept. No. 94–703).

By Mr. INOUYE, from the Committee on Appropriations, with amendments:

H.R. 12203. An Act making appropriations for foreign assistance and related programs for the fiscal year ending June 30, 1976, and for the Transition Quarter (Rept. No. 94–704).

EXTENSION OF TIME FOR COMMITTEE ON LABOR AND PUBLIC WELFARE TO FILE A REPORT

Mr. HATHAWAY. Mr. President, the Committee on Labor and Public Welfare has ordered reported an original bill to amend the Comprehensive Alcohol Abuse and Alcoholism Prevention, Treatment and Rehabilitation Act. I ask unanimous consent that the Committee have until midnight, Friday, March 19, to file the report thereon.

The **ACTING PRESIDENT** pro tempore. Without objection, it is so ordered.

EXECUTIVE REPORTS OF COMMITTEES

As in executive session, the following executive reports of committees were submitted:

By Mr. WILLIAMS, from the Committee on Labor and Public Welfare:

The following-named persons to be members of the National Council on Educational Research:

Thomas A. Arciniega, of California; Chester E. Finn, Jr., of Ohio; D. J. Guzzetta, of Ohio; Robert G. Heyer, of Minnesota; and Charles A. Nelson, of New York.

(The above nominations were reported with the recommendation that they be confirmed, subject to the nominees' commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first time and, by unanimous consent, the second time, and referred as indicated:

By Mr. SPARKMAN:

S. 3168. A bill to authorize fiscal year 1977 appropriations for the Department of State, the United States Information Agency, and the Board for International Broadcasting, and for other purposes. An original bill from the Committee on Foreign Relations; placed on the calendar.

By Mr. BURDICK (for himself, Mr. Mansfield, and Mr. Metcalf):

S. 3169. A bill authorizing the construction of certain bank stabilization works on the lower Yellowstone River. Referred to the Committee on Public Works.

By Mr. STEVENSON:

S. 3170. A bill to extend and modify provisions relating to federal expenditures to correct or compensate for structural defects present in homes purchased with federally insured mortgages. Referred to the Committee on Banking, Housing and Urban Affairs.

By Mr. BEALL:

S. 3171. A bill to amend section 502(a) of the Merchant Marine Act, 1936. Referred to the Committee on Commerce.

By Mr. MATHIAS:

S. 3172. A bill for the relief of Rolando Reyes Perez. Referred to the Committee on the Judiciary.

By Mr. GLENN:

S. 3173. A bill to amend the anti-discrimination provisions of the State and local Fiscal Assistance Act of 1972. Referred to the Committee on Finance.

By Mr. WILLIAMS (for himself, Mr. Cranston, Mr. Brooke, and Mr. Kennedy):

S. 3174. A bill to increase the amount authorized for the elderly housing program established by section 202 of the Housing Act of 1959. Referred to the Committee on Banking, Housing and Urban Affairs.

By Mr. KENNEDY:

S. 3175. A bill to facilitate the administration of the services program established by title XX of the Social Security Act. Referred to the Committee on Finance.

By Mr. ABOUREZK (for himself, Mr. Dole, Mr. Bentsen, Mr. Bartlett, Mr. Burdick, Mr. Mansfield, Mr. Curtis, Mr. Tower, Mr. McGovern, Mr. Bellmon, Mr. Hruska, Mr. McGee, and Mr. Young):

S. 3176. A bill to amend the Farm Labor Contractor Registration Act of 1963 to exempt, under certain circumstances, from the registration requirements of such Act persons who recruit, solicit, hire, furnish, or transport combine machine operating crews or sheep shearers. Referred to the Committee on Labor and Public Welfare.

By Mr. INOUYE:

S. 3177. A bill for the relief of Mrs. Shu-Yung Gloria Kaw. Referred to the Committee on the Judiciary.

S. 3178. A bill for the relief of Dr. Belinda A. Aquino. Referred to the Committee on the Judiciary.

By Mr. LAXALT:

S. 3179. A bill to amend the National Science Authorization Act, 1976, to provide a set aside for a more equitable distribution of funds under the research and initiation and support program, and for other purposes. Referred to the Committee on Labor and Public Welfare.

By Mr. LONG:

S. 3180. A bill to assure adequate, modern, and efficient transportation by water between the noncontiguous States, territories, and possessions of the United States and the U.S. mainland, and for other purposes. Referred to the Committee on Commerce.

S. 3181. A bill to amend title XII of the Merchant Marine Act, 1936. Referred to the Committee on Commerce.

By Mr. TAFT (for himself, Mr. Nelson, Mr. Beall, Mr. Laxalt, and Mr. Abourezk):

S. 3182. A bill to amend the Occupational Safety and Health Act of 1970 to provide consultation and education to employers and for other purposes. Referred to the Committee on Labor and Public Welfare.

By Mr. HASKELL (for himself, Mr. Abourezk, Mr. Clark, Mr. Eastland, Mr. Ford, Mr. Gary Hart, Mr. Gravel, Mr. Hartke, Mr. Huddleston, Mr. Jackson, Mr. Mansfield, Mr. McGee, Mr. Metcalf, Mr. Mondale, Mr. Montoya, Mr. Moss, Mr. Pell, Mr. Hugh Scott, Mr. Sparkman, and Mr. Tunney):

S. 3183. A bill to amend the Federal Coal Mine Health and Safety Act of 1969 (30 U.S.C. 921(c)). Referred to the Committee on Labor and Public Welfare.

By Mr. BEALL:

S.J. Res. 183. A joint resolution authorizing and requesting the President to issue a proclamation designating March 29, 1976, as "National Knights of Columbus Day. Considered and passed.

By Mr. ROBERT C. BYRD (For Mr. Hartke):

S.J. Res. 184. A joint resolution to amend the Regional Rail reorganization Act of 1973, as amended. Considered and passed.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. STEVENSON:

S. 3170. A bill to extend and modify provisions relating to Federal expenditures to correct or compensate for structural defects present in homes purchased with federally insured mortgages. Referred to the Committee on Banking, Housing and Urban Affairs.

Mr. STEVENSON. Mr. President, I am today introducing legislation to extend and modify the section 518 housing reimbursement program. This program was originally enacted in 1968 to provide purchasers of section 235 homes, both new and existing, with reimbursement for serious structural defects present in homes which a competent inspection by FHA should have disclosed. In 1972 in response to widespread complaints about inadequate FHA appraisal and inspection processes, I successfully sponsored legislation which extended this program to existing sections 203 and 221 one-four family FHA insured housing purchased between 1968–73. However, my proposal was amended to limit reimbursement to owners of 203 and 221 houses located in "older and declining older areas" and to structural defects "which so seriously affect use and livability as to create a serious danger to the life or safety of inhabitants." Neither of these limitations applied to the original provisions covering section 235 housing. Applicants were given 1 year from date of passage of the act within which to apply. This deadline was later extended by 7 months because of delay by HUD in issuing administrative regulations for the program.

The legislation I am proposing today would:

First. Extend the deadline for application for an additional 4 months. The application deadline under present law is March 22, and thus far applications have fallen short of the expectations of both local community groups and HUD. More time is necessary in order to assure eligible homeowners are aware of the program and receive an adequate opportunity to apply.

Second. Extend the program to cover sections 203 and 221 housing purchased after 1973 but prior to date of passage of the proposal, giving applicants 1 year from date of passage to apply.

Third. Set forth a permanent program covering all FHA insured existing one-four family housing purchased after passage of my proposal and giving applicants 1 year from the date of purchase to apply for reimbursement.

For covered housing purchased after 1973—second and third paragraphs above—eligibility criteria limiting coverage to housing located in older and declining urban areas would be eliminated. The present provision is inequitable and indefensible since the geographic location of the house has nothing to do with its structural condition or the homeowner's problems in coping with the defects. At the same time the standard for a reimbursable defect would be changed from "structural or other major defects which so seriously affect use and liability as to create a serious danger to the life or safety of inhabitants" to the more reasonable and less restrictive original standard of "structural or other major defects which seriously affect use and liveability."

The legislation I propose makes no changes in section 518(a), the provision covering new section 235 housing.

I urge prompt and favorable action on this urgently needed legislation.

Mr. President, I ask unanimous consent that my bill be printed in the Record:

There being no objection, the bill was

ordered to be printed in the Record, as follows:

S. 3170

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That—

Section 518 of the National Housing Act is amended to read as follows:

Sec. 518. (a) The Secretary is authorized, with respect to any property improved by a one- to four-family dwelling approved for mortgage insurance prior to the beginning of construction which he finds to have structural defects, to make expenditures for (1) correcting such defects, (2) paying the claims of the owner of the property arising from such defects, or (3) acquiring title to the property: *Provided,* That such authority of the Secretary shall exist only (A) if the owner has requested assistance from the Secretary not later than four years (or such shorter time as the Secretary may prescribe) after insurance of the mortgage, and (B) if the property is encumbered by a mortgage which is insured under this Act after the date of enactment of the Housing Act of 1964.

(b) The Secretary is authorized to make expenditures to correct, or to reimburse the owner for the correction of, structural or other major defects which so seriously affect use and livability as to create a serious danger to the life or safety of inhabitants of any one, two, three, or four family dwelling which is located in an older, declining urban area and is covered by a mortgage insured under section 203 or 221 on or after August 1, 1968, but prior to January 1, 1973, and which is more than one year old on the date of the issuance of the insurance commitment, if (1) the owner requests assistance from the Secretary not more than 19 months after the date of enactment of the Housing and Community Development Act of 1964, the provision to be extended by an additional 4 months after the date of enactment of this amendment, and (2) the defect is one that existed on the date of the issuance of the insurance commitment and is one that a proper inspection could reasonably be expected to disclose. The Secretary may require from the seller of any such dwelling an agreement to reimburse him for any payments made pursuant to this subsection with respect to such dwelling. Expenditures for reimbursement pursuant to this subsection shall be the obligation of the Special Risk Insurance Fund.

(c) The Secretary is authorized to make expenditures to correct or to reimburse the owner for the correction of structural or other major defects which seriously affect use and livability of any one, two, three, or four family dwelling which is more than one year old on the date of issuance of the insurance commitment and

(1) is covered by a mortgage insured by Section 203 and 221 on or after January 1, 1973 but prior to the date of enactment of this subsection if (a) the owner requests assistance from the Secretary not more than one year after the date of enactment of this subsection and (b) the defect is one that existed on the date of the issuance of the insurance commitment and is one that a proper inspection could reasonably have been expected to have disclosed.

(2) is covered by a mortgage insured by the National Housing Act after the date of enactment of this subsection if (a) the owner requests assistance from the Secretary not more than one year after issuance of the insurance commitment and (b) the defect is one that existed on the date of the issuance of the insurance commitment and is one that a proper inspection could reasonably have been expected to have disclosed.

The Secretary may require from the seller of any such dwelling an agreement to reimburse him for any payments made pursuant to this subsection with respect to such dwelling. Expenditures for reimbursement pursuant to this subsection shall be the obligation of the Special Risk Insurance Fund.

(d) The Secretary shall by regulations prescribe the terms and conditions under which expenditures and payments may be made under the provisions of this section, and his decision regarding such expenditures or payments, and the terms and conditions under which the same are approved or disapproved, shall be final and conclusive and shall not be subject to judicial review.

By Mr. BEALL:

S. 3171. A bill to amend section 502(a) of the Merchant Marine Act, 1936. Referred to the Committee on Commerce.

Mr. BEALL. Mr. President, presently pending before the Senate Committee on Commerce is the maritime authorization bill for fiscal year 1977. What sets this bill apart from previous years' maritime authorization requests is the fact that shipbuilding activity in the United States today has fallen so drastically that no new authorization of appropriations has been requested for construction differential subsidy payments in fiscal year 1977. The reasons we face this situation are indeed complex and the subject of great debate.

However, I am introducing today a measure which unquestionably will be of immense assistance in constructing the U.S.-flag merchant vessels that are essential to maintain our Nation's domestic security and our position of leadership in world commerce. The bill I introduce today will extend the authority of the Secretary of Commerce to accept a negotiated price for vessel construction until June 30, 1979, and increase the ceiling rate on construction differential subsidy payments for negotiated contracts. Similar legislation passed the House of Representatives on Monday, March 15, 1976, and I am accordingly hopeful that we will act swiftly and favorably on the Senate's companion measure.

To explain briefly, pursuant to title V of the Merchant Marine Act of 1936, the Secretary of Commerce may, up until June 30, 1976, accept a price of ship construction for which subsidy payments can be made which has been negotiated between a shipyard and a prospective purchaser. It is true that bids for ship construction may also be solicited on a competitive basis. However, competitive bidding has been found to be an inefficient approach to construct today's sophisticated vessels.

On the other hand, negotiated bidding is recognized throughout the world as a superior means of securing ship construction contracts. This procedure allows shipowners to work closely with a selected shipyard on ship design and development while at the same time eliminates the considerable expense of preparing a carefully drawn competitive bid which may become useless if it is rejected. It is indeed significant that all construction subsidized pursuant to the building program provided by the Merchant Marine Act of 1970 has been contracted for by means of negotiated procurement. It is therefore essential to extend Marad's authority to approve negotiated contract prices past the scheduled expiration date of June 30, 1976.

Second, it is now nearly impossible to construct many types of vessels in the United States within the current 35 percent subsidy ceiling on negotiated contract prices. Indeed, foreign prices for ship contruction have fallen dramatically partly due to the overcapacity of world shipyards and because foreign yards are able to lower their previously high profit margins. Construction differential subsidy payments represent an amount equal to, but not more than, the excess of the U.S. shipbuilder's bid over the reasonable cost of constructing a similar vessel in a foreign shipbuilding center. It is therefore unrealistic to expect U.S. yards to be able to stay within 35 percent subsidy payment guideline for many negotiated construction contracts. I am confident that the members of the Merchant Marine Subcommittee will want to examine this issue in detail during our consideration of this legislation.

Mr. President, this bill is urgently needed to assist our Nation's shipbuilding industry to produce the U.S.-flag vessels needed to maintain our Nation's position of strength in world trade as well as our domestic security. I am hopeful that the Commerce Committee will move expeditiously to hold hearings on this measure so that it may receive Senate approval as soon as possible.

By Mr. GLENN:

S. 3173. A bill to amend the antidiscrimination provisions of the State and local Fiscal Assistance Act of 1972. Referred to the Committee on Finance.

STATE AND LOCAL FISCAL ASSISTANCE ACT ANTI-DISCRIMINATION AMENDMENTS OF 1976

Mr. GLENN. Mr. President, today I am pleased to introduce S. 3173, the State and Local Fiscal Assistance Act Anti-Discrimination Amendments of 1976.

This bill directly addresses the problem of the lack of enforcement of civil rights protections with respect to the use of revenue sharing funds. Unlike other Federal departments and agencies which have effectively administered civil rights protections established by title VI of the Civil Rights Act of 1964, the Office of Revenue Sharing—ORS—as I intend to discuss in some detail, has notoriously neglected to enforce the similar protections of section 122 of the Revenue Sharing Act. The ORS has operated essentially as a check-writing agency for State and local government and has performed well in this function. However, it has clearly failed in an important civil rights mission assigned to it by law.

The bill also addresses a problem unique to the revenue sharing program, that is, that given their "no strings" nature, ORS funds are often interchangeable with other funds of recipient governments and are thus nontraceable.

Thus, ORS funds may be placed in a general purpose fund used to support discriminatory activity and it will not be apparent which of the commingled funds are being spent in a discriminatory manner.

Basically, my bill does these things:

First. It provides that a government receiving revenue sharing could not discriminate in any of its programs or activities financed by revenue sharing funds or funds commingled with such funds.

Second. It makes clear that ORS has the authority to withhold revenue sharing funds pending the outcome of a formal, title VI-type administrative proceeding to determine compliance.

Third. It gives ORS the clear authority to require repayment of the ORS entitlement expended in a program or activity found to have been discriminatory.

Fourth. Most importantly, it requires that, after a 60-day period in which the State is empowered to correct any violations found by ORS, the Office must begin its formal administrative proceedings relating to the question of fund termination. If such proceedings result in a finding of noncompliance, ORS is directed to terminate and refuse to grant or continue assistance.

The bill attempts to put real teeth into the revenue sharing antidiscrimination provisions and to mandate ORS action whenever the State's effort to achieve compliance has failed.

Last July, I joined in hearings on revenue sharing conducted by the Senate Government Operations Subcommittee on Intergovernmental Relations. At those hearings we heard testimony from the Comptroller General, Elmer Staats. The General Accounting Office had conducted case studies of revenue sharing in 26 local governments and its report indicated the need to broaden and strengthen the civil rights provisions of the Revenue Sharing Act.

More striking was the report of the House Committee on the Judiciary's Subcommittee on Civil and Constitutional Rights entitled the "Civil Rights Aspects of General Revenue Sharing." This report followed detailed hearings on section 122 of the Revenue Sharing Act, the nondiscrimination provision. Testimony was received from the Treasury Department, ORS, the Justice Department, the GAO, and the U.S. Commission on Civil Rights, as well as from various private groups which have monitored and examined civil rights under general revenue sharing, such as the League of Women Voters, the NAACP, the National Urban Coalition, and the Southern Regional Council. These hearings culminated in subcommittee findings of widespread discrimination in programs reportedly funded by general revenue sharing. Additionally, the subcommittee documented a sorry record of civil rights enforcement as practiced by the Office of Revenue Sharing.

These findings that the Office of Revenue Sharing has failed in its civil rights enforcement activities and that section 122, the antidiscrimination provision, needs strengthening are not isolated. The U.S. Commission on Civil Rights, volume IV, report summarizing the Federal civil rights enforcement effort, the report by the Center for National Policy Review, "Civil Rights Under General Revenue Sharing," the national revenue sharing monitoring project report "Equal Opportunity Under General Revenue Sharing," and other studies all document a totally unacceptable record of failure to adequately enforce civil rights protections.

Apparently this sad record of weakness in the civil rights area is even known internally at ORS. I cite the Jack Anderson—Washington Post, March 6—column alleging the existence of a Treasury Department internal memorandum which further documents ORS deficiencies in this vital area.

It is this highly disturbing pattern of findings that has led me to introduce the State and Local Fiscal Assistance Act Anti-Discrimination Amendments of 1976. The Office of Revenue Sharing has been the agency responsible for distributing roughly $6 billion a year to State and local governments. Such a commitment of resources also must be accompanied by a commitment to our basic national pledge to put an end to discrimination and to the denial of equal opportunity. This basic commitment must remain strong despite revenue sharing's feature of wide discretion in the use of funds. This discretion simply cannot under any circumstances include the discretion to engage in racially and sexually discriminatory practices. Similarly, the arguments of no redtape and less bureaucratic regulation, while appealing, should not be used as covering rhetoric to obscure the fact that race and sex discrimination is simply intolerable and that our Nation is committed to equality of opportunity.

Mr. President, let me review section 122 of the State and Local Fiscal Assistance Act, first describing it, then detailing how it has failed, and finally describing exactly how my proposed amendments would deal with the current problems.

Section 122 is a broad equal opportunity statute. It precludes discrimination based on race, sex, color, or national origin and it presently extends to any activity funded in whole or in part with revenue-sharing funds. Upon a preliminary determination of a violation, after a complaint and investigation, ORS is mandated to notify the Governor of the recipient State, who is given a reasonable period of time to negotiate compliance efforts.

Once that period has expired without compliance, the statute calls for remedial action through one of three routes:

First. Formal fund termination proceedings by ORS;

Second. Referral to Justice for a lawsuit; or

Third. Other enforcement authorized by law.

Despite the existence of these options, ORS has been slow to take any strong remedial action to stop discrimination by recipient governments. The Office has attempted to rely upon ORS auditors lacking in civil rights training, State audits, weak and underfunded State human rights agencies, and very slowly developed cooperative agreements with other Federal agencies, to carry out its investigative and enforcement mandate. In November of 1975, ORS had only five civil rights specialists of its own to enforce civil rights compliance in 39,000 jurisdictions.

In light of these deficiencies, it is not surprising that of 177 civil rights complaints received by ORS since the inception of revenue sharing, as of September 30, 1975, only 49 had been resolved. Furthermore, ORS in its 3 years of existence has never instituted a formal proceeding for fund termination.

If the problem in nonenforcement is lack of a clear legal requirement that ORS cutoff funds under specified conditions, my bill makes such provision, consistent with all administrative rights of due process. If another problem is the unique difficulty in tracing revenue-sharing funds, my bill remedies that by extending antidiscrimination coverage to any of the programs or activities of a revenue-sharing recipient funded with commingled funds. If still further problems arise from lack of staff, then the congressional appropriations committees must act to significantly expand the ORS civil rights staff.

Mr. President, I introduce this bill with a sense of urgency. I support a 3-year extension of revenue sharing. I have other possible amendments under study to improve the program. Yet, it seems that the civil rights provisions are those most needing urgent revision. Without such revision, ongoing discrimination will continue in two of the areas most basic to our lives, jobs and services.

Over one-half of all of the discrimination complaints received by ORS have alleged employment discrimination. Statistics do not tell the entire story, but roughly two-thirds of the employment discrimination complaints allege racial discrimination. When one looks at the racial compositions of local government employees, one finds blacks heavily represented in sanitation, sewage, hospitals, and sanitoriums, and underrepresented in public employment fields such as police, fire, street and highway maintenance. The standard explanations of lack of skills or exam difficulty are to my mind totally unpersuasive.

This problem is all the more disturbing when we have black teenage unemployment hovering near 50 percent in some areas, official total black unemployment not declining and unofficial black unemployment perhaps increasing. Discrimination undoubtedly contributes to this pattern as it does to the current employment difficulties of other minorities and women.

Roughly one-fourth of the ORS complaints have charged the discriminatory provision of services such as garbage pickup, street paving, lighting, recreational facilities, medical care, sewage, water, electric power, public transportation, police response, and so on. This is admittedly a more complicated area than discrimination employment. Often poorer neighborhoods are not thought of as requiring service priority because they are out of the commercial mainstream, or whatever.

Still, providing unequal basic services based on race is a constitutional violation and a flagrant denial of equal opportunity. Where these practices exist they must be ended. It is my hope that the bill I introduce will contribute significantly to this end.

In summary, the antidiscrimination amendments to the State and Local Fiscal Assistance Act are designed to deal with the unique nature of revenue sharing. The antidiscrimination protections of section 122 would be extended to cover all activities of a recipient government which are funded with "commingled" funds, and other existing antidiscrimination authorities of the ORS would be expanded. Most importantly, however, the bill would direct ORS to do what it now has authority to do but has not been doing; that is, to move rapidly to achieve compliance with antidiscrimination mandates or to terminate funding without prolonged and protracted negotiation.

Equal opportunity is a concept which must be firmly and permanently tied to the expenditure of Federal tax moneys. The proper enforcement of it will go a long way toward solving one of our Nation's most serious problems.

I ask unanimous consent that the bill, S. 3173, be printed in the Record.

There being no objection, the bill was ordered to be printed in the Record, as follows:

S. 3173

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "State and Local Fiscal Assistance Act Anti-Discrimination Amendments of 1976".

Sec. 2. Section 122(a) of the State and Local Fiscal Assistance Act of 1972 (31 U.S.C. Supp. 1242(a)) is amended by striking the period at the end thereof and substituting in lieu thereof "or with funds which are commingled with such funds.".

Sec. 3. Section 122(b) of the State and Local Fiscal Assistance Act of 1972 (31 U.S.C. Supp. 1242(b)) is amended by striking all after "; or", and substituting in lieu thereof: "including the power to withhold all or a portion of the entitlement funds due such State government or unit of local government pending the outcome of an administrative proceeding on the record to determine the question of compliance with subsection (a); (3) to require repayment by such State government or unit of local government of the entitlement funds expended in a program or activity found to be in violation of subsection (a); or (4) to take such other action as may be provided by law.

Sec. 4. Section 122 of the State and Local Fiscal Assistance Act of 1972 (31 U.S.C. Supp. 1242) is further amended by adding the following new subsection (c) and redesignating the present subsection (c) as subsection (d):

"(c) Direction to Secretary.—If within sixty days of notification of the Governor, as provided in subsection (b), the Governor fails or refuses to secure compliance, the Secretary is directed to conduct an administrative proceeding on the record to determine the question of compliance with subsection (a). Sixty days after an express finding on the record of such proceeding of a failure to comply with subsection (a) by any State government or unit of local government, the Secretary is directed to terminate and to refuse to grant or to continue assistance made available under subtitle A to such State government or unit of local government unless prior to the expiration of such sixty-day period the Secretary determines that there is no longer a failure by such State government or unit of local government to comply with subsection (a). In the event of any termination or refusal to grant or to continue assistance to any State government or unit of local government under the preceding sentence the Secretary is authorized to resume such assistance upon a determination that there is no longer a failure by such State government or unit of local government to comply with subsection (a)."

By Mr. WILLIAMS (for himself, Mr. Cranston, Mr. Brooke, and Mr. Kennedy):

S. 3174. A bill to increase the amount authorized for the elderly housing program established by section 202 of the Housing Act of 1959. Referred to the Committee on Banking, Housing and Urban Affairs.

HOUSING FOR THE ELDERLY ACT OF 1976

Mr. WILLIAMS. Mr. President, I introduce for appropriate reference the Housing for the Elderly Act of 1976. I am pleased to be joined by Senators Cranston, Brooke, and Kennedy in sponsoring this bill to increase the borrowing authority for the section 202 housing for the elderly program by $2.5 billion.

Section 202 has been one of the most successful housing programs ever enacted for older Americans. It provides long-term financing to nonprofit sponsors to build apartments tailor made for the needs of elderly and handicapped persons.

However, the Nixon administration repeatedly attempted to phase out the 202 program, despite its outstanding record.

As the chairman of the Subcommittee on Housing for the Elderly, I personally led the fight to block these ill conceived policies.

The 1974 Housing Act included a provision I helped advance to reestablish the 202 program in a way to overcome the administration's objections.

That legislation had three important provisions.

First, it authorized the Secretary of Housing and Urban Development to borrow up to $800 million from the Treasury to make direct loans to eligible sponsors to build housing for the elderly and handicapped. In the past, all funding for 202 required an appropriation, and the administration refused to request funds for 202 because of its impact on the budget.

Second, the 1974 Housing Act provided that 202 loans would be made at the prevailing Government interest rates plus an amount to cover administrative costs. Previously, loans were made at 3 percent.

Third, units built under the revised section 202 program were made eligible for assistance under the section 8 leased housing assistance plan, which guarantees eligible tenants will not pay more than 25 percent of their income for rent. This provision can enable elderly tenants to pay significantly lower rents.

During this past fall the Congress provided $375 million in borrowing authority for the 202 program. The administration first resisted these efforts. But now it has reversed its earlier position and has agreed to release the funds.

Preliminary HUD figures indicate that the $375 million in borrowing authority for fiscal year 1976 can construct *12,600* housing units. However, this is still far short of what is needed today. And, it is substantially below the proposed 231,623 housing units sought in the 1,500 applications submitted to HUD in recent months. By HUD's own evaluation, nearly 50 percent of these applications are of high quality. The $375 million borrowing level would fund, at most, only 60 to 90 of the 1,500 applications.

One additional point should be made about the $375 million in borrowing authority I have just mentioned in regard to applications now before HUD. Actually, only $260 million of that sum is now available for loans, because $115 million is tied up in a legal action and HUD will not commit any of that $115 million. I have appealed to the congressional Appropriations Committees to, in effect, authorize substitute funds for this amount; but a final decision has not been made.

The situation in regard to the $115 million is just more reason for taking long-range action to assure potential sponsors under 202 that their plans have some reasonable chance of coming to fruition.

I would also like to add that the $2.5 billion is roughly the additional amount that would be needed if HUD were to fund all the applications it now says have merit.

Quite clearly, the authorized borrowing level for 202 must be increased to permit more construction of housing units for the elderly.

The bill that we now introduce can help to build an additional 100,000 apartments for aged and handicapped persons—above what can be constructed under the existing authorization.

This is vitally important because housing is the No. 1 expenditure for the elderly. It typically accounts for about one-third of their income.

As chairman of the Subcommittee on Housing for the Elderly of the Senate Committee on Aging, I can testify as to the need for additional units of elderly housing. The Nixon housing moratorium brought the wheels of progress to an abrupt halt with respect to the production of elderly housing. Today it is estimated that more than one-third of our older Americans are living in substandard housing and/or are paying beyond their means for housing.

We have a long way to go before the goal of the 1971 White House Conference on Aging to provide an additional 120,000 units of elderly housing annually will be more than just a dream.

Our bill would also have another dividend. It would not only provide older Americans with greater access to pleasant housing within their price range, but it would also provide a stimulus to our economy.

For example, the additional $2.5 billion in added lending authority can help provide more than 73,000 additional jobs in the construction and related industries.

With unemployment hovering in the 15-percent range in the construction industry—and with production down by 16 percent in the construction materials industry between mid-1973 and the end of 1975—this legislation takes on added importance.

Mr. President, I urge prompt approval of the Housing for the Elderly Act of 1976 and I ask unanimous consent that the text of this bill be printed in the Record.

There being no objection, the bill was ordered to be printed in the Record, as follows:

S. 3174

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Housing for the Elderly Act of 1976".

Sec. 2. The first sentence of section 202 (a) (4) (B) (i) of the Housing Act of 1959 is amended by inserting after "800,000,000" the following: "which amount shall be increased by $2,500,000,000 on the date of enactment of the Housing for the Elderly Act of 1976".

Mr. CRANSTON. Mr. President, I join my colleagues, Senator Williams and Senator Kennedy, in introducing a bill to extend the 202 housing program for the elderly.

Senior citizens who live on fixed incomes have a harder time than anyone else in making ends meet during this period of inflation. While our aging population has been growing at an accelerating rate relative to the total population, our Government's response to increased housing needs of the elderly has been halfhearted at best. These facts combine to create a very grim picture indeed for our senior citizens.

In 1971, the White House Conference on Aging recommended that 120,000 housing units for the elderly should be constructed per year in order to meet the demand for elderly housing. The section 202 program has been proven a successful tool to meet this demand, yet no new funds for 202 housing have been committed since 1969. Congress refined and extended the 202 program in the 1974 Housing and Community Development Act, reaffirming our commitment to housing the elderly. That was a 1½ years ago, yet HUD's first commitments under this program will not be made until next month.

For fiscal year 1976, Congress appropriated $375 million for 202 housing which will finance about 12,500 units. The gap between 12,500 units and 120,000 units, as recommended by the White House conference 5 years ago, is enormous. The situation is even more tragic when we recognize that no 202 housing was built in that 5-year period, which suggests that there is an accumulated need of 600,000 units.

This need was strikingly illustrated by the response from nonprofit sponsors applying for funds this year. HUD has received 1,527 applications from nonprofit sponsors requesting a total of 231,623 units. California groups alone have applied for over 25,000 units. HUD has enough money to finance 12,500 units nationally.

Senator Williams and I have urged the Appropriations Committee to act on a supplemental appropriation to make available the remainder of the $800 million for 202 which was authorized in 1974. We are introducing a bill today which would replenish 202 funds with an additional $2.5 billion.

Government investment at this time in construction of housing for the elderly will also create jobs. It is estimated that the $2.5 billion we are requesting will generate 73,000 jobs in the housing construction and related industries. The investment of these dollars is in a proven program—the best vehicle that has been devised for construction of housing for the elderly.

The funds provided by this bill are modest compared to the need for elderly housing. If these funds were allocated over a 3-year period at the rate of $800 million per year, we still would fund only approximately one-third of the annual need. It would be, however, a significant step forward towards meeting our goal.

In our society, retired individuals have a great deal of time on their hands. However, the one thing they do not have time for is more debate, more study, more demonstration programs. They need housing now.

By Mr. KENNEDY:

S. 3175. A bill to facilitate the administration of the services program established by title XX of the Social Security Act. Referred to the Committee on Finance.

Mr. KENNEDY. Mr. President, I am pleased to take this opportunity to introduce a bill to improve the administration of social services provided under title XX of the Social Security Act. My bill includes three basic provisions:

First, the bill permits any applicant or recipient of social services authorized under title XX to begin receiving requested services simply by declaring the accuracy and validity of all information submitted in the initial application completed for the delivery of such services.

Second, this bill reinforces the requirement to safeguard the confidentiality of personal information maintained by social service agencies and contract provider agencies regarding the applicants and recipients of the services provided.

Finally, this bill provides that senior citizen centers receiving title XX funds will not be required to impose a means test after April 1, 1976, on any applicant or recipient if those centers were operating on a group eligibility basis before the implementation of title XX last year.

The need for a self-declaration provision is clear to thousands of social service agencies around the country. Under current operating rules, these agencies are virtually inundated with data collection requirements which threaten to overwhelm social service workers so that needed services cannot be delivered.

Under the provisions of my bill, an applicant for title XX social services may be certified eligible to receive available services based on the information in the application. Agencies will then be able to use effective auditing procedures to verify the information declared by applicants.

In Massachusetts, Department of Public Welfare officials have told me that under current HEW regulations supporting documents must be submitted by all applicants before any services can be delivered. Because there are so many verifying requirements potential recipients are often forced to wait weeks before services can be delivered.

Under my bill, eligibility determinations can be made on the basis of information provided on the face of an application. And the service agencies can follow up these determinations with effective periodic auditing procedures.

This bill also seeks to clarify the safeguards against the disclosure of detailed identifying information obtained by social service providers that pertains to recipients and applicants for social services. All personal data obtained from applicants should be used solely for the purpose of administering and evaluating the delivery of care and services. Under no circumstance should such information be provided to any party that is in no way affiliated with the Federal, State or private agency providing the service.

Section 2003(d)(B) of the Social Security Act provides safeguards against the disclosure of information obtained under part A of title IV of the Social Security Act. Parts B and D, which deal with child welfare services and child support programs are not covered by existing law. The purpose of the second provision of my bill is simply to extend those confidentiality safeguards to these vital programs of the Social Security Act.

The third provision of my bill eliminates the means test until October 1, 1976, for those senior citizen centers funded under the provisions of title XX. Elderly citizens find it demeaning to be subjected to a means test for those services which were set up to address the important needs of elderly citizens in the first place.

Senior citizens receiving services under title IV and title XVI of the Social Security Act were not submitted to a means test for services prior to enactment of title XX. I share the belief of those who insist that those citizens should not be subject to such a test under title XX.

For that reason, the Department of Health, Education, and Welfare granted a waiver for implementing the means test to these recipients. That waiver expires on March 31. On March 16, the House of Representatives approved an extension of that waiver until October 1, 1976.

My bill accomplishes the same result that is included in the House approved measure, H.R. 12455.

It is my hope that during the extension of the waiver, new regulations can be developed which will ultimately eliminate the means test for recipients of title IVA and title VI benefits.

I look forward to cooperation from my colleagues in approving this package of amendments to the Social Security Act, so that recipients of services under title XX of the Social Security Act can receive the best and most efficient service possible.

Mr. President, I ask unanimous consent that this bill be printed in the Record.

There being no objection, the bill was ordered to be printed in the Record, as follows:

S. 3175

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, notwithstanding any other provision of law, in the administration of title XX of the Social Security Act for any period after September 30, 1975, determinations made (pursuant to paragraph (5) or (6) of section 2002(a) of such Act) with respect to the income level of the family of any applicant or recipient of services under the State program under which services are furnished in accordance with such title may be made in accordance with a procedure (A) which provides that an initial determination, which will be made at the earliest practicable time after application for such services is made and which will be based on income data declared by or on behalf of the applicant or recipient, will be used as the basis for acting upon such application, and (B) under which such further verification will be provided by such auditing procedures as may be appropriate.

Sec. 2. (a) Section 2003(d)(1)(B) of the Social Security Act is amended to read as follows:

"(B) provides safeguards which restrict the use or disclosure of information obtained in connection with administration of the State's program for the provision of the services described in section 2002(a)(1) concerning applicants for and recipients of those services to purposes directly connected with the administration of that program, the plan of the State approved under parts A, B, or D of title IV, the supplemental security income program established by title XVI, or the plan of the State approved under title XIX.

Sec. 3. For any period prior to October 1, 1976, any individual who would have been eligible under a state plan as in effect on September 30, 1975 and approved under title IVA or title VI of the Social Security Act, on the basis of a group eligibility determination will be deemed to be an individual described in paragraph (4) and (5) of section 2002(a), to the extent that the state plan for services under title XX so provides.

By Mr. ABOUREZK (for himself, Mr. Dole, Mr. Bentsen, Mr. Bartlett, Mr. Burdick, Mr. Mansfield, Mr. Curtis, Mr. Tower, Mr. McGovern, Mr. Bellmon, Mr. Hruska, Mr. McGee, and Mr. Young):

S. 3176. A bill to amend the Farm Labor Contractor Registration Act of 1963 to exempt, under certain circumstances, from the registration requirements of such act persons who recruit, solicit, hire, furnish, or transport combine machine operating crews or sheepshearers. Referred to the Committee on Labor and Public Welfare.

Mr. ABOUREZK. Mr. President, in recent months, custom combiners and sheepshearing crews in South Dakota have called to my attention a problem they are currently experiencing with the Federal Government concerning their new classification as being "migrant laborers."

Today, I am introducing legislation which I hope will correct this problem. Joining me in this effort are Senators Dole, Bentsen, Bartlett, Burdick, Mansfield, Curtis, Tower, and McGovern.

In 1963 the Farm Labor Contractor Registration Act was passed to make sure the rights of migrant laborers are protected. The inherent nature of their jobs makes it necessary that these people are protected from unscrupulous exploitation.

In December of 1974, amendments to the act were adopted, inadvertently expanding the scope of the law to cover sheepshearers and custom combine crews.

Prior to the adoption of these amendments, custom combiners and sheepshearing crews were exempt. The Department of Labor has refused to take administrative action to exempt these people from the new regulations. Countless protests have been raised since these individuals do not feel they should be subject to these regulations.

There are many readily apparent reasons as to why custom combiners and sheepshearing crews should be exmpt from the legislation, thereby removing their classification as "migrant laborers."

First of all, sheepshearing is a highly skilled occupation, with the workers earning reasonable wages for the work done.

Another unfortunate problem created by the ruling is the duplication of enforcement that would be involved. Many States, including South Dakota, already have statutes affecting these people. Federal regulation would just add to the bureaucratic redtape which these people must go through.

The Labor Department's regulations would require registration and licensing of the crews, fingerprinting of the crew leaders, posting of several certificates for employees to view, special identification cards for the crew leaders, vehicle inspection, duplicating those now required by the State, and the keeping of a special set of records.

I have contacted the Labor Department a number of times, seeking a change in their interpretation of the law, thus eliminating the need for this legislation. Senator Bentsen and I arranged a meeting with the Department in hopes we could persuade the agency to exempt combine and sheepshearing crews from the new regulations, through administrative action.

Senator Gaylord Nelson and Representative William Ford, the chairman of the congressional subcommittees responsible for farm labor legislation, have written a joint letter to the Secretary of Labor urging him to change the regulation.

All of these efforts to bring about an administrative change have, so far, been to no avail.

The bill I am introducing today with my distinguished colleagues is very simple. It would recognize the fact that the custom combine operators and sheepshearing crews do not require the long arm of the Federal Government. It recognizes the additional bureaucratic redtape which would be created. Finally, it very simply removes custom combiners and sheepshearers from the classification of "migrant laborers."

It is very essential that this legislation be considered as quickly as possible before any additional hardships are imposed on agricultural producers, sheepshearers and custom harvesters.

Mr. President, I ask unanimous consent that the text of this bill be printed in the Record.

There being no objection, the bill was ordered to be printed in the Record, as follows:

S. 3176

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 3(b) of the Farm Labor Contractor Registration Act of 1963 is amended by striking out "or" at the end of clause (6); striking out the period at the end of clause (7) and inserting in lieu thereof a semicolon and the word "or"; and by adding at the end of such section a new clause as follows:

"(8) any person who engages in any such activity solely for the purpose of providing (A) combine machine operating crews for the harvesting of grain, or (B) individuals for the shearing of sheep.".

CUSTOM OPERATOR EXEMPTION

Mr. DOLE. Mr. President, I am pleased to join the junior Senator from South Dakota in introducing this bill to exempt custom combine operators and sheep shearers from the Farm Labor Contractor Registration Act—FLCRA.

A major problem for custom combine operators, and for the farmers they serve, developed recently when the Department of Labor indicated their opinion that custom cutting and sheepshearing operations should be included under the Farm Labor Contractor Registration Act. Since that time, my office has received a stream of letters, telegrams, and telephone calls from custom cutting operators and from farmers indicating that they would have a great deal of difficulty complying with the requirements of this law. It is my understanding that this problem has major proportions in other Midwestern and agricultural States.

The Senator from Kansas strongly believes that the extension of this law to include custom combine and sheepshearing operators is a confusion of two entirely different situations. The FLCRA was intended to end abuses against migrant workers and farmers that use the services of farm labor contractors.

But custom combine and sheepshearing operators have no record of exploiting or abusing their employees or the farmers they contract with. Custom combine and sheepshearing operators do have a record of providing a very important and timely service to farmers and ranchers.

So custom operators and sheepshearers are justifiably upset about a decision by the Department of Labor to extend a large number of requirements to cover them when there is no demonstrated need for such requirements. That is why, in the opinion of this Senator, that the bill we are introducing today is so appropriate.

PROMPT ACTION NEEDED

But the Senator from Kansas feels that quicker action is needed on this exemption than could be accomplished through the normal legislative process. It is the hope of this Senator that we can offer this exemption in the form of an amendment to some other House-passed bill and thereby achieve enactment much sooner.

There is a need for prompt action because the custom harvesting season will begin in the next few weeks. Wheat harvest begins in Texas in the middle of May. At this point custom combine operators in Kansas and other States are getting their machinery ready to go south to begin the harvest season. From that time on they will be cutting grain and moving north throughout the summer into the fall. So it is important that the Congress approve this exemption before that time so they will not be burdened by unnecessary and inappropriate regulations.

Prompt action on this legislation by the Congress is justifiable. Recently the junior Senator from Wisconsin (Mr. NELSON) who is also the chairman of the Senate Migratory Labor Subcommittee, together with Congressman FORD of Michigan who is chairman of the House Agricultural Labor Subcommittee, sent a letter to the Secretary of Labor indicating that it was never the intent of Congress to include custom combine and sheepshearing operations under the FLCRA.

The Senator from Kansas has been in touch with the Department of Labor and it is my understanding that it is not the need to extend these regulations to custom combine and sheepshearing operators that prompted the Department of Labor decision, but simply the technical wording of the definition of migrant workers and farm labor contractors in the act. So hopefully the Congress can act within the next few days on this exemption in the form of an amendment to some other bill in order to clarify this technical confusion.

PROBLEMS CAUSED

The requirements of the FLCRA would cause a large number of problems for custom combine operators. Most of the regulations are either unnecessary or inappropriate for custom cutting operations. But the problems that would be caused for custom combine operators would result in severe hardship and in some cases could result in custom operators going out of business altogether.

In the case of safety and health requirements, custom operators are already meeting the standards necessary to protect their employees. There is no need for the additional safety and health requirements of the FLCRA.

But there are many requirements in this act that would cost a great deal of time and money for custom operators.

For example, the Senator from Kansas counts 25 different types of forms and statements that are required for each custom operation. Many of these forms and statements would have to be submitted repeatedly for each employee, for each vehicle, and for each job performed by the operator. The farmer that hires the services of a custom operator would also have additional paperwork requirements.

The Senator from Kansas well knows that farmers and custom combine operators already have enough regulations and enough paperwork requirements without the Federal Government adding to those greatly. The Senator from Kansas strongly believes that we should not add 25 additional types of forms and statements to their burden when there is no demonstrated need for it.

Custom combine operators and their employees would have to be fingerprinted under the FLCRA. This is another example of an unnecessary requirement.

Each custom operator under these regulations would have to report each change of address to the Department of Labor within 10 days. This in itself is an unnecessary requirement and would be a continuous headache for custom combiners. For a custom combine operator may only work in one location for one farmer for a few hours. If it rains where a custom combine operator is working, he may go some other place a few miles away where the crop is dry and can be harvested. That is an important aspect of custom combine operations. They must go where the crop is ready to harvest. If for some reason they cannot cut in one place they immediately go someplace else where the crop is ready.

So a custom combine operator may be in one spot for a few days or even a few weeks, but he may also be in many places in only a couple of days. The change of address reporting requirement would be a time-consuming paperwork burden that is totally inappropriate for custom combine operators.

The regulations would further require that vehicle insurance must be equal to that set by the Interstate Commerce Commission for vehicles used in transporting passengers. This is another superfluous and inappropriate regulation for custom cutters. The vehicles normally used by custom operators are farm trucks, pickup trucks, and combines. Those vehicles seldom carry more than two or three persons at the most. Yet these regulations would require insurance levels proportionate to that for buses carrying passengers in interstate commerce.

These higher insurance requirements would cause a great deal of additional expense yet would be totally unnecessary for custom combine operators.

Many custom operators use a trailer house or some other form of mobile housing for their crews to sleep in. Other custom operators may simply house their crews in motels in nearby towns. Yet these regulations would require custom combine operators to comply with one of two sets of housing standards that are designed for stationary camps of migrant workers housing.

If all the regulations under this act would not be confusing enough to a custom operator, it certainly might be confusing that there are two complete and different sets of housing regulations that would apply. One set is published by the Occupational Safety and Health Administration. Another set is published by the Employment and Training Administration, formerly known as the Manpower Administration. As the Senator from Kansas understands, a custom combine operator would only have to comply with one set of standards, and he could choose the set he wants to comply with.

Another unnecessary requirement under these regulations is that custom cutters would have to provide a detailed statement of payments and withholdings to each member of their crew. Custom cutters would have to provide a similar statement to farmers they cut for. This requirement is totally unnecessary in the instance of custom combine operations.

Custom operators already keep a record of payments to their employees and of payments by farmers they provide service to. This is necessary so that they can have a record of payments and expenses for income tax purposes. There is no need for additional reporting requirements which, in any event, custom combine operators are not equipped to take care of. When custom combine operators are on the road and in the middle of harvesting a crop for a farmer, they do not have a great deal of time or office equipment to sit down and prepare detailed statements for farmers and employees. Custom operators do make payments to their employees in the form of checks or bank drafts that provide an adequate record for any purpose. As I mentioned earlier, there has been no problem with abuses of pay for employees. There is no need for additional burdensome paperwork reporting requirements.

DIFFERENT SITUATION

These regulations are inappropriate for custom operators and sheep shearers because they were intended for a totally different situation. As stated in the committee report on the 1974 Amendments to the Farm Labor Contractor Registration Act, this legislation was intended to protect migrant farmworkers of a totally different sort. The act was intended to protect migrant farmworkers that are from a poverty-stricken environment, that are normally poorly educated, and have little or no knowledge of the English language. These workers are normally from minority groups and have been exploited with unsafe transportation and housing, and with unfair pay practices.

This description does not characterize custom cutting crews or sheep shearing crews. Custom combine crews are skilled or semi-skilled workers. They normally are well educated and have a fluent knowledge of English. They are well paid by comparison.

Custom operators have a strong incentive to provide living facilities that are safe and healthful for their crews. They also have a strong incentive to maintain high safety standards and safe operating techniques for their equipment. That is because every custom combine operator has tens of thousands of dollars involved in his operation. A combine these days runs from $30,000 to $60,000 each. Trucks run from $15,000 on up apiece. A custom combine operator simply cannot afford to have employees that are sick or may be injured on the job. Custom operators also need to maintain a high level of morale among their employees in order to get the best performance and to keep their operation at a high quality standard. It is essential to keeping a profitable operation.

Custom combine operators also are tremendously different from farm labor contractors in that they provide a service to farmers that includes both labor and equipment. By comparison the farm labor contractor which this act is intended to regulate acts only as a broker of relatively unskilled laborers for the farmer.

There is no similarity in any respect between farm labor contractors and custom combine operators.

In a similar manner sheepshearing operators are totally different from farm labor contractors. Sheepshearing crews are well paid and highly skilled professionals. There is not a large amount of sheep shearing in Kansas, but the Senator from Kansas understands that many of these professionals work all year round, that they are not simply seasonal workers.

There has been no record of exploitation that this Senator knows of among sheepshearing crews. These men work for years to learn their trade and they well understand the value of their skill.

The regulations and requirements provided under this act would be burdensome, unnecessary, and inappropriate for sheepshearing crews and operators.

It is the strong hope of this Senator that we can act quickly in the next few days to exempt custom combine operators and sheepshearing crews from the requirements of the Farm Labor Contractor Registration Act.

By Mr. LAXALT:

S. 3179. A bill to amend the National Science Authorization Act, 1976, to provide a set-aside for a more equitable distribution of funds under the research and initiation and support program, and for other purposes. Referred to the Committee on Labor and Public Welfare.

RIAS AMENDMENTS OF 1976

Mr. LAXALT. Mr. President, I am today introducing a legislative proposal which is intended to achieve a more equitable distribution of grants awarded by the National Science Foundation in its research initiation and support program—RIAS. The bill would amend section 2(c) of Public Law 94–86, the NSF Authorization Act of 1976 by creating a percent set-aside for financially disadvantaged institutions which meet certain criteria.

The maldistribution of NSF grants is a disturbing problem. A recent NSF study, conducted at my request, revealed that the top 20 institutions receiving its support received on a per capita basis for their full-time graduate science and engineering students more than $4,200. At the opposite end of the spectrum, a large number of institutions enrolling more than 40 percent of the same population received a disproportionately small share of the total NSF obligation. On a per capita basis, these institutions received only $700.

The maldistribution of awards is a result of the highly competitive system used by the NSF in its selection of grant proposals. While a competitive approach is surely an effective means of advancing basic research, it is not without its costs. Foremost among these is the underutilization of a significant portion of our graduate science and engineering student population.

Concentrating the bulk of NSF's research money in a relatively small number of institutions has meant that students not attending those institutions have had fewer opportunities to reach their full potential.

The RIAS program is aimed at strengthening university training and research programs for young graduate and postgraduate level scientists. NSF plans to award RIAS grants on essentially the same traditional competitive basis that it has used on other programs. But, because the major objective of RIAS is to improve the effectiveness, efficiency, and quality of these programs for young scientists, and not to make immediate basic research contributions, an alternative method of allocating these funds is, in my view, essential.

This measure creates a set-aside of 40 percent of the total RIAS moneys for those institutions which have been grossly underfunded in other programs. The 40-percent figure corresponds approximately to the percent of graduate science and engineering students attending doctoral granting institutions which have been underfunded.

Determining what constitutes underfunding to an institution is, of course, a somewhat arbitrary process. The formula proposed by this bill, is based on the per capita share of NSF funds at one group of institutions compared to the per capita share at a more select group of institutions. This method is advantageous in that it: First, identifies a set of institutions which are grossly underfunded relative to the elite set of institutions, and second, includes a large number of institutions in all regions of the Nation with a significant portion of the student population.

The formula limits eligibility to doctoral granting institutions where the per se student share of NSF fund to that institution is less than $1,150. Furthermore, owing to the fact that larger institutions tend to enjoy a relative advantage in grant competitions, the Director of NSF would be encouraged to divide the set-aside equally between large and small eligible institutions.

Mr. President, the NSF study clearly indicates that there is a serious maldistribution of funds among institutions receiving NSF support. A large number of institutions enrolling a significant portion of the graduate science and engineering student population have been underfunded, and consequently have been unable to provide their students with the research experience they need. The RIAS program, because of its focus on students as opposed to research output, is a viable medium through which to improve the capabilities of students at these underfunded institutions. The creation of a set-aside for these institutions can result in a significant improvement in the quality of their students and a greater return for the Nation as a whole.

Mr. President, I ask unanimous consent that the text of the bill be printed in the Record.

There being no objection, the bill was ordered to be printed in the Record, as follows:

S. 3179

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "RIAS Amendments of 1976".

Sec. 2. That section 2(c) of the National Science Foundation Authorization Act, 1976, is amended—

(1) by inserting "(1)" immediately after "(c)",

(2) by inserting after "program" in the first sentence of such section the following: "in accordance with the provisions of this subsection,", and

(3) by inserting at the end thereof the following new paragraphs:

"(2)(A) The Director of the National Science Foundation shall reserve 40 per centum of the amount appropriated pursuant to this section for payments to eligible institutions under the paragraph.

"(B) For the purpose of this paragraph, an institution of higher education awarding a doctoral degree is an eligible institution if—

"(i) the amount of financial assistance received by that institution from the National Science Foundation for the year in which the determination is made per student pursuing a course of study in the fields of science or engineering at that institution is less than $1,150.00 and that institution has received a competitive award from the National Science Foundation for the year in which the determination is made.

"(C) From the amount set aside pursuant to subparagraph (2)(A) of this subsection the Director shall make grant to eligible institutions based upon the merit of the proposals.

"(D) The Director shall determine the number of full-time graduate students in the field of science and engineering for an institution and for all institutions in the United States on the basis of the most satisfactory data available to him.

"(3) The remainder of the amounts available appropriated to this subsection shall be distributed in accordance with

"(E) Whenever proposals submitted by eligible institutions are meritorious and funds set aside by paragraph A are expended, the Director is authorized to expend amounts available to him under paragraph (3) to make financial assistance available to such institutions.

By Mr. TAFT (for himself, Mr. Nelson, Mr. Beall, Mr. Laxalt, and Mr. Abourezk):

S. 3182. A bill to amend the Occupational Safety and Health Act of 1970 to provide consultation and education to employers and for other purposes. Referred to the Committee on Labor and Public Welfare.

Mr. TAFT. Mr. President, today I am very pleased to introduce the Occupational Safety and Health Act Amendment of 1976. The purpose of this amendment is to provide a much-needed program of Federal onsite consultation and education to encourage and assist employers and especially small employers to comply with safety and health standards promulgated under OSHA which will furnish to their employees a place of employment which is safe and healthful.

In my view, this bill will further the major objective of OSHA, which is to provide safe and healthful working conditions for the 65 million workers covered by the act, by establishing onsite consultation in every jurisdiction, and by providing for corrective procedures in cases where a consultant discovers an imminent or serious danger.

There is a general recognition in the Congress that employers are more than willing to comply with OSHA, but there is a need for a clear explanation to them of their obligations under the act. The interpretation of complex standards poses difficulty for employers, particularly for small businessmen, who lack the financial resources to utilize private consultants to advise on the applicability of OSHA standards to their work places.

Small employers lack the expertise to voluntarily bring their work places into compliance in many cases and this bill will remedy those present failures of OSHA to inform them of the requirements.

At the present time, consultation services cannot be afforded by the Department of Labor without triggering the normal enforcement provisions of OSHA because OSHA prohibits Federal onsite consultation visits except as a part of an enforcement proceeding, employers are discouraged from asking for OSHA's advice on the applicability of standards to their places of employment. This prohibition has caused much misunderstanding and resentment about the act in the business community. The establishment of a free, voluntary Federal onsite consultation program which does not have any punitive ramifications should reduce much of this employer opposition to the act.

Mr. President, I think it is important to note that the bill I introduced today is in all material respects similar to H.R. 8618, which has already overwhelmingly passed the House of Representatives on November 17, 1975. For the edification of my colleagues I am enclosing at the conclusin of my remarks, a section-by-section analysis of the bill as well as its text.

It is important to stress the fact that this bill is not designed to detract from OSHA's compliance activities. And on the other hand, the bill does not propose comprehensive reform which is necessary to make OSHA work effectively. However, the onsite consultation program is addressed to a current defect in the legislation and its thrust is in a positive direction in that it places more emphasis on assisting employers toward compliance. While we have made some improvement in this area because the Occupational Safety and Health Administration has been making efforts to assist employers in understanding and complying with its standards—more is needed primarily in the form of permanent legislation which would create the onsite consulation program as a matter of statutory right.

Finally, I believe it is incumbent on the Congress to recognize that employers will voluntarily respond to a law they view as fair. The act is far less effective than what it might be because employers view the law and its administration as a bureaucratic harassment of business. The time has come when we must stem this tide of negative thinking and to provide free affirmative assistance to employers to better enable them to comply with safety and health standards. I submit that the only effect of the amendment will be to help make OSHA the useful remedial legislation which Congress intended it to be. I ask for the support of my colleagues in obtaining that objective.

Mr. President, I ask unanimous consent that the bill and a section-by-section analysis be printed in the Record.

There being no objection, the bill and analysis were ordered to be printed in the Record, as follows:

S. 8182

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 21 of the Occupational Safety and Health Act of 1970 is amended by adding at the end thereof the following new subsection:

"(d)(1) In order to further carry out his responsibilities under this section, the Secretary may visit the workplace of any employer for the purpose of affording consultation and advice to the employer. Such consultative visits may be conducted only upon a valid request by the employer for consultation and advice at the workplace concerning the obligations of the employer under section 5. In making consultative visits under this subsection, the Secretary shall give priority to small businesses and to hazardous workplaces. The Secretary shall make and transmit to the employer a written report, containing recommendations regarding the elimination of any hazards disclosed during any such consultative visit.

"(2) No consultative visit authorized by this subsection shall be regarded as an inspection or investigation under section 8 of the Act and no citations shall be issued nor shall any civil penalty be imposed by the Secretary upon such visit, except that: (A) where an employer fails to eliminate an imminent danger disclosed during a consultative visit, the Secretary shall take any appropriate action under section 13 to eliminate such condition; and (B) if there is substantial probability that death or serious physical harm to employes could result from conditions disclosed during a consultative visit, the Secretary shall immediately notify the employer of such conditions and afford the employer a reasonable time to eliminate such conditions. Where the Secretary is not satisfied through a further consultative visit, documentary evidence, or otherwise that such elimination has taken place, the Secretary may take any appropriate action under this Act.

"(3) Information regarding consultative visits shall not be transmitted to representatives of the Secretary engaged in enforcement activities except where necessary in order to carry out the provisions of paragraph (2).

"(4) Except as otherwise provided, nothing herein shall affect the duties and responsibilities of the Secretary under sections 8, 9, 10, and 13. Advice given during a consultative visit shall not be binding on the Secretary in the event of any inspection of the workplace. In the event of such inspection, a written report of the consultation visit may, with the consent of the employer, be considered by the Secretary for the purpose of determining the employer's good faith in proposing penalties.

"(5) In prescribing rules and regulations pursuant to this subsection, the Secretary shall provide for the separation of functions between officers, employees, or agents who conduct consultative visits pursuant to this subsection and officers, employees, or agents who conduct inspections or investigations under section 8.

"(6) In order to further carry out his responsibilities under this section, the Secretary shall establish programs for the education and training of employers and employees which, to the extent practicable, shall be conducted in local communities and shall deal with hazards in particular industries.".

Sec. 2. For the purpose of carrying out the amendment made by the first section of this Act, there is authorized to be appropriated the sum of $2,000,000 for the period beginning July 1, 1975, and ending September 30, 1976, $7,000,000 for the fiscal year ending September 30, 1977, and $8,000,000 for fiscal year ending September 30, 1978.

Section-by-Section Analysis

Section 1—This section amends Section 21 of the Occupational Safety and Health Act of 1970 by adding a new subsection (d) to provide additional consultation and education to employers.

Subsection (d)(1)—This paragraph of new subsection (d) authorizes the Secretary of Labor (hereafter in this analysis referred to as the "Secretary") to visit employer's worksites for the purpose of consultation. Visits may be conducted only upon employer request for consultation concerning obligations of an employer under Section 5. Priority in consultative visits is given to small businesses and to hazardous workplaces. A written report concerning the visit will be given to the employer containing recommendations as to what hazards exist in his workplace and how he might eliminate them.

Subsection (d)(2)—This paragraph of new subsection (d) provides that a consultation visit shall not result in citations or proposed penalties for an employer except as provided in clauses (A) and (B):

Subsection (d)(2)(A)—This clause provides that if an employer fails to eliminate an imminent danger discovered during the consultation visit, the Secretary must take appropriate action under Section 13 of the Act (Section 13 provides for immediate notice to the affected employees and for injunctions or restraining orders to eliminate the imminent danger).

Subsection (d)(2)(B)—This clause provides that the consultant, upon the discovery of a hazard which creates the substantial probability of death or serious physical harm to employees, must immediately inform the employer of the condition, and set a reasonable time for the elimination of the hazard. If the employer does not eliminate the hazard within the specified time, then the Secretary may invoke the enforcement provisions of the Act.

Subsection (d)(3)—This paragraph of new subsection (d) provides that information derived from a consultation visit shall not be transmitted to enforcement personnel except as provided in subsection (d)(2) (imminent danger of uncorrected hazard which could cause death or serious physical harm).

Subsection (d)(4)—This paragraph of the new subsection provides that nothing in this amendment will affect the enforcement provisions of the Occupational Safety and Health Act of 1970 (Sections 8, 9, 10, and 13), except as specified in subsection (d)(2) (imminent danger or uncorrected hazard which could cause death or serious physical harm). It further provides that the advice of the consultant to the employer shall not be binding upon the Secretary in the event of any inspection of the workplace, but that the written report prepared by the consultant, may, with the employer's permission, be considered by the Secretary for the purpose of determining the employer's good faith in any proposed penalty.

Subsection (d)(5)—This paragraph of the new subsection provides that the Secretary shall promulgate rules and regulations which will provide for separation of functions between staffs engaged in enforcement activities and those engaged in consultation activities.

Subsection (d)(6)—This paragraph of the new subsection provides that the Secretary shall conduct training and education programs in local communities which shall deal with hazards in particular industries.

Section 2.—This section provides authorization for funding for consultation activities under new subsection (d) in the amount of $2,000,000 for the period beginning July 1, 1975, and ending September 30, 1976; $7,000,000 for the fiscal year ending September 30, 1977; and $8,000,000 for fiscal year ending September 30, 1978.

By Mr. HASKELL (for himself, Mr. Abourezk, Mr. Clark, Mr. Eastland, Mr. Ford, Mr. Gary Hart, Mr. Gravel, Mr. Hartke, Mr. Huddleston, Mr. Jackson, Mr. Mansfield, Mr. McGee, Mr. Metcalf, Mr. Mondale, Mr. Montoya, Mr. Moss, Mr. Pell, Mr. Hugh Scott, Mr. Sparkman, and Mr. Tunney):

S. 3183. A bill to amend the Federal Coal Mine Health and Safety Act of 1969 (30 U.S.C. 921(c)). Referred to the Committee on Labor and Public Welfare.

BLACK LUNG BENEFITS REFORM ACT OF 1976

Mr. HASKELL. Mr. President, I am introducing the Black Lung Act Benefits Reform Act of 1976, on behalf of myself and Senators Abourezk, Clark, Eastland, Ford, Gary Hart, Gravel, Hartke, Huddleston, Jackson, Mansfield, McGee, Metcalf, Mondale, Montoya, Moss, Pell, Hugh Scott, Sparkman, and Tunney.

This bill is designed to correct the shortcomings of the Black Lung Act of 1969 along with subsequent amendments to that act and is similar in many respects to H.R. 10760 introduced by Congressman Dent, and recently passed by the full House.

In 1969 it was recognized by the Congress that the States had failed to compensate the coal miner for the disability he sustained while pursuing his occupation—an occupation vital to the economic well-being of our country—an occupation which assures even greater importance as we strive for energy independence. It was our intention and hope that the States would assume compensation responsibility, but this has not come to pass. It is the intent of this bill to establish objective criteria for determining entitlement for coal miners afflicted with black lung disease or pneumoconiosis, its medical designation; to transfer to the coal industry the residual liability for benefits now borne by the Federal Government; and to establish a Black Lung Disability Fund maintained by the coal industry.

There is little need to dwell on the ravages of black lung disease. The coal miners of our Nation perform a task which is not only physically demanding in surroundings which are frequently deplorable, but often deadly. Not only do they face the hazards of cave-ins and other mine accidents but also the prospects of debilitating respiratory disease and subsequent heart failure. This is no exaggerated dramatization of the plight of the coal miner; at least 88 percent of the coal miners who have served 15 years or more in our Nation's mines have successfully established that they suffer from black lung disease. It is my hope that the safe dust standards which became fully effective after June 30, 1971, will lower the incidence of this irreversible disease among miners currently employed.

But what of the miner whose body is already disease ridden? What of the deceased miner's widow who seeks unsuccessfully to prove her survivors entitlement to black lung benefits under current law?

This bill provides an irrefutable presumption that black lung disability exists if a miner worked underground in a bituminous or an anthracite mine for 25 years. The high probability of total disability—80.89 percent—and the equally probable risk of errors in the remaining cases—as substantiated by autopsy reports—leads to the logical conclusion that the objective test proof of such employment be sufficient.

The opponents to such a measure charge it is a "Pandora's box" enabling those engaged in other hazardous occupations to claim similar benefits. They do not acknowledge the obvious uniqueness of coal mining—that the mortality rate among coal miners is twice that of the U.S. average and higher than any other occupational group. Furthermore, this presumption will terminate when operators of the mines bring dust levels into compliance with present law. Some medical authorities contend that respiratory damage is present after 1 year in the mines; that obvious deterioration is observed after 11 years; and that disability benefits should be awarded after 15 years. Under these circumstances, the 25–year presumption is neither too liberal nor unreasonable.

Relief would be afforded the miner's widow and/or survivors through the following provisions: A program to seek out eligible miners and/or their survivors would be instituted; affidavit from coworkers or friend would be accepted as evidence of disease; a mine accident widow whose husband had spent 17 years or more in the mine would become entitled to benefits; and the deadline for filing under part B of the existing law would be removed. This last measure alone would effect 15,000 individuals who were unaware of their potential entitlement.

But what of today's coal mine worker who contracts black lung and is forced by economic pressures to continue working despite medical advice to the contrary? He can accept other employment in the mine at lesser pay, making himself ineligible for benefits under current law, or terminate employment in the hope that eventually he might be awarded benefits. Neither alternative is financially acceptable so he continues to literally dig his own grave. Provision is now made that current employment no longer be a bar in determining benefit eligibility; diminished earning capacity because of irreversible respiratory damage should be compensated.

At least one aspect of the current application of medical disability criteria by the Department of Labor is inconsistent. It was intended by the Senate that the so-called "interim" standards for determining black lung disability applied by the Social Security Administration prior to July 1, 1973, be effective until "the establishment of new facilities or the development of new medical procedures." (S. Pett. 92–743 at 18). No new facilities or medical procedures have been established, yet the "permanent" standards now being applied are more restrictive than those originally developed. To rectify this inequity it is proposed that the criteria for determining total disability in claims filed after June 30, 1975, shall be no more restrictive than those applied to claims filed on or before that date.

I believe that the provisions I have discussed along with other measures in this bill will result in a far more equitable, more humane application of the black lung disability benefits program.

Although the 1972 amendments to the Black Lung Act of 1969 placed the responsibility for payment of claims filed after June 30, 1973 on the responsible coal mine operator, the Department of Labor can only locate the operator in 50 percent of the cases; the remaining benefits are paid by the Federal Government. As yet, no State has assumed this burden through enactment of adequate workmen's compensation laws.

Under the new provisions, benefits

payments would be made from a self-sustaining black lung disability fund controlled, contributed to, operated and maintained by coal mine operators. The Congressional Budget Office projects a Federal Treasury savings over the next 8 years of $437.36 million with provisions very similar to ones contained in our bill. In 1974, the Federal saving would exceed the Federal outlay for expanded benefits, resulting in a total Federal saving of almost $16 million in that year, and increasing each year thereafter.

Mr. GARY HART. Mr. President, I am very pleased today to join my distinguished colleague and senior Senator from my State of Colorado (Mr. HASKELL) in introducing a bill on behalf of those people who work in one of the most dangerous and one of the most basic industries in this country—coal mining.

Before the turn of this century, most Americans lived and worked in agricultural communities. With the advancement of technology, however, more and more people moved to the cities in order to find work in factories. Initially, questions concerning worker's safety, wages, hours, and compensation benefits were ignored. However, as the public slowly started to demand safe and equitable working conditions, the Federal Government began to protect workers in a variety of different ways.

In 1908, Federal workers first received compensation for job-related injuries. Since that time, Government involvement has grown to include not only provision of workman's compensation insurance, unemployment insurance, and social security retirement benefits, but also in many industries, assurance of a relatively safe working environment. In general, we have made considerable progress in these areas.

However, there yet remain many inequities and needed reforms. And perhaps, in terms of individuals, none are now more in need than those who work in the coal mines.

Our country is possibly more dependent today than ever before on coal as a basic energy source. In 1975, we used 640 million tons of coal which represented 20 percent of our total energy consumption. This coal was extracted by less than two-tenths of 1 percent of America's work force—about 150,000 miners.

As never before, Americans should be aware of their indebtedness to the individuals who extract this resource.

Miners go to work every day in conditions that most of us would not or could not tolerate. They work underground where they risk their lives in a variety of ways to keep this country running and to keep themselves in a paying job.

It is often that their lives are in danger. Sometimes shaky walls collapse. Sometimes critical mine safety equipment fails. Sometimes there are explosions from methane gas and coal dust accumulations. Just last week, such methane explosions ripped through the Scotia Mine in Oven Fork, Ky., in two separate disasters which claimed the lives of 26 men.

But even on other days with presumably "safer" conditions, the coal miner works in a cloud of coal and rock dust. And always this dust covers his face and fills his lungs.

After a miner has worked in this dust for a period of years, the respiratory impairment and physical disability he suffers increase progressively. The usual name given to this condition is black lung disease, but in precise medical terminology, it is coal workers pneumoconiosis.

Coal workers pneumoconiosis is a progressive disease—once a miner has it, his health is certain to deteriorate. And miners suffer not only from coal workers pneumoconiosis, but also from other respiratory ailments which are complicated by conditions in the mines, and which further reduce the individual's ability to work.

Mr. President, the bill which we introduce here today provides that when a miner works for 25 years in a coal mine, he is assumed to be a victim of black lung disease. Accordingly, this bill assures that those who have labored long and hard in the coal and rock dust will receive benefits in compensation for their disabilities.

But, more specifically, who are the individuals at risk? Since the Federal Coal Mine Health and Safety Act of 1969 was passed, it has been claimed by some that the dust levels in the mines have been reduced as recommended. Consequently, it has been stated on occasion that there is no need for providing benefits to miners who have worked in the mines since 1971, inasmuch as safe dust levels have been maintained since that time.

However, on December 31, 1975, the GAO reported to Senator HARRISON WILLIAMS that it—

> noted many weaknesses in the dust-sampling program which affected the accuracy and validity of the results and made it virtually impossible to determine how many mine sections were in compliance. . . .

Mr. President, the fact is that we have no way of knowing right now the extent to which dust levels in the mines have or have not been reduced. Accordingly, this bill addresses the problem of unknown dust levels by extending coverage to miners who work through 1980, or until such time as it can be established that safe dust standards have indeed been attained.

In addition to instituting the 25 year presumption which I just referred to, this bill also streamlines the traditional procedures for identifying victims of black lung disease.

It is no secret that the agencies assigned to carry out mandates of the Federal Coal Mine Health and Safety Act of 1969 have been bogged down right from the beginning in their attempts to administer this law. One of the main reasons for this has been the delay caused by the never-ending rereading of miner's X-rays following an initial diagnosis of black lung. This bill would allow rereading only when X-rays appeared to be faulty or fraudulent.

Many Colorado miners have experienced delays in receiving black lung benefits because current medical standards fail to adequately consider the special physiological state associated with heavy work at high altitude. Our bill addresses this problem by defining the medical standards, especially blood gas tests, which may be employed in the diagnosis of coal workers pneumoconiosis.

Mr. President, it is nothing less than appalling to hear of cases in which miners have been denied benefits while they were already dying the slow, agonizing death of black lung disease. All too frequently, a subsequent autopsy has demonstrated that such a miner did indeed suffer from coal workers pneumoconiosis and his widow, at last, has been awarded benefits. Had those benefits been available earlier, they would certainly have helped alleviate at least some of the agony experienced by that dying miner and his family.

In the past, on other occasions, the Department of Labor has appealed judgments which determined that a miner had black lung disease. This bill would prohibit such appeals, and stipulates that once a miner is considered by the Government to have black lung disease, only he can initiate an administrative reversal of that decision.

In summary, this bill will cut through much of the bureaucratic redtape which now strangles the Department of Labor in its attempts to administer the Coal Mine Health and Safety Act. And enactment of this bill can come none too soon, for all agree that reforms are urgently needed.

Dr. Lowell B. Martin, of Martin, Ky., recently described the dilemma which faces the responsible physician who finds evidence of coal workers pneumoconiosis during the preemployment physical examination of a miner. If the physician reports his findings the company will probably refuse to hire the miner. It is evident that progression of the disease with consequent disability and early retirement is fully anticipated by the company. For should the firm hire such a miner, they would become his "last responsible" employer. As such, under current law, they would be required to pay his benefits. The result is that many companies categorically refuse to hire miners who have even the slightest trace of coal workers pneumoconiosis. And yet even when the disease has been detected and the Department of Labor has identified the "last responsible" employer, 97 perecnt of the rulings have been challenged by the operators.

Mr. President, rather than burdening the "last responsible" employer with providing black lung benefits, this bill would provide that the entire coal industry share the burden for its sick miners. This would be accomplished through the creation of an industrywide trust fund with revenues derived from a tonnage tax on the coal produced.

This would insure equitable compensation for miners who have worked in an unhealthy environment for years, and also greatly simplify the procedures in which our Government is now hopelessly mired. Therefore, this bill would increase the coal industry's own collective role in resolving a problem which has grown along with the industry, where success has come all too often at a cost which can be measured in terms of the very lives and health of its workers.

I believe the industry is ready to assume such an active, responsible role.

I believe Americans want to assure that inequities in the current program are eliminated.

I believe my colleagues recognize the need here for reform.

But it is now time that we do more than simply acknowledge the desperate situation faced by disabled coal miners and their families. It is now time for us to act and end that desperate situation. Toward that goal, I urge my colleagues to actively support this critical measure.

Thank you, Mr. President.

ADDITIONAL COSPONSORS OF BILLS AND RESOLUTIONS

S. 5

At the request of Mr. Chiles, the Senator from Indiana (Mr. Hartke) was added as a cosponsor of S. 5, the Federal Government in the Sunshine Act.

S. 80

At the request of Mr. Mathias, the Senator from Florida (Mr. Stone) was added as a cosponsor of S. 80, a bill to prevent the estate tax law from operating to encourage or to require the destruction of open lands and historic places, by amending the Internal Revenue Code of 1954 to provide that real property which is farmland, woodland, or open land and forms part of an estate may be valued, for estate tax purposes, at its value as farmland, woodland, or open land—rather than at its fair market value—and to provide that real property which is listed on the National Register of Historic Places may be valued, for estate tax purposes at its value for its existing use, and to provide for the revocation of such lower valuation and recapture of unpaid taxes with interest in appropriate circumstances.

S. 1437

At the request of Mr. Chiles, the Senator from Indiana (Mr. Hartke) and the Senator from Maine (Mr. Hathaway) were added as cosponsors of S. 1437, a bill to distinguish Federal grant and cooperative agreement relationships from Federal procurement relationships, and for other purposes.

S. 2101

At the request of Mr. Mathias, the Senator from Colorado (Mr. Haskell) was added as a cosponsor of S. 2101, a bill to strike two gold coins with the likeness of Susan B. Anthony and Abigail Adams.

S. 2939

At the request of Mr. Schweiker, the Senator from Massachusetts (Mr. Kennedy) was added as a cosponsor of S. 2939, a bill to provide a special program for financial assistance to opportunities industrialization centers.

S. 2962

At the request of Mr. Hugh Scott, the Senator from New Mexico (Mr. Montoya) was added as a cosponsor of S. 2962, a bill to require the U.S. Postal Service to make certain considerations prior to the closing of 3d and 4th class post offices.

S. 3010

At the request of Mr. Hansen, the Senator from Arizona (Mr. Fannin) was added as a cosponsor of S. 3010, a bill to amend Public Law 92-500, the Water Pollution Control Act Amendments of 1972.

S. 3016

At the request of Mr. Laxalt, the Senator from Ohio (Mr. Taft) was added as a cosponsor of S. 3016, a bill to amend the Comprehensive Alcohol Abuse and Alcoholism Prevention, Treatment, and Rehabilitation Act of 1970.

S. 3079

At the request of Mr. Thurmond, the Senator from North Dakota (Mr. Burdick) and the Senator from Oklahoma (Mr. Bellmon) were added as cosponsors of S. 3079, a bill to amend chapter 49 of title 10, United States Code, to prohibit union organization in the Armed Forces, and for other purposes.

S. 3098

At the request of Mr. Javits, the Senator from Pennsylvania (Mr. Hugh Scott) was added as a cosponsor of S. 3098, the Community Services Administration Act.

SENATE JOINT RESOLUTION 179

At the request of Mr. Bartlett, the Senator from Ohio (Mr. Taft) was added as a cosponsor of Senate Joint Resolution 179, a joint resolution to authorize the President to issue a proclamation designating July 2, 1976, a National Bicentennial Day of Prayer of Thanksgiving and Guidance.

SENATE RESOLUTION 197

At the request of Mr. Leahy, the Senator from California (Mr. Cranston) was added as a cosponsor of Senate Resolution 197, a resolution to establish a Select Committee on Federal Responsiveness and Accountability.

SENATE RESOLUTION 399

At the request of Mr. Kennedy, the Senator from Michigan (Mr. Philip A. Hart) and the Senator from California (Mr. Cranston) were added as cosponsors of Senate Resolution 399, a resolution relating to the strategic arms limitation talks and cruise missiles.

AMENDMENTS SUBMITTED FOR PRINTING

FEDERAL ELECTION CAMPAIGN ACT AMENDMENTS OF 1976—S. 3065

AMENDMENT NO. 1503

(Ordered to be printed and to lie on the table.)

Mr. ALLEN submitted an amendment intended to be proposed by him to the bill (S. 3065) to amend the Federal Election Campaign Act of 1971 to provide for its administration by a Federal Election Commission appointed in accordance with the requirements of the Constitution, and for other purposes.

AMENDMENTS NOS. 1504 AND 1505

(Ordered to be printed and to lie on the table.)

Mr. BUCKLEY submitted two amendments intended to be proposed by him to the bill (S. 3065), supra.

AMENDMENTS NOS. 1506 AND 1507

(Ordered to be printed and to lie on the table.)

Mr. DURKIN submitted two amendments intended to be proposed by him to the bill (S. 3065), supra.

AIRPORT AND AIRWAY DEVELOPMENT ACT AMENDMENTS OF 1976—S. 3015

AMENDMENT NO. 1508

(Ordered to be printed and to lie on the table.)

Mr. FORD (for himself and Mr. Huddleston) submitted an amendment intended to be proposed by them jointly to the bill (S. 3015) to provide for the continued expansion and improvement of the Nation's airport and airway system, to streamline the airport grant-in-aid process and strengthen national airport system planning, and for other purposes.

Mr. FORD. Mr. President, I submit an amendment on behalf of Senator Huddleston and myself to correct an inequity which exists in the Airport and Airway Development Act of 1976.

In its present form, this legislation declares that for a State to participate in a Federal demonstration program, one where it assumes the responsibility for general aviation airport grants, it is first necessary to have the approval of the State legislature. A total of three States will be selected to participate in the demonstration project.

This provision would discriminate against such States as Kentucky where the legislature meets in regular session once every 2 years. The present session of the Kentucky General Assembly concludes at the end of March, and will not convene again until 1978. Since no demonstration program can be initiated after January 1, 1977, Kentucky's hopes of participation would be eliminated from the very start.

The proposal which Senator Huddleston and I are offering would allow the Governor to authorize participation in situations where a State's legislature is not scheduled to meet in regular session before the cutoff date of January 1, 1977.

Transportation officials of our State have expressed their strong interest in being considered for this program. The concept of allowing States additional flexibility in such decisionmaking is one which has been successfully adopted in other areas involving Federal programs. It would be unfair for Kentucky and other States whose legislatures meet only biannually to lose any chance to participate in this unique program because of a technicality.

I urge my colleagues to look with favor on this proposal.

I ask unanimous consent that the amendment be printed in the Record.

There being no objection, the amendment was ordered to be printed in the Record, as follows:

Amendment No. 1508

On page 24, line 15, insert the following: after "section" insert a comma and "or if such State's legislature is not in regular session on such date and will not meet again in regular session before January 1, 1977, such participation has been authorized by such State's Governor."

NOTICE OF HEARING

Mr. NELSON. Mr. President, I wish to announce that the Senate Small Business Committee has scheduled oversight hearings for April 1 and 7 on the technology and management assistance programs of the Small Business Administration.

The hearings will be chaired by Senator WILLIAM D. HATHAWAY, and will be held in room 318 of the Russell Senate Office Building, beginning at 10 a.m. each day.

ADDITIONAL STATEMENTS

SOVIETS SUFFER MAJOR FOREIGN POLICY SETBACK

Mr. ROBERT C. BYRD. Mr. President, Egyptian President Anwar Sadat's announcement that his country would abrogate the 1971 treaty of mutual friendship and cooperation with the Soviet Union is a fateful blow to the Soviet's Middle East policy. After more than 20 years of cultivating Egyptian friendship and allegiance, Soviet hopes of gaining a lasting strategic military and political foothold in Egypt appear to be ending.

This is a very encouraging development for U.S. foreign policy and may prove to be a positive breakthrough in diplomatic efforts to secure a lasting peace settlement in the Middle East. With moderation and patience, the major Soviet foreign policy defeat can be turned into an American diplomatic victory.

By this latest move, Egypt has now come full circle since 1955. Until then, Egypt and other Middle East countries had been friendly toward the United States and other Western nations. But when we denied arms to Egypt in 1955, President Nasser immediately turned to the Soviet Union and Eastern European nations for military and economic assistance. Over the next 20 years, the Communist nations—principally the Soviet Union—supplied Egypt with $4 billion in military aid alone.

In addition, the Soviets financed the expensive Aswan Dam in southern Egypt during a 10-year period from 1960–1970. It was not only the biggest engineering project on the continent of Africa in modern times, but also a subject of dramatic political maneuvering. With the conclusion of the project, the Soviets had spent $1 billion and had gained an enormous public relations victory in the Middle East and throughout the third world. Pointing with pride to their hard work and success in Egypt, the Soviets were able to make political inroads in many third world nations. Their expansionst efforts in the underdeveloped areas of the world flourished.

Over the years, the Soviets steadily increased their military presence in the Middle East. But in Egypt their commitment was most extensive and threatening. Soviet military troops numbered over 15,000, including many who were assigned to active Soviet operational units—not military advisory roles. Soviet warplanes took a direct role in defending Egyptian airspace and in flying fighter cover for Soviet naval vessels which had moved into the Mediterranean Sea. The Soviets also modernized and expanded port facilities in Alexandria and Port Said for their increased naval maneuvers in the area.

The Soviets active military role in the Middle East added fuel to the fires of war which erupted from 1956–73. As long as they continued to rearm Arab nations against Israel, they had a solid diplomatic position from which to dictate terms at political talks. In addition, as long as they continued this adversary position, the possibility of an American-Soviet military confrontation in the Middle East could not be discounted. A veritable tinderbox threatened world peace.

But Soviet strength began to decline when Anwar Sadat succeeded to the Egyptian presidency after Nasser's death in 1970. One year after signing the treaty of mutual friendship and cooperation in 1971, Sadat kicked out Soviet military advisers and troops. And now, by renouncing the 1971 treaty, he has delivered the possibly fatal blow to Soviet hopes in Egypt.

The Soviet losses are many. They will lose air and naval privileges at the huge and expensive military bases they constructed. They will not be paid for the multibillion-dollar arms shipments that they supplied. Their influence among the moderate Arab nations will suffer, and their foreign policy effort in the Third World will suffer, since Sadat delivered the final blow to Soviet dignity by warning the Third World nations that Soviet policy toward them is one of imperialism and neocolonialism. For the Soviets, this is acutely embarrassing.

From this dramatic turnabout by the Egyptians, the United States can learn a valuable lesson. American diplomacy in the Third World does not have to be written off to the Soviets. Our presence around the world is still highly desirable—despite the inflammatory rhetoric heard in the U.N. And, American foreign policy—if practiced with quiet patience, prudence, and moderation—can secure major areas of the world against Marxist expansionism.

At this dramatic turning point, the United States has an opportunity to emerge as the singular major force in arranging a final peace settlement in the Middle East. Securing and stabilizing the peace is a challenge that this country should eagerly seize.

A FLOATING CLINIC IN AMAZON COUNTRY

Mr. FANNIN. Mr. President, 4 or 5 years ago it was my good fortune to meet Father Luke Tupper and give him some small assistance in a tremendous humanitarian program which he operates.

Dr. Tupper operates a floating clinic which has brought the wonders of modern medicine to the heart of the Amazon country in Brazil.

Mr. President, the March 8 issue of Medical World News contains an article about the wonderful work that Father Tupper has accomplished. I ask unanimous consent to have this article printed in the RECORD to demonstrate the miracles which can be accomplished by a determined and resourceful man.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

MEDICINE AGROUND AND AFLOAT IN BRAZIL

Father Luke Tupper's ship has finally come in. And with it, for the first time, has come good medical care for thousands of people scattered in small villages along the central Amazon River.

The 41-year-old Franciscan priest-physician began treating rural Brazilians in 1968, armed with little more than a black bag and a conviction that he owed God a return on His investment in Luke Tupper. (A graduate of the Marquette University School of Medicine in Milwaukee, now the Wisconsin School of Medicine, Dr. Tupper began studying for the priesthood in 1962, during his training in otolaryngology.) In Brazil, he has almost single-handedly reduced infant mortality along the Amazon from a crushing 50% to about 5%.

Traveling by Honda, jeep, canoe—even oxcart—Dr. Tupper and his team of villager-paramedics have immunized more than 160,000 people against communicable diseases. Food shortages aren't a problem in the Amazon, he explains, but communicable diseases like diphtheria, tetanus, whooping cough, and typhoid fever are regular killers. Dr. Tupper, who is one of the few Franciscan priests with a medical degree, says of his work: "The immunizations are the most important thing I have accomplished." His "less important" activities include pulling thousands of abscessed teeth and teaching proper dental care to entire villages.

At first Dr. Tupper worked from a small clinic he established in the town of Santarem, where a typical day's work included seeing some 25 to 60 patients. "But I knew if I was really going to help, I needed surgical capability," he recalls. "I couldn't do everything out of a black bag, and yet I didn't want to build a hospital that would tie me down to one place. I needed a hospital boat. The problems you meet in an area where there are so few doctors and dentists and no hospitals are unbelievable," he says. "People are spread out, grouped 200 or 300 at a time, in tiny isolated villages. By the time you get them to a hospital, they're dead. Especially women with childbirth problems or children with infectious diseases—they don't have a chance."

The only solution, he realized, was to bring the hospital to the patients. With the help of a nonprofit interdenominational foundation, Dr. Tupper began the search for a boat that could fill his needs. It ended in 1971 with a San Diego ferryboat that had been outmoded by a bridge and was offered to him at a bargain price of $15,000. It took nearly another three years to equip the *Esperanca* (Portuguese for "hope" and tow it down to the Amazon.

The ferry arrived at Dr. Tupper's clinic in Santarem in June 1974. On its maiden voyage, a team of plastic surgeons headed by Stanford University professor of surgery Edward Falces traveled up and down the huge river, correcting two or three cleft palates each day.

Equipped with two dental labs and a surgical unit complete with cardiac monitors and x-ray and anesthesia equipment, the *Esperanca* is prepared to deal with the common surgical problems of the Brazilians—hernias, goiters, orthopedic problems, and pterygiums—in addition to handling the villagers' medical problems. Now Dr. Tupper is able to spend most of his time at the clinic in Santarem, while trained nurse Sister Reginia Wachowski takes charge of the boat and its volunteer staff. Setting up regular health education programs is Dr. Tupper's latest undertaking—a venture he finds as much of a challenge as the immunization program.

"Just think," he marvels aloud. "At first, all I had was a black medical bag and a dental bag. Today I have a completely equipped clinic and a hospital boat, plus a regular medical staff of a dentist, a surgical nurse, and myself." The clinic still fills the medical and dental needs of Santarem, a town of 90,000, and of its surrounding areas. While Dr. Tupper is back in the U.S. for "catch-up" residencies in orthopedics, general surgery, anesthesia, and ophthalmology, the hospital boat is being operated by Dr. Harry R. Owens Jr., a former staff member of the original medical ship S.S. *Hope* (MWN, May 5, '75, p. 119).

The Franciscans are a mendicant order: Dr. Tupper gets only $50 a month plus room and board from the brothers. Thus all his help must come from private donations and volunteer work. Several American teams in plastic surgery, ophthalmology, and orthopedics have already volunteered to come to Brazil and help, and by now more than 150 operations have been done on board the *Esperanca*. "You have to pay your way down here and back," says Dr. Tupper, "and unless you're a surgeon, you must speak either fluent Portuguese or Spanish. We can't use doctors who have to rely on us for communication with patients." Those who come to help usually stay with us two or three weeks, he says. The conditions on the busy hospital boat, although somewhat cramped, are comfortable.

Despite his medical labors, Dr. Tupper is also Father Luke, the priest. Before beginning each day's medical work, he rises around five o'clock in the morning to say his office, offer Mass, and meditate. In fact, he says, the two sides of his life are totally connected.

Dr. Tupper considers his effort interdenominational; in fact, none of the professional volunteers has been Catholic. Why do they come to help? "Doctoring is basically a priestly activity," maintains the doctor-priest. "Here you get to see the joy you can bring into a child's life—something all the money in the world can't buy."

THE POSTAL SERVICE

Mr. McGEE. Mr. President, Wednesday's Washington Post published a lead editorial entitled "Paying for the Mail," which concluded with the statement that—

> The postal system cannot just muddle along much longer; some hard decisions about services and subsidies need to be made.

The Committee on Post Office and Civil Service is engaged now in hearings which address the serious financial bind the U.S. Postal Service finds itself in, and I would have to agree with the editorial writer who finds the job to be a not-too-happy one, since the problem affects every citizen and the costs are high. But the costs must be paid by one means or another if the Postal Service is to be saved from the gradual decay which has struck at other traditional services.

The problem is a difficult and complex one. Some of the recent statements by individuals closely connected with the problem, including the Postmaster General, have indeed been on the gloomy side. There are even those who have been heard to suggest that the only way to save the service might be to destroy it; that is, to proclaim the maintenance of a universal postal system for all Americans an anachronism. The Post editorial addresses that issue, too, when it says:

> The nation's postal system should be businesslike, but it is not a business. It is a basic public service that Americans rely on heavily. Indeed, the services that matter most are often those that make least sense in cost-accounting terms: service to individuals, to small communities, to small businesses and little publications. This does not mean that, for instance, every rural post office must be kept open forever if equivalent or better actual service can be provided another way. It does mean that postal communications have to be maintained; the mails simply must go through.

Mr. President, I ask unanimous consent that the Post editorial referred to be printed in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the Washington Post, Mar. 17, 1976]

PAYING FOR THE MAIL

It may seem heretical for a Postmaster General to suggest that postal service as Americans know and love it "could become obsolete." But Postmaster General Benjamin F. Bailar said exactly that last week in a gloomy speech in Detroit. His message was not just that the era of six-days-a-week, door-to-door mail delivery is ending; he warned that the Postal Service may never be economically sound even if drastic cutbacks in service are made.

Problems at the post offices are nothing new. In fact, it was the government's inability to manage the mails that led Congress to put the system on a "business-like" basis in 1970 and direct the new agency to improve service, cut losses, increase workers' salaries and modernize facilities. But from the start those goals have been impossible to reconcile. Some major management mistakes and generous labor settlements have run up costs; soaring inflation and energy prices, unanticipated in 1970, have had a devastating effect. According to the General Accounting Office, cost-of-living increases in postal workers' pay have totaled $987 million in the past two years, while every one-cent increase in the price of gas has cost the Service $3.5 million per year.

Contrary to popular belief, the quality of postal service has improved since the dismal days of 1971. Even so, the immense volume of mail makes a large number of complaints inevitable. (GAO has noted that if 95 per cent of first-class mail were delivered on time, 2.6 billion letters per year would still be late.) What really worries Mr. Bailar is that as postal rates have climbed, postal patronage has begun to drop. More people are paying their bills in person; companies are stepping up their use of alternate delivery services and electronic communications systems. Yet declining volumes do not mean decreasing costs; the mailmen may be bearing fewer letters but they must still make their rounds.

Mr. Bailar maintains that more efficient systems and more flexible use of manpower can only reduce the deficits somewhat, and that the only way to save the Service may be to cut services. He has just announced that two-a-day business deliveries in many cities will be stopped. He wants to close some small post offices and substitute other types of service in rural areas; GAO has calculated that phasing out 12,000 of the 18,000 smallest post offices could bring savings of $100 million annually. Mr. Bailar is also promoting clustered or curb-side delivery instead of door-to-door service in new housing developments. He has even mentioned revising rates so that pre-sorted, standard-sized first-class mail sent by bulk users would cost less than a hand-addressed birthday card. And so on. But he fears that even if such drastic changes are made, the system may be unable to avoid the spiral of rising costs, declining patronage and gradual decay that has already made other services—local bus systems, passenger trains, the old-style telegraph—bankrupt as businesses.

That points to the problem: the premise is wrong. The nation's postal system should be business-like, but it is not a business. It is a basic public service that Americans rely on heavily. Indeed, the services that matter most are often those that make least sense in cost-accounting terms: service to individuals, to small communities, to small businesses and little publications. This does not mean that, for instance, every rural post office must be kept open forever if equivalent or better actual service can be provided another way. It does mean that postal communications have to be maintained; the mails simply must go through.

However, in order to preserve the kind of postal system Americans expect, the public has to be willing to pay—in part as users and in part as taxpayers. This is where the real problem arises because the numbers are immense. According to GAO, if current services are maintained and the federal payment to the Postal Service stays at its present $920 million per year, the price of a first-class stamp will rise to 23 cents by 1981. On the other hand, if stamps remain at 13 cents, the cost to the treasury could rise to $8.5 billion annually within 5 years. The most acceptable arrangement probably involves some rate increases, some streamlined services and more public support—but detailed formulas are not going to be easy to devise.

All in all, this is the kind of problem that Congress is least happy with: one that affects every voter and interest group, and costs far more than anybody likes to pay. So far, most legislators have ducked. Last year the House authorized greater subsidies, but also voted to return the system's management to Congress—a move that is not likely to solve anything. More recently, about 50 representatives went to court to save some rural post offices, at least temporarily. We hope that they will follow through by addressing the problem of who pays. That is, after all, what Mr. Bailar is basically getting at, although in a somewhat backhanded way. The postal system cannot just muddle along much longer; some hard decisions about services and subsidies need to be made.

THE LEGAL AID SOCIETY OF NEW YORK

Mr. JAVITS. Mr. President, just as the Nation is honoring formation 200 years ago, the Legal Aid Society of New York is celebrating its centennial. An article by Tom Goldstein appeared in the New York Times on *March 6, 1976*, which calls attention to the society and its history.

The role that the Legal Aid Society played in the history of New York City mirrored the evolvement of our approach to legal problems and concerns in this country. Whereas the original purpose and intent of the society was to provide legal counsel to the poor to handle civil matters, the emphasis has now shifted to the criminal field. This is reflected in the increased size of the staff, and the concentration in criminal law, at the trial and appellate level.

The Legal Aid Society has done an outstanding job, in the face of most trying circumstances. Budget priorities cause an even greater strain on a system that has been hard pressed to meet even present considerations. Once again, those most in need find themselves caught in a fiscal squeeze. Our efforts to provide greater access and representation to the courts have made a significant impact in recent years. Still, there is much that can be done to make "equal justice under law" a reality. The Legal Aid Society deserves great recognition for the outstanding role it has and continues to play in the legal justice system in New York.

I ask unanimous consent that the article by Tom Goldstein be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

AT 100, LEGAL AID STRIVES TO LIVE WITHIN BUDGET

(By Tom Goldstein)

Founded 100 years ago by merchants who hired one part-time lawyer to give free legal advice to "worthy" German immigrants, the Legal Aid Society has emerged as a central force in the city's criminal-justice system.

With a budget this fiscal year of $25 million and a staff of 634 lawyers, Legal Aid, which provides free legal assistance to poor persons in both criminal and civil matters, is now the largest law office in the city and the second largest in the country—surpassed only by the United States Department of Justice.

"Legal Aid has become an essential and integral part of the system," said District Attorney Mario Merola of the Bronx. "Without it, the criminal-justice system would crumble."

But for the 1975–76 fiscal year, the criminal division received $2 million less from the city than it said it needed. The division has lost 30 lawyers in the last year, and 50 lawyers who left after their salaries had been frozen have been replaced with lawyers with little or no experience.

The criminal division gets almost all of its funds from the fiscally straitened city.

"We are losing the equivalent of our residents and attendant physicians and replacing them with the equivalent of new internes," said William J. Gallagher, who supervises the 430 lawyers on the criminal staff. "It takes less-experienced lawyers longer to try cases, and that causes congestion."

Legal Aid's appeals bureau, which has also been affected, now has a backlog of 1,500 cases, some dating back 18 months. William E. Hellerstein, who heads the appeals bureau, said he would need to increase his staff from 75 to 100 to eliminate the backlog.

And every day the civil division, which is financed primarily from private contributions, has to turn away 75 to 100 poor people faced with matrimonial, landlord-tenant, welfare and Medicaid problems.

"We just can't service as many clients as we did before," said Archibald R. Murray, attorney in chief and executive director of the legal group.

"Tens of thousands of matrimonials could pass through our doors," said Kalman Finkel, the head of the civil division. "Our big push is to have recognized the right of a free lawyer to a person seeking a divorce."

Last year, the State Court of Appeals refused to grant that right, and Legal Aid now is pressing its case in Federal court.

For its 100th year, Robert B. McKay, the president of the society, has set as his priority the raising of a $7.5 million endowment to keep staffing at the civil division at its present levels.

A ceremony marking the society's centennial will be held Monday night at the New York State Theater at Lincoln Center. Justice Harry A. Blackmun of the United States Supreme Court will be the main speaker.

Legal Aid was the first group in the country to provide legal assistance to the poor, but in its early years, its guiding ideology seemed to be aimed as much at preserving the social order as at helping the poor.

In the 1890's, Legal Aid's annual report noted:

"It keeps the poor satisfied. Communism and socialism have, it seems, lost their grip upon our New York population since our society has done its effective work on behalf of the poor."

At its 25th anniversary dinner Vice President Theodore Roosevelt described Legal Aid as a necessary safeguard against "chaos" and "violent revolution."

By its 75th year, the emphasis of Legal Aid had shifted, and Judge Learned Hand of the United States Court of Appeals criticized lawyers for having failed to help "the little people."

At that time, Legal Aid was still a minor force in the city's justice system, and its 1951 budget was $300,000. Even then, its directors met at downtown clubs that prohibited blacks, Jews and women, and it made news not for its court victories, but for its social activities.

The period of leisurely growth ended in 1963, when the United States Supreme Court handed down Gideon v. Wainwright, the landmark decision that had the effect of requiring the city to provide funds for the adequate representation of poor people accused of serious crimes.

That year, 65 lawyers worked in the criminal division. By 1970, when riots spread through the city's jails, the number had grown to 171. The rioting inmates complained about inadequate representation by Legal Aid lawyers, who at one stage or another represent 75 percent of the defendants in the city's criminal courts.

After directors of Legal Aid threatened to cancel their contract unless the city provided more money, the city increased Legal Aid's budget dramatically, and the number of lawyers in the criminal division has nearly tripled since then.

Inmates also complained that they were represented by different lawyers each stage of the criminal justice process. In 1971, a task force of lawyers and judges concluded:

"The heart of effective representation lies in establishing an attorney-client relationship in which the total responsibility for the outcome of a case lies with one attorney."

In the last year, in part as a result of prodding by the union of staff lawyers, who staged strikes in 1973 and 1974, Legal Aid has instituted a citywide system where the defense lawyers represent their clients from the start to finish of each case.

FOREIGN POLICY AND THE STATE OF ISRAEL

Mr. STONE. Mr. President, I wish to bring to the attention of my colleagues the remarks of my distinguished colleague, Senator ROBERT MORGAN of North Carolina, made in a speech on February 28, 1976, in Raleigh, N.C.

I believe that this speech manifests a view which I also share: That this country lacks a coherent positive foreign policy toward developing countries which are making every effort to evolve into democratic states. Senator MORGAN has stated in this speech that it is this lack of a consistent democratic and freedom supporting foreign policy which is inhibiting the United States ability to bring a true peace in the Middle East.

Senator MORGAN has aptly stated that our present drift toward isolationism results in neither our friends nor our foes knowing exactly where we stand, when, if ever, we will support them, and if we will back down from promises which we make to them. The key point in his speech is that, since 1948, our Nation has had a moral commitment to the survival and strength of the State of Israel and that a waffling and abandonment of this policy would be an immoral resignation to expediency. He concludes that Israel should be fully supported because our foreign policy should focus upon aiding those nations seeking to institute or preserve individual liberties. There is no question that Israel is the most democratic state in the entire Middle East, has provided our country with technical assistance since its establishment, and is the kind of friend that in the Middle East which does not take from us on the one hand while taking openly or covertly from the Soviets on the other.

Our colleague, the junior Senator from North Carolina, has made eloquent remarks which deserve the consideration of the Senate. I ask unanimous consent that these remarks be printed in the RECORD.

There being no objection, the remarks were ordered to be printed in the RECORD, as follows:

FOREIGN POLICY AND THE STATE OF ISRAEL

(By Senator Robert Morgan)

There is much talk these days about American foreign policy. The policy of detente is coming under increasing criticism from people who think we are getting nothing in return for our concessions to the Soviet Union. Our sudden change in policy toward the People's Republic of China which resulted in the expulsion of Nationalist China from the United Nations is viewed by many as an immoral turnaround. And in the name of even handedness toward countries in the Middle East, our policy toward Israel has undergone a subtle change. But worst of all, the policy of detente, the China turnaround, and the so called Mideast even-handedness policy were carried out by the administration without the benefit of public debate or congressional approval. So tonight I want to talk to you about our foreign policy in general and our commitment to Israel in particular, for these are important issues that need to be discussed.

I believe that most Americans approve of our nation's support of the state of Israel, but I doubt that many of them have thought very seriously about the subject. It can be said, I think, that most Americans do not think too seriously about our foreign policy in general. For years we subscribed to the belief that we had an agreed upon, bi-partisan foreign policy which the President initiated and the Congress supported. This myth led to a lack of debate on foreign policy issues and led secretaries of state to think that they could run the nation's foreign policy as they saw fit. They were sure that the spirit of bi-partisanship would keep the matter from being debated and that the Congress would approve any administrative proposal. Foreign policy was beyond debate; the issue was not even raised in our national elections.

It took the shock of Vietnam to raise the subject in our consciousness, for the foreign policy that led to that war was a complete failure. Americans since have begun to ask questions, but they have only begun. Foreign policy is now an issue of some importance; it is no longer bi-partisan—there is much disagreement about the rightness of what we have done and what we are doing, about what we should have done and what we should be doing. Some are even saying that we do not have and that we have not for a long time had a global foreign policy to which Americans could voice either approval or disapproval. People are saying that we have no policy toward the Black nations of Africa; that we have no coherent Latin-

American policy; that our Southeast-Asian policy evaporated when we withdrew from Vietnam and has yet to be replaced by another; that our policy toward the Soviet Union and China directly contradicts our policy toward Cuba; that our policy toward Turkey contradicts our policy toward Israel; and that we lack entirely any policy toward the Arab countries. In short, many are saying that America does not have a foreign policy; that we have many policies of expediency, most of which are not coherent with each other.

In the confusion of such incoherence, people have just begun to raise questions. Neither our friends nor our foes know exactly where we stand, what cause we shall rise to, and when we will give in. But the questioning has just begun, and few if any have yet questioned our policy toward Israel. So before they do, I think we should take a look at that policy and ask ourselves why we should support that tiny nation surrounded by a sea of Arabian bitterness.

First of all, I don't think we have a coherent policy toward Israel either. The Israelis themselves do not know where we stand. We have pledged our support to them, but the extent of that support goes unstated. We have no treaty commitments to the state of Israel. Just how involved we would get in a major conflict is deliberately left ambiguous. I think that our government wants it that way—it is a convenient policy—and I think the Israelis are afraid to push for a firmer stand out of fear of losing the support we now give them. But the ambiguity of our commitment can contribute to the ambiguity of the Mideast situation.

For instance, when a Middle East leader asked Syria's President Hafez Assad whether he was worried about American intervention in the Mideast, the Syrian Chief of State is said to have replied contemptuously: "The Americans will do nothing." And Prime Minister Rabin cannot act decisively either. It is reported that two of his most powerful Cabinet ministers have suggested a new policy toward the U.N. presence on the Golan Heights.

They have suggested that it is no longer necessary for the U.N. to stay on the heights and that, in any case, it is intolerable for Israel to pay a political price every time the presence of U.N. forces needs approval. But Mr. Rabin cannot approve of this new policy because he fears an adverse reaction from Washington. I do not think that such uncertainty contributes to the stability of the Middle East. If everyone knew where we stood, this knowledge might help stabilize the situation.

As things now stand, neither we nor they know what we will be called upon to do. And I do not think that such a situation adds up to a coherent policy. Both the American people and the Israelis deserve better.

Second of all, we should support Israel because it is a nation of relatively free people. Unfortunately, the United States does not have a consistent record of aid to those nations seeking to preserve or institute individual liberties. We have quite often come to the aid of repressive and reactionary dictatorships. We have forgotten that reactionary dictatorships snuff out freedom just as ruthlessly as communist dictatorships.

This inconsistency on our part has led many people who have been fighting for freedom throughout the world to be reluctant to acknowledge our aid. Our past aid to reactionary dictatorships is an embarrassment to freedom fighters who do not want to be convicted of reactionism by association.

Israel, however, is one nation that is not embarrassed by our aid, and I cannot help but believe that they are not embarrassed by our aid because they are a nation of relatively free people surrounded by totalitarian Arabian states. In a study done late in 1975 by Freedom House, nations were ranked in respect to freedom on a scale of one to seven, from most to least free. Not one Arab state rated higher than four while most of them rated six or seven. In comparison, Israel is a nation with high democratic ideals and a strong commitment to personal freedom. It is a bastion of freedom in a sea of demagoguery. It is exactly the kind of nation to which we should give our support if we had a coherent bi-partisan foreign policy.

If we had given such open support to other democratic movements over the past forty years, our reputation in the world would be far cleaner than it is and we would have less trouble from the third world than we are now having. We are, in a sense, reaping the chaff of previous poor judgment. If we Americans could agree on a bi-partisan foreign policy, I am sure it would be one in support of freedom throughout the world, and it is because we lack such a policy that there is disagreement in our nation today.

Finally, we should support Israel because our commitment to it is moral. In 1948 we made a pledge and if our commitments are to mean anything, this pledge must be kept. To abandon Israel now or in the future would be an immoral resignation to expediency of a long established policy upon which Israel has depended all these years. If Israel is to survive, some strong nation must support it, and obviously, ours is the only nation that can. If our will should fail, Israel will fail.

We in this country are taking an uncalculated risk. We are assuming that Soviet initiatives in third world countries will not result in permanent Soviet influence. The Soviet Union has not to date been very successful in exporting its philosophy to third-world nations. And this lack of success has led us into the complacent view that they cannot be successful. Of course, this complacency has no justification; past failure does not preclude future success. In withdrawing from Vietnam, in putting pressure on Israel to negotiate an unfavorable settlement to the Middle eastern crisis, in refusing aid to the prowestern factions in Angola, we are establishing a de facto policy of isolationism.

The third world is fertile ground for the growth of freedom and democracy. Both overt and covert forms of influence are available to us. There is no reason in the world why we should not use whatever means we have to our disposal short of all out war to influence the course of history in the third world. To me, it seems immoral not to do so. Freedom is too precious to abandon.

Foreign policy is an important ingredient in our overall national program. It is a defense not only of our shores but of the shores and boundries of other third-world nations. We must do what we can to preserve the freedom of the world, for we shall find that one free country in the world—ours—cannot survive alone. An isolated country is sure to be a temporary bastion of freedom. It is our one sure road to destruction, and I sincerely hope that we do not follow it.

I would hope that this nation can develop a consistent, democratic, and freedom supporting global foreign policy that all Americans can support. I believe that such a policy would help bring peace and stability not only to the Middle East but throughout the world and that we would all be better off because of it.

WHY BEEF COSTS $1.51 A POUND

Mr. HRUSKA. Mr. President, as consumers, all of us are concerned about the rising cost of food. And, everyone agrees something must be done to contain this ever-increasing price spiral. To find solutions, however, the causes must be determined. Unfortunately, there are those who attribute higher food costs to the producer. This is nonsense.

Let us use pricing in the beef industry to illustrate the fallacy of this thinking. Sylvia Porter, in an article entitled "Why Beef Costs $1.51 a Pound," which appeared in the February 15 edition of the Washington Star, does an excellent job of pinpointing for consumers the reasons for the difference in the price of beef between the time it was a steer or heifer in a feedlot and when it ended up on your plate at dinner time.

She estimates that the average farm value of a pound of choice beef at the beginning of 1975 was 93.6 cents. By the time it got to your supermarket shelf, it had $1.51 stamped on it.

Why? It certainly was not exorbitant profits taken by the farmer. According to Miss Porter, these are the implications:

> 1. What happens to the price of cattle on the range is just the very, very beginning of the price to you. Of course, when cattle prices soar, this pushes prices up all along the line—but note that on top of the 93.6 cents on the farm came 57 cents to the store.
>
> 2. Cattle prices at the farm level are slated to stabilize or even decline somewhat in '76, as feed costs slip. For you and me, this may translate into larger supplies of choice grade beef and possibly lower prices for such cuts . . . possibly.
>
> 3. But costs almost surely will continue to rise for shipping, processing and retailing meats—even though the cattle farmer's costs may go down and even though the meat industry has made and is making efforts to improve its processing system.

It is in the processing—or the activities of the middleman—where the price jumps so outrageously. Miss Porter concludes:

> Beef processing could be streamlined if central warehouses could divide carcass quarters into retail cuts and freeze them. Retail cuts must be frozen, if they are to have a shelf life of more than two days. The average consumer, though, doesn't like to buy pre-frozen meat—and inevitably, we all pay for this inefficiency through generally higher prices.
>
> With more centralized butchering and packing, with higher supplies and with many other technological improvements, what's the long-term price outlook?
>
> A realistic forecast would be: Prices won't rise as fast and as high as they otherwise would.

Mr. President, so that my colleagues and other consumers may share in the wisdom of Miss Porter's comments, I ask unanimous consent that the complete text of her column be printed in the RECORD at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. HRUSKA. Mr. President, if anyone still is convinced the farmer is taking a disproportionate share of the consumer's dollar, let him consider the following figures compiled by the U.S. Department of Agriculture. The farmer receives 38 cents, labor costs account for 32 cents and the food middleman gets 30 cents of each dollar spent on food.

However, even these statistics are misleading. When labor receives its 32-cent cut, all of it is available to use to purchase the necessities of life. When the farmer receives his 38 cents, a good deal of this must go for fixed production costs such as grain to feed his cattle, farm machinery, energy costs and other items needed to produce his product, whether it be cattle or grain or some other agricultural commodity. As a result, the farmer has much less to spend for his necessities of life. It should not be forgotten that farmers also are consumers. No one should begrudge them a living wage.

EXHIBIT 1

[From The Washington Star, Feb. 15, 1976]

WHY BEEF COSTS $1.51 A POUND

(By Sylvia Porter)

Why did you, a typical shopper, pay an average price of $1.51 for a pound of choice beef at your local market recently, while the farmer who had sold that cattle had received only about 93.6 cents per retail pound? (It takes over two live pounds to get one retail pound.)

To find the complicated answer, my associate, Brooke Shearer, traced that pound of choice beef from the time it was a cow (or steer) grazing on an Iowa farm or in a Texas feedlot to the moment it reached your dinner plate.

As you watch it become transformed from a raw agricultural product into a retail cut, you'll also understand why meat prices go up and stay up as they have for so prolonged a time.

93.6 cents: This was the average farm value of a pound of choice beef at the start of '75. The meat is still on the hoof, and that 93.6 cents represents all the grass, grain, protein combinations and services that make the beef choice. It does not include the value of such byproducts as the cattle's hide, tail, etc.

95.4 cents: This is the value of that pound of beef delivered on a live animal to the packing plant. Marketing of the live animal has added 1.8 cents.

$1.044: The beef is now a carcass at the packing plant. Processing and storage have contributed at least another 9 cents to what might be called the wholesale price.

$1.147: The pound of beef is now on the way to the store, with about 1.3 cents added for wholesale transportation and about 9 cents to cover the cost from the time the supermarket distributor purchases the carcass until it is shipped from the packing plant in the form of quarters or such "primal cuts" as loins, ribs and rounds.

$1.506: Now, one to two weeks after the livestock has left the farm, the pound of beef is on the retail counter. A hefty 35.9 cents has been added at the store for cutting, trimming, wrapping, display, advertising, etc. These and other overhead costs have swelled the price of the choice beef to close to $1.51 a pound.

What are the implications?

1. What happens to the price of cattle on the range is just the very, very beginning of the price to you. Of course, when cattle prices soar, this pushes prices up all along the line—but note that on top of the 93.6 cents on the farm came 57 cents to the store.

2. Cattle prices at the farm level are slated to stabilize or even decline somewhat in '76, as feed costs slip. For you and me, this may translate into larger supplies of choice grade beef and possibly lower prices for such cuts . . . possibly.

3. But costs almost surely will continue to rise for shipping, processing and retailing meats—even though the cattle farmer's costs may go down and even though the meat industry has made and is making efforts to improve its processing system.

In '74, for instance, about 68 percent of the meat in the United States was already cut into sections known as "primals" or "subprimals" (sirloins and short loins) before delivery to local retail stores. Such a centralized butchering system is far more efficient than the individual "back room" butchering of each market. New automated machinery makes it easier and faster to handle the beef; the cost of transportation is lessened; and by centralizing the butchering, cuts can be made more uniform and distribution can be improved.

As an illustration, if a certain store sells more T-bone steaks and sirloin tips than another store across town, a central warehouse can increase deliveries of the higher-priced meat only to that store and not send big, additional quartered carcasses.

Beef processing could be streamlined if central warehouses could divide carcass quarters into retail cuts and freeze them. Retail cuts must be frozen, if they are to have a shelf life of more than two days. The average consumer, though, doesn't like to buy prefrozen meat—and inevitably, we all pay for this inefficiency through generally higher prices.

With more centralized butchering and packing, with higher supplies and with many other technological improvements, what's the long-term price outlook?

A realistic forecast would be: Prices won't rise as fast and as high as they otherwise would.

ADDRESS BY MRS. ARLENE MACK, PRESIDENT OF THE NORTH DAKOTA NURSES' ASSOCIATION

Mr. BURDICK. Mr. President, the president of the North Dakota Nurses' Association, Mrs. Arlene Mack, made a speech recently which I was privileged to hear. She spoke not only of the role of nurses in society today, but of the changing role and demands of the health industry as well. Her speech contains much that is thought provoking, and I commend it to my colleagues.

I ask unanimous consent that it be printed in the RECORD.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

PRESIDENT'S ADDRESS—MRS. ARLENE MACK, R.N., B.S.

Probably there is nothing less original to say than that any profession needs to change. To say that we live in a world of change is to make a very trite statement. The speed and the amount of change affect all aspects of our life—physical, emotional, social and economic. We seem to be in a transition, moving from an abandoned past toward a future that we cannot always comprehend. Those who happen to be around in the first half of the 20th century have lived under conditions of extraordinarily rapid change. I think no amount of investigation is needed to reach this conclusion. One need only recall some of the very familiar things that we see today that were totally unknown to persons who entered their lives 50 years ago—atomic energy, nylon stockings, television, radio, Mickey Mouse, and the list could go on and on. These advances have changed man's relation to the physical world. They have really altered the fortune and destiny of man.

Being the kind of creatures we are, and having the kind of conditioning we have received, and living in the kind of world we inhabit we find ourselves from time to time both liking and disliking, accepting and resisting aspects of both permanent and changed. We enthusiastically choose a new car, television, medicines and so on, but in other matters such as ethical standards our tastes are much more conservative.

Health care professionals have been greatly influenced by the extraordinarily rapid rate of change. The uneasy state of the national economy is a compelling force to effect long overdue changes in the delivery of health care. The era of unlimited federal funds for the support of health programs, I think is past. And while national health insurance has been labeled as imperative for this congress, the $1.00 restraints are very real. New economic and delivery strategies are essential if universal health care and access to health care is to become a reality.

The current prices within this health care industry have created varying levels of concern with our public. This is the time of consumerism. The public is becoming involved. They are becoming involved in accepting the responsibility and also demanding high provisions of quality care. Consumer concern with this high cost creates the opinion that health care is a right for all people, which I don't think we will argue with.

Health spending in the United States soared to a total of 104.2 billion in the fiscal year of 1974 as compared to 94.1 billion in the fiscal year 1973. This new figure represents $485 per capita and 7.7 per cent of the gross national product. It is generally conceded that in a matter of time the health care industry will become the nation's #1 business in terms of annual expenditures. The concept of health care as a right rather than privilege has spurred this phenomenal growth and I think within the last decade we have seen even more dramatic changes come about by medicare and medicaid.

Congress in 1966 declared in the preamble of a comprehensive health planning act, "The fulfillment of our national purpose depends on promoting and assuring the highest level of health obtainable for every person, in an environment which contributes positively to healthful individual and family living." The health care professions until recently have provided this health care without any outside intervention. Now the public wants to know and they want to be involved in their health care.

Other trends that have caused changes for the health professionals are: 1. a trend towards higher education, not only for professionals, but for the general public as well; 2. a continued rise in the standard of living while yet we know that there are huge poverty areas; 3. experimentation with methods of distributing health care; 4. the growth of pre-paid health insurance by government and private agencies such as medicare and medicaid, as a way of meeting health costs; 5. the effects of communication such as television—radio influencing the public's feelings about health care. 6. the increase in use of psychedelic and habit forming drugs; 7. the trend towards greater interest in helping the aged; 8. the advent of regional health planning, utilization reviews, PSRO, shifts in setting where health care is given, such as greater use of out-patient and extended care facilities, and a growing awareness of research. All of these have an impact to the professional as we assume a greater role in the health care field.

Now, we've talked a little bit about profession and I think we need to talk about what a profession is and how it serves society. It is generally accepted that a profession serves society and not the end of any particular interest group. William Shepherd lists the criteria of a profession as—a profession must satisfy an indispensable social need and be based upon well established and socially accepted scientific principles, yet must demand adequate pre-professional and cultural training. It must demand the possession of a body of specialized and systematized knowledge. It must give evidence of needed skills which the public does not possess. It must require the exercise of discretion and judgment as to time and manner of the performance of duty. It must be a type of beneficial work. It must have sufficient self-impelling power to retain its members throughout life. It must recognize its obligations to society by insisting that its members live up to an established code of ethics. A profession has the responsibility for determining its own goals for meeting societies needs. It needs to decide its own specific functions and responsibility as a unique profession and as a member of an inter-disciplinary group composed of the allied health profession and it can function autonomously in the formation of professional quality and in the control of professional activity.

Now, thinking back to what we defined as a profession, I think we need to ask ourselves some questions. Do our actions require intellectual operations or are they purely mechanical: Do we make practical application of what we have learned? Do we keep up with trends in the health care fields and in our own field? Do we share our knowledge with others? Do we belong and participate in the professional organization? Do we set our own goals for meeting societies need and do we care about ourselves, about the profession, and about society? This all adds up to committment on our part. A committment to our profession as a life's profession.

Now, I've talked about change and I've talked about our profession and talked about our society. Some of the things now I think that we need to talk about is what can be done. The time has come, in my opinion, that we accept the fact that we are professionals. Being professional alone, of course, is no longer the issue, but it is important that we work on solutions for the problems that have been created by these rapid technological changes.

The explosion of knowledge is bound to continue, we know not for exactly how long but it is already well beyond the grasp of single individuals. Every practitioner has the responsibility for his own continued learning and must have some means to maintain and enhance his competence. It must be stressed that once we graduate we are just beginning to learn! We must keep current; so far that choice is ours. Perhaps the choice will soon be the patient as to whether or not he will even accept us as a part of his health care. He will demand more and more that care be specifically designed for him and that it be high quality and error free. If you are of the opinion that it will not happen here, you are avoiding the problem or the challenges that are facing health care professionals today!

Leland Bennett says that you are an ostrich nurse, if you don't read, don't learn new techniques, don't share ideas with others, don't belong to your professional organization, don't use humane methods of management, don't communicate with your patients more than you have to, don't keep an open mind, and support the status quo with every fiber of your being. When we stop to consider that more than 50% of the knowledge that we've learned 20 years ago is already obsolete, how can we accept the status quo.

With the enactment of public law 92-603, there is increasing demand for quality care and accountability. A demand for accountability is increasing at all levels and will increase with more specificity toward accountability of nurses for their practice. Nurses can no longer avoid independent accountability and accept the protective cloak while working under the supervision of the physician. Quality control of performance should be effected with programs of peer review. Nurses, physicians and other allied health personnel must develop new methods of working together. Team nursing is essential and I think this needs to begin in the educational system, so that we can see true interdisciplinary changes in education and practice. And if the professions are going to keep pace with political changes in the health care system, they must be knowledgeable and they must be involved about legislation. It is up to the profession to convince legislatures and consumers the importance of health care. The shift in emphasis from caring to preventing is one change that I think professionals need to speak to, along with many many others. Our educational system certainly needs review. It perhaps needs more flexibility to provide the kind of education that is needed in today's society and for the future.

Nurses need to be involved in health planning for therein lies the future, particularly with the passage of the new public law, 93-641—Health Planning Resources Act. Nurses need to be involved with implementation of the standards. Our professional organization has come a long way with setting of standards. We can be very proud of that. We're one of the only organizations that have standards. But I think it's up to us now to implement standards.

Finally, I believe that professionals must be committed people; committed to themselves, committed to people, committed to their job and committed to their profession.

I think however, that it is very important for us to remember that there is one thing that does not change, something that is permanent and enduring as anything in human experience.

Whenever and wherever our functions are performed there are always present two indispensible components—the patient and the professional nurse; one needing, one giving. The continuity, the stability and the never failing willingness of some people to give that others may have; to provide knowledge, comfort, assurance, support and more than any of these, the sense that there is someone who knows, someone who understands and someone who cares!

SENATOR MIKE MANSFIELD

Mr. PEARSON. Mr. President, during the years that I have served in the Senate there has only been one majority leader, MIKE MANSFIELD of Montana. The length of his tenure in that position is unprecedented. The skill and demeanor with which he has carried out the duties of that position are unequaled.

We are from different sides of the aisle. But with MIKE MANSFIELD a difference in party is no barrier to friendship. I sought his counsel during my early years in the Senate. I still do. His counsel is not only wise, but honest and sincere. In an institution where words often have shaded meanings and where changes of direction are commonplace, Senator MANSFIELD has made a virtue of straight words and straightforward courses of action.

For my own part, I have never known, in or out of politics, a more honorable human being than MIKE MANSFIELD. His integrity is unquestioned. His sense of duty is unparalleled. His dignity is indestructible.

Senator MANSFIELD is a man of strong conviction, yet he is totally respectful of the opinions of others. From his perspective this body is composed of 100 individual and equal Members. No sentiment is ignored. No opinion is derided. He has acted on the principle that each of us should have his say, although I am sure that privately he has thought many of our positions to have been silly.

Mr. President, MIKE MANSFIELD has presided over the Senate during a period of great trial for this country and great challenge for this institution. I am convinced he was the right man for the right job at the right time.

There is no doubt in my mind but that the Senate is a better institution, because of MIKE MANSFIELD's 15-year term as majority leader. The presence of this good man will be missed. But we all join sincerely in wishing Senator MANSFIELD and his wife, Maureen, good health, great happiness, and God-speed in their well-deserved years of retirement.

WHERE IS THAT ALASKAN OIL GOING TO GO?

Mr. BAYH. Mr. President, yesterday the Washington Star reported that the Federal Energy Administration *has come* to recognize the truth of something argued 3 years ago by those who advocated delivering oil from Alaska's North Slope to the contiguous 48 States through an all-pipeline system. Specifically, the FEA acknowledged that the west coast does not have sufficient demand to use the 2 million barrels of oil that can be produced on the North Slope and transported via the trans-Alaskan pipeline now under construction.

There is little to be accomplished by playing the "I told you so" game. Those of us who led the effort for the trans-Canadian alternative to the trans-Alaskan pipeline were right. But rather than simply parade our vindication before the Senate, we must learn an important and essential lesson from the errors and misrepresentations of the oil industry and the Nixon administration in their successful effort to rush the Alaskan pipeline legislation through the 93d Congress.

That lesson is that a responsible national energy policy places the interests of the entire country above these selfish interests of a small group of multinational oil giants whose only allegiance is to profit. In concrete terms that lesson should be reflected in the following actions:

We must break up the major, vertically integrated oil companies by passing my bill, S. 2387, the Petroleum Industry Competition Act. One important reason that the wrong decision was made on the Alaskan oil pipeline was that the same companies that were going to produce North Slope oil controlled the delivery system for the oil and thus sought the pipeline that would provide them with the greatest flexibility and greatest profit.

We must not repeat our error when we make the decision on how to deliver the natural gas from Alaska to the contiguous 48 States. We must build an all-pipeline delivery system for the natural gas that shares that national resource fairly among all sections of the country.

We must pay careful attention, as we consider oil production in Naval Petroleum Reserve No. 4, in Alaska, as to how that oil will be brought to market. Since the full capacity of the oil line now under construction would oversupply west coast markets, we must consider a second oil pipeline, via Canada with the consent of the Canadian Government, to insure that the oil in Pet 4 is delivered to the Midwest and Eastern States which are most dependent on insecure and expensive foreign oil.

Mr. President, so that my colleagues may benefit from the lessons to be learned from the experience of the Alaskan oil pipeline, I ask unanimous consent to have printed the aforementioned Washington Star article in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

All That Alaska Oil Piped to the Wrong Place?

(By Roberta Hornig)

Long-awaited Alaskan oil, touted by two presidents as an important contribution to U.S. energy self-sufficiency, appears to be planned for delivery to where it isn't needed, the federal government now concedes.

When the oil from the Arctic North Slope is ready for delivery in late 1977 or early 1978, California—where it is headed—probably won't be able to use it, the Federal Energy Administration says.

And unless a transportation system is developed to move the oil from the West Coast to where it is needed—the Midwest and the East—the oil may either have to be "shut in," meaning not produced, or sold to foreign countries, FEA says.

The prediction that Alaskan oil would go to the wrong place was one of the prime arguments advanced by the environmentalists who held up the controversial Alaskan pipeline project for nearly three years. The pipeline project was approved only in the wake of the Arab oil embargo in 1973.

The new FEA stance appears to back up the environmentalists' contentions.

It came to light yesterday when the FEA formally asked the Federal Power Commission "to speed" a decision affecting development of a crude oil pipeline system from California to Texas.

In its intervention, FEA asked the FPC to rule quickly on whether the El Paso Natural Gas Co. can abandon a 700-mile stretch of natural gas pipeline. The objective, according to an FEA official, is to convert the pipeline to one capable of carrying oil.

According to the official, the conversion, along with expanding the pipeline at both ends, would be to carry Alaskan oil from California, where it will not be needed, eastward.

Current plans are for the 789-mile, $7 billion trans-Alaskan pipeline to carry oil from the North Slope to the ice free port of Valdez on the southern coast of the state. From there, the oil would be transported by tanker to Washington state and headed for California via pipeline.

At first, delivery will amount to around 600,000 barrels of oil a day, to be expanded later to 2 million barrels a day.

The FEA spokesman said yesterday that California did not need the oil because it was getting what it needs from Indonesia, considered a "safe" importer, meaning one not likely to participate in any embargo, as well as having offshore oil and further projected oil from a naval reserve that likely will be in production by then.

"The historical pattern of California is that it is energy self-sufficient," the official said.

When asked how he would have commented at the height of the Alaska pipeline controversy, he replied: "Well, luckily, I wasn't around at the time."

Environmentalists, backed by Midwesterners and Easterners, had argued that a better route for the pipeline would have been through Canada, to deliver oil to the Midwest.

When asked what FEA would do if the power commission does not act on the pipeline proposal, the official said the energy agency would have to look at other means of getting the oil out from the West Coast.

Asked what methods were being considered, he said that one would involve transporting the surplus, which amounts to half of the Alaskan oil, in tankers around the coast of South America.

This long-distance routing presumably would raise the cost of oil to consumers and risk tanker spills off stormy Cape Horn.

In its petition to the FPC, the energy agency said that "the expeditious determination of El Paso's application for abandonment (of the gas pipeline) is of critical importance to the natural energy interest.

FEA then went on to say that "an operable west-to-east crude oil transportation system must be in place" when the Alaskan pipeline begins delivering oil because of the projected West Coast surplus.

The FEA official said the agency got involved in the case while determining what parts of the country would have energy difficulties should another oil embargo occur. The official said the surplus oil should have no bearing on another brewing controversy—the routing of a gas pipeline from the North Slope.

Basically, the same two routes are involved. One proposal would carry the gas in a pipeline parallel to the oil pipeline now under construction, southwards to the state of Alaska. The other would route the gas pipeline a short distance across Alaska, and then down the McKenzie Valley in Canada, delivering it to the Midwest.

On a visit to Alaska last year President Ford called the Alaska pipeline a weapon in the struggle to "liberate" the United States from "unreliable" foreign sources of oil.

In signing the pipeline bill in 1973, then-President Richard Nixon hailed the project as being "about three years late but better late than never" and blamed environmentalists from holding it up.

Nixon also said that oil from the North Slope would make up a third of the total the United States would have to import and would help meet the nation's long-term energy needs.

Ever since the project was announced, there have been rumblings that Alaskan oil—or at least some of it—would be destined for sale overseas, especially to Japan.

The U.S. government has always denied this, but former Japanese Prime Minister Eisaku Sato, on a visit to the United States in 1972 said he had been promised Alaskan oil.

SAFETY IN CONSUMER PRODUCTS

Mr. STEVENS. Mr. President, last November's issue of Consumers' Research magazine contained the following article concerning safety in consumer products. In it the author described the status of current efforts to gather information on industrywide standards of performance and quality for common household items. It places a special emphasis on efforts by nongovernmental entities to collect this information on a voluntary basis from manufacturers and other interested parties.

Safety in consumer products is a matter of importance to us all, and I commend this article to the attention of my colleagues.

Mr. President, I ask unanimous consent that this article be printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

Product Standards—Blueprints for Quality, Safety, Economy

(Excerpted, with permission, from the November 1975 issue of Consumers' Research Magazine. Copyright 1975, by Consumers' Research, Inc., Washington, N.J. 07882)

As products for consumers have grown greatly in abundance, complexity, and variety, it has been increasingly desirable for industry to set up standards of performance to achieve economies, reduce waste, provide for necessary interchangeability, and maintain the quality of the items being manufactured. Standardization of commonly used components such as bolts, screws, and nuts, electric light bulbs, electric cords and many interchangeable parts for repairing household equipment have brought reduced prices for consumers and improved reliability. Purchasers and users of the large number and variety of standardized items that are in daily or constant use seldom if ever give any thought to the engineering principles and production planning that have been applied to the manufacture of such convenience items.

The development of a wide range of standards [has been] greatly aided by the pioneering work of the American Standards Association (now the American National Standards Institute), the National Fire Protection Association, Underwriters Laboratories, Electrical Testing Laboratories of New York City, and the Bureau of Investigation of the American Medical Association. The American National Standards Institute, familiarly known as ANSI, currently lists some 6000 standards (approved American National Standards as of April 1975) of which more than 250 are applicable to consumer products and services.

The National Bureau of Standards is working on updating its tabulation of voluntary industry-originated and other standards and certification programs for consumer products which, in its 1973 edition, totaled over 20,000 standards titles covering more than 1,000 product areas. The field has indeed greatly expanded since Consumers' Research first gave prominence to the need for and use of consumer standards as an accepted and established means for judging and maintaining quality, efficiency, and safety.

The drafting and adoption of a standard for consumer products is a complex and detailed process that requires extensive interchange among engineers and scientists of technical skills, knowledge of technical test methods, of quality control, manufacturing procedures, and production costs, along with information on potential customers' desires and needs.

The standard for production of a product needs to take into account not only its performance, efficiency, and effectiveness, safety and economy in use, but its probable appeal to customers, particularly the price at which it can be sold with a profit if manufactured in substantial quantities. The most cleverly designed product, carefully produced according to a well-drawn standard, will be a total failure from a marketing standpoint if it fails to please a sufficient number of customers.

There are two systems for preparation of product standards. Those drawn up and put into execution by government agencies are, often as not, mandatory standards, although the National Bureau of Standards does administer a program of Voluntary Product Standards which is designed to supplement the activities of what are called the "private sector" standardizing organizations. In this sector, the organization with the longest experience in the development and promulgation of voluntary standards is the

American National Standards Institute, a federation of industrial, trade, technical, labor, and professional organizations, government agencies, and consumer groups.

In contrast to the policy followed by many countries abroad of establishing official standards through a government agency, ANSI provides what is known as a "national consensus system," which requires that every standard submitted to it for approval and listing be subjected to a process of review and comment. ANSI's Consumer Council has been assigned the responsibility for reviewing all consumer product and service standards submitted to ANSI for approval "to identify serious flaws or inadequacies and to stimulate such corrective action as may be needed."

This technique assures consumer input to the competent work of Underwriters Laboratories (which also have had for years an active Consumer Advisory Council) on safety standards, and the activities of the National Fire Protection Association in the fire prevention field. Both of these organizations, among many others, submit standards to ANSI for listing and referencing.

As a former president of ANSI, Roy P. Trowbridge, described the technique, "consensus standards combine technical expertise with appreciation of the real world forces that exist, whether or not a regulatory agency chooses to recognize them. A document that is accepted by those regulated as well as by the regulators means fewer enforcement problems for the latter and therefore quicker achievement of desired safety goals." Mr. Trowbridge noted that the U.S. Department of Labor has spoken out strongly in favor of utilizing the national consensus method for developing standards because "they remove any need for the Federal Government to duplicate the work done to date in the many areas where sound safety and health standards exist."

Another interesting evaluation is provided by The Standards Council of Canada which refers to voluntary standardization "as a means of advancing the national economy, benefiting the health, safety, and welfare of the public, assisting and protecting the consumer, facilitating domestic and international trade and furthering international cooperation in the field of standards."

The various activities in developing and writing standards had proceeded somewhat according to widely recognized and accepted methods for the past four or five decades until the Consumer Product Safety Act was signed on October 27, 1972. The legislation, hailed as "in effect, casting a Federal safety net over the American home," gave the Federal Government power to set safety standards on its own initiative by methods it was empowered to choose for all common household products.

The Consumer Product Safety Commission, directed by five commissioners appointed by the President of the United States for different lengths of time, is charged by the enabling act with the task of protecting the public from "unreasonable risk of injury associated with consumer products." One of the techniques for achieving this goal is the Commission's power to set mandatory safety standards that "can specify how products must perform in order to be safe and/or how they must be labeled . . . to provide adequate warning or guidance for safe use." The means of developing the terms of such a standard has the unique feature that the Commission may "publish a notice inviting any person or group to submit an existing standard or an offer to develop a standard applicable to the risks of injury associated with that product." The Commission may also "independently proceed to develop a proposed safety standard on its own."

The task of developing a competent organization and plan of procedure for such a diverse and colossal objective would require a great deal of time, money, and the best technological advice available. Perhaps the past two years is not a sufficient length of time for an innovative and relatively untried agency to acquire an impressive record in the promulgation of standards, but according to a searching examination in Fortune Magazine, July 1975, the Commission's achievements to date have been modest.

The magazine points out that: "Though the commission has assembled a staff of 1,100 and spent more than $79 million, there has been no notable reduction in product injuries . . . there are only two sensible ways to proceed. Either the commission could take upon itself the Sisyphean job of identifying the thousands of risks, redesigning all the products, and systematically enforcing compliance with its every regulation; or it could organize itself to provide the information and incentive needed by industry to improve the safety of products on its own . . . The Commission tries to use both of these approaches, but in fact its current setup is suited to neither."

Although ANSI, UL, as well as other standards organizations have indicated a sincere desire to provide the CPSC's staff with their know-how in writing standards and free use of the details of previously adopted safety standards for hundreds of consumer products and services, the Consumer Product Safety Commission has largely ignored their offers. The Commission's staff appears to look with suspicion on standards developed over several decades of manufacturing and professional society activities that have turned out consumer goods that have been the envy of the world.

If the industry-sponsored standards are considered to manifest an undesirable bias, competent engineers who are members of the CPSC's staff can make allowances for this and modify the specifications to suit what they consider proper objectives. They need, of course, to make certain that their changes will meet acceptance by the prospective customers of the "improved" products, who must be willing to pay the increased price that such "improvements" will inevitably incur, at least initially. The U.S. consumer who has long been accustomed to freedom of choice will very likely not take kindly to government-mandated product standards. In this connection, we like to recall the anecdote of the young Boy Scout who came to his troop's meeting with a black eye. When his scoutmaster asked him what happened, he replied that he had tried to help a little old lady across the street. "How, in the world," asked his scoutmaster, "could you get a black eye doing that?" The Scout replied, "She didn't want to go."

There is undoubtedly a need for bringing about and hastening a reduction in the hazards involved in the use of the complex devices, systems, services, and appliances developed for consumers by a lively and innovative technology, implemented by the mass-production methods of manufacturers that are an essential element in providing for wide distribution and sale at low and moderate prices. Whether consumers will gladly pay for stiff increases in prices for safer products and whether taxpayers are willing to underwrite the heavy expenses for research and elaborate testing in discovering evaluating, and directing correction of hazards are two important factors for consideration by the Congress of the United States, which passed on the provisions of the enabling act.

As one of the CPSC commissioners wisely put it "Educate [people] in elementary kinds of science and technology that go into products so they can begin to make judgments for themselves . . . which of a number of competing products is likely to be safer."

That is a long-time job. It is our view that the CPSC will be wise to emphasize this aspect of its operations in order to condition the oncoming generation and its successors to regard safety in design and use of products as a highly desirable feature of daily life. Otherwise, no matter what mandatory standards are imposed by government decree, safety is likely to remain a lost cause, the subject of laws on the books that reflect the lack of a fully qualified body of well-informed experts and funds for adequate enforcement.

S. 3151—MULTINATIONAL BUSINESS ENTERPRISE INFORMATION ACT OF 1976

Mr. CHURCH. Mr. President, on Tuesday, March 16, 1976, I introduced S. 3151, the Multinational Business Enterprise Information Act of 1976. It was my intention that the bill be printed in the RECORD following my statement. I ask unanimous consent that the bill be printed in today's RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 3151

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Multinational Business Enterprise Information Act of 1976".

FINDINGS AND PURPOSE

SEC. 2. (a) The Congress finds that the impact of multinational business enterprises on the domestic economy, on commercial intercourse and overall relations with foreign nations, and on United States foreign policy is significant. The Congress also finds that the Government at present lacks the broad, detailed information it needs to assess the full effect of multinational business enterprises in order to produce meaningful economic and commercial policies.

(b) It is, therefore, the purpose of the Congress to establish a means by which such detailed information on multinational business enterprises may be gathered, analyzed, and made publicly available on a regular basis.

DEFINITIONS

SEC. 3. For purposes of this Act—

(1) The term "multinational business enterprise" means a United States business enterprise which conducts business operations both in the United States and in one or more foreign countries either directly or through one or more affiliates and whose principal headquarters may or may not be located in the United States.

(2) The term "United States business enterprise" means a business enterprise carried on by—

(A) a citizen or resident of the United States;

(B) a partnership or corporation created or organized in the United States or under the laws of the United States, of any State, possession, or commonwealth of the United States, or of the District of Columbia; or

(C) two or more such citizens, residents, partnerships, or corporations.

(3) The term "foreign affiliate" means a business enterprise which is not a United States business enterprise and is directly and/or indirectly owned by a United States person to the extent of 10 percent or more of its voting stock for an incorporated business enterprise or an equivalent interest for an unincorporated business enterprise.

(4) The term "branch" shall include (a) the operations or activities conducted by an incorporated or unincorporated person in its own name in a different location, but not through an incorporated entity, and (b)

the foreign business of United States mutual insurance companies.

(5) The term "Secretary" means the Secretary of Commerce.

(6) "Commodity grouping" refers to products of 5, and never less than 4 digits according to present Standard Industrial Classification as prepared by the Office of Management and Budget.

INFORMATION

Sec. 4. (a) The Secretary shall establish and maintain a program to gather, on a mandatory basis, information with respect to multinational business enterprises. Such information shall include, but is not limited to, with respect to each multinational business enterprise—

(1) the amount of total direct investment by such business enterprise in each of its foreign affiliates and branches, financial transactions between such business enterprise and each of its foreign affiliates and branches, the amount of consolidated net income of each of its foreign affiliates and branches reported separately, the amount of taxes paid by such business enterprise and by each of its foreign affiliates with respect to foreign affiliate and branch operations, reported separately, and information about all mergers, net book value of acquisitions, liquidations, and investments in foreign countries involving such business enterprise;

(2) the gross sales by commodity grouping (and, whenever possible, by product line) of such business enterprise and of each of its foreign affiliates in each foreign country in which such affiliate is doing business, reported separately, the dollar amount by commodity grouping (and, whenever possible, by product line) of articles which such business enterprise imports from each foreign country and of articles which such business enterprise exports to each foreign country, the dollar amount of trade by commodity grouping (and, whenever possible, by product line) which such business enterprise carries on with each of its foreign affiliates, reported separately, and the trade by commodity grouping (and, whenever possible, by product line) of each of its foreign affiliates reported separately;

(3) employment data showing both the number of American and foreign employees of such business enterprise and of each of its foreign affiliates by country and by level of compensation;

(4) the total dollar amount of research and development expenditures by such business enterprise, and the dollar amount of research and development expenditures by each of its foreign affiliates, by country and by activity; and

(5) the name and location of each foreign affiliate and foreign branch of such business enterprise, the total assets and income of each such foreign affiliate and foreign branch and a description of the commodities produced by each such foreign affiliate and foreign branch.

(b) The information initially gathered under subsection (a) with respect to each multinational business enterprise, shall cover the two calendar years immediately preceding the date of submission of such information by such business enterprise. Such information shall be gathered every two years thereafter and shall cover the immediately preceding two calendar years. Under regulations prescribed by the Secretary, such information may be gathered, with respect to any multinational business enterprise, on a taxable year basis, in lieu of a calendar year basis.

(c) No information shall be required under subsection (a) with respect to any multinational business enterprise which establishes to the satisfaction of the Secretary that its aggregate assets are less than $50,000,000.

(d) The dollar amount of all expenditures made in the United States or in foreign countries, by foreign country, directly or indirectly through any agent or pursuant to any contractual arrangement.

PUBLICATION

Sec. 5. (a) The Secretary shall make available as provided in subsection (b) below all information gathered under this Act and statistical data derived from such information and, further, shall publish on a regular basis statistical aggregates derived from information furnished under this Act.

(b) Upon request, the Secretary shall furnish to the Adjustment Assistant Coordinating Committee, the International Trade Commission, and any committee of the House of Representatives or the Senate (or any joint committee of the Congress) information gathered under this Act, statistical data derived from such information and statistical aggregates in advance of its publication under subsection (a) and, to the extent possible, any additional statistical data requested which has not been published and can be derived from such information.

(c) The provisions of subsection (b) of section 552 of title 5, United States Code, shall not apply to information gathered under this Act.

REGULATIONS AND ORDERS

Sec. 6. The Secretary is authorized to prescribe such rules and regulations and to issue such orders as may be necessary to carry out the provisions of this Act. The Congress has full authority and responsibility over the information it receives.

AUTHORIZATION OF APPROPRIATIONS

Sec. 7. There are authorized to be appropriated for each fiscal year such sums as may be necessary to carry out the provisions of this Act.

ENFORCEMENT

Sec. 8. (a) Whoever fails to furnish any information required pursuant to the authority of this Act, whether required to be furnished in the form of a report or otherwise, or to comply with any rule, regulation, or order promulgated pursuant to the authority of this Act, may be assessed a civil penalty not exceeding $10,000 in a proceeding brought under this subsection.

(b) Whenever it appears to the Secretary that any person has failed to furnish any information required pursuant to the authority of this Act, whether required to be furnished in the form of a report or otherwise, or has failed to comply with any rule, regulation, or order promulgated pursuant to the authority of this Act, he may in his discretion bring an action, in the proper district court of the United States or the proper United States court of any territory or other place subject to the jurisdiction of the United States, seeking a mandatory injunction commanding such person to furnish such information or to comply with such rule, regulation, or order. Upon a proper showing by the Secretary of the relevance to the purposes of this Act of such information or of such rule, regulation, or order, a permanent or temporary injunction or restraining order may be granted without bond, and such person may also be subject to the civil penalty provided in subsection (a) if the court finds that such penalty is necessary to obtain compliance with such injunction or restraining order.

(c) Whoever willfully fails to submit any information required pursuant to the authority of this Act, whether required to be furnished in the form of a report or otherwise, or willfully violates any rule, regulation, or order promulgated pursuant to the authority of this Act, shall, upon conviction, be fined not more than $10,000 or, if a natural person, may be imprisoned for not more than one year or both; and any owner, officer, director, or agent of any business enterprise who knowingly participates in such violation may be punished by a like fine, imprisonment, or both.

A CASE AGAINST NATIONAL PLANNING

Mr. GARN. Mr. President, this is, indeed, the 200th anniversary of the declaration of American independence from England, but just as importantly, it marks 200 years since Adam Smith pointed the way to economic independence for individuals and nations with the publication of "Wealth of Nations." Mr. Jeffrey St. John calls attention to this significant fact in a recent column. I ask unanimous consent that the article be printed at this point in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

[From the Los Angeles Times, Mar. 12, 1976]

Paean to an Unsung "Founding Father"

(By Jeffrey St. John)

This year Americans are observing the 200th anniversary of the political revolution that secured for them an unmatched body of individual liberties. Only a few will recall that 1976 is also the bicentennial of another revolution which, though perhaps more prosaic, made it possible for us to preserve the freedoms proclaimed in the Declaration of Independence.

That "other" revolution was economic. It began in London 200 years ago this week—March 9, 1776—when Adam Smith published his classic treatise, "An Inquiry Into the Nature and Causes of the Wealth of Nations." Since then, his book has been denounced for giving the world "the dog-eat-dog school of business," and praised as the most comprehensive plan for peace and plenty ever conceived by a single mind. It is, in effect, the bible of capitalism.

"Adam Smith's political economy has meaning for all time, and indeed in many ways the modern era has not caught up with it," says Dr. E. G. West of Britain's University of Kent at Canterbury. West, a noted Adam Smith scholar, was one of a number of academics, economists and intellectuals who gathered this week in Glasgow, Scotland, to proclaim that Smith's 200-year-old work is the wave of the future.

Born in 1723, the man whose ideas they honor was an eccentric Scots genius, moral philosopher and historian. His book took two decades to write, and represented a radical departure from his era's economic theories. The basic organizing principle was that the science of economics should be brought into harmony with the human trait of self-interest.

"It is not from the benevolence of the butcher, the brewer or the baker," he wrote, "that we expect our dinner but from the regard to their self-interest. We address ourselves, not to their humanity, but to their self love and never talk to them of our necessities, but of their advantage."

His treatise was also a scholarly Scottish scolding of European and English political leaders who, Smith argued, were devoted to an economic system—mercantilism—which was causing much poverty and misery among the masses. Indeed, adherents of the system believed that the economic prosperity of one nation could be measured by the poverty of a rival.

The goal of mercantilism was to unify and increase a nation's power and wealth by strict governmental control over industrial output, agriculture, domestic and foreign trade, occupational choice, prices, wages and labor mobility. Certain merchants were given special governmental franchises, giving rise to the name of the system.

Smith, on the other hand, argued that free trade and an end to economic protectionism would begin to equalize national economies, bring an end to rivalries and diminish the need for war.

History has borne him out. As Quincey Wright observed in "A Study of War," "Non-capitalistic societies had through all recorded history shown themselves more prone to war than capitalistic societies." Certainly in this century the most aggressive, warlike nations have been those that believed in planned economies: Germany, Italy, Japan and Russia.

Not long ago Federal Reserve Board Chairman Arthur Burns noted that Adam Smith "recognized vividly (mercantilism's) practical consequences—an economy of limited enterprise, a vital people caught in a web of governmental controls, a nation missing its opportunity for innovation and greatness.

"The way out seemed entirely clear to him," Burns said in a lecture honoring Smith. "Government everywhere had to stop interfering with economic decisions of individuals and businesses, so that free enterprise could become the great organizing principle of economic life."

Mercantilism's political mechanism has its contemporary counterpart in the massive regulations and bureaucracies of most industrialized Western nations, through which governments effectively control their economies. This is where the trouble lies.

Take, for example, business monopolies.

"People of the same trade," Smith wrote, "rarely meet together even for merriment and diversion, but the conversation ends in a conspiracy against the public or some connivance to raise prices."

Here, Adam Smith sounds a bit like Ralph Nader, but with a crucial difference. Unlike Nader, he concluded that political control of an economy ought to be forbidden, because it was precisely the mixing of politics and economics that made monopoly possible.

"The Wealth of Nations" was published four months before Thomas Jefferson finished the Declaration of Independence, which also stressed economic grievance against mercantilistic policies. Note this obscure passage in the Declaration: "He has erected a multitude of New Offices and sent hither swarms of Officers to harass our people and eat out their substance."

Adam Smith had hoped his book might end the lethal conflict between the crown's economic policy and the colonial planters and merchants, who were being driven into the arms of the American radicals. "Underlying the resounding phrases and ideals of the American Revolution," historian John C. Miller has written, "there was a solid foundation of economic grievances which played an important part in determining the course taken by both northern merchants and the southern planters."

The dual character of the American Revolution—its struggle for both political and economic freedom—is a crucial and neglected concept. Indeed, one can argue that our own escalating economic problems derive from the growth of government at the expense of personal liberty.

Yet, even as we celebrate the joint bicentennial of Smith's "Wealth of Nations" and Jefferson's Declaration, American political leaders are pursuing an age-old prescription for trouble. Sens. Hubert H. Humphrey (D-Minn.) and Jacob K. Javits (R-N.Y.) have already introduced in Congress "The Balanced Growth and Economic Planning Act." Supported by prominent academics, intellectuals, businessmen and labor leaders, their proposal to plan the economic life of the American people is a little more than repetition of the folly of 18th-century mercantilists.

"The statesman who would attempt to direct private people," observed Smith, "in what manner they ought to employ their capital, would not only load himself with unnecessary attention, but assume authority which could be trusted to no council and state whatever, and which nowhere would be so dangerous as in the hands of a man who had the folly or presumption enough to fancy himself fit to exercise it."

If that all sounds rather familiar, it is not because Adam Smith's "Wealth of Nations" is two centuries old, but because the poverty-producing policies of authoritarian politicians predate it by at least 1,000 years.

Mr. GARN. Toward the end of his column, Mr. President, Mr. St. John discusses a legislative proposal made last year by two of my distinguished colleagues for a system of national economic planning. Now I happen to believe that this is a particularly ill-conceived idea. A week or two ago I hosted a luncheon for some gentlemen who have just written a book on the subject in which they make, I believe, an unanswerable case against national planning.

One of these gentlemen, Mr. Ralph Harris of the Institute of Economic Affairs in London, spoke eloquently on the British experience with planning, and some of his remarks have been reprinted by Frank van der Linden. I wish all of my colleagues could have heard Mr. Harris in person, but since they could not, I ask unanimous consent that Mr. van der Linden's column be printed at this point in the RECORD.

There being no objection, the column was ordered to be printed in the RECORD, as follows:

"CENTRAL ECONOMIC PLANNING"—DON'T

(By Frank van der Linden)

WASHINGTON.—When Ralph Harris flew from London to Washington the other day, he felt the strange sensation of moving backward in time.

Harris, who is general director of London's Institute of Economic Affairs, found himself in a city where senators are solemnly proposing a new "Office of National Economic Planning," to inflict upon the prosperous American economy the same socialistic idiocies that have nearly ruined his own country.

Was he in a "reverse time machine" or a madhouse? He could not be sure.

Of one thing he was certain: The central economic planning bill being pushed by liberal Sens. Hubert Humphrey, Democrat of Minnesota, and Jacob Javits, Republican of New York, is a blueprint for disaster.

Humphrey and Javits have bought the scheme cooked up by an outfit called "The Initiative Committee for Economic Planning," whose co-chairmen are Wassily Leontief of Harvard University and Leonard Woodcock, president of the United Automobile Workers Union.

The senators propose that Congress set up the economic planning agency within the President's office "as one of our most influential institutions," with power to create five-year plans just like those in the Socialist countries.

To counteract an orchestrated chorus of left-wing propaganda for the misbegotten scheme, the Institute for Contemporary Studies at San Francisco has commissioned 15 economists and political scientists to write a book of essays, *The Politics of Planning*. Herbert Stein, former chairman of the President's Council of Economic Advisers, wrote one chapter. Harris contributed the chapter exposing the fallacies of Britain's experiments in socialism.

"It was written in a cold and controlled rage," he told a Capitol Hill audience, as he warned Congress against passing the Humphrey-Javits bill and thus repeating Britain's 15 years of mistakes.

"You here are talking about planning—we have done it," he said. "I have seen the future—and it doesn't work."

Harris tossed onto the table two volumes, Britain's economic planning programs of 1961 and 1965.

"We had, in 1961, the first national plan, rather like this committee that Sens. Humphrey and Javits would set up," he said. "The words you find in the British planning book of 1961 are the same words you find today in the Humphrey-Javits proposal: assessments, goals, targets, consultation, participation, coordination, rationality . . . It was, in fact, a cover-up for the failure of the government."

When the Labor government took over in 1964, it proposed an even more detailed program for a controlled economy. This five-year plan was scrapped in nine months.

"It mocked nature," Harris quipped, "by passing from teething troubles to death rattle without the usual interval of hopeful life."

By 1967, Britain ran into such economic trouble that it had to devalue the pound. The rate of growth set for 1970 has not been achieved six years later. But government spending, between 1960 and 1975, has risen from 40 per cent to 60 per cent of the gross national product.

"The government has managed its own growth splendidly," the economist noted with a wry smile. "But the inflation has moved up from 3 per cent a year to 25 per cent a year. Unemployment has risen from 2 per cent to 6 per cent."

Obviously, Harris said, national planning doesn't work. But the government persists in pushing it, on the theory that "we need better planning" and, therefore, more controls. "So we escalate the whole nonsense and absurdity."

In cautioning the United States against going down the same primrose path that has led to Britain's economic mess, Harris said: "Why look at a crystal ball when you can consult the record?"

He would paraphrase the advice that *Punch* magazine gave to the young man contemplating matrimony:

"Don't!"

THE DEFENSE BUDGET PROCESS—TIME FOR A RETHINKING

Mr. PROXMIRE. Mr. President, the Congressional Budget Office has reported to the Senate and House Committees on the Budget as required by the Congressional Budget Act of 1974. This document bears careful scrutiny since it is the first of the required reports and therefore sets the standard for future years.

There are a number of disturbing trends in this document and the defense budget process. The first matter is the type of analysis used by the Congressional Budget Office and the alternatives that flow from that analysis.

Specifically, the Congressional Budget Office contention, as shown in its alternatives, that the only way to cut back on defense expenditures is to accept declining force levels, is absurd and patently false.

The Congressional Budget Office analysis concludes that a reduction in defense spending can be accomplished only at the risk of unilateral disarmament. There is only one alternative presented for reducing defense spending and that entails a drastic reduction in force levels.

This is false reasoning and far from the truth. It overlooks the constructive role of Congress over the last 5 years in pruning back wasteful defense programs and encouraging more efficiency at less cost to the taxpayer.

Although I recognize that the CBO claims it does not make or recommend policy or specific recommendations, by presenting the alternatives to Congress in such a way as to make it look like the low option will result in drastic force reductions, the CBO is in fact framing the defense debate and subtly setting the boundaries of the subsequent discussions on the defense budget.

Though it might be argued that the CBO report does not make any recommendations, the very fact that the low option in defense can only be accomplished by a cutback in forces is in itself the most significant kind of policy recommendation.

There are three defense options presented by the Congressional Budget Office. One is called the "Declining Forces Option." It is the only alternative given that will save taxpayers any money. But by linking dollar savings inextricably with a reduction in force levels, the Budget Office presents an unacceptable alternative—one that echoes the annual Pentagon scare tactic that time and again has been proven false.

The second option calls for increasing forces and a substantial increase in budget authority, and the President's option begins with a substantial budget increase this year.

Thus the CBO analysis suggests in the strongest terms that either we increase defense spending or accept partial unilateral disarmament.

This analysis is an example of the fallacy of false alternatives.

Completely missing from the CBO analysis is any reference to improving efficiency, productivity, or management in the Defense Department. It does not, for example, consider the alternative of procuring more units of less expensive equipment, which could well lead to increasing force levels at a reduced price.

There is no analysis of the savings that could be instituted by reducing the bloated civilian manpower levels, the overstaffed headquarters, the top-heavy military missions overseas, and the surfeit of general and flag rank officers.

In other words, the CBO report neglects to discuss any potential savings aside from those that would dramatically reduce U.S. force levels. This is a grave omission.

The presentation of several budget alternatives has seen increasing use in recent years by organizations which seek to avoid making critical budget decisions. It is an easy way out.

But it is disappointing to find the Congressional Budget Office employing this technique, showing no regard for the hard choices the Congress must make every year. In many ways it is more important for Congress to force efficiencies upon the Defense Department than to set force levels. Yet nowhere in the Defense section of its report does the CBO address this principal role of Congress.

Perhaps the problem is one of congressional bureaucracy. We have the Armed Services Committee staff. There is the Defense Appropriations Subcommittee staff. The General Accounting Office has a defense related staff. The Office of Technology Assessment has a defense staff. The Library of Congress has defense experts at the call of congressional offices. The Senate Budget Committee has a defense staff with its own analytical techniques.

Instead of creating another defense staff empire, the Congressional Budget Office should use the many resources already existing in the committees and support organizations of Congress. That would bring the defense budget process closer to the needs and responsibilities of the Congress.

Mr. President, there are other troubling aspects about this new defense budget process. There seems to be a strong tendency for the defense ceiling to become a floor. Although designed to keep a lid on defense spending it also has the effect of not permitting rational and reasonable cuts below that ceiling.

This means that for practical purposes the figure set in the first concurrent resolution will carry through to the end of the year except for minor modifications, supplementals and so on. Therefore there is a legitimate question to be asked as to whether or not the defense budget process, by establishing a relatively fixed figure early in the year, is conducting an end run around the authorizing and appropriating committees.

It takes the authorizing and appropriating committees hundreds of days and thousands of pages of hearings to examine the defense budget. To substitute for that a few hours of testimony and the flawed report from the Congressional Budget Office would be most unwise.

THE U.S. JANUARY TRADE DEFICIT

Mr. INOUYE. Mr. President, recently the Department of Commerce announced that the United States suffered a trade deficit in January of $73 million. This deficit, according to the Department, is the first since January 1975, when the United States was in the throes of its worst recession since the 1930's. This deficit is a warning that the trade surplus we compiled last year is melting away as the American economy recovers and import demand strengthens.

Last year the United States enjoyed a record trade surplus of $11.05 billion on an f.a.s. basis, and this appears to have lulled many Americans into a sense of complacency. Actually, on a c.i.f. (cost, insurance, freight) basis, which is a much more realistic way of measuring our trade performance, that surplus was only $2.3 billion.

Moreover, using a c.i.f. measurement, our January deficit was not $73 million but $776 million, or more than 10 times the more widely used f.a.s. statistic. The size of this deficit should, I think, spur us on to greater efforts in export promotion and stimulation. Trade deficits have returned and with them, I fear, new pressures on the dollar and the threat of inflation as the cost of imports rise.

I ask unanimous consent that a story about the trade deficits from the March 1, 1976, Wall Street Journal be printed in the RECORD.

There being no objection, the story was ordered to be printed in the RECORD, as follows:

UNITED STATES HAD DEFICIT IN FOREIGN TRADE DURING JANUARY

WASHINGTON.—Government analysts believe that January's merchandise trade deficit was an aberration and that the next report will show the U.S. foreign-trade ledger back in the black.

January's $72.6 million deficit, the first in a year, startled government trade officials who had expected the January results to be poorer than December's $724.2 million surplus, but weren't anticipating actual red ink. The deficit, the first since the $262.1 million deficit in January 1975, reflected another sharp jump in imports, paced by high-priced foreign oil and Japanese cars, and the second consecutive drop in exports.

Imports surged 7.8% in January, almost double December's 1.9% gain, to a seasonally adjusted $9.18 billion, the Commerce Department said. It was the biggest increase in imports since the 10.3% spurt last July. While January's $650 million rise in imports was spread throughout most merchandise categories, the chief increases were $388 million in petroleum products and $171.5 million in imported cars and parts. Government analysts attributed much of the rise in oil shipments here to the Dec. 21 removal of President Ford's $2-a-barrel import tax.

Exports fell 1.6% in January, following December's 1.7% drop, to an adjusted $9.10 billion. It was the smallest level of shipments sent abroad since last August's $8.98 billion. The January decline was due chiefly to a $333.5 million drop in exports of machinery and transportation equipment, which was offset only partly by gains in exports of beverages and tobacco and crude materials, such as soybeans and logs.

While government analysts predict that a string of trade surpluses will follow the January deficit, they don't think the surpluses will approach the $1 billion monthly surpluses posted six times last year.

For one thing, as the economic expansion continues, nonpetroleum imports are expected to rise substantially. Foreign oil imports also are likely to continue increasing as demand for petroleum grows. As a result, the trade surpluses will shrink and sometime in the second half of this year the U.S. will dip into a deficit situation again, the analysts say. "It's just a matter of time before we record another trade deficit," says a Commerce Department analyst. And when that deficit occurs, the analyst adds, it could usher in a prolonged period of bad trade figures.

For all 1975, the U.S. posted a record trade surplus of $11.05 billion. Government officials haven't projected a specific trade forecast for this year, although they've said they expect a smaller surplus than in 1975.

STUDY OF COMPARATIVE MILITARY CAPABILITIES

Mr. CLARK. Mr. President, a couple of weeks back I was mildly startled to read headlines to the effect that "Study Calls for Increase in Defense Spending." According to the story which followed, a Library of Congress study of comparative military capabilities had shown the

United States to be at a major disadvantage vis-a-vis the Soviet Union. I recall at the time being doubtful about the validity of such a study, particularly with recommendations of this sort.

This week our distinguished colleague, Senator JOHN CULVER, writing in the Des Moines Sun Register set the record straight. Referring to the report which he had commissioned, Senator CULVER emphasized that:

> The report does not call for more spending or less spending. It calls for more informed judgments in setting priorities and deciding options with regard to our military spending.

Mr. President, there are a number of other valuable insights and conclusions arising from this report which I consider significant. I ask unanimous consent that the entire text of Senator CULVER's commentary be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

NATIONAL SECURITY IS MORE THAN WEAPONS: CULVER

(By John Culver)

In fairness and truth, it should be pointed out that there is not much difference among most Americans on their fundamental convictions about national defense. Most critics of defense spending are committed to an adequate national defense. Most defenders of the defense budget acknowledge the need to eliminate waste.

The issue that should unify the country on the basic question relating to defense is not more spending or less spending, but sufficient spending to deter any potential enemy and to carry out our agreed-upon foreign policy objectives.

Unfortunately, each year, when the defense debate warms up, we get a simplistic confrontation of more versus less military spending and an avalanche of numerical comparisons with potential adversaries. The stakes are too high to permit this to continue.

A recent study sponsored by private arms-control groups reports that world military spending has risen to almost $300 billion annually. Measured by constant dollars, military expenditures in 1974 and 1975 were close to 45 percent higher than in 1950. The study warned that the world is confronted with "an arms race out of control."

The trouble is that the public, which must bear the tax burden, and Congress, which must approve defense requests, are perennially confronted with an overwhelming complexity of facts and figures from the Pentagon, designed to justify its many programs.

To provide the Congress with independent, expert analysis and evaluation of these numbers, I requested last November from the Library of Congress a comprehensive study of the comparative military capabilities of the U.S. and the Soviet Union.

Like any other complex study, this can be skimmed and quoted in support of one or another preconceived position. Some got the misconception that it called for increased military spending. This is simply not true.

The report does not call for more spending or less spending. It calls for more informed judgments in setting priorities and deciding options with regard to our military spending. It underlines the fact that raw statistics are significant only when placed in proper context.

The report does not in any sense rule out selective economics in military spending. "Bolstering budgets," it says, "is the last, not the first, resort."

The report does show a large and growing quantitative lead by the Soviets in most categories of military power.

It also indicates that the edge we have had through the years in qualitative superiority is diminishing.

These are sobering facts that need to be faced, but instead of pressing the panic button and blindly trying to spend our way into invulnerability, the report points up the imperative need to establish more sophisticated and relevant criteria for making military budget decisions.

The first step, the report notes, is to determine the real requirements on the basis of priority U.S. interests, objectives and commitments. The next step is to reshape U.S. force structure, defense policies and fund allocations so they correspond to those objectives.

We should not try blindly to match the Soviets, weapon system for weapon system, force level for force level, and intervention for intervention. This approach would only draw us into hot pursuit of dubious objectives. It would lock us into an arms race for which there can be no rational limit. It could give us a false sense of security.

The fact that the Soviets now feel the need to station a half-million men along the Chinese border, for instance, affects the significance of comparative force levels. The bureaucratic and political inefficiency of the Soviet system, as well as the traditional sense of inferiority the Russians have felt toward America, has an irrational effect on Soviet military spending.

The significant question is how much is enough to protect the United States and its allies from potential threats in a world of admittedly deadly menace.

I authored legislation last year that now requires the administration to report to the appropriate congressional committees on the linkage between foreign policy objectives and proposed defense spending.

One of the most important finding of the Library of Congress study is the misplaced priorities in many instances make poor use of available funds.

Major new weapons systems and increased force levels now under consideration will, if all are approved now, impose staggering burdens on future budgets. The question is whether these are necessary or even desirable.

We have a credible deterrent based upon the retaliatory power to destroy the Soviet Union many times over, so it is illusory to believe that we can increase our security or power merely by building up the capability to destroy even more.

One recent but specious assertion is that the Soviet people are spoiling for nuclear confrontation with the United States, sensing that they have now achieved parity and even superiority in some categories.

Considering the millions of lives lost in World War II, it is hardly realistic to believe that the Soviet people, whatever their leaders may proclaim, are eager to face the strategic retaliatory power of the United States.

The corollary false assumptions is that the American people have grown too dispirited and weak-willed to support their own military in a major war. The fact that Americans will not unitedly support military interventions which are not perceived to be in the national interest—Vietnam and Angola are examples—hardly indicates that they would not give full support to any crisis in which our national interest was truly threatened.

Nonetheless, it would be dangerous and dishonest to underrate the importance the Soviets attach to military might in the historical contest the Communist system is committed to wage against the West. But the Library of Congress study points out that the comparative strength of the two countries must be measured not in military terms alone but in the contest of strategic balance. The study says:

"The strategic balance between two countries or coalitions involves all elements of national power; political stability at home and leverage abroad; national institutions and values; geographic strengths and weaknesses; the economy, especially natural resources, industrial capacity, and finances; the people, including their numbers, location, character, education; the scientific and technological base; and, as the integrating factor, leadership."

In addition, the moral leadership and trust among nations that the United States has traditionally enjoyed is central to our strategic standing and must be revitalized.

If the comparative military strength of the two nations has reached a relative standoff stage we are still vastly ahead in the overall concept of strategic power.

The Soviets devote a very large percentage of their gross national product to the military, but they have let other sources of national strength lag far behind the West. Bureaucratic inefficiencies in industry, failures in agriculture, shoddiness in consumer goods, suppression of human rights, and a generally oppressive quality of life will all handicap the Soviets in their efforts to compete with Western civilization in all fields of endeavor, including the conduct of a major war.

The late U.S. ambassador to the Soviet Union, Llewelyn Thompson, told me in Moscow in 1967 that he had once been asked what kind of president could best deal with the Soviet threat.

That president, Thompson replied without hesitation, is the one who can, best make the American system work.

THE SOVIET UNION AGAINST LEVICH

Mr. RIBICOFF. Mr. President, the problem of Soviet emigration has lately been the focus of a great deal of speculation and debate. Talk, though, will not make this serious and complex problem go away. There are still a large number of people in the Soviet Union who have tried to leave but who have not been allowed to.

The Soviets have recently altered their procedures for granting visas in the hopes that the changes would be accepted in the West as constructive reform. The fact remains, though, that the emigration flow continues to run at a trickle. The number of people being allowed to leave the Soviet Union this year remains much lower than last year, and last year's total was, in turn, substantially lower than the year before.

A number of recent articles by high-ranking Soviet officials have argued that the whole problem of emigration is disappearing because fewer and fewer people actually want to leave the Soviet Union to face an uncertain future. The Soviet policy on emigration has been defended on the grounds that the procedures for obtaining visas are clear, standardized, and widely known in the Soviet Union. The Soviets have insisted that there is no harassment of those who apply for visas. We are told that there are not many delays in obtaining exit visas because final decisions on visa applications are seldom postponed.

I would like to believe the Soviets are right on these points because it would mean that the end of the emigration dilemma is in sight. But frankly, there is no information to corroborate these claims, and there is some that repudiates them.

For many reasons, the Soviets have chosen a perilous course on the whole issue of emigration. On the one hand, they have expressed repeatedly their sincere desire to resolve the problem. On the other hand, though, they have suppressed the information necessary to form an objective assessment of the severity of the emigration issue. The Soviets have not even released the information needed to judge the impact of their initiatives to resolve the overall problem of emigration, such as the recent change in application procedures.

There is very little information about the true situation facing those who want to leave the Soviet Union. We know only that 160,000 people took the first step toward emigrating by requesting family reunification affidavits from their relatives in Israel. None of them ever crossed the Soviet border. We have no information on why they did not leave the Soviet Union, because the Soviets have suppressed all news about these 160,000 people.

We know that the number of people leaving the Soviet Union is about 13,000 a year, and that number represents only one-third of what it was in 1973. We have no way of knowing why the numbers have dropped so significantly, again because the Soviets have never made the information necessary to make that evaluation available.

The only information we have about Soviet treatment of the tens of thousands of people who want to leave is what we are told by those who finally are allowed to emigrate. The stories they tell of harassment, delays, intimidation, imprisonment, and blacklisting not only of themselves but of their families are vivid and terrifying.

Both the Soviets and those of us who have been deeply concerned by the emigration policies of the Soviet Union face a dilemma. We all want this problem resolved. But so long as we are unable to get information that is reliable and accurate from the Soviets; and so long as we have to rely for information on the numbers of people who actually get out and what they tell us, it will be virtually impossible to resolve this critical and highly emotional problem.

If the procedures for emigrating have really been standardized, we must know what those procedures are. If we are to resolve the emigration dilemma, we must be able to objectively evaluate the reports of harassment and intimidation that we get from those who are allowed to leave.

Neither we nor the Soviets can have any possible interest in seeing this issue continue indefinitely. Certainly, we are not interested in having the Soviets force people to emigrate who do not really want to leave Russia. What we do want is the truth on emigration.

Last week, I met with Yevgeny Levich, the son of Beniamin Levich, the highest ranking Jewish Soviet scientist ever to apply for emigration. Yevgeny's account of his family's long and difficult road to emigration is a moving example of what I am told everyone who wants to leave the Soviet Union must go through. Yevgeny's father is still in the Soviet Union, his family divided; years of anxiety, fear and harassment wasted, and his career ruined.

Mr. President, I ask unanimous consent that Yevgeny Levich's transcript of his family's ordeal be printed in the Record.

There being no objection, the transcript was ordered to be printed in the Record, as follows:

Levich Transcript—Events Through October 13, 1975

Professor Beniamin Levich and his family applied for the visa to go to Israel in February 1972. Soon after that Professor Levich was expelled from Moscow University where he was head of a chair which he himself had established 8 years ago. He was also dismissed from his position of Head of Department in the Institute of Electrochemistry of The Academy of Sciences of the USSR, a Department which was founded by him 20 years ago. He was also officially deprived of the possibility to give lectures, take part in scientific conferences, publish his works in scientific magazines and engage in any other kind of scientific activity.

The day before President Nixon was to arrive in the USSR on his first visit, Professor B. Levich and his two sons Aleksandr Levich and Dr. Eugeny Levich were invited to the Visas' Department (the OVIR) in Moscow and warned by the Director of the OVIR and by a KGB representative that they should not try to exploit the President Nixon visit in order to receive exit visas. The KGB official said that, "It would harm the consideration of the case".

Immediately after President Nixon's departure from the USSR Professor Levich was again called to the Ministry of Interior offices where General Verein, the Director of the All-Union OVIR and several KGB representatives informed him that neither he nor his family will ever leave the USSR. General Verein added also that if Professor Levich were not to keep quiet he might be put on trial on the charges of anti-Soviet activities (according to Article 64 of the Soviet Criminal Code).

On the 10th of August, 1972, one of Profesor Levich's sons, Dr. Eugeny Levich, was arrested by KGB officers near Moscow while he was on his way to take a vacation. He was released 24 hours later following his firm refusal to serve in the Soviet army as an officer of the reserves, but was told that he would be tried for this refusal according to the Soviet law.

On the 12th of August, 1972, Professor Levich was forcibly taken down to the KGB offices on the (Kuznetsky Most) in Moscow. A uniformed KGB General interrogated him for many hours and finally said that Professor Levich and his family would never leave the USSR, that he would live in Russia until his dying day. The General claimed that the foreign correspondents who came to the Levich's apartment were agents of the Foreign Intelligence Services and that he might be put on trial for treason. Professor Levich was also told that he was in possession of secret information following the so-called Security Clearance Certificate which was issued to him by academician Frumkin, the Director of the Institute of Electrochemistry and by other officials of the Academy of Sciences. He was warned, in conclusion, not to reveal any information about the meeting as it might lead to the prosecution of Eugeny, a matter which was then under consideration.

Two days later, on the 14th of August, 1972 the Western correspondents stationed in Moscow were invited to a first official press-conference held in Moscow in years. Professor Levich was the first speaker and he described the general situation of the Jewish emigration from the USSR. He stressed especially that the scientists were considered "slaves of the state" in the USSR.

During the following 9 months, Professor Levich and numerous other Jewish scientists were engaged in an intense struggle for drawing the attention of the world public to the problem of the Jewish emigration from the USSR.

On the 16th of May, 1973 Professor Levich's son, Dr. Eugeny Levich was arrested in the street by the KGB agents. Already 24 hours later, he was taken to the East-Siberian town of Chiia near the Chinese border. Several days later he found himself in Tiksi Bay behind the Arctic Circle where he was to do his army service. In the meantime, Professor Levich was told by the Soviet authorities that his son was deprived of his rank of Officer of the Reserves by the Ministry of Defense and was called up as a private. His conscription took place despite the strong indication of the medical examinations which specified that Eugeny should not be called up in accordance with the Soviet laws. The fact of Eugeny's conscription was also an act violating the norms of Soviet judicial Laws. His so-called "army service" proved, in fact, to be an extremely severe term of punishment in a military labor camp in the Arctic. There was no military service there and the people lived in monstrous conditions. The temperature both outside and inside the barracks was well below zero. The men had to perform all sort of construction works under the most difficult conditions of the Arctic Region without being supplied with the most elementary equipment.

They were suffering from lack of adequate food and were not supplied with clothing appropriate for the extremely difficult climatic conditions. Apart from having to live and work in extremely difficult conditions, Eugeny was subjected to numerous threats and humiliations. He was told, among other things, that if his father, Professor Levich, were not to keep silent He, Eugeny, would be left to rot in prison. It should be mentioned perhaps that Eugeny was arrested just before Secretary-General L. Brezhnev's first visit to the United States.

During the following months, Professor Levich was involved in a desperate struggle for his son's and his family's survival.

In an article published in the New York Times in December, 1973, Professor Levich strongly criticized Dr. Kissinger's policy in connection with the issue of the Jewish emigration. He stated his conviction that all the International appeals on behalf of the Soviet Jewry were not leading to any positive response from the Soviet Authorities due to the support from the American Government, namely Dr. Kissinger.

In January, 1974 Professor Levich and his wife Tanya went to spend a short holiday in Sochi, near the Black Sea, on the 31st. He and his wife were forcibly taken from their hotel to the local KGB offices. There both of them were separately interrogated by high-ranking KGB officials. They were both threatened with receiving life sentences and Professor Levich was told that the KGB was giving them both the last warning. He was told that if he would not keep silent they would eliminate his sons first and then put him on trial for anti-Soviet activities and treason. The KGB officials referred to the unpublished decree of the Presidium of the Supreme Soviet passed in December, 1972 which dealt with violators who had been given a warning by the authorities. Mrs. Levich was told that she was influencing her husband to engage in anti-Soviet activities and might, therefore, be considered an accomplice. Both Professor Levich and Mrs. Levich strongly objected to all the allegations and claimed that they had no other choice but to behave the way they did and that there was nothing anti-Soviet in their actions. They also said that they would continue their struggle till the very end, whether good or bad. When Professor Levich and his wife were released 10 hours later they left Sochi immediately and Professor Levich refrained from revealing any information about the meeting fearing for his younger son Eugeny who was already in a dangerous situation and for a possible reprisal against his older son Aleksandr.

A few days later Aleksandr Levich was arrested in the street in Moscow, beaten up, and brought to the KGB headquarters. He was accused of being acquainted with and collaborating with a smuggler. Following his strong opposition he was released after being threatened and warned by the KGB officials.

In the meantime, Eugeny Levich who was doing his "army service" in a Siberian camp was ordered to walk along a distance of 7 miles through the tundra during a strong snowstorm. He had no choice but to obey the order and survived by miracle only. Professor Levich was informed about the incident and considered it a very grave warning.

On the 18th day of February, 1974 Professor Levich was suddenly invited to come to the Academy of Sciences of the USSR. To his astonishment, he met with several officials of the Academy, including the KGB officer responsible for the security arrangements in the Academy and its institutions. The officials told Professor Levich that it was decided to reconsider his so-called secrecy clearance and that an appropriate committee was formed for that purpose. For several hours they seriously discussed all the professional details of Professor Levich's scientific work.

The meeting and the conversation which took place were considered a good sign by Beniamin Levich.

On the 17th of April, 1974 Professor Levich was invited to the offices of Academician Frumkin, the Director of the Institute of Electro-Chemistry and the following conversation took place:

F: I was ordered to reconsider your secrecy clearance. I would advise you to keep quiet now.

L: You always give me the same advice.

F: But you never listened to me.

L: You did not listen to me either when you signed the letter against Sakharov.

F: My advice is a friendly one.

L: During his visit in the U.S., Academician Engelgardt gave a friendly advice to the members of the National Academy of Sciences to stop their harmful activities on behalf of Sakharov. This was done in order to make him keep quiet and then to silence him without any trouble.

F: I am sincerely interested in your departure now.

L: But you do all you can to prevent me from doing so. Why have you written a false secrecy clearance certificate for me?

F: Then it was one situation, now it is another. * * *

In the middle of May 1974, Professor Levich was informed that the question of revoking his secrecy clearance certificate was under consideration and that everything was going well. The Committee formed for this purpose included Academician Emelyanov, a well-known expert of the Committee on Atomic Energy. On the 16th of May, Eugeny Levich returned from Siberia back to Moscow.

On the 20th of June, Professor Levich was informed by high-ranking officials, including the Scientific Secretary of the Academy of Science, Academician Skryabin, the Director of the Institute of Electrochemistry, Academician Frumkin, the former Chairman of the Academy's KGB Department, Pavlov and another KGB General that after reconsidering the matter of his secrecy clearance, the Special Committee decided that all but one item included in his Secrecy-Clearance Certificate were now invalid and the former term of validity of that one item would expire in a year's time. It was also stated that the Chairman of the KGB, Andropov, approved and confirmed this decision.

On the day of President Nixon's arrival in Moscow on his second visit (June 27, 1974), Eugeny and Aleksandr Levich were called to the OVIR offices and told by the Director of the Department, Col Fadeev, that they would be allowed to leave the Soviet Union by the end of 1974. On the 28th of June 1974, Professor Levich was invited to the same Colonel Fadeev and told that he would be able to leave the USSR by the end of 1975, six months after the formal term of his secrecy-clearance will expire. The colonel referred to the decision of Top-Rank Officials.

It must be stressed here that, in fact, Professor Beniamin Levich did not have any connection with secret works since 1946 when he deliberately stopped working in the field of nuclear physics. In other words, all the reconsiderations of the question of his secrecy-clearance were a bureaucratic procedure created by the KGB itself. The above-mentioned conversation between Professor Levich and Academician Frumkin is the best proof of this claim.

On the 29th of June, Professor Levich and Mrs. Levich were interviewed by a number of TV correspondents from President Nixon's press center, including Mr. Kaplow and Mr. Fromson. The interview was later shown on the American TV by several networks and the information about the obligations which the Soviet authorities took upon themselves in connection with Professor Levich's emigration was thus openly revealed.

On the 30th of June, all the members of the Levich family were placed under house arrest in their country house until President Nixon's departure from the Soviet Union.

In the middle of December 1974, Eugeny Levich and Aleksandr Levich were invited to the OVIR offices and told that their emigration would only take place in March, 1975 because of political considerations. Several days later, Professor Levich was invited to the KGB offices in connection with the use of his telephone.

He was met by the same KGB general who threatened him in such a rude manner in August, 1972. This time, the General was very polite. He said that there was no reason for Professor Levich to be nervous, that his secrecy-clearance has been revoked with the approval of Chairman Andropov and that the decision was final. He said that the departure of Eugeny and Aleksandr Levich was postponed because of political considerations. This information was independently confirmed by Academician Frumkin.

In March 1975, Eugeny Levich, Aleksandr Levich and their wives had received the exit visas. They were warned to refrain from any activities on behalf of their father in Israel as this may harm Professor Levich and his wife. They left the Soviet Union on the 1st of April, 1975.

In late 1975, Professor Levich wrote a letter to the Ministry of Interior inquiring about the exact date of his emigration. On the 13th of October he was suddenly invited to the KGB where he was met by the same KGB General and several other officials. He was told that they did not know anything about his emigration and about the revocation of his secrecy-clearance.

They said that he was and is a Zionist and an Anti-Soviet person and that he should be imprisoned for that. They told him that he should not think so highly of himself and that he could do nothing. They said that the world public opinion does not mean a thing and that the scientists and intellectuals did not want to do anything for him anyway. They claimed that the scientists and the intellectuals liked to speak but did not do anything concrete, that they liked to make appeals to the Soviet authorities, but when they came to the USSR later, they said that the protests and appeals were not serious. In other words, if he were to continue to make too much noise they would silence him and the world public opinion would have a very slight effect on that.

ENHANCING AMERICAN COMPETITIVENESS IN INTERNATIONAL TRADE

Mr. INOUYE. Mr. President, in the March 1, 1976, issue of Forbes magazine there appears an article on S. 1973, which I introduced last year. The bill would amend the Export Trade—Webb-Pomerene—Act of 1918 to include certain services within the provisions of the act.

The United States, the world's largest exporter, had traditionally not given international trade sufficient attention. Whereas other industrialized trading countries actively encourage the exporters, we have by and large ignored many of the legitimate needs and interests of our traders. This attitude is often abetted by those free market theorists who, even while acknowledging the lack of a truly free market in international trade, still take every available opportunity to undercut our Government's commitment to the exporting community. As a result, we find American businessmen abroad competing against foreigners who receive the financial, political, and psychological assistance from their governments. It is not surprising, therefore, that our share in many world markets has slipped and that, in some areas, we are no longer competitive.

The laissez faire attitude of this current administration in responding to the Commerce Committee's initiative is most regrettable. The Justice and Commerce Departments and the Office of Management and Budget have not even seen fit to comment on S. 1973 in a timely manner. Inasmuch as this bill passed the Senate as part of another measure in the last Congress, further Agency comment is not essential to our decision.

However, the executive's unresponsiveness and lack of interest are most distressing. The business community, particularly those with a stake in international trade, would do well to note that it is the administration's recalcitrance which is responsible for delaying congressional action. I ask unanimous consent that the article be printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

Legal Cartels—The Webb-Pomerene Act Is Now Only a Small Loophole in the Antitrust Laws, But It May Be Getting Wider

"You know the way it is overseas," the chemical executive murmured to a Forbes reporter. "You sneeze in London and when you get to Rotterdam they ask you how your cold is. They have their cartels. We have *this*."

This is a Webb-Pomerene association. What's that? It is a cartel that's legal under U.S. antitrust laws.

U.S. trustbusters are ever vigilant—fanatical, some would say. But there is one area that is out-of-bounds to them. Under an obscure law passed in 1918, U.S. companies can band together in "associations" in the export trade to fix prices, allocate markets and set contract terms.

There is, needless to say, a catch. The Webb-Pomerene Act only permits you an exemption from the Sherman and Clayton antitrust acts if your "export association" doesn't have a backlash effect on the domestic market. Up until fairly recently, most exporters have chosen not to try to prove that to the Justice Department's earnest young men.

The world is changing, though, and the Webb-Pomerene exemption is looking more like a useful tool than a dead letter. Vincent Ferraro, a researcher on international cartels at MIT's Center for International Studies, says: "There's been a shift toward more highly structured coordination among U.S. multinational companies. The successful demonstration of cartel action by the Organization of Petroleum Exporting Countries has shown that this is a reasonable course of action."

In fact, legislation is grinding through Congress to widen the scope of Webb-Pomerene to include industries exporting services as well as goods. It's being pushed by turnkey plant contractors like Los Angeles' Fluor Corp. and San Francisco's Bechtel Corp. who want to present a united front on overseas bidding.

The amendments to the act, sponsored by Senator Daniel Inouye (Dem., Hawaii), are in part a reaction to clever Soviet manipulation of overeager American contractors. As one Congressional aide explains, "The Soviets ask each contractor for ever more detailed proposals, gradually acquiring all of their technology. Then they go to a low-priced contractor in a third country to build the plant."

The Soviets, and for that matter many other potential U.S. customers, can do that because their buying offices present a united front to the divided U.S. businessmen. Export associations could offset that advantage.

The original justification for the passage of the Webb-Pomerene Act was the market clout of the powerful German buying cartels. Small American businessmen, it was argued, could avoid ruinous price-cutting only by combining in a way that would be illegal without Webb-Pomerene.

Over the years, the Government has maintained a contradictory attitude toward the loophole. The Justice Department and the Federal Trade Commission narrowed the act's scope somewhat in prosecuting oil, fertilizer and abrasives exporters for the "backlash effect" of their associations.

Now, however, with ever larger oil importing bills to pay, exports are becoming much more important to the U.S. The Justice Department will probably give a grudging assent to Inouye's bill.

Who can get the most from the Webb-Pomerene Act as it stands? So far, the major beneficiaries are exporters of basic commodities like sulphur, phosphates, wood chips and potash. According to Keith Hardwick, an official of the Sulphur Exporting Corp., "It works best where you have one product with few grades made by relatively few producers." With too many products, grades or producers, cartels become difficult to coordinate.

William Rohrer, a vice president of the Phosphate Chemicals Export Association, says that "We don't find Webb-Pomerene's provisions restrictive at all." Phoschem, as it's called, is a group of eight U.S. chemical companies that has about 35% of the world market. Rohrer says that "We're in competition with a French-associated North African fertilizer cartel. Phoschem helps us to trade, handle large orders, get vessels more conveniently and exchange our market knowledge. We can react much quicker on price, up or down."

What can't you do with a Webb-Pomerene association? Well, aside from that vague "backlash effect," you can't make agreements with foreign cartels, make sales financed by the U.S. foreign aid program, have foreign members or act against U.S. firms that aren't in the club.

It's hard for Americans to swallow the idea that it might be necessary to accept cartels. But it's a rigged game across the water, and Americans must increasingly compete there, if for no other reason than to pay for OPEC's cartelized price-raiding.

THE RETIREMENT OF SENATOR MIKE MANSFIELD

Mr. ABOUREZK. Mr. President, I want to join with those Senators who in the past few days have expressed their deep appreciation and gratitude for the immense contribution which Mike Mansfield has made to the Congress, our Government, and the American people. He will be missed not only by people like me who have come to depend on Mike for his fair and straightforward leadership, but by the millions of people beyond the borders of his own State who have been affected in a very direct way by the work and views of our distinguished majority leader.

In my view, one of the most important contributions made during the many years in which Mike has been the majority leader was the demonstration that business does not have to be conducted by the handful twisting the arms of the others. It does not have to be done in secret and by only the most powerful. Mike, by insisting on the need for everyone to have the freedom to express his views and to pursue the appropriate legislative initiatives, fully and without fear of retribution, proved to the skeptics that leadership can be shared and that the business at hand can be done competently and more satisfactorily without a "strongman."

It was for this and numerous other reasons why Mike has held the leadership position in the Senate longer than anyone else. It is very likely that, in spite of philosophical differences, there is not a person who has worked with this man who would argue about his decency, integrity and undeniable fairness. It has been an honor and a real privilege to have served in the Senate with Senator Mansfield, and for that I am deeply grateful.

LABOR/INDUSTRY TO COSPONSOR NATIONAL ENERGY SUMMIT—APRIL 7–9

Mr. HUMPHREY. Mr. President, the energy crisis is among the more serious and deep challenges facing our country today. Yet the polls and surveys indicate that as a Nation we are not fully aware of nor responsive to this crisis.

This crisis affects different regions of the Nation in different ways. Its impact falls most heavily on the shoulders of the elderly, the poor and minorities, particularly those living on fixed incomes, during a time when rising energy costs have been a significant factor in our widespread inflation.

That the energy crisis is not about to go away is no longer in doubt. But the question of how we deal with this, both in the short and in the long haul, is a highly complex matter. It is critical therefore, that the process of public education about this problem move forward as rapidly as possible.

Two citizen's action organizations have now joined forces to cosponsor a National Summit Conference for Energy Leadership. These groups are Citizens for a Strong Energy Program and Americans for Energy Independence. Both groups were formed by leaders of voluntary, labor and business organizations, scientists and technicians, and interested citizens.

Officers of these organizations are as follows:

AMERICANS FOR ENERGY INDEPENDENCE

Dr. Cecily Cannan Selby, Former Executive Director, Girl Scouts of the U.S.A.

Mr. Joseph D. Keenan, International Secretary, International Brotherhood of Electrical Workers.

Mr. Robert R. Nathan, Consulting Economist.

Endicott Peabody, Esq., Former Governor of Massachusetts.

Harold Greenwald, Esq., Greenwald, Kovner and Goldsmith.

Dr. Zalman M. Shapiro, Manager, Fusion Power Systems, Westinghouse Electric Corp.

CITIZENS FOR A STRONG ENERGY PROGRAM STEERING COMMITTEE

Lucy Wilson Benson, Corporate Director and Trustee, Former National President, League of Women Voters.

Dr. Hans A. Bethe, Nobel Laureate, Cornell University.

John T. Connor, Chairman, Allied Chemical Corporation, Former U.S. Secretary of Commerce (1965–67).

John D. Harper, Director and Chairman of the Executive Committee, Aluminum Co. of America.

Vernon E. Jordan, Jr., Executive Director, National Urban League, Inc.

Peter G. Peterson, Chairman, Lehman Brothers Incorporated, Former U.S. Secretary of Commerce, (1972–73).

Dr. Marina Von Neumann Whitman, Distinguished Public Service Professor Of Economics, University of Pittsburgh, Former Member of Council of Economic Advisors (1972–72).

The National Energy Summit sponsored by Americans for Energy Independence and by Citizens for Strong Energy Program is the first one of its kind and attendance is by invitation only. Attendance is limited to 250 leaders of national organizations, selected to assure a representational cross-section of profit and nonprofit, public and private industry and labor. It will take place April 7, 8, and 9, 1976, at the Sheraton Inn, Reston, Va.

This conference, geared to national decisionsmakers, is a response to the need to understand the realistic options available for solving the energy crisis with the aim of developing practical recommendations. That Americans for Energy Independence is an idea whose time had to come is evidenced by the fact that during the 8 months of its existence, numerous AEI-type local organizations have sprung up across the Nation, and AEI is involved in stimulating the growth of other such groups. By the end of 1976, if AEI continues on its present course, and AEI chapter or affiliate should be found in all 50 States. As for Citizens for A Strong Energy Program its work has been in the field of public education and its public information aids have been most helpful in getting across the nature and extent of the energy crisis.

The strength of these new grassroots movements, for which AEI provides a national focus, revolves around the depth and extent of participation in them by industry, business, labor, scientific, minority, civic, environmental, and professional leaders and organizations. To support and assist this movement, AEI is also developing broad educational and action programs. The cosponsoring organizations will underwrite the cost of the conference, but invitees are responsible for their accommodations.

NATIONAL SUMMIT CONFERENCE FOR ENERGY LEADERSHIP

Cochairmen of this National Energy Summit are Mr. I. W. Abel, president, United Steelworkers of America, and Mr. John W. Simpson, officer/director, Westinghouse Electric Corp. Conference director is Dr. Frank Gannon, Washington based consultant on international development. Mr. President, this energy summit developed entirely on the initiative and direction of the private sector of our society is comprehensive in nature. It tries to bring together many different viewpoints, pro and con, on the energy dilemmas ahead and invitees are from all walks of life. Importantly, all major sources of full supply and demand: Domestic oil and gas, coal, nuclear and such advance concepts as solar energy, are being dealt with in depth by a cross-section of speakers and discussants.

Americans for Energy Independence is undertaking this project under the direction of its distinguished new president, Dr. Cecily Cannan Selby, scientist, educator, and former national executive director of the Girl Scouts of the U.S.A.

Americans for Energy Independence is a nonprofit organization founded by a concerned group of consumer, scientific, academic, professional, conservation, labor and business leaders, whose function is to inform the public and stimulate policies and actions so urgently needed to move the United States toward increased energy self-sufficiency.

In accepting the AEI presidency Dr. Selby observed that:

> We are committed to help alert the American people to the disastrous effect on our quality of life if effective leadership is not immediately taken in developing conservation and our available domestic energy resources. I see AEI playing a unique role in helping to bridge the gap between legitimate energy concerns and legitimate environmental concerns—an area currently characterized more by heat than light! Intelligent compromise and far better communication between the technologist and the public is desperately needed here.

Dr. Selby, who lives in New York, currently serves on the board of directors of the Massachusetts Institute of Technology, the Brooklyn Law School, the National Broadcasting Co., the RCA Corp., and the Avon Products Corp.

Dr. Selby served as headmistress of the Lenox School in New York City from 1959 to 1972, at which time she assumed the national directorship of the Girl Scouts.

She was an instructor at the Cornell Medical College's Department of Anatomy from 1955 to 1975; assistant member of the Sloan-Kettering Institute for Cancer Research from 1951 to 1955; administrative assistant in the virus study section of the Sloan-Kettering Institute from 1950 to 1951; teaching fellow at MIT's Department of Biology from 1948 to 1949; and fellow at the National Institutes of Health from 1947 to 1948.

She is a cum laude graduate of Radcliffe College with a B.A. degree in physics and earned a Ph. D. degree in physical biology from MIT. Dr. Selby, the wife of a physician, is the mother of three adult sons.

Mr. President, I ask unanimous consent to have printed in the RECORD an additional statement by Dr. Selby and the advance program for this summit meeting so that the Members of this body might note its scope and potential for helping to encourage greater national leadership for responding to our energy crisis.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

[From Weekly Energy Report, Feb. 23, 1976]

PUBLIC TRUST IN SCIENCE IS THE GOAL AS THE LADY TAKES OVER AEI

The "heavy" energy issue, as Cecily Cannan Selby sees it, is establishing trust between conscientious scientists and a public not conditioned to their goals and ways of accomplishing them. As the new $50,000-a-year president of Americans for Energy Independence, the educator-scientist from New York City believes AEI is the group to achieve that objective.

"AEI is a coalition of academic, labor, consumer and corporate organizations bringing together their vested interests to serve the vested interest of the American citizen," Selby explained. "We are at work now on recommended policies that people can perceive as best for them and the national interest. The AEI board has authorized the preparation of papers analyzing in detail everything from conservation of energy to the use of solar power. We want to create better communication between scientists and technology oriented people, who are working to find ways for more cost-effective energy and environmentally safer energy, and the public. Once the average citizen understands he will have more faith and not attempt to block such efforts."

The first two weeks of her presidency saw a strong assault on that mutual trust in the resignation of three General Electric engineers and one Nuclear Regulatory Commission inspector in protest against nuclear power. Selby commented: "In contrast to those four resignations, there are thousands and thousands of dedicated men and women with equal concern for nuclear safety who have no intention of quitting. Actually, nuclear energy has become the scapegoat for all the innate fears that people have of what they don't understand—from pills to asbestos to things that are dangerous in the home to growth vs. no-growth. They have become political and emotional issues with all these negative feelings lumped into the same pot—and nobody explains."

Selby believes that nuclear scientists themselves were not prepared to cope with what they had wrought and were susceptible to charges made against them on political and emotional issues. "But it would be unusual if people didn't react and perhaps all of this may help focus attention on nuclear safety standards and the nation will learn how extensive those standards are," she said. Human history, she adds, shows that "every decision has been a moral decision. If the quality of life is your goal, you try to balance the sides—the risks—of an equation. In health and life hazards, we are seeking a balance more now than the ancients ever tried. You could argue of the invention of the wheel—was it merely right?"

The prime function of AEI is communication, she said. First, with the decision makers—the legislators—and second, with the general public, which must be better informed to influence the decision makers. But, in terms of time, the decision makers must be reached as quickly as possible and AEI this week is sending each member of Congress a letter and a reprint of an article by AEI's board chairman, Hans Bethe, in the January issue of *Scientific American*, titled *The Necessity of Fission Power*. Bethe, a Nobel laureate in physics, after reviewing all the sources of power available to the U.S., concludes: "In sum, nuclear power does involve certain risks, notably the risk of a reactor accident and the risk of facilitating the proliferation of nuclear accidents. Over the latter problem the U.S. has only limited control. The remaining risks of nuclear power are statistically small compared with other risks that our society accepts. It is important not to consider nuclear power in isolation. Objections can be raised to any attainable source of power. This country needs power to keep its economy going. Too little power means unemployment and recession, if not worse."

While Selby believes that the gap between science and the public is "abysmal" she also knows from her own experience as an educator that it can be bridged. She points to her own experience with "a very creative, elementary science program for pre-adolescents, which produced an almost immediate interest in becoming doctors and engineers," she said. Too many persons grow up with a twisted notion of science "in which you turn on a light switch and the water flows over Boulder Dam," Selby declared.

As the only national organization devoted solely to solving energy problems, AEI is now organizing AEI chapters or affiliates in 17 states, setting up a speakers' bureau, and raising the seed money for its various projects. These range from individual campaigns to its current "talking with" such potent groups as "Citizens for a Strong Energy Program," headed by Peter Peterson, chairman of Lehman Brothers Inc.

As the interview with *Weekly Energy Report* concluded in Selby's 14th floor office in Arlington, Va., the staff called on her to cut a birthday cake for Endicott Peabody, former governor of Massachusetts and AEI secretary, who served as acting president after Elmo Zumwalt left the organization last year. Peabody blew out the candles and said his birthday wish was that AEI, come next January, have 50 state chapters and national acceptance of its energy goals. "I'll buy that," exclaimed Selby.

[Advance Program, April 7, 8, and 9, 1976, Sheraton Inn, Reston, Virginia]

NATIONAL SUMMIT CONFERENCE FOR ENERGY LEADERSHIP

An invitational meeting to provide a comprehensive briefing:

Where are we now? The nature of the energy crisis and its near-term components.

Where do we want to be? Energy requirements for our society.

How do we get there? Identification of energy priorities and recommendations for action.

PROGRAM

(All meetings and other functions in Ballroom A except concurrent sessions Friday, April 9.)

Wednesday, April 7,

1:30–6:45 P.M. Registration.

6:00–6:45 P.M. Reception.

Hosts: Dr. Hans A. Bethe, Nobel Laureate; Chairman, Americans for Energy Independence; and The Honorable Peter G. Peterson, Chairman, Lehman Bros., Inc.; Member, Steering Committee, Citizens for a Strong Energy Program.

6:45–8:30 P.M. Dinner.

Invocation: Rt. Rev. John H. Burt, Episcopal Bishop of Ohio; Member, AEI Board.

Welcome: Dr. Cecily Cannan Selby, President, AEI.

Introduction of Speaker: I. W. Abel, President, United Steelworkers of America.

Address: The Honorable Nelson A. Rockefeller, Vice President of the United States. "The Energy Crisis: Time for Action."

8:30–9:00 P.M. Intermission.

9:00 P.M. Evening Discussion (An informal roundtable discussion; attendance optional). Energy Crisis: Near-Term Components and Challenges for Industry, Labor and the Citizen.

Moderator: The Honorable Peter G. Peterson.

Discussants: John W. Simpson, Officer/Director, Westinghouse; I. W. Abel; The Honorable Lee W. White, Chairman, Energy Policy Committee, Consumer Federation of America and former Chairman, Federal Power Commission; and Dr. Hans A. Bethe.

Thursday, April 8

Comprehensive Briefing on the Realities of Energy Supply and Demand

8:45–10:30 A.M. Energy Conservation.

Chairwoman: Evelyn Dubrow, Legislative Director, International Ladies Garment Workers Union; Member, Consumers Subcommittee, AFL–CIO and AEI Board of Directors.

Presentation: Joseph Swidler, Esq., Leva, Hawes, Symington, Martin & Oppenheimer; former Chairman, Federal Power Commission.

Discussants: Grant P. Thompson, Esq., Energy and Conservation Research Project Coordinator, Environmental Law Institute; Austin Heller, Assistant Administrator for Conservation, Energy Research and Development Administration; Dr. Bruce Netchert, Vice President, National Economic Research Associates; and Richard B. Pool, Corporate Energy Coordinator, Kaiser Aluminum and Chemical Corporation.

10:30–10:45 A.M. Break.

10:45 A.M.–12:30 P.M. Domestic Oil and Gas.

Chairman: Robert Berens, President, Small Producers for Energy Independence.

Presentation: Dr. Gordon Kaufman, Professor of Operations, Research and Management, Alfred Sloan School of Management, Massachusets Institute of Technology.

Discussants: Dr. Charles Masters, Chief, Office of Energy Resources, U.S. Geological Survey, U.S. Department of the Interior; James T. Jensen, President, Jensen Associates, Boston, Mass; and C. Howard Hardesty, Vice Chairman, Continental Oil Company.

12:45–2:00 P.M. Lunch.

Invocation: Dr. James Sternstein, Rabbi, Temple Beth Shalom, Roslyn Heights, New York.

Chairman: Joseph Keenan, Secretary-Treasurer, IBEW, AFL–CIO; Vice Chairman, AEI.

2:15–4:15 P.M. Coal:

Chairman: Blair Ross, Vice President, Fuel Production, American Electric Power Service Corporation.

Presentation: Dr. Richard Gordon, Department of Minerals and Mining, Penn State University.

Discussants: Thomas N. Bethel, Research Director, United Mine Workers of America; Thomas Falkie, Director, Bureau of Mines, U.S. Department of the Interior; Lawrence Moss, forrmer President, Sierra Club; and Otes Bennett, Jr., President, The North American Coal Corporation.

4.15–4:30 P.M. Break.

4:30–6:15 P.M. Nuclear Energy.

Chairman: Dr. J. Ernest Wilkens, Distinguished Professor of Physics, Howard University; former President, American Nuclear Society.

Presentation: Wallace Behnke, Vice President, Commonwealth Edison Company.

Discussants: George Stathakis, Vice President, General Electric Company; The Honorable James T. Ramey, former Commissioner, AEC; Member, AEI Board of Directors; Dr. Hans A. Bethe; and The Honorable William Anders, Chairman, Nuclear Regulatory Commission.

6:45–8:15 P.M. Dinner.

Chairman: The Honorable Endicott Peabody, former Governor of Massachusetts; Secretary, AEI.

8:30–10:30 P.M. R&D: Developing Energy Sources (Solar, Geothermal, Wind, Fusion and Others).

Chairman: Dr. Melvin Gottleib, Director, Princeton Plasma Physics Lab, Princeton University; Member, AEI National Advisory Council.

Roundtable: Milton Shaw, Energy Consultant; Member, AEI National Advisory Council; Lionel Johns, Program Manager, Office of Technology Assessment, U.S. Congress; Dr. Alvin M. Weinberg, Director, Institute for Energy Analysis, Oak Ridge, Tennessee; and Dr. Peter T. Glaser, Vice President, Arthur D. Little, Inc.

Friday, April 9

8:00–9:00 A.M. Breakfast.

9:00–10:30 A.M. Four concurrent workshops: How do we get from Vision to Reality?

I. Influencing Decision-Making: Communication to the Public (Conference Room D)

Moderator: Merrill Mueller, former national and international correspondent, NBC and ABC; consultant to Federal Energy Administration.

Panelists: George Collins, Assistant to the President, International Union of Electrical Workers; Louis Martin, Vice President and Editorial Director, Sengstacke Newspapers; Member, AEI Executive Committee; and Jim Bishop, Energy Editor, Newsweek Magazine.

II. Influencing Decision-Making: State and Local Governments (Conference Room E)

Moderator: James M. Quigley, Director, Director, Washington Office, Champion International; former Commissioner, Federal Water Pollution Control Administration.

Panelists: Lucy Wilson Benson, Corporate Director and Trustee; former National President, League of Women Voters; Michael R. Peevey, Executive Director, California Council for Environmental & Economic Balance; and Bruce La Pierre, Esq., Law Fellow, Columbia University; co-author of "The Nuclear Moratorium in the States and the Supremacy Clause: A Case of Express Pre-Emption".

III. Influencing Decision-Making: Economics and Financing (Conference Room F)

Moderator: Robert Nathan, Economic Consultant; Vice Chairman of the Board, AEI.

Panelists: Edward Symonds, Charles Owens and Associates; former Deputy Assistant Secretary of the Treasury for Energy Policy, and former Vice President (Energy Programs), First National City Bank of New York; and Jerome Katzin, Partner, Kuhn, Loeb and Company.

IV. Influencing Decisionmaking: Energy Use, Jobs and Social Impact (Conference Room G)

Moderator: Honorable Peter Brennan, Co-Chairman, New York Committee for Jobs and Energy Independence; former Secretary of Labor.

Panelists: Dr. Arnold Safer, Vice President, Irving Trust; Ronald H. Brown, Director, Washington Bureau, National Urban League; and Jack Otero, International Vice President, Brotherhood of Railway and Airline Clerks (AFL–CIO), (Founder/Officer, Labor Council for Latin American Advancement).

10:30–10:45 a.m. Break.

10:45 a.m.–12:15 p.m. Identification of Energy Priorities and Recommendations for Action.

Chairman: The Honorable Endicott Peabody Reports from the Concurrent Group Discussions by each Chairman—Floor Discussion. Summary of Conference, John W. Simpson.

12:30–2:00 p.m. Lunch.

Invocation: Most Rev. Ernest L. Unterkoefler, Roman Catholic Bishop of Charleston, South Carolina; Member, AEI National Advisory Council. AEI Plan for Action and Follow-Up of Conference, Dr. Cecily Cannan Selby.

Chairman: Dr. Hans A. Bethe.

THE GENOCIDE CONVENTION

Mr. PROXMIRE. Mr. President, the American Bar Association has recently endorsed the Genocide Convention as it was approved by the United Nations over 25 years ago. This endorsement comes only after many years of reluctance by the organization to favorably report the treaty. Many high-ranking officials in the association had repeatedly and enthusiastically endorsed the Convention personally, but the vote of the general membership always refused its approval by a very small margin. That situation has now been reversed.

In view of this development, I respectfully urge the Senate Foreign Relations Committee to reopen hearings on the Genocide Convention in order that we may decide, once and for all, this Nation's stand on this most heinous crime. I am convinced that a recommendation for ratification could now be easily won. The only major obstacle to this action in the past has been the ABA objection. With this obstruction removed, there can no longer be any responsible opposition to Senate approval.

Mr. President, every major world power with the exception of the United States has ratified the Genocide Convention. We must accept our obligation to the cause of human rights as these other nations have. There is no better time than our Nation's Bicentennial Year to reaffirm our belief in the sanctity of life and freedom. And there is no better way to demonstrate that belief than by ratifying the Genocide Convention.

THE ROLE OF THE ADVOCACY OFFICE OF THE SMALL BUSINESS ADMINISTRATION

Mr. McINTYRE. Mr. President, on March 29 I will convene a hearing before the Select Committee on Small Business designed to explore the operation of the Small Business Administration's Office of Advocacy, set up under Public Law 93–386, signed by President Ford on August 23, 1974.

The basic plan of this hearing is to look into the role of the Advocacy Office at SBA and find out how this office can be strengthened. But, secondarily, I hope to explore the role of SBA itself.

During the past few years, the Small Business Administration has taken on many duties. Since its founding in 1953, it has had responsibility for many programs. These include massive loan programs to small business which now total about $6 billion; the Nation's disaster relief programs; programs to encourage the development of minority businesses; and, finally, it has begun to include a role as advocate for small business throughout the Government.

It is this last point that I intend to explore with small businessmen and the Small Business Administration on March 29.

BACKGROUND

Let me give you a little history about the Advocacy Office. Under the Small Business Act of 1953, the SBA was instructed to consider positions favorable to small business. In section 2 of that act, the 85th Congress wrote:

> It is the declared policy of the Congress that the government should aid, counsel, assist and protect insofar as is possible, the interest of small business concerns in order to preserve free competitive enterprise. . . .

Then in 1970, President Nixon signed Executive Order 11518 which further strengthened the SBA's role as advocate for small business. It stated:

> Whereas the Small Business Administration is the agency within the executive branch of the United States government especially responsible for and with an established program of advocacy in matters relating to small business. . . .
>
> "Section 3. The Small Business Administration, whenever it determines that the valid interests of small business concerns so warrant, shall take such action as may be appropriate to insure the timely presentation to departments and agencies of the United States Government of matters materially affecting the well-being or competitive strength of small business concerns or their opportunities for free entry into business, growth or expansion.

But it was Congress in 1974 with the passage of S. 3331, the Small Business Amendments Act of 1974, which explicitly provided statutory basis for the Office of the Advocate under section 10.

In that legislation, the SBA is directed to establish the position of the Chief Counsel for Advocacy to preform the following duties:

> (1) serve as a focal point for the receipt of complaints, criticisms and suggestions concerning the policies and activities of the Administration and any other Federal agency which affects small businesses;
>
> (2) counsel small businesses on how to resolve questions and problems concerning the relationship of small business to the Federal Government;
>
> (3) develop proposals for changes in the policies and activities of any agency of the Federal Government which will better fulfill the purposes of the small business act and communicate such proposals to the appropriate Federal agencies;
>
> (4) represent the views and interests of small businesses before other Federal agencies whose policies and activities may affect small businesses; and
>
> (5) enlist the cooperation and assistance of public and private agencies, businesses, and other organizations in disseminating information about the programs and services provided by the Federal Government which are of benefit to small businesses, and information on how small businesses can participate in or make use of such programs and services.

That mandate, Mr. President, has resulted in the establishment of a nine-man office in the Small Business Administration which has attempted to use its broad authority to help small business.

Through letters, telephone calls, and information from the general public, the Office of the Chief Counsel for Advocacy has been able to begin to bring an awareness of small business into the Federal bureaucracy.

In SBA's fiscal year 1975 report, the SBA reported that the Chief Counsel for Advocacy had done many things. The office's Deputy Advocate for Advisory Councils has worked with local business, professional and academic leaders to provide a number of advisory councils for the SBA. According to SBA, some 2,500 men and women serve as a communications link between the agency and the small business community, working through district advisory councils. Each district advisory council has 175 members.

The office's Deputy Advocate for Government Relations has worked to establish close relations between SBA and other agencies whose activities affect small business. To date, SBA tells me, 37 Federal agencies have designated small business liaison officials who maintain telephone contact with the nine-person Advocate's Office.

Further, the office's Deputy Advocate for Small Business Organization has attempted to establish and maintain close relations with public and private agencies and business organizations to help small business.

The Advocate has also taken to the road. In a series of speeches in the last 6 months, the Chief Counsel for Advocacy, Anthony Stasio, has spoken before groups in Washington, D.C.; Olive Branch, Miss.; Wilwaukee, Wis.; Bedford Springs, Pa.; Louisville, Ky.; Des Moines, Iowa; Helena, Mont.; Miami Beach; Lansing, Mich.; Ocean City, Md.; and Warwick, R.I., stressing the importance of the role of the advocate's office.

STRENGTHENING THE ROLE

My questions not only center on the activities of the Advocacy Office today, but what can be done to strengthen its role. How can the SBA Advocacy Office better serve small business, and the Small Business Administration? And that brings us to the crux of the problem—What is the role of the SBA itself?

Let me cite some of the questions already raised about this.

The National Federation of Independent Business, for instance, testified last January 28, 1976, before the House Small Business Committee Subcommittee on SBA and SBIC legislation. The NFIB said:

> The 93rd Congress formally recognized one of the Small Business Administration's most important functions when it established the Office of Chief Counsel for Advocacy. NFIB feels that this action was an accurate reflection of the priorities and concerns of the vast majority of the small business community. Most small businessmen today feel that government interference or meddling in the day-to-day operation of their businesses is a serious problem and they are looking to SBA for some aggressive leadership in this area.

NFIB then added:

> We would recommend that the agency's advocacy role be significantly upgraded by the creation of an associate administrator for advocacy and that a small business advocacy office, responsible to him, be established in every Federal department, agency and commission. This office would review all decisions and regulations that could have an impact on small business and refer them back to the Associate Administrator for comment or other action. It would also have the general responsibility for promoting and creating small business consciousness in its host agency.

Another group, the National Retail Merchants Association, in a meeting with the Select Committee on Small Business, stressed a similar point. They wanted to know:

> (1) Has there been a progress report on the establishment of the office (the Office of Chief Counsel for Advocacy)?
>
> (2) Did the office intervene or appear on behalf of the interests and views of small business before the FTC on the Magnuson-Moss Warranty Act, or before the Federal Reserve on the ramifications for small business of the proposed credit regulations? Did the office have input at all before the regulatory agencies this year?
>
> (3) Does the office need to be given authority similar to that proposed for the Agency for Consumer Advocacy?

Other groups have also raised questions. At the hearing on March 29, I expect to hear from the National Small Business Association, the Smaller Business Association of New England, and the Independent Business Association of Wisconsin.

Part of the role of the Small Business Administration concerns the need to increase the awareness of the effect of Government regulations on the small business community. Besides this hearing, I have scheduled another on April 26 in Massachusetts where I intend to explore the problem of overregulation of small business in Government today. I have also looked into this problem at hearings before the Commission on Federal Paperwork where I am cochairman.

But at this hearing I believe it is absolutely imperative that we examine the effect of the laws passed in Congress, administered by the agencies of the executive branch, look to ways we can lighten that load by increasing the awareness of the effect on small business, and by making sure that the regulations that do go into effect require minimal effort for proper compliance.

Because we in Congress do not have the ability to consider every angle in every piece of legislation we pass, we need a strong agency in the Government that will be able to function as an adviser in implementation of regulations. One of the places where that strong agency can be established, particularly for small business, is in the Office of the Chief Counsel for Advocacy at the Small Business Administration.

I intend that this hearing will answer a few of these questions.

For instance:

First. Why should not every agency

of the Government, not just 37, have a liaison official with the Small Business Administration for small business advocacy from its existing number of personnel, and should not that person know something about small business?

Second. Why should the SBA establish an Office of Chief Counsel for Advocacy who has no responsibility to work with Congress? I know for a fact that the current Advocate spends a considerable amount of time up here on the Hill, but should we not include congressional relations in the advocacy office?

Third. What is the position of the Advocate when you compare him to the rest of SBA? The Advocate, for the Nation's 8.5 million small businessmen, has a staff of eight. But the SBA lending program has a staff of 1,900 to administer the program. Should the Advocate's Office be strengthened to give it the manpower to oversee the legislation and the regulations that affect small business?

Fourth. What teeth does the Advocate have when he makes a recommendation concerning regulation to another agency of the Government, or even his own agency? How many of his recommendations are followed?

Fifth. Who in the SBA listens to the Advocate? His immediate superior is not only responsible for advocacy, but is also responsible for the Office of the Chief Economist, the Office of Audits and Investigations, Size Standards, Energy, Environment and Competitive Structure, Economic Research and Statistics, and Planning and Program Evaluation. But, the Assistant Administrator for Congressional and Public Affairs maintains the Office of Public Information, the Office of Public Affairs, and the Office of Congressional Relations. Would it not be better to combine Advocate with the public and congressional relations functions rather than leave it in planning, research, and advocacy?

Mr. President, overregulation of small business is a serious problem. While it is important that we in the Congress work to cut overregulation, it is equally important that we provide a means in the executive branch for small businessmen and the agencies to work together to do the same thing. I would hope that this hearing on the Advocate's Office at SBA will help us do that.

NUCLEAR ENERGY WORKERS: GENETIC ROULETTE

Mr. GRAVEL. Mr. President, Prof. H. W. Ibser has given us an excellent account in the January edition of the Progressive regarding the increasing danger of genetic damage to workers in nuclear powerplants.

Professor Ibser suggests that these workers may become the victims of social ostracization of the same type suffered by the Japanese hibakusha, the survivors of Hiroshima and Nagasaki, many of whom are succumbing to leukemia and other forms of cancer.

Dr. Ibser is a professor of physics at California State University at Sacramento. He teaches a course there called "Living With Nuclear Energy." He is also a member of the Northern California Section of the American Association of Physics Teachers, and he has sent me a copy of this group's resolutions calling for passage of California's "Nuclear Safeguards Initiative."

Mr. President, I ask unanimous consent that Professor Ibser's article, "The Nuclear Energy Game: Genetic Roulette," as well as the Physics Teachers' resolution be printed in the RECORD.

There being no objection, the article and the resolution were ordered to be printed in the RECORD, as follows:

THE NUCLEAR ENERGY GAME: GENETIC ROULETTE

(By H. W. Ibser)

Hibakusha, they are called in Japan; the bombed ones. They are the people who survived the nuclear bombings of Hiroshima and Nagasaki. Many have suffered from leukemia and other forms of cancer, typically occurring years after their exposure to the radiation from the bombs. The time lapse is different for different kinds of cancers.

The hibakusha have another sort of problem, too: Even those showing no sign of harm from the bombs are victims of the prejudice of their countrymen, who fear the genetic damage suffered by the hibakusha, and do not wish to marry them or their descendants. Hibakusha who have moved from the bombed cities keep their background secret—especially those with marriageable children, lest their children be avoided by possible marriage partners.

The hibakusha have been studied by the Atomic Bomb Casualty Commission (ABCC) since shortly after the American occupation of Japan at the end of World War II. Much has been learned from them about the effects of nuclear radiation—the invisible, penetrating rays produced by nuclear bombs and also by materials produced in nuclear power reactors.

The plight of the hibakusha contrasts with the American people's lack of concern for radiation exposure taking place in our nuclear industry. The public, with no bomb to attract its attention, seems generally unaware of radiation exposure conditions within the nuclear establishment. To some etxent, perhaps, our attention has been diverted by debate over potential hazards posed by nuclear establishment. To some extent, perdebate is justified, current conditions in the nuclear industry are such that, if they were generally known and their genetic implications understood, nuclear workers might well become the victims of social prejudice like that against the hibakusha.

The occupational exposure situation in the United States is quite out of harmony with the nuclear establishment's picture of "safe, clean, nuclear energy." Before describing it, and in order to make its significance more clear, let us consider the background of the regulations governing exposure to nuclear radiation.

Nobel prize winning geneticist H. J. Muller's pioneering experiments in the 1920s showed that nuclear radiation (then available only from naturally occurring radioactive materials) does genetic damage, which becomes apparent in descendants of those exposed to the radiation. The International Commission on Radiological Protection (ICRP), in proposing the allowable limits to radiation exposure which have been adopted by the nuclear establishment, stated that the genetic hazard was "of greatest concern," Indeed, that hazard was taken as the determining factor in the ICRP considerations.

The ICRP standards stipulate that except for medical purposes, members of the general public should not be exposed, on the average, to more than 0.17 rem of ionizing radiation (X-rays or nuclear radiation) per capita per year. The rem is a unit of exposure; it is a measure of the biological damage caused by radiation.

Persons unfamiliar with the ICRP's reports, including workers in the nuclear industry and their families, commonly assume that ICRP recommendations, as adopted by Federal agencies, represent safe levels of exposure—in the sense that such exposures cause no significant damage—But this was not the point of view of the ICRP when it proposed the limits.

According to the *Recommendations* of the ICRP, Document 2, 1966: "This limitation necessarily involves a compromise between deleterious effects and social benefits. . . . The Commission is aware of the fact that a proper balance between risks and benefits cannot yet be made, since it requires a more quantitative appraisal of the probable biological damage and the probable benefits than is presently possible. . . . However, recommendations in quantitative terms are needed in the design of power plants and other radiation installations and particularly in making plans for disposal of radioactive waste products. . . . It is felt that this level provides reasonable latitude for the expansion of atomic energy programs in the foreseeable future. It should be emphasized that the limit may not in fact represent the proper balance between possible harm and probable benefit. . . ."

Some scientists have urged—unsuccessfully, so far—that the exposure limits should be greatly reduced; notable in this regard is John W. Gofman, formerly engaged for years in research for the U.S. Atomic Energy Commission on the effects of radiation.

Workers occupationally exposed to radiation are allowed to receive thirty times as much radiation as the general population limit—up to five rems per year, as much as three rems in a single quarter (thirteen consecutive weeks). The ICRP's explanation: "Genetic effects manifest themselves in the descendants of exposed individuals. The injury, when it appears, may be of any degree of severity from inconspicuous to lethal. A slight injury will tend to occur in the descendants for many generations, whereas a severe injury will be eliminated rapidly through the early death of the individual carrying the defective gene [biological unit of genetic transmissal]. Thus the sum total of the effect caused by a defective gene until it is eliminated may be considered to be roughly the same [that is, the same as that of any other]. The main consideration in the control of genetic damage [apart from aspects of individual misfortune] is the burden to society in future generations imposed by an increase in the proportion of individuals with deleterious mutations [genetic damage]. From this point of view, it is immaterial in the long run whether the defective genes are introduced into the general pool by a few individuals who have received large doses of radiation, or by many individuals in whom smaller doses have produced correspondingly few mutations. . . ."

Not all of the 0.17 rem per year accepted as the maximum tolerable average radiation dose for the general population is to be taken in person by the layman; some of it must be reserved for use by our proxies in the nuclear industry. The ICRP is quite explicit about this, even giving as an example a sample calculation illustrating this pooling of genetic damage. The mathematical precision of the calculation contrasts with the admission of a lack of any adequate knowledge of the biological damage to be expected from a given amount of exposure to nuclear radiation.

Thus, the relatively large radiation dose allowed nuclear industry workers is justified by the assumption that their genetic damage will be shared—diluted to "reasonable" levels by matings with the general population. But this accommodation is not sufficient to enable the nuclear establishment to get its work done with its regular employes only. An article in the October 11, 1974, issue of *Science*, "Transient Nuclear Workers: A Special Case for Standards," reviews the "common and longstanding practice in the nuclear industry" which is that industry's "solution" to its problem. Robert Gillette of *Science* points out that the Federal agency regulating the industry "has long condoned the use of virtually untrained supplemental or 'transient' workers in potentially hazardous radiation jobs, as long as they received some instruction in safety procedures and close supervision. . . ."

Reviewing, as an example, the conditions at Nuclear Fuel Services (NFS), a currently shut down nuclear reactor fuel reprocessing plant in West Valley, New York, the prestigious journal of the American Association for the Advancement of Science tells of "workers . . . as young as eighteen and others . . . alleged to have been recruited from bars for an afternoon's work. . . . Some reached legal exposure limits within minutes and were promptly paid off—half a day's pay (at about $3 an hour)—and replaced, in the derisive phrase of a former fulltime employe, by 'fresh bodies.' "

Science asks, "Should there be no limits on the extent to which nuclear facilities may spread the burden of occupational exposure?" but points out that "any sharp restrictions" on temporary employment would no doubt cause considerable anguish in the nuclear industry, for indications are that transient workers comprise a large portion of the industry's labor force. . . ."

Typically, a rather rapid succession of workers may replace one another, as each reaches his dose limit for the quarter in turn. The NFS plant manager is reported to have used six men to remove one nut fom a bolt.

According to a former NFS employe (who reached his exposure limit and the end of his job in three days), I don't recall a lecture about safety procedures as such. Mainly someone told us about the tools we would be using, that we had to remove some particles from the walls and they didn't want to burn out their technicians on the job. "We worked in a team, rotating one at a time. . . . You'd be all alone in there. The technician was outside, on the other side of an airlock and around a corner. . . . I don't know how much supervision is necessary, but I trusted them. I guess I was too dumb to be frightened."

A former NFS laboratory technican recalled, "The prevalent feeling was that these people were nuts for going in there and doing what they did." Said a former laboratory supervisor, "Some were really afraid, and they'd ask a lot of questions. I just tried to talk them into going home, but they wanted the money."

Bernard J. Verna, in the September 1975 issue of the journal of the American Nuclear Society, *Nuclear News*, expresses concern lest within a few years the nuclear industry "run into serious roadblocks due to a lack of available maintenance personnel." He describes a recent episode at Indian Point 1, a reactor owned by Consolidated Edison, New York City's electric utility company. About 1,500 men were used to locate, make welding repairs to, and cover with insulation six four-and-one-half inch hot-water pipes, parts of the plant's steam generator system. Men worked in radiation fields of up to fifteen rems per hour. Even using the maximum lead shielding possible, the welding was done in a six-rems-per-hour radiation field, allowing only about fifteen minutes of actual work per man. Verna points out that supervisors find, not surprisingly, that under such conditions work is done with extremely low efficiency and many errors. Supervision is accomplished largely by means of closed-circuit television.

Almost every union welder in the New York-Westchester area was used on the Indian Point job, after which more were imported. The repair took six months, and cost almost $2 million.

Rancho Seco, the Sacramento Municipal Utility District reactor near Sacramento, California, had budgeted up to $100,000 for the current year for "radiation protection support personnel," to be supplied through a "unit price contract" by Nuclear Plant Services, a national corporation. When SMUD directors approved the contract, they asked their chief engineer whether the competence of all the temporary employes he thought he might need for plant maintenance could be assured, and whether the regular employes' union might not object to all the temporary hirings. The chief engineer merely assured them that those matters would not be problems. He did not explain that the primary qualification for the work was a previously unirradiated body.

We have invested many billion of dollars in a nuclear industry whose maintenance depends on the availability of the services of increasingly large numbers of people whom the industry has not found it convenient, apparently, to inform fully of the peculiar nature of the hazard they incur. It is not clear that the industry would be able to continue if it were actually forced to give its employees a complete explanation of the risks.

The general public is unaware that it is playing genetic roulette by proxy. If it is to be fully and promptly informed of all the terms of the nuclear energy bargain, a substantial educational effort will be required—an effort quite out of harmony with the recently accelerated public relations campaigns of the Atomic Industrial Forum and the American Nuclear Society.

What would be the effect of calling to the attention of the public the fine print in the nuclear energy bargain that has been struck "on its behalf" by agencies composed largely of persons having professional interests in the development of nuclear energy? Knowing that part of the price of nuclear energy is genetic, would people continue willingly to cooperate in exposing themselves to radiation so as to spare regular plant employes—given the availability of other employment? Are we willing to buy nuclear energy with a "reasonable" number of defective children?

Would young, intelligent, well-informed people take temporary jobs exposing them to many times their safe level of radiation? If not, what sort of people would be doing the maintenance work around nuclear reactors, claimed by their proponents to be operated with the most meticulous care used in any industry? What sort of wages should be considered equitable for such work?

Would nuclear industry workers be avoided as marriage partners, as the habakuska have been in Japan? Unlike much social discrimination, such stigmatization would have a rational basis.

The reaction of the public to a candid exposition of the genetic hazards posed by the nuclear industry can only be a matter of speculation at this time. Perhaps most people would share the attitude suggested by Dr. Frank K. Pittman when, as director of waste management and transportation for the Atomic Energy Commission and hence in charge of the disposal of radioactive materials produced by nuclear reactors, he appeared before the Subcommittee on State Energy Policy of the California Assembly in March 1973. Chairman Charles Warren asked whether Pittman would ". . . as a human being feel better about life on earth if we could develop other means of producing electricity than, say, nuclear?" Pittman responded, as recorded in the hearing transcript: "No, I don't think I'd feel any better, and I guess I have to look at this from a strictly personal viewpoint, and that is that for the time I have to remain on earth, it probably won't affect me personally, and so from that standpoint I don't think that nuclear energy—having it or not having it—is going to make any difference. . . ."

One wonders whether humanity has evolved as strong an instinct for the preservation of the species as is needed for its survival in a technological age.

Resolution

Whereas the Land Use, Nuclear Power Liability and Safeguards Act which will appear on the June 1976 ballot will require the nuclear industry in California to be examined by a panel widely representative of the public and industry, and

Whereas as members of the scientific community we feel a special obligation to bring our knowledge to bear on current problems and initiate full public discussion, and

Whereas the Act seeks to ensure full public participation in determining the safety status of the nuclear industry, and

Whereas we believe present safety requirements on nuclear power reactors and the nuclear fuel cycle, including radioactive waste disposal, need careful examination, and

Whereas we believe the public is entitled to full participation in decisions regarding a matter of such profound significance as the generation of energy by nuclear *fission*, therefore be it

Resolved that the Northern California Section of the American Association of Physics Teachers endorses the Land Use, Nuclear Power Liability and Safeguards Act.

CONTINENTAL WALK FOR DISARMAMENT AND SOCIAL JUSTICE

Mr. GRAVEL. Mr. President, a group of Americans is now walking across the North American Continent to draw attention to the need for meaningful efforts at disarmament.

The group started in San Francisco more than a month ago. The walkers will pass through Los Angeles, Phoenix, Albuquerque, Amarillo, Austin, Dallas, Houston, Oklahoma City, Kansas City, St. Louis, Chicago, Detroit, Cleveland, Boston, New York, Montgomery, and Atlanta and they will arrive by summer in Washington, D.C.

These citizens *understand* that nuclear weapons have made this Nation less secure militarily and less democratic. They understand that the furious pace of arms production in the United States is undermining the very humane ideals and democratic institutions the weapons purport to defend.

Mr. President, I am pleased to add my own name as a supporter of the Continental Walk, and I ask unanimous consent that its "call" be printed in the Record.

There being no objection, the "call" was ordered to be printed in the Record, as follows:

The Continental Walk for Disarmament and Social Justice—San Francisco to Washington, January to October 1976

On August 6, 1945, with the atomic bombing of the people of Hiroshima, war should have become unthinkable. Whatever war had been before the nuclear age, whatever logic human beings and nations had used to justify the slaughter of their neighbors, on that day war became, indisputably, a crime against humanity.

Today, thirty years later, war remains a crime against humanity. That fact is still not clear to citizens of the United States. It is still not clear to our neighbors on planet Earth. Most dangerously of all, it is still not clear to the leaders of governments, to those who now have it in their power to destroy us and our planet.

Since 1945 we, as Americans and as human beings, have been preparing death for ourselves. We have been preparing death for future generations. It is the death of nuclear annihilation. We are unable to express the human meaning, which is the only real meaning, of nuclear war, other than to say that it would likely be total death—of ourselves, our civilization, our planet.

Since 1945 we have been waging another kind of war on our neighbors. It is the death of sickness for which there is not enough medicine. It is the death of starvation because there is not enough food. To prevent nuclear war lies within our power. But what of those who are dying now because we attend to military matters before we heed the cries of human suffering?

For thirty years the great powers have talked about disarmament. They have called for disarmament while planning new weapons. They have denounced each other while budgeting more funds for death. They have talked to us of arms control while making their bombs and missiles more and more deadly. And today the nations of the world are more heavily armed than ever.

Thirty years have passed, and it is still not clear to all that war has become a crime against humanity.

Thirty years have passed, and it is still not clear to all that to prepare for war is to make war.

WE CONSIDER THIS

The nations of the world have spent $4.5 trillion ($4,500,000,000,000) for "military security" since 1946.

This year they will spend upwards of $240 billion for "military security."

The United States accounts for over ⅓ of all military expenditures on the planet.

The nuclear arsenal of the United States now holds the equivalent of 615,000 Hiroshima-sized bombs, enough to annihilate every major Soviet city 36 times. The Soviet Union can level every major American city 11 times.

The Soviet Union continues to deploy an average of one new nuclear weapon every 48 hours. The United States continues to deploy one new nuclear weapon every 8 hours.

There are already over 500 nuclear reactors operating in 45 countries. One by-product of nuclear power, besides the enormous environmental hazards, is plutonium, which can be used to manufacture nuclear weapons.

In addition to the present nuclear club—the United States, the Soviet Union, France, Great Britain, China, and India—there are at least 22 other nations that have or soon will have the means to produce nuclear explosives.

THEN WE CONSIDER

The United Nations World Food Program has an annual budget which the U.S. Department of Defense alone outspends every 14 hours.

In 1972 world expenditures for public education averaged $168 per school-age child; world military expenditures were $10,405 per soldier.

That same year worldwide military research and development consumed $25 billion, while medical research received only $4 billion; total worldwide government expenditures on health care are only half as large as military expenditures.

Employment studies in the United States consistently indicate that military spending yields far fewer jobs per dollar than almost any other form of government spending.

WE NEED TO ACT

We ask you to join with us in a Continental Walk for Disarmament and Social Justice, a walk which will cross ⅛ of the planet's surface. It may seem to many to be a small and weak action in the face of the high councils of government. But the case for disarmament must be taken to the people, town by town. There is a powerful symbol in this simple action of walking, a realization that great goals are reached slowly, and that so fundamental a change as we demand must begin in our neighborhoods and our communities. For here is where the issues must be discussed, and here is where true action will begin.

Military spending priorities continue to rob our sisters and brothers on this planet of dignity and even of life itself, while continuing to fuel the fires of inflation and unemployment. Foreign policies based on fear and mistrust continue to foster ever-increasing arms stockpiles. Nuclear arms continue to threaten total destruction. Non-nuclear arms continue to be used to repress social change and to preserve patterns of injustice, while carrying the risk of escalation from limited war to total nuclear war.

We cannot wait for the governments to act of their own accord. We know that those who control the governments are trapped in the illusion that militarism can defend the interests of their nations and their peoples. The last thirty years have shown that, without massive public pressure, governments will not take a single step toward disarmament. Only after extraordinary international pressure, including mass demonstration, direct actions, and civil disobedience, did the United States and the Soviet Union finally end the atmospheric testing of nuclear weapons.

It is we the people who have allowed these military machines to be built, and it is we who can dismantle them by our action. It is in our power to say no to the machinery of death. It is in our power to say yes to life and future.

WE CALL ON OTHERS TO ACT

We call on other peoples in other lands, as they watch the progress of Americans from the West Coast toward the capital of the United States, more than three thousand miles distant, to consider organizing their own walks—to Paris, to Moscow, to Peking, to London, to New Delhi—to demand that their governments also realize that the structure of arms is crushing the people and threatening the future.

We call on scientists in every nation to refuse to cooperate in the development of new weapons systems and to direct their energies instead to the improvement of human life.

We call on trade unions in every nation to refuse to build weapons and instead to insist on the constructive use of their nation's resources.

We call on young men and women in every nation to resist their governments' efforts to conscript them or use the economic crisis to channel them into becoming part of the machinery of death.

We call on all people to resist paying the taxes that buy the machinery of death.

It is our deepest hope that this Continental Walk will help summon action on a national and international scale, action that will cause the great powers to seriously begin changing their policies based on military might and mutual terror, that will cause the developing nations to begin to see the ultimate folly of competing to join the nuclear club, that will cause all nations to see the crying need for disarmament and a reordering of priorities.

DISARMAMENT—THE REVOLUTIONARY IMPERATIVE

It is in this spirit that we invite you to join with us in our march across the length and breadth of this country during the celebration of its 200th year.

We invite you to join with us in declaring our independence from the machinery of death. We invite you to join with us in declaring our interdependence with our neighbors on all parts of the globe.

Today, almost two centuries after the start of the American Revolution, the revolutionary act is disarmament. The revolutionary act is to identify and eliminate the causes of war, which lie in the sexual and social and economic structures of our societies. The revolutionary act is to recognize that life and survival will come from our willingness to struggle against all who hold power over other human lives. The revolutionary act is to divest ourselves of all power that is power over other human lives.

The United States was the first nation to unleash the horror of nuclear war. Now it possesses an arsenal of death unrivalled in human history. It is fitting that we should renew ourselves in 1976, the year of the Bicentennial, that we as residents of this country should lead the way in demonstrating that peace and disarmament are in our interest and the interest of all humankind.

We believe that every step taken by each person on the Walk across the nation will be a step toward the distant but vital goal of disarmament, toward survival, toward the alleviation of human suffering, toward the elimination of the causes of war.

We believe that disarmament is the greatest and most urgent challenge facing humanity. We will begin walking to meet that challenge in early 1976. We hope that you will join your steps with ours.

THE WALK

The Continental Walk for Disarmament and Social Justice will begin January 31, 1976 in San Francisco and end in Washington, D.C., approximately seven months later.

The Walk will be composed of a series of links. Each community will be part of a relay—picking up where the last leaves off and ending where the next community will pick up. The average distance traveled will be 35 miles in two days' time.

Each link of the Walk might include teach-ins, speak-outs, and a demonstration or other action at a military installation, Federal Building, military contractor, nuclear power plant, etc. The demonstration may contrast specific needs of the community with what exists at the demonstration site.

Organizers and walkers will be encouraged not simply to walk through their communities but to incorporate the Walk into an ongoing project or use the Walk to initiate a project.

The issues raised will be two kinds: local and national/international. The national/international issues will be a call for disarmament, a simultaneous shift of economic priorities away from militarism and toward meeting domestic and global human needs, and removal of the causes of war. The local issues will be determined by the people organizing the various links of the Walk but are expected to be connected with the national/international themes.

PURPOSES OF THE WALK

(1) To raise the issue of disarmament through unilateral action as a first step toward pushing disarmament to the top of the public agenda;

(2) To educate about nonviolent resistance as a means superior to armaments in defense of all people;

(3) To demonstrate how our global and domestic and economic problems are interconnected with militarism and the causes of war, and how solutions to these problems must include dealing with the problem of sexism, racism, militarism, and other causes of war;

(4) To recast the significance of the Bicentennial in light of the arms race and related problems;

(5) To encourage cooperation among people working for peace, social change, and sexual, racial and economic justice;

(6) To encourage inquiry into the deepest connection between sexual, racial, and economic violence and the violence of war;

(7) To listen to the voices of people across the country who suffer because we have not disarmed; to seek ways to help their voices be heard, at the local and state level, as well as at the national level; we will collect grievances from people for presentation to government officials;

(8) To encourage a renewal of demonstrations and intensified action around the country and eventually around the world on the issue of disarmament.

(The Continental Walk is sponsored by: American Friends Service Committee, Catholic Peace Fellowship, Catholic Worker, Clergy & Laity Concerned, Fellowship of Reconciliation, Sane, Southern Christian Leadership Conference, War Resisters League, War Tax Resistance, Women Strike for Peace, and Women's International League for Peace & Freedom (List in formation.) Endorsing Groups: International Confederation for Disarmament & Peace, International Fellowship of Reconciliation, and War Resisters International.

(Individual signers of the walk call include: Ralph Abernathy, Bella Abzug, Robert Alpern, Michael Anania, Joan Baez, Richard Barnet, Norma Becker, Anne M. Bennett, Dan Berrigan, Albert Bigelow, Robert Bly, Julian Bond, Kay Boyle, Harry Boyle, Anne Braden, Millen Brand, Robert McAfee Brown, Stephen G. Cary, Joseph Chaikin, Norm Chomsky, Rev. William Sloane Coffin, Dorothy Day, Karen DeCrow, Dave Dellinger, Ron Dellums, Shelley Douglass, James Douglass, Martin Duberman, Daniel Ellsberg, Barbara Ehrenreich, Richard Falk, Sissy Farenthold, Mimi Farina, Jules Feiffer, W. H. Ferry, James H. Forest, Larry Gara, Nicola Geiger, Allen Ginsberg, Ed Guinan, Mike Harrington, James Haughton, Dorothy Healey, Nat Hentoff, Donald Kalish, Ying Lee Kelley, Honey Knopp, Corliss Lamont, Bernard Lee, Shirley Lens, Sid Lens, Walter Lowenfels, Brad Lyttle, Dwight Macdonald, Elizabeth McAlister, David McReynolds, Stewart Meacham, Seymour Melman, Eve Merriam, Joe Miller, Parren Mitchell, Grace Paley, Sidney Peck, Charles Rangel, Marcus Raskin, Muriel Rukeyser, Ed Sanders, Benjamin Spock, Dorothy R. Steffens, Gloria Steinem, I. F. Stone, Paul Sweezy, Ethel Taylor, Studs Terkel, Jean Claude van Italie, George Wald, Art Waskow, Cora Weiss, Beverly Woodward, Margaret Wright, Andrew Young, Ron Young, Frank P. Zeidler, Carl Zietlow, Irma Zigas.)

REGIONAL FORESTER RETIRES

Mr. McGEE. Mr. President, Friday, February 27, marked the retirement of a distinguished Federal employee, Mr. William J. Lucas, Regional Forester for the Rocky Mountain Region. Many were my regrets upon reading his letter informing me of his decision to finish his 34-year career with the Forest Service.

Bill Lucas, a native of South Dakota, is a graduate of the School of Forestry from the University of Idaho at Moscow. It was there that he specialized in range management. Bill soon turned that education to the advantage of the Forest Service when he began working in the Idaho-Montana region in 1937 as a range examiner. In 1941, he was appointed District Ranger in Wyoming, but his career was interrupted for a 4-year tour of duty in the Army where he attained the rank of captain.

Following World War II, Bill Lucas returned to the Forest Service as a ranger on the Salmon National Forest. He later was appointed Assistant Supervisor for the Sawtooth National Forest in Idaho where he served until December of 1955. During this phase of his career, Bill Lucas distinguished himself through numerous special assignments in range management work.

From January of 1956 until the late spring of 1958, Bill was located in Billings, Mont., as supervisor of the Custer National Forest. His able career soon merited another promotion, and he was transferred to a position in the Division of Recreation and Lands in the Office of the Chief, U.S. Forest Service, here in Washington, D.C. During his eastern tour of service, he served as an assistant regional forester in Upper Darby, Pa., and returned to Washington in 1964 where by 1970, he had become Director of the Forest Service Division of Land Classification. In addition to those duties, he also served as a member of the United States-Japan Panel on National Park Management, an information exchange group between the two countries on management of national parks and other reserves; and as a member of the Department of the Interior's Technical Committee on Water Quality for Recreation and Aesthetics.

By the summer of 1970, Bill Lucas was a more than able successor to David Nordwall as Regional Forester for the Rocky Mountain Region. But he did not succeed to a position that was an easy job. I came to know him in this time because of my critical concern over the application of clearcutting to national forest lands. Even as he was arriving at his new post, a study team of the Forest Service, made up of personnel from the Denver and Ogden Regions, was covering the national forests of Wyoming to evaluate the impact of clearcutting.

When the final report emerged in 1971, the study team found indeed that clearcutting had been overutilized in Wyoming and made a number of specific recommendations for the improved management of Wyoming forests in regions 2 and 4. I recall that while I would have advocated even stronger regulation of clearcutting; those recommendations were, in the context of traditional Forest Service practices, a bold and decisive new course that would mean the moderation of clearcutting. Bill Lucas took the initiative to implement those recommendations. To this day, we still have a good deal of clearcutting in Wyoming; but by Bill's actions, I think it is only fair to add as well that we have a good deal less clearcutting in Wyoming.

The 1970's would have proved a good test for the ablest forester. It has been a period of significant transition as the emphasis on timber production in the Rockies has shifted to greater demand for more recreation, additions to the National Wilderness Preservation System and increased mineral exploration. Under William Lucas' administration, the Rocky Mountain Region's Forest Service team has responded with surprising ability, ingenuity and determination. Recreational interest was met with more campgrounds and trails. Road closings were instituted to more carefully direct and control recreational impacts. The wilderness classification program was intensified. Long-range management plans for all the national forests were begun. And even in response to strip mining, the Forest Service undertook the SEAM research project in order to better understand the environmental impact of surface mining in the Rocky Mountains and the Northern Great Plains.

When the Forest Service was established at the turn of this century, its mission was envisioned as one of conservation. Many of us have questioned whether or not the Service may have lost track of that purpose. But if conservation implies an intelligent plan for the present in order to prepare for the future, I think it is apparent that Bill Lucas is one of the new breed in the Forest Service who is putting it back on course.

Mr. President, I doubt that anyone in this body has had occasion to give the Regional Forester as many headaches as I. And I am sure that our disagreements have countlessly outnumbered those moments of agreement. Yet throughout, Bill Lucas has always shown himself to be a conscientious man, loyal to his occupation and sincere in his actions. Moreover, he has been open in his discussions and constant in his cooperation. As a civil servant, I can recall none that have surpassed him. And so, Mr. President, I take this occasion to restate my regret at Bill Lucas' retirement and add a thank you for a job well done.

ADJUSTMENT OF THE FEDERAL-LOCAL RSVP FUNDING FORMULA

Mr. WILLIAMS. Mr. President, I have been extremely concerned of late that the crippling economic conditions plaguing the United States have threatened to undermine the effectiveness of important programs serving the Nation's elderly.

Retired senior volunteer programs—RSVP—in hundreds of communities throughout the country have, in particular, been jeopardized by Federal requirements that local sources underwrite up to 50 percent of the cost of individual programs at a time when local economic resources are already overburdened.

I am, therefore, very pleased to acknowledge that ACTION has revised the Federal/local funding formula to provide for a maximum community share of 30 percent for mature RSVP programs. The new regulations, which will become effective on or about April 1, 1976, were issued in response to ACTION Agency studies, individual RSVP program requests, and inquiries I made of ACTION regarding alternate methods of assisting communities in meeting their share of costs under the old funding formula.

I am confident that this adjustment in the Federal/local RSVP funding formula will enable individual RSVP programs to maintain the present high level of services they are providing to their respective communities. More than 170,000 senior volunteers are presently contributing their special skills and experience to public and private volunteer institutions in more than 700 areas in the United States.

RSVP is a most valuable human resource program which benefits senior volunteers and volunteer institutions alike. ACTION's revision of the RSVP cost-sharing schedule will promote the continued record of success and achievement that has characterized local RSVP programs.

I ask unanimous consent that my

correspondence with the ACTION Agency regarding RSVP cost sharing be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

FEBRUARY 16, 1976.

Mr. JOHN L. GANLEY,
Deputy Director,
The ACTION Agency,
Washington, D.C.

DEAR MR. DEPUTY DIRECTOR: The November 10, 1975 volume of the Federal Register contains new ACTION Agency regulations with respect to the implementation of the cost-sharing provisions of the Retired Senior Volunteer Program (RSVP).

We continue to receive a substantial amount of mail protesting the RSVP cost-sharing formula, and, in response, have been advising those writing that the Agency does have a mechanism for granting exceptions to the formula. Could you please advise us whether the Agency communicated this information—set forth in section 1221.3 of the November 10 regulations—to each of the RSVP sponsors, and, if so, how and when it was communicated.

We look forward to hearing from you on this matter.

With best wishes,
Sincerely,
HARRISON A. WILLIAMS, Jr.,
Chairman,
ALAN CRANSTON,
Chairman, Special Subcommittee on Human Resources.

Hon. HARRISON A. WILLIAMS, Jr.,
Chairman, Committee on Labor and Public Welfare, U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: Thank you for your February 16 letter asking how and when information about the Retired Senior Volunteer Program (RSVP) cost-sharing formula was communicated to RSVP sponsors.

On July 15, 1974, a copy of Section 4 of Public Law 93–351 which modified Section 201 of Public Law 93–133, the section pertaining to RSVP, was mailed to all RSVP sponsors by ACTION. This was followed on August 20, 1974, by the attached letter which enclosed a draft order on RSVP cost-sharing, including provisions for exceptions. It was sent to sponsors for information and comment. This draft was also reviewed in a meeting between ACTION representatives and staff members representing various Congressional committees. Certain revisions were agreed upon at that meeting.

The revised ACTION Order on RSVP Cost-Sharing, No. 405.51, also attached to my letter, was issued on October 1, 1974. This is the policy which was published in the Federal Register on November 10, 1975. The Agency did not notify RSVP sponsors of the issuance of this Order, assuming that the order notification described above had alerted them to the fact that such an order was about to be issued.

I am pleased to report to you a follow-up development on RSVP cost-sharing. The cost-sharing formula has been under constant review over the past year and a half. In addition to a study made by a consultant firm, and surveys and evaluations conducted by project directors and RSVP sponsors, we have had many discussions with regional and state ACTION staff regarding the cost-sharing formula. We have also had the benefits of your views and those of other members of the Congress. As a result of these efforts, we have concluded that it would be advisable to modify the cost-sharing requirement to 30 percent non-federal support in the third and subsequent years of a project grant. A notice of this change, which will become effective on or about April 1, has been issued to Regional Directors with instructions that it be communicated to RSVP sponsors, projects directors, and others.

This new formula is generally achievable by RSVP sponsors. Those who experience difficulty in reaching this level of community support, however, may still apply under the exceptions procedure. This change will be welcomed by sponsors and project directors and will enable them to concentrate on developing quality projects with wide community support.

After we have had an opportunity to consult regional staff on revision of the ACTION order on RSVP cost-sharing, RSVP sponsors will again be notified. I feel this change will be welcomed by everyone concerned with success of the Retired Senior Volunteer Program.

Sincerely,
JOHN L. GANLEY,
Deputy Director.

THE COAST GUARD PLUNGES AHEAD

Mr. METCALF. Mr. President, last year the Coast Guard commissioned a segregated ballast tanker study by an industry-Government group that had all the earmarks of a Federal advisory committee but was not operated in accordance with the Federal Advisory Committee Act.

I discussed the problem in some detail in a statement headed, "Illegal Coast Guard Advisory Committee Influences Tanker Pollution Regulations," in the CONGRESSIONAL RECORD of September 5, 1975, at pages 27779–27784. The Coast Guard then deleted the study group's handiwork from its tanker pollution regulations and formally republished the group's recommendations for public review and comment.

Now the Coast Guard has issued what it considers an improved and final set of rules on the subject, and James M. Perry of the National Observer, a student of the proceeding, has written a postscript, "Coast Guard Plunges Ahead," in the issue of the National Observer for the week ending March 20.

I ask unanimous consent that this article be printed in the RECORD, along with Perry's column, "Oil Firms Write Tanker Rules," from the National Observer for September 20, 1975, and the Coast Guard's final regulations on the subject from the Federal Register of January 8, 1976.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

[From the National Observer, Mar. 20, 1976]

COAST GUARD PLUNGES AHEAD

(By James M. Perry)

Last time we looked in, the Coast Guard was preparing to publish its final regulations controlling the construction and operation of oil tankers that ply domestic waters. We reported then that the most controversial regulation was drawn up by an "advisory" committee top-heavy with representatives from the petroleum and shipping interests the regulations are supposed to police.

Well, the upshot of that was the Coast Guard withdrew the regulations, put the whole business out for public comment, and then rewrote some of the language. In lawyer talk, the Coast Guard "cured" itself. On Jan. 8 it did publish the final regulations, and they turn out to be pretty much what we expected in the first place.

FIGHT CONTINUES

The final regulations do not require double bottoms (for extra protection in the event of groundings or other accidents), and they require a segregated-ballast concept only for ships of 70,000 tons or more. There are about 50 (of 218) ships that large in the U.S. tanker fleet.

But the fight to force the Coast Guard to come up with tougher standards to protect our waterways and shoreline from oil pollution continues.

First of all, a group of seven conservation agencies, including the Sierra Club, the Wilderness Society, Friends of the Earth, and the National Wildlife Federation, has filed a civil action in U.S. District Court in Washington.

The plaintiffs, represented by Eldon V. C. Greenberg of the Center for Law and Social Policy, allege the Coast Guard regulations violate the Ports and Waterways Safety Act of 1972 in five different ways.

First, they say, the law specifically ordered the Coast Guard "to improve vessel maneuvering and stopping ability." But, it is alleged, the regulations failed to impose any such standards. Second, the law ordered the Coast Guard to establish rules to improve the ways these ships are manned, but no such requirements appear in the regulations. Third, the law required the establishment of rules to reduce cargo loss following collisions and other accidents. In trying to meet that mandate, the Coast Guard adopted a concept "agreed to by an illegal, industry-dominated advisory committee." That committee came up with just enough "acceptable" configurations for segregated ballast so that every U.S. flag tanker on order or under construction with a clean-ballast system manages to qualify. Beyond that, the Coast Guard imposed no regulations at all to reduce spillage from ships smaller than 70,000 tons. It is these smaller vessels, plying "narrow, shallow, crowded, and environmentally sensitive coastal waterways," that "pose significant environmental hazards."

"GRANDFATHER RIGHTS"

Fourth, the ballast regulations don't apply to any "existing" vessels, which is defined to include ships that won't be delivered until the end of 1977. Creation of these "grandfather rights," the plantiffs say, "frustrates" the basic environmental purpose of the act. Finally, the Coast Guard refuses to distinguish between tankers engaged in "coastwise trade," which, by law, must be American, and tankers engaged in foreign trade, which can and do fly flags of dozens of nations. Thus, it is argued, U.S. flag tankers carrying oil from the Alaskan pipeline to West Coast ports "will be subject to no more stringent standards than any other vessel, U.S. or foreign."

Environmentalists and politicians on the West Coast are especially concerned about the tanker regulations because those big tankers from Valdez will soon be bringing Alaskan oil to their ports. In anticipation of that day, the state of Washington has written rules and regulations that go far beyond anything the Coast Guard has required. Washington's law is now under challenge by Atlantic Richfield Co. in U.S. District Court on the grounds that it's unconstitutional for a state to impose regulations affecting interstate commerce. If that's so, Washington cannot pass legislation to protect its own Puget Sound, one of the most beautful waterways in the world. Early this month, the Senate Commerce Committee held an oversight hearing; one of the recommendations was that the act should be amended to state explicitly that this Federal law is not preemptive of state law.

SUPERTANKERS ON THEIR WAY

Meanwhile, the Coast Guard is running weeks late in issuing regulations for the operations of oil tankers in the "foreign trade," ships that may or may not fly the American flag. The Coast Guard concedes its regulations for those vessels will be no different than the regulations for U.S. flag ships in the "coastwise trade." The supertankers Noel Mostert wrote about in his best-selling book haven't showed up in our waters yet, but they will, soon, and it is these regulations that will govern their conduct.

I had a long talk last week with Rear Adm. Robert I. Price, chief of the Coast Guard's Office of Marine Environment and Systems and the Coast Guard's representative on that "industry-dominated" committee I wrote about so critically.

And now I think I understand why the Coast Guard is so frustratingly cautious about this business. It's because people like Admiral Price have spent weeks and even months putting together an international convention on these ships. That convention, in the form of a treaty, must be approved by the U.S. Senate. Admiral Price firmly believes the convention is an important step forward. He wants the convention ratified. He believes that any regulations we as a nation may adopt that go beyond what the international community is prepared to accept will put the convention in peril.

There are good things in the convention and the admiral makes a case for other good things the Coast Guard is doing, but I continue to believe that this country can impose standards that go beyond what Italy, Greece, Liberia, and all the rest are prepared to accept. By that I mean no slur on these other nations. I simply mean that we should not be restrained in what we can do to protect our own shores and waterways. I think our politicians should make that point clear to the men of the Coast Guard, who really do want to do what's right and who really do need guidance through these treacherous waters.

[From the National Observer, Sept. 20, 1975]

OIL FIRMS WRITE TANKER RULES

(By James M. Perry)

The Coast Guard will publish its final regulations this week controlling the construction and operation of oil tankers that ply domestic waters, including the big ships that soon will bring oil from the Alaskan pipeline to refineries on the West Coast.

The most controversial regulation, it turns out, was drawn up by an "advisory" committee of 11 members, 8 of whom represented the petroleum and shipping interests the regulations are supposed to police. The loudest voice in the deliberations: Exxon Corp.

The advisory committee, says Sen. Lee Metcalf, Montana Democrat, was in direct violation of the Federal Advisory Committee Act of 1972. Under that act, the Coast Guard was required to charter the committee, announce in the Federal Register when and where the committee would meet, hold open meetings on schedule, make all the working papers and transcripts available to the public, and keep careful minutes of all the meetings. The Coast Guard did none of those things.

Beyond that, the law requires that the membership of all advisory committees be "fairly balanced" to represent diverse views. No opponents of the course of action taken by the Coast Guard were named to the committee. Finally, the law states that advisory committees cannot make policy. This one did.

DANGER OF OIL SPILLS

Congress instructed the Coast Guard to come up with these regulations for tankers in domestic trade (I wrote about the controversy, in its earlier stages, in the paper for the week ending Feb. 1 this year) because it wanted to do something about pollution. All tankers spill oil in the normal course of operations; they can spill a lot of oil, all at once, when they have accidents.

The Coast Guard pioneered a system of double bottoms and segregated ballast that its own people said was the safest that could be devised. The double bottoms give extra protection (double hulls are even better) in the event of groundings or collisions. With segregated ballast, all the oil goes in oil tanks and all the ballast water goes in ballast tanks. That way, the tankers don't have to flush out oil tanks to take on water ballast.

In its proposed (against what we have now, the final) regulations, though, the Coast Guard backed down. It didn't require double bottoms and it ruled that segregated ballast would be required only in ships of 70,000 tons or more. Of the 218 tankers in the U.S. fleet, fewer than 50 are bigger than 70,000 tons.

BACK TO THE DRAWING BOARD

That set off a storm of criticism from other Government agencies and from various environmental groups. The Coast Guard went back to the drawing board.

And it turned to the advisory committee (see accompanying box for a list of the members) for help. When it finished its deliberations—the committee met in six full-day sessions—it issued a draft report. The draft report, Senator Metcalf says, admitted right on its cover the work was sponsored by the American Institute of Merchant Shipping, the American Petroleum Institute, the Coast Guard, and the Maritime Administration. "Overall direction," it said (again according to the senator), was provided by the Coast Guard.

But the report as it appears in its final form in the Coast Guard's environmental impact statement makes no mention of the American Petroleum Institute or any other outside agency. The names of the sponsoring groups have been deleted. "To put it mildly," Senator Metcalf says, that "tends to de-emphasize the involvement of the two associations in the design and activities of the study group."

What the study group recommended, the Coast Guard accepted. The advice now is part of the regulations, unchanged and uncontested. The study group recommended a system of segregated ballast (but not double bottoms or double hulls) that is a minimal standard for all tankers now under construction. Nobody, experts I have consulted say, will have trouble meeting these requirements. And there is no requirement that ships built before the adoption of these regulations should retrofit segregated ballast. Exxon has 19 oil tankers; all of them are safe. Chevron has 13; no work will have to be done on them. Same for Mobil, with 10 ships; Gulf, with 15; Texaco, with 18.

INDEPENDENT OF COAST GUARD

I asked the Coast Guard what it thought about all of this. A spokesman came back with a carefully prepared statement that insisted the study group was "in actuality, an ad hoc technical working group of the American Petroleum Institute's Central Committee on Transportation by Water."

And, the statement went on, "the ad hoc technical working group was totally independent of the Coast Guard" because "there was no direct or indirect funding of this work group" to the American Petroleum Institute and Exxon and Chevron and the rest by the Coast Guard. Two officers of the Coast Guard were members of the group only for the "limited" purpose of "defining specific areas of interest to which the group could appropriately direct its attention."

Bosh and tosh.

The Coast Guard went to the industry it is supposed to regulate and requested this study. It worked closely with the committee. Finally, it went along with what the members of this industry committee concluded, unanimously.

And it's too bad. Except for Exxon and one or two others, most oil companies are now building and buying tankers with double bottoms and even double hulls. The state of Washington has passed legislation requiring that those Alaskan oil tankers coming into Puget Sound have double bottoms, twin screws, and two working radar sets, and that they be not more than 125,000 tons. An outraged Coast Guard, it is said, plans to take the state of Washington into Federal Court. The Constitution, the Coast Guard presumably will argue, forbids the state of Washington from protecting its own waters when the ships spilling oil all over the place are a part of interstate commerce.

One big shipbuilding company on the West Coast has designed a 50,000-ton tanker that incorporates almost every safety device man has yet devised. Double hulls, controllable-pitch propellers, everything, and it would cost 5 per cent more than a conventional tanker of the same size.

LENGTHY HEARINGS

The most careful consideration of this issue has been made by Maine's Department of Environmental Protection, which held hearings for two years on the question of allowing construction of an oil refinery at Eastport. It required Pittston Corp., which will build that refinery, to stipulate that tankers coming down the deep, swiftly moving Head Harbor Passage will have segregated ballast and double bottoms and a whole inventory of other safety equipment. Old tankers serving Eastport will be forced to retrofit segregated ballast and double bottoms. If you take a rowboat loaded with oil into Eastport, you'll need double bottoms and segregated ballast.

The old ships are going to be a problem, no doubt about that. The Coast Guard says tankers begin to fail structurally when they reach about 15 years in age. But the Maritime Administration says we'll need to use 30-year-old tankers to transport the oil from Alaska. In other words we'll need to send every rust bucket in our fleet to sea to fetch the oil down from Valdez to Puget Sound, San Francisco, and Long Beach. It is not a very consoling thought.

But the old ways of doing business remain an even bigger problem. It makes no difference if Senator Metcalf is correct, and this was an illegal advisory committee, or if the Coast Guard is correct, and this was an ad hoc technical working group that doesn't come under the law. Either way, what happened is that the people doing the regulating and the people being regulated climbed in the same boat, and took a ride.

"ADVISORY" COMMITTEE

Members of the Coast Guard's "advisory" committee that ruled against double bottoms for U.S. tankers plying domestic water were:

W. O. Gray, chairman, Exxon Corp.

J. Christopher, Chevron Shipping Co.

P. C. Dahan, Mobil Shipping and Transportation Co.

S. J. Dwyer, Gulf Oil Trading Co.

R. Y. Edwards, American Institute of Merchant Shipping.

J. T. Jacobson, Standard Oil Co.

R. K. Kiss, U.S. Maritime Administration.

T. Lamb, Hydronautics, Inc.

R. L. May, Texaco, Inc.

R. I. Price, U.S. Coast Guard.

R. A. Sutherland, U.S. Coast Guard.

[From the Federal Register, Jan 8, 1976]

Title 33—Navigation and Navigable Waters

CHAPTER I—COAST GUARD, DEPARTMENT OF TRANSPORTATION

[CGD 75-201]

PART 157—RULES AND REGULATIONS FOR PROTECTION OF THE MARINE ENVIRONMENT RELATING TO TANK VESSELS, CARRYING OIL IN DOMESTIC TRADE

Tank vessels carrying oil in domestic trade

The purpose of these amendments to the oil pollution regulations is to add requirements for the distribution of segregated ballast in certain seagoing U.S. tankships and barges certified to carry oil in the domestic U.S. trade.

In the October 14, 1975, issue of the Federal Register (40 FR 48289) the Coast Guard proposed specific criteria for the distribution of segregated ballast required in section 33 CFR 157.09. In response to several requests for additional time to comment on the proposal, the comment period was extended from November 13, 1975, to December 1, 1975, by a notice published in the Federal Register (40 FR 54006) on November 20, 1975.

The limited issue of this rulemaking action is "What distribution of segregated ballast spaces required for new tank vessels of 70,000 DWT and over will result in the best improvement in environmental protection with no compromise of overall safety?" Safety, for the purposes of the issue of this rulemaking action, is an all inclusive term that includes environmental protection as one aspect. The rules recently issued in part 33 CFR 157 (40 FR 48280), while primarily concerned with abatement of operational pollution, also will be effective in abating pollution in accidents where the more stringent subdivision and damage stability requirements and tank size limits operate to reduce outflows of oil or prevent the total loss of a ship and its oil cargo. The distribution of required segregated ballast spaces in accordance with rules in this amendment will also reduce outflow of oil from a tanker in case of accident. Tank vessel accidents are statistically small in number involving random, unpredictable events. The number of accidents that result in spillage is even smaller, on the order of one-fourth of the accident events. Further, accident analysis shows that about 80 percent of the oil pollution outflow is caused by approximately 2 percent of the accidents. Several commenters suggested that all very large spills and accidents where the vessels ultimately sank should be withdrawn from the data base, leaving only smaller spills. This approach is not considered sound for two reasons: (1) it rests on the assumption that nothing could be done which would have altered the outcome of those events, and (2) those events by their very magnitude are most deserving of attention.

Several commenters stated that oil spilled from accidents is severely harmful to the marine environment. Because many accidents occur in near-shore areas these commenters suggested that a higher degree of built-in vessel protection against spillage is warranted. It is appropriate to review the history of where oil has been deemed to fit on the relative scale of risk posed to the general public and the port areas, to the vessel and its crew, and to the environment. The Coast Guard has regulated liquid cargo vessels for a number of years by establishing (with the assistance of the National Academy of Sciences) categories of cargo based upon the potential hazards and has required more stringent design and construction features for the vessels as the hazard category of the cargo increased. This methodology has been successful in service as is evidenced by the results shown in the joint MARAD-Coast Guard Tank Barge Study which was referred to by several commenters. The United States has been successful in having this methodology adopted internationally through the deliberations of the Inter-Governmental Maritime Consultative Organization (IMCO). The IMCO Code for the Construction and Equipment of Ships Carrying Dangerous Liquids in Bulk, IMCO Resolution A.212 (VII), recognizes four categories of bulk liquid cargoes. One category consists of substances whose hazards fall outside of the scope of the Code. A second category consists of substances that are considered dangerous, having hazards analogous to oil but of a different nature. Bulk cargoes of these substances are not required to be carried in tanks separated from the hull of the vessel. The other two categories consist of substances which present more substantial hazards than that of oil, e.g., substances which are water reactive, highly toxic to humans, corrosive in the presence of water, which have extremely hazardous flammability characteristics, and which have other properties that make their release a serious safety risk. These substances are required to be transported in tanks separated from the hull because they present greater hazards to the safety of crew, the vessel, and populace in the surrounding area. The Coast Guard considers oil to be similar in hazard to the first two categories of substances described above and has developed construction standards accordingly, including these distribution of ballast requirements.

Several commenters implied that all new tank vessels, regardless of tonnage, should be built with defensive space for environmental protection. The Coast Guard is not requiring defensive spaces solely to provide protection against spillage in event of grounding or collision accident. As the final environmental impact statement on this subject, published August 15, 1975, pointed out, in new tank vessels of 70,000 DWT and above, segregated ballast tanks are required to eliminate the routine event of contaminating ballast water by the addition of that water to tanks which previously contained oil cargo. It is this practice, necessary to immerse the hull for the return voyage, that leads to intentional operational discharge of oily ballast water, a principal source of marine pollution. The proper distribution of these segregated ballast spaces to achieve a secondary benefit in case of accident is a logical extension of the regulations. Segregated ballast is not required on new tank vessels of less than 70,000 DWT because it would not be an effective pollution prevention measure on smaller vessels since most of these vessels carry petroleum products rather than crude oil and most wash tanks for cargo purity reasons rather than to provide space for clean ballast.

The historical data with respect to the relative frequencies of occurrences of side damaging accidents as a result of collisions and rammings versus bottom damaging accidents as a result of groundings reveal that the side damaging accidents occur 1.5 times as often as the bottom damaging accidents.

Data on spill frequency by type of accident are considered more reliable because of better reporting procedures. These data reveal that spills from the side of a vessel from collisions and rammings occur 1.4 times as often as the spills from the bottom from strandings and groundings. As a general rule, within the cargo tank length, the side shell area of a tank vessel including both sides is very nearly equal to the bottom shell area. These two factors would suggest a preference for side protection over bottom protection. The Coast Guard studied a large number of U.S. Salvage Association damage reports to determine if there were any particular areas of the cargo tank block of a tanker that were more prone to damage than other areas. The study revealed that no particular area of the tanker is immune to damage. However, one damage prone area was identified, the area of the turn of the bilge.

Information on the depth of penetration in cases of collision and grounding is extremely scarce. It must be remembered, however, that the physical phenomenon of a side damaging accident makes likely the loss to the sea of the entire contents of an injured tank. This is due to the fact that the specific gravity of most oils is less than seawater and a pressure differential is created by the breach of the hull which allows entering water to displace the oil within the tank. How fast this occurs depends, of course, on the size of the hole and whether it is at or below the waterline. This phenomenon was documented in a Coast Guard report dated May 1945 entitled, "Suggestions Concerning Tank Vessel Operation During Wartime (Based upon Experiences of 6,000 Tankermen Attacked by Submarine)." The following excerpt from that report concerning torpedo damage is of interest:

"We would find a hole in the ship's side at least large enough to drive a truck through. Let us go through the hole into the tank, we would find an interesting thing happening. Although the tank was full of cargo we would see the ocean pouring into the tank at the bottom of the hole and the crude oil cargo pouring into the ocean at the top of the hole—*i.e.*, we would see two liquids, water and oil, pouring through the same hole at the same time in opposite directions! This is a very interesting discovery for it means that all of the oil in the tank is going to be displaced by seawater very quickly and that, in a matter of minutes either the tank will be filled with seawater or what oil remains in the tank will be trapped at the top by the seawater."

This early report was further corroborated by model testing conducted by the Japanese which simulated various size holes in the side of a vessel. This information was submitted to IMCO in 1970 in document DE/25.

In the case of bottom damage, the physics are such that when a puncture of similar size to the previously mentioned side injury is made into the bottom of the cargo tank, a portion of the oil will flow out until a hydrostatic balance is achieved within the tank. This portion will tend to be increased by any dynamic pumping action due to the motion of the ship. This behavior has been demonstrated by model tests conducted at the Netherlands Ship Model Basin. It is also confirmed by the experience of the VLCC Metula where more oil was apparently lost than would have been expected owing to the unusually strong currents to which the vessel was subjected while grounded in the Straits of Magellan in late 1974.

Both of these phenomena regarding side and bottom injuries have been well understood for a number of years. In fact, they underlie the development of cargo tank size and arrangement regulations that deal with the probability of volume of outflows. It is also necessary to understand that the hypothetical damages that are imposed upon a tanker design in arriving at the assumed outflows are severe conditions of damage. They do not necessarily represent the absolute worst case but are well up a relative scale toward the worst case. Furthermore, the hypothetical damages are not imposed randomly but are assumed to occur at the *worst location*. This means that in a large number of collisions and groundings the actual extent of damage will be considerably less than the hypothetical damage, which also means that the actual outflow will likely be less than hypothetical. A smaller degree of damage, however, does not in itself ensure a considerable outflow reduction. As already pointed out, a very small hole in the side of a tank will eventually result in the loss of the total contents of the tank, whereas a similar hole in the bottom will result in considerably less outflow.

Many spills, of course, do not approach the hypothetical limits primarily because the damage is not as severe as the damage assumptions. This would appear to favor a scheme of uniform distribution of ballast space so as to cover as much of the shell area of the tanker as possible. However, as already noted, historical data show that a small number of accidents where large amounts of oil have been spilled or where the vessel has been totally lost account for the bulk of the total spillage. This would indicate that protection is warranted in order to decrease the severity of the spillage in these cases and to ensure the survivability of the vessel. In some accidents the severity of damage will be such that no amount of protection will be effective, but there are still many accidents where the protection will be effective. The problem of whether the defensive space should be used as lump placement or as relatively thin uniform distribution leads to conflicting solutions. The amount of segregated ballast to be distributed within the cargo block of a tanker is limited, being on the order of 20 percent of the full load displacement. Uniform distribution of this ballast volume into relatively thin spaces separating cargo from shell can reduce hypothetical outflows to some extent, however, lump placement of the ballast as in staggered wing tank designs can effect a greater reduction in the hypothetical outflows associated with more serious accidents.

There is another reason entirely divorced from the spillage problems, that uniform distribution is not entirely feasible. This involves the problem of maintaining the longitudinal stress within established criteria while ensuring that segregated ballast is so distributed as to be able to meet the draft and trim requirements. The amount of segregated ballast to be distributed is not sufficient to accommodate both uniform distribution and necessary location. Therefore, the proposed segregated ballast distribution formula was developed as a compromise requiring some amount of uniform distribution of the ballast but also leaving the designer sufficient flexibility to place some of the ballast within the cargo tank length at the proper locations to ensure that the vessel remains within the strength criteria and meets the draft and trim requirements.

Several commenters suggested that the proposed formula for ballast distribution was biased in favor of side protection versus bottom protection because of accepting smaller minimum separation spaces for sides. Several commenters also criticized the .65 and .45 coefficients which were embodied in the formula as biasing the formula in favor of side protection versus bottom protection. The bias for side protection was attributable to the additional consequences that occur in cases of collisions and rammings. Often collisions and rammings of tankers penetrating the cargo tank area result in fire and explosions of serious proportions, in many cases engulfing the entire vessel with the potential for loss of life of the crew members in addition to oil outflow.

It is not necessary to have a high energy collision for this to occur. The 1975 collision of the *Edgar M. Queeny* with the moored vessel *Corinthos* in the Delaware River is notable example. The port anchor of the *Queeny* penetrated the *Corinthos* in the cargo tank area and that was the *sole* contact between the two vessels. Yet, by this minor injury, the *Corinthos* was subsequently engulfed by explosions and fire resulting in 26 deaths, pollution, and hazarding of the nearby refinery facility and community. Notwithstanding this explanation, these regulations have been adjusted to remove the bias for side protection, recognizing that prevention of pollution is a directly relatable benefit and the additional benefits implied above are more conjectural.

Several commenters referred to the Office of Technology Assessment report on "Oil Transportation by Tankers: An Analysis of Marine Pollution and Safety Measures" (July 1975) and also an ECO, Inc., report entitled, "Economic and Environmental Aspects of the Construction and Operation of Oil Tankers," (March 1975) done for the Council on Environmental Quality. Both of these reports purported to be complete examinations of the factors involved. From their limited viewpoint of spill mitigation, the reports concluded that double bottoms and double hulls would be the most effective type of construction in respect of prevention of outflows in case of accidents. The Coast Guard must, however, appraise the subject from a broader viewpoint, including kinds of accidents that may occur, types of accidents that warrant protective emphasis, and other safety aspects of the vessel that are affected by the manner of ballast distribution. It is the Coast Guard's view that these regulations do not emphasize side protection, recognize that there is a trade-off between the amount of area covered versus the outflow reductions to be effected on a hypothetical basis, and are the best approach. The Coast Guard believes this technical approach is sound, and coupled with other considerations involved, results in a rational solution to a difficult problem.

One commenter suggested that the Coast Guard's proposed action fails to meet the mandates of the Ports and Waterways Safety Act, specifically those of Title II, in that the Coast Guard proposal does not require application of the "best available pollution prevention technology." Title II of the Ports and Waterways Safety Act, section 201(4) does not specifically require the application of the best available pollution prevention technology. The criterion in that section requires that the Coast Guard establish a need for a particular regulation. Alternative solutions must then be examined from the point of view of the extent of the improvement in safety and/or environmental protection expected by that alternative together with its practical feasibility and cost. The Coast Guard is mandated to publish as a proposed rule the selected alternative that best meets all the criteria.

One commenter suggested the deletion of paragraph 33 CFR 157.09(d)(1) since it appeared it would be redundant because the distribution of the ballast would have to be on the sides and the bottom in order to meet the formula. This is true and this paragraph has been deleted. The same commenter questioned whether the spaces along the area of the turn of the bilge of a vessel where the cargo tanks were separated would be credited as both side protection and bottom protection. This was the intent of the proposed rule because this area is prone to damage, and it is the intent in the revised wording of 33 CFR 157.09(d)(2).

The Council on Wage and Price Stability suggested that in view of the cost versus the benefits to be derived from segregated ballast, there is no justification for requiring segregated ballast and, therefore, the distribution of ballast was a moot point. The Coast Guard does not agree. The 1973 International Conference on Marine Pollution reached an agreement that segregated ballast is needed as a measure to improve the environmental quality of the oceans. The Coast Guard fully supports the Conference view, and, therefore, considers it would be a grave loss of environmental protection to set aside the requirement for segregated ballast on new tank vessels of 70,000 DWT and greater. Essentially, the argument of this commenter was that improved load-on-top procedures if strictly enforced, would achieve the same reduction of operational pollution as could be achieved by segregated ballast tanks, and that the cost would be considerably less. This argument is not persuasive for two reasons. First, the rationale for requiring segregated ballast is to eliminate as much of the source of operational pollution from these vessels as possible. The alternatives are either "built-in" protection against discharge or stricter implementation and enforcement of discharge criteria through an elaborate operational process. The second reason is the concern for the absolute amounts of oil entering the ocean from operational discharges. Even though the amounts of oil discharged from a vessel conscientiously practicing LOT can be small, the amounts are considered unacceptable in terms of the total quantity entering the sea from all the tankers plying the oceans.

Two commenters, the Environmental Protection Agency and the Council on Environmental Quality, supported the concept of the distribution of segregated ballast space because it achieved two purposes: (1) A reduction in the hypothetical outflows and (2) defensive space over a certain portion of the hull. These two agencies also suggested, along with others, that the formula was cumbersome and not easily understood and that the coefficients and minimal separation established as protective space all militated against effective use of a formula. The formula concept has been dropped and 33 CFR 157.09(d) has been revised to embody specific goals to be achieved in the design of conventionally configured tank vessels. The present rule (33 CFR 157.09(d)) on segregated ballast space distribution is retained for vessels not of conventional configuration. It is appropriate to briefly examine what the effect of these goals will be on specific design configurations for new tank vessels. The regulations will require two things: first, a 20 percent reduction from maximum in the average of the hypothetical outflows and second, that a certain percentage of the hull must have protective space separating the cargo from the hull. Certain vessel design configurations do not meet the hull coverage criteria and these particular designs are required to achieve a greater outflow reduction in the hypothetical outflow. For these designs, the effect of the rule is that the vessels must be designed with greater internal subdivision of the cargo tanks. One commenter pointed out that he was satisfied that the amount of oil spilled would be inversely proportional to the number of cargo compartments on a tanker. This is true to the point beyond which the extent of damage to be expected becomes too great, i.e., where multiple tank boundaries become involved.

Many commenters expressed a concern with respect to the application of these rules to existing tank vessels. The Coast Guard has a working group as a subsidiary body to the National Committee for the Prevention of Marine Pollution examining all aspects of this problem. It must be emphasized that even should the study determine the desirability of retrofitting segregated ballast on existing vessels, the only apparent practical way of doing this would be to use a staggered wing tank type of design configuration.

In summary, the Coast Guard considers the revised rules as published in this document to be an improvement upon the proposed rules in that the criteria are easier to understand and apply. Yet, the revised rules are not substantially different in their effect from the previously proposed rules. The rules provide sufficient flexibility for the design of safe, efficient segregated ballast tankers. The Coast Guard believes that providing sufficient flexibility is absolutely necessary to encourage variations in design and intends in the long term to review the historical experience resulting from the application of these regulations. The review may result in revision of these rules if certain alternatives are found in practice to be superior to others.

In consideration of the foregoing, the proposed regulations that appear in the October 14, 1975, issue of the Federal Register (40 FR 48289) are hereby adopted subject to changes discussed in preceding paragraphs. It was Congressional intent that the regulations be effective not later than June 30, 1974, and any further delay would be contrary to the public interest. Accordingly, it is found necessary to make the regulations effective on January 8, 1976.

In consideration of the foregoing, Chapter I of Title 33, Code of Federal Regulations, is amended as follows:

1. Section 157.03 is amended by adding paragraph (aa) to read as follows:

§ 157.03 Definitions.

* * * * *

(aa) "Cargo tank length" means the length from the collision bulkhead to the forward bulkhead of the machinery spaces.

2. Section 157.08 is amended by adding paragraph (a) (4) to read as follows:

§ 157.08 Applicability.

(a) * * *

(4) The requirements in § 157.09(d) do not apply to vessels constructed under a contract awarded before January 8, 1976.

* * * * *

3. Section 157.09 is amended by revising paragraph (d) and adding paragraphs (e) through (g) to read as follows:

§ 157.09 Segregated ballast.

* * * * *

(d) Segregated ballast spaces, voids, and other noncargo-carrying spaces for a vessel of conventional form must be distributed—

(1) So that the mathematical average of the hypothetical collision (O_c) and the hypothetical stranding (O_s) outflows as determined by the application of the procedures in § 157.19 and Appendix B is 80 percent or less of the maximum allowable outflow (O) as determined by paragraph 157.19(b) (1); and

(2) To protect at least 45 percent of the sum of the side and bottom shell areas, based upon projected molded dimensions, within the cargo tank length. When the vessel design configuration does not provide for the spaces to be distributed to protect at least 45 percent of the side and bottom shell areas, the spaces must be distributed so that the mathematical average of the hypothetical collision (O_c) and the hypothetical stranding (O_s) outflows, determined by application of the procedures in § 157.19 and Appendix B, is a further 2 percent less than the maximum allowable outflow (O_a) for each 1 percent by which the shell area protection coverage required is not achieved.

(e) A ballast space, void or other noncargo-carrying space used to meet requirements in paragraph (d) of this section must separate the cargo tank boundaries from the shell plating of the vessel by at least 2 meters.

(f) A vessel of conventional form for application of this section has—

(1) A block coefficient of, 80 or greater.

(2) A length to depth ratio between 12 and 16, and

(3) A breadth to depth ratio between 1.5 and 3.5.

(g) Segregated ballast spaces, voids, and other noncargo-carrying spaces for a vessel not of conventional form must be distributed in a configuration acceptable to the Coast Guard.

4. Section 157.24 is amended by adding new paragraph (c) to read as follows:

§ 157.24 Submission of calculations, plans and specifications.

* * * * *

(c) Calculations to substantiate compliance with the segregated ballast distribution requirements in § 157.09(d).

* * * * *

(RS 4417a(3) and (7), as amended (46 U.S.C. 391a(3) and (7); 49 CFR 1.46(n) (4))

Dated: January 2, 1976.

E. L. PERRY,
Vice Admiral, U.S. Coast Guard,
Acting Commandant.

[FR Doc.76-522 Filed 1-7-76;8:45 am]

REFORM OF FEDERAL INCOME TAX LAWS

Mr. MANSFIELD. Mr. President, I ask unanimous consent to have printed in the RECORD the comprehensive testimony of the senior Senator from Massachusetts (Mr. KENNEDY) before the Finance Committee on March 18, 1976. I commend the statement to my colleagues and urge they give it the serious attention and consideration it deserves.

There being no objection, the testimony was ordered to be printed in the RECORD, as follows:

TESTIMONY OF SENATOR EDWARD M. KENNEDY, SENATE COMMITTEE ON FINANCE HEARINGS ON TAX REFORM

Mr. Chairman, I appreciate this opportunity to present to this distinguished Committee my views and proposals concerning the reform of our federal income tax laws.

Significant income tax reform is one of the most vital issues facing our country. The inequities that permit upper income individuals to pay little or no tax are undermining the foundation on which our tax system rests.

In addition, we now perceive that "tax" reform also involves "spending" reform. Decades of past decisions to use the income tax system as the mechanism for vast federal spending programs are coming home to roost. There are simply not enough Federal dollars in the Federal Treasury to pay for all the direct spending and tax spending and tax relief programs that Congress would like to fund.

The Budget Reform Act is bringing the same long overdue discipline to tax expenditures as it has already brought to direct expenditures. The Senate looks to this Committee and to the Budget Committee for responsible fiscal leadership in controlling tax expenditures, just as it looks to the Appropriations Committee and the Budget Committee for responsible fiscal leadership on direct expenditures.

As part of my testimony, I have prepared three charts to illustrate various aspects of tax expenditures.

The first chart compares the growth of direct expenditures and tax expenditures in recent years. Over the past decade, direct federal spending has risen by 146%, from $158 billion in 1967 to $394 billion proposed by President Ford in 1977. But during the same period, tax expenditures rose by 176%, from $36 billion in 1967 to $101 billion in 1977, as estimated by the Congressional Joint Tax Committee. We now have, in round numbers, a federal budget of half a trillion dollars—$400 billion in direct spending and $100 billion in tax spending, for a total of $500 billion in overall annual Federal spending.

The second chart shows the relationship between the growth of tax expenditures and the growth of expenditures for national defense in recent years. In the budget debate this year, as in each debate in past years, one of the leading issues will be the priorities between spending for defense and spending for domestic social programs like jobs and schools and health.

Congress has devoted major attention and energy and hours to the annual debates over the rising expenditures for defense. But there has been virtually no debate over rising tax expenditures, which have subtly but swiftly mushroomed to levels rivaling the level for defense.

In 1967, the amount of tax spending was only a little more than half the amount of spending for defense. By 1972, the ratio had risen to 80%. Now, in fiscal 1977, in a curious coincidence of the budget process, tax expenditures have caught up precisely with defense expenditures, even to the first decimal point—$101.1 billion.

And by 1981, as the Congressional Budget Office projections indicate, tax expenditures will have grown to a level even higher than projected defense expenditures.

The third chart illustrates still another dimension of the tax expenditure problem—the potential future growth of various tax expenditures. The six examples on the chart indicate the way tax incentives, once ensconced in the Internal Revenue Code, tend to grow like Topsy. According to C.B.O. estimates:

Tax spending for DISC, the export tax subsidy, will rise by 30%, to $1.7 billion by 1981.

Tax spending for the investment credit and ADR, two of the major subsidies for capital formation in the current law, will rise by 39% to $13.6 billion.

Tax spending under the rule exempting capital gains at death will rise by 65%, to $11.1 billion.

Tax spending for health (the special deductions and exclusions for medical expenses and for health insurance premiums) will rise by 73% to $9.8 billion.

Tax spending for oil, through the deduction for intangible drilling and development costs, will rise by an incredible 184%.

Let me digress here to mention what I regard as one of the most cockeyed aspects of the system of tax expenditures. Mr. Chairman, you and Senator Ribicoff and I are all supporters of one or another Federal program for national health insurance.

But we already have a national health insurance program—and I am not referring to Medicare and Medicaid. The Internal Revenue Service is running a multi-billion dollar national health insurance program, and it has been doing so for many years through the Internal Revenue Code and the deduction for health insurance premiums and medical expenses.

Let me describe this program.

The only persons who can take advantage of the program are those who itemize deductions. In general, persons who itemize deductions are usually those with mortgage interest to deduct. So, the tax code has a national health insurance program for homeowners,

The IRS, like many private insurance companies, has a "deductible" in its health insurance program, since health expenses may be deducted only to the extent they exceed 3% of income. That eliminates most taxpayers from the program, even if they are homeowners.

Worst of all, the IRS program also has a "coinsurance" feature, like many private policies. Only this coinsurance is upside-down—the richer you are, the more the government pays. For those in the lowest tax brackets, the government pays 14% of the health bill, and the taxpayer pays 86%. But for the wealthiest taxpayer, the government pays 70% of the bill, and the taxpayer pays only 30%.

Surely, if we were starting now, none of us would create a national health insurance program with absurdities like that. Yet that is the program the Internal Revenue Service is carrying out today.

I believe that all tax spending provisions should be re-examined under the criteria we use for evaluating direct spending programs—need, efficiency and equity. As a result of such studies, it is increasingly clear that many of the present tax expenditures should either be eliminated or substantially modified to make them more efficient and equitable.

We also must not lose sight of the fact that the tax laws and efforts of this committee must produce equity and fairness for all taxpayers.

In my work in the Subcommittee on Administrative Practice and Procedure, I have come to appreciate the truly remarkable effectiveness with which our self-assessing system works. It is no understatement to say that it is the envy of all modern industrialized countries.

But at the same time, the success of the self-assessment system rests on the most fragile of bases—the confidence of each

American taxpayer that our tax laws are drafted and administered so that all other taxpayers are contributing their fair share of taxes to meet our common national goals.

There is increasing and disturbing evidence that the confidence of the average taxpayer in our federal income tax system is being severely eroded. The middle income individuals who make up the vast majority of taxpayers are losing faith in the integrity of our income tax system.

This loss of faith is directly attributable to the preferential provisions in the Internal Revenue Code that permit individuals with $50,000 and more of income to pay less taxes than workers making $7,500 to $10,000 a year.

Some of these lower income taxpayers understandably wonder why, if the rich can avoid paying taxes by legal means, they should not "favor" themselves a bit when computing their income tax deductions. Indeed, a distressing number of books and magazine articles have appeared in recent years, purporting to tell average taxpayers how to "create" their own loopholes on their income tax returns.

Fortunately, most taxpayers file their tax returns fully and honestly. They report their total income and they claim only their legitimate deductions. But the adverse impact of massive—though legal—tax avoidance by upper income individuals on the morale of the ordinary taxpayer cannot be overestimated.

Congress should act this session to reverse this dangerous trend. We must reassure the average taxpayer that his wealthy fellow citizens are paying their fair share of income taxes.

This Committee should examine the data on tax avoidance by high income individuals developed by the Staff of the Joint Committee on Internal Revenue Taxation. How can we justify facts like these:

Two well known individuals, with incomes in excess of $500,000, paid no federal income tax.

An individual with income of $2 million paid tax at an effective rate of 2½%.

An individual with income over $900,000 used tax shelter deductions to the extent that he almost entirely escaped paying any income tax.

A corporate executive with almost $450,000 of income paid tax at a rate of three-tenths of 1%, as a result of tax shelter deductions.

A corporate executive paid 3.5% in tax on $532,000 of income.

A lawyer paid no tax on $151,000 of income.

A dentist paid no tax on $156,000 of income.

A stockbroker with income of $181,000 paid tax at a rate of five-tenths of 1%.

Mr. Chairman, these are actual case histories in which high income individuals have been allowed to avoid any significant contribution to their government. I urge the members of this Committee to examine carefully the cases developed by the Joint Committee Staff. I believe you will come to share the sense of outrage felt by millions of average wage earners at the glaring injustice of our present system.

H.R. 10612, the Tax Reform Bill now pending before this Committee, offers the Senate a real opportunity to remedy some of the worst abuses in the Internal Revenue Code. The House bill contains many important provisions that move us in the direction of genuine tax reform. For their efforts, the Ways and Means Committee and the Joint Tax Committee Staff deserve the thanks of all of us interested in tax reform.

But the Senate should view the House bill as a foundation on which to build, not a structure to be demolished. There are some reforms that should be kept. There are others that should be strengthened. There are still other reforms that should be added.

And, in some instances, provisions in the bill should be deleted or studied further, lest they become sources of new tax inequity.

I am submitting to the Committee as an attachment to this statement my detailed proposals for comprehensive tax reform. In my remarks today, I would like to touch briefly on the highlights of the proposed reforms and describe how they represent appropriate responses to the inequities in our tax system.

OBJECTIVES OF TAX REFORM PROPOSALS

In broad terms, my proposals for income tax reform have these objectives:

First, to insure that upper income individuals pay their fair share of income taxes.

Second, to provide greater equity in certain tax rules for low and middle income taxpayers.

Third, to provide more rational and equitable rules for capital formation and business operations.

Let me outline the steps that need to be taken to achieve these objectives.

REFORMS TO INSURE THAT UPPER INCOME INDIVIDUALS PAY THEIR FAIR SHARE OF INCOME TAX

The minimum tax

The House bill substantially strengthens the minimum tax, which is designed to insure that individuals with large economic incomes will make at least some contribution to their government.

For individuals, the House bill would raise the minimum tax to 14%, repeal the deduction for regular taxes, repeal the carryover of unused regular taxes, and add new items of tax preference. Many of us in the Senate have proposed these changes in the past, and I urge the Committee to adopt these actions of the House.

The House failed, however, to adopt these reforms for corporations. This is an unjustified omission. Corporations use loopholes, too, and they should be subject to the minimum tax on their income from such loopholes.

In addition, the Committee should reduce the present $30,000 minimum tax exemption to $5,000. This is the approximate income of a low income family of four that is now exempt from tax. I do not believe that high income individuals need a larger exemption for tax preference income than we give to families at the poverty level. The $5,000 exemption for individuals should be phased out dollar-for-dollar, so that it disappears at $10,000 of preference income. For corporations, the exemption should be eliminated completely.

Repeal of maximum tax

As another measure to insure that high income individuals pay their fair share of taxes, I urge the Committee to repeal the present 50% maximum tax on earned income. This preferential rate produces a $660 million tax benefit for some 1% of the taxpayers in the country—virtually all with adjusted gross incomes in excess of $50,000. One of the principal objectives of the maximum tax was to encourage the highest income earners to "mind their business" instead of concocting tax avoidance schemes. With the adoption of reforms to curb tax shelters directly, and with a stronger minimum tax, this unfortunate tax bow to the wealthy should be eliminated. I would also note that current tax shelter offerings indicate that the maximum tax is actually causing a greater federal revenue loss from tax shelters than was the case before its enactment. Thus, the provision has apparently failed to achieve the objective originally stated.

Capital gains at death

Another major reason why upper income individuals pay less than their fair share of taxes is the preferential treatment accorded capital gains. This income is taxed at only one-half the normal tax rates, and it is exempt from tax entirely if passed on to heirs at death.

These two rules result in a federal tax subsidy of over $12 billion in fiscal 1976—$5.5 billion from the preferential rates and $6.7 billion from the failure to tax gains at death. By fiscal 1981, the Congressional Budget Office estimates that the total subsidy will rise to more than $20 billion.

Who benefits from this federal generosity? An estimated 42% of the benefit from the failure to tax gains at death goes to the top 1.2% of income recipients in the country—those with incomes over $50,000 each year. Fully two-thirds of the lost revenue from preferential rates goes to this same privileged group in our population.

In light of these figures, it is imperative that Congress move now to end the tax exemption accorded to gains on property transferred at death. Last September, I introduced legislation to achieve this result. I believe the bill—S. 2345—represents a sound proposal from which this Committee can develop fair and effective rules to terminate this gaping tax loophole. The proposal would impose the income tax on all gains in property transferred at death or by gift after March 31, 1976.

The proposal represents a balanced and gradual approach to the capital gains at death problem:

All gains up to December 31, 1975 will be exempt from the tax; then the new system will be phased in gradually. Thus, the reform will not reach back to gains occurring in the past or unsettle estate plans already in effect. But it will close this flagrant loophole for the future.

A basic $60,000 exemption will be available, so that decedents with relatively small amounts of gains will not be subject to the tax.

All transfers between spouses will be exempt.

All transfers to charity will be exempt.

Special rules will apply to owners of farms and small businesses with liquidity problems, to insure that the tax does not force an unwanted sale of property in the estate.

The capital gains tax will be a deduction for estate tax purposes.

Accrued losses at death will be allowed as income tax deductions.

TAX SHELTERS

"Tax shelters" have become a new American way of life for wealthy individuals in this coutry in tax brackets of 50% or higher. There is hardly an area of economic life that tax shelters have not infected in recent years.

They are used in farming, from cattle to azalea bushes.

They are used in drilling for oil and gas.

They are used in motion pictures, from family-oriented films to hard-core pornography.

They are used in real estate development, from motels and shopping centers to commercial high rises and beach-front condominiums.

They are used in equipment leasing, from oil tankers that are too big to dock in American ports, to boxcars for the railroads and 747's for the airlines.

They are used for professional sports franchises from the machinations that may be keeping baseball out of Washington to the Atlanta Falcons case now in Court.

Tax shelters cost the Treasury billions of dollars annually in lost revenues. And all of this tax subsidy goes to investors in the top tax brackets. Indeed, most of the handsome multi-colored brochures advertising tax shelter investments caution that prospective investors should consider the shelter only if they are in the 50% bracket or higher.

Studies of tax shelter transactions show the significant waste of federal funds involved in these transactions. Much of the federal tax expenditure is siphoned off—in lawyers' fees, accountants' fees, brokers' fees, computer fees and "commissions" to those involved.

In some real estate transactions for example, as much as 40% of the federal tax spending goes not to actual construction costs, but to these parasites in the syndication process by which tax shelters are packaged and sold to wealthy investors.

Congress can and should provide Federal aid to some of the economic activities in which tax shelters now operate—low income housing, for example. But we owe it to the average taxpayer to spend the funds in a way that achieves the real objective of the federal aid, and does not create hordes of "tax millionaires" in the process.

The existence of tax shelters also generates significant distortions in the economy. Tax shelters in farming, for example, have artificially driven up the price of land; they have accentuated the boom and bust cycles for legitimate cattle ranchers and citrus growers.

The heart of this aspect of the problem is that many tax shelter deals do not need a real economic profit to make money for the investors—the profit is derived from the tax savings alone. Obviously, legitimate businesses that have to make a real economic profit find it difficult to compete with such "tax profit" operations.

I urge the Committee to adopt strict measures to stop these tax abuses.

Specifically, I propose that in the case of limited partnerships—the primary legal form used to market most syndicated tax shelter deals—the investor's tax deduction should be limied to his actual financial risk. If an investor puts $10,000 of his own funds into a tax shelter limited partnership, he should not be able to take more than $10,000 in tax deductions from the shelter. Present rules, however, permit the limited partner to deduct amounts attributable to non-recourse financing, where the investor has no liability for the borrowed funds. By limiting the deductions for limited partners to their investment at risk, we can end the leveraging by which tiny investments are passed through the Internal Revenue Code and transformed into huge tax savings.

In addition, the House bill includes a measure—the limitation on artificial losses (LAL)—that will supplement my proposal. LAL is intended to prevent the use of artificial deductions generated by tax shelters; under present law, these deductions can be used to offset or eliminate tax liability on income from other activities—doctors' and dentists' fees, executive compensation and other high salary and high income individuals.

The "at risk" limitation I have proposed is directed at the leverage abuse in tax shelters. LAL is directed at the deferral abuse that occurs when artificially large deductions from one activity are used against income from totally different sources.

The LAL provision in the House bill represents an appropriate response to the tax shelter problem. I am, however, proposing several modifications to insure that it constitutes an effective limitation on these operations. Of course, LAL is complex. But tax shelter transactions themselves are among the most complex business transactions in the country. The Committee should not be deferred by objections based on LAL's complexity. The objective is clear. I am satisfied, after consulting with many experts knowledgeable in the field, that LAL represents a proper, timely, and effective response to the abuses created by tax shelters.

Other Proposals Affecting Upper Income Taxpayers

I also urge the Committee to adopt reforms in the following areas:

We should curb "expense account living" by denying a deduction for first class air travel and for attending certain conventions outside the United States.

We should provide proper tax treatment for beneficiaries of accumulation trusts, by requiring that they employ a correct method of computing tax liability. We should also impose an interest charge on tax liability deferred through the use of such trusts.

These various proposals, if enacted, will represent a major step by Congress toward insuring that our progressive tax system is fair to every taxpayer. High income individuals and corporations must pay their way if the Internal Revenue Code and our self-assessment system are to deserve the confidence of millions of ordinary American taxpayers, who pay too much because others pay too little.

PROPOSALS TO PROVIDE GREATER EQUITY FOR LOW- AND MIDDLE-INCOME INDIVIDUALS

Refundable Child Care Credit

The House took a significant step toward greater equity by converting the present child care deduction into a tax credit. Under the House bill, the credit would equal 20% of child care costs, with a ceiling on the credit of $400 for one child and $800 for two or more children.

The House provision eliminates the "upside-down" effect of the current deduction, which gives much greater benefits to working parents with $35,000 income than to those with $10,000 income. Under the credit mechanism, all working couples with the same amount of child care costs will receive the same benefit, regardless of income.

But the House bill leaves a glaring inequity in the proposed credit. It is not available to those who need it most. The credit goes only to working parents who have a tax liability. All working parents below the poverty level are excluded from the benefit.

To remedy this inequity, the Committee should amend the child care credit to make it refundable. Parents with child care costs could obtain a tax refund of $200 or $400, if their income was not sufficient to incur a positive tax liability. This action would parallel the recent Committee and Senate action putting the WIN tax credit for child care facilities on a refundable basis.

Earned income credit

The refundable earned income credit is a reflection of the genius of the Chairman of this Committee. It is an imaginative and useful tax response by Congress which encourages low income Americans, trying to work their way out of poverty status, by alleviating the burden of Social Security taxes they have to pay.

The credit is equal to 10% of earned income, up to $4,000 of income; it gradually phases out by $8,000 of earned income. In general, the amount of the credit offsets the amount of Social Security taxes paid by low income workers.

As presently structured, the credit is typically available only to couples with dependent children. I urge the Committee to expand the eligible class to include married couples, even if they have no children. Indeed, if revenue constraints permit, I hope the Committee will give serious consideration to extending the earned income credit to single persons working on a substantially full time basis.

PROPOSALS TO PROVIDE MORE RATIONAL AND EQUITABLE RULES FOR CAPITAL FORMATION AND BUSINESS OPERATIONS

The Budget Reform Act is now requiring Congress to develop more efficient ways to deal with the critical fiscal issues facing the country. As I have mentioned earlier, the terms of the Act make clear that federal spending programs through the tax system must be subjected to the same critical scrutiny and control already being given to direct spending programs authorized by Congress.

This means that these tax spending programs must be examined in light of the questions we normally ask of other spending:

Is there a need for any federal subsidy at all? Are free market mechanisms truly inadequate to meet the problem?

If so, what is the most efficient way to meet the need? Direct grants? Low interest loans? Loan guarantees? Or, tax subsidies?

If the tax spending or other routes are selected, are the benefits of the program equitably distributed?

I have applied these criteria to the tax expenditure programs, discussed above, that primarily affect individuals. The proposals I have offered are intended to assure more efficient and more equitable operation of those programs.

It is equally necessary that the Senate examine in the same way the tax expenditures used to stimulate capital formation and to aid certain business operations. My own analysis leads me to recommend a number of changes that will make our present tax spending programs for business more rational, more equitable, and more beneficial to the economy as a whole.

Capital formation

In the recent past, the investment tax credit has been the primary method by which the federal government has encouraged business to invest in capital equipment. The credit has served its purpose reasonably well. It has been an effective tool in stimulating the purchase of machinery and equipment.

But the tool must be sharpened if it is to meet the nation's modern needs. I therefore propose that the investment credit be modified in the following specific respects:

The basic credit (which is presently scheduled to revert to 7% in 1977) should be extended at a flat rate of 10%.

Beginning in 1977, an additional 5% credit should be provided for incremental investment above a three-year average base period level.

Beginning in 1978, the full 15% credit should be made refundable.

The "incremental credit" feature of the proposal recognizes the need to stimulate increased capital investment to create new jobs. The "refundable" feature will provide needed assistance to new businesses, to those undergoing temporary economic losses, and to non-profit organizations such as hospitals, colleges and universities, which also deserve the benefit of this incentive.

To help provide the revenue for this more efficient and more equitable investment credit, Congress should repeal the Asset Depreciation Range (ADR) system, which was unwisely enacted in 1971. There is broad agreement among economic experts that the investment credit—with the changes I have proposed—will be a more efficient and effective stimulus to capital investment than accelerated depreciation gimmicks like ADR.

I also believe that the refundable, incremental investment credit I am proposing will constitute a valuable resource for small businesses, especially those that are in their formative stages of development.

In addition, I urge the Committee to approve the House action in extending for another two years the tax reductions for small business. I know that the lower tax rate and higher surtax exemption have been extremely beneficial to many small businesses in my own region of New England and in many other sections of the country. Too often, when tax incentives have been enacted in the past, small business has been left out. The measures in the Tax Reduction Act of 1975 have been of useful value, and they deserve to be extended.

Oil and gas operation

With the price of oil continuing at astronomic levels, the time has come to end the major federal tax subsidies for oil and gas. The Congress should take the following specific steps:

Require capitalization of intangible drilling and development costs.

Require "recapture" of the tax benefits in cases where property subject to the intangible deduction is subsequently sold at a gain.

Phase out the 2000 barrel per day exemption from repeal of the percentage depletion allowance.

Reduce the tax credit for foreign oil income to 48 percent.

Multinational corporations

We must also revise the rules that provide "tax favoritism" to American corporations doing business overseas. I believe that America and American business will benefit together if our tax rules are neutral as between enterprises that operate entirely in the United States and those that operate through subsidiaries abroad.

The Senate should once again—as it did in 1975—vote to end the present tax deferral on income earned by foreign subsidiaries of U.S. multinational corporations. We need jobs in the United States. We should not be encouraging American companies to go abroad to hire foreign workers, when unemployment is over 7 percent at home.

The Senate should also repeal the DISC tax benefit. This subsidy is a Treasury-spawned tax loophole enacted in 1971. It has proved to be an almost complete waste of taxpayers' money—now costing the Treasury $1.5 billion a year. The House Budget Committee, after an extensive study, concluded that DISC has created few if any jobs for American workers. The AFL–CIO has reached a similar conclusion. Congress can think of better ways than DISC to spend $1.5 billion to create new jobs.

Estate and gift tax reform

Finally, comprehensive estate and gift tax reform is long overdue. Not since 1942 has a complete review of the entire system been undertaken by Congress. It is encouraging that the Ways and Means Committee has this week begun hearings on this important subject.

If the Committee decides to include estate and gift tax reform in the pending bill, I would appreciate the opportunity to appear at a later date to present detailed views on the steps I believe we should take to insure a fair and effective transfer tax system. I have outlined some of these points in the "detailed" portion of this statement.

I strongly urge the Committee, whatever action it takes on broader issues of the estate and gift tax laws, to reject outright the President's proposal to increase the estate tax exemption from $60,000 to $150,000. This proposal—ostensibly intended to help small farmers—would severely undercut the effectiveness of our estate and gift tax laws.

If the Committee does wish to take action at this time to alleviate liquidity problems of farm owners, I would suggest a proposal to achieve this goal, without impairing the basic structure of the transfer tax system. Under the proposal, farmers would be entitled to transfer "development" rights to charitable or governmental organizations. In this manner, the land would be valued at its farm value, not its development value for estate tax purposes, and the goal of preserving the nation's open spaces would be enhanced.

CONCLUSION

Let us resolve that "Always a bridesmaid, never a bride" shall not be the epitaph of tax reform in Congress in 1976. The lobbyists and their clients are at the altar now, as always in the past. And for many years, they have taken the bride away in the form of massive subsidies for their interests.

For too long, tax reform has been a failing movement in Congress. Our perennial promises of reform have a hollow ring by now to taxpayers weary of the rhetoric and cynical about their government. We have the tools and the knowledge to fulfill the promise now. The only doubt is whether we have the will.

Mr. Chairman, I submit these tax reform proposals to the Committee in a spirit of constructive cooperation. I stand ready to work with the members of the Committee and all other Senators to insure that a major tax reform bill is on the President's desk before election day.

KENNEDY TAX REFORM PROPOSALS

Estimated fiscal year revenue effects of principal recommendations

[In billions]

Item:	1977	1981
Minimum tax reform:		
Individuals	$2.587	$3.772
Corporations	.527	.691
Repeal of maximum tax	.665	1.205
Capital gains at death	.010	.350
Limitations on tax shelters	1.810	1.958
Restrictions on expense account living	.100	.637
Refundable child care credit	(−) .365	(−) .470
Earned income credit	*	(−) .815
Investment credit reform/ADR repeal	*	(−)4.500
Oil and gas operations	.280	2.720
Multinational corporations	1.564	2.065
Estate tax revision for farm operation	(−) .050	(−) .190

DETAILED DESCRIPTION OF TAX REFORM PROPOSALS

I. PROPOSALS TO INSURE THAT UPPER INCOME INDIVIDUALS PAY THEIR FAIR SHARE OF INCOME TAXES

A. The minimum tax

Background

The minimum tax was enacted in 1969 as a measure to insure that high income individuals in the United States paid a fairer share of the tax burden. While sound in purpose, the performance of the minimum tax in accomplishing this goal has been disappointing. Its relative ineffectiveness has been occasioned by several structural defects:

1. The rate of the minimum tax is too low.
2. The exemption from minimum tax is too high.
3. A deduction against minimum tax liability is allowed for regular taxes paid.
4. A carryover of unused regular income taxes is permitted.
5. The minimum tax base does not include a number of items of tax preference.

The House bill made a number of desirable changes in the minimum tax as it applies to individuals. The minimum tax rate would be increased from 10% to 14%; the exemption would be reduced from $30,000 to $20,000 (the exemption phasing out on a dollar-for-dollar basis as tax preferences exceed $20,000, so that the exemption would vanish entirely at $40,000 of tax preferences); the deduction for regular taxes paid and the carryover of unused regular taxes would be eliminated; and new tax preference items would be added to the minimum tax base, notably (1) the excess of deductible intangible drilling and development costs for non-exploratory oil and gas wells over the amount that could have been deducted had such costs been capitalized, and (2) itemized personal deductions in excess of 70% of adjusted gross income.

PROPOSALS FOR REFORM

Provisions contained in the House bill are fundamentally sound, but need to be strengthened in order that the minimum tax can realize its full potential.

1. The 14% minimum tax rate, the repeal of the deduction for regular taxes paid, and the repeal of the carryover of regular taxes must apply to corporations. There is no reason why the loopholes involved in the deduction for regular taxes paid and the carryover for regular taxes paid should continue for corporations while being eliminated for individuals. The House bill raised the minimum tax rate to 14% for individuals since that is the starting tax rate under the regular individual tax structure. Logically this should mean that the minimum tax rate for corporations should be raised to 20%, the starting rate of tax for corporate taxpayers. At the least, the minimum tax rate for corporations should also be increased to 14%, thus maintaining the parity between the two types of taxpayers.

2. For individuals, the exemption from minimum tax should be reduced to $5,000, with the $5,000 exemption being phased out dollar-for-dollar as tax preferences rise above $5,000 (so that the exemption would disappear entirely at $10,000 of tax preference income). Although the House action in reducing the $30,000 exemption to $20,000 (with a phase-out) is a step in the right direction, it does not go far enough. In view of the fact that the minimum tax applies only to individuals with large amounts of economic income, one can question whether any exemption should be provided at all. However, a maximum $5,000 exemption should apply to individuals. This is approximately the amount of exemption that is provided for a family of four with poverty level income. It does not seem necessary to provide a larger exemption for tax preference income of wealthy individuals than is provided for the earned income of poverty level workers.

3. There should be no exemption from the minimum tax for corporations. Whatever reasons of alleged administrative convenience justify an exemption for minimum tax purposes for individuals, none of these are applicable to corporations. There is no personal exemption for corporations and these business entities are fully capable of having their accountants compute minimum tax liability from the first dollar of tax preference income, just as they compute regular tax liability from the first dollar of taxable income.

4. The minimum tax base both for individuals and corporations should include the excess of the intangible drilling and development expenditure deduction over the amount that would have been allowed had the expenditure been capitalized and recovered through cost depletion. All intangible deductions should be subject to the minimum tax, both with respect to exploratory as well as development wells.

The amendments to the minimum tax should apply to tax preferences for taxable years beginning after December 31, 1975. Carryover of unused regular income taxes from prior years should not be allowed to offset tax preferences for years after December 31, 1975. It is estimated that the proposed changes in the minimum tax will increase revenues by $2.587 billion for fiscal 1977, and $3.772 billion for fiscal year 1981.

B. Repeal of 50% maximum tax on earned income background

As part of the Tax Reform Act of 1969, Congress provided a new "maximum tax on earned income." Under Section 1348 of the Code the maximum marginal tax rate applicable to an individual's earned income cannot exceed 50%. The curious justification offered for this preferential rate was to "reduce the pressure for the use of tax loopholes," notably tax shelter activities, by reducing "the incentive to engage in otherwise unprofitable operations and reduce the time and effort devoted to 'tax planning' at the expense of pursuing normal business operations."

It is true that the higher an individual investor's marginal tax bracket is, the greater are the financial rewards of engaging in tax shelter operations. But the proper remedy is to deal with the abuses created by tax shelters, not to enact preferential reductions in rates for certain kinds of income. With the adoption of effective measures to curtail the use of tax shelters, the alleged justification for the maximum tax on earned income disappears.

In fact, it appears that the maximum tax has had the effect of increasing the wastage of federal revenues involved in tax shelter operations. Tax shelter investments are now structured to provide a rate of return from their tax benefits sufficient to induce investment by a doctor or dentist whose income is taxed at the special 50% rate. But this means that an additional tax windfall is now produced for the 70% bracket investor because the rate of return provided by the tax shelter is greater than is required to make the investment attractive to him. Thus, the 50% marginal tax rate has only resulted in a restructuring of tax shelter investment packages that has increased their tax escape effects; it has not eliminated them. This restructuring has thus actually increased the revenue loss to the Federal Government from tax shelters rather than decreasing it.

The benefits of the maximum tax are available only to the highest income individuals in the United States. In 1972 the preferential 50% maximum tax was utilized only by 88,000 taxpayers with adjusted gross incomes in excess of $50,000. Thus, this $270 million government subsidy to encourage people not to engage in tax shelter transactions went to only about 1% of the taxpayers in the country. The detailed data show how seriously wrong is this maximum rate. Over 90% of the benefits go to those with earnings over $100,000—42,000 individuals. The inequitable distribution of this federal tax expenditure is illustrated in the following table:

DISTRIBUTION OF BENEFITS OF MAXIMUM TAX, 1972

Adjusted gross income	Total returns in AGI class	Returns claiming maxtax	Total tax savings due to maxtax for AGI class (millions)	Average individual tax savings from maxtax
Under $50,000	76,533,982	0	0	0
$50,000 under $100,000	483,677	46,000	$23.2	$510
$100,000, under $200,000	91,707	35,000	103.7	2,925
$200,000, under $500,000	19,233	6,000	87.9	14,088
$500,000 or more	3,696	1,000	55.8	78,468

Source: Internal Revenue Service, Statistics of Income—Individual Income Tax Returns 1972, at 145.

The above table presents a graphic picture of the inequity of the maximum tax. It provides no benefit at all to some 99.9% of American taxpayers. But to those favored few on whom the federal subsidy is bestowed, the benefit is substantial indeed. For the 46,000 individuals with adjusted gross incomes between $50,000 and $100,000, the average benefit from the maximum tax was $510. This figure may be compared to the maximum $400 benefit that is provided to the poorest wage earners in the country through the earned income credit.

But the benefits rapidly rise for those taxpayers who have demonstrated that they are so wealthy that they do not need any federal subsidy. Thus, individuals with adjusted gross income in excess of $500,000 who claimed the maximum tax were provided an average subsidy of $78,468 in 1972. Surely a more effective way of preventing these wealthy individuals from engaging in tax shelters can be found than by giving them a government grant of $78,500 per year.

The inequity created by the maximum tax represents a growing problem. The staff of the Congressional Joint Committee on Internal Revenue Taxation estimates that the revenue loss from this provision will total $665 million for fiscal year 1977 and $1.205 billion by 1981. Assuming the same distribution of benefits as in 1972, this would represent a $130 million tax subsidy in 1977 to those handful of wealthy individuals with incomes in excess of $500,000.

Proposals for Reform

The maximum 50% tax on earned income should be repealed for all taxable years after December 31, 1975.

Repeal of the provision will increase revenues in fiscal 1977 by an estimated $665 million, and $1.205 billion in fiscal 1981.

C. Capital gains

Under present law, income which qualifies for treatment as "capital gain" income receives preferential treatment over other income in three ways: (1) tax on the income is deferred until the gain is "realized" (in effect, the taxpayer is given the benefit of an interest-free loan from the Government in the amount of the tax that otherwise would be imposed on the increase in value of the asset each year); (2) when gain is "realized," it is subject to tax at only one-half the normal rates; (3) the gain is permanently exempted from tax if the taxpayer holds the property until death and transfers it to his heirs or beneficiaries.

The preferential rate for capital gain income and the exclusion from the tax base of gain on property transferred at death (or by gift) result in an escape from tax that produces an enormous revenue loss to the Federal Government. The Congressional Budget Office has estimated that, in fiscal 1977, the Federal Government will forego over $13.5 billion in revenue as a result of these two tax preferences for individuals: $6.2 billion as the result of the preferential rate for capital gains and $7.3 billion as the result of the failure to tax accrued gains on property transferred at death.

And who benefits from these tax preferences? As to the benefits from the failure to tax accrued gains at death, almost 42% of the federal revenues involved in this tax preference—over $3 billion—will go to the 1.2% of individuals with adjusted gross incomes in excess of $50,000. Over 78% of the benefits go to the top 25% of income recipients in the country. If the benefits of the preferential rates for capital gains are added in, the total federal subsidy to the wealthiest individuals in the United States—those with over $50,000 of income—for fiscal year 1977 will be over $7 billion.

In light of these data, it seems incredible that there are those who want to see this federal subsidy to the highest income individuals in the United States increased still further by adding new preferences for capital gain income. These proposals move in entirely the wrong direction. Congress must begin to remove the preferences for capital gain income so that this income will be taxed on a parity with other types of income.

The essential first step is to institute a system of taxation of accrued gains on property transferred at death. Necessarily, the accrued gains on property transferred by gift must also be taxed.

1. Taxation of accrued gains on property transferred at death or by gift

Background

The failure to tax gains on property transferred at death (or by gift) has been labeled by many tax experts as the single greatest loophole in our federal income tax system. The figures above dramatically demonstrate the benefits that failure to tax accrued gains at death confers on the highest income individuals in the country. This failure creates serious and unacceptable inequities in our income tax system. Wealthy individuals are able to pass on appreciated property to their heirs completely free of federal income tax. By contrast, wage earners, whose accumulated wealth is mostly in the form of savings accounts and retirement benefits, must provide for their heirs out of accumulated income which has already been subject to federal income tax. This is not fair. In addition, the present failure to tax capital gains at death—a zero rate of tax—creates highly undesirable economic effects. Economists have noted the "lock in" result of the present rules. Taxpayers are unwilling to sell appreciated assets, even though a sale might be desirable for non-tax reasons, for example, by switching from low yield to higher income producing assets. The present tax rules interfere with the free mobility of capital and thus prevent the economy from realizing the full benefits of an efficient free market system.

Proposals for Reform

The income tax should be imposed on accrued gains on property transferred at death or by gift.

The tax should be applied only to transfers after March 31, 1976 on gain or appreciation in value that has accrued after December 31, 1975. Under this proposal, property transferred between spouses should not be subject to tax, whether that property is transferred during life by gift or at death. Likewise, property transferred to charity would be exempt from the tax. A special averaging provision would be available to prevent an excessive tax burden from being imposed in the final tax return of the decedent.

In addition, as in the case of any other income tax, the capital gains tax itself would be a deduction from the gross estate for estate tax purposes. A special rule should be applied in the case of farms and small businesses, assets which create special liquidity problems. In the case of farms, the farm property should be valued only at its use for farm purposes, under the proposal described more fully in the proposals for estate tax reform set forth below. In the case of small businesses, liberalized rules for the payment of the tax over a period of time should be provided; and the special redemption rules in section 303 of the Internal Revenue Code should be further liberalized so that corporate funds can be made available for payment of federal taxes attributable to ownership at death of stock in closely held businesses.

Under the effective dates proposed above for the taxation of accrued gains on property transferred at death or by gifts, the revenues for fiscal 1977 will be increased by an estimated $10 million, a figure which will increase to $350 million by fiscal 1981. The short-term revenue effects of this tax reform proposal are relatively modest because of the transition rule that exempts all pre-1976 appreciation in value from the tax.[*] However, the long-term revenue effects are significant. For example, the Congressional Budget Office has estimated that if present law is continued, the Federal Government will lose over $11 billion in revenue in fiscal 1981 from the failure to tax capital gains at death. It is thus imperative that Congress take action now to end this unjustified tax preference for the wealthy.

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[*] Alternative transition methods may be considered by the Committee. For example, the new tax could be phased in over a 10-year period. Thus, 10% of the total accrued gain in the property could be taxed for those transferring property at death or by gift in 1977, 20% for transfers in 1978, and so on.

2. Deduction of capital losses against ordinary income

Under present law, 50% of net long-term capital losses in excess of net short-term capital gains may be deducted against ordinary income, with a maximum allowable deduction of $1,000.

Thus, $2,000 of net long-term capital losses will produce a $1,000 deduction against ordinary income (only one-half of the capital losses are allowed to be deducted against ordinary income since only one-half of capital gains are subject to tax). The capital gain preferences described above are so substantial that it is entirely inappropriate to grant further tax relief to holders of capital assets until the rules governing the treatment of capital gains have been brought into line with the treatment of ordinary income. When that occurs, it might then be appropriate to consider increased use of capital losses against ordinary income.

Section 1401 of the House bill should be deleted; there should be no increase in the amount of capital losses that may be deducted against ordinary income.

The House provision would produce a revenue loss of $140 million for calendar year 1976, rising to $352 million by 1981, of which about 75% (or $264 million) would go to those with adjusted gross incomes in excess of $20,000. This additional revenue loss to benefit the highest income individuals in the country is simply not justified at this time.

D. Tax shelters

Two practicing tax attorneys have described tax shelters as "the Achilles heel of the federal income tax" if their use is not brought to an end. It is therefore heartening that the House bill proposed to take action to limit the abuses created by tax shelters. The Senate Finance Committee should adopt the basic approach of the House bill, but it does need to add some further provisions to insure that the House-passed measure in fact will constitute an effective deterrent to the use of tax shelters. Although there are many kinds of tax shelters, certain essential ingredients are present.

(1) The deferral of federal income taxes that results from special provisions (or improper methods of accounting) that accelerate deductions into the early years of an investment in amounts in excess of the income from the investment.

(2) The shelter resulting from the ability to deduct the artificial tax "losses" thus created against income other than that derived from the investment, for example, doctors' or lawyers' fees, executive compensation, and the like.

(3) The enhancement of the deferral and shelter benefits by the use of leverage, that is, using borrowed funds on which the investor may have no personal liability at all.

(4) And, in some types of tax shelters, the realization of capital gains upon the ultimate sale of the property.

The effect of each of these elements of the tax shelter can be readily seen from the following simplified example, Suppose that an individual on December 1, 1976 invests $200,000 in an oil drilling venture. If those funds are expended on intangible drilling and development expenses by December 31, 1976, the investor will be entitled to deduct the full $200,000 in 1976. Under the rule applicable to ordinary businesses, this $200,000 expenditure would have to be capitalized and recovery ratably over the life of the property. Typically, in the case of oil wells, this would be a period of about ten years. Thus, the artificial deduction for intangible drilling and development expenses permits the investor to deduct $200,000 in 1976, rather than only $20,000 as would be permitted under proper capitalization rules. Since the oil well does not produce any income in the year of investment, the second aspect of the tax shelter—the ability to use the artificial tax "losses" against non-oil income—is necessary for the investor to enjoy the full benefit of the tax shelter. Thus, present rules permit the investor to deduct the $200,000 against other income. If the investor is in a 70% tax bracket, this means that in 1976 he will pay $140,000 less in taxes than otherwise would have been the case (70% × $200,000).

But the transaction can be made still more attractive to the investor by adding the third element of the tax shelter—leverage. Suppose that instead of being required to invest the full $200,000 from his own funds, the investor can obtain a non-recourse loan of $100,000 so that he is only required to utilize $100,000 of his own funds. Under present rules, the tax benefits remain the same. That is, the investor gets to deduct the full $200,000, even though he has no personal liability whatsoever to repay the $100,000 non-recourse loan. Note what has happened now: By virtue of the tax benefits alone, the investor has not only recovered the full $100,000 of his own money that he actually invested, but $40,000 in addition.

Finally, if the oil well is ultimately sold at a gain, the investor, although he has deducted the intangible drilling costs entirely against ordinary income, will only be required to include one-half of the gain in his income tax base.

These startling tax benefits are available only to the high income individual. Indeed, brochures advertising tax shelters clearly state that they are tailored only for the individual who is in a 50% income tax bracket or higher.

Although the particular rules and the tax benefits vary somewhat from tax shelter to tax shelter, the foregoing describes the basic operation of all tax shelters whether they be in oil and gas, equipment leasing, real estate, vineyards, vegetables, azalea bushes, motion picture films, or sports franchises.

Of course, it is not usually possible for a single person in one of the tax shelter operations to use all of the tax "losses" that are artificially generated by present special tax rules. Thus, we have seen the "syndication" of tax shelters, primarily through the sale of interests in tax shelter limited partnerships. Through this syndication device, the special tax benefits applicable to the particular shelter can be divided up and sold to individual investors. The volume of offerings registered with the Securities and Exchange Commission supplies dramatic evidence of the burgeoning growth of the tax shelter industry. And, of course, these public offerings are only the tip of the iceberg since the vast majority of tax shelter deals are structured in such a form as not to require registration with the Securities and Exchange Commission.

It is essential that the Senate adopt provisions that effectively curtail the different elements that are utilized to create an effective tax shelter.

1. Restrictions on Limited Partnerships Used As Tax Shelter Investment Vehicles.

Background

The principal method of marketing interests in tax shelters is the limited partnership. The primary reason for the use of the limited partnership arises from the fact that a limited partnership can pass through the benefits of "leverage"—and the tax losses attributed to it—to the individual partners. Technically, this result is achieved by permitting limited partners to include in the basis of their partnership interests their ratable share of non-recourse borrowing obtained by the partnership itself. Since an investor-limited partner's basis is his partnership interest determines the amount of the deductions from the partnership operations that he can take against his other income, the rule is crucial to a successful tax shelter limited partnership.

For example, suppose each of ten investors puts $10,000 into a real estate tax shelter limited partnership, for a total capital investment of $100,000. The limited partnership then borrows $900,000, on a non-recourse basis, to construct a building. Under the present Treasury regulations, each partner is entitled to include his allocable share of the non-recourse financing in his partnership basis ($90,000), so that his partnership basis is $100,000. This regulation insures that the investor-limited partner will be able, on an investment of $10,000 of his own funds, to deduct from his other income a total of $100,000 of partnership tax "losses" that are generated by special tax preferences, notably construction period interest and taxes and accelerated depreciation.

Although the rule that an individual may include non-recourse financing in his tax basis perhaps may be acceptable for individual operators, it is not the correct rule for investors who are limited partners. Congress has recognized this fact in a similar situation where it has provided that investors in subchapter S corporations are entitled to include in their tax basis only the amount of their actual investment in their stock in the corporation. They may not include in their stock basis non-recourse borrowing engaged in by the corporation and, as a result, they are not entitled to take deductions against other income that are attributable to that non-recourse financing.

Proposals for Reform

Two basic reforms are required to limit the use of limited partnerships as vehicles for syndicating tax shelter investments.

a. Limitation on the Tax Deductions of a Limited Partner to the Actual Investment at Risk. The same rule that Congress has applied to subchapter S corporations should be applied to limited partnerships. This step is appropriate because limited partners occupy very much the same relationship to their investment as do stockholders in a subchapter S corporation. That is to say, limited partners do not have any liability resulting from partnership operations such as tort liability, wage claims, and the like. Since the liability of a limited partner is restricted very much in the same manner as is that of a stockholder, it is appropriate to apply the rules developed for investors in a subchapter S corporation to investors in limited partnerships.

Therefore, the Treasury Regulation permitting limited partners to include non-recourse financing of the partnership in their partnership basis (thus permitting the limited partners to obtain deductions attributable to the non-recourse financing) should be repealed. Limited partners should be able to obtain tax deductions only to the extent that their own funds are actually invested in the partnership operations (or to the extent they have full personal liability for partnership borrowing). This will put investors in limited partnerships on a tax parity with investors in subchapter 8 corporations.

b. Accrual Method of Accounting for Publicly Held Limited Partnerships. As a second measure to bring limited partnerships into tax parity with other business operations, the Senate should require all limited partnerships in which interests are offered for public sale to use the accrual method of accounting. In some kinds of tax shelter operations—notably in agriculture and motion pictures—the case method of accounting is permitted under present rules, even though proper accounting rules applicable to other kinds of business operations would require the use of the accrual method of accounting. The use of the cash method of accounting in these tax shelter operations results in an acceleration of deductions as compared to busines operations that must match expenses with the income actually generated from the business operations.

The cash method of accounting may be justified in relatively simple business operations such as small farms where use of the more complex accrual method of accounting might be burdensome. However, this justification has no relevance whatsoever to limited partnerships engaging in syndicated public sales of interests in the partnerships. These limited partnerships employ the most knowledgeable attorneys, accountants, computer experts, and underwriters to market the interests in their tax shelters.

It is ludicrous to assert that such syndicated limited partnerships need a "simple" method of accounting when the basic business operation in which they are engaged is one of the most complex in the entire business spectrum.

Thus, all "publicly-owned limited partnerships" should be required to use the accrual method of accounting. A "publicly owned limited partnership" includes (1) any limited partnership in which an interest in the partnership has been offered for sale in an offering required to be registered with a Federal or State agency having authority to regulate the offering of securities for sale; (2) any limited partnership in which more than 50% *of the* losses during any period are allocable to limited partners; and (3) any other enterprise if at any time an interest in the enterprise has been offered for sale in a registered offering or if the allocation of losses in the enterprise is similar to an allocation of more than 50% of the losses to limited partners. (This definition of a "publicly owned limited partnership" is derived from the definition of a "farming syndicate" contained in § 101 of the House bill.)

c. Effective Dates

The changes proposed with respect to the tax treatment of limited partnerships should be applicable to all limited partnerships formed after April 1, 1976. However, in the case of limited partnerships engaged in the construction or rehabilitation of low-income rental housing, the changes should not be effective for limited partnerships formed prior to January 1, 1981. The effective date should be deferred for limited partnerships engaged in low-income rental housing projects because virtually all low-income housing being constructed or rehabilitated in the United States today is being carried on through tax shelter limited partnership vehicles. While there is substantial evidence that this method of financing the construction of low income housing by the Federal Government is an inefficient and inequitable mechanism and a clear tax abuse, nontheless, because of the inertia of the reliance on this tax abuse, there is no other method presently available in our housing programs to insure that adequate low income housing will be built. It is imperative to develop means of providing federal assistance for the construction of low income housing that do not rely on this tax shelter abuse.

Accordingly, Congress should require the Congressional Budget Office, in cooperation with the Joint Committee on Internal Revenue Taxation, the Senate and House Committees on Banking and Housing and the Department of Housing and Urban Development, to submit to the Congress by not later than June 30, 1977, methods for providing Federal assistance to low income housing construction that do not involve tax abuse. If Congress has not enacted an effective and fair alternative method by December 31, 1981, present tax rules for low-income housing must be continued. Unfortunate though the situation may be, Congress cannot remove present tax benefits for low-income housing until such time as it has enacted an effective method that insures an adequate supply of housing for low-income persons in this country without creating tax preferences.

If LAL is adopted, the revenue effect from the proposals to limit the use of limited partnerships as tax shelter vehicles will not have an appreciable effect on revenues. If these proposals are adopted in lieu of LAL, the revenue gain from LAL attributable to its application to limited partners would be realized by these proposals.

2. Limitation on artificial losses (LAL)

Background

Section 101 of the House bill contains a provision to impose a "limitation on artificial losses" (LAL). This provision is intended to deal with the second element of the tax shelters outlined above, i.e., the ability to deduct artificial "losses" generated by a tax shelter investment against other incomes such as doctors' and lawyers' fees, executive compensation, investment income and the like. In general, LAL provides that special accelerated deductions that result either from preferential deductions or the improper use of the cash method of accounting can only be used to offset income generated by the tax shelter investment itself. Thus, if a tax shelter investor's "artificial deductions" in the first year of his investment exceed the "net related income" generated by the investment, he will not be permitted to deduct the artificial deduction against other income. Instead, the deductions must be placed in a deferred deductions account. These deferred deductions can be deducted in subsequent years when the investment actually produces income. LAL is thus designed to prevent special deductions granted for a particular type of investment from being used to reduce income taxes on totally unrelated income.

The LAL approach is an effective means of reaching tax shelters generally and should be adopted by the Senate. However, important improvements need to be made in the House version of LAL in order that it will be fully effective as an anti-tax shelter mechanism.

a. Application of LAL to Corporations

In the House bill, the limitation on artificial losses provision is applicable only to individuals. It is true that the use of tax shelters produces the greatest distortion in the individual income tax system. However, it is essential to apply LAL to corporations in order to prevent the shift of tax shelter operations from individuals to corporations.

Past experience demonstrates that unless LAL is applied to corporations, tax shelter operations will simply be conducted in corporate form as opposed to limited partnership form as at the present time. For example, in the Revenue Act of 1971, Congress provided that the investment credit could not be claimed by individual lessors of machinery and equipment. This action was taken because of the use of the investment credit in equipment leasing tax shelter operations, primarily conducted in limited partnership form. However, corporate lessors were permitted to continue to obtain the benefit of the investment credit. As a result, virtually all of the tax shelter operations involving the investment credit—primarily equipment leasing—were shifted from limited partnerships to corporations, mostly banks. Data filed with the Securities and Exchange Commission reveal that the use of equipment leasing tax shelters by banks completely undercut the tax reforms enacted in 1969 which were intended to bring the effective rate of taxation for commercial banks up to that of other businesses. If LAL is not made applicable to corporations, the same results can be expected to follow in other tax shelter operations. Banks and other corporations will move into such tax shelter operations in housing, and Congress will merely have shifted the inequities of tax shelters from the individual income tax system to the corporate tax system.

The limitation on artificial losses (LAL) provision should be applied to corporations with the same effective dates as are specified in the House bill. The effect of applying LAL to corporations will result in a revenue increase in excess of the House provision of $380 million in fiscal 1977, rising to $500 million by fiscal year 1981.

b. Denial of Double Benefit for Long-Term Capital Gains

Under Section 101 of the House passed bill, accelerated deductions can be deducted against "net related income" from the tax shelter investment. The House bill includes in "net related income" the full amount of long-term capital gains. Thus, accelerated deductions can be taken to the full extent of such gains. However, the House bill provides that such long-term capital gains can then qualify for the alternative tax or the 50% deduction in sections 1201 and 1202 of the Code. This is not the proper result. Under the House bill, an individual investor could realize $100,000 in long-term capital gains from qualifying LAL property. He would be entitled to offset this $100,000 of gain with $100,000 of accelerated deductions. However, the investor also would then be permitted, in computing his actual taxable income, to obtain the 50% deduction against capital gains allowed under section 1202 of the Code. Thus, the $100,000 in long-term capital gain would generate a total of $150,000 in deductions—$100,000 in accelerated deductions permitted under LAL and the additional 50% deduction allowed for long-term capital gains under section 1202 of the Code.

The proper result is to provide that if long-term capital gains are included in "net related income," the alternative tax and the 50% deduction for long-term capital gains cannot be employed by the taxpayer with respect to that same gain. This is the result reached by the House bill in the limitation imposed on the deduction for non-business interest in § 206 of the bill.

The effective dates for this revision in the "net related income" definition should be the same as those specified in the House-passed bill. The effect of the change will be to increase the revenues from LAL by less than $5 million in fiscal years 1977 and 1981.

c. Definition of "LAL Real Estate Property"

In the case of most of the tax shelter operations covered by LAL, the provision is to be applied on a property-by-property basis. That is to say, accelerated deductions can only be utilized to offset income generated by the particular investment itself. Thus this "property-by-property" rule was applied to tax shelter investments in farming, oil and gas, equipment leasing, motion pictures and professional sports franchises. In each case, artificial deductions from one investment property cannot be used to offset income generated by a different investment property. However, this basic rule was not followed in the case of real estate.

Under the House passed bill, an investor in real estate operations is permitted to aggregate all of his real estate investments to determine "net related income." Thus, deductions resulting from building an office building or shopping center can be utilized to offset the income generated by an apartment house in which the taxpayer has also invested. This special treatment of real estate is inappropriate. It favors the largest operators and will encourage certain real estate packaging arrangements designed to take advantage of this loophole.

The LAL rules should be applied to real estate on a property-by-property basis, just as in the case of all other tax shelter operations to which LAL applies. An amendment to achieve this result was offered by Congressman Mikva on the House floor, and was narrowly defeated. The Senate should adopt the proper rule.

Adoption of the property-by-property rule for LAL real property would not have an adverse effect on residential housing. As the distinguished Chairman of the Ways and Means Committee, Congressman Ullman pointed out: "[I]t does not in any way affect the construction of residential real estate during 1976 nor during 1977 if there is a commitment to build the housing in 1976. In addition, it does not affect subsidized low-income housing until 1981 if there is a commitment with HUD by 1979."

As pointed out above, it is critical that there be no changes in the tax rules concerning low-income housing until after Congress has enacted a viable financing method for such housing. However, it is important that correct LAL rules apply to nonresidential real estate from the outset and that correct rules governing residential real estate be adopted now, to go into effect for low-income housing tax shelters after Congress has enacted a viable method of financing the construction of low-income housing.

The effective dates for the proposed revision in the rules governing the application of LAL to real estate should follow those specified in the House bill. The effect of the proposed change in the definition of "LAL real property" will be to increase revenues in fiscal year 1977 by an estimated $296 million, and in 1981 by $731 million.

d. LAL Oil and Gas Rules

Although the LAL provisions in the House-passed bill covered accelerated deductions from oil and gas investments, notably the deduction for intangible drilling and development expenses, the provision does not apply to "exploratory" wells. This exception from the LAL oil and gas rules virtually emasculates the provision. According to the most recent data available from the Securities and Exchange Commission, some 2/3 of the offerings in tax shelter drilling funds filed with the SEC are for exploratory wells. Thus, the House passed version covers only a small portion of the tax shelter oil and gas drilling funds.

It is essential that the Senate amend the House bill. LAL should apply to intangible drilling and development expenses attributable to exploratory well (and to wells drilled to inject water or other substances to stimulate or increase the production of oil or gas from other wells).

The effective date for this revision should be the same as specified in the House bill for application of LAL to oil and gas wells. The effect of the provision will be to increase revenues by an estimated $1.085 billion in fiscal 1977, and by $344 million in fiscal year 1981.

e. Treasury Authority to Develop Regulations to Apply LAL to Other Tax Shelters

The LAL provision passed by the House covers six specified types of tax shelter transactions—real estate, farm operations, oil and gas, motion picture and television films, equipment leasing, and sports franchises. Certainly, these are the major areas in which tax shelter operations are currently being conducted. However, Congress can be virtually assured of the fact that, when LAL is passed, tax shelter experts and their computers will begin devising tax shelters in areas other than the six specified in the bill. It is undesirable for Congress to have to enact a new LAL provision every time a new tax shelter operation is developed by the tax shelter industry.

Accordingly, the Congress should authorize the Treasury to issue regulations applying appropriate LAL rules as and when the Treasury discovers tax shelter operations not specifically covered under the six enumerated in the bill. This authority in the Treasury would be very similar to that contained in section 305(c) of the Code. Congress there gave to the Treasury the authority to issue regulations covering new financing devices that may be developed to avoid the taxable stock dividend rules adopted by Congress in section 305(b); those rules covered the transactions known to Congress in 1969.

3. Recapture of depreciation on real estate

Background

The House bill strengthened the present rules concerning the recapture of depreciation where real estate is sold at a gain. Under present rules, various recapture rules are applicable to different types of real estate:

(1) In the case of commercial real estate, the excess of accelerated over straight-line depreciation is recaptured in full regardless of the length of time the property has been held;

(2) In the case of residential real estate (other than low-income housing), the excess of accelerated depreciation over straight-line depreciation is recaptured in full only if the property has been held for less than 100 months, the depreciation recapture being reduced by one-percent per month thereafter so that there is no recapture of any depreciation if the property is held for more than 16 years, 8 months; and

(3) In the case of low income housing, there is no depreciation recapture if the property is held for ten years or more.

The House bill revised these rules by providing that, in the case of residential real estate other than subsidized low-income rental housing, the excess of the accelerated over straight-line depreciation will be recaptured in full regardless of the length of time that the property was held. Thus, the same recapture rules would apply to residential real estate as currently apply to commercial nonresidential real estate.

Proposal for reform

The House bill represents a step in the right direction. However, it is defective in failing to maintain a differential between commercial real estate and residential real estate. Accordingly, the House bill should be amended to provide full recapture of all depreciation (not just the excess of accelerated over straight-line depreciation) in the case of the sale of commercial (non-residential) real estate. For this class of real estate, the depreciation recapture rules would be the same as those applicable to machinery and equipment under section 1245 of the Code.

With respect to residential real estate (other than low-income housing), the House rules should be adopted.

In the case of subsidized low-income rental housing, present recapture rules should be retained.

The provisions relating to the complete recapture of all depreciation from commercial real estate should apply to depreciation attributable to taxable years beginning after December 31, 1976. The provisions relating to the recapture of accelerated depreciation in the case of residential real estate (other than low-income housing) should apply to accelerated depreciation attributable to taxable years beginning after December 31, 1975 (as in the House bill).

It is estimated that these changes would result in an increase in tax revenues of $11 million in 1977 and $355 million in 1981.

4. Accrual accounting for corporations engaged in farming background

The Treasury initially granted farmers the right to use the cash method of accounting to simplify bookkeeping for small farm operators. However, the cash method of accounting does not clearly reflect income in situations where inventories are involved, such as crops and animals, and can result in the creation of artificial tax "losses" as the result of the mismatching of income and expenses.

In recent years, corporations have come increasingly to dominate the farm sector of the economy. These corporations are often sophisticated business operations employing the most highly skilled legal and accounting advisors. In many instances, farm corporations have been utilized in tax shelter transactions.

As the House bill properly recognized, it is inappropriate to permit these sophisticated farm operations, conducted in corporate form, to enjoy the benefits of the cash method of accounting intended for small farm operations. Large farm operations conducted in corporate form should be required to use the accrual method of accounting, just as do corporations in other business activities.

However, the House bill does not achieve its objective because it excepted subchapter S corporations and "family owned" corporations from the accrual accounting requirement for farm corporations. While an exception to the accrual accounting requirement may be justified for small farm operations conducted in corporate form, the exception for subchapter S corporations and "family owned" corporations is not sufficiently refined to achieve this objective. Family owned corporations and subchapter S corporations can be quite large operations. The criteria selected by the House, thus, are not adequate to distinguish those small farming operations, for which the cash method of accounting arguably should be continued, from large farming operations, for which it is plainly inappropriate.

Proposal for Reform

Accordingly, the Senate should amend the House bill to require all farm operations conducted in corporate form to utilize the accrual method of accounting if the gross sales from farm activities exceed $100,000 per year. According to the Department of Agriculture, this sales level will apply the accrual method to only 115,000 farms, or 3.8% of the total. It requires on the average 2,261 acres to generate $100,000 of gross sales from farm operations. Thus, this proposed rule will permit truly small farm operations to continue to use the simple cash method of accounting. But it will require large corporations, regardless of the form of corporation employed and regardless of the nature of its ownership, to use the correct accrual method of accounting. In addition, this proposed change avoids the necessity for developing the elaborate and complex attribution rules that are necessary under the House bill in order to define what constitutes a "family owned" farm corporation.

The provision should apply to taxable years beginning after December 31, 1975. It is estimated that the reform will result in an increase in corporate tax liability of $28 million in fiscal 1977, and $28 million in 1981.

5. House provisions that should be adopted by the Senate

The House bill contains a number of other provisions designed to impose limits on the special rules by which tax shelters are created. These provisions are sound and should be adopted by the Senate as passed by the House:

The limitation on the deduction for prepaid interest, under which prepaid interest must be capitalized and deducted in the taxable years to which it is related.

The limitation on the deduction of non-business interest, under which non-business interest in excess of $12,000 per year plus net investment income and long-term capital gains must be capitalized and deducted in later years when investment income is realized. The House rule protects the deductibility of interest on general home mortgages and consumer loans, while insuring that excessive non-business interest is deductible only from investment income.

The limitation of losses with respect to motion picture films, livestock, certain crops, and intangible drilling costs to the amount for which the taxpayer is at risk, whereby tax "losses" will be permitted to be deducted by investors only to the extent that the taxpayer is at risk with respect to his investment. The purpose of this rule is similar to that proposed above whereby investors in limited partnerships would be allowed to deduct partnership "losses" only to the extent of their actual "at risk" investment.

The rules governing the allocation of the consideration paid for the purchase of a professional sports franchise between depreciable player contracts and the non-depreciable franchise, which prevent manipulation by purchasers of sports franchises to obtain greater depreciation deductions than are properly allowable.

The limitation on partnership additional first-year depreciation under section 179 to prevent partnerships from unjustifiably multiplying this special deduction originally intended for small businesses.

The provisions clarifying partnership rules as to the proper tax treatment of syndication and organization fees, retroactive allocations of partnership income or loss, and special allocations.

E. Tax treatment of accumulation trusts

Background

In 1969, Congress enacted badly needed reforms to correct abuses that had developed with respect to the utilization of accumulation trusts by wealthy taxpayers in order to reduce overall family income tax liability. At the extreme, some grantors had created multiple trusts for the same beneficiary or beneficiaries, each trust to accumulate income and then terminate at specified intervals. The trust beneficiaries were thereby assured of periodic distributions of accumulated income and principal of the trust. The tax advantage resulted from the fact that income accumulated by the trust was taxed at rates applicable to the trust, which were frequently much lower than those that would have been paid by the beneficiary had the income in fact been distributed. Thus, the overall tax saving was the difference in taxes that would have been paid by the beneficiary had the trust income been distributed and the income taxes in fact paid by the trust.

To correct this problem, the Tax Reform Act of 1969 strengthened the so-called "throwback" rules applicable to the accumulate trusts. Under the new rules, distributions of accumulated income from a trust to the beneficiary are taxed in the same manner as if the income had been currently distributed to the beneficiary by the trust. In effect, the beneficiary recomputes his income tax liability for the years in which the trust accumulated the income, takes a credit for the taxes paid by the trust, and pays the difference, if any. If the trust paid tax at a higher rate than applicable to the beneficiary in the accumulation years, then the beneficiary generally gets the refund. Similar rules are applied to "throwback" accumulated capital gains for those trusts which are also accumulating ordinary income.

Three problem areas remained after the 1969 legislation:

1. In addition to recomputation of the tax on the beneficiary of an accumulation trust under the "exact method" (described above), the 1969 Act also provided a "short cut" method for computing the beneficiary's tax. Unfortunately, the Act imposed on trustees the obligation to compute the throwback tax under the method which resulted in the least tax. This produced an unnecessary complication for and burden on trustees.

2. The 1969 Act failed to impose an interest charge on the deferral of the taxes that is still enjoyed by beneficiaries of accumulation trusts. Thus, even though the beneficiary of an accumulation trust may owe an additional tax in the year that the accumulated income is distributed, he has nonetheless been able to defer payment of that tax from the year in which the trust income was accumulated until the year it was distributed. No interest is charged on this deferred income tax obligation. The Senate Finance Committee in the 1969 Act did impose an interest rate of 3 percent (nondeductible), but this provision was dropped by the Conference Committee.

3. The capital gains throwback rules apply only to trusts which accumulate ordinary income.

The present House bill did deal with the subject of accumulation trusts, but unfortunately its proposed changes move in the wrong direction from proper tax reform. The House bill would repeal the "exact method" of computing the beneficiary's tax liability on accumulation distributions and retain only a modified form of the "short cut" method. The "exact method" is the only method that produces proper tax liability for the trust beneficiary. Therefore, in order to relieve the bookkeeping problem that has been imposed on trustees as the result of having to make computations under both methods, the Senate should repeal the "short cut method" and retain the "exact method" of computing the beneficiary's tax liability. In addition, the House bill repealed the capital gains throwback rule for accumulation trusts rather than extending it to all trusts. Finally, the House bill did nothing with respect to the tax deferral privilege that is accorded to beneficiaries of accumulation trusts, nor did it take any steps to strengthen the rules dealing with multiple trusts for the same beneficiaries.

Proposals for Reform

The Senate should amend the House bill in several respects:

1. It should reverse the House action concerning methods of computing the throwback tax. The "short cut method" should be abolished and the "exact method" required in all cases. This will produce the proper income tax liability for beneficiaries of accumulation trusts and will eliminate the need for trustees to compute the tax under both methods as is true under present law. Further, in those cases where the accumulations were made by the trust during years in which its income tax bracket was higher than that of the beneficiary, the beneficiary should be entitled to a refund. Under the House bill the use of the "short cut method" precludes this result. The House bill results both in unjustified tax benefits for some beneficiaries and unjustified tax penalties for others.

2. The Senate should impose an interest charge on beneficiaries of accumulation trusts whose taxes have been deferred as the result of accumulation of the income in their trust. The interest rate should be set at the rate established by the Treasury for all other tax deficiencies. The House bill provides a similar interest charge in the case of foreign trusts—where the problems are much the same.

3. The capital gains throwback rules should be extended to all trusts so that trust beneficiaries receiving distributions of accumulated capital gains will be taxed as if those gains had been distributed currently. In some instances this will produce a tax refund for beneficiaries and in other instances it will produce additional tax liability. But in either case, the correct tax will be produced.

The interest charge on deferred taxes should be imposed for all distributions of trust income accumulated after December 31, 1976. The short cut method of computing throwback tax liability should be repealed for all accumulation distributions made after December 31, 1976. The revised capital gains throwback rules should apply to all capital gains accumulations after December 31, 1976.

It is estimated that these proposals will not have a significant affect on federal revenues.

F. Restrictions on "expense account" living

1. Denial of Deduction for Portion of Air Travel Costs Attributable to First Class Fare.

Background

Under present rules, the full cost of first class air fare for business trips is allowed as a deduction. While travel expenses for business purposes certainly constitute a legitimate deduction, the excess of the cost of first class air fare over coach fare is not. It is obviously a legitimate business decision to travel by air as opposed to train or car or bus or ship. But once the decision is made to travel by commercial airline, the business objective of the expenditure is achieved by traveling in coach class. The business executive will travel on the same flight, arrive at the same time, and land at the same destination regardless of whether he travels in the coach or first class section. Thus, only the cost of coach fare is a proper business deduction. The balance of the fare attributable to the decision to fly first class is simply a cost incurred for personal consumption of the business executive. It is a luxury item and should not be allowed as a business deduction.

Proposal for Reform

The difference between first class and coach fare for air travel should be disallowed as a business deduction. Where an employer pays the travel cost of an employee on a business trip, the reimbursement constitutes taxable income to the employee. Typically, the employee would be entitled to a corresponding business deduction and the transaction thus is a wash for tax purposes. However, under the proposed revision, no business deduction would be allowed to the employee for the difference between the first class fare and coach fare, thus requiring him to include the difference in taxable income with no corresponding deduction.

Employers would be required to report the excess of reimbursed first class fare over coach fare as additional compensation income to the employee.

The proposal would be effective for air fares paid or incurred after December 31, 1976. Revenue would be increased by an estimated $60 million in fiscal 1977, and $330 million in fiscal 1981.

2. Limitation on Deductions for Cost of Attending Conventions Out North America.

Background

One of the more serious administrative problems that has confronted the Internal Revenue Service in recent years is policing the rapid expansion of deductions claimed for attending meetings or conventions outside the United States. While there may be some business carried on in connection with such conventions, the advertising literature put out by the sponsoring organizations tends to emphasize much more heavily the vacation aspects. The proliferation of seminars in exoctic vacation spots, and even aboard cruise ships, should not be financed by the United States Treasury. In effect, these foreign conventions become in too many instances tax deductible vacations. For most working people, vacations have to be paid for out of after-tax dollars.

What is needed are clear guidelines that will identify those expenditures for conventions that are primarily business in nature—and hence properly deductible—and those that are primarily personal—and hence nondeductible.

The House bill does contain a provision that attempts to deal with the "tax deductible vacation" problem. The House proposal, however, is not a satisfactory resolution of the problem. Under the House bill, no deduction would be allowed for expenses incurred by an individual in attending more than two foreign conventions in any year. As to the two permissible conventions, the deductible amount is limited to expenses for transportation and subsistence.

The difficulty with the House resolution of the problem is that it is not based on sound tax principles. As to the two conventions for which deductions are permitted, the business connection required is still insufficient. Permitting the deduction for the costs of these conventions held outside the United States in effect continues all the abuses of the present law. On the other hand, the House bill would deny deductions for attending conventions abroad which are legitimately held outside the United States. This is true, for example, in the case of international organizations whose membership is drawn from many countries.

Thus, the basic problem which the Senate should address in dealing with the foreign convention issue is whether there is a legitimate reason for holding a convention outside the United States. If there is no legitimate reason, then none of the expenses of attending the convention should be deductible. On the other hand, if there is a legitimate reason for holding the convention outside the United States, the expenses should be deductible (assuming that the convention is related to the taxpayer's trade or business), and it is not proper to impose a limit on the number of such conventions that can be attended for business purposes each year.

Proposal for Reform

The deductions for costs of attending conventions, educational seminars and similar meetings outside the United States would be denied. The only exception to this rule would be for costs for attending conventions, educational seminars, or meetings conducted by an organization which has foreign members of a sufficient number and with a sufficient geographical dispersion that it is reasonable for the organization to meet outside the United States. In no event should deductions be allowed for cruises.

The foregoing proposal is based on a tentative decision reached by the House Ways and Means Committee in 1974. This decision represents a sounder approach to the foreign convention problem than the provision contained in the present House bill. The proposed reform should apply to expenses paid or incurred for conventions held after December 31, 1975. It is estimated that this provision will result in increased revenues of less than $5 million annually.

3. Limitations on Deductions for Office in Home and Vacation Home.

The House-passed bill contained worthwhile provisions to limit the deductions now being claimed by taxpayers for "offices" in homes and for vacation homes. These provisions correct problems in the present system in an appropriate fashion and should be adopted by the Senate .

G. Broadening of foundation management

Background

In 1969, Congress enacted extensive provisions to insure that private foundations in fact operated for the benefit of charity. Obviously, if the federal government grants income, estate and gift tax deductions for charitable contributions, it is necessary to insure that the federal purpose in granting the deductions is achieved—that is, by prompt and regular disbursement to charity of earnings on foundation endowments.

Thus, the new rules require a minimum payout of foundation income and diversification of foundation investment portfolios. These provisions constituted appropriate actions to insure that the federal objectives in granting tax benefits for charitable contributions were being met. In addition, the 1969 changes corrected certain abuses that had occurred in the management of some private foundations where self-dealing between the foundation and its principal donor or donors was occurring.

The 1969 changes have, by and large, proved effective to assure that, in the rare cases of abuse, private foundations would be required to operate exclusively for public charitable purposes.

There is, however, one additional area in which Congress should take action so that the general taxpaying public can be assured that their federal dollars—represented by the federal deduction for charitable contributions—will be spent consistently with broad public objectives.

Proposed for Reform

The creator of a foundation, and members of the creator's family, would after the first 25 years of existence of the foundation be limited to 25% of the membership of the managing board of the foundation. The creator of the foundation would be defined as any person who has made a substantial contribution to the foundation, controls a corporation which has made a substantial contribution to the foundation, or is the beneficiary of a trust which has made a substantial contribution to the foundation. Members of the family covered by the limitation would include the creator's spouse, brothers, sisters, parents, ancestors, lineal descendants and spouses of such relatives.

Foundations presently in existence would be required to broaden their management in compliance with this provision within the 25-year period or fifteen years from the effective date of this provision, whichever is longer. Foundations organized on or after the effective date would be required to comply within the 25-year period.

This proposal to broaden foundation management will insure that objective evaluation of the foundation's charitable activities will be made by persons other than the creator of the foundation and the creator's family. On the other hand, the 25-year period within which the creator and his family can control the operation of the foundation will provide an adequate time within which to infuse the foundation with the direction and goals to be achieved by it. However, broad public participation in the foundation after the 25-year period will insure that the foundation in fact is addressing itself to current charitable concerns.

Since the charitable contribution deduction in effect gives the members of the governing board of the private foundation control over federal funds—as the result of the federal deductions for charitable contributions—it is entirely appropriate that the general public be represented on the board which makes the decisions for spending these funds.

Although the recent Filer Commission study did not make any specific recommendations to restrict donor control of private foundations, the above proposal is consistent with its statement that Congress examine the issue. The Commission did espouse "the general view that openness and accessibility are as important for donor-controlled foundations as for other philanthropic, non-profit organizations. If, in any particular organization, relinquishing a degree of donor control serves to further the cause of greater accessibility, then the course should, we feel, be positively pursued."

The above proposal to broaden foundation management is consistent with the spirit of the Filer Commission Report.

The proposed change should be effective January 1, 1977. Under the transition rule, foundations organized before that date would have 25 years from the date of the creation of the foundation, or 15 years from January 1, 1977, to satisfy the new requirement, whichever is earlier. Foundations created after January 1, 1977 would have 25 years within which to meet the requirements. It is estimated that the proposed change would have no effect on federal revenues.

II. PROPOSALS TO PROVIDE GREATER EQUITY FOR LOW AND MIDDLE INCOME INDIVIDUALS

A. Refundable tax credit for child care costs

Background

The House bill contains a provision to replace the present itemized personal deduction for child care costs with a tax credit equal to 20% of the costs, incurred for the care of a child under age 15 or for an incapacitated dependent or spouse, to enable the taxpayer to work.

The credit would apply to a maximum of $2,000 in costs for one dependent and $4,000 for two or more dependents, whether the expenditures were for services inside or outside the home. Thus the maximum credit would be $400 for one dependent and $800 for two or more dependents.

The decision by the House to provide federal financial assistance for parents, who must incur child care expenses in order to work, in the form of a tax credit is sound. It moves in the direction of greater equity by providing the same dollar amount of assistance for lower income as for higher income individuals, thus removing the upside-down effect of the present itemized personal deduction. This and other changes in the tax credit adopted by the House should be approved by the Senate.

However, in one respect the House Bill is seriously deficient in its treatment of the crdit for child care costs. The credit is not refundable. Therefore the one group that is excluded from any assistance for necessary child care costs is the group that is most in need of federal financial aid—those parents who are presently below poverty level income figures and are trying to work to get out of poverty. It is completely unacceptable to adopt a system providing financial assistance for child care costs that excludes the one group in the United States that is most in need of help. Accordingly, in order to make the credit equitable, the Senate should provide that it be refundable.

Proposal for Reform

The House provision converting the present itemized personal deduction for child care costs to a 20% tax credit (for expenses up to specified limits) should be adopted by the Senate. However, the Senate should make the child care credit refundable, so that poverty level families who incur child care expenses to work would be eligible for the credit.

If necessary to reduce the cost of the refundable credit, the Senate should limit the maximum credit to those with $18,000 of adjusted gross income or less, and phase out the credit by $27,000 of adjusted gross income. In establishing priorities for federal financial assistance, the Senate clearly should decide that those parents whose earned income is still below the poverty level should have priority for federal financial assistance ahead of the top 15% of income earners in the United States, those whose adjusted gross income exceeds $25,000 per year.

The revised child care credit should be effective for taxable years beginning after December 31, 1975. It is estimated that the provision will result in a decrease in tax liability of $425 million for fiscal 1977, and $540 million for fiscal 1981 (assuming that the maximum credit is limited to $18,000 of adjusted gross income, as proposed.

B. Earned income credit

Background

One of the very worthwhile reforms enacted as a part of the Tax Reduction Act of 1975 was the introduction of a refundable earned income credit. Under this provision, for qualifying taxpayers, a refundable credit equal to a maximum of 10 percent of $4,000 of earned income is provided, with the benefits of the credit gradually phasing out as earned income increases. The credit is due to expire June 30, 1976.

The earned income credit is available only to joint return filers with dependents, or a person filing a head of household return.

Proposals for Reform

The earned income credit should be made permanent. In addition, the group of those eligible for the credit should be expanded to permit all joint return filers, whether or not they have dependent children, to qualify for the credit. Those working at poverty level incomes and trying to get out of poverty status should qualify for the credit, even though they may not have dependent children.

Further, the Committee, if revenue constraints permit, should give serious consideration to extension of the earned income credit to all single persons who are working in substantially full time jobs.

The earned income credit should be extended from July 1, 1976 on a permanent basis. Joint return filers without dependent children should qualify for the credit for taxable years beginning after December 31, 1976.

The proposed reform to increase eligibility will have a minimal effect on revenues for fiscal 1977 and will decrease revenues by $855 million in fiscal 1981 (above the amount of revenue lost from the present earned income credit).

III. PROPOSALS TO PROVIDE MORE RATIONAL AND EQUITABLE TAX RULES FOR CAPITAL FORMATION AND BUSINESS OPERATIONS

A. Treatment of capital investment

Background

The Tax Reduction Act of 1975 provided a 10% investment tax credit for all taxpayers (including public utilities) for property acquired and placed in service after January 1, 1975, and before January 1, 1970. For taxable years beginning after January 1, 1977, the investment credit is to return to 7% (4% for public utility property).

The investment tax credit has been a part of United States tax policy for encouraging investment in machinery and equipment, off and on, since 1962. However, there is increasing evidence that the investment tax credit needs revision to make it a more effective and more equitable tax expenditure program.

For example, there appears to be a consensus among economic experts that a higher investment credit, if based on incremental investment above a base period (for example the average investment for the three preceding years), would be a more effective and efficient stimulus to capital investment. Such a credit will provide assistance to new and expanding businesses.

Further, the investment credit presently is available only to businesses that show a positive tax liability. Corporations experiencing a temporary economic loss do not get any current benefit from the tax credit. It is true that carryovers of unused credits are provided, but this does not provide any immediate stimulus or assistance to newly formed businesses or to those businesses that need a boost to turn a temporarily unprofitable operation into a profitable one.

The fact that the financial assistance offered through the credit is conditional on the existence of tax liability means that organizations such as hospitals and institutions of higher education, which often have large capital needs, cannot obtain the benefit of the credit.

Finally, the investment credit has become quite complex because of the limits and the carryover rules that are a part of the Code. Simplification of the credit is a desirable objective.

Proposals for Reform

The present 10% investment tax credit should be retained and an additional 5% investment tax credit should be available for incremental investment above the average investment of the business for the prior three-year base period.

The entire investment credit should be made refundable. The refundable feature will enable (1) new businesses and other companies experiencing temporary economic losses, and (2) organizations described in § 501(c)(3) (other than state or local governments or instrumentalities thereof), to be eligible for the investment credit. Present limitations on the amount of the investment credit that can be obtained and the provision for carryovers of unused credits can be eliminated.

The proposed changes in the investment tax credit will have the following beneficial results:

1. The revised credit will provide a powerful stimulus to increased capital investment by business;

2. Businesses with temporary, current losses, especially those just commencing new business enterprises, will be able to obtain an immediate tax benefit from their capital investment, without having to await the generation of a positive tax liability in future years to take advantage of investment credit carryovers;

3. Tax-exempt organizations can be made eligible for the credit, thus providing valuable stimulus and badly needed assistance for the non-profit sector of our economy;

4. The use of the investment tax credit in tax shelter operations, notably equipment leasing, would be substantially reduced. Loss corporations who presently have to "sell" their investment credit in exchange for lower rental rates in leasing transactions will be able to obtain the benefit of the credit whether they lease or purchase equipment. Thus, business decisions can be made on a more neutral basis, with a corporation obtaining the benefit of the tax credit, whether it decides to lease or purchase;

5. Considerable simplification can be achieved by eliminating the limitations and the carryover provisions of present law.

With the proposed changes in the investment tax credit, the "asset depreciation range system" (ADR) should be repealed. That is, the present rules that permit a 20% deviation from guideline lives for assets should be repealed. The use of guideline useful lives would be continued as prior to 1969, with authority in the Treasury to insure that guideline lives correspond to actual business experience. Economists generally appear to agree that accelerated depreciation is a markedly inferior vehicle for stimulating capital investment when compared to a properly structured investment credit. The revenue made available from the repeal of ADR can be used to help fund the proposed 15%, partially incremental, and refundable investment tax credit.

The new tax credit should be phased in over a two-year period. The additional 5% incremental credit should be applicable to all qualifying assets placed in service after December 31, 1976. The refundable credit should be available for all assets placed in service after December 31, 1977. Carryovers of pre-178 investment tax credits may be used in 1978 and thereafter to reduce tax liability, but such carryovers cannot be utilized to create a refund. The changes in the asset depreciation range system should apply to depreciation on all assets placed in service after December 31, 1976.

As a further modification of the investment credit, the Senate should repeal the present rule that motion picture and television films may qualify for the investment tax credit. The investment tax credit is intended to stimulate investment in capital machinery and equipment. It is not intended to provide financial benefits for the results of personal services. Since virtually all the costs of motion picture and television films result from personal efforts of actors, directors and producers, it is inequitable to allow the investment credit for this particular result of personal effort when it is not available for the result of personal efforts generally, for example, books or works of art. Repeal of the investment tax credit for motion pictures should be effective for motion pictures produced after December 31, 1976.

The increase in revenues from repeal of the asset depreciation range system is estimated to provide increased revenues for fiscal 1977 sufficient to offset continuation of the investment credit at 10% base plus the 5% incremental credit. By fiscal 1981, the net revenue decrease from the two changes would be approximately $2.4 billion. For fiscal 1978, introduction of the refundable feature will result in an additional revenue decrease of $1.8 billion, and for fiscal 1981 of $2.1 billion.

B. Tax treatment of oil and gas operations

1. Capitalization of Intangible Drilling and Development Costs.

Background

Section 263(c) of the Internal Revenue Code permits intangible drilling and development costs to be deducted currently. Such costs primarily involve wages and other expenses for non-tangible items in drilling a well. As in the case of other industries, these costs should be capitalized and recovered through cost depletion. For example, wages of workers constitute a significant portion of the cost of constructing a building. But these wages are not immediately deductible; they must be capitalized and recovered through depreciation.

Proposal for Reform

In the case of oil and gas wells, intangible drilling and development costs should be capitalized and recovered through cost depletion. (Dry hole costs would, of course, continue to be fully deductible on a current basis.) Adoption of this rule would place the oil and gas industry on a parity with other businesses.

Adoption of the proposal to require capitalization of intangible drilling and development expenses would make it unnecessary to apply LAL or the minimum tax to oil and gas operations.

The requirement that intangible and drilling costs be capitalized should be effective with respect to all such expenditures incurred after December 31, 1976. The effect of the proposal would be to increase revenues by an estimated $160 million in fiscal 1977, rising to $2.3 billion by fiscal 1981.

2. Recapture of Deduction for Intangible Drilling and Development Costs.

Background

The House bill provides that, in the event of a sale of an interest in an oil and gas well, the taxpayer would be required to "recapture" as ordinary income a portion of the amount previously taken as a deduction against ordinary income under the special intangible drilling and development expense rule. In other words, if an investor or driller in an oil and gas well has claimed the special deduction for intangible drilling and development expenses and subsequently sells his interest, he must report as ordinary income the gain on the sale to the extent of the excess of the accelerated deductions claimed over the amount that would have been allowable as a deduction had the drilling and development expenditures been capitalized and recovered through cost depletion. The purpose of the rule is to curtail the ability of taxpayers involved in oil and gas operations to deduct intangible drilling and development expenses against ordinary income and then have the gain on the sale of the interest, which gain is a reflection of that deduction, taxable at preferential capital gain rates. A similar rule presently is applied in the case of accelerated depreciation taken with respect to machinery and equipment and to real estate. (IRC §§ 1245 and 1250).

The House bill moves in the right direction in requiring a recapture of a portion of the intangible drilling and development expenses deduction.

Proposal for Reform

The House provision should be amended to require the full recapture of all intangible drilling and development deductions in the event of a sale of an oil and gas interest at a gain. Thus, recapture as ordinary income should not apply not just to the excess of the special deduction over the amounts that would have been deductible had the expenditure been capitalized, but to the full amount of the intangibles deduction previously taken. This latter approach is the rule that applies under section 1245 of the Code in the case of machinery and equipment and that rule should be applied to the intangible drilling and development expenses deduction.

The full recapture rule should apply to dispositions of oil and gas properties in taxable years ending after December 31, 1975, with respect to intangible and development costs paid or incurred after that date (the same as in the House bill). The proposed changes would have a negligible effect on revenues in fiscal 1977, but would increase revenues by an estimated $.3 billion in fiscal 1981.

3. Repeal of 2,000 Barrel Per Day Allowance for Percentage Depletion.

Background

In the Tax Reduction Act of 1975, Congress took a major step by repealing percentage depletion for major oil companies. Unfortunately, however, Congress continued percentage depletion applicable to income derived from the first 2,000 barrels of daily production, a figure which is gradually reduced to 1,000 barrels of daily production by 1980. Although the 2,000 barrel per day exception was justified on the basis that "small business" needed to be able to continue to benefit from percentage depletion, this obviously was a red herring. During 1975, the average price of oil was $8.80 per barrel for independent producers. Thus, at this level gross receipts qualifying for the 22% depletion rate could total $6,424,000 annually. Only two-tenths of one percent of all U.S. businesses have gross receipts of $5,000,000 or more per year. It thus seems obvious that the businesses that are going to continue to benefit from percentage depletion are hardly "small" as the ordinary individual understands that term. Accordingly, Congress should complete the job on percentage depletion.

Proposal for Reform

Congress should repeal the 2,000 barrel per day allowance for percentage depletion. The 2,000 barrel per day allowance will be gradually reduced to 1,000 barrels by 1980 and then it should be ratably reduced to be eliminated entirely for taxable years beginning after January 1, 1985. The provision would result in no increased revenues for fiscal 1977 over present law, but would produce a long-term revenue gain of $2.0 billion annually.

4. Excess Foreign Tax Credits for Oil.

Background

The Tax Reduction Act of 1975 imposed a limit on the amount of foreign tax credit that can be claimed with respect to income derived from foreign oil extraction. In 1976, the foreign tax credit for oil is limited to 50.4% of foreign oil and gas extraction income, and 50% in subsequent years. Foreign "taxes" in excess of the limit are not allowed as tax credits to reduce U.S. taxes.

The purpose of the 1975 changes was to correct the inequity that had resulted from the ability of oil companies to claim as a credit for foreign "taxes" amounts paid to foreign governments that in fact constituted royalties. Royalty payments, of course, do not and should not qualify for the credit. However, the 50% limit still exceeds the 48% U.S. tax rate.

Proposal for Reform

The foreign tax credit attributable to foreign oil and gas extraction income should be limited to 48% of such income. Amounts paid to foreign governments in excess of this amount will not qualify for the credit.

The proposed change will be effective for all taxable years beginning after January 1, 1976. The change will increase revenues by an estimated $120 million for fiscal 1977, and thereafter.

C. Tax Treatment of Multinational Corporations

1. Repeal of Deferral of Taxation of Earnings and Profits of Controlled Foreign Corporations and Their Shareholders.

Background

Under present rules, the foreign source income of a foreign corporation is subject to United States income tax only when it is actually remitted to U.S. corporate or individual shareholders as a dividend. Because no U.S. tax is imposed until—and unless—income is distributed to the U.S. shareholders, who are generally corporations, a tax deferral results. An exception to the deferral rule applies to income from so-called "tax haven" activities conducted by foreign corporations controlled by U.S. shareholders. With respect to these tax haven activities, income is deemed distributed to the U.S. shareholders and currently taxed to them before they actually receive the income in the form of a dividend.

The benefit of tax deferral is primarily utilized by multinational corporations. By indefinitely retaining earnings in their foreign subsidiaries, the multinationals can avoid or postpone paying income tax for long periods of time or forever. As a result, there is a powerful incentive for U.S. corporations to invest abroad, leading to a loss of capital for domestic enterprise and, judging from the available data, a loss of jobs for United States workers.

The Senate in the Tax Reduction Act of 1975 voted to repeal the deferral privilege and thus tax the income earned by foreign subsidiaries in the same manner as income earned by domestic subsidiaries. The Conference Committee, while tightening the rules somewhat to limit the benefits of deferral, did not adopt the Senate provision.

Proposal for Reform

United States persons holding a 1 percent or greater interest in a foreign corporation should be taxed currently on their proportionate share of the income from the foreign corporation in cases where more than 50 percent of the stock of the foreign corporation is controlled by United States persons. Appropriate adjustments in the foreign tax credit should be made so that investments abroad and domestically are treated on a neutral basis.

2. Repeal of Domestic International Sales Corporation (DISC) Provision.

Background

In 1971, at the urging of the Treasury Department, Congress unwisely enacted a system of tax deferral for "domestic international sales corporations" (DISCs) and their shareholders. The profits of a DISC—which can be only a paper operation—are not taxed currently to the DISC when earned, but instead are taxed to the shareholders when distributed. However, each year a DISC is deemed to have distributed income equal to 50 percent of its profits, thus producing in effect a tax deferral for 50 percent of the export income of a DISC.

The primary justification offered by the Treasury for enactment of DISC was that it was necessary to provide tax deferral to some extent for domestic subsidiaries engaged in export activity in order to counter the 100 percent deferral afforded to controlled foreign subsidiaries. In short, in the Treasury's view, the way to combat one tax loophole was to create another one. The provision has been far more costly than was ever predicted. Congressional Budget Office estimates now project a $1.7 billion revenue loss from the provision for fiscal 1981. And the objective studies of the DISC provision that have been made indicate that very little, if any, increased export activity has resulted from the provision. United States exports have increased substantially since 1971, but this increase can be attributed to the decision to move to a floating currency, the devaluation of the dollar and general increases in international trade volume.

The House bill does restrict the DISC provision somewhat. However, it appears that the House failed to repeal DISC in its entirety largely because of a barrage of business lobbying that repeal of DISC would destroy jobs for U.S. workers. The AFL-CIO, which supports repeal of DISC, disagrees and has called the lobbying blitz in the House a screen to hide the multi-billion dollar windfall under DISC. Moreover, preliminary economic analyses now indicate that DISC actually causes a net loss of U.S. jobs. That is to say, continuation of DISC may destroy more United States jobs than it creates.

The reason for this is relatively simple. If DISC does cause any expansion in exports, the dollar will appreciate on foreign exchange markets. As a result, foreign firms will expand their exports to the United States. When these imports are expanded, United States workers will be displaced by the import competition.

Proposal for Reform

The preferential tax treatment for DISC's should be repealed effective for taxable years beginning after June 30, 1976. (If evidence presented to the Committee should indicate that it is appropriate, the Committee may wish to consider an extension of DISC for small export businesses until 1981, thus allowing time to develop a more effective method of encouraging small business to increase export activities.) The proposed change would produce an estimated increase in revenue in fiscal 1977 of $1.4 billion, and $1.7 billion in fiscal 1981.

3. Other House Provisions Dealing With Foreign Income.

The House bill included several other provisions designed to provide more equitable rules for the United States tax treatment of foreign income:

Retention of the 30 percent withholding tax imposed by the United States on interest, dividends and other similar types of income of a nonresident alien or a foreign corporation (if such income or gain is not effectively connected with the conduct of a trade or business within the United States).

Repeal of the preferential tax rates for Western Hemisphere Trade Corporations and China Trade Act Corporations.

Strengthening of rules for taxation of income of foreign trusts and transfers to foreign trusts and other entities.

The Senate should retain these House actions.

Section 1051 of the House bill effects a change in the tax treatment of United States corporations operating in Puerto Rico and possessions of the United States, other than the Virgin Islands. The present treatment is very beneficial to certain companies and significantly reduces their overall tax liability. This proposed change can operate to provide even more significant financial benefits to these companies. The House Committee Report instructed the Treasury Department to review the operations of the basic treatment of U.S. corporations operating in Puerto Rico in order to appraise Congress of the effects of that treatment. However, the first report is not due until 18 months after the close of calendar year 1976, or July 1978. But, the proposed House increase in the present benefits itself goes into effect in 1976. The Senate should reverse the order of these two events. That is, Congress should require submission of a report by the Treasury on the effect of the present tax treatment of corporations operating in Puerto Rico and other possessions, and any proposed changes, before any revision is made.

Therefore, the Senate should amend the House bill by requiring the Treasury to submit a report to Congress not later than July 1, 1977 on the effect of the present treatment and on the estimated effect on the House-proposed change or other changes (thus analyzing the effect of such changes on 1975 transactions as if they had been in effect in that year). Action on the House change should await a determination of the merits of the proposal.

IV. Proposals for estate and gift tax reform

Background

Comprehensive revision of federal estate and gift tax laws is long overdue. The House Ways and Means Committee has begun hearings on this vital subject. Congress should give high priority to enactment of comprehensive estate and gift tax legislation.

The major structural problems in the present estate and gift tax laws are created by:

The dual transfer tax system that creates inequities between transfers of property by gift and those at death;

The marital deduction;

The existence of generation-skipping transfers to avoid estate taxes;

Improper treatment of transfers of certain types of property.

Briefly the changes that are necessary to insure that our estate and gift tax system is both fair and effective in achieving its objectives include:

1. Unification of present estate and gift taxes into a single transfer tax system.
2. Revision of the rate structure to distribute the tax burden in a more equitable manner.
3. Providing an unlimited marital deduction so that transfers between spouses would not be subject to the tax.
4. Provide rules to insure that transfers of wealth are taxed at least once each generation, thus eliminating the generation-skipping transfers that allow wealthy families to avoid estate taxes for as much as 100 years.
5. Repeal or modify provisions that grant preferential tax treatment to certain kinds of transfers.

In addition, considerable concern has been expressed in recent months about the impact of federal estate taxes on family farm operations. Some publicity has asserted that families are being forced to sell all or part of family farm operations in order to meet their federal estate tax liability. It is important to our nation that an adequate amount of our open spaces be retained for farm purposes. From a land use perspective, it is also desirable to maintain the open spaces that farm land represents.

Undoubtedly, the administrative problem of valuing farm land for estate tax purposes, especially that which is also usable for commercial or residential development, has proved to be a difficult one. And owners of farms who have not been willing or able to undertake estate planning to insure that liquid funds will be available to their estates undoubtedly do encounter difficulty in meeting federal estate tax obligations.

However, the liquidity problem caused for family farms by the federal estate tax needs to be placed in perspective. According to the most recent data, only about 7 percent of the decedents who die each year are subject to the federal estate tax at all. The $60,000 exemption accorded for federal estate tax purposes exempts 93 percent of all decedents from federal estate tax each year. Thus, the fact that an estate owning a farm has a federal estate tax liability to be concerned about, alone demonstrates that the decedent was in the top percentile of wealth holders in the United States. Thus, in formulating a response to the alleged liquidity problem from owners of farms, it is important that any provision enacted by Congress be carefully tailored to insure that its benefits in fact are directed only to those farm owners who are really in need of federal assistance.

In this connection, the Congress and the Senate Finance Committee should reject out of hand proposals such as that advanced by President Ford to increase the present $60,000 estate tax exemption to a level of $150,000, or even $200,000 as suggested by others. Such proposals would virtually eliminate the federal estate tax as an effective federal revenue measure and as a means of insuring that undue concentrations of wealth are not perpetuated in the United States. Increasing the federal estate tax exemption level to $200,000, for example, would remove almost one-half of the revenues presently obtained from the federal estate tax. It would mean that less than 1% of decedents would be subject to the tax.

The ultimate thrust of tax reform should be to broaden the scope of the estate tax, not restrict it. To employ an increase in the estate tax exemption to solve liquidity problems of deceased farmers is to let the farm tail wag the estate tax dog. The benefits of increasing the exemption to $150,000 or $200-000 would extend far beyond those owning farms, and would provide estate tax reductions in situations in which they are neither needed nor desirable. The estate tax must not be gutted under the guise of providing assistance to owners of family farms. Estates with liquid assets must not hide behind the farm house.

Proposed for Reform

The House Ways and Means Committee is currently conducting hearings on the general subject of estate and gift tax reform. Orderly procedure would indicate that the Senate take no action with respect to estate tax problems of owners of family farms separate and apart from the comprehensive estate tax reform bill that should result from the Ways and Means consideration. It is more likely that an effective and fair provision to deal with the liquidity problem of farm operators can be developed in the context of comprehensive estate and gift tax reform than by an ad hoc decision in the Senate as an amendment to a bill designed to deal with income tax inequities.

However, if the Committee feels that action on this matter is appropriate in the pending bill, the following proposal represents an appropriate solution to the liquidity problems of owners of family farms:

A "family farm" (the term "family farm" should be defined in the same manner as in section 204(a) of the House bill) will be valued for federal estate tax purposes at its value for farm use if the following conditions are met:

a. The decedent in his or her will, or the decedent's estate within the period of time for filing a federal estate tax return, transfers the development rights with respect to the property to a state or local government (or to an instrumentality thereof), or to an organization described in section 501(c)(3) of the Code, the exempt function of which is to preserve land and open spaces. The decedent, of course, may have taken this action prior to death, and thus guaranteed valuation at the value for farm purposes.

b. Alternatively, the decedent or the decedent's estate can transfer such development rights to the Secretary of Agriculture.

Either of these transfers will constitute satisfaction of the federal estate tax liability for the tax that otherwise would be attributable to the difference in the value of the land at its highest and best use and its value as farm property. (Of course, no charitable contribution deductions will be allowed for the transfer of the development rights).

"Development rights" are actually negative easements. They do not give the holder of the rights the power to take any action with respect to the land covered by the development rights except the right to prevent commercial or residential development on the land. Thus, the use of the farm property as farm property by the heirs and beneficiaries of the decedent will not in any way be impaired by possession of the development rights by an estate or local government, for example.

This proposal will insure that federal estate taxes will be forgiven only in those situations in which there is assurance that the farm property will in fact continue to be used as farm property. If at some later date, the owners of the farm desire to develop it, or to sell it to a purchaser who wants to develop the land, they can do so and they (or the purchaser) can acquire the development rights from the state or local government, charitable organization, or the Secretary of Agriculture, as the case may be, by paying to the holder of the rights the estate taxes foregone by the federal government plus interest.

This proposal offers several advantages over other proposals that have been advanced to solve the liquidity problem for owners of farm operations:

1. It confines the federal estate tax relief to farm operators and to those farm families who are serious in their desire to continue operating as a family farm.
2. It does not involve any interference in the family farm operation by federal, state or local government.
3. If it subsequently becomes desirable to utilize the farm land in commercial or residential development, it will be possible to do so, but at no financial loss to the federal government, in the case of development rights held by the Secretary of Agriculture. In the case of rights held by state or local governments, the proposal can be seen as a form of revenue sharing.
4. The proposal takes advantage of the most innovative of the techniques presently being utilized for conservation of open spaces and thus encourages use of these progressive land use techniques.

The proposal should be effective for the estates of all decedents dying after December 31, 1976. It will result in an estimated revenue loss in fiscal 1977 of $50 million, and of $190 million in fiscal 1981.

V. PROPOSALS FOR NEW TAX EXPENDITURES THAT SHOULD BE REJECTED

In order to insure that the present tax reform bill actually constitutes "tax reform" the Senate should firmly reject those proposals to create new tax expenditures or other tax escapes that will further undermine the equity of the federal income tax system. Some of these proposals have been advanced by the President and the Treasury, others are contained in the House bill itself, and still others were passed by the House in the "Energy Conservation and Conversion Act of 1975," now pending before the Senate Finance Committee.

Among the proposals advanced by the Administration that should be rejected are:

1. The reduction of the corporate tax rate to 46 percent. This proposal would cost an estimated $1.7 billion. Economists are generally agreed that corporate rate reductions do nothing to stimulate capital investment and

may even be counter-productive under certain conditions. The only candidates for corporate tax-reduction are small businesses, as has been proposed above. The proposed revisions in the investment credit will provide the most effective means of stimulating capital investment in the corporate sector.

2. The proposed deduction for stock purchases. This will cost an estimated $700 million. Like all special and preferential deductions, it will have an upside-down effect, providing no benefits to nontaxpayers and a benefit rise as income increases. Introduction of a federal bias toward purchases of stock by individuals not only creates tax inequities, but is inconsistent with a free market economy. Individual investors in a market economy will purchase corporate stocks (as opposed to bonds, for example) when those investments are attractive as the result of the increased yield and dividend potential of the company itself. Introduction of the special deduction distorts the decision-making process by investors in a free economy and results in less than optimal efficiency in the use of capital.

The Government can safely rely on the good judgment of individual investors to evaluate and determine the best investment for their own particular needs.

3. The proposed special mortgage tax credit for financial institutions, which would cost an estimated $900 million per year when fully effective. A Task Force of the House Budget Committee has held hearings on this proposal and testimony before it indicated that the proposed credit would be undesirable from the standpoint of both tax and housing policy.

4. The proposed tax relief for electric utilities, including a provision to permit shareholders to defer the tax on dividends paid by those utilities where they elect to have the dividends reinvested in additional common stock. The combined changes proposed by the Administration would reduce tax liabilities of electric utilities and their shareholders by $800 million per year in the long run. Electric utility companies would seem to be among the least likely candidates for further tax relief. According to data filed with the Securities and Exchange Commission for 1974, many utilities paid no taxes at all, either to the United States Government or any other government, and others paid at very low effective rates. Commonwealth Edison paid an effective rate of 15.2 percent, Pacific Gas and Electric 10.6 percent. Consolidated Edison paid no tax at all. It is not electric utilities who need financial relief; it is their customers. And there is nothing in the Administration proposals that will insure that any of the proposed tax benefits will in fact be passed on to the consumers in the form of lower utility rates.

5. The proposed corporate dividend tax relief. Whatever may be the merits of full integration of corporate and personal income taxes—and economists and tax experts are divided on the subject—the Administration proposals do not accomplish full integration and really produce only tax reductions for upper income shareholders in corporations. In fact, the proposals cost far more than full integration. It is the virtually unanimous view of economists who have studied the matter that corporate dividend tax relief will not result in the formation of additional capital; it will simply reallocate available capital from those companies that desire to retain earnings for future growth to those companies that pay out earnings in current dividends. The economic case for this type of reallocation of capital resources is unclear at best.

6. Insulation, solar energy, and garden tool tax credits. The proposals for tax credits contained in the House-passed version of the Energy and Conservation Act of 1975—notably for costs of residential insulation and residential solar energy equipment—should likewise be rejected by the Senate. These new tax credits are inequitable and represent an unproven method of encouraging energy conservation practices. The credits are not refundable and therefore provide no assistance to those who do not otherwise incur tax liability.

In addition, the effectiveness and efficiency of the credits have not been analyzed by Congress and these new tax preferences should not be enacted until Congress can be assured that the benefits outweigh the costs and that the tax credit is the best means of providing financial assistance. The appropriate action at this time for the Senate Finance Committee is to require the Congressional Budget Office to review and evaluate the proposals and to submit a report to the Congress within a reasonable period of time. Then the Congress can act in an informed manner with respect to these tax credit proposals.

Similarly, the provision in the pending House-passed Tax Reform Bill creating a new $7 tax credit for the purchase of home garden tools should be deleted from the bill. The justification given for this provision was that it would relieve the pressure of rising food prices. However, the need for the measure is questionable in view of the fact that food prices have been moderating in recent months. Furthermore, since the credit is not refundable, it provides no financial assistance or encouragement to those families that are hardest hit by food prices, i.e., those with below poverty level incomes. Finally, the tax credit appears almost impossible to administer and likely would be the subject of widespread abuse.

VI. PROVISIONS AFFECTING THE ADMINISTRATION OF THE TAX LAWS

The House-passed bill contains a number of provisions designed to improve the administration of the federal tax laws. Generally these provisions represent desirable changes which should improve both the efficiency and equity of Internal Revenue Service administrative practices and procedures. The inclusion of the so-called "Dead wood Bill" in the tax reform bill is most desirable since it will remove unnecessary Code provisions, simplify the tax laws, and streamline the voluminous Internal Revenue Code.

The provisions regulating income tax return preparers, providing declaratory judgment procedures for organizations seeking to qualify for tax exempt status, improving jeopardy and termination assessment procedures, clarifying rules with respect to summons issued by the Internal Revenue Service to obtain taxpayer's books and records, and establishing procedures for disclosure of Internal Revenue Service determination letters all represent steps in the right direction in terms of equity and efficiency in the administration of our tax laws. The Senate should adopt these provisions of the House bill, making such improvements as testimony before the Finance Committee indicates may be required. As in the case of estate and gift taxation, I intend to submit specific proposals for reform and improvement to this Committee as consideration of these areas continues.

THE LAW ENFORCEMENT CODE OF ETHICS

Mr. MORGAN. Mr. President, in recent months there has been much controversy in our Nation concerning the proper role of Federal agencies which possess investigatory and law enforcement powers. As a member of the Select Committee to Study Governmental Operations with Respect to Intelligence Activities, I am particularly mindful of this problem and have devoted a great deal of time to its consideration.

As many of you know by now, it is my nature to say what is on my mind. Consequently, I have spoken out concerning the abuses I have seen documented, especially those of the FBI, hoping through my comments to help redirect the energies of these agencies into the channels for which they were intended.

Because of my special consciousness of what the proper role of law enforcement should be, I was especially interested in the copy of "The Law Enforcement Code of Ethics" which I received in this morning's mail. It is a very fine code of personal and professional conduct and I am pleased to have this opportunity to share it with you.

Over the years, I have been a staunch supporter of law enforcement and consequently have many close friends in the law enforcement profession. It is my belief that this is the code by which they and the great majority of their colleagues live, and I commend them for the service they render and the sacrifices they make.

Mr. President, I ask unanimous consent that the code be printed in the RECORD.

There being no objection, the code was ordered to be printed in the RECORD, as follows:

THE LAW ENFORCEMENT CODE OF ETHICS

As a law enforcement officer, my fundamental duty is to serve mankind; to safeguard lives and property; to protect the innocent against deception, the weak against violence or disorder, and to respect the Constitutional rights of all men to liberty, equality and justice.

I will keep my private life unsullied as an example to all; maintain courageous calm in the face of danger; scorn, or ridicule; develop self-restraint; and be constantly mindful of the welfare of others. Honest in thought and deed in both my personal and official life, I will be exemplary in obeying the laws of the land and the regulations of my department. Whatever I see or hear of a confidential nature or that is confided in me in my official capacity will be kept ever secret unless revelation is necessary in the performance of my duty.

I will never act officiously or permit personal feelings, prejudice, animosities or friendships to influence my decisions. With no compromise for crime and with relentless prosecution of criminals, I will enforce the law courteously and appropriately without fear or favor, malice or ill will, never employing unnecessary force or violence and never accepting gratuities.

I recognize the badge of my office as a symbol of public faith, and I accept it as a public trust to be held so long as I am true to the ethics of the police service. I will constantly strive to achieve these objectives and ideals, dedicating myself to my chosen profession . . . law enforcement.

ENERGY AND WATER CONSERVATION

Mr. METCALF. Mr. President, I ask unanimous consent that the remarks of Senator JACKSON upon introducing S. 3142, a bill to amend the Water Resources Planning Act, the Water Resources Research Act of 1964, and S. 3145, a bill to establish energy conservation research, development and demonstration institutes, to create a cooperative energy extension service, to promote a more adequate national program of research, development and demonstration in technologies related to energy conservation be printed in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

STATEMENTS BY SENATOR JACKSON

THE ENERGY CONSERVATION RESEARCH AND DEVELOPMENT ACT OF 1976

I am pleased to join with my distinguished colleague, the Senator from Idaho (Mr. CHURCH) in cosponsoring legislation to create energy conservation research and development institutes and to mandate that ERDA develop and, with Congressional approval, implement a program to create a Cooperative Energy Conservation Extension Service, S. 3145.

Various estimates of the Federal Energy Administration and ERDA indicate that the potential for energy conservation is enormous. According to these agencies, it is possible to conserve up to 3 million barrels of oil equivalent per day simply by following energy conservation techniques or employing existing energy conservation technologies. In addition, ERDA has estimated that successful research, development, and demonstration projects in conservation could result in saving as much as 8 million barrels of oil equivalent per day by 1985.

This legislation is designed to mobilize the scientific and technical expertise which already exists in our nation's colleges and universities. The creation of an Energy Conservation Research, Development and Demonstration Institute in each State would significantly increase the manpower now devoted to energy conservation R&D and would provide each State with a center of excellence from which energy conservation research could be carried out and technical information regarding efficient use of energy could be disseminated.

In addition, this legislation would require that ERDA develop a plan to create a Cooperative Energy Conservation Extension Service. It is envisioned that such a Service would provide individual energy consumers; small businesses and other end-use energy consumers with technically competent advice about energy conserving techniques and opportunities.

This proposal complements legislation already passed by the Congress and signed into law by the President—the Energy Policy and Conservation Act. The provision contained in Title III of that Act for the support of State energy conservation programs provides a basic framework for conservation efforts based on energy efficiency standards which can take account of unique local conditions and opportunities for energy savings. The central thrust of the legislation introduced today would compliment the programs envisioned by the Energy Policy and Conservation Act by providing the technical personnel and the know-how to assure rapid and efficient implementation of energy conservation measures at the local level and to permit consumers to institute those conservation practices which can offer some relief from the impact of high energy prices.

I am hopeful that this important legislation will receive early consideration by the Congress.

AMENDMENTS TO THE WATER RESOURCES PLANNING ACT AND THE WATER RESOURCES RESEARCH ACT

I am pleased to join with my friend, the distinguished senior Senator from Idaho (Mr. Church) in sponsoring this legislation to amend the Water Resources Planning Act of 1965 and the Water Resources Research Act of 1964, S. 3142.

The Water Resources Planning Act of 1965 was enacted to encourage conservation, development and use of the Nation's water and related land resources on a comprehensive and coordinated basis among Federal and State agencies involved in water resources. The Water Resources Research Act of 1964 was enacted to compliment the provisions of the planning act by assuring that the country's research needs related to water would be adequately and thoroughly addressed. The research act called for the establishment of water research institutes at land-grant institutions and for the promotion of a more adequate national water research program.

To date, hearings conducted by the Senate Interior Subcommittee on Energy Research and Water Resources have revealed that many of the objectives of these two laws have been achieved. However, much has happened since the passage of the planning and research acts. We have made the enactment of the National Environmental Policy Act, the Coastal Zone Management Act, and we have experienced a greatly enhanced need for food and fiber. The depressed State of our own economy, and the energy crisis have complicated matters greatly. These developements have a direct bearing on the scope and purpose of both the Water Resources Planning Act and the Water Resources Research Act.

After more than a decade of experience with the administration of both of these laws, it is now timely to re-examine the achievements and short-comings. This bill incorporates the suggestions made by many States, river basin commissions and others. While it should not be considered a final product, it is a starting point from which the Congress might consider water resources research and planning.

If we are to avoid the same crisis in water which this Nation has faced in the energy field, then it is imperative that water research and planning be conducted in an effective and comprehensive manner.

I am hopeful that the Senate will be able to consider this measure at an early date and that positive action on this bill will be forthcoming.

BUSINESS AND THE CHANGING SOCIETY

Mr. MATHIAS. Mr. President, I invite the attention of the Senate to an article by George Cabot Lodge which appeared in the Harvard Business Review, March-April 1974. In this article—entitled "Business and the Changing Society"—Mr. Lodge discusses the changes taking place in our society with attention to their impact on business and on the managerial class. He identifies a functional dichotomy between our professed beliefs and our actions and addresses himself to the ideological transformation which we confront.

Mr. Lodge is a professor of business administration at Harvard Business School and formerly was Assistant Secretary of Labor for International Affairs under Presidents Eisenhower and Kennedy. I ask unanimous consent that his thought provoking article: "Business and the Changing Society," be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

BUSINESS AND THE CHANGING SOCIETY

(By George Cabot Lodge)

(NOTE.—Individualism, private property, a weak central government—all the traditional notions in which this nation has so long believed seem to be assuming the status of discarded totems. What we really believe today, as measured from what we are actually doing, does not jibe with these time-honored notions; in many cases, our actions are diametrically opposed to our party line. And because we seem to be charging off in so many different directions at once, it is hard to get any kind of clear picture of the purposes and priorities of our society. The author has done his best to disabuse himself of dead issues and to open his eyes to what is happening to our goals and ideals. Here he adjures the rest of us to do the same. Unless every one of us tries to see his problems clearly, relying no more on the old notions of "right" but trying to assess what is going to be "right" in the future, we shall by default hand ourselves over to the chances of nondirection and chaos. He points out, as objectively as he can, where he thinks we are heading, and he adds a recommendation or two for managers who are willing to engage themselves with the process of social change, both as citizens and as executives.

Mr. Lodge is professor of business administration at the Harvard Business School. He teaches in both the MBA and the Advanced Management programs. Before coming to Harvard, he served in the Eisenhower and Kennedy administrations as assistant secretary of labor for international affairs. He is the author of "Engines of Change: United States Interests and Revolution in Latin America" and other books and articles. He is now finishing a book on the subject of this article, to be published by Alfred A. Knopf.)

The United States is in the midst of one of the great transformations of Western civization. Like many other managers, the chief executive of General Motors feels the quakes:

"I am concerned about a society that has demonstrably lost confidence in its institutions—in the government, in the press, in the church, in the military—as well as in business."[1]

What is happening is that the old ideas and assumptions, which once made our great institutions legitimate, authoritative, and confident, are fast eroding. They are slipping away in the face of a changing reality and are being replaced by different ideas and different assumptions, which are as yet ill-formed, contradictory, and shocking. The transition is neither good nor bad; there is the possibility of plenty of both. The point is that it is taking place.

It is hard for managers, especially those in large corporations, to operate in an environment in which the old ideas no longer seem to work. If these new ideas were well defined, it would be difficult enough for managers—and for all of us—to cope with them; but since they are still plastic, unfamiliar, and disruptive, we are baffled—and perhaps afraid.

We need to stand back and look at the whole body of our problems and not merely at the dilemmas and questions each one presents to us individually—we must look at the forest, now, instead of the trees. It behooves managers to clear their heads, to inspect all old assumptions, to identify as precisely as possible what is happening and what new ideas and definitions of values are germinating, and then to look objectively at the choices that remain.

This is not an easy thing to do. The old ideas are hard to let go; they have glorious associations for us, springing as they have from the revolutions against hierarchical

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Footnotes at end of article.

medievalism of the sixteenth and seventeenth centuries. It is difficult also because the old ideas are what in many cases have made legitimate the seats of power. They justify the status quo. Nobody likes to look at the weakness beneath him.

But the stakes are high. Some institutions may be able to adapt to the incoming ideology, and survive and prosper. Others may have to look outside the United States for more hospitable surroundings where the old ideas are still acceptable. Still other institutions will be shaken apart, and they are beginning to know it; but they are paralyzed, unwilling or unable to change or move. Why?

OUR INSTITUTIONS ARE SPINNING THEIR WHEELS

As I write this, the nation's economy is at full throttle. Sales, profits, and production have never been greater. But there is an unease, a certain absence of control and direction with which the economists cannot reckon. We have lost confidence in ourselves and the world knows it:

The decline of the dollar is a measure of our loss.

Food and fuel are in short supply.

The malaise on the assembly line continues.

The trade-off mechanisms through which we balance energy, policy, technology, transportation, economic growth, and ecological integrity are not functioning.

The structures of government are bloated and inefficient, manipulated by powerful interest groups whose clear-cut ends seem to justify any means.

Opinion polls confirm Gerstenberg's perception of declining confidence in our political leadership; and each day's newspaper brings to each of us new revelations of illegality by business and government leaders.

Thus an ominous self-doubt prevails, a fear that we are moving inexorably away from old, familiar moorings and sailing off, for all we are worth, into an unknown sea of storms. We need a chart, a plan, to find our way. But whom can we trust to draw the plan and mark the course?

There is a propensity in times like these to blame the devils and praise the angels. Some are even tempted to welcome the ruin and destruction of the old, blindly hoping to find the good and reliable in the purity of the ashes.

But neither praise nor blame nor ruin is the answer. We need new social and political constructs that (a) clearly embrace our economic and technological activities and (b) allow for the development of a new sense of community. But what should these constructs be?

In essence, they must weave together for us a new system of definitions for the ancient values—survival, justice, creativity, self-respect, and the like. All communities everywhere have treasured these values; they are timeless and essentially noncontroversial. It is the definitions of such values that vary from time to time and place to place.

For example, in ancient Egypt, justice and self-respect involved lugging stones to memorialize Pharaoh's transition to the next life. And in modern China, these same values are fulfilled by total service to the community and the nation.

Our own definitions are quite different, but they are also fuzzy and conradictory. The proof of this statement is the fact that we have lost our sense of what "ought to be"—we have lost the sense of direction that would allow us to answer the questions being raised about our society today:

By what criteria will we measure our progress?

What is the good community?

How many people should it have?

Where should they live?

What do they need?

What are their rights?

There are no pragmatic answers to questions such as these. Ad hoc experimentalism of the kind to which we have become addicted constitutes floundering from crisis to crisis.[2] The need for broad conceptions has become essential.

They may come, as they have so often in the past, with cruelty, bloodshed, repression, and waste. They may come humanely, efficiently, and with a maximum of liberty, as they have relatively seldom. If we perceive the nature of our crisis sooner rather than later and do not shrink from its implications, however threatening to existing assumptions and interests those implications may be, the chances will increase that our transition from our old ideology to a new ideology will be relatively benign.

But if we wait, confident of somehow muddling through, we shall lurch from crisis to crisis until large-scale depression and disruption cause us to welcome the orderly relief of dictatorship.

IDEOLOGY AS CONNECTIVE TISSUE

One great difficulty we have in facing up to this problem of ideological transition is that we have always thought of ourselves as a pragmatic people that does what needs to be done to meet the requirements of the time. We have supposed that ideology is something we left behind in Europe with our ancestors—a theoretical bag of confusion that trammeled up socialism and communism and the other "isms," from which hardheaded Americans are happily free.

This, of course, is nonsense. We are just as deeply imbued with ideology as any other community—probably more so. We sometimes call it Americanism. It is the basis of our motivation, our national "collective unconscious." To assert that we are free of it is as absurd as to assert that a true man exists who does not have a subconscious mind.

IN THE OLD BODY

Our traditional ideology is not at all hard to identify. It is composed of five great ideas that first came to America in the eighteenth century, having been set down in seventeenth century England as "natural" laws by John Locke, among others. These ideas found a particularly fertile soil in the vast, underpopulated wilderness of America and served us well for a hundred years or so. They are now in an advanced state of erosion.

Individualism

This is the atomistic notion that the community is no more than the sum of the individuals in it. It is the idea that fulfillment lies in an essentially lonely struggle in what amounts to a wilderness where the fit survive—and where, if you do not survive, you are somehow unfit. Closely tied to individualism is the idea of *equality*, in the sense implied in the phrase "equal opportunity," and the idea of *contract*, the inviolate device by which individuals are tied together as buyers and sellers. In the political order in this country, individualism evolved into *interest group pluralism*, which became the preferred means of directing society.

Property rights

Traditionally, the best guarantee of individual rights was held to be the sanctity of property rights. By virtue of this concept, the individual was assured freedom from the predatory powers of the sovereign.

Competition

Adam Smith most eloquently articulated the idea that the uses of property are best controlled by each individual proprietor competing in an open market to satisfy individual consumer desires.

The limited state

In reaction to the powerful hierarchies of medievalism, the conviction grew that the least government is the best government. We do not mind how big government may get, but we are reluctant to allow it authority or focus. And whatever happens the cry is, "Don't let it plan—particularly down there in Washington. Let it just be responsive to crises and to interest groups. Whoever pays the price can call the tune."

Scientific specialization and fragmentation

This is the corruption of Newtonian mechanics which says that, if we attend to the parts, as experts and specialists, the whole will take care of itself.

There are a number of powerful American myths associated with these ideas: John Wayne as the frontiersman; rags to riches with Horatio Alger; and, most fundamentally, the myth of material growth and progress.

Implicit in individualism is the notion that man has the will to acquire power, that is, to control external events, *property*, nature, the economy, politics, or whatever. Under the concept of the limited state, the presence of this will in the human psyche meant the guarantee of progress through competition, notably when combined with the Darwinian notion that the inexorable processes of evolution are constantly working to improve on nature.

Scientific specialization has been part of this "progress," fragmenting knowledge and society while straining their adaptability. This splintering has brought us at least one hideous result: an amoral view of progress "under which nuclear ballistic missiles definitely represent progress over gunpowder and cannonballs, which in turn represent progress over bows and arrows."[3] This teacherous myth places no apparent limit on the degree to which man can gain dominion over his environment, nor does it stipulate any other ideological criteria for defining progress.

If we consider the past 6,000 years of human history, we are struck by the extent to which this atomistic, individualistic ideology constitutes a fundamental aberration from the historically typical communitarian norm. It stands as a radical experiment that achieved its most extreme manifestation in America in the nineteenth century. Since that time it has been steadily deteriorating in the face of various challenges—wars, depressions, new economic and political systems, the concentration and growth of populations, and institutional as well as environmental degeneration.

AND IN THE NEW

Institutions that depended on the traditional ideas for their legitimacy—notably the large corporations—have thus become unmoored. It is now important to determine what new ideas are moving in as "legitimizers" so that more fitting institutional forms and structures can be created. Here are my own impressions.

1. Individual fulfillment occurs through participation in an organic social process—

The community as conceived today is indeed more than the sum of the individuals in it. It has special and urgent needs, and the survival and the self-respect of the individuals in it depend on the recognition of those needs. There are few who can get their kicks à la John Wayne, although many try. Individual fulfillment for most depends on a place in a community, an identity with a whole, a participation in an organic social process. And further:

If the community, the factory, or the neighborhood is well designed, its members will have a sense of identity with it. They will be able to make maximum use of their capacities.

If it is poorly designed, people will be correspondingly alienated and frustrated.

In the complex and highly organized America of today, few can live as Locke had in mind.

Both corporations and unions have played

Footnotes at end of article.

leading roles in the creation of the circumstances which eroded the old idea of individualism and created the new. But invariably they have been ideologically unmindful of what they have done. Therefore, they have tended to linger with the old forms and assumptions even after those have been critically altered:

A central component of the old notion of individualism is the so-called protestant ethic: hardwork, thrift, delayed gratification, and obedience to authority. Business has extolled these virtues on the production side of things even as it has systematically undercut them on the marketing side. Advertising departments spend millions reminding us that the good life entails immediate gratification of our most lurid desires, gratification which we can buy now and pay for later. Leisure and luxury are touted as the hallmark of happiness.[4]

Similarly, the assembly worker has been led to believe by management, parents, and TV that the old idea of individual fulfillment is valid. But he finds himself constrained in an inescapable work setting dramatically unlike anything that he has been led to expect. He is liable to strike out, perhaps violently. Or he may join the absentee lists, taking Fridays and Mondays off to eke out some spurious individualism via drugs, drink, old movies, or—if he is lucky—a walk in the hills.

Paradoxically, such behavior puzzles both management and unions. They linger with the traditional individualistic idea of the contract long after the contract has ceased being individualistic and has become "collective" unmindful of the irrelevance of the individual labor contract to the communitarian problems at hand.

Our former social policy attempted to guarantee that each worker have equal opportunity. The young lawyers enforcing equal employment legislation, however, have taken quite a different tack. In the case of AT&T, for example, they argued that discrimination had become institutionalized; it had become endemic to the AT&T community, and women, for example, had been slotted into certain tasks.

When this kind of argument is being accepted, it is no longer necessary to prove individual discrimination in order to get redress.

The government then moved to change the makeup of the whole of AT&T so as to provide, in effect, for equality of representation at all levels. Without any specific charge having been brought, the company in turn agreed to upgrade 50,000 women and 6,600 minority group workers and—perhaps most significantly—to hire 4,000 men to fill traditionally female jobs such as operator and clerk. The company also agreed to pay some $15 million in compensation. Thus the issue became one of equality of result not of opportunity; a communitarian idea had superseded an individualistic one.

Given this definition of the issue, the company's task was to redesign itself according to certain overall criteria, in recognition (a) of the fact that individuals are unequal in many important respects and (b) of the dictum that the good organization is one which adapts itself to those inequalities to assure equality of result.

Needless to say, the union at AT&T protested bitterly, since the government's action was a direct threat to the contract which previously had been the device used to resolve inequities in seniority and promotion policies.[5] The company itself has had commensurate difficulty in meshing its old thinking with the specific steps demanded by the representatives of the new ideology. Yet the changes are being forced forward, in one fashion or another, nonetheless.

2. Rights of membership are overshadowing propery rights.—

A most curious thing has happened to private property—it has stopped being very important. After all, what difference does it really make today whether a person *owns* or just *enjoys* property? He may get certain psychic kicks out of owning a jewel or a car or a TV set or a house—but does it really make a difference whether he owns or rents?

Today there is a new right which clearly supersedes property rights in political and social importance. It is the right to survive—to enjoy income, health, and other rights associated with membership in the American community or in some component of that community, including a corporation. As of January 1, 1974, for example, all U.S. citizens who are 65 years old, or blind, or disabled have had an absolute right to a minimum income of $140 a month. President Nixon's Family Assistance Plan would have guaranteed an income to all. Health legislation guaranteeing medical care to all is likely.

This right derives not from any individualistic action or need; it does not emanate from a contract. It is a communitarian right that public opinion holds to be consistent with a good community. It is a revolutionary departure from the old Lockean conception under which only the fit survive. President Nixon, apparently unaware of what is happening, said once: "If you underwrite everybody's income, you undermine everybody's character." Well, of course, that depends on the definition of self-respect.

The utility of property as a *legitimizing* idea has eroded as well. It is now quite obvious that our large public corporations are not private property at all. The 1,500,000 shareholders of General Motors do not and cannot control, direct, or in any real sense be responsible for "their" company. Furthermore, the vast majority of them have not the slightest desire for such responsibility. They are investors pure and simple, and if they do not get a good return on their investment, they will put their money elsewhere.

Campaign GM and other similar attempts at stockholder agitation represent heroic but naively conservative strategies to force shareholders to behave like owners and thus to legitimize corporations as property. But such action is clearly a losing game. And it is a peculiar irony that James Roche, as GM chairman, branded such agitation as radical, as the machinations of "an adversary culture . . . antagonistic to our American ideas of private property and individual responsibility." In truth, of course, GM *is the radical;* Nader et alia were acting as conservatives, trying to bring the corporation back into ideological line.

But, the reader may ask, if GM and the hundreds of other large corporations like it are not property, then what are they? The best we can say is that they are some sort of collective, floating in philosophic limbo, dangerously vulnerable to the charge of illegitimacy and to the charge that they are not amenable to community control. Consider how the management of this nonproprietary institution is selected. The myth is that the stockholders select the board of directors which in turn selects the management. This is not true, however. Management selects the board, and the board, generally speaking, blesses management.

Managers thus get to be managers according to some mystical, circular process of questionable legitimacy. Under such circumstances it is not surprising that "management's rights" are fragile and its authority waning. Alfred Sloan warned us of this trend in 1927:

"There is a point beyond which diffusion of stock ownership must enfeeble the corporation by depriving it of virile interest in management upon the part of some one man or group of men to whom its success is a matter of personal and vital interest. And conversely at the same point the public interest becomes involved when the public can no longer locate some tangible personality within the ownership which it may hold responsible for the corporation's conduct."[6]

We have avoided this profound problem because of the unquestioned effectiveness of the corporate form per se. In the past, when economic growth and progress were synonymous, we preferred that managers be as free as possible from stockholder interference, in the name of efficiency. But today the definition of efficiency, the criteria for and the limitations of growth, and the general context of the corporation are all much less sure. So the myth of corporate property is becoming a vulnerability.

There is no doubt that some means will be found to legitimize the large corporation and to make it responsive to community demands. Several options seem possible:

Effective shareholder democracy might work in small companies.

More comprehensive and intelligent regulation by the state might be a possibility, with respect to public utilities.

Self-management schemes such as those in Europe are being tried by some U.S. companies.

Federal corporate charters that define corporate purpose, management rights, and community authority might be successful "legitimizers."

Finally, there is nationalization, perhaps the most brutish and inefficient way to legitimization. If managers do not take leadership in rebuilding their base of legitimacy, and do it artfully and well, they might as well contemplate the worst of the possibilities.

3. Community need to satisfy consumer desires is replacing competition as a means for controlling the uses of property—

It was to the notion of community need that ITT appealed in 1971 when it sought to prevent the Justice Department from divesting it of Hartford Fire Insurance. The company lawyers said, in effect: "Don't visit that old idea of competition on us. The public interest requires ITT to be big and strong at home so that it can withstand the blows of Allende in Chile, Castro in Cuba, and the Japanese in general. Before you apply the antitrust laws to us, the Secretary of the Treasury, the Secretary of Commerce, and the Council of Economic Advisers should meet to decide what, in the light of our balance-of-payments problems and domestic economic difficulties, the national interest is."[7]

Note that here again it was the company arguing the ideologically radical case. The suggestion was obvious: ITT is a partner with the government—indeed with the Cabinet—in defining and fulfilling the communitarian needs of the United States. There may be some short-term doubt about who is the senior partner, but partnership it is. This concept is radically different from the traditional idea underlying the antitrust laws—namely, that the public interest emerges naturally from free and vigorous competition among numerous aggressive, individualistic, and preferably small companies attempting to satisfy consumer desires.

In the face of the serious pressures from Japanese and European business organizations, which emanate from ideological settings quite different from our own, there will be more and more reason to set aside the old idea of domestic competition in order to organize U.S. business effectively to meet world competition. Managers will probably welcome if not urge such a step; they may, however, be less willing to accept the necessary concomitant: if, in the name of efficiency, of economics of scale, and of the demands of world markets, we allow restraints on the free play of domestic market forces, then other forces will have to be used to define and preserve the public interest. These "other forces" will amount to greater regulation by the political order, in some form or other.

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4. The role of government is inevitably expanding—

It follows that the role of the state is changing radically—it is becoming the setter of our sights and the arbiter of community needs. Inevitably, it will take on unprecedented tasks of coordination, priority setting, and planning in the largest sense. It will need to become far more efficient and authoritative, capable of making the difficult and subtle tradeoffs which now confront us—for example, between environmental purity and energy supply.

Government is already big in the United States, probably bigger in proportion to our population than even in those countries which we call "socialist." Some 16% of the labor force now works for one or another governmental agency, and by 1980 it will be more. Increasingly, U.S. institutions live on government largess—subsidies, allowances, and contracts to farmers, corporations, and universities—and individuals benefit from social insurance, medical care, and housing allowances.[8] The pretense of the limited state, however, means that these huge allocations are relatively haphazard, reflecting the crisis of the moment and the power of interest groups rather than any sort of coherent and objective plan.

The web of interrelated factors which together constitute the energy crisis is the direct result of governmental "ad hocism" and the lack of an integrated plan.

Significantly, like Franklin Roosevelt before him, President Nixon cloaks his departures from the limited state in the language of the traditional ideology. Seeking to make his massive and increasing (but uncertain) interventions palatable, he has tried to make his motives appear pragmatic, not ideological. But he, like ITT, is the radical in the case: even as he has regularly called us to loyalty to what he terms cherished values (essentially, the Lockean five), he has deliberately acted to subvert these very notions. This is worse than merely confusing because it delays the time when we will recognize the planning functions of the state for what they are and must be.

If the role of government were more precisely and consciously defined, the government could be smaller in size. To a great extent, the plethora of bureaucracies today is the result of a lack of focus and comprehension, an ironic bit of fallout from the old notion of the limited state.

The greatest significance of Watergate is perhaps that it has set back the inevitable trend toward increased executive power and efficiency at a time when we need strong, sound executive leadership more than ever. It is ironic that at this juncture Sam Ervin, as pure and noble an embodiment of the Lockean faith as one could imagine, is a national hero. There has not been a hero in America since the turn of the century, and there probably will not be again.

Watergate, however, will have served a most useful purpose if it alerts us to the need for strict and explicit statutory limitations on executive power as we go into a time when that power will necessarily grow.

5. Reality now requires perception of whole systems, not only the parts.—

Finally, and perhaps most fundamentally, the old idea of scientific specialization has given way to a new consciousness of the interrelatedness of all things. Spaceship earth, the limits of growth, the fragility of our life-supporting biosphere have dramatized the ecological and philosophical truth that everything is related to everything else. Harmony between the works of man and the demands of nature is no longer the romantic plea of conservationists. It is an absolute rule of survival, and thus it is of profound ideological significance, subverting in many ways all of the Lockean ideas.

The dilemma of protest

But introducing cohesive and organic order into our fractionated world is not painless. It is difficult even for those most intimately involved in the process to see clearly what the real problems are. For example, consider the decline in youth protest—many have remarked on it. What really happened?

The so-called counterculture was rooted in an ideological contradiction which it diligently avoided resolving. It voiced a traditional (if extreme) cry for the full promises of the Enlightenment, individualistic and romantic: "Do your own thing, now, no matter what." It was also, however, a radical call for new communitarian norms governing income distribution, inheritance, harmony with nature, and a new political order. Young people, not surprisingly, were unable to live with such contradiction.

And educational institutions gave them little help in understanding or coping with it. Academic bureaucracies, based on the old idea of specialization, constitute a series of long dark tunnels called disciplines. The best man in each field is at the end of his tunnel, digging an ever-narrowing trench of new knowledge. "If you are diligent you may find him," the student is told, "and if you are persistent you may get him to raise his head and mumble."

Whatever the ultimate value of academic research may be, the student has come to wonder whether this kind of education is what he needs to understand the world—whether, in fact, what is truly important is not what ties the tunnels together and how they are related to one another. What, for example, are the implications of genetics, biology, or psychology for political science, philosophy, and sociology?

"If he tries to find out, there are only a few mavericks to hold his hand. It is no wonder that increasing numbers of college seniors have no conception of where they are going to fit. It is also no wonder that increasing numbers of students are dropping out to seek their own integration through direct experience in the world.

Understandable as this reaction may be, it is woefully inefficient. Realizing this fact, the educational bureaucracies are beginning to budge—but no more than that. And hierarchies of the business world are not doing much better.

An autopsy on industry

Once General Motors was beautifully harmonious with the community. In 1910, what were to become GM's components were clearly owned by entrepreneurs: Louis Chevrolet and his counterparts at Buick, Oldsmobile, Hyatt Roller Bearings, and so on. Their authority and legitimacy were clear. Young men came out of the hills hungry for work in Detroit; thousands massed outside the hiring gates. Survival was at stake. The rights of property were secure, and the contract which followed from them was authoritative. Mr. Chevrolet offered the terms, and workers took them or left them.

Time passed, and workers demanded more power. They submerged their individualism into an interest group, the United Automobile Workers. Management, acting out of a sense of property rights, resisted. Violence ensued. The UAW finally won, and the contract became collectivized—almost a contradiction in terms, if one thinks of the contract in its pure, individualistic form.

Also, property rights were themselves eroded by becoming a subject for bargaining in an adversary procedure. These rights were further diluted by the emergence of an entirely different type of management, one divorced from ownership. Nevertheless, the structure worked efficiently, and the United States accepted it because of its respect for the automobile and for material growth per se.

Then in the 1960s, the UAW started to splinter, individual locals and individual workers within locals feeling needs which could not be embraced by the already bloated contract. Survival having been assured by the community, the workers began to demand avenues to individual fulfillment in a communitarian setting where it could not be found.

By this time, too, the ownership of GM had become immensely diluted; and today the legitimacy of its function is increasingly suspect. In 1964, Sloan wrote of flying over the countryside, delighting in the "splash of jewel-like color presented by every parking lot."[9] Such a lyrical description falls a bit flat today.

So the legitimacy and power of management, on the one hand, and of the labor contract and thus the union, on the other, have deteriorated. But the hierarchies have barely budged. For a while, company management's answer was to pay workers more for their unhappiness, a recourse suitable to the contractual form. The union hierarchy, on their side, had roughly the same idea—a fatter contract. Absenteeism, sabotage, and lowering productivity have continued, however. Meanwhile, at Toyota, when the night shift goes off duty, it cheers the day shift on to harder and harder work.

This whole syndrome is generic to U.S. industry. Its root is simply that we have outgrown the old ways of doing things. We must now find a new way of doing things, one that accords with present realities and new definitions of values.

THE MANAGER'S MIND

Let me now consider what these five transformations imply for managers—in particular, managers of large, publicly held corporations.

In simplest terms, the manager must form a certain attitude of mind, a willingness to confront manifold change openly and with breadth of vision, not with the heels dug in and the old blinders on. More than ever, he must see his task as a general not a specialized one. He is not an expert; he is an integrator, a synthesizer, responsible for the whole and capable of perceiving the whole, within and without; and he had better recognize the fact.

This requires both courage and hope:

It requires courage, to rinse out the mind and inspect all the assumptions (especially those that underlie his power and legitimize it); to consider the interests of the whole and not merely his own momentary bureaucratic status and prerogatives; to think the unthinkable and discuss it.

It requires hope, not for "the good old days" to return, nor for more ad hoc solutions, but for the *potential* value of the future. It requires the hope of those who "see and cherish all forms of new life and are ready at every moment to help the birth of that which is ready to be born."[10]

Once the manager has opened his mind fully, he can consider two sets of problems which the changing ideology raises for the large corporation. The first has to do with the internal organization of the corporation and concerns matters of ownership, accountability, and contract. The second has to do with the relationship between the corporation and the communities which it affects: the neighborhood, the city, the state, the nation, and the world.

Then he can focus on the questions that all these problems arise:

What problems should the corporation resolve and which must be decided by the community?

With respect to community decisions, how are they best made—by government, by consumers, or by interest groups?

If by interest groups, then *how*—by direct (perhaps radical) action, through legislative and legal pressure, or through leverage on the executive branch, as has ITT?

Footnotes at end of article.

To what extent is dispersion of power a desirable thing politically? As the legitimacy of management has declined, the central government has moved in to control increasing segments of corporate operation. Should corporations try to regain what political edge they have lost?

If dispersion of power is a good thing (which I think it is), how should the corporation encourage the design of more dispersed forms of community legitimization and control, within its own framework and outside it?

This is a valuable exercise, not so much because the manager can always influence the answers directly, but because it helps the manager set out the possibilities for himself.

Directions to consider

Industry has taken some hesitant steps of its own toward resolving its ideological confusions, some of which are oriented toward minimizing or eliminating the labor contract and replacing it with institutionalized consensus. Somewhat like its Japanese and European counterparts, the U.S. corporation is moving away from the adversary-contractual structure toward a consensual, collective form in which, to put it simply, no one feels left out of anything. As this change occurs, alternatives to property rights are emerging as the way to provide legitimacy and thus authority to management. Here are some vignettes of the change.

Food processing

A plant manufacturing pet food in Topeka, Kansas, is organized into self-managed work teams which are given collective responsibility for large parts of the production process. To accommodate the capabilities and needs of individual workers, assignments of individuals to tasks are subject to team consensus. There is a deliberate attempt to break down division of labor and specialization: "Pay increases are geared to an employee mastering an increasing proportion of jobs first in the team and then in the total plant." [11] All signs are that this plant is extremely productive and profitable.

Note the radical implications of this experiment. In a real sense, the legitimacy and thus the authority of the management of the Topeka plant comes from the workers as a whole, not from some outworn conception of property rights. This fact feeds the workers' sense of fulfillment and thus contributes to the high productivity and profits of the operation.

The top management of the company thus faces some excruciating questions:

"Do we extend this idea to other plants—maybe to headquarters itself—to increase ROI, even though it will undercut our jobs?"

"If we do it anyway, what happens to the myth that we are answerable to the board of directors, who represent the shareholders?" (The answer to this one is complicated by the fact that shareholders appear to be getting a better return on their investment from Topeka. Perhaps the management hierarchy, or part of it, should be dispensed with.)

It is indeed difficult to open one's eyes to the possibility—the mere possibility—of extinction.

Also, note the threat to the idea of equality when an organization moves to consensus from contract. Each team is responsible for hiring replacements; presumably it selects those who will get along well with the group. If the group objects to certain persons, they will not be hired. Race might be involved. My point is that collectivism can be dehumanizing unless it is controlled by a definite social theory—an ideology.

Moving from contract to consensus obviously threatens unions as well. The Topeka plant is small and new, with an innovative management and no union. To apply the same principles in the automobile or steel or utilities industries, however, raises many problems. All these industries are trying, although in somewhat different ways.

The auto industry

The automobile industry is introducing job enrichment and organizational development programs. Union leaders have criticized these efforts as elitist nonsense, as paternalistic attempts to divide the worker from the union. "The better the wage, the greater the job satisfaction," says William Winpisinger, general vice president of the International Association of Machinists. "There is no better cure for blue-collar blues." [12] Company industrial relations officials join Leonard Woodcock of the UAW in attributing "the alienation problem" to academics who do not know what they are talking about.[13]

It is not surprising that labor relations bureaucrats on both sides eye any threat to the contract anxiously, since it is the idea that supports their bureaucracies. Their resistance testifies both to the ideological nature of the problem and to the difficulty of solving it in situations where rigid hiearchies are unwilling to inspect the assumptions beneath them.

Steel

The steel industry appears to be following a somewhat different route to establishing a basis for consensus. Industry labor relations officials and union leaders have worked out a peace agreement involving a no-strike clause and binding arbitration in the face of the common interest—namely, making U.S. goods more competitive against foreign imports.[14] Although neither side is likely to admit it, such an arrangement is a step toward replacing the idea of contract with that of consensus.

This scheme may have more promise than the organizational development and job enrichment schemes of the automobile industry because it protects directly *all* of those whose power is threatened. Its weakness is that, in itself, it does nothing to give a greater sense of participation to workers on the shop floor. But a recent HEW task force notes that this may be a serious shortcoming: "What workers want most, according to more than 100 studies made in the past 20 years, is to become masters of their immediate environments and to feel that their work and they themselves are important—the twin ingredients of self-esteem." [15]

If consensual systems are going to work, it will be necessary to educate young people according to the new ideology rather than the old. It will also be necessary to hire people who want to become part of a certain whole. No matter how consensual a collective may get, there are going to be boring jobs which will not provide the necessary sense of fulfillment to college graduates, for example. Workers will have to be screened for jobs with the idea of weeding out those whose capacities are more as well as less than the work requires. This prospect raises ominous specters of Orwellianism and deserves careful watching.

Electric utilities

For years, the utility companies have tried—successfully—to keep government regulation diffuse. Government has responded by steadfastly failing both to manage our nation's energy needs and to plan a procedure to fulfill them. The result is that many utilities find themslves in a devil of a mess; rates fixed by state agencies, taxed by the cities, partly regulated by the Federal Power Commission, and affected by the Atomic Energy Commission and a host of other local and national governmental entities.

At the same time, the environmental interst groups are grabbing for the utility companies' throats. The Scenic Hudson Preservation Society, for example, successfully kept Consolidated Edison Company of New York from building its pump storage power station at Cornwall on the Hudson River for ten years, and the battle is not entirely over yet. Like great dinosaurs, many public utilities are being bitten to death in a swamp partly of their own making.

The need for federal intervention to plan the future of electric power seems plain. Regional power production jurisdictions should be planned; research on new technologies needs to be increased; technology and site decisions must be made. The problem is far too big and too national in scope to leave to a scattering of private companies.

But this does not mean that these companies should be nationalized. That will be the inevitable result, however, unless more intelligent steps are taken soon. These companies must realize what government, and only government, can and must do: plan the allocation of resources and make the critical judgments of costs and benefits. To do this it must intervene with authority and coherence.

ONE'S OWN RESPONSIBILITY

The viewpoint I have laid out in this article has, I hope, triggered some thoughtful responses in the reader. Even if he argues with the way I diagnose our problems, I do not believe he can deny their omnipresence, their interrelation, and their seriousness.

If he can inspect his own ideological assumptions objectively, he may find himself reasoning out a new personal position of his own, one that accords more closely with the realities of the world we live in today than does the hodge-podge of quasi-official ideological notions we have inherited from our ancestors.

Most importantly, this may enable him to perceive more clearly the nature of the crises which abound. The quick and accurate perception of crisis is crucial because it is through the intelligent use of crisis that change occurs most effectively. The central managerial task of the future may well be the use of minimum crisis to cause maximum change with least waste and violence.

Ideological analysis and contemplation also will allow managers to consider how what is best and dearest in the old ideology may be preserved. One ideology obviously builds on another. The glories of the old—the rights of the individual, his dignity, the beautiful efficiency of competition in many areas, the incentives of enterprise and invention—are all in jeopardy. The best of them can be preserved only if we consciously design them into what is coming.

Broad reading can help to provide an understanding of what paths we might take. I also stress that no amount of reading, automatically pursued, will broaden the hidebound. The old preconceptions and prejudices must be washed away first, by a conscious effort of a person's will, before he can appreciate, weigh, and evaluate the myriad alternatives we might pursue—alternatives that are, in fact, often articulated by champions of special causes or of ideologies that are foreign, even hostile, to our own.

Why should managers bother? Because they lead corporations, collectively an immensely powerful force. What managers believe affects the way they lead. The effect of a manager's mind on the corporation he works for may be subtle or obvious, but it is always there, directly and indirectly.

Also, managers, taken as a class, are an important and influential group of citizenry. Perhaps the ultimate question they must consider now is whether or not our current procedures for producing political leadership and a vision of the community are sufficient. Can we rely on the Republican and Democratic parties to call forth the leadership this country needs now and in the future? Or do we need a new political movement—avowedly radical—to address openly and forthrightly the unquestionably radical problems of ideological transformation which we confront and to reestablish the confi-

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Footnotes at end of article.

dence which Mr. Gerstenberg rightly says has been lost?

FOOTNOTES

[1] Richard C. Gerstenberg, *1973 Report on Progress in Areas of Public Concern*, February 8, 1973, p. 87.

[2] See my article, "Top Priority: Renovating Our Ideology," HBR September-October 1970, p. 43.

[3] Gunter Stent, *The Coming of the Golden Age: A View of the End of Progress* (Garden City, Natural History Press, 1969), p. 90.

[4] See Daniel Bell, "The Cultural Contradictions of Capitalism," *The Public Interest*, Fall 1970, pp. 38–39.

[5] See Harvey D. Shapiro, "Women on the Line, Men at the Switchboard," *New York Times Magazine*, May 20, 1973, pp. 26 and 73–91; see also Daniel Bell, "On Meritocracy and Equality," *The Public Interest*, Fall 1972, p. 40.

[6] Quoted in Herman E. Drooss and Charles Gilbert, *American Business History* (Englewood Cliffs, Prentice-Hall, 1972), p. 264.

[7] See *Hearings Before the Committee on the Judiciary, United States Senate, 92nd Congress, Second Session on Nomination of Richard G. Kleindienst of Arizona to Be Attorney General* (Washington, Government Printing Office, 1972).

[8] See Daniel Bell, *The Coming Post-Industrial Society: A Venture in Social Forecasting* (New York, Basic Books, 1973).

[9] Alfred P. Sloan, Jr., *My Years With General Motors* (Garden City, Doubleday, 1964).

[10] Erich Fromm, *The Revolution of Hope* (New York, Harper & Row, 1968), p. 7.

[11] Richard E. Walton, "How to Counter Alienation in the Plant," HBR November-December 1972, p. 75.

[12] *Wall Street Journal*, February 26, 1973.

[13] *Newsweek*, March 26, 1973, p. 82.

[14] *Business Week*, April 7, 1973, p. 64.

[15] *Work in America: Report of the Special Task Force to the Secretary of Health, Education and Welfare* (Cambridge, The M.I.T. Press, 1972), p. 13.

A CONCURRENT RESOLUTION ADOPTED BY THE SOUTH CAROLINA GENERAL ASSEMBLY

Mr. THURMOND. Mr. President, on January 8, 1976, the South Carolina General Assembly passed a concurrent resolution memorializing the Congress of the United States to refrain from repealing or making material modifications to the McCarran-Ferguson Act so that the regulation of the insurance industry may be retained by the several States.

On behalf of the junior Senator from South Carolina, Mr. Hollings and myself, I ask unanimous consent that this resolution be printed in the Record.

There being no objection, the resolution was ordered to be printed in the Record, as follows:

Resolution

A concurrent resolution to memorialize the Congress of the United States to refrain from repealing or making material modifications to the McCarran-Ferguson Act so that the regulation of the insurance industry may be retained by the several States

Whereas, on the 8th day of January, 1976, the South Carolina Insurance Commission adopted a resolution which was forwarded to the President of the United States, the Governor, all members of the South Carolina Congressional Delegation, standing and permanent committees of this body and the National Association of Insurance Commissioners; and

Whereas, the preamble of the resolution is as follows:

"Whereas, in 1945, immediately following the United States Supreme Court's decision in the South Eastern Underwriters Association Case, the Congress of the United States moved with dispatch to return regulation of the insurance industry to the Several States by enactment of the McCarran-Ferguson Act; and

"Whereas, under the State Legislatures and regulatory authorities of the Several States, an insurance industry responsive to the needs and desires of the people of the Several States in the tradition of competitive free enterprise has flourished and made available needed and desired insurance coverage; and

"Whereas, State regulation of insurance is eminently closer to the people of the Several States and thus better able to ascertain and respond to their insurance needs and desires than a regulatory authority located at a higher level of centralized government; and

"Whereas, 'deregulation' of the insurance industry as suggested by the United States Department of Justice would in actuality result in a lessening of true competition and a tendency toward violation at least in spirit of the Federal anti-trust laws and regulations to the detriment of the people of the Several States"; and

Whereas, this preamble expresses the opinion of the General Assembly which feels strongly that the regulation of the insurance industry should remain a duty of the states.

Now, therefore, be it resolved by the House of Representatives, the Senate concurring:

That the Congress of the United States is hereby memorialized to refrain from repealing the McCarran-Ferguson Act or making any material modifications thereto and to reject any recommendations from whatever source that the regulation of the insurance industry be removed from the several states.

Be it further resolved that copies of this resolution be sent to the presiding officers of the United States House of Representatives and the United States Senate and to each member of the South Carolina Congressional Delegation.

COMMENDATION TO GOVERNMENT OF BANGLADESH ON POPULATION CONTROL MEASURES

Mr. PERCY. Mr. President, I would like to favorably comment to my colleagues today on the action that the Government of Bangladesh has taken on population control. President Justice Sayem of Bangladesh has declared that the population explosion is the No. 1 national problem facing his country today. In the President's address to the National Population Council, he states that increasing population growth coupled with yearly food deficits creates a serious economic problem which foils development. In pursuance of this declaration, a special population control program will be launched with topmost priority given to population control and family planning.

As my colleagues know, population has not yet become a priority item in the agenda of world concerns, although it has come a long way from its status a few decades ago when it was the preserve of a small group of specialized scholars. The Bucharest Conference, if nothing else, helped to popularize population as a public issue and legitimize it as a government concern.

Most countries today are committed to consideration if not action. The wide range of unmet demands for a better life, which have been exacerbated by the pressure of food and energy shortages, are forcing many governments to reconsider their strategies for development. Population growth and control is part of this reconsideration.

World population is increasing by about 200,000 persons per day, or by nearly 2 percent per year. About 90 percent of future population growth is expected to occur in developing nations. Population in these countries, which have the lowest per capita incomes and the lowest capabilities to support larger numbers of people, will double in just 20 years. The economic gains of the past decade, however impressive, have been wiped out by population growth.

Population growth, of course, is not the sole source of poverty, hunger, illiteracy and inequality. High rates of population growth, however, make it exceedingly difficult to achieve progress in education, health, jobs and social services. Although reductions in population growth rates are by no means sufficient in themselves to bring about a better quality of life, rapid population growth rates in some countries stand as serious impediments to social and economic progress.

There is a growing consensus that population policies and programs are inseparable from development strategies. Population stabilization is one essential means of achieving development.

Encouraging progress is being made in global understanding of the consequences of unlimited population growth in a world with finite resources. The interdependence of population and other aspects of social, political and economic development has been underscored time and again in recent regional and world Conferences. But the resolutions and recommendations adopted at these Conferences will have no practical effect unless they are translated into policies and actions.

Because population growth is a global problem that requires international cooperation, the responsibility for population stabilization rests with each individual nation. The barriers and impediments to population reduction differ from country to country. Every nation needs to seek ways and means to implement strategies which are compatible with their particular social, political and economic conditions.

Today, I commend the efforts of the Government of Bangladesh in combating the world population problems. I hope we are well on our way to effective action in stemming the tide of population growth.

VIEWS ON INTERNATIONAL BUSINESS CORRUPTIONS AND BRIBERY, AND OUR FRIENDS IN JAPAN

Mr. PERCY. Mr. President, as a member of the Subcommittee on Multinational Corporations, I would like to summarize my response to the impact on U.S. foreign relations of the Securities and Exchange Commission revelations and the subcommittee's hearings on U.S. corporate corruption abroad. I have had a number of questions asking how I can condone the revelation of information that is harmful to the political stability of our allies. This is the same type of concern that originally surrounded the Watergate revelations. But, I believe we can now conclude that the Watergate crisis strengthened this Nation and its political institutions. Granted there have been short-term costs. But Watergate proved the stability of our political process, helped define in a very pragmatic way the powers of the Presidency, and contributed to reestablishing of essential congressional oversight authority. As a public official, it is these institutions that I am sworn to preserve and uphold, not the politicians who serve in them. We must and do have the strength for internal criticism and reform. The same must be true in the other industrial democracies if they are to survive and evolve.

I hold the same premise in economics. Corporations are just as much institutions in this country as law courts or public libraries. They are chartered by the State and have certain obligations and responsibilities to the State. Congress in 1890 passed the Sherman Antitrust Act thereby making a conscious choice to have industry organize on a competitive basis in the belief that free competition would best serve the public welfare.

I spent my quarter century business career in the highly competitive photographic business equipment and electronic instrumentation industries. Competition was worldwide and companies survived on their entrepreneurship, product, price and service. The results of this competition was and still is quality products and services at the lowest possible cost to the consumer. It is this economic structure that built the efficient and productive economy that we now have. It is this economic structure that supports our strategic defense.

For this economic efficiency we suffer certain costs. We tolerate major income inequities. But it is hard to justify these inequities if they are not a result of a greater social good. Graft, corruption and bribery are corrosive. If unchecked, they could destroy the free enterprise system. There is no economic efficiency in the private pay-off. It cannot be tolerated, domestically or internationally.

Another argument I hear is that the graft and corruption abroad was not really harmful because it brought jobs and money to the United States.

I find this position difficult to accept, for in some areas we even lacked foreign competition. In the sales of fighter planes in the 1960's, the competition Lockheed faced in Europe and Japan was principally Grumman Aircraft and McDonnell-Douglas, both American companies. The other large pay-offs by Lockheed were made in connection with the sales of its wide-body commercial jet, the L–1011. Again, the only competition is American, Boeing, and McDonnell-Douglas. I find it very hard to justify the harm to U.S. foreign policy caused by these payments to make sure people are employed in Burbank, Calif., and Marietta, Ga., rather than Seattle or St. Louis.

Second, I see nothing wrong, so far as the American consumer is concerned, with competition from abroad. United States national interests are tied to the long-run growth of competitive trade. If we condone bribes on U.S.-produced aircraft, do we not in a sense condone them if they were to be paid by a British company on their computers or the French on their nuclear reactors or the Germans on their machine tools? It is far better to run economies on economic criteria rather than on a concept of who can pay off whom the most. We have no reason to fear competition.

Another often heard rejoinder is that corruption is the way business is done in these countries and therefore U.S. firms were forced to do it. While there may be special cases, I again find this reasoning difficult to believe. The Shah of Iran and the King of Saudi Arabia certainly made strong statements that these types of payments do not reflect the ethics of their countries. I find it hard to believe that European business depends on corruption. In these areas and in Japan I have had personal experience. I did business in Japan, for instance, for 18 years and never paid a bribe or a kickback, nor was any ever asked or expected. My experience has taught me that the Japanese people are honorable, diligent and hard working. In a little more than 100 years they have moved from a feudal society to the second industrial power in the non-Communist world. Achievements of this magnitude are not made by corruption, they are made with sweat and tears. The Lockheed scandal is a smudge on both our houses but it should not shake our mutual national interests of keeping close political, economic and national security ties.

The seriousness with which this issue is being taken in Japan is reflected by the Japanese Diet resolution of February 23, 1976, which was forwarded by the U.S. executive branch to the Senate on March 11, 1976. This resolution reads as follows:

> RESOLUTION ON THE LOCKHEED PROBLEM
>
> (House of Councillors, February 23, 1976)
>
> Whereas, the Lockheed problem, which has arisen at the recent hearings of the Subcommitte on Multinational Corporations of the Committee on Foreign Relations of the United States Senate, has profoundly affected the national sentiment of the Japanese people; and
>
> Whereas, the true picture of the problem should be explored and made known thoroughly and promptly in order to remove the feeling of political distrust mounting among the Japanese people and to protect parliamentary democracy; and
>
> Whereas, the House of Councillors firmly believes that to clear all doubts on the problem is the way to respond to the desire of the Japanese people and is most important for the true friendship between Japan and the United States; now, therefore,
>
> Be it resolved by the House that the House requests the United States Senate and the Government of the United States of America for their special consideration in making available, without exception, unpublished materials on the Lockheed problem, as it pertains to Japan, including the names of the high government officials; and
>
> Be it further resolved that the Government of Japan, in pursuit of the above, should positively take every possible measure including inter alia the dispatching of a special envoy to the United States, for the clarification of the problem.

The day after the pasage of the resolution in the Japanese Parliament Prime Minister Takeo Miki of Japan sent a letter to President Ford. I ask unanimous consent that the full text of Prime Minister Miki's letter, as well as President Ford's response be printed in the RECORD at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. PERCY. But I feel it important to note the Prime Minister's open and progressive attitude toward solving this problem. The Prime Minister states:

> The disclosure of all the relevant materials including the names of the officials involved, if any, would serve better the interest of Japanese politics and of the everlasing friendship between the United States and Japan . . .
>
> I am convinced that Japanese democracy is strong enough to stand the test. The truth must be sought with courage and we have the confidence to face up to its consequences.

I praise President Ford for his reply to Prime Minister Miki. He agreed to cooperate with the Japanese Government in its efforts to investigate the affairs of Lockheed in Japan. It behooves the United States Government, the executive branch and legislative branch, to cooperate to the fullest degree possible under American law with the Government of Japan or any duly constituted government seeking information about corrupt U.S. corporate activities in their country. It is in our long-run interest and those of our allies to eliminate these practices. Corruption is the dry rot of capitalism and the democratic process.

The benefits of disclosing these corrupt practices are going to come from a number of directions. First, there will be constructive legislation emanating from Congress which will help prevent abuses in the future. Secondly, the President is contemplating the formation of a Cabinet-level committee to review and, I assume, recommend U.S. Government oversight over U.S. corporate operations abroad. Third, under the stimulus of the hearings on corruption of the Multinational Corporations Subcommittee, the State Department has pressed to negotiate an agreement between OECD nations to eliminate such practices. The United States has also proposed in Lima, Peru, at the U.N. Commission on Transnational Corporations, a new treaty on the issue of bribery and corruption in international business. And finally, business organizations such as the International Chamber of Commerce have organized study and action committees to develop solutions to this problem on a multinational basis. Individual business corporations are rapidly developing their own code of ethics to clearly guide their present and future conduct—the most sound approach that can be taken.

I support all of these activities as valuable and contributing to a better worldwide institutional structure which will preserve competition. I would hope that the Japanese Government and those governments of our European allies would join us in this multilateral effort to eliminate corrupt practices in international business.

EXHIBIT 1

TRANSLATED TEXT

FEBRUARY 24, 1976.

DEAR MR. PRESIDENT: As you may recall, we agreed last summer to cooperate with each other for the protection of democracy and for the furtherance of amicable relations between the United States and Japan, affirming the permanent friendship between the two countries. We also promised to exchange our frank views with full confidence in each other.

As both the United States and Japan are now confronted with the unpleasant problem concerning Lockheed, it is with this confidence that I wish to convey to you my concern about this problem.

Yesterday, both Houses of the Japanese Diet adopted important resolutions on this matter, the copies of which are enclosed herewith for transmittal to your Government. That the Japanese Diet, the highest organ of state power under the Constitution, adopted such resolutions is a matter of great note and indicates the importance the Diet attaches to the clarification of the problem.

The Japanese political circle has been profoundly shaken by the reported allegation made at the public hearings of the Senate Sub-Committee on Multinational Corporations that Japanese government officials received payments from Lockheed. A grave concern is spread throughout Japan at present that, if the whole issue is kept unsolved with the names of the officials involved remaining in doubt, democracy in Japan may suffer a fatal blow. I share this concern. The disclosure of all the relevant materials including the names of the officials involved, if any, would serve better the interest of Japanese politics and of the everlasting friendship between the United States and Japan.

Mr. President, the utmost efforts are being made here to unveil the truth, and I hope that the United States will continue to cooperate with us for the further clarification of the problem. I am convinced that Japanese democracy is strong enough to stand the test. The truth must be sought with courage and we have the confidence to face up to its consequences.

I also share your view of the need to make new international rules on the behavior of multinational enterprises. I look forward to our close consultation to this end.

Mr. President, at this moment when you are otherwise heavily engaged in your immediate duties, it is my earnest hope that you will understand my genuine concern in this matter. I would appreciate your consideration in securing continued cooperation by the United States Congress and Administration in clarifying the whole matter, in response to the requests by the Diet and the Government of Japan.

Sincerely yours,

TAKEO MIKI,
Prime Minister of Japan.

MARCH 11, 1976.

His Excellency TAKEO MIKI,
Prime Minister of Japan,
Tokyo.

DEAR MR. PRIME MINISTER: I have received your letter of February 24. I wish to assure you that I share fully your desire that the allegations concerning Lockheed activities in Japan be clarified without delay. The United States Government will continue to support your efforts to pursue further an investigation of this matter.

The Department of State has forwarded to the Senate and to the Securities and Exchange Commission your requests for all available information in their possession pertinent to Japan. I believe that much of the material that your government has asked for from the Senate Subcommittee on Multinational Corporations has been provided. We are prepared to make arrangements to share with your government the information developed by the SEC in the course of its inquiry.

I suggest that officials of our two governments meet without delay to work out such arrangements. These procedures would permit law enforcement officials from Japan to work in close cooperation with their counterparts here, with access, on a confidential basis, to relevant information held by United States investigatory agencies. The legal and administrative practice of the SEC is not to make public any material relating to an investigation until the investigation is completed. Premature disclosure of such information could well prejudice the investigation and any law enforcement actions which might ultimately be taken in the United States. It could also prejudice the rights of individuals, whether or not they may ultimately become defendants in criminal actions. These basic requirements of United States law and practice must be respected, as of course must those of Japan. If these principles are protected, I am sure we can work together effectively.

Arrangements such as I am describing would allow your government's inquiry into this matter to go forward without hindrance. I hope that such arrangements will prove satisfactory to you.

I agree completely, Mr. Prime Minister, that it is in the interest of both our countries that this matter be cleared up as soon as possible. I also welcome your expression of the need to develop new rules covering corrupt practices, and I hope the Government of Japan can support the United States proposal for an international agreement to curtail such practices. Finally, Mr. Prime Minister, I am confident, as I know you are, that this unfortunate affair will not damage the fundamental and permanent friendship between our countries, which continues to be of crucial importance to the cause of peace and progress in Asia and in the world.

Sincerely,

GERALD R. FORD.

SENATOR MOSS BEGINS 18TH YEAR IN THE SENATE

Mr. CANNON. Mr. President, I wish to take this opportunity to draw the Senate's attention to the fact that our distinguished colleague from the State of Utah, Senator FRANK E. "TED" MOSS, recently began his 18th year of service in this great body. As one who has known Senator Moss for many years—we passed our Utah bar exams together—and who has worked with him in the Senate and on two of its major committees, the Space Committee and the Commerce Committee, I feel compelled to cite the truly outstanding record of his service to the people of his State and the Nation. Senator Moss in my eyes has long been one of the most conscientious, able and effective Members of the Senate.

Since his first election to the Senate in 1958, no Senator has devoted more of himself to his people and his work than has Senator Moss. He has consistently fought for the best interests of the people of Utah and the United States. Senator Moss is today the third-ranking Democrat in the leadership of the U.S. Senate. As secretary of the Democratic conference, he sits on the policy committee and the steering committee and helps to direct the work of the Senate. No other Utahan has attained such a high Senate leadership position. Yet he has remained a Utah man, devoted to his State and his people.

Senator Moss has compiled a most enviable record of achievement, and is recognized as one of the most productive Senators to serve in the Senate. The bills he has authored and the bills he has cosponsored and helped to enact, cross the whole spectrum of legislative activity. In two areas, consumer affairs and nursing home reform, he is the Senate's undisputed expert and leading spokesman. On western-related problems—water, public lands, mineral development and national parks—he is also one of the Senate's best informed and most productive Members. He is especially well-known, both in the United States and Canada, for his work in the field of water resources, and is the author of an authoritative book, "The Water Crisis," published in 1967.

Senator Moss was one of the first to perceive the dimensions of our energy crisis. As chairman of the Minerals, Materials and Fuels Subcommittee, he held extensive hearings across the country which developed much of the information now being used to forge our overall energy program. Many of the energy-conserving measures now being enacted by the Congress are based on legislation he conceived and introduced.

In what is probably his best known accomplishment nationally, he was successful in taking cigarette advertising off television. This was almost a one-man effort. In it he was pitted against tobacco company billions as well as TV network and station opposition.

Before his election to the Senate, Senator Moss was a county attorney and a city judge and he still displays the best qualities and characteristics of both those professions. As an investigator and pursuer of corruption, fraud, and abuse, he has few peers. His tenacity in bringing to light the sad plight of our elderly in nursing homes is legendary. Recently, Senator Moss was awarded the Chicago Better Government Association's "Good Guy" Award for his investigation into kickbacks in clinical laboratories—the first public official ever to receive this prestigious award.

That Senator Moss is a tough prosecutor of fraud and abuse there is no doubt, but he also displays the best attributes of a judge—patience, understanding, fairness, the ability to withhold judgment on an issue or an individual until he has examined all sides. He is not a man to shoot from the hip or to hurt another needlessly. He is passionately concerned with the problems and needs of people, and this concern is reflected in his work.

Senator Moss currently is serving as chairman of the Senate Aeronautical and Space Sciences Committee. Under his able leadership, the committee has developed strong support for our aeronautical and space programs, to the great benefit of Utah and the Nation. He has a strong desire to see to it that the great technology that helped America put men on the moon during the last decade be put to wider use now to the even more direct benefit of all Americans.

One of those benefits will be in the area of fuel conservation. Largely through the efforts of Senator Moss, NASA has embarked on a research program which will enable manufacturers to design and build aircraft that will use 50 percent less fuel than they use today. In other areas, the accumulated knowledge and technology of the space program are being focused on solving some of our most serious health problems, such as cancer.

As chairman of the Senate Consumer Subcommittee, Senator Moss has been in the forefront of the drive for consumer protection laws. His list of consumer legislation passed or now pending reads like an encyclopedia. He has supported the Fair Packaging and Labeling Act, the Truth in Lending Act, the Flammable Fabrics Act, the Product Safety Act, the Poison Prevention Packaging, the Toy Safety Act, the Magnuson-Moss Warranty Act, to name just a few.

One of the original sponsors of medicare, Senator Moss has fought again and again to upgrade social security benefits. Two Moss amendments, enacted into law, provide for higher standards in nursing homes and require qualified administrators for homes. He has chaired subcommittee hearings throughout the United States on the operation of nursing homes and is in the process of issuing a series of reports on nursing home reform. He has 47 bills now before the Senate to carry out these reforms.

As a westerner, Senator Moss knows how vital tourism and recreation are to the economy of the Western States—particularly Utah. To create more recreation areas for Utahans and to bring more tourist dollars to the State, he almost single-handedly created Canyonlands National Park. Other Moss bills created Capitol Reef National Park and Arches National Park, giving Utah a unique complex of five national parks, and giving Senator Moss the distinction of being the only man in the history of Congress to create three national parks.

One of Senator Moss' greatest causes has been the increased development of water resources in Utah. He was the author of the Senate bill which increased authorization for the Upper Colorado River project, and of Senate bills authorizing the Dixie Reclamation Project Act and others. He is one of the strongest supporters of the central Utah project, and was instrumental in getting the construction funds to start the Bonneville unit. He continues to work to get further appropriations.

Senator Moss, as you know, also serves as a member of the Budget Committee which is working to control the Federal budget and to increase fiscal responsibility in Government. As a member of the Budget Committee he supported actions which resulted in cutting more than $54 billion in Federal spending proposals for fiscal 1976 and he will continue to play an influential role in seeking further economies in Government spending.

I think one could say, with ample justification, that there is no limit to the range of Senator Moss' interests or his willingness to serve on any matter of importance to his people. Throughout his 18 years in the Senate he has proved himself on countless occasions as a man of unquestioned integrity, determination, and enormous ability. As a colleague, it is my pleasure and honor to commend him to the Senate.

RUTH VAN DORN TODD

Mr. MATHIAS. Mr. President, I learned with regret of the passing of Ruth Van Dorn Todd, an institution all to herself on Maryland's Eastern Shore. After decades of reporting events for such newspapers as the Baltimore Sun, the Washington Post, and the New York Times, she retained her vigor and enthusiasm well into her ninth decade. Her death at the age of 87 has robbed us of an irreplaceable store of learning about the Shore, its people and traditions. An account in the Baltimore Sun of March 18 captures some of the spirit of a remarkable individual. I ask unanimous consent that it be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

RUTH TODD DIES; WAS SHORE REPORTER

Easton (Special)—Ruth Van Dorn Todd, an Eastern Shore correspondent of *The Sun* for the past several decades, until five years ago, died here Tuesday night after a lengthy illness.

Funeral services will be held Saturday at 11 A.M. at the Willoughby funeral establishment, in East New Market, Dorchester county.

A native of Baltimore, but a self-styled daughter and mother of the Eastern Shore, Mrs. Todd was 87 years old—a fact which was among her most closely guarded secrets.

A short, spunky woman, she was at various times in her career a school teacher writer for the Hearst newspapers, a Hollywood screenwriter and—finally but foremost—the Shore correspondent for half a dozen newspapers including the New York *Times*, the Washington *Post* and *The Sun*.

In the last capacity, she worked a "beat" from the Delaware border to the southernmost tidewater tip of Maryland, coming to know and be known by men and women from virtually every walk of life—governors, congressmen, black militants, watermen and farmers. Mrs. Todd's knowledge of the Shore—its geography, history, people and legend—was voluminous. She was a humorous, if at times interminable, raconteuse, and her qualities as a hostess were in the best tradition. Her annual crab feast drew such guests as Spiro T. Agnew, then governor, as well as former Governor Tawes and Rogers C. B. Morton, former congressman from the Shore, Secretary of the Interior, and presently adviser to President Ford.

The former Ruth Van Dorn Miller, she was the daughter of Mr. and Mrs. George A. Miller.

After schooling in Baltimore, she moved to the Eastern Shore as a part-time teacher. There she met Eric A. Todd. They were married in a church in Harmony, Md., in 1911.

They soon moved to Wilmington, where Mr. Todd worked in a shipyard and where he fell one day into a ship's hold, receiving severe head injuries from which he never fully recovered.

In 1921, the Todds moved to California. Mrs. Todd attended the newly opened University of California at Los Angeles (UCLA), and then, several years later, sought her first job as a newspaper woman by knocking on the door of William Randolph Hearst.

Her account of this first meeting was one of her favorites.

"What do you want?" growled the newspaper baron.

"I want to work for you," Mrs. Todd replied.

"What makes you think you're any good?"

"I can get it first; I can get it right, and I can get it in," she said, and was hired on the spot.

After a spell with the Los Angeles *Examiner* and then a short stint helping to write some of the first "talkies" for RKO studios in Hollywood (owned then by the late Joseph P. Kennedy), Mrs. Todd and her husband returned in 1933 to the Eastern Shore. They hoped Mr. Todd's health might improve in his native environment.

It did not, and the diminutive woman assumed support of the household, starting her long career as an Eastern Shore correspondent.

Younger reports on *The Sun* soon came to know her as they struggled with writing obituaries and became accustomed to her daily call.

"Who is this?" her rasping voice demanded. And no matter the answer, she immediately launched into the life story of whomever had died that day on the Shore.

If given her way, the obituaries she filed would each run a column long, with half again that much to list survivors.

She could slip with ease down virtually any family tree on the Shore, naming great-grandparents or third cousins, and often pausing to give the reporter in Baltimore some piece of gossip about a distant relative of the deceased.

But she reported more than just obituaries.

In 1968, when H. Rap Brown descended on Cambrdige, Mrs. Todd stood in the front row to report the speech which was followed by a devastating fire and rioting.

Mrs. Todd was one of the few white women in the streets that night and at dawn the next day when state officials and reporters from other cities arrived, she was still afoot, stalking the smoking remains, notebook in hand. She was 78 at the time.

Mrs. Todd was fiercely protective of the Shore, of its traditions and of her neighbors, and she took personal offense at any attempt to ridicule or criticize it or them.

She traveled regularly to Annapolis for sessions of the State Legislature and gubernatorial press conferences, and could barely restrain herself if she disagreed with something she heard.

She particularly delighted in telling of how she once took her "old friend Freddy Malkus" (State Senator Frederick C. Malkus (D., Dorchester)) to task on the floor of the Senate. As she and other reporters recalled, Mrs. Todd was seated in the press gallery during one of the senator's speeches, when she heard Mr. Malkus say something she did not believe.

Thereupon, Mrs. Todd leaped to her feet and shouted, "That's a damn lie, Freddy Malkus. You'd better take it back or I'm going to go back on to the Shore and tell on you."

It was, like so many of Mrs. Todd's bursts of outrage, aimed at an old friend, and in just such a spirit. Senator Malkus and she were then and remained for years the best of friends, but their friendship never stood in the way of an occasional taunt in either direction.

Mrs. Todd lived outside Hurlock in a small yellow frame house surrounded by gardens of vegetables and flowers. In the front yard was a small simple gravesite, where her husband was buried.

She named the house "Todd's Venture" and although she had numerous "offices" throughout the Shore, (at one time she worked from a typewriter in the ladies' room of the Cambridge Courthouse), it was in her home that she spent most of her time.

Her favorite room was the kitchen. There was a woodburning stove which she recalled buying from a Sears & Roebuck catalogue in the 1930's and next to it an equally aged typewriter, its ribbon invariably in shreds. The table was forever littered with newspapers which were weeks or months old.

Only Mrs. Todd knew where to find something—but from this disarray she could transform herself into an aproned hostess and, after chucking a few sticks of kindling into the stove, would produce meals and stories which delighted her guests.

In summer, the visitor would enjoy steamed crabs and iced beer and leave loaded down with a basket of fresh Dorchester county tomatoes.

And in winter, containers of fresh oysters would arrive at the Sunpapers building from Mrs. Todd on the Shore.

THE POSTAL SERVICE

Mr. McGEE. Mr. President, the time has come to speak bluntly about the Postal Service and its apparent alarming course.

Let me first state my points briefly and succintly and then later in my remarks I shall try to elaborate. I oppose the following items which have received far too much attention to the detriment of the real problems confronting the U.S. Postal Service and its patrons:

First. I oppose wholesale closing of small post offices.

Second. I oppose reducing 6-day delivery by any number of days;

Third. I oppose service reductions to downtown business customers in 10 east coast cities;

Fourth. I oppose service curtailment now being planned in 14 additional cities in the South;

Fifth. I oppose the nonsense that is sometimes abroad and which recommends that the Postal Service be turned over completely to private enterprise;

Sixth. I oppose the far too prevalent resistance in the White House to increase public service subsidies to the Postal Service which desperately needs those subsidies; and

Seventh. I oppose the apparent attempt on the part of the Postmaster General to circumvent the policymaking role of the Congress.

The Congress is under a constitutional imperative to set policy for the Postal Service. It has done so and will continue to do so. The Senate Committee on Post Office and Civil Service is right now embarked upon addressing itself to the problems of the Postal Service and to the problem of setting policy for the U.S. Postal Service. This is precisely what the committee's hearings on S. 2844 have been all about.

Mr. President, the Postal Service recently announced service reductions for its downtown business customers in 10 major east coast cities. Service curtailments in 14 additional cities in the South are now being planned.

These service cuts are the latest example of erosions in the quality of our postal service—erosions that must be stopped.

We are now seeing cutbacks not only in the cities but also in the rural areas where small post office closings are proceeding apace. The Postal Service has closed 186 small offices since last July. An additional 600 are earmarked for extinction.

Members will recall that the Congress relied heavily upon the Kappel Commission report in its consideration of postal reorganization in 1970.

How did that Commission envision the quality of service under the new unshackled management? The Commission's report said, "Postal management should not only upgrade the reliability of day-to-day mail delivery to both urban and rural areas, but should turn its attention also to the unfulfilled needs of the public for additional public services."

Despite this glowing prediction, the Senate committee report on the Postal Reorganization Act warned:

> The Committee reports the bill with the reminder to present and future postal managers that the system will work only if the public interest is kept as the paramount criterion in every decision made.

That was not just an idle admonition, for it is backed up by the law.

On post office shut-downs, the law says:

> No small post office shall be closed solely for operating at a deficit, it being the specific intent of the Congress that effective postal services be insured to residents of both urban and rural communities.

To me, that is clear. It means that Congress, the President, and the people oppose the wholesale shutting down of post offices in remote and rural areas as a matter of public policy.

Yet a high-ranking postal official takes a different view. Last month when 53 Members of Congress, joined by the two postmasters' organizations, obtained a temporary restraining order in an effort to put a stop to post office closings, that Postal Service spokesman accused the Members of Congress who were a party to the suit of endorsing "makework or featherbedding."

It is astounding to me that a responsible official would so derogate the very public policy which was established to guide his own efforts and those of every other postal administrator.

As for service cutbacks, the law provides that the Postal Service must request an advisory opinion of the Postal Rate Commission before making service changes on a nationwide or substantially nationwide basis. Now reasonable men may differ in their evaluations of whether service cutbacks in 24 major cities is "nationwide or substantially nationwide." Although postal patrons in those cities receive mail from correspondents located "nationwide," I would not press the point. Nevertheless, the intent and spirit of the law are clear. Postal policy as determined by Congress envisions substantial public consideration and assessment before major service cuts, such as the ones just announced, are made; and I regret that we must learn of such service reductions in the news media after the fact.

Certainly, however, the Postmaster General must now realize that his public statements about reducing service amount to more than numbers in a profit-and-loss statement; for the Postal Service touches us all wherever we live, a fact recognized and reiterated in the policy section of the Reorganization Act.

Profit and loss, of course, must be one of the Postmaster General's chief preoccupations, for by the end of this fiscal year, the Postal Service will be laboring under a cumulative deficit in excess of $3 billion. But a deficit of such proportions cannot by any means whatever be offset by the cost-cutting steps so far taken by the Postmaster General. Consider for a moment the size of the savings realized by cutting service when compared with the cost of operating the whole postal system.

The Postal Service proudly maintains that a saving of $2 million was made possible by the closing of 186 post offices since July of last year. The total annual postal budget is $14.5 billion for fiscal year 1976. The manpower cost alone—86 percent of the total budget—works out to $14.2 million per hour. The $2 million the Postal Service has saved in its current post office closings would pay manpower costs for the total system for exactly 9 minutes.

So for the equivalent of 9 minutes of operating time, the Postal Service incurred the wrath of 53 Members of Congress, provoked a lawsuit, and persuaded thousands of mail users that, in yet another public area, the quality of life in the United States is diminishing.

The Postmaster General must preserve current levels of service. The cuts made in the past several years and those now contemplated are too many and too deep.

Air star routes for overnight service have been abandoned.

Same-day delivery in downtown areas—the ABCD program—has gone aglimmering.

Local mail has been slowed down by mingling it with area mail.

Residential area mail pickup—with a sweep at the end of the day—has all but dried up.

And now three downtown deliveries a day, formerly reduced to two, are being cut even further in major cities.

Mr. President, the Postmaster General has journeyed to Detroit, Mich., and to San Francisco, Calif., to find forums in which to call on the American people, as he said, "to share with me their views so that we may begin the crucial task of establishing long-range postal policy."

In his Detroit speech before the Economic Club, he called for a revaluation of mail service to see whether they still have value in modern America. Admitting that there is no way that internal cost cutting alone can wipe out the current postal deficit and correct the imbalance between costs and revenues, he asked these questions of his audience:

> Do all Americans really need six-day-a-week delivery?
>
> Do we all really need mail delivered to our front doors?
>
> Do we really need 40,000 post offices, stations and branches?
>
> Should all first-class letters cost the same? That is, should a metered, typewritten, ZIP Coded, bulk mailing cost the same amount per piece as individual correspondence?

Under current postal policy, the answer to these questions is "probably yes"; and it is important that any change contemplated must only occur under law. The proper forum for airing the Postmaster General's views is in the Congress of the United States. All of us know, from our mail, from our talks with folks at home what kind of service the average citizen wants. He wants postal service as good as possible; at least no worse than it is now. And it is in the Congress that these and other, perhaps divergent, views should be weighed, assessed, and decided upon. Congress is here for that purpose—to set public policy, including the broad guidelines under which the Postal Service will be operated.

Mr. President, the Post Office and Civil Service Committee is currently in the midst of hearings on a bill which I sponsor to increase substantially the public service allowance authorized by the Congress to allow the Postal Service to operate a universal mail system serving all the people.

Among the important purposes of the bill is to reduce the frequency of postal rate increases. If postal revenues and costs can be brought more nearly into consonance by the additional funding the bill would authorize, I am confident that the constant upward spiral of rates can be substantially slowed. Rates inevitably will increase as costs go up, but over the past 5 years first-class rates have far outdistanced the Consumer Price Index. Since May 1971, when the 8-cent rate became effective, first-class postage has risen 63 percent. At the same time, the CPI has increased 35 percent. May bill would slow down rate increases and this effect, we are confident, would help maintain the stable mail volume upon which the Postal Service relies so heavily for revenue.

In its consideration of S. 2844, the committee has heard testimony from Postmaster General Ben Bailar. He endorsed the thrust of the measure and responded to questions about postal operations. It is true that in his testimony he also questioned whether the present structure of traditional postal services is essential or relevant to our future national needs, but nowhere did he call for a national dialog or request far-reaching policy changes.

Now that he has unveiled in Detroit and San Francisco his strong misgivings about the economic viability of a universal postal service for America, I think it appropriate to ask him to discuss these views in greater detail with the committee—with Members of the Senate responsible under the Constitution for considering the kind of broad-gage changes he has been suggesting around the country.

Accordingly, I am scheduling a hearing for March 29—a hearing at which the Postmaster General and his staff will be the sole witnesses. In addition to hearing his views on why the scope of postal operations should be reduced, the committee will want to question him on service cuts. And I will ask for his assurance that he will maintain service at its current levels in accordance with the guarantees of the Postal Reorganization Act. For that law must prevail unless or until it is changed.

TRAFFIC SAFETY IS EVERYBODY'S BUSINESS

Mr. MATHIAS. Mr. President, the Safety First Club of Maryland is celebrating its 20th anniversary on April 29, 1976. In conjunction with that event, the following statement, entitled "Traffic Safety Is Everybody's Business," has been prepared. The Safety First Club, which is a nonprofit organization dedicated to traffic safety, has been honored with two National Safety Council Awards. I would like to take this opportunity to congratulate this group for its years of service to the community and to share with you some of their observations on the importance of traffic safety.

Mr. President, I ask unanimous consent that this statement by the Safety First Club of Maryland be printed in the Record.

There being no objection, the statement was ordered to be printed in the Record, as follows:

Traffic Safety Is Everybody's Business

At the beginning of the century we did not have an annual fatality record of 50,000 from automobile accidents. The worst that could then be said by statisticians was that we had in excess of 20 million horses on the roads.

Today we have progressed to an astounding mobility, thanks to our automobile. We have also progressed to a numbness that allows us to accept a slaughter of human beings on our highways unprecedented in the annals of recorded history.

At the Transpo '72 exhibit near Washington, in 1972, GM experts indicated that the automobile would continue to be the principal form of transportation during most of the balance of this century. Much was made of improvement in highway technology, lanes for larger vehicles and buses, peripheral parking facilities, electronically automated traffic control systems, use of smaller electric cars for inner city use, separation of pedestrians from traffic malls, and others. Little was said about re-programming automobile drivers who, as one humorist said, are "the loose nut behind the wheel" that causes most accidents.

The automobile driver's physical well-being, as well as the mechanical health of his vehicles, is vital, of course. In 31 different states, however, a blind person may renew his license. In 10 states a stone-deaf person can renew his license without any question. Few states even check the hearing of an applicant; fewer still ask for an eye examination after the initial one (at age 16 or 18). All you need in most states is a check to be sent in for the renewal. What a license to kill!

In 1973, there were 3,800,000 miles of roads in the United States to accommodate the approximately 100,000,000 cars. Our courts devote 57% of their time to cases involving the automobile. More than half a million abandoned cars each year crowd the landscapes—45,000 alone in New York City. One-third of every American city is appropriated by businesses which cater exclusively to motor cars—and another third is flattened out for the fabulous expanses of asphalt and concrete which provide mobility and parking for these urban monsters.

But what, at long last, becomes the most horrendous statistic of all: over 50,000 people annually are sacrificed to the most voracious god of all humanity, the automobile—and the statistics are proportionately even worse in some other countries, though quantitatively less.

In 1974, and primarily due to the 55 mile-per-hour limit, 46,200 lost their lives in traffic accidents in the U.S.A. In Maryland alone, 862 individuals became traffic toll fatalities during the year 1975.

As the Safety First Club of Maryland, one of the foremost citizen organizations working for traffic safety, stated it: "The automobile designed for our comfort, our need and our convenience, imposes upon us the responsibility of utilizing it without making of it at the same time an instrument of destruction." This applies equally to you and me.

The Safety First Club of Maryland, a nonprofit citizens' organization, with headquarters in Baltimore, has been crusading since 1956 for safety on our streets and highways. The organization's major objectives are to help reduce traffic fatalities; stress the importance of traffic safety among our youth; work for the passage and enforcement of statutes aiming to reduce the traffic toll; and give proper recognition to the deserving for attainments in the field of traffic safety.

The organization believes that traffic supervision and control belong in the sphere of duly constituted experts and authorities; but, nevertheless, such groups as the Safety First Club of Maryland can render services through planned and consistent safety programs, campaigns and activities aimed at helping to reduce the mounting toll.

The Safety First Club of Maryland will feature the theme "Master Motor Menace" at the organization's 20th Anniversary Wheelmaster Dinner, to be held Thursday evening, April 29, 1976, at the Mercantile Club in Baltimore.

The Safety First Club of Maryland believes, and advocates, that eternal vigilance is the price of liberty—and traffic safety.

CONCLUSION OF MORNING BUSINESS

The PRESIDING OFFICER. If there be no further morning business, morning business is closed.

FEDERAL ELECTION CAMPAIGN ACT AMENDMENTS OF 1976

The PRESIDING OFFICER. Under the previous order, the Senate will now resume consideration of the unfinished business, S. 3065, which the clerk will state.

The legislative clerk read as follows:

A bill (S. 3065) to amend the Federal Election Campaign Act of 1971 to provide for its administration by a Federal Election Commission appointed in accordance with the requirements of the Constitution, and for other purposes.

The Senate proceeded to consider the bill.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that Paul Donnelly, a member of Senator Symington's staff, may have the privilege of the floor during the debate on S. 3065.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. GOLDWATER. Mr. President, I send to the desk an amendment for myself and the senior Senator from South Dakota (Mr. McGovern) and ask that it be read and considered.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

At the end of the bill add the following new section:

HONORARIA

SEC. . Section 616 of Title 18, United States Code, is repealed.

Mr. GOLDWATER. I want to make it clear, Mr. President, that the amendment is to the substitute which has been offered by the Senator from Michigan.

The PRESIDING OFFICER. The amendment of the Senator from Arizona will be so modified.

Mr. GOLDWATER. Mr. President, I rise to speak in support of the amendment jointly offered by the senior Senator from South Dakota (Mr. McGOVERN) and my self to strike out the limitations on honorariums in section 327 of the Federal Election Campaign Act.

This provision is both mischievous and discriminatory. It was originally added to a Senate-passed campaign finance bill by Members of the House of Representatives, not as a reform measure, but to openly punish and pressure Members of the Senate who had not gone along with the idea of steep pay raises for Members of Congress. The House author of the honorarians limitation, Congressman ANNUNZIO, vocally announced his purpose in proposing the provision. During what brief discussion there was of the section in the House, the author of this restriction stated that:

> In the main, it is aimed at the members of the other body who have been so piously proclaiming from time to time that Members of Congress do not need any pay raises.

He repeated this purpose when discussing the conference report which became law, adding the hope that we Senators, in his words, "will now come along to acting more wisely when the measure of a pay raise comes up."

Surely, Mr. President, there is no room in Federal law for provisions such as this, which are run through by one House of Congress out of pique with the other body, and as a self-serving tool for pressuring that other body to approve congressional pay raises. Mr. President, this bit of background on the origin of what is now section 327 highlights what is wrong with it. It is a narrow and badly worded limitation on outside income of Members of Congress and other Government officials. When an amendment was offered during debate on the Campaign Finance Law which called for a far-reaching restriction of outside payments and fees to Members of Congress, it was beaten down by a vote of 61 to 31. That proposed amendment had been offered by Senator ALLEN and it would have prohibited the receipt by Members of Congress and Government officials of nearly all payments other than their official salaries. This is the kind of honest amendment I can vote for and, although I did cast my vote against tabling the Allen amendment, it was badly beaten.

Mr. President, this makes my point that Congress has made no effort to restrict all outside income.

Nothing in section 327 prohibits the 286 lawyers who are Members of Congress from earning outside income from their vocation. Nothing prevents the 41 or so farmers in Congress from accepting income from Government agricultural subsidies. Nothing prevents the 162 Members of Congress who had a business or banking background from receiving any income for whatever enterprises they may have retained. Nor does anything in the section limit the receipt of income from securities and other investments.

I might add, Mr. President, that nothing in 327 prevents any Member of this body from writing a book. I have written a number of books since I have been in this body. I am not foolish enough to think that BARRY GOLDWATER, a merchant in Phoenix, Ariz., could ever get a book published, but BARRY GOLDWATER, a Senator from Arizona, gets his books published. Yet there is nothing in this section that prevents my doing that. There is a limitation on the amount of money that can be received by a Member of Congress for writing an article for a magazine.

Another example: There is nothing in this section that prevents us from appearing on television shows or radio shows and being paid for it. I happen to be a member of a union, the Television Actors Union. I guess that possibly saves my hide, but, nevertheless, a number of us do have income from those sources. I have a radio program. It is on twice a day on some 400 stations in this country. Nothing in this section prevents my being paid for it.

I bring these points out from personal experience, and I am sure that many Members of this body could cite similar experiences.

Mr. President, what the section does do is impose a discriminatory limit only on the income of people who happen to be qualified as lecturers, speakers, or writers—and, I might add, not that any of us are. But sometimes we are mistakenly looked upon as such. What it does is severely restrict income that up to now has been available to schools, colleges and local charities. In many cases, those of us who received honorariums for speeches would donate the entire balance to this church, that hospital, or some other charitable organization. Yet under the existing and proposed law, there is no way to contribute an honorarium to a charity over the limits of the section, even though not one penny of it would go through the speaker's accounts or through his hands or be under his direction. What this has meant is that many charities are going, and will be going, to go without help that formerly have depended on it.

Again, I can cite my own personal experience. Before this bill became law, I had made pledges to various charities, churches, hospitals, and so forth, in my State of close to $50,000, which I did not have to give. But I propose to give the income from lecturing to these purposes. I wrote the chairman of the committee that controls that law and asked if the honorariums could be paid to these charities direct—not even going through my hands for signature or anything else. He ruled no. So I have the unpleasant future of trying to find $50,000. I will do it, but it would be much easier if we did not have to be hamstrung by this law.

Mr. President, there are other reasons why section 327 should be stricken from the law. The language of this provision is badly drafted and no one can fairly understand what he is prohibited from doing. The term "honorarium" is not defined in this section or anywhere else in the Federal Election Campaign Act. Nor does any other section of the United States Criminal Code to which this section has been added, contain any definition of "honorarium."

There is very little legislative history as to the meaning of this word. In fact, of the several hundred pages of legislative history relating to the Campaign Finance Amendments of 1974, only about 10 pages in all involve the honorarium section. Not one of these pages contains a definition of the word.

I remind those of my colleagues who are attorneys that one of the first principles of the Constitution rests in the protection of individual rights by the fifth amendment, what is known as the due process clause. In brief, the Supreme Court has said that due process includes "the deepest notions of what is fair and right and just."

Due process, in the context of a criminal statute means that the language of that statute "must be sufficiently explicit to inform those who are subject to it what conduct on their part will render them liable to its penalties." A statute which forbids "the doing of an act in terms so vague that men of common intelligence must necessarily guess at its meaning and differ as to its application," in the words of the Supreme Court, "violates the first essential of due process of law."

This doctrine has been known as the "vagueness" doctrine and it has been the basis for voiding several legislative statutes. In this instance particularly, where section 327 restricts on its face first amendments freedom of speech, I believe such an unclear statute is a bad one. As the Supreme Court said in the recent case of Buckley against Valeo, "where first amendment rights are involved, an even 'greater degree of specificity' is required."

Mr. President, I urge that my colleagues add section 616 to the substitute which has been offered by my friend from Michigan.

I yield to the Senator from Oregon.

Mr. PACKWOOD. Mr. President, I rise to support the amendment of the Senator from Arizona and the Senator from South Dakota. To me, the present restriction in the law is a blatant example of unfairness and unconstitutionality. It is perfectly all right for a Member of the Senate to manage an apartment house, to own an apartment house, to spend his weekends fixing toilets, putting on sideboards, or whatever else he wants to do. It is perfectly all right legally to practice law and to earn income from that. It is not all right, as the bill is read and apparently intended, to go out and make a speech or go out and write an article and be paid in excess of $1,000 to do it. It is all right, interestingly enough, to write a book—to write, in essence, long articles and be paid great amounts of money. I have, compiled by the Library of Congress, a list of all the autobiographies and books written by Members of Congress, many written by Members of the Senate, including many who voted against any change in this honorarium limitation.

It takes a great deal of time to write a lengthy book, if they wrote it themselves. At least their names appear on them.

It seems to me immoral, Mr. President, to say you can write a long article and be paid $25,000 if you call it a book, but you cannot write a short article and be paid $1,500 if it is called an article.

I ask unanimous consent to have this list of authors in the Congress printed in the Record.

There being no objection, the list was ordered to be printed in the Record, as follows:

The Library of Congress,
Washington, D.C., April 17, 1974.

To: Hon. John Brademas,
Attn: Annie Goekjian.
From: Congressional Reference Division.
Subject: Books on Congress by recent Members of Congress.

We are enclosing a list of recent autobiographies by Members of Congress, while these books are not exclusively devoted to the operations of Congress, all have pertinent material.

In addition to this previously-prepared list, we have located the following titles:

Abzug, Bella. Bella! Ms. Abzug goes to Washington. New York, Saturday Review Press, 1972. 314 p., E840.8.A2A3.

Anderson, John B. A Congressman's choice. Grand Rapids, Mich., Zondervan Publishing House, 1972. 228 p., E839.5.A73.

Anderson, John B. Congress and conscience. Philadelphia, Lippincott, 1970. 192 p., JK1051.C8.

Bolling, Richard. House out of order. New York, Dutton, 1972. 253 p., JK1319.B6.

Bolling, Richard. Power in the House. New York, Dutton, 1968. 291 p., JK1316.B5.

Clark, Joseph S. Congress, the sapless branch. New York, Harper and Row, 1965. 266 p., JK1061. C57 1965.

Clark, Joseph S. Congressional reform: problems and prospects. New York, Crowell, 1965. 364 p., JK1061.C58.

Clark, Joseph S. The Senate establishment. New York, Hill and Wang, 1963. 138 p., JK1239.C55.

Curtis, Thomas B. Decision making in the U.S. Congress. Los Angeles, Institute of Government and Public Affairs, University of California, 1969. 441 p., AS36.C2A35 no. 126.

Evins, Joe L. Understanding Congress. New York, C. N. Potter, 1963. 304 p., JK1061.E85.

Hartke, Vance. Inside the the New Frontier. New York, Macfadden-Bartell Corp., 1962. 237 p., E841.H3.

Hartke, Vance. You and your senator. New York, Coward-McCann, 1970. 251 p., JK1161. H27.

Keating, Kenneth. Government of the people. Cleveland, World Publishing Co., 1964. 174 p., JK1061.K37.

Kuykendall, Dan. Among other questions. Privately printed, 1971.

McCloskey, Paul. Truth and untruth: political deceit in America. New York, Simon and Schuster, 1972. 264 p., JK271.M244.

Miller, Clem. Member of the House; letters of a Congressman. New York, Scribner, 1962. 195 p., JK1319.M5.

Muskie, Edmund. Journeys. Garden City, N.Y., Doubleday, 1972. 264 p., E840.8.M85A34.

Powell, Adam Clayton. Adam by Adam. New York, Dial Press, 1971. 260 p., E748.P86A3.

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Stennis, John. The role of Congress in foreign policy. Washington, American Enterprise Institute of Public Policy Research, 1971. 139 p., KF4651.S74.

Udall, Morris. Education of a Congressman. Indianapolis, Bobbs-Merrill, 1972. 384 p., E840.8.U3.

Udall, Morris. The job of the Congressman. Indianapolis, Bobbs-Merrill, 1970. 461 p., JK1331.T3.

Wright, Jim. You and your Congressman. New York, Coward-McCann and Geoghegan, 1972, 304 p., JK1021.W7.

BOOKS BY U.S. SENATORS (91ST CONGRESS)

Aiken, George David. Pioneering with fruits and berries, by George D. Aiken; illustrated with photographs by Kenneth Rockwell. Brattleboro, Vermont, Stephen Daye press [c1936]. SB355.A35.

Aiken, George David. Pioneering with wildflowers, by George D. Aiken. Putney, Vermont, The author, 1935. "First printing, 1933." SB439.A5 1935.

Aiken, George David. Speaking from Vermont, By George D. Aiken . . . New York, Frederick A. Stokes Company, 1938. 233 p., F54.A55.

Bayh, Birch E. One heartbeat away; presidential disability and succession. Indianapolis, Bobbs-Merrill, 1968. 372 p., JK609.B39.

Bennett, Wallace Foster. Faith and freedom, the pillars of American democracy. New York, Scribner, 1950. 154 p., JC599.U5B4.

Bennett, Wallace Foster. Why I am a Mormon. New York, T. Nelson [1958]. 256 p., BX 8635.B39.

Brooke, Edward William. The challenge of change; crisis in our two-party system, by Edward W. Brooke. [1st ed.], Boston, Little, Brown [c1966]. 269 p., E743.B77.

Dirksen, Everett McKinley. Gallant men; stories of American adventure, by Everett McKinley Dirksen and H. Paul Jeffers. New York, McGraw-Hill, 1967. 122 p., CT217.D5.

Dodd, Thomas J. Freedom and foreign policy. New York, Bookmailer [1962]. 321 p., E744.D56.

Fulbright, James William. The arrogance of power. New York, Random House [c1966]. 264 p., E774.F886.

Fulbright, James William. Fulbright of Arkansas: the public positions of a private thinker. Ed. by Karl E. Meyer. Pref. by Walter Lippmann. Washington, R. B. Luce [1963]. 279 p., E743.F8.

Fulbright, James William. Old myths and new realities, and other commentaries, by J. W. Fulbright. New York, Random House [1964]. 147 p. E846.F8.

Fulbright, James William. Prospects for the West. Cambridge, Harvard University Press, 1963. 132 p. E744.F9.

Goldwater, Barry Morris. Arizona portraits. Phoenix, 1940. 25 p. (24 plates). F811.G6 1940.

Goldwater, Barry Morris. Barry speaks to you; for the first time: an A to Z breakdown of Goldwater's stands. New York, Macfadden-Bartell, 1964. 34 p. E850.G54.

Goldwater, Barry Morris. The conscience of a Conservative. Shepherdsville, Ky., Victor Pub. Co., 1960. 123 p. JK271.G668.

Goldwater, Barry Morris. The face of Arizona. Phoenix, F. P. Middleton, 1964. 14 p. (50 plates). TR650.G58.

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Mr. PACKWOOD. Secondly, the argument is raised that making speeches and writing books causes us to miss votes in the Senate. So I again had the Library of Congress prepare for me a list of the top moneymakers on the honorarium circuit for 1973 and 1974, the years that this limitation has been in effect. I do not have the figures for 1975 because the honorariums have not yet been reported for 1975.

But in taking the entire list of those who have spoken, with one exception—and in this entire list of 15 to 20 people, with one exception each year, there is one person who is extraordinarily low—the Senate average would be around 85 or 86 percent, with one person down to 55 percent. In each case it happened to be, 1973 and 1974, a candidate running for election in 1974, and those running for election are notoriously low in their attendance. Subtracting that one person in each year, who was notoriously low, the average attendance record for all of those who go out and speak is above the Senate average. So they are not missing votes any more, at least, than other people miss votes, for whatever reasons other people miss votes. They are not missing votes because they are writing articles and making speeches.

What it really boils down to is that some people like to play golf, some people like to go fishing, go hunting, some people like to make speeches on weekends, and we all ought to be allowed to do what we like to do, and there should not be any restriction, a very narrow and limited restriction, on those who go out and make speeches.

I wholeheartedly support the amendment.

Mr. GOLDWATER. I thank my friend from Oregon. I think he has made a great contribution to the logic that, I hope, exists in this proposal.

I want to repeat what I said earlier that this came about because the House of Representatives, at least some Members, were mad at the Senate for seeming to resist the pay raise, so they are going to take it out on the Senate and the whole Congress by disallowing any so-called honorariums, whatever they might be.

I will withhold the remainder of my time unless the Senator from New York wishes to be heard.

Mr. BUCKLEY. I thank the Senator from Arizona.

Mr. President, I also rise to support this amendment. It seems to me the limitation that has been put into the law is irrational and erratic. I believe it is of dubious constitutionality.

I will say, quite frankly, when the plaintiffs in Buckley against Valeo considered the specific complaints that they would argue before the Supreme Court they chose not to zero in on this one because I and other Members of Congress did not want to color our case with any potential self-advantage, but I wish that somebody had joined in to have tested this as well because, it seems to me, it is a deprivation of a property right, the right to earn, without due process and without the kind of rationality that could justify such a restriction.

I also happen to believe, Mr. President, that this provision is counterproductive. Let us face the facts. Members of the Senate are really required to maintain two households. They maintain their household in their State of origin and they must also maintain a house here in the District or in the neighboring areas.

The provision that allows us to deduct expenses for our residence here is way outdated. We are allowed $3,000 as a deduction. The rent on my first apartment here exceeded that, and it was a modest apartment.

The fact is that a number of people in this body feel they have to supplement the income they have to meet the costs, the extra costs, incurred by virtue of their service in the Senate, the cost of education and all the rest.

Therefore, in order to maintain their maximum earning potential they are forced to leave town, go somewhere 15 times a year at $1,000 a head instead of 5, 6, or 7 times a year for a larger amount.

Then, I believe, the Senator from Oregon talked about the time it takes to write a book. I guess I am on that list. I happen to have written a book in the last year, and I can certify that I spent infinitely more time on that particular project than I have in the last 5 years speaking, and I have spoken with some regularity in New York State and around the country.

So I hope we will drop all of the pieties. They fool nobody, and I hope we will restore to ourselves the basic rights that anybody else in this country has to use his spare time as he sees fit.

I thank the Senator from Arizona for having introduced this amendment.

Mr. GOLDWATER. Mr. President, I reserve the remainder of my time.

Mr. CANNON. Mr. President, I yield myself 5 minutes.

Mr. President, the Senator from Arizona is quite right historically on the background of this amendment. Senators will recall that there was no such provision in the bill as passed by the Senate and there had not been, prior to that time, any such limitation. But the House imposed such a limit and wrote it into the law, and that went to conference.

In our conference with the House, the House's thinking was colored by exactly the same reasons as stated by the Senator from Arizona as to why they wanted to get this particular limitation in. It turned out that the House Members were not receiving great amounts of honorariums and were not engaging in it to the extent that some of the Senators were, and so the House conferees were quite critical, and in an effort to try to get a bill we accepted that add-on by the House at that particular time.

Then, this year, the issue, of course, came up again because it was in the draft of the House bill as it came to us. In the Rules Committee we considered the issue itself, and one of the members of the Rules Committee offered an amendment to change it as it now is in S. 3065 on page 42. So that the figure, the limitation, was doubled from $1,000 to $2,000 per appearance, that is, for any appearance, speech, or article or honorariums aggregating more than $24,000 in a particular year.

The rationale in arriving at the $24,000 was that we have raised the amount for a particular one from $1,000 to $2,000, and you could have 15 appearances under the existing law for $1,000 each, and yet under this one, one could have $2,000 each, and it would only take 12 appearances or 12 times theoretically away from Washington to build up to the $24,000. That was the rationale that was presented, and the committee did accept that and wrote it into the bill as it is here.

The Senator from Arizona's proposal now, of course, would strike any limitation at all, leave the law as it was prior to the enactment of the Act in 1974.

Mr. MATHIAS. Will the Senator yield for a unanimous-consent request?

Mr. CANNON. Certainly.

Mr. MATHIAS. Mr. President, I ask unanimous consent that Mr. Colbert King of my staff be granted privilege of the floor during the debate on this bill.

The PRESIDING OFFICER. Without obection, it is so ordered.

Mr. CANNON. Mr. President, I do not see any other Senator who wants to talk on this matter. I am prepared to yield back the remainder of my time, if the Senator is.

Mr. GOLDWATER. Mr. President, I am prepared to yield back my time.

Mr. GRIFFIN. Will the Senator yield to me?

I believe, frankly, that the present limitation is unconstitutional. If it were tested in the courts, my judgment is that it would be declared unconstitutional. I think that view is buttressed by another point which I should like to make.

I refer to the fact that the amendment of the Senator from Arizona does not change in any way the existing requirement of public disclosure of the honoraria received by any Senator. Is that correct?

Mr. GOLDWATER. That is absolutely correct.

Mr. GRIFFIN. Accordingly, in the future, as in the past, on an annual basis, each Senator would still have to file and publicly disclose the sources and amounts of honoraria received?

Mr. GOLDWATER. That is correct. This amendment does not touch that.

Mr. GRIFFIN. I thank the Senator.

Mr. GOLDWATER. Mr. President, I yield back the remainder of my time.

Mr. CANNON. Mr. President, I would like to make one further observation. The Senator is precisely correct; there is no limitation in the law, in this provision or elsewhere on a person's engaging in any other activity, and he can do that.

However, there is a provision in the Rules of the Senate, rule 44, which requires the Senator to file under the direction of the Committee on Standards and Conduct disclosure of any amount that he may have received, from whatever that source is, each fee or compensation of $1,000 or more received by him during the preceding year from a client, and so on. There are various other requirements in rule 44 as well.

So there is a complete filing required and as well as disclosure.

Mr. President, I am prepared to yield back the remainder of my time.

The PRESIDING OFFICER. All time has been yielded back. The question is on agreeing to the amendment of the Senator from Arizona.

The amendment was agreed to.

Mr. GOLDWATER. Mr. President, I send an amendment to the desk and ask that it be stated.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Arizona (Mr. GOLDWATER) for himself and Mr. MCGOVERN proposes an amendment to the bill, as follows:

On page 42, beginning with line 18, strike out through line 2 on page 43.

Mr. GOLDWATER. Mr. President, all that this amendment does is apply the same reasoning to the bill. The other amendment was to the substitute which will be offered later. This amendment is merely to the bill.

Mr. President, I yield back the remainder of my time and ask for its immediate consideration.

The PRESIDING OFFICER. Who yields time?

Mr. CANNON. Mr. President, I am prepared to yield back the remainder of my time.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Arizona.

The amendment was agreed to.

Mr. GRIFFIN. Mr. President, I move to reconsider the vote by which the Goldwater amendment was just agreed to.

Mr. GOLDWATER. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. GRIFFIN. Mr. President, I ask unanimous consent that it be in order to move to reconsider the vote by which the previous Goldwater amendment to the substitute was agreed to.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. GRIFFIN. Mr. President, I so move.

Mr. GOLDWATER. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 1467

Mr. MATHIAS. Mr. President, I have an amendment at the desk, No. 1467.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Maryland (Mr. MATHIAS) proposes an amendment numbered 1467.

The amendment is as follows:

On page 2, line 11, strike out "six" and insert in lieu thereof "eight".

On page 2, line 17, after "party" insert the following: ", and at least two members appointed under this paragraph shall not be affiliated with any political party".

On page 2, line 17, after "party" insert the following: ", and at least two members appointed under this paragraph shall not be affiliated with any political party".

On page 2, line 22, strike out "six" and insert in lieu thereof "eight".

On page 3, line 5, strike out "and".

On page 3, line 8, strike out the period and insert in lieu thereof a comma and the word "and".

On page 3, between lines 8 and 9, insert the following:

"(iv) two of the members, not affiliated with the same political party, shall be appointed for terms ending on April 30, 1983.".

Mr. MATHIAS. Mr. President, this is an amendment to the bill rather than to the Griffin substitute.

I explained the amendment in some detail when I offered it several days ago and the explanation appears in full in the RECORD.

The very simple purpose is to add two members to the Commission who will not be affiliated with any political party.

The purpose of this is simply to give some representation to what may well be the largest group of voters on the American political scene today—those who are not affiliated with a political party.

I know that there are some people who are reluctant to take this step because they think it will encourage people to leave political parties. I submit, Mr. President, that this is not a step that will encourage it. It is the old method of doing business that has encouraged people to leave political parties. It is the old way of doing business that has driven the nonmembership, the numbers of those not affiliated with political parties, from about 20 percent of the American electorate 20 years ago to over 40 percent of the American electorate today.

So, Mr. President, this is a very simple step which recognizes that a very large percentage, perhaps half, perhaps larger than either of the political parties, a very large percentage of the American electorate, does not choose to affiliate with a political party and these people deserve some representation.

It is a very simple amendment adding two nonaffiliated members to the Commission.

I urge the Senate to consider it favorably.

Mr. CANNON. Mr. President, I yield myself 2 minutes.

Mr. President, the Senator from

Maryland has discussed this amendment with me and, frankly, I had the feeling that he expressed that some people might have reservations about the fact that adding two members who were not affiliated with any political party might tend to encourage people to not belong to a political party.

I do not think we should do anything that would discourage them from belonging to a political party, or encourage them not to belong.

However, I do not feel very strongly about it. The Senator has stated to me and has stated on the floor that he believes this would not have any adverse impact. So I am willing to take this amendment to conference. It is not in the House proposal as reported out by the House, but I am willing to accept the amendment and take it to conference.

Mr. MATHIAS. Mr. President, I ask unanimous consent that the Senator from Colorado (Mr. GARY HART) be added as a cosponsor to this amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MATHIAS. Mr. President. I appreciate very much the attitude of the distinguished Senator, the manager of the bill, and I believe that I have not misled him. We are just facing the facts.

Not just particularly, but I very much do not like to see what is a sign of disintegration of the two-party system. But whether we like it or not the facts and figures are there. Forty percent of the American voters do not affiliate with a political party. It seems to me it is the most simple justice to allow them some representation on the election commission.

Mr. GRIFFIN. Mr. President, the concept, of course, of the Federal Election Commission is that it should be bipartisan insofar as the appointment of its members is concerned. During the confirmation hearings, when the FEC appointees were being considered by the Senate Committee on Rules and Administration, this Senator—and I think I was joined by some of my colleagues—made a point of emphasizing to those being appointed that once they were appointed to the Commission it was expected that they would not be partisan; that they were responsible for serving the public interest without regard to their previous political affiliation.

There is nothing new or unusual about that expectation. Just as a person who is appointed a Federal judge may come from a background of experience and affiliation with one political party, nevertheless, it is expected that in his judicial capacity he will exercise judgment on a nonpartisan basis.

What I am leading up to, really, is an indication that I see nothing wrong with the amendment of the Senator from Maryland. I hope he will also offer it to the substitute because I am sure he would like to make certain that it is adopted, whichever of the two courses the Senate elects to take.

I would like to indicate that there is an amendment in the committee bill which I am sure the Senator from Maryland would not like. That is the requirement that for the Commission to take any action of a meaningful nature there must be two votes from each party in support of that action.

What that language does, it seems to me, is to politicize the Commission. They must always be conscious of the political affiliation of the membership, which goes exactly contrary to the original intent, and certainly contrary, it seems to me, to the purpose of the amendment of the Senator from Maryland.

I wonder what the effect of the Senator's amendment will be on the provision of the committee bill to which I have just alluded. Has the Senator from Maryland considered that?

Mr. MATHIAS. I did not consider that.

Mr. GRIFFIN. Was the Senator aware that there was such a provision in the committee bill?

Mr. MATHIAS. Yes, I am aware of that provision.

Mr. GRIFFIN. I think it is one of the most objectionable parts of the committee bill.

Mr. MATHIAS. It seems to me that the independent members might well provide a majority swinging either side, but it would not affect the requirement that, in a decision of the majority, they had to have two members from each political party.

Mr. GRIFFIN. I take it that that would be true unless there was some other change made.

Mr. MATHIAS. Yes. I think unless there is another change what we would have to have, in other words, is not a simple majoritarian principle but a majoritarian principle plus a minimum of the party.

I do not really like that provision, but I do not think this amendment affects it.

Mr. GRIFFIN. If anything, it dilutes it.

Mr. MATHIAS. It dilutes it.

Mr. GRIFFIN. That is one of the reasons I see merit to the Senator's amendment.

If there is any Senator who is not familiar with this provision that I am referring to, it is on page 4 of the committee bill. Line 19 says, "Except that the affirmative vote of four members of the Commission—no less than two of whom are affiliated with the same political party—shall be required" in order for the Commission to take certain actions. They are the most important actions, of course, on which the Commission is supposed to rule.

That means that as the bill is now, any two members of the same political party have an absolute veto on anything as far as the Commission is concerned. This is intended, it is deliberate. It is deliberately intended to weaken the Commission, to make it impossible for a combination of three members of one political party to be joined by one member of the other political party and take any action. I think that is a very serious and bad provision.

Mr. CANNON. Will the Senator yield?

Mr. GRIFFIN. I will be glad to yield.

Mr. CANNON. In the existing law, three members have a veto anyway. It takes a vote of four. If three members have a veto and all the Senator is saying now is two members of a political party——

Mr. GRIFFIN. That is different than saying two members have a veto.

Mr. CANNON. The difference is not as great as the Senator would have it appear.

Mr. GRIFFIN. It makes all the difference in the world.

Mr. CANNON. If the Senator's amendment is approved, then we are in quite a different situation because there would be an eight member Commission.

Mr. GRIFFIN. We will have that under the chairman's bill anyway. Is that correct? If the Mathias amendment is adopted, there will be an eight-member Commission. Is that correct?

Mr. CANNON. That is what I said.

Mr. MATHIAS. I do not want to prolong this debate, but it does seem to me that one point deserves very brief comment. I do not believe that this is quite the situation of a Federal judge who becomes nonpartisan and neutral, politically, once he ascends the bench. I think these people are being drawn from each party and hopefully, under this amendment, from no party, because of their political experiences, because this is not an area of general jurisdiction, law in equity, admiralty, and all the rest.

This is a very special area of jurisdiction dealing with election practices. Their political experience in life will necessarily color their decisions, and properly so. That is why we are choosing these people, because they have some political experience in life. I think those who are independents or nonaffiliated, or as we in Maryland call them, "decines," have had a particular experience, I am sure, involving a considerable amount of frustration. That view, I think, will add something to the reality of the decisions of the Commission.

I appreciate the attitude of the Senator from Michigan in accepting at least the concept that this may be of some value.

Mr. GRIFFIN. I believe the comment of the Senator from Maryland is realistic, even though we did extract from the appointees their agreement that when they were confirmed they were to be nonpartisan. I think the Senator makes a good point, that in this particular area it may be somewhat unrealistic to assume that it will not affect their decisions on political questions.

Nevertheless, it seems to me that should be the goal and the objective to the extent possible.

Mr. MATHIAS. Oh, I agree. But I think we are dealing with two time frames.

Mr. GRIFFIN. Right.

Mr. MATHIAS. One, the unpartisan way in which we hope they will act in the future; but that is necessarily going to be colored by their partisan experiences in the past.

Mr. GRIFFIN. I do not know who has the floor. Is the Senator from New York seeking to contribute to this colloquy?

Mr. BUCKLEY. Frankly, I had risen

to make an observation, but the discussion got beyond the point.

I had risen when the Senator spoke about the provision in existing law. I think he talked about a party vote being allowed to advance a decision by a party.

Mr. GRIFFIN. It is not in existing law, but it would be the law if the pending bill should be passed.

Mr. BUCKLEY. But this confirms my reaction, which is one of cynicism, pure and simple. We have wrapped in all kinds of advantages for the incumbent.

The Supreme Court by its decision eliminated some, fortunately, which would have redounded even more to the advantage of incumbents; but I hope these comments will somehow get into public discussion so people can have a better understanding that this is not reform, but it is legislation which sort of consolidates the status quo.

Mr. GRIFFIN. Mr. President, I wonder if the Senator from Maryland would object to having a rollcall on his amendment, to be sure that in conference it will receive proper attention.

Mr. MATHIAS. No, I certainly have no objection.

Mr. GRIFFIN. Mr. President, I ask for the yeas and nays on the pending amendment.

The PRESIDING OFFICER (Mr. McGOVERN). Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. Is all remaining time yielded back?

Mr. MATHIAS. Mr. President, just briefly, since there it to be a rollcall on it, I just want to recall again to the Senate some of the critical statistics which support the amendment.

According to the Gallup opinion index for November–December 1975, 33 percent of the electorate considered themselves independents, while only 22 percent considered themselves Republicans and 45 percent considered themselves Democrats.

Independents, therefore, outnumber Republicans by 3 to 2, and the same Gallup poll reflects that since 1964, in the short space of 12 years, the proportion of independents has increased 50 percent, while the Democrats have declined from a majority status to a low of 42 percent.

So that is really the fact of the matter. That is the reality that we face, and it is the reality that this amendment recognizes.

I am prepared to vote.

Mr. GRIFFIN. If I could ask a question for clarification——

Mr. MATHIAS. Yes.

Mr. GRIFFIN. The question has been asked concerning the intent: would it be possible for a President to name a member of a third party as one of the two appointees?

Mr. MATHIAS. As the amendment is drawn, it is clearly for the nonaffiliated.

Mr. GRIFFIN. With any party.

Mr. MATHIAS. Yes, with any party, because that, statistically, is the large group, the reservoir from whom we would have to draw.

Mr. GRIFFIN. Then it would be the assumption that the six members would be affiliated——

Mr. MATHIAS. With the two major parties.

Mr. GRIFFIN. No more than two from any one major party.

Mr. MATHIAS. Right.

Mr. BUCKLEY. Mr. President, will the Senator yield?

Mr. MATHIAS. I am happy to yield to the Senator from New York.

Mr. BUCKLEY. I believe the question raised by the Senator from Maryland has merit. The fact is that under existing law, minor parties have very special problems. There are all kinds of discriminations against them, and I believe it would be helpful, frankly——

Mr. MATHIAS. I have made some study of that subject, and I am aware of it.

[Laughter.]

Mr. BUCKLEY. I am a product of that system, so I too am aware of it. But I do believe it would be worthwhile to require that one be a member of the public unaffiliated with a political party and the other have an affiliation with a minor party. I wonder if the Senator from Maryland would be willing to modify his amendment to that effect. I truly believe there are special problems affecting minor parties.

Mr. GRIFFIN. Must be, or may be?

Mr. BUCKLEY. May be.

Mr. MATHIAS. Well, I am impressed with the kind of equity which underlies the suggestion of the Senator from New York. I do believe, however, we are dealing on a solid statistical base with the amendment as it stands. We are dealing with figures that are known and recognized.

At this point, Mr. President, I ask unanimous consent to have printed in the RECORD the results of a survey conducted in 1974, including the period from 1956 to 1974, conducted by the University of Michigan, which I think supports these figures.

There being no objection, the survey was ordered to be printed in the RECORD, as follows:

TABLE 1.—DISTRIBUTION OF PARTY IDENTIFICATION IN THE UNITED STATES, 1952–73

[In percent]

Question: "Generally speaking, do you usually think of yourself as a Republican, a Democrat, an Independent, or what? If Republican or Democrat: Would you call yourself a strong Republican or Democrat or a not very strong Republican or Democrat? If Independent: Do you think of yourself as closer to the Republican or Democratic Party?"

	October 1952	October 1954	October 1956	October 1958	October 1960	November 1962	October 1964	November 1966	November 1968	November 1970	November 1972	November 1973
Democrat:												
Strong	22	22	21	23	21	23	26	18	20	20	15	13
Weak	25	25	23	24	25	23	25	27	25	23	25	23
Independent:												
Democrat	10	9	7	7	8	8	9	9	10	10	11	14
Independent	5	7	9	8	8	8	8	12	11	13	13	18
Republican	7	6	8	4	7	6	6	7	9	8	11	9
Republican:												
Weak	14	14	14	16	13	16	13	15	14	15	13	13
Strong	13	13	15	13	14	12	11	10	10	10	10	8
Apolitical, don't know	4	4	3	5	4	4	2	2	1	1	2	2
Total	100	100	100	100	100	100	100	100	100	100	100	100
Number of cases	1,614	1,139	1,772	1,269	3,021	1,289	1,571	1,291	1,553	1,802	2,705	1,444

Center for Political Studies, the University of Michigan.

Mr. MATHIAS. It does indicate that this large number of independents exists.

I do not have before me at this moment, and this makes me somewhat reluctant to amend the amendment at this point, statistics which actually show us the membership of the minor political parties. I would be reluctant to alter this pattern which looks to a group that we know exists; they are a group in being. I would hope that the Senator from New York, much as I sympathize with the spirit of his amendment, and much as I sympathize with the problems of a third party, would withhold that, because I am just not sure enough of how the numbers fit together. This amendment is directed at this group which we know, according to Dr. Gallup, just at the end of the year was at least a third of the national electorate.

Mr. BUCKLEY. Mr. President, will the Senator yield?

Mr. MATHIAS. Yes.

Mr. BUCKLEY. I shall not press the matter at this point. As a matter of fact, I shall not do so for tactical reasons. I am persuaded that in due course members of minority parties, or minority parties themselves, will be able to assemble the provable evidence to demonstrate the discriminatory character of this law; and were my suggestion to be adopted, it would weaken the case that I think will ultimately succeed in abolishing this monstrosity.

Mr. MATHIAS. I think the Senator is right. I do not know whether the third parties will be able to assemble the evidence, but I think third parties and independents will assemble together as a mighty political force in this country, and will challenge the two traditional parties in many instances. I do not think there is any doubt about that, and I shall be happy to join with the Senator. I just suggest that we prepare ourselves a little better before we try to present a case here to the Senate on an amendment on which there will be a rollcall in a few minutes. We do have a sound statistical base on which we are now moving, and if we can withhold that argument, I will be glad to join in it with the Senator when the foundation is laid.

Mr. GRIFFIN. One further question, which I think I know the answer to, but perhaps it would be well to get the view of the Senator from Maryland. The staff has called it to my attention. How long would one have to be an independent in order to be eligible for appointment?

Mr. MATHIAS. I think as long as good faith requires. You know, people do move around in the American political system. They do not always stay as one or the other.

I had occasion to be discussing with Mr. Edward Bennett Williams the other day the fact that prior to 1964 he was a Republican. He was one of my ardent supporters, and he worked in my campaigns when I ran for election to the other body. In 1964 he left the Republican Party, and he wanted me to go with him; and he was chiding me the other day. He said, "You see, you should have gone." He said. "You have waited too long." He said, "On the other hand, John Connally moved too soon."

[Laughter.]

Mr. GRIFFIN. Well, I think a further answer to my question is that these appointments have to be confirmed by the Senate, and the bona fides of the person's claim to independence or to being a Republican or a Democrat is subject to judgment by the Senate.

Mr. MATHIAS. I think the Senator is absolutely right. There has to be discretion by the Senate. And I think if in fact someone had obviously registered as either a Democrat or as a Republican, or had dropped any party affiliation, simply to get appointed to this commission, it would be patent on the face of it, and the Senate would not have much trouble in smelling that out and I hope the President would not in making the appointments in the first place.

Mr. GRIFFIN. There is another question which may be taken care of, but sometimes one cannot tell by looking at the amendments which would have to be technical in nature. In the bill which the Senator's amendment would amend, in that paragraph which I referred to earlier, it requires the affirmative vote of four members of the Commission to take action. Obviously, unless there were some conforming amendments to the bill, I assume we would not want an eight-man Commission with four members making the decision.

The Senator is thinking then five members would be a majority for action?

Mr. MATHIAS. I would think the Senator is right, and we should have a conforming amendment. If this amendment is adopted, we would prepare a conforming amendment which would, I think, say that a majority——

Mr. GRIFFIN. That is so, because obviously if they had a tie, nothing has been decided by eight members. So I suggest that the staff be looking at the bill and the substitute to provide the necessary conforming amendments to make sure that the bill or the substitute makes sense, if the amendment of the Senator from Maryland is adopted.

Does the Senator from Nevada have anything further?

Mr. CANNON. Mr. President, it had entered my mind earlier that it might be well for the Senator to suggest the absence of a quorum and try to modify his amendment.

Mr. GRIFFIN. I would suggest that it would be well to modify his amendment to include these conforming amendments.

Mr. MATHIAS. I am happy to do that at this time.

Mr. GRIFFIN. Mr. President, I suggest the absence of a quorum for that purpose.

The **PRESIDING OFFICER.** On whose time does the Senator suggest.

Mr. CANNON. To be charged equally.

Mr. MATHIAS. On my time. I make a point of order that a quorum is not present.

The **PRESIDING OFFICER.** Without objection, it is so ordered.

The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. GRIFFIN. Mr. President, while they are working on this, I ask unanimous consent that the order for the quorum call be rescinded.

The **PRESIDING OFFICER.** Without objection, it is so ordered.

COMMON CAUSE NOT MEETING WITH DEMOCRATIC CAUCUS

Mr. GRIFFIN. I do that only to make a very brief statement and to call attention to a notice in the Washington Post this morning that at 12:15 p.m. there will be a meeting of the Democratic Caucus of the Senate and that they will be meeting in closed session with Common Cause.

Mr. MANSFIELD. What is that?

Mr. GRIFFIN. Surely the Washington Post cannot be correct in its publication here today.

Mr. MANSFIELD. Mr. President, will the Senator repeat what he said?

Mr. GRIFFIN. It says that Common Cause—I take it that that would be representatives of Common Cause—are meeting in closed session with the Democratic Caucus of the Senate today at 12:15 p.m.

Mr. MANSFIELD. No; there will be a Democratic conference today. The purpose is to discuss the resolution based on the suit brought by Common Cause.

Mr. GRIFFIN. I see.

I show the majority leader what was in the paper. It was a little bit shocking. I wondered if it might need some explanation.

Mr. MANSFIELD. The press makes mistakes once in a while just as we do.

Mr. GRIFFIN. All right.

Mr. MANSFIELD. But we never invite outside organizations into our caucuses. We would invite our Republican colleagues in first.

Mr. GRIFFIN. I thank the Senator.

I would apologize, except I think that, in this instance, it is probably a good thing to mention. The majority leader agrees with me that this should be straightened out, because, otherwise, there would have been a great deal of misunderstanding.

Mr. MANSFIELD. What we want to do now is straighten out a resolution which we discussed at the last conference, but we developed a plug, and we hope to eradicate that.

Mr. MATHIAS. Mr. President, will the Senator from Michigan yield?

Mr. GRIFFIN. Yes.

Mr. MATHIAS. I add a word to what the majority leader has said. I honestly believe from what I know of John Gardner of Common Cause, that even if the majority leader invited them to a closed door partisan session they would not come.

Mr. MANSFIELD. I tend to agree with the Senator's observation.

Mr. MATHIAS. I suspect they have been enticed into a few by Members of both parties, the invitations to which they have resisted.

FEDERAL ELECTION CAMPAIGN ACT AMENDMENTS OF 1976

The Senate continued with the consideration of the bill (S. 3065) to amend the Federal Election Campaign Act of 1971 to provide for its administration by a Federal Election Commission appointed in accordance with the requirements of the Constitution, and for other purposes.

Mr. MATHIAS. Mr. President, I am prepared with the conforming amendment to my amendment.

Mr. GRIFFIN. The yeas and nays have been ordered so the Senator shall have to ask unanimous consent.

Mr. MATHIAS. Mr. President, I ask unanimous consent that I *may have* permission to modify my amendment.

The **PRESIDING OFFICER.** Without objection, it is so ordered.

Mr. MATHIAS. Mr. President, I offer a modification to the amendment to the effect that on page 4, line 20, strike the word "four" and insert in lieu thereof "5".

The **PRESIDING OFFICER.** Will the Senator send his modification to the desk?

The modification will be stated.

The assistant legislative clerk read as follows:

> On page 2, line 11, strike out "six" and insert in lieu thereof "eight".
>
> On page 2, line 17, after "party" insert the following: ", and at least two members appointed under this paragraph shall not be affiliated with any political party".
>
> On page 2, line 17, after "party" insert the following: ", and at least two members appointed under this paragraph shall not be affiliated with any political party".

On page 2, line 22, strike out "six" and insert in lieu thereof "eight".

On page 3, line 5, strike out "and".

On page 3, line 8, strike out the period and insert in lieu thereof a comma and the word "and".

On page 3, between lines 8 and 9, insert the following:

"(vi) two of the members, not affiliated with the same political party, shall be appointed for terms ending on April 30, 1983.".

On page 4, line 20, strike out "four" and insert in lieu thereof "5".

The PRESIDING OFFICER. Without objection, the amendment is so modified.

Is all time yielded back?

Mr. MATHIAS. Mr. President, I yield back the remainder of my time.

Mr. CANNON. Mr. President, I said earlier I was willing to accept the amendment, but as long as the minority wants a rollcall vote on it, I am prepared to yield back the remainder of my time unless someone on this side wants to speak.

Mr. President, I yield back the remainder of my time.

The PRESIDING OFFICER. All time is yielded back.

The yeas and nays have been ordered. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Idaho (Mr. Church), the Senator from Indiana (Mr. Hartke), the Senator from Washington (Mr. Jackson), the Senator from Massachusetts (Mr. Kennedy), the Senator from Louisiana (Mr. Long), the Senator from Rhode Island (Mr. Pastore), the Senator from California (Mr. Tunney), and the Senator from New Jersey (Mr. Williams), are necessarily absent.

I further announce that, if present and voting, the Senator from Washington (Mr. Jackson) and the Senator from Rhode Island (Mr. Pastore) would each have voted "yea."

Mr. GRIFFIN. I announce that the Senator from Massachusetts (Mr. Brooke), the Senator from North Carolina (Mr. Helms), and the Senator from North Dakota (Mr. Young) are necessarily absent.

I further announce that the Senator from Vermont (Mr. Stafford) is absent due to illness.

I further announce that, if present and voting, the Senator from North Carolina (Mr. Helms) would vote "yea."

The result was announced—yeas 88, nays 0, as follows:

[Rollcall Vote No. 78 Leg.]

YEAS—88

Abourezk
Allen
Baker
Bartlett
Bayh
Beall
Bellmon
Bentsen
Biden
Brock
Buckley
Bumpers
Burdick
Byrd, Harry F., Jr.
Byrd, Robert C.
Cannon
Case
Chiles
Clark
Cranston
Culver
Curtis
Dole
Domenici
Durkin
Eagleton
Eastland
Fannin
Fong
Ford
Garn
Glenn
Goldwater
Gravel
Griffin
Hansen
Hart, Gary
Hart, Philip A.
Haskell
Hatfield
Hathaway
Hollings
Hruska
Huddleston
Humphrey
Inouye
Javits
Johnston
Laxalt
Leahy
Magnuson
Mansfield
Mathias
McClellan
McClure
McGee
McGovern
McIntyre
Metcalf
Mondale
Montoya
Morgan
Moss
Muskie
Nelson
Nunn
Packwood
Pearson
Pell
Percy
Proxmire
Randolph
Ribicoff
Roth
Schweiker
Scott, Hugh
Scott, William L.
Sparkman
Stennis
Stevens
Stevenson
Stone
Symington
Taft
Talmadge
Thurmond
Tower
Weicker

NAYS—0

NOT VOTING—12

Brooke
Church
Hartke
Helms
Jackson
Kennedy
Long
Pastore
Stafford
Tunney
Williams
Young

So Mr. Mathias' amendment was agreed to.

Mr. MATHIAS. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. GRIFFIN and Mr. MOSS. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. MATHIAS and Mr. TAFT addressed the Chair.

Mr. MATHIAS. Mr. President, will the Senator from Ohio yield to me?

Mr. TAFT. I had already agreed to yield, and I ask unanimous consent to yield to the distinguished minority leader, without losing my right to the floor.

Mr. MATHIAS. Fine.

The PRESIDING OFFICER (Mr. Gary Hart). Who yields time?

Mr. TAFT. I ask unanimous consent to yield to Senator Griffin, without losing my right to the floor.

The PRESIDING OFFICER. The Senator has no time until the amendment is offered. Who yields time?

Mr. TAFT. Mr. President, I believe I am in control of time.

Mr. President, I send an amendment to the desk.

The PRESIDING OFFICER. The clerk will state the amendment.

The assistant legislative clerk proceeded to read the amendment.

The PRESIDING OFFICER. Will the clerk suspend until the Senate is in order? The Senate is not in order. Will Senators take their seats or have their conversations take place in the cloakroom? The Senate is not in order.

The clerk may proceed.

Mr. TAFT. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the end of Amendment 1491 add the following new section:

TERMINATION OF PAYMENTS FOR LACK OF DEMONSTRABLE SUPPORT

Sec. . Section 9037 of the Internal Revenue Code of 1954 (relating to payments to eligible candidates in primary campaigns) is amended by adding at the end thereof the following new subsection:

"(c) Termination of Payments for Lack of Demonstrable Support.—

"(1) General rule.—Notwithstanding any other provision of this chapter, no payment shall be made under this chapter to any candidate more than 30 days after the date of the second consecutive primary election in which such candidate receives less than 10 percent of the number of votes cast for all candidates of the same party for the same office in such primary election if the candidate permitted or authorized the appearance of his name on the ballot. If the primary elections are held in more than one State on the same date, a candidate shall, for purposes of this subsection, be treated as receiving that percentage of the votes on that date which he received in the primary election conducted on such date in which he received the greatest percentage vote.

"(2) Reinstatement of payments.—Notwithstanding the provisions of paragraph (1), a candidate whose payments have been terminated under paragraph (1) may again receive payments (including amounts he would have received but for paragraph (1)) if he receives 20 percent or more of the total number of votes cast for candidates of the same party in a primary election held after the date on which the election was held which was the basis for terminating payments to him.".

Mr. TAFT. Mr. President, I ask unanimous consent that Mr. Tom Block of my staff have the privilege of the floor during the debate and vote on this measure.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. TAFT. Mr. President, the amendment I have offered is a modification of amendment No. 1491 proposed by Mr. Griffin, amended only so that it would be an amendment to the substitute now pending.

The amendment is offered to protect the integrity of the Presidential matching fund program. Let me be candid. I opposed this concept when it initially came before the Senate, and I intend to support efforts to delete the checkoff provision altogether. Nonetheless, I also believe if a majority of the Senate wants to have a Federal program then it should be a workable program.

Clearly the system that has been operating during the current primaries has not worked. The Washington Post, in an editorial on March 9, put the case well, and I quote:

> The program was not intended, for instance, to encourage marginal contenders to spend far beyond their means on the assumption that public funds would cover up to half of their debts. Nor was it meant to keep the door of the Treasury open to those who acknowledged that their path to the nomination has been closed.

I agree with the Washington Post, and I believe Congress should terminate payments to those who show a lack of support.

Under my amendment funds would be terminated if a candidate does not receive at least 10 percent of the vote in the two consecutive primaries that fall on different days. The termination would become effective 30 days after the trigger date so as to give a period for cleaning up the operations of the campaign.

I have also included a provision to allow a candidate to again become eligible if he goes into a further primary without the public financing involved and receives more than 20 percent of the vote in that future primary.

Mr. President, it is difficult to establish at what point a candidacy loses by ability, but I believe the standards set in my amendment would generally be agreed upon by my brethren in the art of politics.

Critics will undoubtedly charge that the levels I have set are arbitrary. But this legislation is full of arbitrary decisions Congress has made in the field of campaigning and they are decisions that the Supreme Court has affirmed.

The setting of a $1,000 ceiling on contributions is an arbitrary figure; the itemization of each donation over $10 is an arbitrary decision; and the limits of contributions to multicandidate committees is arbitrary.

There is no scientific way of setting these limits and, I believe, the standards set in my amendment are fair.

Once a candidate has failed to obtain 10 percent of the vote in two consecutive races he would have 30 days to terminate his campaign. This would allow for debts that were incurred during eligible primaries to be paid, and it would also give the candidate's staff time to adjust to the conclusion of the campaign.

I want to emphasize that the failure to obtain 10 percent of the vote in two consecutive primaries does not mean that a candidate can no longer run for President.

It will only mean that the taxpayers should no longer be required to finance the apparently fruitless effort. Under my amendment any individual who wants to run for President can, and any individual can obtain Federal matching funds. But once the campaign begins and the votes are counted, my amendment will separate the serious candidates from those who are not going to be nominated.

I know that on some occasions there are primaries in more than one State on the same day. Candidates, therefore, target their efforts. I, therefore, have language in my amendment stating that the consecutive showing of less than 10 percent cannot occur from the same date.

I also realize that in some States candidates have no choice as to whether or not their names appear on the ballot. I, therefore, have inserted language stating that the candidate must have permitted or authorized his name to be entered on a particular primary ballot in order for it to count in the disqualification process.

This amendment will not cover all cases where candidates withdraw from the nomination but still receive funds. But I do think by passage of this amendment we will be expressing the sense of the Congress that the public financing program is not to support campaigns that are going nowhere fast.

The passage of this amendment will not close all the loopholes. A candidate could receive matching funds and not enter any primary States or enter only caucus States. However, I think it has become apparent that for any announced candidate to get the nomination, primaries are a prerequisite. In the first primary, four announced candidates received less than 10 percent of the vote in the Democratic primaries this year. They were Mr. Shriver, Governor Wallace, Senator JACKSON, and Mrs. McCormack.

The next week primaries were held in Vermont and Massachusetts. Only Mrs. McCormack received less than 10 percent in Vermont, but in Massachusetts, Shriver, HARRIS, BAYH, Shapp, and Mrs. McCormack all received less than 10 percent.

Under my amendment at this point the trigger would have been set for candidates McCormack and Shriver.

In Florida the following: Shapp, UDALL, BAYH, McCormack, Shriver, ROBERT BYRD, HARRIS, and CHURCH, all received less than 10 percent of the vote. This would have added BAYH, Shapp, and HARRIS to the list of candidates who were no longer eligible for funds.

Mr. President, I ask unanimous consent to have printed in the RECORD the statistics on what the various candidates have received from matching funds as of March 11.

There being no objection, the statistics were ordered to be printed in the RECORD, as follows:

Senator Birch Bayh	$418, 799. 00
Senator Lloyd M. Bentsen, Jr.	511, 022. 61
James E. Carter	847, 131. 55
Senator Frank Church	209, 692. 28
President Gerald R. Ford	1, 532, 052. 11
Fred R. Harris	444, 846. 63
Senator Henry M. Jackson	1, 485, 838, 85
Ellen McCormack	134, 738. 53
Ronald Reagan	1, 473, 168. 73
Terry Sanford	246, 388. 32
Gov. Milton J. Shapp	265, 790. 16
R. Sargent Shriver	255, 813. 74
Congressman Morris K. Udall	783, 826. 25
Gov. George C. Wallace	2, 445, 592. 64
Total	11, 054, 701. 40

Mr. TAFT. I think it is worthwhile to note that the March 11 press release from the Federal Election Commission states that they were receiving requests for $627,531 from six candidates: BAYH, Carter, Ford, Reagan, Shriver, UDALL, two of whom would no longer be eligible for funds under my amendment.

I also ask unanimous consent to have printed in the RECORD an editorial from the Cincinnati Enquirer on the subject, and the list of the primaries that are to be held this year.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

SUBSIDIZED EGO TRIPS

As the 1976 political season continues to unfold, our faith in human nature tells us that the American people will become increasingly alive to the utter absurdity of the Federal Election Campaign Act of 1974.

That enactment, of course, was the 94th Congress' formal, legislative response to the whole morass known as Watergate. It was an enactment, we were informed by such outfits as "the people's lobby," Common Cause, that would clean up American politics and restore the people's faith in the entire electoral process. It was also an enactment, Sen. Edward M. Kennedy (D-Mass.) solemnly assured the Senate, that would make future Watergates impossible.

The formal withdrawal of Sen. Birch Bayh (D-Ind.) as an active seeker after the Democratic presidential nomination in the wake of what was, for him, the disaster of the Massachusetts primary, helps to underscore the pitfalls written into the Federal Election Campaign Act.

No one can know for certain where Senator Bayh got the idea that he ought to be President of the United States. But it is difficult to doubt that he was helped to that decision by the Federal Election Campaign Act.

For among that enactment's provisions is a complex formula for diverting tax-derived revenues to help finance seekers after the presidential nominations of the major parties. If they raise enough money on their own in a sufficiently representative number of states, then they qualify for federal matching funds.

In the case of Senator Bayh, these funds amounted to $273,848. Senator Bayh's campaign lived long enough to see him finish third in one primary, seventh in another.

Senator Bayh was alert enough to recognize that there was no real groundswell for him after all, *but only after the American taxpayers had invested roughly $6 for every vote he received in Massachusetts and New Hampshire.*

That, it strikes us, is a pretty steep price to pay for Senator Bayh's ego trip. But it is less high, really, than the price the taxpayers have paid for Sen. Lloyd Bentsen's (D-Texas) campaign for the White House—or former North Carolina Gov. Terry Sanford's.

Senator Bentsen withdrew even before the first primary—but only after the taxpayers had invested $511,023 in his campaign.

Mr. Sanford withdrew also without going before the electorate in a single primary, after an investment of $246,388 from the taxpayers.

It is worth noting that Senator Bayh, like Senator Bentsen and Mr. Sanford, is not out of the campaign altogether; he is simply out of the active campaigning. He will still be around if the electorate calls. And why shouldn't he be, if there is the prospect of more federal matching funds?

The fact appears to be that the Federal Election Campaign Act, among its other miscalculations, is having the effect of making presidential aspirants of men and women who would not otherwise dream of running for President, and of keeping them technically in the race long after it has become obvious that they aren't going to be nominated.

If that is a contribution to cleaning up the political process, we hope the nation's taxpayers are convinced they're getting their money's worth.

THE 1976 PRESIDENTIAL PRIMARY DATES

State and date:
New Hampshire, Feb. 24.
Massachusetts, March 2.
Florida, March 9.
Illinois, March 16.
North Carolina, March 23.
New York, April 6.
Wisconsin, April 6.
Pennsylvania, April 27.
Texas, May 1.
Alabama, May 4.
Georgia, May 4.
Indiana, May 4.
District of Columbia, May 4.
Tennessee, May 6.
Nebraska, May 11.
West Virginia, May 11.
Maryland, May 18.
Michigan, May 18.
Idaho, May 25.
Kentucky, May 25.
Nevada, May 25.
Oregon, May 25.
Mississippi, June 1.
Montana, June 1.
Rhode Island, June 1.
South Dakota, June 1.
Arkansas*, June 8.
California, June 8.
New Jersey, June 8.
Ohio, June 8.

Mr. TAFT. Mr. President, I believe that we owe passage of this amendment to the people who choose to use the Federal income tax checkoff system. I am confident these individuals, like the majority of the Congress, do not want to see the matching funds go to keep dead candidacies alive.

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* Arkansas is expected to change its presidential primary date to May or March.

Mr. President, I urge passage of my amendment.

Mr. President, I ask for the yeas and nays on my amendment and I reserve the remainder of my time.

The **PRESIDING OFFICER.** Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. **BAYH.** Will the Senator yield for a question?

Mr. **TAFT.** The time is under control. Does the Senator wish to talk on my time?

Mr. **BAYH.** Will the Senator from Nevada permit me to have a couple of minutes to address myself to this matter?

Mr. **CANNON.** I yield 5 minutes to the Senator.

Mr. **BAYH.** As one who, I must say, comes to this particular issue with perhaps less than total objectivity, try as I will, I find the general thrust of the Senator from Ohio's amendment salutary.

I do not know whether 10 percent of the vote is the place to identify a candidate's viability, or not. Regardless, I wonder if on the second page, the fifth line, the Senator would be willing to accept an amendment after "candidate" which says "competes actively and receives less than 10 percent"?

I ask him to consider that because the State laws in some States now permit a local official to make the determination of who is going to be on the ballot. Thus a State official can try to determine the strategy of someone running for the Presidency. Even though one's name is placed on the ballot, one might not choose to campaign in a State and thus finish below the 10-percent figure but lose matching funds under the amendment. It seems to me that situation is probably not what the Senator from Ohio is directing his attention to.

Mr. **TAFT.** I think the Senator from Indiana makes an excellent point and this was a point we tried to cover in the language of the amendment.

I point out to the Senator that on line eight we have the words:

> If the candidate permitted or authorized the appearance of his name on the ballot.

In other words, if the name of the candidate appeared on the ballot, but not with his permission or authorization, as possible under some State laws, that primary election would not be counted for the purpose of the 10-percent minimum requirement.

I think it takes care of the problem the Senator is concerned with.

Mr. **BAYH.** I would like to again urge my colleague from Ohio to consider the fact that in order to take advantage of the provision on line eight, while it is possible to take one's name off the ballot in some States, in order to do that one has to totally disavow the national candidacy, which one may not want to do. For example, an active and viable candidate may wish to spend his money some other place than a State where his name is placed on the ballot by a State official.

Would there be any great change in the thrust of the Senator's amendment to add "competes actively"?

To make my concern clear: One can take his name off the ballot in some States, but to do that he has to disavow any future intention to be a national candidate. I am certain it is not the Senator's intention to require a national candidate to spend money and to campaign in States one feels did not make sense for his candidacy.

Mr. **TAFT.** I think the Senator has a point. I think the language he has used and the place he has used it might be confusing. Other than that, I am inclined to suggest we add at the end of the sentence on line 9 words along the line of "or has indicated his desire to withdraw from active participation in the primaries in question."

Mr. **BAYH.** Why do I not yield the floor and get together with my colleague from Ohio, or his staff member, as long as he understands and is in general favor with the concern I express?

I do not care where we put the language. As I say, I think his idea of making certain Federal funds go to credible candidates, realizing it may be risky for us to establish a standard of credibility, nevertheless is wise. But I am trying to point out a very real technical problem that exists. It does not exist to me, frankly, as one who made the decision to be less than an active candidate. My name was on the Florida ballot, for example, even though I was out of the picture and was not actively campaigning.

I use that as a personal experience similar to that which might confront another candidate who is active now or would be in another election.

I thank my colleague.

Mr. **TAFT.** I thank the Senator for calling the matter to my attention.

Mr. President, I send an amendment to the desk and ask unanimous consent that the amendment be modified as indicated.

The **PRESIDING OFFICER.** Is there objection?

Without objection, the amendment is so modified, as follows:

> On page 1, in subsection (c)(1) after the word "ballot", add the following:
>
> "or has indicated his desire to withdraw from active participation in the primary in question."

Mr. **CLARK.** Is it my understanding that I have been yielded 3 minutes?

Mr. **CANNON.** Five minutes.

Mr. **CLARK.** Five minutes.

I wish to discuss with the Senator from Ohio the effects of his amendment.

It seems to me that the intent of it is commendable because he would, in fact, try to avoid giving matching funds, Federal tax money, in effect, to candidates who were not serious candidates or who had proven through their own primary election efforts that they were not able to attract votes.

But I wonder, in fact, if we would not find if we adopted this amendment that certain serious candidates might, in fact, find themselves at a disadvantage in comparison with other candidates.

Let us remember, first of all, that these are not grants of money to candidates. We do not simply give the money to a candidate. They have to raise it by going out in a number of States and raising a rather significant amount of money in small amounts.

These are matching funds. These are funds, really, only given to a candidate if he goes out and raises the same kind of money himself.

But second, and perhaps more important, suppose a candidate were to enter a race rather late. Let us suppose a candidate decides, for one reason or another—and we have seen this happen in the past—that he wants to go into the New Hampshire primary and he decides that only a day or two or three before the New Hampshire primary, and perhaps another primary follows a week later; he may be a very serious candidate and, indeed, if given time to prove that, may even emerge as the nominee. Yet in that first race and in the second race a week later, he may well find he is not well enough organized, he does not have the media, he does not have the wherewithal yet to really put it together. We would be saying, "You're done unless you can come back in at a disadvantage with other candidates and raise that vote total to 20 percent."

I wonder if, in fact, the effect of the amendment would not be to put at a disadvantage rather serious candidates.

Mr. **TAFT.** I think the first question boils down to whether someone who does not get more than 10 percent of the vote on two consecutive dates is a serious candidate. We have to make that judgment. This is an arbitrary figure one arrives at. We do a lot of arbitrary things in this particular bill.

My feeling is if a man is a serious candidate he is going to meet that 10 percent. He probably is not going into a primary where he will get less than 10 percent, certainly not go into two where he will get less than 10 percent.

I would point out again, which I am sure the Senator understands, there is nothing in this amendment which would prevent a man from continuing to be a candidate. In fact, there is a requalification procedure. If he then becomes a more serious candidate at a later time, goes into another primary campaign in a particular State and gets 20 percent of the vote, he is restored to matching at that time for any funds raised from that point on.

Also, of course there is a 30-day lag in the cutoff after the two 10 percent or less than 10 percent primaries, in which period he still would have the privilege of getting matching funds against funds that he raised during that period. All in all I think there is a sufficient period there to get off the ground any candidate who is really a serious contender. We have been criticized a good deal for having our primary campaigns too long anyway, dragged out, divided, and confusing for the public generally. It seems to me that this measure would prevent the kind of criticism that we are getting now, I think very validly, for allowing the continuation of matching payments for people who are no longer candidates. We have not been able to come up with any better answer than the one we propose in this particular amendment.

Mr. CLARK. The Senator would agree, as I understand it, that if, indeed, a candidate did enter very late and was not able to get the 10 percent within the first 8 days—because there are often two primaries, one following the other within 7 days—if he or she were not able to get his or her campaign together adequately to raise 10 percent in those first two, there would be an enormous disadvantage to the candidate.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. TAFT. All I would say to the distinguished Senator from Iowa is if I were that candidate and my campaign manager advised me to go into the two States where I did not get 10 percent, I would be looking for a new campaign manager very quickly.

The PRESIDING OFFICER. Who yields time?

Mr. CANNON. I yield myself 2 minutes. I would say that not only would the Senator be looking for a new campaign manager but new financing as well.

I think the Senator makes a very good point. I am not sure that his breakoff point is correct, but I do believe we have to have some provision that terminates when a person demonstrates that he is not a viable candidate. I think we have seen that in the experience so far with the law as it now is. I would be inclined to accept his amendment though, as I say, I am not sure that his point of determination of a person being a nonviable candidate is precisely the correct point. I do not have a better one to offer. I had an amendment, which is printed and at the desk, which was directed generally along these same lines, to achieve the same result.

Mr. BAYH. Will the Senator yield?

Mr. CANNON. Yes.

Mr. BAYH. I respectfully suggest that if we had about 3 minutes for a quorum call we could deal with the problem that I was concerned about and that the Senator from Iowa was concerned about in the language which is now being debated. We could give the candidate the option, as in the example the Senator mentioned and the one that I mentioned, by advising in writing that he did not intend to actively seek support in a given State. I think what we are trying to accomplish is to avoid penalizing candidates who do not seek support in States where their name is placed on the ballot by State law. It is not for us to determine what the strategy of future campaigns or this campaign is going to be, to determine where candidates spend their time or money. I do not think we want to do that. May we have a couple of minutes?

Mr. CANNON. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. TAFT. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordererd.

Mr. TAFT. Mr. President, I send a modification of my amendment to the desk and ask unanimous consent for its adoption.

The PRESIDING OFFICER. The clerk will state the modification.

The assistant legislative clerk read as follows:

On page 1, in subsection (c)(1) after the word "ballot", add the following: "or certifies to the Commission that he will not be an active candidate in the primary".

At the end of subsection (c)(1) add the following new sentence:

"The provisions of this section shall apply as of the date of enactment."

The PRESIDING OFFICER. Is there objection to the modification of the amendment? Without objection, the amendment will be so modified.

Mr. TAFT's amendment, as modified, is as follows:

At the end thereof add the following new section:

TERMINATION OF PAYMENTS FOR LACK OF DEMONSTRABLE SUPPORT

SEC. —. Section 9037 of the Internal Revenue Code of 1954 (relating to payments to eligible candidates in primary campaigns) is amended by adding at the end thereof the following new subsection:

"(c) Termination of Payments for Lack of Demonstrable Support.—

"(1) GENERAL RULE.—Notwithstanding any other provision of this chapter, no payment shall be made under this chapter to any candidate more than 30 days after the date of the second consecutive primary election in which such candidate receives less than 10 percent of the number of votes cast for all candidates of the same party for the same office in such primary election if the candidate permitted or authorized the appearance of his name on the ballot or certifies to the Commission that he will not be an active candidate in the primary. If the primary elections are held in more than one State on the same date, a candidate shall, for purposes of this subsection, be treated as receiving that percentage of the votes on that date which he received in the primary election conducted on such date in which he received the greatest percentage vote. The provisions of this section shall apply as of the date of enactment.

"(2) REINSTATEMENT OF PAYMENTS.—Notwithstanding the provisions of paragraph (1), a candidate whose payments have been terminated under paragraph (1) may again receive payments (including amounts he would have received but for paragraph (1)) if he receives 20 percent or more of the total number of votes cast for candidates of the same party in a primary election held after the date on which the election was held which was the basis for terminating payments to him.".

Mr. TAFT. Mr. President, as the amendment is modified, I would just advise the Senate that we have worked out with a number of Senators on the floor this modification, which would allow a candidate who is not a serious candidate in a particular primary election to certify to that effect, and under those circumstances, if he receives less than 10 percent of the vote in that primary, it would not be a disqualifying primary for the purposes of the general disqualification established by the amendment.

The PRESIDING OFFICER. The Senator has 1 minute remaining on his amendment.

Mr. CANNON. Mr. President, as stated earlier, I support the Senator's amendment in principle. I have reviewed it——

The PRESIDING OFFICER. Will the Senator suspend until the Senate is in order? The Senate will be in order.

The Senator from Nevada may proceed.

Mr. CANNON. Mr. President, I have reviewed the Senator's amendment as it is now modified. It has the same objective, as I have said, that I had in an amendment I sent to the desk yesterday to have printed, and I am willing to accept the Senator's amendment as modified.

Mr. GRIFFIN. Mr. President, will the Senator yield to me?

Mr. CANNON. I yield.

Mr. GRIFFIN. Is the amendment now pending to the substitute or to the committee bill?

The PRESIDING OFFICER. It is to the substitute.

Mr. GRIFFIN. I appreciate the fact that the floor manager is willing to accept the amendment as an amendment to the substitute. I am sure he did not mean it that way but I take it that it would be the intention of the Senator from Ohio to immediately also offer it to the bill.

Mr. TAFT. I had that intention.

Mr. GRIFFIN. Then that would, of course, make things appropriate. Is the Senator going to have a rollcall?

Mr. TAFT. Mr. President, I ask unanimous consent to withdraw the order for the yeas and nays on the amendment.

Mr. GRIFFIN. Mr. President, reserving the right to object—I do not intend to object, and I hope I shall not—we had a similar situation with regard to the Mathias amendment with reference to the two independent Commissioners to be appointed. That was adopted on the substitute, and I am sure it would be a formality to have it also adopted on the bill. I would like to be recognized for a few moments after we deal with the Taft amendment on the substitute and the bill for that purpose. I ask unanimous consent, Mr. President, that I be recognized after the disposal of the Taft amendment for that purpose.

The PRESIDING OFFICER. Without objection, it is so ordered. Is there objection to vacating the order for the yeas and nays on the amendment of the Senator from Ohio? Without objection, it is so ordered.

The question is on agreeing to the amendment, as modified, of the Senator from Ohio (Mr. TAFT).

Mr. CANNON. I yield back the remainder of my time.

Mr. TAFT. I yield back the remainder of my time.

The PRESIDING OFFICER. All remaining time having been yielded back, the question is on agreeing to the amendment of the Senator from Ohio, as modified.

The amendment, as modified, was agreed to.

Mr. TAFT. Mr. President, I call up an amendment on the bill in the exact form of the amendment that has just been adopted on the substitute.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk proceeded to read the amendment.

Mr. TAFT. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. Taft's amendment is as follows:

At the end thereof add the following new section:

TERMINATION OF PAYMENTS FOR LACK OF DEMONSTRABLE SUPPORT

Sec. —. Section 9037 of the Internal Revenue Code of 1954 (relating to payments to eligible candidates in primary campaigns) is amended by adding at the end thereof the following new subsection:

(c) Termination of Payments for Lack of Demonstrable Support.—

"(1) General rule.—Notwithstanding any other provision of this chapter, no payment shall be made under this chapter to any candidate more than 30 days after the date of the second consecutive primary election in which such candidates receives less than 10 percent of the number of votes cast for all candidates of the same party for the same office in such primary election if the candidate permitted or authorized the appearance of his name on the ballot or certifies to the Commission that he will not be an active candidate in the primary. If the primary elections are held in more than one State on the same date, a candidate shall, for purposes of this subsection, be treated as receiving that percentage of the votes on that date which he received in the primary election conducted on such date in which he received the greatest percentage vote. The provisions of this section shall apply as of the date of enactment.

"(2) Reinstatement of payments.—Notwithstanding the provisions of paragraph (1), a candidate whose payments have been terminated under paragraph (1) may again receive payments (including amounts he would have received but for paragraph (1)) if he receives 20 percent or more of the total number of votes cast for candidates of the same party in a primary election held after the date on which the election was held which was the basis for terminating payments to him.".

The PRESIDING OFFICER. Do Senators yield back their time?

Mr. CANNON. I yield back my time.

Mr. TAFT. I yield back any time I may have remaining.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Ohio.

The amendment was agreed to.

Mr. GRIFFIN. Mr. President, I send to the desk an amendment to the substitute, and ask unanimous consent that the reading of the amendment be waived, with the explanation that this is the Mathias amendment as adopted earlier to be put on the bill itself.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. Griffin's amendment is as follows:

In section 2(a) of the amendment, strike out "six members" and insert "eight members".

In section 2(a) of the amendment, after "the same political party" insert the following: ", and at least two of the members shall not be affiliated with any political party".

In section 2(b) of the amendment strike out "six years" and insert "eight years".

In section 2(b), strike out "1981." and insert "1981, and".

In section 2(b) of the amendment before subparagraph (B) of section 310(a)(2) of the Act as amended by section 2(b), insert the following:

"(iv) two of the members, not affiliated with any same political party, shall be appointed for terms ending on April 30, 1983.".

Page 4, line 20, strike "four" and insert in lieu thereof "five".

Mr. GRIFFIN. I yield back the remainder of my time.

Mr. CANNON. I yield back my time.

The PRESIDING OFFICER. All remaining time having been yielded back, the question is on agreeing to the amendment of the Senator from Michigan.

The amendment was agreed to.

AMENDMENT NO. 1430

Mr. BUCKLEY. Mr. President, I call up my amendment No. 1430, and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from New York (Mr. Buckley) proposes an amendment numbered 1430.

Mr. Buckley's amendment (No. 1430) is as follows:

On page 27, line 9, strike out "$1,000." and insert in lieu thereof the following: "$5,000.".

On page 27, line 23, strike out "$5,000;" and insert in lieu thereof the following: "$25,000, except in the case of a candidate for election to the office of representative, the contribution shall not exceed $10,000;".

Mr. BUCKLEY. Mr. President, this is an amendment to the bill itself. I call the attention of the Senate to a typographical error on line 1. Where it reads "line 9" it should read "line 19," and I modify my amendment to correctly reflect the line number.

The PRESIDING OFFICER. The amendment will be so modified.

Mr. Buckley's amendment, as modified, is as follows:

On page 27, line 19, strike out "$1,000." and insert in lieu thereof the following: "$5,000.".

On page 27, line 23, strike out "5,000;" and insert in lieu thereof the following: "$25,000, except in the case of a candidate for election to the office of representative, the contribution shall not exceed $10,000;".

Mr. BUCKLEY. Mr. President, the purpose of this amendment is simple. What it would do would be to raise the permissible contribution by an individual from the current level of $1,000 to a new threshold of $5,000. Also, with respect to political committees, which are now restricted to contributions aggregating $5,000 or less for a single candidate, they would be permitted to give up to $25,000 to a Presidential or Senatorial candidate, and $10,000 to a candidate for the House of Representatives.

Current limitations in the bill discriminate against challengers in two important respects. In the first place, it is much more difficult for a challenger without the benefit of a wide recognition factor and the perquisites of office to obtain sufficient contributions in small amounts to provide the necessary seed money to launch his campaign. This is because challengers are less well known than incumbents, and do not have the use of mailing lists available to incumbents and of the mailing-list facilities of the Senate computer.

Furthermore, challengers who are not independently wealthy do not have the benefit of large amounts of cash on hand at the outset of their campaigns. In preparation for the 1974 elections, incumbent Senators seeking reelection had $1,402,083 in cash on hand on September 1, 1973. In the 1974 House races, incumbents had $398,097 on hand on September 1, 1973. It is an undeniable fact that incumbents have a far easier time raising funds than most challengers. It is also an undeniable fact that challengers must usually spend significant sums at the outset of a campaign just to gain the recognition already possessed by the incumbent by virtue of his office.

There is another way in which the 1974 amendments to the election law discriminate against challengers and in favor of incumbents. In imposing limitations upon permissible contributions to candidates, Congress failed to include any provision to offset the advantages it grants to itself through the prerogatives of office. In 10 years, the cost of the frank alone has risen from $7.5 million in 1966 to a projected $46 million in 1976. Americans for Democratic Action has estimated that the total advantage per term which an incumbent Congressman possesses by virtue of his perquisites of office amounts to about $976,000. This colossal lump-sum transfer, which is exempt from the $1,000 contribution ceiling, constitutes a contribution which few could equal from private sources even if it were allowed under the election laws.

That the drafters of the 1974 amendments were perfectly aware of the advantages to their own incumbencies is evidenced by this bald, unequivocal statement in the Senate report on those amendments:

> Lower limits on campaign contributions, by themselves, would serve to increase the advantages incumbents presently have in fund raising.

At the very least, we should demonstrate to the American people that we will not, in fleeing from Watergate, seek refuge in the incumbency-maximizing techniques which characterized that period.

There is a second problem concerning discrimination in favor of affluent candidates which has been presented in the wake of the Supreme Court's decision in Buckley against Valeo. Now that the Supreme Court has held that wealthy candidates may, as a constitutional matter, spend unlimited amounts of money from their own personal assets to forward their own campaigns, it is only the less wealthy candidates who are now effectively restricted in their attempts to make their campaigns viable.

It is my opinion that the Court, when faced with a specific example of a candidate discriminated against in this manner, will declare such a state of affairs unconstitutional. It is my opinion that Congress should act immediately to eliminate the inequities inherent in the campaign laws before such a course is forced upon it by the Supreme Court.

Mr. President, I should like to call attention to another factor involved in campaigns.

I do not think that this body has sufficiently focused on the extraordinary inequities that have now evolved as a result of the Supreme Court's decision. As I said a little earlier, people who are independently wealthy or candidates who happen to have the support of well-organized and well-financed independent political action committees are able to spend virtually unlimited sums, while, on the other hand, the unknown challenger is forced to rely on the contributions available under the $1,000 limit in order to launch a successful campaign.

This kind of candidate is particularly in need of what is called seed money—that is, the initial funding to get the campaign off to a good start.

I say quite candidly, Mr. President, that I could not be in this Chamber today but for the fact that some people were willing to provide me with about $50,000 of seed money in 1970. Only with that money in the bank was I able to establish myself as a credible candidate. Only with that money in the bank was I able to conduct the polling required; to open an office, which required a $15,000 deposit; or to even get the telephone company to come in and wire the office. They would not do so unless an additional $15,000 was advanced.

So I submit that elementary fairness and equity should mandate that we raise the current limits to a level where a new face can seek the kind of support required to launch a credible candidacy.

The limits I have selected here are such that I do not think anyone possibly could claim that a candidate might be "bought." I am talking about $5,000 from individuals; and in the case of political committees, we are talking about the following figures, in relation to the particular type of election; namely, senatorial and Presidential on one side, where there would be a $25,000 contribution, down to $10,000 in the case of the House.

I believe that the Members of this body should take into consideration another consequence that is probable should we fail to raise these limitations. Because the Supreme Court decided that independent groups and individuals may spend whatever they wish in support of a particular candidate, so long as that spending is not coordinated with the particular candidate's campaign effort, we will find that we will be fracturing political campaigns. We will see groups going off on their own tangents, putting ads in the paper, printing literature, doing whatever they wish, and the candidate will have no ability to coordinate these expenditures into a comprehensive effort to inform the public what he believes and why.

For all these reasons, Mr. President, I hope that this body will support this amendment.

Mr. CLARK. Mr. President, will the Senator from Nevada yield me 3 minutes?

Mr. CANNON. I yield 5 minutes to the Senator.

Mr. ROBERT C. BYRD. Mr. President, will the Senator yield, without the time being charged against him?

Mr. CLARK. I yield.

The PRESIDING OFFICER (Mr. JOHNSTON). Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the vote on the substitute amendment occur at 2 p.m. instead of 1:45 p.m., and that the one-half hour during which no amendment may be offered be that period between 1:30 and 2 p.m., rather than 1:15 p.m. and 1:45 p.m.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. ROBERT C. BYRD. I thank the Senator.

Mr. CLARK. Mr. President, in listening to the Senator from New York explain his amendment and in reading it, the intent of the amendment is very clear; and I think none of us should have much difficulty in understanding what it would do. I think he makes some valid arguments in terms of his position. But let us look at what the effect would be.

What we are saying is that individuals would not be limited by a $1,000 contribution but that that would be increased five times over. An individual, under this amendment, actually could contribute $5,000. Who can contribute more than $1,000 to political campaigns and candidates, with the rare exception of relatives or someone very close to the campaign who may be willing to make a special sacrifice out of their own lives to help a candidate? That would be a very, very small number of people, who might be very close to and might be interested in the candidate.

So almost all the additional money is going to come from people whom we could identify as being wealthy. There are very few people in this country who can contribute more than $1,000, except the wealthy.

I believe that the whole purpose of this bill is to try to encourage more people at lower levels to participate in the process, to try to become less dependent upon the rich in politics, to make all of us less dependent upon that kind of contribution.

So, to increase the individual contribution from $1,000 to $5,000, five times over, seems to me, in effect, to give wealthy contributors five times the influence that they presently have under the law.

Second, what we are talking about doing in terms of committees is the same thing so far as Presidential and congressional campaigns are concerned.

We are going to increase the amount five times over. It does not seem to me that that goes in the direction or the intent of campaign finance reform or campaign reform.

I know that the Senator from New York, for a very good reason, and some very strong reasons from his point of view, feels that these efforts in the past have, for the most part, been in the wrong direction. But I think that the majority of the Members of this body have expressed themselves clearly that they do not want to go in the direction of a greater influence from wealthy people and that they do not want to go in the direction of bigger money for committees. For those reasons, I feel confident that this body would vote "No" on this amendment.

I yield back the remainder of my time to the floor manager.

Mr. CANNON. Mr. President, I yield to the Senator from Texas.

VISIT TO THE SENATE BY A MEMBER OF THE NEW ZEALAND PARLIAMENT

Mr. TOWER. Mr. President, I am pleased to present to the Senate Mr. Robert Talbot, a member of the Parliament of New Zealand for South Canterbury, and the Chairman Designate of the Foreign Relations Committee of the New Zealand Parliament.

[Applause, Senators rising.]

RECESS

Mr. TOWER. Mr. President, I ask unanimous consent that the Senate stand in recess for 1 minute so that Members may greet our distinguished guest.

There being no objection, the Senate, at 12:10 p.m., recessed until 12:11; whereupon, the Senate reassembled when called to order by the Presiding Officer (Mr. JOHNSTON).

FEDERAL ELECTION CAMPAIGN ACT AMENDMENTS OF 1976

The Senate continued with the consideration of the bill (S. 3065) to amend the Federal Election Campaign Act of 1971 to provide for its administration by a Federal Election Commission appointed in accordance with the requirements of the Constitution, and for other purposes.

The PRESIDING OFFICER. Who yields time?

Mr. PACKWOOD. Mr. President, I do not have time. Is the time under the control of the Senator from New York?

The PRESIDING OFFICER. That is correct, and the Senator from Nevada.

Mr. PACKWOOD. Will the Senator yield me 2 minutes?

Mr. BUCKLEY. Yes.

Mr. PACKWOOD. Mr. President, I am going to join with the Senator from New York. This is a change of direction from my previous views. I supported the lower limits before, but I think the lower we make these limits, the more we make this an incumbents' paradise.

From a selfish standpoint, I could wish we had lowered the limits to $100. Nobody can give more than that, and very few incumbents would ever be defeated. Let us face it: incumbents start out with a couple of hundred thousand dollars worth of publicity, from serving 2 years in the House, or 6 years or more in the House or the Senate. When we are talking about an unknown challenger starting out and that challenger has very low limits of contributions placed upon him, unless the challenger candidate happens to be wealthy, there is no way that that challenger, in most cases, is going to be well enough known by November to be elected.

When we look at the statistics over the past years, the number of incumbents that win is bad enough as it is. If we keep these limits where they are, I expect on replacement that from 95 to 96 percent of the House will be reelected and 90 to 95 percent of the Senate will be reelected. So I very strongly support the Senator from New York in supporting this amendment.

Mr. BUCKLEY. I yield myself 2 minutes.

I want to thank the Senator from Oregon for saying precisely what the consequences are of the existing legislation. The Senator from Iowa said that my amendment would somehow tilt the scales in favor of the wealthy people. I say that its designed to do precisely the opposite. Right now, because of the Supreme Court's having found unconstitutional any limitation on direct spending by a candidate, a wealthy candidate can spend unlimited amounts of money.

Also, well-financed, well-organized political action committees can spend as much money as they want in support of a particular candidate, again in unlimited amounts.

Who are the people who cannot muster the resources under this bill? The people, I suggest, are those who are not incumbents, and, therefore, do not have a wide spread of contacts that they can tap, or people who do not have large personal means, or people who do not seem to appeal to one of these well-organized political action committees.

I believe that the only way we can help restore the scales, in terms of access to money to wage a credible campaign, is to lift the individual limits so that the money can come in and get people started.

I have heard it stated, for example, that our colleague (Mr. McGOVERN) could never have successfully fought for the nomination had he not had some supporters early in the game who believed in him, believed in what he was trying to accomplish, and provided him with that essential seed money.

This, I suggest, is not possible under the present circumstances.

Again, to answer the statement by the Senator from Iowa with respect to wealth, the fact is that at the present time, anybody with money who wants to support any political cause can do so in unlimited amounts. The only thing he cannot do is contribute to a particular candidate sums in excess of $1,000 so as to enable that candidate to organize a campaign to establish credibility, to overcome the enormous disadvantages that a newcomer has when facing an entrenched incumbent, and get himself off in the race with some hope that he might be able to present his views clearly enough and effectively enough to win an election. So this is anything but legislation intended to help the wealthy; rather, it is intended to equalize the scales against the wealthy. I hope the Senate will give it its approval.

Mr. CANNON. Mr. President, I yield myself 2 minutes.

The Senator from New York appeared before the Senate Committee on Rules and made his position known in this area, with respect to the limitation on financing. The committee did have in mind the limitations that are imposed now by the Supreme Court. I must say that I find some difficulty, myself, in the Court's decision that permits unlimited spending by an individual on his own campaign and permits unlimited spending in an independent effort by others, either for or against a candidate, and then says that the limitation of a $1,000 contribution was constitutional. It does give me some problems. In any event, that was the wish of the committee. We did act on that very deliberately and I would be forced to oppose the amendment.

Mr. BUCKLEY. Mr. President, I should like to ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. PACKWOOD. Mr. President, I want to pursue this a bit further so the record is clear. Let us assume you are an unknown challenger. You served on the city council of one of the towns of your State or in the State legislature, but you are fairly unknown outside of the district or town you are from. How do you go about, under this limitation, starting to get enough seed money to raise money? What do you do?

Mr. BUCKLEY. I can tell the Senator from my own experience, it is extremely difficult.

Mr. PACKWOOD. You cannot afford to do any kind of mass mailing, because frankly, mailing, as we all know, is quite expensive. You are talking about mailing in the order of 200,000 to 300,000 pieces.

Mr. BUCKLEY. All you can do is hope to get people to talk to other people. I have been in two races. In the first, I had no chance to win. But important contributions do not go to people who are not considered credible candidates. You therefore have to have a certain amount of activity. You have to get some favorable press comment. You have to have a poll that indicates that on specific issues, you have got popular support, and so on, before you can get the kind of money that is required to open a headquarters, to get the telephones, to send out the mailings, to do all of the mechanical things essential to a political campaign.

Mr. PACKWOOD. We have almost got the dog chasing the tail. You have to have some seed money to collect other money, and this bill is going to prohibit you from getting the seed money, and you cannot get other money, and you are going to undo the whole race.

Mr. BUCKLEY. I think it would be constructive if I stated my own situation in my second race. I was a candidate of a third party. We all know third parties do not win elections in a big State like New York or smaller States like Oregon. But I happened to be the Conservative candidate. I entered the race, and I felt confident that I would have a reasonable chance, but I found that even though I spoke to dozens of people who believed in what I believed in they would not part with their money. They said, "Give us the proof." I said, "I think I am a credible candidate. I think you are not wasting your money. I think I do have a chance under this year's circumstances."

They said, "Where is the proof? Where is the poll?"

I was able to get a poll. Why? Because one family contributed $15,000. That got us a poll. OK. That then showed I could win.

Mr. PACKWOOD. Which right away would be prohibited under this new law. Lou never would have gotten the $15,000 to start with.

Mr. BUCKLEY. Exactly.

Mr. PACKWOOD. All right.

Mr. BUCKLEY. Even so that was not quite enough to persuade enough people to get an election headquarters. You have to start a campaign with people in place, with the appearance of confidence even if you did not have confidence, in order to get the press attention, to get you started and your message rolling.

Weeks and weeks went by, and I was unable to put the pieces together until a friend of mine said, "I will lend you $50,000 to be repaid out of further collections after you get a mailing launched," and so on.

With that $50,000 I was able to do three things: Get myself a headquarters—visibility which is terribly important; No. 2, to get telephones put into my headquarters, essential in a State like New York; and No. 3, to initiate a mailing which, from that point forward, was a principal source of my campaign financing. But without that friend I could never have got started.

Mr. PACKWOOD. And you found as soon as you got the headquarters and visibility you suddenly became more newsworthy and got more exposure on television because you had a headquarters, and so you put up the headquarters.

Mr. BUCKLEY. Precisely. Because I was more visible and everything seemed to be running——

Mr. PACKWOOD. And under this bill you cannot even get a loan to pay back.

Mr. BUCKLEY. Exactly.

There is another thing here that affects a third party but not regular party candidates. A political party is able to give its candidate a substantial contribution. Not every political party is able to do it, but certainly a third party almost never has that kind of money around. Usually they are going for debt to debt and loan to loan. But, as I say, I believe the law as it now stands, especially in light of the inequities which have resulted from the Supreme Court decision, makes it virtually impossible for a challenger to get started and, I think, it is unconscionable, frankly, that we do not recognize this.

The purpose for these limitations was originally to avoid corruption, was it not?

Mr. PACKWOOD. Absolutely.

Mr. BUCKLEY. No one is going to be corrupted by a $5,000 gift in a campaign that costs $2 million. And we have the disclosure provisions which allow the whole world to know who is contributing in your campaign.

Mr. PACKWOOD. That is the key part,

when you have disclosure, when it is ahead of the election not after the election, ahead of the election, and certainly your opponent is going to point to every conceivable dirty contribution you have had and say, "Shame, look where he is getting his money from," and that in and of itself normally should be sufficiently cleansing, and I frankly wish we would go back to where we were, or at least change where we are, and have full disclosure of everything from a penny on upward, and take off all limits on contributions. But, obviously, we are not going to do that.

Mr. BUCKLEY. That is why I agree with the Senator from Oregon, and that is why I proposed rather modest increases again to allow someone to get started.

Mr. PACKWOOD. I do have an amendment I may want to offer to the Senator's amendment. Is an amendment in order to the Senator's amendment?

The PRESIDING OFFICER. At the time when the time has either been yielded back or used an amendment would be in order.

Mr. PACKWOOD. At a time when it has been yielded back or used it will be in order.

May I ask for a quorum call now to consult with the Senator very briefly?

The PRESIDING OFFICER. On whose time?

Mr. PACKWOOD. I ask that it be divided equally, if the Senator does not mind.

The PRESIDING OFFICER. Is there objection?

Mr. PACKWOOD. May I have—I thank the Chair.

The PRESIDING OFFICER. Was there objection?

Mr. CANNON. The Senator is taking it out of his time.

The PRESIDING OFFICER. Without objection, it is so ordered. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. BEALL. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BEALL. Mr. President, I ask unanimous consent that David Rust from my staff be granted the privileges of the floor during the debate on this bill and the votes thereon.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BEALL. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. On whose time?

Mr. BEALL. Equally divided.

The PRESIDING OFFICER. Is there objection?

Mr. CLARK. I object.

The PRESIDING OFFICER. Objection is heard.

Mr. BEALL. Mr. President, I ask unanimous consent that the time for the quorum call be taken out of the time of the proposers of the amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. HUGH SCOTT. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HUGH SCOTT. I seek recognition. I think that some comments are in order at this time regarding the obvious unconstitutionality of section 111 of the bill we are now debating—the so-called Election Campaign Act Amendments of 1976.

In its present form, section 111 of Senate bill 3065 adds a new section 321 to title 2 of the United States Code, replacing the existing 18 U.S.C. 610, which generally prohibits contributions by national banks, corporations, or labor organizations, but permits them to pay the costs of establishing, administering, and soliciting contributions to a separate segregated fund to be used for political purposes. This new section would limit the classes of persons who may be either informed or solicited for contributions. Proposed section 321 would make it illegal for a corporation, or a political committee created by it, to solicit contributions to the committee from any person oher than the corporation's stockholders, executive or administrative personnel, and their families. It would, at the same time, prohibit a labor organization and any of its political committees from soliciting contributions from any persons other than union members and their families. These restrictions would affect not just solicitations, but the dissemination of information.

The ultimate consequence of this section's provisions, however, goes further than merely preventing large numbers of persons from contributing to or receiving information from those political action committees—with whom they identify. It deprives vast numbers of individuals, some 75 million, from being given the opportunity of associating with either labor organizations or corporate management. Preserved under this proposed section are the separate constituencies of labor and business—union members and corporate executives. Forgotten, ignored, and discriminated against are millions who are neither executive officers nor union members, but who have a vital interest in the political climate in which their employers or unionized fellow workers operate, and who might well wish to support one or the other's political action committee.

Section 321's blatant abridgement of the freedom of expression in the political area far exceeds what any court would countenance. Solicitation of contributions by corporations or labor organizations to their respective political action arms is a form of expression, regardless of whether it is oral or written. And while the regulation of conduct or the manner of expression can be constitutionally permissible, the Supreme Court, in United States against O'Brien, which was favorably cited in the Buckley case, set forth a constitutional test for regulation of courses of conduct having both speech and nonspeech elements.

The PRESIDING OFFICER. The time of the proponents of the amendment has expired. The Senator from Nevada has 23 minutes.

Mr. CANNON. I yield 2 minutes to the Senator.

Mr. HUGH SCOTT. I thank the Senator.

The PRESIDING OFFICER. The Senator from Pennsylvania.

Mr. HUGH SCOTT. Mr. President, to be constitutionally acceptable, the Government must have a substantial interest unrelated to suppression of first amendment freedoms, and the regulation itself must be no greater than is necessary to further the interest and can have only incidental impact on those freedoms.

Admittedly, the Federal Government has a substantial interest in its electoral process and in the preservation of the right and freedoms of individuals to participate fully in our unique political process. But, where the speech of any individual does not infringe upon another's rights, then the Government can demonstrate no legitimate interest.

The new section 321 fails the O'Brien test, since it restricts not only the manner of solicitation, but also its extent. Inasmuch as unions or corporations are restricted to solicitations of narrowly defined classes of persons, the extent of the solicitations, or speech, is also restricted. Such restrictions are clearly prohibited by the Constitution. The Supreme Court made this distinction between "manner" and "extent" in Buckley against Valeo, and held that direct quantity, or extent, restrictions on political communication are not permissible under the Constitution.

Mr. President, I am convinced of the desire on the part of my colleagues in this Chamber to enact a fair, equitable, and workable election law. Section 321, however, is the antithesis of what is fair, equitable, and workable. It will accomplish nothing but the further polarization, this time by legislative dictate, of management and unions. It will relegate to political limbo a very substantial number of our fellow citizens, the very people who were originally intended to be the beneficiaries of these reform measures. But, far worse, it gives a congressional stamp of approval to the denigration of our most cherished, our most valuable, and our most sacred right—the right of free speech.

Mr. President, I ask unanimous consent that a list of occupations which are excluded under the pending bill be printed in the Record.

There being no objection, the list was ordered to be printed in the Record, as follows:

List

Commercial, professional, educational, and service occupations that do not fall within definition of an "executive" or "administrative" employee.[1]

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[1] Source: Fair Labor Standards Act and Regulations Title 29, Part 541 of the Code of Federal Regulations, U.S. Department of Labor, Wage and Hour Division.

Accountant, accounting clerk, actor, administrative clerk, advertising workers/writers, announcer, radio; announcer, television; apprentice machine operator, artist, assistant section supervisor (key tape), assistant unit supervisor, bank clerks, bank tellers.

Bookkeeper, bookkeeper, head; camera men, carpenter cartographers, cartoonist, cashiers, checker, chemist, cleaning staff, clerk, clerk, chief; clerk, coding.

Clerk, counter; clerk, data exam; clerk, mail/bindery; clerk, principal; clerk, receipts; clerk, shipping; clerk typist, clerks, file; columnist, comparison shopper, composer.

Computer operator, computer operator trainee, computer programmer, correspondence typists, craftsman, custodian, delivery man, dental assistants, dental technicians, dentist, dietitian, displaymen, doctor/surgeon/anesthetist.

Draftsman, dramatic critic, driver salesmen, editorial assistant, engineer, engineer, junior, executive secretary, food processors, graphic designers, guard, hotel assistants, illustrator, inside salesman.

Inspector, interns, interpreters, jobber's representative, jobber's salesman, journalist, junior programmer, key punch operator, key tape operator, laundry/dry cleaning personnel, lawyer, legal paraprofessional, legal stenographer.

Librarian, library assistants, linotype operator, lumber grader, machine operator, maintenance personnel, master press operator, mechanic, medical paraprofessional, medical technologist, messengers.

Methods engineer, musician, newspaper writer, novelist, nurse, office machine operators, painter, painter's assistant, personnel clerk, pharmacist, photographers.

Physician, physician, intern, physician, osteopathic, physician, resident, podiatrist, press operator, programmer trainee, proofreader, psychologist, psychometrist, rate setter, receptionist.

Record control clerk (K/P), registered nurse, reporter, representative, manufacturer's, researchers, retail routeman, retoucher, photographic, route driver, routeman, salesman, dealer; salesman, distributor.

Salesman, laundry; salesman, route; salesman, telephone; salesman, typewriter repair; salesman, wholesale; salesman's helper, sales research expert, scientific technicians, secretary, serviceman, social worker, statistician.

Stenographers, stock clerks, tape librarian, teaching assistants, technologist, therapist, timekeeper, traffic clerks, trainer-salesman, truck driver.

Typists, unit supervisor, watch engineer, word processing operator, writer, xerox operator, x-ray technician, public relations staffer.

Mr. HUGH SCOTT. Mr. President, I ask unanimous consent that with the exception of the last 2 minutes which the distinguished Senator from Nevada has yielded me, that my time may be taken from the time of the substitute offered by Mr. GRIFFIN.

The PRESIDING OFFICER. Is there objection?

Mr. CHILES. I object.

The PRESIDING OFFICER. Objection is heard.

Mr. CHILES. Reserving the right to object, I want to say to the distinguished minority leader that some of us have been waiting all morning to present our amendments. There is a fixed time, a certain time we are going to vote on the Griffin amendment, or take it up.

Some of us who have been sitting here all morning waiting for an opportunity to present our amendments feel that we should have a chance to present and discuss those amendments.

That was the purpose of this Senator's objection.

The PRESIDING OFFICER (Mr. STONE). The 2 additional minutes granted have expired.

Mr. CANNON. Mr. President, do I understand the time on the Senator's amendment has expired?

The PRESIDING OFFICER. The time of the proponents has expired.

Mr. CANNON. Of the proponents, and the yeas and nays have been ordered?

The PRESIDING OFFICER. The yeas and nays have been ordered.

Mr. CANNON. Mr. President, I yield back the remainder of my time.

Mr. PACKWOOD. Mr. President, I send to the desk an amendment.

The PRESIDING OFFICER. The clerk will state the amendment.

The legislative clerk read as follows:

The Senator from Oregon (Mr. PACKWOOD) proposes an amendment to the amendment of the Senator from New York (Mr. BUCKLEY), No. 1430, as follows:

On page 28, line 3, strike out "Contributions" and insert in lieu thereof the following: "The limitations on contributions contained in the preceding sentence do not apply to transfers between and among political committees which are National, State, district, or local committees (including any subordinate committee thereof) of the same political party, but contributions".

The PRESIDING OFFICER. The Chair would observe that the form of the amendment just reported is not in order as being an amendment to the bill as opposed to the pending amendment.

Mr. PACKWOOD. Mr. President, I offered that as an amendment to the amendment of the Senator from New York.

The PRESIDING OFFICER. The Chair understands that, but in form it does not do that. It amends another part of the bill.

Mr. CANNON. Mr. President. The time has expired.

The PRESIDING OFFICER. The time having expired and the yeas and nays having been ordered on the pending amendment, the clerk will call the roll.

The legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Idaho (Mr. CHURCH), the Senator from Indiana (Mr. HARTKE), the Senator from Washington (Mr. JACKSON), and the Senator from California (Mr. TUNNEY) are necessarily absent.

I further announce that, if present and voting, the Senator from Washington (Mr. JACKSON) would vote "nay."

Mr. GRIFFIN. I announce that the Senator from North Carolina (Mr. HELMS), the Senator from Ohio (Mr. TAFT), and the Senator from North Dakota (Mr. YOUNG) are necessarily absent.

I further announce that the Senator from Vermont (Mr. STAFFORD) is absent due to illness.

On this vote, the Senator from North Carolina (Mr. HELMS) is paired with the Senator from Ohio (Mr. TAFT). If present and voting, the Senator from North Carolina would vote "yea" and the Senator from Ohio would vote "nay."

The result was announced—yeas 23, nays 69, as follows:

[Rollcall Vote No. 79 Leg.]

YEAS—23

Bartlett
Bellmon
Buckley
Curtis
Dole
Eastland
Fannin
Fong
Garn
Goldwater
Gravel
Hansen
Hatfield
Hruska
Johnston
Laxalt
McClure
Packwood
Scott, Hugh
Scott, William L.
Stevens
Thurmond
Tower

NAYS—69

Abourezk
Allen
Baker
Bayh
Beall
Bentsen
Biden
Brock
Brooke
Bumpers
Burdick
Byrd, Harry F., Jr.
Byrd, Robert C.
Cannon
Case
Chiles
Clark
Cranston
Culver
Domenici
Durkin
Eagleton
Ford
Glenn
Griffin
Hart, Gary
Hart, Philip A.
Haskell
Hathaway
Hollings
Huddleston
Humphrey
Inouye
Javits
Kennedy
Leahy
Long
Magnuson
Mansfield
Mathias
McClellan
McGee
McGovern
McIntyre
Metcalf
Mondale
Montoya
Morgan
Moss
Muskie
Nelson
Nunn
Pastore
Pearson
Pell
Percy
Proxmire
Randolph
Ribicoff
Roth
Schweiker
Sparkman
Stennis
Stevenson
Stone
Symington
Talmadge
Weicker
Williams

NOT VOTING—8

Church
Hartke
Helms
Jackson
Stafford
Taft
Tunney
Young

So Mr. BUCKLEY's amendment (No. 1430), as modified, was rejected.

The PRESIDING OFFICER. The Senator from Florida is recognized.

Mr. CHILES. Mr. President, I yield 1 minute to the distinguished Senator from Iowa, under the provision that I do not lose my right to the floor.

The PRESIDING OFFICER. Is there objection?

Mr. CANNON. Mr. President, reserving the right to object, may I inquire specifically for what purpose?

Mr. CLARK. For the purpose of offering an amendment which was offered yesterday and withdrawn until certain changes were made.

Mr. CANNON. And it is an agreed upon amendment now?

Mr. CHILES. It is.

Mr. CANNON. Then I have no objection, Mr. President.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. CLARK. Mr. President, I send to the desk an amendment and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Iowa (Mr. CLARK) proposes an amendment on page 44, between lines 2 and 3——

Mr. CLARK. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. Clark's amendment is as follows:

On page 44, between lines 2 and 3 insert the following·

"(b) A defendant in any criminal action brought for the violation of a provision of this Act, or of a provision of chapter 95 or 96 of the Internal Revenue Code of 1954, may introduce as evidence of his lack of knowledge of or intent to commit the offense for which the action was brought a conciliation agreement entered into between the defendant and the Commission under section 313 which specifically deals with the act or failure to act constituting such offense and which is still in effect.".

On page 44, strike out lines 3 through 6 and insert in lieu thereof the following:

"(c) In any criminal action brought for a violation of a provision of this Act, or of a provision of chapter 95 or 96 of the Internal Revenue Code of 1954, the court before which such action is brought shall take into account, in weighing the seriousness of the offense and in considering the appropriateness of the penalty to be imposed if the defendant is found guilty, whether—

Mr. CLARK. Mr. President, section 329(b) of the bill stipulates that once a person has entered into a conciliation agreement with the Federal Election Commission, the Department of Justice would be barred from initiating any action relating to the violation dealt with in the agreement.

My amendment would provide that a defendant in a criminal action brought for a violation of this could introduce as evidence of his lack of knowledge of or intent to commit the offense for which the action was brought the fact that a conciliation agreement had already been entered into with the Commission.

Further, it would provide that the court would take into account, in considering any penalty which might be imposed, whether a conciliation agreement had been entered into and was being adhered to.

Senator Allen had some questions about an earlier amendment, and I have now changed it, discussed it with the manager of the bill and with him, and all have agreed that this wording of the amendment would be better.

Mr. CANNON. Mr. President, the amendment is in accordance with the discussion yesterday, and I am willing to accept the amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Iowa.

The amendment was agreed to.

Mr. CHILES. Mr. President, I ask unanimous consent that I be allowed to yield 2 minutes to the Senator from Kansas for the purpose of presenting an amendment which I understand has been agreed to on both sides.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. DOLE. Mr. President, I send an unprinted amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk proceeded to read the amendment.

Mr. DOLE. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the end of the Griffin substitute amendment add the following new section:

Sec. —. Section 431(f)(4)(B) of the Act is amended by deleting the semicolon at the end thereof and adding the following: ", or partisan activity designed to encourage individuals to register to vote, or to vote, conducted by the national committee of a political party, or a subordinate committee thereof, or the State committee of a national party, except, that such partisan activity shall be considered an expenditure for the purposes of the reporting requirements under this Act;"

Mr. DOLE. Mr. President, this is an amendment to the pending substitute offered by the distinguished Senator from Michigan (Mr. Griffin). I have discussed it with the distinguished manager of the bill, Mr. Cannon, as well as the distinguished Senator from Iowa (Mr. Clark).

In discussing briefly its purpose, I would have Senators recall that yesterday, by a vote of 50 to 41, we adopted an amendment proposed by the distinguished Senator from Oregon (Mr. Packwood) dealing with reporting requirements for nonpartisan voter registration drives conducted by a labor or business organization. My amendment is designed to complement that provision with respect to partisan registration efforts made by an element of a national political party.

What it would do, thus, is exempt from the definition of "expenditure" all partisan voter registration drives and get-out-the-vote activities carried on by committees or subordinate committees of a national party. At the same time, however, it would clearly specify that such costs would have to be reported to the Federal Election Commission under section 304.

The intent of the amendment is, very plainly, to remove the requirement under existing law that such activity be allocated among particular candidates. In the process, it should help strengthen the party structure and increase political participation.

In light of the fact that there is no longer an overall spending ceiling imposed by law—except for Presidential candidates who accept matching funds—elimination of the allocation requirement would be totally consistent with the Buckley against Valeo Supreme Court decision. Moreover, it would alleviate the very difficult problem of trying to determine the "fair and reasonable benefit" accruing to each candidate from registration activities sponsored by the party organization itself.

Traditionally, Mr. President, the high incidence of "independents" in the voting population have forced parties to look beyond just party affiliation in encouraging registration for, and voting on, election day. Thus, the name of one or more candidates is often used as a criterion for making these determinations.

While none of us is prepared to suggest that partisan voter registration drives are not going to aid a candidate's cause, I think we can all agree that there is no longer a need to make subjective evaluations regarding the extent of that aid. Therefore, we should do away with this unnecessary and burdensome accounting problem by adopting this amendment.

Clearly, this is a bipartisan proposal which should benefit all candidates and all parties equally. The only exception might be to the extent that there are more potential Democrats than Republicans among independent voters—*but in* the interest of competition, we are willing to assume that risk.

Mr. President, this is a commonsense amendment which I understand is acceptable to the committee. It will simplify reporting by national parties while making them stronger and more effective—and these are goals which deserve our uniform support.

Mr. CANNON. Mr. President, the Senator has discussed the amendment with me. I think it is an acceptable amendment, and I am willing to accept it.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Kansas.

The amendment was agreed to.

Mr. CHILES. Mr. President, I send an amendment to the desk.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Florida (Mr. Chiles) proposes an amendment:

On page 44, line 15, strike out the closing quotation marks and the final period.

On page 44, between lines 15 and 16, insert the following:

"LIMITATION ON CONTRIBUTIONS BY ARTIFICIAL LEGAL ENTITIES

"Sec. 330. (a) The Congress finds and declares that—

"(1) it is inappropriate for artificial legal entities, whether in *corporate or other form*, which are not permitted to vote for Federal candidates to make political contributions in campaigns for Federal office, and

"(2) that it would be appropriate as a means of guarding against the reality or appearance of improer influence stemming from the dependence of candidates on large campaign contributions from such entities to limit the privilege of contributing to Federal political campaigns to individuals generally.

"(b) Notwithstanding any other provision of this Act, no person other than an individual may make a contribution to or for the use of any candidate for Federal office. This subsection does not apply to a political committee established and maintained by a political party.

"(c) Nothing in this section shall be construed to prevent or inhibit the right of individuals to associate with each other for the purpose of making political expenditures or for expressing their views on political matters.".

Mr. CRANSTON. Mr. President, will the Senator yield?

Mr. CHILES. For what purpose?

Mr. CRANSTON. I should like to discuss the Senator's amendment and ask if he would be willing to modify it. I am not going to offer an amendment. I should like to discuss the amendment.

Mr. CHILES. I yield to the distinguished Senator.

Mr. CRANSTON. I thank the Senator very much for yielding.

Mr. President, I was in the Chamber last night, and the Senator caught my attention when he said the following:

The whole electoral process, as I understand it, Mr. President, was created so that individuals could vote, so that individuals

> could nominate, so that individuals could elect. It looks like the fight that I have been seeing going on all day is sort of the fight between the giants. Each side believes the other has a little advantage so each side is trying to get a foothold.
>
> I have not heard much talk about the people today. I have not heard much talk about what is really good as far as democracy and what is really good as far as individuals.

Mr. President, I think that is a very eloquent and meaningful statement which we should all take into account as we are considering this matter. We have not paid adequate attention to the just plain citizens whose voices are the most important voices in our democracy. I believe there has been too much jockeying for advantage going on from one side of the aisle to the other, one party to the other, representatives speaking more or less for one group of interested people and for another.

It was that statement by the Senator from Florida that caused me to look seriously at his amendment, which has much appeal.

My concern about the amendment is that in limiting the ability of poor people to band together to support a candidate they might particularly support because of issues that are of great interest to them, if they cannot band together, the individuals whose small contributions only become significant in terms of what they mean in elections if many of them make contributions—and they are not apt to occur unless they can make them together—the consequence of the amendment in its present form, without that being the intention of the Senator from Florida, I know, would give a greater advantage to those who give large contributions, who do not need to band together with others in order to have a very significant impact from their contributions.

That is my concern, and I know that the Senator is more concerned about this than any other Member of the Senate. The Senator from Florida has made it his own practice, I understand, to accept only small contributions.

Were they limited in the Senator's campaign to $10?

Mr. CHILES. Yes.

Mr. CRANSTON. I wonder whether the Senator would be willing to accept an amendment—and I would offer it only with his permission—which would have the effect of sustaining even more strongly his purpose of eliminating what I feel would be the advantage to large contributors without this proviso.

The amendment I propose would be to limit acceptable contributions, the size of contributions, to $10 from individuals.

Mr. CHILES. From any contributor?

Mr. CRANSTON. Any contributor. Limited to $10.

Mr. CHILES. I would not be prepared to accept that, and the reason is the one I gave in my press conference at the time I said that I was limiting my contributions to $10. That reason was this, purely and simply: If we limited it to that amount for every individual, then I believe that the incumbents would have too great an advantage. I was asked whether I thought that anyone running against me should limit his contributions to $10. I answered "no," because I think that if they are running against me and I am an incumbent, I can see that it might be necessary for them to feel that they have to accept more than that, because they do not have name identification and they might not engage in a walk which would get them name identification, or something like that. For that reason, I would not go along with that.

However, I invite the attention of the Senator from California to subsection (c), which was put in overnight, and is now in the amendment. That states what the Supreme Court really has said. It reads:

> Nothing in this section shall be construed to prohibit or inhibit the right of individuals to associate with each other for the purpose of making political expenditures or for expressing their views on political matters.

So if the group that the Senator is talking about, the poor people, wish to associate themselves in a common cause in order to be able to express themselves, they can do so. Nothing in this amendment would prohibit that.

However, they would not be able to give that money, in a satchel or a war chest, to the candidate. Neither could the labor unions do that; neither could the banks do that; neither could the American Medical Association do that. If they wanted to make expenditures, they would have to make them themselves. The label of who made those expenditures would have to be there. So, again, the voters would be able to see who was attempting to sort of influence that election.

I think that would take care of the Senator's fears. I can see that the Senator has thought through that if we limited everybody's contribution to $10, we, as incumbents, would have an advantage, unless we made some sort of free television time available, unless we made available some kind of franking privilege, and other things, because we do enjoy tremendous advantages.

Mr. CRANSTON. I share the Senator's concern about not giving unfair advantages to incumbents. I was one of the Senators who voted some time ago for an amendment by the Senator from New York (Mr. BUCKLEY) that would have permitted challengers to spend more than incumbents, which is one way to try to equalize the situation. I am prepared to vote for and work for such an amendment. We cannot require TV stations to give anybody free time, because that would be a violation of the first amendment. Perhaps we could find a way to subsidize television time for challengers.

I am more concerned about the ability of large donors to have advantages than I am about incumbents to have advantages, because at least the large donors are not elected by the people. Incumbents at least have won an election. I would like to see the advantages that incumbents have taken away from them.

Mr. CHILES. If the Senator wanted to change the thousand dollars that is now set forth in the bill to a lower figure, the Senator from Florida would join in that amendment, because I do not think we should have those large funds; but I think that $10 would be much too low, as I have expressed.

Mr. BROCK. Mr. President, will the Senator yield?

Mr. CHILES. I yield to the Senator from Tennessee.

Mr. BROCK. First, a technical question. Is the Senator's amendment, now pending, to the substitute?

Mr. CHILES. It is an amendment to the substitute.

Mr. BROCK. The clerk did not understand that.

The PRESIDING OFFICER. The amendment is not drafted as being to the substitute.

Mr. CHILES. I modify it so that it would be an amendment to the substitute.

The PRESIDING OFFICER. The amendment is so modified.

Mr. BROCK. I wanted to be sure of that, because if the substitute is not agreed to, we can offer it to the bill.

Mr. CHILES. I thank the Senator from Tennessee.

Mr. BROCK. If the Senator will permit me to make a couple of comments in light of the comment of the Senator from California, I think the whole purpose of this amendment is to eliminate the power of the major money influence that exists today. That is the whole purpose of it. We have been debating, for the last 2 days, amendments to advantage or disadvantage power group and not people. This is the first time we have had an opportunity in this particular body and during consideration of this particular bill to consider an amendment which would divest the power centers of this special advantage, their loopholes, their exemptions, and allow the American people to have a voice in the full process, a full and complete voice. I think that is why support for this amendment is so terribly important.

It says, in effect, that we are not going to grant any special exemption to major corporations to go out to their 30 million stockholders with an all-expense paid campaign to tell them how to vote. Nor are we going to do that for labor. We are going to let the American people individually select their political representation, as the Constitution originally envisioned it. I think that is why the amendment is so precise, and I am delighted to support it.

Mr. CHILES. I thank the Senator from Tennessee. I think the Senator from Tennessee, as well as most of us in this body, has looked with some alarm at those polls. We now see not only the esteem in which they hold Congress in the executive branch, but further, when we poll a little deeper on the question, "Do you feel that Government represents the average man in this country?", the answer to that is astoundingly and overwhelmingly, "No." I think they have found the truth.

What we are talking about here—and I have been going up to a lot of Senators, asking them to support this amendment. The general thing that I find is that everybody says, "That is something that we ought to do sometime, that is something that I am generally for; that is a good idea, but—I get my help from here or from there." Or "I feel that where I am receiving my help from is this group or that group."

That is what is convincing me that those polls show that people have found out; they have some kind of idea.

I just wanted to relate to the Senators that in my campaign, where I have limited my contributions to $10, a lot of people have said, "There is no way you can do that; you are not going to get that kind of people. People don't participate, period. There are only certain people who are willing to give."

Interestingly enough, from the first newspaper ads—not newspaper ads, newspaper stories—that went out on the announcement, I received a flood of checks. Almost every one of those letters said, in different words, "The idea that I could be your largest contributor, the idea that you would not accept and no one would give more than my $10, is why I decided to contribute." The vast majority of people who are contributing to my campaign on that basis have never contributed before.

Mr. **PACKWOOD.** Will the Senator yield?

Mr. **CHILES.** Yes, I will.

Mr. **PACKWOOD.** I can verify that point. I was in the Senator's State over the weekend and I met with some of the Senator's supporters who were raising money for him. People who previously were used to raising $100 or $1,000, say, "Our work is cut out. It is like organizing a door to door campaign."

What I was intrigued with was they said that white collar workers, secretaries, and so on, have come up to them in their work and given them a check for LAWTON CHILES' campaign, unsolicited, because they felt so good that nobody could give more than $10. I think the Senator has hit upon a great idea for a campaign, a gold mine of an idea. I think what he has done is so unique, putting out shares saying that you can own a share of a candidate and you can have a certificate that you own a share of a candidate if you contribute $10. I think it is the best idea in politics I have heard in years.

Mr. **CHILES.** I thank the Senator from Oregon for those kind remarks. I want to say, in addition to that, that what I am finding is that people are a completely different set of people now. Some of the best money raisers that I now have are not the corporate presidents. He does not want to go and ask anybody for $10. Nor are they the labor people. The best contributors that I have are, really, sort of little people.

I had a lady come to a rally, and she has to be 85 years old. She went in her neighborhood and she collected 20 $10 contributions.

I have a Cuban doctor who lives in Monticello, Fla. That is a Cracker north Florida community, in which he is the only Cuban in town. He has gotten about 200 of those $10 contributions.

I have a cookie salesman who goes to stores. Again, he has gotten a number of these, because they put that thing in their pockets. They will ask somebody and the people they are asking all feel that they are participating.

I thank the Senator.

Mr. **CANNON.** Mr. President, will the Senator yield, on my time?

Mr. **CHILES.** Yes, I shall be delighted to yield.

Mr. **CANNON.** I want to correct one misimpression that I think the Senator from Tennessee has. I wish to verify it from the Senator from Florida.

The Senator from Tennessee said that this would prohibit corporations or the PAC groups from going out and soliciting contributions. That is not true at all. They can go out and solicit. What we are doing is changing where the power base is even more disproportionately than it is right at the moment.

For example, by this amendment now we force independent groups to operate exclusively by an independent expenditure. They can go out, they can form their associations, they can raise their money, and they can spend unlimited amounts for or against a candidate, as long as it is an independent expenditure in accordance with the Supreme Court decision.

The Senator has even gone so far as to recognize that in the addon of his amendment, which takes the language from the Valeo case and says that this shall not be construed to deprive persons of their right to associate together. This, in my judgment, completely turns the power and the conduct of a campaign over to the special interest groups, because they can go out and solicit. They can solicit from their stockholders and so on. They can use those funds and spend them independently against a candidate.

I think that, really, what it does is deprive the candidates and political parties of control of their own campaigns. I shall be talking later on the constitutionality of it, but I did want to raise that point, because the Senator from Tennessee said that this would stop the solicitation by the corporations to the independent funds and by the labor unions and so on. It will do no such thing.

Mr. **CHILES.** I yield to the Senator from Georgia to clear the Senator up on that.

Mr. **NUNN.** I thank my colleague from Florida. I am cosponsor of this amendment and I talked to my colleague from Florida for some time about it. I think it is really the heart of campaign reform. I think it is going to divide the special interests from the people in this country. I agree with everything that the Senator from Florida has said and that the Senator from Tennessee has said.

I shall have to take exception to the analysis of the Senator from Nevada.

Certainly, this amendment provides that there is no dilution of the freedom of association. Certainly, it permits labor unions, corporations and other groups to solicit their members for campaign contributions. But those funds would not then be able to be given to the candidate. They could spend the money. Yes, they could spend the money. There cannot be a limitation on expenditure under the Supreme Court decision. But they cannot go up with a bag and give money to a candidate. They cannot get the recognition that the candidates himself owes them one single thing in terms of a favor, in terms of an office, appointment, or in terms of a vote.

Besides that, the most important part about this amendment is that if the American Medical Association wants to oppose the Senator from Nevada or the Senator from Georgia or Tennessee or Florida, then they are going to have to let people know what they are doing. It is not going to be in the form of a television ad that comes on, showing the Senator from Georgia talking about an issue concerning foreign policy. It is going to have to be under the name of the American Medical Association, or under the name of COPE, or under the name of the American Bar Association, or General Motors.

If we really want to take special interests out of politics, if we really want to return the political process to the individual in this country, then this amendment is a clear, concise way to do it.

You watch what scurrying will go on around the Capitol and around Washington, D.C., and around this country if the Chiles-Nunn-Brock-Packwood-Hart amendment passes. Just watch it. If you do not think this is the key to campaign reform, the interest group reaction to passage of this amendment will confirm that it is.

Mr. **BROCK.** I agree. You watch what a restoration of faith there will be in the American people if we pass this. There will be more excitement by people in this country saying: "Hey, I have a voice again. I have something to say, and they will listen to me."

Mr. **NUNN.** We have not been hearing from individuals about this act because individuals still realize this is a battle between special interests. We have had 1 week of battle between special interests, and now we are getting down to the heart of the democratic process. We have an opportunity to really do something about what all of us know is at the very foot and foundation of the problems we have in the process now.

Mr. **BUMPERS.** Mr. President, will the Senator yield?

Mr. **NUNN.** I would be glad to yield. The Senator from Florida yielded to me, so I yield back to the Senator from Florida.

Mr. **BUMPERS.** First, I want to say I have always been an admirer of the Senator from Florida because of the very unique way he was elected in the first instance, and I applaud his limitation of contributions to $10.

I would say this: that if a country lawyer, with whom I am very familiar, who in 1970 had a 1-percent name and face recognition, had limited his campaign to $10 per person, he would still be the country lawyer and not the junior Senator from the State of Arkansas.

Now, the thing that troubles me about this bill—and I applaud most of it, but the thing that troubles me about this bill—as it troubled me about the original so-called Campaign Finance Reform Act is the effect it has on an unknown challenger.

It is easy for me to stand here with the name and face recognition that I have in my State and say, "I am going to limit my contributions." I certainly think it is laudable, and I think all of us ought to do it. But, I recognize the difference between a sitting Senator or a sitting Governor making that kind of fine gesture on behalf of participatory democracy and somebody who is equally interested in getting involved but is totally unknown, having to depend on individual people to give him $1 or $2 when they never heard of him, they do not know what he stands for, and the likelihood of their ever knowing what he stands for is never very good unless he is one of those fairly wealthy people who can spend his own money.

Mr. CHILES. But if he depends on getting elected by getting contributions from one of these groups, COPE or AMPAC, whose man is he going to be when he comes to the Senate, if he depends on them?

Mr. BUMPERS. He is going to belong to his own hometown, I am afraid, forever unless he can go to somebody and persuade them as a group.

I like the amendment, and the Senator from Florida knows I have seriously considered cosponsoring it. But I am also extremely concerned about unknown people who have a right, indeed a duty and a responsibility, to challenge the people who sit in this body.

Mr. CHILES. I share that concern. But what I do not know and what I cannot understand is how this amendment—you know, this concern that the Senator has goes to other things in the whole bill. They go to whether you are going to grant TV time, and they go to whether we are going to have public financing, and they go to many of these, but I do not see how this amendment is going to change that unless you are going to say if you want to sell your soul to one of those groups you can get financed, and I do not think—that does not give me much comfort that that is the way that is going to help an unknown lawyer or anyone else.

Mr. NUNN. Mr. President, will the Senator from Florida yield one minute on that? I would agree with the Senator from Florida and disagree with my good friend from Arkansas for this reason: I think a careful analysis of campaign contributions to incumbents versus challengers will reveal that the challengers get very little so-called group money. I think it would reveal that the incumbents are the ones who get the group money and that challengers usually have to wait until they have won a primary or made substantial progress before they are entitled to any group money.

So I would say if the Senator's argument is anything it is the best argument for this amendment. If you really want to protect the right to challenge then you will take away the right of groups to come and pool their money and give to candidates because usually—and I know there are exceptions, but usually—I think any careful analysis will reveal that the majority of group money goes to incumbents and a very small amount goes to challengers until such time as they look like they are going to be winners and then, oh, yes, you can find the groups when you are a winner. You can find them. They come from everywhere. You meet people you never heard of before; you meet them very quickly when you are a winner but not when you are unknown.

I have gone through that period of time when I had only 1 percent recognition, and I went through that period of time when the only people who supported me were people in my hometown. They were not groups but individuals.

Mr. PACKWOOD. Mr. President, will the Senator yield?

Mr. CLARK. Mr. President, will the Senator yield?

Mr. CHILES. I would like to yield the floor now and let the chairman——

Mr. CANNON. Mr. President, I yield 5 minutes to the Senator from Iowa.

Mr. CLARK. I must say I am very divided myself on this amendment because, as the Senator from Arkansas has said, there are so many attractive aspects to it in terms of getting private money, group money, out of politics.

I think the question that all of us raise and face is whether if we do this, if we go to this kind of system, whether any nonincumbent could seriously expect to raise money to make a serious challenge.

I think the record would show very clearly that both challengers and incumbents get well over half of all their money from groups. I think perhaps as much as 75 percent is raised in that fashion. I do not find that an attractive fact. But I do believe that it is a fact, and I doubt that there are very many people in this Chamber who were unknown when they ran for office who would have been able even to accumulate the minimum amount of money to be a candidate, a successful candidate, without something more than individual contributions.

Now, having said that, it seems to me that the amendment has so many attractive aspects that if we were indeed to modify the amendment along the lines that the Senator from California suggested that, in spite of its proincumbent nature, it would be worth adopting. I think I would support the Senator from Florida if he were to accept that amendment because I think it would at least say we are not going to let wealthy people determine who is going to run for office.

The fact is right now under the bill as it is drawn we know what would happen. We would have $1,000 cocktail parties all over this town. If that would get the special interests out of politics I would be very much surprised. We are going to have in our States and in this city $1,000 cocktail parties, and the wealthy people are going to determine who can make the serious challenges because you are not going to be able to run on $10, $15, and $20 contributions alone.

So I would ask the Senator from Florida if he would consider—if I may have his attention—an amendment which I have prepared which would simply limit the amount of money that could be spent, not to $10 because he has expressed opposition to that, but to $100, and I will support the amendment and I would support his proposal.

But I do not believe, in view of the fact we are making it such an incumbent bill in the process, that we ought to leave it to the wealthy people who can contribute $1,000 at cocktail parties to determine who the candidates will be.

If the Senator will accept that, I would be prepared to support his amendment.

Mr. CHILES. I thank the distinguished Senator. I think he would, but the reason I would not is because I think I would be going against the very thing the Senator is talking about. You would still be giving a tremendous incumbent advantage.

Mr. CLARK. I understand that.

Mr. CHILES. If you limit it to $100, you are giving a tremendous advantage to us.

Mr. CLARK. I understand that. You are giving incumbents a tremendous advantage with $1,000 and, obviously, you are aggravating that if you go to $100. But my point is at least the wealthy would not be determining who the candidates will be.

Mr. CHILES. I am convinced personally that the best way you would limit the spending and the contributions is to prove that a $10 campaign works, to prove that a $100 limitation works, because all of us like to emulate success.

The Senator from Iowa is here today because he saw an idea that would work.

Mr. CLARK. He borrowed the idea.

Mr. CHILES. And he tried walking the State.

I am working to fill this Chamber with people who will decide that $10 is the way to go, not by passing a law but by showing that it works. But I think you do have to set certain standards that the people can look at, and one of those standards is we are not going to receive our money from the war chest.

I would just quickly answer one other thing. The $1,000 cocktail parties, both sides can hold those.

Mr. CLARK. I do not like that, though.

Mr. CHILES. I do not either.

Mr. CLARK. Let us go to $100 and we will both be on the same side.

Mr. CHILES. The Senator is doing what he does not want me to do. He is giving too much advantage to the incumbent.

Mr. CLARK. That is very true—at least, you are going to do that in either proposal, but in this proposal you are not going to leave it to the $1,000 contributors to determine who the candidates will be.

Mr. CHILES. I will tell you what I think is the best way. If the Senator will offer that as an amendment to the bill I will vote for it, not to my amendment.

Mr. CLARK. I cannot do that.

Mr. CHILES. Let the Senator offer it as an amendment to the bill and I will vote for it. I will vote for $10 in the bill. I will not vote for $10. That is too low. I will vote for $100. But if the Senator puts it on this amendment he is going to lose all kinds of votes, and I do not think that would be proper to do.

Mr. CLARK. I think the problem with attaching it to the bill, without the amendment, clearly is that you are going to leave groups in, then, for $5,000 contributions and individuals at $100 and that just would not be practical.

Mr. CHILES. Mr. President, I would like to send another modification to the desk that just conforms with the amendment to the substitute.

The PRESIDING OFFICER. The amendment is so modified.

The amendment, as modified, is as follows:

At the end of the amendment, add the following:

On page 404, between lines 15 and 16, insert the following:

"LIMITATION ON CONTRIBUTIONS BY ARTIFICIAL LEGAL ENTITIES

"SEC. 330. (a) The Congress finds and declares that—

"(1) it is inappropriate for artificial legal entities, whether in corporate or other form, which are not permitted to vote for Federal candidates to make political contributions in campaigns for Federal office, and

"(2) that it would be appropriate as a means of guarding against the reality or appearance of improper influence stemming from the dependence of candidates on large campaign contributions from such entities to limit the privilege of contributing to Federal political campaigns to individuals generally.

"(b) Notwithstanding any other provision law, no person other than an individual may make a contribution to or for the use of any candidate for Federal office. This subsection does not apply to a political committee established and maintained by a political party.

"(c) Nothing in this section shall be construed to prevent or inhibit the right of individuals to associate with each other for the purpose of making political expenditures or for expressing their views on political matters.".

The PRESIDING OFFICER (Mr. MORGAN). The Senator from Nevada.

Mr. CANNON. Mr. President, first, it is not often that the Senator from New York and I are on the same side and I am delighted to yield 5 minutes to him at this time.

Mr. BUCKLEY. I thank my friend from Nevada.

Mr. President, I must say that I rise with some reluctance. I like the thrust of what this amendment is attempting to achieve, but, unfortunately, I think that a ruling of the Supreme Court which declares that independent groups may spend unlimited funds under the Constitution will have the effect of creating a bias in favor of the largest pressure groups, the ones that are best organized, best financed, who know how to effectively mobilize funds in support of a candidate, but doing so independently of that candidate's campaign.

I see the net result of the adoption of this amendment to be one that eliminates smaller people, smaller groups.

Yes, call them interest groups, but they tend to come on every side of the equation, from having any kind of input comparable to the kind of input we are going to be seeing, as the AFL–CIO votes, and perhaps the American Medical Association, or the business groups, but the big ones, are going to have as they work independently in the political process.

It is for that reason I am reluctantly going to have to vote in opposition.

Mr. NUNN. Will the Senator yield for a brief question?

It seems to me the Senator is in the position of not disagreeing to the amendment, but rather, disagreeing with the Supreme Court decision, perhaps that is not true.

This amendment removes all of groups from direct contribution, but gives any of them the opportunity to go out, complying with the Supreme Court decision, to expend funds as opposed to contributing.

So that the Senator's argument appears to the Senator from Georgia to be going against the Supreme Court decision rather than against this amendment.

Mr. BUCKLEY. Not at all, Mr. President. The fact is that I do not disagree with the Supreme Court interpretation of the Constitution. This is a fact we live with, and I would not want to change the Constitution in this respect. But the practical consensus of that decision is that we are going to see more and more well-organized, well-financed groups operating outside of an individual campaign, parallel to it, but independently.

So the amendment offered by the Senator from Florida and cosponsored by the Senator from Georgia will not have the effect of significantly taming the really large political action committees and groups in this country, but it will make it impossible for the smaller groups to throw any kind of counterweight into the equation.

Mr. NUNN. The amendments are not intended to remove biased groups from freedom of association and participation, as is their constitutional right. It is aimed at not having candidates receive and direct funds, which I think would substantially improve not only the process but also the image that the average American individual has in feeling that he has some degree of input into the process or is not competing with corporations and labor unions.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. CANNON. Mr. President, I yield myself 5 minutes.

I must say that I completely agree with the analysis given by the Senator from New York. This does put big groups in the position that they can go forth and solicit contributions and they can spend them any way they see fit. They can spend them for a candidate, they can spend them against a candidate, and they put a candidate to a tremendous disadvantage.

I said earlier today, and this gets to the point the Senator from Georgia was making, I found it a little difficult to rationalize how the Supreme Court could say that a candidate was limited to a $1,000 contribution, but, on the other hand, an organization could spend all of the money it wanted of its own or spend in association with others for the defeat or for the election of a candidate.

It seems a little incongruous.

Mr. NUNN. If the Senator will yield for a brief comment. I would agree that is a paradoxical result, but it is not a result of this amendment. It is a result of the Supreme Court decision, which we are going to have to live with.

Mr. CANNON. I understand that. But this amendment says that an association or an organization cannot contribute to a candidate.

This gets right back to what the Senator from Arkansas was saying. This puts the unknown candidate at a worse disadvantage than he was to start with because he cannot go to any organization that may be friendly to what his views are and solicit them for a contribution.

Mr. NUNN. Let us look at it and weigh the facts. Anything we do toward limiting contributions overall would have the effect of making it a little more difficult for an unknown to mount a campaign. Anything we do in regard to limiting overall limits of contributions. I argued this fact when we first considered this bill.

But I would say, if the worst result we have of this amendment is that we force some poor candidate who is not known to have to go to the people of his State and community to raise funds for a campaign, it will be very therapeutic and a very lofty result.

In other words, what the Senator is saying is that we have a terrible amendment here because it is going to require candidates to go to the people for their contributions rather than to groups. I think that is an argument for the amendment, not against it.

Mr. BUMPERS. Will the Senator yield?

Mr. CANNON. I yield 3 minutes to the Senator.

Mr. BUMPERS. I thank the floor manager. I want to submit a question to the Senator from Georgia.

If we adopt this, is not the effect of this to say that any candidate can drop into the nearest bank, visit with the president of the bank, and perhaps he will give $1,000, he can afford to give everybody in the race $1,000, and he gives $1,000.

What does that do to the challenger who must go out on an assembly line or at the plant gate and try to solicit $1 to $5 from working people who are leaving in the afternoon?

It occurs to me that the effect of this is to force him into going after the large contribution from the bankers and the insurance executives instead of the small people.

Mr. NUNN. I say that under the present law it is very unusual when a candidate solicits funds at the plant gate. That is not where we get funds and the Senator from Arkansas knows that. We go to the leaders of the particlar union or the leaders of the corporation.

If the present law was as the Senator described where people really did get out on the assembly line and solicit funds, I would not be proposing this amendment.

That is not how the system works and everybody knows that.

Mr. BUMPERS. How does the Senator reach those people for solicitation?

Mr. NUNN. Passage of this amendment would result in exactly what the Senator says is done now, which the Senator from Georgia disagrees with, one would get out on the assembly line and talk about $1 or $5 contributions.

That is what this amendment would result in, but that is not the present system.

Mr. BUMPERS. How long would it take an unknown to gather up $1,000 that way as compared to walking in to a bank president and getting it just like that?

Mr. NUNN. The unknown under any limitation on expenditures is put at a disadvantage. The overall laws we passed a year and a half or 2 years ago put an unknown at a disadvantage.

This amendment does not put an unknown at a disadvantage because the unknown does not get special interest contributions until he gets known, until he has already demonstrated he is a viable candidate.

I would challenge the Senator to have someone look at the record and determine when the associations give to a campaign. They do not give to an unknown with no chance. They give to a non-Governor, or a former Governor.

The PRESIDING OFFICER. Time has expired.

Mr. CANNON. Mr. President, I yield 3 minutes to the Senator from Massachusetts.

Mr. KENNEDY. Mr. President, I oppose the amendment of the Senator from Michigan (Mr. GRIFFIN). I listened to the debate and the discussion at the time he presented a similar amendment earlier in the week. It was defeated then. I am hopeful that it will be defeated now.

The Rules Committee bill makes some very important and substantial and necessary changes in the election laws, outside of the question of the reconstitution of the Federal Election Commission. If we are going to accept the Griffin amendment, then all of those other changes which have been proposed, which I think are extremely important for preserving the integrity of the election process, will be abrogated.

I would mention specifically the problems of independent spending and wealthy candidates which exists as a result of the Supreme Court's decision. If we accept the Griffin amendment, these problems will not be solved. Wealthy activists will be able to spend massive amounts on the candidates they favor. Wealthy candidates will be able to spend unlimited amounts of their own resources. The Rules Committee bill brings these abuses under control in three important ways—it subjects candidates who accept public financing in Presidential elections to the limits on spending of their own resources. It requires independent spending to be genuinely independent, by clarifying the prohibition on cooperation or coordination of such spending with a candidate. If there is such cooperation, the expenditure is a contribution and will be subject to the spending limits. Also, the bill prohibits independent spending by those who simply disseminate materials prepared by the candidate. And, finally, the bill requires full disclosure of all independent spending.

I would also mention the important provisions of the bill modifying the basic enforcement machinery of the FEC. These changes are going to make it a more effective and useful agency in dealing with the difficult practical problems within its jurisdiction.

Finally, I would mention the important provisions in the bill that prohibit proliferation of political committees. This abuse is the newest emerging loophole in the election laws. It is being used to avoid the contribution limits in the law. The committee bill would close this loophole by prohibiting such artificial proliferation of political committees.

So it is a serious oversimplification to argue that the Griffin amendment is going to do the job that needs to be done if Congress is to deal responsibly with the problems of campaign financing left in the wake of the Supreme Court's decision.

I also share the concerns of those opposed to the Chiles amendment. The question which troubles me most, is the undue advantage that will be given to persons able to afford $1,000 contributions. They will make their voices heard even more loudly than they are heard today, because ordinary citizens will be prevented from grouping together to make their small contributions more effective.

I think there are serious constitutional questions raised by the Chiles amendment. The first amendment guarantees the right of free association, and this amendment clearly impairs that right. It handicaps and limits those who are interested in participating in the political process, but whose separate efforts under this amendment would be too isolated to be effective. I hope the amendment will be defeated.

Mr. CANNON. Mr. President, I yield myself 5 minutes.

Mr. President, the amendment offered by the distinguished Senator from Florida would permit only individuals in their personal capacities to participate in our electoral process. Although this amendment would allow certain political party committees to contribute to candidates and campaigns, the essential thrust of the proposal would be to cast a severe chilling effect upon the first amendment rights of associations, committees, partnerships, political committees—whether formed by individuals or segregated fund committees of corporations and labor organizations—and all other organizations or groups of persons. These groups and organizations would be summarily ostracized from participating in our democratic form of government. The proposal is thus fraught with grave constitutional infirmities.

When I say they would be ostracized in the sense of being able to make any contributions, it is true they could go out and make their own independent expenditures, go their merry way, and take the control of a campaign completely out of the hands of the participants in the campaign.

Mr. President, this amendment does not propose a reasonable restraint upon constitutionally protected associational freedoms, such as the overall contribution limitations in the Federal Election Campaign Act. These were upheld by the Supreme Court as appropriate legislative weapons against the reality or appearance of improper influence stemming from the dependence of candidates on large campaign contributions. The Court found these contribution ceilings to serve the basic governmental interest in safeguarding the integrity of the electoral process without impinging upon the rights of individual citizens and candidates to engage in political debate and discussion.

The amendment proposed by the distinguished Senator from Florida, however, does not serve any governmental interest. Instead of a limitation it is a direct prohibition of the constitutionally protected freedom of association. In Buckley against Valeo the Supreme Court reemphasized that "the right of association is a 'basic constitutional freedom' that is closely allied to freedom of speech and a right which like free speech lies at the foundation of a free society." [Slip opinion p. 19.]

In referring to the nature of protected associational freedom the Supreme Court stated, and I quote,

> Making a contribution, like joining a political party, serves to affiliate a person with a candidate. In addition it enables like-minded persons to pool their reserves in furtherance of common political goals." (Slip opinion p. 17).

The Court in Buckley said the act's contribution ceilings limit one important means of associating with a candidate or committee; that is, the making of a contribution. This extraordinary amendment, Mr. President, would prohibit this important means of associating with a candidate or committee to groups, associations, and other organizations which have in and of themselves protected first amendment rights.

Such a broad prohibition, furthermore, would preclude all associations from amplifying the voice of their adherents and members. Such amplification and expression of the voice of an association's adherents—here in the context of the association's participating in the electoral process by making contributions to candidates or committees—is the original basis for the recognition of first amendment protection of the freedom of association. [*Buckley* v. *Valeo*, slip opinion p. 17.]

Mr. President, at this moment it is difficult to conceive of a proposal which would have more severe constitutional questions and I would strongly urge my colleagues to vote against it.

Mr. President, I reserve the remainder of my time.

Mr. CHILES. Mr. President, I yield 1 minute to the Senator from Oregon.

Mr. PACKWOOD. First, the Supreme Court said it was up to the Congress to set the limits where they want. We set it at $1,000 and $5,000.

Two, political action committees can now give money to a candidate or spend it themselves. All we are saying is henceforth they cannot give it to a candidate.

Three, as to where the money goes now, the Senator from Georgia said most of it goes to incumbents. I have a study, though not with me, which shows that 90 percent of political action committee money now before primaries goes to incumbents, Republican or Democrat, and only 10 percent goes to challengers, and then only if the incumbent is not running.

After the primary, 80 percent of the money still goes to the incumbent. The fat cat PAC money goes to us. It does not go to the country lawyer. It does not go to the guy who has never been heard of before. It goes to us and this will change it.

The PRESIDING OFFICER. Who yields time?

Mr. BUMPERS. Will the floor manager yield me a couple of minutes?

Mr. CANNON. I yield 2 minutes.

Mr. BUMPERS. I want to make one final comment. As a practical matter, this will work in reverse of the way the sponsors of the amendment think these steps will work. I was just talking to my distinguished colleague from Florida. I believe that the success of an organization like Common Cause, for example, is because individual people do not think their voice makes any difference. They feel that if they can join with a coalition or group of people and allow the leadership of that group to express their opinions, then they have some clout with this body, with Congress, and with the President.

Does it not work the same way if the ordinary worker in this country is limited to giving $1 or $5 to a candidate and he sees the published reports where the bankers, insurance executives, and other "fat cats" are giving $1,000? How does he feel about his $5 contribution? How much effect does he think it has as opposed to those big $1,000 contributions he sees reported periodically?

If that worker has a sense of apprehension about it, or if he has a feeling that he can be effective by joining with others and pooling his $5 with others until it amounts to $1,000, why should he not be permitted to do it?

I am saying that by this amendment we would force candidates to go to individual workers who would feel that a $1 or $5 contribution would not mean anything, and we would really be distorting the very participatory democratic processes we are trying to enhance. I thank the manager for allowing me this time.

Mr. CHILES. Mr. President, I thank the distinguished Senator from Arkansas for making this observation because I think he has put his finger right on the point.

Why is Common Cause growing to the extent that it is? Why is it an organization that now has over a million members, and grows by leaps and bounds?

I think it is because people have decided there are all kinds of pressure groups. There are labor pressure groups that are influencing all kinds of decisions, there are management pressure groups that are influencing all kinds of decisions, and I as an individual do not count any more. So I am going to try to get together and form what I think might be a pressure group that would interest me.

Who are members of Common Cause? A lot of them are retired. A lot of them are on fixed incomes and retired, and do not belong to any of these other pressure groups.

If you want to talk about the growth of Common Cause, let us talk about why. The reason is that the process we are talking about—and it is so interesting—we are not talking about this process as though it belongs to the people, we are talking about the process as though it belongs to the committees. "Wait a minute, now, we should not hamper the committees this way or that way."

You know why that is? Because we have got the feeling that it belongs to the committees. We have started feeling that way because that is where our money has been coming from, from the committees.

You can parade the $1,000 cocktail party through here as often as you want to, but what are you saying? My ear really tells me something different. It says, "I have got to be careful; my money comes from here or my money comes from the other side, and I want to make sure that I do not rock the boat, so I am not going to do anything about that."

It seems like to me I cannot do anything about the Supreme Court decision, and the Supreme Court decision said a group of people can band together and can spend money if they want to, and to try to limit them from doing that is against their first amendment freedoms.

All right, so we recognize that we cannot do anything about it. So if COPE wants to collect money they can. If they want to spend it they can. If AMPAC wants to collect money, they can and they can spend it.

If you vote for this amendment, it has to be under the committee. Then every mother's son gets a chance to see that that is COPE spending that money, that that is AMPAC spending that money. I believe they are entitled to know that. As the Senator from Georgia said, I do not believe they know that if they see my face on the tube saying I am for this or for that. No one says, in that kind of TV ad, where that money comes from. But if they want to put on an ad as a COPE ad or an AMPAC ad, they can put it on; I cannot stop that. The Supreme Court has said that.

But what else has the Supreme Court said? The Supreme Court has said, after Congress spoke and said we do not think labor unions should make a contribution, the Supreme Court said, "That's all right, you can make that limitation."

We said, "We don't think corporations should make a contribution." The Supreme Court said that is all right.

Now, if the Supreme Court says it is all right for us to limit that a corporation or a union cannot make a contribution, why is the Supreme Court going to say, "We are not going to allow those very managers to go solicit their members and/or their stockholders to make that contribution"?

I do not hear anyone arguing that we ought to allow a labor union directly to make a contribution. I do not hear anyone arguing that we ought to allow a corporation directly to make a contribution. So why are we wedded to the committee structure? Purely and simply because we have been living by it, and we are afraid we will die without it. So what becomes the habit and what we look to is what concerns us.

I think in this amendment we have a chance to say, "We are going to reverse that process, that is, we are going to recognize it 'ain't' committees that elect people, it is people, and it ought to be people that contribute."

We talk about how to get the money out. I wish we could get the money out like that. I have supported the public financing thing. I would support making some free TV time available for nonincumbents. I think we incumbents have a tremendous advantage. This amendment does not change that one way or the other.

Mr. NUNN. Mr. President, will the Senator yield for a brief question?

Mr. CHILES. I am happy to yield to the Senator from Georgia.

Mr. NUNN. The amendment of the Senator from Florida, as I understand it, would not prevent 15 individuals from walking into a Senator's headquarters in Jacksonville, Fla., and individually giving their money to that campaign.

Mr. CHILES. As long as it was not more than $10, in my campaign.

Mr. NUNN. The Senator has a limitation. But let us assume you did not have a $10 limit. This would not prevent a group of people from walking in and giving their money, all in one pack.

Mr. CHILES. No, sir; and as the Senator from Arkansas mentioned, you cannot go out on the assembly lines and ask for the money.

Mr. NUNN. If this amendment passes you could.

Mr. CHILES. Yes. If you decide to limit all contributions you can now, because I have been out there and done that.

Mr. CLARK. Mr. President, will the Senator yield the floor a couple of minutes for purposes of an observation?

Mr. CHILES. I yield.

Mr. CLARK. Will the Senator from Nevada yield me 2 minutes?

Mr. CANNON. Mr. President, what is the time situation?

The VICE PRESIDENT. The Senator from Nevada has 3 minutes remaining.

Mr. CANNON. I yield a minute to the Senator from Iowa.

Mr. CLARK. In 1 minute, as we have seen, Mr. President, the amendment of the Senator from Florida would do a lot of attractive things in terms of eliminating special interest committees, but the offset would be that no candidate could conceivably raise enough money to have a credible race against an incumbent save for one possibility: That he or she is going out and start holding thousand-dollar cocktail parties or $500 cocktail parties. You are not conceivably, in a small State, going to be able to raise enough money if you are an unknown except in $1,000 amounts.

Mr. CHILES. The Senator from Florida did not do that.

Mr. CLARK. I have only 1 minute. If we are going somehow to say a committee which joins together a group of people with $5 or $10 in sufficient numbers to get us $10,000, which is the present limitation——

The VICE PRESIDENT. The Senator's 1 minute has expired.

Mr. CLARK. To go out and raise those out of contributions of $5 or $10, that is hardly getting the big money out of politics.

Several Senators addressed the Chair.

Mr. BUMPERS. Mr. President, I sort of supervised myself the first time I sought public office. I ran against several well-known people in the State, and took a solemn vow that I would never support legislation which I thought gave an incumbent an advantage over his challenger. Rightly or wrongly, I know there is an honest difference of opinion here, but I perceive this amendment as giving incumbents an unfair advantage. Therefore, I shall be compelled to vote against it.

The VICE PRESIDENT. Who yields time?

Mr. CHILES. Mr. President, I yield 30 seconds to the distinguished Senator from Tennessee.

Mr. BROCK. Mr. President, since when do we have to have groups of contributors? For 200 years the country has operated without them; now all of a sudden we have to have groups.

The groups stake the incumbents. That is where the money goes, and that is where the power is. All we are saying is, let us open up the process, get the group influence out of it, and let the people have a voice.

Mr. CHILES. Mr. President, I do not think the Senator has enough faith in people. I say to the Senator from Arkansas that if someone uses big money, and you are an incumbent, if you cannot use that against him I do not think you are very inventive; I do not think you have any ingenuity. I did not get big money when I got elected. The Senator from Iowa, I do not think, got big money when he got elected. The Senator from Georgia did not raise big money when he got elected. I look around at most of the new incumbents I see here, and I do not see a mother's son that raised big money to get elected, and I do not see a one who has spoken who did not raise more money than his opponent.

The VICE PRESIDENT. The time of the Senator from Florida has expired. The Senator from Nevada has 1 minute remaining.

Mr. CANNON. Mr. President, purely and simply what this amendment would do is take the conduct of an election campaign out of the hands of a candidate and give it to the special interest groups, because all that is said here is that the groups that can be organized, the associations, the AMPAC's, and whatever they are, that can be organized under the law and in accordance with the Supreme Court decision, can go out and spend independently any amount of money they want to spend either for or against a particular candidate.

This means that the man who has no source of income other than going to the maximum limit of a $1,000 contribution will have, effectively, the control of his campaign taken away from him. It is left in the hands of the big groups, who have no limit on the amount of money they can spend, the amount they can raise, the amount they can solicit. The corporations can solicit through separate, independent political organizations. They can solicit their stockholders and employees, consistent with the act. The labor unions can solicit, and they can go out and spend without limit. But the Senator is saying that no group can make a contribution to a candidate.

Mr. President, I submit that this is not the way to solve the handling of the political process, and I move to lay the amendment on the table. I ask for the yeas and nays.

The VICE PRESIDENT. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The question is on agreeing to the motion to table. On this question the yeas and nays have been ordered and the clerk will call the roll.

The second assistant legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Idaho (Mr. Church), the Senator from Washington (Mr. Jackson), and the Senator from Indiana (Mr. Hartke) are necessarily absent.

I further announce that, if present and voting, the Senator from Washington (Mr. Jackson) would vote "yea."

Mr. GRIFFIN. I announce that the Senator from North Dakota (Mr. Young) is necessarily absent.

I further announce that the Senator from Vermont (Mr. Stafford) is absent due to illness.

The result was announced—yeas 46, nays 49, as follows:

[Rollcall Vote No. 80 Leg.]

YEAS—46

Abourezk
Bayh
Bentsen
Biden
Brooke
Bumpers
Burdick
Byrd, Robert C.
Cannon
Case
Clark
Cranston
Culver
Eagleton
Ford
Glenn
Gravel
Hart, Philip A.
Haskell
Hathaway
Hollings
Humphrey
Inouye
Javits
Kennedy
Leahy
Long
Magnuson
Mansfield
McGee
McGovern
McIntyre
Mondale
Montoya
Moss
Muskie
Nelson
Pastore
Pell
Proxmire
Randolph
Schweiker
Stone
Symington
Tunney
Williams

NAYS—49

Allen
Baker
Bartlett
Beall
Bellmon
Brock
Buckley
Byrd, Harry F., Jr.
Chiles
Curtis
Dole
Domenici
Durkin
Eastland
Fannin
Fong
Garn
Goldwater
Griffin
Hansen
Hart, Gary
Hatfield
Helms
Hruska
Huddleston
Johnston
Laxalt
Mathias
McClellan
McClure
Metcalf
Morgan
Nunn
Packwood
Pearson
Percy
Ribicoff
Roth
Scott, Hugh
Scott, William L.
Sparkman
Stennis
Stevens
Stevenson
Tower
Weicker
Taft
Talmadge
Thurmond

NOT VOTING—5

Church
Hartke
Jackson
Stafford
Young

So the motion to lay Mr. Chiles' amendment on the table was rejected.

Mr. NUNN. Mr. President, I ask for the yeas and nays on the amendment.

The VICE PRESIDENT. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The VICE PRESIDENT. The question is on agreeing to the amendment. The clerk will call the roll.

The legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Idaho (Mr. Church), the Senator from Indiana (Mr. Hartke), and the Senator from Washington (Mr. Jackson) are necessarily absent.

I further announce that, if present and voting, the Senator from Washington (Mr. Jackson), would vote "nay."

Mr. GRIFFIN. I announce that the Senator from North Dakota (Mr. Young), is necessarily absent.

I further announce that the Senator from Vermont (Mr. Stafford) is absent due to illness.

The result was announced—yeas 43, nays 52, as follows:

[Rollcall Vote No. 81 Leg.]

YEAS—43

Allen
Baker
Bartlett
Beall
Bellmon
Brock
Byrd, Harry F., Jr.
Chiles
Curtis
Dole
Domenici
Durkin
Eastland
Fannin
Fong
Garn
Goldwater
Griffin
Hansen
Hart, Gary
Hatfield
Helms
Hruska
Johnston
Laxalt
McClellan
McClure
Morgan
Nunn
Packwood
Pearson
Ribicoff
Roth
Scott, Hugh
Scott, William L.
Sparkman
Stennis
Stevens
Stevenson
Taft
Talmadge
Thurmond
Tower

NAYS—52

Abourezk
Bayh
Bentsen
Biden
Brooke
Buckley
Bumpers
Burdick
Byrd, Robert C.
Cannon
Case
Clark
Cranston
Culver
Eagleton
Ford
Glenn
Gravel
Hart, Philip A.
Haskell
Hathaway
Hollings
Huddleston
Humphrey
Inouye
Javits
Kennedy
Leahy
Long
Magnuson
Mansfield
Mathias
McGee
McGovern
McIntyre
Metcalf
Mondale
Montoya
Moss
Muskie
Nelson
Pastore
Pell
Percy
Proxmire
Randolph
Schweiker
Stone
Symington
Tunney
Weicker
Williams

NOT VOTING—5

Church
Hartke
Jackson
Stafford
Young

So Mr. Chiles' amendment was rejected.

The VICE PRESIDENT. The question now is on agreeing to the amendment of the Senator from Michigan in the nature of a substitute, as amended.

Mr. GRIFFIN. Mr. President, a parliamentary inquiry.

The VICE PRESIDENT. The Senator will state it.

Mr. GRIFFIN. Have the yeas and nays been ordered on this amendment?

The VICE PRESIDENT. They have not been ordered.

Mr. GRIFFIN. I ask for the yeas and nays.

The VICE PRESIDENT. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. GRIFFIN. Mr. President, a parliamentary inquiry.

The VICE PRESIDENT. The Senator will state it.

Mr. GRIFFIN. If this substitute is adopted, is it true that no further amendments are in order and we would proceed to final passage of the bill?

The VICE PRESIDENT. The question would then be on the bill, as amended.

Mr. GRIFFIN. I thank the Chair.

Mr. ABOUREZK. Mr. President, I move to reconsider the vote by which the Chiles amendment was rejected.

Mr. MOSS. I move to lay that motion on the table.

Mr. NUNN. I ask for the yeas and nays on the motion to table.

The VICE PRESIDENT. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The VICE PRESIDENT. The yeas and nays have been ordered. The question is on agreeing to the motion to table the motion to reconsider the vote by which the Chiles amendment was rejected. The clerk will call the roll.

The legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Idaho (Mr. Church), the Senator from Indiana (Mr. Hartke), the Senator from Washington (Mr. Jackson), and the Senator from Montana (Mr. Metcalf) are necessarily absent.

I further announce that, if present and voting, the Senator from Washington (Mr. Jackson) would vote "yea."

Mr. GRIFFIN. I announce that the Senator from North Dakota (Mr. Young) is necessarily absent.

I further announce that the Senator from Vermont (Mr. Stafford) is absent due to illness.

The result was announced—yeas 47, nays 47, as follows:

[Rollcall Vote No. 82 Leg.]

YEAS—47

Abourezk
Bayh
Bentsen
Biden
Brooke
Bumpers
Burdick
Byrd, Robert C.
Cannon
Case
Clark
Cranston
Culver
Eagleton
Ford
Glenn
Gravel
Hart, Philip A.
Haskell
Hathaway
Hollings
Huddleston
Humphrey
Inouye
Javits
Kennedy
Leahy
Magnuson
Mansfield
Mathias
McGee
McGovern
McIntyre
Mondale
Montoya
Moss
Muskie
Nelson
Pastore
Pell
Proxmire
Randolph
Schweiker
Symington
Tunney
Weicker
Williams

NAYS—47

Allen
Baker
Bartlett
Beall
Bellmon
Brock
Buckley
Byrd, Harry F., Jr.
Chiles
Curtis
Dole
Domenici
Durkin
Eastland
Fannin
Fong
Garn
Goldwater
Griffin
Hansen
Hart, Gary
Hatfield
Helms
Hruska
Johnston
Laxalt
Long
McClellan
McClure
Morgan
Nunn
Packwood
Pearson
Percy
Ribicoff
Roth
Scott, Hugh
Scott, William L.
Sparkman
Stennis
Stevens
Stevenson
Stone
Taft
Talmadge
Thurmond
Tower

NOT VOTING—6

Church
Hartke
Jackson
Metcalf
Stafford
Young

So the motion to lay on the table the motion to reconsider was not agreed to.

Mr. ABOUREZK. Mr. President, I withdraw my motion for reconsideration.

Mr. GRIFFIN. I object.

The VICE PRESIDENT. If objection is heard, it takes unanimous consent.

Mr. ABOUREZK. A parliamentary inquiry.

The VICE PRESIDENT. The Senator will state it.

Mr. ABOUREZK. We did not have the yeas and nays ordered on my motion to reconsider.

The VICE PRESIDENT. It takes unanimous consent or approval of the Senate under the precedents to withdraw a motion to reconsider.

Mr. HUGH SCOTT. I ask unanimous consent that it be in order to order the yeas and nays.

The VICE PRESIDENT. Without objection, it is so ordered.

Several Senators demanded the yeas and nays.

The VICE PRESIDENT. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The VICE PRESIDENT. The question is on agreeing to the motion to reconsider the vote by which the Chiles amendment was rejected. On this question, the yeas and nays have been ordered, and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Idaho (Mr. Church), the Senator from Indiana (Mr. Hartke), and the Senator from Washington (Mr. Jackson) are necessarily absent.

I further announce that if present and voting, the Senator from Washington (Mr. Jackson) would vote "nay."

Mr. GRIFFIN. I announce that the Senator from North Dakota (Mr. Young) is necessarily absent.

I further announce that the Senator from Vermont (Mr. Stafford) is absent due to illness.

The result was announced—yeas 46, nays 49, as follows:

[Rollcall Vote No. 83 Leg.]

YEAS—46

Allen
Baker
Bartlett
Beall
Bellmon
Brock
Buckley
Byrd, Harry F., Jr.
Chiles
Curtis
Dole
Domenici
Durkin
Eastland
Fannin
Fong
Garn
Goldwater
Griffin
Hansen
Hart, Gary
Hatfield
Helms
Hruska
Laxalt
Long
McClellan
McClure
Morgan
Nunn
Packwood
Pearson
Percy
Randolph
Ribicoff
Roth
Scott, Hugh
Scott, William L.
Sparkman
Stennis
Stevens
Stevenson
Taft
Talmadge
Thurmond
Tower

NAYS—49

Abourezk
Bayh
Bentsen
Biden
Brooke
Bumpers
Burdick
Byrd, Robert C.
Cannon
Case
Clark
Cranston
Culver
Eagleton
Ford
Glenn
Gravel
Hart, Philip A.
Haskell
Hathaway
Hollings
Huddleston
Humphrey
Inouye
Javits
Johnston
Kennedy
Leahy
Magnuson
Mansfield
Mathias
McGee
McGovern
McIntyre
Metcalf
Mondale
Montoya
Moss
Muskie
Nelson
Pastore
Pell
Proxmire
Schweiker
Stone
Symington
Tunney
Weicker
Williams

NOT VOTING—5

Church
Hartke
Jackson
Stafford
Young

So the motion to reconsider was rejected.

The VICE PRESIDENT. The question is on agreeing to the amendment of the Senator from Michigan. On this question the yeas and nays have been ordered, and the clerk will call the roll.

The second assistant legislative clerk called the roll.

Mr. McCLELLAN (when his name was called). Mr. President, on this vote, I have a live pair with the distinguished Senator from Washington (Mr. Jackson). If he were present and voting, he would vote "nay;" if I were permitted to vote, I would vote "aye;" therefore, I withhold my vote.

Mr. ROBERT C. BYRD. I announce that the Senator from Idaho (Mr. Church), the Senator from Indiana (Mr. Hartke), and the Senator from Washington (Mr. Jackson) are necessarily absent.

Mr. GRIFFIN. I announce that the Senator from North Dakota (Mr. Young) is necessarily absent.

I further announce that the Senator from Vermont (Mr. Stafford) is absent due to illness.

The result was announced—yeas 39, nays 55, as follows:

[Rollcall Vote No. 84 Leg.]

YEAS—39

Allen
Baker
Bartlett
Beall
Bellmon
Bentsen
Brock
Buckley
Byrd, Harry F., Jr.
Curtis
Dole
Domenici
Eastland
Fannin
Fong
Garn
Goldwater
Griffin
Hansen
Hatfield
Helms
Hruska
Laxalt
Long
McClure
Packwood
Pearson
Percy
Roth
Scott, Hugh
Scott, William L.
Sparkman
Stennis
Stevens
Taft
Talmadge
Thurmond
Tower
Weicker

NAYS—55

Abourezk
Bayh
Biden
Brooke
Bumpers
Burdick
Byrd, Robert C.
Cannon
Case
Chiles
Clark
Cranston
Culver
Durkin
Eagleton
Ford
Glenn
Gravel
Hart, Gary
Hart, Philip A.
Haskell
Hathaway
Hollings
Huddleston
Humphrey
Inouye
Javits
Johnston
Kennedy
Leahy
Magnuson
Mansfield
Mathias
McGee
McGovern
McIntyre
Metcalf
Mondale
Montoya
Morgan
Moss
Muskie
Nelson
Nunn
Pastore
Pell
Proxmire
Randolph
Ribicoff
Schweiker
Stevenson
Stone
Symington
Tunney
Williams

PRESENT AND GIVING A LIVE PAIR, AS PREVIOUSLY RECORDED—1

McClellan, for.

NOT VOTING—5

Church
Hartke
Jackson
Stafford
Young

So Mr. Griffin's amendment was rejected.

Mr. CANNON. Mr. President, I move to reconsider the vote by which the amendment was rejected.

Mr. ROBERT C. BYRD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Several Senators addressed the Chair.

Mr. GRIFFIN. Mr. President, I send an amendment to the desk.

The VICE PRESIDENT. The clerk will report.

The assistant legislative clerk proceeded to read the amendment.

Mr. GRIFFIN. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The VICE PRESIDENT. Without objection, it is so ordered.

(Pursuant to an order entered later in today's proceedings, Mr. GRIFFIN'S second amendment in the nature of a substitute is not printed in the RECORD.)

Mr. GRIFFIN. I would like to explain this amendment.

Mr. CANNON. Does the Senator have a copy, Mr. President?

Mr. GRIFFIN. We will get some Xeroxed copies made for the chairman and others.

I will tell the Senate this is another substitute, and in this case the Packwood amendment, which is a very meritorious amendment, one of the most important amendments that we have ever adopted around here, but realizing that it is controversial and we lose votes because it is in the substitute, has been eliminated. But the Chiles amendment has been included.

This substitute includes the Chiles amendment, and it also carries the amendment of the Senator from Arizona with regard to honoraria, and we would just like to call the roll again.

Mr. TAFT. Mr. President, will the Senator yield?

Mr. GRIFFIN. I yield.

Mr. TAFT. I wonder if it also contains the amendment of the Senator from Ohio?

Mr. GRIFFIN. I will have to admit it does not at this point. Of course, it is amenable.

Mr. President, I suggest the absence of a quorum.

Mr. CANNON. Mr. President, I would like to see a copy of the amendment.

Mr. GRIFFIN. I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. JOHNSTON. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The VICE PRESIDENT. Without objection, it is so ordered.

Mr. JOHNSTON. Mr. President, I have an amendment which I send to the desk.

The VICE PRESIDENT. The clerk will state the amendment.

The assistant legislative clerk proceeded to read the amendment.

Mr. JOHNSTON. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

Mr. CLARK. I object.

The VICE PRESIDENT. Objection is heard. The clerk will read the amendment.

The assistant legislative clerk read as follows:

Amendment to Line 23 of Page 27 of S3065, amending Section 320(a) (2) of the bill, as follows:

After "exceed $5,000." add "except that the Republican or Democratic Senatorial Campaign Committee, the Democratic National Congressional Committee, the National Republican Congressional Committee, or the national committee of a political party may contribute at any time amounts not exceeding $20,000 to candidates for Congress with respect to any or all of the elections in which such candidates seek office during an election year."

Mr. JOHNSTON. Mr. President, this amendment is submitted on behalf of myself, Senator BENTSEN, who is a former chairman of our Democratic Senatorial Campaign Committee, as well as Senator STEVENS, the chairman of the Republican Senatorial Campaign Committee.

What it does is simply this: It increases to $20,000 per year for elections that the committee may give to any candidate. Under the present law the committee, the Senatorial, Democratic or Republican, Committee may give $5,000 per election, election including the primary, runoff, and general election, or $15,000 for candidates who have all three elections.

What this amendment does is simply say that that amount is increased to $20,000 is not made dependent upon whether they are primaries, runoffs, or general elections.

Mr. President, the whole thrust, the whole reason, for this campaign law is to do away, insofar as we can, with what you might call committed money—some call it dirty money, money with strings, money where there is some quid pro quo, express or implied, for the contribution.

So, Mr. President, this amendment increases the amount which you can get from the one source, that is, your Senatorial Campaign Committees or your national committees, for which there is no quid pro quo.

As a matter of fact, I daresay the average Senator in this body does not even know where the contributions come to for the Senatorial Campaign Committees. In the case of the Democratic Committee we do not pass around the list. Some Senators do not even secure contributions, but they all get contributions on a parity basis.

It seems to me, Mr. President, we ought to make it as easy as possible within reason to allow these contributions to be made in reasonable amounts when we know they are not going to be based on any semblance of any promise, expressed or implied.

I hope the manager can go along with this. It has bipartisan support. Frankly, Mr. President, I see no conceivable objection.

I ask for the adoption of this amendment.

Mr. CLARK. Mr. President, when this bill was originally drawn 2 years ago we, of course, had a very extensive debate here about whether or not all committees ought to be limited to $5,000 or whether we were going to create a special loophole a special situation, a special condition, for our own.

That is really what the issue here is. Are we going to say that labor committees and business committees and so-called good government committees, and all other committees, are limited to $5,000, but when it comes to us that does not apply to the committees that contributes to us and to us only?

In those cases, if we are to adopt this amendment, we would find ourselves giving ourselves $20,000.

The absolute contribution limitation on the Democratic National Committee, the State committees, county committees, every other committee, is $5,000. If we adopt this amendment, we are saying that that would apply to all but our own in-house committees.

The great problem with this amendment is that because we wanted to keep the party strong, we have said that an individual may contribute to a party committee, the national committee, or the Democratic or Republican senatorial committees and congressional committees, not just $5,000, but $25,000.

I think that is perhaps overly generous, but it is in the bill and in the law. Any individual may contribute to the congressional campaign committees and senatorial campaign committees up to $25,000. If we are going to allow $20,000 to go to a candidate, that means we really open up and invite the possibility of earmarking. At least, we make it extremely difficult to enforce the law against earmarking because then we have a way to pass at least $20,000 out of an individual and into the hands of a House or Senate Member.

Mr. JOHNSTON. Will the Senator yield at that point?

Mr. CLARK. I do yield.

Mr. JOHNSTON. The Senator is aware that there is a specific law which prohibits the earmarking?

Mr. CLARK. Yes.

Mr. JOHNSTON. If someone, expressly or by implication, earmarks, then it is the duty of the committee to so note that earmarking and it is the duty of the candidate to report that as if it were a direct contribution from the original donor and the final donee, the Senator is aware of that?

Mr. CLARK. Yes, that is why I was very careful in saying that it obviously makes it hard to enforce the earmarking law. The earmarking law is the law the Senator just described. Of course, if one can identify someone who said, "We want this $20,000 to go to that candidate," it is against the law.

But we have to be very concerned in the process of passing this legislation that we do not invite difficulties in the enforcement of this law. I think this would do so.

Mr. JOHNSTON. The Senator is not suggesting that the chairman or the committees of this Congress would be party to circumventing that law, either expressly or impliedly?

Mr. CLARK. No.

Mr. JOHNSTON. The Senator surely is not doing that.

Mr. CLARK. No. But obviously, not every dollar that comes in to the campaign committee goes through the chairman, is seen by him and passed on by him.

Mr. JOHNSTON. Oh, yes, it is. I beg to disagree.

The PRESIDING OFFICER (Mr. GARN). If the Senator will yield, I advise the Senator from Louisiana that his amendment is not in order. Line 23 has already been deleted from the bill.

Mr. JOHNSTON. Mr. President, I would, therefore, move to amend my amendment by striking the words "after exceed $5,000 add" and in lieu thereof insert the following "notwithstanding any other provision of this act".

I also want to strike "except that" and put the quotes in front of "the." So, therefore, it would read as follows:

> Notwithstanding any other provision of this Act "the Republican or Democratic Senatorial Campaign Committee"

Et cetera.

The PRESIDING OFFICER. The question remains, where does the Senator wish the amendment to come in the bill?

Mr. JOHNSTON. At the appropriate place.

The PRESIDING OFFICER. The amendment is so modified.

The amendment, as modified, is as follows:

> At the appropriate place in the bill insert the following: "Notwithstanding any other provision of this Act the Republican or Democratic Senatorial Campaign Committee, the Democratic National Congressional Committee, the National Republican Congressional Committee, or the national committee of a political party may contribute at any time amounts not exceeding $20,000 to candidates for Congress with respect to any or all of the elections in which such candidates seek office during an election year."

Mr. JOHNSTON. As I was saying to the Senator, if I recall the question, earmarking is totally impossible, and I am sure this applies with equal force to the Republican committee as it does with the Democratic committee.

Not one cent goes out to a political candidate. I know this is true. It was true when Senator BENTSEN was chairman of the committee. It is true when I am chairman of the committee.

Not one cent goes out that is not signed by the chairman, cosigned by the executive council and distributed under a plan generally perfected by the committee.

Mr. CLARK. If I understand the Senator's statement, every cent of money that is taken into the committee is personally received by him, and if there were any conditions assigned to that, he would be aware of it?

Mr. JOHNSTON. No. Every cent that goes out.

Mr. CLARK. That goes out?

Mr. JOHNSTON. That is right.

Mr. CLARK. But not that comes in?

Mr. JOHNSTON. It is illegal to accept under conditions—unless they are earmarked, and that is so stated.

Mr. CLARK. Right.

Mr. JOHNSTON. It does not go out without the chairman actually signing the check.

Mr. CLARK. I understand.

Mr. JOHNSTON. So that it is impossible for a staffer, for example, to receive some money and understand the conditions and send it out of the committee. It comes through as it should, as it must, through the chairman.

Mr. CLARK. Let me try to explain more specifically with regard to this point that I do not think we ought to set up a different standard for the senatorial and congressional campaign committees than we set up for any other committee.

Particularly, I do not think we ought to set up a different level of contribution. There was a good deal of debate here a little while ago on the Chiles amendment about how much faith people have lost in the system, how people believe big money corrupts and that special interests money corrupts.

Now the senatorial and congressional campaign committees can receive money exactly the same way, and from the same kind of sources as any other committee may.

There is no restriction where they can take money.

I would argue that for us then to create a special category—every committee in America can spend so much except one committee, our committee—it is only going to cause greater cynicism, and justifiably so, from the American electorate.

Mr. JOHNSTON. I say to my distinguished friend that precisely the opposite results come from this committee.

Surely the Senator cannot compare a Democratic committee or a Republican committee to a labor committee or a business committee or any special interest.

Mr. CLARK. Why not?

Mr. JOHNSTON. Because we have no public interest, other than the party interest.

Mr. CLARK. The Senator is going to take contributions from labor for the committee, is he not? It is exactly the same dollar—from business as well—whether for Republican or Democrat.

The Senator makes no restriction on where that money comes from.

Mr. JOHNSTON. But it is comingled in a common pot and given out without strings.

That is the key, and that is the reason for this amendment.

If we assume a certain amount of money is essential in a campaign, and I think that is a safe assumption, then if we cannot get it from the committee, we get it directly from the special interest group, and is this not much better than getting it from the special interest?

Mr. CLARK. Is the Senator saying the campaign committees handle money that is somehow purified as compared to the Democratic National Committee or the Republican National Committee or the State committees?

Mr. JOHNSTON. This amendment is applicable to the Republican National Committee and the Democratic National Committee and, yes, that is precisely what I am saying. It is purified because to the extent that there is any express or implied strings on the money, or the appearance of strings on the money, then those strings are cut by going through this committee.

Mr. CLARK. Maybe I misunderstood the Senator's amendment.

Mr. JOHNSTON. Apparently, what?

Mr. CLARK. There are no copies of the amendment available.

Mr. JOHNSTON. I gave the Senator a copy earlier, as a matter of fact.

Mr. CLARK. It says:

> Except that the Republican or Democratic Senatorial Campaign Committee, the Democratic National Congressional Committee, the National Republican Congressional Committee, or the national committee of a political party may contribute at any time amounts not exceeding $20,000 to candidates for Congress with respect to any or all of the elections in which such candidates seek office during an election year."

What is being said is that every committee in America is limited to $5,000, except the senatorial and congressional campaign committees and the national committees.

Mr. JOHNSTON. That is precisely correct.

Mr. CLARK. Mr. President, I would like to say that what we are doing now is saying to the Democratic National Committee, "You cannot only give $5,000 under the present law, you can spend 2 cents a voter for every voter in a State, with a minimum of $20,000, on behalf of a candidate. So you can spend $5,000 now plus $20,000 or 2 cents a voter, whichever is more. Now we are going to lift that limit of $5,000 all the way to $20,000."

That means the Democratic National Committee and the Republican National Committee can now contribute a minimum of $40,000 to any candidate in Congress. Apparently, according to the amendment, it could not do that for the President. He would be restricted to $5,000. But Senators and Congressmen would be allowed $20,000 in direct cash and a minimum of $20,000 in expenditures on their behalf. That is now a $40,000 minimum limitation that can be either given directly or spent on their behalf.

Am I interpreting the amendment correctly?

Mr. JOHNSTON. This amendment simply changes from an aggregate of $15,000 to an aggregate of $20,000 that a candidate may get directly from these committees. It does not change in any way what he may get otherwise. Right now, as I understand the law, a candidate may have expenditures made on his behalf by the national committee to the extent of $20,000 and he may have spent on his behalf by the Congressional Committee $15,000, assuming he has a primary, a runoff and a general election. All this changes is that $15,000 provision to a $20,000 provision, and it takes over the requirement that there are three elections. In other words, they may get $20,000 even if they only have a general election.

I would suggest to the Senator we are not changing it to allow the $40,000 but simply changing it from the $15,000 to the $20,000. If a candidate were so lucky to get the full $40,000, and I submit that is going to be very rare indeed, what is wrong with that? Is it not better for him to get that money, which I submit is purified, rather than get it directly from the special interest group, directly from the labor group or directly from the business group?

Mr. CLARK. I must say that I do not

share the Senator's view that somehow the money that goes through the Senatorial Campaign Committee or the Congressional Campaign Committee is as pure as the driven snow, and the money that comes from individuals who participate in labor is tainted or business money is tainted.

Mr. JOHNSTON. It is not that it is tainted. It is that they have a special point of view and they give their money to promote candidates who share that point of view.

Mr. CLARK. I assume if that were the only criterion, the Democratic Committee gives it to candidates that share their view and the Republicans give it to candidates that share their view.

Mr. JOHNSTON. No, that is not so, because any member of the Democratic Caucus, regardless of his view, even if at times it strays from the majority, is entitled to his share of the money.

Mr. CLARK. But it is a Democratic view. They are not giving money to anybody but Democrats or they are not giving money to anybody but Republicans.

Mr. JOHNSTON. That may be so, but that, I submit, is under our system of government which, in effect, has enshrined the two-party system. That is permissible and that is the kind of taint, if the party puts a taint on money, that our system of government envisions and endorses and has run on traditionally. No one out there in America can say because a party gives someone money that there is anything wrong with that. That is traditional American politics.

Mr. CLARK. I think what the amendment does and what it says is quite clear. I would like the Senator from Louisiana to correct me if I am wrong. Every single committee in the United States that falls under this law would have a $5,000 limitation on the amount that they can contribute, with two exceptions carved out by this amendment: The national committees of the two major parties and the congressional and senatorial committees of the two major parties. In those cases they would be allowed to give $20,000 in direct cash plus, in accordance with the present law, the national party committees would be allowed to spend a minimum of $20,000 on their behalf.

That means that we are going to arrive at a conclusion where the two national committees can now spend an aggregate of $40,000, $20,000 indirect and $20,000 direct, $40,000 minimum. In those States where two cents a voter amounts to more than $20,000, they would be able to spend in excess of that.

Mr. JOHNSTON. Will the Senator yield for a question?

Mr. CLARK. Yes.

Mr. JOHNSTON. How much can those sources now spend, assuming there is a primary, a runoff, and a general election?

Mr. CLARK. First of all, let us assume that the primary, runoff, and general election do not occur in at least half of the races in America. We have never had a runoff, to my knowledge, in any place in my part of the country. I do not think one can assume that one automatically gets $5,000 in three elections. I think on the average there will be two elections, and on some occasions three elections. That is direct money. What the Senator is suggesting is that in those cases where there is a primary and a general election we would be able to double that to $20,000. I think it only means the introduction of bigger money into politics and greater cynicism about it, particularly when we are doing it for ourselves, particularly when we are doing it to our own committees.

As I say, we debated this at length 2 years ago. Maybe the Senate feels differently about it now, but I feel very strongly that if we were to say that our committees ought to be different, that we ought to be able to give $20,000 instead of $5,000, we would come in for a great deal of justifiable criticism.

Mr. JOHNSTON. Mr. President, just one final word. I believe the amendment is well understood. I would like to simply point out that the $20,000 the National Committee may now spend on behalf of a candidate is not inserted by this amendment. That is not changed by this amendment. All this amendment does is increase basically for the senatorial campaign committees from an aggregate of $15,000 in case there are the three elections to a total of $20,000 for however many elections there are.

I submit that when we say we are doing it for ourselves, what we mean is that we are doing it for any candidate for national office, whether he be a congressional candidate or a senatorial candidate. In that sense, this is not a club amendment, if one wants to call it that. It is not for incumbents; it is for any candidate that the committee may give money to.

Mr. ALLEN. Will the Senator yield?

Mr. JOHNSTON. Yes, I will yield.

Mr. ALLEN. This would cover primaries and run-off primaries as well, would it not?

Mr. JOHNSTON. That is correct. Under the present law, the campaign committee can give $5,000 for the primary, $5,000 in a run-off, and then another $5,000 in the general election, which is a total of $15,000. What this would allow is to give the committee some flexibility. If the Senator's tough race is the general, he could withhold the whole $20,000 until that time.

Mr. ALLEN. How often do either of the committees contribute to a challenger of an incumbent?

Mr. JOHNSTON. In the case of the Democratic Committee that is not done.

Mr. ALLEN. In other words, this, then, is just for the benefit of incumbents; is that not right?

Mr. JOHNSTON. It would also apply to the challengers, I mean in those cases where an incumbent is beaten and a new incumbent is elected.

Mr. ALLEN. That is right; in other words, in general elections. But through the primaries, first and second, it would be the incumbent who was taken care of. I have no objection to taking care of incumbents, but——

Mr. JOHNSTON. Except in cases where you have no incumbents, as in the case of retirees.

Mr. ALLEN. But where there is an incumbent, there would be no impediment to any incumbent receiving funds, in the general election or primary, either one.

Mr. JOHNSTON. The Senator is correct in the point he makes, in the sense that that is the standard operating procedure under which we have operated, and I see no movement to change it. But the Senator is correct in the point he makes.

Mr. ALLEN. I just want us to understand what we are voting on. As long as the incumbent is in the picture, he is the one who gets the benefit of the increased amount.

Mr. JOHNSTON. Not just the incumbent.

Mr. ALLEN. I say, as long as the incumbent is in the picture, though, he would be the one to really benefit.

Mr. TAFT. Mr. President, will the Senator yield?

Mr. JOHNSTON. I yield to the Senator from Ohio.

Mr. ALLEN. But is that not true?

Mr. JOHNSTON. Yes; the Senator is correct.

Mr. TAFT. Is it not true that that depends upon what the committee involved desired to do? If the committee involved desired to make other rules, it could make other rules as to the distribution of those donations.

Mr. JOHNSTON. That is correct. There is no rule that specifies how a national committee or a senatorial committee is going to spend its money.

Mr. TAFT. Well, the Senator is not entirely correct. The Republican senatorial committee does have certain rules.

Mr. JOHNSTON. Well, yes.

Mr. CLARK. Mr. President, will the Senator yield?

Mr. JOHNSTON. I yield.

Mr. CLARK. I would like to ask the Senator if his amendment would allow the national committee to give more money to a Presidential campaign. Does it increase the limit that may be given to a Presidential candidate?

Mr. JOHNSTON. I do not believe so. It is not intended to, and I do not believe that the phraseology is subject to that interpretation.

Mr. CLARK. That is the way I would interpret it. Therefore, I wonder if this would not be interpreted, and quite accurately, as an amendment aimed only at helping Senators and Members of Congress. The Senator seeks to permit those national committees to give us more, but not the President more. We are not raising the amount the national committee can give to a President; that remains the same.

Mr. JOHNSTON. That is correct.

Mr. CLARK. So it seems to me all we are doing is saying we want to funnel a lot more money into Senate and congressional campaigns through giving the national committee a separate contribution limitation, and the same with the campaign committees. I do not see how it could be interpreted except that way, as a means of getting more money into our own congressional campaigns.

I think, as the Senator from Alabama has emphasized, it is merely a means of getting more money into an incumbent's campaign, because this amendment does favor incumbents. For all those reasons, Mr. President, I hope the Senate will not adopt this amendment, because I think if we open up the flood gates and say this committee ought to go from $5,000 to $20,000, we will have a very difficult time in saying that State committees, county committees, and other committees ought not to be able to do that. Then we will not have a $5,000 limitation on committees, but a $20,000 limitation. After all, how does one justify increasing from $5,000 to $20,000 for national committees and not State committees?

Mr. JOHNSTON. Mr. President, will the Senator yield at that point so that I may ask for the yeas and nays?

Mr. CLARK. Yes.

Mr. JOHNSTON. Mr. President, I ask for the yeas and nays.

The ACTING PRESIDENT pro tempore (Mr. Hansen). Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. JOHNSTON. I thank the Senator.

Mr. CLARK. Mr. President, I am prepared to yield back the remainder of my time.

Mr. JOHNSTON. I yield back the remainder of my time.

The ACTING PRESIDENT pro tempore. All remaining time having been yielded back, the question is on agreeing to the amendment of the Senator from Louisiana (Mr. Johnston). On this question, the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Idaho (Mr. Church), the Senator from Indiana (Mr. Hartke), and the Senator from Washington (Mr. Jackson) are necessarily absent.

I further announce that, if present and voting, the Senator from Washington (Mr. Jackson) would vote "yea."

Mr. GRIFFIN. I announce that the Senator from North Carolina (Mr. Helms) and the Senator from North Dakota (Mr. Young) are necessarily absent.

I further announce that the Senator from Vermont (Mr. Stafford) is absent due to illness.

I further announce that, if present and voting, the Senator from North Carolina (Mr. Helms) would vote "yea."

The result was announced—yeas 64, nays 30, as follows:

[Rollcall Vote No. 85 Leg.]

YEAS—64

Baker
Bartlett
Bayh
Bellmon
Bentsen
Buckley
Byrd, Robert C.
Cannon
Case
Cranston
Curtis
Dole
Domenici
Eagleton
Eastland
Fannin
Fong
Ford
Garn
Glenn
Goldwater
Gravel
Griffin
Hansen
Haskell
Hatfield
Hathaway
Hruska
Huddleston
Humphrey
Inouye
Johnston
Laxalt
Leahy
Long
Magnuson
Mansfield
McClellan
McClure
McGee
Montoya
Muskie
Nelson
Packwood
Pastore
Pell
Percy
Proxmire
Randolph
Ribicoff
Schweiker
Scott, Hugh
Scott, William L.
Sparkman
Stennis
Stevens
Symington
Taft
Talmadge
Thurmond
Tower
Tunney
Weicker
Williams

NAYS—30

Abourezk
Allen
Beall
Biden
Brock
Brooke
Bumpers
Burdick
Byrd, Harry F., Jr.
Chiles
Clark
Culver
Durkin
Hart, Gary
Hart, Philip A.
Hollings
Javits
Kennedy
Mathias
McGovern
McIntyre
Metcalf
Mondale
Morgan
Moss
Nunn
Pearson
Roth
Stevenson
Stone

NOT VOTING—6

Church
Hartke
Helms
Jackson
Stafford
Young

So Mr. Johnston's amendment was agreed to.

Mr. CANNON. The President, I move to reconsider the vote by which the amendment was agreed to.

Mr. TAFT. I move to lay that on the table.

The motion to lay on the table was agreed to.

Mr. TAFT. Mr. President, I send to the desk an amendment to the pending substitute by Mr. Griffin.

The PRESIDING OFFICER. The amendment will be stated.

The second assistant legislative clerk proceeded to read the amendment.

Mr. TAFT. I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 1, in subsection (c)(1) after the word "ballot", add the following: "or certifies to the Commission that he will not be an active candidate in the primary".

At the end of subsection (c)(1) add the following new sentence: "The provisions of this section shall apply as of the date of enactment."

Mr. TAFT. This is an amendment that had already passed on the first Griffin substitute and on the bill itself. I am attempting now to put it into the second Griffin substitute. As the Members of the Senate who were here will recall, the amendment relates to a limitation on the payout share to the Presidential candidates. It eliminates candidates who, for two consecutive primaries, have under 10 percent of the vote in those primaries, with the provision that Senator Bayh asked to be included, to the effect that if a candidate wishes to certify that he is not an active candidate, this will not count against him in that primary so far as elimination is concerned. I know of no objection to it. It went through by a voice vote originally.

Mr. CANNON. Mr. President, do I understand correctly that this is the same amendment to decertify Presidential candidates provided that they do not get a certain percent of the votes in the primary, and this is the amendment that was offered before to S. 3065 and also to the previous Griffin substitute?

Mr. TAFT. The Senator is entirely correct.

Mr. CANNON. Mr. President, I am willing to accept the amendment. I think it is a good amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. CRANSTON. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

Mr. MANSFIELD. Mr. President, will the Senator yield?

Mr. CRANSTON. Certainly.

MODIFICATION OF ORDER TO REPORT SENATE RESOLUTION 400

Mr. MANSFIELD. If I may have the attention of the Senate, I ask unanimous consent that the order of the Senate mandating the Senate Rules Committee to report Senate Resolution 400 establishing a Standing Committee on Intelligence Activities on March 20, 1976, be modified as follows:

Senate Resolution 400 be reported forthwith from the Committee on Rules and immediately be referred simultaneously to the Committee on the Judiciary and to the Committee on Rules;

That the Committee on the Judiciary make its recommendations on Senate Resolution 400 not later than the close of business on March 29, 1976 and that the recommendations of the Committee on the Judiciary be referred without further action by the Senate to the Committee on Rules; and

That the Rules Committee report its final recommendations not later than April 5, 1976.

Mr. JAVITS. Mr. President, may I inquire——

Mr. MANSFIELD. This has been cleared.

Mr. JAVITS. Mr. President, I just wanted to know that, because I happen to be the only ranking member of the Committee on Government Operations here.

Mr. MANSFIELD. I looked for the Senator, but he was not available. He was in a hearing.

Mr. JAVITS. I understand.

Mr. MANSFIELD. I cleared it with Senators Cannon, Hatfield, Eastland, Tunney, Hart, Byrd, Hruska, Ribicoff, and Scott.

Mr. JAVITS. Has it been cleared with Mr. Percy, the ranking member?

Mr. MANSFIELD. I shall trust the Senator from New York to get him.

Mr. JAVITS. I shall not object. I just wanted to know that.

Mr. MANSFIELD. I thank the Senator.

FEDERAL ELECTION CAMPAIGN ACT AMENDMENTS OF 1976

The Senate continued with the consideration of the bill (S. 3065) to amend the Federal Election Campaign Act of 1971 to provide for its administration by a Federal Election Commission appointed in accordance with the requirements of the Constitution, and for other purposes.

Mr. CRANSTON. I yield to the Senator from Oklahoma for a unanimous-consent request.

Mr. BARTLETT. I ask unanimous consent that Don Cogman of my staff be accorded privileges of the floor during consideration of this measure.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. CRANSTON. I send an amendment to the desk and ask for its consideration.

The PRESIDING OFFICER. The amendment will be stated.

Mr. CRANSTON. I ask unanimous consent that reading be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

(Pursuant to an order entered later in today's proceedings, Mr. CRANSTON's amendment in the nature of a substitute for Mr. GRIFFIN's amendment, is not printed in the RECORD.)

Mr. CANNON. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk proceeded to read the amendment.

Mr. CANNON. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with. I shall explain it very quickly.

The PRESIDING OFFICER. Without objection, it is so ordered.

(Note: Mr. CANNON's amendment consists of all amendments that have been agreed to with the exception of Mr. PACKWOOD's amendment. Pursuant to an order entered later in today's proceedings, Mr. CANNON's amendment to Mr. CRANSTON's amendment is not printed in the RECORD.)

Mr. CANNON. Mr. President, this amendment now gets back to S. 2065 and includes all of the amendments which have been approved to date except the amendment of Senator PACKWOOD requiring reporting of expenditures by corporations and labor organizations in communication with their stockholders and members. We have discussed this matter very thoroughly up one side and down the other. I am prepared to discuss it further or to vote on it, either one.

Mr. HATFIELD. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. HATFIELD. We did not hear the reading of Senator CRANSTON's amendment and we have heard but a brief explanation of the amendment of the Senator from Nevada, the chairman of the Committee on Rules. Is it possible to know what the Cranston amendment is before we are asked to vote on an amendment to the Cranston amendment?

Mr. CRANSTON. I shall be glad to explain, Mr. President, that my amendment was the original bill as reported from committee. I offered that. Then the Senator from Nevada offered a substitute. So the substance of the substitute of the Senator from Nevada is the matter now before the Senate.

Mr. HATFIELD. Mr. President, a further parliamentary inquiry. Since we have an amendment to an amendment to an amendment, we are precluded from further amendments, as I understand it, at this time.

The PRESIDING OFFICER. The amendment of the Senator from Nevada is not open to further amendment.

Mr. HATFIELD. Mr. President, a further parliamentary inquiry: If this is brought to a vote and the amendment is passed by the Senate—that is, the amendment of the Senator from Nevada—what is the question before the Senate at that time?

The PRESIDING OFFICER. Then the question is on the amendment of the Senator from California, as amended.

Mr. HATFIELD. Is that amendable, Mr. President?

The PRESIDING OFFICER. It would not be amendable.

Mr. HATFIELD. Then if that passes what is the parliamentary situation, Mr. President?

The PRESIDING OFFICER. Then the question would be on agreeing to the amendment of the Senator from Michigan, as amended.

Mr. HATFIELD. So that by this particular parliamentary action at this time the Senator from Michigan's (Mr. GRIFFIN) amendment is third in line and is not subject to consideration if the first two amendments pass; namely, the amendment by Mr. CRANSTON, as amended by Mr. CANNON; is that correct?

The PRESIDING OFFICER. That is correct.

Mr. HATFIELD. I thank the Chair.

Mr. CANNON. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. GOLDWATER. Mr. President, a parliamentary inquiry or maybe the chairman can answer this: Would his amendment include all amendments that have been passed or agreed to on the committee bill?

Mr. CANNON. My amendment now pending includes all amendments that have been heretofore passed, adopted by the Senate, on the committee bill, S. 3065, except the Packwood amendment.

Mr. GOLDWATER. The amendment that was agreed to, the one I introduced this morning, would not be affected?

Mr. CANNON. Would not be affected. It is covered in the amendment.

Mr. ALLEN. Mr. President, perhaps I misunderstand the parliamentary maneuver that is being sought to be made at this time. If I understood the distinguished chairman of the committee, he is seeking to amend the amendment offered by the distinguished Senator from California (Mr. CRANSTON). Such amendment of the distinguished Senator from Nevada would embrace all of the amendments that have been adopted up to the present time except, as I understood him to say, the amendment of the distinguished Senators from Oregon (Mr. PACKWOOD) and Tennessee (Mr. BROCK), which has been agreed to here in the Senate.

So if the amendment of the distinguished Senator from Nevada is agreed to not only would it work a reconsideration of the vote by which the amendment of the distinguished Senator from Oregon and the distinguished Senator from Tennessee was agreed to here in the Senate, but it would cut off all further amendments.

Well now, if that is the way we are going to play ball here, I assure you that this amendment is not going to be voted on any time soon.

[Laughter.]

Mr. ALLEN. At the conclusion of my remarks, Mr. President, I am going to move to table the amendment of the distinguished Senator from California, which would carry with it the substitute of the distinguished Senator from Nevada (Mr. CANNON), because I do not believe the Senate on either side of the aisle would agree to this power play.

I have got some amendments over here that I would like to have voted on. One amendment I might comment on right at this time. I would like Senators to turn to page 46; "616" on line 6 would lift the limit on honoraria that Members of Congress can charge for making speeches or writing articles? Who would think that? Here it is very innocent on line 6, page 46. Who would think that "616" means that hereafter there shall be no limit whatsoever on honoraria that Members of Congress can charge?

Well now, we are supposed to be reconstituting the Federal Election Commission to meet the decision of the Supreme Court, and this little power play here, this second power play, I might say, "616," how unwise can we get? We added the Members of Congress, House and Senate, to the pay adjustment plan for Federal employees so that Members of the House and Senate are guaranteed an annual raise in salary.

Let us read what section 616 says. I do not believe the Senate is going to agree to cut off all amendments, but discard one that has already become a part of the pending bill. But 616 is to be repealed under the Senate bill. It allows—it is now just Members of Congress who are covered here, it allows—an employee or officer of the Federal Government, elected or appointed, to receive honoraria up to $15,000 a year and up to $1,000 for any one appearance. Well, that is pretty good extra income, it would seem to the Senator from Alabama, an extra $15,000. I question whether a Federal employee ought to use the prestige of his office to charge for his appearances, but that is the custom.

But we have got a limit on it, and why, in repealing or amending the Federal election law to conform to the decision of the Supreme Court, must we reach out in an entirely new field and remove this ceiling so that any Federal employee—a Federal judge, let us say, he is covered, too, so that there shall hereafter be no limitation whatsoever, the sky is the limit, guaranteed annual increase in compensation, as much as the tariff will bear in outside appearances away from this Chamber.

I do not believe the Senate will want to do that. I just mention that as one little imperfection of the bill as it now pends before the Senate.

This substitute was not even read. We are to take that in one swallow, discard an amendment adopted by rollcall vote here in the Senate, lay that aside, reconsider that—that has already been reconsidered here in the Senate, we cannot reconsider it but once—this is doing indirectly what the rules do not permit on a direct vote, because we have already had one vote to reconsider.

I dare say, there are 30 or 40 amendments pending here in the Senate right now. Under this plan, not a single one of them would be allowed to be offered.

I do not believe that is quite right. That does not comport with my understanding of what is fair. I do not know who was consulted on this matter. The Senator from Alabama was not consulted.

As a matter of fact, the Senator from Alabama was trying to get recognition over there at his seat. I wanted to offer this amendment on honoraria, but I could not get recognized—it seems to be a common failing with the Senator from Alabama, the inability to get recognized.

But this is a little play acting here where the Senator from California offers an amendment and then the Senator from Nevada (Mr. CANNON) offered another amendment, neither of which were read. It would have taken an hour, probably an hour and a half, to have read those two documents. All of that was waived because, as was stated, "an explanation will be given."

Well, an explanation was given, all right, but I did not particularly fancy that explanation.

So, Mr. President, what do the managers of the bill fear in this effort to cut off amendments, in this effort to prevent the Senate from working its will?

I hardly regard it as democratic. I hardly regard it as a democratic move, small "d." I cannot give my sanction to a power play of this sort.

They take the amendments they like. They discard one that the Senate had already voted by some 50 to 46, I believe, somewhere in that range. That is laid aside.

I had an amendment in addition to the honorarium amendment that I had cleared with the distinguished manager of the bill and I was in hope that some time in the next 30 or 40 minutes it might have been adopted.

Under the present effort the Senate would be tied and locked in, if this power play is allowed to take place. Under this bill it is entirely likely that membership corporations, corporations that have members but do not have stockholders, could not set up segregated funds as are permitted to corporations with stockholders and stock.

Mr. CHILES. Will the Senator from Alabama yield for a minute?

Mr. ALLEN. For a question, yes.

Mr. CHILES. It is a question and it is not particularly on the subject the Senator from Alabama is talking about.

I wonder if the Senator from Alabama would just help the Senator from Florida. I am trying to figure where we are now.

Mr. ALLEN. Well, we are behind the eight ball.

[Laughter.]

Mr. CHILES. As I understand it, we have the kind of parliamentary situation set before us in which we sort of have a locked-in vote, do we not, in which any amendment we offer now is in the form of a perfecting amendment which gets automatically wiped out if the Cannon substitute passes?

Mr. ALLEN. That is correct.

Mr. CHILES. So if the Cannon substitute has a majority, then everybody else that might have an amendment or a thought—such as the Senator from Alabama who wishes to address this sleeper that he just found, that has been kind of slipped in here, that the Senate has not had a chance to express itself on yet, and that the Senate did express itself at one time—that would not come up, any other provision that might come up in regard to what the Senator from Florida has labored and perhaps belabored too long for a lot of people, that could not come up?

The Senator would be out on his amendment.

It seems to the Senator from Florida that the only sort of protection one has, if he has any kind of feeling that maybe there ought to be some other legitimate vote on an amendment of this, would be that we do not come to a vote right now because we would be wiped out.

If that be the case, I just wanted the Senator from Alabama to know that I am prepared to kind of stand with him for a little while.

I want to be in Florida for the September primary and I want to be down there maybe before that.

Mr. ALLEN. Well, that is fine. The Senator can absent himself all he wants to and he will still be standing with the Senator from Alabama because it takes a definite number of affirmative votes to bring this issue to a vote.

Mr. CHILES. Yes.

Mr. ALLEN. So if the Senator wants to go to Florida, that will be all right, because his absence would be a vote against what is being sought to be done here.

The Senator has been voting along pretty well, as I noticed, with the steamroller here, but he did have a very fine amendment and it came very close to being adopted.

They do not want to run that risk again. They do not want the Senator from Florida to come in again with another amendment, because it might pass this time.

But, of course, if it had passed, I will say to the Senator from Florida, they could have left it outside, outside the Chamber, just like they are seeking to leave the amendment of the Senator from Oregon and the Senator from Tennessee, they are seeking to leave that out.

So the Senator could not win if he had won. He could not have won if he got his amendment adopted, because this ploy would have wiped the Senator out even after the Senate had spoken on the issue.

All is not lost. I feel confident that on a motion to table the Cranston amendment, which would carry with it the substitute of the Senator from Nevada, I feel reasonably confident that such a motion to table would, in all likelihood, carry, because I do not believe Members of the Senate——

Mr. CHILES. Does the Senator feel confident enough that we should have a vote on that this week or——

Mr. ALLEN. On a motion to table?

Mr. CHILES. Yes.

Mr. ALLEN. Well, I am not sure.

Mr. PACKWOOD. Will the Senator from Alabama yield?

Mr. ALLEN. I yield for a question.

Mr. PACKWOOD. It is a position that I agree with. I am going to be here tonight with the Senator from Alabama. I believe there are many things wrong with this bill. We have the situation the Senator raised about the trade associations, as to whether they are in or out, or what can they do.

The Senator from Maryland (Mr. MATHIAS) has increased the Commission to eight, which may be fine.

We have a situation where two people from a political party can veto what was a six-man commission and now we are not sure what the status is with eight.

I would be reluctant to table this too soon until we at least can have discussion on a variety of these other problems.

I agree with the Senator from Alabama and the Senator from Florida, that we should discuss his amendment again, where we are so close.

I think it would be unfortunate for this amendment to pass, which, as the Senator has indicated, would eliminate the major point, which would require unions and corporations to disclose how they spend their money.

I will be here for as many hours as the Senator from Alabama would like to stay tonight.

Mr. STEVENS. Will the Senator yield for a question?

Mr. ALLEN. Yes.

Mr. STEVENS. I do not intend to be here that long. I had a simple amendment which really dealt with something that I think is a terrible thing which has come out of this Election Commission. These reports are prepared for candidates by volunteers who in good faith try to comply with the law. They come in here and they are looked over meticulously by people who are employed to do that. I do not argue with them. That is their job. But I do think there ought to be some good-faith compliance concept to stop this nit-picking that has been going on about these reports.

I know of one instance, for instance, where a person was listed with his business address as an accounting partnership and his occupation was listed as partner by the volunteer who prepared it. Anyone who looks at it knows the man is an accountant or a partner in an accounting firm. It was sent back to have the whole thing typed over, because it did not comply with the law.

I am not being critical of the Secretary of the Senate or of FEC. The law is very, very rigid in that area.

We worked out an amendment on what I call the best effort, the good faith compliance effort, which I have been waiting to offer. I do not see any reason why it should be shut off. This is the time now, before all of these candidates find that they lose their volunteer help, because people who are employed to go over these reports—and again they are doing their job under the law—are given such rigid instructions that they are not permitted to accept good faith compliance with the intent of Congress and the basic law, under which we are operating.

Some of us are leaving on a trip to go talk about a great project, the Alaska pipeline, in our neighboring country this evening. I happen to be going to Canada in about 45 minutes. I want to know if the Senator intends to raise this motion to table tonight. If he is, I will stay, because I want to assist him in some way to restore the position where I can offer this amendment. But if he is not, I am going to tend to my business for my State which takes me to Canada.

Mr. ALLEN. I will state to the distinguished Senator from Alaska that I do not know at this time. I am rather hopeful that the proponents of this maneuver will see the error of their ways and withdraw this effort to lock in the Senate. I am hopeful that that will take place. Even if the motion to table should lose, it would still be open for further discussion. That would just bring it to a head a little bit quicker.

Mr. STEVENS. Will the Senator yield for a further question?

Mr. ALLEN. Yes.

Mr. STEVENS. It is my understanding that the Senator would see to it that we will have a slightly extended conversation about this bill until we return on Monday so that we might be able to address the matter again next week as far as these perfecting amendment are concerned?

Mr. ALLEN. I have no desire to discuss the bill at length. As a matter of fact, I have been willing to agree on a time limit, because I do think it is essential that we reconstitute this Commission. What I object to is the use of a power play to cut the Senate off, to cut off 100 Members of the Senate from offering amendments.

We have many constructive amendments. I was telling of another amendment that I have, which I think is very constructive. As a matter of fact, I am sure the distinguished floor manager of the bill would not object to my saying that I had cleared this amendment with him and he agreed that the amendment had merit.

What it does is to allow a membership corporation or a corporation without capital stock but with membership, a cooperative, a membership organization, to set up a separate segregated fund. I do not have any group in mind, particularly, that I feel would want to contribute to any particular candidate, but I do feel they ought to have the same right as corporations.

Take, for example, a local REA, which has possibly hundreds or thousands of members but which does not have any capital stock. They could not set up a separate fund and solicit contributions to that separate fund from their members.

The amendment I have would allow cooperatives, nonstock corporations, and membership organizations to set up the same type of segregated fund as a corporation with stock and stockholders or labor organizations.

Why should they be prevented from setting up funds? They are as interested in good government as the corporations with stock and stockholders and labor organizations. The distinguished manager of the bill, the chairman of the Rules Committee, agreed that there was merit in that suggestion. If I had just been given a little more time I would have been able to get that amendment agreed to.

I do not know whether it would have been one of those select amendments, however, that was chosen to go into the final substitute. They picked and chose there. The 50 Senators who voted for the Packwood-Brock amendment were given the cold shoulder. They were not allowed to have their amendment included in the substitute. But everybody else had his amendment agreed to with the door closed to constructive amendments like the amendment of the distinguished Senator from Florida (Mr. Chiles). The Senate ought to be allowed to work its will on this bill.

Who can say that this bill, as it is now contained in this last substitute, is the best bill that the Senate can work out? I do not believe it is. It falls far short.

I will say this: This provision lifting the ceiling on honoraria would be locked in. There is no way in the world to change that as far as this bill is concerned.

What we are doing unquestionably is moving this bill to a veto. I do not see why we are moving headlong down a dead end.

I do not believe the President would approve of these strongarm tactics that are being used to cut off amendments. That is exactly what is being done.

I believe he would see the merit of allowing nonstock corporations, cooperatives and membership organizations to set up segregated political funds and allow solicitations of the members of such organizations for contributions to that fund.

I believe there are many other injustices contained in the bill.

I believe all we are doing is spinning our wheels if we are locked out from offering further amendments when the desks are full of printed amendments, and many Senators have written or unprinted amendments on their desk.

Of course, one amendment begets another amendment, so if we are allowed to work our will here, I think there is a good chance we would be able to move on and finally come up with a bill that the Senate can pretty generally agree upon. But not if 50 Senators are going to be slapped in the face, on an amendment that has been adopted by the Senate, and it is not included in the bill, when that amendment has passed and its reconsideration voted down, and it supposedly was locked into the bill, but here comes an effort to discard that and, in effect, to reconsider the matter.

Mr. President, I ask unanimous consent that I may suggest the absence of a quorum without losing my right to the floor.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. ALLEN. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. GRIFFIN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. GRIFFIN. Mr. President, after consultation with the——

Mr. ALLEN. Mr. President, I believe the Senator from Alabama has the floor.

The PRESIDING OFFICER. The Senator from Alabama has the floor.

Mr. GRIFFIN. Will the Senator from Alabama yield without losing his right to the floor?

Mr. ALLEN. Yes. I ask unanimous consent that I may yield to the distinguished Senator from Michigan without losing my right to the floor, and without the continuation of my remarks constituting a second speech.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. GRIFFIN. I thank the Senator from Alabama.

After a good deal of consultation among the manager of the bill, the ranking member of the Committee on Rules and Administration, the majority leader, the majority whip, and others, we understand that it is going to be impossible to finish this bill tonight; therefore, it seems to be in the interest of the Senate that I should withdraw the substitute that is now pending and go back to square 1, and it is understood that we will take up this measure again next week, as I understand it.

So because of that and with that understanding, Mr. President, I withdraw the substitute that I offered.

The PRESIDING OFFICER (Mr. Stone). The amendment is withdrawn.

Mr. MANSFIELD. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. MANSFIELD. As I understand it, the two amendments that were offered to it, the Cannon amendment and the Cranston amendment, would fall, because of the withdrawal of the underlying amendment.

The PRESIDING OFFICER. The Senator is correct.

Mr. MANSFIELD. I thank the Chair. I thank the Senator from Alabama.

The PRESIDING OFFICER. The Senator from Alabama.

Mr. ALLEN. Mr. President, I am delighted that this solution of this problem and parliamentary situation has been worked out and amicably agreed to.

As I understand the situation, when we next consider this bill we will have before us a clean bill with all of the amendments which the Senator has agreed to add to the bill and that it will be open to further amendment. Is that correct?

The PRESIDING OFFICER. The Senator is correct.

Mr. ALLEN. And any Senator would have a right, then, to offer an amendment if he should be able to get recognition from the Chair.

The PRESIDING OFFICER. The Senator is correct.

Mr. ALLEN. Very well.

AMENDMENT NO. 1496

Mr. ALLEN. I call up then my amendment No. 1496.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Alabama (Mr. ALLEN) proposes an amendment No. 1496:

On page 37, line 13, before the period insert the following: ", or by a membership organization, cooperative, or corporation without capital stock".

On page 38, line 3, after the period insert the following: "This paragraph shall not prevent a membership organization, cooperative, or corporation without capital stock, or a separate segregated fund established by a membership organization, cooperative, or corporation without capital stock, from soliciting contributions to such a fund from members of such organization, cooperative, or corporation without capital stock.".

Mr. ALLEN. Mr. President, all this amendment does is to cure an omission in the bill. It would allow corporations that do not have stock but have a membership organization, such as a cooperative or other corporations without capital stock and, hence, without stockholders, to set up separate segregated political funds as to which it can solicit contributions from its membership; since it does not have any stockholders to solicit, it should be allowed to solicit its members. That is all that the amendment provides. It does cover an omission in the bill that I believe all agree should be filled.

I have talked to the distinguished manager of the bill and I think I am correct in saying that he agrees to the adoption of the amendment.

I yield to the distinguished Senator from Nevada.

Mr. CANNON. Mr. President, the Senator has discussed that amendment with me. I think it covers a void that is not present in the bill and certainly is proper and should give those organizations the same opportunity that we have given to other organizations in the bill, and I am willing to accept the amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

Several Senators addressed the Chair.

The PRESIDING OFFICER. The Senator from Alabama (Mr. ALLEN).

Mr. ALLEN. Mr. President, I am delighted to have this amendment agreed to. It is an important amendment.

I have other amendments that I am not going to offer tonight, and one is, as I say, to amend the bill so as not to lift the ceilings on honorariums and to eliminate that repeal.

I might state, further, that the mere acceptance of this amendment that I have offered would in no way indicate that if a similar parliamentary situation is presented, whereby amendments are not in order and amendments are cut off, the Senator from Alabama would, of course, feel free to discuss any such effort at length.

Mr. CANNON. Mr. President, will the Senator be willing to yield to me for a unanimous-consent request?

Mr. ALLEN. I am willing to yield the floor.

ORDER TO NOT PRINT AMENDMENTS

Mr. CANNON. Mr. President, I ask unanimous consent that the Cannon substitute, the Cranston amendment, and the Griffin substitute last offered not be required to be printed in the RECORD in accordance with the rule.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER AUTHORIZING PRINTING OF H.R. 3065, AS AMENDED

Mr. CANNON. Mr. President, I ask unanimous consent that the bill in its amended form now be printed as a clean copy. Before there is a ruling on that request, I point out that if that is done there are some amendments at the desk and some Senators might want to revise their amendments then to get them fitted in at the proposed proper place.

The PRESIDING OFFICER. Is there objection?

Mr. ALLEN. Of course, the bill as amended and as reprinted would be subject to amendment.

Mr. CANNON. Certainly, of course.

The PRESIDING OFFICER. The Senator is correct.

Without objection, it is so ordered.

ORDER FOR PRINTING OF S. 3065 IN ENGROSSED FORM

Mr. CANNON subsequently said: Mr. President, I ask unanimous consent that the bill S. 3065, as amended, be printed as if it were in engrossed form for the use of the Senate when next it considers the bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER AUTHORIZING SECRETARY OF THE SENATE TO MAKE TECHICAL CHANGES IN H.R. 3065 AS AMENDED

Mr. CANNON. Mr. President, I ask unanimous consent that the Secretary of the Senate be permitted to make technical changes that are necessary to conform the bill in its present form as so amended.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. CANNON. Mr. President, I address myself to the point that Senator ALLEN raised. The reason that section 616 was stricken in the bill, as it came out, was because the same language was rewritten with some changes elsewhere in the bill. So it was not just a question of eliminating section 616 and doing nothing. When section 616 was eliminated there was a rewriting of that provision with some modifications in the bill as the Committee on Rules and Administration reported it.

Then the distinguished Senator from Arizona (Mr. GOLDWATER) offered amendments this morning that, in effect, resulted in the deletion of section 616.

Mr. ALLEN. Yes. I am glad the distinguished Senator brought that up.

When the Senate knocked out the substitute language earlier today it just left the repealer of the entire section there. So as things now stand both the House of Representatives and the Senate have a provision here in this election bill that does lift the ceiling on the amount of honoraria that Federal officers and officials can receive in the course of a year. What the amendment of the Senator from Alabama would do would be just to knock out this inoffensive looking figure, section 616, which has a whole lot in it; however, that should not be there.

Mr. CANNON. Mr. President, will the Senator yield?

Mr. ALLEN. I yield.

Mr. CANNON. Let me just make one correction. The House, it is true, eliminated 616 in their proposed bill, but they in turn rewrote section 616 precisely as it was. It is now designated as section 327 in the House bill. So the House did not just eliminate 616 and do nothing. They rewrote 616 at a different place in the bill and entitled it section 327.

Mr. ALLEN. The Senator is correct. The trouble is that that is not before the Senate. The way things now stand, all that is present now in the Senate bill is the repealer.

Mr. CANNON. No. In the House proposal, H.R. 12406, there still is the language on honoraria, the same language as in section 616 of the present law.

Mr. ALLEN. That is correct. I readily acknowledge what we are operating on, though, is the Senate bill, which is going to be substituted for the House bill, I assume.

Mr. CANNON. That may be; but the House bill, H.R. 12406, still has that provision in it. That has not been deleted.

Mr. ALLEN. But it also has the repealer of 616; but adds comparable language as section 327.

Mr. CANNON. That is correct.

Mr. ROBERT C. BYRD addressed the Chair.

The PRESIDING OFFICER. Does the Senator from Nevada yield the floor?

Mr. CANNON. Yes.

The PRESIDING OFFICER. The Senator from West Virginia is recognized.

Mr. ROBERT C. BYRD. Has the amendment been agreed to?

Mr. CANNON. The Senator's previous amendment was agreed to. He just talked about the amendment related to 616, and that is controversial. Senator GOLDWATER is opposed to it.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the pending measure now be set aside until Monday.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

CONSIDERATION OF CERTAIN MEASURES ON THE CALENDAR

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of the following three measures, which have been cleared on both sides of the aisle: Calendar No. 669, Calendar No. 670, and Calendar No. 671.

The PRESIDING OFFICER. Without objection, it is so ordered.

INSTALLATION OF CERTAIN FLAGPOLES ON THE CAPITOL GROUNDS

The bill (S. 3161) to authorize the Secretary of the Interior, with the apapproval of the Architect of the Capitol, to locate flagpoles on the U.S. Capitol Grounds in order to fly the flag of each of the States of the United States, and its territories and possessions, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, subject to the approval of the Architect of the

Capitol and to such conditions as he may prescribe, the Secretary of the Interior is authorized to make such use of that portion of the United States Capitol Grounds adjacent or in close proximity to the sidewalks abutting the circular perimeter of the Union Station Plaza in front of Columbus Plaza and the National Visitor Center as may be necessary to enable the Secretary of the Interior to erect and maintain flagpoles to fly the flags of each of the States of the United States and its territories and possessions, generally as shown on NCPC Map File No. 1.11 (38.00)-27861.

SEC. 2. Nothing in this Act shall be construed to grant to the Secretary of the Interior any right, title, or interest in or to any part of the United States Capitol Grounds and such area affected by this Act or any agreement pursuant thereto shall continue to be a part of the United States Capitol Grounds. Such areas comprising the United States Capitol Grounds disturbed by reason of operations pursuant to this Act shall be promptly restored by the Secretary of the Interior to their original condition to the satisfaction of the Architect of the Capitol.

SEC. 3. The Congress shall not incur any expense, liability, obligation, or other responsibility (operational or otherwise), under or by reason of this Act, or be liable under any claim of any nature or kind that may arise from the construction, operation, or maintenance of the flag poles authorized by this Act.

MEDALS COMMEMORATING THE 200TH ANNIVERSARY OF THE SIGNING OF THE DECLARATION OF INDEPENDENCE BY CHARLES CARROLL OF CARROLLTON

The Senate proceeded to consider the bill (H.R. 3427) to provide for the striking of medals in commemoration of the 200th anniversary of the signing of the Declaration of Independence by Charles Carroll of Carrollton.

Mr. MATHIAS. Mr. President, I would like to take a moment to thank my colleagues in my own behalf and in behalf of all the people of the State of Maryland for voting to authorize the Treasury Department to strike a bronze medal commemorating the 200th anniversary of Charles Carroll of Carrollton's signing of the Declaration of Independence.

Charles Carroll, of Carrollton, was a remarkable man and a remarkable patriot. In this Bicentennial year I can think of no Marylander more deserving of the honor we have conferred here today. Charles Carroll, of Carrollton, the last survivor of the signers of the Declaration of Independence, served in the Maryland convention which voted for independence, he went as a delegate to the Continental Congress, and he led the State delegation which adopted Maryland's Constitution and the Bill of Rights which became a model for this Nation.

Charles Carroll, of Carrollton, was by nature a quiet contemplative man, yet when action was needed, he took action. His character is best described by Shakespeare's words from Julius Caesar:

> His life was gentle and the elements so mixed in him that nature might stand up and say to all the world "this was a man".

So you may appreciate the full measure of the man we honor today, I would like to share with you an article which recently appeared in the Smithsonian magazine. Mr. President, I ask unanimous consent that this article, by Mary H. Cadwalader, be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

CHARLES CARROLL OF CARROLLTON: A SIGNER'S STORY

(By Mary H. Cadwalader)

There must have been quite a hubbub in the room. It was August 2, 1776, and in Philadelphia some 40 men had gathered to sign the month-old Declaration of Independence, newly engrossed on parchment. The signers well knew that a noose around the neck awaited them if the war (and the dream) were lost.

Tall, bony John Hancock who had already, in his bold script, taken the plunge, passed the document to a slight Marylander near him. "Will you sign it?"

"Most willingly." Reaching for the quill, the Marylander wrote in a tidy hand: *Charles Carroll of Carrollton*. An onlooker, aware of the signer's fortune, remarked, "There go a few millions."

Charles Carroll (at least three other Charles Carrolls were prominent in Maryland at the time, which is why he signed himself "of Carrollton") was then 38, a newcomer to the Continental Congress and its sole Roman Catholic. "An excellent member," said John Adams, "whose education, manners, and application to business and to study did honor to his fortune, the first in America." Nevertheless, in that convocation bristling with brains and activism, Carroll was something of a loner. His religion, his European education and his unassuming ways subtly isolated him.

Historians differ on his contributions to Founding Fatherhood; some see him as a quiet mover and shaker, others as an egocentric money-grubber bent mainly on enhancing his purse. He saved a voluminous legacy of letters, documents, speeches and manuscripts that shed clear light on his actions and on the times. So while some of the signers have vanished with little trace, Carroll was brought vividly to life again in a recent exhibition at Baltimore's Museum of Art.

Guest curator Ann Van Devanter set off the project when, researching one small portrait, she learned this signer had been painted by at least 14 artists—almost as many as tackled Jefferson and Adams. She enlisted the Maryland Historical Society, the Peale Museum, the Maryland Hall of Records; she wrote some 120 Carroll descendants and snagged loans from them as well as from a dozen museums; even Queen Elizabeth came across with a painting.

Results of this cooperative effort filled seven galleries at the Baltimore Museum. Well above 200 items—half of them never before shown to the public—ranged from silver, porcelains, furniture, maps, sketches and mementos to portraits. The collection illuminated a remarkable man whose fingers lay across the pulse of the new nation for most of his 95 years.

Charles Carroll's life was sprinkled with paradox. An arch conservative, his politics were revolutionary; a cautious financier, he backed visionary ventures; hugely rich, he eschewed pomp; a lawyer, he never practiced; a statesman, he kept out of the limelight. Vigorously healthy (he rose at five, walked half a mile daily to a spring bathhouse for an icy before-breakfast dip, rode horseback in his 80s), he thought himself puny and weak. His wife became addicted to the opiates used to dull the pain of many illnesses. His only son was an alcoholic failure. Yet Carroll survived cheerfully until 1832—the last, by six years, of all that brilliant company of signers.

Charles' grandfather, Charles Carroll the Settler, began life in Ireland. He landed in Maryland in 1688 with bright prospects as Lord Baltimore's friend and attorney general, but suffered from the growing anti-Catholic bias in Maryland. Though the colony had been founded by Catholics, they were periodically disfranchised, double-taxed and forbidden to hold public office. The Carroll coat of arms, which in Ireland had borne a hawk resting, was altered by the immigrant, in celebration of his flight to the New World, to depict "a hawk rising." Carroll must have pondered ruefully how his hawk had been shot down. Nevertheless, he married and stayed. His heir, Charles Carroll of Annapolis, added land to that accumulated by his father, collected annual quitrents from tenant farmers, planted and shipped tobacco, imported wines and woolens, collected debts for relatives, whom he charged five percent, lent funds and extracted interest when due. With partners, he established the Balitimore Iron Works (at a remote hamlet north of Annapolis), which eventually returned £400 annually. He rankled at the anti-Catholic strictures, but he kept a low profile and prospered.

His only child was Charles Carroll of Carrollton, born in 1737—and here a minor mystery surfaces: The marriage document of the senior Carroll and Elizabeth Brooke is dated 1757, by which time the son was 20. If the boy was indeed illegitimate for a time (and brief references in two extant letters tend to verify this) it is odd that no mention was made of it, then or later. But the 18th century took these things in stride: The last Lord Baltimore's son was a bastard, yet was the recognized heir.

At any rate, the senior Carrolls lived in all gentility both in Annapolis and at Doughoregan Manor, a plantation 40 miles north, where a handsome house was a-building. Young Charley, like his father and grandfather, was programmed for a Jesuit education.

At ten he was sent off to boarding school. Two years later, in 1749, he was dispatched with a handful of other Catholic boys to the then preeminent Jesuit college of St. Omers in France.

He was a good student. "I have got the fifth place in my school, among three & twenty boys," he wrote his father proudly. Commanded by Papa to study law, he balked, but gave in. At Bourges he ground away at Roman and French civil law and then spent five years at London's Middle Temple on English law. He found law a dry subject and argued that it was a waste of time since, as a Catholic, he was forbidden to practice in Maryland. His sober, scholarly life with tutors was a far cry from that of the young bloods of the day whose drinking, gambling and brawling, along with their gold-laced coats and dandified ways, helped make London an overblown, decadent capital.

Papa wrote fond but admonishing letters, warning against "gamesters," commending him for dressing simply (Papa sent cash, but little for luxuries), directing him to find a good dancing master and to learn to fence. He had "good hair when a child, if it continues so, pray wear it, it will become you better than a wig." And, "Drawing is a pretty accomplishment and I wish you could spare time to attend to it, but let nothing divert you from the study of the Law." Parties and theater trips were salutary, Papa conceded, but only as occasional relaxations so that "dear Charley" could study harder.

Longing for home and mother, Charley grumbled but obeyed. At last in 1764, his education complete, he was allowed to return, sadly aware that his beloved mother had died without his seeing her again, and rejected by the only young lady, a Miss Louisa Baker, that he had courted. He is described by a contemporary as not tall, but with fine features; he had a graceful carriage (the dancing master was evidently worth the outlay) and was a superb horse-man. If his nose was a trifle long and his mouth a trifle prim, his warm smile and European manners won him quick approval. He lived with his father and quickly formed "the habit of business," tending the growing fortune Papa had seeded.

Marriage seemed his next duty, but it took him four years. A cousin, Rachel Cooke, appealed to him and they set the wedding date for July 1766. A summer fever laid Charles low and the nuptials were postponed till fall. Nevertheless he refused to be disheartened. In a jocular mood for once, he wrote a friend that he would wed on November 5, which happened to be the anniversary of the Gunpowder Plot—"but it is no wonder a bloody-minded Papist should chuse a day for feasting and merriment which had like (if you believe ye story) to have been fatal to a Protestant king and Parliament."

Fall came and it was Rachel's turn to be ill; she died in three weeks. "I have had the great misfortune to lose Miss Cooke," he wrote a realtive. "You who were well acquainted with her must be sensible how great a loss I have sustained . . . I feel all ye weight of it."

But he was young and resilient and marriage was still on his mind. This time a suitable match was right under his nose. Some years earlier, his father, Carroll of Annapolis, had taken into his home Rachel Darnall and her daughter Mary. Rachel's father-in-law, a Carroll kinsman, had been appointed, thanks to Carroll, to a government post but had poked his paws freely into the public till. Charged with embezzlement, he had skipped the country. His son, Rachel's husband, did not better, also leaving the country in disgrace, leaving wife and child penniless.

His daughter, Mary, or Molly, as she was called, was a winsome, outgoing girl and in June 1768, Charles Carroll of Carrollton, aged 30, made her his bride.

They never lived at Carrollton—a large parcel of land deeded by Papa—but settled in the Annapolis house. Molly must have been good-tempered, for she allowed her husband to name a daughter Louisa Rachel, after his two lost loves.

She also agreed to a marriage settlement which, in lieu of dower rights, gave her £300 a year in the event of his death. (Dower rights would have meant one-third of his fortune, plus guardianship of the rest for minor children.) Thus father and son were at pains to protect their fortunes for their posterity.

Aside from the family lands, some 80,000 acres (a traveler wrote that one could hardly cross Maryland without traversing Carroll lands), Charles Carroll of Carrollton, it is estimated, had then some 200,000 pounds sterling with more to accrue at his father's demise. At his own death 60 years later he was worth nearly $2 million—no longer the largest fortune in America, but in 1832 not to be sneezed at.

Carroll of Carrollton early felt that independence from Britain was an ultimate necessity, writing in 1762 that he saw no alternative. In his letters he is forever on guard against predatory English dictates. When Parliament passed the Stamp Act, Carroll seethed; the Act's repeal a year later (1766) contained a declaration that still claimed for England broad power over Colonial affairs, and Carroll was not mollified.

If Parliament invoked a right, wrote Carroll, "to restrain us from manufacturing, this Restraint would be more oppressive than the Stamp Act itself."

In 1773 a clash in the press brought Carroll to the forefront of public notice. The *Maryland Gazette* published a series of letters between "First Citizen" and "Second Citizen" on the current governor's highhanded behavior in setting salaries for Colonial officials. The Maryland Assembly had lowered these fees, whereupon the governor dissolved the Assembly and reinstituted the higher pay scales.

Everyone knew who the "Citizens" were. Daniel Dulany, eloquent lawyer and scornful of the Carrolls (with whom he had a running feud), argued the governor's side in a dialogue between "First Citizen" and "Second Citizen" which he published in the Maryland Gazette. Charles Carroll then assumed the pseudonym of "First Citizen" in order to attack Dulany's position. Soon the "First Citizen"—Carroll—was reaping praise and acclaim. His letters were given credit for a landslide election that year, when every Maryland county sent antiestablishment delegates to Annapolis. Equally important, they influenced other Catholics to swing away from the Crown.

The Dulanys were Irish Marylanders who had converted to the Church of England and thus enjoyed perquisites denied the Carrolls, who had no great opinion of them anyway. When Lloyd Dulany wrote a scathing letter accusing the father, Carroll of Annapolis, of "Vice and profligacy," the son had to respond. Carroll was anything but a swashbuckler and thought the custom of dueling absurd but, boiling, he sent back a letter to Dulany saying he would ride out the next day at dawn—a veiled invitation to a duel.

"Why you silly puppy," Dulany retorted the same day. "How can you be such a fool as to insinuate that a certain person is afraid. . . ." Fortunately, no one was there to meet Carroll the next morning.

Presently the First Continental Congress gathered in Philadelphia. Carroll did not serve as an official delegate because of his religion (papists were not welcomed in weighty councils) but went along as an observer. Though moderates held the reins that year (1774), he wrote his father that, much as he dreaded a war, "This controversy will at last be decided by arms. I will either endeavor to defend the liberties of this country or die with them."

In the spring of 1776 it became urgent to see if Canada would join the Colonies in throwing off the English yoke, and Carroll was chosen to travel with Benjamin Franklin to Montreal. John Adams approved the choice: ". . . he is well acquainted with the French nation. He speaks their language as easily as ours . . . of more consequence he was educated in the Roman Catholic religion. . . . In the cause of American liberty his zeal, fortitude and perseverence have been so conspicuous . . . but he continues to hazard his all, his immense fortune, his life."

The mission failed, as Canada wanted no part of the Revolution, but Carroll's journal shows he obtained a grasp of military affairs which was to stand him in good stead. Hardly had he returned in June when he was off to Philadelphia, this time a full-fledged delegate, appointed to the Board of War. From then on his eminence grew along with his involvements.

He signed the Declaration, dealt with the finances and logistics of General Washington's army, and attended sessions of the Maryland Assembly as well as Congress. There was talk of sending him to Paris, again with Franklin, to negotiate the French alliance. He did not go but communicated with old friends abroad to smooth Franklin's path. Again, he helped quell the Conway Cabal which might have unseated George Washington.

In 1781 and 1782 Carroll's immediate family was decimated. The gentle Rachel, his mother-in-law, died, then his father—a redoubtable patriarch of 80—fell off the porch of his Annapolis residence and broke his neck. The shock of this accident sent Molly in retreat to her room. Only 33, she had borne seven children, lost three, and swallowed too often the laudanum prescribed for pains of births and illness. She never emerged again. Within weeks she was dead.

RETIREMENT TO DOUGHOREGAN AND PRIVATE LIFE

Carroll of Carrollton sat for 23 years in the Maryland Senate, and served in the U.S. Senate too until law prohibited the holding of both offices simultaneously. He was glad to leave New York where "We have sat long, done nothing of moment, and have spent the state's money idly and unprofitably." He had favored locating the nation's new capital "on the Pohvomach" (Potomac), believing this would add dignity and stature to Maryland, but he preferred life at Doughoregan Manor where he was now growing wheat instead of tobacco, liming and manuring his fields to prevent depletion of the soil. He housed 300 slaves as well or better than his white tenants, and manumitted some of them. He helped persuade Maryland, considered a "doubtful" state, to ratify the Articles of Confederation and the U.S. Constitution, and played a dominant role in writing the state's conservative constitution. He lobbied to erase the last of the anti-Catholic laws. No religion should be forced on anyone. He once wrote, "I am as averse to having religion crammed down people's throat as a proclamation."

He didn't like Jefferson, had not much faith in "the people" and believed with all the fervor of an educated aristocrat that the upper classes were abler at ruling than the ignorant mob. The year Jefferson was elected President (1800) saw Carroll defeated for the first time. He retired from politics.

The last third of Carroll's life was almost serene; the master of Doughoregan ("house of kings"—an old Gaelic word) tended his peach trees, kept meticulous books, received streams of visitors and taught his grandchildren and *their* children French. He was an indulgent father who gave each of his three offspring $10,000 a year, but was dismayed at their extravagances and frequently had to bail his sons-in-law out of debt. His only son, Charles Carroll of Homewood, gave up the Church and took up drink, held no positions to speak of, cost his father much in cash and anxiety, and died in 1825.

Of the two surviving daughters, Mary married a transplanted Englishman, Richard Caton, and in her turn produced four lovely girls, three of whom—"the American graces"—sailed off to London to enchant court circles and capture titled husbands. Louisa's wedding to Sir Felton Hervey-Bathurst, aide-de-camp to the Duke of Wellington, topped London's social season in 1817; the great Duke himself gave her away. Marianne married the Duke's own brother, the Marquess Wellesley, a former governor-general of India, while Elizabeth married Baron Stafford in 1836.

The fourth Caton daughter, Emily, stayed in Maryland and was her grandfather's favorite.

With the deaths of Jefferson and Adams in 1826, Carroll became the last living signer; his face adorns a medal struck to commemorate the nation's 50th and his 90th year. In 1828 he was coaxed out of retirement to lay the cornerstone of the first Baltimore and Ohio Railroad station—he had helped finance this line. He retained his mental vigor virtually to the end, and died peacefully in November 1832.

He was buried in the chapel which forms the north wing of Doughoregan Manor; several other Carrolls have followed him there. The manor, reduced to 2,500 acres today from its 13,500-acre sprawl in the signer's time, is still a private estate, occupied by an eighth-generation descendant.

An interesting picture of life at Doughoregan in 1827 is afforded by a letter, from a young man who visited the manor on Carroll's 90th birthday, which was published by the Maryland Historical society:

"[We] drove up to the Manor which is sixteen miles from Baltimore. . . . We found the family there expecting us, and joined old Mr. Carroll & two or three other gentlemen at the dinner table; he is a nice little old man with a sharp face, not very thin, & gay benevolent face—his hair is very white & long being tied with a ribbon behind. He wears drab breeches & worsted stockings, with an old fashioned waistcoast with long pockets hanging down, a large wrapper or cloak . . . which he tucks up & holds round him as he walks, so as to look quite funny. His conversation is very lively . . . he seems to take great interest in all that is going on, mixing a great deal with the family. . . . The whole place is a sample of southern hospitality on its greatest scale as to carelessness & kindness though not as to splendour which certainly never is thought about."

The visitor continues his description of a haphazard, unpretentious garden and many-roomed house bustling with family and a dozen houseguests, eating and chatting in one room, playing cards in another, singing to a harp and guitar in still another, or lolling among books and newspapers in a fourth. "Everybody seems to catch in ten minutes all the freedom & ease of the place. . . There are guns & you may go to shoot, there are horses and you may ride—a bath & you can bathe. You stay a day or a week, welcomed when you come and going away at any hour you choose."

The birthday was "a grand gala . . . the guests from around poured in . . . forty-four persons sat down to table, we had glorious saddles of venison & mutton, plum puddings, & substantials as well a *Kickshaws* of all sorts—after dinner the old gentleman drank two glasses of champagne—and then left his grandson Charles Carroll to do the honours. . . "

And when the squire of Doughoregan retired, a guest rose to give this felicitous toast: "May public & private virtue be crowned ever as now with the garland of years."

The bill was considered, ordered to a third reading, read the third time, and passed.

FEDERAL TRADE COMMISSION AUTHORIZATION ACT, 1976

The Senate proceeded to consider the bill (S. 2935) to authorize appropriations for the Federal Trade Commission, and for other purposes, which had been reported from the Committee on Commerce with an amendment to strike out all after the enacting clause and insert the following:

That this Act may be cited as the "Federal Trade Commission Authorization Act of 1976".

Sec. 2. Section 20 of the Federal Trade Commission Act (15 U.S.C. 57c) is amended to read as follows:

"Sec. 20. There are authorized to be appropriated to carry out the functions, powers, and duties of the Commission not to exceed $54,000,000 for the fiscal year ending June 30, 1976 (of which not to exceed $25,000,000 shall be authorized for the purposes of maintaining competition); not to exceed $14,500,000 for the fiscal transition period ending September 30, 1976 (of which not to exceed $6,250,000 shall be authorized for the purposes of maintaining competition); not to exceed $70,000,000 for the fiscal year ending September 30, 1977 (of which not to exceed $35,000,000 shall be authorized for the purposes of maintaining competition); and not to exceed $85,000,000 for the fiscal year ending September 30, 1978 (of which not to exceed $45,000,000 shall be authorized for the purposes of maintaining competition).".

Sec. 3. The Federal Trade Commission Act (15 U.S.C. 41 et seq.) is amended by (1) striking out section 21 thereof; and (2) amending section 1 thereof by striking out "That a" in the first sentence thereof and inserting in lieu thereof, with appropriate paragraph indentation, the following:

"(a) This Act may be cited as the 'Federal Trade Commission Act'.

"(b) A".

Sec. 4. (a) Section 1 of the Federal Trade Commission Act, as amended by this Act (15 U.S.C. 41), is further amended by adding at the end thereof the following two new subsections:

"(c) Whenever the Commission submits any budget estimate, request, or information to the President or the Office of Management and Budget, it shall concurrently transmit a copy of such budget estimate, request, or information to the Congress.

"(d) Whenever the Commission submits any legislative recommendations, or testimony, or comments on legislation to the President or the Office of Management and Budget, it shall concurrently transmit a copy thereof to the Congress. No officer or agency of the United States shall have any authority to require the Commission to submit its legislative recommendations, or testimony, or comments on legislation, to any officer or agency of the United States for approval, comments, or review, prior to the submission of such recommendations, testimony, or comments to the Congress.".

Sec. 5. Section 2 of the Federal Trade Commission Act (15 U.S.C. 42) is amended by—

(1) inserting "(a)", "(b)", "(e)", "(f)", and "(g)" immediately before the first, second, third, fourth, and fifth paragraphs thereof, and

(2) inserting immediately after subsection (b) thereof, as so designated, the following two new subsections:

"(c) In addition to the other authority conferred by this section, the Commission is authorized, in furtherance of its responsibilities with respect to maintaining competition, to establish, assign the duties, and fix the compensation for not to exceed 25 attorney, economist, special expert, and outside counsel positions. Individuals may be appointed to such positions by the Commission without regard to the provisions of title 5, United States Code, governing appointments in the competitive service, and may be paid without regard to the provisions of chapter 51 and subchapter III of chapter 53 of such title relating to classification and General Schedule pay rates but at rates not in excess of the maximum rate for GS-18, but not less than the minimum rate for GS-16, of the General Schedule under section 5332 of such title.

"(d) Any appointment or removal of an employee of the Commission to a position in categories GS-16, GS-17, and GS-18 may be made by the Commission without regard to any provision of title 5, United States Code, other than section 3324 thereof where applicable, governing appointments to, and removals from, positions in the competitive service, and shall not be subject to approval by the Executive Office of the President or the Office of Management and Budget, or any officer thereof, or by any office or agency of the Federal Government other than the Commission.".

Sec. 6. Section 5(c) of the Federal Trade Commission Act (15 U.S.C. 45(c)) is amended by striking out the first sentence thereof and inserting in lieu thereof the following: "Any person, partnership, or corporation required by an order of the Commission to cease and desist from using any method of competition or any act or practice may obtain a review of such order in the court of appeals of the United States for the circuit within which such person, partnership, or corporation resides or maintains its principal place of business.".

Sec. 7. Section 5(g) of the Federal Trade Commission Act (15 U.S.C. 45(g)) is amended (1) by striking out paragraphs (2), (3), and (4) thereof in their entirety, and (2) by inserting in lieu thereof the following new paragraph:

"(2) Upon the 60th day after such order is served, if a petition for review has been duly filed, except that any such order may be stayed, in whole or in part, subject to such conditions as may be appropriate, by—

"(A) the Commission;

"(B) an appropriate court of appeals of the United States, if a petition for review of such order is pending in such court and if an application for such a stay was previously submitted to and denied by the Commission; or

"(C) the Supreme Court, if an applicable petition for certiorari is pending.".

Sec. 8. Section 5(m) (A) and (B) of the Federal Trade Commission Act (15 U.S.C. 45(m)) are amended (1) by inserting "or a suit for injunction or other equitable relief", immediately after "action" in the first sentences threof; and (2) by amending the second sentences thereof to read "In such action or suit, such person, partnership, or corporation shall be liable for a civil penalty of not more than $10,000 for each violation and such other equitable relief as the court may deem appropriate.".

Sec. 9. Section 10 of the Federal Trade Commission Act (15 U.S.C. 50) is amended by—

(1) inserting "(a)", "(b)", "(c)", and "(f)" immediately before the first, second, third, and fourth paragraphs thereof.

(2) striking out the first sentence of subsection (c) thereof, as so designated, and inserting in lieu thereof the following: "If any person, partnership; or corporation which is required by the Commission to file or submit any annual or special report, or to obey any subpena or other order requiring access to documentary evidence, fails to comply with any such requirement within the time prescribed therefor by the Commission, and if such failure continues for 15 days after notice of such default to such person, partnership, or corporation, such person, partnership, or corporation shall be liable to the United States for a civil penalty of not less than $1,000 nor more than $5,000 as the court may determine, for each day that such failure continues after such 15th day. The amount of such civil penalty shall be payable into the Treasury of the United States, and shall be recoverable in a civil suit by and in the name of the Commission, brought in the district court of the United States within which such person, partnership, or corporation resides or does business.",

(3) inserting immediately after subsection (c) thereof, as so designated, the following two new subsections:

"(d) No action to stay accumulation of any of the penalties provided by subsection (c) or to challenge the validity, or to enjoin the Commission or the United States from enforcement, of any requirement to submit or file any annual or special report or any subpoena or other order requiring access to documentary evidence may be commenced until after the service of a notice of default by the Commission as provided in such subsection (c). No court shall issue any order staying the accumulation of such penalties unless the party seeking such relief shall have first demonstrated—

"(1) a substantial probability of prevailing on the merits;

"(2) that such party will be irreparably injured unless the accumulation of such penalties is stayed; and

"(3) that the equities clearly favor such stay.

"(e) No court shall hold invalid, or issue an order enjoining the Commission or the United States from enforcing, (1) any requirement with respect to the submission or filing of any annual or special report, or (2) any requirement of any subpena or other order requiring the production of any documentary evidence, unless the party subject to such requirement first demonstrates that—

"(A) such requirement is, with respect to such party, unduly burdensome; or

"(B) the information sought by such requirement is not reasonably relevant to an inquiry being conducted by the Commission. The Commission shall have authority to conduct investigations and to adjudicate complaints consistent with the applicable provisions of this Act, unless such investigation or adjudication is expressly prohibited by this Act.".

Sec. 10. Section 18(b) of the Federal Trade Commission Act (15 U.S.C. 57a(b)) is amended (1) by inserting "(1)" immediately after "(b)", and (2) by inserting at the end thereof the following new paragraph—

"(2)(A) Whenever, pursuant to section 553(e) of title 5, United States Code, an interested person petitions the Commission for the issuance, amendment, or repeal of a rule under this section, the Commission shall grant or deny such petition within 120 days after the date that such petition is received by it. If the Commission grants such a petition, it shall commence an appropriate proceeding under subsection (a)(1)(B) as soon thereafter as practicable. If the Commission denies such a petition, it shall set forth, and publish in the Federal Register, its reasons for such denial.

"(B) If the Commission denies such a petition (or if it fails to act thereon within the 120-day period mandated by subparagraph (A)), the petitioner may commence a civil action in an appropriate district court of the United States for an order directing the Commission to initiate a proceeding to take the action requested in such petition. Such an action shall be commenced within 60 days after the date of such denial or, where appropriate within 60 days after the date of expiration of such 120-day period.

"(C) If such a petitioner can demonstrate to the satisfaction of such court, by a preponderance of the evidence in a de novo proceeding before such court, that the action requested in such petition to the Commission is necessary to prevent acts or practices which are unfair or deceptive acts or practices in or affecting commerce, within the meaning of section 5(a)(1), and that the failure of the Commission to take such action will result in the continuation of such unlawful acts or practices, such court shall order the Commission to initiate such action.

"(D) In any action under this paragraph, a court shall have no authority to compel the Commission to take any action other than the initiation of a rulemaking proceeding in accordance with this section.".

Sec. 11. The Federal Trade Commission Act (15 U.S.C. 41 et seq.) as amended by this Act, is further amended by adding at the end thereof the following new section:

"Sec. 21. (a) The Federal Trade Commission is authorized to provide financial assistance and to make grants to eligible States to improve the antitrust enforcement capability of such State. As used in this section, an 'eligible State' is one that has a State plan which has been approved under subsection (c).

"(b) The attorney general of any State may submit to the Commission a plan for improving antitrust enforcement in such State. Each such plan shall be consistent with such basic criteria as the Commission may establish pursuant to subsection (d), and it shall—

"(1) authorize the State's attorney general to implement or direct the implementation thereof;

"(2) describe in detail a program for the training of State officers and employees in antitrust enforcement and describe the means proposed for implementing, evaluating, and revising such program;

"(3) establish such fiscal controls and fund accounting procedures as may be necessary to assure proper disposal of and accounting of Federal funds paid to the State, including any such funds which are paid by the State to any political subdivision thereof; and

"(4) provide (A) for making such reports to the Commission in such form and with such information as the Commission prescribes, and (B) for keeping such records and affording such access thereto as the Commission finds necessary to assure the accuracy thereof and the verification thereof.

"(c) The Commission shall approve any State plan, and any modification of any such plan which is in accordance with the provisions of subsection (b).

"(d) The Commission shall, by regulation, as soon as practicable after the date of enactment of this section, prescribe basic criteria for the purpose of establishing an equitable distribution among the several States of the funds available under this section.

"(e) Payments under this section shall be made from the allotment to any State which administers a plan approved under this section. Payments to a State under this section may be made in installments, in advance, or by way of reimbursement, with necessary adjustments on account of underpayment or overpayment, and may be made directly to a State or to one or more public agencies designated for this purpose by the State, or to both.

"(f) The Comptroller General of the United States or any of his authorized representatives shall have access for the purpose of audit and examination to any books, documents, papers, and records that are pertinent to any grantee under this section.

"(g) If the Commission finds, after giving reasonable notice and an opportunity for hearing to a State receiving a grant under this section, that—

"(1) the program for which such grant was made has been so changed that it no longer complies with the provisions of this section; or

"(2) the program as operated or maintained fails to comply substantially with any of the provisions of this section or with the applicable plan as approved;

the Commission shall notify such State of such finding of noncompliance. No further payments may be made under this section to such State by the Commission until it is satisfied that such noncompliance has been, or will promptly be, corrected, except that the Commission may authorize additional payments for any other program carried out by such State under this Act which is not involved in such noncompliance.

"(h) As used in this section the term—

"(1) 'State' includes each of the several States of the United States, the District of Columbia, and the Commonwealth of Puerto Rico; and

"(2) 'attorney general' means (A) the attorney general of a State or (B) the principal law enforcement officer of a State, in any case in which that role is performed by an officer other than such State's attorney general.

"(i) There are authorized to be appropriated to carry out the purposes of this section not to exceed $10,000,000 for the fiscal year ending September 30, 1977; not to exceed $10,000,000 for the year ending September 30, 1978; and not to exceed $10,000,000 for the fiscal year ending September 30, 1979. For fiscal years ending after 1979, there may be appropriated to carry out the purposes of this section, only such sums as the Congress may hereafter authorize by law.".

Sec. 12. Sections 2 and 3 of the Act entitled "An Act to supplement existing laws against unlawful restraints and monopolies, and for other purposes", approved October 15, 1914 (15 U.S.C. 13 and 14), and section 3 of the Act entitled "An Act to amend section 2 of the Act entitled 'An Act to supplement existing laws against unlawful restraints and monopolies, and for other purposes', approved October 15, 1914, as amended (15 U.S.C. 13), and for other purposes", approved June 19, 1936 (15 U.S.C. 13a), are amended by striking out "in commerce" wherever the term appears and inserting in lieu thereof "in or affecting commerce".

Sec. 13. Section 5 of the Wool Products Labeling Act of 1939 (15 U.S.C. 68c) is amended by striking out the term "wood" in the second paragraph thereof and inserting in lieu thereof "wool".

Sec. 14. Section 9(b)(1) of the Fur Products Labeling Act (15 U.S.C. 69g(b)(1) is amended by striking out the term "volating" and inserting in lieu thereof "violating".

Sec. 15. Section 12(a)(2) of the Textile Fiber Products Identification Act (15 U.S.C. 70j(a)(2)) is amended to read as follows: "(2) outer coverings of furniture, mattresses, and box springs, except that the Commission may require care labeling with respect to outer coverings of furniture.".

Mr. ROBERT C. BYRD. Mr. President, I send a technical amendment to the desk.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from West Virginia (Mr. Robert C. Byrd) proposes a technical amendment:

(1) Strike page 10, line 12 through page 13, line 25.

(2) Renumber section 12, 13, 14, and 15, as section 11, 12, 13, and 14, respectively.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

The PRESIDING OFFICER. The question is an agreeing to the committee amendment, as amended.

The committee amendment, as amended, was agreed to.

The bill was ordered to be engrossed for a third reading and was read a third time.

The bill (S. 2935) was passed, as follows:

S. 2935

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Federal Trade Commission Authorization Act of 1976".

Sec. 2. Section 20 of the Federal Trade Commission Act (15 U.S.C. 57c) is amended to read as follows:

"Sec. 20. There are authorized to be appropriated to carry out the functions, powers, and duties of the Commission not to exceed $54,000,000 for the fiscal year ending June 30, 1976 (of which not to exceed $25,000,000 shall be authorized for the purposes of maintaining competition); not to exceed $14,500,000 for the fiscal transition period ending September 30, 1976 (of which not to exceed $6,250,000 shall be authorized for the purposes of maintaining competition); not to exceed $70,000,000 for the fiscal year ending September 30, 1977 (of which not to exceed $35,000,000 shall be authorized for the purposes of maintaining competition); and not to exceed $85,000,000 for the fiscal year ending September 30, 1978 (of which not to exceed $45,000,000 shall be authorized for the purposes of maintaining competition).".

Sec. 3. The Federal Trade Commission Act (15 U.S.C. 41 et seq.) is amended by (1) striking out section 21 thereof; and (2) amending section 1 thereof by striking out "That a" in the first sentence thereof and inserting in lieu thereof, with appropriate paragraph indentation, the following:

"(a) This Act may be cited as the 'Federal Trade Commission Act'.

"(b) A".

Sec. 4. Section 1 of the Federal Trade Commission Act, as amended by this Act (15 U.S.C. 41), is further amended by adding at the end thereof the following two new subsections:

"(c) Whenever the Commission submits any budget estimate, request, or information to the President or the Office of Management and Budget, it shall concurrently transmit a copy of such budget estimate, request, or information to the Congress.

"(d) Whenever the Commission submits any legislative recommendations, or testimony, or comments on legislation to the President or the Office of Management and Budget, it shall concurrently transmit a copy thereof to the Congress. No officer or agency of the United States shall have any authority to require the Commission to submit its legislative recommendations, or testimony, or comments on legislation, to any officer or agency of the United States for approval, comments, or review, prior to the submission of such recommendations, testimony, or comments to the Congress.".

Sec. 5. Section 2 of the Federal Trade Commission Act, (15 U.S.C. 42) is amended by—

(1) inserting "(a)", "(b)", "(e)", "(f)", and "(g)" immediately before the first, second, third, fourth, and fifth paragraphs thereof, and

(2) inserting immediately after subsection (b) thereof, as so designated, the following two new subsections:

"(c) In addition to the other authority conferred by this section, the Commission is authorized, in furtherance of its responsibilities with respect to maintaining competition, to establish, assign the duties, and fix the compensation for not to exceed 25 attorney, economist, special expert, and outside counsel positions. Individuals may be appointed to such positions by the Commission without regard to the provisions of title 5, United States Code, governing appointments in the competitive service, and may be paid without regard to the provisions of chapter 51 and subchapter III of chapter 53 of such title relating to classification and General Schedule pay rates but at rates not in excess of the maximum rate for GS–18, but not less than the minimum rate for GS–16, of the General Schedule under section 5332 of such title.

"(d) Any appointment or removal of an employee of the Commission to a position in categories GS–16, GS–17, and GS–18 may be made by the Commission without regard to any provision of title 5, United States Code, other than section 3324 thereof where applicable, governing appointments to, and removals from, positions in the competitive service, and shall not be subject to approval by the Executive Office of the President or the Office of Management and Budget, or any officer thereof, or by any office or agency of the Federal Government other than the Commission.".

Sec. 6. Section 5(c) of the Federal Trade Commission Act (15 U.S.C. 45(c)) is amended by striking out the first sentence thereof and inserting in lieu thereof the following: "Any person, partnership, or corporation required by an order of the Commission to cease and desist from using any method of competition or any act or practice may obtain a review of such order in the court of appeals of the United States for the circuit within which such person, partnership, or corporation resides or maintains its principal place of business.".

Sec. 7. Section 5(g) of the Federal Trade Commission Act (15 U.S.C. 45(g)) is amended (1) by striking out paragraphs (2), (3), and (4) thereof in their entirety, and (2) by inserting in lieu thereof the following new paragraph:

"(2) Upon the 60th day after such order is served, if a petition for review has been duly filed, except that any such order may be stayed, in whole or in part, subject to such conditions as may be appropriate, by—

"(A) the Commission;

"(B) an appropriate court of appeals of the United States, if a petition for review of such order is pending in such court and if an application for such a stay was previously submitted to and denied by the Commission; or

"(C) the Supreme Court, if an applicable petition for certiorari is pending.".

Sec. 8. Section 5(m) (A) and (B) of the Federal Trade Commission Act (15 U.S.C. 45 (m)) are amended (1) by inserting "or a suit for injunction or other equitable relief", immediately after "action" in the first sentences thereof; and (2) by amending the second sentences thereof to read "In such action or suit, such person, partnership, or corporation shall be liable for a civil penalty of not more than $10,000 for each violation and such other equitable relief as the court may deem appropriate.".

Sec. 9. Section 10 of the Federal Trade Commission Act (15 U.S.C. 50) is amended by—

(1) inserting "(a)", "(b)", "(c)", and "(f)" immediately before the first, second, third, and fourth paragraphs thereof,

(2) striking out the first sentence of subsection (c) thereof, as so designated, and inserting in lieu thereof the following: "If any person, partnership, or corporation which is required by the Commission to file or submit any annual or special report, or to obey any subpena or other order requiring access to documentary evidence, fails to comply with any such requirement within the time prescribed therefor by the Commission, and if such failure continues for 15 days after notice of such default to such person, partnership, or corporation, such person, partnership, or corporation shall be liable to the United States for a civil penalty of not less than $1,000 nor more than $5,000 as the court may determine, for each day that such failure continues after such 15th day. The amount of such civil penalty shall be payable into the Treasury of the United States, and shall be recoverable in a civil suit by and in the name of the Commission, brought in the district court of the United States within which such person, partnership, or corporation resides or does business.",

(3) inserting immediately after subsection (c) thereof, as so designated, the following two new subsections:

"(d) No action to stay accumulation of any of the penalties provided by subsection (c) or to challenge the validity, or to enjoin the Commission or the United States from enforcement, of any requirement to submit or file any annual or special report or any subpoena or other order requiring access to documentary evidence may be commenced until after the service of a notice of default by the Commission as provided in such subsection (c). No court shall issue any order staying the accumulation of such penalties unless the party seeking such relief shall have first demonstrated—

"(1) a substantial probability of prevailing on the merits;

"(2) that such party will be irreparably injured unless the accumulation of such penalties is stayed; and

"(3) that the equities clearly favor such stay.

"(e) No court shall hold invalid, or issue an order enjoining the Commission or the United States from enforcing, (1) any requirement with respect to the submission or filing of any annual or special report, or (2) any requirement of any subpena or other order requiring the production of any documentary evidence, unless the party subject to such requirement first demonstrates that—

"(A) such requirement is, with respect to such party, unduly burdensome; or

"(B) the information sought by such requirement is not reasonably relevant to an inquiry being conducted by the Commission

The Commission shall have authority to conduct investigations and to adjudicate complaints consistent with the applicable provisions of this Act, unless such investigation or adjudication is expressly prohibited by this Act.".

Sec. 10. Section 18(b) of the Federal Trade Commission Act (15 U.S.C. 57a(b)) is amended (1) by inserting "(1)" immediately after "(b)", and (2) by inserting at the end thereof the following new paragraph—

"(2)(A) Whenever, pursuant to section 553(e) of title 5, United States Code, an interested person petitions the Commission for the issuance, amendment, or repeal of a rule under this section, the Commission shall grant or deny such petition within 120 days after the date that such petition is received by it. If the Commission grants such a petition, it shall commence an appropriate proceeding under subsection (a)(1)(B) as soon thereafter as practicable. If the Commission denies such a petition, it shall set forth, and publish in the Federal Register, its reasons for such denial.

"(B) If the Commission denies such a petition (or if it fails to act thereon within the 120-day period mandated by subparagraph (A)), the petitioner may commence a civil action in an appropriate district court of the United States for an order directing the Commission to initiate a proceeding to take the action requested in such petition. Such an action shall be commenced within 60 days after the date of such denial or, where appropriate within 60 days after the date of expiration of such 120-day period.

"(C) If such a petitioner can demonstrate to the satisfaction of such court, by a preponderance of the evidence in a de novo proceeding before such court, that the action requested in such petition to the Commission is necessary to prevent acts or practices which are unfair or deceptive acts or practices in or affecting commerce, within the meaning of section 5(a)(1), and that the failure of the Commission to take such action will result in the continuation of such unlawful acts or practices, such court shall order the Commission to initiate such action.

"(D) In any action under this paragraph, a court shall have no authority to compel the Commission to take any action other than the initiation of a rulemaking proceeding in accordance with this section.".

Sec. 11. Sections 2 and 3 of the Act entitled "An Act to supplement existing laws against unlawful restraints and monopolies, and for other purposes", approved October 15, 1914 (15 U.S.C. 13 and 14), and section 3 of the Act entitled "An Act to amend section 2 of the Act entitled 'An Act to supplement existing laws against unlawful restraints and monopolies, and for other purposes', approved October 15, 1914, as amended (15 U.S.C. 13), and for other purposes", approved June 19, 1936 (15 U.S.C. 13a), are amended by striking out "in commerce" wherever the term appears and inserting in lieu thereof "in or affecting commerce".

Sec. 12. Section 5 of the Wool Products Labeling Act of 1939 (15 U.S.C. 68c) is amender by striking out the term "wood" in the second paragraph thereof and inserting in lieu thereof "wool".

SEC. 13. Section 9(b)(1) of the Fur Products Labeling Act (15 U.S.C. 69g(b)(1)) is amended by striking out the term "volating" and inserting in lieu thereof "violating".

SEC. 14. Section 12(a)(2) of the Textile Fiber Products Identification Act (15 U.S.C. 70j(a)(2)) is amended to read as follows: "(2) outer coverings of furniture, mattresses, and box springs, except that the Commission may require care labeling with respect to outer coverings of furniture.".

(Later in the day the following proceedings occurred.)

Mr. MOSS. Mr. President, I move to reconsider the vote by which S. 2935 passed the Senate earlier today.

Mr. CRANSTON. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

CONSUMER FOOD ACT OF 1976

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar No. 655, S. 641.

The PRESIDING OFFICER. The bill will be stated by title.

The assistant legislative clerk read as follows:

A bill (S. 641) to regulate commerce and protect customers from adulterated food by requiring the establishment of surveillance regulations for the detection and prevention of adulterated food, and for other purposes.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill, which had been reported from the Committee on Commerce and the Committee on Labor and Public Welfare, with amendents.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senator from Maryland may now be recognized for not to exceed 2 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

SENATE JOINT RESOLUTION 183—NATIONAL KNIGHTS OF COLUMBUS DAY

Mr. BEALL. Mr. President, I send a joint resolution to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The resolution will be stated by title.

The assistant legislative clerk read as follows:

A resolution (S.J. Res. 183) authorizing and requesting the President to issue a proclamation designating March 29, 1976, as "National Knights of Columbus Day."

The PRESIDING OFFICER. Is there objection to the present consideration of the resolution?

There being no objection, the Senate proceeded to consider the resolution, which was considered to have been read the second time at length.

Mr. BEALL. Mr. President, this is a resolution to authorize the President to designate March 29, 1976, as "National Knights of Columbus Day."

That day will mark the 94th anniversary of the Knights of Columbus. Throughout those years, the Knights of Columbus have made significant contributions to their communities and our country in such diverse fields as religion, social welfare, civic involvement, youth work, and patriotic endeavors. In short, there are few groups in the United States who have worked harder for our Nation, its people and its ideals than the members of the Knights of Columbus.

Currently, there are more than 1,200,000 members in 6,000 councils located not only in the United States, but also in Canada, Mexico, Puerto Rico, Canal Zone, Guam, Guatemala, the Virgin Islands, and the Philippines. I urge Congress to recognize their fine work by enacting this resolution.

The PRESIDING OFFICER. The question is on the engrossment and third reading of the joint resolution.

The joint resolution (S.J. Res. 183) was ordered to be engrossed for a third reading, was read the third time, and passed.

The preamble was agreed to.

The joint resolution, with its preamble, reads as follows:

Whereas, on March 29, 1882, the Knights of Columbus was chartered by the General Assembly of the State of Connecticut; and

Whereas, on March 29, 1976, the more than 1,200,000 members in the 6,000 councils in the United States, Canada, Mexico, Puerto Rico, Canal Zone, Guam, Guatemala, Virgin Islands and the Philippines will observe the anniversary of the granting of the Charter; and

Whereas, the Knights of Columbus have made outstanding contributions in the fields of religion, social welfare, civic involvement, youth work, and patriotic endeavors: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the President is authorized and requested to issue a proclamation designating March 29, 1976, as "National Knights of Columbus Day", and calling upon the people of the United States and interested groups and organizations to observe that day with appropriate ceremonies and activities.

CONSUMER FOOD ACT OF 1976

The Senate continued with the consideration of the bill (S. 641) to regulate commerce and protect consumers from adulterated food by requiring the establishment of surveillance regulations for the detection and prevention of adulterated food, and for other purposes.

Mr. MOSS. Mr. President, I ask unanimous consent that the following staff members have the privilege of the floor during consideration of and votes on S. 641:

From the Committee on Commerce, Edward Merlis and Malcolm Sterrett.

From the Committee on Labor and Public Welfare, Nick Edes, Alan Fox, and Jay Cutler.

From the Subcommittee on Administrative Practice and Procedure, Tom Sussman.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MANSFIELD. Mr. President, will the Senator yield?

Mr. MOSS. I yield, with the understanding that I will not lose my right to the floor.

Mr. MANSFIELD. Mr. President, the Senate should be on notice that there will be at least one vote, very likely two votes, on the pending measure; so that forewarned is forearmed.

Mr. CASE. Mr. President, several of us have been requested to go to the White House. Can we have an understanding that there will not be a vote before 5:30 or 6:30?

Mr. GRIFFIN. How about voting by 5:30?

Mr. JAVITS. Mr. President, will the Senator yield? A great deal is going on, but I believe I have an interest in it, too. There are 2 hours on this amendment. The 2 hours will be consumed. I do not wish the Senate to have any other impression.

Senator HATHAWAY's amendment is very important. We debated it very long in committee, and we are going to debate it on the floor. This is not going to be done in 10 minutes, not at all.

The PRESIDING OFFICER. This bill is under a time limitation. Who yields time?

Mr. Moss. Mr. President, I yield time to the majority leader.

Mr. MANSFIELD. Mr. President, it appears to me that, in view of what the distinguished Senator from New York has just said, we will spend a portion of the 2 hours on the two amendments.

Mr. JAVITS. That is right.

Mr. MANSFIELD. I suggest, with the approval of the distinguished Senator from Maine, the author of the two amendments which may be voted on, that the vote on the first amendment occur not before 6:30, and very likely it might be possible that the second amendment will be voted upon immediately thereafter.

Mr. JAVITS. I have no idea. I gather that the Senator has two amendments.

Mr. HATHAWAY. I did not hear the second part of the request.

Mr. MANSFIELD. It is possible that the second vote might immediately follow the first one.

Mr. HATHAWAY. It would not follow immediately.

Mr. MANSFIELD. Some time in that vicinity. But the first vote would be at 6:30.

Mr. HATHAWAY. Not before 6:30.

The PRESIDING OFFICER. The Chair did not hear the request.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the first vote on the Hathaway amendments occur not before 6:30 p.m.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. JAVITS. Mr. President, will the Senator yield?

Mr. MOSS. I yield to the Senator from New York.

Mr. JAVITS. Mr. President, I, too, am due at the White House. I just want to state that for the record. The President has invited the New York and the New Jersey delegations, and I am the senior member. But in view of the desire of the leadership to have this matter brought up, I simply must apologize to the President and remain here.

Mr. MANSFIELD. May I say that the idea of bringing it up at this time was to foreclose the possibility of a session tomorrow and to give the Senate a chance to go over until Monday, and this was sort of a quid pro quo.

Mr. MOSS. Mr. President, I ask unanimous consent that the bill as reported by the Committee on Commerce and the Committee on Labor and Public Welfare be considered as original text and open to further amendment.

The PRESIDING OFFICER. Without objection, the amendments are agreed to en bloc and, without objection, the amendments as agreed to will be considered as original text for purposes of further amendment.

Mr. MOSS. I thank the Chair.

Mr. President, today we consider a bill which has had a long process of development, but in so doing has been refined to the point at which I believe it is, without doubt, a sound treatment of the need for mechanisms to reduce and to eliminate risks of adulteration in the Nation's food supply. The legislation also makes extensive changes in the labeling requirements for food in order to enable the American consumer to make more informed food purchasing decisions. Lastly, the bill provides for mechanisms which will better enable the Food and Drug Administration to monitor and act against violations of the Food, Drug and Cosmetic Act.

Particular tribute in the development of this legislation should be paid to the Senator from Michigan (Mr. PHILIP HART), who oiginally introduced S. 3922 in the closing days of the 89th Congress. The original bill was designed to treat the problems of adulteration in fish and fishery products. In the 9½ years since that bill was introduced, we have studied the problem of adulterated food in great depth. In our studies, we have been aided by the General Accounting Office, which has done a number of important audits of food processing and labeling, and these reports, too, have been of significance in the development of the present bill.

I should like to review the activities which we have conducted in the Committee on Commerce and in the Committee on Labor and Public Welfare on this legislation and its predecessors. In the 90th Congress, the Committee on Commerce held 5 days of hearings on issues directly related to this legislation. These were on bills S. 1472 and S. 2958. In the 91st Congress, we held 3 additional days of hearings on the problems of adulterated food, and in the 92d Congress, finally reported S. 2824, having held 3 additional days of hearings during the first session of the 92d Congress. The Senate passed S. 2824 in December of 1971, but no further action was taken in the House. In the 93d Congress, we considered jointly with the Committee on Labor and Public Welfare S. 2373. On this legislation, 4 days of hearings were held, and both committees subsequently reported the immediate predecessor to the bill which we have under consideration today. That bill passed the Senate July 11, 1974, too late for action by the House in the 93d Congress. Fortunately, the legislation which the Senate did pass in 1974 was far more comprehensive and incorporated important labeling provisions which grew out of the recommendations of the 1969 White House Conference on Food, Nutrition, and Health.

In the 94th Congress, S. 641 was jointly referred to the Committees on Commerce and Labor and Public Welfare, which committees conducted joint hearings on 3 days and subsequently reported jointly the bill which we have before us today.

Thus, while this legislation is the most extensive change in the last 38 years made to the food provisions of the Food, Drug, and Cosmetic Act, it has not been done precipitously. We have held more than 18 days of hearings on the matters contained in this bill, the Senate has passed it twice, and by our action early in this session, we are confident that the legislation will be enacted and signed into law.

Among the more important analyses which led to this legislation were the GAO studies concerning the dimensions of unsanitary conditions in the food-marketing industry. In effect, the GAO found that as many as 40 percent of the Nation's 80,000 food processing establishments were operating under unsanitary conditions. I ask unanimous consent that a table from the committee report which summarizes the findings of the Comptroller General be printed in the RECORD at this point.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Degree of unsanitary conditions [1]

	Percent of establishments
1. Significant unsanitary conditions	23.7
2. Unsanitary conditions	16.5
3. Minor unsanitary conditions	28.9
4. In compliance (with FD&C Act requirements)	30.9

[1] Report to the Congress: Dimensions of Unsanitary Conditions in the Food Manufacturing Industry by the Comptroller General of the United States (B-164031(2)), dated April 18, 1972.

Mr. MOSS. Of particular concern was the finding that FDA's resources could not successfully cope with the inspection needs in the food processing industry. Thus, we embarked upon the development of this legislation cognizant of the prohibitive costs of continuous inspections. In effect, new section 411 of the Food, Drug, and Cosmetic Act, as I shall describe later, puts the responsibility for safety and sanitation on the shoulders of the food processor. At a time when people are calling "get the government off our backs," that is exactly what we propose to do, if, and only if, the food processor prepares his food in a manner which will prevent against unreasonable risk of adulteration.

Another GAO study, "Lack of Authority Limits Consumer Protection: Problems in Identifying and Removing From the Market Products Which Violate the Law," revealed that even in those instances in which FDA had been able to inspect, its lack of authority hindered its ability to act expeditiously and comprehensively. These concerns gave rise to a number of sections in the bill which enhance FDA's regulatory tools. I believe, and I am sure you will agree too, that we have given FDA an increased arsenal of tools and remedies but not given it the kinds of harassment powers which have reflected poorly on Government regulation.

Of particular interest in the GAO reports was the failure of FDA to keep track of food processing establishments. A significant portion of this failure, however, was due to a lack of authority by which FDA could monitor and inventory those establishments which were engaged in food processing. Title II of S. 641 deals with this problem in a relatively simple manner, one which has been accepted as the most inexpensive method of registration and inventory of food processing establishments.

The last, and perhaps the most visible problem, as concerns the consumer, is the question of food labeling. Although the Food, Drug, and Cosmetic Act does much to enhance the consumer's ability to distinguish among competing products in the marketplace, there has developed a need for more information as the American consumer has become more sophisticated. With the development of more informative labeling, however, it becomes imperative that we develop a labeling program in a manner which is coherent and uniform. We cannot afford, in our economy, to have diverse ways of presenting the same information. To do so would result in excessive costs to the consumer. S. 641 meets this problem directly, prescribes several new levels of food labeling, and effectively preempts diversities which would significantly raise the cost to the consumer.

Mr. President, I ask unanimous consent that a section of the committee report entitled "Meeting the Needs" be printed in the RECORD at this point.

There beinig no objection, the material was ordered to be printed in the RECORD, as follows:

MEETING THE NEEDS

(1) *S. 641 requires food processors to develop comprehensive food safety assurance systems and empowers the Secretary of HEW (i.e., FDA) to set safety assurance standards for those procedures and systems that fail to provide adequate protection.*

In view not only of the size of the food industry, but also of the tremendous variation in food processing techniques and manufacturing conditions, the bill's approach to food surveillance, which confers primary food safety responsibilities on the food processor, appears the most appropriate. It would not diminish various FDA food safety responsibilities, nor would it shift technologically sophisticated programs such as pesticide residue monitoring to industry. The joint industry-FDA approach would provide more comprehensive protection in that the Secretary's authority would be an essential "back up" authority to review industry-developed safety assurance procedures and systems be upgraded.

The bill requires food processors to establish safety assurance procedures to eliminate unreasonable risks of adulteration. In the event that such procedures are inadequate FDA will establish safety assurance standards. In many cases, standards would include the surveillance activities that the FDA will be required to perform in order to assure compliance with such standards. FDA's Good Manufacturing Practice regulations (GMP's) could properly be included in safety assurance procedures and safety assurance standards. This should not be construed, however, as either affirmance or disapproval by the Committee of FDA's legal position that the Food, Drug, and Cosmetic Act already authorizes the promulgation of mandatory GMP's, having the force and effect of law, applicable to the food, drug, device, or cosmetic industries.

(2) *S. 641 enhances the Secretary of HEW's information-gathering powers and inspection authority, authorizes the administrative detention of foods suspected to be in violation of the Food, Drug, and Cosmetic Act, and provides other expanded regulatory authorities for FDA.*

The legislation would enable FDA to require maintenance of and access to records relating to safety assurance procedures or applicable safety assurance standards, including process flow diagrams; analytical or procedural methods used; results and raw data obtained from tests to assure compliance with safety assurance standards or procedures; and records relating to a breakdown or possible weakness in such controls. The extension of FDA's inspection authority to these records would reduce the time and cost to the agency for comprehensive reinspections, thereby contributing to more widespread compliance with safety and sanitation requirements. The records inspection authority would facilitate FDA's enforcement actions to prevent the distribution in commerce of adulterated products. FDA enforcement actions would also be facilitated by the rebuttable presumption that food is distributed in interstate commerce. Much time is wasted in the Federal court system while arguments are made as to whether a food is in interstate commerce, and thus subject to the Food, Drug, and Cosmetic Act authorities. By placing the burden of proof squarely on the shoulders of the food processor without undermining due process, FDA would be relieved of the time and resource consuming function of proving in court that given actions are within the scope of its regulatory responsibilities.

However, at the same time, FDA's litigating expertise would be utilized more frequently since the Secretary of HEW is authorized to argue his Department cases in court and to initiate civil but not criminal proceedings without Justice Department participation. This authority would permit litigation and argument by the agency with the greatest familiarity not only with the statute, but also with the facts in question. In terms of enforcement sanctions, the bill's addition of civil money penalties to the Food, Drug, and Cosmetic Act will allow FDA to impose sanctions in addition to those currently provided in the act. The legislation further requires that FDA be notified of defective products that leave the processor's control, and authorizes the administrative detention of foods which FDA suspects may violate the Food, Drug, and Cosmetic Act. Although FDA shares with the Department of Agriculture a limited authority to detain meat, poultry, and eggs, under the Federal Meat Inspection, the Poultry Products Inspection, and the Egg Products Inspection Acts, FDA has no authority to detain suspected violative foods regulated under the Food, Drug, and Cosmetic Act. The notification and administrative detention provisions will afford FDA time to assess possible violations, and the detention authority would insure against the possibility that an uncooperative processor may ship products in violation of the FDC Act, but without duplicating authority as between FDA and USDA.

(3) *S. 641 provides the Secretary of HEW with a complete and accurate national inventory of all food processors and food processing.*

The legislation facilitates the Secretary's regulation of food in interstate commerce by providing for the registration of all establishments in which food for human use is manufactured, processed, labeled, stored, or otherwise handled. All such establishments will be registered, but not licensed. Registration statements will include the name of the individual registrant, his place of business, the types of food processed, and the types of processing employed therein. Regulations specifying classifications by type of food and type of food processing will be promulgated to assist in the development of valid inspection priorities and to expedite enforcement actions involving a particular class of food or food processing. Registration is not intended to burden either the industry or the agency, and the registration should be accomplished in as simple a manner as possible, perhaps with the Secretary using his permissive authority so as to phase in and not burden the agency with an avalanche of documents within a short period after enactment of S. 641. Although a provision exempts retailers whose processing consists of the sale of food for human consumption on or off the premises, some forms of retail processing, such as warehousing, could be subjected to the registration requirement.

(4) *S. 641 requires fully informative food label information with respect to ingredients, nutritional value, and freshness. S. 641 would lower food costs by requiring uniform disclosure of such information.*

The legislation provides consumers with several ready means of identifying the constituent ingredients, the nutritional value, and the freshness of the foods they purchase. The bill requires the full disclosure of mandatory ingredients used in standardized foods; the disclosure by common or chemical name of coloring; and the label designation of certain spices and flavoring by common name where such a designation would have important human health consequences. Where spices and flavoring remain listed as such on food product labels, food processors would be required to differentiate between artificial and natural spices and flavorings. A 1-year study of the feasibility and need for the individual listing of spices and flavorings by name would explore alternative means of achieving fully informative food labeling, such as the establishment of common or usual names for combinations of ingredients, or the label listing of colorings by number. The Secretary of HEW's general authority to exempt certain ingredients from the specific designation requirements is replaced by several more narrowly drawn exemptions.

The bill provides express statutory authority with respect to nutrition labeling, establishing fully informative common or usual names for food, percentage ingredient labeling, and date labeling to avoid the possibility of litigation that might delay implementation of existing regulation in these areas. Such express statutory authority, however, should not be construed as casting any doubt upon the legality of labeling programs already underway. The bill confirms by statute the authority which FDA now is using to establish common or usual names that include a percentage declaration of characterizing ingredients. The implementing regulations for these provisions will be promulgated under the same provisions of the Food, Drug, and Cosmetic Act as the present regulations (i.e., sec. 701(a)). Characterizing ingredients are those ingredients which have significance with respect to the food's value, quality, nutrition, and acceptability for human consumption, and identification of such ingredients would be largely a matter of commonsense. For example, the advantages to consumers in being able to identify the percentage of real juice in a diluted beverage, the percentage of fruit in a fruit juice, or the precentage of shrimp in a shrimp cocktail is self-evident.

Date labeling could be required for packaged food to help consumers identify such products with respect to their relative freshness. The Secetary (i.e., FDA) would have authority to specify by regulation those foods or classes of foods for which open dating is necessary. The FDA would be empowered to require that such foods display the date beyond which they shoud not be sold to the ultimate consumer. The bill requires that "sell dates" or "use date", placed on the labels of foods which are not required to bear such dates, conform to the regulations specifying the format in which required "sell dates" or "use dates" are to be displayed. Furthermore, the voluntary display of any other date (e.g., a "pack date"), would be required to be made clearly and conspicuously, and to be accompanied by a descriptive phrase identifying its meaning. The legislation would not, however, subject retailers to prosecution if they offered, sold, or displayed food such as "day-old" bread bearing a sell date after such date has passed. Food would be considered misbranded with respect to dating information and subject to seizure if the date information placed on the food were not representative of the normal life of the food product (e.g., if that date information would mislead the consumer to buy food which might have already spoiled in advance of the labeled sell date; or if display of such date did not conform to published regulations governing such display). Under no circumstances would retailers be subject to the criminal penalties of the Food, Drug, and Cosmetic Act for receipt of a misbranded food if they merely relied in good faith on the manufacturer's representation of the sell date.

In this connection, the preemption provision promoting national uniformity in food labeling would make unnecessary costly labeling changes to suit different local jurisdictions. Viewed in conjunction with the State training provisions contained in the bill, which guarantee a full cooperative effort between the Secretary and State or local personnel commissioned as officers of the Department of HEW, preemption will result in a stronger nationwide food labeling effort. It is not intended in any way to diminish law enforcement by State and local personnel.

Mr. MOSS. Before turning the floor over to others who may wish to comment on the bill, I would like to run briefly through the bill and highlight the significant steps in each of the three titles.

SAFETY ASSURANCE PROCEDURES

New section 411(a) of the Food, Drug, and Cosmetic Act is a recognition that an individual processor knows his processing line best. All food processors take steps to protect against adulteration. What we are doing in section 411(a) is saying to the food processor, write down those points in the processing operation which are important in the prevention of adulteration of food within the meaning of section 402(a) of the Food, Drug, and Cosmetic Act, identify the hazards which are associated with each point, establish adequate means to control these hazards at each point, and establish adequate inspection, monitoring and testing of the controls. In other words, put your procedures in writing and abide by your procedures.

SAFETY ASSURANCE STANDARDS

New section 411(b) of the Food, Drug, and Cosmetic Act is designed to deal with the problem of safety assurance procedures which do not prevent against unreasonable risks of adulteration within the meaning of section 402(a) of the Food, Drug, and Cosmetic Act. For instance, if the Secretary of HEW finds that food or classes of food is being processed in a manner which presents an unreasonable risk of adulteration, or if he finds that existing safety assurance procedures are not adequate to protect against unreasonable risks of adulteration in the meaning of section 402(a) of the Food, Drug, and Cosmetic Act, then the Secretary shall promulgate safety assurance standards.

NOTIFICATIONS

One of the problems which the Food and Drug Administration has had has been its inability to continuously monitor food processing. New section 411(d) provides that a food processor shall have the responsibility to notify the Secretary of HEW whenever he acquires information that indicates any food which has been processed and which has left his control may be adulterated within the meaning of section 402(a) of the Food, Drug, and Cosmetic Act. Additionally, a food processor is required to notify the Secretary at any time that he institutes a recall of food and he has reason to believe that such food may be in violation of the Food, Drug, and Cosmetic Act.

FOOD CODING

One of the problems which has existed in the area of recalls has been the difficulty in pinpointing which particular products on the shelf are being recalled. New section 412 establishes a mechanism for insuring that all food is identified in a simple manner which will facilitate recalls. One of the considerations which the committees gave to recall coding was the assignment of codes by the Secretary so that no two different items would ever have the same numbers. Unfortunately, as desirable as this system might be, it would be somewhat unworkable, for to do so a code would, of necessity, be approximately 16 digits or more. We have, thus, revised the food coding language to enable simpler codes which will be easily remembered by a consumer if he reads in a newspaper or hears on television or radio that a particular food has been recalled. This is an important step in insuring better methods of recall for foods.

DETAINER AUTHORITY

In the administrative procedures which are required under the Food, Drug, and Cosmetic Act for the Secretary to seize or enjoin a shipment of food, a time problem arises. Thus, new section 304(g) provides authority for authorized representatives of the Secretary to detain any food upon a written notice for a reasonable period of time, not to exceed 20 days, if the representative finds or has reason to believe that the food is adulterated within the meaning of section 402 (a), (c), or (e) of the Food, Drug, and Cosmetic Act. Without this authority, the Secretary has faced the following problem. An inspector has found adulterated food in an establishment subject to inspection under the Food, Drug, and Cosmetic Act. He then goes through the administrative procedures of reporting this information to his superiors who forward this information on to the proper FDA authorities who then, in conjunction with the Department of Justice or the U.S. attorney, seek in the appropriate courts, to either seize or enjoin shipment of the food. By the time this action is accomplished, the food may have been shipped in commerce and no adequate records retained.

With the addition of detainer authority, the Secretary will be better able to prevent again these kinds of situations.

CIVIL PENALTIES

Another problem which exists oftentimes is the decision which must be made as to whether to prosecute an individual or firm or not prosecute an individual or firm. We will spend some time, of course, talking about the criminal penalties, but I would like to point out that tied in with the criminal penalties we have added authority for the assessment of civil penalties of not to exceed $10,000 for each violation for the commission of an act prohibited by section 301 of the Food, Drug, and Cosmetic Act. From time to time there are offenses which arise which are not of a level to be worthy of a criminal prosecution, yet some sanction must be imposed. Civil penalties are not a substitute or an alternative for criminal penalties. However, they are an important complement to the range of sanctions which must exist in order to enforce a complex statute such as this evenhandedly and judiciously.

ADMINISTRATIVE PROCEDURES

We have heard oftentimes about the years and years which it took FDA to determine what the composition of peanut butter should be. The problem in this instance and in several other cases has been the rulemaking procedural requirements of the Food, Drug and Cosmetic Act. In the interest of regulatory reform we have adopted in place of the trial type procedures currently imposed for certain regulatory actions under the FDC Act, procedures which have come to be known as the "Magnuson-Moss" procedures. These allow for limited cross-examination where there are disputed issues of material fact, not legislative fact.

COST OF PARTICIPATION

Mr. President, I will defer to the distinguished Senator from Massachusetts to discuss section 701(h) and 701(i) which are important steps forward in enabling citizens to participate in the regulatory activities of the Food and Drug Administration and in litigation arising from regulatory proceedings. These provisions are extremely important for, as we have learned, individual citizens have limited resources to participate and fully represent themselves. These are important provisions, ones which I completely support, and hope to see enacted into other regulatory legislation.

RECORDS INSPECTION

Section 109(a) of the bill grants FDA inspectors broader authority to inspect records bearing upon whether a food may be adulterated within the meaning of section 402(a) of the Food, Drug and Cosmetic Act. Currently, inspectors are limited only to a visual inspection, that is, looking at the machinery and activities conducted on the premises, not the records which might relate directly and bear upon whether or not violations of the act have occurred or defects in processing exist. This is an important amendment, one necessary to enhance the ability of the agency to enforce the law at reasonable cost.

IMPORTS

There is no reason that domestic food processors should be required to comply with the new amendments to the Food, Drug and Cosmetic Act and not overseas processors. Amendments made to the Food, Drug and Cosmetic Act by new section 801(e) impose similar requirements on overseas processors as are imposed upon domestic processors under the Food, Drug and Cosmetic Act.

CRIMINAL PENALTIES

There will be a debate—Senator HATHAWAY has an amendment to offer concerning the criminal penalties which are provided in the bill which is before us. Under existing law, any violation of section 301 of the Food, Drug and Cosmetic Act is subject to 1 year of imprisonment and a fine of not more than $1,000.

S. 641 changes this. In one instance the fine is raised to $10,000. In the second instance, the criminal penalties against an individual would apply only if that individual knowingly or willfully or negligently violated or caused the violation of a provision of section 301. Mr. President, I will have further remarks on this when Senator HATHAWAY brings up his amendment. I would only point out that the committees believe that the change that is made here, particularly the inclusion of a negligence standard for violations of the act is one which is in conformance with the actual practice of the Department of Health.

FOOD ESTABLISHMENT REGISTRATION

As I pointed out earlier there is included authority for FDA to have a continuing, up-dated inventory of those establishments which manufacture, process, package, label, store, or otherwise handle food so that FDA will be able to effectively conduct inspections and enforce the law. The food establishment registration provisions contained in title II of S. 641 are a rather simple one-time-only registration procedure with updates occasioned by alterations in facilities or processing lines. In order to phase-in the food plant registration requirement, the committees have drafted the provisions in a manner which gives the Secretary the authority to require the registration, but does not necessitate that registration of all food processors occur at a particular point in time. This is particularly important, for under the drug listing amendments of several years ago, FDA found itself overwhelmed by thousands of registration forms which could not be processed coherently and in a useful manner in a short period of time.

FOOD LABELING

The food labeling provision in S. 641 establishes statutory authority for open dating requirements, nutritional labeling requirements, and more complete ingredient labeling requirements. These are each areas of concern to the consumer and to food processors. While food processors are interested in providing information, they have been hampered in doing so by a diversity of State regulations requiring that information be presented in different form. S. 641 attempts to deal with this problem by handling this situation in a coherent and uniform manner. Of particular interest, I would like to point out the requirement that colorings would be required to be identified on an ingredient label for the first time ever. Additionally, the food labeling provisions require two studies to be conducted by the Secretary of HEW, one designed to further investigate the need for more complete labeling on alcoholic beverages and another study to analyze the need for label declarations of the common or usual names of spices and flavorings used in foods for human consumption.

Mr. President, before turning the floor over to others who wish to comment on this bill, I would like to point out that we have been extremely judicious in drafting the bill to require minimal costs for the Federal Government and for food processors. By way of direct reference, the bill which the Senate passed last year would have required a first fiscal year expenditure of more than $20 million by the Federal Government to implement the requirements of the food bill. In this year's version, the costs are down to $2.6 million, according to the estimates which we have prepared in conjunction with the Food and Drug Administration.

Mr. President, with that explanation, the bill is open for further discussion or amendment.

Mr. BEALL addressed the Chair.

The PRESIDING OFFICER. The Senator from Maryland.

Mr. BEALL. Mr. President, I yield myself 5 minutes.

Mr. President, as one of only two members of both the Labor and Public Welfare and the Commerce Committees, to which this bill was jointly referred, and the minority floor manager for the Commerce Committee, I strongly urge the enactment of S. 641, the Consumer Food Act of 1976.

This Nation without doubt has food which is both safer and of higher quality than anywhere else in the world. In addition, the abundance, availability, variety, and convenience of food here is the envy of the world. This record is a tribute to the food industry from the farmer to the market.

Notwithstanding the overall quality and quantity of our food supply, evidence in recent years reveals serious food safety problems and practices which are not adequate or in keeping with what the American consumer demands and deserves. Food safety problems surfacing in recent years included mercury in fish, lead in milk, botulism in mushrooms, and in some cases just plain filth.

Consumers are now familiar with recalls following the discovery of possible health hazards. The committee report on page 3 points out that in 1 month in 1974, "67 brands of contaminated mushrooms had been recalled" and, in a little over a year, 12 recalls of which 10 were potentially life threatening "implicated one out of every five domestic mushroom processors." In addition, health hazards were identified in one-half of the 42 known mushroom processors.

The extent of the problem was underscored by a 1972 General Accounting Office, GAO, report to the Congress which found as many as 40 percent of food processing establishments operating under "unsanitary conditions."

Mr. President, I ask unanimous consent that a chart depicting the GAO findings be printed at this point in the RECORD.

There being no objection, the chart was ordered to be printed in the RECORD, as follows:

Degree of unsanitary conditions

	Percent of establishments
1. Significant unsanitary conditions	23.7
2. Unsanitary conditions	16.5
3. Minor unsanitary conditions	28.9
4. In compliance (with FD&C Act requirements)	30.9

Mr. BEALL. Mr. President, the Consumer Food Act of 1976 seeks to address and correct these document deficiencies and to assure the American public that high standards for food will not be compromised. S. 641 also seeks to remove consumer confusion and deception through improved food labeling requirements.

S. 641 has three titles, each of which I will briefly discuss.

Title I—requires food processors to develop and implement comprehensive food safety assurance systems. I believe the approach adopted in the reported bill is both correct and practical. Given the number of food processors in the Nation—80,000—and the great variety of techniques and manufacturing conditions, it makes sense to place the responsibility where it belongs—on the processor. Under the bill food processors must:

First. Identify control points and the potential hazards associated therewith in their establishments to prevent adulteration;

Second. Establish adequate controls at each point;

Third. Provide for adequate inspection and monitoring of such controls; and

Fourth. Annually review the safety assurance systems and institute appropriate revision thereof.

Such safety assurance systems must be in writing and preserved for 5 years and are subject to inspection and examination by the Food and Drug Administration, FDA.

If the safety assurance systems established by the processors are inadequate, FDA is given the authority to establish safety assurance standards.

Title II provides for the registration of food establishments. One of the prerequisites of improved regulation is knowing who processes what and where. With such information, FDA will be in a position to make priority decisions with respect to inspection and enforcement action. Also, such information is important in the event recalls prove necessary.

Title III is designed to improve food product labeling by assuring the availability of certain information to the consumer regarding dating, ingredients, and nutrition. Specifically, this title would remove the present exemption in law from ingredient listing for so-called standardized foods; require colors to be named on all food labels; authorizes percentage declarations of "characterizing ingredients," which are ingredients which have significance with respect to a food's value, nutritional value, quality, and acceptability for human consumption; and provide label designation of certain spices and flavoring where disclosure has important health consequences. Also, where spices and flavors are listed, processors would have to distinguish between artificial and natural spices and flavoring. Finally, the bill directs the Secretary of Health, Education, and Welfare to conduct a 1-year study of the label declaration of common or usual name of spices or flavoring used in food, or the label listing of coloring by number.

Since 1973, I have been following the work of Dr. Ben Feingold, chief-emeritus of the department of allergy of the Kaiser Foundation Permanente medical group in California, and his hypothesis that there is a link between food additives and hyperactive children. At my urging, the National Institute of Education conducted a follow-up study of some of the dramatic results in children that Dr. Feingold received after he had removed additives from the children's diet. The NIE study was supportive of the Feingold hypothesis saying that the Feingold diet "may produce hyperkinetic symptoms." In addition, the Senate Health Subcommittee, at my urging, conducted hearings on September 11, 1975, on this subject. Thereafter, a Federal interagency group has been set up to study the relationship between hyperactivity in children and their consumption of food additives. The labeling requirements in the bill with respect to food coloring and flavor represent steps in the right direction.

Food supply and processing, like much of modern society, have become more complex and scientific. Society has benefited from such developments. But also contaminants such as environmental pollutants and toxic chemicals, pose risk as well. This measure is designed not only to eliminate unsanitary conditions, but also to make certain that control points or safety assurance systems are put in place to screen, monitor, and prevent food adulteration from whatever its source.

Mr. President, this legislation has been under consideration by Congress for a number of years. The reported bill represents the combined input from two Senate committees. I strongly urge the Senate to act favorably on this measure and hope that the House will do likewise.

Mr. KENNEDY. Mr. President, I appreciate the opening statement of the Senator from Utah who has described in some detail S. 641. He has worked hard and diligently on this legislation and produced a good bill. The Labor and Public Welfare Committee further improved it and it is now what I consider an excellent bill.

I would like to focus my remarks particularly on the changes made by the Committee on Labor and Public Welfare. Mr. President, the aim of our Constitution is not merely to see that our laws are faithfully executed, but also to seek to insure that in their faithful execution justice is done. To this end conflicting interest will be fairly represented in impartial forums and claims of adversaries are fairly heard, weighed, and judge. The adversary system of justice, emerging from impartial forums, also applies as well to Federal agency proceedings, at least in theory. But in practice the equal representation which we suppose the public interest shares with special interest does not exist in Federal administrative forums or in litigation arising out of these proceedings. We need not look to scandals or corruption to explain why the interest of the public at large, and individual citizens are often under represented and ill served. We need only look to the inability of citizens to afford to participate in government proceedings and litigation arising therefrom.

In recent years, the courts have gone to significant lengths in expanding the right to intervene in agency proceedings and to seek judicial review of agency decisions by relaxing the stringent requirements for standing which had previously been established. No longer is it necessary for prospective intervenors to prove that they have a legally protective interest or even an economic stake in the outcome of a proceeding, before they are permitted to intervene. Standing today is approach through such inquiries as to whether an intervenor is "aggrieved in fact" by a prospective agency decision, or whether it represents an interest that is "arguably within the zone of interest to be protected or regulated by the statute or constitutional guarantee in question."

Courts have recognized that in order for Federal agencies to fulfill their statutory mandates to protect the public interest they must have input from the public in direct and meaningful ways.

Public involvement to date, however, has been unable to provide the far reaching Federal bureaucracy with sufficient input on matters intimately, and often adversely, affecting the public interest. The reason is clear. Even where the public has a legal right to participate in agency proceedings, its ability to do so has been severely impaired by the enormously high cost of participation. Thus, it is now abundantly clear that the focus has shifted from the judicial struggle to create a right of public intervention to the emerging congressional consensus that we must act to make that right a reality.

Mr. President, I have introduced legislation which is directed toward surmounting the most formidable obstacles to public participation on Government proceedings: The high costs of lawyers, experts, and other elements required for effective representation. This legislation would grant attorneys fees to public interest representatives in rulemaking, licensing, and adjudicatory proceedings, and in civil cases challenging agency actions. In addition to having introduced this legislation, however, I believe that we must take step by step action, whenever legislation arises which demands public participation, to insure the same rights.

The Voting Rights Act extension, enacted in July, reflects the most recent congressional recognition of the importance of full participation in those procedures necessary to implement the substantive rights guaranteed by that legislation. Both the Freedom of Information Act amendments and the Privacy Act all authorize the award of fees against the Federal Government to insure that agencies are faithful to the mandates of those important laws.

The Magnuson-Moss Consumer Product Warranty—Federal Trade Commission Improvement Act authorized the Federal Trade Commission to reimburse public interest intervenors in rulemaking proceedings. The conference report explained that fees and costs of participation in proceedings are authorized to be paid by the agency "in order to provide to the—fullest—extent possible that all affected interests be represented in rulemaking proceedings so that rules adopted thereunder best serve the public interest."

New section 411(e) of the Food, Drug and Cosmetic Act provides for citizen civil actions for injunctive relief whenever any person, including the Secretary, is alleged to be in violation of any regulation issued pursuant to section 411(b), safety assurance standards of the Food, Drug and Cosmetic Act. The legislation is drafted in such a way that civil suits will not be commenced without notice to the Secretary of the violation so that appropriate action might be brought by the Secretary, or if he or the Attorney General has commenced and is diligently pursuing appropriate judicial proceedings or administrative actions with respect to violations alleged in the notification.

Further citizen participation is provided in new section 701(h) of the Food, Drug and Cosmetic Act. Under this provision the Secretary may award reasonable attorneys fees, expert witness fees, and other costs of participation in a rulemaking proceeding under sections 701(A) and (e) of the Food, Drug and Cosmetic Act. Certain stipulation exist for the award of such costs of participation.

In the first instance, a person or entity to which an award may be made must represent an interest, the representation of which will substantially contribute to a fair determination of the proceeding in light of the number and complexity of the issues presented by the proceeding, the importance of widespread public participation in the proceeding, and the need for representation of a fair balance of interests in the proceeding. Additionally, the economic interest of a person to whom such an award may be made must be small in comparison to the cost of effective participation.

If the person represents a group, the economic interests of a substantial number of members of the group taken individually must be as small in comparison to the cost of effective participation in the proceeding for costs to be awarded. Alternatively, the person to whom such an award may be made must demonstrate to the satisfaction of the Secretary that the person does not have sufficient resources to participate adequately in the proceeding in the absence of an award of costs by the Secretary.

New section 701(i) provides for similar costs to be awarded in the case of litigation arising out of a rulemaking proceeding. The cost of litigation, including reasonable attorneys and expert witness fees may be awarded by the court if the court affords the person the relief sought in substantial measure, or, if after the filing of the action, the agency affords the person the relief sought in substantial measure. Additionally the economic interests of the person must be small in comparison to the cost of effective participation in the action by that person.

However, if the person is a group or organization, the economic interests of a substantial number of members of the group or organization taken individually must be small in comparison to the cost of affective participation in the action. Alternatively, a person must demonstrate to the satisfaction of the court that he does not have sufficient resources to participate adequately in the action in the absence of an award pursuant to section 701(i).

In the award of the costs of participation, the courts and the agency should be guided by some precedents. Some of these comments are more applicable to section 411(e) and 701(i), but in general these precedents are a useful guide to implementation of these provisions of the bill.

In typical circumstances, the court should follow prevailing case law which holds that a successful plaintiff "should ordinarily recover an attorney's fee unless special circumstances would render such an award unjust." *Newman* v. *Piggie Park Enterprises, Inc.*, 390 U.S. 400, 402 (1968) (per curiam). "Plaintiff" in this sense is used to mean the parties seeking to enforce the rights granted by this section and can include an intervenor.

In exceptional circumstances, fees and and costs might also be awarded to defendants where they must "defend against unreasonable, frivolous, meritless or vexatious actions * * *" *United States Steel Corp.* v. *United States*, 385 F. Supp. 346, 348 (W.D. Pa. 1974). Where plaintiff's proceeding is brought in good faith or on the advice of competent counsel, fees and costs would ordinarily be denied to a prevailing defendant. *Richardson* v. *Hotel Corporation of America*, 332 F. Supp. 519 (E.D. La. 1971), aff'd 468 F. 2d 951 (5th Crc. 1972). The standard for awarding fees and costs to a prevailing defendant is not the same as for a plaintiff because, if it were, the risk to the average citizen of bringing suit under this section would be so great it would discourage such suits.

Fees and costs would be awarded to a successful plaintiff under this provision where there was a final court order granting the relief requested by plaintiffs, or as a matter of interim relief pending the outcome of the case. The provision does not require the entry of a final order before fees or costs may be recovered. *Bradley* v. *School Board* *of the City of Richmond*, 416 U.S. 696 (1974); *Mills* v. *Electric Auto-Lite Co.*, 396 U.S. 375 (1970). Such awards are especially important where a party has prevailed on an important matter in the course of the litigation even where they do not prevail on all the issues. See Bradley, supra, and Mills, supra.

For purposes of the award of fees and costs, it is appropriate to make awards where the parties have vindicated rights through a consent judgment, or without formally obtaining relief, or where such award is in the public interest without regard to the outcome of the litigation. *Citizens Assn.* v. *Washington*, Civil Action No. 1944–73, September 30, 1974 (U.S. Dist. Ct., D.C); *Parham* v. *Southwestern Bell Telephone Co.*, 433 F. 2d 421 (8th Cir. 1970); *Richards* v. *Griffith Rubber Mills*, 300 F. Supp. 338 (D. Ore. 1969); *Thomas* v. *Honebrook Mints, Inc.* 428 F. 2d 981 (3d Cir. 1970).

By specifying a general rule for the amount of fees to be awarded, this provision requires the method of calculating fees be no different than that now being utilized in other fields of law as, for example, antitrust and securities regulation litigation. The actual time spent is that reasonable calculated to advance the client's interest, *The Stanford Daily v. Zurcher*, 64 F.R.D. 680 (N.D. Cal. 1974), and the amount can be adjusted for factors including, inter alia, the contingent nature of the success or the quality of the work performed, *Lindy Bros. Builders* v. *American Radiator & Standard Sanitary Corp.*, 487 F. 2d 161 (3d Cir. 1973), on remand, 382 F. Supp. 999 (E.D. Pa. 1974), or benefits to the public from the suit. Fees should not be reduced merely because the attorneys are salaried employes of public interest and/or foundation-funded law firms.

Fees and costs awarded may be assessed against the United States, including any of its agencies and officers acting in an official capacity, the same as against a private party. Thus, the prohibition in 28 U.S.C. 2412 forbidding the assessment of fees against the United States is effectively rescinded. In many cases brought under this section, as with those brought under 20 U.S.C. 1617, the Emergency School Aid Act of 1972, the defendants are ordinarily State or local bodies or officials. It is intended that under this provision, as is the case with section 1617 attorneys' fees and expert witness fees like other items of cost, can be assessed from the funds under the official's control, or directly from State or local parties' funds or treasuries, or directly from the officials.

Finally, since expert witnesses are often needed to make an adequate presentation to a court, such fees are also provided for. They would be in addition to those now provided in 28 U.S.C. 1920 and 28 U.S.C. 1821.

Mr. President, I urge this prestigious body to pass S. 641. It is such an important piece of legislation that every American will be grateful for its passage.

Mr. MATHIAS. On April 17, 1975, I introduced S. 1449, the Infant and Child Nutrition Protection Act a bill to amend the Federal Food, Drug, and Cosmetic Act to require the label on infant foods, to disclose, by percentage, the weight of all ingredients of such foods and to require the label on certain breakfast cereals to disclose the sugar content thereof.

Am I correct in my interpretation that section 403(i)(B) of the pending bill achieves the purpose intended by my bill S. 1449?

Mr. MOSS. The Senator is correct, it could be so interpreted if the ingredient were a characterizing ingredient.

Mr. MATHIAS. I thank the distinguished floor manager.

ORDER OF BUSINESS

Mr. ROBERT C. BYRD addressed the Chair.

The PRESIDING OFFICER. The Senator from West Virginia.

Who yields time?

Mr. MOSS. Mr. President, I yield such time as the Senator requires.

Mr. ROBERT C. BYRD. I thank the distinguished Senator.

UNANIMOUS-CONSENT AGREEMENT—H.R. 9721

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the pending measure may be set aside temporarily, for not to exceed 15 minutes, and that the Senate proceed with the consideration of H.R. 9721 with the understanding that that time not be charged against anybody's time on this now pending measure.

The PRESIDING OFFICER. Is there objection to the unanimous-consent request?

Without objection, it is so ordered.

INTER-AMERICAN DEVELOPMENT BANK AND AFRICAN DEVELOPMENT FUND ACT OF 1976

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar Order No. 644.

The PRESIDING OFFICER. The bill will be stated by title.

The assistant legislative clerk read as follows:

> A bill (H.R. 9721) to provide for increased participation by the United States in the Inter-American Development Bank, to provide for the entry for nonregional members and the Bahamas and Guyana in the Inter-American Development Bank, to provide for the participation of the United States in the African Development Fund, and for other purposes.

The PRESIDING OFFICER. Without objection, the Senate will proceed to its consideration.

There being no objection, the Senate proceeded to consider the bill (H.R. 9721) which had been reported from the Committee on Foreign Relations with amendments as follows:

On page 3, line 19, strike out:

SEC. 102. Under the center heading "INVESTMENT IN INTER-AMERICAN DEVELOPMENT BANK" in title III of the Foreign Assistance and Related Programs Appropriations Act, 1975, strike out all that follows after "to remain available until expended" and insert in lieu thereof a period.

On page 3, line 24, strike "103." and insert "102.";

On page 5, line 4, strike "Governor" and insert "Executive Director";

On page 7, line 5, strike "104." and insert "103.".

The PRESIDING OFFICER. Who yields time?

The Senator from Minnesota.

Mr. HUMPHREY. Mr. President, did we get an agreement on time on this bill?

The PRESIDING OFFICER. Not to exceed 15 minutes.

Mr. ROBERT C. BYRD. Mr. President, I ask that the time be equally divided between Mr. HUMPHREY and Mr. JAVITS.

Mr. HUMPHREY. And what time is there on amendments, might I ask?

Mr. ROBERT C. BYRD. I did not anticipate any.

Mr. HUMPHREY. I believe Senator DOMENICI has one.

Is that correct?

Mr. DOMENICI. That is correct.

Mr. ROBERT C. BYRD. Can that be resolved out of the 15 minutes, may I ask?

Mr. HUMPHREY. I think we can.

Mr. DOMENICI. I did not hear the request.

Mr. ROBERT C. BYRD. I asked whether or not action on the Senator's amendment could be resolved within the 15-minute time limit.

Mr. HUMPHREY. Mr. President, the bill now before the Senate, H.R. 9721, provides for U.S. participation in the increase of funds—replenishment—for the Inter-American Development Bank—IDB—and U.S. membership in the African Development Fund—AFDF. The United States has been a key supporting member of the Inter-American Development Bank since it began 16 years ago and has participated throughout in the discussions about the establishment of the African Development Fund. This piece of legislation represents, therefore, the culmination of a long period of consideration and discussion.

FUNDING

H.R. 9721 includes a rather large authorization request for $2.27 billion—$2.25 billion for the IDB and $25 million for the African fund. This amount is misleading, however, since less than 60 percent of this, or $1.3 billion, would require appropriations. Moreover, only one-third, or $745 million, would become outlays, and even this amount would be spread over the next 4 years.

The total increase in funds which would be made available to the IDB from all donors is $6.3 billion, of which the United States would contribute just a little over one-third. In past years our contributions have always provided over half of the IDB replenishments.

In the case of the proposed authorization for the African Fund, our $25 million contribution is the same as that of the two other major donors, Germany and Japan.

In more specific terms, H.R. 9721 would authorize a U.S. obligation for IDB callable capital—or collateral—amounting to $1,530 million. This appropriation, however, would result in actual expenditures only if the IDB defaulted on its borrowings. This has never happened in 16 years. Only part, $600 million, of this callable capital will require appropriations and this only because of provisos contained in past IDB bond issues. The moneys which will require appropriations and eventually result in actual expenditures include contributions to paid-in capital of $120 million, 1976–78; to the Fund for Special Operations of $600 million, 1977–79, and to the African Development Bank of $25 million, 1976–78. The budgetary impact in fiscal year 1976 would include an appropriations request for $265 million, but almost none of this would entail actual expenditures in fiscal year 1976.

POLICY ISSUES

H.R. 9721 would also authorize or instruct the U.S. representatives to these two international financial institutions to take specific stands upon certain policy issues.

H.R. 9721 would authorize U.S. support for the admission of nonregional members in the IDB and the creation of interregional capital stock. This would help to spread the burden for supporting Western Hemisphere development efforts through the IDB to 12 nonregional countries and create a new kind of capital so the Bank could borrow against currencies other than the dollar. The nonregional countries involved are: Austria, Belgium, Denmark, Germany, Israel, Italy, Japan, Netherlands, Spain, Switzerland, United Kingdom, and Yugoslavia.

H.R. 9721 would authorize U.S. support for the admission of the Bahamas and Guyana in the IDB and for IDB lending to the Caribbean Development Bank. Technicalities in the Bank's charter require special authorization for both of these measures.

The bill also contains provisions instructing the U.S. representatives to both the IDB and the AFDF to oppose loans to countries engaging in a consistent pattern of gross violations of human rights.

Another provision would instruct the U.S. Executive Director of the IDB to urge the use of intermediate technologies in Bank projects and to report to Congress about the progress of these proposals.

Finally, as is consistent with U.S. policy toward other multilateral lending institutions, the U.S. Executive Director in the African Fund would be instructed to vote against loans to countries involved in unsatisfactory expropriations disputes with the United States.

The Foreign Relations Committee recommends strongly that the Senate pass this bill in its present form. It would demonstrate this country's continuing interest in and support for the development efforts of many poor countries on two major continents. It also provides for a genuine cooperative effort toward development problems by a number of developed countries.

We believe that the U.S. historic and political involvement with Latin America should be reaffirmed during this period of political tension between the underdeveloped world and the industrialized nations. Moreover, U.S. economic interest in this area is growing since close to one-sixth of all U.S. trade, a significant number of foreign investment opportunities, and important sources of raw materials all originate in Latin America.

There have been some important development successes in Latin America as illustrated by an overall 7-percent GNP growth rate. Nevertheless, a great deal of work remains to be done. Half the region's population has a daily calorie intake below minimum requirements, over a third of the children of primary school age cannot attend school, 40 percent of urban households are still without potable water, and agricultural production is expanding only slightly faster than population.

Since its establishment, the Inter-American Development Bank has been a major component of U.S.-Latin American policy. It represents the type of mutual cooperation which should form the basis of a strong hemispheric system. This legislation would expand these cooperative efforts by providing a multilateral channel for engaging the rest of the world in sharing the burdens of hemispheric development. It also marks the graduation of certain Latin American countries from the role of recipient to that of full donor status. In the light of these efforts by other countries, it is particularly important that the United States reaffirm its own commitment to the economic and social development of Latin America through the concrete action of participating in the IDB replenishment.

U.S. participation in the African Fund also will provide the United States with an important opportunity to participate with other developed countries on development projects. In this case, we would be working to solve the vast problems of poverty which plague the increasingly important African continent.

This opportunity should be seized because until quite recently, U.S. concern for and involvement with the newly independent black African nations has been minimal. Hopefully, this neglect will now be a thing of the past. We are now seeing increased recognition of the importance of this area, not only in terms of worldwide concern for raising living standards and fostering development, but also in relation to specific U.S. national interests. In political terms, it is becoming apparent that the independent countries of Africa will play an increasingly forceful and important role in the world community. They hold many key positions in the councils of less developed and nonaligned countries which make decisions about policy issues of direct concern to the United States.

Africa also has a growing economic significance for the United States. U.S. exports to all of Africa have more than doubled in the past 2 years so that Africa's share of total U.S. exports is now more than 4 percent. This source of export earnings would be expanded by U.S. participation in the African Fund because its procurement is limited to members. Until the United States becomes a member, no inputs for Fund projects may be purchased from U.S. producers.

Long-term trade and investment figures show a clear trend toward greatly increased interest by American business in African countries, both as suppliers and purchasers of goods and services. U.S. direct investment in Africa has quadrupled over the past 10 years and now accounts for 5 percent of total U.S. foreign investment. Part of the reason for this increase is the recognition of the importance of Africa as a key source of many important natural resources, including diamonds, gold, oil, and coffee.

During this period when access to vital natural resources is becoming more and more problematic, it is important to maintain good relationships with the countries which own them. U.S. participation in the AFDF provides one opportunity to do so.

Despite this vast array of natural resources, as the world's least developed continent, Africa also exhibits acute conditions of poverty and human suffering. These too must be of concern to the United States. In aggregate terms, more than 25 of the poorest, least developed countries in the world are in Africa; 1% of the world's 18 land-locked developing countries are African; and 22 of the 31 members of the United Nations most serious affected—MSA—countries are on the continent. In half of the African countries per capita income is less than $100 per year. In addition to these general conditions, in the past few years severe drought in the Sahelian zone and in East Africa has had a devastating impact upon approximately 23 million people. As many as 100,000 people are estimated to have died of starvation, 7 million cattle perished at an estimated loss of almost $300 million, and crop losses totaled $200 million.

Hence, both U.S. direct national interest in economic and political terms and our responsibility to assist those less fortunate than we are reasons why the United States should, at long last, join the African Development Fund. The United States is the only country which participated in the Fund's establishment negotiations which has not yet joined, and France and Australia are the only other OECD members who do not belong to the Fund. This bill provides an opportunity for the Congress to express U.S. concern for the welfare of African nations at a relatively low cost and in a manner which is concrete and viewed as highly desirable by the African nations themselves.

In summary, this bill is a balanced package of idealism and practicality. It reaffirms U.S. commitment to solving the serious problems of poverty in two major continents, it serves our direct economic and political interests, and it helps to spread the burden of the overall development tasks to other countries which are willing and able to tackle them with us.

Mr. President, I know that the Senator from New Mexico has an amendment. Rather than for me to continue stating our overall policy statement on the bill, I have given the most important features of the bill, I would suggest that the Senator bring up his amendment now and we will see what we can do with it.

Mr. DOMENICI. Mr. President, I might indicate to my distinguished friend that my amendment is unprinted. I am having copies reproduced which I will deliver to the Senators in a few moments. Let me just speak to my amendment quickly.

I call up my amendment, Mr. President.

Mr. HUMPHREY. Does the Senator have a modification of his amendment that is printed?

Mr. DOMENICI. The printed amendment I do not intend to call up. I intend to call up the antiterrorism amendment. It was not printed, but my statement indicating that I would introduce it was printed. That is what the Senator is referring to.

Mr. HUMPHREY. I thank the Senator.

Mr. DOMENICI. Let me take a moment to explain what it will do.

The PRESIDING OFFICER. Floor amendments are not in order until committee amendments are disposed of.

Mr. HUMPHREY. Mr. President, for the purpose of this bill I ask unanimous consent that all committee amendments be agreed to en bloc without in any way denying Senators the right to offer additional amendments in the second degree.

The PRESIDING OFFICER. Without objection, the committee amendments are considered and agreed to en bloc, and are considered as original text.

Mr. HUMPHREY. So amendments are now in order?

The PRESIDING OFFICER. That is correct.

The Senator from New Mexico.

Mr. DOMENICI. I send to the desk an unprinted amendment and ask that it be stated.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk proceeded to read the amendment.

Mr. HUMPHREY. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the end of the bill add the following new section:

SEC. 212. The United States Governor of the Fund is authorized and directed to instruct the Executive Director representing the United States to vote against any loan, any extension of financial assistance, or technical assistance to any government which provides refuge to individuals committing acts of international terrorism, such as the hijacking of an aircraft. Such votes shall be cast until the end of the period of one year beginning on the date when the first such vote is cast by the Executive Director representing the United States, except that if during its period of ineligibility for assistance such country aids or abets any other individual who has committed an act of international terrorism, such country's period of ineligibility shall be extended for an additional year for each such case.

Mr. DOMENICI. I thought the amendment, Mr. President, was extremely explicit and would perhaps expedite matters, but I agree with my distinguished friend.

Let me say a couple of words about this. I believe the amendment, which I understand the floor manager is going to accept, is an extremely important one. It seems to me that worldwide acts of terrorism are presently an international problem of substantial proportions. Anything we can do to express a policy on the part of the U.S. Senate, which indicates that we abhor acts of terrorism and we will not support developing countries which, as a matter of national practice, either espouse terrorism or provide refuge to those who will participate in this kind of activity which is so difficult to cope with worldwide, should be adopted as a matter of U.S. policy.

My amendment does precisely that. It says that we will not condone acts of terrorism nor developing countries that espouse a policy of providing refuge for such acts of terrorism. We just say, "We are not going to tell you what to do, but if you are going to do this kind of thing, then we instruct those who represent us with reference to this fund that they will vote against providing funds under this particular bill to those countries that do that."

I believe it is a good beginning of a many faceted problem that will be very hard to solve. I hope the Senator will accept it. It seems to me that it is a good first start and perhaps will ultimately become part of our policy and part of the policy of other countries which feel as we do about terrorism. Maybe when we combine all of these thrusts we will have significant impact on those who provide refuge for terrorists and for those who believe they can find some country in which to reside.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. HUMPHREY. Has all time expired?

The PRESIDING OFFICER. The Senator from New York has 7 minutes.

Mr. JAVITS. I yield 2 minutes to the Senator.

Mr. HUMPHREY. Mr. President, let me say that I hope this amendment would be interpreted and applied as relating primarily to an act, for example, such as the hijacking of a plane, an act such as we witnessed at the Olympics, or the sort of thing that has taken place in an airport. We have to be very careful that we do not get an amendment which can be so broadly interpreted that it will deny any kind of economic assistance to countries that may not be able to control certain acts of terrorism. If we understand that the application of this amendment would be limited to things such as I have enumerated and which the Senator and I are very familiar with, I believe we are in reasonably good position.

Let me yield to the Senator from New York.

Mr. JAVITS. Mr. President, we are considering a matter exactly like this, I say to the Senator from New Mexico, in the security assistance bill, which is in conference.

I would like to reserve the fact that this amendment will ultimately be patterned upon whatever agreement we arrive at with the House so there may be consistency between the two.

Second, if we find that there is some great reason of policy for the fund where this is valid or invalid, the Senator will understand. We will come and talk to him about it. I do not assume he wants to overthrow the fund by this amendment.

I agree with Senator HUMPHREY, subject to those conditions.

Mr. DOMENICI. Let me agree with the Senator from New York. Obviously, what I am talking about is patent to everyone, that it should be an American policy. With regard to those countries which overtly participate in the kinds of acts my good friend has mentioned—*hijacking*, the kinds of activities we have seen—and then will participate in harboring them or permitting them to continue in this world, our Government has to take a stand. I hope we can word it so we know it is intentional acts and we do not get confused in the internal policies of other countries.

Mr. JAVITS. I thank my colleague. I say to my friend from Minnesota it is satisfactory to me.

Mr. HUMPHREY. With the legislative history that is being developed here I believe the amendment is acceptable. I gather the Senator from New York feels it is.

Mr. JAVITS. I do.

Mr. HUMPHREY. I hope we do understand that we have to have some strict adherence to the language.

Mr. JAVITS. We are ready for the vote on this amendment, Mr. President.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. JAVITS. Mr. President, I would like to use the rest of my time——

Mr. HUMPHREY. I would like to inform my friend the Senator from New York that the Senator from Ohio has an amendment.

Mr. JAVITS. The difficulty is we have so little time. If Senator BYRD would give us 5 minutes, and let us yield 5 minutes to Senator GLENN——

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the distinguished Senator from Ohio may have 5 minutes on his amendment, and that the distinguished Senator from Minnesota may have 5 minutes in response thereto.

Mr. HUMPHREY. We will take the 10 minutes.

Mr. ROBERT C. BYRD. Yes; and that all this colloquy not disturb in the RECORD the statement by the managers of the other bill and the action that will follow.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HUMPHREY. Mr. President, will the Senator from Ohio call up his amendment?

Mr. GLENN. Yes.

AMENDMENT NO. 1438

I call up my amendment No. 1438, and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Ohio (Mr. GLENN) proposes an amendment numbered 1438: Title III—Authorization for International Atomic Energy Agency.

Mr. GLENN's amendment (No. 1438) is as follows:

TITLE III—AUTHORIZATION FOR INTERNATIONAL ATOMIC ENERGY AGENCY

SEC. 301. Section 302 of the Foreign Assistance Act of 1961 is amended by adding a new subsection (i) to read as follows:

"(i) In addition to amounts otherwise available under this section, there are authorized to be appropriated for fiscal year 1976 and to remain available until expended $1,000,000 to be available only for the International Atomic Energy Agency to be used for the purpose of strengthening safeguards and inspections relating to nuclear fissile facilities and materials.".

Mr. GLENN. Mr. President, this particular amendment addresses a very vital need in the bill. The amendment is backed by the administration, by Secretary Kissinger, and, as I have stated, the President is planning to come in, in his budget, with a request for an additional $5 million, 1 million each for the next 5 years, to provide additional funds for the International Atomic Energy Agency, the only agency now charged with monitoring the plutonium output of nuclear plants around the world.

The need for this is desperate, in that we want the people to get these additional inspectors and additional facilities for monitoring the plutonium flow now, without waiting for the new budget in 1977.

This $1 million will let the International Atomic Energy Agency start now to hire the additional personnel. The thinness of this safety line of inspectors around the world is evident when you realize we only have within the International Atomic Energy Agency some 70 personnel total, of which 40 inspectors are the only ones on the line in these plants at any one time to actually do the inspecting for all the nuclear facilities in the world. Forty inspectors for all the facilities in the world.

So this amendment is needed. It is backed by the administration. I do not think I need to say anything more about it as far as the need goes. I would hope we could have rapid passage. I would hope both sides of the aisle would approve the amendment and accept it. I need not ask for the yeas and nays unless it is necessary, but I would hope the amendment would be accepted on both sides of the aisle, and be included in the bill.

Mr. HUMPHREY. Mr. President, I want to assure the Senator that this is a very worthy and needed amendment, and sorely needed by the International Atomic Energy Agency so it can continue to do its job.

As the Senator realizes, if we agree to it we will have to go to conference with the House of Representatives unless we can get direct action from the House. They sometimes raise points of order about these kind of amendments, but we will do our level best.

Mr. GLENN. I appreciate that, and I would hope we could do it with the House.

Mr. JAVITS. Mr. President, will the Senator yield?

Mr. GLENN. I yield.

Mr. JAVITS. I have the honor to sit with the Senator on the Government Operations Committee, where he has conducted himself very well, and shown great expertise on this subject. I agree that this is very badly needed, and I am willing to accept the amendment.

Mr. GLENN. I thank the Senator. The reason why we put this in is to cover the stopgap period between now and when the President will request budgeted funds after October.

Mr. JAVITS. I thank the Senator, and I thoroughly agree.

Mr. HUMPHREY. Mr. President, I yield back the remainder of my time.

Mr. GLENN. I yield back the remainder of my time.

The PRESIDING OFFICER. All time having been yielded back, the question is on agreeing to the amendment of the Senator from Ohio.

The amendment was agreed to.

Mr. HUMPHREY. Mr. President, I want to place in the RECORD, because I know the Senator from New York wishes to make comment on it, the statement of the able and distinguished Senator from Hawaii (Mr. INOUYE), dealing specifically with section 102 of the House-passed bill.

This relates to the earmarking of certain funds, directing that $50 million of the $225 million appropriated in 1975 as the U.S. contribution to the Inter-American Development Bank to be provided only for cooperative self-help endeavors of the poor.

I ask unanimous consent that the entire statement of Senator INOUYE be printed in the RECORD, and that my commentary on that statement also be printed, because I believe it is fair to say we have definite indications that the Inter-American Development Bank is beginning to move in the area of savings and loans and self-help cooperatives, since they are now seriously exploring a $20 million loan to the Inter-American Savings and Loan Bank, and it is my hope that earmarking will soon be unnecessary. I ask unanimous consent that my statement also be printed in the RECORD.

There being no objection, the statements were ordered to be printed in the RECORD, as follows:

STATEMENT OF SENATOR INOUYE

I wish to commend the Senate Foreign Relations Committee for its action in deleting Section 102 of the House bill. If allowed to stand that section would negate five years of work on the part of the Senate Appropriations Committee.

Specifically, Section 102, as contained in the House passed bill, would overturn certain appropriation earmarkings found under the heading "Investment in Inter-American Development Bank" in Title III of the Foreign Assistance and Related Appropriations Act of 1975 (Public Law 94–11).

I ask unanimous consent that that paragraph of Public Law 94–11 may be printed in the Record at this point.

"INVESTMENT IN INTER-AMERICAN DEVELOPMENT BANK

"For payment to the Inter-American Development Bank by the Secretary of the Treasury for the United States share of the increase in the resources of the Fund for Special Operations authorized by the Acts of December 30, 1970 (Public Law 91–599), and March 10, 1972 (Public Law 92–246), $225,000,000, to remain available until expended: *provided*, that of this amount $25,000,000 shall be made available only to responsible cooperatives whose primary purpose is to increase the productive capacity of rural and urban citizens at the most economically disadvantaged level: *provided further*, that $10,000,000 of this amount shall be made available only to local credit unions or national or regional federations thereof, whose primary purpose is to increase the productive capacity of rural and urban citizens at the most economically disadvantaged level: *provided further*, that $15,000,000 of this amount shall be made available only to responsible savings and loan associations or other mortgage credit institutions, or national or regional federations thereof, whose primary purpose is to provide basic housing to rural and urban citizens at the most economically disadvantaged level."

The issue in question may be stated clearly. It is, will the Senate hold firm in support of assistance to grass roots capital building cooperative institutions such as credit unions and savings and loans associations? The appropriations earmarking, which the bill before us seeks to overturn, directed that $50 million out of the $225 million appropriated as the United States contribution to the Inter-American Development Bank be provided to these cooperative self-help endeavors of the poor.

That earmarking was initiated by the Senate Appropriations Committee, approved by the Congress, and signed into law by the President. It did not result from a whim or a capricious idea. It was an action taken with great reluctance, but with the firm resolution that there must be a redirection of the Bank's traditional lending pattern. The poor, the great majority of Latin Americans, are not the direct beneficiaries of the Bank's traditional lending. They are beyond its reach.

For five years, and more, the Senate Appropriations Committee urged the Inter-American Development Bank to develop creative and purposive methods to assist the cooperative movement in Latin America, to give the poor the opportunity to join together to improve their lot. In letters, in hearings, in "strong report language," the Committee tried again and again while the Bank, with little more than a nod of recognition, studiously ignored our earnest entreaties and continued a pattern of lending which favored the rich and the powerful—the controlling interests in an entrenched economic order. This lending, in nearly all cases, has been confined to government related entities.

So the Committee, having no other way to ensure that the voice of the Congress would be heard in the high policy-making councils of the Bank, proposed the earmarking, the Committee believes that this nation which has contributed 69.2 percent of all resources contributed to the Bank's Fund for Special Operations has the right, and the duty, to insist that some measurable portion of the Bank's resources be made available to support mutual capital buildings efforts outside the channels of highly structured and often restrictive governmental programs.

The amount of the earmarking is but nine-tenths of one percent of total United States contributions to the Bank. Surely, this is not too much to provide to those willing to plan and participate in financing their own future.

Such is the influence, the majesty, and the prestige of the Inter-American Development Bank that it can—alone—alter the course of economic development in Latin

America. The earmarking on the fiscal year 1975 U.S. contribution invites the Bank to accept the challenge of true development, of development which raises not only Gross National Products but also the dignity, self-assurance, and economic welfare of the poor. It invites the Bank to put its prestige on the line in support of these self-help institutions.

There is every reason to believe that the cooperative movement in Latin America holds the best promise for capital accumulation among the poor. If the cooperatives are provided appropriate financial and technical assistance in the early stages of their growth, the self-help capacity of the poor will be greatly enlarged. Ultimately, the capacity of the cooperatives to engage their members in productive enterprises will channel ever increasing resources to the poor—resources so vast that they would far surpass any level of future funding which could be transferred from the already overstrained U.S. Treasury.

The Congress has declared that it is the policy of the United States "to stimulate the involvement of the people in the development process through the encouragement of democratic participation in private and local governmental activities and institution-building . . ." Are these words to ring hollow or will we stand firm?

The action of the Foreign Relations Committee in deleting House action overturning the appropriations earmarking indicates that we will stand firm.

The objective of the earmarking is within reach. We must press on until it is firmly in hand.

STATEMENT OF SENATOR HUMPHREY

As a matter of principle I disapprove of earmarking as a technique because it tends to undermine the multilateral nature of international financial institutions. If all countries earmarked, international banks would lose their financial credibility and begin to resemble holding companies for trust funds.

On the other hand I do share Senator Inouye's belief in the development and support of grassroots institutions like cooperatives, credit unions and savings and loans. I sponsored an amendment to the 1973 bilateral aid bill which earmarked $20 million for cooperatives and supported a similar provision in last year's foreign assistance act. In this case, earmarking has been used as a necessary tool to persuade the IDB to more effectively support these vital institutions.

Before, during and after the Committee consideration of the bill we have been engaged in an intensive review of Bank programs in this area and in numerous discussions with IDB personnel. In my view, the IDB has now fulfilled the intent of the earmarking with respect to both cooperatives (more than $150 million since 1975) and credit unions (over $10 million).

We now have definite indications that the Bank is beginning to move in the area of savings and loans as well, since they are seriously exploring a $10–$20 million loan to the Inter-American Savings and Loan Bank (a newly established Bank for Western Hemisphere savings and loan associations).

* * * * *

In view of the progress made to date by the Bank in these areas, it is my hope that earmarking will soon be unnecessary and that we can move to remove the earmarking and allow the Bank to use the $50 million in funds appropriated to it.

Mr. JAVITS. I yield myself such time as I may require.

Mr. President, this earmarking requirement does not in any way involve the distinguished Senator from Hawaii, as the Senator from Minnesota has mentioned, though few Members of this body have the interests of the world at heart as much as Senator INOUYE.

What is involved here is the relationship of the Bank to the other American States, the feelings of the other American States involved, the fact that this is a multinational development by the United States and other American States, and the fact that the board of the Bank is very broadly representative. Though I do not personally favor earmarking, I am confident and assert that there is no invidious indication in this earmarking. It simply represents a profound feeling by the committee that this shall be done.

The earmarking, of course, represents highly humanitarian items which are badly needed, including, as Senator HUMPHREY has said, urban and rural cooperatives to benefit the most economically disadvantaged credit unions, to increase the productive capacity of rural and urban citizens at the most economically disadvantaged level, and savings and loan associations or mortgage credit institutions, again directed at the most depressed economic groups, so it is not the intent, the purpose, or the desire of those of us on the Appropriations Committee or the distinguished chairman of the appropriate subcommittee which is involved; it is strictly a matter of Bank policy and the structure and prestige of the institution which causes me to make these comments.

I should not have been for this earmarking, and I believe that Senator HUMPHREY indicates his own proper hope that we may see the end of it; that the Bank will, of its own disposition and because it has seen how we feel, do what is necessary to be done. I join in that, but I must call attention to the policy problem for the Bank and for the whole Latin American community as it relates to the United States, which is involved, and actually now, especially as we are such a critically important support for the Bank, Mr. President, and our relationships with the Latin American countries need so urgently to be solidified and harmonized, that I call attention to this amendment and express the hope that the need for its recurring again will obviate the particular colloquy which we now, in my judgment, had to have on the passage of the bill.

So I express my strong support for this bill, which is designed to strengthen the Inter-American Development Bank. Latin America is important to the United States economically in many ways and the Bank is important to Latin America. Therefore, any effort to increase the effectiveness of the Bank will have direct benefits to the United States. This legislation is, in my opinion, the most important since the founding of the Bank in 1960. Since that time, the United States has been the major donor nation financing the Bank projects. With the enactment of this legislation, 12 new donor nations, 10 European countries, Japan and Israel will become members of the Bank with an initial subscription of $372.7 million in capital stock and an initial contribution of $372.7 million to the Fund for Special Operations. Already three of these nations have taken all the necessary steps to comply with their commitments for joining the institution. Much has been said in the past about "burden sharing" in the development process through the Bank and this legislation is a large step forward toward accomplishing this purpose.

In addition, with this replenishment of Bank resources, four of the major more developed Latin American nations—Brazil, Mexico, Venezuela, and Argentina—have agreed that they will no longer be recipients of concessional resources from the Fund for Special Operations, and five major Latin American members—Venezuela, Trinidad and Tobago, Mexico, Argentina, and Brazil—have agreed that they will make *all* or part of their payments in convertible currencies. This represents a very significant recognition of the major donor nations of the world and by the Latin American members themselves of the increasing importance of the Bank to the economic and social development of Latin America. I think that the U.S. Treasury who negotiated these significant provisions should be congratulated and that this legislation and the Bank should have our fullest support as a meaningful demonstration of the contribution the Bank makes as an international cooperative venture serving the interests of the total hemisphere.

Mention has been made of the "earmarking" provisions enacted by the Congress in the Foreign Assistance and Related Programs Appropriations Act, fiscal year 1975. These provisions earmarked $25 million for urban and rural cooperatives benefiting citizens at the most economically disadvantaged level; $10 million for credit unions to increase the productive capacity of rural and urban citizens at the most economically disadvantaged level; and $15 million for savings and loan associations or mortgage credit institutions whose primary purpose is to provide basic housing to rural and urban citizens at the most economically disadvantaged level. The $225 million appropriation earmarked was a part of a U.S. contribution of $1 billion for the Fund for Special Operations provided in the third replenishment agreed to in 1970 subject to appropriation by the U.S. Congress of amounts necessary. The contribution of the member countries to the augmented Fund for Special Operations were to have been paid in three annual installments, the last of which was due December 31, 1973. All other members have met the time schedules except for the United States, which in addition to the $50 million earmarked funds, still is short by about $275 million.

I must say I have a great deal of difficulty supporting earmarking of funds appropriated for a replenishment of the Bank's general resources which was agreed to in a multilateral convention executed by all the members of the Bank. The vote of the United States in 1970 from which the fiscal year 1975 IDB appropriation flowed was cast pursuant to specific prior authorization of the Congress, and when cast the United States governor voted for the resolution without reservation or restriction, as did all the other governors of the 24 member countries. I think a clear distinction must be drawn between a multilateral agreement of this nature made without restriction and an agreement where a given member country or even a nonmember country desires to provide the Bank with special funds for a particular purpose agreed upon in advance between the country and the Bank. This type of a situation has been marked in the Bank by the creation of trust funds with a number of nonregional members, many of whom now seek to become members of the Bank and with several of the Latin American members—most recently a $500 million trust fund established by Venezuela. In the case at hand where the general resources appropriated to the Bank have been unilaterally restricted, I think there is a legitimate concern that if one member seeks to determine that its resources may be utilized for any one purpose, another member might equally require, for example, that resources it contributed be utilized only in certain countries and not in other countries. The possibility of restrictions of this kind on the general resources would, of course, be limitless and could damage the future viability of the IDB or any other similar institution, such as the World Bank.

The earmarking effected while it expresses the U.S. congressional concern for more assistance to lower income people, also deals with the Bank as a Western Hemisphere institution. I say this also because there has been much activity of the Bank in the areas of cooperatives, credit unions and similar organizations felt in the Bank to have been totally responsive to these concerns. In 1975, for instance, the Bank committed $129.7 million of which $54.51 million was from the Fund for Special Operations to cooperatives and similar self-help organizations. It is estimated that over 1.6 million individuals of low income will benefit from the work to be undertaken by these cooperative enterprises.

In addition, the Bank provided technical cooperation to cooperatives totaling $2.21 million during 1975. This commitment to cooperatives is more than double the earmarked provision in the fiscal year 1975 appropriation legislation. In 1976 thus far, approximately $27 million has been included in three loans channeled from the FSO through cooperatives to Guatemala, El Salvador, and Costa Rica. It is estimated that by the end of 1976, the Bank will have approved loans to cooperatives and other self-help organizations totaling $70 to $80 million.

In 1975 a loan was made to the Confederation of Latin American Credit Unions—COLAC—in the amount of $9 million from the Social Progress Trust Fund to strengthen national credit union federations in Latin America. COLAC and the Credit Union National Association, Inc., have expressed their gratitude to the Bank for this loan and COLAC has called the loan the "most significant capital assistance input that COLAC has received to date."

While there has been some criticism that the COLAC loan was made in local currencies from the Social Progress Trust Fund and not hard convertible currencies, it seems to me the purpose of this loan "to strengthen national credit union federations in Latin America" is exactly suitable for local currencies and that these resources should be used prior to drawing down on scarce dollar funds. The fact is that the loan was made for a purpose that seems to be best suited to the use of local currencies and the borrower is grateful to the Bank. Under these circumstances, any further restriction or earmarking would certainly seem an unwise interference with a system that is working well.

Finally, I should like to comment on the use of national savings and loans in Latin America to provide housing which benefits the most economically disadvantaged. In the early years of the Bank's existence, it pioneered in low-cost housing and worked extensively with savings and loans in Latin America. It soon became evident however, and is still true today, that savings and loans as presently constituted in Latin America do not reach the economically most disadvantaged individuals. They benefit the middle and upper middle class. In testimony on June 17, 1974, before the Subcommittee on Foreign Operations of the Committee on Appropriations, Mr. Herman Kleine, Assistant Administrator for Latin America, AID, in response to a question from Senator CHILES, concerning which income group in Latin America faces the most critical housing shortage, stated:

> I would say, Mr. Chairman, that it is the lower and lowest income categories that face the greatest requirement, the largest numbers who need housing. The savings and loan system does not yet reach out to these lowest income areas.

A December 1974 study provided by the National Savings and Loan League establishes this proposition beyond a reasonable doubt for at least 10 countries in Latin America that have savings and loan organizations. It shows that in Argentina the average income of borrowers is $9,600; in Brazil, $7,200; in Colombia, $4,800; in Costa Rica $3,600; in El Salvador $7,200; in Honduras $7,320; in Panama, $7,800; in Paraguay $4,680; and in Venezuela $7,812. Given levels of per capita gross domestic product which range from $289 to $2,013 annually, it is universally agreed that these figures represent middle- and upper middle-income housing in Latin America.

I ask unanimous consent that a table from that study be printed in the RECORD at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. JAVITS. I think that the facts that I have presented show that the Bank supports the congressional intent of Public Law 94–11 to use its resources to benefit low-income individuals in cooperatives, credit unions and similar self-help organizations which benefit the lower income individuals. The Bank has been responsive to the U.S. congressional concern and the facts so demonstate.

The Bank has a long history of funding projects which benefit lower income individuals. Much of this work has been done in rural agriculture which represents 22.7 percent of the Banks portfolio since its founding. Approximately 80 percent of this activity has been done through cooperatives. The Bank has been an innovator in water and sanitation systems throughout Latin America. Another significant portion of the Bank's work is done in rural electrification which benefits low income persons. The Bank is not a newcomer to projects which benefit the economically most disadvantaged in Latin America. But, of course, there is much to be done and the Bank recognizing this, continues to increase its activities in areas which benefit the low income persons.

Mr. President, I support this legislation wholeheartedly as evidence of our commitment to Latin America in an interdependent world.

EXHIBIT 1

SAVINGS AND LOANS ORGANIZATIONS[1]—APPROXIMATELY (AS OF DEC. 31, 1974)

Per capita low gross domestic product[2]—Country	Average annual income of borrowers[3] (U.S. dollars)	Average size of housing financed (square feet)	Average sales price of housing financed (U.S. dollars)	Average loan amount (U.S. dollars)
908—Argentina	$9,600	700	NA	NA
289—Bolivia	2,436	1,010	$8,500	$3,890
903—Brazil	7,200	1190	20,000	NA
521—Colombia	4,800	1,500	12,700	NA
874—Costa Rica	3,600	750	6,000	5,116
820—Chile	NA	780	10,000	2,473
525—Ecuador	NA	NA	NA	4,509
393—El Salvador	7,200	820	8,000	7,018
374—Honduras	7,320	900	9,700	9,631
669—Nicaragua	NA	NA	NA	11,930
053—Panama	7,800	680	4,480	NA
764—Peru	NA	NA	NA	3,920
650—Dominican Republic	NA	NA	NA	9,584
488—Paraguay	4,680	1390	NA	NA
013—Venezuela	7,812	NA	NA	NA

[1] Material obtained from National Savings and Loan League.

[2] As of December 1974. Taken from the 1975 "World Bank Atlas" to be published shortly.

[3] The incomes indicated in this column would be considered those of middle income groups in Latin America.

The PRESIDING OFFICER. The bill is open to further amendment. If there be no further amendment to be proposed——

Mr. HARRY F. BYRD, JR. Mr. President——

Mr. MOSS. Mr. President, how long is this indulgence going to go on? Nothing was said to me that there was going to be any indulgence. Now I find we have had a whole bill presented and debated and amended, and we are sitting here in the middle of another bill which is the pending business.

The PRESIDING OFFICER. Twenty-five minutes, by unanimous-consent agreement, and 2 minutes are remaining.

Mr. HARRY F. BYRD, JR. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. HARRY F. BYRD, JR. The pending bill is H.R. 9721, to increase participation by the United States in the Inter-American Development Bank; is that correct?

The PRESIDING OFFICER. The Senator is correct.

Mr. HARRY F. BYRD, JR. Is there a time limitation, and if so, what is the time limitation?

The PRESIDING OFFICER. There was originally a time limitation of 15 minutes, which was extended by unanimous consent 10 more minutes to 25 minutes. There is approximately 1 minute remaining.

Mr. HARRY F. BYRD, JR. So there is 1 minute remaining for the Senator from Virginia to find out how many dollars are involved in this bill.

Mr. HUMPHREY. Mr. President, I can give the Senator a quick answer.

Mr. HARRY F. BYRD, JR. I do not want a quick answer. I want some detail.

Mr. HUMPHREY. The answer is that although $265 million would be appropriated for fiscal year 1976, only $65 million of this amount will become outlays and not all of that this year. Actual disbursements in fiscal year 1976 will not exceed $10 million.

Mr. HARRY F. BYRD, JR. If the Senator from Minnesota will look on page 9 of the committee report, I read this language:

> The Congress is being asked in this bill to authorize U.S. participation in a new replenishment in the amount of $2,250,000,000.

We can handle all that in 25 minutes?

Mr. HUMPHREY. That is over a period of 5 years, and much of this is what we call "insurance" or callable capital——

Mr. HARRY F. BYRD, JR. That does not include the insurance.

Mr. HUMPHREY. Which is not appropriated money at all.

Mr. HARRY F. BYRD, JR. As to the appropriated money, according to the report, it says of this total only, and I am very much interested in this word "only" $1.32 billion will require appropriations.

Mr. HUMPHREY. Over the period of time, and might I say to the Senator, much of this capital that is used to secure funds which the bank loans out and which are then repaid with interest.

Mr. HARRY F. BYRD, JR. The American taxpayer does not get back one penny of this, not one penny of this.

Mr. HUMPHREY. This is all part of our program of assistance to Latin America. It is one of the better programs that we have had. The Inter-American Development Bank has as fine a record as any international financial institution in the world.

Mr. HARRY F. BYRD, JR. I am not here to debate the merits of the Bank. I am here to say that as to a bill which authorizes $2.250 billion of U.S. tax funds the Senate plans to vote on it on a time limitation of 25 minutes.

Mr. HUMPHREY. It authorizes appropriations which will eventually result in $65 million of outlays of fiscal year 1976 funds, $240 million of 1977 funds, $240 million of 1978 funds, and $200 million in 1979 funds.

Mr. HARRY F. BYRD, JR. I call those large sums.

Mr. HUMPHREY. Those are substantial sums but they cover a period of 4 years.

The PRESIDING OFFICER. The time has expired.

Mr. HARRY F. BYRD, JR. I think this is an outrageous way to handle $2.25 billion of tax funds.

Mr. HUMPHREY. Mr. President, this kind of bill has been passed repeatedly in this body.

Mr. HARRY F. BYRD, JR. That is why our Government is in such a fix as we are now.

Mr. HUMPHREY. It has had extensive hearings and passed the other body.

The PRESIDING OFFICER. All time has expired. The unanimous-consent agreement did not guarantee action on the bill within 25 minutes.

Mr. ROBERT C. BYRD. That is what I was going to say. Mr. President, I wonder if we could proceed with the other bill.

Mr. HUMPHREY. I was under the impression that we had a unanimous-consent agreement on this bill. It is time to vote.

Mr. HARRY F. BYRD, JR. Mr. President, will the Senator yield?

Mr. ROBERT C. BYRD. Yes.

Mr. HARRY F. BYRD, JR. Does the Senator from Minnesota seriously want to allow only 25 minutes for the Senate to consider a $2.25 billion bill?

Mr. HUMPHREY. That was the time agreement that was managed by the acting leader. It was agreed to on the other side. There is no hanky-panky, hocus-pocus about this bill. It passed the other body.

Several Senators addressed the Chair.

The PRESIDING OFFICER. The Senator from West Virginia.

Mr. ROBERT C. BYRD. Mr. President, as I recall the request was that the measure, on which Mr. Moss is the manager, be set aside temporarily for not to exceed 15 minutes, and that the Senate proceed to the consideration of the now pending measure. Then there was an extension of that time by 10 minutes. That agreement, as I recall, did not insure that final action be taken on the now-pending measure.

The PRESIDING OFFICER. The Senator is correct.

Mr. ROBERT C. BYRD. Of course, it is contemplated that it would. In view of the fact that the Senator from Virginia has raised these questions—we have intruded on the time of the distinguished Senator from Utah (Mr. Moss) and the manager on the other side of the bill; we have intruded on it *considerably*—I wonder if we could go back to the bill that is being managed by Mr. Moss. I understand that he, the manager, Mr. HATHAWAY, and others, have worked out some difficult amendments to where they think——

Mr. HUMPHREY. Those amendments might not be passed.

Mr. ROBERT C. BYRD. I understand they feel they have resolved this agreement on those amendments to the point there will not be any rollcall vote on those amendments as far as they are concerned. If that is the case, it would not take very long to dispose of that.

Mr. HUMPHREY. But it could take a long time.

Mr. ROBERT C. BYRD. All right.

Mr. HUMPHREY. I have had a very, very interesting conference this afternoon on our domestic economy. I would like to share some of the testimony with the Senators.

The PRESIDING OFFICER. There is a time limitation.

Mr. MOSS. Time has expired and we have a time limitation on our bill and I would like to proceed upon it.

Mr. HUMPHREY. Does the Senator mean to tell me we had a time limitation on the bill?

Mr. MOSS. We had it for days.

Mr. HUMPHREY. But not for voting.

Mr. MOSS. Yes, we had a time limit at which the discussion on amendments may continue and a time limit on discussion of the main bill.

Mr. HUMPHREY. Yes, but there is no time limit when we are going to vote.

Mr. MOSS. No one can talk after that period of time.

Mr. HUMPHREY. Not on this bill. I mean we have a time limit for discussion.

Mr. MOSS. We have a time limit during which all discussion must be completed.

What is one going to do after he cannot talk any more?

Mr. HUMPHREY. We had a time limit on this bill in which all discussion was to be completed?

Mr. MOSS. I am sympathetic with the Senator. I know what he has come up against. I do not see why that should reflect on this bill on which we are proceeding.

Mr. HUMPHREY. But I am just as concerned about my bill.

Mr. MOSS. And we were asked to take it up at this late hour.

Mr. HUMPHREY. I hope the Senator will understand my concern.

Mr. MOSS. I stood aside for the Senator.

Mr. HUMPHREY. I love you for it.

Mr. MOSS. Now the Senator wants to make me stay here all night long for his bill?

Mr. HUMPHREY. I would not do that. Go ahead. After all, I will see what we can do for the Senator.

The PRESIDING OFFICER. The Senate will resume the consideration of the bill S. 641.

CONSUMER FOOD ACT OF 1976

The Senate continued with the consideration of the bill (S. 641) to regulate commerce and protect consumers from adulterated food by requiring the establishment of surveillance regulations for the detection and prevention of adulterated food, and for other purposes.

Mr. MOSS. Mr. President, I send to the desk four technical amendments and ask for their immediate consideration.

The PRESIDING OFFICER. The amendments will be stated.

The legislative clerk read as follows:

The Senator from Utah (Mr. Moss) proposes four technical amendments:

The amendments are as follows:

On page 38, line 23, delete "701 of such Act (21 U.S.C. 371(f)(3)) is amended to" and insert, on page 39, immediately after line 1, "701 of such Act (21 U.S.C. 371(f)(3)) is amended to".

On page 45, line 5, insert the following: "of foods" after "class".

On page 47, line 25, delete "governed by" and insert "subject to".

On page 48, line 15, insert the following at the end thereof: "Nothing in this subsection shall be deemed to authorize the Secretary to release trade secret information which he would not otherwise be authorized to release."

Mr. MOSS. Mr. President, the first of these technical amendments corrects a typographical error appearing on page 45, line 5 of the bill as reported. In this instance we are concerned with "foods or classes of foods". On line five, there is no modification of the word "class" and that will be corrected by the adoption of my first amendment.

The second amendment has to do with the information disclosure provisions appearing on page 47, line 25.

The PRESIDING OFFICER. Will the Senator suspend? The Senate is not in order.

Will Senators take their seats?

Mr. MOSS. It would change the terms of disclosure of information from being "governed by" the Freedom of Information Act to being "subject to" the Freedom of Information Act. While this distinction is important, it is not at all obvious. The intent of the Committees has always been to retain existing protections on confidential information, intact. But the use of "governed by " instead of "subject to" creates the impression that the Freedom of Information Act supercedes other provisions of law, including section 301(j) of the Food Drug and Cosmetic Act itself. I am sure that this is not the case.

The third amendment is designed to correct a typographical error which appears on page 38, line 23. The text of that line belongs on page 39, immediately after line 1 and before line 2.

The fourth amendment would permit the Secretary to act in accordance with existing law in so far as disclosures of trade secrets are concerned.

Mr. President, I ask that the amendments be considered and adopted en bloc.

The PRESIDING OFFICER. The question is on agreeing to the technical amendments en bloc.

The technical amendments were agreed to en bloc.

Mr. MOSS. Mr. President, some concerns have been expressed to me as to the interpretation of various provisions of S. 641, and I would like to try to clarify the scope or interpretations with respect to these provisions.

In section 411(a), safety assurance procedures, we provide that any person who owns or operates any establishment in which food is manufactured, processed, packed, labeled, stored, imported, or otherwise handled, shall, except as provided in paragraph (2), (3), or (4), develop, implement, and maintain adequate safety assurance procedures for each establishment which the processor owns or operates. An owner of real estate which is leased to a food processor, would not be required, of course, to establish safety assurance procedures. The lessee of the real estate, however, that is, the one who processed food, would be required to establish the safety assurance producers.

Some food processors might be able to comply with this provision in part by adoption of a common set of procedures created for similar plants within the same industry. Of course, implementation of those procedures and the specific identification of control points, identification of hazards, establishment of controls, and establishment of adequate inspection, monitoring, and testing would have to be made on a plant-by-plant basis.

Section 411(d), concerning notification, requires a food processor to notify the Secretary whenever he institutes a recall of any food which is or may be in violation of the Food, Drug, and Cosmetic Act, if such food has left control of the processor. From time to time, food processors recall foods for various reasons. On occasion, it may be because the food is in violation of the Food, Drug, and Cosmetic Act. On the other hand, a food processor may recall food because he has designed a new marketing campaign and desires to have all food on the shelves bearing the same new label or promotional incentive program. Still another reason for recalling food is that a product may be outdated or stale. Products such as "day old" bread or other baked goods are subsequently placed on sale in bakery thrift shops and are not subject to the kind of recall notification to which this provision is addressed. Of course, if the stale or outdated product is in violation of the act and is being recalled, then it would, of necessity, be subject to the notification provisions of this subsection.

With regard to the food coding provisions, the Secretary has authority to allow the omission of any of the specific designation requirements set forth in paragraphs (A) through (E) of section 412. Some question has been raised as to whether or not, if a food is packaged with open dating, might that not be sufficient to meet the requirement of paragraph (E)—that is, that the date on which the food was packed be incorporated into the recall code. In certain industries, it may well be that the open date which is a pull date would be sufficient if the use of pull dates is specific enough to identify the date on which the food was packed. There is no reason to require a processor to both encode the date on which the food was packed and to specify the pull date if the pull date is sufficient to identify the pack date. The Secretary should use his discretion accordingly in this instance.

Another question has arisen concerning the effective date of the legislation particularly title I. While the effective date is the date of enactment, the question arises as to whether or not violations of the act which occurred prior to the date of enactment would be subject to the new civil penalties provided in the act, and whether criminal prosecutions would be subject to the new criminal provisions provided in the act. It would seem to me that we come into a sort of ex post facto situation here. Violations occurring after the date of enactment are subject to the new penalties, both civil and criminal, provided in the bill. But violations occurring prior to the date of enactment, even if enforcement action is brought after the date of enactment, are subject to the old penalties provided in the bill. Is that not the interpretation which the distinguished Senator has of this provision and its impact?

Mr. BEALL. Yes, the Senator is correct. That is my interpretation. I think the Senator has stated the case very well.

Mr. MOSS. I thank the Senator.

In enforcement of the act, I believe that violations which occur prior to the date of enactment but are enforced after the date of enactment must be subject to the old standards.

Lastly, another concern which has been expressed deals with the change made by the Committee on Labor and Public Welfare in section 111, amending section 705 of the Food, Drug and Cosmetic Act. As Senators can see, the Commerce approach provided for a period of 15 days, during which time the originator of trade secret or other confidential information could initiate a civil action to enjoin the disclosure of trade secret or other confidential information which the Secretary determines is not trade secret or other confidential information. This appears in the linetype on page 47, lines 5 through 12. The amendment to the Commerce ordered reported version changes this period to 10 days, but the text of the amendment appearing on page 48, lines 12 through 15, is silent on the purpose for delaying the disclosure. In order to be consistent with the actions taken by both committees, it must be understood that the 10-day notice under this section is to enable the originator of protected information to seek a court order to prevent the intended disclosure.

Mr. MAGNUSON. Mr. President, over the past 9 years the Commerce Committee has been looking at food safety and labeling legislation. We have held many days of hearings and finally developed a sound proposal. At various steps in the process, our food safety legislation was pretty cumbersome with a rather traditional view of bureaucratic regulation. As we look at the bill now before us, however, these provisions represent probably the most significant and farsighted new food law to protect the public since the complete revision of the Federal Food, Drug, and Cosmetic Act in 1938.

In reaching this point it has not been an accident. The Committee on Commerce and the Committee on Labor and Public Welfare have worked long and hard with consumer representatives, with the Food and Drug Administration and with representatives of the food industry in order to achieve an unusual degree of unanimity and singleness of purpose. We all recognize the need for an expedient, up-to-date regulatory process to achieve a greater degree of food safety while minimizing the additional costs of such a program that might further increase the food price spiral. I have been involved in this legislation all through its consideration; I have met with food industry representatives and consumer representatives and I have heard the pleadings of everyone. I feel that I can safely say that the food safety provisions and labeling provisions of this bill achieve the goal of giving the American consumer the best food safety and labeling law available anywhere.

Among a number of significant accords which developed in fashioning this legislation was first, the decision to require all food processors to establish safety assurance procedures within 6 months of enactment. This is truly a giant step toward immediate food safety. It is an improvement over the previous concept which would have consumed several years and probably would have had a much lower level of results. The second major step has been improvement of the regulatory process in general. In this legislation we provide the appropriate arsenal for effective Federal regulation of foods without undue burdens. We reduce the administrative burden on issuing regulations, we provide the kind of weapons necessary to take effective enforcement steps in food safety, and lastly we provide the wherewithal for public participation in the important decisionmaking which goes on down at HEW. Lastly, one of the most important changes in the bill is the incorporation of much information in the food labeling area. While food prices may have leveled off somewhat, the food labeling provisions of this bill will go a long way toward ameliorating some of the factors which have driven food prices up and up. The public will now be better informed.

Title III of the bill provides for the labeling of food products with ingredient, nutritional, and freshness information. Additionally the labeling is done under a Federal preemption standard which allows for nonuniform labeling only where it would benefit consumers in a State or local area without undue burden on interstate commerce. This provision will reduce the likelihood of differing labeling standards which require different and unique labeling, storage, and distribution and thereby add to the cost of food. As technological and distribution capacities have advanced to the point where there is a truly national marketplace for packaged food, this revision of the Food, Drug and Cosmetic Act is absolutely essential.

This bill is designed to protect the health and safety of over 200 million Americans and any roadblocks which are put in the way to disrupt its unanimity of purpose should be swiftly eliminated to insure the rapid enactment of S. 641.

Mr. PEARSON. Mr. President, today the Senate takes up consideration of S. 641, the "Consumer Food Act of 1975." This bill is of unusual importance. For the past 9 years the Committee on Commerce and the Committee on Labor and Public Welfare have been examining the problems associated with food processing and labeling. There has been a great deal of communication with the Food and Drug Administration, with representatives of the food industry, and with consumer groups. The General Accounting Office has conducted a number of useful and indepth studies of the food industry. S. 641 is the result of this long and careful analysis.

Being a member of the Commerce Committee, I have followed this legislation closely. S. 641 is a well thought out bill that comes to grips with some very grave problems in food processing and labeling. And, it does this without establishing a cumbersome and expensive regulatory process. The food safety and food labeling provisions contained in S. 641, and the means of implementing them will assure that the American public is provided with safe and healthful food products.

Today, we as a nation have grown exceedingly conscious of the food we eat. The American consumer is concerned about obtaining nutritious and safe food. Food has become the issue of the 1970's. People are concerned that what they eat is healthful. They seek a well rounded diet and pay close attention to nutrition labeling and freshness. They take special note of how foods are processed and of the presence of additives. They demand to be protected from foods that are adulterated or misbranded.

S. 641 is designed to assure that the consumer will be provided with food that is wholesome and unadulterated. It will also prevent consumer deception and confusion by requiring comprehensive and informative food labeling. It accomplishes these goals in the following manner.

Food processors will be required to develop comprehensive food safety assurance procedures to eliminate unreasonable risks of adulteration. In doing this, the food processor will be identifying the hazards which exist in his system, establishing adequate methods to control the hazards, and monitoring the effectiveness of the controls. If a food processor fails to develop procedures which are adequate to prevent against unreasonable risks of adulteration, the FDA is then authorized to establish safety assurance standards for the processor to follow that will eliminate risk of adulteration.

S. 641 also enables FDA to inspect industry records relating to safety assurance procedures or applicable safety assurance standards. The records inspection authority will greatly facilitate FDA's enforcement of the food safety provisions. The legislation further requires that a food processor notify the FDA of any adulterated food product that has left the processor's control. FDA will also have the authority to seize or detain a shipment of food for a period of time not to exceed 20 days if such food is believed to be adulterated. The notification and detention sections will assist FDA in determining if a violation has occurred and in preventing adulterated food from reaching the consumer.

A complete and accurate national inventory of all establishments in which food for human use is manufactured, processed, labeled, stored, or otherwise handled will also be available to FDA. This will be accomplished by requiring all such establishments to register with FDA. Registration will not be burdensome but can be accomplished on a onetime basis. Statements will include the name of the registrant, his place of business, the types of food processed, and the types of processing used. This reference system of the Nation's food industry will drastically improve FDA's ability to effectively regulate safe food practices.

One of the most important aspects of S. 641 is its labeling provisions. This is something that will be of direct benefit to every American each time he or she enters the grocery store. The legislation which we are considering today will require fully informative food label information. The constituent ingredients and the nutritional value of the food product will have to be plainly listed. Statutory authority is also established for open dating; this means that when a consumer makes a food purchase, he or she will have reliable and easily understood information as to its freshness. With the current controversy regarding red dye No. 2. I think it is important to point out that this bill also requires the disclosure of colorings. Further, mandatory ingredients used in standardized foods and certain spices and flavorings must be designated.

Much of this labeling is already done. It makes sense that food processors would want to provide information as to the value, quality, and nutrition of the food product and as to the various ingredients which make up the food product. However, in the past, these efforts have been stymied by varied State and local labeling regulations. I in no manner criticize these jurisdictions in their attempts to make important information available to the product. They have acted wisely and in a concerned manner for the health of the public. But what is needed is uniformity in food labeling, freeing the processor from having to make different information available in varying ways in each jurisdiction. The preemption provision contained in S. 641 should greatly help in eliminating the cost associated with food labeling provisions.

Mr. President, as I stated in the beginning of my remarks, S. 641 is of unusual importance. It affects every one of us in that it deals with the food we eat. S. 641 guarantees that food products will be healthful and free from adulteration. It requires that the consumer be provided with labeling data that is informative and easily understood. I feel very strongly about this legislation. It has resulted from many years of study, hard work, and the concerned efforts of many interested parties. I call on every Senator to recognize the merits contained in S. 641 and vote for its passage.

Mr. MOSS. Mr. President, the bill is open to amendment, if there are amendments to be offered.

Mr. HATHAWAY. Mr. President, on behalf of myself and the Senator from New Hampshire (Mr. DURKIN), I call up an unprinted amendment which is at the desk.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk proceeded to read the amendment.

Mr. HATHAWAY. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page, 49, strike out lines 16 through 23, and insert in lieu thereof the following:

"(a)(1) Any person who violates, or causes the violation of, a provision of section 301 of this chapter shall be imprisoned for not more than 1 year or fined not more than $10,000, or both.

"(2) The penalties provided by paragraph (1) for violations of section 301, with respect to food, shall apply to an individual—

"(A) who acts knowingly,

"(B) who acts willfully, or

"(C) who acts without the care, skill, prudence, and diligence under the circumstances then prevailing that a prudent man acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of a like character.".

Mr. BEALL. Mr. President, will the Senator yield?

Mr. HATHAWAY. I yield.

Mr. BEALL. Mr. President, I ask for the yeas and nays on final passage.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. HATHAWAY. Mr. President, this amendment deals with section 113 of S. 641. The amendment attempts to define the sort of behavior which ought to be punished with criminal penalties with better precision than does the reported version of section 113. The amendment would modify the reported version which imposes criminal penalties only when the individual charged is found to have acted "knowingly, willfully, or negligently," to a standard which imposes criminal penalties only when the individual in question acted "knowingly," "willfully," or "without the care, skill, prudence, and diligence under the circumstances then prevailing that a prudent man acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of a like character."

It no doubt will be asked what the difference is between this language and "negligently," and the claim will be made that "negligently" is a better way of defining the standard of care. I would insist that there is a great deal of difference between the two standards, and that this amendment, in substituting a positive duty to act as a prudent man would, offers consumers greater protection and gives the Government a more effective enforcement tool. I would like to quote from the Model Penal Code which forms the basis for defining negligent criminal behavior under section 303 of S. 1. The Model Penal Code is promulgated by the American Law Institute of the American Bar Association and represents a consensus of legal scholarship and practice. It states:

> A person acts negligently with respect to a material element of an offense when he should be aware of a substantial and unjustifiable risk that the material element exists or will result from his conduct. The risk must be of such a nature and degree that the actor's failure to perceive it, considering the nature and purpose of his conduct and the circumstances known to him, *involves a gross deviation from the standard of care that a reasonable person would observe in the actor's situation."* (Emphasis added.)

It would not seem that this is the kind of standard which ought to be applied to those whose paramount duty and responsibility is to provide the public with wholesome and pure food. For example, under the committee's standard, what sort of behavior would represent a "gross deviation from the standard of what a reasonable person would observe in the actor's situation?" Would it be a gross deviation for an executive in the food industry to fail to take corrective action after receiving a warning from the Food and Drug Administration that one of his warehouses showed evidence of rodent infestation? What if he has a dozen or more warehouses? What if he normally received warnings? What if he were very busy with his other duties and responsibilities? How would a jury react to such standard and such a defense? I do not know, but would suggest in the strongest terms possible that the committes' language allows for a very great degree of leeway in executive behavior and misbehavior, an impermissible amount of leeway if the public is to be adequately protected from the deadly hazard of adulterated food.

The alternative standard proposed in our amendment would remedy this severe deficiency in the committees' language. It would impose criminal penalties upon those individuals who were found beyond a reasonable doubt to have caused a violation of the FDC Act and to have acted with respect to that violation either knowingly, willfully, or without the care, skill, prudence, and diligence that a prudent man acting in a like capacity * * * would use. This standard is taken from section 404(a)(1)(B) of Public Law 93–406, the Employee Retirement Income Security Act. This section of the so-called Pension Reform Act establishes the fiduciary duty applicable to those charged with the responsibility of administering employee benefit plans in accordance with the act. The prudent man standard under this act was carefully drafted to establish a duty on behalf of plan fiduciaries to act prudently and diligently with respect to their administration of pension plans which involve the life savings and retirement security of a large number of Americans. No less a standard ought to apply to those charged with providing all our citizens with food free from deadly impurities.

The Pension Reform Act offers precedent writing into a Federal statute a "prudent man" standard. To instead impose the standard of "negligently" would automatically require courts and juries to find a "gross deviation" from reasonable behavior in order to impose criminal penalties.

Further, if S. 1 is enacted into law, this interpretation of "negligently" will become mandatory for all Federal courts. S. 1 as introduced states in section 302:

> § 302. "Intentional", "knowing", "Reckless",
> and "Negligent" States of Mind
>
> "The following definitions apply with respect to an offense set forth in any federal statute:
>
> * * * * *
>
> "(d) 'Negligent'.—A person's state of mind is negligent with respect to:
>
> "(1) an existing circumstance if he ought to be aware of a risk that the circumstance exists;
>
> "(2) a result of his conduct if he ought to be aware of a risk that the result will occur. The risk must be of such a nature and degree that the failure *to perceive it constitutes a gross deviation from the standard of care that a reasonable person would exercise in such a situation."* (emphasis added.)

This language on its face would require that a court looking at the section 303(a), as proposed to be amended by section 113 of S. 641, would have to instruct a jury to find beyond a reasonable doubt that a defendant was grossly deviant from the reasonable man standard in order to impose a criminal penalty.

The Pension Reform Act "prudent man" standard cures this defect and makes it clear that responsible officials are under a positive duty to implement measures which are reasonably designed to insure that violations will not occur. If they fail to take steps to fullfill this duty, if they act "without the care, skill, prudence, and diligence under the circumstances then prevailing that a prudent man acting in like capacity and familiar with such matters would use in the conduct of an enterprise of a like character," and if their action, without such care, causes a violation of the act involving the placing into interstate commerce of adulterated food, then I would insist that they ought to be subjected to criminal penalties.

If we retain the committees' language we impose upon the Government an unrealistic burden of proof, and for all practical purposes eliminate the deterrent effect of existing law. In this regard, Mr. President, I ask unanimous consent that the opinion rendered by the Office of the Legislative Counsel at my request on the interpretation of the word "negligently" be inserted in the RECORD at this point.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

MARCH 15, 1976.

Mr. DANIEL H. MURRAY,
Asisstant Counsel, Office of the Legislative Counsel, U.S. Senate, Washington, D.C.

DEAR MR. MURRAY: I hereby request an opinion of the Office of the Legislative Counsel regarding the effect of the amendment to Section 303 of the Federal Food, Drug, and Cosmetic Act as proposed in Section 113 of S. 641, Calendar No. 655.

I am particularly concerned about the likely interpretation which courts would give the word "negligently" as utilized in the proposed amendment. What sort of burden of proof would this standard impose upon the government if this amendment is adopted?

Sincerely,

WILLIAM D. HATHAWAY,
U.S. Senator.

Memorandum for Senator Hathaway

This memorandum is in response to your request, dated March 15, 1976, for an opinion regarding (1) the interpretation of the word "negligently" as used in the amendment to section 303 of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 333) as proposed in section 113 of S. 641, Calendar Number 655, and (2) the burden of proof imposed on the government if the proposed amendment is adopted.

The provision in question is as follows:

SEC. 113. Section 303 (a) of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 333 (a)) is amended to read as follows:

"(a) Any person who violates a provision of section 301 of this chapter shall be imprisoned for not more than 1 year or fined not more than $10,000, or both; except that such penalties shall apply to any individual who violates a provision of such section 301 with respect to food or who causes a violation of such section 301 to occur with respect to food, only if such individual knowingly, willfully, or negligently violates, or causes the violation of, such provision.".

The provision cited above clearly provides for a criminal penalty, and is contrasted with the civil penalties provided for in section 106 of the proposed legislation. Therefore, the discussion of the word "negligently" as used in the context of the proposed amendment to section 303 of the Federal Food, Drug, and Cosmetic Act shall be with regard to the criminal penalty which immediately precedes the limiting language of the proposed amendment.

INTERPRETATION OF CRIMINAL STATUTES

In most respects the interpretation of criminal statutes does not differ from the construction of other statutes. The standard of decision is either the intent of the legislation or what the statute means to others. *Holy Trinity Church* v. *United States*, 143 U.S. 457, 12 S. Ct. 511 (1892). The history of legislation, other statutes in pari materia, titles and headings, committee reports, and contemporary or practical interpretation may weigh heavily upon the issue of the meaning to be given a criminal statute. Such laws will be given their common and ordinary meaning so that they may be understood by all.

The courts are inclined to give health statutes a liberal interpretation (with regard to scope) despite the fact that such statutes may be penal in nature and frequently may impose criminal penalties. *United States* v. *Antikamnia Chemical Co.*, 231 U.S. 654, 34 S. Ct. 222 (1914). However, with regard to criminal penalties other rules of statutory construction are of course considered. The operation of traditional general rules of statutory interpretation in relation to Federal statutes also appears to continue unaffected by the decision repudiating a Federal substantive common law. *Deupree* v. *Levinson*, 186 F. 2d 297 (1950).

NEGLIGENCE; CULPABLE OR CRIMINAL

In general the courts have found a marked distinction between simple or ordinary negligence, which gives one the right of action for damages, and negligence which renders one guilty of a criminal offense. The latter is generally termed "criminal" or "culpable negligence".

To establish guilt on a negligence basis the Model Penal Code would require conduct which "involves a gross deviation from the standard of care that a reasonable person would observe in the actor's situation." (Section 2.02 (d)).

The negligence concept as applied in criminal law has had the most elaborate consideration in homicide cases but the results found there are equally applicable elsewhere—*a greater degree of fault is required for guilt of a crime than is needed to establish civil liability* (emphasis added).

STANDARD OF PROOF

It has been held that whenever a legal duty of a public nature was imposed by statute or common law, neglect of that duty was indictable *People* v. *Knapp*, 206 N.Y. 373, 99 N.E. 841. A successful prosecution for a violation of section 301 of the Federal Food, Drug, and Cosmetic Act under section 303, as proposed to be amended, on the grounds of negligence would, given the common and ordinary meaning of the term and the context of the statute, require proving negligence in a higher and grosser degree than is sufficient to support a judgment in a civil case. *Weaver* v. *State*, 185 Tenn. 276 (1947). The trend has been to employ the word "reckless" for the purposes of showing a degree of negligence sufficient to warrant a criminal penalty. *State* v. *Scott*, 201 Kan. 134 (1968); *Penny* v. *People*, 44 Cal. 2d. 861 (1955).

SUMMARY

The legislation under consideration clearly provides for a criminal penalty and such criminal penalty applies to "any individual who violates a provision of section 301 with respect to food . . . only if such individual knowingly, willfully, or negligently violates, . . . such provision". Based on the prior material presented, it is my opinion that the interpretation of the legislation under consideration would be to require "culable or criminal negligence" rather than simple or ordinary negligence which would be required in a civil suit for damages.

It would necessarily follow that the burden of proof for a successful prosecution under the proposed legislation would be commensurate with the degree of negligence required to sustain a criminal penalty, in this case culpable or criminal negligence.

Respectfully submitted,

DANIEL H. MURRAY,
Assistant Counsel.

Mr. HATHAWAY. Thus it is clear that the committee language would require the Government to prove the individual charged engaged in conduct which "involves a gross deviation for the standard of care that a reasonable person would exercise in the actor's situation." We propose to substitute instead a positive duty to act as a prudent man would insure that violations would not occur.

In this way the committees' stated goal of codifying existing policy with respect to enforcement of the act will be fulfilled, and it will continue to be possible under the law to punish the personal neglect of those responsible for the purity of the food we eat.

Mr. President, originally the Senator from New Hampshire (Mr. DURKIN) and I intended to offer an amendment that would delete the provision in the bill providing that criminal liability be imposed only when a person acts knowingly, willfully, or negligently. My intent was to return the bill to what the original law has been since 1906—namely, *strict liability*. I have discussed the matter with opponents of my amendment, and we have come to an agreement on the amendment which I am now proposing.

Mr. President, I appreciate the cooperation of the Senator from New York (Mr. JAVITS) and others who have discussed this matter with me.

The intent of this amendment, as I mentioned earlier, is simply to place the responsibility within the purview of what I interpret the Park decision to mean—namely, that an officer has to be a responsible officer in order to be held criminally liable in this type of situation.

I believe that the amendment's language spelling out of the standard to which the officer should be held is a good one and that the public would be protected adequately with this type of standard.

Mr. JAVITS. Mr. President, will the Senator yield?

Mr. MOSS. I yield to the Senator from New York such time as he requires.

Mr. JAVITS. I thank the Senator.

Mr. President, the Senator from Maine has stated that we have come to an understanding about this amendment, and I confirm that that is correct.

The Senator from Maine has stated his views at length, and we debated for a considerable time in the Committee on Labor and Public Welfare this very amendment. In the committee, the amendment was defeated on a very lopsided vote.

With the indulgence of the Senate, I will take not more than 5 minutes to explain what the amendment was in committee, why I opposed it, and why I am now willing to join in the acceptance of the amendment which has been proposed.

The original amendment proposed to strike the whole section without putting anything in its place. If Members will refer to page 49 of the bill, they will find that the section said that a crime shall have been committed in respect of food that is adulterated food or insect-ridden food or otherwise contaminated food, "only if such individual" according to the bill, "knowingly, wilfully, or negligently violates, or causes the violation of, such provision."

The penalty provided is a year in jail or not more than $10,000 or both. So it is not an inconsiderable crime.

By the way, this amendment was inserted by the Committee on Commerce and then sustained by a very strong vote in the Committee on Labor. In the absence of any change in the statute, the original law created what is called an absolute liability. That is, there was no qualification as to the commission of a crime. It simply said any person who violates section 301 of this chapter shall be imprisoned and fined, period. That has been the law for some time and, incidentally, the Department, itself, feels that it would like to see that continued.

But, Mr. President, intervening what has happened over the years, a case was decided called the United States against Park, which involved a 6-to-3 decision of the Supreme Court of the United States, in which the president of a large national food chain was held to have been properly convicted of a crime which is provided for by the section to which I have referred, even though he had no knowledge of the particular infraction of sanitary regulation in that regard, which was the gravamen for the criminal action against him.

This so alarmed a minority of the U.S. Supreme Court—the minority, which, incidentally, included one of the most liberal of the Justices on that side, Mr. Justice Thurgood Marshall, so that one cannot say that this was some reactionary or ultraconservative view—that the minority in respect of that case closed its opinion with the following words. I wish to read them because they are so important in having aroused me to action in this case—that is, in respect of this amendment. The Court said, on page 5 of the dissent—and this probably should be my total argument:

> We deal here with a criminal conviction, not a civil forfeiture. It is true that the crime was but a misdemeanor and the penalty in this case light. But under the statute even a first conviction can result in imprisonment for a year, and a subsequent offense is a felony carrying a punishment of up to three years in prison. So the standardless conviction approved today can serve in another case tomorrow to support a felony conviction and a substantial prison sentence. However highly the Court may regard the social objectives of the Food, Drug, and Cosmetics Act, that regard cannot serve to justify a criminal conviction so wholly alien to fundamental principles of our law.

I wish to repeat that phrase:

> . . . a criminal conviction so wholly alien to the fundamental principles of our law.

It is what aroused the minority that aroused me. We all feel just as vehemently as the majority in that case about this kind of dereliction, whoever may be at fault. We certainly do not want to subscribe to a kind of law which three distinguished judges—Stewart, Marshall, and Powell, with Judge Stewart writing the opinion—can feel erects no standard. And in fact, that is true, because the majority in the case—this is, again, what disturbed me very, very greatly—laid down the following principle of law, which I found really completely unacceptable to me as a lawyer and as an American. They said, on page 11 of the majority opinion:

> Cases under the Federal Food and Drug Act of 1906 reflected the view both that knowledge or intent were not required to be proved in prosecutions under its criminal provisions, and that responsible corporate agents could be subjected to the liability thereby imposed.

Hence, we were left with the conclusion that a local prosecutor could bring about the indictment of the president of a company if he showed, one, that he was the president of the company; two, that something had happened about food which came within the purview of the law; and, three, that the general ambit of his duties—after all, he was the president; every duty was his—included a duty with respect to this particular violation.

Mr. President, that kind of a standard is hardly what we conceive of in respect of the rights of a defendant in our criminal law. The amendment, in my judgment, deals with the matter in a fair way. That is why, as I say, it is acceptable to me. It now incorporates what the Committee on Commerce very properly incorporated about knowingly or willfully; then it defines a standard of negligence with which I agree. That standard is, and I quote from the amendment, "or who acts without the care, skill, prudence and diligence under the circumstances then prevailing that a prudent man acting in a like capacity and familiar with such matters, would use in the conduct of an enterprise of a like character."

It seems to me that that is a proper negligence standard which could be the instruction of a judge and that, then, the jury would would to find that the individual is guilty beyond a reasonable doubt.

That is the controversy, Mr. President, those are the concepts which induced me to oppose the original amendment, and the reason that I am now agreeable to the acceptance of this amendment.

Mr. MOSS. Will the Senator from Maine respond to a question?

Mr. HATHAWAY. I am happy to respond.

Mr. MOSS. Perhaps part of the problem we have had with the committee language is the interpretation of "negligence" and the terms "knowingly," "willfully," and "negligently" in the same sentence. Certainly "knowingly" and "willfully" necessitate different levels of proof than does the language suggested by the Senator from Maine. Is the omission or the failure to do something which a reasonable individual, guided by those ordinary considerations which ordinarily regulate human affairs, would do, or the doing of something which a reasonable and prudent individual would not do be covered by his language?

Mr. HATHAWAY. The answer to the Senator's question, in the opinion of the Senator from Maine, is that section (a) (2) (c) of the amendment would cover the language which the Senator from Utah has just read.

Mr. MOSS. Does the term refer to that delinquency which results whenever a person fails to exhibit the care which he ought to exhibit, whether it be slight, ordinary, or great?

Mr. HATHAWAY. The Senator is correct.

Mr. MOSS. Is it characterized chiefly by inadvertence, thoughtlessness, and inattention?

Mr. HATHAWAY. The Senator is correct.

Mr. MOSS. I thank the Senator for making that legislative history.

Mr. HATHAWAY. Mr. President, I want to take about 30 seconds. The Senator from New York has quoted Mr. Justice Thurgood Marshall's dissenting opinion in the Park case and, rather than quote other members of the Court in both the Park case and the Dotterweich case which applied to this problem, I ask unanimous consent that both of these opinions be printed in the Record at this point for the edification of the Members.

There being no objection, the opinions were ordered to be printed in the Record, as follows:

[Supreme Court of the United States,
No. 74-215]

United States, Petitioner, versus
John R. Park

On Writ of Certiorari to the United States Court of Appeals for the Fourth Circuit.

(June 9, 1975)

Mr. Chief Justice Burger delivered the opinion of the Court.

We granted certiorari to consider whether jury instructions in the prosecution of a corporate officer under § 301(k) of the Federal Food, Drug, and Cosmetic Act, 21 U.S.C. § 331 (k), were appropriate under *United States* v. *Dotterweich*, 320 U.S. 277 (1943).

Acme Markets, Inc., is a national retail food chain with approximately 36,000 employees, 874 retail outlets, 12 general warehouses, and four special warehouses. Its headquarters, including the office of the president, respondent Park, who is chief executive officer of the corporation, are located in Philadelphia, Pennsylvania. In a five-count information filed in the United States District Court for the District of Maryland, the Government charged Acme and respondent with violations of the Federal Food, Drug, and Cosmetic Act. Each count of the information alleged that the defendants had received food that had been shipped in interstate commerce and that, while the food was being held for sale in Acme's Baltimore warehouse following shipment in interstate commerce, they caused it to be held in a building accessible to rodents and to be exposed to contamination by rodents. These acts were alleged to have resulted in the food being adulterated within the meaning of 21 U.S.C. §§ 342(a) (3) and (4),[1] in violation of 21 U.S.C. § 331(k).[2]

Acme pleaded guilty to each count of the information. Respondent pleaded not guilty. The evidence at trial[3] demonstrated that in April 1970 the Food and Drug Administration (FDA) advised respondent by letter of insanitary conditions in Acme's Philadelphia warehouse. In 1971 FDA found that similar conditions existed in the firm's Baltimore warehouse. An FDA consumer safety officer testified concerning evidence of rodent infestation and other insanitary conditions discovered during a 12-day inspection of the Baltimore warehouse in November and December 1971.[4] He also related that a second inspection of the warehouse had been conducted in March 1972.[5] On that occasion the inspectors found that there had been improvement in the sanitary conditions, but that "there was still evidence of rodent activity in the building and in the warehouse and we found some rodent-contaminated lots of food items." App. 23.

The Government also presented testimony by the Chief of Compliance of FDA's Baltimore office, who informed respondent by letter of the conditions at the Baltimore warehouse after the first inspection.[6] There was testimony by Acme's Baltimore division vice president, who had responded to the letter on behalf of Acme and respondent and who described the steps taken to remedy the insanitary conditions discovered by both inspections. The Government's final witness, Acme's vice president for legal affairs and assistant secretary, identified respondent as

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Footnotes at end of article.

the president and chief executive officer of the company and read a bylaw prescribing the duties of the chief executive officer.[7] He testified that respondent functioned by delegating "normal operating duties," including sanitation, but that he retained "certain things, which are the big, broad principles of the operation of the company," and had "the responsibility of seeing that they all work together." App. 41.

At the close of the Government's case-in-chief, respondent moved for a judgment of acquittal on the ground that "the evidence in chief has shown that Mr. Park is not personally concerned in this Food and Drug violation." The trial judge denied the motion, stating that *United States* v. *Dotterweich*, 320 U.S. 277, was controlling.

Respondent was the only defense witness. He testified that, although all of Acme's employees were in a sense under his general direction, the company had an "organizational structure for responsibilities for certain functions" according to which different phases of its operation were "assigned to individuals who, in turn, have staff and departments under them." He identified those individuals responsible for sanitation and related that upon receipt of the January 1972 FDA letter, he had conferred with the vice president for legal affairs, who informed him that the Baltimore division vice president "was investigating the situation immediately and would be taking corrective action and would be preparing a summary of the corrective action to reply to the letter." Respondent stated that he did not "believe there was anything [he] could have done more constructively than what [he] found was being done." App. 43–47.

On cross-examination, respondent conceded that providing sanitary conditions for food offered for sale to the public was something that he was "responsible for in the entire operation of the company," and he stated that it was one of many phases of the company that he assigned to "dependable subordinates." Respondent was asked about and, over the objections of his counsel, admitted receiving, the April 1970 letter addressed to him from FDA regarding insanitary conditions at Acme's Philadelphia warehouse.[8] He acknowledged that, with the exception of the division vice president, the same individuals had responsibility for sanitation in both Baltimore and Philadelphia. Finally, in response to questions concerning the Philadelphia and Baltimore incidents, respondent admitted that the Baltimore problem indicated the system for handling sanitation "wasn't working perfectly" and that as Acme's chief executive officer he was responsible for "any result which occurs in our company." App. 48–55.

At the close of the evidence, respondent's renewed motion for a judgment of acquittal was denied. The relevant portion of the trial judge's instructions to the jury challenged by respondent is set out in the margin.[9] Respondent's counsel objected to the instructions on the ground that they failed fairly to reflect our decision in *United States* v. *Dotterweich*, 320 U.S. 277, and to define " 'responsible relationship.' " The trial judge overruled the objection. The jury found respondent guilty on all counts of the information, and he was subsequently sentenced to pay a fine of $50 on each count.[10]

The Court of Appeals reversed the conviction and remanded for a new trial. That court viewed the Government as arguing "that the conviction may be predicated solely upon a showing that . . . [respondent] was the President of the offending corporation," and it stated that as "a general proposition, some act of commission or omission is an essential element of every crime." 499 F. 2d 839, 841 (CA4 1974). It reasoned that, although our decision in *United States* v. *Dotterweich*, *supra*, at 281, had construed the statutory provisions under which respondent was tried to dispense with the traditional element of " 'awareness of some wrongdoing' " the Court had not construed them as dispensing with the element of "wrongful action." The Court of Appeals concluded that the trial judge's instructions "might well have left the jury with the erroneous impression that Park could be found guilty in the absence of 'wrongful action' on his part," and that proof of this element was required by due process. It held, with one dissent, that the instructions did not "correctly state the law of the case," and directed that on retrial the jury be instructed as to "wrongful action," which might be "gross negligence and inattention in discharging . . . corporate duties and obligations or any of a host of other acts of commission or omission which would 'cause' the contamination of food." 499 F. 2d, at 842. (Footnotes omitted.)

The Court of Appeals also held that the admission in evidence of the April 1970 FDA warning to respondent was error warranting reversal, based on its conclusion that, "as this case was submitted to the jury and in light of the sole issue presented," there was no need for the evidence and thus that its prejudicial effect outweighed its relevancy under the test of *United States* v. *Woods*, 484 F. 2d 127 (CA4 1973), cert. denied, 415 U. S. 979 (1974). 499 F. 2d, at 843.

We granted certiorari because of an apparent conflict among the courts of appeals with respect to the standard of liability of corporate officers under the Federal Food, Drug, and Cosmetic Act as construed in *United States* v. *Dotterweich*, *supra*, and because of the importance of the question to the Government's enforcement program. We reverse.

I

The question presented by the Government's petition for certiorari in *United States* v. *Dotterweich*, *supra*, and the focus of this Court's opinion, was whether "the manager of a corporation, as well as the corporation itself, may be prosecuted under the Federal Food, Drug, and Cosmetic Act of 1938 for the introduction of misbranded and adulterated articles into interstate commerce." Petition for a Writ of Certiorari, No. 5, October Term 1943, at 2. In *Dotterweich*, a jury had disagreed as to the corporation, a jobber purchasing drugs from manufacturers and shipping them in interstate commerce under its own label, but had convicted Dotterweich, the corporation's president and general manager. The Court of Appeals reversed the conviction on the ground that only the drug dealer, whether corporation or individual, was subject to the criminal provisions of the Act, and that where the dealer was a corporation, an individual connected therewith might be held personally only if he was operating the corporation "as his 'alter ego.' " *United States* v. *Buffalo Pharmacal Co.*, 131 F. 2d 500, 503 (CA2 1942).[11]

In reversing the judgment of the Court of Appeals and reinstating Dotterweich's conviction, this Court looked to the purposes of the Act and noted that they "touch phases of the lives and health of people which, in the circumstances of modern industrialism, are largely beyond self-protection." 320 U.S., at 280. It observed that the Act is of "a now familiar type" which "dispenses with the conventional requirement for criminal conduct—awareness of some wrongdoing. In the interest of the larger good it puts the burden of acting at hazard upon a person otherwise innocent but standing in responsible relation to a public danger." 320 U.S., at 280–281.

Central to the Court's conclusion that individuals other than proprietors are subject to the criminal provisions of the Act was the reality that "the only way in which a corporation can act is through the individuals who act on its behalf." 320 U.S., at 281. The Court also noted that corporate officers had been subject to criminal liability under the Federal Food and Drugs Act of 1906.[13] and it observed that a contrary result under the 1938 legislation would be incompatible with the expressed intent of Congress *to* "enlarge and stiffen the penal net" and to discourage a view of the Act's criminal penalties as a " 'license fee for the conduct of an illegitimate business.' " 320 U.S., at 282–283. (Footnote omitted.)

At the same time, however, the Court was aware of the concern which was the motivating factor in the Court of Appeals' decision, that literal enforcement "might operate too harshly by sweeping within its condemnation any person however remotely entangled in the proscribed shipment." 320 U.S., at 284. A limiting principle, in the form of "settled doctrines of criminal law" defining those who "are responsible for the commission of a misdemeanor", was available. In this context, the Court concluded, those doctrines dictated that the offense was committed "by all who have . . . a responsible share in the furtherance of the transaction which the statute outlaws". *Ibid.*

The Court recognized that, because the Act dispenses with the need to prove "consciousness of wrongdoing", it may result in hardship even as applied to those who share "a responsibility in the business process resulting in" a violation. It regarded as "to treacherous" an attempt "to define or even to indicate by way of illustration the class of employees which stands in such a responsible relation." The question of responsibility, the Court said, depends "on the evidence produced at the trial and its submission—assuming the evidence warrants it—to the jury under appropirate guidance." The Court added: "In such matters the good sense of prosecutors, the wise guidance of trial judges, and the ultimate judgment of juries must be trusted." 320 U.S., at 284–285.[12] See 21 U.S.C. § 336. Cf. *United States* v. *Sullivan*, 332 U.S. 689, 694–695 (1948).

II

The rule that corporate employees who have "a responsible share in the furtherance of the transaction which the statute outlaws" are subject to the criminal provisions of the Act was not formulated in a vacuum. Cf. *Morissette* v. *United States*, 342 U.S. 246, 258 (1952). Cases under the Federal Food and Drugs Act of 1906 reflected the view both that knowledge or intent were not required to be proved in prosecutions under its criminal provisions, and that responsible corporate agents could be subjected to the liability thereby imposed. See *e.g.*, *United States* v. *Mayfield*, 177 Fed. 765 (ND Ala. 1910). Moreover, the principle had been recognized that a corporate agent, through whose act, default, or omission the corporation committed a crime, was himself guilty individually of that crime. The principle had been applied whether or not the crime required "consciousness of wrongdoing", and it had been applied not only to those corporate agents who themselves committed the criminal act, but also to those who by virtue of their managerial positions or other similar relation to the actor could be deemed responsible for its commission.

In the latter class of cases, the liability of managerial officers did not depend on their knowledge of, or personal participation in, the act made criminal by the statute. Rather, where the statute under which they were prosecuted dispensed with "consciousness of wrongdoing", an omission or failure to act was deemed a sufficient basis for a responsible corporate agent's liability. It was enough in such cases that, by virtue of the relationship he bore to the corporation, the agent had the power to have prevented the

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Footnotes at end of article.

act complained of. See, *e. g.*, *State* v. *Burnam*, 71 Wash. 199, 128 P. 218 (1912); *Overland Cotton Mill Co.* v. *People*, 32 Colo. 263, 75 P. 924 (1904). Cf. *Groff* v. *State*, 171 Ind. 547 (1908); *Turner* v. *State*, 171 Tenn. 36, 100 S. W. 2d 236 (1937); *People* v. *Schwartz*, 28 Cal. App. 2d 775, 70 P. 2d 1017 (1937); Sayre, Criminal Responsibility for the Acts of Another, 43 Harv. L. Rev. 689 (1930).

The rationale of the interpretation given the Act in *Dotterweich*, as holding criminally accountable the persons whose failure to exercise the authority and supervisory responsibility reposed in them by the business organization resulted in the violation complained of, has been confirmed in our subsequent cases. Thus, the Court has reaffirmed the proposition that "the public interest in the purity of its food is so great as to warrant the imposition of the highest standard of care on distributors". *Smith* v. *California*, 361 U.S. 147, 152 (1959). In order to make "distributors of food the strictest censors of their merchandise", *ibid.*, the Act punishes "neglect where the law requires care, or inaction where it imposes a duty." *Morissette* v. *United States*, 342 U.S., at 255. "The accused, if he does not will the violation, usually is in a position to prevent it with no more care than society might reasonably expect and no more exertion than it might reasonably exact from one who assumed his responsibilities." 342 U.S., at 256. Cf. Hughes, Criminal Omissions, 67 Yale L. J. 590 (1958). Similarly, in cases decided after *Dotterweich*, the courts of appeals have recognized that those corporate agents vested with the responsibility, and power commensurate with that responsibility, to devise whatever measures are necessary to ensure compliance with the Act bear a "responsible relationship" to, or have a "responsible share" in, violation.[14]

Thus *Dotterweich* and the cases which have followed reveal that in providing sanctions which reach and touch the individuals who execute the corporate mission—and this is by no means necessarily confined to a single corporate agent or employee—the Act imposes not only a positive duty to seek out and remedy violations when they occur but also, and primarily, a duty to implement measures that will insure that violations will not occur. The requirements of foresight and vigilance imposed on responsible corporate agents are beyond question demanding, and perhaps onerous, but they are no more stringent than the public has a right to expect of those who voluntarily assume positions of authority in business enterprises whose services and products affect the health and well-being of the public that supports them. Cf. Wasserstrom, Strict Liability in the Criminal Law, 12 Stan. L. Rev. 731, 741–745 (1960).[15]

The Act does not, as we observed in *Dotterweich*, make criminal liability turn on "awareness of some wrongdoing" or "conscious fraud". The duty imposed by Congress on responsible corporate agents is, we emphasize, one that requires the highest standard of foresight and vigilance, but the Act, in its criminal aspect, does not require that which is objectively impossible. The theory upon which responsible corporate agents are held criminally accountable for "causing" violations of the Act permits a claim that a defendant was "powerless" to prevent or correct the violation to "be raised defensively at a trial on the merits." *United States* v. *Wiesenfeld Warehouse Co.*, 376 U.S. 86, 91 (1964). If such a claim is made, the defendant has the burden of coming forward with evidence, but this does not alter the Government's ultimate burden of proving beyond a reasonable doubt the defendant's guilt, including his power, in light of the duty imposed by the Act, to prevent or correct the prohibited condition. Congress has seen fit to enforce the accountability of respsonsible corporate agents dealing with products which may affect the health of consumers by penal sanctions cast in rigorous terms and the obligation of the courts is to give them effect so long as they do not violate the Constitution.

III

We cannot agree with the Court of Appeals that it was incumbent upon the District Court to instruct the jury that the Government had the burden of establishing "wrongful action" in the sense in which the Court of Appeals used that phrase. The concept of a "responsible relationship" to, or a "responsible share" in, a violation of the Act indeed imports some measure of blameworthiness; but it is equally clear that the Government establishes a prima facie case when it introduces evidence sufficient to warrant a finding by the tier of the facts that the defendant had, by reason of his position in the corporation, responsibility and authority either to prevent in the first instance, or promptly to correct, the violation complained of, and that he failed to do so. The failure thus to fulfill the duty imposed by the interaction of the corporate agent's authority and the statute furnishes a sufficient causal link. The considerations which prompted the imposition of this duty, and the scope of the duty, provide the measure of culpability.

Turning to the jury charge in this case, it is of course arguable that isolated parts can be read as intimating that a finding of guilt could be predicated solely on respondent's corporate position. But this is not the way we review jury instructions, because "a single instruction to a jury may not be judged in artificial isolation, but must be viewed in the context of the overall charge," *Cupp* v. *Naughten*, 414 U.S. 141, 146–147 (1973). See *Boyd* v. *United States*, 271 U.S. 104, 107 (1926).

Reading the entire charge satisfies us that the jury's attention was adequately focused on the issue of respondent's authority with respect to the conditions that formed the basis of the alleged violations. Viewed as a whole, the charge did not permit the jury to find guilt solely on the basis of respondent's position in the corporation; rather, it fairly advised the jury that to find guilt it must find respondent "had a responsible relation to the situation," and "by virtue of his position . . . had authority and responsibility" to deal with the situation. The situation referred to could only be "food . . . held in unsanitary conditions in a warehouse with the result that it consisted, in part, of filth or . . . may have been contaminated with filth."

Moreover, in reviewing jury instructions, our task is also to view the charge itself as part of the whole trial. "Often isolated statements taken from the charge, seemingly prejudicial on their face, are not so when considered in the context of the entire record of the *trial.*" *United States* v. *Birnbaum*, 373 F. 2d 250, 257 (CA2), cert. denied, 389 U.S. 837 (1967). (Emphasis added.) Cf. *Cupp.* v. *Naughten, supra*. The record in this case reveals that the jury could not have failed to be aware that the main issue for determination was not respondent's position in the corporate hierarchy, but rather his accountability, because of the responsibility and authority of his position, for the conditions which gave rise to the charges against him.[16]

We conclude that, viewed as a whole and in the context of the trial, the charge was not misleading and contained an adequate statement of the law to guide the jury's determination. Although it would have been better to give an instruction more precisely relating the legal issue to the facts of the case, we cannot say that the failure to provide the amplification requested by respondent was an abuse of discretion. See *United States* v. *Bayer*, 331 U.S. 532, 536–537 (1947); *Holland* v. *United States*, 348 U.S. 121, 140 (1954). Finally, we note that there was no request for an instruction that the Government was required to prove beyond a reasonable doubt that respondent was not without the power or capacity to affect the conditions which founded the charges in the information.[17] In light of the evidence adduced at trial, we find no basis to conclude that the failure of the trial court to give such an instruction *sua sponte* was plain error as a defect affecting substantial rights. Fed. Rule Crim. Proc. 52(b). Compare *Lopez* v. *United States*, 373 U.S. 427, 436 (1963), with *Screws* v. *United States*, 325 U.S. 91, 107 (1945) (opinion of DOUGLAS, J.).

IV

Our conclusion that the Court of Appeals erred in its reading of the jury charge suggests as well our disagreement with that court concerning the admissibility of evidence demonstrating that respondent was advised by FDA in 1970 of insanitary conditions in Acme's Philadelphia warehouse. We are satisfied that the Act imposes the highest standard of care and permits conviction of responsible corporate officials who, in light of this standard of care, have the power to prevent or correct violations of its provisions. Implicit in the Court's admonition that "the ultimate judgment of juries must be trusted", *United States* v. *Dotterweich*, 320 U.S., at 285, however, is the realization that they may demand more than corporate bylaws to find culpability.

Respondent testified in his defense that he had employed a system in which he relied upon his subordinates, and that he was ultimately responsible for this system. He testified further that he had found these subordinates to be "dependable" and had "great confidence" in them. By this and other testimony respondent evidently sought to persuade the jury that, as the president of a large corporation, he had no choice but to delegate duties to those in whom he reposed confidence, that he had no reason to suspect his subordinates were failing to insure compliance with the Act, and that, once violations were unearthed, acting through those subordinates he did everything possible to correct them.[18]

Although we need not decide whether this testimony would have entitled respondent to an instruction as to his lack of power, see *supra*, at 17, had he requested it,[19] the testimony clearly created the "need" for rebuttal evidence. That evidence was not offered to show that respondent had a propensity to commit criminal acts, cf. *Michelson* v. *United States*, 335 U.S. 469, 475–476 (1948), or, as in *United States* v. *Woods*, 484 F. 2d 127, that the crime charged had been committed; its purpose was to demonstrate that respondent was on notice that he could not rely on his system of delegation to subordinates to prevent or correct insanitary conditions at Acme's warehouses, and that he must have been aware of the deficiencies of this system before the Baltimore violations were discovered. The evidence was therefore relevant since it served to rebut respondent's defense that he had justifiably relied upon subordinates to handle sanitation matters. Cf. *United States* v. *Ross*, 321 F. 2d 61, 67 (CA2), cert. denied, 375 U.S. 894 (1963); C. McCormick, Evidence § 190, at 450–452 (2d ed. 1972). And, particularly in light of the difficult task of juries in prosecutions under the Act, we conclude that its relevance and persuasiveness outweighed any prejudicial effect. Cf. *Research Laboratories, Inc.*, v. *United States*, 167 F. 2d 410, 420–421 (CA9), cert. denied, 335 U.S. 843 (1948).

Reversed.

FOOTNOTES

[1] Section 402 of the Act, 52 Stat. 1046, 21 U.S.C. § 342, provides in pertinent part:

"A food shall be deemed to be adulterated—(a) . . . (3) if it consists in whole or in part of any filthy, putrid or decomposed substance, or if it is otherwise unfit for food; or (4) if it has been prepared, packed, or held under insanitary conditions whereby it may have become contaminated with filth, or whereby it may have been rendered injurious to health. . . ."

[2] Section 301(k) of the Act, 52 Stat. 1042, 21 U.S.C. § 331(k), provides:

"The following acts and the causing thereof are prohibited:

(k) The alteration, mutilation, destruction, obliteration, or removal of the whole or any part of the labeling of, or the doing of any other act with respect to, a food, drug, device, or cosmetic, if such act is done while such article is held for sale (whether or not the first sale) after shipment in interstate commerce and results in such article being adulterated or misbranded."

[3] The parties stipulated in effect that the items of food described in the information had been shipped in interstate commerce and were being held for sale in Acme's Baltimore warehouse.

[4] The witness testified with respect to the inspection of the basement of the "old building" in the warehouse complex:

"We found extensive evidence of rodent infestation in the form of rat and mouse pellets throughout the entire perimeter area and along the wall.

"We also found that the doors leading to the basement area from the rail siding had openings at the bottom or openings beneath part of the door that came down at the bottom large enough to admit rodent entry. There were also roden[t] pellets found on a number of different packages of boxes of various items stored in the basement, and looking at this document, I see there were also broken windows along the rail siding." App. 20–21.

On the first floor of the "old building," the inspectors found:

"Thirty mouse pellets on the floor along walls and on the ledge in the hanging meat room. There were at least twenty mouse pellets beside bales of lime Jello and one of the bales had a chewed rodent hole in the product. . . ." App. 22.

[5] The first four counts of the information alleged violations corresponding to the observations of the inspectors during the November and December 1971 inspection. The fifth count alleged violations corresponding to observations during the March 1972 inspection.

[6] The letter, dated January 27, 1972, included the following:

"We note with much concern that the old and new warehouse areas used for food storage were actively and extensively inhabited by live rodents. Of even more concern was the observation that such reprehensible conditions obviously existed for a prolonged period of time without any detection, or were completely ignored. . . .

"We trust this letter will serve to direct your attention to the seriousness of the problem and formally advise you of the urgent need to initiate whatever measures are necessary to prevent recurrence and ensure compliance with the law." App. 64–65.

[7] The bylaw provided in pertinent part:

"The Chairman of the board of directors or the president shall be the chief executive officer of the company as the board of directors may from time to time determine. He shall, subject to the board of directors, have general and active supervision of the affairs, business, offices and employees of the company. . . .

"He shall, from time to time, in his discretion or at the order of the board, report the operations and affairs of the company. He shall also perform such other duties and have such other powers as may be assigned to him from time to time by the board of directors." App. 40.

[8] The April 1970 letter informed respondent of the following "objectionable conditions" in Acme's Philadelphia warehouse:

"1. Potential rodent entry ways were noted via ill fitting doors and door in irrepair at Southwest corner of warehouse; at dock at old salvage room and at receiving and shipping doors which were observed to be open most of the time.

"2. Rodent nesting, rodent excreta pellets, rodent stained bale bagging and rodent gnawed holes were noted among bales of flour stored in warehouse.

"3. Potential rodent harborage was noted in discarded paper, rope, sawdust and other debris piled in corner of shipping and receiving dock near bakery and warehouse doors. Rodent excreta pellets were observed among bags of sawdust (or wood shavings)." App. 70.

[9] "In order to find the Defendant guilty on any count of the Information, you must find beyond a reasonable doubt on each count . . .

"Third, that John R. Park held a position of authority in the operation of the business of Acme Markets, Incorporated.

"However, you need not concern yourselves with the first two elements of the case. The main issue for your determination is only with the third element, whether the Defendant held a position of authority and responsibility in the business of Acme Markets.

"The statute make individuals, as well as corporations, liable for violations. An individual is liable if it is clear, beyond a reasonable doubt, that the elements of the adulteration of the food as to travel in interstate commerce are present. As I have instructed you in this case, they are, and that the individual had a responsible relation to the situation, even though he may not have participated personally.

"The individual is or could be liable under the statute, even if he did not consciously do wrong. However, the fact that the Defendant is pres[id]ent and is a chief executive officer of the Acme Markets does not require a finding of guilt. Though, he need not have personally participated in the situation, he must have had a responsible relationship to the issue. The issue is, in this case, whether the Defendant, John R. Park, by virtue of his position in the company, had a position of authority and responsibility in the situation out of which these charges arose." App. 61–62.

[10] Sections 303 (a) and (b) of the Act, 52 Stat. 1043, 21 U. S. C. §§ 333 (a) and (b), provide:

"(a) Any person who violates a provision of section 331 of this title shall be imprisoned for not more than one year or fined not more than $1,000, or both.

"(b) Notwithstanding the provisions of subsection (a) of this section, if any person commits such a violation after a conviction of him under this section has become final, or commits such a violation with the intent to defraud or mislead, such person shall be imprisoned for not more than three years or fined not more than $10,000, or both."

Respondent's renewed motion for a judgment of acquittal or in the alternative for a new trial, one of the grounds of which was the alleged abuse of discretion in the initiation of the prosecution against him, had previously been denied after argument.

[11] The Court of Appeals relied upon § 303(c) of the Act, 52 Stat. 1043, 21 U.S.C. § 333(c), which extended immunity from the penalties provided by § 303(a) to a person who could establish a guaranty "signed by, and containing the name and address of, the person residing in the United States *from whom he received* in good faith the article. . . ." (Emphasis added.) The court reasoned that where the drug dealer was a corporation, the protection of § 303(c) would extend only to such dealer and not to its employees.

[12] Act of June 30, 1906, c. 3915, 34 Stat. 768.

[13] In reinstating Dotterweich's conviction, the Court stated: "For present purpose it suffices to say that in what the defense characterized as a 'very fair charge' the District Court properly left the question of the responsibility of Dotterweich for the shipment to the jury, and there was sufficient evidence to support its verdict." 320 U.S., at 285.

[14] See, *e.g., Lelles* v. *United States,* 241 F. 2d 21 (CA9), cert. denied, 353 U.S. 974 (1957); *United States* v. *Kaadt,* 171 F. 2d 600 (CA7 1948). Cf. *United States* v. *Shapiro,* 491 F. 2d 335, 337 (CA 6 1974); *United States* v. *3963 Bottles, More or Less, Etc.,* 265 F. 2d 332 (CA7), cert. denied, 360 U.S. 931 (1959); *United States* v. *Klehman,* 397 F. 2d 406 (CA7 1968).

[15] We note that in 1948 the Senate passed an amendment to § 303(a) of the Act to impose criminal liability only for violations committed "willfully or as a result of gross negligence." 94 Cong. Rec. 6760–6761 (June 1, 1948). However, the amendment was subsequently stricken in conference. 94 Cong. Rec. 8551 (June 17, 1948); 94 Cong. Rec. 8838 (June 18, 1948).

[16] In his summation to the jury, the prosecutor argued:

"That brings us to the third question that you must decide, and that is whether Mr. John R. Park is responsible for the conditions persisting. . . .

"The point is that, while Mr. Park apparently had a system, and I think he testified the system had been set up long before he got there—he did say that if anyone was going to change the system, it was his responsibility to do so. That very system, the system that he didn't change, did not work in March of 1970 in Philadelphia; it did not work in November of 1971 in Baltimore; it did not work in March of 1972 in Baltimore, and under those circumstances, I submit, that Mr. Park is the man responsible. . . .

"Mr. Park was responsible for seeing that sanitation was taken care of, and he had a system set up that was supposed to do that. This system didn't work. It didn't work three times. At some point in time, Mr. Park has to be held responsible for the fact that his system isn't working. . . ." App. 57, 59, 60.

[17] Counsel for respondent submitted only two requests for charge: (1) "Statutes such as the ones the Government seeks to apply here are criminal statutes and should be strictly construed," and (2) "The fact that John Park is President and Chief Executive Officer of Acme Markets, Inc. does not of itself justify a finding of guilty under Courts I through V of the Information." Record, vol. 1, pp. 56–57.

[18] In his summation to the jury, counsel for respondent argued:

"Now, you are Mr. Park. You have his responsibility for a *thousand* stores—I think eight hundred and some stores—lots of stores, many divisions, many warehouses. What are you going to do, except hire people in whom you have confidence to whom you delegate the work? . . .

". . . What I am saying to you is that Mr. Park, through his subordinates when this was found out, did everything in the world they (*sic*) could." Record, vol. 3, pp. 201, 207.

[19] Assuming, *arguendo,* that it would be objectively impossibile for a senior corporate agent to control fully day-to-day conditions in 874 retail outlets, it does not follow that such a corporate agent could not prevent or remedy promptly violations of elementary sanitary conditions in 16 regional warehouses.

[Supreme Court of the United States,
No. 74–215]

United States, Petitioner, v. John R. Park

On Writ of Certiorari to the United States Court of Appeals for the Fourth Circuit.

(June 9, 1975)

Mr. Justice Stewart, with whom Mr. Justice Marshall and Mr. Justice Powell join, dissenting.

Although agreeing with much of what is

said in the Court's opinion, I dissent from the opinion and judgment, because the jury instructions in this case were not consistent with the law as the Court today expounds it.

As I understand the Court's opinion, it holds that in order to sustain a conviction under § 301(k) of the Food, Drug, and Cosmetic Act the prosecution must at least show that by reason of an individual's corporate position and responsibilities, he had a duty to use care to maintain the physical integrity of the corporation's food products. A jury may then draw the inference that when the food is found to be in such condition as to violate the statute's prohibitions, that condition was "caused" by a breach of the standard of care imposed upon the responsible official. This is the language of negligence, and I agree with it.

To affirm this conviction, however, the Court must approve the instructions given to the members of the jury who were entrusted with determining whether the respondent was innocent or guilty. Those instructions did not conform to the standards that the Court itself sets out today.

The trial judge instructed the jury to find Park guilty if it found beyond a reasonable doubt that Park "had a responsible relation to the situation. . . . The issue is, in this case, whether the Defendant, John R. Park, by virtue of his position in the company, had a position of authority and responsibility in the situation out of which these charges arose." Requiring, as it did, a verdict of guilty upon a finding of "responsibility," this instruction standing alone could have been construed as a direction to convict if the jury found Park "responsible" for the condition in the sense that his position as chief executive officer gave him formal responsibility within the structure of the corporation. But the trial judge went on specifically to caution the jury not to attach such a meaning to his instruction, saying that "the fact that the Defendant is present [sic] and is a chief executive officer of the Acme Markets does not require a finding of guilt." "Responsibility" as used by the trial judge therefore had whatever meaning the jury in its unguided discretion chose to give it.

The instructions, therefore, expressed nothing more than a tautology. They told the jury: "You must find the defendant guilty if you find that he is to be held accountable for this adulterated food." In other words: "You must find the defendant guilty if you conclude that he is guilty." The trial judge recognized the infirmities in these instructions, but he reluctantly concluded that he was required to give such a charge under *United States* v. *Dotterweich*, 320 U.S. 277, which, he thought, in declining to define "responsible relation" had declined to specify the minimum standard of liability for criminal guilt.[1]

As the Court today recognizes, the *Dotterweich* case did not deal with what kind of conduct must be proved to support a finding of criminal guilt under the Act. *Dotterweich* was concerned, rather, with the statutory definition of "person"—with what kind of corporate employees were even "subject to the criminal provisions of the Act." *Ante,* at 11. The Court held that those employees with "a responsible relation" to the violative transaction or condition were subject to the Act's criminal provisions, but all that the Court had to say with respect to the kind of conduct that can constitute criminal guilt was that the Act "dispenses with the conventional requirement for criminal conduct—awareness of some wrongdoing." *Id.,* at 180.

In approving the instructions to the jury in this case—instructions based upon what the Court concedes was a misunderstanding of *Dotterweich*—the Court approves a conspicuous departure from the long and firmly established division of functions between judge and jury in the administration of criminal justice. As the Court put the matter more than 80 years ago:

"We must hold firmly to the doctrine that in the courts of the United States it is the duty of juries in criminal cases to take the law from the court and apply that law to the facts as they find them to be from the evidence. Upon the court rests the responsibility of declaring the law; upon the jury, the responsibility of applying the law so declared to the facts as they, upon their conscience, believe them to be. Under any other system, the courts, although established in order to declare the law, would for every practical purpose be eliminated from our system of government as instrumentalities devised for protection equally of society and of individuals in their essential rights. When that occurs our government will cease to be 'government of laws, and become a government of men. Liberty regulated by law is the underlying principle of our institutions.'" *Sparf* v. *United States,* 156 U.S. 51, 102–103.

More recently the Court declared unconstitutional a procedure whereby a jury, having acquitted a defendant of a misdemeanor, was instructed to impose upon him such costs of the prosecution as it deemed appropriate to his degree of "responsibility." *Giaccio* v. *Pennsylvania,* 382 U.S. 399 (1966). The state statute under which the procedure was authorized was invalidated because it left "to the jury such broad and unlimited power in imposing costs on acquitted defendants that the jurors must make determinations of the crucial issue upon their own notions of what the law should be instead of what it is." *Id.,* at 403. And in *Jackson* v. *Denno,* 378 U.S. 368 (1964), the Court found unconstitutional a procedure whereby a jury was permitted to decide the question of the voluntariness of a confession along with the question of guilt, in part because that procedure permitted the submergence of a question of law, as to which appellate review was constitutionally required, in the general deliberations of a jury.

These cases no more than embody a principle fundamental to our jurisprudence: that a jury is to decide the facts and apply to them the law as explained by the trial judge. Were it otherwise, trial by jury would be no more rational and no more responsive to the accumulated wisdom of the law than trial by ordeal. It is the function of jury instructions, in short, to establish in any trial the objective standards that a jury is to apply as it performs its own function of finding the facts.

To be sure, "the day [is] long past when [courts] parsed instructions and engaged in nice semantic distinctions," *Cool* v. *United States,* 409 U.S. 100, 107 (REHNQUIST, J., dissenting). But this Court has never before abandoned the view that jury instructions must contain a statement of the applicable law sufficiently precise to enable the jury to be guided by something other than its rough notions of social justice. And while it might be argued that the issue before the jury in this case was a "mixed" question of both law and fact, this has never meant that a jury is to be left wholly at sea, without any guidance as to the standard of conduct the law requires. The instructions given by the trial court in this case, it must be emphasized, were a virtual nullity, a mere authorization to convict if the jury thought it appropriate. Such instructions—regardless of the blameworthiness of the defendant's conduct, regardless of the social value of the Food, Drug, and Cosmetic Act, and regardless of the importance of convicting those who violate it—have no place in our jurisprudence.

We deal here with a criminal conviction, not a civil forfeiture. It is true that the crime was but a misdemeanor and the penalty in this case light. But under the statute even a first conviction can result in imprisonment for a year, and a subsequent offense is a felony carrying a punishment of up to three years in prison.[2] So the standardless conviction approved today can serve in another case tomorrow to support a felony conviction and a substantial prison sentence. However highly the Court may regard the social objectives of the Food, Drug, and Cosmetics Act, that regard cannot serve to justify a criminal conviction so wholly alien to fundamental principles of our law.

The *Dotterweich* case stands for two propositions, and I accept them both. First, "any person" within the meaning of 21 U.S.C. § 333 may include any corporate officer or employee "standing in responsible relation" to a condition or transaction forbidden by the Act. 320 U.S., at 281. Second, a person may be convicted of a criminal offense under the Act even in the absence of "the conventional requirement for criminal conduct—awareness of some wrongdoing." *Ibid.*

But before a person can be convicted of a criminal violation of this Act, a jury must find—and must be clearly instructed that it must find—evidence beyond a reasonable doubt that he engaged in wrongful conduct amounting at least to common-law negligence. There were no such instructions, and clearly, therefore, no such finding in this case.[3]

For these reasons, I cannot join the Court in affirming Park's criminal conviction.

FOOTNOTES

[1] In response to a request for further illumination of what he meant by "responsible relationship" the District Judge said:

"Let me say this, simply as to the definition of the 'responsible relationship.' Dotterweich and subsequent cases have indicated this really is a jury question. It says it is not even subject to being defined by the Court. As I have indicated to counsel, I am quite candid in stating that I do not agree with the decision; therefore, I am going to stick by it."

[2] See *ante,* at —— n. 1.

[3] This is not to say that Park might not be found guilty by a properly instructed jury in a new trial. But that, of course, is not the point. "Had the jury convicted on proper instructions, it would be the end of the matter. But juries are not bound by what seems inescapable logic to judges." *Morissette* v. *United States,* 342 U.S. 246, 276.

UNITED STATES v. DOTTERWEICH

CERTIORARI TO THE CIRCUIT COURT OF APPEALS FOR THE SECOND CIRCUIT

No. 5. Argued October 12, 1943.—Decided November 22, 1943.

Upon review of the conviction of a corporate officer on informations charging the corporation and him with shipping in interstate commerce adulterated and misbranded drugs, in violation of § 301 of the Federal Food, Drug, and Cosmetic Act, *held*:

1. The provision of § 305 of the Act, that before reporting a violation to the United States attorney the Administrator shall give to the person against whom such proceeding is contemplated a notice and an opportunity to present his views, does not create a condition precedent to a prosecution under the Act. P. 278.

2. It was open to the jury to find the officer guilty though failing to find the corporation guilty. P. 279.

3. Where there is no guaranty such as under § 303 (c) of the Act affords immunity from prosecution, that section can not be read as relieving corporate officers and agents from liability for violation of § 301. P. 283.

4. The District Court properly left to the jury the question of the officer's responsibility for the shipment; and the evidence was sufficient to support the verdict. P. 285.

131 F. 2d 500, reversed.

CERTIORARI, 318 U.S. 753, to review the reversal of a conviction for violation of the Federal Food, Drug, and Cosmetic Act.

Solicitor General Fahy, with whom *Assistant Attorneys General Wendell Berge* and *Tom C. Clark*, and *Messrs. Oscar A. Provost, Edward G. Jennings*, and *Valentine Brookes* were on the brief, for the United States.

Mr. Samuel M. Fleischman, with whom Mr. Robert J. Whissel was on the brief, for respondent.

Mr. JUSTICE FRANKFURTER delivered the opinion of the Court.

This was a prosecution begun by two informations, consolidated for trial, charging Buffalo Pharmacal Company, Inc., and Dotterweich, its president and general manager, with violations of the Act of Congress of June 25, 1938, c. 675, 52 Stat. 1040, 21 U.S.C. §§ 301–392, known as the Federal Food, Drug, and Cosmetic Act. The Company, a jobber in drugs, purchased them from their manufacturers and shipped them, repacked under its own label, in interstate commerce. (No question is raised in this case regarding the implications that may properly arise when, although the manufacturer gives the jobber a guaranty, the latter through his own label makes representations.)

The informations were based on § 301 of that Act (21 U.S.C. § 331), paragraph (a) of which prohibits "The introduction or delivery for introduction into interstate commerce of any . . . drug . . . that is adulterated or misbranded." "Any person" violating this provision is, by paragraph (a) of § 303 (21 U.S.C. § 333), made "guilty of a misdemeanor." Three counts went to the jury—two, for shipping misbranded drugs in interstate commerce, and a third, for so shipping an adulterated drug. The jury disagreed as to the corporation and found Dotterweich guilty on all three counts. We start with the finding of the Circuit Court of Appeals that the evidence was adequate to support the verdict of adulteration and misbranding. 131 F.2d 500, 502.

Two other questions which the Circuit Court of Appeals decided against Dotterweich call only for summary disposition to clear the path for the main question before us. He invoked § 305 of the Act requiring the Administrator, before reporting a violation for prosecution by a United States attorney, to give the suspect an "opportunity to present his views." We agree with the Circuit Court of Appeals that the giving of such an opportunity, which was not accorded to Dotterweich, is not a prerequisite to prosecution. This Court so held in *United States* v. *Morgan*, 222 U.S. 274, in construing the Food and Drugs Act of 1906, 34 Stat. 768, and the legislative history to which the court below called attention abundantly proves that Congress, in the changed phraseology of 1938, did not intend to introduce a change of substance 83 Cong. Rec. 7792–94. Equally baseless is the claim of Dotterweich that, having failed to find the corporation guilty, the jury could not find him guilty. Whether the jury's verdict was the result of carelessness or compromise or a belief that the responsible individual should suffer the penalty instead of merely increasing, as it were, the cost of running the business of the corporation, is immaterial. Juries may indulge in precisely such motives or vagaries. *Dunn* v. *United States*, 284 U.S. 390.

And so we are brought to our real problem. The Circuit Court of Appeals, one judge dissenting, reversed the conviction on the ground that only the corporation was the "person" subject to prosecution unless, perchance, Buffalo Pharmacal was a counterfeit corporation serving as a screen for Dotterweich. On that issue, after rehearing, it remanded the case for a new trial. We then brought the case here, on the Government's petition for certiorari, 318 U.S. 753, because this construction raised questions of importance in the enforcement of the Federal Food, Drug, and Cosmetic Act.

The court below drew its conclusion not from the provisions defining the offenses on which this prosecution was based (§§ 301(a) and 303(a)), but from the terms of § 303 (c). That section affords immunity from prosecution if certain conditions are satisfied. The condition relevant to this case is a guaranty from the seller of the innocence of his product. So far as here relevant, the provision for an immunizing guaranty is as follows:

"No person shall be subject to the penalties of subsection (a) of this section . . . (2) for having violated section 301(a) or (d), if he establishes a guaranty or undertaking signed by, and containing the name and address of, the person residing in the United States from whom he received in good faith the article, to the effect, in case of an alleged violation of section 301(a), that such article is not adulterated or misbranded, within the meaning of this Act, designating this Act . . ."

The Circuit Court of Appeals found it "difficult to believe that Congress expected anyone except the principal to get such a guaranty, or to make the guilt of an agent depend upon whether his employer had gotten one." 131 F. 2d 500, 503. And so it cut down the scope of the penalizing provisions of the Act to the restrictive view, as a matter of language and policy, it took of the relieving effect of a guaranty.

The guaranty clause cannot be read in isolation. The Food and Drugs Act of 1906 was an exertion by Congress of its power to keep impure and adulterated food and drugs out of the channels of commerce. By the Act of 1938, Congress extended the range of its control over illicit and noxious articles and stiffened the penalties for disobedience. The purposes of this legislation thus touch phases of the lives and health of people which, in the circumstances of modern industrialism, are largely beyond self-protection. Regard for these purposes should infuse construction of the legislation if it is to be treated as a working instrument of government and not merely as a collection of English words. See *Hipolite Egg Co.* v *United States*, 220 U.S. 45, 57, and *McDermott* v. *Wisconsin*, 228 U.S. 115, 128.

The prosecution to which Dotterweich was subjected is based on a now familiar type of legislation whereby penalties serve as effective means of regulation. Such legislation dispenses with the conventional requirement for criminal conduct—awareness of some wrongdoing. In the interest of the larger good it puts the burden of acting at hazard upon a person otherwise innocent but standing in responsible relation to a public danger. *United States* v. *Balint*, 258 U.S. 250. And so it is clear that shipments like those now in issue are "punished by the statute if the article is misbranded [or adulterated], and that the article may be misbranded [or adulterated] without any conscious fraud at all. It was natural enough to throw this risk on shippers with regard to the identity of their wares . . ." *United States* v. *Johnson*, 221 U.S. 488, 497–98.

The statute makes "any person" who violates § 301(a) guilty of a "misdemeanor." It specifically defines "person" to include "corporation." § 201(e). But the only way in which a corporation can act is through the individuals who act on its behalf. *New York Central & H. R. R. Co.* v. *United States*, 212 U.S. 481. And the historic conception of a "misdemeanor" makes all those responsible for it equally guilty, *United States* v. *Mills*, 7 Pet. 138, 141, a doctrine given general application in § 332 of the Penal Code (18 U.S.C. § 550). If, then, Dotterweich is not subject to the Act, it must be solely on the ground that individuals are immune when the "person" who violates § 301(a) is a corporation, although from the point of view of action the individuals are the corporation.

As a matter of legal development, it has taken time to establish criminal liability also for a corporation and not merely for its agents. See *New York Central & H. R. R. Co.* v. *United States, supra*. The history of federal food and drug legislation is a good illustration of the elaborate phrasing that was in earlier days deemed necessary to fasten criminal liability on corporations. Section 12 of the Food and Drugs Act of 1906 provided that, "the act, omission, or failure of any officer, agent, or other person acting for or employed by any corporation, company, society, or association, within the scope of his employment or office, shall in every case be also deemed to be the act, omission, or failure of such corporation, company, society, or association as well as that of the person."

By 1938, legal understanding and practice had rendered such statement of the obvious superfluous. Deletion of words—in the interest of brevity and good draftsmanship [1]—superfluous for holding a corporation criminally liable can hardly be found ground for relieving from such liability the individual agents of the corporation. To hold that the Act of 1938 freed all individuals, except when proprietors, from the culpability under which the earlier legislation had placed them is to defeat the very object of the new Act, Nothing is clearer than that the later legislation was designed to enlarge and stiffen the penal net and not to narrow and loosen it.

This purpose was unequivocally avowed by the two committees which reported the bills to the Congress. The House Committee reported that the Act "seeks to set up effective provisions against abuses of consumer welfare growing out of inadequacies in the Food and Drugs Act of June 30, 1906." (H. Rep. No. 2139, 75th Cong., 3d Sess., p. 1.) And the Senate Committee explicitly pointed out that the new legislation "must not weaken the existing laws," but on the contrary "it must strengthen and extend that law's protection of the consumer." (S. Rep. No. 152, 75th Cong., 1st Sess., p. 1.) If the 1938 Act were construed as it was below, the penalties of the law could be imposed only in the rare case where the corporation is merely an individual's *alter ego*.

Corporations carrying on an illicit trade would be subject only to what the House Committee described as a "license fee for the conduct of an illegitimate business." [2] A corporate officer, who even with "intent to defraud or mislead" (§ 303b), introduced adulterated or misbranded drugs into interstate commerce could not be held culpable for conduct which was indubitably outlawed by the 1906 Act. See, e.g. *United States* v. *Mayfield*, 177 F. 765. This argument proves too much. It is not credible that Congress should by implication have *exonerated* what is probably a preponderant number of persons involved in acts of disobedience—for the number of non-corporate proprietors is relatively small.

Congress, of course, could reverse the process and hold only the corporation and allow its agents to escape. In very exceptional circumstances it may have required this result. See *Sherman* v. *United States*, 282 U.S. 25. But the history of the present Act, its purposes, its terms, and extended practical construction lead way from such a result once "we free our minds from the notion that criminal stautes must be construed by some artificial and conventional rule." *United States* v. *Union Supply Co.*, 215 U.S. 50, 55.

The Act is concerned not with the proprietory relation to a misbranded or an adulterated drug but with its distribution. In the case of a corporation such distribution must be accomplished, and may be furthered, by persons standing in various relations to the incorporeal proprietor. If a guaranty immunizes shipments of course it immunizes all involved in the shipment. But simply be-

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Footnotes at end of article.

cause if there had been a guaranty it would have been received by the proprietor, whether corporate or individual, as a safeguard for the enterprise, the want of a guaranty does not cut down the scope of responsibility of all who are concerned with transactions forbidden by § 301. To be sure, that casts the risk that there is no guaranty upon all who according to settled doctrines of criminal law are responsible for the commission of a misdemeanor. To read the guaranty section, as did the court below, so as to restrict liability for penalties to the only person who normally would receive a guaranty—the proprietor—disregards the admonition that "the meaning of a sentence is to be felt rather than to be proved." *United States* v. *Johnson*, 221 U.S. 488, 496. It also reads an exception to an important provision safeguarding the public welfare with a liberality which more appropriately belongs to enforcement of the central purpose of the Act.

The Circuit Court of Appeals was evidently tempted to make such a devitalizing use of the guaranty provision through fear that an enforcement of § 301(a) as written might operate too harshly by sweeping within its condemnation any person however remotely entangled in the proscribed shipment. But that is not the way to read legislation. Literalism and evisceration are equally to be avoided. To speak with technical accuracy, under § 301 a corporation may commit an offense and all persons who aid and abet its commission are equally guilty. Whether an accused shares responsibility in the business process resulting in unlawful distribution depends on the evidence produced at the trial and its submission—assuming the evidence warrants it—to the jury under appropriate guidance.

The offense is committed, unless the enterprise which they are serving enjoys the immunity of a guaranty, by all who do have such a responsible share in the furtherance of the transaction which the statute outlaws, namely, to put into the stream of interstate commerce adulterated or misbranded drugs. Hardship there doubtless may be under a statute which thus penalizes the transaction through consciousness of wrongdoing be totally wanting. Balancing relative hardships, Congress has preferred to place it upon those who have at least the opportunity of informing themselves of the existence of conditions imposed for the protection of consumers before sharing in illicit commerce, rather than to throw the hazard on the innocent public who are wholly helpless.

It would be too treacherous to define or even to indicate by way of illustration the class of employees which stands in such a responsible relation. To attempt a formula embracing the variety of conduct whereby persons may responsibly contribute in furthering a transaction forbidden by an Act of Congress, to wit, to send illicit goods across state lines, would be mischievous futility. In such matters the good sense of prosecutors, the wise guidance of trial judges, and the ultimate judgment of juries must be trusted. Our system of criminal justice necessarily depends on "conscience and circumspection in prosecuting officers," *Nash* v. *United States*, 229 U.S. 373, 378, even when the consequences are far more drastic than they are under the provision of law before us. See *United States* v. *Balint, supra* (involving a maximum sentence of five years). For present purpose it sufficies to say that in what the defense characterized as "a very fair charge" the District Court properly left the question of the responsibility of Dotterweich for the shipment to the jury, and there was sufficient evidence to support its verdict.

Reversed.

Mr. Justice Murphy, dissenting:

Our prime concern in this case is whether the criminal sanctions of the Federal Food, Drug, and Cosmetic Act of 1938 plainly and unmistakably apply to the respondent in his capacity as a corporate officer. He is charged with violating § 301 (a) of the Act, which prohibits the introduction or delivery for introduction into interstate commerce of any adulterated or misbranded drug. There is no evidence in this case of any personal guilt on the part of the respondent. There is no proof or claim that he ever knew of the introduction into commerce of the adulterated drugs in question, much less that he actively participated in their introduction. Guilt is imputed to the respondent solely on the basis of his authority and responsibility as president and general manager of the corporation.

It is a fundamental principle of Anglo-Saxon jurisprudence that guilt is personal and that it ought not lightly to be imputed to a citizen who, like the respondent, has no evil intention or consciousness of wrongdoing. It may be proper to charge him with responsibility to the corporation and the stockholders for negligence and mismanagement. But in the absence of clear statutory authorization it is inconsistent with established canons of criminal law to rest liability on an act in which the accused did not participate and of which he had no personal knowledge. Before we place the stigma of a criminal conviction upon any such citizen the legislative mandate must be clear and unambiguous. Accordingly that which Chief Justice Marshall has called "the tenderness of the law for the rights of individuals"[3] entitles each person, regardless of economic or social status, to an unequivocal warning from the legislature as to whether he is within the class of persons subject to vicarious liability. Congress cannot be deemed to have intended to punish anyone who is not "plainly and unmistakably" within the confines of the statute. *United States* v. *Lacher*, 134 U.S. 624, 628; *United States* v. *Gradwell*, 243 U.S. 476, 485.

Moreover, the fact that individual liability of corporate officers may be consistent with the policy and purpose of a public health and welfare measure does not authorize this Court to impose such liability where Congress has not clearly intended or actually done so. Congress alone has the power to define a crime and to specify the offenders. *United States* v. *Wiltberger*, 5 Wheat. 76, 95. It is not our function to supply any deficiencies in these respects, no matter how grave the consequences. Statutory policy and purpose are not constitutional substitutes for the requirement that the legislature specify with reasonable certainty those individuals it desires to place under the interdict of the Act. *United States* v. *Harris*, 177 U.S. 305; *Sarlls* v. *United States*, 152 U.S. 570.

Looking at the language actually used in this statute, we find a complete absence of any reference to corporate officers. There is merely a provision in § 303 (a) to the effect that "any person" inadvertently violating § 301 (a) shall be guilty of a misdemeanor. Section 201 (e) further defines "person" as including an "individual, partnership, corporation, and association."[4] The fact that a corporate officer is both a "person" and an "individual" is not indicative of an intent to place vicarious liability on the officer. Such words must be read in light of their statutory environment.[5] Only if Congress has otherwise specified an intent to place corporate officers within the ambit of the Act can they be said to be embraced within the meaning of the words "person" or 'individual" as here used.

Nor does the clear imposition of liability on corporations reveal the necessary intent to place criminal sanctions on their officers. A corporation is not the necessary and inevitable equivalent of its officers for all purposes.[6] In many respects it is desirable to distinguish the latter from the corporate entity and to impose liability only on the corporation. In this respect it is significant that this Court has never held the imposition of liability on a corporation sufficient, without more, to extend liability to its officers who have no consciousness of wrongdoing.[7] Indeed, in a closely analogous situation, we have held that the vicarious personal liability of receivers in actual charge and control of a corporation could not be predicated on the statutory liability of a "company," even when the policy and purpose of the enactment were consistent with personal liability. *UnitedStates* v. *Harris, supra.*[8] It follows that express statutory provisions are necessary to satisfy the requirement that officers as individuals be given clear and unmistakable warning as to their vicarious personal liability. This Act gives no such warning.

This fatal hiatus in the Act is further emphasized by the ability of Congress, demonstrated on many occasions, to apply statutes in no uncertain terms to corporate officers as distinct from corporations.[9] The failure to mention officers specifically is thus some indication of a desire to exempt them from liability. In fact the history of federal food and drug legislation is itself illustrative of this capacity for specification and lends strong support to the conclusion that Congress did not intend to impose liability on corporate officers in this particular Act.

Section 2 of the Federal Food and Drugs Act of 1906, as introduced and passed in the Senate, contained a provision to the effect that any violation of the Act by a corporation should be deemed to be the act of the officer responsible therefor and that such officer might be punished as though it were his personal act.[10] This clear imposition of criminal responsibility on corporate officers, however, was not carried over into the statute as finally enacted. In its place appeared merely the provision that "when construing and enforcing the provisions of this Act, the act, omission, or failure of any officer, agent, or other person acting for an employed by any corporation . . . within the scope of his employment or office, shall in every case be also deemed to be the act, omission, or failure of such corporation . . . as well as that of the person."[11] This provision had the effect only of making corporations responsible for the illegal acts of their officers and proved unnecessary in view of the clarity of the law to that effect. *New York Central & H. R. R. Co.* v. *United States*, 212 U.S. 481.

The framers of the 1938 Act were aware that the 1906 Act was deficient in that it failed "to place responsibility properly upon corporate officers."[12] In order "to provide the additional scope necessary to prevent the use of the corporate form as a shield to individual wrongdoers,"[13] these framers inserted a clear provision that "whenever a corporation or association violates any of the provisions of this Act, such violation shall also be deemed to be a violation of the individual directors, officers, or agents of such corporation or association who authorized, ordered, or did any of the acts constituting, in whole or in part, such violation."[14] This paragraph, however, was deleted from the final version of the Act.

We cannot presume that his omission was inadvertent on the part of Congress. *United States* v. *Harris, supra* at 309. Even if it were, courts have no power to remedy so serious a defect, no matter how probable it otherwise may appear that Congress intended to include officers; "probability is not a guide which a court, in construing a penal statute, can safely take." *United States* v. *Wiltberger, supra* at 105. But the framers of the 1938 Act had an intelligent comprehension of the inadequacies of the 1906 Act and of the unsettled state of the law. They recognized the necessity of inserting clear and unmistakable language in order to impose liability on cor-

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porate officers. It is thus unreasonable to assume that the omission of such language was due to a belief that the Act as it now stands was sufficient to impose liability on corporate officers. Such deliberate deletion is consistent only with an intent to allow such officers to remain free from criminal liability. Thus to apply the sanctions of this Act to the respondent would be contrary to the intent of Congress as expressed in the statutory language and in the legislative history.

The dangers inherent in any attempt to create liability without express Congressional intention or authorization are illustrated by this case. Without any legislative guides, we are confronted with the problem of determining precisely which officers, employees and agents of a corporation are to be subject to this Act by our fiat. To erect standards of responsibility is a difficult legislative task and the opinion of this Court admits that it is "too treacherous" and a "mischievous futility" for us to engage in such pursuits. But the only alternative is a blind resort to "the good sense of prosecutors, the wise guidance of trial judges, and the ultimate judgment of juries." Yet that situation is precisely what our constitutional system sought to avoid. Reliance on the legislature to define crimes and criminals distinguishes our form of jurisprudence from certain less desirable ones. The legislative power to restrain the liberty and to imperil the good reputation of citizens must not rest upon the variable attitudes and opinions of those charged with the duties of interpreting and enforcing the mandates of the law. I therefore cannot approve the decision of the Court in this case.

Mr. Justice Roberts, Mr. Justice Reed and Mr. Justice Rutledge join in this dissent.

FOOTNOTES

[1] "The bill has been made shorter and less verbose than previous bills. That has been done without deleting any effective provisions." S. Rep. No. 152, 75th Cong., 1st Sess., p. 2.

[2] In describing the penalty provisions of § 303, the House Committee reported that the Bill "increases substantially the criminal penalties . . . which some manufacturers have regarded as substantially a license fee for the conduct of an illegitimate business." H. Rep. No. 2139, 75th Cong., 3d Sess., p. 4.

[3] *United States* v. *Wiltberger*, 5 Wheat. 76, 95.

[4] The normal and necessary meaning of such a definition of "person" is to distinguish between individual enterprises and those enterprises that are incorporated or operated as a partnership or association, in order to subject them all to the Act. This phrase cannot be considered as an attempt to distinguish between individual officers of a corporation and the corporate entity. Lee, "Corporate Criminal Liability," 28 Col. L. Rev. 1, 181, 190.

[5] Compare *United States* v. *Cooper Corp.*, 312 U.S. 600, 606, and *Davis* v. *Pringle*, 268 U.S. 315, 318, holding that the context and legislative history of the particular statutes there involved indicated that the words "any person" did not include the United States. But in *Georgia* v. *Evans*, 316 U.S. 159, and *Ohio* v. *Helvering*, 292 U.S. 360, these considerations led to the conclusion that "any person" did include a state. See also 40 Stat. 1143, which specifically includes officers within the meaning of "any person" as used in the Revenue Act of 1918.

[6] In *Park Bank* v. *Remsen*, 158 U.S. 337, 344, this Court said, "It is the corporation which is given the powers and privileges and made subject to the liabilities. Does this carry with it an imposition of liability upon the trustee or other officer of the corporation? The officer is not the corporation; his liability is personal, and not that of the corporation, nor can it be counted among the powers and privileges of the corporation."

[7] For an analysis of the confusion on this matter in the state and lower federal courts, see Lee, "Corporate Criminal Liability," 28 Col. L. Rev. 1, 181.

[8] In that case we had before us Rev. Stat. §§ 4386–4389, which penalized "any company, owner or custodian of such animals" who failed to comply with the statutory requirements as to livestock transportation. A railroad company violated the statute and the government sought to impose liability on the receivers who were in actual charge of the company. It was argued that the word "company" embraced the natural persons acting on behalf of the company and that to hold such officers and receivers liable was within the policy and purpose of so humane a statute. We rejected this contention in language peculiarly appropriate to this case (177 U.S. at 309):

"It must be admitted that, in order to hold the receivers, they must be regarded as included in the word 'company.' Only by a strained and artificial construction, based chiefly upon a consideration of the mischief which the legislature sought to remedy, can receivers be brought within the terms of the law. But can such a kind of construction be resorted to in enforcing a penal statute? Giving all proper force to the contention of the counsel of the Government, that there has been some relaxation on the part of the courts in applying the rule of strict construction to such statutes, it still remains that the intention of a penal statute must be found in the language actually used, interpreted according to its fair and obvious meaning. It is not permitted to courts, in this class of cases, to attribute inadvertence or oversight to the legislature when enumerating the classes of persons who are subjected to a penal enactment, nor to depart from the settled meaning of words or phrases in order to bring persons not named or distinctly described within the supposed purpose of the statute."

[9] "Whenever a corporation shall violate any of the penal provisions of the antitrust laws, such violation shall be deemed to be also that of the individual directors, officers, or agents of such corporation who shall have authorized, ordered, or done any of the acts constituting in whole or in part such violation." 15 U.S.C. § 24.

"The courts of bankruptcy . . . are hereby invested . . . with such jurisdiction at law and in equity as will enable them to . . . (4) arraign, try, and punish bankrupts, officers, and other persons, and the agents, officers, members of the board of directors or trustees, or other similar controlling bodies, of corporations for violations of this Act." 30 Stat. 545.

"Any such common carrier, or any officer or agent thereof, requiring or permitting any employee to go, be, or remain on duty in violation of the next preceding section of this chapter shall be liable to a penalty . . ." 45 U.S.C. § 63.

"A mortgagor who, with intent to defraud, violates any provision of subsection F, section 924, and if the mortgagor is a corporation or association, the president or other principal executive officer of the corporation or association, shall upon conviction thereof be held guilty of a misdemeanor . . ." 46 U.S.C. § 941(b).

[10] S. 88, 59th Cong., 1st Sess. Senator Heyburn, one of the sponsors of S. 88, stated that this was "a new feature in bills of this kind. It was intended to obviate the possibility of escape by the officers of a corporation under a plea, which has been more than once made, that they did not know that this was being done on the credit of or on the responsibility of the corporation." 40 Cong. Rec. 894.

[11] 34 Stat. 772, 21 U.S.C. § 4.

[12] Senate Report No. 493, 73d Cong., 2d Sess., p. 21.

[13] *Ibid.*, p. 22. This report also stated that "it is not, however, the purpose of this paragraph to subject to liability those directors, officers, and employees, who merely authorize their subordinates to perform lawful duties and such subordinates, on their own initiative, perform those duties in a manner which violates the provisions of the law. However, if a director or officer personally orders his subordinate to do an act in violation of the law, there is no reason why he should be shielded from personal responsibility merely because the act was done by another and on behalf of a corporation."

[14] This provision appears in several of the early versions of the Act introduced in Congress. S. 1944, 73d Cong., 1st Sess., § 18 (b); S. 2000, 73d Cong., 2d Sess., § 18 (b); S. 2800, 73d Cong., 2d Sess., § 18 (b); S. 5, 74th Cong., 1st Sess., § 709 (b); S. 5, 74th Cong., 2d Sess., § 707 (b), as reported to the House, which substituted the word "personally" for the word "authorized" in the last clause of the paragraph quoted above. A variation of this provision appeared in S. 5, 75th Cong., 1st Sess., § 2 (f), and made a marked distinction between the use of the word "person" and the words "director, officer, employee, or agent acting for or employed by any person." All of these bills also contained the present definition of "person" as including "individual, partnership, corporation, and association."

Mr. HATHAWAY. I yield back the remainder of my time.

Mr. PHILIP A. HART. Mr. President, may I be recognized?

Mr. MOSS. I yield to the Senator from Michigan.

Mr. PHILIP A. HART. I wish very simply to explain to the Senator from New York why it seemed to me desirable that the absolute liability under the old law be changed in the fashion that is now proposed. Maybe as I get older, I increasingly feel that moral blameworthiness is the only reason for the application of a criminal sanction. I know there are rare exceptions where the public good requires that we propose to put a fellow in jail who did not know a damned thing about it.

I was not persuaded in the distribution of food that this was such an exception.

Mr. JAVITS. Mr. President, will the Senator yield? I would like to express my agreement with the Senator and add one other point which I failed to add before.

Justice Frankfurter once said that always the objects of these kinds of cases or civil rights cases are not necessarily the nicest people in the world, but that doctrine must be extended to include also what are popularly considered "the nicest people in the world." They, too, are entitled to justice.

I thank my colleague.

Mr. MOSS. Mr. President, I yield back my time.

Mr. HATHAWAY. I yield back my time.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Maine.

The amendment was agreed to.

Mr. BEALL. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report the amendment.

The second assistant legislative clerk proceeded to read the amendment.

Mr. **BEALL**. Mr. President, I ask unanimous consent to dispense with further reading of the amendment.

The **PRESIDING OFFICER**. Without objection, it is so ordered.

The amendment is as follows:

On page 74, line 2, after the words "need for" insert "(a)".

On page 74, line 4, after "consideration" insert "and (G) a symbol or logo indicating the absence of artificial flavors or colors".

Mr. **BEALL**. Mr. President, this amendment applies to page 74, line 2. In that section of the bill, section 311, we require the Secretary of Health, Education, and Welfare to conduct a study of the need for the label declaration of the common and usual name of every spice and flavoring used in the fabrication of a food for human consumption.

This amendment would require an additional study by adding the words "and (b) a symbol and logo indicating the absence of artificial flavors or colors."

Mr. President, in my opening statement I referred to the work done by Dr. Ben Feingold with respect to his work and the possible link between food additives and hyperactivity in children.

This amendment requires a study of the feasibility and advisability of indicating on a product the complete absence of food additives or coloring. Many consumers may wish to know this information; yet they are required to read all the information on the labels. This is time consuming. Dr. Feingold has estimated it may take a consumer up to two hours to find out what kind of additives, which they may wish to avoid, there are in the product.

So, in this amendment, Mr. President, all we are suggesting to the Secretary is that he conduct an additional study indicating the feasibility of placing on the product or box a label indicating that there are no food additives in this particular food product.

Mr. President, I ask unanimous consent that a statement I made—testimony I gave—before the Subcommittee on Health of the Committee on Labor and Public Welfare in 1975 on this matter, as well as an editorial that appeared in the Washington Post of Tuesday, November 13, 1973 be printed in the Record.

There being no objection, the material was ordered to be printed in the Record, as follows:

Statement of Senator J. Glenn Beall, Jr., Before the Senate Labor and Public Welfare Subcommittee on Health, September 11, 1975

Mr. Chairman, I want to thank you for scheduling today's hearings on the findings of Dr. Ben F. Feingold with respect to the possible link between hyperkiensis, or hyperactivity, and food additives. I urged our Health Subcommittee, as part of its drug hearings, on October 30, 1973 to call Dr. Feingold and the Chairman indicated he would do so. Therefore, I am most appreciative for today's hearings. I ask unanimous consent that my letter to the Chairman be printed following my remarks.

Hyperactivity is a problem, which appears to be growing, affecting millions of school children. For example, the California Association for the Neurological Handicapped estimated from 1961 to 1973, the instances of hyperactivity among school children in California rose from 2 percent to an average of 20 to 25 percent and in some cases, 40 percent of a school's population. Many of these children are bright and should be performing well. Often, however, they have learning difficulties and behavioral problems.

Dr. Feingold, by altering the diet of hyperactive children, achieved dramatic results in terms of improved behavior of such children. Significantly, he was able to trigger a return to hyperactivity, sometimes in a matter of hours, by putting artificial substances back into the diet.

I first learned of Dr. Feingold's work approximately two and one-half years ago. Dr. Feingold, after reading about legislation I authored to attack the Nation's reading problem, wrote me about hyperactive children and his findings and pointed out that hyperactive children often experience reading and learning difficulties.

In October 1973, I made a floor statement calling Dr. Feingold's findings to the attention of my colleagues and the country.

Since that initial contact, I have followed Dr. Feingold's progress and have endeavored to interest the federal government in following-up on his dramatic results. This effort included numerous correspondences and contacts with the Food and Drug Administration, the National Institutes of Health, the National Institute of Mental Health, and the National Institutes of Education.

Dissatisfied with the Food and Drug Administration's responses, I invited them to my office. Their reaction was skeptical and negative. They refused to lend any support.

In February of this year, Food and Drug finally shifted positions and indicated an interest in Dr. Feingold's contentions. I placed the "New York Times" story reporting on this shift into the February 27th Congressional Record.

Fortunately, Mr. Chairman, one of our newest agencies, the National Institute of Education (NIE), in the past has been the subject of much congressional criticism, was receptive earlier and with my support and endorsement authorized a follow-up study of the Feingold findings. I certainly want to congratulate NIE for its willingness to support what others at HEW at the time seemed to look down upon.

On June 6, 1974, I announced in the Congressional Record that NIE had awarded a $60,000 grant to Dr. C. Keith Conners of the University of Pittsburgh to test the Feingold hypothesis. Dr. Conners' study was completed recently and it concluded that the Feingold diet "may reduce hyperkinetic symptoms." The Conners study, although supportive of Dr. Feingold's research, is by no means the final answer. Many questions remain unanswered.

But, if Dr. Feingold is right, then many of the millions of hyperactive children, many of whom are being treated by drugs, can be helped with an alternation of their diet.

Many questions remain unanswered, but can the reluctant HEW agencies contend any longer that Dr. Feingold's thesis does not justify a major research undertaking on this complex phenomenon of food additives and hyperactivity? I think not.

As I stated in my letter to the Chairman requesting this hearing:

"Since early May I have been communicating with Dr. Feingold and with the Food and Drug Administration and the National Institute of Mental Health, in an effort to call attention to his findings and generate additional support for his efforts. At the present time many hyperactive children are being treated with powerful drugs. If hyperkinesis can be controlled simply by changing children's diets, then we certainly should find it preferable to move in this direction. Furthermore, if there is a link between those artificial food additives and hyperkinesis, then the entire use of artificial colors, flavors and other additives should be examined with regard to their potentially dangerous effects on humans."

I am hopeful that as a result of today's hearings, HEW will get off the dime and conduct a major research effort in this area.

[From the Washington Post, Nov. 13, 1973]

Seeking Facts About Additives

In calling for a Senate investigation of the effect of artificial additives on children's health, Sen. J. Glenn Beall, Jr. (R-Md.) has taken a needed and potentially important step. Over the past few years, large numbers of parents have been concerned, even alarmed, about foods their children eat that are laced with additives. Laymen cannot be expected to have a sophisticated knowledge of the several thousand additives intentionally put into today's foods, nor should they be expected to take it on faith that food companies use only safe additives. It is true that large numbers of additives are safe and highly useful. Nevertheless, the public's health is involved and each additive needs close scrutiny of both its potential benefit or danger.

The need is for information that adds light to the subject, not heat. As nutritionist Jean Mayer has noted, opposing factions on additives often become shrill: "Enemies of additives give us a nightmarish vision of a food industry dominated by a few malevolent men of great wealth who in their craze for profit are indiscriminantly spraying their products with poisonous chemicals. By contrast, the Bull Mooses of industry have perceived any criticism of additives as an attack on Science, Technology, the American Way of Life and Western Civilization."

As a member of the Senate Health Subcommittee, Sen. Beall's interest in additives was aroused by the findings of a California physician who believes artificial additives may be a cause of hyperactivity in children. At the moment, such a finding lacks the validity that proceeds from large-scale scientific testing. But neither can it be dismissed merely because the California survey was small. This is why the investigation proposed by Sen. Beall is potentially important.

Mr. **MOSS**. I would be glad to accept that amendment. I think it is an addition to the bill that ought to be there, and I gladly accept it.

I yield back my time.

The **PRESIDING OFFICER**. The question is on agreeing to the amendment of the Senator from Maryland.

The amendment was agreed to.

Mr. **CRANSTON**. Regarding section 312, it is my understanding that all new and changed labels in the market on the date the regulations are published as final, and for 180 days thereafter, shall not be required to comply with subsections (i), (p), and (q) and for 545 days following the date the regulations are published as a final order, for labels which are unchanged. Is my understanding correct?

Mr. **MOSS**. The Senator from California is correct.

Mr. **DOLE**. Mr. President, the Senator from Kansas believes that S. 641, the Consumer Food Act of 1976 will improve the regulation of food processing, and lead to increased consumer awareness of food content through more accurate labeling requirements.

The food surveillance sections of the bill will give FDA the authority to oversee safety procedures as established and practiced by the food processors. When substandard practices are discovered, FDA can demand improvement by setting safety assurance standards. Title II, or food establishment registration, creates mandatory registration of any organization involved in interstate food handling, including manufacturing, processing, labeling, and storing of food. And the food labeling provisions will educate the consumer as to exactly what food he is purchasing.

PROCESSING STANDARDS

The GAO reports that only 30.9 percent of food processing establishments are in compliance with the Food, Drug, and Cosmetic Act requirements. Furthermore, GAO found 40 percent of the country's 80,000 food processors to be practicing unsanitary methods of food processing. These figures are alarming, and yet, they do not even begin to reveal the total picture as food distributors, restaurants, and retailers were not included in the survey. Nor do the figures reflect the level and frequency of contamination by insect and animal filth and by chemical particles. The number of food-borne diseases and the quantity of food recalled by FDA attest to the need for correction of existing practices.

The need for more effective controls on food processing has been recognized by each Congress since the 89th Congress, as various bills have been building towards better consumer protection. S. 641 would toughen regulations used in food processing and would give to FDA the necessary authority to oversee and regulate methods used by processors. If and when food adulteration does occur, under this bill FDA is in the position to handle the problem more effectively as it can go to the source of the problem and demand implementation of established guidelines. Previously, FDA has not had this authority, and experience shows that firms rarely volunteer to FDA their processing records. By granting FDA access to these records, implementation of sanitation standards becomes more structured, less haphazard, and more efficient.

LABELING IMPROVED

In addition to more complete labeling, this bill also eliminates the loophole whereby so-called "standardized" foods are exempt from detailed labeling requirements. Standardized foods are those prepared according to standard FDA recipes, and therefore are required to list only limited ingredients. Understandably, this withholding of information is misleading and confusing to the purchaser. Whether a person has allergies to ingredients often used in food preparation, or whether he wishes to avoid consumption of certain ingredients for other reasons, he should have sufficient information of product content to make an educated selection of foods.

The Consumer Food Act of 1976 protects consumers in two areas where even the most conscientious purchaser has little recourse against hazard—food processing and ingredient labeling. Giving to FDA the legal means for supervising food processing should decrease the amount of food contamination. Requiring more complete labeling on the marketed product allows the consumer freedom of choice to select or reject foods based on their ingredients, proportions of food content, nutritive value, and date of freshness. Surely, one of man's privileges is knowledge of safety and of content regarding the food he eats.

The PRESIDING OFFICER. If there be no further amendments to be proposed, the question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading and was read the third time.

The PRESIDING OFFICER. The question is, Shall the bill pass? The yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Idaho (Mr. CHURCH), the Senator from Indiana (Mr. HARTKE), the Senator from Washington (Mr. JACKSON), the Senator from Texas (Mr. BENTSEN), the Senator from Missouri (Mr. EAGLETON), the Senator from Mississippi (Mr. EASTLAND), the Senator from South Dakota (Mr. McGOVERN), the Senator from New Mexico (Mr. MONTOYA), the Senator from Wisconsin (Mr. NELSON), the Senator from Connecticut (Mr. RIBICOFF), and the Senator from Illinois (Mr. STEVENSON) are necessarily absent.

I further announce that, if present and voting, the Senator from Washington (Mr. JACKSON) would vote "yea."

Mr. GRIFFIN. I announce that the Senator from Oklahoma (Mr. BELLMON), the Senator from Tennessee (Mr. BROCK), the Senator from Nebraska (Mr. CURTIS), the Senator from Arizona (Mr. GOLDWATER), the Senator from North Carolina (Mr. HELMS), the Senator from Nevada (Mr. LAXALT), the Senator from Alaska (Mr. STEVENS), and the Senator from North Dakota (Mr. YOUNG) are necessarily absent.

I further announce that the Senator from Vermont (Mr. STAFFORD) is absent due to illness.

The result was announced—yeas 74, nays 6, as follows:

[Rollcall Vote No. 86 Leg.]

YEAS—74

Abourezk
Allen
Baker
Bayh
Beall
Biden
Brooke
Buckley
Bumpers
Burdick
Byrd, Harry F., Jr.
Byrd, Robert C.
Cannon
Case
Chiles
Clark
Cranston
Culver
Dole
Domenici
Durkin
Fong
Ford
Garn
Glenn
Gravel
Griffin
Hart, Gary
Hart, Philip A.
Haskell
Hatfield
Hathaway
Hollings
Hruska
Huddleston
Humphrey
Inouye
Javits
Johnston
Kennedy
Leahy
Long
Magnuson
Mansfield
Mathias
McClellan
McGee
McIntyre
Metcalf
Mondale
Morgan
Moss
Muskie
Nunn
Packwood
Pastore
Pearson
Pell
Percy
Proxmire
Randolph
Roth
Schweiker
Scott, Hugh
Sparkman
Stennis
Stone
Symington
Taft
Talmadge
Thurmond
Tunney
Weicker
Williams

NAYS—6

Bartlett
Fannin
Hansen
McClure
Scott, William L.
Tower

NOT VOTING—20

Bellmon
Bentsen
Brock
Church
Curtis
Eagleton
Eastland
Goldwater
Hartke
Helms
Jackson
Laxalt
McGovern
Montoya
Nelson
Ribicoff
Stafford
Stevens
Stevenson
Young

So the bill (S. 641) was passed, as follows:

S. 641

An act to regulate commerce and protect consumers from adulterated food by requiring the establishment of safety assurance procedures and safety assurance standards, to provide for the effective enforcement of the Food, Drug, and Cosmetic Act, to implement registration of food processing establishments, to provide for more informative labeling of food products, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Consumer Food Act of 1976".

TITLE I—FOOD SURVEILLANCE

SEC. 101. Section 201 of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 321) is amended by inserting after subsection (x) thereof the following two new subsections:

"(y) The term 'food processor' means any person who owns or operates any establishment in which food is manufactured, processed, packed, labeled, stored, imported, or otherwise handled.

"(z) The term 'safety assurance' includes, and is limited to, those processing factors which bear upon whether a food may be adulterated within the meaning of section 402(a) of this Act.".

SEC. 102. Chapter IV of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 341–349) is amended by adding at the end thereof the following two new sections:

"FOOD SURVEILLANCE

"Safety Assurance Procedures

"SEC. 411. (a)(1) Except as otherwise provided pursuant to paragraph (2), (3), or (4) of this subsection, a processor of food for human consumption shall develop, implement, and maintain adequate safety assurance procedures for each establishment which he owns or operates. Such procedures shall be set forth in writing. All such writings shall be retained by such processor for 5 years and shall be subject to inspection, pursuant to section 704 and section 411(c) of this Act. In developing such procedures, a processor of food for human consumption shall—

"(A) identify those control points in the food processing operation carried out by the establishment which are important in the prevention of adulteration, within the meaning of section 402(a) of this chapter;

"(B) identify the hazards associated with each such point;

"(C) establish adequate controls at each such point; and

"(D) establish adequate inspection and monitoring of the controls at each such point.

Such procedures shall be reviewed, and, where appropriate, revisions thereof shall be made, at least annually by the food processor.

"(2) A food processor shall be exempted from the requirements of this subsection if the Secretary finds, pursuant to such criteria as the Secretary may establish by regulation, that the establishment or type of establishment owned or operated by such processor is unlikely, because of the nature or volume of its food processing, to create or contribute to more than a minimal risk of adulteration, within the meaning of section 402(a) of this chapter.

"(3) Processing of fresh fruits and vegetables that remain in raw, unpeeled form, on-farm processing of food produced thereon, including extraction of oils or honey, processing consisting solely of fishing and the holding of fish on a fishing vessel not engaged in any other form of processing, and processing of food in a retail establishment for sale therein shall not be subject to the requirements of this subsection.

"(4) Food processing which is conducted under a Federal-State cooperative program or under a program which is supervised by the Secretary or a Federal or State agency pursuant to a memorandum of understanding between the Secretary and such agency shall be deemed by the Secretary to be in compliance with the requirements of this subsection if the Secretary finds such program establishes and implements safety assurance procedures and enforcement policies that afford protection which is equivalent to that achieved by safety assurance procedures under paragraph (1) of this subsection.

"Safety Assurance Standards

"(b) (1) If the Secretary finds that—

"(A) any food or class of food has been or is being processed, stored or handled in such a manner as to present an unreasonable risk of adulteration, within the meaning of section 402(a) of this chapter; or

"(B) existing safety assurance procedures, including inspection and monitoring activities, are not adequate to protect against such risk;

the Secretary shall immediately publish such finding in the Federal Register and shall promulgate regulations, to be effective within 1 year of such finding, in order to establish objective safety assurance standards to reduce or eliminate such risk.

"(2) Regulations under this subsection shall be promulgated in accordance with section 553 of title 5, United States Code: *Provided*, That (A) the Secretary shall publish, in the Federal Register, his findings and an adequate statement of reasons for the provisions adopted, including responses to comments of interested persons; and (B) the promulgation of such regulation, or amendments thereto, shall be subject to judicial review, at the instance of any interested person, in accordance with paragraphs (1) and (3) of section 701(f) of this Act.

"(3) Regulations under the subsection may be proposed by the Secretary upon his own initiative or upon the petition of any interested person.

"(4) Regulations under this subsection shall designate each food or class of foods which is subject to the safety assurance standard involved; and may specify—

"(A) the persons who are required to conduct surveillance in accordance with such standards;

"(B) the contaminants, properties, unsanitary practices, or other factors (including, but not limited to, micro-organisms, heavy metals, toxins, drug residues, pesticide residues, filth, and other potentially harmful constituents and practices) for which surveillance is required in accordance with such standard;

"(C) the sampling methods, the inspection procedures, and the examination techniques through which required surveillance is to be accomplished;

"(D) the methods by which the findings and results of such examinations are to be accomplished;

"(E) the circumstances under which, and the manner in which, reports are to be submitted to the Secretary concerning any surveillance, examination, and analysis that is required in accordance with such standard; and

"(F) the activities (including sampling, inspection, monitoring, and analysis) which the Secretary shall engage in to assure that affected persons comply with the safety assurance standard involved.

"(5) No safety assurance standard established under this subsection shall be applicable to any person who has developed, implemented, and maintained adequate safety assurance procedures under subsection (a) of this section or who is processing food under a program which is deemed to be in compliance with the requirements of section 411 (a) of this chapter, pursuant to paragraph (4) of such subsection, and which the Secretary finds will provide adequate protection against the risks of adulteration addressed by such standard.

"(6) The Secretary shall periodically evaluate the adequacy of any safety assurance standard established under this subsection and shall propose amendments thereto to the extent necessary to reflect new information or changes in methods of food processing.

"(7) Safety assurance standards established pursuant to paragraphs (1), (2), (3), and (4) of this subsection shall be formulated and implemented so as to provide reasonable assurance that food does not present an unreasonable risk of adulteration, within the meaning of section 402(a) of this chapter.

"(8) If the Secretary finds that a threat to the public health caused by adulteration of food, within the meaning of section 402(a) of this chapter, requires the immediate adoption of, or an immediate amendment to, an applicable safety assurance standard, the Secretary may promulgate such a standard or amendment. Such action may be taken without regard to any procedural prerequisites otherwise applicable, but the Secretary shall comply with such applicable procedures as soon as practicable.

"(9) Any chemical or other analyses required to be performed pursuant to a safety assurance standard to determine the presence or amount of any substance in food shall be performed through the use of the best instruments and technology and the most qualified and highly trained personnel that are reasonably available.

"Records and Examination

"(c) (1) Any person, who is subject to subsection (a) or (b) of this section, shall establish and maintain such records, pertaining to safety assurance procedures and safety assurance standards, as the Secretary may by regulation require. Each such person shall make such records available to the Secretary, or to a duly authorized representative of the Secretary, for examination, copying, or mechanical reproduction on or off the premises, upon reasonable request therefor.

"(2) The Secretary may require, by regulation or specific order the submission of such data, documents, or information with respect to safety assurance procedures, safety assurance standards, the implementation thereof, and any other matter relating to detection of adulterated food, within the meaning of section 402(a) of this chapter, as will assist the Secretary to carry out the purposes of this Act.

"(3) The Secretary may specify, by regulation, the form and manner in which written safety assurance procedures, required by section 411(a)(1) of this chapter, shall be maintained in writing.

"Notification

"(d) (1) Whenever a food processor—

"(A) acquires information indicating that any food, which he has processed and which has left his control, may be adulterated, within the meaning of section 402(a) of this chapter, such processor shall immediately notify the Secretary of such information, in the form and manner prescribed by the Secretary;

"(B) institutes a recall of any food, which he has processed and which has left an establishment subject to his control, such processor shall immediately notify the Secretary of such recall, in the form and manner prescribed by the Secretary, if such food is or may be in violation of this Act.

"(2) Information contained exclusively in a notification filed with the Secretary pursuant to paragraph (1) of this subsection may not be introduced as evidence in any proceeding under section 303 of this Act, unless such proceeding involves a violation of law that is alleged to have occurred after the date of such notification.

"Citizen's Civil Actions

"(e) (1) Except as provided in paragraph (2) of this subsection, any person may commence a civil action for mandatory or prohibitive injunctive relief, including interim equitable relief, on his own behalf, whenever such action constitutes a case or controversy—

"(A) against any person (including the Secretary) who is alleged to be in violation of any regulation promulgated under subsection (b) of this section; or

"(B) against the Secretary where there is alleged a failure of the Secretary to perform any act or duty under this section which is not discretionary with the Secretary. The district courts of the United States shall have jurisdiction over actions brought under this section, without regard to the amount in controversy or the citizenship of the parties.

"(2) No civil action may be commenced—

"(A) under paragraph (1) (A) of this subsection—

"(i) prior to 60 days after the plaintiff has given notice of the alleged violation to the Secretary and to any alleged violator in such manner as the Secretary may by regulation require; or

"(ii) if the Attorney General or the Secretary has commenced and is diligently pursuing judicial proceedings or administrative action with respect to such alleged violation,

"(B) under paragraph (1) (B) of this subsection, prior to 60 days after the plaintiff has given notice to the Secretary of such alleged failure to perform an act or duty.

"(3) If any action under this subsection, the Attorney General or the Secretary may intervene as a matter of right. The decision and rulings of the court, in any judicial proceeding commenced under this subsection, shall not be a bar to the institution of any judicial proceeding or administrative action by the Secretary against a party to such judicial proceeding, nor shall any factual finding by such court be determinative as to any fact in any subsequent judicial proceeding or administrative action, unless the Secretary is a party to the proceeding under this subsection.

"(4) The court, in issuing any final order in any action brought pursuant to paragraph (1) of this subsection, may award costs of litigation (including a reasonable attorney's fee, based on the prevailing rates for such services, and expert witness fees) to any party, whenever the court determines that such an award is appropriate.

"(5) Nothing in this subsection shall restrict any right which any person (or class of persons) may have under any statute or at common law to seek enforcement of any regulation or order or to seek any other relief.

"(6) Nothing in this subsection shall require the disclosure of any trade secret information or any other confidential information except as provided by the Federal Rules of Civil Procedure.

"Other Authority

"(f) This section shall not be construed—

"(1) to exempt the Secretary or any other person from any obligation imposed by (A) any other provision of this Act or (B) any other Act; or

"(2) to permit the use of any substance, practice, or conduct which would not have been permitted in the absence of this section.

"Exclusion

"(g) This section shall not apply to any processing of poultry and poultry products, meat and meat products, and eggs and egg products, to the extent of the application or extension thereto of provisions of any of the following statutes: the Poultry Products Inspection Act, as amended (21 U.S.C. 451 et seq.), the Federal Meat Inspection Act, as amended (21 U.S.C. 601 et seq.), or the Egg Products Inspection Act, as amended (21 U.S.C. 1031 et seq.).

"Small Business Assistance

"(h) The Secretary shall cooperate with the Small Business Administration with respect to applications (under section 7(b)(5) of the Small Business Act, as amended (15 U.S.C. 631 et seq.)) for loans to assist affected small business concerns to comply with requirements under this section. The Small Business Administration shall request the Secretary to review each such application. The Secretary shall evalute each such application and shall report thereon to the Administrator (or to the bank or lending institution involved) within 60 days after the date of receipt thereof. Each such report shall include the Secretary's conclusion as to whether such proposed additions to or alterations in, the applicant's plant, facilities, or methods of operation are appropriate to enable or to assist the applicant to comply with requirements under this section.

"Food coding

"System

"Sec. 412. (a) Except as provided in subsections (e) and (f) of this section each food manufacturer and each packer of packaged food products shall (1) establish and implement a system of food coding in accordance with this section; and (2) apply such system to all of the food products that it packages. Such a system shall consist of symbols which will identify—

"(A) the name of the manufacturer or packer unless such name is on the package at the time food is packed therein;

"(B) the plant at which the food was packed if such manufacturer or packer packs food in more than one;

"(C) the name of the food unless such name is on the package at the time food is packed therein;

"(D) the lot or batch number of the food if any; and

"(E) the date on which the food was packed;

unless the Secretary provides, by regulation, that one or more such matters may be omitted with respect to a particular food or class of foods, on account of its nature, the limited volume thereof that is processed, or any other factor that renders the inclusion of such matter not necessary for the protection of the public health. A manufacturer or packer may code any additional information which (i) is not inconsistent with the information required, and (ii) is necessary to effect any reasonable commercial purpose of such manufacturer or packer.

"Public Information

"(b) The Secretary shall make publicly available sufficient information to enable consumers to comprehend the basic purposes of coding systems established pursuant to subsection (a) of this section.

"Coding Requirements

"(c) Except as provided in subsection (e) of this section, the Secretary shall require, by regulation, that the immediate container and the outside container (if any) of each packaged food bear, legibly and prominently thereon, the appropirate symbol or symbols established in the applicable system of coding pursuant to subsection (a) of this section.

"Food Distribution Records

"(d) Except as provided in subsection (e) of this section, the Secretary is authorized to require, by regulation, the extent feasible and necessary, that food distribution records include sufficient information so that packaged foods that are coded pursuant to regulations under this section can be traced, as an aid to effecting and monitoring recalls of food.

"Exemption

"(e) Upon the petition of any person, the Secretary is authorized to exempt—

"(1) specified packaged foods from requirements under subsection (c) of this section; and

"(2) food distribution records from requirements under subsection (d) of this section;

if he finds that such foods or records are subject to a coding or tracing system, which is adequate to meet the purposes of this section and which does not conflict with any system established pursuant to subsection (a) of this section.

"Exclusions

"(f) This section shall not apply to any packaged food which is manufactured or packed in a retail establishment for sale therein or to food not intended for human consumption.".

Sec. 103. Section 301 of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 331) is amended by adding at the end thereof the following three new subsections:

"(q) The failure to develop, implement, maintain, or set forth in writing adequate safety assurance procedures, as required pursuant to section 411(a) of this Act; the failure to comply with safety assurance procedures and/or safety assurance standards, as required by, or pursuant to, section 411 of this Act; the failure to maintain or make available records, or to make available information, as required pursuant to section 411 of this Act; the falsification or omission of material information in records, reports, or notifications required to be maintained or submitted; or the failure or refusal to furnish any notification or other information required by this Act, with respect to food subject to the jurisdiction of the Secretary under this Act.

"(r) The unauthorized movement of food detained under section 304(g) of this chapter, or the removal or alteration of any mark or label used by the Secretary to identify food that is so detained.

"(s) The failure to comply with any regulation promulgated pursuant to subsection (a), (c), or (d) of section 412 of this Act, with respect to any food or food distribution records subject to such subsections, or the failure to comply with any conditions of any exemption provided pursuant to section 412 (e) of this Act.".

Sec. 104. (a) Section 304 of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 334) is amended by deleting "United States attorney for such district" each time it appears therein and inserting in lieu thereof "the Secretary, or the United States attorney for such district, as appropriate,".

(b) Section 304 of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 334) is further amended by adding at the end thereof the following two new subsections:

"(g) If any food is found, by an authorized representative of the Secretary, in any establishment or vehicle where it is held for, during, or after distribution in, interstate commerce, such food may be detained by such representative upon a written notice, for a reasonable period of time, not to exceed 20 days, if such representative finds or has reason to believe that such food is adulterated, within the meaning of subsections (a), (c), or (e) of section 402 of this Act. Such food may be detained pending a seizure action under this section, or an action for injunction under section 302 of this chapter, or pending notification by the Secretary to a governmental authority which has jurisdiction over such food. Food which is so detained shall not be moved by any person from the place at which it is located and detained (except as the Secretary may authorize), until released by the Secretary. If such food which is so detained is being processed by a manufacturer or packer and has not yet been put in final form for shipment, processing may continue until it is put in such final form, but it may thereupon be ordered detained in such form. Any person who would be entitled to claim food that is so detained, if such food had been seized rather than detained, may appeal such detention. An informal hearing shall be conducted on the matter and such detention shall be confirmed or revoked within 5 days after such an appeal is filed with the Secretary. The Secretary may extend the period of any such detention for an additional 10 days, upon making a finding (and giving appropriate notice) that such an extension is *necessary* for the initiation of a seizure action under this section.

"(h) The fact that virtually all food is subject to the jurisdiction of the Secretary under this Act gives rise to a rebuttable presumption that any food found in any State is subject to detention or seizure pursuant to this section. The claimant, or any other party to a detention or seizure proceeding under this section, shall have the burden of establishing by a preponderance of the evidence that any such food is not subject to this Act.".

Sec. 105. Section 402 of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 342) is amended by adding at the end thereof the following two new subsections:

"(f) If it is a food which was processed other than in compliance with safety assurance procedures and applicable safety assurance standards required by or pursuant to section 411 of this chapter: *Provided,* That a food containing an ingredient which was received by a food processor in good faith from any third party (not subject to control by such processor) shall not be deemed to be adulterated solely because such ingredient had been processed other than in compliance with safety assurance procedures and applicable safety assurance standards required by or pursuant to section 411 of this Act.

"(g) If it is packaged food, and the immediate container and outside container (if any) do not bear, in legible and prominent form, symbols which are required to be placed thereon pursuant to section 412 of this chapter.".

Sec. 106. Chapter III of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 331–7) is amended by adding at the end thereof the following two new sections:

"CIVIL PENALTIES

"Sec. 308. (a) Any person who is found by the Secretary, after written notice and an opportunity for a hearing, a transcript of which shall be maintained, to have committed an act prohibited by section 301 of this chapter with respect to any food, shall be liable to the United States for a civil penalty of not more than $10,000 for each violation. If any such violation is a continuing one, each day of violation constitutes a separate offense for such purpose. The amount of such civil penalty shall be determined and assessed by the Secretary, or his delegate, by written notice .

"(b) Any person against whom a violation is found and a civil penalty assessed under this section may obtain review in the court of appeals of the United States for the circuit in which such person resides or has his principal place of business, or in the United States Court of Appeals for the District of Columbia, by filing a notice of appeal in such court within 30 days from the date of such assessment and by simultaneously sending a copy of such notice by certified mail to the Secretary. The Secretary shall promptly file in such court a certified copy of the record upon which such violation was found and such penalty assessed as provided in section 2112 of title 28, United States Code. The finding of the Secretary shall be set aside if found to be unsupported by substantial evidence, as provided by section 106(2)(E) of title 5, United States Code.

"(c) If any person fails to pay an assessment of a civil penalty after it has become final and unappealable, or after the appropriate court of appeals has entered final judgment in favor of the Secretary, the Secretary shall recover the amount assessed in any appropriate district court of the United States. In such action, the validity and appropriateness of the final order imposing the civil penalty shall not be subject to review.

"AUTHORITY TO INITIATE LEGAL ACTIONS

"SEC. 309. Nothwithstanding any other provisions of law, the Secretary may initiate, defend, or appeal any court action arising under or in the Administration of this Act through its own legal representatives or through the Attorney General or appropriate United States attorney, except that the Attorney General or an appropriate United States attorney shall have exclusive authority to initiate prosecution of persons under section 303 of this Act.".

SEC. 107. (a) Section 701(e) of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 371 (e)) is amended to read as follows:

"(e)(1) A proceeding for the issuance, amendment, or repeal of any regulation authorized under section 401, 403 (j), 404(a), 406, 501(b), 502(d), or 502(h) of this Act shall be commenced by the publication by the Secretary, on his own initiative or in response to a petition submitted to him by any interested person, of a notice of proposed rulemaking. The Secretary shall (A) allow interested persons to submit written data, views, and arguments and shall make all such submissions publicly available; (B) provide an opportunity for an informal hearing in accordance with paragraph (2) of this subsection; and (C) issue, if appropriate, a final regulation, amendment to a regulation, or repeal of a regulation based on the matter in the rulemaking record, together with a statement of basis and purpose.

(2) The Secretary shall conduct any informal hearing required by this subsection in accordance with the following procedure:

"(A) Subject to subparagraph (B) of this paragraph, an interested person is entitled—

"(i) to present his position orally or by documentary submissions (or both), and

"(ii) if the Secretary determines that there are disputed issues of material fact which it is necessary to resolve, to present such rebuttal submissions and to conduct (or to have conducted, under subparagraph (B) of this paragraph) such cross-examination of persons as the Secretary determines to be necessary for a full exploration of such disputed issues of material fact.

"(B) The Secretary may prescribe such rules and may make such rulings concerning such hearings to prevent unnecessary costs or delay. Such rules or rulings may include, but need not be limited to, the imposition of reasonable time limits on oral presentations. If a person is entitled to conduct any cross-examination, the Secretary may rule that such cross-examination shall be conducted by the Secretary on his behalf in such manner as the Secretary determines to be appropriate and to be necessary to elucidate full and true disclosure with respect to disputed issues of material fact.

"(C)(i) Except as provided in clause (ii) of this subparagraph, if a group of persons (each of whom would be entitled under subparagraphs (A) and (B) of this paragraph, to conduct (or to have conducted) cross-examination, and each of whom is determined by the Secretary to have the same or similar interests in the proceeding) cannot agree upon a single representative for purposes of cross-examination, the Secretary may make rules and rulings (I) limiting representation for such purposes, and (II) governing the manner in which such cross-examination shall be limited.

"(ii) If a person, who is a member of a group with respect to which the Secretary has made a determination under clause (i) of this subparagraph, is unable to agree upon group representation with the other members of such group, such person shall not be denied, the opportunity to conduct (or to have conducted) cross-examination as to issues affecting his particular interests if he satisfies the Secretary that he has made a reasonable and good faith effort to reach agreement upon group representation with the other members of such group and if the Secretary determins that there are substantial and relevant issues which are not adequately presented by the group representative.

"(D) A verbatim transcript shall be taken of any oral presentation and cross-examination in an informal hearing to which this paragraph applies. Such a transcript shall be available for public inspection, and for public sale at cost.

"(3)(A) Whenever, pursuant to section 553(e) of title 5, United States Code, an interested person petitions the Secretary for the issuance, amendment, or repeal of a regulation under this section, the Secretary shall grant or deny such petition within 120 days after the date that such petition is received by him. If the Secretary grants such a petition, he shall commence an appropriate proceeding under subsection (e) of this section as soon thereafter as practicable. If the Secretary denies such a petition, he shall set forth, and publish in the Federal Register, his reasons for such denial.

"(B) If the Secretary denies such a petition (or if he fails to act thereon within the 120-day period established by subparagraph (A)), the petitioner may commence a civil action in an appropriate district court of the United States for an order directing the Secretary to initiate a proceeding to take the action requested in such petition. Such an action shall be commenced within 60 days after the date of such denial or where appropriate, within 60 days after the date of expiration of such 120-day period.

"(C) If such a petitioner can demonstrate to the satisfaction of such court, by a preponderance of the evidence in a de novo proceeding before such court, that the action requested in such petition to the Secretary is necessary to promote honesty and fair dealing in the interests of consumers or to prevent violations of this Act, and that the failure of the Secretary to take such action will result in the continuation of dishonest and unfair dealing not in the interests of consumers or violations of this Act, such court shall order the Secretary to initiate such action.

"(D) In any action under this paragraph, a court shall have no authority to compel the Secretary to take any action other than the initiation of a procedure for the issuance, amendment, or repeal of a regulation under this section.

"(4)(A) The term 'Secretary', as used in this subsection, includes any person authorized to act in behalf of the Secretary in any part of the proceeding for the issuance, amendment, or repeal of any regulation.

"(B) The term 'rulemaking record', as used in this section, means the regulation or amendment involved, the documents published in the Federal Register in the course of the proceeding, the transcript required by paragraph (2)(D) of this subsection, any written submissions received by the Secretary during the period allowed for submission of written data, views, and arguments, and any other information which the Secretary has identified as relevant to the issuance, amendment, or repeal of such regulation and which has been introduced into the record.".

(b)(1) The first sentence of subsection (f)(1) of section 701 of such Act (21 U.S.C. 37 (f)(1)) is amended by inserting after the word "order" the first time it appears in such sentence, the words "issuing, amending, or repealing a regulation".

(2) Subsection (f)(2) of section 701 of such Act is amended to read as follows:

"(2) If the petitioner applies to the court for leave to place additional evidence into the rulemaking record, and shows to the satisfaction of the court that such additional evidence is material and that there were reasonble grounds for the failure to adduce such evidence in the proceeding before the Secretary, the court may order such additional evidence (and evidence in rebuttal thereof) to be made part of the rulemaking record, in such manner and upon such terms and conditions as to the court may seem proper. The Secretary shall file his recommendation, if any, for the modification or setting aside of his original order issuing, amending or repealing the regulation, together with a statement of the basis and purpose of such recommedation.".

(3) The last sentence of subsection (f)(3) of section 701 of such Act (21 U.S.C. 371(f)(3)) is amended to read as follows: "The findings of the Secretary if supported by substantial evidence in the rulemaking record taken as a whole, shall be conclusive, unless the court finds that a determination, rule, or ruling of the Secretary under subsection (e)(2) of this section has precluded disclosure of disputed material facts which were necessary for fair determination by the Secretary of the proceeding taken as a whole; the term 'evidence' means any matter in the rulemaking record.".

(c) Section 701 of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 371) is amended by adding at the end thereof the following two new subsections:

"(h) The Secretary may, pursuant to rules prescribed by him within 120 days after the effective date of this Act, award reasonable attorneys' fees, expert witness fees, and other costs of participation in a rulemaking proceeding under subsections (a) and (e) of this section to any person if—

"(1) the person represents an interest the representation of which will substantially contribute to a fair determination of the proceeding, in light of the number and complexity of the issues presented by the proceeding, the importance of widespread public participation and the need for representation of a fair balance of interests in the proceeding; and

"(2)(A) the economic interest of the person is small in comparison to the costs of effective participation in the proceeding by that person, except that if the person is a group or organization, the economic interests of a substantial number of members of such group or organization taken individually are small in comparison to the costs of effective participation in such proceeding, or

"(B) the person demonstrates to the satisfaction of the agency that such person does not have sufficient resources adequately to participate in the proceeding in the absence of an award under this subsection.

"(i) In any action under this section, the court may award the costs of litigation (including reasonable attorneys' and expert witness' fees) to any party if—

"(1) the court affords such person the relief sought in substantial measure, or after the filing of such action the agency affords such person the relief sought in substantial measure; and

"(2)(A) the economic interest of the person is small in comparison to the costs of effective participation in the action by that person, except that if the person is a group or organization, the economic interests of a substantial number of members of such group or organization taken individually are small in comparison to the costs of effective participation in such action, or

"(B) the person demonstrates to the satisfaction of the court that such person does not have sufficient resources adequately to participate in the action in the absence of an award under this subsection.".

Sec. 108. (a) Section 702(a) of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 372 (a)) is amended inserting after the first sentence thereof the following new sentence: "In connection with the training by the Secretary of any individual who is not an officer or employee of the United States to prepare him to perform the duties described in the preceding sentence, the Secretary may allow such individual travel expenses to and from the place of such training, including per diem in lieu of subsistence while in travel status and during such training, in the same manner as such expenses are authorized by section 5703 of title 5, United States Code, for individuals in the Government service employed intermittently: *Provided*, That the individual's training is conducted under an agreement between the Secretary and any State or any political subdivision of a State, pursuant to which such individual, upon the completion of the training, will be employed by such State or political subdivision to conduct examinations or investigations to carry out the purposes of this Act.".

(b) Section 6(c) of the Fair Packaging and Labeling Act (15 U.S.C. 1455(c)) is amended by inserting at the end thereof the following new sentence: "In connection with the training by the Secretary of any individual who is an officer or employee of any State or any political subdivision of a State, duly commissioned by the Secretary as an officer of the Department of Health, Education, and Welfare to conduct examinations, investigations, or perform other functions, for the purposes of carrying out this Act, the Secretary may allow such individual travel expenses to and from the place of such training, including per diem in lieu of subsistence while in travel status and during such training, in the same manner as such expenses are authorized by section 5703 of title 5, United States Code, for individuals in the Government service employed intermittently: *Provided*, That the individual's training is conducted under an agreement between the Secretary and a State, or a political subdivision of a State, pursuant to which such individual, upon the completion of the training, will be employed by such State or political subdivision to conduct examinations or investigations to carry out the purposes of this Act.".

Sec. 109. (a) Section 704(a) of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 374(a)) is amended by inserting immediately after the first sentence thereof the following three new sentences: "In the case of any establishment manufacturing, processing, preparing, packaging, or holding food, inspection shall extend to records bearing upon whether a food may be adulterated, within the meaning of section 402(a) of this Act. Where such information is not segregable from other information contained therewith, all such information shall be accessible information which relates to adulteration within the meaning of section 402(a) of this Act. Such records include, and are limited to, process flow diagrams; any analytical procedure or method used in such manufacturing, processing, preparing, packaging, or holding; tests conducted to ascertain compliance with safety assurance procedures and applicable safety assurance standards; quality assurance instructions or manuals; complaints; any material which relates to a breakdown or a pattern of breakdown in safety assurance procedures or safety assurance standards; food ingredient usage records; process validation and control records; coding information; and shipping information.".

(b) Section 704(a) of such Act (21 U.S.C. 374(a)) is further amended by striking the words "second sentence" in the last sentence thereof and inserting in lieu thereof "fifth sentence".

Sec. 110. Section 801 of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 381) is amended by adding at the end thereof the following new subsection:

"(e) (1) Any person who imports, offers for importation, or is otherwise responsible for importing into the United States any food or class of food shall file a certificate with the Secretary, prior to such importation, in such form and manner as the Secretary shall specify. Each such certificate shall identify the food or class of foods to be imported and shall establish that such food or class of foods has been produced in accordance with safety assurance procedures and in compliance with any applicable safety assurance standard established pursuant to section 411 of this Act: *Provided*, That a particular food which will be reprocessed in the United States in accordance with safety assurance procedures and/or in compliance with any applicable safety assurance standard established pursuant to section 411 of this Act need not be produced in compliance with such procedures or standards at the time of importation.

"(2) The Secretary shall request the Secretary of the Treasury to refuse admission into the United States, of any food or class of food (A) which the Secretary determines has not been processed in accordance with section 411 of this Act; or (B) with respect to which no certificate has been filed as required by paragraph (1) of this subsection.

"(3) Any food or class of food which is refused admission into the United States under paragraph (2) of this subsection shall not be admitted until such time as the Secretary may determine that the food is not adulterated, within the meaning of subsection (f) or (g) of section 402 of this Act. For purposes of making such a determination, the Secretary may request that a duly authorized representative of the Secretary be permitted to inspect the processing procedures employed in the production of the food or class of food involved, and the grant of such request may be made a prerequisite to the making of such a determination.".

Sec. 111. Section 705 of the Federal Food Drug, and Cosmetic Act (21 U.S.C. 375) is amended by adding at the end thereof the following new subsection:

"(c) Any disclosure of information under this Act shall be subject to the Freedom of Information Act (5 U.S.C. 552), except that if the Secretary determines that—

"(1) information relating to food which he intends to disclose is not trade secret information or other confidential information within the meaning of section 552(b) (4) of title 5, United States Code, and

"(2) the originator of such information has claimed that such information is trade secret or other confidential information within the meaning of such section,

the Secretary shall immediately notify the originator of such information of his intent to disclose. Such notice shall identify with particularity the information to be disclosed. The Secretary shall not release the information so identified until 10 days after the date of receipt of such notification by the originator. Nothing in this subsection shall be deemed to authorize the Secretary to release trade secret information which he would not otherwise be authorized to release.".

Sec. 112. Chapter VII of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 371–377) is amended by adding at the end thereof the following new section:

"REGIONAL OFFICES

"Sec. 708. The Commissioner of Food and Drugs shall establish and maintain regional offices for the purpose of facilitating the administration of this Act. Such offices shall be established at locations convenient and accessible to the public in the various regions of the Nation. There shall be at the head of each such regional office a regional director, who shall be appointed by the Commissioner solely upon the basis of fitness to perform the duties of such office and without regard to political qualifications, and who shall be compensated at the rate now or hereafter provided for GS–16 of the General Schedule pay rates (5 U.S.C. 5332). The Commissioner may delegate to any regional director the authority, within the geographical area served by his office, granted under sections 302, 304, 305, 702, 703, 704, and 801 of this Act with respect to investigations, detention, issuance and service of complaints, and commencement, maintenance, and settlement (in cooperation with the appropriate United States attorney) of action to enforce the provisions of this Act.".

Sec. 113. Section 303(a) of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 333 (a)) is amended to read as follows:

"(a) (1) Any person who violates, or causes the violation of, a provision of section 301 of this chapter shall be imprisoned for not more than 1 year or fined not more than $10,000, or both.

"(2) The penalties provided by paragraph (1) for violations of section 301, with respect to food, shall apply to an individual—

"(A) who acts knowingly,

"(B) who acts willfully, or

"(C) who acts without the care, skill, prudence, and diligence under the circumstances then prevailing that a prudent man acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of a like character.".

Sec. 114. The amendments made by this title shall take effect upon the date of enactment of this Act, except that safety assurance procedures shall not be required to be implemented before the 180th day after the date of enactment of this Act.

TITLE II—FOOD ESTABLISHMENT REGISTRATION

Sec. 201. The Congress finds that—

(1) it is necessary in order to make regulation of interstate commerce in food effective, to provide for registration and inspection of all establishments in which food that is intended for human consumption is manufactured, processed, packaged, labeled, stored, or otherwise handled;

(2) the products of all establishments that handle food that is intended for human consumption are likely to be either involved in interstate commerce or to affect such commerce directly; and

(3) regulation of interstate commerce in food, without requiring registration and inspection of establishments that may engage only in intrastate commerce in food, would result in discrimination against interstate commerce in food and would adversely burden, affect, and obstruct such interstate commerce.

Sec. 202. Chapter IV of the Federal Food, Drug, and Cosmetic Act, as amended by this Act, is further amended by adding after section 412 the following new section:

"REGISTRATION OF FOOD ESTABLISHMENTS

"General

"Sec. 413. (a) On or after December 31 of the year following the year in which this Act is enacted, the Secretary may require each food processor to prepare and submit to the Secretary a registration statement which shall include, but not be limited to, his name; principal place of business; the location of each establishment owned or operated by him; and, for each such establishment, a complete list, in such form as the Secretary shall by regulation prescribe, of all classes of foods processed therein. Such list shall identify the types of processing utilized for each class of food. The Secretary shall promulgate regulations defining classes of foods and types of processing, to promote uniformity and expeditious administration with respect to such registration.

"Notification

"(b)(1) Any person, upon first engaging in the processing of food in any establishment which he owns or operates in any State, shall immediately notify the Secretary and prepare and submit to him a registration statement containing the information required by subsection (a) of this section.

"(2) Any person who has submitted a registration statement in accordance with this section shall promptly notify the Secretary, if he ceases to process, or if he discontinues the processing of, any class of food in any establishment. Such notification shall be submitted not later than 90 days after the date of such cessation or discontinuance. Such a notification is not necessary if such cessation is temporary in character and/or occasioned by the seasonal nature of such establishment or if it is caused by nonpermanent conditions which are not subject to the control of such person.

"(3) Any person who has submitted a registration statement in accordance with this section shall promptly notify the Secretary, in such form and manner as the Secretary shall prescribe, if he acquires, commences the processing of food at, or commences the processing of any additional class of food at, any establishment which was not listed or so described in such statement. Such a notice shall contain a supplemental registration statement which shall include the information required by subsection (a) of this section with respect to such change in such person's food processing activities.

"Number

"(c) The Secretary may assign a registration number to any person and/or to any establishment registered in accordance with this section.

"Exemptions and Exclusions

"(d) This section shall not apply to—

"(1) processors of any class of food which the Secretary may exempt, by regulation, from the application of this section, upon a finding that registration in accordance with this section is not necessary for the prevention of an unreasonable risk of adulteration of food or for the protection of the public health;

"(2) any processing of poultry and poultry products, meat and meat products, and eggs and egg products, to the extent of the application or extension thereto of provisions of any of the following statutes: the Poultry Products Inspection Act, as amended (21 U.S.C. 451 et seq.), the Federal Meat Inspection Act, as amended (21 U.S.C. 601 et seq.), or the Egg Products Inspection Act, as amended (21 U.S.C. 1031 et seq.);

"(3) any processing of food in a retail establishment for sale therein;

"(4) the processing of distilled spirits, wine, or malt beverages, as defined in the Federal Alcohol Administration Act (27 U.S.C. 201–211), except that all permit applications and other information filed with the Secretary of the Treasury pursuant to section 4 of such Act (27 U.S.C. 204) shall be available to the Secretary for inspection and copying;

"(5) any fishing vessel engaged exclusively in fishing and/or the holding of fish;

"(6) any food processing under a program which is deemed to be in compliance with the requirements of section 411(a) of this chapter, pursuant to paragraph (4) of such subsection; and

"(7) the processing of food not intended for human consumption.

"Inspection

"(e) Each establishment which is required to be registered with the Secretary or is exempt from registration under this section shall be subject to inspection, pursuant to section 704 of this Act.

"Foreign Registration

"(f) The Secretary may provide, by regulation, for the registration of foreign establishments engaged in the processing of food intended to be offered for importation into the United States.

"Definitions

"(g) As used in this section and in sections 402(f), 403(o), 411, 412, 801(a), and 801(e) of this Act, the term—

"(1) 'name' includes, but is not limited to, in the case of a partnership, the name of each partner and, in the case of a corporation, the name appearing on the corporation's charter or certificate of incorporation, the name of each principal corporate officer, and the name of any State of incorporation;

"(2) 'principal place of business' and 'location of each establishment' include mailing address, street address, and telephone number; and

"(3) 'processing' and 'processed' include, with respect to food, manufacturing, packing, labeling, storing, importing, or otherwise handling.".

SEC. 203. Section 301 of the Federal Food, Drug, and Cosmetic Act, as amended by this Act (21 U.S.C. 331), is further amended by adding after subsection (s) thereof the following new subsection:

"(t) The failure to register, the failure to provide any information, or the falsification of any information, submitted pursuant to section 413 of this Act.".

SEC. 204. Section 403 of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 343) is amended by adding at the end thereof the following new subsection:

"(o) If it was processed in an establishment that was required to be registered under section 413 of this chapter and which was not so registered.".

SEC. 205. Section 801(a) of such Act (21 U.S.C. 381 (a)) is amended by inserting "(1)" immediately after "(a)" and adding at the end thereof the following new paragraph:

"(2) Upon the request of the Secretary, the Secretary of the Treasury shall refuse admission into the United States of any food or class of food which the Secretary determines has not been processed in an establishment registered as required pursuant to section 413 of this Act.".

TITLE III—FOOD LABELING

SEC. 301. The Congress finds that—

(1) the availability to consumers, in a uniform manner, of information regarding the dating, ingredients, and nutritional qualities of food would enhance the health, and the nutritional and economic welfare, of consumers;

(2) such information is not now provided to consumers in a uniform manner because of differing, additional, conflicting, or nonuniform labeling requirements for foods; and

(3) the absence of such information leads to consumer confusion and raises the cost of food since food processors are required to attach different labels to the same food depending on the locality in which it is offered for sale; discriminates against interstate commerce in such foods; and adversely burdens and obstructs such interstate commerce.

SEC. 302. Section 403 of the Federal Food, Drug, and Cosmetic Act, as amended by this Act (21 U.S.C. 343), is further amended by adding after subsection (o) thereof the following new subsection:

"(p) If the label or labeling bears any information regarding the dating of a food for human consumption, unless such information confirms with regulations promulgated by the Secretary under this subsection. Regulations promulgated under this subsection shall—

"(1) identify those foods or classes of food except fresh fruits and vegetables and the characteristics thereof, with respect to which date information is necessary to promote honesty and fair dealing in the interest of consumers;

"(2) require any food, with respect to which the Secretary has made a finding that date information is necessary, to bear on the package or label the date by which it is recommended that such food be sold at retail for consumption (sell date) or the date after which it is recommended that such food not be consumed (use date);

"(3) require that such date be printed on the package or label of such food in a clear and conspicuous manner and in such form as will enable the consumer readily to identify and understand the significance of such date, without reference to any decoding information;

"(4) require that such date be accompanied by a statement or phrase which clearly states that it is a sell date or a use date;

"(5) require a statement of the storage conditions that are recommended for such food unless ordinary room temperature and humidity are proper therefor;

"(6) prohibit any food, with respect to which the Secretary has required date information, from bearing on the package or label of any such food any other information which may appear to the ordinary consumer to represent a sell date or a use date; and

"(7) prohibit any food, with respect to which the Secretary has not required date information, from bearing on the package or label of any such food any date information which may appear to the ordinary consumer to represent a sell date or a use date, unless such information is expressed in accordance with such regulations.".

SEC. 303. Section 403 of the Federal Food, Drug, and Cosmetic Act, as amended by this Act (21 U.S.C. 343), is further amended by adding after subsection (p) thereof the following new subsection:

"(q) If it is a packaged food for human consumption except fresh fruit and vegetables—

"(1) to which a vitamin, mineral, or amino acid has been added other than one added to accomplish a technical effect; or

"(2) for which any claim (A) respecting the presence of any vitamin, mineral, amino acid or other ingredient represented as a source thereof, or (B) of nutritional value, is made on the package or label, or in advertising or promotion; unless nutrition information is provided in accordance with regulations promulgated by the Secretary, except that the Secretary may issue appropriate regulations with respect to fresh fruits and vegetables under subsection (a) of this section.".

SEC. 304. (a) Section 401 of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 341), is amended by striking out the fourth sentence thereof.

(b) Section 403(g) of such Act (21 U.S.C. 343(g)), is amended to read as follows:

"(g) If it purports to be or is represented as a food for which a definition and standard of identity has been prescribed by regulations, as provided by section 401 of this chapter, unless (1) it conforms to such definition and standards; and (2) its label bears the name of the food specified in such definition and standard.".

SEC. 305. (a) Section 403(i) of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 343(i)), is amended to read as follows:

"(i)(1) If its label fails to bear the common or usual name of the food, if there is one; and

"(2) In case the food is fabricated from two or more ingredients, if its label fails to bear—

"(A) the common or usual name of each such ingredient (in the order of its predominance), except that spices and flavorings, other than those sold as such, shall be designated as artificial spices or natural spices and artificial flavorings or natural flavorings, whichever is appropriate, without naming each such ingredient: *Provided,* That the Secretary may by regulation require any particular spice or flavoring to be named on such a label upon a finding that such disclosure is necessary for the public health; and

"(B) a declaration of the percentage of any specified ingredient other than a spice or flavoring if it is a food for human consumption and if the Secretary determines by regulation that such ingredient is a characterizing part of such food in that it has a material bearing on the quality, nutrition, acceptability or cost of such food.

To the extent that compliance with the requirements of subparagraph (A) or (B) of this paragraph is impracticable or results in deception the Secretary may subject to such conditions as the Secretary may prescribe, exempt any of the following:

"(i) a food which has been received in bulk containers at a retail establishment or institution, if, in the case of a retail establishment, such food is displayed to the purchaser with the labeling of the bulk container plainly in view, or with a counter card, sign, or other appropriate device plainly in view, if such container, label, card, sign, or device prominently and conspicuously displays the information required to be stated on the label, or, in the case of an institution, such food is not offered for retail sale to the ultimate consumer in the container in which it has been received by such institution;

"(ii) incidental additives that are present in a food at insignificant levels and which do not have any technical or functional effect in such food;

"(iii) the label declaration of a harmless marker which is used to identify a particular manufacturer's product, in order to protect against disclosure of a trade secret;

"(iv) a shipment or other delivery of a food which is, in accordance with the practice of the trade, to be processed, labeled, or repacked in substantial quantity at an establishment other than the establishment in which it is originally processed, labeled, or packed;

"(v) an assortment of different items of food which are packed in such a way that there are variations in the ingredients in different packages;

"(vi) shipping containers or other transportation wrappings, tray pack displays, and transparent wrappers;

"(vii) inner packages in multicomponent food packages;

"(viii) closely related dairy and egg ingredients that may be declared by a generic term or without regard to order of predominance in a manner that accurately states the nature of the ingredients; and

"(ix) food or drink for animals other than humans.".

(b) Section 403(k) of such Act (21 U.S.C. 343(k)) is amended by striking out the second sentence thereof.

SEC. 306. (a) Section 407(b) (3) (B) of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 347(b) (3) (B)) is amended by deleting "margarine, and" and inserting "margarine".

(b) Section 407(b) (4) of such Act (21 U.S.C. 347(b) (4)) is repealed.

(c) Section 407(c) of such Act (21 U.S.C. 347(c) is amended to read as follows:

"(c) No person shall serve colored oleomargarine or colored margarine at a public eating place, whether or not any charge is made therefor, unless—

"(1) a notice that oleomargarine or margarine is served is displayed prominently and conspicuously in such place and in such manner as to render it likely to be read and understood by the ordinary individual being served in such eating place; or

"(2) a notice that oleomargarine or margarine is served is printed or is otherwise set forth on the menu in type or lettering not smaller than that normally used to designate the serving of other food items; or

"(3) each separate serving bears or is accompanied by labeling identifying it as oleomargarine or margarine.".

SEC. 307. Chapter IX of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 391–2) is amended by adding at the end thereof the following new section:

"SEC. 903. (a) It is declared to be the express intent of Congress to supersede any and all laws of the States and territories and of the political subdivisions thereof insofar as they may now or hereafter require information on the label or in labeling or notification of any food which is in addition to, or different from, information required under sections 403 and 407 of this Act or by regulations promulgated under any such provision, except as provided in subsection (b) of this section.

"(b) (1) Upon application by a State or by a political subdivision of a State, the Secretary is authorized, pursuant to this subsection, to exempt any existing or proposed law or regulation from subsection (a) of this section.

"(2) An application for such an exemption shall establish that the law or regulation involved would, if implemented in the applicant's jurisdiction, promote the interests of consumers therein without unduly burdening interstate commerce.

"(3) An application for such an exemption shall be accompanied by any materials gathered by the applicant in its legislative or administrative consideration of the existing or proposed law or regulation. Upon receipt of such an application and such materials the Secretary shall publish such application in the Federal Register as a proposal, accompanied by a description of any supporting materials submitted therewith.

"(4) A proposed exemption shall be considered and acted upon pursuant to section 553 of title 5, United States Code, except that the Secretary (A) shall allow at least 60 days for public comment, (B) shall provide interested persons with an opportunity for the oral presentation of data, views, or arguments, in addition to an opportunity to make written submissions, and (C) shall keep a transcript of any oral presentation.

"(5) The Secretary shall grant the proposed exemption if he finds that the law or regulation involved will likely promote the interests of consumers within the applicant's jurisdiction without unduly burdening interstate commerce or otherwise adversely affecting the interests of all consumers. The Secretary's decision to grant or deny such exemption shall be subject to judicial review pursuant to section 701(f) of this Act.".

SEC. 308. Section 301 of the Federal Food, Drug, and Cosmetic Act, as amended by this Act (21 U.S.C. 331), is further amended by adding after subsection (t) thereof the following new subsection:

"(u) Changing, altering, or removing, before sale to the ultimate consumer, any statement or information required, by regulations issued under section 403 of this Act, to be placed on the package or label of any food.".

SEC. 309. (a) Section 902 of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 392), is amended by adding at the end thereof the following new subsection:

"(d) The provisions of subsections (i), (p), and (q) of section 403 of this Act shall not apply to—

"(1) the labeling of distilled spirits, wines, or malt beverages, as defined in the Federal Alcohol Administration Act (27 U.S.C. 201–211), except that the provisions of this paragraph shall expire 545 days after the date of the enactment of this paragraph; or

"(2) traditional foods prepared by any Indian, Aleut, or Eskimo who is an Alaskan Native who resides in Alaska: *Provided,* That such food is not shipped in interstate commerce.".

(b) Any exemption issued, prior to the date of enactment of this Act pursuant to subsection (i) of section 403 of the Federal Food, Drug and Cosmetic Act, shall remain in effect until modified by subsequent regulations issued by the Secretary pursuant to such subsection as modified by this Act.

SEC. 310. (a) The Secretary of Health, Education, and Welfare (through the Commissioner of the Food and Drug Administration and the Director of the National Institute on Alcohol Abuse and Alcoholism) and the Secretary of the Treasury (through the Director of the Bureau of Alcohol, Tobacco, and Firearms) shall conduct (taking into consideration, and providing for representation of, views held by consumer, industry, health groups, and other government agencies concerned with food labeling) a study of the need for the labeling as required by subsections (i), (p), and (q) of section 403 of the Federal Food, Drug, and Cosmetic Act, as amended by this Act, of distilled spirits, wines, and malt beverages, as defined in the Federal Alcohol Administration Act (21 U.S.C. 211). A report of such study including specific recommendations for legislative action, if any, shall be transmitted to the President and the Congress simultaneously within 6 months from the date of enactment of this Act. The report required by the preceding sentence shall assess the need for such labeling in order to protect the public health and safety, and the need of consumers for such information, the feasibility of requiring such labeling, any potential beneficial or adverse economic consequences of such labeling and the reasonableness of any alternative to such labeling.

(b) Notwithstanding any other provision of law, the Secretary may not require ingriedient labeling of distilled spirits, wines, or malt beverages prior to the time set forth in paragraph (1) and (2) of this subsection.

(1) If at any time after 6 months after the date of enactment of this Act, the Secretary determines it in order to propose appropriate regulations to protect the public health and safety or to promote honesty and fair dealing in the interest of consumers, he shall first notify the Congress of such determination. Such notification shall include the text of the proposed regulations and a full statement of the basis for such determination.

(2) No regulations concerning ingredient labeling of distilled spirits, wines, or malt beverages shall be promulgated as a final order until 6 months after the Secretary has notified the Congress of the text of the proposed regulation, in order that the Congress may act if it so desires.

SEC. 311. The Secretary of Health, Education, and Welfare shall conduct, or cause to be conducted (taking into consideration, and providing for representation of, views held by consumer, industry, and health groups concerned with food labeling) a study of the need for (a) the label declaration of the common or usual name of every spice and flavoring used in the fabrication of a food for human consumption and (b) a symbol or logo indicating the absence of artificial flavors or colors. The report of such study shall be transmitted to the President and the Congress simultaneously. Any such report shall assess the need of consumers for such information, the feasibility of requiring all such ingredients to be labeled, any potential beneficial or adverse economic or health consequences of such labeling, and the reasonableness of alternatives to the labeling of all such ingredients.

SEC. 312. The amendments made by this title shall take effect upon the date of enactment of this Act, except that by consumer, industry, and health groups concerned with food labeling) a study of the need for (a) the label declaration of the common or usual name of every spice and flavoring used in the fabrication of a food for human consumption and (b) a symbol or logo indicating the absence of artificial flavors or colors. The report of such study shall be transmitted to the President and the Congress simultaneously. Any such report shall assess the need of consumers for such information, the feasibility of requiring all such ingredients to be labeled, any potential beneficial or adverse economic or health consequences of such labeling, and the reasonableness of alternatives to the labeling of all such ingredients.

SEC. 312. The amendments made by this title shall take effect upon the date of enactment of this Act, except that the effective date for any regulations promulgated pursuant to this title shall be no earlier than 180 days after the date such regulations are published as a final order in the Federal Register with respect to all new or changed labels printed thereafter, and 545 days after the date such regulations are published as a final order in the Federal Register with respect to all other labels. With respect to any requirement of this title for which regulations are necessary for the proper enforcement of this Act, the Secretary shall propose such regulations within 180 days of the date of enactment of this Act, and promulgate final regulations no later than 1 year after the date of enactment. The effective date of any such regulations shall be no later than 2 years after the date such regulations are published as a final order in the Federal Register.

Mr. MOSS. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. JAVITS. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. MOSS. Mr. President, I ask unanimous consent that the Secretary of the Senate be authorized to make technical and clerical corrections in the engrossment of S. 641.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MOSS. Mr. President, I send to the desk an amendment to the title and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

Amend the title so as to read:

"A bill to regulate commerce and protect consumers from adulterated food by requiring the establishment of safety assurance procedures and safety assurance standards, to provide for the effective enforcement of the Food, Drug, and Cosmetic Act, to implement registration of food processing establishments, to provide for more informative labeling of food products, and for other purposes.

The PRESIDING OFFICER. The question is on agreeing to the amendment to amend the title.

The amendment was agreed to.

Mr. MOSS. Mr. President, I thank the following Senators for their assistance in the handling and expedition of this legislation: Mr. PEARSON, Mr. BEALL, Mr. JAVITS, Mr. KENNEDY, Mr. HART of Michigan, Mr. MAGNUSON, Mr. WILLIAMS and Mr. HATHAWAY, for the particular efforts and spirit that he put forth in this debate and in the amendment to the bill.

I would also like to thank the joint leadership for bringing this bill up so expeditiously. It has been passed before, but in passing it this early in the session we well may see it enacted into law during this Congress.

TIME-LIMITATION AGREEMENT—SENATE RESOLUTION 406

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that on Senate Resolution 406, "The importance of sound relations with the Soviet Union," there be a time limitation of 1 hour, to be equally divided between Mr. CRANSTON and Mr. BAKER.

The PRESIDING OFFICER. Without objection, it is so ordered.

TIME-LIMITATION AGREEMENT—H.R. 9721

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that at such time as H.R. 9721, an act to provide for increased participation by the United States in the Inter-American Development Bank, to provide for the entry of nonregional members and the Bahamas and Guyana in the Inter-American Development Bank, to provide for the participation of the United States in the African Development Fund, and for other purposes, is called up again and made the pending business before the Senate, there be a time limitation thereon of 2 hours to be equally divided between Mr. HUMPHREY and Mr. HARRY F. BYRD, JR.; that there be a time limitation on any amendment thereto of 30 minutes; that there be a time limitation on any debatable motion, appeal, or point of order if such is submitted to the Senate of 20 minutes, and that the agreement be in the usual form.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

ORDER FOR YEAS AND NAYS ON SENATE RESOLUTION 406

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that it be in order to order the yeas and nays at this time on Senate Resolution 406.

The PRESIDING OFFICER. Is there objection? The Chair hears none.

Mr. CRANSTON. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

ORDER FOR ADJOURNMENT UNTIL MONDAY, MARCH 22, 1976

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that when the Senate completes its business today it stand in adjournment until the hour of 12 noon on Monday next.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HARRY C. BYRD, JR. Will the Senator from West Virginia yield?

Mr. ROBERT C. BYRD. I yield.

Mr. HARRY F. BYRD, JR. Could I ask the Senator from West Virginia if he would communicate with the Senator from Virginia before time agreements are sought on the Foreign Assistance Act? I understand that bill has been reported today. It is not yet on the calendar.

Mr. ROBERT C. BYRD. Yes. The Senator has that assurance.

Mr. HARRY F. BYRD, JR. I have no plans to hold it up in any way at all, but I would like to have adequate opportunity to study the committee report and the report is not yet available.

Mr. ROBERT C. BYRD. Yes, the Senator has that assurance.

Mr. HARRY F. BYRD, JR. I thank the Senator.

ORDER FOR THE RECOGNITION OF SENATOR GOLDWATER AND SENATOR MANSFIELD ON MONDAY

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that on Monday, after the two leaders or their designees have been recognized under the standing order, Mr. GOLDWATER be recognized for not to exceed 15 minutes and that he be followed by Mr. MANSFIELD for not to exceed 15 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

DESIGNATION OF PERIOD FOR THE TRANSACTION OF ROUTINE MORNING BUSINESS ON MONDAY

Mr. ROBERT C. BYRD. I ask unanimous consent that there then be a period for the transaction of routine morning business of not to exceed 30 minutes, with statements therein limited to 5 minutes each.

The PRESIDING OFFICER. Without objection, it is so ordered.

SENATE RESOLUTION 406—SOUND RELATIONS WITH THE SOVIET UNION

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that at the conclusion of routine morning business on Monday, the Senate proceed to the consideration of Senate Resolution 406, a resolution entitled "The importance of sound relations with the Soviet Union."

The PRESIDING OFFICER. Without objection, it is so ordered.

FEDERAL ELECTION CAMPAIGN AMENDMENTS—S. 3065

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the leadership be authorized to call up on Monday at such time as it deems appropriate, the Federal elections campaign bill. That bill was set aside temporarily today by unanimous consent until Monday.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR RECOGNITION OF SENATOR GOLDWATER ON TUESDAY

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that on Tuesday after the two leaders or their designees have been recognized under the standing order, the Senator from Arizona (Mr. GOLDWATER) be recognized for not to exceed 15 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

SENATE JOINT RESOLUTION 184—AMENDMENT OF THE REGIONAL RAIL ORGANIZATION ACT OF 1973 REORGANIZATION

Mr. ROBERT C. BYRD. Mr. President, I have been asked by the Senator from Indiana (Mr. HARTKE) to ask for the immediate consideration of a joint resolution which, I understand, has been cleared on both sides of the aisle, which I now send to the desk.

The PRESIDING OFFICER. The joint resolution will be stated by title.

The legislative read as follows:

A joint resolution to amend the Regional Rail Reorganization Act of 1973, as amended.

The PRESIDING OFFICER. Without objection, the Senate will proceed to its immediate consideration, and, without objection, the joint resolution will be considered to have been read the second time at length.

Mr. ROBERT C. BYRD. I ask unanimous consent to have printed in the RECORD a statement by Mr. HARTKE in explanation of the joint resolution.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT OF SENATOR HARTKE

EXPLANATION OF S.J. RES. 184

Section 1 amends the definition of "Corporation" so as to make clear that the term includes not only the Consolidated Rail Corporation as initially established under section 301 of the Act, but also any corporation which is a successor in interest by merger, consolidation or any other form of succession provided under applicable state or federal law. ConRail was required to be organized within 300 days of enactment of the Regional Rail Act. It was organized and now exists as a Delaware Corporation. It has been suggested that certain advantages might be realized through its reorganization as a Pennsylvania corporation. There is a serious question whether the Act authorizes such change in incorporation without specific authority of the type proposed in this amendment. It would have been possible, of course, for ConRail to have been organized initially as a Pennsylvania corporation. If it were now to be reconstituted as a Pennsylvania corporation, there would be no adverse impact of any kind with regard to its ability to meet the purposes of the Act or the goals of the final system plan.

Section 2 would change section 306(c) of the Regional Rail Reorganization Act by changing the phrase "without regard to" to "adjusted to reflect" in order to accurately describe the process of making adjustments to reflect any stock splits and similar transactions that might occur after the time of the distribution of the securities pursuant to the provisions of the Act.

Section 3 would apply the same adjustment formula to common stock under Section 306(c) (3) (B) as applies to Series B preferred Stock under Section 306(c) (3) (A). This amendment would correct an inadvertent omission in the present sub-paragraph (B).

Section 4 is addressed to the third sentence of Section 301(e) (2) of the Act, which states: "As a condition of its investment in the Corporation, the Association may require that the Corporation adopt limitations with the final system plan on the circumstances under which dividends on the series B preferred stock and common stock are payable so long as any of the debentures or series A preferred stock are outstanding." While this sentence is essentially a "preemption" provision, it could be construed to preclude issuance, without an order of the Special Court, of series B preferred stock and common stock in a greater amount than either seemingly authorized or contemplated for issuance in the plan.

Section 5 would amend section 501 of the Regional Rail Reorganization Act, as amended, to ensure that the employees of the Ann Arbor Railroad will be subject to the provisions of Title V of that Act. This will also assure that the State of Michigan, in acquiring any or all of the properties of the Ann Arbor, will be reimbursed for any expenses it might incur in the protection of the employees of that railroad.

The PRESIDING OFFICER. The joint resolution is open to amendment. If there be no amendments to be proposed, the question is on the engrossment and third reading of the joint resolution.

The joint resolution (S.J. Res. 184) was ordered to be engrossed for a third reading, was read the third time, and passed, as follows:

S.J. RES. 184

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That section 102(3) of the Regional Rail Reorganization Act of 1973, as amended, is amended by inserting after "Act" the phrase "or its successor by merger, consolidation or other form of succession carried out under applicable law for the purpose of changing the state of its incorporation".

SEC. 2. Subparagraph (A) of paragraph 3 of section 306(c) of the Regional Rail Reorganization Act of 1973, as amended, is amended by striking "without regard to" and by inserting in lieu thereof "adjusted to reflect".

SEC. 3. Subparagraph (B) of paragraph 3 of section 306(c) of the Regional Rail Reorganization Act of 1973, as amended, is amended to read as follows:

"(B) the number of shares of common stock determined by dividing the total number of shares of common stock distributed pursuant to section 303(c) (4) of this Act to the transferor receiving such series of certificates of value (adjusted to reflect any stock splits, stock combinations, reclassifications, or similar transactions affecting the number of shares of outstanding common stock following the date of distribution pursuant to section 303(c) (4) of this title) by the total number of certificates of value in the series so distributed to such transferor.".

SEC. 4. Paragraph (2) of subsection (e) of section 301 of the Regional Rail Reorganization Act of 1973, as amended, is amended by adding thereto the following sentence:

"Notwithstanding anything to the contrary in the final system plan, the initial authorized number of shares of series B preferred stock may be 35,000,000, and the Corporation may issue initially for the purpose of the deposit required under section 303(a)(1) of this Act such numbers of shares of series B preferred and common stock as the Association shall certify to the Special Court pursuant to section 209(c)(1)(3) of this Act, including any modifications in such numbers of shares as may be ordered by the Special Court for the purpose of, and in connection with, such deposit and certification.".

SEC. 5. Section 501(2) of the Regional Rail Reorganization Act of 1973, as amended, is amended by striking "or to an acquiring railroad" and inserting in lieu thereof ", to an acquiring railroad, or to a State pursuant to section 208(d)(2) of this Act".

REMOVAL OF INJUNCTION OF SECRECY—EXECUTIVE G, 94TH CONGRESS, 2D SESSION

Mr. ROBERT C. BYRD. Mr. President, as in executive session, I ask unanimous consent that the injunction of secrecy be removed from the Convention on Registration of Objects Launched Into Outer Space, signed by the United States at New York on January 24, 1975—Executive G, 94th Congress, 2d session—transmitted to the Senate today by the President of the United States, and that the treaty with accompanying papers be referred to the Committee on Foreign Relations and ordered to be printed, and that the President's message be printed in the RECORD.

The PRESIDING OFFICER (Mr. SPARKMAN). Without objection, it is so ordered.

MESSAGE FROM THE PRESIDENT

To the Senate of the United States:

With a view to receiving the advice and consent of the Senate to ratification, I transmit herewith the Convention on Registration of Objects Launched Into Outer Space, opened for signature at New York on January 14, 1975. For the information of the Senate the report of the Department of State concerning the Convention is also transmitted.

The Convention is designed to provide the international community with a central and public registry of objects launched into outer space. Pursuant to this Convention launching States would be required to submit certain information to the U.N. Secretary-General regarding objects which they launched into outer space. The Convention builds on the foundation of a voluntary system of notification to the Secretary-General of the United Nations by U.N. Member States of objects they have launched. That voluntary system has now been observed for more than a decade.

The Registration Convention is an appropriate addition to the Outer Space Treaty, the Astronaut Rescue Agreement, and the Liability Convention. The Senate gave its consent to these earlier treaties in the field of space activities by unanimous vote. I hope that, at an early date, the Senate will also give its strong endorsement to this latest Convention.

GERALD R. FORD.

THE WHITE HOUSE, *March 18, 1976.*

ENERGY CONSERVATION IN BUILDINGS ACT OF 1975

Mr. ROBERT C. BYRD. Mr. President, on behalf of Mr. Proxmire, I ask the Chair to lay before the Senate a message from the House of Representatives on H.R. 8650, an act to assist low-income persons in insulating their homes, to facilitate State and local adoption of energy conservation standards for new buildings, and to direct the Secretary of Housing and Urban Development to undertake research and to develop energy conservation performance standards.

The PRESIDING OFFICER (Mr. Sparkman) laid before the Senate a message from the House of Representatives announcing its disagreement to the amendment of the Senate to the bill (H.R. 8650) to assist low-income persons in insulating their homes, to facilitate State and local adoption of energy conservation standards for new buildings, and to direct the Secretary of Housing and Urban Development to undertake research and to develop energy conservation performance standards, and requesting a conference with the Senate on the disagreeing votes of the two Houses thereon.

Mr. ROBERT C. BYRD. I move that the Senate insist upon its amendment and agree to the request of the House for a conference, and that the Chair be authorized to appoint the conferees on the part of the Senate.

The motion was agreed to; and the Presiding Officer (Mr. Sparkman) appointed Mr. Proxmire, Mr. Sparkman, Mr. Williams, Mr. McIntyre, Mr. Cranston, Mr. Biden, Mr. Tower, Mr. Brooke, Mr. Packwood, and Mr. Garn conferees on the part of the Senate.

Mr. ROBERT C. BYRD. Mr. President, there will be no more rollcall votes tonight.

PROGRAM

Mr. ROBERT C. BYRD. Mr. President, the Senate will convene on Monday at 12 o'clock noon. After the two leaders have been recognized under the standing order, Mr. Goldwater and Mr. Mansfield will be recognized, each for not to exceed 15 minutes, and in that order.

There will then be a period for the transaction of routine morning business of not to exceed 30 minutes, with statements therein limited to 5 minutes each, at the conclusion of which the Senate will proceed to the consideration of Senate Resolution 406, a resolution entitled "The importance of sound relations with the Soviet Union." There is a time limitation on that resolution, and a rollcall vote on its disposition has already been ordered.

At some point during the afternoon of Monday, the Senate will resume the consideration of S. 3065, a bill to amend the Federal Election Campaign Act of 1971, and rollcall votes will likely occur on amendments, motions, and so forth, in relation to that measure.

And may I say that other matters cleared for action may also be taken up on Monday.

ADJOURNMENT UNTIL MONDAY, MARCH, 22, 1976

Mr. ROBERT C. BYRD. Mr. President, if there be no further business to come before the Senate, I move, in accordance with the previous order, that the Senate stand in adjournment until the hour of 12 o'clock noon on Monday.

The motion was agreed to; and at 7:16 p.m. the Senate adjourned until Monday, March 22, 1976, at 12 meridian.

NOMINATIONS

Executive nominations received by the Senate March 18, 1976:

Department of the Treasury

Jerry Thomas, of Florida, to be Under Secretary of the Treasury, vice Edward C. Schmults, resigned.

Department of State

William A. Anders, of Virginia, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Norway.

Department of State

David S. Smith, of the District of Columbia, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Sweden.

Department of State

Fred O. Pinkham, of Connecticut, to be an Assistant Administrator of the Agency for International Development, vice Jarold A. Kieffer, resigned.

Department of State

Maurice J. Williams, of West Virginia, chairman of the Development Assistance Committee of the Organization for Economic Cooperation and Development at Paris, France, for the rank of Minister, while so serving.

Department of Justice

Eldon L. Webb, of Kentucky, to be U.S. attorney for the eastern district of Kentucky for the term of 4 years vice Eugene E. Siler, Jr., resigned.

In the Marine Corps

Lt. Gen. Samuel Jaskilka, U.S. Marine Corps, for appointment to the grade of general while serving as Assistant Commandant of the Marine Corps in accordance with the provisions of title 10, United States Code, section 5202.

CONFIRMATIONS

Executive nominations confirmed by the Senate March 18, 1976:

Department of Defense

William K. Brehm, of Michigan, to be an Assistant Secretary of Defense.

Interstate Commerce Commission

Betty Jo Christian, of the District of Columbia, to be an Interstate Commerce Commissioner for the remainder of the term expiring December 31, 1979.

Federal Trade Commission

Calvin Joseph Collier, of Virginia, to be a Federal Trade Commissioner for the term of 7 years from September 26, 1975.

The above nominations were approved subject to the nominees' commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.

EXTENSIONS OF REMARKS

THE 1975–76 VFW VOICE OF DEMOCRACY SCHOLARSHIP PROGRAM

HON. CLIFFORD ALLEN

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 18, 1976

Mr. ALLEN. Mr. Speaker, each year the Veterans of Foreign Wars of the United States and its ladies auxiliary conduct a contest for secondary school students. From the Nashville area, I want to extend my appreciation for the fine job done by Mr. John Furgess, chairman of the Voice of Democracy Contest, and Post 1970 of the VFW. The Bicentennial has provided a much needed forum for all citizens, old and young, to express their thoughts on our country's past and give some insight into our country's future. This contest affords us the opportunity to grant recognition to our talented young people and the history of our country.

This spirit of our Nation past and our great country present has been uniquely captured by a young man from my district in Tennessee who is VFW District VI winner of the 1975–76 Voice of Democracy Contest. Hubert J. Thompson, of Hillsboro High School in Nashville, wrote the following essay on the subject of "What Our Bicentennial Heritage Means to Me." Along with the VFW and Mrs. Morris P. Landiss, the Hillsboro High sponsor of forensics, I am proud to share this moving statement of a fellow Nashvillian, Hubert Thompson, with my colleagues:

What Our Bicentennial Heritage Means to Me

(By Hubert J. Thompson)

Our bicentennial heritage means many things to many people. To some, it is glorious battles and great victories. To others, it is a historical pageant of the events that resulted in the birth of our country. To still others, it is the Founding Fathers, our courageous leaders and exemplary statesmen. But to me, our bicentennial heritage is primarily three things: a privilege, an opportunity, and a lesson.

The privilege is that America is the land of liberty. Nowhere else in the world have our freedoms been guaranteed so long or so well. Freedom of speech, of assembly, of religion, and of the press; freedom from unreasonable search and seizure; freedom to vote, and control one's own government; and freedom to live and work where one chooses were all established two hundred years ago and have been refined and safeguarded since then. Only in America could a nation with such a diversity of peoples and philosophies guarantee these freedoms. It should be a source of pride and gratitude to us to live in a country where liberty is not merely tolerated by the government, but is claimed by the people as a precious right.

Our bicentennial heritage is also an opportunity. Only in America, the land of liberty, have all men been able to strive toward the fullest expression of their own personal talents and capabilities. The Constitution guarantees equal protection under the law. Every person has both the right and the opportunity to find himself and to make his own contribution to the world. Whether he moves west as a pioneer, fights as a soldier protecting his country, makes new advances in science, works to support our standard of living, or spends his life in service for others, every American can find satisfaction in developing himself and benefiting his fellowman. Our country has assured the dignity and worth of the individual throughout its history. America is truly the land of opportunity.

But our bicentennial heritage is more than that; it is a lesson from the past. However the circumstances may appear, our problems are not insurmountable. In 1776, Americans were plagued with shortages of everyday items, a feeble economy, sectional differences, and the crushing burden of the war effort. Yet, when faced with problems that seemed impossible to solve, the struggling young nation pulled itself together and emerged victorious from its struggle. In America today there are many problems. We must contend with inflation, recession, the growing number of poor people, the overgrown governmental bureaucracy, and worldwide threats of war. As our fellow Americans of two hundred years ago conquered their problems, we shall vanquish ours. If our bicentennial heritage teaches us nothing else, we should learn that there is a way out of any difficulty—if the American people can unite in pursuit of a common goal.

What does our bicentennial heritage mean to me? It means a privilege—to live in the freest country on the globe. It means an opportunity—to make the most of my talents and gifts. And it means a lesson—to realize that every problem is merely a step on the road to greater glory. From the depths of my heart, I am thankful for our bicentennial heritage.

ESTATE AND GIFT TAX REFORM

HON. MAX S. BAUCUS

OF MONTANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 18, 1976

Mr. BAUCUS. Mr. Speaker, I would like to say a few words today on the subject of estate and gift tax reform.

I should begin by saying that I am not an expert in this field. I pay my taxes, but fortunately, I have not had the opportunity yet to pay an estate tax.

A useful beginning for me in addressing the subject of estate and gift tax reform is to describe my congressional district. On the whole, western Montana is a collection of small businesses, farm and ranches. With a few notable exceptions, there are no large industries in Montana. In many ways, my State's economic composition in 1976 is similar to the economies of other States a century ago.

The most notable feature about the farms, ranches, and small businesses in my district is that they are largely owned by single families. The family tradition is strong in Montana, and its bonds are strengthened by the passage of property from generation to generation.

The economic and family stability of my State is being jeopardized by the operation of the Federal estate and gift tax system. The $60,000 exemption for estate tax set in 1942 is entirely too low to protect the transfer of property from parent to child for the preservation of family-owned small businesses, farms and ranches.

In the 1940's less than 1 percent of the estates in the United States were required to pay Federal estate taxes. That figure has risen to more than 11 percent in the 1970's. I suspect that the figure is substantially higher than that in my district, but this far I have been unable to obtain the necessary data from the Internal Revenue Service to document that fact.

My assumption that Montana's percentage of taxable estates is higher than the national average is based on the following factors. First, the valuation of estates in Montana tends to be artifically inflated. Let me explain. The $60,000 exemption, when adjusted for 34 years of inflation, should be $210,000. However, during that same period, the average price of farm land in the United States increased by more than 200 percent—which means that farmland worth $60,000 in 1962 would be worth at least $240,000 in 1976. Recent figures for Montana show that land values are increasing annually by more than 10 percent—a substantially higher rate than the Consumer Price Index annual increase.

Second, with respect to small businesses, farms and ranches, capital requirements are increasing at rates substantially higher than inflation, largely because the businesses are more capital intensive and less labor intensive.

Another factor which has interfered with the transfer of family-owned Montana businesses from one generation to the other is that there exists an inherent liquidity shortage in the small businesses, farms, and ranches of my State. Estimates by the U.S. Department of Agriculture show that, on the average, at least 80 percent of the value of farms and ranches in the northwestern United States is tied up in land and equipment. In most cases, this kind of property cannot be converted into cash if these businesses are to be retained within families.

My contacts with people in the State suggest that for family farms and ranches to remain in operation, they will have to have land and equipment worth more than $250,000. If properties of that size are to be retained in a family when the parents pass away, it is essential that some type of protection be available to the children to insure that the property will not have to be sold to pay for the estate tax liability. Unfortunately, that type of protection does not exist for all families today. For example, a recent report by the U.S. Department of Agriculture indicates that one-fourth of all farm real estate transfers are now made for the purposes of settling estates.

The upshot of the situation is this: For the first two centuries of this Nation, our Federal laws did not preclude the passage of businesses, homes and other personal possessions from the parents of the average family to their children. However, the current exemption level now does little more than cover the cost of the home and places in jeopardy the passage of the family business to subsequent generations.

A DISCUSSION OF SOLUTIONS

There are more than 150 bills now pending in Congress which, among other things, seek to raise the estate tax exemption. I have supported one of these bills as a cosponsor and support in spirit dozens of others.

However, I am concerned that the current momentum in Congress may lead to indiscriminate, across-the-board increases in the exemption from its current level of $60,000 to some level substantially in excess of that. My concern with that momentum is that it may fail to take into account the revenue loss that accompanies higher exemption levels.

Do not get me wrong; I am not opposed to a higher exemption level—indeed, I strongly support a substantial increase. However, I think we should look long and hard before that level is raised across the board. President Ford has proposed to increase the exemption from $60,000 to $150,000. There are at least 55 bills now pending that would raise the exemption to higher levels than that. There are three bills now pending that, like the President's, would seek to increase the level to $150,000. According to estimates made by the U.S. Department of the Treasury, the revenue loss, by raising the exemption level to $150,000, would be $1.1 billion. Senator MONDALE, in introducing his bill that would raise the exemption level to the same level as that proposed by the President, estimates that the revenue laws would be as high as $1.7 billion.

The number "1.7" may not sound like much to us in Congress—we always have a way of chopping off zeros to make numbers look more manageable. However, when one considers the figure of $1.7 billion in terms of our national population, it means that we would have to raise nearly $10 from every man, woman and child in America to recoup the loss.

I must confess that I am increasingly distraught by the way we make fiscal policy decisions in this country. Most people believe that it is both useful and beneficial to keep our national budget near balance. It is true that there are times during periods of economic recession when the Federal Government should prime the pump and create a deficit, but it is also true that during periods of national prosperity, we should attempt to pour tax revenues back into the well. Unfortunately, we perform that last task poorly. That is, we do a splendid job in lowering taxes and raising spending during periods when our economy is in decline, but when national employment picks up and our economy begins operating at full capacity, we somehow cannot find the political will to cut expenditures and/or raise taxes.

Actually, tax increases and expenditure cuts are not an "either/or" situation. When we sense that the economy is overheating, we should both cut back on expenditures and raise taxes.

Our economy is not now overheating—far from it. I believe we need to continue to prime the pump until our economy gets back on its feet. However, I do not believe we should move to cut estate taxes in a permanent way, where not only will we lose billions today, but we may be losing many times that in the future.

Accordingly, I urge my colleagues to look more restrictively at the various proposals to raise the estate tax exemption level. To my mind, the principal reason we should raise this level bears on a national policy decision to oppose increasing "giantism" in business and agriculture. We want to retain small farms, ranches, and businesses. And, we want to keep these enterprises within families.

If that is the policy we want to follow in connection with estate tax reform, then the reform should be tailored to that problem. For example, if we want to insure that Federal tax laws do not interfere with the retention of farms within families, we should draft the revised laws restricing them to family farms. A number of bills now pending do just that.

Similarly, if we want to insure that Federal tax policy does not deter the transferral of small businesses from one generation to another within families, we should restrict the reforms to that particular problem. There are bills now pending which do that.

To the extent that the problem of transferral of farm property relates to artificially inflated real estate values, we should seek to adjust those values by looking to the true agricultural value of the farmland that is included in the decedent's estates.

If the Congress restricts its moves in reforming the estate tax laws, I believe we will be addressing the real problems now facing owners of small businesses, farms, ranches in the United States. Moreover, we will be protecting the Federal fisc in a way that will keep our national economy in good health.

FLORENCE P. DWYER

HON. FRANK HORTON

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 17, 1976

Mr. HORTON. Mr. Speaker, I join with my colleagues in paying tribute to the very distinguished former Member of the House, Mrs. Florence P. Dwyer, who passed away in Elizabeth, N.J., on February 29.

Flo Dwyer served in Congress for 16 years before her retirement at the end of the 92d Congress and she was my predecessor as ranking minority member of the Government Operations Committee. During the many years I sat next to her in committee, I learned to appreciate and admire her concern for the operations of Government.

I had the highest regard for Mrs. Dwyer both as a person and as my ranking minority member. She was a diligent representative of her district, a friend of the consumer, having sponsored legislation to create an independent consumer protective agency, and a forerunner in the field of equal rights for women. Mrs. Dwyer was a colleague with whom I was pleased to have had the opportunity to serve, and of whom we can all be proud.

GIVE US A CHANCE

HON. JAMES ABDNOR

OF SOUTH DAKOTA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 18, 1976

Mr. ABDNOR. Mr. Speaker, the word from South Dakota is: "Get the Government off our backs and give us a chance!" This is the story I am getting, not only in dozens of letters every day, but also when I am stopped by citizens on the streets and at meetings in my State.

They are disgusted with the roadblocks Government has thrown up before them in the way of rules, regulations, and redtape. They are tired of giving up over 40 percent of their income in various forms of taxation only to see much of it go down the drain.

In a recent editorial, the Aberdeen, S. Dak., American-News expressed it well. I would like to share their observations with my colleagues:

PEOPLE HAVE TOLD LEGISLATORS TO GET GOVERNMENT OFF THEIR BACKS

The "closing day" of the South Dakota Legislature was a long one—extended 42 hours through a clock-stopping technique often employed when time runs out before the lawmaking procedure is completed. But it is likely to be a short day in comparison with the time that will be spent between now and Election Day in November continuing the debate on the political philosophy that was the crux of the closing hours.

At stake in that debate—and a matter of increasing concern to many South Dakotans—was the question of what is to be done to curb growth of state government and the skyrocketing costs.

The time element in the final session was not conducive to the Republican effort to whittle the $172.8 million operating fund recommended by the appropriations committee for the next fiscal year. And it was not surprising that the Democrats called it a grandstand play for political purposes.

But in fairness it should be pointed out that Republicans did try earlier in the session for approval of a resolution that would have required limiting the cost of continuing operation of government to the amount of continuing revenue provided. The resolution was defeated by the Democrats in the Senate.

The next opportunity for the Republicans to advance their cost-cutting goal came after the appropriations measure was reported out of committee near the session's end. Time didn't allow a judicious pruning of the recommended expenditures. The closing marathon emphasized again that there must be a better method—one that allows more input from individual legislators—than is now used.

However, the methods of preparing the budget is secondary to the philosophy of the people and the lawmakers.

This year the people have been telling the legislators they want to get government off their backs. They are rebelling against new and higher taxes. They frown on additional government agencies and new levels of bureaucracy.

It is encouraging that messages from the rank and file are getting through to the legislators and that many of the legislators agree with their constituents that cost of expansion of government is more than taxpayers can afford.

In the November election 105 South Dakota legislative posts will be up for grabs. The candidates for those posts will be expected to express their views on belt-tightening and escalating bureaucracy.

A REPRIEVE FOR REVENUE SHARING

HON. WILLIAM L. HUNGATE

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 18, 1976

Mr. HUNGATE. Mr. Speaker, as we come to the consideration of revenue sharing, the following editorial from the Christian Science Monitor may be instructive:

A REPRIEVE FOR REVENUE SHARING

Has federal revenue sharing returned "power to the people" as the Nixon administration said it would, or simply provided a way for Washington to avoid its responsibility to improve conditions in local communities? Five years into this $30 billion legacy of the "new federalism," the answer lies somewhere in the middle.

Like birds at a winter feeder, the 39,000 cities and towns covered by revenue sharing have become used to those quarterly checks from the federal government. Now, Congress is wrangling over whether to continue this massive program and efforts to scrap or modify it are mounting. There are, in fact, strong arguments against simply extending revenue sharing for another five years as the White House, mayors, and governors urge.

For, far from being the "resounding success" President Ford proclaims, this new form of federal aid has more often than not helped perpetuate local programs and policies (including their bad points) rather than brought about reform or boosted new and innovative municipal services.

The state of the economy no doubt has influenced mayors to throw revenue-sharing sandbags against the rising tide of property tax rates, but so too have thinly disguised political considerations. Boston Mayor Kevin White squirreled away $20 million in revenue sharing to use just before his bid for reelection.

Among nationwide shortcomings: less than 3 percent of the funds have been used for social services and specific help for the disadvantaged; citizen participation in deciding how to spend the money (as envisioned by the legislation creating revenue sharing) has been almost nil; antidiscrimination guarantees have been easily circumvented by receivers and inadequately enforced by the federal government.

At the least, these defects should be corrected before revenue sharing becomes a more permanent part of the federal budget. Since (as a Brookings Institution study showed) the program has made only a "limited contribution" toward equalizing differences between per capita income and the local tax bite among states, perhaps the aid formula should be changed to favor poorer localities more than it already does.

While federal aid to state and local governments has increased sevenfold since 1960, the economic pinch and municipal problems that still need solving add up to a continued requirement for Washington's help. But that help should not come without guarantees that it is being properly applied.

Now, Congress is tied up with its own reelection worries and wondering whether the next president will be a Republican or Democrat, all of which is bound to influence decisions on revenue sharing. For this reason, the best bet would be to extend the program through 1977 and let the necessary tinkering wait until after the campaign questions have been answered.

WILD KINGDOM

HON. MICHAEL HARRINGTON

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 18, 1976

Mr. HARRINGTON. Mr. Speaker, Raymond S. Calamaro seeks the taming of the governmental wilderness known variously as the intelligence community, the national security bureaucracy, and the action arm of the imperial Presidency. Writing in the New York Times of March 17, he maps out five areas where law and democratic principle should be applied in a response to what we have learned about these areas over the last 2 years. Since, in my view, the Congress should be acting now to install constitutional order in this dangerous terrain, I am inserting Mr. Calamaro's article into the RECORD. I hope that my colleagues in the House, especially those who are concerned about ethics and standards, give it careful consideration:

THE WAY THE GOVERNMENT IS GOING

(By Raymond S. Calamaro)

Our Government seems to be going haywire. It has responded to the overwhelming evidence of misdeeds by the Central Intelligence Agency, Federal Bureau of Investigation and other intelligence agencies by ratifying past abuses and sanctioning their continuation. And very few people seem to mind or even notice.

1. *Covert activities.* The Government has participated in a number of war-like acts, termed "cover activities," against countries with which the United States is at peace. These activities include the use of military-type force, bribery, and tampering with the internal politics and domestic tranquility of other countries.

Although our Constitution provides that Congress, not the President, must decide when we go to war, the President continues to assert a right to initiate such action without prior Congressional approval.

Instead of removing all doubt, and declaring such activities unlawful unless expressly permitted, the Senate is on its way to adopting a resolution containing a watered-down compromise that hardly changes the status quo.

2. *Government lawlessness.* The Government seems uninterested in enforcing the law against high officeholders. A compelling case has been made for the need for a temporary "special prosecutor" to investigate and prosecute crimes by intelligence officials, but the Ford Administration resists the notion.

Instead of concentrating on such crimes, the House of Representatives has decided to investigate Daniel Schorr, a newsman, for providing The Village Voice with a "secret" report on intelligence that had already been leaked and described in a number of newspaper stories.

3. *Oversight.* This is the process by which Congress makes sure that the executive is enforcing the law consistent with the Constitution. A resolution to improve oversight by forming a new Senate committee is being considered. The measure approved by the Government Operations Committee is a very promising start, but oversight has failed so badly in the past that much more must be done than merely to give a new committee oversight responsibility.

The heart of the problem has been that many legislators preferred not to know when it came to matters of intelligence. For a new oversight committee to be truly effective, it will be necessary to require it to be informed on certain specific subjects. Those subjects should include intelligence activities that pose a particular threat to individual rights, for example surveillance and dissemination of information in investigative files.

It is not too late for the Senate to strengthen the resolution in this way, or to write these requirements into separate measure. But, unfortunately, some Senate staff members fear that the resolution will be weakened by the Rules Committee. For example, it is known that a number of pro-F.B.I. senators will attempt to deprive the to-be-formed oversight committee of power over legislation concerning F.B.I. intelligence activities. Without such power, oversight would not just be ineffective, as in the past, but laughable.

4. Secrecy. The executive and the Congress seem to be falling all over each other to invent methods to prevent disclosure of classified information. So much effort is being spent on this that it seems to have been forgotten why we got into the subject in the first place.

The real questions are how to prevent the recurrence of intelligence-agency abuse of people's constitutional rights, and how to prevent the President from engaging the United States in unauthorized military and paramilitary activities.

The problem is not how further to protect these agencies from accountability by tightening procedures for secrecy.

President Ford has sent to the Congress a bill to toughen penalties against individuals who disclose intelligence "sources and methods." Presumably, it could have been used to send Daniel Ellsberg to prison for releasing the Pentagon papers (much information in these papers is what the Pentagon would probably describe as "sources and methods").

In addition, the resolution presently being considered by the Senate Rules Committee includes a pernicious provision to discipline senators for disclosing secret information. As Senator Jacob K. Javits correctly argued, but to no avail, this provision contravenes the spirit of the speech and debate clause in our Constitution.

5. Infiltration. Typical of the whole approach to solving—or, more accurately, not solving—the problem is the part of President Ford's executive order that permits the C.I.A. to infiltrate student, labor and cultural organizations even though such activity was banned by a 1967 executive order.

No wonder that the former Director of Central Intelligence William E. Colby can say that intelligence has emerged "from the shadowy field outside the law." Intelligence has not been brought inside the law; instead the law is being stretched to include intelligence-agency crimes and bad acts.

We should consider seriously whether our nation needs to spend even a small fraction of its present budget of $10 billion on intelligence. We should consider carefully the suggestions of serious individuals like I. F. Stone, Henry Steele Commager and Garry Wills, who have recommended dismantling the C.I.A.

Many of the same people who now tell us our national security depends on intense intelligence activities are those who told us our national security depended on fighting a war in Vietnam.

ADDITIONAL NAVY SHIPS

HON. THOMAS N. DOWNING

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 18, 1976

Mr. DOWNING of Virginia. Mr. Speaker, I have always been a fervent supporter of the military and I was delighted when the House Armed Services Committee recommended the authorization of additional Navy ships.

While I commend this action, I am distressed to learn the Navy does not have available funds to pay what they already owe to various shipyards throughout the country. If this is true, it is an intolerable situation which must be quickly corrected.

There are other serious problems regarding the Navy's shipbuilding program which must also be resolved.

I include a letter addressed to me dated March 13, 1976, and signed by Mr. J. P. Diesel, president of Newport News Shipbuilding Co. in these present remarks. In his letter, Mr. Diesel states:

> These issues threaten not only the future naval shipbuilding program but the one which is already underway.

He also says:

> Time has run out.

I will also include a memorandum written by Mr. Gordon Rule, a senior Navy civilian for contract matters, along with my present remarks.

The Rule memorandum is an important document which must be read by those people in Government who are concerned about the future of the U.S. Navy. Action must be taken and it must be taken now.

The material follows:

MARCH 15, 1976.

Hon. THOMAS N. DOWNING,
Rayburn Building,
Washington, D.C.

DEAR MR. DOWNING: The House Armed Services Committee recently recommended the authorization of additional Navy ships. However, you should be aware, as the Representative of the First District of Virginia, that it is a great frustration to Newport News Shipbuilding to find the Congress becoming aware of the need for future ships when the Navy has not yet come to grips with what they already owe to their shipbuilders.

I emphasize the question of the availability of funds and the question of the Navy's willingness or capability to promptly deal with the economic problems underlying its Naval shipbuilding program. These issues threaten not only the future Naval shipbuilding program but the one which is already under way. This situation is so severe that last summer we found it necessary to stop work on the DLGN41. We are now seriously considering similar action on the CVN70. We cannot see how it is reasonable or prudent to plow ahead with a project the size of the CVN70 in the present situation. Not only are the other Carriers not current in terms of pricing, but every other Naval shipbuilding program at Newport News is also seriously in arrears. Everyone knowledgeable appears to recognize this. I have received repeated assurances that the Navy recognizes that it does have significant financial obligations to us but nothing is done to resolve the underlying problems.

Recently the senior Navy civilian for contract matters, Mr. Gordon Rule, wrote a memorandum to the General Counsel of the Department of Defense, at that gentleman's request, to outline Mr. Rule's views of the problems with Navy shipbuilding. I have attached a copy. While I might not agree with the entirety of this memorandum, its thrust is correct and it describes fairly some causes of the Navy's problem with the shipbuilding industry. While this memorandum does not indicate Newport News' specific problem, I am sure you can appreciate them from our discussions.

I need to bring all the pressure to bear that I can for a prompt and equitable resolution of the differences between the Company and the Navy. Time has run out. For this reason, it is requested that the Rule memorandum be inserted in the Congressional Record. I, of course, will defer to you on how to do that. But we need this in the public domain, and we need it there quickly.

Sincerely,

J. P. DIESEL,
President.

NAVY SHIPBUILDING IN THE UNITED STATES—VIEWS OF GORDON W. RULE

Major Premise: Where will the Navy find the shipbuilding capacity to produce our country's known requirements for ships?

Minor Premise: If such capacity can be found, under what terms and conditions will it be available to the Navy?

MAJOR PREMISE

It seems reasonable to ask SECNAV and CNO who continue to say our Navy needs X number of new ships for the fleet by Y year, if they have a plan or blueprint of where they expect to get those X ships built.

I suggest two things greatly effect any answer to this major premise:

(i) We have no mobilization base in the United States for Navy shipbuilding.

(ii) The Navy plays games and places ships in predetermined yards under the guise of competition. (Examples are Trident submarines to EB and FFG's to Bath and Todd. Newport News is smart enough to know where Admiral Rickover wants the Tridents built and that they are only being asked to bid for windowdressing. Similarly, all signs clearly point to NAVSEA wanting both Todd yards building FFG's and again the rest of the industry are smart enough to know this.)

When I was in the Bureau of Ships—now NAVSEA—the Navy had a well recognized policy of keeping five building yards in business for Navy new construction work, Beth-Quincy, Electric Boat, New York Ship, Newport News and I forget the fifth yard.

The Maritime Commission had a comparable list of yards for their ships. We kept them in business by allocating ships to them.

When I returned to the Navy in 1963 in my present job, the then ASN(I&L) told me no such policy existed any longer and any yard could go out of existence. We are now paying the price for that shortsightedness. ASD(I&L) had a group working on mobilization planning and many times I asked our representative on that group why they wouldn't develop a mob plan for shipbuilding. A satisfactory answer was never forthcoming.

Were I Secretary of the Navy I would determine if any realistic plan was in existence for building the ships in the FYDP. If no such plan existed, and I mean good, sound long range planning, acceptable to the industry and understood by all, disciplinary action would surely be undertaken.

This apparent lack of planning was so obvious to me that I wrote a letter dated 8 March 1974 to the Chairman of the Senate Armed Services Committee, Senator Stennis, which letter stated in part:

"The foregoing is set out in order to better understand the situation facing the Navy—and a newly minted CNO. In capsule, the Navy is in an almost unbelievable situation. Unless a CNO is selected and confirmed by your Committee who fully understands the seriousness of this situation and has plans to cope with and remedy it in the very near future, the U.S. Navy will be in very deep trouble indeed.

"The serious situation I speak of is that the shipbuilding industry in the United States *does not want to build ships for the Navy*. That is not just my personal view, it is the attitude of shipbuilders in this country and Secretary Warner knows it. There is no evidence that the CNO understands this situation or has any plans for corrective action.

"It is very interesting for the present CNO to outline to your Committee the Navy's future ship requirements and how strong our Navy must be, *but he should be asked where these ships will be built, etc.* He should be questioned about the lack of competition and indeed no bids at all for specific ships presently required by the Navy and funded by the Congress.

"This is the situation facing the new SECNAV and CNO. Your Committee may wish to discuss with these new appointees their comprehension of this problem and what they intend to do about it."

ASN (I&L) Bowers stated in a recent meeting that he had been working with the Maritime Commission for a year looking toward a mutual agreeable mobilization plan for building ships. It's about time. Additionally, Admiral Kidd wanted to reopen Mare Island and Philadelphia Naval Shipyard well over two years ago in order to obtain additional needed capacity for new construction, but nothing happened.

MINOR PREMISE

If such capacity can be found, under what terms and conditions will it be available to the Navy?

Two things here are irrefutable. First, the Navy must get the required ships built without recourse to the Defense Production Act and second, the shipbuilding industry must be assured of fair contracts and treatment by the Navy, and a reasonable opportunity to earn a good profit for building the most complicated piece of hardware the Navy buys. The Navy should realize that one way or another, these shipyards will get paid what they are entitled to via changes, equitable adjustments under their contracts, claims or P.L. 85-804. There are enough good claims lawyers—many of whom worked for the Navy and know our weaknesses—to assure that.

Additionally, the following points must be considered in connection with this premise:

(i) The building of a Navy combatant ship always involves concurrent development and production. *There is no engineering development phase in shipbuilding* as there is in every other piece of hardware the Navy procures.

(ii) When the Navy is designing a ship and having it built concurrently, the result is massive changes—both authorized and constructive—requiring fair and prompt adjudication or they can develop into claims. It should be recognized that concurrency, rather than development, pilot production and then production will add at least twenty-five percent more to the cost of a procurement.

(iii) When the Navy utilizes the lead/follow yard method of ship procurement, claims and delays are inherent—they always have been.

(iv) Shipbuilding labor is 30–35% nonproductive or inefficient.

(v) The Navy makes unfair contracts for building the ships it requires and the industry knows and resents this. (Type of contract, delivery dates, pricing to meet an erroneous budget estimate, are prime examples of this.)

(vi) These unfair contracts have, of necessity, led to claims against the Navy, and although some of these claims are of dubious validity, those that are valid are not settled as promptly as they should be.

(vii) A review of shipbuilding claims—or requests for equitable adjustment—as they are sometimes termed for statistical purposes, will show that the Navy hasn't learned many lessons in recent years and that our track record of ship contracting has been disgraceful.

(viii) The Navy recently went to Court to sue our best surface ship builder, Newport News. When the Navy does this, and then is told by the Judge to negotiate your differences and report back to the Court—which is what the Navy should have been able to do without going to Court—it is obvious something is very wrong.

So much for the description of what this minor premise involves. Now, what needs to be done.

It is suggested that before the Navy can hope to have a successful shipbuilding program, there must be a reestablishment of mutual respect and trust with the shipbuilding industry in the United States. This can only be accomplished by deeds, not words. Instead of litigating and awarding claim inducing contracts providing fees for law firms, the following course of action is proposed:

(i) Recognize that our track record of ship procurement is very poor indeed and that at least 50% of the blame for that record is properly chargeable to the Navy. (The most important thing wrong with the Navy today—not the fleet but the producer side of the Navy—is that we will never admit we made a mistake.) Thus, it is essential that we recognize our deficiencies before we can hope to take corrective action.

(ii) The Navy today needs new faces to properly and intelligently provide the required climate for dealing with the shipbuilding industry and indeed for properly evaluating our own mistakes. Today people are polarized and captives of the ways and prejudices that have produced the conflicts, claims, etc. Someone must be found who will take hold of this problem and provide the new philosophy of complete fairness in all our dealings with the shipbuilding industry, both in the making and administration of our contracts. This result is achievable—by the right, tough-minded person or persons—without any loss of firmness and protection of the Government's best interests. What the goal here must be is simply fairness and respect for each other's position as distinguished from the current dug-in positions that produce adversary relationships without flexibility or reasonable fall back positions. That is what negotiation—to reach mutual agreement—is all about. It is fashionable for some persons in authority in the Navy to moan about how shipyards that formerly were privately owned and operated are now owned and operated by large conglomerates that are only interested in making a profit. This mentality probably still looks for a corner grocer instead of going to a chain store.

(iii) The most important short term objective must be the settlement of the Litton and Newport News problems. I submit the Litton yard is a national asset for future Navy new ship construction and we should recognize this as a fact. The Navy and DOD actively encouraged Litton to build this yard in Mississippi and the first Navy contract through that new yard—the LHA's—should have been a cost type contract, at least for the first ship. This Litton LHA matter should be settled under P.L. 85-804 as was Lockheed (C5A) and Grumman (F14) by reformation of the contract to cost type on the supportable theory of essentiality to the national defense. In my opinion, Litton is more deserving of 85-804 reformation treatment than Grumman ever was. Litton did not buy-in on the LHA contract and Grumman did. We need that modern yard for Navy work and we should be planning right now to put work in there. Newport News must be negotiated to settlement and I believe that can be accomplished if handled cooperatively by negotiation and not litigation. It is fully realized that any settlement over $25 million must be approved by the Congress. Thus, I would go to the Chairmen of the Armed Services and Appropriations Committees and fully apprise them of the planned settlement procedures and get their blessing in advance. I feel confident they would approve.

(iv) The most important short and long range objective must be the making of right type of ship construction contracts. A review of our track record in using firm fixed price contracts and later fixed price incentive contracts (incentive on cost only) for building Navy ships says loud and clear that it's about time we woke up to the fact that changes and improvements must be made. More specifically it is recommended that the following suggestions be considered and if necessary, discussed with the shipbuilding industry via the Shipbuilders Council of America:

(a) New construction Navy ships should be allocated to building yards under an approved shipbuilding mobilization plan. This would eliminate the specious competitive exercises we go through and would recognize the almost impossible task of competitively pricing the unknowns involved in the concurrency of development and construction of a ship or ships. The Navy allocates submarine overhauls by planning years ahead where each ship be assigned. It is suggested that this same procedure would be prudent for the upcoming DE 1052 class overhauls rather than compete these overhauls.

(b) With both the Seapower Subcommittee and the GAO taking positions against cost type contracts for shipbuilding, it appears the Navy will continue to utilize fixed price incentive contracts (cost only incentive) for Navy shipbuilding. This FPI type of contract can be made *a satisfactory contractual instrument*. It is not today because of the tortured manner in which we structure them. The basic test of a soundly structured FPI contract—and indeed a CPIF contract—is the credibility of the target cost. The target cost should really be called "most probable cost" and should be that figure which the contractor has a 50/50 chance of overrunning or underrunning. This is fundamental in incentive contracting. It is this precise point—target cost—where the Navy starts the process of making unfair contracts. When the Navy negotiate a 95/5 share above target cost for the first 26 million of overrun of target, the target cost figure is patently phoney. Moreover, when the Navy negotiates a 95/5 share and then also a 152% ceiling, the target cost figure is patently ridiculous. First priority for the future must be the negotiation of more reasonable target costs for our FPI shipbuilding contracts and if the budget has to be changed, then change it.

(c) When our ships are allocated rather than price competed, I would start the contractor to work by means of a cost-no-fee contract to be definitized to an FPI contract by an agreed upon date. The difference between a cost-no-fee interim contract and a letter contract is that the contractor will be paid 100% of his costs vice 80-85%, which is of great benefit from a cash flow point of view and also from an interest standpoint. The cost-no-fee interim contract would contain the unilateral definitization clause used in letter contracts and would provide that if it is not definitized by the agreed upon date the 100% of cost payments would revert to 80-85%. The reason for this is obvious.

(d) The contractor would submit his proposal to definitize to an FPI contract and not competing for the contract price-wise, the likelihood is a more honest proposal. This will then be compared to our official Navy estimate for that particular building yard and a far more realistic target cost negotiated. At this point of definitization we would also have much more reliable subcontract costs available than trying to fully forward price. Consideration should also be given to a redetermination of price at say 60% competition as the Navy used to do.

(e) With the negotiation of a realistic target cost, instead of dictated labor hours and costs—as we have done to meet a budget figure—the target profit, share and ceiling matrix would fall into place without having to be tortured to make up for an unrealistic target cost. With respect to profit, it is essential that a new and broadened philosophy be utilized, one which recognizes the shipbuilders' entitlement to a good/reasonable profit for building the most complicated hardware the Navy procures. If it should eventuate that a shipbuilder realized excessive profits then we should rely on the Renegotiation Board to take appropriate action.

I firmly believe this suggested outline would work, given the will to make it work on the part of the Navy and would provide the necessary inducement to industry to actively and willingly participate in our shipbuilding programs. Today, I believe these shipbuilders have reason to suspect that we are being unfair to them when we make our contracts. This feeling must be negated and I respectfully submit my approach would do it and would also comply with Secretary Clements' desires and objectives.

A TRIBUTE TO MR. PETER J. DESANTIS

HON. LEO J. RYAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 18, 1976

Mr. RYAN. Mr. Speaker, on the evening of March 27, a testimonial dinner is being held by the Grand Lodge of California, Order Sons of Italy in America, in honor of Mr. Peter J. DeSantis, Past General Venerable.

Mr. DeSantis is being honored on this special occasion for his many outstanding and unselfish contributions to the Grand Lodge, his country and his community. Under his leadership, the Grand Lodge of California has made more progress in membership than during any period of the order. Mr. DeSantis has also been responsible for many new and successful programs while serving in his many posts in the Order Sons of Italy in America, the Supreme, the Grand and local lodge levels.

Some of his more important acknowledgements include special recognition by Italian Minister Colombo at a White House state dinner, Star of Knight Commander and Star of Solidarity by the Italian Government and numerous State and local government resolutions in acknowledgement of his services.

Mr. DeSantis also serves on the Los Angeles Mayor's Advisory Committee as the public relations chairman. He is a board member of the United Nations Association of Los Angeles and serves on the advisory board of the Federated Italo-Americans of California.

These are only a few of this fine man's accomplishments in the past years. Certainly the honor being bestowed upon Mr. DeSantis at this testimonial dinner is greatly deserved. I would like to offer my own best wishes and congratulations to this outstanding gentleman, Mr. Peter Joseph DeSantis.

EILBERG'S APPROACH IS BEST

HON. RON DE LUGO

OF THE VIRGIN ISLANDS

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 18, 1976

Mr. DE LUGO. Mr. Speaker, the Virgin Islands Daily News recently published a thoughtful editorial in support of legislation introduced by the chairman of the Judiciary Subcommittee on Immigration, JOSHUA EILBERG, on nonresidents in the Virgin Islands.

I would like to take this opportunity to commend the dedication and hard work put in by the subcommittee and, in particular, by Chairman EILBERG over the past year on a very difficult and complex problem. I also commend the Daily News for its civic leadership in this matter and call attention to the editorial by including this very important contribution in the RECORD:

EILBERG'S APPROACH IS BEST

We must join Congressman Joshua Eilberg in his dismay over the administration's reaction to his proposed legislation on nonresident aliens. This is one more case of a blanket decision being made without regard to its consequences in the Virgin Islands. The situation is even worse than usual this time because a satisfactory alternative—the Eilberg Bill—has been put forward, and the administration has chosen to oppose it.

Eilberg's measure, which a House subcommittee was holding a hearing on this week, offers the promise of a solution to the problem of the longtime non-citizen resident in the Virgin Islands. The bill would set up a special committee to review the status of non-immigrant aliens with an eye to granting them permanent residence. Among the things the committee would consider are the individual's character, economic circumstances and the number of relatives he or she might be able to bring into the country if given a green card. The virtue of this system is that it offers a means of differentiating between those who have made their homes here and developed genuine roots in the community, and those who, even though they may be longtime residents, have no genuine ties here.

The immigration chief in his statement strongly opposed Eilberg's bill, claiming that in some respects it would be unconstitutional. He made it clear that the administration preferred a nationwide policy, rather than one tailored to any specific part of the country, and indicated preferences for legislation granting all aliens permanent residence, without regard to the economic impact on the Virgin Islands. In other words, the Immigration and Naturalization Service, which did much to create the alien problem in the first place by abandoning, or being incapable of fulfilling, its responsibilities, now wants to legislate the problem out of existence.

We recognize that the Virgin Islands cannot continually plead for special treatment and favors. However, this is obviously a case where what may be the best solution for New York and its estimated 1.5 million illegal aliens can only be harmful to these islands with their total population of about 100,000. In the one case the melting pot can absorb immigrants by the millions, while in the other only a very few thousand could remold the melting pot.

Washington has long had a way of making sweeping decisions without giving thought to their effects on these islands, and we have long had to live with the unfortunate consequences of some of these blanket decisions. In this instance, we would urge the administration to recognize that Congressman Eilberg's approach offers the best promise and to give it its support. Should the administration persist on the course indicated by the immigration chief, it can only create undue hardship here with new and serious problems that the federal government will have to address itself to at a later date.

PHILADELPHIA EXPANDS BIKE PATHS

HON. JOSHUA EILBERG

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 18, 1976

Mr. EILBERG. Mr. Speaker, the city of Philadelphia is already known for its safe and extensive system of bicycle trails. Fairmount Park has been one of the Nation's finest bicycling centers for many years, with 15 miles of paved bike paths in the main body of the park, and more trails being added in outlying parks throughout the city.

At the recommendation of Mayor Frank Rizzo, bike riding on Sunday will now be even more enjoyable, and safer. Each Sunday from 8 a.m. until noon, a 2-mile stretch of the West River Drive along the Schuylkill River will be closed to all auto traffic to allow bikers a safe ride through the park.

"Bike Drive West" began Sunday, March 14, with City Councilman John B. Kelly Jr., Fairmount Park Director Robert C. McConnell, and Fairmount Park Recreation Division Supervisor Morris Ozer officially opening the program.

This weekly closing has been introduced to call attention to the fine bicycle facilities in Fairmount Park, and to provide the expanded area for bike riding free from automobile interference.

Other popular bike trails in the Philadelphia park system include the East and West River Drive bike paths in Fairmount Park, and the 5.5 mile Forbidden Drive bike path in the Wissahickon Valley. Both trails have been designated "National Recreation Trails" by the U.S. Department of the Interior.

More bike paths are being planned for park areas throughout the city, including Pennypack Park, Tacony Creek Park, Franklin Delano Roosevelt Park, and the Wissahickon Valley.

ASHRAE'S EFFORTS TO PROMOTE ENERGY CONSERVATION

HON. ROBERT W. KASTEN, JR.

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 18, 1976

Mr. KASTEN. Mr. Speaker, on January 21, 1976, Mr. William P. Chapman, president-elect of the American Society of Heating, Refrigeration, & Air Conditioning Engineers, Inc., appeared before the hearing on Federal consumer representation plans in Houston to offer the Federal Energy Administration the continued cooperation and services of the society in promoting energy conservation.

Mr. Chapman quite correctly assessed the difficulties the Federal Energy Administration faces in trying to meet the conflicting needs of the Nation's different classes of consumers and still try to reduce our dependence on other nations for our basic energy resources. Because nearly one-third of our energy is used in buildings, cost-effective conservation measures will reduce our energy consumption and provide us the time we need to develop alternate sources of energy.

I am particularly impressed with the society's efforts to promote building code standards to implement cost-effective conservation measures—in both new and old buildings.

I commend the society for its achievements in this field and would like to place excerpts of Mr. Chapman's speech in the Record at this point in order to share them with my colleagues:

FEA Consumer Representation Plan

(Remarks of William P. Chapman, President-elect, ASHRAE)

The FEA should listen to the voice of the voter and the taxpayer.

But it is one thing to profess to be responsive to the consumer and another thing actually to be responsive. This public hearing . . . is unmistakable evidence that the FEA has its ear to the ground, that it wants to know the public's attitude.

Listening to the public is easier said than done. For there is no single, homogenized body which can be called the public, or the consumer.

Some members of the public demand that the government bring back cheap gasoline; others want the emphasis to be on mass transit. Some members of the public think the preservation of the environment is the paramount good; others are convinced that the extremism of some environmentalists will result in a backlash which will be harmful to the environmental movement. . . . So you see that there really is no such thing as "the public".

Because our energy problem is so complex, the one component of the public which can be helpful to the FEA in its new Consumer Representation program is the engineers, and particularly the engineers in the heating, ventilating, and air-conditioning, or HVAC, field. These engineers are banned together in the organization I am privileged to represent, the American Society of Heating, Refrigerating, and Air-Conditioning Engineers, also known as ASHRAE. We have nearly 30,000 members and that is a fair-sized slice of the public.

I would like to volunteer the services of our members to the FEA. Our members can provide some technical inputs to the FEA effort to listen to the public. We can inform on the use of energy in buildings; nearly one-third of the energy consumed in the U.S. is used in buildings. We can inform on which conservation measures make sense and which do not. We can inform on which measures would be effective and which would not.

We can advise against false claims, and to suggest that proper standards be used to measure performance. By adhering to our standards and by using well known management tools, we can make improvements in the use of energy that are economically justifiable.

* * * * *

So our people can be regarded by the FEA as a corps of experts which would be happy to participate in the FEA Consumer Representation Plan, and can make a contribution. Indeed, our people have already been hard at work—

For two years—in a most important phase of energy work. I refer to the standard on energy conservation in new buildings which was completed last August—ASHRAE Standard 90–75. It is a series of guidelines relating to building envelopes (that is, the exterior of the buildings), heating and air-conditioning systems and components, water heating systems, illumination, and other elements of a structure which affect the amount of energy that buildings consume. It applies to virtually all new structures, including single-family homes.

I regard the development of Standard 90–75 as the single most important piece of work which ASHRAE has undertaken in its distinguished 80-year history.

Even before it was finalized, many jurisdictions across the country had adopted it and made it a part of the building code. In the next year numerous states, counties, and cities will either adopt the standard, or will modify their building codes in accordance with it.

You may quite properly ask: How do I know whether Standard 90–75 will help our country to save energy? FEA asked that question. It then commissioned one of the nation's most respected management consultants and engineering companies Arthur D. Little, Inc., to make an impact study of 90–75 and find out.

After making an independent appraisal of the standard, Arthur D. Little reported that the guidelines would do exactly what they were intended to do—save energy—and they would do so without escalating the cost of construction. Arthur D. Little told the FEA that their study showed: "Percent savings in annual energy costs ranged from 9–15% in a single family house to 30–45% in commercial buildings." The average on all buildings would be about 27%.

Initial cost of construction would be less than for conventional buildings, with savings running from 4¢ to 94¢ a square foot, with the greatest savings being in office buildings. The savings are due to the reduced requirement for mechanical equipment, which offsets added design cost, and added cost for materials that improve the heat transfer aspects of the structures.

Both FEA and ASHRAE know that it is necessary to get the A. D. Little impact report to everyone concerned with building design, construction and finance; and also to those that are instrumental in preparing building codes. We must convince everyone that Standard 90–75 is in the best national interest.

Accordingly, we have begun to hold a

series of seminars in 59 cities from coast to coast to explain the provisions and use of Standard 95–75. To prepare for these seminars, we held two 3-day workshops in which members of the committee which drafted the Standard trained the people who are conducting the local-level seminars.

To date, nearly 1,000 architects, engineers, builders, subcontractors, manufacturers of equipment and materials, building code officials, and others with an interest in the subject, have attended these meetings; before we are through, we expect some 5,000 will have been briefed on 90–75.

Now we all know that there are many more existing buildings than new buildings, and that it would serve our country well in its efforts to achieve energy independence if steps could be taken to make these existing structures more conserving of energy.

ASHRAE has just embarked on a program of drafting a standard for conserving energy in existing buildings. We call this project Standard 100P—the "P" standing for "provisional."

The difficulties which face our organization in drafting this new standard are forbidding.

* * * * *

Undoubtedly there are many measures that would save energy, but would also be quite costly. Would Government at various levels do such a politically unpopular thing as to require such drastic measures? Could meaningful tax incentives be provided to encourage the public to cooperate?

What we are talking about is an economic policy that has the constraining factors of limited energy resources. But also we are talking about an untapped resource—energy conservation; the elimination of waste. Further, we have the resource of engineering imagination—the optimization of energy use.

* * * * *

. . . What to do? A partial answer is to make better use of what we have, through scientific energy management in our buildings.

The optimization of energy will be our duty forevermore. The day of inexpensive energy is past. The American people are going to have to face these two hard realities. I have no doubt that the FEA will present this to the public, and will make meaningful suggestions.

I do not envy the position of the FEA. It must be torn between the several demands of the fossil fuel producers, the electric and gas utilities, the manufacturing plants which cannot turn a wheel without abundant energy, the home-owners who heat with gas and do not relish the idea of converting to something else, the transportation industry, the police who want our streets more brightly illuminated as a deterrent to crime, the consumerists with their familiar demands, the environmentalists, and so on—and so on. Add to that the attitude of all Americans: Let's get our country out of the position where the foreign oil producers can pull the switch again and shut off our petroleum supply overnight.

The pressures are enormous. But I'm sure the FEA can take the heat—and ASHRAE is here to help.

Thank you.

DADE JETPORT—III

HON. WILLIAM LEHMAN

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 18, 1976

Mr. LEHMAN. Mr. Speaker, I have from time to time brought materials before my colleagues regarding the North Dade Training Jetport issue. I have previously outlined the reasons leading to the Jetport Pact of 1970, which required a search for a site to replace the Dade-Collier jetport north of the Everglades. I have also discussed more recent findings which contradict the environmental fears and usage projections which led to the pact—findings that there has been no environmental damage at the current facility, and that training activity, far from reaching projected levels there, has fallen off dramatically.

I have two further concerns regarding this unnecessary and duplicative replacement, which I would like to mention today.

Site 14, which has been selected as the replacement site, is partially located in conservation area 3B and is situated over the Biscayne Acquifer. These are the sources of all drinking water for Metropolitan Miami. There are two potential hazards related to construction on the site, neither of which has been addressed to my satisfaction. One is that, without adequate precautions, the flow of water through the conservation area and the acquifer might be interrupted or reduced, leading to the possibility of increased salt water contamination of the acquifer. The other is that storm runoff from the paved areas of the facility could be polluted by jetport waste and, being readily absorbed in the porous ground of surrounding areas, might contaminate the acquifer and Miami's water. If site 14 is to replace the Glades Jetport, a closer look must be taken at the possible risks to the public health.

The search team for the new site considered a number of potential locations, but one very fundamental alternative was not available. Under the terms of the Jetport Pact, the current Dade-Collier site—the "do-nothing" option—could not be considered, and a new site had to be chosen. Despite the fact that the present site is more than adequate to handle current activity and present levels could increase almost tenfold without passing the original projections, despite the lack of environmental damage, unless the pact is abrogated or allowed to terminate without action next year, the Federal Government will be asked to pay over $69 million to acquire land and construct facilities simply to duplicate an existing and perfectly adequate site. And we in Congrses will be called upon to authorize and appropriate these funds.

I was pleased to see that the South Florida Regional Planning Council, made up of elected officials from four south Florida counties including Dade, had voted unanimously on March 1, to recommend that the Jetport Pact be allowed to terminate with no action. Mr. Speaker, the Miami Herald report of this action follows for your information and that of our colleagues:

[From the Miami Herald, Mar. 2, 1976]

FORGET BUILDING NORTH DADE JETPORT, PLANNING BOARD TELLS METRO, UNITED STATES

The South Florida Regional Planning Council Monday said Metro and the federal government should forget about building a new training jetport in Northwest Dade.

Council members, including two Metro commissioners, said there simply isn't a need for a new training strip to replace the existing facility north of Everglades National Park.

In a 9–0 vote, the council recommended that the Jetport Pact be allowed to terminate when its current term expires in 1977.

The Jetport Pact is the 1970 agreement in which Metro agreed to close the Everglades training airport as soon as a substitute site could be acquired by the federal government.

The site being proposed for acquisition is commonly known as Site 14 which straddles U.S. 27 just south of the Broward County line. Metro has an application pending for $69 million in federal funds to develop a training airport there.

But that application is expected to run into difficulty because an impact study has shown that the existing training strip in the Everglades hasn't caused environmental damage.

And the need for a second major commercial airport—which had been envisioned for the future on the Northwest Dade Site 14—appears to have faded because of a leveling off in air travel.

Those factors led to Monday's Regional Planning Council vote, which constitutes the council's comments on the impact study conducted by the Federal Aviation Administration.

The planning council's vote doesn't affect the Jetport Pact, since that is an agreement among Metro, the state and the federal government. But the vote does show that two Metro commissioners, Harvey Ruvin and Clara Oesterle, feel that the acquisition of Site 14 isn't needed.

The planning council is made up of elected officials from Dade, Broward, Palm Beach and Monroe counties.

MARONITE CATHOLIC BISHOP PRAYS FOR RESTORATION OF PEACE IN LEBANON

HON. JAMES G. O'HARA

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 18, 1976

Mr. O'HARA. Mr. Speaker, it recently was my great privilege to attend a special charity appeal dinner held in Mount Clemens, Mich., to help victims of the tragic war in Lebanon.

The dinner was sponsored jointly by the Most Reverend Francis M. Zayek, Maronite Catholic bishop of the United States, and the World Lebanese Cultural Union's U.S. National Council. The principal speaker was Bishop Zayek, who made a most moving appeal for assistance to those who are, in his words, "refugees in their own homeland."

The future of Lebanon remains clouded, Mr. Speaker, and while the work of statesmen goes on in an effort to restore peace, harmony, and brotherhood, the urgent need continues to bring solace to those who are the victims of the rising and continuing tensions throughout the Middle East.

It is this deep tragedy to which Bishop Zayek addressed himself at the charity appeal dinner, and I commend his thoughtful and sensitive comments to my colleagues:

Drennan said: "The first daughter to the love of God, is charity to man."

We are gathered tonight for a Charity Appeal Dinner, to help the victims of the tragic war in Lebanon. The deed of charity is the noblest, and is the seal and mark of our faith and love for God, whom we do not see, but serve in our neighbor. I am sure that many of you remember Lebanon as it was two years ago. Lebanon was the Switzerland of the Middle East, the bridge between East and West. Beirut, the *Paris* of the Middle East with its *four Universities*, it was the *center of prosperity, trading and banking*. Lebanon was a land of *freedom civilization and democracy* where the *Christians, Moslems and Jews* lived for more than half a century *in complete harmony, peace and brotherhood*. More than 300,000 Syrians found in Lebanon work, understanding and led a higher standard of living than in their own country.

Today, in less than ten months, the once prosperous Lebanon is but ruins, fire and blood. More than 10,000 people have been killed and more than 20,000 have been wounded. 700,000 workers are out of their jobs, and 50,000 *Lebanese are refugees in their own homeland* living in Monasteries, huts and tents. *The widows, the orphans, the wounded and many other victims are asking for help*—Our Maronite Patriarch has launched an appeal to the world to save the homeless from a severe winter and from hunger. They are *in dire need* of antibiotics, medicines, plasma and also dried eggs and milk, flour, canned meat and blankets. We have already shipped some of these requests to Lebanon.

This is the reason of our Charity Appeal dinner tonight. We are here to answer their appeal, to thank God for all the blessings which He bestowed upon us abundantly, and *to tell Him that out of gratitude to His generosity toward us we are not forgetting those who hunger for justice, peace and sustenance*. To our gifts and sacrifices we will also add our prayers to Almighty God asking Him to finally bring peace to the whole Middle East and to look mercifully upon the bloodshed as a price for understanding, coexistence and reconciliation.

This is what **Gasseb Kayrouz**, a 22 year old Maronite Seminarian, has written before leaving Damour to go see his parents and relatives in Nabha and before he was captured and killed by the leftists: "To my countrymen I say, those who live in the same house can have their differences, but without hating one another; they can argue with one another, but without killing one another, together, Christians and Moslems, we ate, we drank: *together we prayed to the One and Only God*. I ask, if I am killed that no recrimination may be taken. I am sure one day the mercy of God will gather us again. I am dust, but the strength of God will make me participant of the Divine Light and life. If I have offended anyone, I ask to be forgiven, because I am a sinful servant of the Lord".

My dear friends, *on my behalf and on that of all those who will benefit from your help, generosity and charity* I extend to *you* all our deep gratitude and assure you that God will reward you a hundredfold because He has promised to reward whoever gives a glass of water to his neighbor in His name.

I take this opportunity to extend my sincere and warm thanks to all of you for your kindness, your standing ovation and your love for the values which I represent as a Bishop in the Catholic Maronite Church. I deeply appreciate the cooperation of the World Lebanese Cultural Union, represented by Dr. Daher Rahi, the well known humanitarians, Mr. and Mrs. Woodrow W. Woody and *all those who worked hard* to make this Charity Appeal Dinner a success. I thank you and wish you health and prosperity and ask God to keep you in His love and care and bless you and your loved ones with many years.

MEDICAID ABUSES

HON. ANDREW MAGUIRE

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 18, 1976

Mr. MAGUIRE. Mr. Speaker, today I am introducing legislation designed to change current medicaid practices as they relate to independent clinical laboratory services—to lower costs, to help control existing and potential abuses, and to enhance the quality of service for medicaid and other patients.

The independent clinical laboratories to which I refer receive medicaid dollars for performing chemical, bacteriological, and other examinations on human body materials, with data obtained from the examinations used as part of the process of diagnosis, treatment, or prevention of various diseases and for assessing an individual's medical condition.

Mr. Speaker, there is telling evidence that there are grievous loopholes in the medicaid program which allow individuals to profiteer at the taxpayers' expense.

Specifically, the medicaid fee schedule for reimbursing laboratories is outdated and must be redesigned to reflect the highly automated and technologically advanced test procedures now available. A good portion of medicaid funds is being siphoned off for the benefit of a small number of health care providers—a handful who are far more interested in money than in medicine, far more interested in profits than people.

I am referring to various clinical laboratories which channel high profits directly to the laboratory owners and, through them, to some of the physicians supplying these labs with medicaid-funded test business. These laboratory abuses, which bilk both the taxpayer and the needy, have become a national scandal.

During the hearings conducted by Senator FRANK Moss' Subcommittee on Long-Term Care in February 1976 it was estimated that, by conservative estimates, $1 out of every $5 spent on behalf of medicaid or medicare payments for clinical labs was either fraudulent or unnecessary. These abuses cost millions of dollars each year and untold suffering. Some of the abuses are subtle, some of them are gross, but all of them are unconscionable. They must be stopped.

One example of abuse described in subcommittee testimony, involves charges for a blood chemistry analysis performed by a device known as SMA–12. This device reports almost instantly on the status of as many as 12 blood chemistries in any given test samples. Under prevailing medicaid fee schedules an unautomated laboratory can be paid the $12.50 for a SMA–12 test, even when the test is actually performed by a larger automated laboratory to which the first laboratory mailed the test sample. The automated laboratory returns the results along with a bill for $3.50 to the smaller laboratory. Medicaid is in turn billed for the $12.50 for the same test. Indeed, some small and largely unautomated independent clinical laboratories have marked up as much as 300 percent or more the cost of tests performed on a subcontract or referral basis by large automated laboratories and then collect the markups from medicaid.

In the area of overbilling, there have been numerous instances where labs are able to overbill medicaid for certain tests, even under false test claims, without those practices being detected at either the prepayment or postpayment processing levels.

Some laboratories frequently take a single test which produces multiple, component results, such as the chemistries produced by SMA–12, tests to which I referred earlier, and bill for each component as if it were a separate test. Thus for a cost to one lab of $3.50 for work done by another, medicaid is billed a staggering $58, or nearly five times the maximum permissible reimbursement. In another area of overbilling, laboratories have billed and received from medicaid $15 for a German measles test known as Rubella titer when, in fact, that test had been performed free of charge for the laboratory by the Department of Health of the State in which the lab was located.

It is the fat in the fee schedules which permits these outrageous ripoffs of a taxpayer-supported health care program for the impoverished.

Mr. Speaker, the legislation I am introducing goes a long way toward eliminating the abuses and profiteering I have briefly described.

Let me say, Mr. Speaker, that fee schedules for reimbursing services must relate to actual costs of performing the tests, taking into consideration advancing technology in the independent clinical laboratory industry. We could realize as much as a 40-percent reduction of current service cost levels by implementing this bill.

This bill introduces into this area of medicaid service the concept of competitive bidding. Through competitive bidding, the States can have laboratories bid for tests, thus allowing for a provision of services at a cost much lower than currently available. In fact, in recent subcommittee hearings held in New York City, it was stated that this method could realize a 50-percent reduction in costs. This approach, however, at present is unlawful. My bill would provide authority to utilize this approach and therefore give medicaid recipients the choice of providers. In addition, physicians will be able to choose laboratories which offer greater adequacy and availability of service.

This bill will also require laboratory services to be provided only by licensed laboratories and qualified health personnel. In conjunction with the Clinical Laboratory Improvement Act, the bill will result in the upgrading of standards and quality of services to which our citizens are entitled.

Finally, this bill will reduce charges for services provided to the lowest rate possible to individuals other than medicaid program participants. In the case of laboratory X-ray services, these would not exceed the lowest amount for such services, and only a nominal amount for processing the samples.

I am convinced, Mr. Speaker, that with this bill we can address many of the problems to which I have referred as they relate to independent clinical laboratories providing medicaid services: Problems of overcharging, problems of high markups and problems of low quality.

In conclusion, I am hopeful that hearings on this legislative proposal will take place simultaneously with those already scheduled next week on a separate, but complementary, bill in the Subcommittee on Health and Environment of the Committee on Interstate and Foreign Commerce: H.R. 11431, the Clinical Laboratory Improvement Act of 1976.

CONGRESSMAN HEINZ OFFERS TWO BILLS TO RECYCLE ABANDONED SCHOOL BUILDINGS

HON. H. JOHN HEINZ III

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 18, 1976

Mr. HEINZ. Mr. Speaker, throughout the United States many elementary and secondary school buildings have been forced to close due to decreasing enrollment, shifts in population, consolidation, and for other reasons not associated with structural deficiency. In my State of Pennsylvania, 144 schools were closed between September 1974, and September 1975. Another 120 are slated for closure at the end of the current academic year. Closer, seven schools in Montgomery County, Md. are scheduled to close at the end of this year. The same problem exists nationwide. In New York the number is over 200, and in Salt Lake City alone, 20 schools have been closed during the past 8 years due to a 35-percent decrease in enrollment. In Wichita, Kans. 13 schools have been closed over the last 5 years.

Many of these buildings are structurally sound and centrally located. They could continue to be valuable resources for their communities through alternate uses. The problem facing most communities in which these buildings are located is lack of planning assistance and funds to convert these buildings for other productive uses.

Today I am introducing two bills which are designed to assist communities to deal with this problem. The Surplus School Conservation Act of 1976 is designed to provide grants, on a limited and competitive basis, to communities that wish to retain unused school buildings for other productive purposes. The Surplus School Conversion Act of 1976 is designed to encourage private industry to purchase these buildings for conversion to alternate revenue producing enterprises in situations in which the communities no longer have a use for these buildings.

Mr. Speaker, the post World War II baby boom resulted in explosive growth during the late 1950's and 1960's in many school districts. During this period, public school enrollments increased by over 8 million students to a peak of 52.8 million pupils in 1971. Educational planners were conditioned to an expansion orientation. The growth enabled remarkable changes to take place in educational programs, facilities and services.

In recent years, these same school districts have experienced a reverse phenomenon—declining enrollments. Nationally, the first decline in public school enrollment occurred in 1972. Recent projections of public school enrollment by the U.S. Office of Education indicate a decline of over 4 million youngsters in grades kindergarten through 12 in the next 10 years. Shrinkage and how to cope with it have become as much a theme of the 1970's as growth was for the 1950's and 1960's.

Mr. Speaker, there is no debate over the widespread shrinkage problem. It is creating turmoil at the elementary level now, and the trend will reach secondary schools within a few years.

In addition to declining enrollment, many schools have been closed due to out-mobility of the population. We are a country of movers, or more accurately, of movers and stayers, with those who move being apt to move again, and most of the movement being made by young people. So we have the problem of overall population decline made sharper by outmigration. The flight from the inner cities has compounded the rate of decline for those areas, and even the older "inner-ring" suburbs are experiencing decline.

Mr. Speaker, one of the most complex problems resulting from the declining enrollment is what to do with school buildings that are no longer needed. While community and school officials have had experience in closing obsolete schools, many districts now are faced with the problem of having to close relatively new schools, in some instances schools that are not even paid for.

The closing of the neighborhood school is a highly emotional event for students, parents, and staff. Yet it has become a fact of life for many communities.

Mr. Speaker, if an entire building becomes excess, yet is structurally sound and fit for rehabilitation and recycling, the building should be kept in use by someone. We have learned from bitter experience in abandoning elementary schools that "mothballing" seldom works. We know the best way to protect property is to fill it with people. Boarding up window preserves neither the building nor the real estate values of its neighborhood.

The No. 1 problem of closed schools is vandalism. Next is the pressure from those who cannot stand seeing valuable property sitting idle. Finally, closed schools are a psychological thorn in parents' sides. "Since these buildings are not being used for anything else, why can our children not go there?"

In addition to these pressures against mothballing, it does not make sense economically to have too many buildings standing idle; they will deteriorate. So back to the question—What do you do with an empty school?

Mr. Speaker, once a school is closed, it does not mean that the productive life of the building is over. This is precisely the reason I am introducing these two bills today. What communities need is assistance in creating a plan for using these buildings, and financial assistance in implementing these plans. Almost all communities have administrators available to conduct the plans.

There is considerable evidence that unused school buildings can be put to good alternate uses as is illustrated in the following examples:

Dayton, Ohio, where a 2,200-student high school has been converted to a center for manpower training, adult basic education, community recreation center, and the like.

Kalamazoo, Mich., where a large high school was relinquished to the city for adult education, a private school, and a senior citizens' center.

Jacksonville, Fla., where an 800 pupil junior high is now a community/school center, administrative offices, and the like.

Harrisburg, Pa., where the school board has taken the position that parts of a 2,500-pupil junior high can be used for any community project it can afford.

Westmoreland County, Pa., where one elementary school is now a junior college, and another has been leased to the Navy Reserve which pays maintenance costs in return for use of the building.

There are many additional examples of surplus school buildings being sold to private industry, thus returning these buildings to the tax rolls:

Ithaca, N.Y.—where a building was sold to an entrepreneur who recycled it to a shopping center, housing for the elderly, and private offices.

Claremont, Calif.—where an old school is now a shopping center, and

Madison, Wis.—where an engineering concern bought a surplus school for offices.

To this list might be added walk-in centers for counseling, drug abuse, and other rehabilitative programs; neighborhood medical and dental clinics; light industry; warehouses, and many more. Unfortunately, for every satisfactory solution, there are scores of instances of abandoned school buildings serving no useful purpose.

Mr. Speaker, the purpose of these two bills is to provide Federal assistance to enable communities to maintain and operate, in the most efficient, creative, and economical manner possible, closed school buildings for other productive purposes determined by the communities. Not only in the fields of educational and social services, but also for commercial, revenue producing purposes, so that taxpayers will recover some of their equity in unused property.

These proposals are specific and pragmatic. They do not pretend to solve serious problems overnight. They are realistic steps needed to meet a growing problem.

Mr. Speaker, I have been receiving tremendously encouraging support for these bills from school and municipal officials from throughout the country. I commend to my colleagues the "surplus school conservation" and "surplus school conversion" acts in the firm belief that through enactment we can help communities solve a very serious and growing problem. I believe the bills I have introduced are proper vehicles for our efforts.

BILL TO AMEND THE 1946 INDIAN CLAIMS COMMISSION ACT

HON. DON YOUNG

OF ALASKA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 18, 1976

Mr. YOUNG of Alaska. Mr. Speaker, with my colleague Mr. DON CLAUSEN of *California*, I am pleased to introduce today a bill to amend the 1946 Indian Claims Commission Act to extend the life of the Commission beyond the current termination date of April 10, 1977 to September 30, 1978, a period of 18 months.

This proposal is the product of a recently completed investigation by the President's Office of Management and Budget into the Commission's work and its progress toward completing same. OMB concluded that the Commission's work is proceeding in an expeditious manner which should result in substantial completion of the bulk of the pending claims by the end of 1977. The administration's recommendation recognizes the desirability of permitting plaintiffs in the remaining cases to enjoy the same forum and appellate procedures as those who preceded them. At the same time, it would serve to reduce so far as possible the number of cases which may be transferred to the Court of Claims upon termination of the Commission.

The Commission was established to hear and adjudicate for once and all time all Indian tribal claims against the United States, both legal claims and moral claims based on unconscionable dealings, which occurred prior to 1946. Previously, Congress had handled such claims by enacting special jurisdictional statutes authorizing the U.S. Court of Claims to hear them individually. By establishing the Commission, Congress ended this practice. It required all tribes to file their claims with the Commission by August 13, 1951, authorized the Commission to award only cash payments for valid claims, and barred any return of lands to a claimant.

Three hundred and seventy claims were filed which, through severance and redocketing, resulted in 615 total dockets. As of March 18, 1976, 460 of the 615 claims had been disposed of, with 195 having been dismissed, 265 dockets resulting in awards totaling $576,300,000 and 155 claims still pending in various stages of litigation.

The 1946 act required the Commission to complete its work within 10 years. However, in setting this limit, Congress underestimated the difficulties inherent in preparing and trying 100-year-old claims and in establishing "new law." It also underestimated the innumerable procedural and other delays commonly associated with extremely complex litigation. Not surprisingly, the Commission did not meet its original deadline. Since then, Congress has four times extended the Commission's life for 5-year periods. The last extension, passed in 1972, set April 10, 1977 as the Commission's termination date and provided that all remaining business be transferred to the U.S. Court of Claims for completion.

Last year, the Senate amended the Commission's 1976 authorization with a provision extending the life of the Commission for 3 years. However, a majority of House conferees opposed the amendment and the matter was deferred for further study. Tomorrow the House Subcommittee on Indian Affairs will conduct a hearing on the Commission's annual authorization. It should be an appropriate occasion to consider the 18-month extension proposed in this bill.

I believe that a review of the probable consequences of transferring uncompleted cases to the Court of Claims in 1977 will show that such transfers would most likely result in unnecessary expense to the Federal Government and would certainly delay rather than expedite completion of the remaining Indian claims. An extension of the life of the Commission would avoid these consequences and ultimately serve the cause of justice for Native Americans. I therefore strongly urge favorable consideration of this proposal.

SERTOMA CLUB ESSAY WINNER

HON. ANDREW JACOBS, JR.

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 18, 1976

Mr. JACOBS. Mr. Speaker, the Sertoma Club of East Indianapolis recently sponsored an essay contest on "What Freedom Means to Me." There were 30 finalists.

Mike Gable of School 77 in Indianapolis won with the following essay:

THE GREAT GIFT

(By Mike Gable)

In the year 1776, the United States received a gift, the gift of freedom. A gift that was not bought with money but with fighting and hard work.

Inside the great gift are smaller gifts. The gift to vote for whomever you think can do the best job. The right to trial by a jury. The gift to voice your opinion or freedom of the press. The gift to peaceable assembly. The gift to an equal education. The gift to own your own property.

To be worthy of these gifts you should try to live up to your responsibilities as an American. One of your responsibilities is to obey the laws of the land, respect the rights of others and to vote in an election. These are just a few of your responsibilities from a list of others. I think as an American you should try your best to live up to these responsibilities.

For these gifts we should say thank you to people like Thomas Jefferson, John Adams, and Benjamin Franklin and the others who helped us earn our freedom. We should try to carry out their dreams to help America grow stronger.

As America grows stronger people will grow to love and respect freedom. I hope people will love and cherish freedom so it will never perish from the United States or any other place in the world where it is shared.

The runners up were:

Winner and school:
Mike Gable, 77;
Amy Krohn, St. Lawrence;
Diana Imel, 112;
Twila Hendrickson, 28;
Chris Graves, 37;
Valerie Garrett, 53;
Paul Murphy, 81;
Michael Curry, 85;
Barbara Bowden, Wanamaker;
James Robertson, 94;
Jeff Walker, 111;
Ellen Trick, Brookview;
Robert Schutt, Grassy Creek;
David Mooney, Heather Hills;
Pat Jeffers, Little Flower;
Laura Wesner, Lakeside;
Peter Worley, Pleasant Run;
Monica Pittman, Sunny Heights;
Mary Frances Zappia, Holy Spirit;
Ian O'Brien, Moorehead;
Maria Gonzalez, St. Bernadette;
Elizabeth Myers, Lady of Lourdes;
Felicia Roseburg, 88;
Maggie Matl, St. Simon;
Jim Bowie, Hawthorne;
Debra Eltzroth, 62;
Karen Tribble, 54;
Missi Koon, St. Matthew;
Jeff Johnson, 57;
James Cole, St. Rita.

PROBLEMS AND ABUSES IN THE FOOD STAMP PROGRAM

HON. PHILIP M. CRANE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 18, 1976

Mr. CRANE. Mr. Speaker, we have all been concerned about the rapidly escalating costs in the food stamp program and about the increasing incidence of problems and abuses in this critical area. As a cosponsor of the original National Food Stamp Reform Act, the Michel-Buckley bill, I want to call to the attention of my colleagues an excellent column that sums up the character of the problems that plague the food stamp program.

The column is headed, "Food Stamp Scandal Shows Reagan Right," and it goes on to describe some of the former California Governor's proposals for local control. It is an accurate headline in another sense: It was Governor Reagan's task force of State and local officials who first described many of the problems, and advanced many of the recommendations for solution, over 18 months ago. I commend to my colleagues' attention the following article:

[From the Times-Picayune, Jan. 19, 1976]

FOOD STAMP SCANDAL SHOWS REAGAN RIGHT

(By John D. Lofton, Jr.)

WASHINGTON.—Last year, when Treasury Secretary William Simon had the guts to commit truth publicly, and labeled the federal food stamp program "a well-known haven for chiselers and rip-off artists," he was viciously attacked as a liar by Sen. George McGovern, who heads the Senate Select Committee on Nutrition and Human Needs.

The South Dakota Democrat blasted the

Secretary for making "a deliberate misstatement," and charged that what Mr. Simon was saying about the program was "sharply at odds with all other available data."

But now, in a couple of excellent investigative articles in the Washington Star newspaper, reporter Michael Satchell has made some new data available which, to put it mildly, leaves Sen. McGovern looking rather ridiculous.

It seems that government auditors and FBI agents have uncovered evidence of massive and illegal use of federal funds among some of the 6,700 banks, credit unions, check-cashing outfits and other agencies nationwide that sell food stamps to the public.

A preliminary survey by Department of Agriculture investigators, which only skims the surface, shows that, despite a law which requires them to deposit within 24 hours receipts of $1,000 or more from food stamp coupon sales, 18 stamp vendors have not yet deposited receipts totaling $8,788,983.

Reporter Satchell says "a portion of this $8.7 million seems to have been embezzled, either spent or salted away." Two credit union vendors reportedly used their food stamp receipts to pay operating expenses and to make loans. This free use of federal funds is called "lapping."

A top Agriculture Department official is quoted as saying: "The potential of this is enormous, just enormous. Just the first quick check has turned up a handful of vendors owing $8.7 million. Imagine what it could amount to when the entire program is audited. How much of the money has vanished? And how long has this been going on? You have millions of federal dollars floating around in the inner cities. What's it been used for? Has it financed illegal activities? Why is it only now being discovered?

There are also strong indications that a cover-up has been going for a long, long time to hide these illegal activities within the federal food stamp program. Reporter Satchell quotes several middle-level employes of the program as saying that the process of "lapping" has been going on for years but that the rule was: "Keep it quiet, don't rock the boat."

What this emerging scandal within the food stamp program demonstrates is the wisdom of Ronald Reagan's suggestion that programs such as this should be totally funded and operated by state and local governments, where, presumably, they would be run much more efficiently and policed more closely; or, perhaps, be eliminated entirely.

As it stands now, the states are supposed to be the first line of defense against fraud in the food stamp program. But, in fact, there is actually a disincentive for the states to ferret out wrongdoing because, for one thing, it is all federal money—not state dollars—that pay for the bonus value of the food stamps which amounted to $4.4 billion in Fiscal 1975. It is only human nature that people spending other people's money are much less careful than if they were spending their own.

Presently—as it is now run from Washington—the food stamp program is a mess. As reporter Satchell writes, quoting employes from within the Agriculture Department Food Stamp Division, the program is "rife with cronyism and nepotism and is a haven for incompetents and that much of the blame for turning food stamps into the worst run of the nation's welfare programs lies with poor leadership within the division."

The more we learn about the program, like food stamps, that Mr. Reagan wants to return to the states—where, unlike at the federal level, there is at least the hope of being able to reform these incredibly expensive boondoggles—the more the ideas being put forth by the former California Governor make sense.

In any event, in light of these recent revelations about the federal food stamp program, the burden of proof would seem to be not on those, like Ronald Reagan, who want more local control over the program, but on those who argue that it should continue to be funded by the federal government.

OPEN THE DOOR FOR CLOSET CAPITALISM

HON. ELFORD A. CEDERBERG

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 18, 1976

Mr. CEDERBERG. Mr. Speaker, capitalism remains the backbone of this country, as well as a declining number of other nations, in spite of efforts in recent years by liberals to shortcircuit the system. Unfortunately, many of its advocates have become reticent, not for the lack of a forum from which to speak but rather in reflexive protection against the diatribes of a vocal minority extolling the benefits of socialism and protesting the decadence of capitalism.

Michael Novak, a Catholic theologian in a March 14th Washington Post column, has labeled these supporters, "Closet Capitalists," and in fact makes a confession, much like the alcoholic admitting his illness, that he has been one for years. He explains that although he tried to rationalize socialism, an effort made to keep in tune with the times, his logic and commonsense finally prevailed and rejected its concepts.

Likewise, I think this Congress has many "Closet Capitalists," men and women who stand with the current trend to liberalize, or more correctly socialize, our fundamental economic structure but who are unable to shake the realization that "decadent" capitalism has produced achievements unparalleled elsewhere.

This very richness, the residual of production over consumption, has enabled us to minister to the needs of the people more comprehensively and equitably than alternative forms of government.

I appeal to those of my colleagues, who continue to be distressed by the logic of those programs which belittle the benefits of capitalism, the importance of profits, and the need for the independent entrepreneur. In all likelihood, you are a closet capitalist.

It is not something for which one should be embarassed. In contrast, you should be proud that you have not allowed yourself to be swayed by fallacious arguments that would undermine the fundamentals of our society.

The incentives provided by capitalism, however decadent in its rewards for those who would take advantage of them, benefits everyone. The proof is around you. It cannot be denied, nor should it be.

Profit is the magic word that stimulates investment which in turn allows for growth, expansion, and renewal. These activities mean jobs, productive and permanent, without which any effort directed to the social needs of our society would fail.

Profits motivate our most intelligent, our most industrious, and our most creative to produce to their maximum capacity, for whatever reason, and compensates them in a similar manner. It provides the dreams of better days and higher standards of living which motivate our youth to educate themselves. And who benefits from all this? We all do.

Better education provides the mechanism for even greater utilization of the tools of capitalization. Better technology, higher efficiency, and greater production are its results. More jobs and a greater surplus, above our consumption, are its gains.

Therefore, I call your attention to Mr. Novak's article reprinted below as a guide for reexamining your own convictions. You may be surprised. Closet capitalists may be found in many different forms, not the least of which is a Congressman:

[From the Washington Post, Mar. 14, 1976]

A Closet Capitalist Confesses

(By Michael Novak)

The day I heard Michael Harrington say that most liberals are "closet socialists," I knew by my revulsion that I had to face an ugly truth about myself. For years, I had tried to hide, even from myself, my unconscious convictions. In the intellectual circles I frequent, persons with inclinations like my own are mocked, considered to be compromised, held at arm's length as security risks. We are easily intimidated.

The truth is there are probably millions of us. Who knows? Your brother or sister may be one of us. The fellow teaching in the class next to yours; the columnist for the rival paper; even the famous liberated poetess—our kind, hiding their convictions out of fear of retribution, lurk everywhere. Even now we may be corrupting your children.

We are the closet capitalists. Now, at last, our time has come. The whole world is going socialist. Nearly 118 out of 142 nations of the world are socialist tyrannies. A bare 24 are free-economy democracies. We are the world's newest, least understood and little loved minority. It is time for us to begin, everywhere, organizing cells of the Capitalist Liberation Front.

I first realized I was a capitalist when all my friends began publicly declaring that they were socialists, Harrington and John Kenneth Gailbraith having called the signal. How I wished I could be as left as they: Night after night I tried to persuade myself of the coherence of their logic; I did my best to go straight. I held up in the privacy of my room pictures of every socialist land known to me: North Korea, Albania, Czechoslovakia (land of my grandparents) and even Sweden. Nothing worked.

When I quizzed my socialist intellectual friends, I found they didn't like socialist countries, either. They all said to me: "We want socialism, but not like Eastern Europe." I said: "Cuba?" No suggestion won their assent. They didn't want to be identified with China (except that the streets seemed clean). Nor with Tanzania. They loved the *idea* of socialism.

"But what is it about this particular idea you like?" I asked. "Government control? Will we have a Pentagon of heavy industry?" Not exactly. Nor did they think my suggestion witty, that under socialism everything would function like the Post Office. When they began to speak of "planning," I asked, who would police the planners? They had enormous faith in politicians, bureaucrats and experts. Especially in experts.

"Will Mayor Daley have 'clout' over the planners?" I asked, seeking a little comfort. "Or congressmen from Mississippi?" My friends thought liberal-minded persons would make the key decisions. Knowing the nation, I can't feel so sure. Knowing the liberal-minded, I'm not so comforted.

Since they have argued that oil companies are now too large, I couldn't see how an HEW that included Oil would be smaller. My modest proposal was that they encourage monopoly in every industry and then make each surviving corporation head a cabinet officer.

Practical discussions seemed beside the point. Finally, I realized that socialism is not a *political* proposal, not an *economic* plan. Socialism is the residue of Judaeo-Christian faith, without religion. It is a belief in community, the goodness of the human race and paradise on earth.

That's when I discovered I was an incurable and inveterate, as well as secret, sinner. I believe in sin, I'm for capitalism, modified and made intelligent and public-spirited, because it makes the world free for sinners. It allows human beings to do pretty much what they will. Socialism is a system built on belief in human goodness; so it never works. Capitalism is a system built on belief in human selfishness; given checks and balances, it is nearly always a smashing, scandalous success, Check Taiwan, Japan, West Germany, Hong Kong and (one of the newest nations in one of the recently most underdeveloped sectors of the world) these United States. Two hundred years ago, there was a China, and also a Russia. The United States was only a gleam in Patrick Henry's eye.

Wherever you go in the world, sin thrives better under capitalism. It's presumptuous to believe that God is on any human's side. (Actually, if capitalism were godless and socialism were deeply religious, the roles of many spokesmen in America would be reversed in fascinating ways.) But God did make human beings free. Free to sin. God's heart may have been socialist; his design was capitalist as hell. There is an innate tendency in socialism toward authoritarianism. Left to themselves, all human beings won't be good; most must be concerned. Capitalism, accepting human sinfulness, rubs sinner against sinner, making even dry wood yield a spark of grace.

Capitalism has given the planet its present impetus for liberation. Everywhere else they are hawking capitalist ideas: growth, liberation, democracy, investments, banking, industry, technology. Millions are alive, and living longer, because of medicine developed under capitalism Without our enormous psychic energy, productivity and inventions, oil would still be lying under Saudi Arabia, undiscovered, unpumped and useless. Coffee, bananas, tin, sugar and other items of trade would have no markets. Capitalism has made the world rich, inventing riches other populations didn't know they had. And yielding sinful pleasures for the millions.

Six per cent of the world's population consumes, they say, 40 per cent of the world's goods. The same 6 per cent produces more than 50 per cent; far more than it can consume. No other system can make such a statement, even in lands more populous, older and richer than our own. As everybody knows, hedonism requires excess.

Look out, world! The closet capitalist are coming out. You don't have to love us. We don't need your love. If we can help you out, we'll be glad to. A system built on sin is built on very solid ground indeed. The saintliness of socialism will not feed the poor. The United States may be, as many of you say, the worthless and despicable prodigal son among the nations. Just wait and see who gets the fatted calf.

SYNTHETIC FUELS

HON. WILLIAM S. MOORHEAD

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 18, 1976

Mr. MOORHEAD of Pennsylvania. Mr. Speaker, this Nation needs a strong synthetic fuels industry, but it is not going to get it unless major changes take place in our attitudes about its importance to our future. Time and again, we have been told that unless we begin today, the long-term goal of energy independence will not begin to be met tomorrow—if ever. Much of our hope rests with the quick development of synthetic fuels.

Despite evidence clearly showing that a sizable portion of our national energy needs can be provided through quick commercialization of already existing synfuels technology, almost no effort has been made by ERDA to incorporate already known capacity into our national energy program. Their inertia stems from policies seemingly able to do only one thing—to slow down the growth and development of alternate fuels. Why this is so at a time when we continually hear of the need to deregulate natural gas, to decontrol oil, and to press ahead for nuclear power development is no mystery. It is simply a case of misplaced emphasis on solutions to energy needs.

American industry has told us over and over again that it is willing to galvanize its know-how, its organizational capacity and its capital, and go into synfuels production. What industry wants is assurance that it will be able to recover its operating costs, and obtain a reasonable return on its investment. As it now stands, it will get neither, and the real loser will be the American people who will be left with little solution to the energy supply problems we all know lie ahead.

Mr. Speaker, I introduced H.R. 11494 to provide a very necessary incentive to that search for answers. I believe we must use as many synfuels technologies as we can muster. I believe we must adopt as much flexibility in our choices as we can develop. I am confident that my bill will provide opportunity for both to happen.

Recent hearings before the House Science and Technology Subcommittee, ably chaired by my good friend and colleague Ken Hechler, revealed grave misgivings held by various industry leaders concerning present-day synfuel policies. Many of industry's fears can be eliminated if H.R. 11494 is enacted. For that reason, I am including as part of my remarks an account of the problem and its solution carried in the March 1 issue of the Oil and Gas Journal. The text follows:

ERDA Policies Said Slowing Growth of Alternate Fuels

The Energy Research and Development Administration resembled a well-used dartboard last week after a series of congressional hearings on its fossil-fuel program.

Industry and congressmen alike scored ERDA for paper-ridden bureaucracy and weak efforts to get the synthetic-fuels industry off the ground in House science and technology subcommittee hearings.

Industry critics claimed ERDA will fail to meet its long-term goal of developing alternate-fuels supplies by which the U.S. could reduce its dependence on foreign oil.

ERDA's most vocal and outspoken critic was Carl E. Bagge, National Coal Association president, who said that ERDA's problem "is the fact that its primary method for performing research, development, and demonstration is predicated upon a paternalistic and pedantic 'father-knows-best' assumption."

Proposals rut. Bagge charged that "several (industry) interests have recently been precluded from pursuing otherwise viable projects precisely because of the rigidity of ERDA's request-for-proposals bidding procedure," which he argued should be much more flexible.

Bagge explained that "ERDA's stubborn insistence on following the same pattern in its contracting is a major obstacle to energy progress."

For example, with demonstration plants, program officials identify an area of technology and then issue a request for proposals. Conceptual-design contracts are then issued which are 100% funded by ERDA. Upon completion of these designs, a winning design is selected, and industry and ERDA share the remaining costs of the project on a 50–50 basis.

"We do not believe ERDA should participate in demonstration plants the same way every time," Bagge said. "Achieving energy independence will require the use of many coal-utilizing technologies, each of which will require the resolution of different economic, technical, and environmental uncertainties before they can be successfully commercialized. We submit that until ERDA develops sufficient flexibility to deal with each technology, it will not succeed in its stated mission."

Bagge suggests that ERDA encourage unsolicited proposals for a whole range of projects within the context of general goal-oriented guidelines, thereby eliminating the current rigidity within the agency.

Supporting Bagge was Dr. George Hill, director of the fossil-fuel department of the Electric Power Research Institute. Hill, "dismayed at the procurement policies and time delays associated with ERDA procurements," said that the "requirement to issue competitive requests for proposals at each stage of a major pilot or demonstration-plant procurement unnecessarily stretches out the development program and leaves the selected contractor of a given phase uncertain as to his future role in the project."

Incentives needed? But even with a more flexible bidding process, some industry representatives claimed that synthetic-fuels development would not come about without some federal financial incentives.

American Gas Association Pres. F. Donald Hart expressed his concern with the lack of progress in the development of a high-BTU, coal-gasification industry. Though the Lurgi process has proved the industry a viable one, Hart said, no commercial plants have been built because of the financing problems. Hart urged Congress to enact a bill providing loan guarantees for high-BTU gasification plants.

Columbia Gas System Inc., however, plumped for an assured governmental pricing policy for synfuels. According to Chairman and President Bernard J. Clarke, the main problem impeding building demonstration plants is "the uncertainty as to the regulatory treatment which would be afforded to investments by Columbia in demonstration plants during the extended time for construction and startup and until the output of the plant becomes economically competitive.

"If we could be assured of a recovery of our operating costs and a return on our investment during this period, our views of joint participation with ERDA would be entirely different. Absent that assurance, we must look to ERDA to take the lead."

ELECTION REFORM, OR POLITICAL BLACKMAIL?

HON. BILL FRENZEL

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 18, 1976

Mr. FRENZEL. Mr. Speaker, following is an editorial that appeared in the March 16, 1976, issue of the Washington Star. I do not necessarily concur with the remarks aimed at or questioning the motives of the distinguished chairman of the House Administration Committee, but I do think the editorial is correct in its analysis of the committee's bill.

The questions raised about the bill in this editorial are being raised all over the country. Yesterday I inserted a Post editorial which touched on some of the same questions.

The committee bill is now broadly understood to be destructive to the Election Commission's independence.

It is becoming more obvious that the correct course of action for the Congress is to merely reconstitute the Elections Commission.

The editorial follows:

ELECTION REFORM, OR POLITICAL BLACKMAIL

It's hard to tell whether Rep. Wayne Hays is working for or against legislation to keep the Federal Election Commission in business.

You will recall that Mr. Hays had wanted to kill the commission but was turned around by George Meany of the AFL–CIO and House leaders who wanted the commission kept alive.

Mr. Hays's House Administration Committee has completed work on legislation ostensibly aimed at saving the Election Commission from legal infirmities found by the Supreme Court. But while fixing the flaws, the Administration Committee has added several appendages, at least one of which is highly controversial and might result in a presidential veto.

The Administration Committee has decreed that corporations that have organized political action committees to collect funds for candidates cannot solicit donations from employes; they could solicit only stockholders and management officials. No similar restriction was put on political action committees of labor organizations.

It is a blatant attempt by Mr. Hays & Co. to give labor an upper hand over management in raising political funds and electing candidates. A Republican member of the Administration Committee argued, to no avail, that limiting the right of solicitation to a certain class of individuals may be unconstitutional.

The White House has indicated that President Ford may veto the bill if it contains the restrictive provision when it reaches his desk. Mr. Hays, with his usual swagger, threatened to block requested appropriations for the U.S. Information Service unless Mr. Ford signs the bill—which smacks of political blackmail.

But wait. There may be more to all this than meets the eye. Perhaps the foxy Mr. Hays is trying to pull a fast one on his colleagues who want to keep the Election Commission in business. Could he be deliberately courting a presidential veto, hoping that the Election Commission will die of it?

TULSA PROGRESS SALUTED

HON. JAMES R. JONES

OF OKLAHOMA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 18, 1976

Mr. JONES of Oklahoma. Mr. Speaker, I would like to take this opportunity to share with my colleagues an article that appeared in the U.S. News & World Report on March 22, 1976, entitled "Mid-America's Success Story."

One of the highlights of the article was the summation of the rapid progress and development currently being witnessed in my home city of Tulsa.

The article follows:

MID-AMERICA'S SUCCESS STORY

TULSA.—Typical of the booming cities of mid-America is this Oklahoma metropolis, born in 1880 as an Indian village and nourished on oil in its formative years.

Today, 96 years later, Tulsa is approaching maturity with skyscrapers reaching into the prairie sky and suburbs rippling outward.

The city's economy is gaining diversity. It has capitalized on its central location in the U.S. to become a major computer data-processing center. Four major oil firms process their credit-card accounts here—Shell, Sun, Skelly and Cities Service. Avis Car Rental and American Airlines reservations are handled in Tulsa.

KEY: A WATERWAY

A big boost for the city's growth came in 1971 with the opening of the Arkansas River Navigation System, a 448-mile waterway tying this region to the Mississippi River and giving it access to the sea.

The project was a dream of the late Oklahoma Senator Robert Kerr who brushed aside charges that it would have been cheaper to pave the river with concrete rather than tame it for a waterway.

Today, Senator Kerr's project is proving itself. Last year, 350,000 tons of cargo moved through Tulsa's Port of Catoosa. Some products such as huge heat exchangers for petrochemical plants are shipped overseas via the waterway.

Tulsa's oil-tool manufacturing, steel-fabrication, and petroleum-service industries are currently leading the city's economic activity. At latest report, deposits in the 23 banks were 54 million dollars ahead of a year ago, while loans had increased by 115 million. Says Russell Hunt of the First National Bank:

"Housing is making a strong comeback and petroleum-related firms are still expanding. Despite the end of the oil-depletion allowance and the rollback in oil prices by Congress and the President, we are still making loans to oil firms with optimism."

After years of preoccupation with growth, Tulsa now is turning attention to becoming a better place to live.

The Williams Center, a 200-million-dollar urban-renewal project covering nine square blocks, is restoring vitality to the downtown business district. Under construction or in the advanced planning stage are a 52-story office building, a 400-room luxury hotel, a theater for the performing arts, a parking garage and a Galleria shopping mall. Amid all this will be a 2.5-acre plaza to give green space.

The Arkansas River, which skirts the downtown area, is being beautified with a series of dams, parks and recreational facilities.

CAMPUS IN SUBURBS

Spread over a hillside in the suburbs is the futuristic campus of the university established by Evangelist Oral Roberts. Opened in 1965, the university has 3,000 students enrolled and graduate schools in medicine, law, business and theology.

"I don't care what you think about Oral Roberts' brand of religion, you have to admit that he's building a great university," comments a Tulsa business leader. "He has hired top educators to teach there by paying more than the competition."

Jenkin Lloyd Jones, editor of the Tulsa Tribune, says that Tulsa retains its pioneer spirit. "People here like to build and improve things," he asserts. "That's what separates pioneers from ordinary people."

Mr. Speaker, I want to close with what you already know, and that is Oklahoma is the land of tomorrow and tomorrow is here now.

FEDERAL EMPLOYEES: MYTHS AND REALITIES

HON. HERBERT E. HARRIS II

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 18, 1976

Mr. HARRIS. Mr. Speaker, I would like to bring to the attention of the Members of the House a statement made by our colleague, STEPHEN J. SOLARZ of New York, made before the New York City and Long Island Council—District 2—of the American Federation of Government Employees on March 31, 1976.

The statement follows:

FEDERAL EMPLOYEES: MYTHS AND REALITIES

(By Hon. Stephen J. Solarz)

This is the year in which we celebrate the 200th anniversary of the first truly democratic revolution in the history of mankind.

For most Americans the promise of progress contained in the Declaration of Independence has been amply and abundantly fulfilled.

But for many Americans the possibilities for participation in the mainstream of the political and economic life of our country are still more illusory than real.

We have heard much in recent years about the legal and social disabilities which have been imposed on blacks, chicanos, women, homosexuals, and other recognized minorities.

But I want to talk tonight about another minority constituting an even smaller percentage of the population than any of the groups I referred to a moment ago.

I have in mind a minority which suffers from the kind of political and economic restrictions which, if imposed on blacks, chicanos, gays, or women, would lead to a major social and political upheaval in our society.

I have in mind a minority which, in this Bicentennial year, is still prohibited from actively participating in the political life of our country.

I have in mind a minority which, unlike any other group of Americans, is forced to accept wicked wage controls which limit their pay increases to less than 50% of the annual increase in the cost-of-living.

I am talking, of course, about the 2.8 million men and women who serve our nation in their capacity as federal civilian employees.

These are troublesome times for all public employees. It is a rare day that you don't pick up a newspaper and find some peripatetic politician taking a cheap shot at the men and women who see to it that our government works.

In this presidential year, federal employees have been forced to take the brunt of these demagogic denunciations. Some of the most important public officials in the land have found the federal government and the people who work for it a convenient scapegoat, and a means of distracting public attention from the fact that, they themselves, offer no real solutions to the many complex problems that face our nation.

These politicians, who parade as non-politicians, would have us believe that the federal government has grown too big and insensitive, and that all civil servants are lazy, mindless drones, receiving lots of money for little work.

The fact of the matter is that the federal bureaucracy has not grown out of hand. Indeed, listening to these putative presidential possibilities one would never know that the number of federal employees has hardly increased in the last thirty years.

In 1946, there were 2,666,000 civilian federal employees. In 1976, thirty years later, there were 2,802,000 civilian federal employees—an increase of only 6/10 of 1%. In the meantime, our population has doubled and the size of our work force has increased by over 50%.

What has grown greatly since 1946 is the amount of benefits distributed by the federal government. Last year's federal budget totalled 373 billion dollars as compared to a 1947 federal budget of only 55 billion dollars. This is an increase of over 650%. Even discounting inflation, the real value of federal programs has increased more than 250%. I doubt that there is a private corporation in the country that can boast that they more than doubled their production while increasing the size of their work force by less than 1%. And, for all the talk of inefficiency and waste, I wonder how many private corporations can match the proud record of the Social Security Administration and its employees who distribute over 70 billion dollars a year to over 31 million Americans with less than 79,000 employees.

But the attacks on the federal government are based not only on inaccurate facts but on false premises as well. President Ford, for example, has frequently attacked government regulations for interfering with our freedom and has equated any sort of government action with an infringement on our most cherished liberties.

I fear, however, that the President is better at football than philosophy. For the fact is that government regulations have usually been promulgated to solve problems created not by unlimited government interference but by unchecked private power.

Were it not for the minimum wage laws and the fair labor standards act tens of millions of Americans would be suffering from the tyranny of the sweat-shop.

Were it not for the price controls on oil and natural gas the giant oil companies would be doubling and tripling our energy bills.

Were it not for the Social Security system millions of elderly Americans would be starving or panhandling instead of living with the modicum of dignity provided for by the checks you send them every month.

And, were it not for federal intervention, millions of black Americans in the south and elsewhere in the nation would still be effectively prevented from exercising their right to vote.

In the last quarter of the twentieth century it is about time we realized that in our interdependent society public regulation is sometimes the only effective answer to private tyranny. And that what President Ford and the other champions of conservatism promise us is nothing more nor less than freedom for the rich and exploitation of the poor.

The fact is that real freedom—not the fake freedom offered us by the president—requires an expansion rather than a contraction of government services.

Only a national health insurance program will free the American people from the debilitating worry of an economically ruinous illness.

Only stronger consumer protection laws will free us from the danger of unsafe products and poisonous drugs.

And only a federal government dedicated to the creation of a full employment economy will free us all from the personal indignities and social consequences of joblessness.

The President and his conservative cronies may not yet have recognized these fundamental truths but there have been some of us in the Congress who have tried to improve the lot of the federal civil servent.

Indeed, the House of Representatives, has already voted to repeal the arbitrary and archaic Hatch Act and to restore to federal employees the same political rights as those enjoyed by their 210 million fellow citizens.

Just a few days ago, the Senate passed a similar version of the bill as well, and I confidently expect that a conference committee will soon iron out the differences between these two different bills so that the Congress can put this vitally needed legislation on the President's desk.

There are rumors that the President may veto this bill. He has vetoed so many other bills that it wouldn't at all surprise me if he vetoed this one too. But I would suggest that President Ford's rejection of this legislation would be an act of shear hypocrisy. It would be simply unconscionable for the President, who continuously makes political hay out of limiting your well deserved pay increases, to now deny you your political rights to do something about it. At a time when fewer and fewer Americans even bother to vote we should be encouraging rather than discouraging the participation of all Americans in our political process. But it seems that the only role President Ford wants you to play in politics is that of whipping boy for him and his administration.

Well, I disagree with President Ford. I think he was wrong in limiting your pay increases and I have sponsored legislation which would eliminate his veto over your pay. In short, I am for taking the salaries of Federal employees out of politics and for giving federal employees the right to participate in politics.

I also believe we should give federal employees the same collective bargaining rights now enjoyed by many state and municipal workers and almost all private sector employees. The history of labor relations in this country over the last 40 years has proven that we are all better off if workers, through their unions, have a say in determining the terms and conditions of their employment.

Finally, I want to say a few words about the importance of the work you do. Because of your efforts millions of Americans no longer suffer from want and deprivation. It is you and the government you work for that serves as the protector of the people against the forces of private selfishness and corporate greed.

It may be true that in our determination to help the underdog, we have occasionally established programs which create more problems than we solve. But, I believe, as did Franklin Roosevelt, "Better the occasional fault of a government that lives in a spirit of charity, than the consistent omission of a government frozen in the ice of its own indifference."

And, so I say to you that the best way to celebrate the bicentennial would be for us to take our icepicks to Washington.

CUTBACKS AT LORING?

HON. WILLIAM S. COHEN

OF MAINE

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 18, 1976

Mr. COHEN. Mr. Speaker, on March 11, 1976, Maine was shocked to learn that the Defense Department is considering a plan to substantially reduce both the military and civilian personnel at Loring Air Force Base in Limestone.

The unexpected recommendation to cut back at Loring was contained in a preliminary report released to the Maine congressional delegation and to the public by the Air Force. The Loring reductions are to be considered as part of an Air Force attempt to eliminate $150 million nationwide from its budget. Some $24 million of the $150 million in cuts—or one-sixth of the nationwide total—would come from Loring.

Specifically, Air Force plans call for deactivating the 42d Bombardment Wing of the Strategic Air Command. The B–52's now at Loring and the tankers that service them would be reassigned to the Air Reserve Forces. The only major units left at Loring would be the 49th Fighter Inceptor Squadron and its support personnel. Loring would be reduced to a forward operating base capable of supporting alert and reserve activities.

In human terms, the cutbacks would be extremely serious. Some 83 percent of the 3,328 military positions at the base would be eliminated, as would 70 percent of the existing 656 civilian positions. Obviously, the kind of cutbacks the Air Force is contemplating pose a serious economic threat to Aroostook County, where unemployment is already alarmingly high.

No major change at Loring can be implemented immediately. Federal law carefully spells out procedures that must be followed in cases of military closings and cutbacks. The National Environmental Policy Act requires the Air Force to file complete studies of the environmental and economic impact of any Loring cutbacks. Hearings will have to be held, and the full impact on Aroostook County and Maine must be assessed.

The Maine Congressional Delegation intends to make a unified effort to try to prevent these preliminary recommendations from being implemented. In order to make Maine's case forcefully, we will need the support and backing of the public of Aroostook County. It will take several months for the Air Force plan to be reviewed, and during that time there will be ample opportunity for all those concerned with Loring's future to be heard. I believe a strong case can be made for keeping Loring's strength at its present level; it will be up to all of us to see that this case is made to the Air Force.

At this point, I insert two memorials from the 107th Maine Legislature and the Air Force Department's announcement regarding the proposed changes at Loring:

S.P. 752

Joint resolution requesting information concerning the proposed reductions at Loring Air Force Base

Whereas, the arts of economics and of politics are often inextricably entwined; and

Whereas, often terms such as "cost effectiveness" and "cost-to-benefit ratio" do not fully reflect the underlying reality of a situation; and

Whereas, the decision to institute extensive reductions at Loring Air Force Base of necessity originated in some part of the Executive Branch of the Federal Government; and

Whereas, the decision to institute this and other Air Force base reductions could have a significant effect on presidential primary elections to be held this year; and

Whereas, it is of vital concern to the Legislature of this State to know that the decision to make reductions at Loring Air Force Base, with the grave economic consequences to Aroostook County and to Maine which accompany that decision, was not made because of political considerations on the part of anyone in the Executive Branch of the Federal Government; now, therefore, be it

Resolved: That We, the Members of the 107th Legislature, now assembled in special session, do hereby urge and request the Members of the Maine Congressional Delegation to ask the Department of Defense to provide them with detailed information as to where and how the decision to make reductions at Loring Air Force Base originated, and as to the complete reasons why this decision was made; and be it further

Resolved: That duly attested copies of this Resolution be immediately transmitted to the Members of the Maine Congressional Delegation with our thanks for their prompt attention to this important matter.

H.P. 2188

Joint resolution protesting the threatened reductions at Loring Air Force Base

Whereas, the Legislature has learned that the Air Force is recommending inactivation of the 42nd Strategic Air Command Wing of the 69th Bomb Squadron at Loring Air Force Base and, in addition is recommending severe cuts in the manning levels of the base; and

Whereas, grave doubts have been publicly raised about the strategic wisdom of inactivating the 42nd Strategic Air Command Wing; and

Whereas, it is estimated that 83% of the Air Force personnel stationed at Loring Air Force Base would be transferred because of this recommended cut and that 70% of the civilians employed at Loring Air Force Base would lose their jobs at the base; and

Whereas, the inactivation of the 42nd Strategic Air Command Wing and the cut back in personnel would be an extremely damaging blow to the economy of Aroostook County and the State of Maine; and

Whereas, the Air Force has indicated that the decision concerning this reduction is not yet final; and

Whereas, if these reductions are necessary to the federal defense budget they should be equitably apportioned among all Air Force bases in the United States rather than concentrated at Loring Air Force Base; and

Whereas, federal law requires the Council of Environmental Quality and the Air Force to weigh carefully evidence of environmental and economic damage which these reductions might cause; now, therefore, be it

Resolved: That We, the Members of the 107th Legislature assembled in Special Session, do hereby respectfully protest the recommended reductions at Loring Air Force Base and urge and request the Members of the Maine Congressional Delegation to use every means possible to bring the Air Force to a reconsideration of the strategic, economic and environmental wisdom of instituting these reductions; and be it further

Resolved: That duly attested copies of this Resolution be immediately transmitted to those congressional delegates with our thanks for their prompt attention to this important matter.

LORING AIR FORCE BASE, MAINE

Proposed action: Inactivate the 42d Bombardment Wing (Strategic Air Command) and transfer B-52 and KC-135 assets to other locations. Inactivate the 69th Bombardment Squadron and transfer 14 B-52s to Non-Operating Active (NOA) status. The 30 KC-135 tanker aircraft assigned to the 42nd Bombardment Wing will be transferred to the Air Reserve Forces during FY 77 as part of a previously announced modernization program. Retain the 49th Fighter Interceptor Squadron detachment with a programmed implementation date of April 1976 and retain the 4000th Aerospace Application Group mission. Reduce Loring to a forward operating base capable of supporting alert aircraft and contingency operations by the end of 1976.

Basis for the proposed action: The imperative need to manage the resources of the Air Force with less while maintaining the deterrent value of Strategic Air Command, has led to a critical review of all base operating functions, activities, and installations. The Congress has also been mindful of the possibilities of further economies and the Senate Appropriations Committee has recommended that these economies be taken in support areas, not combat units. The results of our review and the on-going modernization program of transferring KC-135s to the Air Reserve Forces initiated in 1974 permits us to relocate the active units from Loring and reduced the base to a forward operating base capable of supporting alert aircraft and contingency operations.

The Air Force has been converting Reserve force units into KC-135s at the rate of one Reserve Squadron per fiscal quarter. With the knowledge and experience we have gained with this program within the last year, we are confident that we can now suceessfully convert two Reserve Units per quarter. This increased rate of conversion will more quickly bring the Reserve forces into the Strategic mission and allow the Air Force to advance by one year the retirement of older, less efficient weapon systems.

The primary consideration in selecting the bases for reduced status or closure, is to insure the Air Force maintains its capability to perform its assigned missions at the least cost. In determining which of the current strategic bases should be eliminated or be reduced in active status, an evaluation of each of the existing bases was conducted using the following criteria:

a. Retain essential activities.

b. Reduce excess capacity.

c. Generate maximum near term savings.

d. Consider programmed force adjustments.

e. Retain bases with capacity to expand primary mission activities.

In order to maximize near term savings, the Air Force's evaluation focused upon bases with a single mission rather than upon multimission bases. Bases with tactical fighter, air logistics centers, training, or other major missions in addition to the strategic bomber or refueling missions were therefore eliminated from consideration. Because high one-time costs would be incurred, significant near term savings could not be realized by eliminating or moving the bomber/tanker mission when other mission(s) would remain or also require relocation. That evaluation resulted in the identification of Loring AFB as one of the bases that could be reduced with the least impact upon strategic capability and at the same time maximize near term savings. These savings are realized by inactivating the B-52 squadron and transferring its aircraft to a NOA* status, transferring the KC-135s to the Reserve Forces, and retaining the 400th Aerospace Applications Group and the 49th Fighter Interceptor Squadron detachment at Loring.

In recognition of the impending phaseout of the strategic mission at Loring, its potential to accommodate other missions was evaluated. Consideration was given to operational suitability and requirements, facility availability, new mission requirements, and the base potential in comparison to other installations. The evaluation led to the conclusions that other active duty missions could not be economically transferred to Loring, and that the base should not be declared excess to Air Force requirements and closed.

Impact of the proposed action: The current Loring authorization of 3328 military and 656 civilian positions would be reduced by 2750 military and 465 civilian positions leaving residual authorizations of 578 military and 191 civilian positions. Prior to a final decision, the Air Force will conduct a detailed study of the technical, operational, economic and other pertinent factors related to the proposed action, including preparation and filing of an Environmental Impact Statement.

A draft EIS will be filed with the Council on Environmental Quality and disseminated to all interested agencies, activities, and parties for comment. Notice of the availability of the draft EIS will be published in the Federal Register along with appropriate information guidance as prescribed by regulations.

Comments will also be solicited on the draft EIS and those received will be evaluated and considered in the final EIS, which will be filed with the Council on Environmental Quality and announced in the Federal Register. Decisions made after completion of the environmental process, which will take approximately 4 to 9 months, will be announced promptly.

All base actions are proposed to be accomplished by September 30, 1977.

WORLD HUMANIST WEEK

HON. BELLA S. ABZUG

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 18, 1976

Ms. ABZUG. Mr. Speaker, in recognition of the deep concern with ethics and human values evinced by humanists the Honorable Abraham D. Beame, mayor of the city of New York, has proclaimed that the week of April 4-10, 1976, will be observed in the city as "World Humanist Week." A copy of this proclamation is inserted for the information of my colleagues:

PROCLAMATION OF THE CITY OF NEW YORK

Humanism is deeply concerned with ethics and values and in assisting people in their search for those values which will help them achieve their full potential as human beings.

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*NOA status retains the aircraft in the active inventory, but manpower authorizations and other resource associated with the aircraft are reduced. NOA aircraft permit normal cycling of aircraft through programmed depot maintenance and avoid reducing the total number of aircraft needed to sustain combat readiness of the total B-52 force.

Humanists have struggled for freedom of conscience in order to have a world in which each person is free to come to his or her own concept of truth.

Humanism affirms the inherent dignity and worth of every human being, and asserts that individuals are responsible for the realization of their aspirations and that they have within themselves the power of achieving those aspirations.

Humanism has been at the heart of the scientific and technological revolution which has given humanity an unparalleled opportunity for achieving an abundant and meaningful life. Humanism is not tied to any one nation, tribe, or person, but draws on the experiences of all societies and aims for the comradeship of all people.

Now, Therefore, I, Abraham D. Beame, Mayor of the City of New York, do hereby proclaim the week of April 4–10, 1976, as "World Humanist Week" in New York City, and let this commemoration serve to renew the determination of all Americans to preserve the ideal of universal brotherhood.

REPRESENTATIVE HALL URGES ADOPTION OF HIS FAMILY FARM BILL

HON. TIM L. HALL

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 18, 1976

Mr. HALL. Mr. Speaker, today I had the privilege to offer my views on the importance of Federal estate tax reform in testimony before the Ways and Means Committee. The task of the committee is awesome in its magnitude and complexity, and I urge all of my colleagues to give their support to the committee and to the long overdue reform of the Federal estate tax laws. At this point I am inserting my testimony before the Ways and Means Committee:

STATEMENT OF HON. TIM L. HALL BEFORE THE WAYS AND MEANS COMMITTEE ON ESTATE TAX REFORM

Mr. Chairman, distinguished Members of the Committee, I wish to thank you for this opportunity to appear before you today. I come in support of crucial reform in the Federal estate tax laws, which you will find in my bill, H.R. 7912.

My bill is similar to H.R. 1793 introduced by my distinguished colleague from Texas, Mr. Burleson. The bill would raise the exemption for purposes of the estate tax from $60,000 to $200,000, exempt from taxation the first $100,000 passing to a surviving spouse and allow valuation of farmland and open space land at the value of its current economic use rather than at its highest potential use as commercial or other property.

These measures are crucial and vital to the preservation of a cherished American institution. Without these reforms, the small family business and the family farm will disappear from the American scene. This event would be a tragedy for all Americans.

In 1942, the Congress determined that each of us should be able to inherit without cost the basic family estate. The figure of $60,000 was chosen as an amount reasonable enough to accomplish this goal. Since that time, inflation has eroded the integrity of that figure. Based on the consumer price index, approximately $205,000 would be needed now to equal the value of $60,000 in 1942 dollars.

You can readily see that inflation has provided the U.S. Treasury with a hidden tax hike and additional revenues. The property in a 1942 estate of $60,000 incurred no tax liability under the Federal tax code. That same property today would generate a tax liability of as much as $30,000.

This is wrong. An economic burden is being placed unfairly on the survivors of decedents with small estates when in fact Congress decided correctly many years ago that the small estate should pass free from this tax burden.

I recommend to the Members of the Committee adoption of an exemption that corrects the unintended hardships caused by inflation. All Americans will benefit by your action.

My bill also addresses a particular injustice brought about by the changed economic circumstances. Farmers are especially hard hit by estate taxes, since their estates are often land rich and cash poor. Many sons and daughters of farmers would like to carry on the family farm, but they find they are unable to do so because of the steep estate tax. All too often, the heirs must sell all or part of the family farm to pay the taxes. I have been saddened to see examples in my own district of forced sales of farms that had been in the same family for generations. In the year 1975 alone, the number of farms in Illinois declined by 2,000.

It is imperative to provide relief from this situation and to preserve the family farm. The small family homestead has been the backbone of our country's agricultural success, and it may be one of the few remaining avenues for personal independent enterprise. If the Congress fails to act, we may be witness to the disappearance of the family farm in America.

One measure of relief is raising the exemption to $200,000. Another necessary step is the valuation of farmland for estate tax purposes by reference to its actual use. The need for this reform is most evident in agricultural communities bordered by urban or suburban areas. The demand for commercial and residential land forces the price of land far beyond its economic value as farmland. When these values are used for estate tax purposes, the heirs have no choice other than to liquidate the land for simple economic reasons.

Accordingly, I urge the Members of the Committee to approve a provision in the Federal code that would permit the valuation of farmland and woodland in relation to its current economic use. This action will preserve for future generations one of America's outstanding economic entities, the family farm.

U.S. PRESIDENTS SHOULD BE THE PEOPLE'S SERVANTS—NOT THEIR SOVEREIGNS

HON. THOMAS J. DOWNEY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 18, 1976

Mr. DOWNEY of New York. Mr. Speaker, once again, WGSM radio station, in my congressional district has dealt editorially with an important public issue and has spoken with a sense and clarity worthy of commendation. On March 13, 1976, WGSM took a look at Richard Nixon's latest statements about the nature of the American Presidency and has found his analysis wanting. I am submitting the editorial below.

In addition, I want to congratulate WGSM on the celebration this year of its 25th anniversary on Long Island. Its dedication to community service and entertainment is well known, and esteemed throughout the community. WGSM has set an example for broadcasting in its first 25 years that serves as a standard throughout Long Island.

I add my congratulations and best wishes to those already extended to WGSM, and look forward to their increased success over the next decades.

The article follows:

U.S. PRESIDENTS SHOULD BE THE PEOPLE'S SERVANTS—NOT THEIR SOVEREIGNS

Richard Nixon thinks that if you break in and burglarize someone's home or business, you are a criminal and should be punished, but, if he orders a break-in, while President, he should not be punished. That's the gist of what he says in an absolutely amazing reply to a committee of Congress.

The former President, of course, did not choose to honor the Congressional Committee with a personal appearance, but, rather, sent his reply in writing. Referring to the President as a "sovereign" and, indeed, sounding more like the English King, against which the American Revolution was launched, Mr. Nixon proved once again to be the Chutzpah King of the Universe by indicating the President could do things that were unlawful for all the rest of us peasants.

Brushing off all constitutional safeguards of equality under the law for all men and this being a nation of laws, not of men, Mr. Nixon again shows a complete lack of understanding of the entire American system of government and justice. The same high-toned justifications for lying, cheating and stealing that we heard when Nixon was President are found in his deposition. Richard Nixon is not repentent. Anyone else that had done what he had would, deservedly, be in a federal penitentiary today, but Richard Nixon, a pardoned criminal, is not apologizing to anyone. He continues to insist that a President is above the law.

The "Imperial" President has learned nothing. His answers should serve as a final reminder to that minority of Americans who seriously talk about Richard Nixon re-entering public and political life.

FEDERAL ESTATE TAX RELIEF FOR FARMERS

HON. JOHN M. ASHBROOK

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 18, 1976

Mr. ASHBROOK. Mr. Speaker, Federal estate tax laws are seriously outdated. The present estate tax exemption is $60,000. Previously I have introduced legislation which would have doubled the exemption, but inflation over the past half dozen years has made that increase too low. To remedy this situation I have introduced legislation (H.R. 12277) which would increase the exemption to $200,000.

The $60,000 limit on the estate tax exemption has hit farmers hard. When a farmer dies, many families are unable to pay the high estate taxes. They are forced to sell the family farm.

I urge the Ways and Means Committee in its current hearings on tax reform to remedy this situation by increasing the estate tax exemption to $200,000. This increase of the exemption is long overdue. **It will help to relieve the increasingly heavy burden on farm families.**

I have also introduced H.R. 5131. It would, at the election of the executor, allow a farm estate to be assessed at its value for farming purposes. This is a valuable alternative to present tax policy of valuing land at its highest potential value.

Farmland should be assessed at its value as farmland. Computing the estate tax based on a nonfarm use often forces a family to sell the farm.

I urge the Congress to move on these two important bills. We should help keep the family farm within the family.

AN EXCELLENT HISTORICAL WORK ON CAREER OF THE LATE CLAIR ENGLE

HON. HAROLD T. JOHNSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 18, 1976

Mr. JOHNSON of California. Mr. Speaker, many of us here in the House remember well the colorful, dedicated, knowledgeable colleague, the late Clair Engle, who served northern California in the House of Representatives and subsequently the entire State of California in the U.S. Senate. As his master's thesis a young student at California State University at Chico, Stephen Paul Sayles, wrote an outstanding biography of our good friend Clair.

He told of Clair's early days in Tehama County of northern California and his dedication to public service which was so determined that he became the youngest district attorney the State has ever known. He became the Tehama County district attorney at the age of 23 only months after his graduation from law school.

In 1943 Clair became Representative in Congress following a special election and in 1958 he moved over to the U.S. Senate. I was privileged to follow in his footsteps here in the House of Representatives.

Mr. Sayles' thesis served as the basis for an article entitled, "Clair Engle and His Political Development in Tehama County, 1911 to 1944," published in the winter edition of the California Historical Quarterly. An excellent review and summary is contained in the Chico Enterprise Record, an outstanding daily newspaper which points out with pride they always refer to Clair Engle as "the happy warrior" because of the way he relished combat against odds.

Mr. Speaker, so that my colleagues could recall the spirit of Clair Engle who served so many years ago, I did want to insert in the RECORD at this point the editorial from the Chico Enterprise Record which captures the spirit and the flavor of an outstanding legislator.

AN EXCELLENT HISTORICAL WORK ON CAREER OF THE LATE CLAIR ENGLE

No history of California politics could ever be complete without some generous chapters on the career of the late U.S. Sen. Clair Engle, the Red Bluff Democrat whose service to our own region, the entire state and the nation as a whole spanned some 30 years.

And it is our opinion that whoever eventually compiles such a political history will do well to take advantage of research and writing on the subject of Clair Engle by Stephen Paul Sayles, a young Chico High and Chico State graduate who is now working on his doctorate in history at the University of New Mexico.

Sayles already is gaining recognition both as a historian and as an authority on Engle, who died of cancer in 1964. For example, the current Winter Edition of the prestigious California Historical Quarterly, published by the California Historical Society in San Francisco, features an article by Sayles entitled, "Clair Engle and His Political Development in Tehama County."

In close and dramatic detail, the article traces Engle's career from his first Tehama County election campaign—when he became California's youngest district attorney at the age of 23 in 1934—up through his election to the U.S. Senate in 1958 and his attainment of political prominence on the national scene.

The article by Sayles pays careful attention to the prewar era when politics in Tehama County and Northern California were conducted on a vigorous, slam-bang basis that especially suited the tough, savvy nature of young Clair Engle. It was in those early battles that Engle gained the knowledge of mixing politics and human nature into a combination to win elections.

The article also stresses some of the high and low points of Engle's service as a district attorney. He gained statewide attention in 1940, for example, when the then California Attorney General Earl Warren named him special prosecutor in a case concerning a blood-feud killing in Trinity County. Despite fervent opposition by angry mountain men who didn't like "outsiders," Engle obtained a conviction in that case and a legislative commendation in the resolution okaying an appropriation for his special service.

A low point—and a heart-breaking one—came when one of Engle's closest personal friends was involved in a Christmas Eve fatal hit-and-run incident north of Red Bluff. Engle asked Atty. Gen. Warren to appoint a special prosecutor so he wouldn't have to prosecute his friend. Warren firmly refused and told Engle, "If you want to go any place (in politics), you have to put your personal feelings aside." Engle lost friends in that case—even though he failed to obtain a conviction—but the lesson taught by Warren stayed in the young d.a.'s mind. He was a tougher politician thereafter.

Yet the Sayles article stresses that Engle had a great sense of kinship with the working people and with those who need friends most on the political scene. The combination of toughness and closeness with the average citizens constituted a major key to Engle's success.

These segments of the Sayles article generated fond memories in the minds of Enterprise-Record staffers who covered Engle's activities over the years. We always referred to him as "the Happy Warrior" because of the way he relished combat against odds. And his love of the region he represented was a strong motivation in his service.

Engle flew his own plane (and became known as "the flying congressman") to enable him to cover his huge district, the largest in the nation. An E-R staffer remembers accompanying Engle on one such aerial campaign swing. As Engle deftly began the little plane's descent from the rim of mountains surrounding Quincy and its small airport, he called the attention of the newsman to the lush carpeting of sky-reaching pines covering the mountainsides:

"Look at the trees!" he cried exuberantly. "I am the luckiest congressman in the United States. Not only do I represent some of the best of America's people, but I also speak for more trees, and more water, than any other man in the House of Representatives."

As Sayles also points out in his current article, the trees and mountains and water played major roles in Engle's success in Washington. He became one of the nation's leading authorities on conservation, irrigation, flood control, forestry and other matters dealing with natural resources. As chairman of the House Committee on Interior Affairs, he was the most powerful man in Congress on these important matters. He wrote most of the Central Valley Project CVP) legislation, helped father the Sacramento Valley Canals Project here in our own Mid-Valley area, and carried California's ball in countless battles over water rights and other such matters.

The fact is that most veteran political observers feel that Engle's career was really only beginning—insofar as national impact was concerned—when cancer felled him during his initial term in the Senate. He had been gaining ground among national Democratic leaders and would undougtedly have played a key role in the politics of the mid-1960s and beyond.

The Historical Quarterly article by Paul Sayles, therefore, is certain to gain wide readership both in California and elsewhere. We obtained information on Sayles from W. H. "Old Hutch" Hutchinson, professor of history at Chico State, under whom the young Sayles completed his master's thesis on Engle's early career.

The master's thesis ran 490 pages and served as the basis for the current magazine article. At present, Sayles has completed his course work and orals on his doctorate at the University of New Mexico and is now researching his PhD dissertation, which will concentrate on Engle's career in Washington, with emphasis on his senatorial years.

Sayles is the son of Mr. and Mrs. Paul M. Sayles of Chico. He intends to make history his lifetime work. His article on Engle leads us to believe that his contributions in his chosen field will be worthwhile indeed.

RECONSTITUTE THE FEC

HON. BILL FRENZEL

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 18, 1976

Mr. FRENZEL. Mr. Speaker, on Wednesday in the other body, the Senator from Michigan (Mr. *GRIFFIN*), moved to amend the pending elections bill so that the Federal Elections Commission would be reconstituted and the other controversial aspects of the pending bill be eliminated. This motion for a simple reconstitution of the FEC failed by a single vote 46 to 47.

The closeness of that vote clearly shows the strong reservations about passing a comprehensive revision of election law in the middle of an election period.

Just after the Supreme Court decision in January, the President recommended a simple reconstitution of the FEC. So did most observers outside of the Congress. Nevertheless, the committees of jurisdiction have presented both Houses with bills which represent comprehensive revisions and recodifications and which almost incidentally reconstitute the FEC.

The closeness of yesterday's Senate vote on the Griffin amendment is proof of strong congressional resentment against the pending elections bills which shape the independence of the FEC, are obviously self-serving to the Congress and make complicated rules changes in the middle of the game.

I hope you give the House the opportunity to pass an amendment similar to the Griffin amendment.

47TH ANNIVERSARY OF LULAC

HON. J. J. PICKLE

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 18, 1976

Mr. PICKLE. Mr. Speaker, my good friend and able colleague from the Rio Grande Valley, Congressman KIKA DE LA GARZA, spoke last month at the 47th anniversary of the League of United Latin American Citizens celebration by the Washington, D.C. LULAC chapter.

This is a very fine and noteworthy address which tells a brief history of this laudable organization and quickly capsules the heritage of a people who have contributed greatly to this country—the Spanish-speaking Americans.

I insert this excellent speech in the RECORD with the hope that each of you will read it and learn from it, as I have:

SPEECH PRESENTED BY KIKA DE LA GARZA IN CELEBRATION OF THE 47TH ANNIVERSARY OF LULAC

Through many years, approaching half a century, the League of United Latin American Citizens has been a service and action organization of great force for the Spanish-speaking people of the United States.

It has been effectively involved in many issues affecting our people. Its work has focused on educational improvement, employment opportunity, raising the quality of health care, advancing civil rights, and active participation in community affairs.

Yes, LULAC has been in the forefront of progress in all the above and many more. We remember the names of Canales, Perales, Garza, Alamia, Gonzales, and many more of those brave and loyal Americans who initiated the struggle to right the wrongs, to broaden the opportunities, to shoulder the responsibilities. We should not forget—we should proudly point out that those who began LULAC believed that every right had a corresponding obligation, and they so conducted their private and public lives. We commend them, and I, as a member of the Congress of the United States of America, in my official capacity, salute them.

I remember Felix Tijerina and his "Little School of the 400." I would like to think that this was the beginning of so many programs like Headstart and Bilingual Education, to mention two in the field of education. And I remember SER, and it is with some pride that I recall my humble participation in this endeavor. The road was difficult and we had to go all the way to the White House. We should not forget and be eternally grateful to President Lyndon Johnson, for it was he personally who gave the word to fund SER for the first time And we remember the early court cases for equality in education and LULAC at the forefront.

The list is long, my friends, and these items are but a few. In peace and in war we have served our country. It is with pride that we recall those who have served in time of war. We need not mention names. The lists of Congressional Medal of Honor recipients and Purple Hearts proudly carry the names. We remind ourselves again here today that no one with a Spanish surname has ever deserted in the face of an enemy in the battlefields of the world.

In all of these areas gratifying progress has been made and continues to be made.

Now, in this Bicentennial year of U.S. independence and the 47th anniversary of the founding of LULAC, the national spotlight is being thrown on the contributions made by Spanish-speaking people, beginning early in that struggle for independence and in the time since freedom was won.

During this our Bicentennial celebration it is entirely appropriate for attention to be paid to the assistance rendered by foreign countries and foreign nationals in those early years. This aid played no small part in the success of the American Revolution.

Most Americans have known from their school days about the valuable support given by France, exemplified in the person of the Marquis de Lafayette. Valuable leadership also came from the Polish patriot, Thaddeus Kosciusko, and many Americans know about that. Knowledge of the assistance provided during the Revolution by Spain and citizens of her American colonies unfortunately is less widespread.

That lack is being remedied. In this Bicentennial period, Americans generally are being forcefully reminded of the significance and richness of our Spanish heritage. It is a heritage that goes far back.

The very discovery of the New World was the result of a Spanish undertaking.

Later, the Hispanic people who first landed at St. Augustine, Florida, built from there the routes of passage that enabled other immigrants to push their civilization westward.

The Treaty of Utrecht in 1713 rearranged the colonial map of America. By this treaty Spanish rights were recognized in Florida, including most of the southern part of the present State of Georgia, and the regions now known as Mexico, Texas, New Mexico and California.

After the original Thirteen Colonies declared their independence from Great Britain, Hispanics participated in a telling fashion in the Revolutionary War.

At the outbreak of the Revolution, Spain's foreign minister, Grimaldi, wanted his nation to join France in war against Britain. This effort did not succeed at the time, but within weeks after independence was declared by the colonies the Spanish government was providing substantial secret subsidies to pay for arms and other essential supplies for the Continental Army.

Fortunately, not long after the Declaration of Independence an experienced military man, Don Bernardo de Galvez, was named by royal order as governor of the Spanish province of Louisiana. He assumed that position on January 1, 1777. He was only thirty years of age, but he already had seen military service in Portugal and in New Spain and had attended the military school in Algiers. After completing his courses there he was ordered to Louisiana to command that province's fixed regiment.

After he became Spanish governor of Louisiana, Galvez proceeded to do all within his power to weaken the British in his area.

His most notable contribution to the colonists' cause during this period was the assistance he gave American agents in New Orleans in procuring essential war materials and supplies. He also brought about the seizure of British ships that had been engaged in a profitable contraband trade. Early in his governorship he established an artillery militia unit in the province.

Galvez also took an inventory of available manpower by ordering a census taken in May 1777. The results showed 17,926 people in Louisiana—16,292 in the area occupied by the present State and 1,636 in the Arkansas and Illinois districts. New Orleans had a population of 3,206.

After Spain declared war against Great Britain on June 21, 1779, Galvez, the military man, was free to assume a more direct role. He soon proved himself no less capable in the field of open action than he had been in his covert operations.

On August 27 of that year, Galvez left New Orleans at the head of an expedition against the British up the Mississippi. Part of his army was recruited along the way. It included Spaniards, Mexicans, Cubans, Louisianians and several hundred Indians.

Within a month this army of 1430 men captured Fort Bute, an important British military and trading post at the northern boundary of the Isle of Orleans, attacked and captured British forces at Baton Rouge, and accepted the surrender of Natchez.

Other victories lay ahead. Early in March 1780, Galvez led his army on an expedition of conquest to Mobile. Within days, after a seige and bombardment of Fort Charlotte, the British garrison surrendered the Fort and Mobile. Soon afterward Galvez went to Havana to form an expedition against Pensacola. A hurricane dispersed his fleet, but it was reformed and on the last day of February 1781 it left for Pensacola, appearing off that outpost on March 9. The Spanish Army landed the next day, and after extended siege operations against the fort it was surrendered on May 10.

Later that year, Galvez was made governor of West Florida and Louisiana, and given the title of Viscount of Galveston, the city he had founded and which was named for him. Also, he was authorized to place on his coat of arms the brig Galveston with the motto "Yo solo" in recognition of his having led the fleet into Pensacola Bay.

The victories won by Galvez were all the more significant because during these years the British forces had turned their attention to the American colonials in the South, taking control of Georgia and sweeping up through South and North Carolina.

Galvez' operations kept the Mississippi River open for the delivery of American supplies to the western reaches of the Colonies. His efforts along the Gulf Coast and in western Florida helped to bring about the defeat of Cornwallis and the eventual regaining by the Continental Army of the Carolinas and Florida. These were key elements in the success of the American Revolution.

Galvez is not forgotten and I hope his memory soon will be a visible presence in our Nation's Capital.

The Spanish Government has proposed to present to the United States a statue of this leader of 200 years ago. Last week I had the pleasure of joining a number of other members of the House of Representatives in sponsoring legislation to authorize the selection of an appropriate site for its erection here in Washington. It is a deserved tribute to Galvez and a token of the long and warm friendship that traditionally has existed between the people of Spain and the people of the United States.

Other Spanish names loom large in the American Revolution.

In May 1789, a British expedition was sent to capture the Spanish post at what is now St. Louis with the aim of ultimately pushing on to Natchez. The expedition was repulsed by Captain Don Fernando de Leyba, the Spanish commandant of San Luis de Ylinoises.

In a counterattack to this British offensive, the Spanish sent a force against Detroit in January 1781. With about sixty militia and sixty Indians, Captain Eugenio Pourre surprised Fort St. Joseph and the British garrison surrendered immediately. The Spanish held the fort for only twenty-four hours—but still it was a victory.

It is clear that throughout these Revolutionary years, the assistance of the Spanish Government and the personal efforts and combat effectiveness of Spanish military leaders were factors of vital importance. Their role has been too long neglected, but it is coming to be widely recognized during the Bicentennial period.

Recently I obtained from the U.S. Bicentennial Commission a listing of Hispanic-American projects and events being undertaken by states, cities, counties, communities, educational institutions and private organizations in connection with the Nation's 200th birthday.

It is an imposing and heartening list, in both its length and the variety of observances planned.

Throughout the United States the Bicentennial celebration is being tied in with the history of the Spanish-speaking people in America. The theme is emphasized in many books and other publications. Ceremonial pageants will highlight our Spanish-American heritage. Community participation will spread out knowledge of the importance of this heritage.

To show their variety let me give you a few examples, drawn almost at random from the Bicentennial Commission listing.

In Utah, the State Board of Education has produced an educational film depicting the epic journey in 1776 of the Franciscan Friars through the present states of New Mexico, Colorado, Utah and Arizona. Copies of the film have been made available throughout the southwestern region.

A community action program in Tucson has trained young people in the area in video production techniques in order to produce a videotape oral history celebrating the Mexican-American heritage of the Southwest.

Across the continent, down in Florida, a compilation has been published of research on the Hispanic influence in that region from 400 years ago to the present. In Miami, the Hispano-American Committee has arranged for the writing and publication of a biography of one of America's Founding Fathers, the great Thomas Jefferson. Written in Spanish, the book will be distributed nationally among bilingual students and also throughout Latin countries.

In another project, historical tapes and video productions are telling of the Hispanic experiences of Boston, Massachusetts. And in Brooklyn, New York, the Public Forum Association is establishing a library of fifty-two video tapes on Hispanic culture and history.

In San Bernardino, California, the county museum is sponsoring a hike to take place next month along the route followed by Father Garcia over the old Mojave Indian Trail 200 years ago. Also in California, a park emphasizing the Mexican heritage is being developed in the Spanish-American community of Barrio de Van Nuys.

In the Middle West, the Illinois State College Bicentennial Committee is producing a written history of Mexican-Americans in the Chicago Heights area. The book traces the group's origins and discusses its problems and community development, linking yesterday with today.

A Latin American studies Conference at Arizona State University will be held on the subject "Revolution in the Americas." Down in the American Virgin Islands, a project is under way to stimulate research on the effects of the American Revolution on the peoples and societies of the Caribbean.

The Spanish-American musical heritage will be explored in a conference and performance in Santa Fe.

In my home town of Mission, Texas, the city's Bicentennial Commission is restoring a historical mission and developing a recreational park.

The Houston American Bicentennial Commission has sponsored the publication of a booklet presenting in Spanish the text of the U.S. Constitution, the Bill of Rights and the Declaration of Independence.

In San Antonio, that vitally important early outpost of Hispanic culture, religion and commerce, the Bicentennial is being observed with a host of appropriate events. They include a Mariachi Festival, Fiesta Noches Mexicanos, La Semana Alegre, Fiesta San Antonio, a Charreada, and a particularly significant Pan American Day observance sponsored by the Bicentennial Committee and the Pan American Round Table of San Antonio.

Also in San Antonio, the roots of Spanish-American healing and humanistic culture are being explored in a series of film festivals. The series has been developed by the University of Texas Health Science Center.

This is only a bare-bones sampling of the diverse ways in which attention is being drawn to the historical and present importance of our origins. Nothing but good can come from these Hispanic-American celebrations and observances of our Nation's 200th birthday. It might be proper here to recall also that while Washington and Jefferson and Madison and Franklin were initiating their quest for independence, our ancestors who inhabited the Western hemisphere, not a part of the English colonies, were also yearning for the same concepts of liberty and freedom. It was not long after that the cry for independence was heard at Dolores Hidalgo and there came in our history the names of Hidalgo and Bolivar and Marte, as well as Dona Josefa Ortiz de Dominguez, to name a few.

But long before then, even before the first white man came to these distant shores, our noble ancestors, at least for many of us, had already created a civilization that equaled if not surpassed that of the European empires.

Yes, my friends, it is well we should remind ourselves that our people had built pyramids greater than those by the river Nile. They had established an educational system, they practiced medicine, even to the extent of performing sophisticated surgery—including brain surgery. We had a calendar, and zoological gardens where the great Montezuma kept all the birds and animals of his kingdom. And so it was as you progressed South to what is now Central and South America, and to this day you see the imprint of "our people" before the advent of the European peoples. We could continue, but let it suffice for now to attest to the fact that when someone says "the Europeans brought civilization", we can rightly say, "no, they added". Yes, they added to that which was already here.

And now that fate has left its imprint and many of us are citizens of these United States of America, some by birth and many by choice, we of the Spanish-surnamed population are entitled to let our hearts swell with pride over the accomplishments of our forebears through the years—before, during and since the American Revolution—for they have contributed in no small measure to the emergence of the United States as the leader of the free world.

There possibly were times in the early days of the League of United American citizens when the personal motto of Don Bernardino de Galvez—"I alone"—seemed appropriate for this organization, but those times have long since passed into history.

LULAC is not alone today. Its own motto, "All for one—one for all," is a symbol of its strength—and we are a most important part of the Bicentennial, for we were here before, we assisted then, and we are indeed an integral part now, of the American dream of 1776.

OU SPORTS ADMINISTRATION PROGRAM PROPERLY PREPARES STUDENTS

HON. CLARENCE E. MILLER

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 18, 1976

Mr. MILLER of Ohio. Mr. Speaker, Ohio University, located at Athens, Ohio, offers students one of the most innovative and unique courses of study found today among the Nation's colleges: the Ohio University sports administration graduate program. Developed in 1967, this program today prepares students for the administrative tasks and responsibilities tied to collegiate and professional athletics. Enrollment is limited and the program's curriculum is demanding. Graduates of the program are now involved in a wide variety of athletic administration. Ohio University is understandably proud of this program and I would like to offer the following article recently published in the Ohio University Alumni News:

FROM CAMPUS TO FRONT OFFICE

One employee of the Cincinnati Reds seldom got to see the championship team in action last season, for while Pete Rose was making clutch plays on the field, Terry Barthelmas '63, MEd '71, director of stadium operations, was busy observing stadium personnel.

Barthelmas got his job with the Reds after serving an internship with the club while a student in Ohio University's sports administration program. He is one of approximately 30 OU graduates employed by professional teams or leagues.

The OU master's degree program has had great success in placing graduates, according to Dr. William G. Stewart, the program's director.

Even in a tight job market, 13 fall quarter graduates have found jobs with such organizations as Madison Square Garden; the Indiana Pacers of the American Basketball Association; Veterans Stadium in Philadelphia; Frostburg (Md.) State College; Louisiana State University; the Boise (Idaho) A's, a minor league baseball team; the University of Washington; and the Malaysia Department of Sports.

Dr. Stewart is responsible for much of this success as he continually finds valuable internships for sports administration students.

One of the latest developments involves Jim Snyder, Bobcat basketball coach of 25 years, and Dave Scott, former OU alumni director and one-time Bobcat cage star. These men have been chosen to develop a national sports program in Saudi Arabia. They hope to use OU interns and graduates in the program which is designed to make the country competitive at the international level.

Another valuable feature of the sports administration program is its sponsoring of guest speakers from all areas of sports.

In the fall speakers included Don Weiss, director of public relations for the National Football League; Dr. Joe Hoy, athletic director at Western Michigan University; and Bob Baur, an NFL referee for 13 years.

Gary Nickels, a sports administration graduate employed as a minor league administrator with the Philadelphia Phillies, has scheduled a visit during the winter quarter.

In addition to these speakers, who often interview students for internships and jobs while visiting the campus, a symposium is conducted each year to provide additional information for students. Special speakers and graduates of the program head discussion groups intended to give students a look at the experiences, activities, duties and responsibilities that the future graduate may encounter.

Some of the stories to be related may include one by Mike Manning and Dean Taylor of the Boise A's. When rain drenched the baseball field during their internships, the two were forced to produce a dry field or postpone the game and lose money. Finally, the two decided to burn tires soaked with gasoline to dry the surface. The plan worked, although it prompted a visit from the local fire department, but the foul odor created by the experiment kept many of the fans away anyway.

The OU program was developed in 1967 by Dr. James G. Mason from an idea of Los Angeles Dodger magnate Walter O'Malley and is offered through the School of Health, Physical Education and Recreation.

The pioneer in the field, the program remains the most established in the eyes of many sports administrators.

Bob Wirz, director of information for major league baseball, has said, "The best developed program in sports administration that I know of is at Ohio University."

Don Weiss of the NFL has remarked, "We are sold on the Ohio University sports administration program, especially so after having interns from this program for parts of the last three years."

The first of five women to finish the program was Tina Seredneskey '72, who is presently employed as recreational supervisor by Deerwood Management Corp., a Columbus firm that owns condominiums. She also has worked for the Continental Racquet Club.

Despite the great interest from all areas, the program has chosen to remain small. Dr. Stewart said it will be expanded only when job opportunities grow. This policy permits only 25 of about 300 students seeking admission each year to enroll.

Those admitted select from course offerings as varied as their backgrounds. Three quarters of classroom work and at least a three-month internship are required for graduation; however, only two physical education classes are mandatory. Elective courses include classes in management, economics, journalism, psychology and education.

The need for graduates trained in these areas is becoming more apparent with the growth of big-time sports. While some owners demand that employes advance through the ranks, many others see the need for specialized administrative training and look to Ohio University for their future front-office executives.

A TRIBUTE TO FLORENCE DWYER

HON. JOHN W. WYDLER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 17, 1976

Mr. WYDLER. Mr. Speaker, it was my pleasure to have known and served with Florence Dwyer as a Member of the House from the time I was elected until the time she retired.

In addition to knowing her personally and serving with her on the Government Operations Committee, I had the opportunity to watching her extend not only the usual congressional help to her constituents but to extend to them a real love and concern and to her family as well.

I was pleased and proud to have known her and realize she has left much behind her in her work in Congress which will benefit our Nation for years to come.

CENSUS OF AGRICULTURE IS OUTDATED

HON. TOM HARKIN

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 18, 1976

Mr. HARKIN. Mr. Speaker, the census of agriculture is an invasion of privacy and an unreasonable burden upon farmers, and it does not yield timely, accurate information. A continuation of the census of agriculture is a waste of time, effort, and money—roughly $15,000,000 could be saved by the alternative I propose in my bill.

The painstaking questionnaire used in the census of agriculture inflicts 200 questions upon a farmer who is required by law to answer all of them. Increased demands for data have caused more frequent surveys which have further taxed the patience of farmers to the point where 17.6 percent of them in 1969 refused to respond to the questions, thus violating the law. The 1974 delinquency is sure to be even higher.

Besides the burden upon the farmer, the information attained from the agriculture census is soon outdated and many times erroneous. Taken every 4 to 5 years, benchmarks established for use in the next census were entirely out of line. The census simply cannot keep up with the rapid changes occurring in agriculture. For example, the number of farms raising dairy cattle dropped 40 percent in one 5-year period; questions asked in the census simply have not reflected the changes.

Mr. Speaker, today more and more businesses and Government agencies, even the consumer, are dependent on current, accurate information.

A simple way to attain that needed farm information is by probability sampling. This method is already in use by the Statistical Reporting Service of the USDA in making hog and cattle estimates. This method is much more accurate than the census. For example, one agriculture census underestimated the cotton crop by a full 10 percent, the error in probability sampling is at most 2 percent.

The arguments for the continuation of the farm census center on the needs to supply demographic and economic data about the farm population and the farm production; also it supplied localized county data. These needs can be met under the new system with a large savings for the taxpayer and the removal of a large burden from the farmer's shoulders. Demographic data regarding the farm population can be obtained from the Census of Population. Economic data can be found through probability samples as demonstrated by the SRS. Relevant county data can be obtained from a survey administered to a sample 25 percent of the population.

Probability surveys already used by the Statistical Reporting Services—SRS—have demonstrated their wide-range superiority. Probability surveys can be given to a scientific sample of farmers and will relate more accurate and timely information than was possible from the cumbersome and obsolete Census of Agriculture.

This agriculture survey can be integrated with surveys for the Labor and Commerce Departments so that all the needed information can be quickly and cooperatively gathered with no duplication. Also these surveys can be spread out over 5-year time spans, eliminating peak work loads and the need for additional temporary employees. I estimate that my bill will eliminate 60 to 120 jobs from the Federal bureaucracy.

Mr. Speaker, given the changes in agriculture and in methods of information collection, it makes no sense to continue the Census of Agriculture. My bill establishing a system of "probability samplings" offers accuracy and efficacy while removing a substantial burden from the farmers.

LEARNING TO LOVE THE PALESTINE LIBERATION ORGANIZATION

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 18, 1976

Mr. McDONALD of Georgia. Mr. Speaker, the terrorist Palestine Liberation Organization—PLO—is reportedly seeking ways of "legitimizing" its Soviet-backed claim of being the "only legitimate representative of the Palestinian people" and of gaining support for a PLO-controlled "mini-state" by presenting a "moderate" face to influential Americans in public life.

During the late February meetings of the PLO's debating branch, the Palestine National Council, PLO leader Arafat suggested to Senator ADLAI STEVENSON, Jr., that the PLO might be willing to recognize the right of the State of Israel to exist if the Gaza Strip and West Bank territories were turned over to be administered by the United Nations which under pressure from the Arab and Soviet-bloc countries has declared Zionism to be racism.

When Senator STEVENSON reported this conversation to the press, the extremist nature of the PLO was immediately demonstrated. The PLO had been trying to reunite the terrorist groups of the Rejectionist Front which prefers armed struggle and international terrorism to the exclusion of any other tactic. The Rejectionist Front, led by the Marxist-Leninist George Habash, howled its objections.

Shortly thereafter, the PLO said that it was convinced that "political activity" was currently "ineffectual" and that "armed struggle remains the only course." The PLO Central Committee, meeting in Damascus, decided to make its priority the development of a "new guerrilla uprising against Israeli occupation forces." We are seeing the results of the PLO decision in the current student rioting in Israel.

The United Nations has demonstrated that it is under the control of the Soviet/Third World coalition. The U.N. has granted the PLO observer status and other privileges. Clearly the U.N. would in short order recognize the PLO, which has never been chosen anyone's representative in any sort of election, as the "rightful" ruler of the West Bank and Gaza. The result would be a PLO-run "mini-state," a land base from which the PLO could continue to launch attacks on moderate, pro-Western Arab States and Israel.

The Washington Post commented on Arafat's approach to the Illinois Senator, asking "Was the proposal a snare from the start, made simply to con an influential American into thinking that the PLO is 'moderate' and that 'intransigent' Israelis are to blame for the Mideast stalemate?"

One American organization promoting "alternatives" to resistance to the PLO terrorists is the Institute for Policy Studies—IPS. IPS cofounder and senior fellow Arthur Waskow for some 18 months has headed the IPS project on U.S. Middle East policy. The project is investigating the "triangular relationship among the U.S. Government, the Israeli Government, and the organized Jewish community in the United States."

Art Waskow was previously active in trying to organize American Jews and others to support of the North Vietnamese and Vietcong aggression in Vietnam. Waskow was the author of the original scenario for the Mayday riots in 1971 with the goal of "shutting down the Government."

Waskow's so-called "antiwar" activities included taking a leading role in the Trees for Vietnam project, and in the People's Peace Treaty, a pledge negotiated between Communist students in Hanoi and some of their supporters in the U.S. National Student Association.

The IPS project is "studying" the U.S. relationships with Israel with the aim of showing that this alliance and our Middle East military strategy adversely affects the quality of American life. This line coincides exactly with that of the Soviet-directed disarmament drive in the United States led by the World Peace Council and the Communist Party, U.S.A. The argument is that the Government has a new responsibility—a responsibility to provide a highly-paid job for every American, and that the money for this massive Federal jobs program should be taken from our defense budget.

IPS and Art Waskow run several overlapping projects and groups designated to bring American Jews to support of the PLO. These include the Wholly Bagel Coffeehouse and the Tzedek, Tzedek—"justice, justice"—discussion group in Washington, D.C. IPS fellows and former staffers Joe Stork, Sharon Rose, Gil Friend and others have worked for the Middle-East Research and Information Project—MERIP—another pro-PLO, pro-Marxist New Left "research" and propaganda outfit. And Waskow's group also work with Breira—"alternative"—a New York based, sophisticated propaganda operation also seeking accommodation with the PLO. Breira is headed by Robert Loeb, who formerly was the Chicago coordinator of the Jewish Peace Fellowship and was active with the Jewish Campaign for the People's Peace Treaty.

The IPS Project on U.S. Middle East policy also has as an active participant Paul Jacobs. Jacobs, a former editor of Ramparts magazine, is a fellow of IPS' overseas branch, the Transnational Institute—TNI. In 1964, Jacobs testified under oath that he had been a member of the Communist Party, U.S.A. for 5 years. More recently he has been active in pro-Cuban activities, such as the Venceremos Brigade's 1973 Expo-Cuba, and in writing attacks on the CIA for the Organizing Committee for a Fifth Estate magazine, Counter-Spy.

Other IPS Transnational Institute fellows involved currently in the Middle East project include Joe Stork of MERIP, a recent speaker on the new mini-cartels at the National Lawyers Guild convention; Afsaneh Najmabadi, capitalism in Iran; Helen Lackner, Saudi Arabian studies; David Caploe, Zionism, Israel and the West; and Fred Halliday, Iran and the Persian Gulf states.

The Institute for Policy Studies is the heart of an extensive network of pressure groups aimed at manipulating U.S. domestic and foreign policy in the interests of foreign groups, often associated with the Cubans and the Soviet Union. When these pressure groups come to Congress to advocate abandoning our allies and instituting new policies, let us ask ourselves, who really benefits?

INTERNATIONAL DeMOLAY WEEK

HON. THOMAS J. DOWNEY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 18, 1976

Mr. DOWNEY of New York. Mr. Speaker, the Order of DeMolay is a character building organization of young men from 13 to 21 years of age, who are seeking to prepare themselves to become better citizens and leaders for tomorrow by developing those traits of character which have strengthened good men in all ages; the organization has carried out the aforementioned goals for over 50 years through programs of athletic competition, social activity, civic service, and charitable projects.

The members of Renaissance No. 3224 chapter, Islip, N.Y., will observe the year of 1976 as the 57th anniversary of the order so as to exemplify to all citizens here and everywhere their many activities, and to tender recognition to their millions of Senior DeMolays.

As the Representative in Congress for New York's Second Congressional District I am making my constituents and my colleagues aware that March 14 through 21, 1976, will be observed as International DeMolay Week and urge all our citizens to join in saluting the young men of the Order of DeMolay, and in expressing our grateful appreciation for the fine example set by them, in contributing to the welfare of our community by addressing themselves to the building of good character among our youth; thus aiding in the development of leadership for tomorrow.

SIMPLIFY AGRICULTURAL CENSUS

HON. ROBERT W. KASTEN, JR.

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 18, 1976

Mr. KASTEN. Mr. Speaker, many of us are aware of the paperwork burden Government regulations place on businesses, but few of us are fully aware of the burden placed on our Nation's farmers by the agricultural census. Members of the agricultural community recognize the value of the data compiled by the census. They are willing to comply, but are constantly frustrated by time-consuming paperwork, by deadline requirements that do not take into account their peak working seasons or the timing of their tabulations for tax purposes, and by lack of coordination between the IRS and the Census Bureau on the categories of information they require.

A recent letter from one of my constituents, Mrs. Laura Beane, of Fort Atkinson, Wis., puts the entire problem into perspective. Most of us in Congress have never suffered through the rigors of feeding 500 head of cattle while trying to come up with one set of figures for the census by January 1, then another tabulation a short time later, then still another, all while trying to get complex tax records together.

Each of my colleagues should read Mrs. Beane's letter to get a better insight into the need for streamlining the agricultural census. It provides one of the best arguments I have seen for passage of H.R. 11271, legislation I have cosponsored to allow statistical sampling methods in taking the ag census, thereby eliminating a large percentage of the paperwork now required for each individual farmer and rancher.

Mr. Speaker, I include Mrs. Bean's letter at this point in the RECORD:

FORT ATKINSON, WIS.,
March 1, 1976.

Congressman BOB KASTEN,
Longworth Building,
Washington, D.C.

DEAR BOB: Received your Agribusiness News Letter today and was very glad to see you are attempting to do something about the Ag Census. A year ago was about the limit and had me nearly up the wall as regards government information surveys. It began around the 20th of December with a Federal Cattle on Farms Survey which *had* to be filled out and returned before January 1, Our farm is on computer type records and we take a complete census of animals and crops stored on our farm each December 30–31 so I hopefully put this census off until such time as the men compiled the necessary breakdown figures for me. With nearly 500 head of cattle, this is no small task. However, before the figures could be compiled I was called by phone and it was necessary they have this information immediately. To top it off, their categories no where near fit ours. So, as the bookkeeper, it was more work. Then the Official Ag Census "book" came. Our complete figures were not yet back from the computer for year end taxes and inventory. So I set it aside, hoping that somehow they would mesh when they did show up.

It was just a few short days when we received another report form regarding numbers of trucks and other vehicles on the farm. It runs to about a dozen, licensed and not (those not are used strictly for manure hauling and Wisconsin does not require licenses for those). I set this aside, hoping the men would compile this information for me and I'm honestly not sure if it ever got mailed.

In just a few short days another "census taker" arrived for a special census for the ASCS office as I recall and I spent the better part of 2 hours with her.

By shortly thereafter, our records were returned from the computer and it meant sessions with our lawyer-accountant for tax purposes. Then the better part of 2 days with the Ag Census since their categories of information do *not* keep pace with those that IRS thinks they must have. I finally in disgust told them there were no breakdown figures available on some categories.

Since I took Ag Census myself some years ago, I know the reasons for it and the vital information it collects. However, couldn't all these various types of census be done at approximately the same time when records of farmers were available—such as about tax time—February 28, rather than scattered throughout 3–4 months, requiring searching of records, etc for much miscellaneous, extraneous information.

In farm businesses where the husband attempts to keep all records himself I honestly do not know how these things get done. I know the constant requests for information irritate the average farmer very much since one very irritated farmer "sicted" his dog on me while I was attempting to get the census form. I honestly couldn't blame him as it was the busy season of the year and he had no time to spend at the kitchen table giving me stupid answers to stupid questions—and some of them are just that.

I appreciate your efforts on the Ag Census and perhaps a little coordination in timing these various efforts would help a lot and gain more cooperation.

Sincerely,

LAURA BEANE.

THE SILENT PARTNER OF HOWARD HUGHES—PART IX

HON. MICHAEL HARRINGTON

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 18, 1976

Mr. HARRINGTON. Mr. Speaker, I am inserting today the ninth installment of the Philadelphia Inquirer's exposé regarding Howard Hughes' privileged relationship with sectors of the U.S. Government. In this segment, reporters Donald L. Barlett and James B. Steele discuss Hughes' connections with Nevada politics and with the military-industrial complex:

THE SILENT PARTNER OF HOWARD HUGHES—IX

Nowhere is the Hughes largesse in the political process more evident than in Nevada, where Hughes has long needed preferential treatment to run his multi-million-dollar gambling and hotel empire.

In the 1970 elections alone, the Hughes organization contributed $430,000 to candidates of both parties who were running for office within the state.

Once again, the bipartisan nature of Hughes political gifts was apparent in the 1970 Nevada elections.

Though aligned with outgoing Gov. Paul Laxalt, a Republican, the Hughes organization made substantial contributions to both Democratic and Republican candidates for governor.

All that has paid off. The state government of Nevada has bent over backward—even going so far as to ignore its own laws—to go along with Hughes' demands and eccentricities.

For example, Nevada law requires that every applicant for a gaming license to operate casinos must be fingerprinted and provide a full disclosure of all aspects of his or her personal and business life.

But in 1967, when Hughes began buying Las Vegas hotels and casinos, Hughes was not fingerprinted and refused to disclose certain details of his personal and professional life.

Even so, Nevada officials went along with his "unusual accommodation," as one official would later term it, and Howard Hughes was issued licenses for his multi-million-dollar casinos.

Some state authorities were not comfortable with the knowledge that Nevada law had been circumvented for Howard Hughes' benefit alone.

Still, they probably would have said nothing about heir concern had it not been for a bitter internal power struggle in the Hughes empire late in 1970. But as a result of that upheaval, which led to the ouster of Robert Maheu as head of Hughes' Nevada operations and to Hughes' own mysterious departure from the gambling capital, Nevada officials were uncertain who was actually administering Hughes' vast Nevada holdings.

So when the Hughes organization sought to make changes in gaming licenses to reflect an internal shakeup after Maheu's departure, gaming officials wanted proof that the changes were indeed directed by Howard Hughes.

Later, the Nevada Gaming Commission received two letters, one which was signed by Howard R. Hughes and another containing his fingerprints.

But the unrelated Clifford Irving affair, in which Hughes' signature was forged on checks for literary advances that made it appear as if Hughes was cooperating in producing an autobiography, made Nevada officials wary about accepting a letter signed by Hughes as proof of his intentions.

They wanted a discreet face-to-face meeting with the reclusive billionaire.

As Philip P. Hannifin, chairman of the Nevada Gaming Control Board, said at a board meeting on March 16, 1972:

"Mr. Hughes has chosen to live in a mystery and to surround all of his activities with secrecy. And, under different circumstances, I would concede his right to do that.

"But, I find that such behavior is incompatible with the spirit and intent of Nevada law. So much is unknown about this man, his motives and his goals, that the state is in an awkward position.

"This application would ask us to enlarge an already improper situation, and asks the state to take risks of unknown size . . .

"In essence, Nevada law requires every applicant or holder of a gaming license to fully disclose all aspects of his personal and business life. Mr. Hughes has avoided this disclosure despite our attempts to deal with him on a discreet and private basis. This avoidance of disclosure is inconsistent with Nevada law and with the demands this board has placed upon all other applicants and licensees."

Hughes refused the face-to-face meeting. But a year later, the license changes were ultimately approved.

Hughes had prevailed, even though it meant bending and twisting Nevada law.

When Hughes was considering large-scale mining operations in Nevada early in 1968, efforts which were later shelved, he was anxious that no one enter the field ahead of him.

To help assure himself of a clear, uncompetitive field, he enlisted the support of the governor of Nevada.

In a memorandum to Maheu dated Feb. 10, 1968, Hughes told his then top aide:

". . . Please tell the governor that I have been researching various minerals and substances suitable for a mining program, and that I would be very upset indeed if somebody entered that field ahead of me.

"So please tell the governor I truly hope he will not, in his genuine enthusiasm, accidentally mention the possibility or desirability of a mining operation in Nevada to somebody else."

Hughes has often picked up support from local politicians by other means over the years. In doing so, he has, for all his secretiveness, demonstrated a surprising flair for public relations and endearing himself to local politicians.

A favorite Hughes practice is to promise to finance a major local improvement. Later, he quietly drops his plans. Such was the case in Las Vegas in the early 1950s.

During the Korean War, Hughes adroitly exchanged some land he had purchased in northern Nevada for a 27,000-acre tract outside Las Vegas owned by the federal government.

On this barren piece of desert, Hughes announced that he would build a rocket plant. No plant has been built there to date.

In 1956, Hughes' plans to build an aircraft manufacturing plant in Florida were announced by his representatives at a press conference at the governor's office in Tallahassee.

No site had been purchased, Hughes men said, but they were searching for a 30,000-acre tract. Rumors suggested that the Florida plant would be even larger than Hughes' Culver City, Calif., plant, his main operation.

"While I am not ready to talk about geographic locations," Hughes said in a news release, "I can say that I intend to establish in

Florida a company which will engage in the design, development and manufacture of airplanes."

The governor of Florida was ecstatic, saying that the Hughes plant and allied industries would comprise the largest industrial development in Florida. To date, no such plant has been built.

And such was again the case in Las Vegas in the late 1960s.

On Dec. 10, 1967, Hughes reached an agreement with Las Vegas officials to construct a supersonic transport jet airport in southern Nevada to serve the State, California and Arizona.

In a news release issued by his office, Hughes said he did not expect to make a profit on the deal and would "gladly give the county the option of buying the new airport at its cost."

Hughes made Nevadans an additional vague promise at the same time.

"I will go this far," he said in a news release. "I will promise some kind of small industrial effort in some part of Nevada with no agreed or committed time schedule.

"Now I want to be completely fair. And I should warn you that I am not noted for getting things done in a hurry. I promise one thing: it won't be on as favorable a schedule as you expect, or as favorable a schedule as you would like it to be, or as favorable a schedule as I would like it to be."

All of these plans had the enthusiastic support of Nevada's Gov. Laxalt.

"Anything this man does," the governor said of Hughes, "from the gaming industry all the way down the line, will be good for Nevada."

As it turns out, Hughes was not exaggerating in 1967 when he told Nevadans that his improvement projects would not be completed as soon as they would like. Eight years later, neither the airport nor the "industrial effort" has been build.

But Hughes' political contributions and his efforts to ingratiate himself with local politicians do not tell the full story of how the reclusive industrialist influences American government.

The story is found in the biographies of the men Hughes employs. To an incredible degree, Hughes draws on individuals who have at one time worked for the government themselves.

Over the years, Hughes has steadily drawn on persons to represent him who have had ties with the Army, Navy, Air Force, Justice Department, Department of Transportation, the Postal Service, IRS, CIA, FBI, the Civil Aeronautics Board, the Congress and the White House.

Like most major defense contractors, Hughes has long employed former Pentagon military and civilian officials to head strategic Hughes Aircraft Co. divisions.

Since 1969, defense contractors have been required to report the names of high-ranking military and civilian defense officials who leave federal employment for jobs in defense industries.

According to an analysis of Defense Department data made by the staff of Sen. William Proxmire (D., Wis.), 52 civilian and military defense officials went to work for Hughes Aircraft in fiscal years 1971 through 1973.

The figure, it should be pointed out, does not include defense officials who joined Hughes Aircraft before 1971.

Among the one-time military officers who went to work for Hughes during 1971–73 were Thomas J. Walker, a Navy vice admiral; Lowney H. Spencer, an Air Force major; Gerald F. Keeling, an Air Force major general; Andrew J. Reiss Jr., an Air Force major; John P. Pabarcus, a Navy commander; Earl L. Bozeman, an Air Force colonel; John B. Byron, a Navy commander; Stanton W. Josephson, an Army colonel; C. G. Chandler Jr., an Air Force major general; David E. Galas, an Air Force colonel, and Howard R. Edwards, a Navy commander.

In addition to placing retired military personnel on its payroll, Hughes Aircraft Co. also formed an advisory board and invited retired high-ranking military officers to become members.

As Lawrence A. Hyland, general manager of the aircraft company, explained the purpose of the board to retired Army Gen. D. Clyde Eddleman, in a letter inviting Eddleman to join the board after he retired from the Army in 1962:

"You are cordially invited to join the advisory board of the Hughes Aircraft Co. We feel that your experience and judgment will be very valuable to our management as we plan and execute our program.

"We also hope that your contacts with our management and scientists will be stimulating and interesting. We visualize our board as furnishing us the advice and counsel normally available to a corporation through its board of directors. Since the Hughes Aircraft Co. is privately owned, it does not have a corporate board of directors . . ."

Interestingly, the invitation to join the Hughes Aircraft Co., board was extended to Eddleman not long after he was involved in a series of Army decisions that ultimately led to the awarding of a disputed helicopter contract to a division of Hughes Tool Co.

Although the company lost an initial design competition conducted in connection with the development of a new light observation helicopter, the contract for building the machines eventually was awarded to the Hughes Tool Co. division.

The FBI, the IRS, the CIA and the Justice Department have also been fertile recruiting grounds for Hughes.

Robert Maheu, Hughes' Nevada chief until his 1970 dismissal, was himself a former FBI agent and counterespionage agent in the 1940s.

Maheu, who once testified that he left the FBI because "I had difficulty finding a Communist in the state of Maine," where he was then stationed, also worked, according to a Senate Committee report, for the CIA on a freelance basis in 1960–61 attempting to organize a plot to assassinate Cuban leader Fidel Castro.

His son, Peter, who also worked in Hughes' Nevada operations, testified that he too worked for the CIA for a brief period during the 1960s.

Richard Danner, general manager of the Hughes-owned Sands hotel and casino, who testified before Congress that he delivered $100,000 in campaign contributions to the Republican campaign in 1970, is also a former FBI agent.

Walter Fitzpatrick, one-time manager of the Hughes-owned Desert Inn, is a former IRS agent. Ralph Winte, director of security for Hughes' Summa Corp., is another former FBI agent.

Henry Schwinn, a former IRS official, was named managing director of the Frontier Hotel shortly after Hughes acquired it. Dean Elson, a former FBI agent, was also employed in Hughes Nevada operations.

Edward P. Morgan, a Washington attorney who has represented Hughes on many occasions, was once an FBI agent, a Truman Administration official and chief counsel to a Senate subcommittee on foreign relations.

Robert D. Peloquin, president of International Intelligence Inc. (Intertel), a private intelligence and security agency that has since 1970 supervised security at Hughes' Las Vegas casinos, was formerly chief of the Justice Department's first organized crime task force.

Another former member of that task force, William G. Hundley, was also instrumental in founding Intertel, and other one-time Justice officials or FBI agents are also Intertel officials.

Further, Peloquin has represented Hughes as a private attorney in discussions with Justice Department officials when Hughes was facing criminal indictment growing out of possible securities law violations in the takeover of Air West, a West Coast airline.

Hughes' hiring of Abe Fortas' law firm in the TWA case was typical of the way he employs politically important Washington law firms on specific issues.

In 1969, for example, when Congress was considering legislation affecting tax-exempt organizations such as the Howard Hughes Medical Institute, Hughes was represented on Capitol Hill by two well-known law firms.

One was Hogan & Hartson, whose senior partners have been drawn mostly from government service including such agencies as the IRS.

The other was Clifford, Warnke, Glass, McIlwain & Finney, whose senior partners include long-time adviser to presidents—former Defense Secretary Clark M. Clifford among them.

NO-FAULT AUTO INSURANCE

HON. WILLIAM L. HUNGATE

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 18, 1976

Mr. HUNGATE. Mr. Speaker, since the no-fault insurance issue remains under consideration, the following article may prove helpful.

The article follows:

[From the Christian Science Monitor, Feb. 18, 1976]

NO-FAULT AUTO INSURANCE UP FOR FEDERAL SCRUTINY

(By Lucia Mouat)

WASHINGTON.—No-fault auto insurance, once widely considered the answer to weaknesses of the traditional insurance system, is running into some fault problems of its own

Just as it is about to undergo a critical test of approval at the federal level, no-fault has become the target of blame in a spate of recent news stories. These insist that the insurance reform measure is causing substantial hikes in the cost of premiums and that high claim payments cost insurers heavy losses. The Government Employee Insurance Company (GEICO) for instance, last month announced its first net operating loss in 32 years and blamed the change on no-fault.

No-fault proponents bristle at such charges. While they concede that the general trends are true, they point to industry-wide inflation and poor state no-fault laws (where they exist) as culprits.

Nonetheless, no-fault backers and detractors alike are keenly aware that the net effect of the charges is likely to make the Capitol Hill debate on no-fault sharper than ever.

The Senate is slated to consider federal no-fault legislation on the floor within the next few weeks. It passed a similar measure two years ago by an 11 vote margin and is expected to do so again but by a slimmer edge.

The House remains the most difficult roadblock. Though reported out by a House subcommittee last fall, the House legislation has yet to be called up and marked by the House Interstate and Foreign Commerce Committee. When and if it is, the measure is likely to undergo tough line-by-line questioning.

A presidential veto also looms as a possibility. Although Mr. Ford is not against no-fault itself, he wants to give the State action route more time. Transportation Secretary William Coleman backs the administration position but has privately expressed support for federal no-fault, and some proponents are hopeful he might decide to stake his job on it. So far Secretary Coleman has given no public indication of such a move.

No-fault proponents say that the insurance reform idea is the object of a "smear" campaign conducted by the trial lawyer community and several major auto insurers.

These backers say that in practice the motive behind no-fault reform—to rechannel much of the money which now goes for attorney fees back to the accident victim by having his own insurance company pay his medical bills—has worked.

Proponents also insist that no-fault premiums have fared no worse than liability insurance. State Farm Insurance, for instance, which has supported federal legislation since 1973, says its premiums in the 16 no-fault states went up only 9.8 percent in 1975 compared to a 12.2 percent hike in states with traditional liability systems.

No-fault appears to have a bad record, these proponents say, because some participating states have few restrictions on lawsuits and because state legislators and insurance departments often mandated unjustified rate cuts (averaging 15 percent) when no-fault was introduced.

In effect, no-fault backers say, auto owners in such states have been asked to support both a no-fault and a fault system since lawsuits are still too easy to file. In 13 no-fault states, for instance, one can sue on a fault basis for any medical bills totaling more than $1,000. In Massachusetts, first state to choose a no-fault plan, that threshold is a low $500.

Under the proposed federal no-fault standard, which is considered so tough that even the comprehensive Michigan law would have to be upgraded to meet it, one's own insurance company would reimburse full medical expenses and up to $15,000 in wage losses.

The right to sue would be limited to extremely serious cases. No monetary threshold is set, however, since no fault proponents consider such a dividing line self-defeating. The hope in keeping the suit restriction tight is to see that more of the $1.8 billion in annual attorney fees on accident cases is paid out in direct benefits to the injured party. Actual estimates say that the federal standard would double the number of premium dollars available to pay victims of economic loss without forcing real insurance costs up.

HON. FLORENCE P. DWYER

HON. MILLICENT FENWICK

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 17, 1976

Mrs. FENWICK. Mr. Speaker, I rise also to express my sorrow at the death of the Honorable Florence P. Dwyer, a woman who represented her district here so honorably and so well. Her constituents knew where she stood on any issue; she kept their interests at heart; she made government real to the people of her district. They returned her in every election with an increasing majority. It did not matter how they changed the district, no one could beat Flo Dwyer in the 12th District. She was a remarkable woman, a great public servant, an earnest and dedicated legislator.

Mr. Speaker, I am confident that I express the feelings of all the New Jersey delegation in concurring in the remarks of the gentleman from New Jersey (Mr. Rinaldo) who just preceded me.

BLACK LEADERS DO HAVE A NATIONAL PLATFORM

HON. CHARLES B. RANGEL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 18, 1976

Mr. RANGEL. Mr. Speaker, there has recently been an effort by the press to give the impression to Americans that black political leaders are failing to define what the black issues will be during this political year. The Congressional Black Caucus has been engaging in political forums throughout the Nation so as to make our voices heard on the key issues as we see them. In late November of last year we set forth our platform at the Democratic Issues Convention in Louisville, Ky. We have also been meeting with the major Presidential contenders within the Democratic Party to attempt to ascertain their positions on the issues of concern to us. We will continue to address the issues of full employment, equalization of the tax laws, national health insurance and the rest throughout this election year.

Our colleague, Walter Fauntroy today wrote a column for the Washington Post entitled, "Black Issues." He clearly states the roles we have been assuming in an attempt to get the media and the candidates to address themselves to the issues we have been raising. The myth that black leaders have not delineated what the issues are is just that, a myth. I insert the column in the Record at this point for my colleagues' careful review:

Black Issues

(By Walter Fauntroy)

It seems in vogue these days for civil rights activists of the 1960's, black and white alike, to lament the fact that "presidential candidates are not addressing black issues this year." I welcome, therefore, William Raspberry's effort to address the subject in his article, "The Absence of 'Black Issues'."

I do not feel that Mr. Raspberry needed to go to such great lengths to posture so many possible answers to the question. The fact is that there are only two answers, in my judgment. The first is that, as Mr. Raspberry points out, what most Americans, black and white alike, have come to think of as black issues have largely been resolved. The second is that few political leaders are prepared to force the American people to deal with the basic problems confronting us in the nation that just happen to be reflected most acutely in the black experience: high unemployment, inadequate health care, urban fiscal and physical decay and the like.

In the first instance, those looking for "black issues" as we define them in the 1960's are going to be very disappointed today. In the 60's, civil rights issues were rightly perceived as affecting only blacks. It was blacks, and blacks alone, who were denied access to public accommodations by law across the South. It was at blacks, and blacks alone, that various barriers to the ballot were aimed to deny us access to the political system. Thanks to the courageous action of many, many people and wise leadership of a Martin Luther King Jr., we resolved those issues at Birmingham with the Civil Rights Act of 1964 and at Selma, Alabama, with the Voting Rights Act of 1965.

Dr. King used to say after Selma that the civil rights victories we achieved in the 60's didn't cost the country anything. It didn't cost anything to take the "for white only" signs down. It didn't cost much to send federal registrars south to protect the rights of blacks to register and vote. But, he said, the human rights gains that the nation must score to "fulfill the civil rights victories" which he had won would cost money. It would require taking rich individuals and multi-national corporations off of public welfare in this nation by reforming our tax system. It would require working coalitions of the "unmonied many" to convince the "wealthy few" to pay their fair share to fund much needed social and economic programs that would result in a more even distribution of the wealth of the nation.

Thus, in the late 60's, we launched a "Poor People's Campaign" that summoned blacks and whites, Spanish-speaking, Asians, and native Americans to the "human rights" movement of this decade, the right to live, the right to jobs or income, health care and a decent living environment.

It is wrong for anyone to suggest, as Mr. Raspberry's column does, that black leaders have failed to hammer out black-related platforms and to map strategies for forcing the major parties to address black issues. The fact is that these black issues that reflect themselves most acutely in the black experience have been defined by us over and over again. I personally had a major role in defining them as vice chairman of the White House Conference "To Fulfill These Rights" in 1966. I redefined them as issues chairman for the Poor People's Campaign; then again as chairman of the Platform Committee of the National Black Convention in Gary, Ind., in 1972. As members of the Congressional Black Caucus, we defined them again in terms of our legislative agenda for the 94th congress. Anybody who expects any other issue orientation to come out of our National Caucus of Black Democrats in Charlotte, North Carolina, in May is in for a big disappointment.

These issues have been and remain jobs for those willing to work or income for those unable to work; housing; health care; education; and urban problems that require tax reform and a redistribution of the wealth of the nation to solve. The problem is that the "wealthy few" who are the one per cent of the people who contribute 90 per cent of the money politicians get to run for public office, successfully delude Middle America into thinking that busing is the issue and that somehow blacks are the enemy. The wealthy few and their politicians tell the American people that it is impossible to fund a full employment program without raising their taxes. What they don't tell the American people is that if the wealthy few paid their fair share of taxes, not only could we fund a full employment program but also with the increased tax yield from a full employment economy, we could wipe out our current deficits and reduce taxes for the middle income Americans who carry a lion's share of the burden of financing the nation's budget today.

What they don't explain to the American people is how a multi-national corporation like Gulf Oil could earn a net income of $1.065 billion in 1974 and pay 2.9 per cent in federal taxes, a mere $27 million in federal taxes. Had they been taxed the way the average American is taxed, they would have paid 16 per cent of that income or $170 million in federal taxes. They used part of the unpaid tax money to bribe South Korea's ruling political party to the tune of four million dollars to maintain their price setting control in one of the several industries that are responsible for the inflationary cycles sweeping the world. What they don't tell the American people is that for every one per cent of the unemployed that we could put to work to bring private industry up to full production, we would save $16 billion in tax revenue losses or $64 billion annually if we could get unemployment down to 4 per cent this year. In short, a modest dose of tax reform to eliminate gaping loopholes enjoyed by the wealthy few would enable us to fund much needed programs that would result in wiping out our deficits and reducing the tax burden on Middle Americans who are being deluded into thinking that busing is the issue and that blacks are the enemy.

The fact is that we know just what the black issues are. The problem is that neither white political leaders nor the media are prepared to awaken the Archie Bunkers of America in general, and middle income Americans in particular, to the fact that these issues are color blind, that they are their issues as well as ours.

HUNGER

HON. LEE H. HAMILTON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 18, 1976

Mr. HAMILTON. Mr. Speaker, I include my Washington Report entitled "Hunger":

HUNGER

It is an irony of tragic proportions that in a day when man can walk on the moon, transplant hearts and fly routinely at twice the speed of sound, he cannot adequately feed himself.

Recently the United Nations estimated that about 460 million people are malnourished. Another estimate is that the number of people who "go hungry" for some part of the year exceeds one billion.

As staggering as such statistics are in themselves, projections for the future are even more alarming, especially since world population is projected to double by the end of this century. Unless something is done, many foresee an increasingly hungry world. The result will invariably be more unrest and more instability throughout the world.

The complexity of the problem and the dearth of accurate information offer us little solace. A well-founded understanding of the world food problem requires insights in economics, ecology, agronomy, nutrition, political science and a host of other academic disciplines. Furthermore, it is not reassuring to have an expert tell us that "there are really no accurate figures on food production for any poor country" and that "the margin of error in the estimate for India alone could feed or starve 12 million people."

One can say, and be technically correct, that world food output can be doubled or tripled during the next several decades, but that is not the crucial point. The important question pertains to cost: at what cost—social, as well as economic—can a given increase in output and a more equitable distribution of food be achieved?

The responses to this question vary depending upon one's underlying assumptions. Some argue that the world has reached, or nearly reached, the technical limits of its ability to feed the present population. Others argue that a fundamental shift in the world food economy toward chronic food scarcity and higher food prices has occurred and will persist—a fact which will make it increasingly difficult to sustain present levels of consumption as the world food supply lags behind growth in demand. In a third and more optimistic view, high food prices and limited food supplies are seen as transitory. In this view the necessary expansion of agricultural production can be achieved for many years to come if the problems are nationally identified and tackled.

All agree, however, that our world's food problem has to be dealt with at two levels—coping with food emergencies and assuring in the long term an adequate standard of nutrition for an increased population. Intertwined in both of these challenges are problems of production, distribution and the creation of world food reserves.

Food production must be increased. The agricultural policies of major food exporting countries must allow for full capacity production. The food exporting nations alone, however, will not be able to meet the world's basic needs. The largest growth in world food production can and must take place in the chronic food deficit countries. Dramatic increases in food production are possible in the less developed countries with the right blend of national policies and technical know-how. Major emphasis to achieve increased production must be placed on new research and additional investment in irrigation, in storage and distribution systems, in the production of fertilizer, pesticides and seeds, and in all kinds of agricultural credit institutions. Steps must be taken to farm more land, to use more fertilizer, to increase the water supply, to better manage the ocean fisheries, and to develop new varieties of crops.

Better systems for food distribution are essential. It has been estimated that at least one quarter of the world's food disappears between the field and the table. It is easy prey for rats, insects, fungus and mildew. To eliminate such waste, transportation systems have to be upgraded, concrete warehouses built and marketing methods modernized.

Food reserves must be established. The grave vulnerability of mankind to food emergencies caused by crop failure is apparent. Today our world's food reserves have been depleted. Replenishing them requires international agreement on the size of the needed reserves, on the sharing of responsibility for holding reserves, and on the guidelines for the management and distribution of the reserves.

In addition to these international efforts, the U.S. should take several steps to assist the 460 million people who are malnourished, including increased food aid, a firm commitment to create world food reserves and a strong emphasis on helping to increase food production in the developing countries.

In short, we must prosecute the war against hunger as aggressively as we pursue our own national defense. There are many claims upon our resources today, but surely none exceeds the claim of seeing that people do not starve.

PUBLIC CITIZEN TESTIMONY ON BYINGTON NOMINATION

HON. ROBERT F. DRINAN

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 18, 1976

Mr. DRINAN. Mr. Speaker, in the CONGRESSIONAL RECORD of March 16 I inserted, with introductory remarks, the March 15 letter that 27 other Members of the House of Representatives and I sent to Chairman WARREN G. MAGNUSON and the other members of the Senate Commerce Committee urging the disapproval of the nomination of S. John Byington to become the new Chairman of the Consumer Product Safety Commission. In yesterday's RECORD I inserted the testimony delivered on March 1, during the Commerce Committee's hearings on the Byington nomination, by Carol Tucker Foreman, executive director of the Consumer Federation of America.

Today I am inserting in the RECORD a copy of the testimony delivered on the same date and during the same hearings by Joan Claybrook, Esq., and Sidney M. Wolfe, M.D., of Ralph Nader's Public Citizen. Ms. Claybrook is the director of Congress Watch and Dr. Wolfe is the director of the Health Research Group; both organizations are supported by Public Citizen.

The Public Citizen testimony effectively evaluates the views and statements of Mr. Byington in light of the standards against which Presidential nominees should be measured. I commend this testimony to my colleagues in the House:

STATEMENT ON THE NOMINATION OF JOHN BYINGTON

Mr. Chairman, members of the Commerce Committee, we represent Public Citizen, a public interest organization concerned with the impact of government and corporate policies on citizen interests, to testify in opposition to the nomination by President Ford of John Byington to be chairman of the Consumer Product Safety Commission.

The Product Safety Commission is one of the most important of the regulatory agencies because it has authority to protect citizens from the unreasonable risks of injury in the design or manufacture of most consumer products, with the primary exceptions of food, drugs, cosmetic and motor vehicles. Each year some 20 million Americans are injured in the home as a result of incidents connected with consumer products. Of the total, 110,000 are permanently disabled and 30,000 are killed. A significant number could have been spared if more attention had been paid to hazard reduction. The annual costs to the Nation of product-related injuries may exceed $5.5 billion.[1] It is our concern about the effectiveness of this agency which prompts us to oppose Mr. Byington. As the delegation of Congressional Democrats to the 1975 White House meeting on regulatory reform told the President last summer: "The single most debilitating flaw in our regulatory system has been the chronic failure of Presidents to name—and the Senate to insist upon the naming of—of outstanding public servants qualified by training and commitment to implement the letter and spirit of the laws which they are sworn to uphold."

Recent discussions before this Committee and in other forums have elaborated a number of critical standards against which Presidential nominees should be measured, by the public and by the Congress. We would like to compare Mr. Byington's views and statements, many of them in response to written questions asked by the Committee, against these standards to explain why we believe it would be a mistake for the Committee to recommend confirmation.

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[1] This figure, taken from the final report of the National Commission on Product Safety, June 1970, does not include damage from consumer products regulated by other Federal agencies.

1. DEMONSTRATED DEDICATION AND SENSITIVITY TO CONSUMER AND MINORITY NEEDS

Mr. Byington's only activities directly related to support of consumer interests have occurred during the past two years while serving in the Office of Consumer Affairs. Prior to that time he worked in various capacities representing business interests, including a business trade association, in private law practice, and in the Commerce Department on business exports.

During his tenure the President and the Office of Consumer Affairs abandoned prior endorsement and officially opposed the first priority in consumer legislation, the Consumer Protection Agency, S. 200 and H.R. 7575, and recommended a fourth class substitute developed by Mrs. Knauer's office, something inappropriately called Consumer Representation Plans. We have prepared a lengthy criticism of these plans and wish to submit them for the record of this hearing. Last April, prior to the design of these plans, we submitted a memorandum to Mrs. Knauer listing 45 specific steps which could be taken to make federal agencies more responsive to consumers. All of these recommendations have been ignored. The memorandum is attached for the hearing record.

Essentially, the Consumer Representation Plans are a consumer fraud—they are unenforceable promises by the various executive agencies to do better what they should have been doing all along. Structurally they are empty. They do not create, acknowledge or even recommend any specific rights for consumers. They are nothing more than a useful diversionary device behind which federal bureaucrats can yawn and continue their disregard for the interests of consumers and camouflage for the President's multitude of anti-consumer actions, especially his announced veto of the Consumer Protection bill.

When asked by the Committee for his position on the consumer bill, Mr. Byington had perhaps his first opportunity to make a personal public statement about a critical piece of consumer legislation he had pressed for just one year ago. While claiming an interest in making the governmental decision-making process "more responsive to the people" and in providing "significantly increased opportunities for consumer participation," he would not endorse S. 200. He recommends making the agencies more open and responsive to full consumer participation, while ignoring the fact that consumers rarely have the resources or expertise to do so. Mr. Byington has obviously decided, as has Mrs. Knauer, to trim his sails in accordance with President Ford's reelection plans, although he states to the Committee that there were no conditions, expressed or implied, attached to his nomination as Chairman.

When asked by the Committee whether the Consumer Representation Plans will provide meaningful consumer advocacy in the agencies, Mr. Byington replied: ". . . if we can stimulate consumer participation and also sensitize federal program managers so that they better represent consumers' interest, then I believe there is a distinct possibility that the Federal bureaucracy may be made more responsive to consumer needs." This response either intentionally or in ignorance confuses public relations gimmicks, consumer education, responses to consumer complaints and consumer service on advisory councils, which are discussed in the Consumer Representation Plans, with legal advocacy of consumer views in rulemaking and adjudicatory proceedings, which are clearly not part of these plans. It also indicates Mr. Byington thinks an agency employee can adequately represent an outside interest in an adversary proceeding—a situation frought with conflicts of interest.

When asked by the Committee whether he would support, for the Consumer Product Safety Commission, a provision similar to the one in the Magnuson-Moss Federal Trade Commission amendments allocating funding for public interest representation, Mr. Byington says he would "if it was necessary to get consumer input and participation within the decision-making process of the Commission." This response indicates again the nominee's insensitivity to the meager resources of the few consumer groups who valiantly try to keep up with the work of the Commission, and the need to vastly expand the participation of citizens in the regulatory process. In response to another question, Mr. Byington suggests that "such steps should be taken as are necessary to insure that consumers and consumer organizations will have an important opportunity to play an important role in the standards development process," but he fails to acknowledge that support is in fact necessary, or delineate what specific steps he would endorse.

When asked by the Committee about the Commission's advisory committee, Mr. Byington acknowledges criticisms of advisory councils in the past and assures the Committee that he is "committed to having the advisory council play a very significant role, particularly in the contribution of valuable expertise and information as well as an excellent sounding board for new ideas and concepts." These statements must be contrasted to the inactivity of the twelve-member OCA Consumer Advisory Council which in recent years has not had one leader of a national consumer group presented despite the short, two-year terms of its members.

Like the so-called Consumer Representation Plans, Mr. Byington contenances occasional benevolent accommodation to consumer interests. For someone who will for seven years be Chairman of an independent agency not accountable to any political force, this is not enough.

2. PHILOSOPHICAL COMMITMENT TO REGULATION UNDER THE PRODUCT SAFETY ACT

Three statements by Mr. Byington in response to Committee questions illuminate his basic view of the regulatory process.

First, he quotes the National Commission on Product Safety as to the relationship between the Commission's mission and the regulated industry: "'. . . we have concluded that the greatest promise for reducing risks resides in energizing the manufacturer's ingenuity. . . . We mean that with Government stimulation they can accomplish more for safety with less effort and expense than any other body . . .'" Left unexplained are the means for "energizing the manufacturer's ingenuity" and "stimulation," but it doesn't sound like regulation.

Second, when asked by the Committee about priorities among research, enforcement, standards development, consumer education and regulation under Section 15, Mr. Byington responded: ". . . I believe as a general principle that the method for determining priorities among the various techniques open to the Commission . . . should be to judge each of them in terms of how much it can be expected to differentially contribute to achievement of the Commission's goals." This response is gobbledegook to avoid responding to a very important question which would reveal the nominee's comprehension and view of the most expeditious and effective actions which can be taken under the Act.

Third, when asked about the Commission's current policy of "motivational compliance"—a presumption that a few tough criminal enforcement actions are sufficient deterrent to other manufacturers to promote voluntary compliance with the Act and reduce the need for inspection of individual manufacturing operations—Mr. Byington responded again in generalities, resting on "case by case basis," "criminal sanctions play a vital role in the overall mix of enforcement tools" and "resource limitations would probably dictate the need for some selection criteria for referral of violations for prosecution." Unanswered are questions about whether such an enforcement selection method and voluntary compliance really works, and what criteria should be used in selecting cases for enforcement. While few would question the thesis that fear of strong, vigorous regulation and enforcement can "motivate" industry toward making less dangerous products, intent without action is not sufficient. Perusal of the Commission's own annual report shows it has brought very few criminal litigation cases.

If Mr. Byington has a strong commitment to effective enforcement under the Product Safety Act, he avoided every opportunity afforded him by the Committee questions to say so.

3. EXCEPTIONAL COMPETENCE AND QUALIFICATIONS IN REGULATORY AGENCY MATTERS

Mr. Byington has no background or experience in regulatory law. He has worked at Mrs. Knauer's office since 1974 as a manager: ". . . my responsibility is that of the chief operating officer. Mrs. Knauer establishes overall policy and obviously has final approval on budgetary and personnel matters. It is my responsibility to oversee the day-to-day operations of the office within the policy guidelines which have been established and serve as director in her absence."

While the Office of Consumer Affairs has submitted comments on some agency proposals, they are only written submissions, they cover only a few proposals out of thousands published in the *Federal Register*, and, we have learned, they are not prepared by Mr. Byington. These submissions are the extent of the OCA's participation in agency regulation.

No further comments are necessary. Mr. Byington simply does not meet this standard.

4. CAPACITY TO WITHSTAND POLITICAL PRESSURE

Mr. Byington's straddle and ultimate failure to endorse the consumer agency bill and his waffle in responses to many of the Committee's questions indicates his preference to accommodate rather than do battle with strong political forces. When asked what steps he would take to preserve his independence at the commission from political and industry pressure, he responded: "I shall take all steps necessary to preserve the independence of the CPSC . . ." without any elaboration. Either he doesn't know what he should do, or he doesn't want to risk alienating any strong political force prior to his confirmation.

Mr. Byington says he favors independence for the Commission, but he would seek out "frank dialogue" with his Congressional overseers.

5. ECONOMIC AND PHILOSOPHICAL INDEPENDENCE FROM REGULATED INTERESTS

With his prior experience based primarily in the business world, Mr. Byington hedged when asked if he would refuse for a period of 12 months after termination of employment at the Commission any employment or compensation from any person who is regulated directly or indirectly by the Commission (e.g. trade associations, importers, distributors, retailers, etc.) (The law prohibits employment for 12 months with any manufacturer.) Mr. Byington said: "I shall always attempt to conduct myself in a manner consistent with both the spirit and the letter of the law," which means he intends to keep his options open.

In response to a question about the role of the economic impact finding required by the statute, Mr. Byington gives no indication he understands or is prepared to handle the obstinacy of industry in their routine refusals to provide accurate information to make such evaluations. With his background primarily in business or the promotion of business enterprises, and a preference for accommodation, Mr. Byington is undoubtedly more comfortable in a cooperative than in an adversarial posture. Whether this preference would interfere with the required arms-length relationships demanded in regulation is not clear, but Mr. Byington certainly has no demonstrated experience in sustained adversarial activities.

6. ADMINISTRATIVE COMPETENCE AND SOUND JUDGMENT

Mr. Byington prides himself on his administrative skills. Yet, it cannot be overlooked that while he administered an office of 55 professionals, the office commented on only a few among many administrative agency proposals affecting consumers, and endorsed some important consumer legislation but ignored many very key proposals, such as the amendments to the Freedom of Information Act, the Sunshine Act, oil and gas price regulation, Toxic Substances, small claims courts, class action, bank for consumer cooperatives, antitrust improvements, attorneys fees for participation in regulatory agency proceedings, clean air and food stamps. Among the consumer legislative proposals ignored were amendments to the Consumer Product Safety Act, a subject of apparent new-found interest at the Office of Consumer Affairs.

In his responses to Committee questions, Mr. Byington criticizes the Commission for numerous failures or emissions, but the Office of Consumer Affairs has never petitioned the Commission for action in these areas, and indeed submitted only two comments to the Commission in the last two years.

Listed among Mr. Byington's accomplishments are refinement of the OCA's missions. One of these is consumer redress, or as Mrs. Knauer described it in a letter of March 21, 1975 to Representative Frank Annunzio, the handling of more than 2,000 consumer complaints each month.

Never mentioned is the fact that a study by the Technical Assistance Research Programs, Inc. (TARP) which was funded by OCA to review many agency complaint handling procedures, found OCA itself performed unsatisfactorily in two areas: failure to follow-up adequately complaints which are handled in-house, and failure to use complaints to change agency policy. The OCA deputy director does not hold regularly scheduled staff meetings with the people who answer complaints, and no reports or memoranda of the type of complaints received are regularly prepared for policy consideration.

7. HIGH STANDARD OF PERSONAL INTEGRITY

We do not have sufficient personal association with Mr. Byington to comment in any detail on his personal integrity. We think his weasel answers to many of the Committee's questions raise a presumption against him, however. We also were misled by his promises to arrange the meetings in Washington, D.C. on the Consumer Representation Plan in accordance with the suggestions of consumer groups. The final schedule accomplished precisely the opposite of what was recommended, with no general session held and several agencies of similar interest holding meetings on the same day.

We hope that other witnesses might address this issue to assist the Committee in a complete evaluation.

In summary, we find that Mr. Byington has few of the qualifications demanded for the important job of Chairman of the Consumer Product Safety Commission.

CITIZENS CONSUMER COUNCIL

HON. G. WILLIAM WHITEHURST

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 18, 1976

Mr. WHITEHURST. Mr. Speaker, many of us have been pinioned on the spears of self-serving interest groups, which arbitrarily select only those votes which are of particular concern to them and do not study the questions in depth. Their ratings frequently reflect a narrow, biased position.

Recently the Virginia delegation was rated by the Virginia Citizens Consumer Council. Wide publicity was given to their findings, which were based upon just 13 votes in the House. Congressman DAVID E. SATTERFIELD III, has issued an excellent press release in response, and I am taking this opportunity to share it with our colleagues. I think that it not only shows that there are two sides to every issue, but it also makes it quite clear that the Virginia Citizens Consumer Council, like too many other groups, is willing to sacrifice the broad vital interests of the American people to serve its own limited ones.

I am pleased to call this statement to the attention of my colleagues:

CONSUMER RATING

The so-called consumer rating of Members of Congress by the Virginia Citizens Consumer Council does not accurately state the true effect of the 13 votes in the U.S. House of Representatives to which it referred.

A review of these 13 votes leads me to the conclusion that the position supported by the Council would adversely affect our nation's security, our economy and the long term health, welfare and general well-being of all its citizens.

The position on these votes advocated by the Virginia Citizens Consumer Council would have been

Against exploration, development and production of additional domestic energy resources essential to achievement of self-sufficiency.

Against a device which would assist in alleviating feast or famine conditions in the money market and make mortgage money more available on mutually agreed terms during times of greatest stress.

Against permitting Federal thrift institutions to utilize variable mortgage rates even though state institutions in 41 states may now do so.

Against random testing of manufactured products for safety in lieu of testing every item produced. This would result in excessive costs which would be passed on to the consumer through increased prices. (This position ignores the obvious result where such testing requires destruction of the product.)

For greater reliance upon foreign nations for the supply of oil and long run higher costs imposed at will by those who control that oil.

For greater vulnerability to the potential threat to our economy and our national security by foreign nations should they determine to terminate the export of oil to the U.S.

For establishment of a Consumer Protection Agency which, contrary to what its name implies, would not serve the consuming public but would create another Federal agency to act as an adversary in matters under consideration by existing Federal agencies which are vested with specific and exclusive responsibilities. Creation of this agency would result in increased administrative and legal costs to the Federal Government as well as to producers, manufacturers, distributors, wholesalers and retailers which would be passed on to the consumer.

For granting the Consumer Product Safety Commission the authority to bypass the Attorney General in commencing and pursuing actions in the courts.

For permitting payment of interest on demand deposits in banks and thrift institutions on a nationwide basis notwithstanding a current study to assess the effects of this practice which has not been concluded, a position which ignores the advisability of proceeding as a result of enlightenment.

For requiring mortgage institutions to report their loans in standard metropolitan statistic areas by census tract. The effect would lead to substitution of new criteria for certain loans other than credit worthiness of the borrower, increased costs to lenders and favoring one class of consumers over another.

For a program to promote, maintain and develop markets for cattle beef and beef products which was a thinly disguised effort to advertise and promote the sale of beef. The costs would be reflected in increased consumer beef prices.

During 1975 there were 612 recorded votes in the House of Representatives. It is unfortunate that this group would attempt to classify Members as pro-consumer or anti-consumer on the basis of only thirteen of those votes.

It is unfortunate that any group using its own bias as a standard would attempt to rate a Member of the House of Representatives on the premise that any vote on complicated legislation can be so simply classified.

It should be realized that all of the citizens of the U.S. are in one way or another consumers. It should be understood that the best interest of every citizen is served by proper attention to every consideration which may affect the citizen and the nation. No voting record review has value unless it takes all of the factors into consideration, just as a Member of Congress must if he is to properly discharge the tremendous responsibilities of his office.

H.R. 11—THE SALES REPRESENTATIVES PROTECTION ACT

HON. JOHN Y. McCOLLISTER

OF NEBRASKA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 18, 1976

Mr. McCOLLISTER. Mr. Speaker, during this past year, there has been a growing interest in legislation which I introduced at the outset of this Congress, H.R. 11, the Sales Representatives Protection Act. I plan to introduce a revised version of H.R. 11 in the very near future.

This legislation strikes off in a bold new direction in contract law. Because of this, it has generated a good deal of interest, even controversy. To more fully explain the problem which the legislation is designed to counter and the broad features of the bill, I wrote an article which was published in a special report on "Marketing Through the Outside Sales Force," in the magazine Sales & Marketing Management, issued February

23, 1976. Because this information may be useful to Members in responding to constituent inquiries on H.R. 11 or its revised version, I am including this article, "Sales Reps: The Forgotten Salesmen?" in the Record at this point:

SALES REPS: THE FORGOTTEN SALESMEN?

(By Representative JOHN Y. MCCOLLISTER)

Salesman X worked for 10 years for a company that manufactured automotive parts that he sold, principally to the large auto manufacturers. Over the 10 years, he invested a quarter of a million dollars in the business. His annual sales approached $3 million. His success, however, was his downfall. Noting that the growing sales volume was producing a comfortable income for the sales representative, the company cut his territory and awarded the lucrative accounts to the son-in-law of the company president.

A company employing 14 sales representatives represented a manufacturer for 10 years, building sales from $200,000 a year to more than $1.2 million. Then, on 90 days' notice, the sales representative company was terminated. The company hired its own salesman to service the account.

The two examples cited above are, unfortunately, not rare events. Quite the contrary. Independent sales representatives, who service the vast needs of marketers, are being abused by some of their principals—and neglected wholesale by their government.

Being independent operators, sales representatives fall between the chairs. The National Labor Relations Board denies them the benefits of organized labor. And yet they lack the status and security of management. They live in limbo, forgotten by all branches of government. They are covered by neither workmen's compensation nor unemployment insurance. It took a special amendment to bring them under coverage of Social Security and they still must pay their entire F.I.C.A. contribution with no help from their principals.

These men and women invest their own money in developing business for the firms they represent; yet they have no equity in that business. Working on a commission, sales representatives customarily pay their own expenses and completely subsidize their own sales. The sales representative pays for his own food, lodging, car expenses, and business entertainment for prospective customers.

But the sales representative's fate is in the hands of his principal. Most reps are not protected by a written contract. The principal also may deduct from the sales representative's commissions any trade discounts granted to retailers by the principal, losses for credit extended by the principal to retailers, cooperative advertising allowances, charges for shipping sample merchandise as well as the cost of the samples themselves, rent for showrooms maintained year round in large cities, and losses on goods returned by retailers to the principal.

Further, the principal retains the option to refuse to fill the orders sales representatives sell, can cut the territory that they have invested in to develop, and can preempt their larger accounts by converting them into house accounts serviced directly from the manufacturer's home office.

The exposed and vulnerable position of the sales representative is unfortunate. His entire livelihood is maintained at considerable risk to himself and his family. Worse, some principals have seized on the defenseless position of the sales representative and have systematically exploited him.

If there is a single pattern in the hundreds of cases that have come to my attention, it is that sales representatives are being victimized by some principals for being too successful. Surely, if there is anything on which everyone in this country can agree it is that successful performance should be rewarded not penalized.

That premise underlies H.R. 11, the bill that I introduced at the outset of the 94th Congress. I introduced a similar bill in the waning days of the 93rd Congress to call attention to this problem. H.R. 11 is designed to ensure that a productive sales representative who is unfairly discharged or victimized by his principal will be able to recover some measure of the investment that he had made in building the successful account that will directly benefit his principal. In so doing, H.R. 11 will also provide a new sense of security and a new stimulus to a sales representative to make investments in developing business that will directly benefit both himself and his principal.

The bill will protect only productive, honest sales representatives. To gain eligibility under the terms of the bill, the sales representative must open a new account or service an existing account for at least 18 months, increase the sales volume by at least 50%, and be terminated without good cause. "Good cause" is defined to include fraud, dishonesty, criminal activity, or gross negligence in performing the terms of the agreement between the rep and the principal.

It should be emphasized that nothing in the bill interfers in any way with the right and ability of a principal to discharge a sales representative handling his merchandise. The terms of the bill come into play only after termination (or a substantial reduction in the sales representative's territory or commission rate), and eligibility is denied those who are terminated with good cause. Thus the benefits of the bill will accrue only to those productive sales representatives whose efforts can be expected to produce continuing benefits for the principal.

There are legitmate reasons why any principal may want to convert his sales force from sales representatives to employee salesmen, or to carve out a comfortable territory for the boss's new son-in-law. All this bill requires is that the sales representative who is performing his proper function and producing sales for his principal not be left high and dry after sinking a lot of his time and money into building up the account. If his investment has made the account valuable for the principal, he should be entitled to some compensation when he is forced to do without his commissions from that account because of some arbitrary action of the principal.

It is important to remember, as well, that the residual compensation is determined account by account. Unless he opens a particular account or services it for 18 months, and reaches a level 50% greater than it was when he took over the acoount, he has no vested interest in that account. And if the principal discontinues selling to an account, and for that reason terminates a sales representative, then the sales representative has no entitlement either. Entitlement is a factor only when the sales representative's efforts produce continuing benefit to the principal.

The level of residual compensation under H.R. 11 is not burdensome. It is designed to protect the terminated sales representative who is ineligible to receive unemployment compensation or, if injured, workmen's compensation.

Marketers use sales representatives to market their products because it makes good economic sense. Small or beginning companies cannot afford to use huge chunks of scarce capital to hire employee salespersons, pay company benefits for them, and pay their travel and entertainment expenses. Payout under the terms of H.R. 11 would not be so great as to affect the same basic enonomic relationship that now exists. If it is advantageous to employ sales representatives now, it will continue to be advantageous.

H.R. 11 is pending in the House Subcommittee on Consumer Protection and Finance, on which I serve as the ranking minority member. Although the bill was referred nearly a year ago, hearings were not requested in order that concerned parties could comment on the legislation and any rough edges could be smoothed out. That period of comment is approaching an end.

Comments offered on H.R. 11 have been evaluated; modifications are now being drafted and will be incorporated into a new bill that will be introduced momentarily. Public hearings on the bill will begin soon.

MORE JOBS FOR AMERICANS

HON. JOSEPH M. GAYDOS

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 18, 1976

Mr. GAYDOS. Mr. Speaker, California has become the frontrunner for supporters of a movement to prohibit the employment of illegal aliens in this country. Although the Federal Government has the exclusive power to regulate immigration, the Supreme Court ruled on February 25, 1976, that this does not mean that States are powerless to pass laws concerning the employment of illegal aliens. Thus, California law now makes it illegal for its employers to hire illegal aliens when such action would deny jobs to legal residents.

California State legislators have responded to the problem of high unemployment by making a brave and difficult decision to set job priorities for legal citizens. Congress would be wise to improve the Nation's unemployment picture by amending the Immigration and Nationality Act to discourage the hiring of illegal aliens.

During the past decade, the United States has tolerated the presence of a substantial population of illegal aliens. Currently, officials estimate that between 4 and 12 million persons are residing illegally in the United States.

While the number of illegal aliens has been rising steadily, concern over their presence has also grown, primarily because of high unemployment and less-than-prosperous economic conditions on the domestic scene. In other times, this problem of illegal aliens might not have fallen into the public limelight. But it is believed that foreign nationals in the United States occupy an estimated 1 million jobs that would otherwise go to American citizens. A House Judiciary Committee report notes that some 356,000 of these jobs were located in industry; 335,000 in agriculture, and 309,000 in service occupations. Testimony reveals that of the illegal aliens apprehended in six major U.S. cities between January and June 1975, 62.3 percent of those aliens were employed, mainly in industry.

Mounting evidence confirms the suspicion that illegal aliens are drawn to this country primarily because of economic opportunities not available in countries of their origin. Thus, significance of the illegal alien problem is measured most often as an economic one.

In addition to the adverse impact on jobs, illegal aliens reportedly cost the country millions of dollars in unpaid taxes, plus money spent on detention and deportation. They are considered to be a serious additional burden to the already-swollen public assistance rolls. And, because they tend to send considerable amounts of money back to their home countries, their presence here has an ill effect on the U.S. balance of payments.

Moreover, the status of illegal aliens makes them subject to serious exploitation on the job. Because they fear discovery, prosecution, or deportation, they have no bargaining position with their employers. Consequently, their employment is often characterized by low wages and a lack of common rights and benefits.

Supreme Court Justice Brennan recently summarized the issue this way:

> Employment of illegal aliens in times of high unemployment deprives citizens and legally admitted aliens of jobs; acceptance by illegal aliens of jobs on substandard terms as to wages and working conditions can seriously depress wage scales and working conditions of citizens and legally admitted aliens and employment of illegal aliens under such conditions can diminish the effectiveness of labor unions.

Clearly, the time is right for the proposed amendment H.R. 8713, which would make it unlawful for U.S. employers or their agents to knowingly hire aliens. This bill could be an effective antidote to the problems created by our illegal alien population. The intention of this legislation is not to close our doors to immigrants, but to eliminate the temptation for illegal entries. Its purpose is not to discriminate against any national group, but to discourage employers who take advantage of illegal aliens.

Opponents to this bill rarely dispute the fact that some measure is needed to reduce the number of illegal aliens. However, they are not in agreement as to the method that should be employed. It is considerations of experience, pragmatics, and money which dictate that it is more efficient to place sanctions on the employer rather than to impose further duties on immigration officials.

Certainly, the role of immigration specialists is important and will continue to play a critical part in the detection and apprehension of illegal immigrants. But experience has proven that foreign nationals are getting through. The Immigration and Naturalization Service—INS—reported that the great majority—88 percent—of illegal aliens apprehended in fiscal year 1974 entered the country without inspection. Only 12 percent violated their status after legal entry. In most cases, these persons are from bordering countries and have successfully escaped border detection.

One solution might be to eradicate the problem by requiring huge new appropriations for border patrols and detection mechanisms. However, the proposed amendment would also serve as a deterrent but at no additional cost—only a little discipline on the part of employers.

We all know that the strength of this country has been built on the great contributions made by lawfully admitted immigrants from all parts of the world. At the root of Americanism is the belief in the tremendous accomplishments of a society that is the "melting pot" of all cultures. In order to preserve this belief, we should act to eliminate disorderly entry of and unfair job competition from illegal aliens.

TOWARD A BETTER CHILD ABUSE AND NEGLECT LAW

HON. MARIO BIAGGI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 18, 1976

Mr. BIAGGI. Mr. Speaker, child abuse and neglect is a tragedy that affects over a million American children every year. It has always been one of my deepest concerns, and I have introduced legislation several times to help stem the problem.

In 1974, the passage of the Child Abuse Prevention and Treatment Act seemed to be a major step toward helping the innocent victims of child abuse and their abusers. I was a primary sponsor of that legislation, and I held high hopes for its effectiveness in decreasing child abuse and neglect.

But in recent months, since the Department of Health, Education, and Welfare issued its report to the President and Congress on the implementation of the law, several experts in the field have expressed to me their concern with whether or not HEW is reaching the objectives that Congress set forth in the legislation. After conducting my own extensive investigation, I have discovered several very disturbing things, and I have called on the General Accounting Office to undertake a thorough examination of HEW's handling of Public Law 93–247.

My close friend, Dr. Vincent J. Fontana, medical director and pediatrician-in-chief of the New York Foundling Hospital Center for Parent/Child Development and chairman of the Mayor's Task Force on Child Abuse and Neglect in the City of New York, is one of the experts who has been working with me in my evaluation of the effectiveness of this law. I am inserting into the RECORD an editorial taken from the Bergen County New Jersey Record which Dr. Fontana and I feel shows clearly an example of a questionable allocation of grant money, and the need for a thorough investigation.

There are many other discrepancies which I will be bringing to the attention of my colleagues in the next few months. Another example is that despite the expenditure of nearly $800,000 on three different projects to determine the national incidence of child abuse, to this date there are no accurate national statistics available from the National Center on Child Abuse and Neglect, which was created by this law to serve as an information clearinghouse. One long-awaited report on the national incidence of the problem, which incidentally, is 5 months overdue, is already being discounted by HEW officials as "misleading and inaccurate."

After spending 2 years and $37.1 million, I cannot understand why we are seeing not a decrease but an increase in the number of children who are being beaten and abused. There are too many discrepancies and too many unanswered questions. It is my hope that the GAO investigation will find out why. Congress has made a positive attempt to help these unhappy children and their parents, and we must be sure that HEW is complementing, and not sabotaging our efforts.

The following editorial, entitled "Social Service Gimmickery," is from the Bergen County Record of November 25, 1975. I am inserting it into the RECORD for the benefit and information of my colleagues:

SOCIAL SERVICE GIMMICKERY

Caspar Weinberger, President Nixon's secretary of Health, Education, and Welfare, earned the nickname of "Cap the Knife" because of the enthusiasm with which—early in his tenure—he tried to obey his boss's orders to cut back federal social service programs. Mr. Weinberger didn't succeed in reversing spending policies at HEW; indeed, by the time he left office, the department was spending more money and faster than under President Johnson's Great Society programs.

President Ford's HEW secretary, David Mathews, is trying to live up to the early image of "Cap the Knife" as an opponent of expanded social service programs. At the same time, Mr. Mathews approves projects that seem to be of dubious benefit.

Two such projects, as it happens, involve the state Division of Youth and Family Services. Both concern the very real problem of child abuse. Neither, in our opinion, would do much to help solve this problem.

We've commented before on one of these projects, the funding of a $167,000 research study into the causes of child abuse and neglect. Ample evidence of the causes of abuse and neglect of children can readily be found in medical literature and in the pioneering studies of Drs. Ray Helfer and Henry Kempe in Colorado and Dr. Vincent Fontana in New York. The money to be spent by HEW on the research study could be used more profitably to spread information to those who could help prevent child abuse and neglect.

The other New Jersey project appears equally futile. The HEW department has contracted with the New York public relations firm of Joseph Davis Inc. to develop programs that would increase public awareness of child abuse. The firm chose New Jersey as one of 20 jurisdictions that will receive these programs.

There were of course, several intermediate hitches. First, Joseph Davis Inc. itself had to learn what should be done to make the public more aware of child abuse. It had no previous expertise in this field. One of its employes spent a couple of days with the Division of Youth and Family Services in Trenton to find out what New Jersey was doing to make the public more aware of child abuse.

The Joseph Davis firm was told of the Child Abuse Control Office—which is underfunded—and of several local programs designed to protect abused children and to secure counseling for their parents. One such program—also underfunded—is in Union

County. Another is about to be launched in Bergen.

And what is Joseph Davis Inc. going to do with this information? Why, digest it and pump it right back to New Jersey, as well as to 19 other areas around the country that are also beneficiaries of this HEW drive to make the public more aware of child abuse.

Oh, New Jersey will get a few goodies from the firm—tapes for radio and TV public-service commercials and designs for billboards. But if the state wants to make use of those designs, it will have to lease the billboards itself. If it wants to have the radio and TV spots played on more than three or four stations, the state will have to produce the duplicates. And, as we've said before, there just isn't any money for such programs in the current state budget.

Funding for both of the New Jersey projects comes from the Child Abuse Prevention and Treatment Act, passed more than a year ago. Known as the Mondale Act after its chief sponsor, the senior senator from Minnesota, the law is supposed to do more than collect statistics or fund research projects. It was designed to help states pay for the training of workers to deal with abuse and neglect. It was supposed to help pay for centers where abuse victims would be treated and their parents would come for help.

New Jersey's share of Mondale Act funds this year is a grand total of $80,000. Yet HEW grants a public relations company $305,000 to dream up some advertising gimmicks.

Child abuse is America's hidden disease, and one of its biggest killers. The Mondale Act recognizes this. Unless HEW and its Office of Child Development begin putting the money Congress has authorized to better use, we won't be much closer to eradicating this disease than we were before the law was passed.

H.R. 9725

HON. TOM BEVILL

OF ALABAMA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 18, 1976

Mr. BEVILL. Mr. Speaker, efforts are once again underway in this governmental body to bring about sweeping legislation which could quite possibly prove disastrous to this Nation's attempts to become energy independent.

I am speaking of a piece of legislation currently before the House Rules Committee, H.R. 9725.

This bill contains a few new angles, a new name and number, and in some instances, a new phraseology. But despite that new phraseology, there can be little doubt as to the impetus of, or forerunner to, this new legislation.

Take away the clever wording and disguises and what you have is a piece of legislation very similar to the Surface Mining Reclamation and Control Act of 1975, which was kiled when this House sustained President Ford's veto on June 10, 1975.

That bill would have put many small coal companies out of business because of the almost unreal time limitations proposed for completion of the reclamation process. In fact, the President's veto message cited the severe loss of jobs, higher costs, particularly for electricity, increased dependence on foreign oil, and an unnecessary decrease in coal production as the major reasons behind his decision to veto that so-called surface mining bill of 1975.

Before I go into greater detail, let me say that I believe provisions should be made and enforced for the reclamation of land stripped for mining purposes.

My experiences in representing one of the richest coal fields in this country—the land that encompasses the Fourth Congressional District of Alabama—have shown me that most coal operators are willing to give their full cooperation to the reclamation process. But reclamation must allow adequate time and means for this process to take place. The previously referred to legislation of 1975, and its neatly disguised counterpart of 1976, would only prove disastrous to this Nation seeking to become independent of foreign oil controls.

In that respect, implementation of that legislation could seriously curtail efforts to transfer the bulk of our industrial plants from oil to coal as a primary source of power.

An editorial in the March 13, 1976, edition of the Washington Post pointed out that our Nation is almost at a standstill in terms of arriving at a national coal policy.

Coal production has failed to increase by any sizable amount over the past 2 years, when it should be starkly evident that we simply cannot continue to depend on foreign oil empires for the bulk of our energy needs.

Much of this failure to increase coal production can be significantly attributed to environmental policies which have hampered new coal operations.

We must arrive at a national coal policy that will provide for the transfer from oil to coal as a primary source of power for both domestic and industrial needs.

As my distinguished colleague from Virginia, Congressman BILL WAMPLER, told this assembly a few days back, the best thing that could happen to H.R. 9725 would be to let it die where it now rests, in the House Rules Committee.

As I said previously, the Washington Post editorial, entitled "Coal, Oil, and Pepco" projects the problem we are facing here rather emphatically.

I am here including portions of this editorial with my remarks:

> In this country's slow progress toward a national fuel policy, nothing is ever as simple as it first seems. For example, one obvious way to save oil is to switch the electric utilities to coal. The utilities have good reason to welcome the change, since oil now costs more than twice as much as coal. But, curiously, coal consumption has hardly risen at all since 1973, when oil prices shot up and the Arabs imposed their embargo. Coal still generates a little less than half of the nation's electricity, just as it did three years ago. Why is the turn toward coal so slow?
>
> From the utilities' point of view, here and throughout the country, the continuing uncertainty over environmental standards constitutes a major hazard. The standards are complex, they are controversial, and sometimes they are changed. Many utilities say that they are fearful of embarking on long and costly conversions of their oil-burning plants, only to find when the job is finished that local pollution rules have been revised in the meantime.
>
> Present law requires power plants to burn coal when they are equipped for it. But much broader legislation is under consideration in the Senate. Sens. Jennings Randolph, Henry Jackson and Warren Magnuson, respectively the chairmen of the Public Works, Interior and Commerce Committees, have introduced for discussion a bill that would force nearly all power plants—not only the utilities, but industrial plants as well—to stop using oil or gas by 1985. The amount of oil currently consumed by the utilities and industry together is nearly equal to the volume that this country imports.
>
> The implications of conversion on this scale are enormous. This country produced 695 million tons of coal last year. To meet the requirements of the three senators' bill, production would have to be more than tripled to 2.5 billion tons within the short period of nine years, according to calculations for the Senate's National Fuels and Energy Policy Study. There are now about 150,000 coal miners; this conversion would require more than 300,000. Figures of this magnitude make it evident that full conversion to coal is probably not possible, as a practical matter, as soon as the middle 1980s. It is also evident that any substantial shift at all is going to require enormous commitments of men and money—commitments that neither the utilities nor the mining companies will make amidst the present rudderless uncertainty over national energy policies.
>
> This country wants to reduce its dependence on imported oil. But it has not yet made up its collective mind about the price that it is willing to pay. The danger of foreign oil embargoes and disruptions remains as clear as ever. But for the time being, at least, the oil is flowing and there is a strong temptation throughout the country to keep putting off the kind of firm decisions that the three senators' bill would require. The past several years' experience demonstrates that rising oil prices alone will not swing the utilities toward coal. Without legislation, it appears, nothing at all is going to happen—nothing, that is, but a steady rise in oil imports from the Persian Gulf.

LEAVE WELL ENOUGH ALONE

HON. WILLIAM A. STEIGER

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 18, 1976

Mr. STEIGER of Wisconsin. Mr. Speaker, the future of Federal revenue sharing is in question right now. While the program will probably be extended beyond this year, it is becoming increasingly apparent that it may be amended to the point that it will be done serious, and perhaps irreparable, harm. This should not be.

The best quality of the Federal revenue-sharing program is that it gives States and local communities the right to determine how their revenue shares will be spent, with few strings attached. This is a welcome change from categorical grant programs, which burden localities with Federal guidelines and attendant redtape, and from increasing Washington involvement in local affairs.

In Wisconsin, revenue sharing has been a big success. Because of the distribution formula and its emphasis on State and local tax effort, Wisconsin, which has a high tax effort, has benefited significantly from the program. All of us should encourage a program which encourages local initiative to meet a community's own needs, rather than the multitude of Federal programs that are subject to grantsmanship in awarding funds, instead of actual need.

The Washington Star, in a March 17 editorial, made an excellent case for extending the program without substantial changes. As the Star said:

> Revenue sharing is one government program that seems to us to be working well. Congress ought to leave it alone.

I commend it to your attention:

LEAVE WELL ENOUGH ALONE

After appropriate argument, Congress probably will extend the revenue sharing program. Senators and House members aren't likely to risk the wrath, and perhaps the political retribution, that would come from every corner of the land if they scrap a program that 39,000 governmental units have come to depend on.

The question is: Will the shouting and nitpicking result in amendments that would change the concept of the program?

The program is grounded, above all, in the worthy notion that local officials know the needs and wants of their constituents better than federal bureaucrats do. That being the case, the legislation, which became effective in 1972, provided for the transfer of a small part of federal revenues ($6 billion a year) to states, cities, counties and towns, with few strings attached.

This was a radical departure from the usual manner of dispensing federal aid by categorical grant—tying the funds to specific programs under specific guidelines (red tape, if you will) written by government officials in Washington.

The complaints have been predictable. They come from congressmen who want to keep a bigger finger in the federal aid pie. They come from special interests whose lobbying efforts are less effective when grants aren't tied to particular programs. They come from individuals and organizations who believe any federal dollar that doesn't go to the poor or disadvantaged is a dollar misspent. They come from politicians who believe a way to pick up votes is to convince various segments of the population that they're being discriminated against in the distribution of federal money.

A danger is that Congress may bow to the complaints and burden the revenue sharing program with restrictions that will curtail or eliminate the discretion local and state officials now have in deciding how the money shall be spent.

Another danger is that Congress, in an attempt to answer complaints that too little money goes to the poorer cities and states, may so revise the distribution formula as to turn the revenue sharing program into simply another welfare program that must be borne by the more affluent sections of the country. Perhaps some minor adjustment is needed in this direction but a large tilting of the formula would undermine the program.

Still another danger is that Congress will eliminate the long-range funding provision. The legislation that expires at the end of this year provided a federal commitment to distribute $6 billion a year for five years. A House subcommittee voted the other day to put the program on an annual funding basis.

That would mean major uncertainty in budget making for the 39,000 governmental units that receive the funds. Local and state officials would have no idea how much they would receive, or whether indeed they could count on anything.

Revenue sharing is one government program that seems to us to be working well. Congress ought to leave it alone.

LEGISLATION FOR NUTRITION: IT DEPENDS ON YOU

HON. GEORGE MILLER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 18, 1976

Mr. MILLER of California. Mr. Speaker, I would like to insert in the RECORD a copy of the address I delivered before the Society of Nutrition Education at their 8th annual meeting in San Diego, August 1975. The text of the speech was recently reprinted in the January–March issue of the Journal of Nutrition Education, and I would like to share the article with my colleagues at this time.

The article follows:

LEGISLATION FOR NUTRITION: IT DEPENDS ON YOU

(By George Miller)

(Editor's Note: Representative George Miller presented this keynote address to the Society for Nutrition Education Eighth Annual Meeting in San Diego, August 1975. JNE readers will note that some references are made to the then-pending "School Lunch Bill" (HR 4222), which was passed in October, 1975, by override of the President's veto.)

I am a freshman Congressman and have not been in public life prior to January, 1975.

I appreciate the invitation to speak before your organization, because it is important that efforts are made between the nutrition movement and the legislature to keep in constant contact. I started my "career" in the nutrition field about five years ago when I was legislative assistant to the majority leader in the California State Senate. After about three weeks of dealing with nutrition, I found that it was over my head and that I needed help. So I went pounding on the door of the Senate Rules Committee and, after about four months, was able to persuade them to create a Select Subcommittee on Nutrition and Human Needs, which hired a nutritionist, Audrey Cross. The awareness of nutritional problems that she and that committee have brought to the California State Legislature has been very helpful.

Nutrition and legislation, I think, can be a very happy marriage.

In the Congress, I sought to serve on the Education and Labor Committee because of the nutrition programs embodied in its jurisdiction. I was delighted to find out that the National School Lunch Program was up for renewal as one of the first items of business. I was also delighted to find out the active role that the Chairman of that committee—the person whom many call the "Father of the School Lunch Program," Carl Perkins—plays in fostering the welfare of that program in the Congressional procedure. To have Carl Perkins watching out for your welfare is a big plus.

"FRESHMAN" BILL GETS PASSED

One of the delights of being associated with the nutrition movement is that I guess I'm still the only freshman Congressman who has had a bill signed by the President! Earlier this year, Alan Stone from Senator McGovern's staff called and informed me that California was about to cut off the WIC program, close the clinics and remove the staff. We needed to extend the financing, and he asked me if I would help out. I was delighted but did not know how to go about it.

I went to Chairman Perkins and asked him if he would introduce a bill in committee. He said "No, it's too late to go to committee." So I said "We'll amend something on the floor; will you help me with that?" He said "There's nothing you can amend on the floor. What you have to do is introduce a bill and get it considered by unanimous consent." I asked "Does that mean what I think it means—that everybody has to agree?" "Yes," he said. I said "Can we get everybody to agree in the committee?" He said "You don't do it that way—you do it on the floor of the Congress. You just take the bill straight from the Speaker's desk and ask for their unanimous consent. If everybody agrees, you're home free. If one person objects, you're in deep trouble."

I said "I'm going to do this" and scurried around for three days and tried to talk to all the "right" people. On the floor of the House, I got up and was recognized by the Speaker. (I had asked him "How are you going to recognize me?" because I didn't know the proceedings. He said "Oh, no problem—you're a rather big fellow, and I'll find you.")

Everything went fine. Somebody asked me a question, and I answered. I had all my books and papers laid out like Clarence Darrow; I was really going to make a persuasive argument. There were a few more questions, and I got ready to give my speech. The Speaker banged his gavel, and the bill was over. I turned to Bella Abzug and said "What do I do now?" She said "It's over; you won." I didn't even get to make my case.

I tell this story to make an important point. The case for the WIC program had been made much earlier. The case was made by the alliance of the medical community, the nutritionists and the welfare organizations. The case was made very clear in our subcommittee and in our full committee. It was a program where we increased the authorization with unanimous consent of that committee—because the case had been made clear by this lobby group; this is a vital program, dealing with a very vulnerable population. Therefore there was litle trouble with the passage of that legislation.

SCHOOL LUNCH PROGRAM CHALLENGED

The message that I would like to leave with you now is: I don't see that case being made for the National School Lunch Program. I am very concerned about the attacks I see being made on this program. I have been told by many long-term members of Congress that it is a program nobody votes against because you combine the best of the farm interests, the consumer interests, the education lobby and all those involved. However, that is no longer true. I think that, as the program has expanded, the professionals involved in it have failed to keep us legislators up to date on the merits of the program and what is being accomplished. It is coming under challenge.

There was an amendment on the floor where we tried to put a 35-cent cap on the price of the lunch to keep the middle-class student in the program and to expand it. It was a Republican amendment, and I was told by two members of the Democratic leadership that there was *no way* that amendment was going to pass because it was a Republican amendment. That amendment carried the day with the overwhelming majority of the 75 new Democratic members because they could not make the case to themselves of how the expenditure of that money for upper middle-class kids could be rationalized. I think that is a failure on my part and a failure on your part to have them fully understand what nutrition is about.

The legislators understand the WIC program because it is aimed at the poorest of the poor, but they don't understand it when it is about their children or the banker's child. Somebody said "You mean to tell me we're going to feed Nelson Rockefeller's children?"

CONGRESS NEEDS EVIDENCE

Congress is going through a period of reevaluation of many programs—the so-called "poverty programs" of the 1960s—and they want the answers. They want the answers in terms of accountability, and, as you and I know, that is very tough to do in nutritional programs. What worries me with the WIC program is that two or three years down the road, as we look back to see what we have produced, we are going to produce a lot of healthy children, healthy babies and healthy mothers. I don't know how I am going to prove that, and that is where I need you.

The legislation I have introduced[1] and that Senator McGovern has introduced[2]—along with a lot of coauthors in both Houses—may mean the survival of the school lunch feeding program. I think that without adequate nutrition education in the elementary and secondary schools, and without adequate training and ability to get the message across, the attacks on the feeding program itself are going to become more and more severe—because the case is not made. I can make the case in my District, which encompasses some of the wealthiest areas of California. I cannot make the case in Congress with 435 people who are more concerned with what *they* are doing than what I am doing. That is why I need to plead for your help.

I think we will get the school lunch bill passed with little trouble from here on in. I think the raising of the eligibility limits is going to have a dramatic impact on that program—both in participation and awareness. However the next time it comes before Congress, it is going to come under very severe challenge. My question to you is: *will we have the evidence to justify the expansion of that program if that is the desired goal of the Congress or even the maintenance of the greatly expanded program we will produce this year?* The answer rests on your shoulders. I cannot do it, and I dare say that most other members of Congress cannot, either. While we are backed with tremendous staff help such as Marian Wyman and Alan Stone, the work load does not allow them to do the kind of research that you are capable of doing.

No longer can this kind of program be allowed to live on its laurels because the farm community has changed, the food situation is changing, pricing of food commodities for this program is changing, and it is going to come under severe threats. It is going to have to be maintained on evidence. I am a victim of my law school training: I can go as far as the facts and the evidence allow me to. I need that evidence—just as other people who have been strong proponents of this legislation in the Congress a long time before I was there have got to have that evidence.

When you stand on the floor of the House, somebody who was a former school principal says "Well I don't know what this program does. All I know is that when I walk by the trash can, 80% of the food is in there. Why are we paying for the food? The kids don't want it, and you can't teach 'em to eat it. Why are we forcing them to eat something they don't want?" On the floor of the Congress, with the Press reporting it, that is a very demagogic yet effective statement, one we have to deal with. The problem of wastage in the program has got to be dealt with by you. Whether it is a change in the approach about the Four Food Groups, an updating of your reliance on food technology or a direct confrontation with the food industry, somehow that wastage has got to be cut down.

I think it is cut down through education. However the education has got to go home. It may very well mean a direct confrontation by this lobby and those elements of the food industry that still produce foods that have no nutritional merit. Families need to be educated as to the detriments of those foods.

In a time when programs are competing like they have never competed before for Federal dollars, and when the whole country at all levels is going through major reevaluation of the expenditure of those dollars, we have got to work almost overtime in trying to produce the evidence. More than just simply trying to produce it because it is there, we have got to raise the awareness of the legislature as to this question.

ROLE OF NUTRITION MOVEMENTS

I dare say that my efforts and the efforts of others who have long tried to work for a better nutrition in this country are only as good as you are. I am a firm believer that legislators are only as good as their staff. I take some license with that and consider all of you my staff! How do you like it—for a buck a year or whatever it is? I say that because it is your papers, your books, your testimony that we rely on. It is your papers, your books, your testimony that we recite and regurgitate on the floor of the Congress for those who don't sit on the Committee.

We need to look at the freshman class in Congress. Many of them were elected from areas that had never elected a liberal in the history of that district. They represent districts in which the registration is of the opposite party. They have got to bring home the evidence if they are going to cast their vote. Otherwise they can only bring home the demagogic statements of those who don't know what they are talking about; some of those statements make great "press."

I hope and believe that the National Nutrition Education Bill will be given a full hearing in this session of Congress. I think that there is certainly—given the chairman of the Education and Labor Committee on which I reside—sympathy and interest in nutrition. On the Senate side, Senator McGovern is already making efforts. I hope that we can build an effective lobbying interest on behalf of this legislation because this bill is the answer to many of the concerns about the school lunch program. We can make the case that the expenditures of monies that are now being made could have a greater efficiency in terms of cost/benefit if we could combine the educational process with the feeding process. That is the case that has got to be made, and that is the case that will be heard. Everybody in Washington is competing for dollars. I think we can show that, by the investment of the $75 million called for in this bill, we can make far more effective the $3 or $4 billion that we are spending in those feeding programs and can have a much more long-lasting effect.

I would hope that, in those endeavors this group and allied groups want to undertake in regard to nutrition, you would look on me as a vehicle for much of that work. I would be delighted to help because I have personally never been let down in terms of the background work by people interested in nutrition or food service. I have always found them to be very effective and hardworking, and I would enjoy very much if we could continue the relationship I hope we have built up in the rather short time I have been in Congress.

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[1] H.R. 8584, the 1075 nutrition education bill introduced in the House (Miller—Calif.)

[2] S. 1945, the 1975 nutrition education bill introduced in the Senate (McGovern—S. Dak.)

THEY LIKE "IKE"

HON. JOSEPH M. GAYDOS

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 18, 1976

Mr. GAYDOS. Mr. Speaker, I would like to call the attention of my colleagues in the Congress of the United States to a public tribute being planned for a man who has brought great credit upon himself, his family, his friends, his community, and his country.

In the near future this gentleman will be honored by those who know him best, but for those of you who are not acquainted with him, I am sure you will agree his name has a familar ring to it—Mr. Guy "Ike" Eisenhower.

On April 3, Mr. Eisenhower will be honored by Legionnaires of the 334d District of Pennsylvania. As their immediate past commander, he will be feted at a testimonial dinner to be held in the Gen. Smedley D. Butler Post 701 in White Oak Borough, Pa. It will be my privilege and pleasure to be the principal speaker at that event, for I have known Ike for many years and believe he is richly deserving of this tribute.

Ike is not a native of southwestern Pennsylvania. Born on a small farm at the foot of the Blue Mountains in Pennsylvania Dutch country, he came to our neck of the State following his discharge from the 82d Airborne Division during the Korean conflict. He married a Pittsburgh girl, the former Marjorie May Kelsesky, and opened a business in McKeesport, Pa., which is in my 20th Congressional District. The couple has three daughters—Maryedna, Laurie, and Sally—and recently became grandparents.

Ike's Legion activities began when he joined the Leon Deck Post 991 in Berks County, Pa., a post named after a cousin of his who was killed in action during World War II. But, in 1959, he transferred his membership to Port Vue Memorial Post 447, located near McKeesport.

Since then, Ike has spent many long hours promoting his post and the principles of the national American Legion. He is a past commander of Post 447 and still serves the membership as its adjutant. Seven years ago, as post commander, his organization had the distinction of being awarded two Department of Pennsylvania Legion trophies: One for the most new members signed and another for the most new Vietnam members recruited. It came as no surprise, therefore, that in 1973 he was the unanimous choice for a 2-year term as commander of the 33d District and adopted the slogan: "Say It Loud: I'm 33d and Proud!".

Ike, however, has not confined his interests solely to the American Legion. He also is vice president of the Port Vue Lions Club, a charter member of the board of directors for the Port Vue Community Blood Bank, a member of the Vigilant Volunteer Fire Co., AMVETS

Post 8 in McKeesport and several other fraternal organizations.

Mr. Speaker, I believe the present commander of District 33, Robert D. Goss, Jr., summed up how people feel about Ike when he recently said: "We are proud he was our district commander." Obviously, the Legionnaires of the 33d District "like Ike." I do, too.

FLORENCE DWYER, FORMER CONGRESSWOMAN

HON. DON EDWARDS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 18, 1976

Mr. EDWARDS of California. Mr. Speaker, it was with great sadness that I learned of the death of Florence P. Dwyer.

For me, Florence Dwyer was a neighbor as well as a colleague.

In the 92d Congress, our offices were across the hall from one another, and I came to know Florence not just as a Member of Congress, but as a truly fine and compassionate person. One could not help but like Florence Dwyer—she was open, intelligent, and friendly to one and all.

She served in this body for 16 years, and her concern for other people was reflected in the fact that her central staff members served with her throughout her tenure in the House. Their fondness for this great lady was indicative of the feeling we all held for Florence.

It is just as important to note the feelings that Florence held for the people she represented in New Jersey, and for all people throughout our Nation. These feelings are reflected in her legislative interests and accomplishments.

She was the original sponsor of legislation proposing a statutory Consumer Protection Agency. She labored long and hard hours on the Housing Subcommittee to ensure that decent housing was available to all people. She was a longtime advocate of home rule for the District of Columbia. As we all know, she was instrumental in securing passage of the equal rights amendment. And her record on the war in Vietnam was commendable—she was often found in that minority of Members who throughout the late sixties and early seventies tried to stop the fighting and killing in Southeast Asia.

But there are three other incidents in Florence Dwyer's career that I think are worth noting, because they represent a commitment to an ideal that is higher than party loyalty or political expediency—and these incidents are examples from which we can all benefit.

First, in 1961, when the Republican leadership in the House announced that they would try to join with conservative Democrats to block the passage of liberal legislation, Florence Dwyer and six other Republicans—the New York Times dubbed them the "Saintly Seven"—announced that they would have no part of this cabal, that they would judge all legislation on its merits. And indeed Florence Dwyer supported much of the legislation that came down Pennsylvania Avenue in those years, when so much was done to increase this Nation's responsibility to many citizens who had not previously reaped the benefits of America's bounty.

Second, in 1964, when she felt that her principles and views were not in accord with those of her party's Presidential nominee, she declined to support that nominee. When asked in later years for whom she voted in that election, she winked and asked back, "Who do you think?"

Last of all, in 1966 Florence Dwyer became the ranking Republican on the Government Operations Committee, a position in which she served with distinction during her last 7 years in Congress. According to the rules of the committee, the ranking Republican also served on each of the subcommittees. In that capacity, among her first actions was casting the deciding vote for the Freedom of Information Act, which had previously been bottled up in subcommittee. The bill then easily won approval in full committee and on the floor of the House, and now, in my opinion, it is one of the most important statutes on the books today.

Florence Dwyer was a valuable legislator and friend. She will be missed by those of us who served with her.

MARIANA ISLANDS TO BECOME A COMMONWEALTH OF THE UNITED STATES

HON. PHILLIP BURTON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 18, 1976

Mr. PHILLIP BURTON. Mr. Speaker, before the House of Representatives takes final action on House Joint Resolution 549 today, I wish to make these concluding remarks.

This action will complete the legislative portion of the process by which the Northern Mariana Islands will ultimately become a Commonwealth of the United States. This is an historic occasion in many respects—it is the first admission of new peoples and lands to the United States family in almost 60 years. Only time will disclose if similar action is ever taken by the United States in future years. And finally, this event is one of those rare occasions in human history when a people have joined another people as a result of their own free choice and on the basis of a document freely negotiated by them with the nation of their future association. Both parties can properly take pride in the history they have written in achieving the result which is before the House of Representatives today.

The record of this legislation is replete with documentation—the history of the negotiating sessions between the representatives of the two parties, the committee reports of the on-the-record briefing sessions of the Subcommittee on Territorial and Insular Affairs by the U.S. negotiators, the House and Senate hearings and the records of those hearings, the reports of the committees of both bodies, and the record of the consideration of the legislation in the House and Senate.

It is not my intention to review that history here today. It is already on the record. However, I do want to mention some provisions of the covenant in which the committee has had a particular interest and about which it is desirable that legislative intent not be ambiguous. Our committee's and my own intent is that all possible ambiguities should be resolved in favor of and to the benefit of the people and Government of the Northern Mariana Islands. For example, if the Northern Marianas are entitled to Federal assistance under more than one section of this covenant, or law providing such assistance, the provisions should be construed and administered in that way which will result in the more favorable provisions being applied.

Article I, section 105, provides that specified provisions of the covenant may be modified only with the mutual consent of the Government of the United States and the Government of the Northern Mariana Islands. The applicability of this provision is limited to certain basic articles and sections of the covenant: Article I, political relationship; article II, Constitution of the Northern Mariana Islands; article III, citizenship and nationality; section 501, applicability of certain provisions of the Constitution to the Northern Mariana Islands; section 805, restriction of the alienation of land to persons of Northern Mariana descent—Chamorros and Carolinians. This provision is deemed to be in the best interests of both parties. U.S. interests are protected in that the application of the provision is specifically limited and defined. Conversely, the provision is in accord with the true meaning of the right of self-determination, which is accorded to the Marianas people under the trusteeship agreement.

Article II, section 202, provides that the Constitution of the Northern Mariana Islands, as formulated in accordance with the provisions of article II, section 201,

> . . . will be submitted to the Government of the United States for approval. . . .

It is intended that the Constitution will be presented to the President of the United States for such approval or disapproval and that congressional approval is not required.

Article II, section 203(c) provides that the power of the legislature will extend to "all rightful subjects of legislation." So as to protect employment opportunities for the residents of the Marianas, the record of the subcommittee hearing establishes that all parties—United States and Marianas Political Status Commission representatives and the subcommittee—agreed that the understanding of and ability to use the Chamorro language would be a valid factor for the legislature to establish as a measure of employability in the Mariana Islands.

This same subsection of the covenant provides for a bicameral legislature, in one house of which each of the chartered municipalities of the Northern Mariana Islands will be equally represented. This provision is based on the very large disparity in population between the municipalities on Saipan and the muncipalities on the other islands. For example, out of 5,005 votes cast in the recent plebiscite, 4,239 were cast on the island of Saipan and only 776 on the other islands. This disparity is caused by population ratios—not by voter participation ratios. More importantly, the centuries-old history of the Mariana Islands is based on the tradition of the significance of land to the people and, therefore, the relative equality and independence of each island. In this respect, the concept is even stronger than the original concept of the equality of our States and we on the committee believe that this concept is understandable and acceptable.

Article V, section 502(a)(2) provides that the matching formulae, if any, which apply to the Northern Mariana Islands, shall be those which apply to the several States. For example, for purposes of medicaid and public assistance programs such as AFDC, the matching formulae shall be computed as if the Northern Mariana Islands was a State, thereby providing to them the higher Federal matching available to low-income States, and without the overall ceiling currently applicable to the Virgin Islands. This is the meaning of the concluding portion of the provision ". . . as they are applicable to the several States;".

Article VI, section 602 specifies that the Government of the Northern Mariana Islands will have the authority to impose local taxes in addition to those imposed by the Federal income tax laws as provided for in the preceding section 601. The record of the hearing on House Joint Resolution 549 before the subcommittee established the intent that section 602 authorizes, among other actions, the providing of rebates on taxes collected and the enactment of surtaxes on income by the Government of the Northern Mariana Islands, and that the assistance of the U.S. Internal Revenue Service will be available for such activities to the extent feasible.

Article VII, section 702 constitutes an authorization and an appropriation of the guaranteed annual levels of assistance to the Government of the Northern Mariana Islands provided for in this section for each of the 7 fiscal years following the effective date of this section. Also, as provided in section 704(b), there is authorized a pro rata share of the funds provided in section 702, as described above, for the period between the effective date of this section and the beginning of the next fiscal year; and under section 704(d) there is, unlimited in time duration, the authorization for the continuation of the annual level of payments in each category listed in section 702, including the adjustments provided for in section 704(c), after the expiration of the basic 7-year period provided by section 702 until Congress chooses to change the appropriation or provide otherwise by law.

Article VII, section 703(a) is intended to extend any future, as well as present, Federal programs and services to the Northern Mariana Islands which are available to any of the other territories of the United States, including Guam, or the Virgin Islands, or Puerto Rico or American Samoa.

Article VIII, section 801. It is emphasized that the transfer of property from the Government of the Trust Territory of the Pacific Islands to the Government of the Northern Mariana Islands, as provided for in this section, includes both real and personal property, and that the distribution of such personal property shall be done "* * * equitably * * *" as agreed to by the Government of the Northern Mariana Islands.

Article VIII, section 805 provides that for 25 years following termination of the trusteeship, the Northern Marianas Government must, and may thereafter, "regulate the alienation of permanent and long-term interests in real property so as to restrict the acquisition of such interests to persons of Northern Mariana Islands descent." The committee has had a strong interest in this section. On the basis of the unfortunate past experience of other territories and newly developing areas, and because of the especial significance of land in the cultural traditions of the people, and, finally, because of the extreme scarcity of land, it was our judgment that regulation as provided by this section was essential. It is also the clear intent of all parties that, by the language, "persons of Northern Mariana Islands descent," is meant both Chamorro and Carolinian residents.

A STATEMENT OF HIGHER EDUCATION BY JOSEPH DUFFEY

HON. JOHN BRADEMAS

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 18, 1976

Mr. BRADEMAS. Mr. Speaker, I insert at this point in the RECORD excerpts from a "Background Paper on Education", a most thoughtful document recently prepared for the Democratic National Committee by Joseph Duffey, general secretary of the American Association of University Presidents.

Mr. Duffey, who is chairman of the Task Force on Education for the National Policy Council of the Democratic National Committee, prepared his document as the committee begins its work on policy statements for the forthcoming campaign.

The paper follows:

A BACKGROUND PAPER ON EDUCATION

(By Joseph Duffey)

Except for national defense, public education is the largest function of American government, the biggest user of public funds. While the federal government, through grants and shared revenues, contributes an average of $1 for every $5 raised by state and local taxes for all purposes, the federal share of public education at all levels is only $1 for $10. This represents a marked decline since the early 1970's.

This erosion of Federal support for higher education in recent years, and the accelerated decline which would be imposed by President Ford's FY 76 budget, have not come about through any systematic consideration of the national priority for education. Rather, they are more directly attributable to the compartmentalized consideration of education as a "controllable" sector of HEW which has been repeatedly cut back because of the growth of "uncontrollable" welfare and health expenditures which make up 95 percent of the Department's budget.

These declines from earlier levels of support raise troubling questions about our national capacity and will to fulfill the commitment to equal educational opportunities and quality education for all. They raise fundamental questions about the maintenance of our educational system as a basic resource for economic, scientific and technological, and cultural growth.

None of the declines have come about as a result of any conscious decision on the part of Congress to assign a lower priority to education in our society. The declines are, in fact, contrary to the rhetoric of national leaders over the past decade, and contrary to the intent of Congress as expressed in an impressive body of legislation designed to strengthen American education and expand educational opportunities. And they are contrary to a growing body of documented evidence that our educational system is an enormously important factor in the long-term growth of the economy.

PRACTICAL ECONOMIC POLICY

The expansion of postsecondary opportunities should be more than a desirable national goal; it should be a practical economic policy at a time when youth 18–24 are experiencing twice the unemployment rate of the rest of the work force, and when the per-person cost of public employment programs is $8,000 per year as compared with the cost to the Federal government of less than $1,000 a year to help maintain a student in college.

The expansion of educational opportunity is equally practical as economic policy in view of the fact that over half of all postsecondary students today are part-time, older than the "typical" student age group and centrally concerned with their own employment prospects. Three-quarters of all part-time students are, in fact, already in the work force and pursuing their education to improve job-related skills. Thus, increasing Federal student assistance will not only decrease youth unemployment and improve the skills of youth before they enter the work force, it will also deal directly with the problem of structural unemployment, addressing the mismatch between the skills of the work force and available jobs.

Nevertheless, the FY 76 budget for the five major discretionary student assistance programs proposes an absolute decrease of $196 million from FY 75 appropriations—a level which is at least $1 billion short of existing program needs.

Federal investment to maintain the strength and viability of our colleges and universities would also seem to have a sound economic rationale. These institutions comprise a significant sector of the national economy. They represent a $40 billion enterprise employing 1.5 million people and involving some 10 million students. In hundreds of communities they are among the largest employers, exerting a pervasive effect on the local economy. Surely it is important to assure the continued health of this sector of the national economy.

Yet most of these institutions are now confronted with serious threats to their quality and their very survival. Educational costs are rising more sharply than the general price index, hard-hit state governments are cutting their budgets, and the sources of funds for private giving have been devastated by the economic slump. Accordingly, colleges and universities throughout the nation are cutting back services and staff, increasing tuition and fees, and deferring plant maintenance.

HIGHER EDUCATION THE VICTIM

Although higher education costs are rising faster than the general price index, it is important to understand that higher education is the victim, not the cause, of this inflation. It is not part of the driving forces pushing prices higher and higher. In fact, the Federal government has been one of the contributing factors in two areas where cost increases have been particularly significant to institutions: rising needs for student aid and compliance with federally-mandated social programs. Because the national commitment to expanding educational opportunities has not been accompanied by adequate Federal support, institutions have had to provide more of their own funds to make up the difference, thereby forcing higher charges for students who do not receive aid. The FY 76 budget proposes to eliminate almost every form of institutional assistance which now provides colleges and universities with marginal opportunities to sustain the quality of their educational programs.

In addressing an agenda of domestic policies which state goals both as guides to an electorate eager for national leadership and direction and as a program for governing during the latter half of this decade, our political parties must set forth most clearly their strategies for a new direction in our national economic life. This need is foremost at a time when depression and inflation have occasioned threat and insecurity for the everyday life and personal aspirations of so many Americans of all ages. In this area we find ourselves in the midst of a new and serious debate about the future of the economy. There is an urgent need for a review of national policies in areas of fiscal management, capital formation, resource allocation, energy, and federal taxation. But the primacy of debate over those matters at this time must serve to modify the way we think of and approach traditional federal social policies which have in the past so often been merely an addendum to our economic policies. In no area is this more necessary than that of education. When we seek to formulate an adequate statement of the national goals and commitments in the area of education in this campaign year, we must begin to consider the implications of a national education policy which makes clear federal responsibility and capability in seeking to shape an overall strategy for the economic and social direction for the nation.

This society, if it is to regain social stability as well as economic vitality in the next decade, must effect a "great transition" in which education is a critical process. This will be a transition to new priorities, to alternative economic structures in some areas—to new attitudes and values on behalf of managers, producers, consumers—to a population skilled at coping with the stresses as well as opportunities for personal creativity inherent in modern society. It is absolutely critical that attention be given to the processes of education on every level, both those integral to formal institutional structures, schools, colleges, universities, etc., and to those of other media by which education takes place, including television, the arts, publishing, etc., if this "great transition" is to occur. Educational facilities in this country are needed as well to play their traditional role—to create a sense of national unity, and to reconcile ethnic, religious, and racial conflicts. These areas of social development have been neglected both by practical policies and by distorted social priorities of recent administrations.

BALANCED BUDGET HEARINGS ANNOUNCED

HON. RICHARD H. ICHORD

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 18, 1976

Mr. ICHORD. Mr. Speaker, Congress and the executive branch have been responsible for almost continual Federal deficits since 1950. Yet, we really know very little about them. Do Federal deficits create jobs or lead us into boom-bust cycles that ultimately cost jobs? Are these deficits raising interest rates, depressing stock market prices, and reducing the supply of housing? Do the deficits cause inflation or help to reduce it? Many are discussing such issues, both within and outside the halls of Congress. I am chairman of the Committee To Investigate a Balanced Federal Budget, which is resolved to answer these questions. The committee is an outgrowth of the Democratic Research Organization—DRO—comprised of about 75 Congressmen who have pooled resources, and expertise for the last 3 years in order to provide accurate unbiased information to DRO members on issues facing the Congress. Representative DAVID E. SATTERFIELD III, of Virginia, is DRO chairman.

In carrying forward its DRO mandate, the Committee To Investigate a Balanced Federal Budget was created to determine the impact of deficits on all segments of the economy. Hearings will begin March 23 at 9 a.m. in room 2118, Rayburn House Office Building, where expert witnesses will discuss what is happening and what should be done about it. Arthur Burns, Chairman of the Board of Governors, Federal Reserve System, will present informal remarks and will answer prepared questions at that time. On March 24 at 9 a.m. in room 2118 Rayburn House Office Building, Kenneth Thygerson of the U.S. League of Savings and Loan Associations will tell us how Federal deficits have contributed to distress in the housing industry. He will be followed by Dimitris Balatsos, Manufacturers Hanover Bank, who will show how Federal deficits have influenced who got how much of the Nation's savings resources.

There will also be two witnesses appearing on Thursday, March 25, at 9 a.m., in room 334, Cannon House Office Building. The leadoff witness, Geoffrey Moore, National Bureau of Economic Research, is probably the Nation's foremost expert on business cycles. He will tell us whether our deficits have been making our economy's ups higher and its downs lower. James Duesenberry, chairman of the Economics Department at Harvard University, will discuss the likelihood that Government deficits are bringing about a capital shortage—such that full employment and a rapidly rising living standard may no longer be possible. This theme will be picked up on Friday at 9 a.m., in 334 Cannon by the day's three witnesses: Henry Wallich of the Federal Reserve System; James Needham, president of the New York Stock Exchange; and Michael Evans of Chase Econometics Association, Mr. Wallich, will critique those who dismiss the capital shortage as a likely occurrence. Mr. Needham's remarks will focus on the stock market in particular, Michael Evans will describe the role of Federal deficits in his forecast of inflation, recession, and capital shortage.

These four sessions only begin our treatment of the deficits. A more extensive series of hearing commences on April 29. After 8 more days taking testimony, I am sure the Committee To Investigate a Balanced Federal Budget will be able to come to intelligent conclusions on issues raised by these deficits. Reports and legislative proposals will flow from our efforts. I intend to keep House Members informed of our progress.

SALES OF ARMS TO EGYPT

HON. JOSHUA EILBERG

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 18, 1976

Mr. EILBERG. Mr. Speaker, the Ford administration recently announced its intention to sell six military transport planes to Egypt. I have already stated for the record my objections to this proposal and my intention to oppose it, but at this time I enter into the RECORD, for the information of my colleagues, a statement on this subject by Benjamin R. Epstein, national director of the Anti-defamation League of B'nai B'rith:

SALES OF ARMS TO EGYPT

You are undoubtedly aware by now of the Ford Administration's decision to lift the long-standing American embargo on military sales to Egypt. You will also recall that when Egyptian President Anwar Sadat visited the United States (October 27-November 3, 1975) the subject of U.S. military assistance to Egypt was discussed. Nevertheless, at that time the Ford Administration reiterated that an Egyptian request for American military assistance was only under consideration, and that the United States government had not yet adopted a position on the matter of lifting the arms embargo to Egypt.

The confirmation by the spokesman of the State Department that "*consultations*" had begun with various members of Congress on opening a military supply relationship with Egypt and the admission by Secretary of State Kissinger that the United States had already "agreed" to sell C-130 military transports to Egypt confirms that the Ford Administration has decided to accede to Sadat's request for a military relationship between Egypt and the United States.

Even more troubling is the admission by Defense Secretary Donald Rumsfeld that while the United States had only agreed to sell six C-130 military transports to Egypt, it was conceivable that Egypt might eventually get some weapons. During the course of the Sadat visit to the United States in the fall, it was learned that Egypt was seeking a wide range of American military equipment ranging from wireguided antitank weapons and Hawk antiaircraft missiles to the F-5E fighter plane. Rumsfeld's statement, taken together with the Kissinger statement that "you can't expect Israel to give any approval to the sale, but that we have to do what is in our national interest", clearly indicates that the Ford Administration will try to sell Egypt a wide range of military equipment.

It is, therefore, important to review the implications of this decision for United States Middle East policy. We dispute the Kissinger assertion that it is in U.S. interests to sell military equipment to Egypt. It is our considered opinion that it is not in United States national interest to become the arms supplier to Egypt.

The arguments against U.S. military assistance to Egypt include:

(a) The military balance in the Middle East will be tipped in the Arabs' favor if the United States becomes the arms supplier to the major participants in the Arab-Israel conflict. The argument that the United States will be maintaining the military balance by providing military assistance to Egypt is questionable when one takes into account that Israel faces 20 Arab states, all of which have received and continue to receive *sophisticated* military equipment from both the Eastern bloc and Western nations. The Arab states have already received \$14½ billion in military equipment in the last two decades; to increase the flow with Americans arms now would tip the military balance in favor of the Arabs, and this will inevitably lead to another round of fighting in the Arab-Israel theater.

(b) The United States is Israel's sole source of arms, while the Arab states of the region are the recipients of military equipment from the Soviet Union, the United States, France and England. Various Arab states have received, or will, American F–5E fighters, American electronic equipment, American missiles, American tanks, French Mirage fighters, French Matra missiles, English Chieftain tanks, English Jaguar fighters, in addition to all of the sophisticated Soviet military equipment which has been given wide prominence in the press (Russian tanks, fighters, bombers, missiles, etc.).

(c) The decision by the United States to sell Egypt a wide range of military equipment will destroy the concept of deterrence based on Israeli military strength. The absence of war is dependent upon an Arab realization that it would be folly and suicidal to launch a military campaign against a strong Israel. When this is replaced with an Arab realization that the military balance has been tipped in their favor, another outbreak of hostilities will be inevitable, and this would undermine U.S. national interests in the area. It is in American interest to insure the absence of war in the Middle East and not to encourage hostilities.

(d) The Ford Administration makes the point that military assistance to Egypt will enhance Egypt's standing with the other Arab states. They further argue that Sadat has shown a desire to end his dependence on the Soviet Union in military and other fields, and therefore the United States must give Sadat something so that he can show his people that it pays to maintain friendly relations with the United States; this argument is based on faulty assumptions. To begin with, the greatest danger to Sadat today comes not from external sources, but rather from unrest within Egypt. The deteriorating Egyptian economy, the low standard of living of the Egyptian people and widespread dissatisfaction over this situation are Sadat's greatest problems today. This will not be ameliorated by the infusion of American military equipment. Rather, if the United States was indeed interested in a durable peace in the region, it should be pressing for additional *economic* assistance to Egypt and not military equipment. It is tractors and not military transports which will insure Sadat of support by the Egyptian people, and enable him to continue to govern Egypt.

(e) To argue that if the United States does not assist Egypt militarily now, Egypt will go back into the Russian camp, is a mistake of profound proportions and an indication that the people who advocate this argument do not understand Middle East politics. Let us remember that Sadat kicked out the Soviet Union from Egypt in the summer of 1972—one year prior to the Yom Kippur War and three and a half years prior to any discussion of American military assistance to Egypt. Further, Egypt turned to the United States after the Yom Kippur War and looked upon the United States as a mediator for the two interim agreements, notwithstanding the fact that the United States had just (during the Yom Kippur War) undertaken a major airlift to Israel to counter the Soviet airlift to the various Arab states.

(f) If Sadat truly wants peace, then there is no reason for the United States to supply him with military equipment. Israel does not seek to attack Egypt, but the Arab states continue to refuse to accept the legitimate existence of a Jewish state in the region and have vowed to destroy that state by either military or political means.

(g) Kissinger himself indicated that the United States cannot be the principal arms supplier to Egypt, but that the Administration hopes that Britain and France will take the lead. If his is so, then there is no reason why the United States should be selling Egypt military equipment. This also contradicts the argument that, if the United States does not supply Egypt with military equipment, Sadat will turn back to the Soviet Union. Clearly, England and France are still allies of the United States.

(h) Finally, the maintenance of international peace and security is the stated goal of American foreign policy because it is in America's national interest. We have supported American efforts to mediate the various agreements between Egypt and Israel because we believed it would be a step towards peace. However, the decision on the part of the Ford Administration to lift the arms embargo on Egypt and begin a program of American military assistance represents in our view a serious reversal of U.S. policy and carries within it the danger of renewed hostilities in the Middle East.

In sum, it is therefore shortsighted of the Ford Administration to request immediate military assistance for Egypt at the risk of losing so much more.

RICHARD W. McLAREN

HON. MARTIN A. RUSSO

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 18, 1976

Mr. RUSSO. Mr. Speaker, courage is a word which is often used and seldom defined. Recently a man passed from the scene whose life during the past year was a definition of that word.

Richard W. McLaren was a noted lawyer in my native city of Chicago, headed the Antitrust Division of the U.S. Department of Justice and served most recently as a judge on the U.S. District Court for the Northern District of Illinois.

Bob Greene of the Chicago Sun-Times has written an article paying tribute to this man of rare dedication which I would like to bring to the attention of our colleagues. Mr. Greene's words, which describe so poignantly Judge McLaren's distinctive courage, are well suited for all who are called to public service.

The article follows:

Judge McLaren's Courage—Painful Justice and a Life Sentence

(By Bob Greene)

When U.S. District Court Judge Richard W. McLaren died last month at 57, the obituaries took proper note of his distinguished and full legal career.

What was only touched on in the reports of his death, however, was a story more dramatic than any he ever presided over in a courtroom.

It was the story of how Judge McLaren—who suffered from a rare disease known as amyloidosis—determined, and then succeeded, in remaining an active, working, effective member of the judiciary all during his long illness.

The disease brought excruciating pain to Judge McLaren. Amyloidosis manifests itself by gradually deteriorating the vital organs, and Judge McLaren lived with that disintegration during much of the final year of his life. The disease does not affect the mental processes, however—and the judge forced himself to withstand the physical pain in order to continue serving the court.

Attorneys, clerks, marshals, secretaries and court reporters at the Federal Building—all knew of Judge McLaren's condition during his last year, but out of respect for him none mentioned it in his presence. He wanted his court to be run just as if it was being presided over by a man in ideal health.

Although walking was an agonizing experience for him, he refused to use a wheelchair in the courtroom long past the time when his aides wanted him to do so. Special railings were installed so that Judge McLaren could make his own way from his chambers to the bench, a journey that normally would take only a matter of seconds.

"He would use two canes," said Thomas P. Sullivan, an attorney who argued a 10-week case in front of Judge McLaren during the final year. "He was going to walk into his courtroom under his own power. It would take him three minutes to make it to the bench. He would move very slowly, literally inch-by-inch. His head would be bowed. We lawyers would stand as he walked, every day, and it was all we could do not to cry."

At the end, all the resiliency was gone from his muscles. He could not even hold a sheaf of paper without great strain. But still he worked.

"At night, his wife would read to him from the lawyers' briefs," said Judge McLaren's law clerk, Roger Dennis. "I certainly don't think I would have had the guts or the patience to carry on as he did. He never mentioned the disease. Right up to the time he died, he had an incredible ability to go right to the root of a problem. A truly amazing mind. And he worked as hard a day as any judge in the building. He started his day earlier and ended it later than almost any other judge. Of all the judges, too, he was extraordinarily kind to the attorneys. He was such a considerate man. Sometimes I'd see him shaking his hands, and I'd know that the pain was getting to them so that he had to do something—but he never lost his temper or was discourteous to the people in his courtroom."

Judge McLaren's widow, Edith, said that after she would read the attorneys' briefs to him at night, he would compose his decisions and opinions by himself.

"We had a special pen made for him," Mrs. McLaren said. "It was padded with foam rubber, which made it bigger and softer, so it was easier for him to hold. He liked to think things out and see them in front of him. Sometimes he would have to dictate, but whenever he could manage to write things down himself, he would. He was there to do a job, and he was going to do it."

Judge McLaren was an athletic man before the disease struck him—he used to slalom water ski—and it was hard for those around him to watch him die in front of their eyes. But all knew how proud he was, and none urged him to take it easy, or to adapt to a lighter schedule. They knew that Judge McLaren was well aware of his own capabilities.

"There were times when we were in front of the bench, arguing the case, and you could see the pain flash into his eyes," said Lee Abrams, another attorney who was involved in a long case before Judge McLaren. "When you are in eyeball-to-eyeball contact with a man, you know when he hurts. Watching him make his way into that courtroom every day, and then seeing how well he ran his court . . . the whole building felt the same way about him. Everyone prayed for him."

On January 29, Judge McLaren delivered a meticulously thought-out and worded 60-page written opinion on a case that Abrams had argued before him. Less than a month later, the judge was dead.

"The last year of that man's life was the damndest display of courage I've ever seen," Abrams said. "I don't think anyone who was there will ever forget it. Or even think about living and dying in the same way again. Now there was a man."

THE CHANGING FACE OF DEFENSE THINKING

HON. JOHN P. MURTHA

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 18, 1976

Mr. MURTHA. Mr. Speaker, those of us who have for several years been arguing that America's defense strength was slipping and that a new look was needed at our security decisions have been heartened by the developments of recent weeks.

The highly respected Economist of London called for an "end of the false hopes attached to détente * * * a willingness to use all the forms of countervailing pressures needed to hold Soviet policy in check * * * and a willingness to pay for defense budgets designed to match the military problem the democracies face rather than domestic political convenience."

Former Secretary of Defense James Schlesinger wrote in Fortune that the threat to the world was similar to that of the 1930's.

As then, the military balance is deteriorating, but the trend in large measure goes unnoticed because the Soviets today though expansion-minded, speak in less bombastic and threatening terms than the Nazis did.

The best news of recent weeks is that this awakening of need has led to decisions by the House and Senate Defense Committees to do away with the annual congressional procedure of slashing defense spending, and responded with a more positive spending program than in recent years.

I believe there is still a great deal to be done to create the national debate that will set the course of our defense spending for years to come, but I now believe we are getting on the right track.

I would like to share with my colleagues some of my thoughts at this point on defense from two of my recent weekly columns.

THE DEFENSE MARGIN

"Currently the United States operates on a narrower and narrower military margin," according to former Defense Secretary James Schlesinger.

A shrinking defense margin was predictable since military issues have been deemphasized and our strength reduced following every American war. We are now emerging from the post Vietnam period, and Americans face a vital question of what "military margin" we can accept.

In this week's column, I want to compare the strength of the United States and Soviet Union. Next week, I want to look at the implications of these figures and what policies they suggest for the years ahead.

Nuclear Weapons—A decade ago the United States had a numerical superiority in strategic nuclear weapons. Today, it has disappeared. The nation lags behind the USSR in every category except multiple warhead launchers and total warheads.

Troop Strength—Figures in this category can be misleading since the U.S. has never had as many men under arms as the Soviets. Presently, though, there are 2½ times more Soviets in the military than Americans.

Ground Forces—The Soviets outnumber us in battle tanks (34,000 to 9,000 although we are increasing our strength), steel plated personnel carriers (40,000 to 20,000) and anti-tank missiles (a 3 to 1 Soviet edge). The U.S. advantages are in helicopters and the marines (197,000 men to 12,000 in the comparable Soviet units).

Navy—The Soviets have more major combatants in every category except aircraft carriers and a virtual monopoly on some anti-ship missiles. The U.S. strengths are 7 nuclear powered surface ships; unsurpassed carrier air power; and more anti-submarine warfare units.

Air Force—The Soviets have 25% more fighter/attack aircraft and medium bombers than the U.S. America's total force is larger when naval air power is included.

Allies—The Soviet army and materials provide most of the strength of the Warsaw pact countries. NATO adds to total strength of the western countries, but the Warsaw nations have more commonality in leadership and arms, while NATO's equipment and leadership is sometimes uncoordinated.

Those are the facts that cause Schlesinger to conclude that "at no point since the 1930's has the Western world faced so formidable a threat to its survival."

There is no doubt the Soviets are making a major commitment to arms while the U.S. has been regrouping from Southeast Asia, dealing with an unprecedented transfer of presidential power and worrying about domestic problems and the economy. The present equalizing force is American technology and the quality of our military personnel. Even here, though, the Soviets are closing the gap.

Over the next year, our attention must shift to what defense policy we want to adopt in response to these Soviet actions. In next week's column I will examine the direction I believe that response should take.

AMERICA'S DEFENSE FUTURE

The American Defense Debate of 1976 must start from a basic premise: we must watch what the Soviets do, not what they say.

Security for America and its allies has been a given factor in the lives of a whole generation of Americans raised in the last 25 years. Vietnam was viewed simply as an American error. We have become used to peace and want desperately to retain it with the Soviet Union.

Russian actions and military build ups outlined in last week's column show that to secure the peace, America must remain strong defensively. In this week's column, I want to look at some of the present U.S. policies and steps I believe we must take to maintain the peace.

Very simply, the Soviets today are making a greater commitment to defense than the United States. U.S. policy is based on reacting to a long, drawn out conflict (that would give us time to mobilize strength), or a short nuclear confrontation. Soviet capabilities are spread more widely to respond to any type of conflict.

An example of the problem this limited policy creates for the U.S. was the Mayaquez incident. When the word went out for U.S. help in the area, the response was by the 31 year old carrier Hancock (operating on only 3 of its 4 shafts), the helicopter carrier Okinawa (with damaged boiler plate), and the escort vehicle Holt (experiencing power supply problems). The situation illustrates there are types of conflicts we cannot combat today effectively.

In response, I believe there are some steps we should take:

1. Defense Budget—We all want to eliminate waste in defense spending. I am personally conducting several investigations at the present time I believe can result in savings without reducing effectiveness. We cannot, however, continue to reduce sharply the defense budget yearly while the Soviets are committing vast resources to their build up. We will have to accept a steady 2–3% growth in military spending yearly to keep pace.

2. Navy—No single U.S. policy worries me more than the lack of U.S. Naval strength. There is a real concern as to whether we can keep supply lanes open to our allies. Right now, America has no firm Naval strength policy for the years ahead. It takes many years to build a ship and we need direction to our future plans. We do not have to match the Soviets ship for ship, but we do have to make certain we can meet our needs on the seas—a question now in doubt.

3. Reserves—With the end of the draft and decrease in U.S. forces, we must rely more on the National Guard Reserves. We have to upgrade the units, make certain the men have proper equipment to train with and use this source to increase our total strength.

4. SALT Talks—We need to control arms growth, but I would rather delay an agreement with the Soviet Union on nuclear weapons for a year and make certain neither side has a nuclear advantage, than to rush to a judgment that would place us at a permanent disadvantage.

Those are four areas I would stress as essential to our national defense. Some people will stress other problems, but we must hold the debate and adopt a firm policy that will meet our needs.

Americans must face the fact that whether we like it or not, we are still the only military counterbalance to the Soviet Union and the communist world. The years ahead will test our will to check Soviet aggression and insure peace through equal strength.

"FBI" AND "COINTELPRO"—REVIEW OF TWO BOOKS

HON. BELLA S. ABZUG

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 18, 1976

Ms. ABZUG. Mr. Speaker, after decades of secrecy, the Federal Bureau of

Investigation is coming under more careful public and congressional scrutiny. This long delayed concern has already had some slight benefits in the manner in which the current leadership of the FBI responds to public needs. But far more and intensive oversight will be necessary before that Agency becomes responsive to legitimate congressional inquiry into its activities.

One of the persistent problems encountered by congressional committees in attempting to perform oversight functions on the performance of the FBI is the veil of secrecy which still surrounds its work. The subcommittee which I chair, the Subcommittee on Government Information and Individual Rights of Government Operations, has been "stonewalled" on several occasions in our *attempt to* get to the bottom of the question of the destruction of the files maintained in the office suite of former FBI Director J. Edgar Hoover.

This is not a unique posture for the FBI to take. In an excellent review of an excellent book by Sanford Ungar on the FBI, Victor Navasky, the well-known author on legal matters, states:

> Only in 1975, Ungar reminds us, was it revealed that the F.B.I.—Kelley included—had kept certain confidential files from Attorneys General Richardson and Saxbe, each of whom assured us that he had the Bureau under control. How can we know that Attorney General Levi is faring that much better?

Mr. Navasky's review of "FBI" appeared in the New York Times Book Review of March 14, 1976. It suggests that we must begin to debate the role of a secret police in a democratic society and it reiterates that the secrecy which has surrounded the FBI "has prevented the public from even knowing what the issues are." I commend this review and the book "FBI", by Sanford Ungar to my colleagues.

The review by Mr. Navasky follows:

[From the New York Times Book Review, Mar. 14, 1976]

"FBI," BY SANFORD J. UNGAR; AND "COINTELPRO," EDITED BY CATHY PERKUS—A BOOK REVIEW

(By Victor S. Navasky)

It is a rare day these days when either the F.B.I. or the C.I.A.—our intelligence community's Mr. Inside and Mr. Outside—is not embarrassed by some new revelation of past impropriety. Just weeks ago the C.I.A. grabbed the headlines, courtesy of Daniel Schorr, but it is undoubtedly only a matter of minutes before yet another hitherto unknown atrocity committed by the F.B.I.'s officially discontinued Cointelpro operation surfaces. The disillusioning documentation has come in such rapid quantity that it has almost ceased to shock and has begun to overwhelm. Thus the publication of a book like Sanford Ungar's "FBI" seems a propitious occasion. Traditionally the F.B.I. has cooperated only with those it has had reason to believe would tell its story in its own image. Mr. Ungar, Washington editor of The Atlantic Monthly, formerly with The Washington Post and author of "The Papers and the Papers: An Account of the Legal and Political Battle Over the Pentagon Papers" which won the George Polk Memorial Award in 1973 for the outstanding book of the year, is the first independent reporter to gain sustained access to F.B.I. files, records and personnel—including a series of personal interviews with the Director.

One approaches "FBI" in the hope that it will provide a much-needed perspective on our one and only national police force (which he is quick to designate the Bureau, despite their disclaimers). One is struck first by the fact that the mere recounting of what is already known yields a finding. It turns out, for instance, that much of the so-called paranoia of the left—old and new—should not have been so-called after all.

At the height of the cold war the Left charged that the F.B.I. was trading information with Senator Joseph McCarthy, and now we learn that on the eve of his resignation as Assistant to the Director, William Sullivan reminded J. Edgar Hoover in a letter, "You had us preparing material for Senator McCarthy regularly, kept furnishing it to him while you denied publicly that we were helping him."

The civil rights movement claimed that J. Edgar Hoover was conducting a personal vendetta against the movement's spiritual leader, Martin Luther King, and now we learn that in addition to other harassments the Bureau probably attempted through anonymous threats to move the late Dr. King to suicide.

The anti-war movement suggested that the F.B.I. was financing agent provocateurs and Mr. Ungar quotes any number of alumni informants who have surfaced at anti-war trials and other proceedings only to confess that they worked to exploit internal dissension and they instigated break-ins, burnings, bombings and other terrorist activities.

Black nationalists complained that the Bureau had singled them out for disruption and just a few weeks ago in testimony at a damage suit brought by survivors of the 1969 raid on the Black Panther Party headquarters, the former head of the F.B.I.'s Chicago office confirmed that the operation had been initiated as part of the Bureau's campaign to "neutralize" what it called "black nationalist hate-type groups." Apparently J. Edgar Hoover ordered these actions to prevent the emergence of a black leader who could become a "black messiah" and unify black nationalist groups.

Non-violent splinter groups like the Socialist Workers Party have long insisted that they were a special target of the Bureau, and F.B.I. documents, recently made public under a Freedom of Information Act lawsuit, confirm that the Bureau launched a special S.W.P. disruption campaign as part of its counterintelligence program. "Cointelpro: The FBI's Secret War on Political Freedom," edited by Cathy Perkus, documents how the F.B.I. tried to get the University of Arizona Board of Regents to fire a professor who happened to be an S.W.P. member, sent a fake letter from a "concerned mother" alleging subversive activities against an S.W.P. school board candidate, harassed a scoutmaster whose wife was an S.W.P. member and, to generate mutual suspicion, created the impression that an S.W.P. officer had stolen funds from a S.W.P. defense committee.

So what else is new? old-time Bureau critics might well ask. After all, the trial of Judith Coplon in 1949 for passing Justice Department intelligence reports to her Soviet sweetheart revealed that the F.B.I. tapped telephones and sat silently by while the prosecutor denied that there had been any electronic surveillance. (Her convictions were later reversed.) And the Coplon reports showed that the Bureau compiled a dossier on the actor Frederic March and his wife because they had been involved in the Henry Wallace movement, and on a music student because he visited the New Jersey headquarters of the Communist Party to talk with his mother. Moreover, muckrakers like Fred Cook in his book "The FBI Nobody Knows," and Max Lowenthal in "The Federal Bureau of Investigation," not to mention former agents like William Turner ("Hoover's FBI: The Men and the Myth") and Normal Ollestad ("Inside the FBI") had all, in one way or another, blown the whistle and the siren on the F.B.I.

One difference between then and now is that until recent years the Bureau had won the public relations war. In addition to attacking the character and motives of its detractors, the Bureau encouraged Harry and Bonaro Overstreet to write "The FBI in Our Open Society," an attempt to refute its critics seriatum. Thus critics of the Bureau were largely discounted by establishment journalists, too complacent to do any investigative checking of their own. The critics were ignored by Congress, which by and large was reluctant to do battle with the keeper of the nation's (and presumably their own) secrets and skeletons, and were dismissed by Presidents and most Attorneys General, reluctant to jeopardize their policy agendas by taking on Washington's most formidable bureaucrat-politician. And in case anyone had any funny ideas, don't forget that when the Bureau had compromising information, say about a Congressman, it was standard operating procedure to confront him with the knowledge but promise discretion.

Ever since J. Edgar Hoover took over the Bureau in 1924, the F.B.I. has controlled its own image: in the 1930's as a gang of gang-busting G-men; during World War II as a crack anti-Nazi counterespionage outfit; after the war as the nemesis of the international Communist conspiracy; and more recently as an army of peace-keeping Efrem Zimbalist Jr's. In the aftermath of the disclosures occasioned by Watergate, various Freedom of Information Act suits and the internal power struggle following Hoover's death, one hoped Mr. Ungar's book would help us to see the F.B.I. without its charcoal-gray suit on; that it would give us an impartial calculus for computing the damages, dangers and benefits this unique institution has inflicted and/or conferred on these United States. Instead, Mr. Ungar has gotten a little bogged down in F.B.I. trivia (especially in the first half of the book), and although he makes a number of useful contributions to F.B.I. literature and betrays no pro- or anti-Bureau bias, the big questions remain unanswered, the great issues under-explored.

Among the contributions: he gives us a glimpse of F.B.I. folkways, values and institutions, rare in books about the F.B.I. written by outsiders. Thus we learn that F.B.I. men have most respect for an agent who has shot someone in the line of duty or, second best, been wounded himself. We are told how for years F.B.I. cars had to be black and shiny, thus they were worthless for surveillance. In a bit of Kremlinology, F.B.I. style, we are told that field offices feature portraits of Hoover and the current Director Kelly, but none of L. Patrick Gray Jr., who resigned as Acting Director after it was revealed that he had destroyed some Watergate evidence. Also, we learn that after Gray ran into trouble, the Director's name was dropped from the credentials all agents carry, possibly an economy measure.

One wishes Mr. Ungar had done more to explore the implications of some of his observations, but it is nevertheless valuable to hear an agent who had for years participated in "the system of defying the rules and faking details of reports and statistics" ask the troubling question, "How does a guy learn to cheat and lie on a daily basis regarding administrative matters but then become perfectly honest on the witness stand?"

Mr. Ungar also has new information on the Bureau's formal and informal authority structures, with much original organization-chart detail on how an agent moves up through and/or gets shifted around the ranks. One wishes, however, that he had said a little more about the relationship of the incentive system to Bureau priorities.

For example, we are told that agents who were involved in the civil rights struggles of the mid-1960's found that their careers prospered in later years. Prior to that time the Bureau seemed to have set itself against the ideology of integration, so one is curious as to whether the rewards for civil rights activity were accidental or intentional. And we gain some perspective on tension between the F.B.I. and other intelligence agencies when we hear a C.I.A. man comment. "It was especially important to cover yourself by reporting back home, whenever you talked with Bureau people. Otherwise it might be distorted by them."

"FBI" adds some original material to our file on the Agency's past as well as bringing us new news about its present circumstance. Some of it is in the F.B.I.'s favor, such as his account of how the Butte, Mont., office quietly neutralized some balloons the Japanese launched from the Pacific during World War II that were loaded with incendiary devices and anti-personnel bombs and were surprisingly successful at starting fires and injuring campers. Mr. Ungar's chapter, called "Big Brother," on the F.B.I.'s computerization after years of resistance, is particularly chilling, including his conclusion that "The fundamental question has become whether it is too late, whether the F.B.I. has already created such a mass of centralized and computerized information that no amount of tampering, adjusting and controlling would eliminate the basic threat. If that amount of information about citizens and their possible wrongdoing is concentrated in a single agency and is so easily retrievable, the potential is there for a government to make judgments about their future behavior or to try new experiments in social control."

In addition to adding to our knowledge one suspects his description of the break-in at the F.B.I.'s Media, Pa., office in 1971 will add to the F.B.I.'s knowledge. The Bureau has yet to solve the case, but Unger tells us authoritatively that the Media team had been organized into three groups. The burglars who broke into the office and stole the documents; the sorters, who decided which documents were important and processed them accordingly; and the disseminators, who decided which journalists should get what materials in what order.

Incidentally, it ought to be mentioned that because Mr. Ungar has provided neither chapter notes nor footnotes it is difficult to evaluate the accuracy of his material. The story about the Japanese balloons, for instance, sounds as if it comes from the F.B.I. files. If so, did Mr. Ungar check it out? One doesn't expect him to reveal his sources on the Media break-in but one wishes he had given some inkling as to the nature of his documentation. The unfortunate result is that we must treat much of what Mr. Ungar says the way we would treat a raw F.B.I. file—with suspicion. Although it should quickly be noted that Mr. Ungar himself appears unbiased and is what the Bureau would (or should) call "a usually reliable source."

He has given us, then, a raw and highly suggestive file on the F.B.I. But alas, like the F.B.I. files themselves, he has raised but not really explored the critical questions, which I take to be three.

In his preface Mr. Ungar says he set out to conduct "an unbiased inquiry into the nature of the FBI, how it works, who peoples it and what it does." He has done that to a degree, but one can't really understand anything about the F.B.I. unless one understands the late J. Edgar Hoover, who converted the corrupt old Bureau of Intelligence into the streamlined, modern F.B.I. Mr Hoover's presence still dominates the Bureau long after his absence, his values inform its assumptions and it is therefore accurate that the new F.B.I. headquarters is called the J. Edgar Hoover Building.

But Mr. Hoover as presented by Mr. Ungar might have stepped out of the pages of "Ragtime." We hear him mispronounce words he often used such as Communist ("Comminist") (and pseudo ("swaydo"), a term which generally accompanied intellectual or liberal, but nobody was allowed to correct him. The "author" of best sellers, such as "The Masters of Deceit," he neither wrote his books nor read them. His style was to behave as if he were in imminent danger, thus in restaurants he sat against the wall so he could see who was approaching, and in his chauffeured limousine he would put his hat on one side of the rear window ledge and then sink down in the corner on the other side of the car, on the assumption that would-be assassins would fire at the hat. We are even told that in an effort to understand the radical forces in the country he held "long arguments with Emma Goldman and others he had deported during the Palmer raid era."

Based on what we know about Mr. Hoover from other sources, he had no tolerance for ambiguity and other traits generally associated with the classic authoritarian personality, such as the need to dominate his subordinates while being deferential to his (Presidential) superiors. Mr. Hoover's F.B.I. was ideological traffic cop to the nation. We cannot blame Mr. Ungar for not being Erik Erikson, and he did not set out to write a psycho-history, but we will never understand the F.B.I. until we understand its *de facto* founder and his imprint on the Bureau.

A second question has to do with the relationship between ideology and bureaucracy. What portion of the Bureau's incursions on constitutionally protected territory may we attribute to policy and what portion to its way of doing business? Doesn't a secret, rigidly hierarchical organization which judges performance by statistics and defines reality primarily by what it puts on paper give rise to bureaucratic imperatives that are the equivalent of ideology?

How typical is the agent who told Ungar he would not hesitate to use forbidden procedures against "extremists" "if necessary to get the job done"? Mr. Ungar tells us without further comment that as recently as 1974 the Bureau carried on its shelf of "subversive" literature, a hefty collection of the "liberal" magazine, The Nation. As it happens, The Nation is a left-liberal magazine with the singular distinction of having loudly challenged the F.B.I. during the pervasive journalistic silence of the cold war, which leads one to wonder how common is the Bureau's practice of misusing ideological labels to identify bureaucratic and political enemies?

We are told that after Judge Irving Kaufman sentenced the Rosenbergs to death in the so-called atom spy case, Mr. Hoover started doing him favors, such as dispatching a chauffeured limousine to pick him up at the airport when he went to visit his son at college in Oklahoma. One is curious what "favor" Mr. Hoover thought he was returning, or does the F.B.I. routinely make its bureaucracy available to those in high places whose actions accord with its policy preferences? The Socialist Workers Party argues that all of the F.B.I.'s actions against them may be seen as part of a consistent strategy since "The ruling class, which runs the government, is convinced that it would be better for them if socialism were considered illegitimate or 'subversive.'" There is insight behind the S.W.P. rhetoric, but my own suspicion is that Marxist analysis is inadequate to account for the peculiar blur of ideology into bureaucratic momentum that seems to characterize the F.B.I. Either way a careful study is needed.

Finally, it is imperative to open up the debate on the role of a secret police in a democratic society. Only in April 1975, Ungar reminds us, was it revealed that the F.B.I.—Kelly included—had kept certain confidential files from Attorneys General Richardson and Saxbe, each of whom assured us that he had the Bureau under control. How can we know that Attorney General Levi is faring that much better?

The boundary of secrecy which has surrounded the Bureau has prevented the Bureau from testing its assumptions in the public policy marketplace, and it has prevented the public from even knowing *what* the issues are. Fragmentary snapshots in Mr. Ungar's book, such as the picture of an F.B.I. informant sitting silently in the car while a nightrider shoots and kills civil rights worker Viola Liuzzo back in the mid-1960's, only hint at the great issues that have yet to enter the public dialogue. To what extent is the F.B.I.—through its vast network of informants, and out of the most benign motives—subsidizing crime and, in rare cases, murder? If, as a number of Bureau critics suggest, the F.B.I. ought to get out of the political surveillance business altogether, what does one do about the truly terrorist organizations such as the S.L.A., the New World Liberation Army, the Ku Klux Klan? How can we prevent a bombing of La Guardia Airport without violating the liberties we are guaranteed by our Constitution?

The F.B.I. has not been forced to address such issues in public because it has never been accountable to the public. Books like "FBI" ought to hold the Bureau accountable. That Mr. Ungar is not oblivious to the need for such accountability is evident from his report of an interview Acting Director William Ruckleshaus had with an F.B.I. veteran who was being considered for the job of Associate Director. What would he say, Ruckleshaus asked, if he were asked in the course of Congressional testimony, whether he had ever participated in an illegal activity on behalf of the F.B.I.? "Well, sir," he replied, "I would tell him that was none of his ——— damn business."

ELECTION BILLS

HON. BILL FRENZEL

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 18, 1976

Mr. FRENZEL. Mr. Speaker, following is a summary of the differences between the House Administration Committee election bill, H.R. 12406 and the Senate Rules Committee bill, S. 3065. This summary is a reprint offered by the Chairman of the Senate Rules Committee, Mr. CANNON, and only represents those differences as of the beginning of Senate debate on March 16.

Since then, of course, several amendments have been adopted. Some of them are technical and conforming amendments and others are far more substantive in nature.

I believe this summary will aid my colleagues as they work through this maze of complicated legislation. I also believe it is important for the House to understand that this bill is a major, comprehensive revision of our election law.

The listing follows:

SUMMARY OF THE KEY DIFFERENCES BETWEEN S. 3065 AND H.R. 12406

Whereas both bills would reconstitute the Federal Election Commission in an identical manner, H.R. 12406 would have the terms of one member of the Commission expire each year, providing that the terms of a member representing one political party shall expire on alternate years. S. 3065, on the other hand, provides that the terms of two members not affiliated with the same party expire every two years so that members are not reappointed in an election year.

H.R. 12406 requires, as does S. 3065, the affirmative vote of four members of the Commission in order to establish guidelines, initiate civil actions, render advisory opinions, make regulations, conduct investigations, or report apparent violations of law. However, S. 3065 contains an additional provision that no less than two of the four members voting in favor of such actions shall be affiliated with the same political party.

H.R. 12406 provides that the terms of all the present Commissioners, expire when all the new Commissioners are appointed and qualified, whereas in S. 3065, at pp. 5 and 6 of the bill, the existing Commissioners' terms would expire when a majority of the new Commissioners are appointed and qualified. The S. 3065 provision is intended to permit the new Commission to begin operations at an earlier date, in the event a delay occurs in the appointment or qualification of one or two Commissioners.

H.R. 12406 has an identical provision to S. 3065 prohibiting Commissioners from engaging in any outside business or professional activity while holding office. However, under Section 101(c)(1) on page 4 of S. 3065 this prohibition would not become effective until two years after the date the bill becomes law.

S. 3065, at Sections 101(d) and 101(g) contains certain transfer and continuity provisions which are not in H.R. 12406. These are summarized on pages 3 and 4 of the Committee's report on S. 3065.

Both bills contain certain changes, many of which are similar, in the definitional sections of the Federal Election Campaign Act of 1971 and are located at pages 8–11 of S. 3065 and 6–10 of H.R. 12406.

Subsections (a) and (b) of Section 103 of S. 3065 contain provisions to reduce the accounting and recordkeeping burdens for political committees by requiring that records be kept only on contributions in excess of $100 instead of in excess of $10. S. 3065 also has a provision which states that a contributor's occupation does not have to include the name of the employer, firm, business associate, customers or clients for recordkeeping or reporting purposes. These are set forth at pages 11, 12, and 13 of S. 3065. H.R. 12406 does not contain any provisions with respect to this subject matter.

Section 104(a) of S. 3065, at page 12 of the bill provides that in a non-election year, a candidate and his authorized committees must file quarterly reports only for quarters in which more than $5,000 in contributions have been received, or more than $5,000 in expenditures have been made. Section 104 (a) of H.R. 12406 has a similar provision but would exempt quarterly reporting in non-election years wherein a candidate and his authorized committees had received contributions or made expenditures in any calendar quarter totalling in excess of $10,000.

Section 106 of H.R. 12406 contains a provision amending 2 USC 437(a)(1) to provide that the principal campaign committee of a candidate or any other authorized political committee which receives or makes contributions on a candidate's behalf shall maintain one or more checking accounts, at the discretion of any such committee, at a depository designated by the candidate. Existing law merely requires the keeping of "a checking account." S. 3065 does not contain a provision with respect to this subject.

H.R. 12406 revises the advisory opinion provisions of 2 USC 437(f) to provide that all advisory opinions, the transaction or activity with respect to which is not subject to an existing rule or regulation, shall be transmitted to the Congress as a proposed rule or regulation. S. 3065, however, would require only those advisory opinions which set forth a rule of general applicability to be transmitted to the Congress as a proposed rule or regulation.

H.R. 12406, at Section 108(d) has the effect of requiring the Commission to transmit all its outstanding advisory opinions, which are not the subject of an existing rule or regulation, to the Congress for review. Section 107 of S. 3065 (pp. 17–19 of the bill) and Section 108 of H.R. 12406 (pp. 15–17 of the bill) contain the respective provisions which would amend the advisory opinions provisions of existing law.

The enforcement provisions of the two bills provide for similar conciliation and civil enforcement procedures. H.R. 12406, however, does provide for a civil penalty not exceeding the greater of $5,000 or an amount equal to the amount of any contribution or expenditure involved in a violation where such violation is not a knowing and willful one. E. 3065 does not have such a provision. The House bill also provides a civil penalty, where a violation is knowing and willful, to be the greater of $10,000 or an amount equal to 200 per cent of the amount of any contribution or expenditure involved in such violation, whereas S. 3065 would provide a civil penalty for a knowing and willful violation of the greater of $10,000 or an amount equal to 300 per cent of the amount of any contribution or expenditure involved in the violation.

H.R. 12406 requires the Commission to make every endeavor, for a period of not less than 30 days, to correct or prevent a violation by informal methods of conciliation, except under certain specified circumstances just prior to an election which are set forth on page 20 of that bill. The Senate bill, S. 3065, would not bind the Commission to 30 days of conciliation efforts, so that it would have some discretion to take immediate action to invoke the civil relief provisions of the law in the event that it determined that there was probable cause to believe that a violation had occurred, or was about to occur, of such magnitude and nature that the interests of the public would compel immediate resort to the courts for judicial relief. As stated on page 8 of the Committee report on S. 3065, "If such a situation does not occur the Commission is expected to pursue with diligence, for a reasonable period of time, an attempt to correct or prevent all violations by informal methods, except as otherwise provided in the bill."

There are two additional provisions in the enforcement portion of H.R. 12406 which are not contained in S. 3065. The first is on page 18 of that bill, and states as follows:

"Notwithstanding any other provision of this Act, the Commission shall not have the authority to inquire into or investigate the utilization or activities of any staff employee of any person holding Federal office without first consulting with such person holding Federal office. An affidavit given by the person holding Federal office that such staff employee is performing his regularly assigned duties shall be a complete bar to any further inquiry or investigation of the matter involved."

The second provision in the enforcement portion of H.R. 12406, not contained in S. 3065, is on page 26 of that bill, and provides that any member of the Commission, any employee of the Commission or any other person who makes public any notification or investigation under new Section 313(a)(2), without the written consent of the person receiving such notification or the person with respect to whom the investigation is made, shall be fined not more than $2,000. If it is a knowing and willful violation, the fine would be $5,000.

The other differences in the enforcement provisions of the two bills can be found in Section 108, pages 19–27 of S. 3065, and Section 109, pages 18–26 of H.R. 12406.

Section 110(a)(2) of H.R. 12406 requires the Commission to give priority to auditing and field investigating the verification for, and the receipt and use of, any payments received by a candidate under the public financing provisions of the Internal Revenue Code. S. 3065 does not contain such a provision.

Section 110(b) of H.R. 12406 contains a provision which would permit the Congress to disapprove a part of a regulation submitted by the Commission, rather than have to take disapproval action with existing law. S. 3065 does not contain such a provision.

Section 110(c) of H.R. 12406 contains a provision at pp. 27–28 of the bill not in S. 3065, that in any proceeding, including any civil or criminal enforcement proceeding against any person charged with a violation of the Act or the public financing provisions of the Internal Revenue Code, no rule, regulation, guidelines, advisory opinion, opinion of counsel, or any other pronouncement by the Commission or by any of its members, officers or employees, (other than any rule or regulation of the Commission which has become effective) shall be used against any person, either as having the force of law, as creating any presumption of violation or criminal intent, or as admissable in evidence against such person or in any manner whatsoever.

S. 3065 would repeal Section 456 of Title 2, United States Code, which gives the Commission power to disqualify candidates in future elections. Section 111 of H.R. 12406 would retain this section and provide 30 days prior to the Commission's being able to exercise its disqualification powers.

Section 112 of H.R. 12406 contains a provision which would repeal existing Section 2 USC 43 requiring copies of all reports to be filed with appropriate state officers. S. 3065 does not contain such a provision.

With respect to the provisions limiting contributions and expenditures, the essential difference between the two bills would be that H.R. 12406 would limit contributions by persons to political committees in any calender year to an aggregate of $1,000. This is not in S. 3065, and, under present law, for example, an individual could make up to a $25,000 contribution in a calendar year to a political committee which is not authorized to receive funds on behalf of a particular candidate or where the funds are not earmarked for a particular candidate—assuming that the individual has not made any other contributions in that year.

S. 3065 has a provision limiting contributions one political committee can make to another political committee, (other than to a political committee authorized to receive funds on behalf of a particular candidate) to an aggregate of $25,000 in a calendar year. Under present law, such contributions are unlimited. H.R. 12406 would limit that amount to $5,000 in a calendar year. Both bills contain similar, though not identical language directed at curtailing the vertical proliferation of contributions by political committees. See pages 29–31 of H.R. 12406 and pages 27–29 of S. 3065 for a comparison of these provisions.

S. 3065 and H.R. 12406 both propose a revision of existing Section 610 of Title 18 related to limitations on contributions and expenditures by corporations and labor organizations. The changes proposed by both bills are similar with the following key exceptions. First, S. 3065 contains language at page 36 of that bill, which would treat public utility holding companies the same as other corporations for purposes of the limitations on contributions and expenditures set forth in the section. Second, H.R. 12406 contains language at page 40 of that bill which provides that an incorporated trade association or a separate segregated fund established by an incorporated trade association would be permitted to solicit contributions from the stockholders and executive officers of the member corporations of such trade association and the families of such stockholders and executive officers. This could be done to the extent that any such solicitation of such stockholders and executive officers and their families had been separately and specifically approved by the member corporation involved, and such member corporation had not approved any such solicitation by more than one such trade association in any calendar year. Third, S. 3065 contains a definition of stockholders not in H.R. 12406.

H.R. 12406 at page 44 of the bill, raises the limitation on contributions of currency from $100, which is in existing law and in S. 3065, to $250. It also sets a specific criminal penalty, not in S. 3065, for any person who knowingly and willfully violates the $250 prohibition.

H.R. 12406 restates existing Section 616 related to honorariums, whereas S. 3065 would increase the amount of individual honorariums from $1,000 to $2,000, and the aggregate calendar year amount which may be received as an honorarium from $15,000 to $24,000.

H.R. 12406 at page 45 of that bill, contains criminal penalties which would be applicable for any person who knowingly and willfully commits a violation of the Act involving the making, receiving, or reporting of any contribution or expenditure having a value in an aggregate of $5,000 or more during a calendar year, whereas S. 3065 would provide for criminal penalties where such aggregate amounts is $1,000 or more. Also, with respect to the imposition of criminal penalties, S. 3065, at page 44 of the bill, provides that a conciliation agreement under certain circumstances would be a complete defense to criminal prosecution. H.R. 12406 does not have such a provision.

Section 115 of H.R. 12406, at page 47 of that bill, contains a provision providing for the termination of the authority of the Commission on March 31, 1977, if either House of the Congress, by appropriate action determines that such determination shall take effect. This provision requires the appropriate committee of each House of the Congress, commencing January 3, 1977, to conduct a review of the elections of candidates for Federal office conducted in 1976, the operation of the public financing provisions of the Internal Revenue Code with respect to such elections, and the activities of the Commission, and for these committees to report to their respective Houses not later than March 1, 1977, with a recommendation of whether the authority of the Commission shall be terminated on March 31, 1977.

Although there are other less substantive differences between the two bills, as well as some drafting differences, the final major difference is the provision in H.R. 12406, which S. 3065 does not have, providing that an individual who has ceased actively to seek election to the office of President or Vice President, to cease receiving public funds and return those funds received by that candidate which are not used to defray qualified campaign expenses. These provisions relating to both matching funds and direct grant payments are set forth at pages 55-57 of H.R. 12406.

THE AZORES—FRIENDS OF THE UNITED STATES IN SEARCH OF A FUTURE

HON. JACK F. KEMP

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 18, 1976

Mr. KEMP. Mr. Speaker, governed by Portugal for nearly five centuries, the mid-Atlantic islands of the Azores have long resented the second-class role to which Portugal relegated them. All through last year, the political turmoil in Lisbon stirred simmering discontent into a strong movement by a large majority of Azoreans to map their own destiny—should Portugal go Communist.

Banding together, under the Front for the Liberation of the Azores—FLF—the Azorean people have placed their lives in jeopardy by publicly declaring their intention of seceding from Portugal. In return for their longstanding friendship with the United States, the FLF is appealing to the U.S. Government for help.

The Azores, whose people have always been good and strong allies of the United States, are critical to U.S. defense capability and to assisting our allies. It was here that the United States refueled its rescue aircraft to Israel during the 1973 Middle East war—the only European country to allow us to land—enabling the United States to refuel over 565 flights and carry more than 20,000 tons of urgently needed supplies and equipment to Israeli troops. It is here that the U.S. Navy bases its entire mid-Atlantic antisubmarine warfare effort that, along with wide ranging spotter aircraft, monitors the entire North Atlantic Ocean for Soviet submarine activity. Through the two major sea lanes monitored by the Azores pass a major proportion of all oil supplies traveling by supertanker from the Middle East and North Africa to the Western World.

I would like to enter into the RECORD an article from the February 1976 issue of National Geographic magazine which gives a brief look at the attitudes and way of life of the approximately 300,000 inhabitants of the mid-Atlantic archipelago of the Azores:

THE AZORES, NINE ISLANDS IN SEARCH OF A FUTURE

(By Don Moser)

* * * * *

The mid-Atlantic archipelago known as the Azores in one of the few places on earth from which men still go forth in small boats with hand harpoons to challenge the greatest creatures of the seas. The whalers' methods belong to another century—appropriately enough, for in the Azores time moves at a pace of its own, the decades ticking into each other with imperceptible change. That pace, however, has quickened, and just as the days of the whalers seem numbered, so there seems no going back to the past for today's Azoreans.

POOR, PERHAPS, BUT RICH IN CHARACTER

The nine islands—some 900 square miles altogether—are separated from Europe by almost a thousand miles and from North America by sixteen hundred. By some standards, the 300,000 inhabitants are generally poor and ill-educated.

They are also hardworking, generous of spirit, and honest almost beyond credibility. On Corvo, the smallest of the islands, the jail has not been occupied within memory. On any island a visitor who forgets a pencil stub or near-empty cigarette package in a cafe will be chased down the street by an Azorean trying to return it.

The people are blessed in other ways. They live on old volcanoes rising from the Mid-Atlantic Ridge and cloaked in rich volcanic soil. The North Atlantic Current, a branch of the warm Gulf Stream, ensures a climate without extremes of heat or cold. The earth bursts forth with a copious harvest of crops both temperate and tropical; corn and sugar beets grow here, as do oranges, bananas, and tea. Flowers bloom in an abundance to delight the eye; indeed, they bestowed the name to Flores, a small island at the western end of the archipelago where pastures are separated by lush hedges of hydrangeas.

The bells of the lava-stone churches on the islands peal thrice daily in towns that were fortified to repel the attacks of 16th-century pirates. The horse and oxcart are giving way only slowly to the internal-combustion engine. From the seaside rocks men cast nets for silvery *chicharro*. High on ridges the sails of a few old windmills revolve slowly, turning lava millstones that grind the corn.

Serene and pastoral as the islands appear, they are being disturbed by change. Governed by Portugal for nearly five hundred years, Azoreans have long felt oppressed by their rulers in Lisbon. In the past year a deepening ideological rift aggravated this old grievance. The islanders, devoutly Roman Catholic and intensely anti-Communist, became fearful of the power that the left wing had acquired in continental Portugal.

Demonstrations, near riots, and impassioned rhetoric charged the bucolic Azorean atmosphere with political electricity. Along the narrow streets of Ponta Delgada, the Azores' largest city, I saw many buildings emblazoned with graffiti advocating *independência*: "The Azores for the Azoreans."

Young men wore shirts stenciled with a fierce-looking hawk—*açor* means "goshawk" in Portuguese—its wings spread protectively above nine stars representing the islands. Promenading on the broad waterfront esplanade patterned with lava and Portuguese limestone, they greeted each other with a thumbs-up sign—the symbol of the independence movement.

* * * * *

I heard the refrain everywhere. For years Portugal had been "milking the golden cow," Azoreans claimed, exploiting the islands' agricultural abundance, taxing imports and exports heavily, and providing little in return. Then to that was added leftist control.

This long-standing resentment exploded last summer when Azoreans burned a Communist Party headquarters on Terceira, dumped a Communist leader's car into the sea off São Miguel, and demonstrated angrily in major towns. By the end of the summer they had driven virtually every Communist leader to Lisbon and had demanded—and won—the ouster of a number of unpopular Portuguese officials, including a governor.

The cutting edge of the independence movement is the illegal and clandestine Front for the Liberation of the Azores. Since Azoreans assume that Americans are sympathetic, a visitor from the United States has no difficulty meeting FLA members. As I traveled about the islands, I was continually buttonholed by taxi drivers, office workers, and farmers eager to tell me of their affiliation with the movement.

CLERGYMAN PREPARES FOR BATTLE

One day I went to a village on São Miguel to visit a priest I'd heard about. I met him in front of his church, a 19th-century building that dominated the whitewashed stone row houses of the village. "How many people live in the village?" I asked.

"Fourteen hundred, approximately," he said with a smile.

"How many are in favor of independence?"

The priest smiled again. "At least eleven hundred, approximately."

In the church annex we sat at a rough wooden table and discussed the independence movement. A dozen men gathered around to listen, their faces intent. "We have suffered too long under Portugal," the priest said. "Books and school supplies are not provided by the government. Most people here have been to school only three or four years; they can barely read and write.

"We have valuable mineral water, but the Portuguese will not allow us to export it—they don't want us to compete with companies in Portugal—and so it goes to waste. For sugar we pay 50 cents a pound because of taxes, even though we grow the sugar beets here. Look at this man," the priest said, pointing at one of the onlookers. "He is a logger, but now he has to log illegally because he has to get a permit from Lisbon to cut the trees, and it takes too long. Portugal has always considered us third-class Portuguese."

The priest pounded his fist on the table. "We have a will to do something! We don't want to fight, but if we have to, we will fight with sticks and stones and plows."

It was clear from the faces of the men who sat around the table that they were ready to follow their priest.

As we left, the priest stopped to point something out to me. There, affixed to the wall, were a hammer and a sickle. Crossways between them, as if splitting them asunder, was an Azorean kniwe, a *podão*.

HOME RULE VERSUS FULL FREEDOM

Not all Azoreans emphatically desired independence. Some feared missteps caused by their own political inexperience, others that political power would be concentrated in the hands of the wealthy. Nonetheless, a group of Azorean officials was preparing a plan for an autonomous Azorean region.

I spoke with a member of the group, José Goulart, an articulate young engineer, in his office in Ponta Delgada. "We are so small," he said, "that in my opinion, we will always feel we need to be included in an economic and political structure that is larger and stronger. We have problems just because we *are* islands, problems of skills and economic development. Anywhere else in the world an area the size of the Azores would need one airport—we have five now and need more. We can't get along with one port. People think that we need nine of everything."

* * * * *

In the town of Santa Cruz I had coffee at a small community center where the people gathered to play cards and dominoes. There I met a somber-eyed, bearded young man who told me that he was a university student in Lisbon, home on vacation. He was a member of the MRPP—a Portuguese political party that stands to the left even of the Communists. He opposed the independence movement, he said, because he feared that without Portugal's protection the United States might try to take the islands over. The majority of Azoreans were very poor, he went on, and only through radical change could they better their lives.

As the student spoke, I realized that some men playing dominoes at a nearby table were watching him closely and with evident hostility. After a while the men got up to leave.

The student nodded toward them as they went out the door. "Sooner or later," he said, "some of those men will be waiting for me." His beliefs were not popular, he explained.

Most Azoreans were looking toward the United States to help them, certainly with moral support, perhaps with economic assistance. "America is like God to us," an Azorean friend told me in Faial, and if he put it more strongly than most, there is no doubt that Azoreans regard the United States warmly.

Azoreans have been emigrating to North America since the 1700's. Several hundred thousand people of Azorean stock live in the United States today, primarily in New England and California.* In search of a higher standard of living than they can achieve in their island villages, about 5,000 move to the United States each year now.

"Family ties are very strong," said Jim Flynn, the young vice-consul at the United States consulate in Ponta Delgada. "When a transplanted Azorean becomes a U.S. citizen, he'll send for his sister, and she takes her husband, and then he sends for his brother, who brings *his* family. . . ."

THE AGONY OF EXPECTATION

One morning I sat in Flynn's office as a stream of visa applicants passed through. Flynn, the man who had the power to fulfill or shatter their dreams, sat at a large desk, flanked by an American flag. As the applicants answered his routine questions—"What relatives do you have there? Do you have an offer of a job?"—they were apprehensive, almost to the point of shock. Their rough farmers' hands twisted in anguish. At the end of each interview Flynn asked the applicant to stand, raise his right hand, and swear that his statements were true. One elderly farmer was so excited he shot both arms straight into the air, as if being held up at gunpoint.

Most applicants are approved. "One of our jobs," said Flynn, "is to make sure that we don't send people who are going to become public charges. But there is very little problem with Azoreans. Their families in the States will help them, they are hard workers, and they are too proud to accept welfare. These are good people."

The Azores have been a way station for Atlantic travelers ever since their discovery in 1427 by the far-ranging mariners of Prince Henry the Navigator, Christopher Columbus stopped at Santa Maria on his return from the New World in 1493. Spanish galleons reprovisioned on their voyages back to Spain. In both World Wars the islands played a role in the struggle for control of the Atlantic. Today at Lajes Field on the island of Terceira, C–141 jet transports of the U.S. Air Force land to refuel on their flights between the United States and North Atlantic Treaty Organization bases in Europe. The United States has kept a contingent at Lajes since World War II to operate what airmen described to me as the "big gas station."

The gas station's strategic importance was underlined during the Middle East war of 1973. With other NATO countries determined to stay uninvolved, Lajes during a 33-day period refueled planes carrying 22,000 tons of equipment and supplies to Israel.

Lajes also is a center of the U.S. Navy's mid-Atlantic antisubmarine-warfare effort. One night I saw the building from which these operations are directed. Behind its heavy locked doors were rooms filled with whirring computers and other electronic equipment.

Lt. Comdr. Bill Dupont told me, "Our primary interest here is in watching Soviet submarines. And if you want to know why it seems so tense around here tonight, I'll tell you: We're observing one right now—and we don't think he knows he's being watched."

A squadron of Navy P3's—long-range aircraft, chockablock with detection equipment—is based at Lajes. "From here," Dupont said, "we cover three million square miles of the Atlantic. This is a big, fixed aircraft carrier in an important location."

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FACING TOMORROW WITH QUIET STRENGTH

Isolated and vulnerable, dwelling precariously on their restless mid-ocean volcanoes, the Azoreans face an uncertain future. They lack trained technicians and administrators. Their physical resources are limited. Their transportation lines are long. But Azoreans do have some important things in their favor; a will to prevail, a knotty durability.

HUMAN RIGHTS IN INDIA

HON. JONATHAN B. BINGHAM

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 18, 1976

Mr. BINGHAM. Mr. Speaker, many friends of India have been deeply distressed by the growing evidence that under the government of Mrs. Gandhi that great country has been abandoning the essential rights of democracy and moving toward repressive authoritarianism.

A group of 80 very distinguished Americans recently issued a statement deploring the situation in India and calling for a restoration of human rights there.

I include an article from the New York Times of March 5, 1976, which includes the text of the statement and the list of signers:

EIGHTY AMERICANS APPEAL TO INDIA TO RESTORE FUNDAMENTAL RIGHTS

(By Paul Grimes)

More than 80 Americans, most of them widely known, are issuing a joint appeal today expressing distress at repression in India and calling for the restoration of fundamental human rights there.

The statement is the first formal expression of concern by a substantial number of Americans to restrictions imposed by the Government of Prime Minister Indira Gandhi.

The restrictions were imposed under a state of internal emergency that was proclaimed in India last June 26.

Organizers of the appeal described it as a one-time "ad hoc" statement of the feelings of American individuals, not of an organized group.

SPECTRUM OF OPINION

The signers represent a spectrum of political, academic and other opinion. The names of some appear frequently on petitions; the names of others rarely if ever do.

The appeal was organized primarily by three persons: Dorothy Norman, a biographer of the late Prime Minister Jawaharlal Nehru, Mrs. Gandhi's father; Sidney Hertzberg, a former correspondent of The Hindustan Times of New Delhi, and Ved Mehta, author and staff member of The New Yorker Magazine.

Mrs. Norman and Mr. Hertzberg were long active in the now-defunct India League of America, which, while Britain ruled India, helped muster American opinion for independence. Mr. Mehta, who was born in India, recently became a United States citizen.

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* O. Louis Mazzatenta described "New England's 'Little Portugal' " in National Geographic, January 1975.

What motivated the organizers most, Mr. Hertzberg said, was Mrs. Gandhi's decision early this year to postpone for at least a year the general elections that had been scheduled to be held in India this month.

The three-paragraph statement says:

"We are Americans concerned with maintaining and furthering human rights, and our concern extends to all people throughout the world. Consequently, we are distressed by the loss of fundamental human rights in India following the proclamation of a national emergency there on June 26, 1975. Thousands of critics of the Government have been arrested without charge and without even the right of habeas corpus. The press has been put under strict censorship and Government control. Now the emergency has been extended and national elections have been canceled.

"We deplore these events, especially in India, because there democracy was established after a long struggle for freedom led by some of the greatest contemporary exponents of human rights, and also because the respect of democratic India for these human rights was for so many years a beacon light for all newly independent and developing countries.

"Experience shows that when human rights are suppressed anywhere, and that the longer they are suppressed the longer it takes to restore them. We therefore call for the restoration of these rights in India."

SIGNERS LISTED

Those who signed the appeal are:

Ashe, Arthur Jr., tennis champion.

Baez, Joan, pacifist, folk singer.

Baldwin, Roger N., honorary president, International League for the Rights of Man.

Barth, Alan, author, "The Price of Liberty."

Bell, Dr. Daniel, professor of sociology, Harvard University.

Celler, Emanuel, former chairman, Judiciary Committee, House of Representatives; author of India Immigration and Naturalization Act.

Chomsky, Dr. Noam, professor of modern languages and linguistics, Massachusetts Institute of Technology.

Clark, Ramsey, former Attorney General of the United States.

Cohen, Dr. Bernard S., professor of anthropology, University of Chicago.

Day, Dorothy, co-founder of The Catholic Worker.

Dumpson, James R., former president, National Conference on Social Welfare and former Human Resources Administrator, New York City.

Eckaus, Dr. Richard S., professor of economics, Massachusetts Institute of Technology.

Eckaus, Risha, artist.

Ellison, Ralph, author, teacher.

Fairbank, Dr. John K., professor of history, Harvard University.

Farmer, James, founder, CORE, Freedom Ride, 1961.

Frankel, Dr. Charles, professor philosophy and public affairs, Columbia University.

Frankel, Francine, associate professor of political science, University of Pennsylvania, author of "India's Green Revolution."

Franklin, George S. Jr., foreign policy organization official.

Freemantle, Anne, writer.

Gardner, Dr. Richard N., professor of law and International Relations, Columbia University and former Assistant Secretary of State for International Organizations.

Ginsberg, Allen, poet.

Grant, Frances R., secretary general, Inter-American Association for Democracy and Freedom.

Harrington, the Rev. Donald Szantho, senior minister, Community Church, N.Y.

Harrington, Michael, professor of political science, Queens College.

Heginbotham, Dr. Stanley J., associate professor of political science, Columbia University.

Hertzberg, Dr. Hazel W., associate professor of history and education, Teachers College, Columbia University; former editor, "India Today."

Hertzberg, Sidney, former United States correspondent for The Hindustan Times, New Delhi.

Howe, Irving, professor of English, City University of New York.

Ilchman, Dr. Warren F., dean, College of Liberal Arts, Graduate School, Boston University.

Isaacs, Harold R., professor of political science, Massachusetts Institute of Technology; author, "Scratches on Our Minds, American Images of China and India."

Jack, Dr. Homer A., secretary general, World Conference on Religion and Peace; Editor, "The Gandhi Reader."

Jessup, Dr. Philip C., former judge, International Court of Justice.

Kilson, Dr. Martin, professor of government, Harvard University.

Kurtz, Dr. Paul, professor of philosopy, State University of New York at Buffalo; editor, The Humanist.

Lash, Joseph P., author.

Lerner, Max, author.

Levi, Dr. Werner, professor of history, University of Hawaii.

Lifton, Betty Jean, writer.

Lifton, Dr. Robert Jay, professor of psychiatry, Yale University.

Loeb, James, former U.S. Ambassador to Peru and Guinea.

Luria, Salvador E., Nobel laureate in medicine 1969 and institute professor at Massachusetts Institute of Technology.

Marriott, Dr. McKim, professor of anthropology and social sciences, University of Chicago; editor, "Village India."

McNickle, Dr. D'Atcy, Director, Center for American Indian History, Newberry Library, Chicago.

Mehta, Ved, author, "Portrait of India."

Morris, Dr. Ivan, professor of Japanese, Columbia University; chairman, Amnesty International (U.S.A.).

Mumford, Lewis, author.

Noguchi, Isamu, sculptor.

Norman, Dorothy, editor, "Nehru—The First 60 Years."

O'Hare, Joseph A., S.J., editor-in-chief, America.

Park, Dr. Richard L., professor of political science, University of Michigan; author, "India's Political System."

Patron, Margaret, former India correspondent, The New York Herald Tribune; author, "The Leaf and the Flame."

Pauling, Dr. Linus C., Nobel laureate in chemistry, 1954; Nobel Peace Prize, 1962.

Peretz, Martin, editor, The New Republic.

Pickus, Robert, president, World Without War Council.

Plastrik, Dr. Stanley, professor of history, City University of New York.

Power, Dr. Paul F., professor of political science, University of Cincinnati; editor and co-author, "Meanings of Gandhi."

Randolph, A. Philip, retired president, Brotherhood of Sleeping Car Porters and former vice president of the A.F.L.-C.I.O.

Reich, Charles A., author; professor, Yale Law School.

Roche, Dr. John P., professor of civilization and foreign affairs, Fletcher School of Law and Diplomacy.

Rose, Dr. Leo, professor of political science, University of California, Berkeley.

Rosenthal, Dr. Donald, professor of political science, State University of New York at Buffalo.

Rukeyser, Muriel, poet; president of American P.E.N.

Rustin, Bayard, president, A. Philip Randolph Institute; civil rights activist.

Samuelson, Dr. Paul A., professor of economics, Massachusetts Institute of Technology; Nobel laureate in economics, 1970.

Schlesinger, Arthur M. Jr., Albert Schweitzer professor in the humanities, City University of New York.

Schell, Jonathan, author.

Schomer, Dr. Howard, world issues secretary, United Church Board for World Ministries.

Shanker, Albert, president, United Federation of Teachers.

Singer, Dr. Milton, professor of anthropology and social sciences, University of Chicago; co-editor and contributor, "Structure and Change In Indian Society."

Smih, Dr. Donald E., professor of political science, University of Pennsylvania.

Spock, Dr. Benjamin, author and pacifist.

Stone, I. F., author.

Updike, John, author.

Wald, Dr. George, professor of biology, Harvard University; Nobel laureate in physiology, 1967.

Wallace, Dr. Paul, associate professor of political science, University of Missouri.

Weiner, Dr. Myron, chairman, department of political science, Massachusetts Institute of Technology; author, "State Politics In India."

Wilkins, Roy, executive director, National Association for the Advancement of Colored People.

Willard, Marlan, gallery director.

Wofford, Clare, co-author, "India Afire."

Wofford, Harris, president, Bryn Mawr College.

Wriggens, Dr. W. Howard, professor of political science, Columbia University.

Wurf, Jerry, president, American Federation of State, County and Municipal Employees.

FOOD DAY 1976

HON. BENJAMIN S. ROSENTHAL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 18, 1976

Mr. ROSENTHAL. Mr. Speaker, 36 of our colleagues are joining me today to introduce legislation to declare April 8 as National Food Day 1976. Our aim is to mobilize public concern for food policies and healthful eating habits.

We can no longer afford to take food for granted. Our once great food surpluses have all but disappeared. Now we have sharp controversy over food prices, the farm program, food stamps, the middleman's share of the food dollar, occasional food shortages, and nutritional programs for children and the elderly. For other countries, the problem is not so much one of cost or quality, but rather availability. They must contend with the chronic threat of starvation and famine.

Last year thousands of Americans observed "Food Day" on April 17. Many special activities were organized, ranging from a nationwide television show to teach-ins at colleges and high schools.

Millions of people in the United States and around the world suffer from hunger and malnutrition. The goal of insuring that everyone is well fed is one we can all share. Food Day 1976 will be a day for citizen groups to make their voices heard and to learn about hunger, the relationship between the food we eat and our health, and who controls our food policies.

Food Day activities are planned in communities throughout the Nation. These are being organized by a coalition of citizens groups coordinated by the Center for Science in the Public Interest.

Sponsors of the Food Day resolution are:

LIST OF SPONSORS

Hon. Bella S. Abzug, Hon. Herman Badillo, Hon. Edward P. Boland, Hon. George E. Brown, Jr., Hon. Yvonne Brathwaite Burke, Hon. James C. Corman, Hon. Christopher J. Dodd, Hon. Thomas J. Downey.

Hon. Robert F. Drinan, Hon. Robert Duncan, Hon. Pierre S. du Pont, Hon. Robert W. Edgar, Hon. Don Edwards, Hon. Donald M. Fraser, Hon. Michael Harrington, Hon. Augustus F. Hawkins.

Hon. Philip H. Hayes, Hon. Elizabeth Holtzman, Hon. Edward I. Koch, Hon. John J. La Falce, Hon. Matthew F. McHugh, Hon. Andrew Maguire, Hon. Romano L. Mazzoli, Hon. Parren J. Mitchell.

Hon. Henry J. Nowak, Hon. Richard L. Ottinger, Hon. Jerry M. Patterson, Hon. Edward W. Pattison, Hon. Peter A. Peyser, Hon. Frederick W. Richmond, Hon. Peter W. Rodino, Jr. Jr.

Hon. Benjamin S. Rosenthal, Hon. Gladys Noon Spellman, Hon. Paul E. Tsongas, Hon. Henry A. Waxman, Hon. James Weaver, Hon. Andrew Young.

Text of the resolution follows:

H. J. RES. 877

Joint resolution designating April 8, 1976, as National Food Day

Whereas foods shortages have resulted in massive hunger and starvation in many nations; and

Whereas malnutrition is a fact of life for millions of Americans: particularly the poor and the elderly; and

Whereas inflation, shortages of fertilizer, adverse weather conditions, and other factors have led to record high food prices in the United States; and

Whereas the diets of tens of millions of Americans lead to serious health problems; and

Whereas changes in agricultural practices are threatening the survival of small family farmers; and

Whereas a broad coalition of citizen groups and concerned individuals have designated April 8, 1976, a national day of action to develop a food policy aimed at assisting needy nations, reducing food prices, improving the quality of the American diet, and insuring the livelihood of the family farmer: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That April 8, 1976, is designated as "National Food Day", and the President is authorized and requested to issue a proclamation to promote public involvement in developing a national policy guided by the needs of people, both in the United States and abroad.

SENATE—*Monday, March 22, 1976*

The Senate met at 12 o'clock meridian and was called to order by Hon. HUGH SCOTT, a Senator from the State of Pennsylvania.

PRAYER

The Chaplain, the Reverend Edward L. R. Elson, D.D., offered the following prayer:

Hear the words of the Apostle Paul in his first letter to the Corinthians:

Watch ye, stand fast in the faith, quit you like men, be strong.—I Corinthians 16: 13.

O Lord, our God, we thank Thee for men strong in the faith, who persevered through strain and pain, to reclaim their ancient rights and establish a republic under God. Help us to live in our age as they lived in theirs, to spend and be spent in service to others. Show us not the way back to the life which once we knew, but lead us forward to the new life we never yet have known. Move us to a deeper faith in Thee, that guided by Thy wisdom and strengthened by Thy might, we may secure the blessings of liberty to ourselves and our posterity, and herald the coming of Thy kingdom.

Through Him who is Lord of Life. Amen.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore (Mr. EASTLAND).

The legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, D.C., March 22, 1976.

To the Senate:

Being temporarily absent from the Senate on official duties, I appoint Hon. HUGH SCOTT, a Senator from the State of Pennsylvania, to perform the duties of the Chair during my absence.

JAMES O. EASTLAND,
President pro tempore.

Mr. HUGH SCOTT thereupon took the chair as Acting President pro tempore.

THE JOURNAL

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the reading of the Journal of the proceedings of Thursday, March 18, 1976, be dispensed with.

The PRESIDING OFFICER (Mr. CULVER). Without objection, it is so ordered.

WAIVER OF CALL OF THE CALENDAR

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the call of the legislative calendar, under rule VIII, be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE MEETINGS DURING SENATE SESSION

Mr. MANSFIELD. Mr. President, I ask unanimous consent that all committees may be authorized to meet during the session of the Senate today.

The PRESIDING OFFICER. Without objection, it is so ordered.

EXECUTIVE SESSION

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate go into executive session to consider nominations on the calendar beginning with the Civil Aeronautics Board.

There being no objection, the Senate proceeded to the consideration of executive business.

CIVIL AERONAUTICS BOARD

The second assistant legislative clerk read the nomination of R. Tenney Johnson, of Maryland, to be a member of the Civil Aeronautics Board.

The PRESIDING OFFICER. Without objection, the nomination is considered and confirmed.

NATIONAL COUNCIL ON EDUCATIONAL RESEARCH

The second assistant legislative clerk proceeded to read sundry nominations in the National Council on Educational Research.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the nominations be considered en bloc.

The PRESIDING OFFICER. Without objection, the nominations are considered and confirmed en bloc.

Mr. MANSFIELD. Mr. President, I request that the President be notified of the confirmation of these nominations.

The PRESIDING OFFICER. Without objection, it is so ordered.

LEGISLATIVE SESSION

Mr. MANSFIELD. Mr. President, I move that the Senate resume the consideration of legislative business.

The motion was agreed to, and the Senate resumed the consideration of legislative business.

WINDS OF CHANGE IN THAILAND

Mr. MANSFIELD. Mr. President, according to press reports the United States has halted operations at its remaining bases in Thailand and will pull out in 4 months unless the Premier changes his mind after the April 4 election.

The indications are that because of disagreement between the Thai Government and the U.S. negotiators withdrawal of 4,000 U.S. military personnel will be speeded up. As a result, electronic listening stations will close as well as an air base used to refuel U.S. planes on long flights.

Only 250 U.S. advisers will stay on after July 20, if the 4 months is used up.

A bomb tossed amidst Thai demonstrators at the U.S. Embassy killed four and wounded a number of others.

Mr. President, it was my privilege and responsibility to make a trip to Southeast Asia last August. It was embodied in a published report entitled "Winds of Change, Evolving Relations and Interests in Southeast Asia" to the Committee on Foreign Relations, and, in addition, a confidential report to the President on Southeast Asia, including Thailand, was sent to the White House.

I shall quote the last paragraph in that report as it applies to Thailand:

> For more than a decade, my view has been that the United States, in its own interests should withdraw militarily from the Southeast Asian mainland, "lock, stock and barrel." It remains my judgment that it is not in the interest of this nation, nor, probably, in the interest of Thailand to have a U.S. capacity retained at any of the installations in Thailand. There should be no toe-hold which would serve as a potential source of reinvolvement of U.S. military forces on the Southeast Asian Mainland.

Mr. President, I ask unanimous consent that the portion of the report entitled "Winds of Change, Evolving Relations and Interests in Southeast Asia," beginning on page 6 and ending on page 11, be printed in the RECORD at this point in my remarks.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

THAILAND

After four decades of military rule, Thailand is attempting anew to forge a democratic system. At the same time, there is underway a major revision in foreign relationships. Following student uprisings, in October 1973, the military government of Field Marshall Thanom Kittikachorn was ousted and Thanom and other government leaders fled the country. This development, coupled with the rapidly changing situation in Asia, initiated by President Nixon's trip to Peking, and culminating in the collapse in Indochina, has brought about a sweeping reappraisal by Thailand of its foreign policy.

Until the fall of the Thailand government, Thailand had maintained a close relationship—some termed it a "client-state" relationship—with the United States. Now that has changed, with Thailand moving away from the long intimacy with the United States and, at the same time, seeking better relations with its neighbors in Indochina and Asia. How this land of 44 million people handles the turn towards political democracy and a new foreign policy will have far-reaching consequences for the over-all relationships in and around the Asian continent.

POLITICAL AND ECONOMIC SITUATION

Prime Minister Khukrit Pramot, leader of the Social Action Party, has governed Thailand since mid-March with a coalition of eight parties. His own party, with only 18 seats is a distance third in terms of party strength in the Parliament. While the * * * Phumiphon Adunyadet, serves primarily as the symbol of national unity, the monarchy is still a factor in state affairs, particularly, in times of crisis. The present Thai political system is based on a Parliament consisting of 269 seats in an elected Lower House and 100-member appointed Upper House. Elections earlier this year attracted 42 parties and 2,191 candidates. Predictably, the results were inconclusive. There are now representatives from 23 parties sitting in the Parliament which, when I visited it, was meeting in a joint session and engaged in spirited debate over an aspect of ASEAN. Despite earlier predictions of a short and unhappy life, the Parliamentary structure is managing to hold together and is serving as a vehicle for operative government.

The Khukrit cabinet, apart from the difficulties inherent in any coalition and, especially in one emerging from the trauma of an abrupt shift from military authoritarianism, is subject to three basic pressures; a volatile student movement; long-standing insurgencies in the north, the northeast and the south; and the ever present possibility of a military coup.

The student movement wields influence, as is often the case in Asian nations, far beyond numbers. There is a working relationship between the students and labor on most issues and this coalition constitutes the most potent force in current Thai politics. It may be less of a factor, however, than it was two years ago at the time of the ousting of the dictatorship. Public reaction in Bangkok to past excesses, it is said, has caused student leaders to be more discriminating in choosing issues on which to exert their pressure.

One personal incident was instructive. When I arrived for an appointment with the Prime Minister, hundreds of out of work Thai guards at U.S. military bases, who are being discharged as the bases are phased out, were engaged in a demonstration demanding final pay adjustments. The guards were not on U.S. payrolls but, rather, were paid indirectly on the basis of U.S. contracts with Thai military leaders of the previous regime, some of whom apparently have fled the country. Since the demonstration was taking place in front of the Prime Minister's offices, it was necessary to postpone the meeting lest the presence of a visiting American official trigger more serious difficulties.

Ever present in the background of Thai politics is the potential for a military coup. While the government appears to command the loyalty of the armed forces, rumors of possible coups abound in Bangkok. Perhaps, the principal deterrent is the public revulsion with the rampant corruption of the previous military regime and the possibility that a coup at this time would again bring on a militant student-labor reaction.

The role of the military has been deemphasized by the present government which appears to want to direct its energies towards social and economic needs. Heretofore much of the government's interest centered on Bangkok. With 4 million people, Bangkok is Thailand's only major city and it is scarcely representative of the nation. The gap between Bangkok and the rest of the country is great. Per capita income in the capital, for example, is $600 per year but it is only about $200 nationally, and it is, perhaps, not more than $75 per year in the most troublesome insurgent area, the northeast. There has been little spread of commerce and industry from Bangkok to the countryside. The city, in some respects, is like a foreign land to most Thais. Its traffic jams, westernized practices and political maneuvering are quite alien to the villagers who make up the vast majority of the country's population.

Neglect of the villages is a major factor in fueling the insurgency movements. In the north the insurgents are ethnic groups often involved in the drug traffic. In the northeast, the problem is peasant discontent and Thai against Thai. In the south, it is largely Malay Muslim or Chinese against Thais.

Over the years, there have been any number of anti-insurgency campaigns launched by Bangkok, all liberally financed with U.S. funds and, often, abetted with advice from various U.S. agencies. None has brought any appreciable results. The insurgent movements have continued to grow, with a total of perhaps 8,500 now under arms in the northeast alone. The Khukrit government seems to be aware that the problem cannot be solved unless there is more effective contact between a heretofore remote government in Bangkok and the people in the localities. It is trying new approaches which include a form of revenue sharing to channel funds to the poorest areas. Also recognized is the need to change the attitudes of the underpaid and corrupt bureaucracy in the insurgent areas. While it may be difficult to persuade soldiers and police who have reaped much of the financial benefit of past anti-insurgent campaigns to become benefactors of villagers, at least an effort is being made to bring about a reorientation. The government's five year plan also emphasizes economic growth in the rural areas and reduction in income disparities. It remains to be seen whether the benefits will actually reach the people.

The Thai economy has weathered the oil crisis, the world recession, and the phaseout of U.S. military involvement in Indochina. Although the rate of inflation was 20 percent in 1974, up from an average of 4 percent in the years before, it has been falling and will probably be down to about 10 percent for 1975. Increased earnings from agricultural exports have been a prime factor in countering oil price increases. The impact of both the recession and the uncertainty over political developments in the region have been felt in the slackening of foreign investment. Tourism, too, is down. Nevertheless, Thailand enjoyed a $400 million surplus in its over-all balance of payments in 1974 in the face of a deficit of $657 million in trade. The difference was made up by foreign aid, oil concession payments, tourism and capital inflows.

The United States has given Thailand large amounts of economic aid over the years, much of it in the last decade for the so-called counter-insurgency programs. Thus far, a total of $672 million in economic aid has been provided by the United States. For fiscal year 1976, $12 million has been requested.

In an economy as formidable as Thailand's $12 million must be regarded as relatively inconsequential. The government's political and economic policies are the critical factors in shaping the nation's future. There would appear, therefore, to be little relevance to either country in the continuance of the bilateral aid program. Indeed, the time seems very propitious to end this vestige of "clientism" and to place the relationship of the two nations on a firm plane of mutual respect, with accent on mutually beneficial exchange.

PETROLEUM

There are prospects for major offshore petroleum strikes in the Gulf of Siam on Thailand's east coast and in the Andaman Sea west of the Kra Isthmus. Twenty-five wells have been drilled by American companies in the Gulf of Siam. Oil has been found, but the potential is not yet ascertainable. There could be international difficulties in some areas since most Thai concessions, overlap in part, territory also claimed by Cambodia. Thus far, however, there has not been any drilling in disputed areas. Some concessions have also been issued for the Andaman Sea but work there is not likely to start until next year. Thailand has already received more than $75 million for drilling rights from foreign prospectors. Renewed consideration is also being given by the Thai government to a proposal to join with Japan in constructing a major pipeline stretching across the Kra Isthmus, and terminating in a large refinery which would refine Persian Gulf crude for shipment to Japan.

DRUGS

Thailand is a major site in the international drug problem, not so much as a producer but as the route of transshipment of opium brought in from elsewhere in Southeast Asia. Estimates indicate that about 40–45 tons of opium per year are actually produced in Thailand. This level is sufficient only to meet local demand.

Although some Thai officials may still be parties to the drug trade, the level of envelopment is reported to be much lower than in the past. Contrary to the situation in Burma, drugs do not seem to be a significant source of financial support for insurgents but, rather, a means for personal or syndicate enrichment.

Thailand receives equipment from the

United States under the narcotics control program. In fiscal year 1975, $4.8 million was provided, with $3.7 million more programmed for FY 1976. Bangkok is a regional headquarters for the U.S. Drug Enforcement Agency (DEA) which is active throughout Southeast Asia. The agency has a regional budget of $500,000, but the figure does not include assistance to other governments which runs into the millions. There are 26 U.S. agents in Thailand and they are involved in operational actions as well as intelligence gathering. The day before my arrival, for example, U.S. agents and Thai police had carried out a joint raid on an opium refinery.

This sort of U.S. anti-drug activities in Thailand seems to be highly dubious. Quite apart from the expenditure of U.S. funds, the direct participation by U.S. agents in police activities within Thailand amounts to involvement in internal Thai affairs. While it undoubtedly is meritorious in objective, it is a foot-in-the-door, a point of entry which could lead to extensions and in the end, renewed entrapment in the internal affairs of that nation at renewed cost to the people of the United States. The sorry history of military and economic aid and other activity in Indochina and Thailand over the past two decades should serve as a precaution in this respect. Police actions, including local drug enforcement, are functions of indigenous governments. If there is a U.S. role, it should be limited to the exchange of information and intelligence with appropriate Thai or other officials. Beyond that point, U.S. financial assistance for anti-drug operations at whatever level may be set by the Congress, in my judgment, is best channeled through international or regional organizations.

FOREIGN POLICY AND U.S.-THAI RELATIONS

President Nixon's trip to Peking and the end of U.S. involvement in Indochina have created a new milieu for Thai foreign policy. From direct links and intimate cooperation with the United States in matters of security, Thailand has moved towards a neutral position. An effort is now being made by Bangkok to assure good relations with all the major powers. A case in point was Prime Minister Khukrit's visit to Peking in July which resulted in the establishment of diplomatic relations with China. So, too, was the official protest to the United States over the use of Thai bases in the Mayaguez affair. That incident, moreover, was followed by a demand for the complete withdrawal of U.S. forces from Thailand.

The outcome of the Indochina war was not only a factor in the new Thai approach to China, it also resulted in intensified interest in closer association with the Southeast Asian nations. Within five months after taking office, Khukrit visited not only Peking but all of the ASEAN countries. Thailand joined in support of the proposal to create in Southeast Asia a zone of "peace, freedom, and neutrality" which would be guaranteed by the great powers. There is no indication thus far, however, that this grouping will include any type of joint security arrangement. In that sense it would not be a substitute for the SEATO Organization which Prime Minister Khukrit and President Ferdinand Marcos of the Philippines have urged should be "phased out to make it accord with new realities in the region." This proposal, it should be noted, relates only to the organized activities under the Southeast Asian Treaty and the large headquarters staff in Bangkok. It does not involve a renunciation of the actual treaty, the so-called Manila Pact. Thailand is the only signatory in the area, however, to which the Pact now has practical application insofar as a U.S. security commitment is concerned. Pakistan renounced the treaty several years ago and the Philippines, Australia, and New Zealand, are tied to the United States by other defense arrangements.

The security relationship between the United States and Thailand is complicated by the existence of the 1962 Rusk-Thanat communique in which the obligations of the Manila Pact were held to be both joint and several. Under that interpretation, it would seem, the multilateral SEATO treaty would also amount to a bilateral U.S.-Thai treaty. Thus, the treaty, potentially, has far more significance than the "scrap of paper," as it is often called today. An attack, for example, by an enemy in Southeast Asia could conceivably lead to a Thai call on the United States to come to its aid notwithstanding the disinclination of any other of the signatories to do so.

The fact is that the Manila Pact was born of an old and now altered view of China. It is of no current relevance to U.S. interests in Asia. Left in abeyance it is, perhaps, a source of potential mischief or embarrassment. We would be well-advised, therefore, to reexamine this agreement forthwith, with a view to its termination.

It should be noted in this connection that Prime Minister Khukrit has called for the complete withdrawal of the 19,000 U.S. military forces in Thailand by the end of March 1976. Some references, however, have been made to the possible retention of a standby capacity at the U Taphao Base, manned by a small caretaker force.

For more than a decade, my view has been that the United States, in its own interests should withdraw militarily from the Southeast Asian mainland, "lock, stock and barrel." It remains my judgment that it is not in the interest of this nation nor, probably, in the interest of Thailand to have a U.S. capacity retained at any of the installations in Thailand. There should be no toe-hold which would serve as a potential source of reinvolvement of U.S. military forces on the Southeast Asian mainland.

QUORUM CALL

Mr. GOLDWATER. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER EXTENDING TIME FOR DEBATE ON SENATE RESOLUTION 406 AND FOR VOTE TO OCCUR THEREON BEFORE 4 P.M.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the 1 hour agreed to by the Senate last week for the debate and consideration of Calendar No. 667, Senate Resolution 406, be extended to 2 hours under the same conditions.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the vote not occur on Senate Resolution 406 before the hour of 4 p.m.

The PRESIDING OFFICER. Without objection, it is so ordered.

VITIATION OF SPECIAL ORDERS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the orders for the recognition of Mr. GOLDWATER and Mr. MANSFIELD be vitiated.

The PRESIDING OFFICER. Without objection, it is so ordered.

ROUTINE MORNING BUSINESS

The PRESIDING OFFICER. Under the previous order, there will now be a period for the transaction of routine morning business, for not to exceed 30 minutes, with statements therein limited to 5 minutes each.

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. PROXMIRE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

HEALTH—YOUR OWN PERSONAL RESPONSIBILITY

Mr. PROXMIRE. Mr. President, this year, next year, and the year after, we are going to be considering, on the floor of the Senate and in Congress, some proposals for national health insurance and for some extraordinarily elaborate, expensive programs to improve health. These have great appeal to all Americans. We all recognize how catastrophic ill health can be. Mr. President, I think what has been overlooked by almost all of us is that far more important than anything we can do in passing legislation in the Senate is what individual Americans can do for their own health by taking care of themselves. There is a fascinating article in this morning's Wall Street Journal on that issue and I want to call the Senate's attention to it.

It discusses the prospects for improving the health of our people over the next few years and it points out that there will be some advances, but the advances in medical technology are going to have diminishing returns. The conclusion is that experts "are just as sure of something that may seem paradoxical: Nothing that emerges from a clinic or a test tube will contribute nearly so much to better health generally as a little individual self-care in the form of wiser living."

Dr. John Knowles, who, as we know, has been a controversial figure because of his interest in better health for Americans and because of his outspokenness, spoke very forcefully on this recently. He is now with the Rockefeller Foundation. He is quoted in this article as saying that many Americans have come to look on "sloth, gluttony, alcoholic intemperance, reckless driving, sexual frenzy and smoking" as constitutional rights, and they've come to expect Government-financed "cures" for all the unhappy consequences.

"But one man's freedom," he says, "is another man's shackles in taxes and insurance premiums. Meanwhile, the people have been led to believe that national health insurance, more doctors, and greater use of high-cost, hospital-based technologies will improve health. Unfortunately, none of them will."

Mr. President, I think we should recognize that last year, the country's health bill rose by more than $14 billion. It has increased by almost tenfold over the last 20 years. It now constitutes almost 10 percent of the gross national product—8.3 percent. And, of course, it is going up at a very rapid rate.

I call this article to the attention of Members of Congress and those who read the Congressional Record, because I think that such a wise and cogent point is made here, something that we have neglected for too long.

I ask unanimous consent that there be printed in the Record this article from today's Wall Street Journal, entitled "Wiser Ways of Living, Not Dramatic 'Cures,' Seen as Key to Health."

There being no objection, the article was ordered to be printed in the Record, as follows:

[From the Wall Street Journal, Mar. 22, 1976]

Wiser Way of Living, Not Dramatic "Cures," Seen as Key to Health—Preventive Care To Become More Important; Costs May Force Some Changes—Modest Rise in Life Span

(By Barry Kramer)

Looking ahead just 24 years to the year 2000, medical experts are certain of dramatic advances that will vanquish some of today's worst health scourges and lessen the fearful consequences of others.

But they are just as sure of something that may seem paradoxical: Nothing that emerges from a clinic or a test tube will contribute nearly so much to better health generally as a little individual self-care in the form of wiser living.

More than anything else, the growing acceptance of that view has changed the current outlook for health advances from the prospect envisoned by health experts a decade ago. Since 1966, medical research and development has progressed. Today, Americans get more and better medical care than they did, and they will continue to get it. But the returns from scientific advances are diminishing. Health authorities believe that more doctors and more hospitals, more and more expensive machines for diagnosis and treatment, and new drugs and vaccines will have no more effect on good health overall than self-imposed changes in the way people live.

"The individual," says Dr. John H. Knowles, president of the research-oriented Rockefeller Foundation, "must realize that a perpetuation of the present system of high-cost, after-the-fact medicine will only result in higher costs and more frustration. The next major advance in the health of the American people will result only from what the individual is willing to do for himself."

Consider cancer and heart disease. It has become clear that neither is "caught" like a cold. Instead, both usually arise after decades of abuse to the body. Years of heavy smoking or drinking, high-fat diets, obesity and lack of regular exercise have been shown to play a role. Yet all these causes can be moderated or eliminated without medical treatment.

Dr. Knowles of the Rockefeller Foundation asserts that many Americans have come to look on "sloth, gluttony, alcoholic intemperance, reckless driving, sexual frenzy and smoking" as constitutional rights, and they've come to expect government-financed "cures" for all the unhappy consequences.

"But one man's freedom," he says, "is another man's shackles in taxes and insurance premiums. Meanwhile, the people have been led to believe that national health insurance, more doctors and greater use of high-cost, hospital-based technologies will improve health. Unfortunately, none of them will."

Last year, the country's health bill rose by more than $14 billion to $118.5 billion, or 8.3% of the gross national product. The federal government's share of that bill, through Medicare, Medicaid and other health programs, jumped by 22.2%. Less than 3% of this spending went toward the prevention of disease. By far the greatest part went to treat existing ailments.

NO BIG LONGEVITY GAIN

Small wonder, then, that health experts are trying to promote preventive medicine. By 2000, most doctors are likely to practice within publicly or privately financed health-maintenance organizations oriented as much toward preventive medicine as clinical treatment.

Because insurance companies and government are financing an ever-increasing share of medical expenses, the outlook is for much closer control over costs—including doctors' fees, drugs, equipment and hospital care. There may be a closer monitoring of the quality of care given by doctors and institutions. It is even possible, despite the fierce opposition of doctors today, that health care will be completely socialized by 2000.

More effective treatment of cancer and heart disease would greatly increase the life span of many Americans actually suffering from those ailments. Overall, however, not even a sharp reduction in cancer and heart deaths would prolong the average life by much. A 25% reduction in mortality from heart disease, statisticians at Metropolitan Life Insurance Co. estimate, would increase the average life of 45-year-old males by 16 months, of females of the same age by 14 months. A 25% reduction in cancer mortality would extend male expectancy by seven months, female by only five months.

Such reductions in mortality from cancer, heart disease and other ailments are possible and even probable, health specialists say. Here is the outlook in specific health categories:

Cancer: It is really more than 100 different diseases with a common denominator, the uncontrolled proliferation of abnormal cells. Of the trillions of cells that make up a human body, a few always are "going wild." The body's sophisticated immunity system normally detects these cells and does away with them. In cancer patients, the immunity system appears either unable to detect the maverick cells or unable to eliminate them.

Thus, strengthening the natural immunity system offers a strategy for defeating cancer. By 2000, specialists believe, the tactics should be perfected. As today, doctors still will rely on a combination—immunotherapy, radiotherapy, chemotherapy and surgery. More cancer patients will be treated at specialized centers where the most effective methods can be employed. The search for substances that compensate for a cancer patient's faulty immunity system is already underway, and by 2000 the dangerous side effects of such substances may well have been moderated.

Some current research is devoted to identifying a substance secreted by growing tumors that appears to signal the body to create a set of blood vessels to nourish the tumor. By 2000, researchers may have identified this substance and developed a chemical defense against it.

Basic research in the functioning of cells is likely to produce therapeutic advances by 2000. Among them will be exquisitely sensitive methods for detecting cancer at its earliest stages, when treatment is most likely to be effective. The fast-growing store of information on the genetic, environmental, and dietary factors involved in many kinds of cancer also will help doctors treat patients earlier. A "national registry of cancer prone families" was recently proposed; by 2000, it could be compiled and made useful for doctors and patients.

Specialists think some cancer is preventable by the elimination of suspect chemicals from the environment, including work places and from food and drink.

Cardiovascular disease: With more than 1 million deaths attributed to them last year, heart disease and afflictions of the blood vessels now are the leading killers.

Cardiovascular disease will remain the main cause of death in 2000. Like cancer, it occurs after decades of abuse, so that many people not yet middle-aged are dooming themselves to the ailment. That's not to say there won't be striking advances in treatment. And, certainly, more will be known about the precise role of high-fat diets, smoking, lack of exercise and emotional temperament in cardiovascular disease.

Specially trained medical teams for emergency heart cases already are employed in many hospitals. The teams will be more readily available to the average American by 2000. Drugs that limit heart damage in a heart attack will be more widely used, too. And doctors probably will have perfected procedures for using blood-vessel transplants and other surgery in emergencies.

New drugs may be developed to reverse the process of atherosclerosis, the formation of cholesterol rich plaques on the interior walls of blood vessels that block the heart's supply of blood. University of Chicago scientists have used such drugs experimentally to shrink plaques in the blood vessels *of* monkeys.

But heart transplants, and artificial hearts, may not fulfill the promise some experts once foresaw. They appear to have only limited usefulness, and then only in extreme cases.

If programs now underway to control high blood pressure succeed, strokes may be manageable by the end of the century. Strokes occur when the blood supply is cut off parts of the brain by a dislodged clot or a bursting artery. Safer and more efficient drugs that reduce high blood pressure or prevent or dissolve clots may be developed.

Accidents: Among children and young adults, accidents are the leading cause of death. Of the quarter-million persons killed around the world in traffic accidents alone last year, 50,000, or one-fifth, were killed in the U.S. Public health officials think educational and preventive measures similar to those employed against epidemic diseases could reduce the accident toll.

Viral diseases: Antibiotics already have revolutionized the battle against disease caused by bacteria. The development of chemicals to handle viruses, which are responsible for most disease has been less successful. Still, by the end of the century, several new antiviral compounds probably will be used for the common cold, influenza and herpes infections, which cause "cold sores" and may play a role in cervical cancer. There may be new and more effective antiviral vaccinations, too.

An inocuation against hepatitis, a widespread, debilitating liver disease, now is being developed. It is likely to be perfected, perhaps well before the year 2000. Existing influenza vaccines, which confer poor protection and fast become useless against new strains of flu, may be succeeded by improved vaccines.

Today, vaccines are derived from the disease-causing viruses. Future vaccines may be entirely artificial. Some experts believe it will be possible to create vaccines that can immunize against a half-dozen diseases with a single injection. Such vaccines would be custom-tailored in the laboratory to compensate for the genetic vulnerabilities of individuals; viruses depend on the genetic material in cells to reproduce.

Birth defects: By 2000, recent emphasis on basic research in birth defects may have paid off. Simple screening methods for parents, and "genetic counseling," could prevent the births, or permit the early identification, of babies with possible defects. Some defects will become treatable in the fetal stage. One possibility is "infecting" the fetus with a benign, man-made virus that delivers a missing gene to the cells.

Diabetes: Now thought to be the nation's third largest killer, diabetes may yield to new treatment by the end of the century. Some recent research suggests that a virus may cause the kind of diabetes that attacks youngsters. If so, it may be possible to screen genetically-susceptible children and vaccinate them.

The basic cause of diabetes, however, isn't yet known. Diabetics are unable to properly metabolize the sugar they eat, leading to dangerously high blood-sugar levels, either because they don't produce enough sugar-regulating insulin or because of some other reason. Today, a common treatment is injection of insulin. In the future, pancreas transplants, or transplants of the specific pancreas cells responsible for sugar metabolism, could be more efficient. Current research also is aiming at the development of an artificial insulin-releasing pancreas.

Aging: In 2000, the average life will probably be only a few years longer than at present. But the biological mechanisms of aging will be better understood, and this will make geriatrics more useful as a medical specialty. In fact, geriatrics will be booming, with 28 million Americans over the age of 65 against 22 million today. As a major part of their job, geriatricians will use a wide variety of treatments and procedures, many of which now are available but underemployed, to delay the symptoms of senility.

Mental ailments: The split between those who believe that mental illness reflects chemical abnormalities in the brain and those who believe that mental illness is essentially of non-biochemical origin will still exist in 2000. Whatever the truth, many many drugs today do alleviate the outward symptoms of mental illness to permit psychiatric treatment and encourage "normal" behavior. If mental illness is chemically based, then the illness itself might be treatable by drugs, too.

On the other hand, some mental or emotional disorders may disappear simply because notions of what is normal and abnormal may change. Homosexuality and even certain psychoses have been accepted by some physicians and psychiatrists as natural and healthy, if not always socially acceptable.

Prosthetics: Researchers recently have reported successes with computer-controlled electronic devices, implanted in the brain, that transmit signals allowing totally blind persons to "see" Braille letters and read them. Advanced versions, by 2000, may be able to transmit video-like images of the outside world, perhaps from tiny camera-transmitters in the blind person's eye sockets. And similar audio devices implanted in the inner ear could permit deaf persons to understand normal speech.

An electrode that can detect human nerve impulses already has been developed. With refined engineering, the Harvard medical school scientists who designed it believe, it may be used to link severed nerves and reverse paralysis. It would also make possible direct brain control of electrically driven artificial arms, legs and other prosthetic devices.

Mr. PROXMIRE. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. CRANSTON. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

PRIVILEGE OF THE FLOOR—SENATE RESOLUTION 406

Mr. CRANSTON. I ask unanimous consent that both William Jackson and Murray Flander of my staff may have the privileges of the floor throughout the consideration of Senate Resolution 406, and from now until that measure comes up.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. CRANSTON. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. CRANSTON. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

SENATOR MIKE MANSFIELD

Mr. SYMINGTON. Mr. President, much has been said about the character and ability of the gentleman who has guided our destiny on this floor longer than anyone in the history of the United States.

One of our outstanding towns in Missouri, Warrensburg, has a paper, the Daily Star-Journal, which in its editorials consistently hits the nail on the head.

I ask unanimous consent that this editorial about a man we all respect, and to whom we are all devoted, be printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

[From the Warrensburg (Mo.) Daily Star-Journal, Mar. 11, 1976]

Senator Mike Mansfield

Since Sen. Mike Mansfield announced his retirement recently, the reaction to it has been noteworthy. It has taken only one direction. Remarks by congressional leaders of both parties and comments by members of the media about the man have been laced with superlatives.

Emphasis has been placed on the manner in which he handled his job as he related personally to those with whom he dealt.

Early in his 15-year tenure as Senate majority leader, longest in the Senate's history, he gained the respect of all members of Congress and of those in the executive branch. It has remained this way, even with his adversaries. And being a man of principle, he has not been without them. In the hard-hitting world of politics sustained respect is the exception, not the rule.

Time magazine called him "easily the Senate's coolest elder statesman," adding, "he is legendary for almost never having lost his temper. . . . He changed the nature of the Senate."

James Reston of the New York Times said, ". . . he got ahead by giving up . . . he never allowed personal differences to overwhelm issues of principle."

Because of the kind of man he is, he became a counselor to many, regardless of party affiliation. Frequently he has been sought out by congressional members and others with personal problems. His humanism toward all people and his evenness of temperament create a magnetism which doesn't require what is typically thought of as the kind of charisma which attracts others.

Widespread regret is felt over Sen. Mansfield's leaving the Washington scene. Probably more so by those who are remaining on it than anyone else. His steadying influence, graciousness and wise ways provide sorely needed attributes among his colleagues.

Yet his decision to retire at the age of 73 is perhaps another indication of his wisdom. Others on Capitol Hill have made the mistake of staying too long.

Senator Mike Mansfield has served the nation exceptionally well. We need more men in government like him.

LAMAR, MO., STUDENTS BUILD SOLAR FURNACE

Mr. SYMINGTON. Mr. President, one positive and promising result of our fuel shortages problems has been the increased effort at the grassroots level to develop alternative energy sources which can reduce our reliance on fossil fuels. We depend on Government and industry to conduct these research and development programs, but private citizens around the country also provide encouraging reports of projects and experiments which may some day supply some of our fuel needs.

Among the most promising of the energy options included in long-range plans is solar power. Today, solar technology is particularly well suited for decentralized application in individual homes and buildings.

The ultimate potential of solar power for large-scale heating and cooling is, as yet, undetermined, but I would like to bring to the attention of the Senate the activities of the Lamar, Mo., High School science students who, with the support of their teacher, have designed and constructed a solar furnace.

Made of such surplus scrap items as an old ice cream storage freezer, part of a hay bin, and crushed glass, the Lamar High School solar furnace is now heating some school rooms which previously were without heat and therefore unused.

Science teacher Ralph Williston and his students are to be commended for an innovative approach to the study of scientific principles while at the same time providing a practical, usable heating system.

I ask unanimous consent that an article from the St. Louis Post-Dispatch describing Lamar High School's new solar furnace be printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

[From the St. Louis Post-Dispatch, Mar. 14, 1976]

Students at Lamar, Mo., Develop Solar Furnace

Lamar, Mo., March 13.—Using such things as an old ice cream storage freezer, crushed glass, part of a hay bin and other improvisations, the stuednts in Ralph Williston's science classes at Lamar High School here have created a solar furnace that's become a hot topic.

"They say necessity is the mother of invention," Williston explains, "We had a few vacant school rooms without heat, so we decided to build a solar furnace. Now those rooms are warm and usable."

Williston is thinking in terms of a patent for what he and his students have developed because it has a parabolic collector to focus the rays of the sun and he thinks it is more efficient than the flat surfaces used in other solar heating systems.

The collector is not the only oddity on the roof of the high school in this southwest Missouri town of 3760 persons. Williston and the students in his advanced physics and chemistry classes have also built a wind generator and a celestial observatory. They have a radar scanner to work with.

"This has been our most ambitious project," Williston said of the solar furnace. "We managed to get the public involved because we needed donations. Now we have people coming every day to look at it."

The solar furnace cost $1200. Modifying and perfecting it in future experiments may bring the price tag near $2000.

"We should be able to turn it into an air conditioner during the summer," Williston said, "but that's just one of a hundred experiments we have in mind."

Students cut apart a metal hay bin to make the parabolic collector. They electroplated a mirror-like surface onto sheets of metal to line the concave surface.

The sun's rays are bounced onto a finned coil that runs the 12-foot length of the parabola, and the heat is transferred to a half-and-half mixture of water and antifreeze which is pumped through the coil.

The pump also pulls the heated mixture through another coil system that is embedded in two tons of crushed glass inside the old ice cream freezer box, and the glass becomes the depository for the heat.

A blower and another transfer system send warm air through ducts into the previously unheated school rooms.

On recent winter days, the temperature at the focal point of the parabolic reflector had reached 300 degrees. The projected plan is to keep the temperature of the glass about the same on winter days, with the idea that it will go no lower than 200 degrees during the hours of darkness when the circulating pump is shut off.

On cloudy and cold days, the collector is covered with a plexiglass shield that traps an extra ration of the sun's ultraviolet rays.

"It's a hothouse effect, like getting a sunburn on a cloudy day or a closed car that gets much hotter inside than out," Williston explained.

On a hot summer day, Williston estimates that the temperature at the local point may reach 1,000 degrees.

"One student figured out we could use excess steam from the system to generate electricity, so we're going to try it," Williston said.

Lamar has become almost as involved in the solar furnace projects as Williston's students. Individuals, organizations and businesses have supplied the money for the motors, the pumps, the wiring, the switches and the pipes that the youngsters have put together.

"This has been their recreation," Williston said. "The kids come before school, after school, even on weekends. I think this is the best way to teach."

FEDERAL ELECTION CAMPAIGN ACT AMENDMENTS OF 1976—S. 3065

Mr. CANNON. Over the weekend, there have been various reports in the press of statements by the President of the United States that Congress is retreating from its commitment to clean and fair elections, with an accompanying threat to veto any campaign bill that went beyond a simple extension of the major powers of the Federal Election Commission. Such a simple extension of the Commission has been proposed here as a substitute to S. 3065, and the Senate has twice rejected this approach on the first rollcall vote of 46 to 47 and a subsequent roll call vote of 39 to 55.

I would like to take a few moments at this time to clarify the record as to who appears to be retreating from a commitment to clean and fair elections, and to stress the importance of the approval of S. 3065, as it has been amended here in the Senate. As we all know, one of the most severe impacts of the Supreme Court's decision on the Federal election laws was the ending of any limitation on expenditures, particularly on independent expenditures made by persons or political committees unconnected or unaffiliated with candidates and their campaigns.

Mr. President, without S. 3065, there will be limited information and disclosure to the public of the independent expenditures which will clearly be made in vast sums of money to elect, and in many cases to defeat, specific candidates for Federal office. S. 3065 will require detailed reporting of these expenditures as well as conspicuous disclosure of the source of expenditures to support or oppose candidates in the public media. These are proposals necessitated by the nature of the Supreme Court's decision and represent another positive step toward fair and clean elections.

It is difficult to understand why the President and his party opposes this type of legislation.

If a simple extension of the Commission is adopted, as proposed by the President and his party, political committees will be able to transfer unlimited sums of money to any other political committee, so long as the funds are not earmarked for any particular candidate, and such concentrated sums of money will then be available to be injected into political campaigns in unlimited amounts as independent expenditures to elect or defeat certain candidates for Federal office. S. 3065 will put reasonable limits on such transfers of money and it is difficult to understand why the President and his party oppose such legislation.

Under existing law, there is an accelerating proliferation of political committees being organized by corporate divisions and subsidiaries as well as by labor unions and locals. The obvious danger to the integrity of our campaign process is the unacceptable possibility that each of these political committees, whether formed by a corporation subsidiary or labor union local, would then each be able to qualify to make the maximum $5,000 contributions per particular candidate per election. This is certainly contrary to the intent of Congress in permitting the formation of political action committees by corporations and labor organizations, and will result in an increase of money into political campaigns, rather than a curtailment which was the purpose of this legislation. S. 3065 would not limit the number of political committees that corporations or labor organizations could set up through their divisions or labor union locals, but it would curtail the proliferation of political committee contributions to candidates, and I emphasize, Mr. President, that this curtailment would apply to unions as well as corporations.

It is difficult to understand why the President and his party oppose such a measure.

Under existing law, only corporations are permitted to provide a checkoff for the voluntary contributions to *their political* action committees. S. 3065 would make this available to a labor union in a situation where a corporation had decided to institute such a procedure. This is only equitable and it is hard to see why the President and his party oppose this type of legislation.

Existing law has been interpreted to permit corporations to create comprehensive programs to solicit every employee of those corporations for contributions to corporate political action committees over which the employee has no control. This is in addition to the corporation's statutory right to solicit stockholders for their voluntary contributions to the same political action committees. Of course, under the statute, labor organizations are permitted to solicit their union members for contributions to labor union political action committees. As has been pointed out here on the floor during the debate on S. 3065, there is an enormous potential for *coercion in a situation* where a corporation is permitted to solicit all of its employees for such contributions, but in addition to this potential for coercion, it must be remembered and emphasized that stockholders who are being solicited, can vote out the corporate management who is doing the solicitation if they do not agree with it or if they do not agree with the contributions made from the political committees.

By the same token, the union members are in a position to vote out the union management with which it disagrees. However, employees of a corporation have no such resourse and should not be subject to political solicitation by their employers to such an all encompassing extent as has been interpreted under existing law by the Federal Election Commission.

Mr. President, S. 3065 would impose a reasonable limitation on this solicitation, limiting the employees whom a corporation could solicit to the salaried employees who have policymaking or supervisory responsibilities. It is difficult to see why the President and his party oppose such reasonable legislation.

Under existing law, every violation of the Federal election campaign laws is a criminal act and the Federal Election Commission has extremely limited civil enforcement powers at the present time. S. 3065 would provide criminal penalties for willful and knowing violations of the law of a substantive nature, and civil penalties and immediate disclosure of violations for less substantial infractions of the campaign finance laws. At the same time, S. 3065 would give the Commission expanded civil enforcement powers including the power to ask the court for imposition of civil fines for such violations as, for example, the negligent failure to file a particular report, as well as more substantial civil fines for willful and knowing violations of the act. The bill would grant the exclusive civil enforcement of the act to the Commission to avoid confusion and overlapping with the Department of Justice, but at the same time, retain the jurisdiction of the Department of Justice for the criminal prosecution of any violations of this act. Mr. President, I cannot understand why the President and his party oppose such legislation.

It is clear that there are differences of opinion between the Congress and the President, but I would like to suggest that the President's proposal for a simple extension of the Commission's powers is a totally inappropriate response at this time to the needs which this Congress must address in order to maintain the commitment, not only of the Congress and the President, but of the country to clean and fair elections. Contrary to what appears to be the President's current thinking, I would like to suggest that if the Senate does choose to approve no more than a simple extension of the Commission's powers, we can then be justly accused of retreating from our longstanding commitment to clean and fair elections. We have twice rejected that approach and have worked hard to make S. 3065 a bill which we can all accept. I hope we can continue to work hard to make such further improvements in S. 3065 which will make it a bill we can send to the House in the near future.

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Roddy, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session, the Acting President pro tempore (Mr. CULVER) laid before the Senate messages from the President of the United States submitting sundry nominations which were referred to the appropriate committees.

(The nominations received today are printed at the end of the Senate proceedings.)

REPORT ON THE INVESTIGATION AND STUDY OF THE WAR RISK INSURANCE PROGRAM OF THE DEPARTMENT OF TRANSPORTATION—MESSAGE FROM THE PRESIDENT

The ACTING PRESIDENT pro tempore (Mr. CULVER) laid before the Senate the following message from the President of the United States, which was referred to the Committee on Commerce:

To the Congress of the United States:

In accordance with Section 3 of Public Law 94–90, I am forwarding to the Congress a Report on the Investigation and Study of the War Risk Insurance Program of the Department of Transportation.

This Report states that the existing authority of the Secretary of Transportation under Title XIII of the Federal Aviation Act of 1958 should be expanded in certain respects. This Report will provide the basis for developing remedial legislation. Such legislation should authorize the Secretary of Transportation, after appropriate consultations with other Federal agencies and with the approval of the President, to provide insurance for international U.S. commercial aviation when such insurance is not available commercially and when it is necessary for the continuation of a particular required air service.

I transmit this Report for consideration by the Congress. The Department of Transportation will soon be transmitting implementing legislation.

GERALD R. FORD.

THE WHITE HOUSE, *March 19, 1976.*

ANNUAL REPORT OF THE NATIONAL SCIENCE FOUNDATION—MESSAGE FROM THE PRESIDENT

The ACTING PRESIDENT pro tempore (Mr. CULVER) laid before the Senate the following message from the President of the United States, which was referred to the Committee on Labor and Public Welfare:

To the Congress of the United States:

I am pleased to submit to the Congress the Twenty-Fifth Annual Report of the National Science Foundation, covering fiscal year 1975.

Science and Technology have dramatically benefited our Nation and the world. During the NSF's first 25 years of operation, research supported by the National Science Foundation—particularly basic research in universities—has contributed much to our Nation's progress in science and technology. I expect the Foundation to continue this valuable contribution.

As this Annual Report shows, the programs of the National Science Foundation in 1975 addressed both the important search for new scientific knowledge and its use in solving society's pressing problems. Also, these programs continued to assist in meeting the Nation's need to train tomorrow's scientists and engineers. I commend this report to your attention.

My 1977 Budget now before the Congress recognizes the important role played by the National Science Foundation and assigns high priority to increases in Federal support of basic research. I urge Congressional approval of the proposed budget increases in the National Science Foundation.

GERALD R. FORD.

THE WHITE HOUSE, *March 22, 1976.*

BUDGET REQUESTS FOR RESEARCH AND DEVELOPMENT ACTIVITIES—MESSAGE FROM THE PRESIDENT

The ACTING PRESIDENT pro tempore (Mr. CULVER) laid before the Senate the following message from the President of the United States, which was referred to the Committee on Aeronautical and Space Sciences, the Committee on Agriculture and Forestry, the Committee on Appropriations, the Committee on Armed Services, the Committee on the Budget, the Committee on Interior and Insular Affairs, and the Committee on Labor and Public Welfare:

To the Congress of the United States:

The desire and the ability of the American people to seek and apply new knowledge have been crucial elements of the greatness of our country throughout its 200-year history.

Our Founding Fathers placed high value on the pursuit of knowledge and its application. They supported exploration, new methods of agriculture, the establishment of scientific societies and institutions of higher learning, measures to encourage invention, and means to protect and improve the Nation's health.

In our recent history, the Nation has made major investments in research and development activities to ensure their continued contribution to the growth of our economy, to the quality of our lives and to the strength of our defense. Today there is mounting evidence that science and technology are more important than ever before in meeting the many challenges facing us.

I fully recognize that this country's future—and that of all civilization as well—depends on nurturing and drawing on the creativity of men and women in our scientific and engineering community.

The 1977 Budget which I submitted to the Congress on January 21, 1976, is one measure of the importance I attach to a strong National effort in science and technology. My total budget restrains Federal spending to $395 billion—an increase of 5.5 percent over 1976. But my Budget requests $24.7 billion for the research and development activities of the various Federal agencies, an increase of 11 percent over my 1976 estimates. Included within this total of $24.7 billion is $2.6 billion for the support of basic research, also an increase of 11 percent. Such long-term exploratory research provides the new knowledge on which advances in science and technology depend. I urge the Congress to approve my budget requests.

I also urge the Congress to pass legislation to establish an Office of Science and Technology Policy in the Executive Office of the President. This will permit us to have closer at hand advice on the scientific, engineering and technical aspects of issues and problems that require attention at the highest levels of Government.

On June 9, 1975, I submitted a bill to the Congress that would authorize creation of such an office. The director of this new office would also serve as my adviser on science and technology, separating this responsibility from the many demands of managing an operating agency. On November 6, 1975, the House of Representatives passed an acceptable bill, H.R. 10230, which authorizes the new office. On February 4, 1976, the Senate passed a similar bill which, with some changes, would also be acceptable. Those bills are now awaiting action by a House-Senate Conference Committee. Early agreement by the conferees on a workable bill will permit me to proceed without further delay in establishing the Office of Science and Technology Policy.

In addition to its direct support of research and development, the Federal Government has a responsibility to ensure that its policies and programs stimulate private investments in science and technology and encourage innovation in all sectors of the economy—in industry, the universities, private foundations, small business, and State and local Governments. We pursue this objective through our tax laws, cooperative R&D projects with industry, and other incentives.

Industry and other elements of the private sector now support nearly 50 percent of the Nation's total research and development efforts and we must avoid displacing these important investments.

The role of industry is particularly important. In our competitive economic system, industry turns new ideas from laboratories into new and improved products and services and brings them to the marketplace for the Nation's consumers. Industry has built successfully on advanced developments of the past and provided new products and services of great economic and social value to the Nation. This can be seen in electronics, computers, aircraft, communications, medical services and many other areas.

My 1977 Budget gives special attention to research and development for energy and defense and to basic research. It also continues or increases support for other important areas such as agriculture, space, and health where research and development can make a significant contribution.

—In *energy*, an accelerated research and development program is vital to our future energy independence. My 1977 Budget proposes $2.6 billion for energy research and development—a 35 percent increase over 1976. These funds, together with the efforts of private industry, provide for a balanced program across the entire range of major energy technologies. Major increases are proposed in energy conservation to achieve greater energy efficiency. Additional funding is provided in fossil fuels to enhance oil and gas recovery, to improve the direct combustion of coal and to produce synthetic oil and gas from coal and oil shale. Expanded efforts are planned in 1977 to assure the safety and reliability of nuclear power and to continue the development of breeder reactors which will make our uranium resources last for centuries. My 1977 Budget also provides for rapid growth in programs to accelerate development of solar and geothermal energy and fusion power.

—In *defense*, a strengthened and vigorous program of research and development is absolutely fundamental to maintain peace in the years ahead. Our National survival depends on our continued technological edge. The quality of our military R&D program today—and decisions on its scope and magnitude—will directly influence the balance of power in the 1980's and beyond. Obligations for defense research and development will increase by 13 percent in FY 1977, to almost $11 billion. In the strategic area, the defense R&D program provides for continued development of the Trident submarine and missile system and the B–1 bomber. We are providing increases for cruise missiles and for defining options for a new intercontinental ballistic missile system. For our tactical forces, we will pursue a number of major programs ranging from the F–16 and F–18 fighter aircraft to a new attack helicopter, improved air defense systems, and a new tank. In addition we will strengthen our military-related science and technology effort. The combat potential of new technologies such as high energy lasers will be actively explored.

—Through *basic research*, new knowledge is achieved that underlies all future progress in science and technology. My proposed budget provides an increase of 11 percent over my 1976 estimates to assure that the flow of new scientific discoveries continues. Since much of the Nation's basic research is carried out at colleges and universities, I have given special emphasis to the budget request for the National Science Foundation and other agencies that support research in these institutions. I have requested an increase of 20 percent in NSF's funding for basic research in order to underscore my strong support for such research, particularly in colleges and universities.

—In *agriculture*, improving the efficiency of American food production is vital to our National well-being and to help ease critical worldwide food shortages. My budget provides over $500 million for agricultural research including programs to increase crop yield, improve the nutrition and protein content of crops, and help find new and safer ways to protect crops from the devastating losses which are caused by pests and bad weather. Matching State funds for research at land-grant institutions will contribute an additional $400 million to the national effort. Within the agricultural research program, greater priority will be given to basic agricultural research which is the key to our longer range objectives in food production. Our agricultural research and research undertaken by others around the world can have a major effect on the world food situation for generations to come.

—In *health*, basic and applied medical research provides new knowledge about causes, prevention and cure of diseases. This knowledge will make it possible to reduce the toll of human suffering, reduce expensive medical treatments, and increase the general level of health of our people. For the Department of Health, Education, and Welfare alone my Budget requests over $2.2 billion to pursue new scientific opportunities relating to cancer, heart and lung disease, arthritis, diabetes, and behavioral disturbances. It will also continue research in emerging areas of National importance such as immunology, aging, environmental health, and health services.

—In *space*, the shuttle is the key to improved operational space capabilities for science, defense, and industry. My 1977 Budget provides the necessary funds to continue development of the shuttle and to assure a balanced program in science and space applications. In the future, space technologies can further advance our National and worldwide needs for better communications, better weather forecasting and better assessment and management of our natural resources. Scientific exploration and observation in space can add immeasurably to our understanding of the universe around us.

My Budget also provides funds for continued research and development in environment, natural resources, transportation, urban development, and other fields of social and economic activity where we will support work that shows promise in meeting the problems of society and the new challenges we face as a Nation.

Prompt and favorable action by the Congress on my proposal to create the new Office of Science and Technology Policy and to approve my 1977 Budget requests are vital to ensure that science, engineering and technology *will continue* to contribute effectively in achieving our Nation's objectives.

GERALD R. FORD.

THE WHITE HOUSE, *March 22, 1976.*

PRESIDENTIAL APPROVAL

A message from the President of the United States stated that on March 19, 1976, he had approved and signed the following act:

S. 2017. An act to amend the Drug Abuse Office and Treatment Act of 1972, and for other purposes.

MESSAGES FROM THE HOUSE

At 12:03 p.m., a message from the House of Representatives delivered by Mr. Berry, one of its reading clerks, announced that the House has passed the bill (H.R. 8532) to amend the Clayton Act to permit State attorneys general to bring certain antitrust actions, and for other purposes, in which it requests the concurrence of the Senate.

ENROLLED BILLS SIGNED

The message also announced that the Speaker has signed the following enrolled bills:

H.R. 3427. An act to provide for the striking of medals in commemoration of the 200th anniversary of the signing of the Declaration of Independence of Charles Carroll of Carrollton.

H.R. 12122. An act to amend section 2 of the act of June 30, 1954, providing for the continuance of civil government for the Trust Territory of the Pacific Islands, and for other purposes.

The enrolled bills were subsequently signed by the President pro tempore (Mr. EASTLAND):

At 4:29 p.m., a message from the House of Representatives delivered by Mr. Berry, announced that the House has passed the joint resolution (S.J. Res. 184) to amend the Regional Rail Reorganization Act of 1973, as amended, without amendment.

ORDER TO HOLD H.R. 8532 AT THE DESK

Mr. MANSFIELD. Mr. President, I ask unanimous consent that H.R. 8532, to amend the Clayton Act to permit State attorneys general to bring certain antitrust actions, and for other purposes, which was just received from the House of Representatives, be held at the desk.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

COMMUNICATIONS FROM EXECUTIVE DEPARTMENTS, ETC.

The ACTING PRESIDENT pro tempore (Mr. CULVER) laid before the Senate the following letters, which were referred as indicated:

Report on Air Force Experimental, Developmental, and Research Contracts

A letter from the Assistant Secretary of the Air Force (Research and Development), transmitting, pursuant to law, the Air Force report on experimental, developmental and research contracts of $50,000 or more, by company, covering the period July 1, 1975 through December 31, 1975 (with an accompanying report); to the Committee on Armed Services.

Proposed Legislation to Increase the Authorization for the Surety Bond Guarantee Fund

A letter from the Administrator, Small Business Administration, transmitting a draft of proposed legislation to amend the Small Business Investment Act of 1958 to increase the authorization for the Surety Bond Guarantee Fund (with accompanying papers); to the Committee on Banking, Housing and Urban Affairs.

Comprehensive Railroad Safety Report

A letter from the Secretary of Transportation, transmitting, pursuant to law, the Compresensive Railroad Safety Report (with an accompanying report); to the Committee on Commerce.

Report on Abnormal Occurrences at Licensed Nuclear Plants

A letter from the Chairman, Nuclear Regulatory Commission, transmitting, pursuant to law, the second report on abnormal occurrences at licensed nuclear power plants (with an accompanying report); to the Joint Committee on Atomic Energy.

Prospectus for Alterations at the Washington, D.C., Central Heating Plant

A letter from the Administrator, General Services Administration, transmitting, pursuant to law, a prospectus for alterations at the Washington, D.C., Central Heating Plant, in the amount of $20,300,000 (with accompanying papers); to the Committee on Public Works.

PETITIONS

Petitions were laid before the Senate and referred as indicated:

By the ACTING PRESIDENT pro tempore (Mr. CULVER):

Senate Resolution 176, adopted by the Legislature of the State of Hawaii; to the Committee on Finance:

"Senate Resolution 176

"Whereas, the states have established programs of unemployment compensation to provide financial assistance to those who find themselves temporarily without income due to the loss of employment; and

"Whereas, the object and effect of such programs have enormous utility in promoting the social and economic welfare of the people as a whole, if not insuring the very survival of certain segments of the population; and

"Whereas, in each of the states in recent years the vagaries of an economy beset with crisis of international dimension have substantially increased the ranks of the unemployed, which has in turn accounted for a rapid rise in the number of applicants for unemployment benefits; and

"Whereas, in many states the consequent drain on state funds has necessitated application by states to the federal government for relief sufficient to maintain the very liquidity of such unemployment compensation funds; and

"Whereas, in the State of Hawaii unemployment increased from 8,820 in 1969 to 27,160 in 1974 and presently constitutes almost nine per cent of the work force, and the state unemployment compensation trust fund as a result has declined from a balance of $44 million in 1970 to $5.3 million as of December 31, 1975, despite an increase in employer contributions, this experience being representative of that in other states; and

"Whereas, it is estimated that the State of Hawaii will require loans from the federal government of $3 million for the month of February, but it is projected that even with this replenishment, the balance in the fund at the end of February will be $3.4 million, this experience also being representative of that in other states; and

"Whereas, as unemployment fund balances continue to decline, and rates of employer contributions increase, with no prospect for relief in view, and with the possibility of insolvency becoming an actuality, the necessity has become apparent for an overall comprehensive review of the unemployment insurance concept, particularly in the financing thereof; and

"Whereas, because the problems encountered and influencing factors are truly national in scope and experience, a comprehensive approach on a national basis is required to benefit the maximum number of people; now, therefore,

"*Be it resolved* by the Senate of the Eighth Legislature of the State of Hawaii, Regular Session of 1976, that the United States Congress is requested to undertake a comprehensive review of the unemployment insurance concept in the United States, with particular emphasis on financing and alternatives available to maintain the solvency of unemployment compensation funds, including the possibility of government financing, financing by employer contributions, consideration of a benefit basis of employer assessment rather than a reserve basis, and increasing benefits while subjecting the same to taxation; and

"*Be it further resolved* that certified copies of this Resolution be transmitted to the leaders of both houses of Congress, and to each member of the Hawaii congressional delegation.

A resolution adopted by the Council of the Town of Fincastle, Virginia, relating to the State and Local Fiscal Assistance Act; to the Committee on Finance.

A resolution adopted by the Orlando Drug Enforcement Council, Orlando, Florida, relating to commendation of John Lepore for his dedicated, forceful, and successful efforts to eradicate the illegal drug traffic in our Nation; to the Committee on the Judiciary.

REPORT OF A COMMITTEE SUBMITTED DURING ADJOURNMENT

Under authority of the Senate of March 18, 1976, the following report of a committee was received on March 19, 1976:

By Mr. HATHAWAY, from the Committee on Labor and Public Welfare, without amendment:

S. 3184. An original bill to amend the Comprehensive Alcohol Abuse and Alcoholism Prevention, Treatment, and Rehabilitation Act of 1970, and for other purposes (Rept. No. 94–705).

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. CLARK, from the Committee on Agriculture and Forestry, with an amendment:

H.R. 6345. An Act to extend the authorization of appropriations for carrying out title V of the Rural Development Act of 1972 (Rept. No. 74–706).

By Mr. PASTORE, from the Joint Committee on Atomic Energy, without amendment:

S. 3108. A bill to amend Public Law 94–187 to increase the authorization for appropriations to the Energy Research and Development Administration in accordance with section 261 of the Atomic Energy Act of 1954, as amended, section 305 of the Energy Reorganization Act of 1974, and section 16 of the Federal Nonnuclear Energy Research and Development Act of 1954, and for other purposes (Rept. No. 94–707).

EXECUTIVE REPORTS OF COMMITTEES

As in executive session, the following executive reports of committees were submitted:

By Mr. METCALF, from the Committee on Interior and Insular Affairs:

William L. Fisher, of Texas, to be an Assistant Secretary of the Interior.

John D. Christie, of Virginia, to be an Assistant Administrator of the Federal Energy Administration.

Robert L. Hirsch, of Maryland, to be an Assistant Administrator of Energy Research and Development.

(The above nominations were reported with the recommendation that they be confirmed, subject to the nominees' commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first time and, by unanimous consent, the second time, and referred as indicated:

By Mr. CLARK:

S. 3185. A bill to amend title II of the Social Security Act to provide for the entitlement of disabled widows and widowers to unreduced widow's and widower's insurance benefits without regard to age. Referred to the Committee on Finance.

By Mr. MOSS:

S. 3186. A bill to provide that certain law enforcement officers who, by reason of an agency reorganization, lost their coverage under the law enforcement retirement provisions of title 5, United States Code, shall be entitled to have such coverage restored. Referred to the Committee on Post Office and Civil Service.

By Mr. McCLELLAN:

S. 3187. A bill to extend the authorization of appropriations for the National Commission on New Technological Uses of Copyrighted Works to be coextensive with the life of such Commission. Referred to the Committee on the Judiciary.

By Mr. BROOKE (for himself, Mr. Humphrey, Mr. Javits, Mr. Mathias, Mr. Clark, Mr. Philip A. Hart, Mr. Bayh, Mr. Abourezk, and Mr. Weicker):

S. 3188. A bill to amend the United States Housing Act of 1937 to extend the authorization for contracts for annual contributions, and for other purposes. Referred to the Committee on Banking, Housing and Urban Affairs.

By Mr. BEALL:

S. 3189. A bill to amend the Domestic Volunteer Service Act of 1973, to authorize appropriations for programs authorized thereby, and for other purposes. Referred to the Committee on Labor and Public Welfare.

S. 3190. A bill to amend and extend the Higher Education Act of 1965, and for other purposes. Referred to the Committee on Labor and Public Welfare.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. CLARK:

S. 3185. A bill to amend title II of the Social Security Act to provide for the entitlement of disabled widows and widowers to unreduced widow's and widower's insurance benefits without regard to age. Referred to the Committee on Finance.

FULL SOCIAL SECURITY BENEFITS FOR DISABLED WIDOWS OF ANY AGE

Mr. CLARK. Mr. President, today I am introducing legislation to improve social security protection for one of the most economically disadvantaged groups in our society—the totally disabled widows, dependent widowers, and surviving divorced wives.

At the present time, this group is not eligible for social security benefits until they reach the age of 50, and between the ages of 50 and 65, their benefits are actuarily reduced.

The bill I am introducing would pay full benefits to all widows, dependents widowers, and surviving divorced wives who suffer total disability, and it would eliminate the provision for actuarial reduction of benefits.

Mr. President, over the years, the Congress has given careful and thoughtful attention to the social security system. Social security protection for Americans has improved substantially with the enactment of many reforms during the past few years.

Recently, important questions have been raised concerning the financing of social security. These are serious questions, and they deserve the close and careful attention they are getting.

It is important to stress that the financing problems confronting Social Security—although a complex and highly technical issue—can be corrected, and various alternatives are now under consideration.

But we should not lose sight of the need to improve the social security program further. One provision which needs immediate attention is the one I am addressing today with this legislation. Because dependent widowers comprise less than 2 percent of the affected group, I will use the word "widow" in my remarks to include both men and women.

The 1967 amendments to the Social Security Act extended benefits to totally disabled widows. As originally passed in the Senate, the 1967 amendments would have made all totally disabled widows eligible for full benefits. However, the final version worked out by the conference committee began more slowly—restricting benefits to widows age 50 or over, and reducing the benefits because of age. There was an understanding that the economic well-being of disabled widows should be watched, so that benefit rights could be extended if necesary.

For the nondisabled widow, benefits are payable to those women with children under 18 in their care. This provides financial help to the young widowed mothers who choose to remain home while their children are young. But when the children reach the age of 18—and no longer require as much at-home care—benefits are ended because there is a presumption that the widow is better able to become employed and support herself.

But this same presumption is not justified for the totally disabled widow. Social security benefits are not payable to them until they reach age 50. Moreover, their social security benefits are one-half of what they would receive at age 65—even though they ordinarily have greater expenses than aged widows.

Two Social Security Advisory Councils have recommended that benefits be provided for totally disabled widows, regardless of age.

The 1971 Advisory Council, in recommending full benefits regardless of age, stated:

> Totally disabled widows are, of course, no more able than aged widows to support themselves through their own work and earnings, and they may have unusual expenses to meet on account of their disabilities.

Totally disabled widows constitute one of the most economically disadvantaged groups in our society today. A few statistics from 1975 editions of the Social Security Bulletin make this point abundantly clear.

In 1971, all widows under age 60 with no work and no children under 18 had a median income of $1,170. That is $97.50 a month, and includes income from all sources. It is not surprising, then, that 74 percent of these widows lived in poverty. Totally disabled widows under 50 with no children under 18 can be expected to be the poorest of poor, with a median income below $97.50 a month. Well over three-quarters of them can be expected to be living in poverty.

What are the sources of the disabled widow's meager income?

Twenty-six percent of all widows under 60 with no children under 18 and no work had income from investments, royalties, rents, and savings.

Twenty-five percent had income from public assistance payments.

Twenty-three percent had income from unemployment compensation, workmen's compensation, Government pensions, and veterans benefits.

Twenty-two percent had income from social security and railroad retirement benefits.

Twelve percent had income from private pensions, regular contributions outside the houshold, and other income including annuities and life insurance.

Younger widows are less apt to have asset income than older widows. The 1971 Advisory Council stated:

> The need of a disabled widow younger than aged 50 may be greater than at of an older widow; her husband, having died at an early age, may have had less opportunity to accumulate savings or provide for future needs.

The average benefit paid to totally disabled widows at age 50 is about $118 a month. Widows age 65 and over receive more.

Although the disabled widow cannot be eligible for social security benefits until 50, 18 percent of those awarded disability benefits in 1971 had become totally disabled before age 50. Their prognosis for recovery is poor.

To the extent that disabled widows must now turn to welfare for their support, the costs of the supplemental security income program would be reduced.

The case for extending benefits for totally disabled widows is overwhelming. They have less income than aged widows. They have higher expenses than aged widows.

Mr. President, logic and fairness dictate that we act quickly and favorably on this bill. I urge its passage, and I ask unanimous consent that it be printed in the Record.

There being no objection, the bill was ordered to be printed in the Record, as follows:

S. 3185

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) section 202(e) of the Social Security Act is amended as follows:

(1) Paragraph (1) of such subsection is amended by—

(A) striking out subparagraph (B) and inserting in lieu thereof the following:

"(B)(i) has attained age 60, or (ii) has not attained age 65 and is under a disability (as defined in section 223(d)) which began before the end of the period specified in paragraph (5),", and

(B) striking out "or, if she became entitled to such benefits before she attained age 60, the third month following the month in which her disability ceases (unless she attains age 65 on or before the last day of such third month).", and inserting in lieu thereof "or if she became entitled to such benefits on the basis of a disability (as defined in section 223(d)), the third month following the month in which her disability ceases (unless she attains age 65 on or before the last day of such third month).".

(2) Paragraph (5) of such subsection is amended by striking out "60" and inserting in lieu thereof "65".

(b)(1) Section 202(f)(1)(B) of such Act is amended as follows:

"(B)(i) has attained age 60 or, (ii) has not attained age 65 and is under a disability (as defined in section 223(d)) which began before the end of the period specified in paragraph (6).".

(2) Section 202(f)(1) of such Act is further amended by striking out "or, if he became entitled to such benefits before he attained age 60, the third month following the month in which his disability ceases (unless he attains age 65 on or before the last day of such third month)" and inserting in lieu

thereof "or if he became entitled to such benefits on the basis of a disability (as defined in section 223(d)), the third month following the month in which his disability ceases (unless he attains age 65 on or before the last day of such third month)".

(3) Paragraph (6) of section 202(f) of such Act is amended by striking out "60" and inserting in lieu thereof "65".

(c) (1) The last sentence of subsection (c) of section 203 of such Act is amended by striking out all that follows the semicolon and inserting in lieu thereof the following: "nor shall any deduction be made under this subsection from any widow's or widower's insurance benefits for any month in which the widow, surviving divorced wife, or widower has not attained age 65 and is entiled to such benefits on the basis of being under a disability.".

(2) Section 203(f) (1) (D) of such Act is amended to read as follows: "(D) for which such individual is entitled to widow's or widower's insurance benefits, has not attained age 65, and is entitled to such benefits on the basis of being under a disability, or".

(d) Section 222(b) (1) of such Act is amended by striking out "a widow, widower, or surviving divorced wife who has not attained age 60" and inserting in lieu thereof "a widow or surviving divorced wife who is entitled to widow's insurance benefits on the basis of being under a disability, a widower who is entitled to widower's insurance benefits on the basis of being under a disability".

(e) (1) Section 222(c) (1) of such Act is amended by striking out "or 202(d)" and inserting in lieu thereof ", 202(d), 202(e) or 202(f)".

(2) The first sentence of section 222(c) (3) of such Act is amended to read as follows:

"(3) A period of trial work for any individual shall begin (i) in the case of an individual entitled to disability insurance benefits, with the month in which he becomes entitled to such benefits (ii) in the case of a widow, surviving divorced wife, or widower, who has not attained age 65 and who is entitled to widow's or widower's insurance benefits on the basis of being under a disability, with the month in which she or he becomes entitled to such benefits, or (iii) in the case of an individual who has attained age 18 and is entitled to benefits under section 202(d) (and is under a disability), with the month in which he becomes entitled to such benefits or the month in which he attains age 18, whichever is later."

(3) Section 222(d) (1) of such Act is amended by—

(A) striking out "prior to attaining age 60" in subparagraph (C) and inserting in lieu thereof "on the basis of being under a disability",

(B) striking out "prior to attaining age 60" in subparagraph (D) and inserting in lieu thereof "on the basis of being under a disability", and

(C) striking out "who have not attained age 60 and are under a disability, the benefits under section 202(f) for widowers who have not attained age 60" and inserting in lieu thereof "who are entitled to widow's insurance benefits on the basis of being under a disability, the benefits under section 202(f) for widowers who are entitled to widower's insurance benefits on the basis of being under a disability".

(4) Section 225 of such Act is amended by striking out "or that a widow or surviving divorced wife who has not attained age 60 and is entitled to benefits under section 202 (e), or that a widower who has not attained age 60 and is entitled to benefits under section 202(f)" and inserting in lieu thereof "or that a widow or surviving divorced wife who is entitled to benefits under section 202(e) on the basis of being under a disability, or that a widower who is entitled to benefits under section 202(f) on the basis of being under a disability".

(f) (1) Section 202(q) (1) of such Act is amended by—

(A) striking out all after clause (B) thereof; and

(B) by striking out the semicolon at the end of clause (B) thereof and inserting in lieu of such semicolon a period.

(2) Section 202(q) (3) (A) of such Act is amended by striking out "or age 50 (in the case of a widow's or widower's insurance benefit)".

(3) Section 202(q) (6) of such Act is amended to read as follows:

"(6) For purposes of this subsection, the 'reduction period' for an individual's old-age, wife's, husband's, widow's, or widower's insurance benefit is the period—

"(A) beginning—

"(i) in the case of an old-age or husband's insurance benefit, with the first day of the first month for which such individual is entitled to such benefit, or

"(ii) in the case of a wife's insurance benefit, with the first day of the first month for which a certificate described in paragraph (5) (A) (i) is effective, or

"(iii) in the case of a widow's or widower's insurance benefit, with the first day of the first month for which such individual is entitled (on a basis other than the basis of being under a disability) to such benefit, and

"(B) ending with the last day of the month before the month in which such individual attains retirement age."

(4) Section 202(q) (7) of such Act is amended—

(A) in the matter preceding clause (A), by striking out "(6) (A) for such benefit, and the 'additional adjusted reduction period' for an individual's, widow's or widower's insurance benefit is the additional reduction period prescribed in paragraph (6) (B) for such benefit, excluding from each such period—" and inserting in lieu thereof "(6) for such benefit, excluding from such period—"; and

(B) by striking out "and" at the end of clause (E);

(C) by striking out the period at the end of clause (F) and inserting in lieu of such period "; and "; and

(D) by adding after clause (F) the following new clause:

"(G) in the case of widow's or widower's insurance benefits, any month for which such individual was entitled to such benefits on the basis of being a disability."

(g) The amendments made by this section shall apply with respect to monthly insurance benefits under section 202(e) or (f) for months after the month which follows the month in which this Act is enacted.

By Mr. McCLELLAN:

S. 3187. A bill to extend the authorization of appropriations for the National Commission on New Technological Uses of Copyrighted Works to be coextensive with the life of such Commission. Referred to the Committee on the Judiciary.

Mr. McCLELLAN. Mr. President, Public Law 93–573 established a National Commission on New Technical Uses of Copyrighted Works to conduct a 3-year study of the impact of emerging technology on traditional copyright laws and procedures. Public Law 93–573 authorized appropriations for the Commission until June 30, 1976. The sole purpose of the bill which I am introducing today is to eliminate that limitation, and authorize appropriations until the date established for the termination of the Commission.

By Mr. BROOKE (for himself, Mr. Humphrey, Mr. Javits, Mr. Mathias, Mr. Clark, Mr. Philip A. Hart, Mr. Bayh, Mr. Abourezk, and Mr. Weicker):

S. 3188. A bill to amend the United States Housing Act of 1937 to extend the authorization for contracts for annual contributions, and for other purposes. Referred to the Committee on Banking, Housing and Urban Affairs.

Mr. BROOKE. Mr. President, I am today introducing a bill to extend the authorization for contracts for annual contributions under the United States Housing Act of 1937. The purposes of this bill are:

First. To provide an additional $850 million in public housing contract authority for fiscal year 1977 and an additional $1.35 billion in such authority for fiscal year 1978 and beyond;

Second. To assure that at least $250 million in public housing contract authority will be made available to finance the construction of new public housing units;

Third. To make available at least $60 million for modernization of existing public housing units; and

Fourth. To make available at least $600 million per year in operating subsidies for conventional public housing.

When the conference report on the 1974 Housing Act was considered in the Senate, I made the following observations:

> The bill, which we are considering today, institutes a new program to provide assistance to low-income families who lease housing in private accommodations. I have worked with the Housing Subcommittee and in the Conference Committee to assure that the leasing program, which the Administration supports, can be used by State housing finance agencies to provide a significant amount of new housing or for low- and moderate-income families.
>
> The conference report also reflects my view and that of the other conferees that the leasing program should not be regarded as a replacement for the traditional public and subsidized housing programs. The lead-time on any new housing program is bound to be many months, and there is an urgent need for more housing production now. We expect the Secretary to move ahead to provide more housing under our existing programs.

The fact is that the section 8 leasing program has not gotten underway at anywhere near the level that the administration promised. While we all realized that the lead-time for this new program would be long, no one anticipated that it would take this long. Nevertheless, the administration has continued its moratorium on the construction of new public housing, contrary to the intent of Congress. Last year I introduced S. 947, a bill to amend the U.S. Housing Act of 1937, to provide for an additional $300 million in public housing contract authority to be channeled through local housing authorities, $150 million of which was to be used to finance the construction of new conventional public housing. This bill was considered in hearings before the Banking Committee but was never enacted. However, the Appropriations Committee did, at my urging set aside $50 million in contract authority to finance the purchase of conventional public housing.

I am sorry to report that the administration has not seen fit to use these funds to finance new public housing construction, but instead has proposed that they be used by local housing authorities to purchase FHA-insured properties which are in serious financial condition or have become part of HUD's portfolio of acquired properties due to foreclosure. This was not the intent of Congress when it appropriated $50 million to finance the purchase of conventional public housing; we expected new construction to be carried on with these funds.

The bill introduced today would assure that at least $250 million in new public housing contract authority will be used to finance the construction of new public housing.

The bill would also provide $60 million for the modernization of existing public housing units. Many of our public housing projects were constructed more than 20 years ago and, while soundly built, are reflecting the natural wear and tear of buildings which have been lived in for that period of time. To replace these buildings would be extremely expensive and, in fact, unnecessary since a modest investment in modernization can restore these structures to good condition. What this bill calls for is a sensible, businesslike investment to preserve basically sound housing stock.

Inflation and the energy crisis have taken a severe toll on local housing authorities who have a limited source from which to raise revenues. Many of these occupants in public housing are on fixed incomes—about one-half of them are elderly—and are unable to pay increased rents. The only way to provide sufficient funds to maintain the public housing units in which these people live is to provide operating subsidies at the Federal level. Over the last few years the Congress has authorized expenditures of up to $560 million per year for public housing operating subsidies. However, additional funding is needed if the needs of our larger, older housing authorities are to be met. Therefore, in the legislation which I introduced today, I am proposing that the level of operating subsidies for local housing agencies be increased to $600 million per year.

Mr. President, the Housing Subcommittee of the Senate Banking, Housing and Urban Affairs Committee will hold hearings on this legislation on March 24 and 25, Wednesday and Thursday of this week. As the banking minority member of that subcommittee, I intend to do all I can to assure the committee will act quickly to provide these much needed funds to finance housing for low-income families. We cannot afford further delays in meeting this great need.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 3188

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the first sentence of section 5(c) of the United States Housing Act of 1937 is amended by striking out "and by $965,000,000 on July 1, 1974" and inserting in lieu thereof "by $965,000,000 on July 1, 1974, by $212,300,000 on July 1, 1975, by $850,000,000 on October 1, 1976, and by $1,350,000,000 on October 1, 1977, except that any additional contract authority authorized on or after July 1, 1975, shall be available only to the extent or in the amounts provided for in appropriation Acts".

SEC. 2. Section 5(c) of the United States Housing Act of 1957 is amended by striking out the second and third sentences thereof and inserting in lieu thereof the following: "Of the aggregate amount of contracts for annual contributions authorized on or after October 1, 1976, the Secretary shall enter into contracts for annual contributions aggregating at least $250,000,000 per annum to assist in financing the construction of low-income housing, other than housing constructed pursuant to section 8 of this Act, to be owned by public housing agencies. As used in the preceding sentence, the term 'construction' does not include substantial rehabilitation."

SEC. 3. Section 5 (c) of the United States Housing Act of 1937 is amended by adding at the end thereof the following: ""Of the aggregate amount of contracts for annual contributions authorized on or after October 1, 1976, the Secretary shall enter into contracts for annual contributions with respect to the modernization of low-income housing projects in amounts aggregating not less than $60,000,000 per annum."

SEC. 4. Section 9(c) of the United States Housing Act of 1937 is amended—

(1) by striking out "is authorized to" and inserting in lieu thereof "shall"; and

(2) by striking out "not more than 500,000,000 per annum, which amount shall be increased by $60,000,000 on July 1, 1975" and inserting in lieu thereof "not less than $600,000,000 per annum".

By Mr. BEALL:

S. 3189. A bill to amend the Domestic Volunteer Service Act of 1973, to authorize appropriations for programs authorized thereby, and for other purposes. Referred to the Committee on Labor and Public Welfare.

Mr. BEALL. Mr. President, as the ranking minority member on the Labor and Public Welfare Committee's Subcommittee on Human Resources, I am sending to the desk the administration's proposal which would extend the authorization for the domestic volunteer programs which are administered by the ACTION Agency.

Dr. Michael P. Balzano, the Director of the ACTION Agency outlined the objectives of this proposal in his February 5, 1976 letter to the Vice President transmitting this legislation to Congress. I ask unanimous consent that the text of Director Balzano's letter, the section-by-section analysis, and the text of S. 3189 be printed in the RECORD.

ACTION,
Washington, D.C., February 5, 1976.

Hon. NELSON A. ROCKEFELLER,
President of the Senate,
Washington, D.C.

DEAR MR. PRESIDENT: Enclosed for your consideration is draft legislation the principal purpose of which is to enable ACTION to continue its domestic volunteer programs during the fiscal year transition quarter from July 1, 1976 to September 30, 1976 and during fiscal years 1977 and 1978.

The legislation will authorize $6,457,000 for the transition quarter, $20,000,000 for fiscal year 1977 and $20,000,000 for fiscal year 1978 for programs under Title I of the Domestic Volunteer Service Act of 1973 (P.L. 93-113; 42 U.S.C. § 4951 et seq.)

It will also authorize such sums as may be necessary for programs under Title III of the Act for the transition quarter and fiscal year 1977 and for the administrative expenses of ACTION for the transition quarter and fiscal years 1977 and 1978.

The bill proposes enactment of a new Part D in Title I of the Act which would *continue* the authority of ACTION to conduct Business Volunteer programs, recognizing that the SCORE and ACE programs currently authorized in Title III have been transferred to the Small Business Administration by Executive Order 11871. We understand that the Small Administration will shortly propose amendments to the Small Business Act similar to the SCORE/ACE authorities of Title III, which will also provide for the repeal of Title III and section 53, which authorizes appropriations for that Title. In anticipation of enactment of those amendments, the proposed new Part D in Title I would provide authority in the Domestic Volunteer Service Act for those Business Volunteer programs remaining in ACTION after the transfer of the SCORE/ACE authority.

The legislation will also eliminate the present earmarking of funds for specific program, and to permit sponsors to share in Anti-Poverty Programs. The elimination of these restrictions will permit ACTION to exercise greater discretion in the allocation of funds among the various programs.

The legislation also broadens the agency's grant and contract authority to include the VISTA program, and authorizes the use of cost-sharing for VISTA. This change is designed to permit the use of cost-effective grants and contracts procedure developed under Part C of Title I in the VISTA program, and to permit sponsors to share in the direct support of VISTA volunteers in appropriate circumstances.

The bill would eliminate section 405 of the Act, which established the National Volunteer Service Advisory Council. Under the Federal Advisory Committee Act, authority for operation of the Council has expired. We believe that the best interests of the agency would be served by eliminating this section from the statute. If, in the future, the agency wishes to establish a new advisory committee, it could do so by following the procedures specified in the Federal Advisory Committee Act.

Finally, it eliminates the section of the Act which limits ACTION's authority to operate domestic programs to a period ending with fiscal year 1977. Since this authority is limited to activities for which there is an authorization of appropriations, it adds nothing to the authorities the agency would have if it were eliminated, and likewise adds nothing to the restrictions placed on the agency by the sections authorizing appropriations.

We have not included an authorization for appropriations under Title II of the Act (Older Americans Volunteer Programs) because authorizing legislation for these programs was included in the Older Americans Amendments of 1975.

The Office of Management and Budget has advised that enactment of this legislation would be in accord with the program of the President.

Sincerely,

MICHAEL P. BALZANO.

DOMESTIC VOLUNTEER SERVICE ACT OF 1973

SECTION-BY-SECTION ANALYSIS

Section 1 amends Section 501 of the Domestic Volunteer Service Act of 1973 (P.L. 93-113; 42 U.S.C. § 4951 et seq.), hereinafter the "Act," to authorize appropriations of $33,282,000 for fiscal year 1976, $6,457,000 for the transition quarter beginning July 1, 1976, and ending September 30, 1976, $20,000,000 for fiscal year 1977, and $20,000,000 for fiscal year 1978 for programs under Title I of the Act. The amount for fiscal year 1976 is that contained in the Departments of Labor, and Health, Education, and Welfare, and Related Agencies Appropriation Act, 1976 (P.L. 94-206). For the transition quarter and fiscal year 1977, the amounts are those in the President's 1977 Budget.

Title I authorizes VISTA, Service Learning Programs, and Special Volunteer Programs. The amended section eliminates those parts of Section 501 which require the expenditure of specified amounts on programs under Parts A (VISTA) and B (Service Learning Programs). ACTION believes that the best interests of the programs will be served by permitting the agency greater discretion in the allocation of funds among the various authorized programs.

Section 2 amends Section 503 of the Act to authorize the appropriation of such sums as may be necessary to carry out Title III of the Act, relating to Business Volunteer Programs for the transition quarter, and for fiscal year 1977. Extension of this authority for one year will permit the Small Business Administration to continue operation of the SCORE and ACE Programs, which were transferred to it by Executive Order 11871, under the authority provided by Title III. We understand that the SBA will shortly propose legislation to the Congress amending the Small Business Act to provide authorities in that statute similar to the SCORE/ACE authority of Title III. The SBA proposal will also provide for the repeal of Title III and Section 503 of the Domestic Volunteer Service Act effective in fiscal year 1978.

Section 3 amends Section 504 of the Act to extend the present authorization of such sums as may be necessary for administrative expenses under the Act to the transition quarter and fiscal years 1977 and 1978.

Section 4 amends Section 114(a) of the Act to delete the statutory language which limits the expenditures for programs thereunder to ten percent of the funds available for service-learning programs. Section 114(a) authorizes programs and projects (including the National Student Volunteer Program) which encourage and enable students in secondary, secondary vocational, and post-secondary schools to participate in service-learning programs on an in-school or out-of-school basis. Removal of the ten percent limitation is consistent with the FY 1977 budget, which anticipates the use of more than ten percent of service-learning funds for these programs.

Section 5 provides a new Part D under Title I of the Act. The new part contains the authority for operation of Business Volunteer Programs by ACTION, other than the authority to operate the SCORE and ACE Programs, presently contained in Title III. The SCORE and ACE Programs were transferred to the Small Business Administration by Executive Order 11871, and the Small Business Administration will shortly propose legislation to move the authority for these programs to its own statute. Anticipating enactment of that proposal, the new Part D will continue the authority of ACTION to conduct, and to make grants and contracts for Business Volunteer Programs which serve human, social, and environmental needs in areas other than those for which the SBA is responsible.

Volunteers, who will serve on a part-time or short-term basis, may be reimbursed for necessary out-of-pocket expenses incident to their provision of services, including attendance at necessary training activities, and, while they are away from their homes or regular places of business, may be reimbursed for travel expenses, including *per diem* in lieu of subsistence at not more than standard government rates as authorized by section 5703 of Title 5, United States Code, for persons serving without pay. Volunteers under this part will not receive compensation.

The assignment, referral and support of volunteers will be on such terms and conditions as the Director of ACTION may determine. Volunteers will not, however, be deemed to be employees of the Federal Government for any purpose.

Section 6 deletes the prohibition against the use of grants or contracts to conduct VISTA projects, and the prohibition against cost-sharing in VISTA projects, from Section 402(12) of the Act. ACTION's experience indicates that the use of grants and contracts is both effective and economical, as demonstrated by the Program for Local Service. We also believe it is in the best interests of the VISTA Program to extend to that program the authority presently available in other ACTION programs to enter into cost-sharing agreements with sponsoring organizations. Use of cost-sharing techniques in appropriate circumstances would permit ACTION to increase the number of VISTA Volunteers beyond the number which the Agency is capable of supporting entirely from appropriated funds.

Section 7 of the bill deletes Sections 405 and 413 of the Act. Section 405 establishes the National Voluntary Service Advisory Council, but does not specify the duration of the Council. Under the Federal Advisory Committee Act, the period of the Council's existence has expired. If, at a later date, it becomes desirable to form a new advisory council, ACTION has authority to do so administratively, utilizing the provisions of the Federal Advisory Committee Act (P.L. 92-463).

Section 413 limits the Director's authority to carry out programs under the Act to fiscal years 1974, 1975, 1976, and 1977. This provision is similar to Section 615 of the Economic Opportunity Act of 1964, from which it is derived. In view of the fact that the section also provides that only such sums may be appropriated for any fiscal year as may be authorized by law, the inclusion of an additional year of operating authority does not provide any additional operating authority to the Agency beyond that provided by authorizations of appropriations. Deletion of the section would not make any change in the Agency's operational authority, and would eliminate the necessity for periodically extending this authority as well as the authorization of appropriations.

There being no objection, the bill and material were ordered to be printed in the RECORD, as follows:

S. 3189

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 501 of the Domestic Volunteer Service Act of 1973 (42 U.S.C. § 5081) is amended to read as follows:

"There are authorized to be appropriated $33,282,000 for the fiscal year ending June 30, 1976, $6,457,000 for the period beginning July 1, 1976, and ending September 30, 1976, $20,000,000 for the fiscal year ending September 30, 1977, and $20,000,000 for the fiscal year ending September 30, 1978, for the purpose of carrying out Title I of this Act."

SEC. 2. Section 503 of the Domestic Volunteer Service Act of 1973 (42 U.S.C. § 5083) is amended by striking out "and" immediately after "1975," and adding, immediately before "respectively," the phrase "for the period beginning July 1, 1976, and ending September 30, 1976, and for the fiscal year ending September 30, 1977,".

SEC. 3. Section 504 of the Domestic Volunteer Service Act of 1973 (42 U.S.C. § 5084) is amended by striking out "and" immediately after "1975," and adding, immediately before "respectively," the phrase "for the period beginning July 1, 1976, and ending September 30, 1976, and for the fiscal years ending September 30, 1977, and September 30, 1978,".

SEC. 4. Section 114(a) of the Domestic Volunteer Service Act of 1973 (42 U.S.C. § 4974(a)) is amended to read as follows:

"The Director is authorized to conduct or make grants or contracts or otherwise support programs and projects which encourage and enable students in secondary, vocational, and postsecondary schools to participate in service-learning programs on an in- or out-of-school basis in assignments of a character and on such terms and conditions as described in subsections (a) and (c) of section 103."

SEC. 5. Title I of the Domestic Volunteer Service Act of 1973 is amended by adding thereto a new Part D, as follows:

"PART D—BUSINESS VOLUNTEER PROGRAMS

"STATEMENT OF PURPOSE

"SEC. 131. This part provides programs in which persons with business and related experience volunteer to utilize such skills in the solution of human, social, and environmental problems on a part-time or short-term basis.

"AUTHORITY TO ESTABLISH AND OPERATE PROGRAMS

"SEC. 132. (a) The Director is authorized to undertake and support volunteer service programs, and to recruit, select, and train volunteers to carry out the purposes of this part.

"(b) The Director is authorized to reimburse such volunteers only for such necessary out-of-pocket expenses incident to their provision of services under this Act (including training) as he shall determine, in accordance with regulations which he shall prescribe, and, while they are carrying out such activities away from their homes or regular places of business, for travel expenses (including per diem in lieu of subsistence) as authorized by Section 5703 of Title 5, United States Code, for individuals serving without pay.

"CONDITIONS OF SERVICE

"SEC. 133. (a) Assignment, referral and support of volunteers under this part shall be on such terms and conditions as the Director shall determine.

"(b) Persons serving as volunteers under this part shall not be deemed to be Federal employees for any purpose."

SEC. 6. Section 402(12) of the Domestic Volunteer Service Act of 1973 (42 U.S.C. § 5042(12)) is amended by striking out "(except for volunteers serving under Part A of Title I thereof)".

SEC. 7. The Domestic Volunteer Service Act of 1973 is amended by striking out Sections 405 and 413 (42 U.S.C. § 5045 and § 5053) thereof.

By Mr. BEALL:

S. 3190. A bill to amend and extend the Higher Education Act of 1965, and for other purposes. Referred to the Committee on Labor and Public Welfare.

HIGHER EDUCATION AMENDMENTS OF 1976

Mr. BEALL. Mr. President, as the ranking minority member of the Education Subcommittee, I introduce the administration's Higher Education Amendments of 1976.

Tomorrow, the full Labor and Public Welfare Committee will meet in executive session on S. 2657.

In introducing this bill today, I wish to make it clear that I am not endorsing it. In fact, there are provisions in the bill to which I strongly object.

For example, the supplemental education opportunity grants, SEOG, are vital to the private schools and important to public institutions in my State. Recently, I met with a number of representatives of such institutions and at that time I reiterated my support for the continuation of the SEOG program.

Also the administration bill proposes the repeal of a number of existing program authorizations. The committee will certainly be examining these recommendations carefully before reaching any final decision.

Mr. President, as I indicated with respect to S. 3166, the Financial Assistance for Elementary and Secondary Education Act, which I introduced on March 17, 1976, I regret the measure has been submitted so late and after the committee has concluded its hearings and commenced its executive deliberations. Under these circumstances, it is difficult to give even the meritorious provisions consideration.

Nevertheless, I introduce this measure so that its provisions may be before the committee during its executive sessions.

Mr. President, I ask unanimous consent that the letter of transmittal plus a summary and the text of the bill be printed in the Record.

There being no objection, the bill and material were ordered to be printed in the Record, as follows:

S. 3190

Be it enacted by the Senate and the House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Higher Education Amendments of 1976".

EXTENSION OF TITLE III OF THE HIGHER EDUCATION ACT

Sec. 2. (a) Section 301(b)(1) of the Higher Education Act of 1965 is amended by inserting "and $110,000,000 for the fiscal year ending June 30, 1976, and each of the succeeding fiscal years ending prior to October 1, 1979" before the period at the end thereof.

(b) The first sentence of section 302(a)(2) of the Act is amended by striking out ", except that such grants may not involve an expenditure of funds in excess of 1.4 per centum of the sums appropriated pursuant to this title for any fiscal year".

(c) The second sentence of section 302(a)(2) of the Act is amended by striking out "three years of".

(d) Section 303(a) of the Act is amended by striking out "nine members" and inserting "twelve members" in lieu thereof.

AMENDMENTS TO STATEMENT OF PURPOSE FOR STUDENT ASSISTANCE PROGRAMS

Sec. 3. Section 401 of the Higher Education Act of 1965 (hereinafter in this Act referred to as "the Act") is amended—

(1) by striking out paragraph (2) and (5), and redesignating paragraphs (3) and (4) as paragraphs (2) and (3), respectively; and

(2) in paragraph (2), as so redesignated, by striking out "such students" and inserting in lieu thereof "those students who, for lack of such aid, would be unable to obtain the benefits of a postsecondary education of their choice".

AMENDMENTS RELATING TO BASIC EDUCATIONAL OPPORTUNITY GRANTS

Sec. 4. (a) Section 411(a)(1) of the Act is amended—

(1) by striking out "1975" and inserting "1979" in lieu thereof, and

(2) by striking out "an institution of higher education" and inserting "an eligible institution of higher education" in lieu thereof.

(b) Section 411(a)(2)(A)(i) of the Act is amended by striking out "The" and by inserting in lieu thereof "Except as otherwise provided in this paragraph and in paragraph (3) of subsection (b), the".

(c) Section 411(a)(2)(A)(ii) of the Act is amended by striking out "February" and inserting "July" in lieu thereof.

(d) Section 411(a)(2)(B) of the Act is amended—

(1) by striking out division (i) and inserting in lieu thereof the following:

"(i) The amount of the basic grant which is payable to a student under this subpart for any academic year shall not exceed 50 per centum of the difference between the cost of attendance at the institution at which the student is in attendance for that year and the amount determined under paragraph (3) of this subsection to be the expected family contribution with respect to that student for that year.";

(2) by striking out division (ii) and redesignating divisions (iii) and (iv) as divisions (ii) and (iii);

(3) by striking out the second sentence of division (ii) (as so redesignated), and by inserting immediately before the period in the first sentence the following: "in the case of a full-time student, or, in the case of a student in attendance on less than a full-time basis, is less than an amount which bears the same ratio to $200 as the amount of time the student is in attendance bears to the amount of time for a full-time student"; and

(4) in division (iii) (as so redesignated) by striking out "actual" both places it appears and by adding at the end of the division the following new sentence: "In lieu of determining actual cost of attendance the Commissioner may prescribe by regulation an average cost of attendance with respect to particular costs for students attending a particular institution, if he determines that to do so will significantly assist in the administration of this subpart.".

(e) Section 411(a)(3)(A) of the Act is amended—

(1) in division (i) by (A) striking out "February" and inserting "July" in lieu thereof, (B) inserting "second" immediately before "succeeding academic year", (C) striking out "except as is otherwise provided in division (ii)," and (D) striking out "July 1 of that year" and inserting in lieu thereof "July 1 preceding that academic year"; and

(2) in division (ii) by (A) striking out in the first sentence "February 1 of that year" and inserting "July 1 of the year preceding the calendar year in which that academic year begins" in lieu thereof, and (B) striking out the second and third sentences of that division.

(f) Section 411(a)(3)(B)(ii)(I) of the Act is amended by inserting at the end thereof before the period: ", including, but not limited to, any benefits paid under the Social Security Act".

(g) Section 411(a)(3)(B)(iv) of the Act is amended by striking out "any amount paid under the Social Security Act to, or on account of, the student which would not be paid if he were not a student, and".

(h) Section 411(b)(3)(B) of the Act is amended to read as follows:

"(B) If, for any fiscal year, the funds available for making payments under this subpart are insufficient to make payments as prescribed in section 411(a)(2), the amount paid to each eligible applicant under this subpart shall be determined by using, for the purposes of section 413(a)(2)(A)(i), an amount, in lieu of $1400, which would result in the aggregate amount of payments under this part being equal to the amount of funds available for making those payments.".

(i) Section 411(b)(3)(C) of the Act is repealed.

(j) Subsection 411(b)(4) of the Act is repealed.

REPEAL OF SUPPLEMENTARY EDUCATIONAL OPPORTUNITY GRANTS PROGRAM

Sec. 5. Subpart 2 of part A of title IV of the Act is repealed.

STATE STUDENT INCENTIVE GRANTS

Sec. 6. (a) Section 415A(b)(1) of the Act is amended by striking out "who have not previously been awarded such grants".

(b) Section 415A(b)(1) is further amended by adding at the end thereof the following new sentence: "There are further authorized to be appropriated for that purpose $44,000,000 for the fiscal year ending June 30, 1976, and for each of the succeeding fiscal years ending prior to October 1, 1979.".

(c) Section 415A(b) of the Act is further amended by striking out paragraphs (2) and (4) and by redesignating paragraph (3) as paragraph (2).

(d) Section 415B of the Act is amended by striking out subsections (b) and (c).

(e) Section 415C(b) of the Act is amended by striking out "and" after paragraph (4), by striking out the period after paragraph (5) and inserting a semicolon in lieu thereof, and by inserting after paragraph (5) the following new paragraphs:

"(6) provides that, unless otherwise required by the Constitution of the State, no student shall be excluded from eligibility to receive such a grant solely by reason of the public or nonprofit private character of the institution of higher education attended; and

"(7) provides that such grants will not be made to any student who has not applied for a basic educational opportunity grant under subpart 1 of this part."

AMENDMENTS RELATING TO SPECIAL PROGRAMS FOR DISADVANTAGED STUDENTS

Sec. 7. (a) Section 417A(b) of the Act is amended by adding at the end thereof the following new sentence: "There are further authorized to be appropriated for that purpose $60,331,000 for the fiscal year ending June 30, 1976, and for each of the succeeding fiscal years ending prior to October 1, 1979.".

(b)(1) Section 417B(a) of the Act is amended by striking out "services" and inserting in lieu thereof "activities".

(2) Section 417B(b) of the Act is amended to read as follows:

"(b) Activities supported through grants and contracts under this subpart, including demonstration projects, shall be specifically designed to assist in enabling youths from low-income families with potential for benefiting from postsecondary education, but who lack adequate secondary school preparation, are physicaly handicapped, or, by reason of limited English-speaking ability, require bilingual educational services, to enter, continue, or resume a program of postsecondary education. Such activities may include—

"(1) projects to identify qualified youths who have not yet completed secondary school or who are not enrolled in a postsecondary educational program, in order to assist such youths—

"(A) in re-entering or completing secondary school or equivalent,

"(B) in preparing to enter postsecondary education, including preparatory programs designed to generate skills and motivation necessary for success in such education,

"(C) in deciding on a postsecondary educational program and gaining admission to such a program, and

"(D) in obtaining financial assistance in order to pursue such a program;

"(2) projects to assist qualified youths, who are enrolled or who are accepted for enrollment in a postsecondary educational program, to initiate, continue, or resume such a program through the provision of—

"(A) orientation services,

"(B) tutorial services, supplementary curricula, and other instructional assistance,

"(C) guidance, counseling, and testing services, and

"(D) assistance in obtaining necessary financial aid; and

"(3) projects to train personnel who are or will be providing any of the services described in paragraphs (1) and (2) of this subsection.".

(3) Section 417B(c) of the Act is amended to read as follows:

"(c) Students who are engaged in a program of full time instruction under paragraph (1) of subsection (b) may be paid stipends not in excess of $10 per week or $40 per calendar month.".

(4) Section 417B(d) of the Act is amended to read as follows:

"*(d)* Recipients of grants or contracts for activities which include services to students of limited English-speaking ability shall include in their curriculum a program of English language instruction for those students.".

REPEAL OF ASSISTANCE TO INSTITUTIONS OF HIGHER EDUCATION

SEC. 8. Subpart 5 of part A of title IV of the Act is repealed.

EXTENSION OF AND AMENDMENTS TO THE GUARANTEED STUDENT LOAN PROGRAM

Change in Title of the Program

SEC. 9. (a) Part B of title IV of the Act is amended by striking out the heading of such part and inserting in lieu thereof "PART B—GUARANTEED STUDENT LOAN PROGRAM".

Extension of the Program

(b) (1) The first sentence of section 424(a) of the Act is amended by inserting immediately after "1975" the following: "and for each of the four succeeding fiscal years ending prior to October 1, 1979.".

(2) The second sentence of section 424(a) of the Act is amended by striking out "June 30, 1979" and inserting "September 30, 1983" in lieu thereof.

(3) Section 428(a) (5) of the Act is amended—

(A) by striking out "June 30, 1975" and inserting in lieu thereof "September 30, 1979", and

(B) by striking out "June 30, 1979" and inserting in lieu thereof "September 30, 1983".

(4) Section 428(a) (6) of the Act is amended by inserting "prior to July 1, 1976" immediately before "from a student loan fund".

Increase in Aggregate Loan Limitation and Repayment Term

(c) (1) The second sentence of section 425(a) of the Act is amended by adding at the end thereof before the period: ", except that in cases where the Commissioner determines that a higher aggregate insured unpaid principal amount is warranted with respect to students engaged in specialized training requiring exceptionally high costs of education, he may by regulation prescribe a higher aggregate loan limitation, not to exceed $25,000.".

(2) Section 428(b) (1) (A) of the Act is amended by adding at the end thereof before the semicolon: ", except that the Commissioner may by regulation prescribe a higher aggregate insured unpaid principal amount, not to exceed $25,000, in those cases where he determines that a higher limit is warranted with respect to students engaged in specialized training requiring exceptionally high costs of education".

(3) (A) Section 427(a) (2) (B) of the Act is amended to read as follows:

"(B) provides for repayment (except as provided in subsection (c)) of the principal amount of the loan in installments over a period of not less than five years (unless sooner repaid or unless the student, during the 9- to 12-month period preceding the start of the repayment period, specifically requests that repayment be made over a shorter period) nor more than ten years beginning not earlier than nine months nor later than one year after the date on which the student ceases to carry at an eligible institution at least one-half the normal full-time academic workload as determined by the institution, except (i) as provided in clause (C) below, (ii) that the period of the loan may not exceed twenty years from the execution of the note or written agreement evidencing it, (iii) that the note or other written instrument may contain such provisions relating to repayment in the event of default in the payment of interest or in the payment of the cost of insurance premiums, or other default by the borrower, as may be authorized by regulations of the Commissioner in effect at the time the loan is made, (iv) that, pursuant to regulations of the Commissioner, the period of repayment may exceed ten years in the case of students for whom the aggregate loan amount outstanding at the commencement of the repayment period exceeds $10,000, (v) that the Commissioner may by regulation prescribe standards for repayment of loans in variable installments in cases where the loan is not to be repaid in equal installments, and (vi) that in the event a student has requested and obtained a repayment period of less than five years, he may at any time prior to the total repayment of the loan have the repayment period extended so that the total repayment period is not less than five years,".

(B) Section 427(a) (2) (C) of the Act is amended by striking out "fifteen-year period" and inserting in lieu thereof "twenty-year loan period".

(4) (A) Section 428(b) (1) (C) (ii) of the Act is amended by striking out "fifteen years" and inserting "twenty years" in lieu thereof.

(B) Section 428(b) (1) (D) of the Act is amended to read as follows:

"(D) subject to paragraphs (C) and (K) of this paragraph and except as provided by paragraph (L) of this paragraph, provides that repayment of loans shall be in installments over a period of not less than five years (unless the student, during the 9- to 12-month period preceding the start of the repayment period, specifically requests that repayment be made over a shorter period) nor more than ten years beginning not earlier than nine months nor later than one year after the student ceases to pursue a full-time course of study at an eligible institution, except that (i) if the program provides for the insurance of loans for part-time study at eligible institutions the program shall provide that such repayment period shall begin not earlier than nine months nor later than one year after the student ceases to carry at an eligible institution at least one-half the normal full-time academic workload as determined by the institution, (ii) if a student has requested and obtained a repayment period of less than five years, he may at any time prior to the total repayment of the loan have the repayment period extended so that the total repayment period is not less than five years, (iii) pursuant to regulations of the Commissioner, the period of repayment may exceed ten years in the case of students for whom the aggregate loan amount outstanding at the commencement of the repayment period exceeds $10,000, and (iv) the Commissioner may by regulation prescribe standards for repayment of loans in variable installments in cases where the loan is not to be repaid in equal installments;".

Determination of Need Outside the United States

(d) Section 428(a) of the Higher Education Act of 1965 is amended by adding at the end thereof the following new paragraph:

"(8) With respect to any loan for which a portion of the interest is payable under this section, in the case of a student attending an eligible institution which is located in other than a State, the determinations to be made (except determinations of good standing) and the statement to be provided by such institution under paragraph (2) (A) (i) and (2) (B) (ii) of this subsection shall be made and provided by (A) the Commissioner in the case of a loan described by paragraph (1) (A), (B) the State in the case of a loan described by paragraph (1) (B), or (C) the State or a nonprofit private institution or organizations, as the case may be, in the case of a loan described by paragraph (1) (C).".

Elimination of Need Tests for Loans in Excess of $2,000 for Students Otherwise Eligible for Interest Subsidy

(e) (1) Section 428(a) (2) (B) (i) of the Act is amended to read as follows:

"(i) is less than $15,000; or".

(2) Section 428(a) (2) (C) (iv) of the Act is amended by striking out "and the amount of loans in excess of $2,000 recommended by an eligible institution under subparagraph (B) (i) (II)".

Permitting the Compounding of Interest on Student Loans; Increasing the Maximum Interest Rate

(f) (1) Section 427(a) (2) (D) of the Higher Education Act of 1965 is amended by striking out "principal balance" and by inserting in lieu thereof "balance of the principal and accrued interest", and by striking out "not later than the date upon which repayment of the first installment of principal falls due, in which case interest that has so accrued during that period may be added on that date to the principal," and by inserting in lieu thereof "the beginning of the repayment period, in which case interest may be added to the principal of the loan at periodic intervals as it accrues,".

(2) Section 427(b) of the Act is amended to read as follows:

"(b) No maximum rate of interest prescribed and defined by the Secretary for the purposes of clause (2) (D) of subsection (a) may exceed 7 per centum per annum on the unpaid principal balance and accrued interest of any loan contracted for and paid to the student prior to 180 days after enactment of the Higher Education Amendments of 1976, or 8 per centum per annum on the unpaid principal balance and accrued interest of any loan paid to the student on or after that date.".

(3) Section 428(b) (1) (E) of the Act is amended to read as follows:

"(E) (i) authorizes interest at a rate not in excess of 7 per centum per annum on the unpaid principal balance and accrued interest of any loan contracted for and paid to the student prior to 180 days after the enactment of the Higher Education Amendments of 1976, or 8 per centum per annum on the unpaid principal balance and accrued interest of any loan paid to the student on or after that date (exclusive of any premium for insurance which may be passed on to the borrower), and

"(ii) authorizes such interest, if payable by the student, to be paid in installments over the period of the loan, except that, if provided in the note or other written agreement, any such interest may be deferred until the beginning of the repayment period, in which case such interest may be added to the principal of the loan at periodic intervals as it accrues;".

Permitting the Reinsurance of Accrued Interest Under State Agency Loan Programs

(g) Section 428(c)(1) of the Act is amended by striking out "(other than interest added to principal)" and inserting in lieu thereof "(including accrued interest added to principal prior to the beginning of the repayment period)".

Increase in Maximum Insurance Premium

(h) Section 429(c) of the Act is amended by striking out "one-fourth of".

Technical Amendment

(i)(1) Section 428(a)(2)(D) of the Act is amended by striking out the first sentence thereof.

(2) Section 428(a)(3) of the Act is amended by—

(A) striking out "(A)" at the beginning of the first subparagraph,

(B) striking out, in the second sentence, "and the administrative cost allowance payable under this subsection",

(C) striking out, in the third sentence, "and administrative cost allowance", and

(D) striking out subparagraph (B).

(3) Section 428(a)(4) of the Act is amended by striking out "or of administrative cost allowances".

Functions of the Regional Offices

(j) Section 432 of the Act is amended by adding at the end thereof the following new subsection:

"(c)(1) The functions of the Commissioner under this part listed in paragraph (2) of this subsection may be delegated to employees in the regional offices of the Office of Education established pursuant to section 403(c)(2) of the General Education Provisions Act.

"(2) The functions which may be delegated pursuant to this subsection are—

"(A) reviewing applications for loan insurance under section 429 and issuing contracts for Federal loan insurance, certificates of insurance, and certificates of comprehensive insurance coverage to eligible lenders which are financial or credit institutions subject to examination and supervision by an agency of the United States or of any State;

"(B) receiving claims for payments under section 430(a), examining those claims, and, pursuant to regulations of the Commissioner, approving claims for payment, or requiring lenders to take additional collection action as a condition for payment of claims; and

"(C) certifying to the central office when collection of defaulted loans has been completed, compromising or agreeing to the modification of any Federal claim against a borrower (pursuant to regulations of the Commissioner issued under section 432(a)), and recommending litigation with respect to any such claim.".

Increase in Special Allowance for Loans made Prior to July 1, 1976, and Extension of the Emergency Insured Student Loan Act of 1969

(k)(1) Section 2(a)(1) of the Emergency Insured Student Loan Act of 1969 is amended by striking out "(not including interest added to principal)" and inserting in lieu thereof "and accrued interest added to principal prior to the beginning of the repayment period".

(2) Section 2(a)(1) of such Act is further amended by striking out "3 per centum per annum" and inserting in lieu thereof "4 per centum per annum on any loan contracted for and paid to a student prior to 180 days after the enactment of the High Education Amendments of 1976, and 3 per centum per annum on any loan paid to a student on or after that date".

(3) Section 2(a)(7) of such Act is amended by striking out "July 1, 1975" and inserting in lieu thereof "October 1, 1979".

AMENDMENTS RELATING TO WORK-STUDY PROGRAMS

Authorization of Appropriations

SEC. 10. (a) Section 441(b) of the Act is amended by striking out "and" after "1974," and by inserting immediately before the period at the end thereof; "and $250,000,000 for the fiscal year ending June 30, 1976, and for each of the succeeding fiscal years ending prior to October 1, 1979.".

(b) Section 442(a) of the Act is amended to read as follows:

"SEC. 442. (a) The sums appropriated to carry out this part for a fiscal year shall be allotted among the States as provided in subsection (b).".

(c) Section 442(b)(3) of the Act is amended (1) by striking out "$3000" both places it appears and inserting "the poverty level" in lieu thereof, and (2) by adding at the end thereof the following new sentence: "For the purpose of this paragraph, the determination of the number of related children under eighteen years of age living in families with annual incomes below the poverty level shall be made on the basis of the most recent satisfactory data available from the Department of Commerce; and the poverty level shall be determined on the basis of the criteria of poverty used by the Bureau of the Census in compiling the poverty population in the 1970 decennial census, as adjusted anually to reflect changes in the Consumer Price Index thereafter.".

(d) Section 442 of the Act is further amended by striking out subsections (c), (e), and (f) and by redesignating subsection (d) as subsection (c).

(e) Section 442(c) of the Act, as so redesignated, is amended to read as follows:

"(c) If the amount allotted to a State for a fiscal year under subsection (b) of this section exceeds the amount determined by the Commissioner to be required for work-study programs at institutions of higher education in that State for that fiscal year, the Commissioner may reallot such excess amounts among the remaining States in such manner as he determines by regulation will best achieve the purpose of this subpart.".

(f)(1) Section 443(b) of the Act is amended by striking out "(as defined in section 435(b) of this Act)" and inserting in lieu thereof "(as defined in section 1201(a) of this Act)".

(2) Section 443(b) of the Act is further amended by striking out "(as defined in section 461(b) of this Act)", and inserting in lieu thereof "(as defined in section 491(b) of this Act)".

(3) Section 444(b)(1) of the Act is amended by inserting after "such a certificate" the following: "or is beyond the age of compulsory school attendance in the State in which the program is being offered and has the ability to benefit from the training offered by the program".

(g) Section 444(a)(6) of the Act is amended to read as follows:

"(6) provide that the Federal share of the compensation of students employed in the work-study program in accordance with the agreement will not exceed 80 per centum of such compensation in the fiscal year ending June 30, 1976, and in the period beginning July 1, 1976, and ending September 30, 1976; 70 per centum of such compensation in the fiscal year ending September 30, 1977; 60 per centum of such compensation in the fiscal year ending September 30, 1978; and 50 per centum of such compensation in the fiscal year ending September 30, 1979; except that the Federal share may exceed such amounts if the Commissioner determines, pursuant to regulations adopted and promulgated by him establishing objective criteria for such determinations, that a Federal share in excess of such amounts is required in furtherance of the purposes of this part;".

(h) Section 447 of the Act is repealed.

COOPERATIVE EDUCATION

SEC. 11. (a) Section 451(a) of the Act is amended by striking out "and" after "1970," and by inserting after "1975," the following: "and $8,000,000 for each of the succeeding fiscal years ending prior to October 1, 1979,".

(b) Section 451(a) of the Act is further amended by striking out "full-time" both places it appears in that sentence.

AMENDMENTS RELATING TO THE NATIONAL DIRECT STUDENT LOAN PROGRAM

SEC. 12. (a)(1) Section 461 of the Act is amended to read as follows:

"SEC. 461. Subject to section 466, funds granted to institutions of higher education under this part prior to July 1, 1976, shall be used to maintain the funds established pursuant to section 463 for the purpose of making loans to students in need thereof to pursue their courses of study in such institutions."

(2) Section 462 of the Act is repealed.

(b)(1) Section 463(a)(2) of the Act is amended by redesignating clause (E) as clause (F), by striking out "and" after clause (D), and by inserting after that clause the following new clause:

"(E) any proceeds from the sale of student loans made out of such fund, and".

(2) Section 463(a)(3) of the Act is amended by redesignating clauses (B), (C), and (D) as clauses (C), (D), and (E), and by inserting after clause (A) the following new clause:

"(B) loans to students, in accordance with the provisions of part B of this title,".

(3) Section 463(a)(4) of the Act is amended by inserting "except with respect to loans made pursuant to section 463(a)(3)(B)," immediately before "provide".

(4) Section 464(a)(2) of the Act is amended by striking out "The" and inserting in lieu thereof: "Except with respect to loans made pursuant to section 463(a)(3)(B), the".

(5) Section 464(b) of the Act is amended by striking out "A loan" and inserting in lieu thereof: "Except with respect to loans made pursuant to section 463(a)(3)(B), a loan".

(6) Section 464(c)(1) of the Act is amended by striking out "Any agreement" and inserting in lieu thereof: "Except with respect to loans made pursuant to section 463(a)(3)(B), any agreement".

(c) Section 464(b) of the Act is amended by striking out ", upon notice to the Commissioner,".

(d) Section 464(c)(1)(D) of the Act is amended by striking out "3 per centum" and inserting "8 per centum" in lieu thereof.

(e)(1) Section 464(c)(1) of the Act is further amended by striking out "and" following clause (F), by striking out the period at the end of clause (G) and inserting in lieu thereof "; and", and inserting after that clause the following:

"(H) shall provide that the liability to repay any such loan shall be cancelled upon the death of the borrower, or if he becomes permanently and totally disabled as determined in accordance with regulations of the Commissioner.".

(2) The amendment made by this subsection shall be effective with respect to loans made under this subpart after June 30, 1972.

(f) Section 464 of the Act is amended by striking out subsection (e).

(g) Section 465(a)(1) of the Act is amended by inserting "and prior to 180 days after enactment of the Higher Education Amendments of 1976," after "June 30, 1972,".

(h) Section 466 of the Act is amended to read as follows:

"DISPOSITION OF STUDENT LOAN FUNDS

"SEC. 466. (a) After June 30, 1976, any student loan fund established under an agreement made pursuant to section 463 may continue to remain in existence, under the control of the institution of higher education at which such fund was established. In that event such fund shall be available only for the purposes set forth in section 463 (a)(3).

"(b) Upon a finding by the institution or the Commissioner—

"(1) that the liquid assets of a student loan fund established under this part exceed the amount required for loans or otherwise in the foreseeable future, or

"(2) that the student loan fund is no longer being used solely for the purposes set forth in section 463(a)(3),

Upon notice to the Commissioner or the institution, as the case may be, there shall be, subject to such limitations as may be included in regulations of the Commissioner, a capital distribution from such fund as provided in subsection (c) of this section.

"(c) Any capital distribution made under this section shall be as follows:

"(1) The Commissioner shall first be paid an amount which bears the same ratio to the total to be distributed as the Federal capital contributions by the Commissioner to the student loan fund prior to such distribution bear to the sum of such Federal capital contributions and the capital contributions to the fund made by the institution.

"(2) The remainder of the capital distribution shall be paid to the institution.".

ELIGIBILITY OF INSTITUTIONS

SEC. 13. (a)(1) Subpart 1 of part F of title IV of the Act is amended by adding at the end thereof the following new section:

"ELIGIBILITY OF INSTITUTIONS

"SEC. 498A. (a) In order to be eligible to participate in any program assisted under this title, an institution of higher education, vocational school, or other institution, in addition to meeting any other requirements applicable to such program, must—

"(1) permit the Secretary or Commissioner (or duly authorized representative thereof) to have such access to the financial, attendance, admission, and other records maintained by the institution or school as may be necessary (A) to perform a fiscal audit with regard to any funds obtained from a student who has received a grant, loan, or other benefit provided or insured under this title or (B) to determine compliance by the institution or school with any statute, regulation, or other standard or requirement relating to participation in the program:

"(2) comply with such reasonable and appropriate standards of financial responsibility and institutional capability for the administration of the program or programs of student financial aid authorized under this title as the Commissioner may prescribe by regulation; and

"(3) comply with such regulations as the Commissioner may prescribe (after consultation with interested parties with respect to generally recognized standards, if any) concerning maintenance of student records appropriate to the type of institution or program and its stated purpose; public disclosure of reasonably available statistics supporting occupational or employment claims of the institution or program with respect to its graduates; fair practices in advertising, recruiting, and enrolling students that are appropriate to the type of institution or program and its stated purpose; and policies with regard to refunds of tuition and related fees which are fair and equitable to both the student and the institution.

"(b) Notwithstanding section 434(c) of the General Education Provisions Act, the Commissioner shall issue such regulations as he deems necessary and proper for the limitation or termination of participation in programs under this title, or eligibility or participate in programs under this title, of any institution of higher education, vocational school, or other institution otherwise eligible under section 1201(a) or section 491(b)(1) to participate in those programs whenever he determines, after affording notice and opportunity for a hearing on the record, that such institution or school has violated or failed to carry out any provision of this title or any regulation prescribed under this title. Regulations issued under this subsection may include provisions, as may be necessary to protect the financial interest of the United States or of persons intended to benefit from programs authorized by this title, for the suspension of participation or eligibility to participate under this title of any such institution or school whenever the Commissioner determines that such institution or school has violated or failed to carry out any provision of this title or any regulation prescribed under this title, except that no suspension may be imposed, other than in emergency situations, unless the institution or school has been given reasonable notice and opportunity to show cause why such action should not be taken. The period of suspension shall not exceed 60 days, unless the institution or program and the Commissioner agree to an extension or unless limitation or termination proceedings are initiated within that period of time.

"(c) The Commissioner shall publish a list of State agencies which he determines to be reliable authority as to the quality and probity of postsecondary vocational education or training in their respective States, for the purpose of determining eligibility for programs under this title.".

(b) Section 438 of the Act is repealed.

(c)(1) Section 491(b)(1) of the Act is amended by striking out "except subpart 5 of part A, except part B,".

(2) Section 1201(a) of the Act is amended by inserting immediately after the second sentence the following new sentences: "Such term also includes a public or nonprofit private educational institution in any State which, in lieu of the requirement in clause (1), admits as regular students persons who are beyond the age of compulsory school attendance in the State in which the institution is located and who have the ability to benefit from the training offered by the institution. If the Commissioner determines that a particular institution or program does not meet the requirements of clause (5) because there is no accrediting agency or association, or appropriate State agency under section 498A(c), recognized to accredit such institutions and programs, he may, pending the establishment and recognition by the Commissioner of such an accrediting agency, association, or State agency authorize the National Advisory Committee on Institutional Eligibility (established pursuant to section 1207) to advise the Commissioner regarding the standards which must be met in order to qualify institutions or programs in such category to participate in the programs authorized by this Act, and advise whether particular institutions or programs not meeting the requirements of clause (5) do meet those standards. A determination made pursuant to the preceding sentence shall not be effective for more than two years, unless the National Advisory Committee redetermines at the end of such period that the conditions leading to the original determination continue to exist.

(3) The last sentence of section 1201(a) of the Act is amended by striking out the phrase "as to the quality of training offered" and inserting the following: "as to the quality of education or training offered and the probity of the institutions or schools offering such training."

(4) The last sentence of section 435(c) of the Act is amended by striking out the phrase "as to the quality of training offered" and inserting the following: "as to the quality of education or training offered and the probity of the institution or schools offering such training."

(5) Subsections (b), (d), (e), and (f) of section 435 of the Act are repealed.

AUTHORITY FOR COORDINATION AMONG STUDENT ASSISTANCE PROGRAMS

SEC. 14. Subpart 1 of part F of title IV of the Act is further amended by inserting after section 498A the following new section:

"AUTHORITY FOR COORDINATION AMONG STUDENT ASSISTANCE PROGRAMS

"SEC. 498B. In order more efficiently to administer the programs authorized under this title, the Commissioner is authorized to prescribe by regulation such coordinated procedures as he determines to be appropriate to reduce or eliminate paperwork, to exchange necessary information with agencies, institutions, and other organizations participating in those programs, and otherwise to coordinate the administration of those programs. Such procedures may include the promulgation of a common application form for programs authorized under this part and the distribution to appropriate State agencies, institutions of higher education, and other organizations of information contained in such applications to the extent such distribution is necessary to carry out those programs. Any procedures adopted pursuant to this section shall be subject to the provisions of 5 U.S.C. 552a.

EXTENSION AND AMENDMENT OF GENERAL PROVISIONS RELATING TO EDUCATION PROFESSIONS DEVELOPMENT

SEC. 15. (a) Section 501(a) of the Act is amended by striking out "and" following clause (4), and by inserting the following before the period at the end of the subsection: "(6) providing in-service training to currently qualified or tenured teachers to meet new and emerging problems in education; and (7) providing additional skills to assist administrative personnel in carrying out their rapidly expanding responsibilities".

(b) Section 501(b) of the Act is amended by striking out everything after "June 30, 1975" and inserting in lieu thereof a period and "There are further authorized to be appropriated $37,500,000 for the purposes of part B for the fiscal year ending June 30, 1976, and each of the succeeding fiscal years ending prior to October 1, 1979.".

(c) Section 504 and parts C, D, E, and F of title V of the Act are repealed.

TEACHER CORPS AMENDMENTS

"SEC. 16. (a) Section 511 of the Act is amended by striking out "to improve programs of training and retraining for teachers and teacher aides" and by inserting in lieu thereof "to demonstrate improved programs of training and retraining for teachers, teacher aides, and other educational personnel in elementary and secondary schools".

(b) Paragraph (5) of such section is amended to read as follows:

"(5) supporting demonstration projects for retraining experience teachers, teacher aides, and other educational personnel serving in local educational agencies.".

(c) Section 513(a) of the Act is amended—

(1) in paragraph (1) by inserting "other educational personnel," after "teacher aides,";

(2) in paragraph (3) by inserting after "an experienced teacher" the first place it appears ", other educational personnel,"; and

(3) by striking out paragraph (7) and inserting in lieu thereof the following:

"(7) make available technical assistance to State and local educational agencies and institutions of higher education for carrying out arrangements entered into under this part;".

(d) Section 513(d) of the Act is amended by striking out "section 205(a)(2) of Public Law 874, Eighty-first Congress, as amended," and inserting in lieu thereof "section 141A of the Elementary and Secondary Education Act of 1965,".

(e) Section 513 of the Act is further amended by adding at the end thereof the following new subsection:

"(e) The Commissioner shall promulgate regulations setting forth criteria for the funding of demonstration projects under this part.".

(f) Part B of title V of the Act is amended by striking out the heading of such part and "Subpart 1—Teacher Corps" and inserting in lieu thereof: "Part B—TEACHER CORPS".

(g)(1) Part B of such title is further amended by striking out subpart 2.

(2) Such part is further amended by striking out "subpart" wherever it appears and inserting "part" in lieu thereof.

CONSTRUCTION OF ACADEMIC FACILITIES; ANNUAL INTEREST GRANTS

SEC. 17. (a) Title VII of the Act is amended by striking out parts A, B, and D.

(b) Part C of such title is amended by striking out sections 741 and 746.

(c)(1) Section 744(a) of the Act is amended by striking out everything after "as a revolving fund" and inserting in lieu thereof "for the purposes of meeting obligations with respect to loans and loan insurance commitments made or entered into under this part prior to July 1, 1975.".

(2) Section 744(b)(1) of the Act is amended by striking out the first sentence thereof.

(d) Section 745(a) of the Act is amended by striking out "to such institutions and agencies" and inserting "with respect to loans made to such institutions and agencies prior to July 1, 1975" in lieu thereof.

(e) Section 745(b) of the Act is amended by striking out "section 744 (b)(2)" and inserting in lieu thereof "section 742(b)".

GRADUATE PROGRAMS; COLLEGE TEACHER FELLOWSHIPS FOR RETURNING VETERANS

SEC. 18. (a) Section 922(b) of the Act is amended to read as follows:

"(b) During the fiscal year ending June 30, 1976, the Commissioner is authorized to award fellowships under this part to enable veterans to resume study under the college teacher fellowships by their service in the Armed Forces.".

(b)(1) Parts A, C, and F, and sections 961 through 964 of title IX of the Act are repealed.

(2) Part B of such title is repealed effective July 1, 1976.

(c) Section 966 of the Act is amended by striking out subsection (c).

NATIONAL ADVISORY COMMITTEE ON INSTITUTIONAL ELIGIBILITY

SEC. 19. Title XII of the Higher Education Act of 1966 is amended by adding at the end thereof the following new section:

"NATIONAL ADVISORY COMMITTEE ON INSTITUTIONAL ELIGIBILITY

"SEC. 1207. (a) There is established in the Office of Education a National Advisory Committee on Institutional Eligibility which shall be composed of 15 members appointed by the Secretary upon nomination by the Commissioner, from among individuals knowledgeable of education, and including persons who are (1) representative of institutions, (2) representative of students and youth, (3) representative of professional associations, (4) representative of State educational agencies, and (5) representative of the general public. The Chairman of the Committee shall be appointed by the Secretary.

"(b) The term of office of each member of the Committee shall be three years, except that—

"(1) the members first appointed to the Committee shall serve as designated by the Secretary, five for a term of one year, five for a term of two years, and five for a term of three years; and

"(2) any member appointed to fill a vacancy occurring prior to the expiration of the term for which his predecesor was appointed shall be appointed for the remainder of that term.

"(c) The Committee shall, with respect to all matters pertaining to institutional and program eligibility—

"(1) advise the Commissioner with regard to his responsibility for the recognition and designation of recognized accrediting agencies and associations;

"(2) advise the Commissioner with regard to the development of criteria and procedures for recognition and designation of recognized accrediting agencies and associations;

"(3) advise the Commissioner with regard to the formulation of policy relating to institutional or program eligibility;

"(4) advise the Commissioner with regard to his responsibility to designate State agencies as reliable authorities on the quality and probity of public postsecondary vocational education or training and of nurse education and training in their respective States;

"(5) develop and recommend to the Commissioner standards and criteria for specific categories of vocational training institutions and institutions of higher education for which there are no recognized accrediting agencies, associations, or State agencies, in order to establish the eligibility of such institutions on an interim basis for participation in Federally funded programs;

"(6) review existing legislation affecting the Commissioner's responsibility with regard to accreditation and institutional or program eligibility and suggest appropriate revisions, if any;

"(7) review, and advise the Commissioner with regard to, developments in the accreditation process in all levels of education;

"(8) advise the Commissioner with regard to his responsibilities in relation to the award of degree-granting status to Federal agencies and institutions; and

"(9) carry out such other advisory functions relating to accreditation and institutional or program eligibility as may be assigned by the Commissioner.

"(d) The Committee shall meet not less than twice each year at the call of the Chairman. The date of, and agenda for, each meeting of the Committee shall be submitted in advance to the Commissioner for his approval. A representative of the Commissioner shall be present at all meetings of the Committee.

"(e) The Committee shall, not later than November 30 of each year, make an annual report to the Congress, through the Commissioner, the Assistant Secretary for Education, and the Secretary. The annual report shall contain a list of the members of the Committee and their addresses, a list of the Committee's functions, a list of dates and places of each meeting during the preceding fiscal year, and a summary of the activities, findings, and recommendations made by the Committee during the preceding fiscal year.

"(f) Subject to section 448(b) of the General Education Provisions Act, the Committee shall continue to exist until September 30, 1979."

REPEALER

SEC. 20. Titles I, II, VI, VIII, X, and XI and section 1202 and 1203 of title XII of the Higher Education Act of 1965 are repealed.

INTERNATIONAL EDUCATION

SEC. 21. (a) Section 602 of the National Defense Education Act of 1958 is amended by striking out "or by contract" and inserting "or by grant or contract" in lieu thereof.

(b) Section 603 of that Act is amended by striking out "and" after "1973," and by inserting "and $8,640,000 for each fiscal year ending prior to October 1, 1979," after "1975,".

(c) The International Education Act of 1966 is repealed.

EXTENSION OF THE FUND FOR THE IMPROVEMENT OF POSTSECONDARY EDUCATION

SEC. 22. (a) Section 404(b) of the General Education Provisions Act is repealed.

(b) Section 404(e) of the General Education Provisions Act is amended by striking out "and" after "1974," and by inserting the following after "1975,": "and $17,500,000 for each of the fiscal years ending prior to October 1, 1979,".

PROGRAM PLANNING AND EVALUATION

SEC. 23. Section 416 of the General Education Provisions Act is amended to read as follows:

"SEC. 416. (a) From the amount appropriated for any fiscal year for carrying out the programs to which this title is applicable, not to exceed one-half of one per centum thereof or $25,000,000, whichever is less, shall be made available to the Secretary, in accordance with regulations prescribed by him, for carrying out planning and evaluation activities described in subsection (b). The amount the Secretary determines is necessary to carry out the purposes of this section for any fiscal year shall be drawn proportionately from the appropriations of all applicable programs for that fiscal year.

"(b) The amount made available pursuant to this section shall be inclusive of, and not in addition to, any amount authorized or set aside by law for evaluation of any applicable program. Such amount shall be used for—

"(1) evaluation of any applicable program including evaluations required or specifically authorized by law, such as those authorized under—

"(A) section 151 of the Elementary and Secondary Education Act of 1965,

"(B) section 553(a)(2) of the Headstart-Follow Through Act,

"(C) section 731 of the Education Amendments of 1974 (relating to evaluation of the National Reading Improvement Program),

"(D) section 713 of the Emergency School Aid Act, and

"(E) section 192 of the Vocational Education Act of 1963 (relating to evaluation of bilingual vocational training),

but excluding special nonrecurring studies mandated by law; and

"(2) planning for such programs for succeeding fiscal years and assessing the need for, and alternatives to, such programs.".

EFFECTIVE DATE

SEC. 24. Except as otherwise provided in this Act, the provisions of this Act shall become effective on the date of enactment of this Act.

DEPARTMENT OF HEALTH,
EDUCATION, AND WELFARE,
February 10, 1976.

HON. NELSON A. ROCKFELLER,
President of the Senate,
Washington, D.C.

DEAR MR. PRESIDENT: Enclosed for the consideration of the Congress is a draft bill 'To amend and extend the Higher Education Act of 1965, and for other purposes."

The basic purpose of the draft bill is to extend for four years those programs in the Higher Education Act of 1965 and related programs which have demonstrated their effectiveness in meeting the postsecondary education needs of the Nation.

The bill would extend those programs of student assistance which have been the bulwark of our strategy for the support of postsecondary education. The most important of those programs—basic grants and guaranteed student loans—would be continued with a number of amendments designed to improve administration of the programs and make their operation more equitable. The program of State student incentive grants would be continued, with certain modifications, in order to encourage States to adopt or broaden their student assistance programs. The most significant modification would require States to open their programs to students attending both public and nonprofit private institutions of higher education. We would not recommend continuation of the supplementary opportunity grants or capital contributions to the National Direct Student Loan program; however, we would authorize the use of those student loan funds already established under that program to make loans under the guaranteed student loan program.

Our proposed bill would also continue a number of other programs, other than those of general student assistance, which have proved to be effective in meeting specific needs. *Title III* of the Higher Education Act of 1965, designed to strengthen developing institutions, would be extended, as would be the Teacher Corps program under title V of that Act.

A new provision would be added to title IV of the Act to authorize the Commissioner to issue appropriate regulations providing for the limitation, suspension, or termination of the eligibility of institutions or schools which fail to comply with applicable statutory and regulatory requirements. This authority would be similar to that currently provided in the guaranteed student loan program, and we would expect to implement it in a manner similar to that set forth in the regulations for that program. We are also proposing a number of other amendments to the Act to simplify and clarify the requirements relating to accreditation and institutional eligibility.

The enclosed draft bill indicates our commitment to the principle that assistance to students is the most appropriate means for the Federal government to contribute to the goal of assuring that every student who has the ability and desire will have access to a postsecondary education. This bill not only would continue those programs which show promise of achieving that goal, but also would provide a number of amendments designed to improve our ability to administer those programs in the most effective manner. A description of each section of the bill is enclosed for your convenience.

We urge the prompt and favorable consideration of this proposal.

We are advised by the Office of Management and Budget that enactment of this proposal would be in accord with the program of the President.

Sincerely,

DAVID MATHEWS,
Secretary.

Enclosures.

SUMMARY OF THE HIGHER EDUCATION AMENDMENTS OF 1976

The Act would have the short title of the "Higher Education Amendments of 1976".

DEVELOPING INSTITUTIONS

Section 2 of the draft bill would extend the authorization for title III of HEA through fiscal year 1979. The limitation in section 302 (a) (2) of the Act that no more than 1.4 percent of the amount appropriated could be used for institutions located on or near Indian reservations would be eliminated, and the authority of the Commissioner to waive the five-year accreditation requirement would be fully extended to institutions serving substantial numbers of Spanish-speaking people. Also, the number of members of the Advisory Council on Developing Institutions would be increased from nine to twelve.

STATEMENT OF PURPOSE FOR STUDENT ASSISTANCE PROGRAMS

Section 3 contains a number of amendments to the Statement of Purpose for title IV of the Higher Education Act of 1965 which would reflect the fact that title IV is to be focused exclusively on student assistance with no provision for assistance to institutions.

AMENDMENTS TO THE BASIC GRANT PROGRAM

Section 4 contains a number of amendments to the Basic Educational Opportunity Grant program.

Subsection (a) would extend the program through fiscal year 1979 and would add a concept of "eligibility" with respect to the institutions that participate in the program. Institutional eligibility requirements for all programs will be addressed in a later section of the bill.

Subsection (b) provides an explicit reference to those provisions which limit the size of a student's grant—the half of need limitation, the $200 minimum, and the reduction provision—in order to clarify the operation of the basic grant formula.

Subsection (c) would change the date for promulgation by the Commissioner of the schedule of reductions for less than full-time students from February to the previous July. This change is consistent with other proposed changes which would provide for the earlier promulgation of a payment schedule for each year.

Subsection (d) (1) would substitute a one-half of need maximum for the present limitation of one-half of cost. This change would make the operation of the program more equitable as among students of differing family incomes and among students attending high-cost institutions and those attending low-cost institutions. This change would render nugatory section 411(a) (2) (B) (ii) of the Act, which limits the size of a grant to the total amount of need, and paragraph (2) would therefore eliminate that provision. Paragraph (3) would eliminate the authority for the Commissioner to waive the $200 minimum in the case of a student whose grant was limited by the half-of-cost, rule but would authorize payments below $200, determined on a pro-rata basis, in the case of students attending on a less than full-time basis. Paragraph 4 of subsection (d) would authorize the Commissioner to prescribe average costs of attendance with respect to particular costs for students attending a particular institution if he determines that to do so would simplify administration of the program.

Subsection (e) (1) would provide that the Commissioner must promulgate the schedule of expected family contributions by July 1 of the year preceding the calendar year in which the academic year to which the schedule relates begins. Paragraph (2) of subsection (e) would repeal the provision which authorizes a single House of Congress to disapprove such schedule.

Subsection (f) would add a provision making it clear that benefits under the Social Security Act should be considered in determining the expected family contribution.

Subsection (g) would eliminate the provision requiring payments received under the Social Security Act, which result from an individual's status as a student, to be treated as effective income of the student.

Subsection (h) would establish a new and greatly simplified procedure for making reductions in grant amounts in the event that appropriations are insufficient to make full payments. Instead of a three-tiered system with different rates of reduction for different sizes of grants, the proposed provision would require the Commissioner to calculate the amount of payments for all eligible students by using, as the minuend in the basic formula, in lieu of $1400, a figure which will result in the aggregate amount of all grants being equal to the amount appropriated.

Subsection (i) would repeal section 411(b) (3) (C) of the Act which imposes certain limitations on the amount of grants when, as a result of insufficient appropriations, the schedule of reductions is in effect. Since the bill would eliminate the schedule of reductions, this provision would be inappropriate.

Subsection (j) would repeal section 411 (b) (4) of the Act which prohibits payments under the Act for any fiscal year for which appropriations for the Supplementary Educational Opportunity Grants (SEOG) program, the College Work-Study program, and capital contributions for direct student loans do not equal or exceed certain levels. Under the draft bill, the authority for the SEOG program and capital contributions for the Direct Student Loan program would not be continued.

REPEAL OF SUPPLEMENTARY EDUCATIONAL OPPORTUNITY GRANTS PROGRAM

Section 5 of the draft bill would repeal the authority for Supplementary Educational Opportunity Grants in subpart 2 of part A of title IV. The most efficient and equitable means of providing support to students is through the Basic Grant program, which operates under a nationwide formula for determination of need.

GRANTS TO STATES FOR STATE STUDENT INCENTIVES

Section 6 would extend the authority for incentive grants to States to encourage State student grant programs. The program would be continued as at present at an annual level of $44,000,000, but the separate authority for additional appropriations for continuation grants would be eliminated. The single authorization would be intended to cover both initial and continuation grants. The minimum requirements for State grant programs would be modified to add requirements that (1) unless prohibited by the State Constitution, grants be made available to students attending both public and nonprofit private institutions in the State, and (2) grants not be made to any student who has not applied for a basic educational opportunity grant.

SPECIAL PROGRAMS FOR DISADVANTAGED STUDENTS

Section 7 of the bill would extend the authorization for special programs for students from disadvantaged backgrounds under subpart 4 of part A of title IV of the Act at an annual level of $60,331,000.

Subsection (b) of section 7 would consolidate into three distinct authorities the activities currently being supported under subpart 4. All of these authorities would provide special assistance to disadvantaged youths (including students of limited English-speaking ability) to enter, continue, or resume a program of postsecondary education. Innovative and demonstration projects would also be authorized.

The first authority would be directed toward students who have not yet completed, or who have dropped out of secondary school. Services under this authority would include those necessary to enable such youths to (A) re-enter or complete secondary school, (B) prepare to enter postsecondary education, (C) decide on a postsecondary program and gain admission thereto, and (D) obtain necessary financial assistance.

The second authority would provide assistance to qualified youths who have been accepted for enrollment or who are enrolled in a postsecondary program. Services under this authority would include (A) orientation, (B) tutoring and other instructional assistance, (C) guidance, counseling, testing, and (D) assistance in obtaining financial aid.

The third authority would authorize grants or contracts for the training or personnel who will be providing services under either of the above-discussed authorities.

REPEAL OF ASSISTANCE TO INSTITUTIONS OF HIGHER EDUCATION

Section 8 of the bill would repeal subpart 5 of part A of title IV of the Act which provides for entitlements to institutions based on the number of students receiving basic grants at the institution. Subpart 5 also authorizes veterans' cost-of-instruction payments to institutions of higher education. This repeal reflects the belief that Federal assistance for higher education can most effectively be provided through student assistance rather than assistance to institutions.

EXTENSION OF AND AMENDMENTS TO THE GUARANTEED STUDENT LOAN PROGRAM

Section 9 would provide amendments to, and extension of, the Guaranteed Student Loan program. Subsection (a) would revise the official title of the program to that which has been adopted through common usage. Subsection (b) would extend the authority for making new loans under the program through fiscal year 1979 and would eliminate the prohibition against making payments under this Act with respect to loans made under the National Direct Student Loan program after July 1, 1976.

Subsection (c) would—

(1) increase the maximum aggregate loan limitation to $25,000 for training requiring exceptionally high cost of education, and

(2) revise the repayment provisions for both the State and Federal insurance programs to (A) allow a student to repay his loan in less than five years,* (B) extend the maximum period during which a loan may be outstanding from 15 to 20 years, (C) authorize a repayment period in excess of ten years in the case of students whose aggregate loan amount exceeds $10,000, (D) authorize the Commissioner to prescribe standards for variable installment repayment arrangements.

Subsection (d) would provide that where a student eligible to receive an interest subsidy attends an institution located outside the United States the required determination of need will be made by the Commissioner, the State, or the nonprofit private guaranty agency (whichever is appropriate) rather than by the institution.

Subsection (e) would amend the interest subsidy provision to eliminate the need test for loans in excess of $2000 for students in families with an adjusted family income of less than $15,000. Under current law the annual maximum loan guaranty for all students is $2500, but interest subsidy may be paid, without additional demonstration to need, only on a loan of $2000 or less. This distinction frequently requires lenders to keep separate accounts on a single loan.

Subsection (f) would permit lenders in both the Federal and State programs to compound interest accrued during the in-school period. The maximum rate of interest on loans made after 180 days after the enactment of the Higher Education Amendments of 1976 would be increased from seven to eight percent.

Subsection (g) would extend the reinsurance agreement with respect to State agency programs to cover accrued interest as well as principal.

Subsection (h) would increase the maximum insurance premium that may be charged under the Federal program from one-fourth of one percent to one percent of the unpaid principal amount of the loan.

Subsection (i) is a technical amendment which eliminates from the statute any reference to the "administrative cost allowance". This provision authorized a special allowance to be paid in States which, prior to 1969, limited interest rates to below 7 percent. That authority is not necessary for loans now being made, and the reference to the "administrative cost allowance" in the statute is frequently confused with the special allowance which is paid under the Emergency Insured Student Loan Act of 1969.

Subsection (j) would authorize the decentralization to the regional offices of the Office of Education of certain functions of the Commissioner under the Guaranteed Student Loan program. The decentralized functions would include reviewing applications for loan insurance and issuing certificates of insurance, processing claims for insurance payments under the program, and carrying out certain collection activities.

Subsection (k) would extend the authorization for payment of the allowance under the Emergency Insured Student Loan Act of 1969 through fiscal year 1979. The maximum amount of that allowance would be raised from 3 to 4 percent in the case of loans made prior to 180 days after the enactment of the Higher Education Amendments of 1976. This increase would not apply to loans made after that date because the maximum base interest rate on such loans would be increased from 7 to 8 percent under this bill.

AMENDMENTS RELATING TO WORK-STUDY PROGRAMS

Section 10 of the bill would extend the College-Work Study program through fiscal year 1979 at an annual level of $250 million.

Subsection (b) would amend section 442 (a) of the Act to remove the separate set-aside for Puerto Rico, Guam, American Samoa, the Trust Territories of the Pacific Islands, and the Virgin Islands. Hereafter, those jurisdictions would be treated as States and would receive an allocation accordingly. This change would make the work-study program consistent with other student assistance programs.

Subsection (c) would revise the poverty level in the work-study allocation formula by substituting the Orshansky poverty criteria for the prsent level of $3,000.

Subsection (d) further amends section 442 of the Act to remove the 10 percent set-aside for the purpose of holding States harmless at fiscal year 1972 levels. This subsection also repeals those provisions which provide for separate allotments for the outlying areas.

Subsection (e) would revise the reallocation authority to make it clear that the Commissioner can reallocate excess funds at any time during the year when he determines that such excess exists. Current law requires him to wait until the end of the year and reallocate excess funds for use in the following year.

Subsection (f) contains a number of amendments which would conform the eligibility requirements for participation in work-study programs with changes that would be made by this bill to general eligibility requirements applicable to student assistance programs.

Subsection (g) would decrease the Federal share of compensation under work-study programs from eighty percent to seventy percent in fiscal year 1977, sixty percent in fiscal year 1978, and fifty percent in fiscal year 1979.

Subsection (h) would repeal section 447 of the Act which provides authority for additional financial support for students, particularly veterans of Indochina and Korea, for work-study in community service and educational development programs. This program has never been funded, and is not necessary, given the other benefits which are available to veterans.

AMENDMENTS RELATING TO COOPERATIVE EDUCATION

Section 11 of the bill would extend the Cooperative Education program under part D of title IV through fiscal year 1979 at an annual level of $8 million. The only substantive amendment to the program would be the elimination of the requirement that cooperative education consist of alternative periods of "full-time" academic study and employment. This modification will provide more flexibility for the program in providing assistance with respect to various types of cooperative education arrangements.

AMENDMENTS RELATING TO THE NATIONAL DIRECT STUDENT LOAN PROGRAM

Section 12 of the draft bill would make a number of amendments to the National Direct Student Loan program. The bill would not extend the authorization for appropriations for capital contributions to student loan funds but would authorize funds which have already been granted to institutions to continue to be used to make loans to students who need them. Also, as provided in subsection (b)(1) and (2), the bill *would* authorize the use of existing student loan funds to make loans to students under the Guaranteed Student Loan program in part B of title IV.

Such loans could be sold in a secondary market (such as the Student Loan Marketing Association), just as Guaranteed Student Loans are now, and the proceeds of that sale would be deposited in the institution's student loan fund. Interest payments, subsidies, and access to secondary market facilities under that program would provide resources to student loan funds which would serve to replenish those funds for the purpose of making additional loans to students.

Paragraphs 3 through 6 of subsection (b) would provide a number of amendments to section 464 of the Act to make it clear that when an institution exercises the option of loaning funds under the Guaranteed Student Loan program, the requirements set forth in part B of title IV for guaranteed student loans would control, rather than the required terms of such loans set forth in section 464.

Subsection (c) would eliminate the requirement that an institution notify the Commissioner on each occasion when a student fails to maintain good standing. There is no need for this requirement, and its imposition has been a substantial administrative burden to institutions

Subsection (d) would increase the interest rate for direct student loans from 3 to 8 percent. This increase would bring the NDSL subsidized rate to approximately the equivalent of the NDEA rate in 1958, is in line with prevailing interest rates, will result in increased revenues for student loan funds, and will make the program more consistent with the Guaranteed Student Loan program.

Subsection (e) would authorize the cancellation of direct student loans upon the death or permanent and total disability of the student. Through an apparent oversight, this provision was omitted from the Act when it was last amended. This amendment would be made retroactive to June 30, 1972, the effective date of that amendment.

Subsection (f) would repeal section 464(e) of the Act, which provides that for the purposes of the Direct Student Loan program veterans will, in all cases, be treated as independent students, regardless of actual family contributions to the student. This provision is unnecessary and inequitable, given the other benefits available to veterans.

Subsection (g) would terminate, as of 180 days following enactment of this Act, the cancellation provision with respect to National Direct Student Loans. The elimination of this authority would operate only prospectively; loans made prior to that date would still be subject to the cancellation provision.

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*This amendment is contained in section 3 of the Administration's bill, the Student Loan Amendments of 1975, H.R. 4376 and S. 1229.

Subsection (h) provides for the disposition of student loan funds established under this part after the termination of capital contributions. Such funds shall remain available to the institution for the sole purpose of making loans as provided in this part. If the amount of liquid assets in those funds is determined to exceed the amount needed to make such loans, or if the fund ceases to be used solely for the purpose of making such loans, there shall be a distribution of assets of the fund. The amount distributed shall be paid to the Commissioner and the institution in proportion to the amount of their respective contributions to the fund.

ELIGIBILITY OF INSTITUTIONS

Section 13 of the bill contains a number of amendments and new provisions relating to institutional eligibility.

Subsection (a) would add a new section on eligibility of institutions to the general provisions relating to student assistance programs. The new provision would require each institution or school participating in any student aid program under title IV to (1) permit the Secretary and Commissioner to have access to records maintained by the institution as necessary to audit the program and otherwise ensure compliance with applicable requirements, (2) comply with reasonable standards of financial responsibility and administrative capability as prescribed by regulations of the Commissioner, and (3) comply with regulations of the Commissioner designed to provide protection to students as consumers.

The new provision would authorize the Commissioner to issue appropriate regulations providing to the limitation, suspension, or termination of eligibility of institutions or schools failing to comply with applicable statutory and regulatory requirements. The procedures for the exercise of this authority would follow closely those now used under the existing authority to suspend, limit, or terminate in the Guaranteed Student Loan regulations. Any limitation or termination proceeding carried out under this authority would be subject to the requirements of the Administrative Procedure Act. The Commissioner would also be required to publish a list of State agencies which he determines to be reliable authority as to the quality and probity of public postsecondary vocational education or training in their respective States.

The above-described provisions would supersede the authority presently contained in section 438 of the Act, and would expand that authority to cover all student assistance programs in title IV. Therefore, subsection (b) of section 13 would repeal section 438.

Subsection (c) of section 13 would modify the definition of "institution of higher education", for the purposes of this Act, by including those institutions which admit individuals who are beyond compulsory school age in the State and who can benefit from the instruction offered (whereas present law requires that the institution admit only high school graduates or equivalent). The definition of that term would also be amended to authorize the National Advisory Committee on Institutional Eligibility to provide for the interim eligibility of schools for which there is no State or nationally recognized accrediting agency or association. With this amendment to the definition of "institution of higher education" in section 1201(a), there would no longer be a need for separate definition applicable to the Guaranteed Student Loan program, and the bill would therefore repeal that definition in section 435(b).

COORDINATION PROVISION

Section 14 would add a provision to title IV authorizing the Commissioner to prescribe procedures for the coordination of student assistance programs, including promulgation of a common application form and the exchange of information with participating agencies, institutions, and organizations as may be necessary to carry out those programs. This provision is designed to resolve the question of whether, under the Privacy Act, the Commissioner could carry out such coordinated activities. However, any information collection processes and systems of records established pursuant to this section would be required to be maintained in conformance with that Act.

EDUCATION PROFESSIONS DEVELOPMENT

Section 15 contains a number of amendments to the general provisions in title of HEA—Education Professions Development. Subsection (a) would add two additional items to the statement of purpose for title V: providing in-service training to enable currently qualified teachers to meet new and emerging problems and providing additional skills to assist administrative personnel in meeting their responsibilities. Subsection (b) would extend the authorization of appropriations for part B of title V—Teacher Crops—through fiscal year 1979. Subsection (c) would repeal section 504, which authorizes grants and contracts to attract qualified persons to the field of education, and parts C, D, E, and F of title V of the Act.

TEACHER CORPS

Section 16 contains a number of amendments to part B of title V which authorizes the Teacher Corps. Subsection (a) would amend the statement of purpose to indicate that Teacher Corps programs are to be designed to demonstrate improved programs for the training and retraining of teachers, teacher aides, and other educational personnel. Subsection (b) would add "other educational personnel" to the category of those persons who can participate in Teacher Corps demonstration projects. Subsection (c) would—

(1) add "other educational personnel" to those persons who may participate in the Teacher Corps Program;

(2) permit other educational personnel to be members of teaching teams; and

(3) permit technical assistance to be made available to State as well as to local education agencies. Subsection (d) conforms the reference to the private school provision in title I, ESEA, to the amendments made by P.L. 93-380. Subsection (e) would require the Commissioner to promulgate regulations setting forth criteria for the funding of demonstration Teacher Corps projects. Subsections (f) and (g) would eliminate subpart 2 of part B—Attracting and Qualifying Teachers to Meet Critical Teacher Shortages—thus making Teacher Corps the only program contained in part B.

CONSTRUCTION OF ACADEMIC FACILITIES

Section 17 would repeal all the authorities in title VII of HEA (Construction of Academic Facilities), except that (1) the authority for the higher education academic facilities loan and loan insurance fund would be continued in order to meet obligations with respect to prior loans and loan insurance commitments, and (2) the authority to make annual interest grants to those institutions which have received such grants prior to July 1, 1975, would be continued.

GRADUATE PROGRAMS

Section 18 would authorize the Commissioner to continue under title IX-B college teacher fellowships during fiscal year 1976 in the case of veterans who had their period of study under a previously awarded fellowship interrupted by service in the Armed Forces. It is expected that all such veterans will begin their final year of studies by 1976, thus making fiscal year 1976 the last year for which an appropriation will be necessary under this authority. The authority for assistance to disadvantaged individuals for training in the legal profession under section 966 would also be continued. The remainder of graduate programs under title IX would be repealed effective July 1, 1975, and part B would be repealed effective July 1, 1976.

NATIONAL ADVISORY COMMITTEE ON INSTITUTIONAL ELIGIBILITY

Section 19 of the bill would establish in the Office of Education a National Advisory Committee on Institutional Eligibility. The Committee would consist of 15 members appointed by the Secretary for staggered terms. The functions of the Committee would include (1) advising the Commissioner with regard to the recognition of accrediting agencies and associations, (2) advising the Commissioner on the development of criteria for such recognition, (3) advising the Commissioner with regard to formulation of policy on institutional eligibility, (4) advising the Commissioner with regard to State agencies designated as reliable authorities on the quality of certain types of postsecondary education in their States, (5) developing standards and criteria for institutions of higher education and vocational schools for which there are no recognized accrediting agencies, (6) making appropriate legislative recommendations, (7) advising the Commissioner with regard to developments in the accreditation process, (8) advising the Commissioner with regard to his responsibilities in relation to the award of degree-granting status to Federal agencies and institutions, and (9) carry out such other advisory functions relating to accreditation and institutional eligibility as the Commissioner may assign.

This provision would provide clear statutory authority for such an advisory committee, which would replace the Accreditation and Institutional Eligibility Advisory Committee which was established by the Secretary in 1974. Under section 442 of the General Education Provisions Act, that Committee can exist for only two years without statutory authority. The provision in this bill would provide the necessary authority to continue the Committee for the duration of the programs authorized by the bill.

REPEALER

Section 20 would repeal the following authorities in the Higher Education Act: title I—Community Service and Continuing Education Programs, title II—College Library Assistance and Library Training and Research, title VI—Financial Assistance for the Improvement of Undergraduate Instruction, title VIII—Networks for Knowledge, title X—Community Colleges and Occupational Education, title XI—Law School Clinical Experience Programs; and sections 1202 and 1203 of title XII—State Postsecondary Education Commissions.

INTERNATIONAL EDUCATION

Section 21 would extend the authority for language and area studies under title VI of the National Defense Education Act and would authorize both grants and contracts for research and studies under that title rather than only contracts. Since all of the activities we expect to carry out in the field of international education can be conducted under this authority, the International Education Act of 1966 would be repealed.

FUND FOR THE IMPROVEMENT OF POSTSECONDARY EDUCATION

Section 22 would extend the authorization for the Fund for the Improvement of Postsecondary Education through fiscal year 1979 under section 404 of the General Education

Provisions Act. Also the requirement in section 404(b) of that Act for all grants and contracts under this authority to be approved by the appropriate State Postsecondary Education Commission would be repealed since the authority for support of those commissions would be repealed under this bill.

PROGRAM PLANNING AND EVALUATION

Section 23 would amend the authority for the Secretary to carry out planning and evaluation activities with respect to education programs by—

(1) providing that no more than one-half of one percent of the funds appropriated for all Education Division programs or $25,000,000 (whichever is less) would be available for such activities (including those evaluation authorities already provided for by law), and

(2) broadening the authority to permit the evaluation of applicable programs as well as the assessment of the need for, and alternatives to, such programs.

The consolidated authority provided under this amendment would be preferable to the existing program-by-program authority, which provides no flexibility to meet new and unexpected planning and evaluation needs. The one-half of one percent ceiling reflects a prudent relationship between the size of current programs and the needs we now foresee in this area. Although we do not expect to reach this ceiling at the present time, it may be approached as we improve our capacity to evaluate these programs effectively. The authority we are requesting in this amendment parallels similar authority in the health field now provided in section 513 of the Public Health Service Act.

EFFECTIVE DATE

Section 25 would provide that the effective date of the amendments made by this bill would be the date of enactment, except as otherwise provided in the bill.

ADDITIONAL COSPONSORS OF BILLS AND RESOLUTIONS

S. 2909

At the request of Mr. Fannin, the Senator from Idaho (Mr. McClure) was added as a cosponsor of S. 2909, the Investment Incentives Act.

S. 2157

At the request of Mr. Javits, the Senator from Iowa (Mr. Clark) was added as a cosponsor of S. 2157, a bill to amend title XX of the Social Security Act to provide that no State shall be required to administer individual means tests for provisions of education, socialization, or associated services provided thereunder to groups of low income individuals aged 60 or older.

S. 2250

At the request of Mr. Stafford, the Senator from New York (Mr. Javits) was added as a cosponsor of S. 2250, the Family Research Act of 1975.

S. 2465

At the request of Mr. McClure, the Senator from Arizona (Mr. Fannin) was added as a cosponsor of S. 2465, a bill to accelerate the formation of investment capital required to expand both job opportunities and productivity in the private sector of the economy.

S. 2475

At the request of Mr. Curtis, the Senator from Idaho (Mr. McClure) was added as a cosponsor of S. 2475, a bill to amend the Internal Revenue Code of 1954 to modify the charitable distribution requirements imposed upon foundations.

S. 2903

At the request of Mr. Beall, the Senator from Oklahoma (Mr. Bartlett) was added as a cosponsor of S. 2903, a bill to permit the review of regulatory rules and regulations by the Congress.

S. 2910

At the request of Mr. Schweiker, the Senator from Indiana (Mr. Hartke) was added as a cosponsor of S. 2910, a bill to establish the National Diabetes Advisory Board and to insure the implementation of the long-range plan to combat diabetes.

S. 2932

At the request of Mr. Magnuson, the Senator from Idaho (Mr. Church), the Senator from Iowa (Mr. Clark), the Senator from Ohio (Mr. Glenn), the Senator from Indiana (Mr. Hartke), and the Senator from New York (Mr. Javits) were added as cosponsors of S. 2932, the Energy Conservation Act of 1976.

S. 2962

At the request of Mr. Hugh Scott, the Senator from Maine (Mr. Muskie) was added as a cosponsor of S. 2962, a bill to require the U.S. Postal Service to make certain considerations prior to the closing of third- and fourth-class post offices.

S. 2988

At the request of Mr. Stevens, the Senator from Wyoming (Mr. McGee) was added as a cosponsor of S. 2988, a bill to amend section 170 of the Internal Revenue Code of 1954 with respect to certain charitable contributions by members of the Civil Air Patrol.

S. 3098

At the request of Mr. Javits, the Senator from Maine (Mr. Hathaway) was added as a cosponsor of S. 3098, a bill to amend the Community Services Act of 1974.

S. 3130

At the request of Mr. Magnuson, the Senators from California (Mr. Cranston and Mr. Tunney) were added as cosponsors of S. 3130, a bill to amend the Marine Mammal Protection Act of 1972 in order to prohibit the taking of the killer whales, and for other purposes.

S. 3158

At the request of Mr. Cranston, the Senator from California (Mr. Tunney) was added as a cosponsor of S. 3158, a bill to amend section 312 of the Housing Act of 1964 and extend the rehabilitation loan program for 2 years.

SENATE JOINT RESOLUTION 179

At the request of Mr. Bartlett, the Senator from Minnesota (Mr. Humphrey) was added as a cosponsor of Senate Joint Resolution 179, a joint resolution to authorize the President to issue a proclamation designating July 2, 1976, a "National Bicentennial Day of Prayer of Thanksgiving and Guidance."

SENATE RESOLUTION 319

At the request of Mr. Curtis, the Senator from New Hampshire (Mr. Durkin) was added as a cosponsor of Senate Resolution 319, a resolution relating to the occupation of certain Baltic Nations by the Soviet Union.

SENATE RESOLUTION 401

At the request of Mr. Clark, the Senator from Rhode Island (Mr. Pell), the Senator from Massachusetts (Mr. Kennedy), and the Senator from Illinois (Mr. Stevenson) were added as cosponsors of Senate Resolution 401, a resolution expressing the advice and consent of the Senate to ratification of the Treaty of Friendship and Cooperation between the United States of America and Spain, and related instruments.

SENATE RESOLUTION 406

At the request of Mr. Cranston, the Senator from Michigan (Mr. Philip A. Hart), the Senator from Colorado (Mr. Gary Hart), and the Senator from New Hampshire (Mr. McIntyre) were added as cosponsors of Senate Resolution 406, a resolution relating to the importance of sound relations with the Soviet Union.

NATIONAL STANDARDS NO-FAULT VEHICLE INSURANCE ACT—S. 354

AMENDMENT NO. 1509

(Ordered to be printed and to lie on the table.)

Mr. FORD submitted an amendment intended to be proposed by him to the bill (S. 354) to regulate commerce by establishing a nationwide system to restore motor vehicle accident victims and by requiring no-fault motor vehicle insurance as a condition precedent to using a motor vehicle on public roadways.

ENERGY RESEARCH AND DEVELOPMENT AUTHORIZATIONS, 1977—S. 3105

AMENDMENT NO. 1510

(Ordered to be printed and referred to the Joint Committee on Atomic Energy and the Committee on Interior and Insular Affairs.)

Mr. CRANSTON (for himself, Mr. Case, Mr. Durkin, Mr. Hathaway, Mr. Javits, Mr. McIntyre, and Mr. Tunney) submitted an amendment intended to be proposed by them jointly to the bill (S. 3105) to authorize appropriations to the Energy Research and Development Administration in accordance with section 261 of the Atomic Energy Act of 1954, as amended, section 305 of the Energy Reorganization Act of 1974, and section 16 of the Federal Nonnuclear Energy Research and Development Act of 1974, and for other purposes.

Mr. CRANSTON. Mr. President, I am submitting today an amendment to S. 3105, the ERDA authorization bill for fiscal years 1977 and 1978.

I am delighted to be joined in sponsoring this amendment by Senators Case, Durkin, Hathaway, Javits, McIntyre, and Tunney.

This amendment would direct ERDA

to undertake a demonstration of methanol, a particularly promising synthetic fuel, in order to hasten the day when methanol is in widespread daily use. I wish to emphasize that this amendment does not provide for expanded methanol production capacity, through new coal-conversion plants for example, but it recognizes that additional production capacity will be necessary in the future if methanol proves to be as promising a new alternative fuel as I believe it will.

The amendment authorizes the Energy Research and Development Administration to undertake two separate demonstration projects to test the feasibility of introduciing methonal into widespread use. The aggregate cost of this demonstration of two promising end uses of methanol is $13 million over the 2 fiscal year period addressed in S. 3105.

The first demonstration would test over a 2-year period the performance and economic feasibility of using methanol and methanol-gasoline blends as a motor vehicle fuel. This demonstration could be conducted in several State, Federal, or locally owned fleets, provided that the demonstration is testing methanol in cars operated under a variety of climatic conditions. The actual number of projects demonstrating methanol, as well as the optimum number of motor vehicles involved in the demonstration, are decisions left to the discretion of the Administrator of ERDA, within certain guidelines spelled out in the amendment.

The second demonstration project provides for the testing over a 2-year period of the use of methanol as a peaking fuel in the combustion turbines used by electrical utilities to generate electricity during periods of peak demand. ERDA would be authorized to enter into cost-sharing arrangements with several electric utilities to use methanol in combustion turbines.

Mr. President, this amendment is patterned after a bill recently introduced in the House of Representatives by Congressman David Emery of Maine. The chief difference between his bill and my amendment is that I would have ERDA demonstrate a specific synthetic fuel—methanol—whereas Congressman Emery merely directs ERDA to choose an appropriate liquid synthetic fuel for the demonstration, provided it meets criteria specified in his legislation. Because I believe that methanol is the only liquid synthetic fuel readily available today at a reasonable cost that has been shown to have much promise in previous small-scale experiments and field tests, I am taking the additional step and directing ERDA to conduct a demonstration of methanol which will, hopefully, corroborate the previous positive indications of its potential.

Mr. President, we need a clean liquid fuel which can be substituted for our depleting supply of fossil-based fuels. Methanol is, in my opinion, as excellent candidate to fulfill this need. It burns cleanly. It is very versatile, both as to the source from which it can be produced and the ease with which it can be transported and used.

Current annual production of methanol amounts to around 1 billion gallons used primarily by the chemical industry to make formaldehyde, solvents, acrylics, and pesticides.

Today's supplies of methanol are produced from natural gas. Methanol's real promise, however, lies in its source versatility. It can be produced from coal—indeed, methanol is just about the only liquid fuel which can be produced from coal today at a cost that is relatively competitive in today's energy markets. In addition, methanol can be produced from agricultural and forests products waste, peat, feedlot manure, and municipal solid waste.

To produce methanol, all of these materials are first converted under high temperature into a so-called synthesis gas composed of carbon monoxide and hydrogen—the same medium-Btu gas that was long used in homes until it was displaced by cheaper natural gas. While some of the technologies for gasifying wood and trash are comparatively new, systems for turning coal into manufactured gas are available now. Once the synthesis gas is produced, it is a comparatively simple matter to pass it over a catalyst to form methanol, using new techniques developed over the past decade and used around the world.

Methanol is amazingly versatile. It travels well by pipeline, railway, barge or conventional tank truck and can be stored safely and easily near the point of use. It is a stable liquid at atmospheric temperature and pressure, unlike hydrogen—another much discussed future fuel—which requires thick-walled pressure tanks or expensive refrigeration. Methanol is also less explosive than gasoline, although it is slightly more toxic.

Methanol, a clear and relatively odorless liquid, is a member of the alcohol family. It is the same lethal "wood alcohol" that was once a byproduced of charcoal production. Most of the alcohols are too expensive for consideration as fuels, including ethanol, the basic ingredient of alcoholic beverages which is generally made through a costly fermentation process.

Methanol, or methyl alcohol, is the simplest molecule (CH_3OH) of the alcohol family, and is the cheapest to make.

Compared to 100 octane gasoline, menthanol has a somewhat lower boiling point and freezing point, is a little more dense, and contains about 50 percent of the heating value. It readily absorbs water and also mixes with water in any ratio without phase separation. In the absence of water it will dissolve in many hydrocarbons.

Methanol and ethanol have been used as a substitute for gasoline several times in this century, especially during periods of war when gasoline was in short supply. It has also been used successfully as a blend or supplement to gasoline in high performance engines. To date, there has been a considerable amount of fragmentary data published on the use of methanol and methanol blends as an automotive fuel. Much of this work, although limited experimentally, has been extremely encouraging. A series of definitive tests are now needed to verify the widespread applicability of this fuel through a demonstration in a lagre fleet of vehicles to supply statistically meaningful performance and operating data.

In addition, methanol is promising as a fuel for electrical generation. One of the main elements of modern electric power generating stations is the oil-fired combustion turbines used to meet peak-load demands. These units frequently have capacities as high as 25 percent of a public utility's total capacity, and while they may produce only 5 to 6 percent of the annual electric power output, they account for 14 to 15 percent of the cost of fuel consumed. For the most part utilities are using No. 2 distillate fuel oil in combustion turbines. However, a wide range of fuels, including gas and methanol are compatible with this equipment.

Total 1973 consumption of oil by these units in the United States approximated 280,000 barrels per day. Using methanol as an alternative fuel in these combustion turbines can signficantly stretch our available oil and gas supplies. In addition, methanol's clean burning characteristics make it an especially attractive fuel for this use, especially in areas suffering significant air pollution.

The second demonstration project authorized by this amendment is intended to develop the information and data base required to encourage the increasing use of methanol in such peakload combustion turbines.

Mr. President, I believe that this legislation offers the opportunity to take a small but critically important step down the road toward the development of national energy self-sufficiency. By demonstrating the feasibility of substituting a liquid synthetic fuel for two current applications of fossil fuels, it is hoped that we will encourage the development of a clean liquid fuel that can be produced from renewable resources.

Mr. President, I ask unanimous consent that the text of the amendment, entitled "The Methanol Research and Demonstration Act," be printed in the Record.

There being no objection, the amendment was ordered to be printed in the Record, as follows:

Amendment No. 1510

At the end of the bill, add the following new title:

TITLE V—ALTERNATIVE ENERGY SOURCES

Part A—Short Title; Purposes; Definitions

Sec. 501. (a) This title may be cited as the "Methanol Research and Demonstration Act of 1976".

(b) The Congress hereby finds and declares that—

(1) domestic petroleum reserves are finite and insufficient to meet current and foreseeable energy needs;

(2) continued and growing dependence on foreign sources of energy is detrimental to our national defense and national security;

(3) methanol can be produced from coal and from renewable energy resources and can be substituted for petroleum-based fuels in the automotive and electrical generation energy markets;

(4) it is in the interests of the nation to develop as rapidly as possible methods and techniques necessary for the optimum utilization of methanol as an alternative fuel; and

(5) it is desirable to demonstrate the

feasibility of using, methanol as a fuel in the automotive and peak electrical generation energy markets in order to encourage the production of methanol from such renewable resources as agricultural and forests products and their wastes, and municipal solid waste.

(c) The purpose of this title is to undertake the necessary research and to implement the demonstration of methanol, in lieu of or as a supplement to conventional petroleum-based fuels, in the operation of motor vehicles and in the generation of peak electrical power from combustion turbines by public utilities, and to provide Congress with information about the economic, scientific, technological and environmental feasibility of substituting methanol for or combining it with conventional petroleum-based fuels.

DEFINITIONS

SEC. 502. For the purposes of this title—

(1) the term "Administrator" means the Administrator of the Energy Research and Development Administration;

(2) the term "methanol" includes methanol in blends with higher alcohols as appropriate, in multi-phase form, and in emulsion form;

(3) the term "methanol-gasoline blend" means gasoline blended with not less than five percent methanol;

(4) the term "pure methanol" means a liquid fuel composed of at least ninety-five percent methanol;

(5) the term "public utilities" includes government-owned utilities; and

(6) the term "United States" includes the District of Columbia, the Commonwealth of Puerto Rico, and the territories and possessions of the United States.

PART B—MOTOR VEHICLE METHANOL RESEARCH AND DEMONSTRATION PROJECT

DEFINITIONS

SEC. 503. For the purposes of this part—

(a) the term "motor vehicle" means any gasoline-powered vehicle designed for use on United States highways, but does not include motorcycles, buses, or heavy-duty trucks; and

(b) the term "Project Administrator" means the chief executive official of the project agency or agencies selected pursuant to section 504(b) of this part.

SEC. 504. (a) Within three months of the date of enactment of this Act, any federal, state or local government agency which meets the criteria set forth in subsection (c) of this section may apply to the Administrator for selection as a project agency.

(b) No later than six months after the date of enactment of this Act, the Administrator shall select, based on the criteria set forth in subsection (c) of this section, one or more federal, state or local government agencies to carry out the research and demonstration project authorized by this part.

(c) The Administrator shall select one or more project agencies based upon the following criteria—

(1) the agency annually purchases or leases a large number of motor vehicles which are fueled and maintained at a common facility or facilities under the control of the Project Administrator; and

(2) the agency is capable of collecting research and other data resulting from the research and demonstration project and transmitting such data to the Administrator pursuant to section 505(a)(53 of this part.

(d) The Administrator shall assure that the research and demonstration project is carried out under varied climatic conditions.

ESTABLISHMENT OF A RESEARCH AND DEMONSTRATION PLAN

SEC. 505. (a) Upon selection of the project agencies as required by section 504 of this part, the Administrator, after consultation with the Project Administrator or Administrators, shall establish a research and demonstration plan (hereinafter referred to as the "plan") which shall include—

(1) the variety of motor vehicle models, types and sizes to participate in the demonstration which, to the extent feasible, shall represent a representative cross-section of motor vehicles;

(2) a description of the modifications which may be required to be made in conventional automobile engine design to utilize methanol, pure methanol and methanol-gasoline blends;

(3) the appropriate methods and techniques for mixing, storing and delivering methanol;

(4) the changes in motor vehicle maintenance or operation that may be necessary when utilizing pure methanol, methanol, and methanol-gasoline blends; and

(5) the research and other data, both base and comparative, particularly with regard to motor vehicle emissions and performance, to be collected by the Project Administrators and transmitted to the Administrator for evaluation pursuant to section 506 (d) of this part.

(b) The methanol procured for use in the research and demonstration projects authorized by this title shall be produced in the United States.

(c) Except as provided in subsection (b) of this section, the Administrator may from time to time after adoption of the plan, and after consultation with the Project Administrators, make changes in the plan in order to further the purposes of this Act.

(d) The Administrator, to the extent feasible, shall provide technical assistance to a project agency selected to undertake a research and demonstration project authorized by this part.

PURCHASE AND OPERATION OF MOTOR VEHICLES USING METHANOL AND METHANOL-GASOLINE BLENDS

SEC. 506. (a) In accordance with the plan, the Project Administrators shall require for a period not to exceed two years that an appropriate number of the motor vehicles purchased or leased during such period and expected to be fueled and maintained at facilities under his control shall be equipped to utilize methanol or methanol-gasoline blends.

(b) The Project Administrator shall provide the necessary fuel storage and pumping facilities and shall require that they be operated and maintained in accordance with the plan.

(c) The Project Administrator shall provide for the operation and maintenance of motor vehicles utilizing methanol and methanol-gasoline blends in accordance with the plan.

(d) The Project Administrator shall collect and transmit to the Administrator such research and other data as may be required by the plan.

REPORTS TO CONGRESS

SEC. 507. (a) The Administrator, no later than sixty days after the end of each fiscal year during the period concluding with the fiscal year ending September 30, 1978, shall prepare and submit to the Congress progress reports on the status of the research and demonstration project authorized by this part.

(b) No later than two years after the date of enactment of this Act, the Administrator, after consultation with the Administrator of the Federal Energy Administration, the Secretary of the Department of Transportation, and the Administrator of the Environmental Protection Agency, shall prepare and transmit to the Congress a final report on the results of the research and demonstration project authorized by this part and shall include in such report an analysis of—

(1) any environmental benefits or consequences, particularly with respect to air quality, resulting from the use of methanol and methanol-gasoline blends as a motor vehicle fuel;

(2) the impact of projected impact on imports of foreign oil and gas that may result from the widespread use of methanol and methanol-gasoline blends as a motor vehicle fuel;

(3) the technological and economic feasibility of the widespread use of methanol and methanol-gasoline blends as a motor vehicle fuel; and

(4) the desirability and necessity of further research, development, and demonstration projects and implementation programs to enhance the widespread use and public acceptance of methanol and methanol-gasoline blends as a motor vehicle fuel.

AUTHORIZATION OF APPROPRIATIONS

SEC. 508. There are hereby authorized to be appropriated for the two fiscal year period ending September 30, 1978, such sums, not to exceed, in the aggregate, $10,000,000, as may be necessary to carry out the provisions of this part.

PART C—ELECTRICAL GENERATION METHANOL RESEARCH AND DEMONSTRATION PROJECTS

SEC. 509. (a) During the period ending no later than six months after the date of enactment of this Act, the *Administrator shall* solicit applications from interested public utilities specifying plans for the support of research and demonstration projects utilizing methanol or a blend of methanol and the conventional fuel, as appropriate, for the use in combustion turbines for the generation of peak electrical power.

(b) For an application to be considered for selection by the Administrator it must include a program for the collection and transmittal to the Administrator of all research and other data resulting from the research and demonstration project.

(c) The Administrator shall utilize the following criteria in selecting the research and demonstration projects authorized by this part—

(1) the application plan projects levels of air quality which compare favorably to that resulting from the use of conventional fuels at the same facility for which methanol will be utilized;

(2) the application plan involves a facility in a different geographic region from that of other application plans selected by the Administrator pursuant to subsection (d) of this section; and

(3) the application plan meets such other criteria, as established by the Administrator, which will further the purpose of this part and the Federal Nonnuclear Energy Research and Development Act of 1974.

(d) No later than nine months after the date of enactment of this Act, the Administrator shall select and fund under this part those applications setting forth plans for research and demonstration on the utilization of methanol which meet the requirements and criteria set forth in subsections (b) and (c) of this section.

(e) The Administrator, to the extent feasible, shall provide technical assistance to an applicant selected to undertake a research and demonstration project.

(f) To further the purpose of this part, the Administrator, with the consent of the applicants selected, may from time to time as necessary, alter the research and demonstration project application plans, except with respect to subsection (g) of this section.

(g) The Administrator shall require that the methanol procured for use in this research and demonstration project shall be produced in the United States.

FUNDING OF RESEARCH AND DEMONSTRATION PROJECTS

SEC. 510. The Administrator shall pay to an applicant whose application plan has been selected pursuant to subsection (d) of this section, for the utilization of methanol in a combustion turbine for a period not to exceed three years—

(1) the difference, or a portion thereof, between the cost (on a Btu basis) of the methanol used and the cost of the conventional fuel for which the methanol has been substituted; and

(2) the cost, or a portion thereof, of any modifications which may be required to be made in the equipment to utilize methanol; provided however, that the total payment to an applicant shall not exceed $350,000 per fiscal year.

REPORTS TO CONGRESS

SEC. 511. (a) The Administrator, no later than sixty days after the end of each fiscal year during the fiscal year period ending September 30, 1978, shall prepare and transmit to the Congress progress reports on the research and demonstration projects provided for in this part.

(b) No later than three years after the date of enactment of this Act, the Administrator, after consultation with the Administrator of the Federal Energy Administration, the Administrator of the Environmental Protection Agency, and the Chairman of the Federal Power Commission, shall prepare and transmit to the Congress a final report on the research and demonstration projects provided for in this part and shall include an analysis of—

(1) the environmental benefits and consequences, particularly with respect to air quality, resulting from the substitution of methanol for the conventional fuels used previously for generating peak electricity in combustion turbines;

(2) the impact or projected impact on United States imports of foreign oil and gas resulting from the utilization of methanol to generate peak electricity in combustion turbines;

(3) the technological and economic feasibility of increased utilization of methanol as a fuel in electric power generation; and

(4) the desirability and necessity of further research, development and demonstration projects and implementation programs designed to expand the widespread utilization of methanol as a fuel in electric power generation.

AUTHORIZATION OF APPROPRIATIONS

SEC. 512. There are hereby authorized to be appropriated for the two fiscal year period ending on September 30, 1978, such sums, not to exceed, in the aggregate, $3,000,000, as may be necessary to carry out the provisions of this part.

NATIONAL FOOD STAMP REFORM ACT OF 1976—S. 3136

AMENDMENT NO. 1511

(Ordered to be printed and to lie on the table.)

Mr. ALLEN submitted an amendment intended to be proposed by him to the bill (S. 3136) to reform the Food Stamp Act of 1964 by improving the provisions relating to eligibility, simplifying administration, and tightening accountability, and for other purposes.

CONSIDERATION OF AMENDMENTS SUBMITTED TO THE PRESIDING OFFICER PRIOR TO A CLOTURE VOTE—SENATE RESOLUTION 268

AMENDMENT NO. 1512

(Ordered to be printed and to lie on the table.)

Mr. KENNEDY submitted an amendment intended to be proposed by him to the resolution (S. Res. 268) to amend rule XXII of the Standing Rules of the Senate to provide for the consideration of amendments submitted to the Presiding Officer prior to a cloture vote.

TAX REFORM ACT OF 1975—H.R. 10612

AMENDMENT NO. 1513

(Ordered to be printed and referred to the Committee on Finance.)

Mr. MOSS submitted an amendment intended to be proposed by him to the bill (H.R. 10612) to reform the tax laws of the United States.

THE IMPORTANCE OF SOUND RELATIONS WITH THE SOVIET UNION—SENATE RESOLUTION 406

AMENDMENT NO. 1514

(Ordered to be printed and referred to the Committee on Foreign Relations.)

Mr. ALLEN submitted an amendment intended to be proposed by him to the resolution (S. Res. 406) relating to the importance of sound relations with the Soviet Union.

FEDERAL ELECTION CAMPAIGN ACT—S. 3065

AMENDMENT NO. 1515

(Ordered to be printed and to lie on the table.)

Mr. STEVENS submitted an amendment intended to be proposed by him to the bill (S. 3065) to amend the Federal Election Campaign Act of 1971 to provide for its administration by a Federal Election Commission appointed in accordance with the requirements of the Constitution, and for other purposes.

ANNOUNCEMENT OF HEARING

Mr. CANNON. Mr. President, I wish to announce that the Committee on Rules and Administration will hold a public hearing on Senate Resolution 400 to establish a Standing Committee of the Senate on Intelligence Activities, and for other purposes.

The hearing will be held on Wednesday, March 31, 1976, beginning at 10 a.m., in room 301, Russell Senate Office Building. Those who wish to testify or submit a statement for inclusion in the hearing record should contact Peggy Parrish, assistant chief clerk of the committee—202-224-6352.

ADDITIONAL STATEMENTS

INSPECTION OF DAIRY AND MEAT PRODUCTS

Mr. PACKWOOD. Mr. President, it was my pleasure to appear before the Agriculture Committee last Thursday to testify in support of S. 2598, the Dairy and Meat Import and Identification Act of 1975. This legislation which I introduced October 30, 1975 is vitally needed to correct existing deficiencies in our inspection of imported meat and dairy products. I am pleased to have the support of the distinguished Senator from Iowa, DICK CLARK, in our efforts to pass this important measure. Senator CLARK's testimony on behalf of S. 2598 is timely and to the point. For the benefit of my colleagues I ask unanimous consent that his testimony be printed in the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT ON S. 2598, THE DAIRY AND MEAT IMPORT INSPECTION AND IDENTIFICATION ACT OF 1975

(By Senator DICK CLARK)

I am pleased to be here today to speak in favor of S. 2598, the Dairy and Meat Import Inspection and Identification Act of 1975, of which I am a co-sponsor, and to urge rapid consideration and passage of the bill. Not only is this bill needed to provide added protection for our consumers and domestic producers of dairy and meat products—it is needed now.

The specific needs for this legislation are several. First, there exists a serious inequity between the standards of inspection which we enforce on these products in this country and standards of some countries from which we import. Further, we currently do not have the same inspection requirements on the dairy and meat products which we import as for those we produce and consume domestically. There is really no excuse for this kind of inequity to continue. Our high standards for quality of food products we consume are not excessive, but necessary, and must include both domestically produced products and those we import.

Second, to require the same inspection and standards for imported and domestic products will preclude the unfair competition which imported goods now force on our domestic producers. By what logic do we require that stricter standards of quality be met by our own producers than by those from whom we import? I submit that there is none. This is an especially important consideration at this time when our domestic beef and dairy producers, in particular, are operating in a depressed market for their products.

Truth in labeling is a principle upon which we must continue to insist. The consumer has a right to know if the meat or dairy product he consumes is imported, either in whole or in part. The origin of their food, as well as other products, is a very important consideration to many consumers, and I believe they have a right to know whether the food they consume originates in an exporting country or at home.

Also, a real nutritional need is met with this bill. At present, the dairy products which we import are not inspected—only about a 10 percent sample of all imports is drawn and inspected by the Food and Drug Administration. Furthermore, this limited sample has indicated over time that a real need exists for all dairy imports to be subjected to the same inspection that we require of domestic dairy products. These limited inspections often in the past have turned up serious contamination of dairy products on their way into this country—more than 20 percent of intended imports sampled in some years. Although the USDA does currently inspect imported meat, the coverage and quality of inspection must be put on a par with inspection of domestic meat. Particularly, tighter inspections of most internal organs of beef animals are necessary—although needed improvements in beef grading are not limited to this area. S. 2598 would require these improvements in inspections.

I see no sound overriding argument against this legislation. To put inspection of dairy and meat products on a par with inspection of domestic products only corrects the inequity which now exists—it does not constitute discrimination against the imported product. To insist on labeling imports as "imported" is only to insist on the truth—full information for our domestic consumer. To state that the program will cost money is, of course, correct—our domestic inspections cost us money, but I maintain that they are worth every dollar we spend on them, to assure the quality of the meat and dairy products we consume. Furthermore, the cost of the labeling and inspections of imported dairy and meat products called for in S. 2598 are to be paid by fees levied on the imported product—except that costs of administration and supervision would be borne by the United States.

In light of these considerations, I am anxious to see S. 2598 become law.

CONFERENCE SET ON H.R. 10230

Mr. MOSS. Mr. President, for several years now, the Senate has been considering science policy legislation including measures to reestablish in the White House the Office of President's Science Adviser. Twice in preceding Congresses, the Senate has passed similar legislation. Last year, President Ford indicated his desire to reestablish such an office. Finally, this year, the House of Representatives and the Senate have both passed H.R. 10230, which would establish a science and technology policy for the United States, as well as to provide for scientific and technological advice and assistance to the President. The bill also provides for a comprehensive survey of ways and means for improving the Federal effort and organization in scientific research and information handling.

The Senate passed its version of H.R. 10230 on February 4. The House requested a conference and appointed its conferees on February 25 and the Senate appointed its conferees on February 26.

Congress today received a message from the President on H.R. 10230 urging the earliest possible meeting of the conferees. I am pleased to respond to that message by stating that there has been no unreasonable delay on this bill on the part of the Congress since the bill was passed by the Senate. The conferees have been moving forward rapidly and informally in order to reach agreement on this bill. We have now tentatively scheduled a formal meeting of the conferees for April 1, 1976, at 8:30 a.m.

Mr. President, I am certain that the conferees will resolve their differences and that H.R. 10230 will be reported from the conference in the near future.

INDIAN CRIMES ACT OF 1975

Mr. FANNIN. Mr. President, I was greatly pleased when the Senate on February 4, 1976, passed my bill, S. 2129, known as the Indian Crimes Act of 1975. This bill would provide for the definition and punishment of certain crimes in accordance with the Federal laws in force within the special maritime and territorial jurisdiction of the United States, when said crimes are committed by an Indian in order to insure equal treatment under the law for Indian and non-Indian offenders.

Recently the Subcommittee on Criminal Justice of the House Judiciary Committee completed hearings on S. 2129. I hope that the full Judiciary Committee will complete its work and report this bill favorably to the House floor in the near future.

One of the witnesses who testified in favor of S. 2129 was Mr. Roger Pauley, Deputy Chief of Legislation and Special Projects in the Criminal Division of the Department of Justice. In addition, Mr. William C. Smitherman, U.S. attorney for the district of Arizona has written me to express his strong support for S. 2129.

Mr. President, I ask unanimous consent that the complete text of Mr. Roger Pauley's statement of March 10 before the House Judiciary Committee and of Mr. Bill Smitherman's letter of March 16 be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

STATEMENT OF ROGER PAULEY, CONCERNING S. 2129 AND RELATED BILLS

Mr. Chairman and members of the Subcommittee: I am pleased to be here today to present the views of the Department of Justice on S. 2129 and related bills to amend the federal statutes pertaining to the prosecution of crimes committed in Indian country so as to assure equal treatment for Indian and non-Indian offenders.

The Department of Justice supports the prompt enactment of S. 2129, which passed the Senate on February 4, 1976. This bill, with two minor changes, is identical to H.R. 7592, introduced on behalf of the Administration by Congressman Rodino and Hutchinson. In the view of the Department, S. 2129 represents a sound solution to a perplexing and urgent problem, the upshot of which, as a result of recent federal appellate court holdings, is that prosecution is currently precluded for certain serious offenses involving Indian victims on Indian reservations, contrary to the intent of Congress when it enacted 18 U.S.C. 1152 and 1153.

Let me briefly review for the Subcommittee the applicable statutes and court decisions which have given rise to the difficulty. 18 U.S.C. 1153, the so-called Major Crimes Act, extends federal jurisdiction to thirteen major felonies committed by Indians in Indian country. The original act was passed in 1885 to remedy the loophole contained in 18 U.S.C. 1152, which exempted "offenses committed by one Indian against the person or property of another Indian" from the general rule that the criminal laws of the United States applicable in any place within the exclusive jurisdiction of the United States, except the District of Columbia, apply within Indian country. As enacted initially, the act was limited to seven offenses.

Section 1153, in its first paragraph, sets forth the basic principle that any Indian who commits any of the enumerated felonies therein "shall be subject to the same laws and penalties as all other persons committing any of the above offenses, within the exclusive jurisdiction of the United States." The reference to statutes that apply within the exclusive jurisdiction of the United States includes such crimes, listed in 18 U.S.C. 1153, as murder (18 U.S.C. 1111), manslaughter (18 U.S.C. 1112), rape (18 U.S.C. 2031), carnal knowledge of a female under the age of sixteen (18 U.S.C. 2032), various kinds of assault (18 U.S.C. 113), robbery (18 U.S.C. 2111), and larceny (18 U.S.C. 661). In addition, the Assimilative Crimes Act, 18 U.S.C. 13, applicable within the exclusive jurisdiction of the United States, provides for the incorporation of State crimes, not specifically defined by federal statutes, that are committed on federal lands or enclaves within a particular State. This would include such offenses as arson, incest, and burglary, all proscribed by Section 1153.

The problem in enforcing the Major Crimes Act results principally from amendments to the statute made in 1966 and 1968. The 1966 amendment added the offenses of carnal knowledge and assault with intent to commit rape; it further provided that the offenses of rape and assault with intent to commit rape "shall be defined in accordance with the laws of the State in which the offense was committed". Moreover, the same amendment required assault with a dangerous weapon and incest to be defined and published in accordance with the laws of the State in which the offense occurred.

The 1968 amendment added the offense of assault resulting in serious bodily injury and provided that it too be defined and punished in accordance with the laws of the State where it was committed.

The difficulty with these provisions lies in the fact that, as to some of the offenses—rape and various forms of assault—there exist, as noted above, federal statutes applicable within the special maritime and territorial jurisdiction of the United States that provide for their definition and punishment (i.e. 18 U.S.C. 2031 and 113). Thus, by operation of 18 U.S.C. 1152, which renders those statutes applicable to offenses committed by non-Indians against Indians,[1] a non-Indian committing rape or an assault with intent to commit rape or with a dangerous weapon, upon an Indian victim, may be tried under a different definition of the offense, and be subjected to a different penalty, from that applicable to an Indian offender committing an identical crime, depending on whether the State law defining and punishing the offense (which is incorporated under 18 U.S.C. 1153) differs from the federal law applicable through 18 U.S.C. 1152.

Recently, federal courts of appeals have recognized that this statutory system has the potential for invidious discrimination and have held 18 U.S.C. 1153 invalid as applied to Indian defendants where the State law's definition or punishment of the offenses (which in the cases decided thus far have all involved assaults of various types) was more onerous than that which would have applied to a non-Indian charged with the same crime under 18 U.S.C. 1152. See *United States* v. *Cleveland*, 503 F. 2d 1067 (9th Cir. 1974); *United States* v. *Big Crow*, 523 F. 2d 955 (8th Cir. 1975); see also *United States* v. *Analla*, 490 F. 2d 1204 (10th Cir.), vacated and remanded on other grounds, 419 U.S. 813 (1974). The result of these decisions is to create a gap within which certain extremely serious offenses by Indians cannot be federally prosecuted, notwithstanding the clear intention of Congress in enacting 18 U.S.C. 1153 and its various amendments. This is a serious and pressing problem, for, aside from the fact that as a consequence lawbreakers are now enabled to go unpunished, these statutory defects place in jeopardy the tranquillity of life in those Indian reservations affected, particularly with respect to Indian residents therein who as potential victims of criminal conduct have had the protection of the law removed from them. As observed by Senator Fannin upon the introduction of S. 2129:

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[1] Although on its face 18 U.S.C. 1152 applies also to offenses by Indians against non-Indians, it has been held that, as to the thirteen offenses listed in 18 U.S.C. 1153, statute controls and must be used as the prosecutive vehicle, thus limiting 18 U.S.C. 1152 to non-Indian-committed offenses. *Henry* v. *United States*, 432 F.2d 114 (9th Cir. 1970), cert. denied, 400 U.S. 1011 (1971).

"The most important result of this legislation, and the principal reason for its introduction, would be the beneficial effect it would have on the Indians themselves. This bill, if passed, would help to restore security and tranquillity to reservation life. By increasing the possibility for effective prosecution of criminals, serious and violent crimes on Indian lands would be significantly reduced."

To cure the constitutional infirmities in the present statutes, S. 2129 would, in essence, revert the Major Crimes Act to its pre-1966 form by amending 18 U.S.C. 1153 to insure equal treatment for Indian defendants accused of committing aggravated assaults upon other Indians within the Indian country. This involves, among other things, deleting the language in 18 U.S.C. 1153 that now requires looking to State law for the definition and punishment of the offenses of assault with a dangerous weapon and assault resulting in serious bodily injury. Also, since as to the latter of these offenses it is arguable that 18 U.S.C. 113 (defining assaults within the special maritime and territorial jurisdiction) contains no comparable offense,[2] it is necessary to amend Section 113 to define and punish the offense of assault resulting in serious bodily injury. An alternative solution would have been to delete this offense from 18 U.S.C. 1153. However, the solution reflected in the bill preserves the basic congressional judgment in 1968 that added this offense to the Major Crime Act. The penalty is fixed at up to ten years' imprisonment, equivalent to assault with intent to commit a felony under 18 U.S.C. 113(b), in consideration of the required element that serious bodily injury must have ensued from the assault.

In addition to the foregoing aggravated assault-type offenses, a similar constitutional problem potentially exists within the present structure of 18 U.S.C. 1153 as to the offenses of rape and assault with intent to commit rape. Currently the Major Crimes Act refers to State law for the definition of these offenses, yet it allows the Indian defendant to be imprisoned "at the discretion of the court." By contrast, 18 U.S.C. 2031 (rape) and 18 U.S.C. 113(a) (assault with intent to commit rape) prescribe the federal law applicable to non-Indians who commit these crimes against other persons, including Indian victims, within the special maritime and territorial jurisdiction. Here again, the policy of equal treatment requires that the references to State law be deleted, and that these offenses be defined as well as punished according to generally applicable federal laws. S. 2129 implements these conclusions.

Before turning to the other, less vital features of the bill, it is important to note what the bill would not do. The bill would not deal with another difference in the treatment of Indian versus non-Indian offenders. This results from the Supreme Court's interpretation, in a series of cases, of 18 U.S.C. 1152 as not extending, despite its plain language to the contrary, to offenses committed by non-Indians against non-Indians in Indian country. As to such offenses, State law through prosecution in State tribunals is the sole available remedy. *New York ex rel. Ray* v. *Marlin*, 326 U.S. 496 (1946); *Draper* v. *United States*, 164 U.S. 340 (1896); *United States* v. *McBratney*, 104 U.S. 14 (1881).

Because of this construction of Section 1152, an Indian who commits against a non-Indian one of the major enumerated felonies under 18 U.S.C. punishable by reference to federal law (e.g. murder), is liable to be treated substantially different from a non-Indian committing the identical offense. The Indian will be tried in federal court under federal statute defining the offense, whereas the non-Indian is relegated to the State courts and to the State's law. Quite recently, a federal court of appeals determined that this disparity, like that in the *Cleveland, Big Crow*, and *Analla*, line of cases, was constitutionally invidious, and it reversed the conviction of an Indian found guilty of an especially heinous murder of a non-Indian on a reservation in Idaho. *United States* v. *Antelope*, 523 F. 2d 400 (9th Cir. 1975).

The Department of Justice filed a petition for a writ of certiorari to the Supreme Court, in which we took the position that, unlike the situations addressed by S. 2129, the difference in treatment in the *Antelope* type of situation is not constitutionally impermissible since it occurs as a consequence of a reasonable congressional determination not to extend federal jurisdiction as to a class of offenses and to leave such offenses to State and Local prosecution. Alternatively, the petition argued, if this disparity in result is deemed to raise serious constitutional questions, then the Court should reverse its prior decisions and hold that 18 U.S.C. 1152 does reach offenses by non-Indians against non-Indians, thereby obviating the disparity. The Supreme Court granted the petition for certiorari in *Antelope*, on February 23, 1976, and presumably will decide the case early in its next Term.

Since this issue is presently before the Court, the Department does not recommend the legislative action be taken at this time with respect to it. If the United States prevails, it may well be that no legislation will be needed. Even if the Supreme Court affirms the appellate court's decision its opinion will very likely be helpful in indicating the type of remedial legislation necessary. Notably, it has been our experience that the potential solutions available to deal with the *Antelope* problem are far more controversial than those required to cure the defects in 18 U.S.C. 1153 identified by the *Cleveland* line of cases, at which S. 2129 is aimed. For this reason, too, we believe that the *Antelope* question is best deferred until after the Supreme Court has had an opportunity to express its views on the issue.

Returning to S. 2129, the bill makes three improvements to the current 18 U.S.C. 1153, not related to the constitutional problems noted above. First, the bill amends the offense of "assault with intent to kill" in the Major Crimes Act so that it reads "assault with intent to commit murder". This conforms the language of the offense to that found in 18 U.S.C. 113(a) and thus insures that the crimes will be treated identically.[3]

Second, S. 2129 adds kidnapping to the list of offenses in the Major Crimes Act. This incorporates the suggestion of Senator Abourezk, contained in a separate Senate bill. There is no question that kidnapping is one of the most serious crimes against the person. Under 18 U.S.C. 1201, when committed within the special maritime and territorial jurisdiction, kidnapping is punishable by up to life imprisonment. Therefore, by operation of 18 U.S.C. 1152, a non-Indian who kidnaps an Indian on an Indian reservation, or an Indian who kidnaps a non-Indian therein, is subject to federal prosecution and punishment under the terms of 18 U.S.C. 1201. An Indian who kidnaps another Indian on a reservation, however (and who does not transport his victim across any State or national boundaries), would not be federally punishable and would be subject to prosecution, if at all, only by a tribal court which can impose no more than six months' imprisonment. 25 U.S.C. 1302(7). This disparity, which discriminates against Indian victims, will be eliminated by the inclusion of kidnapping as a crime under 18 U.S.C. 1153.

Finally, S. 2129 contains language requiring current conformity with State law where such law is incorporated to define and punish offenses in 18 U.S.C. 1153 other than those defined and punished according to federal law. Some lower courts held that Section 1153 incorporates State law only as it existed as of the last reenactment of the Major Crimes Act. E.g. *United States* v. *Gomez*, 250 F.Supp. 535 (D. N.M. 1966).[4] This interpretation, while perhaps plausible in terms of the phraseology used in the statute, clearly represents poor policy, since it mandates trial and conviction by reference to a State statute which the State itself may well have modified or repealed at the time of the defendant's conduct. This result is at variance with the congressional policy embodied in the general federal Assimilative Crimes Act, 18 U.S.C. 13, which mandates the incorporation of State law as it existed at the time of 18 U.S.C. 1153 to this salutary policy.

In conclusion, Mr. Chairman, the Department of Justice believes that S. 2129 as written is a beneficial measure that would both provide some urgently needed amendments to remedy present constitutional defects in the alleged offense. S. 2129 would conform 18 U.S.C. 1153, and that would make other significant improvements to the statute. We can perceive no reason for controversy about the bill and we urge its rapid enactment.

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[2] The most nearly comparable form of assault proscribed in 18 U.S.C. 113 is assault "by striking, beating, or wounding," a misdemeanor punishable by only up to six months' imprisonment. However, this offense does not require as an element that serious bodily injury resulted from the assault.

[3] There is authority to the effect that the two offenses are different in that assault with intent to commit murder contains an extra element of malice. E.g., *United States* v. *Barnaby*, 51 Fed. 20, 22 (D. Mont. 1892); *Jenkins* v. *Etate*, 238 A.2d 922, 925 (Ct. Spec. App. Md. 1968); see also 40 C.J.S., p. 938. A district court in Arizona in 1971 relied on this rationale to hold that the offense of assault with intent to kill in 18 U.S.C. 1153 was void for lack of a prescribed punishment *United States* v. *Altaha*, unpublished opinion, No. CR–70–412.

[4] Three recent unreported cases from the District of Montana have followed *Gomez*, one of which, *United States* v. *Russell*, Cr. No. 75–39 HG, (Dec. 12, 1975), is presently being appealed to the Ninth Circuit.

U.S. Attorney,
District of Arizona,
Tucson, Ariz., *March 16, 1976*.
Re: S. 2129 and related bills.
Hon. Paul J. Fannin,
Senate Office Building,
Washington, D.C.

Dear Senator Fannin: I have just read the statement of Roger Pauley of the Justice Department before the Subcommittee on Criminal Justice of the Committee on the Judiciary of the House of Representatives. A copy of that statement is attached. I concur wholeheartedly in his remarks to the Subcommittee.

In Arizona our law enforcement responsibilities on Indian reservations are clear to us and to Indian Officials. However, since the appellate decisions in *U.S.* v. *Cleveland*, *U.S.* v. *Big Crow*, (mentioned in Pauley's statement), we have been without the necessary statutory tools and have therefore been unable to discharge our responsibility with respect to the violent crimes with which these proposals are concerned.

On behalf of the law enforcement community I urge the passage of S. 2129 as soon as possible.

With best personal regards, I am
Very truly yours,
William C. Smitherman,
U.S. Attorney.

THE COMMERCE COMMITTEE AND THE ADVICE AND CONSENT POWERS

Mr. MAGNUSON. Mr. President, the Commerce Committee takes very seriously its responsibilities under the advice and consent clause of the Constitution. This committee has led the fight to restore the public's faith in the quality of Government—and in particular, the regulatory agencies—by insisting upon the highest qualifications for the regulators which come before it for confirmation.

As those Senators representing the committee told the President on June 25 of last year at the White House Summit on Regulatory Reform:

> The single most debilitating flaw in our regulatory system has been the chronic failure of Presidents to name—and the Senate to insist upon the naming of—outstanding public servants qualified by training and commitment to implement the letter and spirit of the laws which they are sworn to uphold.

On June 12, 1973, the chairman and other members of this committee succeeded in convincing the Senate to reject the nomination of a nominee to the Federal Power Commission. No question was raised as to that nominee's integrity. But his background and his responses to the committee raised substantial doubt as to his independence from the interests to be regulated. This was the first time in 40 years that a nominee to a regulatory agency was rejected by a record vote on the Senate floor.

In the ensuing years, this committee in their opinion, has refused to recommend the confirmation of at least six nominees to regulatory agencies who failed to meet minimum standards of qualification for the post to which they were recommended.

At the same time, the committee has worked cooperatively with both Presidents Nixon and Ford to seek the selection and nomination of strong and qualified regulators. Thus, on January 4, 1974, the chairman wrote to President Nixon "to express my personal gratification at the excellent choices you have made in several recent appointments to key regulatory commission posts."

And on September 24, 1974, we offered to President Ford our continued full cooperation in "seeking nominees who bring to these roles a record of public service which gives evidence of independence of mind from the industries to be regulated, a demonstrated commitment to pursuit of the public interest rather than private interest, unquestioned integrity, and the highest levels of demonstrated competence."

President Ford has sent us many fine nominees to regulatory commissions, both as chairmen and members. And these we have uniformly examined vigorously and confirmed promptly after due deliberation. Just this week the committee voted to confirm three excellent nominees.

The Commerce Committee has progressively tightened and made more substantive its confirmation procedures:

First. The committee became the first to place the background and financial statements submitted by nominees on the public record, subject to public scrutiny.

Second. The committee progressively tightened the requirements for disclosing potential conflicts of interest, beginning with a requirement that nominees coming from private law firms disclose the names of the firms' corporate clients and culminating with the adoption last year of a standard financial disclosure form, which has subsequently also been adopted by the Senate Banking Committee.

Third. The committee has organized and directed its small but expert investigative staff to review the financial statements and biographies of nominees to identify potential conflicts of interest or potentially disqualifying matters.

Fourth. The committee has adhered to the practice of providing at least 7 days' notice of hearings on all regulatory nominees to enable greater opportunity for participation in the nomination hearings by interested citizens.

Fifth. The committee instituted the practice of submitting detailed written interrogatories designed to elicit the nominee's depth of knowledge, policy commitments and regulatory philosophy. The committee has required that the answers to these interrogatories be submitted in writing to the committee at least 48 hours prior to the scheduled hearing date to provide the chairman and committee members a basis on which to determine a nominee's commitment to carrying out the intent of Congress in enforcing the regulatory statutes within his or her jurisdiction and to pursue focused lines of questioning at the nomination hearing.

This committee continues to pursue each of the many potential roads leading to true regulatory reform; but no single regulatory reform will bring such immediate benefits to the American public as the strengthening of the process by which qualified, committed, strong, and independent regulators are recruited and confirmed.

Mr. President, last month the Consumer Affairs Study Group, under the cochairmanship of John Hechinger and Esther Peterson, delivered a thought provoking paper to the domestic affairs task force of the Democratic Advisory Council of elected officials on government and business accountability to consumers. That paper stressed—quite properly in my opinion—the importance of "upgrading the quality of regulatory appointments." I am pleased that the study group urged the Senate "to follow the lead of the Senate Commerce Committee" in strengthening the *confirmation* process. I ask unanimous consent that the task force statement be printed in the Record.

There being no objection, the statement was ordered to be printed in the Record, as follows:

Towards Government and Business Accountability to Consumers

INTRODUCTION

Why is public trust and confidence in government at half-mast?

It is not simply a reflection of the Ford Administration's failures of policy and nerve, however much we as Democrats would have it so.

Nor is it simply that we are plagued by too much government, as Republicans and some Democrats would have it.

Beyond these substantial grievances is the overriding feeling that government has lost touch with the governed, is no longer responsive to the felt needs of the citizen.

The voices to which the government responds are alien voices: the thundering pleas of special interests, the self-proclaimed expertise of professional elites, and the self-interests of the imperial bureaucracy.

When did the consumer vote for creeping economic concentration and monopolization of business? To pay 60 cents of his insurance dollar to trial lawyers and insurance companies? To invite trucking companies to fix their own rates? When did he vote for "independent" regulatory commissioners who won't regulate and law enforcement officers who won't or can't stop corporate crime? A health care delivery system designed to maximize doctor's earnings for minimal service and accountability?

Taxation without representation? What citizen voted for the Earl Butz-agribusiness-welfare tax in the inflated prices that he pays for bread and beef? The windfall profits to natural gas producers who are on their way to sevenfold increase in the "regulated" price of natural gas? The chemical contamination tax buried in the health insurance premiums he must pay for the soaring rate of cancer? The lawyers subsidy tax embodied in the wasted premiums for auto insurance without no-fault? The bloated advertising tax embedded in cereal and detergent prices? Or the Exxon 'sheikdown' tax at the gasoline pump?

For seven lean years we have watched Republican Administrations and militant blocks of Republican votes in Congress frustrate the implementation of good consumer laws, the improvement of inadequate consumer laws and the passage of new consumer laws designed to allow the voice of the consumer to be heard and to be effective in shaping government policies affecting consumers. For seven lean years, the American people have suffered the consequence of an unholy alliance between corporate managers and their shadow surrogates in the White House.

But it is not enough for Democrats to denounce the misfeasance of Republican Administrations—though the denunciations are well enough merited.

Nor is it enough for Democrats to revive the programs and promises of past campaigns—though many of these programs do offer the promise of substantial consumer benefit.

The New Deal and the New Frontier were equally fired by a sense of decency and concern but they often reflected a misplaced confidence in the capacity of government to perform in the public interest without direct, active and continuous public involvement and participation. The American people have come to have less faith in government doing for them and more determination to do for themselves.

The goal for the American consumer as consumer, just as it is for the American citizen as citizen, is to assert democratic control of those institutions which have come to shape and misshape our lives. "Accountability," "responsiveness," "participatory democracy", "regulatory reform", "populism", "trustbusting", "federal corporate chartering", "consumer and environmental protection". Each of these rallying cries bespeaks the common desire to rein in the harmful economic, social, environmental and political power of big business, and big government.

GOVERNMENT ACCOUNTABILITY

In the past, we have promised that government under the Democrats would protect the nation's consumers. Today, despite the sincerity of that commitment, such promises ring hollow in the ears of many citizens, including faithful Democrats.

We must now focus not only upon new laws to protect consumers but upon new means to enable consumers to protect themselves: government regulation—under Republicans and Democrats alike—grows sluggish with age, rigid with bureaucracy, timid in the face of corporate power. We must commit ourselves to fundamental change in the structure and process of government, in the overriding interest of democratic accountability by:

1. Strengthening the process by which dedicated regulators are recruited and selected, assuring public participation;
2. Guaranteeing direct access and participation by consumers and consumer groups in the consumer regulatory process;
3. Establishing independent voices in government with the sole job of advocating the consumer interest;
4. Strengthening the process by which Congress as the public's overseer monitors and insists upon the implementation of the laws as Congress intended in the public interest; and
5. Making bureaucrats individually accountable for failing to enforce the law and other malfeasance in office.

CORPORATE ACCOUNTABILITY

In the past, too, the Democratic party has consistently championed the cause of the individual consumer and small businessman against the giant corporations. Yet the economic and political power of the corporation has grown relentlessly through both Democratic and Republican Administrations. Once again, the program and promises of the past are insufficient. Once again we can not rely solely upon a benign government doing for the people what the people—with proper legal and economic tools—can do for themselves. To restore consumer control of the marketplace we need:

1. Direct consumer remedies, including consumer class actions, citizen standing to challenge corporate malfeasance, and simple and inexpensive consumer grievance machines;
2. Serious, persistent antitrust enforcement;
3. A concentrated effort to restore competition in food production, processing, and marketing;
4. Federal corporate chartering of huge national and multi-national firms;
5. Selective competitive public enterprise, as in the search for new oil and gas on public lands;
6. Support for consumer cooperatives and other marketing alternatives;
7. Freedom of information in the marketplace;
8. Criminal penalties for intentional consumer fraud.

In the past we looked to Congress and the President to protect us. We sought specific new laws and regulations: truth-in-lending; truth-in-packaging; auto and product safety. We still seek no-fault auto insurance and food and chemical safety standards. And we desperately lack safeguards against the exploitation of low income and otherwise vulnerable consumers.

We needed the protection; did we need the laws? It is our intention to continue to develop papers treating these and other salient consumer needs.

But without the basic structural reforms we advocate here to make our institutions—public and private—more responsive, the best of laws will remain hollow promises.

GOVERNMENT ACCOUNTABILITY TO CONSUMERS

I. Upgrading the quality of regulatory appointments

In hacking away at the foundations of consumer regulation enacted by Democratic Congresses and Presidents over the past decade, President Ford has performed at least one useful service: namely, to focus the spotlight of public attention on the chronically poor quality of regulatory appointments.

As the delegation of Congressional Democrats to the 1975 White House meeting on regulatory reform told the President: "The single most debilitating flaw in our regulatory system has been the chronic failure of Presidents to name—and the Senate to insist upon the naming of—outstanding public servants qualified by training and commitment to implement the letter and spirit of the laws which they are sworn to uphold."

And as James M. Landis in his landmark report on the flawed regulatory process under eight years of Republican Administration reported to President-elect John F. Kennedy some fifteen years ago: "The prime key to the improvement of the administrative process is the selection of qualified personnel. Good men can make poor laws workable. Poor men will wreck havoc with good laws."

During the first year of the next presidential term, at least nine key vacancies will occur on the regulatory commissions. In addition, the President in 1977 will have the opportunity to appoint or reappoint the chairmen for six of these commissions as well as the heads of the Food and Drug Administration, the Environmental Protection Agency and the National Highway Traffic Safety Administration.

President Franklin Delano Roosevelt told the nation: "the regulating commission, my friends, must be a tribune of the people, putting its engineering, its accounting and its legal resources into the breach for the purpose of getting the facts, and doing justice to both the consumers and investors in public utilities. This means, when the duty is properly exercised, positive and active protection of the people against private greed."

Yet, past Administrations with notable—though limited—exceptions have peopled regulatory agencies with cast-off party functionaries, well-connected (mostly in Washington, D.C.) lawyers, whose prior careers were marked by single-minded devotion to the interests of oil companies and other regulated industries, ideological zealots bent upon the destruction of the very laws they were appointed to uphold, cronies of favored Senators and Congressmen surmounting the selection system by affability and contacts; and, perhaps worst of all, "inoffensive" mediocrities—narrow, biased, imperceptive strangers to the public interest as embodied by Congress in the laws. It should not be sufficient to qualify as a regulator to have come from Grand Rapids.

The White House is guided by no discernible standards in its selection of regulatory nominees, nor is there any evident talent search across the nation to tap that vast reservoir of talent and commitment which has always been the boast of American government.

The selection process is not only limited, but characterized by "silent campaigns" carefully orchestrated by office seekers with well-connected sponsors; the regulated industries themselves are solicitously consulted, able to exercise veto by raised eyebrow of any potential nominee demonstrating initiative, independence and a troublesome public interest commitment.

The Senate has made strides in upgrading the confirmation process. But it is a painful and humiliating process for a nominee to be publicly repudiated once his name has been sent to the Senate by the President for confirmation. At its best, the confirmation process has been designed to unmask disqualifications rather than to set and apply standards of quality.

Therefore, we urge that the Democratic party and its candidates express their commitment to the appointment of regulators possessing the essential generic qualifications: integrity, intellectual capacity, the capacity to withstand political pressure, economic and philosophical independence from regulated interests, philosophical commitment to regulation, sensitivity to consumer and minority interests, and administrative ability (at least for chairmen).

In seeking qualified persons, the party and its candidates must be prepared to insist that potential nominees demonstrate these qualities, preferably through the past performance of independent public service in a regulatory capacity, past advocacy of citizen interests at variance with vested interest, and publicly and consistently articulated positions on issues of regulatory importance expressing independence from the views of regulated interests or otherwise.

Finally, beyond these general qualifications, the party and its candidates must be prepared to insist that each nominee to a regulatory post commit himself or herself to vigorous pursuit of the Congressional regulatory mandate, agency accountability through open decision making openly arrived at (with full participation of all affected interests, including the consumer) and abjure future service with any regulated interest for a substantial period of time after departing service as a regulator.

The party and its candidates should also support the upgrading of the regulatory appointment selection process to include: (1) establishment within the White House of an Office of Regulatory Appointments; (2) the conduct by that office of a nationwide talent search through its own resources and encouragement of public interest talent banks, established by broadly based public interest groups; (3) the appointment of advisory panels, both industry and consumer, to advise, on the public record, on specific regulatory vacancies and proposed nominees; (4) the maintenance of White House logs of contract with interested persons commenting on regulatory vacancies; (5) timely publication by the White House of names under consideration for appointment, to enable concerned citizens and groups to meet with potential candidates and to comment prior to nomination by the President; (6) the support of legislation to create a national commission on regulatory appointments to foster the recruitment of qualified nominees and to monitor and report upon the quality of regulatory appointments; and (7) to attract the less affluent, qualified nominees outside of Washington, D.C., necessary legislation should be enacted to reimburse regulators for the expense of moving their families from their homes to Washington and back.

To strengthen the confirmation process, the Senate should follow the lead of the Senate Commerce Committee in subjecting the nominees to a systematic and intensive examination and questioning both to disclose any potential conflict of interest and to spread on the record the nominees' regulatory philosophies prior to confirmation. Periodically, the oversight Committees should review the performance of sitting commissioners, viewing the record of their performance as measured by their commitments and testimony during the confirmation process.

II. Direct citizens access to the regulatory process

One of the most heartening developments of the past decade has been the spontaneous growth of broadly based voluntary consumer and citizen organizations joining together in the common purpose of seeking a more responsive government. Public Citizen, Common Cause, the Consumer Federation of America and similar organizations growing upon the participation and support of millions of Americans are voluntary, private associations which have demonstrated the new capacity of concerned citizens to join forces to advocate the citizen interest before the country's courts, regulatory agencies and the Congress.

But we have also learned that the entrenched opposition to effective citizen advocacy, both within a bureaucracy unwilling to be stirred from its customary pursuit of the paths of least resistance and by economic interests possessing a great stake in government lethargy and ineffectuality, placed formidable barriers before the citizen or citizen groups which would be heard.

To enable citizens and citizen groups to pry open the locked corridors and the minds of the regulatory agencies, the next Administration and Congress must complete and implement promising beginnings forged by recent Democratic Congresses.

A. Openness

Special interest bureaucratic collusion thrives on darkness and secrecy. Today, any business lobbyist worth keeping in Washington knows every bureaucratic twitch of the agencies that affects his company or industry. Only the "unconnected" consumer and consumer group is left to probe in the dark. A scourge of such collusion is the bright spotlight of informed public focus: open meetings—decision making sessions as well as hearings and advisory committee meetings (with votes a matter of public record); public logs of industry-government contacts; forthcoming freedom of information policies and practices; published and signed opinions and dissents.

B. Participatory Planning and Priority Setting

Most regulatory programs fail when bureaucratic imperatives and special interest pressures dictate priorities and goals. Each agency should be directed to develop, by an open process which ensures informed consumer participation, an annual regulatory and enforcement plan, including performance goals and criteria by which to measure the agency's success or failure. In this process, the agency should identify those matters within its jurisdiction which have the most substantial and significant impact upon the health or economic well-being of consumers so that the benefits to consumers of the regulatory plan can be judged by the public. Such plans, however, must make provision for the timely response by the agency to all citizen petitions for rulemaking or enforcement, as proposed by Senator Magnuson.

C. De-Lawyering the Regulatory Process

In the beginning, the regulatory agencies developed administrative law to provide a fair but informal and speedy process to resolve genuine disputes of fact and law. The lawyers fixed that. The lawyer-lobbyists and the lawyer bureaucrats combined to assure that administrative law accomplished virtually nothing but the continued gainful employment of lawyers. We need an Administration and regulators prepared to overhaul the administrative machinery to return to those informal, responsive procedures which will enable the agencies to do the job that Congress intended and consumers were led to expect.

D. Support for Direct Consumer Participation

Until now individual consumers and consumer groups who sought to be heard in the regulatory process have been hindered and discouraged at every step by procedural minefields, resentful bureaucrats, and by the essential costs of developing and presenting technically-sound facts and arguments on consumers' behalf. Consumers lack the resources to develop the technical depth needed to demonstrate the hazards in chemicals such as PVC, the flaws in industry-developed natural gas data, the safety and reliability of the auto air bag. Hundreds of millions of dollars are spent annually by business to marshal and present to the public and government agencies the facts and arguments supportive of business interests. No fraction of these funds have been available to promote the consumer's case.

Thus, the agencies, Congress and the courts must reach out actively for consumer input, removing procedural hangups, such as narrow limits on "standing". The Consumer Product Safety Commission Act spelled out the right of a citizen to bring suit in District Court to require the Product Safety Commission to take appropriate action to remove unsafe products from the market, to enforce safety standards or orders. Such citizen rights should be extended to all regulatory agencies.

Consumer groups and their advocates must be compensated for the necessary costs to marshal and present facts and arguments important to the consumer's case. The Magnuson/Moss Act provided such funding for consumers appearing before the Federal Trade Commission, charting the course for other agencies with or without legislation. The Kennedy Attorney's Fee bill would broaden the application of the reimbursement principle to all regulatory agencies. Monetary penalties assessed against corporations for crimes and frauds against consumers could be dedicated to a public interest fund for such purposes. In Congress, Senator McIntyre's proposal to provide funding for public interest witnesses before Congressional Committees should be implemented.

The President and Congress should also encourage and support the formation and maintenance of consumer advocacy groups. Historically, our government has given moral and material assistance to such voluntary associations as farmers and veterans—why not consumers? For example, consumers with common interests such as utility, supermarket and railroad commuter consumers, should be able to obtain regular funding through voluntary check-offs on utility bills or commuter tickets or supermarket check-out counters. Serious consideration should be given to facilitating contributions to a public interest fund through a check-off on federal income tax forms, such as is now provided for political contributions. The Federal Government has a responsibility to encourage and promote development of such systems.

III. Public consumer advocacy

If we have learned one lesson about regulation under Democratic and Republican Administrations alike, it is that there is a structural magnetism between regulators—even the best regulators—and the regulated that draws them together in common cause overriding the consumer interest. We have come to realize that the regulator who must decide where the balance between a free market and government intervention in the market must be struck performs more the role of judge than of advocate. How high should gas prices go? How much testing is necessary to prove chemicals safe? How much monopolization is too much? Even the Federal Trade Commission and the Justice Department, more law enforcement agencies than regulators, must judge whether or not to prosecute a given case or industry.

In influencing these judgments business advocates can and do draw upon a vast array of talents to muster, plead and wheedle their case. Administrative Law specialists, food and drug specialists, natural gas law specialists, Federal Trade Commission specialists, House counsels steeped in industrial know-how, Washington counsels steeped in Washington know-who, legal academicians with impressive credentials and eager ambitious junior associates from the editorial boards of the great law school journals and reviews. The regulator is besieged, plagued by the very economic interests he would regulate. Is it any wonder that his confidence and determination slowly erode until the industry satisfied with token regulation leaves him in peace?

Consumer leaders in Congress have long sought separate creation and independent maintenance of public consumer advocates. The Ford-damned Agency for Consumer Advocacy, special purpose offices of public counsel in such agencies as the ICC and Senator Mondale's proposal for a Congressional General Counsel to represent Members and Congressional committees before agencies and in courts, represent nothing less than an effort to reform the nature of the regulatory process itself.

The Ford Administration's plan of consumer representation programs in each agency embodies all that a consumer advocacy program should *not* be. This misbegotten attempt to pacify the nation's consumers has only created an expensive bureaucratic network of impotent Consumer Affairs fiefdoms for token advocates.

The naming of consumer advocates does not create a new layer of regulation—just the opposite. The advocate has had no other role but to prod and carry the consumer's case forcefully to the regulator—counterbalancing the heavy weight of special interest pleading. The result: more alert, informed consumer-responsive and accountable regulatory decision-making.

IV. Congressional oversight

No governmental body is more directly accountable to our citizens than Congress. We do not elect Food and Drug Administrators or Federal Power Commission Chairmen, but we do elect our Congressmen—frequently—and can make our discontent plainly and effectively known.

In the past, Congress has neglected to monitor the performance of regulatory agencies once the initial enthusiasm and momentum for enacting consumer protection laws have passed. Today Congress is in the process of strengthening its resource and resolve to oversee the implementation of its laws: investigations, hearings, reports, soundly documented critiques, tough funding reviews. Each serves to prod and discipline unresponsive agencies.

Beyond present efforts, Congress must see to it that teams of oversight specialists beholden only to the responsible Committees of Congress are responsible for each regulatory agency, armed with Congress' power to unlock every bureaucratic secret and ferret out regulatory sloth and mismanagement. Such teams should be required to issue periodic reports auditing the performance of the agency, measuring its impact against its potential, and recommending to the Committees of Congress remedial oversight activities and, where appropriate, legislation.

Congress should continue to press for agency independence of both political and industry influence by requiring the direct submission of budget and legislative recommendations to Congress without clearance from the Office of Management and Budget, agency control of its own litigation without clearance or interference from the Justice Department and the registration of lobbyists before the agencies as well as Congress.

V. Bureaucrat accountability

The unresponsiveness of many federal agencies to citizen interests begins when individual civil servants feel accountable only to government hierarchy, not citizens or voters. A seed to correct this imbalance was planted in the 1974 Freedom of Information Act amendments which allow review by the Civil Service Commission with a penalty of up to sixty days suspension for an arbitrary or capricious refusal by a civil servant to disclose information which the Act mandates by public. This concept should be expanded to give citizens the right to seek similar sanctions for arbitrary and capricious behavior by civil servants such as refusal to enforce the law, refusal to investigate suspected fraud or defects, and inaction in response to known hazards.

BUSINESS ACCOUNTABILITY TO CONSUMERS

I. Direct consumer remedies

One continuing source of citizen disaffection with "the system" is the chronic inability of consumers, either through law enforcement officials or on their own behalf, to obtain restitution of funds taken from them by corporate fraud or suitable damages for health and environmental harm caused by corporate activity or even effective action to halt continuing lawless corporate activity.

In many cases, dedicated public officials, including state attorneys general, who would seek to use their offices to obtain redress for their citizens, are powerless to do so under existing law. And consumers themselves, whose rights are openly and defiantly violated by corporate violators, nonetheless find themselves with practical remedies.

A. Consumer Class Actions

Consumer class actions minimize regulation and bureaucracy. A simple amendment to the Federal Rules of Civil Procedure to permit consumers to join in a common action to obtan those remedies—to which they would be entitled as individuals under existing law—against the sellers of shoddy goods, the false advertisers, the practitioners of fraud and deception.

What could be more in keeping with the philosophy of a Republican Administration seeking to restore "private initiative" through alternatives to the "heavy hand of government" regulation? Yet the Republican Administration has consistently opposed granting the victims of consumer crimes and frauds the power to band together to go into court on their own behalf. The Administration's position has been that the consumer's hands should be tied unless and until the corporate wrongdoer has been successfully prosecuted by the Federal Trade Commission or the Justice Department. Thus a remedy for government inaction is made to depend upon government action.

In recent decisions, the Supreme Court has further restricted the practical availability of class actions by placing enormous economic burdens upon consumers bringing such actions. Unfair and unrealistic court notice requirements can cost the consumers hundreds of thousands of dollars. Even where the courts have found, on a preliminary basis, that the complaint is serious and substantial. These inhibitions—must be cured by appropriate legislation.

A first order of business for the new Democratic Administration must be support for Congressional Democratic initiatives to make consumer class actions an unfettered self-help remedy for consumers. (Add Consumer Controversy Resolution Act—informal grievance machinery.)

B. Citizen Rights of Action

Under the common law, individual citizens were given standing by the courts to bring direct actions against violators of law as "private attorneys general", and awarded by the courts with a proportion of the penalties assessed against the law violator. These actions, known in the common law as qui tam actions, were specifically authorized by the Water Pollution Control Act of 1899 to stimulate the enforcement of anti-pollution regulation.

The Consumer Product Safety Commission Act specifically granted citizens the power to sue companies violating the agency's safety standards, recovering the costs of successful action and further authorized any person injured by a product produced in knowing violation of the Commission's rules or orders to recover not only damages but attorney's fees as well. This citizen right should similarly be extended to other appropriate cases, especially where the business activity involved poses the threat of injury or damage to the health or safety of consumers.

C. Consumer Redress Through Public Advocacy

The Magnuson-Moss FTC Amendments provided that the Federal Trade Commission, having determined that a business has committed unfair or deceptive acts injurious to consumers, could not only order the cessation of activities but go into court on behalf of consumers to obtain damages or other remedies for the benefit of injured consumers. As we have indicated, parens patriae provisions are also contained in the antitrust bills introduced by Senators Hart and Scott and Congressman Rodino which would authorize state attorneys general to obtain damages for the benefit of the citizens of their state against anti-trust violators.

D. Responsive Consumer Complaint Mechanisms

The Tunney-Magnuson Consumer Controversies Resolution bill is designed to improve small claims courts, arbitration programs and other consumer grievance mechanisms to make them responsive to the needs of the ordinary consumer. The bill would help to assure that consumer redress mechanisms have forms and procedures that will permit the average citizen to effectively use them, that they will be open and available at times when working people will have access to them, and that information about the availability and purpose of dispute resolution mechanisms will be widely distributed so that citizens and consumers will be aware of possibilities for securing effective, fair, inexpensive and expeditious resolution of their complaints.

Special attention needs to be given to the rights of hospital patients as consumers. Perhaps no single area of consumer frustration and impotence exists as in the treatment of patients by hospitals and many physicians. Provisions must be made to require that an independent grievance resolving mechanism be established and readily available at each hospital, separate and independent of the administration of the hospital, to render independent judgments on the validity of patient grievance.

II. Antitrust enforcement

Grain, flour and sugar prices come down. Breakfast cereal and bread prices go up. The consumer wants to know what the hell is going on.

The answer is not hard to find. Only 200 corporations in this country control roughly two-thirds of all manufacturing assets. High concentration exists in such major industries as breakfast foods, bread baking, autos, steel, computers, communications, and xerography. Four or less companies control 90% or more of the market in such products as: cereal, soaps and detergents, electric light bulbs, toothpaste, camera film, soup, chocolate candy, and many others.

In 1974, prices rose at an inflationary rate of 23% in concentrated industries, but stayed almost the same in competitive industries. During the 1969–1970 recession, prices rose in the most concentrated industries, but decreased in the least concentrated industries.

If we truly believe that markets regulated by competition are preferable to markets controlled by government regulation, then the first step is to put our money where our mouth is. Successful antitrust enforcement takes substantial economic and legal resources. It is easy for the Federal Trade Commission or the Justice Department to file a headline-grabbing complaint against a notorious monopoly. But the cases never seem to get won. They may never even go to trial. They drag on endlessly, opened by one generation of would be trustbusters, closed by the next. It is estimated that Control Data expended $15 million litigating its monopoly case against IBM, and that IBM is expending $200 million defending against the Department of Justice antitrust case. Yet, the entire Antitrust Division budget for fiscal 1976—for all its responsibilities—is but $21,595,000 for a staff of approximately 856 people.

Because of budgetary constraints and inadequate investigatory and enforcement powers, many antitrust cases are not even filed by the Department of Justice. Hart-Scott-Tunney-Moss bill (S. 1136) will triple our antitrust enforcement efforts over a three-year period.

The omnibus Hart-Scott Antitrust Improvements Act (S. 1284) would—(1) increase the pre-complaint civil investigatory powers of the Department of Justice to permit the utilization of depositions and the obtaining of documentary evidence from all persons having such information; (2) provide for advance notification to the government of large mergers (by $100 million companies) and revise injunction provisions to prevent illegal mergers before they are consummated; (3) allow a plea of nolo contendere to be used as prima facie evidence of guilt in subsequent private treble damage actions; and (4) authorize state attorneys general to pursue antitrust violations on behalf of their citizens as quasi-class actions under specialized procedures, reclaiming the fruits of monetary overcharges as damages for the benefit of antitrust victims. The latter parens patriae provision is also contained in H.R. 8532, sponsored by Congressman Peter Rodino.

S. 2028, cosponsored by Senators Kennedy and Philip A. Hart, would curb anticompetitive conduct sanctioned by regulatory agencies by creating a specialized antitrust standard to be followed by regulatory agencies.

S. 1959, cosponsored by Senators Philip A. Hart, Mansfield, Abourezk, Domenici, Haskell, Kennedy, McGovern, Moss, and Nelson, would make feasible the break-up of monopoly power in the economy by targeting seven key industries for antitrust scrutiny by a temporary special antitrust agency and court. Other important and timely bills would specifically mandate the vertical and horizontal break-up of the major energy companies.

Enactment of these measures would represent a giant step toward restoring free enterprise in America.

III. National Commission on Food Marketing

A decade ago the first National Commission on Food Marketing reported to President Johnson and Congress that increasing concentration in the food industries, in particular growth through acquisition or merger by the largest firms, "probably will result in a substantial lessening of competition." The Commission called for immediate action to halt the spread of economic concentration in all segments of the food industry. Ten years later the Commission's fears have been largely realized: concentration has increased; the spread between prices paid to farmers and the prices paid by consumers has continued to widen and food claims an increasing share of the consumer's dollar. We need a national food marketing plan, the cornerstone of which must be the break-up of monopolistic bottlenecks in the food chain. To chart this course, Congress should reconvene the National Commission on Food Marketing, give it no more than 120 days to review the growth of monopoly power in the food industry, and chart a national course back to a competitive food marketplace.

IV. Federal corporate chartering

Adam Smith never contemplated a time in which business entities would exist, grow and flourish for the benefit of their own managers rather than society as a whole. We tend to forget that he wrote "the interest of the producer ought to be attended to only so far as it may be necessary for promoting that of the consumer." (Adam Smith—1776)

Corporations with their extraordinary privileges of immortality and limited liability were creatures of the state, chartered originally only insofar as their enterprise was of substantial public benefit.

Today these axioms have been turned upside-down. The multinational corporation exists for its own purposes, not for society's. Its power is centered in the hands of self-perpetuating corporate managers unaccountable to any of their affected publics: not nations, communities, workers, consumers, nor even share-holders or boards.

The time has surely come to assert national, even international, governance of what have come to be essentially national and international entities.

The concept of federal chartering has its roots deep in our constitutional traditions. In the constitutional conventions Madison proposed express constitutional authority to charter into state corporations. Ironically, Jefferson opposed on the grounds that federal charters could be likened to excessive power concentrated in the hands of national corporations.

By setting clearly defined criteria of corporate governance, including director independence and accountability, share-holder, worker, and consumer rights, and mandatory periodic disclosure of corporate resources, plans, and activities, a federal chartering law can be drafted which will enhance the accountability of the largest corporations largely through self-enforcing provisions which will require little bureaucratic accretion.

V. Competitive public enterprises

Republicans relish criticism of New Deal legislation, yet they are curiously silent about one of the most successful New Deal alternatives to regulation: competitive public enterprise. The Tennessee Valley Authority and the Bonneville Power Administration stand as monuments of efficient public enterprise which to this day challenge and serve as a yardstick by which to measure private utility service and rates. It is an uncontroverted fact that electric utility rates in this country rise in proportion to the distance from the Tennessee Valley and Columbia River Basin. Virtually every industrialized country of Western Europe has today established national energy development enterprises.

At the very least, the arrogance and unresponsiveness of the multinational oil companies to the public need for vigorous, low-cost development of oil and gas reserves on publicly owned land surely calls for the creation of a federal oil and gas corporation to explore and develop reserves at a demonstrably reasonable cost in fair competition with multinational oil companies.

VI—Consumer Cooperatives

One self-help alternative to unresponsive business practices which has deep roots in the American tradition is the consumer cooperative. Today, as in the thirties, more and more consumers are turning to themselves to provide the kinds of food and other products they want at prices they know to be fair. In many areas such cooperative ventures have not only brought economic gains to their members, but have served as a competitive spur to which profit-oriented enterprises are forced to respond.

But cooperatives require specialized skills and guidance especially in their formative years and they need seed capital to acquire basic equipment and initial stocks. Just as Congress came to the aid of rural residents determined to bring themselves the benefits of electrification denied them by existing utilities through rural electrification loans, so the President and Congress should enact a new cooperative assistance program as proposed in the McIntyre-St Germain bill to support, through loans, the efforts of consumers who are prepared and willing to help themselves.

FREEDOM OF INFORMATION IN THE MARKETPLACE

Just as freedom of information requirements have begun to open up government to citizen involvement and impact, so a stepped-up flow of reliable information about products and services will enable individual consumers to discipline the competitiveness at the market place, exercising informed choice.

Consumers need to have information available at the time they are selecting products or evaluating services. Government developed and approved consumer product test protocols could bring consumers usable information about the comparative performance of competitive products. Product information should include price, content and cautionary data if the health or safety of the individual could be affected. In the case of food, for example, the product information needed is unit price (with clearly marked prices on all packaged items where the consumer now has that protection), the nutritional value of the contents, the major or characterizing ingredients, net or drained weight, and open dating. Special information of concern to individuals with diet-related health problems, such as diabetics, should be provided. Where either new or commonly used substances are added by processors, for whatever reason, the consumer should be informed of the fact.

Pricing information is not only essential for products, but also for services. Until recently, lawyers, doctors, optometrists and other professionals have used their special standing as a shield against competition, not unlike the medieval guilds. Professional standards are crucial to both consumers and the service provider, but basic price information is essential to consumers when professional service costs are rising. Pricing information need not degrade services any more than it does consumer products.

In fact, the quality and availability of professional services has become a more serious problem today than ever before. The consumer is increasingly dependent on the professional, and the trust which is implied in this relationship has not always been fulfilled. The failure of the medical profession in this regard is a tragic example. Even now the nation is approaching a similar crucial point in the delivery of legal services, particularly for low and middle income consumers. The American Assembly on Law and the Changing Society urges that access to effective legal service for all individuals be a fundamental national goal. A fresh breeze of change can bring competition, accountability, costs and quality control and new delivery mechanisms to the provision of legal services. Private interests should not be allowed to capture or derail this drive toward higher quality and lower costs for legal services through opening up the consumer's access to critical information.

Premium costs for comparable life insurance policies should be available to consumers, thus introducing price competition to a service now enshrouded in confusion which hides needless costs. Hospital service should include information which is important to the hospital patient. Reports should be provided on such items as the extent of needless surgery, as determined by an independent professional audit; the pattern of drug prescription—i.e., are tranquilizers commonly prescribed; the effectiveness of infection control; and other relevant information which prospective patients should have available.

CONSUMER FRAUD

The federal fraud statutes and the civil penalties prescribed in the Federal Trade Commission Act have been proven failures when it comes to dealing with the perpetrators of consumer fraud. Criminal sanctions are necessary to punish the wanton and reckless actions of those who prey on the poor, the uneducated, and the unsuspecting with deceitful schemes and investment opportunities. By making it a crime to knowingly engage in any one of a series of defined consumer frauds, the Consumer Fraud Act would be a major step towards rectifying the shortcomings of the existing fabric of law protecting the consumer from fraudulent practices.

THE MEAT IMPORT PROBLEM

Mr. BARTLETT. Mr. President, the Senate Finance Committee looked into the meat import problem at a hearing on March 15. My distinguished colleague from South Dakota, Senator JIM ABOUREZK, made what I think was an interesting case for stronger action to cut down the amount of foreign beef flooding into the United States.

Senator ABOUREZK is a cosponsor of S. 595, a bill I introduced and the subject of the hearing, and I believe his testimony makes some points that should be widely read.

Mr. President, I ask unanimous consent that the text of Senator ABOUREZK's statement be printed in the RECORD following my remarks.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

DOES ANYONE CARE ABOUT U.S. LIVESTOCK PRODUCERS?

(By Senator JAMES ABOUREZK)

Mr. Chairman, I am submitting this statement today to the Senate Finance Committee as a protest of the tragic neglect of the people who produce the meat for the tables of American consumers.

At the same time U.S. livestock producers are suffering from the severe effects of a depression in their industry, the Secretary of State and this Administration are allowing meat products from foreign nations to flood into this country.

If you ask the State Department why it is allowing foreign countries to dump meat here, you are told that exports are important to these other countries. You get a song and dance about what might happen to the livestock industries in other parts of the world.

What you don't hear from the State Department is one single word of concern about livestock producers here in this country. It leads me to the question: Does anyone care about U.S. Livestock Producers? I don't think anyone in the State Department, at least at the upper decision-making levels, cares at all what happens to a cow-calf operator in South Dakota or in Oklahoma or in any of the states where livestock production is an important industry.

You also hear from the State Department that it negotiates "voluntary restraints" on meat imports. After what happened in 1975, the State Department's so-called restraints are about as effective as tying up a steer with a piece of string. It doesn't do any good, that's for sure, but you can still say you "tried" to do something.

With friends like the State Department on their side, our domestic livestock industry need not bother to collect any enemies.

In 1975, a year when livestock producers were in a terrible situation with the prices they paid going up and the prices they received going down, the State Department kept itself busy tying strings around cattle in Australia and in other countries that like to ship as much of their excess meat as possible to the U.S.

The 1975 quota level for beef imports was set at 1,074.3 million pounds, based on the 1964 Meat Import Control Act, and the so-called "trigger level" was pegged at 1,181.7 million pounds.

Those two figures turned out to be about as meaningful as promises written in the sand, or on the ground in the feedlot.

What actually happened was that 1,208.9 million pounds of imported meat flooded into the U.S. That was 28.9 million above USDA's estimate and 27.2 million pounds above the trigger level. Australian cattle, failing to be restrained by the strings tied on them by the State Department, managed to contribute 40 million pounds more than that nation's quota. So, in total, we allowed 134.6 million pounds more than the official import quota to enter this country.

Will any hands be slapped? Will a lesser amount be allowed to be imported in 1976 to compensate for the abuses of 1975?

The answer, I regret to say, is no. In fact, we're going to reward foreign countries this year by allowing them to dump 1,233.0 million pounds in the U.S. market. That's a jump of 51.3 million pounds over the 1975 trigger level.

Of course, the State Department has its ball of string ready for its annual "import roping". But I can't think of any cattle producer who rests easy with the State Department's negotiators in the saddle.

What should be done? What follows are what I feel would be helpful to our domestic livestock producers, with respect to controlling meat imports.

1. S. 595, the bill introduced by my distinguished colleague from Oklahoma, Dewey Barlett, should be enacted into law. It would reduce imports by at least 370 million pounds if it were in effect in 1976. That would be very good news for the producers I represent, and it would be good news for all livestock producers throughout our country.

2. The Department of Agriculture, the State Department, the U.S. Customs Bureau and the Bureau of the Census ought to get together to figure out how to accurately measure meat imports. It is more than disheartening to note that in 1975 nobody could agree on how how much imports really did exceed the quotas. One would suspect these people of relying on the Weather Bureau for advice—the forecasts seem to be equally reliable.

3. I believe S. 595 addresses itself to a very important problem, that of how to relate imports to the domestic situation. Surely, it makes good sense to limit imports when domestic production goes up. Right now, the best thing that could happen for beef producers, in my opinion, would be to cut off all beef imports until the industry gets back on its feet.

4. Because of the widespread concern among livestock producers about imports, I think it would be only fair and reasonable to involve them more in the process. Producers should have some direct input when the State Department does its negotiating. I think producers could give some good advice on how to tie up those imports. They could explain in plain language that you can't hold a steer back with a piece of string. That in itself would be a revelation over at Foggy Bottom.

Mr. Chairman, I appreciate this opportunity to submit my views at this hearing, and I truly hope that some positive action can result from today's public discussion.

SENATOR DOMENICI ADDRESSES THE NATIONAL BIOCONVERSION CONFERENCE

Mr. RANDOLPH. Mr. President, I support the distinguished Senator from New Mexico (Mr. DOMENICI) in his belief "that the future of the United States and free world depends on how well we respond in developing domestic energy resources to keep us strong and independent as the world's greatest power for freedom." I also agree, as does my colleague, with the words of Patrick Henry when he said:

> We are not weak if we use the means which the God of Nature has placed in our power.

The able Senator was speaking of the great opportunities that are available to meet our country's energy needs through development of renewable energy resources. In his address to the National Conference on Capturing the Sun Through Bioconversion, the Senator clearly enunciated the potential that exists for the recovery of energy and materials from solid wastes. He points out:

> We live in a petroleum society, indeed in a petroleum world, but . . . those petroleum resources are finite and dwindling fast.

I concur that we must move quickly and decisively to take advantage of the energy that is tied up in nature's abundance.

The Senator from New Mexico (Mr. DOMENICI) since arriving in the Senate has demonstrated his leadership in introducing legislation to foster the recovery of energy and materials from the solid wastes that plague urban areas. Through his efforts, the Committee on Public Works is moving toward consideration of amendments, as he advocates, to the Solid Waste Disposal Act to improve the climate for greater energy recovery through urban solid wastes.

Mr. President, I ask unanimous consent that Senator DOMENICI's statement, outlining the potential for bioconversion energy technologies, be printed in the RECORD following these remarks. The speech of the Senator, "Bioconversion—Unlimited Opportunities," was presented before a conference coordinated by the Washington Center for Metropolitan Studies.

The Federal sponsors were: Energy Research and Development Administration; Environmental Protection Agency; Department of Agriculture; Federal Energy Administration; Council on Environmental Quality; National Science Foundation; Department of Commerce; Department of Defense; Department of the Interior; and Department of State.

Additional sponsors were: American Association for the Advancement of Science; American Gas Association; National Association of Counties; National Center for Resource Recovery; and National League of Cities/U.S. Conference of Mayors.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

(Speech by U.S. Senator PETE V. DOMENICI before a Conference on "Capturing the Sun Through Bioconversion," Mar. 11, 1976, Washington, D.C.)

"BIOCONVERSION—OPPORTUNITIES UNLIMITED"

Ladies and Gentlemen: The subject of my address today—"Bioconversion—Opportunities Unlimited"—reminds me of how George Bernard Shaw once described marriage. He said that "Marriage is popular because it combines the maximum of temptation with the maximum of opportunity."

The popularity of marriage and the reasons for its popularity may have changed somewhat since George Bernard Shaw penned those lines, but I think the principle certainly applies to the future popularity of bioconversion. To me, bioconversion holds such great opportunities because it will allow us to meet a substantial part of our energy needs by utilization of abundant natural processes as fundamental and unchanging as the temptation Shaw had in mind.

In fact, it is the fortuitous combination of availability of vast quantities of materials for bioconversion and the adaptability of effective natural processes for conversion to energy that convince me that you, and others like you, are indeed developing an energy thrust far more important than those who tend to dismiss bioconversion as a "minor energy source full of problems", would have us believe.

There is no denying that a casual comparison of projections of total energy demand and energy production from bioconversion could leave the impression that the title of my talk is a gross exaggeration, an exercise all of you know politicians avoid like the plague. But absolute quantities do not tell the whole story, so I'll try to explain to you why from my perspective as a national legislator, bioconversion is an attractive and important energy option which we ought to pursue with vigor and purpose.

Given the composition of this audience, I must confess that in enumerating the virtues of biomass conversion, I feel somewhat like a preacher preaching to the choir. Please bear with me if you begin to feel like you are being subjected to a needlessly high level of overkill.

We live in a petroleum society, indeed a petroleum world, but we all realize that those petroleum resources are finite and dwindling fast. While the world remains in the petroleum age, we Americans must utilize every means at our disposal to reduce our dependence on foreign petroleum. To me, that translates into a mandate that we utilize every one of our other available natural resources and take full advantage of nature's many and varied processes to help reduce our dependence on foreign energy supplies that are exorbitantly expensive and subject to interruption without notice or reason. In our present circumstances, another embargo of Arab oil would create an intolerable situation, threatening our national security and our very way of life. It only makes good sense for us to move quickly and decisively to take advantage of the energy tied up in nature's abundance, most of it in materials we now waste in an utterly shameful fashion.

To those who say that in the near term, bioconversion can have little impact, I just want to mention the energy content of municipal wastes in this country. It is estimated, as I'm sure has already been pointed out, that our cities of over 400,000 population generate approximately 50 millions tons of organic material each year. Add to that the 500 or so million tons of organic material produced by agricultural activities each year, and you have vast potential for energy conversion.

I'd like to take a moment to discuss the urban solid waste aspect of bioconversion because in that connection I don't feel like the new kid on the block in talking to this audience. During my first year in the Senate, 1973, I became convinced that the Solid Waste Disposal legislation we were considering in the Senate Public Works Committee did not focus sufficiently on the energy recovery aspects of solid waste treatment. In March of 1974, I introduced a bill which I called the Energy and Resources Recovery Act of 1974 for the very purpose of providing greater emphasis on the recovery of energy from urban solid wastes. I am sorry to relate that neither my bill or any bill with greater focus on energy, got enacted by the 93rd Congress.

In the 94th Congress, I introduced my bill again, modified somewhat to be a little more modest in its breadth and effect. To date, we have not acted in the 94th Congress, but I am hopeful for meaningful amendments to the Solid Waste Disposal Act and other legislative thrusts this year to improve the climate for greater energy recovery from urban solid wastes.

I intend to pursue that course, one of the initial legislative thrusts I set for myself as a Senator because I know firsthand what a problem disposal of solid wastes can be for a city. Had I realized when I was Mayor of Albuquerque some of the things I know now about the energy and resource potential of urban trash, I would have been even more frustrated and disappointed that we weren't taking advantage of a genuine opportunity.

I'll conclude my promotion of energy conservation of urban solid wastes by quoting from a Report to the Congress by the Government Accounting Office in February of 1975 which stated:

Approximately 80 percent of the total annual municipal waste is combustible and could be used to generate energy if recovery were practiced in all major urban areas.

The energy produced would be equivalent to:

About 1.5 percent of the Nation's total energy consumption.

The Nation's entire energy consumption for residential and commercial lighting.

More than one-half of the 1972 direct oil imports from the Middle East.

Almost one-third of the energy that will be delivered by the Alaskan pipeline.

The GAO report then recommended that "the Environmental Protection Agency should continue to promote development of materials—energy recovery systems."

I rest my case on what appears to me to be an undisputed proposition that, whatever the actual quantities, every BTU obtained from these sources in the near term reduces our reliance on foreign petroleum by that amount plus the bonus of all the many additional benefits I intend to mention later.

How about the long term, which I will characterize quaintly as the post-petroleum era? There are those who tend to downplay bioconversion and other "lesser" energy sources by urging that we concentrate our research and development efforts on high-technology R&D for a limited number of highly-sophisticated, hardware-oriented ways to produce vast individual quantities of energy, primarily in the form of electricity. I want it understood that I have nothing against any of these proposals, such as the liquid metal breeder reactor, the synthetic fuels program or central station solar facilities, in fact I support them, but I don't think we should leave out bioconversion.

I am convinced that we need to take full advantage of the wide range of energy options and never again get ourselves in the bind that can result from too great a reliance on one or a few energy technologies. In any event, we certainly should not disregard other options before those major technologies are developed, proven and producing.

There is no question that in the long term bioconversion can play a significant role by anyone's yard stick. ERDA estimates that its programs to generate fuels from biomass could produce about 10 quadrillion BTU's per year by 2020. That is between 5 and 6 percent of the projected total U.S. energy demand in 2020 even without counting the energy production from urban solid wastes which could run as high as another 3 quadrillion BTU's per year by that time.

Some estimates indicate that the total contribution of biomass conversion could reach as high as 10 or 11 percent of our domestic energy consumption by 2020, an amount that to my way of thinking puts bioconversion development beyond the need for further justification. But even if the numbers were not all that encouraging, numbers alone, particularly those arrived at in the speculative manner necessarily involved in energy projections, should not be dispositive of the issue. Other benefits, as to which there is no speculation, deserve consideration.

My time grows short, and since you are aware of these benefits, I'll not belabor the point. General awareness of these benefits, however, is extremely important in generating the public interest and support so essential to success of any venture depending to a large extent on publice sector acceptance at all levels of government and by the energy industry.

The public, government officials, industry and the Congress ought to be aware that the following benefits and advantages are among those associated with bioconversion:

Storage and use almost at will.

Forever renewable.

Lower in adverse ecological effects in most cases.

Abundant sources in the United States.

Marginally useful lands and waters can be put to beneficial use.

Finally, bioconversion can be accompanied by the production of an assortment of products which can be adjusted in kind and quantity depending on demand and economics—the theme of today's program.

I think it is important to emphasize that there are definite benefits which will not be in the form of tangible products such as fertilizer or animal feed.

Many of these processes will actually reduce pollution and eliminate what are now tremendously difficult and expensive problems across the country, and indeed, around the world. As an illustration, the 1974 GAO report I referred to earlier, reached the conclusion that solid waste threatens to become the number one environmental problem in cost even if not recognized as such by public concern.

There are also vast economic benefits to be realized, which is not surprising since with bioconversion nature gives us such a boost, a boost which for the most part is without significant cost. Bioconversion may call into serious question the economic principle I happen to embrace that "there ain't no such thing as a free lunch." To draw the analogy further, I think that with a bioconversion-type lunch you may get the salad bar thrown in for free. If you've been to some of the restaurants around D.C., you'd probably agree that in many cases the salad bar is the best feature of the whole meal.

Regarding economics, a current report of the Library of Congress in discussing the impact of bioconversion of organic materials to methane, predicts that a new multi-billion dollar protein food and methane fuel industry would be created if high protein cells in digested sludge were recovered and excess fresh water or marine algae were grown. This is a very small part of the wide range of biomass conversion processes, indicative of the vast economic potential for our nation from biomass conversion.

As a final advantage, I would say that it appears to me that bioconversion is well within our nation's capacity to develop, both technologically and financially. ERDA's FY 77 budget does not contain a large amount for its Fuels From Biomass Program—only about 4.3 million dollars in budget authority and 3 million dollars for outlays. Frankly, I think that's a little low and the Congress may increase it. But, its the order of magnitude that's important because there is so much of benefit that can result from the orderly development which can be supported by such a modest level of public investment.

In conclusion, ladies and gentlemen, I'd like to encourage you in all your efforts to increase energy production, because, as I indicated earlier, there is no more important task we have as a nation. I don't apologize for waving the flag or beating the drum, feeling as I honestly do that the future of the United States and the free world depends on how well we respond in developing domestic energy resources to keep us strong and independent as the world's greatest power for freedom. You here today are engaged in maintaining that independence and strength by greater resource conservation and more effective utilization of nature and its fundamental processes. I commend you and thank you for that effort because I agree with Patrick Henry who, under far different but equally appropriate circumstances, said: "We are not weak if we use the means which the God of Nature has placed in our power."

Thank you and good luck.

SENATOR MATHIAS SPEAKS ON ISRAEL AND MIDEAST POLICY

Mr. JAVITS. Mr. President, on March 16, 1976, my good friend and colleague, Senator MATHIAS, of Maryland, made a speech in Port Chester, N.Y., at the Westchester division dinner of the Anti-Defamation League Appeal.

The remarks of Senator MATHIAS on that occasion revealed the high level of sensitivity and insight which we have come to associate with his work in the Senate. He has a good perspective on Mideast problems and he is a proven friend of the rest in United States-Israel relations of many years standing. I believe that Senator MATHIAS' remarks at the Anti-Defamation League Appeal dinner will be of interest to all Members of the Senate.

Accordingly, Mr. President, I ask unanimous consent that the text of Senator MATHIAS' speech be printed in the RECORD.

There being no objection, the speech was ordered to be printed in the RECORD, as follows:

WESTCHESTER DIVISION DINNER ANTI-DEFAMATION LEAGUE APPEAL, MARCH 16, 1976, PORT CHESTER, N.Y.

It is a pleasure to be here tonight and to take part in this program honoring Congressman Richard Ottinger. I have known Dick Ottinger since he first came to the House. We served together there in both the 89th and 90th Congresses, and I am well aware of the quality of his service to his community and to his country. It comes as no surprise to me that he should have been chosen to receive your community service award.

I congratulate him for deserving the honor.

The record of the Anti-Defamation League is what gives luster to the awards you make. As President Kennedy observed when he received your National Democratic League award in 1962, the League "should itself be receiving an honor for distinguished contribution to the enrichment of America's democratic legacy. Your tireless pursuit of equality of treatment for all Americans has made a lasting and substantial contribution to our democracy."

From its founding in 1913, the League consistently has sought to identify and to eliminate bigotry and prejudice from our national life. The true measure of the League's vision and of its contribution lies in the fact that you have not confined your efforts to situations affecting Jews, but rather have extended them to embrace all who belong to racial or religious minorities. Your aims have not been parochial. As a result, all Americans are indebted to you for helping to cleanse our social and political atmosphere.

Tonight I would like to talk about a subject which is of great concern to all of us—the Middle East. This too, I believe, is an area where parochial approaches and parochial aims will not produce lasting results.

The subject is very much on my mind tonight because I will be visiting the Middle East again early next month to review the situation there and to update the impressions I gathered on my visits to Israel, Jordan, Egypt and Syria last spring.

It is also on my mind because the appropriations bill for military assistance to Israel is now before the subcommittee on Foreign Operations of the Senate Appropriations Committee on which I serve.

That measure, as passed by the House on March 4, provides $700 million for security support assistance, $1.5 billion in foreign military assistance sales, and a $150 million grant for foreign exchange costs. I am confident the Senate will not reduce the amounts prescribed in the bill, which means that over the next year over $2.3 billion will be available for the defensive needs of Israel. This figure, of course, includes loans and sales as well as grant money.

I predict passage of this appropriation—including adequate funds for the transitional quarter—so confidently because there is a clear and continuing consensus that American policy in the Middle East must be predicated upon insuring the independence and security of the State of Israel.

Senator Inouye, the chairman of our Foreign Operations Subcommittee, and I traveled to the Middle East together last spring with a large staff in order to lay the factual basis for legislation and appropriations. During our visit, we talked with the heads of the Arab states we visited as well with a wide range of Israeli officials, including Price Minister Rabin and Foreign Minister Allon. Since then I have continued to explore aspects of the Middle East problem with American experts, both within the Government and within the academic community. I have also met with Prime Minister Rabin and other Israeli officials who have visited here.

Through these discussions, I have satisfied myself that the funds being provided in the military assistance bill will not only be adequate to the immediate defense of Israel, but that they will provide that extra measure of support necessary to deter any casual adventurism by Israel's neighbors.

I have found that to appreciate the problems Israel faces it is not enough to know you are dealing with a beleaguered country of three million people attempting to combat the hostility of 100 million people. You must also be able to visualize the grim geographical realities of Israel's position.

This was brought home to me last year while flying with General Allon in a stripped down DC–3. We were near the Golan Heights, flying at an altitude of 2500 feet, when he leaned over and pointed out of the window. "There", he shouted over the din of the engines, "There is our problem".

There, within clear view, immediately to the west was the Mediterranean sparkling in the sun and directly to the east was Jordan. It did not take a highly trained military strategist to get his point.

One hopeful aspect of the military assistance bill we are now considering is that it also provides funds for an early warning system in the Sinai. This first, tentative, American-Israeli-Egyptian attempt at cooperation could, if successful, set the stage for other cooperative efforts. It could help create an environment in which Israel and Egypt might consider settling their differences by negotiation rather than by confrontation.

Although there is some small reason for hope in this, no one can be really sanguine about the prospects for peace and stability in the Middle East. Events in the area spin across the headlines at a frightening pace—internecine carnage in Lebanon, volatility in Syria, fanaticism in Libya, and, always and everywhere hovering like a dark phantom in the background, is the Palestine Liberation Organization. On a different level, but an equally worrisome element in the Middle East puzzle, are billions of petrodollars available from Kuwait to Saudi Arabia.

Other factors that must be weighed in any diplomatic equation that seeks to untangle the skein of conflicting interests in the Middle East are the nature of America's relations with the Soviet Union in general and in the Eastern Mediterranean in particular, and, of course, our continuing demand for energy.

We are, I believe, at a crucial point in the Middle East. We have the opportunity now to unbend a little in the direction of the moderate Arab States and I believe we must do this in the interest of long-range security for Israel. That is why I will vote for the limited funds for support assistance to Arab countries contained in the present appropriation bill.

Without in any way diminishing its support for Israel, the United States must try to improve its relations with moderate Arab States. It seems to me quite clear that any improvement in our relations with responsible Arab States must have a concomitant and desirable effect on Israel's position.

We should certainly be cautious and pragmatic in our approach to these Arab States. We must make to clear to them that Israel's future is not negotiable. But we must not turn our backs on any chance of moving closer to the negotiating table. The closer we can get the Arab States to the peace table, the nearer we will be to securing a stable future for Israel.

There is another aspect of Israel's position that I would like to mention tonight because it is equally as important to Israel's ultimate survival as is military assistance. That aspect is Israel's need for economic support.

The Anti-Defamation League has already made an enormous contribution in this area by focusing public attention on the Arab boycott of firms doing business with the State of Israel. But much more remains to be done

My conversations with various Israeli officials leave me in no doubt that, without a substantial infusion of economic support, Israel's future is bleak indeed. If peace by some miracle came to the Middle East tomorrow, Israel's condition still would not be very healthy.

Twenty-eight years of living as a "garrison state" have taken their toll and the fabric of the Israeli economy is strained and tattered. The statistics are sobering. Under attack from the moment of birth, Israel has had to devote 31 percent of her gross national product to military expenditures. This is a staggering percentage. In our country, it would represent an expenditure of $600 billion a year on defense. In fact, we spend only about 6 percent of our gross national product on defense.

Israeli citizens, with their phenomenal morale, have supported their oversized defense expenditure but it has produced the highest tax rate of any country in the world—60 percent on median incomes.

Israel's economic imperatives have resulted in an austere domestic economy which produces a limited supply of consumers' goods and this, in turn, has led to an almost unbelievable inflation rate of 60 percent over the past two years.

These stark facts have been overshadowed by the more obvious and dramatic facts of Israel's military situation, but they are facts that must be addressed if Israel is to remain a viable nation.

I believe we must turn our attention urgently to Israel's economic problems. At the same time that we seek to encourage an improvement in Israel's relations with her Arab neighbors we should focus our attention on achieving economic as well as military security for Israel.

Then, if some sign of Arab interest in cooperation is forthcoming, Israel will be in a position to play her trump card. That card is her technical know-how.

Is it visionary to see a future where the Israeli people will join in a partnership to provide the scientific, technological and cultural leadership that could bring the entire Middle East into bloom?

Is it naive to hope that the promise of such a renaissance might be equally attractive to all the people of that deeply scarred and war-wearied area?

Is it hopelessly impractical to believe that at last the time has come for the lion to lie down with the lamb?

It seems to me the alternatives are unthinkable.

GEICO'S FINANCIAL CRISIS IS UNRELATED TO NO-FAULT

Mr. MOSS. Mr. President, there have been a lot of stories in the press lately about the financial problems of GEICO, the Government Employees Insurance Co. GEICO recently shocked consumers and the business world when it reported fourth-quarter losses of $106 million, bringing the total full year losses to $124 million.

Since more than 90 percent of GEICO's business is in the area of private passenger automobiles and since GEICO operates heavily in no-fault States, there has been a great deal of speculation as to whether the no-fault concept itself is responsible for the company's financial crisis. Some spokesmen for GEICO have attempted to explain their enormous losses by blaming them on the "exceptionally severe impact of inflation . . . aggravated by the unexpectedly adverse effect of no-fault laws."

But is no-fault really to blame for GEICO's financial problems?

Emphatically no, according to recent reports by GEICO financial analysts.

Consider the following items:

First. Press reports that GEICO has attributed its losses to no-fault are inaccurate. In a letter dated March 16, 1976, to the National Association of Independent Insurers, the President of GEICO, Ralph Peck, stated that the press was completely incorrect in stating that GEICO identified a $6 million loss under New Jersey's no-fault insurance law last year. Mr. Peck said that—

> We have not published any results which attempt to identify losses due to no-fault in any state. . . . At no time has GEICO publicly identified any particular amount of loss as being attributable to no-fault in any state.

Second. According to one of GEICO's top financial advisers, Mr. Frank Weil, chairman of the Finance Company of Paine, Webber, Jackson, and Curtis, Inc., no-fault had really not contributed much to GEICO's problem. He said that the major difficulty had been a failure to "adjust to change."

He said:

> As the number of policyholders of the company increased, the degree of preferred risk changed. GEICO had great marketing, but it didn't change with changing times—its actuarial assumptions were false.

Third. In a letter to GEICO policyholders, Mr. M. D. Knight III, regional vice president for GEICO, explained the cause of recent rate increases brought about by the company's financial difficulty. According to GEICO Vice President Knight, the cause of GEICO's problems were primarily inflation. He explained the rate increases this way:

> Writing insurance rates are a direct result of the inflationary spiral which has adversely affected all sectors of our national economy. The auto insurance industry is particularly vulnerable to inflation. For example, hospital and medical expenses, as well as the cost of auto parts and repair work, have been rising faster than prices in general. During a recent 21-month period, the United States Department of Labor's Consumer Price Index revealed that medical care expenses rose 12.5% and auto repair and maintenance costs rose 14.2%, in comparison to an overall price rise of 9.3.

Not once did Mr. Knight cite state no-fault plans as even a contributing factor to the increase in premium rates for GEICO policyholders. It would seem that while some GEICO executives would like to blame no-fault for their mismanagement and inaccurate assessment of the insurance market, they cannot in good conscience make such claims to their policyholders.

Fourth. The Washington Post reported one former GEICO claims employee as saying:

> Anyone with smarts knew it would happen . . . officials hoped it would be covered up by profits of expanding business, but inflation got them in a bind. They started pushing for expansion to get volume, premium dollars . . . and to not offend customers, they approved claims they should not have. "Employees knew a bust was coming."

In short, GEICO's problems are related to inflation, inaccurate actuarial assumptions, the failure to select the best risks, and underwriting losses brought about by the stock market. The claim by some embarrassed GEICO executives that no-fault is to blame is a bum rap.

CONTRIBUTIONS MADE BY THE IRISH

Mr. HUGH SCOTT. Mr. President, a letter to the editor of the Philadelphia Inquirer by John Joseph Sweeney, Jr., member of the board of management of the Friendly Sons of Saint Patrick, points to the many contributions made by Irish-Americans and native-born Irishmen.

I ask unanimous consent that this letter to the editor be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

GREAT DAYS THEN, TOO—IRISH AMONG FOUNDING FATHERS

To the Editor:

During this Bicentennial when we celebrate Saint Patrick's Day, native born Irishmen and those of us of Irish descent in the Delaware Valley should try to recollect the great contributions which the Irish made to this country 200 years ago.

Charles Thomson, a native of County Derry, Ireland, was the secretary of the Continental Congress and recorded the minutes of the first meeting in Carpenters' Hall.

The Declaration of Independence was signed by eleven Irishmen; John Hancock, president of the Congress, Matthew Thorton, John Hart, James Smith, George Taylor, George Reed, Thomas McKean, Charles Carroll, Edward Rutledge, Thomas Lynch, and Robert Trest Paine.

Twenty-two generals of the Continental Army were native born Irishmen or sons or grandsons of native born Irishmen. As we celebrate the feast of St. Patrick let us remember the words of Colonel John Parke Custis, an adopted son of George Washington. "Of the operatives of the war—the soldiers I mean—up to the coming of the French, Ireland furnished in the ratio of one hundred to one of any nation whatever. Then honored by the 3,000 old services of the sons of Erin in the War of Independence. Let the Shamrock be entwined with the Laurels of the Revolution, and Truth and Justice, guiding the pen of history, inscribe on the tablets of America's remembrance. Eternal Gratitude to Irishmen."

JOHN JOSEPH SWEENEY Jr.,
Member of the Board of Management of the Friendly Sons of Saint Patrick.
PHILADELPHIA.

THE CONGRESSIONAL SCIENCE AND ENGINEERING FELLOWSHIP PROGRAM

Mr. MAGNUSON. Mr. President, I would like to offer my strong endorsement of Senate Concurrent Resolution 100, and to state my personal appreciation to the scientific and engineering societies for their outstanding stewardship of the congressional science and engineering fellowship programs.

Many of the issues facing the Congress have significant technological components. It is, therefore, essential that individuals with an understanding and appreciation of science and technology be available to assist the Congress in carrying out its legislative functions. To ignore, or fail to pay adequate attention to, questions related to science and technology is surely to invite crises in the future, whether related to health, energy supply, national security, or many other critical aspects of national welfare.

The congressional science and engineering fellowship program represents an important step in insuring that the Congress has the technical expertise to help make science and technology more responsive to human needs. The Senate Commerce Committee was fortunate in early 1973 to be the first congressional committee to have a science and engineering fellow. Since that time, we have had two other science and engineering fellows on the committee staff, one of whom has now accepted a permanent staff position.

The committee's experience with these fellows has been excellent. The scientific and engineering societies have done an extremely careful job of screening their candidates, and these candidates have uniformly demonstrated intelligence, initiative, and an ability to rapidly apply their skills to the legislative process.

This program has also greatly facilitated communication between the Congress and the scientific and technological community. Such communication is critical if the Congress is to receive the best technical and scientific advice on complex issues.

In summary, Mr. President, the congressional science and engineering fellowship program has greatly benefited the Congress and the Nation, and I strongly encourage the participating societies to continue and expand it in the coming years.

ENERGY AND THE PRIVATE SECTOR

Mr. JAVITS. Mr. President, a recent speech by an eminent New York investment banker, Mr. Steven Fenster, of Lehman Brothers, who specializes in the energy field, contains some interesting and exciting new thoughts on the capabilities of the private sector to finance our energy future. I call it to the attention of my colleagues.

Mr. Fenster analyzes the critical question of what we can expect from the private sector with only a modest amount of governmental input. The answer, when one avoids the simplistic solutions, is that it will be impossible for the private sector to raise and invest the necessary capital to develop the new forms of energy that now loom on the technological horizon; furthermore, the amount that is developed is likely to be done only by the huge multinational companies, which alone are capable of raising sufficient debt to finance any of these undertakings.

No matter what estimate one uses for the capital needs of the energy industry over the next two decades, it is clear that those needs will not be raised through traditional private channels. Some form of governmental financing assistance is needed, and it is needed soon.

Although this speech was given before I introduced the National Technology Development Corporation Act, S. 3111, its conclusions and recommendations point to the need for its accomplishment.

If our energy develop is to progress to anywhere near our technical capacities, which now are underutilized, the Federal Government must take the lead in assiting the private sector in such areas as alternative energy source development. A new partnership is needed that puts the resources of the Federal Government and a reasonable portion of the risk, behind the creative talent of private enterprise, the small and medium sized company that has formed the backbone of America's leadership in the world.

Mr. President, the Technology Development Corporation that is established in S. 3111 would provide the needed mechanism and funding authority to begin this new partnership. Without it, I do not believe our energy problems will be solved for many more years than necessary because so much of our capacity will lie idle. Capacity that we all know exists and can be tapped. Furthermore, if we are to give any but the largest of our corporate enterprises any change to participate meaningfully in the next era of America's growth and development, we must provide the financial means to get good ideas moving.

The speech by Mr. Fenster is strong evidence that such a new capability is needed in the Federal Government. I ask unanimous consent that it be printed in the RECORD.

There being no objection, the speech was ordered to be printed in the RECORD, as follows:

ENERGY AND THE PRIVATE SECTOR

(Address by Steven R. Fenster)

It is with pleasure that I take this opportunity to discuss with you today certain thoughts with respect to energy, particularly as they relate to the private energy companies and the capital markets. When discussing the energy situation, there is a great temptation to become mired in technical details. Certainly, there is enough information to keep anybody happy. The "Project Independence" studies alone totalled in excess of 5,000 pages. Furthermore, it has become fashionable to discuss either knowledgeably or not a number of the futuristic energy technologies. I will try not to succumb to these temptations.

The energy problem has now become so central to our economy and our political life as to raise in clear form what is one of the fundamental issues of the current period. I refer to the role private enterprise will play when a sector of the economy is no longer generating output in amounts and prices which are considered politically acceptable. This situation forces the nation to rethink the role of private companies in these areas. We all have a great stake in this rethinking process.

In this forum I take for granted that almost all of us would like to see private enterprise, in this case the energy industry, continue to have as much responsibility, authority and autonomy in dealing with the energy crisis as is consistent with the right economic, social and environmental results to be achieved. A basic question, therefore, is what can one expect from the private sector with only a modest amount of government intervention. That question is both difficult to answer and controversial. It is further confused by the fact that many who prefer a certain result—either almost complete private enterprise autonomy or strong government control—tend to quickly agree with technical conclusions that support where they ultimately want to go.

Each person involved in assessing what we can realistically expect the private sector to do brings a particular background and perception to a situation. As an investment banker, a partner of a firm which is active in all phases of the capital markets and with the energy industry, I hope I can provide you a realistic assessment of what the private companies can and might be willing to do.

The simplistic approach states that if free market prices for energy would prevail in the United States, the private energy companies would achieve our energy objectives. The familiar arguments given for a free price is that it is the best way to encourage supply and to retard demand.

Price flexibility is clearly critical to encourage the private sector to invest in energy resources. However, as one analyzes how higher prices will affect economic behavior in the energy area one finds certain special factors that almost certainly will not produce the economic results that a free price ideology would suggest.

The first problem is that the decision makers in the energy companies will not believe, and I think properly so, that free prices can be achieved in the short term nor do they have confidence that looking to the medium and long term, they can plan on free prices. It would be impossible to overestimate the negative effects on investment where prices are controlled but costs are not.

The second problem relates to the fear of the energy companies that prices might fall. This problem arises because investments in new energy facilities are so expensive that high prices are needed to make them profitable. And what counts is not the prices when the investment is made, but the future price level over the useful life of the investment. An important fear is that prices may be high when the investment is authorized but that during the lifetime of the investment, prices could fall because OPEC can lower them since their production costs are estimated well below $1 per barrel. Since OPEC's willingness to have lower prices is partly a political decision, this makes realistic predictions of future price levels very difficult.

Let me provide some numbers which provide a feel for how expensive the new investments will be. It has been estimated that in the Mideast one requires only $1,000 of investment per unit of crude productive capacity and in this context the unit of capacity is barrels per day. In the U.S. Gulf, excluding bonus lease payments to the U.S. Government, $4,000 per unit of capacity is necessary. For deep water offshore one might use figures of $8,000–$15,000. The Arctic Ice area costs may well be $10,000–$15,000 per unit of capacity and synthetics of various kinds probably are best shown in any table with a question mark but I think it is clear that costs in the area of $25,000–$35,000 per unit of capacity may be necessary.

For certain of these investments the price of energy is still not high enough to justify the risks. For those where the price is sufficiently high, it is obvious that the investments would be rendered valueless if the price fell. The private companies cannot be expected to take these risks.

A third problem area is the hotly debated subject of whether there is or is not a capital shortage. Cleary, it has become increasingly difficult for corporations to raise money. Without dwelling on the general subject of a capital shortage, I would say that both inflation and declining investor confidence have and will continue to make it harder to attract the long term funds to finance the private sector.

Turning to the specific case of the energy industry, there is a general consensus among the many studies that have taken place that the aggregate investment needs of the industry over the next ten to fifteen years will be, in current dollars, approximately three to four times that over the prior ten to fifteen years. One must, however, always be suspicious about so-called aggregate "Requirement Studies". The reader seldom knows how the conclusions were derived and whether changes in technical assumptions would have had a significant effect on the overall result. In this case, however, the higher need for energy investment can be explained by two simple considerations. First, there is now a substantially higher investment cost per unit of capacity to achieve new capacity in the energy area. Not much capital was required to develop Mid-Eastern oil fields but a great deal of capital is required to develop alternative resources in the United States today. Second, the average rate of inflation during 1950-1965 was approximately 2%. These two factors, in large part, account for the large aggregate requirement for funds.

The essential question is "Can the money be raised, and if so, under what conditions"? This question must be analyzed in three parts. First, can the more exotic forms of energy be privately financed? Second, can the great bulk of companies other than major international companies finance meaningful expansion plans? Third, can and will the major international companies meet their requirements?

The exotic area is clear cut. The prospect of significant private financing is small. By exotic I mean areas other than the traditional aspects of oil, gas or coal although I would include certain newer, more expensive ways to recover even these resources. The barriers to have a remunerative investment in the exotic area are far too high for the private sector. The R & D would have to be technically successful and have cost characteristics that were competitive. Absent an unusual breakthrough, the breakeven cost will be extremely high. This risk is unacceptable in the political environment we discussed earlier where the price may be too low either because of domestic regulation, or because of the potential for a political reduction by OPEC.

The second area is equally troubling. It is not likely that the smaller companies can participate in the energy area in a meaningful way. Most private capital is in the form of debt and the amount of debt one can attract is directly related to the amount of equity one has. The smaller companies simply have too little equity today to attract the debt needed to make a meaningful impact.

The most important area is the contribution that the large companies can make since their impact is decisive in terms of appraising what the private sector can do.

The answer is in two parts. What do these companies consider to be in their interest to do? And second, do they have the financial capacity to do so? Since the second area is somewhat more definable, let me begin there. There have been numerous aggregate studies done of the energy industry's ability to finance itself and they often come to opposite conclusions. I think there are grave methological difficulties in proceeding on an aggregate basis in this area. What I have done is proceed with an analysis as an investment banker to these companies to see whether they could prudently attract the necessary investment capital. Without unduly de-mystifying our profession. I should say that at any point in time there are acceptable degrees of leverage and reasonable speculation as to how these rules might change over time. While particular situations will vary, these approximations are useful.

As one analyzes the cash flow and financial position of these companies one discovers that at an appropriate level of profits the required large increase in investments is probably feasible. However, the rate of profit growth and the rate of return on equity is probably in the area of 15% or more and the political conditions, including tax policy, are such that these kinds of profits are probably not obtainable.

A decision to commit large amounts of funds requires a judgment that the profits will occur. Faith is required since the investment precedes the prospective profit. Certain recent actions by some of the international oil companies suggest their best judgment is that they cannot count on the profits.

I think we must take seriously the revealed attitudes of Mobil Oil Corporation which spent $800 million to acquire 50% of Marcor, a large retailing and paper company, and of Standard Oil Company of California which invested $333 million in Amax, one of the leading companies in the minerals area. In either case, it is fair to assume that these companies, their managements and Boards of Directors made the conscious judgment that, in view of the prevailing political attitudes in the energy area, increased deversification was necesary.

I believe the conclusion that one must come to is that the private sector cannot be expected to invest the staggering sums of money required because it is now clear that domestic and international political forces deny them the assurance that these investments will be sufficiently attractive.

On the other hand, it is perfectly clear to most objective economic observers that the U.S. private sector, and the large energy companies, in particular, are enormously efficient compared to U.S. Government operations. Students of business in the U.S. are well aware that many of the management techniques that are widely used today were developed by the major oil companies. Because of their efficiency, it is critical that the political resolution of our energy problems make maximum use of the management talents of these companies and that no attempt be made to provide alternative governmental or quasi-governmental operating structures.

The efficiency of the leading energy companies was well documented in testimony recently given by John Hill, the Deputy Administrator of the Federal Energy Administration. Mr. Hill analyzed the performance of six large U.S. oil companies compared to six leading non-Arab foreign government oil companies. Using a variety of indices, the U.S. companies were more efficient by a very substantial ratio. As an illustration, U.S. companies averaged 44 barrels per day of oil per employee in production compared to 7 for foreign government oil companies. The comparable figures in refining were 36 barrels for the U.S. companies and only 14 for the foreign government companies. Obviously, part of this gap is accounted by the managerial differences between the United States and abroad. But a substantial part of the difference is also due to the government versus private orientation.*

Put simply, the private sector on its own can only finance part of our energy needs. On the other hand, the private companies possess the unique attribute of efficiency and years of discipline in producing a product at the lowest possible cost. Clearly a solution must take note of both these points and combine them in the appropriate way.

What, therefore, are the elements to this solution? First and foremost, is continued pressure to permit the price of energy to reach its natural market levels. Political factors are such that this is not completely feasible but it is important that those who understand the price mechanism continually urge the free market solution to the extent possible. This should help produce compromise solutions that are hopefully workable.

Second, it is obvious that some form of government guarantees will be necessary to induce the required volume of energy financing. The forms that these guarantees can take are varied. In some situations price guarantees are needed. In others, it would make more sense for the government to guarantee the debt. In many situations, a government guarantee may be necessary on what we refer to as a non-recourse basis. The risk of financing is not simply in the eyes of the creditor. It is also in the eyes of the borrower. A borrower may know he can pay the funds back, but not want to take the risk of repaying it from other sources if the project fails. Therefore, in some situations, the government may wish to agree on non-recourse financing where the obligations of the private company derives solely from the revenues and assets of the project, not from the borrower's general sources. In such situations, of course, one would normally require the private company to invest equity or subordinated debt in the project that was at risk.

Third, there is a possibility that events will change in the future which will have the effect of permitting a larger volume of purely privately financed investment. This favorable situation might arise if a number of government financed projects are successful, if the domestic political environment permits adequate profits for energy companies and if the fear that OPEC might reduce prices recedes. To permit the nation and the private energy companies to benefit from this situation it is important that the mechanisms of government guarantees be carefully thought out so that the industry is not irretrievably wedded to government financing. Put simply, since the need for government financing today might turn out to be temporary, let us avoid taking steps that force it to be permanent.

Fourth, is a substantial energy research and development program which seems to be getting under way.

Finally, with respect to environmental issues, let me just note that we must develop procedures that greatly expedite the process of weighing the value of a particular project against environmental concerns.

It is obvious that much of what I have said, both in philosophy and in substance, is similar to the thinking that was embodied in the President and the Vice President's Energy Independence Authority. It is clear to me that this concept should be remerchandised in some form. I am not close enough to congressional attitudes to speculate what will be required to achieve approval or what possible future events might have to occur to change people's minds. However, I think it is clear that the amount asked should be substantially below $100 billion, not that that may not be the right estimate of the ultimate need, but that that is simply too much to get approved at one time. And, in addition, it is clear that the Congress will wish more control over the Authority than the legislation envisions. Surely, there are good reasons for the Agency to be autonomous but the realities, I think, of the times are that the Congress is not prepared to accept many of these arguments.

I began this address by saying that the energy crisis provided a major political challenge to our free enterprise system, one that I think is keenly important to the members of The Ripon Society. The challenge is to recognize that the private sector can only do part of the job and that we must create a partnership between the Federal Government and the private companies in a way that takes advantage of the efficiency of the private companies and maintains to the greatest degree possible the traditional role of the private enterprise system.

In a larger context I believe that the political questions raised regarding the relationship between the private system and the government in the area of our energy problems are a harbinger of serious problems that will arise in other sectors of the economy. I am afraid that I envision that the private enterprise system will not be able to produce products and services in amounts and at costs to which we have grown accustomed. Many of the critics of private enterprise will argue for substantial government intervention since private industry has "failed", whether or not government action was the ultimate cause. The political challenge, of which the energy situation is now our most important example, is to seek to adapt our free enterprise system in a way where it can work with the Government in situations where the *traditional* private approaches no longer work, and in doing so to maintain the important elements of the private system which have provided this nation with both efficiency and growth.

THE TRAGEDY OF CYPRUS CONTINUES

Mr. KENNEDY. Mr. President, this week the Turkish Foreign Minister, the Honorable I. S. Caglayangil, is scheduled to visit Washington. All Americans who value the traditionally good relations between our two countries will warmly welcome the Foreign Minister's visit, and hope that the talks he has with President Ford and Secretary of State Kissinger will prove fruitful.

However, in their talks with the Foreign Minister, I am hopeful that the President and Secretary Kissinger will give the highest priority to the Cyprus problem. Because, whether we like it or not, bringing peace and justice to the people of Cyprus is crucial to restoring our good relations with Turkey.

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*In certain areas, the non-integrated U.S. oil companies are more efficient than the major U.S. oil companies. Thus the gap between the U.S. oil industry and foreign government oil industry may be even larger than suggested by the figures above.

In the absence of any real progress in resolving the Cyprus problem, Turkey is further entrenching its military occupation of northern Cyprus. The heavy presence of Turkish troops and armament continues. And thousands of settlers from mainland Turkey have arrived on the island, and apparently are being given the right to participate in the forthcoming elections in the occupied areas.

In the meantime, not a single Cypriot-Greek refugee has returned to his home. In fact, over recent months the Turkish authorities have created even more refugees, by expelling hundreds of Cypriot-Greeks from their homes in the occupied areas. And this gross violation of the Vienna agreements, concluded under United Nations auspices just last August, continues daily.

Mr. President, the administration is apparently recognizing this sad record of Turkish occupation in northern Cyprus. And I fully share the concern of Secretary Kissinger, expressed to me in a recent letter, that such "developments on the island during the last several months might inhibit progress in the Cyprus negotiations."

For this reason I am making an appeal to the President and the Secretary of State to give the highest priority to the Cyprus problem in the days ahead.

Mr. President, I would like to share with the Senate a recent exchange of correspondance which I have had, as chairman of the Subcommittee on Refugees, and which other members of the subcommittee have had, with the Department of State over the Cyprus problem. I ask unanimous consent that the Department's letter commenting on the subcommittee's recent report on Cyprus, and the Department's reply to an earlier subcommittee letter, be printed in the RECORD.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

LETTER TO SENATOR KENNEDY FROM THE DEPARTMENT OF STATE COMMENTING ON SUBCOMMITTEE REPORT ON CYPRUS

March 1, 1976.

Hon. EDWARD M. KENNEDY,
Chairman, Subcommittee on Refugees, Committee on the Judiciary, U.S. Senate,
Washington, D.C.

DEAR MR. CHAIRMAN: The Secretary has asked me to respond to your recent letter concerning the staff report on Cyprus prepared for use by the Subcommittee on Refugees which was released on January 19. As you are aware, the Department has already written a member of your staff on the specific allegations contained in the report that the Embassy in Nicosia was attaching strings to certain assistance projects.

I believe it would be useful to stress again the high priority which the United States Government has placed on ameliorating the situation of the refugees on Cyprus. The report correctly indicates that the response of the international community to the refugee crisis on Cyprus has been generous. I believe it is significant to note that almost half of the total amount provided to date for this purpose has come from the United States. Indeed, while the United States proposes to support humanitarian and rehabilitation efforts on Cyprus at a continued high level, support from other countries has fallen off to the point where the U.S. will soon provide the preponderant amount of assistance to support UNHCR activities.

Before commenting point-by-point on the recommendations contained in the report, I would like to make one further general observation. We, too, are struck by the remarkable progress the Government of Cyprus has made in reactivating the shattered economy and by its own efforts to ease the plight of the refugees. It is an impressive testimony to the resiliency and industriousness of the Cyprus people.

For purposes of easy reference I have keyed our comments to the headings used in the "recommendation portion" of the report:

1. *The Cyprus Priority in Repairing U.S. Relations with Greece and Turkey:* No one denies that real progress toward an honorable and just resolution of the Cyprus problem is crucial. The United States Government has repeatedly stated that the question of refugees should have a high priority and must be dealt with in a prompt fashion. The Administration, for that reason, has lost no opportunity to urge the parties to resume the inter-communal talks so that the process of bringing a rapid solution can be ensured.

2. *Restoration of the Full Independence, Sovereignty and Territorial Integrity of Cyprus:* The report asserts that the restoration of the full independence, sovereignty, and territorial integrity of Cyprus must be a fundamental objective of American policy and diplomacy. As the report notes, this cardinal point has recently been reaffirmed by both President Ford and Secretary Kissinger.

3. *Opposition to a Unilateral Declaration of Independence by the Cypriot-Turkish Administration:* The United States has consistently stated that it opposes any unilateral actions by either side which would prejudice a final settlement. Clearly, a declaration of an independent Turkish-Cypriot state would not be in the interests of achieving an equitable settlement and, consequently, the United States would not condone such an act. Our position on such unilateral actions has been expressed to both sides through diplomatic channels.

4. *Support for Implementing Intercommunal Agreements and the Resumption of Intercommunal Talks:* The United States supports the intercommunal talks and believes it is the most viable available mechanism to achieve progress toward a Cyprus settlement. It follows, therefore, that the U.S. views with concern any actions which would frustrate or be disruptive to the implementation of agreements reached in the intercommunal forum or which would violate the spirit of accords reached by the Cypriot communities. As for the resumption of the talks, the United States has been active in urging the parties to return promptly to the negotiating table. I am sure you are aware that Secretary Kissinger stressed the question of Cyprus at the Brussels NATO Ministerial in December. Largely as a result of his efforts, the Greek and Turkish Foreign Ministers agreed to call upon the UN Secretary General Waldheim to work with the parties to resume the negotiations. We are keeping in close contact with Secretary General Waldheim and the parties to assist this process in any appropriate manner.

5. *Immediate Withdrawal of Turkish Troops:* As reiterated by Secretary Kissinger in his speech to the United Nations on September 22, 1975, the United States supports the removal of all foreign troops from the island except those provided for by international agreements. The report's call for a phased withdrawal of Turkish troops has in some measure been realized. Just in the last few days, Turkey announced the withdrawal of an additional 2,000 troops, thus bringing the level to about 28,000 troops from the high of approximately 40,000 at the height of the 1974 conflict.

6. *A Basic Principle: The Return of Refugees to their Homes:* There can be no doubt that the refugee question will be central to a just Cyprus solution. The provision of assistance to the refugees has been an essential step in meeting their most immediate needs and to aid in the rehabilitation of the economy, but the legitimate aspirations of the refugees can only properly be taken into account in an overall political settlement. This is, of course, one major reason that we have worked so actively to support the negotiating process.

7. *Relief, Rehabilitation and Recovery Assistance to Cyprus:* We are in general agreement that the United States must support international efforts to help meet relief, rehabilitation and recovery needs on Cyprus. We also share the concept of putting special emphasis on measures and proposals to assist displaced and needy persons in regaining a degree of economic self-sufficiency. Finally, we, too, prefer to see the assistance allocated through international channels and used in a flexible manner to reflect the changing patterns of requirements on the island.

On balance, the report, in those portions dealing with refugees and related humanitarian aspects of the Cyprus problem, is thorough and generally consistent with our understanding of the situation on Cyprus. These aspects are, of course, the primary concern of the subcommittee, and as indicated by your letter, of special concern to you. Unfortunately, as the report moves into the area of U.S. policy there tends to be, in our view, a loss of objectivity.

You asked, as well, for our current assessments of the status of negotiations on the Cyprus problem. The fifth round of the intercommunal talks held in Vienna under the personal auspices of U.N. Secretary General Waldheim concluded on February 21. We were encouraged that the parties agreed to exchange proposals within six weeks on the major substantive issues—such as the territorial question. Additionally, both sides have agreed to meet again in Vienna with Mr. Waldheim sometime in May.

Sincerely,
ROBERT J. MCCLOSKEY,
Assistant Secretary for Congressional Relations.

EXCHANGE OF CORRESPONDENCE BETWEEN SUBCOMMITTEE ON REFUGEES AND THE DEPARTMENT OF STATE OVER VISIT OF TURKISH FOREIGN MINISTER TO WASHINGTON

February 5, 1976.

Hon. HENRY A. KISSINGER,
Secretary of State,
Department of State,
Washington, D.C.

DEAR MR. SECRETARY: Since the outbreak of violence and the Turkish invasion of Cyprus in 1974, the Subcommittee on Refugees has closely followed developments on the island. As you know from our previous correspondence, the Subcommittee's primary concern has been the refugee and related humanitarian problems resulting from Turkish military operations, and the kinds of efforts our country is making to help bring peace and relief to the people of Cyprus.

We share the distress of many Americans over the lack of any real progress toward an honorable and just resolution of the Cyprus problem, and we fully agree with the President's recent statement that American diplomacy must make "a major effort to encourage resumption of the Cyprus negotiations." We also fully support the five principles for a settlement, which you set forth in you address to the United Nations General Assembly last September 22.

In this connection, we believe that the

forthcoming visit to Washington of the Foreign Minister of Turkey, Mr. I. S. Caglayangil, offers an important opportunity for our government to facilitate real progress in normalizing the lives of the Cypriot people. We recognize that the Turkish Government's recent announcement of a further withdrawal of troops from Cyprus represents a step in the right direction. And this should be recognized by all concerned. But in recognizing the Turkish Government's gesture of goodwill, we cannot overlook other developments on Cyprus, including new reports of Turkish settlement in the Greek quarter of occupied Famagusta city and the continuing failure of the Turkish Administration on the island to implement the inter-communal agreement concluded in Vienna under United Nations auspices on August 2, 1975. Such developments erode hope for early progress in negotiations and threaten the fragile peace on Cyprus.

We earnestly hope that, in your discussions with Foreign Minister Caglayangil, the Cyprus problem will be a matter of primary concern, and we would appreciate learning the results of your discussions.

Many thanks for your consideration, and be assured of our continuing support for your efforts to promote an honorable and just resolution of the difficult problems on Cyprus.

Best wishes.

Sincerely,

EDWARD M. KENNEDY,
Chairman, Subcommittee on Refugees.
HIRAM L. FONG,
Ranking Minority Member.
PHILIP A. HART,
CHARLES McC. MATHIAS, Jr.,
JAMES ABOUREZK.

February 16, 1976.

Hon. EDWARD M. KENNEDY,
Chairman, Subcommittee on Refugees, Committee on the Judiciary, U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: The Secretary has asked me to respond to your letter of February 5 concerning the Cyprus situation and to tell you that he shares your concern that developments on the island during the last several months might inhibit progress in the Cyprus negotiations which will begin on February 17 in Vienna.

It was the Secretary's intention to raise the Cyprus question, along with other issues, during his meeting with Turkish Foreign Minister Caglayangil. The Secretary will, of course, discuss Cyprus when their meeting is rescheduled. Following that meeting, we will let you know the results of the discussions, particularly as they relate to Cyprus.

We are encouraged that both sides have agreed to resume the inter-communal talks. We intend to follow the talks closely and to assist the parties in any manner that they believe would be useful. It is our strong conviction that the talks must be sustained and of sufficient depth so that progress on the major issues can be realized. We and our Western Allies will be stressing these points to the parties as they move back to the negotiating table.

Sincerely,

ROBERT J. McCLOSKEY,
Assistant Secretary for Congressional Relations.

NUCLEAR SAFEGUARDS

Mr. HUGH SCOTT. Mr. President, recently I introduced S. 2838, the Nuclear Safeguards Act of 1975 to reduce the risks to public health and safety from theft or diversion of special nuclear materials and from sabotage of nuclear facilities.

With the energy problems our Nation faces, nuclear power is not a source of energy we can turn our backs on; however, we must protect ourselves from nuclear terrorism. The necessity for the type of legislation presented in S. 2838 is obvious.

With this in mind, I ask unanimous consent that the article, "Bomb Threats Cited at Nuclear Reactors," from the Washington Post, be printed in the RECORD. This article clearly points out the need for protection from nuclear terrorism, and shows that it is not only a threat, but a reality. I think that this article will be informative to my colleagues.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

BOMB THREATS CITED AT NUCLEAR REACTORS

The Nuclear Regulatory Commission said yesterday there have been two incidents since 1969 where explosives were planted at nuclear reactors in this country and more than 100 cases where bomb threats were made but not carried out.

An NRC spokesman said dynamite was found outside a research reactor at the University of Illinois, Urbana, in 1969 and a pipe bomb was found at the Point Beach Atomic Power Station in Wisconsin a few months before it went into operation in late 1970.

Both were detected and defused before any explosion could occur but the spokesman was unable to supply details.

"These are the only two incidents where exposives were actually found," the spokesman said.

But, he said, there have been more than 100 bomb threats made against nuclear power plants, research reactors and nuclear fuel fabrication plants in the past seven years.

"These were all cases where somebody called the plant or made some other threat," the spokesman said.

"Generally speaking, if a licensed nuclear facility gets a threat like that they report it to us and we turn it over to the FBI."

The NRC said it had turned over a list of all threats since 1969 to a Ralph Nader organization that requested the data under the Freedom of Information Act. The list was not immediately available.

Nader has been campaigning for a nationwide moratorium on new nuclear reactors, basing many of his arguments on the threat posed by terrorists who might damage a plant and let radiation escape or might break into a plant and steal bomb-grade uranium to achieve a nuclear blackmail capability.

SENATOR CHURCH ANNOUNCES FOR PRESIDENT

Mr. McGOVERN. Mr. President, the Senate has no more eloquent spokesman for commonsense in American foreign policy than Idaho's senior Senator FRANK CHURCH.

Senator CHURCH understands well that foreign and domestic concerns are indivisible. We cannot have peace and justice in our own society unless we demonstrate those concerns in our world relationships.

Senator CHURCH's entry into the presidential race will provide a deeper dimension to the great dialog which the presidential competition offers. I ask unanimous consent that the Senator's stirring announcement speech given at Idaho City on March 18 be printed in the RECORD.

There being no objection, the speech was ordered to be printed in the RECORD, as follows:

ANNOUNCEMENT OF CANDIDACY FOR PRESIDENT OF THE UNITED STATES

(By Senator FRANK CHURCH of Idaho)

DELIVERED IN IDAHO CITY, IDAHO.

The best roads in life lead home again. Today, in the company of my wife and family, I come home again to Idaho City, where my Grandfather first settled during the Gold Rush, and where my Father was born before Idaho had yet become a State.

So it is for personal, as well as symbolic reasons, that I come back to this historic place, this frontier town which furnished most of the gold needed to preserve the Union.

The pioneers of the early West were men and women of uncommon strength and faith. They had the strength to endure the hardships of life in the wilderness. And they had faith enough in themselves and the future to overcome their fears.

Our tragedy in recent years springs from a leadership principally motivated by fear, from men of little faith.

It is leadership of weakness and fear that grants a full pardon to a former President for whatever crimes he committed in the White House, but looks the other way while his subordinates stand trial.

It is a leadership of weakness and fear which insists that we must imitate the Russians in our treatment of foreign peoples, adopting their methods of bribery, blackmail, abduction, and coercion, as if they were our own.

And it is a leadership of weakness and fear which permits the most powerful agencies of our Government—the CIA, the FBI, and the IRS—to systematically ignore the very laws intended to protect the liberties of the people.

These are crimes against freedom, and they won't be cured by the cosmetic changes proposed by President Ford. He is clearly most concerned about the exposure of such crimes. I am most concerned about their commission.

In stark contrast with contemporary Presidents, our Founding Fathers were a different breed. They acted on their faith, not their fear. They did not believe in fighting fire with fire; crime with crime; evil with evil; or delinquency by becoming delinquents.

They set themselves against the terrors of a totalitarian state by structuring a government that would obey the law. They knew that the only way to escape a closed society was to accept the risk of living in an open one.

"Those who would give up essential liberty to purchase a little temporary safety," said Benjamin Franklin, "deserve neither liberty nor safety."

I accept the risks of freedom gladly. For these are the true principles upon which we founded our Republic. In the days of our infancy, we had the courage to live by them, when their impact on the outside world made even the most entrenched Monarchs tremble. Let us not shrink from them now, in the days of our maturity and might.

In this of all years—as we commemorate our Bicentennial—let us reaffirm the faith of our fathers and reject the apostles of fear!

I enter the campaign at this late date, because of my convictions that the most important issues are being ignored. Peripheral questions pre-empt the debate. There is no sense of overriding purpose; no serious discussion of the fundamental choices which will determine our future course.

The first priority on our political agenda is the restoration of the Federal Government to legitimacy in the eyes of the people. The vast majority of Federal employees are honest, law-abiding citizens. But nobody—

no matter how highly placed in the Government—has the right to break the law; to open our mail; to photograph our cables; to spread false propaganda for the purpose of discrediting decent citizens in their own communities; to open tax investigations against persons not even suspected of tax delinquency but targeted for political harassment, instead. These illegal and indecent practices must stop! Runaway bureaucracy must be harnessed once more to the reins of the law. For let it be remembered that, in America, the people are sovereign, and the government is their servant still!

Next, we must strive for better, not bigger, government. There is no excuse for having to wait six weeks just to get a reply from a Federal agency, or for having to endure many months—even years—for a decision to be made determining a citizen's eligibility for some government service. Decisions delayed are decisions denied, and the people have a right to demand timely and efficient response from those whom they pay to serve them.

The problem lies not with the refusal or reluctance of Federal employees to do their best, but rather with a system grown too remote and complex. Today, there are more than a thousand Federal grant-in-aid programs, run from Washington. Together, they account for more than $50 billion in annual expenditures. Nearly all of these programs centralize decision-making at the top, and operate on uniform, national standards that frequently do not fit the localities intended to be served.

Federal funding, matched by state and local money, is essential if our housing and transportation problems are to be solved, street crime abated, and essential social services performed. But the present method of administrating these programs is too costly and cumbersome. Far more flexibility in managing these programs must be given to state, county and municipal officials, the people best acquainted with their particular community needs.

By turning the decision-making homeward again, we shall not only assure more efficient use of our tax dollars, but we shall replenish the well-springs of democracy itself. The people can and will participate when the options are brought back within their reach. I reject the doctrine that all decisions must be made in Washington

As I would strive to revitalize democracy at the grassroots of America, so I would seek to rejuvenate the free enterprise system. Competition must be restored to the role it once played as chief regulator of the marketplace, holding prices down, and parceling out its rewards to the best-managed businesses.

I would let bankruptcy winnow out the losers with an even hand. Under my administration, the doors of the Treasury would not be thrown open to handouts for huge corporations in financial distress. There is no justice in catering to the rich at the expense of the poor.

In like manner, I would stop stimulating the movement of American capital to foreign lands. During the past two decades, American multi-national corporations have invested $200 billion abroad, in the most modern manufacturing plants that American technology can design. In the process, older plants in our own country have been displaced, at an annual average loss of 150,000 jobs a year. It is no accident that the United States is presently victimized by unemployment twice as high as that of any other industrial nation.

I am not against big business. Indeed, a wise public policy would create a climate favorable to larger, big business investment inside the United States. Instead, public policy does just the reverse: it encourages investment outside the United States. Profits earned in foreign countries receive more favorable tax treatment than profits earned at home. And the American taxpayer underwrites Federal insurance to protect big business against losses incurred in high-risk areas abroad, when there is no comparable insurance for investment in high-risk areas here at home.

If big businesses wish to invest in foreign lands, where labor is cheap and special arrangements can be made with the host government—even by bribes and pay-offs of the kind exposed by my recent investigations—I say let them do it at their own risk. We need their investment here—to provide jobs for American workers and to speed the recovery of our own economy. The time has come for us to stop paying them to leave!

For small businesses, I would prescribe a program designed to give them a fighting chance to survive and prosper. Such a program would make government the friend, not the enemy, of struggling, independent enterprise. Tax rates should be adjusted to benefit small businesses, the paperwork imposed by Federal bureaus should be drastically reduced. There are reasonable limits which should apply to the scope of government regulation. The national government reaches too far when it attempts to regulate the conditions of work in every mom-and-pop store and every family farm!

Give free enterprise some breathing room. That is what is needed. Retain those controls essential to the public interest; up-date and vigorously enforce the anti-trust laws; but abolish those regulations that stifle competition, and dismantle the commissions that enforce them. Many a vested interest survives today on the protection given by regulatory agencies, which have been pre-empted by the very industries they are supposed to regulate, other than by the needs of the people they were created to serve.

I would not presume to run for President without the twenty years of training you—the people of Idaho—have enabled me to accumulate in the Senate of the United States.

There, on the Interior Committee, I have learned the importance of cleansing and conserving our elemental resources: the soil, the water and the air. There, also, I have come to know the complexities of the energy problems we face, and the need for a genuine crash program, if we are to grow less dependent on foreign sources for our vital fuel supplies. But no program will be sufficient unless we begin to discipline ourselves. We must curb our habits of waste in the cause of strengthening our country.

As Chairman of the Senate Committee on Aging, I have also come to understand the hardships of life for millions of our senior citizens. It is time they found a champion in the White House.

As a ranking member of the Senate Foreign Relations Committee, I have had a unique opportunity to develop an intimate knowledge of American foreign policy. Here, I learned, long ago, that in the conduct of our relations abroad, there is little that is foreign in our policy. Every decision a President makes sends its ripples or waves back across America.

The mistakes in foreign policy during the past decade have had more to do with spreading divisiveness at home, with spawning a generation of cynicism and resentment, than any other Presidential decision on domestic affairs.

When it comes to dealing with a hundred foreign governments, or negotiating with Russia or China in this dangerous world, I suggest to you that the Presidency is no place for on-the-job training!

As a critic of our foreign policy in recent years, I would strive, as President, to keep this country sufficiently strong, that the safety of our people will be assured against any foreign threat, and our vital interests in other parts of the world will be adequately protected.

But I would call for a discriminating foreign policy which recognizes that the postwar period is over; that we are no longer the one rich patron of a war-wrecked world. We should continue to stand fast in those places, like Western Europe and the Middle East, where our stakes are large, but there is no justification any longer for us to subsidize half a hundred foreign governments scattered all over the globe.

In Africa and Asia, new societies are emerging from the grip of 19th Century colonialism. This Third World will be filled with revolution and upheaval for the balance of this century. A volcano cannot be capped. The United States can abide much ferment in distant places. But we cannot successfully serve as trustee for the broken empires of Europe. The foreign policy of this country must be wrested from the hands of that fraternity of compulsive interventionists who have involved us in so many futile, foreign wars!

I reject the seige mentality that kept us locked so long in the straitjacket of the Cold War, and I would work diligently to bring an end to the insanity of the nuclear arms race which makes both sides potential targets for mutual extinction. But this I assure you: in the rational pursuit of improved relations with any adversary, I would observe one cardinal standard—that we get in return fully as much as we give!

There are those, I know, who say it is too late to enter the race for the Presidency. But I had a difficult assignment to discharge first—the completion of the Senate's investigation of our intelligence agencies. It would not have commended me to the American people to have abandoned that task in order to run for higher office. So, to those who say it is too late, I reply that it's never too late—nor are the odds ever too great—to try.

In that spirit the West was won, and in that spirit I now declare my candidacy for President of the United States.

STRAIGHT TALK ON THE CONCORDE AND NOISE

Mr. GOLDWATER. Mr. President, over the past few days I have attempted to lay down a record which my colleagues might find useful in preparing for the debate which will take place later this week on an amendment to ban the Concorde from landing in the United States. Today, I shall discuss the most subjective aspect of the Concorde, and that is its noise effect.

First, I shall put the noise question in its proper context. What is being proposed by the critics of the Concorde is that noise regulations, which 2,000 of the 2,500 airline transport aircraft now operating in the United States cannot meet, should be applied to the Concorde.

No matter that the Concorde was designed in 1965 when there were no national or international regulations governing aircraft noise. No matter that in 1969 when the Concorde first flew there still were no such noise regulations. It is proposed that we continue to allow some 2,000 U.S.-made aircraft to operate here which cannot meet the FAR 36 standard but that we prohibit some 6 foreign-built aircraft from landing.

Second, let us understand that we are only talking about four flights per day into JFK, where there are now 1,000 operations a day on the average. We are talking about two additional flights per day into Dulles. How much irritation or inconvenience can these few flights add to the experience of persons who live near an airport where there is already so much exposure to aircraft operations?

The truth is that these very limited additional flights are not going to make one bit of real difference to people who are now experiencing a thousand flights over the span of an entire day. And I might point out that almost any airline could, right now, without applying to the Government, increase the total noise around Dulles or JFK more than it will be increased by these few Concorde flights simply by adding a few extra flights of 707's or DC–8's.

Third, another point we should remember in considering the subject of noise is that the noise contour maps showing the impact of Concorde flights have been used in a misleading way by the Concorde's opponents. Most important, the critics have failed to explain that these contours do not show how often noise will occur in a day. They do not show for how long the noise will last. Nor do the noise contours that will be used in the coming debate consider all the flight operations which residents living near JFK or Dulles will experience throughout an entire day. Actually, these contours merely show the noise which some people may notice for very brief periods of 30 seconds or so for a couple of times a day.

Obviously, a noise that a person perceives two or three times a day, lasting only for 30 seconds each time, will be far less bothersome, if it is upsetting at all, than a noise at the same level which a person hears for long bursts of time continuously throughout a day. But this will not be explained to you by those who will argue from this data the completely unsupported claim that the Concorde by itself will destroy the quality of life for hundreds of thousands of people.

Fourth, the environmental impact statement on the Concorde has used the wrong aircraft tracks to illustrate take-off and has not been properly corrected. In fact, the effect of added Concorde service is overestimated by at least 25 percent.

In addition to spending $100 million specifically to reduce Concorde noise, much effort has been devoted to developing operating procedures that will minimize the noise around airports. This has led to the adoption of noise abatement procedures which differ from those used on subsonic aircraft and to the development of special procedures for avoiding problems at specific airports, such as the Kennedy turn.

The environmental impact statement failed, however, to take account of these procedures and of the true flight paths, resulting in an overestimate of the width of the Concorde contours and of the noise beneath the Concorde.

Fifth, the Concorde does meet the Kennedy noise regulations that have stood for the past 15 years. The British and French have offered to demonstrate this to the New York Port Authority but have been denied even the chance to do so In this regard, it is particularly significant that John W. Wiley, who developed the noise regulations of New York as Director of Aviation of the Port of New York Authority, testified before Secretary Coleman in suport of letting the Concorde into this country.

Sixth, we might as well eliminate the notion right now, before the debate begins, that the Concorde is going to disturb people "in the middle of the night." I know it is farfetched that this one would be used against the Concorde, since the British and French airlines have promised not to schedule it between the rest hours of 10 p.m. and 7 a.m., but believe it or not, this very criticism was raised in the recent debate in the New York legislature. In my opinion, this charge, which I hope is now laid to rest once and for all after Secretary Coleman's decision specifically prohibiting flights during these night hours, is typical of the demagoguery which has marked so much of the opposition to the Concorde.

Finally, we move to one of the major reasons why the British and French and other foreign governments believe that the United States would be discriminating against foreign technology by restricting the Concorde. Let us go back in history to the late 1950's and early 1960's when the Boeing 707 and the Douglas DC–8 were being put into service. At that time the British had a fine, long-range transport aircraft in manufacture, which was highly efficient and far quieter than the U.S.-made jets. The British aircraft, the Britannia, was known as the "Whispering Giant." But the jets were faster, as the Concorde is today.

The British could have come up with noise or pollution standards that would have blocked operation of the U.S. jets and preserved their market for the Britannia, But they did not. Far from blocking our new aircraft, the British and the French acceded to strong American pressure to lengthen and strengthen their runways, especially to handle the U.S. jets.

In this instance, the United States relied heavily on the provision in its aviation treaty with Great Britain and in the Chicago convention that provides that one nation should recognize the validity of certificates of airworthiness issued by other treaty nations. Without having enjoyed foreign acceptance of our new aircraft through recognition of U.S. certificates of airworthiness, we likely would have confronted great difficulties in placing our aircraft in the market.

But now the shoe is on the other foot. Foreign manufacturers have come up with an aircraft that is technologically more advanced than any commercial aircraft we have produced. The Concorde may have a decibel level that is higher on takeoff, although not a lot higher, than the older jets still in service in our country, but in comparison our jets, when they were first being introduced in the world marketplace against foreign aircraft, were tremendously louder than foreign competitors such as Britannia.

In fact, it can be argued that it is we who visited the noise problem upon the world, with our 707's and DC–8's. For us now to piously shun the Concorde, because it may be slightly noisier than the noisy aircraft that we ourselves have already introduced into community life, is the height of arbitrariness. It explains why foreign people would view us in a bad light if we should now go counter to our own history of using international air agreements to our advantage when U.S. made aircraft is at stake, and refuse to apply those agreements in an evenhanded manner when there is not U.S. technology involved.

And while we are reviewing history, we might recall the predictions that it would be impossible to make quieter the initial models of the 707 or the DC–8, that jet aircraft would prove to be uneconomic, and that dense clouds of smoke emitted by the original jets would be impossible to eliminate. Well, history shows that such predictions were wrong. Why cannot the American people give the ingenuousness of the British and French a chance to prove themselves in international traffic as the rest of the world gave our early jet aircraft the same opportunity?

Once again, Mr. President, I ask that, when the Senate makes its decision on this matter, we be guided by the interests of all the public and not by a few who are trying to block progress.

NO-FAULT INSURANCE

Mr. McCLELLAN. Mr. President, the Senate may be taking up shortly S. 354 which would impose a Federal no-fault automobile insurance scheme upon the States. In my judgment, this matter should be left to the judgment of the several States to adopt—or not to adopt—a no-fault system according to their own individual needs. My own State enacted such a law deemed appropriate to its requirements in 1973. Other States have done likewise. Some excellent observations on no-fault legislation and the problems presented were included in a recent letter to me, with an enclosure, from Mr. Robert Compton, president of the Arkansas Bar Association.

I ask unanimous consent that Mr. Compton's letter and accompanying statement be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

ARKANSAS BAR ASSOCIATION,
El Dorado, Ark., March 17, 1976.

Re No-fault auto insurance.

Senator JOHN L. MCCLELLAN,
3241 Dirksen Senate Office Building,
Washington, D.C.

DEAR SENATOR MCCLELLAN: As you know, the Arkansas Bar Association continues to strongly oppose federal no-fault auto insurance legislation. We urge you to oppose it. The reason for this communication is that we understand that no-fault legislation may come to a vote in the U.S. Senate in the near future.

In the past few years at least 24 states have enacted some kind of no-fault automobile insurance reform law. The various states have enacted different kinds of laws. Our own state of Arkansas enacted a no-fault reform law in 1973 which is working rather well.

"I have however been following news reports on experience in other states, and some states with no-fault laws are experiencing serious problems. Many of these states apparently have features in their laws which correspond with features in the major pending federal no-fault bills. In view of the press reports of no-fault problems in such states, I believe that even a supporter of federal no-fault could not prudently insist on federal legislative action at this time.

Until the experience of the states is carefully evaluated, I don't see how federal legislators can feel confident that passing a federal law would not simply transform state problems into problems for the whole nation.

In order for you to better understand the basis for my concern, I am enclosing a synopsis of press reports which describe the problems some no-fault states are having. I am not an insurance expert or an actuary, but I think these reports make clear that the supporters of federal no-fault legislation cannot discharge the burden of showing that at this time a national law on no-fault would be safe or beneficial to the public.

With warm personal regards, I remain,

Very truly yours,

ROBERT C. COMPTON.

THE CURRENT FACTS ON NATIONAL NO-FAULT: MARCH 17, 1976

Will federal legislators in 1976 make a national program of the no-fault auto insurance experiment? That would seem unthinkable in view of the harrowing experiences being reported by many no-fault states. The question for Congress has become whether or not, in view of the severe problems some state no-fault laws have created, it is prudent at this time to enact a national no-fault law.

Press reports of state no-fault problems have reinforced the strong belief of the Arkansas Bar Association that federal no-fault proposals should be defeated. Following are excerpts from press reports which have come to the attention of the Arkansas Bar.

By way of introduction, it should be emphasized that the consumer price performance of many existing no-fault laws has been so poor that the authors of federal no-fault legislation have been forced to abandon their major argument—that federal no-fault auto insurance legislation would cost consumers less in terms of auto insurance premiums. In reaction to unfavorable reports of state no-fault experience, the authors of federal no-fault have adopted the tactic of trying to distinguish their federal product from state laws while blaming state failures on lawyers. These attempts are no more than tactics. It is doubtful that at this early stage the supporters of federal no-fault could have a very clear picture of what has gone wrong in the no-fault problem states.

Because this synopsis expresses a viewpoint held by lawyers, it is appropriate to refer at the outset to the national campaign being waged by columnist Sylvia Porter in favor of federal no-fault legislation. While herself generating a remarkable volume of pro federal no-fault essays, Ms. Porter has indulged in implied censure of other members of the press by suggesting that "suddenly there has been a spate of adverse no-fault newspaper articles" which have ostensibly been generated not by the writers themselves, but by lawyers. See the Arkansas Gazette dated February 19, 1976.

Additional perspective on Ms. Porter was supplied by a reader's letter published in the Washington (D.C.) Star News dated March 3, 1976. The reader, president of a local bar association, said of Ms. Porter's campaign: "You have admitted for the first time that no-fault auto insurance probably will not reduce insurance premiums (something opponents have argued for years)." As for Ms. Porter's attacks on lawyers, the reader continued: "You also condemn the trial lawyers of America' for raising a kitty of $400,000 to fight no-fault. Maybe they have, but let's look at some of the proponents of federal no-fault that you always overlook.

"The American Insurance Association is composed of more than 100 of the largest insurance companies in the nation, and is probably one of the most vocal federal no-fault supporters. The larger of those member companies were assessed $400,000 *each* (emphasis added) in 1971 alone for their annual trade association dues. How much of these millions have been spent on no-fault lobbying?

And remember those funds are right out of our pockets in the form of insurance premiums."

NO-FAULT PROBLEMS

What do reports of state no-fault problems show? They show that in some states where premium savings depended largely upon increasing the number of insured motorists, the percentage of motorists with insurance has declined, not increased. They show that no-fault will not necessarily reduce court congestion. They show that experts have miscalculated the cost-saving potential of no-fault in both the personal injury and the property damage fields. They show that no-fault has endangered the financial stability of at least one major insurer. The features of state no-fault laws which induced these problems appear to have their equivalents in the pending proposed federal no-fault legislation. The state problems are not distinguishable as being problems found only in state "lawyers' no-fault" legislation as suggested by Ms. Porter in her Arkansas Gazette column.

The Milliman and Robertson study, which is the principal study of the expected cost characteristics of pending federal no-fault bills, adopts as a major assumption that federal no-fault legislation would tend to reduce premiums by causing more drivers to become insured. It follows that if federal no-fault legislation did not cause more drivers to become insured, that premiums could tend to go up instead of down, because of the higher overall cost of the no-fault program. What has been the state experience on this question?

The Philadelphia Inquirer dated January 18, 1976 reported that under no-fault the percentage of drivers having insurance has decreased in Delaware and New Jersey. The Inquirer said that in Delaware an estimated 13 percent of drivers are now without insurance, as compared with about 2 percent at the end of no-fault's first year. The Delaware Insurance Commissioner (who supported federal no-fault in testimony before the U.S. Senate) was quoted as saying: "We are finding you just can't force people to carry insurance. We think that an increasing number of people aren't carrying insurance because they can't afford it."

As to New Jersey, the Inquirer said that the percentage of drivers without insurance has grown from 12 percent in 1972 to 16 percent in 1974. The Inquirer article is headlined, "No-Fault's Big Fault: Rates Rise."

New Jersey has also failed to obtain meaningful relief from court congestion under no-fault. According to the Newark Star Ledger dated February 19, 1976: "Figures provided by the Administrative Office of the Courts show that the no-fault law—which was expected among other things to relieve court congestion—had had little effect on the number of cases brought before Superior and County Courts."

A possible explanation of why no-fault may not significantly relieve court congestion was offered by the New York Superintendent of Insurance in the New York Times dated January 24, 1976: "Since people get paid right away under no-fault, some have a tendency to push harder for lost wages, and a lot of doctors, knowing they are going to get paid right away, pour it on . . ."

Insurance company finances have been jolted by the unanticipated effects of no-fault laws in some states. Perhaps the most dramatic example is the experience of GEICO in New Jersey. The Journal of Commerce dated March 3, 1976 reported that GEICO is refusing to write any new automobile policies in New Jersey following a disastrous experience last year. GEICO reportedly took in only $3,964,637 in direct premiums to pay for personal injury protection, and incurred direct loses because of personal injury protection benefits of $9,799,630. The Wall Street Journal on January 21, 1976 said that GEICO's personal injury claims rose 140%.

Clearly the state no-fault experience shows dangerous miscalculation even by acknowledged experts. The Wall Street Journal dated January 21, 1976 said of no-fault pioneer Robert Keeton of Harvard Law School (referring to the Massachusetts no-fault law) that he had conceded missing the importance of certain special factors with respect to his state. The Boston Herald Transcript dated February 22, 1976 said there is "strong indication that no-fault as we know it (in Massachusetts) is on the way out . . ." Massachusetts has experienced alarming increases in premiums for no-fault property damage insurance, the offering of which the major pending federal bills would make mandatory.

Not only the professor, but also insurance industry experts have acknowledged serious miscalculation. The New York Times stated on January 24, 1976: "Insurance executives in a number of states said that in retrospect it appeared the rate reduction potential of no-fault insurance had probably been overstated."

Surveying the wreckage on the no-fault battlefield, Barron's said on January 26, 1976: "Far from lowering insurance premiums, a point on which proponents vastly oversold the public, no-fault has led directly—pending federal legislation would accelerate the trend—to their rapid climb. Together with the spiralling cost of goods and services, no-fault weakened casualty insurance finances, and to judge by GEICO's probable fate, put major firms in jeopardy. Actuaries are not supposed to make mistakes in arithmetic. When they do it's a beaut."

In conclusion, we must return to the question which now faces Congress: Whether or not, in view of the severe problems some state no-fault laws have created, it is prudent at this time to enact a national no-fault law. One does not have to be against federal no-fault to answer that question "no". Nor does one have to be an expert on automobile insurance to conclude that continuing state experimentation without federal interference is the most suitable answer. The burden is on the proponents of such a risky and only dimly understood innovation such as no-fault auto insurance to demonstrate its value and safety as a nationwide program. At this point they have not been able to do so.

TAX REVISION

Mr. FANNIN. Mr. President, yesterday, the Committee on Finance began 3⅓ weeks of hearings on tax revision and extension of expiring tax-cut provisions. It is my hope that these hearings will develop an extensive record from both Government and public witnesses which can be used by the committee in marking up this legislation.

I ask unanimous consent that my opening remarks before the Committee on Finance be printed in the RECORD.

There being no objection, the opening remarks were ordered to be printed in the RECORD, as follows:

OPENING STATEMENT OF SENATOR PAUL FANNIN BEFORE SENATE FINANCE COMMITTEE HEARINGS ON TAX REVISION

Mr. Chairman: The Finance Committee today begins 3½ weeks of hearings on H.R. 10612, the so-called Tax Reform Act of 1975 which was passed by the House on December 5 of last year. I agree with the Chairman that his legislation should be referred to as "tax revision" rather than "tax reform". In addition, the Committee has invited interested individuals to submit written testimony on energy related tax proposals, many of which have been considered previously by the Committee during its markup of H.R. 6860, the Energy Conservation and Conversion Act.

I commend the distinguished Chairman for scheduling these extensive hearings on the issues before us and for his decision to add an energy title to the bill which the Committee will report to the Senate Floor. As the Chairman and my colleagues know, I have devoted a majority of my efforts in recent years to the areas of energy legislation. Effective utilization of the nation's tax laws in the energy area is an additional tool in our movement towards energy independence.

My efforts during deliberation of the bill before us will include offering tax proposals which encourage the development and utilization of new sources of energy, in particular, solar and geothermal. Such efforts must be taken if we are to nurture the forward movement of these infant industries.

The scope of H.R. 10612 is enormous. It's 661 pages deal with several issues which clearly hold themselves out for much-needed revision. Present Internal Revenue Code provisions relating to individual taxpayer items such as child care deductions and retirement income credit are in need of careful examination and revision.

The Subcommittee on Administration of the Internal Revenue Code has held extensive hearings on the need for reform in simplifying the income tax return and to reform the administrative procedures of the Internal Revenue Service. The fact that large numbers of taxpayers are required to hire lawyers and accountants to prepare their tax returns is evidence of the need for simplification. Since such action would have little revenue effect, we should make efforts to move toward greater simplification.

Congress must provide changes in the Federal estate tax laws to make it easier for small farmers and small businessmen to bequeath their assets to future generations. We must assure that family businesses and family farms can be handed down from generation to generation without having to be sold to pay taxes. Such proposals which would permit the heirs of small estates to defer their initial estate-tax payment for a longer period of time will be of great benefit in the small family businesses which traditionally have been essential to the spiritual as well as the economic wealth of our country.

A responsibility of Congress is to see that each taxpayer contributes financially to the operation of government.

Despite efforts in the 1969 Tax Reform Act to assure that all individuals share these burdens by imposing minimum tax provisions, complete success in this area has not been achieved. The Committee may find that further measures in the area of tax avoidance may be necessary. However, it is clear to me that the provisions in the House-passed bill in this area go beyond actual abuses. Enactment of the LAL provisions presently in H.R. 10612 would deal a devastating blow to the commercial real estate industry, farming, oil and gas production, motion picture production and other selected areas of the economy.

There is no need to isolate specific areas of investment for discriminatory tax treatment when less complicated and, yet, effective steps could be taken to discourage abuse of the tax laws. I look forward to working closely with the Chairman and my colleagues on the Committee to develop an alternative approach in this area of legislative concern.

Mr. Chairman, many of our colleagues, both in the House and in the Senate, have spoken out in favor of enacting tax measures which would expand the availability of capital to the nation's private sector. I am convinced that the Finance Committee must amend H.R. 10612 to include capital formation measures. Study after study has pointed to the nation's unprecedented need for new investment capability. In response to this need, I introduced S. 2909, the Investment Incentives Act, which is designed to encourage savings and investment throughout our economy by means of several tax mechanisms. Enactment of the provisions of S. 2909, or similar measures, would provide the private sector of our nation with the ability to meet our future economic and social needs.

Eighty-five per cent of employed Americans work in the private sector with the remaining fifteen per cent in government service. Our continuing unemployment problems will never be met by enacting inefficient and costly government jobs programs. The only permanent solution to our expanding employment needs is to strengthen the private sector so that it can provide new job opportunities, as well as increase productivity, improve our environment and working conditions and achieve energy independence.

All industries have been damaged by the lack of adequate investment capital. The utilities industry has been particularly hard hit by federal tax laws which provided only a four per cent investment tax credit for utilities in recent years when all others qualified for seven per cent. The Tax Reduction Act brought equity to the utilities by enacting a two-year ten per cent investment tax credit for all businesses. More must be done for the utilities which have had massive employee layoffs and cuts in planned capital improvement and expansion.

Legislation in this area cannot wait for future Congresses to act. Again, I commend the distinguished Chairman for scheduling four days of hearings on the issue of capital formation. These hearings should provide the Committee with a solid record from which to work when markup of the bill begins.

There is a myth which has been allowed to engulf our thinking here in Congress that U.S.-based multinational corporations are damaging the domestic economy by exporting jobs to foreign locations where they establish manufacturing operations and by exporting capital which could have a better domestic impact if invested in the United States. Nothing could be further from the truth.

I believe that the overseas operations of U.S. companies have significantly benefited the domestic economy by creating and maintaining U.S. jobs and by providing sources of capital which otherwise would not exist. The provision of punitive taxation on such operations would be counterproductive to our own domestic economy and should be avoided. At a time when unemployment is at such high levels, it would be inappropriate for us to tax a segment of our business community which might be forced to close its foreign operation because of failure to compete with foreign companies and thereby force the unemployment of substantial numbers of backup personnel who would not otherwise need to be employed.

Most of the industrialized nations have long recognized the potential problem of double taxation of foreign income and either have instituted a foreign tax credit to solve it or have exempted all foreign source income from domestic taxation.

Until recently, the foreign tax credit was a totally neutral provision of the Internal Revenue Code which was available to all U.S. citizens and domestic corporations for income taxes paid to any foreign country with regard to any foreign source income.

Recent changes as a result of the Tax Reduction Act of 1975 have fragmented foreign source income into different types for purposes of applying different limitations on the amounts and the uses of the credit with respect to oil-related income from foreign sources. Further fragmentation may well destroy the integrity of the credit, complicate the Code and damage the competitive ability of companies in foreign markets so that careful analysis should be made before any further changes are made in this area.

The creation of a Domestic International Sales Corporation (DISC), in 1971 was welcomed by the business community as a belated recognition by the Federal government of the vast array of direct subsidies, quotas, and other devices used by foreign governments to restrict imports. Since 1971, U.S. exports have increased tremendously. While some of this impact can be attributed to dollar devaluations, much of it is due to the DISC program which has provided thousands of American companies with enough additional cash flow incentive to finance the creation or expansion of foreign markets. For many companies which did not have any export business, DISC has opened altogether new doors. This is particularly true of small businesses which previously did not seriously investigate export business. DISC has stimulated employment and economic activity both by exporters and by their supply and support industries.

It is difficult to assess the chilling effect that any curtailment of the DISC program would have, but it surely would reduce the ability of many companies to continue their expansion of export markets. I urge that no change be made to further restrict the application of DISC until we have had time to thoroughly evaluate its effect on these businesses abroad.

I am especially concerned with the provision of H.R. 10612 which proposed to repeal Section 911 of the Code. As you know, that Section permits the annual exclusion of up to $25,000 of income earned for services performed while living and residing abroad. My constituent mail has been heavy urging opposition to the repeal of Section 911. The incentive of Section 911 is still needed to persuade U.S. citizens to work abroad. In developed countries, living expenses are very high, and the living conditions often are very difficult. U.S. companies must often provide either by allowance or directly, for the municipal-type services of education, transportation, health, and public safety.

The repeal of Section 911 would only add to the cost of present allowances by forcing employers to increase wages to cover the taxes. I oppose such a repeal since this increased cost would damage the competitive position of U.S. businesses vis-a-vis foreign competitors, whose own countries generally do not tax income earned abroad.

Mr. Chairman, an immediate responsibility of this Committee is to make a recommendation to the Full Senate with respect to the extension of the existing tax cuts. It is, therefore, an appropriate time to remind this Committee of its commitment to reduce Federal spending. As you are well aware inflation is the most potentially destructive, the most dangerous problem we face. If we are to provide further tax cuts, we must provide for a dollar for dollar reduction in the level of spending.

We owe those on fixed incomes, the elderly, the retired, that they not face a ruinous future. We owe the coming generation that they receive from our hands a country of promise and expanded possibilities, not a land in which all solid values have melted away in the fires of inflation.

TAX EXPENDITURES AND THE FEDERAL BUDGET

Mr. KENNEDY. Mr. President, last Tuesday I had the honor of appearing before the Senate Budget Committee to present my views on the application of the budget reform procedures to Federal spending through the Internal Revenue Code—the so-called tax expenditures.

My hope is that in the forthcoming first concurrent budget resolution for fiscal year 1977, the committee will apply the same strict discipline to tax spending that is already being applied to bring direct spending under control.

In my testimony, I suggested that a modest goal for fiscal year 1977 is a net reduction of $2 billion in overall tax expenditures, which are now running at a level of approximately $100 billion a year.

Mr. President, I ask unanimous consent that the portion of my testimony dealing with tax expenditures may be printed in the RECORD.

There being no objection, the testimony was ordered to be printed in the RECORD, as follows:

TAX EXPENDITURES

(Excerpt From Testimony of Senator EDWARD M. KENNEDY)

Mr. Chairman, it is an honor to appear before this distinguished committee and to have the opportunity to present my views on some of the important issues of fiscal policy and national priorities with which the committee will be dealing in the coming weeks.

The Budget Reform Act of 1974 is probably the most significant and successful fiscal reform ever enacted by Congress. As a result of the extraordinary success of this committee and the companion House Committee in rapidly implementing the reforms, the federal budget is being tamed at last.

The Chairman of this Committee, the ranking minority member, and all the other members deserve great credit for their skilful leadership and bipartisan cooperation. I commend you for the achievements so far, and I look forward to even better things to come.

In my testimony today, I would like to deal briefly with four key areas of concern in connection with the forthcoming First Concurrent Budget Resolution for fiscal year 1977. Those areas are tax expenditures, national defense, health and jobs.

TAX EXPENDITURES

The concept of tax expenditures incorporated in the Budget Reform Act is an imaginative and useful way of dealing with the impact of the tax laws on the overall budget process. It reflects the fact that credits, deductions, preferential rates, deferrals and other benefits and subsidies in the tax laws are a form of federal spending. In many respects, including their impact on the budget, these tax expenditures are equivalent to direct spending through appropriations.

There is now widespread and growing recognition of the fact that tax expenditures have substantial implications for budget policy. As part of testimony, I have prepared three charts to illustrate various aspects of tax expenditures.

The first chart compares the growth of direct expenditures and tax expenditures in recent years. Over the past decade, direct Federal spending has risen by 146 percent, from $158 billion in 1967 to $394 billion proposed by President Ford in 1977. But during the same period, tax expenditures rose by 176 percent, from $36 billion in 1967 to $101 billion in 1977, as estimated by the Congressional Joint Tax Committee.*

The second chart shows the relationship between the growth of tax expenditures and the growth of expenditures for national defense in recent years. In the budget debate this year, as in each debate in recent years, one of the leading issues will be the priorities of spending for defense and spending for domestic social programs like jobs and schools and health.

Congress has devoted major attention and energy to the debate over the rising expenditures for defense. But there has been virtually no debate over rising tax expenditures, which have subtly but rapidly grown to levels rivaling the level for defense.

In 1967, the amount of tax spending was only a little more than half the amount of spending for defense. By 1972, the ratio had risen to 80%. Now, in fiscal 1977, in a curious coincidence of the budget process, tax expenditures have caught up precisely with defense expenditures, even to the first decimal point—$101.1 billion.

And by 1981, as the Congressional Budget Office projections indicate, tax expenditures will have grown to a level even higher than projected defense expenditures.

The third chart illustrates still another dimension of the tax expenditure problem—the potential future growth of various tax expenditures. The six examples on the chart indicate the way tax incentives, once ensconced in the Internal Revenue Code, tend to grow like Topsy. According to C.B.O. estimates:

Tax spending for DISC, the export tax subsidy, will rise by 30%, to $1.7 billion by 1981.

Tax spending for the investment credit and ADR, two of the major subsidies for capital formation in the current law, will rise by 39% to $13.6 billion.

Tax spending under the rule exempting capital gains at death will rise by 65%, to $11.1 billion.

Tax spending for health (the special deductions and exclusions for medical expenses and for health insurance premiums) will rise by 73% to $9.8 billion.

Tax spending for oil, through the deduction for intangible drilling and development costs, will rise by an incredible 184%, to $2.2 billion.

Many of these tax expenditures represented small federal outlays when originally enacted. The Committee is familiar with this problem in the case of new weapons systems for defense. Small initial outlays can mushroom quickly into enormous budget costs, once the preliminary phase of research, development, testing and evaluation is over and production begins in earnest.

A similar phenomenon exists for tax expenditures. The budget cost of new tax expenditures can grow with unexpected rapidity, unless care and study is given to them at their inception.

For example, the chart also shows the projected budget impact of President Ford's proposal for integration of corporate and individual income taxes. In the initial year, the revenue impact is negligible. But as the proposal is phased in, its impact becomes enormous, creating a $13 billion drain on federal revenues by 1981. The new budget process makes it imperative that we do not embark upon this—or any other—proposed new tax expenditure programs without adequate study and analysis of their future impact on the total budget.

My purpose here today is not to propose specific tax reforms. Later this week, in testimony before the Committee on Finance, I intend to recommend a comprehensve package of such reforms.

Today, my purpose is to urge this committee to come to terms with tax expenditures in the same responsible and effective way you are already coming to terms with direct expenditures.

If we are concerned that direct federal spending is out of control, we have to be even more concerned about tax expenditures.

If we are concerned about the escalating budget for national defense, we also have to be concerned about the even more rapidly escalating budget for tax expenditures.

If we are concerned about the long run revenue impact of direct spending programs already enacted into law or to be enacted in the future, we also have to be concerned about the even more serious long run impact of old and new spending programs in the tax laws.

During the debate last year on the Second Concurrent Resolution for fiscal year 1976, the Budget Committee signaled its intent to deal with these concerns. Although the 1976 resolution did not deal with tax expenditures, the Committee Report expressed a clear commitment to deal with the issue this year. As the report stated:

"The Committee believes the Congress should address the issue of major tax reform to promote prosperity and eliminate serious inequities. . . .

"Most tax expenditures are enacted for indefinite periods of time and resemble permanent authority for direct expenditures in that they continue in effect year after year at a substantial cost of budgetary resources until they are amended or terminated by specific legislation. Therefore, tax expenditures have important long-run impacts on the federal budget which the committee will take into account in future resolutions.

"The Committee will be examining both tax expenditures and the operations of off budget agencies. Thus, the Committee will be able to evaluate the economic effects of Congressional action whether or not the action results in a specific budget outlay. These additional dimensions will allow the committee to take a long range comprehensive view of national priorities in arriving at its first Budget Resolution for fiscal year 1977."

And, during the Senate floor debate last fall, the Chairman of the Committee emphasized, in strong and unmistakable terms, the Committee's "intent to deal forcefully with tax expenditures in the future."

The future is now.

My hope is that the First Concurrent Budget Resolution for fiscal year 1977, to be recommended shortly to the full Senate by the Committee, will provide for a significant reduction in tax expenditures, and that the Committee will structure its resolution in terms that make the mandate clear.

Specifically, I urge the committee to include a net overall reduction of $2 billion from current levels of tax expenditures as part of its forthcoming resolution. By "net overall reduction," I mean the net result of the elimination of some of the current tax expenditures, the modification of other current tax expenditures, and the addition of new tax expenditures.

The increase in Federal revenues achieved from such action could then be allocated among at least three possible areas, according to priorities determined by the committee.

It could be used to increase the funds available for direct spending programs in areas like employment, health and education.

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*The two principal factors in the growth of tax expenditures between fiscal years 1967 and 1977 have been the addition of new tax expenditures and the growth of existing tax expenditures. In some instances, however, the treatment or inclusion of items as tax expenditures has changed during the period; although such changes affect the figures stated, they do not affect the overall pattern of growth of tax expenditures.

It could be used to reduce the overall federal budget deficit.

It could be used to provide increased general tax reductions for individuals and corporations, under the provisions now scheduled to expire this year.

In general terms, a $2 billion reduction in the current level of tax expenditures is an appropriate goal for 1977. If Congress can reduce the current services budget for direct expenditures, it can reduce the "current services" budget for tax expenditures. If Congress can trim $6 billion from the $100 billion budget for defense, as it did in fiscal 1976, it ought to be able to trim $2 billion in fiscal 1977 from the $100 billion budget for tax expenditures.

In specific terms, a $2 billion reduction in tax expenditures is a sensible target for fiscal year 1977. It meets two basic criteria that should be applied: (1) a realistic, achievable and easily justifiable package of structural tax reforms can be identified; and (2) the probable effective dates of the reforms, if enacted, are such that the revenue effect desired for fiscal year 1977 can be achieved.

THE QUESTION OF EFFECTIVE DATES

The starting point for applying both criteria is H.R. 10612, the "Tax Reform Act of 1975," approved last December by the House of Representatives and now pending in the Senate Finance Committee.

In general, the effective dates of the tax reforms in the House bill are January 1, 1976. If these effective dates are retained by the Senate, the full amount of revenues from the reforms will be realized in fiscal year 1977.

Past experience indicates that the Senate has often accepted the effective dates set by the House for changes in the tax laws. For example, in the Tax Reduction Act of 1975, the House repealed the oil depletion allowance, effective January 1, 1975. The Senate passed the bill on March 22, 1975, and retained the House effective date.

In the case of additional Senate reforms strengthening the provisions in the House bill, the House effective dates may well be retained. Even in the case of Senate reforms in areas not contained in the House bill, some of the effective dates may well be set at January 1, 1976.

However, in cases where the effective dates are set at January 1, 1977, most of the revenues reflecting changes in tax liabilities for calendar year 1977 will not be received until fiscal year 1978, since fiscal year 1977 ends on September 30, 1977—before taxpayers have fully paid their calendar year liability. As a rule of thumb, only approximately 10–20% of calendar year tax liability is reflected in revenues received in the fiscal year. Thus, a $1 billion tax reform, effective January 1, 1977, might produce revenues of only $100–$200 million in fiscal year 1977.

As noted, there are ample precedents for retaining House passed effective dates. There are even precedents for accelerating the House passed dates to make the provisions effective at an earlier time. The following table summarizes a study I have made of the "Effective Date History" of the provisions in the three most significant tax laws enacted by Congress in recent years:

NUMBER OF PROVISIONS

Effective date history	Tax Reform Act of 1969	Revenue Act of 1971	Tax Reduction Act of 1975	Total
House date retained	46	24	5	75
House date deferred	32	4	0	36
House date accelerated	2	5	1	9
No comparable provision	22	19	3	44

THE QUESTION OF STRUCTURAL TAX REFORMS

With respect to specific structural tax reforms, there are a number of proposals available which suggest that a $2 billion reduction in net tax expenditures for fiscal year 1977 is a realistic target for the committee.

As approved last year by the House of Representatives, H.R. 10612 is a weak tax reform bill that would reduce net tax expenditures by approximately $1.2 billion in 1977.

By increasing the House figure to a net reduction of $2 billion in tax expenditures, the Senate would be committing itself to only a modest tightening of the House-passed bill.

The following table illustrates the revenue effect in fiscal year 1977 of the House-passed bill and a few widely discussed, high priority additional tax reforms:

TABLE.—*Fiscal year 1977 impact of tax reforms*

[In billion dollars]

Substantive change	Reduction in tax expenditures
H.R. 10612 (House bill)	$1.24
Additional Senate reforms:	
Repeal DISC	1.75
Apply House tax shelter rules to corporations	1.20
Repeal 50 percent maximum tax on earned income	0.67
Apply House minimum tax to corporations	0.53
Total	5.39

The above four suggestions for additional tax reforms by the Senate are not exclusive. Many other reforms are likely candidates for enactment, with substantial revenue impact in 1977, if the Senate is serious about tax reform.

The four suggested reforms do, however, illustrate the important question before the committee.

I would argue that each of these reforms can and ought to be enacted into law this year, with the specified revenue effects in fiscal year 1977. If enacted, they would generate a total of $5 billion in additional tax reductions for 1977, or far more than the amount needed to achieve the target of a $2 billion reduction in tax expenditures in the forthcoming Concurrent Budget Resolution:

With respect to many possible reforms, the revenue effect in future years will be larger than in fiscal year 1977. In some cases, for example, reforms whose effective date is January 1, 1977, will not achieve their full revenue impact until fiscal year 1978. In other cases, reforms may be gradually phased in over a period of time and therefore not achieve their full impact until future years.

Obviously, not all of us in the Senate agree on the elements of these various tax reform proposals, just as not all of us agree on the priorities for direct expenditures.

But if the budget process is to be meaningful and comprehensive, tax expenditures must be subjected to the same give and take of Congressional debate as directed expenditures. And that debate must take place within, not outside, the overall budget process. By establishing a reasonable target for a reduction in tax expenditures in 1977, the committee will require the Senate to apply the same honest discipline and self-control to tax spending that is now being applied to vigorously and rewardingly to direct spending.

In the past, we have enjoyed the luxury of having both guns and butter in our tax laws. Now the budget process is teaching us that the same sort of choices must be made in spending through the Internal Revenue Code that we are already making in our appropriations for goals like homes and schools and jobs and health and national defense.

Finally, responsible control over tax expenditures also requires that in evaluating particular tax reforms, we must ask not only whether they represent steps in the direction of greater tax equity, but also whether the change in federal spending policy is sound.

In some instances, Congress should coordinate changes in levels of tax expenditures with changes in direct spending programs in the same budget function. For example, I believe that we need to end the abuse caused by tax shelters in real estate. But these tax shelters are virtually the sole current vehicle through which badly needed low-income housing is being constructed and rehabilitated. Therefore, phasing out this inefficient and much-abused tax expenditure should be coordinated with the introduction of a more efficient federal program for low income housing. Here tax reform and spending reform must go hand in hand.

Similarly, Congressman Henry Reuss and I have proposed a system of federal interest subsidies for taxable state and local bonds. This measure will provide urgently needed help for financially hard pressed municipalities. The proposal does not in any way affect the ability of states and local goverments to issue tax exempt bonds. But, for governments willing to use the taxable bond option, the federal interest subsidy is a direct expenditure that will prove far more efficient and equitable than the wasteful and unfair tax expenditure that now exists.

As these examples indicate, *the same sort* of questions must be asked of tax expenditure programs as we routinely ask of direct expenditure programs:

(1) Is federal financial aid needed?

(2) Do the benefits of the program justify its costs?

(3) Are the benefits fairly distributed among income groups?

(4) Can escalation of the expenditures be controlled in future years?

(5) What methods of oversight can Congress use to insure adequate and continuing review of current tax expenditures?

I would emphasize in this connection the imaginative legislation recently introduced by the Chairman, the ranking minority member of this committee, and other Senators, to put all federal direct expenditure programs on a four year reauthorization cycle, including zero-base program review procedures.

I believe this same concept of reauthorization and review should also be applied to tax expenditures. Its application in this area was suggested several years ago by Majority Leader Mansfield and Chairman Wilbur Mills of the House Ways and Means Committee. It has just been strongly endorsed in the annual report released last week by the Joint Economic Committee, of which I am a member. It is an idea whose time has come, and I hope the Committee will endorse it.

Overall, the basic challenge we face in this complex area of the tax laws is to begin now, this year, to apply the brakes fairly and responsibly to runaway tax expenditures. Many of us in the Senate are anxious to work with the committee to achieve this goal, and we look forward to the result of your deliberations.

CHART 1

GROWTH OF TAX EXPENDITURES

[In billions of dollars]

	Fiscal year—		Percent increase 1967–77
	1967	1977	
Direct expenditures	158.2	394.2	146
Tax expenditures	36.6	101.1	176

CHART 2

GROWTH OF TAX EXPENDITURES AND DEFENSE EXPENDITURES

[In billions of dollars]

	Tax expenditures	Defense expenditures
Fiscal year:		
1967	36.6	69.1
1972	59.8	77.4
1977	101.1	101.1
1981	139.9	135.6

CHART 3

PROJECTED INCREASES IN SELECTED TAX EXPENDITURES

[Dollar amounts in billions]

Item	Fiscal year—		Percent increase 1976–81
	1976	1981	
Disc	$1.3	$1.7	30
Investment credit and ADR	9.8	13.6	39
Capital gains at death	6.7	11.1	65
Health	5.6	9.8	73
Intangibles	.8	2.2	184
Ford administration proposal for integration of corporate taxes		13.0	------

DR. GEORGE M. LOW LEAVES NASA

Mr. GARN. Mr. President, I learned last Friday that Dr. George M. Low has resigned as Deputy Director of the National Aeronautics and Space Administration. His announcement provokes considerable regret, for George Low has been a personal friend since my assignment to the Aeronautical and Space Sciences Committee last year. As a member of the committee, I traveled with Dr. Low several times to visit NASA facilities; he was always unfailing in his courtesy and dedication to the Agency. He has provided me with detailed information on NASA programs, both informally and at formal committee hearings. He has been the model of the dedicated public service and I, for one, will miss him sorely.

He leaves Government service to become president of Rensselaer Polytechnic Institute in upstate New York. As he returns to the school where he studied, I am confident he will perform there as he did here. I cannot fault him for wanting to leave the Government, but we will surely feel the loss.

STUDENTS AND POLITICAL ACTION

Mr. McGOVERN. Mr. President, it was my high privilege in the 1972 presidential campaign to have enjoyed the enthusiastic support of tens of thousands of young people—especially college students. Those committed young workers shared by revulsion to the Vietnam war and to the manipulative tactics of Mr. Nixon. They wanted America to come home to its more enduring ideals of justice, decency, and commonsense.

Those are still the needs of America and I believe that young people will still respond to practical idealism.

Today's New York Times reports student apathy toward the current presidential campaign. But I believe that is a temporary condition brought on in part by our disappointment in 1972 and the subsequent exposure of the Nixon scandals. I have not given up on the essential decency and concern of this Nation's youth.

I ask unanimous consent that the New York Times article be printed in the RECORD:

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the New York Times, Mar. 22, 1976]

STUDENT VOLUNTEERS SCARCE IN PRESIDENTIAL CAMPAIGN

Four years after the student movement formed the vanguard of George McGovern's successful sweep to the Democratic Presidential nomination, campaign coordinators in this state are finding that the movement is over.

In place of the tens of thousands who flocked to campaign headquarters in 1972, campaign organizers, nearing the April 6 primary, say they are drawing only meager bands of several hundred student volunteers.

Many of these coordinators, and the students themselves, say that the "McGovern wave" was a phenomenon brought about by the issues, personalities and emotions of that time, and that it will not be repeated, at least during this election.

Gone, too, are the massive canvassings, the complicated operations to enlist campus recruits and the high-powered drive to get the votes of young people, which the student workers made possible.

"It seems almost an impossible dream at this point to get students involved," said Jerry Ciarpelli, upstate student coordinator for Jimmy Carter, who has been trying to organize young people in the region north of Poughkeepsie for the former Georgia Governor.

"People say even their own friends don't want to get involved. There's always something better to do than campaigning; they never say what it is, and I'm not sure I understand anymore what it is," Mr. Ciarpelli said.

At the State University of New York at Potsdam, for example, in the northern reaches of the state, an ad in the campus paper summing recruits to Mr. Carter's campaign recently drew only one response.

A late January appearance in nearby Massena, advertised in the school paper, by Senator Birch Bayh, Democrat of Indiana, then an active contender for the Presidency, attracted only seven students, and four of them were student journalists.

At Cornell University, in Ithaca, political leaflets appear only once or twice a week. Four years ago a McGovern table in the student union was manned and distributing information daily.

Students at the State University at Stony Brook, L.I., say that campaign leaflets, tables and buttons are rare sights at their school and that lunch tables this year are devoid of political talk.

UNCLEAR ON DATE

"Half the students don't even know when the primary is," said Richard Berzon, a senior at Sarah Lawrence College who is volunteering in the campaign of Representative Morris K. Udall, Democrat of Arizona.

"They think it's in May, and they can't believe it when I tell them it's April 6," Mr. Berzon said. "Thank God the name of the candidate appears on the ballot. Most of them don't even know who's running." He was speaking about conditions on the Bronxville campus.

The shift is having a noticeable impact on political campaigns here. For example, Mr. Carter's total statewide student volunteer force is currently estimated at 400 people, according to his staff, roughly what Senator McGovern had in Brooklyn in the weeks before the 1972 primary.

Aides to Senator Henry M. Jackson, Democrat of Washington, here in New York estimate their current student-volunteer strength at 1,000 people. According to Michael H. Reich, student coordinator for New York State, there are Jackson clubs at about 150 campuses around the state, although these clubs differ widely in size and importance.

Mr. Reich, who in 1972 was a McGovern coordinator in Queens, remembers that volunteer operation and said: "It's nowhere near that this year. I've been surprised. We just don't have that many warm bodies walking around."

Even those candidates who have billed themselves as more liberal, speaking directly to concerns that moved young people four years ago, have found their drawing power diminished, according to their campaign coordinators.

Many of these political managers doubt that any candidate will be able to come close to matching the force of about 40,000 volunteers, overwhelmingly comprised of students, that Senator McGovern commanded in this state by primary day.

"Students are as apathetic as adults," said Jo Baer, co-chairman of the Udall campaign in New York. "They grew cynical at an early age." To date the Udall campaign has amassed a campus force estimated at about 1,500 people by John C. Wilbur, a 22-year-old graduate of Oberlin College who holds the position of volunteer coordinator.

NOT CHILDREN'S CRUSADE

The Udall campaign is also making an attempt to pick up as many of the student volunteers from the aborted campaign of Senator Bayh as it can, Mr. Wilbur said.

"It's not as much a children's crusade," said Alex Goodwin, state coordinator for former Senator Fred R. Harris, shortly before the Harris effort here was crippled by financial crises and the defection of its delegates.

"During petitioning, we had about 4,000 people working, but it's not as if 3,900 of them were kids," he said.

Students throughout New York say that the shift in issues in the last four years, more than any other development, has taken the drive out of the student movement.

The end of the Vietnam War eliminated an issue that had vividly outraged the ideology of the movement and had come as a direct threat to a draft age population. The issues of 1976, notably those relating to jobs and the economy, have not filled the political void left by the passing of the war, these students say.

ECONOMICS CALLED VAGUE

Richard Bartmon, a 20-year-old at the State University at Binghamton who was active in the McGovern drive and is working for Senator Harris this year, said he looked at himself and his fellow students and found that "the economy is a remote issue—it affects my parents, but not me."

"But the war touched everybody in a deep sense," Mr. Bartmon said.

William D. Hartung, a 20-year-old junior at Columbia majoring in philosophy, who spent last summer working for the United Farm Workers in New York, said that he had "strong feelings [about Vietnam] when I found out what was happening."

"But economics isn't as clear cut," he added. "I can't say I know what should be done."

William J. vanden Heuvel, campaign co-chairman for the Carter campaign in New York, also said that this campaign "isn't like '72, because you don't have Vietnam."

"It's closer to 1960, in the sense that if you think back, there was no overriding issue except the personality of Kennedy," he said.

HATRED OF NIXON CITED

Further, coordinators and students believe that the absence of both Richard M. Nixon and George McGovern as symbols has helped to dim student activism.

"There was more or less a personal hatred for Nixon," said Steven Barkan, a third-year graduate student in sociology at the State University at Stony Brook. "They were working for McGovern, but they were also working against Nixon."

"If you were a student and you were antiwar you needed no other basis to work for McGovern," Margaret Costanza, upstate coordinator for the Carter campaign, commented.

"George McGovern was there, with the liberal image, with the mantle, against the hawks," said Ethan Geto, state coordinator for Senator Bayh before the Senator suspended active campaigning.

Finally, the election of 1972, which swept hundreds of thousand of young people into politics, only to crush their hopes with the stunning victory by Mr. Nixon, apparently did almost as much to sour young people about working to elect national leaders, many students say.

EFFECTS DOUBTED

"I remember sitting in front of the television election night, getting drunk, thinking the hell with it," said Marilyn R. Berker, a 21-year-old senior at Columbia who worked for McGovern in '72. This year she is not working in any campaign, or does she know anyone on campus who is.

"No one is stupid enough anymore to think they'll have any effect, whereas in 1972 they thought they would," said Richard Agriss, a 25-year-old at the State University at Binghamton.

"Everyone was freaking out when McGovern was nominated, but it soon became apparent that he was going to lose," Mr. Agriss said. "After that, I gave up on politics for life."

One political coordinator who still believes the movement can come back to life, though, is Representative Udall's volunteer coordinator, John Wilbur, who has a staff of 15 to 20 coordinators working for him.

'INTO THEIR BOOKS'

"We have to make the point clear that we're depending on them," Mr. Wilbur said. "We have to paint the picture at crisis level. They have got to know that they have to react, and react now. Once they know that, they'll be ready to go."

But that conviction will have to overcome a situation that Mr. Wilbur himself said he had encountered: "It's incredible. They're really into their books, and it's serious. They really want to learn."

Jon Reiser, a 23-year-old at the State University at Binghamton, campaigning for Mr. Harris, senses that "everyone's concerned about the future, about getting a job."

And Tina Villa, a 21-year-old English major at Columbia, feels that the same trend is afoot on her uptown campus. "College is all preprofessional now," she said. "There's no sense of intellectuality left in college. It's all about making money. It's like there's an unstoppable movement going back to the 50's.

"People are even going to basketball games again. All you can do is just insulate yourself and not be affected by it."

THE CLEAN AIR ACT AMENDMENTS OF 1976: BALANCING THE IMPONDERABLES

Mr. BAKER. Mr. President, I call the attention of my colleagues to a draft of a law review article written by my esteemed colleague, Senator DOMENICI. The article on the Clean Air Act Amendments of 1976 will appear later this spring in the Notre Dame Law School's Journal of Legislation. Since the article will appear after consideration by the Senate of the Clean Air Act Amendments of 1976, I thought it would be of value to make this article available before the Senate considers the bill.

I recognize that this article, as a draft, will be subject to future revisions. However, I think the article presents a good summary of the provisions of the 1976 amendments. Accordingly, I ask unanimous consent that the article by Senator DOMENICI be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

THE CLEAN AIR ACT AMENDMENTS OF 1976: BALANCING THE IMPONDERABLES

(By PETE V. DOMENICI, U.S. Senator)

On February 5, 1976, the Senate Public Works Committee, after ten months of travail, reported out the 1976 Amendments to the Clean Air Act.[1] Hotly debated, the amendments have left industry and environmentalists alike dissatisfied. Despite the criticism that has attended the Committee's handiwork, I believe hose of us on the committee successfully met the legislative challenge before us: the striking of a long-term balance between the Nation's environmental and economic needs.

Admittedly, the concept of "balancing" environmental and economic considerations has reached the status of a cliche. The important thing is how in fact the balance is struck and whether the competing interests involved are properly balanced. In offering my comments on the 1976 Clean Air Act amendments as reported by the Senate Public Works Committee, I recognize that inevitable changes will occur as the amendments move to the Senate floor, and from there, to conference with the House. The political and intellectual process, however, of exactly how a committee of the Congress attempts to balance such imponderables as human health and economic welfare strikes me as worthy of examination, even if it does not represent the Congress' final product.

I hope to show that despite the ad hoc procedure of Senators addressing particular legislative problems in a political cauldron, that there can emerge valuable precedents. I believe that examination of the 1976 amendments as a whole reveal certain consistent threads interwoven throughout. And in the aggregate, I believe these threads comprise a remarkably coherent theory on how to balance environmental and economic considerations in the future.

The basis for such claims, however, cannot be understood in an historical vacuum. The 1976 amendments are the offspring—some would say illegitimate—of the more comprehensive 1970 Clean Air Act amendments. A review of the 1970 amendments is therefore an essential prelude to evaluating our 1976 efforts.[2]

1. THE 1970 AMENDMENTS: A LEGISLATIVE BLITZKREIG

The Clean Air Amendments of 1970[3] were passed at the high-water mark of the environmental movement. Either as a distraction to the lingering Vietnam nightmare, or as an idea whose time had truly come, the environmentalists grabbed the nation's attention with their fundamental insight that America's affluent and industrialized life style threatened not only the public health, but also the very integrity of the eco-systems that support man. The 1970 amendments were also passed in a period of comparative economic tranquility when unemployment was hovering near the four percent mark and the nation was looking forward to a "peace surplus" in the federal budget for domestic programs as the war wound down.

The result of this sunny legislative climate was a set of amendments that established an ambitious program to solve the nation's air pollution problems. Despite their complexity, the 1970 amendments are basically a statutory mechanism composed of standards and deadlines. Primary standards to protect public health were to be achieved by mid-1975.[4] Secondary standards to protect welfare values such as agricultural production were to be achieved within a "reasonable time."[5] Extensions of the deadlines were narrowly circumscribed, with 1978 as an outside deadline from which there was no further appeal.[6]

The 1970 amendments were more than a political response to transitory popular sentiment. They were also the outgrowth of a decade of Congressional frustration over the slow pace of pollution control efforts. Prior Clean Air Act legislation beginning in 1955, and extending through the 1963, 1965, and 1967 amendments were considered a failure.[7] The federal-state partnership and considerations of practicability that were part of previous amendments were jettisoned by the 1970 amendments.[8] One of the drafters of the 1970 Act has commented that carryover language from earlier amendments that air pollution control "is the primary responsibility of states and local governments"[9] is a "vestigial remainder . . . and is now an anomaly vis-a-vis the nearly total federal supervisory and approval authority contained in the Act as amended through 1970."[10] Although states maintained their status as front line troops, the Administrator of EPA's power under the 1970 amendments to approve, disapprove, and promulgate substitute state implementation plans clearly put the federal government in firm control. With respect to the issue of whether the technical feasibility of achieving the national ambient air quality standards should be a consideration, the Senate committee report was explicit:

"In the Committee discussions, considerable concern was expressed regarding the use of the concept of technical feasibility as the basis of ambient air standards. The Committee determined that (1) the health of people is more important than the question of whether the early achievement of ambient air quality standards protective of health is technically feasible . . ."[11]

The Congress in enacting the 1970 amendments contemplated a legislative blitzkreig led by the federal government that would roll over economic and technical difficulties and bring the nation with limited exceptions healthy air by mid-1975.

The Senate Public Works Committee recognized that as with any frontal assault, there would be casualties. The Senate Report noted that until a full generation of new cars was on the road (approximately ten years production): "as much as seventy-five percent of the traffic may have to be restricted in certain large metropolitan areas if health standards are to be achieved . . ."[12] For stationary sources such as power plants, steel mills, and refineries, the Senate Report offered the option of "either . . . meet the standard of the law or be closed down."[13] Moreover, the Senate Report foresaw the possibility that many industrialized areas could be denied the benefits of future economic growth."

"In air quality control regions where present air quality is below the standard, rigorous restrictions must be placed on existing sources to provide a margin for future growth, or only pollution-free growth, devel-

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Footnotes at end of article.

opment and expansion will be possible." (Emphasis added)[14]

2. THE SPIRIT OF '76: LEGISLATING IN HARD TIMES

The warm legislative climate of 1970 had cooled considerably by the time the Public Works Committee began its deliberations in March of 1975.[15] The environmental wave had ebbed after setbacks in Congress on land use and strip mine legislation. The economy was in the doldrums. Nationwide unemployment was 9 percent and approaching 20 percent in the automobile industry. The oil embargo and the resulting energy crisis of 1973 had elevated concerns over energy supplies to the same level as concerns for environmental quality. Politically, Watergate had triggered an allergic reaction to politicians in general, and the federal government in particular. Washington bureaucrats had become a curse word. Grassroots politics were in, federal mandates out.

It was also obvious that the days of blitzkreig warfare in the cause of environmental controls were over, and that the battle for environmental quality had settled into a protracted struggle. Air quality data presented in March of 1975 to the Public Works Committee by Russell Train, Administrator of the Environmental Protection Agency (EPA), showed both progress and the enormity of the task still before the nation. Overall, sulfur oxide concentrations in the ambient air were down 26% since 1971, while particulates were down 15 percent.[16] Automobile emissions were down 83 percent.[17] The apparent gains in sulfur dioxide control, however, result not from fewer emissions reaching the atmosphere, but rather from more effective dispersion.[18]

Geographic compliance with the mid-1975 deadlines were also mixed. Of 247 air quality control regions in the nation, Administrator Train projected that 60 would not meet statutory deadlines for the particulate standards, 42 for sulfur oxides, and 74 for photochemical oxidants.

Moreover, the dynamics of the situation were hardly favorable. Continued economic growth threatened many of the tenuous gains made by the 1970 amendments.[19] Sulfur oxide emissions from power plants were projected to increase by 50 percent between 1970 and 1980.[20] Growing nitrogen oxide emissions from stationary sources were negating gains made in reducing nitrogen oxide emissions from automobiles.[21] Both trends will be exacerbated by increased reliance on coal as an energy resource. The growth in automobile usage also threatens to overwhelm gains made in cleaning up each individual automobile. In an area such as the Washington, D.C. area, while population slowed to a 5.2 percent increase between 1970 and 1974, automobile ownership jumped 29 percent. EPA projects that in 1985, even after the benefits of 15 years of federal controls on automobiles, 63 urban areas will require additional transportation control measures to meet the Act's health-based standards.[22]

The Committee at the outset of its 1976 deliberations recognized that the emotional elan that had sustained the Congress in the early days of environmental legislation had evaporated. Moreover, it was not just a case of a long struggle that would at least yield some clearcut victory. Instead, the Committee found itself in a continuing struggle without end. A growing industralized economy will exert continued pressure on our environmental resources. Since the nation is committed to both economic growth and environmental quality, the struggle and tradeoffs must be conducted daily. For champions of the environment, the role had shifted from one of being a shining knight on a white charger to that of the mythical figure Sisyphus who was eternally condemned in Hades to roll uphill a giant boulder that always rolled down again.

2. THE 1976 AMENDMENTS KEEPING THE TRAIN ON THE TRACK

The 1976 Clean Air Act amendments were passed by the Public Works Committee in response to particular problems that had arisen in the implementation of the law. Despite the importance of changes in political sentiment and economic conditions in setting an emotional framework for passage of the amendments, it was difficulties with the Act itself that gave rise to the need to amend the law.[23]

However, prior to listing the problems addressed by the Committee, it is equally important to note one area of the law that the Committee refused to alter.

This was the national primary and secondary ambient air quality standards. These standards and the protection they offer to the public health and welfare are the linchpin of the Act. Industry has repeatedly voiced their objections to the standards: the oil industry to the oxident standard, the utility industry to the sulfur dioxide standard and the steel industry to the particulate standard. The Committee after reviewing the results of a National Academy of Sciences reports on the subject,[24] and listening to testimony from the medical community, turned a deaf ear to industry complaints on the standards.[25]

In an act with basically two working parts, standards and deadlines, the Committee chose to let one remain untouched. This left the deadlines as the major variable around which to structure its compromises.[26] Thus, at the outset, the Committee reaffirmed the basic purposes of the Clean Air Act by simply refusing to open up the standards for review. This *sub silentio* affirmation is easily lost if one simply focuses on the 1976 amendments where the deadlines were extended in response to the realities of reforming a national economy that has for a century used the environment as a free dumping ground.

The generic problem with the law that faced the Committee was that the deadlines were not being met. The air quality standards were not being met in many air quality control regions throughout the nation, individual stationary sources were out of compliance with their emission limitations, cities had failed to meet deadlines for implementing transportation control strategies, and the automobile deadlines were considered by industry and EPA unrealistic. Moreover, there remained the issue of whether the Congress in 1970 had established a policy of "nondegradation" for those areas of the country with air cleaner than the national secondary standard. In the areas of nondegradation and transportation control plans, implementation of the Act had slipped into a state of suspended animation, awaiting Congressional action. Without major revisions, the law faced the prospect of becoming dead letter law: a collection of pious hopes honored only in the breach. It is my opinion that the solutions fashioned by the Committee served to breathe new life into the law.

(a) *Stationary Source Problems*

The 1970 Senate Report had bravely asserted that existing stationary sources had a choice of meeting "the standard of the law or be closed down." When the Senate Public Works Committee began discussions in 1975, it was apparent that an alternative to shutdown was needed. As of March 1975, EPA estimated that of 20,000 major sources,[27] 2,200 or 11 percent were out of compliance.[28] More importantly, noncompliance was centered in several of the nation's basic industries:

Coal fired electric utilities: between 150–200 of 480 were out of compliance.

Iron and Steel Mills: between 125–150 of 200 were out of compliance.

Nonferrous Smelters: 19 of 28 were out of compliance.

Refineries: between 100–130 of 250 were out of compliance.

Pulp Mills: between 100–130 of 250 were out of compliance.

Industrial Commercial Boilers: between 800–1,200 of 3,500 were out of compliance.

Actually, Administrator Train was being generous with respect to the steel industry. In a later report, EPA admitted that for the steel industry, "at least one SIP emission limitation is being violated at almost every installation."[29]

The Committee was faced with more than the question of shutting down a limited number of recalcitrants. Instead, because of widespread noncompliance in certain basic industries, the choice had escalated to whether the national economy itself should be shut down.[30]

The Committee's response to the dilemma posed by the noncompliance of much of the nation's basic industry was twofold. First, it authorized EPA and the states to issue extensions to noncomplying sources up to. January 1, 1979. This effectively moved the statute's attainment dates from mid-1975 to 1979. For sources planning to comply by closing, no interim compliance measures were required.

Second, the Committee adopted a compliance strategy employing economic penalties where sources fail to comply.[31] Historically, economic penalties as a pollution control strategy have been given short shrift by lawyers such as myself who are more comfortable with judicially oriented regulatory strategies. The value of penalties, however, is that they diffuse the severity of deadlines by offering a noncomplying source an additional option—paying money—to closing down.[32]

The Committee at my urging also added a small restatement of present law that the compliance penalties in no way altered the right of states to revise the attainment date of the secondary standards to reflect a "reasonable time" for such attainment. The importance of this apparently gratuitous addition is that it resurrects a distinction between primary and secondary standards that has been lost in the law's administration.[33]

In addition to setting up a general framework for forcing existing stationary sources into compliance, the committee also resolved two specific problem areas affecting the compliance problems of stationary sources. First, the committee resolved a lingering dispute as to whether intermittent controls were a legitimate control technology. Such controls are given their name because they involve shutting off production or shifting to lower sulfur fuels when meteorological conditions cause buildups of pollutants that threaten to violate the national standards for sulfur dioxide. Industry has championed such controls because of their low cost. Environmentalists have opposed the technique for being unenforceable since they believe weather forecasting is a sophisticated form of witchcraft, and because it merely disperses rather than reduces pollution. Instead environmentalists have contended that "continuous controls" such as scrubbers are the proper way to control sulfur oxide emissions from major industrial sources.

The committee's solution to the intermittent control issue had two parts. The first part stated that intermittent controls are illegal for electric utilities. The second part said that for nonferrous smelters dispersion techniques are available as a *supplemental* technique. This means that reasonably available continuous control measures must be used as a precondition to employing intermittent techniques. For the copper industry, for example, this generally means that acid plants must be used to capture "strong stream" gases, but that intermittent controls may be used on "weak stream" gases.[34]

In ruling out intermittent control systems for utilities the committee ended for the time being a long-standing debate between EPA and the utilities over the relia-

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bility and efficiency of scrubbers. The Committee's decision clearly puts the burden on the utility industry to prove through real world experience the case against scrubbers. In allowing supplemental systems for nonferrous smelters, the Committee was making a technological judgment that continuous controls were not available for copper smelter "weak stream" gases. The Committee was also making an indirect balancing judgment on differences in the economic situation between the copper and utility industries. The copper industry, suffering from a world-wide decline in copper prices, had experienced declines in profits on the order of 59 percent in the third quarter of 1975 compared to the third quarter of 1974.[35] In contrast, the utility industry, as a regulated utility and with a guaranteed return on investment, it is in a different position, and is thus a more appropriate economic entity to lead the way in putting on pollution control equipment.[36]

The second issue specifically addressed by the Committee was the problem of industrial expansion in areas where the ambient air quality standards are being violated. As noted before, the 1970 Senate report correctly predicted that in areas where the standards were being violated, "only pollution-free growth" would be possible. Regrettably, pollution-free growth still remains a remote ideal to strive for. And for industries such as steel, which wishes to expand at existing sites in dirty air areas, pollution-free growth is little more than a mirage. In search for a resolution to the problem of growth [37] in dirty air areas, the committee was faced with the possibility that denying growth in such regions could create incentives to growth in clean air regions, areas given special protection under the nondegradation sections of the committee's amendments.

The Committee's answer has both a subtle and an obvious component—of the two, the subtle is the more important. The subtle component involves a restatement of existing administrative practices. Presently there is virtually no case law on the problem of growth in areas constrained by the national standards. Administrative decisions allowing or denying growth have been handled on an ad hoc basis. Two general theories have emerged. One states that if a standard is being violated in an air quality region, no growth at all is permissible. The other view contends that new facilities or expansion can be allowed if it can be shown that the growth will have no effect on whether the national standards are achieved or not. A small facility, for example, far away from a large polluter responsible for violations of the standards could be built without affecting the attainment of the standards. This latter possibility gives states latitude to manipulate their SIPs to allow for growth even where standards are being violated. It is this latter possibility that the committee codified.

In cases where an existing [38] source wishes to expand but such an expansion would affect attainment of the national ambient standards, the committee laid out a rigorous set of hurdles for a source to jump: the basic hurdle being that a source must get into compliance and then further control its own emissions so that it creates its own reserve increment for growth.[39] Obviously, the severe technological constraints involved make this portion more illusionary than real. However, by codifying the more lenient of the competing theories on expansion in dirty air areas, the Committee injected a new dose of flexibility into decisions made at the state level.

(b) *No significant deterioration*

The mirror image of the problem of allowing for growth in the dirty air areas is the problem of growth in areas with air cleaner than the national secondary standard. This issue bears the label of "nondegradation" or "no significant deterioration."

At the outset, the question arose as to whether the 1970 amendments contemplated a federal strategy to maintain the air quality of pristine regions where the air was better than the secondary standard, or did the federal interest stop at the secondary standard and the preservation of higher levels of air quality remain a state prerogative.[40] The matter was decided when a split Supreme Court affirmed the view of the lower courts that the Congress contemplated a nondegradation policy in the 1970 amendments.[41] EPA's regulations to implement the Supreme Court decision, themselves the subject of ongoing litigation, divided clean air regions into three classes. Class I areas would be areas of environmental concern in which little or no growth could occur. Class II areas were designed to allow for orderly well-controlled growth. In a Class III area, a state could allow concentrated industrial development all the way up to the secondary standard.[42]

Testimony before the Committee challenged the presence of a Class III, attacking it as a loophole. In particular, the director of my state's air quality division challenged the Class III as unwarranted.[43] Moreover, environmentalists strongly urged that rather than allowing states to make Class I designations, as under the EPA proposal, that the Congress should designate certain areas as being of critical concern. Reduced to basics, the environmentalist's argument was that we should not have power plants on the rim of the Grand Canyon.

Industry's response to the discussion was to dismiss the debate as unmitigated nonsense. If the secondary standard was fully protective of welfare benefits, no more was needed; and if not, then the standard should be revised. An elaborate nondegradation policy was simply uncalled for. If states desired greater protection, they were free under the Act to set stricter standards than the federal standards.[44]

The Committee rejected the industry (and Administration) position that nondegradation should be abandoned as a national strategy. The philosophical basis for nondegradation has a variety of threads.[45] Since, however, examination of the complete data is beyond the scope of this paper, I would like to quickly sketch the components of the Committee's solution and precisely what balancing mechanisms were involved.

(1) *Automatic Class I Designations:* In the early stages, the Committee had an extensive laundry list of federal lands that were to be designated as Class I areas. The problem stemming from these designations was that to protect the air over such areas (i.e., meet the Class I increment) development had also to be restricted in surrounding areas. This came to be known to the members as the "intrusion" issue. Because of its "land use" implications in limiting growth in areas surrounding a Class I designation, the intrusion issue was also the most politically explosive. All the members of the Committee were barraged by interest groups decrying the nondegradation provisions as "no growth" and "federal land-use control." Although such claims were exaggerated, often piling worst case assumptions on top of each other, they did pinpoint the fact that extensive Class I designations by the Congress with their accompanying shadow effects carried grave potential risks for future development.

The Committee's response to the intrusion issue was twofold. First, it reduced the number of automatic federal Class I designations to national parks and wilderness areas.[46] Additional federal lands can be upgraded to Class I by a state and federal land manager acting in concert. States are also free to give extra protection to any of their lands they wish, but they are not required to impose the Class I increment on such protected lands. The Class I increment is a model not a requirement for state lands.

The second part of the Committee's solution to the intrusion question was to change the function of the Class I increment. Originally, the Class I increment represented an absolute requirement: if the state's preconstruction review showed that the increment would be violated over a Class I area, no construction permit could be given. Several of my colleagues felt ill at ease with this result. They felt the Class I increment was based not on protecting any ecological values, but rather on the limits of existing air quality models. Instead, they argued that an "adverse impact" test was more appropriate. Class I increment advocates responded that adequate knowledge for establishing an ecologically based measure was not readily available within the scientific community. And case by case determinations would be extremely time-consuming and produce endless litigation.

The Committee solution was a classic political compromise which fused the increment and the adverse impact test. The Class I increment now serves to shift the burden of proof between the parties. Where a new source will meet the Class I increment it is up to the federal land manager to convince the state that the proposed facility will have an adverse impact on the Class I designated area. Where a source does not meet the Class I increment, it is up to the source to prove to the federal land manager there will be no harm to the Class I area.

The net effect of the Committee's approach was to disarm the land use and no growth implications of the Class I designations and Class I increment. Instead, protection of Class I areas had become a balancing process, with the Class I increment serving to create a *prima facie* case according to the circumstances.

(2) *The Class II Increment:* With the Class I increment relegated to protection of a limited number of federal lands, the Class II increment had become the nationwide measure of significant deterioration. Industry had repeatedly objected to the Class II increment as "arbitrary," since it was not pinned to protecting environmental values. What this line of argument ignored was the fact that the Class II increment was economically derived; that it was designed to accommodate well-planned orderly growth, with a 1000 megawatt power plant meeting new source performance standards as the benchmark. In response to industry challenges to the Class II increment, an EPA-FEA report [47] showed that using various technological options, massive facilities, far beyond any presently contemplated, could be built.[48] Moreover, even while the debate was raging, an aluminum plant in Oregon and a refinery in California were approved which met the Class II increment.[49]

The Committee was not totally oblivious to concerns expressed about the Class II increment. It realized that any set of numbers in a statute is bound to lead to anomalies during the course of the law's administration. The record, however, failed to clearly point to any major deficiencies with the Class II increment. What was needed was a feedback mechanism to tell the Committee down the road if the Class II increment was acting as a major constraint on all growth rather than acting as a catalyst for well-ordered growth. The Committee's solution paralleled that taken under the Federal Water Pollution Control Act amendments of 1972 when it was also worried about the prospective consequences of its actions: a national air quality commission was to be created. Solid information as a result of real world experience was considered more valuable than continued speculation over the impact of the Class II numbers.

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(3) *Best Available Control Technology.* Nondegradation is a policy strictly limited to new facilities. The key to its implementation is the state preconstruction review process. As such, many of the reasons that argue for balancing with respect to the problems of retrofitting an existing plant do not apply. Communities have not centered their economic and social livelihood around the plant. The costs of retrofit technology do not threaten shutdown. Instead, the costs of control technology can be worked into the economic equation of the plant's profitability from the outset. A new facility has the option of employing process changes in the way a product is manufactured rather than strictly relying on add-on pollution control technology.[50]

In light of the advantages enjoyed by a new facility, the Committee added an extra layer of protection to its nondegradation policy in the form of a requirement that new major sources use best available control technology (BACT). This BACT requirement is to be state administered, and may supersede EPA's new source performance standards.[51]

The rationale behind BACT was to prevent the first source moving into an area from using up the full increment. An unintended side effect of the BACT requirement was that it greatly reduced the land use impacts of Class I designations. During the early stages of the nondegradation debate, maps purporting to show the impact of the amendment showed a radius of 60 miles for the shadow effect around a Class I area. These maps assumed that new plants had only to meet EPA's new source performance standards. Maps done by EPA and FEA that employed BACT assumptions showed a radius of six miles in the west and 27 miles in the east.[52] Thus, BACT, coupled with the Committee's subsequent actions to reduce to a minimum the number of Class I areas and to defuse the Class I increment, effectively minimized the land use impacts of nondegradation.

Industry opposition to BACT centered on the additional costs involved. In particular, the utility industry and EPA, after an exchange of data, concurred that the BACT requirement would comprise approximately 80% of the costs of nondegradation, or add between $5.6 and $9.4 billion to the capital costs of a nondegradation policy over the period from 1975 to 1990.

On the basis of these apparently extreme costs, an amendment was proposed that would have required states to consider "environmental, economic and other costs" in applying the BACT requirement. Personally, I opposed the amendment. Ignored in the debate were the overall capital requirements of the utility industry. EPA calculated the utility industry's capital needs over the 15 years at between $300 and $440 billion. Industry estimates run as high as $600 billion. When compared against total capital needs, BACT capital requirements are in the neighborhood of two percent.[53] This seemed to me an affordable pricetag for protecting the nation's pristine areas. My second objection to the amendment was that much of the electrical power at issue will be exported from states such as New Mexico, Arizona, Idaho, and Utah to California. Under such circumstances, it hardly appears excessive to request California consumers to pay for the protection of New Mexico's environment. New Mexico, and other energy rich states should do their share to alleviate the energy crisis, but they should also be free to take whatever steps are necessary to mitigate the environmental costs of having the "skunk works" located at their backyards. I believe this amendment is one example of where an attempt to balance was misconceived. A proper weighing of competing interests would have left the matter at the total discretion of the states. I consider this, however, only a minor flaw in a basically sound legislative mechanism to allow the nation the benefits of ordered growth.

(c) *Automobile related issues*

As noted at the outset, the automobile related issues of automobile emission standards, transportation controls and land use controls will be given limited treatment not because of the unimportance of the subject matter, but because of its vastness.[54]

Critical to an understanding of the Committee's actions in this area is that automobile emission standards, transportation controls and land use controls are all pieces of the same puzzle—not separate strategies. The Act specifically states that where emission limitations on automobiles are inadequate to achieve the national ambient air quality standards, additional measures "including, but not limited to, land use and transportation controls" must be employed.[55] Thus, if automobile emission standards are eased or delayed, then transportation and land use controls must be stiffened to take up the slack if the standards are to be met on time.

Since 1973, attainment of the automobile emission standards had been delayed three times, twice by administrative decision and once by statute.[56] In each case the issue was one of technological availability: was there a piece of hardware or some new combustion process that would allow the automobile manufacturers to meet the standards. At the time of the 1976 amendment, the record was again mixed. The National Academy of Sciences [57] claimed the standards could be met by the statutory deadline of 1978 while EPA and the automobile manufacturers presented the opposite view. For my own part, the balance was tipped in favor of additional delay by the testimony of the pollution control equipment vendors themselves. Gould, the builder of the promising dual catalyst for controlling nitrogen oxides, admitted that its catalyst required low sulfur fuel,[58] generally unavailable. Durability data submitted by Englehardt showed that its three-way catalyst was not yet able to meet the statutory standards.[59] After months of pushing and tugging, the Committee finally decided to extend the date for compliance with the final statutory standards until 1980.[60]

The same balancing mechanism of additional time was also granted in the transportation control area. And if there was any portion of the 1970 Act that needed breathing space, it was transportation controls. A U.S. Court of Appeals opinion early in 1973 [61] ruled that the transportation control and land use sections of the law must be fully invoked where reductions in automobile emissions were inadequate to meet the standards. This legalese resulted in parking surcharges and restrictions on parking being declared reasonable measures to be implemented by 1975. Gas rationing was to be enforced by 1977 in order to achieve reductions in auto travel on the order of 85% in Los Angeles and 75% in Houston.

In addition, some of these measures were mandated by EPA since some states had thrown up their hands at the problem and submitted obviously deficient plans, triggering the requirement in the law that the Administrator promulgate substitute plans.[62] The grassroots uproar that attended the EPA promulgated plans led to Congressional intervention. In 1974, Congress prohibited EPA from promulgating parking surcharges and suspended its parking management regulations until January 1, 1975.[63] Subsequently, EPA's 1974 and 1975 appropriations were conditioned by Congress to prohibit the use of funds to "tax, limit, or otherwise regulate parking."

The courts were also assisting Congress in bringing the transportation control plan process to a halt. Three circuit courts held illegal, and by implication unconstitutional, EPA promulgations which imposed potential sanctions if state or local officials failed to control pollution within their borders.[64] By the time Congress began its deliberations on the 1976 amendments, EPA had suspended most of its transportation control measures: the patient was in critical shape and Congressional attention was required.

The Committee's response was straightforward. Up to two 5-year extensions (for a total of 10 years) are available for communities to meet the standards. Moreover, to minimize the prospects of widespread EPA promulgations, a local planning process is established that meshes air quality planning with planning for such programs as highways and mass transit.

The Committee's decision to place more control at the local level and allow more time represents an attempt to give the transportation control process a second life. As an ex-mayor, I am firmly convinced that without strong local participation the transportation control effort is doomed. On the other hand, we may be foregoing the hope of ever protecting the health of our citizens in our major metropolitan centers. Although I consider the Committee's solution a reasonable one, the issue of how to gain public support for those changes in the American life style essential to the protection of public health is one I expect myself and other members of the Committtee to be wrestling with for years to come.

A similar fate to that experienced by transportation controls was undergone by the land use sections of the 1970 Act. EPA in proposing its transportation control plans invariably entitled them "land use and transportation control" plans. Sorting out which elements of the plans were precisely land use and which were transportation controls was difficult. Many of the Court decisions also mixed the two. As for political volatility, land use was a fighting word in many portions of the nation. Accordingly, the "land use" section of the 1970 Act was as moribund as transportation controls by the time the Committee began its markups on the 1976 amendments.

After extending transportation controls, the issue was what to do with land use controls. For the Committee, the land use discussion focused on the regulation of "indirect" sources of pollution such as shopping centers, sports arenas, and parking lots whose presence induces traffic congestion which in turn leads to violations of the ambient air quality standards. Few issues "induced" more fire within the Committee. Were land use and growth strictly local matters or is there a federal interest in the protection of public health? And if there is a federal interest, what form should it take?

The argument against a federal role, one which ex-officials such as myself find alluring, is based on the distastefulness of the federal government intruding into local matters. The counter arguments for a federal interest also have merit, however. Much of what is considered local growth is in fact federally funded. Highways, airports, sewage treatment facilities, low cost housing, urban renewal, schools, and hospitals all receive federal tax dollars. Should not the expenditure of federal funds for such projects be consistent with other national objectives such as clean air? Moreover, major sections of the private sector—e.g., car consumers, and industry—are having imposed them by the federal government expenditures in the tens of billions of dollars to achieve clean air. Should growth decisions made by local governments be able to negate the progress achieved by these private sector expenditures?

The Committee's answer was to restrict the federal interest to those two elements of the Act essential to the long-run protection of public health. First, land use authority was limited to new sources.[65] Regulating

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Footnotes at end of article.

existing sources was rejected as counterproductive. Second, land use was limited to maintaining the health-related primary standard. By limiting the federal interest to its bare essentials, I believe the Committee's efforts provide a solid interim solution. But, as with our efforts on transportation controls, only a dreamer would think we have seen the last of this issue.

4. BALANCING THE IMPONDERABLES: A ROUGH CUT AT A THEORY

The Committee, in fashioning the 1976 amendments, was met at every turn with the same question in a different guise: How to balance the public health and environmental mandates of the Clean Air Act with a national economy that had grown strong by using the environment as a free dumping ground for its wastes? The Committee's solution was to avoid the problem in such sweeping terms and instead to break it down into a set of smaller, more concrete issues and then seek answers for them.

A. Extension

For stationary sources, cities and automobile manufacturers unable to meet the deadlines, the Commitee's solution was to offer more time, not to amend the ambient standards. This served to keep the basic structure of the Act intact while facing up to the fact that correcting the bad habits of a complex economy may take more than half-a-decade. The Committee also added several corollaries to this general adage of "extend, don't amend." First, where the standards could be met by a less satisfactory form of technology such as supplemental control systems in the copper industry and where technological and economic considerations precluded the installation of superior technology, the Committee thought it more important to meet the standards than to mandate technology. Second, the Committee defused the severity of the overall deadlines by allowing a fee to be paid rather than forcing a shutdown. And finally, by resurrecting the distinction between the primary and secondary standards, the Committee reasserted the primacy of public health considerations under the Act. Specifically, the Committee pinpointed the attainment date for the secondary standard as a proper vehicle for states to use as their own balancing mechanism. And with respect to land use, the Committee went so far as to jettison the secondary standard altogether.

B. New sources

In recognizing the problems of bringing existing sources into compliance the Committee was doing litle more than recognizing the inevitable. New sources were a different matter. Here the Committee was faced with the problem of economic growth and its potential for overwhelming those gains made by existing sources. The advantages possessed by new sources, in being able to incorporate environmental constraints at the planning stages made them, in the Committee's eyes, an appropriate category to shoulder an increasing share of the clean up burden. The nondegradation, steel, and land use amendments all focused on new sources as the critical component in insuring that yesterday's gains are protected and tomorrow's gains assured.

C. Management issues

The 1976 amendments restored a greater role to the states. The extension procedures, nondegradation, the steel amendment, and the transportation and land use control provisions all place greater reliance on state and, in some cases, local initiative. To some extent, the Committee's emphasis on state and local government reflects the political temper of the times. I believe it also accurately reflects the management needs of the Clean Air Act. The need for a preeminent federal presence to energize recalcitrant states has passed. The states now possess the needed expertise to become full partners in the program.[66] And without their assistance, there is little hope of successfully administering a program that has as its subject matter every facet of American economic life.

D. Public acceptance

At the crest of the environmental movement in the early 1970's public acceptance was not an issue. It was just a matter of getting the job done. In 1976, however, maintaining public support for environmental causes is of critical concern. Accordingly, the Committee has tried to minimize the potential for a public opinion backlash. The first potential trouble spot was land use. In both the land use and nondegradation provisions the Committee defined a minimal federal role consistent with the federal interest. In doing so, it walked the line between codifying a pervasive federal role being urged by environmentalists and eliminating any federal role being urged by local officials and the business community. In nondegradation, the Committee limited nondegradation's land use impacts to protecting federal lands of critical environmental concern. In the land use section of the law it targeted its role to those elements essential to the long-range success of the law—new sources and the primary standard.

In granting extensions to cities for their transportation control plans, the Committee was also skirting another potentially fatal pitfall for the Act; namely, interfering with the driving habits of the American public. As long as pollution controls remain a small percentage of the overall price of a new car, the clean air effort remains out of sight and only a source of mild complaint. When, however, the cause of clean air demands gas rationing or even taking away a person's parking place, it demands a unified political will presently unavailable. In letting local communities work out their own solutions, the Committee recognized that having the federal government unilaterally pursue the issue was only suicidal.

The implications of the answers worked out by the Committee are of major importance for the theory of environmental legislation embodied in the 1970 amendments. The 1970 amendments were the legislative equivalent of the human wall theory of warfare; the objective must be taken regardless of costs. Five years were given to achieve the standards, and no quarter asked. Considerations such as economic and technological achieveability were only for the faint hearted. If plants must close and traffic halted, so be it. And at the head of the charge was to be the federal government, prodding a reluctant army of states and localities.

In retrospect, the 1970 amendments represented a brilliant tactical maneuver. If 2,200 major sources remain out of compliance, at least 17,800 now meet the standards. Emissions from individual automobiles have been reduced over 80%. And most importantly, the national consciousness has after centuries of neglect become environmentally aware. A new class of sin—environmental degradation—has filtered into the American mind. Now, even when we turn our backs on the environment, we are at least punished by a stab of guilt pangs.

But as noted earlier, the 1970 amendments were floundering by the time the Committee began its work. The battle had been transformed into protracted warfare. A new set of strategic principles were called for. Those worked out by the committee—extensions, the emphasis on new sources, more responsibility at the state level, and responsiveness to public sentiment—all reflect a new tone of caution. Rather than a headlong assault, an incremental approach of consolidating gains and carefully preparing for the next step had taken hold. Also, the concepts of feasibility and state partnerships rejected by the 1970 amendments had resulted. The extensions granted to existing sources, the automobile manufacturers and cities all reflect a desire to minimize casualties. Along with the decision to allow the copper smelters to use supplemental systems, the Committee's work has resurrected the issue of economic and technological feasibility.[67] Standards are to be met, but not at all costs. Time is also a tool at our disposal, and if more of it is needed, then it should be employed. States and localities were also accorded partnership status. The decision seems to stem from a mixed belief that (1) they deserved to be accorded such status, and (2) they also might be ready to mutiny. In either case the wheel had come full circle from the 1960's when the states and the federal government were co-equals in the program.

In the 1976 amendments, the Committee reaffirmed the basic policy goals of the Act. But the reaffirmation came at a cost to the theoretical underpinnings of the 1970 Act. A cautious incrementalism had replaced the prior militancy. Technological and economic feasibility had returned as important considerations. The states were again partners. And continued public support was considered essential. Personally, I believe each of these additions to the law's philosophical foundations represents a step forward. The theory may be made complex but it is also on a sounder footing.

FOOTNOTES

[1] 42 U.S.C. § 1857.

[2] Prior to reviewing the 1970 Act, one caveat is in order: this article by focusing on stationary sources, such as coal fired electric utilities, gives short shrift to the automobile related issues of automobile emission limitations and transportation and land use controls. Despite some economic balancing considerations, discussions of automobile standards in the committee in 1976 were in the final analysis a judgment by the Congress as to the availability of adequate technology. Because of their political visibility, Congressional disposition of the automobile standards is sure to draw a great deal of independent comment. The automobile-related issues, nevertheless, must be subjected to at least some superficial analysis for the sake of completeness and in order to isolate certain basic balancing assumptions.

[3] 42 U.S.C. §§ 1857a–1858 (1970).

[4] 42 U.S.C. § 1857c–5(a) (2) (A).

[5] *Ibid.* Technically, primary standards were to be achieved three years after the state implementation plans (SIPs) were approved. Eighteen months were provided after the law was passed for the promulgation and approval of SIPs. The four and a half years ran out in the middle of 1975.

[6] Under 42 U.S.C. § 1857c–5(e) a Governor may apply for a two year extension of a deadline at the time when the Administrator is approving a SIP, Sixteen states have received such extensions. However, once a plan has been initially approved, the option of requesting an extension vanishes. A one-year extension for an individual source is available under 42 U.S.C. § 1857c–5. Testimony presented to the Public Works Committee indicated such one year extensions were hard to come by. Mr. Carl Beard, director of West Virginia's air pollution control program, stated that it took two years of administrative hassles to get a one-year extension for several power plants. The drain on state manpower was prohibitive. (See *Hearings before the Subcommittee on Environmental Pollution of the Senate Committee on Public Works, 94th Cong., 1st Sess. (1975)*), part 2, p. 1501. Hereafter referred to as Hearings).

[7] See Thomas Jorling's chapter on the Federal Law of Air Pollution Control in Federal Environmental Law, Environmental Law In-

stitute, St. Paul, Minnesota, West, 1974 edited by Erica L. Dolgin and Thomas G. P. Guilbert. Mr. Jorling was minority staff counsel, and one of the actual drafters of the 1970 amendments.

[8] Jorling, p. 1061–3

[9] 42 U.S.C. § 1857

[10] Jorling, p. 1062–3.

[11] Senate Report 91–1196, pg. 2. The Senate Committee on Public Works has compiled a legislative history of the Clean Air Act Amendments of 1970 (Comm. Print 1974). See Vol. 1, pg. 402.

The above quote on technical feasibility is principally concerned with standard setting. A collateral issue is (a) whether states must consider technical feasibility in drawing up their SIPs and (b) whether the Administrator in approving state implementation plans must take economic and technical feasibility into account. This latter issue has been the subject of some extremely esoteric litigation. The Third Circuit in *St. Joe Minerals Corp.* v. *EPA* 508 F 2nd 743 (1975) ruled that EPA in approving SIPs must consider economic and technical feasibility while the Eighth Circuit in *Union Electric Co.* v. *EPA,* 515 F. 2nd 206 (1975) has ruled exactly opposite. The issue is now before the Supreme Court. One critical point that has been *ignored* by both the Courts and the commentators is that the law and its legislative history clearly distinguish between the health-based primary standard and the welfare related secondary standard. The above quote from the Senate Report has as its premise that economics and technical feasibility must give way before the imperatives of public health considerations. A similar conclusion does not logically follow where we are speaking of the welfare based secondary standard. The Courts and commentators have ignored this statutory distinction which would offer a possible point of departure for balancing economic against air quality considerations when achieving the secondary standard is at stake. This point will be raised again since the distinction was resurrected by the Senate Public Works Committee as part of their 1976 amendments. For a thorough review of the litigation on the subject of feasibility, which parenthetically ignores the primary-secondary distinction, see Samuel A. Bleicher's *Economic and Technical Feasibility in Clean Air Act Enforcement Against Stationary Sources,* 89 Harvard Law Review 316 (1975).

[12] Senate Rept. p. 2, Legis. Hist. p. 402. The Senate Report prediction of 75% reductions in auto travel within major metropolitan areas was remarkably accurate. The transportation control plans for Los Angeles called for 85% reductions in vehicle miles traveled (VMT) while the Houston plan called for 75% reductions. The Report, however, also contained some historical anomalies such as "greater use of natural gas for electric power generation may be required." (p. 2)

[13] Senate Rept. p. 3, Legis. Hist. p. 403.

[14] Legis. Hist. p. 413. This issue of growth in areas where the standard is being violated has become labeled the "steel industry" issue because of its difficulties in expanding at sites where the air is already below the national standards.

[15] Besides a cooling in the economic and political climate, two other changes are perhaps worthy of note. First, the composition of the Committee had changed. Of the 15 members of the Public Works Committee in 1970, only 5 remained in 1975, four of them Democrats. Second, Committee markups were held in open session. Accordingly, interest groups from all sides were able to respond to positions taken by Senators in Committee. For my part, the open markups assured a steady but mixed stream of sound information and mildly hysterical lobbying tactics.

[16] Hearings, p. 185.

[17] Hearings, p. 15.

[18] Ibid. The drawback of dispersion as a control technique for sulfur oxides is that they combine with other elements in the atmosphere to form sulfates which the medical community believes may be more of a hazard than the original sulfur oxides. Accordingly dispersion may be only trading one hazard for another, rather than representing progress.

[19] To say economic growth work at cross purposes with environmental quality is only to state the obvious. I personally concur with Professor Wolin's observation that "the fundamental presupposition of American pluralism, the basic condition which has supported both intense group rivalry and a general acceptance of the 'rules of the game,' has been an expanding economy. The dominant economic groups of business, finance, agriculture, and, later, labor accommodated themselves to rules which they had the power to change; while excluded groups were pacified by the surpluses periodically available or their more 'advanced' elements were absorbed." N.Y. Review of Book, p. 8, Feb. 5, 1976.

[20] Hearings, part 1, p. 16.

[21] Hearings, part 3, p. 14.

[22] The figure of 63 urban areas was submitted to the committee during its deliberations in January 1976. This represents a dramatic increase from EPA's Nov. 1974, projection that approximately 10 cities would pose problems in 1985. This 1974 projection, however, noted that for some of these regions, the need for additional transportation control measures "will persist indefinitely." For the 1974 figures, see pages 1–7 in EPA's 1974 Report to the Congress on Transportation Controls to Reduce Automobile Use and Improve Air Quality in Cities, Horowitz and Kuhrtz, U.S. EPA, Nov. 1974, EPA-400/11-74-002.

[23] Most members, with other committee work, constituent work, and the need to stay apace of world events, have plenty to keep them busy without gratuitously undertaking to amend the Clean Air Act. Only a political masochist would undertake 10 months of committee effort on a law as politically volatile as the Clean Air Act.

[24] See both Air Quality and Automobile Emission Control, NAS, Sept. 1974, and Air Quality and Stationary Source Emission Control, NAS, March 1974.

[25] Hearings, part 1, pp. 757–838; for statements of Drs. Finklea, Griffin, Ferris and Knelson. Ironically, industry may inadvertently have benefitted from the Committee's refusal to open up the national standards for legislative review. Testimony as to the health hazards of fine particulates, sulfates and short term nitrogen oxide concentrations may have led to stricter, not weaker, standards.

[26] This statement is an oversimplification. In addition to ambient standards and deadlines, the Act contains emission limitations which are the control requirements placed on individual stationary sources and automobiles in order to meet the ambient standards. Other areas of flexibility are identified later.

[27] EPA defines a major source as one that emits over 100 tons of a given pollutant per year.

[28] Hearings, part 1, pg. 164. In September of 1975, EPA published an updated compliance report that changes in some of the particulars the information given the Committee in March of 1975. The basic outlines, however, remained the same. Some of the discrepancies relate to the fact that the September report divides the category of "out of compliance" into two categories: "in violation" and "unknown status." See: State Air Pollution Implementation Plan Report, January 1 to June 30, 1975; (EPA-450/2-75-008, Sept. 1975).

[29] State Air Pollution Implementation Plan Report, ibid., p. 16.

[30] Several related factors are at play in the failure of these basic industries to comply with the law. One is recalcitrance at incurring high capital costs for what is viewed by industry as nonproductive capacity. The second factor is that 5 basic industries—electric utilities, nonferrous smelters, steel mills, refineries, and pulp and paper mills—are footing 70 percent of the nation's air pollution control bill. ($23 billion of a $32 billion total). A third factor is that several of these industries, such as the copper industry, are suffering low profit margins which limits their capability to finance pollution control expenditures by either internal or external financing.

[31] The penalty is to be assessed in the form of monthly payments equal to the cost of compliance so that no economic advantage is gained by a source out of compliance. One important wrinkle in the Committee's delayed compliance penalty scheme is that it may be waived in cases where conditions beyond a source's control make compliance impossible. This was added to surmount objections that requiring a source to do the impossible could open the penalty section to attacks on constitutional grounds. Such a *force majeure* clause also recognized the presence of uncertainties with respect to the general availability of flue gas desulphurization equipment (scrubbers) and low sulfur coal. The clause, however, requires that a source do its best to obtain such equipment or coal. This is in marked contrast to the present situation where sources have pointed to potential shortfalls in scrubbers of coal as an excuse for not entering into contracts to obtain them.

[32] See Hearings, part 2, p. 1513. Larry Ruff, an economist with the Ford Foundation testified in support of economic strategies.

[33] During one of the Committee's markup sessions, Mr. Billings, the Committee's Senior Professional Staff member noted:

"When we wrote the Clean Air Act of 1970, the basic thrust of this Committee was that primary standards were national and secondary standards were state and the secondary standards would be established from the criteria developed by the Federal Environmental Protection Agency. But their implementation, the deadline for their implementation and the procedures for their implementation, would basically be a State responsibility and a State decision process.

The way the Act is currently written, it is difficult if not impossible for a State to revise their secondary standards, the emission limitations and the deadlines so as to lessen their applicability, reduce the restrictiveness of them." (Transcript, Dec. 19, 1975, p. 729).

Historically, this phenomena of the fusion of the attainment date for the primary and secondard standards came about at the law's outset. EPA regulations established 3 years as a "reasonable time" for achieving the secondary standard, unless the states could show good cause that 3 years was inappropriate. (40 CFR 51.13(b)(1)–(2)). Since 3 years is the same amount of time given in the statute for achieving the primary standard, the achievement deadline for the two standards was fused at the outset. Also see Footnote 8.

[34] "Strong stream" gases come from a smelter's converters (and sometimes roasters). Acid plants, as the name suggests, take the strong stream gases and make sulfuric acid. "Weak stream" gases from the reverbatory furnace cannot be sent to the acid plant, and must therefore be controlled in another fashion.

[35] Kennecott Copper, the industry giant, lost $20 million in the third quarter.

[36] The position taken by the Committee constituted a ratification of existing circuit court law and administrative policy that has distinguished the problems of the utility and copper industries. The most recent cases are *Kennecott Copper Corporation* v. *Train*, — F.2d — (C.A. 9, November 28, 1975) and *Big Rivers* v. *EPA*, — F.2d — (C.A. 6, Sept. 4, 1975). EPA's policies are laid out at 40 F.R. 49362 (Oct. 22, 1975).

[37] Growth can either be a new facility, or expansion of an existing facility.

[38] Note that no avenue is available to a new source that wants to expand if it would affect attainment of the national ambient air quality standards.

[39] A numerical example may save the discussion. A source in compliance is emitting 10 units of pollution. To grow, it can reduce its emission to 5 units and then expand back up to a total of 10 with its new facility. This is called the "bubble concept." Actually, the way the bill was written, the source could only expand up to a total of 9.9 pollution units, since there was a requirement that overall total emissions following expansion had to represent "reasonable further progress" towards attaining the standards.

[40] The issue has cropped up in Court proceedings that since the secondary standard is based on "welfare," any federal protection beyond attainment of the secondary standard is unconstitutional. See the Brief for the petitioners in *American Petroleum Institute, et al, v. EPA*, U.S.Ct. of Appeals for District of Columbia Circuit No. 75–1665.

[41] *Sierra Club v. Ruckelshaus*, 344 F.Supp. 253, 2 ELR 20262 (D.D.C. 1972) aff'd, 2 ELR 20656 (D.C. Cir. 1 Nov. 1972). The Supreme Court, by a split vote on 11 June 1973, upheld the lower courts' position, sub nom., *Fri v. Sierra Club*, 412 U.S. 541, 3 ELR 20684. The lower courts hinged their decision on the phrase "to protect and enhance" in the Act's preamble. Although this is a slender statutory reed, the 1970 Senate Report states: "In areas where current air pollution levels are already equal to, or better than, the air quality goals, the Secretary should not approve any implementation plan which does not provide, to the maximum extent practicable, for the continued maintenance of such ambient air quality." Sen. Rept. 91–1196, p. 11. Jorling also lays out in some detail the case that a nondeterioration policy was part of the 1970 amendments. Op. Cit. p. 1077–1082.

[42] See 39 FR 31000 (Aug. 27, 1974) and 39 FR 42510 (Dec. 5, 1974). Class I and Class II areas were based on increments of allowable pollution. The following table offers a comparison with the national air quality standards. Note that the annual and 24-hour sulfur dioxide standards are the primary standard. Court cases have invalidated EPA's annual and 24-hour secondary standards. *Kennecott Copper Corp. v. EPA*, 462 F.2d, 846 (1972).

	National standards [a]		Class I		Class II	
	Sulfur Dioxide	Particulates	Sulfur Dioxide	Particulates	Sulfur Dioxide	Particulates
Annual	[b] 80	[b] 75	2	5	15	10
24-hr	[b] 365	[c] 150	5	10	100	30
3-hr	[c] 1,300	....	25	....	700	....

[a] Also same as EPA class III.
[b] Primary.
[c] Secondary.

[43] Hearings, Testimony of Cubia Clayton, part 1, p. 857–8.

[44] 42 U.S.C. § 1857d–1.

[45] Arguments in Favor or nondegradation include:

(a) *Margin of Safety*. Present standards do not adequately address the effects of chronic exposure to low levels of pollutants nor the synergistic effects of pollutants interacting with each other. Furthermore, the standards do not cover all pollutants including sulfates, nitrates, fine particulates, and some heavy metals. Thus, nondegradation provides a margin of safety for existing standards. Taking this argument one step further, it appears plausible to argue that pending the outcome of further health-effects research, we should not allow the nation's air to be unnecessarily degraded until the full public health ramifications of the "multipollutant" issue are known. This argument also applies to uncertainties with regard to acid rains, climatic change, and effects on the ozone layer.

(b) *Prevention*. Related to the above is the well-known axiom that it is cheaper to prevent pollution than it is to clean it up. If further research shows the need for additional controls beyond the secondary standard to protect the public health and welfare, we are in a better position to correct the problem if we have minimized the degree of degradation than if we let the air be polluted up to the secondary standard and must then conduct a costly retrofit program.

(c) *Quality of Life*. Balancing equities for an industry building a new source in a clean area assumes a different pattern than the case of an existing industry in a dirty area. An existing industry can claim that a fair resolution of its environmental problems requires acknowledging the plant's prior existence and the economic reliance of the surrounding community. A new plant in a clean area cannot employ these arguments. In fact, much of a clean area may be populated by people who either came to the area to avoid pollution or who have established businesses such as recreational facilities that rely on a certain level of environmental purity.

Even if one accepts the concept of nondegradation, some industry representatives have questioned the existence of a legitimate federal interest. Possible responses to this line of argument include:

(a) *Interstate Pollution*. Since air pollution is no respecter of state boundaries, it has national implications, particularly where certain pollutants (sulfates, heavy metals) may be transported great distances.

(b) *National Energy Implications*. Industry has undercut its own contentions on the lack of a federal interest by invoking the national energy picture as one of its principal arguments against any nondegradation policy. In fact, both the steel and utility industry have argued for varying forms of federal preemption of state standards stricter than the federal secondary standard on the basis of national economic and energy policy considerations. Having invoked a larger federal interest as a reason for preempting state nondegradation efforts, industry can hardly claim no federal interest when it is not to their liking.

(c) *Discrepancy in Costs and Benefits*. Much of the benefits of rapid energy development will not accrue to the states where such development is located, but rather to other regions. New Mexico power plants, for example, are supplying California with electricity. Citizens of California receive the benefits while New Mexican citizens pay the costs in terms of a degraded environment. This discrepancy between those enjoying the benefits and those paying the costs argues for a federal role to minimize environmental costs.

(d) *Preventing Economic Coercion*. 19 states filed or joined in briefs before the Supreme Court endorsing the concept of nondegration. Although these states had a broad range of interests from those of Pennsylvania and New York to those of New Mexico and South Dakota, they all argued the common theme that they did not want clean air to be used as a bargaining chip in its siting negotiations with industry. Dirty air regions feared industrial flight while clean air regions feared they would have to compromise air quality to attract new industry. Recognizing their individual weakness in the face of industry threats to move elsewhere unless accommodated, they asked for a federal nondegradation umbrella under which clean air would not be a bargaining point with industry. Two states filed briefs opposing the nondegradation concept—Arizona and Idaho.

[46] The removal of wildlife refuges eliminated a key culprit from the list. An EPA–FEA study entitled "An Analysis of the Impact on the Electric Utility Industry of Alternative Approaches to Significant Deterioration," October 1975, indentified wildlife refuges and their buffer zones as responsible for two-thirds of the constraints placed on the construction of new power plants by the Class I designations, V. 1, p. 33.

[47] EPR-FEA Rept. Op. Cit.

[48] In level terrain, EPA found that employing combinations of low sulfur coal, scrubbers, and tall stacks, facilities greater than 5,000 mw could be built. The largest class of plants now contemplated are in the 3000 mw range, EPA–FEA, Volume II, p. IV–2.

[49] This observation was contained in a Jan. 22, 1976, letter from Roger Strelow of EPA to Senator Stafford, a member of the Public Works Committee.

[50] The Committee further narrowed the scope of the nondegradation policy by limiting the application of the sulfur dioxide and particulate increments to new "major" facilities emitting over 100 tons of pollutants per year. In defining "major emitting facility" for the purposes of nondegradation the Committee specifically identified 28 types of industrial operations ranging from power plants to lead smelters. This was done to exclude sources such as hospitals and schools which may have a small boiler but whose contributions to the ambient air are marginal. Such specificity also had the advantage of greatly reducing the potential for unanticipated anomalies that could come back to haunt the law and its supporters.

[51] EPA's new source performance standard BTU's for power plants is an emission factor for sulfur dioxide of 1.2 pounds per million that can be met by either scrubbers or low sulfur coal. Testimony before the Committee (Hearings, part 1, p. 859–60) indicated that the EPA new source performance standards represent a stagnant compromise. The record demonstrated that new sources were being required to achieve less control than those already being achieved by some existing sources where scrubbers were used in addition to low sulfur coal. (ibid. See also Hearings, part 2, p. 1585–6.)

[52] EPA FEA Study, V. 1, p. 27. The smaller radius in the west is due to the availability of lower sulfur coal. BACT is assumed to be scrubbers and low sulfur coal.

[53] Most of the data for this discussion is found in a Dec. 16, 1975, letter from Mr. Strelow of EPA to Senator Morgan.

[54] Of the four volumes of Committee Hearings, three deal almost exclusively with this area.

[55] 42 U.S.C. § 1857c–5(a)(2)(B).

[56] Ruckelshaus delayed the standards in 1973, Congress in 1974, and Train in 1975.

[57] NAS Report—May 1975. The 1978 statutory standards are in grams per mile, HC = .41/CO = 3.4/NO = .41

[58] Hearings, part 3, p. 262.

[59] Hearings, part 3, p. 163–4.

[60] The Committee's decision is full of nuances. The following chart is an attempt to make it partially coherent.

	Present law			Committee's decision		
	HC	CO	NO_x	HC	CO	NO_x
1977	1.5	15.0	2.0	1.5	15.0	2.0
1978	.4	3.4	.41	1.5	15.0	2.0
1979	....	....	....	.4	3.4	[a] 2.0
1980	....	....	....	.4	3.4	1.0

[a] 10 percent of the cars must meet 1.0 in 1979.

As can be seen, the final NO_x standard was changed from .41 to 1.0 because (1) stationary source NO_x emission appears to be overwhelming any need to go lower than 1.0 NO_x, and (2) because a final NO_x standard below 1.0 threatened to inhibit more fuel efficient engine alternatives such as stratified charge engines. American Motors, because of its lack of technological capabilities was exempted from the 1979 requirement of 10% of its cars having to meet the 1.0 NO_x standard.

One additional point on the delay of the final auto standards until 1980 is in order: it will have no discernable public health impact. Legitimate arguments against giving the auto companies until 1980 are instead based on a differing assessment of the availability of adequate technology. Unsound arguments usually involve and anti-industry bias.

[61] NRDC v. Train, 475 F.2d 968 (D.C. Cir. 1973).

[62] 42 U.S.C. § 1857c-5(c) (1).

[63] P.L. 93–319. 42 U.S.C. §§ 1857c-5(c) (2) (B) and (C).

[64] See *Brown v. EPA*, 8 ERC 1053 (9th Cir. 1975), *Maryland v. EPA*, 8 ERC 1105 (4th Cir. 1975). *D.C. v. Train*, 8 ERC 1289 (D.C. Cir. 1975), For a circuit court case supporting EPA's efforts see *Pennsylvania v. EPA*. 500 F.2d 246 (6 ERC 1769), 3rd Cir. 1974.

[65] This is what is meant by a "maintenance strategy" in contrast to an "attainment strategy" which also deals with existing sources.

[66] The environmentalists have noted that the 1970 amendments have elicited a "significant positive response by states and localities to this federal call for action." See Hawkins' testimony, Hearings, part 2, p. 1602.

[67] The issue of economic and technological feasibility has two parts. One is the extent to which the Committee took economic and technological feasibility into consideration in arriving at the 1976 amendments. This is what is being referred to here. The second part of the issue deals with whether the states and EPA in the state implementation plan process must consider technological and economic feasibility (See Footnote 11). Although silent on this issue, the Committee did speak indirectly to the issue by reminding the Courts and states that the secondary standard attainment date was available as a balancing mechanism to deal with economic and technological problems.

RETIREMENT OF JOSEPH J. TODD

Mr. HUDDLESTON. Mr. President, Joseph J. Todd, the Deputy Director of the Tobacco and Peanut Division, Agricultural Stabilization and Conservation Service, retired at the end of February after a long and productive career as an employee of the U.S. Department of Agriculture. His career began as a 90-day temporary appointment in 1934 to a position paying $1,620 a year.

Joe Todd was born and reared on a tobacco and livestock farm in Garrard and Madison Counties, Ky. He was graduated from the Paint Lick High School and the University of Kentucky.

In 1934 Joe Todd was appointed an audit clerk in the Agricultural Adjustment Agency, U.S. Department of Agriculture, Washington, D.C. In 1936, he was transferred to the Minnesota State AAA Office and made State accountant. In 1938, he was transferred to the Indiana State AAA Office and placed in charge of the application for payment section.

Joe Todd was reassigned back to Washington in 1940 to work on production adjustment programs for tobacco. In 1945, he was made chief of the marketing quota section of the AAA and assigned primary responsibility for the development and administration of production adjustment programs for tobacco. In 1956 he received the Department's Superior Service Award for "Leadership and Effectiveness in the Administration of the Tobacco Marketing Quota Program."

In May 1961, Mr. Todd was named Deputy Director of the Tobacco Division, Agricultural Stabilization and Conservation Service. In this position he shared the responsibility for the development and administration of the production control and price support programs for tobacco. Following a reorganization in 1974 he assumed similar responsibilities for the peanut program.

Mr. President, Joe Todd spent 42 years in the service of this Nation. He has been a dedicated and faithful employee. The presence of Joe Todd will be missed by those of us in the legislative branch as well as those in the executive branch. But we all join sincerely in wishing Joe Todd and his wife, Jean, good health and great happiness in their retirement.

SENATOR HANSEN'S MEAT-LABELING BILL

Mr. DOLE. Mr. President, the Senate Agriculture Subcommittee on Research and General Legislation held a hearing this week on Senator Hansen's bill to require that all food products made from foreign meat bear labels identifying what country the meat came from.

I attended this hearing, and was impressed by Senator Hansen's presentation. He brought with him several meat products, including hamburger, a frozen dinner, and a can of soup, which are made with imported meat, but not labeled as to origin. He contends that we should require products to be labeled so consumers can tell where the meat in them came from.

Mr. President, I ask unanimous consent that Senator Hansen's testimony on his bill, S. 588, and a copy of the bill, be printed in the Record

There being no objection, the material was ordered to be printed in the Record, as follows:

Statement of Senator Clifford P. Hansen

Mr. Chairman, the Wholesome Meat Act passed in 1967 greatly expanded federal monitoring and control of meat production, processing and marketing to the American public. The purpose of this law is, of course, to protect the health and well-being of consumers and enable them to know what they are buying and eating.

We have the best meat inspection and labeling law in the world. American consumers know when they buy meat regulated by this law that it has been rigorously examined for wholesomeness and purity and that it is labeled according to requirements meant to tell people what they are buying and where it came from.

Section two of the Wholesome Meat Act says:

"Meat and meat food products are an important source of the nation's total supply of food. They are consumed throughout the nation and the major portion thereof moves in interstate or foreign commerce. It is essential in the public interest that the health and welfare of consumers be protected by assuring that meat and meat food products distributed to them are wholesome, not adulterated, and properly marked, labeled and packaged."

Failing to monitor the meat production and distribution process or allowing distribution of improperly labeled meat would, the Act says, "result in sundry losses to livestock producers and processors of meat and meat food products, as well as injury to consumers." Unwholesome, mislabeled or deceptively packaged articles can be sold at lower prices and would thus compete unfairly with wholesome, properly labeled meat products, to the detriment of the general public.

The federal law even applies to canned, processed and prepared meats which come from foreign countries. Such products must be labeled as to country of origin, and I have brought with me today several meat products of foreign countries which were purchased in a local supermarket and are typical of canned and processed foreign meats sold throughout the United States. Each item is labeled, as required by law, to disclose the origin of the meat and to inform the consumer about other ingredients that have been included. I have here a can of lunch meat that is distributed in the United States under the name of an American company but which is prominently labeled, "Product of Brazil." I have a package of sliced ham that is labeled, "Product of Denmark," and several other items which are clearly labeled so the purchaser may know that the meat from which the item was made was not produced domestically, but instead in various foreign countries where the product originated.

We import half a billion pounds or more of processed and canned foreign meat every year. Last year, we imported 414,600,000 pounds of such meat, all of which was labeled as to origin according to the requirements of the law.

But, Mr. Chairman, that was less than *half* of the total amount of foreign meat imported by the United States. The rest is distributed to consumers in the form of various products, but it is *not* labeled as to origin and the consumer has no way of knowing when he or she is buying and consuming this foreign meat.

Typical of the kind of products made from foreign meat, but not so labeled, is this package of fresh hamburger, this can of beef noodle soup, and this salisbury steak T.V. dinner. The meat in these kinds of products is usually imported. But unlike the canned luncheon meat and the sliced ham, there is no label telling the buyer where the meat came from. A consumer who wishes to do so cannot restrict his purchases to domestically produced and inspected beef and meat, because he has no way of knowing the origin of the meat in many products.

So, our law requires that foreign meat entering the United States in canned, processed or prepared form be labeled as to origin for the benefit of American consumers. It even requires that domestically produced meat intended for sale to foreign countries bear a label saying it is for export and disclosing information about any preservatives used. This is for the protection of foreign consumers of American beef.

But the law does not require disclosure of the origin of more than a billion pounds of foreign beef and meat which enters the United States every year in fresh, chilled and frozen form. This meat is sold to consumers in restaurants and in supermarkets throughout the country. It is made into hamburger, hot dogs, frozen dinners, soup, lunch meat and a hundred other products. The labels on these products must, by law, tell consumers the name of the product, the ingredients, the name and place of business of the manufacturer, packer, or distributor, the quantity of the contents, and whether the product was inspected. But the most important information—the origin of the meat—does not appear on products made from imported fresh, chilled or frozen meat. This is a serious oversight which my bill, S. 588, would correct.

We are not talking about a minor amount of meat, Mr. Chairman. We are talking about billions of pounds of imported meat which is made into products sold to millions of American citizens. Last year, we imported the following quantities of fresh, chilled and frozen foreign meat, which was *not* labeled as to origin when it reached the retail level:

1.3 billion pounds of fresh, frozen and chilled beef and veal.

32.9 million pounds of fresh and frozen pork.

25.7 million pounds of mutton, lamb and goat meat.

Imported meat which arrives frozen is generally thawed and made into a variety of products for sale to American consumers. Most of the frozen beef we import is thawed, ground, blended with fat trimmings from domestic beef and then sold as "fresh" hamburger. Millions of consumers then refreeze this hamburger in their home freezers. The freezing, thawing and refreezing of meat is discouraged by the Department of Agriculture. USDA consumer bulletins warn: "Cook thawed meat immediately or keep only a short time in a refrigerator. Avoid refreezing thawed meat."

American consumers deserve to know if meat they buy has previously been frozen and they deserve to know where it came from. Many people prefer to buy meat which they know has been produced here in the United States and has passed through our strict and exacting inspection system.

S. 588 would amend the Federal Meat Inspection Act to require that imported meat and meat food products made in whole or in part of imported meat be labeled "imported" at all stages of distribution through delivery to the ultimate consumer.

The bill says that "any imported meat or meat food product . . . and any meat food product made in whole or in part of such imported meat, or its package or container, shall be labeled as 'imported' or 'imported in part' as the case may be."

And, the bill says, "If any person other than the ultimate consumer cuts meat or a meat food product into pieces or breaks a package or container containing meat or a meat food product and such meat, product, package, or container is marked or labeled . . . such person shall affix a label to each piece of such meat or product or to each package or container in which any such meat or product is placed to provide the information required."

In other words, Mr. Chairman, the consumer would be told all of the things now required on meat and meat product labels, including where the meat came from.

S. 588

A bill to amend the Federal Meat Inspection Act to require that imported meat and meat food products made in whole or in part of imported meat be labeled "imported" at all stages of distribution until delivery to the ultimate consumer

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 20(a) of the Federal Meat Inspection Act (21 U.S.C. 620(a)) is amended by inserting "(1)" after "(a)", and by adding at the end thereof the following:

"(2) Any imported meat or meat food product referred to in paragraph (1), and any meat food product made in whole or in part of such imported meat, or its package or container, shall be labeled as 'imported' or 'imported in part', as the case may be. This paragraph shall not apply if the meat or meat product, or its package or container, is marked and labeled to show the country of origin as required under regulations referred to in paragraph (1).

"(3) If any person other than the ultimate consumer cuts meat or a meat food product into pieces or breaks a package or container containing meat or a meat food product and such meat, product, package, or container is marked or labeled as required by paragraph (1) or (2), such person shall affix a label to each piece of such meat or product or to each package or container in which any such meat or product is placed to provide the information required by paragraph (2). In applying this paragraph and paragraph (2), for purposes of this Act the term 'label' includes 'labeling' as defined in section 1(p).".

THE GENOCIDE CONVENTION

Mr. PROXMIRE. Mr. President, one of the most often voiced criticisms of the Genocide Convention is that its ratification by the United States would adversely affect Federal-State relations by sapping the authority of States in criminal matters. However, this is clearly not the case. I want to demonstrate today why the Genocide Convention does not affect relations between the Federal Government and the States, and show you that the States have nothing to fear from ratification.

Let me point out first that article 1, section 8, clause 10 of the Constitution provides that—

> The Congress shall have the Power . . . To Define and Punish Piracies and Felonies committed on the high Seas, and Offenses against the Law of Nations . . .

Congress does have the constitutional right to enact legislation which makes genocide a crime and provides for appropriate punishment. If Congress so desired, it could enact such legislation even without a treaty.

Furthermore, article V of the Genocide Convention says that signators will undertake to enact "in accordance with their respective constitutions" legislation which is necessary to institute the provisions of the convention. Ratification of the convention will not entail a basic change in Federal-State relations as set forth in the Constitution.

The Federal Government will not be encroaching on the rights of States to handle criminal matters within their judisdictions. Article VI of the Convention, which concerns the trial of alleged genocidists, says only that—

> Persons charged with genocide or any of the other acts enumerated in article III shall be tried by a competent tribunal of the State in the territory of which the act was committed.

The only crime which the Convention refers to is genocide, and even here the makeup of the "competent tribunal" is left to the discretion of the nation involved. As the American Bar Association has said:

> Ratification of the Convention will add no powers to those the Federal Government already possesses.

Ratification will, however, make us a stronger and a better nation.

REVENUE SHARING

Mr. DOMENICI. Mr. President, I recently received a resolution from the McKinley County Board of Commissioners. McKinley County is a rural county in western New Mexico. The resolution pertains to the benefits to the citizens of McKinley County from the general revenue sharing program.

Mr. President, I support general revenue sharing. While the program has not been totally without fault, it has, in general, been a success and I will vote to continue it. This program has allowed this Nation's cities and counties to provide services and capital improvements that would not have been possible without this program. I commend the McKinley County Board of Commissioners for their civic pride and ask unanimous consent that the resolution be printed in the RECORD.

There being no objection, the resolution was ordered to be printed in the RECORD, as follows:

RESOLUTIONN

Whereas; General Revenue Sharing has been a tremendous asset to McKinley County, and

Whereas; The refinancing of General Revenue Sharing appears to be in jeopardy in the United States Congress, and

Whereas; General Revenue Sharing has allowed McKinley County, New Mexico, to establish social programs that would not have been possible; to construct a permanent road facility that is adequate for the County needs, where one never existed before; to make capital improvements in existing county buildings; to provide adequate police protection; to construct new fire fighting facilities in the County to provide fire protection for its citizens; and to make capital purchases and acquisitions to improve the living standards in McKinley County, now

Therefore, be it resolved by the McKinley County Board of Commissioners that the New Mexico Congressional Delegation be called upon to support the refinancing of General Revenue Sharing or similar Legislation, so that McKinley County, and all local Governments be allowed to serve their citizens to the fullest extent possible.

THE IMPORTANCE OF A SIMPLER LIFESTYLE

Mr. PERCY. Mr. President, a recent article by Laurance S. Rockefeller in the February issue of the Reader's Digest persuasively argues the case for a simpler life-style. He states:

> A new pattern of living is emerging in America. In its emphasis on simplicity, self-reliance and thrift may well lie the key to our survival.

Mr. Rockefeller's concept of a simpler life-style involves not only the reduction of waste, but also the reduction in the use of machines and gadgets that save us trifling quantities of physical effort. The national accumulation of essentially trivial luxuries together with wasteful habits such as leaving on lights, have caused greedy consumption of nonrenewable energy sources with little or no thought for the consequences.

The spread of a conservation ethic, however, has suffered from its association with curtailment and sacrifice. It is more constructive to remember that conservation also includes the notion of efficiency. Every informed analyst of the energy problem agrees that this country could produce the same useful work with about half our present consumption of energy. Thus energy conservation does not necessarily mean fewer goods and services, although as Mr. Rockefeller forcefully points out, doing without some luxuries may do us all some good.

Another important point that Mr. Rockefelier makes in his article is the satisfaction to be gained from self-reliance. An increasing number of Americans are relating this value to the development of technology that does not require vast concentrations of capital and complex hardware. They are turning, instead, to technology, that can be bought and maintained by individuals or communities an example of which, is certain forms of renewable energy, such as household solar energy systems. This deconcentration or decentralization of energy sources should be debated fully because of its profound implications for the energy industry as well as American life-styles in the future.

While a national debate on our energy problems is essential, a more immediate problem is to bring about greater energy conservation in order to stop the unconscionable waste of natural resources. Tax incentives that encourage the consumption of virgin energy sources must be eliminated. Utility rates must be restructured to penalize energy gluttony. And transportation rates that discriminate against recycled goods must be changed.

The recent news that gas-guzzling cars are having a resurgence of popularity is disappointing. But increasing numbers of people are realizing the benefits which accrue from wasting less energy, conserving natural resources and living more simply.

Mr. President, I commend Mr. Rockefeller's article to my colleagues, and ask unanimous consent that it be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

THE CASE FOR A SIMPLER LIFE-STYLE

(By Laurance S. Rockefeller)

The growing national concern for a better environment and a simpler life-style is already improving America's physical surroundings. It may be a major new mural and spiritual resource as well.

The last dozen years have been as traumatic and divisive as any in our history. Assassinations, a tragic war, and political and economic upheaval have divided and dismayed this country.

In order to face problems like these, a democracy needs themes and common goals which bring unity and commitment. The emerging ecological ethic and the changes in life-style which accompany it may be such a force.

Some may think it ironic that one who has been blessed with a large measure of material resources should be advocating a simpler life-style. Actually, it is, in my view, entirely consistent. The tradition of the value of work runs deep in our family's heritage. My father and grandfather always taught us that waste was a sin no matter how great one's resources.

More and more people are coming to understand that man must live in harmony with nature and not as its adversary. The concept that we have boundless resources of materials, manpower and spirit, and therefore can afford waste, clearly no longer is true. Individually, people are finding that a simpler life-style provides greater satisfaction than relentless pursuit of materialism.

A simpler life-style is a relative term which means different things in different lives. Basically, it involves reducing waste, and employing physical as well as mental and spiritual capacities to the fullest. It does not necessarily involve radical change. For most, it does not mean renouncing modern conveniences and returning completely to nature.

It does mean opening up some form of communication with nature. It does mean reducing reliance on mechanical things and discovering the joy of self-reliance and the satisfaction of physical work. For instance, out of my own experience I know that chopping and splitting firewood can bring not only complete physical involvement but also spiritual and mental relaxation and reward.

An environmental ethic holds that man must live as part of the natural world. He must treat the land, water and air as links in a vital chain upon which life depends. Man already prevails, but will he survive? He must go beyond the concern necessary for his own survival to that required for all other living creatures. Thus, ecology and ethics merge, interact and reinforce each other in what Albert Schweitzer called "reverence for life."

Put another way, the science of ecology tells us pragmatically that we cannot continue to waste, and the ethics of our Judeo-Christian tradition tell us that morally we should not.

Americans in growing numbers are finding that satisfaction of material wants does not necessarily bring a sense of lasting well-being. Many long for something which will give a greater sense of purpose and meaning to their lives.

Myths and misconceptions about a simpler life-style, usually based on the drug-centered behavior of alienated "pseudo-practitioners," have turned some people off. Such behavior does not truly represent this philosophy. An environmental ethic is not an aberrent departure from, but a natural evolution of, a maturing American society. Let's look at the mainstream of American thought:

1. Far from spelling deprivation and hardship, a simpler life-style can well mean a more pleasant and even a more comfortable life. Some may choose dramatically austere or esthetic life-styles as their way, but for most a more simple way will need to involve only modest shifts. Exchanging time in front of a television set or in a car for time in physical activity closer to nature is not sacrifice; it's enrichment. Writes the perceptive bacteriologist René Dubos:

"We shall not go back to the Stone Age nor give up the priceless contributions of technology. But as we worry about shortages of resources and energy, we can derive comfort from the fact that many groups of people at all stages of history have been at least as healthy and as happy as we are, and have achieved great feats of civilization, with techniques and materials that are extremely primitive according to our criteria."

2. Over a century ago such classically American thinkers as Henry David Thoreau and Ralph Waldo Emerson were preaching the values of self-reliance and living in harmony with nature. They understood that man was chosen as a steward for other living things and the earth, not as an exploiter.

Here is Thoreau preaching the doctrine a century ago:

"If a man walks in the woods for love of them, half of each day, he is in danger of being regarded as a loafer; but if he spends his whole day as a speculator shearing off those woods and making earth bald before her time, he is esteemed as an industrious and enterprising citizen."

3. A simpler way of life can be practiced in the cities as well as the country. Many economies and sensible practices are equally applicable in towns, suburbs and rural areas. Wise planning, and the intelligent use and control of our air, water and land are equally important to the quality of life in both the city and the country. It is the sense of being part of nature and not its enemy that is important.

4. The return to more simple and less-wasteful living is entirely consistent with economic growth. For example, the energy crisis creates markets as well as problems. To use less energy, we need more solar-heating units, more insulation, more mass-transit cars and tracks. Major changes in manufacturing processes to save energy call for investment and jobs, the very stuff of which growth is made.

We often hear that environmental-control measures cause industries to close and jobs to be lost. On balance, this need not be the case. Minimizing water and air pollution and cleaning up our cities is creating thousands and thousands of new jobs in this country.

5. The new approach to life fits right in with our concern for the disadvantaged. Too many people still do not have enough of the basic elements required for even a modestly rewarding existence. Complex problems of distribution are involved here, but that part of the gross national product which is used to provide food, housing and the basic necessities for the poor must grow. The same is true for that part of the world which is still poor. More simple, less demanding, less wasteful living by the advantaged is not inconsistent with this form of growth. If advantaged Americans make fewer demands on limited resources, there will, in the long run, be more for those who now have access to very little, both in this country and throughout the world.

6. Science and technology can be our greatest allies in reducing waste in the production of energy and in industry. Today, we obtain only about four percent of our total energy supply from renewable sources. We must now shift from our reliance upon such non-renewable resources as hydrocarbons and metals to such renewable ones as wood, water power, solar energy, wind, waves and tides and the heat of the earth. Finding ways to use these plentiful, clean and *renewable* sources of energy efficiently is a high-priority challenge. Finding less-expensive and cleaner ways to use coal, of which we have a vast, untapped supply, could drastically reduce our reliance on imported fuels.

Recycling and re-use of non-renewable resources play a large role in eliminating waste. Municipal garbage alone could supply an appreciable part of municipal energy needs if we applied scientific and technological skills to solve the problem.

But what about individual people? What can they do to put a simpler approach to life into practice? Examples readily come to mind.

More and more people are walking to work or riding bicycles. In the process, they're saving fuel and money, and they're finding that they also feel better. Many people who are now buying cars are looking for smaller ones, and rediscovering the economy of the four-cylinder engine.

There is a general movement toward participating in all manner of sports, a beneficial change from being passive spectators. People are hiking, camping, cross-country skiing, jogging, swimming and in general enjoying outdoor living in vastly, increasing numbers.

Simple old-fashioned habits of thrift and self-reliance are reappearing in many forms. Some of these are quite ordinary. For instance, many of us have discovered that leaving lights on unnecessarily is a habit that cannot be justified by either convenience or necessity. The great surge of interest in handcrafts illustrates an inward longing for self-sufficiency as well as self-expression. People are starting to save food by refusing to take more on their plate than they really want or need.

Finally, there is a growing awareness of the importance of family planning. We are coming to understand the crucial relationship between the number of people living on this globe and the continued availability of our limited natural resources.

In total this all adds up to a new pattern of living—one that is essential to the well-being of individuals and of the nation. If we do not follow it voluntarily and democratically, it may be forced upon us. Some economists and analysts argue that if we continue consuming resources as we are now, the only way to bring about a balance between demand and supply will be through authoritarian controls. Robert Heilbroner, the distinguished economist, is particularly pessimistic about the capacity of a democratic and captialist state to impose the discipline necessary to survive in a world of scarcity.

In summary, a simpler life-style and a national commitment to an environmental ethic can help America overcome its material and spiritual crises. Although we think of ourselves as pragmatic and unphilosophical, Americans have always been heavily influenced by what is morally right. The really large events in our history have centered on spiritual values.

The Revolution of 1776, the Civil War, World Wars I and II were all fought for reasons other than conquest or material gain. After each conflict, America exerted itself to make secure what had been at issue in the fighting. We did build a new nation and a new form of government after 1776. Although movement has been too slow, we have been spreading the right to human dignity since the Civil War. After World War II, we have made the greatest efforts in history to help other nations.

During the tragedies of the past decade, we used our institutions to correct mistakes. We changed a war policy, and we changed a President. It was difficult and divisive but we did it, not for material gain, but to express our moral values.

Now we are faced with the *moral* challenge of simplifying our overly complicated, overly wasteful lives and forgoing a national commitment to an environmental ethic. We do this to protect the limited resources on which all life depends. If we do it well, this personal and national commitment *can* enhance the spiritual life of every one of us.

Further, we shall be forging a basis of common commitment and shared goals which will lend basic strength to this nation. It is from such common efforts that democracies draw the strength and develop the moral fiber and self-discipline they need to renew themselves and meet the political, social and economic challenges that now confront them.

ELIMINATION OF THE PURCHASE PRICE REQUIREMENT

Mr. McGOVERN. Mr. President, when S. 3136, the National Food Stamp Reform Act to 1976, reaches the floor next week, Senator Dole and I, along with some of our colleagues, intend to offer an amendment to eliminate the purchase price.

Elimination of the purchase price in the food stamp program is intended to give participant households the same net Government subsidy without the cumbersome and administratively costly cash transaction.

At the present time all families of four participating in the food stamp program receive the same coupon allotment of $166 per month, 45 cents per person per meal. For this allotment, however, they pay varying prices depending upon their income; from a low of $0 to a high of $142. The difference between the allotment and the purchase price is the bonus. The average bonus is now $24 per person per month; 27 cents per person per meal.

Eliminating the purchase price would give the recipients the bonus in stamps without a cash transaction.

For example, a family of four making $250 per month—about average—now pays $71 for $166 in stamps, receiving a Government food stamp bonus of $95. Without a purchase price the household would simply receive the $95 in stamps.

Elimination of the purchase price would not provide participating households with any more in benefits.

It would, however, accomplish many goals:

First. It provides administrative cost-savings to the Federal Government as well as to the States and counties.

Second. Eliminates the possibility of vendor fraud.

Third. It will enhance the nutritional well-being of America's low income population.

Fourth. It rids the program of its No. 1 barrier to those eligibles who are not now participating.

As part of the national nutrition policy study conducted by the Nutrition Committee, a panel of experts on the food stamp program and social welfare program concluded:

> The most important revision should entail converting food stamps into a program with no purchase price.

A study recently completed by the Montgomery County Department of Social Services shows that 35 percent of those nonpublic assistance recipients certified to participate in the food stamp program never went on to actually buy the stamps. The reason given by the majority of those not purchasing stamps was that they could not afford the cost.

If the program is to have any integrity in addition to the Congress establishing gross income guidelines, we should also take all reasonable steps necessary to make sure those who are eligible can participate.

Fifth. The entire concept of a standard deduction is fraught with problems unless it is tied to the elimination of the purchase requirement. Many families who have high rent or heating or medical expenses get large itemized deductions under the current food stamp program. Under the committee bill, these families would have their food stamp deductions cut to $100, and would therefore have to pay more for their stamps, even though their expenses would stay the same. If these families could not come up with the new amount required to buy their stamps, they would have to drop out of the program and lose all nutritional assistance.

Sixth. Households with different incomes will not all be seen with the same amount of stamps. People who do not participate in the program do not presently understand that participants pay for stamps. When a lower income person is seen in the grocery line with $166 in stamps it is assumed that all $166 were free.

Other shoppers do not realize that the household might have paid as much as $142 for the $166 in stamps. If the purchase price is eliminated, persons that appear to be "middle income," would only be seen with the $30 or $40 bonus.

Mr. President, of primary concern to those of us interested in this amendment, is the cost. According to the cost estimates filed by the Congressional Budget Office—printed in report No. 94–697—the food stamp bill reported by the Agriculture Committee would reduce next year's current services budget by $630 million. If all the other provisions of the committee bill were left unchanged, and the purchase price eliminated, the cost of the provision would be $625, resulting in a savings of only $5 million for fiscal year 1977.

The amendment Senator Dole and I will be offering, however, also modifies the percentage of a household's income which must be devoted to food—the benefit-reduction ratio. Our amendment increases the committee's 27½ percent benefit-reduction ratio to 30 percent. The cost of eliminating the purchase price at 30 percent is $350 million in fiscal year 1977. This will allow the Senate to send the House a food stamp bill which saves a substantial amount of money and one which is worthy of the title reform.

HONEST DEBATE NEEDED ON B–1 AND CONCORDE

Mr. GOLDWATER. Mr. President, last week it was my pleasure to have been in the Chamber with the Senator from Vermont (Mr. Leahy) when he called for an honest debate on the B-1 bomber. I could not agree with him more, and I will be available any time during the discussion of the weapons authorization to allow for the B–1.

I also anticipate similar debate on the Concorde which explains why I have been putting so much material in the Record. The reason is that I do not want to see some of the arguments used against either the B–1 or the Concorde which are now coming out of foundation organizations in this city based entirely on misconceptions and, in some cases, completely false statements. I do not for one moment infer that the Senator from Vermont would use this type of material and I am convinced that he wants to engage in an honest debate as to whether we need the weapons system and, as I said, I will happily accommodate him basing my arguments on the decision of the Air Force and other strategic experts in the world and keeping away from such arguments as what it might do to the ozone, the NOx, and so forth.

TODAY IN CONGRESS

Mr. METCALF. Mr. President, I am pleased to announce that, as of last Wednesday, a free booklet for visitors to the Capitol is being distributed by the Capitol guides on a trial basis. This test will continue for 12 legislative days to ascertain visitor reaction to this new publication.

Prepared by the Joint Committee on Congressional Operations, the booklet is entitled "Today in Congress." The front cover explains the purpose and use of the publication. The inside cover briefly describes the way Congress works.

The inside pages, extracted from the Daily Digest of the Congressional Record, provide information on today's meetings of the House and Senate, followed by all committee meetings scheduled for today.

On the inside and outside back cover, visitors to the Capitol will find the office numbers and telephone numbers of all Members of Congress.

In preparing this new experimental publication, the JCCO was aided substantially by the Joint Committee on Printing and by the Government Printing Office. I would like to express my personal appreciation for this aid at this time.

If the booklet proves, in this test, to be as useful to visitors as we believe it will, appropriate resolutions will then be introduced in the House and Senate seeking authority and funding to continue this publication on a regular basis.

The joint committee would appreciate hearing from any Member as to his reactions or those of his constituents to this pilot project.

TIGHTENING OF DICTATORSHIP IN KOREA

Mr. CLARK. Mr. President, the tightening of the dictatorship of President Park Chung Hee in the Republic of Korea and increasingly frequent and credible reports of large-scale denial of human rights there are very disturbing to me. This is doubly so because South Korea is an old and important ally of the United States.

It is often difficult to decide what our relationship should be with countries which deny fundamental human or political rights. In extreme circumstances close relations with the most deplorable regimes are justifiable. For example, who would criticize our alliance with the Soviet Union against Hitler's Germany in World War II? But, in my view, the United States' relationship with South Korea is becoming increasingly untenable. Korea undoubtedly has a considerable importance for the United States; and it has an even greater importance to Japan. Another complicating factor is that an ever-irredentist North Korea is still something of a threat to the south. But there appears to be no basis in fact for Park's claim that repression is necessary because of the threat from the North.

Mr. President, the United States cannot separate its domestic reality from its foreign policies. We cannot be the guardian of dictatorial, corrupt and cruel regimes overseas and remain a free and compassionate country within. There is an inevitable interaction between these two aspects of our national life. At the very least, it is high time that the administration began making a major effort to persuade Mr. Park to liberalize his regime if he wishes to retain his historical relationship with the United States. The time may be approaching when we should reassess just what our interests are in Korea and what our future military and political role should be with such an increasingly repressive government.

I ask unanimous consent that two March 19 press items, a letter from Professors Edwin O. Reischauer and Jerome Alan Cohen, to the New York Times, and an editorial in the Washington Post, be printed in the Record.

There being no objection, the material was ordered to be printed in the Record, as follows:

SEOUL: TIME TO VOICE U.S. DISAPPROVAL

To the Editor:

Internal political conditions in South Korea have steadily deteriorated during the past five years. In the 1960's the Government of President Park Chung Hee, which came to power in 1961 via a military coup, made great economic progress and seemed to be gradually developing an open political process that would eventually vindicate the massive American economic and military aid to the Republic of Korea. In a series of moves since 1971, however, Park changed the constitutional system to guarantee his lifetime rule and has now suppressed even token public dissent.

He has crippled the opposition political parties, punished the exercise of free speech, prevented free association, censored the media, curbed the courts, subdued the universities, restricted religious groups, controlled labor movements and generally created an atmosphere of fear and intimidation. Those who have tried to resist the ruthless extermination of the Korean democratic experiment have met economic sanctions, threats to their persons and families, arrest, kidnapping, torture and even death.

The latest outrage occurred this week when Park arrested many of Korea's finest leaders, devout believers in democratic government who refuse to accept Park's repeated efforts to justify dictatorship by exaggerated cries of "threat from the North." This courageous group includes: Kim Dae Jung, who distinguished himself as opposition party candidate in Korea's last relatively free presidential election; the wife of former President Yun Po Sun; Y. H. Chyung, former Foreign Minister, and his wife, Lee Tai Young, leading feminist who won the 1975 Magsaysay award, and other civic and religious figures.

This tragic policy will create subversion where there was none. It will defeat American efforts to divest ourselves of the moral taint that comes from our support of unnecessarily repressive regimes. And it raises the spector of the U.S. again being drawn into a costly war on the Asian mainland in defense of a corrupt, unpopular secret-police/military dictatorship.

It is time for our political leaders in the executive branch and in Congress and for candidates in the Presidential primaries vigorously to express their disapproval of policies that narrow the distinctions between South Korea and its repressive counterpart in North Korea and to point out the extent to which Park's actions diminish the American willingness to support South Korea. [Editorial March 12.]

EDWIN O. REISCHAUER,
JEROME ALAN COHEN.

(The writers are, respectively, University Professor at Harvard and East Asian Legal Studies director at the Harvard Law School.)

SOUTH KOREA'S MOST DANGEROUS MAN

A dangerous man is on the loose in South Korea, one who threatens to provoke internal upheaval and to cost his country the support of its leading foreign ally. Indeed, given the ruthless centralization of power in Seoul, this man is in a position to do more damage to Korea's stability and security than any other figure. He often makes the monomaniac who runs North Korea, Kim Il Sung, look like an ineffectual ward politician. He is, of course, South Korean President Park Chung Hee.

President Park is as spoiled a despot as any ruling today. He started his political career unexceptionably enough. But the narrowness of his electoral victory over Kim Dae Jung in 1971—A contest in which his party extorted $3 million from Gulf Oil alone—apparently frightened him. He reacted over the next two years by turning South Korea into a personal dictatorship. Meanwhile he played on the solicitude many Americans have felt for his country since the Korean War, and on the gratitude some Americans expressed for his help in Vietnam, and he got the United States at once to build up his army and ignore the increasingly repressive quality of his rule.

The other day a dozen or so brave Koreans gathered in a church in Seoul to read a "declaration of decency and national salvation." They asked President Park to resign so that democracy could be restored. The group included his old nemesis Kim Dae Jung and leaders of South Korea's Christian community. Arrested promptly, they are evidently to be charged with plotting to overthrow the government. If convicted, they could be executed—eight other Korean political challengers were executed last year. The arrests are described as the last gasp of the political opposition. This does not mean that political opposition will end but that it will be forced underground. President Park offers no alternative.

Now, President Ford laid hands on President Park with a visit a year or so back. Secretary of State Kissinger's position, that Mr. Park's geopolitical role is too important for the United States to take issue with the way he runs the country, is all too well known. Still, it is dangerous and dishonorable for the Ford administration to remain silent about President Park's domestic savagery. Administration mumbling notwithstanding, this is not the United States' only choice.

We do not believe that the United States should abandon the South Korean people or otherwise act in a way that would tempt war. But we do believe that the administration's permissive tolerance of Korean police rule, far from allowing American officials to wield a softening influence by quiet diplomacy, has simply permitted President Park to tighten his grip. We suspect that President Park is laughing up his sleeve at Gerald Ford and Henry Kissinger and the American people. He is telling himself that there is no assault on American values that the United States cannot be conned into condoning in the name of anti-communism. If the administration cannot bring itself to set President Park straight, then the Congress, which controls the funds that keep him afloat, should do so on its own.

HAITIAN AMBASSADOR REPLIES TO ALLEGATIONS OF EXTORTION ATTEMPT AGAINST U.S. BUSINESS FIRM

Mr. PROXMIRE. Mr. President, at the request of the Ambassador from Haiti, the Honorable Georges Salomon, I request unanimous consent to insert into the Record at the close of my remarks copies of certain letters from the Ambassador and the Honorable Henry Bayard, Under Secretary of Commerce and Industry for the Government of Haiti.

The letters concern a recent controversy that was made public in hearings held on March 2 and March 5 by the Subcommittee on Priorities and Economy in Government of the Joint Economic Committee.

I intend to comment on the substance of the statements made in the letters within the next few days. However, to be fair and in deference to the Government of Haiti I will not comment at the present time.

Again, I ask unanimous consent that the letters referred to above be printed in the Record.

There being no objection, the letters were ordered to be printed in the Record, as follows:

Ambassade D'Haiti,
Washington, D.C., March 10, 1976.

Hon. Senator William Proxmire,
Chairman of the Subcommittee on Priorities and Economy in Government of the Joint Economic Committee, DSOB, Capitol Hill, Washington, D.C.

Dear Mr. Chairman: I would not dare to interfere with the outstanding work of your Committee but since the Honorable Members are persons devoted to real truth and would not rest their conscientious opinion on a deliberately one sided story I believe my duty to provide copy of those three public documents which if accepted by you and circulated among the Members of the Committee will throw new light on an issue raised before the Subcommittee.

May I request also Mr. Chairman, if you deem fit, to contemplate the means to insert those documents in the Records of the Subcommittee Hearing of March 2, 1976.

I avail myself of that opportunity to renew to you, Dear Mr. Chairman, the assurances of my highest esteem.

Georges Salomon,
Ambassador.

Ambassade D'Haiti,
Washington, D.C., March 3, 1976.

Hon. Mark J. Meagher,
General Manager,
The Washington Post,
Washington, D.C.

Dear Mr. Director: I have read carefully the Article which appeared in this morning edition of the WASHINGTON POST under the name of the distinguished Staff writer William H. Jones.

The title and the content of the article does not seem to reflect accurately the statements made during the Hearing held yesterday before the Subcommittee on Priorities and Economy in Government of the Joint Economic Committee of Congress, about alleged case of bribes in the projected contract between the Haitian Government and Translinear Inc.

Since various Reporters have contacted the Embassy previously we have given them some background informations on the real case and I want now to reiterate the declaration stated in March 2 and Broadcasted the same day on National Public Radio indicating that the allegation of bribes in the mentioned case is an outright fantasy apparently directed to mislead the honest opinion in Congress and the Press and to put some kind of pressure on the Government of Haiti to enter into a deal or a contract it resisted as sensitive and encroaching upon the sovereignty and privileges of the Nation.

A careful examination of the published statements made at the hearings indicate that apparently Translinear in its anxious attempts to win by all means the contract, came across an unnamed businessman (I quote) "who purported to be a member of the Government", but was only eager to exploit the excessive anxiety of the Firm.

But in no case as indicated in the statements made at the hearings, an official of the Haitian Government has been directly or indirectly involved in bribes or has attempted to solicit improper payments from Translinear Inc. which did not signed in the past or has not signed by now any contract with the Government of Haiti for any Free port facilities in La Tortue Island.

For your complete information I send you a copy of the latest letter on that question addressed to Translinear by Minister Henry Bayard indicating the firm position of the Government on that case.

Very truly Yours,

George Salomon,
Ambassador.

Ambassade D'Haiti,
Washington, D.C., March 3, 1976.

Hon. M. Sulzberger,
Publisher of The New York Times,
New York, N.Y.

Dear Mr. Director: I have read carefully the Article which appeared in this morning edition of "The New York Times" under the name of the distinguished Staff writer Robert M. Smith.

The title and most of the content of the article reflect accurately the statements made during the Hearings held yesterday before the Subcommittee on Priorities and Economy in Government of the Joint Economic Committee of Congress, about alleged case of bribes in the projected contract between the Haitian Government and Translinear Inc.

Since various Reporters have contacted the Embassy previously, we have given them some background informations on the real case and I want now to reiterate the declaration I made on March 2, and Broadcasted the same day on National Public Radio indicating that the allegation of bribe in the mentioned case is outright fantasy apparently directed to mislead the honest opinion in Congress and the Press and to put some kind of pressure on the Government of Haiti to enter into a deal or a contract which it resisted as sensitive and encroaching upon the govereignty and privileges of the Nation.

A careful examination of the published statements made at the Hearings indicate that apparently Translinear in its anxious attempts to win by all means the contract came across an unnamed businessman (I quote) "Who purported to be a member of the Government", but was only eager to exploit the excessive anxiety of the Firm.

But in no case as indicated in the statements made at the Hearings, an official of the Haitian Government has been directly or indirectly involved in bribes or has attempted to solicit improper payments from Translinear Inc., which did not signed in the past or has not signed by now any contract with the Government of Haiti for any Free Port facilities in La Tortue Island.

For your complete information I send you copy of the latest communication on that question addressed on October 20, 1975 to Translinear by Minister Henry Bayard indicating the firm position of the Government on that case.

Very truly yours,

Georges Salomon,
Ambassador.

Ministry of Industry and Commerce,
Port-au-Prince, October 20, 1975.

Mr. William Carden,
Translinear, Inc., c/o Jn-Claude Leger, Port-au-Prince, Haiti.

Dear Mr. Carden: I have received your telegram dated October 8, 1975, expressing your worries for not being able to persuade the stockholders of the difficulties in the actual situation of Translinear operations in Haiti.

I note that my personal intervention is solicited to solve the problem, as quickly as possible.

As under Secretary for Commerce and Industry I want to state that while in great sympathy with the Translinear people in this situation, I can only deplore that some of them thought it was necessary to call for political intervention of two outstanding American Senators who should willingly grant help, according to your cable.

Evidently, the sole aim of this requested political intervention of members of the American Senate is to pressure the Sovereign State of Haiti into accepting the terms and conditions of a contract presented to the Haitian Government by Translinear's legal adviser in Haiti, which is seen as a waive of Sovereignty on the part of the Haitian territory covered by the contract.

This cannot be accepted by any responsible Haitian Government.

Our legal advisers have made a careful study of the Translinear's offer. They have concluded that such a proposition, if accepted would be a break of the law and Constitution of Haiti.

Furthermore it is estimated that the very idea conceived in the offer is in disagreement with the socio-political philospohy of this Government, which is that this country is not for sale.

We have shown in the past great interest in attracting foreign investment in this country. We still have the same interest in getting foreign investment, but not at any cost.

We have good reason to be prudent in negotiations with a foreign company which is marshalling political foreign intervention in order to get a contract which transgress not only the principles of our Government but the Constitution itself.

The Haitian Government is committed to the economical development of this country. In the pursuit of this goal, it does not intend to exclude any firm which would respect the sovereignty of the Republic of Haiti and its rights to participate on equitable basis in the exploitation of its natural resources.

This being stated, we are ready to meet, at the date of your convenience, the representatives of Translinear, Inc. informally to work out a draft of contract which would be mutually advantageous for Translinear and the Republic of Haiti.

Accept, dear Mr. Carden, the assurances of my high consideration.

Henry Bayard,
Under Secretary of Commerce and Industry.

USING FOOD AS A WEAPON

Mr. CLARK. Mr. President, it is no longer news that the American farmer is the man who puts it all together not only in helping feed the world but also in keeping the U.S. international payments in balance. The increasing American role in international trade in food and other agricultural products has led to a good deal of loose talk about "agripower" and the use of food as a "weapon" to be used against those whose foreign policies do not coincide with our own. President Ford, Secretary Butz and several of the Presidential candidates of both parties have in varying degree fallen into that error.

In fact, food and agricultural technology are uniquely benign "weapons" in the sense that they can be used to improve the lot of the people of the world, but they really are not effective in forcing others to bend to our will. Lauren Soth, former editor of the Des Moines Register, has said this much better than I can in an article which appeared in the Register March 11. He points out the flaws in the reasoning of those who think we can use food to change the policies of the Soviet Union and of the developing countries. And he underlines the opportunity which our agricultural productiveness gives us to make the world a better place for humankind. I ask unanimous consent that this article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

USING FOOD AS WEAPON SEEN AS NEGATIVE YIELD

(By Lauren Soth)

("North America today finds itself with an almost monopolistic control of the world's exportable grain supplies. . . . In a world of food scarcity . . . North America must decide who gets how much food and on what terms."—Lester R. Brown, president of Worldwatch Institute.)

President Ford and Agriculture Secretary Earl Butz have talked about America's "agripower," implying that the United States could unleash a "food weapon" to make the Soviet Union and the Third World behave. In one of his less thoughtful moments, Butz said agripower was stronger than "petropower." He claimed the Russians did not block the Egypt-Israel agreement on the Sinai because "they needed millions of tons of U.S. grain and knew it was no time to be fooling around."

Recently, Ford and Butz have dropped that line. The uproar from farmers about the embargo on grain sales to Russia from July 24 to Oct. 20 last year made them think twice about food as a political weapon.

Ronald Reagan also seems to have backed away from his statement last December that the United States should deny grain to the Soviet Union until it stops meddling in Africa and "chooses real détente and abandons its buildup of offensive weapons." But Senator Henry Jackson has taken up the cry, which appeals to many cold warriors and military hard-liners, such as Senator Barry Goldwater.

'CRISIS' FUELS AGRIPOWER

Liberals such as Lester Brown and church groups which want to help the hungry are appalled that Americans should consider using life sustenance as a political weapon. But their own exaggerated accounts of the world food "crisis" furnish ammunition for the Henry Jacksons. Actually, this kind of "agripower" is something of an illusion.

It is true that the United States has become a dominant supplier of grain (and soybeans) to the world—about 56 percent of the world trade in feed grains in recent years, 50 per cent in soybeans and soybean products and 45 per cent in wheat. In this marketing year, with record U.S. grain crops being sold and a near crop failure in Russia, the percentages will be even higher.

These shares of the world trade are nearly as large as the OPEC countries have in oil. So why can't the U.S. exercise its "monopolistic control"?

Foreign trade accounts for only about 10 per cent of the production and consumption of grain in the world. So even the U.S.'s 50 per cent is only 5 per cent of the total. The Persian Gulf states alone produce nearly a third of the world's output of oil and half the world's exports.

Oil is a finite resource. Grain can be produced nearly everywhere, indefinitely, and is. With few exceptions, most food is grown and eaten close to home. The increase in world grain trade in recent years is partly the result of advancing industrialization, prosperity and specialization in economic activity. Japan, for example, has chosen not to increase food output further at home, but to buy abroad and to finance agricultural development abroad, as in Brazil.

The striking increase in Soviet Union grain imports in recent years is partly the result of a decision by the managers of the Soviet state to increase meat and milk production; it is partly the result of an exceptional series of poor crops due to bad weather.

Those who would like to picture the Soviet imports as a sign of "failure" of socialized agriculture need to consider that Russian output growth in the agricultural sector compared very well with that in North America until the drought period set in in 1972. From 1950 to 1971, the Soviet agricultural output rose at an annual compound rate of 3.9 per cent. In the U.S. during the same period the rate of increase was 2.0 per cent.

Since Nikita Khrushchev began his campaign to improve Russian farm output, the national investment in agriculture has climbed sensationally. It amounted to 27 per cent of the total investment in 1974, much higher than the proportion in this country. The two countries are not comparable in such crude terms, of course, because the Russians are making up for past neglect, for one thing.

But this is evidence that there is a determined effort still going on in Russia to boost food output. It is reasonable to expect that, with good weather, the foreign trade situation will change—although it seems likely the Russians will not hesitate to import feed grain rather than sacrifice progress they have made in meat and milk output. They undoubtedly would import more grain this year, rather than cut back on hog numbers as they are, if their ports could handle more than the 27 million tons they are planning to ship in.

JACKSON'S FOLLY

If Henry Jackson thinks he can push the Russians into reducing arms output by denying them grain, he is kidding himself. In the first place, they could get a little more grain from Australia, France and elsewhere. In the second place, they could cut back livestock if they had to. In the third place, Russia is likely to have more of its own grain in four out of five years in the future.

How about putting pressure on Third World countries by denying them food? The question almost answers itself in political terms. A trade war with these countries, such as OPEC on oil and others on tin, copper, zinc, etc., would not necessarily be to our economic advantage. In most cases, they would have more power than we could exercise with food. The political effect of the U.S. denying people food in case of real hunger, as in Bangladesh, would be disastrous. It would be a godsend to the Communists.

America does have "agripower," though—the power to help other countries improve their own food production and to become more secure against famines. That power has not been fully used.

As for our own exportable grain supplies, they ought to be available freely—so long as they are not controlled by monopolies to their own advantage. It is imprudent for the U.S. to turn over its grain to be managed by the Russians, just because they have the state-trading capacity to buy it. We must consider the other buyers of our products, assuring them equal access and reserving certain quantities for food relief and for protection against short crops.

That kind of agripower and sensible farm policy we need—not rash concepts of a "food weapon."

PROPOSED ARMS SALES

Mr. SPARKMAN. Mr. President, section 36(b) of the Foreign Military Sales Act requires that Congress receive advance notification of proposed arms sales under that act in excess of $25 million. Upon such notification, the Congress has 20 calendar days during which the sale may be prohibited by means of a concurrent resolution. The provision stipulates that, in the Senate, the notification of proposed sale shall be sent to the chairman of the Foreign Relations Committee.

In keeping with my intention to see that such information is immediately available to the full Senate, I ask unanimous consent to have printed in the RECORD the notification I have just received.

There being no objection, the notification was ordered to be printed in the RECORD, as follows:

DIRECTOR DEFENSE SECURITY ASSISTANCE AGENCY AND DEPUTY ASSISTANT SECRETARY (SECURITY ASSISTANCE), OASD/ISA,
Washington, D.C., March 18, 1976.

Hon. JOHN J. SPARKMAN,
Chairman, Committee on Foreign Relations, U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: Pursuant to the reporting requirements of Section 36(b) of the Foreign Military Sales Act, as amended, we are forwarding herewith Transmittal No. 76–43, concerning the Department of the Army's proposed Letter of Offer to Greece for retrofit kits for conversion of M48A1 tanks estimated to cost $82.0 million.

Sincerely,

WALTER B. LIGON,
Acting Director,
Defense Security Assistance Agency.

TRANSMITTAL NO. 76–43

Notice of Proposed Issuance of Letter of Offer Pursuant to Section 36(b) of the Foreign Military Sales Act, as amended

a. *Prospective Purchaser:* Greece.

b. *Total Estimated Value:* $82.0 million.

c. *Description of Articles or Services Offered:* Three-hundred sixty-one (361) retrofit kits for conversion of M48A1 tanks to M48A3 model.

d. *Military Department:* Army.

e. *Date Report Delivered to Congress: 18 March 1976.*

AFL–CIO DEMANDS ACTION ON NURSING HOMES

Mr. MOSS. Mr. President, the AFL–CIO, meeting in Bal Harbour, Fla., a few days ago adopted a resolution condemning conditions in many American nursing homes. Through its executive council, the AFL–CIO announced its intention to mobilize a national effort to clean up nursing homes which have protracted violations of State and Federal standards.

Under the terms of this resolution, State and local AFL–CIO units will investigate nursing homes, working in conjunction with the National Council of Senior Citizens. The results of this nationwide investigation will be published in a report to Congress.

I commend the membership and leaders of the AFL–CIO for this courageous action. I am sure that the result will be greater impetus for the enactment of my 48-bill nursing home reform package sometime later this session.

I ask unanimous consent to have the AFL–CIO resolution printed in the RECORD.

There being no objection, the resolution was ordered to be printed in the RECORD, as follows:

STATEMENT BY THE AFL–CIO EXECUTIVE COUNCIL ON NURSING HOMES

BAL HARBOUR, FLA.
February 20, 1976.

Conditions in many of America's nursing homes are a scandal and a national disgrace.

The AFL–CIO, among others, has long pressed for improving those conditions. We've supported legislative remedies and administrative remedies; in testimony and in our publications we have exposed frauds and ripoffs.

While there are some nursing homes, especially among the non-profits, that provide good care through conscientious management, the scandals continue to mount up. Unscrupulous nursing home operators, medical laboratories, clinics, doctors, medical appliance salesmen and insurance company executives are skimming their share off the top of the Medicare and Medicaid programs, reducing care for the elderly and subverting public support for these important programs.

The AFL–CIO demands action. The patients in nursing homes are our members, our parents, our friends and our relatives. Increasingly, employees of nursing homes are becoming union members and fighting to improve conditions.

The AFL–CIO will, therefore, mobilize a national effort to clean up this nation's nursing homes. We are asking each of our state and local central bodies, through their community services committees, to investigate conditions in nursing homes. They should work with the National Council of Senior Citizens and other like-minded organizations.

We seek no spit-and-polish tours; rather we hope these committees will visit friends and relatives in nursing homes, talk with employees on a confidential basis, get inside the homes for talks with the patients.

The AFL–CIO, in conjunction with our affiliates who share an active concern with conditions in nursing homes, will develop a checklist for local committees.

We will compile the findings on a national to make their findings public, before the media and legislative committees in order to achieve action by official investigatory bodies.

We will compile the findings on a national basis and make a report to the Congress.

This is, of course, no substitute for the extensive investigations which the Administration can and should have undertaken, and which it has shamefully ignored.

But we hope that by publicizing the facts we can achive extensive congressional investigations of the conditions in nursing homes and the frauds committeed against Medicare and Medicaid.

We want decent conditions for America's older citizens and we want to bring the lawbreakers to justice.

TRIBUTE TO SENATOR MIKE MANSFIELD

Mr. DOMENICI. Mr. President, the tributes accorded our distinguished majority leader since the announcement of his intention to retire from the U.S. Senate, accurately reflect the high respect and genuine affection we feel for MIKE MANSFIELD. I do not know that I can add anything that has not already been said, but I would be remiss if I failed to try.

Senator MIKE MANSFIELD has indeed been a true leader. It is my impression that he possesses and exhibits those fundamental traits of true leadership that set him apart—fairness and decency. Of course, he has been partisan when he has had to be, but he has been above partisan interests when the welfare of the Nation has been involved. Above all, he has been decent, honorable and extremely humble when it would have been so easy to do otherwise.

He has exercised his leadership of the Senate in a fashion entirely consistent with his relenting deep sense of commitment to the United States and its citizens. To be able to remain true to that commitment while so fairly discharging the heavy burden of leadership of such a diverse body as the U.S. Senate, is truly a remarkable accomplishment.

We are all aware of the institutional shortcomings and problems we face in trying to promote the interests of the Nation by our actions in the Senate. It is often discouraging and frustrating when these institutional deficiencies deny the beneficial results we all want so much. MIKE MANSFIELD has recognized those deficiencies and has done all he possibly could to improve and streamline the procedures of the Senate while maintaining its strength and integrity as one of our country's great institutions. As majority leader he has helped set in motion a system calculated to correct the weaknesses which sometimes prevent the realization of the body's full potential for shaping this Nation's destiny.

We will forever be in his debt for his candid admission of these realities when it would have been easy to ignore or disregard them and for his vision and foresight in establishing the means by which to overcome them. That will be the true measure of his contribution to this body and the Nation we serve.

STATEMENTS ON THE UNITED NATIONS BY SENATOR CLARK AND ASSISTANT SECRETARY OF STATE SAMUEL W. LEWIS

Mr. SPARKMAN. Mr. President, the Committee on Foreign Relations is in the process of holding a series of hearings to assess U.S. participation in the United Nations. I hope that these hearings will serve to stimulate a better informed public dialog of this important subject.

During the hearing on March 18, Senator DICK CLARK, an active and able member of the committee, gave a thoughtful analysis of some of the current issues involving the United Nations. Senator CLARK noted that the U.N. role in the Middle East is "at the core of the current controversy about what we should be doing in the U.N." and then traced the history of the U.N.'s involvement in that problem. His conclusion, with which I agree completely, was that:

> If the U.N. had not existed in this situation, it would have had to have been invented. The very fact that it has prevented a direct great power confrontation in the Middle East justifies every dollar we have contributed to it.

In discussing public speculation that the United States may link the giving of aid to how countries vote in the U.N., he said that:

> Such a policy will win us no friends, win us no votes, but will certainly play right into the hands of those who would like the world to believe that America acts out of short-term selfish interests.

I commend his statement to my colleagues and other readers of the RECORD.

At the same hearing Mr. Samuel W. Lewis, Assistant Secretary of State for International Organization Affairs, made a thorough review of the current state of our relations with the United Nations. His statement was a masterful exposition of how U.S. interests are served through the U.N. system, the role of the U.N. General Assembly in the system, where we stand in the effort to encourage more responsible participation in the U.N. by other nations, the course the Department of State plans to follow to protect U.S. interests in the U.N., and the dangers of possible courses of anti-U.N. actions by the United States. It was the most complete summary of the state of our relations with the United Nations, as seen by the executive branch, that I have heard in many years. His statement supplies new perspectives to the public discussion about the United Nations.

I ask unanimous consent that Senator CLARK's statement and accompanying letters and Assistant Lewis' statement be printed in RECORD.

There being no objection, the statements were ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR DICK CLARK

It has become essential that, from time to time, the Congress reappraise this country's role in the United Nations and the UN's role in the world. The UN is more controversial in this country now than it has ever been. In its early years, we could ordinarily count on having substantial majorities in the General Assembly and Security Council in support of our position on important issues. That is patently no longer true. We now run the risk of defeat in the assembly—where there is no veto—and with increasing regularity we are using the veto to avoid defeat in the Security Council.

While some of the outcry against the UN and our continued participation comes from the tired old sources which have always stood against international organizations, an increasing amount now comes as a reaction to some of the more outrageous General Assembly resolutions on the Middle East situation. Now, any condemnation of such resolutions as the one equating Zionism with racism is richly deserved. But we must keep our perspective. General Assembly resolutions are not binding—and its members know it. The offending resolution was part of a compromise among third world countries which defused a move by radical Arabs to exclude Israel from participation in the Assembly. Thus a majority of the third world countries went along with the Zionism-Racism resolution with the understanding that they were killing a far worse proposal. I think this is a bad way to operate. It is short-sighted. No adequate consideration was given to the moral loss suffered by the UN when it solemnly pronounces such vicious nonsense. And those voting for such resolutions ignored the political explosiveness of the issue as well as its potential for undermining support for the UN in the US and other countries.

It is worth repeating, however, that the resolution was rhetorical and was so intended by a majority of its supporters, who felt that third world solidarity demanded a strong pro-Arab stand which would not threaten the Assembly's integrity. Many third countries feel that this solidarity is their only protection against the power of the developed states. It is one of the great failures of U.S. Foreign policy that we have not been able to show that this is not the case.

Since the UN's role in the Middle East is at the core of the current controversy about what we should be doing in the UN, it may be worthwhile to review the UN's actions in that area from its founding to the present. The UN is inseparable from the Middle East.

The UN General Assembly, in November 1947, adopted a plan to partition Palestine. This led directly to the establishment of the State of Israel in May 1948. The fighting between Israels and Arabs which ensued was halted as a result of a truce called by the Security Council. The truce was then supervised by a special UN organization created for that purpose.

A UN mediator, the distinguished American Undersecretary General, Ralph Bunche, was appointed, and with his assistance armistice agreements were signed in 1949 by Israel, Egypt, Jordan, Lebanon, and Syria. The UN also established a conciliation commission for Palestine, composed of representatives of the U.S., France, and Turkey. But this commission failed to achieve a final settlement. The positions of the parties to the dispute were too far apart.

The unstable situation flamed up again in 1956 when Israel, France, and Great Britain invaded Egypt. Again the UN was indispensable to the reestablishment of quiet in the area. Following withdrawal of the invading forces, the UN emergency force was set up to patrol the troubled areas of confrontation in Sinai and the Gaza Strip. Unfortunately, this force was withdrawn in May 1967 at Egypt's request, and the following month hostilities broke out again.

As in the past, the UN stepped in to arrange a cease-fire. And UN military observers were stationed between Israel and Syrian and Egyptian forces.

In November, the Security Council passed Resolution 242, calling for a lasting peace settlement based on withdrawal of Israel from all areas occupied in the war, an end to belligerency and respect for the right of all states to exist in peace "within secure and recognized boundaries". This resolution was an excellent basis for a settlement, but again, because of intransigence by all the parties concerned, nothing permanent has yet come out of it. The UN also set up the Jarring Mission, which for five years worked assiduously to cut the Gordian knot.

In October 1973 the Yom Kippur War broke out, as Syria and Egypt moved against Israel. The familiar pattern was repeated. A cease-fire was called, and the UN established a new emergency force to separate the contending armies and to control and inspect the disengagement. That force is still in existence and is a vital factor in the current absence of open war in the Middle East. In December, the UN convened a peace conference in Geneva. Such agreement on disengagement as has taken place so far was achieved largely through the diplomacy of Secretary Kissinger. But, the Geneva Conference remains open as an avenue for achievement of a long-lasting settlement.

Personal diplomacy can at times be effective; but, increasingly, multilateral negotiations are necessary to handle complex and sensitive situations involving more than two or three parties.

There can be no question that, but for the UN, far more blood would have been shed in the Middle East than has in fact been shed. The outlook for an eventual political settlement tolerable to all would be much gloomier. And the risk of Soviet-American military confrontation in the Middle East would have been far greater. Who can say whether, in the absence of the UN, that last brief spasm of civilization, World War III, might not already have taken place. It has been said before, but I will say it again here—if the UN had not existed in this situation, it would have had to have been invented. The very fact that it has prevented a direct great power confrontation in the Middle East justifies every dollar we have contributed to it.

In the final analysis, however, a Middle East settlement, whether in the UN context or outside it, will not depend on the views of the general membership of the UN. It will depend on the parties to the dispute themselves and doubtless on two permanent members of the Security Council—the United States and the Soviet Union. But the UN provides the indispensable framework within which such a settlement can at long last be made.

Immediate issues of war and peace, as in the Middle East, are by no means the only important ones in which the UN gives us grounds for hope. Certainly one of the most pressing problems facing the world today is the adaptation of the world's economic institutions to deal with current problems. The developing countries of the world have utilized a variety of forums to indicate their growing anger with the existing rules of the game.

The key questions which the developing countries are raising are: Who shall run the international economic system? And for whose benefit shall it operate?

The United States and the United Kingdom created the major elements of the post-World War II international economic system. Its basic premises were free flows of capital, fixed exchange rates and open trade. Many third world nations feel that, far from benefiting from this system, they have been exploited by it. This point is, of course, debatable, but, at the least, it can be said that all nations have not benefited equally. So, developing states have set as their goal a redistribution of world income, the closing of disparities between rich countries and poor.

The seventh special session of the UN General Assembly took a first timid step in mapping out some new rules aimed at making some progress toward greater social justice among the nations of the world. I believe that the UN system must play a vital role in working out these new rules. Third and fourth world states must be granted a role in the formulation of the rules of the game which will govern international economic relations in the decades ahead.

It is clear that since 1971, when the United States effectively devalued the dollar and fixed exchange rates were abandoned, the world has indeed been groping for a "new international economic system." I don't want to go into this process here in any detail. But, as a member of the Subcommittee on Multinational Corporations, I have become increasingly aware of the tremendous role played by international business not only in the developed countries, but in the poor countries as well. The less developed countries sorely need the investment offered by large international companies, but they have few tools—other than self-defeating ones like expropriation—to assure that the multinational companies will act in the interest of the host countries.

This is an area in which the UN is working. A group of experts has been established to study the problem and to make recommendations. The U.S. Government has decided that the UN is the proper forum for dealing with this problem, including the drawing up of a generally-agreed code of conduct for multinational corporations and host countries. I wholeheartedly support this joint effort.

Let me turn briefly now to another area of U.S.-UN relations which has been of increasing concern to me. This is the reported adoption of a policy of linking foreign economic assistance with the support which governments give us in the United Nations. Because of my concern over this matter I wrote Secretary Kissinger giving him my views and asking for details of his policy. In my letter I said that we should, with rare exceptions, "Lend assistance to nations on the basis of their need and their ability to profit from it, not on the basis of political considerations. The long-range interests of the United States will be served if nations can be helped on to the road to development and a decent life for their citizens."

Assistant Secretary Robert McCloskey, responding on Secretary Kissinger's behalf, gave me some hope that reports of the linking of aid and UN votes have been exaggerated. Ambassador McCloskey said, "We do not anticipate basing our future decisions with regard to long-term development programs or the provision of food for humanitarian reasons on voting patterns in the United Nations." Unfortunately, that forthright statement is followed by an ominous "nevertheless" and some dim-lit passages which might be called fudgy: "We do expect that, in the future as in the past, the results of our consultations with other nations on selected issues of key importance to us in the United Nations will be one aspect of our bilateral relations with these nations and will, along with all other aspects of those relations, be taken into account in some of our decisions concerning those countries."

I am inclined to give the Department the benefit of a doubt in this case. Until events prove otherwise, I am prepared to accept the Department's word that developmental and humanitarian aid will not be linked with UN voting.

Mr. Chairman, I ask consent that a copy of this correspondence appear in the record of these hearings at the end of my statement.

The widespread misinterpretation—if it was a misinterpretation—of the administration's policy concerning UN voting and foreign aid is an outgrowth of the "tough guy on the block" approach to negotiations used by Ambassador Moynihan at the UN and publicly ratified by Secretary Kissinger. According to this approach, our UN Ambassador strikes out at the developing countries in the UN in hopes that they can be intimidated, instead of persuaded, into voting our way. But, such an approach to international negotiations, I strongly feel, reflects a siege mentality, guaranteed to isolate us from our friends around the world, both developed and developing.

Any attempt to bludgeon or threaten developing countries into voting with us at the UN, such as is implicit in any threat of withholding foreign aid from countries who don't vote the way we would like them to, will win us no friends, win us no votes, but will certainly play right into the hands of those who would like the world to believe that America acts out of short-term selfish interests.

I can think of no better way to isolate us from the developing world, alienate us from our allies (and incidentally increase the problems of our Israeli friends) than to continue with the "tough guy" act. I am hopeful that Governor Scranton—our new Ambassador to the UN—will not resort to this dubious tactic, but will get down to the serious and vital business of complex and difficult international negotiations at the UN. Unfortunately, there is little room for encouragement from the public statements of both President Ford and Secretary Kissinger to the effect that our policy in the UN will be unchanged.

U.S. SENATE,
Washington, D.C., February 19, 1976.

Secretary of State KISSINGER,
Department of State,
Washington, D.C.

DEAR MR. SECRETARY: Through the press and word of mouth I have received some contradictory reports of a presumed plan by the State Department to strengthen the link between the support which governments give us in the United Nations and the levels of assistance we provide those nations. In addition, my staff has talked with Department officials on this subject. I would like to express my views on this matter and at the same time request a more precise description of your policy. I am also interested in knowing what role you foresee for the new office in the Bureau of International Organizations which seems to be charged with implementing this policy.

While Department officials have assured a member of my staff that there is no intention of taking punitive action against governments for any given vote, I am nevertheless concerned about the plan's apparent implications. I strongly believe that, except in the most extraordinary circumstances, the U.S. Government should lend assistance to nations on the basis of their need and their ability to profit from it, not on the basis of political considerations. The long-range interests of the United States will be well served if nations can be helped on to the road to development and a decent life for their citizens.

A study of the recent important roll-calls in which we have been outvoted in the General Assembly leads me to conclude that the countries which would be hurt the most by retaliation on our part would be the very poorest. In my view it would be tragically mistaken to cut off or reduce assistance or other forms of cooperations such as the Peace Corps to these needy countries because they do not follow our lead in the UN.

There is another potential danger to giving undue weight to UN votes in our relations with other countries: It could lead to the opposite of the desired result. Any hint of payment for votes delivered and punishment for votes not delivered would, I believe, lead most of the proud, newly independent countries to react in the direction of deepened hostility toward us and decreased cooperations with us in the UN.

I certainly share your concerns about the destructive voting patterns of many Third World countries in the UN. But it is my firm belief that by good diplomatic spadework, perseverance in pursuing economic justice on the international scene, non-interference in the domestic affairs of other countries, and a positive cooperative attitude rather than paternalism or bullying, we can once again make the UN an arena in which we can with greater hope work toward that organization's high purposes.

I look forward to hearing from you on this matter.

Best wishes,

Sincerely,

DICK CLARK.

DEPARTMENT OF STATE,
Washington, D.C., March 10, 1976.

Hon. DICK CLARK,
U.S. Senate.

DEAR SENATOR CLARK: Secretary Kissinger has asked me to reply to your letter of February 19 concerning our assistance to other countries and their votes in the United Nations.

The press reports to which you refer have not accurately reported the increased attention and expanded effort we have recently begun to give to multilateral issues in our relations with other countries. It has long been accepted in diplomatic practice that the interactions of two countries, wherever they may occur in place and time, are legitimately a part of their bilateral relations. In our time, international organizations very frequently provide the occasion for such interactions.

In examining our difficulties in international organizations, especially the UN General Assembly, we have concluded that some of these have resulted from a less than adequate treatment of multilateral issues in our bilateral diplomacy. In particular, we have frequently not given other countries a clear, specific, and sufficiently early explanation of our positions on important multilateral issues and the reasons we consider them important to U.S. national interests. Timeliness is increasignly important now that important regional groups are formulating positions on multilateral issues long in advance of their discussion in UN bodies.

The organizational changes we have recently made, especially the new office in the Bureau of International Organization Affairs which you mentioned, are designed to provide the necessary co-ordination to support regular and informed discussions, primarily through our regular bilateral contacts in Washington and in foreign capitals, of important multilateral issues. Since these issues invariably involve us in interchanges with other countries in the General Assembly and in similar international meetings, it is entirely appropriate that such questions should be discussed bilaterally. It is equally appropriate that the results of these discussions should be taken into account, along with all other aspects of our bilateral relations and the full range of our foreign policy interests, in decisions concerning other countries.

We do not anticipate basing our future decisions with regard to long-term development programs or the provision of food for humanitarian reasons on voting patterns in the United Nations. Nevertheless, we do expect that, in the future as in the past, the results of our consultations with other nations on selected issues of key importance to us in the United Nations will be one aspect of our bilateral relations with these nations and will, along with all other aspects of those relations, be taken into account in some of our decisions concerning those countries.

Thank you for your thoughtful and eloquent letter to the Secretary on this important and complex matter. I would be happy to arrange a detailed briefing on the Department's approach to the issues you raise for you, your staff, or both, if you would find this useful.

Sincerely,

ROBERT J. MCCLOSKEY,
Assistant Secretary for Congressional Relations.

THE ROLE OF THE UNITED STATES IN THE UNITED NATIONS

(STATEMENT OF SAMUEL W. LEWIS)

Mr. Chairman:

I greatly appreciate your invitation to appear before this Committee, on behalf of the Administration, to discuss United States policy towards the United Nations. We are passing through a time of turbulence in that organization, and these hearings can help all of us, public and Administration alike, to steer a firmer course.

Consultation between the Executive Branch and the Congress on UN matters is growing, and we welcome that trend. Within the last half year there has been a particularly close and productive cooperation between members of Congress and the Executive Branch in connection with United States participation in the 7th Special Session of the General Assembly, held last September, on the subject of world economic cooperation. Several from this Committee and other interested members of Congress met with Secretary Kissinger on several occasions during the months of preparation, commented on our ideas, and put forward many creative suggestions of their own. Many were reflected in the proposals we put forward in New York. A large number of Senators and Congressmen then joined our delegation at the Session itself, participating actively in the negotiations.

The 7th Special Session endorsed a comprehensive agenda for action by consensus, a resolution which the United States was happy to support. We are convinced that the collaboration between the Congressional and Executive Branches had a major bearing on the success of our efforts to shape the outcome. This example should surely provide the model for our efforts in future major UN endeavors.

But we are equally aware of more worrisome trends. The regular session of the General Assembly last fall was marked by high contention. The United States and some of its friends, particularly Israel, seemed to take it on the chin. Among other actions, a resolution was adopted which Americans fundamentally reject, which they rightly believe to be a wholly unjustified distortion of basic truths—the resolution equating Zionism and racism. And other hostile resolutions were adopted in an atmosphere of confrontation—raising serious questions in the minds of many Americans about the UN itself and about the utility of U.S. participation in its work.

Indeed, throughout recent decades there have been large-scale changes in the political environment at the United Nations, especially in the General Assembly. Originally, the organization consisted of about 50 countries, most of which practiced a fairly polite brand of diplomacy—along 19th century lines. Now, however, membership has expanded to nearly 150, with the addition of about 100 new nations. These countries share a deep dissatisfaction over the cards they were dealt when they became independent. They want to narrow the great gulf of economic inequality. They want a weightier political role in the international state system. They are impatient, and many are eager to dramatize their causes even if this involves a disregard for traditional niceties of diplomacy. Americans understandably are affronted when our country is attacked, or repeatedly outvoted, by small new nations whose independence we championed.

At the same time, many Americans understand that global cooperation is more than ever essential to meet inescapable global problems. We are all increasingly aware that the interdependence of nations in both the economic and security spheres can have a direct effect on the lives of our citizens.

The oil embargo that followed the last major Middle East conflict produced serious hardship in many countries, including our own. Many saw vividly for the first time the inescapable facts of economic interdependence—that political decisions by other governments can damage America's prosperity, can impact on whether millions of Americans have jobs or suffer the economic and social hardships of unemployment, on whether our businesses and our economy grow and flourish, on whether or not our budget can readily sustain vital social, educational, and health programs.

In addition to these pragmatic concerns, there is another factor which makes your current review particularly important. Our government was the chief architect of the United Nations system. We acted in the shadow of a global disaster whose incalculable cost had convinced men and women in every land that a new basis for global cooperation had to be established. Through all the disappointments and setbacks of the past 30 years, we have remained among the chief supporters of constructive and innovative work within the United Nations system. This is because, as President Ford has said, "the United States retains the idealism that made us the driving force behind the creation of the United Nations system over three decades ago as a worldwide system to promote peace and progress."

Any assessment of the role of the United States in the United Nations must, therefore, take into account not merely the issues of the moment, but our fundamental interests, and the basic ideals of the American people.

Moreover, it is essential that we view our role in the United Nations as an integral part of our overall foreign policy—not as a separate segment. The United States seeks on many fronts to build an international system congenial to the pursuit of our national foreign policy goals. Our participation in the United Nations represents only one part—although certainly an important part—of that larger effort.

If this central point is accepted, it means that we can approach the United Nations in a practical way. We should ask ourselves:

Not whether the United Nations can solve all of the world's evils—but whether it can contribute significantly to the achievement of American purposes; and

Not whether the United States can win every *dispute* in the United Nations—but whether through firm, imaginative and patient participation we can help the United Nations to play its role in building a world order in which all countries, rich and poor, new and old, feel a genuine stake.

To help find answers to these fundamental questions, I would like today to review how we see U.S. interests in the United Nations system as a whole; second, how the General Assembly fits into this picture; third, where we stand now in our effort to encourage more responsible participation in the United Nations by other states; fourth, what future course it would be in our interest to follow; and lastly, what paths we should avoid if we are to protect our basic interests.

THE NATURE OF THE UNITED NATIONS SYSTEM

The United Nations is often seen as a simple, single entity. As a consequence, simplistic judgments too often affirm that the United Nations is either good or bad, getting worse or better, in the U.S. interest or contrary to it.

The United Nations system, however, is composed of a vast array of institutions, embracing an extremely wide spectrum of activities. It includes bodies of nearly universal membership and relatively small sub-groups. It includes specialized agencies handling the regulation of daily international intercourse in technical fields like shipping, aviation, communications, finance. It includes bodies working on highly political security issues, and others wrestling with the complexities of international economic policy. It includes organs which funnel development and humanitarian aid to many countries. Within many of these institutions there are different types of sub-bodies—conferences, executive boards, expert groups. Clearly, regarding this range of activities, no single, simple judgment of success or failure can be made.

I believe, however, it may assist in our review to consider United Nations activities in two broad spheres. First, those relating directly to the maintenance of international peace and security, and second, those relating to economic and social cooperation.

In the security area, the United Nations, and the Security Council in particular, has made vital contributions to maintaining world peace. Let me illustrate by recalling recent peacekeeping efforts in the Middle East.

During the fourth Arab-Israeli war in 1973, our efforts to achieve a ceasefire and avoid dangerous escalation of the conflict encountered enormous difficulties. In the negotiations it became clear that disengagement between the opposing forces would depend upon the availability of an independent, impartial organization that could provide peacekeeping forces and observe compliance with the disengagement plan. This was an element regarded as indispensable by all sides. The UN provided that indispensable element.

This experience, incidentally, underscores a key point in any overall assessment regarding the value of the United Nations. It would be completely misleading to attempt to tally up apparent successes and failures within the United Nations system and then draw a conclusion based on a comparison of the totals, as if all of these events were of roughly equal importance. In fact, they are not.

The United Nations operations in the Middle East were an essential ingredient in terminating the fourth Arab-Israeli war. We all know that the conflict, had it continued, would not only have deepened the misery within the area, but it would have gravely jeopardized world peace. No one can be certain that another world war, including the United States, would not ultimately have ensued. The United Nations performed a role of incalculable importance to the United States.

The United Nations continues to play such a role. The mandates of the UN forces both in Sinai and on the Golan Heights have been extended. These forces remain integral elements in preserving options for negotiations toward a just and lasting peace.

As Secretary of State Kissinger recently said, "If this organization had no other accomplishment than its effective peacekeeping role in this troubled area, it would have well justified itself."

In other areas of political tension, the Security Council has also played an important role. It has served increasingly as one of the mechanisms through which a growing crisis may be defused or negotiated or at least kept from erupting. On a number of occasions, it has permitted a government being pressed toward a military reaction or intransigence to allay such pressures by taking the issue to the Council.

This was true, for example, of a number of the sessions devoted to Cyprus, to the Spanish Sahara, to Djibouti, and to Iceland as well. In Cyprus, a peacekeeping force has been deployed at the direction of the Council since 1964. The Force, in addition to patrolling the lines of confrontation, has contributed to the satisfaction of humanitarian needs.

The Security Council continues to be occupied with important business, including the problems of Southern Africa and the thorny Middle East dispute. Although inevitably there will be conflicting viewpoints, we find that the Council has been conducting its proceedings in a serious and responsible atmosphere, employing relatively new, informal procedures which reduce somewhat the temptation for delegates to play to world propaganda galleries.

The Security Council will continue to be available in the event of unforeseen crises—ready to meet at all times and at a moment's notice. Its constant availability provides an appropriate check against efforts by other bodies to issue recommendations bearing on security matters. Since the Charter has assigned the Council primary responsibility in the area of peace and security, recommendations of other bodies remain only that. It is only the Council—in which the United States retains its veto—which can take binding decisions.

Let me turn now to the UN's activities affecting international economic and social cooperation. This is a vast realm involving both the conduct of day-to-day work in regulating the world's continuing business, and also the development of goals and concrete programs regarding global problems of economic interdependence, as at the 7th Special Session. I would like first to sketch several examples of continuing day-to-day business within the UN system which are of intrinsic importance to our citizens.

The International Civil Aviation Organization for example helps to set and maintain high standards for international air transportation. Needless to say, for our citizens who probably use international air transportation more than the citizens of any other country in the world, international cooperation in improving safety and efficiency is of vital, direct importance. And the standards developed by the ICAO will assist many countries to take measures that can lessen the occurrence of aircraft hijacking.

For many years the World Health Organization has worked patiently and with determination to rid the world of the highly contagious and old-age disease, smallpox. These endeavors have been outstandingly successful. The WHO also maintains a worldwide alert system to warn governments of the outbreak of serious contagious diseases anywhere in the world, and this activity is clearly of great value to our own health officials and to Americans—millions of them—who travel abroad.

The Food and Agriculture Organization maintains programs which directly lessen the threat of introduction into the United States of foreign plant and animal diseases and pests. This organization has established a program in which over 100 countries participate to maintain internationally accepted food standards. The United States, as a major food exporter and importer, directly benefits, not only because international trade is facilitated, but also the health and safety of Americans is better protected. Moreover, new research programs sponsored by the FAO are expected to improve the varieties of our food crops.

Several bodies within the UN system are encouraging programs to control production of opium and other dangerous drugs and to curtail international drug trafficking. These efforts largely respond to priorities we have urged, and they are of undoubted benefit in the overall U.S. effort to counter drug abuse among our citizens.

The International Monetary Fund, another organization within the United Nations system, plays an indispensable role in promoting international monetary cooperation, facilitating international trade and finance, and promoting world economic stability. These are areas in which our own country has huge interests which would be difficult to exaggerate.

A little known body within the United Nations system is the UN Disaster Relief Office. It helps to coordinate assistance from many parts of the world when a country has been overwhelmed by natural disaster.

The International Atomic Energy Agency plays an indispensable role in the effort to prevent the spread of nuclear weapons. The Agency is responsible for establishing safeguards standards and carrying out international inspections to ensure that nuclear materials are not being transferred from peaceful uses to weapons uses.

The World Meteorological Organization maintains a World Weather Watch—a global network of meteorological stations collecting and exchanging weather information on a continuous basis. This program has made possible improved forecasts for U.S. passenger jets crossing the Atlantic and the Pacific. It has also enabled more accurate forecasts of hurricanes originating in the Caribbean which affect the eastern half of the United States. Large-scale research programs coordinated by this UN body will improve our understanding of climate changes which are fundamental to agricultural and economic planning.

The Intergovernmental Maritime Consultative Organization is developing standards which nations are generally following to prevent pollution of the seas. This organization's work in the field of safety at sea has long been recognized as of the highest value to all countries whose ships and peoples travel the oceans.

This list of examples could be extended almost indefinitely. I have mentioned only a few to illustrate the range of work being done within the UN system today which affects directly the interests and concerns of our citizens.

I have already referred to last September's 7th Special Session of the General Assembly on world economic cooperation. At that session our government presented a comprehensive set of proposals which resulted in the adoption of a wide-ranging practical program for improving economic cooperation between the developing countries and the industrial world. The important point to bear in mind about the Special Session is that it provided an opportunity for us to see whether it was possible to fashion approaches to current economic problems which would be in the mutual interest of all countries. I cannot stress this point too strongly. What the United States Government was proposing at the Special Session was a non-ideological approach to problems of economic interdependence, based on concrete steps of benefit to poor countries and rich countries alike. We found an overwhelming majority of governments in the Third and Fourth Worlds ready to try this path with us.

Since September, we have been vigorously following up on our Special Session proposals. At meetings of the International Monetary Fund in Jamaica two months ago, the United States took the lead in achieving adoption of measures to stabilize the earnings of developing countries and to help meet the severe balance of payments problems which many of them are experiencing. We have gotten well underway in the North-South dialogue at the Conference on International Economic Cooperation taking place in Paris. At the Multilateral Trade Negotiations in Geneva, we are vigorously promoting our Special Session proposals. And in anticipation of the 4th UNCTAD, the UN Conference on Trade and Development in May of this year, the Department of State is working intensively on further practical proposals to implement more of the broad negotiating agenda adopted at the Special Session.

Let me conclude this part of my statement with this observation: as we build on the program begun at the 7th Special Session, we will not merely be assisting the less fortunate—we will be helping to create healthier conditions throughout the world which provide more opportunities for American business. The long-term results will create more jobs for American workers and also lessen the danger of raw material scarcities which can fuel a worldwide inflation that would erode the real income of consumers in the United States and throughout the developed world.

THE ROLE OF THE GENERAL ASSEMBLY

It is easy for most Americans to agree that bodies like the World Health Organization or the Security Council are indispensable and continue to merit full American support.

But many question the usefulness of the General Assembly or other parts of the UN system whose utility is less obvious; they are prone to call on our government to cease participating or to reduce our financial support. This issue has recently arisen with respect to the General Assembly because of parliamentary abuses which have taken place there and because that body has recently taken a number of irresponsible actions—such as passage of the resolution equating Zionism and racism. The question is a valid one. But in order to answer it, we must first take a careful look at the overall activity of the General Assembly to see how it fits with other activities of the United Nations and how American interests are affected by its work.

The General Assembly is the control body of the United Nations. It considers and disposes of certain subjects which are dealt with nowhere else in the UN system; but it also provides guidance and coordination for many activities handled by specialized and technical bodies. Moreover, many of the activities of the United Nations which we strongly support are financed through decisions taken by the General Assembly.

The best way for me to explain the Assembly's role might be to provide a series of illustrations showing the interconnection between the General Assembly and other activities.

Support for Middle East peacemaking operations. Peacekeeping operations in the Middle East and elsewhere have been financed in accordance with decisions of the General Assembly. While the members of the Security Council take policy decisions which set the basic lines of action, all UN members have a responsibility to contribute to the costs. All members jointly determine the amount and apportionment of the assessed expenses, and in fact have done so through the General Assembly. Needless to say, the essential peacekeeping operations in the Middle East could not be carried out unless there were successful cooperation in determining how to pay for the troops, supplies, and other burdens inherent in these large operations. We are pleased that a pattern of cooperation in providing financial support for Middle East peacekeeping has continued within the General Assembly.

Consideration of security issues. It is often thought that security issues are dealt with seriously only within the Security Council. This is not so. Many of the most important security issues of significance to the United States have been considered by both the Security Council and the General Assembly, and there is unavoidable interaction between the two bodies. This has, for example, been the case with the Middle East, with Korea, and with Cyprus. In the latter case, the General Assembly has adopted resolutions which the United States considered moderate and constructive and which have had a direct influence in stimulating talks between the Greek and Turkish communities. It is encouraging that talks have recently resumed under the auspices of the Secretary General who is pursuing his mission with skill and dedication. I should also mention in passing that the Security Council and the General Assembly are further interconnected because it is the General Assembly which elects the non-permanent members of the Security Council.

Promotion of economic and social cooperation. Within the United Nations, the General Assembly has not merely a partial role, but a predominant one. I have already cited the 7th Special Session of the Assembly on world economic cooperation. A meeting of that sort could only have taken place in the General Assembly. It will be the General Assembly and some of its subsidiary bodies, the Second Committee and the Economic and Social Council, which will monitor implementation of many of the concrete measures for economic cooperation which the U.S. has proposed.

United Nations involvement in international drug control. As the result of a U.S. initiative, the General Assembly adopted in 1970 a resolution authorizing establishment of the United Nations Fund for Drug Abuse Control. The technical and executing personnel for many of the projects financed by the Fund come from the Division of Narcotic Drugs, part of the UN Secretariat, which is supported by the budget of the United Nations as voted by the General Assembly. The Fund's most important project has been its assistance to Turkey in setting up strict controls over its poppy production. It was not so long ago that it was feared that heroin from Turkish opium might once again appear on the streets of American cities. In 1975 the Fund-supported Turkish program prevented this from happening. Today the Fund is helping the Turkish Government to make this success permanent.

The General Assembly is also responsible for supporting unprecedented diplomatic efforts to achieve international agreement at a series of UN conferences on the Law of the Sea. I think it is broadly recognized that the U.S. must persevere, no matter how hard the task, in working out with other countries fair, sound, and effective rules to govern this enormous sector of our planet. World peace and security are at stake, as is the future rational and peaceful exploitation of the resources of the oceans and the seabeds. The third major session of the conference is now underway in New York and we are hopeful that a comprehensive oceans treaty may soon be in sight.

The United Nations Fund for Population Activities is another activity directly connected with the General Assembly. Many members of the Congress and public have been deeply concerned wtih the difficult dilemma of trying to make meaningful gains through development assistance when population growth outstrips economic growth. The UN Fund for Population Activities is supporting important projects that help countries to slow down explosive population growth rates. The Fund's connection with the General Assembly is very direct. Several years ago, the General Assembly debated and adopted a world plan of action on this subject—a major step forward for the nations of the world. This General Assembly action provides a fundamental framework and impetus for all population control activities, including particularly those of the UN Fund.

The United Nations Environment Program is a creature of the General Assembly, having been established by a resolution of the Assembly in 1972, and the budget of the UN contributes to its work. Since the UN's Stockholm Conference on the Human Environment, the U.S. has attached great importance to the mounting of a major UN program to begin the work necessary to reverse worldwide deterioration of the human environment. A concerted worldwide program can only be realized within the UN system; and the Assembly has taken the essential steps to launch and support this effort.

The General Assembly has also recently played a constructive role in planning worldwide cooperative efforts to cope with international food problems. The Assembly decided, as a result of a U.S. initiative, to convene a World Food Conference. Held in November 1974, the Conference was generally successful. Among many other actions, the Conference led to the formation of the World Food Council which reports to the General Assembly. World food problems clearly are of central importance to the United States—both for humanitarian reasons and because they have direct impact on our own economic well-being.

The United Nations Disaster Relief Office, to which I earlier referred, is another activity guided and supported by the General Assembly. We believe that the worldwide coordination efforts of this organization can save the American government, and thus the American taxpayer, significant sums by helping to avoid overlapping or duplicative disaster relief efforts. The U.S. has always responded generously when other countries are struck by natural disaster, as recently occurred in Guatemala. I am sure that we will continue to do so. The functioning of the UN's disaster relief coordination effort is of real practical value to the United States.

Finally, the General Assembly also serves as the only truly global forum for promoting disarmament agreements which are in our interests and the broad interests of all other nations. Certain negotiations, like the Strategic Arms Limitations Talks (SALT), must of course be carried out by the nations most directly involved, the U.S. and the USSR. But there are other vital disarmament areas, like the current effort to control forms of warfare based upon manipulation of man's environment, which should merit wide international support and participation. The General Assembly has recently discussed a draft agreement proposed by the United States. The Assembly's activities are a necessary part of the process of achieving broad international support for a sound treaty.

* * * * *

There is another aspect of the General Assembly which I have not so far discussed. That is its role as a universal forum to debate basic viewpoints, to develop consensus when this is possible, and to register honest disagreement.

We must expect to encounter serious differences in point of view among the nearly 150 countries that comprise the United Nations. These differences do not derive primarily from hostility to the United States, though hostility is sometimes a factor. More often they reflect the diversity of interests among countries widely differing in geography, state of development, and historical background. Amid such diversity, the United States will not always have its way and indeed it should not expect to. What is important is that countries pursue their differences in a spirit of mutual respect and that they still attempt, to the greatest extent possible, to agree on concrete measures from which there can be common gain.

Obviously, these precepts have not always been followed and there have been recent instances when countries have gone beyond the bounds of vigorous, constructive debate and have attempted to establish by "parliamentary victories" doctrines which a substantial part of the world cannot accept.

But even where there is sharp conflict, it is important that all of us keep in mind this fundamental aspect of the United Nations. It is not some abstract entity called the United Nations which is responsible for disagreements or irresponsible and confrontational acts.

It is individual countries acting through their representatives which make decisions about what should be proposed, supported, or opposed at the United Nations. In this sense the United Nations is but a mirror of the attitudes of governments throughout the world.

Certainly any parliamentary body can distort the reflection of the real views of those represented. For example, there is no doubt that in many representational bodies, including the United Nations, the extent of support for or opposition to a particular proposal is often affected by old-fashioned "logrolling," or by whether a particular representative desires to build personal support for an elected office in the body. In general, however, the opinions and concerns of governments are mirrored in the actions of their United Nations representatives.

Let us keep one point firmly in mind: the United States does not fear vigorous debate. When widespread disagreement about an important issue exists, it is in our interest that it be exposed and debated. The reality of differing viewpoints, differing objectives, will not go away simply because countries may find it expedient in one form or another to hold back in expressing their opinions. Open discussion of differing viewpoints is an essential first step towards making progress in understanding the full dimensions of a problem, the interests at stake, and in identifying and enlarging on those areas where there may be common ground.

This does not mean that we welcome or enjoy hostile or exaggerated attacks. When debate is carried on in an irresponsible fashion, positions can harden and the prospects for accommodation diminish. We will therefore work in every way to encourage serious, responsible debate, while forcefully rebutting unwarranted attacks on our good name. But the United States is a strong enough country, and our overall record of past constructive achievements is impressive enough, that we need not shrink timidly from the fray—even when the going gets pretty tough.

WHERE WE STAND

I have already discussed where we stand with respect to some of the main substantive subjects within the United Nations system. As I have indicated, we believe the United Nations has done, and is continuing to do, responsible work in many areas relating to maintaining international peace and security. We also believe that the United Nations is doing essential work on many economic and social issues. What I would like to focus on now is where we stand in our reinforced diplomatic efforts to encourage a greater degree of responsibility and genuine cooperation among all countries in the United Nations.

The United States has for some time been distressed by what has seemed a growing trend towards confrontation within the UN system. We witnessed an acute example of this confrontation nearly two years ago at the 6th Special Session of the General Assembly. Many less developed and nonaligned countries seemed much more interested at that Session in preserving an artificial bloc unity through which they could score "victories" over the industrial world than in coming to grips with the real economic issues at stake. We were distressed not solely because of the negative political ramifications of this attitude but also because the practice of ramming through "precooked", confrontational resolutions would destroy all possibility of practical cooperation.

Our concern led us to begin a sustained effort to encourage a turning away from confrontation towards cooperation. The Secretary of State made a series of major statements during 1975 in which he spelled out with utmost clarity that countries cannot have it both ways: they cannot expect to challenge and confront us in some arenas and then automatically expect our full cooperation in others.

And we did much more. We attempted to demonstrate, not only in conjunction with the Secretary's statements, but in numerous diplomatic representations, that through the practice of cooperation and conciliation, through the beginning of genuine dialogue, there were concrete gains to be realized by all.

Since confrontation seemed to have reached a peak at the 6th Special Session, we decided to focus special effort on our preparations for the 7th Special Session in September of last year. We viewed that session as a test case, to see whether countries would negotiate rather than confront in the General Assembly when we ourselves made major efforts to present concrete action proposals.

We believe this effort was a success, and I am pleased to say that this is not solely a view of the Administration, but also one that has been expressed by the Congressional group which participated in the Special Session. The Congressional advisors reported that the Session "marks a significant turning point in U.S. relations with the developing countries and sets the stage for a new era of economic partnership between rich and poor nations." They also said that the session "eases a decade of confrontation over how to narrow the widening gap in the distribution and control of global resources." And they referred to "the success of the 7th Special Session in Creating a positive dialague and an atmosphere of negotiation on North-South issues."

Shortly after these encouraging developments were taking place, however, the General Assembly was also the scene of some actions based on confrontation and political antagonism. One such action stood out at the last General Assembly—the resolution equating Zionism and racism.

It was a distressing and deplorable resolution which we know to be wholly unjustified. Nonetheless, it is our duty, no matter how strongly we feel about that resolution, to assess it objectively.

The first thing which needs to be said is that the resolution is not binding on us, or on any other member of the United Nations. Like most General Assembly resolutions, it is merely a recommendation. As Secretary Kissinger has said, "The United States will ignore this vote, pay no attention to it."

Second, we must recognize that, throughout this deplorable episode, some countries displayed objectivity and good sense. In other words, a substantial number of countries, including many from the Third World, refused to be bulldozed by the extremist leadership. This means that the extremists had no iron grip on all votes of the non-aligned. True, in the end the numerical vote went against us, but, in the long run, it may be of more significance that bloc solidarity was fractured.

Third, we must ask ourselves what are the practical consequences of the Zionism resolution? Is it likely to lead to the exclusion of Israel from the General Assembly? It should be recalled that some UN members did try last year to begin an effort to exclude Israel. Fortunately the effort was thwarted, largely because many African and non-aligned countries did not support it. Some of the countries which were against expulsion did, however, support the resolution equating Zionism and racism. They have said that they did so because they believed it represented a way to register a strong protest regarding the Palestinian problem. We will, in any event, continue as we have in the past to resist with the utmost seriousness any unconstitutional exclusion of a member of the UN from General Assembly activities. Such an abuse of the Charter would pose the gravest threat to the viability of the organization as a whole and call fundamentally into question continuing U.S. support and participation.

Fourth, will there be other consequences of the Zionism resolution affecting the work of the United Nations? Yes, there will be. Of most immediate significance, the Zionism resolution applies to other recently adopted resolutions relating to the Decade for Action to Combat Racism and Racial Discrimination, which was launched in 1973. We therefore decided not to participate in this activity. Recently we took concrete steps to implement this policy. We instructed our representative at UNESCO to inform the Director General that we would not participate in a meeting of experts to draft a UNESCO declaration on racism. The meeting was postponed.

U.S. POLICY IN THE FUTURE

I would like now to discuss, in light of this review, what we in the Administration believe should be the American approach to participation in the United Nations. I shall do so first in terms of the direct positive steps we think should be pursued in order to advance American interests. And then I would like to outline some of the policies which we believe it would be contrary or harmful to American interests to adopt.

First, the steps we intend to pursue:

The Administration intends to continue to support in an effective, vigorous, and tough-minded way, all of those programs in the United Nations which offer benefits to the American people. As I think I have demonstrated, there are programs and activities of benefit throughout the entire system—in the Security Council, in specialized agencies, in many technical and *ad hoc* committees and in the General Assembly itself.

We will continue selectively to refuse to participate in UN activities which we believe are fundamentally unsound or grossly irresponsible. An immediate consequence of this approach is our decision, caused by the resolution equating Zionism and racism, not to participate in the decade to combat racism. We hope that our firm stand will give many countries serious second thoughts about the wisdom of letting a situation develop in which over the longer term they lose more than they gain.

On the diplomatic front, we have intensified our efforts to impress on other governments that standards of cooperation and restraint largely prevalent in the conduct of bilateral relations should also prevail in multilateral relations. We are doing everything possible to counter the belief that attacks on the motivation and the basic good faith of the U.S. can be safely and inexpensively delivered in international forums. While we welcome honest and vigorous debate over issues, countries should not believe, without any concern for the consequences, that they can attack the vital interests of the U.S. in behalf of some abstract concept of group solidarity, particularly when their own national interests are not involved. When we see a consistent pattern of hostility toward the United States, unjustified by any reasonable and honest differences of policy, we will consider whether there are appropriate direct bilateral responses that we should carry out. It will, of course, continue to be our duty in any such cases to keep in mind the practical balance of American national interests.

In meetings of international organizations, and particularly in the General Assembly, we will continue to speak out firmly and forcefully in behalf of American interests. There may be differences of judgment from time to time on precisely how this may best be done, but basically an approach of vigor and candor on our part strengthens our participation in the United Nations. Others will know that we care more about the work of the UN and about their opinions when we take the time and the trouble to engage ourselves in vigorous give-and-take. Moreover, it seems clear that such an approach will be strongly supported by the American people and will be important for maintaining the public's confidence in our work.

To strengthen our capacity to interrelate effectively our multilateral and bilateral diplomacy, the Department of State has taken important new organizational steps. We have established within the Bureau of International Organization Affairs a new Office of Multilateral Affairs, under the supervision of a Deputy Assistant Secretary of State. The basic responsibility of this office is to work even more intensively than in the past with our regional bureaus and our embassies in order to achieve maximum possible support from other countries in pursuing issues of greatest concern to the United States. The overall thrust of this effort will be to increase our effectiveness in persuading others on the merits of the issues. There is a tremendous job to be done here. We need to approach governments early. We need to build up serious and frank dialogues with many countries which continue throughout the year. We need to frame our arguments in ways which are most meaningful to countries with dissimilar backgrounds. In short, we need to use all opportunities, both in our bilateral and multilateral contacts, to persuade—to build a climate of greater understanding.

In addition to these specific immediate actions, we are taking broader long-range actions to build up the capability of the personnel of the Department of State and the Foreign Service to perform more effectively in advancing American interests in international organizations. We are building up work on multilateral affairs as a specialty. To be sure that the best officers are attracted to assignments in multilateral diplomacy, we are establishing new training programs and designating positions in our embassies to concentrate on multilateral affairs problems on a year round basis. The success of all of our efforts in multilateral affairs ultimately will depend to a large measure on the talents, skills, and training of our personnel.

Let me discuss now certain courses of action which we do not think are in the American interest:

First, withdrawal from the United Nations as a whole. The President has made clear that the United States continues to support the United Nations. We believe that the organization as a whole serves many important American interests. This option would hurt, not help, the United States.

Second, cessation of our active participation in the General Assembly. We do not believe this is either a desirable or a practical course of action. There are many Assembly activities which are beneficial to us and many which are intertwined with vital activities in other forums like the Security Council. For us to cease our active participation in the Assembly's work would deprive us of an influential voice on such issues as: the funding and administration of peacekeeping operations; the planning and shaping of important international conferences, like the World Food Conference and the Law of the Sea Conference; the development of new international institutions like the International Fund for Agricultural Development; the formulation and approval of the United Nations budget, which supports such activities as international drug control and worldwide efforts to improve the environment.

Third, reduction in the United States contribution to the UN's budget. This also would be a self-defeating course. We have a treaty obligation to pay our assessed contribution to a UN budget properly adopted by its members. The Administration does not intended to disregard the treaty obligations of the United States, and we are certain the Congress would agree. But even if this fundamental consideration were not present, it would still serve no practical purpose to reduce unilaterally our contribution. There is no realistic way to prevent activities which we do not like as a result of such a reduction. The Soviet Union tried this course when it refused to pay its assessments for UN bonds required to relieve financial strains arising out of UN peacekeeping operations. The net result was not to stop the peacekeeping operations, but to place additional burdens on the funding of all activities covered by the UN budget. We should not ourselves consider reductions which would only have the impact of making it harder to support the many activities which we feel are beneficial. I would note in passing that under the present assessment rates the United States is treated specially—and favorably. If the formula used for calculating the dues of others, for example, the United Kingdom, France, the Soviet Union, were applied strictly to the United States, we would pay more than the 25 percent we do now. A great many countries now contribute a larger share of their gross national product to the United Nations than does the United States.

Fourth, cutting off U.S. bilateral assistance to all countries which supported the Zionism resolution or other resolutions which were egregiously irresponsible or hostile. We believe that this type of shotgun approach would harm American interests. It would be playing into the hands of extremist adversaries for us to lash out equally at all who voted for the Zionism resolution, without recognizing important differences in underlying situations and even some possible differences in motives. In short, our bilateral programs serve a great many American interests and are carried out for a wide and complex variety of reasons. We should not subordinate all of these American interests to a single vote, no matter how offensive, on a recommendatory resolution which we and many other members intend to disregard.

Fifth, reduction of U.S. support for multilateral development assistance, especially through the UN Development Program. This also would be contrary to American interests. By cutting back on our own contributions, we would be lessening significantly the money available for many close friends who benefit from UNDP programs. In addition, we would be lessening the assistance available to many of the poorest countries, like the drought-stricken nations in Africa. This dimension—that some aid is of an essentially humanitarian character—also argues against proposals to cut back on our bilateral economic assistance. But there is an even more fundamental point involving the calculation of U.S. interests. We do not support UNDP as a favor to other nations. We do so because we believe it is in our interest. We believe that the development efforts fostered by the UNDP and other multilateral programs will over time contribute to creating a healthier expanding world economy—one in which there will be more opportunities for American business, for growing and profitable trade, all of which can have the consequence of greater American prosperity.

CONCLUSION

Mr. Chairman, this hearing provides a valuable occasion for the Congress and the Administration to consider together issues of fundamental importance to the American people. The breadth of our interests involved comprehends our physical security, our economic well-being, and even our ability to pursue the kind of way of life which we cherish.

It is clear that it would be wrong, even tragic, to take only a short-range view of individual activities within the United Nations system. As the Secretary of State commented last year in Pittsburgh, "we also will keep in mind that we have long-term obligations, and that we will not be driven by the emotions of the day." All of us, I submit, must make every conceivable effort to keep our sights fixed on our larger, long-range goals.

We will not, Mr. Chairman, ever experience in any continuing body, domestic or international, a steady and straight graph of successes or failures. There will be ups and downs. We have recently experienced a serious low point. But we have also experienced some points that are very high indeed. Foremost among these is the outstanding American success at the 7th Special Session on international economic cooperation. We do not exclude that other high points, other successes, are possible. In fact, we believe that they are. But we can achieve them, not by withdrawing, but by participating—by staying and fighting for what we know to be right.

We will not ignore our difficulties. We will not pretend that we have not had setbacks—because, indeed, we have. But equally, we in the Administration, and we hope and trust that this is true of Americans generally, will not give up in a fight where there are important and fundamental gains to be made for our country.

And we must maintain historical perspective. Since the United Nations was founded some 30 years ago at San Francisco, the world has witnessed fundamental changes which no one could have predicted.

Ambassador Adlai Stevenson on the occasion of the United Nations 20th anniversary, shortly before his death, described the situation this way: "In the bright glow of 1945 too many looked to the United Nations for the full and final answer to world peace. And in retrospect that day may seem to have opened with the hint of a false dawn.

"Certainly we have learned the hard way how elusive is peace—how durable is man's destructive drive—how various are the forms of his aggressions.

"We have learned, too, how distant is the dream of those better standards of life in larger freedom—how qualified our capacity to practice tolerance—how conditional our claims to the dignity and worth of the human person—how reserved our respect for the obligations of law."

He then described the changes taking place in the world:

"Already science and technology are integrating our world into an open workshop where each new invention defines a new task, and reveals a shared interest, and invites yet another common venture.

"In our sprawling workshop of the world community, nations are joined in co-operative endeavor: improving soils . . . purifying water . . . harnessing rivers . . . eradicating disease . . . feeding children . . . diffusing knowledge . . . spreading technology . . . surveying resources . . . lending capital . . . probing the seas . . . forecasting the weather . . . setting standards . . . developing law . . . and working away at a near infinitude of down-to-earth tasks—tasks for which science has given us the knowledge, and technology has given us the tools, and common sense has given us the wit to perceive that common interest impels us to common enterprise.

"Common enterprise is the pulse of world community—the heartbeat of a working peace . . ."

Mr. Chairman, I can find no words that better express my own view of the United Nations than those spoken by this great American on that occasion:

"We support the United Nations; and we shall work in the future—as we have worked in the past—to add strength, and influence, and permanence to all that the Organization stands for in this, our tempestuous, tormented, talented world of diversity in which all men are brothers and all brothers are somehow, wondrously, different—save in their need for peace."

WORLD MILITARY AND SOCIAL EXPENDITURES

Mr. CLARK. Mr. President, I shall take a few minutes to discuss a subject which must be of deep concern to all individuals—the spiraling upward curve of the worlds military budgets and international arms traffic. It is certainly no exaggeration to say that these massive expenditures contribute importantly to inflation and a deterioration of social and economic standards throughout the world.

A complete analysis of the arms race has recently been completed by Ruth Leger Sivard, former Chief Economist of the U.S. Arms Control and Disarmament Agency, in a report entitled "World Military and Social Expenditures 1976," published by WMSE Publications of Leesburg, Va. According to her findings, despite the economic recession, worldwide military spending in 1975 continued an uninterrupted upward curve.

The production of weapons is now among the largest industries in the world, with the annual figure now approaching $70 billion for new arms alone. Worldwide, Ms. Sivard estimates total military expenditures approaching $300 billion annually.

A comparison with educational and health spending shows the loss this represents to the world. Almost as much was spent on arms as for education, but one-half of the school-age children still do not go to school. Far more was spent on arms than on health, although in developing countries there are still only three physicians per 10,000 persons, compared with 19 per 10,000 in the developed world.

Ms. Sivard urges a recognition of the need to reorder our priorities. Her report is well-reseached and highly informative, and I strongly recommend it to my colleagues.

I ask unanimous consent that the summary and highlights sections of the report be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

SUMMARY

An arms race out of control now commands close to $300 billion in public funds yearly. In addition to the growing potential for cataclysmic destruction, the arms buildup represents an immediate and heavy burden on the world economy. It is destructive whether or not the weapons are put to use in war. It contributes to inflation, retards economic and social development, and diverts resources urgently needed for human wellbeing. Until it can be put under control it undermines the national and international security which it is intended to protect.

The unmet needs of society stand in stark contrast to the record spending for arms and armies. Economic growth has stopped, worsening the plight of hundreds of millions who live at the margin of existence. There is hunger throughout the world. Half the world's school-age children are not yet attending school; one-third of the adults are illiterate. Governments spend two-thirds more for military force than for the health care of 4 billion people. Much could be done to promote economic and social progress, and reduce the root causes of conflict, through cooperative international effort. So far that effort is dwarfed by the intense competition for arms.

HIGHLIGHTS

Deepening recession has not curbed the world arms race. Military spending continues at a rate previously unknown in peacetime.

In a world of enormous economic potential, the number of people unable to attend school, to read or write, to see a doctor, to have a minimum diet for health, is continually growing larger.

The militarization of the world economy is more pronounced. It is now marked by the spread of modern military technology and of the arms producing industry into some of the least developed areas of the globe.

The governments of developing countries in total devote as much public revenue to military programs as to education and health care combined.

The tempo of military growth is rising faster in the developing world, but it is still a handful of industrialized states that determine the technology, spend most of the world's military budget, and foster the spread of arms.

Despite the crisis of economic need throughout the world, the richer countries spend more for the military than for the economic development of the poorer countries.

The U.S. and U.S.S.R. together account for 60 per cent of the world's military expenditures and for 75 per cent of the world's arms trade; they have more military force than all other nations combined.

Although first in military strength, the superpowers rank lower than many other nations in indicators of social well-being.

The $60-$70 billion a year spent on arms procurement makes munitions one of the largest industries in the world.

World military expenditures average $12,330 per soldier, public expenditures for education $219 per school-age child.

The cost of the existing stockpile of weapons in the world is estimated at more than twice the value of the capital stock of all manufacturing industry in the United States.

With investment in capital and human resources lagging, world GNP fails to keep pace with rising population and the population itself suffers from underdevelopment.

MR. BERGMAN PLEADS GUILTY

Mr. PERCY. Mr. President, a short while ago the media reported that Bernard Bergman, a major figure in the nursing home industry in New York and nationwide, had pleaded guilty to charges of defrauding the medicaid program of $1.2 million.

Mr. Bergman has also pledged to cooperate with State and Federal prosecutors in their continuing investigation of fraud and abuse in the nursing home field.

My colleagues will recall that the Subcommittee on Long-Term Care of the Senate Special Committee on Aging, under the leadership of the senior Senator from Utah, Mr. Moss, participated in the investigatory efforts which culminated in Mr. Bergman's plea. The subcommittee conducted 3 days of hearings last January which focused primarily on Mr. Bergman's operations.

I believe exposure and successful prosecution of those who would defraud the public at the expense of the elderly and infirm who require nursing care is necessary if we are to drive the fast-buck artists from the field. The Subcommittee on Long-Term Care, because of the dedication and persistence of its chairman and of the talented and hard-working staff he has assembled, has made a major contribution to this process in recent years.

Mr. Bergman's plea is only the latest bit of evidence of its success.

Mr. President, I ask unanimous consent that newspaper reports concerning Mr. Bergman's plea be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

[From the New York Times, Mar. 12, 1976]

BERGMAN PLEADS GUILTY TO A FRAUD IN MEDICAID AND BRIBING BLUMENTHAL

(By John L. Hess)

Bernard Bergman, the nursing home promotor, pleaded guilty yesterday to a $1.2 million Medicaid fraud and a new charge—the bribery of Albert H. Blumenthal, the Assembly majority leader.

Mr. Blumenthal, who was indicted last Dec. 5 on charges of perjury regarding his use of influence in behalf of Mr. Bergman, was arraigned on a superseding indictment that alleged receipt of bribes and misconduct, as well. He pleaded not guilty, called the charges "absolutely false" and said he would keep his post as majority leader.

In Albany, colleagues of Mr. Blumenthal's expressed support and concern, but indicated that he would probably be under increasing pressure to resign as majority leader. [Page 36.]

"Before I step down," the Assemblyman said in Albany last evening, "I'll put Joe Hynes in jail." He described Mr. Hynes as "a prosecutor gone mad, willing to bribe a confessed thief."

MILESTONE IN PROSECUTION

The morning's proceedings, in Federal and state courts in Foley Square, were a result of complex plea bargaining between Mr. Bergman, the Justice Department and the special state prosecutor for nursing homes, Charles J. Hynes.

Mr. Bergman agreed, along with his family to cooperate fully with grand-jury proceedings against others, and he pleaded guilty to crimes bearing a maximum of eight years in prison. In return, the prosecutors agreed to dismiss indictments against his son Stanley and to grant the family immunity from further prosecution for past nursing-home activities.

The guilty pleas marked a milestone in the prosecution of Medicaid fraud, and the bribery charge marked a turn for the worse in the troubled affairs of the New York Democratic Party.

Mr. Bergman was the key figure in the nursing-home investigations that began 18 months ago. A prominent community leader, he was described as the head of a nursing-home empire that had a long history of fraud and abuse of patients. Several agencies spent long months looking into allegations of his use of influence with top Republicans and Democrats in the state.

INVESTIGATION CONTINUES

"The investigation into improper political activity in the nursing-home industry is continuing," Mr. Hynes said in announcing yesterday's developments. The comment was pointed up by a slip of the tongue on the part of his chief assistant, Howard Wilson.

Mr. Wilson told Justice Aloysius Mella in State Supreme Court that his office was moving to dismiss the indictment of Mr. Bergman's son "because the state believes that Stanley Steingut . ."

An aide pulled Mr. Wilson's arm, and Mr. Wilson said he had meant to say that Stanley Bergman had played a minor role in the fraud conspiracy, at his father's orders.

Mr. Steingut, the Speaker of the Assembly, is the most powerful Democrat in the Legislature. He is already under indictment on a charge of influence peddling and has testified to a long relationship with Mr. Bergman, including the receipt of some insurance business from him and the arrangement of meetings with Mr. Bergman and Mayor Beame.

The Speaker at first denied, then said he could not recall, having asked Assemblyman Andrew J. Stein, chairman of the Temporary State Commission on Living Costs and the Economy, not to investigate the Bergman homes. Witnesses to the alleged conversations have testified before a special grand jury.

According to uncontested testimony, Mr. Steingut's legislative counsel, C. Daniel Chill, asked Assemblyman Blumenthal in early 1971 to help Mr. Bergman have the granting of a license to the new Park Crescent Nursing Home expedited. The home was on 87th Street at Riverside Drive.

Mr. Blumenthal called a State Health Department official, who arranged a meeting in Albany in April 1971. According to the officials who were there, they told the Assemblyman that they opposed granting a license to Mr. Bergman on the ground that conditions in his Towers Nursing Home were atrocious. They said Mr. Blumenthal had replied that he had visited the Towers and found conditions good.

Mr. Blumenthal testified at hearings that the meeting had concerned chiefly structural deficiencies at the Park Crescent and that Mr. Bergman had done the only talking in his defense. It was on this testimony that the Assemblyman was indicted last December on a perjury charge.

BASIS OF INDICTMENT

In court yesterday, Mr. Bergman said he had not attended the meeting in question, thus supporting one count of the indictment. He added that when he had asked Mr. Blumenthal for help, the Assemblyman proposed that he sponsor a job-training program.

The reference was to a citywide federally subsidized manpower program. As previously reported, Mr. Bergman persuaded the industry-union group in charge to subcontract a portion of it to the Training and Development Corporation, which the Assemblyman had helped to organize and which he served as counsel.

The Training and Development Corporation program was begun after the Park Crescent received its license and had received $76,300 by the time it ended, prematurely, seven months later. Mr. Blumenthal has testified that development corporation paid him $4,000 in legal fees, of which he attributed $2,000 to the Bergman-sponsored project.

The new element yesterday was Mr. Bergman's statement that the proposal had been made to him in reply to his request for Mr. Blumenthal's help and that Mr. Blumenthal had expedited his license.

The indictment said also that the Assemblyman had "made false representations in support of Bernard Bergman's application as to, among other things, Bernard Bergman's character and competence to operate nursing homes, and failed to disclose his own financial and personal interest in the matter."

Following Mr. Blumenthal's arraignment in Criminal Court, the Assemblyman told a questioner: "If that's what Dr. Bergman said, I'm afraid Dr. Bergman's a liar." He read a statement saying:

"The charges are absolutely false and I am innocent. On the very day that the special prosecutor was to respond to our motion to dismiss a defective indictment, he conceded its defects. In a desperate effort to save his case, he substituted a new and equally defective indictment in its place. That charge, coming from a self-confessed thief, should be judged on its face."

"Before we finish this case," Mr. Blumenthal told a reporter, "there' a lot of people going to have to answer questions." He did not explain.

PLEADS TO U.S. CHARGE

Earlier, Mr. Bergman appeared before Federal Judge Marvin E. Frankel to plead guilty to conspiracy to defraud the Government and conspiracy to file fraudulent tax returns. Both counts involved doctoring the records of the Towers Nursing Home to obtain unwarranted Medicaid payments totaling $1.2 million and to conceal the profits of a hidden partnership that owned the operation.

The 64-year-old promoter, his pale and puffy features framed by black skullcap and black suit, spoke in a voice so low that the small audience had to strain forward to hear him. He replied with brief affirmatives as the judge led him through a long questioning designed to assure that he understood the consequences of his plea and the nature of the agreement with the prosecutors.

Judge Frankel quietly emphasized that the indictment added up to a maximum sentence of eight years in prison and $15,000 in fines and that he was making no promises and had "no basis for knowing what the sentence will be."

He granted the defendant what he called an unusual privilege of reading a statement. In it, Mr. Bergman admitted the truth of the charges, but said that his accountant, Samuel Dachowitz, had not told him what he was doing to defraud Medicaid.

"The court is more interested in what you did know," the judge said, stressing the word "did." He then drew from Mr. Bergman an admission that he had learned what Mr. Dachowitz was doing.

"Didn't you know that that was a grossly improper thing to do?" the judge demanded.

"Yes," Mr. Bergman replied.

The judge referred to a letter of agreement signed early yesterday by Mr. Bergman and the Federal and state prosecutors, and asked the defendant to summarize it in his own words.

"The main part of the agreement is that I'm to cooperate and tell all I know," Mr. Bergman said.

"I take it that you have a hope that useful testimony will be helpful here," the judge said in an allusion to the sentencing.

"Yes," Mr. Bergman replied.

"That's a reasonable hope," the judge said, "but there are no promises."

When the judge asked whether there had been any understandings other than those in the written agreements, Mr. Bergman held a whispered consultation with his counsel, Nathan Lewin, and then said that the prosecutors had promised to tell the court that many things said about him in the press and at hearings were "untrue."

LINKED TO MANY HOMES

Among these, he cited the statement that he headed a syndicate, and he repeated: "Two nursing homes I was involved in, and no more."

Various agencies have formally linked more than 20 homes in New York State alone to the Bergman family. A company he controlled owned 36 in other states. Some reports have put the total of Bergman-linked homes at more than 100.

Mr. Lewin said Mr. Bergman was giving his own interpretation of a promise by the prosecutors to give the court a full report on the Bergman operations before sentencing.

After his plea of guilty, Mr. Bergman went up the street to the Criminal Court building to go through much the same proceeding before Justice Mella. It was noted that the bribery charge bore a maximum sentence of four years, but the prosecutor said he would recommend that any sentence be concurrent with the Federal one. The judge warned, however, that he had made no commitment.

The agreement with the prosecutors provided that the Bergmans would repay all money found to have been obtained by fraud and would be "forthright, honest and completely truthful" in replying to questions. It would be nullified if the prosecutor determined that this condition had been violated.

In return, the Bergman family was promised immunity from further prosecutions for prior actions, "unless such acts involve violence or the sale of narcotics." This did not apply to a pending indictment of Mr. Bergman in a real-estate fraud.

The prosecutors and Mr. Bergman had agreed on the identity of the family members concerned, but they were not named. A son-in-law, Amram Kass, has figured as a key agent of Mr. Bergman in many transactions.

Sentencing was set in both courts for June 14.

There was some question whether the Blumenthal trial, at which Mr. Bergman would be a witness, could take place by that date. On his Dec. 5 indictment, the Assemblyman obtained an extension of the 45-day period for pretrial motions, and the trial could hardly have taken place before April if the indictment had not been superseded.

The Assemblyman, who, like Mr. Bergman, was freed on his own recognizance, faces maximum sentences of seven years in the perjury case four years on the bribery count and one year on the misconduct count.

[From the New York Times, Mar. 12, 1976]

Bergman Became Involved in Nursing Homes in 1939

(By Edith Evans Asbury)

Bernard Bergman, who pleaded guilty yesterday to a $1.2 million Medicaid fraud, first became involved with nursing homes in 1939, when he took a post as rabbi at the Home of the Sons and Daughters of Israel, a nursing home on East 12th Street.

The owners of the home, Joseph Halpern and his wife, Mollie, were charmed by him, and he moved into the management of the home.

Mr. Halpern died in 1946 and his widow two years later, and they bequeathed to him the bulk of their $60,000 estate.

Mrs. Halpern's sister contested the will and the case was settled in 1949 with Mr. Bergman receiving $25,000. He left the East 12th Street nursing home the same year, amid charges of management irregularities that were investigated by the District Attorney but not brought to court.

Mrs. Halpern had also willed Mr. Bergman her half interest in the Olinville Nursing Home in the Bronx. This plus the $25,000 from Mrs. Halpern's estate and money from a second mortgage on a home he owned on East 11th Street, apparently formed the cornerstone of the nursing-home empire that, in 1973, was worth $24 million, according to Mr. Bergman's accountant.

CAME TO U.S. IN 1923

Bernard Bergman came to this country from Hungary in 1923 at the age of 12. His stepfather, Isak Leifer, a rabbi, and his mother, Gitel, had come to the United States the previous year, established a home in Brooklyn and then sent for Bernard and his three sisters, all children of Schlomo Bergman, who had died in 1916.

Rabbi Leifer and Gitel later had three daughters and a son born here. Some of these sisters and half-sisters and their husbands are in the nursing-home business today.

In 1933, when Bernard Bergman was 22 years old, he and his parents closed the doors of the heavily mortgaged school and synagogue Rabbi Leifer had been operating and left for Jerusalem. Two years later the property, at 135 South Ninth Street, was foreclosed.

While abroad, Mr. Bergman married the former Anne Weiss and was ordained a rabbi. He returned to New York and took the rabbinical post at the Sons and Daughters of Israel.

Ten years later, while operating the Olinville home, he became editor and publisher of a Yiddish daily, The Jewish Morning Journal.

(The Olinville nursing home closed "voluntarily" in January 1975, when Mr. Bergman was already under investigation. Its owner was listed as Yetta Braunstein, a cousin of Mr. Bergman's.)

As he built his nursing-home business, Mr. Bergman also developed friendships with religious and political leaders.

In May, 1942, while he was still at the Sons and Daughters of Israel, the 32-year-old rabbi was invited by his Congressman, Arthur G. Klein, to give an invocation before the House of Representatives.

He broadened his political acquaintanceships at religious meetings, fund-raising events and dinners and developed a public role as a philanthropist and Orthodox leader.

In this manner, Mr. Bergman became the public friend of political figures in both major parties He also financed the Mizrachi Religious Zionists of America, an organization he has headed.

Mr. Bergman, as recent investigations disclosed, had access to, or could make use of the influence of, high officials, all the way up to the Governor's office.

Thus, unfavorable inspection reports tended to be forgotten, rate increases were granted despite objections and licenses to operate were not revoked despite recommendations for revocation.

IDENTIFICATION DIFFICULT

Health Department employees knew which were the Bernard Bergman homes, although investigators looking into the intricacies of the Bergman empire had a hard time identifying them by examining official documents.

By the mid 1950's, Mr. Bergman was involved with a group of small nursing homes, many licensed to or otherwise involving relatives, including his wife.

In 1960, city investigators reported that Mr. Bergman had direct family interests in at least 18 private nursing homes and had some connection as a promoter with most of the 88 that then served welfare patients. His worth at that time was estimated at $10 million.

Mr. Bergman took full advantage of the Medicaid boom in nursing homes that began in 1966, and by 1973 his worth was estimated at $24 million.

As late as January 1975 in an interview published in Algemeiner, a Yiddish weekly, Mr. Bergman denied having an empire, insisting he owned only two nursing homes, the Park Crescent in Manhattan and the Oxford Nursing Home in Brooklyn. He said reports of his wealth were wrong. "I'm not a poor man, but I'm not a millionaire," he said.

However, investigations by state officials in New York, New Jersey, Connecticut and Florida, and by a United States Senate subcommittee, disclosed a different picture.

They show Mr. Bergman linked through family members, business associates and a public corporation to more than 70 homes in New York, New Jersey, and Connecticut.

The public corporation is Medic Home Enterprises, which Mr. Bergman organized in 1965, and which controls 36 nursing homes along the East Coast. The Securities and Exchange Commission sued in Federal District Court here last December to make Mr. Bergman "disgorge" $143,600 that he allegedly had obtained under false pretenses. It also asked that Mr. Bergman and five associates be permanently enjoined from further violations of the securities laws.

Other charges pending against Mr. Bergman were brought by State Attorney General Louis J. Lefkowitz accusing him of defrauding the state and investors during the conversion of a $17 million apartment house in West New York, N.J., into a cooperative.

[From the Wall Street Journal, Mar. 12, 1976]

Bernard Bergman Pleads Guilty

Bernard Bergman, a New York nursing home operator, pleaded guilty to federal charges of conspiring to defraud Medicaid of $1.2 million and to state charges of bribing Albert Blumenthal, Democratic leader in the state assembly. Blumenthal was indicted on charges of perjury and of accepting bribes to help Bergman get health-department approval to open a nursing home. The assemblyman pleaded innocent.

FAMILY INHERITANCE ACT

Mr. BURDICK. Mr. President, something must be done about our tax laws. Revision of our Nation's estate tax law should be one of the priority items for the 94th Congress. It is for this reason that I was particularly glad to see the Senate Finance Committee begin, just the other day, hearings on proposals for Federal tax reform. Also, I noted that our sister body, the House of Representatives, through its Committee on Ways and Means, began holding hearings last week specifically directed to the topic of estate and gift tax revision. And I read the other day that the President has also come out in favor of change. These are positive developments; these are welcome signs of progress.

Now how many have asked, why all the excitement, why all the interest, and why all the concern? The answer is simple economics. The present operation of the Federal estate tax is challenging a basic idea, an idea fundamental to our American democracy. That idea, set forth originally by the Founding Fathers, is the right to pass the private ownership of property from one generation to another. Now few have, since the days of the Civil War anyway, challenged the basic obligation of government to supervise the transfer of property from generation to generation. However, more than a few loud voices have been raised recently in challenging this tax as a basic tool in redistributing wealth in our society.

In order to understand these objections, it may be helpful to review the history of the Federal estate tax. In 1916 the estate tax—that tax which is levied upon the entire estate left by a decedent—became a permanent part of the Federal revenue system. At its inception the law carried a $50,000 exemption, which was changed to $100,000 in 1926, to $40,000 in 1935, and to its present level of $60,000 in 1942. Marginal tax rates—ranging from 3 to 77 percent—as well as the exemption level have remained substantially unexamined and unrevised since 1942. It would be extremely difficult to find another tax which has remained so undisturbed over the past 34 years. Let us begin rethinking today.

Several authorities have argued for a restructuring of the estate tax law. The American Law Institute has completed a comprehensive study of the numerous recommendations for modifying these provisions. The Treasury Department, which has reviewed this report and other independent studies of the Federal estate laws, is presently preparing a series of proposals to overhaul this tax. Finally, several bills and amendments have been offered in the Congress to deal with the problem, one of which I cosponsored as an amendment to the Tax Reduction Act of 1975, and one of which I introduced as S. 1803 on May 21, 1975. S. 1803, the Family Inheritance Act, is currently pending before the Senate Finance Committee; it will raise the personal exemption level to $200,000 and the marital tax exemption from its present $30,000 to $100,000. These changes are what I consider to be base line changes. However, let us look more closely, why these particular changes and why changes of such size.

When the Congress last substantially revised the estate tax in 1942, it set the exemption level at $60,000. However, $60,000 in 1942 would be the equivalent of over $200,000 in 1976; $50,000 in 1916 dollars would purchase the equivalent of over $250,000 in goods and services in March of 1976. However, the personal exemption level is still $60,000, not the $200,000-plus derived through use of the Consumer Price Index escalator. Once again, the effects of inflation have come home to haunt us.

I want to clear up a question which has been asked of me during my visits with my fellow North Dakotans. Many have asked the question, "Is this legislation just for the farmers in America?" The answer from S. 1803 is a resounding "No." Now, I would be less than candid not to admit that this legislation has generated a great deal of interest among family farmers and businessmen and women; however, S. 1803 is not special interest legislation in the bad sense of the word. It applies to everyone.

However, let me assure you the amount of interest being shown in this legislation is special. It is of special interest to those who, as a result of wise management of their financial resources throughout a productive lifetime, have accumulated a modest estate. It is of special interest to those who through frugal living and cautious investments have put together something of which they have every right to be proud. Yes, this legislation is of special interest to persons in all walks of life. The policy statement in this legislation is overarching and comprehensive. This is as it should be.

I do not think that there is a Member of either the Senate or the House who has not received hundreds of letters and petitions on the subject of the outmoded $60,000 exemption. These cards and letters represent one of the most significant expressions of sentiment that I have witnessed since coming to Congress in 1959. And it is no wonder. The taxes collected have risen from $1.6 billion in 1960 to $3.7 billion in 1971. Furthermore, the number of persons filing estate tax returns has increased substantially over the past several years—from 17,000 in 1940 to 132,000 in 1970. Hence, the tax is raising more money from many more Americans than was the case even a few years ago.

Recent figures released by the Treasury also confirm the notion that estate taxes are hitting more and more persons with an increasing impact. See table I. It is interesting to note that all forms of assets are being revalued at incredible levels.

These very same figures demonstrate that the phenomenon of rising estate values is cutting across family lines. Table I figures indicate that farms and farm real estate are only a part of the picture. This is not to say that farm families are not being hit hard by this tax. Let me assure you that this is not the case. The average value of farm production assets more than doubled in the decade of 1962 to 1972—from $47,500 per farm to $102,100 per farm. In 1970, 1 million farms in this country had farm assets approaching $200,000. In other words, at the time the Congress last took a serious look at the estate tax laws, the exemptions more than covered the average farm estate. Today the exemptions do not come close. Related to this point are some recent statistics published by the U.S. Department of Agriculture. These statistics appear in table II following my remarks. And to make matters worse, some recent research by North Dakota State University farm management economist Dr. Richard Carkner indicates that while land values are increasing the Nation over at an unprecedented rate—12 percent per annum—the increase of North Dakota land values has been highest of all, a whopping 27 percent increase between November 1974 and November 1975.

Granted, many large landholders have already fragmented their "bundle of wealth" for estate tax purposes. Through use of the $60,000 lifetime deduction and the $3,000 per donor per annum gift provisions, many estates have been sufficiently diluted to escape the estate tax.

However, as we have discovered with so many other programs of our Federal Government, our citizens of moderate means are at a disadvantage. In general, these are the individuals least likely to consult with good tax attorneys; they are least likely to avail themselves of good legal services which sound estate planning requires. They are, therefore, less well equipped to cope with the intricacies of the estate tax laws as they presently stand.

Admittedly, revision of Federal estate taxes is only part of the picture. State laws also require significant amendment. With the Federal impetus to revise the estate tax provisions I hope that the States will also undertake needed revision in the appropriate sections of their tax codes.

Mr. President, I hope this Congress acts promptly on this very important matter.

Mr. President, I ask unanimous consent that the tables to which I have referred and the bill which I have introduced be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

TABLE I.—MAJOR COMPONENTS OF GROSS ESTATE, AND ESTATE TAX RETURN FILINGS AS PERCENT OF DEATHS, 1958–72

[Dollar amounts in billions]

	Estate tax returns as percent of total deaths	Gross estates	Corporation stock	Real estate	Cash
1958	3.2	$11.6	$5.0	2.5	$1.2
1960	3.8	14.5	6.8	2.9	1.4
1962	4.4	17.0	7.7	3.4	1.8
1965	5.2	21.9	9.2	4.3	2.6
1969	7.0	29.7	10.5	6.1	4.3
1972	8.9	38.9	12.3	8.8	6.1

Source: Department of the Treasury, "Statistics of Income: 1972, Estate Returns," publication No. 764, April 1975.

TABLE II.—VALUE OF LANDS AND BUILDINGS

	United States			North Dakota		
	Per acre	Per farm (thousands)	Total value (billions)	Per acre	Per farm (thousands)	Total value (millions)
1916	$46	$6.5	$42	$33	$14.3	$1,091
1942	34	6.1	38	14	7.5	538
1970	195	75.8	206	94	87.2	4,045
1974	310	125.5	324	151	152.7	6,519

Source: U.S. Department of Agriculture, "Farm Real Estate Historical Series Data: 1850–1970," Economic Research Service, No. 520.

S. 1803

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) section 2052 of the Internal Revenue Code of 1954 (relating to exemption for purposes of the Federal Estate Tax) is amended by striking out "$60,000" and inserting in lieu thereof "$200,000".

(b) Section 6018(a)(1) of such Code (relating to Estate Tax Returns) is amended by striking out "$60,000" and inserting in lieu thereof "$200,000".

SEC. 2. INCREASE IN ESTATE TAX MARITAL DEDUCTION.—(a) Section 2056(c) of the Internal Revenue Code of 1954 (relating to aggregate marital deduction) is amended by inserting after "shall not exceed" in paragraph (1) "the sum of $100,000, plus".

SEC. 3. The amendments made by sections 1 and 2 of this Act shall apply to the estates of decedents dying after the date of enactment of this Act.

HUD PROPERTIES AND URBAN DECAY

Mr. ROBERT C. BYRD. Mr. President, one of the chronic problems facing this Nation has been the continuing decline of our major cities. For at least the last quarter-century, many of the cities of this country have been caught in a vise composed of falling revenues, the flight of affluent citizens to the suburbs, rising crime rates, spiraling inflation, natural decay of properties, and mounting needs and demands by various groups and individuals for public services. Federal programs of assistance to the cities have helped to alleviate the urban dilemma to some degree, but mayors and other civic officials still complain of massive and frustrating problems facing them in the administration of urban areas.

For this reason, an account which appeared in the Washington Post this week is especially disturbing. According to this story, the Department of Housing and Urban Development—an agency established to aid cities in confronting their problems successfully—has, through its policies and practices, been responsible for compounding many of those problems in certain areas of the country. Between 1969 and 1973, HUD approved more than 1,200,000 mortgages under programs designed to help low-income families become homeowners. Because of defaults, HUD had to foreclose on more than 166,000 of these mortgages by mid-1975.

The estimated face value on these foreclosed properties has been set at $16.7 billion. For a variety of reasons, many attributed to inefficiency or even incompetence in handling real estate, HUD now possesses approximately 57,000 houses in several cities; these houses are standing vacant, falling into ruin, being vandalized, or even burned to the ground by arsonists. The value of houses surrounding these properties is being adversely affected as well. Reportedly, another 500 houses per month on the average are passing into HUD's possession through current defaults.

Detroit has experienced the worst problems resulting from defaults and mismanagement of these housing programs. Since 1970, 25,000 homes approximately—or 13 percent of all the homes in Detroit—have passed into HUD ownership. Since it has taken up to 48 months in some cases to dispose of many of its properties, HUD presently owns an estimated 10,000 houses and vacant lots in Detroit. Additionally HUD owns more than 3,600 houses in New York, 3,800 in Philadelphia, 4,700 in Atlanta, and 2,300 in Dallas, to name only a few cities in which HUD has become a major landlord.

Moreover, HUD has more than 277,000 federally insured apartment units in various stages of default and foreclosure. These apartment units bear an estimated value of $3.4 billion.

Secretary Carla Hills is to be commended on her efforts to correct this situation and to put an end to the scandalous practices that accompanied many of the programs in question. However, the Federal Government is still having to pay taxes on these properties, defaults are still occurring, and the cities in which these properties are located are still suffering the effects of blight caused by decay and vandalism to them. Furthermore, through a lack of development and improvement, these decaying properties are denying resources to many cities that are in desperate need of increases in their tax bases.

I urge HUD to expedite the disposal of these properties. HUD should consult with city officials in the affected areas and work with them to determine the purposes to which these properties should and could be put. Houses that are judged beyond repair should immediately be demolished and their sites sold to developers for business, industrial, or residential purposes. A comprehensive program to facilitate the transfer of habitable houses to private ownership should be instituted as soon as possible.

Population experts predict that the next several years will witness the return of millions of Americans from the suburbs into the cities. The cost of transportation, a shortage of housing, and a burgeoning of the number of families looking for homes are credited with responsibility for this trend. Unless action is taken now to preserve and improve existing housing, however, many areas of these same cities will be beyond habitation. I hope that HUD will act immediately to put these deteriorating properties back into private hands for their fullest development and use.

CONCLUSION OF MORNING BUSINESS

The PRESIDING OFFICER. Is there further morning business? If not, morning business is closed.

THE IMPORTANCE OF SOUND RELATIONS WITH THE SOVIET UNION

The PRESIDING OFFICER. Under the previous order, the Senate will now proceed to the consideration of Senate Resolution 406, which the clerk will state by title.

The legislative clerk read as follows:

> A resolution (S. 406) relating to the importance of sound relations with the Soviet Union.

The Senate proceeded to consider the resolution.

The PRESIDING OFFICER. Time for debate on this resolution is limited to 2 hours to be equally divided and controlled between the Senator from California (Mr. CRANSTON) and the Senator from Tennessee (Mr. BAKER).

Mr. CRANSTON. Mr. President, we are now proceeding to a discussion of the resolution submitted by myself and Senator BAKER with the cosponsorship of the majority and minority leaders, the chairman and ranking member of the Committee on Foreign Relations, and an increasing number of other Senators representing all points of view and backgrounds and affiliations in the Senate.

Mr. President, I ask unanimous consent that Senators PHILIP A. HART, GARY HART, and MCINTYRE be added as cosponsors.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. CRANSTON. Mr. President, I am delighted now to yield for the first statement to a Senator who has been very eloquent and persevering in presenting the positive side of, as well as recognizing the risks involved in, the process known as détente—the distinguished senior Senator from Illinois (Mr. PERCY). I yield him such time as he may desire.

Mr. PERCY. Mr. President, I thank my distinguished colleague. I commend Senator CRANSTON, Senator BAKER, and other sponsors of the resolution before us, which they have termed and which I would term a commonsense approach to the foreign relations of this country.

I had the privilege of visiting both the Soviet Union and the People's Republic of China last year. I also had the privilege of serving as a delegate to the United Nations General Assembly in the fall of 1974, which enabled me to observe the activities of these two countries through their representatives at the United Nations.

Both countries, I believe, share in common with us a desire to prevent war in the world today.

Both countries recognize, in fact all three countries recognize, the potential that would exist for human devastation if an atomic war might be unleashed as a result of miscalculation.

Many times, wars come about as a result of misunderstanding and miscalculation. Therefore, a policy of normalizing relationships, increasing contacts, increasing communications, between the United States and the Soviet Union, between the United States and the People's Republic of China, is in the interest of world peace.

I think it is not in any way contrary to the interests of the People's Republic of China for the United States to attempt to lessen tension and increase contact between the Government of the United States and the Government of the Soviet Union.

On the contrary, I feel that it might be a step toward peace in the world by lessening the possibility of miscalculation.

The resolution that is before us today is particularly timely because of the rhetoric we have heard from aspirants for the highest office in the land.

I believe one of the lower moments of this political season occurred when a speaker, a major challenger for his party's Presidential nomination, assured his audience that the only achievement of the United States in its policy of détente has been "the right to sell Pepsi-Cola in Siberia."

Such grievously misinformed, or irresponsible, comment is typical of overly simplistic remarks of candidates in both parties who seek political capital by misinterpreting the meaning of détente, claiming that it serves only the interests of the Soviet Union.

They seem unable or unwilling to accept the fact that such a policy represents the wishes of the people of both the United States and the Soviet Union to promote communication and to manage their differences responsibly in order to avoid the dangers of potential nuclear war.

Unfortunately, these oversimplified attacks have succeeded in making détente such a code word for "soft" or "sellout" that President Ford has decided to strike the term from his vocabulary. So the word may fade, but the real policies behind it will survive, and rightly so.

After all, détente is a legitimate word found in Webster's dictionary. Even though the word restaurant is also of French origin, I intend to continue to say I am going to a restaurant when I go to one. I say that détente, though of French origin, in its meaning of lessening tensions is certainly a word that can be used even in the height of a political campaign, although I must point out I am not running for office this year and maybe I would feel somewhat differently if I were. But I still feel that the use of the word can be defended to rational people.

At no time did that policy mean that either nation would sacrifice its perceived national interests, abandon its value system, or enter into agreements contrary to its own self-interest. Détente seeks through relaxation of tensions—which is all the word means—to develop a relationship in which decisions can be taken which serve the mutual interest of both nations.

In the exaggerated enthusiasm for the first steps of détente a few years ago, a popular misconception grew that it meant an end to superpower rivalry and confrontation and the beginning of reconciliation and friendship. This misconception was stimulated for political purposes by the overselling of détente during the Nixon reelection year. But the fact was then, and is today, that East-West rivalry and confrontation continue. Reconciliation and friendship are not realistic expectations, given continuing ideological competition, political power thrusts as in Angola, and lingering distrust.

To deplore the failure of détente to produce the sweetness and light of Soviet-American friendship is to ignore the fact that this was never its intent. It is because we are adversaries, not friends, that détente is essential.

We do not need détente with any nation with whom we have cordial, friendly, allied relationships. We need it with our adversaries.

But a false standard has been created by which to measure the results of détente, and I believe that the critics of the policy know it—or should.

Clearly détente involves reciprocity. The administration and most Members of Congress understand this. We will not enter into any agreement with the Soviet Union which gives that nation unilateral advantage.

The process of détente, far from endangering world peace, actually created a climate in which both superpowers recognize and accept the thesis that restraint is essential if nuclear war—equally dangerous to both—is to be averted.

Toward this objective, both nations have made far-reaching and unprecedented agreements which serve their mutual interest.

I have tried to list a few of what I consider to be many of the advantages to the United States of America, to its people, and its Government that have resulted from this policy. Let anyone step forward and debate these if they are not advantages that have accrued to the United States of America, its budget, and the lives of its citizens.

The advantages of détente so far are: First, settlement of the long-festering problem of Western access to Berlin.

When did we last have a Berlin crisis? Was not a Berlin crisis a way of life for many years? And yet the Berlin crisis has been put behind us. Why? Call it détente, call it lessening of tension, call it what you want. But the Berlin crisis has been resolved because it is in the mutual interest of both the Soviet Union and the United States that this event not be an annual event that ruptures the relationships between our two countries and possibly endangers the peace of the world.

The second advantage that I can see is the joint limitation on offensive nuclear weapons deployment.

This is certainly an advantage. What difference does it make whether we can kill each other 10 times over or 15 times over? We were on a road where we were hell-bent toward finding ways to kill each other 25, 30, 35 and 40 times over. Of what practical sense is that to the American people or the people of the Soviet Union?

Third, abandonment of plans to build nationwide anti-ballistic missile systems which has saved the American people upwards of $100 billion. The best estimates I could get when we went through that debate years ago was that the operating expenses annually, year after year, would be about 10 percent of the capital cost of the ABM system.

As I look around the Chamber today, there are Members in the Chamber who waged that battle. Side by side we fought to make certain that we did not build a system that was unsound technologically and was not cost effective. But we would have gone ahead, and those of us in the Chamber might have been the first to say we had to do it, if there had not been an agreement. We certainly never would have reached that agreement if we had not felt that we had a method of detection to determine whether either side was cheating on that agreement. The satellites that are right over us at this instant, and over the Soviet Union as well, are recording on film the continuing integrity of that agreement.

$100 billion. Is that selling Pepsi-Cola in Siberia or is that of real substance? $10 billion out of an annual budget for operating expenses alone. That is the third advantage to the people of the United States.

Fourth, an agreement to reduce the danger of serious incidents at sea.

Certainly these incidents, playing chicken out at sea with ships of both navies, was not a way for two nations, well aware of the dangers of a confrontation, to carry on.

Fifth, increased trade. An increased trade which, as of today, has the balance strongly in the favor of the United States of America.

Certainly, it is not always that political friendships follow the trade lanes. But an interrelationship of economies to the extent that at least one economy is not dependent on the other, but there is a mutual advantage to be gained, is important particularly when today that balance of trade is strongly in our favor.

Lastly a 5-year arrangement for the sale of U.S. grain to the Soviet Union at market prices (providing us with hard currency to buy oil and provoking an outlet for traditionally massive American grain surpluses). These measurably solid results, too frequently overlooked, are a far cry from a "Pepsi-Cola franchise."

Even more important than any of the agreements yet reached is the opening of communication between the leaders of the two nations making it possible to resolve problems and defuse crises before they result in confrontations dangerous to peace. For it is miscalculations and misunderstanding that many times lead to war. The periodic meetings of the heads of government dramatically reversed the situation of the immediate post-World War II era, when the leaders were totally alienated and remote from each other.

Those militarists in both the Soviet Union and the United States who oppose détente, whether they are motivated by politics or by a taste for danger, do not serve the interests of their countries. If either a Soviet hardliner or an American hardliner were to come to power, what alternative could he provide?

One alternative is a return to the days of the cold war when Americans were so fearful of a Soviet attack that a massive building program providing bomb shelters for millions of Americans was proposed. Another alternative is a hostile policy which could lead to the ultimate insanity, nuclear war.

If the United States were to end the basic policies that underlie the word détente, those Soviet leaders, such as Leonid Brezhnev, who have risked their careers on relaxation of tensions would surely be pushed aside by hardliners who would escalate the terror and endanger world peace.

In these circumstances, the approach of seeking peace while maintaining an impressive and powerful defense seems clearly to be the right one for America. Let the critics spell out their alternatives to the American foreign policy which they attack. Do they wish to abandon the policies of peace for a policy of militant confrontation and ultimate war?

If so, let us hear from them. Let us hear their argument.

Certainly this debate and this colloquy today are in the national interest. No subject could be of greater interest, and I once again commend the authors of the resolution.

Mr. CRANSTON. Mr. President, I thank the Senator from Illinois very much for his very forceful and farsighted statement. I particularly call the attention of all who are interested in this subject to the summary—and it is a most excellent summary—that the Senator gave of the gains to the United States from détente. I think there are other benefits that we have derived, and that the world has derived. There are also certain gains to the Soviet Union.

There are also some failures of détente thus far. Certain policies of the Soviet Union and certain consequences of those policies have not been in the best interests of our country. But we should recognize that this is simply a process of trying to sort out our differences and regulate our policies in ways short of war, while recognizing that we do have inevitable competitions and differences that are very difficult to live with.

In the course of this debate, at some point, I shall seek to expand upon the list that the Senator brought forth, which is a very fine one, and seek to tot up some, but not all—I think probably no one is capable of calculating all—the plusses and minuses of détente.

I thank the Senator from Illinois very much, and I am delighted to yield whatever time is desired by the distinguished Senator from Connecticut.

Mr. RIBICOFF. Mr. President, I have always supported the easing of tensions between the United States and the Soviet Union. Thus, I support the basic concepts of Senate Resolution 406. I believe, however, that détent must be more than a mood; it must mean real cooperation where the interests of our two nations coincide—such as in the area of curbing the spread of nuclear weapons—and it must have some concrete meaning.

The recent conference at Helsinki and the resulting agreement represented an attempt to make *concrete some* of the elements of détent. To that end there were guarantees and lofty phrases concerning cultural exchanges, the reunification of families, and the free flow of information. Adherence to these provisions is as important to the process of détente as the larger policy issues such as SALT, Angola, and the Middle East.

The Soviets have handled détente as though it is only a tough round of negotiations between die-hard adversaries. They have never accepted it as a commitment to bringing the wide gap between the people and ideals of our two nations.

During the 4 years of détente, there has been one effort after another to bring Russians and Americans closer together by formally developing agreements on the common rights, needs, and concerns of the people of both our nations. The Soviets may have tried to live up to the letter of those declarations and proclamations, but in my opinion they have failed to live up to their spirit.

In our eagerness to leave the cold war behind us we should not delude ourselves into thinking that détente is the ultimate solution . . . that under its guise we can relax our vigilance or our determination to defend principles of human rights. We must not forget the very basic differences between our society and that of the Soviet Union. We are daily reminded that the Soviet political system is based on a different view of people and their rights than is our system. Emigration restrictions are one example.

Let me briefly tell you of the plight of three Soviet citizens who have sought to emigrate:

Lev Roitburd is an engineer from Odessa who applied for emigration. He endured one delay after another. When I traveled to the Soviet Union last summer, he was one of the people I arranged to meet with. After receiving assurances from the Soviets that they would not interfere with any of my planned meetings, they arrested Roitburd while on his way to Moscow to meet with me. The charge was "resisting arrest" and the sentence was 2 years of hard labor.

A few months ago a small, modest lady with a 9-year-old daughter visited me in my office in the Senate Office Building. Her name was Eva Butman. She emigrated from the Soviet Union despite the fact that her husband was in prison in the Soviet Union for 10 years—his offense was speaking out against the intimidation and harassment of those who want to emigrate.

Mrs. Butman was about as modest and self-effacing a person as I have ever met, and she did not come to ask me to try to intervene to get her husband out of prison. All she wanted was the right to visit her husband in a Soviet prison.

Now, ironically, under Soviet law, Mrs. Butman is entitled to visit her husband once a year, she has applied for two years for a visa to exercise that right, but she has still not received permission to visit here husband. The Soviet Union has failed to grant her her rights under the Soviet law, and the prisoner's right, to visit her husband in prison at least once a year.

We cannot be unmindful of a society that is so negligent and so callous to the rights of human beings that they fail to allow a wife to visit her husband once a year in a prison in the Soviet Union.

Benjamin Levich, the highest ranking Soviet scientist ever to apply for emigration, had his family divided, his career ruined, and years of misery wasted. Today, he is still trapped in the Soviet Union, though his family finally was allowed to leave a few months ago. The sad tale of fear, uncertainty, and misery told by his son epitomizes the plight of those who want to leave the Soviet Union. For that reason, Mr. President, I ask unanimous consent that the Levich transcript be printed in full in the Record at the conclusion of my remarks.

The **PRESIDING OFFICER**. Without objection, it is so ordered.

(See exhibit 1.)

Mr. **RIBICOFF**. Likewise, the Soviet attitude toward the right to receive information is totally alien to us. The jamming of broadcasts from abroad is one example. And last month the Soviet Union succeeded in extending its concept of allowable news coverage to the Olympics. On the opening day of the winter games in Innsbruck the International Olympic Committee—under pressure from the Soviet Union and its allies—revoked the press credentials of Radio Free Europe. The action was announced by Tass before it was announced by the International Olympic Committee. The implication is frightening. Did the promise at Helsinki to allow free flow of information mean nothing? If sports news is to be censored, what will be next? Later this week several of my colleagues and I plan to address this specific issue in greater detail.

Furthermore, the Olympics for its summer games meet in Montreal. Will Radio Free Europe be barred there from covering the Olympic games? The protest from the Secretary of State was about as weak as I could imagine, failing to challenge the Soviet Union in the coverage of sports, contrary to the Helsinki agreement.

Four years from now the Olympic games will be held in Moscow. Will the Soviet Union say that the Associated Press or the United Press International cannot cover the Olympic games? Will the Soviet Union say that NBC and CBS cannot cover the Olympic games? Will the Soviet Union deny to the New York Times or the Washington Post coverage of the Olympic games?

And when we talk about détente, we are not just talking about SALT and arms. We are talking about the relationship between one people and another.

Mr. President, tomorrow, the international convenant on civil and political rights will take effect, nearly 10 years after it was first conceived. It presents an opportunity for the Soviet Union and the United States to renew our commitment to the original ideals of détente. I sincerely hope the Soviets recognize this opportunity and seize it by living up to the spirit and not just the letter of this agreement.

Détente does not require that we close our eyes to these events. We must not be afraid as a people to protest actions which violate generally agreed-to principles. Détente is not a position of weakness or subservience: it is not something that can be turned on and off. Détente is a process whereby two powers with different political systems attempt to find common grounds and to live in peace. Only as such a process will it continue to merit the support of the American people.

Mr. President, I share with our colleagues several articles which expand upon the points of concern I have raised. The first is a column by George F. Will which appeared in the March 7, 1976, Washington Post on the Soviet-inspired expulsion of Radio Free Europe from the Winter Olympics. The second is a very provocative piece in yesterday's Washington Post by Harry Rositzke on what "détente" or some more appropriate euphemism can and cannot achieve. The third document is Yevgeny Levich's moving and troubling account of his family's ordeal.

Mr. President, I ask unanimous consent that these items be printed in the Record.

There being no objection, the items were ordered to be printed in the Record, as follows:

A FAREWELL TO 'DETENTE'

(By George F. Will)

Gerald Ford, the semanticist, has announced that never again will the word "detente" pass his lips. Henceforth, that word is as unwelcome at the White House as, oh, Alexander Solzhenitsyn. Throughout the civilized world, and in the Kremlin, too, learned men with knitted brows are pondering this of Mr. Ford's thoughts: " 'Detente' is only a word that was coined. I don't think it is applicable anymore."

Mr. Ford's decision to reform his vocabulary, if not his policies, is proof of the Law of Government Inertia: Things continue as they are until people begin to snicker, Mr. Ford, having consulted poll data and other sources of his foreign policy convictions, has decided that the word "detente" now is a snicker-producer.

Indeed it is. The public has come to understand that the administration can neither define the word nor defend the policy that the word denotes.

The original explanation of detente was that it would produce lots of agreements with the Soviet Union, and that these agreements, some large but most of them small, would amount to a restraining web. The Soviet Union would be bound down like Gulliver beneath the Lilliputians' ropes, each of which was a weak thread, but which together were strong.

According to the original and short-lived theory of "linkage," the Soviet Union would temper its behavior, lest it jeopardize its beneficial links with the U.S., such as links with the wheat fields of Nebraska. But there never has been any behavioral evidence—the only kind of evidence that matters—that this detente "linkage" works.

The Soviet Union was not helpful in ending the Vietnam war; it incited the October, 1973, Yom Kippur War; it incited the oil embargo. Today the Soviet Union desperately needs and is receiving U.S. grain, even while it is involved in Angola in a way deeply obnoxious to the U.S. The "linkage" is no more restraining than a chain carved from tapioca pudding.

So by last summer the administration's doctrine about détente had been turned inside out. The rationale was no longer that détente would produce agreements, but that agreements would produce détente. Thus the administration craved even transparently fraudulent agreements like the one produced with a flourish at Helsinki—anything to fuel the "momentum" of détente. So at Helsinki the U.S. signed an agreement that ratified Soviet conquests in Eastern Europe. We rationalized this shabby exercise by emphasizing the amount of ink devoted in the Helsinki Agreement to human rights.

On that piece of paper Leonid Brezhnev, like all signatories, "note(d) the expansion in the dissemination of information broadcast by radio and express(ed) the hope for the continuation of this process." But since the Helsinki conference the Soviet Union has continued to spend far more to jam the broadcasts of Radio Free Europe and Radio Liberty than it costs to transmit the broadcasts.

And today the Soviet Union and its satellites are waging a vitriolic propaganda attack against RFE and RL. The Soviet Union is interpreting the Helsinki Agreement's language to mean that the agreement supports only freedom for those broadcasts that please signatory governments.

The U.S. government was dim enough to go to Helsinki and give the fraudulent agreement a patina of respectability. Now other foolish people in the West are helping the Soviet Union make a shambles of the human rights section of the agreement. At the Winter Olympics at Innsbruck, the International Olympic Committee, casting about for a new way to disgrace itself, surrendered to Soviet pressure and banned Radio Free Europe reporters.

Today the Soviet Union is seeking a similar ban on RFE reporters at the Montreal summer games. If the spineless wonders on the International Olympic Committee cave in to the Soviet Union, the U.S. team should stay home. And the U.S. government should tell the IOC that there will be no U.S. team at the 1980 Summer Olympics in Moscow unless freedom of press coverage is guaranteed by something more substantial than détente as represented in the Helsinki Agreement.

Stern words addressed to the IOC would be more impressive than Mr. Ford's stern but empty words about the word "détente." And if Mr. Ford will not say stern words to the IOC, perhaps President Jackson will.

DEMITENTE: LIVING WITH THE RUSSIANS ON TWO CONTRASTING LEVELS

(By Harry Rositzke)

Now that Mr. Ford has banned the word "détente" from his lexicon, he needs a substitute. It will be awkward, even for the duration of the campaign, for him to talk about "the present relationship between the United States and the Soviet Union" or "the Soviet-American connection."

The thesaurus contains no good Anglo-Saxon word for "reduced tension." Nor are the Latin roots of this tainted French word of any help. "Distension" would be ambiguous, "dystension" too clinical, "detention" is from a different root. For the moment let us speak of the present Soviet-American relationship as "X."

If the old word is no longer fashionable, at least in part that is because we were oversold or oversold ourselves into the belief that "détente" marked a new dawn. Mr. Ford now urges us to consider our relations with the Soviet Union in realistic terms. What is the reality of X?

Neither Mr. Ford nor Henry Kissinger will question the basic hostility of Soviet leaders from Lenin to Brezhnev to the capitalist world. Their beliefs—that the main facts in human society are economic; that socialism is superior to capitalism as a system for producing goods; that communism will triumph in the end—are simply the reality lying beneath and behind Soviet policy decisions. The ideological struggle, as Brezhnev keeps reminding us, is paramount.

It is, however, with Soviet actions, not Soviet thinking, that a president or secretary of state must deal. And here their problem is compounded by the fact that the Soviet regime operates abroad on two separate, yet interlaced, levels—the official *government* level and the political action level, both open and covert, with the *party* its main stimulus.

What appears to irritate and confuse Kissinger is not so much the recalcitrance of Soviet behavior on the official level as the contradictions between their actions on the two levels. It has proved far easier for him to handle the macropolitics of official negotiations than the micropolitics of Communist Party actions.

Under X, official Soviet diplomacy has been notably successful in reaching a European settlement on its own terms: a split Germany, the legalization of the post-war European frontiers created by Soviet power, and fruitful trade and capital investment relations with the European powers. Moscow's military and economic aid diplomacy in the developing world has served to extend its national influence in Southeast Asia, the Indian subcontinent, the Middle East and, spasmodically, in Africa. It has achieved these ends without committing its military forces to fight on foreign soil.

Mr. Ford rightly defends X at the official level for its clear pluses. It has created a climate for negotiations rather than polemics on such crucial issues as the limitation of strategic arms and the mutual reduction of forces in Europe. It has diminished the likelihood of a military confrontation in the Middle East. It has apparently spelled the end of Berlin blockades and missile crises.

The principal long-term profit of X to the Russians is economic: the growing availability of Western technology to increase Soviet productivity, of Western capital that can only help Soviet industry catch up more rapidly and of American wheat to compensate for the appalling inefficiency even without droughts of Soviet agriculture. There is no reciprocal advantage we can expect to get for ourselves.

It is an ironic but inescapable fruit of X that the Soviet Union is now being generously helped by the capitalist world with which it competes. If the main facts in human society are economic facts, as we in the West are beginning to realize, the export of goods or credits by the capitalist to the communist nations can only help improve the performance of the socialist system. Both Marx and Lenin argued that capitalism cannot grow on the domestic market alone. The drive to external investment that created our multinational corporations now extends its benefits to Soviet production.

Whatever Kissinger's private view of this one-sided benefit, his public utterances display an almost panicky frustration with Moscow's conduct on the second, or political, level: its open action in exploiting foreign Communist parties and its covert and open support of indigenous wars of national liberation.

It is the increasing power of foreign Communist parties that has most bedeviled Kissinger in recent years: the Marxist coalition in Chile, the threat of a Communist revolution in Portugal, the likely participation of the Italian party in a coalition government.

Are these to be construed as Soviet threats to the American interest, as Soviet violations of X?

It is now 20 years since the 20th Congress of the Soviet Party endorsed the peaceful road to socialism for the legal parties abroad. The Italian and French parties have since played the Western political game by the rules. Are the citizens of France or Italy not to be permitted, as Kissinger seems to have felt about Chilean citizens, to elect Communists into their governments? If the Communists do win, does their success violate X? And the crucial query: will they then become automatic instruments of Soviet political action?

Here Kissinger must be realistic. A strong Communist Party in an advanced industrial society, despite the old myth of monolithic communism, cannot be a minion of Moscow. It must, in a democratic arena, pursue its own national interests to survive and prosper. It must pursue its own road, not the Soviet path.

The speeches of the Italian and French party delegates to the recent Moscow Congress clearly illustrate this built-in compulsion. Once in a coalition, they will be faced with the same problems that beset their Christian Democrat or Gaullist colleagues, and they will stay in power—if they perform well. They will naturally influence the policies of their own governments, but those will be Italian and French, not Soviet, policies.

Whoever runs the State Department can do nothing about this fact of life unless he wants to get back to the old game of matching Soviet subsidies for the Communists with American funds for their democratic opponents. Whatever positive role this may have played in the past, it would now be a sorry stratagem bound to backfire. The Europeans will determine their own politics, not Washington or Moscow.

The recent Communist threat in Portugal underlines the gap between Soviet power and the national Communist parties. Though harbored by the Soviet party during their long underground existence, the Portuguese Communists broke the rules of the peaceful road by taking to the streets. The Portuguese leader, Alvaro Cunhal, almost certainly operated on the basis of his own *estimate of* the situation—and failed. Would *Moscow* be guilty of violating X if he had succeeded . . . or the same thing happens in Spain?

X at the foreign party level is a meaningless term. Ask the Italian party not to compete with the Socialists and Christian Democrats for power? Expect Moscow to ask them not to?

The European parties are at best an uncertain instrument for the extension of Soviet power. In its continuing support of wars of national liberation, directly or by proxy, openly or covertly, the Soviet regime simply declares that X does not apply to the Third World. Korea, Vietnam and now Angola register a failure and two successes.

The initial stages of Soviet support to rebel groups are normally covert and, until their success seems almost assured, modest. The Russians have invested in the anti-Portuguese rebels since the 1950s with money, training, indoctrination and small arms. Their investment in the Angolan MPLA paid off after the Portuguese withdrew—and the more modest American and Chinese investment was lost.

Kissinger has objected to the Soviet action in Angola as a violation of X. His objection is understandable but even by American rules, incorrect. It was only when the MPLA established a de facto regime in Luanda that the Soviet government began openly supplying large-scale military aid. Theirs was an official and legally justifiable response to the request of another regime—as ours was once in Lebanon and, more recently, in South Vietnam. Kissinger can complain that their side won and our side lost, but laments play no role in *realpolitik*.

The Angolan case intrudes another complication into the game of who is to blame? The Cuban commitment of arms and men to the Angolan fighting cancelled the need for sending Soviet soldiers to fight in Angola—a need Moscow has avoided from Korea to Vietnam. These wars were fought, as we like to say, by proxy. Yet no case can be made out that Moscow forced Hanoi to liberate South Vietnam—or that Brezhnev somehow directed Castro to send his troops to Angola.

Is Castro simply a Soviet stooge in his African adventures? The Cubans have intervened in Africa with arms and men for over 10 years. They now have advisers in Guinea and Somalia. And no one is in a position to say what the Cuban troops in Angola will do next. Perhaps "liberate" Namibia? If they do, will it be Castro's decision, or a joint decision by Castro's African friends, or by a committee meeting with Brezhnev?

Pinning the blame on Moscow for the wars in black Africa is a fruitless exercise. Shall we challenge Peking for its support of the Rhodesian rebels in Mozambique?

The KGB naturally plays its part in these political action operations, a role unaffected by X. From the Cold War to the present, the

KGB has not only carried on its usual espionage, counterespionage and covert action work, but it has played an indispensible technical role in passing funds and communications to the parties abroad and in channeling Soviet support to rebel or guerrilla groups before the Soviet government gets involved. It has also readily provided advice to new revolutionary regimes on how to set up their intelligence and security services.

In the last 10 years, however, the KBG's foreign directorate has begun to perform an even more valuable service—to advance in secret the Soviet government's open objectives on the official level. Its recruitment of "agents of influence" in Europe and the United States gives Soviet foreign policy a muscle that cannot be matched by the West.

Today, in New York, Bonn, Paris and Rome there are over 200 KGB officers assigned to each city (a hundred were thrown out of London several years ago). Many, if not most, of them are recruiting not spies but "friends." Their job is to develop personal contacts within the power elites of each nation: politicians of the center and right, non-Communist labor leaders, bankers and industralists, journalists and professors, government officials and legislators.

These contacts range from secret to confidential to public. Some are on the Soviet payroll—the personal assistant to former West German Chancellor Willy Brandt, a key European negotiator on a truck-assembly plant project. Some have been bribed with business opportunities in East-West trade—a British merchant or an Italian banker. Others are close enough acquaintances for a KGB officer to invite to an informal lunch or dinner to talk about current affairs. In many capitals, as in Washington, KGB officers openly lobby among legislators on bills affecting Soviet trade.

These agents of influence within the power groups of Western society give Moscow a useful covert means for affecting the attitudes and decisions of other governments on matters of Soviet concern. The KGB officer under diplomatic cover, socially sophisticated, fluent in English, German, or French, can use his friends or agents to lobby for a European Security Conference, to press for favorable terms in trade or loan negotiations, to promote the investment of capital in a Soviet petrochemical project.

These KGB officers, for the most part, break no laws. Neither spying nor subverting, they are beyond the purview of Western security services. The lessening of East-West tensions under X not only makes their contact-work easier—and their contacts more susceptible—but as Soviet political and economic interests in the West continue to increase under X, they will have more work to do.

Here, then, at the political action level there is no X, and there can be none. Moscow will not cease subsidizing foreign parties, supporting wars of national liberation or enlarging its reservoir of influence-agents. They are important elements in the Soviet global clout. There is no reason for the Russians to give them up.

It is this depressing fact that Kissinger must deal with in his public defense of X. And he must deal with another frustration: there can be no serious tradeoffs between the X and the non-X level.

It is conceivable, though most unlikely, that Washington can force concessions on Salt II negotiations by curtailing the sale of American wheat to Russia or by refusing to permit American oil companies to provide capital for a new petrochemical plant in Siberia. It is inconceivable that American concessions on Salt II, trade, or capital investment will buy off Soviet (even less, Cuban) support of the black Rhodesian independence movement.

What we have today is half an X, a relaxation of tensions only in our official dealings with Moscow. Perhaps the word Mr. Ford is looking for a *demitente*. It is a bastard term, but not inapt. At least it is more realistic than X.

It is a fact of history that the United States cannot match Soviet resources on the political action level. There are no parties abroad even partially devoted to our interest. We have a weak and ineffective propaganda apparatus and a new immobilized capacity for covert action. We can have no agents of influence in Moscow.

In this world of demitente:

The main Soviet challenge is on the political economic front, not the military front.

A larger American defense budget will not deter Soviet advances on the political-economic front.

The policy of containment, of simply reacting to Soviet initiatives, will not work any better in the future than it has in the past.

What we have as the basis for a more affirmative foreign policy is our enormous economic clout. If we can delineate clearly what *we* want in the world to assure our physical security and our national prosperity, we will be able to direct our capital investments, trade and loans to building up stable and friendly societies in the countries that count for *us*. We are now caught up in a vast program of supplying arms to whoever wants them, and we cannot change our habits overnight, but only a radical shift in our priorities will enable us to shape to our own advantage the world of demitente in the decades ahead.

The Soviet stance in the world is hardheaded and forceful. If we can match it with our strategic vision, neither Mr. Ford nor his successors will be frustrated by X, and our secretaries of state will no longer be impelled to whine or bluster in public speeches.

EXHIBIT 1

LEVICH TRANSCRIPT—EVENTS THROUGH OCTOBER 13, 1975

Professor Benjamin Levich and his family applied for the visa to go to Israel in February 1972. Soon after that Professor Levich was expelled from Moscow University where he was head of a chair which he himself had established 8 years ago. He was also dismissed from his position of Head of Department in the Institute of Electrochemistry of The Academy of Sciences of the USSR, a Department which was founded by him 20 years ago. He was also officially deprived of the possibility to give lectures, take part in scientific conferences, publish his works in scientific magazines and engage in any other kind of scientific activity.

The day before President Nixon was to arrive in the USSR on his first visit, Professor B. Levich and his two sons Aleksandr Levich and Dr. Eugeny Levich were invited to the Visas' Department (the OVIR) in Moscow and warned by the Director of the OVIR and by a KGB representatives that they should not try to exploit the President Nixon visit in order to receive exit visas. The KGB official said that, "It would harm the consideration of the case".

Immediately after President Nixon's departure from the USSR Professor Levich was again called to the Ministry of Interior offices where General Verein, the Director of the All-Union OVIR and several KGB representatives informed him that neither he nor his family will ever leave the USSR. General Verein added also that if Professor Levich were not to keep quiet he might be put on trial on the charges of anti-Soviet activities (according to Article 64 of the Soviet Criminal Code).

On the 10th of August, 1972, one of Professor Levich's sons, Dr. Eugeny Levich, was arrested by KGB officers near Moscow while he was on his way to take a vacation. He was released 24 hours later following his firm refusal to serve in the Soviet army as an officer of the reserves, but was told that he would be tried for this refusal according to the Soviet law.

On the 12th of August, 1972, Professor Levich was forcibly taken down to the KGB offices on the (Kuznetsky Most) in Moscow. A uniformed KGB General interrogated him for many hours and finally said that Professor Levich and his family would never leave the USSR, that he would live in Russia until his dying day. The General claimed that the foreign correspondents who came to the Levich's apartment were agents of the Foreign Intelligence Services and that he might be put on trial for treason. Professor Levich was also told that he was in possession of secret information following the so-called Security Clearance Certificate which was issued to him by academician Frumkin, the Director of the Institute of Electochemistry and by other officials of the Academy of Sciences. He was warned, in conclusion, not to reveal any information about the meeting as it might lead to the prosecution of Eugeny, a matter which was then under consideration.

Two days later, on the 14th of August, 1972 the Western correspondents stationed in Moscow were invited to a first official press-conference held in Moscow in years. Professor Levich was the first speaker and he described the general situation of the Jewish emigration from the USSR. He stressed especially that the scientists were considered "slaves of the state" in the USSR.

During the following 9 months, Professor Levich and numerous other Jewish scientists were engaged in an intense struggle for drawing the attention of the world public to the problem of the Jewish emigration from the USSR.

On the 16th of May, 1973 Professor Levich's son, Dr. Eugeny Levich was arrested in the street by the KGB agents. Already 24 hours later, he was taken to the East-Siberian town of Chiia near the Chinese border. Several days later he found himself in Tiksi Bay behind the Arctic Circle where he was to do his army service. In the meantime, Professor Levich was told by the Soviet authorities that his son was deprived of his rank of Officer of the Reserves by the Ministry of Defense and was called up as a private. His conscription took place despite the strong indication of the medical examinations which specified that Eugeny should not be called up in accordance with the Soviet laws. The fact of Eugeny's conscription was also an act violating the norms of Soviet judicial Laws. His so-called "army service" proved, in fact, to be an extremely severe term of punishment in a military labor camp in the Arctic. There was no military service there and the people lived in monstrous conditions. The temperature both outside and inside the barracks was well below zero. The men had to perform all sort of construction works under the most difficult conditions of the Arctic Region without being supplied with the most elementary equipment.

They were suffering from lack of adequate food and were not supplied with clothing appropriate for the extremely difficult climatic conditions. Apart from having to live and work in extremely difficult conditions, Eugeny was subjected to numerous threats and humiliations. He was told, among other things, that his father, Professor Levich, were not to keep silent he, Eugeny, would be left to rot in prison. It should be mentioned perhaps that Eugeny was arrested just before Secretary-General L. Brezhnev's first visit to the United States.

During the following months, Professor Levich was involved in a desperate struggle for his son's and his family's survival.

In an article published in the New York

Times in December, 1973, Professor Levich strongly criticized Dr. Kissinger's policy in connection with the issue of the Jewish emigration. He stated his conviction that all the International appeals on behalf of the Soviet Jewry were not leading to any positive response from the Soviet Authorities due to the support from the American Government, namely Dr. Kissinger.

In January, 1974 Professor Levich and his wife Tanya went to spend a short holiday in Sochi, near the Black Sea, on the 31st. He and his wife were forcibly taken from their hotel to the local KGB offices. There both of them were separately interrogated by high-ranking KGB officials. They were both threatened with receiving life sentences and Professor Levich was told that the KGB was giving them both the last warning. He was told that if he would not keep silent they would eliminate his sons first and then put him on trial for anti-Soviet activities and treason. The KGB officials referred to the unpublished decree of the Presidium of the Supreme Soviet passed in December, 1972 which dealt with violators who had been given a warning by the authorities. Mrs. Levich was told that she was influencing her husband to engage in anti-Soviet activities and might, therefore, be considered an accomplice. Both Professor Levich and Mrs. Levich strongly objected to all the allegations and claimed that they had no other choice but to behave the way they did and that there was nothing anti-Soviet in their actions. They also said that they would continue their struggle till the very end, whether good or bad. When Professor Levich and his wife were released 10 hours later they left Sochi immediately and Professor Levich refrained from revealing any information about the meeting fearing for his younger son Eugeny who was already in a dangerous situation and for a possible reprisal against his older son Aleksandr.

A few days later Aleksandr Levich was arrested in the street in Moscow, beaten up, and brought to the KGB headquarters. He was accused of being acquainted with and collaborating with a smuggler. Following his strong opposition he was released after being threatened and warned by the KGB officials.

In the meantime, Eugeny Levich who was doing his "army service" in a Siberian camp was ordered to walk along a distance of 7 miles through the tundra during a strong snowstorm. He had no choice but to obey the order and survived by miracle only. Professor Levich was informed about the incident and considered it a very grave warning.

On the 18th day of February, 1974 Professor Levich was suddenly invited to come to the Academy of Sciences of the USSR. To his astonishment, he met with several officials of the Academy, including the KGB officer responsible for the security arrangements in the Academy and its institutions. The officials told Professor Levich that it was decided to reconsider his so-called secrecy clearance and that an appropriate committee was formed for that purpose. For several hours they seriously discussed all the professional details of Professor Levich's scientific work.

The meeting and the conversation which took place were considered a good sign by Beniamin Levich.

On the 17th of April, 1974 Professor Levich was invited to the offices of Academician Frumkin, the Director of the Institute of Electro-Chemistry and the following conversation took place:

F: I was ordered to reconsider your secrecy clearance. I would advise you to keep quiet now.

L: You always give me the same advice.

F: But you never listened to me.

L: You did not listen to me either when you signed the letter against Sakharov.

F: My advice is a friendly one.

L: During his visit in the U.S., Academician Engelgardt gave a friendly advice to the members of the National Academy of Sciences to stop their harmful activities on behalf of Sakharov. This was done in order to make him keep quiet and then to silence him without any trouble.

F: I am sincerely interested in your departure now.

L: But you do all you can to prevent me from doing so. Why have you written a false secrecy clearance certificate for me?

F: Then it was one situation, now it is another. * * *

In the middle of May 1974, Professor Levich was informed that the question of revoking his secrecy clearance certificate was under consideration and that everything was going well. The Committee formed for this purpose included Academician Emelyanov, a well-knewn expert of the Committee on Atomic Energy. On the 16th of May, Eugeny Levich returned from Siberia back to Moscow.

On the 20th of June, Professor Levich was informed by high-ranking officials, including the Scientific Secretary of the Academy of Science, Academician Skryabin, the Director of the Institute of Electrochemistry, Academician Frumkin, the former Chairman of the Academy's KGB Department, Pavlov and another KGB General that after reconsidering the matter of his secrecy clearance, the Special Committee decided that all but one item included in his Secrecy-Clearance Certificate were now invalid and the former term of validity of that one item would expire in a year's time. It was also stated that the Chairman of the KGB, Andropov, approved and confirmed this decision.

On the day of President Nixon's arrival in Moscow on his second visit (June 27, 1974), Eugeny and Aleksandr Levich were called to the OVIR offices and told by the Director of the Department, Col. Fadeev, that they would be allowed to leave the Soviet Union by the end of 1974. On the 28th of June 1974, Professor Levich was invited to the same Colonel Fadeev and told that he would be able to leave the USSR by the end of 1975, six months after the formal term of his secrecy-clearance will expire. The colonel referred to the decision of Top-Rank Officials.

It must be stressed here that, in fact, Professor Beniamin Levich did not have any connection with secret works since 1946 when he deliberately stopped working in the field of nuclear physics. In other words, all the reconsiderations of the question of his secrecy-clearance were a bureaucratic procedure created by the KGB itself. The above-mentioned conversation between Professor Levich and Academician Frumkin is the best proof of this claim.

On the 29th of June, Professor Levich and Mrs. Levich were interviewed by a number of TV correspondents from President Nixon's press center, including Mr. Kaplow and Mr. Fromson. The interview was later shown on the American TV by several networks and the information about the obligations which the Soviet authorities took upon themselves in connection with Professor Levich's emigration was thus openly revealed.

On the 30th of June, all the members of the Levich family were placed under house arrest in their country house until President Nixon's departure from the Soviet Union.

In the middle of December 1974, Eugeny Levich and Aleksandr Levich were invited to the OVIR offices and told that their emigration would only take place in March, 1975 because of political considerations. Several days later, Professor Levich was invited to the KGB offices in connection with the use of his telephone.

He was met by the same KGB general who threatened him in such a rude manner in August, 1972. This time, the General was very polite. He said that there was no reason for Professor Levich to be nervous, that his secrecy-clearance has been revoked with the approval of Chairman Andropov and that the decision was final. He said that the departure of Eugeny and Aleksandr Levich was postponed because of political considerations. This information was independently confirmed by Academician Frumkin.

In March 1975, Eugeny Levich, Aleksandr Levich and their wives had received the exit visas. They were warned to refrain from any activities on behalf of their father in Israel as this may harm Professor Levich and his wife. They left the Soviet Union on the 1st of April, 1975.

In late 1975, Professor Levich wrote a letter to the Ministry of Interior inquiring about the exact date of his emigration. On the 13th of October he was suddenly invited to the KGB where he was met by the same KGB General and several other officials. He was told that they did not know anything about his emigration and about the revocation of his secrecy-clearance.

They said that he was and is a Zionist and an Anti-Soviet person and that he should be imprisoned for that. They told him that he should not think so highly of himself and that he could no nothing. They said that the world public opinion does not mean a thing and that the scientists and intellectuals did not want to do anything for him anyway. They claimed that the scientists and the intellectuals liked to speak but did not do anything concrete, that they liked to make appeals to the Soviet authorities, but when they came to the USSR later, they said that the protests and appeals were not serious. In other words, if he were to continue to make too much noise they would silence him and the world public opinion would have a very slight effect on that.

Mr. CRANSTON. Mr. President, will the Senator yield?

Mr. RIBICOFF. I am pleased to yield to the distinguished Senator from California.

Mr. CRANSTON. I urge the leaders of the Soviet Union to heed the words of the Senator from Connecticut. I know that this debate will be analyzed with care by representatives of the Soviet Union. I trust that they will be encouraged by the passage, and I believe we will have passage by a large vote, of this resolution in terms of the indication that that passage will give of support for the process known as détente.

It seems, however, very important that the Soviets recognize that in this resolution there is a firm *statement* of our intention to remain unchallengeably strong militarily while pursuing the policy of seeking to regulate the competition and conflict between ourselves and the Soviet Union in ways that avoid the catastrophe of war in the nuclear age.

I hope that we will see some signs of responsiveness by the Soviet Union to this debate, to this action by the Senate, and to statements like the very sincere and deeply heartfelt message of the Senator from Connecticut. I happen to know from my personal relationship with him of his experience in the Soviet Union when he went there awhile back with other Members of the Senate. I know how he came back hoping that there would be a very significant easing of the tensions between ourselves and the Soviet Union and, specifically, that there would be some easing of the restraints placed by the Soviet Union upon those who seek to emigrate from that country and some significant easing of the harassment of those who even dare to seek an exit visa.

Mr. RIBICOFF. Mr. President, I shall comment further to my friend from California for whom I have the highest respect.

With a number of Senators during June and July, we went to the Soviet Union for an interparliamentary conference and, during that conference, we visited the city of Leningrad. During that visit, we visited the mass grave of hundreds of thousands of people who had died in the 700-day siege of Leningrad. The Soviet Union lost some 20 million people in World War II, and indelibly there is impressed upon the minds and, yes, the souls of the people of the Soviet Union a hatred for nuclear war, and I believe that that is their feeling.

I am convinced that the Soviet Union does not want a nuclear war as I am convinced that the United States does not want a nuclear war.

Further, I had become to feel that the Jackson amendment and the Stevenson amendment were wrongful policies for us to have adopted. I stated publicly, even though I had been one of the prime movers of the Jackson amendment, that I thought there should be some modification, and I looked forward to some easing of the tension between the Soviet Union and the United States on these issues.

Almost a year has gone by and nothing much has happened. Emigration from the Soviet Union has declined over a period of 3 years from some 35,000 to some 11,000 people.

In talking to the leaders of the Soviet Union about how do we work out détente and how strongly the American people felt about the problems of immigration, the problems of freedom the objectives of the Helsinki agreement, and the protestations of the Soviet Union, I had anticipated a cooperative action among the President of the United States, the Secretary of State, Mr. Brezhnev and, yes, the Members of the U.S. Senate, to bring about a revision of both the Jackson amendment and the Stevenson amendment.

I offered to be among those who were willing to take the lead. I met in the Soviet Union with a jam-packed room of Soviet dissidents, a very touching and moving experience where people restricted from leaving the Soviet Union to join their families, and not one person talked about himself, not one person sought an edge for himself. They talked about others and the principles involved.

Yet nothing has been done between the Soviet Union and the United States to try to ease the problems of emigration. As a matter of fact, it has gotten worse.

During August, Mrs. Ribicoff and myself happened to be in Vienna, and we visited the reception center in Vienna where Jews from the Soviet Union were in transit for a day or so before they went to Israel, and we visited and talked to people that had just gotten off the train. It was a tragic sight. It becomes apparent that even those people who the Soviet Union are letting out of the Soviet Union are the sick, the halt, the lame, the blind, and the aged, who would really be a burden on whatever country to which they went, including the State of Israel. Very few people who were coming out of the Soviet Union were people who could be independent and self sufficient.

When all is said and done, the world has basically changed and geopolitics is not the determining factor in the affairs of people and nations.

While I have no fear of a nuclear war between the United States and the Soviet Union, it seems to me that détente constantly has been addressed in those terms. The Soviet Union has been the beneficiary of American food, American technology, and American industry. The Soviet Union finds itself on the short end of economic development. Its balance of trade last year ran a deficit of $5 billion. The Soviet Union has been helped and helped considerably by American foodstuffs and technology.

If ever there is to be true détente, I say respectfully to my friend the Senator from California, it will not merely be by resolutions that he has drawn and which we will vote on today—and I will vote for that resolution. But it is an understanding that while we have two different systems—and I do not expect the Soviet Union to change its system, just as I do not expect the United States will change its system to accommodate itself to the Soviet Union—there has to be an understanding on the part of the Soviet Union of what liberty and freedom and our principles and ideals mean.

I expect the Soviet Union constantly to thrust for an advantage, and the Soviet leaders will carry out the principles of Lenin and Marx. But if they expect to obtain advantages from a relationship with the United States, they have the correlative responsibility to understand the principles that we have in the United States as we look upon freedom and justice as indivisible throughout the world.

In my heart, I cannot undertake any lead to change the Jackson amendment and the Stevenson amendment on the floor of the Senate, when Eva Butman, with a 9-year-old daughter, is not allowed by Soviet bureaucracy and tyranny, in accordance with the Constitution and laws of the Soviet Union, to visit her husband once a year in the prisons.

I say to the Soviet Union, "If you are so tyrannical and so cruel that you will not allow a wife and a child to visit a husband in prison once a year, the hell with détente."

Détente should involve a sense of humanity. The Helsinki agreements should be carried out.

Mr. CRANSTON. Mr. President, will the Senator yield?

Mr. RIBICOFF. I am delighted to yield.

Mr. CRANSTON. I would not presume to urge any specific response upon the Soviet Union, but I again urge the leaders of the Soviet Union to heed the words of the Senator from Connecticut and to understand the spirit behind this Senate resolution and the action that the Senate, I believe, will take.

I believe that one of the problems that developed with the Jackson amendment was that it perhaps was a little too specific in the interpretations given to it, that there was perhaps an overplaying of its consequences when it was passed and sustained in this country, and that the Soviet Union recoiled from an action that they may have planned to take in regard to easing the tyrannical approach they have taken toward those who seek to leave the Soviet Union.

Unfortunately, there are other evidences of increased repression in the Soviet Union at this time. While many of those who have advocated and supported détente have felt that it was a process that would lead to a diminishing of repression in the Soviet Union, there are those who argue that the increase in repression in the Soviet Union is a natural consequence of the process of détente.

There is a statement of that viewpoint in a recent article by Theodore Draper in "Commentary." A different statement, relating to Mr. Castro, in Cuba, appeared in a column by James Reston in the New York Times, on March 17, in which he stated:

> Mr. Castro has apparently decided that normalization of his relations with Washington, including free trade and travel to and from the United States, was a genuine threat to his closed society.

I still argue—and I think there are others who would still argue—that, in long-range terms, developing interrelationships between Americans and Russians will make it more and more difficult for the Soviet regime to maintain the harsher aspects of repression. We will have to test it all out, of course, to see if that is the consequence. At least, we can note the fact that the massive brutalities of the Stalin era appear to be a thing of the past in the Soviet Union.

I hope that we will see—in response to the words being stated so carefully in the Senate today and the action that the Senate will take—more signs of responsiveness, of restraint on the part of the Soviet Union in many areas where they know they have done things that have aroused our suspicions and our hostilities and have led to many Americans doubting whether détente is significant and really can succeed.

The fact, obviously, is that failure of détente will doom both the Soviet Union and the United States to a dangerous rivalry that could lead to nuclear war. It surely would lead to vast, new expenditures by both countries in an arms race that would depress living standards and cause further neglect of the needs of the people of both lands.

While calling upon the Soviet Union to heed all this, and particularly the general statements and the specific statements of the Senator from Connecticut, I call, too, for restraint on the part of the United States. We, too, have done certain things, and we presently are doing certain things, that lead the Soviets to suspect our motives and to sustain the hostilities in their hearts and their minds about what we are really up to.

Mr. CLARK. Mr. President, will the Senator yield?

Mr. CRANSTON. The Senator from Connecticut really has the floor.

Mr. RIBICOFF. I am through, but if there is a question, I will be pleased to respond.

Mr. CLARK. It is not really a question, but it is in connection with what the Senator from Connecticut and the Senator from California have said.

I think that much of the understandable disillusionment with détente is the vagueness of what each of us means by it.

For example, it seems to me that if we expect that through the process of détente the Soviet Union is going to become somehow less repressive, less autocratic, we err. Conversely, if the Soviet Union believes that through the process of détente the United States is going to become more like Soviet society, that our economy or our civil liberties or the other aspects of American society we stand for are going to become more like theirs, then they are equally mistaken.

I believe what Solzhenitzyn describes in "Gulag Archipelago." I believe such conditions exists in the Soviet Union, and I do not think that with all the success of détente, that this is probably going to change.

Mr. RIBICOFF. May I respond to the Senator?

Mr. CLARK. Yes.

Mr. RIBICOFF. I can understand that the President is unhappy with the word "détente." It is a word that very few people understand. It is a lessening of tensions. With different systems the United States and the Soviet Union must live in the world together. When it comes to SALT and when it comes to a question of arms and nuclear proliferation, we both have the same mutual interest.

Yet, once we get out of that problem, the Soviet Union needs us a lot more than we need them, if we look at the whole field of economic interdependence. There is no question that communism is trying to use America and the capitalistic system for their own development. The two fascinating books that [illegible] recently been written, by Hedrick Smith and the correspondent, Kaiser, on Russia are fascinating reading. These two books are must reading to give us an understanding of the Russians and their people. They are not 10 feet tall, they are not supermen, they have so many more problems than the United States. But yet, we should be aware—in which ways we are superior to the Soviet Union and how much the Soviet Union needs the United States.

If we have a world in which they are advancing in Angola, and we are getting out of Angola—I supported the distinguished Senator every step of the way on Angola—yet we should not be blind that détente and our relations with the Soviet Union over the decades will not be decided in Angola. It is going to be decided upon the rivalry between American capitalism and communism, and that is the rivalry. The rivalry is there. The rivalry will continue. You are not going to eliminate it. But the United States should understand what is meaningful to the United States and we should understand that we are not going to be in a position of always being the givers with the Soviet Union and not at all on the receiving end.

If the question of freedom and liberty and the relationship with peoples mean something to us, we have the right to express our position toward trading with the Soviet Union. This is what I am driving at, and the Soviet Union must take into account America's sensibilities when it comes to the problem of what is meaningful to us.

I do not expect that we are going to change the Soviet system, any more than I think they are going to change ours. But there are steps that the Soviet Union can take to bring about a mutual understanding and a mutual respect. To me, détente has to go much further than the question of nuclear holocaust.

Mr. GRIFFIN. Mr. President, will the Senator yield to me for a unanimous consent request?

Mr. RIBICOFF. Yes.

Mr. GRIFFIN. Mr. President, is half of the time under the control of the Senator from Tennessee (Mr. BAKER)?

The **PRESIDING OFFICER.** 1 hour is under the control of the Senator from Tennessee.

Mr. GRIFFIN. I ask unanimous consent that, pending his arrival on the floor, that time be under the control of the Senator from New York (Mr. BUCKLEY).

The **PRESIDING OFFICER.** Without objection, it is so ordered.

Mr. CLARK. I thank the Senator from Connecticut for his comments, particularly the closing sentence—namely that to him détente must mean something more than avoidance of nuclear holocaust. I think we get closer to what the definition of détente might be in the opinions of, at least, the people in this body. To me, it means most specifically that—the avoidance of nuclear holocaust.

In that matter we have a mutual interest—and I think that "mutual interest" is the key phrase. If we start with that—our conviction that it is in our mutual self-interest to avoid mutual holocaust—then perhaps we can move on to a SALT agreement and say it is also in our mutual interest not to use up most of the world's resources on further nuclear arms development. Perhaps from there, we can move into such broader areas as arms control or cooperation in other areas.

I think if we believe that it is going to eliminate competition, as the distinguished Senator from Connecticut has said, then we are bound to be disillusioned. Of course the Soviet Union is going to try to press its advantages in Africa or any other part of the world that it can. Of course, we are going to try to promote our interests and prevent that from happening. That competition, even though we may not like it, cannot be avoided at this point. But it seems to me that we should keep before us the facts that we do have a mutual self-interest in avoiding nuclear war, that we do have a mutual self-interest in trying to limit expenditures on nuclear weapons, that we are not going to try to use up most of the world's resources in this purposeless race, that we both know we can already destroy each other several times over.

Mr. President, I ask unanimous consent to have printed in the RECORD a statement I have prepared in connection with this matter.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

Mr. President, I want to express my very warmest thanks and congratulations to the senators from California and Tennessee for their initiative in introducing this resolution. I also appreciate the opportunity to be a sponsor. I hope the measure will be overwhelmingly approved by the Senate, as a word of encouragement for a rational U.S. policy toward the Soviet Union.

Since President Ford announced that he was dropping "detente" from his vocabulary, there has been a good deal of discussion of the word's etymology and meaning. It seems to have become, in the minds of some, a code word for softness toward the Soviet Union or for a weak defense posture. Several candidates for president from both parties have attacked it in that sense. I think this is extremely unfortunate, and I hope that this colloquy and approval of this resolution will be at least a partial corrective.

In my brief remarks here, I want to summarize my view on how we should approach relations with the Soviet Union. First, we must avoid nuclear holocaust. This is so fundamental that it shouldn't need comment, but many forget that nuclear war—all out nuclear war—is possible; and if it comes, human survival is problematical, at best. Survival is the most fundamental of interests for both the United States and the Soviets. There is an over-riding mutual self-interest in avoiding nuclear war. Both sides have recognized this shared interest by their efforts in the SALT talks to control the strategic arms race. I recognize the legitimacy of different views on the fairness or adequacy of certain provisions of the SALT agreements approved so far or still to be agreed, but the central fact is this: the United States and the Soviets will continue for a long time to come to have the military wherewithal to destroy each other several times over. To continue the arms race will not only have a very high dollar cost, it will also increase suspicion and make all-out war more likely.

A second major problem shared by the United States and the Soviets is nuclear proliferation. As one medium-sized or minor power gets the bomb, its regional rival will feel it must follow suit. India has the bomb; Pakistan may follow. One of the most frightening bits of news to surface in recent months is the report that Israel has nuclear bombs. If it is Israel today, it could be the Arabs tomorrow. The United States and the USSR, as well as other nuclear powers, must cooperate closely to prevent the spread of nuclear military technology and materials.

Third—and a very distant third—there are other economic and political and social advantages to be reaped from closer relations with the Soviet Union. The main advantage of these closer contacts is the role that they can play in advancing the primary aims of our policy, prevention of nuclear war from any cause.

Only through detente—through relaxation of tensions, through negotiations and cooperation to prevent disaster—can we have a reasonable hope of achieving those fundamental aims.

A word now about what detente is not. It is not a way of making Soviet and American societies alike. And it is not an acceptance or encouragement of Soviet domestic autocracy. The type of horror that Solzhenitsyn describes is not going to be changed by detente, which is diplomatic, not revolutionary in concept. Neither, however, has detente been considered a consecration of the status quo: the Soviets may well continue their expansionist policies in Africa; and the

U.S. has been active in Chile, Italy and Portugal in opposing communism. An active policy of detente does not mean that dangerous situations will not rise in one part of the world or another. But a spirit of cooperation with the Soviet Union in the avoidance of nuclear war can be a good starting point for cooperation in other areas.

In that regard, I would like to focus for a moment on Angola, where there has been a blatent and flagrant example of Soviet intervention. I have not hesitated to criticize this involvement, but although I cannot condone it, I can understand that within the Soviet framework it is not unconsistent with detente. I can deplore this, but it doesn't alter the fact that within the rubric of detente, actions such as this are bound to take place. Our proper role should be to exert every effort to make clear to the Soviets that we object—but it would be wrong to simply condemn detente and banish it from our vocabulary for that reason.

For that matter, I would remind those who argue that we "lost" Angola that, during this same period we were able to support and nourish what appears to be a democratic solution in Portugal. You will recall that for a considerable period Secretary Kissinger and others figured that Portugal was lost to the democratic western world. But the fact is that the Portuguese were able to stabilize their situation and we have grounds for believing that the foundation for a democratic political structure is being built there now.

Finally, Mr. President, a word about the cost of the failure of détente. This is an area that I hope all the candidates are considering very carefully as they cross the country in their quests for votes.

The first cost I have already mentioned: if neither we nor the Soviets can get off the arms escalator, we will use up much of our resources on weapons so destructive we couldn't possibly use them without destroying each other and much of the rest of the world. The second cost is the cost in dollars. It will be extremely high. Taxes will go up. Budget deficits will go up, as will inflation. At the same time services to our citizens—health care, Social Security, public works, education—could well go down. We must beware of those who promise guns and butter.

So, Mr. President, viewed in this perspective, I believe that the American people are strongly in favor of a policy of détente. I believe they agree that we must remain strong, but that we also must be neither paranoid nor bullying as we face our soviet adversaries around the world.

Mr. RIBICOFF. May I add, on mutual interest, one of the great ironies? When it comes to nuclear proliferation, the United States and the Soviet Union have a mutual interest. I fault the United States for holding back and not trying to explore with the Soviet Union how to act together on this issue for the benefit of world peace. The Soviet Union and the United States see eye to eye against nuclear proliferation.

Mr. CLARK. Yes.

Mr. RIBICOFF. There are seven nations in the world that have the capacity to make nuclear reactors and to develop them in other countries. We are faced with a situation today that both the United States and the Soviet Union have an identity of interest against nuclear proliferation. Two of our allies, West Germany and France, have adopted a policy in selling nuclear reactors, also to sell the reprocessing plant which allows them to complete the cycle from enriched uranium into plutonium, which can make nuclear bombs. Yet, when Secretary Kissinger appeared before our committee, he said the United States should not blackmail West Germany and France. Yet the United States and the Soviet Union, for the next 5 years, are the only two countries who have the capacity to supply enriched uranium. France and West Germany are operating on American patents and American technology.

To me, it is indefensible for the United States and the Soviet Union not to get together on this issue. Time and time again, I say, here we are trying to find if we have anything in common and on one of the most horrible dangers in the entire world, incineration on a global basis, where the United States and the Soviet Union could go before the entire world to develop public opinion against nuclear proliferation, the United States refuses to talk to the Soviet Union to get a common policy. That, to me, is sheer stupidity. If we seek détente, here is a problem, touching people of all races, colors, creeds—it surpasses language barriers, economic, social, and political differences. But I think that everybody in the entire world, if there is one thing they all agree upon, wants to avoid the tragic results of nuclear destruction of the entire world. And here, the United States refuses to take the lead and discuss this with the Soviet Union.

Mr. MATHIAS. Will the Senator yield on that point?

Mr. RIBICOFF. Yes.

Mr. MATHIAS. I think the Senator has been very eloquent as he always is, in describing, certainly, one of the critical problems that the world faces, nuclear proliferation and all of its aspects.

It is certainly the subject which the United States and the Soviet Union have in common which imposes greater responsibility on them, as the two nuclear supergiants, than any other subject. I think the Senator rightly indicts both of the nuclear supergiants for having done less than we might have done. But it occurs to me that if we do not maintain the bridge that has been called in the past "détente" in good repair, there is less chance in the future that we will do anything about it than there would be if we let that bridge fall down and stop whatever communication exists.

Mr. RIBICOFF. We should not let it fall down, but I do think that it is important for the United States not to apologize for its actions and activities with the Soviet Union. I always sense a defensiveness on the part of many who seek to speak for the West as against the relationship of letting things break down between the Soviet Union and the United States. This has to be a two-way street. What I tried to bring out before the distinguished Senator came to the floor is the necessity of some give on the part of the Soviet Union, as well as some give on the part of the United States. There must be mutuality. It is going to take a lot of hard work and we cannot let it break down. That is why I am supporting and will vote for the resolution by the Senator from California.

Mr. MATHIAS. There is no question about the fact that you have to face this question with total reality. You have to understand the nature of the Soviet Union; you have to understand the potential power of the Soviet Union. You have got to understand, to the extent that any of us can, the motivations of the leaders of the Soviet Union if this is going to be successful at all.

But there was a great British journalist and scholar, Alastair Buchan, who died within the past month, one of whose great contributions, I think, was forcing the world to look with reality on the facts of the East-West confrontation, and I do not think you can possibly ignore that.

Mr. RIBICOFF. I am in complete agreement. It is very, very tough. It is going to try our patience. It is going to try our understanding but, at the same time, we should be ever realistic and realize that there is much the Soviet Union needs from the United States. There is much the Soviet Union needs from the United States. The United States should not hesitate to expect something in return.

Mr. MATHIAS. Absolutely.

If I could make one observation, look at Secretary Brezhnev's speech to the most recent Party Congress in which he lays out some pretty tough propositions, the fact that they are going to continue to support wars of liberation. Well, that is simply another way of saying they will continue to support Communist uprisings wherever they can do it, and support Communist movements. I think this is tough talk.

I do not think we ought to just say it is merely a euphemism we are going to swallow on that, but face it for what it is, as a threat. But that does not mean that because there is this threat in one area we can ignore the necessity for some communication across the board.

Mr. CRANSTON. Mr. President, will the Senator yield, please? I thank the Senators very much for their cooperation and for their statements.

I would like to state that the situation in the Senate has changed slightly, because originally the time was divided between myself and Senator BAKER, both sponsors of the resolution. That was when there was not an indication of people who wished to express quite contrary views.

That situation has now changed with Senator BUCKLEY in charge of the time that was in the hands of Senator BAKER, and I would like to say this in the few remaining moments before I yield to the Senator from Massachusetts: that one Senator who has had, and expressed strongly, a question about détente wished to get unanimous consent for this vote to go over to Wednesday to give him more time to prepare. Apparently the leadership on both sides were reluctant to do that because Senators were told there would be a vote today, and they are returning, some Senators are returning, only because they were told there would be a vote today in the whip notices on both sides.

Some people have asked how can this resolution mean anything when so many people with so many different viewpoints are sponsoring it or are going to vote for it? I would like to say this to that point:

I believe that when you define détente carefully, as this resolution does, and you make clear that all détente means is an effort to regulate competition and conflict between the Soviet Union and the United States by means that will turn us away rather than toward war, it is very difficult to quarrel with that concept, and that is why this resolution will pass overwhelmingly, and why it is very difficult to take it on directly.

Some people will vote for it, I think, who would prefer that there be no such resolution before the Senate, but they do not know exactly how they can oppose the resolution as it is drafted because it makes so very much sense.

Both Secretary Kissinger and Secretary Rumsfeld have in recent days stated exactly what is in the resolution,

> That we do not propose a policy of détente based upon trust of the Soviet Union. We are talking about something very, very different. We are going to keep our guard up militarily and we look for actions that mean that détente can work successfully.

I now yield to the distinguished Senator from Massachusetts, if I have any time remaining to yield.

The PRESIDING OFFICER. The Senator from California does not have any time left.

Mr. CRANSTON. May I ask Senator BUCKLEY if I could have just a few moments for the Senator from Massachusetts.

Mr. BUCKLEY. Three minutes, please.

Mr. CRANSTON. I thank the distinguished Senator.

Mr. KENNEDY. I thank the Senator very much.

I want to indicate that I am delighted to be a cosponsor of this resolution, and to commend our colleague, the Senator from California (Mr. CRANSTON) for bringing this matter before the Senate. I feel that a strong vote by this body on this issue is in our national interest, and in the interest of peace and security throughout the world.

Mr. President, I hope that, with the passage of this resolution, the administration will take it as a very clear mandate; namely, that many of us in this body feel strongly that, in spite of the fact we are in an election year, it is imperative we move forward in the critical area of SALT and arms limitations.

One of the outstanding credits to American foreign policy in the period since World War II has been the avoidance of nuclear conflict. And I think that, if there is one overriding consideration in the area of American foreign policy, it has to be in trying to reach some sensible solution to the ever-present nuclear arms race.

I feel the administration, quite frankly, has put this on the back burner in terms of its objectives for the year 1976; and, like a number of other Members of this body, I do not feel we can wait for the outcome of the election of 1976 and for another administration, whether it is this one or a new administration, to focus on this particular issue.

I reject the argument that any agreement with the Soviet Union is basically a one-way street favoring the Russians. I think any recent review of world history would show that the Soviet Union has suffered some important defeats: In Indonesia, China, Japan, Portugal, Yugoslavia and many other places in the world.

Mr. President, it is imperative for us, this year, to move forward in a wide range of different arrangements that are being considered with the Soviet Union, primarily in the area of SALT, in attempting to reach another nuclear arms agreement, and in indicating to our friends and allies around the world that there is no doubt about the will of the United States to exercise its responsibility in maintaining peace and security around the world—in spite of voices we have heard at the highest levels of the administration, even among those officials charged with carrying forward American policy.

There is no lacking of will by the American people; there is no lack of will, I believe, in Congress, that we will exercise our strength when it is necessary. But we should, above all else, be willing to push forward in the extremely important area of strategic arms and the possibilities at SALT.

The PRESIDING OFFICER. The Senator from New York is recognized.

Mr. BUCKLEY. I thank the Chair. Before I yield to the Senator from Virginia, I would like to say, Mr. President, I intend to vote in favor of this resolution, but I think we should all recognize that it is, with all due respect to its authors, a collection of platitudes, and I would suggest that, if they were here today, the late Senator from Wisconsin, Senator McCarthy, could vote for it and would vote for it—I am talking about Joseph McCarthy—and I am talking as well of Eugene McCarthy. It is a resolution which expresses our concern for motherhood and, in that light, I intend to address its specifics a little later.

But, first, I would like to yield 5 minutes to my friend from Virginia, Senator SCOTT.

Mr. WILLIAM L. SCOTT. Mr. President, I thank the Senator for yielding.

I regret that Senate Resolution 406 has been brought up. It seems to me that it adds to the same rhetoric the resolution condemns. I fail to see that it serves any useful purpose at all and hope that the sponsors of the Senate resolution will withdraw it.

When one starts analyzing and looking at the content of the resolution, and that is what I have before me, the content of the resolution, the first part saying:

> There is an urgent need for common sense and clarity in expressing the real interests of the American people and their Government in foreign policy matters.

Nobody can quarrel with this first paragraph at all. None of us are going to come out against commonsense and clarity.

But when we look further on to the next paragraph where it says:

> It is in the nature of the American political system and foreign policy is a legitimate concern and an appropriate issue for debate in our elections and in the public arena generally. But the strident voices which are a frequent part of such debate should neither mislead other countries nor cloud the fundamental issues.

Whose are the strident voices that the sponsors of the resolution are talking about? Are these strident voices embarrassing someone? Are the strident voices those of candidates with which an individual Senator disagrees? Would they stifle the first amendment, the freedom of speech in this country?

Strident, loud, shrill, hoarse voices. They do not like these voices.

Yet I saw a television program only last night in which two of the sponsors of this resolution were on the Martin Agronsky Show, the distinguished Senator from California (Mr. CRANSTON) and the distinguished Senator from Maryland (Mr. MATHIAS), and they were expressing their opinions.

I do not agree with some of the things they said, but, certainly, they have every right to be on the program and to express their views with regard to foreign relations. I submit, Mr. President, that so does every other Member of the U.S. Senate.

I believe it is wrong for the Senate to get into the middle of a political contest by condemning strident voices without identifying the strident voices.

We can look further to the second page of the resolution that relates to the relationship between the Soviet Union and the United States as not being the touchstone of our entire foreign policy.

The balance of the resolution sounds very much like a campaign speech. It oversimplifies the difficulties and the perilous matters that relate to foreign affairs.

This is a resolution which I understand no committee of the Senate has considered. It would seem to me, therefore, that not only should the Committee on Foreign Relations consider the resolution before it is brought to the floor of the Senate, but also the Committee on Armed Services, because it is within the jurisdiction of both of those committees.

I believe it is perfectly all right for an individual Senator to indicate his view. But no one Senator, no small group of Senators, no staffer who may have prepared this resolution, can speak for 100 Members of the U.S. Senate. I do not believe the views expressed here actually reflect the views of 100 Members of the Senate. It appears to be an attempt to cover the entire field of our relationship with the Soviet Union in a 4-page resolution to be acted upon by only one body of the Congress—the Senate, a Senate resolution. The House of Representatives would not act upon it.

I believe it is an attempt to speak for the American people even though only eight Members of the U.S. Senate are in the Chamber debating this matter. We know the other Senators are away on business, in committees, or elsewhere, but they do not hear this debate we are having, and we are talking about important foreign relation matters.

I believe that adoption of this resolution would add to the confusion.

I did intend to ask for a rollcall vote, but I understand that under a previous order a rollcall has already been agreed to. I ask the Chair to verify this. Has there been an order for a rollcall vote?

The PRESIDING OFFICER. The Senator is correct. There has been a prior consent agreement.

Mr. WILLIAM L. SCOTT. I appreciate the information.

I expect this resolution will be passed, but I believe it will be passed by a divided vote.

I heard the distinguished Senator from New York indicating that he felt it was a nullity, but he was still going to vote for it.

I do not see any reason for us to pass a nullity, something that the distinguished former Senators he mentioned who differed widely in their philosophy and beliefs could vote for.

I consider the resolution to be more rhetoric. It seems to me it would be much better if we had less rhetoric, if we had the committee charged with the responsibility of considering foreign relations and the defense of this country pass upon this matter.

I hope the resolution will not pass, or, as alternatives, it be withdrawn or referred to the appropriate committees of the Senate.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. MANSFIELD. Will the Senator yield me some time?

Mr. CRANSTON. The Senator from New York is in charge of the remaining time.

Mr. BUCKLEY. How much time does the Senator wish?

Mr. MANSFIELD. Ten minutes.

Mr. BUCKLEY. I am afraid I cannot at this time.

Mr. MANSFIELD. Will the Senator yield me 10 minutes?

Mr. CRANSTON. My time is——

The PRESIDING OFFICER. All time is controlled by the Senator from New York.

Mr. BUCKLEY. I yield the Senator 5 minutes.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the time be extended until 10 minutes to 4 o'clock.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

Mr. MANSFIELD. And that the control of the division still hold.

Now may I have 10 minutes?

Mr. CRANSTON. Most certainly.

Mr. MANSFIELD. Mr. President, I have been listening to the debate being conducted in this Chamber about a resolution which has been referred to as a nullity, about a resolution which it is said should have been referred to the Committees on Armed Services and Foreign Relations, a resolution which certainly will not draw the support of 100 Senators, but a resolution which I hope will draw the support of a majority of the Members of this body.

It is true that this resolution is not binding and that it expresses only the sense of the Senate. It is on a matter which has become a factor in the present political campaign and will become so in campaigns in which Members of this body will indulge in later this year.

I wonder sometimes if we do not place too much emphasis upon our relations with the Soviet Union and not enough on our relations with the People's Republic of China.

I think that one is as important as the other and, in many respects, our relations with the People's Republic at this point may be more important than our relations with the Soviet Union which, after all, have been in existence for so many years—since 1933, I believe.

It is true, as the distinguished Senator from Virginia has said, that no one can find fault with the first paragraph. There is an urgent need for common sense and clarity in expressing the real interests of the American people and their Government in foreign policy matters.

Unfortunately, that common sense and clarity has not been too conspicuous in the Presidential campaign so far.

We find, for example, a candidate saying that détente—shall I mention that word, I think I will, as it is in the dictionary—is a one-way street. We cannot abolish a word with a wave of the hand, as Canute tried to hold back the waves from the sea.

What is wrong with détente? What is wrong with trying to arrive at reasonable agreements to difficult questions with another great power, be it the Soviet Union or the People's Republic of China?

Getting back to what I said, foreign policy has been becoming an issue in the present campaign. We find, for example, to repeat, that one candidate refers to détente as a one-way street. Another candidate goes down to Miami and promises the Cubans everything but the Moon. And there are other candidates who say, "Well, this is what we should do in the Middle East, and we are not doing it, and this is what we should do elsewhere. Africa, Asia, and Latin America are hardly mentioned.

Nobody has gotten down to the nub of the matter. The fact is that foreign policy is a major element in the affairs of this Government, and that it should be considered not for presumed political profits because, based on how our foreign policy turns out, may well depend the future of ourselves, and more importantly our children and our children's children.

> It is in the nature of the American political system that foreign policy is a legitimate concern.

And it is—

> and an appropriate issue for debate in our elections.

And it is—

> and in the public arena generally. But the strident voices which are a frequent part of such debates should neither mislead other countries nor cloud the fundamental issues.

As far as this resolution being referred to Senate committees, I would point out that the master of all Senate committees happens to be the Senate itself, and a better place could not be found to discuss an issue of this importance.

Then the resolution states:

> Although our relations with the Soviet Union are not the touchstone of our entire foreign policy, they have a bearing on all other problems and it is therefore particularly necessary that we should sort out the difficulties that have arisen in the relationship.

Not only with the Soviet Union, may I say, but with the People's Republic of China as well, which may, in the long run, be the most important.

Then the resolution states:

> Without any illusions about the serious differences between the United States and the Soviet Union or about the nature of the Soviet system, and without any doubt about the necessity for the United States to remain unchallengeably strong militarily, we believe that the survival of the values we cherish in our free society and the survival of civilization require calm and deliberate regulation of the relationships between the great powers of the earth,

So on and so forth.

It could not be stated more accurately. Continuing:

> so that the danger of nuclear war can be reduced, and the international system can be strengthened to meet the aspirations of the people of all nations.

Nuclear war? It is my understanding that the Soviet Union has enough in the way of nuclear weapons and devices to destroy us and the rest of the world 20 times over, and that we have enough in the way of nuclear weapons and devices to likewise destroy the Soviet Union and the world 20 times over. That is something which ought to give us cause for a pause. We go on spending billions of dollars, in the hundreds of billions of dollars, for defense purposes without giving much thought to that fact.

The Soviet Union does the same thing, and money spent for potentially destructive purposes is being frittered away when it could be used for purposes which would be of benefit to the people of each nation and the world.

And then it says:

> We affirm our twin determination to do all that we must to defend and protect our Nation militarily while at the same time exploring, energetically and effectively in good conscience and in good faith, every reasonable opportunity to lessen international tensions.

Mr. President, we have no choice. We have to reduce international tensions wherever they occur, not through aggression, not through intervention, but through diplomatic methods. In that way I think we ought to give support to the Secretary of State whenever and wherever possible.

His job is difficult enough without it being made more difficult. I say this despite differences I have had, and still have, with the Secretary of State about creating a third ocean navy extending into the Indian Ocean; despite my very drastic differences with him over Laos, Vietnam, and Cambodia; despite my differences with him over a possible additional funding of operations, covert and otherwise, in Angola.

But he is a man of good intent, good mind, good will, who has the interests of the country at heart. While we may differ with him, I think that we ought to recognize the onerous responsibilities which are his in behalf of all of us.

To conclude:

> We therefore support efforts:
>
> 1. To conclude, at an early date, practical and realistic agreements for the stabilization and reduction of the strategic military com-

petition between the United States and the Soviet Union, based not on trust but upon actions.

I wish we could go beyond limitation and adopt the Jackson proposal for a reduction in armaments. That is the answer, not limitation, because we limit and still build. We still carry on research and development. We still spend tens of billions of dollars on weapons, many of which, in the long run, turn out to be ineffective, useless, and worthless.

And then the second resolve is:

> 2. To elaborate and extend opportunities for diplomatic, economic, commercial, social, cultural and other societal initiatives between the United States and the Soviet Union, with a due and deliberate regard for the balance of risks and advantages of such relations.

What this means, in effect, is that we ought to carry on the old Harriman concept of competitive coexistence. Why not? We do not agree with their system; they do not agree with ours. We think ours is better, much better, and I think events are proving that to be true.

But there is nothing wrong in carrying on coexistence based on competition. I believe in the long run we can and we will come out on top.

So, Mr. President, may I say that while this is only a sense-of-the-Senate resolution, there is much more I would like to comment on but my time is up.

May I say that this is a step in the right direction. I hope that all the candidates for the Presidency and all the Members of the Senate will use common sense in discussing foreign policy, that they will be clear in the expression of their thoughts, but they will keep in mind the overriding interest of the American people, which is peace. At the same time I am sure they all will, each in his own way, understand also that as far as foreign policy is concerned it is a legitimate question for public debate; that foreign policy does not stop at the water's edge. There are differences and they should be brought out, not for the purpose of gaining votes but for the purpose of explaining and educating the American people as to what our foreign policy is, what it means, what its consequences could be, and how important it is to the future of this country and those who will follow us.

We have a great responsibility. We should not think of ourselves alone in expressing our views, but we ought to give a little thought to those who will come after us.

Mr. CRANSTON addressed the Chair.

The PRESIDING OFFICER (Mr. FANNIN). The Senator from California.

Mr. CRANSTON. Mr. President, I welcome the support and the comments of the Senator from Montana. His sponsorship, his support for, and speaking for the resolution is, of course, of vast significance, not only because of his leadership role in the Senate but because of his very great knowledge of foreign policy.

I would like to say also that I welcome the statements from the Senator from New York and the Senator from Virginia. What they have said fulfills the fondest hopes of the Senator from Tennessee and the Senator from California who, when they drafted this resolution, set out to define détente accurately and fully in a way that would make it very, very plain that the basic policy of détente cannot be attacked substantively. The remarks of the two Senators have made very plain that that is true. They have not attacked, at least not yet, the concept of détente as defined in this resolution. Instead, they have called it "motherhood." Well, of course, one cannot attack motherhood, either. They have called it a nullity. There is no use opposing a nullity. I gather at least one of the two Senators intends to vote for the resolution.

We welcome the votes of all Senators willing to vote for it, because the strong endorsement of this careful definition of détente, which is very different from some of the things that have been said in this Chamber and elsewhere in this country about détente, is, we believe, a very significant move for the American people and for the peace of this world.

Mr. BUCKLEY. Mr. President, first of all, the Senator from Alabama asked for 3 seconds, which I gladly yield him. I am sure the Senator from California will yield him more than 3 seconds.

Mr. CRANSTON. I am delighted to yield the Senator whatever time he needs, since we have time available.

Mr. SPARKMAN. Mr. President, I thank the Senators. I know something about the drafting of this resolution. I know the changes it went through, in the course of conversation with various Senators on this floor, trying to attain a meeting of the minds; and I think it does just that.

Words have been said here about détente. Of course, the President dropped that word from his vocabulary, but that did not worry me one bit, because he went on and explained what he was for, and it was the same thing as détente, but just in the good old English language.

I think of détente as being friendly relations, trying to get along with one another, and I think that is what this resolution pertains to. It has been well drafted. I notice about a third of the members of the Committee on Foreign Relations are listed as cosponsors on this resolution. We would not propose something if we did not think it was for the good of the country. I think this resolution is, and I hope the Senate will adopt it by an overwhelming vote.

Mr. CRANSTON. I thank the Senator from Alabama very much. His support, too, means a very great deal.

Mr. BUCKLEY. Mr. Prseident, I yield myself 5 minutes.

I think we all agree that we need to try to chart a safe course in a dangerous world. I was not aware that this resolution constitutes a definition of détente. The word appears in only one place, where it says the resolution is not a semantic debate about the meaning of the word "détente."

In fact, the word "détente" is now subject to such an infinity of meanings that I suspect it tends to lose its utility. I personally favor the meaning held by the Soviet Union: the recognition that we are in an era of conflict, and that it is a policy we cannot help pursuing in view of the aggressiveness of the Soviet Union, but hopefully it will not express itself in terms of armed confrontation.

I believe no one can disagree with this resolution, which therefore does not provide us with any kind of guidance as to where foreign policy can take us, though we do know there are some very strong differences of point of view as to specifics within this body. For example, the resolution states:

> We therefore support efforts:
>
> 1. To conclude, at any early date, practical and realistic agreements for the stabilization and reduction of the strategic military competition between the United States and the Soviet Union, based not on trust but upon actions.

I could not agree more. That is why I joined with 15 of my colleagues in sending a letter to the President, a month and a half ago, which, among other things, contains these two paragraphs:

> We are alarmed that several public figures, including a few of our colleagues, have pressed for an immediate arms accommodation with the Soviet Union. These dangerous and unnecessary demands for haste reflect an unwarranted faith that any settlement is a good settlement.
>
> For the United States, a bad treaty is worse than no treaty. Proper vigilance and informal arrangements now permit the superpowers to adjust their strategic forces to political and technological change. However, a short-sighted or ambiguous agreement which prevents necessary force adjustments could lock our country into a previously avoidable nuclear confrontation.

Mr. President, I ask unanimous consent that the full text of that letter be printed in the RECORD at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. WILLIAM L. SCOTT. Mr. President, will the Senator yield briefly at that point?

Mr. BUCKLEY. I yield.

Mr. WILLIAM L. SCOTT. Mr. President, the Senator was speaking of détente and the efforts to ease tensions as being a good thing, and then he speaks of actions with regard to reducing the military power of the two nations. But is it not a fact that *détente*, as we understand it, is inconsistent with the Soviet Union's building up its military forces and continuing, over the years, to do that, while we decrease our military strength?

Mr. BUCKLEY. The Senator from Virginia has correctly described what has in fact gone on, which is why I emphasize that the Soviet Union has a very different understanding of détente than we do.

I would also point out that in July of 1973, in the name of detente and the spirit of détente, President Ford and Chairman Brezhnev signed an agreement in which each side undertook to warn the other if they had any advance notice of an impending regional war, and that each side would do its best to suppress and contain it.

Only 4 months later, we found that the Soviet Union neglected to advise the United States that they knew there was about to be an outbreak of hostilities in the Middle East, and the Soviet Union proceeded to send large shipments of arms to Syria and Egypt, and tried to get all the other Arab states to join in.

So let us remember that the word "détente" is treacherous and slippery, and we need to know exactly what we mean when we utilize it.

Mr. CRANSTON. Mr. President, will the Senator yield for a brief question?

Mr. BUCKLEY. Gladly.

Mr. CRANSTON. The Senator cited one on page 2, which states:

> We therefore support efforts:
>
> 1. To conclude, at any early date, practical and realistic agreements for the stabilization and reduction of the strategic military competition between the United States and the Soviet Union, based not on trust but upon actions.

Does the Senator quarrel with that?

The PRESIDING OFFICER. The Senator's 5 minutes have expired. Who yields time?

Mr. CRANSTON. The answer will be on my time, and the question on my time also.

Mr. BUCKLEY. Yes. As I say, I totally agree with just about every word in here, but I say it is a meaningless document insofar as giving any outsider any form of guidance as to the specifics of foreign policy is concerned. That is why I endorse the statement.

Mr. CRANSTON. Does the Senator disagree with the desirability of the pursuit of "practical and realistic agreements for the stabilization and reduction of the strategic military competition between the United States and the Soviet Union, based not on trust but upon actions?"

Mr. BUCKLEY. Of course I agree. I know of no one that would disagree with such a statement. We have vast disagreement as to what constitutes the kind of action that we can rely upon.

Mr. CRANSTON. Well, of course, that will come back to the Senate for ratification.

Mr. BUCKLEY. To pursue this a little farther, the resolution urges that we—

> Elaborate and extend opportunities for diplomatic, economic, commercial, social, cultural and other societal initiatives between the United States and the Soviet Union, with a due deliberate regard for the balance of risks and advantages of such relations.

I would say that is a statement, too, which many people of opposing views as to the prudence of certain types of commercial intercourse with the Soviet Union can subscribe. Some people believe that we are running very large risks to our ultimate freedom and security by having a kind of commerce that unilaterally benefits the Soviet Union through the transfers to that country of certain advanced technologies without any reciprocal return to us.

I could go on item by item through here, to illustrate the simple fact that this is a statement that I would place in the category of being for motherhood. Of course we want to lessen tension. Of course we want to have a realistic policy in this country that will protect our interests, while seeking to avoid the horrors of atomic war.

I must confess that I welcome the inclusion in this statement of something that we have seen insufficiently touched upon in past resolutions of this sort; namely, an emphasis on our need to maintain our military strength—to use the exact words of the resolution, that we "remain unchallengeably strong militarily." I think that this does reflect a new understanding of realism in this body, an understanding that one cannot deal effectively in the global arena in attempting to contain the attacks on freedom and the attempts to subvert freedom in different parts of the world, unless the United States speaks from a position of strength. Not only must it speak from a position of military strength, it must also speak with a credible will, and this is where, frankly, I think we may have lost ground in recent months.

EXHIBIT 1

U.S. SENATE,
Washington, D.C., February 5, 1976.

HON. GERALD FORD,
President of the United States,
The White House,
Washington, D.C.

DEAR MR. PRESIDENT: In this year's State of the Union address, you expressed hope that "a further agreement to limit the strategic arms race may be achieved." We share that hope. You also cautioned, "Only a balanced agreement will serve our interest and minimize the threat of nuclear war." We share that caution.

We are alarmed that several public figures, including a few of our colleagues, have pressed for an immediate arms accommodation with the Soviet Union. These dangerous and unnecessary demands for haste reflect an unwarranted faith that any settlement is a good settlement.

For the United States, a bad treaty is worse than no treaty. Proper vigilance and informal arrangements now permit the superpowers to adjust their strategic forces to political and technological change. However, a short-sighted or ambiguous agreement which prevents necessary force adjustments could lock our country into a previously avoidable nuclear confortation.

Hurried diplomacy creates vulnerability and distrust, not arms control and understanding. When questioned, we Americans rush to reveal our deepest secrets. However, we are embarrassed to question the activities of those who hide everything. For this reason, the security of our nation requires that any arms accord be easily and absolutely *verifiable*. Weapons systems such as strategic cruise missiles, whose range and purpose are difficult to determine without continuous inspection of every vehicle, must not be subject to limitations which can be enforced only in open societies.

The terms of any treaty must be *clearly understood* by all parties so that violations can be quickly identified and corrected. Strategic bombers, launchers, heavy ICBMs, MIRVed missiles, and similar items must be sharply defined, and there can be *no secret agreements.*

Since our American nation is slow to take up arms when new threats are discovered, a sufficient *margin of security* must be provided to permit remedial action before irreparable harm can be done. Equality in throw weight and numbers will provide a good measure of this standard.

Each step in the advance of detente must be a test to determine whether another step should be taken. The Soviet Union must match the restraint already shown by the United States both in written agreements and in unilateral actions. Until the Soviet Union ends its massive deployment of increasingly accurate heavy ICBMs, the option to improve and increase our own, much smaller ICBM force must not be restricted.

Disorder on all continents reminds us that two hundred years of successful democracy have not yet guaranteed the survival of the American republic. In this significant year, any strategic arms limitations will receive rigorous public examination and evaluation. Given the difficult issues which remain to be settled, we ask you to instruct the Secretary of State that negotiations should continue without regard to ill-advised demands for an immediate agreement.

Respectfully yours,

Strom Thurmond, Bill Brock, Carl T. Curtis, Paul Laxalt, James B. Allen, Jesse A. Helms, James L. Buckley, Ernest F. Hollings, James A. McClure, Dewey F. Bartlett, Robert Dole, Jake Garn, Paul Fannin, Clifford P. Hansen, William L. Scott, and Richard Stone.

U.S. SENATE,
Washington, D.C., January 22, 1976.

DEAR COLLEAGUE: I ask you to join with me in a letter to the President which assures him that we prize a balanced agreement on strategic arms limitations far more than an immediate agreement. We ask him to inform his diplomatic representatives that no outside timetable will be imposed upon their efforts to reach a sound accord based on solid principles.

Recent Congressional Hearings, scholarly articles, and media reports have underscored the difficulties which the United States is experiencing with the 1972 ABM treaty, the 1972 interim agreement, and the 1974 Vladivostok accords. The many criticisms from men of diverse political opinions are not simply political rhetoric. Most focus on the real mistakes made in the rush to obtain each of the agreements.

The present phase of the SALT negotiations must correct old errors and avoid new ones. Many difficult issues remain to be settled before a new agreement, acceptable to the American people, can be reached.

The Congress has urged the President to seek an arms accord which would not leave the United States with strategic forces inferior to those of the Soviet Union. Given the difficulty in predicting the dynamics of nuclear arms development, this is no easy task. Only patient diplomacy can resolve this issue safely.

Ambiguities and gaps in earlier agreements have resulted in numerous charges that the Soviet Union is circumventing and violating the terms accepted by both parties. The national press has suggested that further violations will come to light. In this atmosphere of uncertainty, the President should not feel compelled to reach an immediate accommodation on strategic arms limitations.

I am enclosing a draft letter to the President assuring him of our greater interest in the substance of any agreement than in its timing. If you would like to join me in signing this letter or if you have any questions, please have your staff contact Ron Lehman from my staff, at X45597.

With best wishes,

Sincerely,

JAMES A. MCCLURE.

Mr. BUCKLEY. Mr. President, I reserve the remainder of my time.

Mr. JAVITS. Mr. President, will the Senator yield me time?

Mr. CRANSTON. I yield 5 minutes to the Senator from New York.

Mr. JAVITS. Mr. President, I shall support this resolution. I am very glad to see it is supported by a good many Members. I am very pleased to see the chairman of the Committee on Foreign Relations supports it.

We did not consider it in the Committee on Foreign Relations, because it was put right on the calendar. I understand why. That is because it really is an expression with which it can be generally agreed does not have any plenary enforcement, et cetera, contained within it.

But, Mr. President, I nevertheless consider it important coming exactly at this time, and the reasons are as follows: There is a lot of confusion about the use of the word "détente."

My colleagues have just defined it as a word showing weakness on the part of the United States. There is the fact that we employed it at all because, allegedly, it has been taken advantage of by the Soviet Union. On the other hand, the President rejects the word on the ground that it has connotations that the United States is going to wait or take unilateral action in connection with an effort to reduce armaments, et cetera, instead of calling for what is the key to all our relations with the Soviet Union.

I might suggest to Senator CRANSTON that I would like to see the word, if he is so advised, somewhere in here, and that is the word "reciprocity."

I understand very clearly that every contract is reciprocal, because the two parties can agree or refrain from agreeing.

But this is essentially a declaration of purpose, and the key part of it, which I shall read in a minute, states that—

> We declare it to the American purpose.

He might consider inserting the word "reciprocity" at the end of paragraph 2. The words would be "and for reciprocity," or inserting that word in the succeeding paragraph, paragraph 3.

Mr. CRANSTON. To which paragraph 2 is the Senator referring?

Mr. JAVITS. "To elaborate and extend opportunities for diplomatic," et cetera, in the resolution.

Mr. CRANSTON. Where would he place the word "reciprocity"?

Mr. JAVITS. "* * * and for reciprocity" to come at the end of 2:

> * * * with a due and deliberate regard for the balance of risks and advantages of such relations, "and for reciprocity."

Mr. CRANSTON. Mr. President, since the yeas and nays have already been asked for, I do not have the power to do that on my own. I think it is a fine proposal. I ask unanimous consent that the resolution be modified as suggested by the Senator from New York.

The PRESIDING OFFICER. Without objection, it is so modified.

Mr. JAVITS. I thank my colleague very much.

I think it is clearly implied, but I believe that word is central to our purpose and to what ought to be their purpose.

Mr. CRANSTON. That is a very fine proposal and I thank the Senator.

Mr. JAVITS. I thank my colleague very much.

Mr. President, I think my reason is summed up in the very last sentence of this resolution before it says "This resolution shall be transmitted," et cetera. The author, Senator CRANSTON, I think is entitled to a lot of credit for having the initiative to bring this out promptly at this time, as I say, when détente is in such confusion. I might add, parenthetically, as a U.S. Senator from New York I think it is a great mistake to abandon the word "détente."

For years I tried to convince people to call me a progressive Republican, Mr. President. They never would. They always called me a liberal Republican, and I could not possibly get away from it. So I stopped trying.

The PRESIDING OFFICER. The 5 minutes have expired.

Mr. JAVITS. Could I have 1 more minute?

The PRESIDING OFFICER. The Chair requests that the modification of the Senator from California be sent to the desk.

The modification is as follows:

> 2. To elaborate and extend opportunities for diplomatic, economic, commercial, social, cultural and other societal initiatives between the United States and the Soviet Union, with a due and deliberate regard for the balance of risks and advantages of such relations and for reciprocity.

Mr. CRANSTON. I yield 1 additional minute to the Senator.

Mr. JAVITS. I thank my colleague.

Mr. President, the word "détente" has become a word of art in this situation. The definition "lessening of tensions" suits it perfectly.

The fact is that we live in a very turbulent world, and the voice of any great nation, like our own, makes it clear, as this resolution says, that we want to manage, if we can, with the saving of civilization, this turbulent world with a minimum of violence and a due respect for the human rights of all people to live where they choose and how they choose in dignity, independence, and freedom. These words are so expressive that if it had nothing else in it, Mr. President, it deserves the unanimous vote of the U.S. Senate.

I thank my colleague for the time.

The PRESIDING OFFICER. Who yields time?

Mr. BUCKLEY. Mr. President, I yield myself 2 minutes.

I shall continue my progression down the specific language of the resolution to indicate why I can find myself in full accord with it.

I now go to the final paragraph beginning with the words "We believe":

> We believe, finally, that the responsible exercise of the power of the United States can and should be used in ways that are consistent with our principles and our enlightened self-interest . . . with a minimum of violence and a due respect for the human rights of all people to live where they choose and how they choose in dignity, independence and freedom.

I wholeheartedly subscribe to that. And when I speak of human rights of all peoples. I think most particularly of the rights of the people in the countries of Eastern Europe, for example, Estonia, and the other Balkan States, who have been deprived of human freedom and independence by the Soviet Union since the days of World War II.

I might state, incidentally, that if we subscribe and truly take this paragraph to heart, it records total repudiation by this body of a story that appeared in this morning's Washington Post, which I hope has no validity in fact but which nevertheless suggested that Mr. Sonnenfeldt of the State Department, in a meeting of European Ambassadors, stated that, in effect, we should encourage the organic incorporation of the Eastern European states into the Soviet Union.

Mr. WILLIAM L. SCOTT. Mr. President, will the Senator yield briefly.

Mr. BUCKLEY. Gladly.

Mr. WILLIAM L. SCOTT. Mr. President, the Senator has reviewed various sections of this resolution, and I call his attention to numbered paragraph 2 on page 3, which reads, in part:

> To elaborate and extend opportunities for . . . commercial,—for commercial . . . initiatives between the United States and the Soviet Union.

Does he favor expansion or taking further initiative to help the Soviets with truck factories? Does he favor similar initiatives to help the Soviet Union with computer technology, to help it develop its oil resources, or to help the Soviet Union develop its war-making powers?

I believe I know the answer, but that is something that we ought to think about, and I ask the Senator's views on this.

Mr. BUCKLEY. Mr. President, I am grateful to the Senator *from Virginia* for focusing attention on that particular section, because I am sure that many would interpret this resolution, if it is adopted with my vote included, as in effect endorsing all-out trade with the Soviet Union without any thought of the consequences.

However, I point out that the sentence from which the Senator from Virginia read concludes with the following phrase:

> With a due and deliberate regard for the balance of risks and advantages of such relations.

I suggest that to continue to do as we have in the past, to help the Soviet Union establish a truck-building capacity that has a capacity larger than the entire American truck-building capacity, a capacity significantly larger than the capacity of Soviet commercial trucking to absorb, obviously represents something that has military implications, has implications in connection with giving the Soviets the capacity to compete in international markets with us, which in my judgment does not involve a balancing of risks or of advantages in these relations.

Of course, the other examples he has cited, in my judgment, would be beyond bounds.

Mr. WILLIAM L. SCOTT. Would not the Senator agree that the capacity to manufacture trucks might be used in time of war, or even in anticipation of war, to build tanks? I believe that the Soviet Union far outnumbers the United States in the production of tanks.

It seems to me that when we ask for things such as this—and I am aware of the language that follows, to which the Senator has referred—we are pretty much helping to dig our own grave.

Mr. BUCKLEY. I believe that if we

do not exert the commonsense called upon in the early part of this resolution, this is precisely what is apt to happen.

Mr. President, I was in charge of the time under a unanimous-consent agreement only because the Senator from Tennessee, who is a coauthor of this resolution, was not on hand. I hope that I have handled my responsibilities, prior to his return, in a manner consistent with his liking.

I return the control of the time to the Senator from Tennessee and say that I shall vote in favor of Senate Resolution 406, just as I would vote in favor of the Ten Commandments and the Golden Rule.

Mr. BAKER. Mr. President, I express my gratitude and appreciation to the distinguished junior Senator from New York for his excellent handling of this matter while I was necessarily absent from the Chamber.

I am particularly grateful to him for his expression of support in such a magnificent way. I am sure that had he helped coauthor the Ten Commandments, I would have a similar feeling; but since I did not, I settle for second best. [Laughter.]

Mr. President, I have listened to a great deal of comment in the brief time that has been available to me, since I was able to return to the Chamber, about the general nature of the language, particularly about section 2 on page 3, and about other sections. However, I think it is important to those of us who take part in this debate to have general agreement among the Members of this body, that sometimes the election to make a general statement of principle is important in the context of the times. I believe this resolution is important in the context of these times.

It is no criticism of those who are standing for public office through the nominating process, who aspire to be the nominee of one or the other of the two great parties as President of the United States, to say that in the extensive debate on foreign policy that is an inevitable and desirable part of the campaign process, it is entirely possible that some people, perhaps in this country, but certainly abroad, may misunderstand the nature of the American political system.

It is with that in mind that I was pleased to join the Senator from California as the principal cosponsor of Senate Resolution 406, to place our interpretation and, hopefully, the interpretation of the Senate, on the fundamental general tenets of foreign policy and defense of the United States of America. It is not to state all the precepts and fundamental concepts of America's military and foreign policy, because that not only would be beyond my competence but also because it probably would be undesirable in terms of the nature of this proceeding—that is, a resolution to be considered by the Senate today without extended committee consideration and debate. It is, rather, the opportunity to make a general statement, important in the context of the times.

The statement, to me, is summarized throughout Senate Resolution 406: That the twin tenets of American policy are to remain unchallengeably strong in terms of our military might and at the same time have the courage to "elaborate and extend our opportunities for diplomatic, economic, commercial, social, cultural, and other societal initiatives," as well as to courageously but realistically have some sort of limitation of strategic weapons.

Mr. President, it may be that a part of our concern about the adoption of a statement of this sort, a statement of general principles on foreign policy and defense measures, goes back to the earliest beginnings of civilization, at least to the earliest times when organized armies contended against each other for the soil of Western Europe and of the Middle East, when often the outcome of those conflicts depended upon the quality of the leadership, the generalmanship, the nature of the strategy, and the tactics that were imparted to the order of battle by distinguished leaders. At that time, of course, it was important not only to have ample armaments but also to have the right people lead our ancestors in battle.

But there is something new and different now, Mr. President, in the age in which we live, and that is the undoubted ability of mankind to incinerate itself in a nuclear holocaust. That never confronted us before and only recently has been a serious part of the strategic or diplomatic equation. But it undoubtedly is a part of reality today, and it seems to me that this difference between now and then gives rise to another responsibility, and that is to exercise our best efforts, our best judgment, our most persistent initiative, to minimize and diminish the risk of nuclear war, and that is precisely what this resolution is about.

It seems to me that the only way we can guarantee or at least enhance the assurance that the next generation will have equality of life and a future at least equal to those which we inherited from our forebears—the only way we could enhance the prospects of survival—is to diminish the chance of nuclear war, this new element in the equation for survival.

Mr. President, it seems to me that Senate Resolution 406 is a restatement of what all of us, in one way or another, have said in our public utterances, and that is that there is no realistic prospect of diminishing the possibility of nuclear confrontation unless we remain unchallengeably strong militarily; that in being strong, we should have the courage to negotiate, to negotiate a strategic arms limitation, to negotiate a diminution of the tensions between the world's super powers, to negotiate an expansion and elaboration of diplomatic, commercial, and other initiatives and opportunities for interchange between nations.

So I do not view with any particular concern the criticism, if it is a criticism, of Senate Resolution 406 to the effect that it is general in nature. Rather, I believe that the general statement of policy, taken in the context of these times, is an important admonition to our friends abroad that, notwithstanding the heat, the energy, the dynamic nature of American politics, notwithstanding the entirely desirable debate on the foreign policy future of the United States, notwithstanding our honest disagreement on techniques and the approach to the defense of this country, our military strength and our diplomatic initiative—that notwithstanding all these things, properly discussed in a Presidential season, it is important for nations abroad to know and for us to reiterate that there are two fundamental tenets of American foreign policy: One is military strength and the other is the courage to try something new.

Mr. President, this resolution was introduced last Tuesday by the distinguished Senator from California. I was pleased to join him as a cosponsor. During the course of my remarks on Tuesday, I remarked that the elective process offers to the American people in their capacity as this Nation's sovereign the principal opportunity to identify the issues and options confronting the Government and to make their choice of the course that the Government shall steer in dealing with these issues. I remarked then that the American people historically have shown a wonderful ability to choose well and to make the right decisions. I am confident that the election year of 1976 will not change my high esteem for this, the collective genius of the American people.

I am concerned, however, as are those of my colleagues who have joined in cosponsoring this resolution, that in the heat and fervor generated by the political process, and particularly the process of selecting a President, the fundamental issues confronting the country may be clouded and distorted both in the presentation to the electorate and in the messages that distorted presentations may signal to the world.

Because of the greatness of this Nation and its acknowledged leadership in the world community, the American political process is watched almost as closely abroad as here at home. The electoral process, leading as it does to the expression of the will of the sovereign, projects in a very real sense the image of the United States held by the people and governments of foreign nations.

It is the sense of this resolution, and I hope the sense of the Senate, that as we debate and discuss issues of importance, particularly in the area of foreign policy, we do not weaken or distort the world's perception of America's dual resolve to, on the one hand, defend by any means necessary her interest and, on the other, to seek wherever possible the peaceful resolution of conflicts and differences.

We who are sponsoring this resolution are particularly concerned lest, for short-term political advantage, our efforts to peacefully defuse the threat of confrontation inherent in the two systems of the United States and the Soviet Union, the so-called process of détente, is transformed into an election year strawman to be attacked and discredited by a simplistic and unrealistic analysis. By the introduction, and one hopes the passage, of this resolution, we who have sponsored it would lay the strawman to rest.

Instead of strawmen, I would ask that during the course of this election year, the debate focus on the single most important goal and the means to achieve it that this country has. That goal is the preservation and perpetuation of the Nation as invisioned by its founders and characterized by the freedom and personal liberty that we enjoy. The realization of this goal is a continual process and I seriously doubt that ever will we be able to rest securely in the knowledge that there is no threat to our existence. The means by which we must strive for the preservation of this great Nation are many—they are complicated, they are interdependent, and they are subject to gross distortion when analyzed as discrete and individual elements rather than indivisible parts of a whole.

That is not to say that the separate elements are not identifiable because, of course, they are; and we speak of them frequently and in many contexts. The economic strength of the United States is obviously vital to the preservation of the system that guarantees our liberty. Enlightened assistance that enables the developing nations of the world community to achieve a measure of self-sufficiency and to ease the plight of their empoverished and starving is also obviously vital to the interests of the United States. Finally, the proper development and implementation of the Nation's foreign policies and the maintenance of necessary military strength are also equally obvious, if not more important to the preservation of the Nation. Running through each of these is one common element that is far more important, that is so important that it transcends all the others, and that is the will and the determination of the American people to preserve and protect, at whatever cost, the freedoms that give meaning to this Bicentennial Year.

Our economic strength and our willingness to assist in the development toward self-sufficiency speak for themselves and are clearly evident to the rest of the world. I believe that it should also be clearly evident that the American people have the requisite will and determination to maintain whatever measure of military strength is necessary to insure that no nation can possibly profit by a resort to arms against our interest. On the other hand, it should also be clearly evident that in maintaining this position of real and demonstrable strength, we can afford to seek and explore every opportunity to lessen the possibility that that strength may be challenged.

This is not a question of retreat, appeasement or even magnanimity. It is a question of acknowledging the mutual obligation shared by the United States and the Soviet Union, as the two preeminent powers on a very small Earth, to develop and expand the possible spheres of agreement and to dilute and eliminate, wherever possible, the potential areas of conflict. We must have the confidence in ourselves as a nation to be fully committed to this obligation lest, by default, we allow resolvable problems to become the seeds of future conflict.

In filling this obligation, as stated in this resolution, we must support the attempt to achieve an agreement on the reduction of strategic arms and a de-escalation of the costly and dangerous strategic arms race. Obviously, such an agreement must be realistic in balancing the need to lessen the possibilities of cataclysmic confrontation without compromising the ability of the Nation to defend itself, and, if need be, decisively retaliate against aggression.

As the resolution also states, we must make every effort to achieve a normalization of other areas in our relations with the Soviet Union that signify a peaceful intercourse among members of the world community. We cannot afford the luxury of the delusion that we can isolate the Soviet Union from the commerce of the major trading nations of the world, and, by so doing, coerce the Soviet Union into changing its system of government or relenting from ideological competition. The Soviet Union, to paraphrase a popular song, can get along without us very well. On the other hand, a rational and balanced trade policy and increased exchange of social and cultural activities offer a number of mutual benefits, not the least of which is potential for drawing the Soviet Union into a relaxed and relatively unfettered interchange with the nations of the free world.

In my mind, the message that this resolution should signal abroad is that, wherever possible, we will cooperate with any nation and we will always attempt to make it in their interest to cooperate with us. It should also signal clearly that it cannot be in the interest of any nation to seek confrontation and not cooperation. Thus, quite frankly, I was surprised that some of the newspapers reporting on the introduction of this resolution characterized it as contradictory to the actions of the executive department in deciding not to participate in the planned meeting of three joint U.S.-Soviet commissions in light of the recent Soviet adventurism in Angola. In my mind, this resolution and the executive's refusal to "carry on" as if a subversion of the right of the Angolan people to determine their own government had never happened is entirely consistent.

I have spoken at some length, Mr. President, but I believe that the message contained in this resolution is extremely important, not only as a clarification of campaign issues but also as our analysis of the will of the American people. I am confident that this accurately represents that will and I would want the watching world to clearly understand the full import of this effort.

The PRESIDING OFFICER. Who yields time?

Mr. DOLE. Mr. President, the Senator from Kansas rises in support of Senate Resolution 406. I think that, listening to the discussion by the distinguished Senator from New York (Mr. Buckley) and the distinguished Senator from Tennessee (Mr. Baker) and others, I share many of the views expressed. I also heard it suggested that there have been strident voices on both sides. I wonder if the distinguished Senator from California would identify the strident voices which are a frequent part of such debates. Are those of someone we know?

Mr. CRANSTON. I am delighted to leave it to the imagination and great knowledge of political affairs of the Senator from Kansas.

Mr. DOLE. That is very specific. It is about like most of the rest of the resolution. That is why so many of us find it easy to support.

My support is based on the expectation, that this resolution will be implemented with firmness and with a strong resolve to stand up for our rights and for the principles of freedom and fairness in international diplomacy.

The Senator from Kansas would make specific reference to the provisions enumerated 1, 2, and 3. With reference to No. 1, which commences on page 2 and ends on page 3, I read the resolution to be consistent with a letter dated February 5, 1976, addressed to the President of the United States and *signed by 12* Members of this body. I ask unanimous consent that that letter be printed in the Record following my prepared statement.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. DOLE. Mr. President, I might say that the letter points out to the President with reference to a SALT agreement that:

> For the United States, a bad treaty is worse than no treaty. Proper vigilance and informal arrangements now permit the superpowers to adjust their strategic forces to political and technological change. However, a shortsighted or ambiguous agreement which prevents necessary force adjustments could lock our country into a previously avoidable nuclear confrontation.

The point we made in that letter to President Ford was that we should not rush into any so-called hurried diplomacy. We should not create any vulnerability. We should take our time and make certain any treaty is clearly understood, the terms of that treaty are clearly understood. It is on that basis, as I read the resolution, that I am pleased to offer my support.

In the context of recent events it is vitally important that the resolution should be implemented this way. For it is of great concern to me that the Soviet leaders have acted in recent times with an excessive amount of aggression. They have ignored our efforts to be reasonable, and in fact have trampled on our efforts to seek peaceful solutions.

RESPECT FOR FIRMNESS

In the past, the Soviet Government has responded most favorably when our Government has taken a firm position and has shown a strong resolve to stand up for what is right.

So, when it is time to stand up for our own rights and to stand up for the principles of freedom and fairness around the world, it is the opinion of this Senator that we must act in a united manner. It is the time to talk firmly to the Soviet Union about positive steps that can be taken to stop the aggression and the reckless activities by the Soviet Government.

CONGRESS IS WEAK SISTER

The administration recently has taken some steps to convey to the Russians our displeasure over their activities in Angola and elsewhere. While the seriousness of the intent behind these limited steps may be questionable, they are at least some expression of a willingness to get tough with the Soviet Union over their improper activities.

Some have expressed concern that this resolution could be "mischievous" and be of "dubious" value. I can understand that concern and share it to some degree.

But I hope this resolution will rather be viewed as an expression of support in the Senate for the limited steps that have been taken by the administration.

In recent times, the Congress has repeatedly been the weak sister in standing up to the aggressiveness of the Soviet Union to protect the rights of ourselves and others. The Senator from Kansas believes that we must obtain a greater level of agreement and support in Congress for the effective conduct of our foreign policy.

THE MICROWAVE AFFAIR

Among the recent activities of the Soviet Union, one stands out as a direct affront to this Nation's honor and to our claim to national self-respect.

I refer to the bombarding of our Moscow Embassy with microwaves by the Soviet Union. This activity was well explained in a recent column in the Washington Post by Roland Evans and Robert Novak which I request unanimous consent to be printed in the Record at this point.

There being no objection, the column was ordered to be printed in the Record, as follows:

[From the Washington Post, Feb. 8, 1976]

The Microwave Affair

(By Rowland Evans and Robert Novak)

President Ford's administration has removed some electronics intelligence equipment from the U.S. embassy roof in Moscow in return for reduced Soviet microwave bombardment of the embassy—a top secret effort to avoid an open rupture of U.S.-Soviet relations.

Intensified electromagnetic radiation beamed at the embassy to interrupt U.S. intelligence-gathering has produced repeated complaints that embassy personnel, including Ambassador Walter Stoessel, have been physically harmed. The Soviet government refused even to acknowledge the microwave attack, much less stop it. Thus, the Ford-Kissinger policy of detente was seriously threatened on a peripheral issue.

The result is what critical officials high in the Ford administration call "hand-wringing" diplomacy. Instead of outright U.S. demands that the Soviets observe the bounds of civilized behavior, a bargain of sorts has now been secretly struck. Some electronics equipment on the embassy's roof used to penetrate confidential Soviet communications has been removed. In return, eletromagnetic radiation at the embassy has decreased. However, radiation remains above minimum safety standards, and the matter is by no means closed.

Many nuances and implications of this hush-hush affair are not fully known; nor is its ultimate outcome. But critics within the administration believe Mr. Ford and Secretary of State Henry Kissinger are following tactics that have provably failed in past confrontations with the Kremlin.

The Soviets began directing microwaves at the U.S. embassy in the early 1960s, obviously as a countermeasure against electronic spying. By contrast, the United States has followed the normal diplomatic practice and dealt indirectly with similar electronic spying from the Soviet embassy in Washington—never by beaming microwaves against the Russians.

That the radiation in Moscow was above the Soviet's own safety standard has for years been the subject of innumerable conferences high in the government. President Johnson raised the matter at Glassboro, N.J., in 1967 with Soviet Prime Minister Alexei Kosygin, who disclaimed any knowledge of microwave bombardment. However, the United States decided not to press it's grievance.

What changed this was a drastic increase in electromagnetic radiation at the embassy in Moscow within the last 24 to 36 months.

The main purpose of that increase is believed to be counter-measures against electronic eavesdropping devices in and on top of the embassy. But U.S. intelligence sources believe the Soviets might also be pursuing one or all of three other purposes.

First, actual physical harm to U.S. personnel (which some embassy employees claim has afflicted many embassy officials, including Ambassador Stoessel); second, psychological trauma, rendering employees unable to function effectively (which has clearly happened); third, to activate sensors secretly placed inside the embassy to record conversations for Soviet ears (which has not yet been confirmed).

No protest was made to Moscow after the radiation level increased, but word inevitably began leaking through Washington. Attempting to plug the leaks, high State Department officials argued privately that disclosure might generate damage suits against the government from embassy employees with claims of illness. Far more significantly, these officials continued, disclosure would compromise the embassy's electronics intelligence.

Indeed, after the Boston Globe's William Beecher revealed the increased microwave bombardment and Stoessel's illness, Soviet diplomats in Washington began a campaign of whispering to American newsmen about the Moscow embassy's electronic spying.

Faced with growing leaks of secret information in the press, the administration moved publicly and privately. Publicly, an electioneering President Ford finessed the issue; his only public statement came in a Feb. 8 press conference at Durham, N.H.: "I have heard rumors concerning it, but I don't think it is a matter that ought to be discussed at this point." Privately the United States turned to Dr. Kissinger's "quiet diplomacy," the full nature of which is unknown but clearly included removal of embassy electronic equipment and accompanying reduction of microwave bombardment.

Officials critical of "quiet diplomacy" believe State Department emissaries should have pounded the table instead of wringing their hands, should have loudly informed the Russians that violating the sovereignity of an embassy is an intolerable breech of international conduct.

Thus, the microwave affair transcends U.S. intelligence operations and even a hoped-for successful conclusion of diplomatic efforts. Faced with blatant provocation, the U.S. government did not react until after public disclosure, and then employed shrouded maneuvers to smother and smooth the trouble. The implications have not been lost on the Kremlin.

Mr. DOLE. I have followed the developments in this affair with a great deal of personal interest and concern. It is our response to this situation and the way the Soviet Union has so flagrantly ignored our basic rights that makes this resolution so important. It is this situation in particular that makes me feel so strongly that the message of the U.S. Senate should not be an expression of weakness or simply a statement of the principles that are already obvious. It is this situation that makes it so important that the message of the U.S. Senate should be a statement of national resolve and national intent to stand up for our own national interests.

MICROWAVE DIPLOMACY: HARASSMENT AND DÉTENTE

The Soviet Government has been directing microwave radiation into the U.S. Embassy in Moscow for many years. This radiation was directed at the working areas of the Embassy and especially the office of the Ambassador. We are told that it has been limited to low-level doses. The objective of this practice has never been satisfactorily explained. Some claim that it is used to recharge the batteries of Russian listening devices. Some, including the Russians, say it is intended to disrupt listening gear on the roof of the Embassy. Others say that it is a form of harassment intended to undermine the mental and physical well-being of our employees.

If the existence of this radiation was tolerable in the past, the situation was changed when the Russians dramatically increased the dosages last year. I have been informed by sources which I respect of a pattern of illness in the sensitive areas of the embassy. These illnesses were not uniform, but there was a correlation between them and exposure to the irradiated areas. This allegation has been publically denied by the Department of State, but both an embassy doctor and an Agency doctor are presently on full-time duty at the Embassy.

The highest concentration of the microwave radiation is reported to occur in the vicinity of the desk of our Ambassador, Walter Stoessel. What make this matter one of the utmost seriousness is the report, which has been confirmed to my satisfaction, that Ambassador Stoessel is suffering from a blood disease which either is leukemia or is similar to it.

The increase in the microwave radiation became so serious the Secretary of State reportedly called the Russian Ambassador to Washington and requested a cessation of the microwave irradiation of the U.S. Embassy in Moscow. The Russian reply is reported to have been an increase in the Embassy's dosage.

The matter has been taken up at the highest levels, and extensively during the Secretary of State's last visit to Moscow, but to no avail. At first the Russians lied about it and blamed the radiation on natural phenomena. Later they admitted its existence but claimed that it was intended to interfere with our radio receivers on the Embassy roof.

In a display of abjectness remarkable for even the recent practice of détente, the United States agreed to permit a joint U.S.-KGB team using Russian equipment, to monitor the Embassy for radiation—which had been conveniently turned off for the occasion.

Mr. President, the Russian Embassy in Washington looks far more electronic than does ours in Moscow. Their staff is almost twice the size of ours in Moscow. Yet we have never irradiated them. Their Ambassador's desk is not the focal point of the radiation and never has been. Their Ambassador is not seriously ill from a disease which may well have been caused by the radiation.

The Senator from Kansas is shocked and outraged by these developments. Seen in the context of Russian behavior world wide, the matter is one of the utmost gravity. It is one which the American people cannot ignore. This body certainly cannot ignore it.

It would appear that the U.S. Government has been so intent upon sustaining its questionable and outmoded détente relationship with the Russians as to risk our overseas representatives by exposing them to the potentially lethal harassment of the Russian intelligence service.

The situation suggests a vile proliferation of appeasement. It also suggests a debasement of the conduct of our foreign relations to such an extent as to require the presence of the Secretary of State before this body to answer to this matter.

If behavior of the Russians has been substantially the same as my sources suggest and if our Ambassador is ill as a result, this is an outrage that demands full explanation and action by this Chamber.

WE MUST FIND A POLITICAL POLICY FOR DEALING WITH THE U.S.S.R.

Mr. President, the situation of the American Embassy in Moscow is very serious. The behavior of the Russians around the world raises serious threats to us in increasing numbers. This country must find the will to stand up to the Russians and present them with a political resolve worthy of their respect. I strongly urge that the process should begin in our handling of the outrageous treatment of the American Embassy in Moscow.

There are many appropriate responses that could be made.

One response is that unless the microwave radiation of the U.S. Embassy is curtailed immediately, the U.S. Government should expel selected Russian diplomats until their numbers in Washington are equal to ours in Moscow. It would also be appropriate for the Senate to hold hearings and investigate the matter in detail.

As this Senator reads the resolution, it is consistent with taking a firm stand on the microwave affair. Only by taking forceful measures can we impress an adversary who respects force and political resolve.

I am not advocating a return to the U.S.-U.S.S.R. relationship which is referred to as the cold war. I am only suggesting that this Nation must show it has a backbone if we are to retain our status as a world power. We must be willing to make tough countermoves against an adversary whose imperial ambitions are now obvious and whose appetite for expansion is whetted by weakness on our part. As a beginning, I suggest that a tough stand be taken on the outrages perpetrated against our embassy in Moscow. As a matter of our survival, I suggest that we back up our "détente" policy with actions that show we are a nation strong enough to demand the respect of the Soviet Union.

It is the opinion of this Senator that this resolution should be perceived as an expression of that strength.

As I read the resolution, I support it, as I said at the outset, because I believe it is a positive statement.

I would reiterate that, in order to preserve our strength militarily and extend opportunities for diplomatic, economic, and commercial and all other initiatives between our country and the Soviet Union, my support is based on the belief that it is a strong statement of policy.

I agree with the distinguished Senator from New York Senator BUCKLEY, who spoke earlier, that it probably means about everything to everyone. My own beliefs about the meaning of the resolution have been stated. On that basis, I support the resolution.

EXHIBIT 1

U.S. SENATE,
Washington, D.C., February 5, 1976.

Hon. GERALD FORD,
President of the United States,
The White House,
Washington, D.C.

DEAR MR. PRESIDENT: In this year's State of the Union address, you expressed hope that "a further agreement to limit the strategic arms race may be achieved." We share that hope. You also cautioned, "Only a balanced agreement will serve our interest and minimize the threat of nuclear war." We share that caution.

We are alarmed that several public figures, including a few of our colleagues, have pressed for an immediate arms accommodation with the Soviet Union. These dangerous and unnecessary demands for haste reflect an unwarranted faith that any settlement is a good settlement.

For the United States, a bad treaty is worse than no treaty. Proper vigilance and informal arrangements now permit the superpowers to adjust their strategic forces to political and technological change. However, a shortsighted or ambiguous agreement which prevents necessary force adjustments could lock our country into a previously avoidable nuclear confrontation.

Hurried diplomacy creates vulnerability and distrust, not arms control and understanding. When questioned, we Americans rush to reveal our deepest secrets. However, we are embarrassed to question the activities of those who hide everything. For this reason, the security of our nation requires that any arms accord be easily and absolutely verifiable. Weapons systems such as strategic cruise missiles, whose range and purpose are difficult to determine without continuous inspection of every vehicle, must not be subject to limitations which can be enforced only in open societies.

The terms of any treaty must be clearly understood by all parties so that violations can be quickly identified and corrected. Strategic bombers, launchers, heavy ICBMs, MIRVed missiles, and similar items must be sharply defined, and there can be no secret agreements.

Since our American nation is slow to take up arms when new threats are discovered, a sufficient margin of security must be provided to permit remedial action before irreparable harm can be done. Equality in throw weight and numbers will provide a good measure of this standard.

Each step in the advance of detente must be a test to determine whether another step should be taken. The Soviet Union must match the restraint already shown by the United States both in written agreements and in unilateral actions. Until the Soviet Union ends its massive deployment of increasingly accurate heavy ICBMs, the option to improve and increase our own, much smaller ICBM force must not be restricted.

Disorder on all continents reminds us that two hundred years of successful democracy have not yet guaranteed the survival of the American republic. In this significant year, any strategic arms limitations will receive rigorous public examination and evaluation. Given the difficult issues which remain to be settled, we ask you to instruct the Secretary of State that negotiations should continue without regard to ill-advised demands for an immediate agreement.

Respectfully yours,

Strom Thurmond, Bill Brock, Carl T. Curtis, Paul Laxalt, James B. Allen, Jesse A. Helms, James L. Buckley, Ernest F. Hollings, James A. McClure, Dewey F. Bartlett, Robert Dole, Jake Garn, Paul Fannin, Clifford P. Hansen, William L. Scott, Richard Stone.

U.S. SENATE,
Washington, D.C., January 22, 1976.

DEAR COLLEAGUE: I ask you to join with me in a letter to the President which assures him that we price a balanced agreement on strategic arms limitations far more than an immediate agreement. We ask him to inform his diplomatic representatives that no outside timetable will be imposed upon their efforts to reach a sound accord based on solid principles.

Recent Congressional Hearings, scholarly articles, and media reports have underscored the difficulties which the United States is experiencing with the 1972 ABM treaty, the 1972 interim agreement, and the 1974 Vladivostok accords. The many criticisms from men of diverse political opinions are not simply political rhetoric. Most focus on the real mistakes made in the rush to obtain each of the agreements.

The present phase of the SALT negotiations must correct old errors and avoid new ones. Many difficult issues remain to be settled before a new agreement, acceptable to the American people, can be reached.

The Congress has urged the President to seek an arms accord which would not leave the United States with strategic forces inferior to those of the Soviet Union. Given the difficulty in predicting the dynamics of nuclear arms development, this is no easy task. Only patient diplomacy can resolve this issue safely.

Ambiguities and gaps in earlier agreements have resulted in numerous charges that the Soviet Union is circumventing and violating the terms accepted by both parties. The national press has suggested that further violations will come to light. In this atmosphere of uncertainty, the President should not feel compelled to reach an immediate accommodation on strategic arms limitations.

I am enclosing a draft letter to the President assuring him of our greater interest in the substance of any agreement than in its timing. If you would like to join me in signing this letter or if you have any questions, please have your staff contact Ron Lehman from my staff, at X45597.

With best wishes,

Sincerely,

JAMES A. MCCLURE.

Mr. BUCKLEY. Mr. President, will the Senator yield?

Mr. DOLE. I yield.

Mr. BUCKLEY. I would like to make a unanimous-consent request. I feel that everyone in this body, and every Presidential candidate, can subscribe to this resolution, so that I ask unanimous consent to be named as a cosponsor.

Mr. DOLE. Is the Senator a Presidential candidate?

[Laughter.]

Mr. BUCKLEY. No.

The PRESIDING OFFICER. Without objection, it is so ordered.

Who yields time?

Mr. ALLEN. Mr. President, I have an amendment at the desk and I call it up at this time.

The PRESIDING OFFICER. The clerk will report the amendment.

The assistant legislative clerk read as follows:

> On page 4 between lines 11 and 12 add the following:
>
> This resolution shall be effective at such time as the Senate shall pass a subsequent resolution declaring that the Soviet Union has since the date of the passage of this resolution: First, taken affirmative actions to justify the trust of the people of the United States in concluding practical and realistic agreements for the stabilization and reduction of the strategic military competition between the United States and the Soviet Union, and, second, taken affirmative action, not merely resort to rhetoric, to launch fresh initiatives for a commitment to the pursuit of peaceful solutions in present and potential areas of conflict.

Mr. ALLEN. Mr. President, inasmuch as the time is equally divided between sponsors of the resolution, I ask unanimous consent that there be carved out and allotted to me as a sponsor of this amendment 20 minutes to be taken equally from the two sides.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

Mr. ALLEN. I yield to the distinguished Senator from California (Mr. Cranston).

Mr. CRANSTON. Mr. President, I just wish to welcome the distinguished Senator from New York as a sponsor of the resolution. I am delighted he is one. I know he has joined us in accordance with the old adage, "If you can't lick them, join them."

Mr. ALLEN. Mr. President, the distinguished Senator from South Carolina (Mr. Thurmond) has to catch a plane in just a very few minutes.

I yield 3 minutes to the Senator from South Carolina at this time.

Mr. THURMOND. Mr. President, I have to catch a plane on official business.

I say that if the amendment of the distinguished Senator from Alabama should be agreed to, if I were present I would support the resolution. If it is not adopted, if I were present I would not support it.

I am seriously concerned about some of the wording in here. I realize in paragraph 2 where it says "with a due and deliberate regard for the balance of risks and advantages," that that takes somewhat of the sting out of the first sentence, "to elaborate and extend opportunities." The reference is to opportunities to the Soviet Union to trade here.

But, Mr. President, mostly I am deeply concerned about this type of trade they want to do.

Mr. President, a letter to the editors from Mr. Miles Costick, a consultant on foreign affairs and commerce to the Heritage Foundation, which appeared in the Washington Post on Sunday, March 21, 1976, clearly indicates an alarming result of increased trade with the Soviet Union.

Mr. Costick relates that an American business sold highly sophisticated machines to the Soviets which enable them to develop a guidance system for their MIRV missiles. The concluding paragraph of Mr. Costick's letter states:

> In short, the sale of 164 Centalign B machines to the Soviets gave them the capacity to mass produce guidance mechanisms for MIRVs and MARVs and consequently excelerated (sic) the Soviet military threat to the United States and the rest of the free world.

Mr. President, if this sort of commerce is to be allowed with the Soviets, then we had better think of a term other than the "free world" to describe ourselves and our allies, since we obviously cannot remain free for very long.

It is surprising enough that the Commerce Department allowed this transaction; but it is more surprising that an American business even offered the machines for sale. Is it any wonder that citizen confidence in government and business is at an all time low?

Mr. President, I ask unanimous consent that Mr. Costick's letter be printed in full in the Record.

There being no objection, the letter was ordered to be printed in the Record, as follows:

[From the Washington Post, Mar. 21, 1976]

Helping the Soviets Build Their Missiles

In his article "U.S. Reportedly Sold Soviets Means to Make MIRV Part", published in the February 26 Post issue, Dan Morgan reported about the Bryant Chucking Grinder Co. sale of 164 precision grinding machines to the Soviet Union with approval of the United States government.

In the same article, Mr. Morgan reports about my recent book "The Economics of Detente" and the congressional briefing during which former director of Defense Intelligence Agency Gen. Daniel Graham shared the panel with me and quoting my book as a source charged that without Centalign B machines the Soviets "couldn't have gone into production" of the multiple independently targetable re-entry vehicles with nuclear warheads, knows as MIRV.

I am compelled to take issue with several statements made to Mr. Morgan by the administrative spokesmen as well as the statement made to him by James Halverson, general manager of the Bryant Chucking Grinder Co. of Springfield, Va.

The administration's spokesman claimed that the export license for sale of machines to the Soviet Union was issued after "a Commerce Department team learned in 1972 that Switzerland and Italy possessed similar ball-bearing technology." I would like to ascertain that this is a distortion of the real issue in order to cover a failure of the Commerce Department and other elements of the U.S. Government to enforce an effective export control of strategic goods. In the first place Centalign B is unique in its field, and the only machine suitable for mass production of precision miniature ball bearings. The analogous Swiss, Italian, Swedish and Japanese machines are only substitutes suitable for laboratory and testing purposes but not for mass production.

If the Soviets had been able to purchase the same machines and technology somewhere else, why did they wait for a full 12 years to buy them from the United States? Anatoliy I. Kostousov, Minister of the Soviet Machine Tool Industry was quoted by the press as saying that they had waited 12 years for these machines.

Second, the administration could have prevented foreign countries from selling similar machines by intervention with the respective governments either, directly or through COCOM (Coordinating Committee for the Western Allies Trade Embargo) of which they are members.

Third, Mr. Halverson's statement that Bryant Chucking Grinder Co. "doesn't know the end use of the product of this equipment" is incorrect. Since a congressional subcommittee investigated the matter and found out that "at least 85% of the bearings manufactured with the help of the Bryant machine are used by defense industries." The report was made available to Mr. Halverson's company well in advance of sales to the U.S.S.R.

In short, the sale of 164 Centalign B machines to the Soviets gave them the capacity to mass produce guidance mechanisms for MIRVs and MARVs and consequently accelerated Soviet military threat to the United States and the rest of the free world.

Miles M. Costick.

Mr. THURMOND. Mr. President, the matter of détente has worried a great many people. I do not think détent is worth the paper it is written on unless one has the power to back it up. The Soviets entered into it, they have gained advantage of it.

Mr. President, I ask unanimous consent that an article entitled "Détente in Soviet Strategy" which appeared in the Washington Report of October 1975, be printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

Detente in Soviet Strategy

For the Soviets, detente is intended to facilitate their attainment of ultimate, overall dominance over the West. This Estimate examines Soviet progress toward achieving their strategic and tactical goals under detente, and make judgments on implications and prospects for the future.

CONCLUSIONS

A. Detente generally connotes a relaxation of tensions and a process whereby this climate is reinforced. But whereas in the US detente tends to be seen as an end in itself, in the USSR it is seen as a strategy for achieving broader Soviet strategic objectives as well as tactical aims without fueling the sorts of concern that might galvanize the West into serious counteraction. According to the Soviets, detente—or peaceful coexistence—has become possible because the West has been forced to recognize the changing correlation of forces[1] and is therefore accommodating to rising Soviet power.

B. Soviet long-term strategic objectives, which the detente strategy seeks to promote, can be generalized under the heading of "dominance" and include: the breakup of Western alliances; the eviction of the American military presence from Europe and the achievement of Soviet dominance there; and the establishment of Soviet political, military, technological, and economic superiority worldwide. Soviet detente policy has facilitated Soviet strategic nuclear expansion and the canceling out of US superiority without provoking extensive Western counterefforts.

C. A major tenet of Soviet detente policy is to avoid strategic nuclear war. Although this was more imperative when the US enjoyed strategic nuclear superiority the Soviets have elevated it to a guiding principle for superpower relations. At the same time they seek to neutralize those areas of power competition where superior US technology puts the USSR at a disadvantage.

D. Moscow's tactical goals of the detente strategy include changing regional balances of power in Soviet favor. The USSR further seeks through detente to isolate China, pending possible opportunities for Soviet exploitation when the current Chinese leaders leave the scene. Detente also serves the Soviet need to avoid a simultaneous confrontation on both the eastern and western fronts.

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[1] A Soviet term denoting world balance of power in all its aspects—political, military, economic, etc.

E. In the Soviet's view, detente has moved them closer to their strategic and tactical goals. They believe they have going for them:

A continuing shift in the worldwide correlation of forces in their favor;

A strategic posture vis-a-vis the US that diminishes the likelihood of general nuclear war and, at the same time, holds the possibility of a politically meaningful strategic edge;

A steady development of Soviet conventional military capabilities concurrent with a trend in the West to reduce general-purpose force strengths;

A political environment in which they can win substantial concessions from the West in the various East-West negotiations on arms control and security;

The recognition of the USSR's World War II gains in Europe;

A growing disarray and disunity in the West on strategic policy and security matters;

A somewhat freer hand in dealing with the "Chinese problem"; and

A freer access to Western trade and technology.

F. The Soviet interpretation of detente requires that the West continue to accept certain conditions: the West cannot interfere in Communist states and other areas where the Soviet political position outweighs that of the US. In Soviet terminology, there can be no export of counterrevolution. More generally, the West is expected to act with prudence in any crisis that could lead to superpower confrontation. The Soviets, however, are prepared to exploit crises in pursuit of their objectives to the limits of US reaction, if necessary by threatening military intervention.

G. While there are differences over specific aspects of detente, there is a broad consensus on the effectiveness of the strategy within the Soviet leadership. This consensus notwithstanding, and despite the favorable consequences of the policy to date, Soviet detente strategy can change. If anticipated gains at Western expense by other means appear sufficiently attractive in Soviet calculations, Moscow will compromise on detente or discard the policy and adopt the indicated alternative course. Furthermore, Soviet detente policy could change with Brezhnev's passing from power and the emergence of new leadership.

H. So far, detente has served Soviet purposes well. For this reason the Soviets will not lightly jettison their detente strategy. Therefore, as long as the USSR is committed to detente, the US can step up its demands in negotiations with the Soviets and need not hesitate to demand a clearly comparable price for every concession the US or the West is prepared to make.

DISCUSSION

The strategy

1. Detente generally connotes a relaxation of tensions and a process whereby this climate is reinforced. But whereas in the US detente tends to be seen as an end in itself, in the USSR it is seen as a strategy for achieving broader strategic objectives as well as tactical aims without fueling the sorts of concern that might galvanize the West into serious counteraction.

2. The use of detente as a strategy is not new in Soviet approaches to the West. Lenin, Stalin, and Khrushchev replaced militant hostility against the so-called capitalist world with periods of detente or, to use the preferred Soviet term, "peaceful coexistence," when it was in their interests to do so. The present Soviet leaders did not adopt detente as a full blown strategic blueprint when they came into power in 1964. Rather, detente was a carefully calculated strategy that evolved gradually and received its imprimatur at the 24th Party Congress in 1971. This strategy reflected the Soviet need to: cope with confronting the US (and its allies) and China simultaneously; legitimize its position in Eastern Europe; and resolve problems of growth in the Soviet economy and technology. At the same time, the strategy reflected Soviet efforts to take advantage of the weakening unity of purpose in the US and Western Europe, and to promote Soviet interests and objectives in the Third World.

3. There exists a broad consensus on the effectiveness of detente within the upper strata of Soviet leadership. While there are differences in Moscow over specific aspects of implementing detente, these differences exist only within a narrow spectrum of a common political doctrine. Furthermore, the need of the Soviet system to coordinate closely at the top echelon all major foreign and domestic policies permits little deviation from the basic course, once the major policy decisions have been made. Brezhnev, moreover, has staked a good deal of prestige on the detente strategy.

4. In its most basic definition, as Soviet spokesmen consistently emphasize, peaceful coexistence means recognition and adjustment by the West to the "changing correlation of forces" in the world; more directly, it means accommodation to rising Soviet power. The Soviets do not believe that the accommodation by the West is voluntary. In the words of Soviet commentators, the very shift in the correlation of forces, the proliferating symptoms of the "crisis of capitalism," and the "permanent crisis in NATO and other imperialist alliances" have forced Western nations to reassess their policies toward the Soviet Union. The degree of Western commitment to these policies is, however, difficult for the Soviets to gauge. From a Soviet viewpoint, the principal danger is that the West, while succumbing to its alleged inherent contradictions, will lash out in desperation—"the death throes of capitalism." According to the 24th Party Congress, this danger is a function of the abiding power of American imperialism, which represents the "greatest threat to the independence of peoples and world peace" and is the main obstacle to social progress. More recently, it has been characterized as a function of the revival of the forces of fascism spawned in the intensified Western class war.

5. This perceived danger underscores another major tenet of the Soviet strategy of peaceful coexistence: the need to avoid strategic nuclear war. This requirement characterized Soviet policy long before the current era of detente. If anything, it was even more imperative when the US enjoyed strategic nuclear superiority. Its present distinction, however, is that the Soviets have elevated it to a guiding principle for superpower relations, seeking at the same time to neutralize those areas of power competition where superior US technology puts the USSR at a disadvantage. Most notable of these areas of competition are nuclear weaponry in general, and ABMs in particular. Thus, the Soviets seek to reduce or neutralize the actual or threatened use of US nuclear weapons. In the Soviet view, the best available safeguards against such use are: (1) amassing sufficient Soviet strategic nuclear power to convince the US that attacks against the USSR cannot prevent a devastating Soviet response; (2) eschewing direct confrontation with the US that might trigger a nuclear strike; and (3) maintaining a declaratory strategy which emphasizes the probability that any nuclear conflict between the superpowers would escalate to massive intercontinental warfare.

6. Avoidance of nuclear war does not imply a truce in other areas of conflict. Detente does not stop the ideological struggle. Few Western notions arouse greater Soviet ire than the theory of the two systems converging and the belief in the warning of Soviet ideology. After all ideology bestows legitimacy on the Soviet regime. While it may be molded to fit more pragmatic considerations of power politics, it remains the framework in which Soviet strategies are shaped. Soviet leaders have repeatedly stressed the impossibility of relaxing the ideological struggle. Going beyond traditional professions of his love of peace, Brezhnev on many occasions has exhorted communist audiences to be prepared for an even sharper "confrontation between the systems." Soviet articles on peaceful coexistence repeat this *dictum*. In the context of "confrontation between the systems," the Soviet concept of the ideological struggle refers to more than just philosophical debate. It clearly includes the political contest which, as translated in Moscow, embraces all aspects of power—political, military, and economic, as well as ideological.

7. Peaceful coexistence does not mean an injunction against all forms of armed conflict. According to Soviet doctrine, peaceful coexistence "promotes the intensification of all currents of the revolutionary process" and the development of "both peaceful and non-peaceful forms of the struggle of power." What is meant by non-peaceful forms is left vague in Soviet pronouncements—probably deliberately so, given the requirement to avoid direct military confrontation with the U.S. It expressely includes support for wars of national liberation. Judging by past and present Soviet policies in the Middle East, Indochina, and the Indian sub-continent, peaceful coexistence permits Soviet support and encouragement of nations seeking to change a regional balance of power. In short, detente does not mean acceptance of the international status quo, nor does it preclude Soviet use of force wars by proxy.

8. Notwithstanding their conviction regarding the relentless shift in the global balance of power, the impending doom of the capitalist system, and the inexorable process of history. Soviet leaders are acutely aware of the domestic and foreign problems that confront them. They envisage the coming year as a transition period in which they can ameliorate domestic problems and assuage foreign fears, while at the same time they can make cautious but progressive gains across the board at Western expense. This perception helps to explain Brezhnev's remarks to East European leaders in early 1973 that detente represents an interval of 10 to 15 years in which Soviet ascendancy will be achieved.

THE OBJECTIVES

9. One of the initial objectives that led the USSR to adopt the current strategy of detente was the need to nationalize and modernize the Soviet economy with liberal infusions of credit, technology, and trade from the West. This imperative not only emerged from repeated marked shortfalls in the Soviet planned economy, but also reflected entrenched ideological tenets and perceived necessities of social and political control.

10. After Khrushchev's failure to overcome the backwardness of the Soviet economy, the Soviets had several choices for trying to shore up their economy. They could increase inputs of labor and capital or they could improve the productivity of existing inputs. Making major labor investments into the growth-producing industries would have required shifting these inputs from agriculture—impossible given the marginal state of that sector. Increasing capital inputs

would have required cutting personal consumption or military expansion—equally undesirable. Neither of these approaches, moreover, promised them the advanced technology in which the US was ahead. To improve productivity and reduce the Soviet lag in technology, they could have instituted basic internal reforms, including modification of bureaucratic centralism. If this course was seriously considered in Moscow, it must have been quickly jetisoned after the Czechoslovak crisis of 1968 demonstrated how easily economic reforms could lead to the collapse of Communist controls. The alternative, therefore, was to seek economic and technical assistance from abroad. Moreover, credits, trade, and technology from the West not only promised the needed shot in the arm for modernization, but also offered the Soviets manipulative economic leverage and political inroads into Western nations.

11. The Soviets needed Western trade, capital, and technology—notably advanced US technology—not only for economic reasons. They value economic strength largely for its contribution to Soviet political and military power. Thus, the detente policy seeks to facilitate building a powerful operating base from which Soviet foreign policy goals can be pursued.

12. The detente policy was also designed to advance more directly certain fundamental Soviet long-range objectives and short-range goals. The Soviets do not perceive superiority simply in military terms; their concept also embraces political, technological, and economic ascendency that can be clearly recognized through the world.

13. Soviet Overall Strategic Objectives. Soviet long-range strategic objectives can be generalized under the heading of global "dominance." Such dominance is not merely the result of the inexorable processes of history predicted by Marxism-Leninism. It also looms as a requirement for Soviet survival. The Soviets see the capitalist-imperialist West as being pushed unrelentingly against the wall; they see a growing chance that the West will lash out in its death throes against the USSR. If the overshadowing danger perceived by the Soviets is such a desperate lashing-out by imperialism, then a clearly recognized Soviet superiority is the best way to counter the peril.

14. It is unlikely that a detailed blueprint for winning the global contest exists in Moscow. However, the Soviets do have basic notions under a detente strategy of an interrelated but unevenly phased development in various parts of the globe that, they hope, will lead to eventual victory. Ultimately, they seek to bring about: (1) the recession of residual American power and influence in Europe and its replacement with Soviet dominance; (2) the erosion of cohesion in the Western alliance; (3) qualitative superiority in the nuclear field, now that they have reached numerical parity; (4) the increase of Soviet influence in the Third World and the deference of local countries to Soviet power; and (5) the isolation of China in the world.

15. Soviet Domination of Europe. While the Soviet long-range goal is to achieve victory on all fronts, the key target remains Europe. Soviet detente strategy seeks to legitimize the Soviet position as arbiter of Eastern Europe. In Western Europe, Soviet strategy seeks to weaken traditional regimes, encourage "progressive" regimes and erode U.S. power.

But the USSR has been at least overtly circumspect in exploiting economic difficulties and political divisions in Western Europe, and between Europe and the US, lest a reaction set in. The Soviets have even come to the rescue of the administration in Washington against congressional pressures for substantial American force withdrawals from Europe.[2] Behind that move lurked a fear that precipitate withdrawal of American power might prod West Europeans into united action contrary to Soviet objectives. The Soviets clearly feel that time and trends are on their side. They can pursue a gradual and phased strategy at a minimum risk. But there is no reason to assume a change in ultimate Soviet objectives: eviction of American military power and Soviet domination of Western Europe.

16. *Deterioration of Western Alliances.* The Soviets perceive the crisis in NATO and other US alliances to be permanent. Official Soviet pronouncements identify this crisis as a tangible achievement of peaceful coexistence. Implicit is Soviet recognition that detente dissolves the cement of fear that provided the principal bond of the postwar Western alliance. The Soviets believe that this process can be accelerated by a circumspect Soviet strategy that refrains from military actions which could galvanize American allies into a concerted, strong defense effort. Thus, the USSR seeks to avoid overt acts that directly exploit widening fissures in the West.

17. *The Weapons Race.* Many government leaders in Western capitals are concerned about Soviet use of detente to slacken Western military programs and expenditures, particularly for US strategic weapons. Detente slows down Western programs which the Soviets had not expected soon to match. Detente, therefore, may assist the Soviets in adjusting their military programs to domestic priorities. Thus, detente permits the Soviets not only to reconcile domestic and foreign political objectives, but also to be in a position from which they can more effectively influence the tempo of the arms race.

18. It is doubtful whether the Soviets themselves translate superiority into precise numbers and combinations of specific weapons systems. But, the theme of superiority runs through their continuous quest for advantages in the nuclear sphere. In strategic weaponry, Soviet detente policy has created a climate which facilitated strategic arms limitation agreements under which the US was prepared to freeze force levels, but allow the Soviets to build to numerical parity. The expansion of Soviet strategic capabilities, combined with the limited value Western strategists generally accord marginal nuclear advantages, has permitted the Soviets to achieve a nuclear force stature that canceled out long-held US numerical superiority.

19. The considerable momentum of Soviet nuclear weapons programs holds the promise of attaining a politically meaningful strategic edge. In this regard, developing Soviet capabilities to draw down the US ICBM force are of particular concern. This possibility, however, is contingent upon a prolonged and carefully managed period of detente which inhibits normal US strategic development and mutes reaction to Soviet efforts.

20. Detente, by permitting Soviet nuclear expansion without provoking major Western counterefforts, has underscored Soviet progress in the nuclear field. This is significant in view of their military doctrine which continues to be based on the possibility of nuclear war. Soviet nuclear progress also permits the USSR to exploit those conventional sectors of its military posture in which it already is superior to the US.

21. The Soviets have not only expanded their nuclear arsenal; conventional forces have benefitted as well. Throughout their armed forces there is evidence of continuing modernization and improvements, along with a vigorous program of military research and development. The result is that Soviet forces today enjoy improved capability, versatility, utility, and visibility that in turn enhance their impact on political and diplomatic developments. At the same time detente has strengthened pressures in the West for reducing military forces.

22. *Changing Regional Balances.* Another objective in the Soviet drive for dominance is to produce tangible shifts in regional balances of power in the Third World in favor of the USSR. The Soviets have sought to bring about such shifts by the expansion of Soviet military capabilities, notably naval, to extend Soviet political reach throughout the world. They also use Soviet military and economic assistance to foster client relationships with selected countries.

23. In the shadow of Soviet military power or through the use of its military and economic aid instruments, the USSR hopes to: (1) carve footholds of influence for subsequent expansion; (2) gain direct leverage over local conflicts and their outcome; and (3) establish seats for the Soviet Union at the table of all major international conclaves dealing with regional problems and conflict resolution.

24. *Isolation of China.* China casts a strong shadow over the Soviet detente strategy for the near as well as the long-term. Detente serves, on the one hand, the need to reduce the chances of a two-front confrontation. On the other hand, it seeks to sustain (to the extent practicable in US-Soviet relations) the relative isolation of China pending possible Soviet opportunities that may be exploitable with the passing of Chairman Mao and Premier Chou En-lai.

THE SOVIET ASSESSMENT

25. In Moscow's view, detente is clearly working to its advantage. The energy problems and other economic woes that beset the West, the upheavals on Europe's southern bank, and pressures in Washington for retreatment of America's foreign commitments and involvements have combined to create a climate in which Soviet efforts can move forward. The Soviets are aware that Western perceptions of a less threatening Soviet military posture have helped to erode the cohesion of NATO and undermine Western constituencies' rationale for sustaining existing levels of defense budgets. In spite of some limited setbacks (e.g., the Jackson Amendment on US-Soviet trade) Soviet trade arrangements with the US, Western Europe, and Japan have steadily expanded. The USSR has won long-term credits from the West, with interest rates that are substantially lower than Western clients could extract at home. Western technology is being introduced in the Soviet economy with its inevitable spillover utility for the Soviet military sector.

26. In East-West negotiations, the Soviets have made few concessions; they hope to benefit from pressures generated in the West for producing results. Appearances aside, it is unlikely that the USSR will adopt a more flexible stance in the CSCE on such a key issues as the freedom of moment of people and ideas. Yet the Soviets stand to gain from the impending summit conference—which, as a minimum, will legitimize the ideological and political division of the European continent and recognize Soviet dominance over the eastern part. Whatever the outcome of the MBFR talks, we believe that the Soviets will continue to upgrade their capabilities for operations in the European theater, just as they will improve their strategic arsenal.

27. Those aspects of detente which lessen tensions and promote trade and exchanges

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[2] On 14, May 1971, when the US Senate was debating the Mansfield Amendment to reduce US troop levels in Europe, Brezhnev offered to start exploratory talks on MBFR. The Soviet move strengthened US Government efforts to defeat the amendment.

with the West inevitably bring with them aspirations for greater freedom in Eastern Europe and the USSR. The Soviets see these aspirations as fundamental threats to the USSR that must be countered; hence, Soviet rejection in the CSCE of Western efforts to facilitate free movement of people and ideas across frontiers. The Soviet Union's repudiation of the 1972 trade agreement after the US Senate made trade concessions contingent on liberalization of Soviet emigration laws and limited the concessionary credits is also to be seen in this light. In spite of the fact that Soviets interfere in the affairs of other powers, the USSR bitterly denounced the US terms as unacceptable, asserting that no power could be permitted to interfere in Soviet domestic affairs.

28. Another condition the Soviets expect the West to accept is to refrain from direct military interference in established Soviet spheres of influence, such as Eastern Europe. To Moscow, the Czechoslovak crisis of 1968 confirmed US endorsement of this stricture. The Soviets also claim that there can be no American effort to change the correlation of forces in areas where the Soviet political position outweighs that of the U.S. To use their phraseology, there can be no export of counter-revolution. The US, for example, will be expected to exercise caution, refraining from armed intervention if a succession crisis arises in Yugoslavia.

29. More generally, the Soviets expect detente to cause the US to act with prudence in any crisis that could lead to superpower confrontation. Soviet concern to avoid military confrontation between the superpowers reflects Soviet fear of escalation; this concern inhibits Soviet risk-taking proclivities. Nevertheless, in pursuit of their objectives, the Soviets are fully prepared to exploit crises and conflict situations—and to threaten intervention if necessary.

In the 1973 War in the Middle East, for example, the Soviets did threaten to intervene. We believe that, in a future crisis in the Middle East, the Soviets would similarly be willing to test the limits of detente.

THE FUTURE

30. According to the Soviets, it is the weakness of the West that has rendered detente a viable alternative to its more openly hostile policies of the cold war years. As viewed in Moscow, detente has clearly accelerated the shift in correlation of world forces in the Soviet favor. Soviet leaders seek to foster the general impression that the U.S. has accepted peaceful coexistence and has repudiated the use of force because it no longer was dealing from a position of strength.

31. In the Soviet view, the future of detente thus depends on continued accommodation by the West to the shifting power relationship. Peaceful coexistence, as the Soviets see it, has become a realistic prospect because the West has tacitly accepted the postwar status quo in Eastern and Central Europe and has recognized Soviet military power as reflected in SALT. From a Soviet vantage point, moreover, the US disengagement from Indochina has improved the prospects of peaceful coexistence and has made US intervention against Soviet-blessed revolutionary forces less likely.

32. Insofar as detente brings greater advantages to the Soviets, therefore, this policy will continue. But it is not permanently enshrined in Moscow. The current leadership could conclude that, in the light of unfolding opportunities, a shift away from detente could bring Soviet goals more quickly within its reach. Furthermore, Soviet detente policy could change with Brezhnev's passing from power and the emergence of a new leadership. It is also possible, in the Soviet view, that the major goals of detente would be achieved in the next 10–15 years. In this case a new stage of Soviet policy would evolve to fit the new correlation of forces.

33. So far, detente has served Soviet purposes well. For this reason, the Soviets will not lightly jettison it. Therefore, as long as the USSR is committed to detente, the US can step up its demands in negotiating with the Soviets and need not hesitate to demand a clearly comparable price for every concession it is prepared to make.

Mr. THURMOND. Mr. President, in the article, it is clearly shown how the Soviets have gained a tremendous advantage. In otherwords, the idea was to lull the United States more or less to sleep and then they would make tremendous gains—and that is what they have done.

If the amendment by the distinguished Senator from Alabama is adopted, I think if I were here I would not oppose this resolution. Otherwise, I would have to oppose it.

The PRESIDING OFFICER. The Senator's time has expired.

Who yields time?

Mr. THURMOND. I thank the distinguished Senator from Alabama for yielding to me at this point.

Mr. ALLEN. I thank the distinguished Senator from South Carolina for his remarks and for his support of this amendment.

Mr. President, I was one of two Senators who voted against the Offensive Nuclear Weapon Limitation Agreement in the Senate, the other Senator being the distinguished Senator from South Carolina (Mr. HOLLINGS).

I objected to that agreement because it froze in a 3 to 2 advantage for the Soviet Union over the United States in the number of offensive nuclear weapons that each nation might have.

I predicted at that time, Mr. President, that it was going to be difficult to enter into a SALT II agreement with Russia because they had the advantage under that agreement and they were going to keep that advantage.

Subsequent events have shown the difficulty of getting Russia to agree to anything that is not to its advantage. Of course, I do not believe the Russians would keep any agreement unless it was to their advantage.

Mr. President, this resolution is spreading sunshine and joy and happiness in the relations between the two adversary nations really strikes me as being somewhat ludicrous because here we are wringing our hands Uriah Heep fashion, saying that we want an agreement with the Soviet Union in the interest of peace, but they say, "Well, let's base these agreements not on trust, but on actions."

This is in paragraph numbered 1 in the resolution, and in paragraph numbered 2 they speak of launching fresh initiative on the part of both the United States and the Soviet Union for commitment, not by rhetoric, but by action.

When has Russia taken any action leading in the direction of peace or disarmament?

The original nuclear weapon agreement, far from limiting Russia, allowed it to add to its arsenal of nuclear weapons, add to its nuclear submarine force. So where have they ever moved in the direction of disarmament?

All this resolution does, Mr. President, is to say, just as this resolution would seem to indicate, that they want to see some action, but they are not going to get action just by entering into agreements saying there is going to be some action.

What this amendment does is to say that this resolution will not become effective until the Senate passes a subsequent resolution declaring that the Soviet Union has, since the date of passage of the resolution, taken affirmative action to do the very things that the resolution contemplates will be done after an agreement is signed.

This says, "Let us take action first, let us take action first in the field of indication that they want disarmament."

Let them take action and not resort to rhetoric. That is what the resolution provieds. That if Russia will take some sort of affirmative action indicating that it wants peace, that it wants disarmament, that it wants to have settled conditions throughout the world, then the resolution would become effective if the Senate passed a subsequent resolution saying that Russia has taken those actions.

Why should we always occupy ourselves here in the Senate with questions of unilateral disarmament?

For the last 10 years or so, we have had a bill here requiring us to withdraw tens of thousands of troops from Western Europe, not requiring Russia to do a thing.

Mr. President, we see Russia adding greatly to its submarine fleet, adding nuclear submarines. We read in the paper just a few days ago where they have got a miscalculation as to the amount of money that Russia is paying into its defense effort, that it has just about doubled what it thought to be the case. They have 5 million men under arms.

Let us have some overt action on the part of the Soviets before we come forward to say: "Lets' enter into another agreement, let's sign another agreement, but you must take some action when we sign this agreement."

Let us take action first. Let us have some sort of overt action on the part of the Soviet. Not overt action of the like of taking over Hungary; not overt action of the like of taking over Czechoslovakia; not overt action stirring up strife, discord and war in the Mideast; not overt action in the form of building up their armed forces to 5 million men.

The PRESIDING OFFICER. The Senator's 7 minutes have expired.

Mr. ALLEN. I ask unanimous consent to proceed for an additional 3 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ALLEN. Not overt action in the nature of going into Angola and taking over that country; not overt action in effect taking over Cuba, 90 miles from our shores; not overt action of the nature of aiding Mozambique in its strife with Rhodesia; not overt action in the nature of infiltrating every country in Africa.

Let them take some sort of overt action indicating that they want disarmament. Let them withdraw some of their troops from the western part of Eastern Europe.

Let them cut back their armed forces. Let them pull out of Africa. Let them quit trying to stir up war in the Mideast.

Let them take some sort of overt action rather than for us to just pass a resolution saying, "The Russians are fine fellows; they want the same things we do. Therefore, we have different systems and they have a fine system and we have a fine system. We are each going to keep our systems."

Let us demand some sort of actions looking toward peace from the Soviets before we have another unilteral action on the part of the Senate.

So I hope this amendment to the resolution will be adopted; that we will demand something of the Soviets besides saying "no" to everything we are interested in, saying "no" to disarmament, saying "no" to seeking to preserve peace in this world.

Mr. President, without this amendment, I could not support this resolution because it puts the laboring oar on the United States, that we want to enter into these agreements. This amendment requires action on the part of Russia indicating that they want peace, that they want disarmament, that they are not trying to stir up revolution all over the world.

Mr. President, I do not anticipate this amendment will be agreed to. The resolution is all agreed to and ready for adoption because it is a whole lot easier to say, "Yes, we will go along with the Russians. They are fine people, and we want peace with them."

Let us let them show that they want peace. This amendment would postpone the effective date of the resolution until such time as the Senate saw that the Russians were moving in the direction of disarmament; moving in the direction of peace. Without that, this agreement is far too one-sided to suit the Senator from Alabama.

I reserve the remainder of my time.

Mr. HUGH SCOTT. Will the Senator yield 2 minutes to me?

Mr. CRANSTON. Certainly.

Mr. HUGH SCOTT. I would like to say that I cosponsored the resolution after thinking about it and waiting awhile, consulting my best judgment.

As I view the world today compared to 4 years ago or 10 years ago, we are infinitely better off. We are, in my judgment, closer to peace by far than we were then. We have not been incited into new military commitments. Our foreign policy is in better condition. The foreign policy of the Soviet Union is, in my judgment, in somewhat worse position, certainly as reflects its rejection by Egypt, its differences with Yugoslavia, and its tenuous relationships with some of its satellites.

I do not approve of Russia's adventurism in Africa, as in Angola. The history, however, of intervention in Africa has been that when white foreign powers intervened in that country they usually are invited out a short time thereafter. Nevertheless, this sort of thing is to be deplored.

On balance, all we are saying is that we would like to get along better with the rest of the world, and that that includes the Soviet Union; that we are concerned not as merchants just about trade, not as diplomats just about treaties, but as people to people concerned about our children and our grandchildren, and about their survival on this planet where we have lived too long on the nuclear edge of terror.

Therefore, I support the resolution and I am very glad to be a part of it.

Mr. CRANSTON. I thank the Senator from Pennsylvania very much for his support, for his cosponsorship, and for his words just now. His support, with that of the majority leader, has meant a great deal to us in generating the strength behind this resolution.

I would now like to address myself to the amendment.

The PRESIDING OFFICER. The Senator from California has 1 minute remaining.

Mr. CRANSTON. I have not used any time on the amendment yet.

I ask unanimous consent that I may proceed for 4 minutes on the amendment. I will take it out of the other time I have.

Mr. ALLEN. How much time remains to the Senator from Alabama?

The PRESIDING OFFICER. Each side had 10 minutes on the amendment. The Senator only had 11 minutes. The Senator from Alabama has 4 minutes.

Mr. ALLEN. How much time remains on both sides in favor of the resolution? There is no opposition side, apparently. How much time remains for the two sides in favor of the resolution?

The PRESIDING OFFICER. Twenty-nine minutes remain to the Senator from Tennessee.

Mr. ALLEN. Since the Senator from Alabama just has 4 minutes as against 29, I feel the Senator from Tennessee should yield the time.

Mr. BAKER. Mr. President, I am happy to yield to the Senator from California such time as the Senator may require.

The PRESIDING OFFICER. The Senator from California.

Mr. CRANSTON. I thank the Senator for yielding.

The amendment of the Senator from Alabama obviously does not take account of the fact, first, that the resolution does not depend upon trust by the people of the United States in the Government of the Soviet Union. The Senator seems to feel that trust might be in order. The sponsors of this amendment do not believe that that is the case. Both Secretary Rumsfeld and Secretary Kissinger have recently very carefully explained that the policy of détente is not based upon trust; that it is based upon something quite different, and a requirement for actions by the Soviet Union that would justify actions by this country to reduce tension between ourselves and the Soviet Union.

Also, the amendment of the Senator from Alabama suggests that we not depend upon whatever we might derive from rhetoric. That exact point, of course, is in the resolution.

This resolution is the reaffirmation of a process, the process of détente, whereby the very ends that the Senator from Alabama calls for in his amendment can be pursued. If we cannot carry on détente, which is simply seeking to find areas of agreement and regulate our relations so that inevitable conflicts and competitions do not lead to war, then we cannot carry on the effort now going on to pursue the very ends that the Senator from Alabama states as conditions in his amendment.

So the amendment of the Senator from Alabama plainly is in opposition to the process of detente.

The Allen amendment, indeed, goes to the meat of the matter, and draws the battle lines clearly, and I am glad that has happened, after all the statements that have been made today in this body by those who really do not like this resolution very much, but then asked to cosponsor it and intend to vote for it because they find it very difficult to explain any other position; when you read the resolution and the explanation of what it defines detente to mean, it is very hard to oppose that position.

I am not suggesting that the Senator from Alabama is irrational at all; in fact, he is the very opposite, and is a very effective Member of this body, parliamentarily and in every other way. But because he has now drawn the battle lines on the basis that this is not the time for commitments, I suggest that those who oppose détente should vote for the Allen amendment, and those who favor détente should vote against it.

I now yield to the distinguished Senator from Massachusetts.

Mr. BAKER. Mr. President, how much time remains?

Mr. CRANSTON. I am sorry; I had yielded control of the time to the Senator from Tennessee.

Mr. BAKER. Mr. President, I am glad to yield the Senator from Massachusetts 5 minutes.

Mr. KENNEDY. I thank the Senator from Tennessee and the Senator from California.

Mr. President, I oppose the amendment of the Senator from Alabama for a basic and fundamental reason: It seems that the amendment of the Senator from Alabama is based upon a premise that the test of our relations with the Soviet Union should be that at some point we would have to develop trust in the Russians, in order to continue working toward agreements with them that are in our national interest. Yet trust is not the issue; our national interest is this amendment fails to recognize a series of agreements that have been made, under a number of different administrations, which were based upon very hard, negotiated resolution of some of the most difficult and trying problems that we faced in the area of strategic arms and some other areas.

Those agreements were not based upon trust of the Soviet Union or upon its intentions; they were based upon something else: recognition by the leaders of the United States, as well as by the leaders of the Soviet Union, that there can be parallel lines of action which are in the interest of the security both of the people of the United States and of the people of the Soviet Union as well.

I hope that any agreement we make with the Soviet Union will be based upon recognition that any such agreement must be in the interests of the people of the United States. If it is, and may also be in the interests of the Soviet Union, I fail to understand the reluctance of the Senator from Alabama in not accepting this continuing process, which has been the basis of agreements in the past in the area of strategic arms, the partial test ban treaty, the Vladivostok agreement, and other areas.

This resolution recognizes where agreements can be made, and it is also quite realistic about where agreements cannot be made. It puts those Senators who support this resolution firmly on record as believing that further steps to reduce the risks of war are in the interest of the people of our country, in the interest of other peoples around the world—our friends and allies and nonalined nations—as well as in the interest of people who are considered our adversaries.

The amendment of the Senator from Alabama seems to say, "We will pass a resolution about détente only when we do not really need a resolution about détente." As far as I am concerned, we are not debating or discussing the word "détente" itself. It has been overused and oversold, I believe, at times in the past. What we are talking about here is a series of areas for hard negotiations, which we hope can move forward, which can move us away from the brink of nuclear holocaust and nuclear destruction.

There is a wide range of areas for such negotiations. SALT, obviously, is the No. 1 area. The potential for moving ahead with mutual and balanced force reduction at Vienna can very well be an additional area. Another is the effort to put some kind of control on the proliferation of nuclear arms, as they could spread all over the world. And another is the spread of conventional arms, where some 60 Members of this body supported the Humphrey bill, S. 2662. It said that we hope, both through efforts with arms buying states, and through arrangements with arms-producing nations, to try to get a handle on the proliferation of the arms trade, which I think poses increasing threats to security and peace throughout the world.

So, Mr. President, I hope this amendment of the Senator from Alabama will be defeated. I think it is important that we understand what we are really talking about: those of us who are interested in a working relationship with the Soviet Union. We do not doubt their interest in expanding their influence around the world. We do not doubt their commitment to their form of society. We do not doubt their belief that the wave of the future is on their side, in terms of their particular economic, social, and political structure. We do not agree with with that view, and we believe that the essential aspects of our own system are the wave of the future. But, recognizing these differences, why should we be reluctant to move ahead with hard and detailed negotiations with our adversaries, to try to bring about some reduction of armaments and advance the cause of peace throughout the world? I think that is a responsibility of the United States, and I fail to see why we ought to accept an amendment to the effect that we are not going to consider a resolution on détene until a time when we can trust the intentions of the Soviet Union.

I do not feel that this ought to be the criterion. We ought to be very realistic about the intentions of the Soviet Union, and very wary of their intentions; but certainly we should not move back from our responsibility to try to remove the potential danger of nuclear conflict from the United States, with implications around the world.

Finally, Mr. President, I wish that those Senators who feel that efforts to control strategic arms are not important would talk about the conditions we faced here in the United States in the period of the early 1960's. I hope those Senators who oppose this resolution will be just as prepared to vote to send army divisions of the United States to Berlin and to other countries in Western Europe, and that they will be prepared to ask for the increased taxes that will be necessary for the military establishment to justify their position.

The PRESIDING OFFICER (Mr. CASE). The Senator's time has expired.

Mr. KENNEDY. So, Mr. President, I hope the amendment of the Senator from Alabama will be defeated.

The PRESIDING OFFICER. Who yields time?

Mr. ALLEN. Mr. President, I yield myself such time as I may have remaining.

The PRESIDING OFFICER. The Senator has 3 minutes remaining.

Mr. BAKER. Mr. President, I will be glad to yield the Senator such additional time as he may require.

Mr. ALLEN. Will the Senator yield me 5 minutes, then?

Mr. BAKER. I yield 5 additional minutes to the Senator from Alabama.

The PRESIDING OFFICER. The Senator is recognized for 8 minutes.

Mr. ALLEN. Mr. President, the Senator from California has said in effect and in actuality that this is a resolution, up or down, on the question of détente: Are you for it or against it? That is what he says the issue is.

The Senator from Massachusetts does not want to go to bat on that issue, as I understand him. He says it is not a question of détente, but something else, entering into various agreements that are going to preserve the peace.

The chief difference, as I see it, between the resolution and the amendment is this: it is a question of what comes first. Does the agreement come first, as is advocated by the resolution, or do actions on the part of Russia indicating some desire on their part for disarmament and for peace in the world?

It does not take a great deal of difficulty to read here on page 2, starting on line 23, that what they are talking about is entering into—

> . . . at any early date, practical and realistic agreements for the stabilization and reduction of the strategic military competition between the United States and the Soviet Union . . .

And they toss in "based not on trust but upon actions."

How are we going to get action just by entering into an agreement? What I advocate is that Russia take some sort of affirmative action. It has not done that yet. It has not in its entire history, to my knowledge, taken any affirmative action in the area of working for world peace.

I want some sort of action other than the action of taking over Hungary and Czechoslovakia, aiding North Vietnam and killing 250,000 American boys, invading Angola, putting nuclear weapons in Cuba, infiltrating every country in Africa, building up their troop strength to 5 million men, and, as was recently found out, spending more than twice what had been thought to be their expenditures in the area of armaments and preparedness for war.

I want them to take some sort of overt action. I want them to do something about the freedom of the skies. I want them to do something about onsite inspection of nuclear installations and nuclear weapons.

We have the Soviet Union building up its armament and building up its nuclear force, which is already about three to four to their advantage under the offensive nuclear weapons agreement.

Under this amendment, if the Soviet Union would take some sort of substantial action in the direction of working for world peace, if they would withdraw some of their hundreds of thousands of troops who are in Eastern Europe on the border with Western Europe, if they would cut back some of their tremendous rebuilding of nuclear submarines, if they would withdraw from Africa and if they would do something indicating that they want peace, not just sitting there fighting the efforts of Mr. Kissinger, and others, to arrive at a SALT II agreement, then there would be a different situation.

I predicted at the time I voted against SALT I that when this big advantage was built in for Russia it was going to be mighty difficult to get a SALT agreement. Why? Because they are satisfied with what they have, because that agreement allowed them not to disarm but to continue their armament program, continue building submarines, and adding MIRV's to their nuclear warheads. Everything that they have done is not in the direction of disarmament and promoting world peace.

All this amendment does is to say let them do something, not just enter into one agreement after another that is not worth the paper it is written on, and take some overt action in the direction of promoting world peace and world disarmament.

Then, at that time, we could pass all of these pleasant resolutions, saying how great it is that they stand for their form of government, how great it is that we stand for our form of government, and let us enter into some more agreements. We have plenty of agreements. Let us have a little action on the part of the

Soviets indicating that they want peace and indicating that they want disarmament.

That is the effect of this amendment. It will say, if we are going to enter into any more agreements, let us have some action on the part of the Soviets. Let us do not just pass a bunch of resolutions saying: "Oh, how nice peace is. Peace is wonderful, and the Soviets are going to come along and show us some action after we sign some more agreements."

I do not believe that is what we want to go on record as favoring here in the U.S. Senate.

Certainly the Senator from Alabama does not favor any such action. That is the reason he put in this amendment.

Mr. CRANSTON. Mr. President, will the Senator yield?

Mr. ALLEN. Yes.

Mr. CRANSTON. I wish the Senator would explain——

Mr. ALLEN. On the Senator's time, I might say, for I have very little time.

Mr. CRANSTON. I do not have any time.

Mr. BAKER. I yield the Senator 1 additional minute.

Mr. ALLEN. I will share my time with the Senator.

Mr. CRANSTON. I thank the Senator. I wish the Senator to explain what action the Soviet Union could possibly take to justify the trust of the people of the United States.

Mr. ALLEN. Yes; I do not believe the Senator was listening to my remarks.

Mr. CRANSTON. I say I do not believe we can presently have any relationship with them based upon trust.

Mr. ALLEN. I was using the language in the resolution, I say to the Senator. I was lifting the phrase he has there.

Mr. CRANSTON. The resolution makes plain we are not proposing to act upon trust.

Mr. ALLEN. The Senator is entering into some agreements. It looks as if we are very close together.

Mr. CRANSTON. Line 2, page 3, says, "Based not on trust but upon actions."

Mr. ALLEN. All I am saying is let us have some actions. The Senator should not object to my amendment.

Mr. CRANSTON. The Senator's amendment——

Mr. ALLEN. Let me answer the Senator's question of a moment ago. He asked: What could the Soviet Union do?

The PRESIDING OFFICER. The Senator's time has expired.

Mr. ALLEN. Mr. President, will the Senator yield me 1 additional minute?

Mr. BAKER. I yield 1 additional minute.

Mr. ALLEN. It could withdraw 100,000 troops from Western Europe. It could declare a free-skies policy regarding checking on nuclear installations.

Mr. CRANSTON. Would the Senator wholly trust the Soviet Union?

Mr. ALLEN. I did not say that. The Senator said what could they do.

Mr. CRANSTON. That is, do to get the Senator's trust.

Mr. ALLEN. I do not trust them. But apparently the Senator does.

Mr. CRANSTON. The Senator's resolution talks about justifying trust. How could they do anything that would cause the Senator or me to have trust in them?

Mr. ALLEN. That is what the Senator is saying. I am borrowing the language in his resolution.

Mr. CRANSTON. I already pointed out that the Senator is not. Our resolution states "not based on trust." The Senator says "based on trust."

Mr. ALLEN. No; the Senator certainly misquotes the Senator from Alabama.

Mr. CRANSTON. That is what he just said.

Mr. ALLEN. What the Senator from Alabama is asking for is action. The Senator from California is wanting more agreements and action later.

Mr. CRANSTON. The exact terms of the resolution are based not on trust but upon actions. Apparently the Senator has not read what he is seeking to amend.

Mr. ALLEN. Let us get action under the amendment then. The Senator wrote the amendment in longhand. I guess he read it. The Senator from Alabama did. I do not know about the Senator from California.

The PRESIDING OFFICER. Who yields time?

Mr. BAKER. Mr. President, how much time do I have remaining?

The PRESIDING OFFICER. The Senator has 13 minutes remaining.

Mr. BAKER. Mr. President, unless there is another request, I yield back the remainder of my time.

The PRESIDING OFFICER. The question then is on agreeing to the amendment of the Senator from Alabama.

Mr. ALLEN. Mr. President, I call for the yeas and nays.

The PRESIDING OFFICER. Is there sufficient second? There is not a sufficient second.

Mr. ALLEN. I suggest the absence of a quorum.

The PRESIDING OFFICER. On whose time is the Senator suggesting the absence of a quorum?

Mr. ALLEN. Put it on the time of the Senator from Tennessee; he is the only one who has time.

The PRESIDING OFFICER. What does the Senator from Tennessee think about that?

Mr. BAKER. Mr. President, I suggest the absence of a quorum on my time.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. McCLURE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. McCLURE. Mr. President, I ask unanimous consent that it be in order——

The PRESIDING OFFICER. Does someone yield time to the Senator?

Mr. McCLURE. Mr. President, will the Senator yield me 5 minutes?

Mr. BAKER. Mr. President, I understand the Senator has an amendment he intends to offer. I inquire of the parliamentary situation in that event.

The PRESIDING OFFICER. First, there will have to be action on the amendment of the Senator from Alabama.

Mr. McCLURE. Mr. President, I ask unanimous consent that it be in order to consider the amendment of the Senator from Idaho, setting aside the amendment of the Senator from Alabama.

Mr. ALLEN. I have no objection to taking his amendment first.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Idaho? Without objection, the amendment will be considered at this time.

Mr. McCLURE. Mr. President, will the Senator yield me 5 minutes on the amendment?

Mr. BAKER. Mr. President, I am happy to yield 5 minutes to the Senator from Idaho.

The PRESIDING OFFICER. The Senator is recognized.

Mr. McCLURE. Mr. President, I have an amendment at the desk. There are two separate amendments. I ask unanimous consent that they be considered en bloc.

The PRESIDING OFFICER. The amendments will be stated.

The assistant legislative clerk read as follows:

The Senator from Idaho (Mr. McCLURE) proposes amendments:

On page 2, beginning with line 23, strike all down through line 2 on page 3, and insert in lieu thereof the following:

"1. To strive to conclude, as soon as practicable, through firm and patient negotiations, practical and realistic agreements for the stabilization and, when consistent with our national security needs, the reduction of the strategic military power of the United States and the Soviet Union, agreements based not upon trust, but consisting of clearly stated and verifiable stipulations."

On page 3, strike lines 3 through 7 and insert in lieu thereof the following:

"2. To maintain and, when possible, expand opportunities for diplomatic, economic, commercial, social, cultural and other societal initiatives, so long as these initiatives be undertaken on a bilateral basis, that due and deliberate regard be payed by the United States to the risks and advantages of such relations, and that no initiatives be undertaken which would be detrimental to the United States economy or national security."

The PRESIDING OFFICER. Without objection, the amendments will be considered en bloc. The Senator from Idaho has 4 minutes.

Mr. McCLURE. Mr. President, I ask unanimous consent that the word "and" be inserted in the second amendment on the third line following the word "basis". It would read "bilateral basis, and that".

The modified amendment is as follows:

On page 2, beginning with line 23, strike all down through line 2 on page 3, and insert in lieu thereof the following:

"1. To strive to conclude, as soon as practicable, through firm and patient negotiations, practical and realistic agreements for the stabilization and, when consistent with our national security needs, the reduction of the strategic military power of the United States and the Soviet Union, agreements based not upon trust, but consisting of clearly stated and verifiable stipulations."

On page 3, strike lines 3 through 7 and insert in lieu thereof the following:

"2. To maintain and, when possible, expand opportunities for diplomatic, economic, commercial, social, cultural and other societal

> initiatives, so long as these initiatives be undertaken on a bilateral basis, and that due and deliberate regard be payed by the United States to the risks and advantages of such relations, and that no initiatives be undertaken which would be detrimental to the United States economy or national security."

The PRESIDING OFFICER. The Senator may modify the amendment, and it is so modified.

Mr. McCLURE. Mr. President, this matter has been discussed with both principal sponsors of this resolution, the Senator from California (Mr. CRANSTON) and the Senator from Tennessee (Mr. BAKER). Both have indicated a willingness to accept these changes.

Mr. CRANSTON. Mr. President, based upon the conversations with the Senator and with my principal cosponsor, Senator BAKER, I state that the amendment does improve the resolution.

I ask unanimous consent, which is necessary since the yeas and nays have been ordered, that the resolution may be so modified by accepting this amendment.

The PRESIDING OFFICER. The yeas and nays have not been ordered on the resolution.

Mr. CRANSTON. I ask that the amendment be agreed to.

The PRESIDING OFFICER. The question is on agreeing to the amendment, as modified.

The amendment, as modified, was agreed to.

Mr. BAKER. Mr. President, I join the Senator from California in commending the Senator from Idaho for these proposals. I think it substantially improves the language of the resolution. It makes the intent and purpose of the resolution even more abundantly clear, and I am happy that he has proposed it.

Mr. McCLURE. I thank the Senator from Tennessee and the Senator from California for supporting these amendments. I believe that this language strengthens and clarifies the purpose of the resolution.

I had a third amendment I was going to offer, which would have stricken another portion of the bill and substituted for it other language, but I have not offered it and will not offer it at this time. Instead of stating,

> To launch fresh initiatives on the part of both the United States and the Soviet Union for a commitment, not by rhetoric but by action, to the pursuit of peaceful solutions in present and potential areas of conflict.

It would read:

> To launch through a position of strength, fresh initiatives to pursue peaceful solutions in present and potential areas of conflict consistent with the actions taken by the Soviet Union to attain this goal.

As a result of our conversations with regard to these potential amendments, it was the considered opinion of all of us that the thrust of the resolution is absolutely consonant with the language I would have suggested in the third amendment.

Does the Senator from Tennessee agree with that?

Mr. BAKER. I have no doubt of that. I believe the question is one of the form and style rather than substance. I have no material disagreement with the purposes stated by the Senator.

Mr. McCLURE. The Senator from Tennessee has indicated, as others have stated on the floor of the Senate, that the real purpose of this resolution is that the Soviet Union and anyone else watching this country in its Presidential year, listening to the debate on both sides of the aisle and among the several candidates and their supporters, would not be misled into believing that the United States is about to reinitiate or relaunch the cold war.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. BAKER. Mr. President, I yield the Senator 1 additional minute.

Mr. McCLURE. While I am sure that is the purpose and will be the result of the adoption of this resolution, does not the Senator from Tennessee agree with me that they should not misread, likewise, the adoption of this resolution to mean that people in this country have dropped any questioning of the fruits of détente?

Mr. BAKER. The Senator is entirely correct. As a matter of fact, the best statement I have heard as to that came from one of our colleagues, who said that our efforts at détente are a continuing test between the United States and the Soviet Union to determine whether we can go forward in a continuing effort. The Soviet Union should not misunderstand. This in no way diminishes our expectation that there will be an appropriate quid pro quo and that we will continue to have an examining, a probing, and a questioning mind about what Soviet Union intentions are and how they accord with Soviet actions.

Mr. DOLE. Mr. President, will the Senator yield?

Mr. McCLURE. I am happy to yield.

Mr. DOLE. I point out that the amendments offered by the Senator from Idaho and agreed to, bring the resolution more in line with the letter dated February 5, which was sent to the President of the United States. The Senator from Idaho was the initiator of that letter. I commend him for offering the amendments.

Mr. McCLURE. I thank the Senator. I am mindful that earlier in this colloquy today, he inserted in the RECORD that letter to the President.

I agree with the Senator that it does more closely aline this statement with the statement we were trying to make in that letter. I thank the Senator from Kansas for bringing that letter to our attention again.

Mr. President, in addition to the language changes which I have suggested and which were adopted, I would like to make six specific points:

First. Senate Resolution 406 expresses a hope we all can share; namely, that the U.S. Government seek to persuade the Soviet Union that it should cease to interpret détente as an instrument to obtain unilateral displomatic and military advantage over the United States.

Second. We can all share the hope that the Soviet Union will "extend opportunities for diplomatic, economic, commercial, social, cultural, and other societal initiatives" in the words of the resolution so that we can all live in a more peaceful world.

Third. We all can hope that the new Soviet initiatives will not include sponsoring the deployment of more Cuban Forces to Africa, the construction of new nuclear weapon delivery systems, and the cheating on strategic arms limitation agreements; let us hope that this resolution can contribute to this end.

Fourth. We can all agree that we should conclude an agreement for the reduction of strategic and military competition between the United States and the Soviet Union when such an agreement is based upon actions, not trust. We have seen in SALT I what the consequences of merely trusting the Soviets; a new SALT agreement must be verifiable by our own actions, not based on trust that the Soviets will comply.

Fifth. The resolution properly calls attention to the need to balance risks with advantages in pursuing new diplomatic, economic, commercial, special, cultural, and other societal initiatives. For too many years we have allowed the risks to outweigh the advantages of the initiatives, and as a result, we have been "taken for a ride" by the Soviet Union. It is my hope that this resolution will help to restore a balance between risk and advantage in new initiatives with the Soviet Union.

Sixth. The resolution correctly points out that we must "remain unchallangeably strong militarily"; this is something we have allowed to lapse as we sought to achieve détente with the Soviet Union. It is my hope that this resolution will help restore an emphasis on military strength which has been lacking in the diplomacy of détente over the past several years.

I believe these expressions of hope are neither blind nor naive. They are realistic assessments of opportunity and risks. Dozens of other questions can be and will be asked in our continuing debate over the course of our foreign policy. The safety and the security of our future demands no less.

Mr. DOMENICI. Mr. President, will the Senator yield me 1 minute?

Mr. BAKER. I yield to the Senator.

Mr. DOMENICI. Mr. President, I commend the Senator from Idaho for his amendments.

I ask the Senator from Tennessee if he agrees with my understanding of the resolution as amended. I think it says, "Even though we have some debate going on in this country—and it might become a bit more ferocious—we do not want you to think we are rushing to agree or rushing to disagree."

Does the Senator agree with me that that is basically what we are trying to say to them, loud and clear?

Mr. BAKER. I think that is a fair statement. The fundamental reason for and importance of this resolution at this time is the general statement of principle that it makes in this context, in the time of an election contest. It expresses to all the world that the United States has two fundamental tenets: First, that it will remain unchallengeably strong;

and second, that it will have the courage to negotiate, but we do so with a monitoring eye, being careful at all times that, as a continuing undertaking, it will be mutually beneficial.

Mr. DOMENICI. I thank the Senator.

Mr. ALLEN. Mr. President, will the Senator yield me 1 minute?

Mr. BAKER. First, I have a request from the Senator from Mississippi. If he is ready, I will be glad to yield to him.

The PRESIDING OFFICER. The Senator has 2 minutes remaining.

Mr. BAKER. I yield 30 seconds to the Senator from Alabama and the remainder of my time to the Senator from Mississippi.

Mr. ALLEN. I have an amendment, and I have no time to discuss it. I will submit it later.

The amendment reads:

> Provided no substantive agreement between the United States and the Soviet Union shall prevent the United States from achieving and maintaining parity with the Soviet Union in the area of offensive nuclear weapons.

Mr. BAKER. Mr. President, I yield the remainder of my time to the Senator from Mississippi.

Mr. STENNIS. Mr. President, how much time do I have?

The PRESIDING OFFICER. The Senator from Mississippi has 1 minute and a quarter.

Mr. STENNIS. Mr. President, I commend the Senator from California for the fine work he has done on the resolution. Frankly, though, it is so far reaching, the very subject matter itself, that I should think a resolution of this kind could better go to a committee for ironing out and study in a microscopic way of the meaning of each key word. It is essentially a sense of the Senate resolution. Every Member, to a degree, reserves the right and privilege of passing on the future, any factual matter that may come up as he may see fit on the facts that control at that time and on that subject.

I do emphasize that to me, this is such a delicate matter, so far-reaching, not only in our diplomatic relations with Soviet Russia but other countries as well, and pertains to our strategic military strength, our preparedness generally, that we could well have a good debate on the subject, but I should much rather see—and I say this with all deference to everyone—a more formalistic study by committees and committee staffs and experts and see their recommendation, then, on language that might emanate from the committee.

I thank the Senator for yielding.

The PRESIDING OFFICER. All time has expired.

Mr. ALLEN. I call for the yeas and nays on my amendment.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second. The yeas and nays are ordered, but cannot be voted on until 4 o'clock.

Mr. BAKER. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. BAKER. Does that agreement apply to the Allen amendment as well as to the basic resolution?

The PRESIDING OFFICER. It will apply to any rollcall. It is not possible to have one until 4 p.m.

Mr. BAKER. I ask unanimous consent, then, that the time remaining until 4 o'clock, which is about 7 or 8 minutes, be divided equally.

The PRESIDING OFFICER. Is there objection to that most reasonable request?

The Chair hears none. It is no ordered.

Mr. CRANSTON. Mr. President, I wish to ask the Senator from Idaho for a clarification of one word.

The PRESIDING OFFICER. The Senator yields on his own time?

Mr. CRANSTON. Yes.

In the second amendment, where he refers to initiatives taken on a bilateral basis, he of course wants both the Soviet Union and the United States involved, which is appropriate. We understand that that language does not mean that our allies or their allies would be excluded from participating in such a relationship?

Mr. McCLURE. I agree with the Senator from California that that is correct. I think what we are trying to express in that language is that it requires a mutuality between the United States and the Soviet Union and there should not be unilateral concessions on the part of the United States.

Mr. CRANSTON. I thank the Senator from Idaho.

Mr. McCLURE. I thank the Senator from California.

Will the Senator from Tennessee yield me 2 minutes?

Mr. BAKER. I yield 2 minutes to the Senator from Idaho.

Mr. McCLURE. It seems to me, Mr. President, that in this resolution, we are expressing both a firm resolve and a fervent hope. I hope that when we get to the question of the adoption of this resolution and it is being interpreted to the world at large as to what was intended by the Senate in adopting it, it is not interpreted by some to be only a fervent hope. As fervently as we do hope for better relations and relaxation of tensions, we should not forget that the Senate, in this resolution, is expressing, again, a firm resolve to remain strong, to negotiate from a position of strength, to expect that there is a quid pro quo in regard to each of the agreements that are arrived at pursuant to this resolution and our foreign policy generally, and that we should never lose sight of the fact that we negotiate best when we negotiate from a position of strength and not from one of weakness. That is the language which we have expressed in the amendments and in the resolution.

Mr. STENNIS. Mr. President, will the Senator yield to me to make one comment?

Mr. McCLURE. I am happy to yield to the Senator from Mississippi.

Mr. STENNIS. The Senator is totally correct, in its clarity of meaning here, to make it crystal clear that this is not a retreat or anything else; it is a position that we stand firm with each other in view of the circumstances, in view of each contention, but that we are not receding or retreating from any position as to strength and preparedness.

Mr. McCLURE. The Senator is exactly correct. I think that, again, should be underscored as we get to a vote on this matter, that whether the Allen amendment is adopted or not, that vote should not be taken as any expression on the part of the Senate that we do anything other than affirm again our strong resolve to remain strong and to remain with a full sense of our own interest in each of those negotiations.

I thank the Senator from Tennessee for yielding this time.

Mr. BAKER. Mr. President, I yield myself 2 minutes. I am particularly grateful for the statement just made by the Senator from Idaho. Of course, I reiterate my thanks to him for his two amendments, which the Senator from California and I were glad to accept. In an effort to restate the fundamental position represented by Senate Journal 406, it is redundant but, I think, appropriate to point out that this resolution is couched in general terms and generally states to all of us in this body, to the country at large, and more particularly, to the world, that nothing has changed with respect to the fundamental tenets of American foreign policy. The two cornerstones of American foreign policy are, first, that we should and we shall remain undoubtedly strong militarily; and, as long as we are strong militarily, unchallengeably strong militarily, then it is appropriate—indeed, it is desirable—to try to negotiate not only a reduction and a limitation of strategic weapons, but to try, in tentative steps, to lessen tensions and to increase commercial, domestic, and societal interchange between our nations.

The point should never be lost that we dare not undertake that, that we not consider détente or anything else, unless we fulfill the first requirement of remaining militarily strong.

No one should mistake this resolution for any diminution of our resolve in that respect. We do intend to negotiate only from strength. This resolution commits us to a position of strength at least as much as it commits us to an attitude of negotiations and a commitment to the lessening of world tensions.

Mr. President, I hope and I think that, if the Senate adopts this resolution, it will have a salutary effect on the general debate on foreign policy and the defense policy in the United States in these fevered election times but as well, I hope and I think, it will have the effect of reaffirming the strength, the will, the determination, and the willingness to explore and to negotiate toward a limitation of weapons and reduction of tensions throughout the world.

Mr. President, I reserve the remainder of my time.

The PRESIDING OFFICER. Who yields time? In fact, the Senator from Tennessee has no time left, the Senator from California has the remaining time.

Does the Senator from California wish to use his time.

Mr. CRANSTON. Yes, I am glad to yield a bit more time.

Mr. ALLEN. Mr. President, I have two amendments, one indicating that before this resolution shall become effective, the Senate shall pass a subsequent resolution declaring that the Soviet Union has taken some steps in the area of disarmament or willingness to disarm, some steps in the direction of world peace, such as withdrawing from Africa, such as cutting down on their 5 million man army.

On the second amendment, since this is a sense of the Senate resolution, I assume that the Senate will have no objection to declaring its sense that any subsequent agreement—we are talking about these agreements based on trust or action, or action instead of trust—that no subsequent agreement shall prevent the United States from achieving and maintaining parity with the Soviet Union in the area of offensive nuclear weapons. That is all it says. If the Members of the Senate feel that that is a correct proposition, they will vote for my amendment. If they feel that the United States should not have parity with the Soviet Union in the area of defensive nuclear weapons, they will vote against my amendment.

Mr. CRANSTON. Mr. President, I wish to state very briefly that the amendment speaks to achieving parity, implying that we are behind the Soviet Union presently, which we are not. There are two references, very strong references, to maintaining unchallengeable military strength while pursuing détente. "Parity" is a word that can be interpreted in many different ways, and there are reasons to fear that the adoption of this amendment would mean that we have to have exactly what the Soviet Union has in every particular weapon, spending vast sums unnecessarily.

The PRESIDING OFFICER. All time has expired.

Mr. MANSFIELD. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. MANSFIELD. What will the vote be on?

The PRESIDING OFFICER. The first vote will be on the amendment of the Senator from Alabama.

The question is on agreeing to the amendment of the Senator from Alabama. The yeas and nays have been ordered. The clerk will call the roll.

The legisative clerk called the roll.

Mr. McCLURE (when his name was called). Mr. President, on this vote I have a pair with the Senator from South Carolina (Mr. Thurmond). If he were present and voting, he would vote "aye," and I would vote "no" if I were permitted to vote. Therefore, I withhold my vote.

Mr. ROBERT C. BYRD. I announce that the Senator from Indiana (Mr. Bayh), the Senator from Texas (Mr. Bentsen), the Senator from Delaware (Mr. Biden), the Senator from Idaho (Mr. Church), the Senator from Alaska (Mr. Gravel), the Senator from Indiana (Mr. Hartke), the Senator from New Hampshire (Mr. McIntyre), the Senator from Wisconsin (Mr. Nelson), and the Senator from California (Mr. Tunney) are necessarily absent.

I further announce that the Senator from Vermont (Mr. Leahy) is absent on official business.

Mr. GRIFFIN. I announce that the Senator from Tennessee (Mr. Brock), the Senator from Arizona (Mr. Goldwater), the Senator from Kansas (Mr. Pearson), the Senator from South Carolina (Mr. Thurmond), and the Senator from Texas (Mr. Tower) are necessarily absent.

I further announce that, if present and voting, the Senator from Arizona (Mr. Goldwater) would vote "yea."

The result was announced—yeas 30, nays 54, as follows:

[Rollcall Vote No. 87 Leg.]

YEAS—30

Allen
Bartlett
Beall
Bellmon
Buckley
Chiles
Curtis
Domenici
Durkin
Eastland
Fannin
Hansen
Helms
Hruska
Johnston
Laxalt
Long
McClellan
Montoya
Nunn
Randolph
Roth
Scott, William L.
Stafford
Stennis
Stone
Taft
Talmadge
Weicker
Young

NAYS—54

Abourezk
Baker
Brooke
Bumpers
Burdick
Byrd, Harry F., Jr.
Byrd, Robert C.
Cannon
Case
Clark
Cranston
Culver
Dole
Eagleton
Fong
Ford
Garn
Glenn
Griffin
Hart, Gary
Hart, Philip A.
Haskell
Hatfield
Hathaway
Hollings
Huddleston
Humphrey
Inouye
Jackson
Javits
Kennedy
Magnuson
Mansfield
Mathias
McGee
McGovern
Metcalf
Mondale
Morgan
Moss
Muskie
Packwood
Pastore
Pell
Percy
Proxmire
Ribicoff
Schweiker
Scott, Hugh
Sparkman
Stevens
Stevenson
Symington
Williams

PRESENT AND GIVING A LIVE PAIR, AS PREVIOUSLY RECORDED—1

McClure, against.

NOT VOTING—15

Bayh
Bentsen
Biden
Brock
Church
Goldwater
Gravel
Hartke
Leahy
McIntyre
Nelson
Pearson
Thurmond
Tower
Tunney

So Mr. Allen's amendment was rejected.

The PRESIDING OFFICER (Mr. Laxalt). The Senator from Nebraska.

Mr. CURTIS. Mr. President, I send to the desk an amendment and ask that it be stated.

The PRESIDING OFFICER. The amendment will be stated.

The second assistant legislative clerk read as follows:

The Senator from Nebraska (Mr. Curtis) proposes an amendment:

On page 1, line 8, strike out the word "strident" and insert "melodious".

Mr. CURTIS. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. Debate is not in order.

Mr. CURTIS. A parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. CURTIS. Has all time for debate expired?

The PRESIDING OFFICER. That is correct.

Mr. CURTIS. Mr. President, I ask unanimous consent that I may have 2 minutes to present my amendment.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so desired.

Mr. CURTIS. Mr. President, I wish all the Senators would look at the sentence which begins on line 8, page 1.

It says, "But the strident voices which are a frequent part of such debate should neither mislead other countries nor cloud the fundamental issues."

I ask the question, if one has a melodious voice does this grant the right to mislead other countries or cloud fundamental issues?

Mr. President, I merely called up this amendment for the purpose of illustrating my displeasure at the way this amendment is presented, never going to a committeee, and then a unanimous-consent agreement, which most of us did not know was pending, to limit the time.

I shall vote for the resolution. One is put into a position of being for the resolution or for war. I do not mind voting for oratory in a piece of legislation now and then, but I do think we ought to look it over and check it a little bit.

Mr. President, I withdraw my amendment.

The PRESIDING OFFICER. The amendment is withdrawn.

The PRESIDING OFFICER. The Senator from Alabama.

Mr. ALLEN. Mr. President, I call up my amendment and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

Mr. ALLEN. Let us have order, please. This is the only opportunity we will have to hear the amendment.

The PRESIDING OFFICER. May we have order in the Chamber, please.

The legislative clerk read as follows:

The Senator from Alabama (Mr. Allen) submits the following amendment:

Add at the end of resolution:

Provided, That no subsequent agreement between the U.S. and the Soviet Union shall prevent the United States from achieving and maintaining parity with the Soviet Union in the area of offensive nuclear weapons.

Several Senators addressed the Chair.

Mr. FORD. A parliamentary inquiry, Mr. President.

The PRESIDING OFFICER. The Senator will state it.

Mr. FORD. What is the procedure for sending this legislation to the Foreign Relations Committee for consideration?

The PRESIDING OFFICER. A motion to commit or refer would be in order.

Mr. FORD. I thank the Chair.

Mr. CRANSTON. Mr. President, I ask unanimous consent that the Senator from Alabama may have 2 minutes to explain his amendment and Senator Baker and I may have 2 minutes to comment on it.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered. The Senator from Alabama.

Mr. ALLEN. I thank the distinguished Senator from California for obtaining time to discuss this amendment.

This resolution calls for entering into further agreements with the Soviet Union. It is said to be a sense of the Senate resolution.

A sense of the Senate resolution, as I would understand it, would mean the Senate states how it feels about a given subject. The resolution would say that the Senate feels that we should enter into further agreements with the Soviet Union, based not on trust but on actions.

Well, that is what the amendment of the Senator from Alabama sought to do, to require, before the resolution became effective, that the Soviet Union should take affirmative, good faith actions in the direction of seeking world peace and seeking disarmament. But that amendment was defeated.

This amendment provides that in any substantive agreement—and this just states what the Senate feels on this issue—with the Soviet Union they shall not prevent the United States from achieving parity in offensive nuclear weapons with the Soviet Union.

If we believe that any substantive agreements with the Soviet Union should provide for parity for the United States in the area of offensive nuclear weapons, then it would be entirely proper for us to vote "aye" on this amendment.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. ALLEN. I ask for an additional 30 seconds.

And if we do not favor the United States achieving parity in this area—and it does not have it now—then we would vote against this amendment. The issue is rather clear.

The PRESIDING OFFICER. The Senator from Florida.

Mr. CHILES. Mr. President, on behalf of Senator RANDOLPH and myself, I move that we refer the resolution and the pending amendment to the Committee on Foreign Relations.

Mr. FORD. I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. CRANSTON. May I ask the Senator from Alabama if he would accept a modification to his amendment? I believe he will. That would be before we proceeded with the motion of the Senator from Florida.

Mr. CHILES. Is the motion debatable?

Mr. ALLEN. I would be glad to hear the Senator.

Mr .CRANSTON. I ask that I may have a 1-minute colloquy with the Senator from Alabama.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. CRANSTON. The word parity is open to many interpretations. It could and probably would mean that we are supposed to have exactly the same weapons in exactly the same form as the Soviet Union. I see the Senator from Missouri nodding his head in assent of my statement.

That might mean that we would have to spend a lot of money that we might not have to spend in order to reach parity. I ask the Senator if he would accept the word sufficiency instead of the word parity. If so, I would accept the amendment, or seek to.

Mr. ALLEN. No. I think that is part of the very question involved. Of course it might be said that we have a sufficiency. It is said now that we have 20 times the sufficiency to take definite affirmative action against Russia. That certainly would not be satisfactory. The Senator knows that is the very point of the whole issue, whether sufficiency is enough. We certainly need an equality with Russia. That is the reason for the word parity. I think the word parity is pretty well understood.

The PRESIDING OFFICER. The parliamentary situation is that the motion to refer takes precedence over the motion to amend, so we would not be able to take any action on the Allen amendment until the motion to refer is disposed of. The yeas and nays have been ordered.

Mr. CHILES. Mr. President, the motion is to refer the resolution and the amendment.

Mr. ALLEN. Mr. President, in fairness to the distinguished Senator from California and the distinguished Senator from Tennessee, each side should have 2 minutes to discuss the pros and cons of the amendment. Therefore, the motion to commit should not be voted on until the Senator from California has had his 2 minutes.

Mr. CRANSTON. Mr. President, let me simply repeat very briefly before yielding to my colleague from Tennessee, the principal cosponsor of this amendment, the reasons for opposing the amendment, which sounds very reasonable on the part of the Senator from Alabama.

Parity is generaly interpreted to mean having exactly what a potential foe has, the exact same marbles and the exact same weapons. Parity could well be interpreted to mean that we have gone on record as favoring spending a lot of money to have exactly the same weapons system, offensive and defensive, when that is not an essential to our security. What we need is essential equivalence or sufficiency, the unchallengable military power that this resolution calls for. I yield to Senator BAKER.

Mr. BAKER. Mr. President, I shall not take very long. Let me simply say that we, this afternoon, turned this into a debate on the various components and elements of American foreign defense policy. That was never intended. That was certainly within the scope and purview of the Senate. One thing was sought to be accomplished. It really is not inconsistent with any of the other aspirations or statements by anybody else. It is one single general statement. There are two fundamental tenets of American foreign and domestic policy, and they are important to be stated in the context of this election year so everybody understands they are still there and still important.

First, that we remain unchallengeably strong, and, second, being thus unchallengeably strong, we reiterate that we are willing to talk about the limitation of strategic weapons and to go forward with our efforts to elaborate and extend our commerce and social contact with our erstwhile enemies. That is all we are involved with, a general statement.

We could talk about the number of airplanes, the B-1 system, and ABM system; we could talk about the whole range of military might of this country. But that is not the purpose. If it was, the resolution would go to the Armed Services Committee. But it is a simple statement of principle. That is what this resolution attempts to do. I hope the motion to refer will be defeated.

ADDITIONAL STATEMENTS SUBMITTED ON SENATE RESOLUTION 406

Mr. HANSEN. Mr. President, I must express my reservation concerning Senate Resolution 406.

Mr. President, the haste with which the Senate brought up this resolution is of great concern to me. It seems to me that commonsense would require more thought and deliberation.

The vote on this resolution would come at a time when the administration is taking a long, hard look at the Soviet Union's policy in foreign affairs. There is a growing feeling in this country that the United States has given much and received little in our relations with the Soviets.

In my opinion, the way to implement a foreign policy which serves the best interests of the United States and the free world is to consider the ramifications of such a policy around the world. I do not feel Senate Resolution 406 takes into account such an outlook. I interpret the resolution's call for conclusion at an early date of practical and realistic agreements on arms reduction and stabilization as a prodding of the administration toward an agreement in the SALT II negotiations with the Soviet Union. Such a statement, I submit, is not in the best interests of the United States.

Mr. President, recently other Senators and I wrote the President expressing the belief that the United States should not be hurried into a SALT II agreement with the Soviets. The stakes are high and the United States should proceed very deliberately and with all due caution.

This Senate ought to keep in mind who the friends of the United States are around the world. If any resolution is going to be passed, it ought to reaffirm our resolve to countries which support the United States.

When the chips are down, it is these countries which support the United States upon which we can rely. The Soviet Union is not such a country.

Mr. President, I hope the United States is not lulled to sleep in our relationship with the Soviet Union. The belief of the Soviet Union that its system of totalitarianism will prevail over all governments has not changed. The approach is more subtle and more sophisticated than in the past, but the fact remains that they believe that all governments will succumb to Communist ideology. The Soviet Union does not desist in its zeal. It goals have not changed.

After the Soviet Union's involvement in the Angolan civil war, the Congress denied funds for use by the pro-Western faction in Angola.

I have never believed that there should be U.S. troops or advisers in Angola. However, a denial of funds to support the pro-Western faction by this Congress weakened our credibility in the eyes of those who support us around the world. The Soviets support their friends and their resolve is visible to their friends. Seemingly, our resolve has diminished.

Mr. President, the Soviet Union recognizes the power of its industrial capacity and military hardware and their use in support of their friends. Is it wrong for the United States to do the same? This Congress should support our friends and leave the formulation of public policy in foreign affairs to the President.

I was pleased to learn that Egypt has rescinded its friendship treaty with the Soviet Union. The administration's efforts in this regard are to be commended and the courage of President Anwar Sadat admired.

This recent action could result in a lessening of what was a growing Soviet influence in the Middle East. The Soviet influence in the Middle East is unquestionably of grave concern to the United States. With this action by Egypt, it is time for the United States to show that it does support its friends. Also, with the United States filling what now is a vacuum of influence in the Middle East, the possibility of lasting peace is enhanced because of Egypt's stature in that part of the world. It was most encouraging to learn today that Israel has decided to participate in a U.N. Security Council meeting with the PLO in discussing the problem in Old Jerusalem and in the Israeli occupied West Bank of Jordan.

The pragmatism of the Israeli action in sitting down with the PLO on these issues, underscores a point I am attempting to make. That is the importance of the United States keeping major foreign policy goals in mind. Just as Israel regards the PLO as an unrelenting foe, Israel, nevertheless, appreciates the logic in taking all such steps as may lead to peace.

In our continuing confrontation with communism—the implacable foe of human freedom—we should not be obsessed with the internal policies of other nations. That is, that we turn our back on these countries, who also oppose the same ruthless forces that suppress freedom.

In sum, we in Congress should be focusing our attention and resources on those countries of the world which support us. By supporting its friends around the world, the United States will remain strong. To deny aid to those who support us will lessen our credibility and fragment our support around the world. I am very concerned about the convictions expressed in some quarters, that we should have agreements with the Soviets at any cost. The United States in its relations with the Soviet Union, must maintain and negotiate from a position of strength.

Mr. BELLMON. Mr. President, no matter is more important in this period of history than the relations between the two superpowers—the United States and the U.S.S.R. Perhaps for the first time in human history the responsibility for the peace, and perhaps even the survival of the world rests upon the shoulders of these two governments. Therefore, I aplaud any realistic effort on the part of either side to reduce tensions, increase the level of understanding and lessen the threat of armed conflict. On this basis, I would like to support Senate Resolution 406. Unfortunately, the resolution covers other matters which, in my opinion, make it both dangerous and undesirable. Specifically, I refer to the language in lines 9 and 10 on page 4 which would assure "due respect for the human rights of all people to live where they choose and how they choose."

As I read this phrase, Mr. President, it would remove the restrictions against unlimited immigration into this country so that the United States might shortly be inundated with a flood of immigrants from other nations which are presently plagued with serious overpopulation and the attendant miseries. While I am strongly in favor of assisting other countries to find solutions to their problems of food production and family planning, I am not at all in favor of a policy which would immediately lower the standard of living in this country to unacceptably low levels.

It is impossible to understand why such language is included in a resolution aimed at expressing "the real interests of the American people and their Government in foreign policy matters." This is an action which the Senate should not and must not take. Therefore, I shall vote to recommit this resolution to the Foreign Affairs Committee.

SOUND RELATIONS WITH U.S.S.R. RESOLUTION DESERVES MORE THAN FEW HOURS OF DEBATE

Mr. RANDOLPH. Mr. President, this resolution is very important. It is short in substance but long in rhetoric. It would be difficult to vote against such a measure. Efforts to secure American and Soviet agreements must continue.

Yet, in my judgment, this resolution does not satisfactorily consider the real interests of the American people in our relationship with the Soviet Union. I am increasingly disturbed over the apparent discrepancies in our defense and foreign policies toward Russia as instituted by the Departments of Defense and State. In defining a commonsense approach to work out an agreement of mutual respect between two superpowers, it makes sense that we painstakingly spell out our "aspirations into practical measures" as the resolution states; not in a hurried resolution side-stepping the committee process.

The fundamental issue is that the United States will be competing with the Soviet Union through political economics not just military strength. I pray that the Soviet Government realizes the overkill potential of both sides. A larger military budget for the United States will not deter the Soviet Union from its political economic, ideological struggle.

Recently Secretary of Defense Donald Rumsfeld, warned that the Soviet military manpower levels are twice that of the United States. He cited that Russia's portion of GNP for military strength is twice that of the United States. Yet the State Department finalizes grain sales to the U.S.S.R. which enables that country to focus spending on its military programs. It is my considered conviction that the more the United States aids the Soviet Union in the development of its economy, the more Russia spends militarily, Mr. President, I cannot understand how our Nation can continue to facilitate U.S.S.R. economic development at the time Secretary Rumsfeld advocates a buildup of American weaponry to match the Soviet Union.

I was dismayed on March 17 to read the State Department announcement that negotiations for the Soviet sale of 10 million tons of crude oil annually to the United States has been suspended because of a disagreement from the Soviet Union over freight rates. No change occurred in the reciprocal agreement of American grain exports to Russia. The grain agreement had already been signed by Secretary Kissinger in October of last year without a similar guarantee of Russian oil exports to the United States. For 5 months. I have urged Secretary Kissinger to develop a link between American grain and Russian oil.

I recommend, Mr. President, to the sponsors of the resolution and the leadership of the Senate Foreign Relations Committee that several questions be sent with Senate Resolution 406 to the President which hopefully would clarify our future relations with the Soviet Union. For example, what is the administration's view of the relationship of grain sales, computer sales, technical equipment sales to the U.S.S.R. by the United States and the subsequent Soviet ability to increase funding for military programs? Does the President believe that America should utilize grain sales and the sale of other goods sought by the U.S.S.R. as vehicles to pressure the Soviet Union to reduce its defense expenditures?

Yes, a "continuing dialog" is needed to promote understanding. However, I suggest that the Senators must carefully review our Nation's political survival by utilizing economic strength as a bargaining tool in weapons talks with the Soviet Union.

The Soviet ideology of world expansion must be carefully weighed. American policy of containment has changed throughout the years. Sound relations with the Soviet Union must be tied to U.S. economic growth and national security. Russia is energy rich. The Soviets have an estimated 36 percent of the world's oil reserves. It makes sense that a profitable deal for Russia also be advantageous to our Nation.

I hope, Mr. President, that these suggestions will assist in the Senate in attaining a "responsible exercise of power" by the United States while developing "our enlightened self-interest" with the Soviet Union.

I shall support the motion to commit the resolution to committee.

Mr. PELL. Mr. President, in supporting Senate Resolution 406 on the importance of sound relations with the Soviet Union, I wish to join those colleagues of mine who consider it important to insure that other countries are not misled by the quite natural give and take on the issue of détente in the current electoral campaign.

If I may quote from the resolution—

> The survival of the values we cherish in our free society requires calm and deliberate regulation of the relationships between the great powers of the earth, particularly between the United States and the Soviet Union, so that the danger of nuclear war can be reduced, and the international system can be strengthened to meet the aspirations of the people of all nations.

That is the essence of the process that has come to be known as détente, or the easing of tensions. Given a choice between détente or a return to the eyeball-to-eyeball confrontations of the frigid cold war period, most Americans, I am convinced, would choose a realistic effort to increase cooperation between the two superpowers. I wish to emphasize the use of the word increase here, because few of us are likely to see the day when cooperation across the board characterizes the United States-Soviet relationship. We will continue to be rival states, but the cause of peace will be best served if both countries make an honest effort to develop a pattern of relationships which will make it unlikely that competition will turn into a cataclysmic conflict.

Détente is encountering difficulties today, but these difficulties should not be misinterpreted in the Soviet Union or anywhere else as signaling the death of détente. The debate over détente in both parties in the United States should not be mistaken for destructive dissension. The debate over détente is in many ways a healthy exercise which, if it serves to root out misconceptions and exaggerated expectations, can lead to a more realistic conception of what détente is and, therefore, reinforce the American commitment to détente.

It is the aim of the resolution before us to reinforce that commitment to détente. The resolution notes that the possibilities for constructive cooperation between the United States and the Soviet Union may be limited, but declares it to be "the American purpose to carry on a process whose ultimate aim is to enlarge the sphere of cooperation as much as may prove feasible."

Both the United States and the Soviet Union are in danger today of expecting too much of détente, given its currently modest state of development. The Soviets should not expect that détente will serve as a framework for cooperation in consolidating the Soviet Union's dominance in Eastern Europe. Similarly, the United States should not expect every gesture on our part to do double duty and produce Soviet concessions in several negotiations. We should also recognize the danger in holding the entire détente process hostage to events in areas not central to détente.

Many in the United States have expected for example, that an American concession in the Strategic Arms Limitation Talks or in trade negotiations should not only buy an equivalent concession by the Soviets in one set of negotiations but also a Soviet concession in another area completely unrelated to the negotiations at hand. While the United States should use whatever bargaining levers it has to assure our military security and to press for recognition of the human values and liberties we treasure, we must be careful not to overload the circuit and instead of bringing light to the world, plunge it into darkness.

Most disturbing in this regard is the recent American threat to unravel the whole fabric of détente because of setbacks for which the Soviets are held responsible. The most notable example of such an overreaction to a persumed Soviet initiative is Angola, but Communist Party activity in Western Europe may be the next area in which we hold the Soviets accountable for actions by others. In my view, it is not reasonable to expect the French or Italian Communist Party to stop competing with other parties in democratic elections or to ask Moscow to ask them not to. The prospect of Communist successes in Western Europe is a Western problem, not one of United States-Soviet relations, as the European democratic parties must become more responsive to their people's needs if they are to prevail at the ballot box.

In Africa, we have chosen to risk a confrontation with the Soviet Union over the Angolan civil war, where no American vital interests were involved.

By threatening to hold off on further cooperation with the Soviet Union because of events in Angola, we only encourage the suspicion that one-sided agreements are concluded with the Soviets in such field as trade or arms limitation with the expectation that a balance will be struck by Soviet concessions elsewhere.

The central issues of détente relate to SALT and other arms control arrangements which affect the vital issues of war and peace. If the United States seeks confrontations with the Soviet Union over such issues as Angola and threatens to cut off negotiations on economic and other issues, it is difficult to envisage how SALT and other negotiations central to détente can go on unaffected. Linkage, in effect, can be a two-way street.

In conclusion, it is vital to press ahead in negotiations with the Soviets in the economic and cultural fields; to conclude vital arms control agreements, particularly the limitation of strategic nuclear armaments; and to launch initiatives in an effort to insure the achievement of peaceful solutions in present and potential areas of conflict.

There is no higher task before us, for the future of United States-Soviet relations involves nothing less than the future of civilization as we know it.

Mr. GARY HART. Mr. President, I am pleased to cosponsor this resolution. It is a straightforward declaration of the U.S. intent to seek in good faith every opportunity to lessen international tensions while we remain unchallengeably strong militarily.

Perhaps equally important, however, the resolution before this body seeks to inject a note of integrity into the debate over U.S. policy toward the Soviet Union and foreign policy in general. It states the urgent need for "commonsense and clarity" at a time when election pressures often seem to produce a great deal of posturing and obfuscation by candidates in and out of office. Mr. President, this resolution is especially deserving of our support because it is an example of the Senate performing its historic and proper role of defining and expressing the values guiding American foreign policy and the interests which this policy should defend.

We are not acting today because of a pressure campaign by any lobby or other special interest. We are acting simply because it is our responsibility to promote and protect the public interest. I hope every Member supports this important resolution.

The PRESIDING OFFICER. The question is on agreeing to the motion.

Mr. CHILES. Mr. President——

The PRESIDING OFFICER. All times for debate has expired, unless the Senator wishes to make a unanimous-consent request.

Mr. CHILES. Is the motion debatable?

The PRESIDING OFFICER. All time having expired, the motion is not debatable.

Mr. BAKER. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. BAKER. Normally, the motion is debatable, is it not, but debate is now cut off, subject to the unanimous-consent agreement ordering the time for the vote, is it not?

The PRESIDING OFFICER. The Senator is correct.

Mr. CURTIS. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. CURTIS. What is the motion?

The PRESIDING OFFICER (Mr. TAFT). The question is on agreeing to the motion of the Senator from Florida (Mr. CHILES) to refer the resolution and the Allen amendment to the Committee on Foreign Relations. On this question, the yeas and nays have been ordered, and the clerk will call the roll.

The second assistant legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Indiana (Mr. BAYH), the Senator from Texas (Mr. BENSTEN), the Senator from Delaware (Mr. BIDEN), the Senator from Idaho (Mr. CHURCH), the Senator from Alaska (Mr. GRAVEL), the Senator from Indiana (Mr. HARTKE), the Senator from New Hampshire (Mr. MCINTYRE), the Senator from Wisconsin (Mr. NELSON), and the Senator from California (Mr. TUNNEY) are necessarily absent.

I further announce that the Senator from Vermont (Mr. LEAHY) is absent on official business.

Mr. GRIFFIN. I announce that the Senator from Tennessee (Mr. BROCK), the Senator from Arizona (Mr. GOLDWATER), the Senator from Kansas (Mr. PEARSON), the Senator from South Carolina (Mr. THURMOND), and the Senator from Texas (Mr. TOWER) are necessarily absent.

I further announce that, if present and voting, the Senator from South Carolina (Mr. THURMOND) would vote "yea."

The result was announced—yeas 54, nays 31, as follows:

[Rollcall Vote No. 88 Leg.]

YEAS—54

Allen
Baker
Bartlett
Beall
Bellmon
Buckley
Bumpers
Burdick
Byrd, Harry F., Jr.
Byrd, Robert C.
Cannon
Chiles
Cranston
Curtis
Dole
Domenici
Durkin
Eastland
Fannin
Fong
Ford
Garn
Glenn
Hansen
Helms
Hollings
Hruska
Huddleston
Javits
Johnston
Laxalt
Long
McClellan
McClure
Montoya
Morgan
Moss
Nunn
Pastore
Pell
Randolph
Roth
Scott, William L.
Sparkman
Stennis
Stevens
Stevenson
Stone
Symington
Taft
Talmadge
Weicker
Williams
Young

NAYS—31

Abourezk
Brooke
Case
Clark
Culver
Eagleton
Griffin
Hart, Gary
Hart, Philip A.
Haskell
Hatfield
Hathaway
Humphrey
Inouye
Jackson
Kennedy
Magnuson
Mansfield
Mathias
McGee
McGovern
Metcalf
Mondale
Muskie
Packwood
Percy
Proxmire
Ribicoff
Schweiker
Scott, Hugh
Stafford

NOT VOTING—15

Bayh
Bentsen
Biden
Brock
Church
Goldwater
Gravel
Hartke
Leahy
McIntyre
Nelson
Pearson
Thurmond
Tower
Tunney

So Mr. Chiles' motion was agreed to.

Mr. CRANSTON. Mr. President, I shall only say very briefly that the resolution was called, in the course of the debate, a motherhood resolution, a nullity resolution, a golden rule resolution, and a Ten Commandments resolution.

It apparently turned out to have considerable significance and substance. When the chairman of the Committee on Foreign Relations (Mr. Sparkman) voted to refer it to committee, that was understandable. While I voted first not to do so, when I saw the way the vote was going, Senator Baker and I agreed that we should support the effort now to have this Committee on Foreign Relations consider the matter carefully.

I have the fullest confidence that the committee will report in reasonable time a very fine resolution on détente. It is appropriate that such a significant policy be examined with great care. There certainly should be no errors and no unneeded detail, may I add, in a general policy statement of the Senate.

I am delighted that we will have an opportunity, and I am sure we will, to consider this resolution further in whatever form it comes out of the committee.

SENATOR RANDOLPH COMMENDED FOR REALISM IN UNITED STATES-SOVIET RELATIONS

Mr. SYMINGTON. Mr. President, recently our colleague from West Virginia (Mr. Randolph) sent a letter to Secretary of State Kissinger regarding the delay in reaching agreement on the importation of Russian petroleum as a part of last year's grain export pact.

His communication to the Secretary expresses deep concern over the fact that the agreement on Russian oil has not been consummated while our Nation is in the process of meeting its commitment in the export of grain to the Soviet Union.

The distinguished economist and syndicated columnist, Eliot Janeway, has cogently outlined the importance and impact of Senator Randolph's message to Secretary Kissinger. Mr. Janeway notes that the Senator from West Virginia puts solid evidence behind the need to intensify grain bargaining for Russian oil. He calls the Senator an impressive voice hard to refute.

Mr. President, I ask unanimous consent that Mr. Janeway's column and Senator Randolph's letter be printed in the Record.

There being no objection, the material was ordered to be printed in the Record, as follows:

[From the Washington Star, Mar. 17, 1976]

Oil Via Russia . . . A Bargain Deal

(By Eliot Janeway)

If there's anything surer than death and taxes, it's Russia's need for American grain. Another Russian wheat deal is in the making in Washington. It's time for America to button up her pocketbook.

Early this February, Moscow revealed her need to return to the American grain market. According to the authoritative Milling & Banking News, which broke the story of the original Russian grain steal, Russian buyers have canceled the better part of 150,000 tons of wheat previously ordered. But reneging is Moscow's way of rebidding.

The Russian grain buyers put on a big show of shifting their business from America to Argentina. Within a month, they were hungrier than ever for American grain.

The Kremlin's maneuvering with Secretary of State Kissinger has invited Sen. Henry Jackson to make hay on the campaign trail. But while Jackson has criticized Kissinger for being too soft on the Russians, his liberal foes have criticized him for being too hard on them.

New York Times critic Anthony Lewis, for example, has chided Jackson for saying: "Food power is more important than petroleum power, and we shouldn't hesitate to use it as a bargaining weapon. The Russians would starve to death if it weren't for the United States."

Lewis cites experts who argue that the idea of using food as a weapon is impractical because "the Russians are not totally dependent on American grain."

He refers to the resistance American farmers offered to Nixon's export embargo, as if this unforgettable exercise in muscular thinking were the way for Washington to deal from strength against Russia's weaknesses.

Admittedly, Jackson's claims are subject to scrutiny because of his candidacy; but to dismiss them as the political equivalent of original sin is to reckon without the benefits America has historically derived from airing political differences.

An impressive voice hard to refute has now been raised in support of Jackson's contention. Sen. Jennings Randolph of West Virginia, chairman of the Committee on Public Works, is the dean of the Congress. All factions in both houses defer to his distinctive expertise in energy matters.

As a ranking Democrat representing Appalachia with a force and integrity beyond the reach of partisanship, he has shown no hesitation in crossing the aisle to vote with Repubicans when he has thought them right. He has just stood up for Sen. Henry Bellmon's right to remain seated as the Republican senator from Oklahoma.

Randolph has just written Kissinger a letter which kills two birds with one stone and gets the stone back.

It stops the game Kissinger has been playing with the Russians over trading grain for oil. It stops the taunting of candidates as demagogues. It puts solid evidence behind Jackson's call to start grain bargaining for Russian oil. And it starts an economic dialogue with idealists from Missouri, like Anthony Lewis, who needs to be shown that America can help without hurting anyone.

Randolph's letter begins by recalling that in response to a query from him last November, Kissinger had the State Department advise him that letters of intent had been signed with Russia for a grain-for-oil barter deal. Russia was to buy up to 17 million tons of grain, of which 13.3 million tons have already been bought with an anxiety that admits dependence.

In return, Russia was to sell America 200,000 barrels a day of oil, 2 percent of her production, below the cartel price. This consideration was to entitle Russia to place large-scale orders in America for proprietary oil development and natural gas transmission technology, which Russia desperately needs.

Randolph's letter continues by putting Kissinger on notice that Russia, now the world's No. 1 oil producer, is using her handle on OPEC to import Middle Eastern oil at artificially low prices and then to export it to her satellites in Eastern Europe as a political ploy.

Randolph all but refers directly to Kissinger's frustrated mid-February effort to breach his own agreement with Russia by signing up to sell her grain and oil-field equipment, and to pay for it by taking Russian oil at the full OPEC price.

Randolph finally calls on Kissinger to hold out for selling Russia not just grain but, as I have been urging, *finished* products like frozen chickens in order to utilize America's industrial capacities and show the Russian people what the American system can do for them.

Cutting the American people in on some of that cheap OPEC oil coming out of Russia oil would be a bargain for Russia in her present squeeze.

U.S. Senate,
Committee on Public Works,
Washington, D.C., March 4, 1976.

Hon. Henry A. Kissinger,
Secretary of State,
Washington, D.C.

Dear Mr. Secretary: It is my understanding that another grain export agreement is being negotiated between the United States and the Union of Soviet Socialist Republics. I am concerned over the delays that have occurred in similar negotiations directly tying our export of grain to the importation of Russian petroleum.

On October 16, 1975, I wrote you urging that, "if we must engage in the export of major quantities of grain for foreign policy reasons, then these exports, wherever possible, should be tied to oil imports under exchange agreements." In my judgment, we should not have finalized last year's grain export arrangement with the Soviet Union, while neglecting to reach the finalization of a reciprocal agreement on our importation of Soviet petroleum. On November 10, 1975, your Department advised me that when last year's grain export agreement was reached for this year's grain only letters of intent were exchanged between the two governments for our purchase of petroleum for importation.

Additionally, there was a separate grain export agreement that allows Russia to purchase a maximum of 17 million tons of grain. Thus far, I am informed, 13.3 million tons have been purchased. The Soviet Union has been receiving approximately 16 percent of our exports of wheat and corn. United States commitments on grain exports have been finalized but no companion agreement has been reached on petroleum imports.

The Soviet Union produces 9.5 million

barrels of oil daily; under the proposed agreement the United States is expected to be eligible to receive 200,000 barrels a day (or 2 percent of its daily production). The Soviet Union ranks first among the world's oil producers. In fact, in 1974, for the first time, Russia's crude oil production surpassed United States production. In addition, the U.S.S.R. has an estimated 36 percent of the world's probable oil reserves and is a major natural gas producer.

Reportedly, the U.S.S.R. also has been importing oil from the Middle East at artificially low prices; this has enabled the exportation of petroleum to Eastern Europe to meet its commitments to these countries. This has provided the U.S.S.R. with an advantageous political position. However, demands for Russian petroleum by Eastern Europe are expected to increase during the next few years at a faster rate than increases in energy production.

In order for Russia to meet its commitment to the United States under the proposed energy agreement, it might well be possible that supplies would have to be diverted from Eastern Europe. The Soviet Union thus has expressed interest in the purchase of oil development and natural gas transmission equipment from the United States in order to develop new natural gas and oil supplies for export. At the present time, such energy exports are estimated to comprise over 50 percent of the U.S.S.R.'s hard currency income. In my judgment, the United States should not lightly convey such precious technological know-how and equipment to the U.S.S.R. when the return in petroleum imports is so small.

I believe that the United States should not become reliant on energy-rich U.S.S.R. for a sizeable fraction of our imported oil products. However, the U.S.S.R. does desire to acquire our technological know-how and hard currency. Therefore, the United States appears to be in a position to bargain from the advantageous position when negotiating the amounts and prices for Russian petroleum product imports.

Again I urge you to develop a firm and conditional policy link between the export of U.S. grain and national energy policies governing oil imports. I also suggest that your Department review the possibility of furnishing the Soviet Union with finished grain products rather than grain, itself, where possible. This would enable utilization of American industrial capacity as well as the demonstration of American capitalism in the U.S.S.R.

It is my hope that present negotiations with the Soviet Union on grain export and oil import agreements will produce more than another letter of intent; instead it should result in a binding agreement on sufficient Soviet petroleum supplies at reasonable prices to meet our requirements.

Your attention to these recommendations will be appreciated.

With best wishes, I am,

Truly,

JENNINGS RANDOLPH.

Mr. BAKER. Mr. President, I rise to offer a word of explanation about my vote on the motion to recommit.

As my colleagues know, I was the principal cosponsor of this resolution. I spoke in opposition to several amendments because I felt that there should be a general statement of principle on the foreign and defense policies of the United States uttered as a sense of the Senate resolution in the midst of election time controversy. For that reason, I initially voted against referring this measure to the Committee on Foreign Relations, not because I do not have confidence in the Foreign Relations Committee, because I do. I once served on that committee and hopefully will serve on it again.

Rather, I thought time was of the essence and that if there was real utility and value to this sense-of-the-Senate resolution in expressing America's determination to remain strong, as the resolution stated, unchallengeably strong, and to have the courage to negotiate, as the resolution stated, in the face of our strength, then it needed to be said now.

Mr. President, in view of the determination by the Senate, which I accept in good grace, to refer it to the Foreign Relations Committee, and in view of the obvious controversy that the resolution developed—not upon the fundamental tenets of the resolution but as it devolved into a debate on the component parts of both defense and foreign policies and in view of the direction that it might have gone, to debates about weapons systems, to agricultural policy, and to immigration policy—it was made apparent to this Senator that the Senate today was not in a position to express a unified sense of its sentiment with respect to the fundamental and general tenets of foreign policy.

It was for that reason that I changed my vote on the motion to recommit and voted in favor of the motion to refer to the Committee on Foreign Relations, for I feel that in view of that controversy and in view of the changed nature of the debate to particular questions on special aspects of defense and foreign policy, instead of a timely general statement, the best interests of the Senate and the country would be served by referring it to the Foreign Relations Committee, which has now been done.

With that view, however, I felt it my obligation to report to my colleagues why I made that change and what my views are in that respect.

ROUTINE MORNING BUSINESS

Mr. ROBERT C. BYRD. Mr. President, inasmuch as there is nothing before the Senate, I ask unanimous consent that there be a brief period for the transaction of routine morning business, with statements therein limited to 5 minutes each.

The PRESIDING OFFICER. Without objection, it is so ordered.

THE IMPORTANCE OF SOUND RELATIONS WITH THE SOVIET UNION

Mr. ALLEN. Mr. President, I am delighted that there was general agreement in the Senate that the resolution should go to the Committee on Foreign Relations. The sponsors of the resolution should have guaranteed, when the resolution was submitted, that it go to the Committee on Foreign Relations, by merely allowing it to be assigned to the committee. But it seems to me that this vote in the Senate certainly indicates that there is great doubt, great skepticism, on the part of the American people with the policy of détente and with the policy of entering into agreements all the time that are one-sided, which require in many cases unilateral action on the part of the United States.

I believe that this issue, having been debated in the Senate, pointed the way to the referral of the resolution to the Committee on Foreign Relations, where it well could have been all along.

So, Mr. President, it seems to the Senator from Alabama that the people of this Nation want to see Russia take some overt step in their direction of disarmament, in the direction of working toward world peace, some overt action such as cutting back their 5-million-man armed forces, such as allowing on-site inspection of their nuclear installations, such as allowing freedom of the skies, such as pulling out of Africa, such as staying out of the Middle East, such as pulling out the infiltrators from every country in Africa, such as releasing Cuba from economic and political bondage to the Soviet Union.

I feel that the American people are tired of concessions being made by the American people to Russia. They want to see some overt action on the part of Russia looking toward disarmament, looking toward promoting world peace.

I hope that this resolution will gather much dust in the Committee on Foreign Relations, so that it will not come to the floor of the Senate again.

Mr. WILLIAM L. SCOTT. Mr. President, I associate myself with the remarks of the distinguished Senator from Alabama. I suggest that the members of the Committee on Foreign Relations review the various statements that were made on the floor of the Senate.

This resolution purportedly was to stop the rhetoric, but we had quite a bit of rhetoric in the resolution and a considerable amount of rhetoric in the explanations of the resolution.

So if there is a genuine desire on behalf of those who presented the resolution in the first place to limit the amount of rhetoric on foreign relations, I hope that the matter will not be reported to the floor of the Senate.

ORDER OF BUSINESS

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. FORD). The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

COASTAL ZONE MANAGEMENT ACT AMENDMENTS OF 1976

Mr. ROBERT C. BYRD. Mr. President, I ask the Chair to lay before the Senate a message from the House of Representatives on S. 586.

The PRESIDING OFFICER laid before the Senate the amendments of the House of Representatives to the bill (S. 586) to amend the Coastal Zone Management Act of 1972 to authorize and assist the coastal States to study, plan for, manage, and control the impact of energy facility and resource development which affects the coastal zone, and for other purposes.

(The amendments of the House are printed in the RECORD of March 11, 1976, beginning at page 6131.)

Mr. **ROBERT C. BYRD**. Mr. President, on behalf of Mr. MAGNUSON, I move that the Senate disagree with the amendments of the House and request a conference with the House thereon, and that the Chair be authorized to appoint conferees on the part of the Senate.

The motion was agreed to, and the Presiding Officer appointed Mr. MAGNUSON, Mr. HOLLINGS, Mr. TUNNEY, Mr. STEVENS, and Mr. WEICKER conferees on the part of the Senate.

ORDER FOR RECOGNITION OF SENATOR KENNEDY AND FOR A PERIOD FOR THE TRANSACTION OF ROUTINE MORNING BUSINESS TOMORROW

Mr. **ROBERT C. BYRD**. Mr. President, I ask unanimous consent that on tomorrow, after Mr. GOLDWATER has been recognized under the order previously entered, Mr. KENNEDY be recognized for not to exceed 15 minutes, after which there will be a period for the transaction of routine morning business of not to exceed 30 minutes, with statements limited therein to 5 minutes each.

The **PRESIDING OFFICER**. Without objection, it is so ordered.

Mr. **ROBERT C. BYRD**. Mr. President, I suggest the absence of a quorum.

The **PRESIDING OFFICER**. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. **ROBERT C. BYRD**. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The **PRESIDING OFFICER**. Without objection, it is so ordered.

ORDER FOR ADJOURNMENT UNTIL 11:30 A.M. TOMORROW

Mr. **ROBERT C. BYRD**. Mr. President, I ask unanimous consent that when the Senate completes its business today, it stand in adjournment until the hour of 11:30 tomorrow morning.

The **PRESIDING OFFICER**. Without objection, it is so ordered.

EXTENSION OF TIME FOR FILING AMENDMENTS TO S. 3065

Mr. **ROBERT C. BYRD**. Mr. President, I ask unanimous consent that it be in order until midnight tonight to file amendments to S. 3065.

The **PRESIDING OFFICER**. Without objection, it is so ordered.

Mr. **HELMS**. Will the Senator yield to me for 1 minute?

Mr. **ROBERT C. BYRD**. Yes.

CRISIS IN ARGENTINA

Mr. **HELMS**. Mr. President, the situation in Argentina is growing more tense by the day—even by the hour, according to many reports that I have been receiving. It was only a little less than a year ago that I was privileged to be a guest in that delightful country, a country of great national resources, both natural and human. I was deeply impressed with the ability of the Argentine people, and with the bounty which God had provided for the people who lived in that land.

Yet, as I pointed out on the Senate floor after my return, the picture was marred by what then appeared to be a slowly disintegrating political and economic situation, exacerbated by Communist and anarchist terrorism.

Indeed, my first sight of that beautiful country was through the bullet-proof glass of the security vehicle provided by our competent and courageous Ambassador to Argentina, Robert Hill. Ambassador Hill himself is forced to live in one of the highest security situations of any diplomatic representative in the world, and it is a tribute to his deep understanding of the Argentine situation that he preferred to gloss over the ever-present danger to his person and to dwell instead upon the positive achievements of Argentine science, industry, and agriculture.

While I was in Argentina, I had the opportunity to speak with a number of Argentine leaders in both the public and private sector, and I have been pleased to return the hospitality when they visited Washington. They have been unanimously agreed that the Argentine people are anxiously searching for a solution to the dangerous quandary they are in.

It is now clear that Argentina is on the verge of financial and social collapse. As an American Senator, I am in no position to comment upon the internal politics of another country; yet over the weekend, there have been many articles in the press of the United States indicating that the constitutional government of that country has broken down in all except the name, and that the only constitutional element that remains to guarantee the liberties and human rights of the people is the Armed Forces of Argentina.

This is a development that will not be easily understood by many elements of American opinion. Yet it is a fact of life in many countries of the world that economic bankruptcy and social disintegration bring on the need for a single authority to restore order. In the United States, we regard free expression of opinion and a freely elected government as the cornerstones of human rights.

Yet in the long run, such rights are only a means to protect more basic human rights—the right for the ordinary person to enjoy life without fear of public disorder, the right to have a job and to earn a living, the right to provide support for one's family and an education for one's children, the right to own one's own property and to engage freely in enterprises of one's own choosing. Even in the United States, with all of our democratic experience and safeguards, we see, day-by-day, basic human freedoms being trod upon by freely elected majorities in this Congress, and the economic security of people on pensions and fixed incomes, to say nothing of ordinary workers, being diminished by inflationary government deficits and inordinate increases in the money supply. We should not be surprised then if the ballot box in other countries also leads to the suppression of human liberties. We saw this happen in Brazil 12 years ago; we saw it happen in Chile under Allende. Today we see a tremendous amount of human suffering in Argentina because of the breakdown in social order, despite the manner in which the government took power.

I will give one example from my personal experience. A year ago when I was in Buenos Aires, the peso was converted into U.S. dollars at the rate of 28 to 1. Two weeks ago, the official rate of conversion was 300 to 1. That is an increase of over 10 times in less than 1 *year*.

The misery that financial collapse brings is incredible, not only because many industries face bankruptcy, but because basic social services and charities are unable to meet the level of need. Housewives are unable to stretch a dwindling paycheck to cover necessities. Workers do not know how long their jobs will last.

In addition, the wave of terrorism has greatly increased since I was there a year ago. At that time there were isolated bombings and kidnapings of targeted victims. But the strategy of the Monteneros and the ERP terrorist organizations originally was to initiate Communist takeovers through terror in the provinces, and gradually isolate Buenos Aires, where half the people in the nation live. However, the military, under the able leadership of Gen. Jorge Rafael Videla, was given the power to take the necessary steps to eliminate the guerrilla activity.

I must add that the United States, through no fault of our Mission in Buenos Aires, failed to cooperate fully with these efforts to eradicate the terrorist bands. Important pieces of military equipment were not delivered, partly because of unilateral actions taken by the Secretary of State, and partly because of actions taken by Congress to hamper the world-wide fight against Communist infiltration. As more members of Congress become aware of these problems, I am hopeful that *congressional* opinion will be more understanding of the problems faced by nations under attack from the international Communist movement. Indeed, General Videla has demonstrated that the myth of guerrilla invincibility is just that, namely, a myth, and that terrorists do not command the support of the people they terrorize.

The Communists, therefore, switched strategy. First a unified command was organized among the various revolutionary groups, with a unified plan of action. Tactics were set up for a coordinated effort against military and security forces, to demoralize those forces, and to weaken their credibility among the people. But that has not been accomplished. In recent months, there has been a decided shift of terrorist activity from the outlying provinces to the urban areas, where it is more difficult to attack terrorists because of the concentration of population. But the random terror in the urban areas has done even more to rally public opinion behind the security forces.

I have received authoritative reports which show the statistics of terrorism in Argentina for November, December, and January. I do not have statistics for February, but recent events in Argentina tell the tale of what is happening more than numbers. On March 16, for example, a terrorist bomb exploded in the general headquarters of the Argentine Army, right in Buenos Aires, killing 21 persons. On March 17, to take just 1 day last week, four policemen and a plainclothesman were killed in Buenos Aires, and four bombs exploded upon a street apparently chosen because it was called "Liberty Street." In Cordoba, another policeman was killed. In Rosario, two men described as "card-carrying" Communists were apprehended in the act of making a bomb; in Neuquen, a bomb exploded in front of a house of a Judge; in San Juan, a journalist was killed. These are all examples chosen from just 1 day's newspapers.

I hope that a way will be found to bring Argentina out of this collapse. The military is naturally reluctant to take once again the burden of restoring order. The civilian order has been riddled through by terrorism and loss of confidence. Probably, in the long run, some way will have to be found to produce a union of military and civilian authority so as to avoid the excesses and loss of human rights that is currently taking place. As the Buenos Aires Herald said last week:

> The leader of the Radical Party, Dr. Ricardo Balbin, has described the current leaders of the armed forces as a group of remarkable men, much more patient than any of their recent predecessors. This is clearly true. The tolerance of the armed forces is almost saintly, their capacity to accept sacrifice quite Trojan. Day by day they are earning more and more respect from the people of the country. Their devotion to duty recalls Churchill's tribute to the Royal Air Force during the Battle of Britain. This is the Armed Forces finest hour.

If this be so, there is hope that any change of government will be peaceful, and will respect the spirit of the Argentine constitution. Recent stories in both the Washington Post and the New York Times have indicated that such a change is imminent because of the way that fundamental human rights are being violated by Communist terrorism and economic anarchy. If such a change occurs, as these journalists have predicted, then let us be prepared to understand the human suffering that is at the heart of the demand for change, and the longing for a restoration of traditional rights and responsibilities. Above all, it is important that the Argentine people be spared the destruction of their society, as happened to the Chileans under the regime of Salvador Allende.

Mr. President, I ask unanimous consent that the statistical summaries of terrorism in Argentina, for November and December 1975, and for January 1976 be printed in the RECORD.

There being no objection, the summaries were ordered to be printed in the RECORD, as follows:

TERRORISM IN ARGENTINA

MONTH OF NOVEMBER

Analysis of the subversive situation

The subversive situation during the period Nov. 1 to 30, 1975, registers a decline of 34.10% of the total occurrences as compared with the previous period (October), decline of 59.30% of subversive organizations evaluated as such.

The center of gravity of the subversion was registered in the province of Buenos Aires with 35.49% of the total acts in the country and with following distribution in other provinces: Santa Fe—16.88%; Capital Federal—14.71%; Cordoba—11.68%; Tucuman—8.65%; Entre Rios—3.90%; Mendoza—3.88%; and insignificant percentages in Chubut, San Juan, Jujuy, Misiones, Neuquen, Rio Negro, Salta and San Luis.

As to the type of subversive activity, acts were divided into the following groups: Assaults—179, Psychological Acts—22, Assaults with logistical means—27, Operations—3.

Distribution of acts by organization was as follows: Montoneros—19; E.R.P.—18; F.A.P.—1; Unidentified groups—193.

Assassinations

Buenos Aires	14
Cordoba	5
Santa Fe	4
Tucuman	2
Mendoza	2
Federal Capital	1
Jujuy	1
San Juan	1
Total	30

Acts of major significance

November 3, 1975: San Juan (Concepcion), Assassination of National Deputy of the San Juan Province, Pablo Ramon Rojas.

Cordoba, Assassination of Chief of Police of Cordoba, Jose Elio Robles.

November 14, 1975: Cordoba (Cruz del Eje), Robbing of local Social Bank—200 million pesos and 100 million pesos in checks.

November 22, 1975: Buenos Aires (Gonzalez Catan), Assault on "Catan" clinic, loss of surgical material, 50 million pesos Montoneros.

November 24, 1975: Buenos Aires (Chapadmalal), Robbing of explosive material from Cantera "Yaravi SA." E.R.P.

GEOGRAPHIC SITUATION (BY ORGANIZATION)

Province	GNI	ERP	MONTO	FAP	Total
Buenos Aires	67	7	8		82
Capital Federal	32	1		1	34
Catamarca					
Cordoba	17	5	5		27
Corrientes					
Chaco					
Chubut	3				3
Entre Rios	9				9
Formosa					
Jujuy	1	1			2
La Pampa					
La Rioja					
Mendoza	6	2			8
Misiones	1				1
Neuquen		1			1
Rio Negro	1				1
Salta	1				1
San Juan	1		2		3
San Luis	1				1
Santa Cruz					
Santa Fe	34	1	3		38
S. Del Estero					
T. Del Fuego					
Tucuman	19		1		20
Total, general	193	18	19	1	231

GEOGRAPHIC SITUATION (BY TYPE OF ACTION)—NOVEMBER 1975

Province	Assaults	Assaults with logistical means	Operations	Psychological acts	Total
Buenos Aires	52	20	1	9	82
Capital Federal	33			1	34
Catamarca					
Cordoba	17	5	1	4	27
Corrientes					
Chaco					
Chubut	2	1			3
Entre Rios	9				9
Formosa					
Jujuy	1			1	2
La Pampa					
La Rioja					
Mendoza	7			1	8
Misiones	1				1
Neuquen				1	1
Rio Negro	1				1
Salta	1				1
San Juan	1		1	1	3
San Luis	1				1
Santa Cruz					
Santa Fe	34	1		3	38
S. Del Estero					
T. Del Fuego					
Tucuman	19			1	20
Total, general	179	27	3	22	231
Buenos Aires:					
GNI	49	15	1	2	67
ERP	1	4		2	7
Montone-ROS	2	1		5	8
Total, general	52	20	1	9	82
Capital Federal:					
GNI	32				32
ERP				1	1
Montone-ROS					

GEOGRAPHIC SITUATION (BY TYPE OF ACTION)—NOVEMBER 1975—Continued

Province	Assaults	Assaults with logistical means	Operations	Psychological acts	Total
Capital Federal—Continued					
FAP	1				1
Total, general	33			1	34
Cordoba:					
GNI	13	3	1		17
ERP	2	1		2	5
Montoneros	2	1		2	5
Total, general	17	5	1	4	27
Ghubut:					
GNI	2	1			3
ERP					
Montoneros					
Total, general	2	1			3
Etre Rios:					
GNI	9				9
ERP					
Montone-ROS					
Total, general	9				9
Jujuy:					
GNI	1				1
ERP				1	1
Montone-ROS					
Total, general	1			1	2
Misiones:					
GNI	1				1
ERP					
Montone-ROS					
Total, general	1				1
Neuquen:					
GNI					
ERP				1	1
Montone-ROS					
Total, general				1	1
Mendoza:					
GNI	6				6
ERP	1			1	2
Montoneros					
Total, general	7			1	8
Rio Negro:					
GNI	1				1
ERP					
Montoneros					
Total, general	1				1
Salta:					
GNI	1				1
ERP					
Montone-ROS					
Total, general	1				1
San Juan:					
GNI	1				1
ERP					
Montone-ROS			1	1	2
Total, general	1		1	1	3
San Luis:					
GNI	1				1
ERP					
Montone-ROS					
Total, general	1				1
Santa Fe:					
GNI	32	1		1	34
ERP				1	1
Montoneros	2			1	3
Total, general	34	1		3	38
Tuculian:					
GNI	19				19
ERP					
Montoneros				1	1
Total, general	19			1	20

MONTH OF DECEMBER 1975

Analysis of the subversive situation

The subversive situation during the period December 1 to 31, 1975, the previous period (November, 1975), and a decline of 7.89% of acts of subversive organizations that were evaluated as such.

The center of gravity of the subversion was registered in the province of Buenos Aires with 36.65% of the total acts in the country and with following distribution in other provinces: Cordoba—18.32%, Santa Fe—15.71%, Federal Capital—14.73%, Tucuman—6.69%, Mendoza and St. Luis—1.79%, Salta—1.33%, and insignificant percentages in Corvientes, Entre Rios, Formosa, Misiones, San Juan and Santiago del Estero.

As to the type of subversive activity in acts were divided into the following groups: Assaults—157, Assaults with logistical means—36, Psychological Acts—29, Operations—2. As to the organizations in the reported period, the distribution was: Montoneros—24, E.R.P.—17, Unidentified groups—183.

Assassinations

Buenos Aires	39
Cordoba	15
Tucuman	11
Santa Fe	11
Entre Rios	2
Mendoza	2
Salta	2
Federal Capital	1
Misiones	1
Total	84

Acts of major significance

December 3, 1975: Entre Rios (Villa Urquiza), Assassination of Brig. Gen. D. Jorge Alberto Caceres Monte and his wife. Montoneros.

December 10, 1975: Buenos Aires (Oliros), Assault against Maj. Gen. Ali Luiz Ipres Corbat, Chief of Personnel of the Argentine Air Force, resulting in several wounds of the general and his driver.

December 15, 1975: Buenos Aires (Bahia Blanca), Armed assault on a military vehicle belonging to the military police company 181 of the V Corps, resulting in death of a corporal and a soldier. Montoneros.

December 17, 1975: Buenos Aires (San Martin), Assassination of the local official, Mr. Manuel Compos. Montoneros.

December 20, 1975: Federal Capital, Assault on the Central Military Hospital, resulting in wounding of soldier, Juan Manreja.

December 20, 1975: Buenos Aires (Monte Chingolo), Assault on the Battalion of Arsenals 601 "Domingo Viejobueno", with simultaneous acts of significance:

Armed assault against Seventh Infantry Regiment La Plata.

Barricades at the following points: Victorino de La Plaza, Arellaneda, Puerredon y Bosch.

Armed assault against 601 Communication Battalion of City Bell.

Armed assault against No. 1 Motor Pool of the Buenos Aires Province. E.R.P.

December 26. 1975: Buenos Aires (La Plata), Armed assault with explosives against the house of Dr. Ricardo Balbin.

December 27, 1975: Buenos Aires (City Bell), Armed assault against 601 Communication Battalion.

December 28, 1975: Buenos Aires (Monte Chingolo), Armed assault against the Arsenal Battalion 601 "Domingo Viejobueno".

December 30, 1975: Federal Capital, Assault against the building of the Commanding General of the Army, resulting in wounding of several officials.

GEOGRAPHIC SITUATION (BY ORGANIZATION)

Province	GNI	ERP	MONTO	Total
Buenos Aires	68	7	7	82
Capitol Federal	29	1	3	33
Catamarca				
Cordoba	35	2	4	41
Corrientes	1			1
Chaco				
Chubut				
Entre Rios			1	1
Formosa		1		1
Jujuy				
La Pampa				
La Rioja				
Mendoza	4			4
Misiones	1			1
Neu Quen				
Rio Negro				
Salta	2	1		3
San Juan	1			1
San Luis	4			4
Santa Cruz				
Santa Fe	30	3	2	35
S. Del Estero		2		2
T. Del Fuego				
Tucuman	8		7	15
Total General	183	17	24	224

GEOGRAPHIC SITUATION (BY TYPE OF ACTION)—DECEMBER 1975

Province	Assaults	Assaults with logistical means	Operations	Psychological acts	Total
Buenos Aires	43	30	2	7	82
Capital Federal	27	1		5	33
Catamarca					
Cordoba	33	3		5	41
Corrientes	1				1
Chaco					
Chubut					
Entre Rios	1				1
Formosa				1	1
Jujuy					
La Pampa					
La Rioja					
Mendoza	4				4
Misiones	1				1
Neuquen					
Rio Negro					
Salta	2			1	3
San Juan	1				1
San Luis	4				4
Santa Cruz					
Santa Fe	31	2		2	35
S. Del Estero				2	2
T. Del Fuego					
Tucuman	9			6	15
Total general	157	36	2	29	224
Buenos Aires:					
GNI	39	28	1		68
ERP		2	1	4	7
Montoneros	4			3	7
Total, general	43	30	2	7	82
Capital Federal:					
GNI	27	1		1	29
ERP				1	1
Montone-ROS				3	3
Total, general	27	1		5	33
Cordoba:					
GNI	32	3			35
ERP	1			1	2
Montoneros				4	4
Total, general	32	3		5	41
Corrientes:					
GNI	1				1
ERP					
Montoneros					
Total, general	1				1
Entre Rios:					
GNI					
ERP					
Montoneros	1				1
Total, general	1				1
Formosa:					
GNI					
ERP				1	1
Montoneros					
Total, general				1	1
Mendoza:					
GNI	4				4
ERP					
Montoneros					
Total, general	4				4
Misiones:					
GNI	1				1
ERP					
Montoneros					
Total, general	1				1
San Juan:					
GNI	1				1
ERP					
Montoneros					
Total general	1				1
San Luis:					
GNI	4				4
ERP					
Montoneros					
Total, general	4				4
San Luis:					
GNI	4				4
ERP					
Montoneros					
Total, general	4				4
Santa Fe:					
GNI	28	2			30
ERP	2			1	3
Montoneros	1			1	2
Total, general	31	2		2	35
Santiago Del Estero:					
GNI					
ERP				2	2
Montoneros					
Total, general				2	

MONTH OF JANUARY

Analysis of the subversive situation

The subversive situation for the period of January 1 to 31, 1976, registered a decline of 6.25 percent, in total occurances in comparison with previous period (December 1975). This decrease has been accentuated by 12.19 percent decline of the total acts of subversive organization that were evaluated as such.

The center of gravity of subversion was in the province of Buenos Aires with 39.5% of the total and following distribution in other provinces: Corboda—26.6%, Federal Capital—10.47%, Santa Fe—9.04%, Mendoza—6.66%, and insignificant percentages for Santiago Del Estero, Tucuman, Salta, San Juan, Formosa, Misiones, and Rio Negro.

Distribution by the type of subversive actions was as follows: Assaults—158, Assaults with logistical means—25, Psychological actions—25, Operations—2. Distribution by organizations was as follows: Montoneros—27, E.R.P.—8, E.R.P.-Montoneros—1, Unidentified groups—174.

Assassinations

Buenos Aires	21
Federal Capital	4
Misiones	1
Santa Fe	5
Total	31

Significant acts

January 11, 1976: Buenos Aires (La Plata), A group of extremists attacked different cars from the Police School and the Police Troops of the Buenos Aires Provinces. The guards retreated towards the school's armory to prevent the taking of the arms. Two hours after beginning the attempt of capture, the subversive elements intensified the attack of the Levene station throwing Bengal lights to facilitate their work. Towards the end other police groups assisted in repressing the attack. Two airplanes from the Naval base in Puinta Indio helped to suppress the extremists.

January 12, 1976: Buenos Aires (Villa de Mayo), Incendiary attempt against the train from F.C. Gal Belgrano causing the destruction of the cars and part of the station. Montoneros.

January 15, 1976: Corboda, Explosion in front of the Naval delegation of Corboda.

January 16, 1976: Buenos Aires, Attacks against transportation means: Hurlingham—Incendiary of railroad lines, dissemination of explosive artifacts of which one caused the death of the Police Chief of Buenos Aires, Benedicto Aronda.

Ramos Mejia, Robbing and incendation of the collective.

Castelar, Explosion of an artifact on the railroad lines in Sarmiento. Montoneros.

January 17, 1976: Buenos Aires (Lomas de Zamora), Assault with explosive and guns against the Capitan of Fragata, Alberto Padilla, Montoneros.

Buenos Aires (La Plata)—Bombings, barricades, fires, assaults with guns, propaganda in certain points of the city—"Enumeration follows."

Cordoba—Assaults with arms at the following places: Police Infantry, Military District, Police Chief, The Red Brigade of the Power Worker.

January 20, 1976: Buenos Aires (La Plata y Ensenada), Interception of passenger vehicles making them vacuate. Incendation of a bus from the National Highway Department.

January 21, 1976: Cordoba (Ciudad Capital), Numerous assaults with arms against public bases.

Capital Federal, Occupants of a private auto shot at the sentries of the Air Base "Aeroparque."

Capital Federal, Assassination from an auto of a Federal Agente, Juan Carlos Piaz, who was assigned to the house of a Police Chief.

January 25, 1976: Cordoba, Capture of the local commissary, with the taking of arms and uniforms, following with blowing up the building.

January 26, 1976: Rio Negro, Explosive attempt of the railroad bridge that connects the cities of Viedma and Carmen de Patagones.

January 27, 1976: Buenos Aires (San Isadro), Armed assault from a private auto against Rear Admiral Juan Martin Poggi's home.

January 27, 1976: Buenos Aires (Olivos), Armed assault against the capitan of the Frigate, Roberto Domingo di Bella.

January 28, 1976: Buenos Aires (San Fernando), An extremist group attacked uniformed policemen which resulted in the death of one and the critical wounding of another.

January 29, 1976: Buenos Aires (Munro), Assassination of the Manager of Industrial Relations, Alberto Olabarrieta, and the Supervisor of Personnel, Dr. Jorge Zarlenca, of the Bendix Corporation. Also assassinated was Juan Carlos Garabaglia, who intervened.

January 29, 1976: Santa Fe (Villa Constitucion), Armed assaults: 6th Regional Union, The E.N.T.E.L. guards, Factory in Chapuy, Home of a local politician, Grain elevators of the National Junta.

CONCLUSIONS

Quantitatively, not only did subversive actions diminish numerically as to the number of acts, but also with those that had correspondent authority.

The focal point for the extremist activity centered around major industrial provinces, like Buenos Aires, Cordoba, and Santa Fe, regions considered by armed clandestine organizations as vital to infiltrate and agitate.

From the analysis of the acts of major significance, emerges as the purpose of these groups to intimidate in a systematic manner unities and agencies of the FF.AA and security, also committing assassinations and intimidations of the people.

Numerous assaults were made against public transportation, some by the subversive organization and others by non-identified groups whose motives were as follows:

Stirring up public attention about acts that affect the organizations.

Help guild recoveries.

The activities initiated by the "Red Brigade" of the "Workers Power" and their radical methods stand out during this period.

GEOGRAPHIC SITUATION (BY ORGANIZATION)

Province	GNI	ERP	MONTO	ERP-MONTO	Total
Buenos Aires	66	4	12	1	83
Capital Federal	13	2	7		22
Catamarca					
Cordoba	50	1	5		56
Corrientes					
Chaco					
Chueut					
Entre Rios					
Formosa	1				1
Jujuy					
La Pampa					
La Rioja					
Mendoza	12		2		14
Misiones	1				1
Neuquen					
Rio Negro	1				1
Salta	3				3
San Juan	2				2
San Luis					
Santa Cruz					
Santa Fe	19				19
S. Del Estero	4				4
T. Del Fuego					
Tucuman	2	1	1		4
Total general	174	8	27	1	210

GEOGRAPHIC SITUATION (BY TYPE OF ACTION)

Province	Assaults	Assaults with logistical means	Operations	Psychological acts	Total
Buenos Aires	55	20	1	7	83
Capital, Federal	13			9	22
Catamarca					
Cordoba	48	3	1	4	56
Corrientes					
Chaco					
Chubut					
Entre Rios					
Formosa	1				1
Jujuy					
La Pampa					
La Rioja					
Mendoza	13			1	14
Misiones	1				1
Neuquen					
Rio Negro	1				1
Salta	3				3
San Juan	1	1			2
San Luis					
Santa Cruz					
Santa Fe	16	1		2	19
S. Del Estero	4				4
T. Del Fuego					
Tucuman	2			2	4
Total, general	158	25	2	25	210

SITUATION (BY ORGANIZATION AND TYPE OF ACTION)—JANUARY 1976

Buenos Aires:					
GNI	47	18	1		66
ERP		1		3	4
Montoneros	8			4	12
Erp-Montoneros		1			1
Total, general	55	20	1	7	83
Capital Federal:					
GNI	12			1	13
ERP	1			1	2
Montoneros				7	7
Total, general	13			9	22
Cordoba:					
GNI	47	2	1		50
ERP				1	1
Montone-ROS	1	1		3	5
Total, general	48	3	1	4	56
Formosa:					
GNI	1				1
ERP					
Montoneros					
Total, general	1				1
Mendoza:					
GNI	12				12
ERP					
Montoneros	1			1	2
Total, general	13			1	14
Misiones:					
GNI	1				1
ERP					
Montoneros					
Total, general	1				1
Rio Negro:					
GNI	1				1
ERP					
Montoneros					
Total, general	1				1
Salta:					
GNI	3				3
ERP					
Montoneros					
Total, general	3				3
San Juan:					
GNI	1	1			2
ERP					
Montone-ROS					
Total, general	1	1			2
Santa Fe:					
GNI	16	1		2	19
ERP					
Montoneros					
Total, general	16	1		2	19
Santiago Del Estero:					
GNI	4				4
ERP					
Montoneros					
Total, general	4				4
Tucuman:					
GNI	2				2
ERP				1	1
Montone-ROS				1	1
Total, general	2			2	4

JOINT REFERRAL OF MESSAGE FROM THE PRESIDENT

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that a message from the President relative to budget requests for research and development activities be referred jointly to the Committees on Aeronautics and Space Science, Agriculture and Forestry, Appropriations, Armed Services, Budget, Interior and Insular Affairs, and Labor and Public Welfare.

The PRESIDING OFFICER. Without objection, it is so ordered.

ADJOURNMENT

Mr. ROBERT C. BYRD. Mr. President, there being no further business to come before the Senate, I move, in accordance with the previous order that the Senate stand in adjournment until the hour of 11:30 tomorrow morning.

The motion was agreed to; and at 5:07 p.m., the Senate adjourned until tomorrow, Tuesday, March 23, 1976, at 11:30 a.m.

NOMINATIONS

Executive nominations received by the Senate March 22, 1976:

DEPARTMENT OF STATE

Richard J. Bloomfield, of Maryland, a Foreign Service officer of class 1, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Ecuador.

W. Beverly Carter, Jr., of Pennsylvania, a Foreign Service information officer of class 1, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Liberia.

DEPARTMENT OF STATE

Thomas S. Gates, Jr., of Pennsylvania, Chief of the U.S. Liaison Office at Peking, People's Republic of China, for the rank of Ambassador.

DEPARTMENT OF THE TREASURY

Robert A. Gerard, of the District of Columbia, to be an Assistant Secretary of the Treasury, vice Charles A. Cooper, resigned.

IN THE MARINE CORPS

The following-named (U.S. Air Force Academy) graduates for permanent appointment to the grade of second lieutenant in the Marine Corps, subject to the qualifications therefor as provided by law:

Garrison, Leslie C.
Moy, Way P.
Murphy, Gene B.
Ternes, David E.

The following-name (Marine Corps enlisted commissioning education program) graduates for permanent appointment to the grade of second lieutenant in the Marine Corps, subject to the qualifications therefor as provided by law:

Blodgett, Arthur L.
Carlson, Karl F.
Dossett, Michael S.
England, Kenneth R.
Koch, Rita A.
McKenna, William L.
Smith, Kathleen A.
Williams, Kenneth L.

The following-named (Naval Reserve Officer Training Corps) graduates for permanent appointment to the grade of second lieutenant in the Marine Corps, subject to the qualifications therefor as provided by law:

Alles, Randolph D.
Baleskie, Frank A., Jr.
Barr, Dennis J.
Biely, Robert L.
Billips, Paul E.
Blackman, Clyde E.
Branch, Thomas I.
Briggs, Wayne E.
Bulliung, Geoffrey J.
Burkholder, Paul A.
Burtt, Robert E.
Clarke, Scott W.
Conary, Gary C.
Craig, Constant P.
Craig, Ralph D.
Cullop, Gary R.
Currier, Stuart D., II
Davidson, Thomas A.
Davis, Eugene A.
Davis, Lester D.
Davis, Michael T.
Daw, Michael T.
Deen, Robert L.
Donham, Stanley
Emerson, Oregon, III
Farris, John R.
Fisher, Douglas A.
Flores, Larry G.
Fonteno, Michael R.
Freeland, Kent R.
Fulkerson, Edwin G.
Galvez, Richard M., Jr.
Gilpin, Kevin M.
Goodard, Donald E., Jr.
Hackmeyer, David L.
Hansel, Robert S.
Hoerner, Steven E.
Jackson, Otis J., Jr.
Jennings, James M.
Jewell, Wayne E.
Johnson, Terrie B.
Johnson, William L., III
Jones, Ritchie K.
Linton, Richard M.
MacDonald, James R.
Magnuson, Gary J.
Masse, David A.
Matthews, Paul J.
McCloskey, Michael P.
McMillan, Michael D.
Mehalko, Kim
Mitchell, David M.
Moore, Robert B.
Morris, Phillip A.
Murray, Brian A.
Muse, Allen C.
Oliver, Allen E.
Papineau, Mark W.
Parker, Robert R. Jr.
Pellegrini, Michael
Perkins, Edward J. III
Peterson, Michael R.
Philips, Michael L.
Philip, John R.
Poole, Roger R.
Poppe, Richard J.
Reagan, Jerry E.
Regner, Michael R.
Reiss, John E.
Robinson, David J.
Rowley, David J.
Sandri, Kevin G.
Scepurek, John M.
Serrin, Thomas R.
Shaw, David J. Jr.
Shimeall, Kip J.
Simmons, Walter W.
Smith, Gregory L.
Smith, Michael L.
Stavros, Harry L.
Stegner, Randall L.
Swain, Herbert L. Jr.
Trenda, Lynn E.
Vokoun, William F.
Walker, Lawrence G.
Wells, Karl D.
Wersel, Raymond W.
Widner, Daniel A.
Williams, Harry B.
Wippich, Robert C.
Yackley, Thomas M.
Yoffee, Wade

CONFIRMATIONS

Executive nominations confirmed by the Senate March 22, 1976:

CIVIL AERONAUTICS BOARD

R. Tenney Johnson, of Maryland, to be a member of the Civil Aeronautics Board for the remainder of the term expiring December 31, 1976.

NATIONAL COUNCIL ON EDUCATIONAL RESEARCH

The following-named persons to be members of the National Council on Educational Research for terms expiring June 11, 1978:

Thomas A. Arciniega, of California,
Chester E. Finn, Jr., of Ohio,
D. J. Guzzetta, of Ohio,
Robert G. Heyer, of Minnesota,
Charles A. Nelson, of New York,

The above nominations were approved subject to the nominees' commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.

HOUSE OF REPRESENTATIVES—*Monday, March 22, 1976*

The House met at 12 o'clock noon.

The Chaplain, Rev. Edward G. Latch, D.D., offered the following prayer:

Be glad in the Lord, and rejoice, O righteous, and shout for joy, all you upright in heart.—Psalms 32: 11.

Eternal God, we bow our heads in Thy presence to thank Thee for the rest of the night and for the coming of a new day. Help us to live close to Thee during these hours that the decisions made may be right, the actions planned may be wise, and the outcome result in the highest good for our country.

May Thy gracious presence abide in the hearts of these with whom we live and work and play. Bless our homes, our offices, and the people we endeavor to serve. Keep them from sin and shame and may their lives be filled with love, joy, and peace.

Bless the people of our land and of all lands. May the time soon come when we shall live together in good will, with liberty and justice for all.

In the spirit of the Master we pray. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Without objection, the Journal stands approved.

There was no objection

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the House by Mr. Heiting, one of his secretaries, who also informed the House that on March 19, 1976, the President approved and signed a bill of the House of the following title:

March 19, 1976:

H.R. 11700. An act relating to the application of certain provisions of the Internal Revenue Code of 1954 to specified transactions by certain public employee retirement systems created by the State of New York or any of its political subdivisions.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Hallen, one of its clerks, announced that the Senate had passed without amendment a bill of the House of the following title:

H.R. 3427. An act to provide for the striking of medals in commemoration of the two hundredth anniversary of the signing of the Declaration of Independence by Charles Carroll of Carrollton.

The message also announced that the Senate insists upon its amendments to the bill (H.R. 8650) entitled "An act to assist low-income persons in insulating their homes, to facilitate State and local adoption of energy conservation standards for new buildings, and to direct the Secretary of Housing and Urban Development to undertake research and to develop energy conservation performance standards," disagreed to by the House; agrees to the conference asked by the House on the disagreeing votes of the two Houses thereon, and appoints Mr. PROXMIRE, Mr. SPARKMAN, Mr. WILLIAMS, Mr. McINTYRE, Mr. CRANSTON, Mr. BIDEN, Mr. TOWER, Mr. BROOKE, Mr. PACKWOOD, and Mr. GARN to be the conferees on the part of the Senate.

The message also announced that the Senate had passed bills and joint resolutions of the following titles, in which the concurrence of the House is requested:

S. 641. An act to regulate commerce and protect consumers from adulterated food by requiring the establishment of safety assurance procedures and safety assurance standards, to provide for the effective enforcement of the Food, Drug, and Cosmetic Act, to implement registration of food processing establishments, to provide for more informative labeling of food products, and for other purposes;

S. 2935. An act to authorize appropriations for the Federal Trade Commission, and for other purposes;

S. 3161. An act to authorize the Secretary of the Interior, with the approval of the Architect of the Capitol, to locate flagpoles on the U.S. Capitol Grounds in order to fly the flag of each of the States of the United States, and its territories and possessions;

S.J. Res. 183. Joint resolution authorizing and requesting the President to issue a proclamation designating March 29, 1976, as "National Knights of Columbus Day"; and

S.J. Res. 184. Joint resolution to amend the Regional Rail Reorganization Act of 1973, as amended.

ANNOUNCEMENT BY THE SPEAKER—CHANGE IN ELECTRONIC VOTING SYSTEM

The **SPEAKER**. The Chair wishes to make an announcement concerning the electronic voting system.

After consultation with the leadership on both sides of the aisle and with the chairman of the Committee on House Administration, it has been decided that it would be a convenience to Members to permit changes in votes cast with the electronic system by reinserting a voting card during the first 10 minutes of the voting period. After 10 minutes, if a Member wishes to change his vote, he must follow the present procedure of doing so by voting card, in the well, following the completion of the 15-minute voting period. As with the present system, a Member wishing to change a vote cast during a 5-minute vote, such as occur on suspension days, must do so by filling out a card in the well and announcing his change when recognized to do so.

The necessary programing of the computer has been accomplished to accommodate this change and so this new procedure is effective today.

ADMINISTRATION PROPOSAL FOR CHANGES IN FEDERAL ESTATE AND GIFT TAXES

(Mr. **VANIK** asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. **VANIK**. Mr. Speaker, today Assistant Secretary for Tax Policy, Mr. Charles M. Walker, on behalf of Secretary of Treasury William E. Simon, submitted to the Ways and Means Committee the administration's proposal for changes in Federal estate and gift taxes.

In general, the Treasury submitted the same proposal that President Ford announced in Illinois prior to the Illinois primary.

The major features of the Treasury proposal are increases in the basic estate tax exemption over a 5-year period to $150,000, free interspousal transfers for both gift and estate tax purposes, and a deferred estate tax payment plan for certain farm and business estates.

The revenue loss of the President's proposal is estimated by Treasury to be approximately $1.7 billion annually when the proposals are fully in effect.

The administration proposal made no suggestion of how these lost revenues would be recouped or offset. As the proposal stands, it calls for either an increase in the Federal debt, the Federal deficit, or an increased burden on 95 percent of the other taxpayers who do not have large estates.

PERMISSION TO FILE CONFERENCE REPORT ON HOUSE JOINT RESOLUTION 801

Mr. **McFALL**. Mr. Speaker, I ask unanimous consent that the managers may have until midnight tonight to file a conference report on the joint resolution—House Joint Resolution 801—making supplemental railroad appropriations for the fiscal year ending June 30, 1976, the period ending September 30, 1976, the fiscal year ending September 30, 1978, and the fiscal year ending September 30, 1979, and for other purposes.

The **SPEAKER**. Is there objection to the request of the gentleman from California?

There was no objection.

CONFERENCE REPORT (H. REPT. No. 94-941)

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.J. Res. 801) "making supplemental railroad appropriations for the fiscal year ending June 30, 1976, the period ending September 30, 1976, the fiscal year ending September 30, 1978, and the fiscal year ending September 30, 1979, and for other purposes," having met after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 1, 2, 6, 12, 13, 14, and its unnumbered amendment to amend the title of the Joint Resolution.

That the House recede from its disagreement to the amendments of the Senate numbered 8, 11, and 19, and agree to the same.

Amendment numbered 3: That the House recede from its disagreement to the amendment of the Senate numbered 3, and agree to the same with an amendment, as follows: In lieu of the matter proposed by said amendment insert:

"DEPARTMENT OF TRANSPORTATION

"FEDERAL RAILROAD ADMINISTRATION

"NORTHEAST CORRIDOR IMPROVEMENT PROGRAM"

And the Senate agree to the same.

Amendment numbered 4: That the House recede from its disagreement to the amendment of the Senate numbered 4, and agree to the same with an amendment, as follows: In lieu of the sum named by said amendment insert "$25,000,000"; and the Senate agree to the same.

Amendment numbered 5: That the House recede from its disagreement to the amendment of the Senate numbered 5, and agree to the same with an amendment, as follows: In lieu of the sum named by said amendment insert "$25,000,000"; and the Senate agree to the same.

Amendment numbered 7: That the House recede from its disagreement to the amendment of the Senate numbered 7, and agree to the same with an amendment, as follows: In lieu of the matter proposed by said amendment insert:

GRANTS TO THE NATIONAL RAILROAD PASSENGER CORPORATION

For additional amounts for "Grants to the National Railroad Passenger Corporation," $36,500,000 to remain available until expended: Provided, That not to exceed $21,200,000 in fiscal year 1976 and $5,300,000 in the period July 1, 1976 through September 30, 1976 shall be available for additional operating expenses for the Corporation in connection with the Corporation's additional operating responsibilities over the rail properties of the Northeast Corridor; nonrecurring costs related to the initial assumption of control and responsibility for maintaining rail operations on the Northeast Corridor, $10,000,000.

And the Senate agree to the same.

Amendment numbered 9: That the House recede from its disagreement to the amendment of the Senate numbered 9, and agree to the same with an amendment, as follows: In lieu of the sum named by said amendment insert "$25,000,000"; and the Senate agree to the same.

Amendment numbered 15: That the House recede from its disagreement to the amendment of the Senate numbered 15, and agree to the same with an amendment, as follows: Restore the matter stricken by said amendment amended to read as follows:

"For acquisition of debentures and series A preferred stock issued by the Consolidated Rail Corporation to become available on September 30, 1976, and to remain available until expended, $615,000,000: *Provided,* That not to exceed $200,000,000 shall be made available to the Corporation for operating losses of the Corporation."

And the Senate agree to the same.

Amendment numbered 16: That the House recede from its disagreement to the amendment of the Senate numbered 16, and agree to the same with an amendment, as follows: Restore the matter stricken by said amendment amended to read as follows:

"For acquisition of debentures and series A preferred stock issued by the Consolidated Rail Corporation to remain available until expended, $425,000,000 for fiscal year 1978 and $136,000,000 for fiscal year 1979."

And the Senate agree to the same.

Amendment numbered 17: That the House recede from its disagreement to the amendment of the Senate numbered 17, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$5,800,000"; and the Senate agree to the same.

The committee of conference report in disagreement amendments numbered 10, 18, and 20.

JOHN J. McFALL,
SIDNEY R. YATES
(except as to amendments Nos. 11, 12, 13, 14, 15, and 16),
TOM STEED,
ED KOCH,
BILL ALEXANDER,
GEORGE MAHON,
SILVIO O. CONTE
(except to amendment No. 7),
JACK EDWARDS,
E. A. CEDERBERG,
Managers on the Part of the House.
BIRCH BAYH,
JOHN L. McCLELLAN,
ROBERT C. BYRD,
JOHN C. STENNIS,
WARREN G. MAGNUSON,
JOHN O. PASTORE,
THOMAS F. EAGLETON,
CLIFFORD P. CASE,
TED STEVENS,
CHARLES McC. MATHIAS, Jr.,
DICK SCHWEIKER,
Managers on the Part of the Senate.

JOINT EXPLANATORY STATEMENT OF THE COMMITTEE OF CONFERENCE

The managers on the part of the House and Senate at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the joint resolution (H.J. Res. 801) making supplemental railroad appropriations for the fiscal year ending June 30, 1976, and the period ending September 30, 1976, the fiscal year ending September 30, 1978, and the fiscal year ending September 30, 1979, and for other purposes, submitted the following joint statement to the House and the Senate in explanation of the effect of the action agreed upon by the managers and recommended in the accompanying conference report.

Amendment Nos. 1 and 2: Conform enacting clause as proposed by the House.

DEPARTMENT OF TRANSPORTATION

Federal Railroad Administration

Amendment No. 3: Includes heading for Northeast Corridor improvement program.

Amendment No. 4: Appropriates $25,000,000 for fiscal year 1976 for the Northeast Corridor improvement program instead of $27,400,000 as proposed by the Senate.

Amendment No. 5: Appropriates $25,000,000 for the transition period for the Northeast Corridor improvement program instead of $52,000,000 as proposed by the Senate.

Amendment No. 6: Deletes $12,000,000 appropriation proposed by the Senate for interim operating assistance.

It is not the intention of the conferees that the suppliers of the bankrupt railroads be denied payment of legitimate claims. The conferees are in agreement that, if necessary, a subsequent budget request for these claims will be considered.

Amendment No. 7: Appropriates $36,500,000 for Grants to the National Railroad Passenger Corporation (Amtrak) instead of $142,332,956 as proposed by the Senate.

The conference agreement includes $21,200,000 for fiscal year 1976 and $5,300,000 for the transition period for Amtrak's additional costs for operating over the rail properties of the Northeast Corridor. The conference agreement also includes $10,000,000 for nonrecurring inventory and equipment costs associated with rail passenger operations along the Northeast Corridor.

The conference agreement has deleted the following items which were inserted by the Senate:

Acquiring properties of the Northeast Corridor	$85,182,956
Development and utilization of mobile radio frequencies for high speed rail telephone service	650,000
Acquiring and improving properties designated in accordance with section 206(c)(1)(D) of the Regional Rail Reorganization Act of 1973	20,000,000

The issue of lease or purchase of the Northeast Corridor is to be resolved by the parties involved. However, in the event an agreement is reached pursuant to which Amtrak will purchase the Northeast Corridor properties, the conferees do not intend that either ConRail or Amtrak should be required to pay any funds or properties to the present owners of the Northeast Corridor rail properties for acquisition of such properties.

Urban Mass Transportation Administration

Urban Mass Transportation Fund

Amendment No. 8: Inserts heading for rail service operating payments as proposed by the Senate.

Amendment No. 9: Appropriates $25,000,000 for Rail service operating payments instead of $40,000,000 as proposed by the Senate.

Amendment No. 10: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate to permit the addition, as needed, of the funds appropriated for Rail service operating payments to the limitations contained in Section 306 of Public Law 94-134.

U.S. Railway Association

Payments for Purchase of ConRail Securities

Amendment No. 11: Appropriates $500,000,000 for fiscal year 1976 as proposed by the Senate instead of $460,000,000 as proposed by the House.

Amendment No. 12: Appropriates $350,000,000 for the transition period as proposed by the House instead of $300,000,000 as proposed by the Senate.

Amendment No. 13: Deletes $1,226,000,000 appropriation proposed by the Senate for fiscal year 1977.

Amendment No. 14: Restores House provision limiting operating losses of ConRail to a total of $308,000,000 for fiscal year 1976 and the transition period to September 30, 1976.

Amendment No. 15: Restores House provision appropriating $615,000,000 to become available on September 30, 1976 and limits the amount of these funds which can be user for operating losses of ConRail to $200,000,000 instead of $172,000,000 as proposed by the House.

Amendment No. 16: Appropriates $425,000,000 as proposed by the House for fiscal year 1978 and $136,000,000 for fiscal year 1979 instead of $176,000,000 as proposed by the House. In addition, the conference agreement deletes the House provision to prohibit any of these funds to be used for operating losses of ConRail.

Administrative Expenses

Amendment No. 17: Appropriates $5,800,000 instead of $4,100,000 as proposed by the House and $6,100,000 as proposed by the Senate.

Amendment No. 18: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate to permit the funds appropriated to remain available until expended.

Amendment No. 19: Deletes $1,400,000 appropriation proposed by the House for the transition period.

MISCELLANEOUS PROVISIONS

Amendment No. 20: Reported in technical disagreement. Inasmuch as this amendment relates solely to the Senate and in accord with the long standing practice, under which each body determines its own housekeeping requirements, and concurs without intervention, the managers on the part of the House will offer a motion to recede and concur in Senate amendment No. 20.

UNNUMBERED SENATE AMENDMENT

The Senate recedes from its amendment to amend the title.

NATIONAL TRANSPORTATION SAFETY BOARD

In order for the National Transportation Safety Board to fulfill its responsibilities under P.L. 93-633, Congress provided sufficient funds in the Department of Transportation and Related Agencies Appropriations Act (P.L. 94-134) to enable the Board to fill the 85 new positions provided. The Committees on Appropriations of the House and Senate direct the agency to fill these 85 positions as expeditiously as possible.

CONFERENCE TOTALS BY YEARS—WITH COMPARISONS

The total new budget (obligational) authority for the fiscal year 1976, the transition period, and the fiscal years 1978 and 1979 recommended by the Committee of Conference, with comparisons to the budget estimates and the House and Senate bills follows:

Fiscal year 1976

Budget estimates of new (obligational) authority (as amended)	[1] $472,800,000
House bill	464,100,000
Senate bill	722,532,956
Conference agreement	587,000,000
Conference agreement compared with:	
Budget estimates of new (obligational) authority (as amended)	+114,200,000
House bill	+122,900,000
Senate bill	−135,532,956

[1] Includes $68,700,000 of budget estimates not considered by the House and Senate, but considered by the Committee of Conference.

Transition period

Budget estimates of new (obligational) authority (as amended)	[1] $322,300,000
House bill	966,400,000
Senate bill	357,300,000
Conference agreement	995,300,000
Conference agreement compared with:	
Budget estimates of new (obligational) authority (as amended)	+673,000,000
House bill	+28,900,000
Senate bill	+638,000,000

[1] Includes $20,300,000 of budget estimates not considered by the House and $5,300,000 not considered by the Senate. The Committee of Conference considered $20,300,000 of budget estimates in addition to those considered by the House.

Fiscal year 1977

Budget estimates of new (obligational) authority (as amended)	[1] $1,326,000,000
House bill	---------------
Senate bill	1,226,000,000
Conference agreement	---------------
Conference agreement compared with:	
Budget estimates of new (obligational) authority (as amended)	−1,326,000,000
House bill	---------------
Senate bill	−1,226,000,000

[1] The amount considered by the House and Senate was $1.4 billion. Subsequent to action by both House and Senate, $74 million in budget estimates were withdrawn.

Fiscal years 1978 and 1979

Budget estimates of new (obligational authority	---------------
House bill	[1] $601,000,000
Senate bill	---------------
Conference agreement	[2] 561,000,000
Conference agreement compared with:	
Budget estimates of new (obligational authority)	+561,000,000
House bill	−40,000,000
Senate bill	+561,000,000

[1] Includes $425 million for fiscal year 1978 and $176 million for fiscal year 1979.

[2] Includes $425 million for fiscal year 1978 and $136 million for fiscal year 1979.

CONFERENCE GRAND TOTALS—WITH COMPARISONS

Budget estimates of new (obligational) authority (as amended)	[1][2] $2,121,100,000
House bill	2,031,500,000
Senate bill	2,305,832,956
Conference agreement	2,143,300,000
Conference agreement compared with:	
Budget estimates of new (obligational) authority (as amended)	+22,200,000
House bill	+111,800,000
Senate bill	−162,532,956

[1] The total amount of budget requests considered in connection with this resolution was $2,195,100,000. Of this amount, $74,000,000 was withdrawn after House and Senate action on the resolution.

[2] Includes $89,000,000 of budget estimates not considered by the House and $74,000,000 not considered by the Senate. The Committee of Conference did consider $89,000,000 of

budget estimates in addition to those considered by the House.

John J. McFall,
Sidney R. Yates
(except as to amendments Nos. 11, 12, 13, 14, 15, and 16),
Tom Steed,
Edward I. Koch,
Bill Alexander,
George Mahon,
Silvo O. Conte
(except to amendment No. 7),
Jack Edwards,
E. A. Cederberg,
Managers on the Part of the House.

Birch Bayh,
John L. McClellan,
Robert C. Byrd,
John C. Stennis,
Warren G. Magnuson,
John O. Pastore,
Thomas F. Eagleton,
Clifford P. Case,
Ted Stevens,
Charles McC. Mathias, Jr.,
Dick Schweiker,
Managers on the Part of the Senate.

CALL OF THE HOUSE

Mr. DEVINE. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

Mr. McFALL. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The call was taken by electronic device, and the following Members failed to respond:

[Roll No. 118]

Abzug
Addabbo
Alexander
Anderson, Calif.
Andrews, N.C.
Andrews, N. Dak.
Armstrong
Aspin
Badillo
Barrett
Bell
Bevill
Biaggi
Biester
Boggs
Boland
Bolling
Bowen
Burke, Calif.
Burton, John
Chisholm
Collins, Tex.
Conlan
Conyers
Corman
de la Garza
Dellums
Dent
Diggs
Dingell
Drinan
Duncan, Oreg.
Eckhardt
Esch
Eshleman
Flowers
Ford, Mich.
Gonzalez
Guyer
Hansen
Harsha
Hayes, Ind.
Hays, Ohio
Hébert
Heckler, Mass.
Heinz
Hinshaw
Holland
Karth
Kasten
McCloskey
McCollister
Macdonald
Madden
Mathis
Meeds
Michel
Mikva
Mills
Mosher
Murphy, Ill.
Neal
Nix
Nolan
Obey
O'Hara
Pepper
Peyser
Quie
Quillen
Randall
Rees
Riegle
Rodino
Rostenkowski
Sarbanes
Scheuer
Shuster
Sikes
Simon
Staggers
Stanton, James V.
Steelman
Steiger, Wis.
Stephens
Stuckey
Sullivan
Symington
Taylor, Mo.
Teague
Udall
Van Deerlin
Vigorito
Waxman
White
Young, Alaska
Zeferetti

The SPEAKER. On this rollcall 335 Members have recorded their presence by electronic device, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

25TH ANNUAL REPORT OF NATIONAL SCIENCE FOUNDATION—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 94–415)

The SPEAKER laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, referred to the Committee on Science and Technology and ordered to be printed with illustrations:

To the Congress of the United States:

I am pleased to submit to the Congress the Twenty-Fifth Annual Report of the National Science Foundation, covering fiscal year 1975.

Science and Technology have dramatically benefited our Nation and the world. During the NSF's first 25 years of operation, research supported by the National Science Foundation—particularly basic research in universities—has contributed much to our Nation's progress in science and technology. I expect the Foundation to continue this valuable contribution.

As this Annual Report shows, the programs of the National Science Foundation in 1975 addressed both the important search for new scientific knowledge and its use in solving society's pressing problems. Also, these programs continued to assist in meeting the Nation's need to train tomorrow's scientists and engineers. I commend this report to your attention.

My 1977 Budget now before the Congress recognizes the important role played by the National Science Foundation and assigns high priority to increases in Federal support of basic research. I urge Congressional approval of the proposed budget increases in the National Science Foundation.

Gerald R. Ford.

The White House, *March 22, 1976.*

PROVIDING FOR CONSIDERATION OF H.R. 12226, PEACE CORPS AUTHORIZATION, 1977

Mr. YOUNG of Georgia. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 1090 and ask for its immediate consideration.

The Clerk read the resolution as follows:

H. Res. 1090

Resolved, That upon the adoption of this resolution it shall be in order to move, section 303(a) of the Congressional Budget Act of 1974 (Public Law 93–344) to the contrary notwithstanding, that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 12226) to amend further the Peace Corps Act. After general debate, which shall be confined to the bill and shall continue not to exceed one hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on International Relations, the bill shall be read for amendment under the five-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

The SPEAKER. The gentleman from Georgia (Mr. Young) is recognized for 1 hour.

Mr. YOUNG of Georgia. Mr. Speaker, I yield the usual 30 minutes to the distinguished gentleman from Mississippi (Mr. Lott) for the minority, and pending that, I yield myself such time as I may consume.

Mr. Speaker, House Resolution 1090 is an open rule providing 1 hour of general debate on H.R. 12226, a bill amending further the Peace Corps Act.

House Resolution 1090 makes in order the consideration of H.R. 12226 section 303(a) of the Congressional Budget Act to the contrary notwithstanding. The bill, in section 3, provides new spending authority as defined in section 401(c) (2) (C) by increasing entitlements for Peace Corps volunteers. Under section 303(a) of the Budget Act it is not in order to consider bill providing new spending authority for a fiscal year until the first concurrent resolution on the budget for that fiscal year has been agreed to.

The Committee on the Budget supports this waiver on the condition that an amendment will be offered on the floor by the Committee on International Relations which would convert this new spending authority to a provision earmarking funds subsequently appropriated specifically for payment of Peace Corps volunteers.

H.R. 12226 would authorize $81 million for the Peace Corps for fiscal year 1977. This amount in $7.5 million below the fiscal year 1976 authorization level and $1 million above the appropriations provided for fiscal year 1976.

Mr. Speaker, I urge the adoption of House Resolution 1090 so that we may proceed to the consideration of this measure.

H.R. 12226 would authorize $81 million for the Peace Corps for fiscal year 1977 and would also raise the monthly readjustment allowance for volunteers from a minimum of $75 to a maximum of $15 after September 30, 1977. This sum of $81 million almost equals the sum that our Government wanted to send in the tragic Angolan situation. And yet these Peace Corps volunteers contribute so much more than anything we do militarily in the developing world.

The Peace Corps through the provisions of this bill will move to terminate programs in those nations which have prospered and can support internal development; will attempt to increase overseas support staff; will improve Peace Corps management and planning; and will improve recruitment procedures overall.

Mr. Speaker, I urge that we adopt and pass House Resolution 1090 so that we can debate and vote favorably on this bill.

Mr. LOTT. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, House Resolution 1090 proposes to permit the House to resolve itself into the Committee of the Whole for consideration of H.R. 12226, the Peace Corps authorization for fiscal year 1977, under an open rule with 1 hour of general debate. Since section 303(A) of the Congressional Budget Act will be violated if the House takes up this legislation today, provision is made in the rule to waive points of order against that section.

The purpose of H.R. 12226 is to authorize an appropriation of $81,000,000 for the Peace Corps for fiscal 1977. The bill also increases the readjustment allowance for Peace Corps volunteers from a maximum of $75 per month of service to a minimum of $125 per month, beginning with months of service completed after September 30, 1976.

The cost of this legislation is $13,845,000 above the executive branch request for fiscal 1977. The reasons cited by the International Relations Committee for this additional cost are to strengthen recruitment, screening, training, field support including medical aid, and staff support overseas and to pay for the increase in the readjustment allowance.

Mr. Speaker, I am against the passage of this rule and this bill. I oppose the rule because in granting it we are violating the instrument we created in the Congressional Budget Act to prohibit the consideration of any measure providing new entitlements until the first concurrent resolution on the budget for the fiscal year has been agreed to. Without the waiver of section 303(A) of the act, the bill could not be considered until after May 15, 1976, the date upon which the Congress must complete action on the first concurrent resolution on the budget for the fiscal year beginning on October 1, 1976. The increased readjustment allowance to volunteers is a new entitlement infringing on this section.

Now it is my understanding that an amendment may be offered to cure the Budget Act problem. The proposed amendment would change the entitlement to an authorization but would earmark certain funds—$10 million—for payment to Peace Corps volunteers. While this amendment may bring H.R. 12226 into compliance with the Budget Act, I believe we are defeating the act's purpose by proceeding in this fashion. Accordingly, this rule should not be adopted.

My opposition to passage of the bill stems from two main concerns. First, there is no mandatory language requiring the Peace Corps to terminate its activities in countries that are relatively prosperous and which do not make a significant contribution to the program. Nations falling into this category exist in Latin America and Asia, yet there is no provision in the legislation directing even a phaseout of Peace Corps functions in these countries.

Second, the upward adjustment of the allowance for Peace Corps volunteers from a maximum of $75 per month of service to a minimum of $125 per month is a provision in this bill about which I have great reservations. It is important to note that the committee is recommending changing the law from a statutory amount which cannot be exceeded to a minimum amount with no ceiling at all. Authorizations in future years for the Peace Corps would have to include an allowance figure that could not be controlled because of the absence of a spending limitation. I frankly do not believe we can afford to make this kind of adjustment in the law at this time.

Consequently, Mr. Speaker, I oppose the adoption of this rule before us and, ultimately, the passage of the legislation in its present form.

Mr. Speaker, I have no requests for time and I reserve the balance of my time.

Mr. YOUNG of Georgia. Mr. Speaker, I have no requests for time, and I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

PROVIDING FOR CONSIDERATION OF H.R. 12046, GUATEMALA DISASTER RELIEF ACT OF 1976

Mr. YOUNG of Georgia. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 1089 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. Res. 1089

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 12046) to provide for relief and rehabilitation assistance to the victims of the earthquakes in Guatemala, and for other purposes. After general debate, which shall be confined to the bill and shall continue not to exceed one hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on International Relations, the bill shall be read for amendment under the five-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit. After the passage of H.R. 12046 the Committe on International Relations shall be discharged from the further consideration of the bill S. 3056; and it shall then be in order in the House to move to strike out all after the enacting clause of the said Senate bill and insert in lieu therof the provisions contained in H.R. 12046 as passed by the House.

The SPEAKER. The gentleman from Georgia (Mr. YOUNG) is recognized for 1 hour.

Mr. YOUNG of Georgia. Mr. Speaker, I yield the usual 30 minutes for the minority to the distinguished gentleman from Mississippi (Mr. LOTT) pending which I yield myself such time as I may consume.

Mr. Speaker, House Resolution 1089 is an open rule providing one hour of general debate on H.R. 12046, a bill to provide for relief and rehabilitation assistance to the victims of the earthquakes in Guatemala.

In addition, House Resolution 1089 would provide that upon the adoption of H.R. 12046 the Committee on International Relations would be discharged from further consideration of a similar Senate bill and it would then be in order to amend the Senate bill with the provisions of H.R. 12046 as passed by the House.

H.R. 12046 authorizes $25 million for earthquake disaster relief and rehabilitation activities in Guatemala. To the extent possible funds made available pursuant to this authorization would be used for the construction of housing utilizing seismic resistant materials, and the President is requested to encourage Guatemala to promote the use of such materials. The bill also provides that funds appropriated be distributed to the maximum extent practicable through private U.S. voluntary organizations and other international relief and development organizations. Reports on the use of the funds shall be made to the Congress within 90 days after the enactment of appropriations to carry out this act and on a quarterly basis thereafter.

Mr. Speaker, Guatemala has suffered a terrible tragedy. Over 20,000 persons were killed by the recent earthquakes and thousands more have been left homeless. These funds are urgently needed to begin construction of permanent housing and to provide temporary housing prior to the rapidly approaching rainy season. Mr. Speaker, I urge the adoption of House Resolution 1089 so that we may proceed to the consideration of H.R. 12046.

Mr. LOTT. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, as explained by the gentleman from Georgia, H. Res. 1089 provides forthe House to resolve itself into the Committee of the Whole for consideration of H.R. 12046, the Guatemala Disaster Relief Act of 1976, under an open rule with one hour of debate. After passage of H.R. 12046, the rule makes it in order for the House to move to strike all after the enacting clause of S. 3056 and insert in lieu thereof the provisions contained in the House-passed bill.

The purpose of this legislation is to authorize appropriations of $25 million for earthquake disaster relief and rehabilitation activities in Guatemala during fiscal 1976. The assistance provided is to be used, to the maximum extent possible, for the construction of housing built with seismic-resistant materials. The aid is to be distributed as much as is practicable through U.S. private voluntary organizations and other international relief and development organizations. Reports on the programming and obligation of funds under the act are to be submitted to the Speaker of the House and to appropriate Senate committees not later than 90 days after the enactment of appropriations and quarterly thereafter.

It is my understanding that the disaster assistance account of $25 million in fiscal 1976 nearly is exhausted at this time due to expenditures for various emergencies in Latin America, Europe, Asia, Southeast Asia, and Africa.

For that reason and because of the enormity of the Guatemalan disaster, this special legislation has been reported from the International Relations Committee.

Several concerns were expressed in the Rules Committee when this bill was before us regarding the manner in which the assistance made available by this act would be distributed. It was explained that the Agency for International Development would be directly responsible for administering the disbursement of these funds to the various international voluntary relief organizations. In addition, we were advised that AID also is to be held accountable for overseeing the day-to-day distribution of aid under this legislation.

Having been personally involved in a domestic disaster a few years ago I can readily sympathize with the Guatemalans who fell victim to the earthquake there on February 4. I also can understand the magnitude of the task of coordinating relief efforts so that the maximum amount of rehabilitation can be achieved from the assistance provided. Therefore, I trust that enough emphasis will be placed on the importance of coordination by AID so that wastefulness and delay may be successfully avoided.

Mr. Speaker, I know of no objections to this rule, and support its adoption.

Mr. YOUNG of Georgia. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

PROVIDING FOR CONSIDERATION OF H.R. 12453, NATIONAL AERONAUTICS AND SPACE ADMINISTRATION AUTHORIZATION ACT, 1977

Mr. YOUNG of Texas. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 1094 and ask for its immediate consideration.

The Clerk read the resolution as follows:

H. Res. 1094

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 12453) to authorize appropriations to the National Aeronautics and Space Administration for research and development, construction of facilities, and research and program management, and for other purposes. After general debate, which shall be confined to the bill and shall continue not to exceed one hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Science and Technology, the bill shall be read for amendment under the five minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except except one motion to recommit.

THE SPEAKER. The gentleman from Texas (Mr. Young) is recognized for 1 hour.

Mr. YOUNG of Texas. Mr. Speaker, I yield 30 minutes to the distinguished gentleman from Mississippi (Mr. Lott) pending which I yield myself such time as I may consume.

Mr. Speaker, House Resolution 1094 is an open rule providing 1 hour of general debate on H.R. 12453, a bill to authorize appropriations to the National Aeronautics and Space Administration for research, development, construction of facilities and research and program management and for other purposes.

Mr. Speaker, H.R. 12453 authorizes a total of $3.7 billion for NASA for fiscal year 1977, which is $1 million below the administration request. In addition, the bill would expand NASA's charter to include all transportation systems in the air, in space and on the ground. The bill also contains language stressing the importance of expediting the completion of two specific national facilities—the subsonic wind tunnel at Ames Research Center and construction of the National Transonic Facility—both of which are necessary to improve current design concepts to insure greater fuel efficiency, economy, and safety in future aircraft.

Mr. Speaker, I urge the adoption of House Resolution 1094 so that we may proceed to the consideration of H.R. 12453.

Mr. LOTT. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, this is a 1-hour open rule, and, so far as I know, there is no opposition or controversy surrounding this rule. I think it should be noted that the bill which this rule makes in order, H.R. 12453, the NASA authorization, was reported from the Committee on Science and Technology on March 3, 1976, by a unanimous rollcall vote of those present. The committee report contains no minority or separate views. After the committee witnesses made their presentation to the Rules Committee yesterday, this rule was adopted by a unanimous voice vote.

Mr. Speaker, H.R. 12453 authorizes about $3.7 billion for the National Aeronautics and Space Administration for fiscal year 1977. That is about $1 million less than the administration's budget request. It is my understanding that the committee made some 14 changes in funding line items, giving a slight increase in research and development funding over the NASA request, and a slight decrease in funding for construction of facilities and program management.

The administration supports this bill and has only raised objection to the energy R. & D. funds in this bill which it feels are more appropriately an ERDA responsibility; and it objects to the separate line item in section 1(a) for "operational earth resources satellites" on the grounds that the commitment is premature.

Mr. Speaker, I urge adoption of this rule so that we may proceed to debate H.R. 12453.

Mr. YOUNG of Texas. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

COMMUNICATION FROM THE CLERK OF THE HOUSE

The SPEAKER laid before the House the following communication from the Clerk of the House of Representatives:

Washington, D.C.,
March 19, 1976.

Hon. Carl Albert,
The Speaker,
U.S. House of Representatives,
Washington, D.C.

Dear Mr. Speaker: I have the honor to transmit herewith a sealed envelope from the White House, received in the Clerk's Office at 11:35 A.M. on Friday, March 19, 1976, and said to contain a message from the President wherein he transmits a Report on the Investigation and Study of the War Risk Insurance Program of the Department of Transportation.

With kind regards, I am,

Sincerely,

Edmund L. Henshaw, Jr.,
Clerk, House of Representatives.

REPORT ON INVESTIGATION AND STUDY OF WAR RISK INSURANCE PROGRAM OF DEPARTMENT OF TRANSPORTATION—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 94-414)

The SPEAKER laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, referred to the Committee on Public Works and Transportation and ordered to be printed:

To the Congress of the United States:

In accordance with Section 3 of Public Law 94-90, I am forwarding to the Congress a Report on the Investigation and Study of the War Risk Insurance Program of the Department of Transportation.

This Report states that the existing authority of the Secretary of Transportation under Title XIII of the Federal Aviation Act of 1958 should be expanded in certain respects. This Report will provide the basis for developing remedial legislation. Such legislation should authorize the Secretary of Transportation, after appropriate consultations with other Federal agencies and with the approval of the President, to provide insurance for international U.S. commercial aviation when such insurance is not available commercially and when it is necessary for the continuation of a particular required air service.

I transmit this Report for consideration by the Congress. The Department of Transportation will soon be transmitting implementing legislation.

Gerald R. Ford.

The White House, *March 19, 1976.*

PEACE CORPS AUTHORIZATION, 1977

Mr. MORGAN. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 12226) to amend further the Peace Corps Act.

The SPEAKER. The question is on the motion offered by the gentleman from Pennsylvania.

The motion was agreed to.

IN THE COMMITTEE OF THE WHOLE

Accordingly the Committee resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H.R. 12226, with Mr. Young of Georgia in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

The CHAIRMAN. Under the rule, the gentleman from Pennsylvania (Mr. Morgan) will be recognized for 30 minutes and the gentleman from Ohio (Mr. WHALEN) will be recognized for 30 minutes.

The Chair recognizes the gentleman from Pennsylvania (Mr. MORGAN).

Mr. MORGAN. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, the bill, H.R. 12226, provides an authorization for the Peace Corps for 1 year, fiscal 1977.

Our Committee on International Relations has been giving the Peace Corps a good, close look. We believe that it continues to be a good program. Our volunteers are serving in remote areas of the world—helping poor people with food and nutrition, with health and sanitation, with education and vocational training.

For example, right now in Guatemala, our Peace Corps group of 130 volunteers is in the forefront of the relief effort following the earthquake. Thousands of others are doing similar important jobs in 67 countries around the world.

As reported by the Committee on International Relations, this bill authorizes an appropriation of $81,000,000 for 1 year—fiscal year 1977. This is $7.5 million less than Congress authorized for the same purpose in fiscal year 1976 and just $1 million more than the appropriations level approved by the House for the same year.

The executive had requested a 2-year authorization for the Peace Corps, including $67,155,000 for fiscal year 1977, and "such sums as may be necessary" for fiscal 1978. The committee believes such openended authorizations are unwise; thus, the authorization has been limited to 1 year, fiscal 1977.

Mr. Chairman, the committee increased the fiscal year 1977 authorization for the Peace Corps over the executive request for two basic reasons:

First, because our committee has been exercising continuing oversight over Peace Corps overseas operations in recent years. In the fall of 1972, the committee sent a staff survey team to East Asia to review operations in four countries with large Peace Corps programs. Last fall, the same team visited six countries in West Africa.

Both of these studies recommended improvements in the recruitment, selection and training of volunteers to reduce high attrition rates. In West Africa, the staff survey team found Peace Corps operations were suffering from poor medical attention, screening and training of volunteers and "inadequate staff support."

Despite these findings, the executive branch—at the order of the Office of Management and Budget, OMB—cut the fiscal year 1977 request by $20 million below this year's authorization level. These cuts, if allowed to stand, would have hurt Peace Corps performance in the field. For this reason the committee recommended in its report that at least 50 percent of the increase should be used to strengthen recruitment, screening, training, medical aid and staff support overseas. Let me just add, Mr. Chairman, that there was a strong bipartisan consensus on this point. The bill, as amended by our committee, was reported out by voice vote.

Second, we provided additional funds to pay for an increase in the readjustment allowance for returning volunteers. Let me take just a few moments, Mr. Chairman, to explain this provision:

Last year, the committee amended the Peace Corps Act to increase the ceiling on the readjustment allowance paid to volunteers upon the completion of their tours from $75 to $125 per month of service. At the same time, it authorized the additional funds required to cover such an increase for fiscal year 1976.

Subsequently, however, the Peace Corps took the position that it would increase the allowance only if the increased funding for that purpose were appropriated by the Congress—and that did not happen. As a result, despite the new ceiling, volunteers are still being paid at the old rate.

The committee feels strongly that the volunteers deserve an increase. Inflation has eaten away their $75 per month—a rate which has been the same since 1961. Almost every other program, allowance, or salary level in the government has gone up because of inflation. Our Peace Corps volunteers deserve no less.

Acting on this belief, the committee amended the Peace Corps Act to set $125 per month as a minimum amount, rather than as a ceiling. We also provided an increase in the fiscal year 1977 authorization sufficient to cover the increased cost which the Peace Corps estimates at $4 million annually.

ENTITLEMENT PROBLEM

Mr. Chairman, this section of the committee bill, section 3—which relates to the readjustment allowance—has raised a parliamentary issue. Let me explain the situation:

After markup of H.R. 12226, it was brought to the committee's attention by the parliamentarian that section 3 of our bill was potentially in violation of section 303 of the Congressional Budget and Impoundment Control Act of 1974, because it creates an entitlement.

The committee had the option of not bringing the bill to the floor until after May 15. Then there would have been no problem with that section.

However, floor consideration had been scheduled for this week and the leadership was anxious to get a number of these less-important bills out of the way.

After consultation with the distinguished chairman of the Budget Committee, the gentleman from Washington (Mr. ADAMS), I agreed to offer an amendment to H.R. 12226 on the floor which would remove the entitlement and thus not offend section 303 of the Budget Act. On that basis the Rules Committee granted a waiver of section 303. At the appropriate time, therefore, I will propose such an amendment and explain its effect in detail.

Mr. Chairman, let me conclude by making one or two additional points: Last year, Members may recall, the committee recommended that Peace Corps programs be cut back in the richer developing areas of the world. Two countries, Iran and Venezuela, were singled out. During the past year, the Peace Corps has responded by phasing out the Iran program entirely and reducing the number of volunteers in Venezuela to five.

This year, the committee took up the case of Brazil. Brazil, it was pointed out, has a gross national product of over $80 billion and is the economic giant of Latin America. Yet it has reduced its contribution to our Peace Corps effort there every year since fiscal 1974. For this reason, the committee has recommended that the Peace Corps consider terminating its Brazil program. I am confident that the Peace Corps will also be responsive to this recommendation.

In fiscal 1976, host country contributions to Peace Corps overseas operations totaled $4,295,000—an alltime record. Of this total, however, more was provided by the poorer African nations—$2,665,000—than by the rest of the world put together. This is a good indication of how these countries feel about the Peace Corps. It is a factor our committee will continue to look at very closely in the future.

Mr. Chairman, this proposed authorization will enable the Peace Corps to train at least 3,370 Americans as new volunteers in fiscal year 1977 and to maintain at least 5,708 volunteer years of service abroad.

I believe this bill provides a reasonable level of support to a program which, although modest in scope, serves to promote the U.S. interest abroad during a critical period in our history.

Mr. Chairman, I urge adoption of H.R. 12226, as amended by the Committee on International Relations.

Mr. WHALEN. Mr. Chairman, I yield myself so much time as I may consume.

Mr. Chairman, since its inception the Peace Corps has been an important expression of the U.S. commitment to a more equitable, prosperous, and stable world order. Through the Peace Corps individual Americans have been able to bring their talents and energies to bear on the problems of the developing world. For many people, in this country and abroad, the Peace Corps has become synonomous with selflessness and the desire to serve.

As the Director of ACTION, Mr. Balzano, testified before the Committee on International Relations, the Peace Corps is the only agency of the U.S. Government with a statutory mandate to promote world peace and friendship. In my opinion, the organization is fulfilling this important mission and merits our strong support.

There is a tendency today to look back on the euphoria of the early 1960's—the era that spawned the Peace Corps—and wonder how this Nation could have been so naive, so confident that we could manage our problems and the problems of the world concurrently. The past decade and a half has had a sobering effect. Americans today have a much more realistic appreciation of our ability to pull the world up by its bootstraps; we have lowered our sights and no longer assume that all problems are soluable. We have come to recognize the enormity of the issues facing us at home; we have felt the effects of inflation and recession; we have been exhausted by the experience of Vietnam and Watergate; and we have had difficulty coming to grips with a world order and economy that is increasingly interdependent.

But we have also maintained and supported the Peace Corps as a living symbol of our desire to contribute to the general welfare of the global community. For 15 years Americans of all ages and backgrounds have flocked to the Peace Corps, anxious to devote 2 or 3 years of their lives in service to humanity. I believe it is vitally important to our nation and our image abroad to strengthen and preserve the Peace Corps both as a symbol of our concern and as a vehicle for the tangible expression of this concern.

Mr. Chairman, the legislation before us is a relatively modest proposal authorizing some $81 million for the Peace Corps in fiscal year 1977. The rationale for the funding has been fully explained and justified by the committee chairman. I think it might be instructive, however, to look at what we get for our money. In the crudest sense, we get 5,708 man-years of service in over 65 nations. We also train 3,370 volunteers to carry on the work of the Peace Corps. When we divide the cost of the program by the number of individuals actively involved—overseas volunteers and trainees—we can see that it costs about $9,000 per year to train, maintain, pay, and support the average Peace Corpsman. I think this is a good investment and a prudent allocation of resources.

I should also point out that the United States, as well as the host governments, derive long-term benefits from the Peace Corps experience. Many of the volunteers return to this country with extensive area knowledge, linguistic skills, and a sense of involvement that enhances their usefulness to our society as we grapple with the complexities of an emerging third world consciousness.

We need not be idealists or visionaries to support the Peace Corps. We need only appreciate that there are idealists and visionaries among us anxious to partake in the Peace Corps experience; that the Peace Corps is welcome in and contributes to the economic and social well-being of over 65 nations in the world; and that the Peace Corps volunteers provide an important reservoir of talent for this nation upon completion of their service. Two former volunteers, for example, are Members of this body.

Mr. Chairman, when we spend scores of billions of dollars on our own defense, and additional billions for the defense and security of other nations, when much of the world suffers from poverty and hunger, the question is not whether we can afford the Peace Corps. The question is whether the United States can afford to be without the Peace Corps as an important symbol of our concern for the well-being of all mankind.

Mr. DODD. Mr. Chairman, will the gentleman yield?

Mr. WHALEN. I yield to the gentleman from Connecticut (Mr. DODD).

Mr. DODD. I thank the gentleman for yielding.

Mr. Chairman, let me say to the gentleman from Ohio and the chairman of the committee, Mr. MORGAN, that I am particularly pleased to see that the Peace Corps has received the support of the committee once again.

As one of the two Members of this body who had the privilege of serving in the Peace Corps in the Dominican Republic between 1966 and 1969, I can say personally what a tremendous experience it was for me, and I would like to think that the country in which I worked also benefited to some degree.

I would, however, like to ask the gentleman, if I may, about a segment of the authorization that I would like to see possibly considered for next year when the bill comes up again.

I would like to refer to a piece of testimony that was submitted by Mr. Balzano, back in February 1974, when he said:

> We also propose to develop career possibilities for returning Peace Corps Volunteers by giving those who have proven themselves worthy, the opportunity to reenlist in Volunteer leader capacities. This enables the Volunteer to gain solid management background which will help him when he returns to the United States; and benefits our nation by the continued use of valuable Peace Corps experience in work at home.

There are 80,000 returned Peace Corps volunteers in the country. I think it was the initial thought, when the Peace Corps was started, that one of the important reasons for having this organization would not only be in terms of what Americans can provide to some of the underdeveloped nations of the world, but in the long run what these people would bring back to this country and how we would utilize this tremendous natural resource we have in the country.

I, for one, would like to see some provision made for that possibility next year when the authorization comes up so that we can decide how best we might utilize the experience of ex-Peace Corps volunteers.

Mr. GILMAN. Mr. Chairman, will the gentleman yield?

Mr. WHALEN. Mr. Chairman, I will yield later, but before I yield let me just endeavor to respond to the gentleman from Connecticut's question.

Is the gentleman from Connecticut asking that we give consideration to a followup procedure or that we should actually establish some domestic organization which would be able to utilize the talents of returning volunteers?

Mr. DODD. Not necessarily.

Mr. Chairman, if the gentleman will yield further, we have, of course, the VISTA program and many others in which the ex-Peace Corps volunteers can become involved. But I think we should make further efforts to try to follow up and to continue to use or to take advantage of that ex-Peace Corps volunteer's experience. I think we should investigate how best we can make that experience helpful to the various communities, to the States, and to the Federal Government.

Mr. Chairman, I believe some followup needs to be done, and I think little along that line has been done in the past.

Mr. WHALEN. Mr. Chairman, I think that is certainly a worthy suggestion.

Let me also recommend to the gentleman two articles which I have recently read. One of the articles was published in the March 22, 1976, issue of Business Week magazine. It points out that there are large numbers of volunteers who, upon termination of their service, are being employed by multinational corporations. The article said that the Peace Corps is competing with the prestigious graduate schools of business administration as a source of employment with multinational corporations. They are in particular, being used in Latin America.

Another article appeared in a recent issue of the Progressive magazine, and this particular article mentioned that Peace Corps volunteers, upon their return, are becoming involved in many facets of our society, not just in terms of their own economic endeavors but also in terms of their contributions toward solving various social and community problems that confront us.

Mr. Chairman, I think it is an excellent suggestion that we establish some kind of apparatus by which we can follow up the returning volunteer and perhaps assist him in locating meaningful and rewarding employment.

Mr. DODD. Mr. Chairman, I thank the gentleman, and again I compliment him and the committee for the fine work they have done on this legislation.

Mr. GILMAN. Mr. Chairman, will the gentleman yield?

Mr. WHALEN. I yield to the gentleman from New York.

Mr. GILMAN. Mr. Chairman, I rise to associate myself with the remarks of the distinguished chairman of the International relations Committee, the gentleman from Pennsylvania, Dr. Morgan, and the gentleman from Ohio (Mr. WHALEN) in support of H.R. 12226, the Peace Corps authorization.

The Peace Corps has finally come of age, with mature, dedicated people with practical, sobriety needed skills helping developing nations to help themselves.

While some of the adventure and romanticism has dissipated, it has been replaced with a sense of stability and dedication.

Accordingly, I urge the adoption of this measure.

Mr. WHALEN. Mr. Chairman, I thank the gentleman for his support of this legislation.

Mr. MYERS of Indiana. Mr. Chairman, will the gentleman yield?

Mr. WHALEN. I yield to the gentleman from Indiana.

Mr. MYERS of Indiana. Mr. Chairman, one of the criticisms I have heard of the Peace Corps as it has been constituted has been the fact that often the people we have sent to other countries to give assistance have little technical ability or experience to share with the people they are trying to help. They were there more for the personal experience of travel and excitement and learning other cultures, and so forth, and they were not really helping the people.

My question is this: Is there anything in this bill or is there any effort being made now to include more retired people in this program? There are many retired people in this country, many who have retired at a fairly young age, people who were often leaders in their fields, and many of them have real technical ability and they could contribute so much more than some of the younger volunteers.

Mr. WHALEN. Yes. Mr. Chairman, I think the criticism the gentleman cited was perhaps a valid criticism in the early years of the Peace Corps. However, we have long since gotten away from this defect.

The leadership of the Peace Corps is endeavoring to send volunteers who can bring experience and background to play in the respective host countries. This is insisted upon now.

So the program really has gotten away from just the idea of sending volunteers who are going to benefit by their experience individually at perhaps the expense of the host country. I might point out that the average age of the volunteer has increased.

I personally witnessed the implementation of the suggestion which the gentleman just presented. I was in Ecuador about 2 years ago, and I visited a Peace Corps agricultural station that was being operated at that time by a farmer from one of our Western States.

He was being assisted by his wife. He had two children, young men, who had come to work with their parents. The couple in their mid-fifties were prepared to return to the United States and were going to be replaced by their son. Thus, there are older people who are being utilized by the Peace Corps and who are contributing a great deal to the knowledge and the technical know-how of citizens of their host countries.

Mr. MORGAN. Mr. Chairman, will the gentleman yield?

Mr. WHALEN. I yield to the gentleman from Pennsylvania.

Mr. MORGAN. Mr. Chairman, I just want to tell the Members, including the gentleman from Indiana (Mr. Myers), that there are 333 people over 50 years of age now in the Peace Corps, 333 individuals.

Mr. MYERS of Indiana. Mr. Chairman, if the gentleman will yield further for a question, there is nothing in this bill, I take it, that excludes a so-called senior citizen, a person retired, perhaps 65 years of age, from contributing to this program.

Mr. MORGAN. Not at all. We have one volunteer who is 80 years of age.

Mr. MYERS of Indiana. Mr. Chairman, I thank the gentleman.

Mr. WHALEN. Mr. Chairman, I yield 2 minutes to the gentleman from Illinois (Mr. Derwinski).

Mr. DERWINSKI. Mr. Chairman, the Peace Corps has come of age and today its volunteers are demonstrating a maturity and expertise that has resulted in an increasing demand for Peace Corps volunteers in developing nations around the world.

Today's volunteers represent a wide range of age and experience, with one thing in common: A desire to serve. And they are serving in 22 countries in Latin America, 27 in Africa and 20 other countries in the rest of the world. Young men—and some not so young—with experience in agriculture are helping in projects to increase food production. Other volunteers are helping to develop cooperatives, promote conservation, develop small businesses, and improve health and education.

The volunteers that will be funded through this legislation are mature, responsible, yet enthusiastic and dedicated Americans. In the best spirit of a compassionate America, they want to help their fellow man to lead a better life. They are people who, as an electrician lineman now working as a volunteer in Ecuador put it, want "to do more than just make a weekly wage."

And volunteers are doing just that in Guatemala, in the aftermath of a devastating earthquake that killed over 22,000 people and left more than a million without homes. All of the 130 volunteers in Guatemala are helping with the relief program. Since our volunteers live in all parts of Guatemala, speak the language, and know the needs of the people from living and working with them, they are able to perform an invaluable service by assisting the relief programs in remote areas.

The emphasis in the Peace Corps is on quality—not numbers. The success of the Peace Corps in recruiting highly qualified men and women with a variety of skills is one example of the acceptance of this approach by those who serve on the front lines far from home. Confirming the success of this policy is the overwhelming approval of today's Peace Corps volunteer by their host countries.

This legislation deserves our support.

Mr. MORGAN. Mr. Chairman, I yield such time as he may consume to the gentleman from Wisconsin (Mr. Zablocki).

Mr. ZABLOCKI. Mr. Chairman, I rise in support of H.R. 12226, as amended by the Committee on International Relations. I believe the Peace Corps continues to serve the interests of this country and the cause of international cooperation. It is a modest program, as the chairman has pointed out; but it is also a very worthwhile investment at a time when there are few mechanisms available to bridge the gap between the industrialized and developing nations of the world.

I also believe that our committee has done a particularly effective job of oversight on this program. The bill which is before us today reflects the committee's input to a substantial degree and the final product is, in my judgment, an improved version of the original fiscal year 1977 request. Let me take just a few moments to summarize some of the results of the committee's work.

First of all, we have established the principle that Peace Corps programs ought to be concentrated in those countries which are—

Most in need of the kind of assistance the Peace Corps has to offer; and

Willing to support the program to a reasonable extent.

There are many ways in which even the poorest countries can provide such support—both direct and indirect: They can provide training facilities and personnel—not merely funds from their limited financial resources. I think it is particularly worth noting, as the chairman has done in his opening statement, that host country contribution, both in cash and in kind, have come mostly from the poorer countries in Africa rather than from the relatively affluent developing nations in other parts of the world. These are the countries, quite obviously, which value the Peace Corps contribution to their development efforts and which deserve special consideration.

In accordance with this philosophy, the committee noted in its report on the fiscal year 1976 authorization bill:

> Peace Corps programs should, in the committee's judgment, be concentrated in those developing areas which are demonstrably in need of such assistance and should be phased out of countries with the means and resources to underwrite their own development efforts.

To its credit, the Peace Corps has taken this advice seriously. During the past year the program in Iran has been phased out entirely and the program in Venezuela has been reduced to five volunteers. This year the committee focused attention on Brazil, a country of immense resources, which has been steadily reducing its own contribution to the program since fiscal year 1974. Clearly, a phaseout of the Brazil program as recommended in the report is in order.

This year, the committee also had the benefit of a staff study on Peace Corps programs in West Africa, which was released just prior to the authorization hearings. That report cited a number of problems confronting the Peace Corps in the West African region, including:

One, a lack of clear leadership related to the apparent inability of ACTION/Washington to maintain continuity in the Country Director position;

Second, inadequate staff support in the field because of drastic reductions in overseas staff positions and the failure to fill some authorized positions;

Third, inadequate advance programing and follow-up on Peace Corps volunteer assignments;

Fourth, lack of coordination between Washington and the field;

Fifth, inadequate medical care being afforded to volunteers in high-risk health areas; and

Sixth, lack of preliminary screening procedures to select out unacceptable candidates before they are sent overseas.

Above all, the staff report recommended that greater emphasis be placed on the concept of quality programing rather than on the numbers of volunteers being assigned overseas. To date, Peace Corps directors have been urged by Washington to place as many volunteers in the field as possible on the questionable theory that the level of congressional support for the program, as a whole, is directly proportional to its overseas volunteer strength.

The staff survey team concluded by noting that—

> If qualitative improvements are to be made in the program, it will require corresponding improvements in the overseas support function.

Instead, Mr. Chairman, the OMB response has been to cut back funds for such support even further—a move which would clearly jeopardize the entire program. Even with the restoration of some $14 million by the committee, this year's request is still $7.5 million less than the amount Congress authorized last year. I believe that given these circumstances, the committee's action was fully justified. Moreover, it was an action based on some knowledge of the facts involved.

Finally, Mr. Chairman, there is the still-pending question of a readjustment allowance increase for returning Peace Corps volunteers. This is a move which is long overdue. The $75 per-month rate currently being paid to volunteers who have completed their service with the Peace Corps has remained the same since the inception of the Peace Corps in 1961. That is a period of 16 years—when every other program, allowance, or salary level in the Government has been adjusted upward to reject inflationary pressures. Only the Peace Corps has been denied this benefit. I think it is high time to correct this situation and make the increase mandatory. That is exactly what the committee has done.

Mr. Chairman, this bill represents a strong, bipartisan consensus on the part of the Committee on International Relations. The changes made in this bill are both necessary and reasonable.

Mr. Chairman, I urge the passage of H.R. 12226.

Mr. MORGAN. Mr. Chairman, I yield 1 minute to the gentleman from Massachusetts (Mr. Tsongas).

Mr. TSONGAS. Mr. Chairman, I would like to commend the chairman of the full committee for having presented this bill and having restored what we consider to be the full amount necessary to carry the Peace Corps through.

I think the Peace Corps does remarkable work. In terms of its effectiveness, it certainly does a lot more for the United States than foreign aid does.

Again, Mr. Chairman, I would like to commend the gentleman for his efforts.

Mr. WHALEN. Mr. Chairman, I yield 1 minute to the gentleman from Illinois (Mr. Findley).

Mr. FINDLEY. Mr. Chairman, I have held the view all through the years that the Peace Corps has been one of our best investments in foreign policy, but it is a two-way street.

Undoubtedly, a great benefit comes to the countries where the Peace Corps operates, but I think an even greater enrichment comes to the individuals from this country who gain so much from this personal experience that they come back and make outstanding citizens.

Mr. Chairman, two fine examples of this are the two Members of this body who formerly served in the Peace Corps.

Mr. CONTE. Mr. Chairman, I rise in support of H.R. 12226 which authorizes funding for the Peace Corps.

Just a couple of weeks ago, the House considered and passed the Foreign Assistance Appropriations Act of 1976. In that bill were the funds for the Peace Corps. I was present at the hearings and studied the justifications of expenditures. It is my sincere view that this authorization level of $82 million is vital to the maintenance of the high quality organization that this Nation can be proud of. The Peace Corps has served well in the past and in order to continue to do so we must not cut the heart out of the training and support funds. This authorization would help keep the program from becoming spread so thinly and supported so poorly that its effectiveness would be lost. If we are going to have any volunteer agency such as this, then let us have one which is capable of accomplishing something.

Members who do not care for the Peace Corps point to various comments by various people in countries served by the Peace Corps which are derogatory. Well, the cold, hard facts are that if the Peace Corps was not invited to stay every year by the government of the host country there would not be a program there. I have letters from many nations endorsing and commending the Peace Corps.

If we cut the heart out of the training and support, without cutting the volunteers, we will not be getting those commendations and invitations because we will not have a decent program. The committee has recognized this and through the bill and report has pointed it out to the Congress as a whole.

A very timely example of the value of the Peace Corps is their effort in the recent earthquake in Guatemala. Our volunteers, though few in number, were key persons in the relief effort. They coordinated with the private relief groups such as Care and Red Cross and were of invaluable assistance to many Guatemalan victims at the early stages of the disaster when the most assistance is needed.

Mr. Chairman, through more careful screening, training, medical aid, and field support our volunteer effort can go on serving as admirably as it has in Guatemala. I support this legislation because the authorization of $81 million is necessary. It is not being wasted or inefficiently spent. I believe we should not only have a Peace Corps, but we should have one that can do its job. Because this support and program money is necessary to carry out that goal, I urge my colleagues to support H.R. 12226.

Thank you, Mr. Chairman.

Mr. BROOMFIELD. Mr. Chairman, for 15 years now the Peace Corps has been the vehicle through which we have projected to the world much of what is noble and commendable in the American character. The Peace Corps and the volunteers who serve in it provide tangible evidence of the abiding American commitment to a better world order. For many people in scores of nations, the Peace Corps is the embodiment of the American readiness to sacrifice on behalf of others.

In supporting H.R. 12226, I want to emphasize that the Peace Corps is a dynamic, evolving institution responsive to the changing international environment. The Peace Corps has changed its recruitment and training policies in order to respond to the most urgent requirements of the host countries, with particular emphasis on food, health, and basic education.

Equally important is the fact that the Peace Corps works; the organization is successfully fulfilling its mandate to import skills and technical assistance to less developed countries; to promote cultural interchange, and to foster world peace and friendship. The record, Mr. Chairman, is replete with statements from host government officials testifying to the usefulness of Peace Corps programs and the dedication of individual volunteers.

The legislation before us is straightforward and has been adequately explained by my colleagues on the floor. The modest increase in funding suggested by the Committee on International Relations is, in my opinion, entirely justified. The funds that have been added to the Executive request are designed to insure that the Peace Corps volunteer, who is at the very heart of this program, is adequately trained, supported, and compensated. Every volunteer has undertaken a significant commitment to his country and to the service of others; it is incumbent on us to see that he or she has the tools to do the job.

I sincerely hope that our general disillusionment with the affairs of the world will not spill over into the Peace Corps program. The Peace Corps provides important services to millions of people in over 65 nations of the developing world. It is the avenue through which individual Americans can express their desire to be of service. The program serves the interests of the United States and the world community; it merits our enthusiastic support.

Mr. PATTEN. Mr. Chairman, I rise in support of this measure which would authorize funds for the continued work of one of this Nation's most humanitarian and successful programs, the Peace Corps. The creation of the Peace Corps was one of the proudest and most enduring achievements of the late President John F. Kennedy. On March 1, 1961, upon announcing the creation of the Peace Corps, he said that the basic purpose of the Corps was "to help foreign countries meet their urgent needs for skilled manpower." It has certainly fulfilled its purpose.

However, past budget cuts, coupled with inflation, have had a devastating effect on this program. Coordination between Washington and the field is minimal; inadequate staff support in the field is causing administrative problems; a lack of good screening procedures is being reflected in certain cases where less than excellent candidates are being sent overseas; and, perhaps most importantly, services to our volunteers in the field—particularly in the area of health care—is insufficient.

The measure before us goes a long way in correcting these problems which have placed the Peace Corps program in jeopardy. Chairman Morgan and the members of the International Relations Committee have done an outstanding job of defining the problems and working out this solution. And they have pledged to continue their endeavors so that the hope expressed by President Kennedy on that promising day, 15 years ago: "to improve understanding among nations" can continue to be fulfilled.

Mr. MORGAN. Mr. Chairman, I have no further requests for time.

Mr. WHALEN. Mr. Chairman, I have no further requests for time.

The CHAIRMAN. There being no further requests for time, the Clerk will read.

The Clerk read as follows:

H.R. 12226

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 3(b) of the Peace Corps Act (22 U.S.C. 2502 (b)) is amended by striking out "and" after $"88,468,000," and by adding after "$27,887,000," the phrase "for fiscal year 1977 not to exceed $81,000,000,".

SEC. 2. Section 3(c) of the Peace Corps Act (22 U.S.C. 2502(c)) is amended to read as follows:

"(c) In addition to the amounts authorized for fiscal year 1976, for the period July 1, 1976, through September 30, 1976, and fiscal year 1977, there are authorized to be appropriated for fiscal year 1976 and the period July 1, 1976, through September 30, 1976, not in excess of $1,000,000, and for fiscal year 1977 such sums as may be necessary for increases in salary, pay, retirement, or other employee benefits authorized by law.".

SEC. 3. (a) Section 5(c) of the Peace Corps Act (22 U.S.C. 2504(c)) is amended by striking out "to exceed" both times it appears in the first sentence and insert in lieu thereof "less than".

(b) Paragraph (1) of section 6 of such Act (22 U.S.C. 2505(1)) is amended by striking out "to exceed" and inserting in lieu thereof "less than".

(c) The amendments made by this Act shall take effect on October 1, 1976, and shall apply with respect to months of satisfactory service which begin on or after such date.

Mr. MORGAN (during the reading). Mr. Chairman, I ask unanimous consent that the bill be considered as read, printed in the RECORD, and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

AMENDMENT OFFERED BY MR. MORGAN

Mr. MORGAN. Mr. Chairman, I offer an amendment.

The clerk read as follows:

Amendment offered by Mr. MORGAN: Page 2, strike out lines 6 through 15, and insert in lieu thereof the following:

"SEC. 3. Of the amount appropriated for fiscal year 1977 to carry out the purposes of the Peace Corps Act, $10,100,000 shall be available only for payment of the readjustment allowances authorized by sections 5 (c) and 6(1) of such Act."

Mr. MORGAN. Mr. Chairman, as I explained earlier, I am offering this amendment—after consultation with the chairman of the Budget Committee, the distinguished gentleman from Washington (Mr. ADAMS)—in order to remove a technical violation of section 303 of the Congressional Budget and Impoundment Control Act of 1974.

After markup of the bill H.R. 12226, it was brought to our attention by the Parliamentarian that section 3 of this bill creates an entitlement and is therefore in violation of section 303 of the Budget Act. The language at issue is as follows:

Section 5(c) of the Peace Corps Act now reads (under H.R. 12226 as amended): "Volunteers shall be entitled to receive a readjustment allowance at a rate not less than $125 for each month of satisfactory service as determined by the President: . . ."

This is the language, therefore, that constitutes an "entitlement" and which would be struck by this amendment. The amendment also would earmark $10,100,000 of the Peace Corps Appropriation for payment of the readjustment allowances authorized by sections 5(c) and 6(1) of the act.

The $10,100,000 represents $6,100,000 the Peace Corps has already programed for this purpose plus the additional $4 million that the agency has estimated would be necessary to pay the volunteers a readjustment allowance at the $125 per month rate.

Let me just add, Mr. Chairman, that this amendment does not change the effect of the amendment providing for a readjustment allowance increase which was offered in committee by the gentleman from Ohio (Mr. WHALEN) and which was approved without opposition. However, it should be pointed out that this amendent only applies to fiscal year 1977. It is the committee's intention to bring legislation to the floor after May 15 next year, which would make the $125 per month readjustment allowance rate a permanent amendment to the Peace Corps Act.

Mr. Chairman, as I pointed out in my opening statement, the committee did have the option of not bringing this bill to the floor until after May 15. Then there would have been no problem with this section of the act.

The leadership was, however, anxious to proceed with this legislation on schedule and therefore this alternative language was worked out. I believe this amendment provides a fair solution to this technical problem, which takes into account the concerns of all interested parties.

Mr. Chairman, I urge the adoption of my amendment.

Mr. WHALEN. Mr. Chairman, I rise in support of the amendment.

Mr. Chairman, I might state, just briefly, that this amendment accomplishes two objectives. First, it enables us to conform to the new budgetary process and, second, it does preserve the intent in the amendment which was adopted in the committee, and that is to increase the readjustment allowance from $75 to $125.

I therefore urge the adoption of the amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Pennsylvania (Mr. MORGAN).

The amendment was agreed to.

The CHAIRMAN. Are there further amendments? If not, under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker having resumed the Chair, Mr. YOUNG of Georgia, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee having had under consideration the bill H.R. 12226, to amend further the Peace Corps Act, pursuant to House Resolution 1090, he reported the bill back to the House with an amendment adopted by the Committee of the Whole.

The SPEAKER. Under the rule, the previous question is ordered.

The question is on the amendment.

The amendment was agreed to.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER. The question is on the passage of the bill.

The question was taken; and the Speaker announced that the ayes appeared to have it.

Mr. BAUMAN. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 274, nays 75, not voting 83, as follows:

[Roll No. 119]

YEAS—274

Abdnor
Alexander
Allen
Ambro
Anderson, Ill.
Annunzio
Ashley
AuCoin
Baldus
Baucus
Beard, R.I.
Bedell
Bennett
Bergland
Bingham
Blanchard
Blouin
Bonker
Brademas
Breaux
Breckinridge
Brodhead
Brooks
Broomfield
Brown, Calif.
Brown, Mich.
Brown, Ohio
Broyhill
Buchanan
Burgener
Burke, Mass.
Burton, John
Burton, Phillip
Carney
Carr
Cederberg
Chappell
Chisholm
Clausen, Don H.
Clay
Cleveland
Cochran
Cohen
Collins, Ill.
Conable
Conte
Corman
Cornell
Cotter
Coughlin
D'Amours
Daniels, N.J.
Danielson
Davis
Delaney
Dellums
Derrick
Derwinski
Diggs
Dingell
Dodd
Downey, N.Y.
Drinan
du Pont
Early
Edgar
Edwards, Calif.
Eilberg
Emery
Erlenborn
Evans, Colo.
Evans, Ind.
Fary
Fascell
Fenwick
Findley
Fish
Fisher
Fithian
Flood
Florio
Foley
Ford, Tenn.
Forsythe
Fountain
Fraser
Frenzel
Frey
Fuqua
Giaimo
Gibbons
Gilman
Ginn
Goldwater
Gonzalez
Goodling
Gradison
Grassley
Green
Gude
Hagedorn
Hall
Hamilton
Hammerschmidt
Hanley
Hannaford
Harkin
Harrington
Harris
Hawkins
Hechler, W. Va.
Heckler, Mass.
Hefner
Helstoski
Hicks
Hightower
Hillis
Holtzman
Horton
Howard
Howe
Hubbard
Hughes
Hyde
Jacobs
Jeffords
Jenrette
Johnson, Calif.
Johnson, Colo.
Johnson, Pa.
Jones, Ala.
Jordan
Karth
Kastenmeier
Kazen
Keys
Kindness
Koch
Krebs
Krueger
LaFalce
Lagomarsino
Latta
Leggett
Lehman
Lent
Levitas
Litton
Lloyd, Calif.
Long, La.
Long, Md.
Lundine
McClory
McCormack
McDade
McEwen
McFall
McHugh
McKay
McKinney
Madden
Maguire
Mahon
Mann
Martin
Matsunaga
Mazzoli
Metcalfe
Meyner
Mezvinsky
Mikva
Milford
Miller, Calif.
Mills
Minish
Mink
Mitchell, N.Y.
Moakley
Moffett
Mollohan
Moorhead, Pa.
Morgan
Murphy, N.Y.
Murtha
Natcher
Neal
Nedzi
Nowak
Oberstar
Obey
O'Neill
Ottinger
Patten, N.J.
Patterson, Calif.
Pattison, N.Y.
Perkins
Pettis
Pickle
Pike
Pressler
Preyer

Price
Pritchard
Quie
Railsback
Rangel
Regula
Reuss
Rhodes
Richmond
Rinaldo
Roe
Rogers
Roncalio
Rooney
Rosenthal
Roush
Roybal
Ruppe
Russo
Ryan
St Germain
Santini
Sarasin
Scheuer
Schneebeli
Schroeder
Schulze
Sebelius
Seiberling
Sharp
Shipley
Shriver
Simon
Sisk
Smith, Iowa
Smith, Nebr.
Solarz
Spellman
Staggers
Stanton, J. William
Stark
Stokes
Stratton
Studds
Talcott
Taylor, N.C.
Thompson
Thone
Thornton
Traxler
Treen
Tsongas
Ullman
Vander Jagt
Vander Veen
Vanik
Walsh
Wampler
Weaver
Whalen
Wilson, Bob
Wilson, C. H.
Wilson, Tex.
Winn
Wirth
Wolff
Wright
Wydler
Wylie
Yates
Yatron
Young, Ga.
Zablocki

NAYS—75

Archer
Ashbrook
Bafalis
Bauman
Beard, Tenn.
Brinkley
Burke, Fla.
Burleson, Tex.
Burlison, Mo.
Butler
Byron
Carter
Clancy
Clawson, Del
Crane
Daniel, Dan
Daniel, R. W.
Dickinson
Downing, Va.
Duncan, Tenn.
Edwards, Ala.
English
Eshleman
Evins, Tenn.
Flynt
Gaydos
Haley
Hansen
Hébert
Holt
Hungate
Hutchinson
Ichord
Jarman
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Kelly
Kemp
Ketchum
Landrum
Lloyd, Tenn.
Lott
Lujan
McDonald
Miller, Ohio
Montgomery
Moore
Moorhead, Calif.
Mottl
Myers, Ind.
Myers, Pa.
Nichols
O'Brien
Passman
Poage
Risenhoover
Roberts
Robinson
Rose
Rousselot
Runnels
Satterfield
Skubitz
Slack
Snyder
Spence
Steed
Steiger, Ariz.
Symms
Waggonner
Whitehurst
Whitten
Wiggins
Young, Fla.

NOT VOTING—83

Abzug
Adams
Addabbo
Anderson, Calif.
Andrews, N.C.
Andrews, N. Dak.
Armstrong
Aspin
Badillo
Barrett
Bell
Bevill
Biaggi
Biester
Boggs
Boland
Bolling
Bowen
Burke, Calif.
Collins, Tex.
Conlan
Conyers
de la Garza
Dent
Devine
Duncan, Oreg.
Eckhardt
Esch
Flowers
Ford, Mich.
Guyer
Harsha
Hayes, Ind.
Hays, Ohio
Heinz
Henderson
Hinshaw
Holland
Kasten
McCloskey
McCollister
Macdonald
Madigan
Mathis
Meeds
Melcher
Michel
Mineta
Mitchell, Md.
Mosher
Moss
Murphy, Ill.
Nix
Nolan
O'Hara
Pepper
Peyser
Quillen
Randall
Rees
Riegle
Rodino
Rostenkowski
Sarbanes
Shuster
Sikes
Stanton, James V.
Steelman
Steiger, Wis.
Stephens
Stuckey
Sullivan
Symington
Taylor, Mo.
Teague
Udall
Van Deerlin
Vigorito
Waxman
White
Young, Alaska
Young, Tex.
Zeferetti

The Clerk announced the following pairs:

Mr. Badillo with Mr. Adams.
Mr. Addabbo with Mr. Peyser.
Mr. Zeferetti with Mr. Harsha.
Ms. Abzug with Mr. Andrews of North Dakota.
Mr. Barrett with Mr. Heinz.
Mr. Macdonald of Massachusetts with Mr. Holland.
Mr. Waxman with Mr. Quillen.
Mr. Sarbanes with Mr. Steelman.
Mr. Pepper with Mr. James V. Stanton.
Mr. Sikes with Mr. McCloskey.
Mrs. Boggs with Mr. Michel.
Mr. O'Hara with Mr. Bevill.
Mr. Mitchell of Maryland with Mr. Bell.
Mr. Boland with Mr. Guyer.
Mr. Conyers with Mr. Kasten.
Mr. Biaggi with Mr. Shuster.
Mr. Ford of Michigan with Mr. Stephens.
Mr. Symington with Mr. Taylor of Missouri.
Mr. Nix with Mr. Young of Alaska.
Mr. Rodino with Mr. McCollister.
Mr. Riegle with Mr. Conlan.
Mr. Teague with Mr. Devine.
Mr. Moss with Mr. Esch.
Mr. Murphy of Illinois with Mr. Eckhardt.
Mr. Randall with Mr. Biester.
Mr. Rostenkowski with Mr. Aspin.
Mr. Stuckey with Mr. Armstrong.
Mr. Vigorito with Mr. Andrews of North Carolina.
Mr. White with Mr. Madigan.
Mr. Young of Texas with Mr. Mathis.
Mr. Mineta with Mr. Anderson of California.
Mr. Melcher with Mr. Collins of Texas.
Mr. Meeds with Mr. Van Deerlin.
Mrs. Burke of California with Mrs. Sullivan.
Mr. Dent with Mr. Udall.
Mr. Duncan of Oregon with Mr. Steiger of Wisconsin.
Mr. Hays of Ohio with Mr. Bowen.
Mr. Rees with Mr. Mosher.
Mr. Flowers with Mr. de la Garza.
Mr. Nolan with Mr. Hayes of Indiana.

So the bill was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. MORGAN. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the bill (H.R. 12226) just passed.

The SPEAKER pro tempore. (Mr. McFall). Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

GUATEMALA DISASTER RELIEF ACT OF 1976

Mr. DIGGS. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 12046) to provide for relief and rehabilitation assistance to the victims of the earthquakes in Guatemala, and for other purposes.

The SPEAKER pro tempore (Mr. McFall). The question is on the motion offered by the gentleman from Michigan (Mr. Diggs).

The motion was agreed to.

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H.R. 12046, with Mr. Young of Georgia in the chair.

The Clerk read the title of the bill.

By unanimous consent the first reading of the bill was dispensed with.

The CHAIRMAN. Under the rule, the gentleman from Michigan (Mr. Diggs) will be recognized for 30 minutes, and the gentleman from New York (Mr. Gilman) will be recognized for 30 minutes.

The Chair recognizes the gentleman from Michigan (Mr. Diggs).

Mr. DIGGS. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, the humanitarian spirit of the American people is unparalleled.

When the earthquakes killed 68,000 in Peru in May 1970, and nearly 11,000 in Nicaragua in December 1972, once again the American concern for their fellow man was demonstrated.

In 1971 when news flashed around the world that millions of people in Bangladesh suffering in a costly civil war faced mass starvation, we responded.

In 1973 as pictures appeared of gaunt babies and dead animals in the West African Sahel, victims of the worst drought in memory, the American Government shipped and airlifted food and medicines.

By 1974 hurricanes and floods in Honduras provided another opportunity for American assistance.

I rise, Mr. Chairman, to *appeal to* American generosity and humanitarianism once more in urging support for H.R. 12046, which authorizes the President to provide disaster assistance to the people of Guatemala.

At 3:02 a.m. on February 4, an earthquake struck Guatemala bringing with it widespread devastation.

Over 22,000 have died, 74,000 face injuries.

More than 1 million people are homeless.

Rural and major roads are blocked by landslides.

One major three-span bridge collapsed.

Telephone and power lines were disrupted.

New lakes and volcanoes were created.

Recognizing the need to set aside funds for disaster assistance, the Congress established a Disaster Assistance Fund as part of the International Development and Food Assistance Act of 1975, which makes $25 million available in fiscal 1976 and an equal amount in fiscal year 1977.

This fund has not been adequate to meet the claims against its resources for this fiscal year. To date $20.5 million has been obligated for direct assistance to countries in Europe, Latin America, South Asia, Africa, and the Far East suffering from floods, hurricanes, droughts, and fires. Approximately $7.5 million of this amount has been used for Guatemala. Another $1.6 million is reserved for disaster preparedness programs. The remaining balance of $2.9 million is wholly insufficient to meet the relief and rehabilitation needs in Guatemala where the estimated average ranges from $600 million to over $1 billion.

One of the key provisions of this bill is to reimburse $7.5 million to the disaster assistance fund, thereby making money available for assistance to other areas hit by natural or man-made calamities. The administration has requested that the balance of the funds under this bill be used for—

Providing shelter for persons in the areas, $7.5 million.

Rebuilding rural community services, $2.5 million.

Making repairs on the major export-import artery, the Caribbean highway linking Guatemala City to Puerto Barrios, $7.5 million.

In order to rebuild safer houses, the committee passed an amendment, introduced by the gentleman from New York (Mr. Solarz), providing that seismic resistant building materials be used for housing construction to the maximum extent possible. In the Indian Highlands where the greatest damage occurred, the adobe walls collapsed under the impact of the quake causing the heavy tile roofs to fall and crush unsuspecting victims.

Not only will the Agency for International Development supply lighter tin roofs and pole supports, but in those areas where cultural barriers make the introduction of new housing material difficult, they will encourage the use of more solid earth bricks for the house and the substitution of frame from the window to the roof.

Recognizing the important work performed by American private voluntary organizations, and as a precaution against favoritism in the allocating of aid, we have added an amendment to the bill providing that assistance made available be distributed to the maximum extent practicable by U.S. voluntary relief agencies and other international relief and development organizations. Thus far U.S. voluntary organizations have raised $6 million for Guatemala. The outpouring of aid from private American citizens has been particularly encouraging. Three States, Alabama, North Carolina, and Oregon donated two hospitals each. A team of doctors from California volunteered their services and went out with the Army disaster survey teams to treat persons in these rural areas.

Mr. Chairman, special tribute should be paid to the U.S. country team, the 125 Peace Corps volunteers in Guatemala and the military disaster survey teams who were mobilized hours after the quake and worked tirelessly around-the-clock during the emergency relief phase. The American Ambassador's home was totally destroyed during the earthquake and for a while he slept on the floor in the home of his Deputy Chief of Mission.

While the American response has been impressive, I must stress that this is an international effort. Over 27 nations and several regional and international organizations, such as the World Bank, the Inter-American Development Bank, the Organization of American States, the European Economic Community, the Pan American Union and the U.N. system have, and continue to commit resources to Guatemala, Venezuela, Mexico, Canada, and Nicaragua have been especially active, flying in food, field hospitals, doctors and other supplies. The United Nations Disaster Relief Office, UNDRO, assumed responsibility for the coordination of international relief effort on February 25.

Most importantly the people and the Government of Guatemala have risen from the rubble to help themselves.

Immediately after the earthquake, the Guatemala Government declared an emergency and established a national emergency committee to coordinate Government and foreign relief activities. The Government has invested in a massive effort to remove landslides and provide food for people in the urban and rural areas. In addition, President Laugerud has launched a program to provide shelter for 107,000 rural and 40,000 urban families. With calm and stoicism the people of Guatemala immediately started removing rubble and rebuilding their homes. I want to point out that the Government of Guatemala has contributed $26 million to emergency programs since February 4, and plans to provide from its own resources, both public and private, over $475 million of the $746 million estimated to be needed for reconstruction.

Mr. Chairman, in this world where conflict and ill will between nations still prevails in the Middle East and Southeast Asia; where the tension between the rich and the poor countries continues unabated; and détente between the United States and its historical adversary is now being questioned, I urge, unanimous support for H.R. 12046 which provides an opportunity for the United States to demonstrate its desire and capability to respond effectively to assist fellow human beings in distress. Truly this is the way to win the hearts and minds of people throughout the world.

Mr. MOFFETT. Mr. Chairman, will the gentleman yield briefly for a question?

Mr. DIGGS. I yield to the gentleman from Connecticut.

Mr. MOFFETT. Mr. Chairman, first of all I would like to compliment the gentleman for the work he has done on this report and also compliment the gentleman for seeing to it that on page 5 of the committee report there is language with regard to relief assistance for Lebanon.

I wonder if I might ask the gentleman to clarify two points for us. No. 1, what assurance might there be that the Disaster Assistance Account, which we hope will be replenished by a positive vote on this legislation, will in fact go toward the urgent and substantial relief efforts that are necessary for Lebanon?

Second, I wonder whether there are any other plans, either within the committee or within the administration, or both, for a separate piece of legislation to provide for medical supplies and other humantarian relief assistance for Lebanon.

Mr. DIGGS. Mr. Chairman, I thank the gentleman for providing an opportunity for legislative history and to indicate just what our intentions are here.

As I indicated, some $7.5 million of this $25 million is reverting back to the general disaster relief fund to replenish it for moneys already spent for Guatemala. There is an understanding between the committee and the administration's representatives, meaning AID, that the funds will be used by the President for disaster assistance to Lebanon. Although there is not at the present time a Presidential request to Congress for war disaster relief for Lebanon, I can assure the gentleman that our committee would certainly move in that direction if any inadequacies emerge indicating the necessity for a separate piece of legislation.

Mr. MOFFETT. Mr. Chairman, if the gentleman will yield further just for a moment, as the gentleman's own subcommittee has put it so well here, there have been an estimated 10,000 people killed and probably 200,000 people uprooted in what is a very tiny country.

I think the need certainly exists beyond the amount that is specified here in the bill that might go to Lebanese assistance from the disaster assistance account.

Mr. Chairman, I would urge the gentleman in the well and other members of the committee to consider that. Lebanon needs our help now. I know that the gentleman is giving this his utmost attention, and I thank him very much for the opportunity to engage in a colloquy on the matter.

Mr. DIGGS. Mr. Chairman, I thank the gentleman and assure him that I share his sentiments about the matter.

Mr. KAZEN. Mr. Chairman, will the gentleman yield?

Mr. DIGGS. I yield to the gentleman from Texas.

Mr. KAZEN. Is it my understanding that there are bills before the gentleman's committee that provide for assistance to Lebanon?

Mr. DIGGS. Yes there is; there is legislation pending. The Guatemala relief matter was a "by request" bill by the administration. I make that distinction for the gentleman.

The legislation that is pending is not on that basis.

Mr. KAZEN. Mr. Chairman, I would urge the gentleman to have his committee look into the question of aid for the reconstruction of Lebanon. If the wishes of his committee as expressed in the report at this bill are not carried out with respect to the amount of money which is going to the President with the recommendation from the committee that it go to Lebanon relief, I would urge that the gentleman's committee, at the earliest opportunity, look at the bills that are before it so that help might be forthcoming to the country of Lebanon.

Mr. DIGGS. Mr. Chairman, I assure the gentleman from Texas (Mr. KAZEN), that we are mindful of his concern and share it.

When one looks over the list of countries that have been the recipients of relief from the general disaster fund, one notes that it covers geographically and politically the whole spectrum, so if there is some concern that there might be some sensitivity because of any political dimensions in the Lebanese situation, I can assure the gentleman that there are not any as far as the committee is concerned.

From the administration of the disaster relief fund over the past few years, there is also an absence of any political considerations in that regard.

Mr. KAZEN. Mr. Chairman, I thank the gentleman for his interest and his comments.

Mr. RISENHOOVER. Mr. Chairman, will the gentleman yield?

Mr. DIGGS. I yield to the gentleman from Oklahoma.

Mr. RISENHOOVER. Mr. Chairman, I would like to associate myself with the remarks expressed in concern for the situation in Lebanon, and I am in favor of anything that the gentleman's committee might be able to do to help alleviate that situation.

I agree with and intend to vote for the measure to give relief to Guatemala.

However, Mr. Chairman, I would like to urge the administration to take a look at some of the domestic problems we have in my district in Oklahoma. We have four counties in that district that are still waiting for relief to repair roads and bridges as a result of a flood that occurred over 2 years ago.

Mr. Chairman, I would just like to urge that while we maintain this humanitarian attitude toward countries that experience disasters throughout the world—and I am in full agreement with that attitude—that we also look at some of these domestic problems. It would make it a lot easier for me and my constituents to be more generous.

Mr. DIGGS. Mr. Chairman, I thank the gentleman for his contribution.

Mr. SOLARZ. Mr. Chairman, will the gentleman yield?

Mr. DIGGS. I yield to the gentleman from New York, a member of the subcommittee.

Mr. SOLARZ. Mr. Chairman, I just want to associate myself with the remarks of the gentleman in the well and to commend him for his very constructive and thoughtful work with respect to this legislation.

He may not know it, but I think he has acted in the best tradition of the Talmud, the foundation of Jewish law, which at one point says: "If I am not for myself, who will be? But if I am only for myself, what am I?"

Mr. Chairman, I think the gentleman can be proud of the work he has done, and I think that this committee can be proud of what it will be able to do for the people of Guatemala as a result of the passage of this very important legislation.

Mr. DIGGS. Mr. Chairman, I thank the gentleman from New York (Mr. SOLARZ), and I wish also to reciprocate his kind comments, not that they were solicited, but because it is true that the gentleman from New York made some very important contributions to our deliberations.

Mr. Chairman, I wish particularly to commend him, and I want to commend also the gentleman from West Virginia (Mr. HECHLER).

The gentleman from West Virginia visited Guatemala during the aftermath of this disaster and labored in the Indian Highlands to relieve the suffering, and upon his return was of great assistance to us in our consideration of this matter. The gentleman testified before the subcommittee and before the committee on rules. He told us of the almost unbelievable destruction that occurred and reported to us on the immediate mobilization of American and international relief agencies to assist. Also, there are many other matters concerning this situation which gained credibility because of the observations the gentleman from West Virginia has made and explained to us.

The gentleman from West Virginia (Mr. HECHLER) will offer an amendment after we complete debate which would say that no more than $4 million of the amount shall be available for repairs to the Caribbean highway in Guatemala. The subcommittee and the full committee are prepared to accept that amendment and it has been cleared with the administration.

Based upon the foregoing, Mr. Chairman, I would urge the support by the Members of H.R. 12046, as we expect it to be amended.

At this point, Mr. Chairman, I have no further requests for time.

Mr. GILMAN. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I rise in support of the legislation that is now before the House, H.R. 12046, the Guatemala Disaster Relief Act of 1976.

I too wish to commend the distinguished chairman of our subcommittee, the gentleman from Michigan (Mr. DIGGS) for so expeditiously bringing this matter before this body at such an early date following this disaster in Guatemala.

Mr. Chairman, the earthquake that struck Guatemala on February 4, 1976, has resulted in widespread devastation and human misery to over 1 million Guatemalans. In a nation of over 5.9 million people, this disaster has left more than 1,066,000 homeless, and has resulted in the death of more than 22,000 and the injury of nearly 75,000 others.

This disaster has had its severest impact on the rural poor. Due to the construction of their houses and the remoteness of their villages, it is these Guatemalans who have suffered the major portion of the death and destruction caused by the earthquake. Of the nearly 250,000 homes that were destroyed, approximately 150,000 of these were in the rural areas. In addition, more than 20,000 of the 22,000 deaths occurred outside the Guatemala City area.

The destruction caused by the earthquake extends far beyond its initial impact on the local housing. Many community facilities, such as health clinics, schools, water and power systems and farm markets were destroyed. Much of the progress that had been achieved in recent years in these areas has been lost. In addition, landslides have blocked the major transportation arteries, created natural dams resulting in the possibility of future flooding, and in at least one case have buried an entire village.

In response to allegations that the Guatemalan Government's relief effort has been politically motivated, favoring the rural areas, the Director of Central American Affairs of the Department of State testified before our subcommittee that—

> There has certainly been no evident bias to us in terms of where the (Guatemala) Government has concentrated or where it has distributed its activities.

In addition, Mr. Kleine, the Assistant Administrator of the Latin American Bureau of AID stated at the same hearing that it is the policy of our Government "to follow up very vigorously on any reports that involve the diversion, misuse, abuse, of any of our equipment. We have auditors on the scene, the GAO has people on the scene." Reflecting on his experience over the last 4 to 5 years of working with large disasters, he noted that in this disaster, reports of this kind have been remarkably few. Overall, the reactions to the entire relief effort has been one of praise and nonpartisanship.

Beyond the relief efforts that have been so successful in handling the transitional period immediately after the major quake, the next effort must be directed in terms of avoiding the hardships of the approaching rainy season. This crucial period, between now and the beginning of the rainy season in April, must be used to clear the destruction and rubble and to construct the needed shelter necessary to protect the people from future disasters.

With these thoughts in mind, the administration's proposal is prepared to meet these challenges in four separate ways. Of the $25 million to be authorized by the legislation, $7.5 million is designated for reconstruction of housing and community facilities. An additional $7.5 million will be used for repairs to the major highway and key farm to market roads; $2.5 million is needed to remove the landslides and natural dams that threaten further disasters. Finally, the remaining $7.5 million will reimburse the disaster relief account for funds spent in the initial phases of the Guatemala relief effort.

With the passage of this legislation, these funds will enable the continuation of our current relief efforts and will enable the Guatemalan people to withstand the fast approaching rainy season. Through their own initiatives, the people of Guatemala have demonstrated their willingness to help themselves. They deserve our continued support.

As a cosponsor of this measure, I urge my colleagues to join with me in support of this important legislation.

Mr. DIGGS. Mr. Chairman, I have no further requests for time.

Mr. GILMAN. Mr. Chairman, I yield 5 minutes to the gentleman from Ohio (Mr. WHALEN).

Mr. WHALEN. Mr. Chairman, I rise in support of H.R. 12046 a bill to provide emergency relief and rehabilitation assistance to the people of Guatemala in the aftermath of the disastrous earthquake and tremors which have afflicted their country. As the cosponsor of similar legislation, I am pleased that the International Relations Committee has acted so expeditiously on this measure.

According to the most recent figures, this tragedy has claimed over 22,000 lives, injured 74,000, and left 1 million homeless. By far the most devastating impact of the earthquake was on the housing of the poor. Unlike the Nicaraguan earthquake of 1972, which primarily was confined to the urban capital of Managua, the Guatemalan earthquake essentially is a rural disaster. However, the great majority of Guatemala's population resides in small towns and rural areas in adobe houses. Over 150,000 of these structures were estimated by the government of Guatemala to have collapsed. Since the initial quake occurred in the early morning hours, thousands asleep in their adobe homes were crushed when the heavy tile roofs fell in.

Within hours after the first earthquake on February 4, the U.S. country team in Guatemala and AID's Foreign Disaster Center began continuous relief operations. U.S. equipment, supplies, and personnel were sent in quickly, including a U.S. military disaster assistance survey team, DAST, from Panama; a fully equipped and staffed 100-bed military field hospital; an engineering survey team to assess road, bridge, and rail damage; 18 helicopters; eight two-man medical/communications teams; physicians; and pharmacists. In addition, 24 other countries, several international organizations, and various voluntary agencies have made substantial contributions to the relief effort.

Following an on-the-scene report from Daniel C. Parker, Administrator of AID and Special Coordinator for International Disaster Relief Assistance, the President requested $25 million for emergency assistance to Guatemala. The Guatemala Disaster Relief Act represents the response of the International Relations Committee to that request. The bill authorizes appropriations of $25 million for earthquake disaster relief and rehabilitation activities in Guatemala, including reimbursement for obligations already incurred for this purpose.

First, $7.5 million is to be used for the rehabilitation of housing and community facilities. This funding is intended to restore vital community services and to obtain materials and tools for the construction of up to 100,000 rural and small community homes. In this regard, it should be noted that the committee adopted an amendment providing that the housing construction assistance is to be used, to the maximum extent possible, for housing which is constructed of seismic-resistant materials or which will otherwise minimize the danger of injury to occupants during future earthquakes.

Second, $7.5 million will be used for temporarily restoring Guatemala's main highway and for reopening several farm-to-market roads in the Indian highland. The Guatemala City-Puerto Barrios Highway, the primary link from the capital to the Caribbean coast, was cut by numerous landslides. Nearly 100,000 small farmers depend upon this highway to transport their produce to Guatemala City.

Third, $7.5 million is designated for the reimbursement of the disaster assistance account for funds spent in the initial emergency relief.

Fourth, $2.5 million is to be made available to solve problems resulting from landslides and other topographical changes caused by the earthquake.

The Government and the people of Guatemala have responded courageously in the wake of the disaster. The challenges of coordinating the relief assistance and attempting to make order out of nature's chaos have been faced with a spirit of determination and confidence. Their efforts clearly merit the support provided by this legislation.

I urge my colleagues to vote in favor of H.R. 12046, an expression of the solidarity of the United States with the plight of the Guatemalan people.

Mrs. BOGGS. Mr. Chairman, I rise today to express my strong support for H.R. 12046 which authorizes $25 million for relief and rehabilitation assistance to victims of the disastrous earthquake in Guatemala.

As we all know, the earthquake which occurred on February 4, was devastating. It claimed over 20,000 lives and left many more injured. The best estimates indicate that at least 1 million people have been left homeless. The U.S. Government reacted swiftly and well to the initial request of the President of Guatemala for our help.

The medical supplies, portable hospitals, generators, water pumps and tanks, family size tents, helicopters, and large numbers of health, disaster, and engineering personnel sent were in response to the most immediate needs of those suffering. I am very proud of the prompt and abundant manner in which our Government responded to Guatemala's emergency and I understand that some $7.5 million of the funds which H.R. 12046 would authorize represents provision for reimbursement of funds already expended.

This aid, coupled with an outpouring of private donations of fantastic amounts of food, medical supplies, clothing, and blankets was another example of our unique American voluntarism shown so readily in times of distress. The amount of private contributions throughout the country was heartwarming and certainly gives evidence of widespread support for the policy of assistance pursued by our Government.

I would like to share with you my particular pride in the magnificent generosity shown by Louisianians. In the first few days, at least 400,000 pounds of nonperishable food was gathered in New Orleans and stored in warehouse space donated for the purpose; $40,000 of moneys collected locally financed the chartering of planes to insure that these much needed contributions would reach their destination. In the ensuing days and weeks, many more hundreds of thousands of pounds of food and thousands of dollars were contributed in an expression of ongoing concern for the welfare of our neighbors. The Agency for International Development eventually coordinated their shipments through New Orleans and I like to think that this represents a recognition of the particularly abundant generosity of Louisianians and the excellent direction given to the collection, cataloging, warehousing, and shipment of goods by the local committee headed by Lt. Gov. James Fitzmorris.

Now that many of the immediate needs have been met, it is time to focus on the devastated country's efforts to rehabilitate and rebuild housing and community facilities, to rebuild highways and the railroad, and to remove landslides and make repairs to the port. The President of Guatemala has indicated a desire to make extensive use of local resources and labor and President Ford has asked us to authorize $25 million to aid Guatemala in its repairs and rebuilding. I am sure we all want to give this further indication of our wonderful American spirit of helpfulness and generosity, and I urge all my colleagues to join me in supporting H.R. 12046.

Mr. BROOMFIELD. Mr. Chairman, the Guatemala Relief Act cries out for prompt, favorable action rather than extended oratory. The provisions of the legislation and the magnitude of the disaster it is intended to relieve are apparent. There can be no question about the need for or the appropriateness of this resolution.

In rising to support H.R. 12046 I again extend my heartfelt sympathy to the people of Guatemala on the catastrophe that has befallen their nation. I commend the administration and the Committee on International Relations for the prompt submission and consideration of this resolution. The sum of $25 million, of course, will not begin to repair the devastation in Guatemala. No amount of money could relieve the suffering and the tragedy of the bereaved. But the United States, through its rapid, effective, and generous response to this calamity, is demonstrating a profound humanitarian concern for a sister republic in this hemisphere. We have an opportunity today to reinforce one of the noblest and most consistent traits of the American character: a willingness to rally our resources to support a friend in need.

Mr. Chairman, Guatemala has suffered a tragedy of immense proportions. The tragedy will be compounded if the rehabilitation effort does not get underway before the rainy season begins this spring. I join my colleagues in urging support for H.R. 12046, and I wish the Government of Guatemala every success in their efforts to rebuild their country.

Mr. SIKES. Mr. Chairman, I support H.R. 12046, which would authorize $25 million for fiscal 1976 to provide assistance for the relief and rehabilitation of the victims of the earthquake which recently struck Guatemala. This disaster was the worst in that country in more than two centuries; 22,000 persons were killed, 74,000 injured and 1 million left homeless. Property damage was estimated upward of $600 million.

While the United States played a leading role in providing immediate and effective assistance to the victims, much remains to be done. It is especially urgent to provide shelter for the homeless and reopen major transportation arteries before the onset of the rainy season in Guatemala which begins in May.

The $25 million which was requested by the President will provide $7.5 million for rehabilitation of housing and community facilities, $7.5 million for repairs to the major Guatemala City-Puerto Barrios highway, $2.5 million for removal of landslides, and $7.5 million for reimbursement of funds already spent for Guatemala disaster relief.

I have had a special place in my heart for Guatemala, along with the many people of the United States who have been fortunate enough to visit this beautiful and hospitable country. Over the years, the people of Guatemala have made encouraging progress in the economic, political, and social spheres. In that effort, the United States has demonstrated its own good will time and again to a strong people.

The stories coming out of Guatemala indicate that the government of General Laugerud is doing a magnificent job in the face of heavy odds and physical obstacles; likewise, the people of Guatemala are demonstrating their traditional courage and determination to surmount suffering and physical deprivations.

Mr. Chairman, this legislation is necessary in order to provide the relief and assistance needed now by our friends in Guatemala. I hope my colleagues will join in enthusiastic support of this proposal.

Mr. DERWINSKI. Mr. Chairman, I rise in support of the legislation now before us, H.R. 12046, the Guatemalan Disaster Relief Act of 1976.

The effects of the earthquake and its major aftershocks on the country of Guatemala have been catastrophic. The focal point of the major quake was located in a sparsely populated area of about 150 kilometers in length and 50 kilometers in width. In this area, between 80 and 90 percent of the people were left homeless with more than 22,000 dead and 75,000 injured. In some areas, entire towns and villages were destroyed.

Normally, when a nation suffers a disaster of that magnitude, the economic and social trauma is overwhelming. Fortunately, the Guatemalans are a brave people, determined to reconstruct their country. The Guatemalan Government has taken the lead in recognizing that it must bear the major portion of the burden for the rehabilitation of its nation and that its self-help measures will ultimately determine the amount of external support it will receive.

The major thrust of our efforts has been directed to help those most affected by this tragedy, the rural poor. In seeking to provide immediate relief and clear away the destruction, we find that these people are willing to help themselves. The main portion of our assistance is focused upon the urgent delivery of needed building materials and simple handtools to enable the people to reconstruct their homes. This idea is incorporated in this legislation by providing the funds for building materials to enable some 100,000 rural families to rebuild.

Due to this sense of responsibility on behalf of the Guatemalan people and as a result of the close cooperation of their government and our disaster relief teams, the American relief effort has been an impressive success in its swiftness and efficiency without being tied in any way to political considerations.

Traditionally, our two nations have shared close economic, social and political interests. In the international arena, Guatemala has supported many of the same views and efforts as this country. In the face of this crisis, the Government and the people of Guatemala have responded well. They deserve our continued help and support during their hour of need.

The American people can be proud of the role that we have played in assisting the Guatemalan people in the traumatic aftermath of this tragedy. It is a tribute to the humanitarian history of our country. The passage of this legislation will enable the American people to continue to help the Guatemalans to help themselves.

As a sponsor of a bill identical to H.R. 12046, I urge all my colleagues to join me in support of this much needed legislation.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

H.R. 12046

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Guatemala Disaster Relief Act of 1976".

Sec. 2. The President is authorized to provide assistance, on such terms and conditions as he may determine, for the relief and rehabilitation of the people who have been victimized by the recent earthquakes in the Republic of Guatemala. Such assistance may be provided in accordance with the policy and general authorities applicable to or available for the furnishing of assistance under section 491, relating to international disaster assistance, of the Foreign Assistance Act of 1961.

Sec. 3. There is authorized to be appropriated to the President to carry out the purposes of this Act $25,000,000 for the fiscal year 1976, which amount is authorized to remain available until expended. Obligations incurred prior to the enactment of this Act against other appropriations or accounts for the purpose of providing relief and rehabilitation assistance to the people of Guatemala may be charged to the appropriations authorized by this Act.

Sec. 4. Not later than ninety days after enactment of appropriations to carry out this Act, and on a quarterly basis thereafter, the President shall transmit reports to the Committee on Foreign Relations and the Committee on Appropriations of the Senate and to the Speaker of the House of Representatives on programing and obligations of funds under this Act.

COMMITTEE AMENDMENT

The CHAIRMAN. The Clerk will report the committe amendment.

The Clerk read as follows:

Committee amendment: On page 2, after line 18, add the following:

"Sec. 5. In order to limit the extent of deaths, injuries, and destruction in future earthquakes, assistance provided under this Act which is used for the construction of housing in the Republic of Guatemala shall, to the maximum extent possible, be used for housing which is constructed of seismic resistant materials or which will otherwise minimize the danger of injury to occupants during future earthquakes; and the President should encourage the Government of the Republic of Guatemala to promote the use of such materials.

"Sec. 6. Assistance made available under this Act shall be distributed to the maximum extent practicable through United States voluntary relief agencies and other international relief and development organizations."

The CHAIRMAN. The question is on the committe amendment.

The committee amendment was agreed to.

AMENDMENT OFFERED BY MR. HECHLER OF WEST VIRGINIA

Mr. HECHLER of West Virginia. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. Hechler of West Virginia: On page 2, line 7, strike the period and insert a comma and the following: "except that not more than $4,000,000 of this amount shall be available for repairs to the Puerto Barrios Highway in Guatemala."

Mr. HECHLER of West Virginia. Mr. Chairman, I am currently engaged in another activity which I will not mention to my colleagues. But suffice it to say, nobody in Guatemala can vote in the West Virginia primary. Nevertheless, I think this is a piece of legislation which deserves strong support from both sides of the aisle. I commend the chairman of the subcommittee, the gentleman from Michigan (Mr. Diggs), and the ranking minority member, the gentleman from New York (Mr. Gilman). and the gentleman from New York (Mr. Solarz) and others who have worked so hard on bringing this legislation to fruition.

Very shortly after the earthquake struck on February 4, I received a telephone call from one of my constituents, Mr. Sam Wilmoth, whose wife was born in Guatemala, and who expressed great concern about her relatives in Guatemela City. I paid our way on a commercial flight to Guatemala during the period of the Lincoln and Washington's Birthday recess. I did have an opportunity, as the gentleman from Michigan so generously observed, to work for several days in the small Indian Village of Santa Maria Cauqué, in the highlands some 25–30 kilometers from Guatemala City. This village had a population of 1,600 people and 78 people were killed, and there was almost 100-percent destruction of the homes in that area. I worked with the local people, clearing rubble, bringing in sacks of food and grain, distributing blankets and assisting in numerous other ways during that tragic period.

I also had an opportunity to become acquainted with the work of American volunteer organizations like CARE and the American officials from Ambassador Meloy down were all very effective in that area. I was very impressed with the Director of CARE, Mr. William Salas and also the Director of CARE Honduras—Mr. Jerry Lewis, and the Assistant Director of CARE Honduras—Mr. Charles Kises.

The question of the highway from Guatemala City to Puerto Barrios is a very important one, because this highway certainly is the lifeline of Guatemala. It is the lifeline for the export-import trade and affords the opportunity for the coffee, bananas, cotton, and sugar and other products that are produced in Guatemala to move into the export-import trade.

So far as I am concerned the disaster in Buffalo Creek, W. Va., in 1972 saw much effort concentrated on a new highway before the efforts were made to rebuild the housing and rebuild the water and sewer systems and take the other measures to help people. Should a large proportion of American aid go into a highway rather than helping people directly? The West Virginia Turnpike, one of the most dangerous highways in the Nation, annually kills and injures many drivers from all over the Nation. The turnpike has been incorporated into the interstate system. How can we justify spending funds for a highway in Guatemala when there is serious need for Federal funding to bring this 2-lane turnpike up to interstate standards?

My amendment would cut by $3.5 million the amount for the highway. The amendment would not reduce the total authorization of $25 million, and it would allow utilization of the balance of the fund on the other necessary people-oriented relief and rehabilitation in Guatemala, which is after all the main design of this legislation.

I attach an article which I wrote for the Charleston, W. Va., Gazette on my experiences in Guatemala, and also the testimony which I presented to the Subcommittee on International Resources, Food and Energy on February 18:

[From the Sunday Gazette-Mail, Charleston, W. Va., Feb. 22, 1976]

Needs of the People Should Be No. 1 Goal

(Rep. Ken Hechler, D-W. Va., spent three days earlier this month on a work detail in the small Indian village of Santa Maria Cauqué, which was destroyed by the Feb. 4 earthquake in Guatemala.)

The powder-thin dust swirled in the wind. As the sun rose over the jagged mountain peaks, the 40-degree cold was slightly softened.

Amid the rubble and ruins off her adobe home, an Indian woman dressed in red and gold was making tortillas, those delicious corn cakes topped with meat. The pat-pat-pat of the tortilla-makers could be heard from adjoining heaps of rubble which were once homes.

Her wide, dark eyes looked up at a visitor as she continued the shaping of the thin, round tortilla which occupies half the life of every Indian woman. Suddenly, her eyes darted to her children, and across the ruins as if to recall a husband whose lifeless body lay in the rubble a few days earlier. Her stoicism broke down, as her body shook with sobs.

All over Guatemala today the wounds are as deep as the gashes in the land which the Feb. 4 earthquake opened up. Statistics are a cold measure of the disaster which ripped capriciously across this land of eternal spring, the southern-most of the Central American bounties. 23,000 dead and one million homeless out of a population of 5.8 million is comparable to 2.8 million dead and 38 million homeless in the United States.

In downtown Guatemala City, most of the wealthy homes and tall buildings survived. The makeshift shacks of the urban poor disintegrated. But it was in the rural areas where the full force of the quake took its toll. When the adobe walls collapsed, heavy red clay tile roofs fell in on sleeping victims, their load pulled down quicker by the little cache of corn and other food hanging from the top of the huts.

President Laugerud is army-trained, having served at the command and general staff college at Fort Leavenworth, Kansas. He and his army responded quickly, in military style. He was worried about security of the capital city, the largest city in Central America, and for the first few days the army troops concentrated on prevention of looting and they distributed Guatemalan foodstocks. Fearing that many refugees might pour into the capital, the authorities secured the capital and did not venture out into the countryside until a few days later.

The American reaction was swift, thorough and reflected great credit on the private relief agencies moving in to assist earthquake victims. Assistance poured in from 25 nations and many private and internal organizations. Two notable instances of waste occurred. The Americans flew in at great expense the 47th Field Hospital from Fort Sill, Okla., complete with very expensive equipment and a staff of 200. The hospital set up near Chimaltenango in the heart of the disaster area. When I visited the hospital, it was bristling with armed guards, had a terrifyingly bureaucratic atmosphere, and had only three patients for 100 beds! The Indians preferred to go to less sanitary local hospitals where friendly doctors talked their language, allowed families to sleep and cook meals with the patients, and where shots and drugs weren't always being administered (the rumor in some areas circulated that the Americans were giving shots to sterilize the Indians!) The decision to phase out the hospital was made on Feb. 16.

Another big waste was the food distribution method used by the Guatemalan army. CARE used a "food for work" system in rural areas, giving out food in reward if the citizens would band together and help clean up the rubble. The army ran up big trucks and long lines would immediately form, resulting in several members of a family drawing rations beyond their needs.

The earthquake cut the main Atlantic road from Guatemala City to the Caribbean, Guatemala's lifeline for exports of coffee, cotton, bananas and sugar. A three-span bridge was destroyed, and landslides made passage very difficult. President Laugerud appealed to the U.S. government for assistance in repairing and rebuilding the road and destroyed bridges, especially asking for U.S. engineer assistance. Every American official stressed the need for this road. U.S. AID Administrator Daniel Parker, of Parker Pen fame, asked Congress for $25 million, including $7.5 million for repairing the Atlantic road.

I am certain that this road must be rebuilt. But the greatest economic value will be to the government in power and the wealthy exporters and importers. I cannot help but recall the analogy with Buffalo Creek, where the first priority was building the highway for the benefit of the coal trucks, while the people waited and waited for water, housing, land and the chance to return to the area where they had once lived. It occurs to me that forces for rebuilding the Atlantic highway are so strong as not to be denied. Many West Virginia communities would welcome the expenditure of these American tax funds for their own roads. Furthermore, the top priority must be placed on people and meeting human needs for housing, both to protect against the 40-degree nights in the Highlands, and also to build temporary shelter prior to the start of the rainy season in April.

Land reform is another issue which the American government gingerly avoids. The Indians who comprise 45 per cent of the population have little representation in the high Guatemalan government councils, live mainly in isolated villages and rural areas, are at the bottom of the poverty scale, and barely subsist on the corn and beans they grow. Although the United Fruit Co. was once the largest landholder in Guatemala, some progress has been made in land distribution. Still, when 2 per cent of the wealthy families owns 65 per cent of the land, there is much room for improvement. If the United States is going to extend massive help in the rebuilding of Guatemala, certainly our government should nudge the Guatemalan government in the direction of land reform and improvement of the condition of the poverty-stricken people.

When the British stormed up the steps of the United States Capitol and burned that ramshackle edifice during the War of 1812, it was the first great urban renewal project because it paved the way for the magnificent building we have today. In Guatemala, the almost total destruction also may pave the way for rebuilding a nation on sounder foundations of human justice, where the needs of the people will come ahead of the huge profits of a small group of entrepreneurs.

Statement of Hon. Ken Hechler, a Representative in Congress From the State of West Virginia

Mr. Hechler. Thank you, Mr. Chairman. I will be very brief and include rather than an analysis certain conclusions. Your remarks are absolutely on target, the poor have suffered the most. This is the point that Mr. Parker underlined in his report to the President. I spent 2½ to 3 days primarily in the area that you mentioned in your statement, the Indian highlands of the Chimaltenango area. The destruction there, of course, is almost unbelievable, and the response of American agencies is very heartening. There is a very crucial period between now and the 1st of April when the rainy season starts that many of these people in the highlands, Indian communities, where the temperature goes down to 35 or 40° at night, are desperately in need of shelter. They are also in need of some of the basic tools to clear up the rubble, to construct the kind of shelter necessary to protect them both against the present cold and the future rains and also to get their crops in the ground.

Mr. Parker has very accurately covered through his analysis the details of the disaster, in his report to the President, which I have read. I would like to make a couple of observations, however, that in some respects differ and in some respects support Mr. Parker's report. Just in commenting on the manner in which supplies are distributed, I was tremendously impressed by the activity of American organizations such as CARE and international organizations also. I would make this one critical comment about the manner in which some of the food stuffs were distributed by the Guatemalan Army. I cannot make a thorough analysis but I did observe a number of instances where lines of six or eight blocks long of people were going up to trucks laden with food, and people who were obviously well dressed were sharing in the freebies, as they took the food off the trucks. They appeared to have other members of their families that were drawing on the free supplies indiscriminately. I think the whole relief effort has to be coordinated carefully to prevent this type of development. There is a lot of very useful material but also some useless goods coming in from people all over the world. I think the best thing that individuals can do now is to contribute monetarily to organizations that are on the spot that can purchase these necessary tools, rather than sending materials, because among the things in the warehouse at the airport, for example, are the high-heeled shoes and the doctors' drug samples cleared off their shelves. This clogs up the distribution system and those people who are trying to get the blankets and necessary emergency supplies out to the Guatemalan people spend a lot of time trying to separate out this junk. It would be a great idea to encourage American communities to adopt a community in Guatemala of the type of Chimaltenango or other communities.

I spent quite a good deal of time working in Santa Maria Cauquá, which is a little Indian village of about 1,600 people, some 20, 25 kilometers outside of Guatemala City. Such a relationship can result in donation of money, blankets, and the specific items necessary, the needed materials for that community. Down the road this could lead to the exchange of persons and visits by people from both countries.

There is also a latent resistance, Mr. Chairman, to foreign aid and foreign giveaways. Yet right now we are at a point where many people in this country want to help the people of Guatemala, and they can help by this means even beyond what they are doing. In addition to the priority of effort which is expressed in Mr. Parker's report to repair the bridges and that crucial section of the Atlantic Highway—the lifeline of Guatemala out to the Caribbean.

I would hope that an even higher priority could be placed on the human needs of the people of Guatemala. Along that line, if we are going to be offering American aid for a highway, it seems to me that we could somehow or another nudge Guatemala toward a little more land reform. Right now there are a few very wealthy families, perhaps 2 percent of the farms comprise 60 percent of the total arable land that is occupied by that small number of farms.

It seems to me now is an opportunity if a lot of this area is destroyed and is in a state of flux to see if we can't move positively and constructively toward land reform in Guatemala. These are just a few of the observations I have. Of course, I am filled with a strong feeling toward the people of Guatemala and after I had been working for about an hour and a half in this Indian village carrying timbers around, one of the local residents looked at me and asked me what my name was. And I said "Gringo," and that broke the ice and everybody laughed. Some day I would like to go back with a coat and tie and tell them who "Gringo" really was.

Thank you, Mr. Chairman.

Mr. Diggs. Well, thank you very much, Congressman Hechler for your concern and for the practicality of your recommendations. We all certainly know who Hechler is, and who Gringo is.

I yield to the gentleman from New York.

Mr. Gilman. Thank you, Mr. Chairman. I want to commend the gentleman from West Virginia for his concern and interest in the problems of the people of Guatemala and for having taken the time out of his busy schedule to go down there and also to take time out from his schedule to benefit us with his views concerning the problems there.

Did you, while you were there, observe any waste by any of our efforts?

Mr. Hechler. It is very difficult to define waste as such when there is an emergency that requires very, very quick action. I don't think that I would be in as good a position as Mr. Parker to indicate where any waste or duplication actually occurred. I would like to repeat the observation that I think the food distribution by our own people was superior to that done by the Guatemalans, because there was some waste by the Guatemalan Army in getting food out to the people who really needed it.

Mr. Gilman. Was assistance getting out into the rural areas beyond the Guatemalan cities?

Mr. Hechler. It was, but not as fast as I guess it should have. I don't think anyone, either in Guatemala or anywhere, realized the full extent of the impact in the rural areas until Maj. Merritt Wilson who heads up the Army Special Forces and came up from Panama did a special flight over some of the rural areas and made a quick report that this was indeed a major disaster in those areas. As you know, the first reports came in that 2,000 were dead and then it went up to 5,000 and then escalated until we finally began to get the full impact of what was happening there. So the aid did get out very slowly, unfortunately, into the rural areas in the first few days. I think we have to do a little bit more in training teams that can get even beyond where helicopters drop materials in some of the isolated mountain areas, for example. There are several backpacking teams that were taking medical supplies up to the mountains by backpack where jeeps couldn't even reach. But they started about a week or 10 days after the disaster so it was a little bit slow in reaching those very isolated rural areas. The concentration at the start was perhaps too heavily on Guatemala City because people could see this destruction around them.

Mr. Don Bailey of Williamson, W. Va. was one of the members of a back-packing team who delivered medical supplies and ministered to the needs of people in communities stricken hardest in isolated areas.

Mr. Gilman. I thank the gentleman for his comments. Thank you. Mr. Chairman.

Mr. Diggs. Mr. Solarz.

Mr. Solarz. I just want to commend the gentleman from West Virginia for his interest and for taking the time to travel there for a firsthand inspection. My only regret is that I didn't know that he was going, because I would very much have liked to go with him. How long were you there?

Mr. Hechler. About 3 days.

Mr. Solarz. Do you think at this point it would be useful for any additional congressional visits to the area to follow up on your own visit to Guatemala?

Mr. Hechler. I think it would be useful for a congressional group of some type to go down there and assess just what needs to be done. In the phase now that we are moving from, relief and rehabilitation toward reconstruction, I think this is a crucial decision that must be made by Congress as to the extent of reconstruction. I think it would be useful to have such a visit.

Mr. Solarz. Thank you, Mr. Chairman.

Mr. Diggs. Well, in the context of the question of the gentleman from New York, Mr. Gilman, about waste, he meant that I am sure in a constructive vein and I am wondering if you saw any duplication of efforts?

Mr. Hechler. Oh, yes.

Mr. Diggs. From other areas; from other donor nations; within that context?

Mr. Hechler. Oh, yes, I am glad you asked that question, because your opening statement expressed the need for coordination. I think it is very clear that we must have a more coordinated effort instead of the kind of competition which inevitably arises when you have an unplanned disaster and everybody wants to move in quickly and help. Certainly I am sure that a disproportionate amount of aid initially in the first few days went to Guatemala City. Now, naturally, they were concerned there about the security problem, they were concerned also about the possibility that too many refugees might be coming in, but that didn't actually happen. I guess you will get into that. Mr. Parker will probably also comment on the U.S. field hospital. We spent an awful lot of money airlifting a field hospital from Fort Sill, Okla., that by the time I got there they only had three patients for a 100-bed hospital and 200 employees. The hospital performed some useful work in the first few days after the earthquake struck. But even passing by the Guatemalan guards at the gates of the hospital, would make any Indian scared to go in there. It sort of looked like a place where you were on your last stop before passing on to the beyond. Maybe that was a case of waste by hindsight. But we were trying to do what was necessary and in airlifting that hospital in we thought we were doing what was necessary. Yet I feel that probably could be written down as somewhat of a waste.

Mr. Diggs. Well, I want to join my colleagues on the panel in thanking the gentleman again for his constructive contributions.

Mr. Hechler. Thank you, Mr. Chairman.

Mr. Diggs. Thank you very much.

Mr. GILMAN. Mr. Chairman, I commend the gentleman for his interest in this problem and for having taken the time to go to Guatemala and to personally inspect the destruction and there help and assist the people of Guatemala, and for then coming back to the Congress and reporting to us his recommendations and helping with this measure. I think it was certainly a worthy endeavor on his part.

In like manner I would like to say the amendment proposed by the gentleman from West Virginia is a worthy amendment and we have no objection.

Mrs. FENWICK. Mr. Chairman, will the gentleman yield?

Mr. HECHLER of West Virginia. I yield to the gentlewoman from New Jersey.

Mrs. FENWICK. Mr. Chairman, I wonder if the gentleman would comment a little bit on this amendment. I read something that troubled me. I understand this may be the correction of that troublesome aspect.

Mr. HECHLER of West Virginia. I hope there are no troublesome aspects to my amendment.

I would advise my good friend and colleague, the gentlewoman from New Jersey, that my amendment merely limits or reduces the proposed expenditure and authorization of $7.5 million to $4 million and authorizes the $3.5 million thereby saved for people-oriented relief, rehabilitation and construction of community facilities, housing, water systems, and the other aspects of the bill.

Mrs. FENWICK. That is not what I was worried about. As I understood it, there is some question whether this road is entirely a valuable and necessary part of any aid.

Mr. HECHLER of West Virginia. I am convinced, I will advise my colleague, the gentlewoman from New Jersey, that there are higher priorities than the highway, and I seriously question the expenditure of a large amount of money on this highway. Therefore, my amendment would reduce the priority and put the priority higher on measures which directly help people. That is the thrust of my amendment.

Mrs. FENWICK. Mr. Chairman, I thank the gentleman from West Virginia.

The CHAIRMAN. The question is on the amendment offered by the gentleman from West Virginia (Mr. Hechler).

The amendment was agreed to.

The CHAIRMAN. If there are no further amendments, under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker pro tempore (Mr. McFall) having assumed the chair, Mr. Young of Georgia, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 12046) to provide for relief and rehabilitation assistance to the victims of the earthquakes in Guatemala, and for other purposes, pursuant to House Resolution 1089, he reported the bill back to the House with sundry amendments adopted by the Committee of the Whole.

The SPEAKER pro tempore (Mr. McFall). Under the rule, the previous question is ordered.

Is a separate vote demanded on any amendment? If not, the Chair will put them en gros.

The amendments were agreed to.

The SPEAKER pro tempore. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER pro tempore. The question is on the passage of the bill.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. KELLY. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 357, nays 3, not voting 72, as follows:

[Roll No. 120]

YEAS—357

Abdnor
Alexander
Allen
Ambro
Anderson, Ill.
Andrews, N.C.
Annunzio
Archer
Ashbrook
Ashley
Aspin
Bafalis
Baldus
Baucus
Bauman
Beard, R.I.
Beard, Tenn.
Bedell
Bennett
Bergland
Bingham
Blanchard
Blouin
Boland
Bonker
Brademas
Breaux
Breckinridge
Brinkley
Brodhead
Brooks
Broomfield
Brown, Calif.
Brown, Mich.
Brown, Ohio
Broyhill
Buchanan
Burgener
Burke, Fla.
Burke, Mass.
Burleson, Tex.
Burlison, Mo.
Burton, John
Burton, Phillip
Butler
Byron
Carney
Carr
Carter
Cederberg
Chappell
Chisholm
Clancy
Clausen, Don H.
Clawson, Del
Clay
Cleveland
Cochran
Cohen
Collins, Ill.
Conable
Conte
Corman
Cornell
Cotter
Coughlin
D'Amours
Daniel, Dan
Daniel, R. W.
Daniels, N.J.
Danielson
Davis
Delaney
Dellums
Dent
Derrick
Derwinski
Devine
Dickinson
Diggs
Dingell
Dodd
Downey, N.Y.
Downing, Va.
Drinan
Duncan, Tenn.
du Pont
Early
Edgar
Edwards, Ala.
Edwards, Calif.
Eilberg
Emery
English
Eshleman
Evans, Colo.
Evans, Ind.
Evins, Tenn.
Fary
Fascell
Fenwick
Findley
Fish
Fisher
Fithian
Flood
Florio
Flynt
Foley
Ford, Tenn.
Forsythe
Fountain
Fraser
Frenzel
Frey
Fuqua
Gaydos
Giaimo
Gibbons
Gilman
Ginn
Goldwater
Gonzalez
Goodling
Gradison
Grassley
Green
Gude
Hagedorn
Haley
Hall
Hamilton
Hammerschmidt
Hanley
Hannaford
Hansen
Harkin
Harrington
Harris
Hawkins
Hays, Ohio
Hébert
Hechler, W. Va.
Heckler, Mass.
Hefner
Helstoski
Henderson
Hicks
Hightower
Hillis
Holt
Holtzman
Horton
Howard
Howe
Hubbard
Hughes
Hungate
Hutchinson
Hyde
Ichord
Jacobs
Jarman
Jeffords
Jenrette
Johnson, Calif.
Johnson, Colo.
Johnson, Pa.
Jones, Ala.
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Jordan
Karth
Kastenmeier
Kazen
Kelly
Kemp
Ketchum
Keys
Kindness
Koch
Krebs
Krueger
LaFalce
Lagomarsino
Latta
Leggett
Lehman
Lent
Levitas
Litton
Lloyd, Calif.
Lloyd, Tenn.
Long, La.
Long, Md.
Lott
Lujan
Lundine
McClory
McCormack
McDade
McEwen
McFall
McHugh
McKay
Madden
Madigan
Maguire
Mahon
Mann
Martin
Mathis
Matsunaga
Mazzoli
Melcher
Metcalfe
Meyner
Mezvinsky
Mikva
Milford
Miller, Calif.
Miller, Ohio
Mills
Mineta
Minish
Mink
Mitchell, Md.
Mitchell, N.Y.
Moakley
Moffett
Mollohan
Montgomery
Moore
Moorhead, Calif.
Moorhead, Pa.
Morgan
Mosher
Mottl
Murphy, N.Y.
Murtha
Myers, Ind.
Myers, Pa.
Natcher
Neal
Nedzi
Nichols
Nowak
Oberstar
Obey
O'Brien
O'Neill
Ottinger
Passman
Patten, N.J.
Patterson, Calif.
Pattison, N.Y.
Perkins
Pettis
Pickle
Pike
Poage
Pressler
Preyer
Price
Pritchard
Quie
Railsback
Regula
Reuss
Rhodes
Richmond
Rinaldo
Risenhoover
Roberts
Robinson
Roe
Rogers
Roncalio
Rooney
Rose
Rosenthal
Roush
Rousselot
Roybal
Runnels
Ruppe
Russo
Ryan
St Germain
Santini
Sarasin
Satterfield
Scheuer
Schneebeli
Schroeder
Schulze
Sebelius
Seiberling
Sharp
Shipley
Shriver
Simon
Sisk
Skubitz
Slack
Smith, Iowa
Smith, Nebr.
Snyder
Solarz
Spellman
Spence
Staggers
Stanton, J. William
Stark
Steed
Steiger, Ariz.
Stokes
Stratton
Studds
Sullivan
Talcott
Taylor, N.C.
Thompson
Thone
Thornton
Traxler
Treen
Tsongas
Ullman
Vander Jagt
Vander Veen
Vanik
Waggonner
Walsh
Wampler
Weaver
Whalen
Whitehurst
Whitten
Wiggins
Wilson, Bob
Wilson, C. H.
Wilson, Tex.
Winn
Wirth
Wolff
Wright
Wydler
Wylie
Yates
Yatron
Young, Alaska
Young, Fla.
Young, Ga.
Young, Tex.
Zablocki

NAYS—3

Crane
McDonald
Symms

NOT VOTING—72

Abzug
Adams
Addabbo
Anderson, Calif.
Andrews, N. Dak.
Armstrong
AuCoin
Badillo
Barrett
Bell
Bevill
Biaggi
Biester
Boggs
Bolling
Bowen
Burke, Calif.
Collins, Tex.
Conlan
Conyers
de la Garza
Duncan, Oreg.
Eckhardt
Erlenborn
Esch
Flowers
Ford, Mich.
Guyer
Harsha
Hayes, Ind.
Heinz
Hinshaw
Holland
Kasten
Landrum
McCloskey
McCollister
McKinney
Macdonald
Meeds
Michel
Moss
Murphy, Ill.
Nix
Nolan
O'Hara
Pepper
Peyser
Quillen
Randall
Rangel
Rees
Riegle
Rodino
Rostenkowski
Sarbanes
Shuster
Sikes
Stanton, James V.
Steelman
Steiger, Wis.
Stephens
Stuckey
Symington
Taylor, Mo.
Teague
Udall
Van Deerlin
Vigorito
Waxman
White
Zeferetti

The Clerk announced the following pairs:

Mr. Addabbo with Mr. Adams.

Mr. Sikes with Mr. Esch.

Mr. Zeferetti with Mr. Quillen.

Mr. Macdonald of Massachusetts with Mr. Anderson of California.

Mr. Murphy of Illinois with Mr. Guyer.

Ms. Abzug with Mr. Rees.

Mr. Sarbanes with Mr. Andrews of North Dakota.

Mr. Badillo with Mr. Harsha.

Mr. Pepper with Mr. Shuster.

Mr. Waxman with Mr. Taylor of Missouri.

Mr. Barrett with Mr. Michel.

Mrs. Boggs with Mr. Landrum.

Mr. Rangel with Mr. Holland.

Mr. Biaggi with Mr. Armstrong.

Mr. Nix with Mr. AuCoin.

Mr. Ford of Michigan with Mr. Heinz.

Mr. Rodino with Mr. Steelman.

Mr. Symington with Mr. Bell.

Mr. Conyers with Mr. Biester.

Mr. O'Hara with Mr. McCloskey.

Mr. Riegle with Mr. Peyser.

Mr. Moss with Mr. Udall.

Mr. Rostenkowski with Mr. McCollister.

Mr. Vigorito with Mr. Bowen.

Mr. Duncan of Oregon with Mrs. Burke of California.

Mr. Teague with Mr. Meeds.

Mr. White with Mr. Collins of Texas.

Mr. Randall with Mr. Eckhardt.

Mr. Flowers with Mr. Conlan.

Mr. Bevill with Mr. de la Garza.

Mr. James V. Stanton with Mr. Erlenborn.

Mr. Stuckey with Mr. Stephens.

Mr. Van Deerlin with Mr. Steiger of Wisconsin.

Mr. Nolan with Mr. Kasten.

Mr. Hayes of Indiana with Mr. McKinney.

So the bill was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

The SPEAKER pro tempore (Mr. McFALL). Pursuant to the provisions of House Resolution 1089, the Committee on International Relations is discharged from the further consideration of the Senate bill (S. 3056) to amend the Foreign Assistance Act of 1961 to provide emergency relief, rehabilitation, and humanitarian assistance to the people who have been victimized by the recent earthquakes in Guatemala.

The Clerk read the title of the Senate bill.

MOTION OFFERED BY MR. DIGGS

Mr. DIGGS. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. DIGGS moves to strike out all after the enacting clause of the Senate bill (S. 3056) and to insert in lieu thereof the provisions of H.R. 12046, as passed, as follows:

That this Act may be cited as the "Guatemala Disaster Relief Act of 1976".

SEC. 2. The President is authorized to provide assistance, on such terms and conditions as he may determine, for the relief and rehabilitation of the people who have been victimized by the recent earthquakes in the Republic of Guatemala. Such assistance may be provided in accordance with the policy and general authorities applicable to or available for the furnishing of assistance under section 491, relating to international disaster assistance, of the Foreign Assistance Act of 1961.

SEC. 3. There is authorized to be appropriated to the President to carry out the purposes of this Act $25,000,000 for the fiscal year 1976, which amount is authorized to remain available until expended, except that not more than $4,000,000 of this amount shall be available for repairs to the Puerto Barrios Highway in Guatemala. Obligations incurred prior to the enactment of this Act against other appropriations or accounts for the purpose of providing relief and rehabilitation assistance to the people of Guatemala may be charged to the appropriations authorized by this Act.

SEC. 4. Not later than ninety days after enactment of appropriations to carry out this Act, and on a quarterly basis thereafter, the President shall transmit reports to the Committee on Foreign Relations and the Committee on Appropriations of the Senate and to the Speaker of the House of Representatives on the programing and obligations of funds under this Act.

SEC. 5. In order to limit the extent of deaths, injuries, and destruction in future earthquakes, assistance provided under this Act which is used for the construction of housing in the Republic of Guatemala shall, to the maximum extent possible, be used for housing which is constructed of seismic resistant materials or which will otherwise minimize the danger of injury to occupants during future earthquakes; and the President should encourage the Government of the Republic of Guatemala to promote the use of such materials.

SEC. 6. Assistance made available under this Act shall be distributed to the maximum extent practicable through United States voluntary relief agencies and other international relief and development organizations.

The motion was agreed to.

The Senate bill was ordered to be read a third time, was read the third time, and passed.

The title was amended so as to read: "A bill to provide for relief and rehabilitation assistance to the victims of the earthquakes in Guatemala, and for other purposes."

A motion to reconsider was laid on the table.

A similar House bill (H.R. 12046) was laid on the table.

GENERAL LEAVE

Mr. DIGGS. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the bill just passed.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Michigan?

There was no objection.

GENERAL LEAVE

Mr. FUQUA. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks, and include extraneous material, on the bill (H.R. 12453).

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Florida?

There was no objection.

NATIONAL AERONAUTICS AND SPACE ADMINISTRATION AUTHORIZATION ACT, 1977

Mr. FUQUA. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 12453) to authorize appropriations to the National Aeronautics and Space Administration for research and development, construction of facilities, and research and program management, and for other purposes.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Florida (Mr. Fuqua).

The motion was agreed to.

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H.R. 12453, with Mr. McKay in the Chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

The CHAIRMAN. Under the rule, the gentleman from Florida (Mr. Fuqua) will be recognized for 30 minutes, and the gentleman from Kansas (Mr. Winn) will be recognized for 30 minutes.

The Chair recognizes the gentleman from Florida (Mr. Fuqua).

Mr. FUQUA. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, for 7 of the past 10 years the budget for the National Aeronautics and Space Administration has declined. The budget for fiscal year 1977 in the areas of space science and applications is in total somewhat less than the NASA request—$3,930,000.

Although, in the total NASA budget, there is a slight increase over last year, inflation cancels out the approximate 4½-percent increase.

Even under these circumstances we consider this a sound conservative space program budget that has been brought to the floor under the leadership of the distinguished gentleman from Texas (Mr. Teague), chairman of the Committee on Science and Technology.

As chairman of the Space Science and Applications Subcommittee, I want to commend the members of the subcommittee on both sides for their effective effort in developing this bill. Particularly, I want to recognize the contributions of the gentleman from Kansas (Mr. Winn), the ranking minority member of the subcommittee who applied his skill and knowledge to this legislation throughout hearings in Washington, at the NASA field centers and key industrial contractor facilities.

All of the subcommittee members have labored with care and diligence in recommending 10 changes in budget line items, 3 language changes, and 8 committee views. These recommendations in the area of space science and applications have had the effect of—

First, decreasing the fiscal year 1977 NASA budget request by $3,930,000;

Second, redefining the Earth resources satellite program by including a new line item;

Third, initiating the development of a space telescope;

Fourth, increasing the research and development budget while not increasing the total NASA budget request; and

Fifth, providing evaluation of eight areas of comment—committee views—for emphasis or improvement through which the committee would seek to insure a strong national space program.

I urge adoption of the bill as recommended by your committee.

For the benefit of my colleagues, I am including in the Record a table which summarizes the budget actions recommended by the committee in the area of space science and applications for fiscal year 1977:

FISCAL YEAR 1977 NASA AUTHORIZATION

The following table summarized the budget actions taken by the Committee on Science and Technology on the Fiscal Year 1977 authorization request:

[In thousands of dollars]

Item	Fiscal year 1976 House authorization	Transition quarter House authorization	Fiscal year 1977 NASA request	Subcommittee action
Space Shuttle	$1,206,000	[1] $321,000	$1,288,100	$1,288,100
Space flight operations	203,100	[1] 55,100	205,200	198,200
Expendable launch vehicle			151,400	151,400
Advanced missions	3,000	[1] 500		
Physics and astronomy	156,800	[1] 46,600	165,800	169,800
Lunar and planetary	258,900	[1] 73,300	191,100	193,100
Life sciences			22,125	22,125
Launch vehicle procurement	166,900	[1] 40,400		
Space applications	181,530	[1] 54,700	[2] 184,700	185,700
Earth resources operational systems			13,500	13,500
Aeronautical research and technology	175,350	46,800	189,100	192,100
Space research and technology	76,900	[1] 22,300	82,000	92,100
Energy technology applications	5,900	[1] 1,500		
Tracking and data acquisition	240,800	[1] 66,400	258,000	254,000
Technology utilization	9,000	2,000	7,900	8,400
Total R. & D.	[3] 2,508,830	[3] 653,800	[3] 2,569,825	[3] 2,576,425
Construction of facilities	[3] 121,058	[3] 8,050	[3] 95,070	[3] 88,140
Research and program management	[3] 641,800	[3] 176,800	[3] 667,855	[3] 664,255
Total	[3] 3,271,688	[3] 838,650	[3] 3,332,750	[3] 3,328,820

[1] General R. & D. reduction of $30,000,000.

[2] $13,500,000 transferred to new line item.

[3] Space Science and Applications Subcommittee.

Mr. Chairman, the Subcommittee on Space Science and Applications held a total of 27 hearings in November 1975, and January and February 1976 in Washington, at NASA centers and key industrial contractors to review the NASA fiscal year 1976 budget perfromance and fiscal year 1977 budget request. In addition, the subcommittee undertook a comprehensive evaluation of the national space program in the July–September 1975 period culminating in conclusions and recommendations part of which are incorporated in this budget recommendation. Testimony was also taken from the U.S. Air Force, and the European Space Agency on NASA related programs. The aeronautical programs were covered separately by the Subcommittee on Aviation and Transportation R. & D.

For the use of the Members some of the financial indicators of the NASA fiscal year 1976 and fiscal year 1977 programs are included.

NASA's operating plan for fiscal year 1976 remains essentially the same—$3.555 billion—as requested for fiscal year 1976. A decrease of less than $4 million exists between the original request and the operating plan through July 1976. Transfers among line items in the budget during fiscal year 1976 reflect shifting three programs to different programs offices without net increases or decreases.

Unobligated balances for program for fiscal year 1976 are following normal patterns. Only one program, Life Sciences, has substantially less than half of fiscal year 1976 funds obligated as of December 31, 1975.

Inflation continues to erode the NASA budget. NASA estimates that an additional $1.162 billion—added to the $3.676 billion planned outlays for fiscal year

1977—would be required in fiscal year 1977 to equal in buying power the $3.4 billion NASA budget projection of January 1972.

NASA's estimate of total development costs for 10 major programs show growth in the Space Shuttle, HEAO and LANDSAT–C programs. A slight decrease in the early fiscal year 1976 estimate for Viking is expected while both the solar maximum mission and SEASAT estimates are preliminary since prime contracts have not been awarded. However, internal NASA estimates for SEASAT have increased since fiscal year 1975.

The fiscal year 1977 NASA budget to Congress—$3.697 billion—represents a $182.6 million reduction in the NASA request to the Office of Management and Budget—OMB—$158.5 million of this reduction was taken from research and development requests. A deferral of $84.4 million will delay start of the third Space Shuttle Orbiter 1 year and increase subsequent production costs an estimated $60 million.

A similar deferral of $15.6 million in development cost on the Space Shuttle will increase runout costs on the program by an estimated $20 million. NASA, therefore, states its total runout cost commitment to the Congress for the Space Shuttle as $5.22 billion—1971 dollars—up $20 million from fiscal year 1976. Seventeen additional reductions in NASA budget requests to OMB were taken. The aggregate effect of funding these deleted programs in fiscal year 1977 is $58.5 million with a follow-on cost of $70–$90 million in fiscal year 1978. Deferral of the start of development of the Space Telescope—$12 million—was the largest single item in this group. Notable, however, is the fact that these reductions delayed or eliminated significant payload development effort although the required funding was small.

Total NASA Center request to NASA Headquarters for research and development was $426.5 million more than the request to OMB.

You will note from the summary that your committee recommends 15 changes to budget line items and one new line item—Earth resources operational systems. The total net dollar change to the NASA request is $0.93 million which is comprised of $21.6 million of increases—including an increase of $3 million in the aviation area—and $22.53 million of decreases. These changes are as follows:

SPACE FLIGHT OPERATIONS

An increase of $1 million in advanced programs to fulfill the recommendations of the subcommittee from hearings on future space programs.

A decrease of $8 million in development, test, and mission operations to hold level of effort at approximately fiscal year 1976 level, or funding.

PHYSICS AND ASTRONOMY

An increase of $3 million for the initiation of the development of a space telescope at low level.

An increase of $1 million in supporting research and technology to strengthen a declining base of research needed for future programs.

LUNAR AND PLANETARY EXPLORATION

An increase of $2 million to initiate studies of a Jupiter orbiter planetary probe.

APPLICATIONS PROGRAM

A transfer of $13.5 million to a new line item of the LANDSAT–C program.

An increase of $1.0 million in research in weather and climate observation and forecasting specifically for severe storm research.

EARTH RESOURCES OPERATIONAL SYSTEMS

A transfer of $13.5 million to this new line item to establish and recognize the operational character of the LANDSAT–C program.

SPACE RESEARCH AND TECHNOLOGY

An increase of $1.6 million to strengthen the amount and composition of advanced propulsion research,

An increase of $3.5 million for energy technology identification and verification to assure a continuation of NASA study of space related energy applications.

An increase of $5.0 million for solar satellite power system advanced studies at the technology level.

TRACKING AND DATA ACQUISITION

A decrease of $4.0 million in recognition of the projected workload in fiscal year 1977.

TECHNOLOGY UTILIZATION

An increase of $0.5 million to enhance the industrial and technology applications effort with the public.

CONSTRUCTION OF FACILITIES

A deferral of $2.8 million for construction of a lunar curatorial facility,

A deferral of $2.0 million for modification to launch complex 39, Kennedy Space Center,

A decrease of $0.35 million for carrier aircraft mating facilities by transfer of available steel to the Kennedy Space Center,

A deferral of $1.0 million for modification of solid rocket booster facilities at the Kennedy Space Center,

A deferral of $0.78 million for modification for crew training facility at the Johnson Space Center.

RESEARCH AND PROGRAM MANAGEMENT

A decrease of $3.6 million in categories other than personnel and related cost in recognition of the reduction of planned total civil service personnel.

Your committee reviewed the bill before you today section by section. Only five sectional changes in language were proposed which differ from the previous bill enacted:

Section 7 adds one level V position to the NASA organization in recognition that the Comptroller of NASA is a senior manager. The subcommittee recommends this change.

Section 8 provides for granting the same per diem rates for the Aerospace Safety Advisory Board as other NASA boards and committees. The subcommittee recommends this change.

Section 9 states the sense of the Congress to maintain and improve certain aeronautical test facilities.

Section 10 adds to the Space Act of 1958 a responsibility for ground propulsion systems research and development.

Section 11 provides technical definition of ground propulsion systems.

I urge support of this legislation.

The specific actions taken by the committee in the space science and applications area include:

SPACE FLIGHT OPERATIONS

NASA requested $205,200,000 for space flight operations in fiscal year 1977. Within this line item your committee decreased development, test and mission operations $8,000,000 and increased advanced programs $1,000,000 resulting in a total recommended authorization of $198,200,000 for the space flight operations for fiscal year 1977.

Development, test and mission operations—The committee reviewed the fiscal year 1977 request for development, test and mission operations comparing the funding history of this line item with previous years. It was noted that in addition to the reduction of $5,000,000 specified by this committee for fiscal year 1976 that NASA elected to reduce transition quarter funding by $2,100,000 in this account. Therefore, the committee recommends a total of $161,900,000 for development, test and mission operations for fiscal year 1977, a reduction of $8,000,000 from the NASA request.

Advanced programs—NASA requested $18,000,000 for advance programs for fiscal year 1977. The committee increases this amount $1,000,000 for a total of $19,000,000 for advanced programs for fiscal year 1977. This increase is based on recommendations derived from oversight hearings of the Subcommittee On Space Science and Applications on future space programs citing the need for improved advanced program structuring and development. The relevant recommendations are quoted below from the subcommittee report, entitled "Future Space Programs—1975," to provide guidance to the National Aeronautics and Space Administration:

> A. The Subcommittee believes that NASA should demonstrate a sense of urgency in its future program planning and development. The Subcommittee further believes it is absolutely essential to the continued vitality of the space program and consequently to its potential for increased contributions to the welfare of society that the nation and NASA focus on an overarching concept. This concept should represent one or more mind-expanding endeavors which would challenge the imagination and capability of the country. The key element of such a program should be substantial return on past and current investments in space through clear and immediate benefits to the society on earth in the form of greatly expanded services and direct contributions to solution of earth-bound problems.
>
> B. New opportunities in national and international space programs should be examined by the Executive and introduced into the budget cycle including comprehensive planning and implementation of a five year program to provide space systems for educational and medical satellite services and earth resource surveys—maritime, agriculture, geological, and demographic.
>
> C. To aid in assuring a breadth of vision while maintaining a vital shorter term space program, NASA should strengthen its annual future program planning effort and on a periodic basis (every 3–4 years) initiate an ad hoc review of its planning process and future programs, drawing upon both national and international expertise from a broad cross-

section of society. This ad hoc examination should review projected space activity 20–30 years in the future to determine to the extent possible:

1. How well does the short range (0–10 year) planning and mid-range (10–20 year) planning coincide with the current assessment of the longer range future?

2. What planning and resources allocation adjustments, in the short and mid-range, should be made to accommodate the latest thinking on long term opportunities?

3. What new research and development initiatives are necessary to support long term opportunities?

F. Re-evaluation of the organizational and management arrangements, relative emphasis and program content for space processing and manufacturing should be made within the next year with the intent of assuring that options for commercial utilization of space are developed.

H. In withdrawal from an area of Federal space research and development, a formal procedure similar to that for initiating new programs should be adopted to assure that the effect of such withdrawal of effort will be positive. For example, NASA should assure that the necessary advanced satellite communication technology is being developed to assure continued U.S. leadership before withdrawal from the area.

I. NASA should develop and implement a comprehensive cost benefit analysis for each major program which will include the relative social and economic benefits as well as the potential for public support and international cooperation.

The committee requests the National Aeronautics and Space Administration to report to the committee by January 1977, on progress toward meeting the objective of these recommendations.

PHYSICS AND ASTRONOMY

NASA requested $165,800,000 for physics and astronomy programs in fiscal year 1977. Within this line item the committee increased supporting research and technology programs by $1,000,000 and added $3,000,000 for the space telescope resulting in a total recommended authorization of $169,800,000 for physics and astronomy for fiscal year 1977.

Supporting research and technology—The committee reviewed the fiscal year 1977 request of $14,700,000 for supporting research and technology and compared the funding history of this line item with previous years. The supporting research and technology budget has been almost constant for a number of years, resulting in a net decrease in the amount of research that can be carried out within it. The efforts supported by these funds help assure the viability of future research in physics and astronomy. Therefore the committee recommends a total authorization of $15,700,000 for supporting research and technology for fiscal year 1977, an increase of $1,000,000 to the NASA request.

Space telescope—The NASA requested funds for the space telescope from the Office of Management and Budget. These funds were deleted from the submission to Congress. The committee carefully reviewed the merits of this program recognizing that this program represents a significant opportunity to study the origin and evolution of the universe, as well as phenomena such as "black holes" and high energy sources including pulsars and quasars. The space telescope has consistently received broad support from the scientific community, having received highest priority from the National Academy of Science, Space Science Board.

The committee recognizes the benefits of preserving the present scientific and industrial study teams and views the space telescope as a logical next step in physics and astronomy. Therefore, the committee recommends an addition of $3,000,000 in support of the space telescope to initiate the development program.

The committee recommends $9,000,000 less than the National Aeronautics and Space Administration submitted to Office of Management and Budget based on a program structured to provide for a slow buildup in the early 2 or 3 years in order to allow initiation of other Shuttle payload activities while minimizing peak year funding. The committee further observes that it is in the best interest of the Government to complete the design competition currently underway and select the appropriate contractor thus minimizing costs of a prolonged competitions.

LUNAR AND PLANETARY EXPLORATION

NASA requested $191,100,000 for lunar and planetary exploration in fiscal year 1977. Within this line item the committee increased planetary advanced programs $2,000,000 resulting in a total recommended authorization of $193,100,000 for lunar and planetary exploration in fiscal year 1977.

Planetary advanced studies—NASA requested $1,200,000 for planetary advanced studies in fiscal year 1977. The committee examined the future of the lunar and planetary science programs and noted that there has been only one new program in the past five budget years. As a result there will inevitably be a gap in lunar and planetary effort following the Pioneer Venus missions in 1978. Such a gap will likely create an inefficient employment of resources. Therefore, the committee recommends an increase of $2,000,000 for a total recommended authorization of $3,200,000 for planetary advanced studies in fiscal year 1977. This will provide for definition study efforts for a Jupiter Orbiter which represents the next step in the long-range planning for systematic exploration of the solar system.

APPLICATIONS PROGRAM

The committee approved the full amount of NASA's request for the space applications area adding $1,000,000 to the weather and climate subline item. A transfer of $13,500,000 was taken to place the LANDSAT–C program in a new line item entitled Earth resources operational systems.

This increase in the weather and climate area reflects the committee's concern that NASA take full advantage of its technical expertise and facilities to continue a high degree of support to severe storm research. Therefore, the committee recommends $185,700,000 for the space applications line item for fiscal year 1977.

EARTH RESOURCES OPERATIONAL PROGRAM

The committee included a new line item entitled Earth resources operational system in the fiscal year 1977 NASA authorization request which included funding of $13,500,000 requested for the space applications area under the item currently listed as LANDSAT–C. This new line item and accompanying funding is no increase to the NASA authorization request.

The committee takes the position that the development of remote sensing technology as evidenced by the outstanding success of LANDSAT 1 and 2 programs justifies moving forward to an operational remote sensing system to assure various users timely and accurate land use data, crop forecasting, and better management of our Nation's resources.

The insertion of this new line item should not be interpreted as an inhibition on continuing research and development activity for the improvement of this Nation's remote sensing technology and capability as embodied in such programs as thematic mapper, heat capacity mapping mission and other application and demonstration activity. Therefore, the committee recommends $13,500,000 for Earth resources operational systems for fiscal year 1977.

SPACE RESEARCH AND TECHNOLOGY

NASA requested $82,000,000 for space research and technology programs in fiscal year 1977. Within this line item the committee increased the research and technology base $1,600,000 for advanced propulsion technology, added $3,500,000 for energy technology identification and verification, and added $5,000,000 for solar satellite power system studies resulting in a total recommended authorization of $92,100,000 for space research and technology programs.

RESEARCH TECHNOLOGY AND BASE

NASA requested $62,100,000 for research and technology base activities in fiscal year 1977. The committee increased this amount $1,600,000 for a total of $63,700,000 for research and technology base programs. This increase is based on a conclusion and recommendation from oversight hearings of the Subcommittee on Space Science and Applications on future space programs citing the need for increased advanced propulsion technology effort. The relevant conclusion and recommendation is quoted below from the subcommittee report entitled "Future Space Programs—1975":

O. To realize a number of longer term space program opportunities a major advance in propulsion is necessary to augment chemical propulsion capability.

G. NASA should embark on an expanded program of fundamental research and exploratory development in new propulsion concepts.

ENERGY TECHNOLOGY IDENTIFICATION AND VERIFICATION

The committee recommends a $3,500,000 addition for technology identification and verification to relate NASA technology capability to energy R. & D. needs and to assure that the ability to use space is fully and completely understood in energy related applications. The committee recognizes that at an appropriate time the development or operational decision should rest with ERDA. However, if NASA is to effectively participate and apply its capabilities to energy needs, they must be permitted some minimum flexibility to structure, define and package the capabilities represented by NASA for eventual consideration by ERDA, the administration and Congress. These funds provide a focus for NASA's energy application efforts.

SOLAR SATELLITE POWER SYSTEMS STUDIES

The committee added $5,000,000 for solar satellite power systems studies to significantly broaden the system definition effort and to initiate a comprehensive environmental impact and benefit analysis. These funds will provide for a ground-based phased array antenna for microwave experiments and will provide for definition of the technology advances required in large structures, attitude control, transportation, and space assembly and maintenance operations.

TECHNOLOGY UTILIZATION

The committee approved the NASA fiscal year 1977 authorization request of $7,900,000 and added $500,000 for greater emphasis on industrial and technology applications.

The committee observes that progress has been made in this office in its efforts to provide the public and private sector with a mechanism for transferring NASA developed technology to commercial applications and encouraging additional participation in using the large base of useful knowledge.

The committee, therefore, recommends a total of $8,400,000 for the technology utilization area for fiscal year 1977.

TRACKING AND DATA ACQUISITION

The committee decreased the tracking and data acquisition program budget request of $258,000,000 for fiscal year 1977 by $4,000,000 as a result of a thorough review of anticipated workload of both the STDN and DSN systems.

The committee commends the Office of Tracking and Data Acquisition for their continued excellent performance while recognizing their ability to achieve greater economies in this area. Therefore, the committee recommends that a total of $254,000,000 be authorized for the fiscal year 1977 for the tracking and data acquisition program.

RESEARCH AND PROGRAM MANAGEMENT

NASA requested $814,055,000 to cover the civil service staff needed to perform in-house research and to manage the R. & D. programs, and other institutional elements such as utilities, travel, maintenance, operation of facilities, technical, and administrative support.

The committee is concerned with the continuing trend which finds an increasing percentage of NASA's total budget being applied to institutional support. In fiscal year 1977 selected areas of the R. & P.M. budget request have grown at rates far greater than previous years, while the total number of employees has been reduced. Accordingly the committee reduced the amount for research and program management for other than salaries and benefits, by $3,600,000 for a total authorization of $810,455,000 for fiscal year 1977.

CONSTRUCTION OF FACILITIES

The total for construction of facilities included in the NASA fiscal year 1977 authorization request is $124,020,000. Of this amount, $95,070,000 falls within the jurisdiction of the Subcommittee on Space Science and Applications. The balance of $28,950,000, is under the purview of the Subcommittee on Aviation and Transportation Research and Development.

The NASA $95,070,000 request for other than aeronautical facilities included proposals for construction in support of programs involving space flight, space science, tracking and data acquisition, and field center operations, in addition to agencywide programs for rehabilitations, minor new construction, and facility planning and design.

The program reviewed by the subcommittee involved 18 major construction projects at the Ames, Dryden, Johnson, Kennedy, Langley, Michoud and Goddard space centers; 56 rehabilitation and modification projects at 19 various locations; and 25 minor new construction projects at 14 various locations. The subcommittee conducted detailed analyses, received considerable testimony on all construction requests and actually visited the sites involved for 70 percent of the projects included in the request. We feel we have reviewed this segment of the NASA request in infinite detail and are confident that our recommended adjustments are sound.

The subcommittee recommends adjustments to five projects contained in the NASA Construction of Facilities request:

NASA has again proposed an addition to the lunar curatorial facility at the Johnson Space Center in the amount of $2.8 million. This project was proposed last year and deferred on the basis that further dispersion of lunar samples should be effected and that further consideration should be given to the relocation of these activities to other federally owned facilities less vulnerable to potential natural and man-caused hazards. NASA has persisted in the need for this requirement at the Johnson Space Center and has submitted an identical project for consideration in the fiscal year 1977 request. Although some dispersal of lunar samples has been accomplished the subcommittee considers that the proposed project is overdesigned, too costly, and that adequate consideration has not been given to further dispersal and the use of other Government-owned facilities for these purposes. The subcommittee recommends that the $2.8 million request again be deferred.

Two requirements at the Kennedy Space Center in support of Space Shuttle launch operations were proposed in the amount of $29.555 million. The subcommittee is convinced that the need for further modifications to Launch Complex 39 and modifications for solid rocket booster facilities is valid, however we question whether the amount being requested can actually be obligated during fiscal year 1977. Accordingly, the subcommittee recommends a reduction to the requests of $2 million in the project for the modification of complex 39, and a $1 million reduction in the project for modifications for the solid rocket booster facilities.

NASA has proposed the construction of a third mating/demating facility at the Kennedy Space Center estimated at $2,050,000. This proposal envisions a device for the placement of the shuttle orbiter on top of a B–747 for ferrying operations. Two of these facilities were authorized last year; one at Palmdale and one at the Dryden Flight Research Center. Construction is underway at the Dryden Flight Research Center, and the steel and hoists for the facility at Palmdale has been procured. Our analysis reveals that the facility at Palmdale will not be required, due to a change in operational plans, and that the steel and hoists for that facility can be diverted to Kennedy. Accordingly, the subcommittee recommends that the Kennedy project be reduced by $350,000.

The fiscal year 1977 NASA request for construction includes a project for a crew training facility at the Johnson Space Center in the amount of $780,000. The proposal involves the construction of a water immersion facility for astronaut training in a near-weightless environment. The subcommittee does not question that such a facility may be required during the operational phase of the shuttle, however we believe that the neutral buoyancy facility at the Marshall Space Flight Center, presently underutilized, can be used for these purposes during the D.D.T. & E. phase of the shuttle program. Accordingly, the subcommittee recommends that the construction of this facility be deferred.

Based upon the foregoing proposed adjustments, the subcommittee recommends that the NASA request for facilities falling within our jurisdiction be reduced from $95,070,000 to $88,140,000.

SPACE SHUTTLE

Mr. Chairman, during the year a number of questions have again been raised with respect to the Space Shuttle development program. So that the record may be clear and accurate I will review key aspects of the current Space Shuttle development plan, the history of Space Shuttle cost estimates and the basis of Space Shuttle economic analysis.

The Space Shuttle development plan provides a balanced program with reasonable probability of meeting schedule, performance and cost goals. In any program of this magnitude and complexity, numerous changes and adjustments are necessary throughout the design and development period. In the past year, detailed reviews were made to assure us that our program was both technically sound and cost effective. As a result, some tests were deleted and deferred because more cost effective alternatives were defined and implemented without loss of confidence in hardware verification or increased technical risks. Test/verification policies and philosophy applied in the Space Shuttle program follow closely those implemented in the highly successful Skylab program. Too much testing can be costly. A proper balance between test and analysis is based on mature technical judgment which NASA has acquired over the years.

In the case of the Shuttle, NASA deleted some large module testing. In these cases the tests were found to be redundant, or alternate verification methods were defined which were more cost effective. The major systems tests are not qualification tests, but are primarily verification tests—verifying data obtained earlier in the program by analytical and scale model techniques. Major problems are not anticipated in the full-scale testing so that large schedule pads would not be cost effective.

Manufacturing and checkout times have for the mosts part been extended from earlier program estimates. The same is also true for the major systems tests where additional time has been planned over previous schedules. Selected compressions that have occurred have been mostly in the posttest period where it was determined that some reductions in time could be safely accommodated. NASA is confident that sufficient time still exists to handle the development problems that occur in any program.

Examining the history of Shuttle cost estimates the NASA commitment on Shuttle development of $5.150B was estimated in March 1972 in support of the fiscal year 1973 NASA budget. The actual fiscal year 1973 budget estimate for Shuttle D.D.T. & E. submitted to Congress in January 1972 was $5.500B in 1971 dollar based on the liquid booster—pressure fed—configuration. The $5.150B was substituted when the solid booster configuration was selected.

NASA has updated this estimate annually since fiscal year 1973 to reflect increases due to inflation through the current budget year and the estimated effects of inefficiencies in the program resulting from reductions in the fiscal year 1975 and fiscal year 1977 budgets. To maintain track with the commitment, the amount of the increases have been stated in 1971 dollars as well as included in current budget year estimates. NASA has also projected the impact of inflation on shuttle runout costs based on various assumed inflation rates for the runout years. Below is the current estimated real year dollar values of the space transportation system cost elements assuming a rate of 7 per cent through runout for all elements except construction of facilities which has been projected at 10 per cent:

	RY$
Shuttle D.D.T. & E.	6.964
Shuttle investment	2.153
NASA facilities	.454
WTR facilities	.996
Expendable L. V. modification (IUS)	[1].278
Tug D.D.T. & E. & investment	1.539

[1] Represents current estimate for DOD development of the Interim Upper Stage (IUS) plus NASA unique GSE and other requirements. DOD $241M—NASA $37M.

The direct cost of shuttle design development, test and evaluation, and the facilities costs are specifically budgeted and managed as Shuttle requirements. In addition, there are across-the-board activities in NASA which contribute to the accomplishment of the Shuttle program. These activities are oriented primarily toward continuing the basic competence and capabilities which enable NASA to conduct high technology programs including manned space flight development and operations. The Shuttle planning and commitment were based on continued availability of the capabilities of the NASA Centers.

If one were to estimate a reasonable proration of the across-the-board NASA activities, the approximation would be $2,284 million in the dollars of the fiscal year 1977 budget. The activities prorated include continuing basic engineering, technical, scientific research efforts required to conduct NASA's operations and to accomplish the Agency's objectives in aeronautics and space. I am summarizing this estimate for the RECORD as follows:

FISCAL YEAR 1977 BUDGET—SHUTTLE D.D.T. & E. AND FACILITIES OUTLAYS AND ESTIMATED PRORATED NASA EEFORTS

Fiscal year	Shuttle D.D.T. & E.	Facilities	Estimated prorated application of NASA effort
Prior	689	35	531
1975	798	39	245
1976	1,093	70	358
Transition quarter	300	26	101
1977	1,233	64	388
1978	1,172	63	332
1979	769	54	216
1980	432	41	97
1981	178	23	16
1982		17	
Total	6,664	432	2,284

[1] These estimates would be required to continue basic NASA capabilities and operations whether the shuttle were developed or not.

	NASA March 1972 estimate—1971 dollars	NASA fiscal year 1974 budget estimate		NASA fiscal year 1975 budget estimate		NASA fiscal year 1976 budget estimate		NASA fiscal year 1977 budget estimate	
		1971 dollars	Dollars of fiscal year 1974 budget	1971 dollars	Dollars of fiscal year 1975 budget	1971 dollars	Dollars of fiscal year 1976 budget	1971 dollars	Dollars of fiscal year 1977 budget
Shuttle D.D.T. & E.	5.150	5.150	5.394	5.200	5.687	5.200	6.350	5.220	6.664
Shuttle investment	1.000	1.000	1.050	1.000	1.102	1.000	1.267	1.200	1.654
NASA facilities	.300	.300	.330	.300	.390	.300	.395	.300	.432
WTR facilities	[1].500	[1].500	[1].550	[1].500	[1].679	[1].500	[1].789	[1].500	[2].710
Additional investment to fly 581 mission model:									
Expendable L.V. modification	.291	.291	.306	.291	.321	.291	.368	[3].168	.224
Tug D.D.T. & E. and investment	.809	.809	.849	.809	.891	.809	1.023	.809	1.116
Total	8.050	8.050	8.479	8.100	9.070	8.100	10.192	8.192	10.800

[1] Not official DOD estimates.

[2] Preliminary DOD estimate, GAO report 1976.

[3] Current estimate of IUS DOD development and NASA unique GSE and other requirements:

	DOD	NASA	Total (M)
1971 dollars	$139	$24	$163
Fiscal year 1977 budget	191	33	224

The Shuttle economic study published in January 1974 showed savings of $14 billion for a 725 flight mission model projected for the period 1980–91.

Sensitivity analyses have shown that the economic superiority of the STS will be sustained over a wide range of assumptions including reduced flight rates, fewer payloads; that is, lower budgets and increased cost growth above current Agency targets. For example, at a reduced flight rate of 25 per year, compared to 60 in the baseline model, the Shuttle remains a good investment with a 10-percent rate of return. Other variations have shown that even after substantially reduced payload quantities; for example, above 200 below the baseline model, the Shuttle savings are still greater than $12 billion over the 1980–91 period. The Shuttle development and investment cost could grow by as much as $7.4 billion and still return 10 percent on the investment. Although the savings through use of the STS are largely in the payload area, significant reductions will also be realized in the costs of launching during the operational phase. In 1975 the GAO found the STS cost benefit analysis was one of three studies which qualified as a legitimate cost-benefit study.[1]

For a concise review I am including some summary statistics from the mission models as part of the RECORD.

A recent General Accounting Office report on the Space Shuttle also posed certain questions with respect to the program. Answers to these questions are included in the hearing record on the bill before us.

In summary, the Space Shuttle represents a major step forward in our space program. It is on schedule and within cost and continues to merit the support of the Congress and Nation.

The material follows:

NASA SHUTTLE ECONOMIC SUMMARIES

581 MISSION MODEL

Tug 1985 (Use expendables as interim stages prior).

No Sortie.

Operational Period 1979–1990.

Assumed Average $3.4B NASA Budget Level Constant '71$.

581 Flights: 354 ETR, 227 WTR. 130 w/expendable upper stage, 173 w/tug.

673 Payloads Up, 455 Payloads Down.

265 NASA Payloads.

128 Non-NASA Payloads.

280 DOD Payloads.

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[1] GAO Report B–115398, January 14, 1975—Civil agencies Make Limited Use of Coast-Benefit Analysis in Support of Budget Requests.

ECONOMICS

[1971 dollars]

	Payloads	Transportation	Nonrec. develop.	Total
Expendable	35.1	11.4	1.7	48.2
Shuttle	26.7	8.1	8.0	42.8
Benefits	8.4	3.3	−6.3	5.4
Net benefit discounted at 10 percent				2.0B

Net benefits STS, $5.4B.

Rate of Return, 13%.

Flt. Required to earn 10% rate of return, 30 per yr.

Allowable Growth in DDT&E with 10% rate of return, $2B.

725 MISSION MODEL

Interim Tug, 1980–1983.

Full Tug, 1983–1991.

Spacelab included as ESA Development.

Operational Period, 1980–1991.

WTR IOC 1982.

Assumed Average $3.3B level NASA Budget Constant '72$.

725 Flights; 516 ETR, 209 WTR.

289 Tug Flts.

986 Payloads Up, 275 Automated Down.

336 Sortie Down.

507 NASA Payloads.

175 Non-NASA Payloads.

304 DOD Payloads.

ECONOMICS

[1972 dollars]

	Payloads	Transportation	Nonrecreational development	Total
Expendable	46.3	13.2	3.9	63.4
Shuttle	31.6	8.8	8.9	49.3
Benefits	14.7	4.4	−5.0	14.1

Net benefits STS, $14.1B.

Rate of Return, 19%.

Flt. Required to earn 10% rate of Return, 25 per yr.

Allowable Cost Growth in DDT&E with 10% Rate of Return, $7.4B.

A number of areas of significance within the bill which we are considering today warrant further comment.

The Office of Applications requested $198,200,000 for fiscal year 1977 and the committee made several changes. The first change was the removal of the LANDSAT–C—Earth resources technology satellite—from the earth resources detection and monitoring area and placing it in a separate line item entitled "Earth resources operational systems." The corresponding moneys of $13,500,000 were also transferred to this new line item. The committee felt that the time has come to elevate this most successful program to an operational status which also will encourage private and institutional participation as well as the many user agencies within the Federal Government.

The committee also added $1,000,000 to the weather and climate observation and forecasting area specifically for severe storm research. Testimony before the committee reflected the excellent cooperation and effort between NASA and NOAA and encouraged further activity to help with this serious problem.

The objective of the space applications effort is to conduct research and development activities that demonstrate space-related technology which can be effectively applied and used in the civil sector. In no other area does the space program technology spinoffs and benefits evidence itself more.

These applications programs affect each and everyone of us in our daily lives ranging from accurate weather forecasting to monitoring crop inventories and disease while monitoring the atmosphere to warn us of pollution. I am pleased to report to this body the fact that many applications programs are starting to pay dividends as evidenced by LANDSAT and I look forward to reporting additional positive results in the near future.

The tracking and data acquisition program continues to provide vital support to more than 40 individual programs. Two hundred and fifty-eight million dollars was requested for fiscal year 1977 with $206,800,000 of the total request scheduled for operations support.

The committee made a general reduction of $4,000,000 from the total request based upon an analysis of the future systems and operational activity for fiscal year 1977. It was also noted that the Office has experienced a dramatic increase in inflation at some locations such as Madrid, Spain, and Alaska. Hopefully, NASA can achieve sufficient economies to balance this inflationary spiral and continue to provide outstanding support operations. The committee will review NASA's analysis covering the benefits to the government in leasing a tracking and data relay satellite system for tracking services versus procuring the system through purchase. Prior to any contract award, NASA will present a cost-benefit to the committee.

The Technology Utilization Office continues to find ways to better transfer space-developed technology into the economic and commercial stream of the civil sector. The fiscal year 1977 budget request is $7,900,000 and the committee felt that an increase of $500,000 was in order to allow for an increase in industrial applications and technology activity which could provide even quicker results in the technology transfer process. The committee continues to be impressed with NASA's initiative in this area and encourages its continuation.

For research and program management, NASA requested $814,055,000 for fiscal year 1977. This line item provides for the civil service staff necessary for in-house research and development, and the manpower required to plan, manage and support the R. & D. program. It also provides for the operation, maintenance and administrative support of the NASA headquarters and 10 major field centers.

The committee reviewed the NASA request for these purposes in considerable detail. The budget for 1977 is $18,577,000—2.3 percent—more than the current operating plan for fiscal year 1976. The number of permanent civil service positions has been reduced by 500 to 23,816.

The 1977 estimate provides for the full-year effect of increased utility rates which continue to rise rapidly. Additionally continued increases in wage rates for support service contractors and increases in the cost of materials have caused upward budget pressures.

Costs for personnel amount to 75 percent of the total. These rose by approximately 1 percent from 1976, reflecting the reduction of 500 permanent positions as well as the full-year effect of the October 1975 pay raise. Other categories of expense in fiscal year 1977 will increase by $4.92 million—8 percent—from the 1976 budget plan. Most of this increase is attributed to rising costs of electrical power, fuel, and support service contracts.

The committee notes with approval the recent reassessment of field center roles and missions. If performed properly, the clarification of roles and the consolidation of selected functions can yield significant personnel savings and increased management effectiveness.

A further sign that NASA is concerned with the recent drift toward increased institutional costs is the cut in overhead positions for fiscal year 1977. Of the total mandated reduction of 500 permanent civil service positions, over 200 were indirect.

To stress concern that NASA remain lean and effective, the committee is recommending a general reduction of $3,600,000 to be applied to areas other than civil service personnel costs. It is believed that this is appropriate in light of the reduction in permanent civil service positions. I want to emphasize that this action, in no way, implies any criticism of the goals of the national space program. We continue to believe, as stated in "Future Space Programs 1975," that the use and exploration of space should be greatly expanded for the benefit of all. The committee does want to insure that NASA's strong technical capability remains dynamic and innovative so that these objectives can be realized.

Mr. Chairman, turning now to the NASA programs managed by the Offie of Space Science. There are three major areas of space science managed by the Office of Space Science: Physics and astronomy, lunar and planetary, and life sciences program. These programs focus on exploring and understanding of the Earth, the solar system, the universe, and on research designed to enhance the ability of people to function effectively and safely during space flight. The NASA requested a total of $379 million for these programs. The bill provides $385 million with reflects additions for the space telescope, supporting research and technology, and Jupiter orbiter probe studies as already discussed. The reorganization within NASA that transferred the expendable launch vehicle programs to the Office of Space Flight—OSF—and the life sciences program to the Office of Space Sciences is also reflected in the amounts authorized. The fiscal year 1977 authorization provides primarily for continuation of ongoing programs previously authorized. It also provides for one new start, the solar maximum mission—SMM—an observatory class spacecraft to conduct detailed studies of the Sun during the most active period in the 11-year solar cycle.

The OSS budget authorization for fiscal year 1977 is $49.2 million below the funding level for fiscal year 1976. This is due to reduced requirements for those major flight projects that will have passed their peak funding by fiscal year 1977. The high energy astronomical observatory—HEAO—the Mariner Jupiter Saturn 1977—MJS 77—and the Pioneer Venus, all have peak funding in fiscal year 1976. Also, the Viking project, with two healthy spacecraft on the way to Mars, continues its cost phasedown. A partial offset to this decline in project funding and activity is the initiation of the solar maximum mission, the first new start in 2 years.

I would like to present a summary of some of the important programs in the Office of Space Science. The first category I will discuss is physics and astronomy.

Astronomy, as the oldest science, represents man's attempt to understand the universe in which he lives. Recent advances in our ability to observe the universe are making it possible to study the physical conditions that exist at distant places. Although we attempt to explain those observations by extending the basic laws of physics that apply on Earth, new phenomena are frequently observed which have no terrestrial counterpart, including explosions of stars and the existance of superdense matter weighing billions of tons per cubic inch.

In June, the orbiting solar observatory 8 was successfully launched to conduct long-term studies of the Sun during its quiet period. The primary objectives of the mission are to study the structure of the relatively cool lower solar atmosphere—chromosphere and low transition region—and to investigate how energy is transported within that region and between it and the Sun's high temperature upper atmosphere, or corona.

In October and November, two atmosphere explorers—AE–D and E—were launched to conduct coordinated observations of the physics and chemistry of Earth's upper atmosphere. Responding to recent concern with the fluorocarbon-ozone-skin cancer question and the need for exact descriptions of upper atmospheric chemistry and dynamics, we added an experiment to AE–E to measure daily ozone variations.

In 1975, many important discoveries were made including the discovery of a white dwarf star that had about 20 times the surface temperature of the Sun. We also studied two novas, or exploding stars. One was the brightest optical nova observed in 30 years. The other, an X-ray nova, was discovered by Ariel 5 and became the brightest X-ray object in the sky.

We are seeing constant change in our thinking regarding the evolution of our universe. With the accelerated increase in the generation of data from rapidly developing techniques in astronomy and space physics, many of the "established" theories are being tested and may soon be replaced by a more complete understanding of specific phenomena.

The role of our closest star, the Sun, is so fundamental that in its absence, life could not exist on Earth. Though it is middle-aged and not particularly large or bright, only a few percent change in its brightness might change most of the Earth into a dead frozen landscape or conversely, into a hot desert wasteland. The ice ages may have been caused by a decrease of only a few percent in the solar energy emission. In contrast, many stars are known to be under regular cyclic variations, some as small as a fraction of a percent in total energy output. When we study stars, we can look at objects with a wide range of properties such as surface temperature, mass, composition, and magnetic fields. From comparative studies, we hope to identify the role played by these different parameters and infer the long-term evolution of the Sun.

The 2.4-meter space telescope—ST—plays a central role in our plans for the future. With it, we will be able to study radiations in the infrared, the visible and the ultraviolet part of the spectrum. It will be more sensitive than a ground-based telescope and will record greater details about the objects under study.

Objects wil be detectable from a volume of space that is one hundred times larger than is accessible now. Light from these objects will have taken many billions of years to reach us, thus we can look further into the past. With the ST, we will probably be able to determine the distance to quasars, and the absolute magnitude of the enormous amount of energy emitted by these objects. Other observations will provide additional information to help resolve the question, "Will the universe expand forever?"

Closer to home, we will be able to study individual stars in nearby galaxies. Closer yet, we can search for planets and should be able to determine whether any of the 30 nearest stars has a planet comparable in size to Jupiter. Pictures of Jupiter, Mars, and Venus taken with the ST will show detail roughly equivalent to that of the Pioneers 10 and 11 pictures of Jupiter. With the ST, however, we can take a series of pictures over a period of years, and thus study long-term cloud motions and seasonal changes. Undoubtedly, the most important contributions the ST will make to science cannot be foreseen today. As Isaac Asimov writes in "Eyes on the Universe":

> It is, of course, impossible to predict exactly what the Large Space Telescope might discover—just as it was impossible to predict in advance that Galileo's telescope would detect four satellites about Jupiter, or that Rosse's Leviathon would discover spiral galaxies. . . .

In less than 20 years after the launch of the first Sputnik, we now have a better description of the Earth's near-space environment than Christopher Columbus had available of the navigable surface from all of man's previous recorded history. We are now attempting the task of understanding the forces of nature which shape this environment, which produce perplexing day-to-day changes, and which control the conditions that make life possible here on Earth.

The Sun is the most important source of the energy which surrounds us. The tenuous plasma stream, called the solar wind, is composed mostly of electrons and protons flowing at speeds upwards of 300 km/sec—670,000 miles per hour. It interacts with the Earth's magnetic field 10–15 Earth radii from the center of the Earth in a collisionless bow shock, and then flows around the Earth somewhat like a stream of water around an obstacle. Inside this flow envelope is the magnetosphere.

During 1975, four Explorers were launched, with three successfully placed into orbit and functioning. The fourth, the dual air density—DAD—failed to achieve orbit as a result of the failure of the Scout third stage. Four more Explorers are under development, the IUE and the three International Sun-Earth Explorer—ISEE—spacecraft. Both projects are being undertaken jointly with the European Space Agency—ESA. ISEE–A, –B, and –C will be *primarily* concerned with the interactions at the boundary between the solar wind and the magnetosphere. ISEE–C will provide a continuous measurement of the fluctuating solar wind in interplanetary space, while ISEE–A and –B, traveling in elliptic orbits through the boundary regions, will determine the magnetospheric response to the solar wind and its variations.

The solar maximum mission—SMM—is a sophisticated solar satellite which will fly at the next predicted peak of activity in the solar cycle. The mission will focus on problems of solar activity and will particularly investigate the many complex high energy processes which together constitute the solar flare. The SSM will also contribute to our understanding of solar-terrestrial interactions by providing accurate measures of the radiative and particle flare emissions which disturb the terrestrial environment and by commencing a long-term program of accurate measurement of the total radiative flux incident on the Earth's atmosphere.

The study of flares is currently considered to be one of the most timely and important in the NASA solar physics program both by virtue of the interest in the problem and the state of readiness of the theory and technology required to solve it. Solar flares are important not only for their geophysical effects but also for the opportunity that they provide to study processes having application in the fields of astrophysics and plasma physics. These processes include energy storage and release, the acceleration of particles to subrelativistic and relativistic energies, explosive heating and evaporation, the ejection of clouds of high energy particles and shock waves and the formation and cooling of high temperature—10–50 million degree—plasmas having large physical scales.

The 1979 launch date of the *solar* maximum mission not only maximizes the probability of observing a large number of flares, but also provides an opportunity for collaboration between SMM and the three International Sun-Earth Explorer Missions, ISEE–A, ISEE–B and ISEE–C (Chart STS76–1568A) previously discussed.

The SMM payload will contain hard X-ray and gamma ray spectrometers to study the particle accelerations and a hard X-ray telescope to determine their physical locations. Soft X-ray, extreme ultraviolet, and ultraviolet instruments will be used to study active structure before, during, and after the event, to search for evidence of energy buildup and to study plasma heating and cooling mechanisms. Finally, a white light coronagraph will provide data on the passage of shock waves through the corona and on the mass and energy of the material ejected. The necessary ground-based and theoretical support will be part of the solar maximum mission guest investigator's program (chart SG75-15400).

Unlike its predecessors, SMM is configured to enable al these measurements discussed above to be made simultaneously. It will be compatible with the Shuttle so that it may be retrieved after a suitable period of time, refurbished, and relaunched by Shuttle for other solar studies. The fall of 1979 has been selected for launch so that the mission will correspond to the projected period of maximum activity in the solar cycle. Any delay in the launch date will reduce the number of events likely to be observed during the mission and would severely degrade the scientific value of SMM.

In addition to the flare-oriented payload, SMM will carry a small solar monitoring package designed to measure the strength and variability of the solar ultraviolet nad viisble light emission. The purpose of this package is to enable variations in the total solar radiation—or "solar constant"—to be studied as a function of time in the solar cycle and to measure the shorter term increases in the ultraviolet and soft X-ray regions which result from activity. These data should be important to the many studies on solar terrestrial-interactions that are currently underway.

The next part of my physics and astronomy discussion covers the newly established Upper Atmospheric Research Program Office which has the responsibility to develop and implement a program to better understand stratospheric physical and chemical processes.

NASA's long-term objective is to develop an organized solid body of knowledge regarding the physics, chemistry, and transport processes occurring in the stratosphere and other regions of the upper atmosphere. These objectives are being pursued through a basic science subprogram in which data are acquired from a coordinated effort in field measurements, laboartory experiments, and theoretical studies. The short-term objectives address current problems that have been identified as having the potential to cause harmful effects in the stratosphere. These are the Space Shuttle operations, the chlorofluoromethanes, and aircraft operations. These short-term objectives have been incorporated into an assessment subprogram with established schedules and times for completion.

A program structure to fulfill current research needs has been completed in fiscal year 1976. Field measurements have already produced new data on the stratospheric hydroxyl radical and hydrogen chloride concentration vertical profiles. Laboratory activities have produced new chemical reaction rate values for the atomic cholrine plus ozone reaction. Theoretical studies have produced more accurate values of the potential ozone depletion as produced potentially by the Space Shuttle.

NASA augmented the fiscal year 1976 budget by $3.5 million through reprogramming and has requested an additional increase to a total of $11.6 million, reflecting the financial requirements to meet the following schedule:

Assessment of the impact of Space Shuttle operations by May 1976, with reassesment and final statement by July 1977.

Issue report on assessment of aircraft effects by December 1976.

Preliminary assessment of chlorofluoromethane—CFM—effects by July 1976, with reassessment and formal report by September 1977.

Mr. Chairman, I will now turn my remarks to the second category of space science and discuss the lunar and planetary program.

This highlight of the past year in lunar and planetary programs was the successful launching of both Viking spacecraft to Mars with all instruments and subsystems fully functional and capable of meeting all primary mission objectives. We look forward to a major expansion in our knowledge of Mars this summer as we begin the first exploration directly on the Martian surface.

For the second year in a row, there are no new starts in lunar and planetary programs. In fact, NASA has obtained only one new start in the past five budget years, so that there will inevitably be a gap in lunar and planetary launches following the Pioneer Venus missions in 1978. However, previously approved projects like the Pioneer 11 flyby of Saturn, the Viking orbiting and landing on Mars, the Mariner flyby of Jupiter and Saturn, and the Pioneer orbiting and atmosphere probing of Venus will, for the next few years, maintain the momentum of the currently vigorous exploration of the solar system.

For the past decade, the lunar and planetary science programs have been consistently directed toward three long-range goals to increase our understanding of: First, the origin and evolution of the solar system; second, the origin and evolution of life; and third, the dynamic processes which affect us on Earth. A succession of highly successful Ranger, Surveyor, Lunar Orbiter, Pioneer, Mariner, and Apollo missions has produced major progress toward the first of our three goals. A unified theory for the origin of the nine planets in the solar system—chart SL76-2084—and their satellites is slowly but steadily evolving as new data are acquired, analyzed, and synthesized. Thanks to recently successful missions, we now see heavily cratered and fractured surfaces on Mercury, Mars, and the Moon, and radar evidence that similar processes have occurred on the surface of Venus.

Hence, the inner solar system is now revealed as having been a very violent place during its early years of formation about 4½ billion years ago. There was heavy bombardment during and after the accretion of the planets until most of the rocky debris of the solar system was settled onto larger bodies. The accretion period was complicated by internal melting with subsequent volcanism and chemical changes, and crustal deformation of the planetary bodies. The Moon and meteorites are currently giving the best insight into this complex process of early revolution of the terrestrial bodies, with a growing fund of new information coming from Mars, Mercury, and Venus.

NASA experts to make a major step forward toward the second goal, that of understanding the origin and evolution of life, when our two Vikings land on Mars this summer. While Mars remains the most likely place in the solar system for finding extraterrestrial life, there is also growing biological interest in the larger satellites of the planets Jupiter and Saturn, where interesting atmospheres have already been detected and the presence of organic compounds is strongly indicated.

NASA is also making accelerated progress toward our third goal, that of better understanding the dynamic processes on Earth, through a comparative study of other planets. Problems that complicate Earth meteorology, such as a mixture of ocean and continent masses, broken cloud layers, and rapid planet rotation, are either isolated or exaggerated on Venus, Mars, and Jupiter and are therefore easier to study and understand. Areas where data from the planetary spacecraft are being applied to Earth problems include the study of Venus for the effect of solar heating in Earth's weather patterns, the study of Jupiter for the effect of rapid plant rotation on atmospheric dynamics, the use of Mars dust storm data to calculate the effect of aerosol pollution, the comparative study of all the terrestrial planets for a better understanding of Earth's magnetic field, and the continued study of the Moon, Mars, and Mercury to search for internal processes that drive the shifts in the Earth's crust and cause our destructive earthquakes.

I would like now to discuss in more detail two projects which are attempting to better understand two of our planets: Mars and Venus. The Viking project is planned to greatly advance our knowledge of Mars by landing two spacecraft on its surface in mid-1976. This will be the first time that a U.S. spacecraft has landed on another planet. The scientific objectives of this mission are to obtain data concerning the existence of life on Mars and to gather information which will help us understand the evolution of Mars and our solar system. Results from this mission may help us understand the origin of life and how life interacts with a planetary environment.

Project highlights in 1975 were the launches on August 20 and September 9 of the two Viking spacecraft by Titan/Centaur vehicles. Both spacecraft are currently on their planned trajectories to Mars and are performing satisfactorily.

The Viking 1 spacecraft will go into orbit around Mars on June 19, 1976, evaluate planned landing sites for 2 weeks, and then send its lander down to the surface in early July. The lander will conduct scientific experiments on the surface for 60 days. Viking 2 will arrive at Mars on August 7, 1976, and go into orbit. The lander for Viking 2 will land at a different site in early September and likewise conduct science experiments for

60 days. The basic Viking mission will end in mid-November 1976.

Beginning in December 1976, the Viking extended mission will start. The four spacecraft at Mars will be operated by a reduced flight team to accomplish science investigations which could not be performed during the primary mission. It may be desirable to perform another biology analysis with a long-term incubation period. Atmospheric composition and meteorological measurements will be made to understand the Martian seasonal changes. Instruments on the orbiters will concentrate on global variable features such as dust storms, polar caps, and cloud formations. If warranted by the condition of the spacecraft and the continuing value of the science results, it is planned to continue the Viking extended mission through an entire Martian year up to about August 1978.

PIONEER VENUS

The primary scientific objective of Pioneer Venus is the detailed investigation of the Venusian atmosphere, with particular attention to obtaining information that can be used by meteorologists to gain a better understanding of Earth's atmosphere. This will be accomplished with a multiple probe mission and an orbiter mission, both to be launched in 1978.

The multiple probe mission will include investigations of the nature and composition of Venus' clouds, the composition and structure of the total atmosphere, the distribution of solar energy in the atmosphere, and atmospheric circulation patterns. The latter investigation, of particular importance to Earth meteorologists, can be accomplished only by simultaneous entry of multiple probes, correlated with orbiter observations on a global scale in the same time period.

Orbiter objectives include measurement of the detailed structure of the ionosphere and upper atmosphere, investigation of interactions with the solar wind, and determination of the general characteristics of Venus' atmosphere and surface on a planetary scale.

Design and development of the spacecraft and scientific instruments, establishment of interfaces, and mission operations planning for the multiprobe and orbiter missions are continuing on schedule, and within planned costs.

System, subsystem, and unit design and development of the multiprobe and orbiter spacecraft are in progress. Detailed verification testing of electronic breadboards is essentially complete. Fabrication and assembly of the thermal and structural test models for the multiprobe and insulation support structure and window assemblies for the large and small probe pressure vessel modules is nearing completion. Testing of engineering model hardware is in progress. Fabrication and assembly of qualification and flight hardware for the probes, bus, and orbiter are continuing. Final unit design reviews are continuing. Detailed test requirements are in preparation.

Design and parts procurement for the scientific instruments of the multiprobe and orbiter missions are continuing.

I will now turn to a discussion of the life science program, the third category under the Office of Space Science.

During fiscal year 1976, life sciences was transferred from the Office of Space Flight to the Office of Space Science. This move is one of a series of changes taking place within NASA to better anticipate the needs of the Shuttle era. The changing thrust of life sciences activities reflects this increasing impact of the Space Shuttle.

Problems which must be dealt with in direct support of Shuttle are related to the unique characteristics and requirements of the Shuttle program, specifically: First, the selection and training of nonastronaut scientist passengers—men and women of lesser physical fitness and a broader age range than our astronaut population; second, the application of reentry G forces in the long axis of the body—z axis—and at low levels for relatively long periods of time, following the circulatory deconditioning brought about by 7 to 30 days of weightlessness; and third, control of the space motion sickness problem, the onset and time span of which coincides with the 7-day Shuttle mission duration.

The problem of space motion sickness is, perhaps, the most pressing and difficult of the issues to be resolved for Shuttle. Skylab experience has shown that those individuals who will be troubled with it—five out of nine Skylab astronauts—may be expected to develop symptoms within the first few hours of flight, remain symptomatic for the first 3 days or so, and require an additional 2 days or more to recover. Such illness occurring in a Shuttle passenger or crew member could occupy a significant portion of a 7-day Shuttle mission, greatly reducing the usefulness of that individual for that mission.

NASA is looking to a year of considerable progress in the field of life sciences as it prepares future plans to provide a more compatible environment for man's role in space.

H.R. 12453 deserves the support of this body and I urge your support of this important legislation.

In addition, Mr. Chairman, I would like to express my thanks to our very fine and competent staff for the very excellent job they have done.

Mr. Chairman, I will be happy to try to answer any questions that Members may have relating to this bill.

Mr. McCORMACK. Mr. Chairman, will the gentleman yield?

Mr. FUQUA. I yield to the gentleman from Washington.

Mr. McCORMACK. Mr. Chairman, I want to congratulate the gentleman from Florida, the chairman of the subcommittee, Mr. FUQUA and all of the members of the subcommittee for the outstanding work they have done in not only preparing this authorization bill and program but also in addition for the excellent work they have done over the years in this particular special area.

Additionally, Mr. Chairman, I would like to make one point clear with the gentleman from Florida, if I may, for the record at this time, and that is that I understand that this authorization includes at least $8½ million for research and development and technological development in the field of energy applications in solar satellite energy and related subjects. Is that correct?

Mr. FUQUA. Yes, that is correct.

Mr. McCORMACK. And that this program then will be carried out in conjunction with the research and development program of NASA, although at some point in the future it may well be transferred over to the Energy Development Administration, but that for this year it is contemplated that this will be carried out in conjunction with the program of the National Aeronautics and Space Administration. Is that correct?

Mr. FUQUA. The gentleman is correct. And I might further point out that NASA has been carrying out this project for some years, and I think that to transfer this at this time would mean an interruption in the service and an interruption in the technology and the developmental program and would not be at all beneficial to the program. At some later time there may be appropriate consideration of a transfer in that area.

Mr. McCORMACK. I thank the gentleman.

Again I want to concur in the remarks made by the gentleman from Florida and that I agree thoroughly with the position the gentleman has taken and in the recommendations the subcommittee has made. Further I wish to state that I will continue to work with them in this particular area.

Again, Mr. Chairman, I congratulate the gentleman from Florida (Mr. FUQUA) and other members of the subcommittee for the work they have done.

Mr. FUQUA. Mr. Chairman, I appreciate the gentleman's remarks.

Mr. HECHLER of West Virginia. Mr. Chairman, will the gentleman yield?

Mr. FUQUA. I yield to the gentleman from West Virginia.

Mr. HECHLER of West Virginia. Mr. Chairman, I note that in the area of energy technology that the $8½ million covers energy technology identification and verification, as set forth at page 119 of the report, as well as energy applications/solar satellite power systems studies, which receive $5 million, so that $3½ million is for energy technology identification and verification.

Is it not true that there is a very great amount of expertise in NASA which has been developed in other efforts that can now be utilized in the energy area?

Mr. FUQUA. The gentleman is absolutely correct. I think that in future years this solar satellite power will be one of the answers to our energy problems. It is in exhaustible supply and one that I think in future years could very well help solve some of the problems that this nation has—and the world, for that matter.

Mr. HECHLER of West Virginia. If the gentleman would yield further, I would point out that not only in the solar satellite power area, but there is $3½ million for energy technology for identification and verification, which includes the examination of materials for high-temperature energy conversion systems and thermal, mechanical, and electrochemical energy storage techniques, analysis of critical technological aspects of systems design concepts and multipurpose gas turbine, commercial fuel cell systems, advanced surface propulsion and hydrogen energy technology, which covers the broad area even beyond the solar satellite power systems studies which have been intiated.

Mr. FUQUA. As the gentleman points out, many of the technologies that have been developed by NASA in connection with our space program are being utilized today for solving some of the problems that we have in energy, and other areas, for that matter. We are now getting the payoff that we invested in years back. It is now providing a very valuable technology base for this country.

Mr. HECHLER of West Virginia. If the gentleman would yield briefly further, I would hope that the Committee on Appropriations and all agencies of this Congress recognize that the expertise of NASA can, indeed, be utilized in these areas, that this would not involve duplication, but it would merely involve the utilization of the expertise which the gentleman from Florida so well outlined.

Mr. FUQUA. The gentleman is absolutely correct.

Mr. WINN. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I wish to state my unqualified support for H.R. 12453, the NASA authorization bill for fiscal year 1977. As ranking minority member of the Space Science and Applications Subcommittee, I feel the bill represents a responsible level of funding for NASA's R. & D. in the face of tight fiscal constraints. As has been mentioned, the committee has authorized slightly less than the Agency requested but nonetheless the proposed budget will assure a vigorous space program tailored to NASA's available resources.

Other members of the committee will make considerable mention of committee actions and views. These actions and views are reflections of the unanimous sentiment of the subcommittee. I would like to elaborate on several of these items which I believe are of particular interest for the continued health of our national space program.

NASA's Space Shuttle program remains within cost and schedule despite tight budgetary constraints and past deferrals. During our series of field hearings, I became convinced that the morale of NASA personnel and their principal contractors is quite high in the face of these pressures and they are doing an excellent job on Shuttle.

As you know, this part of the Agency has been the focus for major programs geared to the needs of other agencies and State governments. NASA's applications program which has paid major dividends in weather forecasting, communications, and Earth resources is moving ahead on several fronts.

I have been very concerned about NASA playing a role in weather and climate forecasting, particularly in the area of severe storm research. Two years ago, I was successful in obtaining appropriate funding for NASA in this area of meteorological R. & D. and also, I trust, in catalyzing a more effective national effort in severe storm prediction. I think that this bill provides sufficient funds to maintain a strong effort in severe storm R. & T. The ultimate benefits of such research are enormous; lower tolls of lives and property damage from such disasters.

I trust the administration will recognize the intent of the committee in inserting the new line item "Earth Resources Operational Systems." We hope that this action will help to bring about a delineation of operational system requirements by the various executive agencies. It seems clear that we must lay the groundwork for such operational capability now if the true benefits of LANDSAT–C are to be utilized. The General Accounting Office has pointed out that operational arrangements must be arrived at to fully utilize the LAND SAT system. We trust that agencies such as Agriculture and Interior will make realistic assessments of the benefits possible from this system in the context of LACIE and other large applications efforts.

In the area of space science, the subcommittee made some small additions to the budget, because of the subcommittee's strong view that inflation and funding levels were eroding NASA's long-range planning and basic research. In physics and astronomy it seems clear to us that supporting research and technology also needed additional funding. The university community had voiced their deep concern on this matter. In interplanetary programs the subcommittee was presented with dramatic evidence by the Office of Space Science that NASA was really "going out of business." To counter this trend, we have felt it urgent to replace some money which is key to planning a Jupiter probe mission for the 1980's.

The status of large programs in space science deserves some comment. Pioneer/Venus, the planetary probe and orbiter mission schedules for 1978, is well into hardware development within cost and on schedule. The successful Viking launches and performance of the Lander and Orbiter spacecraft en route have merely whetted our appetites for the planet rendezvous and dramatic landing on Mars set for July of this year. These mind-expanding programs are of incalculable value in providing man a perspective of his position in the universe as well as in providing a climate in which innovative research and technology can thrive.

The committee has approached the initiation of funding for the Space telescope program in a careful and deliberate manner. The merits of this opportunity to survey the universe for phenomena that may be even more intriguing than the now well-established "black holes" and "white dwarfs" are clear to the committee. These merits and the recognized need to preserve the present scientific and industry study teams have convinced us that a very modest start is in order. I can assure you that our subcommittee has considered the long-range funding implications of this program and will see to it that it is properly phased so as to not impact other program commitments and new starts into the early 1980's.

I think the planned acquisition of tracking and data relay satellite system—TDRSS—by lease or purchase to replace the majority of NASA's current ground-based tracking and data acquisition network remains a key issue. The language in this bill is identical to that contained in the fiscal year 1976 Authorization Act and permits NASA to proceed in its procurement activities to obtain TDRSS services. The unique aspect of the possible lease for these services has received attention from the committee concerning both economical merits and the methodology applied to arrive at cost comparisons. NASA has promised to review the details of its evaluation process and results of contract negotiations with the committee prior to awarding the TDRSS contract. I feel these assurances will allow for satisfactory resolution of the acquisition of this cost-effective system which will ultimately save the taxpayers hundreds of millions of dollars.

Our subcommittee was also unanimous in the action to restore NASA's funding for energy R. & D. but under space research and technology. One principal thrust for this work is to analyze ERDA program needs, identify NASA technology capability, verify it, and then assure that the appropriate proposals are made to ERDA. So far, the low levels of direct funding to NASA have been extremely effective as confirmed by the reimbursable program responsibilities assigned to NASA in wind energy, solar heating, and cooling and solar cell technology. NASA's funding from ERDA should increase by a factor of five if this flow of "seed money" is maintained. The second emphasis of NASA is in energy applications where the agency attempts to fully understand how the "use of space" may help solve energy problems directly. The main effort in this area presently is that of solar satellite power systems studies which Mr. Frey will address in some detail.

My last item is that of technology utilization which amounts to only a small portion of the Space budget. However, this program pays major dividends in terms of dissemination of technological information and transfer of advanced technology from the aerospace sector. We on the committee are well aware of the danger of "overselling" aerospace fallout and the tendency of some to view technology utilization as simply more public relations. However, we feel that the modest increase of funding here, $500,000, will be returned manyfold in transferring NASA-developed technology to applications in the private sector and within other Government agencies. Improved mechanisms to this end should encourage additional participation in using this advanced technology base.

The redistribution of $25 million of NASA's $3.697 billion request by the subcommittee was simply "fine tuning" of the authorization request which we felt clearly demonstrated an optimum allocation of dollars and manpower. Mr. FUQUA and I will continue to work closely and constructively with the Agency as we have in the past. We believe that NASA is strong, well-managed, and capable of accomplishing the goals set for itself in this authorization bill. Mr.

Chairman, let me close by repeating my endorsement of this request which is both responsible and realistic; it gives NASA "the tools to do its work."

Mr. MOSHER. Mr. Chairman, will the gentleman yield?

Mr. WINN. I yield to the gentleman from Ohio (Mr. Mosher), the ranking minority member of the full committee.

Mr. MOSHER. Mr. Chairman, I agree completely with my colleagues, Messrs. Fuqua and Winn, in their strong endorsement of H.R. 12453, the NASA authorization bill for fiscal year 1977, as modified by our Science and Technology Committee.

The committee is recommending a funding level roughly a million dollars less than the administration requested. And the committee felt it appropriate to redistribute about $25 million, chiefly from the Agency's institutional base into critical research and technology areas where innovative work needs vital "seed money." My feeling is that this is a budget which will keep NASA's technological competence at a healthy level despite the pressures of inflation..

Mr. Chairman, I will offer further comment concerning specific aspects of the bill.

The committee view is that the $100 million administration cut from the NASA request for Shuttle funds will not impact the timing of the first orbital flight. Under these circumstances, we have approved this cut, because of the overall budgetary pressures.

This bill authorizes additional moneys for advanced planning and planetary mission studies, as well as supporting research in physics and astronomy. As the committee has strongly urged, NASA must make certain to look ahead in doing today's research and technology so that there will be new space programs for tomorrow. Inflation has continued to eat into the real level of effort expended in these areas, both in long-range planning and basic research.

The bill also contains $3 million to initiate the Space telescope program since the committee feels that further deferral is not in the best interest of either the Agency or the contractors. This authorization is $9 million less than NASA requested of OMB, but sufficient to initiate a segment of this program which has broad international support. The Space telescope will truly be our "window" into the past retelling events that took place billions of years ago as well as providing a view into the future of the universe. We cannot put a price tag on the new knowledge it will provide as we unravel the variety of complex interstellar and intergalactic phenomena it will expose. I think we can assure the administration that our committee plan is to stretch out this major program in a balanced fashion.

The bill also contains an important new line item which calls for no additional funding in NASA's applications programs titled "Earth Resources Operating Systems." This topic will be elaborated upon in later remarks by other members of the committee.

Let me add a personal note on the subject of NASA's role in energy R. & D. which I have strongly encouraged. The committee felt it necessary to put $8.5 million back in for this work after the energy technology line item had been deleted by OMB. NASA continues to develop plans for serving ERDA in technologies where it has strong and unique expertise.

But it seems to me that NASA is put in a "straightjacket" if they have no R. & D. funds for energy. We must encourage men of talent and imagination to contribute in innovative ways to meeting the national energy challenge regardless of which agency employs them.

Surely this proven technological agency cannot be constrained simply in order to compartmentalize energy research. I believe ERDA has a unique opportunity to avail itself of NASA's expertise and this authorization strengthens the ability of NASA to provide help objectively.

Also, I must mention the effort in aeronautical R. & D., which comprises only 10 percent of the NASA budget, but is such a vital factor in our balance of payments. NASA has forged a model partnership with the aircraft industry and this partnership has made that industry strong. I would suggest that ERDA explore the nature of this relationship, as a great example, in order to emulate its positive aspects in interaction also with various segments of the energy industry.

Significant cuts were made by the committee in the institutional support areas for space flight operations, the space tracking network and general institutional activities. These cuts allowed for the previously cited R. & D. additions to be made under the constraint of no net budget increase. In the light of funding histories and NASA's present needs with a contracted work force, the committee feels that these areas are proper ones for a modest reduction of effort.

The NASA construction of facilities request was reduced by $7 million through deferral of a variety of new construction and modification projects. This area will be receiving the continued attention of the committee, because of the considerable national investment in existing NASA facilities.

My own intense experience in the effort to find new uses for NASA's Plum Brook facilities in Ohio taught me how difficult it is to properly tend this investment.

Let me close by saluting this accomplished and well-managed agency which has remained strong in the face of recent antitechnology sentiment and a declining level of resources. This Nation is entering the last quarter of this century with a growing appreciation of the need for advanced technology. I hope our leaders will never lose sight of the importance of continually advancing NASA's "cutting edge." NASA has been rolling back these technology frontiers for the 16 stimulating years which I have had the pleasure to work with the Agency.

This bill will guarantee that NASA has the resources to continue to do that in fiscal year 1977, in preparation for its major programs through the end of the century.

Mr. FREY. Mr. Chairman, will the gentleman yield?

Mr. WINN. I yield to the gentleman from Florida (Mr. Frey), a member of the full committee.

Mr. FREY. Mr. Chairman, I wish to add my support to this bill.

I think the gentleman from Florida, the chairman of the subcommittee, Mr. Fuqua, and the ranking minority member, the gentleman from Kansas (Mr. Winn) have done a super job. I think this is a good bill which deserves the support of the Members.

Mr. Chairman, I rise to offer my enthusiastic support for H.R. 12453. I would also like to compliment the committee chairman, Mr. Teague, and our ranking minority member, Mr. Mosher, and Mr. Fuqua and Mr. Winn, for their leadership in seeing that NASA has remained a vital agency under the constraints of a tight budget and continuing inflationary pressures.

Mr. Chairman, since the general NASA program and particulars of this bill have been covered rather comprehensively by the preceding speakers, I would like to discuss what I consider to be the future of our space program, the Space Shuttle.

The rollout of the Shuttle orbiter vehicle this September will usher in a new era in the evolution of man's transportation systems. I hope that man will have the good judgment to grasp this opportunity which should stretch this country's imagination for innovative research and return practical benefits to the end of this century. This era should witness the acceptance of materials processing and the assemblage of large structures in Space as routine ways of "doing business." Nor can we afford to overlook the role of Shuttle as a convenient steppingstone to future space ventures. This transportation system will truly signal the days of the low cost exploitation of space.

It appears to me that NASA and the major Shuttle contractors have responded very well to budget austerity and are still within cost and schedule on this very challenging program. NASA has had "to do more, with less" and will suffer the loss of an additional 500 civil servants during fiscal year 1977. They deserve our congratulations for maintaining their Shuttle commitment in the face of deferrals and diminishing manpower resources including vital support contractors. I should remind my colleagues also there is no more room for stretching out Shuttle and meeting cost and schedule commitments.

I will mention some of the general advantages of Shuttle and move on to a detailed discussion of some major applications. Launch costs should drop by anywhere from factors of 5 to 20 compared to operations with the present expendable launch vehicles. In the case of communications satellites Shuttle offers dramatic savings in launch costs of as much as a factor of 20. If we assume that five communications satellites of the present kind are launched per year until the end of the century the savings in this area alone would be in the range from $500 million to $2.5 billion in fiscal year 1976 dollars. Payload and launch benefits can return the amortized development costs for this "plant investment" in the space transportation system and provide major savings besides. It is estimated that the total net savings by Shuttle use in the period 1980–92 will be $14.1 billion, accounting for the payment of system development costs. In a 1975 report, GAO cited this analysis as a legitimate cost-benefit study.

Our lives and those of our descendants will be markedly improved by developments accompanying the progress from new experiments and monitoring capability in space. Areas such as weather, agriculture, forestry, navigation, oceanography, and pollution control also will benefit immeasurably in the Shuttle age. We know this, instinctively, because man has always reaped major benefits in eras when his ability to explore increased dramatically. The Shuttle era not only marks such a "quantum jump" in man's mobility, but further it affords the unique zero-gravity environment for everyday materials processing, a new and exciting technology area.

One element of the space transportation system will be Spacelab; this development effort is being carried on in cooperation with the European Space Agency. The Europeans have backed their belief in advanced technology by a major commitment of over $500 million in the face of inflation and recessionary pressures on the continent. It wil be a versatile, reusable space laboratory outfitted to perform a variety of space science and observation experiments in a cost effective manner with the flexibility of refurbishment of the operating system. The virtues of performing environmental monitoring of Earth resources, pollution, and agricultural crops from space, on a routine basis, are obvious.

Space processing experiments have been assigned the highest priority for Spacelab. Eleven European nations have announced plans for materials processing experiments; this is some indication of the anticipated payoff. This area holds the promise of providing a fuller understanding of a whole gamut of materials properties. Let me remind you that the explosive expansion of the solid state eletcronics industry was born out of advances in the basic understanding and control of processes in semiconductors and related devices. The goal of NASA here is to stimulate industry to sponsor their own activities by providing successful demonstration examples as well as the opportunity for industry to conduct their own research. Such an arrangement would not be possible without the cost-effective benefits of the Shuttle system. This is a key area to demonstrate tomorrow's technology; we must seize this opportunity.

As you know, our committee has strongly encouraged NASA to engage in aggressive long-range planning for several new Space programs. There is no more appealing application of such planning than that of the solar power satellite system—SSP—a significant concept being studied for ERDA which might someday directly alleviate the terrestrial energy problem. This SSPS would tap the renewable source of solar energy outside the atmosphere and employ microwave transmission to transmit the energy to large Earth-based antenna. This system would require Shuttle or a new generation space freighter to transport materials into space for constructing the massive solar collectors. This system represents a challenge in developing technology for assembling large and complex structures and it is precisely the type of aerospace application that requires NASA's participation. The $5 million shifted into this energy applications area will allow NASA to properly define systems concepts, identify technology, understand environmental effects, and determine overall benefits of this approach. It was too late to include this item in the ERDA budget after OMB had removed this funding from NASA's budget. The Nation deserves the benefits which might accrue from this "use of space" so this funding will assure that this investment is utilized.

The question of engineering large structures is relevant to another possible energy application, the concept of ocean thermal energy conversion—OTEC. Since the surfacing of this concept I have suggested that NASA would be the logical party to develop this system for ERDA, because of their appropriate expertise. I trust, that as the national energy plan evolves, we will see ERDA using NASA in this major program area. We on the committee recognize the fact that siting of such plants is restricted geographically but we trust that the technical responsibility will be placed where the expertise resides.

The most obvious way we see spinoffs from NASA technology is through the Agency applications program. This program has seen major payoffs in Earth resources and weather forecasting applications. The cost savings in terms of human lives is not simply quantified but I think we can safely assume that these systems and others such as those in navigation and ocean and pollution monitoring will repay development investments manifold. I believe we will see operational systems functioning in all of these areas sometime during the 1980's.

Other space spinoffs are only obvious once it is pointed out that they can be traced to technology needs of the national space program, for example, computer technology was accelerated by the space effort. NASA's utilization of technology has led to the incorporation of complex computer systems in a tremendous variety of service and manufacturing industries. Major advances in computer systems technology have resulted from the stringent requirements of speed, miniaturization, and reliability in programs such as Apollo. The computer business is most probably the most far-reaching nonaerospace development of space technology. U.S. exports of computers increased 1,400 percent in the first decade of the space age. Such growth within the computer industry has increased productivity in all industries. Advances first applied to airline reservations and ticketing have been integrated at a growing rate into retail store systems and banking transaction systems. The increased speed and accuracy of credit transactions achieved have been a result of NASA computer technology and it is clear that the industry would not have evolved nearly so rapidly without the impetus of the space program.

Finally, the role of aerospace products in the balance of trade is striking. U.S. aerospace exports for the period 1966–75 amount to about $49 billion or an average of $4.5 billion per year. However, in the past 5 years the average export level has been over $6 billion per year and there is good reason to believe this average will be maintained. Since the United States is not a major importer of aerospace products the country has reaped an average positive balance of trade of $3 billion per year in the period 1964–74. This positive contribution to our balance of payments is exceeded only by that due to exports of agricultural products.

Mr. Chairman, I am confident that my colleagues recognize and appreciate the key role NASA plays in maintaining our technical superiority in space and for terrestrial applications. Economic studies indicate that this entire authorization is an investment which will be returning dividends at least sevenfold until the end of this century. I urge the Members to join me in voting for continued progress and increased national productivity.

Mr. FUQUA. Mr. Chairman, I yield such time as he may consume to the gentleman from Texas (Mr. MILFORD).

Mr. MILFORD. Mr. Chairman, the Subcommittee on Aviation and Transportation Research and Development held extensive hearings here in Washington, D.C., and at several NASA field centers on the aeronautical part of the fiscal year 1977 authorization bill. The subcommittee members worked long and hard in carefully reviewing the NASA aeronautical program and the 1977 budget request.

We found that although the dollar amount devoted to aeronautical R. & D. is small—$192,100,000 this year—the payoff is very large. This is true because NASA conducts much of the basic research that industry is financially unable or unwilling to undertake due to the high degree of risk involved. Such research is a bargain when we consider that the return on our investment is reflected in billions of dollars in sales of U.S. aircraft both here and abroad and in hundreds of thousands of jobs for American workers.

Along with agricultural products, aircraft and related items represent one of the few areas that contribute favorably to our balance of payments. But, to remain competitive with the increasingly vigorous foreign competition, our next generation aircraft must be safer, more economical and, especially, more energy efficient than today's planes. Therefore, in view of the importance of a sound program of research and development to the maintenance of U.S. leadership in the international marketplace, as well as to the health of both the American air transportation and aircraft equipment manufacturing industries, the committee recommends the program contained in H.R. 12453.

The fiscal year 1977 program in aeronautical research represents a continuation of NASA's efforts to advance technology. Specifically, NASA is working in virtually all areas of aircraft technology including materials, structures, propulsion, aerodynamics, avionics, and especially fuel conservation.

Although the amount recommended

for fiscal year 1977 represents an increase of approximately 10 percent over the 1976 level, it represents a decline in actual purchasing power from the period of 1973 and 1974 and a no-gain condition with respect to last year. Nevertheless, we consider this to be a positive but conservative aeronautics budget and I urge my colleagues to support the program recommended by the committee.

NASA BUDGET REQUEST FOR AERONAUTICAL RESEARCH AND TECHNOLOGY

That part of NASA's program under the jurisdiction of this subcommittee includes three categories related to aeronautical research and technology:

First. Research and program management.

Second. Research and technology.

Third. Construction of facilities.

RESEARCH AND PROGRAM MANAGEMENT

The research and program management funds related to aeronautics are requested to provide the civil service manpower for in-house research, planning, management, and support of R. & D., as well as the costs of operating, maintaining, and supporting research center installations. The funds related to aeronautics are not identified separately in the budget request and have been discussed in Mr. FUQUA's statement; therefore, I will not go into program details.

RESEARCH AND TECHNOLOGY

The amount requested by NASA for aeronautical research and technology for fiscal year 1977 is $189,100,000. The committee approved this amount and recommended an addition of $3,000,000 for a total of $192,100,000. The additional amount is to accelerate the variable cycle engine components technology program.

Propulsion technology is the major technology barrier to more fuel-efficient, quiet, and nonpolluting aircraft of the future. In view of the mounting threat from abroad to U.S. leadership in aeronautics, the committee recommended an acceleration of the work in this extremely promising engine component technology area.

The objectives of the R. & T. program are to advance technology to make possible safer, more economic, and environmentally acceptable air transportation systems which are responsive to current and future national needs; to maintain a strong competitive position of the United States in the international aviation marketplace; and to support the military in maintaining the superiority of the Nation's military aircraft. NASA will maintain a strong research effort in the areas of materials, structure, avionics, propulsion, aerodynamics, and man-vehicle interactions to provide advanced technology to meet the future needs of civil aviation.

The aeronautical program also includes a major effort aimed at reducing aircraft energy consumption and the undesirable environmental effects of noise and pollution. This effort is directed at providing the technology for quiet, clean, and efficient propulsion systems; the reduction of aerodynamic drag; the application of active control concepts, and advanced materials and structural concepts to aircraft to reduce weight and improve operating efficiency; and an examination of new types of fuel.

Another major area of emphasis is concerned with improving aircraft terminal operations and safety through development of technology in areas such as avionics systems, operating procedures, crash worthy aircraft structures, and fire-resistant aircraft interior materials.

All of these technology efforts are integrated with various systems studies to provide the technical basis for future advanced long-haul and short-haul transportation aircraft—which, of course, is the ultimate reason for NASA engaging in aeronautical research and development.

The aeronautical research and technology program is divided into four major efforts. First, there is the research and technology base which is discipline-oriented and has the overall objective of establishing a solid foundation for the evaluation of advanced concepts. The second area—systems studies—provides a systematic basis for decisions on what to emphasize in the research and technology base and identifies and evaluates potential applications of advanced concepts. The third area—systems technology programs—contains technical demonstration and proof-of-concept activities which have matured to the point where they are ready for systems integration and demonstration, or the project definition phase of potential future experimental programs. Fourth, there are the experimental programs which involve multidisciplinary concept demonstration and major research vehicle development.

CONSTRUCTION OF FACILITIES

The construction of facilities request for aeronautics by NASA was $28,950,000 for fiscal year 1977. It is important to emphasize that the great bulk of our civil aviation research and development facilities were constructed in the 1940's. Such money as has been invested over the past 30 years has been largely devoted to modifications for upgrading capabilities.

But such extensions of capabilities can go only so far. To meet the requirements of doing R. & D. for future generations of aircraft—and for improving current aircraft—we must face the fact that the Nation will have to build some new aeronautical R. & D. facilities in order to maintain its leadership in aviation. I have already noted the major contributions to our trade balance with other nations made by the sale of aircraft and parts.

Between 75 and 80 percent of aircraft flying today in the non-Communist part of the world were built in this country. If we wish to retain this leadership—which also means hundreds of thousands of jobs—we must provide the kind of research and facilities necessary to maintain technical leadership.

For such reasons as these, the committee recommends approval of the requested amount which includes the first increment of the National Transonic Facility.

This project provides a high Reynolds number transonic tunnel which will satisfy the research needs of NASA, the military, and industry. The facility will provide a much-needed capability to test a broad spectrum of aeronautical and space vehicles. A summary of the justification, main features, cost, and schedule is as follows:

There is an urgent need, established over a number of years, for a new ground-based capability for aerodynamic testing at transonic speeds under conditions more closely resembling actual flight conditions than is now possible.

This need is supported by the U.S. Department of Defense and the U.S. aerospace community. This need stems from the recognition that experimental data obtained from existing low Reynolds number transonic wind tunnels often lead to erroneous conclusions on flight vehicle performance predictions.

A wind tunnel which will permit accurate experimental measurements at transonic speeds approaching flight Reynolds number is, therefore, necessary to the continuing development of high-speed aircraft technology which is the base for national leadership in efficient, energy conservative aircraft design and for the superiority of U.S. military flight vehicles. Thus, the urgency for the new testing capability stems from national leadership and suggests that this facility should be available at the earliest possible time.

The initial amount required for fiscal year 1977 is $25 million, with $27 million and $13 million required in successive years, for a total of $65 million. The facility will become operational in late 1979.

LANGUAGE CHANGE

In view of the urgent need to maintain the U.S. economic and military leadership in aeronautics and the vital contribution of modern test facilities to such maintenance, the committee added language to stress the critical importance of expediting the completion of two specific national facilities. Modernization of the 40- by 80-foot subsonic wind tunnel at Ames Research Center which was authorized in fiscal year 1976 and construction of the National Transonic Facility which is included in this year's authorization are needed now by both military and civilian aircraft designers. They are needed to confirm and improve current design concepts to insure greater fuel efficiency, economy, and safety in future aircraft.

As described in the foregoing the Nation's aeronautical test facilities are no longer adequate for modern high performance, fuel-sensitive aircraft. The inability to test modern designs on the ground is especially detrimental to growth in the American helicopter industry. Meanwhile, foreign nations are pressing ahead and rapidly eroding America's position in the world helicopter market. In just 10 years, the U.S. share of that market has been cut in half.

The 40 by 80 will provide an increased capability for full-scale testing of various advanced types of aeronautical vehicles. The new capability would provide an increase in test speed from 200 knots to 300 knots by replacing the existing wind tunnel drive motors and fans with new, more powerful ones.

This will permit the testing of advanced rotorcraft at their higher cruise speeds and full-scale wind tunnel testing of V/STOL vertical and short takeoff and landing aircraft.

This requirement has become critical during the past decade during which both civil and military rotorcraft have advanced significantly in speed capability; and consequently, they can no longer be adequately evaluated in any existing test facility. The limitations of current test facilities were recognized in 1967 by the Aeronautics and Astronautics Coordinating Board—AACB—when it initiated studies that have ultimately led to this plan to repower the 40 by 80 foot wind tunnel.

The economic justification for this full-scale wind tunnel test facility lies in the demonstrated savings that have accrued in aircraft development programs when full-scale wind tunnel tests were conducted early in the development program and before expensive commitment to flight tests. Discovering problems during the flight-test proram has sometimes had catastrophic consequences. For example, the AH-56A Cheyenne helicopter program, which did not include full-scale wind tunnel tests, was terminated after a $400 million investment, against which the cost of this facility modification appears reasonable indeed. Three other rotorcraft types—XV-1, XH-51A, and XV-5—failed during wind tunnel tests and before flight tests. All of these failures involved the complicated interface between aerodynamics, dynamics, and structures. Therefore, tests of the full-scale hardware were the only way that these problems could have been discovered.

Therefore the committee wants to strongly urge that these facilities be initiated as soon as possible.

Mr. HECHLER of West Virginia. Mr. Chairman, will the gentleman yield?

Mr. MILFORD. I yield to the gentleman from West Virginia.

Mr. HECHLER of West Virginia. Mr. Chairman, I commend the gentleman from Texas (Mr MILFORD) who chairs the Aviation and Transportation R. & D. Subcommittee for bringing these issues to the fore, because I think it is an excellent investment. I commend the gentleman for his leadership of the Aviation Subcommittee, which I formerly chaired.

Mr. MILFORD. I appreciate the gentleman's remarks.

Mr. WINN. Mr. Chairman, I yield 1 minute to the gentleman from Maine (Mr. EMERY).

Mr. EMERY. Mr. Chairman, I have felt for a long time that the Congress has not placed proper emphasis on the space program, because I think the record will show that the taxpayers receive as much for their dollars in this program as from any that the Congress has financed over the last 15 or 20 years, advances in medicine, computer science, many fields that we do not normally think of when we watch a space shot on television.

Mr. Chairman, I wish to lend my enthusiastic support to H.R. 12453, the NASA authorization bill, and congratulate the Committee for holding the budget to the administration request with some slight reordering of spending priorities. In my remarks, I would like to focus on an aspect of NASA's long-range research that our subcommittee found to be critically important in its implications for tomorrow's technologies. I refer to the research and technology in advanced propulsion concepts.

Advanced space propulsion is the critical hinge upon which our capability for extensive use of space turns toward tomorrow's major ventures. If we are to truly sail upon this "new ocean" as we now do on Earth, we must implement sound propulsion concepts which cut the size and cost of launch vehicles by dramatic proportions. Realization of these concepts can mean convenient interorbital transportation for delivery of large space structures to geosynchronous or lunar orbits. Certain advanced propulsion ideas also promise the realization of journeys through the solar system in times no longer than those experienced by sailing vessels on the seas of the Earth. We cannot simply measure these potential advances quantitatively in terms of reduced cost and trip time. The promise of payoff is so great that impossible missions could become practical with these advanced propulsion systems.

The research in advanced propulsion covers a spectrum of the science and engineering of matter from ultrahigh pressures to magnetics and cryophysics—very low temperatures—under ultrahigh vacuum. One of these approaches calls for squeezing hydrogen in a unique "press" until it becomes metallic at several million atmospheres. The implications of this vast energy storage are so enormous that a single stage rocket with the payload of Shuttle could weigh as little as one-tenth of the Shuttle system at launch.

Excited states of matter are also being investigated for the storage of propulsive energy. Atomic hydrogen can be trapped in the "grasp" of high magnetic fields at low temperature with sufficient energy to drive efficient rocket engines with specific impulses, or "kick," two to three times that of conventional rockets. Electronically excited helium is an even more appetizing prospect for this high magnetic field trapping with promise of impulses five to six times today's most powerful hydrogen-oxygen engines.

Other rockets for consideration could scoop up fuel from atmospheres of distant planets just like gas turbine engines take in air. Laser-heated rockets can provide energy remotely so they can provide thrust while avoiding the penalty of powerplant weight.

NASA's current program also emphasizes novel ways for using the potential of nuclear energy for space propulsion. Efficient thermionic and Brayton cycle power conversion systems are being looked at for power and propulsion applications.

We should not overlook the broad range of spinoff from this research and technology. Such studies in the fundamental behavior of matter are not bounded by any single technology. Metallic hydrogen may be a superconductor at room temperature—that is, carry current with no electrical power input. Such a breakthrough would revolutionize the electrical power industry. Other advances in energy storage could create novel approaches for travel here on Earth.

Space nuclear systems concepts may offer some attractive features for terrestrial nuclear powerplants in terms of improved efficiency, safety, and security.

So, in summary, let me remind every citizen that he has a stake in this research which the subcommittee has singled out as an area for a modest but important increase in funding.

Mr. Chairman, let me close by reminding my colleagues of the stakes in advanced research. NASA has been forced to engage in less long-range work by inflation and budget levels of recent years. This bill contains funding to allow a look "around the corner" in research and technology and I trust my colleagues will join me in voting for it.

Mr. TEAGUE. Mr. Chairman, the Committee on Science and Technology has made an intensive review of the National Aeronautic and Space Administration budget request for fiscal year 1977. Members of the committee on both sides of the aisle have played key roles in perfecting this bill. The distinguished gentleman from Ohio (Mr. MOSHER), the ranking minority member of the committee, the gentleman from Florida (Mr. FUQUA), and the gentleman from Texas (Mr. MILFORD) along with the other committee members have painstakenly examined the programs embodied in H.R. 12453. I thank them all for their effort. Hearings have been held in Washington, at the NASA field centers and key industrial contractors on the programs included in the bill before us.

From 1966 to 1975, the Federal outlays for our national space program have declined 38 percent without considering the additional erosion of inflation. The funding proposed for this coming fiscal year will exceed that of the previous year for only the third time in a decade. To return this budget to a level budget plan endorsed in 1972 would require an increase of $1.16 billion to the amount requested in this bill. Even so, the bill which is before us today is $930,000 less than the administration request.

Yet, even in this stringent financial situation, the achievements of NASA in bringing practical benefits and new knowledge to our society remain a major stimulant to our economy and our quality of life.

It is significant to note that during 1976 out of the 19 NASA launches 15 will be funded by commercial organizations, other Federal agencies or other nations. In 1977, 17 launches out of an expected 23 will be non-NASA. This is an indication that the strong science and technology base developed by NASA is making space not only a place of scientific exploration but also a place of commerce.

To assure that space serves as well as a place of commerce, requires that we maintain an innovative research base for our space program development effort. Our high technology is totally dependent on good science. Increasing our investment is space-related science between now and 1930 is imperative if we are to realize the full measure of space benefits available to us at the beginning of the Space Shuttle era.

The bill before you provides for a strong practical applications program; for continuation of the development of a low cost, reusable space transportation system; and for support to continue a selective but well conceived scientific satellite effort. It is significant to note that your committee is recommending a modest but important program to develop a space telescope for use in the 1980's. A new line item has also been introduced in this bill—earth resources operational system—to provide the opportunity to the administration to perfect the organizational and managerial mechanisms necessary to assure maximum benefit from Earth resource satellites in the years ahead.

Space program—derived technology and space-based systems both have a significant roles to play in the ultimate solution of our energy problems. NASA's continued participation in this work is mandatory. The committee recognized this imperative by providing a relative small—$8.5 million—but essential amount of funds for the "seed money" necessary to identify space-derived technology applicable to energy systems development.

Substantial oversight activity during the year has allowed the committee to evaluate in a comprehensive manner the future opportunities and needs in a well-ordered space program. A number of committee actions in this bill are based on this effort and the applicable conclusions and recommendations are quoted. We, as a nation, can derive far more benefit from our space program than we are realizing today if adequate and increased support is provided to NASA. Both the short-term and long-term economic benefits of our space program are clear; $100 million spent on NASA programs generate about 10,000 jobs, direct and indirect. The systems derived from such expenditures continues to contribute to our economy over at least a 10-year period. The economic multiplier over that period is $7 returned to our economy for every dollar invested. The high technology and direct benefits of our space program are indeed impressive.

I can report to the Congress today that: the Space Shuttle is on schedule and within cost; the European Space Agency is committed to a $400–$500-million program to provide a first Spacelab for the Space Shuttle; we continue a good but modest space science program with planetary probes and landers, including our Viking Mars lander this summer; use of space continues to expand in earth resources survey; weather and climate; materials processing; environmental quality; and communication.

This bill supports these activities. I urge your support of this legislation.

Mr. Chairman, the bill before you today, H.R. 12453, is to authorize appropriations for the National Aeronautics and Space Administration for fiscal year 1977. This bill was reported out by the committee on March 3, 1976, by unanimous rollcall vote of those present. The committee report contains no minority or separate views but does contain nine views adopted by the full committee.

For the benefit of the committee, I will summarize the bill and the committee actions taken.

The National Aeronautics and Space Administration requested a new authorization of $3,697,000,000 for fiscal year 1977. This amount is $111,127,000 or 3 percent more than authorized in fiscal year 1976. The actions recommended by the committee on the fiscal year 1977 budget would yield a net reduction of $930,000.

You will note from the summary attached that the committee recommends 15 changes to budget line items and one new line item—Earth resources operational systems. The total net dollar change to the NASA request is $0.93 million which is comprised of $21.6 million of increases and $22.53 million of decreases. These changes are as follows:

SPACE FLIGHT OPERATIONS

An increase of $1 million in advanced programs to fulfill the recommendations of the subcommittee from hearings on future space programs,

A decrease of $8 million in development, test and mission operations to hold level of effort at approximately fiscal year 1976 level of funding.

PHYSICS AND ASTRONOMY

An increase of $3 million for the initiation of the development of a space telescope at low level.

An increase of $1 million in supporting research and technology to strengthen a declining base of research needed for future programs.

LUNAR AND PLANETARY EXPLORATION

An increase of $2 million to initiate studies of a Jupiter Orbiter planetary probe.

APPLICATIONS PROGRAM

A transfer of $13.5 million to a new line item of the LANDSAT–C program.

An increase of $1 million in research in weather and climate observation and forecasting specifically for severe storm research.

EARTH RESOURCES OPERATIONAL SYSTEMS

A transfer of $13.5 million to this new line item to establish and recognize the operational character of the LANDSAT–C program.

AERONAUTICAL RESEARCH AND DEVELOPMENT

An increase of $3 million for research and development effort on variable cycle engine component technology.

SPACE RESEARCH AND TECHNOLOGY

An increase of $1.6 million to strengthen the amount and composition of advanced propulsion research,

An increase of $5 million for solar technology identification and verification to assure a continuation of NASA study of space related energy applications,

An increase of $5.0 million for solar satellite power system advanced studies at the technology level.

TRACKING AND DATA ACQUISITION

A decrease of $4 million in recognition of the projected workload in fiscal year 1977.

TECHNOLOGY UTILIZATION

An increase of $0.5 million to enhance the industrial and technology applications effort with the public.

CONSTRUCTION OF FACILITIES

A deferral of $2.8 million for construction of a lunar curatorial facility,

A deferral of $2 million for modification to launch complex 39, Kennedy Space Center,

A decrease of $0.35 million for carrier aircraft mating facilities by transfer of available steel to the Kennedy Space Center,

A deferral of $1 million for modification of solid rocket booster facilities at the Kennedy Space Center,

A deferral of $0.78 million for modification for crew training facility at the Johnson Space Center.

RESEARCH AND PROGRAM MANAGEMENT

A decrease of $3.6 million in categories other than personnel and related cost in recognition of the reduction of planned total civil service personnel.

The committee added language in two sections to the bill recommended by NASA and three sections recommended by the Committee as follows:

LANGUAGE CHANGES TO THE BILL

H.R. 12453

Section 7 adds one level V position to the NASA organization in recognition that the Comptroller of NASA is a senior manager.

Section 8 provided for granting the same per diem rates for the Aerospace Safety Advisory Board as other NASA boards and committees.

Section 9 provides that it is the sense of the Congress that the modernization of aeronautical testing facilities is essential.

Section 10 provides for the inclusion of ground propulsion systems research and development as part of the charter of NASA.

Section 11 provides technical changes to the basic act to define "ground propulsion systems" as associated with Section 10 of the bill.

COMMITTEE VIEWS ADOPTED BY THE COMMITTEE

After considering the NASA program in depth the committee reflected upon the operation and direction of a number of activities within the agency. A number of committee views were developed and I will now review each of these.

SPACE PROCESSING

The committee notes with approval the projected growth of the space processing technology program and NASA's effort to identify potential applications of this important new technology.

The low cost systems being planned for the space processing utilizing sounding rockets offers the potential for sound technical results with modest expenditures. It further affords the opportunities for commercial users to conduct proprietary experiments at low cost.

The committee commends the National Aeronautics and Space Administration for recognizing materials processing in space as a forward-looking activity which will help bring the benefits of technology to the entire public.

TRACKING AND DATA RELAY SATELLITE SYSTEM

The committee wishes to reemphasize the importance it attaches to NASA's lease versus purchases analysis to be presented to the committee on the proposed tracking and data relay satellite system prior to contract award. The committee commends NASA for initiative in developing such a system capable of handling the very high data rates required when the space transportation system becomes operational. The committee urges NASA to assure a complete analysis of lease versus purchase issues and to report their findings to the committee at the earliest possible time.

TECHNOLOGY UTILIZATION

The committee wishes to reemphasize that more should be done in fostering the transfer of NASA-developed technology into the commercial marketplace. The committee is pleased to see in the fiscal year 1977 NASA authorization request a modest increase of emphasis both in scope and funds for the technology utilization program. The committee, therefore, requests NASA to provide a cost-benefit followup analysis, including the past technology transfer activity, utilizing measurable examples wherever practicable, prior to the end of fiscal year 1977.

REHABILITATION AND MODIFICATION OF FACILITIES

The program for rehabilitation and modification of facilities NASA-wide has now been in existence since the first annual increment was approved in the fiscal year 1970 Authorization Act. Through fiscal year 1976 and the transition quarter, a total of $97.3 million have been authorized for these purposes.

The committee has enthusiastically endorsed and supported this program basically because it provides a mechanism for reducing the backlog of costly deferred facilities maintenance at the various field centers. Visits to NASA installations have substantiated our belief that this program pays dividends in terms of maintenance economies and esthetics, as well as more effective and economical space utilization.

However, the committee is concerned about the increasing numbers of projects included in the annual requests for these purposes, which appear to be incrementally funded or phased over 2 or more years. At the outset of this program, based upon NASA's revised facilities management procedures, it was the committee's understanding and intent that major rehabilitation and modification projects costing in excess of $500,000 would be programed as discrete line items in the annual authorization request. The committee's intention in this regard remains unchanged and NASA is urged to abide by the original concept in future requests for annual authorization.

UTILITY CONTROL SYSTEMS

The committee wishes to commend NASA for its initiative in introducing centralized and computerized utility control systems at the various field centers. These programs and projects are in consonance with the intent of the legislative and executive branches in the control, conservation, and economy of operations concerning energy consumption.

The committee notes that modifications to facilities for these purposes at certain field installations has grown to a current level of over $6.9 million with future projections for facilities modifications currently estimated in excess of $3 million. The committee is not convinced that entire utilities systems need to be computerized for control purposes. Other more simplified measures, such as timing devices, may in fact serve the same purpose, and result in the same levels of economy of operations.

Consequently, the committee requests NASA to review its plans for these types of systems, validate potential reductions in electric power, oil, gas, and manpower and submit a report of its findings to the committee by December 30, 1976.

INSTITUTIONAL BASE

The committee wishes to reaffirm its long-standing and enthusiastic support for the goals of the national space program. It continues to believe, as expressed in its report on "Future Space Programs, 1975," that the use and exploration of space should be greatly expanded for the benefit of all. The committee wants to insure that NASA's strong technical capability remains dynamic and innovative so that these objectives can be realized. To do this effectively, it is imperative that the institutional structure remain lean but also efficient.

Since fiscal year 1966 NASA funding, in constant fiscal year 1977 dollars, has dropped by approximately two-thirds. Civil service and support service contractor personnel has dropped to almost one-half. During the same period the amount required to support the institutional base as a percentage of NASA has grown appreciably. The committee has viewed this trend with concern, notes with approval the recent reassessment of field center roles and missions. If performed properly, the clarification of roles and the consolidation of selected functions can yield significant personnel savings and increased management effectiveness.

A further sign that NASA is concerned with the drift toward increased institutional budgets is the cut in overhead positions for fiscal year 1977. Of the total mandated reduction of 500 permanent civil service positions, over 200 were indirect.

Nevertheless certain adverse indicators persist. Among these is the growth of the headquarters staff, relative to the size of the NASA budget. Since 1973 NASA's total purchasing power, as measured in constant fiscal year 1977 dollars, has declined by over 24 percent. Yet, during the same period, headquarters strength has declined only 10.7 percent. The committee urges NASA to find new ways to increase the proportion of its effort that is devoted to production of the space and aeronautics product.

The committee believes that the "roles and missions" effort can be extended to achieve significant additional consolidation. An example of possible savings that appears to have been underestimated is expendable launch vehicle acquisition. Currently three centers are engaged in the acquisition of four basic launch vehicles—Scout, Delta, Atlas-Centaur, Titan-Centaur. In addition there is activity at NASA Headquarters and Kennedy Space Center. The process of launch vehicle acquisition has matured substantially in recent years. Yet the number of civil service positions has remained relatively constant. The committee believes that considerable economies could be realized by consolidating all launch vehicle procurement activity.

The percentage of middle and top management personnel has continued to rise in recent years. The committee is concerned that this trend may limit NASA's ability to effectively manage in the years ahead. Therefore, the committee requests that the Administrator of NASA examine this and other issues outlined and report his findings and recommendations to the Committee on Science and Technology not later than October 1976.

EXTERNAL AFFAIRS

The recent establishment of an office of external affairs is a positive step by NASA in carrying out the mandate of the Space Act of 1958 which states the will of the Congress that NASA disseminate the beneficial results of its technology to the public wherever practicable.

This new office brings together both the public affairs and technology utilization activities and should provide the opportunity for achieving maximum benefits to the public of the high technology derived from NASA programs. The committee is encouraged by this change and encourages NASA to continue its initiative in trying to improve the public awareness of the space program contributions.

Aeronautical test facilities—Most of the Nation's existing aeronautical test facilities were built during the 1930's and 1940's. At that time they were the finest available anywhere in the world, and they were at least partially responsible for securing for this country a position of unchallenged leadership in aeronautics.

Today, however, both military and civilian designers urgently need improved test capabilities to confirm and improve current design concepts to insure greater fuel efficiency, economy and safety in future aircraft.

In view of the urgent need to maintain the U.S. economic and military leadership in aeronautics and the vital contribution of modern test facilities to such maintenance, the committee wishes to stress the need to upgrade the national test capability in certain critical areas.

In particular, it is widely agreed that three new national facilities are needed now: First, the aeropropulsion systems test facility—ASTF—which is included in the fiscal year 1977 military construction authorization bill; second, the National Transonic facility at Langley which is included in this bill; and third, modernization of the 40 by 80 foot subsonic tunnel at Ames. This tunnel was authorized in fiscal year 1976 by this committee, but was not funded. This year, it did not survive the President's fiscal year 1977 budget.

Modernization of the 40 by 80 is long overdue.

Rotocraft and V/STOL aircraft now coming off the drawing boards continue to outstrip the capabilities of our test facilities, increasing the chances for failures.

Meanwhile, other nations are vastly eroding America's share of the world aviation market. Nowhere is this more evident than in helicopter sales, where the U.S. share of the market has been cut in half in just the past 10 years.

In view of the constrained condition of Federal expenditures, the committee recognizes that it is not reasonable to expect that specific funds will be made available for both the NTF and the 40 by 80 in fiscal year 1977. Nevertheless, the Committee wishes to strongly encourage NASA to use any opportunities for reprograming that may emerge to initiate modernization of the 40 by 80 during fiscal year 1977. Furthermore the committee wishes to recommend favorable action on the ASTF in the fiscal year 1977 military construction authorization bill.

Mr. Chairman, NASA is committed to improving its work opportunity within NASA.

The goals of the NASA equal opportunity programs are the removal of discrimination in fact and appearance, and the implementation of affirmative action programs to insure the broadest possible participation of women and minorities in NASA programs.

These goals are being accomplished because of—

First. Commitment, support and monitoring from NASA's top management.

Second. Increase in resources and personnel to carry out the task.

Third. Involvement of installation line managers and supervisors in the planning and implementation of affirmative actions.

Fourth. Establishment and achievement of numerical goals and timetables, and the placement of more minorities and women in professional jobs of the agency.

Fifth. Implementation of special affirmative action programs such as those for women and Spanish speaking, the upward mobility program, aerospace fellowships, and programs directed toward minority businesses, minority colleges, and the broader communities of minorities and women as well as special minority recruitment programs.

Sixth. More communication between management and employees about equal opportunity—EO—and processes by which employees can obtain adjudication of alleged discrimination.

Seventh. Involvement of top, middle and lower managers and supervisors as well as employees in self-evaluation and planning of future EO objectives.

Minorities and females have increased in number and percent over the past 2 years in the total work force and in the professional and nonprofessional categories. Minorities now make up 7.3 percent of the total NASA work force, and females now represent 18 percent. The percent of minorities and women in the professional work force has also increased, and now stands at 5.3 percent and 6.8 percent respectively:

	June 30, 1973		Jan. 31, 1976	
	November	Percent	November	Percent
Total work force	25,955	100.0	24,204	100.0
Minorities	1,346	5.2	1,762	7.3
Females	4,315	16.6	4,347	18.0
Professional work force	15,725	100.0	15,140	100.0
Minorities	565	3.6	800	5.3
Females	812	5.2	1,030	6.8

The increased percentages of minorities and females among the NASA work force are accomplished because the agency sets targets or goals for itself which exceed the accomplishments of the previous year.

Hiring goals for fiscal year 1976 plus the transition period—15 months from July 1, 1975 through September 30, 1976—are similarly aggressive. The agency has set guidelines that approximately 40 percent of its professional hires will be minorities and females and approximately 35 percent of its nonprofessional hires will be minorities. This may result in as many as 320 minority and female professionals and up to 250 minority nonprofessionals being hired at NASA. However, reduced work force ceilings and fewer vacancies will lessen these numbers considerably.

For the first 7 months of this fiscal year—July 1, 1975 through January 31, 1976—32.1 percent or 95 of the total professional hires were minorities and females, and 29.0 percent or 105 of the nonprofessional hires were minorities.

This progress is less than the targets set by the agency; however, because intensive recruitment activities take place during the spring, and hiring peaks usually occur later in the fiscal year, we anticipate that the goals will be met by September 30, 1976.

Mr. LLOYD of California. Mr. Chairman, I rise in support of H.R. 12453. As a member of both of the subcommittees that have jurisdiction over space and aeronautics respectively, I would like to comment on two important NASA projects, one in each area. First, the fuel conservation technology program.

AIRCRAFT ENERGY EFFICIENCY PROGRAM

The aircraft energy efficiency program has as its primary objectives and focus the development of technology that will lead to more energy efficient transport aircraft. In developing the plan, NASA has worked closely with the aircraft and engine manufacturers and with the airlines to identify technological opportunities with the greatest probability of resulting in substantial reductions in air transport fuel consumption. Five major activities are included in the aircraft energy efficiency program:

First, improved engine components which could be in production in 1980 and reduce fuel consumption by 5 percent;

Second, fuel conservative engines that could be ready for use on new aircraft introduced into service around 1990 and could result in a reduction in fuel consumption of at least 10 percent;

Third, new aerodynamic design and active control technology ready for application to new aircraft designs in the early 1980's which could provide a fuel savings of 15–20 percent;

Fourth, laminar flow control to reduce drag in the aircraft of the 1990's and which could provide a 20 to 40 percent fuel savings; and finally,

Fifth, primary structure composite materials to reduce weight and could translate into a fuel savings of 10–15 percent in the future generation aircraft of the 1990's.

The technological developments that could result from these activities will be used in different ways on aircraft designed for various missions. However, if these technologies were used to the fullest extent in the design of future transport aircraft, those new aircraft would require only about 50 percent of the fuel required by today's most efficient aircraft.

It will take time for these new aircraft to enter the U.S. fleet in significant numbers. First, the technology itself has to be developed and demonstrated; and then, after the technology is available, the airline industry must invest large sums of money in new aircraft, and the manufacturers must design, build and test these aircraft in response to airline demand. When all this happens, however, the United States could expect to be saving about one million barrels of refined aircraft fuel per day. This in turn will reduce the operating costs of our civil air transportation system and help to maintain the U.S. competitive position in the world transport aircraft market.

The second project that I wish to comment on is one with which you are all familiar and one which I have grown to know intimately and that is the Space Shuttle program.

I would like to state to my colleagues that the Space Shuttle program is proceeding on schedule and within the originally projected cost—in 1971 dollars—despite budget constraints which have required a deferral of initiation of procurement of the third orbiter by 1 year. This year's budget is no different than the past for this program; it is tight, but NASA is holding to the major development milestones and I am confident that they will be met.

Mr. LAGOMARSINO. Mr. Chairman, the House presently has before it for consideration H.R. 12453, the NASA authorization bill for fiscal 1977. I believe it would be fair to say that the space program has been among the most successful joint public and private ventures this Nation has ever engaged in. Fifteen years ago, President Kennedy stood before this body and declared it this Nation's goal to put a man on the Moon before the end of the decade. Despite Russian superiority in the development of space technology at the time, we accomplished this goal which still today eludes them.

This crowning achievement of American will and determination brought renewed confidence in our abilities as a people and was extolled by millions abroad. But at the same time, it provoked new calls for solutions to problems here on Earth. For these people the space program represented nothing more than an expensive rock-collecting expedition. But the truth is the spinoff benefits from this program have significantly affected almost every segment of our society and every culture throughout the world. I do not have the time here today to even begin listing all of these side benefits—they are catalogued in a book over six inches thick—but I do want to point to some dramatic examples of what I am talking about.

I doubt if few of us could remember how haphazard weather forecasting was before the development of satellites. It still is at times—especially in the Washington area—but the 36-hour predictions of today are as accurate as the 12-hour forecasts issued 10 years ago. Communication satellites have linked the continents of the world, extended education and medical care to remote regions, and reduced the cost of overseas phone calls. In the future, they will help us manage our natural resources more efficiently as well as help urban planners design cities to alleviate traffic congestion. The savings from good weather forecasting to persons such as farmers is by itself estimated to be as much as $5.5 billion yearly in the United States and $15 billion for the entire world.

The medical field is adapting the zero gravity chamber used to simulate the weightless condition of outerspace as a device to enable handicapped people to walk and relearn muscular coordination following such occurrences as stroke. The astronaut's space suit which isolated him for the adverse elements of space is being used to provide a germ-free environment for children with aplastic anemia, leukemia, and other disorders requiring a sterile environment. With this system, these children can move about in the world rather than being confined to a hospital room.

These are just a sampling of the technological developments resulting from the space program. Besides these social benefits, NASA programs have had a positive and direct impact on our economy. One study has shown that for each dollar invested annually on space research and development, $23 will be returned over a 10-year period. That is an annual return on investment over the 10-year period of more than 40 percent. For Americans that means more jobs, greater productivity, and an improved balance-of-payments situation in world trade.

With this budget authorization for fiscal 1977, we will be funding a number of new NASA programs designed to bring even more practical returns to the American taxpayer through more efficient use of space technology. One of these programs, the Space Shuttle, is a transportation system which will enable us to deliver space vehicles into near-Earth orbits at a cost considerably lower than has been the case in the past. This is because the Shuttle craft itself is reusable, it will have the versatility of being able to perform two or three or more missions from one launching, and it will be able to take greater payloads into space than is the case today. Crews on the Shuttle will service satellites thereby extending their usable life which will mean great savings. One promising technological development which may come from this program in the future is a guidance system making it possible for commercial aircraft to land like a glider. This would alleviate most the noise pollution now occurring around the major airports.

Within the aeronautics and technology field, NASA is researching ways of designing more lightweight, energy conserving aircraft. The technology developed from this research will insure that this Nation remains the leading aircraft maker in the world.

Since World War II the United States has advanced itself economically because it has been in the vanguard of technological development. Over the last 15 years, many of our scientific breakthroughs have resulted from NASA programs. To turn our back on success such as this, would be economically foolhardy. But to those who still insist this money could be better used to take care of more mundane problems, I might remind them of the old maxim:

> Give a man a fish and you feed him for a day. Teach him how to fish and he can feed himself. But give him a better fishing pole and he will feed himself and others.

The NASA programs have been helping to do just that.

Mr. FLOWERS. Mr. Chairman, I rise in support of H.R. 12453, a bill to authorize appropriations for the National Aeronautics and Space Administration. This bill provides a continued basic program for space applications and scientific exploration. My remarks will center on three elements of our space program. The first reviews the Space Shuttle economics, the second reviews progress on the Spacelab, and finally my views on the payloads that will be carried on the Space Shuttle.

The Space Shuttle is the key element of an economical space transportation system that will provide a wide variety of national and international users with round-trip access to space beginning in the 1980's. The Shuttle will be the first reusable space vehicle and will be configured to carry many different types of payloads to and from low Earth orbit. Its development will provide economical space operations for Earth applications, scientific, defense and technological payloads. The Shuttle is, however, much more than just a transportation vehicle. It will offer unique capabilities that cannot be achieved with today's expendable launch vehicles—to retrieve payloads from orbit for reuse; to service and repair satellites in space; to transport, to orbit, operate and return space laboratories; and to perform rescue missions. These capabilities will result in savings in the cost of space operations, while greatly enhancing the flexibility and productivity of the missions.

Although NASA has clearly indicated that the economic advantage of the STS is not the primary justification for the Shuttle program, extensive economic analyses have been made which demonstrate the dominant cost benefits of the STS compared with the competing alternative systems.

The comprehensive Shuttle economic study published in January 1974 showed savings of $14 billion for a 725 flight mission model projected for the period 1980–1991.

The sensitivity analyses have shown that the economic superiority of the STS will be sustained over a wide range of assumptions including reduced flight rates, fewer payloads, that is, lower budgets and increased cost growth above current agency targets. For example, at a reduced flight rate of 25 per year, compared to 60 in the baseline model, the Shuttle remains a good investment with a 10-percent rate of return. Other variations have shown that even after substantially reduced payload quantities, for example, about 200 below the baseline model, the Shuttle savings are still greater than $12 billion over the 1980–1991 time frame, also that the Shuttle development and investment cost could grow by about $7.4 billion and still return 10 percent on the investment. Although the savings through use of the STS are largely in the payload area, significant reductions will also be realized in the costs of launching during the operational phase.

In a 1975 report following an analysis of more than 50 cost-benefit analyses conducted throughout civil agencies of the Federal Government, the GAO found the STS cost-benefit analysis was one of three studies which qualified as a legitimate cost-benefit study—GAO report B–115398, January 14, 1975, "Civil Agencies Make Limited Use of Cost-Benefit Analysis in Support of Budget Requests"—see page 6.

The Space Shuttle will make space operations less complex and less costly. The cost benefits can be primarily attributed to: First, major parts of the Shuttle system being reused rather than thrown away; second, lower launch costs; third, increased launch vehicle reliability; fourth, payloads having the capability of being supported in orbit, retrieved and reused; and fifth, the Shuttle launch environment and large cargo carrying capabilities permitting lower cost payload designs.

The Space Shuttle will extend man's ability to do useful work in space while contributing to the economy of space operations. The Shuttle will also encourage far greater participation in space flight. The Shuttle will be built and pressurized so that passengers, such as scientists, engineers and others, will be able to go into orbit to supervise and check on their space experiments.

By lowering the cost of space operations, the Shuttle will encourage not only our country but other nations to participate in space activities. The Space Shuttle will make launching payloads into Earth orbit a virtually routine event.

As you know the Spacelab is being developed by the European Space Agency for use with the Space Shuttle. The term "Spacelab" is applied to a unique Shuttle payload designed to enhance the capabilities of the Shuttle for conducting on-orbit research. The Spacelab is not an independent spacecraft but rather an extension of the Shuttle Orbiter itself. It is, in reality, a generic term that is applied to any of several system configurations which can be mounted in the Shuttle payload bay. In its most recognizable form the Spacelab consists of a pressurized module with tunnel access to the cabin area of the Shuttle. Here we can create a laboratory environment in which man can work in a shirtsleeve atmosphere. It will provide an extension of the experimenter's ground-based laboratories with the added qualities which only space flight can provide, such as a long-term gravity-free environment, a vantage point from which Earth can be viewed and examined as an entity, and a platform above the atmosphere from which the celestial sphere can be studied. Much of the work which benefits from these latter two qualities requires that the instruments be exposed to the space vacuum for reasons of size, viewing angle, or to remove the requirement to view through optical windows. To accommodate these requirements, the Spacelab has an alternate palletized configuration where the instruments are controlled from the payload specialist's station within the cabin of the orbiter or remotely from the ground.

A third configuration of the Spacelab combining the features of the previous two configurations is available to experimenters consisting of a shortened pressurized volume with a shortened pallet. This configuration is advantageous when the complexity of the interface between the instruments and their controls is such that reliability and turnaround time can be improved by delivering and installing a completely integrated and checked-out payload together with its associated controls and data handling system. Additional flexibility is provided for by the modularity of both the pressure module and pallet elements in order to accommodate varying size requirements.

With the achievement of an operational Spacelab planned for the time the Shuttle becomes operational, we will have completed the transition from purely experimental flying to fully use-oriented flight missions. The sole purpose of the Mercury program was to test man's ability to survive and function in the space environment. Whatever scientific experimentation was carried had to be small and self-contained, was fitted into whatever space could be found and experienced the very lowest priority. The Gemini program still emphasized the extension of our knowledge of man's limitations while developing our flight capabilities. Experimentation was carried out but still was subordinate to other program objectives. The Apollo lunar program was the first mission-oriented manned program and was tremendously successful in its scientific and exploratory activity.

With the recently concluded Skylab effort, we experienced our first Earth-orbital manned program where a great deal of the mission was directed toward improving, or seeking means to further improve, life on Earth. The spectacular achievements from Skylab, increasing dramatically with each mission, give some indication of the frontiers of space utilization which can be conquered as a reusable space laboratory and transportation system come into being. Space will be available to a wide variety of users to seek out new benefits of the space environment or to develop and refine identified applications. Furthermore, because of the greatly increased opportunity for flight we are able to relax some of our past rather severe reliability requirements for experimental hardware. This relaxation of reliability standards for nonsafety related equipment contrasts with the previously costly testing program associated with our manned flights. The cost of each Apollo and Skylab launch made any significant experiment component or system failure unacceptable. Precluding this dictated the extensive quality control, testing, and qualifications programs which have become associated with space flight. Now with the recurring opportunities for flight in Shuttle-launched Spacelab missions, we can balance the cost of reflight against such validation programs and conduct a much more cost effective space applications effort. In addition, the Spacelab module Earth-like atmosphere may make it possible to use lower cost ground-type hardware in both the experiment as well as in the subsystems of the Spacelab itself.

The Spacelab will be used as a space platform to perform investigations in disciplines which benefit from being above the Earth's atmosphere or from a zero-g environment. For example, short wavelength infrared and ultraviolet astronomy requires a space platform for observation since these stellar emissions are absorbed by the Earth's atmosphere. X-ray astronomy also owes it existence to the space age when X-ray detectors were put on satellites.

Many life science and biological functions are influenced by zero gravity, radiation, and circadian rhythms, factors which are inherent in the space flight environment. Materials science and technology will capitalize on the weightlessness experienced in zero-g and the vacuum of unlimited capability available in space to exploit the production and manipulation of mixtures that are not stable in normal gravity. Processes utilizing the enhanced control over heat and mass transfer that is made possible by the convectionless behavior of weightless fluids will also be investigated.

International involvement has come a long way in the past year from the standpoint of both the development of the Spacelab itself and the involvement in its utilization. The European Space Agency will furnish the first Spacelab flight unit and associated support equipment to the United States at no cost, whereas the United States will purchase additional units to meet mission needs. Mr. Roy Gibson, Director General, European Space Agency, appeared before the Subcommittee on Space Science and Applications and presented the status of the European Spacelab program. He reported a sound financial situation and strongly assured us of the commitment of Europe for the success of this program. Although the program is not without problems, I feel confident from the testimony that the European Space Agency will bring the program to a successful conclusion.

I would now like to focus my attention on other payloads which can be launched with the Space Shuttle. The Space Shuttle will have the capability to carry to Earth orbit payloads up to 15 feet in diameter and 60 feet long and weighing 65,000 lbs. Payloads up to 32,000 lbs. can be returned from orbit to Earth for refurbishment and reuse. In conjunction with an interim upper stage, to be developed by the Air Force, payloads can be placed in geosynchronous orbits or launched to deep space. With the exception of the Apollo lunar missions, the Space Shuttle, in conjunction with the interim upper stage had it been available, would have been capable of launching any of the space missions which the United States has launched in the past 17 years.

The types of payloads that will be placed in geosynchronous orbit include communication satellites and payloads designed to repetitively view the same areas of the Earth in order to identify changes with time with emphasis on the atmospheric, oceanographic, and landing monitoring. The monitoring capabilities of these payloads will support weather prediction, weather dangers and disaster warnings, fisheries resources management, maritime activities, mineral and land resources, agriculture, forestry and range resources, and environmental quality and control.

As a launcher of automated satellites the Shuttle can deliver spacecraft for all scientific and application disciplines including astronomy, solar physics, atmospheric and space physics, high-energy astrophysics, biological sciences, Earth observations, Earth and ocean physics, and space technology. The Large Space Telescope, for instance, is being designed for launch by the Shuttle and, after several years in orbit, can be recovered, returned to Earth, refurbished, and reused. This scenario will be followed by many other payloads.

In conclusion I would like to state that the Space Shuttle is the backbone of the space transportation system of the 1980's and is being designed to be compatible with the full range of anticipated payload requirements as they can be identified today. With a low cost transportation system a larger proportion of the dollars for the program will be devoted to payloads.

Mr. Chairman, the bill before us warrants the support of this entire body.

Mr. SYMINGTON. Mr. Chairman, I rise in support of the National Aeronautics and Space Administration authorization bill H.R. 12453 and I strongly urge my colleagues to join me in voting its passage. I have the privilege to serve as a member of the Subcommittee on Space and Science and Applications which has jurisdiction over the nonaeronautical NASA activities and I can therefore personally attest to the amount of effort that went into the preparation of this bill for your consideration today. I would like also to compliment the distinguished chairman of the subcommittee, Mr. Don Fuqua of Florida, and the capable ranking minority member, Mr. Larry Winn of Kansas, for their exemplary leadership during the many weeks of intensive hearings.

This is a reasonable budget, not elaborate in its moneys for NASA, but one I feel that NASA can endure under the constrained economic conditions we are facing today. There are no frills nor fat in this budget, only moneys for essential ongoing programs and a few new starts as mentioned previously.

We can take pride in the many accomplishments of the NASA space program, not only in the spectacularly successful Apollo lunar landing program of the last decade and subsequent manned space program but also the many achievements of the diverse automated space programs.

In the last Congress, we had three subcommittees overseeing the NASA space programs. I had the pleasure of serving as chairman of the subcommittee responsible for authorizing the NASA space science and space applications programs. In these years of reviewing NASA programs I have developed a special appreciation for the outstanding accomplishments of NASA in these two areas.

Mr. Chairman, today I want to discuss some of NASA's space science programs. These programs are focused toward exploring the unknown. The urge to explore is a fundamental characteristic of humanity which includes the quest for and expansion of human knowledge.

At the outset I would like to discuss some of the factors which have been identified by the Space Science Board of the National Academy of Science and should be considered when judging the relative priorities of scientific experiments. These decisions in space science involve not only the comparison of substances as unlike as chalk and cheese but also of topics as diverse as photons and planets.

The achievement of balance and continuity must be a goal in our development of quality space science programs. Maintaining momentum in these programs is critical to their success. Science, even in its search of the unknown, is an ongoing enterprise. Results will never appear unless there are skilled and devoted people, adequate instruments, problems set by previous knowledge, and whole disciplines of study that are based on past results. Gaps of many years and peaks and valleys in programs waste a resource more precious than money: that is, the lives and careers of outstanding and experienced scientists. At the same time, this argument alone is not sufficient justification for the future of any mission. What we seek in space science, as with other scientific research, is to achieve a quantitative understanding of the physical processes governing our solar system. In fact, in space physics a quantitative understanding of the Earth's outer environment is within our reach.

The work of science is very much a battlefield, with nature as the tireless, and sometime, capricious adversary. Sometimes the state of knowledge has made a recent advance or breakthrough. It is then clear that such a field will be paid more attention. At other times we have, rather than new results, new instruments or techniques as the most promising avenue to follow such as the space telescope. Sometimes a finding gives us a glimpse at some quite new and unexpected problem—for example—the active magnetisphere of Jupiter, with its suggestion of pulsarlike behavior.

Mr. Chairman, I would like to now turn my attention away from the philosophical aspects and address some of the specific areas of the space science program.

PLANETARY EXPLORATION

One space science project with which we are all familiar is Viking. Last summer two Viking spacecraft were launched and are now more than half way into their 1-year voyage to Mars. After each Viking spacecraft inserts into Martian orbit, the lander module will detach and execute a soft landing on Mars. The first of these two spacecraft is planned to land on Mars on July 4, 1976 the Bicentennial birthday of our country. There are a broad range of scientific experiments carried aboard each Viking spacecraft. Of special interest is the biology package, which will conduct several experiments using samples of the Martian soil, searching for evidence of low-level life on Mars.

The Viking program has been a bold, aggressive, and, perhaps, the most technically challenging program undertaken in our space program to date. This project represents man's most forward attempt to search for life on another planet in our solar system. Over 4,000 American people have been diligently working for 5 years toward the achievement of this noble goal. The Viking lander is an engineering marvel in which a geochemical laboratory, a meteorology station, an organic chemistry laboratory, a seismology station, a sophisticated biology laboratory, and an imaging station have been miniaturized to fit in a volume of just a few cubic feet.

Other significant planetary exploration programs are well underway. Funding is provided in this bill for continued development activity on the Mariner Jupiter/Saturn spacecraft to be launched in 1977 and the Pioneer Venus orbiter and atmospheric probes to be launched in 1978.

Pioneer-Venus is a two-spacecraft project scheduled to be launched in May and August of 1978. One spacecraft is an orbiter and the other contains probes which will be injected into the Venus atmosphere. This two-spacecraft projects will collect data on Venus which will have profound significance with respect to one of the objectives of the NASA planetary program, namely, that of "determining the dynamic processes that shape Earth's environment by investigation of other bodies of the solar system."

The Pioneer-Venus project was initiated under authorizations and appropriations approved for fiscal year 1975. For 2 years before that, it had been regarded by NASA and all of their scientific advisers as the top priority next step in the exploration of the inner planets, but had been deferred because of budgetary constraints. The 1978 launch opportunity happens to be more favorable than future opportunities in 1980 and later years because Venus will be somewhat closer to the Earth at the 1978 opportunity. Therefore, less energy is required and the spacecraft has been designed to maximize the science return and take advantage of the economies possible with a lower energy mission.

Data from the several planetary and lunar exploration programs support a growing field of scientific activity called comparative planetology. Scientists tell us that by comparing the atmospheres, the gravity fields, the radiation belts, the surface conditions of the various planets, we are developing a better understanding of the complex physical processes that control our environment here on Earth. I support these postflight data-analysis activities. I am pleased to report that this bill provides adequate funds for data analysis to insure that we obtain maximum return from the data collected by the successful flight programs.

Mr. Chairman, although I feel that NASA's lunar and planetary program is adequately funded in this bill, I must add some words of caution for future years. As a result there will inevitably be a gap in the lunar and planetary effort following the Pioneer-Venus missions.

Astronomy has received new impetus from data gathered by spacecraft. High energy ultraviolet and X-ray radiation do not penetrate our atmosphere and can not be observed on the Earth surface. With orbiting observatories, intense X-ray sources from outer space have been discovered. Some of the most intense radiation comes from directions in space that have no visible light. Astronomers have called these phenomena black holes. The theory is now that these are collapsed stars, packed so densely and with gravity so strong that light can not escape. However, the higher energy X-rays do escape into deep space and indeed reach Earth.

X-ray astronomy is an example of a pure science investigation whose future benefit to mankind is hard to forecast. Scientists tell us that the energy coming from a black hole is so intense, that it may be caused by an energy process more powerful than nuclear fusion. Perhaps someday in the future, understanding these processes in space may help solve our energy problems here on Earth.

To obtain much higher quality data on these outer space X-ray sources, NASA is developing the high energy astronomy observatories which will be launched in 1977, 1978, and 1979.

A necessary next step in astronomy is the development of a space telescope—ST. The Space Science Board of the National Academy of Science calls the space telescope the highest priority new start in space science. The space telescope will be one of the unique payloads placed into orbit and serviced by the Space Shuttle. A large telescope gathers more light or other radiation and hence can see much further into deep space. Also, above the distortion of the Earth's atmosphere, the resolution is much better. As a result, the space telescope will have the ability to see 6 to 10 times further into space with about 10 times better resolution than the best.

In conclusion, I would like to focus on NASA's upper atmospheric research program which has been created to develop a better understanding of the physical and chemical processes occurring in the upper atmosphere, with immediate emphasis on the stratosphere. The stratosphere is an almost cloudless and relatively quiescent region of Earth's atmosphere that is especially susceptible to contamination. The stratospheric physics and chemistry are extremely complex, and their study has become increasingly significant in view of the possible perturbing effects caused by natural and man-made activity. The NASA goal is to determine the normal composition of the upper atmosphere with emphasis on understanding the dynamic processes occurring and perturbation resulting from both natural and man-caused events. The problems of upper atmospheric pollution are believed to be of such concern that immediate attention is being given to assessing the degree, cause, and effect of ozone reduction. This is a prime example where scientific expertise developed in the study of planetary and Earth atmospheric physics is being focused on a potential threat to all of mankind.

Mr. Chairman, the Space Act is charged with the responsibility of preserving the role of the United States as a leader in space science. I urge my colleagues to join me in supporting a strong space science and space program to assure the continuance of this leadership role.

Mr. HALL. Mr. Chairman, I rise in support of the National Aeronautics and Space Administration authorization bill H.R. 12453 and I strongly urge my colleagues to join me in voting its passage. I have the privilege of serving on both the Space Science and Applications Subcommittee and the Aviation and Transportation Research and Development Subcommittee; so I was in a position to observe both pieces of this bill move through the legislative process. I can attest to the thorough review that it received, starting with hearings last October.

As an educator and a member of the Committee on Science and Technology, I would like to spend a moment and tell you about a very exciting experimental program taking place right now.

On May 20, 1975, the application technology satellite, ATS–6, successfully completed its first year of operation. During this time, the satellite performed many unique and valuable experiments involving broadcast of high quality, color television programing to small, inexpensive ground receivers located in remote regions of this country. Some experiments involved the broadcasting of otherwise unavailable educational material and medical aid information to people in remote areas in Alaska, Appalachia, and the Rocky Mountain States. Also included were voice communications and position determination for ships and airplanes. In May, the ATS–6 was moved to 35°E, arriving on station July 1, 1975. Shortly after arriving on station over Africa, and prior to beginning the Indian satellite instruction television experiment—SITE—on August 1, 1975, the ATS–6 was the communications link that permitted live television coverage of the Apollo-Soyuz test project mission—ASTP—and the meeting in space of the Russian and American crews. The SITE experiment will run for 1 year and is being conducted by the Indian Government to provide instructional television to about 5,000 Indian villages.

Areas of instruction include family planning, health and hygiene, agriculture and other vocational information, child education and national development. Mr. Chairman, I am happy to report that the experiment has proceeded well with, generally, excellent performance by the Indian developed receiving sets and enthusiastic participation by the villages. Let me also say at this juncture that such a system as this promises to be particularly valuable to developing countries with widely dispersed population and minimal established ground communications networks.

In August 1976, the ATS–6 will start its return to a position close to the United States to resume its experimental broadcasting in support of user applications. NASA is currently working with the user community in the United States to structure a followon experimental program in the areas of education, health care and social services using both the ATS–6 and the recently launched—January 17, 1976—cooperative Canadian/United States communications technology satellite—CTS—which will begin its experimental program in March 1976. This program is a cooperative effort with Canada, in which NASA provided an advanced, high powered communications transmitter, spacecraft testing and launch services in return for half-time use of the spacecraft. This program, Mr. Chairman, has the potential to provide even greater dramatic results than that of ATS–6 and I commend NASA for its initiative in this area.

A second area that I wish to touch on is NASA's relationship with the educational community. Universities are considered as partners with NASA and industry in the Nation's aerospace program. More than 430 universities in every State in the Union have participated in NASA's university research activities. Since 1959 NASA has spent nearly $2 billion on university research.

NASA currently funds about 2,000 project-oriented research grants and contracts at 282 universities. Obligations to universities have remained relatively constant over the past few years. Of the grants and contracts awarded to universities each year, about 43 percent are for new projects. NASA's funding of university research falls mainly in the areas of physical sciences—40 percent; environmental sciences—23 percent; engineering—15 percent; life sciences—6 percent; and others—16 percent.

NASA depends heavily on universities, to provide experimenters for the preparation of experiments or analyses of data from balloon, sounding rocket, satellite, and deep space flights; analyzing lunar samples and other scientific and engineering endeavors.

Mr. Chairman, as the Space Shuttle program begins to mature into the test phase of the development program, it is most crucial to identify unforseen problems that can often arise in such a complex undertaking. Both NASA and industry will be challenged by the requirements and commitments of the Space Shuttle program during the next year.

Close scrutiny of the program by the subcommittee will continue and is particularly important during this phase of the Space Shuttle development.

As we move toward the Shuttle era, the Spacelab development in Europe is progressing well and we are beginning to see the designs and development of hardware required for experiments in the areas of Space Science, Earth-oriented applications, and space technology that take full advantage of the unique capabilities provided by the Space Shuttle and Spacelab.

Mr. Chairman, the rollout of the Space Shuttle Orbiter is planned for September of this year, leading to approach and landing tests at the Hugh L. Dryden Flight Research Center beginning in 1977. The second orbiter will fly the first manned orbital mission in 1979. I continue to be impressed with the effort by both NASA and industry and I think the program management of both should be commended for their efforts.

Mr. DOWNING of Virginia. Mr. Chairman, I fully support the Committee on Science and Technology upon which I have the pleasure to serve and recommend passage of H.R. 12453 which authorizes appropriations to NASA for fiscal year 1977.

The National Aeronautics and Space Administration stands today as one of the best examples of Government that works. Created in 1958 to pull together a wide range of fields and to accomplish a task set before it, it did just that.

The temptation is great to say that the task is over and we can now forget the whole thing since we went to the Moon and returned safely. The temptation is especially strong when we are facing severe budget constraints such as we face today. The temptation is to say "no" to space when we are facing down-to-earth problems of the magnitude and complexity of today.

But that is not the case. Our two futures, Space and Earth, are now intertwined. We use space for communications, to map and chart our lands, to study earthbound natural disasters, to prepare for them and to direct the cleanup after them.

We are now confronted with tasks as critical as seeing if that miracle of modern convenience, the aerosol can, is destroying the Earth's natural protective shield against harsh radiation. These are down-to-earth problems, but the answers lie up in space, and it is the National Aeronautics and Space Administration which has the duty to ferret out those answers.

In a different tone, throughout all history man has never been more magnificent than when he dared to "reach for the stars." This could be in daring to dream of helping the less fortunate, of daring to create a free society, of daring to question established beliefs, of daring to reach out and expand his knowledge of the universe.

It sounds melodramatic, but I think that as we consider where to spend our Federal budget, we should not forget the role of the dreamer and the reacher in the advancement of mankind—and we should not forget that NASA is an integral part of that dream.

And, along those same lines, I would dare to suggest that we might wish parts of the NASA budget had an even more generous slice. I am speaking here of portions which support space applications programs.

The objective of the space applications effort is to conduct research and development activities that demonstrate space-related technology which can be effectively applied and used in the civil sector. In no other area does the space program technology spinoffs and benefits evidence itself more.

The research and development activities of the space applications area are grouped in the following general areas: Earth dynamics monitoring; Earth dynamics monitoring and forecasting; ocean condition monitoring and forecasting, environmental quality monitoring, weather and climate observation and forecasting, materials processing in space, space communication, information management, and finally, applications explorer missions. In each of these areas, programs are being conducted and planned to make substantive contributions to solving pressing national, as well as international, problems and needs. Allow me to take a moment, Mr. Chairman, and tell this body a little about these various areas:

EARTH RESOURCES DETECTION AND MONITORING

The effective utilization of the world's finite natural resources requires that their extent and accessibility be surveyed, their changes be monitored and that systems for wisely managing their exploration be developed. NASA has established two objectives in the Earth resources area in order to perform this mission: First, develop the capability for remotely sensing the Earth's resources from aircraft and spacecraft in order to perform global surveys and second, apply the results to oceanography, geology, hydrology, geography, and cartography. If NASA is successful, this technique would provide an information base that can be used in the management of the world's resources.

NASA's accomplishments to date have been outstanding in this area as evidenced by the Landsat 1 and 2—Earth resources technology satellite—programs. Landsat 1 has been in orbit for over 3 years, Landsat 2 was launched and complementing Landsat 1 and both are providing data to the various Government and private users as well as the institutional community in utilizing data for soil mapping application in mining and reclamation, water quality studies, and watershed monitoring and geological mapping. The demand for Earth resource satellite data is increasing every day and I solicit your support for the bold followon step the committee took in establishing a new line item in the bill to be known as Earth resources operational systems.

Mr. Chairman, the committee felt that the technology associated with Earth resources survey has been developed to the stage that the system should now enter an operational phase. Landsat-C, the third development satellite, more sophisticated than Landsat 1 and 2 has been chosen as the operational system satellite and all funds associated with this satellite—$13,500,000 have been transferred to the new line item. There is an emerging commercial industry developing and we hope this action will stimulate even further user support for this system. In the meantime, while this operational system is growing, the committee expressed its desire that NASA continue research and development of better systems to enter the operational system program when developed. NASA is presently looking at some further advances such as the thematic mapper satellite and the heat capacity mapping mission to further improve this whole field. I am continually impressed by NASA's initiative and strongly encourage its continuance.

OCEAN CONDITION MONITORING AND FORECASTING

This program provides a focus for the use of space platforms and related research efforts to acquire data on the dynamic qualities of the oceans. The SEASAT-A satellite, now under development, is a significant forward step in achieving this predictive capability to benefit ship routing, storm damage avoidance and coastal protection and development.

ENVIRONMENTAL QUALITY MONITORING

NASA is trying to develop and demonstrate a system capable of identifying and measuring pollutants in the air and water on a global basis as well as regional scales. Project SAGE—stratospheric aerosol and gas experiment—will fly a single instrument to detect and map stratospheric aerosols and gas concentrations.

WEATHER AND CLIMATE OBSERVATION AND FORECASTING

This effort is directed toward the application of satellite data to problems in detection, prediction, and early warning of severe storms and the improvement of our capability for mid-range—1–14 days—and long-range—climatic—weather prediction. NASA and NOAA are working very close in this area and are beginning to show dramatic results. The committee further emphasized its concern by adding another $1,000,000 for research and development in this area.

MATERIALS PROCESSING IN SPACE

An exploitation of the unique characteristics of zero gravity to prepare and process materials in ways that are not possible or economically practical on Earth. Mr. Chairman, this area is being explored on an international level because of its potential and I feel confident that we will hear more and more about this exciting technology.

There are many many more facets of this area that have tremendous potential for helping the country solve some of its problems but I just do not have the time to cover them all. There is the potential search and rescue satellite system, the satellite solar power concepts plus others that may provide the answer we are seeking for problems in energy, rescue and communications.

Mr. Chairman, in conclusion let me say that I think this bill is somewhat austere but reasonable under the circumstances and I urge my colleagues to support it.

Mr. GOLDWATER. Mr. Chairman, I would like to lend my support to H.R. 12453, the NASA fiscal year 1977 authorization bill. My remarks are directed to an area of NASA effort which receives much less attention than is warranted by its national impact, that of aeronautical R. & D.

Dramatic evidence for the crucial role of aeronautical R. & D. was presented by NASA when they submitted their budget request to the full committee. The strong correlation between R. & D. spending and U.S. aircraft sales is unmistakably due to the strong partnership of NASA with both the aircraft industry and DOD. The research and technology base that NASA provides for industry to advance technology as well as their critical support to DOD in development of high-performance aircraft are key in maintaining this country's ability to compete internationally. The importance of the NASA partnership with the aircraft engine and airframe manufacturers cannot be overestimated. My concern is that the agency program be maintained in a healthy state so that the aircraft industry does not go the way of the railroads. Many friends of aviation believe it is at a crossroads caught between its inability to raise capital and the urgent need to develop advanced technology to meet environmental constraints while conserving fuel.

I have been particularly interested in maintaining a strong relationship between NASA and the Air Force so that they can derive optimum mutual benefit from interagency programs. I realize that environmental constraints are not as pressing on the military systems but I think that DOD and NASA agree fuel conservation is a major goal for the next generation of aircraft.

Generally, this budget provides NASA with the resources needed to pursue research and technology for ultimate industry development of advanced conventional takeoff, short-haul and vertical lift as well as supersonic cruise and general aviation aircraft.

I would like to confine my remarks to some discussion of NASA's new starts in aeronautical R. & D. and two budget areas of my particular interest, aviation safety R. & T. and general aviation.

NASA has initiated development work in the stratospheric cruise emission reduction program. This 6-year effort is aimed at reducing the level of nitrogen oxides—NO_x—emitted by subsonic aircraft at cruise by a factor of 6 to 10 below the levels from present engines. As we know, there is a possible deleterious effect of NO_x on ozone levels by long-term, large-scale operations. Thus there is a need for clean combustor technology.

NASA will conduct this program in three phases, from gathering fundamental data on burning fuel efficiently at low fuel/air mixtures through component development to final evaluation of the best combustor concept in full-scale engine demonstration by 1981. I believe this budget contains adequate funding for initiating this important program to assure development of fuel-efficient aircraft engines meeting tighter environmental constraints.

The other NASA new start is in the critical area of construction of facilities to meet the research needs of NASA and the development needs of DOD. The national transonic facility—NTF—is an aerodynamic configuration testing facility which will simulate Mach number and Reynolds number particularly in the regime for Mach 0.9 to 1.2. No adequate theory has been developed for treating aerodynamic flows in this transonic speed range. Thus it is necessary to conduct model tests to predict important variations of drag coefficient with lift, the nature of shock boundary layer interactions, and to design airfoils and configurations which minimize drag. There has been a lack of significant investment in aeronautical facilities since the fifties and the funding for the NTF is the first step in a movement to correct this trend. In order to compete in civil aircraft sales against foreign government/industry consortiums we must make this critical investment for testing of advanced technology aerodynamic systems. I have no doubt that the Nation will reap a harvest of benefits from this facility.

The overall objective of aircraft operations and safety is to provide basic research and technology which can be widely used to solve aeronautical safety problems. NASA is proceeding on three principal fronts in this work and I trust that the FAA will maintain close liaison with them in all these areas so the technology advances are implemented in both the commercial and general aviation sectors.

In the basic area, NASA is improving our understanding of atmospheric behavior—for example wind shear—as it affects aircraft operations so that designers, operators, and forecasters can use the information.

In aircraft safety technology, research is aimed at a technology base for reducing chance of accident and minimizing fatalities and damage. This effort includes inflight and postcrash fire prevention and protection and lightning strike hazard reductions as well as fire-resistant materials investigations. "Safety" fuel investigations are beginning and Laser-Doppler systems are being studied for wind-shear measurements and inflight turbulence detection. One cannot overestimate the importance of these studies which are directed at assuring safe operations of all civilian aircraft.

In improving operational efficiencies, new tire tread materials are being evaluated and landing simulations will be refined to investigate hazardous control problems.

I am pleased to say there is some increase of funding for safety R. & T. in fiscal year 1977 but with continuing inflation NASA must allocate its resources carefully in this area.

Finally, I want to point out to my colleagues the healthy increase in the interaction of NASA with the general aviation sector. I have long felt that the direct mechanisms for making NASA's advances available to this aviation community were just not available. After strong urging by myself and my colleagues on the Aviation Subcommittee, NASA established a General Aviation Office to serve as a focal point for interacting with that community. The response of private aviation to the activity of this office has been very positive and has served to whet their appetites for a continuing infusion of advanced technology, particularly in airfoil design. I think it is encouraging that general aviation is also receiving attention in the vital area of engine development. The quiet clean gas turbine—QCGAT—engine for business aircraft will take advantage of the technology advancements made in fuel conservation and emissions control for large high-bypass ratio engines. I trust this activity will lead eventually to low-cost advanced technology gas turbine engines to replace the piston fleet.

Mr. Chairman, the increase in NASA's aeronautical R. & D. budget over fiscal year 1976 is barely enough to cover inflation but I am confident they will make the best use of these resources. I trust my colleagues will agree that this authorization request is responsible and the work is vital to the Nation.

Mr. BROWN of California. Mr. Chairman, I rise in support of H.R. 12453, the National Aeronautics and Space Administration Authorization Act of 1977. I do not need to elaborate on the details of this bill, since this has already been done by my colleagues on the Committee on Science and Technology. There are some aspects of this bill that I do wish to highlight, primarily because of my special interest in these subjects.

Perhaps I should start by pointing out that over the years we have seen an evolutionary process at work in NASA, and its predecessor agency. Today, we emphasize what role NASA can and does play on Earth, rather than what it can, and hopefully will do in the air and in space. An example of this concern is the committee recommendation for $8,400,000 to be spent for technology utilization. This has been a matter of special concern to the committee, which wishes to see the vast knowledge and resource base of NASA more fully applied to the public and private sectors.

An example of this resource base is that of transportation systems. NASA has excellent skills in this regard, and such various technologies as lighter than air systems, mass transit systems and automobile engines could benefit from the skills that NASA has developed.

The committee has taken two initiatives in this regard. First, it has recommended that NASA do further work on lighter than air systems. This subject has been of special interest to me, and I am pleased to note its inclusion on page 15 of the committee report—No. 94–897.

Second, the committee has adopted a change in the NASA charter which, in effect, recognizes the skills, ability, willingness and reality of NASA's involvement in doing research on ground propulsion systems. This amendment is quite simple. It states:

> The Congress declares that the general welfare of the United States requires that the unique competence in scientific and engineering systems of the National Aeronautics and Space Administration also shall be directed toward ground propulsion systems research and development.

This change, as I have stated above, represents the reality of NASA's role. It has been an evolutionary change, and it is a subject that has received careful consideration by the Committee on Science and Technology. In 1973 legislation to change NASA's charter was introduced by myself, and was cosponsored by over 100 Members in the 93d Congress. In 1974, the Subcommittee on Space Science and Applications, which was then chaired by my good friend and colleague, Mr. JAMES SYMINGTON, held extensive hearings on the need for further research and development for ground propulsion systems, and the role of NASA in that research. While the administration then stated that this amendment was unnecessary, they did not oppose NASA's involvement in this subject.

The committee is fully aware of the DOT and ERDA roles in this area. In fact, DOT and ERDA are already using NASA for support. Therefore, this amendment puts into law what is already in practice.

I commend the chairman for bringing this bill to the floor.

Mr. DOWNEY of New York. Mr. Chairman, in this our Nation's Bicentennial Year, it is fitting that we remember how we have grown from a Nation dependent upon Europe for our machinery and technology, to a position of technological preeminence that is the envy of the world. Clearly, the pioneering characterized by our space program is one of the very best demonstrations of how we attained this preeminence.

Looking toward our Nation's future, it is apparent that we cannot rest if we are to maintain our leadership in this field. Many foreign countries recognize the importance of maintaining a healthy climate for technological innovation and have taken positive steps to encourage the innovative process. Today, we have before us a bill, H.R. 12454, the national aeronautics and space administration fiscal year 1977 authorization which, I believe, is important if we are to continue to reap the benefits that the space program and its generation of new technology has given us in the past.

We must remember that the pursuit of space goals generates innovations in virtually all fields of science and technology and helps stimulate progress in areas not even remotely connected to the original programs. Economists have estimated that these secondary benefits will return $7 billion to the economy in a 14- to 20-year period—about twice the authorization we are considering today. Similarly, each new dollar invested annually on space research will return $23 over the next 10 years.

Moreover, 30,000 people in 47 States will be at work on the Space Shuttle by June of this year, in addition to those already directly employed by NASA. Yet direct jobs are only a small part of job-making and inflation-reducing payoff of space research. Spending on space must be distinguished from investing in space. A society can spend on building pyramids just to create jobs, investing in space will create whole new industries.

H.R. 12454 is an important measure. It will provide for $2.7 billion in space research and development for programs ranging from the Space Shuttle and space operations to comparative life sciences and environmental monitoring systems. Additionally, this authorization will provide $8.4 million for the NASA technology utilization program designed to encourage the application and use of aerospace-developed technology in the Nation's industrial and public sector communities.

But of even greater importance is the fact that space is the final frontier. In this, our Nation's 200th year, I can think of no better way to rededicate ourselves to the pioneer spirit that helped to build this great Nation than to vote a quick passage of this bill before us today.

Mr. WINN. Mr. Chairman, I have no further requests for time.

Mr. FUQUA. Mr. Chairman, I have no further requests for time.

The **CHAIRMAN.** If there are no further requests for time, the Clerk will read.

The Clerk read as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That there is hereby authorized to be appropriated to the National Aeronautics and Space Administration:

(a) For "Research and development", for the following programs:

(1) Space Shuttle, $1,288,100,000;

(2) Space flight operation, $198,200,000;

(3) Expendable launch vehicles, $151,400,000;

(4) Physics and astronomy, $169,800,000;

(5) Lunar and planetary exploration, $193,100,000;

(6) Life sciences, $22,125,000;

(7) Space applications, $185,700,000;

(8) Earth resources operational systems, $13,500,000;

(9) Aeronautical research and technology, $192,100,000;

(10) Space research and technology, $92,100,000;

(11) Tracking and data acquisition, $254,000,000;

(12) Technology utilization, $8,400,000.

(b) For "Construction of facilities", including land acquisition, as follows:

(1) Modification for high enthalpy entry facility, Ames Research Center, $1,220,000;

(2) Modification of flight simulator for advanced aircraft, Ames Research Center, $1,730,000;

(3) Construction of supply support facility, Ames Research Center, $1,540,000;

(4) Construction of addition to flight control facility, Hugh L. Dryden Flight Research Center, $750,000;

(5) Construction of airlock to spin test facility, John F. Kennedy Space Center, $360,000;

(6) Modifications for utility control system, John F. Kennedy Space Center, $2,445,000;

(7) Construction of addition for aeroelastic model laboratory, Langley Research Center, $730,000;

(8) Construction of data reduction center annex, Langley Research Center, $2,970,000;

(9) Construction of refuse-fired steam generating facility, Langley Research Center, $2,485,000;

(10) Modification of refrigeration system, electric propulsion laboratory, Lewis Research Center, $680,000;

(11) Rehabilitation of combustion air drying system, engine research building, Lewis Research Center, $1,490,000;

(12) Large aeronautical facility: construction of national transonic facility, Langley Research Center, $25,000,000;

(13) Space Shuttle facilities at various locations as follows:

(A) Construction of Orbiter processing facility, John F. Kennedy Space Center, $3,750,000;

(B) Modifications to launch complex 39, John F. Kennedy Space Center, $17,855,000;

(C) Modifications for solid rocket booster processing facilities, John F. Kennedy Space Center, $8,700,000;

(D) Construction of Shuttle/Carrier aircraft mating facility, John F. Kennedy Space Center, $1,700,000;

(E) Rehabilitation and modification of Shuttle facilities, at various locations, $1,760,000;

(F) Modification of manufacturing and final assembly facilities for external tanks, Michoud Assembly Facility, $1,930,000;

(14) Space Shuttle payload facilities at various locations as follows:

(A) Modifications to operations and checkout building for Spacelab, John F. Kennedy Space Center, $3,570,000;

(B) Modifications and addition for Shuttle payload development, Goddard Space Flight Center, $770,000;

(15) Rehabilitation and modification of facilities at various locations, not in excess of $500,000 per project, $17,875,000;

(16) Minor construction of new facilities and additions to existing facilities at various locations, not in excess of $250,000 per project, $5,125,000;

(17) Facility planning and design not otherwise provided for, $12,655,000;

(c) For "Research and program management", $810,455,000, and such additional or supplemental amounts as may be necessary for increases in salary, pay, retirement or other employee benefits authorized by law.

(d) Notwithstanding the provisions of subsection 1(g), appropriations for "Research and development" may be used (1) for any items of a capital nature (other than acquisition of land) which may be required at locations other than installations of the Administration for the performance of research and development contracts, and (2) for grants to nonprofit organizations whose primary purpose is the conduct of scientific research, for purchase or construction of additional research facilities; and title to such facilities shall be vested in the United States unless the Administrator determines that the national program of aeronautical and space activities will best be served by vesting title in any such grantee institution or organization. Each such grant shall be made under such conditions as the Administrator shall determine to be required to insure that the United States will receive therefrom benefit adequate to justify the making of that grant. None of the funds appropriated for "Research and development" pursuant to this Act may be used in accordance with this subsection for the construction of any major facility, the estimated cost of which, including collateral equipment, exceeds $250,000, unless the Administrator or his designee has notified the Speaker of the House of Representatives and the President of the Senate and the Committee on Science and Technology of the House of Representatives and the Committee on Aeronautical and Space Sciences of the Senate of the nature, location, and estimated cost of such facility.

(e) When so specified in an appropriation Act, (1) any amount appropriated for "Research and development" or for "Construction of facilities" may remain available without fiscal year limitation, and (2) maintenance and operation of facilities, and support services contracts may be entered into under the "Research and program management" appropriation for periods not in excess of twelve months beginning at any time during the fiscal year.

(f) Appropriations made pursuant to subsection 1(c) may be used, but not to exceed $35,000, for scientific consultations or extraordinary expenses upon the approval or authority of the Administrator and his determination shall be final and conclusive upon the accounting officers of the Government.

(g) Of the funds appropriated pursuant to subsections 1(a) and 1(c), not in excess of $25,000 for each project, including collateral equipment, may be used for construction of new facilities and additions to existing facilities, and not in excess of $50,000 for each project, including collateral equipment, may be used for rehabilitation or modification of facilities: *Provided,* That of the funds appropriated pursuant to subsection 1(a), not in excess of $250,000 for each project, including collateral equipment, may be used for any of the foregoing for unforeseen programmatic needs.

SEC. 2. Authorization is hereby granted whereby any of the amounts prescribed in paragraphs (1) through (16), inclusive, of subsection 1(b)—

(1) in the discretion of the Administrator or his designee, may be varied upward 10 per centum, or

(2) following a report by the Administrator or his designee to the Committee on Science and Technology of the House of Representatives and the Committee on Aeronautical and Space Sciences of the Senate on the circumstances of such action, may be varied upward 25 per centum,

to meet unusual cost variations, but the total cost of all work authorized under such paragraphs shall not exceed the total of the amounts specified in such paragraphs.

SEC. 3. Not to exceed one-half of 1 per centum of the funds appropriated pursuant to subsection 1(a) hereof may be transferred to the "Construction of facilities" appropriation, and, when so transferred, together with $10,000,000 of the funds appropriated pursuant to subsection 1(b) hereof (other than funds appropriated pursuant to paragraph (17) of such subsection) shall be available for expenditure to construct, expand, or modify laboratories and other installations at any location (including locations specified in subsection 1(b) if (1) the Administrator determines such action to be necessary because of changes in the national program of aeronautical and space activities or new scientific or engineering developments, and (2) he determines that deferral of such action until the enactment of the next authorization Act would be inconsistent with the interest of the Nation in aeronautical and space activities. The funds so made available may be expended to acquire, construct, convert, rehabilitate, or install permanent or temporary public works, including land acquisition, site preparation, appurtenances, utilities, and equipment. No portion of such sums may be obligated for expenditure or expended to construct, expand, or modify laboratories and other installations unless (A) a period of thirty days has passed after the Administrator or his designee has transmitted to the Speaker of the House of Representatives and to the President of the Senate and to the Committee on Science and Technology of the House of Representatives and to the Committee on Aeronautical and Space Sciences of the Senate a written report containing a full and complete statement concerning (1) the nature of such construction, expansion, or modification, (2) the cost thereof including the cost of any real estate action pertaining thereto, and (3) the reason why such construction, expansion, or modification is necessary in the national interest, or (B) each such committee before the expiration of such period has transmitted to the Administrator written notice to the effect that such committee has no objection to the proposed action.

SEC. 4. Notwithstanding any other provision of this Act—

(1) no amount appropriated pursuant to this Act may be used for any program deleted by the Congress from requests as originally made to either the House Committee on Science and Technology or the Senate Committee on Aeronautical and Space Sciences,

(2) no amounts appropriated pursuant to this Act may be used for any program in excess of the amount actually authorized for that particular program by sections 1(a) and 1(c), and

(3) no amount appropriated pursuant to this Act may be used for any program which has not been presented to or requested of either such committee.

unless (A) a period of thirty days has passed after the receipt by the Speaker of the House of Representatives and the President of the Senate and each such committee of notice given by the Administrator or his designee containing a full and complete statement of the action proposed to be taken and the facts and circumstances relied upon in support of such proposed action, or (B) each such committee before the expiration of such period has transmitted to the Administrator written notice to the effect that such committee has no objection to the proposed action.

SEC. 5. It is the sense of the Congress that it is in the national interest that consideration be given to geographical distribution of Federal research funds whenever feasible, and that the National Aeronautics and Space Administration should explore ways and means of distributing its research and development funds whenever feasible.

SEC. 6. The National Aeronautics and Space Administration is authorized, when so provided in an appropriation Act, to enter into a contract for tracking and data relay satellite services. Such services shall be furnished to the National Aeronautics and Space Administration in accordance with applicable authorization and appropriations Acts. The Government shall incur no costs under such contract prior to the furnishing of such services except that the contract may provide for the payment for contingent liability of the Government which may accrue in the event the Government should decide for its convenience to terminate the contract before the end of the period of the contract. Facilities which may be required in the performance of the contract may be constructed on Government-owned lands if there is included in the contract a provision under which the Government may acquire title to the facilities, under terms and conditions agreed upon in the contract, upon termination of the contract.

The Administrator shall in January of each year report to the Committee on Science and Technology and the Committee on Appropriations of the House of Representatives and the Committee on Aeronautical and Space Sciences and the Committee on Appropriations of the Senate the projected aggregate contingent liability of the Government under termination provisions of any contract authorized in this section through the next fiscal year. The authority of the National Aeronautics and Space Administration to enter into and to maintain the contract authorized hereunder shall remain in effect as long as provision therefor is included in Acts authorizing appropriations to the National Aeronautics and Space Administration for subsequent fiscal years.

SEC. 7. Paragraph (15) of section 5316, title 5, United States Code, is amended by striking out "(6)" and inserting in lieu thereof "(7)".

SEC. 8. Section 6 of the National Aeronautics and Space Administration Authorization Act, 1968 (81 Stat. 170), is amended by striking out the words "the rate of $100" and inserting in lieu thereof the words "a rate not to exceed the per diem rate equivalent to the rate for GS–18".

SEC. 9. (a) The Congress hereby finds and declares that—

(1) for the economic progress of the United States and for national security, it is essential that the United States preserve its role as a world leader in aeronautics;

(2) the facilities for the solution of research, development, and evaluation problems in aeronautics which were constructed pursuant to the Unitary Wind Tunnel Plan Act of 1949 (63 Stat. 936) contributed significantly to past advances in aeronautics, but those facilities are no longer adequate to prove future aeronautical designs by preflight analyses; and

(3) there is an urgent need for this Nation to construct major new aeronautical test facilities and to upgrade and modernize existing aeronautical test facilities to test future aeronautical designs which will reduce fuel consumption and provide greater efficiency and safety.

(b) It is, therefore, the sense of the Congress that—

(1) the National Aeronautics and Space Administration should take all necessary and appropriate steps to expedite the construction of the national transonic facility, Langley Research Center, authorized under paragraph (12) of subsection 1(b) of this Act;

(2) as soon as practicable, but no later than the time of submission of the Budget of the United States Government, 1978, to the Congress, the National Aeronautics and Space Administration should submit a detailed project plan and budget estimates for the first increment of work necessary for the modification of the forty- by eighty-foot subsonic wind tunnel, Ames Research Center, as authorized under paragraph (4) of subsection 1(b) of Public Law 94–39; and

(3) the National Aeronautics and Space Administration, in conjunction with the Department of Defense and other agencies, as appropriate, should continue (A) to take effective steps to insure that all national aeronautical test facilities are available to industry in connection with the development of new civilian and military aircraft, and (B) to study and report to the Congress from time to time on the adequacy of national aeronautical test facilities to meet changes in national requirements and programs.

SEC. 10. (a) Section 102 of the National Aeronautics and Space Act of 1958 (42 U.S.C. 2451) is amended by redesignating subsection (d) as subsection (e), and by inserting immediately after subsection (c) the following new subsection:

"(d) The Congress declares that the general welfare of the United States requires that the unique competence in scientific and engineering systems of the National Aeronautics and Space Administration also shall be directed toward ground propulsion systems research and development."

(b) The subsection of section 102 of such Act redesignated as subsection (e) by subsection (a) of this section is amended by striking out "and (c)" and inserting in lieu thereof "(c), and (d)".

SEC. 11. Section 103 of the National Aeronautics and Space Act of 1958 (42 U.S.C. 2452) is amended by striking out "and" at the end of the paragraph (1), by striking out the period at the end of paragraph (2) and inserting in lieu thereof "; and", and by adding after paragraph (2) the following new paragraph:

"(3) the term 'ground propulsion system' means the engine, transmission, or drive, and associated controls, necessary to power automobiles, trucks, trains, buses, and selected light marine vehicles."

SEC. 12. This Act may be cited as the "National Aeronautics and Space Administration auhorization Act, 1977".

Mr. FUQUA (during the reading). Mr. Chairman, I ask unanimous consent that the bill be considered as read, printed in the RECORD, and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from Florida?

There was no objection.

The CHAIRMAN. Are there any amendments to the bill? If not, under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker pro tempore (Mr. MCFALL) having assumed the chair, Mr. MCKAY, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee having had under consideration the bill (H.R. 12453) to authorize appropriations to the National Aeronautics and Space Administration for research and development, construction of facilities, and research and program management, and for other purposes, pursuant to House Resolution 1094, he reported the bill back to the House.

The SPEAKER pro tempore. Under the rule, the previous question is ordered.

The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER pro tempore. The question is on the passage of the bill.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. WYDLER. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 330, nays 35, not voting 67, as follows:

[Roll No. 121]

YEAS—330

Abdnor
Adams
Alexander
Allen
Ambro
Anderson, Ill.
Andrews, N.C.
Annunzio
Archer
Ashbrook
Ashley
Aspin
Bafalis
Baldus
Baucus
Bauman
Beard, R.I.
Beard, Tenn.
Bennett
Bergland
Bingham
Blanchard
Blouin
Boland
Bonker
Brademas
Breaux
Breckinridge
Brinkley
Brodhead
Brooks
Broomfield
Brown, Calif.
Brown, Mich.
Brown, Ohio
Broyhill
Buchanan
Burgener
Burke, Fla.
Burke, Mass.
Burleson, Tex.
Burlison, Mo.
Burton, Phillip
Butler
Byron
Carney
Carter
Cederberg
Chappell
Chisholm
Clancy
Clausen, Don H.
Clawson, Del
Clay
Cleveland
Cochran
Cohen
Collins, Ill.
Conable
Conte
Corman
Cotter
Coughlin
D'Amours
Daniel, Dan
Daniel, R. W.
Daniels, N.J.
Danielson
Davis
Delaney
Dent
Derrick
Derwinski
Devine
Dickinson
Diggs
Dingell
Dodd
Downey, N.Y.
Downing, Va.
Drinan
Duncan, Tenn.
Edwards, Ala.
Edwards, Calif.
Eilberg
Emery
English
Erlenborn
Eshleman
Evans, Colo.
Evans, Ind.
Fary
Fascell
Fenwick
Fish
Fisher
Fithian
Flood
Flynt
Foley
Ford, Tenn.
Forsythe
Fountain
Fraser
Frenzel
Frey
Fuqua
Gaydos
Giaimo
Gibbons
Gilman
Ginn
Goldwater
Gonzalez
Goodling
Gradison
Grassley
Green
Gude
Hagedorn
Haley
Hall
Hamilton
Hammerschmidt
Hanley
Hannaford
Hansen
Harkin
Harris
Hawkins
Hays, Ohio
Hébert
Hechler, W. Va.
Heckler, Mass.
Hefner
Helstoski
Henderson
Hicks
Hightower
Hillis
Holt
Horton
Howard
Howe
Hubbard
Hungate
Hyde
Ichord
Jarman
Jeffords
Jenrette
Johnson, Calif.
Johnson, Colo.
Johnson, Pa.
Jones, Ala.
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Jordan
Karth
Kastenmeier
Kazen
Kelly
Kemp
Ketchum
Kindness
Koch
Krebs
Krueger
LaFalce
Lagomarsino
Leggett
Lent
Levitas
Litton
Lloyd, Calif.
Lloyd, Tenn.
Long, La.
Long, Md.
Lott
Lujan
Lundine
McClory
McCormack
McDade
McDonald
McEwen
McFall
McHugh
McKay
McKinney
Madden
Madigan
Mahon
Mann
Martin
Mathis
Matsunaga
Mazzoli
Melcher
Metcalfe
Mezvinsky
Milford
Miller, Calif.
Mills
Mineta
Mink
Mitchell, Md.
Mitchell, N.Y.
Moakley
Moffett
Mollohan
Montgomery
Moore

Moorhead, Calif.
Moorhead, Pa.
Morgan
Mosher
Moss
Mottl
Murphy, Ill.
Murphy, N.Y.
Murtha
Myers, Ind.
Myers, Pa.
Natcher
Neal
Nedzi
Nichols
Nowak
Oberstar
O'Brien
O'Neill
Ottinger
Passman
Patten, N.J.
Patterson, Calif.
Pattison, N.Y.
Perkins
Pettis
Pickle
Pike
Poage
Pressler
Preyer
Price
Pritchard
Quie
Railsback
Rangel
Rees
Regula
Reuss

Rhodes
Richmond
Rinaldo
Risenhoover
Roberts
Robinson
Roe
Rogers
Roncalio
Rooney
Rose
Rosenthal
Roush
Rousselot
Runnels
Ruppe
St Germain
Santini
Sarasin
Satterfield
Scheuer
Schneebeli
Schroeder
Schulze
Sebelius
Sharp
Shipley
Shriver
Sisk
Skubitz
Slack
Smith, Iowa
Smith, Nebr.
Snyder
Solarz
Spellman
Spence
Staggers
Stanton, J. William
Steed

Steiger, Ariz.
Stokes
Stratton
Sullivan
Talcott
Taylor, N.C.
Thompson
Thone
Thornton
Traxler
Treen
Tsongas
Ullman
Vander Jagt
Vander Veen
Vanik
Waggonner
Walsh
Wampler
Whalen
Whitehurst
Whitten
Wiggins
Wilson, C. H.
Wilson, Tex.
Winn
Wirth
Wolff
Wright
Wydler
Wylie
Yatron
Young, Alaska
Young, Fla.
Young, Ga.
Young, Tex.
Zablocki

NAYS—35

AuCoin
Bedell
Burton, John
Carr
Cornell
Crane
Dellums
Early
Edgar
Findley
Florio
Harrington

Holtzman
Hughes
Hutchinson
Jacobs
Keys
Latta
Lehman
Maguire
Meyner
Mikva
Miller, Ohio
Minish

Obey
Roybal
Russo
Ryan
Seiberling
Simon
Stark
Studds
Symms
Weaver
Yates

NOT VOTING—67

Abzug
Addabbo
Anderson, Calif.
Andrews, N. Dak.
Armstrong
Badillo
Barrett
Bell
Bevill
Biaggi
Biester
Boggs
Bolling
Bowen
Burke, Calif.
Collins, Tex.
Conlan
Conyers
de la Garza
Duncan, Oreg.
du Pont
Eckhardt

Esch
Evins, Tenn.
Flowers
Ford, Mich.
Guyer
Harsha
Hayes, Ind.
Heinz
Hinshaw
Holland
Kasten
Landrum
McCloskey
McCollister
Macdonald
Meeds
Michel
Nix
Nolan
O'Hara
Pepper
Peyser
Quillen
Randall

Riegle
Rodino
Rostenkowski
Sarbanes
Shuster
Sikes
Stanton, James V.
Steelman
Steiger, Wis.
Stephens
Stuckey
Symington
Taylor, Mo.
Teague
Udall
Van Deerlin
Vigorito
Waxman
White
Wilson, Bob
Zeferetti

The Clerk announced the following pairs:

On this vote:

Mr. Addabbo for, with Mr. Conyers against.
Mr. Zeferetti for, with Ms. Abzug against.

Until further notice:

Mr. Nix with Mr. Andrews of North Dakota.
Mr. Sikes with Mr. Heinz.
Mr. Rostenkowski with Mr. Guyer.
Mr. Rodino with Mr. Riegle.
Mrs. Boggs with Mr. Shuster.
Mr. Biaggi with Mr. Bell.
Mr. Badillo with Mr. Bob Wilson.
Mr. Macdonald of Massachusetts with Mr. Harsha.
Mr. Pepper with Mr. McCloskey.
Mr. Teague with Mr. du Pont
Mr. Barrett with Mr. Conlan.
Mr. Flowers with Mr. Esch.
Mr. Ford of Michigan with Mr. Quillen.
Mr. Hayes of Indiana with Mr. Michel.
Mr. Sarbanes with Mr. Randall.
Mr. Symington with Mr. Taylor of Missouri.
Mr. Waxman with Mr. Steiger of Wisconsin.
Mr. Vigorito with Mr. Kasten.
Mr. O'Hara with Mr. Landrum.
Mr. Meeds with Mr. McCollister.
Mrs. Burke of California with Mr. Biester.
Mr. Duncan of Oregon with Mr. Armstrong.
Mr. Anderson of California with Mr. Bowen.
Mr. Bevill with Mr. Collins of Texas.
Mr. Holland with Mr. de la Garza.
Mr. Nolan with Mr. Evins of Tennessee.
Mr. Udall with Mr. Eckhardt.
Mr. White with Mr. Stephens.
Mr. James V. Stanton with Mr. Steelman.
Mr. Van Deerlin with Mr. Peyser.

Mr. AuCOIN changed his vote from "yea" to "nay."

So the bill was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

MESSAGE FROM THE PRESIDENT

A further message in writing from the President of the United States was communicated to the House by Mr. Roddy, one of his secretaries.

PERMISSION TO FILE CONFERENCE REPORT ON H.R. 10624, REVISING CHAPTER IX OF THE BANKRUPTCY ACT

Mr. DRINAN. Mr. Speaker, I ask unanimous consent that the managers may have until midnight tonight to file the conference report on the bill (H.R. 10624) to revise chapter IX of the Bankruptcy Act.

The SPEAKER pro tempore (Mr. McFall). Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Conference Report (H. Rept. No. 94-938)

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 10624) to revise chapter IX of the Bankruptcy Act, having met, after full and free conference, have been unable to agree.

Don Edwards,
John Seiberling,
Robert F. Drinan,
Herman Badillo,
Christopher J. Dodd,
Caldwell Butler,
Thomas N. Kindness,
Managers on the Part of the House.
Quentin N. Burdick,
Philip A. Hart,
Jim Abourezk,
Roman L. Hruska,
Hiram L. Fong,
Managers on the Part of the Senate.

Joint Explanatory Statement of the Committee of Conference

The managers on the part of the House and the Senate at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 10624) to revise chapter IX of the Bankruptcy Act, report that the conferees have been unable to agree.

The House bill and the Senate amendments make access to the court of bankruptcy by a municipality that is unable to pay its debts as they mature virtually limitless. The managers have concluded that access to the court of bankruptcy should be limited, by requiring a distressed municipality to meet one of four conditions before it may petition a court of bankruptcy for relief. This requirement is discussed in the analysis of section 84, *infra*. However, addition of this provision is beyond the authority of the managers on the part of the House and the Senate, because it is not within and the Senate, because it is not within the scope of the matters committed to conference.

On all other matters, the managers on the part of the House and the Senate have agreed. The substance of the agreement is contained in a draft of House amendments to the Senate amendments, set forth in full below. The managers on the part of the House will offer a motion to agree to the amendments of the Senate with these amendments. The motion will be: That the House agrees to the amendments of the Senate to the bill (H.R. 10624) entitled "An Act to revise chapter IX of the Bankruptcy Act," with the following House amendments to Senate amendments:

In lieu of the matter proposed to be inserted by the Senate engrossed amendment to the text of the bill insert: That chapter IX of the Bankruptcy Act is amended to read as follows:

"CHAPTER IX

"ADJUSTMENT OF DEBTS OF POLITICAL SUBDIVISIONS AND PUBLIC AGENCIES AND INSTRUMENTALITIES

"Sec. 81. Chapter IX Definitions.—As used in this chapter the term—

"(1) 'claim' includes all claims of whatever character against the petitioner or the property of the petitioner, whether or not such claims are provable under section 63 of this Act and whether secured or unsecured, liquidated or unliquidated as to amount, fixed or contingent;

"(2) 'court' means court of bankruptcy in which the case is pending, or a judge of such court;

"(3) 'creditor' means holder (including the United States, a State, or political subdivision or public agency or instrumentality of a State) of a claim against the petitioner;

"(4) 'claim affected by the plan' means claim as to which the rights of its holder are proposed to be materially and adversely adjusted or modified by the plan;

"(5) 'debt' means claim allowable under section 88(a);

"(6) 'lien' means security interest in property, lien obtained on property by levy, sequestration, or other legal or equitable process, statutory or common law lien on property, or any other variety of charge against property to secure the performance of an obligation;

"(7) 'person' includes a corporation or a partnership, the United States, the several States, and political subdivisions and public agencies and instrumentalities of the several States;

"(8) 'petitioner' means agency, instrumentality, or subdivision which has filed a petition under this chapter;

"(9) 'plan' means plan filed under section 90;

"(10) 'special tax payer' means record owner or holder of title, legal or equitable, to real estate against which has been levied a special assessment or special tax the proceeds of which are the sole source of payment of obligations issued by the petitioner to defray the costs of local improvements; and

"(11) 'special tax payer affected by the plan' means special tax payer with respect to whose real estate the plan proposes to increase the proportion of special assessments or special taxes referred to in paragraph (10) of this section assessed against that real estate.

"Sec. 82. Jurisdiction and Powers of Court.—

"(a) Jurisdiction.—The court in which a petition is filed under this chapter shall exercise exclusive original jurisdiction for the adjustment of the petitioner's debts, and for the purposes of this chapter, shall have exclusive jurisdiction of the petitioner and its property, wherever located.

"(b) Powers.—After the filing of a petition under this chapter the court may—

"(1) permit the petitioner to reject executory contracts and unexpired leases of the petitioner, after hearing on notice to the parties to such contracts leases and to such other parties in interest as the court may designate;

"(2) during the pendency of a case under this chapter, or after the confirmation of the plan if the court has retained jurisdiction under section 96(e), after hearing on such notice as the court may prescribe and cause shown, permit the issuance of certificates of indebtedness for such consideration as is approved by the court, upon such terms and conditions, and with such security and priority in payment over existing obligations, secured or unsecured, and over costs and expenses of administration, not including operating expenses of the petitioner, as in the particular case may be equitable; and

"(3) exercise such other powers as are not inconsistent with the provisions of this chapter.

"(c) Limitation.—Unless the petitioner consents or the plan so provides, the court shall not, by any stay, order or decree, in the case or otherwise, interfere with—

"(1) any of the political or governmental powers of the petitioner;

"(2) any of the property or revenues of the petitioner; or

"(3) the petitioner's use or enjoyment of any income-producing property.

"(d) Designation of Judge.—After the filing of a petition, the chief judge of the court in the district in which the petition is filed shall immediately notify the chief judge of the circuit court of appeals of the circuit in which the district court is located, who shall designate the judge of the district court to conduct the proceedings under this chapter.

"Sec. 83. Reservation of State Power To Control Governmental Functions of Political Subdivisions.—Nothing contained in this chapter shall be construed to limit or impair the power of any State to control, by legislation or otherwise, any municipality or any political subdivision of or in such State in the exercise of its political or governmental powers, including expenditures therefor: *Provided, however,* That no State law prescribing a method of composition of indebtedness of such agencies shall be binding upon any creditor who does not consent to such composition, and no judgment shall be entered under such State law which would bind a creditor to such composition without his consent.

"Sec. 84. Eligibility for Relief.—Any State's political subdivision or public agency or instrumentality, which is generally authorized to file a petition under this chapter by the legislature, or by a governmental officer or organization empowered by State law to authorize the filing of a petition, is eligible for relief under this chapter if it is insolvent or unable to meet its debts as they mature, and desires to effect a plan to adjust its debts. An entity is not eligible for relief under this chapter unless—

"(1) it has successfully negotiated a plan of adjustment of its debts with creditors holding at least a majority in amount of the claims of each class which are claims affected by that plan;

"(2) it has negotiated in good faith with its creditors and has failed to obtain, with respect to a plan of adjustment of its debts, the agreement of creditors holding at least a majority in amount of the claims of each class which are claims affected by that plan;

"(3) such negotiation is impracticable; or

"(4) it has a reasonable fear that a creditor may attempt to obtain a preference.

"Sec. 85. Petition and Proceedings Relating to Petition.—

"(a) Petition.—An entity eligible under section 84 may file a petition for relief under this chapter. In the case of an unincorporated tax or special assessment district having no officials of its own, the petition may be filed by its governing authority or the board or body having authority to levy taxes or assessments to meet the obligations of the district. Any party in interest may file an answer to the petition with the court, not later than 15 days after the publication of notice required by subsection (d) is completed, objecting to the filing of the petition. Upon the filing of such an answer, the court may dismiss the petition after hearing on notice if the petitioner did not file the petition in good faith, or if the petition does not meet the requirements of this chapter. The court shall not, on account of an appeal from a finding of jurisdiction, delay any proceeding under this chapter in the case in which the appeal is being taken; nor shall any court order a stay of such proceeding pending such appeal. The reversal on appeal of a finding of jurisdiction shall not affect the validity of any certificate of indebtedness authorized by the court and issued in such case.

"(b) List.—The petitioner shall file with the court a list of the petitioner's creditors, insofar as practicable. The list shall include for each known creditor, to the extent practicable, the name of the creditor, the address of the creditor so far as known to the petitioner, and a description of any claim of the creditor, showing the amount and character of the claim, the nature of any security for the claim, and whether the claim is disputed, contingent or unliquidated as to amount. If an identification of any of the petitioner's creditors is impracticable, the petitioner shall state the reason such identification is impracticable and the character of the claims of the creditors involved. The petitioner shall supplement the list as creditors who were unknown or unidentified at the time the list was filed become known or identified to the petitioner. If the list is not filed with the petition, the petitioner shall file the list at such later time as the court, upon its own motion or upon application of the petitioner, sets.

"(c) Venue and fees.—The petition and any accompanying papers, together with a filing fee of $100, shall be filed with a court in a district in which the petitioner is located.

"(d) Notice.—The petitioner or such other person as the court designates shall give notice of the filing or dismissal of the petition to the State in which the petitioner is located, to the Securities and Exchange Commission, and to creditors included in the list of creditors required by subsection (b) or in any supplement to that list. The notice shall also state that a creditor who files with the court a request, setting forth that creditor's name and address and the nature and amount of that creditor's claim, shall be given notice of any other matter in which that creditor has a direct and substantial interest. The notice required by the first sentence of this subsection shall be published at least once a week for three successive weeks in at least one newspaper of general circulation published within the jurisdiction of the court, and in such other papers having a general circulation among bond dealers and bondholders as may be designated by the court. The court may require that it be published in such other publication as the court deems proper. The court shall require that a copy of the notice required by the first sentence of this subsection be mailed, postage prepaid, to each creditor named in the list required by subsection (b) at the address of such creditor given in the list, or, if no address is given in the list for a creditor and the address of such creditor cannot with reasonable diligence be ascertained, then a copy of the notice may, if the court so determines, be mailed, postage prepaid, to such creditor addressed as the court may prescribe. All expense of giving notice required by this subsection shall be paid by the petitioner, unless the court for good cause determines that the cost of notice in a particular instance should be borne by another party. The notice shall be first published as soon as practicable after the filing of the petition, and the mailing of copies of the notice shall be completed as soon as practicable after the filing of the list required by subsection (b).

(e) Stay of enforcement of claims against petitioner.—

"(1) Effect of filing a petiton.—A petition filed under this chapter shall operate as a stay of the commencement or the continuation of any judicial or other proceeding against the petitioner, its property, or an officer or inhabitant of the petitioner, which seeks to enforce any claim against the petitioner, or of an act or the commencement or continuation of a judicial or other proceeding which seeks to enforce a lien upon the property of the petitioner or a lien on or arising out of taxes or assessments due the petitioner, and shall operate as a stay of the enforcement of any set-off or counterclaim relating to a contract, debt, or obligation of the petitioner.

"(2) Duration of automatic stay.—Except as it may be terminated, annulled, modified, or conditioned by the court under the terms of this subsection, the stay provided for in this subsection shall continue until the case is closed or dismissed, or the property subject to the lien is, with the approval of the court, abandoned or transferred.

"(3) Relief from automatic stay.—Upon the filing of a complaint seeking relief from a stay provided for by this section, the court shall set a hearing for the earliest possible date. The court may, for cause shown, terminate, annul, modify, or condition such stay.

"(4) Other stays.—The commencement or continuation of any other act or proceeding may be stayed, restrained, or enjoined by the court, upon notice to each person against whom such order would apply, and for cause shown. The court may issue an order under this paragraph without requiring the petitioner to give security as a condition to that order.

"(f) Unenforceability of certain contractual provisions.—A provision in a contract or lease, or in any law applicable to such a contract or lease, which terminates or modifies, or permits a party other than the petitioner to terminate or modify, the contract or lease because of the insolvency of the petitioner or the commencement of a case under this chapter is not enforceable if any defaults in prior performance of the petitioner are cured and adequate assurance of future performance is provided.

"(g) Recovery of set-off.—Any set-off which relates to a contract, debt, or obligation of the petitioner and which set-off was effected within four months prior to the filing of the petition, is voidable and recoverable by the petitioner after hearing on notice. The court may require as a condition to recovery that the petitioner furnish adequate protection for the realization by the person against whom or which recovery is sought of the claim which arises by reason of the recovery.

"(h) Avoiding powers.—Sections 60a, 60c, 67a, 67d, 70c, 70e(1), and 70e(2), and the first three sentences of section 60b shall apply in cases under this chapter as though the petitioner were the bankrupt, debtor, or trustee. If the petitioner refuses to pursue a cause of action under a section or sentence made applicable to this chapter by this subsection, the court may, upon the application of any creditor, appoint a trustee to pursue such cause of action.

"SEC. 86. REPRESENTATION OF CREDITORS.—

"(a) REPRESENTATION AND DISCLOSURE.—Any creditor may act in that creditor's own behalf or by an attorney or a duly authorized agent or committee. Every person, not including governmental entities, representing more than one creditor shall file with the court a list of the creditors represented by such person, giving the name and address of each such creditor, together with a statement of the amount, class, and character of the claim held by that creditor, and shall attach to the list a copy of the instrument signed by the holder of such claim showing such person's authority, and shall file with the list a copy of the contract or agreement entered into between such person and the creditors represented by that person. Such person shall disclose all compensation incident to the case, received or to be received, directly or indirectly, by that person. That compensation shall be subject to modification and approval by the court.

"(b) MULTIPLE COMPENSATION.—The court shall examine all of the contracts, proposals, acceptances, deposit agreements, and all other papers relating to the plan, specifically for the purpose of ascertaining if any person, not including governmental entities, promoting the plan, or doing anything of such a nature, has been or is to be compensated, directly or indirectly, by both the petitioner and any of its creditors, and shall take evidence under oath to determine whether any such compensation has occurred or is to occur. After such examination the court shall make an adjudication of this issue, and if it be found that any such compensation has occurred or is to occur, the court shall dismiss the petition and tax all of the costs against the person promoting the plan or doing anything of such a nature and receiving such multiple compensation, or against the petitioner, unless such plan is modified, within the time to be allowed by the court, so as to eliminate the possibility of such compensation, in which event the court may proceed to further consideration of the confirmation of the plan.

"SEC. 87. REFERENCE, EXPENSES, AND JOINT ADMINISTRATION.—

"(a) REFERENCE.—The court may refer any special issue of fact to a referee in bankruptcy for consideration, the taking of testimony, and a report upon such special issue of fact, if the court finds that the condition of its docket is such that it cannot take such testimony without unduly delaying the dispatch of other business pending in the court, and if it appears that such special issue is necessary to the determination of the case. A reference to a referee in bankruptcy shall be the exception and not the rule. The court shall not make a general reference of the case, but may only request findings of specific facts.

"(b) EXPENSES.—The court may allow reasonable compensation for the actual and necessary expenses incurred in connection with the case, including compensation for services rendered and expenses incurred in obtaining the deposit of securities and the preparation of the plan, whether such work has been done by the petitioner or by a representative of creditors, and may allow reasonable compensation for an attorney or agent of any of them. No fee, compensation, reimbursement, or other allowances for an attorney, agent, or representative of creditors shall be assessed against the petitoner or paid from any revenues, property, or funds of the petitioner except in the manner and in such sums, if any, as may be provided for in the plan. An appeal may be taken from any order allowing compensation to the United States court of appeals for the circuit in which the case under this chapter is pending, independently of any other appeal which may be taken in the case. The court of appeals shall hear and determine such appeal summarily.

"(c) JOINT ADMINISTRATION.—If two or more petitions by related entities are pending in the same court, the court may order joint administration of the cases.

"SEC. 88. CLAIMS.—

"(a) ALLOWANCE OF CLAIMS.—In the absence of an objection by a party in interest, or of a filing of a proof of claim, the claim of a creditor that is not disputed, contingent, or unliquidated as to amount, and that appears in the list or in a supplement to the list filed by the petitioner under section 85(b) shall be deemed allowed. The court may set a date by which proofs of other claims shall be filed. If the court does not set a date, such proofs of other claims shall be filed before the entry of an order confirming the plan. Within thirty days after the filing by the petitioner of the list or any supplement to the list under section 85(b), the court shall give written notice to each person whose claim is listed as disputed, contingent, or unliquidated as to amount, informing each such person that a proof of claim must be filed with the court within the time fixed under this subsection. If there is no objection to such claim, the claim shall be deemed allowed. If there is an objection, the court shall hear and determine the objection.

"(b) CLASSIFICATION OF CREDITORS.—The court shall designate classes of creditors whose claims are of substantially similar character and the members of which enjoy substantially similar rights, consistent with the provisions of section 89, except that the court may create a separate class of creditors having unsecured claims of less than $250 for reasons of administrative convenience. If there is a controversy over the classification of a creditor, the court shall, after hearing on notice, summarily determine such controversy.

"(c) DAMAGES UPON REJECTION OF EXECUTORY CONTRACTS.—If an executory contract or an unexpired lease is rejected under the plan or under section 82(b), any person injured by such rejection may assert a claim against the petitioner. The rejection of an executory contract or unexpired lease constitutes a breach of the contract or lease as of the date of the commencement of the case under this chapter. The claim of a landlord for injury resulting from the rejection of an unexpired lease of real estate or for damages or indemnity under a convenant contained in such lease shall be allowed, but shall be limited to an amount not to exceed the rent, without acceleration, reserved by such lease for the year next succeeding the date of the surrender of the premises to the landlord or the date of reentry of the landlord, whichever first occurs, whether before or after the filing of the petition, plus unpaid accrued rent, without acceleration, up to the date of such surrender or reentry. The court shall scrutinize the circumstances of an assignment of a future rent claim and the amount of the consideration paid for such assignment in determining the amount of damages allowed the assignee of that claim.

"SEC. 89. PRIORITIES.—The following shall be paid in full in advance of any distribution to creditors under the plan, in the following order:

"(1) The costs and expenses of administration which are incurred subsequent to the filing of a petition under this chapter.

"(2) Debts owed for services or materials actually provided within three months before the date of the filing of the petition under this chapter.

"(3) Debts owing to any person, which by the laws of the United States (other than this Act) are entitled to priority.

"SEC. 90. FILING AND TRANSMISSION OF PLAN AND MODIFICATIONS.—

"(a) FILING.—The petitioner shall file a plan for the adjustment of the petitioner's debts. If such plan is not filed with the petition, the petitioner shall file the plan at such later time as the court, upon its own motion or upon application of the petitioner, sets. At any time prior to the confirmation of a plan, the petitioner, or any creditor, if the petitioner has consented in writing to the modification to be filed by the creditor, may file a modification of the plan; but the modification shall comply with the provisions of this chapter.

"(b) TRANSMISSION OF PLAN AND MODIFICATIONS.—As soon as practicable after the plan or any modification of the plan has been filed, the court shall set a time, which shall be ninety days from the filing of the plan or any modification of the plan, unless the court, for good cause, sets some other time, within which creditors may accept or reject the plan and any modification of the plan. The petitioner or such other person as the court designates shall transmit by mail a copy of such plan or modification, or a summary and any analysis of such plan or modification, a notice of the time within which the plan or modification may be accepted or rejected, and a notice of the right to receive a copy, if it has not been sent, of such plan or modification, to each creditor whose claim is affected by the plan, to each special tax payer affected by the plan, and to any party in interest that the court designates. Upon request by a recipient of such summary and notice, the petitioner or such other person as the court designates shall transmit by mail a copy of the plan or modification to that recipient. The court shall, after hearing on notice, determine any controversy as to whether a claim of a creditor or class of creditors is a claim affected by the plan and as to whether a special tax payer is a special tax payer affected by the plan.

"SEC. 91. PROVISIONS OF PLAN.—A petitioner's plan may include provisions modifying or altering the rights of creditors generally, or of any class of them, secured or unsecured, either through issuance of new securities of any character, or otherwise, and may contain such other provisions and agreements not inconsistent with this chapter as the parties may desire, including provisions for the rejection of any executory contract or unexpired lease.

"SEC. 92. ACCEPTANCE.—

"(a) WHO MAY ACCEPT OR REJECT.—Unless a claim of a creditor who is included in the list or in a supplement to the list filed under section 85(b) or who files a proof of claim and whose claim is not then disputed, contingent, or unliquidated as to amount, or of a security holder of record as of the date of the transmittal of information under section 90(b), has been disallowed or is not a claim affected by the plan, that creditor or security holder may accept or reject the plan and any modification of the plan within the time set by the court. Notwithstanding an objection to a claim, the court may temporarily allow such claim in such amount as the court deems proper for the purpose of acceptance or rejection under this section.

"(b) GENERAL RULE.—Except as provided in subsection (d), the plan may be confirmed only if it has been accepted in writing by or on behalf of creditors holding at least two-thirds in amount of the claims of each class allowed under section 88 and more than 50 percent in number of the claims of each class allowed under section 88.

"(c) COMPUTING ACCEPTANCE.—The two-thirds majority required by subsection (b) is two-thirds in amount of the claims allowed under section 88 of creditors who file an acceptance or rejection within the time fixed by the court, but not including claims held or controlled by the petitioner, or claims of creditors specified in subsection (d). The more than 50 percent required by subsection (b) is more than 50 percent in number of the claims allowed under section 88 of creditors who file an acceptance or rejection within the time fixed by the court, but not including claims held or controlled by the petitioner, or claims of creditors specified in subsection (d).

"(d) Exception.—It is not requisite to the confirmation of the plan that there be such acceptance by any creditor or class of creditors—

"(1) whose claims are not affected by the plan;

"(2) if the plan makes provision for the payment of their claims in cash in full; or

"(3) if provision is made in the plan for the protection of the interests, claims, or lien of such creditor or class of creditors.

"(e) Acceptance of modification.—If the court finds that a proposed modification does not materially and adversely affect the interest of a creditor, the modification shall be deemed accepted by that creditor if that creditor has previously accepted the plan. If the court determines that a modification does materially and adversely affect the interest of a creditor, that creditor shall be given notice of the proposed modification and the time allowed for its acceptance or rejection. The number of acceptances of the plan as modified required by subsection (b) shall be obtained. The plan as modified shall be deemed to have been accepted by any creditor who accepted the plan and who fails to file a written rejection of the modification with the court within such reasonable time as shall be allowed in the notice to that creditor of the proposed modification.

"Sec. 93. Objection to Plan.—A creditor who holds a claim affected by the plan or a special tax payer affected by the plan may file with the court on objection to the confirmation of the plan. The Securities and Exchange Commission may also file with the court an objection to the confirmation of the plan, but in the case of an objection filed under this section, the Securities and Exchange Commission may not appeal or file any petition for appeal. An objection to the confirmation of the plan may be filed with the court any time prior to ten days before the hearing on the confirmation of the plan, or within such other time set by the court.

"Sec. 94. Confirmation.—

"(a) Hearing on confirmation.— Within a reasonable time after the expiration of the time set by the court within which the plan and any modifications of the plan may be accepted or rejected, the court shall hold a hearing on the confirmation of the plan and any modifications of the plan. The court shall give notice of the hearing and of the time allowed for filing objections to all parties entitled to object under section 93. The court may, for cause shown, permit a labor union or employees' association, that represents employees of the petitioner, to be heard on the economic soundness of the plan affecting the interests of the represented employees.

"(b) Conditions for confirmation.—The court shall confirm the plan if—

"(1) the plan is fair and equitable and feasible and does not discriminate unfairly in favor of any creditor or class of creditors;

"(2) the plan complies with the provisions of this chapter;

"(3) the plan has been accepted as required by section 92;

"(4) all amounts to be paid by the petitioner or by any person, not including other governmental entities, for services and expenses in the case or incident to the plan have been fully disclosed and are reasonable;

"(5) the offer of the plan and its acceptance are in good faith; and

"(6) the petitioner is not prohibited by law from taking any action necessary to be taken by it to carry out the plan.

"Sec. 95. Effect of Confirmation.—

"(a) Provision of plan binding.—The provisions of a confirmed plan shall be binding on the petitioner and on any creditor who had timely notice or actual knowledge of the petition or plan, whether or not such creditor's claim has been allowed under section 88, and whether or not such creditor has accepted the plan.

"(b) Discharge.—

"(1) The petitioner is discharged from all claims against it provided for in the plan except as provided in paragraph (2) of this subsection as of the time when—

"(A) the plan has been confirmed;

"(B) the petitioner has deposited the money, securities, or other consideration to be distributed under the plan with a disbursing agent appointed by the court; and

"(C) the court has determined—

"(i) that any security so deposited will constitute upon distribution a valid legal obligation of the petitioner; and

"(ii) that any provision made to pay or secure payment of such obligation is valid.

"(2) The petitioner is not discharged under paragraph (1) of this subsection from any claim—

"(A) excepted from discharge by the plan or order confirming the plan; or

"(B) whose holder, prior to confirmation, had neither timely notice nor actual knowledge of neither the petition nor the plan.

"Sec. 96. Postconfirmation Matters.—

"(a) Time allowed for deposit under the plan.—Prior to or promptly after confirmation of the plan, the court shall fix a time within which the petitioner shall deposit with the disbursing agent appointed by the court any consideration to be distributed under the plan.

"(b) Duties of petitioner.—The petitioner shall comply with the plan and the orders of the court relative to the plan, and shall take all actions necessary to carry out the plan. The court may direct the petitioner and other necessary parties to execute and deliver or to join in the execution and delivery of any instrument required to effect a transfer of property under the plan and to perform such other acts including the satisfaction of a lien, as the court determines to be made at the date the order confirming the plan.

"(c) Distribution.—Distribution shall be made in accordance with the provisions of the plan to creditors whose claims have been allowed under section 88. Distribution may be made at the date the order confirming the plan becomes final to holders of securities of record whose claims have not been disallowed.

"(d) Compliance date.—When a plan requires presentment or surrender of securities or the performance of any other section as a condition to participation under the plan, such action shall be taken not later than five years after the entry of the order of confirmation. A person who has not within such time presented or surrendered that person's securities or taken such other action required by the plan shall not participate in any distribution under the plan, and the consideration deposited with the disbursing agent for distribution to such person shall become the property of the petitioner.

"(e) Continuing jurisdiction.—The court may retain jurisdiction over the case for such period of time as the court determines is necessary for the successful execution of the plan.

"(f) Order or decree as evidence and notice.—A certified copy of any order or decree entered by the court in a case under this chapter shall be evidence of the jurisdiction of the court, the regularity of the proceedings, and the fact that the order was made. A certified copy of an order providing for the transfer of any property dealt with by the plan shall be evidence of the transfer of title accordingly, and, if recorded as conveyances are recorded, shall impart the same notice that a deed, if recorded, would impart.

"Sec. 97. Effect of Exchange of Debt Securities Before Date of the Petition.—The exchange of new debt securities under the plan for claims covered by the plan, whether the exchange occurred before or after the date of the petition, does not limit or impair the effectiveness of the plan or of any provision of this chapter. The written consents of the holders of any securities outstanding as the result of any such exchange under the plan shall be included as acceptances of such plan in computing the acceptance required under section 92.

"Sec. 98. Dismissal.—

"(a) Permissive dismissal.—The court may dismiss the case after hearing on notice—

"(1) for want of prosecution:

"(2) if no plan is proposed within the time fixed or extended by the court;

"(3) if no proposed plan is accepted within the time fixed or extended by the court; or

"(4) where the court has retained jurisdiction after confirmation of a plan—

"(A) if the petitioner defaults in any of the terms of the plan; or

"(B) if a plan terminates by reason of the happening of a condition specified therein.

"(b) Mandatory dismissal.—The court shall dismiss the case if confirmation is refused.".

Sec. 2. Separability.—If any provision of this chapter or the application thereof to any agency, instrumentality, or subdivision is held invalid, the remainder of the chapter, or the application of such provision to any other agency or instrumentality or political subdivision shall not be affected by such holding.

Sec. 3. If the amendment made by this Act is judicially finally determined to be unconstitutional then chapter IX of the Bankruptcy Act, as such chapter IX existed on the day before the date of enactment of this Act, is revived and shall have full force and effect with respect to cases filed after such determination.

In lieu of the amendment to the title contained in the Senate engrossed amendment insert:

Amend the title so as to read "An Act to amend chapter IX of the Bankruptcy Act to provide by voluntary reorganization procedures for the adjustment of the debts of municipalities.".

DESCRIPTION OF THE PROPOSED AMENDMENTS TO THE SENATE AMENDMENTS

The first proposed amendment amends the text of the bill. The second proposed amendment accepts the third Senate amendment, which amended the title of the bill, with an amendment to conform it to the amendment proposed by the first House amendment. There is no amendment to the second Senate amendment, which inserted a preamble after the title of the bill, because the Managers on the part of the House propose to recede from the House's disagreement with the Senate on the preamble.

DISCUSSION OF FIRST PROPOSED HOUSE AMENDMENT TO THE SENATE AMENDMENTS

The first Senate amendment struck out all after the enacting clause of the bill, H.R. 10624, and inserted in lieu thereof the text of a Senate bill, S. 2597, as amended. This first proposed amendment adopts this Senate amendment with an amendment. The amendment is the proposed text of a compromise bill, set out above. What follows is a section-by-section analysis of the proposed text.

Preamble

The Senate amendment contained a preamble. The House bill had no comparable provision. The proposed text adopts the Senate language.

Chapter

The House bill amended current Chapter IX of the Bankruptcy Act. The Senate amendment added a new Chapter XVI to the Bankruptcy Act. The proposed text adopts the House version.

Section 81

The Senate amendment defined "attorney," S. § 802(1).[1] The House bill did not define the term. The proposed text adopts the House position.

Paragraph (1) defines what claims are included in a chapter IX case. The House bill defined "claim" in general terms, H.R. § 81 (1)[2]; H. Rep. 15.[3] The Senate amendment defined "claim" by enumeration of examples of claims. S. § 802(2). The proposed text adopts the House language.

Because of the broad definition, all claims against the petitioner generally will be included, with one significant exception. Municipalities are authorized, under section 103 (c) of the Internal Revenue Code of 1954, as amended, to issue tax-exempt industrial development revenue bonds to provide for the financing of certain projects for privately owned companies. The bonds are sold on the basis of the credit of the company on whose behalf they are issued, and the principal, interest and premium, if any, are payable solely from payments made by the company to the trustee under the bond indenture and do not constitute claims against the tax revenues or other funds of the issuing municipalities. The municipality merely acts as the vehicle to enable the bonds to be issued on a tax-exempt basis. It is not the intent of the Committee of Conference to include these industrial development bonds in a chapter IX case. Claims that arise by virtue of these bonds are not among the claims defined by this paragraph and amounts owed by private companies to the holders of industrial development revenue bonds are not to be included among the assets of the municipality that would be affected by the plan. See Cong. Record, 94th Cong., 1st Sess. page 40464 (Statement by Mr. Don Edwards, Floor Manager of the bill in the House).

The House bill defined "debt". H.R. § 81 (5); H. Rep. 16. The Senate amendment did not define the term. The proposed text adopts the House language.

The Senate amendment defined "lien" in sweeping terms designed to cover all types of liens and security interests. S. § 802(5). The House bill did not define the term. The proposed text adopts the Senate definition.

The House bill did not define "person". The Senate amendment defined "person" to include governmental entities. S. § 802 (7). The proposed text adopts the Senate definition.

The House bill defined "petitioner". H.R. § 81(6); H. Rep. 16. The Senate amendment did not define the term. The proposed text adopts the House language.

The House bill defined "special taxpayer affected by the plan". H.R. § 81(8), (9); H. Rep. 16. The Senate amendment did not define the term. S. § 809(b). The proposed text adopts the House language.

Section 82

The House bill allowed certificates of indebtedness such priority over existing obligations as was equitable. H.R. § 82(b) (2); H. Rep. 17. The Senate amendment allowed such priority over existing obligations, and "other expenses of administration" as the court approved. S. § 811; S. Rept. 19.[4] The proposed text allows such priority over existing obligations and over costs and expenses of administration, not including operating expenses of the petitioner, as is equitable.

The Senate amendment permitted the court to enforce the conditions attached to certificates of indebtedness, notwithstanding the limitation on the court's power prohibiting it from interfering with municipal powers in § 82(c); S. § 805(g); S. Rep. 17. The House bill had no comparable provision. The proposed text adopts the House version. The deletion of this provision from the Senate amendment is not meant to remove from the court of bankruptcy the jurisdiction or power to hear and decide disputes over noncompliance with certificates of indebtedness. Rather, because certificates are generally issued as short-term obligations, payable before or at confirmation of the plan, because the court is given exclusive personal jurisdiction over the petitioner for the purposes of this chapter under subsection (a), and because all judicial proceedings in other courts are stayed under section 85(e) (1), it is contemplated that the court of bankruptcy will be the only forum in which such disputes are determined.

The House bill vitiated the limitation on the court's power when the petitioner consented to a court action. H.R. § 82(c); H. Rep. 18. The Senate amendment contained no comparable provision. The proposed text adopts the House version.

The House bill prohibited any "order or decree" of the court from interfering with the petitioner's governmental powers. H.R. § 82(c); H. Rep. 18. The Senate amendment prohibited any "stay, order or decree" from so interfering. S. § 805(g). The proposed text adopts the Senate version as a clarification that the limitation on the court's power includes a limitation on the automatic stay of section 85(e) (1), which is not imposed by a court "order or decree".

The House bill prohibited court interference with "property of the petitioner". H.R. § 82(c) (2); H. Rept. 18–19. The Senate amendment prohibited court interference with "property of the petitioner necessary for essential governmental services". S. § 805(g). The proposed text adopts the House version.

The House bill prohibits court interference with any "income producing property". H.R. § 82(c); H. Rep. 18–19. The Senate amendment prohibits court interference with "the petitioner's use or enjoyment of any income producing property". S. § 805(g). The proposed text adopts the Senate version. See H. Rep. 18–19.

Section 83

The House bill deleted the proviso in current § 83(i) that prohibits state composition procedures. H.R. § 83; H. Rep. 2, 19. The Senate amendment retained the proviso. S. § 801 (d); S. Rep. 15. The proposed text adopts the Senate version.

Section 84

This section defines which entities are eligible for relief under this chapter. The House bill included a "political subdivision or public agency or instrumentality". H.R. § 84; H. Rep. 20. The Senate amendment included the same terms, plus "municipality". S. § 803 (a); S. Rep. 16. The proposed text adopts the House version.

The House bill required only that an entity not be "prohibited by state law from filing a petition under this chapter". H.R. § 84; H. Rep. 20. The Senate amendment required that the entity be "specifically authorized to file by the chief executive, the legislature or such other governmental officer or organization empowered under State law to authorize filing". S. § 803(a); S. Rep. 16. The proposed text requires general authorization by the legislature, or by a governmental officer (which includes the chief executive) or governmental organization (such as a Municipal Finance Commission) empowered by State law to authorize filing.

The House bill assumed the possibility of a filing by an entity subordinate to one already in a Chapter IX case. H.R. § 84, 85(a), 87(c); H. Rep. 20, 25–26. The Senate amendment made this explicit. S. § 803(b). The proposed text adopts the House version, because of the elimination from both bills of any restriction on the size of the entity that is eligible for relief under this chapter.

An additional eligibility requirement is inserted in the proposed text. It requires that the petitioner meet one of four conditions before it may seek relief under the chapter. The purpose of the provision is to limit accessibility to the bankruptcy court somewhat, as does current law, without making the accessibility requirement so stringent as to preclude relief in a situation in which the petitioner is confronted with stubborn or overly hasty creditors, or creditors whose identities are unknown because of the existence of a large number of bonds in bearer form.

Section 85

The House bill gave the governing body of an entity with no officials of its own the power to file a petition under this chapter. H.R. § 85(a); H. Rep. 20. The Senate amendment made no comparable provision. The proposed text adopts the House provision.

The House bill allowed 15 days from the completion of the publication of notice for filing a complaint objecting to the petition. H.R. § 85(a); H. Rep. 20–21. The Senate amendment allowed 30 days from the filing of the petition. S. § 806(a); S. Rep. 18. The proposed text adopts the House provision.

The House bill required the court to hear any objections to the petition in a single proceeding to the extent practicable. H.R. § 85(a); H. Rep. 21. The Senate amendment contained no similar requirement. The proposed text adopts the Senate version.

The Senate amendment allowed dismissal of the petition if it did not meet the provisions of the chapter, or if the petitioner did not file the petition in good faith. S. § 806 (1); S. Rep. 18. The House bill had no comparable provision. H.R. § 84; H. Rep. 20. The proposed text adopts the Senate language.

The Senate amendment prohibited interlocutory appeals from a finding of jurisdiction, in order to prevent delay in the proceedings and increase the marketability of certificates of indebtedness. The House bill had no comparable provision. S. § 806(c); S. Rep. 18. The proposed text includes compromise language designed to achieve the same result. It prohibits any delay of the proceedings because of an appeal from a finding of jurisdiction, and any stay pending such an appeal. It also specifies, in an attempt to codify the result currently achieved in chapter X, that the reversal on appeal of a finding of jurisdiction shall not, in and of itself, affect the validity of any certificate of indebtedness.

Subsection (b) describes the requirements of the list of creditors. The House bill required a list of all of the petitioner's creditors. H.R. § 85(b); H. Rep. 21. The Senate amendment required a list of only those creditors who would be affected by the plan; S. § 804(a); S. Rep. 17; and added the requirement that the list of creditors contain the name, address, and character of the claim of each creditor; S. § 809(a). The proposed text adopts the House position plus the Senate addition, but eliminates the requirement in the House bill that the petitioner state in the petition the reason an identification of a creditor is impracticable.

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[1] This citation, and all others beginning "S." are for the sections of the Senate amendment to the text of the House bill.

[2] This citation, and all others beginning "H.R." are to the sections of the House bill.

[3] This citation, and all others beginning "H. Rep." are to the committee report that accompanied the House bill, H. Rep. 94–686, 94th Cong., 1st sess. (1975).

[4] This citation, and all others beginning "S. Rep." are to the committee report that accompanied the Senate bill, S. 2597, whose text became the text of the Senate amendment to the text of the House bill. S. Rep. 94–458, 94th Cong., 1st sess. (1975).

The Senate amendment also required that the list of creditors contain the character of the claims of unidentified creditors; S. § 809 (a); and required that the list of creditors be supplemented as the petitioner became able to identify previously unidentified creditors. S. § 809(a); S. Rep. 19. The House bill contained no similar requirement. H. Rep. 21. The proposed text adopts the Senate language, in order to accommodate the identification of holders of bearer bonds.

The House bill made the list and notice requirements mandatory, H.R. § 81(8), (9), 85(b), (d), 90(b); H. Rep. 21, 22, 29. The Senate amendment permitted the court to modify these requirements. So § 809(c); S. Rep. 19. The proposed text adopts the House version.

The House bill required the court to give all notices. H.R. § 85(d); H. Rep. 22. The Senate amendment required the petitioner, or such other person as the court designated, to give notice. S. § 807(a); S. Rep. 18. The proposed text adopts the Senate language.

The Senate amendment required mailing of notice to creditors who were identified after the initial mailing of notice. S. § 807(a). The House bill had no comparable provision. The proposed text adopts the Senate version.

Subsection (e) grants an automatic stay of actions seeking to enforce claims. The House bill stayed "a proceeding against the petitioner, its property or any officer or inhabitant of the petitioner, which seeks to enforce any claim against the petitioner." H.R. § 85(e)(1); H. Rep. 22–23. The Senate amendment stayed a "proceeding against the petitioner, its property or any officer or inhabitant of the petitioner, or which seeks to enforce any claim against the petitioner"; S. § 805(a); S. Rep. 17; or which seeks to enforce a lien on taxes or assessments; *id.* The proposed text adopts the House provision for the first portion, but adds and amplifies the second portion on taxes.

The House bill and the Senate amendment required a hearing on a complaint seeking relief from the automatic stay. H.R. § 85(e) (3); H. Rep. 23. S. § 805(d). Only the Senate amendment required the hearing at the earliest possible date. S. § 805(d). The proposed text adopts the Senate provision.

Subsection (e) also specifies conditions to additional stays. The House bill prohibited the court from requiring the petitioner to post security as a condition to an additional stay. H.R. § 85(e)(4); H. Rep. 23. The Senate amendment made security discretionary with the court. S. § 805(e); S. Rep. 17. The proposed text adopts the Senate version.

Subsection (g) allows recovery of set-offs effected before the filing of the petition. The House bill made set-offs within four months of the petition recoverable. H.R. § 85(g); H. Rep. 2. The Senate amendment set the time at three months. S. § 805(b)(2); S. Rep. 17. The proposed text adopts the House provision.

This subsection also specifies the protection the court may require the petitioner to furnish as a condition to recovery of a set-off. The House bill allowed "protection for the realization by the person against whom recovery is sought of the claim which arises by reason of the recovery". H.R. § 85(g); H. Rep. 3. The Senate amendment allowed "such protection as will adequately protect the person who is asserting the right of set-off". S. §805 (b)(2). The proposed text adopts the House version.

Subsection (h) makes some of the avoiding powers of the Bankruptcy Act available in Chapter IX. The Senate amendment made applicable sections 60a, 60b, 60c, 67, 70c, and 70e. S. § 801(e); S. Rep. 16. The House bill contained no comparable provision. The proposed text makes only sections 60a, 60c, 67a, 67d, 70c, 70e(1), and 70e(2), and the first three sentences of section 60b apply. The exclusion of only the last sentence of section 60b and of section 70(e)(3) is meant to confer exclusive jurisdiction of actions under the applicable sections on the federal district courts, and to withdraw concurrent jurisdiction from the State courts. These sections apply as though the petitioner were the trustee, debtor or bankrupt, thus transferring the avoiding powers to the petitioner itself, without the need for the appointment of an independent trustee. However, if the petitioner refuses to pursue a cause of action based on those sections, this section permits the court, on the application of a creditor, to appoint a trustee to pursue the cause of action. The trustee is given no other powers. The definition of person in section 81(7) is not intended to enlarge the scope of the avoiding powers when applied in Chapter IX. The definition of person found in section 1(23) of the Bankruptcy Act continues to be the proper definition in the construction of those sections when applied in this chapter.

Section 87

Subsection (a) allows special reference of certain matters. The House bill allowed reference only to a referee in bankruptcy. H.R. § 87(a); H. Rep. 25. Reference is to be the exception and not the rule, *id.* The Senate amendment allowed reference to referees and to special masters, S. § 822(a); S. Rept. 22; and allowed compensation for special masters, *id.* The proposed text adopts the House version.

The Senate amendment provided that appeals from orders granting or denying compensation in the case should be heard summarily. S. § 822(b); S. Rep. 22. The House bill contained no comparable provision. The proposed text adopts the Senate language.

Subsection (e) allows joint administration of cases filed by related entities. The House bill allowed such joint administration. H.R. § 87(c); H. Rep. 25–26. The Senate amendment allowed joint administration only of cases filed by subordinate entities. S. § 803 (b); S. Rep. 16. The proposed text adopts the House version.

Section 88

Subsection (b) requires classification of creditors. The House bill provided the criteria of substantially similar claims and rights. H.R. § 88(b); H. Rep. 27. The Senate amendment used the existing chapter XI criteria. S. § 814(c); S. Rep. 20. The proposed text adopts the House language.

Subsection (b) also allows classification of small claims in a single class for administrative convenience. The House bill allowed such classification for claims under $100. H.R. § 88(b); H. Rep. 27. The Senate amendment allowed no such classification. S. § 814(c). The proposed text adopts the House version, but compromised the amount at $250.

The Senate amendment required a court hearing and determination of any dispute over the classification of creditors. S. § 814 (d). The House bill had no comparable provision. The proposed text adopts the Senate provision.

Section 89

Paragraph (2) gives a priority to debts owed for services and materials provided shortly prior to the petition. The House bill gave the priority for "debts or consideration owed for services and materials actually provided within four months" before the date of filing the petition. H.R. § 89(2); H. Rep. 28–29. The Senate amendment gave the priority for "debts owed for services and materials directly provided within two months" prior to the petition. S. § 812(2); S. Rep. 20. The proposed text allows a priority for "debts owed" (Senate language), in order to make clear that the claim involved must be liquidated; for "services and materials actually provided" (House language); "within three months" (compromise language).

Section 90

The House bill allowed only the petitioner to modify the proposed plan. H.R. § 90(a); H. Rep. 29. The Senate amendment allowed the petitioner or any creditor, with the petitioner's consent, to propose a modification of the plan, and required a court hearing. S. § 815; S. Rep. 21. The proposed text allows the petitioner or any creditor, with the petitioner's consent, to modify, but does not require a court hearing.

Subsection (b) specifies the time within which creditors must accept or reject the plan. The House bill directed the court to set a time. H.R. § 90(b); H. Rep. 29. The Senate amendment set the time at 90 days from the time of filing the plan, unless the court, for good cause, set some other time. S. § 807(b). The proposed text adopts the Senate provision.

The Senate amendment required that the court hold a hearing and determine any dispute over whether a claim is affected by the plan. S. § 814(d). The House bill had no comparable provision. The proposed text adopts the Senate provision.

Section 92

Subsection (b) specifies the acceptances required to confirm a plan. The House bill required acceptances of creditors holding two-thirds in amount of the claims of each class with respect to which an acceptance or rejection was filed. H.R. § 92(b); H. Rep. 30. The Senate amendment required acceptances by two-thirds in amount, and 51% in number. S. § 814(a); S. Rep. 20–21. The proposed text requires two-thirds in amount and "more than fifty percent in number". S. Rep. 21.

The House bill permitted temporary allowance of claims for the purpose of accepting or rejecting the plan. H.R. § 92(a); H. Rep. 30. The Senate amendment did not permit temporary allowance. The proposed text permits temporary allowance, as in the House bill, but does not permit acceptances or rejections filed for such temporarily allowed claims to be counted in computing the acceptances required for confirmation unless the claim has been finally allowed under section 88. See § 92 (b) and (c).

Subsection (d) describes those creditors whose acceptances are not required. The House bill followed the current Chapter IX provision. H.R. § 92(d); H. Rep. 31. The Senate amendment adopted the Chapter X provision. S. § 814(a); S. Rep. 21. The proposed text adopts the House version.

Section 93

The House bill allows the S.E.C. to object to a plan. H.R. § 93; H. Rep. 31. The Senate amendment did not permit the S.E.C. to object. S. § 816. The proposed text adopts the House provision.

The Senate amendment required service of a complaint objecting to the plan on the petitioner and others designated by the court. S. § 816. The House bill had no comparable provision. The proposed text adopts the House version.

Section 94

The Senate amendment required the court, for cause shown, to permit a labor organization to be heard on the economic soundness of a plan affecting employees. S. § 808 (b); S. Rep. 18. The House bill has no comparable provision. The proposed text adopts the Senate version, but makes the hearing permissive.

The House bill required the plan to be "fair and equitable and feasible". H.R. § 94 (b)(1); H. Rep. 32–33. The Senate amendment required that it appear "from the petitioner's current and projected revenues and expenditures that the budget of the petitioner will be in balance within a reasonable time after adoption of the plan". S. § 817(c) (7); S. Rep. 21. The proposed text adopts the House version on the premise that the Senate's balanced budget requirement will be a factor that must be considered by the court as part of the court's determination that the plan is "fair and equitable and feasible".

The House bill required that the petitioner not be prohibited by law from taking any action required to be taken under the plan. H.R. § 94(b) (5); H. Rep. 33–344. The Senate amendment required that the petitioner be authorized by law to take such action. S. § 817(c) (6); S. Rep. 21. The proposed text adopts the House version.

Section 95

The House bill required the court to appoint a disbursing agent. H.R. § 95(b); H. Rep. 34. The Senate amendment made no comparable provision. The proposed text adopts the House provision.

The House bill discharged the petitioner from its debts. H.R. § 95(b); H. Rep. 34. The Senate amendment extinguished the petitioner's debts. S. § 818(b); S. Rep. 21–22. The proposed text adopts the House language.

The House bill granted a discharge only after confirmation of the plan, deposit of consideration, and court determination of the validity of the consideration. H.R. § 95 (b) (1); H. Rep. 34. The Senate amendment granted a discharge at the time of confirmation. S. § 818(b); S. Rep. 21–22. The proposed text adopts the House version, but expands the deposit requirement to "money, securities or other consideration".

The House bill did not discharge claims of creditors who had neither actual knowledge nor constructive notice of the case. H.R. § 95(b) (2) (B); H. Rep. 34. The Senate amendment discharged such claims. S. § 818(b). The proposed text adopts the House version.

Section 96

The House bill required the court to fix a time for deposit of the consideration to be distributed under the plan. H.R. § 96(a); H. Rep. 34. The Senate amendment contained no similar requirement. The proposed text adopts the House provision.

The Senate amendment permitted the court to direct the petitioner to take certain actions to execute the plan. S. § 819(e). The House bill had no comparable provision. H. Rep. 34. The proposed text adopts the Senate language.

Subsection (e) allows the court to retain jurisdiction of the case after confirmation of the plan. The House bill allowed retention only to assure successful execution of the plan. H.R. § 96(e); H. Rep. 35. The Senate amendment also allowed retention to assure discharge of securities issued under the plan. S. § 821; S. Rep. 22. The proposed text adopts the House version with the understanding that the court retain jurisdiction over any action on any security issued under the plan or certificate of indebtedness issued in the case.

Section 97

The House bill validated the pre-petition exchange of debt securities under a proposed plan. H.R. § 97; H. Rep. 35. The Senate amendment made no comparable provision. The proposed text adopts the House provision.

Other matters

The Senate amendment invalidated all State laws which would have had the effect of depriving a petitioner of the effect of confirmation. S. § 824. The House bill made no comparable provision. The proposed text deletes the Senate provision, and instead relies on the case of *Perez* v. *Campbell*, 400 U.S. 818 (1971).

The Senate amendment allowed conversion of a case from a chapter IX to a chapter XVI case. The House bill has no comparable provision. The proposed text adopts the House version.

DON EDWARDS,
JOHN SEIBERLING,
ROBERT F. DRINAN,
HERMAN BADILLO,
CHRISTOPHER J. DODD,
CALDWELL BUTLER,
THOMAS N. KINDNESS,
Managers on the Part of the House.
QUENTIN N. BURDICK,
PHILIP A. HART,
JIM ABOUREZK,
ROMAN L. HRUSKA,
HIRAM L. FONG,
Managers on the Part of the Senate.

AMENDING THE REGIONAL RAIL REORGANIZATION ACT OF 1973, AS AMENDED

Mr. STAGGERS. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the Senate joint resolution (S.J. Res. 184) to amend the Regional Rail Reorganization Act of 1973, as amended, and ask for its immediate consideration.

The Clerk read the title of the Senate joint resolution.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from West Virginia?

There was no objection.

The Clerk read the Senate joint resolution, as follows:

S.J. RES. 184

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That section 102(3) of the Regional Rail Reorganization Act of 1973, as amended, is amended by inserting after "Act" the phrase "or its successor by merger, consolidation or other form of succession carried out under applicable law for the purpose of changing the State of its incorporation".

SEC. 2. Subparagraph (A) of paragraph (3) of section 306(c) of the Regional Rail Reorganization Act of 1973, as amended, is amended by striking "without regard to" and by inserting in lieu thereof "adjusted to reflect".

SEC. 3. Subparagraph (B) of paragraph (3) of section 306(c) of the Regional Rail Reorganization Act of 1973, as amended, is amended to read as follows:

"(B) the number of shares of common stock determined by dividing the total number of shares of common stock distributed pursuant to section 303(c) (4) of this Act to the transferor receiving such series of certificates of value (adjusted to reflect any stock splits, stock combinations, reclassifications, or similar transactions affecting the number of shares of outstanding common stock following the date of distribution pursuant to section 303(c) (4) of this title) by the total number of certificates of value in the series so distributed to such transferor.".

SEC. 4. Paragraph (2) of subsection (e) of section 301 of the Regional Rail Reorganization Act of 1973, as amended, is amended by adding thereto the following sentence: "Notwithstanding anything to the contrary in the final system plan, the initial authorized number of shares of series B preferred stock may be 35,000,000, and the Corporation may issue initially for the purpose of the deposit required under section 303(a) (1) of this Act such numbers of shares of series B preferred and common stock as the Association shall certify to the Special Court pursuant to section 209(c) (1) (3) of this Act, including any modifications in such numbers of shares as may be ordered by the Special Court for the purpose of, and in connection with, such deposit and certification.".

SEC. 5. Section 501(2) of the Regional Rail Reorganization Act of 1973, as amended, is amended by striking "or to an acquiring railroad" and inserting in lieu thereof ", to an acquiring railroad, or to a State pursuant to section 208(d) (2) of this Act".

Mr. SKUBITZ. Mr. Speaker, I would wish to point out that the Railroad Revitalization and Regulatory Reform Act of 1976—to which this joint resolution pertains—was a tremendously complicated piece of legislation, as all Members will recall. It was complex, because the subject matter with which it dealt was one involving the largest corporate reorganization ever attempted, in which the ambition was to save the rail freight industry in the Northeast/Midwest Region, to reconstruct that system and to give it a new start as a self-sufficient system, over a period of time, which would again become competitive with other modes of transportation in that part of our Nation.

Now, in addition, as the Members will recall, this complex act which the President signed into law last month endeavors to do what can be done to insure that the Federal Government can successfully establish in Court the fairness and equity of the overall reorganizational plan. This is important to you and me, and to the citizen-taxpayers we all represent, since literally billions of dollars can rest on the outcome of the anticipated litigation over this issue.

The Government lawyers in charge of that case for the moment have gone over that act, and gone over it again, to make sure it complies in every respect with the so-called final system plan and with the financial arrangements made for ConRail, the federally assisted railroad which will take over the operation of the reorganized system on this April 1—which date is less than 2 weeks from now.

In so doing, they have found reason to suggest to the committee that it is important to make still a few more technical changes in the act. Now, it is true that some may argue that some of the items in this joint resolution are a bit more than purely technical—and, other circumstances, I might be inclined to do so, myself.

But the fact of the matter is, as I have just noted, that time is of the essence here—and time is of the essence in a very real sense. On next Monday, the U.S. Railway Association will be filing with the special court the package of securities of ConRail authorized in the final system plan, and in the new act, and it states it needs this joint resolution to make sure that its filing is in exact accord with the plan, the act, and with the intent of Congress as expressed in both. Now, Mr. Speaker, we would, of course, take time to hold a hearing on these minor matters, and delay action on them until everyone had had a chance to have their say about them.

But I am assured by the attorney for

the association, and the representatives of ConRail, and by the Department of Transportation, as well as by the committee staff, that this joint resolution is in proper form as passed by the Senate, that it is needed, and needed now, and that its passage will do nothing but improve the Government's position in the anticipated litigation.

Accordingly, I withdraw my reservation of an objection and urge the immediate passage of the resolution.

The Senate joint resolution was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

PROPOSAL TO APPROVE THE 1977 PRESIDENTIAL BUDGET AND TO CREATE NEW OFFICE OF SCIENCE AND TECHNOLOGY POLICY—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 94-416)

The SPEAKER pro tempore laid before the House the following message from the President of the United States; which was read and, without objection, referred to the Committee of the Whole House on the State of the Union and ordered to be printed:

To the Congress of the United States:

The desire and the ability of the American people to seek and apply new knowledge have been crucial elements of the greatness of our country throughout its 200-year history.

Our Founding Fathers placed high value on the pursuit of knowledge and its application. They supported exploration, new methods of agriculture, the establishment of scientific societies and institutions of higher learning, measures to encourage invention, and means to protect and improve the Nation's health.

In our recent history, the Nation has made major investments in research and development activities to ensure their continued contribution to the growth of our economy, to the quality of our lives and to the strength of our defense. Today there is mounting evidence that science and technology are more important than ever before in meeting the many challenges facing us.

I fully recognize that this country's future—and that of all civilization as well—depends on nurturing and drawing on the creativity of men and women in our scientific and engineering community.

The 1977 Budget which I submitted to the Congress on January 21, 1976, is one measure of the importance I attach to a strong National effort in science and technology. My total budget restrains Federal spending to $395 billion—an increase of 5.5 percent over 1976. But my Budget requests $24.7 billion for the research and development activities of the various Federal agencies, an increase of 11 percent over my 1976 estimates. Included within this total of $24.7 billion is $2.6 billion for the support of basic research, also an increase of 11 percent. Such long-term exploratory research provides the new knowledge on which advances in science and technology depend. I urge the Congress to approve my budget requests.

I also urge the Congress to pass legislation to establish an Office of Science and Technology Policy in the Executive Office of the President. This will permit us to have closer at hand advice on the scientific, engineering and technical aspects of issues and problems that require attention at the highest levels of Government.

On June 9, 1975, I submitted a bill to the Congress that would authorize creation of such an office. The director of this new office would also serve as my adviser on science and technology, separating this responsibility from the many demands of managing an operating agency. On November 6, 1975, the House of Representatives passed an acceptable bill, H.R. 10230, which authorizes the new office. On February 4, 1976, the Senate passed a similar bill which, with some changes, would also be acceptable. Those bills are now awaiting action by a House-Senate Conference Committee. Early agreement by the conferees on a workable bill will permit me to proceed without further delay in establishing the Office of Science and Technology Policy.

In addition to its direct support of research and development, the Federal Government has a responsibility to ensure that its policies and programs stimulate private investments in science and technology and encourage innovation in all sectors of the economy—in industry, the universities, private foundations, small business, and State and local Governments. We pursue this objective through our tax laws, cooperative R. & D. projects with industry, and other incentives.

Industry and other elements of the private sector now support nearly 50 percent of the Nation's total research and development effort and we must avoid displacing these important investments.

The role of industry is particularly important. In our competitive economic system, industry turns new ideas from laboratories into new and improved products and services and brings them to the marketplace for the Nation's consumers. Industry has built successfully on advanced developments of the past and provided new products and services of great economic and social value to the Nation. This can be seen in electronics, computers, aircraft, communications, medical services and many other areas.

My 1977 Budget gives special attention to research and development for energy and defense and to basic research. It also continues or increases support for other important areas such as agriculture, space, and health where research and development can make a significant contribution.

—In *energy*, an accelerated research and development program is vital to our future energy independence. My 1977 Budget proposes $2.6 billion for energy research and development—a 35 percent increase over 1976. These funds, together with the efforts of private industry, provide for a balanced program across the entire range of major energy technologies.

Major increases are proposed in energy conservation to achieve greater energy efficiency. Additional funding is provided in fossil fuels to enhance oil and gas recovery, to improve the direct combustion of coal and to produce synthetic oil and gas from coal and oil shale. Expanded efforts are planned in 1977 to assure the safety and reliability of nuclear power and to continue the development of breeder reactors which will make our uranium resources last for centuries. My 1977 Budget also provides for rapid growth in programs to accelerate development of solar and geothermal energy and fusion power.

—In *defense*, a strengthened and vigorous program of research and development is absolutely fundamental to maintain peace in the years ahead. Our National survival depends on our continued technological edge. The quality of our military R&D program today—and decisions on its scope and magnitude—will directly influence the balance of power in the 1980's and beyond. Obligations for defense research and development will increase by 13 percent in FY 1977, to almost $11 billion. In the strategic area, the defense R&D program provides for continued development of the Trident submarine and missile system and the B-1 bomber. We are providing increases for cruise missiles and for defining options for a new intercontinental ballistic missile system. For our tactical forces, we will pursue a number of major programs ranging from the F-16 and F-18 fighter aircraft to a new attack helicopter, improved air defense systems, and a new tank. In addition we will strengthen our military-related science and technology effort. The combat potential of new technologies such as high energy lasers will be actively explored.

—Through *basic research*, new knowledge is achieved that underlies all future progress in science and technology. My proposed budget provides an increase of 11 percent over my 1976 estimates to assure that the flow of new scientific discoveries continues. Since much of the Nation's basic research is carried out at colleges and universities, I have given special emphasis to the budget request for the National Science Foundation and other agencies that support research in these institutions. I have requested an increase of 20 percent in NSF's funding for basic research in order to underscore my strong support for such research, particularly in colleges and universities.

—In *agriculture*, improving the efficiency of American food production is vital to our National well-being and to help ease critical worldwide food shortages. My Budget provides over $500 million for agricultural research including programs to increase crop yield, improve the nutrition and protein content of crops, and help find new and safer ways to protect crops from the devastating losses which are caused by pests and bad weather. Matching State funds for research at land-grant institutions will contribute an additional $400 million to the national effort. Within the agricultural research program, greater priority will be given to basic agricultural research which is the key to our longer range objectives in food production. Our agricultural research and research undertaken by others around the world can have a major effect on the world food situation for generations to come.

—In *health*, basic and applied medical research provides new knowledge about causes, prevention and cure of diseases. This knowledge will make it possible to reduce the toll of human suffering, reduce expensive medical treatments, and increase the general level of health of our people. For the Department of Health, Education, and Welfare alone my Budget requests over $2.2 billion to pursue new scientific opportunities relating to cancer, heart and lung disease, arthritis, diabetes, and behavioral disturbances. It will also continue research in emerging areas of National importance such as immunology, aging, environmental health, and health services.

—In *space*, the shuttle is the key to improved operational space capabilities for science, defense, and industry. My 1977 Budget provides the necessary funds to continue development of the shuttle and to assure a balanced program in science and space applications. In the future, space technologies can further advance our National and worldwide needs for better communications, better weather forecasting and better assessment and management of our natural resources. Scientific exploration and observation to our understanding of the universe around us.

My Budget also provides for continued research and development in environment, natural resources, transportation, urban development, and other fields of social and economic activity where we will support work that shows promise in meeting the problems of society and the new challenges we face as a Nation.

Prompt and favorable action by the Congress on my proposal to create the new Office of Science and Technology Policy and to approve my 1977 Budget requests are vital to ensure that science, engineering and technology will continue to contribute effectively in achieving our Nation's objectives.

GERALD R. FORD.

THE WHITE HOUSE, *March 22, 1976*.

PRINT SELECT COMMITTEE ON INTELLIGENCE REPORT AS UNCLASSIFIED DOCUMENT

(Mr. MILFORD asked and was given permission to address the House for 1 minute, to revise and extend his remarks and include extraneous matter.)

Mr. MILFORD. Mr. Speaker, I have just introduced a resolution that would remove the Select Committee on Intelligence report from its classified status and have it printed and distributed as a routine House document, thus insuring full public access.

On this past January 29, I was one of the Members that encouraged the House to prevent the publication of the Select Committee on Intelligence Report, as a public document. On that date, we succeeded in convincing a majority to pass House Resolution 982, which mandated that the report should be published as a classified document.

At the time of passage of House Resolution 982, there were good reasons to prevent public release of the committee report. Subsequent events have now made those reasons moot.

In February the report of the Select Committee on Intelligence was printed in a New York City newspaper. Immediately following that release, I caused an analysis of that publication to be made by the intelligence community.

I asked them to analyze the material appearing in the newspaper to determine if all of the sensitive, classified material originally in the committee report had been included.

On March 17, I received the results of the intelligence analysis. Their findings were that substantially all of the "bits and pieces" had been included in the New York City newspaper publication. Therefore, the data is no longer secret.

For example, much of the "bits and pieces" of data, that many of us were concerned with, appeared as footnotes in the committee report. In editing the report for publication, the Village Voice eliminated a number of footnotes.

It became necessary to find out if the footnotes eliminated were the ones with the "bits and pieces" of sensitive material. They were not. The damaging footnotes were published.

Another argument for keeping the report "secret" was that, if the Congress published such a report, it would be "official" acknowledgement of events that could damage our relations with certain foreign nations. This argument came about because of previous "leaks" to the media on issues such as the Kurdish involvement, our submarine reconnaissance activities, and U.S. involvements in Italy and Angola.

Subsequent to the January 29, 1976, passage of House Resolution 982, the President and the Secretary of State have—in responding to questions at press conferences—confirmed all of this material.

By their acknowledgement of the accuracy of the leaks, they have made this information official.

Now, with the Village Voice printing of the report, and the bit-by-bit analysis by the intelligence community of that printing, and with the assurance that no secret information has been left secret, all of our arguments to keep the document classified are nullified.

I now seek permission from the House of Representatives to have the Select Committee on Intelligence Report printed as a routine House Document.

Certainly, if foreign intelligence agents and analysts have the information, there is no reason for the American people to be deprived of that same information.

This move will also make the entire report public. The Village Voice chose only to print the sexy issues. They did not choose to present dissenting views, additional views, or minority views which also comprise the full committee report.

These views provide another insight to the entire Select Committee on Intelligence investigation. The restriction on public distribution of the committee report had also restricted the distribution of these views. While the views will probably not make a great press event, because they are generally void of sensational scandals and wild charges, they will provide serious Americans with another look at our intelligence community problems.

Mr. Speaker, I would ask for early consideration of this resolution so that the entire work of the Select Committee on Intelligence can be made known to all citizens.

H.R. 9725—STRIP MINE BILL

(Mr. MELCHER asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. MELCHER. Mr. Speaker, the strip mine bill, H.R. 9725, will soon be coming to the floor for consideration by the House.

In an effort to assure that enactment of the bill will not result in hardship to operators, I have written a number of amendments that I plan to offer on the floor. These amendments are the result of discussions with operators themselves, as well as State regulatory authorities and other interested persons.

I hope that my colleagues will review these amendments prior to consideration on the floor.

The amendment follows:

REGULATORY AUTHORITY ASSUMPTION OF WATER AND CORE SAMPLING ANALYSIS RESPONSIBILITY

Title IV: Page 26, line 18: strike the period after the word "section" and insert the following: "*Provided*, That an amount not to exceed twenty per centum of such reclamation fees collected for any calendar quarter shall be reserved beginning in the first calendar in which the fee is imposed and continuing for the remainder of that fiscal year and for the period in which such fee is imposed by law, for the purpose of Section 507 (c), subject to appropriation pursuant to authorization under Section 712(b).

Title V, section 507: Page 65, after line 20: insert new subsection (c) and reletter subsequent subsections accordingly:

"If the regulatory authority finds that the probable annual production of any coal surface mining operators will not exceed 250,000 tons, the determination of hydrologic consequences required by subsection (b)(11) and the statement of the result of test borings or core samplings required by subsection (b)(15) of this section shall be performed by the regulatory authority, or such qualified public or private laboratory designated by the regulatory authority and the cost of the preparation of such determination and statement shall be assumed by the regulatory authority."

Authorization—Conforming Amendment

Section 712: Page 166, after line 10: insert the following new subsection and reletter subsequent subsections accordingly:

"(b) commencing in the fiscal year ending September 30, 1977, and for each fiscal year for a period of fifteen fiscal years thereafter, for the implementation and funding of Section 507(c) there are authorized to be appropriated sums reserved by Section 401(b) (3) for the purposes of Section 507(c) and such additional sums are authorized to be appropriated as may be necessary to provide an amount not to exceed $40 million to carry out the purposes of Section 507(c)."

Extension of Application Deadline

Section 502: Page 45, lines 21 to 22; strike out the phrase "Not later than twenty months from the date of enactment of this Act," and insert in lieu thereof the following:

"Not later than two months following the approval of a State program pursuant to Section 503 or the implementation of a Federal program pursuant to Section 504 with the regulatory authority, such application to cover those lands to be mined eight months after the date of approval of the State program or implementation of the Federal program. The regulatory authority shall process such applications and grant or deny a permit within eight months after the date of approval of the State program or implementation of the Federal program, but in no case later than thirty-six months from the date of enactment of this Act."

Application Requirements

Section 507(b)(F): Page 60, line 21 through 24: Strike subsection (F).

Explanation: This is basically redundant with Section 507(B)(4) on Page 61.

Application Requirements

Section 507(b) (3): Page 61, lines 1 and 2: Strike after the word "areas" on line 1 through the words "feet of" on line 2 the following: "within five hundred feet of" and insert in lieu thereof the following: "adjacent to."

Explanation: This streamlines the application requirements for the operator and retains the basic legislative intent that all adjacent property owners be notified. It is consistent with the Pennsylvania requirements.

Application Requirements

Section 507(b) (5): Page 61, line 20: Strike the words "subsequent to 1960" and insert in lieu thereof the following: "in the five year period prior to the date of the submission of the application".

Explanation: This reduces the amount of information required of the operator in the application consistent with the amendment to Section 507(b) (3).

Application Requirements

Section 507(b) (3): Page 61, line 5: Insert after the word "identification" on line 5 the following: "in the five year period preceding the date of submission of the application."

Explanation: This streamlines and reduces the amount of information required of the operator in the application without violating the intent of the paragraph which is to provide the regulatory authority with some background information on the coal operator.

Application Requirements

Section 507(a): Page 60, lines 6 through 7: Strike after the word "based" on line 6 the following: "shall be based as nearly as possible upon" and insert in lieu thereof the following: "may be less than but shall not exceed".

Explanation: This reduces substantially the amount of the fee that may be required of small operators, by allowing flexibility for the regulatory authority to base the application fee "in part" on the costs to review, administer, and enforce the permit, rather than "as nearly as possible," while not losing the legislative intent that these three areas be considered in the establishing of application fees.

Application Requirements

Section 507(b) (14): Page 64, lines 12 and 13: Strike the following: "the nature of the stratum immediately beneath the coal seam to be mined;".

Explanation: This greatly reduces the burden on the operator to provide additional information with the application which may not, in every case, be necessary for the regulatory authority to have prior to making a determination on the application. This gives the regulatory authority more flexibility without eliminating the legislative intent of the provision.

Core Sampling

Page 65, line 11: insert before the word "a" the following: "except that the provisions of this paragraph 15 may be waived by the regulatory authority by a written determination that such requirements are unnecessary with respect to a specific application.".

Explanation: This amendment would allow the regulatory authority to determine when core sampling must be taken.

Reclamation Plan Requirements

Section 508(a) (7): Page 68, line 17, strike paragraph (7).

Explanation: This paragraph is redundant and other provisions in Sections 507 and 508 require this information.

Reclamation Plan Requirements

Section 508(a) (10): Page 69, line 6, strike "programs;" insert in lieu thereof the following: "zoning requirements;".

Explanation: This clarifies the type of information required of the operator in the reclamation plan.

Bonding—Alternatives

Section 509: Page 72, after line 8: Insert new paragraph (f) as follows:

"(f) In lieu of the establishment of a bonding program, as herein set forth in this section, the Secretary may approve as part of a State or Federal program an alternative system that will achieve the objectives and purposes of the bonding program pursuant to this section."

Explanation: This amendment would allow the State to implement an alternative system to bonding (e.g. an insurance system) provided that it contains provisions to assure that the objectives and purposes of the bonding section are met.

Clarification and Limitation of Burden of Proof

Section 510(a): Page 72, line 17; after the period insert the following sentence: "The applicant for a permit, or revision or renewal of a permit, shall have the burden of establishing that his application is in compliance with all the requirements of the applicable State or Federal program."

Page 72, line 24; strike out the word "affirmatively".

Conforming Amendment—Section 513: Page 82, line one; strike out the phrase "applicable State and Federal laws" and insert in lieu thereof the following: "all the requirements of the applicable State or Federal program under this Act."

Explanation: It is the intention of H.R. 9725 to place the burden on the applicant to demonstrate that the application is in compliance with the Act. Use of the language "affirmatively demonstrate" however might possibly be construed to impose a more stringent test than merely placing the burden on the operator. This amendment, therefore, strikes that language. The conforming amendment clarifies that it is not the intention of this Act to shift the burden imposed by other State or Federal laws.

Limiting Coal Exploration Permits

Section 512: Page 77, line 16 through page 80, line 5, strike out Section 512 and insert in lieu thereof the following new section:

Sec. 512. (a) Each State or Federal program for a State shall include a requirement that coal exploration operations which substantially disturb the natural land surface be conducted in accordance with exploration regulations issued by the regulatory authority. Such regulations shall include, at a minimum, (1) the requirement that prior to conducting any exploration under this section, any person must file with the regulatory authority notice of intention to explore and such notice shall include a description of the exploration area and the period of supposed exploration and (2) provisions for reclamation of all lands disturbed in exploration, including excavations, roads, drill holes, and the removal of necessary facilities and equipment.

(b) Information submitted to the regulatory authority pursuant to this subsection as confidential concerning trade secrets or privileged commercial or financial information which relates to the competitive rights of the person or entity intended to explore the described area shall not be available for public examination.

(c) Any person who conducts any coal exploration activities which substantially disturb the natural land surface in violation of this section or regulations issued pursuant thereto shall be subject to the provisions of Section 518.

Exploration Permits—Federal Lands

Section 523: Page 134, after line 14: Insert the following new subsection and reletter subsequent subsections accordingly:

"(c)(1) The Federal lands program shall include a requirement that coal exploration operations which substantially disturb the natural land surface be conducted under a permit issued by the Secretary.

(2) Each application for a coal exploration permit pursuant to the Federal lands program shall be accompanied by a fee established by the Secretary. Such fee shall be based, as nearly as possible, upon the actual or anticipated cost of reviewing, administering, and enforcing such permit issued. The application and supporting technical data shall be submitted in a manner satisfactory to the Secretary and *shall include* a description of the purpose of the proposed exploration project. The supporting technical data shall include, among other things—

(A) a general description of the existing environment;

(B) the location of the area of exploration by either metes and bounds, lot, tract, range, or section, whichever is most applicable, including a copy of the pertinent United States Geological Survey topographical map or maps with the area to be explored delineated thereon;

(C) a description of existing roads, railroads, utilities, and rights-of-way, if not shown on the topographical map;

(D) the location of all surface bodies of water, if not shown on the topographical map;

(E) the planned approximate location of any access roads, cuts, drill holes, and necessary facilities that may be constructed in the course of exploration, all of which shall be platted on the topographical map;

(F) the estimated time of exploration;

(G) the ownership of the surface land to be explored;

(H) a statement describing the right by which the applicant intends to pursue his exploration activities and a certification that notice of intention to pursue such activities has been given to the surface owner;

(I) provisions for reclamation of all land disturbed in exploration, including excavations, roads, drill holes, and the removal of necessary facilities and equipment; and

(J) such other information as the regulatory authority may require.

(c) Specifically identified information submitted by the applicant in the application and supporting technical data as confidential concerning trade secrets or privileged commercial or financial information which relates to the competitive rights of the applicant shall not be available for public examination.

(d) If an applicant is denied a coal exploration permit under this Act, or if the regulatory authority fails to act within a reasonable time, then the applicant may seek relief under the appropriate administrative procedures.

(e) Any person who conducts any coal exploration activities in connection with surface coal mining operations under this Act without first having obtained a permit to explore from the appropriate regulatory authority or shall fail to conduct such exploration activities in a manner consistent with his approved coal exploration permit, shall be subject to the provisions of Section 518 of this Act.

Explanation: These amendments retain the requirement for an exploration permit on Federal lands but eliminates such a requirement for lands within the jurisdiction of a State or lands under regulation of a Federal program for that State. In the latter two cases, notice to the regulatory authority is required prior to exploration and penalties are applicable for violations of exploration regulations.

Limiting Notice on Bound Release

Section 519(a): Page 115, line 21: after the word "owners" insert "and the appropriate" and after the word "bodies," strike out everything through the word "companies" on line 23.

Explanation: This amendment limits the scope of the notice requirement on bond release.

Bond Release

Section 519: Page 118, after line 16: Insert the following new subsection and reletter subsequent subsections accordingly:

"(g) Without precluding the rights of the objectors or the responsibilities of the regulatory authority pursuant to this paragraph, the regulatory authority may establish an informal conference procedure to resolve such written objections in lieu of holding a formal transcribed hearing."

Explanation: This language allows such procedure to continue, without precluding or diminishing the rights of the objectors—if the informal conference is not satisfactory, a formal hearing may still be conducted. Currently many bond releases objections are handled in this manner in Pennsylvania.

Clarification of Approximate Original Contour Definition

Section 701(23): Page 152, strike lines 17 and 18 and insert in lieu thereof the following: "surrounding terrain, with all highwalls and spoil pile eliminated; water impoundments".

Explanation: Clarifying language. The word "depressions" is held over from a very early draft of the bill, but, causes some confusion. What is crucial is the elimination of (1) highwalls, and (2) spoil piles *in all cases, with no exceptions*. Obviously, however, there will be depressions left where thick seams of coal have been removed or in some forms of contouring where the operator is required to complement the drainage pattern of surrounding terrain. After the word "depressions" was put in the bill, the special provisions for "water impoundments" were added, thereby, making this reference to "depressions" unnecessary and possibly confusing.

THE LATE HONORABLE WRIGHT PATMAN

The SPEAKER pro tempore (Mr. McFall). Under a previous order of the House, the gentleman from Texas (Mr. Mahon) is recognized for 60 minutes.

Mr. MAHON. Mr. Speaker, I have asked for this hour in order that the colleagues of Wright Patman would have the opportunity to pay tribute to his memory and take note of his distinguished career in the House of Representatives of some 47 years.

My colleagues will recall that Mr. Patman passed away on March 7 and that on March 8 I had the sad duty of reporting to the House the passing of this distinguished American.

At that time the Speaker of the House, the gentleman from Oklahoma (Mr. Albert), spoke rather extensively on the life and career of Mr. Patman as did the gentleman from Arizona (Mr. Rhodes), the minority leader; but others were asked to delay their tributes until we might have this program today.

Following the announcement in the House on Monday, March 8, on Wednesday of that week, March 10, a large delegation of Members of the House traveled to Texas to participate in the funeral services of Mr. Patman. During the funeral the gentleman from Texas (Mr. Jim Wright) and I had the privilege and the honor of speaking about the life and work of this great American.

Mr. Speaker, at that time the fact that Wright Patman was beloved by his constituents was vividly demonstrated. As the funeral procession made its way from the church to the cemetery at many places the streets were lined with people standing there reverently, some of them with their hands over their hearts in tribute to their departed friend and Member of Congress. It was their way of saying goodby to the man who had served them so faithfully and well for half a century.

Mr. Speaker, I would like to say to Mr. Patman's wife, Pauline Patman, and to all members of the Patman family, as the spokesman on this occasion, that we extend to her and all of the family our deepest sympathy at this time over the great loss that has come to her and to her family.

I would also like to say that the eulogies which were delivered at the funeral of Mr. Patman will appear later along with the remarks made here today in a published volume in memory of Mr. Patman.

Mr. Speaker, I now yield at this time to the distinguished gentleman from Massachusetts, the majority leader (Mr. O'Neill).

Mr. O'NEILL. I thank the distinguished chairman of the Commitee on Appropriations for yielding.

Mr. Speaker, I, too, join my distinguished colleagues in rising to pay tribute to the dean of the House of Representatives, Wright Patman.

A populist, a fearless and maverick crusader, Wright Patman spent 47 years in the House fighting for the common man and trying to protect the little guy against big industry. Wright Patman has served longer than anyone now serving in the House, and longer than all other Members with the exception of three. He was chairman of the Banking and Currency Committee for 12 years, during which he fought tirelessly against high interest rates, big banks, the Federal Reserve Board, and misuse of tax-free foundations as wealthy tax shelters.

All of us who have served with him have long admired and grown to respect his dedication, patriotism, legislative contributions, and devotion to the problems of the little man. He championed the cause of the small farmer, small businessman, and the veteran, whom he helped get a World War I bonus during the darkest days of the Depression. He coauthored the Robinson-Patman Act, intended to protect small business by forbidding manufacturers to give special prices to big chains. And most recently, in 1972, he was the first congressional voice to call for an investigation of Watergate, although he was blocked by his committee through White House pressure.

To continue to enumerate his many outstanding legislative achievements cannot begin to measure the incalculable benefits he has rendered to the people of his Texas constituency, and indeed to all Americans. I am deeply honored to have had the opportunity to serve with this great champion of all Americans. My wife, Millie, joins me in extending our condolances to his lovely wife, Pauline, and to their three sons.

Mr. MAHON. I thank the distinguished gentleman from Massachusetts for his comments.

Mr. Speaker, I now yield to the distinguished gentleman from Arizona, the minority leader (Mr. Rhodes), who upon the 8th of March, following the death of Mr. Patman, made some remarks with respect to the career of this distinguished man.

Mr. RHODES. I thank my distinguished friend, the gentleman from Texas, the chairman of the Committee on Appropriations, for yielding.

It is true, Mr. Speaker, that I was present when the gentleman from Texas took the floor to announce the death of Mr. Wright Patman, and I did make remarks at that time. I feel impelled today, however, to reiterate the remarks that I made and to join with the gentleman from Texas and the distinguished majority leader, the gentleman from Massachusetts, in expressing my own personal sense of loss at the passing of Wright Patman.

Mr. Patman was a distinguished legislator in every sense of the word. He was a fighter. He was generous in victory and understanding in defeat. He was a man who loved the House and loved its institutions—he loved them dearly. Much of the legislation which he was instrumental in having passed has been monumental legislation. He always aimed at helping the little man, and I think that the people of the United States of America have been well served by the fact that this great American has been privileged for so many years to serve here in the House of Representatives and to be so instrumental in really far-reaching legislation.

I join my colleague, the gentleman from Texas (Mr. Mahon) in extending to Mrs. Patman my sympathy and Betty's.

We learned to love the Patmans and have a feeling of great personal regard for Mrs. Patman which we find sharpened now, because we know of her great loss in the passing of Wright Patman.

So, Mr. Speaker, I join my friend, the gentleman from Texas, in being thankful for Wright Patman's life and in praying that the good Lord will take his soul to live with the Lord in the heavenly home prepared for him.

Mr. MAHON. Mr. Speaker, I thank the gentleman from Arizona very much.

Mr. Speaker, I yield to the gentleman from California (Mr. McFall).

Mr. McFALL. Mr. Speaker, Congress lost one of its all-time great Members when Wright Patman, who stood up for the little guy for nearly half a century, died.

It was a great privilege to serve with him for the last 10 of his Congresses and to share something of the era he represented. To be with him was to feel his earnestness and his commitment on behalf of the ordinary citizen. His personal crusade against big money and special interests never flagged in all of his years in Congress. He exuded always a quiet outrage at privilege and the abuse of power.

The people of Texarkana and the First District of Texas knew this well; more than two generations of Texans elected him to represent them. But his real constituency was far larger than that. In reality, he represented all of the little people all over the United States. He was their champion and their defender from the beginning.

His congressional career began in that dark era of farm and home mortgage foreclosures, bank failures, and depression hardship that so ravaged the innocent citizens of this Nation. Wright Patman completed 47 years of service the last week he died; he was the last Member of Congress to take office before the 20th amendment changed the opening date of Congress from March 4 to January 3. He was sworn in on the same day that Herbert Hoover was inaugurated as President.

It was a Republican Congress that took office that day; Wright Patman was to serve in only two others in his long career. He was a part of the Hundred Days in the historic 73d Congress and a Member of all of the New Deal Congresses; he was as committed as Franklin D. Roosevelt to the legislation that got this country out of the worst depression in its history. One of the most important and enduring achievements of that period was the Social Security Act which is the highest expression of Government's concern for the well-being of the people. All of us have voted on amendments to that great act; Wright Patman was one of the last two Members now in this Congress to have taken part in the consideration of the original bill and to have voted on its enactment.

The desperate times of the Depression deepened and strengthened Wright Patman's personal resolve to do something for the people. His achievements are too numerous to list here—the veterans' bonus, the Robinson-Patman Act, the Full Employment Act, the 12 soft-spoken but hard-hitting years as chairman of the House Banking and Currency Committee.

He was always a rebel whose quiet zeal and determination would put younger men to shame. But he was a rebel for the right causes. His foes were vested interests, high interest rates, predatory financial institutions, and other establishments which exercised a stranglehold on the people—on their homes, their farms, their right to make a decent living.

The voice he used for the people of this country is now still. But nothing can take away his achievements or diminish his contribution to human welfare. He left a cause for others to take up and carry on. He showed us genuinely what it is to be a representative of the people.

I am proud to have served with him.

Mr. MAHON. I thank the gentleman from California.

I yield to the gentleman from Texas (Mr. Poage).

Mr. POAGE. Mr. Speaker, 39 years ago when I came to Washington, one of the younger members of the Texas delegation was pointed out to me as being a man who was going places. That young man was Wright Patman of the First Congressional District. I had never met Mr. Patman, although I had heard much of him in the Texas Legislature, where I began my service at the very time he closed his in that body. I was immediately convinced that all of the reports of the ability and dedication, which I had heard attributed to Mr. Patman, were true.

He was a lifelong crusader—a crusader for anything which he believed would be beneficial to the people. I never lived in Missouri, but I have yet to be shown that some of the remedies which have been offered for our social problems, are not more objectionable than the problems themselves. Wright had a happier turn of mind. He very firmly believed that Government could do and should do a great many things to make life easier for our people than I could believe was possible.

He was not afraid of any man or of any organization. On the contrary, he enjoyed nothing better than the opportunity to do battle with those whom he felt were denying the people opportunities to enjoy a better life. Nor was he ineffective. Few men have had as much influence on the American political and social order over the last 50 years as had Mr. Patman.

A country boy from Cass County, he came to Washington and immediately attacked the entrenched wealth of the then Secretary of the Treasury and won—the Secretary resigned. An enlisted man in World War I, he was elected to Congress and challenged the President of the United States and ultimately won a bonus for the veterans of that war. A one-time assistant county attorney from Hughes Springs, he, as Congressman, challenged the greatest manufacturers of the country and passed the Robinson-Patman Act. After a quarter of a century of struggle, he became chairman of the Committee on Banking and Currency. He fathered the modern Credit Unions and greatly strengthened the Building and Loan Associations of the country.

Wright Patman was a doer, but he was also a very warm and human individual. He was an innovator. He developed all kinds of remembrances for his constituents, and he consistently shared his ideas with his colleagues. He was friendly and courteous. He oftimes disagreed, but he was never disagreeable. His philosophy was summed up in his statement, "Maybe you are right."

I ofttimes questioned Mr. Patman's decisions, but I never questioned his motives. He was a man, who in the words of Governor Neff, made Texas a better place, in which to live. I was proud to call him my friend.

Mrs. SULLIVAN. Mr. Speaker, will the gentleman yield?

Mr. MAHON. I yield to the gentlewoman from Missouri.

Mrs. SULLIVAN. Mr. Speaker, this House and the Congress are going to miss Wright Patman as the voice of economic conscience in our deliberations, and the people of this country are going to miss him most of all. I know that I have lost not only a close and wonderful friend—a courtly, kind, and considerate gentleman whose geniality and friendliness belied his reputation as a political fire-eater—but also the one Member of Congress who had the most profound influence on my own thinking on the economic needs and problems of the American people.

I was proud to serve with him, and to fight at his side, during the 12 years he was chairman of the Committee on Banking and Currency. They were 12 of the most productive years of that committee's long existence. We suffered many defeats on major legislative goals in those years, but we had some truly spectacular successes, too. And Wright Patman never stopped fighting for honesty and integrity and decency in Government and in the Nation's economic affairs.

His "lost causes"—and there were many—had a habit of coming back to life and turning into winning causes. For he never gave up. He took his defeats with good grace, but he never surrendered. He marshalled his forces—his facts—for the next battle and the next and the next, and in a remarkable number of instances translated defeat into victory. And the American people—small business, the wage earner, the average-income family, the veteran, the poor, and the unprivileged—were the beneficiaries of his prodigious efforts. And so, I might add, were all businessmen who sincerely believe in competitive enterprise.

When WRIGHT PATMAN proposed reforms in our banking system, in the Federal Reserve, and in national economic policy, there was an automatic antagonistic response from most of the leaders of business and industry. He was denounced from one end of the country to another as either a wild man or a knave. But his "far out" ideas for combatting unemployment and inflation and monopoly and high interest rates frequently turned out to be exactly what the country needed when they were finally written into law.

And now, in the midst of a crisis of confidence in our bank regulatory system, WRIGHT PATMAN's long and honorable fight for elimination of conflicts of interest, interlocking directorships, and manipulation of depositors' money by insider deals takes on new significance, and the reforms he tried so hard to bring about are going to have to become law even though he is no longer here to see them enacted. He has left us a legacy of legislative courage and imagination which will live long after his remarkable career in this body.

His greatest talent as a legislator was in the crucial give-and-take of House-Senate conference committees where he demonstrated such skill and patience and resourcefulness—and reason—that bills to enhance powerful interests at the expense of the public interest were instead turned into worthwhile legislation. Without his courageous leadership, and his great skills in finding reasonable solutions in conference for widely divergent House and Senate bills, the Truth in Lending Act, the Fair Credit Reporting Act, numerous housing bills, the Credit Control Act of 1969, Banking Holding Company laws, and other legislation in which I personally take great pride could never have been enacted as effective laws with strong teeth.

I am and always will be deeply grateful to WRIGHT PATMAN for helping me to serve my constituents and all of the consumers of this country in those historic battles.

When he was "deposed" last year as chairman of the Committee on Banking and Currency—renamed the Committee on Banking, Currency and Housing in this Congress—it was, in my opinion, one of the cruelest episodes in the history of the House. The chairman who had taken the lead in the entire Congress in digging into the worst political scandal in American history in 1972, uncovering a trail of "laundered" political contributions which eventually were important factors forcing the resignation of Richard Nixon; the chairman who was the first to open committee markup sessions to the press and the public; the chairman who blocked the Penn-Central refinancing fiasco and tried mightily to block the Lockheed deal; the chairman who put teeth into the Bank Holding Company Act; the chairman who provided the Nixon administration with unwanted—but crucial—powers to combat inflation until Mr. Nixon himself abdicated those powers in early 1973 and set loose the worst inflation we have ever had in peacetime; this chairman was unseated on grounds that he was too old and therefore ineffectual. He was too effectual to suit his adversaries.

WRIGHT PATMAN in his eighties was still one of the youngest in heart of all the Members of this body, one of the hardest working, one of the most liberal, one of the most conscientious and dedicated. Until his recent sudden attack of influenza which turned into pneumonia and ended his life on March 7, WRIGHT PATMAN was still working every day, including Sundays, for the people of this country.

I shall always take great pride in having led the fight, along with some of his Texas colleagues and several of his other loyal friends in the Banking Committee, to save his chairmanship in 1975 in the House Democratic Caucus. After he lost the chairmanship, he nevertheless continued his lifelong battle for creative regulation of economic concentration in this country. He was a "good soldier" in the committee to which he had devoted so much of his life in the Congress. But I know he was crushed by the vote which ended his leadership role.

Yet he continued to fight for economic decency, and was undaunted. He was a great man, who earned his reputation not by seniority but by his intellect and ability. Seniority gave him power, yes; but the power was used not in petty vendettas and selfish causes but in behalf of the people in the factories and mines and farms and small businesses of this country.

I was privileged, as his close ally in many great battles, to see how a master legislator could achieve incredible results in the public interest. It was with great sadness and a deep sense of personal loss that I learned of his death on March 7. I extend to his beloved wife and his fine sons, and the grandchildren in whom he took so much pleasure, my heartfelt condolences. They have in this period of bereavement the precious knowledge that with their love and support they have helped one of the truly great Members of Congress make an indelible record of achievement in American public life.

Mr. McCLORY. Mr. Speaker, will the gentleman yield?

Mr. MAHON. I yield to the gentleman from Illinois (Mr. MCCLORY).

Mr. McCLORY. Mr. Speaker, in the passing of our distinguished dean of the House, Congressman WRIGHT PATMAN of Texas, many of us sense the loss of a long-time personal friend. I, for one, always enjoyed the personal warmth and affection which radiated from this kind and genial gentleman. In this respect, I endeavored to communicate similar feelings toward him.

Mr. Speaker, we will all remember the youthful attitudes and vigor displayed by our colleague throughout his long and active life. WRIGHT PATMAN's personal and ethical standards were always the highest. His devotion to his late wife, to his widow, Pauline, and to his children was characteristic of the kind of attachment which he also had for his colleagues and friends. My wife, Doris, has maintained a close relationship with Pauline in recent years.

In his position as an outstanding leader of the House of Representatives and his espousal of numerous legislative measures, WRIGHT PATMAN thrived on the drama, the give-and-take, and the spirited controversy in the same way he thrived on his relationships with his fellow Members.

One measure of greatness in a public man, Benjamin Disraeli once said, is consistency. Through his long and illustrious career, WRIGHT PATMAN's philosophy of service never wavered. He will long and rightfully be remembered as perhaps the staunchest modern defender of the individual freedom on which the great American experiment is based. WRIGHT PATMAN was a representative in the best sense of the word; he understood the true needs and wants of his constituents and fought tirelessly in Washington to secure them.

Mr. Speaker, the details of WRIGHT PATMAN's legislative record are well-known in these Halls. His 47 years of service in this Chamber as Representative of the First District of Texas rank among the longest tenures of any Member of this House during our 200 years of history.

His sponsorship of the World War I bonus, the Robinson-Patman Act, and numerous bills supporting veterans, Federal Credit Unions, and the economic well-being of all Americans are all hallmarks of a great career. His colleagues and constituents are poorer for WRIGHT PATMAN's passing, and so is the Nation.

Mr. Speaker, as a fellow resident on Capitol Hill, I had frequent occasion to meet with WRIGHT PATMAN outside of these halls as we traveled to and from our offices, or as we met during our evening walks. These contacts helped solidify our friendship and our mutual respect.

Mr. Speaker, it is with sadness that I rise in tribute to WRIGHT PATMAN as a friend and as a colleague. My wife, Doris, joins in extending to his widow, Pauline, and to other members of the Patman family our affection and deep sympathy.

Mr. REUSS. Mr. Speaker, will the gentleman yield?

Mr. MAHON. I yield to the gentleman from Wisconsin.

Mr. REUSS. Mr. Speaker, WRIGHT PATMAN's life was long and rich, leaving a legacy of compassion for the average citizen and a passion for the truth. Even as we mourn this passing, we celebrate that life as an example for all of us.

In his long years in Congress, WRIGHT PATMAN never rested with his victories nor allowed himself to be beaten by his defeats. Instead, he forged ahead relentlessly, never tiring in his work for the causes he believed in.

He has been called "the last of the great populists," a title that began with his early battles against the giants of business finance, and banking and has followed him through his often embattled 47 years in the Congress—12 years as chairman of the House Banking Committee. He was a great populist, and much more.

He served his country over a span of years that began with the disillusionments of the Great Depression and ended with the cynicism born of the Vietnam war, Watergate, and abuse of entrenched power.

The Nation's young questioned whether one man—any man—could make a difference, and too often answered for themselves "No."

Wright Patman said "yes" and, often singlehandedly, set out to make that difference. When the veterans of the First World War were on their backs, Wright Patman was there to fight for a needed bonus. When small business desperately needed protection against hard economic times. Wright Patman made a difference with the legislation that bears his name, the Robinson-Patman Act of 1936. When credit unions were needed to serve the "little man" with his credit needs that the big banks were failing to supply, Wright Patman was there, with the Federal Credit Union Act of 1934, and with a series of further actions to strengthen the credit unions and to create a National Credit Union Administration. When the veterans of World War II came home Wright Patman was there, an author of the Veterans Emergency Housing Act of 1946. When the Nation badly needed economic direction in the wake of World War II, Wright Patman made a difference as coauthor of the Employment Act of 1946—still a national economic landmark. When the growth of giant bank holding companies threatened the Nation with a new breed of "robber barons," Wright Patman made a difference with the Bank Holding Company Acts of 1966 and 1970. Even before the economy began spinning out of control in 1970 Wright Patman made a difference with the Economic Stabilization Act that paved the way for wage and price controls. Indeed, he made a difference by backing virtually every piece of important financial legislation that has passed the Congress in recent years.

There were many battles he fought and could not win—the never-ceasing war against high interest rates, which he saw as the mortal enemy of the farmer and the small businessman and the consumer; the fight to make the Federal Reserve more accountable to the public. But his tireless crusades kept the "big interests," the "big banks," the "Wall Street Tycoons" on their toes; they always knew that Wright Patman was there to point out their "misdeeds" and call them to account.

Wright Patman's job will never be finished—the job of protecting the people against these forces that always seem ready to overwhelm. But Wright Patman left many lanterns along the path to illuminate the way for those who are willing to carry on his efforts.

I cannot help but end on a personal note, because I counted Wright Patman not only a great crusader but a good friend. In this 94th Congress, no one has been more supportive of me than the great and good and gentle Wright Patman. He was incapable of letting any personal disappointments or hurt feelings interfere with the work that he felt needed to be done in the Banking Committe and in the Congress. He had only one criterion for deciding where he stood on any issue: Was it right? Would it help the people? I could always count on his seemingly boundless energy to push on with whatever work lay unfinished.

Wright Patman lived a grand life. Let us not mourn, but celebrate the greatness that we all saw in him and, as our tribute, carry on the work he left us to do.

Mr. BURLESON of Texas. Mr. Speaker, will the gentleman yield?

Mr. MAHON. I yield to the gentleman from Texas.

Mr. BURLESON of Texas. Mr. Speaker, it is indeed a sad time when we lose such an able and dedicated colleague, and the passing of Wright Patman is the loss of a good friend. Mr. Patman, the dean of the Congress, would have completed his 24th term in Congress, representing 48 years of service at the end of this year.

His long and dedicated service to his congressional district and to the country is well known on a national scale, and he has always been known as a very knowledgeable man about the financial structure of our country. When Wright Patman recently announced that he would retire at the close of this 94th Congress, everyone realized how well deserved would be a period of retirement where he could pursue personal interests. His life has been dedicated to his work in Congress.

When I came to the Congress, one of the first to offer help, encouragement, and guidance was Wright Patman. His considerateness and helpfulness was always available. Among his many fine attributes was his respect for the opinions of his associates. In disagreement on issues of legislation, he never questioned the position of his colleagues. He was a gentleman in the truest sense. His passing is a personal loss.

I join with my friends and colleagues in expressing deepest sympathy to Mrs. Patman and members of the family and wish for her God's comfort in her great loss.

Mr. PRICE. Mr. Speaker, will the gentleman yield?

Mr. MAHON. I yield to the chairman of the Committee on Armed Services, the gentleman from Illinois (Mr. Price).

Mr. PRICE. Mr. Speaker, the House of Representatives lost a great champion of the average person upon the recent death of the Honorable Wright Patman of Texas. I join my colleagues in extending sympathy to Mrs. Patman and to the people of Texas in their great loss.

Wright Patman served 47 years in the House of Representatives. Through all that time he worked vigorously in the interest of his Texas constituency and all the people of the country.

He was the average man's greatest friend. He was the champion of those who sought a voice in Congress to fight for justice and equality of treatment.

He dedicated himself to establishing a better system in our economic life to protect the interest of the average person, wage earners, or businessmen.

He was a courageous leader who brought about better conditions in banking, in housing, and in other business areas. Members of the House Banking and Currency Committee can cite many legislative achievements of Wright Patman—all of which benefited people. People were his first concern—starting early with his sponsorship of the World War Bonus Act.

Mrs. Price joins me in extending condolences and sympathy to Mrs. Patman.

Mr. BROOKS. Mr. Speaker, will the gentleman yield?

Mr. MAHON. I yield to the distinguished gentleman from Texas (Mr. Brooks).

Mr. BROOKS. Mr. Speaker, the Nation mourns the loss of a great American, Wright Patman. It was my honor and very great privilege to serve in the House of Representatives with such a distinguished and able gentleman, an outstanding leader whom I respected and whom I was proud to call my friend.

When Congressman Patman came to Congress in 1929, he immediately established himself as an outspoken populist and leader in the fight to protect the individual and the small businessman from possible mistreatment at the hands of big business and big government.

This, of course, is not unique in that many Members subscribe to such positions when they first arrive in Washington. What is unusual is that after 47 years, Wright Patman was still on the leading edge of those protecting individual rights and interests.

As dean of Congress and of the Texas delegation, he was always most helpful and supportive in our efforts in behalf of the people we represent in Texas.

He not only set a record of longevity, he also established a record of stability, determination, and dedication that will stand for many years.

He served his district, State, and Nation with unswerving honor, dignity, and great ability. His colleagues here in Congress will sorely miss him and his wise guidance and counsel. I join all Texans and all Americans in expressing my deepest sympathy to his beloved wife, Pauline, and his family.

Mr. YOUNG of Texas. Mr. Speaker, will the gentleman yield?

Mr. MAHON. I yield to the gentleman from Texas.

Mr. YOUNG of Texas. Mr. Speaker, I want to say to our distinguished dean of the House, the dean of the Texas delegation (Mr. Mahon), and to the gentleman from Texas (Mr. Wright) that we, on the part of the Texas delegation, were most honored and proud to be with those gentlemen in paying our last tribute to our dear departed friend, Wright Patman.

I want to say further, Mr. Speaker, how much we appreciated the eloquent and inspiring remarks that the gentleman from Texas (Mr. Mahon) and the gentleman from Texas (Mr. Wright) made at the funeral service.

I want also to express particular thanks to all of his great and wonderful friends. They and all of Texas will miss him, as will his wonderful family.

Mr. Speaker, this condolence comes not only from me, but from all of our family and particularly from my wife Jane to his lovely wife Pauline.

I want to express these condolences to his fine friends and the fine and wonderful friends of mine, the great constituents in my area, who thought so much of Wright Patman.

Particularly do I want to express these condolences, Mr. Speaker, to his fine son, Senator William Patman, with whom I share his constituency in Texas.

Mr. Speaker, I appreciate this opportunity to pay tribute to our friend, the Honorable Wright Patman, one of the great Americans of our time, and to extend our condolences to his wonderful family who are aggrieved by the passing of this great man.

In the 20 years that I have been a Member of this great body I have seen none who was the equal of Wright Patman in dedication to his country and who applied himself more consistently and continuously to the discharge of his duties than did he. His great conscience kept him constantly at his work and he at no time permitted anything or anybody, no matter how influential to dissuade him from the cause he served. That he was able to meet the great demands upon him was, in itself a great accomplishment, but that he was able to do so without letup for 47 years is a marvel of the age. His example is one that all of us lesser lights could well emulate.

Neither time nor space allows me to say all the things that I feel need saying about this great American, but in the time allotted to us here we hopefully in composite will try to reach that goal. In this respect, I want to associate myself with all the fine tribute that has been made to our great friend, and though some may have known Wright longer, none could have respected or revered him more than I.

His family are saddened by his passing, but they can take solace in the great pride and satisfaction he had in the love, affection, and achievement of his wonderful family. The name Patman has become synonymous with government and legislative achievement. It is my pleasure and pride to share a constituency with Mr. Patman's son, Senator Bill Patman. The senator is a dedicated public official, an able legislator, and a son in whom a proud father took a special pride. A great and mutual love, respect, and devotion as well as pride were showed by the senator and his able and thoughtful Congressman dad. They were a great and able legislative pair and the father and his ability and achievement will long live in the senator son.

I pay tribute and condolence to the Patman family from me and my family but especially from my wife, Jane, to Pauline, the lovely wife of our departed friend.

I count myself fortunate to have known Wright Patman and state freely that I and all who knew Wright were so much better off for having known this great and honorable man. Wright cannot be with us now, but his spirit will linger in the Chamber forever—his memory will be constant.

Mr. STEED. Mr. Speaker, will the gentleman yield?

Mr. MAHON. I yield to the gentleman from Oklahoma.

Mr. STEED. Mr. Speaker, in a career in the House of Representatives of more than 47 years, Wright Patman was a consistent and courageous champion of the common man in a phenomenal way. He kept close to the people in the First District and ably represented them and their concerns.

Yet at the same time he came to grips with most issues and faced them bluntly and effectively.

One of the highlights of my earlier years came when I was placed on the Select Committee on Small Business in 1953 with Wright Patman as chairman. Almost 10 years I worked closely with him on that committee. He gave me the opportunity of holding a wide series of hearings throughout the country on the dairy industry, the coal industry, poultry, tomatoes, and many others. Most of what I know of small business and its problems so vital to our economy I learned through my close association with Wright Patman.

Miss JORDAN. Mr. Speaker, will the gentleman yield?

Mr. MAHON. I yield to the gentlewoman from Texas.

Miss JORDAN. Mr. Speaker and my colleagues, we have heard several words said here this afternoon about a man. We know that it is conventional or traditional in congressional parlance for us to refer to each other as the gentleman or the gentlewoman or gentle lady, but we can say it of the gentleman from Texas, Wright Patman, and know that that title suits him particularly well. With almost half a century of service in this House, we know that he was a gentle man and a gentleman.

It was the time of 1928 when he came to the Congress. It was in the midst of bank failures, economic depression, lack of confidence in Government and Wright Patman felt that it was the failure of Government to be truly representative of people that was causing this lack of confidence in Government. Unhesitantly he set about the task of restoring that confidence.

When we talk about the way Wright Patman helped people we usually say the little man, the little business, the little people or the small business, but Wright Patman had no stratification in terms of classification of people, they were all just folks and he felt that Government had a responsibility to help them and he saw to that. So that the people in the First District of Texas can be proud and his family can be proud because he was, indeed, a champion and those of us who are left in this body, who represent the will of the people, can say that Wright Patman still does live in the high standards of our own conduct.

Mr. KAZEN. Mr. Speaker, will the gentleman yield?

Mr. MAHON. I yield to the gentleman from Texas.

Mr. KAZEN. Mr. Speaker, time has passed since Wright Patman left us, and nearly 100 Members of this House traveled to Texarkana for the graveside ceremony. Yet we did not say goodby to Congressman Patman when he was last in this Chamber, ending service that began nearly 50 years ago, nor did we pay final honor to his memory in the Texarkana services. This was a man who was sometimes gentle, sometimes fiery, but always so true to himself, his principles, and his party that he has left an enduring monument here.

Each of us treasures personal memories of his friendship. Before I came to this body, I had the privilege of serving in the senate of Texas with his distinguished and very able son, William Neff Patman, and, of course, along with every other Texan, I knew something of Congressman Patman's early career. I knew he had, in his first campaign for a seat in this House, pledged his efforts to achieve a bonus for World War I veterans, and when he found the banking interests urging the administration of President Hoover to oppose the bonus, Wright Patman became aroused at this opposition. It was his inquiry into the matter that led him to ask the impeachment of Andrew Mellon as Secretary of the Treasury. Only when President Hoover named Secretary Mellon as Ambassador to Great Britain did the impeachment effort die.

These and other Patman fights were legend when I came to the House. Yet this distinguished Member took time to be kind to me, and I shall always remember the reception which he gave for me and another Texas newcomer, my colleague Bob Eckhardt, as we arrived here. Wright Patman invited scores of Members of both Houses, the Vice President, members of the Cabinet, and other ranking Government officials. They came because he had invited them. I shall long be grateful for that kindness and the many that followed.

Wright Patman believed in the Democratic Party. He believed that its platform through the years served the interests of the people of this country better than any other party. I do not mean to be partisan, but rather to note the determined dedication of this man, when I say that for years he was a leader in the Democratic fundraising activities that helped many men and women win seats in this body.

We have all known how dedicated he was to his district. As his responsibilities in this House grew, he stretched his workweek so that he spent Saturdays in his office and, after attending church services on Sunday morning, he usually walked to Capitol Hill to have more time at his desk. His diligence was truly exemplary.

With all sincerity, I wish to say that I believe I am a better legislator today for having known WRIGHT PATMAN, a true statesman in his dedication to his principles, the energy of his effort, the kindness to others. History will mark him as one of the great Members of the House of Representatives.

Mr. Speaker, my wife Connie joins me in expressing our condolences and sincere sympathy to Mrs. Patman and all the Patman family.

Mr. MAHON. I thank the gentleman for his comments.

Mr. Speaker, I now yield to the gentleman from Texas (Mr. PICKLE).

Mr. PICKLE. I thank the chairman for yielding.

Mr. Speaker, although WRIGHT PATMAN has been a household word with the American people for almost a half a century, I believe one of my first personal recollections of this man was some 23 years ago. At that time I was doing some statewide organization work for then Senator Lyndon Johnson. We were organizing appearances and speakings in various congressional districts throughout the State and one of my first assignments was to go to Texarkana and help organize events and schedules in the First Congressional District of WRIGHT PATMAN.

This turned out to be more than a casual or routine series of speakings.

It seems that then Senator Lyndon Johnson had been invited to come to the Texarkana District on the assurance that Congressman WRIGHT PATMAN would organize a lot of very fine meetings. The Senator dared the Congressman to show him how he could really organize a district. The Congressman accepted the dare and hurled back a similar challenge to the Senator that he would show him a thing or two.

With both men daring big things, I can tell you that that district was exceedingly well organized. We started at 6 o'clock in the morning and we would make 15 to 20 speeches every day, ending up with a banquet on each of two nights.

In those days we would go to a rural community where previously mailings, fliers or post cards had been distributed. It was my job to get to that community early with a sound system and have the people gathered at the country store or in front of the post office, or drug store. Shortly thereafter, in would roll the Senator and the Congressman. While they were making historic town hall meetings in these communities, I would race ahead to the next stop with a second sound system. I realize that I was doing double duty and by the end of the day I believe I was twice as tired as those men. Keeping up with those two dynamos was impossible.

I was amazed at the vitality, the enthusiasm, and the challenge of public service that WRIGHT PATMAN had given to his district. Everybody knew him; everybody trusted him. It was obvious he was as respected in the First District of Texas as he was nationally.

I learned what a tremendous person he was, and I have never forgotten it. I learned that I could not keep up with those two men.

Mr. WRIGHT PATMAN seemed to always think ahead of his times. Many of the recommendations he has made have taken 5 or 10 or 20 years or more to come about.

I remember right after the Rayburn House Office Building had been finished, WRIGHT PATMAN came to me one day and suggested that I should recommend a new House Office Building immediately east of the Cannon House Office Building. I did not make that recommendation because it would not have been a popular move then. It turned out, however, that it would have been the right thing to have done. While we are proud of the new Congressional Library, we could have had a House Office Building today at this location or some similar location if we had listened to WRIGHT PATMAN. He was 10 years ahead of his time in this instance.

Last November, I testified before the House Small Business Subcommittee which was investigating the lack of enforcement of the 1936 Robinson-Patman Act by the Federal Trade Commission. I strongly supported vigorous enforcement of this good legislation, which prohibits predatory pricing practices. The next morning, Dean PATMAN took a lengthy stroll from his Rayburn Building office to my office in the Cannon Building. The dean made the trip to give me his warm personal thanks for my words about his bill. As he left, his twinkling eyes focused on me and he told me that he wanted me to carry on the fight in this arena. I interpreted this as his message to me that he was retiring from the Congress, a decision which he made official several months later. I was deeply honored by this gesture and hope to do my best as one to continue the battle on his behalf.

Dean PATMAN and his wife raised a wonderful family of four children. I am a very close personal friend of his son, Bill, who serves in the State senate in Austin. Bill Patman represents south central Texas and lives in Ganado, Jackson Country, which was formerly a part of the 10th Congressional District. Bill's wife, Carrin, is also very active in public affairs, having served as the Democratic National Committeewoman from Texas. State senator Bill Patman is very respected by his colleagues for his integrity and diligence.

After the death of his first wife, the dean married Mrs. Pauline Tucker. We in the Texas delegation have come to know and love the wife of our dean. Pauline is a very delightful person who has made many friends among all of us. She is a lady. She is loved and respected by all our colleagues. She gave inspiration to all our wives.

WRIGHT PATMAN was an intense crusader for the rights of the little man. He worked hard for the passage of legislation to help the small independent businessman. He was fervent in his zeal. He was sincere and dedicated. He tried to appeal to you on the basis of the merits of the legislation. He never tried to mislead you. He never tried to force you into supporting his position. He never tried to make any personal threat or special pressure. After the vote was taken, won or lost, WRIGHT PATMAN never referred to the vote. Although you might not have supported him, it never became a personal matter with him. What was done—was done, and there were no recriminations. His fairness and his kindness was a beautiful thing to know and experience.

Our tributes today are just a beginning to the years of tributes which will be given to WRIGHT PATMAN. His story will be told over and over. He is a legend already, and his legend will grow. As long as there are legislative bodies in this country, and as long as the people elect leaders among them, the name of WRIGHT PATMAN will stand out as the symbol of integrity and honor and ideal public service.

It is sad to realize that, after 47 years of congressional service, WRIGHT PATMAN has answered his last rollcall. His record will probably never be equaled again in this House. One of the giants of our time has quietly laid down his mantle of service. But he returns his legislative toga untarnished and unsoiled. He leaves us a record of perfect public service. Legislators decades from now will say, "He was the greatest populist of them all."

Mr. MAHON. Mr. Speaker, I would like to make this statement now. We are honoring a man who served 47 years in Congress, honoring his memory. There was a first-term Member of this House who came to me this afternoon and said, "I am very anxious to have an opportunity to say a word during the ceremonies for WRIGHT PATMAN."

Mr. Speaker, I am pleased at this moment to yield to the gentleman from Kentucky (Mr. HUBBARD).

Mr. HUBBARD. Mr. Speaker, I join other colleagues in paying tribute to a great American, a fighter for the little man, a colleague I admired very much, and a man whom I was proud to call my friend.

For 47 years—longer than many of us in Congress have been alive—U.S. Representative WRIGHT PATMAN of Texas was a champion of many efforts beneficial to the American people.

For 12 years he served as chairman of the Banking, Currency and Housing Committee. It was partly through his influence that I became a member of this committee as a freshman Congressman.

National press accounts said last year and again recently that "House Democrats, led by their young freshmen, deposed him as too old or too arbitrary or ineffective as chairman of the Banking Committee." As a freshman Democrat who serves on the Banking Committee and who also served last year, from January to June 30, as chairman of the freshman House Democrats, I can say accurately that all the freshman Democrats of this House have had a high regard for WRIGHT PATMAN and admire him very much.

At times in the past WRIGHT PATMAN has been a lonely, fearless voice seeking to protect the little people from the giants of Wall Street.

The dean of the House was a gentleman whose character, moral standards, and personal habits were always indicative of his early training in a Christian home.

Yes, among those in this House who will miss him most are the freshmen, some of whom may have questioned his leadership ability at age 81 last year but all of whom always will remember him as one of the greatest Americans in history and as one who served capably, honestly, and efficiently in this Chamber longer than all but three other Members—Carl Vinson of Georgia, Emanuel Celler of New York, and the late Sam Rayburn of Texas.

My wife Joyce joins me in extending to Mrs. Patman and the Patman family our sincere sympathy.

Mr. MADDEN. Mr. Speaker, will the gentleman yield?

Mr. MAHON. I yield to the distinguished chairman of the Committee on Rules, who served many years with the late gentleman from Texas (Mr. Patman).

Mr. MADDEN. Mr. Speaker, in the passing of our colleague, Wright Patman, the Congress loses one of our most outstanding and brilliant statesmen that this legislative body has had during this century.

He was elected to this body in the year 1928 during the first term of Herbert Hoover. During those unfortunate years of depression in the early 1930's, Wright Patman was one of the most effective legislators in helping President Franklin Roosevelt to bring our Nation back to employment, prosperity, and a stable economy.

During my first years as a new Member of the House of Representatives, I along with other Members marveled at Congressman Patman's industry and legislative activity not only from the department of economics, but also his keen intellect and valuable support of so many constructive bills which benefited millions of American families. Congressman Patman during the 47 years of his legislative service has left a record that the rank and file of America, regardless of social or economic status—of which the rank and file can indeed be proud.

Wright Patman's record as a public official started in the mid-1920's when he was elected to the Texas State legislature and later serving as district attorney of the fifth judicial district for 5 years previous to his 1928 election to the 71st Congress and each succeeding Congress. As a member and chairman of the Banking, Currency and Housing Committee and his services on the House-Senate Joint Economic Committee should serve as an example to Members coming into this House in future years.

Mr. MAHON. I thank the gentleman for his remarks.

Mr. Speaker, if I may say to my colleagues, this special order was for 1 hour, and the hour is just about elapsed. I am determined to yield to all those here who wish me to yield, but we are going to have a little problem with respect to time.

Mr. CHARLES WILSON of Texas. Mr. Speaker, will the gentleman yield?

Mr. MAHON. I yield to my colleague from Texas.

Mr. CHARLES WILSON of Texas. Mr. Speaker, during my time in the State legislature I did not follow the activties of Congress very carefully, and so I did not really know exactly what Wright Patman was doing all the time; but I did know that every time I heard a rich banker in my district cuss Wright Patman, he was doing something right.

On a bit of personal knowledge, and I suppose this is partisan, but I rather believe that if Wright Patman had his druthers, he would have chosen that this special order be a little partisan. My first knowledge of him was when he came to Trinity, Tex., campaigning for Harry Truman in 1948. My mother and I and Wright Patman were the only people in town for Truman, but somehow he got all the votes.

I remember that he campaigned for Adlai Stevenson in 1952 and 1956 when it was not a very popular thing to do and when he had a serious contest of his own. I remember his working for John Kennedy and, of course, Lyndon Johnson, and I also remember, among all of the Democratic candidates for Congress in 1972, Wright Patman was the only one who had the courage to campaign actively for George McGovern. Knowing his district, because it adjoins my district, I think perhaps I have a little surer appreciation of that than some others may have.

Also on a personal note—this was one of the most unique things about Mr. Patman—and I learned it not through him but through his son: I served with his son for 6 years in the State senate, and I have never known a son as devoted to his father as Bill Patman was to his. That says a lot about the father. As any Texas Member knows who was around at times of congressional redistricting, Bill Patman would have clearly given up his seat to protect his father's, but he was adroit enough to be able to protect them both.

Wright Patman was the only man in his eighties who still had the fire of ambition in his breast. He was a great man. He was a great administrator. He was a man the people of his district sent on March 4, 1929, to Congress; and almost 50 years later, on March 10, 1976, as the gentleman in the well so eloquently put it at his funeral, they welcomed back their hero—and what a welcome it was.

I think when the inevitable memorial is built to Wright Patman, it should contain the words of our other colleague from Texas who spoke at the funeral: "He found his greatest pleasure in comforting the afflicted, and in afflicting the comfortable."

Mr. ROUSSELOT. Madam Speaker, will the gentleman yield?

Mr. MAHON. I yield to the gentleman from California.

Mr. ROUSSELOT. I appreciate my colleague from Texas yielding to me.

Madam Speaker, Mrs. Patman, it is a distinct honor for me to have this opportunity to pay tribute to the late dean of this House, the Honorable Wright Patman.

The esteem in which Mr. Patman was held among his colleagues was attested to by the size of the delegation, comprised principally of members of the Committee on Banking, Currency and Housing and members of the Texas delegation, which traveled to Texarkana last Wednesday. This tremendous expression of feeling for Mr. Patman was at least matched, if not exceeded, by the people of Texarkana and eastern Texas, who turned out by the tens of thousands to pay their respects.

Several of the local people spoke to me about the devotion which Mr. Patman had shown for his constituents during the nearly one-half century in which he served them. I understand that Mr. Patman published and distributed more than 2,500 different editions of his weekly newsletter during his career, a truly remarkable record. That means that millions of copies of his weekly newsletter have been read during his service here. This great dedication will be commemorated in many ways, some of which have already been mentioned.

Not the least of these will be the continued use by Members of Congress of both parties and of all persuasions of a booklet entitled "Our American Government: What Is It? How Does It Function?" This booklet contains a wealth of valuable information about the Constitution and all 3 branches of our Federal Government, as well as answers to 185 questions about various facets of Government. As this booklet continues to be revised and provided to thousands of tourists who pass through the Congress, it will be a fitting memorial to its author, the late Mr. Patman.

Since I returned to the Congress in 1970 and served on the Banking Committee under his chairmanship, we often disagreed on issues. However, Chairman Patman took care to be fair to the minority, and even when the majority steamroller was moving into high gear, went out of his way to give the minority a chance to be heard.

I am privileged to join my colleagues in expressing to Mrs. Patman and to the entire Patman family our deepest sympathy and our sincere appreciation for the dedicated service which Congressman Patman rendered to this State and to all of the people of this country.

Mr. THORNTON. Madam Speaker, will the gentleman yield?

Mr. MAHON. I yield to the gentleman from Arkansas (Mr. Thornton).

Mr. THORNTON. Madam Speaker, all of us who served with Wright Patman share a special sense of loss. But because I had the privilege of sharing with him the representation of the city of Texarkana, I want to share with the Members my personal knowledge of the enduring friendships and of the deep sense of loss which is felt by his many friends in Texarkana and the northeast Texas district which he served so well.

The people in that district speak with warmth and with pride about the legislative battles which he fought and won for the people. But it was not just because he was a great Congressman that they feel a sense of loss. There was a sense of personal loss, as well, because the man they sent to Congress for 47 years was to each of them a very special friend.

From the standpoint of serving with him in the House and of sharing in the representation of people living across the street from each other, I will miss him; but I will remember him as a true friend who has given to us all an example of a courageous, warm, gentle, and determined life.

I share the sense of loss, and I want to express my genuine sympathy to his wife, his family, and his many friends.

Mr. RONCALIO. Madam Speaker, will the gentleman yield?

Mr. MAHON. I yield to the gentleman from Wyoming (Mr. RONCALIO).

Mr. RONCALIO. Madam Speaker, in another section of these tributes I shall have formal remarks, so I ask only for a minute or so to pay my respects here personally to the beloved lawmaker who was a symbol to many of us throughout the Nation for a fair and equitable distribution of the Nation's wealth.

About a month before he left us, he was kind enough to give me an increase in my quarters, for which I was very appreciative. In moving a filing case in that process, a document fell down, and it was made up of two speeches. One was a speech of the great WRIGHT PATMAN on the monetary system, and another was a speech of a Mr. Aldridge of the Chase Manhattan Bank, which was a plea for high interest rates in 1942.

So the words of our distinguished committee chairman are as true now as they were then. The bankers still insist on their high interest rates now as they did then.

Madam Speaker, I thank the gentleman for yielding.

Mrs. FENWICK. Madam Speaker, will the gentleman yield?

Mr. MAHON. I yield to the gentlewoman from New Jersey.

Mrs. FENWICK. Madam Speaker, I would like to remember Mr. PATMAN for his great kindness and his courtesy to me, and, more particularly, I would like to remember something that really moved me very deeply because it came from one of WRIGHT PATMAN's own constituents. This is what I wrote following the ceremonies:

> Yesterday, in a most beautiful and fitting ceremony, the Honorable Wright Patman of Texas was buried in his home town, Texarkana.
>
> In the cemetery—in the warm spring sunshine—a young girl came up to me to express her sense of loss, and her pride in her Representative. "I played in his yard when I was a child," she said. "He was good to us. He went up mighty high but he brung us all along with him."
>
> I thought it was such a fine and heartfelt tribute that I wanted to share it with other Members of the House.

Mrs. BOGGS. Madam Speaker, will the gentleman yield?

Mr. MAHON. I yield to the gentlewoman from Louisiana.

Mrs. BOGGS. Madam Speaker, I thank the gentleman for yielding.

Madam Speaker, I trust that the distinguished career of our departed colleague will serve to honor WRIGHT PATMAN, his family, and this body for all the days of our Nation's history. His courtesy, his kindness, and his helpfulness to both Hale and me will be remembered and cherished by all the members of our family for all the days of our lives.

WRIGHT PATMAN's reputation as a fighter for the rights of all the Nation's citizens was exemplified most specifically in legislation granting equal economic opportunities and equal treatment in the acquisition of home mortgages, small business loans, and credit to women. I have always felt that his great fight for the rights of all persons was what distinguished him most as a leader. He was a great national leader, as well as a valiant defender of our section of the country.

Madam Speaker, I extend my most sincere sympathies to his valiant and lovely wife, Pauline, and to all the members of his family.

Mr. HIGHTOWER. Madam Speaker, will the gentleman yield?

Mr. MAHON. I yield to the gentleman from Texas.

Mr. HIGHTOWER. Madam Speaker, in losing WRIGHT PATMAN, the House has lost not only its dean but one of its all-time greats. He was a great servant of the people, having nobly and conscientiously served the people of this Nation for over 47 years.

He exemplified great courage and tenacity in standing forthrightly, and often almost alone, for those things which he believed to be right and just, never just for those causes that might be popular at the movement. For years he provided points of view that were the basis for a continuing healthy dialog about the direction in which the country and its economic system were going.

He was a man of great compassion. He never wavered in his determination to protect the interests of those who appeared to have no organized voice to speak for them.

He was a great friend. Thousands of people from east Texas and all parts of the Nation were proud to be identified as a friend of WRIGHT PATMAN and mourn his passing from the American scene. I was honored to be numbered as one of this vast throng for many years, although my service with him here was all too brief.

I knew Mr. PATMAN as a fellow Texan with a heritage much like my own. He had lived through war and Depression, good times and bad, as many of us have, but somehow difficult times developed in him a keen understanding of the needs of the common man, the small farmer, the individual rancher, and the small businessman.

He was faithful to the end in serving the causes in which he believed. Yet in victory and in adversity he was always a gentleman. Although his strong voice is now silent, the torch has passed and his courageous point of view and the dialog in which he played such a part will now be taken up by others and will continue to be heard in the House of Representatives that he loved so much and served so well.

Madam Speaker, these tributes from his colleagues are not the last words of praise that will be heard in this House in praise of our dear friend. His memory and his service will be spoken of with respect and appreciation as long as any know of the service of any of the great men who have served in this House.

Mr. MAHON. Madam Speaker, I thank my colleague, the gentleman from Texas (Mr. HIGHTOWER), for those remarks.

Madam Speaker, I now wish to yield to the gentleman from Pennsylvania (Mr. JOHNSON), who served long and faithfully with WRIGHT PATMAN on the Committee on Banking and Currency, and who has been present in the Chamber throughout the afternoon.

Madam Speaker, I am pleased at this time to yield to my distinguished friend, the gentleman from Pennsylvania (Mr. JOHNSON).

Mr. JOHNSON of Pennsylvania. Madam Speaker, it is difficult to find the proper words to express the feelings I would share about WRIGHT PATMAN. For more than a decade it has been my privilege to serve with him on the Committee on Banking, Currency, and Housing. Ideologically we have differed but personally we have been warm friends. His friendly manner, those twinkling eyes and that warm smile displayed the human side of a dedicated and respected public servant.

Madam Speaker, I am sure that there will be many testimonies to Mr. PATMAN's long and distinguished service in this body. There is little that I could add to the record which history will recall. I would note, however, that his accomplishments during 47 years of service were sufficient to inspire him ever onward. His dedication should be an inspiration to all of us who at times tend to be discouraged by temporary setbacks. He has carved his name in history as a spokesman for the little man in a way that should inspire all of us to have the power of our convictions.

Madam Speaker, I am proud to have counted WRIGHT PATMAN and his lovely wife, Pauline, as warm personal friends. My prayers are for her and his three sons in this hour of grief. I am sure many others share my feelings.

Madam Speaker, I believe I have observed Mrs. Patman in the Chamber here today.

I would say with respect to this great couple, Pauline and WRIGHT, it was a real love match. I have never seen any couple who loved and admired each other as that couple did. Mrs. Johnson and I saw them on many occasions. We have traveled with them, and we have been at functions with them. They were such a delightful couple to be with.

Madam Speaker, each day now I miss WRIGHT PATMAN because his car was parked right alongside of mine in the Rayburn Garage, and we generally would arrive at the same time. Frequently Mrs. Patman was with him, and what a kindly, wonderful, loving couple they were.

Madam Speaker, we not only will miss

Mr. PATMAN, as I do every day, but we will miss seeing Mrs. Patman around the Congress. She used to come to committee meetings when he was presiding, and one could always tell how much she admired everything he did and said.

Yes, truly, we have lost a very fine and wonderful public servant.

Madam Speaker, I want to join with everybody in wishing Mrs. Patman a very pleasant, happy future, as much as is possible under these trying circumstances. Our prayers go out to her and to their three sons in the hour of their great grief.

Madam Speaker, I thank the gentleman for yielding.

Mr. SIKES. Mr. Speaker, only four men in history have served in the Congress of the United States longer than WRIGHT PATMAN of Texas. Few during our country's history have served the Congress or the Nation better. When I came here long years ago and stood near the bottom of the list in seniority, WRIGHT PATMAN was among those who had already established a reputation for ability and effectiveness in the House. In the intervening years, the list of Members senior to me has grown smaller and smaller until finally WRIGHT PATMAN was the senior Member of the House of Representatives. But he was more than that. WRIGHT PATMAN was in many ways a symbol of what Congress should stand for—vigorous representation of the people of the United States and a guardian of the rights of all Americans.

WRIGHT PATMAN was a controversial figure who never failed to enter the arena of politcial battle for the things he defended. As a member and the chairman of the powerful Banking and Currency Committee, he was an outspoken critic of the fiscal policies which he felt were injurious to the pocketbooks of the average American. He never hesitated to take on the joists in the financial world in battle. He fought the Federal Reserve Board, high interest rates, and big banks indiscriminately and tirelessly.

The people of Texas and Americans everywhere have sustained a great loss in the passing of Congressman WRIGHT PATMAN, veteran of nearly a half century of service as U.S. Representative for the First Congressional District of Texas and dean of the U.S. Congress.

Prior to his election to the House of Representatives in 1928, WRIGHT PATMAN served two terms as a member of the house of the Texas Legislature and 5 years as district attorney of the Fifth Judicial District of Texas.

Earlier this year, Mr. PATMAN announced that he would not seek election to the 95th Congress; but that he intended to carry out all his congressional duties vigorously through the remainder of his 24th term. Mr. PATMAN emphasized that although he was leaving the Congress, he was not actually retiring for he planned to remain active, returning to a limited practice of law, and to use a variety of forums to pursue his positions on economic and monetary issues.

WRIGHT PATMAN first rose to prominence as a young new Congressman when he led a successful fight over the opposition of the congressional leadership and Presidential vetoes to pay 3½ million veterans of World War I adjusted payment certificates—more commonly known as the bonus. The successful fight, culminating with the payments in 1935, not only fulfilled the Government's promise to the World War I veterans, but provided an important stimulus to the economy during the depression.

He cosponsored the Robinson-Patman Act of 1936—a major antitrust bulwark which has been described as the "Magna Carta" of small business. He was author of the resolution which created the Small Business Committee of the House of Representatives in 1941 and served as its first chairman. Much of the small business legislation of the past four decades bears his name. He also cosponsored the original Federal Credit Union Act of 1934 and the Veterans Emergency Housing Act of 1946. Virtually all housing legislation—including the major housing acts of the 1960's—also bear his name.

Representative PATMAN was chairman of the House Banking and Currency Committee from 1963 to 1974. He worked for lower interest rates and a more responsive and responsible Federal Reserve System. Consumer credit legislation, including the Truth-in-Lending Act, was moved to the forefront for the first time during his chairmanship and he consistently fought to have the consumer represented in the decisionmaking processes of the bank regulatory agencies.

Through much of his congressional career, WRIGHT PATMAN has provided a needed measure of oversight of the wealth accumulated in privately controlled, tax-exempt foundations and his work in this area led to major amendments in the 1969 Tax Reform Act.

Although Mr. PATMAN's record brought him wide national recognition, he never lost sight of the people of his district where he lived and where his roots always ran deep.

WRIGHT PATMAN was my friend. He sought to be a friend to everyone. He will be greatly missed in these Halls by all those who were privileged to serve with him and to know first hand of his patriotism, his dedication to public service and his legislative contributions and accomplishments.

I join my colleagues in extending deepest sympathy to Congressman PATMAN's family and assure them he will long remain in our thoughts and prayers and his work will stand high in the annals of the Congress and among the records of great Americans.

Mr. DOMINICK V. DANIELS. Mr. Speaker, words cannot express the deep sense of loss I felt on hearing of the passing of my good friend, and of our distinguished colleague, WRIGHT PATMAN.

The Nation has lost a tireless and courageous public servant. The State of Texas has lost an able and affable Representative. The House of Representatives has lost one of its finest gentlemen. And I have lost a friend.

Many of my colleagues will eulogize WRIGHT PATMAN and speak in glowing terms of his legislative achievements—which are legion. A few of us may qualify our remarks with a note of personal disagreement with some of Mr. PATMAN's ideas.

WRIGHT PATMAN would have liked that. He once told me that, if everyone agreed with him, he must be doing something wrong.

WRIGHT PATMAN really never cared what we thought—just as long as he was sure we were, in fact, thinking.

He played the intellectual antagonist to perfection, substantiating Edmund Burke's observation that our antagonist facilitates our cause:

> He that wrestles with us strengthens our nerves and sharpens our skills.

If WRIGHT felt the loneliness of a man ahead of his time, he took great pains to hide it. He never engaged in bitter diatribe against those who did not share his vision of truth or the future. That was not his style.

Instead, he set the course and cleared the uncharted path alone—and waited for the rest of us to catch up with him.

Without question, WRIGHT PATMAN was the consummate legislator. He combined the qualities of a hardnosed legislative tactician with those of a populist philosopher. From that meld was created legislation which did more to improve the condition of the common man than all the rhetoric, speeches, column writing, and exhortations that preceded or succeeded him. His disarming smile, his quiet manner belied a fierce determination to rescue the American promise back from the league of big bankers, businessmen, insurance companies, and Government officials who combined to control the markets for their exclusive gain.

The Employment Act of 1946 did more than set a goal of "maximum employment, production, and purchasing power." It created a mechanism for doing so. That we have failed the act's objective is due not to the legislation but to our unwillingness to enforce it. WRIGHT PATMAN fought 16 hard years for that bill and brought a nation around to a new economic philosophy.

The Federal credit unions were a Patman creation. He saw them as a means of providing easier credit to hard-pressed workers and consumers whose applications for credit had been so long denied by major banks.

The Small Business Administration and the requirement that small business be allowed to share in major defense contracts were another Patman creation that provided succor to hard-pressed businessmen and workers.

Likewise, the Robinson-Patman Act prohibited the huge chain stores from neighborhood price cutting in order to drive smaller store owners out of business.

These are WRIGHT PATMAN's achievements. There were failures along the way but he fought for years, for decades, for each of them. And through each of them runs a common thread: that free enterprise must truly be free, not merely a rallying cry for the powerful to grab as much as they can; that to achieve "full employment, production, and purchasing power," it is the function of Government to clear the road of every obstacle to those who would work to create and expand opportunities for themselves and for others.

When, after bitter debate and much delay, we finally found ourselves standing in agreement with him, he never rebuked us with "I told you so." Instead, he greeted our arrival at the same legislative conclusion with a bemused expression and twinkling eyes that seemed to say, "How nice of you to join me."

Confident of his own good judgment, WRIGHT PATMAN chose not to live in the fitful atmosphere of a Gallup poll. If we learn one lesson from WRIGHT PATMAN, it should be that the essential quality of political leadership is a strong belief in principle, the courage of conviction, and the willingness to gracefully accept defeat as a temporary setback.

WRIGHT's convictions, together with his confidence in his own judgment, allowed him to endure the criticism of colleagues and the defeats handed him from time to time. Defeats which were accepted as graciously as his triumphs.

WRIGHT PATMAN was the first Member of the House to sense the impending calamity of Watergate. The meld of tactician-philosopher was hardened by a sense of moral judgment and political propriety that put him far ahead of the rest of us.

He correctly saw that it was neither a mere peccadillo nor even within the most permissive limits of political combat. Rather, if allowed to go unchallenged, the corruption set off by the Watergate conspiracy was indeed a mortal cancer which threatened not merely a presidency but our whole political life.

It took a practicing populist like WRIGHT PATMAN to understand how this corruption would reverberate throughout the land, shaking the foundations of our society and, leaving in its wake, a people's shattered faith in their Government, their heritage, and their way of life.

Clearly, and long before many of the rest of us, he saw Watergate as proper grounds for impeachment, long before any of us recognized the danger that it posed to our country, he recognized its source and as early as Septemebr of 1972 he sought an investigation of the circuitous route traveled by campaign funds as they made their way into the pockets of the Watergate burglars. Then, as oftentimes before, he was not successful in his attempt. He was, again, right too soon.

WRIGHT PATMAN's legislative contributions to American society reveal an uncommon ability to sense the needs of the future. Foresight was WRIGHT PATMAN's hallmark.

There is a lot of discussion today about full employment policy and the maximization of production and purchasing power.

WRIGHT PATMAN was thinking about those things back in the 1930's. His Full Employment Act of 1946 created the Council of Economic Advisers and the Joint Economic Committee, and established the maximization of employment, production, and purchasing power as a national objective.

We are still working to turn WRIGHT PATMAN's dream into a reality—and in time, I am sure we will. However, when we do, we won't be able to take credit for anything more than being competent legislative mechanics. WRIGHT was more than that. He was the artist out of whose creative and expansive mind came the model with which we are now tinkering.

It was in this capacity that he launched the effort of his lifetime—to restructure the Federal Reserve System and commercial banking in the United States to make it more responsive to the little people, his people, of America.

This was the longest and loneliest quest of all. But he never stopped. Only death could take him off this battlefield.

WRIGHT PATMAN has fallen on the field of legislative battle. Not from the strength of any adversary but by the power of age and the infirmities of time. His standard will be taken up by others. Let us hope they are equal to the task which WRIGHT PATMAN faced so valiantly and bore with such grace.

Mr. ROBERTS. Mr. Speaker, the history of the Congress is filled with giant figures, men who wielded great power and influence. But one of the greatest—and the gentlest of these giants was WRIGHT PATMAN. His influence was quiet, but powerful. For more than four decades he raised a voice of concern for the little man.

With a sincerity that held him above partisan squabbles, Mr. PATMAN cut to the core of each issue. Whether it involved agriculture or finance, he always asked this question. How would this affect the human beings involved? He always insisted that the Congress steer clear of the special interest groups and vested interests so that the citizen without powerful lobbies or special connections not be lost in the shuffle.

Labeled a maverick, Mr. PATMAN was one of the few remaining crusaders. His strong positions often placed him in unpopular positions, but he courageously refused to back down.

His detractors tried to label him a foe of business and the free enterprise system. In fact, he held a deep faith in the system and fought to make it work as it was intended: for the mutual benefit of both the weak and the strong.

Mr. PATMAN was not the type of man to apologize for his views; nor did he reduce his positions to a few pat phrases or rigid ideologies. Perhaps his philosophy is best summed up by a quote by Harry Truman he used at the occasion of Mr. Truman's death:

> Of course I believe in free enterprise but in my system of free enterprise, the democratic principle is that there never was, never has been, never will be room for the ruthless exploitation of the many for the benefit of the few.

Throughout his career, WRIGHT PATMAN served the people with courage and candor. He was frank and straightforward. His honesty had no taint of diplomatic guile, and his colleagues in the Congress—as well as Americans from all walks of life—came to regard him with deep and abiding respect, a wonderful tribute indeed. The title "Dean of the House" meant more than simply that Mr. PATMAN had served longer than anyone else. It was used with measures of reverence and respect that simple longevity cannot produce.

It is impossible to overemphasize the enormous contribution which WRIGHT PATMAN made to his country. Mr. PATMAN did not believe in legislative razzle-dazzle or headline grabbing; he worked quietly, patiently for his goals without looking over his shoulder at the next election. His vision lighted a path for us all.

Perhaps it was this grand vision, this grasp of the bigger picture that gave WRIGHT PATMAN the wonderful perspective on life which his friends so respected. Mr. PATMAN was a man who held no grudges and was completely without rancor. A veteran of many political battles, he never took disputes personally or let disagreements poison friendships. For those of us who knew him well, his death has meant the loss of an enduring, sustaining friendship. It has been particularly painful.

The loss of Mr. PATMAN diminishes everyone—his family, his friends, the Congress, the entire country. But only the man has died. His ideas, his professional and personal example to all of us will not diminish, even with time. Because of him, our country is a better place, and we who knew him are better people.

Mr. FRASER. Mr. Speaker, today we honor the life and service of a man who at his death had served in this House longer than any other current Member. In fact, WRIGHT PATMAN served in this House longer than all but three others in our history.

Of course, it is the quality of service rather than its duration that is most important. WRIGHT PATMAN scores high on any measure of the quality of his service. In a democratic system of government one always hopes and believes that there is a high correlation between length of service and quality of service. The voters of the First District of Texas obviously were satisfied.

As a non-Texan, it is always helpful for me to look to Texans for insights and observations about other Texans. Concerning the staying power of Texas congressional representatives, Speaker Rayburn is purported to have said, "We pick 'em young, we pick 'em honest, we send them there and we keep them there." WRIGHT PATMAN was clearly an illustration of this Rayburn rule.

But he was more than young and honest when he came to Washington as a Congressman in 1929. He saw himself as the champion of the little man against the big interests. And throughout his career he never ignored the impact of big government and big business on the small farmer, the small businessman, and the people of east Texas he represented.

Whether it was veterans' pensions, housing, or an honest shake in the marketplace, WRIGHT PATMAN was willing to fight long and hard for his vision of the fair deal.

Earlier in his career, he served as a member of the Texas State legislature. He was for a time a deskmate of Sam Daly Johnson, Lyndon Johnson's father. On January 20, 1964, Lyndon Johnson, in remarks to the National Congress of American Indians recalled his father's advice about WRIGHT PATMAN:

> When I was a young Congressman, 27 years of age, I stood on the steps of a train to come to Washington for my first time as a Congressman and my father, who had been many years in legislative service said to me then: "Son, measure each vote you cast by this standard: Is this vote in the benefit of people? What does this do for human beings? How have I helped the lame and the halt and the ignorant and the diseased? See if this vote is generally for humanity. And there will be times when good arguments will be made both pro and con. And you won't know what to do. When that time comes, I suggest that you watch how Wright Patman of Texas votes and then follow him, because while Wright gets off the reservation every now and then, he always gets off thinking he is voting for human beings." And I did that and I am rather proud of my voting record.

That says it as well as I can. WRIGHT PATMAN always voted for human beings in this sense. His voting record is one his family—his wife, his sons and his other relatives—will never have to defend against charges that it was the product of special interest pressures.

Since WRIGHT PATMAN is the last Member of this House who was sworn in before the advent of the 20th amendment, his death, in a sense marks the end of an era. But his dedication to humanity is the sort of thing that, if this country is to survive and prosper, will never go out of style and will always connect us with our respected colleague.

Mr. HELSTOSKI. Mr. Speaker, it was with a profound sense of sorrow that we learned of the passing on March 7 of the dean of the U.S. Congress. WRIGHT PATMAN was a truly honorable man and dedicated legislator deserving of a very special tribute to his memory. Having served a remarkable 47 years in the House of Representatives, he left an indelible mark on this institution. Although we were prepared to accept with reluctance his decision to retire at the end of this session, his premature departure can only be met with great sadness and regret.

WRIGHT PATMAN genuinely earned the respect, admiration, and affection of his colleagues for his devotion and hard work. He was deeply revered for his breadth of experience of knowledge. Having occupied a seat in this Chamber for 24 terms, it is difficult to perceive of his absence and his death leaves an irreplaceable void in the House.

Yet, we should be grateful for the rich legacy which WRIGHT PATMAN has bequeathed to us. His dedication and commitment to his constituents, his State, and his Nation were inspirational. He will always be remembered for his abiding concern for the small businessman, the consumer, and the American citizen whose causes he championed so tirelessly in the Halls of Congress.

WRIGHT PATMAN was an outstanding and exemplary public servant. It was a privilege and honor for me to have served with this fine gentleman and distinguished Member of Congress. I wish to offer my heartfelt condolences to his wife, Mrs. Pauline Patman, and to his three sons on their great loss.

Mr. RONCALIO. Mr. Speaker, in the passing of the Honorable WRIGHT PATMAN, the people of America have lost a friend and dedicated servant.

Throughout his long 47 years in the House, a length of service exceeded by only three others, Mr. PATMAN hammered away repeatedly at inequities in the financial system and at progressive issues for the welfare of the common people. Notably, high interest rates were his target and he was determined to achieve significant change in a system he felt was contrary to the common good.

Mr. PATMAN did not hesitate in launching his crusades for the people upon entering the House in 1928. His immediate efforts to achieve reform brought him the resentment of his senior colleagues who then denied him membership on the Banking Committee where he wished to serve to better fight for the kind of basic changes he sought.

His achievements, both large and small, are too numerous to list, but a few exemplify this man of integrity and his dedication to purpose. Very early in his career, he moved to impeach Andrew Mellon who had been appointed Secretary of the Treasury by President Hoover. Mellon was an obvious symbol of entrenched wealth and left office rather than face conflict-of-interest charges. WRIGHT PATMAN was a constant champion of the common man in America, the farmer, small businessman, worker, and veteran. He was, of course, instrumental in writing and passage of the Robinson-Patman Act forbidding manufacturers to discriminate against small businesses by giving special prices to chains. He will be long remembered, too, as the prime mover in establishing the credit union system we know today with its 30 million members in the United States.

WRIGHT PATMAN worked tirelessly for lower interest rates and to remove conflicts of interest within the Federal Reserve System. He made long strides in his leadership against the power of big money and banking on behalf of all consumers.

He had announced his intentions of retiring after this his 47th year in the House. I only wish that he had been able to enjoy a few years of retirement in Texarkana to reflect upon his life's work and accomplishments over the years as the people's servant. His crusades should be continued as a tribute. WRIGHT PATMAN will not be forgotten, but will remain as an influence in our lives as an example of integrity, dedication, kindness, and selfless service. We will miss WRIGHT PATMAN.

Mr. FLYNT. Mr. Speaker, I join with the Texas delegation to pay solemn tribute to the life and service of the Honorable WRIGHT PATMAN, late a Representative of Texas and the dean of the House of Representatives.

WRIGHT PATMAN was one of my friends since I first entered this body and since 1965 I have considered him one of my dearest and most special friends because of daily association with him as a next door neighbor in the House Office Building. His office was directly across from mine and scarcely a day passed when he did not brighten our office and the hearts of those who worked in it by his thoughtfulness, his smile, and his general interest in people.

The closeness of our friendship was intensified during this period of close association, and our offices and staffs shared times of happiness and sadness together. He continuously served as an inspiration to me during the 22 years we served together in the House of Representatives.

Although he attained lofty heights in government service he continued to be the champion of the little man. WRIGHT PATMAN was unequaled in his fight for the rights of all human beings. His patriotism, dedication, and legislative contributions were never and will never be questioned.

WRIGHT PATMAN and I did not always see eye to eye, but I never questioned his sincerity, and I am confident that he never questioned mine. He might not always have been right, but no one ever questioned that he believed he was right whenever he took a position.

His 47 years' continuous service to the people of his district, State, and the Nation have been exceeded only by the length of service of three other Members in the entire history of the United States. His service was highlighted by his chairmanship of the House Committee on Banking and Currency from 1963 to 1975.

WRIGHT PATMAN was one of the finest men I have ever known. He was capable, conscientious, dedicated, and courageous. He was admired not only by those of us who served with him but by people throughout his district, the State of Texas, and the United States. This admiration was near universal. As Nestor of the House, he served with dignity and commanded the respect of all its Members.

Mrs. Flynt joins me in extending our condolences and heartfelt sympathy to the family of WRIGHT PATMAN. He was my good friend, and I shall miss him very much.

Mr. MINISH. Mr. Speaker, I was deeply saddened when I learned early this month of the passing of the dean of the House, the Honorable WRIGHT PATMAN of Texas.

WRIGHT PATMAN was a champion of the little man, a battler for the public interest and against special interests, a man of unquestioned honesty, integrity, and ability.

He was a man whose ideas and convictions were deeply held and proudly fought for. Among Mr. PATMAN's major legislative achievements was the passage of the Employment Act of 1946, which created the Council of Economic Advisers and the Congressional Joint Economic Committee and established, as the permanent objectives of national policy, the creation of "maximum employment, production and purchasing power." He had begun advocating such legislation in the mid-thirties.

Mr. PATMAN was the principal author of legislation creating the system of Federal credit unions as the repository of the savings of ordinary workers and a source of small loans for them.

It was his legislation that created the Small Business Administration and the principle, established during World War II, that small businesses had a right to share in defense contracts.

He was coauthor of the Robinson-Patman Act, aimed at preventing the big chain stores from running small competitors out of business by cutting their prices in the areas served by the small competitors and raising them elsewhere.

Mr. PATMAN was largely responsible for the passage by the House of standby authority to impose wage and price controls on the economy—legislation that President Nixon denounced and then used in his dramatic freeze of prices and wages in the summer of 1972.

In his capacity as chairman of the Banking and Currency Committee, he served as a strong ally of the ordinary taxpayer and an implacable foe of monied special interests.

All in all, WRIGHT PATMAN surely will rank as one of the outstanding legislators ever to serve in the Congress during our Nation's first 200 years.

Beyond his outstanding contributions to the Nation, however, WRIGHT PATMAN was my dear and personal friend. From the earilest days of my congressional career, I could always count on Chairman PATMAN for sound advice and strong encouragement in any endeavor I undertook. As chairman of the House Banking Committee, on which I serve, he never failed to accord me complete freedom in my legislative work and, in fact, willingly shared the responsibility and authority of his important position.

The Congress has lost one of the last great populists of the Nation and WRIGHT PATMAN will be sorely missed by all who came to know and love him.

To Mrs. Patman and the family, I extend my heartfelt sympathy and condolences.

Mr. ZABLOCKI. Mr. Speaker, I would like to add a few words to what has already been said, about our late, beloved colleague, WRIGHT PATMAN. As you yourself observed, Mr. Speaker, WRIGHT PATMAN was one of the most courageous men you have ever known. Those of us who had the privilege to serve with him in the House of Representatives have lost a great friend, and the American people have lost a great leader.

During his long service in the House of Representatives WRIGHT PATMAN accumulated an impressive list of legislative accomplishments and reforms especially for the common man, such as legislation creating the Small Business Administration, establishing a national policy of maximum employment opportunity, and creating the Federal Credit Union as a method of savings and a source of loans for the average worker.

I believe the key to WRIGHT PATMAN's success in accomplishing so much was his total dedication to the causes for which he worked and in which he completely believed. He was not afraid of hard work and opposition, and his only special interest was the common man.

The State of Texas can be proud of its record in sending many fine men to Congress, and I believe that WRIGHT PATMAN can justifiably be included among that number of outstanding Texans who have come to Washington and left it and the country a better place by having served here.

WRIGHT PATMAN was a real gentleman in every sense of the word, tough and unyielding in fighting for what he believed was right, but always without pettiness or vindictiveness. He was for what he believed in the long run was the best for our country by working for the needs of all the people. I am proud to have been one of his colleagues, and it is with deep regret I say farewell to WRIGHT PATMAN, a man of honor and integrity, a true American.

Mr. MAZZOLI. Mr. Speaker, I am deeply grieved by the recent death of our distinguished friend and colleague, WRIGHT PATMAN. Our feelings of grief can only be matched by our deep admiration for a man who contributed tremendously to this body, to his constituency in Texas, and to the country he loved so much.

WRIGHT PATMAN, who dedicated the great majority of his life to serving his country at the Federal level, will be sorely missed.

He championed the causes of individuals who most needed representation—the ordinary, common folk, the little people.

He originated, and through his leadership and support saw enacted, countless legislative measures to improve the plight of all Americans.

His service in the House was marked with controversy. But, the very nature of his kind of hard-driving, hard-working representation guaranteed that his service would be controversial—and also that it would be unforgettable.

The Nation has suffered a great loss—his family has suffered a great loss—and the Congress has suffered a great loss.

His concern and compassion for the American people and the mark he made in the legislative history of the United States insure that his memory will live on and through it, he will continue to wield great influence on us all.

I extend my deepest sympathies and condolences to Pauline, his partner in public service whose encouragement and understanding played a major role in the life and achievements of a great man. I extend my sympathies and condolences to the entire family.

Mr. COLLINS of Texas. Mr. Speaker, as the dean of Congress, WRIGHT PATMAN made history as he served for half of the 20th century. A few days ago, I sat in the First Baptist Church in Texarkana, and I thought back on the many active years WRIGHT had in Texas and Washington.

Everyone in Texas knew who WRIGHT PATMAN was and you also knew where he stood on every issue. It seemed that on most issues WRIGHT PATMAN and I differed. But he could differ with you on the floor, yet when the congressional door closed behind him, he was the same friendly east Texas neighbor. PATMAN had a strong belief in principles but he never carried this into a conflict with opposition who also sincerely believed in their views.

I will always remember WRIGHT PATMAN as a gentle, kindly personality. His twinkling eyes were always smiling. He had the charm and the polite manners of a Southern colonel. His friendly greeting and country enthusiasm made you feel like just last week he just left Patman Switch down in Texas. He always had a story and experience. His life was full of rich experiences because he was so full of life.

Last campaign when he was 81 years old and had served in Congress for 47 years, several challengers entered the race as they thought he getting soft. I read about his campaigning activities in the newspaper. One night they had a new special train coming from Little Rock to Dallas. The paper said he got on at Texarkana at midnight and walked the length of the train shaking every hand until the trained pulled into Dallas the next morning. He swept the Democratic primary and took his Republican opponent by 2 to 1.

When WRIGHT PATMAN announced a few months ago that he would not seek reelection again, everyone was surprised. The Dallas Morning News said that PATMAN certainly retired by his own choice, because there is no man alive that could ever beat WRIGHT PATMAN in the First District of Texas.

Somehow I could never picture WRIGHT PATMAN retired. It seemed natural for him to be in a fight with the big bankers. I wonder if the good Lord might have called him from his active seat in Congress to sit in up above and keep the bankers busy.

And to Pauline, Dee and I extend all our love and sympathy. Pauline has always meant so much to all of us in Congress and to all of Washington with her gracious and warm personality. On this occasion when we voice our farewells for WRIGHT PATMAN we will all be thinking of the entire family.

The children and grandchildren of WRIGHT PATMAN, as well as all of Texas, have a great heritage with the memory of PATMAN of Texas, Congressman of the First District of Texas and dean of the U.S. Congress.

Mr. DE LA GARZA. Mr. Speaker, the death of the Honorable WRIGHT PATMAN is a loss to this House and a severe loss to me personally. High tribute has been paid in newspaper accounts and in statements here to the character and fighting spirit and accomplishments of our late colleague. All that has been said was deserved. WRIGHT PATMAN was a truly outstanding figure, a statesman of national stature.

If my colleagues will permit me to mention a personal note, one I think should be preserved for the future, I will tell you about this great man's rare sense of humor. We had a little act we put on periodically for our friends.

I would ask Dean PATMAN if he spoke Spanish. He would reply, "Yes, quite a bit." With this reply, I would challenge him to say something in Spanish, and he would drawl "KIKA DE LA GARZA"—extending it to a considerable length. And I would then say, "Why Mr. Chairman, you speak a great deal of Spanish."

It is of this human being that I speak—of a man who was enormously helpful to me when I was a freshman Member and who through the years was one to whom I, like many another Member of this body, could always turn with confidence that his great knowledge and vast experience were at my command. I will miss his wise counsel. I will miss his friendly presence.

When Mr. PATMAN announced in January that he planned to retire from Congress at the end of his present term, he addresed a mesage to his friends and Texas constituents in which he said:

> Together I believe we can be very proud of all that we have accomplished. Thank you for a wonderful, fulfilling 48 years.

Let those words, his own, be WRIGHT PATMAN's epitaph. And let the knowledge that he was a friend to mankind bring solace to the wife who survives him and who is present at this time in the House gallery. Our warm sympathy goes to her in her loss, which all of us in this Chamber share.

Mr. VAN DEERLIN. Mr. Speaker, there have been many tributes to our late colleague, WRIGHT PATMAN, and this great man of principle deserved them all. Surely, there have been few among us who have done as much as Mr. PATMAN to champion the cause of the ordinary citizen, against some of the most powerful financial interests in the Nation.

He served in this House an incredible 47 years, long before many of our present colleagues were even born. It was an incredible career, which made a lasting impact on our banking and related financial institutions.

I suppose I best remember Mr. PATMAN for his unwavering devotion to duty. I had a parking space near his in the Rayburn garage, so I was able to observe something of his comings and goings. No matter how early I arrived for work, Mr. PATMAN was usually already there, and he was usually still on the job when I left in the evening. His habit of putting in long hours did not change even after he yielded the chairmanship of the Committee on Banking, Currency and Housing—and all this at an age when most people have long since retired.

Mr. GONZALEZ. Mr. Speaker, WRIGHT PATMAN, that gentle prophet, was my friend.

In all the years that I knew him, he never deserted his principles. In all the hard and bitter fights he had while I knew him, I never saw him lose his grace or temper, and I do not believe that a mean thought ever crossed his mind.

I have said that WRIGHT PATMAN was a prophet, and he was, for he had set for himself a mission in life, the cause of what he called the plain people, or the little people. Whatever would help ordinary people, WRIGHT PATMAN was for. Whatever would hurt them, he opposed. It did not matter to him that the big bankers and the movers and shakers of the Federal Reserve did not agree with his cause; it never bothered him that opponents of his crusade might belittle him, or use any tactic conceivable to defeat him. WRIGHT PATMAN believed in his cause, and his faith that he was right gave him a sense of serenity that he never lost. He could lose a fight, and he lost many, but no one ever defeated WRIGHT PATMAN.

Not long after WRIGHT PATMAN came to Washington, the enormous catastrophe of the Great Depression struck. He had already seen the terrible effects of the farm depression of the twenties, and had brought with him to Washington a viewpoint that he never lost: While economists and bankers and bureaucrats saw the Depression as a kind of technical problem, he saw it as a human one. He wanted to stop human suffering, meet human needs, and make it possible for ordinary people to have a decent life.

Everything WRIGHT PATMAN did was founded in his vision that plain people counted, and that government was intended to serve them. If the Federal Reserve followed monetary policies that hurt ordinary people, WRIGHT PATMAN demanded different policies; if big business hurt small business, he demanded fair treatment; if big banks harmed the interests of modest folks, he called them on the carpet. He cared in small ways; every week, WRIGHT PATMAN sent out a simple little newsletter, filled with wise and useful information. He published a little book on our Government, with questions and answers on how it works. He printed a primer on money, in an effort to take the mystery out of monetary policy.

WRIGHT PATMAN understood the desperation of veterans during the Depression, and he worked hard for a bonus bill, to help them over their hard times. He believed that the policies of the Secretary of the Treasury had multiplied the grief and hardship of the Depression, so he called for an impeachment of the Secretary. He wanted to have some kind of place where people could save and borrow money at reasonable cost, so he worked for the enactment of the credit union act, the law that made possible credit unions as we know them today. He wanted small businessmen to have a fair deal from manufacturers, and the Magna Carta of small business, the Robinson-Patman Act, resulted.

Every major housing bill, every piece of financial legislation since 1928 has borne the stamp of WRIGHT PATMAN. If he did not always get what he wanted, he always endeavored to get at least something for the little man.

I suppose that WRIGHT PATMAN could talk economic and financial theory with the most remote of academicians, but he did not care about that. He had access to the corridors of power, but the temptations of power never dimmed his vision. He never forgot, as some do, that the rich and the powerful have their lawyers and lobbyists; it was up to him, he said, to look after the interests of the little folks, who had nobody else to defend them.

Had he strayed from his principles, WRIGHT PATMAN's chairmanship of the Banking and Currency Committee would certainly have been more peaceful. He did not wish for conflict; but neither could he compromise his beliefs. He was portrayed as a tough and relentless critic of the Federal Reserve, and so he was. But he did not thunder out his sermons; he would deliver his message in a kind and gentle voice, with a few mild gestures, like a disappointed father lecturing a wayward son.

Big financial interests saw WRIGHT PATMAN as a special kind of demon, and they worked constantly to frustrate his investigations and defeat his financial bills. The pressures of legislative fights would often produce pandemonium in the Banking and Currency Committee, but WRIGHT PATMAN never lost his gentle humor and good grace.

He was a kind man, a good man. He always had a smile, a good word, and time to spend with ordinary people. His last interview, or close to it, was with a student journalist. He was a loyal friend; once WRIGHT PATMAN gave his word, there was never any question that he would keep it.

Perhaps WRIGHT PATMAN was a product of a different era. Some say that his ideas were impossible. But were they? His credit union legislation, his housing legislation, and his financial legislation are at the very foundation of the country's economy. Ideas that WRIGHT PATMAN believed in and worked for have made possible the economic miracles—and there are many of them—that occurred during his career. Perhaps he was a man ahead of his time, even in his last days.

WRIGHT PATMAN was a man of courage. At a time when the Ku Klux Klan was a great power, he stood in the State Legislature for anti-Klan legislation. It was the decent thing to do, the right thing to do. Decades later, he still made his legislative decisions on the side of decency

A year ago, WRIGHT PATMAN was deposed from his chairmanship. He was too old, they said, and ineffective. It was a brutal business, and a lesser man than WRIGHT PATMAN would have been embittered by the loss. But he would not bend to this temptation, any more than he had succumbed to the temptations of power. No, he worked to heal the wounds, because he believed that the country had business that came first.

WRIGHT PATMAN was a good and gentle man. He was despised by many, but himself despised no one. Like a prophet, he preached certain beliefs as if he had a divine mission. His belief was complete, and it made him a man of rare serenity. He alone knew how great his legacy to this country is; we can only guess at the extent of his influence on our lives. We only know that this gentle prophet reached into all our lives, and now that his voice is stilled, we can only wonder who can replace him. We can only pray that somewhere, someone among us is driven by that same devotion, that same love of people that he was, and that some one among us will see the visions he did, and have the same fidelity that he did, the same courage that he did.

No one except WRIGHT PATMAN always remembered to ask the most important question, no matter how arcane the subject matter, no matter how urgent the demand for action, no matter how great the pressure: What does this mean for the people?

It took an old man to demand the first investigation of the scandal that ended the Presidency of Richard Nixon. It was the same man who demanded that Andrew Mellon be impeached. Decades of time lay between these events, but the vision of WRIGHT PATMAN was the same, and the result the same. Mellon was not impeached, and WRIGHT PATMAN did not get to investigate Richard Nixon, but neither Mellon nor Nixon held office for very long afterward. His eye and aim were as true in 1972 as they had been in his youth.

No man ever served this House with greater faith and fervor than WRIGHT PATMAN. A few served as long as he did, but none with greater love for this House, or the people it represents. None ever did as much as he did to advance the interests of the plain people, those without advantage, those without power. His life work was for him, for us; and it moves in all our lives, a great and inextinguishable power, the real monument to this kind and gentle prophet.

Mr. **NATCHER**. Mr. Speaker, in our time, giants have walked the face of the Earth and WRIGHT PATMAN was one among them.

We are today honoring him in death but he did not have to wait for the many honors and the respect his colleagues and Americans everywhere accorded him during his life. These sometimes took the form of the silent admiration of the Members even when they were constrained to differ with his position on a particular matter. They took a more material form in the award of many honors conferred upon him during his lifetime.

Never was there anyone more dedicated to the service he performed or the people he served. What an inspiration he has been to me and the other Members of Congress as he assumed the demanding duties of the chairmanship of the Committee on Banking, Currency and Housing and continued his outstanding work for the people of Texas whom he represented so well for so many years.

Mr. Speaker, WRIGHT PATMAN served all the people of this Nation. His guidance and his counsel have become monuments to responsibility in public office. As the dean of the Congress of the United States, he was loved and respected by the Members and by all of the people who at any time had an occasion to call upon him for assistance and guidance. He was my friend and he had a mind that never flagged, a physical well-being that age and prodigious exertions could not attack. It has been a distinct honor and a privilege for me to serve with this able Member in the Congress. As a member of the Committee on Appropriations, I had the opportunity on a great many occasions to discuss with him matters concerning the budget, the deficit, and control of the money in this country by the Federal Reserve System. He was a noted authority on the banking system in this country and on the financial structure of the many institutions that play a part in the economy of our country. He had a quick mind and was one of the hard-working Members of the Congress. It is impossible to surpass in sincerity or depth of feeling some of the words that have been so well and eloquently said in this Chamber on the passing of our brilliant and beloved colleague.

The status of our Nation is built on the careers of such men. They perform the demanding and necessary job which must be done every day and they make the hard and often unpopular decisions. Their only watchword is duty and they bring to the performance of duty a sense of purpose which permits no interference by those with selfish motives.

The achievements of our dean as a major figure on the American scene over the years will be long remembered. He was a gentleman in the finest sense. He had charm and wit and he extended a warm courtesy and consideration toward others even in times of stress. His loss to the Nation will be felt down through the years and will be mourned by all those who had the great privilege to have worked with him in seeking to build an even better Nation. All down through the years I have been impressed by his intelligence and dedication, his compassion and his humor. He loved his country, his State, and the House of Representatives, the greatest legislative body in the world.

WRIGHT PATMAN came to this Chamber as a young man in 1928 and, true to his concept that government is the servant of the people, he fought the good fight when he felt this principle was threatened and in most cases, he won. We hear that he was the last of the Populists. I know that we who served with the gentleman from Texas will always remember him as the champion of the little man and we, as well as those who will serve in the future, can only be strengthened by his example. This Member served for nearly one-half century in the House and he will long be remembered as one of the great men to serve in this House.

I will miss WRIGHT PATMAN and, in his memory, it is my fervent wish that this body may forever dedicate and decide the matters before it with that same fairness which was always the trademark of the Honorable WRIGHT PATMAN of Texas.

Mr. Speaker, I extend to Mrs. Patman and to the other members of his family my deepest sympathy in their loss and bereavement.

Mr. **BARRETT**. Mr. Speaker, the death of WRIGHT PATMAN on March 7 has ended, for me, some 31 years of friendship and service with him here in the House of Representatives. When I arrived on this floor in January of 1945, as a freshman Member of Congress from the First Congressional District of Pennsylvania, my colleague from the First Congressional District of Texas had already been serving in the House for 16 years. I did not begin my service with him on the Committee on Banking and Currency until my second term which began in January of 1949. I served beside WRIGHT PATMAN on the Committee on Banking and Currency and worked closely with him on every major piece of legislation that went through the committee from that time until his recent hospitalization. I believe that no two members of the Banking Committee have ever had such a similar voting record on legislation that the committee considered and voted upon. Our views on banking matters, monetary policy, economic policy matters, and the Federal Reserve Board were identical, and his support of our major housing legislation was always solid and supportive. WRIGHT PATMAN and myself have served as subcommittee chairmen on the Committee on Banking, Currency and Housing longer than any other members in the recent history of the committee and, speaking for myself, no other member of the Banking Committee in my service on that committee has contributed more to the American public than our distinguished late colleague from Texas.

While legislative triumphs did not often come Chairman PATMAN's way, he blazed the path for others to follow and now we see many of these proposals now in law or well on their way to becoming law. As Ralph Nader so aptly put it, "PATMAN was right before his time." WRIGHT PATMAN came out of the rural and poor area of east Texas, populated mainly by small farmers and small businessmen to whom he devoted a lifetime of service. The economic calamities that these people of east Texas lived through formed the political and economic philosophy of this great Representative.

And, Mr. Speaker, he held true to these beliefs to the end. No amount of political pressure, nor new waves of political ideology or new administrations could shake him from his beliefs. Even his late and great colleague from Texas, our former President, Lyndon B. Johnson, found it futile at times to try to change WRIGHT PATMAN's way of doing things. This, I believe, is a great testimony to the man, and an attribute that I most admired.

Mr. Speaker, an era of American history has passed with the death of WRIGHT PATMAN, an era which produced the Populist tradition in this country, an era which has ended today with the death of the last son of the Populist movement. The tradition has not died with this great leader. That tradition will continue for generations in our American political system.

Mr. Speaker, I offer my sincere condolences to WRIGHT PATMAN's devoted wife, Pauline; to his three sons, Connor, Harold, and William; and to his many grandchildren. I salute WRIGHT PATMAN as one of the greatest men who ever served in the House of Representatives.

Mr. MILLS. Mr. Speaker, it is with a heart full of sadness that I rise in the House today to note the passing of Congressman Wright Patman of Texas.

When I first came to Congress in 1939, Wright Patman had already been here for a decade. He had, even at that time, established for himself that reputation for sincere and deep concern for the ordinary citizen, the small businessman, and the farmer that stayed with him until his death on Sunday.

Wright Patman, during his long and dedicated career in the Congress, longer than any living Member of the House, has been responsible for a number of landmark enactments. Early in his service he coauthored with the late Senator Joseph T. Robinson, of my own State, the Robinson-Patman Act, which has done so much to further competition in this country and to protect the interests of small business.

Also in his early years here Wright Patman was foremost among those who championed the cause of World War I veterans. A soldier himself, throughout his almost half a century of service here in the House he was a strong supporter of legislation providing benefits for veterans of all wars in which this country has participated.

During his chairmanship of the Committee on Banking, Currency and Housing, great strides were made in housing legislation and in the other areas of jurisdiction of that very important committee of the House.

Mr. Speaker, Wright Patman was a great American and a dedicated public servant. The United States Code today is replete with his very significant contributions to the laws of this country.

We all mourn the passing of this dear friend and our deepest sympathy abides with his family in this sad hour.

Mr. EVINS of Tennessee. Mr. Speaker, flags are flying at half-mast over the Capitol today in tribute to the memory of a great American, the Honorable Wright Patman, our beloved colleague, the late dean of the Congress, who passed away early Sunday at Bethesda Naval Hospital.

Certainly I was shocked and saddened to learn of the passing of the great Texan whose distinguished career and courageous fight on behalf of the "little man" against the "special interests" spanned almost five decades—all of the 48 years he served in the Congress.

Only a few days ago, it was my special privilege to present to Wright Patman the Award of the Phoenix, the highest award which Cumberland College of Lebanon, Tenn., can present to an alumnus. He was graduated from the Cumberland University Law School and previously had received an honorary doctor of laws degree from Cumberland.

He was pleased by the recognition accorded him by his Alma Mater and recounted for the audience of Cumberland alumni some of the fascinating highlights of his life of public service.

Wright Patman served his District, State and Nation faithfully and well, with diligence and perseverance. He was always the champion of the "little man"—the small businessman, the tenant farmer, the sharecropper, the wage earner. He waged unrelenting warfare against moneyed interests and high interest rates and restrictive monetary policies by the Federal Reserve Board.

He served as chairman of the Banking and Currency Committee for 12 years, from 1963 to 1975 and although he was under constant attack from big financial interests, he never wavered in his crusade against these same interests—he was a true Populist.

His distrust of big business was ingrained from his hard scrabble childhood when he learned first-hand of the impact of high interest rates on Americans of modest means. He was reared in the east Texas farm country, the son of a tenant farmer forced to pay up to 50 percent interest on crop loans.

It was Wright Patman who in 1941 introduced and led the fight for passage of the resolution which first established the Small Business Committee. Speaker Rayburn appointed him as the first chairman following passage of the resolution, and he served for a period of 19 years as chairman prior to becoming chairman of the Committee on Banking and Currency. He also served as chairman of the Joint Economic Committee and of the Joint Committee on Defense Production at the time of his passing.

He was pleased by the action of the Congress in elevating the Small Business Committee from a Select Committee to a standing committee with legislative authority, with membership expanded from 18 to 37 members. He was also pleased with current action of the House Small Business Committee in conducting hearings on the efforts to maintain, preserve and enforce the Robinson-Patman Act, the "Magna Carta" of small business.

Wright Patman was one of the last public officials in America to come from the "log cabin" tradition and school in American politics. He was born August 6, 1893, in a log cabin in Patman's Switch, Tex., and rode 6 miles to school every day on a mule. He raised cotton to pay for his college and law school education.

He was first elected to the House in 1928 and here began his fight against monopolies, mergers, and concentrations of wealth. He had a deceptively mild voice that was in sharp contrast to the bitter and biting words he uttered in his attack on "special interests." Without raising his voice, he would calmly and deliberately rip into the institutions he disliked and the policies he opposed in his matter-of-fact delivery, to the delight of the "little people" who saw in him their champion and defender and of others who shared his views and philosophy.

Wright Patman grew physically old in Congress and had announced his decision not to seek reelection—but his mind was alert and keen to the end and his zeal was never compromised by the passage of time or dulled by cynicism.

He believed in liberty, freedom and the cherished American way of life and he fought for almost half a century to preserve our Republic and make democracy safe for the world of the "little man" faced with financial predators.

As one reviews the life of this great and good man, the words of the Apostle Paul in Second Timothy are indeed applicable:

> I have fought the good fight, I have finished my course, I have kept the faith.

Wright Patman has left his imprint on the legislative history of the Nation and his unwavering defense of the public interest no matter what the costs to him personally attests to his strength of character and his deep love of this great country.

Wright Patman will be missed—his shoes will be difficult to fill.

I want to take this means of extending to Mrs. Patman and members of his family this expression of my deepest and most sincere sympathy in their loss and bereavement. My wife, Ann, joins me in these sentiments.

Mr. ANNUNZIO. Mr. Speaker, in the days to come the memory of Wright Patman will be honored in many ways by those who worked with him and benefited from his active leadership of the Banking, Currency and Housing Committee.

But perhaps the best remembrance of the man, known for his tirelessness, came yesterday when the Board of Directors of the House Credit Union voted unanimously to change its name to the Wright Patman Congressional Federal Credit Union.

Mr. Patman, who served in the House of Representatives for 47 years, authored the Federal Credit Union Act in 1934. He sponsored every piece of credit union legislation in the Congress and at the time of his death he was strongly backing legislation that would have granted broad new powers to credit unions. One of Patman's favorite expressions in describing credit unions was, "next to the church, credit unions do more good for the people than any other institution."

It was more than a saying with Mr. Patman, he honestly and deeply felt that way about credit unions.

During his years in Congress, Patman was honored by virtually every State for his credit union work and was the second recipient of the Man of the Year Award given by CUNA, International, the worldwide credit union organization.

In the late 1960's, Mr. Patman established branch offices of U.S. credit unions on major military installations in both the Far East and Europe. The establishment of these credit unions came after Patman's committee found that servicemen stationed overseas were being charged interest rates by finance companies that sometimes went as high as 100 percent. Patman's investigation forced most of these finance companies out of business and he then moved to open credit unions on military bases. Since the credit unions began operation overseas, it has been estimated that servicemen have saved more than $50 million in excessive interest rates that would have been paid to high-interest-rate finance companies.

Patman was one of the guiding forces behind the formation of the Congressional Employees Federal Credit Union which was chartered in 1952. Today the credit union has grown to 8,000 members and has assets of $10 million.

Mr. PATTERSON of California. Mr. Speaker, it is with deep regret that I join with other Members of Congress today honoring our colleague and dean, WRIGHT PATMAN, who passed way this last weekend. His vast experience and wisdom will be greatly missed by all of us in the House.

While I have enjoyed only a brief acquaintance with WRIGHT PATMAN, I have gained deep admiration for his vigorous fight to protect the interests of the average family in a marketplace dominated by big business. In all of his 48 years of distinguished service in this body, he never lost sight of those ideals that brought him to Washington, D.C. and the House of Representatives in 1928. His unflagging dedication will be missed not only by his constituents in the First District of Texas, but by all of the people in all of our districts across the country.

I join my colleagues in sending my deepest sympathy to Mrs. Patman and family.

Mrs. MINK. Mr. Speaker, it has fallen to the Members of this 94th Congress to bid a final farewell to one of our colleagues who was first elected to the 71st Congress in 1928. I rise today to pay tribute to the late Honorable WRIGHT PATMAN, Congressman from Texas, who died this past weekend and who was buried at home, in Texas, at services yesterday.

WRIGHT PATMAN's career in the U.S. Congress spans 4 dozen years in the midst of this century which have seen such tremendous changes in this Nation that it is a wonder to contemplate the durability of this extraordinary man. Only three Members of Congress served for longer periods in these Chambers, our former colleagues Carl Vinson, Emanuel Celler, and Sam Rayburn.

WRIGHT PATMAN served in this House as the country entered the Great Depression, and witnessed and helped to guide the economic recovery which followed. He saw our entry into Warld War Two, and our emergence from that conflict, and our subsequent involvement in Korea and Vietnam. WRIGHT PATMAN served in this House through the technical triumphs of the moon landings and the terrible traumas of Watergate. He served in this House as a witness to and participant in nearly five decades of America's history, one quarter of our Nation's existence.

This gentleman from Texas mastered the complexities of the world of banking and finance, serving for many years as a member, and then for 12 years as chairman, of the Committee on Banking and Currency. His legislative initiatives have resulted in tremendously significant reforms in the way our banks and financial institutions conduct their business. The landmark legislation to build the housing industry through the 1960's, those laws through which our Nation's vast system of credit unions was established, and those acts of this Congress aimed at the control of banking power, all owe their existence to WRIGHT PATMAN.

Mr. Speaker, we have been privileged to live and work in the presence of a national legislator who can honestly be labeled a Populist, who worked tirelessly for the little man in this country. We have seen numerous examples of the foresight of this man who was often thought "too far out" in his legislative and investigative proposals when they were made, but who lived to see many of those "far out" proposals become accepted reality in his lifetime.

That lifetime has now come to an end, and we will miss the gentleman from Texas in these chambers and in the hearing room. I join with my colleagues today in offering our deep sympathies to WRIGHT PATMAN's widow, Pauline, and to other members of his family on the loss of a husband and father. And together we mourn the loss to the Nation of this outstanding legislator.

Mr. MOORHEAD of Pennsylvania. Mr. Speaker, the nemesis of the big bankers, the crusader against economic concentration, the populist champion who did daily battle with the Federal Reserve System is gone. WRIGHT PATMAN died Sunday, after serving 47 consecutive years in the House of Representatives.

Those of us who served with him, especially on the House Banking Committee, watched this deeply motivated man year in and year out spend himself trying to put a collar on those financial forces he thought were the cause of high interest rates, large deficits, and various and sundry other practices he felt detrimental to the national good.

He emerged from many of these engagements a winner. Sometimes his opponents triumphed, but throughout his career WRIGHT PATMAN never stopped once in his single-minded campaign.

He is recognized as the main sponsor of landmark bills creating the system of Federal credit unions, the Small Business Administration, the Joint Economic Committee, and the Council of Economic Advisers, the latter two as part of the Employment Act of 1946.

But it was his constant skirmishing with commercial bankers and the officials of the Federal Reserve System that truly highlight his long career.

It is ironic and perhaps very fitting that during his final days, the House Banking, Currency and Housing Committee embarked on a major legislative effort to reform the laws regulating banks, savings and loans, and credit unions—an action violently opposed by commercial bankers. At the same time, other committees in Congress are investigating lax bank regulation and official profiteering from "insider loans."

While I would not be so maudlin as to suggest that passage of the Financial Reform Act of 1976 and approval of legislation to make the Federal Reserve System more responsive to congressional initiative would be a fitting memorial to WRIGHT PATMAN, I think both actions—whose antecedents can be found in the early work of the gentleman from Texarkana—would show that his near half century of congressional effort was not in vain.

Mr. DELANEY. Mr. Speaker, I join in paying tribute here today to the late Honorable WRIGHT PATMAN, Representative from the First District of Texas. As dean of the House and former chairman of our Committee on Banking, Currency and Housing, WRIGHT PATMAN was doubtless one of the most colorful Members Congress has ever had. Born some 7 years before the turn of the century in a log cabin at Patman's Switch, Tex., he had distinguished himself in these Halls continuously since 1929. His legislative career had been the fourth longest in our Nation's history.

Numerous public laws bear his lasting imprint—including the Federal Credit Union System and guarantees of the rights of small business to share in Government contracting.

He demonstrated constant commitment to the public good as chairman of the Joint Economic Committee, of the Small Business Committee, and in numerous other official congressional capacities.

All of us, whether we agreed with him or not on individual issues, admired his fighting spirit, his sincerity, and his courage. Those traits endeared him to the entire Nation and he has left his accomplishments as his permanent legacy.

I want to take this opportunity to extend my deepest personal condolences to his wife, Pauline, and the other members of the Patman family.

Mr. MORGAN. Mr. Speaker, few men in the history of this House have compiled such an outstanding record of achievement as did the Honorable WRIGHT PATMAN of Texas.

From his first days as a freshman Member 47 years ago, continuously to the present Congress, he was active in the causes in which he believed and able and persevering in championing them. Throughout, he never lost sight of the goals to which he was dedicated.

He was, of course, dedicated to the well-being of the common man. He sought to promote an economic system under which there would be maximum employment for American workers. He fought for the small businessmen and farmers of the Nation. He vigorously opposed favored treatment for big money interests and corporations..

Today various important statutes stand as monuments to his legislative achievements. Among them are the Employment Act of 1946, the Robinson-Patman Act, the legislation which created the Small Business Administration, and the measure setting up the system of Federal credit unions used by ordinary workers for savings and loans.

At his home in Texas, his constituents rewarded his outstanding service with continuous reelection over a span approaching a half century. He became dean of the House of Representatives.

Personally, WRIGHT PATMAN—was a friend of mine and I will be among the many to miss him deeply. He was kind and decent and helpful, and he had true integrity. I extend my fullest condolences to his wife, Pauline, and to his family.

Mr. LAFALCE. Mr. Speaker, I was greatly saddened to learn of the death of a truly great American—Mr. WRIGHT PATMAN. The dean of the House of Representatives, he served in Congress for over 45 years, a career longer than that of all but three Congressmen in the Nation's history.

I had, of course, read and heard a great deal about Mr. Patman long before becoming a colleague of his only last year. But I came to know him as an individual rather than a media image when I had the good fortune to become a member of the Banking, Currency and Housing Committee. The House Banking Committee has for more than a quarter century been synonymous with Wright Patman "turf," and as a new Member, I could see quite clearly how the committee bore the stamp of Mr. Patman's activist career as its chairman.

Wright Patman was a fire-eating defender of the consumer's cause against all comers, and he maintained his strong advocacy role throughout his lengthy service in the House. But behind the prickly facade, which could make government officials and bankers quake, was an extremely kindly and thoughtful man. A distinguished legislator with numerous achievements of national significance to his credit, Wright Patman to me was an elder statesman whose counsel and wisdom born of experience were always welcome.

His abundance of prairie commonsense always injected into discussions of high finance a down-to-earth logic that needed to be heard and heeded. His battles against big banks and big government were the battles of the average American, and his farsighted efforts to stem the tide of giantism in finance and industry preceded the mobilization of the country's consumer movement by several decades. He coauthored the Robinson-Patman Act which has been termed the "Magna Carta" of small business because of the essential protection it affords small concerns in competition with huge retail outfits. Mr. Patman was one ever willing to take on anyone or any institution that threatened the consumer in his view, and his now legendary struggles with the Federal Reserve System are ample evidence of the kind of courage and determination with which he approached his adversaries.

I shall deeply miss Mr. Patman's sagacious presence on the Banking Committee and in Congress. As an individual, he was extremely benevolent—as a Congressman, he rode at the head of the vanguard of those truly concerned about the consumer. The consumer movement has lost one of its founders, and the country one of its most battle-tested activists who fought for the average American. We shall all mourn his departure.

Mr. PICKLE. Mr. Speaker, among the many fine legacies left us by the late Representative Wright Patman certainly the 1936 Robinson-Patman Act ranks very high.

No one worked more diligently to make sure that the Federal Trade Commission strictly enforced this effective piece of legislation which attacks predatory practices in pricing used by monopolies to force small independent entrepreneurs out of business.

Unfortunately, enforcement in this area has lagged severely in recent years. The Honorable Wright Patman was one of the leaders in a move to rejuvenate the Robinson-Patman Act. I am proud to say that I stood alongside him in this effort along with our colleague, Henry Gonzalez, of the Small Business Committee. as the Honorable Joe Evins of Tennessee, chairman of the committee, will continue to carry this fight on in memory of that great American, Wright Patman.

A strong supporter of the efforts to revive the Robinson-Patman Act has been the National Federation of Independent Business. I enclose a letter from that group's president, Wilson Johnson, in praise of Dean Patman:

National Federation of
Independent Business,
Washington, D.C., March 8, 1976.

To: All Members of the 94th Congress.

We of NFIB share your sorrow over the loss of your former colleague, the Honorable Wright Patman of Texas. His distinguished record as a member and Chairman of the House Committee on Banking & Currency is well known. We mourn him as a vigorous and effective fighter for small business.

The Congressman's record of championing the small fellow goes back to the time of his election to the Congress in 1928. His attention caught by a Federal Trade Commission lengthy investigation into the reasons why the Clayton Act had failed to curb unfair price discriminations which some giant firms were using to drive small competitors to the wall, he joined with the late Senator Joe Robinson of Arkansas in a drive which resulted in 1936 in passage of the corrective Robinson-Patman Act. In the years since, this Act has become known as "the Magna Carta of small business".

The father, in 1941, of the House Small Business Committee, Mr. Patman served for years as its Chairman or Ranking Minority Member. Through the period of World War II, and in the difficult period of conversion from wartime to a peacetime economy, he and the Committee stood as a bulwark of strength in insuring small firms of a fair break in allocations, price controls, and other government programs. It was he who introduced the first legislation to divorce manufacturing from retailing. Typically, and in the fashion of the Robinson-Patman Act, he eschewed the "meat-axe" approach, carefully tailoring the measure to apply only in those situations threatening creation of monopoly. In this and all other matters he worked closely with our late Vice President, George J. Burger, Sr.

Mr. Patman's concern over small business continued strong in the years that followed. We are saddened by his death, but all the richer for his having been among us.

Sincerely,

Wilson S. Johnson,
President.

Mr. GILMAN. Mr. Speaker, in November of 1928 a gentleman from Patman's Switch, Tex., was elected to this great legislative body. Almost 48 years later that distinguished Representative, Wright Patman, died in a hospital near Washington, a city he grew to love almost as much as his native congressional district in the Southwest.

Wright Patman took part and contributed to a significant portion of our Nation's history. Eight Presidents were in the White House while Congressman Patman piled up years of congressional service. He served through a depression, a devastating world war, the Korean conflict, the cold war, the assassination of one American President, the resignation of another, and the tragedy of Vietnam. He was seated in the House the day Franklin Roosevelt spoke of the "Day of Infamy"—he witnessed and worked with many great men—he set several records for longevity. He was a statesman that we all grew to respect and admire, on both sides of the aisle.

Wright Patman will long be remembered by his State and Nation for his continuing fight for the rights of the little man against big business—and by his colleagues as an energetic, devoted legislator—devoted to caring for the needs of his fellow man.

Mr. WON PAT. Mr. Speaker, it was with deep regret that I learned of the passing of our good friend and colleague, Representative Wright Patman.

During the 47 years Congressman Patman had served in the House, he had compiled a record of unstinting service tc the people of the First Legislative District of Texas.

Equally important was Congressman Patman's devotion to preserving the economic integrity of all Americans. I doubt that there are many officials of the major banks who have not, at one time or the other, felt the wrath of Congressman Patman. Probably more than any other Member of this body, Wright Patman felt it to be his duty to fight tirelessly against high interest rates, big banks, the Federal Reserve Board and misuse of tax-free shelters by foundations and wealthy individuals.

Although his actions earned him many powerful critics, I believe that Congressman Patman will be long remembered by the legion of friends he earned among the working men and women of this country.

Under his sound leadership, the House Banking and Currency Committee enacted a number of major banking reform bills. The committee also was responsible for major housing measures which have funded several large-scale public housing projects in Guam.

Congressman Patman will be sorely missed by his many friends in the Congress, including myself. His was a record of distinguished service to the people of his district that should be a model for all who sit in the Congress.

Having the privilege of knowing and working with Congressman Patman was an honor I shall never forget. His guidance and support served to enhance many legislative proposals for Guam and, on behalf of the people of Guam, I express my deepest sympathy to Mrs. Patman and the Congressman's three sons, Connor, Harold, and William.

Mr. ANNUNZIO. Mr. Speaker, I rise in tribute to Honorable Wright Patman, a great man whose recent passing has saddened all of us. For almost 48 years, since he was first elected to the 71st Congress, Wright Patman compiled an outstanding record of dedicated and devoted service to the people of America, and he will be missed by all of us who knew him and admired him.

It was my privilege to serve on Chairman Patman's Banking and Currency Committee since I was first elected to Congress in 1965. During this time, I witnessed his vigorous campaign to help the Nation's poor and disadvantaged people overcome their excessive financial burden. As a Congressman from Chicago's Northwest Side, I have noted with admiration Mr. Patman's indefatigable efforts to champion the cause of the "little man" and to bring him financial relief. Indeed, Chairman Patman was not afraid of anything.

When he first tried to enlist in the armed services in World War I, he was turned down because of a heart defect. He persisted and finally was enlisted as an Army private. Rising through the ranks, he became a first lieutenant in a machinegun battalion, and gave outstanding service to our country during those turbulent war years.

In 1928 he ran for Congress at the height of the Ku Klux Klan's power in an area of Texas where they were then strongest, and he won despite the Klan's fierce opposition.

In 1936, although the administration in power was opposed, he took a stand for the soldiers' bonus and in the face of overwhelming odds, won this battle, too. As a result of his efforts, bonus certificates were paid to the extent of $2 to $3 billion during the rock-bottom days of the depression.

One of the great accomplishments in Wright Patman's career was the exposing of usurious interest rates, sometimes as high as 50 and 60 percent, which were being charged American boys in uniform all over the world. Through the efforts of the Domestic Finance Subcommittee, on which I was privileged to serve at that time when Wright Patman was chairman, we exposed these juice racketeers who were charging exorbitantly high interest rates, and we eliminated these racketeers and loan sharks from operating on military installations all over Europe and Asia.

Today, thanks to Wright Patman, we have Federal credit unions in Europe and Asia with millions of dollars in deposits and extending millions of dollars in low interest rate loans. Congressman Patman fought vigorously over the years to strengthen the credit union system in the United States, and as a result, he came to be known as "Mr. Credit Union" in our country. His legislative efforts helped develop a credit union movement which today totals tens of thousands of credit unions, some 32 million members, and tens of billions of dollars in assets.

Chairman Patman was also a sharp and energetic critic of the Federal Reserve System, and fought to make the Federal Reserve Board answerable to the Congress of the United States, because it and not the Federal Reserve is comprised of lawfully elected representatives of the people. In an era of growing inflationary pressures, the inability of the Federal Reserve Board to help alleviate this situation was justly criticized by Mr. Patman.

In this regard, another prominent authority on financial affairs, Senator Paul Douglas, the former great Senator from Illinois and a mainstay of the Senate Finance Committee for more than 10 years, paid this tribute to Wright Patman:

> He knows more about the Federal Reserve System than anybody in Congress and has more factual knowledge of its operations than its officials themselves.

In an age of ever-increasing mechanization and depersonalization of our society, we all have felt the need for a more human and individual approach to the problems we face. Wright Patman fought the anonymity of conglomerates for many years. This well-known Robinson-Patman Act is a living memorial to his belief that small businesses must be protected from monopolies.

Mr. Patman also played a crucial role in securing passage of some of the most progressive and outstanding legislation passed in the last 47 years. The Truth-in-Lending Act, the Federal Credit Union Act, the Model Cities program immediately come to mind, as well as the Bank Reform Act and welfare reform proposals. The House Select Committee on Small Business was established in 1941 as a result of Congressman Patman's legislative proposal, and the Housing and Urban Development Act and subsequent amendments came out of Chairman Patman's Banking Committee and have contributed immensely toward improved housing for the people of America.

Wright Patman was also a great teacher. He contributed two of the most outstanding books on the subject of the Federal Government: "How Our Laws Are Made" and "Our American Government." These books have a tremendous circulation and they continue to be two of the most popular publications in their field. They established Wright Patman as one of the country's outstanding authorities in the area of civics and the legislative process.

The list of Wright Patman's accomplishments is long indeed, and his philosophy was best expressed when he himself remarked:

> As a Congressman, I think I'm here to help people. I've always had that attitude, though sometimes I've been almost alone in the position I've taken . . . but this hasn't deterred me, somebody has to stand up for the little man.

Texans were devoted to Wright Patman, and they have reason to be proud of that devotion. Congressman Patman could have run for—and won—a seat in the Senate, but he chose not to run because he loved the House, and because he felt he could serve the people of his district and his State better here.

In his years of service in Congress, Wright Patman never failed in that trust. He served with honesty and dedication the people of his district and his State, and our Nation as well. As chairman of the House Banking and Currency Committee, he was one of the most eminent leaders in Congress in this century.

I was proud to be his colleague, and to have had the opportunity of knowing him, working with him, and having the benefit of his wise counsel and advice. Mrs. Annunzio and I extend our deepest sympathy to Wright Patman's wife, Pauline, and also to his three sons, Connor, Harold, and William and their families.

Mr. MONTGOMERY. Mr. Speaker, there have been so many laudable comments on the life and achievements of our late colleague, Wright Patman, that I find it difficult to express my own feelings and sense of loss without repeating the very fine words of tribute of others, both in this Chamber and the Nation's press.

The one outstanding trait for which I shall always remember Wright Patman was his very keen and sincere interest in each of his colleagues as an individual. His concern for other Members was always genuine and much appreciated. He always wanted to know what special legislative area a member was most interested in and he would encourage you to become active in this area and work for those legislative goals you sought. Of course, this was the pattern of his own life as exhibited by his constant and successful efforts to improve life for the so-called "common man." In this respect he was an "uncommon man" himself because of the tenacity and single mindedness with which he attacked his objectives.

Mr. Speaker, I shall always treasure the advice Wright gave me which was freely given whenever sought. He was especially helpful during my freshman year in Congress when I was trying to learn the ropes in the House.

I will definitely miss having the wise counsel and advice of Wright Patman, but at the same time I realize how fortunate I am for having had the opportunity to know and work with him, and I know I am a richer person for having been able to call Wright Patman colleague.

Mr. WOLFF. Mr. Speaker, I rise today to join with my colleagues in honoring a man who has truly left a profound impact on the House of Representatives and our Nation.

Wright Patman's 47 years of service to both his constituents and the Nation should stand for us all as an example of unrelenting dedication to the protection and rights of what many might term the common man. In this respect Wright Patman is perhaps the last of the great populists he has left a void which will be difficult, if not impossible, to fill.

To attempt to recount his achievements during his 47-year tenure in the House of Representatives would not do Wright Patman justice. It is simply not possible to grasp the accomplishments of this great man. His career was marked with many battles—some won, others lost—to end and reverse the trend that was concentrating economic power in the hands of a few to the detriment of many.

When I first came to the House of Representatives, one of my initial committee assignments was on Wright Patman's Banking Committee where I was impressed with his dedication and integrity. I only wish that all of my colleagues could have had the opportunity to work with and learn from Wright Patman.

To Wright Patman's memory I sincerely say "thank you" for all you have done and all you have shown us. We have all lost a great colleague. The Nation has lost a great man.

Mr. BURKE of Massachusetts. M . Speaker, I am deeply saddened by the death of my dear friend, Wright Patman of Texas. I have lost a friend, and we have lost a dedicated Member of the House. We are all diminished by his death, as we were uplifted by his life.

Surely every Member of this body remembers Wright Patman's dedication to the people he represented. His service in the House has taken its place among the record achievements of our time. There are few men who served as long as he, or with such devotion. His breadth of knowledge and dedication to duty serve as a high standard for us all. He was unique among us.

His influence spread out from Patman's Switch, Tex., and touched the whole of the Nation. He championed the cause of the ordinary citizen with a zeal unequaled in this century. His struggles for badly needed reforms in the banking industry were often lonely, but always courageous. His challenges to the commony accepted wisdom were often softly spoken, but always strongly felt. People throughout our Nation are indebted to his untiring efforts on behalf of working men and women, veterans, and the small farmers and businessmen. We may never hear again a voice as clear as his, calling for understanding of the very human problems which confront the people of this country. He was a reformer with a heart.

His own life was an example of virtue and honesty. He possessed a sense of determination which strengthened him in the midst of controversy. He was devoted to his country, a patriot of high principle. And he was loyal to his family and friends.

I am pleased to have been among those who counted WRIGHT PATMAN as a friend and colleague. My brief service on the Banking and Currency Committee was an honor because I was privileged to come to know WRIGHT PATMAN. The better I grew to know him over the years, the more I came to respect him. I held WRIGHT PATMAN in the highest regard and will cherish the memory of my association with him. More than that, I will miss him, for I came to count on his wise counsel.

This past January, WRIGHT PATMAN wrote his constituents, declaring his intention to retire, and thanking them for their support over the past "wonderful and fulfilling 48 years." Today I want to say, thank you, WRIGHT PATMAN, for all those wonderful and fulfilling years of service. We are all the better for WRIGHT PATMAN having been among us.

Mr. CONTE. Mr. Speaker, with the death on March 7 of our beloved colleague, Congressman WRIGHT PATMAN, the House of Representatives has lost one of its most distinguished Members.

There are many facets of this remarkable man's career that will be trumpeted today as we solemnly meet to mark his passing. As ranking minority member of the House Small Business Committee, I would like to focus on his work to aid the small business man and woman of this country.

A governmental official all of his life, Congressman WRIGHT PATMAN understood the intricates of the business world. An outstanding leader of men, he had great compassion for the "little guy."

Foremost among his accomplishments in the area of small business was his sponsorship of the Robinson-Patman Act. Not only did he lend his name, but he bent all of his persuasive talents to gain its enactment in 1936. The Robinson-Patman Act amended the Clayton Anti-Trust Act to protect small business against anticompetitive price discrimination. The law has now stood for 40 years without change. This year, through a series of hearings, members of the House Small Business Committee were treated to witness after witness testifying to its value to the small business community. I anticipate that the Robinson-Patman Act will further weather the test of time and continue to exist as a treatment to Congressman Patman's legislative foresight.

Five years after the enactment of the Robinson-Patman Act, Congresssman PATMAN introduced and fought for enactment of House Resolution 294, which authorized the establishment of a select committee to investigate the national defense program in its relation to small business. Congressman PATMAN was accorded the honor of chairing that select committee. Out of the committee's probing study came the enactment of two measures invaluable to small business during World War II, the Murray-Patman Act and the Smaller War Plants Corporation authorizing law.

The Select Committee on Small Business was reestablished in the 78th Congress, the 79th Congress, indeed, it was reestablished at the beginning of every subsequent Congress until 1971 when it became a permanent select committee. For 18 years, Congressman WRIGHT PATMAN served at its helm. I could continue and recount a lengthy litanay of Congressman PATMAN's achievements on behalf of small business through his activities as chairman of that committee, but they are well documented in the volume, "A History and Accomplishments of the Permanent Select Committee on Small Business, House of Representatives of the United States," which I commend to my colleagues. At the conclusion of these brief remarks I would like to include for the RECORD, the biography of Congressman PATMAN that appeared in that book, published in 1973.

Mr. Speaker, the passing of Congressman WRIGHT PATMAN reminds us all of our mortality. As freshmen Members of Congress, on both sides of the aisle, many of us turned to him for the benefit of the wisdom his years in Congress had gained for him. To us, he was unfailingly generous in his advice and counsel. The Congress has suffered an irreplaceable loss with his passing. But more, the small business community, which for so long has known it could depend on his support in their behalf in the Halls of Government, has lost a staunch champion. At this time, I join my colleagues in extending deepest sympathy to Mrs. Patman, their three sons and the entire Patman family.

At this point in the RECORD, I insert the biographical material to which I have previously referred:

[From "A History and Accomplishments of the Permanent Select Committee on Small Business, House of Representatives of the United States, 77th to 92d Congresses, 1941–1972."]

THE COMMITTEE'S FIRST CHAIRMAN

A BIOGRAPHICAL SKETCH

Hon. Wright Patman, Democrat, of Texas, Chairman, Select Committee on Small Business, House of Representatives (1941–46, 1949–52, 1955–62.)

The Honorable Wright Patman, a distinguished Member of the House, is known far and wide as a champion of American small business. During all the 44 years that he has served in the Congress, he has fought consistently and vigorously in behalf of the Nation's small business community.

It was Wright Patman who introduced and led the fight for passage of the resolution that first established the House Small Business Committee in 1941. Speaker Sam Rayburn promptly named him chairman, and he continued to serve the committee in that capacity until 1963, except for the 4 years that the House was under Republican leadership.

Earlier, in 1936, Wright Patman introduced a bill designed to close the loopholes in the Clayton Act and to further protect American small business against destructive, discriminatory competitive practices. He successfully led the fight for adoption of this legislation. The act is known throughout the land as the Robinson-Patman Act, the Magna Carta for small business.

Throughout his career in Congress, Wright Patman has championed the cause of the people. His name has long been synonymous with the battle for low interest rates and economic justice. Despite formidable opposition, he succeeded in getting the House to authorize payment of the bonus to the veterans of World War I. He introduced legislation authorizing the establishment of credit unions. There are 23,000 of them today.

The Full Employment Act of 1946 flowed from legislation introduced by Representative Patman. This bill, among other things, established the Council of Economic Advisers and the Joint Economic Committee.

In 1942, he introduced legislation which led to the establishment of the Smaller War Plants Corporation, a Government agency that helped small manufacturers produce essential war materials.

Mr. GIBBONS. Mr. Speaker, WRIGHT PATMAN was a great man. We will all miss him. His legislative works are monumental. Yet with all of his greatness he always had time to be friendly. He was a gracious person.

In 1964 I had the opportunity to visit his congressional district. I found that he was not only admired by his constituents but he was also greatly loved by them.

In the legislative area Mr. PATMAN's investigation of the foundations will be long remembered. His continuous battle against the abuse of power is in keeping with America's best traditions and his courage and fortitude is an inspiration for all of us.

WRIGHT PATMAN had a crusading spirit, yet with all of his drive and determination I found him to be a friendly, optimistic counselor. Mrs. Gibbons joins me in extending our warmest wishes to his family. We will miss him.

Mr. SLACK. Mr. Speaker, the passing of our colleague, Congressman WRIGHT PATMAN, writes the final lines on a page of American history.

Much has been said of his many years of service in the House of Representatives, and his unswerving support for his principles.

But in one sense his career was unique. It is seldom indeed that we may look back across the span of 47 years to find that an elected public official had adopted at the beginning of his career a pattern of convictions that could be successfully maintained through years of war and peace, depression, recession and inflation.

Congressman PATMAN was one of the final links between the problems and challenges of today, and the dark and dangerous years of the thirties, when for a time our people were plagued by a doubt that we could continue to govern ourselves without vast changes in our Constitution and our historical commitment to private ownership and personal freedom.

He was already serving in Congress when I was a schoolboy, and his name had become a household word among the people as I grew to young manhood and entered business in the face of depressed conditions. During the time of fear and doubt, he was one of those who stood fast. His spirit, supported by deep knowledge of his country's affairs, united the men of confidence who believed that our country could best survive economic disaster by broadening the opportunity for the people to participate in future growth.

When I was first elected to this body and had the opportunity to meet him personally, I was struck by the thought that his continuing presence served notice on all of us that no national problem could be so grievous that it could defy solution by the people's representatives. We need only take advantage of the reservoir of experience available through him and those who had worked with him.

The famous statement by President Franklin Roosevelt that, "We have nothing to fear but fear itself" is well remembered. It was WRIGHT PATMAN who stood prominently among that small group of national leaders determined to drive back the clouds of fear and stabilize our society through carefully balanced and judiciously written legislation designed not only to meet the demands of immediate crisis but also to add strength of the structure of our system so that the dark days of the Thirties might never again recur.

It has been the great good fortune of our country that a time of deepest need produces the men of special talents required to meet that need. Such a man was WRIGHT PATMAN. He brought his special abilities to serve his country in a special way at a time of critical need, and with the passage of the years he will assume his proper place in the hall of great Americans.

Mr. CONYERS. Mr. Speaker, WRIGHT PATMAN's faith in the people's capacity to govern themselves was unshakable throughout his 47 years in Congress. To him citizens were not inert, but often misled, and so he coached and coaxed the public continually. Because he applied the strictest standards to the conduct of leadership, he was ever watchful of abuses of the public trust. It was not surprising then that he moved to have Treasury Secretary Andrew Mellon impeached for conflict-of-interest, President Herbert Hoover for gross mismanagement of the economy, and was in the forefront of congressional action to impeach Richard Nixon for subversion of the political process.

WRIGHT PATMAN is best known as a leading populist, as a chairman of the economic rights of citizens. Born in 1893, he began his public career in Washington in 1929—the dates of the two worst economic crashes up to that time—and his searing experience of the ravages of economic depression led him to advocate, among many other economic reforms, that the government guarantee a job to each and every American who could not obtain work in the private sector.

In an otherwise creditable public life, I only regret WRIGHT PATMAN's inability to merge his impulse for economic justice with full support for legislative remedies to insure that all Americans enjoyed unconditionally civil and political rights. For liberty is inseparable, its denial in one area being a denial overall.

WRIGHT PATMAN understood that access to information as well as to income was the key to political power. A tireless public defender, he fought to safeguard the public's right to know what the Government was doing in its name. For this reason he remained to the end a critic at the cutting-edge of the leading issue of the day—the struggle against privilege whether it be economic or bureaucratic.

In all the great legislative and political battles of his lifetime WRIGHT PATMAN kept his democratic faith. "This is just one inning in a battle to lay these facts before the American people," he said on October 3, 1972, after the Banking and Currency Committee voted to end its investigation of the Nixon Reelection Committee's financial transactions:

> The battle is far from over and all the White House pressure in the world won't prevent the facts from coming out. The American people will not tolerate this massive cover-up.

WRIGHT PATMAN's belief in democracy and his humane economic vision were inspiring, and how much greater this body would be if we had more Representatives like him.

Mr. ADDABBO. Mr. Speaker, I wish to join with Hon. GEORGE MAHON in paying respect to the late Congressman WRIGHT PATMAN.

Mr. PATMAN, our departed colleague, served faithfully and with distinguished honor in the House of Representatives from the 71st Congress to the 94th Congress.

He served with honor for 24 terms and at the time of his death he was the Dean of the House of Representatives. I served as a Member of the House Select Committee on Small Business under the chairmanship of the Honorable WRIGHT PATMAN. He distinguished himself as a champion of Small Business and always defended them with honor and dignity.

Some of his other achievements as a Member and colleague is worthy of mention at this time; chairman of the Banking and Currency Committee, and senior member of the committee in this Congress; chairman of the Subcommittee on Domestic Monetary Policy; member of the Subcommittee on Financial Institutions; Supervision, Regulations and Insurance; member of the House Committee on Interior and Insular Affairs; Subcommittee on Public Lands; member of the Democratic Steering and Policy Committee; chairman of the Joint-Senate Committee on Defense Production; vice chairman of the 20-member Joint Economic Committee; chairman of the Subcommittee on Economic Progress; member of the Subcommittee on Priorities and Economy in Government and the Subcommittee on Energy.

It is with deep regret and respect that I extend deep condolence to his family and wife. We, the Members of the House will miss his presence in this Chamber for he was an active participant in the legislation of the House of Representatives.

Mr. EILBERG. Mr. Speaker, it is almost impossible to imagine the House of Representatives without WRIGHT PATMAN. This Chamber has been called the "People's House" and WRIGHT PATMAN was the embodiment of that philosophy.

In the Banking Committee, which he chaired for so many years, it was his public position that the banks could afford to hire all of the spokesmen and lobbyists it needed and that he was there to speak for the people. Mr. PATMAN never deviated from this position and he was always concerned about how legislation would affect the welfare of the individual citizen and family.

During the last terrible years of the Nixon administration WRIGHT PATMAN was one of the first to recognize the significance of Watergate and he tried to investigate the matter, but was thwarted—as were so many people—by the White House.

WRIGHT PATMAN was a giant who knew that he was here to do the people's business and that it was his duty to represent only them. His record should be a model for all of us who follow him.

Mr. COTTER. Mr. Speaker, I had the privilege of working with WRIGHT PATMAN during the 4 years I served on the House Banking and Currency Committee. I know from experience that many people looked up to this man as an example of what a legislator can do for the people he represents.

During his 47 years in the House, the small former, the small businessman, the veteran, and many others looked to him as their advocate. As he grew older and wiser in legislative experience, he never forgot the people back home.

An implacable foe of wealthy and powerful interests, Mr. PATMAN was ahead of his time when first elected to Congress in 1928. In many ways he continued to be ahead of his time throughout his long career.

World War I veterans remember with gratitude that he was an energetic proponent of the $3 million veterans' bonus of 1936. He helped create the credit union system and the Small Business Administration.

He was a strong force behind passage of the Full Employment Act of 1946, which created the Council of Economic Advisers and set the search for maximum employment as a permanent national objective. He first called for such legislation in the 1930's.

In 1972, he became the first Member of Congress to demand an investigation into the Watergate break-in, at a time when few others realized the significance this event would have for American political life.

I join my House colleagues and the

American people in mourning the death of this great man.

To his wife and family, I offer my deepest condolences.

Mr. DAN DANIEL. Mr. Speaker, the Nation has suffered a great loss in the passing of our colleague and friend, WRIGHT PATMAN.

His long and distinguished service will be prominently recorded in the annals of this body—for his contribution was one of lasting quality that has served his country well. He has left his mark in the legislative arena.

He was an able servant of his constituency in Texas, but WRIGHT had a far broader concern and influence in behalf of people all over our country.

His impeccable character, his compassion for the middle American and his recognition of his legislative responsibility were hallmarks of his 47 years in the Congress. He was unaffected by influence and power, and will ever be remembered as a friend by all of us. During my service in the House, it was my privilege to count WRIGHT as a personal friend.

Alongside his accomplishments should also be placed the contributions which his wife, Pauline, has made. She was his companion and partner in public service. The encouragement and understanding which she offered played no small role in the total achievements of the man. Our deepest sympathies go to her and other members of the family. Their loss is indeed our loss.

In times such as these, we are made more conscious that we expect much of our public servants, in the expenditure of time and energy. Those of us who are left to serve, and all those who come after, would do well to emulate the dedication of WRIGHT PATMAN.

Mr. BENNETT. Mr. Speaker, when Congressman WRIGHT PATMAN died, not only did our country lose an outstanding statesman, but each of us Members of Congress lost a close personal friend.

A man of tremendous ability and force of personality, Congressman PATMAN forged and passed much landmark legislation in his almost 50 years of service in Congress. We will all treasure the memory of his sparkling eyes, his wonderful smile and his kindly spirit, while we acknowledge with honor the great legislative achievements of his life.

Mr. WAGGONNER. Mr. Speaker, with the death of WRIGHT PATMAN, the Nation and the Congress has lost one of its most distinguished legislators. The people have lost a dedicated public servant. And, like most of us here today, I have lost a long-term personal friend and valued colleague.

Few men have had the privilege to serve their country over so long a period as Congressman PATMAN. Few men have filled their years with such such enduring accomplishments. His 48-year career in the House was as remarkable as the man himself.

WRIGHT PATMAN will be best remembered as a fighter in the finest Texas tradition. He was never one to back away from a challenge, despite odds against him or criticism of his positions. This determination and diligence in championing his deeply held beliefs won him the respect of all who knew him as a friend. Even those who on occasion opposed his stand regarded him as a worthy adversary and a man of uncompromising principle. His "workhorse" energies also won him the satisfaction of seeing many of his ideas—some the objects of scorn when they were first presented—enacted into law.

The newspapers, in reporting his career, used such adjectives as "crusty." To those of us who admired WRIGHT PATMAN, he was a tough-minded southern gentleman of wisdom and charm. We learned a great deal from him. And the legislative process benefited from his "crustiness."

He loved his people and they returned the affection, sending him to represent them for 24 terms in Congress. And he represented them well. His First District of Texas and my Fourth District of Louisiana are neighbors and share many miles of common border. Our people share mutual traditions and ideals. He was a friend of the people of Louisiana, and many of them knew him personally. They appreciated him as a man, what he stood for, and his fine record and work. I speak for them in paying this brief tribute to him today.

WRIGHT PATMAN'S years as a crusader against injustice wherever he saw it have ended, but his imprint on legislation will remain. As with any giant, his absence will be noticed.

We shall miss him. To his wife and family, I extend my most sincere condolences and sympathies.

I join with WRIGHT PATMAN'S many friends in this Chamber and throughout the Nation in mourning the death of a courageous leader, a fine American, and a beloved friend.

Mr. BRINKLEY. Mr. Speaker, both the length and the magnitude of the service performed by the late WRIGHT PATMAN in this Chamber far surpass those of us who think we have been here a long time and worked hard.

When I and a great many of my colleagues in the House first came here, Mr. PATMAN had already established an enviable record for his service, and indeed had accomplished much of the work he set out to do. He was already a legend, and never did those of us with less tenure and less accomplishment to our credit stop looking up to him.

Seldom has any other Member of this Congress made, as did Mr. PATMAN, such a clear commitment to a segment of the population—the proverbial "little man"—and stuck to that commitment regardless of where that commitment led. No special interest was as awesome to him as the special interest of the working, taxpaying people of his State and his country.

Who among us can honestly deny that we learned much by his example, and who among us will not miss WRIGHT PATMAN'S presence each time the House convenes?

Mr. ROYBAL. Mr. Speaker, it is with deep sorrow that I join with my colleagues today in paying tribute to the memory of Congressman WRIGHT PATMAN. This was his 48th year in Congress—making him the most-senior Member of either House. And since he had announced his retirement plans earlier in the year, we all looked forward to paying him a well-deserved tribute at the close of the 94th Congress. His death came as a surprise, even to those closest to him, and we will certainly miss this cheerful man who had achieved such respected stature in the House of Representatives.

When I was elected to Congress 14 years ago. WRIGHT PATMAN had already been here 34 years and established himself as a hardworking leader, a man of commitment and principle. As a freshman congressman, I remember WRIGHT PATMAN taking over as chairman of the House Banking Committee, a position he had set his sights on years earlier and which he held until 1975.

Over the years it was WRIGHT PATMAN who fought tirelessly against high interest rates, big banks, the autonomy of the Federal Reserve Board and misuse of tax-free foundations as wealth shelters. He championed the cause of the small farmer, small business and the veteran whom he helped win a World War I bonus at the depth of the Depression. He was a prime mover in setting up federally backed credit unions and was one of the original sponsors of the Full Employment Act of 1946.

Further, it was WRIGHT PATMAN who first spoke out in Congress to call for an investigation of Watergate. He wanted to issue subpenas to suspected contributors, campaign committees and banks to trace the money. Unfortunately, members of his committee did not agree and the inquiry was blocked.

While his major interest has always been money matters, he has the singular distinction of being the originator of the congressional newsletter. Back in 1933, it was WRIGHT PATMAN who began sending weekly newsletter to his constituents in order to keep them informed of events in Washington.

WRIGHT PATMAN had a most noteworthy career. Beginning as a cotton farmer, he worked his way through school and was admitted to the Texas Bar in 1916. He served as assistant to the prosecuting attorney of his home county until the beginning of World War I when he enlisted in the Army and became a machinegun officer. In 1920, he was elected to the Texas House of Representatives. His 4 years in the Texas Legislature were followed by 5 years as district attorney and 24 successive elections to the U.S. House of Representatives.

It is with deep sorrow that we now mark the passing of this outstanding American who repeatedly evidenced such great concern for the average American. My sincerest sympathy is extended to his widow Pauline and three sons, Connor, Harold and William.

Mr. JOHNSON of California. Mr. Speaker, an important era has come to a close for the House of Representatives with the passing of our dean, the honorable WRIGHT PATMAN of Texarkana, Tex. Each of us who served with him are well aware of his outstanding leadership over nearly half of a century. He was an expert legislator, a champion of the ordinary American citizen, and a respected Member of Congress. We shall miss his wise counsel and fighting spirit.

WRIGHT PATMAN was a man of courage who never shied away from controversial causes. He walked alone, if necessary, until others saw he was traveling the right path. He was not afraid to be a leader.

Many people have tried to place a label on the type of service he provided this country. None is appropriate. He had only one interest in mind, the people's interest. His approach was simple and direct and not clouded with fancy frills or verbose language. He was a man of wisdom.

WRIGHT PATMAN will be best remembered for his long-standing struggle against the financial community on behalf of the little man.

It was a courageous battle and one which brought him the fruits of victory on many occasions. His success was not personal, however, but rather a victory for the American people. Mr. PATMAN was also a diligent servant of the people who elected him to Congress. In particular, he worked hard on behalf of the veterans of World War I.

To many schoolchildren all across this great country, the name of WRIGHT PATMAN is closely associated with the Congress through his authorship of the book entitled, "Our American Government and How It Works: 1001 Questions and Answers," which was the stimulus for the congressional publication now distributed by each Member of Congress, "Our American Government."

WRIGHT PATMAN has made an important contribution to democracy in the United States of America. His ideas, his philosophy, and his achievements will long be remembered and respected. His courage and voraciousness will inspire others to take up the standard and continue his fight.

We will miss him greatly. Mrs. Johnson joins me in extending to Mr. PATMAN's family our deep sympathy.

Mr. WHITE. Mr. Speaker, the untimely passing of Representative WRIGHT PATMAN, dean of the House of Representatives and for 47 years the champion of the little guy in Congress, brings to a close a career of distinguished public service.

Dean PATMAN's achievements while a Member of Congress are perhaps the finest tribute to this extraordinary man.

Elected to the House from the First District of Texas in 1928, Dean PATMAN secured an appointment to the House Banking and Currency Committee and immediately emerged as the defender of the small businessman.

Mergers, monopolies and the Federal Reserve Board were Dean PATMAN's favorite targets, and none escaped his scrutiny. His greatest legislative triumph might have been the Robinson-Patman Act, a protective measure that helped small businessmen by forbidding manufacturers from giving chain stores discount prices.

Well-respected by his colleagues, Dean PATMAN served as chairman of the House Banking Committee from 1960 until 1975, at which time he lost his chairmanship in the wake of a revolt by the liberal freshman who sought to relieve the older chairmen of their posts.

It has been said that these liberal Members have regretted their rash underestimation of the accomplishments of Dean PATMAN.

WRIGHT PATMAN will be remembered as the champion of the middle class, and his accomplishments will certainly leave a lasting impact.

I join my colleagues in Congress and my fellow Texans in mourning the loss of a devoted public servant, a great man and a good friend.

Mr. FAUNTROY. Mr. Speaker, I was deeply saddened to learn of the death of WRIGHT PATMAN, a dedicated public servant and one of the most dynamic Members of this House.

Few people will ever match his outstanding record, not only in tenure of office, but as a spokesman for the taxpayer, small businessman, laborer and all those who make the backbone of our country. His recognition of the needs of the average American citizen were so realistic, they were sometimes called simple. He fought to provide jobs, increase veterans benefits and keep checks on big business. Anything that was to the advantage of the "little guy," was a priority in Mr. PATMAN's mind.

Many of my colleagues and fellow Americans will honor his achievements by mourning his death, renaming schools and other institutions for him and telling of his accomplishments and beliefs. These tributes to him can only represent but a fraction of what this man has achieved and deserves. The Robinson-Patman Act, his help in passing the Employment Act of 1946, Veterans Act of 1936, establishment of Federal credit unions and the Small Business Administration are just a few examples of the tireless efforts of this great populist. As we look back on WRIGHT PATMAN'S life, we see nothing but benevolence, honesty, desire and many years of dedicated public service.

He brought his beliefs with him to the Banking, Currency and Housing Committee, of which he was chairman for 12 years. He was continually weary of the actions of financial institutions believing correctly that the concentration of economic power in the hands of a few was the root of many evils. His foresight and wisdom brought him much criticism from those who saw him as a political maverick for failing to conform to the conventional expectations of the political system. Many of the changes WRIGHT PATMAN proposed years ago are today before the Banking Committee. Ralph Nader is correct when he says "[A]s so often in his career, PATMAN was right too soon."

It was a privilege and an honor for me to have served with him on the Banking Committee during his tenure as chairman. Our Nation has lost a model citizen, patriot and outstanding legislator. I join my colleagues in extending my condolences to his wife and family.

Mr. JONES of Oklahoma. Mr. Speaker, the Members of the House are today privileged to honor and pay tribute to the memory of Chairman WRIGHT PATMAN. There are few among us that will ever have the opportunity to serve the common man of this country for as long or with as much understanding of their plight as Chairman WRIGHT PATMAN. Elected to the House of Representatives in 1928 whereupon he set out to assure that every American would be able to have first-class citizenship, first-class opportunity, first-hand justice at home. Few men have struggled as long and as hard in the interests of so many people against such strong adversaries. He will live on as a legend of frontier spirit.

Chairman PATMAN is the "populist" of this century. He fought from 1928, through the 1930's, the 1940's, until his death with an endurance and aggressiveness that few of us will ever be able to match. Never did he lose sight of his goals. Full employment, decent wages, lower interest rates, adequate housing, education for everyone, opportunity for all, good health, good medical care, good hospitals, above all, equal justice under the law for all of our fellow men. He fought for the simple and basic goals of America.

Throughout the pages of history we read stories of those who set out in quest of great goals and discoveries, and yet when they were almost to the edge of success, they hesitated—not realizing how close they were to their aims. Today we honor a man who never hesitated, who fought his whole life with his mind, his soul, his heart for what he thought was right.

Mr. Speaker, all of us here today are poorer for his passing. But he has left for us an example that can serve all of us. Few men have ever fought as long, as hard and with as much love for his fellow man.

Mr. OBEY. Mr. Speaker, WRIGHT PATMAN was as kind and gentle to me in my first days as a Member of this House than almost anyone else here.

In 1970 I began to warn about the potential health hazards of mercury. I remember how surprised I was when WRIGHT PATMAN came up to me on the floor one day, sat down next to me and said:

> Young man, I've seen what you've been saying about mercury. You keep it up. These are worrisome things and you're doing good work.

He did not have to do that. I did not even think at that time that he knew who I was. I think it exhibited a special grace and kindness, especially for a man of his stature in the House.

He fought for the public interest against special interest with a zest which made him almost a folk hero with certain groups in my own northern Wisconsin district.

I am proud to have been given the opportunity of serving with him. He too did good work.

Mr. DRINAN. Mr. Speaker, one of the first memories of the young JOHN WILLIAM WRIGHT PATMAN was the cruelty of his east Texas cotton farming father being required to pay as high as 50 percent interest on crop loans. The memory of this injustice probably explains better than any other factor in the life of the late Congressman Wright Patman his zeal and devotion during 47 years as a Member of the House of Representatives to battling big banks and corporations.

The grinding poverty which young Patman experienced developed his gracious personality as well as his political ideology. I recall with the greatest admiration and fondness an incident when I was a freshman in the House of Representatives in 1971. A 10th grade student had written, unbeknownst to me, to Congressman Wright Patman, asking if he and his 70 classmates could visit with Congressman Patman when they would be in Washington. The young student mentioned that I was his Congressman. Congressman Wright Patman immediately agreed to spend well over an hour with these youngsters and gave to each of them his autograph. This event is undoubtedly only one of thousands upon thousands of such acts of kindness and graciousness in the career of Congressman Wright Patman.

The late dean of the House was most remarkable in combining an astonishing legislative record while simultaneously being a prophet with ideas whose time has not arrived. Among the major legislative achievements of Congressman Wright Patman were the passage of the Employment Act of 1946, which created the Council of Economic Advisors and the Congressional Joint Economic Committee. In addition, Mr. Patman was the architect of legislation creating the system of Federal credit unions as the repository of savings for workers from which they could obtain modest loans. It was Wright Patman's legislation that created the Small Business Administration and his thinking that led to the now familiar concept that small businesses have a right to share in defense contracts.

Congressman Wright Patman, when he spoke with the group of students that I have referred to above, was understandably delighted when at least a few of them knew that he was the author of the Robinson-Patman Act.

All of the foregoing are only a few of the monumental achievements of Mr. Patman. At this time and perhaps for years to come, he will be remembered for his crusade to impose a major restructuring on the Federal Reserve System. He won a limited number of victories in this area. But he has made it possible for legislation to be enacted—hopefully in the very near future.

Around 1963, Chairman Wright Patman of the House Banking Committee began to investigate the extent to which banks had interlocks with each other. At that time the whole notion was denounced by almost everyone, but around 1970, the Federal Reserve Board was itself offering legislation to deal with the problem.

It is sad to contemplate that the late beloved dean of the House did not see enacted the legislation which he proposed and which, because of his efforts, may well become law in the near future. One of many examples is the law that will permit banks to pay interest on checking accounts.

It will be a long time indeed before a giant like Congressman Wright Patman will denounce with the same authority the monopolies and mergers against which he struggled all of his life.

Congressman Wright Patman had been an inspiration to me long before I became a Member of the 92d Congress in 1971. During the 5 years when, as a Member of Congress, I was honored to be associated with him, Mr. Patman continued to be a person whose courage, resourcefulness and tremendous industry impressed me more and more as the months and years when on.

The memory of Congressman Wright Patman will be held in benediction in the House of Representatives as long as this noble body exists.

Mr. RANGEL. Mr. Speaker, I rise to pay tribute to the former dean of the House of Representatives, Wright Patman. As my colleagues are no doubt aware, Congressman Patman died on Sunday after having been hospitalized in Bethesda Naval Medical Center with pneumonia. I would like to at this time point out some of the highlights of his impressive career here in the House, a career that spans nearly one-half a century.

Throughout most of his career, Patman was an ardent supporter of the "small guy." Probably the one piece of legislation that people associate with Patman the most is the Robinson-Patman Act which he coauthored. This act was designed to prevent large chain stores from pushing their small competitors out of business by lowering prices in the areas served jointly by the large and small businesses and raising the prices in areas where just the large concern was found.

Wright Patman wrote the legislation which established the Small Business Administration. For my constituents who are engaged in business pursuits, this legislation is probably the most important of Patman's contributions. The concept behind the legislation is that the small guy who seeks to enter the business world should be allowed that opportunity free from undue obstacles. Most of the businesses in my congressional district are not conglomerates in size. The assistance that the Small Business Administration provides is quite helpful.

After 12 years as chairman of the House Banking Committee, Patman was removed at the beginning of this Congress. Those who served on his committee argued that he attempted to conduct the committee without consulting them. The critics said that his age was a factor which made his removal all the more necessary. During the entire debate on the question of keeping his chairmanship, never once was his knowledge of the subject matter questioned, and although I supported his removal, I believe it is important to remember the reason for his removal was not his lack of knowledge.

Wright Patman will most definitely be missed in this Chamber. His attacks on the Federal Reserve System were all designed to break up conspiratorial efforts by the banks to keep interest rates high. The gentleman from Texas was not reluctant to wage the big battles on behalf of the consuming public. It is my hope that his unfinished work will be picked up by all of us here in tribute to this fine public servant.

Mr. ICHORD. Mr. Speaker, on Sunday, March 7, our good friend and outstanding colleague, Wright Patman, passed away, and it is with a sense of deep personal loss and sadness that I join today in tribute to the great leader from Texas.

Forty-seven years ago, Wright Patman was first elected by the people of the First District of Texas to represent them in the 71st Congress. From that day until his death at 83, Wright Patman served Texas and this Nation as one of this country's outstanding legislators whose talents of compassion, goodwill, hard work and excellence were a source of admiration and inspiration to many of his colleagues.

Wright Patman came to Congress deeply instilled with the importance of a stable economy and personally aware of the devastation that accompanied recession and depression. This knowledge and his deep concern for the effects of economic fluctuation on the American people set the tone of Wright's leadership in the House and his work on and chairmanship of the House Banking and Currency Committee. Wright Patman became the watchdog of Federal monetary policy assiduously overseeing the enormous power and influence of big banking interests and the growing independence of Federal Reserve policymaking. He authorized the legislation which created the Joint Economic Committee, set up the Council of Economic Advisors, and which required periodic reports to the American people by the President on the state of our economy. He served as a constant counterforce against secrecy in domestic financial circles publishing the first ownership list of major banking units and interlocking directorships.

Wright Patman was also a strong supporter of America's veterans and an aggressive advocate of the American public and this Nation's small business in their confrontation with powerful financial conglomerations. He cosponsored the Robinson-Patman Act which outlawed discriminatory price and anticompetitive practices by business. He authored the resolution which created the House Small Business Committee and served as its first chairman. Wright Patman also introduced consumer credit legislation including the Truth-in-Lending Act; wrote the Federal Credit Union Act of 1934 which today benefits over 32 million credit union members; and sponsored the veterans' "bonus" bill of 1936 and the Veterans Emergency Housing Act of 1946.

It was my privilege to serve with Wright Patman for 16 of his 47 years in Congress. I admired him greatly and shall sorely miss his friendship and leadership in the House. I hope this body will continue with his excellent work and his championship of the free enterprise system. Free enterprise to Wright Patman meant what it should mean to all of us. Free enterprise was not a free-for-all by a few large interests but a system whereby interests, both small and large, have a place and a system in his own words where there "never will be room for the ruthless exploitation of the many for the benefit of the few."

WRIGHT PATMAN's work in Congress mirrored this philosophy. His passing marks a deep loss to this body and to the Nation and I join today with his many friends and colleagues in tribute to this man and great leader from Texas. My wife and I extend our heartfelt condolences to WRIGHT's wonderful companion and wife, Pauline, and all the members of his family.

Mr. ARCHER. Mr. Speaker, I commend my distinguished colleague from Texas, Chairman MAHON, for leading this tribute today to the life and career of WRIGHT PATMAN.

It is indeed appropriate that we gather here today to honor such a great American who spent so many years in this very Chamber serving his constituents and his country. He was a man for whom the description "honorable" was truly intended. Few have served their country with such honor and dedication as our departed colleague from the First Congressional District of Texas.

WRIGHT PATMAN gave his entire adult life in the service of his neighbors, never seeking further fame or fortune for himself. His was total commitment to the principles he so strongly believed in.

I had the honor of serving with Mr. PATMAN on the Committee on Banking and Currency during my first term in Congress. During those years I came to know him as a man of high integrity, with a devotion to duty that is the mark of a true statesman.

A statesman he was, a man of conviction who served his country well in times of despair as well as times of prosperity.

A man of great energy, he approached his work with an enthusiasm unmatched by many in the history of this elected body of the people.

All who had the opportunity to know WRIGHT PATMAN during his lifetime are far richer in spirit for having had that opportunity. For those of us who knew him in the Congress, his memory remains as an example of human dedication from which we can all learn.

We will miss WRIGHT PATMAN in this Chamber, just as his constituents and his country will miss him.

But his memory will live on. He was truly a man who left his mark on America, a man deserving of respect by generations of Congressmen to come.

It is indeed fitting that we pay tribute today to the life and career of this great American. For when we speak of WRIGHT PATMAN, we are speaking of a life and career that were one and the same.

May God bless and keep him.

Mr. STEED. Mr. Speaker, in a career in the House of Representatives of more than 46 years, WRIGHT PATMAN was a consistent and courageous champion of the common man.

In a phenomenal way he kept close to his people in the First District of northeastern Texas and their concerns, yet at the same time he came to grips with national issues and faced them bluntly and effectively.

One of the highlights of my career here came when I was placed on the Select Committee on Small Business in 1953 with WRIGHT PATMAN as chairman. For almost 10 years I worked closely with him on that committee. He gave me the opportunity to hold a wide series of hearings over the country—on the dairy industry, the oil industry, poultry, tomatoes, and many others. Most of what I know of small business and its problems, so vital to our economy, I learned through constructive association with WRIGHT PATMAN.

It was this aspect of his career with which I had the closest contact. His active efforts in behalf of the small business section of our economy began in 1935, when Mr. PATMAN had been here for 6 years. He had already demonstrated that he was for the little man in regard to the veterans bonus and other economic issues.

In May 1935, Congressman John J. Cochran of Missouri introduced a resolution to establish a select investigating committee on certain lobbying activities. When the resolution passed, Speaker Joseph W. Byrns named Cochran as chairman. But almost at once health problems forced him to step aside, and Mr. PATMAN, who had been appointed as a member succeeded Cochran.

He broadened the scope of the investigation with an amendatory resolution that enabled him to go into larger scale buying and selling and their effects on small business.

Other members of the select committee who later became very well-known included Scott Lucas of Illinois, Sol Bloom of New York, and Sterling Cole of New York.

As chief counsel Mr. PATMAN named Everette MacIntyre, then with the Federal Trade Commission. They conducted hearings through the summer of 1935, and their findings led directly to the Robinson-Patman Act. This landmark measure, the Magna Carta of Small Business, passed the House with only 16 votes against it, passed the Senate without opposition, and was signed by President Franklin D. Roosevelt on June 19, 1936.

Frequently through the next 40 years Mr. PATMAN intervened in behalf of free and fair competition. He sponsored bills, appeared before many committees and conducted many hearings on this issue. The last was on November 5, 1975, when he was the opening witness at the hearings of the ad hoc Small Business Subcommittee on Antitrust, the Robinson-Patman Act and related matters. This committee was named by Chairman JOE EVINS, who expressed his concern at alleged efforts to repeal or weaken the Robinson-Patman Act, which he described as "vital and important to assure small businessmen of needed protection in the marketplace in such areas as volume sales by large manufacturers."

In opening the series of hearings, Congressman HENRY GONZALEZ, chairman of the subcommittee, cited the policy of the Congress as stated in the United States Code, title 15, section 631 a bill sponsored by Mr. PATMAN in 1958 as follows:

> It is the declared policy of the Congress that the Government should aid, counsel, assist and protect, insofar as it is possible, the interests of small business concerns.

In this series of hearings Everette MacIntyre, who had worked with Mr. PATMAN in the 1935 hearings, again served as counsel.

It was fitting that this should be the final scene of Mr. PATMAN's appearances for small business. As Congressman WILLIAM HUNGATE commented, it was an occasion for "respect and appreciation of the gentleman's work on behalf of small business and for his foresight generally. He warned us of Watergate when most of us thought it was just a hotel, and he continues to show leadership."

WRIGHT PATMAN. introduced the resolution creating the House Small Business Committee in 1941, and it passed just 3 days before Pearl Harbor. Speaker Sam Rayburn named him as first chairman of the select committee, and he served in that capacity from 1941 until 1962 with the exception of the 80th and 83d Congresses when the Republicans had a majority in the House.

During World War II the select committee helped secure for small business a part of the procurement for the war effort. We needed small business and its expertise, and the committee helped to make effective use of them.

In 1958, Mr. PATMAN was coauthor, with Senator Lyndon B. Johnson, of the Small Business Investment Act, another significant measure.

It would take a catalog to record all his efforts in this field. He was a true gentleman, a faithful friend, and in my belief the most effective of fire competitive enterprise in Congress in this century.

Mr. SISK. Mr. Speaker, we all mourn the loss of our late colleague, WRIGHT PATMAN. Thousands of words have been spoken and written about this wonderful man, but I suspect he would have been a little embarrassed over the tributes.

"What's all the fuss about?" I am sure he would ask.

WRIGHT PATMAN would prefer, I believe, that the House of Representatives simply conduct the Nation's business. But seldom does a man like our former colleague bless these Chambers, and it is the Nation's business to pay respect and tribute to one who gave so much to his country.

We are all witnesses to history, but most of us have insufficient time on this Earth to taste but a bit of history. And we have not the time to view events in their proper perspective.

WRIGHT PATMAN was one of the lucky few. He not only witnessed history, he was a part of it. More importantly, he was able to view events and his actions against time; that perception enabled him to remain an effective legislator.

WRIGHT's life spanned 22 Presidential elections—elections which sent 15 different men to the White House. Four of them died or were killed in office; an unwanted war drove another from office, and one left in disgrace. Nothing could have hurt WRIGHT PATMAN more than the latter, for he loved the office of the Presidency.

WRIGHT PATMAN also saw war many times over. He saw a Nation of feast and famine. He saw, too, a great technological explosion and one of the most severe economic collapses in man's history.

He saw the little man suffer, and knew that was not right. His classic fights on behalf of the little man were often scorned, but time proved him right. We are, indeed, a better Nation as a result of those battles—battles which he sometimes fought alone.

But for all the fights, skirmishes, and debates, WRIGHT PATMAN remained a fair man, for he was pained by any abuse of power. He fought—he fought hard—but one could never question that man's integrity.

I was fortunate to spend almost 22 years in the House of Representatives with WRIGHT PATMAN. I think I knew him well. I know that I learned much from him.

We will go on with the Nation's business. But the little man from Texas has left a void in these Chambers.

I shall forever miss my good friend.

Mr. MILFORD. Mr. Speaker, having spent most of my life in Texas—and growing up in northeast Texas—I have heard of and witnessed the dedication to his people of the late Congressman from the First District, Mr. WRIGHT PATMAN of Texarkana.

As a boy in a neighboring area of that rural section of Texas, I saw a man who cared about his people. He cared not just for the votes they could cast. But he cared about injustices they had suffered. And he tried to correct those. He understood and cared about hard times. And he labored long—47 years in Washington—to help alleviate those.

Congressman PATMAN frequently rankled the "sophisticated city slickers," but he was a popular man of the people in his northeast corner of the State of Texas.

Forty-seven years in public service, fighting for the rights of his people, and the rights of those nonmoneyed, nonpowerful people all over this country—Mr. PATMAN never lost touch with his world at home. He never became a "Washingtonian" imbued with his own self-importance.

But he became a good teacher in the ways of being a good elected public servant for those of us who have come after him. And that is all of us, for he was the senior Member of this House. WRIGHT PATMAN will be missed. But he will be long remembered for what he did here in this House of elected Representatives.

Mr. VANIK. Mr. Speaker, I had the rare privilege of serving with the late WRIGHT PATMAN on the House Banking and Currency Committee when I first came to Congress in 1954. He was always a source of inspiration to me and to many Members of this body.

WRIGHT PATMAN's important work as chairman of that Committee and of the Joint Economic Committee will remain with us for years to come. His mark can be seen all around in the world of banking. The credit unions that were established under his guidance are now flourishing, providing millions of consumers with a needed alternative to traditional savings institutions. The Robinson-Patman Act is but one of his many accomplishments to protect the interests of small business. The Employment Act of 1946 established "maximum employment, production, and purchasing power" as permanent objectives of national policy. His efforts to maintain low interest rates for borrowers for homes and other necessities must not be forgotten.

All these initiatives focus attention on WRIGHT PATMAN's chief concern: the common man. His efforts have always seemed to come years ahead of their time. Mr. Speaker, this Congress will gravely miss WRIGHT PATMAN. He was a gentleman of great force and foresight.

Mr. FREY. Mr. Speaker, I would like to join with my colleagues on both sides of the aisle in honoring the long and distinguished service of our late colleague WRIGHT PATMAN of Texas.

The gentleman from Texas served in the House for 47 years. His career ranged from the Depression Years to World War II to the trials of Korea and then Vietnam. He served as chairman of the Banking and Currency Committee for many years. As the results of his efforts, legislative accomplishments were many. For instance, the Robinson-Patman Act is a basic part of the law regulating competition. All of us are proud of his service to his State, this Congress and our Nation. We extend our sympathies to his family and are proud to have had the opportunity to serve over the last 8 years with such a distinguished Member of Congress.

Mr. MURPHY of New York. Mr. Speaker, words cannot do justice to the memory of WRIGHT PATMAN, so I shall be brief. WRIGHT PATMAN's record in the Congress will stand for decades, if not centuries, as a paragon for future Congressmen to emulate. This was a giant, and a leader of rare quality.

Here was a man of unquestioned integrity, total intellectual honesty, and untiring legislative zeal. His defense of the average American in the House Banking, Currency and Housing Committee has already become a treasured chapter in the history of American Government.

WRIGHT PATMAN joined the Congress in 1928 when many of us here today were not yet born. His political career followed distinguished military service in World War I as an Army officer. For nearly half a century this eminent Texan was renowned as the opponent of predatory corporate and banking practices which sought to victimize American citizens. During the Great Depression he was one of the legislative craftsmen of the reforms which resurrected our economy and restored faith in our financial institutions.

I can vividly recall the many summer evenings when this senior Member would be the last to leave this Chamber. He was the first to get to the people's business on most mornings, and the last to depart. His cordial nature and plain good sense eased the burdens of many of his junior colleagues, and proved that political life can be an enjoyable challenge. I considered him to be a steadfast personal friend, and I am deeply grieved by his passing.

I shall miss the dean of the House. It is no overstatement to say that his presence here enriched all of us, while it seems inadequate, I can only say that he was one of the most outstanding men whom I have ever met, and I shall never forget the chance that I had to work with him on legislation to halt the funding of local governments with gambling proceeds.

While we mourn Mr. PATMAN's death, we can be thankful for having had the high honor of serving the American people alongside one of our most distinguished countrymen.

Mr. ST GERMAIN. Mr. Speaker, we are met today to pay tribute to a giant of a man who no longer walks amongst us—Chairman WRIGHT PATMAN. Much has been written and spoken about the length of his service in Congress, a remarkable near half-century of service as a Member of Congress. There will never be sufficient time on this and other occasions to come to reflect fully on the quality of his service to his fellowman.

I deeply treasure the many occasions and opportunities that have come my way during the past 16 years to work closely with him as chairman of the Banking and Currency Committee, where his determination and his wisdom helped guide this Nation through many perilous moments. His wise counsel and advice, which he gave so freely to me, will be missed, but the principles and causes which he espoused in nearly a half-century of service, indeed, will live on inspiring future generations to come.

The entire public life of WRIGHT PATMAN was devoted to the care of the little man and he used whatever forum was available to espouse it. To this end he spent his life trying to expose the evils of concentration of economic power and to restrict this power. His tenacity in fighting those who he felt had too much power is legendary. He lived to see many of his ideas embodied in law and many others, originally ignored or denounced by his colleagues, it can be freely predicted, will in time be adopted by those less blessed with his magnificent sense of history and total dedication to the public interest.

Mr. Speaker, beginning in December, the Subcommittee on Financial Institutions Supervision, Regulation, and Insurance, which I chair, began hearings on the FINE study principles, which incorporates many of the goals, ideals, and principles for which WRIGHT PATMAN battled for nearly a half a century. Our legislative hearings began on March 4 and right up to Mr. PATMAN's last hospitalization, he was ever by my side, participating fully in those hearings. The recent outburst of statements in opposition to this pending legislation by vested interests would have come as no surprise to Chairman PATMAN, who on similar occasions in the past delighted in recalling a poem taught him at an early age by his mother which gives some insight into the makeup of this truly remarkable American:

He has no enemies, you say
My friend, the boast is poor.
He who hath mingled in the fray
Of duty that the brave endure
Must have foes.

If he has none,
Small is the work he has done.
He has hit no traitor on the hip,
Has cast no cup from perjured lip,
Has never turned the wrong to right,
He's been a coward in the fight.

In recent times, Chairman PATMAN is perhaps best known by his eternal vigilance over the operations of the Federal Reserve Board. I can add little to the moving tribute paid to Chairman PATMAN last week during our continuing hearings from the present Chairman of the Federal Reserve Board, Dr. Arthur Burns, and former Vice Chairman, Governor Robertson.

First, from Dr. Burns:

> WRIGHT PATMAN had a long and distinguished career in the Congress. His feelings about the Federal Reserve are well known, and it is fair to say that we had differences of viewpoint with him on many matters of mutual concern. I can also say, however, that we had great respect and personal affection for Mr. PATMAN. He was a man of great dedication, he was a highly skilled legislator, and a man of integrity. He made great contributions to this Committee, to the Congress, and to the country. We shall miss him.

Governor Robertson stated in part the following:

> All of the years that I have been testifying before the Committee, in this room, this is the very first time that our former colleague and my friend, Mr. PATMAN, has not been here, or very close to the chair. I miss him. Over the years, he gave me a hard time, and many other federal supervisory authorities a hard time, by his interrogations, but I want to assure this committee that the Federal Reserve System, at least, is a better system today than it would have been if he had not been consistently and continuously looking over its shoulder.

Mr. Speaker, we shall continue in the task outlined for us by Chairman PATMAN by proceeding with our deliberations on the legislation emanating from the FINE study. Should we be successful in our efforts, this can be the finest tribute that we can ever hope to pay to a man who gave so much—legislation truly benefiting America's little man.

Mr. MOSS. Mr. Speaker, WRIGHT PATMAN is dead, and thus ends a career which will stand as a monument to a truly unique man, his ideas, and his convictions.

WRIGHT PATMAN achieved much legislatively, but he achieved more through understanding economic truths—particularly, as they related to the Federal Reserve Systems and the very large banks of this Nation.

WRIGHT PATMAN articulated the fears, the concerns, and the distrust of many of a system of increasingly centralized control of financial institutions of this Nation.

The Bank Holding Company emergence as an even more important part of our Nation's economic management concerned him. The congressional reluctance to audit the Federal Reserve System frustrated him, the failure to regulate with a firmer hand created the specter of unsound banking institutions and, in his view, constituted an abdication of constitutionally mandated congressional duties.

WRIGHT warned against the manipulation of the "cost of money"—high interest to him, was an ever-threatening presence that could only erode the Nation's ability to move ahead with growth and prosperity.

There are many who did not follow WRIGHT PATMAN—I am proud of my support of his efforts throughout my almost 24 years in the House.

WRIGHT PATMAN understood, as far too few legislators understand, the power of congressional oversight, the corrective value of legislative inquiry, and the need for the Congress to pursue both courses with vigor and dedication. To the extent of his own powers, WRIGHT PATMAN was tireless and relentless in asserting congressional need to know, and to do.

With the passing of WRIGHT PATMAN, the House has lost a giant—the Nation, a voice of courage and wisdom—the people, a friend and champion, and his family, a father and husband who loved them and enjoyed being with them.

Mr. Speaker, there will only be a few who serve in this House, in the future, with the distinction and dedication of our late dean of the House, the distinguished gentleman from Texas, WRIGHT PATMAN, a true son of the pioneer spirit of his native State and his Nation.

Mr. SEIBERLING. Mr. Speaker, 2 weeks after my first election to the House in 1970, I made my first visit to the House floor. One of the first Members I was introduced to was WRIGHT PATMAN. It was hard to believe that I was actually meeting the famed author of the Robinson-Patman Act, a law which I had been interpreting for my clients ever since I first entered the practice of law and one which was enacted many years before I became a lawyer. Needless to say, I was very impressed to meet someone who was already a "living legend."

In the years since, I had the opportunity not only to observe Mr. PATMAN in action on the floor of the House, but to develop a personal acquaintance with him. Despite his years, he dealt with complex subjects with a keenness of intellect and a coolness under fire that would have been remarkable even in a person in the prime of life. Even more impressive to me was the fact that after almost half a century in Congress, he seemed unflagging in his commitment to help ordinary people and to limit the power of the mighty.

Above all, however, I will remember WRIGHT PATMAN for his graciousness and warmth toward me as a person. He was always a gentleman, but he was more than that. He never seemed to miss an opportunity to bestow a word of praise or encouragement. Perhaps that was the secret of his greatness: He was a towering public figure, because he was, first and last, a warm and sensitive human being.

Mr. PERKINS. Mr. Speaker, few men have had the privilege of engraving their stamp upon an institution in more relief than WRIGHT PATMAN in making his mark upon the House of Representatives.

WRIGHT was a Member of the House for 47 years and I venture to say that not even on the first day here was he a nobody. His was a commanding intellect and a commanding personality.

He had a keen sense of justice, not only in his personal dealings, but in justice as it applied to the economic field. He was quick to detect abuses of our system that led to injustices for other people. When these injustices were not promptly corrected, WRIGHT PATMAN was capable of towering indignation which he had a capacity to transmit to other people. A catalog of things in this country that WRIGHT PATMAN has made better would be an enormous volume.

I am proud to have served with him and to have been his friend for 27 of the 47 years he was with us. The House has lost a unique Member, Texas has lost a unique representative, and the American people have lost a champion, the likes of which we may not see again.

Mr. WYLIE. Mr. Speaker, I consider it a privilege to have had the opportunity of working closely with Mr. PATMAN in committee. I was an admirer of his even though we were on opposing sides oftentimes. Almost from the first day I was assigned to the Banking and Currency Committee, I listened to the chairman's speech about low-interest rates, making more money available for housing and consumer needs, and to his mind the enemies of these concepts, the Federal Reserve Board and the banks. I think the chairman's constant battle for low interest rates was more of an effort on his part to stimulate discussions on interest rates, money supply, and to remind Members of Congress of the fact that it was the individual and not any special interest group that the Congress represents.

Although he introduced a bill to fix the interest ceiling at 6 percent year after year, I do not recall he ever called for a vote in committee on his pet bill. Whether or not you agreed with what WRIGHT PATMAN had to say, you had to admire the way he was able to generate discussion on important issues not only involving the Congress but the whole Nation.

Personally, I liked Chairman PATMAN. I had great admiration and respect for him. Some accused him of being dictatorial, but he was always fair to me. I think rather than being dictatorial he was just a strong advocate for his views and with the power of the chairmanship had the position to voice them. His two powerful adversaries were the president of the American Bankers Association, whoever he might be, and Dr. Arthur Burns. Yet, I do not believe Mr. PATMAN ever held a personal grudge. Truly, I believe he and Dr. Burns were great friends.

In 1967 shortly after I went on the Banking and Currency Committee, I noted that the chairman had difficulty remembering my name. His solution was to nickname me "Professor," a nickname I rather liked. From that day to the day I last saw him I was "Professor" to Representative WRIGHT PATMAN.

It was a pleasure and honor to serve in

the House of Representatives and on the Banking and Currency Committee with WRIGHT PATMAN for the 9 years I have been in Congress. It is often said that any man can be replaced, but WRIGHT PATMAN'S combination of drive and fierce dedication will never be duplicated.

Mr. DERWINSKI. Mr. Speaker, it is with deep sorrow that I join this afternoon in eulogizing our late colleague, Mr. WRIGHT PATMAN.

It was my privilege to have served as a freshman Member with WRIGHT PATMAN, on the Banking and Currency Committee, as it has been my privilege, these past 18 years, to have served with him in the House.

I knew him as conscientious, hard working, and aggressive man, and at the same time, he was a warm and personable individual.

WRIGHT PATMAN was an outstanding Member whose death leaves a void in the House that will be most difficult to fill. WRIGHT dispelled the false notion that age can be an impediment to effectiveness, for he was consistently innovative and had an energetic outlook far beyond his years.

The blend of his knowledge and vast experience in Government and his continued interest in current events and future developments was certainly a motivation for his effective legislative leadership.

He was controversial, but that is a tribute to his effectiveness as an extremely dedicated public servant, which makes his passing an even greater loss. He was a man who not only believed but practiced the greatness he felt in America and its heritage.

My wife, Pat, joins me in extending our condolences to Mrs. Patman, Pauline, and his three sons. They can remember him proudly as a dedicated and respected public official; just as we, who were privileged to serve with WRIGHT PATMAN, will long remember his unselfish service to his Nation.

Mr. KRUEGER. Mr. Speaker, I rise on this sad occasion to join my colleagues in lamenting the passing of our late friend and colleague, WRIGHT PATMAN. For 47 years he served in the House, an effective representative for the people of his Texas district and a strong defender of the rights of Americans everywhere. He sought to further the best interests of his country, and hard work and dedication to duty helped him attain this goal. WRIGHT PATMAN'S first great legislative effort in 1933 led to passage of a veterans' bonus bill over the objections of the White House; in the years that followed, he was instrumental in winning approval of the Robinson-Patman Act to protect small businesses, the 1934 Federal Credit Union Act, the Veterans Emergency Housing Act of 1946, and the Full Employment Act of 1946. In 1972 he was the first major public official to call for an investigation of Watergate, and he maintained his position as legislative steward of our Nation's economy throughout these many and diverse legislative efforts.

WRIGHT PATMAN was a man of exemplary intelligence, courage, and integrity, and these qualities grew through the years, enriched by his legislative and personal experiences. For over four decades he was a model for Americans in all walks of life, but particularly for those of us in his chosen field of public service. In Congress he leaves behind many admirers, many of whom, like myself, were not yet born the day WRIGHT PATMAN was first sworn in as a Member. The Congress is poorer for his passing, but the Nation is richer for his service here. Dean PATMAN was a controversial figure during his tenure in the House, but his efforts won him the admiration and respect of those around him, and the common people loved him for the enemies he made. Democracy has lost a champion, but those of us who are left behind can continue his work in our own small way by seeking justice for all and fair play for the common man.

Mr. GIAIMO. Mr. Speaker, I am certain that all of us who have had the privilege to serve with WRIGHT PATMAN during his long and eventful years in the House of Representatives share my sorrow at his sudden passing. Mr. PATMAN, as we all know, had decided in January to bring his distinguished career to a close at the end of the current term, his 24th in Congress. An unfortunate illness, however, prevented him from fulfilling his wish to return in well-deserved retirement to his beloved east Texas homeland.

Mr. PATMAN'S long tenure as chairman of the Banking Committee was sometimes marked by controversy but more often by success. He did more in his lifetime than perhaps any Member who ever served in Congress to focus public attention on and to change the policies of the Nation's commercial banking system and the Federal Reserve System.

Just as important, in the economic sector, his crusading efforts led to the elimination of the former practice of passing without hearings or debate tax bills sponsored for the benefit of a single firm or individual. His efforts also led to House passage of standby authority to impose wage and price controls when economic conditions required such action.

Mr. PATMAN'S fiscal and monetary views impact to some degree on all Americans. He was responsible for the passage of other major legislation: the Employment Act of 1946 which created the Council of Economic Advisers and the Congressional Joint Economic Committee; creation of the system of Federal Credit Unions; creation of the Small Business Administration; the principle of sharing defense contracts with small businesses; and the Robinson-Patman Act, which aimed at preventing large chainstores from running small retail competitors out of business by cutting price manipulation.

Mr. Speaker, there are a number of other bills pending before the Congress which embody the principles which Mr. PATMAN espoused for so long and which have a reasonable chance of passage. Among them are bills which would permit savings and loan associations to make consumer loans; to create a single agency to regulate commercial banks; to require payment of interest on U.S. Government deposits held by banks; and to make the term of the chairman of the Federal Reserve System coincide with the Presidential term.

WRIGHT PATMAN'S 48 years in the House were distinguished, fruitful, and always busy. He never compromised his deeply held beliefs, and fought for them with integrity and principle. History will remember and respect him for the laws which bear his name.

We remember him as a friend and colleague who served Texas and the Nation as only a great man can.

Mr. FORD of Tennessee. Mr. Speaker, as I said in a letter to Mrs. Patman last week:

> The poet Tennyson once declared, "I am part of all that I have met." With the passing on of Mr. PATMAN, a very large and irreplaceable part of each of us who has had the privilege of knowing him, is gone but will always remain a vivid memory.

Words cannot accurately convey the deep respect and admiration my wife, Dorothy, and I have for this great statesman. When I came to Congress just over a year ago, it was this venerable man of sound judgment and vast experience who always took the time to offer sorely needed words of guidance and encouragement to young Members of Congress.

During flights back to our respective districts, I often had an opportunity to discuss important issues pending before the Congress with him. During these conversations and during my services on his Subcommittee on Domestic Monetary Policy, I came to know him for the infinitely devoted and immensely capable servant that he was.

Mr. Speaker, I will not dwell here on Chairman PATMAN'S record of service in the Congress and to the good people of the First District of Texas. His numerous accomplishments in his early five decades in the House of Representatives speak for themselves. But I will say that I can recall no other Member of this body throughout its long and illustrious history who contributed more to the welfare of the people of this Nation than the Honorable WRIGHT PATMAN.

Mr. PATMAN was a humble man of exceptionable talents. There is not a doubt in my mind that he would have been successful at any career he chose. Thank God that he chose public service, for this Nation is now a better place because of his unique contributions.

Mr. Speaker, my wife, Dorothy, and I pray that Almighty God will be with him and that he will grant Mrs. Patman the strength and courage for the living of these days.

Mr. KOCH. Mr. Speaker, WRIGHT PATMAN was the chairman of the Banking and Currency Committee, a committee on which I served in the 92d and 93d Congresses. In the course of that 4-year period, I came to know him and notwithstanding occasional orneriness on his part, I came to respect and to have great affection for him. Others who will recall their service with him in Congress will undoubtedly tell of his heroic efforts for the little people and his actions against the banks of this country. I would like only to share a personal reminiscence.

When I first came on the committee in 1971, I wanted desperately to serve on the Housing Subcommittee. At that time the subcommittee did about 60 percent of the legislation for the full committee and was chaired then as it is now by my good friend from Philadelphia, BILL BARRETT. Over the years and for reasons unknown to me there was always a competitive albeit friendly relationship between the chairman of the full committee and the chairman of the Subcommittee on Housing. And so one day Chairman PATMAN for reasons best known to him decided in the Democratic caucus of the Banking and Currency Committee to move that matters relating to mass transit be taken out of the Housing Subcommittee and that a new Mass Transit Subcommittee be formed. I, of course, thought this was a wonderful idea since I might then be appointed to the new Transportation Subcommittee. I assumed I had no chance of being appointed to the Housing Subcommittee, being so far down the list in seniority and the latter having a total of only 15 members, with at least 10 Democrats on the full committee between me and that subcommittee.

So I made what I like to think of as an eloquent speech supporting Chairman PATMAN's proposal. Unfortunately the proposal went down to defeat. And then BILL BARRETT in his competitive relationship advanced his proposal, to wit, to enlarge the Housing Subcommittee from 15 to 25. This suggestion struck me as a good one, too, because I could then advance to the Housing Subcommittee and so I spoke eloquently for the Barrett proposal. But the Barrett proposal would have made his subcommittee larger than a majority of the full committee and so it was unacceptable to Chairman PATMAN. It too went down to defeat. A Mexican standoff.

The next day on the floor of the House, I saw Chairman PATMAN and sat down next to him and in the humble voice that junior Members tended to use at that time in talking to senior chairmen, I said:

> Mr. Chairman, I would very much appreciate it, if the opportunity arises and there is a vacancy on the Housing Subcommittee, that you consider me for such appointment.

He said:

> But you don't support your Chairman.

I replied:

> How can you say that, Mr. Chairman. Yesterday didn't I speak eloquently in support of your proposal?

He responded:

> Yes, young man, but you are not constant in your affection.

I shall always remember Chairman WRIGHT PATMAN with fondness and constant affection.

Mr. YOUNG of Georgia. Mr. Speaker, I would like to join my colleagues today in paying tribute to one of the most dedicated and respected Members this Congress has ever known, WRIGHT PATMAN. When I first arrived in the Congress, I had the tremendous honor of being assigned to the Banking and Currency Committee. I was familiar with Chairman PATMAN's reputation as a champion of the people and I would like to share with my colleagues one of the first instructions he ever gave me:

> The people of the first district of Texas elected me 44 years ago and they have stuck by me all of these years. Never forget that it is the common people that elected you and if you stick with them, they will stick with you forever.

WRIGHT PATMAN's legislative activities benefited all people of this country, urban as well as rural. He sponsored the Federal Credit Union Act, the Veterans' Emergency Housing Act of 1946 and all the major housing legislation which was passed during the last two decades. As a freshman member of the Banking and Currency Committee, I approached Chairman PATMAN during the first few days of the 93d Congress with the idea of creating a Mass Transit Subcommittee, separate from the Housing Subcommittee, so that Congress would focus on the distinct issues associated with mass transit. As the Representative from Atlanta, I had become only too familiar with the various problems that confront a city which tries to build a mass transportation system. Through the formation of this subcommittee, the Atlanta area has been fortunate to receive the largest Federal grant ever received by any one urban area for mass transit. However, if it had not been for the support and wisdom of WRIGHT PATMAN, mass transit might still be an issue of secondary importance and the city of Atlanta would still be confonted with the problem of funding one of the most massive and impressive transit systems this country has ever established. Mr. Speaker, I consider WRIGHT PATMAN one of the finest men I have ever had the pleasure to work with in this Congress and I know that not only the people of the First District of Texas, but the people of this entire Nation, will deeply miss our fine colleague.

Mr. HANLEY. Mr. Speaker, when I think of WRIGHT PATMAN, I am truly awed to realize that I was so honored as to have had the opportunity to know him and to work with him.

For 47 years, this giant personality in our U.S. House of Representatives continually made his stand for the welfare and protection of the American citizen his primary goal. His genuine concern for every individual was evidenced in far too many ways to enumerate here, but two achievements to which he contributed so significantly were the establishment of the Federal Credit Union system and the Small Business Administration. The millions of Americans who have benefited from just these two enterprises are living proof of the genuine love of fellow man that WRIGHT PATMAN always attempted to demonstrate.

He accounts for an illustrious record of other achievements dating back to his first years in Congress. Notably, his successful pursuit in behalf of the veterans of World War I which resulted in our Nation recognizing its obligation to those who served through the payment of the soldiers' bonus, which while obligated was not paid until WRIGHT PATMAN became the driving force behind the issue. That activity won for him the respect, admiration, and love of virtually all who served in that war.

Subsequently, 1935 saw enacted into law the Robinson-Patman Act, in essence designed to protect the ability of small business to function successfully in American private enterprise.

Most recently, in the 92d Congress, his alertness and perceptiveness led to the discovery of American currencies flowing into the Mexican banking system illegally. Mr. PATMAN determined the source of those moneys and with that information at hand sought subpena powers for the Banking and Currency Committee. Unfortunately, by an 18 nay to a 15 yea vote in committee that authority was not granted. Had it been, the House would have initiated the action subsequently taken by the Senate through the Watergate hearings. Had Mr. PATMAN's thinking prevailed at that time, in all probability the result of the 1972 Presidential election would have been different.

Speaking of Presidencies, on many occasions in informal conversation with Mr. PATMAN, I would say, "Mr. PATMAN, you should have been and you could have been President of the United States: why not?" His consistent answer was, "The House of Representatives is my home. I love being a representative of the people. The House is where I want to work, live, and die." The good Lord granted his wish.

His chosen life's work took him through the depths of the Depression of the 1920's and 1930's; he saw our Nation's economic wealth grow in the 1940's and 1950's, and he recognized the changing times in the financial world of our country in the 1960's and 1970's and proceeded to devote his intense energies toward protecting the people of our Nation from perishing under a stranglehold financial dictatorship by big-business interests. While he was constant in his efforts, he was not always victorious. But in his defeats, he was still a powerful force to be reckoned with and was able to set in motion the wheels which would ultimately recognize the needs of our citizens.

History will be filled with WRIGHT PATMAN. He will be written of as a kindly and considerate man. He will be honored for his outstanding contributions to the growth of our Nation. He will be recognized as a staunch defender of the rights of every American citizen. Even by those with whom he did battle will he be eulogized for his honesty and integrity.

What greater honor can be given a man than to have said of him that he had true compassion for his neighbor and for this country. This honor is due in the greatest measure to WRIGHT PATMAN. He has won for himself the gratitude of all Americans. His family and the people of Texas can be especially proud of him. His wife, Pauline, has lost the one dearest to her. Mrs. Hanley and I have lost a friend so dear to us. May he rest in peace.

Mr. RODINO. Mr. Speaker, Davey Crockett, the great Texas frontiersman, had a motto: "Be sure you're right, then go ahead." Surely that credo fits another great Texan, our late colleague, WRIGHT PATMAN.

WRIGHT PATMAN was a man of his time—and a man ahead of his time. How often he advanced an idea, only to hear it first condemned and later adopted. How often he was denounced as wrong, and then proven correct.

Through his long service to his State and his country, this gentle man clung to the belief that he was right—and he went ahead, doing the people's business.

Mr. Speaker, WRIGHT PATMAN has been described as a man who spent his career struggling against the concentration of economic power in the hands of a few wealthy men.

True enough, but that does not encompass the character of this man. WRIGHT PATMAN believed in equality. He fought the Ku Klux Klan as hard as he fought interlocking bank directorships. He stood for the right of honest men and women to earn an honest living. There was no more formidable opponent of those who made their fortunes by improperly manipulating the lives and fortunes of others.

WRIGHT PATMAN stood also for integrity, in his personal life and in the Government he served so well. He was the first to begin an official congressional inquiry into what would become the biggest, most frightening governmental scandal this Nation has seen.

WRIGHT PATMAN was my friend. I admired his courage, his tenacity, his leadership. He was a good man, a man of the people.

Mr. HORTON. Mr. Speaker, I join with my colleagues in paying tribute to the late dean of the House, WRIGHT PATMAN of Texas.

The words of praise and sorrow being spoken here reflect the uniqueness of this great statesman. He served in this House for 47 years—a near record—and his contributions during that time are unmatched.

We know that among our number, WRIGHT PATMAN was the chief congressional voice on a wide range of issues. He is a consumer advocate, a friend of the veteran, the father of credit unions, and a guardian of the needs of the small businessman. He took out after bigness and thus won the label populist. He was a crusader that did not win every fight he chose to make. When he did win, he did so graciously. Whenever he lost, he never gave up the fight.

My admiration for WRIGHT PATMAN stems not only from my respect for him as an articulate champion of the individual. He was a humble man, a man whose word and friendship were sincere to the core. There was no arrogance in him, even though his record proved him to be ahead of his contemporaries in so many instances.

It was a great honor for me to have served with him for many years on the Small Business Committee. Through that experience, I saw first-hand the diligence and strength of conviction which WRIGHT PATMAN brought to every task he undertook.

Mr. Speaker, this House and this Nation are indebted to WRIGHT PATMAN for his singular contributions. We shall miss him as a friend, counselor, and legislator of the highest caliber.

Mr. LONG of Maryland. Mr. Speaker, our late dean, the honorable and honored WRIGHT PATMAN, was a gentle man.

His half-century of service, almost unmatched in the annals of the American Congress, produced landmark legislation for the benefit of the average American. His liberal outlook gave him the vision to perceive a role for the Federal Government in protecting each individual citizen against the vagaries of the economic system and the all-too-frequent rapacity of big business.

Millions of Americans who benefited from his work never knew him. He sought neither power nor fame; his legislative achievements were to him their own reward.

Through the Depression, World War II, the cold war, the sixties and the seventies, WRIGHT PATMAN carried on his crusade for the "little man." Those of us who continue in Congress will miss him.

Mr. HUGHES. Mr. Speaker, I am deeply saddened at the death of Congressman WRIGHT PATMAN. We in the House have suffered a great loss, as have the people of the First District of Texas and the entire Nation.

As you know, WRIGHT PATMAN served in this body for 47 years and was dean of the House. During this entire time, he was never afraid to face the giants of industry or political life. He finished his career as he had started. In 1932, Mr. PATMAN moved to impeach Treasury Secretary Andrew W. Mellon, who he saw involved in a vast array of conflict of interest situations. In 1972, he was the first Congressman to call for a congressional inquiry into Watergate.

WRIGHT PATMAN will be remembered not only for his courage but also for his legislative achievements. He was the first chairman of the House Small Business Committee. He served for 13 years as chairman of the House Committee on Banking and Currency. He sponsored numerous pieces of major legislation. The Robinson-Patman Act of 1936 is a considerable antitrust achievement, which prohibits large chain stores from undercutting their competition in one area while raising prices in another. PATMAN worked hard for the Federal Credit Union Act of 1934, which created the present system of Federal credit unions to give ordinary workers a place to save and a source of loans. The Veterans' Emergency Housing Act of 1946 authored by PATMAN aided World War II veterans in obtaining housing. WRIGHT PATMAN also will be remembered for the Full Employment Act of 1946 and the Economic Stabilization Act of 1970. Additionally, of course, Mr. PATMAN was the sponsor of all the major housing legislation that has passed the House since the mid-1960's.

Most importantly, however, WRIGHT PATMAN will be remembered as a man of the "little people," as a populist in the finest sense of that tradition. He believed in the free enterprise system, but wanted a system that was truly free: Free of constraints on competition by large corporations and banking interests, free entry for the small businessman.

The passing of this man has left a tremendous void in this House. We will all miss WRIGHT PATMAN's courage, his willingness to fight for the right as he saw it.

Mr. HANNAFORD. Mr. Speaker, March 7 the American people lost a dedicated advocate and a tireless protector of their interests. The death of Representative WRIGHT PATMAN of Texas, after 47 years of service in the House of Representatives, leaves a void difficult to fill.

Throughout his life, he never lost sight of his one overriding goal: To safeguard the average American from the excessive demands of industry and the banking community. At the time of his death, Mr. PATMAN was involved in another battle of his lifelong war against big money control of our financial policy. His attempt to obtain a GAO audit of the Federal Reserve was his No. 1 legislative priority for many years. His efforts were repeatedly stymied by powerful opponents, but WRIGHT PATMAN never quit in his life. He was not about to give up on this one, and neither will we.

As a member of the Banking Committee, I served on Mr. PATMAN's Subcommittee on Domestic Monetary Policy. He was unfailingly generous in sharing with me his experience and knowledge of our financial policymaking institutions. He was my respected colleague and good friend. I will miss his sage advice, thoughtful comments, and kindness.

WRIGHT PATMAN's career is a shining example for all of us in this Chamber to follow. He never lost sight of what he was elected to do—serve the American people to the best of his ability. He did it with distinction for 47 years.

Mrs. Hannaford joins me in extending our deep sympathy to the Patman family.

Mr. ECKHARDT. Mr. Speaker, I rise today in praise of a man who, through nearly half a century, afforded inspiration and leadership in the U.S. House of Representatives. In so doing, I must be candid about the response of that House. Our body, for the most part, responded with appreciation to its distinguished Member. Even in ripe age, WRIGHT PATMAN was alert to the developing Watergate scandal, far beyond his younger peers and, in 1972, wanted his committee to investigate it. He undoubtedly influenced the House at an early point to move toward impeachment.

But outside the House, there existed certain stirrings against the very inaction in Congress to which WRIGHT PATMAN was the antithesis. Ironically, he became a target of poorly aimed reform.

For many years people raised a continual din that the main thing wrong with the House was its blind devotion to the seniority system. In 1974, made brave by a Democratic landslide of large proportions even when compared to a generation of Democratic landslides, the House announced with considerable fanfare that it was ready to begin paying real attention to complaints about seniority. The long term results of the application of the 1974 broom are still not clear. The trouble is that at the time we had to have some visible signs of our climb to grace.

One of our visible signs was WRIGHT PATMAN. We turned him out of his Banking, Currency and Housing Committee chairmanship for ritual, almost symbolic reasons. After all, he was the dean of the entire Congress, and purging him showed we meant business, all right.

Fortunately, I believe that age and experience bring wisdom in many cases, and that Mr. PATMAN knew it was his fate to serve as the feather in the liberty cap we hoisted so proudly. I voted against turning him out, not because of blind devotion to seniority, but because of admiration for a career in Congress well spent. He came in railing against the same targets of privilege and oppression that he was railing against when he left.

As JIM WRIGHT so aptly stated at his funeral:

> He comforted the afflicted and, sometimes, afflicted the comfortable.

The fact that he was not ultimately victorious in reforming the banking system and the Federal Reserve in the manner he thought desirable does not mean so much. Few if any of us here can end our careers with the satisfaction of winning in any cause completely. I would go so far as to say that Congress was not created with triumphs in mind. Our task—and a task Mr. PATMAN performed superbly for almost a half-century—is to goad creatively and perpetually. Now and then we have a brief opportunity to create. How well we perform at those times depends on how alert and feisty, if you will, we have been the rest of the time. WRIGHT PATMAN left his stamp on much legislation, like the Robertson-Patman Act. Speaker ALBERT put it well in his eulogy:

> No member who served in the House during this century will make a more enduring impact on the House and the nation than Wright Patman. He is probably unmatched in his devotion to the problems of human beings.

WRIGHT PATMAN leaves a lasting mark as a conscience of this House. He was a superb gentleman, with roots deep in this people's populist past and with daily concerns about the continuing perils of bigness in our economic life as fresh as the headlines in today's newspaper.

Mr. MATHIS. Mr. Speaker, I rise today to pay tribute to the Honorable WRIGHT PATMAN, one of the finest gentlemen and one of the most conscientious Congressmen ever to serve in this august body. One whose record of dedication, determination, and stability will certainly live for many, many years. One who was a champion of the small businessman and the average American citizen. One who served his constituents, the people of his State, and Nation, with great ability, honor, and dignity.

For 47 years WRIGHT PATMAN distinguished himself through his vigorous and untiring service to the people of the First District of Texas and indeed to all the people of this country. His legislative contributions and accomplishments will be a guiding force in this country for many years to come and his work will persevere in the time-ravaged annals of the Congress. The loss of his counsel, guidance, and stabilizing force will sorely be missed by his colleagues in Congress. I extend my deepest sympathy to Mrs. Patman, his family, and the people of Texas in their great loss.

Mr. WHALEN. Mr. Speaker, the recent death of the dean of the House, Congressman WRIGHT PATMAN is a loss deeply felt both here in the Congress and throughout the Nation.

Mr. PATMAN's devotion to his work is evident in the numerous pieces of legislation he was involved in during his 47 years as the Representative of the First District of Texas. During the depths of the depression he was successful in obtaining a bonus for World War I veterans. In addition, the Social Security Act, Robinson-Patman Act, Full Employment Act, Truth in Lending Act, Fair Credit Reporting Act, the Bank Holding Company Act, and his support of credit union legislation all attest to his unswerving dedication to fight for the welfare of the common man.

WRIGHT PATMAN was a populist in the true sense of the word. He devoted his efforts to the problems of the little man—the small farmer, small businessman, veteran, the wage earner, average income family, the poor, and the underprivileged. A firm believer in equality, Congressman PATMAN used every opportunity available to express his outrage at undue privilege and abuse of power.

A distinguished legislator, WRIGHT PATMAN enjoyed doing battle with those he deemed responsible for denying the people opportunities to enjoy a better life. He was both generous in victory and gracious in defeat. But he never surrendered the principles for which he stood.

Mr. Speaker, as we extend our sympathy to the Patman family at this time of sorrow, let us also remember the service WRIGHT PATMAN gave to his constituents and to his country. His career can serve as a model for us all.

Mr. O'HARA. Mr. Speaker, with the passing of our beloved colleague—the Honorable WRIGHT PATMAN, of Texas—this House, the people of the First District of Texas, and all Americans have lost a valiant leader, friend, able Representative, and tenacious fighter for the common man during more than 50 years of public service.

WRIGHT PATMAN was born in 1893 in Patman's Switch, Cass County, Tex.—the heart of east Texas, where the Populist movement had its beginnings. He graduated from Cumberland University with an LL.B. degree in 1916. After service in the Army in World War I as an enlisted man and officer, he was elected to the Texas House of Representatives, serving from 1921–24. From 1924 to 1929 he served as district attorney of the fifth judicial district of Texas.

He was elected to the 71st Congress in 1928 and took his seat in the House of Representatives in April 1929 when the first session convened and served continuously until his death. By many years, WRIGHT PATMAN was the dean of the U.S. Congress—House and Senate.

True to his Populist background, WRIGHT PATMAN fought a relentless battle against the forces of entrenched economic and monetary power. Soon after his arrival in Washington, the Nation was plunged into the depths of our worst depression. He knew first hand the devastating impact on the average American which resulted from bank failures, the loss of farms and homes, and the hopelessness and despair which the Great Depression brought to millions of our citizens. He launched a determined fight against the fiscal and monetary policies of the Hoover Administration that marked the disastrous early years of the Great Depression, even calling for the impeachment of Treasury Secretary Andrew Mellon. His untiring efforts to help bring about a greater equality of economic opportunity among all Americans continued throughout his long and distinguished career.

Mr. Speaker, WRIGHT PATMAN was a stanch supporter of the major social and economic reforms of President Franklin D. Roosevelt's "New Deal," helping to reverse the downward trends of the Great Depression and to bring new hope, assistance, and dignity to our people. He was the principal architect of the Robinson-Patman Act, which brought about a more equitable, competitive pricing practices to protect and foster the growth of small business enterprises. He was the father of Federal credit unions and for many years the scourge of big banks, the Federal Reserve System, the Federal Open-Market Committee, and monetary and economic monopolistic interests. WRIGHT PATMAN's political philosophy, drawing heavily on his east Texas populist heritage, was truly in the highest traditions of the Democratic Party's interest and concern for the common man.

WRIGHT PATMAN believed, and practiced during the course of his long and outstanding life of public service, the basic democratic principle that the purpose and powers of Government should be directed toward the needs and aspirations of all the people—not a privileged few. He believed and did his best to advance the true principles of the free enterprise system, fighting the monetary and economic monopolists whose exploitation of American consumers and their policies of greed and corruption have weakened our economy and undermined our social and political institutions. WRIGHT PATMAN's long service as chairman of the House Banking and Currency Committee, his distinguished record on the House Interior and Insular Affairs Committee, the Joint Committee on Defense Production, and the Joint Economic Committee gave him the opportunities to implement his deeply held principles of democratic rule, vigorous economic competition, and regulatory protection of the public interest.

Mr. Speaker, we will sorely miss the courage and leadership of our beloved colleague from east Texas. We will miss his keen legislative insight and vast knowledge of the intricacies of the Federal Reserve System and banking law. We will miss his integrity and moral strength and his lifetime commitment to competitive economic practices. We will miss his incisive analyses of complex fiscal and monetary issues.

Mr. Speaker, WRIGHT PATMAN leaves a priceless legacy of distinguished dedication and service to this great body, to those residents of the First District whom he represented so long and so well, and to the Nation as a whole. To his widow, Pauline, and his three sons—Conner, Harold, and William—I extend my sincere condolences on their great loss, which is so deeply shared with all of us who were privileged to serve with and learn from him.

Mrs. SPELLMAN. Mr. Speaker, this House of Representatives is diminished by the passing of one of this Nation's true leaders and respected statesmen, and we all have lost a friend. It was my privilege to have served with Wright Patman as a Member of the 94th Congress and as his colleague on the Banking, Currency and Housing Committee. Even though our association was cut too short, I grew to understand even better what this great man stood for and to appreciate his long record of achievements for the people of our country.

Wright Patman was a kind man; he was a gentle man; he was a human man. I know my freshmen colleagues will always recall hearing him say, "Hello, young fellow." And I shall never forget his regular cheerful greeting to me, "Hello, there, nice little lady."

The esteem in which he was held by his peers and his constituents is legion and so well-deserved. It is the measure of the man to realize his goals were sincerely and judiciously pursued, and it is the measure of the man to know his commitments once given were never allowed to fall short of completion.

What has gone before is so vital to what is to be. We have benefited from Wright Patman's so graciously offered knowledge, experience, counsel, and genuine concern. And now, those of us who remain are better able to carry forward his principles and ideals.

Few of us can ever attain our colleague's distinguished achievements, but to be able to try is the true legacy Wright Patman has left us. I shall remember him with great affection.

Mr. STARK. Mr. Speaker, in adding some words on the passing of our distinguished dean of the House to those of my colleagues, I would like to speak briefly as one who served under Chairman Patman on the Banking Committee.

As a freshman in this body, I was named to the Banking Committee in the 93d Congress. That was the time when our committee was extending the Economic Stabilization Act to combat Nixon inflation; we were writing new housing laws, equal credit opportunity laws. We were debating the creation of central bank for credit unions, to provide them with more liquidity. We were arguing over audits of the Federal Reserve system by the General Accounting Office. The two sessions of the 93d Congress, we can say with hindsight, were not just Chairman Patman's last in that role—they were typical of his commitment to action and reform in so many areas. He never grew tired of the good fight, and we saw it in those 2 years as others had seen it for decades before.

Foremost in my recollections, though, are thoughts of how the chairman welcomed me as the most junior member of the committee. Against the best traditions of the seniority system, I was given frequent opportunities to challenge the chairman, and even some to represent positions he was advocating. It was only due to the chairman's sympathy for the impatience of a new Member—and his willingness to recognize me when we were in total opposition—that I was able to feel my voice could be heard.

The chairman recognized the value of creative tension, of open disagreement. He never blocked dissent procedurally, as he might have, and seemed to welcome all discussion as long as it fell short of real contention.

I only regret I could not have known him longer.

Mr. PEPPER. Mr. Speaker, the House of Representatives is not the same without the warmhearted, always smiling but ever deeply earnest figure of Wright Patman, who for 38 years was an honorable Member of this body. Wright Patman, known as the last of the old populists was a man deeply dedicated to the welfare of all the people. He had a particular anathema to the power of big business, big interests sometimes acting corruptly in the exercise of their power to make money to suppress the people and to deny them a fair share in the progress and prosperity of this country. His whole career was a battle against those who he thought took unfair advantage of the masses of the people and denied them the opportunity and gains to which they were entitled. But this career was also a positive one. He was a great advocate and leader of the fight for better housing, better health, for jobs, for a better life for all of the people. In his passing they have lost an unfaltering champion, a fighter whose courage never failed, an advocate who never let them down.

Wright Patman was a friendly man. Even in his fierce battles he always thrust his sword or hurled his javelin with a smile. He fought hard but not with rancor or bitterness. So the record of his 38 years is a record of a faithful public servant—incorruptible and ever diligent in the service of the people's cause. This Congress and this country have been made better by Wright Patman. This country owes him a great debt of gratitude. Those who knew him will ever cherish the memory of him and his friendship in their hearts.

Mr. STEELMAN. Mr. Speaker, it is with profound sorrow that I pay final tribute to the late dean of the House of Representatives, Wright Patman.

Mr. Patman was an outstanding example of the public servant who dedicates his life to the welfare of others. He had served the good citizens of the First Congressional District of Texas since 1928 and was considered a "champion of the little man"—one of the foremost populists in American history.

Wright Patman served with distinction as chairman of the House Banking and Currency Committee for 12 years where he fought a continuing battle against high interest rates. He was a prime factor in the establishment of credit unions. Behind his soft-spoken manner he was a crusader, as evidenced by the 1936 Robinson-Patman Act which today still safeguards the interests of small businesses and prohibits unfair monopolies.

I feel privileged to have served with Wright Patman in Congress, even for so short a time. I will miss his guidance and leadership, as will the country.

Mr. MATSUNAGA. Mr. Speaker, it is with a sense of profound sorrow that I rise to bid farewell to our late colleague and friend, Wright Patman of Texas. I extend my deepest sympathy to his wife, Pauline, and to the family in which he took such great pride.

The dean of the House, Wright was yet one of its most forward-thinking Members. He devoted his 48-year career in Congress to the establishment and operation of a national financial system which would serve the needs of consumers—the so-called little man or low- and middle-income American. The issues to which he addressed himself are as relevant today as they were in 1928 when he was first elected to the Congress. In fact, up until the time of his death, Wright was deeply involved in the drafting of reform legislation designed to make our national banking system more responsive to the consumer and to correct abuses. He was also greatly concerned about the declining ability of middle class Americans to buy homes. Previous reforms which he authored or successfully sponsored in the House have made it possible for millions of families to obtain mortgage loans for homes which they otherwise would never have been able to purchase.

In addition to the admiration and respect of his colleagues, Wright enjoyed the confidence and trust of his constituents, who reelected him 28 times, through depression and prosperity. His expertise and leadership will be sorely missed by all of us.

Mr. STRATTON. Mr. Speaker, I want to join with my colleagues in expressing my deep regret on the passing of the dean of the House of Representatives, our distinguished colleague, Mr. Patman of Texas.

I first remember meeting Mr. Patman back in 1941 when I came here to Congress as what is now known as an administrative assistant, but was referred to then as a secretary, to a Member from Massachusetts. Even at that time, 35 years ago, Mr. Patman was a very senior Member of the House of Representatives and recognized as an authority on financial and monetary matters. I recall very vividly the fact that he conducted a seminar in the Cannon Building on monetary policy, and as a staff member I spent several nights sitting in what was then the hearing room of the old Judiciary Committee chamber listening to Mr. Patman's theories on monetary policy.

Although I did not fully support those theories, we certainly recognize that Wright Patman, more than anyone else, popularized the plain, simple truth that monetary policy is not something handed down on tablets of stone from the top of Mount Sinai, but is instead a device and procedure developed by human beings as a means of facilitating their economic transactions, and certainly should be viewed with as much skepticism and willingness to consider alternatives as we might address to any other topic.

In those days the country, still coming out of the depths of the depression, had lost its confidence in the banking system of the country and were interested in any suggestion that might make it possible for our financial institutions to do a better job of avoiding economic crises than they had obviously done in the years leading up to 1929. Mr. PATMAN was still making many of the same arguments with the same quiet eloquence when I came back to this body as a Member in 1959. I have always marveled at his tenacity, his calm presentation of the issues, and his infinite supply of patience and good humor, even when challenged on some of his recommendations rather vigorously by other Members of the House.

In particular, Mr. Speaker, I want to pay special tribute to Chairman PATMAN for the very magnificent support which he gave a few years ago to the effort to provide some continuing financial assistance to Eisenhower College in Seneca Falls, N.Y., an institution that had been created at a time when I had the privilege of having that area included in my congressional district. In fact, under legislation which I introduced in Congress and was pleased to watch being signed into law under President Johnson, we had made Eisenhower College the official "living" memorial to President Eisenhower, and Congress had appropriated some funds to start it off on that basis. However, as has happened in recent years with many other colleges, Eisenhower College found itself faced with increasingly difficult financial problems as a new, struggling private institution, and it became clear that further assistance was necessary from Congress or else this unique memorial to a great President could end up in disaster.

It was at this time that Mr. PATMAN came forward on the floor of this House, in 1974, with a proposal designed to provide the support necessary to get the legislation for this assistance through Congress. Recalling the very close personal relations that existed between one of Mr. PATMAN's long-time heroes, the late Speaker of the House Sam Rayburn of Texas, and President Eisenhower who had also been a Texan, Mr. PATMAN agreed to link new support for Eisenhower College with an exchange program with the Sam Rayburn Library in Bonham, Tex., under this legislative formula developed by Mr. PATMAN, legislation was passed by Congress and did indeed rescue Eisenhower College from what could have been an extremely difficult period.

I have always admired WRIGHT PATMAN for his leadership in that fight. And I know that the people of upstate New York and indeed all the people of the country who, regardless of party, still hold President Eisenhower in high esteem, will always be grateful to WRIGHT PATMAN for his splendid legislative accomplishment in those circumstances.

To Mrs. Patman and their family and friends. I extend my deepest sympathy on this occasion.

Mr. WHITTEN. Mr. Speaker, I join with my colleagues in expressing my sorrow over the passing of our friend, WRIGHT PATMAN of Texas. He lived a full life. To his wife, Mrs. Pauline Patman, and to all members of the Patman family, and to the people of his congressional district, I extend heart felt sympathy on the part of Mrs. Whitten and myself. We have lost a great and dedicated public servant and friend.

Naturally, I treasure many personal memories of our friendship; but, as a legislator, WRIGHT PATMAN was an intense crusader for what he believed to be in the best interest of the average American. Though at times a majority of the Congress disagreed with particular measures, never did WRIGHT reflect an antagonism or unfriendliness. Always smiling, energetic, and a friend to all throughout his long service, he made for a wholesome atmosphere in the Congress.

WRIGHT PATMAN possessed the rare ability to give the other side the opportunity of proving its point, despite his being in direct opposition to it; and when defeated, he never let hard feelings remain with him but relentlessly forged on to the next battle.

We who had the privilege of serving with WRIGHT through the years came to know that he liked nothing better than the chance to do battle with those whom he felt were denying the people an opportunity to enjoy a better life.

Mr. Speaker, our body still needs his legislative courage and imagination. Never did WRIGHT PATMAN attempt to force any colleague to support his position; he always tried to convince his peers on the merits of the legislation. Whenever you found yourself against his position, he never considered it a personal matter. He was the kind of person who believed that, if everybody agreed with him, he must be doing something wrong. In fact, I feel he did not care so much what people thought, just so long as he was sure they were thinking.

We miss our friend. We treasure his memory.

Mr. ROSTENKOWSKI. Mr. Speaker, on the 7th of March this body and this country lost one of the strongest and most effective advocates of democracy in our history. WRIGHT PATMAN is no longer here in this well with us, but his memory, his spirit, his vigor, and his warmth, which was instantly felt by all those who had the privilege of sharing time with him, will inspire us for many years to come.

When WRIGHT PATMAN came to the Congress in 1929 he established himself as a leader in the fight to protect small businessmen and individuals from any mistreatment at the hands of big business or big government. In his 47 years as a Member of the House of Representatives he never wavered in this battle. He was responsible for the Employment Act of 1946 which established the Small Business Administration and the legislation which set up the system of Federal credit unions used by working citizens for savings and loans. His legislative genius and hard work help restructure our banking institutions and in fact our economy to get us out of the great depression.

I first met the man from the northeast corner of Texas when I came to the 86th Congress as its youngest Member. I learned many things from watching him and listening to his remarks here in the well. He was truly a man of the people and that is precisely why his constituents continuously elected him for 47 years. As the dean of the House and chairman of the Banking, Currency and Housing Committee, he earned the respect and admiration of the entire country.

His absence on the floor of the House will be conspicuous. His absence in committee will be felt heavily by those who relied on his knowledge, wisdom, and foresight. This country has lost a great man. It is fitting that we should honor his memory with this special tribute.

Mr. ULLMAN. Mr. Speaker, WRIGHT PATMAN was the dean of this House and, but for knowing him, the concept of 47 years of service here—almost half a century of dedication to the people he represented and to his own beliefs—would be difficult to imagine. As dean, he embodied the long and proud tradition of this House. But we shall miss him most as the person and legislator who set an example for all of us by his actions.

From his first day as a Member of Congress to his last, WRIGHT PATMAN followed and voted his conscience. His vision of his duty to his electorate, molded in the crucible of the Depression years, made him the steadfast champion of the little man. He was the tireless opponent of the special interests which he saw as contraposed to the best interests of the ordinary American farmer and worker.

Ralph Nader has described WRIGHT PATMAN as a man who was right too soon. Many of his ideas came, if not before their time, before a majority of his colleagues were ready to support them, and he persevered in what he believed was right with an unswerving constancy. In the end it resulted in many major legislative accomplishments. Among these was the Employment Act of 1946, which established the Joint Economic Committee and made maximum employment, production, and purchasing power a permanent policy objective—one that remains a cornerstone of liberal Democratic philosophy of this day.

This kind of legacy, as well as bills before us now which evolved from Patman proposals made long ago, will keep the memory of WRIGHT PATMAN the legislator very much alive in this body even as we mourn the loss of WRIGHT PATMAN the man. To his widow and family, my wife, Audrey, and I join his many friends in extending our deepest sympathy.

Mr. DUNCAN of Oregon. Mr. Speaker, George Mason said:

> Government is, or ought to be instituted for the common benefit, protection, and security of the people, nation, or community; of all the various modes and forms of government, that is best which is capable of producing the greatest degree of happiness and safety, and is most effectually secured against the danger of maladministration.

For nearly 48 years WRIGHT PATMAN fought to make Government what George Mason thought it ought to be. Seeing the world through the eyes of Texas' First Congressional District, he was the formidable opponent of special interests in the financial sector of our economy. He never forgot the people of the First District or the United States as he zeroed in on American financial institutions as one of the most forbidding barriers to a truly populist Government.

Although Mr. PATMAN was often thwarted in his attempts to make Government more answerable to the individual, he did not give up. Throughout his career he constantly voiced opposition to what he perceived as abuses of big foundations and corporations, and led zealous campaigns against men and institutions he viewed as having too much power over too many.

WRIGHT PATMAN will not be forgotten. Definitions of political labels constantly change and it is rather ironic that he lost his chairmanship of the House Banking and Currency Committee as a result of liberal gains in the Democratic caucus. But this gentleman will always be remembered for unceasingly pursuing those objectives he thought people as individuals deserved from their Government.

Mr. REUSS. Mr. Speaker, the board of directors of the Cooperative League of the U.S.A. recently passed a resolution expressing appreciation for the many years of dedicated service which our late colleague, WRIGHT PATMAN of Texas, rendered to the American people. The text of the league's tribute follows:

RESOLUTION OF THE BOARD OF THE COOPERATIVE LEAGUE OF THE U.S.A. UPON THE PASSING OF THE HONORABLE WRIGHT PATMAN OF TEXAS

The Board of Directors of the Cooperative League of the USA, meeting March 10, 1976, record their profound sorrow at the passing from the American scene of one of the great and remarkable men who has served in the Congress of the United States, the Honorable Wright Patman of Texas.

For nearly half a century, this great American fought untiringly and tenaciously for the interests of the people of the nation against the power of private and public groups who would subvert economic and political institutions for their selfish use rather than in the public's interest. Congressman Patman fought unceasingly for the needs and interest of the people of this nation, and was indeed their Representative in every sense of the word.

We particularly record our deep appreciation for his steadfast support of cooperative enterprises and especially for his leadership in establishing a national system of Federal Credit Unions, people's banks, as a means for people to have a voice and some control over their economic destinies.

The demise of Wright Patman removed from the nation and from the halls of Congress a conscience and a voice we could ill afford to lose. The nation has lost a true tribune of the people and we are all poorer as a result.

We extend our deepest sympathy to the family of this great American. May they be comforted in the knowledge that this life helped make the United States a better place for his contemporaries and for those who will come after him.

Mr. FUQUA. Mr. Speaker, not only the citizens of the State of Texas, but indeed the entire Nation lost a very dedicated and able public servant with the passing of our distinguished friend and colleague, WRIGHT PATMAN.

It was my privilege to work with Congressman PATMAN on a number of important matters and in each case he demonstrated a remarkable understanding and sensitivity to the problems of his own district as well as those of the Nation.

He was an outstanding member of the Banking, Currency and Housing Committee and his distinguished achievements during his long career are absolutely invaluable.

The Nation is indebted to WRIGHT PATMAN for his tireless efforts to make effective, responsive government a reality. Congress has lost one of its most esteemed Members as well as a dear friend.

WRIGHT PATMAN may no longer be with us, but his spirit will live in Congress for as long as the ideals of a true democracy, ideals exemplified by him in the highest degree, exist.

Mr. ROONEY. Mr. Speaker, it is with deep sadness that I join with my colleagues in the House of Representatives to bid farewell to our friend WRIGHT PATMAN of Texas. But along with our sorrow I believe there is a need and desire to express our appreciation for the many years of his life he devoted to the people of this country.

I feel privileged to have served with WRIGHT PATMAN for over 14 years in the Congress. He shared his wisdom and leadership with us for nearly half a century. He was an able legislator and worthy representative of his people. His family should take comfort in the knowledge that his legislative achievements were truly landmarks in our history.

As the first chairman of the Small Business Committee and chairman of the Banking and Currency Committee for 13 years, WRIGHT PATMAN brought reforms to our business and banking communities to protect the small farmer, small businessman and low- and middle-income families. It is perhaps in this light that we should pay a special tribute to this man.

In his long and distinguished career in the House of Representatives, WRIGHT PATMAN showed concern for the common man's ability to continue to properly maintain his family during many periods of economic uncertainty. As a sponsor of major housing legislation, he helped millions of families realize their dream of homeownership by making mortgage loans available to them at a time when the American family's purchasing power was rapidly declining.

Let us remember WRIGHT PATMAN for his special role in creating a national system of Federal credit unions, a network of banks owned and operated by their members, the workers of America, to provide for their special needs. This legislation, and the Robinson-Patman Act, which brought about more equitable and competitive pricing practices to protest small business enterprises, clearly shows WRIGHT PATMAN's commitment to the basic democratic and free enterprise principles and his special insight and understanding of our complex fiscal and monetary problems.

For the past 50 years, we have had a man in Congress who has fought to preserve the rights of our workers and consumers because he believed that Government should serve the needs of all the people. Rarely has a country benefited quite so much from one man's service. We have indeed been fortunate and our loss is great.

Mrs. Rooney joins me in extending our deep sympathy to the Patman family.

Mr. ROSENTHAL. Mr. Speaker, the recent passing of the Honorable WRIGHT PATMAN is greatly mourned by Members of Congress as well as countless others across the Nation. For almost half a century the great Texas populist fought against the monopolistic power of big money and banking interests.

Ralph Nader, in a recent installment of his syndicated column, pays a fitting tribute to the accomplishments of this great representative of the people.

Mr. Speaker, I insert this column into the RECORD as testimony to WRIGHT PATMAN:

[From the Washington Star, Mar. 13, 1976]

PATMAN: A POPULIST'S LEGACY

(By Raph Nader)

Wright Patman, the great Texas populist, represented the people of his East Texas district for almost half a century in the House of Representatives before pneumonia claimed him at Bethesda Naval Hospital early last Sunday.

He also spoke for all consumers, home owners and tenants who needed a champion against the power of big money and banking and their fraternal interlock with the Federal Reserve and other bank regulatory agencies.

Patman wasted little time after his election to the House in 1928 before taking out after the large New York banks and their Washington patrons.

That cost him about 20 years of being the chairman of the House Banking & Currency Committee because his more senior colleagues delayed his request to become a member of the committee and lost him valuable seniority. When he finally became chairman in 1963, he made up for lost time.

A flood of studies, reports and educational materials poured from the committee and its enthusiastic staff. He became a public educator of the people on money and banking, and his studies of conflicts of interest and financial interlocks radiated sunshine into long-darkened corridors of the powerful money centers.

A lifelong opponent of high interest rates, Patman would denounce and lecture alternatively one large bank executive witness after another at his committee hearings.

He was a genial legislator, notwithstanding his sharp criticism, remarkable perseverance and legendary battles with other pro-banking members of his committee.

But above all, Patman was unsung. He was right too often too early and committed the sin of repeating his charges because he wanted change.

His accomplishments, often despite overwhelming antagonism by his colleagues, are legion.

It was Wright Patman who did so much to launch the credit union movement in America with its current 30 million members. It was Patman who in the 1930s hammered away at monopolistic banking power, conflicts of interest and the lack of accountability of the Federal Reserve to Congress or the people.

No matter how often he was proved right or how important causes, the press gave him little recognition. After all, he was from Texarkana, he appeared old-fashioned, almost quaint, and kept repeating himself on the same old big-banking abuses.

So even when he was first with the big stories, few commentators did him justice. Back in 1967 at the peak of his investigations of corporate-related foundations, he came upon the infiltration of some of these foundations and their recipient organizations by the CIA.

Two years later he was leading a congressional move to harness the sprawling power of the giant bank holding companies.

In 1971 he became the first member of the House to take on Wilbur Mills in a successful floor challenge to the usual practice of unanimously passing special tax loopholes for special companies.

In 1972 he started the first investigation into the Watergate matter before being squelched by a majority of his own committee. He and his chief legislative staffer, Benet Gellman, drafted the comprehensive financial institutions reform bill now under consideration.

Always receptive to new ideas to provide easier credit to consumers, he enthusiastically backed a pending bill to create a consumer cooperative finance institution.

Last month, he inserted a detailed statement in the congressional record showing the glaring interlocks between the Business Roundtable—a top executive lobbying group—and the Federal Reserve System.

He called them "honeycombed with interlocking personnel" in their common opposition to a proposed bill permitting the audit of the Federal Reserve by the General Accounting Office.

In recent months, Patman was pleased with the almost daily disclosures of bank misdeeds and mismanagement—a pattern he had been talking about for years. He thought that such disclosures would produce a groundswell of support for bank reform legislation.

Perhaps they will. But to make it more likely, Wright Patman deserves another legacy beyond greater public understanding of what he has done in his long, often lonely struggle. His supporters can elect a person worthy of the Texas lawmaker.

Moreover, they can establish a public interest institution which would press Capitol Hill for banking reform as he did for decades inside those legislative halls.

Mr. **REES.** Mr. Speaker, I add my voice to those of my colleagues in expressing my sadness over the death of WRIGHT PATMAN.

I have had the privilege of being a member of the Banking, Currency and Housing Committee since my election to Congress, and I especially appreciated the honor of working with Chairman PATMAN. While we disagreed in many specific cases, I at all times respected his ideals and goals. We both were concerned about the problems of the availability of credit in a growing economy. We both were distressed about the control of credit by the big city banks and recognized the need to provide credit to consumers and small- and medium-sized businesses which provide fuel to our economy.

WRIGHT PATMAN has been called "the last of the great populists." He was a great populist and for many years he almost singlehandedly kept the flame of populism alive. But in the past few years that flame which he nurtured so carefully has again taken on a new brilliance. There can be no finer tribute to the man than this: that he was not the last of the populists, but that he kept his ideals alive for a new generation of politicians.

The issues which he unfailingly adhered to are again being discovered; and I suspect many of them will be implemented. I wish that WRIGHT PATMAN could be with us now as many of the Presidential candidates are adopting his causes and debating them in the national forum.

For those of us who served with Chairman PATMAN, we feel privileged to have received his insights into the workings of our country and economic system which we could not have received elsewhere.

We mourn the passing of WRIGHT PATMAN. We honor him. He will not be forgotten.

I would like to include in this tribute an editorial from the Los Angeles Times. It is a fitting memorial from a California newspaper that disagreed with him more often than not.

The article follows:

PATMAN: NOT ALWAYS, BUT OFTEN

People have a hard time categorizing Wright Patman, the veteran of 47 years in the House of Representatives who died this week at 82.

Here was the cranky old Texan whom everyone called Mister Chairman, the House member of longest standing, the head of the powerful Banking Committee for 11 years until his defeat in the House shakeup of last year.

Yet Patman never quite fit the mold of the powerful and inexorable old guard. He was a dictatorial chairman, but he was neither an astute parliamentarian nor a practiced consensus builder, and so the committee under his rule wrote few important new laws.

His familiar populist vendettas against big banks, the Federal Reserve and big business often seemed pointless, redundant and ineffective. Yet his perseverance did draw attention to one of his concerns—corporate interlocks between competing financial institutions. Antitrust officials are now trying to control those overlaps, and there is a chance that Congress will pass legislation similar to what Patman suggested long ago.

He helped create the Small Business Administration and the nation's credit union system. But then he also lent his name during the 1930s to the Robinson-Patman Act, an anticompetitive measure like Fair Trade, its contemporary.

Patman helped enact the Employment Act of 1946, the first concerted attempt to get all branches of government working together on modern economic problems. Those problems are not yet solved, but they clearly demand a coordinated approach along the lines first sketched by that legislation.

Because of his Banking Committee's interest in the laundering of campaign funds, Patman was the first to begin an investigation of the Watergate break-in. His investigation failed when committee members refused to subpoena witnesses.

He liked to boast that he had been damned by many Presidents but subsequently proved right. Patman fought with Richard Nixon over wage and price controls, which the President later embraced. As a newcomer to Washington, Patman pressed a bonus for World War I veterans and angered Herbert Hoover. Patman finally saw that measure become law under Franklin Roosevelt.

"So often in his career," Ralph Nader once pointed out, "Patman was right too soon." Yes. Not always, but often.

GENERAL LEAVE

Mr. **MAHON.** Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks in the RECORD relating to the subject of my special order today concerning the passing of our distinguished colleague, the late WRIGHT PATMAN.

The **SPEAKER** pro tempore (Mr. McFALL). Is there objection to the request of the gentleman from Texas?

There was no objection.

NO MEANS TEST FOR SENIOR CENTERS

The **SPEAKER** pro tempore. Under a previous order of the House, the gentlewoman from New York, (Ms. HOLTZMAN) is recognized for 30 minutes.

Ms. **HOLTZMAN.** Mr. Speaker, present law requires that, beginning on April 1, elderly persons undergo a means test in order to use senior citizens centers. Two weeks ago, the House passed a bill (H.R. 12455) to delay that means test requirement until October 1.

If the Senate passes this bill, it will avert the immediate crisis, but not solve the problem. The real answer is simply to remove the means test requirement for senior centers, as legislation which Congressman ROSENTHAL and I have introduced would do.

In my testimony before the Public Assistance Subcommittee of the Ways and Means Committee on March 4, I explained the reasons for doing away entirely with the means test for senior citizens centers. I would like to bring this testimony to the attention of my colleagues:

TESTIMONY OF REPRESENTATIVE ELIZABETH HOLTZMAN BEFORE THE SUBCOMMITTEE ON PUBLIC ASSISTANCE

Mr. Chairman, Members of the Subcommittee on Public Assistance, I appreciate your giving me this opportunity to testify about the need to exempt senior citizen centers from the Title XX means test requirement.

I would first like to commend the responsiveness which you, Mr. Chairman, and this subcommittee, have shown on the means test question, both in the successful effort to prevent the requirement from going into effect last October and in your decision to hold hearings today.

The question before this Committee is whether the Department of Health, Education and Welfare should require states to administer an individual means test to persons wishing to use senior citizen centers. I believe very strongly that such a means test requirement would cause unjustified hardship to the elderly and would constitute a pointless waste of the taxpayers' money. I would urge this subcommittee, therefore, to act quickly and favorably on legislation introduced by Congressman Rosenthal, myself, and others (H.R. 9280) to end the means test for senior citizens.

My own experience with the 12 senior centers in my congressional district is that the senior center program is one of the most helpful, most successful, and most appreciated programs funded by the Federal government. For many elderly people, senior centers are the chief source of recreation and companionship. To someone whose children have moved away and whose old friends have moved or died, a senior center provides perhaps the only opportunity to find friends, discuss politics, learn crafts, and generally ease the loneliness of old age.

In addition, we know well how desperately poor many elderly Americans are. In 1974, 72% of all people aged 65 and over had incomes below $5,000; 87% had incomes less than $7,000. 99% of elderly women receive less than $7,000 a year—the median income for a women over 65 is $2,375. And these averages do not reflect the plight of the poorest of the elderly.

Last year, for example, I brought to the attention of this Subcommittee the fact that thousands of senior citizens living on SSI benefits are left with as little as $1 a day to purchase food, drugs, toilet articles, and other necessities. For these people, a senior center may provide the only hot nutritious meal they will have in the course of a day.

Finally, a senior center is a valuable source of information to the elderly about government programs that are available to aid them. Few people, young or old, have the stamina to confront the bewildering maze of government agencies and programs, let alone to visit each office separately. At a senior center, a person can find out about social security, SSI, Medicaid, Medicare, food stamps, housing and transit subsidies, and the like.

For these many reasons, thousands of senior citizens in my district, nearly 200,000 elderly people in New York City, and hundreds of thousands of others throughout the country have found senior centers to be a vital, life-sustaining service.

The Federal means test requirements poses a distinct and unjustifiable obstacle to persons in need of senior center services. In the first place, we know that many elderly people would be unwilling to undergo the humiliation of pleading and documenting their own poverty. Experience under welfare programs has demonstrated this repeatedly. Those persons too proud to beg for aid would, then, be denied membership in senior centers and, therefore, vital assistance by arbitrary Federal government fiat.

In addition, senior citizens do not choose their friends on the basis of financial status. Why should the Federal government take the position of segregating the elderly from their friends because of economic class?

The exemption of some services, for example, information, referral, and group recreation services, from the means test requirement would not solve the problem. It would simply result in the segregation of the elderly within senior centers at mealtimes and for other services.

In view of the hardship a means test would cause, is there any justification for requiring states to impose one? I believe the answer is clearly no.

The only conceivable justification for the means test is that it would exclude those who are ineligible and would save taxpayers' money. The means test, however, is not needed to achieve the first end, and would not accomplish the second. According to New York State's Department of Social Services, 79.5% of all New Yorkers over age 65 are eligible under the State's Title XX standards. 97% of the New York City residents actually using centers are estimated to be eligible. Thus, the overwhelming majority of persons using senior centers in the New York City area are eligible under the Title XX standards.

Would a means test improve this 97% eligibility ratio? Taking into account errors, misinterpretations of regulations, and possible cases of fraud, I think the answer must be no. Moreover, these same errors could lead to the exclusion of many eligible persons—witness the disastrous experience of the administration of the food stamp program in New York City.

Moreover, it is estimated that administering the means test in New York City will cost $5.2 million the first year, and $3.6 million each subsequent year—out of a $22 million program. Thus, in order to separate out the ineligible 3%—and possibly separate out eligibles as well—New York will have to spend the first year 23% of the amount it uses for senior centers. In subsequent years, 16% of the program funds will go to the means test. This is a senseless bureaucratic waste of taxpayers' money.

I would like to make one final point about the unfairness and irrationality of the means test requirement. Title VII of the Older Americans Act creates Older Adults Luncheon Clubs which provide meals with no means test requirements. By what logic should the Federal government provide meals with no means test under one program and require a means test under another?

The legislation which Congressman Rosenthal and I have introduced would prevent this pointless waste of tax dollars and senseless hardship to the elderly. It would exempt group services to senior citizens from the means test requirement.

Services on an individual basis—such as homemaker and housekeeper services—will remain subject to a means test. I believe this is a fiscally sound and sensible thing to do. Individual services are generally far more costly per person than group services. The New York City Department of Social Services advises me, for example, that it costs on the average of $128 per person per year to operate senior citizen centers. On the other hand, it can cost more than $100 per week to furnish an elderly person with a homemaker.

Therefore, while it would be clearly unnecessary to require an eligibility determination for a senior center, a means test may make some sense for expensive services furnished on an individual basis.

I know that you, Mr. Chairman, have introduced legislation which would resolve the means test problem in a different manner—by allowing a State to exempt 25% of its Title XX expenditures from the means test. This would be a satisfactory answer.

I believe, however, that the solution proposed by Congressman Rosenthal and myself—specifically exempting senior centers—is preferable. In the first place, as I indicated earlier, if a means test is imposed at all, it should be required for services which are relatively costly on an individual basis.

In addition, by raising the possibility that any service can be free of a means test, we invite decisions on such services to be made on the basis of political muscle rather than economic or social need.

I would add, Mr. Chairman, that I believe the provisions of your bill which would give States flexibility in determining how to administer a means test under Title XX are most important. This flexibility will allow States to use the most appropriate and economical methods of making the means determination. I hope this provision can be combined with the exemption for senior centers provided in our bill.

I hope, therefore, you will act to preserve and encourage the senior citizen center program by passing H.R. 9280, appropriately amended. Favorable action by this Committee will help to prevent a giant step backwards in Federal aid for the elderly and will help to assure that America's senior citizens can spend their retirement years among friends, living in dignity and economic security.

THE FOOD STAMP ACT OF 1976

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Georgia (Mr. Young) is recognized for 5 minutes.

Mr. YOUNG of Georgia. Mr. Speaker, tomorrow I shall introduce a bill entitled "The Food Stamp Act of 1976." My bill repeals current law and establishes a food stamp program based on the same design as the current program, but with some major changes that attempt to meet the following goals:

First, to insure access to the program for those persons who truly need the benefits of food stamps in order to obtain a nutritionally adequate diet;

Second, to eliminate those persons from the program who are not truly in need;

Third, to provide equitable benefits for larger families and for families who fall into the category known as the working poor;

Fourth, to simplify the administrative procedures in the program; and

Fifth, to reduce the opportunity for abuse of the food stamp program.

I insert the following section-by-section analysis of the Food Stamp Act of 1976 into the Record at this point for the information of my colleagues. I hope that they will understand that my efforts to improve the food stamp program are made with a desire to help to eliminate hunger in our country, to lend a hand to those families who need some extra help to add to what they are producing for themselves, to design a simplified process for getting benefits to those who are entitled to them, with a minimum of redtape and with the smallest possibility for error or fraud.

The analysis follows:

Section-by-Section Analysis

SHORT TITLE

The first section states that this Act may be cited as "The Food Stamp Act of 1976."

DECLARATION OF POLICY

Section 2 declares it to be the policy of Congress to raise levels of nutrition among low-income households by authorizing a food stamp program "which will assure low-income households the opportunity to attain a nutritionally adequate diet through normal channels of trade by increasing their purchasing power and by furnishing food purchasing assistance to all eligible individuals who apply for participation."

DEFINITIONS

Section 3(a) defines the term "adjusted semi-annually" to mean adjusted effective every January and July to reflect changes in the overall Consumer Price Index as of the preceding September and March, respectively.

Section 3(b) defines the term "authorization card" to mean any document issued by an appropriate welfare agency to an eligible household and showing the food stamp allotment to which the household is entitled.

Section 3(c) defines the term "bank."

Section 3(d) defines the term "certification period" to mean a period of at least 3 months for which an authorization card is issued. This provision sets minimum certification periods at 3 months.

Section 3(e) defines the term "coupon."

Section 3(f) defines the term "coupon allotment."

Section 3(g) defines the term "drug addiction or alcoholic treatment and rehabilitation program."

Section 3(h) defines the term "elderly person" to mean a person age 60 or over.

Section 3(i) defines the term "food" to mean any food for home consumption except alcoholic beverages and tobacco. The term "food" is also to mean—

Seeds and plants for use in gardens;

Meals prepared and served to elderly persons in places such as senior citizens' centers, other public or private nonprofit programs, and private establishments that agree to offer meals to elderly persons at concessional prices;

Meals prepared and delivered to elderly or incapacitated persons ("meals-on-wheels") by public or private nonprofit organizations or private establishments that agree to perform the service at concessional prices;

Meals prepared and served to drug addicts and alcoholics by drug addition or alcoholic treatment and rehabilitation programs, and

Hunting and fishing equipment (other than firearms, ammunition, and other explosives) when purchased by households living in remote areas of Alaska who depend on hunting and fishing for subsistence.

Secion 3(j) defines the term "food stamp program."

Section 3(k) defines the term "household" to mean individuals or groups who—

Are not residents of institutions or boarding houses—excepting residents of Federally subsidized housing for the elderly and narcotics addicts and alcoholics living under the supervision of a treatment program;

Live alone or with others; and

Purchase, store, and prepare food for home consumption either alone or in common.

Section 3(l) defines the term "nutritionally adequate diet" to mean a diet costing no less than the value of the food required to feed a specified 4-person household as set out in the "Thrifty Food Plan." The cost of this diet would be the basis for food stamp allotments. Adjustments in the cost would be made with respect to: (1) household size (to reflect economies of scale); (2) food cost differences in Alaska, Hawaii, Puerto Rico, the Virgin Islands, and Guam; and (3) changes in the cost of the Thrifty Food Plan over time (semi-annually).

Section 3(m) defines the term "retail food store."

Section 3(n) defines the term "Secretary" to mean the Secretary of Agriculture.

Section 3(o) defines the term "State" to mean any of the fifty States, the District of Columbia, Puerto Rico, the Virgin Islands, and Guam.

Section 3(p) defines the term "State agency."

ESTABLISHMENT OF THE PROGRAM

Section 4(a) authorizes the Secretary of Agriculture to establish a food stamp program. Under the program, eligible households would be provided with an opportunity to obtain a nutritionally adequate diet through the issuance of food stamp allotments which could be used—at face value—to purchase food from authorized retail food stores. No purchase price would be charged recipients.

Section 4(b) limits the simultaneous operation of the food stamp and food (commodity) distribution programs to: (1) Indian reservations in transition between the commodity distribution program and the food stamp program; and (2) areas in which food commodities are distributed to meet disaster relief needs. No household would be permitted to participate simultaneously in both programs.

Section 4(c) directs that the Secretary of Agriculture issue regulations for the effective and efficient administration of the food stamp program.

ELIGIBLE HOUSEHOLDS

Section 5(a) provides that food stamp program participation shall be limited to households whose income is determined to be a substantial limiting factor in permitting them to purchase a nutritionally adequate diet. Food stamp assistance is mandated to all eligible households who make application for participation.

Section 5(b) directs the Secretary of Agriculture to establish uniform national standards of eligibility in accordance with the provisions of this section.

Section 5(c) provides that the "net" income eligibility standards shall be the income poverty guidelines for the urban United States prescribed by the Office of Management and Budget and adjusted semi-annually (each January and July) to reflect changes in the overall Consumer Price Index through the preceding September and March.

The "net" income eligibility standards would be the same in every State except that Alaska and Hawaii would have higher standards based on the different poverty guidelines assigned to them.

Section 5(d) defines "net" income for food stamp program purposes as including all gross income which is received or reasonably anticipated to be received during the certification period, less listed exclusions. "Gross income" would be as defined in the Internal Revenue Code without regard to any specific exclusions contained in the Code. Income for food stamp purposes would be the average monthly income over the certification period.

The only permitted exclusions from income would be—

(1) any gain or benefit which is not in money paid directly to the household;

(2) income which is received too infrequently or irregularly to be reasonably anticipated;

(3) all educational loans, grants, scholarships, fellowships, and the like—to the extent that they are used for tuition and mandatory fees at institutions of higher education or schools for the handicapped;

(4) monies received in the form of nonrecurring lump-sum payments—such as income tax refunds, gifts, and retroactive lump-sum pension payments;

(5) the cost of producing self-employed income;

(6) income that any other law specifically excludes from consideration in the food stamp program; and

(7) the deductions provided in section 5(e).

Section 5(e) provides that, when computing "net" household income for eligibility purposes, households shall be allowed to deduct the following[*]—

(1) a basic standard deduction of $100 a month (adjusted semi-annually to reflect changes in the overall Consumer Price Index);

(2) an additional $25 a month if the household contains one or more elderly members (age 60 or over);

(3) an additional $5 per person per month for each individual in the household beyond four; and

(4) an additional deduction of 20% of all earned income (for households with earned income) to compensate for taxes, mandatory deductions, and work expenses.

Section 5(f) provides that monthly income be calculated, for eligibility purposes, by focusing on income anticipated to be received in the certification period. Past income may be used as an indicator of anticipated income.

Section 5(f) also provides that any household that has received food stamps and is required to file a Federal income tax return—

Must declare the total food stamp allotment received on its return, and

Shall be liable to reimburse the Treasury for the full value of the allotment received if its annual adjusted gross income (as defined in the Internal Revenue Code and reflected in its tax return) exceeds $9,500 for a household of four persons.[†]

Section 5(g) directs that the Secretary of Agriculture prescribe the amounts of liquid and nonliquid assets that an eligible household may possess. The maximum allowable assets level would be $3,000 per household. The following resources would be excluded from consideration—

(1) the household's home and lot, 1 licensed vehicle, household goods, personal effects, and the cash value of life insurance policies;

(2) income-producing property or other property essential to the employment of a household member;

(3) certain Indian lands; and

(4) resources whose cash value is not accessible to the household.

Section 5(g) also provides that countable assets shall be valued at "fair market value less encumbrances."

Section 5(h) directs the Secretary of Agriculture to establish emergency standards of eligibility for households that are victims of disasters.

Section 5(i) provides that households shall be ineligible to participate in the food stamp program for periods of up to one year if—

They have been found guilty of a crime involving fraud in connection with their participation in the program by a court of appropriate jurisdiction, or

They have been found to have fraudulently obtained food stamps by their State welfare agency—after notice and hearing have been provided.

Section 5(j) mandates ineligibility for households that refuse to cooperate in providing information necessary to make an eligibility determination or complete a "quality control" review.

Section 5(j) also requires that every participating household report (or cause to be reported) to their State welfare agency—

Any increase in monthly income of more than $25, and

Any other change in household circumstances that would operate to decrease the household's food stamp allotment.

The required report would have to be made within 10 days of the date on which the change became known to the household. And, if a household fails to fulfill the reporting requirements, its food stamp allotment in the next certification period would be reduced to reflect what would have been the impact of the change if reported—plus a 50% penalty.

Section 5(k) provides work registration and work acceptance requirements for food stamp program participants. In the event of a failure to meet these requirements, the individual concerned would be ineligible to participate in the food stamp program.

Physically and mentally fit food stamp participants between the ages of 18 and 60 would be required to register for employment at the time of application and once every 6 months thereafter. However, individuals who fall into the following categories would be exempt from the work registration requirements—

Mothers and other household members with responsibility for the care of a dependent child under 12 or of an incapacitated person;

Students enrolled at least half-time in a recognized school or training program;

Regular participants in a drug addiction or alcoholic treatment and rehabilitation program; and

Persons already employed for at least 30 hours a week earning the equivalent of the Federal minimum wage for a 30-hour week.

Registrants would be required to fulfill reasonable reporting and "job search" requirements imposed by the Secretary. However, the Secretary is directed not to impose any duty to inquire regularly about employment with prospective employers (i.e., "job search") in areas where the unemployment rate is in excess of 8%.

Registrants could not refuse (without good cause) to accept an offer of suitable employment. Suitable employment would be where—

Employment would be for more than 30 hours per week;

The wage offered is at least the applicable minimum wage or 80% of the Federal minimum wage (if it were applicable)—whichever is higher;

The site or plant is not subject to a strike or lockout;

Employment does not require the person to join, resign from, or refrain from joining any legitimate labor organization;

Employment is not an unreasonable distance from the person's residence;

Employment does not involve an unreasonable risk to the person's health or safety; and

Employment is in the person's major field of work experience (but only for the first 30 days after registration, after which this condition would not be a cause for determining a job offer unsuitable).

Registrants could not refuse (without good cause) to continue in employment that meets the suitability conditions set forth above.

Section 5(l) prohibits eligibility to individuals that have reached their 18th birthday, are enrolled in an institution of higher education, and are or could be properly claimed as Federal tax dependents by a taxpayer, who is ineligible.

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[*] From gross income less exclusions.

[†] The $9,500 level would be adjusted to reflect household size and, annually to reflect changes in the overall Consumer Price Index.

Section 5(m) prohibits eligibility to illegally and temporarily resident aliens.

ISSUANCE AND USE OF COUPONS

Section 6(a) provides that food stamps be printed in appropriate denominations and issued only to households certified as eligible to participate in the food stamp program.

Section 6(b) provides that food stamps be used to purchase food at approved outlets at prevailing prices.

Section 6(c) provides that food stamps be simple in design and not carry the name of any public official.

VALUE OF THE COUPON ALLOTMENT

Section 7(a) provides that the food stamp allotment be the cost of the Thrifty Food Plan reduced by 30% of the household's "net" income (i.e., after allowable deductions and exclusions from gross income). The 30% reduction is a "benefit reduction rate" and the household is not required to pay this amount.

Single-person and 2-person households would receive a minimum allotment of $10 per month and all other households would be ineligible if their allotment is $5 or less. The allotments for Puerto Rico, the Virgin Islands, and Guam could not exceed those of any of the 50 States.

Section 7(b) provides that the coupon allotment not be considered income or resources under any Federal or State laws, including welfare and tax laws.

APPROVAL OF RETAIL FOOD STORES AND WHOLESALE FOOD CONCERNS

Section 8(a) provides for the approval of retail and wholesale food concerns wishing to be certified as food stamp outlets.

Section 8(b) provides that retailers and wholesalers submit information necessary for making a determination.

Section 8(c) provides that food outlets whose application is denied are entitled to a hearing.

REDEMPTION OF COUPONS

Section 9 provides that food stamps accepted by retail food stores may be redeemed through approved wholesale food concerns or through banks—with the cooperation of the Treasury Department.

ADMINISTRATION

Section 10(a) provides that the appropriate State agency be responsible for certification of households and the issuance, control, and accountability of food stamps.

Section 10(b) provides that food stamp recipients who move from one "project area" to another may have their food stamp eligibility carried over in the new area for 60 days.

Section 10(c) provides that there shall be no discrimination in the certification of applicants by reason of race, religion, national origin, or political beliefs.

Section 10(d) provides that food stamp recipients' welfare benefits shall not be decreased because of their participation in the Food Stamp Program.

Section 10(e) provides that State agencies submit and have approved a plan of operation including the following provisions—

(1) a. that the agency undertake effective action to inform low-income households about food stamps and insure the participation of all eligible households by, among other methods, notifying all Social Security, AFDC, SSI, and unemployment compensation recipients of the food stamp program;

b. that the agency use multilingual personnel and materials where appropriate;

(2) that applicants contacting a food stamp office in person shall be permitted to file an application that day;

(3) that eligibility determinations be made and authorization cards be issued no later than 15 days after an application is filed;

(4) a description of specific standards used to determine eligibility;

(5) that the State agency follow appropriate procedures and personnel standards prescribed by the Secretary and have a continuing, comprehensive personnel training program;

(6) that the head of the household may designate another person to represent the household in the certification or issuance process or when purchasing food with food stamps.

(7) safeguards restricting improper use of information obtained from applicants;

(8) that fair hearings be granted to aggrieved households;

(9) that food stamp allotments denied, delayed, or wrongfully terminated be promptly delivered; and

(10) that necessary reports be submitted.

Section 10(f) requires the Secretary and the State agencies to carry out nutrition education programs.

Section 10(g) requires that food stamps be issued at all post offices where postage stamps are sold and that a resonable transaction fee be paid to the Postal Service, not exceeding 10% of the actual cost of issuance.

Section 10(h) provides that a State agency which is not in compliance with law or regulation shall be given 30 days to correct failures. If not corrected, the Secretary must refer the matter to the Attorney General for injunctive action or take over administration of the program (but still charge the State its share of administrative costs).

Section 10(i) provides that if the Secretary finds that there has been fraud or negligence on the part of the State, the State shall deposit in a separate account a sum equal to the value of coupons issued as a result of such fraud or negligence.

DISQUALIFICATION OF RETAIL FOOD STORES AND WHOLESALE FOOD CONCERNS

Section 11 provides that stores may be disqualified for violating provisions of the Act or regulations. Such disqualification shall be subject to hearings and court review.

DETERMINATION AND DISPOSITION OF CLAIMS

Section 12 gives the Secretary the power to adjust or settle any claims arising under this Act, including claims arising from overissuance to recipients.

ADMINISTRATIVE AND JUDICIAL REVIEW

Section 13 provides that notice of administrative action shall be issued to a retail or wholesale food concern when—

a. a store's application to participate is denied;

b. a store is disqualified from participation; or

c. a store's claim is denied.

If the store so requests, there would be an administrative review of the action, subject to judicial review.

VIOLATIONS AND ENFORCEMENT

Section 14(a) provides that the Secretary may provide for the issuance or redemption of food stamps to or by appropriate persons for enforcement purposes or in pilot or demonstration projects.

Section 14(b) provides that the misuse of food stamps valued at $100 or more shall be a felony. The penalty shall be a $10,000 fine, imprisonment for up to 5 years or both. When less than $100, it shall be a misdemeanor and the penalty shall be a $1,000 fine, imprisonment for up to 1 year or both.

Section 14(c) provides that presentation of food stamps valued at $100 or more, if received, transferred or used illegally, shall be a felony. If valued at less than $100, it shall be a misdemeanor.

Section 14(d) provides that food stamps shall be deemed to be obligations of the United States (violations would be punishable under counterfeiting laws).

ADMINISTRATIVE COST-SHARING AND QUALITY CONTROL

Section 15(a) authorizes the Secretary to pay to each State agency 65 percent of all costs including but not limited to the cost of (1) outreach; (2) the certification of applicant households; (3) the acceptance, storage, and protection of food stamps; (4) the issuance of stamps to eligible households; (5) fair hearings; and (6) investigations, prosecutions, and other activities related to recovering losses under the program.

Section 15(b) provides that the Federal share of administrative costs for each State shall be reduced dollar for dollar for each dollar of food stamp monies that the State receives through the sales tax levied (if any) on food purchases made by food stamp households.

Section 15(c) provides that the Secretary establish "realistic" goals to improve effectiveness of the administration of the programs by the States, including quality control "tolerance levels" for eligibility errors and caseload-per-worker limitations. The Secretary must withhold no more than 10 percent of the Federal share of Administrative funds if the State has failed without good cause to meet any of the goals set by the Secretary.

RESEARCH, DEMONSTRATION, AND EVALUATION

Section 16(a) directs the Secretary to undertake research, through contracts or grants, that will help improve the administration and effectiveness of the program in delivering nutrition-related benefits.

Section 16(b) authorizes the Secretary to conduct experimental projects. No experimental project could have the effect of reducing or terminating benefits to eligible households.

Section 16(c) directs the Secretary to evaluate the effectiveness of the program in achieving its stated objectives.

APPROPRIATIONS

Section 17 authorizes such sums as Congress may appropriate for fiscal years 1977, 1978, and 1979—plus $25 million for each of fiscal year 1977, 1978, and 1979 to carry out the research, demonstration and evaluation provisions of section 16. Sums appropriated under this Act would continue to remain available until expended.

REPEALER

Section 18 repeals, upon enactment of this law, the Food Stamp Act of 1964, as amended, with the proviso that all coupons issued pursuant thereto shall be usable for 180 days after the repeal. All other liabilities of the Secretary, States and applicant or participating households pursuant to the repealer law shall continue until finally resolved or terminated.

GAO SAYS SMALL NEW YORK FIRMS SUFFER UNDER WALSH-HEALEY ACT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. DOWNEY) is recognized for 30 minutes.

Mr. DOWNEY of New York. Mr. Speaker, on Monday, March 1, I released a study which I requested from the General Accounting Office which concludes that small businesses in the New York metropolitan area have needlessly lost dozens of Defense Department contracts worth millions of dollars over the past 3 years as a consequence of the arbitrary and discriminatory administration of the Walsh-Healey Public Contracts Act by the Departments of Labor and Defense.

This systematic discrimination results from a Labor Department ruling—Opinion Letter No. 113—which provides that the Department of Defense may not award certain Government contracts to "assemblers"—businesses which produce items by assembling component parts built by other firms rather than by manufacturing each and every part of the finished product themselves. The Walsh-Healey Act allows 11 regional administrators to bar firms in their regions from competition for Government contracts exceeding $10,000.

The study finds that during 1973, 1974 and the first quarter of 1975, more contracts were lost because of this ruling in the New York area than in all other regions of the country combined. During that period, small New York area contractors lost 53 defense contracts for alleged failure to meet this requirement of the Walsh-Healey Act—more than twice the number in Detroit, the Nation's second hardest hit region, and more than seven times the number of disqualifications in Dallas, the third highest region. During this same 2¼ year period, not one firm in the vast metropolitan areas in and around Chicago, Los Angeles, and Boston lost a defense contract because of this ruling

I am today requesting the Subcommittee on Government Procurement and International Trade of the House Committee on Small Business to hold hearings on this study at the earliest possible date and will insist that representatives of the Departments of Defense and Labor and the Office of Federal Procurement Policy be called as witnesses to account for this highly inequitable situation. Moreover, I will introduce legislation to amend the Walsh-Healey Act to specifically authorize the award of Government contracts to assemblers if the departments involved refuse to take prompt action to bring a halt to these discriminatory practices.

As early as August 1974, according to the GAO, the Department of Defense advised the Department of Labor that the ruling was unworkable, warning that hundreds of their assembly contractors would be technically ineligible for award of defense contracts if the ruling were strictly enforced. In fact, the Defense Department refused to distribute the ruling to all of its contracting officers for fear that, if literally interpreted, the opinion would have the effect of disqualifying even major Department of Defense contractors. As a result, no two contracting regions have interpreted this requirement in precisely the same manner.

The text of the GAO study follows:

COMPTROLLER GENERAL
OF THE UNITED STATES,
Washington, D.C., February 23, 1976.

Hon. THOMAS J. DOWNEY,
House of Representatives,
Washington, D.C.

DEAR MR. DOWNEY: As you asked in your letter of June 4, 1975, and in accordance with meetings with your staff, we have examined how the manufacturer requirement of the Walsh-Healy Act was being applied to small business firms bidding on Department of Defense contracts. As you requested we met with headquarters officials of the Department of Defense, Defense Supply Agency, Defense Contract Administration Services (DCAS), and Department of Labor. In addition, we received preaward survey reports obtained from DCAS's New York region and we did fieldwork at the Chicago and Los Angeles regional and district offices. We also held discussions with the Office of Federal Procurement Policy.

The manufacturer requirement of the act was not being uniformly interpreted and applied by Government procurement officials. The Department of Labor, which has the statutory authority to administer the act, should develop improved standards for use by procurement officials and should establish managerial controls necessary to insure that the act is properly administered.

The Office of Federal Procurement Policy should provide direction and guidance to the Department of Labor and to the executive branch procurement agencies for the coordinated development of improved procurement-related policies, procedures, and standards that will carry out the intent of the act and at the same time have a minimal adverse effect on the procurement process.

BACKGROUND ON THE WALSH-HEALY ACT AND THE REQUIREMENT THAT BIDDERS QUALIFY AS MANUFACTURERS

The Walsh-Healey Public Contracts Act (Public Law 846, 74th Congress) was enacted almost 40 years ago. The act applies to all supply contracts exceeding $10,000 entered into by any department or agency of the Federal Government. The act provides that any contract covered by its provisions contain the representation that the contractor is a manufacturer of or a regular dealer in the materials, supplies, articles, or equipment to be manufactured or used in performing the contract. The legislative history of the act indicates that this provision was to eliminate bid brokerage. Bid brokerage occurs when persons who are not legitimate dealers or manufacturers submit bids so low that none of the established firms can successfully compete against them. The brokers then sublet parts of the contracts to substandard factories and sweatshops, thus overriding the Federal Government's attempt to promote fair labor conditions.

The Department of Labor is responsible for administering the act and has delegated to contracting agencies primary responsibility for determining compliance with the manufacturer requirement of the act. The contracting officers within the agencies making procurements are required to determine a bidder's eligibility as a manufacturer under the act. The Department's regulations direct that contracting officers reject any bids from firms which do not qualify as manufacturers. If a bidder protests the contracting officer's determination of its eligibility, the Department is required to make the final determination. In addition, the act provides for judicial review of any proposal or contract involving the provisions of the act.

DEPARTMENT OF LABOR ACTION NEEDED TO PROPERLY ADMINISTER THE ACT

The Department of Labor is required to make such rules and regulations as are necessary to carry out the provisions of the act. We found that (1) the standards which had been formulated by the Department were fragmented and unclear and had not been distributed to all persons responsible for carrying out the standards, (2) the manufacturer requirement of the act was not being uniformly interpreted and applied to small business firms bidding on Department of Defense contracts, and (3) adequate procedures had not been established to insure that implementation of the act was uniform.

Improved standards needed to insure uniform application of the act

The Department of Labor has issued various rules and regulations to help contracting officers determine bidders' eligibility as manufacturers. One document the Department issued is Rulings and Interpretations No. 3 (R&I No. 3), which is a compilation of interpretative material on the act. Two pertinent sections of R&L No. 3 relating to the definition of manufacturer and assembler follow.

"SECTION 5. ASSEMBLING

"(a) A contract for an article which is produced by assembling miscellaneous parts purchased by the contractor from others is a contract to manufacture an article in the sense in which that term is used in the Public Contracts Act."

"SECTION 26. MANUFACTURER

"(a) A 'manufacturer' is a person who owns, operates, or maintains a factory or establishment that produces on the premises the materials, supplies, articles, or equipment required under the contract and of the general character described by the specification.—Regulations, section 50–201.101(a).

"(b) A producer of commodities such as sand, gravel, ore, or coal, will be considered a qualified bidder on Government contracts within the terms of section 1(a) of the Act.

"(c) The Act is applicable to cost-plus-fixed-fee contracts as well as lump-sum contracts if otherwise within the coverage of the Act. This is so even though the contractors may operate Government-owned plants or process Government-owned materials, the title to which is in the Government at all times.

"(d) Assembler.—A contractor who produces an article by assembling miscellaneous parts, all or some of which have been purchased from others, is a manufacturer within the contemplation of the Act."

Although section 26 of R&I No. 3 seems to indicate that an assembler would qualify as a manufacturer, this has not been the Department's interpretation.

This question was addressed in March 1973, when the New York DCAS regional office asked the Department of Labor to determine whether an assembler qualified as a manufacturer. In its decision, which was later issued as Opinion Letter No. 113, the Department said that, although a plain reading of the language in section 26(d) of R&I No. 3 could lead one to conclude that any assembling qualifies a bidder as a manufacturer, the provision had not been interpreted that way by opinion or by administrative decision. The Department said its consistent position had been that an assembler must first qualify as a manufacturer before it is eligible for award of a Government contract in which assembling operations are principally or exclusively performed.

The Department pointed out that the administrative decisions supporting its view made it clear that the act and regulations defining a manufacturer contemplated something more than the occasional performance of assembling operations. The determination must rest on whether the bidder has or can demonstrate an independent ability to fabricate the item called for by the contract.

The Department also pointed out that, for a firm newly entering into manufacturing, other factors must be considered. The firm must show that its manufacturing activity has not been set up solely to produce under one Government contract and then be terminated. It must also demonstrate that its lease and arrangements for space, equipment, and personnel are not contingent upon receipt of the Government contract.

In July 1973 the Department of Labor sent Opinion Letter No. 113 to all contracting agencies. In April 1974 Defense Supply Agency officials met with Department of Labor officials to discuss the problems the Defense Supply Agency officials were having with Opinion Letter No. 113, such as the requirement that "something more" than mere assembling was required for a firm to be qualified as a manufacturer under the act.

By letter dated August 12, 1974, Defense Supply Agency officials reiterated their problems to the Department of Labor and said that hundreds of their assembly contractors would be technically ineligible for award of contracts subject to the act if Opinion Letter No. 113 were enforced. The Defense Supply Agency said that the solution to the problem would be to amend section 26(d) of R&I No. 3 to reaffirm the right of assemblers to be considered manufacturers. The amendment DSA suggested was as follows:

"(d) Assembler: A contractor who [owns, operates or maintains a factory or establishment and, on the premises] produces an article by assembling miscellaneous parts, all or some of which have been purchased from others, is a manufacturer within the contemplation of the Act." (Bracketed words were those DSA added).

By letter dated June 9, 1975, the Department of Labor rejected the Defense Supply Agency's proposed change to section 26(d) of R&I No. 3. In commenting on the Defense Supply Agency's problems with Opinion Letter No. 113, the Department said that it was not the Department's intent to give the impression that a firm must itself manufacture each and every component and part making up a complex procurement item. However, a firm must have manufacturing premises, equipment, and personnel sufficient to perform a significant, substantial part of the manufacturing, production, or fabrication operations and effort required for fulfilling the contract. The Department did not define what was intended by the terms "significant" and "substantial." It pointed out, however, that the qualifications of a bidder as a manufacturer which proposes to assemble must be decided on the basis of all the facts and circumstances of a particular procurement.

It was the Department of Labor's view that any misinterpretation or misunderstanding of its rules and regulations defining a manufacturer should have been clarified by the context of Opinion Letter No. 113 and by the further explanation set forth in its June 9, 1975, letter. The Defense Supply Agency was told that, if it could be conclusively shown that the application of the principles would seriously impair the conduct of the Government's business, the Department would consider a request from the head of the agency for an exemption or alternative definition of a manufacturer for such a procurement.

The Defense Supply Agency did not submit a request to the Department of Labor for an exemption or alternative definition of a manufacturer for any procurements. On July 10, 1975, however, the Defense Supply Agency again expressed concern to the Department that the interpretation of the intent of Opinion Letter No. 113 would cause continuing procurement difficulties.

Department of Defense headquarters procurement policy personnel are also concerned about the adverse impact that Opinion Letter No. 113 could have on its other procurements. We were told that Opinion Letter No. 113 had not been distributed to all the Department's contracting officers because of the Department's belief that the opinion, if it were literally interpreted and applied, would have the effect of disqualifying even major Department of Defense contractors.

In the 2½ years that have passed since Opinion Letter No. 113 was issued, the Department of Labor has, on several occasions, acknowledged that R&I No. 3 and Opinion Letter No. 113 have been misleading. Even as late as September 1975, the Department advised the House Subcommittee on Small Business Administration Oversight and Minority Enterprise that the literal language of Opinion Letter No. 113 could be misleading. Nevertheless, the Department has not clarified, consolidated, and published the standards which are necessary to carry out the act's provisions.

Lack of uniform application of the manufacturer requirement

A Department of Defense contracting officer, to help him in deciding the qualifications of a bidder, may ask the Defense Contract Administration Services (DCAS) to make a preaward survey of a prospective contractor. A preaward survey is an evaluation of a prospective contractor's capability to perform under the contract and may include a review of its qualifications as a manufacturer within the meaning of the act. On the basis of the results of the preaward survey, DCAS recommends to the contracting officer whether to award the contract.

We obtained data from DCAS headquarters on the number of preaward surveys which had resulted in no-award recommendations to contracting officers because of the bidders' failure to qualify as manufacturers under the act. The data showed that, for 1973, 1974, and the first quarter of 1975, DCAS made 100 such no-award recommendations, as follows:

DCAS region:	*Number*
Atlanta	4
Boston	0
Chicago	0
Cleveland	3
Dallas	7
Detroit	26
Los Angeles	0
New York	53
Philadelphia	1
San Francisco	4
St. Louis	2
Total	100

As shown above, the New York region made 53 no-award recommendations, whereas three regions did not make any no-award recommendations.

To ascertain whether the DCAS regions were uniformly interpreting and applying the act's manufacturer requirement, we obtained information on how the regions made preaward surveys, and we reviewed a limited number of preaward survey reports from 3 of the 11 DCAS regions. We reviewed 5 of the 53 preaward survey reports in which the New York region had made no-award recommendations. In addition, we selected two of the three regions that did not make any no-award recommendations, to determine whether these regions were, in fact, evaluating bidders' qualifications as manufacturers. We selected the Chicago and Los Angeles regions and reviewed 19 preaward survey reports on small business firms representing themselves as manufacturers.

We found that the number of no-award recommendations in the DCAS field offices depended on the way the manufacturer requirement was interpreted and applied. For example, an official of the Chicago region stated that it is not their policy to reject bidders solely on the basis of their inability to qualify as manufacturers. In contrast, the New York region made no-award recommendations solely on the basis that bidders failed to qualify as manufacturers.

We also found that the DCAS field offices evaluated bidders for qualification as manufacturers on differing bases. The Chicago region considers a firm to be a manufacturer if it does anything, other than packaging, to add to the value of the product. The Los Angeles region considers a bidder to be a manufacturer if it can provide the item called for by the invitation for bid. The New York region determines whether a bidder has the necessary space, personnel, and equipment to manufacture the required item. Further, the New York region applies the criterion that a newly established firm must have definite and legally binding commitments for space and equipment, whereas the Chicago region is satisfied if the bidder has obtained written quotations for these items.

The DCAS headquarters distributes Department of Labor publications to the Industrial Labor Relations Offices in its regional offices, and officials of the Industrial Labor Relations Office in the New York region were responsible for evaluating bidders' qualifications as manufacturers; in the Chicago and Los Angeles regions, however, other personnel were responsible for such evaluations. The personnel in the Los Angeles region who made these evaluations had not received copies of Opinion Letter No. 113.

In only 3 of the 24 preaward survey reports we reviewed had the contracting officers asked DCAS to evaluate the bidders' qualifications as manufacturers. We talked to three contracting officers who had not asked DCAS for such evaluations how they had decided that the bidders were qualified manufacturers. One contracting officer told us that his normal practice was to accept the bidder's representation that it was a manufacturer; one said he relied on a bidder's prior history of having furnished the same or a similar item; and one said that he relied on a combination of factors, including the representation made by the bidder, the bidder's prior history of providing the same item, and the absence of any negative comments from DCAS on the bidder's eligibility under the act.

A Department of Labor official said, however, that a positive determination must be made in each case and that to accept at face value the bidder's representation that it is a manufacturer does not fulfill the requirements of the act. It is the Department's view that a contracting officer must verify a bidder's representation the first time a firm bids on a particular item.

The Armed Services Procurement Regulation (ASPR) and the guidelines the military services use do not delineate the circumstances under which a contracting officer should ask DCAS to evaluate a bidder's qualifications as a manufacturer.

In December 1975 the ASPR Committee was considering a change to ASPR that would instruct the contracting officer to accept the representation made by the bidder that it is a manufacturer, unless the contracting officer has reason to question the validity of the representation or unless a protest has been lodged. This ASPR change, if approved, will be in direct conflict with the views of the Department of Labor on how contracting officers are to make their eligibility determinations.

Controls needed to insure that the act is implemented

We believe the Department of Labor should establish controls for insuring that the standards are being uniformly interpreted and applied.

The Department does not obtain data from contracting agencies on the number of procurement actions to which the act was applicable or the results of the eligibility determinations that contracting officers made. The Department does not make any field reviews to ascertain whether contracting officers are making correct determinations.

If reports and periodic field reviews had been made, the Department would have known that some contracting officers were accepting business firms' representations that they were manufacturers and would have been alerted to problems that the contracting agencies were having in interpreting departmental regulations.

The Department apparently was not aware of the nonuniform application of the manufacturer requirement until congressional hearings were held in June 1975. The only statistics available were those which DCAS gathered specifically for the hearings on the number of no-award recommendations that the DCAS regions had made. The wide variation in the data among the DCAS regions was a strong indication that a problem existed.

OFFICE OF FEDERAL PROCUREMENT POLICY SHOULD PROVIDE DIRECTION AND COORDINATE DEVELOPMENT OF IMPROVED STANDARDS

Public Law 93–400, dated August 30, 1974, established the Office of Federal Procurement Policy. The act made that office responsible for providing overall leadership and direction in formulating and implementing procurement and procurement-related policies. One of its functions specified in the act is to establish a system of coordinated and, to the extent feasible, uniform procurement regulations for executive branch agencies. As conceived, the office is a focal point in the executive branch for resolving agency differences in procurement matters. Its cognizance in such matters extends to the procurement aspects of regulations issued by the social and economic agencies, such as those the Department of Labor issued under the Walsh-Healey Act.

We believe there are two issues which the Office of Federal Procurement Policy should resolve. The first issue relates to the area of disagreement that currently exists between the Defense Supply Agency and the Department of Labor with respect to the role of assemblers in furnishing material to the Government. Defense Supply Agency officials told us that they had met with Office of Federal Procurement Policy officials to obtain their help and advice in resolving the problems they were having in carrying out the Department of Labor's rules and regulations.

In discussions with Office of Federal Procurement Policy officials in October 1975, we were told that they had pursued this matter with the Department of Labor in August 1975 and were awaiting additional information from the Department before taking further action. At that time the Office of Federal Procurement Policy was considering asking the Department to revise its regulations or to have the Defense Supply Agency ask the Department for a class waiver to cover any problems it was experiencing.

Since the Department of Labor has acknowledged that its standards are misleading, we believe that the Office of Federal Procurement Policy should ask the Department to develop improved standards so as to obtain a more uniform interpretation and application of the manufacturer requirement.

The second issue which we believe the Office of Federal Procurement Policy should resolve concerns the relationship between the Department of Defense and other affected executive branch agencies when changes to ASPR are being considered. As discussed on page 8, the Department of Defense was considering a change to ASPR which would allow contracting officers in most cases to accept the bidder's representation that it is a manufacturer. In our discussions with Department of Defense procurement personnel, we were told that this change would not be coordinated with the Department of Labor. Since this proposed change to ASPR is in direct conflict with the Department of Labor's view on the matter, we believe that the Office of Federal Procurement Policy should have the Department of Defense defer action until the underlying issues are resolved and until a proposed solution on a Government-wide basis has been coordinated with the Department of Labor.

CONCLUSIONS

The Department of Labor is not fully carrying out its responsibilities to insure that the act's requirement is properly administered. Proper interpretation and application of the act's requirement depends on the formulation and publication of clear, consolidated standards.

The Department of Labor should develop improved standards and should establish the controls necessary to insure that the act is properly administered.

Improved standards would enable contracting officers to make correct initial eligibility determinations, DCAS to uniformly evaluate bidders' qualifications, and bidders to reasonably evaluate their status as eligible manufacturers before bidding on Government contracts subject to the act.

Since the Department of Labor's standards are confusing and unclear, the Office of Federal Procurement Policy should provide overall direction and guidance to the Department and the executive branch procurement agencies for the coordinated development of procurement-related policies, procedures, and standards to carry out the manufacturer requirement of the act with a minimal adverse effect on the procurement process.

RECOMMENDATIONS

We recommend that the Secretary of Labor:

Review, consolidate, and publish in R&I No. 3 all standards to be used by procurement officials in evaluating a bidder's eligibility as a manufacturer under the Walsh-Healey Act.

Amend the Department's regulations to make specific reference to the fact that the standards for carrying out the act are set forth in R&I No. 3.

Establish controls for insuring that the procurement offices are correctly interpreting and applying the requirements of the act.

We also recommend that the Director, Office of Management and Budget, have the Administrator for Federal Procurement Policy:

Provide overall direction and guidance to the Department of Labor and the executive branch procurement agencies for the coordinated development of procurement-related policies, procedures, and standards to carry out the manufacturer requirement of the Walsh-Healey Act.

In the interest of resolving the underlying issues and obtaining uniform application of standards on a Government-wide basis, exercise his regulatory authority by having the Department of Defense defer action on changing ASPR until the underlying issues are resolved.

As your office instructed, we did not obtain formal written comments on this report from the Department of Labor, the Depart of Defense, or the Office of Management and Budget. We did, however, discuss our findings and conclusions with them. We will send copies of this report to these agencies shortly.

We will also send copies to the Chairmen of the House and Senate Committees on Government Operations and Appropriations; the House Committee on Small Business; the Subcommittee on Government Procurement and International Trade and the Subcommittee on Small Business Administration Oversight and Minority Enterprise, House Committee on Small Business; the House Committee on Education and Labor; the Subcommittee on Labor Standards, House Committee on Education and Labor; the Senate Committee on Labor and Public Welfare; and the Senate Select Committee on Small Business.

We invite your attention to the fact that this report contains recommendations to the Secretary of Labor and to the Director, Office of Management and Budget. These recommendations are set forth on page 11. As you know, section 236 of the Legislative Reorganization Act of 1970 requires the head of a Federal agency to submit a written statement on actions taken on our recommendations to the House and Senate Committees on Government Operations not later than 60 days after the date of the report and to the House and Senate Committees on Appropriations with the agency's first request for appropriations made more than 60 days after the date of the report.

We shall be pleased to discuss this report with you or with your representatives.

Sincerely yours,

Robert F. Keller,
Deputy Comptroller General of the United States.

ON ENDING AMERICAN PARTICIPATION IN THE ARAB BOYCOTT OF ISRAEL

(Mr. **KOCH** asked and was given permission to extend his remarks at this point in the Record and to include extraneous matter.)

Mr. **KOCH.** Mr. Speaker, today in the New York Times, an article comments on the impact of legislation recently enacted into law in the State of New York. The thrust of the article is that some exporters, concerned about this new State law that makes aiding the Arab boycott of Israel a misdemeanor, are diverting cargo destined for the Middle East from New York City to other ports.

The need for this legislation is clear. So is the immorality of those who are seeking to subvert both the law of New York State and the expressed national policy of the United States, which is as stated in section 3 of the Export Administration Act, "to oppose restrictive trade practices or boycotts fostered or imposed by foreign countries against other countries friendly to the United States," and "to encourage and request domestic concerns * * * to refuse to take any action" in furtherance or support of such restrictive trade practices or boycotts. The threats to the Port of New York and the attempts to divert commerce from New York demand a national law and reinforces the need for passage of H.R. 11463, which Congressman James H. Scheuer and I introduced on January 22, 1976, and which is cosponsored by 47 Members of the House.

The memorandum of William F. Haddad, office of legislative oversight and analysis, of the New York State Assembly, superbly documented the need for legislation in New York and the equivalent need on the Federal level. The memorandum follows:

[From the Assembly, State of New York, Albany, Mar. 16, 1976]

Memorandum

To: Stanley Steingut.
From: Bill Haddad.
Re: Arab Boycott.
Date: October 23, 1975.

Pursuant to your instructions we have looked into allegations that an Arab Boycott is operating in New York and elsewhere and that its ramifications extended not only to corporations doing business with Israel, but to Jews associated with these corporations. Our preliminary investigation is completed and what follows is a synopsis of what we found and recommendations on how we can proceed.

(1) The Arab Boycott is real and it is effective. It not only operates against companies doing business with Israel, but against Jews associated with those companies. Many of the major companies who won't supply Israel for fear the Arabs will stop doing business in this state, bringing them within range of our laws and subpena.

(2) We have located the basic Arabic document outlining just what constitutes busi-

ness with Israel. It is even more far reaching than we suspected.

Incidentally, the Arabs maintain their boycott rules are "reasonable and clear" and in so reporting, are far more honest than the American corporations with whom we have dealt in this inquiry and miles ahead of the United States Government which is tangled in a web of lies, contradictions, half-truths and deliberate deceptions, some of which we will outline in the report below and many of which, I believe, should be exposed during the proposed hearings).

Examples of the boycott, according to the Arabic document we have obtained, include:

Manufacturing and trading companies should be barred from the Arab countries if they have main or branch factories in Israel, if they have assembly plants in Israel, if they have offices there, if they give the right of using their names or issue licenses to Israelis, if they hold shares in Israeli companies or factories or they or their directors or managers are members of joint foreign-Israeli Chambers of Commerce, "if they decline to answer the questionnaire addressed by Arab authorities requiring them to provide explanation of the nature of their relations with Israel in order to determine whether they constitute a violation or not" (this is significant because Arab U.S. Chambers of Commerce, U.S. banks and consulates serve as certifiers and, hence, enforcers).

In terms of foreign navigation companies the rules are equally restrictive and include prohibitions against visiting an Israel and an Arab port on the same trip, if they transport industrial, commercial or agricultural products, if they transport Jewish immigrants, and, generally, "transactions shall be banned with any foreign navigation company if it is established that such company has chartered any ship or tanker owned or chartered by it to an Israel firm, company or institution with the intention of creating an international crisis involving any Arab country . . . this ban entails the blacklisting of all vessels owned or chartered by such company."

Foreign banks dealing with Israel are blacklisted if they give loans or subsidies to Israel public or private firms, if they take active part in distributing or promoting Israeli bonds, if they establish firms or companies in Israel, etc.

In movies and TV, if the film, story, script or content "distorts" Arab history, if it features Israeli actors or if the film features foreign actors or actresses whose Zionist tendencies are established."

And so forth.

We used these categories, and the others on this Arab document, as the basis of our study and proceeded to find examples in most categories.

(3) Here are some examples of what we have found:

(a) A Jewish partner in an architectural firm was told that he would have to move into a hidden subsidiary because the company wanted to do business with the Arabs; he was told that his "Jewishness" was embarrassing to the firm. He had been a partner for over ten years. He quit. He is a reluctant witness, now in Texas, but we are working him north. We will talk to him in Washington and there is a chance that he will testify; it is a career decision for him. I am convinced the story is true.

(b) Most manufacturing companies cooperate with the boycott. Our example is with a subcontractor to the major company who had to sign a certificate that he complied with the boycott. He told the company he didn't want to do it. They sent him a handwritten copy of what to say. He told them to "shove it up your ———". They found someone else to certify for him. When we got into the company we found that thirty subcontractors had complied. We also found out how the Arabs work in this area.

(c) Most banks comply. We sent a long questionnaire to them. Lots of resistance, especially with Chase and Chemical; FNCB was more responsive. In effect, the banks are the enforcers. We have the documents they use, how they are significant, etc. We have matched documents to banks and people so they can not wiggle out of it.

(d) With regard to the shipping compa- Section 14(a) provides that the Secre- nies, we have them complying. Good examples, good statements.

(e) The U.S. Arab Chamber of Commerce was supposedly the most important clearance house. We evidently scared the hell out of them. They called one of the companies we were interviewing and said they would no longer certify. However, we have the previous documents, a clear case. They are a New York State Chartered operation.

In dealing with some of the Arabs, we find that they are being responsive to the political environment because no one is forcing them to be responsive to the business environment where they would really like to function.

(f) The U.S. government seems to be one of the major enforcers of the Arab blacklist by both direct and indirect actions. We have examples and one interesting letter from the Controller of the Treasury stating that Arab money interests have said they would not invest monies in banks with Jewish directors or with Jewish ownership. We plan to subpena three Members of the Cabinet (Treasury, Commerce and Defense), but I am not sure how far our subpena can reach. We have a law school theory that government officials in the carrying out of their duties can be in violation of state law. I am trying to get them informally. We are in a better position than the Congress because we have a new law and the feds may be breaking that law by their actions.

(g) We have companies vital to Israel who won't sell to them. Some are sensitive since Morton was going to talk to them, but I am personally pursuing this.

This is just the tip of the iceberg. The federal government has not touched this and, from what we were told, the Congress didn't want to touch this because of the Corporations. I understand some subcommittees couldn't even get the subpena power to investigate. Therefore, the corporate defenders in the Congress say that the blacklist should be treated as an alleged blacklist. Bull—. We have the proof now.

As you know, Howard Squadron has been working with me. He has agreed to be special counsel at a dollar a year. Assemblyman Lisa's staff (Dennis O'leary) has been working with us and they are aware of this info and we are preparing for the private hearings and the public hearings. We are issuing subpenas this week for the private hearings.

In all, we have interviewed some 100 people; we will have around thirty to the private hearings; from that we should have the base for the public hearings at the end of November, either just before or right after Thanksgiving; we need to clear dates.

In short, we have the proof, there is a boycott and a blacklist, it is effective at certain levels, it is immoral and by the end of the year, it will be illegal.

We have a legislative purpose established for the hearing, the committee members are being informed.

What we need is the formal assignment to Lisa, the appointment of a bi-partisan subcommittee for the private hearings, dates for the public hearings and a closed ear to the corporate pressures which are building up.

SPONSORING A NEW NATIONAL HISTORIC SITE

(Mr. GUDE asked and was given permission to extend his remarks at this point in the Record and to include extraneous matter.)

Mr. GUDE. Mr. Speaker, I have recently joined Congressman Drinan in sponsoring legislation to establish the Frederick Law Olmsted Home and Office in Brookline, Mass. as a national historic site.

I am pleased to join in this very worthwhile endeavor as Olmsted is an internationally known landscape architect who beautified many of the large cities of America. His work resulted in giving urban areas much of their attractive open space of today. Central Park in New York City was one of his first and most famous creations. He envisaged the towers of concrete and brick that now surround the park and planned for the people inhabiting them. His design of this and other parks have accommodated themselves remarkably well to modern society, including the automobile.

Olmsted spent some 20 years working on the Grounds of the U.S. Capitol, making it what it is today. He was first contracted by the Congress, by an act authorizing the expenditure of up to $3,000 for a topographic survey and plans for laying out, improving, and enclosing the Capitol Grounds. When he began this project he saw the Capitol as a squat, graceless structure. Among his first suggestions was the design of the grand terraces and stairways which today flow from the west front of the Capitol to the Mall. Everything he did on the Capitol Grounds reflected his interpretation of Andrew Jackson Downing's plan for the mall, which was laid out in 1851. Much of Downing's plan has been changed to more accurately reflect L'Enfant's plan for the city, but the Grounds of the Capitol remain close to Olmsted's plans because of their adaptability.

Olmsted thought the Capitol should be visible from as many angles as possible and to accomplish this objective he had 8 feet shaved off the hill to the east of the Capitol. Many people suggested doing away with the large trees on the ground that they had suffered from neglect and were old before their time but Olmsted managed to save 157 of them and planned the planting of many more. By 1889 there were 229 different species of plants on the Capitol Grounds.

I believe it would be accurate to say that Frederick Law Olmsted has had a greater influence on the Nation's Capitol than any other individual except Pierre C. L'Enfant. In addition to the Capitol, Olmsted, his son, and the firm they founded did landscape planning for the grounds surrounding the White House, the Lincoln Memorial, the National Zoo, the National Shrine of the Immaculate Conception, and Rock Creek Park, as well as other landscape work within the boundaries of the District of Columbia.

Olmsted's influence was nationwide, having worked on city parks and universities in nearly all of the continental States. Many of his works have survived the years while others have been altered enough to accommodate new structures and the automobile. Many people have enjoyed and marveled at his works without knowing their creator. Few individuals have accomplished so much that has remained so long after their death. Frederick Law Olmsted is one of the Nation's great architects and his office and home in Brookline should be preserved for the future.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. Kelly) to revise and extend their remarks and include extraneous material:)

Mr. Lent, for 5 minutes, March 23, 1976.

Mr. Archer, for 5 minutes, today.

(The following Members (at the request of Mr. Hefner) to revise and extend their remarks and include extraneous material:)

Mr. Annunzio, for 5 minutes, today.

Mr. Gonzalez, for 5 minutes, today.

Mr. Vanik, for 10 minutes, today.

Mr. Conyers, for 5 minutes, today.

Mr. Flood, for 5 minutes, today.

Mr. Eilberg, for 5 minutes, today.

Mr. Cotter, for 5 minutes, today.

Ms. Holtzman, for 30 minutes, today.

Mr. Drinan, for 5 minutes, today.

Mr. Young, of Georgia, for 5 minutes, today.

Mr. Downey of New York, for 30 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

Mr. Skubitz to extend his remarks immediately prior to the passage of Senate Joint Resolution 184 today.

(The following Members (at the request of Mr. Kelly) and to include extraneous matter:)

Mr. Rinaldo.

Mr. Findley in two instances.

Mr. Sarasin.

Mr. Conte.

Mr. Anderson of Illinois.

Mr. Derwinski in three instances.

Mr. Bell.

Mr. Wiggins in four instances.

Mr. Hyde.

Mr. Ketchum.

Mr. Rhodes.

(The following Members (at the request of Mr. Hefner) and to include extraneous matter:)

Mr. Annunzio in six instances.

Mr. Anderson of California in three instances.

Mr. Gonzalez in three instances.

Mr. Allen.

Mr. Waxman.

Mr. McDonald of Georgia.

Mr. Vanik in two instances.

Mr. Brodhead in three instances.

Mr. Wirth.

Mr. Waggonner in 11 instances.

Mr. Mottl.

Mr. Byron in 10 instances.

Mr. Rodino.

Ms. Holtzman in 10 instances.

Mr. Macdonald of Massachusetts.

Mr. Dominick V. Daniels.

Mr. Ambro.

Mr. Stokes in three instances.

Mr. Zablocki in three instances.

Mr. Koch in two instances.

Mr. Evans of Colorado.

Mr. Rangel.

Mr. Eilberg.

Mr. Fithian.

Mr. Solarz.

Mr. Downey of New York in two instances.

Mr. Murphy of New York.

Mr. Bingham in five instances.

(The following Members (at the request of Mrs. Boggs) and to include extraneous matter:)

Mr. Traxler.

Mr. Thompson.

Mr. Murphy of New York.

Mr. Roe.

Mr. Ambro.

Mr. Rose in two instances.

Mrs. Boggs.

SENATE BILLS AND CONCURRENT RESOLUTION REFERRED

Bills and a concurrent resolution of the Senate of the following titles were taken from the Speaker's table and, under the rule, referred as follows:

S. 641. An act to regulate commerce and protect consumers from adulterated food by requiring the establishment of safety assurance procedures and safety assurance standards, to provide for the effective enforcement of the Food, Drug, and Cosmetic Act, to implement registration of food processing establishments, to provide for more informative labeling of food products, and for other purposes; to the Committee on Interstate and Foreign Commerce.

S. 2935. An act to authorize appropriations for the Federal Trade Commission, and for other purposes; to the Committee on Interstate and Foreign Commerce.

S. 3161. An act to authorize the Secretary of the Interior, with the approval of the Architect of the Capitol, to locate flag poles on the United States Capitol Grounds in order to fly the flag of each of the States of the United States, and its territories and possessions; to the Committee on Public Works and Transportation.

S.J. Res. 183. Joint resolution authorizing and requesting the President to issue a proclamation designating March 29, 1976, as "National Knights of Columbus Day"; to the Committee on Post Office and Civil Service.

ENROLLED BILLS SIGNED

Mr. HAYS of Ohio, from the Committee on House Administration, reported that that committee had examined and found truly enrolled bills of the House of the following titles, which were thereupon signed by the Speaker:

H.R. 3427. An act to provide for the striking of medals in commemoration of the two hundredth anniversary of the signing of the Declaration of Independence by Charles Carroll of Carrollton; and

H.R. 12122. An act to amend section 2 of the act of June 30, 1954, providing for the continuance of civil government for the Trust Territory of the Pacific Islands, and for other purposes.

BILL PRESENTED TO THE PRESIDENT

Mr. HAYS of Ohio, from the Committee on House Administration, reported that that committee did on March 18, 1976 present to the President, for his approval, a bill of the House of the following title:

H.R. 9570. An act to authorize the sale and shipment incident to such sale of the chemical substance carbonyl chloride by the Department of Defense.

ADJOURNMENT

Mrs. BOGGS. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 4 o'clock and 31 minutes p.m.), the House adjourned until tomorrow, Tuesday, March 23, 1976, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

2864. A letter from the President of the United States, transmitting an amendment to the request for appropriations for fiscal year 1977 for the Securities and Exchange Commission; to the Committee on Appropriations and ordered to be printed.

2865. A letter from the Chairman, National Commission on Supplies and Shortages, transmitting a report of a technical violation of the Anti-Deficiency Act, pursuant to section 3679(i)(2) of the Revised Statutes; to the Committee on Appropriations.

2866. A letter from the Secretary of the Army, transmitting notice of the proposed disposal of certain lethal chemical agents, pursuant to section 409(b) of Public Law 91–121, as amended; to the Committee on Armed Services.

2867. A letter from the Secretary of Transportation, transmitting a report on the Department's activities under the Freedom of Information Act during calendar year 1975, pursuant to 5 U.S.C. 552(d); to the Committee on Government Operations.

2868. A letter from the Director, Community Services Administration, transmitting a report on the activities of the agency under the Freedom of Information Act during calendar year 1975, pursuant to 5 U.S.C. 552(d); to the Committee on Government Operations.

2869. A letter from the Deputy Assistant Secretary of the Interior transmitting a copy of a proposed contract for Montana State University, Bozeman, Mont., for a research project entitled "Effect of Selective Replacement of Coal Surface Mine Overburden Strata on Soil and Hydrology Relationships," pursuant to section 1(d) of Public Law 89–672; to the Committee on Interior and Insular Affairs.

2870. A letter from the Chairman, Indian Claims Commission, transmitting the final determinations of the Commission in docket No. 350–C, *the Three Affiliated Tribes of the Fort Berthold Reservation*, plaintiffs, v. *the United States of America*, defendant, and docket No. 350–D, *the Three Affiliated Tribes of the Fort Berthold Reservation*, plaintiffs, v. *the United States of America*, defendant, pursuant to section 21 of the Indian Claims Commission Act; to the Committee on Interior and Insular Affairs.

2871. A letter from the Assistant Secretary of State for Congressional Relations, transmitting a draft of proposed legislation to increase the remuneration of nongovernment members of the Board of Foreign Scholarships and the U.S. Advisory Commission on International Education and Cultural Affairs; to the Committee on International Relations.

2872. A letter from the Assistant Legal Adviser for Treaty Affairs, Department of State, transmitting copies of international agreements, other than treaties, entered into by the United States, pursuant to section 112(b) of Public Law 92–403; to the Committee on Inernational Relations.

2873. A letter from the Administrator, Federal Energy Administration, transmitting a report covering the period October–December 1975, on imports of crude oil, residual fuel oil, refined petroleum products, natural gas, and coal; production of crude oil, natural gas, and coal; refinery activities; and inventories, pursuant to section 11(c)(2) of Public Law 93–319; to the Committee on Interstate and Foreign Commerce.

2874. A letter from the Commissioner, Federal Prison Industries, Incorporated, Department of Justice, transmitting the annual report of the Board of Directors of the Corporation for fiscal year 1974, pursuant to 18 U.S.C. 4127; to the Committee on the Judiciary.

2875. A letter from the Secretary of Transportation, transmitting a draft of proposed legislation to amend certain laws affecting personnel of the Coast Guard, and for other purposes; to the Committee on Marine and Fisheries.

2876. A letter from the Administrator of General Services, transmitting a prospectus proposing alterations at the Washington, D.C., central heating plant, pursuant to section 7(a) of the Public Buildings Act of 1959, as amended; to the Committee on Public Works and Transportation.

2877. A letter from the Chairman, National Commission on Water Quality, transmitting a report on the technological aspects of achieving, and the economic, social and environmental effects of achieving or not achieving the effluent limitations and goals established for 1983 in section 301(b)(2) of the Federal Water Pollution Control Act, as amended, pursuant to section 315(e) of the act (86 Stat. 876) (H. Doc. No. 94–418); to the Committee on Public Works and Transportation and ordered to be printed.

Received from the Comptroller General

2878. A letter from the Comptroller General of the United States, transmitting a list of reports issued or released by the General Accounting Office during February 1976, pursuant to section 234 of the Legislative Reorganization Act of 1970; to the Committee on Government Operations.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

[*Pursuant to the order of the House on Mar. 18, 1976, filed on Mar. 19, 1976*]

Mr. PRICE: Joint Committee on Atomic Energy. H.R. 12388. A bill to amend Public Law 94–187 to increase the authorization for appropriations to the Energy Research and Development Administration in accordance with section 261 of the Atomic Energy Act of 1954, as amended, section 305 of the Energy Reorganization Act of 1974, and section 16 of the Federal Nonnuclear Energy Research and Development Act of 1974, and for other purposes (Rept. No. 94–931).

Referred to the Committee of the Whole House on the State of the Union.

[*Submitted March 22, 1976*]

Mr. EDWARDS of California: Committee of conference. Conference report in disagreement on H.R. 10624 (Rept. No. 94–938). Ordered to be printed.

Mr. HALEY: Committee on Interior and Insular Affairs. H.R. 3863. A bill to designate the Eagles Nest Wilderness, Arapaho and White River National Forests, in the State of Colorado; with amendment (Rept. No. 94–939). Referred to the Committee of the Whole House on the State of the Union.

Mr. ULLMAN: Committee on Ways and Means. H.R. 12490. A bill to provide tax treatment for exchanges under the final system plan for ConRail; with amendment (Rept. No. 94–940). Referred to the Committee of the Whole House on the State of the Union.

Mr. McFALL: Committee of conference. Conference report on House Joint Resolution 801. (Rept. No. 94–941). Ordered to be printed.

Mr. MOORHEAD of California: Committee on the Judiciary. H.R. 1560. A bill for the relief of Murrray Swartz (Rept. No. 94–932). Referred to the Committee of the Whole House.

Mr. DANIELSON: Committee on the Judiciary. H.R. 2564. A bill for the relief of Franklin R. Helt (Rept. No. 94–933). Referred to the Committee of the Whole House.

Mr. FLOWERS: Committee on the Judiciary. H.R. 6507. A bill for the relief of Chester C. Clark, Mary L. Clark, and Dorothy J. Wilbur (Rept. No. 94–934). Referred to the Committee of the Whole House.

Mr. DANIELSON: Committee on the Judiciary. H.R. 9414. A bill for the relief of TV Facts, Rochester, N.Y. (Rept. No. 94–935). Referred to the Committee of the Whole House.

Mr. DANIELSON: Committee on the Judiciary. H.R. 9965. A bill for the relief of Boulder Daily Camera, Boulder, Colo., without amendment (Rept. No. 94–936). Referred to the Committee of the Whole House.

Mr. MOORHEAD of California: Committee on the Judiciary. S. 1494. An act for the relief of Paul W. Williams (Rept. No. 94–937). Referred to the Committee of the Whole House.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. BROWN of California:

H.R. 12680. A bill to authorize a Federal program of research, development, and demonstration designed to promote research and development in efficiency of energy use, and to demonstrate the practical feasibility of investment in energy-efficient equipment and processes in residential, commercial, industrial, agricultural, and governmental activities; to the Committee on Science and Technology.

By Mr. HANLEY:

H.R. 12681. A bill to amend the Internal Revenue Code of 1954 to increase from $1 million to $10 million the exemption from industrial development bond treatment for certain small issues; to the Committee on Ways and Means.

By Mr. HECHLER of West Virginia:

H.R. 12682. A bill to amend section 1114, title 18, United States Code, so that Federal mine safety inspectors will be protected by criminal statutes; to the Committee on the Judiciary.

By Mr. HIGHTOWER (for himself and Mr. Mahon):

H.R. 12683. A bill to amend the Farm Labor Contractor Registration Act of 1963 to exempt contractors of workers engaged in custom cutting or combine operations in connection with the harvesting of grains and contractors of workers engaged in the shearing of sheep; to the Committee on Education and Labor.

By Ms. HOLTZMAN (for herself, Mr. Davis, Mr. Krebs, Mr. Florio, Mr. Harrington, Mr. Downey of New York, Mr. Won Pat, Mr. Nix, Mr. Stark, Mr. Roybal, Mr. Vander Veen, Mr. Hechler of West Virginia, Mrs. Chisholm, Mr. Mitchell of Maryland, Mr. Peyser, Mr. Rosenthal, Mr. Harris, Mr. Scheuer, Mr. Miller of California, Mr. Pickle, Mrs. Mink, Mr. Fithian, Mrs. Fenwick, Ms. Keys, and Mr. Frenzel):

H.R. 12684. A bill to amend the Federal Rules of Evidence to permit fair and effective prosecution for rape by providing that evidence of an individual's prior sexual conduct is not admissible in any action or proceeding if an issue in such action or proceeding is whether such individual was raped or assaulted with intent to commit rape; to the Committee on the Judiciary.

By Ms. HOLTZMAN (for herself, Mr. Richmond, Mrs. Spellman, Mr. Moffett, Mr. Moss, Mr. Udall, Mr. Rangel, Mr. Badillo, Mr. Wirth, Ms. Abzug, Mr. Roush, Mr. Coughlin, Mr. Maguire, Mr. Rees, Mr. D'Amours, Mr. Ottinger, Mr. Weaver, Mr. Flood, Mr. Edwards of California, Mr. Koch, Mr. Fraser, and Mr. Mezvinsky):

H.R. 12685. A bill to amend the Federal Rules of Evidence to permit fair and effective prosecution for rape by providing that evidence of an individual's prior sexual conduct is not admissible in any action or proceeding if an issue in such action or proceeding is whether such individual was raped or assaulted with intent to commit rape; to the Committee on the Judiciary.

By Mr. HOWARD:

H.R. 12686. A bill to limit U.S. contributions to the United Nations; to the Committee on International Relations.

By Mr. JONES of Oklahoma:

H.R. 12687. A bill to amend the Internal Revenue Code of 1954 to increase the exemption for purposes of the Federal estate tax, to increase the estate tax marital deduction, and to provide an alternate method of valuing certain real property for estate tax purposes; to the Committee on Ways and Means.

By Mr. LUJAN:

H.R. 12688. A bill to reaffirm the national public policy and the purposes of Congress in enacting the Robinson-Patman Antiprice Discrimination Act entitled "An act to amend section 2 of the act entitled "An act to supplement existing laws against unlawful restraints and monopolies, and for other purposes," approved October 15, 1914, as amended (U.S.C., title 15, sec. 13), and for other purposes", and to clarify the intent and meaning of the aforesaid law by providing for the mandatory nature of functional discounts under certain circumstances; to the Committee on the Judiciary.

By Mr. MOAKLEY:

H.R. 12689. A bill to establish energy conservation research, development, and demonstration institutes, to create a cooperative energy extension service, to promote a more adequate national program of research, development, and demonstration in technologies related to energy conservation, and for other purposes; to the Committee on Science and Technology.

By Mr. MOAKLEY (for himself, Mr. Won Pat, Mr. Helstoski, Mr. Mitchell of Maryland, Mr. Badillo, Mr. Eilberg, Mr. Harrington, Mrs. Spellman, and Mr. Bedell):

H.R. 12690. A bill to develop opportunities for programs that give students practical experience with organizations involved in international activities and to provide financial assistance for students participating in such programs; to the Committee on Education and Labor.

By Mr. MONTGOMERY:

H.R. 12691. A bill to amend chapter 49 of title 10, United States Code, to prohibit union organization in the armed forces, and for other purposes; to the Committee on Armed Services.

By Mr. MONTGOMERY (for himself and Mr. Nichols):

H.R. 12692. A bill to extend the Federal Tort Claims Act to members of the National Guard when engaged in training duty under Federal law, and for other purposes; to the Committee on the Judiciary.

By Mr. OBERSTAR:

H.R. 12693. A bill to amend the Forest and Rangeland Renewable Resources Planning Act of 1974 (88 Stat. 476) and the act of June 4, 1897 (30 Stat. 35); to the Committee on Agriculture.

By Mr. PATTERSON of California:

H.R. 12694. A bill to provide a special program for financial assistance to Opportunities Industrialization Centers in order to provide 1 million new jobs and job training opportunities, and for other purposes; to the Committee on Education and Labor.

By Mr. PERKINS (for himself, Mr. Brown of California, Mrs. Burke of California, Mr. Carr, Mrs. Chisholm, Mr. Coughlin, Mr. de Lugo, Mr. Drinan, Mr. Edwards of California, Mr. Ford of Tennessee, Mr. Gaydos, Mr. Hayes of Indiana, Mr. Hechler of West Virginia, Mr. Jacobs, Mr. Mazzoli, Mr. Moakley, Mr. Nix, Mr. Spence, Mr. St Germain, Mr. Thone, Mr. Vigorito, and Mr. Young of Georgia):

H.R. 12695. A bill to provide a special program for financial assistance to Opportunities Industrialization Centers in order to provide 1 million new jobs and job training opportunities, and for other purposes; to the Committee on Education and Labor.

By Mr. PICKLE:

H.R. 12696. A bill to amend section 1362 of title 18, United States Code, relating to the injury or destruction of communication lines, stations, or systems; to the Committee on the Judiciary.

By Mr. SLACK:

H.R. 12697. A bill to amend the Solid Waste Disposal Act to prohibit the promulgation of certain regulations respecting beverage containers sold, offered for sale, or distributed at Federal facilities; to the Committee on Interstate and Foreign Commerce.

By Mr. STOKES (for himself, Mr. Mazzoli, Ms. Mink, Mr. Rangel, and and Mr. Baucus):

H.R. 12698. A bill to amend the National Housing Act to authorize expenditures by the Secretary of Housing and Urban Development for repair of certain dwellings; to the Committee on Banking, Currency and Housing.

By Mr. STOKES (for himself, Mr. Mitchell of Maryland, Mr. Metcalfe, Mr. Conyers, Mr. Dellums, Mr. Harrington, Mr. Roybal, Mr. Pepper, Mr. Fauntroy, Mr. Badillo, Mr. Nix, Mr. Rodino, Mr. Brown of California, Mr. Fraser, Mr. Helstoski, Mr. James V. Stanton, Ms. Chisholm, Ms. Burke of California, Mr. Beard of Rhode Island, Mr. Carney, Mr. Moakley, Mr. Brodhead, Mr. Stark, Mr. Drinan, and Ms. Jordan):

H.R. 12699. A bill to amend title 38, United States Code, to authorize expenditures by the Administrator of Veterans' Affairs for repair of certain dwellings; to the Committee on Veterans' Affairs.

By Mr. STOKES (for himself, Mr. Clay, Mr. Mazzoli, Ms. Mink, Mr. Rangel, and Mr. Baucus):

H.R. 12700. A bill to amend title 38, United States Code, to authorize expenditures by the Administrator of Veterans' Affairs for repair of certain dwellings; to the Committee on Veterans' Affairs.

By Mr. TSONGAS (for himself, Mr. Fisher, and Mr. D'Amours):

H.R. 12701. A bill to amend title 39, United States Code, to provide that Members of the Congress may not make mass mailings as franked mail less than 28 days before a primary election or less than 120 days before a general election; to the Committee on Post Office and Civil Service.

By Mr. TRAXLER:

H.R. 12702. A bill to authorize the Secretary of Agriculture to make financial assistance available to agricultural producers who suffer losses as the result of having their agricultural commodities or livestock quarantined or condemned because such commodities or livestock have been found to contain toxic chemicals dangerous to the public health; to the Committee on Agriculture.

By Mr. WIRTH (for himself, Mr. Koch, Mr. Richmond, and Mr. Traxler):

H.R. 12703. A bill to provide for limited public financing of congressional general election campaigns through the matching of private contributions, and for other purposes; to the Committee on House Administration.

By Mr. TEAGUE (for himself, Mr. Mosher, Mr. Hechler of West Virginia, Mr. Jarman, Mr. Fuqua, Mr. Winn, Mr. Symington, Mr. Frey, Mr. Flowers, Mr. Esch, Mr. Roe, Mr. Myers of Pennsylvania, Mr. McCormack, Mr. Emery, Mr. Brown of California, Mr. Thornton, Mr. Scheuer, Mr. Ottinger, Mr. Hayes of Indiana, Mr. Lloyd of California, Mr. Ambro, Mr. Blouin, Mr. Hall, Mr. Blanchard, and Mr. Wirth):

H.R. 12704. A bill to authorize appropriations for environmental research, development, and demonstration; to the Committee on Science and Technology.

By Mr. HOWARD:

H.J. Res. 879. Joint resolution authorizing and requesting the President to issue a proclamation designating the 7 calendar days commencing on April 30 of each year as National Beta Sigma Phi Week; to the Committee on Post Office and Civil Service.

By Mr. MONTGOMERY:

H.J. Res. 880. Joint resolution to provide for the designation of the second full calendar week in March 1976 as National Employ the Older Worker Week; to the Committee on Post Office and Civil Service.

By Mr. RAILSBACK (for himself, Ms. Abzug, Mr. Badillo, Mr. Beard of Rhode Island, Mr. Burgener, Mr. Cochran, Mr. Dickinson, Mr. du Pont, Mr. Fithian, Mr. Fountain, Mr. Gilman, Mr. Grassley, Mr. Jeffords, Mr. Jenrette, Mr. Jones of North Carolina, Mr. Kindness, Mr. LaFalce, Mr. Lagomarsino, Mr. Mahon, Mr. Mazzoli, Mr. McHugh, Mr. Mitchell of New York, Mr. Moore, and Mr. Pressler):

H.J. Res. 881. Joint resolution to designate the fourth Monday in March of each year as National Agriculture Day; to the Committee on Post Office and Civil Service.

By Mr. RAILSBACK (for himself, Mr. Roe, Mrs. Smith of Nebraska, Mr. Stuckey, Mr. Vander Jagt, Mr. Whitten, and Mr. Winn):

H.J. Res. 882. Joint resolution to designate the fourth Monday in March of each year as National Agriculture Day; to the Committee on Post Office and Civil Service.

By Mr. RAILSBACK (for himself, Mr. Jacobs, Mr. O'Hara, Mr. Perkins, Mr. Regula, Mr. Richmond, Mr. Thone, Mr. Vigorito, Mr. Waggonner, Mr. Walsh, and Mr. Whitehurst):

H.J. Res. 883. Joint resolution designating the week beginning April 4, 1976, as National Drafting Week; to the Committee on Post Office and Civil Service.

By Mr. HANNAFORD (for himself, Mr. Crane, Mr. Downey of New York, Mr. Edgar, Mr. Harrington, Mr. Hayes of Indiana, Mr. Mineta, Mr. Rees, Mr. Roybal, and Mrs. Spellman):

H. Res. 1099. Resolution to develop a multilateral code of conduct to eliminate bribery and other practices which burden multinational corporations; to the Committee on Banking, Currency and Housing.

By Mr. MILFORD:

H. Res. 1100. Resolution providing for the printing as a House document of a report of the Select Committee on Intelligence; to the Committee on House Administration.

By Mr. PATTISON of New York (for himself, Mr. Blouin, Mr. Fish, Mr. Helstoski, Mr. Howard, Mr. Mazzoli, Mr. Patterson of California, Mr. Rees, Mr. Riegle, Mr. Vander Veen, Mr. Young of Georgia, and Mr. Zeferetti):

H. Res. 1101. Resolution to create a Select Committee on the Fiscal Problems of Cities; to the Committee on Rules.

By Mr. WHALEN:

H. Res. 1102. Resolution to provide that any unexpended portion of the stationery allowance of a Member of the House of Representatives shall be returned to the contingent fund of the House at the close of each Congress, and for other purposes; to the Committee on House Administration.

MEMORIALS

Under clause 4 of rule XXII, memorials were presented and referred as follows:

323. By the SPEAKER: Memorial of the Legislature of the State of California, relative to water quality of international streams; to the Committee on International Relations.

324. Also, Memorial of the Sixth Congress of Micronesia, relative to the Micronesian Claims Act of 1971; to the Committee on International Relations.

325. Also, memorial of the Legislature of the State of South Carolina, relative to regulation of the insurance industry; to the Committee on Interstate and Foreign Commerce.

326. Also, memorial of the Senate of the State of Washington, relative to railway service and energy savings; to the Committee on Interstate and Foreign Commerce.

327. Also, memorial of the Legislature of the State of Maine, relative to issuing a special stamp commemorating Gen. Henry Knox; to the Committee on Post Office and Civil Service.

328. Also, memorial of the Legislature of the State of Oklahoma, relative to rural post offices; to the Committee on Post Office and Civil Service.

329. Also, memorial of the House of Representatives of the State of Georgia, relative to the Administrative Rulemaking Control Act; jointly, to the Committees on the Judiciary and Rules.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BLANCHARD:

H.R. 12705. A bill for the relief of Capt. Robert D. McAlpine, USAFR Retired; to the Committee on Armed Services.

By Mr. HARRINGTON:

H.R. 12706. A bill for the relief of Lauman Ming; to the Committee on the Judiciary.

By Mr. MAHON:

H.R. 12707. A bill for the relief of Barry Ray Leftwich Dibling; to the Committee on the Judiciary.

By Mr. TALCOTT:

H.R. 12708. A bill for the relief of David A. Savard; to the Committee on the Judiciary.

By Mr. TSONGAS:

H.R. 12709. A bill for the relief of Katsura Fukui; to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

423. By the SPEAKER: Petition of the city council, Cleveland, Ohio, relative to food stamps; to the Committee on Agriculture.

424. Also, petition of the Kauai County Council, Kauai, Hawaii, relative to the legislative addendum of the Department of

Defense, to the fiscal year 1977 budget; jointly, to the Committees on Appropriations, and Armed Services.

AMENDMENTS

Under clause 6 of rule XXIII, proposed amendments were submitted as follows:

H.R. 12406

By Mr. SOLARZ:

Page 57, immediately after line 19, insert the following new section:

CONGRESSIONAL ELECTION CAMPAIGN FUND

SEC. 308. (a) Subtitle H of the Internal Revenue Code of 1954, relating to financing of Presidential election campaigns, is amended by adding at the end thereof the following new chapter:

"CHAPTER 97—CONGRESSIONAL ELECTION CAMPAIGN FUND

"Sec. 9051. Short title.
"Sec. 9052. Definitions.
"Sec. 9053. Eligibility for payments.
"Sec. 9054. Entitlement to payments.
"Sec. 9055. General limitations.
"Sec. 9056. Certification by Commission.
"Sec. 9057. Payments to eligible candidates.
"Sec. 9058. Examination and audits; repayments.
"Sec. 9059. Reports to Congress; regulations.
"Sec. 9060. Participation by Commission in judicial proceedings.
"Sec. 9061. Judicial review.
"Sec. 9062. Criminal penalties.

"SEC. 9051. SHORT TITLE.

"This chapter may be cited as the 'Congressional Election Campaign Fund Act'.

"SEC. 9052. DEFINITIONS.

"For purposes of this chapter—

"(1) The term 'authorized committee' means, with respect to a candidate for Federal office, any political committee which is authorized in writing by such candidate to incur expenses to further the nomination for election or election of such candidate. The authorization shall be addressed to the treasurer of such political committee, and a copy of the authorization shall be filed by such candidate with the Commission. Any withdrawal of any authorization shall also be in writing and shall be addressed and filed in the same manner as the authorization.

"(2) The term 'candidate' means an individual who seeks nomination for election, or election, to Federal office. For purposes of this paragraph, an individual is considered to seek election if he (A) takes the action necessary under the law of a State to qualify for election; and (B) receives contributions or incurs qualified campaign expenses, or gives his consent for any other person to receive contributions or to incur qualified campaign expenses on his behalf.

"(3) The term 'Commission' means the Federal Election Commission established by section 309(a)(1) of the Federal Election Campaign Act of 1971.

"(4) The term 'contribution' means a gift of money made (A) by a written instrument which identifies the person making the contribution by full name; or (B) in cash up to $100, except that the candidate and his authorized committees shall maintain and file reports in the form prescribed by the Commission, which show the date and amount of each such contribution and the full name and mailing address of the person making such contribution. Such term does not include a subscription, loan, advance, or deposit of money, or a contribution of products or services or anything else of value (other than money).

"(5) The term 'eligible candidate' means a candidate for election to Federal office who is eligible under section 9053 to receive payments under this chapter.

"(6) The term 'Federal office' means the office of Senator or Representative;

"(7) The term 'general election' means any regularly scheduled or special election held for the purpose of electing a candidate to Federal office.

"(8) The term 'primary election' includes any convention or caucus of a political party which has authority to nominate a candidate for election to Federal office.

"(9) The term 'major party' means, with respect to election for Federal office, a political party whose candidate for election in the preceding general election for that office received as the candidate of that party, 25 percentum or more of the total number of votes cast in that election for all candidates for that office.

"(10) The term 'official political party committee' means a political committee organized by the House or Senate Members of any political party having more than 5 percent of the membership of either the House of Representatives or Senate of the United States and designated as an official political party committee by the appropriate House or Senate caucus of the political party.

"(11) The term 'qualified campaign expenses' means only those expenses incurred by a candidate, or by his authorized committee, in connection with his campaign for nomination for election, or for election, to Federal office which are for the use of—

"(A) broadcasting stations to the extent that they represent direct charges for air time;

"(B) newspapers, magazines, and outdoor advertising facilities to the extent that they represent direct charges for advertising space;

"(C) direct mailings;

"(D) telephones to the extent that they represent lease and use charges for equipment, and telegrams;

"(E) rental of campaign headquarters, except that such term does not include funds used to pay rent to the candidate, a member of the immediate family of the candidate, or a business entity 10 percent or more of the assets of which is owned or controlled by the candidate or members of the immediate family of the candidate; and

"(F) brochures, buttons, signs, and other printed campaign materials;

except that such term shall not include any payment which constitutes a violation of any law of the United States. For purposes of this paragraph, an expense is incurred by a candidate or by an authorized committee if it is incurred by a person specifically authorized in writing by the candidate or committee, as the case may be, to incur such expense on behalf of the candidate or committee.

"(12) The term 'Representative' means a Member of the House of Representatives, the Delegates from the District of Columbia, Guam, and the Virgin Islands, and the Resident Commissioner from Puerto Rico.

'(13) The term 'State' means each State of the United States, the District of Columbia, the Commonwealth of Puerto Rico, Guam, and the Virgin Islands.

"(14) The term 'voting age population' means the voting age population certified under section 320(e) of the Federal Election Campaign Act of 1971.

"(15) The term 'Secretary' means the Secretary of the Treasury.

"(16) The term 'Account' means the Congressional Election Payment Account.

"SEC. 9053. ELIGIBILITY FOR PAYMENTS.

"(a)(1) PRIMARY ELECTIONS.—Any candidate in a major party primary election for Federal office shall be eligible for payments under section 9057 upon certifying to the Commission that—

"(A) such candidate has received contributions in an amount equal to 12 percent of the applicable expenditure limitation for the primary election involved under section 320(b) of the Federal Election Campaign Act of 1971; and

"(B) the aggregate of contributions certified to any person under paragraph (1) does not exceed $100.

"(a)(2) To be eligible to receive any payments under section 9057 for use in connection with his/her general election campaign, a candidate shall certify to the Commission—

"(A) that the candidate is the nominee of a political party for election to Federal office of Representative or is otherwise qualified on the ballot as a candidate in the general election for such office and the candidate and his/her authorized committees have received contributions in connection with that campaign which, in the aggregate, exceed $5,000; or

"(B) that the candidate is the nominee of a political party for election to the Federal office of Senator or is otherwise qualified on the ballot as a candidate in the general election for such office and the candidate and his/her authorized committees have received contributions in connection with that campaign which, in the aggregate, exceed 10 percent of the amount he/she may spend in the general election under section 608(c) of title 18 of the United States Code; and

"(C) that the candidate and his/her authorized committees will not incur qualified campaign expenses in excess of the limitation on such expenses under section 9054; and

"(D) that the candidate is seeking election to a specific Federal office.

"(a)(3) To be eligible to receive any payments under section 9057 an official political party committee shall certify to the Commission its status as an official political party committee within the meaning of section 9052.

"(b) In determining the amount of contributions received for purposes of subsection (a) and of section 9054—

"(A) no contribution from any person to a candidate or his/her authorized committees shall be taken into account to the extent that it exceeds $100 when added to the amount of all other contributions made by that person to or for the benefit of that candidate in connection with his/her general election campaign;

"(B) no contribution from any person to an official political party committee shall be taken into account to the extent that it exceeds $100 when added to the amount of all other contributions made by that person to all official political party committees of the same political party during the same calendar year;

"(C) no contribution from any person to a candidate or his/her authorized committees shall be taken into account unless it is dated and received during the matching payment period;

"(D) no contribution from any official political party committee to a candidate or his/her authorized committees shall be taken into account.

"(c) SEPARATE CONTRIBUTION ACCOUNTS.—For purposes of determining the amount of contributions received by a candidate and his authorized committees under subsection (a) and section 9054(a), each candidate shall establish a separate account for all such contributions to be used in connection with a primary election and a separate account for all such contributions to be used in connection with a general election. Contributions deposited in any such separate account shall not be contributions for purposes of subsection (a) and section 9054(a) if such contributions are used for any purpose other than as expenditures in connection with the campaign for nomination for election, or for election, of the candidate.

"SEC. 9054. ENTITLEMENT TO PAYMENTS.

"(a) IN GENERAL.—Every candidate who is eligible to receive payments under section

9053 in connection with his campaign for nomination for election, or for election, to Federal office, is entitled to payments under section 9057 in an amount equal to the aggregate contributions received by such candidate in connection with any such campaign, except that the total amounts of payments to which a candidate is entitled under this subsection may not exceed 50 per centum of the sum of the expenditure limitation applicable to such candidate for the specific campaign under section 320(b) of the Federal Election Campaign Act of 1971.

"(b) Limitation.—A candidate may receive payments under subsection (a) in connection with a contribution to such candidate from any person only to the extent that the aggregate contributions from such person during the matching payment period do not exceed $100.

"Sec. 9055. General Limitations.

"(a) Qualified Campaign Expenses.—Funds received by a candidate or his authority committees under this chapter shall be used only for qualified campaign expenses incurred during the matching payment period.

"(b) Payments in Primary Election or General Election.—No candidate or his authorized committees shall be entitled to receive any funds under section 9054 in connection with a primary election or general election until the candidate and at least one opponent are participating in the primary election involved or have qualified for the ballot under State law as candidates for the general election involved.

"(c) Deposit of Payments.—All payments received under this chapter shall be deposited at a national or State bank in a separate checking account which contains only those funds received under this chapter. No expenditures of any payments received under this chapter shall be made except by checks drawn on such separate checking account at a national or State bank. The Commission may require such reports on the expenditures of such funds as it deems appropriate.

"(d) Distributions.—The Secretary or his delegate shall make distribution of the funds provided under section 9054(a) in the same sequence in which the initial and subsequent certifications are received pursuant to section 9056.

"(e) Expenditures From Personal Funds.—In order to be eligible to receive any payment under section 9057, a candidate shall certify to the Commission, under penalty of perjury, that such candidate shall not knowingly make expenditures from his personal funds, or the personal funds of his immediate family, in connection with his campaign for nomination for election to Federal office, or in connection with his campaign for election to Federal office, in excess of, in the aggregate (1) $35,000, in the case of a candidate for the office of Senator or for the office of Representative from a State which is entitled to only one Representative from a State which is entitled to only one Representative; or (2) $25,000, in the case of a candidate for the office of Representative, or Delegate or Resident Commissioner, in any other State.

"(f) Definition of Immediate Family.—For purposes of subsection (e), the term 'immediate family' means a candidate's spouse, and any child, parent, grandparent, brother, or sister of the candidate, and the spouses of such persons.

"Sec. 9056. Certification by Commission.

"(a) Initial Certification.—Not later than 10 days after a candidate establishes his eligibility under section 9053 to receive payments under section 9057, the Commission shall certify to the Secretary for payment to such candidate under section 9057 payment in full of amounts to which such candidate is entitled under section 9054. The Commission shall make such additional certifications as may be necessary to permit candidates to receive payments for contributions under section 9057.

"(b) Finality of Determinations.—Initial certifications by the Commission under subsection (a), and all determinations made by it under this chapter, are final and conclusive, except to the extent they are subject to examination and audit by the Commission under section 9058 and judicial review under section 9060.

"(c) Limitation.—The Commission shall, not later than February 1 of each election year, determine whether the amount of moneys in the Account will be sufficient to make all payments to which candidates will be entitled under this chapter during such election year. If the Commission determines the amount of moneys in the Account will not be sufficient, the Commission shall ratably reduce the maximum amounts to which candidates are entitled under this chapter by a fraction, the numerator of which shall be the sum of moneys then on deposit in the Account and moneys estimated to be deposited in the Account before the first primary election with respect to which a candidate will be eligible for payments under section 9057, and the denominator of which shall be the sum of the estimated amounts to which all candidates would be entitled under this chapter if the moneys in the Account were sufficient. If the Commission subsequently determines that additional moneys are available for payments under this chapter during such election year, such payments as may have been reduced in accordance with the preceding sentence shall be increased on the same basis as they were reduced.

"Sec. 9057 Payments to Eligible Candidates.

"(a) Establishment of Account.—The Secretary shall maintain in the Presidential Election Campaign Fund established under section 9006(a), in addition to any account which he maintains under such section and section 9037, a separate account to be known as the Congressionl Election Payment Account. The Secretary shall deposit into the Account, for use by candidates who are eligible to receive payments under section 9053, the amount available after the Secretary determines that adequate amounts are available for payments under sections 9006(c), 9008(b)(3), and 9037(b).

"(d) Deposits.—Notwithstanding subsection (a), the Secretary shall deposit into the Account that portion of the annual amounts designated by taxpayers under section 6096 which is equal to the excess over 30 percent of the total amount made available in the last election for the office of President in allocating funds under section 9006. The money in the Account shall remain available without fiscal year limitation.

"(c) Payments From the Account.—Upon receipt of a certification from the Commission under section 9056, the Secretary or his delegate shall, within 10 days after receiving such certification, transfer the amount certified by the Commission from the Account to the candidate. The Secretary shall make distribution of the funds available under subsection (a) in the same sequence in which the initial and subsequent certifications are received under section 9056.

"Sec. 9058. Examination and Audits; Repayments.

"(a) Examination and Audits.—After each general election, the Commission is authorized to conduct an examination and audit of the campaign contributions raised for purposes of obtaining matching funds with respect to primary elections and with respect to general elections and the qualified campaign expenditures made by all candidates for Federal office and official political party committees who received payments under this chapter.

"(b) Repayments.—

"(1) If the Commission determines that any portion of the payments made to an eligible candidate with respect to a primary election or with respect to a general election or to an official party committee with respect to a general election under section 9057 was in excess of the aggregate amount of the payments to which the candidate was entitled, it shall so notify the recipient, and the recipient shall pay to the Secretary an amount equal to the excess amount.

"(2) If the Commission determines that any portion of the payments made to a candidate under section 9057 for use in a primary election campaign or a general election campaign was used for any purpose other than for qualified campaign expenses in connection with any such campaign, the Commission shall so notify the candidate and the candidate shall pay an amount equal to 300 percent of that amount to the Secretary.

"(3) If the Commission determines that any portion of the payments made to an official political party committee under section 9057 was used for any purpose other than to make campaign contributions to congressional candidates for use in the general election, the Commission shall so notify the official political party committee and the official political party committee *shall* pay an amount equal to three times that amount to the Secretary.

"(4) Amounts received by a candidate under this chapter may be retained for 60 days after the primary election or the general election involved for the purpose of liquidating all obligations to pay qualified campaign expenses which were incurred during the matching payment period. After the 60-day period following the election, all remaining Federal funds not yet expended on qualified campaign expenses shall be promptly repaid by the candidate to the Account.

"(4) If any candidate who has received funds under this chapter is convicted of violating any provision of this chapter, the candidate shall pay to the Secretary the full amount received under this chapter.

"(c) Period of Notification.—No notification shall be made by the Commission under subsection (b) with respect to a campaign more than 2 years after the day of the election to which the campaign related.

"(d) Deposit of Payments.—All pay payments received by the Secretary under subsection (b) shall be deposited by him in the Account.

"Sec. 9059. Reports to Congress; Regulations.

"(a) Report.—The Commission shall, as soon as practicable after the close of each calendar year, submit a full report to the Senate and House of Representatives setting forth—

"(1) the qualified campaign expenses (shown in the detail the Commission deems necessary) incurred by a candidate who received payments under section 9057, and by his authorized committees;

"(2) the amounts certified by it under section 9056 for payment to each candidate and his authorized committees; and

"(3) the amount of payments, if any required from such candidate or official party committee under section 9058, and the reasons for each payment required.

Each report submitted pursuant to this section shall be printed as a House or Senate document and made available in sufficient numbers for the general public.

"(b) Regulations.—

"(1) The Commission may prescribe regulations to carry out the provisions of this chapter. The Commission, before prescribing any such regulation, shall transmit a statement with respect to such regulation to the Senate and to the House of Representatives in accordance with the provisions of this subsection. Such statement shall set forth the proposed regulation and shall contain an explanation and justification of such regulation.

"(2) If either such House does not, through appropriate action, disapprove the proposed regulation set forth in such statement no later than 30 legislative days after the receipt of such statement, then the Commission may prescribe such regulation. The Commission may not prescribe any such regulation which is disapproved by either such House under this paragraph.

"(3) For purposes of this subsection, the term 'legislative days' does not include any calendar day on which both Houses of the Congress are not in session.

"Sec. 9060. Participation by Commission in Judicial Proceedings.

"(a) Appearance by Counsel.—The Commission may appear in and defend against any action instituted under this section, either by attorneys employed in its office or by counsel whom it may appoint without regard to the provisions of title 5, United States Code, governing appointments in the competitive service, and whose compensation it may fix without regard to the provisions of chapter 51 of subchapter III of chapter 53 of such title.

"(b) Recovery of Certain Payments.—The Commission may, through attorneys and counsel described in subsection (a), institute actions in the district courts of the United States to seek recovery of any amounts determined to be payable to the Secretary or his delegate as a result of an examination and audit made under section 9058.

"(c) Injunctive Relief.—The Commission may through attorneys and counsel described in subsection (a), petition the courts of the United States for such injunctive relief as is appropriate to implement any provision of this chapter.

"(d) Appeal.—The Commission may on behalf of the United States appeal from, and petition the Supreme Court for certiorari to review, judgments or decrees entered with respect to actions in which it appears pursuant to the authority provided in this section.

"Sec. 9061. Judicial Review.

"(a) Review of Agency Action by the Commission.—Any agency action by the Commission made under the provisions of this chapter shall be subject to review by the United States Court of Appeals for the District of Columbia Circuit upon petition filed in such court within 30 days after the agency action by the Commission for which review is sought.

"(b) Review Procedures.—The provisions of chapter 7 of title 5, United States Code, apply to judicial review of any agency action, as defined in section 551(13) of title 5, United States Code, by the Commission.

"Sec. 9062. Unlawful Use of Payments.

"(a) Unlawful Use of Payments.—It shall be unlawful for any person who receives payment under this chapter or to whom any portion of such payment is transferred, knowingly and willfully to use, or authorize the use of, such payment or such portion for any purpose other than for the specific purposes authorized by this chapter.

"Sec. 9063. False Statements.

It shall be unlawful for any person knowingly and willfully with intent to deceive to (1) furnish any false, fictitious or fraudulent evidence, books, or sworn material testimony to the Commission under this chapter; or (2) include in any evidence, books, or information so furnished by misrepresentation of a material fact, or to falsify or conceal any evidence, books, or information relevant to a certification by the Commission or an examination and audit by the Commission under section 9058.

"Sec. 9064. Kickbacks and Illegal Payments.

It shall be unlawful for any person knowingly and willfully to give or accept any kickback or make any illegal payment in connection with any payments received under this chapter or in connection with any expenditures of payments received under this chapter.

"Sec. 9065. Penalty for Violations.

Any knowing and willful violation of any provision of this chapter is punishable by a fine of not more than $25,000, or imprisonment for not more than one year, or both."

(1) The analysis of subtitles at the beginning of the Internal Revenue Code of 1954 is amended by striking out the item relating to subtitle II and inserting in lieu thereof the following new item:

"Subtitle H. Financing of Federal election campaigns.".

(2) The heading for subtitle II of the Internal Revenue Code of 1954 is amended to read as follows:

"Subtitle H—Financing of Federal Election Campaigns".

(3) The analysis of chapters at the beginning of subtitle H of the Internal Revenue Code of 1954 is amended by adding at the end thereof the following new item:

"Chapter 97. Congressional election campaign fund.".

(c) (1) The amendments made by the foregoing provisions of this section shall apply to any election for Federal office held after the close of December 31, 1976.

(2) For purposes of this subsection, the terms "election" and "Federal office" have the meanings given them by section 301 of the Federal Election Campaign Act of 1971 (2 U.S.C. 431).

And redesignate the following section accordingly.

FACTUAL DESCRIPTIONS OF BILLS AND RESOLUTIONS INTRODUCED

Prepared by the Congressional Research Service pursuant to clause 5(d) of House Rule X. Previous listing appeared in the Congressional Record of March 18, 1976, page 7097:

HOUSE BILLS

H.R. 12036. February 23, 1976. Agriculture. Amends the United States Grain Standards Act to require the inspection and supervision of weighing of grain for export by Federal officials or properly licensed individuals. Prohibits the export of any grain not inspected. Sets forth criminal penalties for violations of the provisions of this Act.

H.R. 12037. February 23, 1976. Interstate and Foreign Commerce. Directs the Secretary of Health, Education, and Welfare to identify tertiary eye care centers that need upgrading and to make grants to accomplish such purpose. Directs the Secretary to create a commission to assess the present state of eye care facilities in the United States, to develop plans for improving and expanding such facilities, and to make grants to public and nonprofit private tertiary eye care centers to implement such upgrading.

H.R. 12038. February 23, 1976. Veterans' Affairs. Removes certain time limitations relating to veterans' education assistance programs administered by the Administrator of Veterans' Affairs.

H.R. 12039. February 24, 1976. Government Operations. Amends the Privacy Act of 1974 with respect to records maintained on individuals to require Federal agencies to correct, expunge, update, or supplement portions of records on any individual upon request by such individual. Requires such agency to inform each person (1) whose correspondence has been intercepted or examined, (2) who is the subject of a file of CHAOS, COINTELPO, or "The Special Service Staff" of the Internal Revenue Service, or (3) who is named in an index of such organizations, that such records exist, to inform each person of such person's rights under the Privacy Act of 1974, and to permit such person to require destruction of such file or index.

H.R. 12040. February 24, 1976. Ways and Means. Amends the Internal Revenue Code to increase the estate tax exemption and the gift tax exemption, to increase the deduction for bequests to a surviving spouse, and to increase the number of installment payments allowed for payment of the estate tax by an executor where a certain portion of the value of gross estate consists of an interest in a closely held business.

H.R. 12041. February 24, 1976. Government Operations. Prohibits instrumentalities of the Federal Government from requiring nonessential declarations of marital status or the nonessential use of prefixes indicating such status, in connection with (1) carrying on of correspondence, (2) keeping of records, (3) filing of any written instrument as an application for employment, or (4) issuance of any certificate, document, or other written instrument.

H.R. 12042. February 24, 1976. House Administration. Directs the Secretary of the Interior to select an appropriate site in the District of Columbia for the erection of a statue of Bernardo de Galvez.

H.R. 12043. February 24, 1976. Armed Services; Interstate and Foreign Commerce. Requires each Armed Forces medical facility and public and private medical facilities receiving Federal financial assistance to establish policies to permit women undergoing childbirth at such facilities to be accompanied by the person of their choice.

Permits the Secretary of Defense and the Secretary of Health, Education, and Welfare, with respect to Armed Forces medical facilities and private and public medical facilities receiving Federal financial assistance, respectively, to authorize the imposition of restrictions on such attendance which are required for the protection of health.

H.R. 12044. February 24, 1976. Ways and Means. Amends the Internal Revenue Code to create an allowance for basic living expenses.

Amends the Social Security Act with respect to the supplemental security income program and to require supplemental payments by States for certain families with dependent children.

Repeals the Food Stamp Act of 1964.

H.R. 12045. February 24, 1976. Judiciary. Authorizes the establishment of United States magistrate positions in the district court of the Virgin Islands.

H.R. 12046. February 24, 1976. International Relations. Authorizes the President to make available assistance for relief and rehabilitation of the victims of the recent earthquakes in the Republic of Guatemala. Authorizes appropriations to carry out the purposes of this Act, under the general policies for furnishing international disaster assistance of the Foreign Assistance Act of 1961.

H.R. 12047. February 24, 1976. Interstate and Foreign Commerce. Requires the Secretary of Health, Education, and Welfare to appoint a Committee on Uniform Adoption Regulations to review current conditions, practices, and laws relating to adoption and to propose uniform adoption regulations. Directs the Secretary to make grants to States for allocation to State agencies and to public and private nonprofit adoption agencies to assist such agencies in meeting the cost involved in the adoptive placement of children.

H.R. 12048. February 24, 1976. Judiciary; Rules. Requires that the public be given an opportunity to participate in the rulemaking proceedings of a Federal agency.

Requires that proposed rules be submitted to Congress for disapproval before they become effective.

H.R. 12049. February 24, 1976. Ways and Means. Imposes a tax, under the Internal Revenue Code, as an alternative to the income tax, minimum tax, and the capital gains tax, equal to 14 percent of the amount by which the taxpayer's economic income for the taxable year exceeds $40,000, but only if such alternative tax is greater than the tax liability under the income tax, minimum tax, and capital gains tax.

H.R. 12050. February 24, 1976. Post Office and Civil Service. Requires the Secretary of Commerce, in making agricultural censuses, to use the statistical method known as sampling.

H.R. 12051. February 24, 1976. Ways and Means. Amends the Internal Revenue Code to increase the estate tax exemption and to repeal the estate tax marital deduction limitation.

Permits the executor of an estate to elect an alternate valuation of certain lands used for farming, woodland, or scenic open space.

H.R. 12052. February 24, 1976. Ways and Means. Defines the term "acquisition indebtedness", under the Internal Revenue Code, to exclude any indebtedness to the extent that it arises out of a tax or special assessment imposed by a State or any political subdivision thereof, for purposes of the tax on unrelated business income.

H.R. 12053. February 24, 1976. Interstate and Foreign Commerce. Requires franchisors to give franchisees 90 days notice, with limited exceptions, of intent to cancel, or failure to renew, a franchise agreement. Allows such cancellation or failure to renew only for certain specified reasons. Requires a franchisor to compensate a franchisee for the value of the franchisee's business when the franchisor, for a legitimate business reason, fails to renew the franchise. Sets forth the judicial remedies available to a franchisee for a violation of this Act by a franchisor.

H.R. 12054. February 25, 1975. Judiciary. Imposes penalties for willful or malicious injury, destruction, or interference with communication lines, stations, or systems licensed by the United States.

H.R. 12055. February 24, 1976. Rules. Requires review of Federal programs to determine if they warrant continuation. Requires the President to conduct such review of the programs covered by the annual budget. Requires Congress to make such review every 4 years.

H.R. 12056. February 24, 1976. Interstate and Foreign Commerce. Requires, under the Federal Alcohol Administration Act, that any label on or advertisement for a beverage having more than 14 percent of alcohol by volume contain a specified health warning.

H.R. 12057. February 24, 1976. Merchant Marine and Fisheries. Amends the Endangered Species Act of 1973 to require Federal reimbursement of owners of animals for injuries caused such animals by an endangered or threatened species inhabiting an endangered species conservation area.

H.R. 12058. February 24, 1976. Government Operations. Authorizes the Administrator of General Services to assign surplus Federal real property to the Secretary of Commerce for disposal of such property to States and local areas threatened by unemployment as a result of the closing of Federal facilities. Requires that such property be used by the transferees for economic development purposes.

H.R. 12059. February 24, 1976. Government Operations. Authorizes the Administrator of General Services to assign surplus Federal real property to the Secretary of Commerce for disposal of such property to States and local areas threatened by unemployment as a result of the closing of Federal facilities. Requires that such property be used by the transferees for economic development purposes.

H.R. 12060. February 24, 1976. Education and Labor. Authorizes the creation of a special Opportunities Industrialization Centers job training and job creation program in order to provide jobs to unemployed Americans.

Directs the Secretary of Labor to enter into contracts with Opportunities Industrialization Centers to provide comprehensive employment services for unemployed persons in depressed urban and rural areas.

Sets forth conditions governing the provision of Federal financial assistance and authorizes appropriations to fund the program for the next four fiscal years.

H.R. 12061. February 24, 1976. Interior and Insular Affairs. Designates specified lands in Joshua Tree National Monument, California, as the Joshua Tree Wilderness.

H.R. 12062. February 24, 1976. Judiciary. Amends the Gun Control Act of 1968 to require certain minimum prison sentences for any individual who uses or carries a firearm during the commission of any felony for which such individual may be prosecuted in a Federal court.

H.R. 12063. February 24, 1976. Education and Labor. Directs the Chairman of the National Endowment for the Arts to establish and administer a program to promote the development of American handcraft artists and their products.

Instructs the Chairman, in cooperation with the Interagency Crafts Committee, (1) to formulate a plan for more effective coordination of federally assisted handcrafts programs, and (2) to establish and maintain in the District of Columbia a National Center for American Handicrafts.

H.R. 12064. February 24, 1976. Agriculture. Prohibits new rules and regulations from becoming effective under the Food Stamp Act of 1964 until after the enactment of legislation with respect to the eligibility and purchase requirements of persons receiving benefits under the Food Stamp Act of 1964.

H.R. 12065. February 24, 1976. Judiciary. Redefines the crime of deprivation of employment or other benefit because of political activity and increases penalties for such offense. Makes it a Federal crime to deprive or threaten to deprive an individual of any employment or other benefit, provided in whole or in part by any Act of Congress appropriating funds for relief purposes, on account of race, color, sex, religion, or national origin.

H.R. 12066. February 24, 1976. Banking, Currency and Housing. Amends the Housing Act of 1949 to revise the definition of "rural" and "rural areas" to include places not part of or associated with an urban area which have a population of between 10,000 and 20,000 people and which have a serious lack of mortgage credit for lower- and moderate-income families.

H.R. 12067. February 24, 1976. Interstate and Foreign Commerce. Amends the Federal Power Act to prohibit specified individuals from serving as officers or directors of public utilities. Authorizes the Federal Power Commission to permit exceptions to such conflicts-of-interest requirements in cases where public or private interests are not adversely affected.

H.R. 12068. February 24, 1976. Judiciary. Authorizes classification of a certain individual as a child for purposes of the Immigration and Nationality Act.

H.R. 12069. February 24, 1976. Judiciary. Declares a certain individual to be deemed to have had a specified period of disability for purposes of determining entitlement to certain disability benefits under the Social Security Act.

H.R. 12070. February 24, 1976. Judiciary. Declares a certain individual lawfully admitted to the United States for permanent residence, under the Immigration and Nationality Act.

H.R. 12071. February 25, 1976. Veterans' Affairs. Increases the period of entitlement for educational assistance for eligible veterans.

Eliminates the ten-year time limitation within which such assistance must be used.

Restores educational assistance benefits to certain veterans previously eligible but who failed to completely use such assistance.

H.R. 12072. February 25, 1976. Education and Labor. Amends the Educational Amendments of 1972 to exempt Boy's State, Boy's Nation, Girl's State and Girl's Nation conferences from the sex discrimination provision of such Act.

H.R. 12073. February 25, 1976. Post Office and Civil Service. Directs the United States Postal Service to transmit a statement to each House of Congress explaining the reasons for any proposed closing of a post office which services a rural area or small community. Requires approval by either House of Congress before any such closing may become effective.

H.R. 12074. February 25, 1976. Post Office and Civil Service. Amends the Legislative Reorganization Act of 1946 to stipulate that pay adjustments for Members of Congress may take effect no earlier than the beginning of the Congress next following the Congress in which they are approved.

H.R. 12075. February 25, 1976. Interior and Insular Affairs. Revises the boundaries of Olympic National Park in the State of Washington.

H.R. 12076. February 25, 1976. Public Works and Transportation. Directs the Secretary of the Army, acting through the Chief of Engineers, to study the development and conservation of water and related land resources in American Samoa.

H.R. 12077. February 25, 1976. Interior and Insular Affairs. Revises the boundaries of Appomattox Court House National Historical Park, Virginia. Authorizes future revision of such boundaries by the Secretary of the Interior.

H.R. 12078. February 25, 1976. International Relations. Amends the Foreign Assistance Act of 1961 to authorize the appropriation of such sums as may be necessary for relief and reconstruction in Lebanon. Limits expenditures under this Act to the amount of expenditures by the OPEC countries for such relief.

H.R. 12079. February 25, 1976. Veterans' Affairs. Requires the Secretary of the Army to permit the burial in Arlington National Cemetery of all veterans and their eligible survivors.

EXTENSIONS OF REMARKS

ISRAELI CONSULATE GENERAL LAUDS CONGRESSMAN SOLARZ

HON. EDWARD I. KOCH

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, March 22, 1976

Mr. KOCH. Mr. Speaker, it is not too often that a freshman Member of Congress makes his mark early and in the first session. STEVE SOLARZ is such a Member who from the beginning demonstrated ability and leadership which has made him one of the outstanding Members of the International Relations Committee.

I was delighted when he received the "ACHARAI' award for 1976 delivered by Zvi Levin, Consulate General of Israel. When the consulate general made the award he set forth the feeling of those people who are aware of STEVE SOLARZ' unstinting and outstanding efforts on behalf of Israel.

I am appending that statement:

CONGRESSMAN STEPHEN SOLARZ RECEIVES THE "ACHARAI" AWARD FOR 1976

It is an outstanding opportunity for me to pay tribute to a prominent statesman, a young energetic leader who is for us the "Zionist Congressman" with a reputation for honesty and integrity, committed to his people and dedicated to the Jewish State.

I am very proud to bring the greetings to a cherished person, a proud Jew, a capable leader, who declares his very deep emotional connection to Israel and who is strongly committed to the survival and security of the Jewish State.

The Jewish people in Israel, as well as the Jewish people all over the world, desperately need inspired and fervent leaders who, by their important role in shaping our present, will influence and build our future.

Now is the time to inspire generations of proud Jews, faithful children to their state and people. Jews loyal to their heritage and dedicated to its renaissance in the new world. That's the only way we will leave an eternal monument to the coming generations.

No doubt, we are facing a serious crisis. We have great difficulties, our enemies concentrate all their efforts—political strength and economic means—against the Jewish people, the Zionist movement, and the State of Israel.

Our response must be, "that crisis could always be defeated." The Jewish people and Israel embodies eternity.

We had in our history very serious and profound difficulties, but the greater the crisis, the greater is the challenge, the promise and the growth. We have showed that we could do anything except surrender, so we triumphed always. The end of one era was the beginning of a new and brighter one. We are living in an era in which we must serve our cause valiantly. And our Honorable Congressman, Stephen Joshua Solarz, is a unique example of a bold and a cordial leader, with broad horizons, charisma and vision.

The slogan ACHARAI—Follow me! is not a new one. Its value was fully proved in the Israeli Defence Force, but its origin we can trace in the Bible—for example: The Judge Gideon said: "Look at me, and do like wise" (Judges 7:17).

That was the way of our leaders in the past, that is the practice of our capable army commanders in the present, and that is the conduct of our distinguished Congressman in his work—he travelled to Israel and the Arab States in the Middle East to find out the problems, the facts, the situation, and the possible solutions.

He is giving personal reports from Washington. And he is one of the hardest working friends of Israel on Capitol Hill. He has actively supported positive legislative actions affecting American Jews and Israel. Congressman Solarz is adding a new luster to the leadership of our famous statesman.

As the volatile situation in the Middle East worsens with the influx of military supplies, especially from Russia to the Arab States, it is important to provide Israel with the weapons it needs to defend itself. And, it is not only in the interest of Israel, but in the interest of the U.S. as well, to provide Israel with the assistance it needs to prevent war in the future.

I am sure that his leadership, efforts and personality will be in the future, as in the present, a great help to the cause of Israel, not only in the Congress, but in the entire American society, and among other nations and leaders as well. And that Israel will get not only the tools to defend itself, but substantial political and moral support.

You are, dear Congressman, an asset to the Jewish people and to Israel and we wish we had many more dedicated and capable leaders like you.

Let's pray that our neighbor States will soon stop preying on us. And let's hope and trust that we'll soon reach peace and that all the arms in the Middle East will rest in peace.

TWO HUNDRED YEARS AGO TODAY

HON. CHARLES E. WIGGINS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 22, 1976

Mr. WIGGINS. Mr. Speaker, 200 years ago today, on March 20, 1776, after more than a month of heated debate, the Continental Congress adopted a set of instructions for the commission it had appointed to go to Canada for the purpose of alining the Canadians with the United Colonies in the struggle against Great Britain. The Canadians were,

First, invited to come into the Union on terms similar to those on which the other colonies were united;

Second, promised that Canada would be defended and protected "against all enemies, in the same manner as we will defend and protect any of the United Colonies;"

Third, assured that their commerce with foreign nations would be placed on an equal footing with that of the United Colonies.

The controversy generated by the issue was noted by John Adams in his autobiography:

> A great part of these instructions were opposed by our antagonists with great zeal; but they were supported on our side with equal ardor, and the acceptance of them afforded a strong proof of the real determination of a majority of Congress to go with us to the final consummation of our wishes.

NATIONAL HEALTH INSURANCE—A VITAL PRIORITY

HON. WILLIAM M. BRODHEAD

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Monday, March 22, 1976

Mr. BRODHEAD. Mr. Speaker, it is generally agreed that the most basic human needs are for food and shelter. Closely related to those needs is a third need which is very basic to today's society—the need for quality health care. That is why I am a cosponsor of H.R. 21, the Kennedy-Corman Health Security Act.

The sad fact is that, despite our affluent society, despite our position as the greatest industrial nation in the world, some 40 million Americans have no health insurance whatsoever. Millions more have inadequate insurance and millions have no security during layoffs or periods of unemployment.

Add to that the fact that present health insurance pays less than one-third of the health bill for those covered, and it becomes obvious that we must reform the system.

The most prevalent argument against H.R. 21 is that national health insurance—NHI—will cost too much. However, a look at the present cost of health care in this country quickly refutes that argument.

Quite simply, we are spending too much for health care. In 1974, total health costs in the United States were $104 billion. Following the lifting of price controls in 1974, health cost inflation accelerated at an annual rate of 18 percent, much faster even than the rate of general inflation.

Health care costs rose from $50 billion in 1967 to $104 billion in 1974—a jump of well over 100 percent in just 8 years.

At the same time, a study by the Department of Health, Education, and Welfare showed that, when consumer out-of-pocket costs for insurance premiums and noncovered health expenditures are considered, the NHI proposal would result in the same total amount being spent on health. NHI is thus a new and better way of spending the same dollars. As AFL-CIO President George Meany said at recent congressional hearings:

> Certainly we can afford to spend what we are now spending. What we *cannot* afford is to continue to spend it in the same way.

H.R. 21 has the added advantage that it will help to control the inflation in health care costs. It will:

Encourage preventive care;

Set limits on fees;

Require approved budgeting for hospitals;

Eliminate unnecessary surgery; and

Eliminate the profit and high administrative cost of private health insurers.

It is clear that Congress must move

to enact NHI. The poor and aged cannot afford today's inflated health care costs. And increasingly, such costs are outstripping the ability to pay of most U.S. families. Today, the average American spends 1 month's pay for health care—considerably higher than the average citizen of any other industrial country.

After more than 30 years of trying, private health insurance has failed to come even close to meeting the Nation's need for adequate health coverage. Congress must stop talking about the need for NHI and enact it now.

I heartily endorse the words of Leonard Woodcock, chairman of the Committee for National Health Insurance, in his recent testimony before the Health and Environment Subcommittee of the Committee on Interstate and Foreign Commerce. He said:

> No greater observance of the nation's Bicentennial could be imagined than the enactment of a law which will make real the principle that every American has a right to health care.

TRIBUTE TO SAM McNEAL, JR.

HON. HENRY A. WAXMAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 22, 1976

Mr. WAXMAN. Mr. Speaker, a Sam McNeal appreciation dinner dance will be held on March 26, 1976 at the Hyatt House Hotel, Los Angeles Airport.

Mr. McNeal has a vast and varied background in the educational field. He has an A.A. Degree in criminology from Los Angeles City College, a bachelor of science degree in criminology at Cal State, Los Angeles, and later did postgraduate work in public administration and education at the same institution where he served as vice president of the extended day student body. He studied metaphysics at the Church of Religious Science, where he obtained a bachelor of science degree. He also attended Windsor University's School of Law in 1975 and later received a certificate of labor studies from U.C.L.A. School of Industrial Relations, where he served as vice president of the law school student body.

He was well prepared for a career as an executive in organized labor.

For approximately 6 years he was the assistant general manager of local 434 for the Los Angeles County Employees Union. He held positions of president, first vice president and executive board member of A. Phillip Randolph Institution—Los Angeles chapter. He is also a member of the executive board of COPE—Committee on Political Education—of the AFL-CIO of Los Angeles. Currently, Mr. McNeal is the local's chief civil service advocate of local 434. His responsibilities are quite encompassing. To cite a few, he handles all civil service disciplinary proceedings.

Mr. McNeal is actively involved in the community. He has been active in the civil rights struggle since birth, in that his father Samuel McNeal, Sr. was a prime organizer of the NAACP in New Orleans. This inspiration stimulated Mr. Sam McNeal, Jr. to continue to be active in civil rights organization including serving as first vice president and chairman of the Labor and Industry Committee dealing with civil right complaints. He served as an executive member of the NAACP, Los Angeles branch. In 1971–72, he served as southern area vice president of the NAACP. He served as executive board member of Southern Christian Leadership Conference-West and was one of the prime movers of the Los Angeles chapter of CORE.

Mr. McNeal is a Prince Hall Mason. He is a member of Area Nine Council Regional Medical Programs and newly elected as board member of the United High Blood Pressure Foundation.

It is a pleasure for me to join in paying tribute to Samuel McNeal, Jr.

HON. FLORENCE DWYER

HON. JOSEPH G. MINISH

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 17, 1976

Mr. MINISH: Mr. Speaker, it is with great sadness that I rise to join many of my colleagues in paying tribute to the late Florence Dwyer.

Those of us who were privileged to serve with Congresswoman Dwyer during her many years in the House know of her hard work in behalf of the people of the congressional district and her dedication to the principles of American democracy.

Those of us who were privileged to know Flo Dwyer as a friend know her as a warm and kind individual always willing to assist and counsel her more junior colleagues.

Mrs. Dwyer first became involved in politics in 1940 when she worked for Wendell Wilkie in his Presidential bid. She then went to work with the New Jersey Business and Professional Women's Clubs, as that organization's representative before the New Jersey Legislature in Trenton. She later served as parliamentarian to the New Jersey Assembly and as a delegate to the Republican National Convention of 1944.

Florence Dwyer was elected to the first of four successive terms in the legislature in 1949. She was only the second woman in New Jersey history to win appointment as assistant majority leader in the assembly and the first to serve for 5 years on the policy making committee of the State Legislature.

Mrs. Dwyer began her distinguished congressional career in 1956. She was an early fighter for consumer protection and for equal rights for women, and displayed her outstanding legislative ability as a member of both the House Banking and Currency and Government Operations Committees.

Flo Dwyer's record in the House was a great credit to her personally and to the people of the district which elected her with such regularity.

Mr. Speaker, we all mourn the loss of this exceptional woman. To Mrs. Dwyer's son, Lt. Col. Michael Dwyer, and to her family, I offer my deepest sympathy.

MILLER WITH A MISSION

HON. CLEMENT J. ZABLOCKI

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Monday, March 22, 1976

Mr. ZABLOCKI. Mr. Speaker, in this fast-paced, modern world of today, it is often easy not to take the necessary time to reflect on why and what we are doing. Couple this with the persuasive notion of realism at the expense of idealism and morality, and this seeming lack of mission becomes even more evident.

It is very gratifying then, Mr. Speaker, when we can single out a person who personifies a proper balance of realism and idealism. When such an individual with a mission becomes involved in a proven and effective Federal program, such as the food-for-peace program, you have Mr. Charles A. Krause III, president of Krause Milling Co. in Milwaukee, Wis.

It is my privilege to personally know and respect Mr. Krause. As a recent article in the Milwaukee Journal on Mr. Krause points out—which I will insert following my remarks—Mr. Krause has demonstrated that unique combination of business acumen, human understanding, entrepreneurship, social consciousness, and successful management as a private businessman.

As an original supporter of the food-for-peace program, I am proud of this program which has been most effective in reaching the poorest of poor and needy of the world. The program has fed millions of hungry men, women, and children in less developed countries and has made other valuable contributions. The program has resulted in furthering economic development in developing countries, in promoting U.S. agricultural markets abroad, in providing assistance to friendly countries, and in contributing to a surplus in our balance of payments.

The Milwaukee Journal article, entitled "Miller With a Mission," which appeared on March 6, 1976, follows:

> MILLER WITH A MISSION
>
> (By Jeff Browne)
>
> Odd that Charles the 3rd should know more about poverty than the late Charles the 1st knew.
>
> Life was tough here for the young German immigrant named Charles A. Krause until he plowed his meager savings into a small corn mill in 1907.
>
> Thanks to his grandfather's success, Charles A. Krause III, 43, had life easier before expanding that milling operation into one of the world's largest. He spent much of his youth in exclusive eastern schools, Choate and Yale.
>
> Yet today's tennis playing president of Krause Milling Co. spends much of his time in places less pleasant than his River Hills home.
>
> He observes starvation and its effects. If not in Biafra, then in Calcutta, Bangladesh or Central America.
>
> What's a country gentleman like Charles Krause doing in places like those?
>
> Observing the effects of products like CSM, specially designed by Krause Milling Co. to alleviate malnutrition in the world. In all, the company has fed as many as 50 million people worldwide, through the Food for Peace program financed by the United States government.
>
> One of the chief attributes of CSM, a mix-

ture of corn, soybeans, dried milk and vitamins, is that it tastes as bland as wallpaper paste, which Krause also manufactures from some of the same products.

FOOD PROGRAM EFFECTIVE

The lack of flavor enables people in each country to spice it with whatever products are peculiar to the region.

"One of the things I've found is that you can't make people eat something they don't like, even if they are malnourished or hungry," Krause said in an interview.

He has made several other observations.

"I saw the refugees of Bangladesh when they were in the most desperate situation. But now it's better than it was three years ago, after several hundred million pounds of corn based found have been sent there.

"It shows that the Food for Peace program is one of the most effective there is. It's well run, well controlled with very little waste."

Krause has also learned about the human side of hunger.

"The impression you come away with from any of these countries," he said, "is that these are real people you're dealing with. You find yourself seeing malnutrition that takes the strength away from a child.

"They hurt but they're just like kids in any other place. They're friendly and they like to play, and the children are very disciplined in many countries. There are cases of outright starvation but a much greater problem is malnutrition, and we must teach what real nutrition is."

In spite of his first hand experience with poverty—partially because of it—Krause has become optimistic about the future of this country and the world.

CHANGE MUCH FASTER

He testified before the US Senate Agriculture sub-committee last year that "the problems we face in fighting hunger and malnutrition are awesome but, working together, I am confident we can met this challenge."

Krause said he has seen poverty stricken nations change quickly to the point where food handouts have helped nations develop so they become key markets for American suppliers.

"The world is changing so fast that we have the technology to improve a nation's situation in a few years when it used to take generations," he said. "There are different ways that this country can help, and we want to participate."

An official of the US Department of Agriculture who knows Krause describes him as a "very humanitarian, very sharp young man who has poured his heart and soul" into the Food for Peace program.

Krause himself is more modest about his humanitarianism and says social consciousness "comes as a result of doing business effectively."

"It's hard to define what real social responsibility is," he added. "We try to forecast what the needs of our customers are going to be to determine what kind of a company it will be."

Krause, whose company in 1975 did more than $28 million in business with the Food for Peace program alone, said humanitarian goals depend on the ability of business to make a profit.

PEOPLE ARE SMARTER

A supporter of President Ford for re-election, he believes in the values of a free market economy.

"When you mess with the free market, things get screwed up," he said. "I've seen many examples of people supposedly being smarter than the free market. The more I'm in business, the more I know that there's nobody smarter than the people who pay the price."

Krause said he is optimistic that the nation as a whole is returning to "a definite recognition of the value of the free market system."

"When the system works right, it really makes this country go," he added.

The creed of the company developed recently reflects Krause's respect for the free market system:

We believe in the value of hard work and aggressive competition and will conduct our affairs . . . so that the highest standards, courtesy and respect are maintained.

To that Krause adds the value of motivation.

"If you get an organization turned on," he said, "they'll work their tails off."

The philosophy apparently has worked at Krause Milling, where sales quadrupled in the past five years, due to expansion and increased wholesale grain prices.

Krause also places considerable value in the youth of the country and in education.

THEY NEED DIRECTION

"Young people—if properly motivated—are going to do great things for the world. They're smarter and they've been better educated. What they need is direction."

For his own children, the direction has been east, where 18 year old Charles IV is attending Yale University, 17 year old Kathryn and 16 year old William attend private preparatory schools. Timothy, 13, attends University School here.

Krause believes in the best education for his children.

"Parents can give their kids not too many things," he said. "One of them is education."

It's not all studies, though, for the Krause family, which specializes in tennis. Kathryn, for example, was the state tennis champ for her age group last year.

Krause himself has managed to find a few local organizations—to say the least—to keep him busy when he's not on the tennis court, directing personnel in his office or scouring the poverty ridden areas of the world.

He's a director of First Wisconsin National Bank, First Wisconsin Corp., Cutler-Hammer Inc., the Greater Milwaukee Committee, Columbia Hospital, the Milwaukee Foundation and the Citizens' Governmental Research Bureau.

Not to mention the United Performing Arts Fund, Milwaukee Symphony Orchestra, Faye McBeath Foundation, Medical College of Wisconsin, University School and the Milwaukee Boys' Club.

"I've learned a great deal from these organizations," he said, "and met a lot of people. I've learned how to work with other people."

LA TRIBUNA IN NEWARK CELEBRATES ANNIVERSARY

HON. PETER W. RODINO, JR.

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Monday, March 22, 1976

Mr. RODINO. Mr. Speaker, yesterday La Tribuna in Newark marked the 14th anniversary of distinguished service to the Spanish-speaking residents of that area. This milestone by the first newspaper of its type in New Jersey was celebrated last night.

La Tribuna, with a circulation of some 25,000 has been an effective voice for the Spanish-speaking community, publishing each week news of local events as well as information from Puerto Rico and Cuba.

Its editor and publisher is my friend Carlos G. Bidot, a Cuban immigrant who has not only forged a new life for himself in this country but has made a significant contribution in the process. To the many of Hispanic heritage in the Newark area who often encounter a language barrier in their adopted land he provides an invaluable service—aiding in identifying their problems and acquainting them with the proper vehicle for quick action.

Mr. Bidot literally has learned the newspaper business from the ground up. He studied journalism at the University of Havana. In the United States he worked as a printing technician for the Newark Evening News before moving to La Tribuna. He holds a number of awards for distinguished journalism and community service.

Carlos Bidot has for 15 years played an active role in service to the Hispanic population of the New York and New Jersey region. I know that our country is the better for the contributions made by La Tribuna, its fine staff, and its publisher.

HEALING INFLATION'S BITE

HON. EDWARD J. DERWINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, March 22, 1976

Mr. DERWINSKI. Mr. Speaker, I direct an editorial which appeared in the Chicago Daily News on March 12 to the attention of the Members since it must be recalled that it was pressure from the Federal judiciary more than anything else that was behind the amendment adopted by the Congress last year tying executive, judicial, and legislative branch salaries to the annual Federal cost-of-living adjustment. While we in the Congress have taken the heat for the judiciary and high-level Federal executives, the judges still are not satisfied, as noted in the editorial which I insert at this point and commend to the attention of the Members.

HEALING INFLATION'S BITE

It was bound to happen, we suppose. A couple in New Hampshire, angered over the effect of inflation on their income, took a tax deduction of $987 on their 1973 return. Inflation had robbed them of 10 per cent of their real income, they contended, so the deduction was only fair.

The argument makes perfect sense to millions of taxpayers who are watching their real income being nibbled away by inflation. It even makes sense to the group of federal judges who recently filed a suit to force Congress to increase judicial salaries. Inflation had reduced their pay in real terms, the plaintiffs said, and a reduction in the pay of sitting judges is forbidden by the Constitution.

But the U.S. Tax Court ruled against the New Hampshire couple, and U.S. Atty Gen. Edward Levi has expressed the opinion that the judges' suit is "silly," which is a pretty good indication that it isn't going anyplace. This doesn't offer much hope for the recovery of losses already sustained because of inflation, either for judges or ordinary taxpayers. And that leaves only the hope that inflation will go away.

The inflation rate has been cut substantially from its peak, of course, and the outlook is for a further reduction, though at a pace too slow to provide real comfort. Even the rosiest predictions set the probable inflation rate at about 5 percent several years down the road.

Meanwhile, the main—and probably the only—beneficiary of inflation is the government. As wages rise to "stay even" with inflation, workers are pushed into higher brackets and give a larger percentage of their pay to the government, the net effect being that many fall behind in "real" dollars.

There has been considerable talk about "indexing" the progressive tax tables—that is, adjusting the numbers upward so that a wage increase would leave the taxpayer in the same percentage bracket to offset inflation. But it hasn't been done yet, and probably shouldn't be done on an automatic or "escalator" basis, for that would be an acknowledgement that inflation is here to stay and reduce the incentive to fight it.

Yet some one-time steps could be taken to ease the pain of the taxpayers, both in the income-tax tables and in other areas, notably the penalty on "capital gains" that are no real gain at all, but merely a price expressed in more but cheaper dollars.

One promising step in this direction was proposed the other day by President Ford, when he told Illinois farmers that the federal inheritance tax exemption should be raised. As it now stands, the inheritance tax often means the breakup of family farms when the head of the family dies. The tax bill is so high the farm must be sold to meet the government obligation.

Ford said that the $60,000 exemption, virtually unchanged since the 1930s, should be increased to $150,000. The proposal was viewed as a bid for the farm vote in an election year, and perhaps it was. But it is a good idea all the same, and would be a start toward adjusting the tax rates to reflect the real value of the current dollar.

If there is to be no recovery of past losses, either by taking a tax deduction or filing suit against the government, at least restructuring the tax tables across the board would provide some insurance against future losses to inflation.

AWARD-WINNING PUBLISHER AND COLUMNIST, IRA L. CAHN

HON. JEROME A. AMBRO

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, March 22, 1976

Mr. AMBRO. Mr. Speaker, last week marked the 15th Annual Government Affairs Conference of the National Newspaper Association here and among those attending the session was Long Island's award-winning publisher and columnist, Mr. Ira L. Cahn, of the Massapequa Post.

Recently installed as president of the New York Press Association, Mr. Cahn's incisive, hardnosed approach to local and national affairs has long been recognized by his fellow newspapermen who elected him leader of their association.

His newspaper has won over 80 awards from the New York Press Association in virtually every category of journalism. Cartoonists on the Massapequa Post recently won first prize and honorable mention in association competition. The paper was also praised for an editorial that challenged a court decision dismissing criminal charges against a local official.

Mr. Cahn's columns have regularly contained keen observations about our lack of a cohesive national economic policy that will both protect America's middle-class property owners and businessmen and restore viability to our competitive, free-enterprise system. His ideas are particularly appropriate in light of last week's vote on the antitrust enforcement amendment.

No stranger to Washington, Mr. Cahn's columns are always refreshing reminders of serious national problems.

I would like to congratulate him on his new office and extend best wishes for continued success.

FARMERS AND FORD

HON. PAUL FINDLEY

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, March 22, 1976

Mr. FINDLEY. Mr. Speaker, on Friday, March 5, farm leaders of Illinois had a unique opportunity to hear the President of the United States and be heard by him. About 400 of them, representing all the major agriculture interests of the State assembled at the Forum 30 hotel in Springfield to participate in a forum discussion with President Ford.

Here is a thoughtful comment on the demeanor of the farmers written by one of America's outstanding farm writers, Keith L. Wilkey of the Quincy (Ill.) Herald-Whig and former president of the American Agricultural Writers Association. It was published March 16, 1976. It is followed by the text of the farm forum:

FARMERS MEET THE PRESIDENT

(By Keith L. Wilkey)

At a recent farm forum question and answer session held in Springfield's Forum 30 hotel, President Ford answered questions from Illinois farm organization leaders and individual farmers.

The President surprised many of his questioners by his knowledge of agricultural issues and matters pertaining to the farming industry. This was contrast to farm session held by his predecessor.

But as a Michigan Congressman for 16 years, and later House minority leader, Ford had many opportunities to become familiar with agricultural bills that were acted on by Congress. And he doesn't exactly have a metropolitan background entirely.

For many farmers, this was probably their first opportunity to see the nation's chief executive in the flesh. Not all farm organizations represented are friendly to the Ford Administration, and some of their Washington Newsletters don't mind saying so. But the state leaders of these organizations, active farmers themselves, displayed respect and dignity in the presence of Mr. Ford.

For many the concept of a farmer is an individual in whom burns the old fires of the Judeo-Christian ethic. For those who spend so much time in open fields, woods and prairies, and have daily hand-to-hand contact with Nature, it becomes easy to distinguish the ancient tenets of morality.

Most farmers seem to have an inherent respect for constituted authority; a consideration for the viewpoints of others and a latent doctrine of a never-forgotten schoolboy devotion to the American flag, the courts of justice, the patriotism of legislators and the prestige of the President and majesty of the White House.

Several farmers said, before asking their questions, "It is an honor for me to be talking to the President of the United States."

Most always there seems to be a small group of protesters carrying derogatory placards at a public meeting of the President. At the Lincoln Home ceremonies earlier in the day, when President Ford appeared at the podium, one protester raised aloft his placard.

Behind him stood a farmer who said: "Mister, I drove over here to see the President; not to look at some cardboard sign. Would you please move it over?"

A fleeting expression of shame crossed the protester's face. He quietly moved to another location.

It was an important day for many farmers who were there. Though the President can be seen almost nightly on television, it is still something special in the lives of many to see him in person; to shake his hand, as some did, and to talk directly with him, as did others.

TEXT OF REMARKS BY PRESIDENT FORD DELIVERED AT A FARM FORUM, MARCH 5, 1976

I am pleased to be here in Illinois—in the Land of Linclon—to meet with you, as outstanding representatives of the agriculture of this great State.

Let's talk today about where this great corn belt heartland of America is headed.

We have made some solid gains in agriculture in the last few years.

The last three years have been the three highest net farm income years in history. That's the way it should be. It took hard work on your part. It took the right kind of farm policies. I want to keep that good climate. I think you do, too.

You, and all of our farmers must have a fair return for your hard work.

There is another area we should examine. I refer to farm surpluses and the restrictive farm programs that went with them. We no longer have heavy farm surpluses hanging over the market. I want to keep it that way. I think you do, too.

We must sell grain, not pile it up in storage. That is the program of my Administration.

We don't have an administration in Washington dumping surpluses to force down the farm prices and force you to sign up in government-controlled farm programs. And we don't want one!

The Nation's grain reserves are now in your own hands. Today, you who raise the grain can decide the best time to sell—and you are.

I think you ought to know what I'm for and what I'm against on some other matters:

I am firmly opposed to the government holding your reserves in a government bin or warehouse. I'm against policies that would have farmers producing again for a government storage bin and a government check.

I am firmly opposed to a government board selling your exports. I want our export trade to stay in private hands.

I am firmly opposed to any international reserve that would put your farm products under the control of an international body where this country could be outvoted by fifty to one—or even by one hundred to one.

I am firmly opposed to subsidized imports. I don't want American farmers competing against the treasuries of foreign governments.

Let's talk about agricultural exports and the record of this Administration. We exported a record twenty-one billion, six hundred million dollars in agricultural products last year. Nearly two billion of that came from Illinois. That didn't just happen. We worked at it.

You know what those exports mean to your farms, to your ability to plant and produce, to your income and to your family's well-being. It's good for you. It's good for Illinois.

Let's look at another accomplishment. We are selling the Soviet Union two billion dollars or more in farm products from the 1975 crop. That's a record—a record compiled during this Administration! And it's only the beginning of continued exports to the Soviet Union.

We want our agricultural production to promote trade and help keep the peace. We want to keep your boys on the farms and send your bushels overseas—and at good terms of trade. I oppose policies which would keep your bushels at home and send your boys overseas.

Last fall, as you know, we exercised a temporary restraint on grain sales to Russia. Today, I want to review that situation. At that time, we had already sold the Russians about ten million tons of grain. Facilities to transport the grain and the Russian capability to handle incoming shipments were already committed at capacity for months to come. If we had sold the Russians one more bushel of corn or wheat at that time, it couldn't have moved for months.

We were then in the midst of negotiations with the Soviet government on long-term sales of our wheat and corn. Although we welcome the Russians as customers, I don't think they should come into our market only when it suits them. I insisted on a long-term grain sales agreement with the Soviet Union.

That's why there was a temporary halt in sales while we put the finishing touches on that agreement. As soon as we got the agreement we wanted, I ordered the temporary halt lifted.

Since then, the Russians have come to us for another three million tons. As we have said before, we remain ready to sell them more this year if they want it. That's where we stand on farm exports.

But better yet, because of the agreement we concluded, you are going to have a regular market in Russia for no less than six million tons of corn and wheat each year—and maybe much more—from 1976 through 1980. That is a good deal for the American farmer, and for the Nation.

Let me emphasize: This is only a part of our policy of strengthening our agricultural export trade. Farm exports thus far in the 1970's will total two and a half times more than in the same period in the 1960's. In addition to the two billion dollars in sales to the Soviet Union this fiscal year, we expect to sell six billion, eight hundred million dollars to Western Europe nations, three billion, two hundred million dollars to Japan alone and one billion, two hundred million dollars to Eastern Europe. We can be proud of that record.

I am proud, too, of our Secretary of Agriculture, Earl Butz. I am today asking the Secretary to assume a new and vital role in strengthening America's agricultural policy making within the Executive Branch.

The Secretary will be the Chairman of a new Cabinet-level Agricultural Policy Committee that I have created. This Committee will consolidate all agricultural policy-making functions of existing Executive Branch committees. It will have the central role in the development and direction of our Nation's food policies.

This new Committee—and its leadership—reasserts the importance I attach to Secretary Butz as my chief agricultural policy adviser and spokesman. I am confident that this bolstering of agricultural policy within the Executive Branch will benefit the farmers of Illinois and all Americans.

Just as we are more effectively utilizing the energy of Earl Butz, we look to the availability of energy in general as the key to modern farming.

In American agriculture, machines greatly multiply the efforts of men. You need plentiful supplies of petroleum and natural gas.

U.S. production of natural gas peaked during 1973 and has been declining ever since. This has serious implications for agriculture. As farmers, you need natural gas for drying your crops. You need it as the primary source for the nitrogen fertilizers that put dollars in your pockets and food on everyone's table.

Yet today that crucial supply of natural gas is being choked-off by out-moded price regulations and restrictions on the interstate shipment of natural gas.

As President I am determined to rectify this situation. But I need the help of the Congress to change the restrictive laws. I ask your support as farmers, and as members of farm organizations, in helping me to remove this obstacle to American productivity.

I am proud that there's now more confidence in rural areas, that more young people are coming into agriculture, and that the enrollments in our agricultural colleges are running at an all-time high.

All citizens are concerned about estate taxes. But this is a particular problem for farmers whose savings are tied up in farm land. The value of an average farm is now about two hundred thousand dollars. To prevent the forced sale of family farms to meet inheritance taxes, I previously proposed a plan to defer estate tax payments, at greatly reduced interest rates, over a twenty-five year period. If adopted, this proposal would provide substantial relief.

But an additional problem must be solved. While the value of the dollar has eroded, our system of estate taxation has changed little since the 1930's. To ease the burden of estate taxes on the many Americans with modest estates, I am proposing an increase of the present 60 thousand dollar estate-tax exemption to 150 thousand dollars. The Treasury Department will present the full details of my proposal to the Congress later this month.

Along with my tax deferral proposal, this exemption increase should help owners of family farms and businesses to hand them down from generation to generation without the forced liquidation which is now too frequent.

I want to maintain the continuity of our family farms. Too much labor and love go into the development of a paying farm to dismantle it with every new generation.

Let us never forget that America's farmers must profit—if America is to profit. There must also be enough income for you to replace machinery, to conserve and enrich the soil, to adopt new techniques, and to buy essential supplies. That's what keeps the American economy going.

Some nations with other economic and political philosophies have virtually the same tractors and combines that you use. But those nations do not have the greatest piece of farm machinery ever built—the free enterprise system.

We have turned things around in rural America—and we must keep it that way.

We have more to do and I want to work with you to get it done.

I have fought hard to cut government spending, to curb inflation, and to maintain a sound economy. This fight can only succeed if our farming economy succeeds.

America's heritage was created by our farmers. The time has come for all Americans to join you, the farmers, in recultivating America's old and cherished values, including our rededication to the highest moral and spiritual values. You, the farmers of America, took the challenge some 200 years ago. In the words of Ralph Waldo Emerson, describing the heroic stand at Concord Bridge in 1775, "The embattled farmers stood, and fired the shot heard round the world."

Today, the farmer is still embattled. Today's telling shots are not from guns, but from grain, not from pistols, but from productivity. The minuteman of 1976 is the man who drives the tractors in your fields. Two hundred years have passed, but you remain central to America's future and America's freedom.

THE NEW REBELLION

HON. JOHN J. RHODES

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 22, 1976

Mr. RHODES. Mr. Speaker, this morning's Washington Post carries a highly thought-provoking article by the Honorable Richard D. Lamm, Governor of the State of Colorado. Governor Lamm has made a compelling case for less Federal intervention into the affairs of the individual States and, ultimately, the lives of American citizens, He correctly identifies as the chief battleground the program of Federal revenue sharing. That program, which has the enthusiastic bipartisan support of the Nation's Governors and mayors, is in serious trouble in the 94th Congress. Many members of the Democratic majority want to tie Federal revenue sharing funds more closely to Federal priorities. Others want to do away with the program altogether.

Mr. Speaker, revenue sharing is the only beacon of light in an otherwise dark sea of big Government and overregulation. We need to preserve it and make it better. That is what the people want us to do.

I hope that Members on the majority side, the ones who are maneuvering to hamstring the proven successful program of Federal revenue sharing, will take the words of Governor Lamm, a Democrat, directly to heart.

The article follows:

THE NEW REBELLION

(By Richard D. Lamm)

With an irony that history seldom furnishes, we find ourselves on the 200th anniversary of the founding of our country reexamining our basic federal structure. Both political parties have addressed the issue forcefully: two Republican presidential candidates by specific programs to return more authority and funds to the states and local governments, and the Democratic governors by unanimously resolving to "reestablish in our federal system the balance which was anticipated by the founding fathers. In many ways, it is the current imbalance which has made states little more than administrative arms of the federal government."

The battle over revenue-sharing rages to and fro with governors, mayors and other local officials, making its renewal not only the top priority but a symbolic issue central to all federal-states relationships.

It is hard to put this issue in a historical context. Washington has seen myriad issues erupt overnight, prance their hour upon the political stage, then disappear. Coxey's armies marched to oblivion, not power, and it is immensely difficult to judge whether new moods, however intense, are enduring and ephemeral.

This said, one should not underestimate the frustration of state and local officials trying to make policy and fiscal sense among the confusing array of 1,100 categorical programs, each with its own set of rules, regulations and regulators. In education alone, there are some 440 national programs administered by seventeen federal agencies; yet, in my state the federal government only funds 5.26 per cent of our total educational budget. By contrast, the federal revenue sharing most importantly allows local governments to set their own priorities, but also delivers $6 billion of state and local aid through fewer than 100 federal employees.

The debate rages on more than one level: partly, it is the age-old strain of people who didn't want government action in the first place. But increasingly, it includes thoughtful people who are arguing about reforming the delivery system without abandoning the goals. It is the argument that just as the Articles of Confederation didn't recognize an adequate federal role, now we attempt to federalize too many of our programs.

Congress today has a macro-level solution to nearly every micro-level problem imaginable. One influential congressman recently contacted our State Board of Education to inquire whether, in their opinion, under the pending Federal Handicapped Children's Act as to whether there should be three parent-teacher conferences a year or two a year. Fantastic! No wonder we are beset by a variety of international problems, with the CIA, FBI, Secretary of State and President going relatively unchecked by Congress. They are too occupied worrying about how many parent-teacher conferences there should be a year and how many calories should be in a school lunch program.

One cannot fault the intentions of these programs. Admittedly, a variety of constituencies bring their problems to Washington, seeking solutions. But Congress has little or no sense of legislative restraint. "A large part of the difficulty with American government today stems from the well-intentioned, but misdirected initiatives of the federal government," says Governor Phil Noel, Chairman of the Democratic Platform Committee. "Some Democrats are beginning to sound like Republicans," grumps a leading congressional Democrat; but I submit, we agree on the ends and only argue the means.

In my opinion, we are witnessing more than a seasonal fad by a few malcontents, but the rising rebellion of a variety of citizens and local officials tired of Congress attempting to become every school board, every local governmental official and every state legislator. We are, I believe, witnessing a significant bipartisan rebellion against an overcentralized federal government and the too frequent belief that passing a federal program is tantamount to solving a problem. In the spirit of 1776, we seek to restrain a governmental hand growing too heavy on its colonies.

TWO HUNDRED YEARS AGO TODAY

HON. CHARLES E. WIGGINS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 22, 1976

Mr. **WIGGINS**. Mr. Speaker, 200 years ago today, on March 21, 1776, the Continental Congress appointed James Wilson, Benjamin Harrison and Andrew Allen as members of a committee to supervise the printing of the Journals of Congress. The Congress apparently had some doubts about the efficiency and effectiveness of the printer then employed, for they advised the newly appointed committee, "if the present printer cannot execute the work with sufficient expedition—they were empowered to employ another printer."

A COOL LOOK AT OSHA

HON. VIRGINIA SMITH

OF NEBRASKA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 22, 1976

Mrs. **SMITH** of Nebraska. Mr. Speaker, the Occupational Safety and Health Act has given rise to much controversy and concern since its passage in 1970. As most Members know, the public has not moderated its criticism of this far-reaching addition to the Federal regulatory structure over the past 6 years.

The House has voted to amend the original act to allow on-site consultation for small businesses and farmers. There does seem to be a growing consensus, however, that a more substantial modification of OSHA is required. The House Education and Labor Committee is currently holding oversight hearings at the subcommittee level to investigate the many complaints all of us have heard over the past several years.

Unfortunately, debates on issues of this nature often devolve into an emotional shouting match, clouding the real need for reform. A current editorial in the Wall Street Journal succeeds in avoiding this, and presents dispassionate criticism of OSHA. While the solutions suggested by the editorial require considerable reflection and debate, I believe readers of the RECORD will profit from considering the arguments raised.

The editorial follows:

A COOL LOOK AT OSHA

Of all the new rules imposed on business by Congress in its 1970 fit of environmental regulation, the ones that seemingly have caused the most annoyance are those in OSHA, the Occupational Safety and Health Act.

The quarrel, we suspect, is not with the objectives of the act. There are very few of us who would seriously argue that the nation cannot afford to give its workers reasonable protections against accidents and work-related disease. Anyone who has ever worked in an unsafe environment knows that there is indeed a role for the state's police power to play in insuring that such conditions are corrected.

The problem, we suspect, lies in how the act and its administrators have set about to do this. They have set about it by writing endless rules—there are close to 4,400 of them covering 800 pages in the Code of Federal Regulations. With this massive codebook in hand, OSHA inspectors then go around to see if employers are obeying applicable federal standards.

Should it be any wonder, given the complexities of trying to obey that many rules, that there has been a general disgust with OSHA, even among employers with the best of intentions towards their employes? The other part of the problem is that employers and employes alike can see clearly that some of the requirements they are asked to meet have little application to the safety of their particular jobs. One hospital worker we know, for example, tells a rueful story about being accidentally drenched by a federally mandated special shower designed to quickly remove caustic chemicals in case of accidental contamination. The shower cost the hospital a lot of money and no one felt it very likely there would ever be an accident of that type.

Multiply that hospital shower a million times or so and you have an extremely large capital cost that pays no return in any sense, economic, social, psychic or whatever. There is obviously something wrong with a government program that has such a result. The other side of the coin is that in its focus on rules, OSHA probably spreads itself too thin and thus neglects opportunities for having a stronger impact.

In a new American Enterprise Institute study, Cornell labor economist Robert Stewart Smith notes that OSHA has only enough inspectors to inspect the typical worker's factory once every 10 years at the most—and even then only the most obvious violations are caught. Not only are the standards too detailed and numerous for complete comprehension by either employer or inspector, they are constantly being outdated by changing materials and technology.

Professor Smith offers some suggestions worth considering as a way of meeting the problems of OSHA. He proposes, for example, that OSHA targets on plants with the highest injury rates within detailed industry and size groups and set about to find the actual causes of the problem, rather than merely theoretical hazards. To provide an incentive for employers to identify hazards and deal with them, he proposes an *injury tax* which would be computed from, and remitted with, the injury reports plants now file with the Department of Labor, or possibly assessed through the workman's compensation system. He argues that workman's compensation as presently set up has only a small safety incentive, because it does not sufficiently target on hazardous plants.

Professor Smith concedes that such an approach might raise prices relatively in industries that are inherently hazardous, the lumber industry, for example. But he finds nothing basically wrong with the possibility of substitutions that might reduce employment in inherently hazardous industries. He also suggests that OSHA would be more effective if it devoted more time and resources to identifying occupational health problems, rather than expending so much effort to control injuries.

The arguments of Professor Smith are subject to debate. Positive incentives toward plant safety might be more beneficial than penalties, since many hazardous plants probably are also economically marginal. But positive incentives imply subsidy, a principle that has economic problems of its own.

At any rate, it is an issue that Congress should muster up enough courage to reopen. Those complaints from constituents really do have merit. And, who knows, on the second try they might get it right.

THE 1976 BICENTENNIAL EDITION OF LOUISIANA YOUTH SEMINAR

HON. LINDY BOGGS

OF LOUISIANA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 22, 1976

Mrs. **BOGGS**. Mr. Speaker, for the past 5 years, Louisiana youth has had the opportunity to participate in one of the most refreshing and exciting high school leadership programs offered anywhere, the Louisiana Youth Seminar.

This year the seminar offers its Bicentennial edition, "Life, Liberty, and the Pursuit of Leadership," and all indications point to an even more successful event than ever.

The seminar, held in the summer of each year, provides an intensive weeklong workout for the student delegates, who spend long hours developing their leadership, organizational and interpersonal communication skills. At the end of the session, the delegates leave with, not only new knowledge about the practical workings of a true leader and the organization, but a new awareness of themselves and their fellow man.

I would hope that any student who has the opportunity to participate in this unique program do so. The expressions of past delegates indicate that the personal rewards gained from attending the Louisiana Youth Seminar are priceless.

Being so closely associated with the Bicentennial activities planned for our State and Nation, I clearly see the need for proper leadership training to secure good leaders for our next 200 years.

I wish the seminar many more outstanding years and this year's Bicentennial delegates a most rewarding experience.

SIXTH ANNUAL LOUISIANA YOUTH SEMINAR: A PROGRAM FOR OUR TIMES

HON. JOHN B. BREAUX

OF LOUISIANA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 22, 1976

Mr. BREAUX. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following:

Mr. BREAUX. Mr. Speaker, for the past 4 years I have been pleased to be present and speak before the Louisiana high school delegates assembled to participate in the annual Louisiana Youth Seminar, a statewide program which promotes training in leadership, programing activities, and inter-personal communication techniques.

This year marks the seminar's sixth program and I am happy to join with many others in congratulating those who keep making this event one of the most outstanding youth leadership experiences of its kind.

The Louisiana Youth Seminar was founded 6 years ago in an attempt to offer Louisiana high school students a general forum for education in leadership skills. The weeklong seminars have been extremely successful in developing these abilities in students by providing a spirited, thought-provoking, and stimulating experience. The hundreds of past delegates who have attended the seminars attest to the fact that this program represents one of the few common grounds for discussing pertinent events and activities, for practicing productive and practical techniques of organizing, and for gaining a clear knowledge of the workings of the American political system.

This year's seminar will be held at the University of Southwestern Louisiana in Lafayette, La. U.S.L.'s past record of being an excellent educational institution which continually strives to bring to Louisiana students the finest in educational experiences makes a perfect setting for the delegates to get the most out of the seminar.

I look forward to participating in the 6th annual Louisiana Youth Seminar and witnessing the remarkable accomplishments of the student participants. I highly commend this program to anyone interested in leadership training and personal development at its best, along with the University of Southwestern Louisiana for its sponsorship of this worthy event. I also extend my best wishes to the Louisiana Youth Seminar organization for many more years of success.

TRIBUTE TO JOHN KUBIK

HON. HENRY J. HYDE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, March 22, 1976

Mr. HYDE. Mr. Speaker, the Cicero Rotary Club members in my district recently honored Mr. John Kubik, publisher of the Life newspapers, with their Vocational Service Award. This award is given annually to a non-Rotarian whose work benefits the community and who personally exemplifies good citizenship. Mr. Kubik is clearly an excellent choice to receive this award.

An American novelist, I. A. R. Wylie, once wrote:

> What we do, what we are, what we make of ourselves decides not only the quality of our own life but that of those around us. If a man develops his talents, his capacity to use and enjoy the many opportunities for growth within everyone's reach, his family, his environment catch the fire from him. He may seem to himself but a cog in the machine, but he is also a master craftsman and a creator in the greatest of all arts—the art of living.

I believe Ms. Wylie's words are an apt description of Jack Kubik. He is a self-made businessman. He is an outstanding family man. He is eminent among his peers in the newspaper business. He is a distinguished and well-respected citizen who has always been responsive to the needs of his community and who has taken an active interest in local, State, and national issues. In short, he is a man who is a master in the art of living.

Ms. Judy Topinka, a Sixth District reporter, covered the Cicero Rotary Club's award ceremony on March 2 and filed a story that not only covers the presentation itself, but which is an interesting profile of Jack Kubik.

Mr. Speaker, for the benefit of my colleagues, and in recognition of Mr. Kubik's many years of personal and civic achievements, I insert Ms. Topinka's article to be reprinted at this point in the RECORD:

JOHN KUBIK IS ROTARY WINNER

(By Judy Topinka)

John F. Kubik, publisher of The LIFE, has been named this year's recipient of the Cicero Rotary Club's Vocational Service Award.

Kubik was chosen over nine other outstanding community leaders for the honor by the vote of the entire club membership. The award is given annually to a non-Rotarian who has contributed to the life and development of Cicero through his or her vocation.

"Mr. Kubik was selected because of his outstanding leadership in the community and his example for good citizenship," said Dino Perry, chairman of this year's award committee. "He has exemplified that the power of the press is a responsible power, one with which comes a great burden to be fair, just and objective while seeking the community good."

Perry praised Kubik's journalistic efforts and personal ethics, and noted that these, more than anything else, earned him the prestigious award. Tuesday the publisher will be honored at noon at the club's regular meeting at the Klas Restaurant, 5734 Cermak rd. At that time he will receive a plaque honoring his contributions to the club and community.

Kubik has been in the newspaper business for 44 years, watching The LIFE grow from a four-page weekly to issues sometimes in excess of 60 pages, three times a week in the Berwyn, Cicero, Stickney and Forest View area, and twice a week in the 41 west suburban communities covered by Suburban LIFE, and once a week in communities served by The Citizen Newspaper.

Born in Chicago, November 17, 1901, Kubik has especially fond memories of eight years spent with his family as one of eight children on a farm in Antigo, Wis., which he left as a lad of 17 to join a brother in Chicago. Gathering experience in the business field, he worked for Commonwealth Edison, Western Electric Co. and, in 1926, became one of the founders of the K and M Appliance Store, 4839 Cermak rd. He became associated with The LIFE in 1932 and took over as publisher in 1936.

An avid sports fan, Kubik is a member of the Riverside Golf Club, which he served as president from 1958–1960. He has also been associated with the 22d St. Businessmen's Association, a forerunner of the Cermak Road Business Association.

Having resided in Cicero, Berwyn and Riverside since 1918, he is familiar with the people, history and problems of these communities. He has seen the area's vacant prairies blossom into residential areas and business centers and has watched the growth of business and political leaders.

Kubik has been a part of the political activities of the Sixth Congressional District from the local to national level, and has personally met with many Illinois governors and Presidents. He served as delegate to the Republican National Convention in Florida in 1972.

His family is important to him, and he has watched with pride the accomplishments of his son, Jack, a LIFE vice president, and daughter, Jeanne Donars, a dental hygienist, and their families. His wife, Ella, has been a constant source of support. He is a grandfather of seven.

LITHUANIAN INDEPENDENCE

HON. FRANK THOMPSON, JR.

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Monday, March 22, 1976

Mr. THOMPSON. Mr. Speaker, on February 16, 1976, Americans of Lithuanian origin and descent commemorated the 58th anniversary of Lithuanian independence. I wish to join with many other Members of this body in extending my very best wishes to the people of Lithuania and to all Americans of Lithuanian descent.

The people of Lithuania have struggled long and hard to maintain their sense of cultural identity and independence. It is for this reason that I cosponsored the resolution passed by the House on December 2, 1975, expressing the sense of Congress that the United States does not in any way recognize the forcible annexation of the Baltic nations by the Soviet Union. Protests by Lithuanians and other people within the Soviet Union against religious and political persecution have attracted worldwide attention. Anyone who doubts that such persecution exists should read the Washington Post's recent series on Soviet justice.

Americans have long admired the courage of the Lithuanian people in the face of adversity and support them in their struggle to obtain basic rights guaranteed under the Soviet constitution. The recent signing of the Helsinki Treaty of the Conference on Security and Cooperation in Europe offers a unique opportunity to encourage the Soviet Government to show that its constitution is something more than a mere piece of paper. To achieve this end, I have cosponsored H.R. 11751, which would establish a Commission on Security and Cooperation in Europe to monitor compliance with the humanitarian provisions of the treaty. The passage of this legislation would do much to assist the Lithuanian and other peoples of the Soviet Union in obtaining their rights and I urge the Committee on International Relations to give favorable attention to this measure.

CONTRIBUTION TO BICENTENNIAL

HON. ALPHONZO BELL

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 22, 1976

Mr. BELL. Mr. Speaker, may I take this opportunity to acknowledge the contribution of the Beach Cities Symphony Association, Inc., and the South Bay City Bicentennial Committees to the celebration of the American Revolution Bicentennial. The symphony association has presented public concerts for people living in the South Bay area of Los Angeles County for 25 years. This year they have sponsored several outstanding public concerts with a Bicentennial theme.

The Beach Cities Symphony is honored to have as its conductor Dr. Louis Palange, whose national reputation as a composer and conductor is based on many years of musical accomplishment. In addition to his work in radio, television, and motion pictures, Dr. Palange is also the musical director and conductor of the Downey Symphony, the Hollywood-Wilshire Symphony, Metropolitan Symphony, and the Southeast Symphony Orchestras.

This concert series is made possible by the membership contributions of the Beach Cities Symphony Association, Inc.; Los Angeles County Board of Supervisors, the Honorable James Hayes, supervisor, Fourth District; Los Angeles County Music and Performing Arts Commission; a grant from the Recording Industry—Music Performance—Trust Funds, Kenneth Raine, trustee, in cooperation with the American Federation of Musicians, Local No. 47, Mr. Max Herman, president; Municipal Support by Hermosa Beach, Redondo Beach; and a special grant by the Ethan Allen Galleries of Torrance.

I would also like to recognize the TRW Systems Group both for supporting the orchestra and for designing and printing its program as a public service to the South Bay community, El Camino College, South Bay Union High School District, the Los Angeles Public Library, the Fine Arts Commission of the city of Torrance, and Redondo Beach Friends of the Arts.

TRIBUTE TO CHARLES H. CASTLE

HON. WILLIAM M. KETCHUM

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 22, 1976

Mr. KETCHUM. Mr. Speaker, today I ask that my colleagues join with me in paying tribute to an outstanding figure in the world of education, Charles H. Castle. A resident of Bakersfield, Calif., which I have the honor of representing here in the Congress, Mr. Castle has devoted 30 years to his chosen field in California. This January, he received what I believe to be the ultimate tribute from his colleagues and those in the community who have come to know and respect his remarkable abilities: the beautiful new Charles H. Castle Elementary School was opened this past January, named to honor a man who has contributed immeasurably to Kern County's school system.

Charles Castle attended LaVerne College, Claremont College, and Fresno State University where he received his teaching credentials. Following the completion of his own education, he taught for 1 year in California's Tulare County, then briefly left his career in order to serve his country during World War II.

Upon his return from military service, Mr. Castle began his many years of service to Kern County. At Bakersfield's Panama School, he began teaching in 1946. Through 17 years at that school, he touched upon all realms of the educational process, first teaching, then becoming vice principal, and finally attaining the principal's position. For the past 12 years, he has further demonstrated his skill, competence, and dedication to education as principal of the Amy B. Siebert School.

On May 22, Mr. Castle will leave his chosen profession, beginning an extremely well-earned retirement. Those in the community who recognize his contributions will honor him with a retirement dinner shortly, honoring not only his teaching abilities, but also the spirit of cooperation he has encouraged from parents, teachers, and students alike. Today, I am most pleased to be able to participate in that well-deserved tribute, and I know that all my colleagues will share in this commendation with me.

Further, I would like to take this opportunity to extend the best possible wishes, and my warmest personal regards, to a man of whom the educational field may be truly proud. To Charles Castle, his wife, and their three children, I say congratulations on a job well done, and offer my hope that the years ahead will be happy ones, both prosperous and peaceful.

AN OPPORTUNITY TO GIVE STATE, FEDERAL, AND LOCAL GOVERNMENTS AN EXTRA BILLION DOLLARS A YEAR WITHOUT INCREASING TAXES A SINGLE PENNY

HON. RONALD M. MOTTL

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Monday, March 22, 1976

Mr. MOTTL. Mr. Speaker, I would like to call the attention of every Member of this House to H.R. 12595. The purpose of this legislation is to correct the longstanding injustice to the American taxpayer.

That injustice is the failure of the Treasury Department, for more than half a century, to collect interest on billions of dollars of tax and loan account deposits in banks throughout the Nation.

While the banks were earning money by lending and investing this money, the public received no interest on the huge amounts. It was conservatively estimated that the American taxpayer sometimes lost as much as a million dollars a day because of this failure. The total loss during the entire half-century amounted to several billion dollars. Last December, to correct this abuse, the House unanimously adopted a bill bearing the name of our late, great colleague, Congressman WRIGHT PATMAN of Texas. I am proud to have been associated with Mr. PATMAN in the sponsorship of this measure.

The new bill was devised in consultations with Senator WILLIAM PROXMIRE of Wisconsin. Senator PROXMIRE is chairman of the Senate Banking Committee, which has jurisdiction over this legislation in the other House. What we are now proposing is to extend the original Patman bill to permit all levels of Government—State, Federal, and local—to receive interest from the banks on their demand deposits.

This would immediately give the three levels of government a billion-dollar bonanza of additional annual revenue. And it would accomplish this without increasing taxation a single penny.

We all know that the banks offer numerous services to business and industry to obtain the accounts of corporate customers. The payment of interest on governmental deposits would be no more costly than this special consideration for business clients.

We all know that the American people are now overburdened with taxation. The small homeowner is particularly incensed by the mounting size of his tax bill.

This is a way we can offer some relief—relief to which he is enormously entitled.

There is no reason why the banks should be enriched by their earnings of money deposited by government units while the little taxpayer must scrimp and save to make his tax payments.

If you are interested in cosponsoring the bill which Senator PROXMIRE and I have introduced, or need any further information on it, please contact Alice Katona of my staff at 225-5731.

THE BELOVED PHYSICIAN

HON. SILVIO O. CONTE

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Monday, March 22, 1976

Mr. CONTE. Mr. Speaker, in this age of skepticism, many of our country's institutions are being held in disrespect. One such institution is the medical profession. The charge is often made that doctors no longer care so much about their patients, that their chief concern is making money. Any such attempt to stereotype a whole group can only be inaccurate and unfair. Every group has both its bad apples and its shining stars.

The medical profession of Massachusetts recently lost one of its brightest stars, Dr. John Edward Moran of Greenfield.

Dr. Moran was a skilled surgeon, serving as chief of surgery at Franklin County Hospital for 22 years. But beyond his technical proficiency, Dr. Moran was better known for the warmth, understanding and compassion he showed for his patients. The depth of Greenfield's feelings for Dr. Moran can best be conveyed by reprinting the following editorial that appeared in the Greenfield Recorder:

THE BELOVED PHYSICIAN

Life in Franklin County lost some of its flavor this week with the passing of John Edward Moran, M.D., of Greenfield. Three generations of residents were saddened by the departure of this outstanding neighbor.

Dr. Moran was not an authentic pioneer of area medicine but he was one of those who brought the healing arts to the place they now occupy. With its longtime president, Dr. Halbert G. Stetson, and the legendary Miss Annie Barclay, superintendent of nursing, he helped to make Franklin County Public Hospital what it is today.

From a professional standpoint, Dr. Moran was one of the great surgeons in this area's history and his 22 years as hospital chief of surgery is proof of his fellows' acknowledgement of his skill. He was accredited in several fields and both his colleagues and local hospital staffs accorded him the respect he deserved.

While outstanding in the craft that he both loved and defended, John Moran was also a man for all seasons. He was a devoted family man, a strong supporter of his church, a friend and confidant of young persons and a healer who was especially close to the working class. His rollicking sense of humor was known afar and it served a useful purpose. In both private and professional lives he eased strain and sorrow with a joke; he laughed away fear and lightened life's burdens with a quip.

Above all, Dr. Moran was a professional man of science who possessed a strong sense of humanity. He understood and sympathized with his fellow human. Like those around him, he enjoyed food and fun. And whether at the racetrack, on the street corner or in his office, he was concerned with the welfare of those around him.

Medicine is a changing field. Every day brings new discoveries and improvements in techniques. Thus the future will bring to Franklin County men and women of greater knowledge and superior skill. But it never will bestow on this area a man of medicine with a greater understanding and love for his fellow man than we found in John E. Moran—truly our beloved physician.

VERMONT EXPERIMENTS WITH OFFPEAK ELECTRICAL RATES

HON. DOMINICK V. DANIELS

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Monday, March 22, 1976

Mr. DOMINICK V. DANIELS. Mr. Speaker, on Tuesday, March 18, the Christian Science Monitor contained an article describing an offpeak electrical rate project in the State of Vermont.

As my colleagues may be aware, electricity is cheaper during certain hours—especially late at night—because there is less demand on power company generators. These lower rates have historically been available to businesses, but seldom to residential customers.

The State of Vermont has ordered the State's utilities to offer such time-of-day rates for all their customers. The major utilities in the State have been experimenting with two methods of providing those rates—time clocks and ripple control. Customers using these devices have been able to save up to $250 per year in their electricity bills.

Mr. Speaker, I thought my colleagues would be interested in the Vermont project, and I am including at this point in my remarks the article from the Christian Science Monitor relative to the concept of offpeak usage:

[From the Christian Science Monitor, Mar. 18, 1976]

VERMONTERS TEST CHEAPER OFFPEAK ELECTRICITY USE

(By Lynde McCormick)

MONTPELIER, VT.—If running your freezer or hot-water heater only at night meant cheaper electric rates, would you do it?

Vermonters are being offered that choice as the state's two largest power companies test different uses of off-peak electricity rates. The result thus far has been considerably reduced utility bills for some of their customers.

Electricity is cheaper during certain hours—especially late at night—because there is less demand on power-company generators. The reduced rates are passed along to large businesses, but seldom to residential customers.

About 18 months ago the Vermont Public Service Board required the state's utilities to offer such time-of-day rates for all their customers.

Since then, the Central Vermont Power Company (CVP) in Montpelier and the Green Mountain Power Company in Burlington have begun testing two ways to provide the rates—time clocks and "ripple control." And they are working with customers to find who can effectively utilize the dual-rate system.

The most feasible method right now is a time-clock system, says John Romano, analyst for the Public Service Board who also works for CVP. "We install two meters for the two rates and a time clock that shuts off the electricity to certain appliances at the same time every day."

A freezer does not need to run 24 hours a day; neither does a hot-water heater.

"Time-of-day rates are best suited for someone who doesn't care when he gets electricity to certain appliances, just so long as it gets there," explains Mr. Romano.

"But it does mean at least some change in life-style, and not all the people who have applied for off-peak rates can use them effectively."

He says appliances such as washers, dryers, and dishwashers should be run only at night to save the most on the dual rates. "A lot of people aren't willing to give up certain things during the peak hours," he says.

Of some 300 original applicants for time-of-day rates, only 20 were selected on an experimental basis, says a CVP official. About 900 customers have since applied, and CVP is sifting through the requests. A time-clock/dual-meter system costs about $30 more to install than a single meter, says Mr. Romano. Customers now using it have saved "anywhere from $6 to $250 a year."

One offshoot of the experiment is a heat-storage unit. Made of "some type of ceramic" and about the size of a 2½-by-3-foot book shelf, the unit can store electric heat "during off-peak hours and then heat an entire house with a blower system during the day," said Mr. Romano.

Ripple control, the second way to use off-peak rates, promises even cheaper electric bills than time clocks. It involves customers letting the utility company shut off the juice during peak hours. "The only difference between ripple and time clock is that the utility knows when the rates will be cheapest—off-peak hours are not always that regular," explained a CVP analyst.

Ripple customers will have "little black boxes" installed in their homes, through which the utility can interrupt power to selected appliances.

"The reason it's so common in Europe and not this country is that so many of our power systems are interconnected," explains Mr. Romano. "We overlap with New York's power grid, and people were afraid that if one company sent a 'turn off' signal to its customers," says Mr. Romano, "it might go to the customers of another company."

So far, both Green Mountain and CVP have tested ripple control on isolated receivers, not homes.

Utility officials expect to offer their customers ripple service after testing is completed in June.

TWO HUNDRED YEARS AGO TODAY

HON. CHARLES E. WIGGINS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 22, 1976

Mr. WIGGINS. Mr. Speaker, 200 years ago today, on March 19, 1976, the Continental Congress authorized the fitting out of privateers to prey on British vessels. In its directive Congress stipulated:

> That all seamen and mariners on board of merchants ships and vessels, taken and condemned as prize, shall be entitled to their pay, according to the terms of their contracts, until the time of the condemnation.

A STATEMENT BY WALTER W. HELLER ON THE BUDGET

HON. JOHN BRADEMAS

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 22, 1976

Mr. BRADEMAS. Mr. Speaker, I believe that Members of the House of Representatives and the Senate will read with great interest the statement of March 10, 1976, before the Senate Committee on the Budget by Walter W. Heller, the distinguished regents' professor of economics at the University of Minnesota and former Chairman of the President's Council of Economic Advisers.

Dr. Heller's statement follows:

STATEMENT BEFORE THE U.S. SENATE COMMITTEE ON THE BUDGET BY WALTER W. HELLER

It was one of the more fortunate accidents of history that long years of dogged efforts in Congress to reform and strengthen its budgetary process and capability bore fruit in the Budget Reform Act of 1974. For it positioned Congress just in the nick of time (a) to use budget policy more effectively as an instrument of recovery from the longest and deepest recession since the Great Depression and (b) to respond responsibly to rising public clamor for tighter budgets and greater economy in government.

In spite of unfair White House rhetoric about "election-year pork-barrel spending," the American public is beginning to sense that a new day of fiscal responsibility is dawning in Congress. But 1976 will put the Congress—and its new procedures—to a stern test. For it requires nothing less than (a) again saving the White House (and the economy) from its own mistakes by keeping fiscal policy on a firm expansionary course while (b) heeding the public cry for cutting spending (without undercutting programs).

THE REMARKABLE MANAGEMENT OF FISCAL MANAGEMENT BY CONGRESS IN 1975

In looking ahead, I am encouraged by the remarkable management of fiscal policy by Congress in 1975 even before the new procedures become mandatory:

By passing a tax cut (in record time) last March that was half again as large as President Ford's inadequate proposal, the Congress provided a solid springboard for recovery.

At the same time, it set a realistic ceiling of $367 billion on outlays and $69 billion on the deficit and revised these numbers upward in December only to accommodate budgetary "uncontrollables" (if one can so classify Secretary Kissinger, the cost of whose Sinai Agreement was included in the revised ceilings of $376 billion and $75 billion).

Also wisely and realistically embodied in the ceilings was the vital extension of the 1975 income tax cut finally signed over the opposition of some key Administration advisers.

And White House rhetoric to the contrary notwithstanding, even the $6.2 billion jobs bill—with its badly needed anti-recession grants, public service jobs, and public works step-up—had been carefully fitted in under the budget ceilings.

So Congress—and especially its new budgetary committees—can take justifiable pride in these solid budgetary accomplishments and their economic consequences. With the aid of a drop in interest rates that clearly surprised even the Federal Reserve, the economic rebound of 1975 was converted into the solid recovery of 1976 while inflation continued to moderate.

But as the Congress savors these developments, it should constantly bear in mind that good procedure is in itself no guarantee of, and surely not a substitute for, good policy and substance. The new procedure can be an instrument of either a restrictive or an expansionary approach to the U.S. economy. And if it were to result in calling restrictive shots when it should be aiming at an expansionary target, the gain in the swings would be lost in the roundabouts.

A CRITICAL FORK IN THE ROAD

It is fair to say, I believe, that your Committee and the Congress are facing a critical look in the fiscal road under your new procedures:

One fork, the "austerity trail," is haunted by the spectre of continuing inflation, beset by fears of limited capacity and shrinking resiliency of the U.S. economic machine, and darkened by the shadow of rising citizen resentment against big and intrusive government. This road is studded with "go slow" signs.

The other fork, the "prosperity trail," proceeds in reassurance about the dissipating storm clouds of inflation and the absence of new threats of excess demand and external shock; in concern about unemployment and slack, but faith in the great potential and adaptability of the U.S. economy; and in the regulation that public opposition to big spending and bothersome controls exists side by side with public support for good programs and measures to speed economic recovery. This road is posted not only with 55-mile-an-hour speed limit signs, but reminders that the minimum speed is 45 miles an hour.

Granted, the foregoing rhetoric is a bit loaded. And the dichotomy between the two forks is by no means complete. By adjusting the mix between government spending and tax cuts (not to mention the appropriate monetary policy), the Congress could reconcile a tight spending policy with an expansionary economic policy. But given the proposed drastic cutbacks from current services levels in the President's budget, a balanced expansionary policy is bound to include both more generous budget outlays and more generous tax cuts than the White House contemplates.

SUPERB NEW CONGRESSIONAL BUDGET STAFF

In considering the budget alternatives, this Committee has had the benefit of extensive expert testimony and the excellent analytical work of the superb new Congressional budget staff. So I need not repeat the convincing evidence that the Ford budget program would jeopardize economic expansion and settle for sustained high unemployment while promising little improvement in the rate of inflation. But what may be worth underscoring is that once again the White House is proposing to take the self-defeating low road of budget restriction toward elimination of deficits rather than the promising high road of economic expansion.

"Self-defeating" is the key phrase. No program that fails to promote economic expansion will balance the federal budget. Put differently, no program that fails to recoup the $50 billion of revenues lost and $25 billion of spending (on unemployment compensation and other cyclical programs) induced by recession will put the budget back in balance. And the simple, well-documented fact is that the Ford budget won't do it:

If the President's proposals are accepted, the resulting slowdown in the pace of recovery will slow the reduction in unemployment to a crawl in 1977, and little improvement would be in the cards for 1978 and beyond.

Thus, the White House policy designed to balance the budget in fiscal 1979 (last time, it was supposed to be fiscal 1976) would defeat itself by holding unemployment compensation and other cyclical outlays at unnecessarily high levels and holding tax revenues at unnecessarily low levels. Deficits would continue at about $50 billion a year.

And as a number of studies, including those by the Congressional Budget Office, have shown the net drop in the inflation rate by the end of the decade would be only about 0.3 to 0.4 percentage points as compared with following a "current policies budget." That is, a budget that would provide for fiscal 1977 spending at about $420 billion instead of the $394 billion the President proposes (I am including a $5 billion adjustment for overestimated oil lease receipts and underestimated unemployment compensation in the White House figure) would just hold the line on current federal services.

The implication? Only by following the "prosperity trail," the high road of economic expansion, can the Congress help create the conditions for the long-sought goal of a balanced budget in a balanced economy. And even then, it will require the full cooperation of the Federal Reserve System.

In its thinking about the budget deficits that would be temporarily enlarged by a positive program for sustaining economic expansion, the Congress should maintain a clear distinction between the "passive deficits" generated by the negative effects of recession and slack on the budget and the "active deficits" generated by tax cuts and budget actions to take up economic slack more rapidly. As was so clearly demonstrated in the mid-1960s when the big 1964 tax cut stimulated enough expansion to convert a deficit into a surplus just before escalation in Vietnam began, a courageous policy of economic expansion via "active deficits" to create added jobs, output, income, and tax revenues is the surest way to *shrink* and eventually end "passive deficits". The Congress will find that the payoff on a bolder Congressional program will be a smaller total deficit for the 1970s than would be incurred under President Ford's basically timid budget program.

SPECIFIC POLICY MEASURES

What specific policy measures does the foregoing approach imply?

To overcome the huge swing toward economic restriction in the President's budget—the $19 billion year-over-year shift toward surplus at high employment, including a $30 billion jump from the spring of 1976 to the summer of 1977—is the minimum fiscal task to which Congress should address itself. If it prefers to hold the budget below the current services level of about $420 billion, the balance of the job can be done by net tax cuts.

Reenactment of the vetoed jobs bill or some close equivalent would be a perfectly sound component of a fiscal program for expansion.

Close cooperation must be maintained with the Federal Reserve System to avoid a situation in which expansionary fiscal action would in effect be vetoed by restrictive monetary action.

In the face of existing economic prospects for 1977, and given the fact that a return to prosperity is the best short-run tonic for the Social Security funds, the Congress should reject the President's request for increased payroll taxes as of next January. As added revenues are needed to protect the integrity of the Social Security System, supplements from the general revenue should be provided rather than cutting our best tax, the income tax, while boosting our worst tax, the payroll tax.

Although the President has ignored wage-price restraint as part of his program, the Congress should bear constantly in mind that any balanced program for full employment without excessive inflation must contain some kind of restraint on excessive price increases exacted by concentrated industries and excessive wage increases exacted by overly powerful labor unions. Anti-trust cannot cope with this problem. The Council on Wage and Price Stability should be given more effective power to flag down excessive wage and price increases in areas of the economy where competition is not an effective policeman.

To fight inflation, the Congress should consider not only a moderate program of wage-price restraint in the areas of the economy that fail to play the competitive game but also a deescalation of regulations that prop up prices and costs.

The congressional agenda should also make room for considering innovative programs such as those that have been proposed to trade off some reductions in payroll taxes in exchange for wage restraint and trade off federal grants to states in exchange for cutbacks in sales and excise taxes that would cut the Consumer Price Index.

Before closing, I should note that the recommendations I have been making for a more accommodative monetary policy and especially for a less restrictive fiscal policy in the past six months—and which I am in essence reiterating today—have all been made on the assumption of 7% real growth in GNP in 1976. It was last September when George Perry and I first went on record with what was at the time a far-out forecast of 7% real growth—a forecast we have reconfirmed a number of times since then.

Hence, I do not regard the recent signs of strengthening in the economy as a basis for weakening congressional resolve to pursue an expansionary policy. The kind of program I am supporting is required simply to keep on the 7% track in late 1976, let alone boost it to the 8 to 8½% pace of real growth that an economy still beset with recession-like levels of unemployment and slack can safely stand.

THE LIBERAL PARTY SPEAKS OUT ON U.S. POLICY TOWARD GREECE

HON. EDWARD I. KOCH

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, March 22, 1976

Mr. KOCH. Mr. Speaker, I wholeheartedly support a recent statement by the Liberal Party of New York calling on the United States to adopt closer relations with Greece. We have a duty to support the few democracies around the world. We have a special obligation to the people of Greece, for they overcame repression and dictatorship in 1974 to return to a full democracy.

I commend the Liberal Party statement to my colleagues:

STATEMENT OF THE LIBERAL PARTY CONCERNING GREECE

It is indeed one of the cruel and bitter ironies of history that Greece, the birthplace of democracy, which suffered tragically under Axis occupation during World War II, should have fallen victim in recent years to a totalitarian-military dictatorship.

And it is one of the most outrageous and shameful episodes in American foreign relations that the United States Government supported that brutal fascist-type junta.

Happily, democracy has at long last returned to Greece. In 1974, free national elections formally installed a democratic Government that has scrupulously observed democratic tradition and practice.

Unhappily, relations between Greece and the United States are constrained by previous United States Government support for the military dictatorship.

The Liberal Party of New York State strongly believes that it is now time for the United States and Greece to make an entirely new beginning in the relationship between these two historic democracies. This new relationship should include a permanent cessation and renunciation by the United States Government of interference, including covert interference, in the internal affairs of Greece; appropriate economic and political aid and assistance to the Government of Greece to support the implementation of their goals of democracy, social justice, and economic well-being for all citizens; diplomatic assisttance in favor of the admission of Greece to full membership in the Common Market; and appropriate military aid for the non-aggressive defense of a free and democratic Greece.

The Liberal Party of New York State calls upon the United States Department of State and the United States Congress to take all necessary steps forthwith to bring about such a democratic policy toward Greece.

THE SILENT PARTNER OF HOWARD HUGHES—PART X

HON. MICHAEL HARRINGTON

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Monday, March 22, 1976

Mr. HARRINGTON. Mr. Speaker, I am inserting today the 10th installment of the Philadelphia Inquirer's exposé regarding Howard Hughes privileged relationship with sectors of the U.S. Government. In this segment, reporters Donald L. Barlett and James B. Steele describe Hughes' connection with the Watergate affair. Among the figures discussed are former Democratic Party Chairman Lawrence O'Brien, Watergate Special Prosecutor Archibald Cox, and Robert Bennett who, according to journalist J. Anthony Lukas, may have been the Washington Post's key source in its investigation of the incident:

THE SILENT PARTNER OF HOWARD HUGHES—X

When Lawrence F. O'Brien resigned as postmaster general in 1968 and left government to form his own public relations company, the longtime Democratic figure and Kennedy family confidante was retained by the Hughes organization.

The full extent of O'Brien's work for Hughes has not been disclosed, but a glimpse of the relationship is reflected in 1969 letters from a close O'Brien associate to the onetime Hughes Nevada chief, Robert Maheu.

The letters, from Claude J. Desautels, a former O'Brien aide in the post office and a long-time Democratic activist, are contained in court records of a lawsuit filed against Hughes in San Francisco.

By 1969, when the letters were written, Desautels had also left government to become a public relations executive. According to exhibits entered in the record of the Senate Watergate Committee hearings, Desautels remained closely associated with his former boss, Larry O'Brien.

One Desautels letter, dated Feb. 4, 1969, was written as the Hughes organization was about to seek Civil Aeronautics Board (CAB) approval to acquire Air West.

"As you know," Desautels wrote Maheu, "I am scheduled to meet with CAB officials later this week." Desautels did not say whom he planned to meet or what the meeting was about, but added that "Larry has been kept informed of the above . . ."

On March 18, 1969, Desautels wrote Maheu again on pending legislative and regulatory matters affecting the Hughes organization. He also noted that Democrats were mailing out invitations to a May 12 dinner for House Speaker John McCormack and Senate Majority Leader Mike Mansfield.

"Larry suggested that if you did (receive an invitation), it might be helpful to all of us if it was channeled through us," Desautels wrote.

But early in 1971, the Hughes Washington account was switched to Robert R. Mullen & Co., an agency that had just been taken over by Robert Bennett, a former Department of Transportation official and son of Sen. Wallace Bennett (R., Utah.).

In addition to having more direct access to the White House, the Mullen Agency also had a CIA connection. And it was in the Mullen company offices, next to the Executive Office Building, where E. Howard Hunt maintained an office prior to the Watergate break-in.

When Hughes makes such a move, politicians and government officials sit up and take notice—including those in the White House.

Even though Bennett obviously had more Republican clout than O'Brien, the Nixon White House sought to bolster Bennett's standing with his new client, Howard Hughes.

A confidential White House memorandum of Jan. 15, 1971, signed by Charles Colson, described Bennett as a "trusted loyalist and a good friend" and said the White House intended "to use him on a variety of outside projects."

Colson added:

"One of Bob's new clients is Howard Hughes. I'm sure I need not explain the political implications of having Hughes' affairs handled here in Washington by a close friend.

"As you know, Larry O'Brien has been the principal Hughes man in Washington. This move could signal quite a shift in terms of the politics and money that Hughes represents.

"Bennett tells me that one of the yardsticks by which Hughes measures the effectiveness of his Washington lobbyist is the important people he knows; that's how O'Brien got on board.

"Bob Bennett tells me that he has never met the vice president and that it would enhance his position greatly if we could find an appropriate occasion for him to come in and spend a little time talking with the vice president. . . .

"The important thing from our standpoint is to enhance Bennett's position with Hughes because Bennett gives us real access to a source of power that can be valuable, and it's in our interest to build him up."

No one was more aware of the bipartisan nature of Hughes' political connections over the years than the Nixon White House.

When the Nixon staff launched a vague inquiry aimed at possibly disclosing the relationship between O'Brien and Hughes back in 1971, certain staff members realized such a plan was fraught with danger.

A Feb. 1, 1971, memorandum from John Caulifield to John W. Dean 3d, spoke of the risks:

"This revelation that an O'Brien-Maheu relationship exists poses significant hazards, any attempt to make O'Brien accountable for the Hughes retainer.

"Maheu's controversial activities and contacts in both Democratic and Republican circles suggests the possibility that forced embarrassment of O'Brien in this matter might well shake loose Republican skeletons from the closet."

The Nixon staff knew about one close Hughes Republican tie in particular. Former Rep. Patrick Hillings (R., Calif.) had been on a retainer from Hughes. And Hillings, as the staff knew so well, was also a friend of Nixon aide Murray Chotiner.

When the Watergate scandal finally broke in full force in Washington, Hughes had indirect ties all the way to the top of the special prosecutor's office.

Arichbald Cox, the first Watergate special prosecutor, was a brother of Maxwell Cox, a law partner of Chester Davis, one of Hughes' principal lawyers since the early 1960s.

Davis & Cox had long represented Hughes on many matters, and Archibald Cox conceded in May 1973 that there might be instances in which he would have to "isolate" himself from phases of the Watergate investigation because of his brother's legal relationship with Hughes.

But perhaps is it the story of one Hughes Washington attorney, Robert D. Peloquin, that best illustrates Howard Hughes' access to power in the capital.

The story begins on Dec. 27, 1973, when Hughes and four other men were indicted by a federal grand jury in Nevada on charges of stock manipulation in Hughes' acquisition of Air West, a regional West Coast airline.

In addition to Hughes, the indictment named Chester C. Davis; Robert Maheu, Hughes' former Nevada chief; David Charnay, a Hollywood film producer, and James H. Nall, a Hughes Nevada aide.

The indictment charged that Hughes engaged in a conspiracy to "create actual and apparent active trading" in Air West's stock in 1968 in an effort to pressure opponents into selling the airline to him.

"Between June 1, 1968 and Jan. 1, 1969," the indictment stated, "Defendant Howard R. Hughes, by handwritten memoranda and verbal communication, authorized and directed the Defendants Chester C. Davis and Robert A. Maheu to unlawfully manipulate the market price of Air West, Inc., common stock and to instigate lawsuits against the opposing directors of Air West, Inc., to pressure the board of directors into approving the Hughes acquisition offer . . ."

The indictment said the American Stock Exchange was used to "dispose of substantial shares of Air West Inc. for the purpose of depressing the price of the common stock."

Hughes did succeed in acquiring the airline, now known as Hughes Airwest, and in gaining CAB approval of the purchase.

But in February 1974, the indictment was thrown out by U.S. District Judge Bruce R. Thompson in Reno, Nev., who described it as "the worst criminal pleading I've ever encountered."

Still, U.S. Attorney Devoe Heaton promised that the Hughes matter would be sent back to the federal grand jury. "We feel we have a case," he said.

It was at this point that Peloquin, himself a former Justice Department official who was then in private law practice in Washington, spoke to Justice Department officials on behalf of Hughes and Davis.

In an affidavit of Aug. 15, 1974, filed in another court matter, Peloquin recounted a Feb. 1, 1974, telephone conversation he had with Thomas J. McTiernan, chief of the fraud division of the Justice Department. In the conversation, Peloquin said:

"I was assured, and we relied on that assurance throughout, that no new action would be taken against Messrs. Hughes and Davis prior to a full opportunity to submit our position."

As a result, Peloquin and other Hughes attorneys took part in a proceeding that is not usually accorded to the attorneys of most individuals who are facing possible criminal charges.

On May 2, 1974, Peloquin and other attorneys attended a meeting of Justice Department officials, Devoe Heaton and his assistant, Dean Vernon, at the Justice Department in Washington. Peloquin explained the outcome:

"As a result of that meeting, we agreed to prepare a written submission of our views of the applicable facts of law. The written submission was submitted to the Department of Justice and Mr. Heaton on or about May 20, 1974.

"On May 23, 1974, I, along with other attorneys on behalf of Messrs. Hughes and Davis, attended a further meeting in Las Vegas, Nevada, with Mr. Heaton, Mr. Vernon and officials of the Department of Justice.

"At that meeting, Mr. Heaton said he would study our submission and would probably submit a counter-proposal to the Department of Justice. We requested an opportunity to respond to any such counter-statement."

On July 31, 1974, a Las Vegas federal grand jury re-indicted Hughes, Davis, Maheu and Charnay on charges of stock manipulation. However, those charges were thrown out as well by Judge Thompson, who said the indictment "fails to state a public offense." The federal government has since appealed the dismissal.

But the fact remains, Hughes had been afforded an unusual courtesy. His attorneys had taken part in detailed discussions with the nation's highest law-enforcement body at a time when it was considering whether to criminally charge the reclusive industrialist.

Hughes' privileged position is by no means restricted to the United States.

Since leaving Las Vegas in 1970, Hughes has reportedly traveled to the Bahamas, Canada, Nicaragua, England and back to the Bahamas.

It is not clear whether Hughes was exempted from seeing immigration authorities on his arrival in those nations or whether immigration officers pledged to keep details of their inspection visit a secret.

What is known is that no word has leaked out from immigration officers in any of these countries giving any personal details on Hughes' appearance or even confirmation of his existence.

An Inquirer reporter asked Bahaman officials in Nassau last summer if the Bahaman government had extended any special privileges, such as waiving immigration inspection, to Hughes when he re-entered the Bahamas in 1973.

"Well, anyone who comes to the Bahamas must present himself to immigration authorities," said Cyril Stevenson, chief of Bahamas Information Services. "This is true for everyone. Whether Mr. Hughes did that, I don't know."

Stevenson was asked if he could obtain an answer from Bahaman immigration officials as to whether anyone from that agency had indeed seen Mr. Hughes on his arrival. Stevenson was unable to obtain an answer.

On Sept. 16, 1974, the Inquirer wrote to Lynden P. Pindling, the Bahaman prime minister, and asked the same question.

Pindling has never answered.

Next: Howard Hughes and the friendly Civil Aeronautics Board.

TWO HUNDRED YEARS AGO TODAY

HON. CHARLES E. WIGGINS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 22, 1976

Mr. WIGGINS. Mr. Speaker, 200 years ago today, on March 22, 1776, the Continental Congress issued a captain's commission to William Shippen who was to command a privateer that had been privately procured and fitted out in order to guard and cruise the coast of Virginia. The commission was granted in response to a petition from the owners of the vessel. Congress directed the Secret Committee to issue Captain Shippen 300 pounds of powder if he paid for it. With a practically nonexistent navy, the United Colonies had to rely on privateers to protect the coast and harass British shipping.

HOUSE LEADERSHIP OPPOSES BROADCAST PLAN

HON. JOHN B. ANDERSON

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, March 22, 1976

Mr. ANDERSON of Illinois. Mr. Speaker, an article appearing in this week's Congressional Quarterly, written by Bruce F. Freed, confirms reports I have heard that the House Democratic leadership is actively working to kill the House broadcast resolution (H. Res. 875) in the Rules Committee this Wednesday, and probably has the votes to do it.

Mr. Speaker, I think this is a most disturbing development given the fact that our ad hoc Subcommittee on Broadcasting has not only kept the leadership apprised of our work on this resolution, but has rewritten the resolution to address some last minute objections which were raised by the leadership. We were at least led to believe that the leadership would now support our revised broadcast resolution. I am at a loss to explain why the Democratic leadership might still be working against opening our floor proceedings to broadcast coverage. A party which calls itself Democratic can hardly be opposed to openness and letting the people participate more directly in their representative form of government—especially in our Bicentennial Year.

Mr. Speaker, I would hope that you and the majority leader would publicly renounce these reports of your opposition and announce your full support for House broadcasting so that this resolution can be cleared for a House vote by the Rules Committee which is, after all, an arm of the Democratic leadership.

At this point in the RECORD, Mr. Speaker, I include the CQ article I referred to earlier:

HOUSE LEADERSHIP OPPOSES BROADCAST PLAN

The House Democratic leadership is trying to head off a proposal to open the House to live broadcast coverage.

Majority Leader Thomas P. O'Neill Jr. (D Mass.) has asked Rep. B. F. Sisk (D Calif.), chairman of the House Rules ad hoc subcommittee on broadcasting, not to bring up for full committee consideration a resolution (H. Res. 875) that would provide for the televising of House floor debates.

"O'Neill and Sisk talked about the matter on the House floor" the week of March 7, a Rules Committee source, who wished not to be named, told Congressional Quarterly. "The majority leader pleaded with Sisk not to bring up his broadcasting resolution at the Rules Committee's March 24 meeting."

Rep. Ray J. Madden (D Ind.), chairman of the Rules Committee, put off several committee meetings on the Sisk subcommittee proposal before finally scheduling the March 24 session.

O'NEILL, ALBERT OPPOSITION

H Res 875 has been the target of determined, but unpublicized, opposition by O'Neill and, according to some committee members, by Speaker Carl Albert (D Okla.) ever since the subcommittee first reported it Feb. 4. An amended version was approved March 4.

Several Rules Committee members predicted the broadcast resolution would be turned down by the full committee, in part because of Albert's and O'Neill's opposition. "The resolution is being bottled up in the

Rules Committee because of House intramural politics on the Democratic side of the aisle and the covert opposition from the Speaker and O'Neill," said Rep. John B. Anderson (R Ill.), a committee member.

"The Democratic leadership realizes that if it's going to be stopped, killing it in committee is the best way to do it," he added.

An O'Neill aide refused to talk about the majority leader's position on the broadcast proposal. All he would say was that O'Neill "has told Sisk he'd vote for the amended version of H Res 875 on the House floor."

However, O'Neill warned members of the Sisk subcommittee at a Feb. 24 meeting that "if you think the public's rating of Congress is low now, just wait till we get TV," a committee aide reported.

SUBCOMMITTEE ACTION

According to Rules Committee staff members, Albert and O'Neill began raising objections to H Res 875 only when the subcommittee was on the verge of reporting it. "We kept the leadership informed all along on what we were doing," said a committee aide. "When we started that final markup, we were operating on the assumption that the subcommittee had the full support of the leadership."

But the evening before the Sisk subcommittee was to vote on the original version of H Res 875, Albert called Sisk and said he had some reservations with the resolution. Albert said that the resolution did not adequately protect the Speaker's authority to control the House chamber and that it gave too much power to the television networks. Under the resolution, the Rules Committee would oversee the live broadcast coverage, which would be provided under contract by the networks.

"The strange thing about the leadership's objections was that they were so last minute," noted a committee aide. "The time to raise them was when the bill was being written."

The subcommittee met with the House leadership Feb. 24 to discuss the problems and eventually agreed to the changes it wanted. They were incorporated in the amended resolution approved by the panel March 4.

"Our impression was that if we acceded to those changes, we'd be okay," a committee staff member said. "I think Albert and O'Neill were shocked when we gave in. They thought they'd be major items with us and that a compromise would break down over those issues."

In addition to running into opposition from the leadership, the Sisk proposal is viewed with suspicion by many other members. "There are many members who feel uncomfortable with all this exposure," said Rep. Richard Bolling (D Mo.), a Rules Committee member. "They're anxious. They fear the unknown. Many of them won't come out and say that."

Anderson is harsher. He accused the Democrats of "not wanting to open up the chamber, but of being reluctant to say so." (*Background, 1975 Weekly Report pp. 2664, 866*)

VERSIONS COMPARED

The original version of H Res 875 approved Feb. 4 would have had the four networks—ABC, CBS, NBC and PBS—provide live television and radio coverage of House floor sessions under a renewable contract with the House. The House would pay the pool $300,000 a year for access to the coverage, which the Library of Congress would record and store.

The Rules Committee would oversee the broadcast coverage and its chairman would appoint each Congress a broadcast advisory board, which would include Rules Committee members and the majority and minority leaders, to assist him.

Under the amended version adopted by the subcommittee March 4, the Speaker would have the responsibility for implementing the new broadcast rules.

All references to the network pool were deleted from the resolution to avoid establishing the precedent that the networks would have exclusive control over broadcast coverage of the House. However, the subcommittee said in a supplemental report that "the network pool arrangement is the best and least expensive option available."

Reps. Jack Brooks (D Texas) and James C. Cleveland (R N.H.) have proposed legislation (H Res 1028) authorizing the House to set up its own system for live broadcast coverage, which in turn would be sold to the networks.

SAUGUS HIGH SCHOOL BAND

HON. TORBERT H. MACDONALD

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Monday, March 22, 1976

Mr. MACDONALD of Massachusetts. Mr. Speaker, it is my pleasure today to call to the attention of my colleagues the accomplishments of a very dedicated group of high school students from my Seventh Congressional District, the Saugus High School Band.

Since the Saugus High School Band was officially organized in 1937, it has today developed into one of the most outstanding concert and marching bands in the Eastern United States. Under the tutorage of Mr. Jerome Mitchell, the band's director, the Saugus Band has participated in numerous State and New England district audition festivals and parades. In addition, they have also been active in the exchange band concert program, whereby they travel throughout the South, North, and Midwestern United States and, in return, out-of-State bands return to Saugus.

The students who comprise the membership in the Saugus High School Band have provided musical entertainment for public and parochial schools throughout the country and have performed at U.S. military installations and hospitals, historical sites, events, and professional football games. They have presented command concerts at the statehouse in Boston for the past 4 years and have been recognized for their musical excellence with citations presented to them by former Massachusetts Governors Volpe and Sargent.

This year the Saugus High School Band has been selected by Disneyworld Productions to represent the State of Massachusetts in the Walt Disney "America On Parade" Festival and to perform at Disneyworld on Thursday, April 15. The tour will include concert performances at Sea World, plus two programs at two public schools in the Orlando area.

Tours such as this have offered students the opportunity to travel and to perform for audiences of different age groups. They have taught them responsibility and self discipline and have given them opportunities and experiences that would never be gained in reading out of textbooks.

Through the continued personal dedication of each band member and other avid supporters, the Saugus Band has evolved as the musical ambassadors for the Commonwealth of Massachusetts. I am particularly proud that this organization is from my Seventh Congressional District, and I commend them here today for their outstanding endeavors to foster goodwill and build an interest for instrumental music not only in Massachusetts but across the entire United States as well.

CONTROLLING FEDERAL SPENDING

HON. BOB TRAXLER

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Monday, March 22, 1976

Mr. TRAXLER. Mr. Speaker, Congress faces an important test in 1976. The debate concerning Federal spending, taxes, and budget priorities will be brought into sharp focus as Congress implements, for the first time, the Budget Control Act of 1974. Strict new procedures for controlling spending will test the commitment of the House and Senate to fiscal responsibility and determining national priorities.

I believe we need to balance our Federal budget as soon as possible, shaping our economic policies to reduce both unemployment and inflation as rapidly as possible. At the same time, we must examine every Federal program and agency to trim wasteful and unnecessary spending wherever we find it. I am not satisfied with the record of the Congress in this area and will vote "no" on spending bills that are irresponsible.

MUCH OF THE BUDGET IS "UNCONTROLLABLE"

As we look at the 1977 budget, it is important to note that, of the approximately $400 billion we will spend next year, nearly 75 percent is classified by the Office of Management and Budget as "uncontrollable." These include social security benefits, medicare and medicaid, veterans benefits, interest on the public debt, and other longstanding, mandated programs which have become woven into our national fabric. The level of these programs are determined by formulas written into the law and cannot be cut by the Appropriations Committees.

Of the remaining 25 percent of the budget, most of it is composed of the Defense budget. In 1976, the Congress successfully trimmed about $7.4 billion of waste, fat, and unnecessary items from the Defense Department's requests. Other cuts may take place again this year. However, there is a broad bipartisan national consensus that we should maintain a strong defense posture, so massive cuts in the Defense budget are undesirable.

Add the uncontrollable and necessary part of the Defense budget to the 75 percent other uncontrollables, and we find that only about 7 percent of the budget remains. This area of the budget—composed largely of grants to States and local communities—involve important programs for people: employment, education, health care, the environment, law enforcement, recreation, natural resources, and others. Cuts in these programs must be weighed carefully in light of human needs.

Thus, we face a critical choice: if we accept massive immediate cuts as proposed by the administration, most of them will have to come from these people-oriented programs and will in many cases virtually wipe out these programs. The alternative is to attempt to control spending in the long range, taking a hard, tough look at our national priorities, abolishing agencies and programs that have become obsolete, and tailoring entitlement programs to take into account our limited resources.

WHY DO WE HAVE A LARGE DEFICIT?

In spite of charges that Congress is made up of "wild spenders", you may be interested to know that the House Appropriations Committee, in examining the fiscal 1976 budget requests of the administration, actually voted to cut the President's budget by a net $7 billion. This was accomplished by trimming some programs and increasing others, such as Education.

Nevertheless, we still will have a deficit this year of over $70 billion, an all-time record. Careful examination of the record shows that this deficit was not due to new and increased spending programs, but rather the deficit was caused entirely by the recession.

When unemployment grows, income tax revenues decline and automatic spending on unemployment compensation, food stamps, and welfare rises. This process is one of the so-called automatic stabilizers of the economy. Each 1 percent of unemployment costs the Federal Treasury over $16 billion in lost revenues and higher costs. If the economy were at full employment, the deficit would be eliminated. Thus, one of the best prescriptions for reducing the deficit is to put Americans back to work.

THE BUDGET CAN SPEED OR IMPEDE RECOVERY

The choices that we make this year with respect to the overall level of the spending, the deficit, and taxes will have a definite impact upon our recovery from the recession. The size of the budget and the level of taxes can either "stimulate" the economy or can restrict its growth. We must approach these crucial decisions, therefore, with an eye toward achieving a steady, balanced recovery as quickly as possible—without once again fueling the fires of inflation.

The President's Budget accepts an unemployment rate of 6.9 percent nationally for 1977 and an inflation rate of 6 percent. Many people argue that we can develop fiscal policies to speed recovery without raising prices. Further tax cuts, jobs programs, and incentives for business investment will be given careful consideration this year.

At the same, it is felt by many that certain proposals may impede recovery by hitting the pocketbooks of the average family. I oppose the administration's plan to raise payroll taxes this year and oppose the plan to require the elderly to pay more for medicare.

PRIORITIES ARE IMPORTANT, TOO

Apart from the issue of the overall budget totals that are appropriate, the Congress will also be giving careful consideration to how the budget will allocate scarce resources among competing national priorities.

In the President's budget requests for fiscal 1977, he recommends cuts in income security, health and education, agriculture, employment, law enforcement, and social services. But he asks for a 14 percent increase in Defense spending—enough to compensate for inflation and still provide a 7 percent "real" increase in Defense spending.

Needless to say, these priorities will be examined carefully by the Congress in light of national needs.

HOW THE NEW BUDGET PROCESS WORKS

Under the old system, the President sent his proposed budget to Congress in January. Then, in piecemeal fashion, with almost no coordination between committees, Congress authorized programs and funded them in 13 separate appropriations bills without ever relating all the various programs to each other, or ever totaling up the cost. Likewise, tax revenue decisions were made separately without any consideration of how much revenue was necessary to pay for the programs approved elsewhere.

As an observer commented, "It was almost like hiring 13 carpenters to build a 13-room house and instructing each to build a room on his own without any guide to overall dimensions or any real concern for what the other 12 carpenters were doing."

The new budget process, which passed with my full support and vote in 1974, is in sharp contrast to the old procedures. The President still submits his budget in January, but then the Congress must come up with a budget of its own.

The new House and Senate Budget Committees—after studying the President's budget, the state of the economy, and the proposals of all the various committees—will submit a proposed budget to each House of Congress by April 15. By May 15, Congress must adopt a budget resolution which will set a ceiling on total spending and targets for revenues. The resolution will also include subtotal ceilings for 17 separate governmental functions ranging all the way from defense to education.

Between May 15 and September 15, Congress will pass individual appropriations bills, setting the funding levels for specific programs and agencies. On September 15, Congress must pass a second budget resolution setting final, binding limits on all categories of Federal spending for the fiscal year which will begin October 1. Under the law, Congress may not adjourn until it completes this entire process and reconciles differences.

THE TRIAL RUN

To gain some experience with the complex budget process before it became legally binding, Congress made a trial run last year. Congress adopted a ceiling of $374.9 billion on spending and a floor of $300.8 billion under revenues for fiscal 1976.

What was most significant about the experiment with the budget process last year was the fact that Democrats and Republicans, liberals and conservatives, joined together to put responsible fiscal policy and integrity of the new budget process ahead of many of the special interest considerations which have prevailed in years past.

For example, for the first time in most observer's memories, a majority of the Senate—including a number of traditional conservatives—rejected the entire Defense Department appropriation because it exceeded the budget targets established by Congress. Likewise, an important social program traditionally supported by liberals—the school lunch program—was rejected for the same reason. Both programs were adopted only after they had been scaled down to levels in line with the budget targets.

THE FUTURE

The new budget process could revolutionize the way Congress goes about its work. For the first time in history, Congress will be required to look at the budget as a whole and either to balance revenues and expenditures or go on record in favor of a deficit. There are times—such as the present recession—when deficits may be necessary to get the economy moving again. But the new process is likely to cause Congress to take a more searching look at existing Federal programs and make a more thorough analysis of proposed new programs.

This new spotlight will cut across traditional political lines. For example, Congressmen who may have automatically supported higher and higher defense budgets over the years will now be more inclined to question such increases more carefully if they would mean sacrificing other programs important to their constituents. Liberals who have been staunch supporters of certain social programs without probing their effectiveness will have to make similar hard choices.

This year's test of the new Budget Act is critical. Citizen input is important and I hope you will keep me informed of your views on these matters. If Congress is properly responsive to the public and is objective in finding and eliminating unessential and wasteful spending, this new effort at fiscal responsibility should result in a net gain for priorities that serve human needs.

BICENTENNIAL SALUTE TO THE HONORABLE EUGENE T. FERRARO, PH. D., OF NEW JERSEY, MAN OF THE YEAR, SOCIETY OF MANUFACTURING ENGINEERS, PATERSON CHAPTER 102

HON. ROBERT A. ROE

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Monday, March 22, 1976

Mr. ROE. Mr. Speaker, on Friday, March 26, the residents of my Eighth Congressional District and the State of New Jersey will join with Government and industry officials in honoring a most distinguished citizen, outstanding industrialist and engineer, exemplary educator, esteemed community leader, good friend and neighbor, the Honorable Eugene T. Ferraro, Ph. D., who has been named Man of the Year by the Society of Manufacturing Engineers, Paterson Chapter 102.

Mr. Speaker, I am looking forward to joining his family, and many, many friends on Friday at the 24th annual installation program of the Society of Manufacturing Engineers to be held at the Tides Restaurant, North Haledon, and participate with President Benjamin Shaw of the Singer-Kearfott Corp., a highly acclaimed industry employer of my congressional district and the officers and members of the society in attesting to Dr. Ferraro's lifetime of dedication, professional expertise, and standards of excellence on behalf of his fellowman which have truly enriched the educational and industrial complex and contributed to the quality of life in our community, State, and Nation.

The officers of the society to be installed at the testimonial dinner are: Hon. Stephan Madden, president; Hon. John Scolari, first vice president; Hon. Charles Franco, second vice president; Hon. Robert Cahill, treasurer; Hon. John Morrow, secretary; Hon. Vincent A. Ianna, outgoing president; and Hon. Charles Bazaz, dinner chairman.

Mr. Speaker, Dr. Ferraro was born in the historic city of Paterson, N.J., which is located in my congressional district, where he attended elementary and secondary schools. He attained his teaching certification as a graduate of William Paterson College, class of 1935. He received his B.S. degree from Rutgers, the State university, and his M.A. and Ph. D. degrees from the Graduate Faculty of the New School for Social Research, New York City, in government and economics.

Dr. Ferraro has achieved success and distinction in his career and is presently vice president of the Singer Co., Kearfott Division. He has always excelled in everything he has set out to do. Prior to joining Kearfott he applied his expertise in management positions with the Curtiss-Wright Corp.—in technical customer training, field engineering and contracts. For the past two decades plus he advanced his technology and know-how with the Singer Co's. General Precision Corporate and Kearfott divisional levels from manager of customers service beginning in 1953 to his present position as an executive officer of the company.

Dr. Ferraro has traveled extensively in connection with national security education, management and training ventures and issues. He has visited the major European, Middle East, and Far Eastern countries. In 1967 he addressed the NATO Science Committee meeting in London, England on "The Role of Research in Military Manpower Management." While with the USAF 1966-68, he traveled around the world several times visiting military and diplomatic headquarters. With industry he was engaged in setting up foreign procurements and logistics activities worldwide.

He is a frequent speaker at government/industry and professional meetings in the fields of procurement, reliability, maintainability, education, management, and logistics; he has spoken before the Federal Bar Association, the annual symposium on reliability and maintainability; National Educational Associations and local service clubs, Rotary, Kiwanis, and among his many varied technical reports, he has presented papers entitled: "Government Issues in the Use of Technology in Training and Education" and "Reliability in the Economic Environment."

Mr. Speaker, in extending his sincerity of purpose and dedication toward life's fulfillment in service to the youth of America, Dr. Ferraro taught social sciences at William Paterson College and Rutgers the State University and served on the faculty of the public school systems of Teaneck and Little Falls, N.J. He has indeed enlightened our youth and inspired them by his example in industry as well as government service.

In 1963, he served as an industrial consultant to the USAF Weapon System Effectiveness Industry Advisory Committee. In 1960 he was a team leader of an Air Force group surveying major USAF logistics activities in Europe and North Africa and survey of the NATO Maintenance Supply Services System. In May 1975 he was Aerospace Industries representative to the NATO Conference on Codification of Equipment, Copenhagen, Denmark.

From 1966 to 1968, Dr. Ferraro was on leave from the Singer Co. to serve as Deputy Under Secretary and Assistant Secretary of the Air Force, responsible for the management of manpower, personnel and reserve force resources. On June 6, 1966, he was appointed as the First Deputy Under Secretary of the U.S. Air Force.

He is and has been active in the following nationally and internationally prominent organizations:

National Security Industrial Association, served as chairman of Logistics Management Advisory Committee; president of the National Defense Education Institute. A cooperative effort—NSIA and Harbridge House—member of the Procurement Advisory Planning Committee.

Aerospace Industries Association, chairman of Product Support Committee.

Army Ordnance Association, Member—currently.

Air Force Association, member—currently.

American Management Association, guest speaker and cochairman, management conferences.

Society of Logistics Engineers, Director of District 10 (1972-1974). (Including New Jersey, New York, and Pennsylvania). Member of Board of Directors (1972-1975).

Society for Applied Learning Technology, member of executive board—currently.

Editorial Board of Journal of Educational Technology Systems, member—currently.

The Advisory Board of the Annual Reliability and Maintainability Symposium, member—currently.

The American Academy of Political and Social Science, member—currently.

William Paterson Alumni Association, New Jersey, member of executive board, vice president, 1972-1973, president, 1974-76, chairperson, board of advisors of the Institute for Innovation.

Graduate Faculty—New School for Social Research Alumni Association—N.Y.C., member of executive board, vice president, 1974.

Rotary Club, Paterson, N.Y.

International Speakers Platform, member.

He is the recipient of the following highly coveted awards:

James Forrestal Certificate of Merit, National Security Industrial Association—1961.

Greer Award 1963; in recognition of noteworthy contributions to the Department of Defense activities in area of maintenance and product support.

Honorary Life Membership—National Security Industrial Association, 1966.

Department of the Air Force—Outstanding Performance Rating, awarded for the period—October 1967-February 1968.

Distinguished Alumnus Award William Paterson College Alumni Association, April 1969.

Society of Logistics Engineers—SOLE—Certificate of Award-Fellow—1974.

Certified Professional Logistician—1974.

Mr. Speaker, during this Bicentennial Year as we reflect on the history of America and the contribution that our people have made toward achieving our country's preeminence among all nations of the world, I am privileged and honored to call your attention to Dr. Ferraro's good works and seek this national recognition of an outstanding American. I take great pleasure in sharing deep pride in his many accomplishments with his wife, Victoria, and his three children: Eugenia, the wife of Warren Lewis, associate in the legal firm of Bergson, Borkland, Margolis, and Adler, Washington, D.C.; Thomas Michael, UPI reporter, Richmond, Va.; and Philip Alberico, graduate student at Maryland University.

We do indeed salute Dr. Eugene T. Ferraro, Man of the Year, Society of Manufacturing Engineers, Paterson Chapter 102.

HEROIN EPIDEMIC CONTINUES

HON. CHARLES B. RANGEL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, March 22, 1976

Mr. RANGEL. Mr. Speaker, for some time now I have used a variety of forums to express my deep concern for the devastating effect that illicit drug trafficking is having on my own community of Harlem as well as on other cities and towns throughout this country. I have at the same time voiced my skepticism to those in this administration who would lead us to believe that this country has turned the corner on drug abuse and as a result we should curtail both out fiscal and manpower commitments in the fields of drug treatment and enforcement.

Mr. Speaker, I have found most of the statistical reports, which cite that significant progress has been made in eradicating this life destroying venom, to be fragmented with inconsistencies and generally unconvincing. The data upon which trends have been based are extremely narrow and, as revealed by this Nation's top drug expert, highly likely to lead to erroneous conclusions.

I call now upon my colleagues, then, to read and to reflect on some rather shocking predictions with respect to the drug abuse situation that have just been made available by Dr. Robert L. Dupont, Director of the National Institute on Drug Abuse. The substance of Dr. Dupont's findings appeared in the Washington Post on Wednesday, March 17 in an article entitled "Epidemic of Heroin Continuing." I insert the article to be printed in the Record for the benefit of my colleagues at this point:

"EPIDEMIC" OF HEROIN CONTINUING

(By Stuart Auerbach)

The nation's top drug-abuse expert reported yesterday that heroin addiction is increasing steadily in the country after a temporary 18-month downturn that started in mid-1972.

Admitting he was wrong when he predicted in 1973 that the epidemic of heroin addiction had ended, Dr. Robert L. DuPont said it has now spread into small cities and towns across the country from the major metropolitan areas of the East Coast, where it had been centered.

"The trend is now for a worsening situation in heroin abuse," said DuPont, director of the National Institute on Drug Abuse. He previously headed the now-dismantled White House Special Action Office on Drug Abuse.

"The epidemic is continuing. It had never ended. What we had was an interruption—a temporary downturn—during an 18-month period in 1972 and 1973," DuPont continued.

He estimated there are 300,000 to 400,000 daily heroin users in the country compared with 200,000 to 300,000 during the period of the downturn. But current heroin use still hasn't reached the peak of the pre-downturn epidemic—500,000 to 600,000 in 1971.

The 18-month decline, he said, came as a result of Turkey's ban on the growing of opium popplies; the "French Connection" arrests that ended the shipment of heroin through Marseilles, which had supplied most of the heroin to the East Coast, and the fast growth of treatment centers in the United States.

Now, DuPont continued, Mexico supplies 90 per cent of the heroin used in the United States, and the growth of treatment programs has leveled off.

Along with the continued growth in the number of heroin addicts, DuPont said the government's new Heroin Indicators Trend Report—released for the first time yesterday—shows that the pattern of its use has changed.

"Heroin has become a national phenomenon," he said. Blacks and white now use it equally, and the number of female addicts is rapidly approaching the number of male addicts, he said, adding that its use is spreading from the East to the West Coast.

Los Angeles, for example, last year had more heroin overdose deaths—one of the key measures of heroin use—than New York City. New York once was the center om heroin addiction, accounting in 1960 for about half the addicts in the country.

Moreover, DuPont said that the most recent statistics show 118 heroin overdose deaths in San Diego and 30 in the District of Columbia. During the peak of the heroin epidemic, in 1971, the District had 60 heroin overdose deaths.

"I see growing problems for the nation with heroin abuse," he said.

"If the current trends continue, I think we can expect to see more overdose deaths, more health-related consequences of heroin use, more crime associated with heroin use—all the other negative consequences."

DuPont said, "I was wrong" in 1973 because he said he had reached general conclusions on the basis of data from three cities.

"I have learned my lesson that these trends can change very quickly. They are much more volatile than I thought in 1973," DuPont said.

He said he feels "much more secure talking about national trends" now because current data are based on overdose death reports from 24 cities scattered in all parts of the country, 15,000 reports from hospital emergency rooms detailing heroin-related incidents, reports on retail price and purity levels, arrests and treatment program records.

The price of heroin, the Heroin Indicators Trend Report said, has increased from 95 cents a milligram in mid-1972 to $2.71 a milligram in late 1974. The price dropped last year to $2.34 a milligram. Starting in 1973, the purity of heroin sold on the street increased until last year it was 12.3 per cent pure compared with a 6 per cent in mid-1973.

While heroin addiction is rising, DuPont said it is still the least-used illegal drug. An estimated 15 million Americans use marijuana—far more than the number of heroin addicts or even the 2 million to 4 million "weekend chippers" who have used heroin sometime during the past year.

VERSE IN HONOR OF THE NATION'S BICENTENNIAL

HON. FRANK E. EVANS

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Monday, March 22, 1976

Mr. EVANS of Colorado. Mr. Speaker, Milford Sheilds, the poet laureate of Colorado, has written a verse in honor of the Nation's Bicentennial. This seems especially meaningful since the State of Colorado is celebrating the Centennial of its admission to the Union in 1876.

In this short poem, Mr. Sheilds gives us his interpretation of the significance of the Declaration of Independence as the Nation nears its 200th birthday celebration.

The verse follows:

THE DECLARATION OF INDEPENDENCE

I am the Declaration of Independence.
I am the witness of the spirit, the rhythm of the heart and the eloquence of the tongue.
I am the essence of reason, the rhetoric of logic and the testament of truth.
I am the charge of purpose, the command of conscience and the concord of honor.
I am the call of liberty, the clarion of freedom, the crescendo of the people and the Spirit of '76.
For I am the Declaration of Independence.

DIANA DAILY IS VOICE OF DEMOCRACY WINNER FROM LOUISIANA

HON. JOE D. WAGGONNER, JR.

OF LOUISIANA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 22, 1976

Mr. WAGGONNER. Mr. Speaker, the young people of America are without a doubt this country's greatest natural resource. We need only to listen to what our young people have to say, to discover that we are blessed with a great patriotic richness in today's young people. Their pride in their Nation and its democratic heritage is sincere and runs deep.

The Voice of Democracy Contest, sponsored for the past 29 years by the Veterans of Foreign Wars and its ladies auxiliary, offers high school students from across the country a unique opportunity to express their beliefs in the United States and its system. To hear these young men and women speak of their love for this land, its freedom and its historic traditions should be an inspiration to every citizen.

I am especially proud that the winner of this year's Voice of Democracy Contest from Louisiana is a life-long resident of the Fourth Congressional District, which I have the privilege of representing. She is Miss Diana Unita Daily, the daughter of Mr. and Mrs. Edward Daily of Mansfield, La. Diana is an outstanding student at Mansfield High School and plans a career in music education.

Diana will compete with other State winners this week in Washington in the national Voice of Democracy Contest. The theme selected this year is most appropriate: "What Our Bicentennial Heritage Means to Me." Certainly, this is a subject which we all should think seriously about during our country's 200th birthday. Diana's expressions on this theme are most original and thought-provoking. Being from Louisiana, she has naturally been influenced by the rich cultural heritage of her native State, and this is clearly seen in the title of her prize-winning speech: "Bicentenial Gumbo."

I would like to share Diana's speech with our colleagues, and insert it to follow my remarks in the Record:

LOUISIANA WINNER

When holiday time rolls around, we always think about eating the special food prepared for the celebration. I think we should have a special dish for our Bicentennial celebration!

Being a lifelong lover of food, I am partial to Creole cooking. I have created a dish which I call "Bicentennial Gumbo." There are five basic ingredients in this gumbo.

The first ingredient my recipe calls for is two cups of ancestry. Some people prefer Italian seasoning, or perhaps French, Spanish or German! This depends upon personal preference.

Next add one cup of culture. A dash of Norman Rockwell art provides a delicious flavor! A pinch of music gives a distinctive taste of Bach, Gershwin, Hank Williams, and the Beatles. Sprinkle in a visit to the Smithsonian Institute. This should delight your taste buds!

The third ingredient is two tablespoons of a spice called religion. There are Protestant, Catholic, and Jewish, to name a few. Many people like to taste the different flavors—to see which appeals to their appetite.

The fourth ingredient in my "Bicentennial Gumbo" is one tablespoon of education. In the past the only way to obtain this ingredient would be to walk two miles to a small, one-room building. Now it is a plentiful spice, in the reach of all who seek it!

As of now, we have four-fifths of the recipe. This includes: 2 cups of ancestry, 1 cup of culture, 2 tablespoons of religion, and 1 tablespoon of education.

Now for the final ingredient! One pound of government! I believe that this is the main ingredient in my recipe. It comes in the form of democracy. Democracy is a government by the people. Many a man has given his life for this rare and valuable meat!

The recipe is complete. We have our five ingredients: 2 cups of ancestry, 1 cup of culture, 2 tablespoons of religion, 1 tablespoon of education, and 1 pound of government.

Mix these ingredients in a large boiler that has the shape of the United States. Stir in the Declaration of Independence, the Constitution, and the "Gettysburg Address"! Let the gumbo simmer for two hundred years!

Before serving this dish to your friends and relatives—stop and give thanks to God for giving you the privilege of living in a country as great as ours!

A bowl of "Bicentennial Gumbo" should satisfy the basic, nutritious needs of all Americans!

DR. ALLYN P. ROBINSON RETIRES

HON. THOMAS J. DOWNEY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, March 22, 1976

Mr. DOWNEY of New York. Mr. Speaker, a distinguished constituent and educational leader in Suffolk County, Dr. Allyn P. Robinson, last week announced his upcoming retirement as president of Dowling College in Oakdale, N.Y. Dowling College is a young, dynamic institution in my district, and has benefited greatly under the guiding wisdom of Dr. Robinson. His deep commitment to higher education, as well as his continued involvement in significant community activities have earned him a place of honor among those who have contributed to the growth of Suffolk County.

Following is an article from the Suffolk County News of March 4, 1976, announcing Dr. Robinson's retirement and tracing some of the highlights of his fruitful career:

[From the Suffolk County (N.Y.) News, Mar. 4, 1976]

PRESIDENT OF SUFFOLK'S FIRST COLLEGE PLANS 1977 RESIGNATION; WILL STEP DOWN AS DEAN

This week Allyn P. Robinson of Oakdale celebrates his tenth anniversary as president of Dowling College. And this week after a decade as the guiding force behind Suffolk County's first liberal arts college, Dr. Robinson announced his plans for retirement.

Winfield E. Fromm, chairman of the Board of Trustees of Dowling College, announced today the retirement of Dr. Allyn P. Robinson, president, will be effective August 31, 1977. "Dr. Robinson's outstanding leadership has become inseparably identified in the minds of all the Trustees with the great progress Dowling has made over a decade," Mr. Fromm said. "Allyn Robinson is known not only as an educator, religious leader and humanitarian whose inspiration helped build a college," said Nathaniel Giffen, Dowling vice chairman, "but also has been a leader of distinction in Suffolk County itself."

On the subject of his resignation to retire, President Robinson said, "There is a great deal to be accomplished in the next year and a half. We are currently undertaking our self-evaluation for a routine Middle States Association review. It is important to reopen the mansion administrative building by next fall. The college needs funds for its new athletic fields, tennis courts, and field house. We need state approval to begin our new Masters in Business Administration program. I want to see these things successfully completed by August 31, 1977." When he retires, Dr. Robinson will have served for over 12 years, compared to the five-year average tenure of college presidents.

Before his appointment as President of Dowling College, Dr. Robinson was Executive Dean of Adelphi Suffolk College, which was established in 1959 as Suffolk's first four-year liberal arts college. In September, 1968, the State Education Department granted Dowling College an absolute charter for independence from Adelphi University.

It was through his great respect and admiration for Allyn Robinson that Robert Dowling became sufficiently interested in the small college to donate an endowment of over $2.4 million and become the college's name benefactor and founder. Under Dr. Robinson's leadership, an academic program to strengthen the curriculum in humanities, the arts, natural sciences, social sciences, and teacher education was effectively implemented. Further, the college added highly successful new programs in aeronautics, business administration and marine science in response to the educational needs of the community.

Recently, the college, which enrolls more than 1300 day students and 800 evening students, added a Master of Science degree in Education, and a Master's in Business Administration is to be added, hopefully by the fall semester of 1976. Through his guidance, an extensive building program has added new facilities, including a unique, award-winning student residence, a modern library and learning resource center, and a center for the performing arts.

In the past, Dr. Allyn Robinson served as Executive Director of the National Conference of Christians and Jews—Greater New York Area, the Commission on Religious Organizations, and the NCCJ Regional Office for North Carolina, in consecutive assignments from 1946-65. The Rev. Robinson served as Minister of the United Church, Raleigh, N.C., and Puritan Congregational Church, Wilkes-Barre, Penn., in the 1933-46 period. He has served as lecturer and workshop director on various occasions in such topics as counseling, human relations, and intercultural affairs, at institutions such as University of Puerto Rico, University of North Carolina and Long Island University.

Dr. Robinson founded an Intercultural Travel Seminar Program, and under his direction, study groups visited Israel, the Soviet Union, the Far East, Europe and the Middle East, and Germany. As an author, Allyn Robinson edited "Our Moral and Religious Resources," "And Crown Thy Good," "American Catholics: A Protestant-Jewish View," and "Roots of Anti-Semitism in American Life." He has written and lectured extensively in the area of intergroup and inter-religious relations.

Allyn P. Robinson serves as chairman of the Islip Town Housing Authority, which was honored by having its Bay Shore housing receive the LIA/AIA Silver Archi Award for residence. He serves as a board member for the Suffolk County Boy Scouts, Long Island Mid-Suffolk Businessmen's action, Skills Unlimited and the National Board of NCCJ. Dr. Robinson has received many honors, including the Long Island Leadership Award, honorary Governor of Long Island, NCCJ leadership citation, and a unique Federal Aviation Administration award for pioneering in aeronautics education.

President Robinson obtained his degrees from Columbia University, Union Theological Seminary, and Wilburforce University. He was born in Center Moriches and graduated as valedictorian of Sayville High School in 1926. He currently resides with his wife, the former Elizabeth Schenck, on the Dowling campus. The Robinsons have two children, Sarah Elizabeth Munson and Allyn III, and seven grandchildren.

THE GREAT EDUCATION ACT: ESEA 10 YEARS LATER

HON. TIMOTHY E. WIRTH

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Monday, March 22, 1976

Mr. WIRTH. Mr. Speaker, my friend and former colleague in the Office of Education, Dr. Samuel Halperin, offers a valuable discussion of the Elementary and Secondary Education Act. Although it was written for the 10th anniversary of the signing of that law in 1965, this article contains a timely analysis of issues that continue to interest the education community. I trust that my colleagues in Congress will find Dr. Halperin's remarks helpful.

The remarks follow:

INSTITUTE FOR EDUCATIONAL LEADERSHIP,
The George Washington University.

DEAR TIM: My colleagues think this is "too upbeat." But, from my travels around the country, I have come to believe that our schools (and ESEA) are performing far better than the Washington "nothing works" syndrome will allow. If my view is somewhat overstated, I still believe that the truth lies closer to this exposition than the unacceptable "Social Darwinism" of Jencks-Jensen-Moynihan, et al.

Sincerely,

SAMUEL HALPERIN.

THE GREAT EDUCATION ACT: ESEA 10 YEARS LATER

(By Samuel Halperin)

"No law I have signed or will ever sign means more to the future of America."—Lyndon B. Johnson, April 11, 1965.

Brave and hopeful words, befitting the ebullience both of the man and the atmosphere surrounding the passage of the Elementary and Secondary Education Act of 1965 (P.L. 89–10). Congress had delivered the first installment on the President's pledge to make of education "the first work of these times and the first work of our society." And ESEA, a five-pronged effort, began its work of helping "disadvantaged children," stocking school libraries, promoting communitywide projects for educational change, spurring educational research and development, and upgrading state departments of education. Federal dollars in unprecedented number were to make it all possible.

A decade later, educators and education are everywhere on the defensive, Congressional friends of that landmark education act and other Great Society programs still battle for ever-scarcer appropriations but privately worry that the Act may not be "really succeeding." But to this admittedly partial observer, ESEA's accomplishments look better all the time, both in comparison with non-education governmental expenditures and as a major venture in their own right.

What have we achieved with the $16.7 billion appropriated or ESEA over the past decade? What have we bought for a public investment about equal in cost to 10 Trident submarines?

To judge the Act fairly, we need to see it for what it was, and is and not as the embodiment of the grandiose expectations that accompanied its passage in 1965. While the Johnson Administration talked of annual expenditures exceeding $5 billion by 1969, ESEA actually received less than $1.7 billion a year (about the cost of 10 days of the Viet Nam war). Not until 1975 did ESEA pass the $2 billion mark. Spread over 45 million students in public elementary and secondary schools. ESEA contributed a little over $40 per year per pupil. Even the 5–6 million "disadvantaged students" the Act's principal beneficiaries, seldom received benefits exceeding $175–200 apiece in any year. With public school operating budgets as a whole totalling $60 billion annually, the addition of the 6 percent ESEA increment was a fiscally modest one. About three-fourths of the nation's school districts received less than 3 percent of their budgets from P.L. 89–10. In only 11 percent of America's districts, did ESEA ever contribute more than 7 percent of total schol budgets.

But size is not the only determinant of impact. Despite its small proportion of school expenditures, ESEA had enormous multiplier effects. Its record of achievement deserves greater appreciation than it has thus far received. In time, I believe, P.L. 89–10 will be recognized in American social history for at least these enduring legacies of LBJ's and the 89th Congress' joint endeavor:

ESEA broke the logjam on federal aid to education.—Before ESEA, Congress had failed to pass a major aid to education legislation in a dozen attempts. From the Civil War to the bitter school aid fights of the late 1950's, divisive struggles over church-state (aid to parochial schools), desegregation, apportionment formulas and fear of federal control of education had prevented passage of any large-scale federal aid to elementary and secondary schools. In 1965, as earlier, the chief Republican opponents of ESEA viewed it as "a quantum leap toward a centralized, standardized, uniform national school system." Even with LBJ's large Congressional majority, passage of ESEA often seemed in doubt. The final House of Representatives vote of 263–153 attests to the substantial opposition that the school aid bill had to overcome.

But passage of ESEA, and a host of subsequent federal aid statutes, permanently ended the impasse over the legitimacy of federal intervention on the school scene. While school aid fights in the subsequent decade have been abundant, they have all revolved about what kind and how much federal aid to offer and how best to construct a workable federal-state partnership, rather than over the continuity of ESEA itself. Indeed, former opponents of ESEA have come to be numbered among the Act's more constructive critics and cosponsors. Today, renewal of the Act is never in doubt, as the lopsided 1974 House vote of 380–26 demonstrates.

Simultaneously, appropriations for the original four titles of ESEA have risen over a ten-year period from $1.4 to $2.1 billion. While this 50 percent increase scarcely covers inflationary costs, it is impressive testimony to the extent to which federal aid to education has become an enduring political fact. In a capital city which only 10 years ago skeptically viewed the draft ESEA bill as a highly risky experimental undertaking for the federal system itself, ESEA is now regarded as a nearly bipartisan expression of appropriate federal-state relations.

ESEA spotlighted the needs of children.—Of ESEA's many contributions, perhaps the most important was the fueling of a massive conceptual shift with implications for the entire educational system. By focussing, in Title I, on the "special educational needs of children," ESEA drastically changed the terms of reference of Congressional and, later, educational debate. No longer would the foremost educational policy disputes center on such issues as classroom and teacher shortages and levels of teachers' salaries. Henceforth, the more acceptable political and educational focus was on the child. ESEA, along with the related anti-poverty and civil rights efforts of the mid-Sixties, became a major vehicle for a national "consciousness-raising". Having "discovered" poverty in its midst in 1963–64, America now "discovered" that millions of children did not perform adequately in their school settings and that many schools and teachers were ill-equipped to help them. We learned, too, that academic failure was highly correlated with economic deprivation, that "children of poverty" needed—and were entitled to—"compensatory treatment", and that extra services were needed to bridge the gap between them and the more fortunately placed in society.

Years must elapse before the implications and full magnitude of this "social discovery" can percolate through our educational and political structures. Undoubtedly, every proponent of ESEA has been chastened to learn how intractable is the problem of educational deprivation. Gone is the easy self-assurance that a "war ignorance" in the schools can quickly be won, far less can it lead to an end of inequality in adult society. While the Coleman and Jencks findings have questioned the power of our schools alone to produce either truly competitive adults or a just society, I see no evidence that political Washington is disposed to abandon the struggle to reduce disparities in student academic achievement, especially as those gaps may be traced to physicial handicaps or the legacy of poverty and discrimination. While it is still too early to speak of an enduring ESEA legacy of national commitment to the disadvantaged, there is ample evidence to justify optimism on this count.

What is clear is that the American people and their representatives understand the needs of under-achieving children far better than they did a decade ago. Instead of blaming the children for failing to fit the school, ESEA asked the school to fit the child, to assess the particular needs of their students, and to devise individualized and effective prescriptions for them. While we now know that the road ahead is longer than first anticipated, neither is it a dead end road, as some recent successes seem to indicate.

ESEA fueled other movements toward equality of educational opportunity.—Just as ESEA contradicted time-encrusted views of schooling by insisting that emphasis belonged on the child, it has also become a rallying point for those concerned about achieving full educational opportunity in specific segments of the population. Here we may identify 10 such sectors of society or major educational movements which were aided by ESEA's emphasis on improved education for all.

From the beginning, ESEA's legislative history made clear that services were to be directed at out-of-school youth as well as those in the classroom. Special provisions were targeted at children of migrant workers, neglected youngsters and juvenile delinquents in various types of institutions. Simultaneously, ESEA spotlighted the chronic need for expanded services to handicapped children. A year after ESEA became law a major new support mechanism for the education of handicapped children. The VII, was added to the Act.

As ESEA began meeting the "special educational needs of children," the nation also developed awareness of the suffering of children forced to speak one language at home and another in the schools, of Hispanic and Indian children who could be helped by ESEA. Today, 11 states have their own bilingual education programs, 19 have compensatory education statutes and 45 were enacted programs to aid handicapped children, 42 after the passage of ESEA.

And now, too, there is rising Congressional interest in the preschool child, particularly with the realization that regular public school programs alone can never overcome the deficit of accumulated educational deprivation. Head Start and Follow Through demonstrated the benefits of both early intervention and continuity of educational treatment. Now the social movements which spawned ESEA are merging with those demanding greater child development and day care services.

Spotlighting the special needs of children had particularly powerful consequences in the area of child nutrition. Once ESEA was enacted, Congressional supporters pushed through massive expansions of school lunch, breakfast, special milk and related programs, arguing that adequate nutrition must precede effective learning. From 1965–75, federal funds for such programs quadrupled, rising from $497 million to $1.9 billion. Even more dramatically, federal support for free and reduced-price lunches for economically disadvantaged children, begun modestly in 1966 with an appropriation of $1.87 million, expanded 464 fold! At a current cost of $865 million, this program serves almost 10 million children annually, approximately 40 percent of the entire National School Lunch Program.

At the heart of ESEA is the principle that under-achieving children are entitled to above-average educational expenditures, an assertion that is helping to fuel the mushrooming movement to overhaul antiquated school finance systems. As the plaintiffs in *Serrano* and *Rodriguez* contended, most state and local school finance systems were short-changing the very children that ESEA was designed to assist.

The exact nature of ESEA distribution formulae continues in contention. The legal and scholarly communities are nearly unanimous, though, in finding Title I's fiscal impact to be the best in American educational finance as a means to achieve better intrastate equalization of resources among school districts. According to the National Educational Finance Project, Title I is not only a successful fiscal equalizer but its resources "are allocated to those districts whose pupils had the greatest educational needs as reflected by mean achievement test scores." Today, then, the educational philosophy of ESEA is helping to promote the movement toward school finance reform in more than a dozen states around the nation.

There is much more than this in ESEA's 10-year contribution to America. Without benefit of comprehensive empirical studies, I believe that at least the following educational successes of P.L. 89–10 can be documented from close observation of public school affairs:

ESEA promotes parental and community involvement in the schools.—From its beginning, ESEA called for parental and community participation in various titles of the Act and encouraged parental-paraprofessional employment in the schools, community-wide consortia for educational innovation, and increased sensitivity to the wishes of client groups. In its 1974 amendments, Congress continued this evolutionary process of opening up the educational system by *requiring* the establishment of a Parental Advisory Council for each participating Title I school. Thus, the 1965-era rhetoric about "education being too important to be left solely to the province of the professional educator" has become a Congressional mandate for the further democratization of the school system. If this sharing of participation with clientele groups can be achieved while schools maintain professional performance, the parental partisan movement may well prove to be one of ESEA's greatest legacies.

ESEA recruited quality personnel for service in education.—The national clarion calls of the mid-1960's to "wage unconditional warfare against poverty" and to equip the nation's schools to do their part in that struggle did not go unheeded. Schools became attractive to idealistic and able young teachers, both individually and in association with the small but symbolically influential Teacher Corps. Service in ghetto schools and rural depressed areas came to be accepted as a challenge no less worthy than that of duty in the Peace Corps overseas.

Then, too, literally tens of thousands of scholars trained in fields other than education found public encouragement to redirect their professional energies. Researchers in the behavioral sciences, attorneys in advocacy law, humanists and artists alike, all turned their attention to improving the schools, once the federal government gave a clear signal that such contributions were needed. Historians of American education will undoubtedly record the large irony that at the moment when such talents became sufficiently available in the country, just as it became respectable for non-educators to work in the schools, public school resources became inadequate to employ them. The need remains, the talent is available; only the dollars and the sense of national purpose have dwindled. Yet, some of the greatest contributors to improved education may have been the men and women who answered ESEA's original call to make of education "the first work of these times."

ESEA promotes public-nonpublic cooperation.—To enact ESEA, it was essential for ESEA's authors to defuse the volatile church-state issue which had prevented passage of previous federal aid proposals. To do this, ESEA centered funds solely in the public schools while insisting that they had an obligation to act as "public trustee" for all children, regardless of the school attended. Under this "pupil benefit theory," dialogue between the public and private sectors was supposed to occur over the provisions of a number of ESEA titles, with a view to fashioning a joint attack on educational shortcomings.

Here, as elsewehre in ESEA, the promise of the law has been only partly realized. Nonpublic school children and out-of-school youth have not yet been accorded the educational services to which their needs and their numbers entitle them. Yet, neither did the historic church-state compromise result in the community holy wars and the subversion of the U.S. Constitution which was predicted by ESEA's foes. In numerous districts around the country, public and private school educators, community leaders, and the public and private sectors generally are today joined in constructive dialogue about how best to extend educational excellence to all the area's children.

Far from retreating from this highly risky gamble taken in 1965, the Congress in 1974 mandated the "public trustee" or "pupil benefit theory" for several programs and added means by which public-nonpublic school cooperation might be further enhanced. To those who remember the bitterly divisive Catholic-antiCatholic exchanges of the early 1960's and the acrimonious exchanges between the late Cardinal Spellman and Eleanor Roosevelt over the federal aid issue, today's ESEA climate seems wholesome indeed.

ESEA promotes the evaluation/accountability movement.—ESEA was born in a time when fear of federal control might easily have prevented its passage. In 1965, any federal control might easily have prevented its passage. In 1965, any federal prescription for testing, for measuring educational outcomes, for requiring anything other than basic fiscal honesty, was certain to provide ammunition for ESEA's foes. To soothe such fears, Administration legislative draftsmen assiduously avoided any language which might be interpreted as interference in local and state decision making or as efforts to require specific outcomes.

Yet, under the prodding of Senator Robert F. Kennedy, who had little confidence in the ability of educators to serve disadvantaged children effectively, HEW drafted statutory language which was designed to give parents leverage over ineffective schools and the public a way to gauge the effectiveness of tax expenditures. The Kennedy Amendment required the states to adopt "effective procedures, including provision for appropriate objective measurements of educational achievement . . . for evaluating at least annually the effectiveness of the programs in meeting the special educational needs of culturally deprived children." This impressive objective also found its way into other ESEA provisions.

Thus began, crudely, the educational accountability movement with its emphasis on measuring educational outcomes as well as traditional input of resources. In the absence of tested experimental models against which to measure success, ESEA evaluations got off to a slow start. States varied widely in what they would permit local districts to spend their money for. Evaluators thus lacked comparable practices to assess. Nor did the Office of Education require uniform state reporting to provide useful interstate data. Consequently, the whole ESEA cycle to date has been punctuated by arguments over how and how much to evaluate ESEA practices.

Nevertheless, public and political pressure have combined to produce clearcut mandates for evaluation of educational programs and learning outcomes measured by academic performance. After first authorizing up to $25 million annually for program planning and evaluation, the 1974 extension of ESEA (P.L. 93-380) moved American education a giant step down the path of educational evaluation. Henceforth, HEW is to inform the Congress annually of ESEA's "effectiveness" by setting forth "goals and specific objectives in qualitative and quantitative terms for all programs and projects"; by providing information on "the progress being made . . . toward the achievement of such goals and objectives"; by describing "the cost and benefit" of each program; and by displaying its "plans for implementing corrective action." Moreover, with regard to Title I, the U.S. Commissioner of Education "shall develop and publish *standards* for evaluation of program or project effectiveness." (Emphasis added. Is it a historic irony that this amendment originated on the *Republican* side of the House Committee on Education and Labor where fears of federal power had long sustained opposition to federal aid programs?)

While the spectre of federal control may not have vanished, it is clear that the Congress has embraced the concept of "evaluation" as the way to ensure that public funds result in gains in learning, particularly in reading and mathematics, a requirement which would have been politically unthinkable a decade ago.

ESEA strengthens the federal system in education.—The Act's provisions to strengthen state educational agencies (Title V) have their share of critics. Such agencies are alleged to have shown insufficient imagination and leadership. Yet, scarcely anyone disputes that a substantial improvement in state agency performance has been made possible by Title V and the various ESEA provisions for paying state administrative expenses.

Overall, state departments of education have added well over 2,000 needed staff members with the help of federal funds. Such innovations as state planning and evaluation units have been added in 38 states; new educational data systems (26 states); assessment programs (28); training for planners and evaluators (3); improved management-by-objectives systems (13); multi-year educational plans (8); state-wide planning in programming-budgeting systems (7); improved evaluation methodologies (23); etc. In the words of the top educational manager of one of the nation's largest states, "virtually every innovation we have undertaken in the past decade was either launched with or supported by Title V."

In short, while additional improvement in state leadership is imperative as the federal system moves rapidly into an era of decentralization, ESEA is helping to make the transition happen—sensibly and carefully.

But does it teach Johnny to read?—One may perhaps concur with this recitation of alleged ESEA achievements but query whether ESEA has, in fact, done anything to help children learn. Specifically, do disadvantaged children read any better than they used to?

The tentative answer, like almost everything else in education evaluation in its still-primitive state, is encouraging. Evidence is accumulating that although low achievers are remaining in school longer than ever (thus reducing the drop-out rate and including in test scores "high-risk" children who were formerly not tested, today's readers—good and poor alike—seem to read better, on the average, than those of previous tested generations. While it is impossible to factor out the extent of such improvement attributable solely to ESEA, numerous state evaluation reports show test results of more than a month's gain in reading achievement for each month in a Title I project. To quote a 1974 independent evaluation by the Stanford Research Institute: "month for month gains were generally not made prior to 1970, but they are being made now by most districts in most states." Indeed, several states now report average 1.3 to 1.7 month academic gains for every month in a Title I program. With a long-term educacational commitment to the educationally disadvantaged child, including possibly year-around special programs, the evidence is beginning to suggest that cognitive gaps might be not merely reduced but even closed.

If these are ESEA's successes, what about its failures? A diligent search found none that would persuade the rational policy-maker that dollars spent for particular programs were totally wasted. But candor forces us to acknowledge that the rudimentary state of educational evaluation inspires only limited confidence in the available data.

There is, nonetheless, some negative evidence. Acadamic performance is not rising everywhere. We know that not all of the equipment purchased with ESEA funds is actually being used. Many qualified children—nonpublic school, handicapped, out-of-school—are not yet being served under the provisions of the Act. Many school districts still use their ESEA funds as general aid for all children instead of prescribing programs which meet "the special educational needs of children." We know, too, that the "innovation titles" of the Act have not fulfilled the high hopes and great expectations of 1965. Title III for Supplementary Centers and Services has funded many thousands of local innovations for up to three years each. Followup studies indicate that between 60 and 80 percent of these projects have subsequently been continued in regular public school budgets. Yet, a decade and $1.4 billion later, we know little more than we did about what "innovation" really is, how to bring it about and how to catalyze it on a grand scale. Did Title III projects help children? We think so, but there is no truly persuasive evidence that they have sparked substantial changes in the schools or that they have catalyzed enduring partnerships between the schools and the vast untapped cultural and artistic resources of their respective communities.

Similarly, Title IV which sought to create a dozen great national research and development laboratories, comparable to the massive installations of the Atomic Energy Commission, and perhaps two or three dozen more than would be specialized or less ambitious in scope, has fallen on hard times. The 18 federally-funded labs and centers have no continuity of funding, no real resources to move their investments from product development into large-scale classroom practice. Indeed, educational research and development has become something of a pariah on the priority list of federal policymakers in education.

As the tenth anniversary of ESEA passes virtually unmarked this week, let us pause long enough to recognize that the Act does have a number of impressive achievements to its credit, particularly in the area of promoting full educational opportunity for all sectors of society. As John W. Gardner reminded the faint-hearted and shortsighted among us half a dozen years ago: "Having escaped the clutches of those who think the Federal Government can do everything, we must not fall into the hands of those who think the Federal Government can do nothing." ESEA is alive and well, ten years later.

COST-SAVING MEDICARE PROCEDURES IGNORED

HON. CHARLES A. VANIK

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Monday, March 22, 1976

Mr. VANIK. Mr. Speaker, it is all too apparent to the American people that health care costs are continuing to rise at an astronomical rate—an increase of 300 percent in the last decade. Because inflation in the health field is running at close to 14 percent annually, health costs this year are expected to reach $135 billion. According to Secretary of HEW Mathews:

> The underlying structural characteristics of the health industry and the reimbursement practices of the Federal government and other third party payors . . . exacerbate these inflationary pressures.

Mr. Speaker, since 1972 the Public Health Service and the Social Security Administration have had the authority and opportunity to help alleviate this health care cost crisis but have failed to do so. Under Public Law 92–603, Congress authorized the Secretary of HEW to conduct cost-saving experiments in medicare reimbursement including prospective budgeting for hospitals, reimbursement for physician assistants, and purchase versus prolonged rental of durable medical equipment. In 1973, the Secretary of HEW divided responsibility for the experiments, assigning overall coordination responsibilities to the Public Health Service and implementation duties to the Social Security Administration. Because there was no clear delineation of who was responsible for what, these experimental programs have suffered from a serious lack of coordination.

I believe that petty, bureaucratic "turf disputes" between the Health Resources Administration of the Public Health Service and the Social Security Administration's Office of Research and Statistics have caused unnecessary delays in experimentation which have cost the American taxpayer tens of millions of dollars. For example, the Ambulatory Surgery Project has been delayed periodically for "sign off" by the Assistant Secretary of Health; the Clinical Psychology experiment has been delayed for almost four years because of Health Resources Administration/Office of Research and Statistics squabbling.

Mr. Speaker, in the face of mounting pressures for national health insurance we must continue our efforts to develop and articulate a national health strategy based on rational planning and sound management. Medicare experiments and research studies offer a valuable opportunity to learn how to control costs and improve the quality of health care and they should no longer be delayed. The Secretary of HEW must clarify research responsibilities within his Department and get on with conducting a vigorous and timely series of experiments.

The Ways and Means Oversight Subcommittee has already detailed the serious lack of progress on Medicare research in its October 1975 report. As oversight chairman, I am continuing to monitor the status of these cost-saving experiments. Again, my efforts are being frustrated by bureaucratic territorial disputes. In a February 2, 1976 letter to Secretary Mathews, I requested an up-to-date report defining the level of progress attained and the specific cost-saving components developed by the experimental programs. To date I have received no reply.

The preparation of draft responses to my letter prepared within the Department exemplifies the bungling bureaucracy that has destroyed the efforts to find cost-saving health procedures. My letter was received by Secretary Mathews on February 4 and was subsequently forwarded to the Public Health Service which prepared a draft response. The draft contained nothing more substantive than a suggestion of a "briefing" for the Subcommittee staff. On February 21, my letter and the draft response was sent to the Office of Research and Statistics which followed up with a memo on February 23 rejecting the draft as inadequate. By February 27, the Office of Research Statistics' memo reached Commissioner Cardwell's office. On March 1, Commissioner Cardwell "signed off" on the memo which was then forwarded to Assistant Secretary for Health Cooper without any SSA draft response. After a number of Oversight Subcommittee staff inquiries about the response, Assistant Secretary Cooper arranged a meeting for March 23 with Commissioner Cardwell in order to reach agreement on a final response.

Mr. Speaker, I can only assume from previous experiences that I will not have a satisfactory reply to my letter of February 2 until sometime in April. On August 4, 1975, I made a similar request for a status report which I did not receive until October 15, 1975. Such delays with respect to routine progress reports are inexcusable. Such delays with respect to program implementation are expensive. For example, in February 1976 the General Accounting Office estimated that had the Secretary of HEW implemented nationally new reimbursement procedures for durable medical equipment, $10 million annually could have been saved.

The Secretary of HEW must proceed promptly with the implementation of these experiments and demonstration projects and provide Congress with detailed recommendations on cost-saving methods as soon as possible.

HAYM SALOMON

HON. JOSHUA EILBERG

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 22, 1976

Mr. EILBERG. Mr. Speaker, Haym Salomon was a true patriot of our Revolution and a friend of the men who led our country to independence and democracy.

He arrived in New York about 1775, a refugee from religious persecution in his native Poland and as a patriot who hated the domination of Poland by Prussia and Russia.

In 1776 he was arrested as a spy by the British and later managed to escape to Philadelphia where he continued to work on behalf of the American cause.

It is well known that he helped to insure the financial survival of the war effort and of the young country after the fighting stopped. He also loaned money with no thought of repayment to the Nation's leaders including a future President, James Madison.

It was the wish of many Americans that Haym Salomon be honored during the Bicentennial Year and for this reason Senator SCOTT of Pennsylvania and I introduced a joint resolution calling upon the President to issue a proclamation designating January 6—the day Salomon died because his birthday is unknown—as Haym Salomon Day.

The Senate passed this resolution by a voice vote on October 9, 1975, but unfortunately the Subcommittee on Census and Population of the House Post Office and Civil Service Committee, where the bill was referred has taken no action at all.

It is too late now to honor Haym Salomon during the Bicentennial with a day dedicated to his honor, but I would hope that the subcommittee would act in the near future and amend my proposal to make January 6 a national holiday in Salomon's honor.

At this time Mr. Speaker I enter into the RECORD a biography of Haym Salomon, written by Edwin Wolf 2nd and

Maxwell Whiteman, authors of "The History of the Jews of Philadelphia."

The article follows:

Haym Salomon: The Patriotic Money Manipulator

(By Edwin Wolf 2nd and Maxwell Whiteman)

Of all the Jews who sought asylum in Philadelphia during the Revolution, the most distinguished was the man who had little to say in all of the many languages at his command. His genius in discounting foreign notes and converting them into a spendable cash helped the worried government out of one of its many difficulties. If Haym Salomon had not escaped British rule in New York City, his life would have been as worthless as Continental currency. He arrived in Philadelphia in 1778 penniless; yet shortly thereafter, with diligence and devotion, he helped chart the course of the country's finances.

Salomon was born in Lezno, Poland, in 1740, of poor parents. Poland during the 18th century gasped for freedom, but continued to heave between the Prussian west and Russian east. The Jews desired to live as freely as Poland herself wished to be, but the Poles gave little thought of the aspirations of their Jewish fellow sufferers. A weak, disintegrating country, which persecuted its Jews, fought bravely but hopelessly for its own freedom, and finally was swallowed up by its more powerful neighbors.

It was not alone the oppressiveness and uneasiness of the times which dispersed many of the Jews of Lezno. In 1767 the city was partly devoured by a fire which destroyed many of the wooden shacks of the Jewish section, forcing the homeless to flee to other nearby towns or distant lands.

The fogginess of myth which has obscured the course of Salomon's life before he came to America hides as well the facts of his career after his arrival. It is known that he brought with him a knowledge of several European languages, acquired in the various countries in which he had traveled, and enough experience in European commerce to be able to solve the mysteries of foreign exchange. The exact date of his arrival in New York is not known, but it would seem to have been some time around 1775.

Neither is it known how he first earned a living. If he followed the pattern set by other immigrants from Europe, he would have worked as a clerk or assistant for one or another of the Jewish merchants of the city. In the summer of 1776 he is described in a document as "a distiller,' and that may well have been his old country trade, for Lezno had earned a local distinction for brewing and distilling.

Before he could develop this venture, the fast-moving events of the war drew him into its vortex. For a short time in 1776 he was a sutler to the American troops at Lake George, where he went with a recommendation that he had "hitherto sustained the Character of being warmly attached to America."

Shortly after the British occupation of New York in the autumn of that year, he was arrested as a spy by General Robertson, and confined in the dread military prison, the Provost. Soon after, as Salomon later explained to Congress, he was released "by the interposition of Lieut. General Heister who wanted him on account of his knowledge in French, Polish, Russian, Italian &ca. Languages," and he was turned over to the Hessian commander to act as purveyor of commissary supplies. In this position he worked quietly, performing his tasks for the British, while at the same time he helped French and American prisoners with money and with plans for their escape to the American lines.

He was moreover, permitted to continue his business, now apparently a very profitable trade in ships' provisions. Advertisements in the first half of the next year show Salomon located at various addresses on old Broad Street between the Post Office and the City Hall in New York, offering "ships bread and rice" and other supplies for "Captains of Ships and others."

During his peculiar and dangerous respite he married 15-year-old Rachel Franks on July 6, 1777. Ezekiel, his first son, was born on July 28, 1778, and even this added responsibility did not prevent Salomon from working as best he could for the American cause. While interpreting for the Hessians, he tried to propagandize them into desertion. But before his son was two weeks old, the British got wind of his actions and issued orders for his arrest.

In some undetermined manner Salomon made his escape, and, leaving his family and all his material possessions behind him, he successfully crept through the British lines, crossed New Jersey, and reached Philadelphia and safety two weeks later.

Nothing that can be substantiated has survived to give us a picture of Salomon's life in Philadelphia from his arrival in the late summer of 1778 until late in 1780. With foreign money in the form of bills and drafts coming into Philadelphia as a result of the loans negotiated by Franklin and others in Europe, there was opportunity for a broker who knew foreign exchange. It also seems logical that Salomon with his European financial background should have chosen this field in which to support himself, and by 1781 he had established himself firmly. Meanwhile, again in some unknown fashion, he had managed to get his wife and son to Philadelphia, and the Salomons kept increasing their family year by year.

His first advertisement in the Philadelphia press on February 28, 1781, modestly noted there were "A few Bills of Exchange on France, St. Eustatia & Amsterdam, to be sold by Haym Salomon, Broker." Unlike some of the other refugee New Yorkers who were able to secure offices, counting-houses, or modest shops, Salomon was at first without benefit of his own place of business. He stated in his notice that he would: "attend every day at the Coffee-House between the hours of twelve and two, where he may be met with, and any kind of business in the brokerage will be undertaken by him."

A month later, when he had added English bills to his list, he announced that in addition to his midday attendance at the Coffee-House he could be "met with at Jacob Mier's in Front street, next door to Stephen Shewell's, facing Pewter-platter-alley, in the forenoon and afternoon."

Salomon's newspaper advertisements traced his transition from a humble and obscure businessman to the authorized broker to the Office of Finance. In July 1781, he offered "Bills on Holland, France, Spain, England, St. Croix, &c.," stated that he would sell "on commission, Loan-office certificates, and all other kinds of merchandise," and gave evidence of his rise up the mercantile scale by referring to "his office in Front-street, between Market and Arch streets." Yet, the bustling Front Street Coffee-House remained the center of his activity, for there, amid the hubbub, smoke and ale, bills of exchange and merchandise were bought and sold by the merchants who used that tavern as their Bourse.

On May 10, 1781, Robert Morris was appointed the first Superintendent of the Office of Finance, a pre-constitution Secretary of the Treasury. He found the country's credit low, its need for funds great, and its financial affairs in a muddle. He proceeded with imagination and administrative skill to arrange the money matters of the government so that the needs of the army and the new government could be met. And one of his main problems was to turn the foreign bills of exchange, which the United States was receiving in the form of loans, into usable cash without losing so much in discount that the loans failed in their purpose.

Morris needed a broker with two assets: an understanding of European finance and an unimpeachable credit. Haym Salomon had both. He had found a secure niche in commercial Philadelphia, and the Philadelphia merchants had learned to respect him. When Robert Morris "agreed with" Salomon to assist him, he already found that he was working officially for the French army, converting its government bills into hard cash, which in turn was used to buy supplies for its troops. Morris's diary entries are key sources of information for Salomon's relationship with the Office of Finance. The first of more than a hundred of the references to Salomon there, on June 8, 1781, reads: "I agreed with Mr. Haym Salomon the Broker, who has been employed by the officers of his most Chris'n Majesty to make sale of their Army and Navy Bills to assist me."

Why the French, now America's chief ally, chose Salomon to handle their affairs is not known. Previous investigators have been misled into writing that Salomon actually negotiated the French loans. The fact is that he was employed as a trusted agent of the French government for the most logical of reasons: he understood their language, and he understood the complications of Franco-American finance.

Morris's choice of Salomon was also logical. He would have as his agent the man who was at the same time the agent for the government with whom the Americans were most financially involved.

The fall of 1781 was a decisive one in American history. With much effort supplies had been obtained for the final campaign in Virginia. The French fleet sailed south, and the French troops joined the Americans already there. On October 19, 1781, Cornwallis surrendered to Washington at Yorktown. The fighting war was over, but the financial battles continued. A more subtle enemy—inflation—plagued the former colonists, and maintained a hidden war when British guns had been silenced. Continental currency, English counterfeits, Pennsylvania paper bills and the like from each of the new states circulated at unequal values and with no gold or silver to back them.

In the face of speculators, who worked in quiet but consistent opposition to the vital interest of the United States, Hayn Salomon undertook the task of selling on the Philadelphia market bills of exchange and government notes for the highest price obtainable. Morris and Salomon had agreed that his commission would not exceed one-half of one percent, which was Salomon's total profit on each transaction; and this is a time when other Philadelphia brokers were charging from two to five percent.

Small as his commission was, Salomon must have made up for it by volume, for his advertisements which began appearing with increasing frequency told of an enlarged business. In the *Pennsylvania Packet,* which came out three times a week, Salomon's advertisements appeared 19 times from January to July.

The week of July 12, 1782, Robert Morris observed in his diary that: "This Broker has been useful to the public Interest and Requests leave to Publish himself as a Broker to the Office to which I have consented as I do not see that any disadvantage can possibly arise to the public service but the Reverse and he expects individual Benefits therefrom."

Consequently, a week later, Salomon announced himself with a new title, and described what had become, by then, manifold activities:

HAYM SALOMON

Broker of the Office of Finance, to the Consul General of France, and to the Treasurer of the French Army, at his Office in Front-street, between Market and Arch-streets, Buys and Sell on Commission.

Bank Stock, Bills of Exchange on France, Spain, Holland and other parts of Europe, the West Indies, and inland bills, at the usual commission. He buys and sells Loan Office Certificates, Continental and State Money, of this or any other state, Paymaster and Quartermaster Generals Notes; these and every other kind of paper transactions (bills of exchange excepted) he will charge his employers no more than One Half Per Cent for his Commission.

He procures Money on Loan for short time and gets Notes and Bills discounted.

Gentlemen and others, residing in this state or any of the united states, by sending their orders to this Office, may depend on having their business transacted with as much fidelity and expedition as if they were themselves present.

He receives Tobacco, Sugars, Tea, and every other sort of Goods to Sell on commission; for which purpose he has provided proper Stores.

He flatters himself, his assiduity, punctuality, and extensive connections in his business, as a Broker, is well established in various parts of Europe, and in the united states in particular.

All persons who shall please to favour him with their business, may depend upon his utmost exertion for their interest and part of the Money Advanced if required.

In August 1782 Morris delivered to Salomon a wagon receipt for 20 dry hides sent from South Carolina and asked him to sell them to the best advantage of the United States, and also requested that he do the same with a "few Casks of Pott Ash or Pearl Ashes," which were government property. In the same sultry month, James Madison wrote his fellow delegate to Congress, Edmund Randolph:

"I cannot in any way make you more sensible of the importance of your kind attention to pecuniary remittances for me than by informing you that I have for some time past been a pensioner on the favor of Haym Salomon, a Jew Broker."

This was a side of his business which brought Salomon thanks, but no money. Yet, he understood the difficulties of Madison and others who were serving their country at great sacrifice to themselves, and made personal loans to them.

The pattern repeated itself, and other names appear in his ledger—General St. Clair, Baron von Steuben, his fellow Pole Kosciusko, General Mifflin, Edmund Randolph, Colonel Mercer, James Wilson, and James Ross. Madison had to return to the well, and again to Randolph he wrote: "The kindness of our little friend in Front Street near the Coffee-House, is a fund which will preserve me from extremities, but I never resort to it without great mortification, as he obstinately rejects all recompense. The price of money is so usurious that he thinks it ought to be extorted from none but those who aim at profitable speculations. To a necessitous delegate he gratuitously spares a supply out of his private stock." It is noteworthy that the "Jew Broker" had become "our little friend." But chances are that neither Salomon nor Madison noticed the change; both were occupied with more serious matters.

Salomon's activity now embraced all the usual phases of brokerage. His services, if not the best in America's largest city, were apparently the most reliable; his endorsement on a note made it "undeniable." When the sudden exhaustion of American funds drawn on French loans left many bills of exchange worthless, Salomon announced that all such bills bearing his endorsement would be guaranteed. Even then the signature of Haym Salomon was worth a good deal of money.

Like other brokers, he expanded his interests into the field of real estate, and the valuable square "bounded by Chestnut, Walnut, Seventh and Eighth Streets" was but one of the many city and country properties which were placed with him for sale. As far as existing evidence shows, none of this was owned by Salomon. He did have some property in the northern part of the city, but its location is not now known. In spite of the fact that his purse was open to Jewish charities, the general welfare, and individual patriots, his name was entered on the delinquent tax list for this property in 1784. Paradoxically, in this year, the last of his life, the volume of his businesses moved steadily forward.

Merchants and brokers who had achieved success moved their families as quickly as possible from the bustle of Front Street commerce to homes more in keeping with their financial standing. Salomon, more unassuming, lived in the same building where he conducted his business. The family lived above and behind the office, and their quarters, if not spacious, were appointed with a suggestion of newly acquired luxury. Mahogany furniture and silverplate helped fill the two rooms used for the living space of a family, now grown to five persons. A horse and chaise met the needs of comfort and transportation. This was not fancy living for one to whom great wealth has been ascribed. Compared to lesser known Jews, who had neither five years' residence in Philadelphia nor Salomon's financial ability, he had not acquired much in worldly goods.

When he died in January 1785, he left assets which barely covered his debts consisting of notes which he had guaranteed; the executors of his estate were hard put to provide sufficient money from his tangled affairs to enable his widow and children to live in even the most modest fashion. The Independent Gazetteer, which only the week before had carried his advertisements in English, Dutch and French, printed in the following obituary:

"Thursday last, expired, after a lingering illness, Mr. Haym Salomon, an eminent Broker of this city; he was a native of Poland, and of the Hebrew nation. He was remarkable for his skill and integrity in his profession, and for his generous and humane deportment. His remains were yesterday deposited in the burial ground of the Synagogue, in this city."

THE ECONOMICS OF DÉTENTE

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 22, 1976

Mr. McDONALD of Georgia. Mr. Speaker, we in the Congress are inundated daily with books, pamphlets, newspapers, studies and all sorts of reading material. Some of it is worthless, some of limited value and a very few things are outstanding. The booklet recently published by The Heritage Foundation is in the outstanding category. The author, Miles Costick, has put in one booklet all the wrongs of the so-called wheat deals with the Soviet Union. In doing this, he has also developed some interesting material on East-West trade, the Soviet Merchant Marine and the role all of these seemingly innocent things play in development of Soviet strategy to bury us. He has accomplished this in a manner that has made all the seemingly complex aspects of the "wheat steals" very clear. It is a booklet, in my view, that should be read and studied by every Member of Congress. Therefore, at this point, in order to give the Members the flavor of the booklet, I am inserting into the RECORD, chapter 1, the introduction to the booklet, which is very succinct:

ECONOMICS OF DETENTE AND U.S.-SOVIET GRAIN TRADE

(Chapter 1—Introduction)

TRADE POLICY IS FOREIGN POLICY

Due to its implications for national and international security, the trade between free countries and communist governments cannot be treated from a strictly economic point of view. As a matter of fact, the available tools of traditional economic analysis become less relevant when strategic and geopolitical considerations prevail.

A distinction is sometimes drawn between "high foreign policy" and "low foreign policy," with the former concerning matters of national security and survival and the latter concerning a large number of secondary issues that arise in relations among countries. Foreign trade and international financial policies, including foreign investments, were traditionally regarded in the category of low foreign policy. This classification, however, is no longer tenable.

The most significant of the external economic relations of a nation are its commercial relations. In international trade, the economic and strategic elements are inextricably intertwined. Traditionally, the main arguments for international trade were the economic ones; the strategic implications were larely ignored. In recent years, however, the strategic elements in trade have come to outweigh the economic as far as the so-called "superpowers" are concerned. One thing that must be understood is the need for consistency between a nation's strategic goals and its commercial policies. The recent oil embargo, quadrupling of oil prices and the threat of new price increases for petroleum have made abundantly clear the political nature of trade and economic warfare in the contemporary world.

DETENTE AND TRADE

"Detente is an imperative", declared Secretary of State Henry Kissinger in his speech to the Pilgrims of Great Britain. "In a world shadowed by danger of nuclear holocaust, there is no rational alternative to the pursuit of relaxation of tension".[1] That is, avoidance of the *risk* of war must be the supreme and overriding goal of U.S. foreign policy, almost regardless of cost in other respects. If detente is an imperative, the official statements say, it is also an opportunity for building an international order conducive to peace, for the "the United States and the Soviet Union, after decades of profound suspicion, have perceived a common interest in avoiding nuclear holocaust and in establishing a web of constructive relationships".[2] Dr. Kissinger elaborated further during his appearance before the Senate Foreign Relations Committee by stating that, "By acquiring a stake in this network of relationships with the West, the Soviet Union may become more conscious of what it would lose by a return to confrontation".[3]

Though Secretary of State has not put it quite so bluntly, agreements aimed at creating Soviet vested interests in peace will naturally focus on economic and technological issues, since these are the areas of greatest Soviet weakness and hence greatest potential gain. "As political relations have improved

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Footnotes at end of article.

on a broad front", he says, "economic issues have been dealt with on a comparably broad front". So far as we have concluded "primarily regulatory agreements conferring no immediate benefits on the Soviet Union but serving as blueprints for an expanded economic relationship if the political improvement continued." The prospect is that "over time, trade and investment may leaven the autarkic tendencies of the Soviet system, invite gradual association of the Soviet economy with the world economy, and foster a degree of interdependence that adds an element of stability to the political equation."[4]

This is contemplated as the "grand design," which will remove the confrontation between the two political systems as it has existed during the past thirty years. It is further advanced that the mingling of "vested interests" will prove highly beneficial in meeting the balance-of-payments deficits and problems of unemployment which the United States faces, and possibly create a new dependable source of energy (the Soviet Union) as an alternative to the instabilities of the Middle East.[5]

Leonid Brezhnev, General Secretary of the Soviet Communist Party, during the summer of 1973 explained detente to the communist leaders of the Warsaw Pact governments and to the members of his own Politburo in the following manner:

"We communists have got to string along with the capitalists for a while. We need their credits, their agriculture, and their technology. But we are going to continue massive military programs and by the middle 80's we will be in a position to return to a much more aggressive foreign policy designed to gain the upper hand in our relationship with the West."[6]

Consistent with this outlook is the view that every U.S.-Soviet deal—and especially the transfer of pure technology and sophisticated capital equpiment—is an act of international politics. It becomes so also owing to the communists' use of trade as a political tool to advance their strategic objectives. To the Soviets, every Western businessman, scientist, and technician in contact with the communist officials becomes involved consciously or unconsciously in foreign policy. In his book *Soviet Military Strategy*, Marshall of the Soviet Union V.D. Sokolovsky, former commandant of the Warsaw Military Pact, commented, "In the present epoch, the struggle for peace and the fight to gain time depends above all on an unremitting increase in Soviet military power and that of the entire socialist camp based on the development of productive forces and the continuous growth of its material and technological base."[7]

The underlying reason for expanding trade with the West from the Soviet perspective seems to be the wish to import agricultural products, manufacturing facilities, technology, scientific discoveries, and technological processes of military value.[8]

The security risk the West incurs through its deals is difficult to overlcok, because today almost all goods, equipment, or industrial and technological processes have some military significance. According to the draft of the last Five-Year Plan of the USSR, one of the "chief objectives in the development of the political economy is the consolidation of the country's economic and defense potential."[9] From this, it follows that in the 1970's the Soviets still considered their economic potential from a military angle.

Soviet trade cannot be viewed solely in terms of normal commercial transactions. It is not private individuals or firms dealing with other private individuals or firms. It means dealing only with communist government agencies which follow Soviet Communist Party policies and directives. Currently those policies aim at massive military buildup—at the expense of the production for the consumer. Dr. John Hardt, Soviet economy expert at the Library of Congress, has stated in one of his recent analyses of the Soviet economic policy, "if the Soviet leadership would decide in favor of a substantially higher rate of growth, they could achieve it only by drastic reduction in defense expenditures."[10]

But Soviet policy has been to further increase military spending. According to two anonymous Soviet economists, the U.S.S.R. invested in the 1960s and 40% of its Gross National Products (GNP) into defense projects. In 1969 the Soviet military budget was about $88 billion and since then on the rise. And that is out of a GNP in that year of some $210 billion.[11] In the same year, the United States' defense budget was $77.8 billion, and for Fiscal Year 1974, expressed in 1973 prices, the figure was $78.2 billion—or about 6% of our Gross National Product. The Soviet military budget for fiscal 1974 expressed in 1973 prices was $93 billion.[12] In fiscal 1975, in constant dollars, the U.S. defense budget was $73 billion while Soviet military expenditures, in constant dollars, were about $94 billion.[13]

The increased military spending accompanied by Soviet military buildup has not been sudden, nor confined to recent years. The cumulative increase in military resources of approximately 35% over the last eleven years can be reasonably described as very substantial. Over the same period, again measured in terms of 1973 dollars, resources allocated to the U.S. military have declined in real terms, interrupted only by the war in Southeast Asia, a factor which had no counterpart in Soviet experience of that period. Indeed, as a result of these contrasting trends in Soviet and U.S. military activity, the Soviet effort exceeded that of the United States effort exceeded that of the United above the United States when retirement expenses are included, and approximately 45% above the United States when retirement is excluded.[14]

FOOTNOTES

[1] Speech to the Pilgrims of Great Britain, *Department of State Bulletin*, December 31, 1973, p. 779.

[2] Speech to the American Legion, *Department of State Bulletin*, September 16, 1974, p. 375.

[3] Statement to the Senate Foreign Relations Committee, *Department of State Bulletin*, October 14, 1974, p. 508.

[4] Ibid., pp. 511–512.

[5] Secretary of State Henry Kissinger, White House Press Conference, July 8, 1972. See also his testimony before Senate Finance Committee, December 3, 1974.

[6] Defense Department and U.S. intelligence community termed Brezhnev's explanation "The New Brezhnev Doctrine"; see International Economic Policy, p. 822 (Hearings before the Subcommittee on International Trade of the House Committee on Banking and Currency, 1974).

[7] V. D. Sokolovsky, ed., *Soviet Military Strategy* (Voyennaya Strategia), Voyenizdat, Moscow, 1968, 3rd Edition, p. 421.

[8] See Mose L. Harvey, *East-West Trade*, (National Association of Manufacturers, New York, 1966). See also Antony C. Sutton, *National Suicide*, (Arlington House, 1973); and Mose L. Harvey, Leon Goure, and Vladimar Prokofieff, *Science and Technology as an instrument of Soviet Policy*, (Center for Advanced International Studies, University of Miami, 1972).

[9] *Pravda*, February 20, 1971.

[10] See John Hardt in *Soviet Economic Prospects for the Seventies* (Joint Economic Committee—U.S. Congress, June 27, 1973).

[11] Two Soviet Economists from Leningrad in 28-page typescript published by Soviet underground dissident publication Samizdat and reprinted by Radio Liberty; Soviet Physicists Andrei Sakharov, this year's Nobel Peace Prize laureate, used the figure of 40% in an open letter to Brezhnev in 1972; See Robert G. Kaiser, "Defense Held Main Soviet Goal," The *Washington Post*, April 13, 1973.

[12] Testimony by William E. Colby, Director of Central Intelligence (CIA), before Subcommittee on Priorities and Economy in Government on June 18, 1975; See *Allocation of Resources in the Soviet Union and China*—1975 (U.S. Government Printing Office), pp. 28–29.

[13] Senator James Buckley, "On Salt II," *National Review*, March 15, 1974; Congressman William L. Dickinson, Press Conference July 23, 1974; U.S. Defense Authorization Bill Debate, *Congressional Record*, May 15, 1975.

[14] op. cit., William E. Colby; See also Senator Barry Goldwater's speech on the floor of the Senate, "Defense Spending," *Congressional Record*, November 4, 1975, p. 34818 and Secretary of Defense James Schlesinger's statements as reported in *The Washington Post*, November 9, 1975, p. D1 and *National Review Bulletin*, November 14, 1975, pp. B172–3.

FUTURE OF THE FAMILY FARM

HON. PAUL FINDLEY

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, March 22, 1976

Mr. FINDLEY. Mr. Speaker, the role of the family farmer in our society is highly romanticized. Alarmists are predicting that the family farmer will go the way of the threshing machine and be relegated to a few farms and a lot of museums. "Not so," says Dr. Don Paarlberg, noted agricultural policy expert. In fact, according to Dr. Paarlberg, 95 percent of our farms are family farms, a percentage that has been unchanged for several decades.

The self-motivated, self-employed farmer has survived the economic crisis of the past and is adapting to the technological needs of the present. His willingness to work long hours at low pay—in some years, no pay—and his willingness to accept lower rates of return for capital, have helped the family remain on the farm as both a social and economic unit.

Dr. Paarlberg's article discusses the historical and social reasons why the family farm has survived and changed in our society. Culture, history, and technology have opened the way to some large-scale corporate farming in some parts of the country. At the same time, the family farm has expanded and prospered in other sections of the country and raising other commodities.

The family farm can and will survive in the future according to the author. But as in the past, the family farm that survives will make changes in management techniques. The family farm will require the support of society in the form of research, education, and credit. Flexibility in the farming operation will assure that the time honored tradition of father passing knowledge and the farm to the next generation will continue.

Dr. Paarlberg concludes by adding his

support for the continuance of the family farm. He warns, however, that the farm must not fall victim to unwise public policy decisions. Too many are willing to oversimplify the issue of corporate farming or desire to cling to uneconomical units of the past. In a pluralistic country, the efficient and changing farm unit is most likely to assure food at a reasonable price for the consumer and the continuance of the family farm.

College-trained sons and daughters of American farm families are returning to the soil and the family farm in greater numbers than ever before. This bids well for the future of the efficient and productive family farm. It also speaks well for the present system of agricultural policies. The market system offers hope to the new generation of American farm families. Dr. Don Paarlberg's article follows:

Future of the Family Farm

(By Don Paarlberg)

Remember the family farmer? We saw him in the country town on Saturday afternoon. He appeared in the cartoons with a straw hat, a pitchfork, and a corncob pipe. There was considerable good-natured joshing at his expense. He usually had a daughter, who had various adventures with traveling salesmen. Occasionally he visited New York, and the City Slicker tried to sell him the Brooklyn Bridge. But in the folklore of the day he usually came off pretty well and we had a warm feeling about him. Because in our hearts we were for the family farmer; he was the cornerstone of democracy, the embodiment of enterprise, the emblem of independence.

Where is he now? Surprisingly, he is still there. He has changed a good deal and perhaps that's why we don't recognize him. He dresses like the rest of us and he no longer carries a pitchfork. We don't see him so often because there are fewer of him. Besides, we are an urbanized people, having little direct contact with farmers. We don't go out in the country to Grandpa's for Thanksgiving dinner the way we once did. Grandpa has died and most of the uncles have moved to town. Farmers now comprise less than 5 percent of the population; forty years ago, one-fourth of our people were farmers. Some people view the family farmer as an endangered species, like the blue whale or the California condor.

There is growing concern that the family farms might be swallowed up by huge corporate farms. The papers are full of stories about "factories in the field," "agribusiness farms," "vertical integration," "contract farming" and the like.

Agriculture is going through a great change, brought on by the advance of technology. Years ago it was customary for the farmer himself to supply virtually everything needed to make the farm go: land, labor, capital, management. This was the essential feature of the family farm. But now, with modern technology, the inputs needed are often beyond the command of one person. A modern farm, big enough to supply an income equivalent to what could be earned in town, might involve an investment of a quarter of a million dollars or more. The managerial skill required to operate a modern farm is very great. Not every farm-raised young man can qualify.

So a new idea has come into agriculture. Or, rather, an old idea long used in industry is being applied. Capital, land and labor are now obtained separately and combined in optimum fashion, under good management. This is the idea that transformed the hand loom into the textile factory, and the iron-monger's shop into the steel plant.

Some sectors of agriculture already have been remade along industrial lines. The poultry industry is one such. The broiler industry now probably bears a closer resemblance, organizationally, to General Motors than it does to the historic family farm. Is this a unique case or does it foreshadow the future? Prototype or aberration? Ask this question of any group of farmers and you are assured of a heated argument.

Viewers with alarm see all kinds of dire events impending, if the family farmer were to be replaced by the large-scale corporate-type farm. A valuable way of life would be lost, they say. The family farm represents, in the minds of many, an idealized form of preindustrial living, the son apprenticed to the father, the older people living out their lives in usefulness and dignity, living close to nature and producing the most needed product of all. The idea comes from Rousseau, the eighteenth-century French philosopher. It was powerfully advocated in this country by Thomas Jefferson. It is discernible in modified form, in the rural communes being now set up by young people in various parts of the country. This paradise, the believers think, is in danger of being lost. Agricultural production might be dominated by a few huge agribusiness firms, which would then use their monopoly power to extort high prices from the American public. The family farm, it is said, is not just a way of producting crops and livestock; it is a way of producing people—good people. Oliver Goldsmith said it many years ago in "The Deserted Village":

Princes and lords may flourish, or may fade;
A breath can make them, as a breath has made;
But a bold peasantry, their country's pride,
When once destroy'd, can never be supplied.

"Romantic nonsense," say those who believe in "modernizing" agriculture. What is so different about agriculture? Why should agriculture be organized on a family basis when practically everything else is industrialized? If a large-scale corporate-type farm can produce food and fiber at a lower cost than a family farm, it should be free to do so. Such industrializing of agriculture as has thus far occurred has served to reduce the price of food, not to increase it. Witness broilers and turkeys. Besides, say these advocates of an industrialized agriculture, the merit of the family farm was a myth in the first place. Family farmers exploited their children, it is said, and deprived them of education. Are people of family-farm background really superior citizens? The evidence is in dispute. Many of those who praise the family farm do so from their air-conditioned downtown offices, having long ago left the family farm with its drudgery and deprivation. Their advocacy of the family farm is the result of selective memory.

What are the facts? Can the family farm compete? Or is it doomed to lose out to the corporate farm? What is needed in the way of adjustments if it is to succeed? Is there enough merit in the family farm so that we should try to keep it, even at some penalty in the form of food costs higher than would otherwise occur?

I take the view that the family farm is a very tough competitor, a very durable institution. It has survived war, depression, inflation, and natural disaster. With a few highly visible and much publicized exceptions, it has thus far adapted itself very well to a technological revolution.

I define a family farm as one on which the greater part of the labor and decision-making is supplied by the farmer and his family. Thus measured, 95 percent of our farms are family farms, a percentage that has been unchanged for several decades. These family farms produce about two-thirds of our farm production, a percentage that also has been rather stable over time.

One of the strengths of the family farm, as compared with the huge industrialized unit, is its resilience. Suppose a bad year comes along, either in the form of poor yields or low prices. The big industrialized unit has high fixed costs, labor perhaps being the chief one. With income down and with fixed costs high, the big farm may go under. But the family farmer, who is self-employed, pays himself a lower wage, postpones some maintenance costs, pulls in his belt a notch or two, and is still there the next spring, ready to go. Significantly, the Great Depression saw the foreclosure of relatively many of the big industrialized farms of the day, and relatively fewer of the smaller family farms. The family farm on which I grew up, in Northern Indiana, survived the Great Depression by this form of resilience, while many other larger farms went broke.

The family farmer is self-employed, self-supervised, and self-motivated. He works long hours at planting time and during harvest as the need arises. He naturally directs his efforts to wherever the payoff is greatest. He is always on the alert as to the health of his herd or the condition of his crop; he will stay up all night, if need be, at lambing time. Contrast this with 'the hireling, whose own the sheep are not," to use a Biblical phrase. Unionized wages, limited hours and prescribed working conditions, unmotivated labor and the need for detailed supervision—these are handicaps borne by the corporate-type farm.

A family farmer looks on his farm not just as an income-earning enterprise but as a place to live and as an assured way of continuing to do the work he prefers. All of these considerations enter into his estimate of the value of his land. Thus he holds his land at a price that the corporate-type farm finds hard to meet. To bid the land away from a family farmer the farming corporation must not only bid for the land; it has to bid away the farmer's home and his job security. Our figures in the Department of Agriculture show that on the average, farm real estate earns only about half the rate of return that has to be paid in order to borrow money in the financial markets.

So we should not give up quickly on the family farm. It is likely still to be around when those who despair of survival have gone on to their reward.

Large-scale corporate-type farms have come in not across the board, but on a selective basis. This kind of farming is prominent for broilers, eggs, turkeys, sugarcane, citrus fruit, seed production, and certain crops for canning. It is not prominent in cereal crops, dairy products, most livestock enterprises, and much of our diversified farming.

Why these differences?

There are certain conditions that are conducive to the industrialization of agriculture. One is the existence of a large body of unused scientific knowledge, which family farms are unwilling or unable to adopt. For example, years ago poultry science was far ahead of application, as practiced by family farmers. Typically, the farmer's wife kept a small flock of chickens. Sanitation practices were poor. Nutrition was also poor; the birds scrounged a precarious living in the barnyard, competing with the pigs and cows. They hid their nests in the strawstack and roosted on the corner binder in the machine shed. They laid eggs only during the spring, when the normal avian urge gave them no alternative. "Egg money," kept in a cookie jar in the pantry, provided cough syrup, schoolbooks, and occasionally a ticket for the movies. Given this low state of poultry technology, there was incentive for large-scale producers to come in, adopt new methods, employ good management, and establish a new industry.

Agriculture also takes on an industrial pattern when large-scale production has special efficiencies. This tends to be the case where large-scale equipment is needed and where operations are repetitive. Sugarcane production is one such enterprise. Specialized fruit and vegetable farms are also of this type. Cattle feeding is moving in this direction. But for the majority of farms in the United States, most efficiencies of size have been gained with a suitably equipped two-man operation. This is true for wheat farms, dairy farms, and diversified feedgrain-livestock farms. True enough, a larger farm will produce more income but only because it provides the return from more resources. The real measure of efficiency is output per unit of input. And for most of agriculture something approaching optimum efficiency is attainable within the capability of a well-equipped two-man operation.

Another setting conducive to large-scale agriculture is the existence of opportunity to link production directly with marketing. For example, the development of frozen concentrated orange juice provided opportunity to market a standard product throughout the year at a relatively stable price. To do this required the linkage of production and marketing, called "vertical integration." Family farmers, being production-oriented, could neither visualize nor exploit the opportunities latent in this kind of operation.

Large-scale farming operations develop where history and tradition are conducive to them. It is not surprising that large-scale units are common in California, tracing back to the large-scale Spanish hacienda. One reason that large-scale units are accepted in the South is the long historical dominance of the plantation system. Large-scale farming has not caught on well in the Midwest, which was settled family style, under the Homestead Act.

The public policy issue regarding our farming institutions commonly is posed in this fashion: "Are you for or against corporation farming?" This is an erroneous statement of the question. An enormous amount of effort has been expended trying to answer the wrong question.

Only about 1 percent of our farms are incorporated. They produce about 8 percent of our output. And two-thirds of the 1 percent are family farms, incorporated for tax or inheritance purposes or for increased borrowing capacity. They are indistinguishable from family farms except in legal form. If the farm corporations were to be banned, we would deprive the family farm of one way to meet the competition of super-large units.

Who is to control agriculture? Will it be the bankers, who supply the money? Or the feed manufacturers, contracting forward toward retail markets? Or the food chains, contracting backward toward their supply? Or the processors, capturing the farmers with their unilaterally designed contract? Or some non-farm corporation, using agriculture as a tax haven? Of hired farm labor, with their new unions? Or government, with its massive commodity programs? Or will the farm people themselves be able to retain control of their operation?

The family farm is seen by many as a means of preserving that most precious of all prerogatives, the right of decision-making. The perception may be in part subliminal, but it is nevertheless real. Much of the the emotional commitment to the family farm is thus explained.

One way that family farmers could retain their decision-making role and still gain the advantage of large-scale buying and selling is through cooperatives. In many cases they could integrate their production and marketing, improve quality and flow to market, and provide an assured home for their produce, all by the use of farmer cooperatives. More and more of this is occurring.

Some of the most deeply committed friends of the family farm offer proposals of great danger. In romantic dedication to an earlier ideal, efforts are made to hold the family farm in the mold of the past. A low limit on size, denial of access of modern management practices, restrictions as to legal form, sharp limitations on the right of inheritance—any of these could be a handicap to the family farm. In combination they could cripple it. The family farm must be allowed to grow in size so as to take advantage of modern technology. An effort to hold it in the mold of the past would be to condemn our farmers to substandard income and our consumers to a high-cost diet.

Still, I do not think our agriculture need be or will become monolithic, relying on one managerial concept only. We are a pluralistic country socially, politically, and economically. The fact that the trend has been in the direction of large-scale units does not mean that this trend must be extended until it embraces all of agriculture. Why not have a farming system that is partly large-scale and partly family farms? Those who believe in market competition should also believe in the appropriateness of competing institutional forms.

For most American agriculture, the family farm can continue to be the major organizational form:

If it is permitted the flexibility that will allow the efficient uses of modern technology and management.

If it is provided with good research, education, and credit.

If it makes wise use of the principles of cooperation.

If it has access to the market.

If it continues to enjoy the goodwill of the public.

I, for one, would like to see these things happen.

INHERITANCE TAX REFORM NEEDED NOW

HON. FLOYD J. FITHIAN

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 22, 1976

Mr. FITHIAN. Mr. Speaker, perhaps no issue today involving rural life is of greater concern to America's farmers than estate tax reform. More than 2,000 of my constituents have expressed to me their support for proposals to increase the estate tax exemption on farms from the current $60,000 level to $200,000.

I share their concern, and it is for that reason that I am cosponsoring H.R. 4368, the Family Farm Inheritance Act.

Last Thursday I testified before the Ways and Means Committee on this important topic, urging approval of legislation of this nature. I carried to the committee the message that I heard during the previous weekend in five special farm meetings throughout my district. It is the same message being voiced by every major farm organization and by thousands of farm families today. It is a message which I believe we as a Congress should heed: it is time now to reform our outdated inheritance tax legislation.

Mr. Speaker, I include my testimony before the Ways and Means Committee in the RECORD:

TESTIMONY OF HON. FLOYD J. FITHIAN OF INDIANA BEFORE THE COMMITTEE ON WAYS AND MEANS

Mr. Chairman and distinguished members of the Ways and Means Committee: I want to thank you for giving me the opportunity to be here today to speak in support of inheritance tax reform. I know that you already have received a great deal of factual information on this subject and probably have heard many of the arguments which I might forward. Therefore, I'll be brief in my remarks.

To begin, I wish to commend this committee for your diligent efforts during the first session of this Congress in the area of tax reform. As the representative of thousands of persons who live on small family farms in northern Indiana, I was especially pleased to note your effort to remove the use of farms as tax shelters for wealthy individuals. Recently our colleague Mr. Vanik reported the disturbing fact that 240 residents of the District of Columbia—which hardly can be considered part of the farm belt—claimed farm losses of more than $11,000 each on their IRS returns last year. Put simply, these "gentleman farmers" are not paying their fair share of taxes. That shifts the burden of taxation unfairly to those who are less able to pay . . . including the small farmer.

It is this individual—the man who owns his own small farm and operates it with his family—who would benefit most from legislation now before you which would increase the inheritance tax exemption on farms from $60,000 to $200,000. I urge you to take the next step in your effort at tax reform by approving this proposal.

Let me just quickly cite some compelling arguments in support of this legislation:

Land values have risen markedly since 1942, when the $60,000 level was set. It is not uncommon for good farmland in my district in Indiana to have gone up in value by more than 400 per cent in the ensuing 35 years.

The gap between production costs and farm income has narrowed in that time. Net farm income in Indiana dropped by about 15 per cent in the most recently recorded year, and farmers are simply having a tough time making it.

Paying inheritance taxes has become a significant and unfair burden on families when the farm is passed from one generation to another. Anyone who lives in a farming area can cite examples of family farms which have passed from family ownership—many of them being gobbled up by less productive corporate farms—upon the death of the head of the household. Families have been forced to sell all or part of their land in order to pay the inheritance taxes.

You all know, as well as I do, the many local and national farm organizations which are supporting inheritance tax reform. I'm sure you've received correspondence from them, as I have . . . every one of the national farm groups, to my knowledge, stands behind such legislation as is now before this committee. A few weeks ago I addressed the National Association of Farmer Elected Committeemen in Indianapolis, and they left me the clear impression that this was perhaps their first legislative priority. Last weekend I conducted special farm meetings in five communities throughout my district, and the message I came away with was that nothing in Washington pertaining to rural America was any more important to those farmers in Indiana than raising the inheritance tax exemption on farms.

I decided hurriedly a couple of weeks ago to try to get some quantifiable public input on this topic. So we prepared a petition, which simply says that the signers support H.R. 1793 or H.R. 4368, which I am co-sponsoring, or some similar legislation. The petitions were placed in grain elevators and farm implement dealers around the 14 counties in my district. They arrived out in Indiana about 10 days ago, and in just that short time, we've received dozens in return to my Washington office. Already we have more than 2,000 signatures on these petitions, and they are still coming in.

The petitions are addressed to you, the members of the Committee on Ways and

Means, and I present them to you to demonstrate the intensity of public support for this proposal. These names were collected in just a few days, and I'm certain that before your mark-up on this bill is complete, I'll have thousands more signatures to present to you.

It is not my intent in this testimony, then, to restate the already well known arguments in favor of raising the inheritance tax exemption level on farms. It is to emphasize the public support which this concept enjoys among those who are informed about the topic.

I believe that preserving the rural way of life is important for America. I am alarmed that 30 per cent of the American population lived on farms 50 years ago, and that only 4 per cent lives on farms today. It bothers me that the average farm size has increased by 81 per cent in the past 40 years. Clearly, we are losing our small farms.

To keep the family farms we now have in business . . . to keep families from being forced to leave the farm and move into the city . . . to continue your effort to make taxation more fair for all Americans . . . to accomplish all this, I urge you to act favorably on the proposal to raise the inheritance tax exemption on farms from $60,000 to $200,000.

Let me again express my appreciation for the opportunity to appear before you today.

WHO SPEAKS FOR THE CHILDREN?

HON. STEPHEN J. SOLARZ

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, March 22, 1976

Mr. SOLARZ. Mr. Speaker, I would like to bring to the attention of my colleagues an article recently published in the Brooklyn Bay News, which I feel is of particular interest and importance to all Americans. This profound statement was written by Mr. Charles Pilgrim, who is president of the United Parents Association—UPA—of New York City.

I believe that the rational arguments and constructive thoughts that Mr. Pilgrim has laid out in regard to our educational system should be strongly considered by those of us who shape its future.

Mr. Pilgrim talks specifically of New York City, but the city is only a model that portends the future for many of our urban and suburban school districts. Faced with a growing fiscal crisis and budget cutbacks, we must reaffirm our commitment to the education of our children, which after all is our most precious national resource. The future of our Nation is intimately tied to the quality of education that our children receive and the time is now to develop plans and programs that will not only cope with the current financial crisis, but serve to improve the intellectual capacities of our children.

The article follows:

WHO SPEAKS FOR THE CHILDREN?

(By Charles Pilgrim)

Thousands of words have been written and spoken about the impact of the current and continuing fiscal crisis on the people of New York City. No one has escaped the loud and angry voices of elected and appointed officials, union leaders, spokesmen for the business and financial community and policy makers from near and far. But as parents continue to evaluate all that has been said, written and proposed, one question looms large in their minds: Who among them speaks for children?

School parents, all of whom live in the city, recognize perhaps better than any other group the reality of our fiscal problems and the necessity for stringent economies. They also know that the schools must absorb their fair share of the cuts.

But those cuts should be made with only one criterion in mind: the effect on the education of the child in the classroom. We have a right to expect that available resources will be managed in a manner that does not further erode the quality of education in the classroom.

In these times of financial crisis the pressures on our schools to curtail expenses are constant. Parents of children attending our public schools live every day with the grim reality of our crippled educational system. They see the devastating effect of the budget cuts on classroom services.

They can cite school after school where guidance services are now practically nonexistent; where there are no remedial reading programs and children most in need of special help will consequently fall farther and farther behind; where practically no enrichment programs are available in non Title I schools and special High Schools, and special services in Title I schools have been decimated; where school library services have ben drastically curtailed, and safety programs have been impaired; where the hard won gain establishing a trend to an integrated teaching staff has been reversed.

We recognize that these are difficult times . . . times of crisis . . . and times of change . . . but these times must challenge us rather than defeat us. With the imposition of emergency fiscal controls requiring three year plans and administrative approval by what can only be perceived of as a shadow government, it is mandatory that the Board of Education clearly spell out its priorities so that maximum public support can be generated. A master plan developed by the Board of Education in consultation with parent and community representatives can help to strengthen the climate of trust and support that is needed now and will be needed in the difficult years ahead.

Teachers can no longer be retained solely on the basis of seniority with absolutely no regard for teaching ability as demonstrated by their performance; those responsible for making educational policy must be accountable for educational policy and can not trade policy decisions at the bargaining table.

We can no longer think in old ways. The Board of Education, the unions, we the parents are faced with new dimensions, future shock, and more problems. The same old approaches and "business as usual" will not do. We constantly hear that there are no easy solutions. We agree there are no easy solutions but there are solutions. There must be a commitment above contract, above the old way, a new commitment to children first.

There is no doubt that the future of New York City depends on an educated, skillful and productive citizenry. It would be tragic if we allowed the fiscal crisis to serve as a facade for the denial of equal access to educational opportunity for all people. Yet, such a tragedy seems to be unfolding. Open admissions and the 128-year policy of free tuition at our City University are under severe attack and threatened with elimination.

Our city university is a key instrument for affecting positive long term change in New York City. It has helped generations of Americans to move into the mainstream and partake of the American dream. Compensatory programs such as SEEK and College Discovery have been curtailed thereby denying untold numbers of educationally and economically deprived students a meaningful opportunity to attend a university. In addition, the hub of many of our communities, has been virtually eliminated.

One regrettable aspect of the budget crisis is the manner in which some leaders have embraced the tactics of hate and fear as part of their campaign to get funds restored. Parents do not ascribe to such tactics. They do additional damage to our schools and our city. It is time to put these irresponsible devices aside and work together for the common good.

Parents must be willing to volunteer their services where needed. Teachers and supervisors must be willing to accept and respect those services in a spirit of good will and cooperation. If there ever was a time for unity, that time is now. History has taught us that united we stand and divided we fall. The teacher organizations know this, the supervisors know this, and you . . . the United Parents of this city have learned this. By helping and sharing with each other our strength becomes more unified.

How easy it is for the parent from one side of town to see only his or her children's needs, to care about the shortcomings in the schools in only his or her district and to feel that all of the advantages and special programs are over there in another part of town.

The financial crunch makes everything that has to be done in our schools much more difficult but it has taught parents that they must speak in a united voice . . . a strong voice . . . a voice that is constant in its determination and affirmation—that in this city the priority must be children!

PERMISSIBLE DOSE FOR NUCLEAR POWER PLANTS

HON. CLIFFORD ALLEN

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Monday, March 22, 1976

Mr. ALLEN. Mr. Speaker, I must confess that I am a bit puzzled about the reason for this hearing in the first place.

You see, I thought the Environmental Protection Agency was an agency to protect the environment. To put it another way: I thought that the EPA was a Federal agency that had the last word in protecting the public from dirty air and foul water. Furthermore, I thought that in cases of doubt, the Environmental Protection Agency would come down hard on the side of the health and the safety of the people who live in this great country, rather than on the side of those who would profit from dirtying up the air we breathe and the water we drink to promote greater profits for certain special interests.

So much for my preamble. We come down now to this numbers game. Again I confess to puzzlement as to how so many so-called experts can arrive at so many different numbers as to what should be a permissible dose of radiation.

On the one hand we have the Tennessee Valley Authority issuing an environmental report on the proposed Hartsville Nuclear Plant, in which they proposed to change the calculation method because, in using the prevailing guidelines, the dose would be 22 times the allowable amount for an annual child thyroid dose of 335 millirems.

On the other hand, the Nuclear Regulatory Agency got into the act in December 1974, issuing a draft statement that dropped the estimated level from 335 millirems down to 92 millirems. This can be found in table 5.5 on page 5 to 16 of the NRC Draft Environmental Impact Statement.

Just 6 months later, in June of 1975, the NRC issued a final environmental impact statement in which they listed the estimated maximum safe thyroid dose as only 74 millirems.

Oddly enough, this NRC final estimation of 74 millirems came out only one month after you gentlemen of the Environmental Protection Agency drafted a statement listing the permissible dose of radiation at 75.

335—92—74—75—somebody is playing a numbers game. Who are the so-called experts that came up with these widely varying numbers? What are their connections with the atomic power industry or with the Nuclear Regulatory Commission? How did they arrive at their findings?

But more important, gentlemen, is the fact that we are not really talking about numbers, are we? We're talking about human lives. We're even talking about using humans as guinea pigs.

No matter how you try to hide behind numbers and formulas and euphemisms, we're talking about how many people will die from thyroid cancer, leukemia and lung cancer if one set of figures is allowed and how many people will die from thyroid cancer, leukemia and lung cancer if another set of figures is used.

And the honest to God truth is that you really don't know, do you? The honest to God truth is that in the name of so-called progress, you're willing to put an X number of lives on the line. Not necessarily my life. I am 64. So just maybe I won't be affected—though the drastic increase in the number of deaths from cancer only last year is not a very comforting thought. But by the time these horrors start to take effect next year, or 10, 20, 30, 40 years down the line—what then? What about our children and grandchildren, and the children born today and tomorrow?

Can we afford to add even one millirem of radiation to the environment? The truth of the matter is that there really is no safe dose of carcinogenic matter that can be added to the environment. This is not something I made up. This is something that every truly knowledegable and truly unbiased doctor will tell you.

I would like to quote to you from Dr. William Lijinsky, a cancer researcher at Oak Ridge National Laboratories:

> Cancer is not a single hit proposition, it is a multiple development that goes on throughout an entire lifetime.

What he says, in effect, is that when the body is exposed time and again to carcinogens from all sources, the cells somehow store memories of the exposure. "The effect from carcinogens over a lifetime is cumulative," he says. And the day may come, he adds, when a person's system can take no more exposure and the cells become deranged and create malignancies.

There are even some advocates and lobbyists of the special interests who claim that the more small doses we receive, the more immunity we build up—like we would from small doses of rattlesnake venom or arsenic. This, says Dr. Lijinsky, is absolute rubbish, without a single shred of supporting scientific evidence.

He concludes:

> The prospect is exactly the opposite. Every exposure contributes to the risk of cancer. That is why when we discover a carcinogen we should do our best to get rid of it.
>
> And that is why, gentlemen, I find this hearing before this distinguished body a bit puzzling. I seem to recall similar hearings many years ago, when so-called experts said, yes, there is no harm in pregnant mothers using thalidomide for a tranquilizer.
>
> Remember, we are not talking numbers. We are talking about how many human guinea pigs we are willing to kill with this technology. And remember further, next year, or 5, 10, 20, 30, 40 years down the line when X-rays start showing up with the lung cancers, the thyroid cancers and the leukemias, those X-rays would not have little red signs on them labeled: This cancer was caused by cesium 137 or this cancer was caused by strontium 90. They will just be there.
>
> Our cancer rate for many years was climbing at a steady rate of 1 percent per year. Last year it was noted that the 1974 rate shot up an alarming 5.5 percent, despite all of our modern tools for fighting cancer. Scientists profess puzzlement over this alarming rise.
>
> As I sit here in a hearing in which supposedly sane and intelligent people discuss how many more carcinogens should be admitted to our environment, I am no longer puzzled.
>
> Thank you for allowing me to speak, gentlemen.

MILWAUKEE JOURNAL SUPPORTS U.S. AID TO EGYPT

HON. CLEMENT J. ZABLOCKI

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Monday, March 22, 1976

Mr. ZABLOCKI. Mr. Speaker, my detailed position regarding the complex question of proposed military equipment sales to Egypt was outlined in my March 16 comments on the floor as recorded on page 6555 of the CONGRESSIONAL RECORD. For the various reasons specified in those remarks I urged that the United States consider providing defense but not offensive equipment to Egypt.

Although I was unaware of it at the time, the Milwaukee Journal of March 15 reiterated its own editorial support for providing some arms assistance to President Sadat. As the Journal editorial noted:

> The danger of confrontation and war between Israel and Egypt will be much greater if Sadat finds his current stance politically untenable within his country and the Arab world. And it could be untenable unless he gets some American help.

Because it provides additional enlightenment and clear reasoning to this difficult question, I am pleased to place the Journal editorial into the RECORD at this point and recommend it to the full and careful reading of my colleagues.

UNITED STATES MUST AID SADAT

> Egypt's President Sadat is talking a large gamble in proposing to break with the Soviet Union. By calling for an end to the treaty of cooperation and friendship with Russia, on the ground that the Soviets are reneging on their arms commitments, Sadat is threatening Moscow with a complete loss of influence in the Nile Valley. But Sadat is also pressuring the U.S. to hold to its promises of aid, including some arms. It is pressure that Washington can't ignore, despite loud complaints from Israel.
>
> The US is Israel's main supplier of armaments and its committed to that role. That commitment was demonstrated clearly in the 1973 war. But in being the initiator of the step by step diplomacy that has brought two interim agreements between Israel and Egypt, America has to assume responsibility for that role.
>
> It is quite clear that Sadat, in reaching the latest accord with Israel in the Sinai, broke with his Arab neighbors and went out on a very exposed limb. If Sadat is to survive in that position, he needs American support. Economic aid and some arms assistance are necessary. It would give substance to American claims of even handedness. And arms aid would help Sadat lessen his dependency on the Soviet Union, Egypt's main supplier of weapons until now.
>
> The Israeli ambassador to the U.S. Simcha Dinitz, says U.S. sale of arms to Egypt could lead to "dangerous confrontation and war." It is unlikely that Egypt's initial purchase of six transport planes is going to lead to that. Even if more equipment follows, it is unlikely to rival the shopping list of sophisticated equipment that Israel has presented the U.S.
>
> The danger of confrontation and war between Israel and Egypt will be much greater if Sadat finds his current stance politically untenable within his country and the Arab world. And it could be untenable unless he gets some American help.

DANGER

HON. WILLIAM M. BRODHEAD

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Monday, March 22, 1976

Mr. BRODHEAD. Mr. Speaker, I rise to call the attention of Congress to a recent article in the Detroit News. This article, entitled "Danger!" points to the need for swift passage of toxic substances control legislation.

The material follows:

DANGER

(By Rachel Scott)

> In Kansas Cty, a man bought a gas-burning fireplace system from a local company.
>
> He had a choice between two kinds of fake logs—one that looked like driftwood and another, "emberized," which would glow like a real burning log.
>
> He chose the more realistic-looking emberized logs.
>
> When the workmen arrived at his home, they ran a gas line into the fireplace, then filled the pit with chunks of volcanic rock.
>
> Next they spread a layer of sand over the square metal pan which would hold the logs, then poured a sackful of white fibrous material over the sand.
>
> The white material, they explained, was "fake ashes" made of asbestos. More asbestos, attached to the logs, was what gave the logs their "emberized" effect.
>
> The customer was shocked. The asbestos, which the workmen handled so blithely, is a highly potent cancer-causing agent.

By refusing to accept the fake ashes, he joined a growing number of Americans who more and more are questioning the products that daily are being introduced into their lives whether at work or at home—products many scientists are labeling as dangerous to health.

A spokesman for the fireplace company argued that the asbestos was safe, explaining: "The only time its going to hurt you is in a manufacturing facility."

Such fireplace sets are sold by the thousands across the nation. Most are "emberized" with asbestos and other elements. Yet, asbestos is so hazardous that at least one out of five asbestos workers dies of lung cancer, and one of every 10 dies of mesotheliama, a cancer of the body lining.

Once inhaled in the lungs, asbestos is indestructable. It can cause asbestosis, a lung disease, by scarring the lung tissue.

As one researcher explained, when an asbestos fiber invades the lung, the body tries to destroy the invader.

A special scavenger cell surrounds the fiber but, unable to destroy it, the cell dies instead, causing scar tissue to form.

Researchers don't know how much exposure is necessary to cause cancer. Alarmingly, cases of mesothelioma—which affects only one in 10,000 in the general population—have been reported among people who only lived near an asbestos mine, as well as relatives of asbestos workers.

They don't know what danger if any exists from home chimneys emitting asbestos fibers in smoke.

Much of the work in this country on health effects of asbestos has been done at Mount Sinai Hospital in New York by a group of researchers.

Dr. Arthur Rohl, a mineralogist at Mount Sinai, was asked to comment on the advisability of using asbestos as fake ash for fireplaces.

He explained that asbestos fiber, lying in a fireplace, would continually disintegrate, causing airborne exposure.

It's the nature of asbestos to break down into small fibers that can't be seen even with a light microscope. Exposure from fireplace asbestos "could be very high," he said. "It should be prohibited by law."

Unfortunately, no federal agency—except the ineffectual Consumer Product Safety Commission—has jurisdiction over environmental problems in the home.

Dr. Kenneth Bridbord, a medical officer for the National Institute for Occupational Safety and Health, is concerned. His special interest is "indoor pollution." He has discovered for instance, that a leaded candle, burning on a dining room table, could produce dangerous amounts of lead vapor.

He also has studied aerosol spray exposures and has discovered that in a closed area, such as a bathroom or a laundry room, concentrations of halogenated hydrocarbons could easily reach potentially dangerous levels.

Halogenated hydrocarbons are used as propellants in such home aerosol products as vaporizers, hair sprays, deodorants, personal hygiene sprays and bronchodilator drugs.

The propellants have been implicated as a cause of heart palpitations, and have caused sudden death from heart attack in children who abuse them for kicks.

Some spray cans carry the names of ingredients. They often include kepone, vinyl chloride, trichlorethylene, bischloromethylether, methy ethyl ketone, halogenated hydrocarbons.

And these are just a few of the chemicals on the lengthening list of man-made poisons that threaten cancer, nerve disease or other disabilities.

Most of these chemicals have been around for a decade or more, and are widely used in industrial processes and in commercial products for business and the home. Whether you work in a factory, an artists's studio, an office or at home, you are almost certainly exposed to some of these chemicals, or to others equally dangerous.

The Public Health Service has estimated that as many as 100,000 toxic chemicals are in commercial use, yet only 500 of these are regulated under the Occupational Safety and Health Act of 1970.

What of the other 99,000 chemicals? No one knows much about them. No law requires pre-testing of dangerous chemicals before they are marketed. No law requires that new chemicals be registered with any government agency before they are sold commercially.

Even though 40 percent of the labor force—33 million workers—are women, Dr. Hunt believes hazards of women workers are largely ignored, especially pregnant women.

"For the most part, the woman worker has not had a health advocate for a quarter of a century," she says.

A recent survey of corporation and union medical directors found that research on hazards to pregnant workers was considered the single most important need.

A number of toxic materials, including lead, carbon monoxide, tobacco, benzene, carbon disulfide and nitrobenzene, have been known since the 1930's to endanger pregnancy.

Among the suspect agents are some widely used solvents—benzene, xylene and toluene—as well as mercury, formaldehyde, diazo dyes and some pesticides.

Consider Mary Wilson, an artist who lives in Peru, Ind. She used to scoff at the other women in her fabric painting workshops when they complained of headaches from paint solvent fumes.

"I thought, 'Why, you big sissies,' because it didn't bother me at all," she recalls.

It didn't that is, until one day last March when she was at painting at home.

Mrs. Wilson had developed her own technique of fabric painting, which involved diluting embroidery paint with a solvent to make a wash. She applied the wash to fabric with a swab—a process she had used for 10 years.

"I had been working on and off with it all day and that's the last thing I remember."

The next two weeks are a blank in her memory. When she regained her senses, she found herself lying in a hospital bed, her right arm and leg paralyzed, suffering from partial amnesia and liver disease.

Doctors were mystified by her symptoms until her husband brought a sample of the solvent—which contains xylene—to the hospital.

Nine months—and $5,000 worth of hospital bills—later, Mrs. Wilson feels lucky.

"The doctors say it's a miracle I'm doing so well," she says. "I still have to do my therapy every day, and I still lose my balance pretty easily."

Mary Wilson's story is an increasingly common one as more and more people take up such hobbies as antiquing and decoupage. The average artist's workshop is a chemical jungle of solvents, cleaners, aerosol sprays, paints, inks and fixatives.

While some are considered only mildly toxic, like turpentine or acetone, other commonly used products are toxic never poisons—like xylene.

Some, like benzene and possibly trichlorethylene (also solvents) may cause cancer as well. Carbon disulfide, another solvent, can cause personality changes and even psychosis.

In spite of their toxicity, many art chemicals carry no warning of ingredient labeling, while others carry at best, a mild warning such as: "Caution, vapor harmful. Use in a well ventilated area."

Most people, unfortunately, ignore such warnings. They assume the products they use must be relatively harmless, or else they wouldn't be on the market.

Dr. Bertram Carnow, director of occupational and environmental medicine at the University of Illinois in Chicago, says city air pollution and smoking must also be considered.

"If we add to all of these pollutants exposure to toxic dusts, solvents, glues, volatile plastics and other materials which can affect the lungs, even though any one of these environmental insulting agents might not be enough to cause serious disability, the total burden imposed may be very great indeed."

When a resident doctor at a Boston hospital died from a heart attack, Dr. Nathaniel Young, a physician who was familiar with the laboratory, suspected the death might be related to fluorocarbon aerosols used in the lab to freeze tissue.

Fluorocarbons—used commonly in aerosol sprays as propellants—had been implicated in sudden deaths from "sniffing" household aerosols.

And Dr. Frank Speizer, a researcher at Boston City Hospital, found an increase in the death rate among asthmatic children who used inhalation sprays with fluorocarbon propellants.

There are, says Gregory Roach, former director of program development and research for the American Society for Medical Technology, "in excess of 10,000 chemicals" commonly used in laboratories. Yet, federal standards regulate only about 500 toxic substances.

Studies of operating room personnel exposed to low concentrations of anesthetic gases have shown a high incidence of birth defects and spontaneous abortions, liver and kidney disease and cancer.

Another study, by members of the American Chemical Society, showed "significantly increased" rate of deaths from cancer—particularly cancer of the pancreas and lymphatic system.

The finding "suggests the influence of carcinogens encountered by chemists in their work," says the report.

Roach believes education is a big problem. "I'm not sure that we're really teaching enough safety concepts.".

"I think it's human nature," says Harvard researcher Dr. David Wegman. "We all tend to deny that we can be affected by hazardous exposures that we are suffering daily.

"I just think it's interesting," he says, "that doctors behave no differently than others who have no training."

The only rational way to put an end to the specter of man-made epidemics, many environmental scientists say, is to require government-controlled pretesting of hazardous materials before they are marketed, and secondly to require strict labeling, including instructions for safe use.

Such legislation—the Toxic Substances Control Act—has twice passed both houses of Congress only to die in conference under heavy industry lobbying influence.

If it becomes law, it could chronicle an end of an era of chemical disaster.

THE REAL RIPOFF IN NEW YORK CITY

HON. EDWARD J. DERWINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, March 22, 1976

Mr. DERWINSKI. Mr. Speaker, the Members should be alerted to the fact that the New York City financial dilemma will be back to haunt the Congress and the taxpayer by the end of April.

It seems that even the economic stimulus provided by the Democratic National Convention will not be enough to bail out New York City this time around. One of the reasons is that the city has failed to take proper belt-tightening measures, a point effectively addressed in the Chicago Tribune editorial on March 19, which I insert in the Record at this point:

THE REAL RIPOFF IN NEW YORK CITY

To no one's surprise, New York City officials are having a hard time trying to cut down on their extravagant spending. Take, for instance, Robert J. Kibbee, chancellor of City University.

The Board of Higher Education recently held a public hearing on Chancellor Kibbee's proposals to restructure City University with a view of saving $60 million over three years. Chancellor Kibbee's proposals call for closing three of the system's numerous colleges, reducing two others from four-year to two-year schools, and raising standards for admission and retention as students. One purpose would be to trim enrollment by 30,000.

At the public hearing, scores of speakers denounced the proposals while thousands of demonstrators were vocal in the streets outside. Dr. Belle Zellar, president of the faculty union, was speaking when a telephoned bomb threat was reported. "We're being blown to pieces anyway," she said, as unruffled as if the caller were a friend of hers. She called the proposed economy move "an educational, social, and racial ripoff in every detail."

Outside, a loudspeaker carried the voices of three Democratic members of Congress, among others. "We will win," Rep. Bella Abzug shouted. "If we have to choose between financial bankruptcy and moral bankruptcy, I will go for financial," Rep. Herman Badillo said.

A short time ago, when no one was worrying much about where the money was coming from, New York embarked on a vast expansion of municipally supported higher education. The idea was that college should be accessible to all without either financial or academic conditions. Free tuition. Open admissions. High salaries. Whoopee!

After 1963, four new senior colleges were created by City University. Overall enrollment passed 150,000. Politicians harvesting gratitude for the spending of other people's money and faculty union officers rejoicing in record salaries and numbers of dues-paying members thought it was great.

But then a debt-ridden city lost its credit. The state was called on for help, and responded. It lost its credit. The nation was called on for help. It responded, but wanted some changes made. It wanted New York City spending scaled down toward available revenues.

But economy does not appeal to the beneficiaries of the old extravagance, to whom retrenchment is a "ripoff."

The true ripoff is the ingrained extravagance of profligate New York City politicians and officers of municipal unions, many of whom are unrepentant and determined that no one will make them change their ways. As long as they can get somebody else to bankroll them, the Dr. Zellars and the Rep. Badillos will go for financial bankruptcy in the future, as in the past.

"We will win!" says Rep. Abzug. If she has already lost, she does not know it. The votes and the money are still coming in. But now the question if they will continue to come in is before the nation, not just the city.

SENATE—*Tuesday, March 23, 1976*

The Senate met at 11:30 a.m. and was called to order by Hon. **Wendell H. Ford**, a Senator from the State of Kentucky.

PRAYER

The Chaplain, the Reverend Edward L. R. Elson, D.D., offered the following prayer:

Let us pray:

Eternal God, our Ruler and our Judge, save us from a worship with our lips while our hearts are far away. May prayer lead to true piety, ritual lead to righteousness, ceremony to self-dedication. Hear us in those deeper prayers of our hearts when we forget ourselves and think only of Thee.

Keep us sensitive to the pressing needs of America and the world. Spare us from doing the wrong thing, from doing too little or too much, too late or too soon. But show us the calendar of Thy kingdom. Support us in doing what is wise and good and in Thy time.

May our prayer and our inmost longing lead us to do justly, to love mercy, and to walk humbly with our Lord.

And to Thee shall be the praise and thanksgiving. Amen.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore (Mr. Eastland).

The assistant legislative clerk read the following letter:

U.S. Senate,
President pro tempore,
Washington, D.C., March 23, 1976.

To the Senate:

Being temporarily absent from the Senate on official duties, I appoint Hon. Wendell H. Ford, a Senator from the State of Kentucky, to perform the duties of the Chair during my absence.

James O. Eastland,
President pro tempore.

Mr. FORD thereupon took the chair as Acting President pro tempore.

THE JOURNAL

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the reading of the Journal of the proceedings of Monday, March 22, 1976, be dispensed with.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

COMMITTEE MEETINGS DURING SENATE SESSION

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that all committees may be authorized to meet during the session of the Senate today.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

EXECUTIVE SESSION

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate go into executive session to consider nominations on the Executive Calendar beginning with "New Reports."

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

DEPARTMENT OF THE INTERIOR

The second assistant legislative clerk read the nomination of William L. Fisher, of Texas, to be an Assistant Secretary of the Interior.

The ACTING PRESIDENT pro tempore. Without objection, the nomination is considered and confirmed.

ENERGY RESEARCH AND DEVELOPMENT

The second assistant legislative clerk read the nomination of Robert L. Hirsch, of Maryland, to be an Assistant Administrator of Energy Research and Development.

The ACTING PRESIDENT pro tempore. Without objection, the nomination is considered and confirmed.

FEDERAL ENERGY ADMINISTRATION

The second assistant legislative clerk read the nomination of John D. Christie, of Virginia, to be an Assistant Administrator of the Federal Energy Administration.

The ACTING PRESIDENT pro tempore. Without objection, the nomination is considered and confirmed.

Mr. HELMS. Mr. President, I ask unanimous consent that the President be notified.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

LEGISLATIVE SESSION

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate return to legislative session.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

CUBAN MISADVENTURES ABROAD

Mr. ROBERT C. BYRD. Mr. President, on at least three occasions now, Secretary Kissinger has warned Cuba against military intervention abroad—and there is speculation that the United States may be considering a blockade of Cuba.

If the situation is as serious as Dr. Kissinger makes it appear, then it is time he stopped talking and the President started talking.

The President, after all—not the Secretary of State—should be the chief foreign policy spokesman of the administration. And I think that the President himself ought to tell the American people exactly how serious he considers the Cuban misadventures abroad, and exactly what action or actions his administration is contemplating.

We learned—or should have learned—during the Vietnam war that, wherever possible, the American people ought to be fully informed of their Government's foreign policy decisions.

ORDER FOR RECOGNITION OF SENATOR RIBICOFF TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that tomorrow, after the two leaders have been recognized under the standing order, and any other orders for recognition previously entered having been consummated, Mr. RIBICOFF be recognized for not to exceed 15 minutes.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

ORDER FOR RECOGNITION OF SENATOR PROXMIRE ON MONDAY, MARCH 29, 1976

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that on Monday next, after the two leaders or their designees have been recognized under the standing order, the Senator from Wisconsin (Mr. PROXMIRE) be recognized for not to exceed 15 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER OF BUSINESS

The ACTING PRESIDENT pro tempore. The Chair recognizes the Senator from North Carolina.

Mr. HELMS. Mr. President, I yield back the time.

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

VITIATION OF SPECIAL ORDER

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that Mr. GOLDWATER's order be vitiated.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

RECESS UNTIL 12 NOON

Mr. ROBERT C. BYRD. Mr. President, I move that the Senate stand in recess until 12 o'clock noon today.

The motion was agreed to, and at 11:42 a.m. the Senate recessed until 12 meridian; whereupon, the Senate reassembled when called to order by the Presiding Officer (Mr. HELMS).

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

ROUTINE MORNING BUSINESS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the period for morning business precede the orders for recognition of Senators.

The PRESIDING OFFICER. Without objection, it is so ordered.

PRIVILEGE OF THE FLOOR

Mr. BEALL. Mr. President, I ask unanimous consent that Mr. Joseph Carter and Mr. Paul Paolicelli of my staff have the privilege of the floor during the consideration of routine morning business.

The PRESIDING OFFICER. Without objection, it is so ordered.

SENATOR BEALL DECRIES DISREGARD OF PUBLIC INTEREST

Mr. BEALL. Mr. President, as the Senate knows, in 1973 we enacted the Regional Rail Reorganization Act to address the problems resulting from the bankruptcy of the Penn Central Railroad in the Northeast and Midwest. This landmark legislation commenced a process leading to the most massive transportation reorganization perhaps in the history of this Nation. Pursuant to that act, an initial plan was issued by the Department of Transportation, followed by a preliminary system plan, and ultimately a final system plan, both by the U.S. Railroad Association, the agency created by the 1973 act to plan and finance the reorganization process. The Interstate Commerce Commission and the public participated in the process. The culmination of all this effort was the final system plan, which, among other things, recommended the acquisition of portions of the Penn Central system by the Chessie and Southern Railway System, two profitable railroads.

On February 11, the deadline for the acquisition by the Chessie and Southern systems expired and the Nation was faced with the prospect of taking the "second best" option rather than the one that emerged from this extensive planning process. In the case of the Delmarva line, which includes a main north-south artery linking the States of Delaware, Maryland, and Virginia as well as a carfloat connecting Maryland and Virginia eastern shores, Southern has committed itself to invest $25 to $30 million to rehabilitate and upgrade the present delapidated trackage and bring to the peninsula first-class rail service. If this Southern acquisition is not consummated, $25 to $30 million in private capital will not be invested and there will be a serious loss of jobs, at a time of high unemployment. In fact, the failure of the acquisition threatens the economic health of three-quarters of a million people in this three-State area. In the case of the Chessie acquisition, they have committed themselves to private investment of between $500 and $800 million.

On March 1, I chaired hearings by the Commerce Subcommittee on Surface Transportation, so that the "public spotlight could be focused on the involved parties, the issues, and the overriding public interest."

Mr. President, I ask unanimous consent that Secretary Coleman's March 19 press statement, the March 19 proposed agreement by the Secretary—which was released to the public today, and my opening statement before the Commerce Subcommittee on Surface Transportation on March 1 be printed in the RECORD at the conclusion of my remarks. In addition, I ask unanimous consent that various editorials which appeared in newspapers throughout the country decrying the stalemate and urging a settlement also be included in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. BEALL. Mr. President, on March 4, the Senate passed Senate Concurrent Resolution 97, authored by me and cosponsored by 21 other Senators, expressing the sense of the Congress "that the clear and overwhelming public interest requires that the parties should resume negotiations forthwith with the assistance of the Secretaries of Labor and Transportation and exercise unusual diligence to resolve their differences to assure that such acquisitions are consummated."

On March 9, the House of Representatives also passed that concurrent resolution. We had hoped that, as a result of this congressional action on the resolution, we would have escalation of general public pressure on the parties to reach an accord and enable the Southern acquisition to go forward; and on the same day that the resolution passed the Senate, I announced that the Secretaries of Transportation and Labor would call the parties back into negotiations the following week. Thus, on March 9, the parties to the dispute returned to the bargaining table and we all hoped, of course, there would be a resolution.

Since that time, on March 10, March 11, March 12, March 15, and March 18, the parties held further negotiations. On March 19, Secretary of Transportation Coleman held a press conference, which I attended, at DOT, and unfortunately, in spite of all these extensive negotiations and in spite of the fact that both houses of Congress had passed a concurrent resolution indicating their concern about this matter, and in spite of the fact that it was obvious that the resolution of the dispute was very much in the public interest, the Secretary announced they had been unable to resolve their difficulties. The Secretary, in order to break the deadlock, proposed a compromise plan and gave the parties until 10 a.m., Monday, March 22, to reach an agreement.

At the March 19 press conference, the Secretary said:

> I am frustrated, embarrassed, and outraged to have to report that no agreement has been reached. I can assure you that any

reasonable neutral person would have concluded the differences between the parties to be so small as to be insignificant compared to the benefits to the parties and the public, and that the seemingly endless hours of negotiations have deteriorated into an exercise in nitpicking.

The PRESIDING OFFICER (Mr. GLENN). The Senator's 5 minutes have expired.

Mr. ROBERT C. BYRD. Mr. President, may I be recognized?

The PRESIDING OFFICER. The Senator from West Virginia is recognized.

Mr. ROBERT C. BYRD. Mr. President, I yield my time to the Senator from Maryland.

Mr. BEALL. I thank the Senator from West Virginia, the assistant majority leader, for his generosity in yielding me his time.

After the 24 hours had expired, Southern Railroad signed the agreement, but some of the unions indicated a need for additional time, and the Secretary agreed to an additional 12 hours, until 10 p.m. on March 22, to work out an agreement. Efforts continued even beyond the 10 p.m. deadline. Finally the parties, exhausted and frustrated, concluded these at 1:30 a.m. on March 23.

This morning, now the 23d of March, the Secretary held another press conference, and indicated that 12 of the 20 unions, together with Southern Railroad, had been signatories to the agreement, but unfortunately he had to announce this morning that the talks between the other unions had broken apart, and he had been unsuccessful in getting the parties to agree to his proposed settlement.

The Secretary also indicated that in his opinion seven of the remaining eight unions would agree to his proposed compromise if the final union, in this case the Brotherhood of Railway, Airline, and Steamship Clerks, would agree.

Mr. President, I ask unanimous consent that the opening statement of the Secretary of Transportation be printed in the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

OPENING STATEMENT OF U.S. SECRETARY OF TRANSPORTATION WILLIAM T. COLEMAN, JR., ON THE STATUS OF SOUTHERN RAILROAD

Unfortunately for the parties immediately concerned, the people of the Delmarva Peninsula and even more so for the American people, I have the unpleasant task of reporting that eight of the 20 labor unions involved have as yet failed to sign the agreements recuired to permit the Southern Railway Company to acquire the Penn Central lines on the Delmarva Peninsula. In my role as Secretary of Transportation and as a public servant it is an extremely bitter pill to swallow.

The Memorandum of Understanding which I presented to both sides on Friday was signed and delivered to me before the 10:00 a.m. deadline yesterday by the Southern Railway Company. In addition 12 unions executed agreements with the Southern and these were delivered to me. At the written request of eight unsigned unions I agreed to extend the deadline until 10:00 p.m. last night. That deadline was extended again for several hours in a last ditch effort to reach an accord. Finally, by 2:00 a.m. this morning, it became celar that the eight remaining hold-outs would not yield to reason, but as I view it, based upon being present at the negotiations and suggested various compromises, seven would sign if the eighth would sign.

The unions refusing to sign are: Brotherhood of Railway, Airline and Steamship Clerks; United Transportation Union; Brotherhood of Locomotive Engineers; Brotherhood of Maintenance of Way Employees; Sheet Metal Workers International Association; Transport Workers of America; Railway Employee's Department (AFL-CIO); International Association of Machinists and Aerospace Workers.

At this point little will be served by my reiterating the senselessness of this outcome. That has been expressed before not only by me and this Administration but by the Congress in a unanimously approved concurrent resolution, by reams of editorial comment and by concerned citizens throughout the country. I would only say that there was no reason of any substance that should have precluded the eight unions from signing the agreement.

After weeks of listening to every conceivable argument, I carefully drafted what I believe an objective person would view as a proper and equitable agreement in principle as the basis upon which all of the issues in the dispute could be resolved. Not intended as a perfect, final legal document, this agreement in principle was to be subject to amendment by mutual consent of the parties involved. But the parties still did not come to an agreement. This exercise in unreasonableness and irresponsibility will leave a lasting imprint on the economy of the Easern Shore and ought not be forgotten by the American people. A high price, indeed, will be paid if the recalcitrance continues.

I have done every thing I can. I have argued, I have pleaded, I have cajoled. So far none of it has produced results. Therefore, in accordance with my proimse of last Friday I am releasing at this time a copy of the agreement in principle I submitted to the parties and leave it to the public to determine to what extent their interests are being served, or even, considered, by the refusal of the non-signatories to accept a reasonable solution. I am holding myself availabel today hoping that the public conscience which American citizens have will bring about a proper solution. What is needed and what the Congress and the Administration are seeking to achieve is too important not to exert every human effort to accomplish, namely rail competition in the Northeast and Midwest regions and the preservation of railroad jobs and the economy in those parts of the country.

Mr. BEALL. Mr. President, what has happened here is that the Secretary of Transportation, being concerned about this problem and recognizing the national significance has worked very diligently to create the framework within which parties to a dispute—hopefully reasonable people—could come together, talk out their differences, and negotiate a settlement to carry out a railroad merger, a railroad takeover, in this instance, that is very much in the public interest.

Unfortunately, in spite of the Secretary's diligence in trying to work out this agreement, in spite of the fact that Congress has expressed itself through the passage of a joint resolution signifying that this matter should be consummated in the public interest, and in spite of the fact that numerous negotiating bargaining sessions have taken place, there still remains 1 holdout among 21 participants in this negotiating process to reaching an agreement. One party thus is jeopardizing the economic future of three-quarter of a million people.

Mr. President, I think it is extremely unfortunate that this is to be the case. Here is legislation under which the most generous employee protection benefits known to any industry in the history of this country have been legislated by Congress. This legislation provides that no single individual involved in the merger or the take-over by the Southern Railroad of the Penn Central Line in the Delmarva Peninsula of Delaware, Maryland, and Virginia, who has worked for 5 years on this line may be adversely affected.

In spite of that guarantee and in spite of the fact that if jobs are not available on the railroad the taxpayers of the United States of America are going to pick up the bill for job protection for the remainder of that employee's working years, the parties to the dispute, in this case one union, have failed to come to an agreement.

Mr. President, it is also perfectly apparent that if this matter is not resolved by the 1st of April, we will have a further deterioration of rail service available to a vast majority of the people who live in the Delmarva Peninsula of Delaware, Maryland, and Virginia.

It should be pointed out, I think, that all we are talking about is approximately 500 rail employees.

The PRESIDING OFFICER. The Senator's additional 5 minutes have expired.

Mr. MANSFIELD. Mr. President, I yield the Senator an additional 5 minutes.

Mr. BEALL. I thank the Senator for yielding me that time.

I regret using so much time, but this is a matter of the highest importance for not only people on the Delmarva Peninsula but also people on the eastern seaboard of the United States and all taxpayers of this country, who are footing the bill for this very generous agreement. It is a matter that has received too little public attention. It is a matter which requires a massive public outcry to bring the parties to their senses.

Mr. President, as I pointed out, if we allow the merger deadline of April 1 to pass, it is apparent, from looking at a map, from testimony received in the Surface Transportation Subcommittee, and from articles published in the public press, that there will be a further deterioration of the rail service available to the people of the Delmarva Peninsula on the eastern shores of Delaware, Maryland, and Virginia. As a matter of fact, there will be a deterioration of rail service available to the people in the northeastern part of the United States, because if the Penn Central line is not acquired by the Southern Railroad, the resulting ConRail system will stop just south of Salisbury, at Pocomoke, Md., and there will no longer be a direct link to that part of the south on the other side of the Chesapeake Bay for the people in the Delmarva Peninsula. As Governor Mandel testified during our hearing, the Eastern Shore lifeline would be severed.

It has been estimated that 1,800 nonrailroad labor jobs will be lost if the acquisition is not approved. This, at a time, Mr. President, when unemployment is already too high. We should not be adding to it, particularly when it is so unnecessary, so senseless.

Mr. President, many local AFL–CIO organizations from the Eastern Shore have written to me pointing out the importance of the acquisition to them. I placed a call to President Meany of the AFL–CIO, urging his help to secure agreement because of these letters.

Finally, Mr. President, I think I should point out, as I have said before, that the taxpayers of the United States of America have agreed to protect the employment benefits of every employee on this railroad who has worked at least 5 years for the Penn-Central, so that they have a guarantee of their wages throughout their work years, whether they work or not; and in spite of this guarantee one union is keeping this merger from being consummated.

Quite frankly, Mr. President, I feel betrayed. I feel that the Members of this Congress should feel betrayed, because when we legislated generous benefits to the railroad industry and generous employee protection benefits to labor we had no idea there would be this turn of events. As a matter of fact, I felt we had at least an implicit understanding that these acquisitions would be allowed to take place.

I think the fact that they are not taking place indicates that the parties have betrayed the Members of Congress who acted in good faith in passing this legislation.

It seems to me that all the parties should recognize that a great deal of effort and a large amount of taxpayers' money have been put forth to make all of the conditions favorable so that these deals could be consummated. We did the best we could to allow the best plan and one that is fair to all the parties be implemented. It is incumbent upon the parties to see that the "best deal" for the taxpayers is completed.

Mr. President, there is a lot at stake in this instance. We are talking about railroad and nonrailroad employees. We are talking about the economic health of three-quarters of a million people. We are talking about something that is clearly in the direct public interest so far as the three-quarters of a million people living on the Eastern Shore of Maryland are concerned. We are talking about something that is in the direct national interest because the proposed mergers improve and affect the transportation system available to the people in the northeastern part of the United States, and, of course, the entire matter directly affects the taxpayers of this country.

Therefore, it is important that in the remaining hours every effort should be made to make sure that the remaining parties to the dispute are caused to recognize their obligation to act in the public interest and, therefore, caused to become signatories to this compromise that has been presented by the Secretary of Transportation. I hope that Congress takes note as to what has transpired in the last few days, because Congress, as I said, had every assurance that these matters would be consummated by the April 1 deadline. If they are not, then, I think Congress should very seriously look at the possibilities of not only passing additional legislation to bear on this particular matter, and do whatever, I repeat whatever, is required to complete this agreement. I for one will continue this fight and to make the public aware of the consequences of one union failing to agree. In short, the public interest must prevail over self-interest and an agreement reached.

[Department of Transportation News]

Exhibit I

Opening Statement of Secretary Coleman on the Status of Southern, Chessie System Railroad Labor Negotiations, March 19, 1976

As most of you know, in January, the Congress enacted the landmark Railroad Revitalization and Regulatory Reform Act which was signed into law by the President on February 5. That Act, in addition to accomplishing substantial regulatory reform in the railroad industry, authorized substantial sums of money—$6.4 billion to be precise—to upgrade both freight and passenger rail service throughout the country including the Northeast and Midwest Region. The Act contemplates that, in accordance with United States Railway Association's Final System Plan, seven bankrupt railroads in the Region will be reorganized on April 1st into ConRail, a new private corporation to be subsidized by federal tax dollars in the amount of $2.1 billion.

Also, in accordance with such Final System Plan, it was contemplated by Congress, by the Administration and by the American people, that two solvent railroads—the Southern and the Chessie System—would, under separate agreements between each of them and USRA—purchase substantial railroad properties in the Region from the bankrupt estates as part of the reorganization. USRA, Congress and the Administration made every effort to make the acquisitions attractive to both the railroads and labor. For management's part, the purchase price of the properties was set at net liquidation value with full deficiency judgment protection by the United States government. On labor's behalf, the Act assures, for example, that any employee of a bankrupt carrier with five years of total service will receive lifetime compensation protection. Moreover, no employee of a bankrupt carrier can be forced to work for Southern or Chessie if he chooses to remain with ConRail.

The proposed acquisitions—460 miles of Penn Central track on the Delmarva Peninsula by the Southern and over 2000 miles of Reading and Erie Lackawanna property in Ohio, New York, Pennsylvania and New Jersey by the Chessie—are of seminal importance, not only to the communities, industries and labor forces in close proximity to the properties in question, but also to the people throughout the Region and the country as a whole.

For one thing, the Southern has prepared to invest approximately $30 million of its own money to rehabilitate and improve the presently worn out facilities on the Delmarva. By the same token, the Chessie has proposed to invest between $500 and $800 million of its own money to upgrade and rehabilitate the 2,000 miles of Erie Lackawanna and Reading property it intended to acquire. The grand total of private investment—$530 to $830 million—would be in addition to the $2.1 billion to be invested by taxpayers. This private investment was proposed to be focused on property that would be downgraded or abandoned outright by ConRail. It is private capital that would otherwise not be spent and that, with full multiplier effects, would provide jobs, both direct and indirect, in areas particularly hard hit by unemployment.

Secondly, these acquisitions would provide salutary—if not essential—competition for ConRail in the Region. Such competition was required by Congress. Such competition will not only make ConRail more efficient and give the public a benchmark against which to measure ConRail's future performance, but it will also provide competitive transportation alternatives to service markets throughout the Region and thereby reduce the costs of countless goods and services to consumers. In short, the acquisitions would provide that happy combination of private initiative and federal assistance which will spell the difference between salvation and doom for the railroad industry and general economics in many area in the Region—and possibly throughout the Region as a whole.

On the Delmarva Peninsula alone, a unified ConRail will operate only 185 of the 460 miles of track in the total present system. The Southern on the other hand intended not only to operate, but to upgrade and rehabilitate virtually the entire system. The impact of these two different scenarios on the three-quarters of a million residents of the Delmarva is obvious. Southern acquisition of these properties would mean better access to national markets for existing and new industries on the Peninsula. It would also mean rapid access to Wilmington and markets further north for industries throughout the South because it would provide a way to avoid the Richmond-Washington-Baltimore bottleneck.

The benefits of the Southern acquisition, as great as they are to Delmarva, are small in comparison with the benefits to be realized by the Chessie acquisition for three principal reasons: (1) because of its relatively greater magnitude, (2) because of the fact that the Erie, Lackawanna and Reading properties represent main arteries through highly industrialized states, and (3) because of the fact that the properties to be acquired by Chessie penetrate the Region much further than those to be acquired by the Southern and will therefore provide alternatives and more efficient access to markets from the West and Midwest all the way to Maine.

With all of these benefits, a citizen—any citizen—would be justified in asking "what has happened?" The answer is painfully simple. The law provides that, before these acquisitions can be consummated, successful labor agreements between the acquiring railroads and the employees who presently operate the properties to be acquired must be reached. These negotiations were to be handled by the parties themselves with the assistance of USRA.

Some three weeks ago, only after USRA, management and labor failed to produce an agreement, the Administration concluded it had to intervene Secretary of Labor Usery and I asked both railroads and the unions involved to meet with us to see if agreements could be reached. After these initial negotiations, because the Southern acquisition was smaller and the problems associated with it apparently more easy to solve, I asked the Southern and the affected unions to continue to meet to reach an expeditious resolution. As of this morning, after hours, then days and now weeks have elapsed, I am frustrated, embarrassed and outraged to have to report that no agreement has been reached. I can assure you that any reasonable and neutral person would have concluded the differences between the parties to be so small as to be insignificant compared to the benefits to the parties—and the public—and that the seemingly endless hours of negotiation have deteriorated into an exercise in nitpicking.

In the meantime, the statutory deadline for consummating both agreements has passed, but needed legislative accommodation can be made were there willingness to agree in the near future. However, the April 1st statutory deadline for conveyance of the bankrupt estates to ConRail—a date that cannot be extended without unjustifiable cost to the taxpayer—is rapidly approaching and the public interest is—quite simply—being neglected.

Indeed, less than two weeks ago both Houses of Congress, under the leadership of Senator J. Glenn Beall of Maryland and others, took notice of the facts I have laid before you *unanimously* resolved "that the clear and overwhelming public interest *requires* that the parties . . . exercise unusual diligence to resolve their differences to assure (the) acquisitions are consummated."

As an observer and sometime participant in the negotiations I am constrained to report that the will of the Congress has been thwarted and the public interest has not been served. Moreover, I feel that both the unions and the railroads have shown an absurd and shocking lack of gratitude for what the American people have done for each by enacting legislation which provides money and beneficial regulatory reform for the railroads and jobs for the railroad employees which were jeopardized by the bankruptcies. I am determined that both will be required to stop ignoring the public. Therefore, as of this moment, I have done the following:

(1) With reference to the Southern acquisition, after listening to all parties, I have released to both labor and management an agreement that, I am convinced, resolves all the differences in dispute in responsible fashion, equitable to all parties.

(2) I have asked the parties to use my document as the basis for an agreement and to come forth with an executed final agreement by 10:00 a.m. Monday morning, March 22. It is understood, of course, that the parties can make any mutually acceptable amendments and that I will be available to any party for such assistance or consultations as I can provide throughout the weekend. After careful reflection, I have decided not to release my document publicly at this time because it would be unfair to embarrass the parties before they have had an opportunity to reflect on it. However, I am reserving the right to release it publicly as of 10 A.M. Monday (if agreement is not reached because I believe, if the public is to be damned, it is my duty as the public's servant at least to inform the public of the extent of its damnation.)

(3) I have asked the Chessie and the unions to resume round-the-clock negotiations to arrive at an agreement as a condition precedent to the Chessie acquisition prior to March 27—the last possible date to assure acquisition before the April 1 conveyance deadline. The negotiations will start at 10:00 a.m., Saturday, tomorrow, March 20.

(4) I have asked my co-workers to begin preparing statutory amendments to permit both the Southern and Chessie acquisitions to take place prior to April 1, again with the understanding that labor settlements must be reached prior to March 27 in order to accomplish that goal.

If the railroads and the unions have any conscience or respect for the public both negotiations will be successfully concluded by March 27, 1976.

MARCH 19, 1976.

Memorandum of Understanding by and Between the Southern Railway Company and the Brotherhood of Railway, Airline and Steamship Clerks, etc., United Transportation Union, Brotherhood of Maintenance of Way Employes, Brotherhood of Locomotive Engineers, International Association of Machinists and Aerospace Workers, Sheet Metal Workers' International Association, Transport Workers Union of America, and Railway Employes' Department (AFL–CIO), Concerning the Acquisition of the Delmarva Lines of the Penn Central Transportation Company by the Southern Railway Company, Dated March —, 1976.

Whereas, the Board of Directors of the United States Railway Association, in accordance with Title II of the Regional Rail Reorganization Act of 1973, as amended (the Act), has adopted and delivered to the Congress of the United States a Final System Plan for reorganization of the railroads in the Northeast and Midwest United States, and the Congress of the United States has approved said Final System Plan, and

Whereas, said Final System Plan recommends that the Southern Railway Company (Southern) acquire virtually all of the Penn Central Transportation Company's (Penn Central) lines south and east of the present Penn Central passenger corridor at Wilmington, Delaware (Delmarva Lines), identified as USRA Project No. SOU–4 (as per Exhibit 1 attached hereto), and,

Whereas, Section 508(a) (1) of the Act provides:

"An acquiring railroad shall offer such employment subject to such rules and working conditions and afford such employment protection to employees of a railroad from which it acquires properties or facilities (including operating rights) pursuant to this Act, and shall afford such protection to its own employees who are adversely affected by such acquisition, as shall be agreed upon between such acquiring railroad and the representatives of such employees prior to such acquisition, except that the protection and benefits (except as to rules and working conditions) provided for protected employees in such agreements shall be the same as those specified in section 505 of this title. Unless and until such agreements are reached, the acquiring railroad shall not enter into purchase agreements pursuant to section 206(d) (4) of this Act . . .", and,

Whereas, the Act may be amended to permit the consummation of the acquisition of the Delmarva Lines by Southern even though the existing statutory deadline for entering into a purchase agreement has passed, if agreements pursuant to Section 508(a) (1) are reached;

Now, therefore, it is understood and agreed that, in the event of the acquisition of the Delmarva Lines by Southern:

I. Southern and each of the signatory unions hereto agree that Southern will offer employment to employees, represented by said unions, now working on the Delmarva Lines of Penn Central as follows:

BROTHERHOOD OF RAILWAY, AIRLINE AND STEAMSHIP CLERKS, ETC. (BRAC)

Southern shall offer employment in 55 jobs to Penn Central employees represented by BRAC. In addition, 20 block operators presumably employed by Penn Central on the Delmarva Lines shall be offered employment by ConRail as of the date of conveyance with the understanding that these employees shall continue to perform services on the Delmarva Lines for as long as Southern has need for such services, under such terms of compensation by Southern to ConRail for these employees' services as is agreed by Southern and ConRail.

UNITED TRANSPORTATION UNION (UTU)

Southern shall offer employment in 59 jobs to Penn Central employees represented by UTU at the yard at Wilmington, plus 6 Penn Central employees from the extra board for that yard. Southern shall offer employment in 101 jobs to Penn Central employees represented by UTU on the Delmarva Lines south to Cape Charles, plus 10 Penn Central employees from the extra board for that area. Southern shall offer employment in 12 jobs to Penn Central employees represented by UTU south of the Chesapeake Bay.

BROTHERHOOD OF MAINTENANCE OF WAY EMPLOYEES (BMWE)

Southern shall offer employment in 55 jobs to Penn Central employees represented by BMWE.

BROTHERHOOD OF LOCOMOTIVE ENGINEERS (BLE)

Southern shall offer employment in 56 jobs to Penn Central employees represented by BLE.

INTERNATIONAL ASSOCIATION OF MACHINISTS AND AEROSPACE WORKERS, SHEET METAL WORKERS' INTERNATIONAL ASSOCIATION TRANSPORT WORKERS UNION OF AMERICA, AND RAILWAY EMPLOYEES' DEPARTMENT (AFL-CIO)—SHOP CRAFTS

Southern shall offer employment to employees represented by the Shop Crafts as follows: 29 Carmen, 1 IBEW Shop electrician, 2 IBEW Line of road electricians, 4 IAM Shop machinists, 3 IAM Pump repairmen, 5 Laborers.

II. Southern and each of the signatory unions hereto agree that the terms and conditions of employment with respect to the respective signatory unions hereto shall be as follows:

BRAC

The present schedule agreement between Penn Central and BRAC shall constitute the terms and conditions under which the employees of Penn Central who elect to work for Southern on the Delmarva Lines shall work for a period of one year following the date of conveyance, and under which any new employees who are hired by Southern and represented by BRAC during that year shall for that period work. Commencing one year from the date of conveyance, the existing Southern schedule agreement with BRAC shall apply to all employees represented by BRAC, except that the rules presently in effect under the Central of Georgia schedule with BRAC, with respect to sick leave and disciplinary procedure, shall become effective, commencing one year after conveyance, in lieu of the comparable rules under the Southern schedule agreement, and except also that the rates of pay under the Southern schedule agreement shall be the highest paid for a comparable job anywhere on the Southern system.

Notwithstanding anything to the contrary in this section of this Memorandum, each Penn Central employee represented by BRAC who accepts employment with Southern shall retain the former Penn Central rate on the job he occupied as a Penn Central employee for the same period as that pertaining to the monthly displacement allowance applicable to that employee pursuant to Section 505 (c) of the Act, so long as he works in the same or strictly comparable job with the Southern, and if any such former Penn Central employee changes shift in a job the same or strictly comparable to the job he occupied as a Penn Central employee, he shall retain the rate he would have had except for such change of shift. In the event that a former Penn Central employee voluntarily moves to a different job after one year following the date of conveyance, he shall receive the Southern rate as prescribed in the above paragraph, provided however that each former Penn Central employee may voluntarily move one time to a different job, if that job is a former Penn Central job, after one year following the date of conveyance and receive the Penn Central rate on that job. Any new employees hired by Southern after the first year following conveyance shall receive the Southern rate as prescribed in the above paragraph. In the event that any Penn Central employee, who is being paid the rate of a former Penn Central job, is forced through exercise of seniority rights to accept a position with a redesignated or combined job description, said former Penn Central employee shall retain on such redesignated or combined job the Penn Central rate of pay which he had in his former job or shall receive the Southern rate for the job, whichever is higher. In the event that any Penn Central employee, who is being paid the rate of a former Penn Central job, is forced through exercise of seniority rights to accept another position because his current job has been abolished, said former Penn Central employee shall receive the appropriate Penn Central rate of pay on the job to which he moves as a result of job abolishment.

Any Penn Central employee accepting employment with Southern shall have the benefits of the provisions of Section 505(g) of the Act when such employee is required to change his place of residence.

The payment of cost of living adjustments to the compensation of Penn Central employees who accept employment with Southern, with respect to the provisions of Title V of the Act, shall conform to the procedures agreed to by ConRail and BRAC regarding this issue.

UTU

The present schedule agreement between Penn Central (or its predecessors) and UTU shall constitute the terms and conditions under which the employees of Penn Central who elect to work for Southern on the Delmarva Lines shall work for a period of one year following the date of conveyance, and under which any new employees who are hired by Southern and represented by UTU during that period shall work, except for agreements governing cabooses, which shall be governed by Attachment A of Southern's proposed agreement to UTU dated November 12, 1975. Commencing one year from the date of conveyance, the existing Southern schedule agreement with UTU shall constitute the terms and conditions under which all employees represented by UTU shall work.

Notwithstanding anything to the contrary in this section of this Memorandum, those employees of Penn Central who elect to work for Southern south of the Chesapeake Bay shall come under the existing Southern schedule agreement from the date of conveyance and shall at that time be added to the bottom of Southern's Albemarle Seniority Roster with prior rights to their work.

The payment of cost of living adjustments to the compensation of Penn Central employees who accept employment with Southern, with respect to the provisions of Title V of the Act, shall conform to the procedures agreed to by ConRail and UTU regarding this issue.

BMWE

The present schedule agreement between Penn Central (or its predecessors) and BMWE shall constitute the terms and conditions under which the employees of Penn Central who elect to work for Southern on the Delmarva Lines shall work for a period of one year following the date of conveyance. Any new employees who are hired by Southern during that year and are represented by BMWE shall work under the existing Southern schedule agreement with BMWE during that period. Commencing one year from the date of conveyance, the existing Southern schedule agreement with BMWE shall constitute the terms and conditions under which all employees represented by BMWE shall work.

BMWE agrees that jurisdictional rights with respect to 3 Pump repairmen jobs and 2 Line of road electrician jobs shall come under the applicable jurisdictional and representational arrangements prevailing under the existing Southern schedule agreement as of the date of conveyance.

Notwithstanding anything to the contrary in this section of this Memorandum, Southern shall have the right to assign mechanized production crews from other districts or regions of Southern to perform rehabilitation work on the Delmarva Lines, provided that adequate, safe, and appropriate transportation shall be provided and paid for by Southern for such crews by either bus or other appropriate enclosed vehicle.

The payment of cost of living adjustments to the compensation of Penn Central employees who accept employment with Southern, with respect to the provisions of Title V of the Act, shall conform to the procedures agreed to by ConRail and BMWE regarding this issue.

BLE

The terms and conditions for all employees represented by BLE shall be those of the agreement previously negotiated between Southern and BLE, dated October 14, 1975, which has since expired, subject however to the applicable provisions, including Section IV, of this Memorandum.

The payment of cost of living adjustments to the compensation of Penn Central employees who accept employment with Southern, with respect to the provisions of Title V of the Act, shall conform to the procedures agreed to by ConRail and BLE regarding this issue.

SHOP CRAFTS

The terms and conditions for all employees represented by the Shop Crafts shall be those heretofore tentatively agreed to and set forth in Southern's proposal to the Shop Crafts, dated January 29, 1976, subject however to Section IV of this Memorandum.

The payment of cost of living adjustments to the compensation of Penn Central employees who accept employment with Southern, with respect to the provisions of Title V of the Act, shall conform to the procedures agreed to by ConRail and the Shop Crafts regarding this issue.

III. Provisions for determining procedures to be followed regarding formation of seniority districts and seniority rosters and settlement of disputes arising under Section 508 agreements shall be resolved, consistent with this Memorandum, by separate agreements to be entered into between Southern and the signatory unions hereto, concurrently with the signing of this Memorandum. Provisions for determining procedures to be followed regarding offers of employment shall be resolved by separate agreements to be entered into between Southern and the signatory unions hereto and any other unions with whom Southern has entered into agreements under Section 508(a)(1) of the Act, concurrently with the signing of this Memorandum. This Memorandum, in addition to the separate agreements entered into between Southern and the signatory unions hereto, shall be considered as satisfying the requirements of Section 508(a)(1) of the Act.

IV. In view of the fact that the signatory unions hereto and the other unions involved in the acquisition of the Delmarva Lines by the Southern have agreed that the number of employees to which Southern must offer employment pursuant to this Memorandum is only the minimum number that Southern would need to operate, maintain, and increase rail services on the Delmarva Lines, and in view of other concessions made in this Memorandum by the unions, Southern agrees that, with respect to the Penn Central employees who elect to work for Southern, Southern will not exercise any rights which it may have solely as a result of subsections (d) and (e) of Section 505 of the Act. Each party hereto agrees that nothing herein is to be considered as a precedent with regard to what the rights of the parties may be, at any time, pursuant to subsections (d) and (e) of Section 505 of the Act in any other situation, and each party hereby agrees never to cite or refer to the provisions of this section of this Memorandum as a precedent in any other proceeding whether in any court, before the Interstate Commerce Commission, Congress or any other body, including any type of arbitration proceeding.

Signed at Washington, D.C. March —, 1976.

Brotherhood of Railway, Airline and Steamship Clerks, Etc. By: ———

United Transportation Union. By: ———

Brotherhood of Maintenance of Way Employes. By: ———

Brotherhood of Locomotive Engineers. By: ———

International Association of Machinists and Aerospace Workers. By: ———

Sheet Metal Workers' International Association. By: ———

Transport Workers Union of America. By: ———

Railway Employees' Department (AFL-CIO). By: ———

Southern Railway Company. By: W. Graham Clayton, Jr., Chairman and Chief Executive Officer.

The Secretary of Transportation of the United States. By: William T. Coleman, Jr.

STATEMENT OF SENATOR J. GLENN BEALL, JR. BEFORE THE SENATE COMMERCE SUBCOMMITTEE ON SURFACE TRANSPORTATION MARCH 1, 1976

Today, the Commerce Subcommittee on Surface Transportation is holding hearings on the proposed acquisition by Southern Railroad of the lines of the Penn Central on the Delmarva Peninsula.

Since the expiration of the February 11th deadline for an agreement by Southern Railway and railroad labor, I have been in daily contact with Secretaries Coleman and Usery urging them to call around-the-clock negotiations to end this impasse.

Through their good efforts, the parties resumed negotiations on February 13. Reports which I received indicated these negotiations, if anything, deteriorated. On February 19, I urged Congressional hearings so that the "public spotlight could be focused on the involved parties, the issues, and the overriding public interest". Commerce Committee Chairman Magnuson and Senator Hartke, Chairman of the Surface Transportation Subcommittee, kindly consented to my request.

On Wednesday and Thursday of last week, Secretaries Coleman and Usery again succeeded in bringing the parties to the bargaining table. Although these negotiations extended long into each night, the negotiations collapsed and frustration returned to the citizens of the three-state Delmarva area. I was hopeful that these negotiations would have produced a settlement, making today's hearing unnecessary. Unfortunately, that desired development failed to materialize and one of the purposes of this hearing is to find out, in the name of the public, "Why is an acquisition so clearly in the public interest endangered?"

To understand the depth of feelings and anger by Delmarva citizens over the failure of the talks, one must understand the efforts and events leading up to the present crisis.

First, the initial Department of Transportation plan would have eliminated much of the trackage on the Delmarva Peninsula, including the main North-South artery. This would have been a disaster to Delmarva. At the hearing conducted by the Interstate Commerce Commission (ICC) in March of 1974, well over one hundred witnesses testified in opposition to the elimination of the Delmarva lines.

Later, when the United States Railroad Association (USRA) issued its preliminary plan and hearings were held on that plan on Maryland's Eastern Shore in March of 1975, witnesses again numbered over 100.

When Southern expressed an interest in acquiring the Delmarva lines, there was nearly unanimous support—including public officials, labor, business, civic associations, and the general public—for the Southern proposal. In fact, only one person expressed a different view, and he wanted the line for himself. As a result of the Southern proposal, a sigh of relief was evident everywhere and hopes were raised by the prospect and promise of the Southern Railway coming to Delmarva.

The reorganization of the railroad system following the bankruptcy of the Penn Central represented the most massive transportation reorganization in the history of this Nation. Many parties worked with Congress on the landmark legislation. We worked too long and too hard on this reorganization and the necessary legislation to have our efforts now fall apart.

In the railroad reorganization legislation, the Regional Rail Reorganization Act of 1973, and the recently-enacted "Railroad Revitalization and Regulatory Reform Act of 1976", we provided generous worker protection to railroad labor; we were also generous in the protection that we provided Southern Railroad deficiency judgments. In short, everything was done which the parties indicated was needed to effectuate a smooth transition. During the writing and shaping of the two landmark acts, there was no indication that the parties could not, or would not, work out an agreement. When some of the potential problems were raised we were told not to worry, that a new era in labor-management relations in the railroad industry was with us. What happened to that new cooperative spirit and enlightened era?

With the recent turn of events, an acquisition so clearly in the public interest and so essential to the future development and employment on the Delmarva Peninsula is now in jeopardy. As one who managed the 1973 Act for the Minority and as one who was deeply involved in the recently-enacted 1976 legislation, I, for one, feel betrayed.

And make no mistake about it, the public interest in this instance is clear and overriding in favor of the Southern acquisition. If an agreement between Southern and the involved unions is not forthcoming, a way will be found by the three states to continue the important rail service on the Peninsula. But for the foreseeable future, the best that the citizens of the Delmarva Peninsula can expect would be a continuation of the same bankrupt service over the same sorry track. It is true that some limited rehabilitation, by necessity, would be undertaken, but there is no way that the major investments of $25 to $30 million which Southern has promised to make will be expended. There is no chance that the first class track and service that Southern will deliver will be duplicated.

Furthermore, the State of Maryland, if the acquisition is not completed, will have double the number of rail miles to subsidize under the "Local Rail Services Continuation Provisions". I am advised that this may mean that Maryland will be able to subsidize its light density lines for only two years rather than the five years provided in the law.

Gentlemen, make no mistake about it. This controversy is no mere private disagreement. The interest of the public is paramount and must be interjected in this dispute. After all, it was the public interest that made Congress act to rescue the rail system of the Northeast. It was the public interest that prompted Congress to authorize billions of dollars in taxpayers funds for the Northeast Railroad rescue operations. Absent the overriding public interest, we would have allowed Penn Central to proceed under normal bankruptcy procedures and not worry who picked up the pieces. It is the same public interest that must produce an agreement in this instance.

Given this overwhelming public interest effort and investment, it is imperative that the parties to this dispute rise above their own self-interest to the public interest.

No one can say that the railroad industry does not gain from the landmark 1973 and 1976 Acts. No one can deny that railroad labor was not given worker protection more generous than most, if not all, other labor in the nation.

If this chapter in the reorganization process is left unfinished, with everyone gaining, except the public, then I predict it will be a sad day for all, and a day all will rue and regret.

I am hopeful that, as a result of these hearings, some way, somehow this impasse will be broken and the impediments to the Southern acquisition of the Delmarva lines will be eliminated.

[From the New York Times, March 22, 1976]

STATE-IZED RAILROAD?

The one thing on which the White House and Congress fully agreed in the long wrangle over how to reorganize the sickly Northeast railroads was that the Federal Government wanted no part of nationalization. That was why Conrail was chartered as a for-profit corporation, though when—if ever—it will show a profit is conjectural.

Under those circumstances, it makes no sense for New York State—itself in a still unwon battle to avert bankruptcy—to contemplate buying up a big chunk of the bankrupt Erie Lackawanna and operating it across four states as a club against Conrail monopoly.

We are in sympathy with the belief of State Transportation Commissioner Schuler that it would be healthy to have another railroad competing with Conrail in the area served by the 1,500 miles of Erie track on which the state has its eye.

But the right way to achieve that competition is the one suggested in the basic plan approved by Congress—acquisition of the Erie facilities by the Chessie System, a deal that fell through because of bullheaded union resistance to changes in featherbedding work rules. A last-ditch attempt to break the labor deadlock is being made in Baltimore at the joint insistence of Secretary of Labor Usery and Secretary of Transportation Coleman. The public interest demands success for this effort.

The same urgency attends Secretary Coleman's pressure on the Southern Railway and its unions to resolve their labor wrangle over labor-protective arrangements on 460 miles of Penn Central track in the Delmarva Peninsula. More than half of that service is slated for abandonment if Conrail takes over. If the model contract Mr. Coleman has proposed to the Southern wins mutual acceptance—as it should—it might set a pattern for the much more complex Chessie deal.

In any event, the Schuler plan for a state-owned rival to Conrail would represent a potentially disastrous experiment. The anticipated intial cost for the trackage of $18 million or less (to be drawn from a $250 million transportation bond issue authorized in 1974) could escalate to hundreds of millions if the state found it, then had to acquire terminals and rolling stock, sign labor contracts and actually run trains.

It is true that no such grand design is in the commissioner's mind. On the contrary, the state hopes that one of the four big Western railroads might decide to take the Erie track off its hands as a means of going transcontinental. But in all the exploration done by Federal officials prior to the reorganization bill, the Western roads were unanimous in declaring that they regarded all operation east of Pittsburgh as "a loser."

That means the state would have to depend on Conrail itself as the sole user of its track. Far from gaining leverage under such an arrangement, New York would have nowhere else to look to keep its right of way from rusting out. Commissioner Schuler, whose record of intelligent concern for maximum rail service in this state is outstanding, will have to find other devices for insuring that the citizens of New York are not victimized by an overpowerful Conrail brought into being by lavish Federal subsidies.

[From the Baltimore Sun]

DELMARVA RAIL PROSPECTS

The failure of the deal by which the Southern Railway was to have taken over the Penn Central's old lines on the Delmarva Peninsula has been described by disapponted Eastern Shore residents as "unbelievable." So it is. The arrangement fell through when a congressionally established deadline was not met because the railroad and rail unions could not resolve seemingly minor work-rule and benefit disputes. The result is to leave the fate of Eastern Shore rail service in a limbo that could take months to resolve. Even then, the resolution might be unsatisfactory to almost everyone involved, particularly those concerned about economic development on the peninsula.

Failure to resurrect the Southern deal would mean that ConRail, the new quasi-public corporation scheduled to take over bankrupt Northeast lines, would run the Delmarva system instead of Southern. But ConRail plans are to operate far fewer lines that Southern planned to use. And the left-over lines would be mere spurs to the huge ConRail system, while the peninsula rail system was to have been an important South-North link for the Southern system. While it is true that federal subsidies to states provided in the recent omnibus rail act might allow Maryland, Virginia and Delaware to rescue the threatened lines, the subsidies—which eventually might require matching funds—will go only so far, and there would have to be cutbacks in rail service somewhere in the region. Southern had planned to spend some $30 million on the Delmarva system—a large share of it to refurbish the rail ferry service from the southern tip of the peninsula to Norfolk. Whether Virginia would undertake this large project is not known. Without the Southern deal, the outlook, at best, is for a "system patched with band-aids," as a 'Shore spokesman put it.

Rail unions held out for better benefits than Southern now gives its other employees, knowing they could always fall back on ConRail, a quasi-public entity, to get better than what Southern offered. But the cost of the disputed benefits to Southern would be relatively minor, and with reasonable give on both sides, the deadlock might yet be broken in negotiations that have been resumed. But even if it is, Congress might hesitate to extend the deadline retroactively if the extension meant further delay in resolving a similar dispute regarding the Chessie System's takeover of a far longer portion of the bankrupt Northeast rail systems. The issue remains so complex that the chance of an agreement is still very much up in the air.

[From the Baltimore Sun, March 15, 1976]

TIME FOR A 'SHORE RAIL ACCORD

Union and management negotiators on the employee-benefits issues that are delaying the Southern Railway System's proposed takeover of Delmarva Peninula rail lines have been recessed. But talks may be resumed as early as today, and hopes remain that an accord may yet be reached. In the meantime, a resolution by Senator Beall favoring an accord passed the Senate, and a similar resolution cleared the House. The U.S. secretaries of labor and transportation both have actively encouraged negotiations, and non-rail unions have urged a settlement. Rarely has so much national influence been brought to bear on an essentially minor worker-benefit dispute in a small region.

This is because the Delmarva rail problem is taking on symbolic importance beyond its own terms. Congress in recent months has passed bills generous to railroads but might be less happy with railroads in general if a major one, the Southern, displays stubbornness in the Delmarva negotiations. And one official of a nonrail union suggested that failure of the rail unions to be reasonable on the issue would represent "a stigma on all labor on the 'Shore, even the unions that are not involved."

If the deadlock is not broken, and Southern does not take over the now-ailing Delmarva lines, the new quasi-public corporation, ConRail, will—and ConRail is not willing to revitalize the lines to anywhere near the extent Southern is. The loss of jobs on the 'Shore, both on the railroad lines and in industries served by the lines, could be great. The best way for both the unions and the railroad to avoid being blamed for this is to move rapidly toward a settlement.

[From the Philadelphia Evening Bulletin, March 8, 1976]

Congress Flubs at Railroading: Asleep at the Switch

Congress has bobbled the massive reorganization of the Northeastern railroads and seems unable to assert the national interest over the interests of balky rail unions.

In drafting the Railroad Reorganization Act of 1973, Congress was boxed in and outsmarted on two fronts.

First it allowed the U.S. Railway Association to promote a giant Conrail system as the only fallback should the Chessie and Southern railroads fail to purchase 2,000 miles of competitive trackage in the Northeast. Then Congress agreed to knotty labor provisions that are keeping the Chessie and Southern from buying into the Northeast.

As a result, Congress' design for a "two-system" Northeast that would insure both competitive rail service and a maximum role for privately financed railroads in the region is being thwarted. And so far, all Congress has done in response is urge the Chessie, Southern and the rail brotherhoods to keep negotiating.

The objecting unions need stronger prompting to cooperate with a national policy of preserving competition and attracting private capital to the Northeastern railroads. The unions were given, not only life-time protection for their members, but a virtual veto over easing restrictive work rules.

Congress could permit the Chessie and Southern rules to apply, or at least explore arbitration of the dispute. It's a bad omen for Conrail itself to have two efficient, money-making railroads say they couldn't live with the work rules Conrail will inherit from the Penn Central and the other bankrupts.

Because of the deadlock, the Southern won't be running up the Delmarva Peninsula and spending $30 million to rehabilitate trackage in Delaware, Maryland and Virginia. And the Chessie will not be restoring the Reading and Erie-Lackawanna's routes in Pennsylvania, New York and New Jersey.

Should Congress fail to regain the initiative, Conrail could still be advised to operate the Reading and other former competitors of the Penn Central as a separate division. Internal competitiveness might keep Conrail from becoming a gangling monster of a railroad. And one day, possibly, the smaller lines could be formed into a separate, Mid-Atlantic Railroad, a concept whose merit the U.S. Railway Association has steadfastly downgraded.

Congress can still help preserve competitive rail service in the Northeast, provided it hasn't wearied of railroading before a more desirable solution than a giant, hobbled Conrail has been achieved.

[From the Washington Post, March 5, 1976]

The Railroad Reorganization

A recent congressional hearing on the fate of the Delmarva branch of the old Penn Centrad railroad has rightly focused attention on a major flaw in the railroad reorganization that will occur April 1. Because a couple of labor unions have not been able to reach agreement with the Southern and Chessie railroads, Conrail is about to begin its operating life larger in size than it ought to be, and half of the Delmarva peninsula is about to lose its railroad service. While the immediate effect is to create a very bad situation for the people who live on the Delmarva peninsula, absence of an agreement also raises questions concerning the ability of unions and corporations to alter public policy.

All this has frustrated the desire of Congress to retain as much competition as possible in the railroad business in the Northeast and it all but guarantees that part of the Delmarva peninsula will stagnate or die economically. Neither result is in the public interest. But that seems to be a secondary consideration to those who are making the decisions.

The Delmarva situation, for example, involves as dispute over wages and work rules covering 110 jobs on the Penn Central that would be absorbed by the Southern. The unions want the Southern to accept the terms of the old Penn Central contract, and the Southern wants to use the terms of its argument has nothing to do with the wages the current holders of those jobs would get; federal law guarantees that their wages will not be cut. Instead, it involves the wages that will be paid to those who replace them after they die or retire. In other words, railroad service on 192 miles of track in Delmarva is about to end because of a dispute over how much future workers (who may not even be born yet) will be paid. The ultimate irony is that so marginal an issue could destroy a rescue operation on this 192 miles of track—a rescue operation which a solvent railroad is willing to undertake and which a government-funded corporation has rejected as too expensive to undertake.

The same kind of problem is central to the larger transaction involving the Chessie and the old Erie Lackawanna lines, except that in this case Conrail will buy the lines, run the trains and pay the present and future workers. The Chessie wants to apply its existing contracts to future job holders and the unions are insisting on a continuation of the Penn Central contracts. The public issue involves competition and monopoly power. Conrail, no doubt, is just as happy to have the Chessie out of the picture because that cuts substantially the competition it will face for freight business. But the public interest is not in giving Conrail a great monopoly but in keeping as much competition as is feasible. Indeed, maintaining competition was one of the goals expressly mentioned by Congress when reorganization of the railroads in the Northeast first began.

These two developments underline the gamble that Conrail represents. It is taking over a huge collection of battered roadbeds and dilapidated equipment. It has an enormous management problem, now complicated by the additional 2000 miles of track that was to have gone to the Chessie. It is supposed to reverse a pattern of operating losses that now run more than $1 million a day. Yet, the old patterns of labor-management relations remain unchanged and are already undoing some parts of a carefully constructed plan that rests on the willingness of federal taxpayers to put up billions of dollars to keep the railroads running.

[From The Baltimore Sun, March 4, 1976]

The Stymied Southern Deal

It is not surprising that this week's U.S. Senate hearing on the fate of the Delmarva railway system brought perspiration to the brows of Governor Mandel and the U.S. secretaries of labor and transportation, who testified. These high officials seem powerless to revive the deal by which the Southern Railway System was to have revitalized some 450 miles of Penn Central rail lines on the Delmarva Peninsula.

The deal is hung up on a dispute between Southern and a rail clerks' union, which insists that Penn Central employee benefits be continued if workers become employees of Southern. No one on either side has publicly estimated the cost of the benefits, but most observers believe it is not great. Yet both sides stand firm, apparently for fear that any compromise would establish precedents that could cause them damage beyond the Eastern Shore. Observers speculate that the Southern fears that if it compromised with the union, employees on the rest of its large system might demand like benefits; and the union is said to resist compromise for fear of a precedent that might later be used in far larger acquisitions of bankrupt Northeast rail lines proposed for the Chessie System.

If the Southern deal falls through, the alternative, takeover of the Eastern Shore rail lines by the new quasi-public corporation, Conrail, not only would be economically damaging to the 'Shore but likely also would result in job losses, due to Conrail's plan to reduce total trackage to well under what the Southern planned to operate. Senator Beall, who chaired the hearing, and Governor Mandel are working hard to end the impasse and now seek to get the two sides to schedule a new round of negotiations. By co-operating with that effort, the railroad and the union might revive some prospect of meeting their responsibilities not only to stockholders and members but to economic hopes that have been raised for the people of an important region.

[From the Wall Street Journal, March 4, 1976]

Playing Chicken on the DelMarVa

Congress, which has been shamefully docile in the face of a union veto of its Northeast rail plan, at least now knows something about union psychology.

C. L. Dennis, president of the Railway Clerks, told a Senate subcommittee that his union "would be the laughing stock of the whole railroad industry" had he accepted a Southern Railway offer to employes of a Penn Central branch on the DelMarVa peninsula. Both Southern and the Chessie System last month decided not to chance a takeover of bankrupt Northeast properties in the face of union refusals to relax labor contract terms that helped cause the bankruptcies.

Unless Secretary Coleman can somehow retrieve the situation, which isn't likely, a provision in the 1973 Rail Reorganization Act that competition be preserved is left twisting in the wind. The government's Conrail, due to take over bankrupt properties April 1, will have a near-monopoly. A key rail-ferry link between DelMarVa and the rest of Virginia, which the Southern had proposed to operate, probably will be abandoned.

It's too bad that Congress didn't foresee that it was exposing Mr. Dennis to the risk of being laughed at by his fellow union leaders. If it had, perhaps it would not have left him with the option to say no so easily. It may not yet be too late to remove that option and thereby save *itself* from being laughed at by the injured public.

[From the Baltimore Sun, Feb. 19, 1976]

Needed Rails

The Penn-Central's Delmarva rail system ought to go to the Southern Railway, not to Conrail, the new government-sponsored agency which will take over most of the bankrupt northeastern and midwestern rail network. Southern wants the system, both to run it as a viable rail network in its own right and to give Southern direct access to northern markets. The Delmarva rails would be a vital part of the Southern system and that financially sound railroad would pump money into rehabilitation and operation. Conrail would do relatively little for the Delmarva lines; in fact, it would abandon the southern end of the main north-south line as well as a whole variety of branches and spurs that service such places as Cambridge, Easton, Centreville, Chestertown and other small communities. Any service scheduled by Conrail for eventual abandonment could be kept going, temporarily, only through a combination of federal, state and local subsidies In short, Southern wants the Delmarva system, can pay for it and operate it. Conrail doesn't want it and won't operate it.

In these circumstances, it is inconceivable that Southern should not take over. Nevertheless, the one obstacle to Southern's acquisition—agreement with the railroad unions on the terms of a new agreement—remains. The snag is not so much over wage scales as over work rules, seniority rights, possible transfer of some Delmarva railroad men to other parts of the Southern system and similar issues. Basically, the unions want everything they had under Penn Central. Southern wants an agreement patterned generally on the ones already in effect with the unions in its own existing system.

Last week's Wednesday night deadline came and went—and the talks collapsed. Now there has been a retroactive extension of the deadline and the two sides are negotiating again, under the direct mediation of the new Secretary of Labor W. J. Usery, Jr. Surely there is a compromise that must be reached here. The rail system is too important to the entire eastern shore to fall victim to failure of agreement when agreement is so clearly in the interest of both parties.

[From the Wall Street Journal, Feb. 17, 1976]

The Rail Booby Trap

A booby trap went off in the government's ambitious Northeast rail plan last week, proving again that the worst-laid schemes of mice and men are even more likely than the best-laid to go agley.

Unfortunately, the petard didn't wreck the plan. It will just cost more. It could prove to be the second most expensive experiment yet, after the Postal Service, in government monopoly.

The booby trap was set by the friends of organized labor, who insisted when the 1973 rail plan was being threshed out in Congress on certain protections for the rail unions. They got them, beyond a union leader's wildest dreams. The most obvious was a $250 million federal fund which guaranteed a lifetime income for almost any employe likely to be displaced. The not so obvious part—and the one that exploded last week—gave the rail unions an effective veto over the government's hopes of preserving rail competition in the Northeast.

Those hopes rested on the idea that the Chessie System would pick up some of the bankrupt Northeast properties. Conrail, which is being set up under government auspices and with a generous federal appropriation, thus would have competition. The Chessie, a well-managed, profitable railroad, was willing to take some risk with the plan in return for northern trackage and access to New York.

But there was one hitch. The Northeast Rail Reorganization Act required that any private road participating in the plan must first make mutually satisfactory arrangements with the rail unions representing the employes it would acquire from the bankrupts To the Chessie, "mutually satisfactory" meant eliminating the kinds of restrictive work rules that had helped put the Erie-Lackawanna et al. into such dire straits. The Chessie wanted the 8,000 employes it would acquire to accept the same rules as the employes it now has, which hardly seemed unreasonable.

But thanks to Congress, the unions had a more attractive alternative. First of all, they had lifetime income protections, whatever happens. Second, Conrail was not required to reach any mutual understanding with the unions prior to its scheduled start-up on April 1. It can take over the bankrupt properties, their unions, their contracts, lock, stock and barrel.

The unions, understandably, preferred to continue doing business with the government entity that might be influenced by their political friends. So they refused to strike a deal with the Chessie. And, very prudently, the Chessie withdrew from the plan. The Southern Railway, which had intended to pick up some minor DelMarVa peninsula property, did so too.

That means that Conrail will start up with about 2,200 more miles of track than it had planned. It will have something approximating a monopoly on access to New York from the West. And it will need extra money from the taxpayers in addition to the $1.9 billion already appropriated by the House for rehabilitation and operating expenses.

How much it will need is a bit fuzzy. But the Chessie had planned to spend $500 million of its own money over the next several years for rehabilitating the trackage it had planned to acquire. That gives some idea.

So even before Conrail is in business, it looks less like the streamlined, competitive enterprise hoped for by many of its progenitors and more and more like the kind of political offspring governments typically produce. It won't be any better than the bankrupts it will replace unless it faces some real pressures for efficiency, which competition from the Chessie might have supplied. As things stand now, it would appear that most of its pressures will be of the opposite kind, for preservation of the status quo, applied by unions and politicians.

Congress may eventually get tired of coughing up money for such enterprises. It may decide eventually to auction off Conrail properties and let labor take its chances. Since that is what it should have done in the first place, why wait?

[From the Philadelphia Evening Bulletin, Feb. 15, 1976]

Locked Into Conrail

First the Northeastern states were to have three competing railroad systems. Then it was two. Now, with the collapse of the Federal Government's principal plan for reviving the region's railroads, the Northeast will apparently have to depend upon a single, giant Conrail system.

The failure of the Chesapeake & Ohio and the Southern Railway to purchase 2,000 miles of tracks and thus be in position to compete with a Penn Central-based Conrail system represents a serious setback for the Northeastern states.

The rail unions that thwarted agreements with the Chessie and Southern have much to answer for. Neither line could accept being hobbled by archaic "featherbedding" rules. The unions' diehard stance means that the federal taxpayers will have to pay an even bigger bill—and bear all the risks—in revamping the Northeast's bankrupt railroads.

In the Penjerdel area, the Port of Philadelphia will have only one rail link to the Midwest. Delaware, which was to have been served by the Southern Railway, may end up being isolated from the South. More branchlines in Pennsylvania and New Jersey will have to be subsidized or dropped.

The only competitive link remaining will be furnished by the solvent Delaware & Hudson Railway to the North. But even the D & H will have to depend on Conrail for "friendly" trackage rights to Harrisburg and Allentown.

The rail freight outlook for the Northeast is shaping up as doubtful. Possibly, a 17,000-mile Conrail system combining the Penn Central, Reading, Erie-Lackawanna and Jersey Central railroads backed by government loans and freed from money-losing passenger trains can be shaped into an efficient, profitable carrier. But the experience on the unwieldy Penn Central alone has not been encouraging.

Unless the Ford Administration and Congress can bring the balky unions around quickly, the Northeast will be the captive of a farflung railroad without the healthy influence of competition.

A Setback for USRA's Final System Plan

March 2 was the tenth anniversary of the transmittal to Congress by Lyndon B. Johnson, then the President of the United States, of a memorable Message on Transportation that embodied a recommendation, among others, for establishment of a Cabinet-level Department of Transportation. The message included the following:

"The very size of our transportation requirements—rising step by step with the growth of our population and industry—demands that we respond with new institutions, new programs of research, new efforts to make our vehicles safe, as well as swift."

To that series of "demands" there should now be added, we believe, a demand for new, more forward-looking and more enlightened attitudes in labor-management relations in transportation. There has been improvement in this area in recent years; there is room for more improvement.

The new Secretary of Labor, W. J. Usery, Jr., in his address at the recent annual dinner of the Traffic Club of Washington (T.W., Feb. 16, p. 20), said that "labor and management have more to gain through cooperation than through conflict" and the transportation industry and its employees and the nation need, "now, more than at any time in the recent past," the benefit of labor-management teamwork in attacking the industry's problems.

When these paragraphs were written (March 2) hopes for successful implementation of two important parts of the U.S. Railway Association's Final System Plan for Con-Rail were about to be destroyed.

What was happening to upset the expectations for satisfactory effectuation of the Final System Plan was outlined by Secretary of Transportation William T. Coleman, Jr., in a hearing (the subject of a news article in this issue) held by the surface transportation subcommittee of the Senate commerce committee, March 1. Secretary Coleman testified that because of a stalemate in negotiations between the Southern Railway, on the one hand, and four rail labor groups (the Brotherhood of Railway and Airline Clerks and the United Transportation Union, principally, plus the Brotherhood of Maintenance of Way Employes and a combined group of shopcraft unions), on the other.

The Southern "went along" with the arrangement contemplated in the USRA's Final System Plan calling for purchase by the Southern, for $6 million, of the old Penn Central rail facilities in the Delmarva (Delaware-Maryland-Virginia) Peninsula, including about 460 miles of rail line between Wilmington, Del., and Cape Charles, Va., and a number of associated marine and terminal facilities.

"In announcing its intentions to purchase this property," Secretary Coleman said, "the Southern also declared its commitment to invest approximately $30 million of its own money to rehabilitate and improve the present worn-out facilities. The law provides, however, that before the purchase could be consummated, the Southern had to negotiate successfully labor agreements with the employees who presently operate the Penn Central properties on the peninsula. . . . I am extremely disappointed to say that the Southern Railway and the labor unions have been unable to reach such agreements. And it now appears that the Southern acquisition will never take place."

It should be noted that agreements between the Southern and 18 of the 22 rail labor unions involved *have* been successfully negotiated.

Mr. Coleman pointed out that the stalemate between the Southern and four unions would result in designation of ConRail to operate the rail properties in the Delmarva peninsula.

ConRail, he said, will use only about 185 miles of the 460 miles of line on that peninsula in its system. Consequently the remaining 275 miles, unless supported by state government subsidies, will have to be abandoned.

Another "tradegy," and a big one, in the ConRail picture, Mr. Coleman stated, is the failure of the Chessie System to obtain labor agreements that would clear the way for (1) acquisition by the Chessie, under the Final System Plan, of most of the properties of the Erie Lackawanna and Reading railroads and for (2) planned investment by the Chessie of "between $500 million and $800 million of its own money to upgrade and rehabilitate the 2,000 miles of EL and Reading property it intended to acquire. This, said Mr. Coleman, means that the EL and Reading will instead become parts of ConRail; but large sections of those roads, particularly sections of the EL, because they serve communities also served by ConRail, would be "downgraded" by ConRail and would mean "loss, not only of rail service, but also of thousands of jobs."

The BRAC and UTU want the Chessie and the Southern to adopt the work rules that have been in effect on the Penn Central lines—work rules called "more liberal" than those in effect on the Chessie and the Southern. George Paul, executive vice-president of the Southern, suggested that adoption of the "more liberal" Penn Central work rules by the SRS on the Delmarva Peninsula would result eventually in adoption of those rules on the entire SRS system. Had this been done in 1974, he said, it would have cost the Southern $168 million and would have wiped out the $88 million profit the SRS made in that year.

The brotherhood chiefs know, of course, that by the law establishing ConRail, employes who lose their jobs in the ConRail consolidation process are assured of their full salaries for as long as they live. Thus, unless by agreement with the railroads the unions decide otherwise, these "old" employes are not compelled to accept the less "liberal" rules in effect on the Southern and Chessie Systems; those terms would apply only to new employes. The railroad executives apparently and understandably feel that they were not chosen to preside over liquidation of the properties entrusted to their management. The union chiefs, it seems, take a similar position; but in their case the validity of that position is open to question. Their intransigent attitude, we think, could result in eventual and substantial shrinkage of their membership. The point made by Secretary Usery cannot be overemphasized: "Labor and management have more to gain through cooperation than through conflict."

The PRESIDING OFFICER. Is there further morning business?

Mr. KENNEDY. Mr. President, I believe that under the Senate agreement I had permission to proceed for 15 minutes; am I correct?

The PRESIDING OFFICER. The Senator has permission to proceed at the end of morning business.

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Roddy, one of his secretaries.

EXECUTIVE MESSAGE REFERRED

As in executive session, the Acting President pro tempore (Mr. Ford) laid before the Senate a message from the President of the United States submitting the nomination of Charles Schwartz, Jr., of Louisiana, to be United States District Judge for the Eastern District of Louisiana; which was referred to the Committee on the Judiciary.

REPORT OF ADMINISTRATION ON AGING—MESSAGE FROM THE PRESIDENT

The ACTING PRESIDENT pro tempore (Mr. Ford) laid before the Senate the following message from the President of the United States, which was referred to the Committee on Labor and Public Welfare:

To the Congress of the United States:

Section 208 of the 1973 Amendments to the Older Americans Act (Public Law 89–73) provides that the Commissioner on Aging shall prepare and submit to the President for transmittal to the Congress a report on the activities carried out under this Act.

The Secretary of Health, Education, and Welfare has forwarded the Annual Report of the Administration on Aging for the fiscal year 1975 to me, and I am pleased to transmit this document to the Congress.

Gerald R. Ford.

The White House, *March 23, 1976.*

PROPOSED CHILD NUTRITION REFORM ACT OF 1976—MESSAGE FROM THE PRESIDENT

The ACTING PRESIDENT pro tempore (Mr. Ford) laid before the Senate the following message from the President of the United States, which was referred to the Committee on Agriculture and Forestry:

To the Congress of the United States:

I am presenting today to the Congress the Child Nutrition Reform Act of 1976. This proposal is designed to facilitate the States' efforts to feed needy children by consolidating 15 food programs—including forty different meal subsidies—into a single block grant.

Good nutrition is a key factor in the physical, mental and social development of the Nation's children. It is essential that children not be denied a healthful diet because of limited family resources. For this reason the Federal government has developed subsidy programs to provide lunches for needy children.

Children from all families, regardless of income, may receive Federal subsidies for meals served by eligible institutions. The Federal government now provides approximately 20% of the total cost of school lunches served to *all* children, regardless of their nutritional need or income.

However, due to program changes enacted by the Congress, the Federal Government will be required to spend even *more* money on non-needy children. At the same time, there are at least 700,000 children from poor families receiving no benefits whatsoever.

I believe that the Federal government has a responsibility to provide nutrition assistance to those most in need. At the same time, I believe that the existing Federal taxpayer subsidies for the meals of children from families able to feed themselves extends that Federal responsibility beyond the appropriate point.

In addition, under existing law, the 15 programs enacted into detailed legislation with the same objective—feeding needy and non-needy children—have resulted in a patchwork of complicated Federal controls and regulations.

Therefore, today I request that the Congress enact the "Child Nutrition Reform Act of 1976."

This legislation would:

—Provide financial assistance to States based on the cost of feeding all needy children.

—Consolidate 15 complex categorical and overlapping programs into a single block grant to States, increasing their flexibility in administering these programs, and at the same time save the taxpayers nearly $900 million in FY 1977 by reducing assistance to non-needy children.

—Remove unnecessary restrictions and red tape governing the way meals are provided to needy children.

—Give concerned organizations and individuals in each State an opportunity to be involved in the planning of child feeding programs.

Gerald R. Ford.

The White House, *March 23, 1976.*

MESSAGES FROM THE HOUSE

At 12:32 p.m., a message from the House of Representatives delivered by Mr. Hackney, one of its reading clerks, announced that the House has passed the bill (S. 3056) to amend the Foreign Assistance Act of 1961 to provide emergency relief, rehabilitation, and humanitarian assistance to the people who have been victimized by the recent earthquakes in Guatemala, with amendments, in which it requests the concurrence of the Senate.

ENROLLED BILL AND JOINT RESOLUTION SIGNED

The message also announced that the Speaker has signed the following enrolled bill and joint resolution:

H.R. 8507. An Act to revise the per diem allowance authorized for members of the American Battle Monuments Commission when in a travel status.

S.J. Res. 184. A Joint Resolution to amend the Regional Rail Reorganization Act of 1973, as amended.

The enrolled bills were subsequently signed by the President pro tempore (Mr. EASTLAND).

The message further announced that the House has passed the following bills, in which it requests the concurrence of the Senate:

H.R. 12226. An Act to amend further the Peace Corps Act.

H.R. 12453. An Act to authorize appropriations to the National Aeronautics and Space Administration for research and development, construction of facilities, and research and program management, and for other purposes.

At 4:50 p.m., a message from the House of Representatives delivered by Mr. Hackney, announced that the House insists upon its amendments to the bill (S. 586) to amend the Coastal Zone Management Act of 1972 to authorize and assist the coastal States to study, plan for, manage, and control the impact of energy facility and resource development which affects the coastal zone, and for other purposes, disagreed to by the Senate; agrees to the conference requested by the Senate on the disagreeing votes of the two Houses thereon; and that Mrs. SULLIVAN, Mr. DOWNING of Virginia, Mr. ROGERS, Mr. MURPHY of New York, Mr. BREAUX, Mr. DU PONT, and Mr. TREEN were appointed managers of the conference on the part of the House.

The message also announced that the House agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 9803) to postpone for 6 months the effective date of the requirement that a child day care center meet specified staffing standards (for children between 6 weeks and 6 years old) in order to qualify for Federal payments for the services involved under title XX of the Social Security Act, so long as the standards actually being applied comply with State law and are no lower than those in effect in September 1975.

HOUSE BILLS REFERRED

The following bills were read twice by their titles and referred as indicated:

H.R. 12226. An act to amend further the Peace Corps Act; to the Committee on Foreign Relations.

H.R. 12453. An act to authorize appropriations to the National Aeronautics and Space Administration for research and development, construction of facilities, and research and development management, and for other purposes; to the Committee on Aeronautical and Space Sciences.

ENROLLED JOINT RESOLUTION PRESENTED

The Secretary of the Senate reported that on today, March 23, 1976, he presented to the President of the United States the enrolled joint resolution (S.J. Res. 184) to amend the Regional Rail Reorganization Act of 1973, as amended.

ORDER FOR STAR PRINT OF S. 3151

Mr. CLARK. Mr. President, due to a clerical error in the printing of S. 3151, the Multinational Business Enterprise Information Act of 1976, introduced by the Senator from Idaho (Mr. CHURCH) on March 18, 1976, I ask unanimous consent that the bill be star printed.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

COMMUNICATIONS FROM EXECUTIVE DEPARTMENTS, ETC.

The ACTING PRESIDENT pro tempore (Mr. FORD) laid before the Senate the following letters, which were referred as indicated:

APPOINTMENT OF THE NATIONAL COMMISSION ON SUPPLIES AND SHORTAGES BUDGET

A letter from the Chairman, National Commission on Supplies and Shortages, reporting, pursuant to law, that no apportionment of the Commission's apportion was made at the beginning of fiscal 1976 because none had been requested; to the Committee on Appropriations.

REPORT OF FINAL DETERMINATION IN INDIAN CLAIMS CASES

A letter from the Chairman, Indian Claims Commission, transmitting, pursuant to law, a report of its final determination in respect to Dockets Nos. 350-C and 350-D before the Indian Claims Commission (with an accompanying report); to the Committee on Appropriations.

PROPOSED DISPOSALS FROM THE U.S. NATIONAL DETERRENT STOCKPILE OF CHEMICAL AGENTS AND MUNITIONS

A letter from the Secretary of the Army, reporting, pursuant to law, on plans to dispose of that portion of the U.S. national deterrent stockpile of chemical agents and munitions stored at Rocky Mountain Arsenal, Colorado; to the Committee on Armed Services.

REPORT OF THE FEDERAL DEPOSIT INSURANCE CORPORATION'S OFFICE OF BANK CUSTOMER AFFAIRS

A letter from the Chairman, Federal Deposit Insurance Corporation, transmitting, pursuant to law, the first annual report of the Federal Deposit Insurance Corporation's Office of Bank Customer Affairs (with an accompanying report); to the Committee on Banking, Housing and Urban Affairs.

REPORT ON IMPLEMENTATION OF SECTION 4 OF PUBLIC LAW 94-127, THE MARITIME APPROPRIATIONS AUTHORIZATION ACT OF 1975

A letter from the Secretary of Commerce, transmitting, pursuant to law, a report describing the actions that have been taken to assure insofar as possible that direct and adequate service is provided by U.S.-flag commercial vessels to each of the Nation's four seacoasts (with an accompanying report); to the Committee on Commerce.

REPORT ON THE EFFECTIVENESS OF THE RAIL PASSENGER SERVICE ACT OF 1970

A letter from the Chairman, Interstate Commerce Commission, transmitting, pursuant to law, a report on the effectivenes of the Rail Passenger Service Act of 1970 (Public Law 91-518) (with an accompanying report); to the Committee on Commerce.

ANNUAL REPORT OF THE SOCIAL SECURITY ADMINISTRATION

A letter from the Under Secretary of Health, Education, and Welfare, transmitting, pursuant to law, the annual report on the Social Security Administration (with an accompanying report); to the Committee on Finance.

PROPOSED WORK INCENTIVE PROGRAM AMENDMENTS OF 1976

A letter from the Secretary of Labor and the Secretary of Health, Education, and Welfare, transmitting a draft of proposed legislation to amend title IV of the Social Security Act to redesign the work incentive (WIN) program (with accompanying papers); to the Committee on Finance.

INTERNATIONAL AGREEMENTS ENTERED INTO BY THE UNITED STATES

A letter from the Assistant Legal Adviser for Treaty Affairs, Department of State, transmitting, pursuant to law, international agreements other than treaties entered into by the United States (with accompanying papers); to the Committee on Foreign Relations.

LIST OF MONTHLY REPORTS OF THE GENERAL ACCOUNTING OFFICE

A letter from the Comptroller General of the United States, transmitting, pursuant to law, a list of reports of the General Accounting Office issued or released in January 1976 (with an accompanying document); to the Committee on Government Operations.

REPORTS OF THE COMPTROLLER GENERAL

A letter from the Comptroller General of the United States, transmitting, pursuant to law, a report on stronger Federal assistance to States needed for radiation emergency response planning, Nuclear Regulatory Commission and Other Federal Agencies (with an accompanying report); to the Committee on Government Operations.

A letter from the Comptroller General of the United States, transmitting, pursuant to law, a report on educational assistance overpayments, a billion dollar problem—a look at the causes, solutions, and collection efforts, Veterans Administration (with an accompanying report); to the Committee on Government Operations.

FEDERAL ENERGY ADMINISTRATION QUARTERLY REPORT

A letter from the Administrator, Federal Energy Administration, transmitting, pursuant to law, the quarterly report of the Federal Energy Administration for the period of October through December 1975 concerning imports of crude oil, residual fuel oil, refining petroleum products, natural gas, and coal; refinery activities; and inventories (with an accompanying report); to the Committee on Interior and Insular Affairs.

PROPOSED RESEARCH PROJECT "EFFECT OF SELECTIVE REPLACEMENT OF COAL SURFACE MINE OVERBURDEN STRATA ON SOIL AND HYDROLOGY RELATIONSHIPS"

A letter from the Deputy Assistant Secretary of the Interior, transmitting, pursuant to law, a proposed contract with Montana State University, Bozeman, Montana, for a research project entitled "Effect of Selective Replacement of Coal Surface Mine Overburden Strata on Soil and Hydrology Relationships" (with accompanying papers); to the Committee on Interior and Insular Affairs.

REPORTS ON ADMINISTRATION OF THE FREEDOM OF INFORMATION ACT

A letter from the Comptroller, International Boundary and Water Commission, United States and Mexico, transmitting, pursuant to law, a report on the administration of the Freedom of Information Act (with an accompanying report); to the Committee on the Judiciary.

A letter from the Director, Community Services Administration, transmitting, pursuant to law, a report on the administration of the Freedom of Information Act (with an accompanying report); to the Committee on the Judiciary.

A letter from the Secretary of Transportation, transmitting, pursuant to law, a report on the administration of the Freedom of Information Act (with an accompanying report); to the Committee on the Judiciary.

Report of the Civil Air Patrol

A letter from the Executive Director, Civil Air Patrol, transmitting, pursuant to law, a report on the Civil Air Patrol for calendar year 1975 (with an accompanying report); to the Committee on the Judiciary.

Report of the National Commission on Water Quality

A letter from the Chairman, National Commission on Water Quality, transmitting, pursuant to law, a report of the National Commission on Water Quality (with an accompanying report); to the Committee on Public Works.

PRESENTATION OF A PETITION

Mr. **HOLLINGS.** Mr. President, on March 16, 1976, the General Assembly of South Carolina adopted a concurrent resolution relating to loan repayments to the Commodity Credit Corporation of the Department of Agriculture.

Specifically, the resolution asks the Congress and the Secretary of Agriculture to extend the date for the repayment of such loans on nonperishable commodities in storage to such time as these commodities can be disposed of at a price exceeding production costs.

Because this concurrent resolution addresses an acutely important problem facing farmers not only in South Carolina but across the Nation, I am joining with my distinguished colleague from South Carolina, Senator Thurmond, in submitting it, and I ask unanimous consent that it be printed in the Record.

The **ACTING PRESIDENT** pro tempore. Without objection, it is so ordered.

The concurrent resolution, which was referred to the Committee on Agriculture and Forestry, reads as follows:

A Concurrent Resolution Memorializing the Congress of the United States and the Secretary of Agriculture to Direct the Commodity Credit Corporation to Extend the Date for Repayment of Loans on Nonoperishable Commodities in Storage Under the Government Loan Program to Such Time as Such Nonperishable Commodities Can Be Disposed of at a Price Exceeding Production Costs

Whereas, the farmers of this State find that from time to time nonperishable crops cannot be marketed at a price which will result in a profit and that it is necessary for some or all of the crops to be stored and for short-term loans to be obtained from the Commodity Credit Corporation; and

Whereas, the farmers of the State have continuing economic problems which result in low market prices which are far below the production cost incurred in producing certain commodities.

Now, therefore, be it resolved by the House of Representatives, the Senate concurring:

That the Congress of the United States and the Secretary of Agriculture are hereby memorialized to direct the Commodity Credit Corporation to extend the date for repayment of loans on nonperishable commodities in storage under the government loan program to such time as such nonperishable commodities can be sold at a price exceeding production costs.

Be it further resolved that copies of this resolution be sent to the Secretary of Agriculture and each member of the United States Congress representing South Carolina.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

DEVELOPMENT OF CERTAIN NATIONAL PETROLEUM RESERVES—CONFERENCE REPORT (REPT. NO. 94–708)

Mr. **CANNON.** Mr. President, I submit a report of conference on the disagreeing votes of the two Houses on the bill (H.R. 49) to authorize the Secretary of the Interior to establish on certain public lands of the U.S. national petroleum reserves the development of which needs to be regulated in a manner consistent with the total energy needs of the Nation, and for other purposes, and I ask unanimous consent that the report be printed as a Senate document.

The **ACTING PRESIDENT** pro tempore. Without objection, it is so ordered.

EXECUTIVE REPORTS OF COMMITTEES

As in executive session, the following executive reports of committees were submitted:

By Mr. MOSS, from the Committee on Commerce:

Diana Lady Dougan, of Utah, to be a member of the Board of Directors of the Corporation for Public Broadcasting.

(The above nomination was reported with the recommendation that it be confirmed, subject to the nominee's commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

By Mr. SPARKMAN, from the Committee on Foreign Relations:

Frederick Irving, of Rhode Island, to be an Assistant Secretary of State for Oceans and International Environmental and Scientific Affairs.

(The above nomination was reported with the recommendation that it be confirmed, subject to the nominee's commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

Mr. **SPARKMAN.** Mr. President, as in executive session, I report favorably from the Committee on Foreign Relations sundry nominations in the Foreign Service which have previously appeared in the Congressional Record and, to save the expense of printing them on the Executive Calendar, I ask unanimous consent that they lie on the Secretary's desk for the information of Senators.

The **ACTING PRESIDENT** pro tempore. Without objection, it is so ordered.

(The nominations ordered to lie on the Secretary's desk were printed in the Congressional Record of March 1, 1976, at the end of the Senate proceedings.)

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first time and, by unanimous consent, the second time, and referred as indicated:

By Mr. BARTLETT:

S. 3191. A bill to establish a Department of Education. Referred to the Committee on Government Operations.

By Mr. ROBERT C. BYRD (for Mr. Hartke):

S. 3192. A bill to reaffirm the intent of Congress with respect to the structure of the common carrier telecommunications industry rendering services in interstate and foreign commerce; to reaffirm the authority of the States to regulate terminal and station equipment used for telephone exchange service; to require the Federal Communications Commission to make certain findings in connection with Commission actions authorizing specialized carriers; and for other purposes. Referred to the Committee on Commerce.

By Mr. BAKER (for Mr. Brock):

S. 3193. A bill to stimulate the purchase of new and existing housing, to assure the steady flow of capital into the mortgage market, and for other purposes. Referred to the Committee on Banking, Housing and Urban Affairs.

By Mr. WILLIAMS:

S. 3194. A bill to amend section 241 of the National Housing Act to provide supplemental loans for hospitals. Referred to the Committee on Banking, Housing and Urban Affairs.

By Mr. MAGNUSON (for himself and Mr. Pearson) (by request):

S. 3195. A bill to extend provision of title XIV of the Public Health Service Act for 1¼ years. Referred to the Committee on Commerce.

By Mr. DOMENICI:

S. 3196. A bill for the relief of the survivors of Doctor Beryl Blue Spruce. Referred to the Committee on Post Office and Civil Service.

By Mr. KENNEDY (for himself, Mr. Nelson, Mr. Mathias, Mr. Hugh Scott, Mr. McClellan, Mr. Hruska, Mr. Bayh, and Mr. Robert C. Byrd):

S. 3197. A bill to amend title 18, United States Code, to authorize applications for a court order approving the use of electronic surveillance to obtain foreign intelligence information. Referred to the Committee on the Judiciary.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. BARTLETT:

S. 3191. A bill to establish a Department of Education. Referred to the Committee on Government Operations.

DEPARTMENT OF EDUCATION ACT

Mr. **BARTLETT.** Mr. President, the Federal Government is a major source of financial and technical assistance to the Nation's schools and colleges. Today I introduce legislation which provides for a significant administrative change in the delivery of this assistance. Currently Federal assistance is provided chiefly through the Office of Education, a major component of the Education Division of the Department of Health, Education, and Welfare. The Office of Education has a staff of approximately 3,000 employees, and a budget of more than $7 billion. It administers more than 100 programs, most of them operated through State and local education agencies. These programs affect students in virtually all of the Nation's 16,000 school districts, 3,000 universities and 2- and 4-year colleges, and 10,000 occupational schools.

The major goals of the Office of Education include:

To equalize the opportunity for education for all individuals and groups who are at a disadvantage because of economic, racial, or geographic conditions or physical or mental handicaps.

To improve the quality and relevance of American education, primarily through research, development, experimentation, demonstration, dissemination, and training.

To provide financial and technical support to libraries, State and local education agencies, developing institutions of higher education, and adult and vocational education.

Five bureaus, several staff offices and staffs attached directly to the office of the Commissioner, and 10 regional offices work toward meeting these goals. I am sure that when one reviews the history of the Office of Education he cannot help but be impressed with the growth and scope of operation of the agency since its inception and the tremendous progress it has made to date in fulfilling its mission.

However, I believe that vast improvement can yet be made if the agency charged with the responsibility for carrying out this mission were given Cabinet-level status and charged with the responsibility for administering all programs under the jurisdiction of the Department of Health, Education, and Welfare directly related to education, as well as certain other education programs now administered by other departments and agencies. Certainly the credentials of this most important agency more than qualifies it to undertake this awesome responsibility, and the importance of its mission is more than worthy of Cabinet-level status.

I am, therefore, introducing legislation to accomplish this objective. I am aware that the DHEW has historically opposed this type of legislation, citing as its reasons the opinion that a vast majority of the concerns of the Agency such as poverty, drug abuse, alcoholism, child development, rehabilitation, or the handicapped, are not exclusively an education problem, or a welfare problem, but involves aspects of each of these areas. It is their feeling that the creation of a separate department to administer education programs would isolate them from related programs which deal with human problems, programs with which they must necessarily remain closely linked. Further, they feel such a change would result in a fragmented approach to problems bearing on the conditions of the family and the individual and the results therefrom would also be fragmented.

As Governor of Oklahoma during that latter 4 years of the sixties, I opposed the creation of a separate Department of Education. However, my experience in working with the Secretaries and other officials of HEW has shown me unequivocally that the Department is too large and complicated to be efficiently run by one man. It is my opinion that HEW is presently unmanageable and that, through the inadequacies of the present or recent Secretaries, the Department of HEW runs the Secretary and not the Secretary runs the Department.

I disagree with this opinion and feel very strongly that on the contrary a separate agency specifically charged with the responsibility for carrying out Federal policy with regard to education can only result in further improvement of the education system of this Nation. Unlike the present situation where the Department charged with implementing the Federal education programs is also charged with carrying out health and welfare programs as well, the Department I propose would be able to devote its full attention and resources to achieving a Federal education program of the highest quality, and would still be able to work with the Health and Welfare Department in achieving this goal. Further a consolidation of the major Federal programs and responsibilities affecting education, I believe, is most desirable and long overdue. A consolidated education effort would afford the Federal Government a greater opportunity to achieve a vital national objective of highest priority—the education of our youth.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 3191

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Department of Education Act".

DECLARATION OF PURPOSE

SEC. 2. (a) The Congress hereby declares that the national interest requires (1) that adequate recognition be given to the fundamental importance to our society of education and training in its broadest aspect and to the importance within the Federal structure of the agency charged with the responsibility of carrying out Federal policy in education; and (2) that Federal programs designed to provide financial support for education at all levels be coordinated and administered in such a way as to eliminate duplication of effort and conflicting policies and procedures.

(b) The Congress further finds and declares that these vital objectives cannot be acheived so long as major Federal programs and responsibilities in this field are fragmented among several agencies and departments and their administration relegated to relatively minor levels within the executive branch, and that it is therefore necessary and desirable to establish a new department to carry out the major Federal programs affecting education.

ESTABLISHMENT OF DEPARTMENT

SEC. 3. (a) There is hereby established at the seat of government an executive department to be known as the Department of Education. There shall be at the head of the Department a Secretary of Education, who shall be appointed by the President, by and with the advice and consent of the Senate.

(b) There shall be in the Department a Deputy Secretary, who shall be appointed by the President, by and with the advice and consent of the Senate. The Deputy Secretary (or, during the absence or disability of the Deputy Secretary, or in the event of a vacancy in the office of the Deputy Secretary, an Assistant Secretary or the General Counsel, determined according to such order as the Secretary shall prescribe) shall act for, and exercise the powers of the Secretary, during the absence or disability of the Secretary or in the event of a vacancy in the office of the Secretary. The Deputy Secretary shall perform such functions, powers, and duties as the Secretary shall prescribe from time to time.

(c) There shall be in the Department four Assistant Secretaries and a General Counsel, who shall be appointed by the President, by and with the advice and consent of the Senate, and who shall perform such functions, powers, and duties as the Secretary shall prescribe from time to time.

TRANSFERS TO DEPARTMENTS

SEC. 4. (a) There are hereby transferred to the Secretary all functions of the Office of Education and of the Commissioner of Education and other officers and offices of the Office of Education.

(b) There are hereby transferred to the Secretary all functions of the Director of the Office of Economic Opportunity, and of the other officers and offices of such Office (including functions delegated or carried on outside of such Office) under the following provisions of the Economic Opportunity Act of 1964:

(1) Sections 222(a) (1), 222(a) (2), 222(a) (5), and 222(a) (10) (relating to assistance for Head Start, Follow Through, and Upward Bound programs not conducted by community action agencies, and to an "Environmental Action" program).

(c) There are hereby transferred to the Secretary all functions of the Secretary of Health, Education, and Welfare—

(1) under the following laws and provisions of law (relating generally to education):

(A) Section 653 of the Education of the Handicapped Act.

(B) Section 211 of the Appalachian Regional Development Act of 1965 (relating to vocational education facilities in the Appalachian region).

(C) The International Education Act of 1966.

(D) Title VI and section 1001(d) of the National Defense Education Act of 1958 (relating to language development programs and consultation with other Federal agencies).

(E) Section 403 of the General Education Provisions Act (relating to supervision of Office of Education).

(F) Sections 427(a) (2) (D) and 427(b) of the Higher Education Act of 1965 (relating to interest rate on certain student loans).

(G) The Act of July 2, 1862 (7 U.S.C. 301 et seq.), and the Act of August 30, 1890 (7 U.S.C. 321 et seq.), relating to land-grant colleges.

(H) Part B of the General Education Provisions Act (relating to advance funding).

(I) Part B of title X of the Higher Education Act of 1965 (relating to improvement of postsecondary education).

(J) Section 706 of the Emergency School Aid Act (relating to waivers of ineligibility).

(K) The Juvenile Delinquency Prevention Act.

(2) under the following laws and provisions of law (relating to Howard University, Gallaudet College, and Model Secondary School for the Deaf):

(A) The Act of March 3, 1893 (20 U.S.C. 121; 27 Stat. 595), the Act of July 1, 1898 (20 U.S.C. 121; 30 Stat. 624), and the Act of March 3, 1899, chapter 424 (20 U.S.C. 122; 30 Stat. 1101), insofar as such Acts relate to Howard University.

(B) Section 441 of the Revised Statutes (D.C. Code, sec. 31–1022).

(C) The Act of June 18, 1954 (D.C. Code, sec. 31–1025 et seq.).

(D) The Model Secondary School for the Deaf Act (D.C. Code, sec. 31–1051 et seq.)

(3) under the following provisions of law (relating to appointment and compensation of advisory committees):

(A) The Cooperative Research Act (20 U.S.C. 331 et seq.).

(B) Sections 309, 541, 604, 708, and 906 of the Elementary and Secondary Education Act of 1965.

(C) Section 761 of the National Defense Education Act of 1958.

(D) Sections 110, 205, and 303 of the Higher Education Act of 1965.

(E) Section 716 of the Emergency School Aid Act.

(F) Sections 104(a)(2)(B) and 104(a)(5) of the Vocational Education Act of 1963.

(G) Section 310 of the Adult Education Act.

(d) There are hereby transferred to the Secretary all functions of the Assistant Secretary for Education.

(e) There are hereby transferred to the Secretary all functions of—

(1) the Secretary of Defense and the Secretaries of the military departments under (A) the Defense Department Overseas Teachers Pay and Personnel Practices Act, and (B) section 606(a) of the Department of Defense Appropriation Act, 1968, or any comparable provision of subsequent appropriation Acts; and

(2) the Secretary of the Navy under section 7204 of title 10, United States Code (relating to schools for dependents of members of the naval service).

(f) Within one hundred and eighty days of the effective date of this Act the President may transfer to the Secretary any function not transferred to the Secretary by the preceding subsections of this section, if the Director of the Office of Management and Budget determines such function relates primarily to functions transferred by such subsections to the Secretary.

REDESIGNATION OF DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

SEC. 5. (a) The Department of Health, Education, and Welfare, the Secretary of Health, Education, and Welfare, the Under Secretary of Health, Education, and Welfare, the Assistant Secretaries of Health, Education, and Welfare, the General Counsel of the Department of Health, Education, and Welfare, and the Assistant Secretary of Health, Education, and Welfare for Administration shall on and after the effective date of this Act be known and designated as the Department of Health and Welfare, the Secretary of Health and Welfare, the Under Secretary of Health and Welfare, the Assistant Secretaries of Health and Welfare, the General Counsel of the Department of Health and Welfare, and the Assistant Secretary of Health and Welfare for Administration, respectively.

(b) Any reference in a law, regulation, document, or record of the United States to the Department of Health, Education, and Welfare or an office the title of which is redesignated by subsection (a) of this section shall be held and considered to be a reference to the Department of Health and Welfare or to such office as so redesignated.

ADMINISTRATIVE PROVISIONS

SEC. 6. (a) In addition to the authority contained in any other Act which is transferred to the Secretary, the Secretary is authorized, subject to the civil service and classification laws, to select, appoint, employ, and fix the compensation of such officers and employees, including investigators, attorneys, and hearing examiners, as are necessary to carry out his functions and to prescribe their authority and duties.

(b) The Secretary may obtain services as authorized by section 3109 of title 5, United States Code, but at rates not to exceed $100 per diem for individuals unless otherwise specified in an appropriation Act.

(c) The Secretary may, in addition to the authority to delegate and redelegate contained in any other Act in the exercise of the functions transferred to the Secretary in this Act, delegate any of his functions to such officers and employees of the Department as he may designate, may authorize such successive redelegations of such functions as he may deem desirable, and may make such rules and regulations as may be necessary to carry out his functions.

(d) The personnel, assets, liabilities, contracts, property, records, authorizations, allocations, and other funds employed, held, used, arising from, available or to be made available, of the Office of Education, and of the Commissioner of Education and other officers and offices thereof, are hereby transferred to the Secretary.

(e) So much of the positions, personnel, assets, liabilities, contracts, property records, authorizations, allocations, and other funds, employed, held, used, arising from, available or to be made available in connection with the functions transferred by section 4 (except section 4(a)) of this Act as the Director of the Office of Management and Budget shall determine shall be transferred to the Secretary. Except as provided in subsection (f) personnel engaged in functions transferred under this Act shall be transferred in accordance with applicable laws and regulations relating to transfer of functions.

(f) The transfer of personnel pursuant to subsections (d) and (e) of this section shall be without reduction in classification or compensation for one year after such transfer.

(g) In any case where all of the functions of any office or agency are transferred pursuant to this Act, such office or agency shall lapse.

(h) The Secretary is authorized to establish a working capital fund, to be available without fiscal year limitation, for expenses necessary for the maintenance and operation of such common administrative services as he shall find to be desirable in the interest of economy and efficiency in the Department, including such services as a central supply service for stationery and other supplies and equipment for which adequate stocks may be maintained to meet in whole or in part the requirements of the Department and its agencies; central messenger, mail, telephone, and other communications services; office space, central services for document reproduction, and for graphics and visual aids; and a central library service. The capital of the fund shall consist of any appropriations made for the purpose of providing capital (which appropriations are hereby authorized) and the fair and reasonable value of such stocks of supplies, equipment, and other assets and inventories on order as the Secretary may transfer to the fund, less the related liabilities and unpaid obligations. Such fund shall be reimbursed in advance from available funds of agencies and offices in the Department, or from other sources, for supplies and services at rates which will approximate the expense of operation, including the accrual of annual leave and the depreciation of equipment. The fund shall also be credited with receipts from sale or exchange of property and receipts in payment for loss or damage to property owned by the fund. There shall be covered into the United States Treasury as miscellaneous receipts any surplus found in the fund (all assets, liabilities, and prior losses considered) above the amounts transferred or appropriated to establish and maintain such fund.

(i) The Secretary may approve a seal of office for the Department, and judicial notice shall be taken of such seal.

(j) In addition to the authority contained in any other Act which is transferred to and vested in the Secretary, as necessary, and when not otherwise available, the Secretary is authorized to provide for, construct, or maintain the following for employees and their dependents stationed at remote localities:

(1) Emergency medical services and supplies;

(2) Food and other subsistence supplies;

(3) Messing facilities;

(4) Motion picture equipment and film for recreation and training; and

(5) Living and working quarters and facilities.

The furnishing of medical treatment under paragraph (1) and the furnishing of services and supplies under paragraphs (2) and (3) of this subsection shall be at prices reflecting reasonable value as determined by the Secretary, and the proceeds therefrom shall be credited to the appropriation from which the expenditure was made.

(k)(1) The Secretary is authorized to accept, hold, administer, and utilize gifts and bequests of property, both real and personal, for the purpose of aiding or facilitating the work of the Department. Gifts and bequests of money and the proceeds from sales of other property received as gifts or bequests shall be deposited in the Treasury in a separate fund and shall be disbursed upon order of the Secretary.

(2) Upon the request of the Secretary, the Secretary of the Treasury may invest and reinvest in securities of the United States or in securities guaranteed as to principal and interest by the United States any moneys contained in the fund provided for in paragraph (1). Income accruing from such securities, and from any other property held by the Secretary pursuant to paragraph (1), shall be deposited to the credit of the fund, and shall be disbursed upon order of the Secretary.

(l) The Secretary is authorized to appoint, without regard to the civil service laws, such advisory committees as may be appropriate for the purpose of consultation with and advice to the Department in performance of its functions. Members of such committees, other than those regularly employed by the Federal Government, while attending meetings of such committees or otherwise serving at the request of the Secretary, may be paid compensation at rates not exceeding those authorized for individuals under subsection (b) of this section, and while so serving away from their homes or regular places of business, may be allowed travel expenses, including per diem in lieu of subsistence, as authorized by section 5703 of title 5, United States Code, for persons in the Government service employed intermittently.

(m)(1) The Secretary is authorized to enter into contracts with educational institutions, public or private agencies or organizations, or individuals for the conduct of research into any aspect of the problems related to the programs of the Department which are authorized by statute.

(2) The Secretary may from time to time disseminate in the form of reports or publications to public or private agencies or organizations, or individuals such information as he deems pertinent on the research carried out pursuant to this subsection.

(3) Nothing contained in this subsection is intended to amend, modify, or repeal any provisions of law administered by the Department which authorize the making of contracts for research.

AMENDMENTS TO OTHER LAWS

SEC. 7. (a) Section 19(d)(1) of title 3, United States Code, is hereby amended by striking out: "Secretary of Health, Education, and Welfare" and inserting in lieu thereof "Secretary of Health and Welfare", and by inserting before the period at the end thereof the following: ", Secretary of Education".

(b) Section 101 of title 5 of the United States Code is amended by striking out ", Education," in the antipenultimate paragraph, and by inserting below the last paragraph the following:

"The Department of Education".

(c) Subchapter II (relating to Executive Schedule pay rates) of chapter 53 of title 5 of the United States Code is amended as follows:

(1) Section 5312 is amended by striking out ", Education," in the paragraph (10), and by adding below paragraph (12) the following:

"(13) Secretary of Education.".

(2) Section 5314 is amended by striking out ", Education," in paragraph (7) and by adding below paragraph (59) the following:

"(60) Deputy Secretary of Education.".

(3) Section 5315 is amended by striking out ", Education," in paragraphs (17), (41), and (97), and by adding after paragraph (97) the following:

"(98) General Counsel, Department of Education.

"(99) Assistant Secretaries of Education (4).".

(4) Section 5316 is amended by striking out "Education," in paragraphs (24), (43), (52), (53), and (95).

(5) Section 5317 is amended by striking out "thirty-four" and inserting in lieu thereof "thirty-six".

(d) Sections 5315 (41) and (88) of title 5, United States Code, are repealed.

(e) Section 106(a) of the International Education Act of 1966 is amended by striking out "Department of Health, Education, and Welfare" and inserting in lieu thereof "Department of Education", and by striking out "the Assistant Secretary of Health, Education, and Welfare for Education" and inserting in lieu thereof "an Assistant Secretary of Education".

(f) Section 502(1) of the Economic Opportunity Act of 1964 is amended by striking out "basic education,".

(g) Section 431 of the General Education Provisions Act and section 141 (c) (4) of the Education Amendments of 1972 are each amended by striking out "Department of Health, Education, and Welfare" and inserting in lieu thereof "Department of Education".

(h) Section 442(b) (3) of the Indian Education Act is amended by striking out "Department of Health, Education, and Welfare" and inserting in lieu thereof "Department of Health and Welfare or of the Department of Education.".

ANNUAL REPORT

Sec. 8. The Secretary shall, as soon as practicable after the end of each fiscal year, make a report in writing to the President for submission to the Congress on the activities of the Department during the preceding fiscal year.

SAVINGS PROVISIONS

Sec. 9. (a) All orders, determinations, rules, regulations, permits, contracts, certificates, licenses, and privileges—

(1) which have been issued, made, granted, or allowed to become effective—

(A) under any provision of law amended by this Act, or

(B) in the exercise of duties, powers, or functions which are transferred under this Act,

by (i) any department or agency, any functions of which are transferred by this Act, or (ii) any court of competent jurisdiction, and

(2) which are in effect at the time this Act takes effect,

shall continue in effect according to their terms until modified, terminated, superseded, set aside, or repealed by the Secretary, by any court of competent jurisdiction, or by operation of law.

(b) The provisions of this Act shall not affect any proceedings pending at the time this section takes effect before any department or agency (or component thereof), functions of which are transferred by this Act; but such proceedings, to the extent that they relate to functions so transferred, shall be continued before the Department. Such proceedings, to the extent they do not relate to functions so transferred, shall be continued before the department or agency before which they were pending at the time of such transfer. In either case orders shall be issued in such proceedings, appeals shall be taken therefrom, and payments shall be made pursuant to such orders, as if this Act had not been enacted; and orders issued in any such proceedings shall continue in effect until modified, terminated, superseded, or repealed by the Secretary, by a court of competent jurisdiction, or by operation of law.

(c) (1) Except as provided in paragraph (2)—

(A) the provisions of this Act shall not affect suits commended prior to the date this section takes effect, and

(B) in all such suits proceedings shall be had, appeals taken, and judgments rendered, in the same manner and effect as if this Act had not been enacted.

No suit, action, or other proceeding commenced by or against any officer in his official capacity as an officer of any department or agency, functions of which are transferred by this Act, shall abate by reason of the enactment of this Act. No cause of action by or against any department or agency, functions of which are transferred by this Act, or by or against any officer thereof in his official capacity shall abate by reason of the enactment of this Act. Causes of actions, suits, actions, or other proceedings may be asserted by or against the United States or such official of the Department as may be appropriate and, in any litigation pending when this section takes effect, the court may at any time, on its own motion or that of any party, enter an order which will give effect to the provisions of this subsection.

(2) If before the date on which this Act takes effect, any department or agency, or officer thereof in his official capacity, is a party to a suit, and under this Act—

(A) such department or agency is transferred to the Secretary, or

(B) any function of such department, agency, or officer is transferred to the Secretary,

then such suit shall be continued by the Secretary (except in the case of a suit not involving functions transferred to the Secretary, in which case the suit shall be continued by the department, agency, or officer which was a party to the suit prior to the effective date of this Act).

(d) With respect to any function, power, or duty transferred by this Act and exercised after the effective date of this Act, reference in any other Federal law to any department or agency, officer or office so transferred or functions of which are so transferred shall be deemed to mean the officer or agency in which this Act vests such function after such transfer.

(e) Orders and actions of the Secretary in the exercise of funtcions transferred under this Act shall be subject to judicial review to the same extent and in the same manner as if such orders and actions had been by the department or agency exercising such functions, immediately preceding their transfer. Any statutory requirements relating to notice, hearings, action upon the record, or administrative review that apply to any function transferred by this Act shall apply to the exercise of such function by the Secretary.

(f) In the exercise of the functions transferred under this Act, the Secretary shall have the same authority as that vested in the department or agency exercising such functions immediately preceding their transfer, and his actions in exercising such functions shall have the same force and effort as when exercised by such department or agency.

CODIFICATION

Sec. 10. The Secretary is directed to submit to the Congress within two years from the effective date of this Act a proposed codification of all laws which contain functions transferred to the Secretary by this Act.

DEFINITIONS

Sec. 11. For purposes of this Act:

(1) The term "Department" means Department of Education.

(2) The term "Secretary" means Secretary of Education.

(3) The term "function" includes power and duty.

EFFECTIVE DATE; INITIAL APPOINTMENT OF OFFICERS

Sec. 12. (a) This Act shall take effect ninety days after the enactment of this Act, or on such prior date after enactment of this Act as the President shall prescribe and publish in the Federal Register.

(b) Any of the officers provided for in this Act may (notwithstanding subsection (a)) be appointed in the manner provided for in this Act, at any time after the date of enactment of this Act. Such officers shall be compensated from the date they first take office, at the rates provided for in this Act. Such compensation and related expenses of their offices shall be paid from funds available for the functions to be transferred to the Department pursuant to this Act.

By Mr. ROBERT C. BYRD (for Mr. Hartke):

S. 3192. A bill to reaffirm the intent of Congress with respect to the structure of the common carrier telecommunications industry rendering services in interstate and foreign commerce; to reaffirm the authority of the States to regulate terminal and station equipment used for telephone exchange service; to require the Federal Communications Commission to make certain findings in connection with Commission actions authorizing specialized carriers; and for other purposes. Referred to the Committee on Commerce.

CONSUMER COMMUNICATIONS REFORM ACT OF 1976

Mr. ROBERT C. BYRD. Mr. President, I introduce and send to the desk, for the Senator from Indiana (Mr. Hartke), a bill entitled the "Consumer Communications Reform Act of 1976."

I ask unanimous consent that a statement by Senator Hartke and the bill be printed in the Record.

There being no objection, the statement and bill were ordered to be printed in the Record, as follows:

Statement by Senator Hartke

I am today introducing a bill entitled The Consumer Communications Reform Act of 1976. During the course of the past several years, I have become increasingly concerned with the trend of some regulatory bodies to establish their own national policy as opposed to implementing the national policy as determined by the Congress. This incursion on Congressional prerogative is most pronounced when one reviews actions taken by the Federal Communications Commission over the past eight years.

The Congress delineated national policy in the telecommunications field when it enacted the Communications Act of 1934: the availability of telephone service to virtually every individual in the nation. This concept is predicated upon a rate structure in which prices for business services and long distance services underwrite a substantial portion of the cost of individual telephone service. Universality of service is encouraged by making basic telephone service available to everyone regardless of geographic location and economic status.

The FCC, however, on its own initiative, and without regard to the prerogative of Congress, has proceeded to change this basic concept by a number of decisions in the past several years. The policies being pursued by the FCC would result in lower rates for some big business users and higher rates for the individual telephone consumer. I am opposed to such trends.

Analogies can be drawn from these trends with those which developed over a period of years with the railroads. It is my hope that through this legislation we can prevent from occurring a situation such as that sought to be remedied by the Rail Service Act of 1975.

I have also expressed my concern over a similar trend in inter-city parcel delivery. If full competition is to be the order of the day, parcel delivery between high volume, large metropolitan areas such as New York and Chicago will be at a very low cost, but virtually nonexistent between, say, Pierre, South Dakota, and Beanblossom, Indiana, because of prohibitive costs. I happen to believe that mail service at reasonable cost should be available to all Americans, whether they live in the cities or the rural areas, and not simply big business users in our large metropolitan areas.

A similar problem may exist in opening the air lines to full competition, as some propose. If full competition is to be the order and service under regulation passed, the result will be less service for most Americans and more service at a reduced price for some big business users.

As my colleague, Senator Humphrey, observed recently, the regulated air carriers who now must serve both the lucrative high volume routes and the little towns as well, "don't make any money by going into those little towns." The point is, of course, that if full and open competition is the order, no one in fact will choose to serve the small towns. Under regulation, however, as Senator Humphrey stated, serving small towns and communities is a "part of a service. It's like Rural Delivery Service. We've got a lot of city slickers that don't think farmers ought to get their mail either."

This problem, as related to the universal availability of telephone service, was recognized by the American Farm Bureau Federation at its 57th annual meeting held in January of this year, at which the following resolution was adopted. "We support the goal of attaining an efficient interstate telephone system that will provide telephone service to rural consumers at reasonable cost. We oppose policies which erode those revenues that traditionally have contributed to maintaining service at reasonable rates over the entire telephone network."

The principles enunciated in this resolution are embodied in the bill that I am introducing today.

The series of FCC decisions which I have earlier criticized in these remarks fall basically into two categories. First are those decisions which allow the interconnection with the telephone network of customer-provided terminal and station equipment. Originally, such interconnections were of a limited variety. More recent decisions have broadened this practice so that serious questions have now developed concerning the capacity of the telephone common carriers to preserve and manage the technical integrity and efficiency of the network, which is an important national asset. The FCC only last week continued to broaden such decisions despite continuing objections by the National Association of Regulatory Utility Commissioners, an organization principally of state regulators. The state regulators are concerned with the additional cost that will be borne by the individual telephone consumers in their respective states in implementing these decisions.

A second series of decisions has authorized new so-called specialized common carriers to provide private line inter-city services. An examination of services provided by these specialized carriers raises doubt as to whether the services are new and different. In fact, there seems to be a substantial basis for concern that the specialized carriers are providing services nearly identical to and which merely duplicate those provided by the telephone common carriers, but limiting these services to profitable high volume inter-city routes.

In earlier years the telephone common carriers, with the aid and approval of both state and federal regulators, evolved a rate structure in which the revenues from various service categories, such as inter-city and optional services and equipment, are used to make substantial contributions to cover common costs and overhead, thereby permitting rates for basic local telephone service to be lower than would otherwise be the case. The loss of inter-city markets to competitors who can offer reduced prices, since they do not have to serve the entire public, would severely curtail the amounts available for contributions, making the cost of all local service and some long distance services, and most especially in small towns and rural areas, increase materially. This "cream skimming" is not in the public interest. It is, in an economic sense, an allocation of markets by the FCC to protected entrants.

The public policy goal enunciated by Congress in the Communications Act of 1934, ". . . to make available, so far as possible, to all the people of the United States, a rapid, efficient, Nation-wide and world-wide wire and radio communications service with adequate facilities at reasonable charges . . ." has been largely met by the existing common carriers.

Serious and well founded questions have been raised which bring the wisdom of the FCC decisions I have described into grave doubt. The consequences of wrong decisions in this area could be very detrimental to the American public. If there are inequities in the present price structure, for various services, these problems can be addressed by the FCC and appropriate changes made without destroying the concept upon which universal service is predicated which will result if present FCC policies are continued. It is incumbent upon the Congress to do all in its power to prevent the deterioration of telecommunications service in this country to all Americans, caused by an ill conceived plan which is not economically sound, and which if it benefits anyone at all, will only benefit some large business users.

The bill that I am introducing today reaffirms the prerogative of Congress to enunciate the telecommunications policy of this nation. This legislation is certainly not intended to be the definitive solution to the problem I have outlined. It is my intention, however, that it serve as a vehicle for a much needed study by Congress of telecommunications regulatory policy. The Congress must and should act now to see that the interest of all the American public, rather than that of a few large businesses, is served. The questions involved, and the possibly disastrous results of wrong answers, are too great for Congress to ignore or to leave to one of its agencies.

S. 3192

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Consumer Communications Reform Act of 1976".

CONGRESSIONAL FINDINGS AND DECLARATION OF PURPOSE

SEC. 2. The Congress finds and declares that—

(a) The revenues from integrated interstate and foreign common carrier telecommunications services, based on charges reflecting both costs and value of service, have contributed toward meeting the costs of facilities used in common for providing such interstate and foreign services and local telephone exchange service throughout the United States, and thereby helped maintain a level of charges for telephone exchange service which is lower than otherwise would be required.

(b) The technical integrity of the nationwide telecommunications system, its coordinated planning, design, installation, improvement, management, operation and maintenance are indispensable elements in the interstate telecommunications network necessary both to the reasonableness of charges and to the high quality and universality of common carrier telecommunications service, and accordingly Congress hereby reaffirms its policy that the integrated interstate telecommunications network shall be structured so as to assure widely available, high quality telecommunications services to all of the nation's telecommunications users.

(c) The authorization of lines, facilities, or services of specialized carriers which duplicate the lines, facilities or services of other telecommunications common carriers—

(1) involves higher charges for users of telephone exchange service by decreasing the interstate revenues that otherwise would be available for contribution to the common costs of providing telephone services throughout the United States;

(2) fosters inefficiencies in the utilization of national telecommunications resources through the creation of unnecessary and wasteful duplication of telecommunications lines and facilities and wasteful use of the radio spectrum;

(3) significantly impairs the technical integrity, the coordinated planning, design, installation, improvement, management, operation and maintenance of the integrated nationwide telecommunications network; and

(4) has an adverse impact on the national objectives of maintaining stability of consumer price levels, conserving national economic resources, improving productivity, and fostering an economy that will maintain adequate sources and reasonable costs of capital;

and is, therefore, contrary to the public interest.

(d) The Congress reaffirms its intent that the complete authority to regulate terminal and station equipment used for telephone exchange service shall rest with the States even though such terminal and station equipment also may be used in connection with interstate services.

(e) The Congressional findings and declarations of policy set forth herein are necessary to achieve the purposes of the Communications Act of 1934 as specified in Section 1 of that Act; and the Federal Communications Commission shall take no action inconsistent with the findings and declarations in this Act.

CHARGES FOR SERVICE

SEC. 3. Section 201(b) of the Communications Act of 1934, as amended (U.S.C. Title 47, Sec. 201) is amended by adding the following at the end of the first sentence:

"No compensatory charges for or in connection with such communication service may be found to be unjust or unreasonable on the ground that it is too low. The Commission may not hold the charge of a carrier up to a particular level to protect the traffic or revenues from a communication service offered or provided by another carrier if such charge proposed by the carrier is compensatory. As used in this subsection, a charge is compensatory so long as it equals or exceeds the incremental cost of providing the communications service. Such incremental cost is the additional cost caused by the provision of the service including, where appropriate, the capital costs of whatever additional facilities are required to provide the service."

REAFFIRMATION OF STATE JURISDICTION OVER LOCAL TERMINAL AND STATION EQUIPMENT

SEC. 4. Section 2(b) of the Communications Act of 1934, as amended (47 U.S.C., Sec. 152(b)) is further amended by striking "or" at the end of the phrase following "(1)" and substituting therefor the following:

"including but not limited to, the charges, classification, practices, services, facilities, or regulations for or in connection with the use or connection of any station equipment, terminating facilities, exchange plant, and other like instrumentalities and apparatus used in common for both intrastate communication service and interstate or foreign communication service, whether provided by a common carrier or any other person, or".

SEC. 5. Section 3 of the Communications Act of 1934, as amended (U.S.C. Title 47, Sec. 153), is further amended by adding the following new subsection:

"(gg) 'Intrastate communication' means communication or transmission between points in the same State, Territory, or possession of the United States, or in the District of Columbia, including among other things, all station equipment, terminating facilities, exchange plant, and other like instrumentalities and apparatus used for or in connection with telephone exchange service or interexchange service, even though such equipment, facilities, plant, instrumentalities or apparatus are or may be used for or in connection with telephone exchange service or interexchange service, even though such equipment, facilities, plant, instrumentalities or apparatus are or may be used in connection with interstate or foreign communications service. 'Intrastate communication service' means any service which provides intrastate communications."

FINDINGS TO BE INCLUDED IN COMMISSION AUTHORIZATIONS OF SPECIALIZED CARRIERS

SEC. 6. The following new section is added in Title II of the Communications Act of 1934, as amended:

"Sec. 225 (a) As used in this section—

"(1) The term 'telephone common carrier' means any common carrier, the major portion of whose traffic and revenues, in interstate and foreign communication and in intrastate communication, is derived from message telephone services, telephone exchange services, radio-telephone exchange services, or a combination thereof.

"(2) The term 'telegraph common carrier' means any common carrier which provides a public message telegram service in interstate communications.

"(3) The term 'specialized carrier' means any common carrier other than a telephone or telegraph common carrier.

"(4) The term 'message telephone service' means telephone service between stations in different exchange areas whereby telephone facilities are provided to the public for communications between different exchange areas on a message by message basis, contemplating a separate connection for each occasion of use.

"(5) The term 'public message telegram service' means a substantially nationwide telegraph service for the transmission and reception of record matter where the transmission is not directly controlled by the sender and for which a charge is collected on the basis of number of words transmitted and which is available to the public.

"(b) The Commission shall not grant or authorize any construction permit, station license, or certificate, for the construction, acquisition, or operation of any communication or transmission line or facility, or extension thereof, or any modification or renewal thereof, that otherwise might be granted or authorized pursuant to any provision of this Act, to any specialized carrier that furnishes or proposes to furnish interstate communication service unless the Commission shall find, after full opportunity for evidentiary hearing on the record, that such permit, license, or certificate, will not result in increased charges for telephone exchange service or in wasteful or unnecessary duplication of communication lines, facilities, equipment and instrumentalities of any telephone or telegraph common carrier, and will not significantly impair the techical integrity and capacity for unified and coordinated planning, management, design, and operation of the nationwide telephone network. In finding that such grant or authorizations will not result in wasteful or unnecessary duplication, the Commission shall determine, among other things, that the proposed service or services of the specialized carrier, which are the subject of the requested grant or authorization, (i) are not like or similar to any service or services provided by a telephone or telegraph common carrier and (ii) cannot be provided by available communications lines, facilities, equipment, or instrumentalities of a telephone or telegraph common carrier. At any hearing involving a matter under this subsection, the burden of proof to support the requisite findings by the Commission shall be on the applicant for such permit, license or certificate."

By Mr. BAKER (for Mr. BROCK):

S. 3193. A bill to stimulate the purchase of new and existing housing, to assure the steady flow of capital into the mortgage market, and for other purposes. Referred to the Committee on Banking, Housing and Urban Affairs.

HOUSING INCENTIVE INVESTMENT ACT

Mr. BAKER. Mr. President, I introduce and send to the desk a bill, for the Senator from Tennessee (Mr. BROCK), entitled the "Housing Incentive Investment Act."

I ask unanimous consent that a statement by Senator BROCK, the bill, and a section-by-section analysis of the bill be printed in the RECORD.

There being no objection, the statement, bill, and analysis were ordered to be printed in the RECORD, as follows:

INTRODUCTORY REMARKS BY SENATOR BROCK FOR HOUSING INCENTIVE INVESTMENT ACT OF 1976

Today I am introducing the Housing Incentive Investment Act of 1976 to stimulate the purchase of new and existing housing and to assure the steady flow of capital into the mortgage market.

This plan is a step toward a more even and more certain supply of credit for the home mortgage market.

It will help avoid the situation we have seen four times in the last decade when mortgage money was unobtainable to finance the sale—or purchase—of homes.

It will bring greater stability and reduce interest rates for mortgage credit at all points in the business cycle by reducing the premium for inflationary expectations built into interest charges.

It will correct distortions and inequities in the marketplace created by inflation.

The basic problem has been that home mortgage lending institutions have specialized in lending to long term home purchasers the funds raised through short-term time and savings deposits. This, coupled with underestimation of the long term rate of inflation, has resulted in the average return on mortgage portfolios rising more slowly than the market cost of short term funds. Home mortgage lenders have been dependent on regulated interest ceilings on time and savings deposits to moderate this squeeze on their earnings. But when short term market rates of interest rise above these ceilings, savings deposits are diverted from mortgage lenders in what is known as disintermediation.

This situation has not benefitted consumers. The interest rate charged consumer borrowers includes a judgment by the lender of what will be an adequate return in the later years of a loan. In the past decade this inflationary premium has also included an attempt by lenders to recoup their underestimates of the past. This is one way lenders attempt to balance out their portfolios. However, this results in the family who got their loan when the rates were low being subsidized by the family that needs to borrow today in order to buy a home. In addition, the threat of further aggravating mortgage rates in tight money times has prevented lenders from adjusting rates for consumer savers to fully meet competition from other investments. This, in turn, has eroded the volume of funds available to new consumer borrowers.

The Housing Incentive Investment Plan will meet these problems in a number of ways. It will lower the going mortgage interest rate for low and middle income buyers of new and existing homes. Also, the needs of both the lender and borrower will be met by providing a flexible rate contract for the lender while maintaining a fixed monthly payment (for principal and interest) for the borrower. This will allow lenders to compete more competitively for deposits during periods of sharp rises in short term interest rates and therefore, help moderate the violent cyclical swings in mortgage credit availability.

The first objective is to be achieved by providing a differential between the current mortgage market rate is 9 percent and the under this plan. For example, if the current mortgage market rate and the rate available home buyer wishes to purchase a home which requires a mortgage loan of $35,000.00 or less, he would be able to obtain such a loan at an interest rate of 7 percent under the proposal. The monthly payments would not be altered during the time he kept his home and they would continue to reflect the 7 percent mortgage rate received at closing.

The second objective is achieved by providing the market rate to the lender by way of recoverable payments. Referring once more to our example, the lender's return would be 9 percent on the same mortgage just made to the borrower at 7 percent. The 2 percent interest differential would be paid from a GNMA fund set up for this purpose. If interest rates in the mortgage market were to increase to 9¼ percent, then the lender's contract rate would be adjusted up ¼ percent to reflect the market rate increase over the six-month period—but, as mentioned, the borrower would continue at 7 percent. As a result, the payments being made by GNMA to the lender would be 2¼ percent. Similarly, if the interest were to decline to 8¾ percent, the GNMA payments made to the lender would fall to 1¾ of 1 percent.

As an added protection to the homebuyer from exaggerated swings in the interest rate, the Act provides that no single adjustment in the lender's interest rate may exceed ¼ of 1 per cent in a 6 month period nor may the aggregate upward adjustment exceed 2½. To go back to our example, if the lender's rate when the mortgage was executed was 9 per cent, the lender's rate including the advances could not go above 11½.

In sum, this proposal would provide interest assistance to home purchasers in the low and middle income bracket. It also provides the lender with a flexible rate mortgage. Upon the sale of the house, the cost of the extra assistance by the GNMA is repaid by the borrower from the appreciation on his home.

Most importantly, the working man who buys his first home would benefit from the plan. Typically, new family formations start with a low income base with the anticipation of higher future income. The flexibility of the plan will permit these new families to realize early home ownership through lower initial payments and a deferral of the repayment of advances to a later period of higher income.

This plan has a number of advantages over current government housing programs.

First, the inflationary index feature will encourage the flow of capital from private savings into the home mortgage market. This should substantially limit the historical destabilizing swings in mortgage credit availability.

Next, with the repayment feature, there will be minimal Treasury impact from subsidy payments, thus reducing the inflationary effects of many of our existing Government supported housing programs.

Contrast this with existing programs which compound the present problem through government expenditures that increase the inflationary spiral and crowd out capital from the private market. These programs have acted to exacerbate the inflationary and credit cycles by increasing overall government and agency credit demands during tight money periods—often in competition with the deposits of home lending institutions—and raising budgetary deficits during periods when restraint is needed.

The cost advantage of the Housing Incentive Investment Plan over the existing Tandem Federal Home Loan Bank Board borrowing is illustrated by the following charts:

TABLE 1.—COMPARATIVE FEDERAL BORROWING, 1976-85[1]

Year	Mortgage market rate	Brock borrowing plan (1)	Tandem/FHLBB borrowing (2)	Difference (2)—(1) (3)	Accumulated Brock borrowing (4)	Accumulated tandem borrowing (5)	(5)—(4)
1976	9.0	$0.12B	$5.40B	$5.28B	$0.12B	$5.40B	$5.28B
1977	8.5	.20	4.86	4.66	.32	10.26	9.94
1978	9.5	.33	4.34	4.01	.65	14.60	13.95
1979	10.0	.45	4.17	3.72	1.10	18.57	17.47
1980	9.0	.38	3.35	2.97	1.48	22.12	20.64
1981	8.0	$0.22B	$3.19B	$2.97B	$1.70B	$25.31B	$23.61B
1982	8.5	.45	2.87	2.42	2.15	28.18	26.03
1983	9.5	.59	2.58	1.99	2.74	30.76	28.02
1984	9.0	.49	2.23	1.74	3.23	33.09	29.86
1985	10.0	.64	2.09	1.45	3.87	35.18	31.31

[1] For underlying assumptions and estimating procedures—(1) Borrowing and subsidy calculations are based on 200,000 new home loans being provided each year. The average loan size is assumed to be $30,000. The loans are assumed to have a 30-yr maturity. Each year 10 percent of the loans made are assumed to be prepaid. (2) The mortgage interest rates for 1976–85 were randomly chosen based on a pessimistic forecast of high and unstable interest rate fluctuation over the next decade. (3) Tandem plan subsidies were based on a 1 percent below market rate interest assumption. The calculation used involves calculating the discount necessary to equate the market rate and the subsidized rate. The method is detailed in an unpublished paper by George M. von Furstenberg entitled: "The Economics of the $16 Billion Tandem Mortgages Committed in the Current Housing Slump," June 20, 1975. (4) Brock plan loans were estimated based on a 2 percent below market rate, initial mortgage rate and a variable lender's rate for future years. A maximum lender's rate increase of 25 basis points per 6 mo or 50 basis points per year not to exceed 2½ percent was utilized. All calculations were based on average annual mortgage interest rates, loans being in process for the entire year, and a 10 percent per year loan repayment schedule. These assumptions tend to overestimate the loan requirements of the Brock plan.

TABLE 2.—FEDERAL SUBSIDIES, 1976-85[1]

Year	Mortgage market interest rate	Brock subsidy per year (1)	Tandem/FHLBB lending subsidy per year (2)	Difference (col. 2-1) (3)	Accumulated Brock subsidies (4)	Accumulated tandem/FHLBB lending subsidies (5)	Difference (col. 5-4) (6)
1976	9.0	$0M	$255.0M	$255.0M	$0B	$0.26B	$0.26B
1977	8.5	0M	255.0M	255.0M	0B	.51B	.51B
1978	9.5	0M	240.0M	240.0M	0B	.75B	.75B
1979	10.0	0M	240.0M	240.0M	0B	.99B	.99B
1980	9.0	0M	255.0M	255.0M	0B	1.25B	1.25B
1981	8.0	$0M	$255.0M	$255.0M	$0B	$1.50B	$1.50B
1982	8.5	0M	255.0M	255.0M	0B	1.76B	1.76B
1983	9.5	0M	240 0M	240.0M	0B	2.00B	2.00B
1984	9.0	0M	255.0M	255.0M	0B	2.25B	2.25B
1985	10.0	0M	240.0M	240.0M	0B	2.49B	2.49B

[1] For underlying assumptions and estimating procedures—(1) Borrowing and subsidy calculations are based on 200,000 new home loans being provided each year. The average loan size is assumed to be $30,000. The loans are assumed to have a 30-yr maturity. Each year 10 percent of the loans made are assumed to be prepaid. (2) The mortgage interest rates for 1976–85 were randomly chosen based on a pessimistic forecast of high and unstable interest rate fluctuation over the next decade. (3) Tandem plan subsidies were based on a 1 percent below market rate interest assumption. The calculation used involves calculating the discount necessary to equate the market rate and the subsidized rate. The method is detailed in an unpublished paper by George M. von Furstenberg entitled: "The Economics of the $16 Billion Tandem Mortgages Committed in the Current Housing Slump," June 20, 1975. (4) Brock plan loans were estimated based on a 2 percent below market rate, initial mortgage rate and a variable lender's rate for future years. A maximum lender's rate increase of 25 basis points per 6 mo or 50 basis points per year not to exceed 2½ percent was utilized. All calculations were based on average annual mortgage interest rates, loans being in process for the entire year, and a 10 percent per year loan repayment schedule. These assumptions tend to overestimate the loan requirements of the Brock plan.

Table No. 1 compares the federal borrowing involved in each of the programs assuming they had been instituted in the year 1976—for a ten-year period. The basic proposition is that each plan would finance 200,000 homes per year by offering borrowers mortgage loans at a mortgage interest rate 1% less than the existing mortgage rate. These programs are compared using a series of randomly chosen mortgage interest rate variations for the next ten years. These variations were chosen in an attempt to test the two plans during a period of erratic mortgage interest rate movements such as were experienced during the past few years. (See Notes for additional assumptions.)

In each of these years the Tandem/FHLBB Lending Plans would borrow significantly more federal dollars than the Housing Incentive Investment Plan. On a cumulative basis, there is a $31 billion difference in the total number of federal dollars borrowed in each proposal between 1976 and 1985.

As Table No. 2 indicates, the Housing Incentive Investment Plan would involve no federal subsidy while the other plans would require large subsidies. On a cumulative basis, financing two million housing units over the next decade would involve a federal subsidy of nearly $2½ billion under the Tandem/FHLBB Lending Plans. In contrast, the Housing Incentive Investment Plan would involve zero federal subsidy since these loans would be paid back.

Table No. 2 also reveals that an initial $1.0 billion funding of the Housing Incentive Investment Plan would provide 200,000 home mortgage loans each year over the period 1976–82. This equals a seven year total of 1.4 million new units. This assumes that mortgage interest rates average 9 percent over the period. Of course, substantially different mortgage interest rates might alter this conclusion.

The Housing Incentive Investment Act of 1976 offers the best opportunity to enact legislation which will provide the home owner with mortgage money at a reasonable cost without increasing the inflationary spiral. I urge prompt action on this legislation.

S. 3193

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Housing Incentive Investment Act."

SEC. 2. Title III of the National Housing Act is amended by adding at the end thereof the following new section:

"HOUSING INCENTIVE INVESTMENT INTEREST PAYMENTS

"SEC. 314. (a) The Association is authorized to make, and to contract to make, housing incentive investment interest differential payments to lenders with respect to mortgages meeting the requirements of, and approved for the purpose of, this section.

"(b) The Association may not approve a mortgage for assistance under this section unless—

"(1) the mortgage was executed to finance the purchase of a one-to-four-family dwelling which is the principal residence of the purchaser;

"(2) the original principal amount of the mortgage loan was not in excess of $35,000;

"(3) the home purchaser's interest rate on the mortgage secured by the dwelling is fixed at two percentage points less than the market rate on the date of execution of the mortgage, and such rate will be maintained and reflected in the purchaser's monthly payments until the home is sold or otherwise disposed of or is no longer used by the purchaser as his principal residence, but in no case shall the home purchaser's interest rate be less than 6 per centum per annum;

"(4) the lender's interest rate under the mortgage is established and will be adjusted pursuant to subsection (d); and

"(5) the mortgage is accompanied by appropriate instruments whereby the purchaser pledges the repayment of the aggregate amount of payments under this section together with interest thereon at a rate not less than the rate on obligations issued under subsection (f).

"(c)(1) Upon any sale or other disposition of the dwelling or upon termination of use of the dwelling by the purchaser as his principal residence prior to retirement of the first mortgage, the purchaser will be required to repay the amounts advanced under this section out of the proceeds of the sale, which obligation shall constitute a second lien on the dwelling.

"(2) If at the end of the term of the mortgage, the home purchaser is still in possession of the dwelling, he shall be required to make such repayment upon such reasonable terms and conditions as the Association may prescribe.

"(3) If the proceeds of any sale or other disposition are not sufficient to make such repayment, after discharge of any prior liens, the purchaser will be required to make such payments.

"(d) There shall be established for any mortgage approved under this section a lender's interest rate which may not exceed the average yield on mortgages secured by one-to-four family dwellings and insured under title II of this Act or guaranteed under chapter 37 of title 38, United States Code, during the 6 calendar months preceding the date of execution of the mortgage presented for approval under this section. Upon the expiration of 6 months after the date of execution of the mortgage, and upon the expiration of each 6 months thereafter, the lender's interest rate shall be adjusted upward or downward by the Association so that such rate will be equal to the average yield of the mortgages referred to in the preceding sentence during the 6-month period immediately preceding the date of such adjustment, except that (1) no single upward or downward adjustment may exceed ¼ of 1 per centum, and (2) the aggregate upward adjustments may not exceed 2½ percentage points above the initial lender's rate. If at any time, the lender's interest rate, as adjusted, is less than the borrower's interest rate, the difference shall be credited against the amount of prior payments on behalf of the purchaser or refunded to the purchaser.

"(e) The amount of a housing incentive investment interest differential payment shall be equal to the difference between the purchaser's interest rate established under subsection (b)(3) and the lender's interest rate established under subsection (d). Such payments shall be made monthly by the Association out of the fund established under subsection (f).

"(f)(1) There is established in the Treasury a Housing Incentive Investment Interest Fund (hereafter referred to as the 'Fund') which shall be available without fiscal year limitation for the purpose of this section. The Fund shall be credited with—

"(A) such amounts as may be received by payments under subsection (b)(5);

"(B) interest or other receipts on investments of the Fund;

"(C) the proceeds of obligations issued under paragraph (2); and

"(D) receipts from any other source.

"(2) To carry out the purposes of this section, the Association is authorized to issue to the Secretary of the Treasury notes or other obligations in such an aggregate amount as may be approved in appropriations Acts, but not to exceed $1,000,000,000.00, in such forms and denominations, bearing such maturities, and subject to such terms and conditions, as may be prescribed by the Secretary of the Treasury. Such notes or other obligations shall bear interest at a rate determined by the Secretary of the Treasury, taking into consideration the current average market yield on outstanding marketable obligations of the United States of comparable maturities during the month preceding the issuance of the notes or other obligations. The Secretary of the Treasury is authorized and directed to purchase any notes and other obligations issued hereunder and for that purpose he is authorized to use as a public debt transaction the proceeds from the sale of any securities issued under the Second Liberty Bond Act, and the purposes for which securities may be issued under that Act are extended to include any purchase of such notes and obligations. The Secretary of the Treasury may at any time sell any of the notes or other obligations acquired by him under this subsection. All redemptions, purchases, and sales by the Secretary of the Treasury of such notes or other obligations shall be treated as public debt transactions of the United States."

Sec. 3. The authority granted by this Act shall expire 5 years after the date of enactment.

SECTION-BY-SECTION ANALYSIS OF THE HOUSING INCENTIVE INVESTMENT ACT OF 1976

The Act is to be cited as the "Housing Incentive Investment Act of 1976".

Section 2 of the Act amends title III of the National Housing Act by adding a new section 314.

Section 314(a) authorizes the Government National Mortgage Association to make housing incentive investment interest differential payments to lenders.

Under section 314(b), GNMA may not approve a mortgage for assistance unless—

(1) the mortgage covers a one to four family dwelling.

(2) the home mortgage is not in excess of $35,000.00.

(3) the interest paid by the purchaser of a dwelling is 2 percent below the market rate of interest for home mortgages at the date of execution of the mortgage but in no case shall the purchaser's rate be less than 6 percent.

(4) the lender's interest rate will be adjusted every 6 months by GNMA to reflect the yield on VA-FHA mortgages.

(5) the purchaser agrees to repay the aggregate amount of differential payments with interest.

Section 314(c)(1) provides that upon any sale or other disposition of the dwelling or upon termination of the use of the dwelling by the purchaser as his principal residence prior to retirement of the first mortgage, the purchaser will be required to repay the advances out of the proceeds of the sale, which shall be a second lien on the dwelling.

Section 314(c)(2) provides that if at the end of the term of the mortgage the purchaser is still in possession, he shall make such repayments upon such reasonable terms as GNMA may prescribe.

Section 314(c)(3) provides that if the proceeds from the sale of the dwelling are insufficient to make repayment of advances after discharging prior liens, then the purchaser is personally responsible for the repayment.

Section 314(d) authorizes GNMA to establish a lender's interest rate which may not exceed the average yield on VA-FHA mortgages during the six calendar months preceding the date of execution of the mortgage. The lender's interest rate shall be adjusted upward or downward by GNMA every six months except that no single adjustment may exceed ¼ of 1 percent nor may the aggregate upward adjustment exceed 2½ percent. If the lender's interest rate falls below the borrower's rate, the borrower shall be credited with the difference.

Section 314(e) provides that GNMA shall pay monthly to the lender the deferred mortgage interest differential.

Section 314(f) establishes in the Treasury a Housing Incentive Investment Interest Fund to carry out the purposes of this section. GNMA is authorized to issue to the Secretary of the Treasury notes or other obligations in an aggregate amount not to exceed $1,000,000,000 and the Secretary of the Treasury is authorized to purchase and sell such notes and obligations. This authorization would be carried in the Federal budget.

Section 3 of the Act provides that the authority for the program shall expire 5 years after date of enactment.

By Mr. WILLIAMS:

S. 3194. A bill to amend section 241 of the National Housing Act to provide supplemental loans for hospitals. Referred to the Committee on Banking, Housing and Urban Affairs.

SUPPLEMENTAL LOAN INSURANCE FOR HOSPITALS

Mr. WILLIAMS. Mr. President, I am today introducing legislation that would better enable our Nation's hospitals to provide quality medical care by facilitating the financing of necessary modernization and expansion projects. This legislation would permit the Federal Housing Administration to insure supplemental loans for hospitals under section 241 of the National Housing Act, from which hospitals are now omitted.

This country's hospitals face a serious challenge. They must maintain a high standard of medical care, while coping with the pressures of a troubled economy and a fast-changing, expanding society. Many communities are growing at a phenomenal rate, and their demands for medical care are increasing proportionately. Rapid advances in technology and medical discoveries that occur with astonishing frequency require the replacement of equipment and the improvement and expansion of existing facilities. Furthermore, hospitals must comply with health, safety, and other standards mandated by the Federal Government and the States. Such compliance may involve the redesign and substantial renovation of older physical plants.

These pressures weigh heavily on many of our hospitals, and the modernization and expansion projects needed to relieve them require funds on top of those expended for original construction. For hospitals whose mortgages are FHA insured under the section 242 mortgage insurance program, these supplemental

loans can be difficult and costly to obtain, especially because these hospitals are not permitted to participate in the section 241 supplemental loan insurance program, for which nursing homes, group practice facilities, and multifamily projects are already eligible. Under section 241, FHA may insure supplemental loans in order to keep a project competitive, to extend a project's economic life, and to finance the replacement of obsolete equipment.

Only if a hospital is conventionally mortgaged can it receive supplemental loan insurance from the FHA, and even then the loan must be limited to providing protection against fire and other hazards. The legislative history of the section 241 program indicates that the omission of hospitals was unintentional.

FHA insurance for almost 100 hospital mortgages has been applied for, commited, or closed under the section 242 mortgage insurance program. These hospitals together have over 24,000 beds and their mortgages total $1 billion. In my home State of New Jersey, 10 hospitals with almost 2,000 beds are covered by the section 242 program. It can be anticipated that each of these projects will probably require supplemental financing during the 25-year term of their mortgages for either expansion, modernization, or the replacement of equipment.

Without the access to the section 241 supplemental loan insurance program which my legislation would provide, hospitals with FHA insured mortgages may have to refinance totally, either conventionally, or under the section 242 program in order to obtain the funds needed for additions and improvements. Refinancing is necessary to offer a new lender a first mortgage position and because hospitals find it extremely difficult, if not impossible, to arrange conventional secondary mortgage financing at reasonable interest rates. Refinancing, or a conventional secondary loan mean higher debt service costs for hospitals and can affect hospital rates charged to the public. Thus the inclusion of hospitals in the section 241 program would be of vital assistance in easing financial burdens for those facilities which must undertake modernization or expansion projects.

Because the section 241 program is already operating, to extend eligibility for the program to hospitals would entail little if any additional Federal expense. Moreover, by making FHA insured hospitals eligible for this program HUD's interest in their economic viability would be protected.

If our hospitals are to continue to provide the kind of medical treatment that our citizens deserve, a mechanism to encourage the supply of supplemental loans at reasonable interest rates must be made available to them. I believe that the legislation I have introduced today makes an important contribution in this regard.

By Mr. MAGNUSON (for himself and Mr. PEARSON) (by request):

S. 3195. A bill to extend provisions of title XIV of the Public Health Service Act for 1¼ years. Referred to the Committee on Commerce.

Mr. MAGNUSON. Mr. President, I introduce by request, for appropriate reference, a bill to extend provisions of title XIV of the Public Health Service Act for 1¼ years, and I ask unanimous consent that the letter of transmittal be printed in the RECORD together with the text of the bill.

There being no objection, the bill and letter were ordered to be printed in the RECORD, as follows:

S. 3195

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. Section 1442(c) of Title XIV of the Public Health Service Act is amended by striking "and $35,000,000 for the fiscal year ending June 30, 1977." and inserting in lieu thereof "$35,000,000 for the fiscal year ending June 30, 1977; $6,261,600 for the period beginning July 1, 1977 and ending September 30, 1977; and $27,551,000 for the fiscal year ending September 30, 1978.".

SEC. 2. Section 1443 of Title XIV of the Public Health Service Act is amended by:

(a) striking in paragraph (a)(5) "and $25,000,000 for the fiscal year ending June 30, 1977." and inserting in lieu thereof "$25,000,000 for the fiscal year ending June 30, 1977, $3,750,000 for the period beginning July 1, 1977 and ending September 30, 1977, and $17,500,000 for the fiscal year ending September 30, 1978." and

(b) striking in paragraph (b)(5) "and $7,500,000 for the fiscal year ending June 30, 1977." and inserting in lieu thereof "$7,500,000 for the fiscal year ending June 30, 1977, $1,250,000 for the period beginning July 1, 1977 and ending September 30, 1977, and $7,500,000 for the fiscal year ending September 30, 1978.".

U.S. ENVIRONMENTAL PROTECTION AGENCY,
Washington, D.C., February 10, 1976.

HON. NELSON A. ROCKEFELLER,
President of the Senate,
Washington, D.C.

DEAR MR. PRESIDENT: Enclosed is our proposed bill "To extend provisions of Title XIV of the Public Health Service Act for one and one quarter years." Title XIV of the Public Health Service Act is the "Safe Drinking Water Act" and is administered by the Environmental Protection Agency.

The bill could extend our authorities under sections 1442(c), 1443(a)(5) and 1443 (b)(5) of the Act, which expire on June 30, 1977.

This extension is suggested in order to enable us to continue the programs envisioned by the Act. We recommend that this bill be referred to the appropriate Committee for consideration, and that it be enacted.

The Office of Management and Budget has advised that enactment of this legislative proposal would be in accord with the program of the President.

Sincerely yours,

ALVIN L. ALM,
(For Russell E. Train).

By Mr. DOMENICI:

S. 3196. A bill for the relief of the survivors of Dr. Beryl Blue Spruce. Referred to the Committee on Post Office and Civil Service.

DR. BERYL BLUE SPRUCE

Mr. DOMENICI. Mr. President, today, I am introducing a private bill for the relief of the family of Dr. Beryl Blue Spruce, a remarkable and unique American whose untimely death was a loss not only to his family but to all Native Americans. As I shall outline, I feel that there are such unique circumstances related to Dr. Spruce's work and his untimely death that the introduction of private legislation is justified.

Dr. Spruce died on December 30, 1973 while serving as a special assistant to the Director of the Indian Health Service of HEW. At the time of his death he was only 2 months and 3 days short of having completed the 18 months of civilian government service required for his family to qualify for survivors' annuity.

While I understand the need to have some period of probation and adjustment to insure that a person who enters on active government service will actually become a permanent employee eligible for the full range of benefits and entitlements of government service, I also know that there are valid exceptions to reasonable principles of general application. As I shall explain, this is just such a case.

In the normal employment situation, the new employee enters on the new job with limited previous connection with the job or none at all. In many instances, probably the majority, the new employee had been doing something substantially different from his government work and nearly always had been working for an entity other than the Government. As I have indicated, under those conditions it is not unreasonable to predicate entitlement to certain fringe benefits on a successful showing that the new employee will be able to discharge the duties and responsibilities of the new position. Eighteen months seem a little too long to me for proof of acceptable performance and adequate adjustment, but I will not challenge that as a general requirement at this time.

What I do challenge, Mr. President, is the blanket application of a generally reasonable requirement to every employment situation, regardless of the inequities that may result or the nonexistence of the conditions by which the requirement is justified.

In the case of Dr. Beryl Blue Spruce, there is no question that he did not live long enough to fulfill the 18 month employment requirement for the survivors' annuity. However, there is also no question in my mind that the other conditions generally presumed to apply to new employees did not apply to Dr. Spruce. I am impressed that for years before his death, Dr. Spruce had been engaged in trying to improve the delivery of health care to Indian people. His great dedication to that task and his tireless efforts toward that end, in close cooperation with appropriate Government agencies, merely took on an official mantle when he changed from private citizen to public servant.

Based on those circumstances, Mr. President, I am persuaded that Dr. Spruce had been promoting and helping carry out the objectives and the policies of the Government for a great deal longer than 18 months at the time of his death. Therefore, the requirement for 18 months of formal affiliation with the Government seems to me either to have been fulfilled or to be inapplicable.

If you consider his pre-Government work to have been so close to his Government work that one was just the extension of the other, as I do, then the requirement of 18 months is fulfilled for all practical purposes. If you consider that his close association with the Government, his tireless efforts to promote its programs and policies during his pre-Government work was sufficient to eliminate the need for a probationary employment period, as I do, the requirement of 18 months has no application. In either event, I am of the opinion that Dr. Bruce's case should have been considered on a different basis than the ordinary situation, since, in fact, it was different.

This private bill is necessary so that Dr. Spruce's survivors, his wife, Ernestine, and their two children, Roxane and Shawn, can receive the survivor's annuity to which I feel they are entitled.

I hope the appropriate committee will earnestly consider this private bill and move expeditiously to send it to the full Senate for action.

By Mr. KENNEDY (for himself, Mr. NELSON, Mr. MATHIAS, Mr. HUGH SCOTT, Mr. MCCLELLAN, Mr. HRUSKA, Mr. BAYH, and Mr. ROBERT C. BYRD):

S. 3197. A bill to amend title 18, United States Code, to authorize applications for a court order approving the use of electronic surveillance to obtain foreign intelligence information. Referred to the Committee on the Judiciary.

FOREIGN INTELLIGENCE SURVEILLANCE ACT OF 1976

Mr. KENNEDY. Mr. President, today I am introducing the Foreign Intelligence Surveillance Act of 1976. This legislation requires that a judicial warrant be secured before the Government may engage in electronic surveillance for purposes of obtaining foreign intelligence information. It has bipartisan support and has been endorsed by the President in an extraordinary spirit of constructive cooperation with the Congress. Senator NELSON and Senator MATHIAS have played a particularly influential role in the development of the bill.

This bill is the culmination of lengthy discussion between Senator NELSON, Senator MATHIAS, and myself and the Justice Department. Its roots go back over 5 years to the various wiretap hearings held by the Subcommittee on Administrative Practice and Procedure and other committees and to the bills introduced at various times by Senator MATHIAS, Senator NELSON, and myself.

I have always had grave reservations about the Government's role in engaging in electronic surveillance, especially wiretapping. The intrusion of Government into the private lives and conversations of American citizens, and the Government's interference with the cherished constitutional right of privacy, have led many to question whether our Government should participate in this activity at all. Since 1971 I have periodically engaged in correspondence with the Justice Department in an effort to breach the mask of secrecy surrounding the electronic surveillance decisionmaking process.

In 1972 the Subcommittee on Administrative Practice and Procedure held extensive hearings on the subject of "warrantless wiretapping" and just last year the subcommittee, in a report issued jointly with a special subcommittee of the Foreign Relations Committee, listed as the top priority the need for Congress to enact legislation establishing statutory guidelines for the use of electronic surveillance to gather foreign intelligence information.

The complexity of the problem must not be underestimated. Electronic surveillance can be a useful tool for the Government's gathering of certain kinds of information; yet, if abused, it can also constitute a particularly indiscriminate and penetrating invasion of the privacy of our citizens. Our objective has been to reach some kind of balance that will protect the security of the United States without infringing on our citizens' human liberties and rights.

This bill goes a long way in striking that balance. The bill, by no means perfect in all respects, is a constructive step forward, taken by both the administration and the Congress. It provides the Senate with an enlightened starting point from which to fashion final legislation.

The legislation reflects dual commitments by both Congress and the Executive that the rule of law prevail in the area of foreign intelligence electronic surveillance. It would relegate to the past the wiretapping abuses by the Nixon administration and set out specific procedures and standards governing future electronic surveillance of all persons within the United States.

This bill does not cover surveillance conducted against American citizens or foreign nationals while abroad; such legislation still remains to be developed.

The major provisions of the bill would require:

First. That all electronic surveillance in the United States for purposes of obtaining foreign intelligence information be limited to "foreign powers" and "agents of a foreign power," with American citizens being subject to such surveillance only if they are acting "pursuant to the direction of a foreign power";

Second. That for such surveillance to be undertaken, a judicial warrant must be secured on the basis of a showing of "probable cause" that the target is an "agent of a foreign power." This warrant requirement guarantees at long last the type of external control on executive branch decisions to engage in electronic surveillance which I and others have long advocated: The courts, not the executive, must ultimately rule on whether the surveillance should occur;

Third. That before a warrant can even be requested, certain designated executive branch officials must certify in writing to the court that the information sought to be obtained is "foreign intelligence information." This provision provides an internal check on arbitrary Government approval of electronic surveillance by establishing a method of written accountability within the executive branch;

Fourth. That a detailed minimization procedure be spelled out in each application to the court, thus assuring that no extraneous or irrelevant information will be obtained by those engaging in the surveillance;

Fifth. That a decision by the Attorney General to engage in emergency electronic surveillance, without securing a warrant, is limited to a maximum of only 24 hours, after which time a warrant must be secured. The subsequent decision of the court not to ratify the prior surveillance by issuing a warrant could result in the court notifying the targets of the surveillance of the Government's surveillance activities.

Mr. President, this bill seeks to end the all too common abuses of recent history by providing these and other substantive and procedural limitations on the heretofore unchecked power of the executive branch to engage in electronic surveillance for national security purposes. But our goal will not be easily achieved.

I must candidly acknowledge that I harbor my own serious reservations as to certain sections of the bill. I have introduced legislation over the past 3 years containing provisions which some would characterize as stronger in various respects than the bill I am introducing today. But these bills have been met not only with executive branch opposition, which might be expected, but also with congressional inaction.

Despite my reservations with some of the provisions in this bill, however, I remain even more uncomfortable leaving the American people with no legislative protections whatsoever governing national security wiretapping. That is why I am introducing this bill.

I am not committed to each word or subsection of the bill. Some terms will need clarification; some procedures will need refining; some sections may well undergo change. That is what the legislative process is all about, and it is beginning that process in the spirit of bipartisanship which will lead us to enactment of a law in this Congress to which I am firmly committed. Some of the areas which I believe need particular attention in hearings, and where greater refinement may be necessary, include the following:

First, we must clarify congressional intent on the scope of the activities giving rise to the electronic surveillance. Under the bill, surveillance of an agent of a foreign power can occur if such agent "is engaged in clandestine intelligence activities, sabotage, or terrorist activities." The exact meaning of this language, and the extent to which surveillance will be authorized to investigate conduct which does not rise to the level of a Federal crime, is a matter of great concern to me and others; we will want the narrow scope of this language to be clearly delineated in this legislative history.

Second the bill contains an executive disclaimer clause. This bill thus does not attempt to resolve the complex and difficult issue surrounding whether the President has an inherent constitutional power to engage in electronic surveillance in order to obtain foreign intelligence information essential to the national security. Nor could it define or restrict the scope of such a power if one exists. The Supreme Court alone must ultimately decide that issue. The disclaimer in this bill does purport to assure that the procedures delineated in this bill will be strictly followed by the executive branch without regard to any inherent constitutional power which may or may not be found by the Court to exist. The bill is intended to guarantee that, if the facts and circumstances leading to the surveillance fall within the scope of this bill, the procedures laid out in this bill will be followed. Beyond that, Congress is not attempting to circumscribe the inherent constitutional power of the President, whatever that power might be as determined by the Supreme Court. I have grave reservations about the existence of any such power, but this bill certainly cannot decide that issue.

Third, there is the issue of notice to the target of the wiretaps. The hearings to be held must certainly focus on the fact that this bill, in its current form, surveillance be notified. The emergency does not require that the targets of the provision of the bill does provide for notice in those cases where, following the 24-hour emergency period, a court refuses to issue a warrant.

The problem here is a most delicate one where the balancing of interests becomes essential. In the area of crimes under title III, I have always advocated the requirement of notice to the target as a viable way to prevent abuses and arbitrary action. Here, however, we deal with the sensitive area of foreign intelligence gathering; the danger, not entirely fanciful, is that notice will, in effect, end any hopes of pursuing those who threaten the security and defense of the Nation. The hearings may help us develop a common, middle ground which will take into account both of these competing interests.

These three troublesome issues—the scope of the activities to be surveilled, the executive disclaimer and notice to the targets of the surveillance—will be discussed in detail during the hearings. The Attorney General has, at my request, addressed some of these problems and I attach, at the conclusion of my introductory statement, a copy of his letter.

I am encouraged by his letter especially insofar as he states that "The most common activities that would come within the scope of this phrase (clandestine intelligence activites) would constitute violations of the Federal criminal law," adding that only a "certain limited area would not." That limited area, if it is to remain in the bill, must be delineated and understood by Congress.

I am impressed by the Attorney General's argument that only a broad, sweeping Federal criminal code could encompass the various situations that might give rise to the need for surveillance. But a more precise understanding of the statutory language is essential if we are to insure that such surveillance will be a last alternative an alternative based on national defense and not whim or fancy.

In addition, the Attorney General expressly states at the conclusion of his letter that, whatever the inherent constitutional power of the President might be—

> It will be the policy and intent of the Department of Justice, if this bill is enacted, to proceed exclusively pursuant to judicial warrant with respect to all electronic surveillance against domestic communications of American citizens or permanent resident aliens.

Thus, we have an express declaration by the Attorney General that a warrant procedure will be the exclusive vehicle for proceeding against targets in domestic surveillance cases.

Mr. President, this bill goes a long way in satisfying the objections I and others have expressed over the years with regards to electronic surveillance. Both the President and the Attorney General are to be congratulated for their constructive roles in developing this legislation. I am confident that if the legislative deliberations on this bill are conducted in the same spirit of bipartisanship and compromise which have highlighted events so far, a workable, fair, and just piece of legislation will be the result.

Mr. President, I ask unanimous consent that the bill and the letter from the Attorney General be printed in the RECORD.

There being no objection, the bill and letter were ordered to be printed in the RECORD, as follows:

S. 3197

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Foreign Intelligence Surveillance Act of 1976."

SEC. 2. Title 18, United States Code, is amended by adding a new chapter after Chapter 119:

Chapter 120: Electronic Surveillance within the United States for Foreign Intelligence Purposes—

SEC. 2521. DEFINITIONS.

(a) Except as otherwise provided in this section the definitions of Section 2510 of this title shall apply to this chapter.

(b) As used in this chapter—

(1) "Agent of a foreign power" means:

(i) a person who is not a permanent resident alien or citizen of the United States and who is an officer or employee of a foreign power; or

(ii) a person who, pursuant to the direction of a foreign power, is engaged in clandestine intelligence activities, sabotage, or terrorist activities, who conspires with, assists or aids and abets such a person in engaging in such activities.

(2) "Electronic surveillance" means:

(i) the acquisition, by an electronic, mechanical, or other device, of the contents of a wire communication to or from a person in the United States, without the consent of any party thereto, where such acquisition occurs in the United States while the communication is being transmitted by wire;

(ii) the acquisition, by an electronic, mechanical, or other device, of the contents of a radio transmission, without the consent of any party thereto, made with a reasonable expectation of privacy where both the point of origin and all intended recipients are located within the United States; or

(iii) the installation of an electronic, mechanical, or other device in the United States to acquire information not transmitted by wire or radio under circumstances in which a person has a reasonable expectation of privacy.

(3) "Foreign intelligence information" means:

(i) information relating to the ability of the United States to protect itself against actual or potential attack or other hostile acts of a foreign power or its agents;

(ii) information, with respect to foreign powers or territories, which because of its importance is deemed essential to the security or national defense of the Nation or to the conduct of the foreign affairs of the United States;

(iii) information relating to the ability of the United States to protect the national security against foreign intelligence activities.

(4) "Attorney General" means the Attorney General of the United States or in his absence the acting Attorney General.

(5) "Foreign power" includes foreign governments, factions, parties, military forces, or agencies or instrumentalities of such entities, or organizations composed of such entities, whether or not recognized by the United States, or foreign based terrorist groups.

SEC. 2522. AUTHORIZATION FOR ELECTRONIC SURVEILLANCE FOR FOREIGN INTELLIGENCE PURPOSES.

Applications for a court order under this chapter are authorized if the President has, by written authorization, empowered the Attorney General to approve applications to Federal judges having jurisdiction under section 2523 of this chapter, and a judge to whom an application is made may grant an order, in conformity with section 2525 of this chapter, approving electronic surveillance of a foreign power or an agent of a foreign power for the purpose of obtaining foreign intelligence information.

SEC. 2523. DESIGNATION OF JUDGES AUTHORIZED TO GRANT ORDERS FOR ELECTRONIC SURVEILLANCE.

(a) The Chief Justice of the United States shall designate seven district court judges, each of whom shall have jurisdiction to hear applications for and grant orders approving electronic surveillance anywhere within the United States under the procedures set forth in this chapter.

(b) The Chief Justice shall designate three judges from the United States district courts or courts of appeals who together shall comprise a special court of appeals which shall have jurisdiction to hear an appeal by the United States from the denial of any application made under this chapter. The United States shall further have the right to appeal an affirmance of denial by that court to the Supreme Court. All appeals under this chapter shall be heard and determined as expeditiously as possible.

(c) Applications made and orders granted under this chapter shall be sealed by the presiding judge and shall be kept under security measures established by the Chief Justice in consultation with the Attorney General.

SEC. 2524. APPLICATION FOR AN ORDER.

(a) Each application for an order approving electronic surveillance under this chapter shall be made in writing upon oath or affirmation to a judge having jurisdiction under section 2523 of this chapter. Each application must be approved by the Attorney General and shall include the following information:

(1) the identity of the officer making the application;

(2) the authority conferred on the applicant by the President of the United States and the approval of the Attorney General to make the application;

(3) the identity or a characterization of the person who is the subject of the electronic surveillance;

(4) a statement of the facts and circumstances relied upon by the applicant to justify his belief that:

(i) the target of the electronic surveillance is a foreign power or an agent of a foreign power; and

(ii) the facilities or the place at which the electronic surveillance is directed are being used, or are about to be used, by a foreign power or an agent of a foreign power;

(5) a statement of the procedures by which the acquisition and retention of information relating to permanent resident aliens or citizens of the United States that is not foreign intelligence information will be minimized;

(6) a description of the type of information sought and a certification by the Assistant to the President for National Security Affairs or an executive branch official designated by the President from among those executive officers employed in the area of national security or defense and appointed by the President by and with the advice and consent of the Senate that such information is foreign intelligence information that cannot feasibly be obtained by normal investigative techniques;

(7) a statement of the means by which the surveillance will be effected;

(8) a statement of the facts concerning all previous applications known to the Attorney General that have been made to any judge under this chapter involving any of the persons, facilities or places specified in the application, and the action taken on each previous application; and

(9) a statement of the period of time for which the electronic surveillance is required to be maintained. If the nature of the intelligence gathering is such that the approval of the use of electronic surveillance under this chapter should not automatically terminate when the described type of information has first been obtained, a description of facts supporting the belief that additional information of the same type will be obtained thereafter.

(b) The Attorney General may require any other affidavit or certification from any other officer in connection with the application.

(c) At the time of the hearing on the application, the applicant may furnish to the judge additional information in support of the application and the judge may require the applicant to furnish such other information or evidence as may be necessary to make the determinations required by section 2525 of this title.

Sec. 2525. Issuance of an Order.

(a) Upon an application made pursuant to section 2524 of this title, the judge shall enter an ex parte order as requested or as modified approving the electronic surveillance if he finds that:

(1) the President has authorized the Attorney General to approve applications for electronic surveillance for foreign intelligence information;

(2) the application has been approved by the Attorney General;

(3) on the basis of the facts submitted by the applicant, there is probable cause to believe that:

(i) the target of the electronic surveillance is a foreign power or an agent of a foreign power; and

(ii) the facilities or place at which the electronic surveillance is directed are being used, or are about to be used, by a foreign power or an agent of a foreign power;

(4) minimization procedures to be followed are reasonably designed to minimize the acquisition and retention of information relating to permanent resident aliens or citizens of the United States that is not foreign intelligence information;

(5) certification has been made pursuant to section 2524(a)(6) that the information sought is foreign intelligence information that cannot feasibly be obtained by normal investigative techniques.

(b) An order approving an electronic surveillance under this section shall:

(1) specify:

(i) the identity or a characterization of the person who is the subject of the electronic surveillance;

(ii) the nature and location of the facilities or the place at which the electronic surveillance will be directed;

(iii) the type of information sought to be acquired;

(iv) the means by which the electronic surveillance will be effected; and

(v) the period of time during which the electronic surveillance is approved; and

(2) direct:

(i) that the minimization procedures be followed;

(ii) that, upon the request of the applicant, a specified communication or other common carrier, landlord, custodian, contractor, or other specified person furnish the applicant forthwith any and all information, facilities, technical assistance, or other aid necessary to accomplish the electronic surveillance in such manner as will protect its secrecy and produce a minimum of interference with the services that such carrier, landlord, custodian, contractor, or other person is providing the target of electronic surveillance; and

(iii) that the applicant compensate, at the prevailing rates, such carrier, landlord, custodian, or other person for furnishing such aid.

(c) An order issued under this section may approve an electronic surveillance for the period necessary to achieve its purpose, or for ninety days, whichever is less. Extensions of an order issued under this chapter may be granted upon an application for an extension made in the same manner as required for an original application and after findings required by subsection (a) of this section. Each extension may be for the period necessary to achieve the purposes for which it is granted, or for ninety days, whichever is less.

(d) Notwithstanding any other provision of this chapter when the Attorney General reasonably determines that:

(1) an emergency situation exists with respect to the employment of electronic surveillance to obtain foreign intelligence information before an order authorizing such surveillance can with due diligence be obtained, and

(2) the factual basis for issuance of an order under this chapter to approve such surveillance exists,

he may authorize the emergency employment of electronic surveillance if a judge designated pursuant to section 2523 of this title is informed by the Attorney General or his designate at the time of such authorization that the decision has been made to employ emergency electronic surveillance and if an application in accordance with this chapter is made to that judge as soon as practicable, but not more than twenty-four hours after the Attorney General authorizes such acquisition. In the absence of a judicial order approving such electronic surveillance, the surveillance shall terminate when the information sought is obtained, when the application for the order is denied, or after the expiration of twenty-four hours from the time of authorization by the Attorney General, whichever is earliest. As provided in section 2523, a denial of the application may be appealed by the Attorney General.

(e) A judge denying an order under this section or a panel affirming such denial under section 2523(b) shall state the reasons therefor.

Sec. 2526. Use of Information.

(a) Information acquired from an electronic surveillance conducted pursuant to this chapter may be used and disclosed by Federal officers and employees only for the purposes designated under this chapter or for the enforcement of the criminal law.

(b) The minimization procedures required under this chapter shall not preclude the retention and disclosure of nonforeign intelligence information acquired incidentally which is evidence of a crime.

(c) When information acquired from or the product of an electronic surveillance conducted pursuant to this chapter is received in evidence in any trial, proceeding, or other hearing in any Federal or State court, the provisions of section 2518(9) of chapter 119 shall not apply. No otherwise privileged communication obtained in accordance with, or in violation of, the provisions of this chapter shall lose its privileged character.

(d) If an emergency employment of electronic surveillance is authorized under section 2525(d) and a subsequent order approving the surveillance is not obtained, the judge shall cause to be served on any United States citizen or permanent resident alien named in the application and on such other United States citizen or permanent resident alien subject to electronic surveillance as the judge may determine in his discretion it is in the interest of justice to serve, notice of

(1) the fact of the application;

(2) the period of the surveillance; and

(3) the fact that during the period information was or was not obtained.

On an ex parte showing of good cause to the judge the serving of the notice required by this subsection may be postponed or suspended for a period not to exceed ninety days. Thereafter, on a further ex parte showing of good cause, the court shall forego ordering the serving of the notice required under this subsection.

Sec. 2527. Report of Electronic Surveillance.

In April of each year, the Attorney General shall report to the Administrative Office of the United States Courts and shall transmit to the Congress with respect to the preceding calendar year:

(1) the number of applications made for orders and extensions of orders approving electronic surveillance and the number of such orders and extensions granted, modified and denied;

(2) the periods of time for which applications granted authorized electronic surveillances and the actual duration of such electronic surveillances;

(3) the number of such surveillances in place at any time during the preceding year; and

(4) the number of such surveillances terminated during the preceding year.

Sec. 2528. Presidential Power.

Nothing contained in this chapter shall limit the constitutional power of the President to order electronic surveillance for the reasons stated in section 2511(3) of title 18, United States Code, if the facts and circumstances giving rise to such order are beyond the scope of this chapter.

OFFICE OF THE ATTORNEY GENERAL,
Washington, D.C., March 23, 1976.

Hon. EDWARD M. KENNEDY,
U.S. Senator,
Washington, D.C.

DEAR SENATOR KENNEDY: You have asked for my comments on two provisions of the draft bill which establishes a procedure for seeking a warrant to authorize electronic surveillance for foreign intelligence purposes.

Under this bill, the Attorney General would be authorized to make an application to a judge to obtain a warrant authorizing the use of electronic surveillance. A judge would issue the warrant only if he found probable cause to believe that the target of the surveillance was a foreign power or an agent of a foreign power. The phrase "agent of a foreign power" is defined in the bill as (1) a person who is not a permanent resident alien or citizen of the United States and who is an officer or employee of a foreign power; or (2) a person who, pursuant to the direction of a foreign power, is engaged in clandestine intelligence activities, sabotage, or terrorist activities, or who conspires with, assists or aids and abets such a person in engaging in such activities.

The phrase "clandestine intelligence activities, sabotage, or terrorist activities" is meant to encompass those type of activities by a foreign power or its agent that the Federal government must be capable of discovering, particularly when they occur within the United States. While the most common activities that would come within the scope of this phrase would constitute violations of the Federal criminal law, there is a certain limited area that would not. For example, the clandestine collection of information by an agent of a foreign power concerning important industrial processes essential to the national security, e.g. computer technology, would not in most cases violate any Federal statute.

Additionally, foreign intelligence services in this country may engage in clandestine intelligence activities against installations and personnel of other nations situated here. This could include recruitment, clandestine gathering of information and covert actions. Virtually none of this activity is prohibited by Federal law, yet it can profoundly affect our security or the conduct of our foreign relations. Finally, certain terrorist activities undertaken by a foreign based terrorist group within the United States may not constitute a Federal crime, e.g., arson committed in a state capitol building.

While most would agree that many of the activities falling within the scope of this phrase should be considered criminal, the fact is that presently all of them do not violate our Federal criminal laws. This may be attributable, in part, to the difficulty of drafting a precise criminal law that does not sweep too broadly as well as to the view that normally such acts, such as arson, are covered by state criminal laws. The factor requiring the Federal government's interest arises only where the act is committed by an agent of a foreign power.

In my view, the present bill is correct in placing its principal focus not solely upon the factor of Federal criminality or non-criminality, but upon the issue of whether the proposed target of the surveillance is engaging in clandestine intelligence activities, sabotage or terrorism as an agent of a foreign power and pursuant to the foreign power's direction. Under this bill, a warrant would issue in the cases we have been discussing only upon a finding by an independent magistrate that there is probable cause to believe that such agency and direction exists and that the target is engaging in clandestine intelligence activities, sabotage or terrorist activities or is conspiring with, assisting or aiding and abetting a person who is engaging in such activities.

The second provision on which you have requested my comment is section 2528 of the bill, which relates to the constitutional power of the President to order electronic surveillance under facts and circumstances not covered by this legislation.

This provision would represent the expression of congressional and Presidential intent that the President use procedures established by the bill for all national security electronic surveillance which falls within the scope of this legislation. At the same time, it would assure that every situation important to the national interest would be covered—either by the warrant procedure of the bill or by the President's inherent constitutional power, however that power may be defined by the courts, to conduct electronic surveillance with respect to foreign powers. I reaffirm, however, what I have previously advised you orally: that it will be the policy and intent of the Department of Justice, if this bill is enacted, to proceed exclusively pursuant to judicial warrant with respect to all electronic surveillance against domestic communications of American citizens or permanent resident aliens.

Sincerely,

EDWARD H. LEVI,
Attorney General.

Mr. HRUSKA. Mr. President, I am most pleased to add my sponsorship to the foreign intelligence surveillance bill introduced by the distinguished senior Senator from Massachusetts.

It is well indeed that he be the one to introduce this measure because he has had an active and abiding interest in the field of intelligence gathering to which it relates.

Mr. President, it is well to note the fashion in which this bill has developed. In that process the Attorney General has consulted with a number of congressional leaders. There has been a gratifying accommodation of varying viewpoints originally held and espoused by different members. This was possible because each of them held as vital and urgent the need for early consideration and enactment of such a measure. As a result, and as the cosponsorship of the bill attests, it has bipartisan and broad-based support.

All of this occurred before it was introduced. Now that it has been introduced, I join in urging its early consideration by the Committee on the Judiciary and by the full Senate.

Mr. President, this bill creates a procedure for seeking a judicial warrant to authorize the use of electronic surveillance in the United States for foreign intelligence purposes. By providing such a procedure, this bill interposes a neutral, detached and independent magistrate between the executive officer and the individual. I do not regard this as a constitutional requirement—and, as I indicated aboxe, no court has held that it is—but do regard it as sound policy.

S. 3197 is a most timely bill. It strikes a proper balance between the civil liberties of the individual and the need for this nation to collect foreign intelligence information important to its security and its conduct of foreign affairs. In providing for a warrant, the bill should reassure the American public that no individual will be subject to electronic surveillance without a judicial warrant issued by an independent magistrate authorizing the use of such an investigative technique. In establishing a regular procedure for conducting electronic surveillance, the bill insures that the government will be empowered to collect foreign intelligence information necessary for the United States to discharge its responsibilities in this modern era.

The Attorney General has testified before several committees about the careful exercise of this power within this administration. The situations in which electronic surveillance may be utilized pursuant to the President's powers have been strictly circumscribed to encompass only activities of foreign powers or their agents; and strict procedural requirements before any electronic surveillance may be approved have been adopted. But internal safeguards, adequate and constitutional as I think they are, do not substitute for a judicial warrant in terms of reassuring the public that the power is being carefully exercised. The President recognizes this, and therefore is prepared to support this bill to provide procedures designed to insure that abuses will not occur and that the traditional safeguard of an independent magistrate will apply with respect to foreign intelligence surveillances as it does with respect to traditional law enforcement searches.

Mr. President, the distinguished Senator from Massachusetts has described very well the provisions of this bill. I would like to emphasize only a few points.

There is no requirement in this bill that the target of the surveillance be actually engaged in the commission of a crime. Nor should there be such a requirement. Intelligence agents for a foreign power can act covertly in the United States to the harm of the Nation yet not violate a Federal criminal law.

Our espionage statutes were written before World War I, and the nature of intelligence gathering has changed a great deal in the years since that time. Much espionage today is directed at industrial processes and trade secrets. Gathering of such information even by foreign agents for the benefit of foreign powers who are not allies, is generally not illegal. Yet the Government should be able to discover these clandestine activities.

Furthermore, even activities which in their completed state would constitute crimes, in incipient stages may not be illegal. Yet, unless the Government is given the tools to collect information about foreign intelligence services working at the direction of a foreign power, it may not be able to discover the completed offense. Gathering embarrassing personal information about persons for possible use as blackmail is not a Federal crime; enticing persons into personally or financially embarrassing situations is not a Federal crime. Yet when persons acting pursuant to the direction of a foreign power engage in such activities for clandestine intelligence purposes it is critical that the Government be able to use electronic surveillance not only to protect our national security but to protect the privacy and rights of those innocent individuals who might suffer if such activities went undetected.

As the Attorney General has pointed out in a letter to Senator Kennedy, the important point is whether the subject of the surveillance is an agent of a foreign power collecting information clandestinely in the United States pursuant to the direction of a foreign power. This Government must be able to detect the activities of foreign intelligence services acting within the borders of this country.

Mr. President, the bill provides that a court order approving electronic surveillance may be granted by any one of seven district judges designated by the Chief Justice of the United States. It is necessary to so limit the number of judges who will have access to this critically sensitive information in order to provide proper security measures. They will be supplied not only with the names and addresses of the persons actually subject to surveillance, the compromise or disclosure of which might seriously harm our intelligence efforts, but also with information establishing that such person is an agent of a foreign power. This information, if leaked inadvertently, might expose to risk or suspicion, not just a particular operation but might put informants' lives in danger or compromise unnumbered other operations by which the information as to the targets' activities was developed. Also by limiting the number of judges, it will be possible for a rapid growth of expertise to be developed by these judges in this very sensitive and critical area.

During the past year, there has been a great deal of discussion about the activities of our intelligence agencies. Some abuses have come to light. But we should not, and cannot, dwell on them without directing our attention to the means by which we can prevent their recurrence.

Mr. President, one month ago President Ford acted decisively both to improve the intelligence gathering and analytical capabilities of our intelligence agencies and to insure that these agencies would perform their functions in accordance with law and in a manner consistent with our principles. The President's Executive Order dealing with the intelligence agencies was an important first step, but the President himself recognized that it was not within his power alone to do all that was necessary. Specifically, the President pledged that the administration would work together with congressional leaders to develop a bill both to protect personal privacy and to insure that the legitimate collection of foreign intelligence by electronic surveillance would not be obstructed. That pledge has been kept, and today we see its result. A bipartisan group of Senators have worked closely with members of the administration, especially the Attorney General, in the development of this bill. It is, I believe, a good bill, a balanced bill.

It does not ban electronic surveillance for foreign intelligence purposes and no responsible person has suggested that a bill should. Nor do I believe that Congress could constitutionally enact such a bill.

Mr. President, as the Attorney General has testified, "The case law, although unsatisfactory in some respects, has supported or left untouched the policy of the Executive in the foreign intelligence area whenever the issue has been squarely confronted." Two circuit courts have held that the President has a constitutional power to engage in electronic surveillance for foreign intelligence purposes and that this power may be exercised without a judicial warrant. See *United States v. Butenko,* 494 F.2d 593 (3d Cir.) (en banc), *cert. denied,* 419 U.S. 881 (1974); *United States v. Brown,* 484 U.S. 418 (5th Circ. 1973), *cert. denied,* 415 U.S. 960 (1974). While a plurality of the Circuit Court for the District of Columbia in *Zweibon v. Mitchell,* 516 F.2d 594 (D.C. Cir. 175), stated, in dictum, that the President's power with respect to foreign powers and their agents should be exercised pursuant to a judicial warrant procedure, its holding was far narrower and was consistent with the holdings in *Brown* and *Butenko*. The court held only that "a warrant must be obtained before a wiretap is installed on a domestic organization that is neither the agent of nor acting in collaboration with a foreign power." The Supreme Court has not directly confronted this issue, expressly reserving this question in *United States v. United States District Court,* the *Keith* case.

Mr. President, I conclude by repeating that this is a good bill, a balanced bill. It will serve well its intended and necessary purposes. It should be enacted into law.

ADDITIONAL COSPONSORS OF BILLS AND RESOLUTIONS

S. 2081

At the request of Mr. HUDDLESTON, the Senator from Georgia (Mr. TALMADGE), the Senator from Iowa (Mr. CLARK), the Senator from Minnesota (Mr. HUMPHREY), and the Senator from South Dakota (Mr. MCGOVERN) were added as cosponsors of S. 2081, the Land and Water Resources Conservation Act of 1976.

S. 2902

At the request of Mr. GARY HART, the Senator from Utah (Mr. MOSS), the Senator from Massachusetts (Mr. BROOKE), and the Senator from Alaska (Mr. GRAVEL) were added as cosponsors of S. 2902, a bill to amend title V of the Public Health Service Act to establish a National Health Research and Development Advisory Commission, and for other purposes.

S. 3057

At the request of Mr. SCHWEIKER, the Senator from Colorado (Mr. HASKELL) was added as a cosponsor of S. 3057, a bill to amend the Truth in Lending Act.

S. 3145

At the request of Mr. METCALF, the Senator from Wyoming (Mr. MCGEE) was added as a cosponsor of S. 3145, the Energy Conservation Research and Development Act of 1976.

S. 3151

At the request of Mr. ROBERT C. BYRD, the Senator from Indiana (Mr. BAYH) was added as a cosponsor of S. 3151, a bill to establish a program for gathering and analyzing information with respect to multinational enterprises; and to require publication of such material on a regular basis.

S. 3176

At the request of Mr. ABOUREZK, the Senator from Wyoming (Mr. HANSEN) was added as a cosponsor of S. 3176, a bill to amend the Farm Labor Contractor Registration Act of 1963.

SENATE JOINT RESOLUTION 76

At the request of Mr. DOLE, the Senator from Kentucky (Mr. HUDDLESTON), the Senator from Maine (Mr. MUSKIE), and the Senator from North Carolina (Mr. HELMS) were added as cosponsors of Senate Joint Resolution 76, a joint resolution to designate a "National Beta Sigma Phi Week."

SENATE JOINT RESOLUTION 141

At the request of Mr. BUCKLEY, the Senator from Indiana (Mr. HARTKE) was added as a cosponsor of Senate Joint Resolution 141, a joint resolution proposing an amendment to the Constitution of the United States for the protection of unborn children and other persons.

AMENDMENTS SUBMITTED FOR PRINTING

FEDERAL ELECTION CAMPAIGN ACT—S. 3065

AMENDMENT NO. 1516

(Ordered to be printed and to lie on the table.)

Mr. CANNON (for himself, Mr. HATFIELD, Mr. MANSFIELD, Mr. HUGH SCOTT, Mr. ROBERT C. BYRD, and Mr. GRIFFIN) submitted an amendment intended to be proposed by him to the bill (S. 3065) to amend the Federal Election Campaign Act of 1971 to provide for its administration by a Federal Election Commission appointed in accordance with the requirements of the Constitution, and for other purposes.

AMENDMENT NO. 1517

(Ordered to be printed and to lie on the table.)

Mr. ALLEN submitted an amendment intended to be proposed by him to the bill (S. 3065), supra.

FURTHER CONTINUING APPROPRIATIONS—HOUSE JOINT RESOLUTION 857

AMENDMENT NO. 1518

(Ordered to be printed and to lie on the table.)

Mr. DOLE (for himself and Mr. CRANSTON) submitted an amendment intended to be proposed by them to the joint resolution (H.J. Res. 857) making further continuing appropriations for the fiscal year 1976, and the period ending September 30, 1976, and for other purposes.

ANNOUNCEMENT OF HEARINGS

Mr. METCALF. Mr. President, in accordance with the rules of the Committee on Interior and Insular Affairs, I wish to advise my colleagues and the public that the following hearings and business meetings have been scheduled before the committee for the next 2 weeks:

March 24: Full committee, 10 a.m., room 3110, hearing: S.J. Res. 126, interstate oil compact extension legislation. Followed by:

Parks and Recreation Subcommittee, hearing: S. 2398, Eugene O'Neill National Historic Site; S. 2642, Old Ninety Six and Star Fort National Historical Park; S. 1071, Black Canyon of the Gunnison National Monument; S. 1082, Great Sand Dunes National Monument.

March 24 and 25: Joint hearing of Interior and Commerce Committees, 9:30 a.m., room 5110, Commerce, hearing: Oversight hearing on Arctic natural gas reserves and alternate transportation systems.

March 30 and 31: Indian Affairs Subcommittee, 9:30 a.m., room 3110, hearing: S. 2801, Siletz restoration bill.

April 1: Parks and Recreation Subcommittee, 10 a.m., room 3110, hearing: S. 3031, to authorize the erection of a statue of Bernardo de Galvez on public grounds in the District of Columbia; and S. 828, to provide for addition to the Fort Clatsop National Memorial.

April 2: Full Committee and National Fuels and Energy Policy Study, 10 a.m., room 3110, hearing, continued: S. 1864, Energy Information Act.

April 5 and 6: Energy Research and Water Resources Subcommittee, 10 a.m., room 3110, business meeting: Markup on S. 3105, ERDA authorization bill.

NOTICE OF HEARINGS

Mr. MORGAN. Mr. President, the Small Business Subcommittee of the Senate Committee on Banking, Housing and Urban Affairs will have hearings on S. 2613, a bill to amend the Small Business Investment Act of 1958, to change the title and duties of the Associate Administrator for Finance and Investment of the Small Business Administration, and for other purposes, commencing at 2 p.m. on April 6, 1976, in room 5302 of the Dirksen Senate Office Building. Anyone wishing to present testimony on this legislation is requested to contact the staff of the subcommittee.

ANNOUNCEMENT OF SEMINAR

Mr. ABOUREZK. Mr. President, I wish to announce that the American Indian Policy Review Commission, a joint congressional commission, will hold a seminar for congressional aides on Task Force No. 8 which is investigating urban, rural and nonreservation Indians, at 10 a.m., on Friday, March 26, 1976, in room B–308, Rayburn.

ADDITIONAL STATEMENTS

SUPPORT FOR THE RIGHT TO LIFE

Mr. BUCKLEY. Mr. President, one of the most unfortunate aspects of the national debate over abortion has been the tendency of some of its advocates to attempt to portray the prolife movement as a denominational phenomenon. There is, however, abundant evidence to disprove that myth. Members of numerous churches, as well as those who are associated with none at all, have been horrified, on constitutional as well as ethical grounds, by the legalized taking of unborn human life.

That is made clear by a recent article from the Buffalo Courier-Express—February 3, 1976—which illustrates the strong support that exists across the entire range of religious beliefs for efforts to restrict abortion. The implications of that broadly based conviction against abortion have been analyzed by the syndicated columnist, John Lofton, who, with his customary directness, has exposed the deceit of those who demean the debate on abortion by appealing to religious bigotry and inciting denominational antagonism.

Because it is vital that the public record be set straight on this point, I ask unanimous consent that Mr. Lofton's column and the related article from the Buffalo Courier-Express be printed in the Record.

There being no objection, the material was ordered to be printed in the Record, as follows:

Pro-Abortionists Duck the Moral Issue

(By John D. Lofton, Jr.)

As just one of the millions of non-Catholic Americans who oppose abortion-on-demand, I resent the hell out of those who favor abortion trying to portray those of us who don't as stooges of the Vatican out to destroy the First Amendment.

The kind of Pope-baiting blather I'm sick and tired of is the kind I heard voiced repeatedly here the other day in a press conference called by the Religious Coalition for Abortion Rights. The news conference was called specifically to denounce the National Conference of Catholic Bishops, who announced last November a nationwide campaign, the primary purpose of which is to urge the passage of a Constitutional amendment prohibiting permissive abortion.

"Religious freedom as protected by the First Amendment is precious," declared Robert West, president of the Unitarian Universalists. "The proposed amendment to outlaw abortion is a direct attack on that freedom of belief. . . . We must not permit a particular religious belief about abortion to be forced on us."

Mary Pardee, president of United Presbyterian Women of the United Presbyterian Church in the USA, agreed. Also invoking the First Amendment, she says that "no particular sect or religion should be preferred above another, for any law based on the extreme position of one group of religious persons would deny the views held with integrity by a large number of other religious persons."

Now, I understand why, tactically, from their point of view, the RCAR people say what they say the way they say it. For them, to meet head-on and argue rationally the gut abortion question—the humanness of the unborn child—is a no-win situation. It is here their arguments are weakest. So, they duck this crucial question altogether.

Instead, they seek to inflate public opinion against the pro-life movement by portraying it as simply a group of religious zealots out to impose their own superstitions, through law, on the rest of the country.

But the only problem with this method of attack is that it is demonstrably dishonest, a blatant lie. As Fordham Professor of Law Robert Byrne observes: "Respect for the fundamental right to live is not the exclusive property of any single religious sect. Nor can the vital, secular-jurisprudential concerns of a Human Life amendment be distorted by charges of sectarianism."

Rabbi J. David Bleich, professor of the Talmud and assistant professor of philosophy at Stern University in New York, takes things even further, noting:

"The question of permissiveness with regard to destruction of fetal life is a fundamental moral question rather than a specifically or uniquely religious question. Western society has long recognized that man's moral conscience bids him to eschew homicide as an offense against morality.

"Murder against morality is abhorrent to all, and the universally recognized ban against the taking of human life is not predicated upon sectarian doctrines."

Indeed, laws protecting the unborn go back centuries before Christ. The Sumerian Code, the Assyrian Code, the Hammurabic Code, the Hittite Code and the Persian Code—all prohibited the striking of a woman so as to cause the death of her unborn child. These laws were both punitive and compensatory, combining what are now known as crimes and torts.

In the final analysis, the arguments put forward by the spokesmen for the Religious Coalition for Abortion Rights are repulsive because they are an assault on reason itself. They represent the basest sort of anti-intellectualism.

The debate over abortion must be rationally discussed on its merits. It is fundamentally irrelevant which groups advocate the pro-side of the argument, or which groups advocate the anti-side.

It is just as unfair to dismiss out-of-hand the pro-life position because Catholics, among others, advocate it, as it would be to dismiss out-of-hand the arguments of the abortionists because among their supporters is the American Communist Party.

[From the Buffalo Courier-Express, Feb. 3, 1976]

32 Clergymen Support Catholic Abortion Stand

A Kenmore couple on Monday said they have sent a statement of support for the Catholic stand against abortion, signed by 32 clergymen of various denominations, to area state and federal legislators.

The couple, Mr. and Mrs. Dennis Huber of 2741 Elmwood Ave., said in the statement signed by the clergymen that they wish to support the efforts of the National Conference of Catholic Bishops to put an end to abortion of unwanted pregnancies.

"We, the undersigned, desire to make known to the public and to our elected representatives that the issue of abortion is not restricted to members of the Catholic Church," the statement says.

The statement adds that while the abortion issue inherently has religious connotations, there are persons that support "pro-life" legislation who have no particular religious beliefs.

Following is a list of the clergymen the Hubers said signed the statement.

Bishop Leroy Anderson, Church of God in Christ, Buffalo.

Rev. Walter Beabout, First Free Methodist Church, Buffalo.

Rev. David Bemis, Full Gospel Tabernacle, Orchard Park.

Rev. Richard Bender, Mennonite Church of Amherst, Williamsville.

Rev. David Bevington, Baptist Church of Springville.

Rev. Harry Biles, St. Nicodemus Lutheran Church, East Aurora.

Rev. Frank Bongiovanni, Lockport Christian Church, Lockport.

The Rev. Frederick Bowles, St. Matthew's Episcopal Church, Buffalo.

Rev. Howard Broadnax, Church of God of Prophecy, Buffalo.

Rev. Homer Cooper, Evangelistic Center, North Tonawanda.

Rev. Thomas Dalbo, Winchester Community Church, West Seneca.

Rev. Frederick Dixon, Emmanuel United Methodist, Grand Island.

Rev. Alan Forbes, director of Buffalo Christian Center, Buffalo.

Rev. John Franco, Calvary Christian Church, Buffalo.

Rev. Roger Green, Knox United Presbyterian Church, Kenmore.

Rev. Clement Hutchinson, Church of God of Prophecy, Buffalo.

Rev. Titus Kauffman, Alden Mennonite Church, Alden.

Rev. Carl Kummer, Faith Lutheran Church, Elma.

Rev. Darrel Mitchell, Evangel Assembly of God, Williamsville.

Rev. August Moceri, Faith Gospel Tabernacle, Buffalo.

Rev. Kenneth Munson, MacAlpine United Presybterian Church, Buffalo.

Rev. Jennie Musgrove, Pentacostal Church of God, Buffalo.

Rev. Jack Piper, First Assembly of God, Niagara Falls.

Rev. Curtis Porter, Amherst Baptist Church, Tonawanda.

The Rev. George Ruof, Trinity Episcopal Church, Hamburg.

Rev. Fenton Strickland, Bible Presybterian Church, Grand Island.

Rev. Arvin Sorge, First Assembly of God, Depew.

Rev. Joseph Sutera, Creekside Gospel Temple, Amherst.

Rev. Steve Turner, Abundant Life Baptist Church, North Tonawanda.

Rev. Ronald Waterman, Free Methodist Church, Buffalo.

Rev. Robert Vandermey, Bible Presbyterian Church, Grand Island.

The Rev. John Whiteford, Trinity Episcopal Church, Lancaster.

FOOD STAMP PROGRAM REFORM

Mr. CLARK. Mr. President, in the coming week, the Senate will deliberate on one of the most significant issues of the 94th Congress—the reform of the food stamp program. No one can deny that this program deserves the close scrutiny that it has recently received, for there are serious doubts as to whether it is adequately serving those for whom the program was designed.

The central issues of debate on this matter are the following: What should be the income eligibility guidelines, above which households may not participate? Should participants be required to purchase the food stamps, and by what proportion of their incomes should their benefits be reduced? Finally, should there be new limits on assets, and if so, how should these rules be structured?

Sylvia Porter, a noted financial journalist known for her commonsense approach, has addressed these issues in a recent column appearing in the Washington Star. Ms. Porter states that eliminating the purchase requirement "makes real sense, for more than half of those below the poverty line don't use food stamps. The poorest of the poor can't scrape together the purchase price, and so they go without."

The columnist also notes that the use of the poverty line as the net income cutoff point is detrimental to the working poor. This is due to the fact that the poverty line is out of date by 12 to 24 months and, therefore, it does not account for the price increases that these working poor households must absorb.

Finally, Ms. Porter questions the wisdom of granting to the Secretary of Agriculture the authority to change the assets rules, at the same time that the USDA is instructed to undertake a thorough study of this matter. She suggests that the current rules should be frozen until the Congress has access to all the data relating to assets.

I will be joining Senators McGovern, Dole, and others in offering amendments along the lines of Sylvia Porter's analysis. We believe that the purchase requirement should be lifted, so that poor households will not be deterred from participation. We believe that the income eligibility line must account for changes in the cost of living. We believe that the Congress must prevent any changes in the assets rules pending a full review of the matter.

I ask unanimous consent that the Porter article, entitled "Food Stamps—Wreck or Reform?" be printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

[From the Washington Star, Mar. 22, 1976]

Food Stamps—Wreck or Reform?

(By Sylvia Porter)

The Food Stamp Program is under the heaviest attack ever both for real and alleged abuses—and there is now a clear danger that the program will be wrecked by the White House rather than reformed by Congress.

President Ford has literally taken the law into his own hands and ordered the Agriculture Department to issue regulations that would cut 5.3 million Americans off the program and would slash benefits for 5 million to 6 million more.

At the same time, the President is sidestepping Congress entirely, the Senate Agriculture Committee has completed the extremely tough task of writing a new food stamp law out of the many proposals placed before it in recent months.

If the White House has its way, our lawmakers will play no part at all in decisions vital to millions of needy Americans. The situation will then become chaotic, for there will be two major program overhauls in a matter of months.

First, the president will change the law by executive fiat this June. Soon thereafter, when Congress decides how it wants the program to operate, there will be another complete upheaval.

Our states simply cannot handle this double administrative blow. The needy individual dependent on food stamps surely deserves a better deal than this!

While many of Ford's proposals are considered unworkable, three would do the most damage:

All food stamp recipients would have to pay 30 percent of their income for food stamps (a plan rejected by Congress a year ago). This would mean, as an illuctration, that an elderly woman living alone with a net income of $150 a month would have to pay $45 for $50 of food stamps, instead of the $33 she now pays.

Ford also wants the official poverty line to be the eligibility cutoff for food stamps. But the poverty line lags inflation by 12 to 24 months, and is hardly an adequate measure of the need for nutrition assistance. Those most hurt by this proposal would be the "working poor," who now get limited food-stamp help which decreases as their incomes rise.

And a third Ford proposal would base an applicant's eligibility for food stamps on earnings over the past three months instead of on current income (as is now the case). This proposal is aimed directly at the unemployed, would make applicants wait three months for help—and makes no sense at all. What difference is it to people just laid off what they earned three months ago? If they've managed to save a lot of money, the assets limitation would make them ineligible anyway. So with one hand, Ford vetoes a public jobs program, while with the other he would deny laidoff workers immediate food-stamp assistance.

As for Congress, the Senate will vote on its Agriculture Committee's food-stamp bill this month—and the full Senate could improve the legislation considerably.

For instance, the committee was evenly split, 7–7, over whether to adopt a key proposal to eliminate the stamp purchase requirement. Under this, instead of a household paying $100 for $166 of food stamps, it would simply get its $66 "bonus" in stamps. This makes real sense, for more than half of those below the poverty line don't use food stamps. The poorest of the poor can't scrape together the purchase price, and so they go without.

Another issue in the coming Senate debate is whether to give Agriculture Secretary Earl Butz the authority to tighten the assets limitation (what applicants can have in the bank, land, equipment, etc.) which must be passed by applicants to receive food stamps.

No one really knows how a change in the assets test would affect the elderly, the unemployed in need of only temporary help, or the small farmer seeking some assistance because of a bad crop. The committee bill proposes a study on this—in utter contradiction to the fact that the bill also would give the USDA the go-ahead to do anything it wants. Under the circumstances, the current assets rules should be "frozen" until Congress has all the facts.

You can comment on President Ford's proposals until March 29 by writing the Food Stamp Division, USDA, Washington, D.C. 20250. Tell your lawmakers and the administration what you think.

FELIX ROHATYN—FINANCIAL WIZARD REPAYS DEBT

Mr. PERCY. Mr. President, last fall one of the world's most important centers of trade, culture, industry, and transportation came frighteningly close to declaring bankruptcy. The question of New York City's destiny was a major topic of conversation across the country and around the world. Speculation was rampant and remedies for the faltering city covered the entire political spectrum. And for the last 6 months, against enormous odds, New York City has waged a noble battle to avoid financial and social catastrophe.

One of the major figures in that city's battle is Felix J. Rohatyn, a partner in Lazard Freres & Co. and the chairman of the Municipal Assistance Corporation—M.A.C.—New York's hope for a financially stable tomorrow.

During a recent appearance at the New School in New York City, Mr. Rohatyn took some time out to reflect on the financially beleaguered city and to share some of his thoughts on why the city is worth salvaging.

These past months have been months of enormous challenge for Mr. Rohatyn and the struggle has merely begun. When asked if his efforts to make New York financially solvent were in the nature of attempting the impossible, he responded:

Oh sure . . . That's what makes it so exciting . . . I feel accountable to the people who walk the streets of the city.

Mr. President, I applaud the enthusiastic, dedicated and highly intelligent approach with which Mr. Rohatyn has undertaken the immensely complicated and difficult task of bringing financial order out of financial chaos, and Mr. Andre Meyer, senior partner of Lazard Freres who has been so supportive of Mr. Rohatyn's various public service roles.

I am proud of my many years of close association with them during which time they and Lazard Freres, as investment bankers, contributed so significantly to Bell & Howell Co.'s growth and progress. I look back with nostalgia on those years as among the most pleasant and stimulating in my industrial career.

I ask unanimous consent that an article from the New York Times regarding Mr. Rohatyn's appearance at the New School and Mr. Peter Hellman's article from the New York Times Magazine section of March 21 be printed in the Record.

There being no objection, the articles were ordered to be printed in the Record, as follows:

[From the New York Times, March 21, 1976]

The Wizard of Lazard

(By Peter Hellman)

On a Monday morning last November, a dark month in a string of dark months for the city, you could have found the nine members of the Municipal Assistance Corporation at a long table in a conference room at the Park Avenue offices of their general counsel, Paul, Weiss, Rifkind, Wharton & Garrison. All but one were deep in debate over whether to bring in a new staff director, who, for unfathomable reasons, had been found in Hawaii. The ninth member—and chairman—of M.A.C., Felix Rohatyn, slumped at the head of the table and stared out the window.

A compact man with dark wiry hair, fierce black eyebrows and light blue eyes, he had, at this moment, a downturn at the corners of the mouth. Nine months before, as a general partner in the investment banking firm of Lazard Freres, he had been just another of New York's rich, savvy and very private citizens. Today, at the age of 47, he was more powerful in determining the grand and fateful affairs of the city than the Mayor himself—or perhaps anyone. But now, listening to this debate, he was simply a man who was bored.

"Look—whatever you decide about this guy is O.K. with me," he finally said. "I've got to meet a group of bankers in 10 minutes. So now, I'd like to give you my conceptual thinking on how we might handle this thing."

The room was instantly quiet. The question of a Hawaiian connection wouldn't mean much, after all, unless the "thing" was handled—by which was meant nothing less than keeping the city out of bankruptcy, with all the unknowable but surely awful consequences that would billow and crackle therefrom. M.A.C. itself had been created by the State Legislature only six months earlier to raise the cash the city could no longer raise for itself. Rohatyn (pronounced "ROW-a-ton") had started out as a member of an advisory group of businessmen, appointed by the Governor, who had hit on the idea of M.A.C. during a brainstorming Memorial Day weekend. Like the others, Rohatyn was sure that M.A.C. could do the trick. But the patient was sicker than anyone knew. Even with first call on the city's sales and stock-transfer tax, M.A.C. had found hard going in selling its bonds. So far, it had skated through—sometimes by hours. And each time, Rohatyn had emerged ever stronger as chief ombudsman, ideologue, persuader and arithmetic checker in the battle to keep the city solvent.

All the other crunches of the spring, summer and fall of '75 had seemed momentous and unprecedented. But this morning, the "thing" seemed especially urgent. In just one month, the city would need a few hundred more million dollars to pay bills coming due, and nobody had the least idea where it was to come from.

Rohatyn began by telling how he and Governor Carey were having dinner at the Oak Room in the Plaza Hotel the night before and a man in sport shirt came over to their table. The man explained he was a hotel owner from Las Vegas who owned $450,000 in New York City notes coming due. If the city could not pay them off on time, he suggested, why not set up a new and extended schedule? Orderly delay, surely, was better than the limbo of default.

The idea of just such a stretchout was exactly what Rohatyn had broached to the Governor at dinner. The city could no longer hold to its original debt-payment schedules. Yet even when Rohatyn had invoked the blessing bestowed on this concept by Judge Simon Rifkind, of M.A.C.'s law firm, the Governor had clung to a certain skepticism. But now, with this unsolicited endorsement of *vox populi* added to the prestige of the judge, the stretchout idea seemed more palatable. More than that, it was the prerequisite to the new plan that Rohatyn now spun out to his M.A.C. board. He proposed nothing less than an attempt to finance the city's debt all the way through June 1978, when, by law, the budget would at last be balanced. That would require $6.5 billion. Considering that M.A.C. had failed to raise $1 billion from the public in September, and had been able to raise $2.3 billion in October only by putting the squeeze on pension plans and the state, it was an audacious, not to say insolent, plan. It would lock together, by their sacred pocketbooks, the banks and unions ever more tightly into what Rohatyn called a "community of interests." Only after all the local elements were in place could Rohatyn hope—it was no more than hope—for the plan's payoff from Washington. Seeing what the city had done for itself, President Ford would have to extend a Federal hand to help it over the remaining hump.

Having explained his plan in much greater detail, Rohatyn rushed off to meet with the bankers, to whom he would explain it all again. A moment after he was gone, the phone rang.

"Mr. Rohatyn, please," said an anxious voice. "It's the Mayor calling." Only when the caller was assured that Rohatyn had left the premises did she hang up. Instantly, the phone rang again.

"Mr. Rohatyn, please. The Governor must speak to him at once."

Why the phone has rung so often for Rohatyn, month upon month, in this crisis, is not easily explained. The mantle, of course, had to fall on somebody who could reconcile the make-believe numbers of the past with the cruel ones of the present. And since it was arithmetic and not politics that counted now, the job had to be done by a man who was not identified with the political establishment but who had its—at least grudging—trust, as well as the trust of the financial and labor communities. As the wizard of Lazard Freres, Rohatyn would certainly be expected to have the confidence of bankers and businessmen. But what about labor?

"I, for one, was suspicious," says Victor Gotbaum, head of the New York municipal employees union, "but when I told him I was sure the banks would screw labor before this was all over, he showed me succinctly and exactly what the banks stood to lose in power, prestige and money. He wins your confidence because he plays no games. You might not like what he tells you, but it's always the clear-eyed truth." Jack Bigel, chief consultant to the labor pension funds, calls Rohatyn the "broker of disparate elements. . . . He doesn't make demands, just sketches in all the dreadful choices."

(Rohatyn has a knack for summoning up a chilling range of analogies to make the city's situation clear to the least arithmetically minded. Default would be like "stepping into a tepid bath and slashing your wrists—you might not feel yourself dying but that's what would happen." M.A.C. was conceived as a "fiscal A.A. for the city—it would be there late in the evening when the city wanted to bare its soul." And in an allusion that will not go down well with raised consciousnesses, he compares the city to a "lady of a certain age who has given herself to a few too many men and now does not deserve to be sniped at by other women, as if she were still young and spectacular.")

But Rohatyn's real secret—the underlying reason he came to the fore in the crisis—may simply be that he seems to find money, particularly money in trouble, a subject, somehow, of detached amusement. "My most basic feelings about money," he says, "go back to 1942, in France, when my family suddenly had to smuggle itself over the Spanish border one step ahead of the Nazis. I spent our last night in a hotel room stuffing gold coins into toothpaste tubes. We had been well off, but that was all we got out. Ever since, I've had the feeling that the only permanent wealth is what you carry around in your head. People don't believe me, incidentally, when I say the main reason I got involved in this mess the way I have is that I love this city. Well, not only do I love it—I don't ever want to have to move again."

Rohatyn was born in Vienna, where his grandfather owned a small credit bank, Rohatyn & Company which failed in the Depression. As a child, Rohatyn was taken to France, where his father managed a family brewery business in Orléans until the Nazis came. The family made its way to New York via Casablanca and to Rio de Janeiro. After public high school in New York, Rohatyn went to Middlebury College, where he was a physics major. He attributes his analytical skills to a professor named Benjamin Wissler. "I remember once messing up a physics problem," says Rohatyn. "So I said, 'I guess I got the wrong answer.' Wissler said, 'No, you got *a* wrong answer.' The other great influence on me was Harold Geneen at I.T.T. He had the same passion for unremittingly rational analysis. I remember he once stomped out of a meeting that had gotten too windy and wrote a memo titled 'Facts.' It discussed the difference between facts, assumptions, hearsay and what I believe he called derivations. People say I'm a good persuader, but that's wrong. *Facts* are persuaders. They just have to be stripped down to their clearest essentials." Rohatyn talks in a high, boyish, cheerful voice; he speaks English without an accent—if anything, with what sounds like a Midwestern twang. On the phone, he sounds like a Little Leaguer.

Rohatyn took a summer job at Lazard Freres in 1948 with every intention of not being an investment banker. "It was totally beneath my dignity," he says. "I was going to be a great physicist." But he has been at Lazard ever since, becoming, along the way, a millionaire several times over. Yet the signs of wealth are hard to find. Since his separation three years ago from his wife of 16 years, the former Jeannette Streit, he has lived in a small apartment at the less-than-sumptuous Alrae Hotel on East 64th Street. It is stuffed with books, magazines, camping and sports equipment belonging to him and his three sons, and bikes. The wines in the front hallway rack are humble Côtes du Rhône. His car is a four-year-old B.M.W. station wagon, also stuffed with camping gear. Rohatyn's suits are anything but modish. To the disgust of Lazard's senior partner, Andre Meyer, Rohatyn appeared at the Governor's side, during a weekend of particularly momentous meetings on the city's fate last fall, wearing a black turtleneck sweater. His trench coat with button-in lining is the only overcoat he owns, and his safari hat from Hunting World is the result of a sudden revelation, walking past that 53rd Street store in the rain, that "my head was getting both cold and bald." He travels with a small vinyl flight bag, the kind the airlines give away free or for next to nothing.

Since it was founded about a century ago by three brothers, merchants from Lorraine, who moved first to New Orleans and then to San Francisco, Lazard Freres has steadily prospered. Lazard offices in London and Paris are independent of the New York firm, but they all get together to make money. Meyer has moved the firm in and out of real estate, oil, mining, international financing and arbitrage with uncannily good timing, all the while maintaining a steady business in corporate finance, the division Rohatyn heads. In the tradition of European investment banking firms, Lazard prefers to be a principal in certain deals rather than mere agent. It bought control of moribund Avis in 1961, for example, nursed it back to health, then merged it into International Telephone and Telegraph at a hefty profit. When I.T.T. sold about half of Avis to the public a few years later, Lazard got a fat underwriting fee. Since Rohatyn joined the I.T.T. board of directors in 1967, the conglomerate has paid Lazard fees in excess of $5 million. In the last 10 years, Rohatyn has engineered about three dozen major corporate takeovers, of which about a quarter were for I.T.T. Besides I.T.T., he sits on the boards of Engelhard Minerals and Chemicals Corporation, Pfizer, Howmet and Owens-Illinois.

In this rarefied world where great corporations strike as suddenly and silently as sharks, gobbling up what may be only slightly less great corporations, fees are handled with surpassing simplicity. When it appears that a deal will succeed, Rohatyn suggests a suitable fee to the top man at the client company. It is always a nice round number. When the deal is done, the number is typed on a plain sheet of paper, much as if it might come from a contractor working out of his own home. In a recent case the paper said "Bill: $750,000."

Rohatyn is probably the firm's biggest over-all earner. But in certain years, other partners may do even better. Dealing in the risky game of arbitrage—taking advantage of tiny price differentials in securities markets—one partner earned $7 million in a singe recent year and lost even more the next. In a good year, the firm may earn more than $20 million. Meyer decides how the 32 partners will split up the profits. The partners plow most of their take back into the firm, usually through one or another of its countless subsidiaries. Though Lazard is formally capitalized at $17.5 million, it probably has within its global web at least 20 times that amount. Meyer may be the only man who knows for sure.

It would be easy to assume that Rohatyn has hurled himself into the public arena this last year to the temporary exclusion of his investment-banking practice. In fact, that practice has never been more active or more remunerative. During an early breakfast at the Regency Hotel one morning in November—as usual, the city was in crisis and he was at the center—he was called to the phone incessantly. Apologizing after the umpteenth interruption, he explained that he was trying to keep the Otis Elevator Company from going to court at 10 A.M. that day in its fight to stop a takeover by United Technologies Corporation. It was a takeover that Rohatyn had suggested to United four months earlier, and that he was now guiding to conclusion. (By the end of the day, the prey had ceased to struggle.) As usual, the last of those phone calls at breakfast was in French. Rohatyn still starts and ends major negotiating stretches with a call to Andre Meyer. Meyer came here in 1940 from Lazard's Paris branch, where he had known Rohatyn's stepfather, and he likes to say that he regards Rohatyn as his son. But like a respectful French son of the old school, Rohatyn addresses Meyer with the formal vous.

After that call, Rohatyn took a cab across town to the Governor's office. The meter said $1.45. Handed his change, he paused to think as long as he had thought about any of his decisions that morning affecting the merger of a $1.1 billion company and a $3.3 billion company; then he handed back a tip of 15 cents. Rohatyn had slipped back, for the rest of the day, into his traditionally parsimonious guise of investment banker.

One recurring leitmotif around the Lazard offices, in fact, is that nobody seems to have any money in his wallet—at least, the money they do have is in inverse proportion to the amount they ought to have. Late one recent evening, for example, two leading partners and a junior partner could be overheard worrying loudly over whether any of them had enough to take a client to a restaurant called the Pen & Pencil, where they would discuss a multimillion-dollar bond offering.

"Boy, I hope they take American Express," said one of the partners.

"If not, I sure hope they'll take a check," said another, wringing his hands.

"Otherwise," said the third, "we could end up washing a lot of dishes tonight."

The Lazard offices are the last word in facelessness. The conference room, the lobby and most of the other rooms are painted beige, with beige carpeting, beige wallpaper and beige leather chairs (or are they vinyl?). Except for Meyer's office, there is no great art on the walls, no minor art, no art at all. Just a lot of beige. At 12 feet by 15 feet, Rohatyn's office is about as big as they come. Few firms in the city could be less worried about the rent, but when Lazard moved to Rockefeller Center from Wall Street in 1972, Meyer fought like a tiger to get a bargain sublease at $7.75 per square foot. He swears that as long as he lives, he will never pay more.

In all his deals, Rohatyn never fought harder or seemed to win more gloriously than on behalf of the I.T.T. takeover of the Hartford Insurance Company in 1971—the largest such deal until then, in corporate history. Rohatyn had suggested the deal to Harold Geneen. He had engineered it. Once Hartford had been swallowed by I.T.T., he persuaded a profoundly distrustful antitrust division of the Justice Department to permit the merger to stand. And yet, after all that, the whole affair turned into a curse. It was the deal that tagged Rohatyn with the one nickname he cannot abide—"Felix the Fixer."

The hitch had at first seemed astonishingly minor. In order to preserve tax-free aspects of the deal, I.T.T. had to give up a block of 1.7 million shares of Hartford stock that it had bought privately just before the takeover. I.R.S. regulations required I.T.T. to sell the block, outright and unconditionally, to an unrelated third party. Yet dumping so many shares on the open market would send the price into a tailspin. So Lazard began looking around for a suitable buyer. What happened then is as good a way as any to get an insight into the complex and profitable ways that the firm, inspired by the right client, performs its sorcery.

The prospective purchaser Lazard had in mind was Mediobanca, a Milan bank associated with Fiat king Giovanni Agnelli, whose friend, Andre Meyer, served as a director of Fiat. To help put Mediobanca in the right frame of mind, Lazard paid it an initial fee of $1.3 million. Then, I.T.T. attorneys gave Mediobanca three choices of how to pay for the stock. They are complicated in ways only a lawyer could love, but the effect was simple enough: Mediobanca could not, no matter what, lose money on the transaction.

Like any other shareholder, Mediobanca soon converted its 1.7 million Hartford shares into I.T.T. stock. Promptly, it sold the bulk of the stock to the Dreyfus Fund in New York. Only then, with the proceeds, did it pay I.T.T. for the Hartford shares it had "bought." Mediobanca made no money on that transaction, but it came away with about $3 million in fees for its trouble. Some observers call this a "parking fee." But according to a private agreement between Lazard and Mediobanca—part of a standing arrangement to throw business each other's way—the fee was split between them. I.T.T. was in the dark about that arrangement.

No sooner had the Dreyfus Fund bought the I.T.T. stock than its new pension-fund subsidiary, operated jointly with Marine Midland Bank, was awarded a contract to manage $10 mililon in I.T.T. pension funds. All parties concerned insist that the contract had nothing to do with finding a home for the vagabond stock.

Most of Mediobanca's remaining Hartford shares were sold to the International Investment Associates in Luxembourg, a firm connected with Lazard (Paris) and the Agnelli family; and to Les Fils Dreyfus et Cie., a small bank in Basel connected with Lazard both in Paris and in New York. Despite their European excursions, incidentally, the shares themselves never left Lazard's New York vaults.

It is hard, in retrospect, to argue that the above transactions represented a forthright and clean sale to a third party, as the I.R.S. required. As for the secret fee-splitting agreement between Lazard and Mediobanca, Rohatyn has testified under oath, in answer to stockholders' suits, that he did not even know about it. Then who did? If the secret agreement bears anybody's stamp, it is that of Andre Meyer. But the two men worked this deal together. Did the father not tell the son? If not, why not? To be sure, that agreement was probably not illegal, and fathers don't always tell sons, but the questions are most interesting—and unanswered.

The Hartford affair seems to have been ill-starred in every way. After all its stratagems to get the tax-free ruling, I.T.T. lost it for lack of forthrightness. Unless that ruling can be reversed, I.T.T. will be forced to pay more than $100 million to former Hartford shareholders in recompense for tax benefits they had been promised. Then Lazard and Rohatyn fought doggedly with the Justice Department for the right to keep Hartford. No sooner did they win that right—at the price of key divestitures—than the casualty-insurance business took a downturn. More important than any cash losses, of course, has been the tarnish on the reputations of almost everyone the affair touched—including, though he was never accused of specific impropriety, Rohatyn.

Ironically for the man who is renowned as Wall Street's merger virtuoso, Rohatyn's other greatest deal also ended in disappointment. This was his astonishingly complex 1973 plan to merge troubled Lockheed Aircraft into Textron, the uniquely successful conglomerate based in Providence, R.I. After a massive tax write-off and a thorough re-juggling of old and new securities among Lockheed, its creditor banks and Textron, the Federal Government would even have been freed from its controversial "bailout" loan agreement with Lockheed. Rohatyn says he just "plays with the number on the balance sheet until they come up feeling right." They never felt more right than this time. But Textron, wary of an albatross, turned it down. It remains the deal that Rohatyn, in the pure sky of numbers, regards as his best.

But all other deals pale beside the financial restructuring of New York City. When M.A.C. failed, in the fall of '75 to raise the needed billions, and the state's intercession did not do the trick, and Rohatyn had nowhere to go but back to the bankers, union officials, businessmen and politicians who were the original source of the city's troubles, his new plan of action was breathtaking both in its sweep and in its uncertainties.

The hope that the President would throw New York a line if the new crew managed to get the ship into port was still only a hope. Also, Rohatyn knew it wouldn't be easy to get what he needed from the banks and pension funds he had already squeezed so well. But they were, at least, known quantities; no matter how sticky things got, he did not expect them to force the city into bankruptcy. That dark threat, however, still came from among the holders—unknown unnumbered and untraceable—of various city notes and bearer bonds in the amount of $1.6 billion. Like the hotel owner from Las Vegas, most note holders might well be agreeable to a stretchout of payments. But it would take only a single disgruntled and determined note holder to force the bankruptcy issue by suing for payment.

So it was that Judge Rifkind, harking back to the Depression, broached the idea of a debt "moratorium." Instead of redeeming their notes, holders would trade them in for new M.A.C. bonds paying, according to the numbers Rohatyn worked out, a healthy 8 percent interest over a term of 10 years. Anyone who refused to convert would continue to receive 6 percent interest until an unspecified date of redemption. According to Rifkind's delicate reasoning, a moratorium would not be the same as default because an exact plan of repayment would have been set out. In order to buttress the moratorium against inevitable legal suits, though, it would best be instituted as part of a situation officially declared in *extremis*. Early on the morning of Nov. 14, the State Legislature declared such an "extreme state of emergency." A suit by the Flushing Bank, in Queens, challenging the Moratorium Act has, so far, been turned back by the courts.

Not having to pay out $1.6 billion—at least for now—was the same as finding $1.6 billion. That was a marvelous beginning. Rohatyn went to work to find the rest of the $6.5 billion package. He was determined to have it all lashed together by the Tuesday before Thanksgiving. The nearest default date was still three weeks away, but he insisted that it had to be done by then so that Congress could examine it before going home for the long holiday. But the main reason may well be that Rohatyn had promised to take Michael, the middle of his three sons, skiing in Utah on a plane leaving at 6:45 p.m. that Tuesday. Rohatyn had a ferocious dedication to his sons. They are always wandering in and out of his apartment at the Alrae, and he never hesitated last fall to break off a negotiation in order to take one or another of them to a hockey game. And he had sworn that nothing would keep him from that date with Nicky.

At 1 a.m. on the appointed day, Rohatyn and M.A.C. executive director Herb Elish were at Gracie Mansion, still putting pressure on the trustees of the teachers' pension fund to provide the full $2.5 billion needed in fresh investment funds. They were back at it in the morning. They were still at it at noon. Even that former *enfant terrible*, Albert Shanker, came over to throw in a word of his own. Finally, at 2:10 p.m., a portly, rough-edged man named Victor Condello marched out of the room where the trustees were closeted. He stood squarely in front of Rohatyn.

"We have voted," he barked out like a drill sergeant. "We will invest the full amount."

At 4 p.m., a phalanx of city and state officials gathered in the main conference room. They included William Ellinghaus, of the Emergency Financial Control Board; Deputy Mayor Kenneth Axelson; State Budget Director Peter Goldmark; sage old State Comptroller Arthur Levitt, and the Governor. Rohatyn slipped in and out of the room as he continued to put pressure on the banks by phone. He came back for the last time at 4:20 p.m. and took his seat beside the Governor.

"We've got the banks on board," he said.

There was a last-minute hitch as Salomon Brothers, the investment-banking firm that had agreed to be leading information agent on the complex note and bond exchange offers, was reported to be backing out on advice of its lawyers.

"Goddamit," said Rohatyn, "we'll get Simon on the phone to get them back in line. Or they'll be blamed for the whole thing falling apart." He rushed off to a phone, leaving the listener to ponder the odd vision of Secretary of the Treasury William E. Simon, chief nay-sayer to the city in its hour of need, whipping the firm where he had once been a partner back into line on the city's behalf.

Finally, at 5:02, the "community of interests" was nailed together. All at the long table agreed to call for $200 million in new taxes—a package that was meant to show Washington that the city, no matter how anemic just now, was willing to extract vital fluids from itself before asking for a transfusion from others.

Somebody at the table wanted to state publicly that the Governor had done a "magnificent job."

"Oh, no," said the Governor. "Felix did it."

"I'd better go pick up my skis," Rohatyn said, and was gone.

A week later, the White House, contrary to the last, substituted seasonal loans for loan guarantees. The package, from M.A.C.'s end, was complete.

It's fair to ask, of course, if the whole exercise was worthwhile. Why not just let the city go bankrupt, sweep the decks and start afresh?

"First of all," answers Rohatyn with a rare show of asperity, "you don't sweep the decks clean. The debts are still there—and bankruptcy judges always do their best to see that creditors get back 100 cents on the dollar. We've kept that prerogative for ourselves. You can be sure, too, that in bankruptcy, the city would have carried the state down the tube with it. As for corporations located in the city, you can bet that they see bankrupcy as a miserable and unsure condition. They'd hate it worse than what we've got now. You'll also hear people say that new Federal legislation that would allow a city to carry on essential functions in bankruptcy would be ideal for New York. Well, that would be the worst thing of all. It would hand back the power to the very people who got us into this mess."

At the thought of such a restoration, Rohatyn's great, bristly eyebrows twitch. If his own astonishing rise signifies anything, it is that the city has been given over to businessmen, elected or not, for whom the balance sheet comes first. "The evil that has been done to this city has been done through philosophic desire and through illusion, not by intent." By philosophic desire he means that the city "has been viewed as a normal instrument for redistribution of wealth. If it saw inequity in housing or education, it always thought it could do something about it." The illusion was that the city could pay the price of those efforts with ever more breathtaking acts of fiscal jugglery. It was so busy watching the balls in the air that it didn't notice how many businesses and middle-class families had fled the show.

Now that the immediate crisis is over, Governor Carey has asked M.A.C. to explore ways to restore the city to economic health. For a starter, Rohatyn feels the Federal Government must take over welfare costs. But for this and all other cities, he is convinced that the task will take nothing less than a domestic Marshall Plan. Vast stretches of city blocks look worse than if they had been bombed. New industry might even be financed on those ruins through an updated version of the Reconstruction Finance Agency; during the Depression, that enterprise actually made money for the nation. The alternative to such a major effort, Rohatyn feels, is unacceptable—cities that are pure slums and suburbs that are pure sprawl. But just how much new health can be expected from a city and a region that are, economically, quite mature? Rohatyn's eyes flash cold and witty. "It can be quite a while," he says, "between maturity and death."

Legends rarely beget legends, but Andre Meyer begot Felix Rohatyn. So it was a surprise to many Lazard watchers when, in the thick of the city's crisis, Meyer reached out from his hospital bed, where he had been beset by complications from cancer surgery, to bring in 68-year-old Donald C. Cook, former chairman of the Securities and Exchange Commission, as new managing partner. It was a move interpreted as a final unpredictable stroke by the old man, taking away the heir apparent's crown at the last instant in favor of an outsider. In fact, Rohatyn has neither the talent nor inclination for tending to a group of strong-willed partners. "What I do for this firm," says Rohatyn, "I do in my head. I can do it from here, or from Morgan Stanley, or from my apartment at the Alrae. So if I didn't like this decision, I could leave. But it was something Mr. Meyer and I agreed to between ourselves."

Since the Governor has asked him to tend to the state's own debt structure, grievously impaired in the fight for the city, Rohatyn will remain for now in the public arena. But he denies any ambition of public office. "Suppose I was appointed Secretary of the Treasury?" he asks. "Can you see me driving up to the gates in my old B.M.W.?" Can a Governor of California sleep on a floor mattress? Lazard partners, in any case, have a tradition of shuttling in and out of public life. It is some kind of sign that within 20 minutes after Democratic Party chairman Bob Strauss buzzed to say he was in town, not long ago, he was closeted for a good private talk in Rohatyn's beige conference room. And it has not passed without notice that Rohatyn has been ever more willing of late to expand his public-speaking role, though he is not yet comfortable before an audience.

After one of those speeches, at an Anti-Defamation League dinner this winter, Rohatyn dashed from the Waldorf Astoria to La Guardia Airport, where a private jet waited to take him to Toledo for an early-morning meeting at Owens-Illinois. The jet shot off and banked steeply to the west. It was a clear night. Except for the dark rectangle of Central Park, the city sparkled below. Rohatyn looked down intently at the grid of lights until it was left behind.

"Boy, I look down at that place," he mumbled, "and it gives me such a feeling. . . ."

It was hard to know what part of that feeling was an immigrant's simple gratitude to the city that gave him refuge and fortune, and what part was the deal maker's pleasure in the contemplation of his masterpiece. But even in the darkened cabin, it was plain to see that Rohatyn's sharp blue eyes had become about as soft as they ever get.

[From the New York Times, Mar. 11, 1976]

ROHATYN'S WORK ON CITY DEBT REPAYS ONE OF HIS OWN

It was Felix J. Rohatyn's turn to tell "Why I Love New York" at the New School Tuesday night.

"I'm rather sentimental about New York because it took me in," said the Vienna-born investment banker. "New York was the United States. New York was Franklin Roosevelt. It's been good to me. It's an intellectually exciting place to be."

Until the city's 1975 fiscal crisis, Mr.

Rohatyn was a man known generally in international banking and merger-making circles and as a somewhat shadowy broker who flitted about I.T.T., the Nixon White House, San Diego and Dita Beard. Since last year, however, New Yorkers have connected the name with a faceless chairman of the Municipal Assistance Corporation, known as Mr. Rohatyn, about squaring what he called "my debt to the city."

And, he told Prof. Henry Cohen's New York City Affairs class—which in past weeks had heard Joel Grey, Jacob K. Javits, Joseph Papp, Alan King and Carl Stokes tell why they love New York—that it was because of the debt that he felt he owed the city that he had involved himself so deeply in its efforts to right its fiscal affairs.

"It's an intellectual and emotional battle," he said. "There are no good wars, we know, but if you win it's a good trip. I really feel I'm paying back a debt, but it's an exciting way to pay a debt."

Mr. Rohatyn, normally a tightly controlled man whose public conversations usually concern themselves with revenue shortfall, city loan possibilities, default and the creation of new modes of financing city, state and Federal governments, was a bit more personal as he sat with Professor Cohen and spoke in fits and spurts about himself, his background, his likes and dislikes about New York.

"How do I dip into New York?" he asked. "Well, I'm involved with the Alvin Ailey Dance Company. I like City College in the spring. I go to the Garden, have a beer and hope the Rangers win. They haven't been lately, through, mainly because of the Giacomin deal. It was rotten."

He told the 50 students gathered in Wollman Hall that he had entertained thoughts about leaving New York, but only briefly. "Sometimes I go to California on business in February, and I walk on the beach at Malibu and think about it. But then I say to myself, 'There's nobody out there to talk to.' "

Though he is exceedingly sentimental about New York, he said, those feelings "do not exclude my being critical about it."

He is not impressed with efforts to improve the city's local and national image.

"Changing the city's image is not going to change the substance," he said. "The first line of battle is to stop the bleeding, then bring the city's trend around, it's slow death. The city will be Newark."

Someone asked if being involved in the turnaround effort was somewhat in the nature of attempting the impossible.

"Oh, sure," he said. "That's what makes it so exciting." But he added: "That's what the city is all about. Its very competitive. It's a very tough place. Here you're very quickly divested of any disguise. If you can make it in New York, you can make it most any other place."

Which is why he still devotes more than 40 hours a week to the M.A.C. and generally less than that to his job as a partner in Lazard Freres & Company. "I feel accountable to the people who walk the streets of the city," he said.

What would he do if he lost Governor Carey's confidence?

"I'd resign in a minute," he replied. "I'd resign if any city official said he'd lost confidence in me. I've offered an undated letter of resignation. If it happened, I wouldn't exit crying, but I have to say I wouldn't exit laughing either."

MORE TAX-FREE DIVIDENDS FOR UTILITIES

Mr. METCALF. Mr. President, on March 4, 1976, I placed in the RECORD, at page 5461, information on the tax-free dividends passed on to their shareholders in 1973 and 1974 by investor-owned utilities. The March 15 issue of Forbes carried an article on this subject entitled, "Tax-Sheltered Dividends." Because this article contains a further useful explanation of our indulgent Federal tax policy regarding utilities, as well as 1975 data on tax-free dividends, I ask unanimous consent that it be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

TAX-SHELTERED DIVIDENDS

Here's a major American corporation selling at $18.50 a share, and paying a $1.57 dividend—an 8.80% yield. But then get this: The dividend goes untaxed to shareholders.

The stock is Portland General Electric (1975 revenues: about $180 million). Last year, Portland General Electric paid some $24 million in common stock dividends, not a dime of which the IRS considered taxable current income to shareholders. Portland General Electric is not alone. At least 25% of the dividends paid by each utility listed below was nontaxable last year.

How come? Companies declare their dividend payouts out of profits as measured on the basis of generally accepted accounting principles. But when it comes to figuring the profits for tax purposes, companies use a different form of accounting rules.

Which set of books should the investor believe? Before we answer that question we had better explain why such a big difference exists. There are laws on the books that permit companies to depreciate new plant and equipment faster than they wear out: The idea is to encourage expansion through fast write-offs. For example, Consolidated Edison of New York City figures conventional generating stations to have a life of 35 years for financial accounting purposes; but for tax calculations, the same plant is written off in 22.5 years.

Suppose a plant costs $100 million. Under tax laws it is written off at the rate of $4,440,000 per year; under generally accepted accounting, at only $2,857,000. The difference between the two charge-off figures accounts for part of the differences in reported earnings.

Then there is the matter of construction allowances. It usually takes several years to build a generating plant, and a great deal of money is tied up before the plan produces a single kilowatt of electricity. Utility companies are allowed to credit to earnings a fictional sum as a "return" on this tied-up money.

This fictional income is not taxable. Neither is the excess in depreciation. But they are regarded by accountants as real enough. Therefore, dividends can be paid from them—but they count as "return *of* capital" rather than taxable dividends.

Are these extra GAAP earnings real? "I think GAAP accounting is much more realistic in determining income than is tax accounting," says Coopers & Lybrand partner and tax specialist Daniel Lundy, "because tax accounting is prescribed for very many taxpayers and tends to be uniform. But GAAP accounting is designed to be more responsive to the real economic differences."

However, the Treasury Department does not consider dividends paid under these circumstances as a *return* of capital for nothing. Because of high interest or depreciation charges, you can argue, such companies are actually operating at a loss, and if they are going to go on paying dividends, they will have to dip into their capital reserves to do so. Maybe that capital will be replenished out of future earnings, as the GAAP accountants believe it will; but in paying the dividend, the company's capital reserves are inevitably reduced.

MINUS NUMBERS?

There is, however, a further twist: Every time a shareholder receives a return-of-capital dividend, the IRS says he must reduce his purchase price of the stock by the nontaxable amount of the dividend.

An example will make this clear. Suppose you buy Xanadu Power & Light for $10; it pays a $1 dividend. Say that for five years 100% of the dividend is nontaxable. Thus, at the end of five years, you must have reduced your purchase price of Xanadu P&L by $1 each year—from $10 to $5. Now if you go to sell the stock for, say, the same $10 you pay, the IRS will hit you up for a capital gains tax on a "gain" of $5. Capital gains taxes are, of course, generally much lower than income taxes on dividend income and, in this case, have the further advantage of being deferred. The fact remains, however, that the tax break is not free; there are some strings attached.

A final problem: It is difficult to predict in any year how much of a given dividend will be tax-sheltered. In 1974, a year when rate increases lagged behind inflation, utility profits were squeezed and a high proportion of many dividends was sheltered. But in 1975, a recovery year for utilities, fewer were. If in 1976 the recovery continues, the proportion will drop further. But as long as utility companies expand on a vast scale, they will continue to generate large amounts of income beyond the immediate reach of the tax collector.

UTILITIES WITH TAX SHELTERED DIVIDENDS

	1975 EPS	1975 dividend	"Nontaxable" portion of dividend [1] (percent)	Recent price	1976 indicated yield (percent)
American Electric Power	$2.50	$2.00	69	21¼	9.4
Bay State Gas	[2] 2.64	1.80	30	19⅝	9.6
Boston Edison	2.49	2.44	43	24¼	10.1
Connecticut Natural Gas	3.72	2.80	76	30½	9.2
Detroit Edison	1.50	1.45	21	14¾	9.8
Long Island Lighting	2.31	1.49	56	17⅝	8.5
Mountain Fuel Supply	2.74	1.34	74	36⅝	4.7
New York State Electric & Gas	3.23	2.20	25	26⅜	9.1
Northeast Utilities	1.41	1.02	62	10⅛	10.1
Ohio Edison	1.95	1.66	50	17¼	9.6
Pacific Gas & Electric	2.67	1.88	58	20⅝	9.1
Pacific Gas Transmission	[2] 1.84	.90	29	10¼	8.8
Pacific Lighting	2.23	1.68	37	17⅝	9.5
Pacific Power & Light	[2] 2.29	1.65	90	21⅜	8.0
Philadelphia Electric	1.86	1.64	30	17	9.6
Portland General Electric	2.52	1.57	100	18½	8.8
Potomac Electric Power	1.16	1.16	31	12¾	9.1
San Diego Gas & Electric	.97	1.20	100	13⅛	9.1
Southern Connecticut Gas	[2] 2.51	2.00	70	20	10.0
Toledo Edison	3.29	2.03	50	23	9.2

[1] Estimated.

[2] Latest 12 mo. earnings.

THE ISSUE OF RAISING CONGRESSIONAL SALARIES

Mr. TAFT. Mr. President, during the recent consideration of the Hatch Act reform in the Senate, two important amendments were adopted to correct the present faulty system of raising congressional salaries. Senator Allen's amendment permitted Members of Congress to pass a resolution disapproving their own cost of living raises, without jeopardizing those of other Federal employees, to which they are now tied. My amendment provided that no Member of Congress could receive a pay raise in the Congress in which it was enacted. That language is similar to the laws in over 25 States, which prevent a legislator from receiving a raise enacted while he is serving. The amendments were dropped in Conference because the House felt they were nongermane.

In passing these amendments, the Senate took an important step in showing the public that it recognizes the conflicts of interest that exist in our salary structure. We have been pressing for action along this line for a couple of years, and have bills identical to these amendments pending in the Post Office and Civil Service Committee. The Senate has expressed its support for these proposals, and the Committee should respond by at least holding hearings promptly. The American people are well aware of this issue, as our mailboxes can attest. It is time that the Committee and the Congress face up to its responsibility of setting its own salaries.

TAX REFORM

Mr. CLARK. Mr. President, in recent days the Senate Finance Committee has been holding hearings on the very important subject of tax reform—one of the most vital issues this Congress must face. During these hearings the Committee has heard from many distinguished experts. I would like to commend to my colleagues a statement to the committee by a constituent of mine, Steve Rapp, of Waterloo, Iowa. Steve is the chairman of the Iowa Citizens Committee on Tax Reform and an acknowledged leader in Iowa on the problems of tax reform. I recommend his excellent testimony and ask unanimous consent that his full statement be printed in the Record.

There being no objection, the statement was ordered to be printed in the Record, as follows:

Testimony of Stephen J. Rapp

Mr. Chairman: the adoption of our nation's first peacetime income tax in 1894 led one Congressional supporter to predict—

"The passage of the bill will mark the dawn of a brighter day [when] . . . good, even-headed democracy will be triumphant [and will] . . . hasten an era of equality in taxation and in opportunity."

Today, some 80 years later, the majority of the American people do not view our income tax law as a triumph of democracy, but rather as a cause for disillusionment in our whole democratic system. There is a sense that the tax code benefits the special interests more than it does the ordinary citizens; that it provides credits, deductions, exceptions, exemptions, and special rates to those with economic and political power, while it forces the rest of us to pay the bills.

It was in response to this feeling that our committee was formed. As citizens we wanted to study the tax law, consider proposed changes, and then seek to have an impact on the tax reform debate in the Congress. Our committee includes people from varied backgrounds—from banking, farming, law, homemaking, labor, accounting, education, and public service. We are all members of special interest groups, but we are all more importantly citizens of this country who believe that our taxes must be fair and be recognized as fair by a majority of Americans if our tax law is to have the people's compliance and if our political system is to have the people's confidence.

Our committee believes that our country would be better served by a tax system with sharply reduced rates and far fewer special breaks.

We recognize that the tax law is a useful tool of economic management, and that certain tax preferences can at times provide stimulus for investment, and employment, and economic growth. But we also note that many of these preferences often outlive their usefulness and benefits to many who do not need the assistance. We therefore feel that tax preferences should be treated like appropriations with their benefits weighed against those of other public expenditures. As much as is possible they should be credits, like the investment tax credit, rather than deductions, and should have specific expiration dates.

We also recognize, that the tax system contains some disincentives to investment and places excess burdens on certain business activities. We favor efforts to eliminate the discrimination between debt and equity financing and are open to individual and corporate tax integration. We, however, oppose any tax changes that would shift the burden of tax off of large businesses and high-income individuals on to low-to-middle income Americans. If indeed, there is a potential capital shortage, we believe that this shortfall can best be met by federal budgetary restraint combined with across-the-board tax reductions. We reject trickle-down economics, and all efforts to redivide the American economic pie in favor of those at the top at the expense of all the rest.

Specifically, we would ask the Finance Committee to clear for the Senate a bill including the following tax reform proposals:

1. An increase of the personal exemption to $900, with an alternative $225 personal credit. The increase of the personal exemption is needed to compensate for past inflation, and the alternative of the personal credit will provide much needed relief to families making less than $20,000.

2. Provide for automatic future adjustment of the personal exemption, personal credit, standard deduction, and low income allowance to reflect inflation. Inflation is already hard enough on low-to-middle income Americans without the hidden tax increase that comes from it.

3. Repeal mineral depletion allowances, and foreign tax credits for foreign mineral royalty payments. Eliminate tax deferral through DISC's and eliminate deferral of income of foreign based corporations. Limit artificial accounting losses by requiring that accounting losses can only be taken against related income. These three proposals would close major loopholes that have provided little if any real benefit to the economy.

4. Toughen the minimum tax by eliminating the deduction for taxes paid, decreasing the exemption from $30,000 to $5,000, and by raising the rate to 14%. The famed "loophole catcher" is itself so full of loopholes that as many as 402 individuals making over $100,000 are completely escaping tax liability each year. It would be preferable to attack some of the loopholes themselves, but without such an effort, a strengthening of the mimimum tax is clearly in order.

5. Provide at least a $900 personal exemption from the social security payroll tax. A majority of Americans now pay more in payroll tax than income tax, and the levy is notoriously regressive, placing a heavy burden on low-to-middle income wage earners. Some of that burden could be relieved by providing a personal exemption to be financed out of general revenues.

6. Provide local governments with the option of offering taxable securities and of receiving an interest subsidy. The current tax exemption of state and local bonds saves local governments $3 billion a year in interest but costs the federal taxpayers $4 billion—90% of which goes to people making more than $50,000 a year. Providing local governments with the option would not only save the local and federal taxpayers' money, it would also open the local government bond market to lower bracket taxpayers who do not currently find the tax exempt bond rates to be economical.

7. Provide a 10% credit up to $1000 on the income of the second breadwinner in a two-job family. Such a proposal would recognize the additional costs incurred by working spouses and substantially eliminate the "marriage tax" which leads some couples to avoid matrimony or seek a divorce.

8. Increase the estate tax exemption to $200,000 and provide that only one-half of joint tenancy property can be taxed to the surviving spouse. Inflated property values have made estate taxes a crushing burden on the family farm or business. For a widow who must prove that she made monetary contributions in order to escape paying tax on the entire property, there is often little alternative but to sell out. These changes and others could be financed easily by ending the practice of stepping up the basis of capital gains property at death—a move that could include provision of a credit for estate taxes paid on the death transfer.

Taken together these proposals would substantially improve the fairness of our federal tax system.

We hope that this committee and the entire Congress would consider these changes and others, and adopt in this year of 1976 a comprehensive tax reform bill that will indeed mark "the dawn of a brighter day"—a day of greater tax justice, and a day of greater public faith and confidence in our system of democracy.

LATEST REPORTS ON MEXICAN HEROIN WAR ARE ENCOURAGING

Mr. PERCY. Mr. President, the latest reports we have received on the current expanded effort of the Mexican Government to eradicate the heroin poppy crop, grown primarily in northwest Mexico, are encouraging.

The campaign, which began in mid-November—2 months prior to the usual starting time in January—is targeted in an area twice as large as last year. The number of fixed-winged aircraft and helicopters supplied by the U.S. Government has doubled. New aerial surveillance techniques, incorporating infrared sensing photography, are being utilized to pinpoint the location of the opium poppy crop. Significantly, the Mexican authorities are using, for the first time, herbicides designed to destroy the crop. The herbicides are very effective and are considered safe to animal and plant life in the sprayed areas. This method replaces the time-consuming and ineffective physical beating down of the crop by troops using broom handles.

The first 3-month results—provided by the Mexican Government—from November 20, 1975 to March 14, 1976, are heartening. The amount of pure heroin seized, according to reports, jumped from 121 pounds for the first 3 months of last year's campaign, to 233 pounds for the 3-month period this year. Some 15,000 opium-growing acres have been destroyed compared with 3,175 last year. During the first part of this year's campaign, 1,179 defendants were arrested and 12 clandestine laboratories were seized. In addition, authorities confiscated 409 handguns and hunting firearms, 20 aircraft, 2 boats, and 261 vehicles carrying drugs. The effort is, for the time being, complete in the northwest and will shift in several weeks to the southern part of Mexico. The campaign is scheduled to shift from one part of the country to another as new crops are illicitly grown and discovered.

The expanded Mexican effort is a symbol of the strong links between the two countries and common awareness that the presence and use of illegal heroin is not just an American problem. It is a problem whose dangerous potential has been perceived by the Mexican Government. President Luis Echeverria and Attorney General Pedro Ojeda-Paullada should be applauded for directing and overseeing this important effort.

The outline of this impressive campaign is detailed in a December 4, 1975, letter that I received from Henry S. Dogin, former Acting Administrator of the Drug Enforcement Administration, which I will append to my remarks.

I also received a letter from Secretary of State Henry A. Kissinger, in which he discusses the Mexican eradication campaign. The Secretary was replying to my letter of October 22, 1975, in which I asked for his personal intercession with Mexican authorities to devise a bilateral strategy to stop this deadly traffic. Since that time both he and Attorney General Edward Levi, whose direct intercession I also sought, have exerted personal diplomacy in this vital area. At the same time, President Ford has demonstrated his personal concern and commitment through separate White House meetings with newly appointed DEA Administrator Peter Bensinger and with a concerted congressional delegation. The President has also voiced strong encouragement for and interest in the expanded eradication campaign of the Mexican Government.

There have also been several excellent journalistic articles which detail the magnitude of this campaign and the commitment of the Mexican Government.

These include a column by Chicago Tribune columnist Bob Weidrich, who quite perceptively has pointed out that depressed economic conditions in the mountainous areas of Mexico led farmers to cultivate this deadly, but lucrative cash crop; a comprehensive story, dated January 2, 1976, by the Mexico City correspondent for the New York Times, Alan Riding; a thought-provoking column that appeared in the Washington Post of January 13, 1976, written by Marquis Childs; another incisive account appearing in the Washington Star of March 8, 1976, by Carl T. Rowan; and a fascinating first-person perspective that appeared in the Wall Street Journal, by Richard S. Wheeler, who lives near Sasabe, Ariz., along the border.

Newsweek reporters Sandra Salmans, Anthony Marro, and William Schmidt also have collaborated in preparing a thorough analysis of the stepped-up campaign for the March 15 edition.

The Mexican perspective on the eradication should also be understood by all Americans, who should be aware of sensitivities of our Southern neighbors. Therefore, I am inserting an insightful article, dated February 14, 1976, written by Raul Calvillo, a writer for El Fronterizo, a newspaper published in Cuidad Juarez, Chihuahua, which is located across the Rio Grande from El Paso, Tex. I am also attaching an interesting editorial of February 16, 1976, from that paper.

Mr. President I ask unanimous consent that the above-mentioned material be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

DECEMBER 4, 1975.

Hon. CHARLES H. PERCY,
U.S. Senate,
Washington, D.C.

DEAR SENATOR PERCY: This is in response to your letter of November 11, 1975 wherein you requested a report on DEA's continuing progress in dealing with the Mexican narcotics problem.

As you know, I recently visited Mexico City with Ambassador Vance and met with Mexico's Attorney General Pedro Ojeda-Paullada. I assured General Ojeda-Paullada of the full support of DEA and all other United States agencies vested with the responsibility of narcotic suppression. However, while offering this support, I emphasized the responsibility of the Attorney General and his government to effectively curtail the increasing flow of heroin from Mexico to the United States. I called upon him for a total commitment.

In our talks, there was agreement that while much good work in the area of poppy eradication and illicit traffic suppression had been carried out in the past, the problem had increased in response to greater demand from the United States as heroin smuggling from France declined. As a result of our discussions, I think there is now a better understanding of the extent of the illicit opium production problem in Mexico and the responsibility of the Government of Mexico to more effectively detect and eradicate the poppy.

As a step in this direction, the Attorney General has appointed Alexander Gertz a dynamic young Mexican government executive as a Special Assistant to direct the 1976 narcotic crop eradication and interdiction campaign.

Much of what he outlined to us at our meetings of November 8 and 9 was confirmed at a press conference he held on November 13. He set November 15 as the opening date of the 1976 eradication campaign. He stated that 350 Federal Judicial Police agents and 5,000 soldiers would be assigned. They would be supported by a total of 39 helicopters and fixed wing aircraft. The poppy growing and interdiction areas have been divided into eight command zones.

The Attorney General announced at the press conference that herbicides, of an approved type regularly used in Mexico for weed control, would be utilized to destroy poppy cultivation. The herbicides will be sprayed by special crop dusting helicopters and as necessary, army troops equipped with back-pack sprays. This program was launched on November 25.

On November 21, the Federal Judicial Police Zone commanders with their agent personnel, took up position and on November 23 they were joined by the Army troops. Air reconnaissance which began on November 15 has already detected poppy targets for eradication. The operational aerial reconnaissance units have been increased from one to two.

Preliminary arrangements have also been made with Attorney General Ojeda-Paullada to experimentally test the feasibility of satellite detecting of poppy over the whole of Mexico. Technical arrangements for this project are being made as rapidly as possible here in the United States.

While priority is being given by the Mexican Government to increasing their ability to detect and eradicate poppy, a concentrated effort is also being made to expand and enhance the effectiveness of the Federal Judicial Police effort to interdict the illicit traffic through increased narcotic arrests and seizures and the immobilization of heroin laboratories.

In addition to these efforts to intercept the movement of heroin toward the United States border, the technique of joint prosecutions inaugurated in 1975 is being expanded to immobilize major heroin sources of supply in Mexico. This program follows the concept developed with the French authorities over a period of years whereby sources of supply in France were prosecuted on the basis of evidence and testimony developed against them in the United States and presented to the French Courts via rogatory commissions. If a defendant arrested in the United States, in connection with heroin obtained in Mexico, wishes to cooperate we now invite a Mexican Federal prosecutor and Consular Officer to take an official statement from the cooperating individual. The statement together with other evidence obtained in the course of the investigation in the United States is provided the Judicial authorities in Mexico. They then file charges and prosecute the sources of supply. During 1975, 14 important prosecutions have been initiated in Mexico striking at sources of supply which prior to the utilization of this technique enjoyed virtual immunity.

On the domestic scene, we are more fully exploiting our investigative and intelligence resources to increase the development of major conspiracy prosecution particularly cases involving the traffic of heroin from Mexico. During the next few years as our cooperative efforts with the Mexican authorities effectively curtails opium production and the heroin traffic an intensive program of conspiracy prosecution provides one of the best means within the United States to disrupt this traffic.

As we see it, we shall continue to be confronted from Mexico with a heroin threat until such time as heavy illicit opium production in that country can be curtailed.

We believe that everything possible has been done in the way of program planning and the assignment of manpower and resources to the eradication and interdiction campaign in Mexico. The challenge is very great but if the program is implemented with determination and effectiveness, a meaningful diminution in the traffic of heroin to the United States will be possible in 1976.

Sincerely,

HENRY S. DOGIN,
Acting Administrator.

COMMITTEE ON GOVERNMENT OPERATIONS, SENATE PERMANENT SUBCOMMITTEE ON INVESTIGATIONS,
Washingon, D.C., October 22, 1975.

Hon. HENRY A. KISSINGER,
Secretary of State, Department of State,
Washington, D.C.

DEAR MR. SECRETARY: Several days ago, I received new information from the Drug Enforcement Administration which indicates that Mexico has become almost the exclusive source for heroin sold in this country. The report, which uses laboratory analyses to trace the origin of heroin confiscated in the United States, points to a major shift in distribution patterns over the last three years.

Illustrative of this shift, in 1972 Mexico supplied 40% of heroin used in the U.S.; Europe and the Middle East, 44%; and Southeast Asia, 8%. For the first six months of 1975, Mexico provided 90% of all heroin; Southeast Asia, 9% and Europe and the Middle East, 2%.

In many ways, the current situation may be more difficult to control than in the days of the "French Connection." Instead of heroin being smuggled over thousands of miles from distant continents and secreted by sophisticated international couriers, it now can be walked across a 1,945 mile-long largely unguarded border, by anyone who can afford a pair of shoes. It is then only hours away from major population centers in this country. Individual border inspections are almost impossible because of the almost one-half million people who cross the border daily.

I fully realize that Mexican officials are already cooperating in an effort to stamp out heroin smuggling from their country. But much more intense effort is needed if we are to dam up this international stream polluted with deadly granules of brown heroin. Immediate diplomatic steps are called for to work out cooperative arrangements ensuring that more effective drug law enforcement efforts are undertaken to halt this latest trafficking pattern. The matter can only be resolved at the highest levels of government-to-government diplomacy. Accordingly, I ask that you intercede personally with the Mexican President Luis Echeverria—whom I know will want to cooperate in every conceivable way—to assure yourself and the American people that everything humanly possible is being done within and by Mexico to lessen the flow of heroin smuggled into the United States.

I am simultaneously requesting Attorney General Edward Levi to personally intercede with Mexican law enforcement officials with the same purpose in mind.

Without question, heroin addiction is one of the gravest problems that confronts the American people today. In its wake is the devastation of broken lives, human misery, and violent crimes against individuals and the society. With an addict population estimated to number 500,000 victims and drug-related crimes costing our society $10–$15 billion yearly, not only have we not turned the corner in the so-called war on drugs, but, incredibly, we may be in a state of retreat. The thrust of the Federal effort must be to halt the flow of heroin even before it reaches our borders. It is in that vein that your own direct efforts with Mexican officials can have a substantial impact.

I will appreciate your keeping me fully informed as to the status of your personal efforts and of negotiations the Department may have with Mexican officials in this respect.

Warmest personal regards,

CHARLES H. PERCY,
U.S. Senator.

THE SECRETARY OF STATE,
Washington, D.C., December 2, 1975.

Hon. CHARLES H. PERCY,
U.S. Senate,
Washington, D.C.

DEAR CHUCK: I agree with the statement in your letters of October 22 and November 14 that the flow of heroin to the United States from Mexico is a serious problem, and assure you that your support of our narcotics control endeavors and interest in finding new means of resolution are most welcome.

On November 8, in Mexico City, Mexican Attorney General Pedro Ojeda Paullada met with my Senior Adviser on Narcotics Matters, Ambassador Sheldon B. Vance; Ambassador to Mexico, Joseph J. Jova, and the Acting Administrator of the Drug Enforcement Administration, Henry Dogin, to review joint United States-Mexican planning for the current intensified Mexican campaign of poppy eradication and heroin interdiction. Subsequently, on November 13, the Mexican Attorney General announced in a press conference the inauguration of the current Mexican expanded campaign and, very importantly, described his plans to begin using selected aerial sprayed herbicides to destroy the opium poppy fields. I responded to the Mexican initiative in a press statement issued on November 14, in which I commended the cooperative efforts of the Mexican Government in increasing significantly its efforts to suppress opium production and traffic in heroin. Enclosed is a copy of the press statement.

The fact is that the Mexican Government has greatly increased its drug control efforts and its commitment to control the problem. We can now reasonably expect more substantial results as a consequence of augmented United States assistance, the deployment of expanded Mexican human and material resources and the adoption of more advanced measures of eradication and interdiction.

In view of the current increased commitment and actions on the part of the Mexican Government, additional high level discussions at this time do not seem appropriate. There are, of course, continuing discussions between our Ambassador and senior Mexican officials in order to maintain high momentum in our joint efforts of narcotics control and seek further new ways to improve the program.

You emphasized the importance of will in resolving the "French Connection." I fully agree with you on the need for will or commitment to the problem. I am convinced that that is what we are now achieving with the Mexican Government. We have a definitive sense of commitment from the Mexican Government, and I am confident that the supply of heroin flowing from Mexican sources will be reduced significantly as the result of our common efforts.

I will arrange for you to be kept informed of the progress of the Mexican eradication campaign.

Warm regards,

HENRY A. KISSINGER.

[From the Chicago Tribune, Jan. 12, 1976]

MEXICO TAKES AIM AT 10 TONS OF HEROIN

(By Bob Wiedrich)

MEXICO CITY.—Pedro Ojeda-Paullada, Mexico's attorney general, would like to set the record straight with the environmentalists who quarrel with his methods of destroying opium poppies.

He does not intend to use defoliants like those that wiped out entire Vietnamese jungles during the American campaign to strip Viet Cong terrorists of their natural camouflage. Nor, for that matter, does he plan to invoke flaming napalm from the heavens.

All he wants to do is spray with commercially tested and proven herbicides the estimated 28,000 acres of opium poppies growing in a 10-state area of Mexico and expected to produce as much as 10 tons of heroin this year.

That is his intention. And he already is marshaling the forces to do the job with the help of the Americans and millions of gringo dollars.

Ojeda-Paullada's laudatory program got off to a bad start Nov. 12, when some of the Mexican reporters who oppose him politically misinterpreted his announcement to fight the heroin menace from the skies instead of the ground.

They started a big flap about a threat to the Mexican ecology. And before long, some people were seriously believing the erroneous reports that their government, in consort with the United States, was intending to destroy the environment of the opium-growing Sierra Madre Mountains.

Over the last 27 years of eradication efforts, squads of Mexican army soldiers have been airlifted into remote areas to spend weeks of back-breaking toil destroying the poppy plants by hand.

Too often, the campesinos or peasant farmers merely waited until the soldiers were gone, then returned to the field to retrieve some of the opium gum remaining on the otherwise destroyed plants. Or, they managed to salvage the seeds for new plantings.

Either way, the destruction visited upon the fields was not a total loss from the viewpoint of the campesino. In no time at all, he was back in business, cultivating a new crop or smuggling the opium gum to a heroin refining laboratory hidden in the towns along the Pacific coastal plain.

So this year, Ojeda-Paullada plans to use some of the American dollars donated to the Mexican narcotic enforcement effort to finance the use of herbicides that have been used for at least 10 years in spraying the Mexican potato crop to kill weeds and insects.

According to what the experts have told the attorney general, the herbicide to be used is harmless to humans and other plant life when properly diluted.

You can take a potato from a recently sprayed field and eat it without fear, Ojeda-Paullada said. And again, according to the experts, the spray actually makes the earth more fertile about three months after application.

But what it does to the opium poppy and marijuana plants deep in the Sierra Madre boggles the mind. Within three days after spraying, the plants turn brown and begin to crumble.

Last year, U.S. assistance totaled almost $12 million for aircraft, fuel, and the training of helicopter pilots and mechanics. This year, the sum is expected to be even greater.

But only if the program is carried out relentlessly and whole-heartedly over a long span of years can it have any chance of success. Some of the Mexican officials with whom we talked predicted a miraculous end to opium poppy cultivation in just three years of spraying.

But they were at a loss to explain what they thought would prevent the campesinos from planting new crops the day after the last herbicide-spraying helicopter left the skies of the Sierra Madre.

Clearly, the attack with herbicides must become an annual exercise if it is to have any significant impact on the multimillion dollar heroin trade to North America.

"Only if there is a total American commitment to the war on drugs in Mexico can the mission be accomplished," Ojeda-Paullada told us in his office overlooking downtown Mexico City.

He expressed dismay at the failure of the American judicial system to properly enforce the laws designed to make it tough for dope traffickers to find a market for their wares. And he deplored the official U.S. posture that it is Mexico's responsibility to eliminate the source of drugs while the Americans fail to enforce their own drug laws.

The drive for decriminalization of marijuana, along with the increasing propaganda campaign to extend similar courtesies to cocaine users, he said, smacks of total U.S. hypocrisy.

To us, it was a telling argument. Until we Americans start putting dope pushers in jail, we can have no cause for criticizing others. Nor can we confront the world's drug-producing nations with a straight face.

Either we mean what we say or we don't. The fight against narcotics has to be for real.

[From the New York Times, Jan. 2, 1976]

Mexico Opens New Drive To Halt Narcotics Flow

(By Alan Riding)

Mexico City, January 1.—Mexico has launched a broad offensive against the narcotics traffic in apparent response to criticism in Washington that its efforts to curb the flow of heroin into the United Sttaes have been inadequate.

In the last month the Government has not only given increased political priority to the battle but it has also formed an entirely new narcotics squad in the Attorney General's office to direct the nationwide campaign.

Giving new emphasis to the fight against growers, the Government has decided to use herbicides to destroy opium poppy and marijuana plantations hidden deep in the Sierra Madre.

Representatives of the United States Drug Enforcement Administration who are stationed here and work closely with Mexican agents refused to discuss the new campaign, but American officials are reported to be confident that it will be more successful than previous ones.

ONLY ONE YARDSTICK

"There will only be one way of gauging our success," Dr. Alejandro Gertz Manero, the 36-year-old lawyer who was appointed to head the campaign, said in an interview. "The amount of drugs entering the United States from Mexico must go down. That is the only valid measure, and that is the challenge."

The first month's results showed a sharp increase in the amount of pure heroin seized—37.9 kilograms—a kilogram is 2.2 pounds—compared with 3.4 for the same period last year—and the area of opium poppies destroyed—530 acres as against 95.

The problem to be resolved is of much larger dimensions. The cultivation of opium poppies, from which heroin is processed, has increased so * * * perhaps 70 to 90 percent, or eight to 10 tons a year.

The Mexican Government originally joined the international fight against drugs in 1969 under pressure from the Nixon Administration, although that campaign was directed almost exclusively against marijuana and failed to reduce the flow into the United States.

By the time Mexico began supplanting Europe and the Middle East as the major supplier of heroin to the United States after 1972, it was apparent that the Mexican Government was ill-prepared. "Mexico was doing something," a well-placed foreign observer said, "but too often it was too little too late."

ENTRENCHED CORRUPTION

As a result, while American officials continued to express their gratitude to Mexico in public, in private they often spoke harshly of poor organization, lack of enthusiasm and entrenched corruption in Mexico's antinarcotics campaign.

Several United States congressmen, particularly those representing heroin-affected districts, have criticized Mexico, and President Ford recently appealed to President Luis Echeverria Alvarez to intensify the fight.

The new campaign by Mexico has been in the works for almost a year—the time it has taken for 200 federal agents to be recruited and trained by French, American, British and Mexican specialists in combatting narcotics. The agents, more educated, better paid and, it is hoped, more honest than their predecessors, form the elite corps that has the prime responsibility for the campaign.

The squad benefits from seemingly unlimited financial resources—"We've spent more in one month than the rest of 1975 put together," an agent said—as well as increased political prestige, which is vital to obtain the cooperation of other Mexican officials.

Most of the equipment has been donated by the United States Government, including 27 helicopters and nine fixed-wing aircraft, plus two aerial-photographic systems for poppy detection. Nevertheless the campaign is being run exclusively by Mexico, with 20 or so American narcotics agents limiting themselves to exchanging information with their Mexican colleagues.

Officially, the campaign is directed equally against heroin and marijuana on the ground that Mexican law makes no distinction between drugs. Mexican agents concede, however, that heroin is the main target not only becaues some American states are losing interest in prosecuting marijuana offenders but also because of the serious social problems caused by heroin in Mexico.

From an operational point of view both drugs pose the same difficulty: the need to police a largely uninhabited mountain region that is about twice the size of Texas.

Over the last three years areas once known exclusively for marijuana have been invaded by the opium poppy. Both plants can be found throughout the Sierra Madre as it wanders southeast through the states of Sonora, Sinaloa, Chihuahua, Durango, Jalisco, Nayarit, Colima, Michoacán, Guerrero and Oaxaca.

A helicopter flight east from the city of Culiacán, site of many clandestine heroin laboratories, clarifies the situation. Forested mountains stretch in three directions, with neither rough tracks nor peasants' huts providing evidence of habitation. Yet in almost every dip neat rows of bright green marijuana plants stand out from the undergrowth, while higher clearings bearing olive green plants are poppy fields.

In other parts of the country peasants who grow the plants near their huts hide if helicopters or soldiers are sighted. In the region around Culiacán the peasants hike into the mountains twice for each crop—once to sow and once to harvest. The law providing for expropriation of land planted to drugs hardly affects them since they use communal land far from the roads.

The drug crops are appealing not only because they earn more than ordinary crops but also because they have a secure market.

In the past the main burden of destroying the fields fell on small units of soldiers who would wander for days across the mountains.

"It wasn't very practical," an agent explained. "The soldiers would often take hours to reach a field just two slopes away. On other occasions they would miss fields that were almost next to them. And they rarely arrested any peasants."

Now the soldiers are ferried between growing areas by the enlarged fleet of helicopters. The narcotics squad is experimenting with a herbicide called gramaxone that is sprayed from the copters.

"There were simply too many fields to destroy on the ground," the agent went on. "Often the fields were on slopes so steep than even helicopters couldn't land. We're hopeful that the herbicide will make a radical difference."

The thrust of the campaign is to try to cut off the flow at the source since marijuana "tails" and opium gum are often impossible to trace once they are out of the mountains.

"Controlling the traffic is more difficult," Dr. Gertz said of the campaign he heads. "This is a huge country and we have to block roads, find clandestine laboratories, control clandestine airstrips, of which there are more than 2,000 in the Sierra Madre alone, check ports and ferries, patrol coasts and so on."

EASY ACCESS TO UNITED STATES

Easy access to the United States is Mexico's principal attraction as a supplier. Not only is there a 2,000-mile land border, which is crossed by 25 million legal travelers and a million illegal Mexican migrants every year, but there is also a long coastline within sight of the mountains where small boats pick up shipments almost daily. In addition, the traffic by small aircraft, which are believed to smuggle in most of the heroin, is notoriously badly monitored on both sides of the border.

By concentrating on destroying plantations, the Mexican Government believes that it will reduce the chronic problem of corruption among narcotics agents, customs officials and police and army officers.

"Corruption is a serious problem which we have to face with all sincerity," Dr. Gertz said. "The drug traffickers not only try to bribe our people, but they corrupt the peasants and the entire social context in which they move."

Dr. Gertz insists that efforts to reduce the traffic are not being ignored. Important quantities of packaged marijuana, opium gum and processed heroin continue to be confiscated, and locally made stimulants and cocaine coming through from South America are also seized frequently.

This month a roadblock on the Baja California peninsula led to the confiscation of four million amphetamine pills, the destruction of two clandestine laboratories and the arrest of 30 people.

The Government's determination to be tough on traffickers is also evidenced by the stiff sentences imposed. A recent change in law increased the minimum sentence for drug offenses to imprisonment of five years and three months, thus excluding traffickers from the provision allowing bail for crimes punishable by terms of less than five years.

Over 80 percent of the 550 Americans in prison in Mexico are held on drug-related charges, though few are considered figures of importance in the international traffic.

Some Mexican agents, stung by criticism of Mexico's performance, often maintain that while the principal American ringleaders are known to United States enforcement officials, they seem to be immune. "The joke is to blame Mexico for everything that isn't being done in the United States," one said.

Questioned on this point Dr. Gertz replied: "Every country has a clear responsibility. We are intensifying the fight against drugs at our level and in all possible ways. We can only fight the traffic in our country. If drugs are planted here, we must destroy them. If they are transported and treated in laboratories here, it is our duty to attack these areas."

"But we cannot fight the mafias that sponsor the narcotics traffic from abroad," he added, "We also cannot stop the massive daily consumption of drugs because it doesn't take place in Mexico."

[From the Washington Post, Jan. 13, 1976]

The Threat of Mexican Drug Traffic

(By Marquis Childs)

Mexico City.—The ever-increasing drug traffic between Mexico and the United States is like a cancer threatening to undermine the ties of friendship between the two neighbors. How many hundreds of millions, perhaps billions, of dollars flow through the channels of this highly organized criminal trade, how far-reaching the web of corruption, are unknowns to be measured against the fearful toll taken by the brown poison of heroin in the bloodstream of so many Americans.

With a pause in the export of the raw stuff from Turkey and a definite break in the French connection, the chief source of the hard stuff has become Mexico. I have talked with high sources in the Mexican government who see the situation in the following stark terms.

The market is the United States and a very large market indeed it is. Production is in Mexico and, more recently as a kind of offshoot, Colombia.

If the market could be greatly curtailed or even closed down altogether, the production center would shut up shop. Short of that, innumerable ways will be found to circumvent whatever barriers are put in the way of development and transport of what is, in effect, brown gold. This gives a grim look to the efforts of both governments, the U.S. providing help to Mexico with as much as $40 million, to stop the traffic.

It began, this is the Mexican account, with the education of illiterate peasants in the high Sierras in the cultivation of the opium poppy. They had been scratching a bare living out of growing corn. Here came some foreigners telling them that if they would plant this other stuff, showing them how to harvest the poppy pods, they would be well off. They might even one day be able to buy a watch.

This sounds like the beginning of a spy thriller, but Mexican authorities say this is just how it all started. The educators were Mafia agents and the Mafia today has added the Mexican-Colombian drug trade to other highly profitable and illegal operations. In both countries, education in processing from raw opium to heroin followed.

Once, organized transportation across the border was no problem. Plenty of pilots were willing to chance landing on secret air strips on the U.S. side, there to be met by agents ready to take the cargo and pay off the pilot. Other agents using a variety of means of concealment tried to outwit U.S. customs agents in principal airports.

When the Colombia operation was organized it was soon realized that shipment directly to the United States was difficult and was likely to be detected because of the limited number of flights out of Colombian ports. Therefore, transshipment through Mexico City began. Here was a whole new source of reward and risk. An agent with, say, a dozen kilos of heroin concealed in the false bottom of a trunk or a suitcase flying out of Bogota tries to elude detection in Mexico City.

If he is not caught he trans-ships to Los Angeles or New York, or he may even go by way of Europe, Amsterdam or Paris, to throw off any scent of the Colombia-Mexican connection.

Successful in laying down his cargo in the retail market of one of the big cities in the United States, he has made a small fortune, since the value of the heroin has been enhanced at least a thousand per cent. According to Mexican sources, a man can retire for life after 10 successful trips.

But the risks are great, and there is another source of friction between Mexico and the United States. About 600 U.S. citizens are in Mexican jails on drug charges and the jails are hardly Ritz Carltons. Many are simply young hippies who happened to possess marijuana and they are being treated with rank injustice. This has become a reason for bitter protest in the United States.

Not at all, say the sources here with whom I have talked. They were all, or virtually all, involved in the traffic in hard drugs, and we intend to keep them in jail.

The cooperation between Mexican and U.S. authorities in trying to put a stop to the drug traffic is close. One of the chief aids provided by Washington has been helicopters. The latest proposal is to spray the poppy fields.

But as in Turkey, where poppies were a traditional quick-cash crop, the political implications can hardly be ignored. To wipe them out with low-flying helicopters is bound to mean political reprisals for they signify prosperity for a peasant who hitherto has known little more than hunger.

And while the number of poppy cultivators is comparatively small, the charge that the gringo is moving in on a means of decent livelihood could bring more than a localized protest.

Mexican sources claim that drug abuse in this country is minimal. They put the percentage of drug users between the ages of 15 and 25 at 2 per cent and this would include the use of marijuana. American officials are skeptical of this figure.

Poverty may be a deterrent. The market to the north offers the gleaming prize. How much of his wealth remains in Mexican hands and how much goes to the Mafia managers are two of the unknowns. When the traffic can be stopped, when it can even be slowed, are the greatest unknowns.

[From the Washington Star, Mar. 8, 1976]

THANKS TO MEXICO FOR DRUG EFFORT

(By Carl T. Rowan)

IGUALA, MEXICO.—If you are a parent of teenagers, or of grade-schoolers for that matter, I hope you noted President Ford's recent remark that troubles with hard drugs have become more acute in America's big cities and along the Mexican border.

Here in the High Sierras I have seen a glimpse of what the government of Mexico is doing to destroy the raw sources of the heroin and marijuana that have brought profound grief to so many families—especially in the U.S. The American people owe a special thanks to Mexico.

If we were moving as ruthlessly and relentlessly against those in the illegal drug business as Mexico is (especially against the big pushers and bribe-taking police officials), and if we got the same kind of cooperation from France, Turkey, Colombia and other countries as we are getting from Mexico, the drug problem in America would not be anywhere near the curse it is.

Last Nov. 20, Mexican intelligence and law-enforcement officials figured that some 16,000 plots or fields of opium poppies and marijuana had been planted in mountain areas and other almost inaccessible spots. Mexican troops and an armada of 50 helicopters and planes spraying the herbicide Gromoxone are destroying all 16,000 "plantations."

Gertz Manero, the soft-spoken deputy attorney general who directs Mexico's war on drugs, says that if the attorney general's office continues to spend as it has in recent months, Mexico will shell out 100 million pesos a year ($8 million) to destroy the basic sources of drugs.

Some Mexicans delight in declaring that it is simple good-neighborliness which motivates them to spend so much to combat a problem that is not Mexico's, but which is begun by racketeers in the States, completed by gangsters in the U.S., with U.S. citizens mostly the victims. Gertz Manero is not so self-laudatory.

"Mexico does not have a grave drug problem now," he told me, "but we would have a grim problem in the future if we did not act now."

President Luis Echeverria told me that big-time drug traffickers now sneak into Mexico in small planes and pay for drugs with machine guns and other weapons. These guns have been used to kill at least 40 Mexicans trying to wipe out the source of heroin and marijuana.

And let it be understood that the crop-destruction program just completed is no once-and-it's-over operation. Mexican forces destroyed 20,000 heroin fields and 14,000 marijuana crops in 1975, but new fields bloom this year.

Mexico's commitment to wiping out the drug traffic goes beyond defoliation of poppy plants. In the last three months 954 drug arrests have been made, including 145 foreigners, 120 from the United States. In 1975, 3,441 alleged drug traffickers were apprehended, including 332 foreigners, the vast majority from the United States.

When Mexico moves against drug peddlers, Mexico is very, very serious. No bail, a minimum sentence of five years and three months, and no parole.

The Mexicans admit that their prisons are not country clubs. It probably is true that the Mexicans have treated some of our drug peddlers in ways that would cause apoplexy in the American Civil Liberties Union.

But Mexico's laws regarding drugs are harsher than ours. President Echeverria told me that he will continue to give U.S. traffickers "the same treatment we give Mexicans."

I applaud Mexico for being a good neighbor—especially since I have a hunch that Mexican officials know the drugs are being used to dehumanize blacks, Spanish-speaking Americans and others who already have been brutalized by poverty, semi-enforced ignorance and bigotry.

[From the Wall Street Journal, Jan. 7, 1976]

BRINGING DOPE OVER THE BORDER

(By Richard S. Wheeler)

SASABE, ARIZONA.—One recent night I heard the drone of a light plane flying low along the international border that runs through here. I had heard the same drone two nights before, drifting south into Mexico, but now the hum was moving northward.

The plane was well below the mountain ridges on either side of the Altar Valley, which stretches 40 miles or so northward toward Tucson. I could hear the engine but could not see the running lights. The pilot was traveling dark, just as he had on his trip south. Another load of drugs was gliding safely below the radar into the United States.

A recent federal study reported that Mexico has replaced Europe as the major source of heroin smuggled into the U.S. and Sasabe has the unfortunate distinction of being one of the major smuggling points. It's estimated that 20% of the illegal drugs entering the country flow through this section. Much of it is pot, which is grown in several crops during the long Mexican season, but there is heroin and Mexican brown opium as well.

A friend, a customs inspector at the Sasabe port, told me that until recently about 150 illegal flights enter the U.S. every day. Some fly over this tiny border town, 70 miles from anywhere and the location where much of the movie "Lilies of the Field" was filmed. There is an interceptor plane at Tucson, equipped with air-to-air radar and other gadgets, but it can't be everywhere at once and so the contraband still comes through, although not as easy as just a few months ago.

The border here is a routine four-strand barbed wire fence, indistinguishable from any other fence in the area. It is easy enough to cross it anywhere along the endless miles of wilderness, yet it is also a tight barrier efficiently patrolled by customs inspectors, immigration officers (mainly the Border Patrol and the recently organized Customs Patrol composed largely of former sky marshals). Federal narcotics officers also have a hand in controlling the drug traffic.

The day of the horseback patrolman looking for illegal footprints is long gone. Today's patrols use light planes (a slow white Piper Cub and a faster Cessna in this area), trail bikes, four-wheel drive vehicles and cars. The border itself is often inaccessible to motorized traffic, including the trail bikes, but the patrol ranges inland 10 or 12 miles on dirt ranch roads, and reaches into Tucson and other towns for aliens.

A COMMON SENSE APPROACH

There are all sorts of gates in the border fence, some very obvious on dirt roads, others hidden. They permit fence-crawling livestock to be shoved back to their home pastures, and it is common for ranches on both sides of the line to return stock in that fashion. It may not be perfectly legal to do it that way, but it solves the problem with a minimum of red tape. Moreover, it would be a costly hassle to truck every stray steer to customers.

But the gates exist for a second reason: smuggling. In a rather delicate quid pro quo, smugglers usually use the gates rather than incur the wrath of ranchers on both sides of the line by cutting wire. The Border Patrol prefers the gates over cut wire as well, since it gives them better control of smuggling. But there has been plenty of wire cutting too.

Alien smugglers are usually just shoved back across the border, but vehicles and pack animals used in smuggling are confiscated. A number of Tucson citizens have lost fancy pickups that way, which the government auctions off at intervals.

Mexican smugglers typically charge $300 for a smuggling trip, and require payment in advance, usually in large U.S. bills. Typically the Mexicans enter the States by truck or with a burro or horse pack string, making their rendezvous or stash the load at an agreed-upon cache, and head south. The load is usually carried in coarse burlap sacks, which can sometimes be found scattered at old cache sites. Some friends and I once stumbled on an old cache, full of Mexican burlap, under a holly bush not 10 feet from a rugged and hidden road.

American buyers must still run a long gauntlet from the border up toward Tucson or Phoenix. There is only one turnoff, to the ancient town of Arivaca, and that route is as well covered by patrols as the Altar Valley route. But smugglers have the advantage of diversity and surprise.

Some smugglers make a direct run through the port here, which is open 16 hours each day. But seasoned customs men have a sixth sense, supplemented by knowledge of what's going on south of the border, so not much contraband is thought to get through. Besides, there are no traffic jams at Sasabe, and inspectors can take their own sweet time if they choose.

Some drugs obviously get through. Every weekday a great many Mexicans head for Tucson to shop. During the winter a large daily influx of mesquite cutters come for firewood and fuel for the homes of Sasabe, Sonora, a town of some 1,800 just over the border. (The mesquite on their side of the border has been largely stripped-off to fuel the kilns for the town's adobe block factory.) Some smugglers cross posing as woodcutters.

In fact the one time I actually saw smugglers in the act was when I was riding with some guests at a nearby ranch through a mesquite grove and came upon an ancient purple truck wtih Sonora license plates. The "woodcutters" hurriedly threw some bags into the cab and began piling pieces of wood into the empty truckbed. Just then the Border Patrol's white Piper began circling above tree level, no doubt trying to sort out the guests on horseback from the smugglers. The guests never did realize exactly what they had seen.

Observers in the patrol planes have at least passing knowledge of those of us along the border. Occasionally I help the ranch wrangle its horses, and once while I was driving some stock along the border fence the Piper swooped down for a look. I could practically hear the radio crackling. I doffed my hat and waved, and eventually the sky patrol departed.

The mesquite thickets provide smugglers with excellent cover from air surveillance, since most smuggling occurs in the leafy summer, when the pot crops are harvested. Once when there was particularly heavy smuggling traffic hereabouts, I set out with the owner of a border ranch and her daughter to find the gate from Mexico that opens into their property. None of us had seen it because it was located in rugged hills, although it had been used by several pack trains in previous weeks and the patrol had nabbed loads of pot varying from 500 to 700 pounds.

After an hour or more of rough riding, we found the gate at the bottom of a steep arroyo, next to abundant mesquite cover. It was scarcely three feet wide. The floor of the thicket was full of hoof tracks, along with a Mexican cigaret wrapper. We followed the trail northward, marveling at its use of cover. It eventually debouched onto one of the ranch roads. It may not have been a prudent venture on our part but it was daylight and most smuggling occurs during the light of the full moon. The next day, however, a load went through that gate, but the patrol nabbed it along with two new pickup trucks.

Wily American smugglers monitor broadcasts of spotter planes and radio-equipped border vehicles. The patrol has developed its own defenses against eavesdropping. For instance, a patrol plane that spots a load coming in will sometimes fly a long distance to get behind a mountain to radio Tucson for help without being heard. The patrol also has an array of electronic gadgetry which aids in detection and communication, much of it developed for Vietnam.

Smuggling by air used to be quite safe, but just south of here are the crumpled remains of three light aircraft that went down in the Sonora desert. Their owners, with a load of contraband aboard, could scarcely radio for help. So the planes sit inertly, a few yards across the border, awaiting claimants who will never come.

A SHARE OF TRAGEDY

Much of the official work along the border is routine, but the drug smuggling of recent years has darkened the border and generated its share of tragedy. Officials have been shot at from Mexico, and not long ago a cocaine-crazed alien on a nearby ranch was shot to death after he attacked a border officer with a knife. Death is not yet common along this stretch of the border, but it is constantly lurking in the background.

Smuggling is at least partly a response to recent legislation. A few years ago Congress halted employment of Mexicans in the U.S. on the mistaken assumption that they took jobs from Americans. Actually, the Mexicans worked largely at marginal jobs on ranches, or as domestic laborers or in restaurants—jobs few Americans wanted. And the jobs simply disappeared when the border was closed.

The closing of the border to alien workers established a curtain of unfriendliness between traditionally friendly peoples. The effort to shut out foreign competition has resulted in a bad-neighbor policy that we may well come to regret.

But not all smuggling through this port is northbound. The Mexican government imposes its own stiff duties on manufactured goods, especially household appliances and cars. With the increasing electrification of rural Mexico, there is mounting demand for used refrigerators, washers, stoves, and the like. I have seen whole truckloads of such products rumbling southward down the Sasabe highway.

Yet it would be a mistake to suppose that smuggling is the only important element of border life. Most traffic through here consists of Mexicans on their way to shop in Tucson, and Arizona families hauling their campers and boats over the dirt road shortcut to the Gulf of California. The heart of the border economy is ranching and the hallmark of the border is friendly cooperation most of the time.

When Mexican federal officials wish to talk to superiors in Mexico City, they use the phone at Alice's store on this side of the border. When Arizonans need a doctor pronto, they cross the border to get to him. At the Mexican port, American shoppers usually get a friendly wave. Many Sonorans maintain a postal box on this side, and mail letters destined for Mexican cities from the U.S. Alice's till accumulates pesos each day, even as tills across the fence accumulate dollars.

Most of us who have come to the border to stay are here because of an innate fondness for Mexico and its lively and lovely people. Not even the government's bad-neighbor policies will break the bonds of commerce, friendship and marriage along the international border. But a move toward freer trade and more enlightened policies toward aliens would benefit both peoples and cement new bonds of friendship.

[From Newsweek magazine, Mar. 15, 1976]

THE MEXICAN CONNECTION

On the steep mountain slopes of northern Mexico's Sierra Madre, a crucial harvest is now under way. In as many as 20,000 tiny plots, or Plantios, scattered through these remote badlands, the bright red petals are falling off the opium poppy, leaving the green stem and the pod. The farmer makes small cuts in the pod of each plant with his knife, and returns the next morning to scape off and collect the opium gum that has seeped out through the wounds. Within days, the gum will have been refined in primitive laboratories into heroin and smuggled across the border into the United States. And within a few weeks after the harvest, users throughout America will be shooting Mexico's brown heroin into their veins.

Only two years ago, heroin usage in America appeared to be on the wane. Turkey, the main source of the drug, had banned the opium poppy, the U.S. withdrawal from Vietnam had removed another channel of supply, and in late 1973 Richard Nixon announced that "we have turned the corner on drug addiction." The government failed to note that Mexican heroin was already closing the gaps in the French-Turkish and Asian connections. Now, the Drug Enforcement Agency has declared that illegal heroin is more available in the U.S. than it has been since 1971, and that up to 80 percent—6 to 10 tons—is Mexican-grown. As George Halpin, the DEA deputy regional director in Chicago, puts it: "We are up to our ears in Mexican heroin."

The Mexican connection has vastly altered the national drug scene. Formerly one of the last stops on the supply route, Chicago has become one of the main distribution centers for the Mexican heroin, and the drug is spreading into Midwestern and Western towns that had previously escaped the plague. Mexican-Americans have replaced blacks, Cubans and Italians as the main traffickers in the drug. The DEA, with its agents concentrated on the East Coast and very few of them able to speak Spanish, is hard pressed to cope with the change. And there is a new snarl of diplomatic problems for Washington, which antagonized Turkey with its pressure to ban the poppy and now risks alienating its southern neighbor and important Third World ally by leaning hard on Mexico to help curb the U.S.'s heroin problem.

The new heroin pipeline begins deep in the mountains of Sinaloa, Durango, Chihuahua and Sonora states—Pancho Villa country with few roads and no electricity or real federal presence. "We're dealing with a population that regards the government as just another natural catastrophe," says an American official in Mexico. "Morality and concepts of good citizenship simply do not apply." To the impoverished campesinos, opium is only a cash crop that, planted two or three times a year over 2½ acres, yields the relatively huge income of $4,000.

Because private land planted with poppies may be confiscated, the campesino usually goes at least a mile from his hut to a patch of government land. Sometimes secured to a tree by a long rope to avoid slipping down a ravine, he scatters the seed with a salt shaker and irrigates it from a stream nearby. After the harvest, the habitadores, or middlemen, move in, often without ever being seen by the peasants. They pick up the gum, leave money in a hiding place and truck the product to such towns as Culiacán and Durango.

SINISTER

A small, dusty town that used to be a favorite backdrop for John Wayne movies, Durango lives up to its sinister screen image. If the DEA opened a field office there, says a grizzled undercover agent, "we'd be shot to s— within three hours." For Durango is the headquarters of the Herrera family, a large Mexican clan that is widely believed to control much of the heroin trade. The Mexican drug traffic, though it has no known connection with the Mafia, is organized like the Indian brotherhood. Families, bound by blood ties of loyalty and trust, run the business all the way from giving opium seeds to the Sierra Madre campesinos to distributing the finished product from the barrio of Chicago. Of all Mexico's heroin families, the Herreras are the best known to the DEA.

Jaime Herrera, a fiftyish former police official, is the alleged don of the family; he owns several pharmacies-cum-labs in Durango. His brother Elias also lives in Durango, and another brother, Manuel, ranches in nearby Tepehuanes. Other relations are scattered throughout the area. One Herrera is a police official in Hidalgo del Parral where, agents say, a prominent citizen operates a lab behind the high walls of his estate. A cousin lives in Gómez Palacio, 150 miles north, where he runs a lab and, it is rumored, has shipped heroin into the U.S. in hollowed-out cheese wheels.

Most of the labs are makeshift operations based in chicken coops or barns, run by farmers with pots, pans and acids. The refining process, in which 10 pounds of opium gum are boiled down to 1 pound of heroin, is simpler and faster than that used in Marseilles for Turkish opium, and the consequent impurities give Mexican heroin the brown color that has become its hallmark. Unlike the French, who exported the heroin pure to minimize its volume, the Mexicans feel so secure about smuggling that they often "step on" the heroin to purity levels below 20 percent before sending it into the U.S. They thus eliminate dealers who would cut it further—and retain more of the profits for themselves.

Most of the smuggling that has been detected so far takes place by land at various points along the Texas border (map). The heroin families have assembled fleets of nondescript, battered cars and trucks, in which the stash—usually no more than 30 pounds per vehicle—may be hidden in door panels, dropped gas tanks, rear seats or spare tires; one of the most popular niches is a hollowed driveshaft, nicknamed the "Durango driveshaft." The car is driven by a hired "burro," who earns $500 to $3,000, depending on the load. Some are Herreras, like Adrian Corral Herrera, a 19-year-old cousin who was arrested in Laredo, Texas, last July, allegedly with 20 pounds of heroin in his car. More often the burro is a woman with children to blunt suspicions at customs.

TIP

The burros mostly cross the border at peak hours, blending into the half-million people who cross legally each day, and customs inspectors depend on tips or weaknesses in the smugglers' stories. Not long ago, the Hidalgo, Texas, checkpoint got word from DEA in Chicago that a northbound burro car was coming through. A Ford pickup waiting in line had Missouri plates, and the Mexican couple inside claimed to live in Marshall, Wis., but to be traveling from Mexico City to Chicago. Oddly, they had no luggage—they had flown to Mexico City, they explained, and were driving the truck north for a friend. On inspection, Customs said, the door panels yielded 28 pounds of heroin. Manuel and Emma Nunez were charged with possession and smuggling.

Cars are not the only means by which heroin is brought across the largely unguarded 1,945-mile border. Smugglers have concealed heroin in a baby's diaper, or swallowed it in a condom that they then regurgitated stateside. Some heroin has been floated on rafts across the Rio Grande or, where the river runs dry, walked across where the only barrier is a few strands of barbed wire.

Agents suspect that heroin arrives in California on shrimp boats, as marijuana does, and they are virtually certain that, also like marijuana, the drug is flown in by many of the illegal aircraft that fly across the border below the radar each night. There are 2,000 landing strips in the Sierra Madre, and similar clearings in the New Mexico desert. On some highways there, metal road signs have been sheared off so that planes can land on the asphalt without clipping their wings. Many of the aircraft are jets that can easily outrace U.S. Customs' pokier Cessnas, and they can off-load and vanish in minutes. Some of the smugglers, says one Customs source, may actually be jetting their loads into the airports of Detroit, Minneapolis and Chicago.

STASH

Once safely across the border, the burro may head for Canoga Park, a Los Angeles suburb that is home for the West Coast Herreras. But more often the burro goes directly to Chicago, leaving the car at a garage in one of the city's Mexican-American neighborhoods. After a safe interval, family members remove the stash and sell it to dealers, usually Mexican-Americans and blacks. From Chicago, the heroin spreads out to other Midwestern cities—Indianapolis, Detroit, Omaha, Cleveland, Milwaukee and Gary—and increasingly it is traveling via Atlanta to Miami. By the time it hits the streets in New York, it has been cut again and sells for $1,500 to $2,500 an ounce.

At the Chicago end of the pipeline is a fourth Herrera brother, Reyes Sr., 61, patriarch of an extended family that owns several restaurants, small taverns and businesses on the South Side. The Chicago area has 27 separate family units and no fewer than 500 individual Herreras—many of whom, says the DEA, are involved in the heroin trade. They live in outwardly modest circumstances in small shingle and frame homes on the South Side and in the suburbs, dressing simply and spending most of their time within the Mexican-American community, whose population is about 400,000. Amid this conspicuous nonconsumption, it is hard to see where the drug profit goes; Mexico insists that it remains in Chicago, while the DEA argues that it is hidden behind the high walls of Durango.

AMBUSH

The DEA has had little success penetrating the Chicago clan. For one thing, only four of its 60 agents in the city speak Spanish. "You can't do surveillance in any of the neighborhoods without being tipped off," says Halpin, "and you can't infiltrate their organization because of the family ties." The DEA has been somewhat luckier at the pipeline's Mexican end, where it has 23 agents—soon to grow to 30—who nominally are advisers but actually carry M–16s and work with the federales in the Sierra Madre. It is notoriously trigger-happy territory and, Newsweek has learned, at least four DEA agents have been wounded in Mexico within the past two years—one of them in an April 1974 ambush near Culiacan. Three agents and eight federales were moving in on a sale of marijuana and heroin when, suddenly they became the prey; drug traffickers waiting in the hills, some on horseback, had spotted them and opened fire. One federale was killed, DEA agent Roger Guevarre was shot between the eyes but survived, and twenty drug-runners were killed or captured.

The most effective of the anti-heroin measures has been the Mexican Government's eradication program, begun last November under Alejandro Gertz Manero, an aide to Attorney General Pedro Ojeda-Paullada. Gertz Manero, a lawyer-archeologist whose previous police work involved prosecuting the smugglers of Aztec art, has introduced modern technology to a program that used to consist of soldiers clubbing the poppy stalks with sticks. He has pinpointed an estimated 20,000 to 30,000 plantios throughout Mexico by infra-red photography, and sent out a fleet of U.S.-donated helicopters to douse them with a relatively mild herbicide called 2–4–D. Typically, two helicopters go out on each mission, one carrying a dozen troops who jump out and train their M–16s on the hills while a smaller helicopter swoops down and sprays clouds of 2–4–D over the green field. Within four hours, the poppies are wilted and brown. Although Gertz Manero claimed last week to have destroyed 18,000 plantios, most experts believe he will be lucky to kill half the crop.

POLITICS

This eradication of effort, begun largely at U.S. prompting, creates a delicate political problem for the Mexicans. They rely heavily on trade with the U.S. and have no wish to antagonize Washington into resurrecting Operation Intercept, the 1972 border crackdown that effectively sealed the frontier. On the other hand, Mexico is proud of its independence and its president, Luis Echeverria Alvarez, would like to be elected Secretary-General of the United Nations after he leaves office in December. Any signs of yielding to U.S. pressure would hurt him with the Third World constituency he needs. Even now, Mexican officials are reluctant to admit that DEA agents operate on their soil. And the internal politics of heroin are acutely sensitive, as former DEA head John Bartels notes, with many government and police officials suspected of profiting from the trade.

In the end, the bickering between the U.S. and Mexico may be sadly irrelevant. Should brown heroin somehow be stopped at the border, it is all but certain that white heroin from Turkey, which has rescinded its ban, would suddenly become available. It seems an inescapable corollary of the rule of supply and demand that as long as there are people who will pay for heroin, there will always be people to sell it.

[Translation of an article appearing in the Mexican newspaper El Fronterizo, Feb. 1, 1976]

Seven Thousand Poppy Fields Destroyed; Herbicide Battle Going on in Sinaloa; 100 Million Pesos for the Campaign

(By Raul Calvillo)

During the seventy days that the special anti-drug program has been in effect (it started November 20, 1975) seven thousand poppy fields have been destroyed; one hundred airstrips discovered; sixteen planes, more than a hundred vehicles, eighty kilos of hard drugs (cocaine and heroin), eight hundred tons of marihuana and fifteen million toxic pills have been seized. The office of the Attorney General has earmarked one hundred million pesos for this campaign.

Lee Romero, photographer and the undersigned were assigned by the OPGV to personally witness one phase of this program headed by Dr. Alejandro Gertz Manero, top official from the AG's office. This program is now being carried out in the state of Jalisco, Nayarit, Colina, Durango, Guerrero, Chihuahua and Sinaloa.

Choix is the location where the helicopters and aircraft are based for Operation X. The units are all in A–1 condition. There are sixteen elements from the AG's office—(Some from his staff, others from the MFJP) plus three details of soldiers headed by three officers and six noncommissioned officers.

When the first plane initiates its surveillance flight at 6:30 in the morning, it is closely followed by an escort helicopter with a pilot, copilot, two MFJP's and eight soldiers on board—Within a five minute interval the escort chopper is followed by the herbicide spraying helicopter carrying enough fuel for a two hour flight plus containers of 24–D Paraxone herbicide, commonly used to fumigate potato, cotton, and sugar cane crops.

We were on board a third chopper with Dr. Gertz Manero, Attorney Jose Luis Moran Zamorano from the Federal Attorney's office and Commandante Jose Abizaid Gracian—Three U.S. newspaper men were also on board *our chopper*. About 1500 meters in the air we could spot the poppy fields which looked from that distance like light green brush strokes on a huge beige canvas. The places where the poppies are planted are remote inaccessible areas of the western Mexican Rockies.

During the operation being carried out, the surveillance plane returns and gives the location of the poppy fields to the pilot of the herbicide spraying chopper and to the escort helicopter. We were told that personnel assigned to this program work twenty days a month and are off duty for ten days since the work is extremely hazardous. They usually work a ten-hour day. We were also informed by the people stationed here that they are locating and destroying between 80 to 100 fields a day. According to Dr. Gertz, this has been the most successful phase of the campaign since in this one location over six thousand poppy fields have been destroyed, the other thousand destroyed were located in the states of Jalisco, Colima, Oaxaca, Guerrero and Nayarit. The base at Choix covers six states, Chihuahua, Durango and Sinaloa.

During our flight, Dr. Gertz also remarked that they have been extremely successful in other phases of their campaign with large seizures of hard drugs, numerous arrests of drug traffickers and locating many clandestine laboratories. He also advised there are over a thousand people working exclusively on this program headed by the Attorney General and that all were handpicked from the AG's Administrative staff, Special Services and the MFJP.

Ten aircraft, thirty choppers and a budget of a hundred million pesos have been assigned to assure the success of the program by the AG's office even though his budget is one of the lowest of the federal agencies. He also commented that their technical capability is of the very best and that the weapons issued to assure the safety of his personnel are all first quality.

We also have bases located in different strategic areas throughout Mexico as well as men stationed on the northern and southern borders and assigned to Airports. Dr. Gertz informed us he has been averaging two trips a week throughout Mexico to assure the success of this program through his personal supervision.

Information furnished by the AG's office on this date reported a shootout between narcotraffickers in Matias Romero, Oaxaca and the head of the MFJP there, Roberto Llerenas Lopez who was shot three times. He is listed in serious condition. One narcotrafficker was killed and another wounded.

[Editorial Appearing in the Mexican Newspaper, El Fronterizo of Cd. Juarez, Chihuahua, Feb. 16, 1976]

ANTI-DRUG PLAN

After implementing with new and improved resources one phase of the anti-narcotics program that our country has been maintaining for quite some time, President Echeverria has proposed to President Ford of the United States a series of measures to increase collaboration of both countries with the formation of twin committees on both sides of the border to coordinate and implement new and better methods to effectively combat and eliminate the drug traffic.

Echeverria's plan was readily accepted by the President of the United States who also commented that the success of such a plan depended on the way it was carried out and put into operation on both sides of the border. The program on the Mexican side has been intensified with an increase in its budget of a hundred million pesos and a plan to destroy the poppy fields by means of herbicides which will not damage the agricultural potential of the soil. From August last year to date, according to information furnished to El Sol de Mexico by officials from the Attorney General's office, seven thousand poppy fields have been destroyed, over a hundred airstrips have been discovered throughout the state of Sinaloa and more than a ton of heroin has fallen into the hands of Federal Agents (which would have taken care of more than a million drug addicts) plus 800 tons of marihuana and fifteen million toxic pills seized.

These statistics reflect the importance that Mexico gives to this problem and in view of the fact that our neighboring country to the north is the greatest market for hard drugs in the world, the only conclusion to be drawn from this is that any program to combat the drug traffic to be successful must also include the participation of the United States in such a campaign, but done in such a way that it will safeguard the sovereignty of both nations.

Echeverria's new proposal accepted by Ford should be instrumental in effectively increasing the efficiency of the present anti-drug program which has not been running smoothly for some time because of a lack of communication about some of its capital issues which has resulted in injust recriminations because the true facts were not known.

This agreement between our neighboring countries must be one of clear-cut cooperation for the attainment of mutual triumphs with the responsibility of each nation clearly defined. We trust that the plan proposed by President Echeverria and accepted by the Chief North American Executive will be initiated immediately and that the formation of the twin committees proposed will be chaired by men experienced in the field and that their experience will produce mutually beneficial results to all concerned.

TOXIC SUBSTANCES CONTROL ACT

Mr. TUNNEY. Mr. President, in the near future the Senate will vote on final passage of the Toxic Substances Control Act. The need for comprehensive legislation to eliminate the unwary introduction of hazardous chemicals into the marketplace has never been greater. The Senate Commerce Committee has reported S. 3149 with the firm belief that it will fill a great void in existing public laws which protect the quality of our natural environment as well as the health and safety of individual citizens.

The front page of the March 22, 1976, Washington Post, relates a horror story that provides another graphic illustration of the need for toxic substances control legislation. The story carried by the Post tells of a production error in Michigan which caused polybrominated biphenyl—PBB—to be included in many orders of feed for livestock. PBB is a known carcinogen, and is highly toxic. The PBB-poisoned feed was distributed widely throughout Michigan in 1974. The horrible effects are going to be felt for many years to come.

The article, which I am entering in the RECORD, reports that since mid-1974, 29,000 cows, 1.5 million chickens, 5,923 hogs and 1,468 sheep have been destroyed and buried in a 20-acre grave in a remote part of Kalkaska County in central Michigan.

Mr. President, critics of the Toxic Substances Control Act claim that the legislation is unnecessary and will impose unreasonable costs on the chemical industry. A cursory reading of the article about PBB poisoning in Michigan reveals the inadequacy of this line of reasoning. The economic loss which farmers throughout Michigan are facing due to the need to destroy their entire herds; the toll in human suffering which arises from seeing many years of hard work ending in the slaughtering of carefully bred animals; and the potentially deleterious impact on human health due to PBB's in the food chain far outweigh the costs of any regulations which may be required by this legislation. It is time that we begin treating the disease and not the symptom, and it is time that we test the toxicity of chemicals in the laboratory and not in the community.

Mr. President, I ask unanimous consent that this article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RERORD, as follows:

"NIGHTMARE" ON MICHIGAN FARMS

(By Dan Morgan)

VOGEL CENTER, MICH.—They hauled away the cow carcasses last week that had lain all winter in Gary Zuiderveen's frozen, snow-covered fields.

A fierce wind whipped up sheets of snow as men bull-dozed the stiffened bodies to the side of a country road, where a clamshell lift scooped them onto a truck.

When the grim work was finished, nearly 200 animals had been collected and Zuiderveen was still repeating over and over that it was "unreal" and "nightmarish."

Those are words that are often applied these days to one of the worst, and probably the strangest, disasters in the annals of American agriculture. During the last two years, several million Michigan farm animals have died or been destroyed as a result of a freak mishap in which a little-known, but apparently highly toxic, chemical was accidentally mixed with animal feed and spread throughout the state in 1973.

For Zuiderveen, as for hundreds of other farmers, the mishap turned a happy, prosperous farming life into a daily routine of worry, uncertainty, and economic difficulties.

His troubles date to 1974, when he noticed that his dairy cows had stopped eating the feed he buys from the Michigan Farm Bureau's local cooperative.

"We knew we had something unknown to dairymen. The cows' disposition changed. They got lame, stiff, temperamental and unmanageable," he said. Their weight dropped, milk production plummeted and the animals developed skin infections, milky eyes, and elongated, curled up hooves that looked like mini skis or elves' shoes.

When biopsies revealed the presence of a chemical called polybrominated bi-phenyl (PBB), which is known to cause cancer in test animals and mice, the state ordered the herd quarantined. Rather than feed the animals another winter, Zuiderveen last fall decided to take them to the field and shoot them.

By the time Zuiderveen's herd's problems were diagnosed, it was already clear to health and agricultural officials that a major contamination disaster had occurred.

Early in 1974, extensive scientific detective work, spurred by complaints from farmers, had determined that some animal feed circulating in the state contained PBB, a very stable chemical substance molded into the plastic housing of television sets to insulate against fire.

Further inquiry showed that PBB was manufactured by the Michigan Chemical Corp. in St. Louis, Mich. The firm also regularly supplied baffed magnesium oxide to a Farm Bureau cooperative in Battle Creek.

Magnesium oxide is used to aid animal digestion.

Federal and state authorities believe that the chemical company accidentally shipped bags of PBB, marked "Firemaster," to the feed mill in Battle Creek, in place of bags of magnesium oxide usually marked "Nutrimaster."

Since mid-1974, 29,800 cows, 1.5 million chickens, 5,923 hogs and 1,468 sheep have been destroyed and buried in a 20-acre grave in a remote part of Kalkaska County, in central Michigan.

This "animal Auschwitz," as farmers call it, is patrolled by private security guards hired by Farm Bureau Services, Inc., whose Battle Creek cooperative produced the suspect feed. Vast amounts of butter, feed, cheese, eggs and dry milk have also been dumped in the location, which was specially selected because its the low water table reduces the risk of water contamination.

Some farmers who have destroyed their animals have buried them on their farms.

State officials say that agricultural losses probably total more than $150 million. Some 306 cattle herds have been completely destroyed and some levels of PBB have been detected in animals on over 1,000 farms.

Insurance companies for Michigan Chemical and for Farm Bureau Services have paid out $29.3 million in damage settlements to 370 farmers whose herds were quarantined. At least 400 other claims, totaling more than $50 million, are pending.

The economic squeeze on the affected farmers has been getting worse. Last year, Gov. William G. Milliken vetoed a bill that would have given low-interest loans to farmers whose herds had any detectable level of PBB. Farm Bureau Services hailed the veto as "an act evidencing a high degree of moral integrity and fidelity to the taxpayers of Michigan."

The Farm Bureau, calling the mishap an isolated case, assured farmers in 1974 that there was no possibility that contaminated feed was still being mixed at Battle Creek. In November, 1974, Michigan Chemical stopped producing PBB for commercial use under the trade name "Firemaster."

Yet farmers are puzzled by the continuing illnesses of many animals and speculate that poisons may still be present in the food system.

And the full implications to the health of people and animals is far from clear.

The possible threat to those people in Michigan and perhaps other states who ate meat, milk and eggs from contaminated animals is still under study.

The Food and Drug Administration said in an advisory issued March 21, 1975, that it was impossible to trace any case of human disease to the 1973 incident.

But after the Michigan disclosure, the FDA set a maximum allowable PBB level of .3 parts per million in meat and milk. However, federal officials said at the time that there was no equipment available to measure smaller amounts. Others say measurement of lower levels is possible.

Tests have shown that PBB can cause liver damage and cancer, and birth defects in test animals.

In 1972, chemists at E. I. duPont de Nemours & Co. tested PBB for possible use to fireproof synthetic fibers, such as children's clothing. The chemist rejected it after finding it caused liver enlargement in rats.

Dr. Thomas Corbett, a clinical investigator at the U.S. Veterans Hospital in Ann Arbor, made preliminary studies showing PBB caused tumors and other deformities in laboratory animals.

Corbett told a Michigan House of Representatives committee last month that "likelihood is great that some of the most toxic chemicals known to science were present" in Michigan Chemical's "Firemaster".

The FDA's Dr. Raymond Shapiro confirmed this week that the agency was conducting further tests to determine if other substances, such as phurans—some of which are far more poisonous than PBB—were present in Firemaster and could have been spread to Michigan's population.

Shapiro said that he believed "several thousand" persons in Michigan have absorbed PBB "as a guess."

Dr. Walter Meester, a clinical toxicologist at Blodgett Memorial Hospital in Grand Rapids, believed the chemical has spread much more widely than that.

"There's probably not a person in the state of Michigan who doesn't have some PBB," he said.

Many farmers and veterinarians tasted the contaminated animal feed in 1974, when animals refused to continue eating it. Hundreds of other farm families consumed home-produced milk or meat contaminated with PBB.

Persons whose fat biopsies or blood tests have shown the presence of PBB have complained of a wide variety of ailments, but physicians still have no proof that these complaints are not brought on by the widespread fear and uncertainty about the chemical.

Farmers tell of cats, dogs, mice and birds that had access to farm milk, dying in barnyards in 1974 and 1975, prompting Zuiderveen to joke macabrely, "We no longer have a rat problem."

Susan Jacoby, a veterinarian from Constantine, Mich., near the Indiana border, said in a telephone interview last week: "I've been sick with PBB.—I had the symptoms." She said that, as a result of tasting feed for farmers, her PBB count reached .6 per million—double the amount at which cows are destroyed and buried at Kalkaska.

She said she was treated at the Mayo Clinic for intestinal disorders and later improved after putting herself on a heavy fat diet which she believed helped absorb residues and rid her body of the chemical.

Health officials say such a link still cannot be proved.

Meanwhile, a number of farmers, veterinarians and some legislators are openly critical of the state's handling of the PBB incident.

Farmers in Zuiderveen's Missaukee County have distributed bumper stickers that say, "PPB: Cattlegate Bigger Than Watergate."

State Rep. Donald J. Albosta, a Democrat who has led a campaign to help the farmers, says state agencies have dragged their feet to avoid embarrassing the Farm Bureau, which is a power in Milliken's state Republican Party.

Gary Schenk, a Grand Rapids attorney who represents a number of farmers with claims against Michigan Chemical and Farm Bureau Services, charges that state authorities brushed the problem under the rug and failed to institute adequate controls to protect consumers.

"The Michigan Department of Agriculture wants us to eat up our problem—and we are, slowly but surely," he said.

Tales abound of farmers hiding the condition of their herds to avoid quarantines, and selling sick animals on the market. Some farmers also say their cows still are being poisoned mysteriously, perhaps from bone meal they buy from slaughterhouses that have killed contaminated animals.

Alvah Clark, a veterinarian who has become deeply embroiled in the problems of PBB affected farmers, says he so distrusts the work of state-financed research laboratories that he has sent animal samples for analysis to a Boston scientist. Clark refers to the scientist by a code name "Peter O'Toole," to avoid identifying the man to Michigan officials who Clark fears might try to influence the findings.

State officials emphatically deny they have tried to cover up the PBB accident and assert that they moved vigorously to clean up the situation.

Deputy Director of Agriculture G. L. Whitehead says, "PBB makes animals sick—no doubt."

He says the state took 20,000 animal samples, identified and tested all farms buying feed from Farm Bureau Services and continues to extensively test milk. Whitehead says no PBB has been found in animal feed since November, 1974.

Whitehead noted that less than 10 per cent of the 9,000 state dairy farmers were affected.

However, he concedes that not all animals in the state have been tested. A U.S. Department of Agriculture survey of Michigan slaughterhouses through April, 1975, found that 17 of 955 animals tested had levels of PBB in their bodies above tolerances acceptable to FDA.

Also, Whitehead says farmers still can sell milk from quarantined herds as long as the milk is below the tolerance level.

Many farmers are still convinced the contamination continues and question why the state has not closed any feed mills or lowered the tolerance levels to zero. Corbett of Ann Arbor told the Michigan House of Representatives investigating committee last month that "a well-organized scientific investigation of the problem has not yet been conducted."

According to attorney Schenk, an FDA test of PBB's effects on animals was inaccurate because two herds believed to be free of PBB actually developed levels of it after the survey. Meester, who has examined more than 100 persons complaining of PBB-related illness, last year blasted a state public health department study of PBB health effects as being "poorly planned, incomplete and possibly biased."

As the debate continues, many Michigan farmers continue to experience a heavy emotional and economic toll.

Around Missaukee County, so many herds were contaminated that local farmers formed an execution squad to shoot cows for neighbors who found it impossible to kill their own animals.

Describing one such execution, Schenk said the farmer was standing "in the wind and rain, tears pouring down his face, in the bedlam with all those rifles cracking. It was a horrible massive bloody slaughter."

The drawn-out illnesses of carefully bred herds have fostered a special quality of despair and hopelessness among the farmers of the county, says veterinarian Clark.

Everett van der Meulen said all 10 of the calves born on his farm in the last year have died.

Many farmers have not settled their claims, a time-consuming process involving biopsies and other proof of contamination. They have borrowed money and are afraid they will never be able to sell their farms because of the "PBB curse."

At the farm of Zuiderveen, whose damage claim is also pending, it does not take a dairy expert to see there are problems in his surviving animals. One cow has lost 500 pounds in a few weeks, and Zuiderveen's milk production is half to two-thirds normal. One cow in the barn had long, turned-up hooves, and bony hips protruded from another cow.

"There's no doubt that many cattle are sick," says Farm Bureau spokesman Arlo Wasson. "We're not denying this whole tragedy shouldn't happen to your worst enemy. But you've got some sick cows all the time. You've got to ask, is it PBB or is it that farmers got discouraged and stopped good management practices."

Northwest Industries, the Chicago holding company that owns Michigan Chemical, wouldn't allow a reporter to tour the St. Louis plant, and plant manager Charles L. Touzeaux would only say the episode had been "no fun."

Roger Clark, counsel for Michigan Chemical in Grand Rapids, said, "It's still a mystery whether or not a mistake or misshipment occurred. We don't know when, or by whom, or what the sequence of events was. If it happened, it was a freak situation, one of those deals when normal controls didn't catch it."

Clark said the company had been unable to find any evidence that other company products, such as salt used in agriculture, had been contaminated by PBB.

After PBB was found in animal feeds, fish were found to be contaminated with PBB above the FDA maximum levels for about eight miles on the Pine River downstream from Michigan Chemical's sprawling plant.

Currently, a number of testing programs of PBB are under way by numerous federal and state agencies, including the National Cancer Institute, Department of Agriculture, Food and Drug Administration and Center for Disease Control of the Public Health Service.

For many farmers, though, those studies will come much too late to repair the damage, or to relieve the nagging doubts about their own health.

When Clyde Clark, a dairy farmer all his life, talks of his dead cows, tears well up in his eyes.

"They fed our family, they supported us and they sent 2,500 quarts of milk to town a day. How do you ever replace that? It's a hell of a way to end a dairy career—poisoning people," he said.

THE ALGER HISS CASE

Mr. BUCKLEY. Mr. President, at a time when too many persons, including some Members of the Congress, are minimizing the need for an effective national security apparatus and are deprecating those institutions which have been created to defend this country against subversion, a recent article from the always provocative weekly, Human Events, comes as a welcome reminder that vigilance remains the price of liberty.

Calling for a reopening of the Alger Hiss case, Mr. Francis J. McNamara, the former Executive Secretary of the Subversive Activities Control Board and former Director of the House Committee on UnAmerican Activities, has assembled an impressive and disconcerting review of the evidence in that case. It makes disturbing reading, especially now that some among us prefer to pretend that the Soviet infiltration of the American Government has been only a myth. Perhaps Mr. McNamara's trenchant discussion of the Hiss case will convince them otherwise.

I hope so. For we cannot change the past by ignoring it. We cannot escape its consequences by wishful thinking. As the poet T. S. Eliot once warned:

> History has many cunning passages, contrived corridors and issues, deceives with whispering ambitions, Guides us by vanities.

Indeed it does, and the deliberate distortions of history that have lately made Alger Hiss a public personality could have disastrous results. It is high time that the light of a fair and thorough investigation was shed into the cunning passages of the Hiss case. Perhaps, in the process, the American people and some of us in the Congress will learn again the ugly reality of Communist espionage and the urgent need to guard against it.

In the interest of the public's right to know the full story surrounding the perjury conviction of Hiss, I recommend Mr. McNamara's article, "Let's Reopen the Alger Hiss Case," to my colleagues and I ask unanimous consent that it be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

LET'S REOPEN THE ALGER HISS CASE

(By Francis J. McNamara)

Alger Hiss has asked for a reopening of his case. This might be a very good idea.

Hiss was convicted in January 1950 on two counts of perjury, (1) that he had falsely denied having contact with Whittaker Chambers after January 1, 1937, (2) that he had falsely denied turning over to Whittaker Chambers classified government documents. In effect, the charge was espionage—but he could not be tried on this charge because of the statute of limitation.

The period under dispute in the Hiss trial terminated in 1938, when his relationship with Whittaker Chambers came to an end. Hiss, however, did not leave the State Department until January 1947. Indeed, it was only after he and Chambers parted company that he rose to a position of major influence within the Department.

The question naturally arises: Did Hiss, like so many other radicals, break with communism in the early war years, as a result of the Hitler-Stalin Pact, the partition of Poland and the invasion of Finland and the Baltic States?

Did he, in short, break before he became assistant director of the Far Eastern desk, the Department's top expert on post-war problems, one of Roosevelt's top advisers at the Yalta Conference, secretary-general of the founding conference of the United Nations in San Francisco, and director of the Office of Special Political Affairs?

Or did his views, his associations and his activities during this period simply represent a continuation of his more youthful commitment when he was a co-conspirator in the Soviet network with Whittaker Chambers?

This calls for an investigation in depth—in far greater depth and covering a greater span of years than Alger Hiss ever contemplated when he asked for a reopening of his case.

In the study that follows—admittedly a very preliminary study—an effort has been made to collate and systematize all of the public evidence pertaining to the larger case of Alger Hiss. Most of this evidence is contained, in a fragmented and dispersed manner, in the massive records of the hearings on Alger Hiss, the hearings on the Amerasia case, the hearings on the Institute of Pacific Relations, the hearings on Interlocking Subversion in Government Departments, the hearings dealing with the employment of American Communists by the United Nations, and the hearings dealing with the strange case of Noel Field.

The totality of the evidence already available suggests an undeviating pattern of behavior, covering the entire period from Hiss' first entrance into government service until the Chambers evidence compelled his resignation from the Carnegie Endowment in 1949.

Among other things:

There is his consistent record of association with proven Communists and pro-Communists. (The first people to suggest that Hiss was a Communist were members of the Socialist party who worked with him at the Department of Agriculture in 1937–1938.) Among his close associates while he worked for the Department were people like Noel Field, Harry Dexter White, Frank Coe, Lauchlin Currie, John Abt, Harold Glasser, etc., all of whom had been repeatedly identified as Communist agents and/or had taken refuge in the 5th Amendment when asked whether they were members of the Communist party or the Soviet espionage apparatus.

There is the record of his intimate collaboration with the Institute of Pacific Relations in promoting a political atmosphere that virtually assured the sell-out of Nationalist China to the Communists.

There are the numerous other situations in which Hiss acted to misdirect, or "mess up," the foreign policy of the United States in a manner which manifestly served Soviet interests.

There is the appalling record of the infiltration of American Communists into the United Nations staff—the names of all of whom apparently had been passed on to the U.N. as prospective candidates for employment by the office of Alger Hiss.

There is the total absence of any indication that Alger Hiss took an anti-Communist position on any issue, before the Hitler-Stalin pact, during the Hitler-Stalin pact, during the war, or in the post-war period. It is noteworthy in this connection that Hiss' defense made no effort to disprove Whittaker Chambers' charges by arguing that Hiss had taken an anti-Communist stand on any issue or group of issues.

So, by all means, let's reopen the Alger Hiss case—because the chances are that what has already been revealed is no more than the tip of the iceberg.

Summarizing the massive—but nevertheless fragmentary—evidence that had come to its attention in several years of hearings on interlocking subversion in government departments, the Senate Subcommittee on Internal Security in July 1953 made this report about the scope of the Communist infiltration:

"They colonized key committees of Congress. . . .They helped write laws, conduct congressional hearings, and write congressional reports. . . . They advised Cabinet members, wrote speeches for them, and represented them in intergovernmental conferences. . . . They staffed interdepartmental committees which prepared basic American and world policy. . . . They traveled to every continent as emissaries and representatives of the American people. . . . They attended virtually every international conference where statesmen met to shape world policy."

In this entire history, the name of Alger Hiss plays a prominent and continuing role. But before we proceed to an examination of the role played by Alger Hiss in the post-Whittaker Chambers period, let us first briefly retell the story of the Hiss trial.

The conviction of Alger Hiss represented a major setback for the Communist apparatus in this country. It was, beyond this, a crushing defeat for the anti-anti-Communist liberals—our "totalitarian liberals," as

Eugene Lyons used to call them—who have for decades now played so prominent a role in our media, in our schools, and in the politics of our country. Their entire judgment was compromised by the conviction of Alger Hiss because they had accepted him as an ideological confrere.

The evidence adduced at his trial was so conclusive that all but his most diehard supporters were constrained to accept the fact of his guilt. But this only sharpened their hatred of those who had helped to bring about Hiss' conviction.

It did not take many years before they were able to mount the first round in their counter-attack. By the time he was released from jail in 1954, Hiss had already been rehabilitated to the point where he was asked for scholarly articles and lecture appearances. By that time, the climate of opinion had retrogressed to the point where it had become a matter of distinctly bad taste to speak of Communist infiltration in government. Today, anti-anti-communism has become so pervasive and so powerful that our country is dismantling much of its internal security apparatus and destroying internal security files laboriously built up over the decades.

Against this background it is not surprising that the Massachusetts Supreme Judicial Court, in a unanimous decision this August, ruled that Hiss had "demonstrated moral and intellectual fitness," and therefore should be readmitted to the Massachusetts bar. In doing so, the court rejected as "harsh" and "unforgiving" the decision of the State Board of Bar Overseers, which had recommended against reinstatement "so long as the petitioner asserts his innocence,"—despite their "personal sympathy for his upright and persuasive bearing, humility and reasonableness."

The fact that Hiss could so impress the members of the State Board of Bar Overseers and the members of the Massachusetts Supreme Judicial Court should not be surprising in the light of Hiss's past performance. He was a man with a positive genius for winning the confidence of upright and distinguished citizens, who had no inkling at all of what he was really up to.

The roster of those whom he succeeded in impressing favorably included names like Justice Felix Frankfurter and John Foster Dulles, Dean Acheson and Warren Austin, Edward Stettinius and Dr. Stanley Hornbeck (head of the State Department's China desk in the post-war period).

Dean Acheson was perhaps the principal victim of his deception. A man of integrity and patriotism, Acheson's early penchant for detentism nevertheless made it possible for Hiss to win his support for position papers whose real purpose went far beyond simple detentism. During his later years in the Department, Dean Acheson became a consistent and articulate opponent of all forms of appeasement. Alger Hiss, on the other hand, has yet to make a statement that could qualify as anti-Communist.)

Because the basic facts about the Hiss case are unknown to the several generations of Americans who have come of age since the early '50s and have become dim in the memories of those who lived through that period, and because the verdict has been publicly challenged by at least three books and numerous articles, it might be useful, before updating the Hiss record, to recapitulate briefly a number of things that helped to clinch the case against Hiss in the minds of the jury and the public.

When Whittaker Chambers first gave his evidence against Alger Hiss in public, the sympathy of American society, from Park Avenue conservatives to *Nation* liberals, was on the side of the Frankfurter protégé with the good family background, well-groomed manners, and debonair smile. By the time the second trial was completed, public opinion, moved by the virtually overwhelming mass of evidence adduced against Hiss, joined with the jury in pronouncing the verdict of "guilty." The pathetic efforts of the Hisses to lie their way out was confounded at almost every point.*

According to Hiss, he had known Chambers in a very casual manner under the name of Crosley over a period of several years—but there had been no intimacy between his family and Chambers', and no political collaboration; he had never visited the Chambers' home in Baltimore and the Chamberses had paid no visits to any of the homes occupied by the Hisses—apart from a very brief stay in the Hisses' P Street house; and there had been no meetings between them after the spring of 1936. Before the grand jury, Hiss said he could not swear that he did not see Chambers "some time, say, in the fall of '36"—but in response to a question from Special Assistant Attorney General Donegan, he replied that he could definitely state that he had not seen Chambers after Jan. 1, 1937. *This cut-off date, which figured in the indictment, is of critical importance in assessing the evidence.*

He claimed that he had once sublet an apartment to Crosley; that out of the goodness of his heart he had permitted the Crosley family to stay with them for a day or two while their furniture was coming down from Baltimore; that the Crosleys had never paid them any rent—but that despite this, he had made several loans of money to Crosley which were not repaid, and had further lavished generosity on this ingrate by turning over to him an old Ford car for which he no longer had any need because he had just purchased a new Plymouth. He denied categorically that he had given Chambers any secret State Department papers.

The evidence succeeded in convincing the jury that the Hiss-Chambers relationship had in fact been an intimate one, that they had remained friends until the end of 1938 as Chambers had claimed, and that Hiss had given Chambers copies of classified State Department documents.

The Hisses denied that the Chamberses had ever visited them in their apartment on 30th Street or in their house on Volta Place; but the Chamberses were able to describe details of both residences with complete fidelity. They were so familiar, too, with the everyday trivia of the Hisses' lives that the defense lawyer's charge that they had obtained this information from other sources rang completely hollow.

They knew of the prothonotary warbler that Hiss had seen on one of his walks out to the canal and of the great pride and satisfaction Hiss had derived from the sighting of this rare bird. They knew that Alger and Priscilla frequently employed the Quaker plain speech in addressing each other; that they used the nicknames "Hilly" for Alger and "Dilly" or "Pross" for Priscilla; that Priscilla Hiss had *in mid-1937* planned to take a nursing course at the Mercy Hospital in Baltimore; that they had a cocker spaniel which they took to a kennel on Wisconsin Avenue whenever they went out of town; and numerous other details of a highly personal nature.

The *Ford car* which Hiss claimed he had given to Chambers as an act of charity provided some irrefutable and damaging evidence against Hiss. Hiss first stated that he had given the car to Chambers in May or June of 1935, after he had purchased a new Plymouth and therefore had no use for the Ford. When the Nixon committee established that he had not purchased the Plymouth until September 1935, he first suggested that he may have loaned the car to Chambers—and then he turned around again and suggested that he may have given the car to Chambers after he had moved out of the apartment he had sublet from Hiss without paying his rent. At the trial he said that he had thrown it in with the 28th Street apartment.

According to Chambers, Hiss originally gave him the use of the car. In mid-1936, said Chambers, Hiss had proposed to turn the car over to the Communist party for the use of some poor organizer; and Hiss later told him that J. Peters, "head of the whole underground of the American Communist party," had agreed to this arrangement. Documents presented at the trial showed that Hiss had transferred title on the car to the Cherner Motor Co. on July 23, 1936; and that on the same day, the Cherner Motor Co. had reassigned the car to one, William Rosen. *There was no record of any exchange of money in connection with these two transactions*—apparently a salesman or employe who was friendly to Hiss or to the Communist party had helped arrange the whole thing. When William Rosen was questioned by the House committee, he refused to incriminate himself on the subject of the transfer or on his membership in the party.

The *Bokhara rug* which Hiss admitted receiving from Chambers also provided some damning evidence. According to Chambers, Col. Bykov, his Soviet control officer, had given him money to purchase four Oriental rugs for members of the apparatus, including Hiss, as "a gift from the Soviet people"; he had sent the money to his friend Prof. Meyer Schapiro with the request that he buy the rugs and ship them to George Silverman in Washington; and he had delivered one of the rugs to Hiss in January 1937. Hiss claimed that the rug had been given to him in 1935, as poor part payment for the money Chambers owed him. Prof. Schapiro confirmed Chamber's account at every point. He told the court that he had received the money from Chambers; that on Dec. 23, 1936, he had purchased four rugs from the Massachusetts Importing Co. for $876.71; and that he had sent the rugs to Silverman. The shipping record for the rugs was put into the record.

Then there was the evidence of Henry Julian Wadleigh, another State Department employe who confessed that he had given secret documents from his own office to Chambers, and who testified that Chambers had delivered one of the rugs to him in early 1937.

The $400 in cash which Chambers claimed Hiss gave him in *November 1937* to help buy a car, produced some startling circumstantial evidence. Hiss denied that he had made such an advance to Chambers. It turned out that Mrs. Hiss had in fact withdrawn $400 in cash from her account on Nov. 19, 1937, and that Mrs. Chambers had purchased a car from the Schmidt Motor Co. in Maryland for $486 in cash on November 23, four days later. This, it is to be noted, was a year after the date given by Hiss for the termination of his relationship with Chambers.

Priscilla Hiss claimed that the money had been withdrawn to purchase furnishings for their home on Volta Place—this despite the fact that she had several charge accounts and a checking account. The claim was totally demolished, however, when the prosecution was able to demonstrate that the house on Volta Place had not been rented until December 8, and that the Hisses had not even seen the house before December 5.

The Hiss typewriter and the copied documents: Then there was the evidence of the famous "Pumpkin Papers" containing 200 pages of confidential State Department documents which had been typed on Hiss' 1928 Woodstock typewriter, and four memos in his personal handwriting. Here was something which no amount of legal skullduggery could contradict.

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*For the summary of the Hiss trial that follows, this account is indebted to "Seeds of Treason" by Victor Lasky and Ralph de Toledano, and to the article on the Hiss trial by Prof. Irving Younger which appeared in the August issue of Commentary.

When Hiss had been asked before the grand jury what explanation he could personally offer for the 200 pages of classified State Department documents that had obviously been copied on his typewriter, the best answer he could contrive was: "I am amazed; and until the day I die, I shall wonder how Whittaker Chambers got into my house to use my typewriter." At this point the jury could not refrain from laughing.

In court, Hiss's lawyer sought to demolish the evidence of the Woodstock typewriter by arguing that the Hisses had given the typewriter to the two sons of Mrs. Claudia Catlett, a former servant, in 1936 or 1937, whereas the documents in question had been copied during the first three months of 1938.

One of the sons testified that when he received the typewriter in 1937, he had taken it to a Woodstock shop on K Street to have it repaired. But this fell apart when the prosecution showed that the shop on K Street had not opened for business until September 1938. The Hisses further argued that the typewriter was a hopeless wreck—but an FBI agent banged out a document on the typewriter at high speed.

Mrs. Hiss denied that she could type, although the prosecution demonstrated that she had once taken a typing course. She denied that she had ever seen onion skin copy paper before, even when she was an office manager at *Time* magazine.

Apart from evidence that Hiss was one of the few people who would have had access to the documents in question, and that the mere removal of these documents from the State Department for any purpose would have been a crime in itself, there remained the matter of the four memoranda that had been copied in Hiss' personal handwriting.

Confidential memoranda in government offices are always produced in a limited number of copies, each one of which must be carefully accounted for. There could be no conceivable need in the course of official duties for a handwritten duplicate of such a document; and the mere act of making a handwritten duplicate, in addition to violating security regulations, could be considered presumptive evidence of intent to impart information to unauthorized recipients.

Hede Massing. The second witness who identified Alger Hiss as a Communist agent at the trial was Mrs. Hede Massing, a self-confessed Communist agent whose testimony was of great use to the FBI and to congressional committees. Mrs. Massing told the court that in 1935 she had met Hiss at the home of Noel Field, who was then a member of her spy ring. (In 1949 Field disappeared behind the Iron Curtain. In early 1955 the Hungarian government announced that he had been released from mistaken imprisonment but "for personal reasons" he preferred to remain in the country which had kept him in jail on false charges.) Mrs. Massing said that she and Hiss had argued over Field—apparently Hiss was determined to bring him into the Hiss-Chambers espionage group, whereas she was determined to keep him in her own apparatus.

The proof against Alger Hiss was not confined to the evidence presented at the trial. There was a very strong pattern of indirect corroborative evidence from other sources, most of which became a matter of record shortly after the trial. By itself, this evidence may be open to challenge precisely because of its indirect nature. But it takes on major significance when considered in conjunction with the evidence presented at the trial and in conjunction with the other categories of evidence we shall consider later. The paragraphs that follow summarize this indirect corroborative evidence.

Elizabeth Bentley. In 1952 Miss Elizabeth Bentley, a former Soviet courier, gave this testimony before the McCarran Committee:

"In 1944 I took a group of people I called the Perlo group. One of the members of this group was a Mr. Harold Glasser in the Treasury. In the process of checking everyone's past, I found that Mr. Glasser had, at one time, been pulled out of that particular group and had been turned over to a person whom both Mr. Perlo and Charles Kramer refused to tell me who it was, except that he was working for the Russians, and later they broke down and told me it was Alger Hiss. Of course, I immediately checked that with my Soviet superior because it could have been somebody else's intelligence service and could be dangerous. Word came back to me 'that is all right. Lay off the Hiss thing. He is one of ours, but don't bother about it any more.' "

Nathaniel Weyl: Weyl testified before several congressional committees that he had been a member of the Ware group from 1933 to 1934, and that this cell at the time of his participation included Alger Hiss, Lee Pressman, Charles Kramer, Henry Collins, John Abt, Nathan Witt, Victor Perlo and Harold Ware. This independent testimony jibed entirely with the testimony of Whittaker Chambers who entered the group in early 1934, apparently shortly after Weyl's transfer.

William Bullitt: Testifying before the Institute of Pacific Relations hearings, Bullitt said that in the fall of 1939, when he was American ambassador to Paris, Prime Minister Daladier advised him of a report of French intelligence that there were two officials in the State Department, brothers by the name of Hiss, who were Soviet agents.

Bullitt said that he had laughed when he first heard this and had told Daladier that he knew of no official in the Department by the name of Hiss, and that furthermore "Hiss" wasn't even a name, it was a noise made by a snake.

A few months later, in either February or March of 1940, Bullitt was in the office of Dr. Stanley Hornbeck, chief of the Division of Far Eastern Affairs, discussing a highly confidential matter which was of concern to the French government. At one point a "nice-looking young man entered the room, interrupted briefly, and then left again."

Bullitt asked Dr. Hornbeck, "Who is that?"

Hornbeck replied, "That is Alger Hiss."

Astonished, Bullitt asked, "What? Is there a man named Hiss in the Department of State? . . . What does he do. . . . Does he have a brother who works in the Department?"

Hornbeck replied that Hiss was his assistant and that he did have a brother, Donald, who was also working in the Department.

Mr. Bullitt then told Dr. Hornbeck what the French prime minister had said to him and advised him to have an immediate investigation made on Mr. Hiss.

That such a conversation did take place was subsequently confirmed by Dr. Hornbeck.

Igor Gouzenko, the code clerk whose defection from the Soviet Embassy in Canada resulted in the first major exposure of Soviet espionage, also had some information which, while a specific name was lacking, could hardly have referred to anyone other than Hiss. The confidential memorandum circulated among several key government agencies on Nov. 25, 1945, said the following:

"Igor Gouzenko, former code clerk in the office of Col. Nikolai Zabotin, Soviet military attaché, Ottawa, Canada, when interviewed by a representative of this Bureau and officers of the Royal Canadian Mounted Police, stated that he had been informed by Lt. Kulakov in the office of the Soviet military attaché that the Soviets had an agent in the United States in May 1945 who was an assistant to the then-secretary of state, Edward R. Stettinius."

Apart from the direct and indirect evidence, there was a third category which may be called "5th Amendment Evidence." Many of those who have taken refuge in the 5th Amendment have argued that traditionally such refuge cannot be construed as any implication of guilt. The matter was properly stated, however, by the International Judicial Committee appointed by Secretary-General Trygve Lie to look into the matter of 5th Amendment Communists in the employ of the United Nations. Their report stated:

"In our opinion, a person who invokes this privilege can only lawfully do so in circumstances where the privilege exists. If, in reliance upon this privilege, a person refuses to answer a question, he is only justified in doing so if he believes or is advised that in answering he would become a witness against himself.

"In other words, there can be no justification for claiming this privilege unless the person claiming the privilege believes or is advised that his answer would be evidence against himself on the commission of some criminal offense. It follows from this, in our opinion, that a person claiming this privilege cannot thereafter be heard to say that his answer, if it had been given, would not have been self-incriminatory, or, if not, he has invoked his constitutional privilege without just cause.

"As, in our opinion, he cannot be heard to allege the latter, he must, by claiming privilege, be held to have admitted the former. Moreover, the exercise of this privilege creates so strong a suspicion of guilt that the fact of its exercise must be withheld from a jury in a criminal trial."

The fact that a substantial number of former employes of the U.S. government and of the United Nations refused to answer selective questions both about their own participation in subversive activities and about their relationship with Alger Hiss, is not evidence that could be adduced in court; but it does, as the International Judicial Committee pointed out, justify strong presumptions of guilt, and this in both directions.

Harold Glasser, who was named as a Communist agent by both Chambers and Bentley, held many important government positions, including those of financial expert of the American delegation to the U.N. Relief and Rehabilitation Administration and adviser to Secretary of State George C. Marshall at the meeting of the Council of Foreign Ministers in Moscow in 1947. In his position at UNRRA, he was, of course, able to influence the manner of allocation of the many hundreds of millions of dollars contributed by American taxpayers.

When asked by the Jenner Committee for the names of those in the State Department with whom he consulted on UNRRA financial matters, he said that the only name he could recall was Dean Acheson, and he refused to state on the grounds that it might tend to incriminate him whether he knew Whittaker Chambers, Elizabeth Bentley. Col. Bykov, Victor Perlo, Charles Kramer, Harry Dexter White, or Alger Hiss; and also refused to state on grounds of possible self-incrimination whether Alger Hiss had even turned him over to the direct control of any Soviet official.

Since UNRRA was a U.N. body, and since Hiss was in charge of all U.N. matters, it can be taken as a virtual certainty that Hiss was, in practice, the chief State Department functionary with whom Glasser consulted on all policy matters related to his position, and that the third member of the triumvirate was Harry Dexter White, also an identified Communist agent, whose position as assistant secretary of the Treasury would have made his voice a most influential one.

John J. Abt, who had been identified by Whittaker Chambers and Nathaniel Weyl as a member of the Ware group, has held positions as assistant general counsel at WPA, chief counsel of the Lafollette Civil Liberties

Committee, and special assistant to the attorney general. He had refused to tell the Jenner Committee whether he was a Communist, and also refused to answer whether he had been a member of the Ware group with Alger Hiss.

Henry H. Collins Jr., who had also been identified as a member of the Ware group, refused to answer whether he had been a Soviet agent while in government employ, or whether he knew Whittaker Chambers or Alger Hiss—despite the fact that Hiss had previously testified that: "I have known Henry Collins since we were boys in camp together. I knew him again while he was in Harvard Business School while I was at the Harvard Law School, and I have seen him from time to time since I came to Washington in 1933."

Nathan Gregory Silvermaster, who had been named by Elizabeth Bentley as one of the chief cogs in the Soviet espionage network, had held various government positions, including that of director of the Labor Division of the Farm Security Administration, and chief economist of the Maritime Labor Board.

Under questioning by the Jenner Committee, he refused to answer on grounds of possible self-incrimination whether he had been engaged, or was "as of this moment" engaged in active sabotage or espionage against the government of the United States. He also refused to say whether he knew Whittaker Chambers or Alger Hiss, or whether Hiss or Chambers had ever visited him in his Washington home. It was in a photographic laboratory in the basement of the Silvermaster home that the documents which Hiss, White and Co. borrowed from various government sources were microfilmed.

Virginius Frank Coe was one of the more illustrious of Alger Hiss's coworkers in the Soviet spy ring. He was identified as a Communist agent together with Hiss in the memorandum which Adolph Berle wrote in 1938 after his meeting with Whittaker Chambers. But despite this, Coe, like Hiss, continued to move from more important position to more important position through most of the '40s. Among the positions he held—director of the Monetary Research Division of the Treasury Department, executive secretary of the U.S.-Canadian Joint War Productions Committee, assistant administrator of the Foreign Economic Administration, and technical secretary of the Bretton Woods Monetary Conference of 1944, at which the International Monetary Fund was set up.

In 1948, Elizabeth Bentley, in sworn testimony before the House Committee on Un-American Activities, publicly identified Frank Coe as a member of her espionage ring. And yet four years later, when the Senate Subcommittee on Internal Security subpoenaed Frank Coe, he was holding down the powerful position of secretary of the International Monetary Fund at $20,000 a year!

When Coe appeared before the Senate Subcommittee on Internal Security in November 1952, he responded without equivocation to a number of questions, including his personal relationship with people like Milo Perkins, Leo Crowley and Evan Rooth—but he invoked the protection of the 5th Amendment in refusing to respond to questions dealing with his relationship with Alger Hiss, Harry Dexter White, Lauchlin Currie, and many others. He again invoked the 5th Amendment in refusing to respond to the question: "Are you a Soviet agent . . .?"

Not very surprisingly, the International Monetary Fund was constrained to dismiss him a few days later. Not very surprisingly, either, he then offered his services to Red China, where he resides to this day.

Lawrence Rosinger: Prof. Rosinger played a prominent role as one of the stable of "Far Eastern experts" maintained by the IPR. He submitted a memorandum on China for the information of the Department of State as late as 1949. Also in 1949 he was one of the group of top-ranking experts invited to a State Department conference for the purpose of discussing China policy. In testimony before the McCarran Committee, Harold Stassen specified that Rosinger and Owen Lattimore were the two "experts" who dominated the discussion at the conference.

Rosinger was named by three witnesses before the McCarran Committee—Professor Williams Canning, Karl Wittfogel and Louis Budenz—as a member of the Communist party. Rosinger refused to say on grounds of possible incrimination whether he was a member of the Communist party, whether he had been a member at the time he acted as adviser of the State Department, whether he had ever visited Julian Wadleigh, whether he had ever visited Alger Hiss.

Since he had admitted to only perfuntory contacts with John Carter Vincent and John S. Service, it would be reasonable to infer that the chief State Department contact of this particular Far Eastern expert was Alger Hiss.

Irving Kaplan held numerous government positions, finally gravitating to the position of assistant director of Economic Stability and Development, Department of Economic Affairs, United Nations. He was identified by both Whittaker Chambers and Elizabeth Bentley as a member of the Communist espionage ring in government.

Under questioning by the McCarran Committee, he refused to say whether he knew Whittaker Chambers, whether he knew Elizabeth Bentley, whether he had given government information to Nathan Gregory Silvermaster, whether he was at that moment a Soviet espionage agent, whether he knew Alger Hiss.

Apart from the many 5th Amendment witnesses who refused to say, among other things, whether they had ever known Alger Hiss or had visited him in the State Department, there is also the matter of the many individuals who later turned out to be Communists and who were friends or colleagues of Hiss or were recommended by him for certain positions—all of this, if we are to believe Hiss, out of an innocent ignorance of their real political views. At the risk of repetition, let us go over a few of these associations.

When Whittaker Chambers first gave public evidence identifying Alger Hiss, Lee Pressman, Nathan Witt, Charles Kramer and John Abt as members of the Ware Cell, Hiss commented with feigned innocense that since all of these people had been in the Department of Agriculture under Henry Wallace, perhaps the Chambers testimony was really an attack on Wallace.

Pressman confessed of being a Communist; Witt, Kramer and Abt took refuge in the 5th Amendment. But despite his intimate association with so many proven Communists over a period of years, Hiss would have us believe that he had no inkling of the fact that his colleagues and friends were dedicated Communists.

Ludwig Rajchman: Particularly revealing was the incident involving Hiss's approval of Ludwig Rajchman as a participant in the Mount Tremblant Conference in 1942. Evidence brought out at the IPR hearings established that Hiss and Mr. E. C. Carter of the IPR had consulted on the selection of delegates to the Conference.

On Nov. 17, 1942, Robert W. Barnett of the IPR staff wired to E. C. Carter in New Pork: "Hiss expresses admiration Rajchman's incisive mind. Sees no objection his participation conference." Three days later Mr. Carter replied to Mr. Barnett as follows:

"We extended the Mount Tremblant invitation to Rajchman and he was very, very much pleased. He called to see me today to say that he believes it would be unwise for him to accept. His immigration status is such that he would have to get a re-entry permit, and it might take him an unduly long time to get this, and he fears that there might be some embarrassment because apparently someone in Mr. Breckinridge Long's office is not terribly keen on Rajchman and there might be complications. *You might pass this message on informally and orally to Hiss.*" (Italics added.)

Questioned by the McCarran Committee counsel, Mr. Carter could not explain why it was necessary to transmit this information to Hiss through a third party "informally and orally." Nor was there any explanation of Barnett's original wire which strongly suggested that Hiss was aware of Rajchman's questionable status but *despite this* saw "no objection" to his participation in the conference. The Committee also established that Ludwig Rajchman subsequently entered the diplomatic service of the Polish Communist government, in which capacity he reentered the United States in 1950 as a delegate to the Children's Emergency Fund of the United Nations.

Noel Field. Particularly instructive is the history of Alger Hiss' long association with Noel Field.

In the '40s and '50s the case of Noel Field was the subject of endless speculation and hundreds of newspaper articles. Noel Field had been a State Department employe from 1926 to 1936, a League of Nations official from 1936 to 1940, and director of European relief activities for the Unitarian Service Committee from 1941 to 1947. During this time there were charges from a number of sources that Noel Field was a Communist, or Communist sympathizer, but nothing ever came of the charges—until the Unitarian Service Committee, under pressure, conducted an investigation and decided to dispense with his services.

In May 1949, Field disappeared behind the Iron Curtain. Over the ensuing years, his name cropped up several times in connection with the Stalinist purges that were then going on in the satellite countries. In the trial of the Rajk group in Hungary in 1949 and the Slansky group in Czechoslovakia in 1952, the charge was made that the accused Communist leaders had collaborated with American intelligence through Noel Field.

Then Stalin died. Many of his victims, including both Rajk and Slansky, were posthumously rehabilitated—and the prison gates opened for many others who had been arrested, both in the Soviet Union and the satellite countries.

In November 1954, the news came from Budapest that Noel Field and his wife Herta had been released from a Hungarian Communist prison because the charges against them had been found to be false.

Instead of returning to the United States, Noel Field decided to accept "political asylum" in Hungary, because he was "grateful to enjoy the advantages of witnessing and experiencing in practice the building of socialism in Hungary." In June 1957, after a U.N. Special Committee had issued a blistering condemnation of the Soviet invasion of Hungary, Noel Field took to the radio to denounce the U.N. report as a "slanderous falsehood."

Today, no one questions that Noel Field was a Communist agent. He was first identified as a Communist by Dr. J. B. Matthews in testimony before the Dies Committee in November 1938. But no one paid much attention to this testimony. Next, he was identified as a Communist agent by Gen. Walter Krivitsky (Krivitsky, a top-ranking Soviet defector who had been chief of Soviet intelligence in Western Europe and who was mysteriously shot in Washington in 1939, said that Field had been a member of his European apparatus for five years); by Whittaker Chambers; by Herde Massing (first wife of Comintern agent Gerhart Eisler and herself a confessed espionage agent); and by Erica

Glasser Wallach, a former German Communist, who was imprisoned and released about the same time as Field, and who had had a long association with him.

In independent but completely corroborative accounts, Whittaker Chambers and Hede Massing testified that Alger Hiss had originally tried to recruit Noel Field into the Hiss-Chambers espionage group, but that Hede Massing had put in a simultaneous bid to recruit Field for her apparatus and had won out with the backing of her Soviet superior.

Hiss' acquaintanceship with Field goes back to at least 1934. When Francis B. Sayre, U.S. Commissioner to the Philippines, in October 1940 asked Hiss, who was then in the Political Affairs Division of the State Department, to find a suitable executive assistant for him. Hiss recommended Noel Field—and an alternative candidate who turned out a short while later not to be available. Hiss could not conceal the fact of J. B. Matthews' testimony about Field two years previously. So he dealt with it head on in these words: "Mr. Field's name had been mentioned by a Mr. Matthews in testimony before the Dies Committee . . . it seems clear that Mr. Matthews' charges are irresponsible and without foundation in fact."

Hiss had to go through the mandatory routine of obtaining for Sayre a number of statements from Field from Department officials, including those under whom he had served in the early '30s. The officer in charge of all Department personnel matters expressed serious doubts about Field's fiitness for the post and wrote: "I suggest that he not be recommended by the Department."

This communication was glossed over by Hiss in reporting to Sayre. Conversely, he up-played the several reports he had received that were favorable to Field. One of the reports he emphasized came from Laurence Duggan, chief of the Latin American Division of the State Department—who was later identified as a member of the Soviet espionage apparatus by both Whittaker Chambers and Hede Massing, and who jumped or was pushed from a skyscraper window in New York, on Dec. 20, 1948, shortly before he was scheduled to appear before the House Committee on Un-American Activities. Duggan's memorandum on Field did not come in response to a request from the officer in charge of State Department personnel, as it should have, but in response to a personal request from Hiss. The text of this memorandum is worth quoting.

"Several days ago Mr. Alger Hiss consulted me about the possibility of Mr. Noel Field becoming Mr. Sayre's executive assistant. I heard nothing further about the matter until two or three days ago, when I learned that certain questions had been raised about Mr. Field. Since I had not heard from Mr. —, who, I understand, had been requested by you to look into the matter, I am taking the liberty of sending you these few brief words about Field."

The memo then praised Mr. Field as a man of "intellectual capacity, honesty, and common decency, a thoughtful, careful person, modest and kind . . . a responsible person whose reliability would be depended upon in the position for which he is under consideration."

For one reason or another, Field did not get the appointment despite Hiss's efforts on his behalf.

Field, it should be noted, never went to great pains to conceal his pro-Communist views. As a matter of fact, some of his letters and actions were indiscreet to the point of recklessness. As European director of the Unitarian Service Committee, he could have concealed his intentions by giving aid to all political refugees—while perhaps favoring the Communists. Instead, as anti-Communist Spanish Republican refugees bitterly complained, one had to have a membership card in the Spanish Communist party to get assistance from Field's Paris headquarters.

When the Unitarian Service Committee in 1945 sent Field a cable informing him that they planned to enter into a cooperative relationship with the Ukrainian American Relief Committee, Field protested the decision, saying that the Ukrainians have "represented in the public mind a force little less reactionary than Nazism itself . . . the Ukrainians . . . have been the center of anti-Soviet agitation."

He went on to say that it would be perfectly all right, with the approval of the Soviet Union and the Ukrainian Soviet Socialist Republic, to help Ukrainians who were loyal to their government—but there were no such Ukrainian refugees in Europe; all were enemies of the government and collaborationists.

This is a language spoken only by diehard Muscovite Communists—and one would have to be an idiot, a total innocent, or a knave, to ignore its blatant political significance. And whatever one might say about Alger Hiss, he was neither an idiot nor a political innocent.

Correspondence made public at the Hiss trial revealed that in 1948, after Field had been dismissed by the Unitarian Service Committee, his steadfast friend Alger Hiss was still writing to him, advising him on what he might do to find a new job.

Lauchlin Currie: The power which Hiss wielded in the State Department and his friends White and Coe wielded in the Treasury Department was complemented in the White House itself through another Hiss friend, Lauchlin Currie, administrative assistant to President Roosevelt from 1939 to 1945. In early 1948, Currie was identified as a Soviet agent by Elizabeth Bentley who said that he had been used to steal White House secrets and to bail out other agents who appeared to be in trouble.

Appearing before the House Committee on Un-American Activities, Currie denied this charge under oath. But two years later, when the Senate Subcommittee on Internal Security sought to subpoena him, Currie took a powder and fled to Colombia, where he has resided ever since—not even revisiting the United States briefly for the purpose of seeing old friends.

Why Currie fled is a matter of speculation, but fresh evidence had been developed since his original denial. The nature of this evidence became apparent in 1953, when Atty. Gen. Herbert Brownell released a 1945 top-secret report prepared by the FBI which named Currie as one of the high-ranking government officials who had cooperated with Soviet intelligence.

It came out, too, that he had once intervened to save Nathan Gregory Silvermaster, the head of the Soviet spy ring, from federal investigation.

Currie's influence was enormous, especially on the conduct of China policy. There are over 200 references to Currie in the hearings conducted by the Senate Subcommittee on Internal Security during the '50s.

Among other things, he served twice as a special envoy to China for President Roosevelt—not surprisingly submitting favorable reports on the Chinese Communists; and, according to Elizabeth Bentley, he notified the Soviets when the United States was on the verge of breaking their code.

The San Francisco Conference. A small bevy of known and suspected Communists found their way into the U.S. representation to the San Francisco Conference—and there is some reason to believe that Hiss played a part in their appointment, and every reason to believe that he met with them frequently and regarded them as colleagues. There was *Dalton Trumbo,* whose party membership card was produced before a session of the House Committee on Un-American Activities in 1947, and who was hired as a ghost writer for Stettinius at the San Francisco Conference. There was *David Zablodowsky,* who attended the conference as an economic expert attached to the U.S. delegation—despite the fact that the Civil Service Commission had proscribed him from government service. There was *Harry Dexter White*—later identified as a Soviet agent by J. Edgar Hoover—who wielded great influence at the conference as the representative of the U.S. Treasury Department. There was *Ludwig Ullman,* the master photographer of the Silvermaster group who attended the conference as Harry Dexter White's first lieutenant.

The facts about Harry Dexter White and Ullman were not known at the time of the Conference, but Dalton Trumbo and David Zablodowsky had already been under suspicion for some time, and their appointments resulted in a spate of rumors about Hiss's probable role as sponsor.

These rumors must have been widely spread, because at one point in the conference, Stettinius called together the members of the American delegation for the specific purpose of telling them that the rumors had come to his attention, that he had checked on them, and that he had found them without substantiation.

The Far East and the IPR. Hiss became assistant to Dr. Stanley S. Hornbeck in 1939, shortly after the latter was appointed director of the Far Eastern Division of the Department of State. On the surface, this was not a very important position. But as Spruille Braden pointed out in part of his testimony, people in top positions in the State Department are so dependent on their assistants for digesting, summarizing and editing the mass of material that comes across their desk, and for the tremendous amount of research that frequently goes into the determination of positions, that for all practical purposes, it is the assistants who determine policy.

Much of the stuff that Alger Hiss placed on Dr. Hornbeck's desk during the five years of association with him tended to portray the Chinese Communists as agrarian reformers, at the same time that it was highly critical of the Chinese Nationalist regime. Hornbeck pointed out, however, that conclusions could not be drawn from this fact alone, because all of the reports that were coming in from the field—including the initial reports from Ambassador Patrick Hurley—were cast in much the same terms. On the other hand, it does have significance in the context of the Hiss role in establishing the IPR influence in government and in the broader context of the China policy disaster, the essential groundwork for which was laid during Hiss's tenure of office in the Far Eastern Division.

As assistant to Dr. Hornbeck, Hiss was in an ideal position to act as a transmission belt. John Carter Vincent stated in his testimony that "all business with Hornbeck had to pass through Hiss." The record of the IPR hearings abounds in indications of the role he played. Apart from the fact that Hiss served on the Executive Committee of the IPR at one time, Edward C. Carter testified that he frequnetly met with Hiss prior to seeing Hornbeck; he also testified that he had asked Hiss to introduce the Soviet official, Rogoff, to a number of important people in Washington; and he consulted with Hiss on the selection of delegates to the Mount Tremblant Conference of the IPR—and in this connection Hiss made his ill-starred recommendation of Ludwig Rajchman.

But while there are many indications of the significant role played by Hiss in the development of State Department policy on China during the war years, the subject was only touched upon by the IPR investigation. The full story waits to be revealed.

Postwar Policy: Hiss moved into a field where the possibilities for "messing up" were almost limitless when in 1944 he transferred to the position of deputy director—later the director—of the Office of Special Political Affairs in the Department of State. His area of concern in this new position was nothing less than the whole scope of postwar problems. He figured prominently in the preparation of the confidential State Department volume, "Postwar Foreign Policy Preparation." So rapidly did he establish himself as the foremost expert in this field that, as one former State Department official put it, he was generally recognized by other people in the Department as "Joe Postwar Himself."

Although Hiss was concerned with the entire field of postwar foreign policy, his area of major specialization was international organization and—after the founding of the U.N.—U.N. affairs. At the Dumbarton Oaks Conference (fall of 1944) which laid the groundwork for the United Nations, Hiss was in charge of all arrangements and was secretary of several of the top planning committees.

At the Yalta Conference in February 1945, Hiss accompanied the American delegation as its expert on international organization. The interpretation generally placed on the Yalta notes when they were released to the press was that Hiss played a minor role; and certain papers even pointed out that on the question of multiple representation for the Soviet Union, he seemed to have taken an anti-Communist position. There are, however, reasons to believe that Hiss played a much more important and equivocal role than is indicated by the printed record.

As assistant to Secretary of State Stettinius he was in a position, in the course of the many casual unrecorded conversations that must have taken place, to exercise direct influence on both Stettinius and Roosevelt. On the specific question of multiple representation for the Russians, it is no doubt true that Hiss did oppose the Russian demand at some of the initial meetings—but then it must be remembered that he was obeying a stringent State Department directive that there was to be absolutely no compromise on this question.

According to Stettinius, Roosevelt's capitulation to the Russian demand took place at a meeting in which he was closeted with Stalin, an interpreter, and Alger Hiss. When Roosevelt came out of the conference room with Hiss, he announced to his advisers that an agreement had been reached which would give Russia three votes to America's one. When members of the American delegation protested, Roosevelt, sick and weary, replied, "I know I shouldn't have done it, but I was so tired when they got hold of me; besides it won't make much difference." As Ralph de Toledano properly asked: "Who were 'they'? Stalin and the interpreter? Or Stalin and Hiss?"

Stettinius in his book, *Roosevelt and the Russians at Yalta,* mentions Hiss often enough to establish that he was frequently consulted and that he kept himself very busy giving advice.

For example, when Roosevelt asked Stettinius "to get a lawyer" to consult with him over the wording of the Polish boundary settlement, he called Hiss. When the conference adjourned, Alger Hiss was twelfth of the 13 signatories to the Yalta agreement and, what is more important, he had been approved by Stalin, Churchill and Roosevelt as general secretary of the projected San Francisco Conference—a role that would not have been given to an obscure and unobtrusive assistant. Nor would it have been given to anyone who had incurred the wrath of the Russians by a display of anti-Communist intransigence.

The San Francisco Conference. As general secretary of the founding conference of the United Nations in San Francisco in early 1945, Hiss turned in an organizational performance that won the admiration of all. If he took an anti-Communist position on any question, there is certainly no record of it—and it is equally certain that Hiss would have emphasized such a position in stating his defense against Chambers. But there was a whole series of questions on which he took pro-Communist positions:

The World Federation of Trade Unions: The American Federation of Labor bitterly charged that Hiss's secretariat was giving preference to the Congress of Industrial Organizations which was at that time under strong Communist influence and that it used its influence to promote the formation of the Soviet-dominated World Federation of Trade Unions, spearheaded by the CIO and the trade union movement of the USSR.

The flagrant nature of this preference as well as its pettiness was dramatically displayed in the matter of travel assistance to the two rival trade union delegations. At that time train reservations either had to be booked months in advance, or alternatively, had to be arranged by high-level intervention.

The CIO delegates and the Soviet and European Communist unionists who were traveling to San Francisco in connection with the launching of the World Federation of Trade Unions, obtained their train reservations without difficulty, thanks to the intervention of the Hiss entourage. But when the AFL tried to book reservations for a powerful delegation which it planned to send to San Francisco to present its viewpoint to the founding conference, there were no reservations to be had. The reservations were finally arranged—but only after William Green, George Meany and Matthew Woll had gone to see President Truman and Secretary of State Stettinius about the matter!

Yugoslavs and Poles: In an effort to prevent the acceptance by the U.N. of the Communist governments that had usurped power in their own countries, the American Poles and American Serbs sent delegations to San Francisco. It was their expectation that their positions would receive some sympathy from the State Department.

In Poland, the Lublin Committee, a quisling creation of the Soviet government, was moving rapidly to consolidate its power, in the wake of the Red Army's infamous betrayal of the Warsaw uprising. In Yugoslavia, Tito had excluded foreign correspondents and was busily engaged in the physical liquidation of the opposition. In both countries, situations had already developed that were in clear violation of that clause in the Yalta Agreement which promised the liberated peoples of Europe the right to choose their governments through democratic elections.

The San Francisco Conference was the one occasion when the U.S. government might have exercised pressure on the Polish and Yugoslav Communists by refusing to accredit their delegates until the guarantees of free elections contained in the Yalta Agreement were honored.

Expecting at least a sympathetic hearing from the State Department representatives, the Poles and Serbs both were amazed at the hostile reception they received from Alger Hiss.

Hiss, accordang to certain reports, made it clear from his attitude that he considered the governments of these countries essentially democratic and entitled to representation. To the American Serbs and Poles who came to plead the cause of their mother countries, he was rude and contemptuous. Lou Christopher, the leader of the Serbian delegation, entered his first meeting with Alger Hiss without any preconception or prejudice—he had never met the man nor heard of him. After the meeting he stormed back to the hotel and shouted to his fellow-Serbs: "There's a Communist in Stettinius' office!"

The Chapultepec Conference and the Inter-American Organization: Just before the San Francisco Conference there took place in Chapultepec, Mexico, the founding conference of the Inter-American Organization. According to reports made by Adolph Berle to a number of people, Hiss seemed determined, both before and after Chapultepec, on preventing the creation of any inter-American grouping. The argument advanced in support of this position was that any such grouping would inevitably be competitive with the United Nations, would smack of bad faith and would make the Russians suspicious.

A powerful coalition, which included Warren Austin, Sen. Arthur Vandenburg and Nelson Rockefeller, in addition to Berle, was able to beat back the first attack and proceed with the creation of the Inter-American Organization. But at the San Francisco Conference a deliberate effort was made to liquidate the newly created IAO. It was in response to this attack that Nelson Rockefeller urged Sen. Vandenburg to formally propose Article 51 of the U.N. Charter which permits regional groupings of a purely defensive nature. It is noteworthy that had Article 51 not succeeded in passing, NATO would have been illegal in terms of the U.N. Charter.

The Spanish Republican Incident: The Franco government had from the first been divided on the question of its relations with Nazi Germany. While Franco did agree to send the Spanish Blue Legion to the Russian front and while he cooperated in other ways, he refused German demands that they be permitted to move troops through Spain to North Africa, or that the Spanish forces, separately or in conjunction with the German forces, seize Gibraltar and close the Mediterranean to allied shipping.

More than one allied diplomat reported afterwards that Franco's steadfast resistance on these points may very well have saved the war for the allies. But this was overlooked by the Western press when the war came to an end.

Franco was held up as the surviving remnant of the fascist axis we had committed ourselves to extirpate—and only a handful of conservatives dared to come to his defense under these circumstances. For these reasons, when the war was over he found himself isolated diplomatically, compromised politically at home, and confronting a major economic crisis without any possibility of international assistance.

For some time after the end of the war, Franco's downfall appeared highly probable. In the event of his downfall, there were only two forces that could have filled the vacuum: (1) the legitimate Spanish Republican Government in Exile, which embraced all the anti-Franco parties with the exception of the Communists, and (2) the pro-Communist splinter group headed by Juan Negrin and represented in this country by Alvarez del Vayo, which had set itself up as a competitor for recognition. It was, it goes without saying, of the greatest importance to this country that, if Franco fell, his place should be taken by the anti-Communist coalition represented by the Government in Exile and not by the coalition of Communists and crypto-Communists headed by Juan Negrin. Conversely, it was in the interest of the Communists that the Negrin group should take over—and there is strong presumptive evidence that Alger Hiss used his influence to promote the cause of the Negrin faction.

In the fall of 1945, the American Federation of Labor officially requested that Under Secretary of State Dean Acheson grant an audience to Fernando de los Rios, the foreign minister of the Spanish Republican Government in Exile. The AFL made repeated requests of Acheson, culminating in a personal phone call from President William Green to Acheson.

Acheson refused point blank to grant the requested audience with de los Rios—the diplomatic purport of which would have been that the Prieto-de los Rios anti-Communist coalition was acceptable to the United States if the Franco regime should fall. By that time, there had already been discussions between the Spanish Republican moderates and the Vatican, which got as far as an exchange on the role of the Church in education in a non-Franco Spain. The Spanish Republican moderates, apparently, were not unacceptable to the Vatican—but they appeared to be unacceptable to the State Department, thanks to the influence of Alger Hiss.

Within a matter of weeks of having refused William Green's request, Acheson granted an audience to Juan Negrin, the leader of the pro-Communist faction, apparently at the sole request of Frieda Kirchway, veteran editor of The Nation, who accompanied Negrin to the State Department. Frieda Kirchway subsequently wrote a gloating letter to William Green, telling him of the excellent meeting that they had with Acheson.

Although no one paid much attention to it at the time, this was an incident of the greatest political significance. Not only was the State Department put in the position of diplomatically approving the pro-Communist faction, but it did so in defiance of the AFL, representing some seven to eight million voters and apparently under no political pressure other than that which Frieda Kirchway personally was able to exert. High officials of the AFL were strongly suspicious at the time that the man really responsible for this decision was Alger Hiss. The pattern of friendships and liaisons, moreover, strongly supports the assumption that the real play in this instance was from Noel Field to Hiss to Acheson.

As has already been pointed out, Field at that time (1945) was heading up the Unitarian Service Committee in Paris, in which capacity he gave assistance so exclusively to Spanish Republican Communists that all of the Spanish Republican anti-Communist factions protested bitterly.

Testimony at the Hiss trial indicated that Field and Hiss had been in friendly correspondence and that this correspondence carried through into 1947 and 1948—after the Unitarians had decided to part company with Field because of the mounting evidence of his Communist proclivities. Field was the No. 1 American in terms of liaison with the Spanish Republican Communists. Hiss was the No. 1 man in the State Department in terms of action that might ultimately lead to the recognition of a new government.

Nothing would have been more natural than for Hiss' old friend, Field, to write a confidential letter to Hiss urging that he arrange to have Acheson see Negrin. Since they were in more or less regular correspondence, and since Field was over his ears in Spanish Communist politics, it is inconceivable that their letters should not have dealt with the Spanish question. In any case, this is something that would bear further investigation.

The Panama Canal Incident: During the war the United States government entered into an agreement with the Republic of Panama permitting the establishment of 134 bases of various kinds, ranging from simple observation outposts and anti-aircraft posts to the huge Rio Mato airbase. These bases were considered essential to the defense of the canal, which obviously could not have been defended adequately from the narrow strip of the Canal Zone proper.

The agreement provided for automatic termination *one year after a definitive treaty of peace had been signed*. But as soon as the war was over, the Communists in Panama embarked upon a campaign of agitation demanding that the bases be returned *one year after V-J Day*. The agitation had considerable success, since it pandered to the nationalist sentiments of the Panamanians and particularly to the ardent nationalism of the Panamanian students.

At the close of 1945, the governor of the Canal Zone submitted his annual report to the War Department. The annual report was a perfectly routine affair dealing with the operations of the canal and it had been submitted regularly to the American government since 1903. The office of Spruille Braden, assistant secretary of state for Latin American Affairs, was horrified to discover that the Office of Special Political Affairs under Alger Hiss wished to submit the report of the Canal Zone governor to the United Nations under Article 73, which requires the transmission of regular reports on "non-self-government territories."

Hiss insisted that under Article 73 it was the obligation of the United States to submit the report and he held to this position despite the unanimous protests of all of the officers in the Latin American Section, who pointed out to him that the Canal Zone, so far as the Republic of Panama was concerned, was self-governing, and that the submission of the report would enrage the Panamanians, play into the hands of the Russians, and alienate other Latin Americans who would say, "See what the United States is doing in the Canal Zone."

Finally, Spruille Braden decided to see Under Secretary of State Acheson in an effort to head off the report. When he entered Acheson's office, Hiss was already there and it was his impression that he had been there for some time.

"When I tried to state my case," said Braden, "Mr. Acheson, as a lawyer, agreed with Mr. Hiss and I didn't even have a chance to state my case. I remember that I came out of that meeting boiling with rage at what happened.

The report was submitted to the United Nations—and, as Braden had predicted, the Panamanian foreign minister, Dr. Alfaro, who was personally friendly to the U.S. and was doing his utmost to combat the demands for the immediate return of the bases, made a speech bitterly protesting the implication of the report.

Alfaro's indignation was matched only by Braden's. Although Braden had been overruled on the submission of the report, he had naturally anticipated that, since the matter dealt with the territory of his department, the copy of the report would be submitted to him before being sent on to the U.N. Instead, he picked up the Washington Post one morning and read on the front page that the U.S. government had reported to the U.N. on the Canal Zone as an "occupied territory."

Braden relates that he went down to the office of Dean Acheson, then acting secretary of state, with fire in his eyes to demand that the report be withdrawn. Acheson replied that it would be impossible to do anything about it without Mr. Hiss—and Mr. Hiss was not to be found that day in Washington.

Finally, at 5:00 in the afternoon, it was reported to Braden that Hiss had been located and was in Acheson's office. Braden sent one of his deputies, Mr. Briggs, down to see Acheson and Hiss to demand that the report be withdrawn. As Braden relates the story, Briggs "came back from Mr. Acheson's office and reported that Mr. Acheson had sustained Mr. Hiss and Mr. Hiss had been very apologetic . . . he said that he was oh, so sorry—that, of course, it should have been submitted to the Office of American Republic Affairs . . . but it was just one of those things that happened, that slipped by, a mistake somewhere, and he was very regretful about it."

After the speech by the Panamanian delegate to the U.N., the Department of State informed the Panamanian Embassy that it would not in the future include the Canal Zone in the report stipulated by Article 73 of the U.N. Charter. But the damage had been done. The ultimate outcome was that in response to rising agitation the government of Panama in the fall of 1947 was constrained to cancel the agreement and take back the bases—which the American military had agreed were essential for the defense of the canal and of the United States.

The Proposal to Establish a Central Intelligence Agency Under the Direction of the State Department: During the first part of 1945 there took place an extremely significant struggle between the Hiss group and J. Anthony Panuch and some of the other conservative elements in the Department of State. On Feb. 12, 1946, the Secretary's Staff Committee issued a paper on the permanent location and organization of the Office of Research and Intelligence. Had this report been implemented, it would in effect have made the CIA an arm of the Department of State. As the report put it, "The Department's intelligence program, upon which was based the Oct. 1, 1945, transfer to the Department of the Research and Analysis Branch and the Presentation Branch of the former OSS, was predicated upon the establishment under a special assistant to the secretary of a *single organization which would be responsible for the collection, evaluation and dissemination of all information regarding foreign nations*." (Italics added.)

In replying to this memorandum, Mr. Panuch and his superior, Donald Russell, submitted a detailed argument which made the following points:

(1) The President had, in fact, in a directive dated Sept. 20, 1945, asked the Department of State to "take the lead in developing a comprehensive and coordinated foreign intelligence program for all federal agencies concerned with that type of activity. This should be done through the creation of an interdepartmental group. . . ."

(2) Subsequently, it had become "obvious that the plan to organize a national foreign intelligence program through the interdepartmental committee mechanism was impracticable. Accordingly, this mission was assigned to the International Intelligence Authority established by the President's directive of Jan. 22, 1946."

(3) "The point is made that the centralized intelligence organization now proposed is called for by the October 1st directive. In calling for a centralization of all intelligence activities of the Department, it disregarded the principle of intelligence decentralization which was a prime tenet of the Bureau of the Budget's intelligence organization plan on which the President's instructions to the secretary were based.

"Its proposal for the consolidation of the Department's 'positive' and 'security' intelligence activities was inconsistent with the elementary principles of intelligence organization and is neither practicable nor desirable. In any event, as the secretary has ruled, any administrative directive is subject to review with respect to its organizational soundness and feasibility as provided for by Departmental Order 1356A."

The plan was defeated, but only after a bitter struggle. A short while later, on March 5th, Hiss submitted a plan to the secretary of state for the establishment of a new office as the "initiating and coordinating center within the Department for United Nations Affairs, within the office of the secretary of state."

In commenting on the significance of this memorandum, Mr. Panuch wrote on March 7, 1946: "The intelligence operation is handmaiden to the action-taking and policy-determining groups. It must be sensitive to their needs. It must have handy the mass of original documents and material on which its studies are based. While it may secure much assistance from others outside, it must be responsible to the place of decision. A department which will be held responsible for its decisions and actions must, in turn, be able to hold accountable to it the operation which produces intelligence on which those decisions and actions will, in part, be based.

"The State Department is organized along geographic and functional lines. The geographic and economic desks are 'the action-taking and policy-determining groups' in the great flow of Departmental decisions made daily. In matters of high import, they are responsible for recommendations with respect to policy of action on which the secretary's decisions are based."

Panuch reported that his memorandum killed the proposal deader than a doornail. But again there is this highly sinister pattern involving the centralization of vast authority within a single office—thereby increasing the ability of a single infiltrator to do great damage to the conduct of American foreign policy.

It is noteworthy that it was Panuch and not Hiss who was removed from the State Department.

The Infiltration of the United Nations: In the hearings on the employment of American subversives by the United Nations, 27 of the witnesses who testified invoked the 5th Amendment when asked about their connection with the Communist conspiracy. William L. Franklin, special assistant to the director, Office of Secretary, Department of State, gave this testimony on the question of the role played by Hiss in recruiting the original employes of the Secretariat:

Mr. Franklin. On March 25, 1946, Mr. Hiss transmitted a list [to the UNO] containing 78 names. On April 4, he transmitted a larger list including most, if not all, of the 78 names, for a total of 284 on April 4, 1946.

In addition to that, I pointed out that in the Department we had compiled a list of 193 names from the old records of the Office of Special Political Affairs of individuals working for the Federal Government, who were loaned to the United Nations.

Since my last appearance here, I find that there is in the files of the Department a letter dated April 18, 1946, showing that on that date there were on loan to the United Nations 58 individuals from the Federal Government, and the letter says that these individuals were cleared through the Office of Special Political Affairs.

Of these 58 individuals, 17 had not been placed on the list of 193 which we compiled. Therefore, the loan list would amount to 210 individuals and the list of April 4, 1946, amounting to 284 individuals, would make a total of 494 . . .

Mr. Keating. So that . . . out of the total of 494 names there were 49 who were employed by the United Nations and there were 216 who were either employed or on temporary loan to the United Nations?

Mr. Franklin. Those figures would be correct, according to the information that is available to us.

Mr. Hillings. And in each instance where a man was loaned, he was recommended by Mr. Hiss; is that right?

Mr. Franklin. Well, I have not found anything in the records of the Department of State, Mr. Congressman, to say "I recommend this man."

Mr. Hillings. He did pass their names along, did he not?

Mr. Franklin. The record shows that the names were transmitted through the Office of Special Political Affairs.

* * *

What Can Be Achieved by Re-Opening the Case: The retelling of the story of Alger Hiss has a much more important purpose than simply clearing away some of the confusion about the past that has built up as a result of the unremitting disinformation campaign of the entire left wing over a period of some 25 years.

The fragmentary evidence that has been compiled in this article suggests that Alger Hiss and Harry Dexter White and Lauchlin Currie and other members of the Soviet apparatus in government did their greatest damage not by passing on state secrets to the KGB, but by "messing up," or manipulating, the conduct of U.S. foreign policy so that it subserved the purposes of the Kremlin.

About their role in the China policy disaster we already know a good deal, thanks to the hearings on the Institute of Pacific Relations and Interlocking Subversion and the Amerasia investigation. In the case of Germany, there is good reason to believe that the war could have been shortened by as much as a year if it had not been for the Morgenthau plan (which called for the dismantling of German industry after an Allied victory).

Had the war terminated in the summer of 1944 instead of 1945, hundreds of thousands of lives would have been saved and the Russians would have been stopped approximately at their pre-war frontiers.

Elizabeth Bentley testified that the Harry Dexter White influence was responsible for the Morgenthau plan, and there is a good deal of supporting evidence to be found for this in the Morgenthau diaries. What is certain is that the twin idiocies of the Morgenthau plan and the policy of "unconditional surrender" served the interests of the Soviet Union and not of the free world. But on this point, we have a good deal more to learn.

Perhaps the time has come for a painstaking analysis of all the position papers and correspondence which originated in the Hiss office during his tenure as a State Department official, and for a parallel analysis of the papers originated by Harry Dexter White, Lauchlin Currie, Larry Duggan, Harold Glasser, Frank Coe, and the other identified Soviet agents who rose to high rank in various departments of the U.S. government.

We know that such manipulation took place and that in certain areas it did grave damage to our foreign policy. How much there was and in how many areas it affected our foreign policy we do not know because the matter has not yet been the subject of a systematic study. On this point, an enterprising political researcher with the time to tackle a task of monumental proportions, might be able to put the Freedom of Information Act to some very good use.

UNIVERSITY OF KENTUCKY WINS NATIONAL INVITATIONAL TOURNAMENT

Mr. **HUDDLESTON.** Mr. President, I invite the attention of my colleagues to the fact that last Sunday afternoon the University of Kentucky basketball team won the National Invitational Tournament before over 12,000 fans in Madison Square Garden by defeating North Carolina-Charlotte 71–67. The game was highly contested throughout with neither team enjoying more than a 7-point lead at any time.

This NIT championship by Coach Joe Hall's Cardiac Kids is the first for U. of K. since 1946. And I also point out that the win last Sunday was the 10th straight win in another 20-win season.

I would like to offer my congratulations to University of Kentucky Coach Joe Hall, his coaching staff and the entire University of Kentucky squad.

Mr. President, an editorial entitled "Hail to the Wildcats" appeared in the March 22, 1976 Lexington Herald. I ask unanimous consent that it be printed in the Record.

There being no objection, the editorial was ordered to be printed in the Record, as follows:

Hail to the Wildcats

The University of Kentucky Wildcats have had their ups and downs this season, but in the past 10 games they really turned on the steam, winning Sunday the National Invitational Tournament in New York City.

Heartiest congratulations to Coach Joe Hall and the whole squad whose come-from-behind victory over the North Carolina-Charlotte team in yesterday's final culminated an excellent season.

At one time with a 10-10 record and Rick Robey injured on the bench, the Wildcats were struggling to break even. But from that point on there was no stopping the Cats as they showed how real basketball is played—hitting the open man on offense, helping each other out on defense, caring more about the team than oneself.

And what a team it is, what a diversity of talents and personalities—Larry Johnson, Mike Phillips, Jack Givens, James Lee and Reggie Warford. Starters and bench, down to the last man, they have made Lexington and Kentucky proud.

SHEILA YOUNG: A WINNER

Mr. **GRIFFIN.** Mr. President, on Wednesday, March 24, the city of Detroit will honor a remarkable person who has already brought honor to herself, her family and friends, and her country.

The accomplishments of Detroit's Sheila Young in the 2½ months are a testimonial in themselves. At the 12th Winter Olympic Games in Innsbruck, she won gold, silver and bronze medals in speedskating, thus becoming the first American ever to win three medals in a single Winter Olympics. At the 1976 women's speed skating championship in Norway a couple weeks later, she set sprint records in the 500 and 1,000 meter events, and finished third in the overall standings. On March 7, she ended her European tour with a flourish—winning all four races and the overall women's world sprint speedskating championship. It was her third world sprint title in 4 years.

When you add her past accomplishments in skating and cycling—she was the 1973 women's world sprint champion in both sports, the first athlete ever to hold two world titles in different sports at the same time—it is apparent why we as Michiganders—and Americans—are so proud of Sheila.

But Sheila Young would have been a winner even if she had never seen a bicycle or a pair of skates.

It takes much more than talent, or God-given ability, to achieve the goals Sheila set out to reach. To be sure, it takes remarkable dedication and work to devote years of your life to the lonely training and discipline required to be a world-class athlete, and Sheila has certainly paid her dues. In addition, it requires the sacrifice and support of an athlete's family, and Mr. Clair Young and the rest of Sheila's family deserve to share in her triumphs.

However, what makes an athlete a champion is the indomitable human spirit, that quality in us that allows us to overcome adversity and hardship to achieve our goals.

One quality that impresses me about Sheila is unrelated to her recent accomplishments. Following her graduation from Detroit's Denby High School in 1968, Sheila tried—and failed—three times to make the U.S. speedskating sprint team. Another person might have given up, but Sheila persevered, eventually making the team, and finishing fourth in a race at the 1972 Winter Games in Sapporo. In 1973, at the World Cycling Championships in Spain, Sheila crashed her cycle during the semifinals of the women's sprint. She got back on her bike and won. She crashed again during the final sprint, opening up a head wound that required clamps to close. Once again, another person might have called it quits, but Sheila got back on her cycle and won the championship.

Speedskating and cycling, unlike some other sports, do not lead to lucrative professional careers. However, I am sure that Sheila would insist that their rewards are priceless. I am thankful—and proud—as I am sure all of my colleagues are, to have shared in Sheila's moments of triumph as she stood on the Olympic platform and our national anthem was played.

Whatever Sheila decides to do with the rest of her life, I am confident that the same quality that allowed her to persevere and achieve success in amateur sports will guide her in the future.

Sheila Young is a winner in the truest sense of the word, and I think that her accomplishments are a fitting keynote to America's Bicentennial commemoration.

GOVERN THYSELF

Mr. TALMADGE. Mr. President, it is not often these days when people in public life say exactly what they mean and mean exactly what they say, and mince no words about it. Even though it can sometimes be startling, it is always encouraging when someone does.

There appeared on the front page of the March 22 edition of the Atlanta Journal an article based on an interview with the Reverend Jesse Jackson, head of an organization called People United to Save Humanity and formerly a close associate of the late Dr. Martin Luther King, Jr.

Reverend Jackson had something to say, and he said it, with force and without window dressing. In my judgment, he is to be commended for both the courage of his convictions and for expressing a point of view which I believe needs to be brought out into the open. What Reverend Jackson had to say certainly is not calculated to make everyone happy. I am sure he did not intend to.

According to the newspaper, Reverend Jackson's message was directed particularly to black people. I would say his message applies to large segments of all the American population, white and black alike.

Mr. President, I bring this article to the attention of the Senate and ask unanimous consent that it be printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

Minister Jesse Jackson's Message to U.S. Is Directed Particularly to Black People

(By Chet Fuller)

Jesse Jackson, 34-year-old minister of the Gospel and activist for social change, has a message for the American people, and for black people in particular, individual self-government.

He is convinced that it's the only thing which "can save us from the grips of spiritual wickedness and moral decadence now upon us in this nation."

"For black folks," Jackson says, "the crisis is doubly serious. The doors of opportunity that have been knocked open by the civil rights movement can't be taken advantage of, because many of our young men are too drunk to stagger through them.

"Many of our young girls become pregnant prematurely. The crime rate where we (blacks) live is so high our businesses can't flourish. Our women cannot walk the streets in safety and our homes have so many bars they look like prisons. Dope is flowing through our schools and our young people are influenced by the movies that glorify hustling and nonwork."

Jackson, head of Chicago-based People United To Save Humanity (Operation PUSH) and once a lieutenant of the late Dr. Martin Luther King Jr., is so disturbed over the state of public education in America and the massive amount of violence in the nation's schools that he is trying to mold what he calls a "push for excellence" crusade in the schools.

"I have been in more than 70 schools throughout this country since September," says Jackson, who was in town Sunday to attend a local church's bicentennial banquet.

"What I've seen in the schools is a breakdown in moral authority, discipline and development. When I take my message to the students they are very enthusiastic. They are crying for moral leadership and discipline.

"We must have moral authority and ethics," Jackson says firmly. "I see this state we're in as the afterbirth of the civil rights rebellion. We went through that period of rebelling against authority because it was oppressing us. But now the extremes have set in. We stopped being servile, now we don't want to be of service.

"Many rightfully stopped working for little or nothing, but others now fail to see the value of working, period.

"This general rebellion against all authority must stop," he declared, "and boundless liberalism—we know now—is not the answer, either.

" 'Liberal' thinkers have crippled us for so long because they always expected so little from us (blacks) because our diets weren't the same as whites or we lived in the projects, etc. . . . They kept giving us excuses and had us believing we shouldn't do any better."

Jackson says conservative thinkers haven't helped either, because they tend to be too narrow in their views "and punitive rather than imaginative, but firm.

"The major reason for the trouble in the schools," Jackson says, "is the massive dropout of parents in this country.

"We've got to bring the parents back in," he says. "Teachers and parents must work together more. For one thing, I think we ought to stop giving report cards to students and force parents to come to school to pick them up so they get to know the teachers and principals.

"Then we need to institute city-wide study hours (from 7 p.m. to 9 p.m.) where school-age children wouldn't be allowed on the streets and there'd be a total blackout of radio and TV.

"You hear all this talk about why Johnny can't read," Jackson says. "Johnny can't read because he doesn't practice reading. I look at it this way. If Johnny can't read because he's hungry, then it's the government's fault.

"But if Johnny can't read because he stayed out late last night and is sleepy in class the next day, then it's the parents' fault.

"Parents can't continue to abdicate their responsibility as parents. Self-government starts with self-control and it demands the pursuit of excellence in ourselves first, then in our homes and finally in our schools.

"Why have we stopped pursuing excellence in the classrooms?" he asks. "We still pursue it on the football field, on the basketball court. High school coaches practice their athletic teams three and four hours a day after school. But are there any reading, writing and counting teams in our schools?"

Jackson says blacks in the past have been reluctant "to challenge or even mention this problem because they felt certain conservatives and rednecks were looking for any excuse to deny us our civil rights."

But he says the response he has gotten from leaders in the black community all over the country has been favorable.

"The problem is much too grave at this point," he explained, "to hold back for fear of any reprisals. What black people have to realize is that nobody is going to save us from us for us but us.

"We've got to stop drugs from flowing into our schools and the only way to do it is for the children's arms and nasal cavities to cease being a market for dope."

Jackson also argues that America has fallen on such wicked times partly because the "value of God Consciousness—has been slowly removed from the experience of this generation of young people.

"I argue that in our schools prayer came out and pistols went in, hope came out and dope went in.

"And we have got to realize in this country that you can't buy excellence and crime-free neighborhoods or violence-free schools, dope-free schools or children who want to learn," Jackson says.

"It's not financial. It's spiritual. And it's not 'Them' or the Democrats or the Republicans or the crackers or the niggers. It's us. And that's who each and every one of us—black and white—has to deal with first.

"It's an old story. The Bible deals with it. When your morals get too loose, you're moving toward self-destruction. Right now, we're on that road."

FEDERAL ELECTION COMMISSION

Mr. BUCKLEY. Mr. President, yesterday the Democratic National Committee, along with seven Democratic Presidential candidates, moved in the Supreme Court to extend for 3 weeks the stay on the expiration of the Federal Election Commission. I have registered with the Court my strong opposition to such an extension.

It had been my hope that the 3-week period ending yesterday might have been used for a serious evaluation of all the problems left by the Supreme Court's decision, including particularly the extraordinary disparity that now exists between the ability of wealthy and nonwealthy candidates to raise the seed money necessary for a viable campaign. Although the irregularities of the current situation are as scandalous as they are self-evident, they have been all but ignored. Instead, what we have witnessed is a partisan battle for still further inequities designed to tilt the political scales still further in favor of incumbents and certain vested interests.

Last Tuesday, the Members of this body were given an opportunity to vote on a substitution which would have simply constitutionally reconstituted the Federal Election Commission. Despite strong reservations, I voted for that amendment as a viable compromise which would allow the subsidies to continue to flow. That substitution was defeated by a single vote. Among those voting against the constitutional reconstitution of the Federal Election Commission was the distinguished Senator from Washington, who yesterday went before the Court to ask that the mandate of the unconstitutional commission be extended.

It is my opinion that the Constitution is something more than a time bomb to be thrown about in a game of "political chicken." As far as I am concerned, those who have voted against the constitutional reconstitution of the Federal Election Commission have no business complaining to the Court that there was insufficient time to correct the constitutional inadequacies which they now ask the Court to extend.

There is one final point which I would like to make concerning the legal situation as it now exists in the wake of the expiration of the Federal Election Commision. Many of my colleagues may not realize that the inability of the Government to provide subsidies under the 1974 amendments vitiates for the time being the obligation of candidates to abide by the spending limitations which was the condition for the provision of those subsidies. I suspect this is of academic interest only to candidates panting for further access to the public treasury. But it does suggest the chaos in which we are left by the Senate's seeming determination to make a bad law worse.

DEPARTMENT OF DEFENSE RESPONSE TO REPORT ON EUROPEAN COOPERATION

Mr. McINTYRE. Mr. President, I addressed my colleagues on December 18, 1975, on the subject of continued cooperation with our European Allies on interoperability and standardization in the design, development, and production of weapons and other military equipment for our military forces.

At that time, I inserted in the Record a copy of a trip report prepared by Mr. Hyman Fine, a member of the Armed Services Committee staff, which was transmitted to the Department of Defense for comment and appropriate action. This document appears on pages 41607 through 41613 of the Record for that date.

I am in receipt of a reply from the Director of Defense Research and Engineering dated February 4, 1976, which transmits a series of attachments commenting on the various items covered in Mr. Fine's report.

This reply will be useful in the deliberations of the Research and Development Subcommittee regarding the pending authorization request for the Defense fiscal year 1977 research, development test, and evaluation appropriations.

The comments have been cleared by the deletion of classified material but still represent a significant body of information which should be of interest to my colleagues in the Senate and the House and to the public.

I am encouraged by the growing awareness in the Congress, and in other branches of the Government of the potential for substantial mutual gains to ourselves and to our allies through cooperation which promises to save billions of dollars and improve the effectiveness of our military forces. I will continue to report on these efforts as they materialize.

I ask unanimous consent to have the letter and attachment printed in the Record.

There being no objection, the material was ordered to be printed in the Record, as follows:

Director of Defense
Research and Engineering,
Washington, D.C., February 4, 1976.

Hon. Thomas J. McIntyre,
Chairman, Subcommittee on Research and Development, Committee on Armed Services, U.S. Senate, Washington, D.C.

Dear Mr. Chairman: In your letter of November 21, 1975, you requested comments on pertinent areas referred to by Mr. Hyman Fine in his report which relate to cooperative research and development, standardization, and interoperability of equipment between the U.S. and our European Allies. We identified twenty-nine specific areas in the report which we examined in detail. The attachments to this letter represent the findings of our examination.

As Mr. Fine indicated in his report, there are a number of real life problems which confront us in our efforts to achieve rationalization and standardization. These problems surface as one goes through the various attachments but the important point which emerges from this examination is a trend toward understanding the problems and a desire to achieve our goals in the area of rationalization and standardization. There is gradual but perceptible progress being made which will provide the solid foundation from which we can continue to resolve the complex problems which Mr. Fine has identified.

Sincerely,

Malcolm R. Currie.

October 20, 1975.

Hon. Thomas J. McIntyre,
Chairman, Subcommittee on Research and Development, Committee on Armed Services, U.S. Senate, Washington, D.C.

Dear Mr. Chairman: Secretary Schlesinger has requested that I reply to your letter of 25 September 1975 concerning a possible change in the present agreement between the United States and the Federal Republic of Germany regarding the XM1 and Leopard 2 tank programs.

The problem is that the test criteria for the competition has already been established in accordance with the U.S. operational doctrine which differ somewhat from that of the Germans. The Germans are (quite naturally perhaps) unwilling to accept these test criteria and would demand that their criteria be used. We would probably then end up in an entirely predictable, subjective stalemate during and after the tests. They recognize these difficulties and are, therefore, skeptical and unwilling to commit.

As the situation evolves I will, of course, be in close communication with German officials. I will certainly encourage them to witness and take part in the tests. Hopefully at the very least this will draw us much closer together and provide a platform for closer cooperation in the future. While on one hand this response might fall short of your full hopes and expectations, I believe it is a realistic one and I want to assure you that we are—demonstrably—supporting cooperation in a variety of programs and are going more than 50% of the way to make this possible.

Sincerely,

Malcolm R. Currie.

Report

Paragraph 6.e.(3) XM–1/Leopard 2:

Discussion covered both programs and confirmed the FRG expectation of providing a Leopard 2 automotive test rig by September 1976 for the comparative test with XM–1. I asked if Germany would agree to an approach which established a joint U.S./FRG program based on the following:

1. Joint establishment of test criteria.
2. Joint test of XM–1L–2.
3. Joint evaluation of test results.
4. Agreement by both U.S. and FRG at the outset that both countries would adopt whichever tank won the competition. This could include combining certain major subsystems where practical (e.g. the turret).

Mr. Eberhard agreed that such an approach could be acceptable. [Deleted.]

DoD Comment:

Comments on this matter are contained in Dr. Currie's letter of 20 October 1975 in reply to Senator McIntyre's letter of September 22, 1975 which is attached.

Paragraph 6.e.(5) SES:

"SES/Deep Water Navy—In response to a question concerning any interest in participating in the Surface Effect Ship development, Mr. Eberhard explained that Germany doesn't have a policy or requirement for a deep water Navy. He felt that they wouldn't need ships that large in any event, in view of their shallow water coastal mission requirements. Since each Navy in Europe has a different concept of their roles and needs, this whole area is one which the NATO Defense Planning Committee should look at with the view of obtaining a coordinated or joint doctrine, rather than the relatively diverse uncoordinated current activities by each country.

DoD Comment:

The mission of the FRGN, [deleted]. Defense of the Baltic approaches will, [deleted] maintain the FRG's SLOCs to the North Sea.

To accomplish this mission, the FRG is acquiring coastal submarines and patrol craft capable of operating in the confined waters of the Baltic and North Seas. These craft will redress the alliance's deteriorating maritime situation in the Baltic where Warsaw Pact naval forces presently outnumber NATO forces [deleted].

Paragraph 6.e.(9) LOFAADS:

"This Army program, now called ARGADS—Army Radar Gun Air Defense system—was discussed as being a prototype competition between 25mm Bushmaster, GAU–8/30 mm, and Oerlikon 35mm Flakpanzer. [Deleted.]

DoD Comments:

The U.S. Army is currently conducting analyses to determine if a new, automated, medium caliber air defense gun system would be the most effective system to replace the present U.S. VULCAN 20mm gun. If these analyses result in a requirement for such an air defense weapon, the U.S. will consider European candidate systems such as the FRG Flakpanzer 35mm gun as well as U.S. candidate systems

Paragraph 6.e.(10) ROLAND:

"The ROLAND missile program was discussed in detail including the tri-county negotiations underway.

[Deleted.]

DoD Comments:

A Memorandum of Understanding signed 8 October 1975 between France, the FRG, and the US states that the three countries will seek an optimum level of standardization and interoperability of their ROLAND system. As a minimum, missile interchangeability (allowing each system to fire the others' missiles) will be achieved. Additional interchangeability will be accomplished wherever it makes operational and economic sense. It is anticipated that many of the subsystems will also be interchangeable. The degree to which this interchangeability goal can be achieved will be determined through actual testing during the program. Based on current information, a substantial degree of interchangeability will be achieved in the normal course of development.

Paragraph 6.e (12) Armbrust:

"Mr. Eberhard stated his understanding that Boeing had arranged for demonstration firings for the U.S. Army and Marine Corps. (This occurred in October 1975.) The possibility of U.S. interest is unknown at this time."

DoD Comment:

The U.S. has, for several years, had an interest in the technology involved in the Armbrust weapon, primarily its low noise and blast signature characteristics. Demonstration firings were conducted in October 1975 at Fort Benning. The Armbrust system weight and cost are higher than those projected for the Improved Light Antitank Weapon (ILAW) presently being considered for Engineering Development to replace the present M72A2 (LAW)

Paragraph 6.e.(13) SMARTROC:

"This was identified for possible FRG interest. FRG will consider for possible use of small ships."

DoD Comment:

The Joint Conference Committee for FY76 Authorizations provided a total of $5.7M in FY76 and FYTQ, to conduct a surface launched demonstration firing of the system out to a range of 12 nautical miles against shore and surface targets. A production engineering paveway laser guided MK82 bomb will provide the 500 lb warhead and guidance. A rocket motor will be designed using existing STANDARD MR–1 case tooling, and proven propellant technology. An all up missile feasibility demonstration firing is expected to be accomplished within 15 months of program start.

Paragraph 6.e.(14) SAM–D:

"This was discussed, as on previous visits, for possible future adoption by FRG depending upon the results of current studies on the need for follow-on to the Improved Hawk System. I again stressed the complementary effect that European adoption of a SAM–D derivative would have on this program. The Germans continue to have a strong interest in a SAM–D type of system."

DoD Comment:

The U.S. and the FRG are conducting a bilateral study on the role of a SAM–D variant after the retirement of HAWK. Recommendations arising from this study are planned to be presented to NATO's Conference of National Armament Directors in 1977.

Paragraph 6.e.(15) Standardization of Ammunition:

"Mr. Eberhard strongly emphasized the importance of attaining this objective. This was a subject of common discussion and common concern throughout the entire European trip."

DoD Comment:

Ammunition Standardization with NATO has been established as one of the DoD FY 1976 Management By Objectives Items. We are seeking the agreement of our Allies to standardize future medium caliber (20–40 mm) ammunition in 5mm intervals and to agree on other characteristics necessary to achieve interchangeability.

All U.S. 155mm projectiles and propellants currently under development are being designed to meet the 1969 memorandum of understanding on 155mm ammunition standardization, ratified by the U.S., the UK, the FRG, and Italy. Although this memorandum requires all new 155mm ammunition to be capable of being used in the howitzers of other member countries, it is not sufficiently comprehensive to enable complete ballistic standardization to be achieved. In order to develop a more definitive agreement, the four nations will consider a revision to the 1969 memorandum at a Standardization Working Group meeting in April 1976.

The majority of our Allies will require new individual weapons during the 1980s, and several nations may introduce new support weapons as well. Technical improvements and changing concepts have created an interest in calibers below the current NATO standard 7.62mm for individual weapons, and several new rifles and machine guns and cartridges of various calibers are under development. In support of these efforts, NATO's Conference of National Armament Directors (CNAD), will establish a common NATO test and evaluation program to determine a second NATO standard cartridge and possible selection of a standard rifle.

A series of tank gun tests by a trilateral test group (UK, FRG, and U.S.) has been completed. The group recommended continued use of the 105mm gun with improved ammunition and the initiation of a development program for the next generation gun.

In our initiatives with the four powers, we are seeking broad agreements on standardization of ammunition of all calibers.

Paragraph 6.f.(5) Aircraft Structure:

"Work is being done on sandwich structures for airplane fuselage. U.S. Air Force may be interested in investigating this."

DoD Comments:

The Air Force is aware of the work being done by VFM–Fokker on sandwich structure and arrangements have been made to allow a free exchange of data in the future. An Air Force team visited this Contractor and held detailed discussions during the early part of Dec. 75. Work being done by Fokker is of top quality but it appears as though the U.S. is ahead in the State-of-the Art in this area.

Paragraph 6.f.(6) VAK–191B:

"VAK–191B—This V/STOL aircraft is no longer to be operated. As a last resort the United States Navy and Army should consider acceptance as a research vehicle for tilt rotor (Army) or Lift plus Lift/Cruise technology."

DoD Comments:

The VAK–191B would not be applicable for use in the Army tilt rotor program.

The USN and FRG have just completed an extensive eighteen-month joint flight test program with the VFW–Fokker VAK–191B Lift plus Lift/Cruise V/STOL aircraft. The program included some 60 flights and yielded a tremendous amount of technical data covering such areas as: stability and control, sub-aerodynamic hover performance, propulsion system, footprint and reingestion characteristics, induced forces and moments, flight controls, acoustic fatigue, and a USMC test pilot evaluation. These data are now being documented in fourteen technical reports for distribution to government agencies and the aerospace industry. A three-day technical program review was held at NAVAIR during October of this year.

Continuation of the program was not considered cost effective since the original technical objectives of the program were achieved in the above mentioned program. Furthermore, both airframe and engines were essentially life expired and extensive airframe rework and engines overhauls would be required to make the aircraft airworthy again. Continued testing (and expenditures) had reached a point of diminishing returns.

While this joint test program provided much technical information, the Lift plus Lift/Cruise supersonic fighter-attack program is currently being maintained as a low level study effort, pending resolution of long term Navy supersonic V/STOL requirements.

Paragraph 6.g.(4) Captor Mine:

"The French question the feasibility of the U.S. CAPTOR Mine."

DoD Comment:

Since the establishment involved (Naval Ordnance Facility Brest) is a technical one, this comment presumably refers to CAPTOR's technical (as opposed to operational, logistical, or economic) feasibility. As Mr. Fine observed elsewhere in his report (paragraph 6.p.(4)), "France is substantially behind the United States in the development of torpedoes as well as mines." The CAPTOR system involves heavy use of advanced technology and might well be infeasible for the French. Testing has demonstrated that CAPTOR is a highly cost-effective ASW system. [Deleted.]

Paragraph 6.h.(4) Munitions DEA:

"Data Exchange Agreement (DEA) is now being developed with the U.S. Air Force for munitions. This will be followed up to determine the status."

DoD Comment:

A detailed proposal has been transmitted to the Federal Republic of Germany. A response is expected shortly. Draft Specific Data Exchange Agreements are expected to be signed in the first quarter of 1976.

Paragraph 6.j.(4) XM–1 Sight:

"Zeiss indicated an interest in competing for the XM–1 stabilized sight and range measuring equipment but stated that they were unable to obtain necessary information concerning characteristics. The U.S. Army should indicate what the situation is regarding the possibility of permitting Zeiss to participate and take appropriate steps to accommodate this interest."

DoD Comment:

The US program was initiated in June 1973. It is too late for Zeiss to compete for the development of the US XM1 sight components in that both US prime contractors have selected their subcontractors and have completed their fire control design. Zeiss is a subcontractor developer to Krauss Maffei for the commander's sight on the Leopard 2 (AV) (see Inclosure 1).

The winning US design will be selected in July 1976 followed by a Leopard 2 (AV) decision in March 1977. Full Scale Engineering Development and first production will be awarded to the winning prime contractor. The second production is currently planned for March 1981. If Zeiss is interested in competing for the selected XM1 sight and laser production, they should notify both US prime contractors of their intention. A Technical Data Package will be available at the end of the FSED phase, mid CY 1979.

Summary of Fire Control Contractors

(By component)

Prime contractor, component, and subcontractor;

Chrysler, Gunner's sight, Kerfott, Clifton, NJ, Kolmorgen, North Hampton, MA. Commander's sight, Kolmorgen, North Hampton, MA. Computer, Control Data Corp., Minneapolis, MN. Rangefinder (laser), Hughes Aircraft Company, Culver City, CA.

General Motors, Gunner's sight, Delco Electronics, Santa Barbara, CA. Commander's sight, Delco Electronics, Santa Barbara, CA. Computer, Hughes Aircraft Company, Culver City, CA. Rangefinder (laser), Hughes Aircraft Company, Culver City, CA.

Krauss-Maffei, Gunner's sight, Hughes Aircraft Company, Culver City, CA, Leitz, Germany. Commander's sight, Zeiss, Germany. Computer, Hughes Aircraft Company, Culver City, CA. Rangefinder (laser), Hughes Aircraft Company, Culver City, CA.

Paragraph 6.j.(6) Aerial Reconnaissance:

"A unique approach has been developed for aerial reconnaissance which combines mechanics, electronics, and optics. No U.S. company builds such equipment for aerodynamic photogrammetry."

Dod Comments:

We question the above conclusion, since this type of equipment described has been in existence for many years. Furthermore, the Carl Zeiss Company may not be aware of recent classified work carried out in companies such as Perkin-Elmer, Itek, and Fairchild. However, we will be looking into this matter to ensure that we are not missing an opportunity to exploit this technology.

Paragraph 12,6.j.(7) Aerial Reconnaissance:

"Reconnaissance camera has been developed by Zeiss which includes three lenses that perform both the day and night function and eliminate the distortion inherent in panoramic cameras used by the U.S. This should be looked into by DoD for potential mission requirements."

DoD Position:

We are looking into this matter to ensure that we are not missing an opportunity to exploit this camera development.

Paragraph 6.k.(7) (a) DM–55:

"DM–55 anti-personnel fuze now in production is a first generation fuze. U.S. Army Harry Diamond Laboratory has kept up on this development by visits to Telefunken who claim that this has been a one way flow of German technology to the U.S. Lt. Colonel Brownfield (MMAG) said there is a Data Exchange Agreement being processed in DDR&E which will, when signed, make this a two-way exchange."

DoD Comment:

U.S. Harry Diamond Laboratory has no knowledge of the DM–55 fuze and has not visited Telefunken for this or any other purpose. No one else in the fuze community appears to have knowledge of this fuze. A Data Exchange Agreement is being processed with FRG that will provide two-way exchange. There are presently 40 data exchange annexes in-being with FRG.

Paragraph 6.m.(4) MK48 Torpedo:

"I suggested that relatively small quantity production requirements made this a good candidate for cooperative production with obvious economies. Mr. Delpech agreed but said the French were unable to obtain data on the MK–48 from the U.S. and were being forced to develop their own wire guided torpedo with less capability. This is a prime candidate for standardization. The U.S. may be able to work out an arrangement for direct sale or co-production. This also would enable the French to use their R&D funds and people on other projects."

DoD Comments:

The suggestion that the MK 48 is a good candidate for co-production is not appropriate, because the large investment costs for production facilities, small production quantities, and high unit costs make co-production an uneconomical alternative to direct sale.

Paragraph 6.m.(7) Artillery Ammunition:

"He (Delpech) emphasized as first priority, interoperability of ammunition followed by standardization of future artillery calibre. He complained that while France had modified their 155mm field howitzer to use U.S. manufactured ammunition, the U.S. has not reciprocated. This was stressed as only one example of which there are many, and it explains his skepticism about U.S. intentions. He didn't feel that U.S. adoption of Roland was sufficient to convince him that we would change our previous attitude. But he appreciates the significance of Roland."

DoD Comments:

See DoD Comment for item 15, page 9, for DoD view on ammunition standardization in general.

With respect to 155mm howitzer/ammunition U.S. field artillery weapon/ammunition interoperability is retained with the UK, Germany, and Italy and their FH70. France, on the other hand, has chosen a caseless ammunition approach which would require a costly modification to the current U.S. development weapon chamber and to the FH70 to achieve interoperability and hence, these changes are not being made by the U.S. or our allies.

Paragraph 6.m.(9) CBM:

"France is interested in discussions and possible data exchange agreements for defensive chemical equipment.

DoD Comment:

The U.S. has had an active data exchange agreement program for Chemical Warfare defensive equipment with France since 1971. The agreement (MWDDEA–A–71–F–1140) provides for the exchange of Research, Development, Test and Evaluation information on physical and chemical means of defense against chemical warfare agents. This agreement includes but is not limited to clothing, masks, detection and warning devices, collective protection, decontamination and associated components.

France is also an active member of NATO Panel VII (NBC defense) and CBW defensive information is exchanged via this organization.

Paragraph 6.M.(12) SES:

"SES-France is following U.S. program but has not specific direct interest. Would like to be kept informed and exchange data."

DoD Comment:

The U.S. provides an update on the progress of the SES program twice a year at the meetings of NATO/NNAG IEG-6 in which France participates. ONR and informal liaison with French representatives to IEG–6 both indicate that France *is* doing some design/study work on a 4000 ton SES. By the summer of 1976, sufficient work should have been done to allow the French national program to be better defined.

Paragraph 6.p.(5), (7), and (9)—TORPEDOES:

Subparagraph (5) in regard to the DEA with France:

[Deleted.]

Subparagraph (7) in regard to the Advanced Lightweight Torpedo Technology and a candidate for a cooperative program:

[Deleted.]

Subparagraph (9) in regard to savings of resources, standardization, cooperative development and production and interoperability:

DoD Comment:

Standardization and interoperability are matters of active discussion; [deleted].

Paragraph 6.r. M53 for F–111:

"This engine company discussed the possibility of their M53 engine on the F–111 airplane as well as on the MRCA. This was planned to be discussed with General Dynamics during a forthcoming trip to the United States. This also could be an alternative for the future French ACF aircraft.

DoD Comment:

The Air Force has no requirement for a new engine in the F–111, since the present engine is satisfactory.

Paragraph 6.t.(4) High Energy Laser:

"The Directorate of Research, Development and Testing is engaged in [deleted]. The French Government representative suggested identification of specific areas for the U.S. and France to pursue, and later to jointly pursue applications."

[Deleted.]

Paragraph 6.u.(4), Ramjet Technology:

"Integrated ramjet Data Exchange Agreement recently signed covers technology but not specific programs. U.S. Air Force should explain how this agreement relates to the ASALM program. OSD should compare and provide comments on how French developments in supersonic rocket ramjet missiles compare with U.S. programs."

DoD Comment:

The recently signed Data Exchange Agreement in ramjet technology has no relationship with the ASALM program. This agreement is concerned only with technology that is investigated under exploratory development efforts and is not related to any current or future operational systems. French technology in supersonic combustion ramjets is considered to be more advanced than U.S. technology at the present time. [Deleted.]

Paragraph 6.u.(5), RPV's:

"Onera has test facilities for full scale testing of RPVs powered up to Mach 1. I was advised that the U.S. Air Force is interested and that this could lead to a DEA on RPVs."

DoD Comment:

The U.S. Air Force has no known or contemplated activity with the French Aircraft Research Laboratory, ONERA, pertaining to RPVs or their test facilities.

Paragraph 6.w.(2) Marine Engines:

"Rolls is holding discussions with General Motors about a possible collaborative program on Marine Engines in the 10–15,000 and 27,000 shaft horsepower class. Possible engines include a derivative of the TF–51, RB–244 and LM–2500. U.S. Navy is conducting a complete review of possible applications, including hydrofoils and Surface Effect Ships."

DoD Comment:

The U.S. Navy is conducting a study to determine the need for further marine gas turbine engine development and included in this effort is consideration of a marinized 10,000 SHP, Rolls Royce TF–41 Turbine.

Since the LM–2500 was developed for the DD963/FFG–7 class ships, it has already been adopted for use by the PHM and SES prototype programs. Backfit of the SES with the 30,000 SHP FT–9 (Pratt & Whitney) Engine is currently planned.

Paragraph 6.x.(2) ASALM:

"Advanced Strategic Air Launched [deleted] Missile (ASALM)—the potential of this application to future requirements was discussed. BAC indicated that they would explore the possibility of joining with a U.S. company in this program."

DoD Comments:

DoD is aware of the BAC interest, but to date has no knowledge of any contacts made with U.S. companies concerning this project.

Paragraph 6.y.(8) B–52 Simulator:

"Redifon is bidding on the B–52 training simulator under an offset arrangement. They said that the RFP stipulates that all metals have to be melted in the United States. DoD should explain the reason for this requirement."

DoD Comments:

Redifon was awarded contract to build the B–52 part task trainer (aerial refueling) in Oct 75. As stated in Mr. *Fine's* trip report, the contract does stipulate that all metals have to be melted in the U.S. This requirement is in accordance with ASPR 7–10493. Preference for Domestic Specialty Metals (Major Programs). The clause can be waived only in the event of a scarcity of metals in the U.S. which is not the case in this procurement.

Paragraph 6.z.(5) Simulator Competition/MOU:

"For the KC–135, C–130, and B–52 simulator competitions, Link has the advantage of going through the Binghamton, New York plant if the Buy America Act governs these procurements instead of being subject to the Memorandum of Understanding pending between the U.S. and U.K. regarding offsets.

DoD Comments:

As stated in Mr. Fine's trip report, Link does have the advantage of going through Binghamton, New York plant if the Buy America Act governs specific simulator procurements instead of being subject to the MOU regarding offsets. It should be noted that Redifon has the same advantage in that they have a teaming agreement with American Airlines and can work as a sub-contractor in any of the simulator procurements in which American is prime.

Paragraph 6.aa.(3) AV–8 Utilization:

"Ten of the U.S. Marine Corps Harriers have stood unused at Cherry Point for over a year. The reason was not known and should be explained to the committee."

DoD Comment:

Of the original 12 AV–8A's bought "off the shelf" from the UK, 2 have been destroyed in crashes. One other aircraft of this lot is presently operational at Naval Air Test Center, Patuxent River while still another has been bailed to McDonnell Douglas in conjunction with the AV–8B Program. Thus, 8 of the original AV–8A's are still in the U.S. Marine Corps inventory. These 8 aircraft, plus 2 others damaged during flight operations, have been placed in a non-aging status known as Fleet Support (FS) custody at Cherry Point, N.C. to await rework/modification to the operational standard configuration of production aircraft number 31.

The key configuration differences found in the first 30 production aircraft that require modification are in the generator and Gas Turbine Starter (GTS). The older models are equipped with two 4 KVA generators, whereas the later models have one 12 KVA generator. In addition, the GTS is an earlier model that needs to be updated, but can only be accomplished in conjunction with the 12 KVA modification. The long lead time required for the 12 KVA kits has delayed conversion of the 4 KVA generators until April 1976.

When the conversion has been completed, these aircraft will be inducted into the Selected Depot Level Maintenance program (SDLM) at the Naval Air Rework facility at Cherry Point. Other minor modifications will be made at this time. As the SDLM cycle is completed, the aircraft will be returned to operational status.

FS Custody (non-aging) compared to the cost of maintaining an obsolete system was determined to be a cost effective course of action. It should be noted that 8 of the aircraft are operationally capable while in the FS status. The two damaged aircraft will need repair in any event.

ARGENTINA AT THE BRINK

Mr. THURMOND. Mr. President, many Americans are watching the situation in Argentina with great concern. For many months now, the country has been at war with dissident elements, supported directly by Communist terrorists and anarchists, who are trying to bring chaos instead of civil order. Many of us who are concerned about the freedom of the world are disturbed by the thought that a great country like Argentina may fall into the hands of Communists or extreme left-wing elements. The new politics of Fidel Castro in Cuba, exporting communism to Angola directly supported by Soviet military, shows how dangerous it can be if Argentina becomes an ally or victim of Castro and the Soviets.

A Communist Argentina would be a sword thrust through the heart of Latin America and such a turn of events would severely undermine our defense perimeter to the South. The safety of the whole Western Hemisphere depends on the survival of freedom and strength in the South American continent. The growing wave of terrorism which now centers on the city of Buenos Aires has been aggravated by growing financial distress. This has completely upset the social order and has caused suffering for many Argentinean citizens. Despite the deteriorating situation, the military forces in Argentina have shown great restraint, but the moment may come when they will be the only element able to preserve the freedom and safety of Argentina.

Mr. President, a recent editorial in the New York Times pointed out that the President of Argentina, Mrs. Peron, may well be forced to choose between resignation and imposition of order by the armed forces, but she has refused to resign. I do not wish to interfere with the politics of another country, but I think it should be clear that the citizens of the United States are deeply sympathetic to the problems of Argentina and will be understanding, if only a Communist takeover can be averted.

Mr. President, I ask unanimous consent that the editorial, "Argentina at the Brink," published in the New York Times of March 15, 1976, be printed in the Record.

There being no objection, the editorial was ordered to be printed in the Record, as follows:

Argentina at the Brink

A Buenos Aires newspaper says the Government's drastic measures to curb galloping inflation mark "the end of a way of life in Argentina." Many Argentines are wondering whether the emergency program may not also bring to an early end the presidency of the beleaguered Isabel Martinez de Peron.

Extreme measures are clearly overdue in a country where the inflation rate reached 335 percent for 1975 and the Government must somehow raise more than a billion dollars by May to keep foreign creditors at bay. But the program projected by Economy Minister Emilio Mondelli has had the unusual result of provoking strikes by both industrial workers and national business organizations, both angered by a 180-day wage-price freeze.

The anti-inflation effort clearly puts additional pressures on the ties between Mrs. Peron and the trade unions, whose support is essential to her survival in office. That relationship had already been severely strained last month when the unions pushed through the Peronist party's National Council a demand that the President replace her Cabinet.

Mrs. Peron survived an impeachment drive in the Congress two weeks ago, mostly because dissidents in her own party saw the move as an attack on the whole Peronist movement and feared such a drastic action might bring on a military coup. However, the dissidents might well support an effort to persuade the President to resign.

So far, Mrs. Peron has rejected all suggestions that she quit the office into which she was catapulted on the death of her husband twenty months ago. But with terrorist activity and economic disintegration continuing unabated and her political base eroding, the bewildered and tragic figure in the Casa Rosada may be forced very soon to choose between resignation under the Constitution and overthrow by the armed forces.

NIH TO OPEN ADVISORY COMMITTEE MEETINGS ON BUDGET DEVELOPMENT

Mr. METCALF. Mr. President, I am pleased to announce that the closed meeting the President's Cancer Panel had scheduled for April 1 for "review and discussion of the fiscal year 1978 budget" will instead be opened to the public.

Indeed, from this time forward it will be the policy of the National Institutes of Health—and of the National Cancer Institute in particular—to open to the public those portions of meetings of its advisory committees, councils, boards and other panels dealing with preliminary stages of budget development.

This change in policy stems from hearings the Subcommittee on Reports, Accounting and Management held 2 weeks ago on two bills to amend the Federal Advisory Committee Act, and means that exemption 5 of the Freedom of Information Act—dealing with interagency or intraagency memorandums or letters—will not be invoked in the future to close advisory committee meetings on budget issues.

The Federal Advisory Committee Act stipulates that each advisory committee meeting be open to the public unless it is "concerned with matters" which the Freedom of Information Act exempts from mandatory public disclosure. Among the nine Freedom of Information Act exemptions, the one least applicable to meetings—and the one most often abused—is exemption 5.

The subcommittee held hearings March 8–10 on two bills, S. 2947 and S. 3013, to amend the Federal Advisory Committee Act. The former would delete exemption 5 as grounds for closing an advisory committee meeting.

On March 10, the subcommittee heard testimony from Under Secretary of Health, Education and Welfare, Marjorie Lynch, who was accompanied by NIH Director Donald S. Fredrickson and Duane J. Mattheis, Executive Deputy Commissioner, Office of Education.

Immediately after that hearing I wrote Dr. Fredrickson to inquire about the grounds for closing a portion of the April 1 meeting of the President's Cancer Panel and about past closure of meetings of the National Cancer Advisory Board and the Cancer Control and Rehabilitation Advisory Committee on budget matters.

Dr. Fredrickson replies that NIH has reviewed this practice with the Department of HEW, with its general counsel and with the Office of Management and Budget, and declares:

> That review has now been completed, and you will be pleased to know that we have decided not to invoke exemption 5 for this purpose in future meetings.

Only when advisory committees are "discussing specific figures that are likely to be released within a short time in the President's Budget Message to the Congress" will such meetings be closed, Dr. Fredrickson writes.

I ask unanimous consent that my exchange of letters with Dr. Fredrickson be printed in the Record—pointing out that where the fifth paragraph of his letter refers to the National Cancer Advisory Board it really means the President's Cancer Panel—as well as notices of meetings of the President's Cancer Panel from today's Federal Register which confirm the policy change.

There being no objection, the material was ordered to be printed in the Record, as follows:

MARCH 10, 1976.

Hon. DONALD S. FREDRICKSON,
Director, National Institutes of Health,
Bethesda, Md.

DEAR DR. FREDRICKSON: Because of time constraints, and despite my keen interest, I did not raise one question this morning when you appeared at our subcommittee hearing on Federal Advisory Committee Act amendments.

The question involves the announced intention of the President's Cancer Panel to hold a closed meeting on the afternoon of 1 April, using exemption 5, for "review and discussion of the proposed fiscal year 1978 budget." In the past, the National Cancer Advisory Board and the Cancer Control and Rehabilitation Advisory Committee—to name two others—also have used exemption 5 to close meetings on budget matters.

General authority for executive departments to restrict disclosure of their budget estimates comes from old Bureau of the Budget Circular No. A–10, as revised on 18 January, 1964. Section three of that circular declares in part:

"All budget estimates and supporting materials submitted to the Bureau of the Budget are privileged communications. Their confidential nature must be maintained, since they are the basic data and worksheets in the process by which the President resolves budget problems and arrives at conclusions with respect to his recommendations to the Congress."

Note that the circular specifies estimates and supporting materials "submitted to the Bureau of the Budget."

The President's Cancer Panel is charged by law (42 U.S.C. 286a) with monitoring development and execution of the national cancer program, and it reports directly to the President, but it is not charged with preparing or reviewing budget estimates.

Meanwhile, the National Cancer Advisory Board by law is given reasonable opportunity to comment on—but not to change—the annual budget estimate for the national cancer program which the director of the National Cancer Institute prepares and submits directly to the President.

Last year (19 March, 1975), in reply to my query about a closed meeting of the Cancer Control and Rehabilitation Advisory Committee, Secretary Weinberger asserted that the director of the National Cancer Institute "may appoint advisory committees as he deems desirable to advise him with respect to any of his functions, including preparation of the budget estimate. The Cancer Control and Rehabilitation Advisory Committee is one of these discretionary committees."

The Department of Health, Education and Welfare thus contends that any advisory committee involved in development of the cancer budget at any stage—no matter how early or tentative—is entitled to close its meetings.

It seems to me that these meetings should properly be opened to the public, if indeed they involve preliminary stages of budget development rather than a national cancer program budget estimate which the director of NCI is about to submit to the President. I would appreciate having your views on this matter.

Very truly yours,

LEE METCALF.

PUBLIC HEALTH SERVICE,
NATIONAL INSTITUTES OF HEALTH,
Bethesda, Md., March 18, 1976.

Hon. LEE METCALF,
U.S. Senate,
Washington, D.C.

DEAR SENATOR METCALF: Thank you for your letter of March 10 containing a question relating to the proposed amendments to the Federal Advisory Committee Act.

As you know, it has been the practice of National Institutes of Health advisory bodies, particularly the National Cancer Advisory Board and the President's Cancer Panel, to close to the public those portions of meetings that are given over to the review and discussion of budget issues.

Those portions of meetings have been held in executive session because we made a judgment that the rendering of advice on budgetary matters is an integral part of the decision-making process within the Department of Health, Education, and Welfare, and, indeed, within the executive branch of the government. For this reason a determination was made that the discussion and review of budgetary matters falls within exemption 5 of the Freedom of Information Act.

However, we realize that the Freedom of Information Act exemptions are discretionary rather than mandatory. Upon receipt of your letter we have reviewed our decision to close portions of meetings for purposes of budgetary consideration with the Department of Health, Education, and Welfare, with our Office of the General Counsel and with the Office of Management and Budget. That review has now been completed, and you will be pleased to know that we have decided not to invoke exemption 5 for this purpose in future meetings.

We have forwarded an amended notice to the Federal Register which will make it clear that the portion of the meeting of the National Cancer Advisory Board which deals with budgetary issues will be open to the public on April 1. The Chairman of the Cancer Board will repeat this announcement at the beginning of the meeting so that members of the public who did not see the amended Federal Register notice will be informed.

Similarly, the meeting of the President's Cancer Panel which is scheduled to take place on May 13 will include in its agenda, "review and discussion of budget issues." The entire meeting of the Panel will be open to the public.

From this time forward it will be the policy of the National Institutes of Health (and of the National Cancer Institute in particular) to open to the public those portions of meetings of advisory panels, boards, councils or committees which are reviewing and discussing preliminary stages of budget development. Only in the case when such advisory bodies are discussing specific figures that are likely to be released within a short time in the President's Budget Message to the Congress will advisory committee meetings be closed to the public on the basis of a determination that the issue falls within exemption 5 of the Freedom of Information Act.

In closing, I should like to say that the NIH appreciates the offer made by you and by Senator Percy in the course of last week's hearings to work with us in devising procedures which will respect both the right of the public to accountability from its government agencies, and the public need that certain types of discussions, especially the careful review of research proposals, be conducted in a confidential setting in order to assure a high quality of review.

Sincerely yours,

DONALD S. FREDRICKSON, M.D.,
Director.

PRESIDENT'S CANCER PANEL

MEETING

Pursuant to Public Law 92–463, notice is hereby given of the meeting of the President's Cancer Panel, National Cancer Institute, May 13, 1976, 9:30 a.m. to adjournment, National Institutes of Health, Building 31, Conference Room 7. The entire meeting will be open to the public from 9:30 a.m. to adjournment for a report from the Director, National Cancer Program, National Cancer Institute, report from the Chairman, President's Cancer Panel and review of the budget. Attendance by the public will be limited to space available.

Dr. Richard A. Tjalma, Executive Secretary, Building 31, Room 11A46, National Institutes of Health, Bethesda, Maryland 20014 (301/496-5854) will provide substantive program information, transcripts of the meeting and roster of committee members.

Dated: March 17, 1976.

SUZANNE L. FREMEAU,
Committee Management Officer, National Institutes of Health.

[FR Doc.76–8122 Filed 3–22–76;8:45 am]

PRESIDENT'S CANCER PANEL

MEETING

Notice is hereby given of a change in the meeting April 1, 1976, 9:30 a.m. to adjournment, National Institutes of Health, Building 31, Conference Room 7 of the President's Cancer Panel, National Cancer Institute, which was published in the FEDERAL REGISTER on March 3, 1976, vol. 41, No. 43, page 9239.

The entire meeting will be open to the public.

Dated: March 17, 1976.

SUZANNE L. FREMEAU,
Committee Management Officer, National Institutes of Health.

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THE GENOCIDE CONVENTION

Mr. PROXMIRE. Mr. President, for many years I have spoken each day on this body's failure to ratify the United Nations Genocide Convention. I have discussed the treaty and its history in detail. I have refuted nearly every substantive argument against its ratification. I have cited nearly 85 nations which have taken favorable action on the treaty, including all of the world's major powers. I have explained the hypocritical position resulting from our inaction.

Every President since the convention was originally approved has urged the Senate's ratification. Yet year after year we neglect this treaty's importance in encouraging world peace. It has now been 27 years since the General Assembly of the United Nations recommended ratification of the Genocide Convention by its members. That was one of three human rights treaties approved in 1949 by the U.N. One of them, the Convention on Political Rights of Women, was ratified only 2 weeks ago by the Senate. The delay was inexcusable. But the delay in ratification of the Genocide Convention is completely abominable. There is no excuse for our inaction.

The Genocide Convention bans efforts to wipe out national, ethnic, racial, or religious groups by killing their members. It bans attempts to cause "serious bodily or mental harm to large numbers of members of such groups." Certainly this country should eagerly subscribe to these standards. How long will we continue to ignore this issue by merely sweeping it under the rug?

DAY CARE STANDARDS

Mr. HUGH SCOTT. Mr. President, at the request of the administration, I ask unanimous consent that a letter to me from HEW Under Secretary, Marjorie Lynch, regarding H.R. 9803, a bill dealing with day care standards, be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

DEPARTMENT OF HEALTH,
EDUCATION, AND WELFARE.

Hon. HUGH SCOTT,
U.S. Senate,
Washington, D.C.

DEAR MR. SCOTT: This letter is to express to you the Department's strong opposition to the conference report on H.R. 9803 and to ask you to bring our concerns over the report to the attention of other Members of the Senate.

The conference report would authorize an additional $125 million over and above the $2.5 billion ceiling on funding under title XX of the Social Security Act to assist States in meeting the costs of full enforcement of the Federal interagency day care requirements (FIDCR) as modified under title XX. Favorable congressional action on this new entitlement—to be available to the States for the balance of the current fiscal year and for the July 1–September 30, 1976 transition quarter—would effectively commit the Congress to perpetuation of the controversial FIDCR staffing standards and later authorization of $250 million annually in order to help States meet the costs of their full implementation.

As you know, the President has recommended, as part of his social services block grant proposal introduced as S. 3061 and H.R. 12175, that FIDCR, and particularly the costly and controversial staffing standards, be deleted from Federal law. Under the President's proposal, each State would be required to have in effect its own appropriate mandatory standards, including requirements relating to safety, sanitation, and protection of civil rights, for day care services provided under title XX. We strongly believe that the formulation of staff-to-children ratios and related standards for day care services is most appropriately left to State discretion just as the formulation of teacher-pupil ratios and related standards is left to the States under Federal education assistance programs.

Also, enactment of the conference report would violate the spirit and intent of both title XX as it exists and the President's block grant proposal by earmarking a specific amount of title XX services funds for a specific purpose. The States fought long and hard in the years preceding enactment of title XX to win the flexibility to make their own decisions on the best uses of Federal services funding.

Thus, should the Congress act favorably on the conference report, it would signal a retreat from the historic steps toward a more productive Federal-State partnership taken in title XX just a year ago.

Moreover, the conference report contains a substantial technical defect. We are advised that section 3(d)(2) of the report is intended to integrate the report's provision for 100 percent Federal payment of "Federal welfare recipient employment incentive expenses" (i.e., the salaries of welfare recipients employed to provide child day care services in child day care facilities) with the report's provision to establish an 80 percent Federal share for other child day care services under title XX. Because this intent is so imperfectly rendered by the section, the report instead appears to limit the "total amount of the Federal payments which may be paid to any State" for fiscal year 1976 and the transition quarter to a small fraction of the amount that would be paid under current law.

In lieu of the conference report, we urge that the Congress extend to October 1, 1976, the moratorium on imposition of the child day care staffing standards enacted by Public Law 94–120 last October. This will give the Congress time to pass the President's title XX block grant proposal.

We are advised by the Office of Management and Budget that enactment of H.R. 9803 would not be consistent with the Administration's objectives.

Sincerely,

MARJORIE LYNCH,
Under Secretary.

WHAT DID YOU DO IN THE CLASS WAR, DADDY?

Mr. KENNEDY. Mr. President, in an extremely perceptive and personal article, James Fallows discussed the basic inequity of the draft system which in practice operated mainly against those from less affluent sectors of society.

Mr. Fallows, writing in the Washington Monthly, is not describing a historical event, now voided by subsequent occurrences. He is describing a nation still haunted by the consequences of Vietnam, and by the inequities in the way we assigned the burden of that tragic war.

For just as substantial numbers of the more educated were able to find ways around the draft system, others accepted the system as given and fulfilled their duty as they saw it. Many of those died of Vietnam. Others returned home disabled, others were wounded in less visible ways. Others refused to participate at all, some accepting prison, others choosing exile.

The Nation, Mr. Fallows argues, still cannot face all of the immorality of Vietnam and the policies that were imposed to prevent its full impact from being felt by the more affluent. That is why, he argues, that we see far less compassion for the veterans of that war today. That is also why, he argues, that we increasingly see signs of confrontation between the hard-hats and the elites, between the workers and the ivory tower crowd. And that is one reason why, he argues, that we see so much distrust within the body politic.

I urge my colleagues to read this article in the Washington Monthly. Mr. President, I ask unanimous consent that the article, "What Did You Do In the Class War, Daddy?" be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

WHAT DID YOU DO IN THE CLASS WAR, DADDY?

(By James Fallows)

Many people think that the worst scars of the war years have healed. I don't. Vietnam has left us with a heritage rich in possibilities for class warfare, and I would like to start telling about it with this story:

In the fall of 1969, I was beginning my final year in college. As the months went by, the rock on which I had unthinkingly anchored my hopes—the certainty that the war in Vietnam would be over before I could possibly fight—began to crumble. It shattered altogether on Thanksgiving weekend when, while riding back to Boston from a visit with my relatives, I heard that the draft lottery had been held and my birthdate had come up number 45. I recognized for the first time that, inflexibility, I must either be drafted or consciously find a way to prevent it.

In the atmosphere of that time, each possible choice came equipped with barbs. To answer the call was unthinkable, not only because, in my heart. I was desperately afraid of being killed, but also because, among my friends, it was axiomatic that one should not be "complicit" in the immoral war effort. Draft resistance, the course chosen by a few noble heroes of the movement, meant going to prison or leaving the country. With much the same intensity with which I wanted to stay alive, I did not want those things either. What I wanted was to go to graduate school, to get married, and to enjoy those bright prospects I had been taught that life owed me.

I learned quickly enough that there was only one way to get what I wanted. A physical deferment would restore things to the happy state I had known during four undergraduate years. The barbed alternatives would be put off. By the impartial dictates of public policy I would be free to pursue the better side of life.

Like many of my friends whose numbers had come up wrong in the lottery, I set about securing my salvation. When I was not participating in anti-war rallies, I was poring over the Army's code of physical regulations. During the winter and early spring, seminars were held in the college common rooms. There, sympathetic medical students helped us search for disqualifying conditions that we, in our many years of good health, might have overlooked. Although, on the doctors' advice, I made a half-hearted try at fainting spells, my only real possibility was beating the height and weight regulations.

My normal weight was close to the cutoff point for an "underweight" disqualification, and, with a diligence born of panic, I made sure I would have margin. I was six-feet-one-inch tall at the time. On the morning of the draft physical I weighed 120 pounds.

Before sunrise that morning I rode the subway to the Cambridge city hall, where we had been told to gather for shipment to the examination at the Boston Navy Yard. The examinations were administered on a rotating basis, one or two days each month for each of the draft boards in the area. Virtually everyone who showed up on Cambridge day at the Navy Yard was a student from Harvard or MIT.

There was no mistaking the political temperament of our group. Many of my friends wore red arm bands and stop-the-war buttons. Most chanted the familiar words, "Ho, Ho, Ho Chi Minh/NLF is Gonna Win." One of the things we had learned from the draft counselors was that disruptive behavior at the examination was a worthwhile political goal, not only because it obstructed the smooth operation of the criminal war machine, but also because it might impress the examiners with our undesirable character traits. As we climbed into the buses and as they rolled toward the Navy Yard, about half of the young men brought the chants to a crescendo. The rest of us sat rigid and silent, clutching x-rays and letters from our doctors at home.

Inside the Navy Yard, we were first confronted by a young sergeant from Long Beach, a former surfer boy no older than the rest of us and seemingly unaware that he had an unusual situation on his hands. He started reading out instructions for the intelligence tests when he was hooted down. He went out to collect his lieutenant, who clearly had been through a Cambridge day before. "We've got all the time in the world," he said, and let the chanting go on for two or three minutes. "When we're finished with you, you can go, and not a minute before."

From that point on the disruption became more purposeful and individual, largely confined to those whose deferment strategies were based on anti-authoritarian psychiatric traits. Twice I saw students walk up to young orderlies—whose hands were extended to receive the required cup of urine—and throw the vial in the orderlies' faces. The orderlies looked up, initially more astonished than angry, and went back to towel themselves off. Most of the rest of us trod quietly through the paces, waiting for the moment of confrontation when the final examiner would give his verdict. I had stepped on the scales at the very beginning of the examination. Desperate at seeing the orderly write down 122 pounds, I hopped back on and made sure that he lowered it to 120. I walked in a trance through the rest of the examination, until the final meeting with the fatherly physician who ruled on marginal cases such as mine. I stood there in socks and underwear, arms wrapped around me in the chilly building. I knew as I looked at the doctor's face that he understood exactly what I was doing.

"Have you ever contemplated suicide?" he asked after he finished looking over my chart. My eyes darted up to his. "Oh, suicide—yes, I've been feeling very unstable and unreliable recently." He looked at me, staring until I returned my eyes to the ground. He wrote "unqualified" on my folder, turned on his heel, and left. I was overcome by a wave of relief, which for the first time revealed to me how great my terror had been, and by the beginning of the sense of shame which remains with me to this day.

It was, initially, a generalized shame at having gotten away with my deception, but it came into sharper focus later in the day. Even as the last of the Cambridge contingent was throwing its urine and deliberately failing its color-blindness tests, buses from the next board began to arrive. These bore the boys from Chelsea, thick, dark-haired young men, the white proles of Boston. Most of them were younger than us, since they had just left high school, and it had clearly never occurred to them that there might be a way around the draft. They walked through the examination lines like so many cattle off to slaughter. I tried to avoid noticing, but the results were inescapable. While perhaps four out of five of my friends from Harvard were being deferred, just the opposite was happening to the Chelsea boys.

We returned to Cambridge that afternoon, not in government buses but as free individuals, liberated and victorious. The talk was high-spirited, but there was something close to the surface that none of us wanted to mention. We knew now who would be killed.

THE THINKING-MAN'S ROUTE

As other memories of the war years have faded, it is that day in the Navy Yard that will not leave my mind. The answers to the other grand questions about the war have become familiar as any catechism. Q. What were America's sins? A. The Arrogance of Power, the Isolation of the Presidency, the Burden of Colonialism, and the Failure of Technological Warfare. In the abstract, at least, we have learned those lessons. For better or worse, it will be years before we again cheer a president who talks about paying any price and bearing any burden to prop up some spurious overseas version of democracy.

We have not, however, learned the lesson of the day at the Navy Yard, or the thousands of similar scenes all across the country through all the years of the war. Five years later, two questions have yet to be faced, let alone answered. The first is why, when so many of the bright young college men opposed the war, so few were willing to resist the draft, rather than simply evade it. The second is why all the well-educated presumably humane young men, whether they opposed the war or were thinking fondly of A-bombs on Hanoi, so willingly took advantage of this most brutal form of class discrimination—what it signifies that we let the boys from Chelsea be sent off to die.

The "we" that I refer to are the mainly-white, mainly-well-educated children of mainly-comfortable parents, who are now mainly embarked on promising careers in law, medicine, business, academics. What makes them a class is that they all avoided the draft by taking one of the thinking-man's routes to escape. These included the physical deferment, by far the smartest and least painful of all; the long technical appeals through the legal jungles of the Selective Service System; the more disingenuous resorts to conscientious objector status; and, one degree further down the scale of personal inconvenience, joining the Reserves or the National Guard. I am not talking about those who, on the one hand, submitted to the draft and took their chances in the trenches, nor, on the other hand, those who paid the price of formal draft resistance or exile.

That there is such a class, identifiable as "we," was brought home to me by comparing the very different fates of the different sorts of people I had known in high school and college. Hundreds from my high school were drafted, and nearly two dozen killed. When I look at the memorial roll of names I find that I recognize very few, for they were mainly the anonymous Mexican-American (as they were called at the time) and poor whites I barely knew in high school and forgot altogether when I left. Several people from my high school left the country; one that I know of went to jail. By comparison, of two or three hundred acquaintances from college and afterwards, I can think of only three who actually fought in Vietnam. Another dozen or so served in safer precincts of the military, and perhaps five went through the ordeal of formal resistance. The rest of us escaped, in one way or another.

The fifth anniversary report of my class at Harvard gives a more precise idea of who did what. There were about 1,200 people in the class, and slightly fewer than half wrote in to report on what had happened to them since 1970. Of that number, 12 said that they had been in the Army, two specifying that they had served in Vietnam. One had been in the Marine reserves. Another 32 people, most of whom had held ROTC scholarships in college, had put in time with the Navy. Two were in the Coast Guard, two in the National Guard, and seven more in unspecified branches of the military. That was the bite the military took from half my class at Harvard during a bloody year of the war—56 people, most of them far from the fighting. Besides them, seven of my classmates performed alternate service as conscientious objectrs; and, though no one reported going to prison, one wrote from England that he was a "draft resister; beat the rap on a legal technicality," and another that he had "several years of legal entanglement with the draft and the Justice Department."

A few of the personal reports are worth quoting for what they tell about the way the burden of the war fell on the men of Harvard. Here are two from people who felt the pinch:

"Number four in the draft lottery sparked my idealism, and I entered the Peace Corps following graduation. After eighteen or so peaceful and mostly enjoyable months in and around a peasant village in Senegal, West Africa, I returned home and ended up in the jungles of Harvard Law School. . . ."

"I got a lucky draft, number 13. That was good for six months in the Reserves. There I got in-depth training on how to be a 'Petroleum Supply Storage Specialist,' i.e., a service station atendant. But the six months was put to good use by the Nixon Administration; that is how long it took to get me a security clearance for a job in the Executive Office. Six months after my arrival there, the Wage Price Control Program was hatched, and the next three years were spent diverting public attention from other matters that were attracting that attention. With a briefcase of anecdotes, I decided to divert my attention back to my studies in economics at Wisconsin."

Meanwhile, those who did not go were preparing themselves, each by his own lights, for their contributions to the world:

"My wife and I graduated from Harvard Law School in 1973 and we are both working for New York City firms. She is associated with Cravath, Swaine, and Moore, and I am with Davis, Polk, & Warwell."

"With four unpleasant medical school years behind me, I am enjoying Philadelphia and internship. I hope to deliver babies on Maui someday."

"After the usual three-year stint (at Columbia) I find myself in the unusual position of practicing law in the entertainment field. Clients include Norman Lear, Burt Reynolds, Ryan O'Neil, Valerie Perrine, et al., as well as a number of 'struggling young artists'—the latter *pro bono* of course. . . ."

"Am practicing corporate law (mostly tax), working fairly hard, enjoying my schizophrenic law firm-Berkeley hippy life very much. . . ."

At a minimum, the record of my class should help Midge Decter over her fears that the people of my generation have somehow strayed from the straight and narrow path. More than that, it does sum up the home front's story of the war: we happy few were sped along to Maui or the entertainment law firm, or at worst temporarily way-laid in the reserves, while from each of our high schools the less gifted and industrious students were being shipped off as cannon fodder. There are those who contend that the world has always worked this way, and perhaps that is true. The question is why, especially in the atmosphere of the late sixties, people with any presumptions to character *could have* let it go on.

LEARNING FROM LYNDON

First we should consider the conduct of those who opposed the war. Not everyone at Harvard felt that way, nor, I suspect, did even a majority of the people throughout the country who found painless ways to escape the draft. But I did, and most of the people I knew did, and so did the hordes we always ran into at the anti-war rallies. Yet most of us managed without difficulty to stay out of jail. The tonier sorts of anti-war literature contained grace-note references to Gandhi and Thoreau—no CO application would have been complete without them—but the practical model for our wartime conduct was our enemy LBJ, who weaseled away from the front lines during World War II.

It may be worth emphasizing why our failure to resist induction is such an important issue. Five years after Cambodia and Kent State, it is clear how the war could have lasted so long. Johnson and Nixon both know that the fighting could continue only so long as the vague, hypothetical benefits of holding off Asian communism outweighed the immediate, palpable domestic pain. They knew that when the screaming grew too loud and too many sons had been killed, the game would be all over. That is why Vietnamization was such a godsend for Nixon, and it is also why our reluctance to say No helped prolong the war. The more we guaranteed that we would end up neither in uniform nor behind bars, the more we made sure that *our* class of people would be spared the real cost of the war. (Not that we didn't suffer. There was, of course, the *angst*, the terrible moral malaise we liked to write about so much in the student newspapers and undegraduate novels.)

The children of the bright, good parents were spared the more immediate sort of suffering that our inferiors were undergoing. And because of that, when our parents were opposed to the war, they were opposed in a bloodless, theoretical fashion, as they might be opposed to political corruption or racism in South Africa. As long as the little gold stars kept going to homes in Chelsea and the backwoods of West Virginia, the mothers of Beverly Hills and Chevy Chase and Great

Neck and Belmont were not on the telephones to their congressmen, screaming *you killed my boy*, they were not writing to the President that his crazy, wrong, evil war had put their boys in prison and ruined their careers. It is clear by now that if the men of Harvard had wanted to do the very most they could to help shorten the war, they should have been drafted or imprisoned en masse.

This was not such a difficult insight, even at the time. Lyndon Johnson clearly understood it, which was the main reason why the *graduate school* deferment, that grotesque of class discrimination, lasted through the big mobilizations of the war, until the springtime of 1968. Even when that deferment was gone, Johnson's administrators came up with the intelligence-test plan for draft deferments, an even bolder attempt to keep those voluble upper classes off the President's back. What is interesting is how little of this whole phenomenon we at Harvard pretended to understand. On the day after the graduate school deferments were snatched away from us, a day Johnson must have dreaded because it added another set of nasty enemies to his list, the Harvard *Crimson* responded with a magnificently representative editorial entitled "The Axe Falls." A few quotes convey its gist:

"The axiom that this nation's tangled Selective Service System is bound to be unfair to somebody fell with a crash on the Harvard community yesterday. The National Security Council's draft directive puts almost all college seniors and most graduate students at the head of the line for next year's draft calls. Three-fourths of the second-year law class will go off to war . . . Yesterday's directive is a bit of careless expediency, clearly unfair to the students who would have filled the nation's graduate schools next fall."

That was it, the almost incredible level of understanding and compassion we displayed at the time—the idea that the real victims of General Hershey's villainous schemes were *the students who would have filled the nation's graduate schools next fall*. Occasionally, both in the *Crimson* and elsewhere, there were bows to the discriminatory nature of the whole 2-S deferment system and the virtues of the random lottery which Edward Kennedy, to his eternal credit, was supporting almost singlehandledly at the time. But there was no mistaking which emotions came from the heart, which principles really seemed worth fighting for.

X-RAY VISION

It would be unfair to suggest that absolutely no thought was given to the long-run implications of our actions. For one thing, there were undercurrents of the sentiment that another *Crimson* writer, James Glassman, expressed in an article early in 1968. "Two years ago, Harvard students complained that the system was highly discriminatory, favoring the well off," Glassman wrote. "They called the 2-S an unfair advantage for those who could go to college." But, as the war wore on, "the altruism was forgotten. What was most important now was saving your own skin—preventing yourself from being in a position where you would have to kill a man you had no right to kill."

Moreover, a whole theoretical framework was developed to justify draft evasion. During many of the same meetings where I heard about the techniques of weight reduction, I also learned that we should think of ourselves as sand in the gears of the great war machine. During one of those counseling sessions I sat through a speech by Michael Ferber, then something of a celebrity as a co-defendant in the trial of Dr. Spock. He excited us by revealing how close we were to victory. Did we realize that the draft machine was tottering towards its ultimate breakdown? That it was hardly in better condition than old General Hershey himself? That each body we withheld from its ravenous appetite brought it that much nearer the end? Our duty, therefore, was clear: as committed opponents of the war, we had a responsibility to save ourselves from the war machine.

This argument was most reassuring, for it meant that the course of action which kept us alive and out of jail was also the politically correct decision. The boys of Chelsea were not often mentioned during these sessions; when they were regret was expressed that they had not yet understood the correct approach to the draft. We resolved to launch political-education programs, some under the auspices of the Worker-Student Alliance, to help straighten them out. In the meantime, there was the physical to prepare for.

It does not require enormous powers of analysis to see the basic fraudulence of this argument. General Hershey was never in danger of running out of bodies, and the only thing we were denying him was the chance to put us in uniform. With the same x-ray vision that enabled us to see, in every Pentagon sub-clerk, in every Honeywell accountant, an embryonic war criminal, we could certanly have seen that by keeping ourselves away from both frying pan and fire we were prolonging the war and consigning the Chelsea boys to danger and death. But somehow the x-rays were deflected.

There was, I believe, one genuine concern which provided the x-ray shield and made theories like Ferber's go down more easily. It was a monstrous war, not only in its horror but in the sense that it was beyond control, and to try to fight it as individuals was folly. Even as we knew that a thousand, or ten thousand, college boys going to prison might make a difference, we knew with equal certainty that the imprisonment and ruination of any one of us would mean nothing at all. The irrational war machine would grind on as if we had never existed, and our own lives would be pointlessly spoiled. From a certain perspective, it could even seem like grandstanding, an exercise in excessive piety, to go to the trouble of resisting the draft. The one moral issue that was within our control was whether we would actually participate—whether, as Glassman put it, we would be forced to kill—and we could solve that issue as easily by getting a deferment as by passing the time in jail.

NOT WORTH THE GESTURE

We were not the first to face the dilemma. In his new book, *World War II*, James Jones describes how the same considerations affected men in combat. As an infantryman in the Pacific, Jones had survived months of deadly action only to come up with a twisted ankle, an aggravation of an old injury. He heard from the company's medical officer that the injury might be enough to get him a medical discharge and return to the States:

"He had presented me with a serious moral problem. I talked it over with a few of my buddies. . . . All of them urged me to go up to division medical with it. They would certainly go up with it if they had it, if they were me, and maybe it would get them out of there. . . I would be crazy not to try. 'But what about the company,' I asked the mess sergeant, and the supply sergeant, and a couple of the field sergeants—'Would you leave the company?'

"'Are you kidding?' the supply sergeant said. 'I'd be out of here like a shot.'

"I was smart enough to understand that if I did go, and did get sent out, it was not going to affect anything in any appreciable way. Some poor-ass, bad-luck replacement would replace me, and one of the guys would get my corporal's rating. I understood that numbers were what counted in this war, vast numbers of men and machines. I was intelligent enough to see that."

Jones decided that it was not worth the gesture, that it would not be intelligent to run any more risks, and so did we. The difference is that Jones had already been through half of the worst campaigns of the war, and we had not been through much of anything at all. We told ourselves that the rallies and sit-ins were the real thing, but they never involved a substantial risk, nothing more serious than the threat of a night in jail. That was one reason why Kent State was so deeply appalling to many students; it changed the rules, it added an element of risk.

EXPIATION

Lord Jim spent the rest of his days trying to expiate his moment of cowardice aboard the *Patna*. The contemporaries of Oliver Wendell Holmes felt permanent discomfort that Holmes, virtually alone among his peers, had volunteered to fight in the Civil War. I have neither of those feelings about Vietnam, so they are not the reason I feel it important to dredge up these hulks. Rather, the exercise can serve two purposes—to tell us about the past, and to tell us about the present.

The lesson of the past concerns the complexities of human motivation. Doubtless because the enemy we were fighting was so horrible in its effects, there was very little room for complexity or ambiguity in the anti-war campaigns. On the black and white spectrum by which we judged personal conduct, bureaucrats were criminals if they stayed inside the government and politicians cowards if they failed to vote for resolutions to end the war; the businessmen of Dow and Honeywell were craven merchants of death; and we, meanwhile, were nothing less than the insistent voice of morality, striving tirelessly to bring the country to its senses. The easiest way to see those feelings revived is to attend a showing of the movie *Hearts and Minds* in the company of the young. When the lone heralds of morality, the anti-war protestors, finally appear, the audience breaks into cheers. *We were right*.

Of course we were right to try to stop the war. But I recall no suggestion during the sixties that it was graceless, wrong of us to ask the Foreign Service Officers to resign when we were not sticking our necks out at the induction center. Granted, there is a difference between those two risks; imprisonment for a felony is a serious matter, and it was perhaps one degree more perilous to refuse induction as a 21-year-old than to throw aside a career as the 45-year-old father of three. But our calculations rarely even reached that point. The normal benchmark of morality was this: if we were showing our stuff by taking to the picket lines (meanwhile continuing our cruise through college), then our elders were shameful, middle-aged cowards if they did not do their part, too. If nothing else, a glance back at our own record might give us an extra grain of sympathy for the difficulties of bringing men to honor, let alone glory.

The implications for the present are less comforting and go back to the question asked several pages ago. The behavior of the upper classes in so deftly avoiding the war's pains is both a symptom and a partial cause of the class hatred now so busily brewing in the country.

TOM JOAD AGAINST EDMUND WILSON

The starting point for understanding this class hatred is the belief, resting just one layer beneath the pro forma comments about the unfortunate discrimination of the 2-S system, that there was an ultimate justice to our fates. You could not live through those years without knowing what was going on with the draft, and you could not retain your sanity with that knowledge unless you believed, at some dark layer of the moral substructure, that we were somehow getting what we deserved. A friend of mine, a former Rhodes scholar now embarked on a wonderful career in corporate law, put the point more bluntly than most when he said, "There are certain people who can do more good in a lifetime in politics or academics or medicine than by getting killed in a trench"; in one form or another, it was that belief which kept us all going. What is so significant about this statement is not the recognition of the difference in human abilities—for that, after all, has been one of the grand constants of the race—but the utter disdain for the abilities, hopes, complexities of those who have not scrambled onto the high road. The one-dimensional meritocracy of Aldous Huxley's *Brave New World* is not so many steps away from the fashion in which we were content to distribute the burden of the war.

This claim about class hostility is a relative one—that the seeds of class warfare now fall on more fertile ground that they have for many years. The war in Vietnam was not the sole cause, but it did contribute, in a way that may become more clear through a comparison of that war and years leading up to World War II.

At the beginning of the forties, the U.S. was leaving behind an era of class division nearly as poisonous as what the seventies seem to be producing. The rich feared the poor, the poor envied the rich, and only the perserverance of an old American myth kept the envy from shading over into more violent emotions. In the movies, the downtrodden of the thirties saw that miracles could still happen—the chorus girl could marry the millionaire, rags could turn to riches. On the sports fields, a few athletes could hit it big; pretty girls had a chance in Hollywood. As long as there were enough of these brass rings, perhaps one for every 10,000 people reaching out to grab, one kind of class hostility was neatly blunted. The poor were encouraged to think of *joining* the rich, rather than overthrowing them.

The more trenchant political theorists of the era did not fall into this trap, but they did display another symptom of class stratification. That was the romanticized, simplistic notion of egalitarianism which the upper class intellectuals seemed eager to spout. The socialists and communists of New York and Boston might never have seen an Okie in their lives, but they often seemed to imagine themselves as citified versions of Steinbeck's Tom Joad, making a common cause against the bankers and the privileged classes. Workers of all social classes were united in one great effort; if you looked deep enough into the coal mines or the cotton fields you would find replicas of Granville Hicks, John Dos Passos, and the other luminaries of the left—a little grimy, perhaps, and with quaint regionalisms in their speech, but nonetheless possessed of the same fine qualities of mind and spirit. There were, of course, similarities between the political ideals of both groups, but the unity between worker and intellectual could be romanticized out of all proportion to reality, as it was in this manifesto issued by Edmund Wilson and signed by several dozen other "brain workers" in 1932:

"Very well, we strike hands with our true comrades. We claim our own, and we reject the disorders, the lunacy spawned by grabbers, advertisers, traders, speculators, salesmen, the much-adulated, immensely stupid and irresponsible 'business men.' We claim the right to live and function. It is our business to think and we shall not permit business men to teach us our business. It is also, in the end, our business to act.

"We have acted. As responsible intellectual workers we have aligned ourselves with the frankly revolutionary Communist Party, the party of the workers. In this letter we speak to you of our own class—to the writers, artists, scientists, teachers, engineers, to all honest professional workers—telling you as best we can why we have made this decision and why we think that you too should support the Communist Party in the political campaign now under way."

If this manifesto recalls anything, it is the equally pie-eyed rhetoric of the Worker-Student Alliance during the late sixties. All we lacked was our own Clifford Odets to sing the revolutionary consciousness of the factory worker.

The coming of World War II changed this attitude, and many others, for one predominant reason: this broad national effort required some mixing between the classes. Unlike my college class, which lost not a single member in Vietnam, 35 men from the Harvard class of 1941 had died by the time the war was over, and hundreds more had fought. Across class lines, young men were all expected to serve. The mixing, if incomplete, still provided a degree of cross-exposure not known before or since. And the mutual sacrifice created a basis for mutual respect.

The benefits of this exposure should not themselves be romanticized, for at war's end the Vanderbilts and the poor white trash were hardly ready to consider themselves brothers under the skin. But, even as members of each class remained sharply aware of their respective positions, even as the post-war era brought in the vigorous upward striving of the status-seekers, two vastly important things had happened because of the war-time cross-exposure.

The first was the purging of the over-simplified romanticism of the intellectuals of the thirties. Plays like *Waiting for Lefty* had imputed to the working classes a purity of motive and a clarity of vision that would have done credit to St. Francis. It cannot have taken too many months of living and eating and fighting together for the college-educated elite to see that a more complicated mixture of motives was propelling the representatives of the proletariat. When some son of the backwoods South charged off bravely into battle, it was not under the banner of the populist alliance against the barons of Wall Street, but because of an ideology of a different sort—part a sense of duty, part the crazy Southern mystique about gallantry and masculine heroism, part a sense of fatalism and inescapability. The true voice of this united national war effort was not Edmund Wilson's manifesto, nor the duty-honor-country propaganda films turned out by Hollywood, nor even Ernie Pyle, with his occasional spells of romanticizing the fighting man. It was Bill Mauldin, absolutely free of pretense and absolutely on key about the mixture of cynicism and back-handed honor which kept the troops going. Anyone who participated in that effort, or even read the cartoons, could no longer believe that *Waiting for Lefty* was an accurate portrait of American life.

The second effect was the reduction of the opposite sort of over-simplification the tendency to ridicule, condemn, even hate people from the classes different from your own. The war taught the country not that Tom Joad and Edmund Wilson were identically gifted, but that there were qualities to be honored in each, abilities in the one that the other might count on for survival. The literature of the war is full of examples. To take *The Caine Mutiny*, one of the high-class characters, the novelist Tom Keefer, turns out to be a coward when the others are relying on him, while his brother dies saving his own ship, and the mama's boy from Princeton, Willie Keith, becomes a kind of hero. The enlisted men they work with have the same range of qualities—some possess the coolheadedness which saves their shipmates during the typhoon, others are lower-class versions of Tom Keefer. The importance of these portrayals and the more widespread ethic they represented was that, without relying on the old fiction that all men are identical, they allowed some room for mutual respect and mutual dependence.

People who had spent months in a hut with strangers would, in the future, probable be one step slower to over-simplify and hate than they would have been in the past. This is why the military's racial segregation during World War II was such a tragedy; it kept any of the ameliorating balm from being spread between the races. The effect was limited to the different classes of white America, but even that was something of value.

The American society which grew out of the war certainly was no utopia. Still, the United States of Truman and Eisenhower at least could say for itself that it was not colored by the kind of entrenched class hostility that now seems to be on the rise. The difference between the two eras is symbolized by the difference between the great national effort of the forties—the war—and the two broad-based struggles of the last 15 years, the crusade for civil rights and the effort to end our participation in Vietnam.

CONTEMPT FOR THE PROLES

In that happy time before racism was discovered in the North, the civil rights crusade took the convenient form of a virtuous nation lecturing to its sinning minority, in this case that favorite reprobate, the South. Early in the sixties, a new twist was added when the bright, young college student came trooping down from the Ivy League, ready to protect the downtrodden-but-virtuous black people from the tyranny of the immoral whites. This may be caricature, but not by much; I joined the crusade long after its heyday had passed, and even then the essential elements were intact. Like the characters in *Waiting for Lefty or Awake and Sing*, the blacks of our dreams were well-motivated, nature's-noblemen types, and when their real-life counterparts fell short, we found ways of ignoring it. The Southern whites, of course, were brutal, stupid rednecks whom, when we were feeling both compassionate and condescending, we could forgive by explaining that it was status anxiety about the blacks that made them so nasty. We walked as through a fantasy world, seeing imaginary figures rather than real people; rarely were there bursts of understanding, or even realism, that could have helped explain how the South actually worked.

The "movement" of the sixties extended from the civil rights struggle through the campaign to end the war, and there was continuity as well in its view of the lower class. By the end of the sixties, when the anti-war campaign was going full steam, it exhibited contempt for the white proles in three clear ways. One was paying so little attention to the rate at which the Chelsea boys were dying—we mentioned the casualty rates, but not the fact that it wasn't our type of people being killed. The second was the bullying, supercilious tone which said that to support the war was not so much incorrect as *stupid*. (Recall how quickly arguments about the war reached the pedant's level with the question, "Have you read. . .? If you haven't read . . . how can you presume to say anything?")

And the third, rivaling even the first in ugliness, was the quick resort to the phrase "pig" for the blue-collar, lower-class people who were doing the job they thought they were supposed to do. They had been "pigs" holding down the black people in Mississippi, the children of "pigs" were being sent off to die in Vietnam, and now "pigs" were clubbing our chosen people, the demonstrators, in Chicago. We hated the pigs, and let them know it, and it was no great wonder that they hated us in return.

Now that the war is over, there is a fourth demonstration of our contempt for the proles. Among any high-brow audience, it is scarcely possible to attract a minute's attention on the subject of Vietnam veterans. Ralph Nader sponsored a study on their predicament, written by Paul Starr, but apart from that the intelligentsia has virtually willed them out of existence. The indignities they suffer rival those of any other oppressed group, but the only magazine to give sustained attention to this fact is *Penthouse*. On television the veterans are painted with extremely unflattering strokes—as war-time junkies or pathological killers who keep reenacting the massacres they took part in—but no protests are heard about this crude stereotyping. The most frequently offered explanation for the neglect of the veteran is the kind of war we fought, and our eagerness to forget it. No doubt that is partly true. But our behavior is also shaped by who the veterans are. They are the boys from Chelsea, and if we were embarrased to see them at the Navy Yard, when their suffering was only prospective, how much more must we shun them now?

THE DECLINE OF PUBLIC SCHOOLS

From its struggles in World War II, this country created a cushion of class toleration; our heritage from Vietnam is rich with potential for class hatred. World War II forced different classes of people to live together; Vietnam kept them rigidly apart, a process in which people like me were only too glad to cooperate. On either side of the class divide, the war has left feelings that can easily shade over into mistrust and hostility. Among those who went to war, there is a residual resentment, the natural result of a cool look at who ended up paying what price. On the part of those who were spared, there is a residual guilt, often so deeply buried that it surfaces only in unnaturally vehement denials that there is anything to feel guilty about. In a land of supposed opporunity, the comfortable hate to see the poor. Beneath all the explanations about self-help and just deserts, there remains the vein of empathy and guilt. Among the bright people of my generation, those who have made a cult of their high-mindedness, the sight of legless veterans and the memories of the Navy Yard must also touch that vein. They remind us that there was little character in the choices we made.

If the war were the only source of this mistrust, it would be bad enough. but it has worked its influence on a society already facing class division from three other sources. The first, and in the long run the most significant, is the decline of the public school system and the stratification by class, as well as race, of the urban schools. Whatever their faults, the public schools of this country could usually be relied on to serve one end. They were the melting pot, they brought together children whose parents lived on different sides of the tracks and who themselves clearly were headed for different stations in life. If you were one of the people going on to college, in high school you got to know people who weren't. This did not guarantee that you would come to mutual affection, or even understanding, but it could dampen the chances for hatred in the same way the military did in World War II.

In some smaller communities, where one high school serves the entire town and where the education remains good enough to meet the standards of ambitious parents, this end still is served. But in more and more of the urban schools it has been abandoned altogether. As the whites have fled to the suburbs, as the declining quality of urban education has made sure they will never come back, as the integration plans have stopped at the city limits rather than embracing the full racial mix of the metropolitan area, the urban classroom has come to resemble the army in Vietnam, mainly lower-class whites coexisting with lower-class blacks (the middle-class blacks having followed their white counterparts' example and headed for the suburbs or the private schools). In the last few years the most obvious cost of this arrangement has been the desperate reaction of the whites one rung up from the bottom—the whites of Pontiac and Southie—when they fear they will be dragged back to the level of the lower-class blacks. In the years to come, the more important cost may be the distorting effects of class segregation on people from both top and bottom.

The second development is the rise of a new professional class, closely corresponding to the educational elite. In the years since World War II, the number of people working for government has risen dramatically. The expansion hit the federal government first, in the forties and fifties, and is now most intense for local governments and the states. Within the last ten years, the type of people filling these jobs has also begun to change. The transformation, from patronage to professionalism, has been most obvious at the local level, where it means that the city clerk or the second-echelon health administrator for the state is less likely to be a local good ole boy and more likely to be a handsomely pedigreed young professional. (The young professional, in turn, is likely to be the good ole boy's son, full of disdain for the class he has risen above.) During the sixties, many of the same well-educated people were also filling new positions opening up in the foundation world and other public-affairs sectors of the econmy.

The effect of these developments has been to place educationally privileged in jobs whose essence is tellling other people what to do. No government can get along without such jobs, but the way they are developing now clearly aggravates class hostility. Among people on the top, it creates an impression that the "public" is a retrograde mass, which must be either fooled or "educated" into overcoming its brutish instincts. Congressional staffers, public-education directors for foundations, producers for public TV constantly fret about how to make the public overcome white backlash, support the UN, and conserve energy by obeying the 55-mile-per-hour speed limit. Any of these goals might be laudable, but, as with the civil rights crusaders, little consideration is given to the reasons more complicated than bigotry, greed, and stupidity that shape people's behavior. When Lord Reith of the BBC set out unashamedly to bring the masses better material than what their own taste would guide them toward, he fit comfortably within the British tradition of dominant and inferior classes. As the professional elite of the U.S. acquire an arrogance which none of the governed can fail to notice, George Wallace gets his biggest cheers for his denunciation of the pointy-heads—and that can hardly come as a surprise.

The third development is the rise of the meritocracy of taste and the consequent shortage of charity and toleration among those on top. As family pedigrees have lost much of their import and as the ranks at the upper levels have been opened to the self-made, the American cultural race has become, as Suzannah Lessard has pointed out ("Taste, Class, and Mary Tyler Moore," *The Washington Monthly*, March 1975), a subtle matter of multiple labels adding up to a person's taste—education, associates, profession, passions, dislikes. Even as this has made for a somewhat fairer society than the world of the 400, it has added a note of desperation to the quest for social standing. Because there is no permanent standard like the old standard of family pedigree, no one can feel completely secure. Those who hope to remain "in" must be constantly aware of which artifacts are right and which are wrong. (A recent ad for *The Village Voice* demonstrated this point nicely. A take-off on the old 97-pound weakling pitch, it showed a couple on the beach being approached by Rodney Trendy. His weapon was not muscles but being able to put down hapless Stan for out-of-date taste: "Still waiting on line for 'Last Tango,' Stan? How's your Nehru jacket supply? Bet you think Arica's a high-school honor society. Haw, Haw, Haw.")

The insecurity of this kind of class structure is its most destructive feature, and accounts for two unpleasant results. One is the remarkable phenomenon of people who, by every outside standard, should be secure against criticism, flaring up in indignant and disproportionate defense against any imagined slight. The tangled history of literary politicking in New York is one long case study. The intellectuals understand that Nixon went to unreasonable lengths to defend himself against a few pitiful demonstrators, but let one bad review be written of a friend's book and they roll out the heavy artillery. Leonard Bernstein held his party for the Black Panthers when they were still chic; anyone who held a party for them came out high on the taste charts. Soon afterward Bernstein was turned into an object of ridicule by Tom Wolfe, who said (in *Radical Chic*) that the parties weren't chic at all, in fact they were ludicrous. Then, for sharp observers, the way to win the taste game was to laugh at Bernstein. But no one associated with Bernstein and his kind of taste could sit still for that, and so abusive reviews were written of Wolfe's book, in an attempt to put *him* down. For those of us whose fates are not played out in such public arenas, the put-down game has its more modest applications. The cultural gamesman who comes across a nasty review of *Ragtime* has a potent weapon to use the next time he hears someone praising the book.

The second result of this cultural insecurity is an intolerance toward mass culture. There is no such thing as a simple highbrow/low brow cultural distinction any more; indeed, one of the important tricks in winning the taste stakes is to know when to pick up certain parts of popular culture—Harry Truman, roller derbies, country music—and when to drop them cold. It is the necessity of dropping, the importance of putting down the things not currently "in," that makes for the destruction, because it leaves little room for toleration of the other classes. Oldsmobiles are not currently one of the chic items in mass culture, so Larry McMurtry, writing in the *Atlantic's* issue on Texas, defined the difference between himself and the mass of Texans this way:

"What I *really* felt, on my visit home, was that for three weeks I was surrounded by Oldsmobiles; probably I had been surrounded by them for the 32 years that I lived in Texas, but had simply accepted them without really noticing it, as one accepts chicken-fried steak without really tasting it.

"Exile is supposed to give one perspective, and mine has. I work in Georgetown, where I am surrounded by Mercedes and Volvos. . . ."

A disdain for Oldsmobiles, the segregation of school children, even the bitter residue of the war, perhaps none of these things will bring us to class warfare. But we have created a world in which they can.

THE CRITICAL IMPORTANCE OF A FULL IDA APPROPRIATION IN FISCAL YEAR 1976

Mr. PERCY. Mr. President, as we consider the fiscal year 1976 appropriations for the international development banks to which we belong, I would like to express my strongly held view that it is critically important for this body and subsequently the Senate representatives on the conference committee to support the full IDA appropriation of $375 million as recommended by our Appropriations Committee. This view is shared by the administration which pledged the full faith and credit of the United States to contribute its fair share to IDA's fourth replenishment—IDA IV. The administration made this binding commitment by ratifying the IDA IV agreement in January 1975 pursuant to the IDA IV authorizing legislation enacted in August 1974. The United States thereby prevented a serious disruption of IDA's operations when the generous advance contributions from other donor countries were no longer forthcoming without a firm commitment from us.

We must keep in mind that IDA is the soft loan window of the World Bank which provides desperately needed development finance and expertise for top priority projects in the world's poorest countries in Asia, Africa, and Latin America—nations which have per capita incomes of less than $200 and which simply cannot afford to borrow funds on harder terms. IDA is the principal multilateral agency for development finance in these countries and enjoys an excellent reputation throughout the free world. Any reduction of the pledged U.S. installment for 1976 would have major implications for our foreign economic policy, would impact negatively on the constructive North-South dialog currently underway, and would cast serious doubt on the ability of this great country to honor its binding commitments.

Specifically, there are three important reasons why Congress should appropriate the full $375 million this year, just as we have always appropriated full amounts in the past.

First, the legal considerations. This $375 million was due to be paid to the association on February 16 of this year. On that date the United States came into default on an international agreement it had entered into pursuant to authorizing legislation enacted by the Congress. In that legislation, the Congress authorized the Secretary of the Treasury to commit the United States to pay four annual installments of $375 million as the U.S. contribution to the fourth replenishment of IDA. If we appropriate less than $375 million, we will remain in default on this international commitment. We do not want to become known as a country which cannot be trusted to fulfill its international legal obligations.

Second, IDA will need the full amount to meet the U.S. share of disbursements on IDA IV loans which have already been approved. These disbursements are for critical development projects that are well underway, and the funds must be provided to avoid serious disruption. Failure by the United States to provide the full $375 million, which represents only the first of our four installments while other donor countries have already contributed two-thirds of their share, could jeopardize the carefully negotiated IDA IV agreement. Under this agreement, the following major concessions were made to the United States: The elimination of maintenance of value provisions, the option to delay our first payment by 1 year and spread our contribution out over 4 years instead of 3, and burden sharing improvements.

This brings me to the third important reason why we should appropriate the full amount as provided in the authorizing legislation. If the United States is to be able to negotiate such concessions, we must be doubly sure to live up to our part of the bargain. Prior to IDA IV the United States had contributed more than 40 percent of IDA's resources; in IDA IV which we are considering today the U.S. share is down to 33 percent with other donors having increased their shares. If the United States is to contribute to encourage other traditional donors to increase their share of the burden as well as to encourage some of the wealthier OPEC countries to become IDA donors, we cannot default on our commitments by even token amounts.

BETTER, NOT CURTAILED MAIL SERVICE

Mr. ABOUREZK. Mr. President, recently, the Postmaster General and other leading postal offices have been discussing some pretty dire options for future mail service. In the current financial situation, I cannot fault the Postal Service for leaving no stone unturned in thinking up possibilities for saving money.

But the persistence with which Mr. Bailar and his associates bring up massive cuts in service seems to overwhelm his occasional muttering about the obligation the Postal Service has to provide regular, dependable mail service to the public. From listening to Mr. Bailar, the public might come to the conclusion that the main goal of the Postal Service is breaking even rather than delivering the mail. He takes for granted that postal rates will have to increase and that subsidy would be wrong, but insists that the traditional service functions of the Postal Service need "further study." I wonder if this reasoning is not upside down?

I do not share the assumption that service cuts are inevitable. Congress has the constitutional responsibility to provide for mail service and post offices. Neither Congress nor the Postal Rate Commission has waived its right to be consulted when drastic changes such as Mr. Bailar contemplates are considered. And from talking to my colleagues and my constituents, opposition to major service cuts is great and growing.

With the Senator from Nevada (Mr. CANNON) and the Senator from Alaska (Mr. GRAVEL), I have introduced legislation to return financial control of the Postal system to Congress through the regular authorization and appropriation process. Independence has not resulted in improved mail service, and the voters have a right to expect those who make financial and policy decisions for the Postal Service to have some accountability to the public.

Let us hope that the Postal Service trial balloons about 3-day delivery and closing 12,000 post offices are just filled with hot air. Enacting these proposals would mean, politically, the end of the Postal Service, and perhaps an early grave for rural America. This Senator will not let Congress sit idly by while this happens.

No one could have failed to notice the surge of unflattering cartoons, editorials and commentaries directed at the Postal Service in recent weeks. One particularly thoughtful editorial was published March 17 in the Aberdeen, S. Dak., American News. I ask unanimous consent that the editorial, "Postal Service Has Become Less Than Satisfactory," be printed in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECROD, as follows:

POSTAL SERVICE HAS BECOME LESS THAN SATISFACTORY

The Postal Service was once the pride of the United States and the subject of mottos proclaiming the dedication of the letter carriers. Today the employes continue to be dedicated but the service, under the direction of a quasi-public corporation, has become less satisfactory and postal rates have skyrocketed.

The public, during a year when patriotism is being emphasized, is ironically increasing the intensity of its criticism of delayed deliveries and the management of the Postal Service that has now announced three-day operation as a possible remedy in dealing with financial problems.

The three-day service suggestion has not been approved. It is described as one of the options. But persons suspicious of government maneuvering fear it is being mentioned to make five-day service more palatable. The reduction of service to five days a week is a serious threat. Such reduction should not be tolerated any more readily than three-day proposal.

The theory that service of the Post Office would improve under its new independent status was worth exploring but in practice it has not worked.

The goal must be for better service, not curtailed service. Action must be taken that will regain confidence of the people who should be encouraged to use the mail. Discouraging use of the mail system further diminishes it and adds to financial problems.

The Congress and proper government agencies should see to it that understanding guidance and financial support be given the Postal Service until it is on the right track.

If after this guidance the system still appears to be losing efficiency it may be necessary for the Congress to terminate the special status of the Postal Service and revert to the former system.

The independent management of the Postal Service seems to have forgotten that the Founding Fathers approved federal subsidies because it was their intention that the postal system should encourage free flow of information. They were of the opinion that the postal system was a necessary service of government and not a business.

THE FRANKFORD ARSENAL

Mr. HUGH SCOTT. Mr. President, I ask unanimous consent that an interesting article by Hoag Levins in the Philadelphia Daily News be printed in the RECORD. This article details the many problems which have occurred as a result of the closing of the Frankford Arsenal.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

CLOSING ARSENAL TAKES TOLL

(By Hoag Levins)

Two of the Army's major tank repair depots are unable to repair their tanks because of a shortage of parts that can be produced only at the Frankford Arsenal.

The two depots—in Anniston, Ala., and Mainz, Germany—are the only facilities that repair and recondition M–551 Sheridan tanks. The 15-ton Sheridan is one of the workhorse tanks used by American soldiers throughout the world.

According to Army sources, the Army has been forced to stop the repair lines for the Sheridans because needed periscope parts are not available from private industry or military sources.

Wednesday, in an urgent teletype from the Army's Armament Command headquarters at Rock Island, Ill., Frankford Arsenal officials were told to hire temporary help, if necessary, to gear up for crash production of the special optical parts.

Ironically, the same Armaments Command is closing the arsenal, which it contends is "obsolete" and unable to do as good a job as private industry. Five months ago, the Army began the actual phaseout of the arsenal with layoffs and worker transfers. Plans now call for the facility at Tacony and Bridge Sts. to be closed completely by next year.

Last year, during a six-month investigation of those Army closing plans, the Daily News found the Army's public explanations and justifications for the closing were laced with distortions, deceptions and lies.

That investigation unearthed a number of apparent conflicts of interest among Pentagon officials who were engineering the closing, and private contractors who would take over the profitable work.

City officials, Congressmen and weapons experts predicted that private industry would not be able to do many of the highly sophisticated operations that were pioneered by arsenal technicians and scientists.

That is the very thing that the Armaments Command now says has happened with the complex optical systems needed for the periscopes in the M–551 Sheridan.

Frankford's sprawling optical shop, which has developed many of the optical systems and devices that are now standard equipment for all the military services, is the only one of its kind in the Defense Department.

This particular periscope system—the XM–44—is a major part of the Sheridan's "fire control system," the highly sophisticated system of integrated optics, computers and electro-mechanics that guide both the vehicle and its missiles.

The teletype from the Armaments Command reported that "the lack of XM–44 periscopes is affecting the readiness posture" of tank forces in Europe.

The Sheridan has recently taken on added importance to the Army because there is a critical shortage of the heavier M–60 battle tanks, caused when the Pentagon re-equipped the Israeli Army with tanks after the 1973 Yom Kippur war. With no surplus tanks available, the Pentagon took tanks away from its own forces to give to Israel.

THE PALM OIL BOOM: ABSENCE OF U.S. POLICY

Mr. McGOVERN. Mr. President, rumblings that started several months ago regarding palm oil imports have reached proportions that indicate that we must come to grips with the problems or watch our soybean producers and processors face ruin. Already plantings for this year's soybean crop indicate a downward trend that could reduce acreage as high as 10 percent. A USDA study indicates that conceivably by 1985, one-fourth of the world's palm exports could flood our country and that palm oil imports could amount to more than the U.S. exports of soybean and cottonseed oil combined.

The palm oil tree is a deceptive plant. It is mature for producing purposes after the tree is 3 to 5 years old and remains a producer until it is 30 to 35 years old. Trees produce two crops a year without additional plantings and with minimal care. An acre of palm trees can produce more than 2 tons of oil per acre against U.S. soybean yields of about 300 pounds per acre.

The House Subcommittee on Oilseeds and Rice held a hearing on March 18 on the import question at which Assistant Secretary Bell appeared as the chief administration witness. His testimony gave a very lucid and informative description of the problem filled with statistics and related information. Remarkably enough, he states that the administration has taken no position on the question and continues to study it and monitor it.

I raise the question of whether or not USDA is in the driver's seat or has the State Department again asserted itself in international agricultural policy. I say this for the following reasons:

Palm oil imports doubled in 1975 displacing the oil from 75 million bushels of American soybeans.

Palm's share of global fats and oils exports was 13 percent last year, more than double that of 1965.

In contrast, U.S. soybeans struggle to hold a 20 percent share—down nearly 25 percent from 1970.

International financial institutions, largely U.S. financed, continue to furnish capital for expanding processing plants principally in Malaysia.

It would seem that this is ample evidence for USDA to take a position on the import question.

Mr. President, an interesting dialog on the problem is contained in the March 1976 issue of Successful Farming. It is entitled "The World Palm Oil Boom." I ask unanimous consent that it be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

THE WORLD PALM OIL BOOM—SCARCE STORY THAT IS SHOCKING THE PANTS OFF AMERICAN SOYBEAN FARMERS

Imagine this: No big bull markets in soybeans for 10 years. The U.S. cottonseed oil market wiped out. A mysterious "malady" crippling the earning potential from more than half a million acres of soybeans every year from now until 1985.

It could happen.

The cause is soaring U.S. imports of palm oil, which are taking a slice out of your soybean oil sales for food products.

A new USDA study tells what may happen if the palm oil situation is left unchecked.

By 1985:

More than a quarter of the world's exports could be flooding U.S. shores. The total could be three times higher than it is now.

Palm oil imports could amount to more than the U.S. exports of soybean and cottonseed oils *combined*.

One of every 10 gallons in *new* U.S. vegetable oil business in this country could be lost to palm oil competition.

Use of cottonseed oil in the U.S. could virtually disappear.

IMPORTS DOUBLED

What's more, we don't have to wait until 1985 for the ax to fall. Palm oil imports doubled last year, displacing the oil from more than 75 mil. bu. of American soybeans. They could be half again higher in 1976.

Palm is pushing U.S. soybean oil out of world markets, too. Its share of global fats and oils exports was 13% last year—more than double the score in 1965. In contrast, U.S. soybean oil struggles to hold less than a one-fifth share—down from nearly a quarter in 1970.

DESCRIPTION

What in the world *is* palm oil, anyway? African oil palms, from which palm oil is produced, grow to about 30 feet in height. There's the traditional thatch of leaf fronds on top. They're more like an overgrown cornstalk than a tree, though, having no hard wood core.

The fruit grows in bunches, somewhat like bananas. A tree begins producing when it's three to four years old. Males average 12 bunches a year. The fruit ripens in six months, so there are two crops a year. Production continues until the tree is 30 to 35 years old, when it is too tall for the fruit to be easily picked.

Rate of yield is the highest in the world for fat-bearing oil crops—two tons or more of oil per acre for palms cultivated on plantations. U.S. soybeans yield only about 300 lbs. of oil per acre.

GROWING COSTS

Production costs in Malaysia are said to be 8¢ to 9¢ per lb., but quotes as low as 4¢ have been reported. Freight rates from Malaysia to the U.S. are about 1.4¢ per lb.

African palms are the only plants in the world which produce two kinds of oil. The fruit's outer, fleshy pulp yields palm oil. Palm kernel oil and meal are extracted from an inner nut.

Newest varieties of palm have been bred to yield more pulp and smaller nuts. Result: World palm oil output is rapidly running away from kernel oil production.

After steaming, palm oil is pressed from the pulp. It's a fatty, organge-red butter-like oil similar to soybean oil and cottonseed oil. One difference: It's much higher in saturated fat.

USED IN SOAP

Palm oil is no Johnny-come-lately to these shores. Enormous quantities were imported from African countries in the 1920s and 1930s, when use mainly was in soap.

The rise of quick-lathering soaps in the 1940s killed that market, and imports slowed to a trickle.

A second wave of shipments hit after cottonseed production receded a decade or so ago. Palm oil flooded into the void left in margarine manufacture. Use by that industry now accounts for nearly 9 of every 10 gallons imported.

Lately, cheap palm has begun crowding soybean oil out of edible markets. Use of the import in margarine last year surpassed use in all previous years combined.

COMES FROM MALAYSIA

More than 95% of U.S. palm oil imports came from Malaysia (in Southeast Asia, near Viet Nam) in 1975. Other principal exporters are Indonesia, Zaire, the Ivory Coast, Dahomey and Cameroon. None of them will have the impact on U.S. markets in years ahead that Malaysia will, though.

Note these two key points about Malaysia:

Its dominance of world production will continue to grow.

Soaring output coupled with limited use at home means rising independence on export markets.

Other countries will not be able to absorb the added output, most analysts insist. Lack of storage and financing means producers won't be able to hold oil off the market to boost prices, either.

Result: If left unchecked, U.S. imports during the next 10 years could rise at double the rate of the past 10.

Here's what that could mean:

Low U.S. oil prices would force soybean meal values higher to justify crushing. That would hike livestock and poultry production costs.

Slimmer profits would discourage soybean plantings.

Developing countries depending on oil sales for foreign trade also would be hurt by low world prices.

WHAT CAN CHANGE THE OUTLOOK

There are several possibilities:

Low prices. Drooping values for all vegetable oils will increase competition and curb palm oil imports.

Civil unrest. The recent death of Prime Minister Tun Abdul Razak threw Malaysia's political future wide open. Communist insurgents are sure to capitalize on already smoldering racial tensions between Malaysians and Chinese living in the country. Political changes could disrupt trade with the West.

Labor problems. Oil palms have to be hand-pollinated. No producing country yet has a skilled labor force. Higher pay attracts workers from the plantations to the cities.

Voluntary import quotas by the U.S. This is Assistant Secretary of Agriculture Richard Bell's favored ploy. Involved would be methods already in use to "jawbone" beef and textile imports down to "safe" levels.

This would force more palm oil to compete with U.S. soybean oil in world markets, but the impact would be reduced because the load would have to be shared by other internationally traded oils.

Whatever happens, the palm oil import problem is not going to quickly go away.

THE ECONOMIC SITUATION IN ARGENTINA

Mr. HELMS. Mr. President, the situation in Argentina continues to degenerate hour by hour. I pointed out yesterday in this Chamber that Communist terrorism was increasing in the urban centers, and that a calculated strategy of attacks on the security forces was in effect. An article in today's New York Times indicates that a change of government, backed up by the military forces, is imminent.

Today I would like to expand upon the problems of Argentina's monetary crisis. Although to most Americans, the reality of hyperinflation seems particularly remote, we must not forget that economic laws are no respecter of boundary lines, and the United States itself could find out that it is heading in the same direction economically as our sister republic to the South.

In a comprehensive article in Sunday's New York Times magazine, Mr. Juan de Onis summarizes some of the causes of this inflation. I will quote only a few paragraphs from this article, which states the whole matter succinctly.

Mr. President, I ask unanimous consent that the indicated paragraphs from Mr. de Onis' article be printed in the Record at this point in my remarks.

There being no objection, the article was ordered to be printed in the Record, as follows:

Causes of Inflation

The problem of armed subversion would be no more serious in Argentina than it has been in other neighboring countries, such as Brazil and Uruguay, where similar outbreaks have been controlled, if it were not for the disorder in other fundamental areas of national life.

The most critical problem is the economy. Argentina, with a 335 percent increase in the cost of living last year, has displaced Chile as the world champion of inflation. The Government's revenues from taxes finance less than half the budget, so the Treasury merrily pays the Government's huge payroll and bills by printing more paper money. Theoretically, prices are controlled, but only theoretically. As the money supply increases to keep up with inflation; businessmen, often intimidated by death threats at the negotiating table, grant pay increases and pass on the cost to consumers. The spiral goes on and on.

The distortions in real income produced by this monetary anarchy are enormous, with those who have the least bargaining power suffering the most. Until last month, a restaurant waiter, with a strong union behind him, was making more money than the president of the Supreme Court, and a tugboat captain in the port of Buenos Aires was better paid than the commander in chief of the navy.

There is almost no money available for domestic investment. Credit is being used by private companies to pay wage increases and higher costs of raw materials, not to expand production. A restrictive foreign-investment law adopted by the Peronist majority in Congress finished off that source of needed capital from abroad for domestic development.

The Peronist Government has proceeded on the theory that redistribution of income from the farmers to industry is necesasry to maintain a high level of employment. It is the urban workers who have political clout, not the farmers. But exports of wheat, corn, sorghum and beef are essential for Argentina to pay for imports and pay its foreign debts. This external side of the economy is in dire straits. Foreign debt has soared from $5 billion to $9 billion in six years, and $2 billion must be paid this year. Reserves have shrunk from close to $2 billion to less than $700 million, equal to normal imports for two months.

With foreign creditors increasingly wary of providing new loans, the only way out is to devalue the Argentine peso, stimulating exports and cutting back on imports. This erosion of the peso has taken the free market value of Argentina's currency from 10 pesos for a dollar a year ago to more than 250 for a dollar now.

The unorganized middle-class workers, such as domestic help and farmers, have been taking the worst beating. If a farmer sells his wheat or beef through the state export monopolies, as the law requires, he is paid prices that are one-third the international market price. The Government pockets the rest and uses it to pay its bills and subsidize state industries, which are uniformly inefficient, overstaffed and in the red. This includes the state oil monopoly corporation, which suffered an 8 percent decline in crude oil production last year while increasing its staff by 10 percent.

"The law to keep multinational companies from taking over Argentina has been totally effective. We simply have stopped receiving foreign investment," said a banker, with irony.

So there was zero growth in Argentina last year.

Mr. HELMS. Mr. President, Argentines themselves realize the persistent disorder that inflation is bringing into their lives. While we here in the United States have convinced ourselves that a little inflation does not hurt, the ordinary housewives in Argentina is confronted with catastrophe every time she goes into a store.

A recent publication in Buenos Aires published a table of prices comparing prices a year ago with prices now. The rise in price levels is almost too great for those of us in the United States to comprehend, but it tells the tale more graphically than a mile of prose. Indeed, economic experts in Argentina are already comparing the situation there today with the situation of hyperinflation in Germany following World War I, and warning that fundamental changes are necessary to get the country back on its feet, and to end the social suffering of the nation.

A monograph prepared about 10 days ago at the Center for Financial Studies and Investigations by Sr. Jorge Osvaldo Lauria brings out the exact comparison between the Argentine situation and the German situation of 1923. The statistics in Sr. Lauria's article are very striking, and his conclusion is indicative of the way Argentine leaders are thinking today. I apologize to Sr. Lauria for the hurried translation from the Spanish, but, in the light of present developments, I thought it was urgent to present these facts to the Senate.

Mr. President, I ask unanimous consent that the article in today's New York Times, the table of Argentine consumer prices, and the translation of Sr. Lauria's article be printed in the Record at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. HELMS. Finally, Mr. President, no once can be entirely satisfied with fundamental changes in government that take place outside of the normal procedures. If, as the New York Times says today, a military group will take over the authority of the Argentine Government, citizens of the United States should have forbearance, and attempt to understand the extreme situation in which Argentines find themselves today. Indeed, any attempt to return to social and economic order should be applauded as a way of guaranteeing basic human rights, the right to own property and to be secure in one's property, the right to raise a family in peace and industry, and the right to enjoy the traditional cultural and social heritage of one's nation.

We have seen too many countries where these rights have been destroyed by socialism, terrorism, and communism. Let us hope that these rights can be restored in Argentina in a framework of peace and order. If the military feels that it must assume its almost constitutional role as the peacemaker of last resort, let us hope that they remember that the ultimate authority for their action comes from the people themselves. If the military will be diligent in consulting with the people and their representatives in the civilian sector in the attempt to restore human rights, they will find many friends here in the United States.

Exhibit 1

Argentine Army Readies Takeover—Closing of Congress Among Steps Reported Planned—Peronists Face Arrest

(By Juan de Onis)

Buenos Aires, March 22.—The Argentine armed forces, now visibly preparing to overthrow the Government of President Isabel Martinez de Perón, plan to close congress, arrest many Peronist political and union leaders, and impose martial law, according to military sources.

Passes were canceled in some units this afternoon, and marine infantry battalions and army mechanized units were in positions from which to occupy this capital and its industrial suburbs.

The military sources said the moves were part of a plan approved by the three service chiefs, by Lieut. Gen. Jorge Rafael Videla of the army, Adm. Emilio Massera and Brig. Orlando Agosti of the air force. The three are expected to form a junta with 51-year-old General Videla as President.

One newspaper said today that all that remained was to announce the coup by television.

MRS. PERÓN SUMMONS AIDES

Mrs. Perón, who has been in office 21 months, met with her Cabinet, the Peronist presidents of the Senate and Chamber of Deputies, and top labor leaders tonight in the Casa Rosada, the executive building on Plaza de Mayo in the center of the capital.

The streets of Buenos Aires were crowded with people shopping or going to and from their offices as if nothing unusual was about to happen. Banks and exchange houses did their normal trading and there was no change in the rate for foreign currencies.

The armed forces have overthrown five Argentine presidents in the last 21 years and have also been involved in many lesser crises.

The military commanders have been silent about their plans since General Videla called on Mrs. Perón and the country's political organizations on Dec. 24 to produce "profound and patriotic changes" to deal with an inflation that raised prices 335 per cent last year and to restore confidence in the democratic system of government.

Civilians with good military contacts said that the armed forces wanted to follow a liberal economic system, designed to remedy inflation by cutting down government spending, restoring order in the market place, and promoting productivity in factories and farms.

The principal economic adviser appeared to be José Martinez de Hoz, managing director of Acindar, the major Argentine steel manufacturing concern, who was Minister of Economy for six months in 1963 under President Arturo Illia.

Mr. Martinez de Hoz is well known internationally and is regarded as an exponent of sound money principles and a supporter of foreign investment, as well as domestic private investment, in Argentina.

These policies are expected to find favor with foreign bankers, who will be asked to help Argentina face a huge debt burden, calling for payments of over $1 billion.

The military authorities are reported to be planning to occupy factories where there is resistance from left-wing militants who have been striking against feeble attempts by Mrs. Perón's government to impose wage restraints and price controls.

Military commanders in the interior, such as Ramón Diaz Bessone, the Second Corps commander in Rosario, and Gen. Luciano Menéndez, the Third Corps commander in Córdoba, who are considered "hard liners," are expected to take strong measures.

General Videla and the army Chief of Staff, Gen. Roberto Viola, who are considered moderates, are reportedly concerned about international and domestic reaction to harsh measures.

AN UNWANTED OFFICE

General Videla has been tormented by the prospect of a new military government and has shown no personal ambitions for the presidency.

But with Argentina racked by economic disorder, political divisions and a strong left-wing guerrilla movement, the armed forces have concluded that the present Government is too weak and divisive.

The wave of political violence, in which 43 people have been killed in the last eight days, took two more lives here. Atilio Rosario Santillán, leader of the National Sugar Workers Union, was machine-gunned to death outside his union headquarters by unidentified gunmen, and a factory union delegate was killed in his home in the industrial suburb of Morón.

CONSUMER PRICES IN ARGENTINA—JANUARY LAST YEAR AND NOW

Item	Jnauary 1975	January 1976
Milk (liter bottle)	415	960/1.125
Tomatoes (canned)	590	2.900
Soda water (liter)	295	1.260
Sugar (kilo)	1.150	3.200
Chicken (kilo)	1.200	6.000/6.500
Bar soap (for washing)	340	900
Rice (kilo)	1.100	3.510
Eggs (dozen)	600	2.600/3.000
Cigarettes (by pack)	500	2.300/2.500
Flour (kilo)	195	1.200
Butter (200 g)	650	2.050
Wine (liter)	450	1.850
Soda	95	450
Ice cream (kilo)	6.500	20.000
Herbs	650	1.950
French bread (kilo)	560	2.500
Oranges (kilo)	900	3.500
Peaches (kilo)	1.100	4.900/5.500
Sweet potatoes (kilo)	400	2.800/3.000
Tomatoes (kilo)	1.200	5.000/7.000
Peaches (canned)	1.200	6.100
Olive oil (liter)	3.000	11.000/13.000
Fresh cheese (kilo)	1.600	6.000/7.500
Coffee (kilo)	7.000	30.000/32.000
Tea bags (50)	800	3.590
Liquor	4.900	20.000/22.000
Toilet paper (roll)	290	1.400
Ham (100 g)	900	4.600/6.000
Calabash (kilo)	900	3.200/3.500
Ravioles	650	2.400
Spinach	1.300	5.300
Shaving blades	150	600
Beer (liter)	390	1.600
Crackers	295	1.100/1.200
Meal for 2 in restaurant	15.000/20.000	50.000/60.000
Newspaper	250	1.500
Walking clogs	35.000	130.000/140.000
Tires	65.000/70.000	220.000/230.000
Book	4.000/5.000	15.000/18.000
Movie ticket	1.200	7.000
Theatre ticket	3.000	12.000
Jeans skirt	45.000	100.000/120.000
Wide belt	10.000	30.000/40.000
Round-trip airline ticket (Mar del Plata)	96.000	275.000
Round-trip airline ticket (Punta del Este)	234.000	780.000
Record	5.000/6.500	25.000
Suit	190.000	590.000
Pants	45.000	160.000/190.000
Medium size car	15.000.000	42.000.000
Gasoline (liter)	550	1.750
Antibiotics (250 mg)	5.500	22.150
Shaving cream	2.490	13.500
Beef (kilo)	2.000	6.000
Filet of cod (kilo)	1.200	3.800
Shrimp (kilo)	6.500	20.000
Lobster (kilo)	8.000/10.000	25.000/30.000
Octupus	15.000	40.000

Only 365 days of difference, and already it seems like five years. An infernal race that has a side victim—the people of Argentina. Compare, assemble facts, take count.

[Center for Financial Studies and Investigations, Technical Bulletin No. 21]

HYPER-INFLATION

Germary 1923—"It could be that the speed of variation of the monetary and economic indicators had allowed us to reach record stock indexes, but it could not be known that 2 or 4 months after that a violent explosion would follow."

WHY THIS BULLETIN?

When I received the "Technical Study No. 8", in which the Center de Etsudios Monetarios y Bancarios del Banco Central of the Republic of Argentina analyzed Estaban Cottley's "European Inflation," I could not shake off the disquieting feeling aroused by this publication. I looked at certain statistics and indicators of the Argentine monetary situation—a situation which could have our country on the same road which Germany followed in the early years of the 20th Century.

I performed this task with the conviction that everyone should share opinions, facts, references, ideas, concepts, solutions, and even a few voices of alarm which should awaken our responsibilities to serve, to revise our policies, and to abandon erroneous schemes, biases, and other measures that would impede our road to recovery.

My intentions came at a favorable time because, other special publications are also referring to this process, such as "Economic Survey" with the important work of Dr. Manuel Castro, the commentary of Dr. Roberto Alemann, "Economic Trends," with numbers and actual indicators, as well as "The Economist" and "The Commercial Chronical" with professional articles.

It is not possible with such a complex topic to compare two situations and get a definition of the trend, since the parameters are multiple; but if there is an appropriate example to sound the voice of alarm—we should find a solution in the foreign experience.

Germany had just experienced a cruel and terrible war which had left them conquered. Their productive structure had been destroyed, and, in addition, they owed large reparations to their conquerors. Argentina has 30 years of supporting the influence of erroneous economic policies, full of taboos, myths and controls which are destroying—as if it were a war—its productive structure.

THE INDICATORS

To maintain objectivity our observations will be limited to frequently used indicators and to determine their variation, or their similarities with the trends selected as examples.

The monetary circulation

The following chart shows chronologically the monetary expansion, and clearly shows the previous symptoms, in this aspect, of the German explosion.

Germany			Argentina		
Year	Billions, reichmark	Percent variation	Year	Billions, pesos	Percent variation
1915	8.8		1967	6,223	
1916	10.1	14.8	1968	7,136	14.7
1917	14.5	43.4	1969	7,798	9.2
1918	21.0	44.8	1970	9,142	17.2
1919	50.2	139.1	1971	11,389	24.6
1920	69.8	39.0	1972	15,695	37.8
1921	86.7	24.2	1973	32,397	106.4
1922 (July)	203.2	134.4	1974	52,932	63.4
1922 (December)	1,295.2	[1] 537.4	1975	155,514	193.8
1923 (July)	43,892.7	[1] 3,288.8	1976 (January)	166,437	[2] 7.0
1923 (December)	496,585,345,900.0		1976 (February)	182,785	[2] 9.8

[1] In a period of 6 mo.

[2] In a period of 30 days.

In Germany, the value of money measured in dollars over the base of the internal prices fluctuated between 2 and 3 billions until 1920. Leaving at the end of that year, the monetary manipulation of the Treasury made it necessary to provide Marks to satisfy the excessive public expenditures so as to acquire the money to pay the war reparations! Look at the difficulty in reading the corresponding numbers of December 1923, as expressed in billions. From December of 1922 to November of 1923, the growth of circulation with respect to the last month shows the following percentage increases:

[In percentage]

January	54.0
July	153.0
August	1,426.0
September	4,123.0
October	8,768.0
November	15,881.0

In this circumstance, the valuation in dollars of the total money circulating decreases, because the price of the foreign currency grew at a faster pace than the production of internal money, as impelled by private and foreign printing.

Fortunately, the expansion rhythm of the monetary circulation in Argentina obeys another pace of growth. Notwithstanding the fact that the total variation in January 1976 with respect to December 1975 shows a 7% increase, a significant 40% of this figure grew 9.8% in comparison with the past month. If this trend continues, it will reach the growth by December of this year in a range of an increase over last year of approximately 1,000%, which should make us appreciate the first words in this paragraph. While the value of the total money in circulation in dollars in our country maintained a level equivalent to 2 billion dollars until 1974, and then it produced a rapid and alarming descent in 1975, with the result that the total money in circulation in the first months of this year was worth only a billion dollars.

The type of change

The speed of growth of the inflationary spiral can be observed in a diversity of ways as well as the decrease of the value of money with respect to foreign currency. The publication of the BCRA, mentioned in the first paragraph of this article shows the chart which is a sign of the lapse which transpired between successive and immediate multiples of the value of the dollar expressed in Marks.

GERMANY

Date	Type of exchange (marks x dollars)	Period (days)
July 1914	4.198	
January 1920	41.98	1,980
uly 3, 1922	420.00	900
Oct. 21, 1922	4,430.00	108
Jan. 31, 1923	49,000.00	101
July 24, 1923	414,000.00	174
Aug. 8, 1923	4,860,000.00	13
Sept. 7, 1923	53,000,000.00	30
Oct. 3, 1923	440,000,000.00	26
Oct. 11, 1923	5,060,000,000.00	8
Oct. 22, 1923	40,000,000,000.00	11
Nov. 3, 1923	420,000,000,000.00	11
Nov. 20, 1923	4,200,000,000,000.00	17

The two periods of monetary history analyzed below also show the same trend:

ARGENTINA

Day	Type of exchange (peso x dollar)	Period (days)
July 1951	0.23	
July 1955	.30	
July 1965	2.44	5,110
July 1966	2.80	3,960
February 1975	23.45	3,500
March 1975	28.35	3,150
January 1976	240.00	330
February 1976	300.00	330

In both tables, there are signs for our country, such as the need for growth in short-term credits required to stimulate the economy. These signs are alarming because they indicate the rapidly developing economic destruction as shown in Germany. This reaches a crisis proportion in a moderately short time if aggravated by the repetition of the same mistakes.

The cost of living

Looking at Germany and taking the base indicator 100 for 1914, and for Argentina the same base for 1965, the level of cost of living experienced the following for each case:

Date	Indicator	Variation percent	Time (years)
Germany:			
1914	100		
1920	1,065	965	6
1921	1,250	17	1
1922	5,392	331	1
1923	3,765,000	69,725	1
Argentina:			
1965	100		
1974	1,029	928	9
1975 (January)	1,352	32	½
1976 (January)	6,210	359	1
?	?	?	?

During the crisis year in Germany month by month the cost of living grew in percentages that quickly grew from 2 to 3 to 4 and higher.

[In percentage]

January	63
July	392
August	1,457
September	2,460
October	24,280
November	17,866

When September of 1923 signaled an increase in the level of cost of living of 2,360% it was thought that it had reached a point difficult to surpass; however, the crisis increased and in October there was another record increase of 24,280%.

CONCLUSION

During the crisis there were periods of calm. First because the periods of weeks and months did not form logical stages transcending economic conditions, without arbitrary divisions of the time, and second, because opportunistic measures exclusively made the situation better. Then the month of April 1923 shows important developments by some economic indicators (Monetary circulation up 19%, public debt up 28%, cost of living up 3%, exchange of dollar up 15%), but these factors did not result in immediate explosion. This artificial calm did not indicate the imminence of the collapse of six months later.

Our country is taking the same road as described in the tables on Germany. It is not enough to accept a simple readjustment of the present situation, seeking to achieve periods of calm showing some good indicators, that only partially stop the pace of inflation. Such periods of calm only serve to incubate the virus which will return in all its past strength and which cannot be stopped by the action of palliatives.

Without a doubt, we ought to accept the fact that we ourselves have come to the point that we cannot tolerate the continued inculcation in our people of an erroneous economic theory, one that makes the possibility of reversing the situation more difficult. It is necessary to recognize the errors of that philosophy, doing away with the taboos, the prejudices, the slogans, and principles that do not respect economic truth, and are not in the great public welfare. If this cannot be accepted, then it is clear that we have not recognized the gravity of the situation. The salvation of the economy ought to be entrusted to resources that are more energetic, persuasive, and effective.

Buenos Aires, March 10, 1976.

JORGE OSVALDO LAURIA,
Director General.

PASSING OF AN ERA—FAT CATS IN AMERICAN POLITICAL LIFE

Mr. KENNEDY. Mr. President, amid all the current controversy over S. 3065 and election reform, it helps to recall how far we have come in recent years toward our goal of open, clean, and honest elections.

Perhaps the best measures of our progress are the views of those on the firing line—the campaign fundraisers from years gone by, many of whom have been relegated to the sidelines by the Election Reform Act of 1974 and the recent Supreme Court decision upholding the vast majority of the act.

Some of them—perhaps most of them—are enjoying their new-found status, because they understand the significance of our recent reforms in taking elections off the auction block and moving toward full public financing of elections.

One such view appears in the New York Times this morning—an eloquent memoir by Harold Willens, one of the preeminent Democratic fundraisers of past campaigns. In his article, Mr. Willens welcomes the passing of the fat cat era, as in the best interest of the Nation. In fact, he sees the recent reform as a first step toward genuinely democratic elections—"elections financed by all the people rather than a small minority."

Many of us in Congress favor that

goal. Senators Hugh Scott, Dick Clark, and I and other Senators have proposed legislation to extend to congressional elections the existing system of public financing of Presidential elections, and we look forward to making that dream a reality. Mr. Willens' articulate and perceptive article is a helpful contribution toward that goal.

Mr. President, I ask unanimous consent that Mr. Willens' article, "Dogging Fat Cats No More," be printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

[From the New York Times, Mar. 23, 1976]

Dogging Fat Cats No More

(By Harold Willens)

Los Angeles.—This Presidential primary season marks the first time since 1968 that I won't be on the prowl for fellow fat cats.

The recent Supreme Court campaign-finance rulings sounded the death knell for my kind of fundraising and for the country's sake I was glad to hear the bell toll. But I must admit to mixed personal feelings about staying out of the action.

On the one hand, no one knows better than I that political fundraisers are about as popular as proctologists and that their work is about as pleasant; on the other hand, when the cause is a crusade there is—or was—challenge in the chase and psychic reward in the catch.

During a New York dinner meeting in 1972, for example, a major film actor watched me extract $1 million for the McGovern campaign from a small group of wealthy people. The contributions ranged from $10,000 to $200,000 each. The actor said afterward that he had seen me "ennoble" a process he had previously regarded as inherently sordid and degrading.

The highest praise that can come to a fundraiser is praise that comes from a donor. In the 1968 McCarthy campaign, I made my first big-money pitch to a group of twelve affluent prospects who all responded with contributions of $25,000 or more. One of the participants was a New York investment banker. When the meeting ended, the man, who gave $50,000, told me: "I had decided that $5,000 would be my limit, but your words added a zero; thanks for prompting me to do the right thing." Such words, exceedingly rare, were exquisite balm for the battered psyche of a fundraiser foolhardy enough to seek fellow fat cats as "co-investors in a losing cause," to paraphrase the many pragmatic givers who turned me away empty handed.

Most of the money I raised in 1968 and 1972 came from people associated with a business executives organization I had co-founded in 1967 to oppose our Indochina involvement. As a spokesman for the group, I had criss-crossed the country many times and met many people who had done well and were now willing to do good. My largest single contribution from such people in the McCarthy campaign was $75,000. Scores, including myself, gave from $10,000 to $50,000. Four years later, in the McGovern campaign, several contributions exceeded $200,000 and a substantial number ranged from $25,000 to $100,000.

Many people have asked me how one springs traps for fat cats. For me the only one that has worked is this: Pick genuine prospects, ignite their generosity with sparks from your own fire for the cause, and never ask for too little. As a firm believer in philanthropic tithing I always felt that I had failed—no matter how large the total take—if contributions from maximillionaires and midimillionaires were not proportionately greater than those made by minimillionaires.

Asking for money is not a cut-and-dried procedure. In 1972 I arrived in Chicago for a fundraising foray and immediately learned from my local friends that things looked bleak. A disappointingly small number of people had responded to our invitation. The giving potential of the group was unknown. One well-known Chicagoan had consented to attend only on the condition, since he had already given generously to the McGovern campaign, that he would not be expected to make a contribution. The fire within me burned exceptionally bright that evening. My message was general, but it was meant for him, since I had to assume that he was the only genuine big-money prospect there. When I sensed that sparks were taking hold I paused. As though we had rehearsed it, he stood, made some moving comments—and a $50,000 pledge (paid the next day). His warmth radiated to others and suddenly we had over $200,000. It was a moment of ecstasy.

When Vice President Hubert H. Humphrey defeated Eugene McCarthy for the Democratic nomination in 1968, a friend of Mr. Humphrey asked me to meet with "our party's Presidential candidate." In a private one-hour conversation, Mr. Humphrey repeatedly urged me to jon his fundraising team "on faith" while I repeatedly explained that only for an openly antiwar candidate could I again undertake the demeaning and debilitating money chase in which I had recently lost weight, strength and self-respect. Our discussion ended, and I retired from big-ticket political fundraising.

My decision to do it again four years later reflected the fact that the McGovern campaign became another chapter in the antiwar crusade. As in 1968, I cringed for the candidate when we would drag him through the dung heap of fundraising antics and charades, awaken him from desperately needed sleep for a bleary-eyed breakfast with a few fat cats, march others in late at night to "chat" with a candidate close to collapse, or put him through a photographic musical chairs routine at a fat-cat function so that pictures with warm personal notes could be sent to dozens, or hundreds, of potential contributors.

The Supreme Court rulings mark a historic step away from this kind of disgusting and distracting process—a process that unquestionably deters people of excellence from running for public office. As one who yearns to join the rest of the country in bidding a final farewell to fundraising, I fervently hope that this proves to be a first step toward the only kind of elections that can be called democratic by contemporary standards: elections financed by all the people rather than by a small minority. That would cost less than one-tenth of 1 percent of our Federal budget. It would be a low-cost high-yield investment in a better chance to get better people to spend the other 99.9 percent for us.

(Harold Willens is chairman of a textile-machinery company. In the current campaign, he says, he has given a total of about $5,500 to four candidates.)

ENERGY CONTROLS HINDER ENERGY DEVELOPMENT

Mr. DOMENICI. Mr. President, the diversity that characterizes this country is at once a fundamental strength, enhancing our longevity as a major world power, and a potential for discord that seriously threatens to undermine that strength. In my own home State we frequently feel that other parts of the country have come to expect that we exist for their benefit with no provision for reciprocity.

In no regard, Mr. President, is this feeling more prevalent, or in my opinion more justified, than in exploitation of our energy resources. As a State, New Mexico has for years provided other parts of the country with vast amounts of fossil fuel energy in the form of oil and natural gas without adequate or even reasonable compensation for the depletion and consumption of those resources.

The means by which such an unfair arrangement has endured and even flourished in what we all like to call a free enterprise system, is the existence of Federal price and product controls, supposedly based on the principles of fairness and equity. There is nothing fair nor equitable in this system and it is fraught with so many abuses and anomalies that its continued existence can only be explained as a monumental case of regional self-interests prevailing over the national interest.

We are about to enter a new phase of oil controls, both as to price and allocation, neither one of which are required or justified by present or future energy conditions. If, in fact, these controls continue to promote increased use of foreign oil when they ought to discourage it, they will penalize those who have a supply of domestic oil or who are engaged in development of our domestic petroleum reserves.

It is my intention to join with others who feel as I do to continue to work for the elimination of the allocation system which is as onerous and irrational as the oil price control system.

The farce this Nation has endured in regulation of interstate natural gas prices has contributed as much as any other factor to the growing resentment in energy-producing States against exploitation of their energy resources. We do not mind helping the rest of the country; in fact, we want to, but we want to be compensated in accordance with the free market principles on which this Nation was founded.

The inequity of the overall situation is bad enough, but in many cases it is also downright stupid. A vivid illustration of that fact exists right now in New Mexico. There are areas of the State which possess even greater energy potential and need to expand in order to develop that potential, but they cannot because of a moratorium on natural gas hookups. A shortage of natural gas is not the problem. The problem is that any gas that could be obtained would be transported to these areas by an interstate pipeline, becoming subject to the price and allocation controls imposed by the Federal Power Commission.

The tragic irony of this situation is vividly described by Mr. Ralph Looney, editor of the Albuquerque Tribune, in an editorial on March 20. I urge my colleagues to read Mr. Looney's excellent editorial and note that his thoughts are an accurate reflection of the mood of a people growing tired of the unreasonable burdens they face as they try to help the Nation meet its energy needs. For that purpose, Mr. President, I ask unanimous consent that Mr. Looney's provocative editorial be printed in the Record at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. DOMENICI. Mr. President, there are those who have claimed and will continue to assert that the energy-producing regions are selfishly attempting to rip off the rest of the country. Some of the proponents of this view carry this notion to the ridiculous point of comparing energy producing areas with the energy exporting foreign nations and end up by calling us the OPEC of the West. The implication of such a preposterous theory is equally preposterous—that people in the energy-producing States are bent on feathering their own nests at the expense of the rest of the country. Nothing could be further from the truth.

What we want is for the price of energy to pay for all the costs associated with its discovery, development, and production and provide a reasonable amount of compensation for the considerable risks entailed and for the fortunes and labors committed to it. Nothing could be more natural or more reasonable. But, unfortunately, the rest of the Nation has gotten used to doing it another way. The rest of the Nation has actually become "addicted" to cheap domestic fuels without paying for the legitimate costs I have mentioned.

Now they are experiencing such violent "withdrawal symptoms" that they are casting about for villains on whom to blame the consequences of their addiction. Convenient villains have been found—the oil industry, which I will be the first to admit is not without fault, and the energy producing regions of the country.

By what right, people and leaders in the dependent areas demand, do the producing areas presume to relate price to the wide variety of legitimate costs associated with energy exploration, development and production? By what right do energy producers presume to change the system that has allowed energy-short areas of the country to pay less for fossil fuels than paid by users in the State of production? By what right, indeed?

The question should be turned around: "By what right does a consumer on the east coast expect to pay a price for precious natural gas that is insufficient to provide for future exploration and development and is lower than paid by a user who lives in the same State, the same county, or even on the same acre where the gas is produced?" By what right, indeed?

In the last decade New Mexico has been right at the top in supplying the rest of the country with oil and natural gas. My State is the largest producer of uranium and also produced substantial amounts of coal. In that time the people in my State have suffered under a per capita income that ranked 49th out of 50. One of the reasons is that in the exportation of gas and oil prices were limited by various Federal Government controls. Some of those controls were designed to equalize the costs of energy across the Nation, particularly in the era of foreign oil price increases. As I have indicated, I have no quarrel with fairness as a basic principle of Government involvement, but all too often, as in this case, I see it used as a disguise to maintain a status quo that is unrealistic and self-defeating in the long run.

The leaders of New Mexico have embarked on a plan to relate future energy expansion and production to the welfare of our people, a direction I have advocated consistently and strongly support. I am not for causing the price of heating oil in the Northeast to be so high that poor people cannot afford it. But, Mr. President, neither am I for keeping the price so low to them that New Mexicans either cannot get gas because of the allocation system or cannot afford it because of price controls that discriminate against New Mexicans. I would not be so upset and concerned if the policy of price and allocation controls would ultimately improve the condition of either consumer, but it has not and it will not because of the simple truth most politicians from importing States refuse to face—such a policy cannot produce more domestic energy and will inevitably lead to increased foreign imports at prices we cannot control by any means.

There are matters I intend to discuss in detail with Mr. Frank Zarb, Administrator of the Federal Energy Administration, when I meet with him soon along with other Senators who are equally concerned about these matters. I urge all my colleagues to consider the realities I have outlined and commit to discard the price and allocation control policies of the past that have helped to create the chaos and potential disaster we face today.

Exhibit I

[From the Albuquerque Tribune, Mar. 20, 1976]

New Mexico Notebook: NM—An Exploited Colony

(By Ralph Looney)

It's a pretty sorry situation.

Some New Mexicans are going to have to remain cold so California can enjoy New Mexico's natural gas.

New Mexico communities in the heart of some of the richest energy producing areas in the nation will have to put a brake on their development so El Paso Natural Gas Co. can pump our gas to California.

It doesn't make much sense.

But that's exactly what will happen when the Public Service Commission grants its expected moratorium on new connections by Southern Union Gas to 25 places in New Mexico.

Southern Union asked the cut-off because El Paso Natural Gas, which supplied it with much of its gas, had curtailed that supply so it could accommodate California under a Federal Power Commission order.

Hopping mad about the cut-off—and understandably so—are the folks in Tucumcari, Portales, Clovis, Silver City, Alamogordo, Grants, Gallup, Animas, Milan, Thoreau, Tyrone, Loving, Fruitland, Kirtland, Texico, Anthony, Truth or Consequences, Tularosa, Central, Hurley and Bayard.

In addition, Ambrosia Lake, the center of the uranium country, is affected. No new connections will be allowed at Cannon Air Force Base, White Sands Missile Range or Laguna Pueblo.

Southern Union may be able to help the situation in the rapidly growing Grants-Gallup area by building a 40-mile natural gas pipeline from its Star Lake Compressor Station in San Juan County to Grants.

But no quick solution to the other communities' problems seems in the offing.

It's obviously frustrating, particularly if you want or need to build any kind of construction in one of those communities.

It definitely would serve, if not to throttle, at least to hobble development.

If nothing else, the sad situation serves to point up New Mexico's precarious situation when it comes to energy, a situation precious little is being done to solve.

The fact is that New Mexico is a vast treasurehouse of precious energy, that can only increase in value and need in the years to come.

As Rep. Philip R. (Bob) Grant, a member of the Legislative Energy Committee, pointed out in a recent talk here, New Mexico is producing 95 million barrels of oil, 48 million barrels of natural gas liquids, and 1.2 trillion cubic feet of natural gas each year.

New Mexico has 53 per cent of the country's known uranium reserves and 25 per cent of all the strippable low sulphur coal.

New Mexico's geothermal base is considered second only to California. If and when we can harness power properly and economically from the sun, we'd have enough to supply most of U.S. electric power needs.

In the face of all this wealth, the cold fact is that most is benefitting someone besides those of us in New Mexico.

Seventy-eight per cent of all that oil goes elsewhere. Ninety per cent of the natural gas we produce goes out of state, as does all our uranium, and 91 per cent of our coal directly benefits persons not living in New Mexico.

While we may enjoy benefits in the forms of jobs from the mining and extraction of minerals, or the production of electric power or such things as projected plants to convert coal to artificial gas, such benefits must of necessity be temporary.

Once those fossil fuels are gone, they'll be gone, period. What's going to be left? In many cases only a hole in the ground.

Severance taxes could be hiked considerably. That would help a little.

It's long since past time when we should be insisting on retaining something more of value in New Mexico than the temporary income boom, followed by the bust and the scarred landscape when the energy's gone.

That could include insisting on plants to process the energy products being removed.

At the very least it should insure New Mexico adequate energy for its citizens for the foreseeable future.

But as it is, New Mexico has become like a kind of foreign colony, our resources being exploited by others to benefit others and other states.

Meanwhile, time's a-wasting.

Sadly, only a few folks like Chairman John Mershon and members of his Legislative Energy Committee like Bob Grant, are really concerned. Few people really seemed to care.

At least until Southern Union started shutting off their new gas hookups. So there may be hope yet.

JOINT TAX COMMITTEE'S ESTIMATES OF FEDERAL TAX EXPENDITURES

Mr. KENNEDY. Mr. President, on March 15, 1976, the Joint Committee on Internal Revenue Taxation published its most recent report on tax expenditures.

The new report, compiled in cooperation with the Treasury Department, contains data and estimates on tax expenditures for fiscal years 1975–81, and is an extremely useful source of information in connection with the forthcoming determination by Congress of the appropriate level of tax expenditures as part of the first concurrent budget resolution for fiscal year 1977.

Under the Budget Reform Act, Congress has already brought direct Federal spending through the appropriations process under control. It is my hope that the same strict budget disciplines will be applied this year to Federal spending through the Internal Revenue Code, which now amounts to approximately $100 billion a year.

Mr. President, I believe that the joint committee's estimates will be of interest to all of us concerned about bringing tax expenditures under control. I ask unanimous consent that the joint committee's recent publication be printed in the RECORD.

There being no objection, the publication was ordered to be printed in the RECORD, as follows:

Estimates of Federal Tax Expenditures

INTRODUCTION

This report on tax expenditures, the fourth one prepared by the staff of the Joint Committee on Internal Revenue Taxation, is published as part of the reports by the Joint Committee to the Committees on the Budget. As in the case of the three earlier reports,[1] the estimates in this report also were prepared with the extensive assistance of the staff of the Office of Tax Analysis in the Treasury Department. Initially the reports were prepared in compliance with the request of conferees on the Revenue Act of 1971 that tax expenditure data be submitted regularly to Congress by the Joint Committee staff.

In January, the administration published its estimates of tax expenditures for fiscal years 1975–77 in Special Analysis F of the budget for fiscal year 1977.[2]

This report covers the period of the fiscal years 1975–81, and it also differs in some other respects from the special analysis presented in the budget. Four tax expenditure items, included in this report (as well as in the CBO report [3]) were omitted from the administration's special analysis—asset depreciation range, deferral of tax on income of controlled foreign subsidiaries, capital gains at death, and deductions by cooperatives of noncash patronage dividends. The staff of the Joint Committee generally has assumed that provisions in present law with expiration dates will not be extended or otherwise modified and no other changes will be made in present law. The one exception is the assumption by the staff that the minimum and percentage standard deductions as enacted in the Revenue Adjustment Act of 1975 will remain in effect through fiscal year 1981.

THE CONCEPT OF TAX EXPENDITURES

Tax expenditure data are intended to show the cost to the Federal Government, in terms of revenues it has forgone, of tax provisions that either have been enacted as incentives for the private sector of the economy or have that effect even though initially having a different objective. The tax incentives usually are designed to encourage certain kinds of economic behavior as an alternative to employing direct expenditures or loan programs to achieve the same or similar objectives. These provisions take the form of exclusions, deductions, credits, preferential tax rates, or deferrals of tax lability. Tax expenditures also are analogous to uncontrolled expenditures made through individual entitlement programs because the taxpayer who can meet the criteria specified in the Internal Revenue Code may use the provision without any further action by the Federal Government. For many provisions, the revenue loss is determined by the taxpayer's level of income and his tax rate bracket. From the viewpoint of the budget process, fiscal policy and the allocation of resources, uncontrollable outlays or receipts restrict the range of adjustments that can be made in public policy.

The staff followed the defintion of tax expenditures developed in the legislative process that produced the Budget Control Act and has included in this report as tax expenditures virtually all tax provisions which have been characterized as tax expenditures under almost any of the prior listings by other sources. As a result, listing an item as a tax expenditure in this report is a part of a process of providing information, and the listing becomes a catalog of past public policy decisions accompanied by estimates of their effects upon budget receipts. No judgment is made about the desirability of any specific provision as public policy or about the effectiveness of the tax approach relative to other methods of achieving the particular public policy goals desired.

In this report, a tax expenditure is described as a tax incentive that departs from simply allowing as deductions from gross income the costs incurred in earning net income. This allows deductions for current expenditures directly related to the process of earning income, and therefore these expenditures are not treated as tax expenditures. These deductions are treated as business costs, and they are deducted on returns filed by corporations, partnerships and individual proprietorships. Capitol costs by their nature are not incurred entirely in one year. The basic tax provision allows depreciation ratably (i.e., straight-line depreciation) over the useful life of the capital asset, but tax law also permits accelerated depreciation to allow faster capital recovery through shorter lives and/or faster rates of depreciation. Such faster tax treatment of capital costs is classified as a tax expenditure; in this report, those items appear as various types of accelerated depreciation: asset depreciation range (ADR), percentage depletion allowances (in excess of cost depletion), and current expensing of costs that otherwise would be capitalized.

Individuals who are employees—rather than carrying on their own businesses—have analogous business-type deductions which also are not classified in this report as tax expenditures. The expenses referred to are those which are incurred in earning net income, e.g., the cost of his tools that a mechanic uses. Most other deductions which individuals take on their tax returns represent personal consumption expenditures. These deductions reflect public policy decisions to facilitate specific types of consumption spending and are therefore generally classified here as tax expenditures. An exception to this rule is made for general personal exemptions and the minimum standard deduction which have not been treated as tax expenditures in any analysis of the subject or in the Budget Control Act. Individual tax expenditures also include various kinds of income, e.g., social security payments to the aged, dependents and survivors, which are tax-exempt income but would become components of adjusted gross income from which taxable income is derived in the absence of the provision for tax exemption.

As indicated previously tax expenditures enumerated in this report differ from the items covered in Special Analysis F of the Budget for Fiscal Year 1977 in that this report includes ADR, deferral of income of controlled foreign corporations, taxation of capital gains at death, and deduction by cooperatives of noncash patronage dividends.

Accelerated depreciation allows the taxpayer to recover the costs of his investment more quickly than is possible through straight-line depreciation over the useful life of the asset that is listed in the guideline lives. There are two forms of accelerated depreciation. Asset depreciation range (ADR) permits cost recovery in a shorter period of time than the guideline lives, up to 20 percent shorter. Accelerated depreciation also provides for higher proportionate depreciation in the first years of an asset's useful life through double or 150 percent declining balance and sum-of-the-year's digits.

Usually it is suggested that income of controlled foreign corporations is deferred for tax purposes in order to permit U.S. corporate subsidiaries to compete as tax equals in foreign countries without the disadvantage of having additional taxes imposed by the U.S. Government. The deferment, however, reflects a specific decision on public policy which qualifies it as a tax expenditure. In this way it is treated like the portion of income earned abroad by individuals that is excluded from taxable income. The exclusion is favored by the proponents of the provision as a way to encourage individuals to work abroad in subsidiaries of U.S. corporations. To a substantial extent the income of foreign corporations is taxed currently in subpart F, and in a similar way foreign personal holding companies also are taxed currently. Of course, dividends from foreign subsidiaries generally are also taxed when received by the U.S. shareholder, but this may be much later than when the income is earned. The Tax Reduction Act of 1975 made permanent changes in the foreign tax area which substantially reduced deferral of foreign source income.

Capital gains accrued on assets up to the time of death are not taxed at the time the assets are passed on to the heirs. At the time of the transfer, the heirs receive the assets with a step-up in basis, that is, their basis is the valuation of the asset at approximately the time they take possession. When the heir assumes possession of the asset with a current basis, he is in the same position for tax purposes as he would have been had he purchased the asset at the current market price. Some argue that unrealized capital gains generally should be included in tax expenditures as a recognition of the deferral of tax that is occurring, but they are not so included in this report. However, capital gains at death are included since the absence of any tax on the gains at death (and the provision for a step-in basis at that time) converts the deferral into a permanent exemption from taxation. On the other hand it is recognized that many view the estate tax which is imposed at the time of death as a substitute for the tax on capital gains at death. The estimate of the capital gains at death is based on the assumption that the income tax, including the capital gains tax, is paid before the estate tax and reduces the estate tax base as do all other income tax payments on behalf of an estate. The net decrease in estate taxes is not included as an offset to the tax expenditure. The administration's estimates of $4.8 billion in fiscal year 1975, $5.0 billion in fiscal year 1976 and $5.4 billion in fiscal year 1977 allow for the offset in revenues from reduced estate taxes.

Members of cooperatives receive patronage dividends which are based on the net income earned by the cooperatives. All patronage dividends are not paid in cash each year, but a substantial portion is retained by the cooperative and is paid in cash in subsequent years. Cooperatives, however, may deduct the cash and noncash patronage dividends so long as 20 percent of the dividend is paid in cash and the patron has agreed to include the entire dividend in his income. Per unit retains are amounts withheld from the price paid to patrons by marketing cooperatives and may be deducted by the cooperative, if the patron agrees to include the amount in his income. Other rules apply to deductions taken by cooperatives for dividends on capital stock and to rural electric and telephone cooperatives. The deductions for noncash dividends are considered tax expenditures because they are special benefits available to the cooperative form of business that are not available to private enterprises performing the same economic activities.

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[1] Committee on Ways and Means, *Estimates of Federal Tax Expenditures*, October 4, 1972, June 1, 1973, and July 8, 1975.

[2] "Tax Expenditures," Special Analysis F, *Special Analyses of the Budget of the United States Government for Fiscal Year 1977*, pp. 116–137.

[3] The Congressional Budget Office published tax expenditures estimates for fiscal years 1976–81 (prepared by the Joint Committee staff) in *Five-Year Budget Projections*, fiscal years 1977–81, January 26, 1976.

A number of tax provisions are not treated as tax expenditures. The general tax rate structure is not part of tax expenditure analysis: the structure of graduated tax rates and taxable income brackets in the individual income tax and separate tax structures for single persons, married persons filing separately, heads-of-households and income splitting for married persons. Other such items are the personal exemption—one per taxpayer and dependent—and the minimum standard deduction. On the other hand included as tax expenditures are the additional personal exemptions for the aged and blind, itemized personal deductions, and the excess of the percentage standard deduction over the minimum standard deduction.

In the business tax area, the combined corporate normal and surtax tax rate is not classified as a tax expenditure. The surtax exemption is treated as a departure designed to foster small corporations and therefore is treated as a tax expenditure.

There is no provision for negative tax expenditures, and no provisions are classified as disincentives. Thus, the corporate surtax rate is treated as the basic provision and not a departure from the normal tax. The limitation on the deduction of a net long-term capital loss is a limit to the incentive made available through the special treatment for capital gains.

Imputations of income in kind received from the services of durable assets are not treated as income in the tax code and are not here classified as tax expenditures. They might be considered as income under other concepts of income for tax purposes. Measurement of the imputed income-in-kind would be a formidable task. The imputed income from an owner-occupied home is the most prominent of these items, and among the others are the income that could be imputed to household furniture and appliances, books and art collections and automobiles. Food stamps are a form of income in kind that also is omitted from this listing.

Foreign tax credits are not classified here as tax expenditures since they are generally considered as the way of taking into account the interrelationship of domestic and foreign tax systems. In addition this analysis does not attempt to go behind the current legal acceptance and attribution of payments by U.S. corporations to foreign governments as taxes (e.g., it does not attempt to treat any as royalties as in the case of oil income), when the payments are designated in that way by those governments. Treating credits for some of these payments as tax expenditures might be appropriate, but they would be difficult to measure.

MEASUREMENT OF TAX EXPENDITURES

Estimates of tax expenditures are difficult to determine and are subject to important limitations.

Each tax expenditure is measured in isolation. The amount of the deduction is added back in the calculation of taxable income, which raises its level. The difference in tax liabilities between the existing structure of tax rates and this new higher level of tax liabilities is taken as the amount of the tax expenditure. For this computation and in keeping with the general practice of revenue estimating, it is assumed that nothing else changes: neither the behavior of the taxpayer, nor the economic variables that might signal an adjustment in business behavior, nor tax, fiscal or monetary policies. The estimates also do not take into account any effects that the removal of one or more of the items might have on investment patterns, consumption, or other aspects of economic activity. In other words, the estimates shown do not take into account the induced effects of changing the provisions. Repeal of a provision, therefore, would not necessarily raise the revenue associated with removal of that provision.

There are other aspects of this kind of analysis.

First, if two or more items were to be eliminated, the result of the combination of changes being made at the same time might produce a lesser or greater revenue effect than the sum of the amounts shown for each item separately. This is why totals are not shown for table 1, except in a footnote.

Second, in some cases if a tax expenditure item were to be eliminated, it is probable that Congress would, at least to some extent, desire to deal with the underlying problem by a direct expenditure or loan program. The effect of any such program is not taken into account in the estimates shown. A direct expenditure could become a tax expenditure if it takes the form of a payment to an individual or business that is not included in income subject to taxation. In addition, if some of these provisions were removed from the tax laws, this removal might be accompanied by revisions in tax rates, personal exemptions or the minimum standard deduction, as has happened in the past. Other fiscal and monetary policies might be adopted to offset a tax change. This has not been taken into account in the estimates.

Third, when tax expenditure items have been added to the tax law in the past, they did not become fully effective until the lapse of several years. As a result, the eventual annual cost of some items is not fully reflected until some time in the future. Conversely, if various items now in the law were to be eliminated, it is unlikely, in many cases, that the full revenue effects shown would be realized until an extended period of years had passed.

Fourth, differences in personal income levels and corporate profits can also account for differences in the cost of tax expenditure items from year to year. Also, some tax expenditure items themselves may be larger or smaller from year to year, wholly independent of tax considerations.

Fifth, in the case of many of the items, especially those for which information is not available on tax returns, it is necessary to obtain information from whatever sources are available and, when sources are limited, to make assumptions on which to base the estimates.

TAX EXPENDITURES BY FUNCTIONAL CATEGORY

To aid analysis of the economic benefits provided through the tax laws to various sectors of the economy, the costs (tax expenditures) and beneficiaries (in terms of area of activity) are grouped in table 1 in the same functional categories as outlays in the Federal budget. Where possible and relevant, estimates are shown separately for individuals and corporations. Some tax expenditures do not fit clearly into any of the budget functional categories. In the Special Analysis F in the Budget, they have been placed in three functional categories added to those in the budget: business investment, personal investment and other tax expenditures. In this report, however, the tax expenditure items in the three special categories have been placed within the budget functional categories to which they are most closely related so that comparisons will be easier to make between outlays and tax expenditures by functional categories. Table 2 lists each of the items and shows to which functional category it was transferred.

TABLE 1.—TAX EXPENDITURE ESTIMATES, BY FUNCTION [1] FISCAL YEARS 1975-81

[In millions of dollars]

	Corporations							Individuals						
	1975	1976	1977	1978	1979	1980	1981	1975	1976	1977	1978	1979	1980	1981
National defense:														
Exclusion of benefits and allowances to Armed Forces personnel								650	650	650	650	650	650	650
Exclusion of military disability pensions								70	80	90	100	110	120	130
International affairs:														
Exclusion of income earned abroad by U.S. citizens								130	145	160	175	195	205	220
Exclusion of gross-up on dividends of LDC corporations	55	55	55	55	55	55	55							
Deferral of income of domestic international sales corporations (DISC)[2]	1,130	1,340	1,420	1,460	1,495	1,580	1,735							
Deferral of income of controlled foreign corporations	590	525	365	365	365	365	365							
Special rate for Western Hemisphere trade corporations	50	50	50	50	50	50	50							
Natural resources, environment and energy:														
Exclusion of interest on State and local government pollution control bonds	75	110	170	220	265	300	330	35	50	55	100	125	145	160
Expensing of exploration and development costs	500	650	840	1,045	1,285	1,540	1,850	120	155	195	245	305	365	435
Excess of percentage over cost depletion	2,010	1,080	1,020	1,015	1,110	1,215	1,325	465	500	575	625	640	670	695
Pollution control: 5-yr amortization	30	20	15	5										
Capital gain treatment of royalties on coal and iron ore	10	15	20	20	25	25	30	40	45	50	60	65	75	85
Capital gain treatment of certain timber income	145	155	165	175	190	200	215	60	60	65	70	75	80	85
Agriculture:														
Expensing of certain capital outlays	135	105	115	120	130	135	150	475	355	360	370	380	390	400
Capital gain treatment of certain income	30	30	40	40	45	50	50	455	490	565	655	705	760	820
Cooperatives: deductibility of noncash patronage dividends and certain other items	395	410	455	485	520	555	595							
Commerce and transportation:														
Investment credit	4,860	6,850	6,370	5,295	5,615	5,910	6,255	950	1,410	1,445	1,080	1,155	1,235	1,320
Depreciation on buildings (other than rental housing) in excess of straight line	220	275	280	300	325	350	375	220	215	215	235	250	275	300

	Corporations							Individuals						
	1975	1976	1977	1978	1979	1980	1981	1975	1976	1977	1978	1979	1980	1981
Asset depreciation range	1, 280	1, 435	1, 630	1, 825	2, 000	2, 095	2, 135	125	155	175	195	220	220	235
Dividend exclusion								315	335	350	370	385	405	425
Capital gain: corporate (other than farming and timber)	695	760	900	1, 015	1, 090	1, 170	1, 260							
Capital gain: individual (other than farming and timber)								5, 090	5, 455	6, 225	7, 360	7, 905	8, 490	9, 145
Financial institutions: excess bad debt reserves	880	815	570	635	730	900	1, 060							
Exemption of credit unions	115	125	135	145	155	165	175							
Deductibility of interest on consumer credit								1, 185	1, 040	1, 075	1, 195	1, 325	1, 475	1, 635
Expensing of research and development expenditures	635	660	695	725	755	785	815							
Corporate surtax exemption	3, 345	5, 020	4, 180	4, 525	4, 890	5, 270	5, 670							
Deferral of tax on shipping companies	70	105	130	155	180	205	230							
Railroad rolling stock: 5-yr amortization	55	30	10	5										
Excess 1st year depreciation	175	145	165	180	200	220	240	100	80	85	95	105	115	130
Exclusion of interest on State and local industrial development bonds	120	150	195	235	270	315	355	55	75	90	110	130	150	170
Deductibility of nonbusiness State gasoline taxes								820	575	600	665	735	815	910
Expensing of construction period interest and taxes	985	1, 020	1, 065	1, 110	1, 150	1, 190	1, 230	525	545	570	595	620	645	670
Capital gains at death [3]								6, 450	6, 720	7, 280	8, 120	9, 015	10, 005	11, 105
Deferral of capital gain on home sales								805	845	890	935	980	1, 030	1, 080
Credit for purchase of new homes									625	100				
Deductibility of mortgage interest on owner-occupied homes								5, 405	4, 545	4, 710	5, 225	5, 800	6, 440	7, 150
Deductibility of property taxes on owner-occupied homes								4, 510	3, 690	3, 825	4, 245	4, 710	5, 230	5, 805
Depreciation on rental housing in excess of straight time	115	120	125	135	145	155	170	405	430	455	480	510	545	580
Community and regional development:														
Housing rehabilitation: 5-yr amortization	40	35	25	20	15	10	10	65	55	40	25	15	15	15
Education, training, employment, and social services:														
Exclusion of scholarships and fellowships								200	210	220	235	245	255	270
Parental personal exemption for student age 19 and over								670	690	715	735	760	780	805
Deductibility of contributions to educational institutions	205	215	280	325	355	390	430	440	450	500	555	610	670	735
Deductibility of child and dependent care expenses								295	330	420	460	510	560	615
Child care facilities: 5-yr amortization	5	5	5	5										
Credit for employing AFDC recipients and public assistance recipients under work incentive program	10	10	10	10	10	10	10							
Deductibility of charitable contributions (other than education)	260	265	350	400	445	490	535	3, 465	3, 020	3, 125	3, 470	3, 845	4, 275	4, 740
Health:														
Exclusion of employer contributions to medical insurance premiums and medical care								3, 275	3, 665	4, 225	4, 730	5, 300	5, 935	6, 650
Deductibility of medical expenses								2, 315	2, 020	2, 095	2, 325	2, 580	2, 865	3, 175
Deductibility of charitable contributions (primarily for health service)	125	130	175	200	220	240	265	920	800	830	920	1, 025	1, 135	1, 260
Income security:														
Exclusion of social security benefits:														
Disability insurance benefits								275	315	370	415	470	525	595
OASI benefits for aged								2, 740	3, 045	3, 525	3, 965	4, 460	5, 020	5, 645
Benefits for dependents and survivors								450	495	565	635	715	805	905
Exclusion of railroad retirement system benefits								170	185	200	215	230	245	260
Exclusion of unemployment insurance benefits								2, 300	3, 305	2, 855	2, 655	2, 470	2, 295	2, 135
Exclusion of workmen's compensation benefits								505	555	640	705	775	855	940
Exclusion of public assistance benefits								105	115	130	145	165	185	210
Exclusion of special benefits for disabled coal miners								50	50	50	50	50	50	50
Exclusion of sick pay								315	330	350	370	385	405	425
Net exclusion of pension contributions and earnings:														
Employer plans								5, 225	5, 745	6, 475	7, 120	7, 835	8, 620	9, 480
Plans for self-employed and others								390	770	965	1, 065	1, 180	1, 300	1, 440
Exclusion of other employee benefits:														
Premiums on group term life insurance								740	805	895	965	1, 050	1, 135	1, 230
Premiums on accident and accidental death insurance								50	55	60	65	70	80	85
Income of trusts to finance supplementary unemployment benefits								5	5	5	5	5	5	5
Meals and lodging								265	285	305	320	335	350	365
Exclusion of capital gain on home sales if over 65								40	45	50	55	60	65	70
Excess of percentage standard deduction over minimum standard deduction								1, 385	1, 465	1, 560	1, 635	1, 720	1, 805	1, 895
Additional exemption for the blind								10	20	25	25	25	25	25
Additional exemption for over 65								1, 100	1, 155	1, 220	1, 280	1, 340	1, 410	1, 480
Retirement income credit								130	120	110	110	90	80	70
Earned income credit									1, 455	696				
Exclusion of interest on life insurance savings								1, 545	1, 695	1, 855	2, 025	2, 210	2, 410	2, 625
Deductibility of casualty losses								280	300	330	355	380	405	430
Maximum tax on earned income								400	480	580	695	835	1, 000	1, 205
Veterans' benefits and services:														
Exclusion of veterans' disability compensation								540	590	595	595	595	595	595
Exclusion of veterans' pensions								25	30	30	30	30	30	30
Exclusion of GI bill benefits								255	330	280	265	255	240	230
General government: Credits and deductions for political contributions								40	40	65	40	50	50	85
Revenue sharing and general purpose fiscal assistance:														
Exclusion of interest on general purpose State and local debt	2, 675	2, 890	3, 150	3, 375	3, 630	3, 925	4, 300	1, 130	1, 280	1, 390	1, 490	1, 605	1, 735	1, 880
Exclusion of income earned in U.S. possessions	245	240	285	305	325	350	375							
Deductibility of nonbusiness State and local taxes (other than on owner-occupied homes and gasoline)								8, 490	6, 505	6, 680	7, 415	8, 230	9, 140	10, 140
Interest: Deferral fo interest on savings bonds								525	605	685	765	845	925	1, 005

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[1] All estimates are based on the tax code as of Dec. 31, 1975, with the exception that the provisions of the Revenue Adjustment Act of 1975 regarding the standard deduction for individual income taxpayers are treated as if they were permanent.

[2] The calendar year aggregate income/sales ratio of DISC's is estimated to be 0.08 in 1975, 0.075 in 1976, 0.07 in 1977, 0.065 in 1978, and 0.06 thereafter.

[3] The administration estimates this tax expenduture net of reduced estate tax receipts. As a result, the tax expenditure for capital gains at death declines to $4.8 billion in fiscal year 1975, $5.0 billion in fiscal year 1976 and $5.4 billion in fiscal year 1977.

[4] Includes for 1976 the tax reduction portion of $291,000,000 and the refundable portion of $1,164,000; includes for 1977 the tax reduction portion of $140,000,000 and the refundable portion of $556,000,000.

Note: Limitations on the use of totals are explained in the text. The totals (in millions of dollars) are:

	Total	Corporations	Individuals
Fiscal year:			
1975	92, 865	22, 270	70, 595
1976	98, 530	25, 845	72, 685
1977	102, 046	25, 460	76, 586
1978	108, 855	25, 980	82, 875
1979	118, 490	28, 040	90, 450
1980	129, 040	30, 215	98, 825
1981	140, 785	32, 645	108, 140

Source: Staffs of the Treasury Department and the Joint Committee on Internal Revenue Taxation.

TABLE 2.—RECONCILIATION BETWEEN TAX EXPENDITURES IN TABLE 1 AND IN SPECIAL ANALYSIS F IN THE BUDGET FOR FISCAL YEAR 1977

Restructuring table to conform with budget functional categories for outlays by transferring items from personal investment, business investment and other tax expenditures.

Item transferred to budget functional category

1. From business investment:

Exclusion of interest on State and local government industrial revenue bonds—Commerce and transportation.

Excess first-year depreciation—Commerce and transportation.

Depreciation on rental housing in excess of straight line—Commerce and transportation.

Depreciation on buildings (other than rental housing) in excess of straight line—Commerce and transportation.

Expensing research and development expenditures—Commerce and transportation.

Expensing construction period interest and taxes—Commerce and transportation.

Capital gain: corporate (other than farming and timber)—Commerce and transportation.

Investment credit—Commerce and transportation.

Asset depreciation range—Commerce and transportation.

2. From personal investment:

Dividend exclusion—Commerce and transportation.

Capital gain: individual (other than farming and timber)—Commerce and transportation.

Capital gains at death—Commerce and transportation.

Exclusion of interest on life insurance savings—Income security.

Deferral of capital gain on home sales—Commerce and transportation.

Deductibility of mortgage interest on owner-occupied homes — Commerce and transportation.

Deductibility of property taxes on owner-occupied homes—Commerce and transportation.

Deductibility of casualty losses—Income security.

Credit for purchase of new homes—Commerce and transportation.

3. From other tax expenditures:

Deductibility of charitable contributions (other than education)—Health and Education, training and social services.

Deductibility of interest on consumer credit—Commerce and transportation.

Maximum tax on earned income—Income security.

MUDDYING THE CAMPAIGN WATERS

Mr. BEALL. Mr. President, in the last several days, the Senate has been debating S. 3065, the Federal Election Campaign Act. Although the initial purpose of this type of legislation was simply to reconstitute the FEC, to meet the objections of the Supreme Court in their decision, in Buckley against Valeo. The Rules Committee has used this opportunity to make substantial and far-reaching changes in the basic campaign law. These changes have been made in most cases without the benefit of anything resembling the careful consideration that they need and deserve.

We have now failed to meet the deadline imposed by the Court. Unless we act rapidly, we will have negated some of the beneficial effects of the Election Reform Act.

Therefore, I hope my colleagues will postpone efforts to add a hodgepodge of amendments to the act until we at least have one national election under our belt, and instead move to reconstitute the Commission as required by the Supreme Court.

On Monday, March 22, the Baltimore Sun published an excellent editorial on this matter, and I ask unanimous consent that the text of this article, entitled "Muddying the Campaign Waters," be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

MUDDYING THE CAMPAIGN WATERS

The Senate is recklessly complicating the campaign-reform law, and Majority Leader Mansfield is probably right that President Ford will veto the bill. The President would probably be sustained, if close votes in the Senate last week are any indication. One key section supported by Democrats was retained by a one-vote margin. Congress is trying to give itself more oversight of the Federal Election Commission. In the original 1974 reform amendments, Congress had power to appoint some members of the FEC. The Supreme Court ruled that provision unconstitutional. So Congress wants to make sure that an FEC composed of presidential appointees will never be a tool of the Presidency. That's a good idea, but the middle of a campaign is no time to implement it. This close to Watergate a corrupt White House-FEC relationship is improbable, so Congress can safely wait a year. A Watergate-wary public is also likely to wonder whether the public good is really what such senators as Hubert Humphrey and Henry Jackson have in mind as they vote on amendments that affect their rivals' presidential prospects. Frank Church wisely abstained.

Some members also want to extend public financing of elections to congressional races. That might be a good idea, but it needs to be considered coolly in a non-election year. It can best be appraised after this year's experiment with presidential public financing.

A third goal of those senators and representatives who insist on tinkering with the 1974 law is to keep corporations from soliciting political funds from employees. This new arrangement in American politics stems from an FEC interpretation of the 1974 law. It may prove unwise, but it certainly deserves a trial. Next year is the time to consider the result of the FEC ruling.

What Congress ought to do is promptly pass a law reconstituting the FEC, so it can continue to make payments to presidential candidates and keep a watchful eye on all candidates for improper and illegal behavior. Period. That way there will be no veto, no interruption in campaigning, and no chance that the FEC will die—and with it a reformed campaign.

INGENUITY ON THE RANGE

Mr. McGOVERN. Mr. President, the March 1976 issue of Successful Farming contains an article entitled "Setting Goals Forced Him Into Better Planning." It describes how J. Tibbs Hamilton of Midland, S. Dak., by careful planning and attention to detail, achieved a 5-year beef production goal that even the most sophisticated rancher would view with envy.

Mr. Hamilton operates a 7,000-acre unit including 2,500 tillable acres in an area where there is an average annual rainfall of 14 inches. Normally, he raises enough feed for his 500-cow stock herd and feedlot animals.

Through a careful conservation program, he retains sufficient water to irrigate cropland and through unique range management he constantly improves the quality of his grasses. These practices are integrated with a breeding procedure which ultimately gives him a 10-percent increase in salable red meat above the national average from a 1,000 pound Choice animal.

To congratulate Mr. Hamilton on his achievement I ask unanimous consent that the text of the article I have referred to be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

SETTING GOALS FORCED HIM INTO BETTER PLANNING

(By Willard Waltner)

In 1970, J. Tipps Hamilton, Midland, South Dakota, decided to set up long-term goals to improve his farming and livestock practices. To keep them in mind, he put his goals down in writing.

"In an area of 14-in. average rainfall, where government statistics show 20 acres will support one cow, I plan to make 10 acres support one cow and produce enough feed to carry her offspring to 700-lb. weight.

"I further plan to have more than 90% of the cow herd bred back within 50 days and to wean a 90% calf crop.

"I plan to have 90% of the feeders gain on a 6-1 feed conversion ratio."

Five years later he had reached his goals so he raised them.

"Originally I had a goal of 100 lbs. of animal per acre, now I have raised that goal to 50 lbs. of salable meat per acre," he says.

Good pasture management and the hybrid vigor of a three-way cross are the two primary factors which made it possible. Using these, he has doubled carrying capacity and increased salable red meat by 40 lbs. per animal above the national average.

HE BALANCES CROPLAND AND PASTURE

There are 7,000 acres in the Hamilton operation. They break down into approximately 2,500 acres of tillable flat land and the balance in rough river breaks suitable only for grazing. Hamilton has returned half of the flat land to improved pasture. On the balance he raises enough feed for his 500-cow stock herd and feedlot animals.

Pastures are so rough machinery cannot be used for improvement, so the important factor is getting the most possible production from them in carefully controlled grazing.

"The grass must be allowed to go to seed at least every other year," says Hamilton. "Most of our native pastures will go to seed every year because we seldom graze it before July 16 and it will have matured by then if there is sufficient moisture."

Pastures are fertilized with nitrogen when economically feasible. As a result of the careful management and fertilization program, Hamilton has pastures which have been in crested wheat grass for 25 years.

DAMS MAKE IRRIGATION POSSIBLE

To improve crop production, Hamilton developed a series of dams in the rough pasture draws to catch rain and snow runoff.

"In these breaks we cannot make use of the rains, the water simply runs away. I am trying to collect as much of it as I economically can, save it and put it in a reservoir so that I can irrigate out of it," explains Hamilton.

"Corn is our best crop, mainly because it produces so much," say Hamilton. "We can produce more feed, more nutrients, more energy with corn as silage than with any other crop."

He rotates corn with small grain, mainly oats and barley, rather than going corn on corn. This practice helps keep down his commercial fertilizer and chemical costs.

ULTIMATE GOAL IS MORE MEAT

Hamilton's primary goal is to produce more salable red meat per carcass. According to USDA figures, the average 1,000-lb. animal, grading Choice, will produce a 600-lb. carcass of which 425–430 lbs. will be retail salable meat.

He says, "Our 1,000-lb. animal with a 600-lb. carcass has 460–480 lbs. of retail salable red meat. Conservatively speaking, we have increased the salable meat yield by 10% through genetics."

Hamilton considers the ideal cow for his stock herd to be a Hereford-Angus crossbreed, the "black baldy."

"Take an F_1 'black baldy' cross, breed her to a Limousin and the offspring is ¼ Angus, ¼ Hereford and ½ Limousin. With this program we can produce a carcass, on the same feed input, with 10–13% more retail cut than the national average."

EXPLANATION OF ANTITERRORISM AMENDMENT TO H.R. 9721

Mr. DOMENICI. Mr. President, in view of the time limitations on the discussion last Thursday on the Inter-American Development Bank and African Development Fund Act of 1976, I was unable to fully explain my reasons for proposing the antiterrorism amendment to the act. I wish at this time to make such a statement regarding my amendment.

In offering my amendment to H.R. 9721, and more specifically to that portion of the legislation dealing with the African Development Fund, I recognize that there are no easy solutions to the problems of international terriorism and terrorist activities as such activities disrupt international transportation, communications, commerce and, in some cases, international relations. We are also perhaps too painfully aware that preventive measures and the punishment of terrorists are difficult to accomplish when terrorist attacks occur under the jurisdiction of third states or when terrorists are granted asylum or refuge by sympathetic states.

The major issues facing the United States are the protection and safety of American travelers, businessmen, and diplomats abroad. The pattern of international terrorism has become increasingly diversified with the application of new methods of violence to broader geographic areas and with increasing cooperation and collaboration among different terrorist groups. In offering my amendment, I wish to assure my colleagues in the Senate that I do not consider terrorist activities as such to extend to the legitimate aspirations of national liberation movements but rather to that aspect of international terrorism which I would define as politically and socially motivated violence against civilians or property which takes the form of aircraft hijackings, attacks on airlines and airline passengers, kidnapings, assassinations, bombings and seizure of hostages for ransom of various forms, including the release of political or other prisoners.

Mr. President, we are all aware that the United States has encouraged, if not taken the lead, in fostering multilateral action against terrorist activities, particularly in the United Nations and its specialized agency the International Civil Aviation Organization. Three treaties dealing with the protection of international civil aviation have been negotiated within the ICAO and are now in force. Also, two treaties concerning the protection of diplomats from terrorist activities have been signed by the United States. We have been slow in moving but we have made substantial progress in dealing with the subject of international terrorism as reflected in such events as occurred which have seen the wanton murder of American diplomats in the Sudan go unpunished and where other countries openly flaunt international efforts to combat terrorism by providing refuge for terrorists. I am convinced that without greater international cooperation we are all destined to become victims of international terrorists.

In offering my amendment I suffer no illusions about using U.S. voting power within the African Development Fund effectively to deny U.S. funds to countries which provide refuge to international terrorists. We all are aware that African member nations of the African Development Fund retain 50 percent voting power while contributing slightly more than 5 percent of the funds. Nor is it my intention in sponsoring this amendment to point fingers at a specific country for its past actions or to deny funds to the poorest of African nations which would be the recipients of funds under the African Development Fund. What my amendment seeks to do is to provide policy guidelines for the U.S. representative to the African Development Fund, thereby reinforcing U.S. efforts to combat international terrorism in general, and to convey the sense of the Congress with respect to this difficult issue.

THE WASHINGTON POST ON THE PLIGHT OF DISPLACED HOMEMAKERS

Mr. TUNNEY. Mr. President, several months ago I introduced S. 2541, the Equal Opportunity for Displaced Homemakers Act, to benefit 3 to 6 million people who are trapped in an economic no-man's land. They have lost their spouse through the tragedy of death or divorce, have little if any source of income because they are too young for social security benefits. They are thought to be too old for ready employment, and too rich for welfare. They have spent their married lives working for no pay as chauffeur, cook, laundry, cleaner, mother, wife. They are now "displaced homemakers," with few job prospects, no Federal, State, or local aid, and a lot of fear.

Sixteen of my colleagues have joined me in seeking means of bringing these individuals into the work force. As one of my cosponsors, Senator RIBICOFF, put it:

> All of us should have a selfish interest in helping these (people) find meaningful employment. Without jobs, they become disillusioned welfare recipients; with jobs they can be active members of society and taxpayers.

The Washington Post recently published a story about a group of displaced homemakers which graphically describes their plight. I commend this article to my colleagues and urge them to consider the clear need for ameliorative legislation such as S. 2541. I ask unanimous consent that the text of that article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

THE DISPLACED WOMAN: FACING THE FUTURE WITH FEAR AND HOPE

(By Lynn Darling)

In the small living room of an apartment in Northern Virginia, seven women sit in a circle trying to banish the past, cope with the present, and face the future.

They are all either separated or divorced. They range in age from late twenties to mid-fifties, bound together by the economic, legal and emotional battles they enter daily. They come together once a week for shelter and for support, for the commonality of shared problems, for the hard, often brittle hunt for solutions.

"I'm almost 53," says a well-dressed woman in a pantsuit. Her graying hair is neatly coiffed, her eyes are wide with fear. "We were married for 30 years." He was a professional man, she a professional wife. And she had spent that day at a vocational rehabilitation center taking a battery of tests designed to determine what skills she had, what jobs she was qualified for. There was pride in her voice as she told the group of her determination to go back the next day for more of the same. There was despair as she told them about the fractions.

"I practically had heart seizure, right there in the room," she says. "It's been 30 years. I couldn't do them. How on earth am I going to get a job if I can't do fractions?"

The women ask her what part of the test she did well in, seeking to shore up at least one line of defense. "English," she answers, "I was always good in English," and for a moment her thoughts drift back to the time when fractions and sentence structures had little to do with her future.

The women try to encourage her. "You don't want to be a mathematician any way," they say. "Think about the parts you did well." But she refuses to be reconciled. "All right," she says, "I did well in English. But I still had a lousy marriage. I still don't know what I'm going to do." Small triumphs of will power dissolve in the face of the one seeming failure that renders a harsh verdict on the last 30 years.

The women try to divert her with stories of their own faltering first steps toward going it alone. "I'd never paid a bill before," says a handsome woman in red, white and blue. "The first time I paid a telephone bill, I carried it around with me for two weeks because I simply didn't know what I was supposed to do with it."

Around 10:30 p.m., the group prepares to disband. They exchange their phone numbers among themselves. The woman whose eyes were filled with fear is still contemplating the life ahead of her. The final decreed divorce, she says, will be handed down shortly before her birthday. "Think of it as a rebirth," says one of the women. "Yes," says another. "It's always painful being born."

The women in this group, like the others in this story, now have a name in the constellation of legislative change. They are called Displaced Homemakers. They are older women, women who have been married for 20 and 30 years, who have devoted their whole lives to their marriages and have seen them end in widowhood or divorce.

Married at a time when a life devoted solely to the caring of house, husband and children was not only accepted but expected, they have ended their marriages in a society quite different from the one in which they took their vows. Many of them have never developed or put into practice the skills upon which the job market might cast an appreciative eye. Now they find themselves unqualified for a job, ineligible for unemployment, too young for social security, too old, in the eyes of prospective employers, for job training, and dispossessed, in many cases, of the retirement, pension, and health insurance plans upon which the security of the future had once rested.

But while the financial difficulties are often enormous, there are other, less easily categorized problems which these women must confront. "If a woman has been Mrs. John Jones all her life, and the marriage ends," says Tish Sommers, head of the Alliance for Displaced Homemakers, "she loses not only her husband and her job, but herself. She feels like a nonperson. The work she's done all her life is not recognized as work and she has very little left to give her a sense of her own self-worth."

There are bills pending now, in the Congress, in the Maryland state legislature, before the D.C. City Council, and in several other states, but not Virginia, that seek to establish centers for such women, places where job training could be provided, and where women could find information and counselling on legal options, health and emotional problems. The bill in the House calls as well for a study to determine the feasibility of including such women in existing unemployment benefits programs. But as Renee Montgelas, aide to Congresswoman Yvonne Burke (D-Calif.), the bill's sponsor, says: "It's a new type of concept, and this isn't the time for new ideas and programs. It's going to take some time to adjust."

No one knows this better than the women who are doing the adjusting. Their stories come out in tangled threads, the pain and anger and fledgling hope bound up each in the other. Sometimes the determination to survive is enough to patch over the large hole rent in their sense of their own self worth. And sometimes it isn't. Here then, are some stories of women who have made it and of women who hope they will.

Erna Zeiss (her maiden name) married her husband 20 years ago and last June he died, at the age of 52. He had been ill for several years, but there had been surgery and it looked to his wife as if he were going to make it. He hadn't told her that he had only six months to live. One summer day he went back into the hospital, and two days later he died.

They had met in Germany where he was stationed as a sergeant and they started life together on $157 a month and the extra strength an interracial marriage required. He left the service in 1964 to work in a leading department store in the area. He worked hard. He strove hard to succeed and he did, becoming an executive with the company. Eventually he was earning $20,000 a year and she took a job for half that amount for pin money, the occasional extravagance.

They bought a home in Reston, they raised a son and daughter, they had a traditional marriage. He was the breadwinner, she was the homemaker, and that was the way it was. "He would never help around the house," she says. "I never expected him to. It was another time then. I don't know what I would think now."

She did not know what to think when he died. There was shock and sorrow and bitterness over his death, there were bills to pay. The pin money became her principal source of income and she took in a boarder as the mortgage payment came near.

For a long time there was depression, and nightmares where she would wake convinced she smelled her husband's tobacco and heard his footsteps on the stairs, much like an amputee may feel pain in a limb no longer there. "When you get married," she says, "you think of yourself as two in one. You think of you and your husband as one individual, you become one unit. When he had felt pain, I had felt it too, just as if it were happening to me. When he died, I became a half-person."

Now her days are spent getting up at 5:00 a.m. and working fulltime and taking classes three nights a week at Northern Virginia Community College in Loudoun County in order to earn a degree in Business Administration in the hopes that it will lead to a better and higher paying job. What time there is left is spent with her 19-year-old son.

Her income now is about $900 a month; the bills amount to about $1,000. "I know what you're going to say," she says. "You think I should sell the house. But he worked all his life for this house and I'm not going to give that up as long as I can work. He worked too hard."

She pauses for a sip of coffee and the Kleenex nearby. "That's what's so hard," she says. "You work all your life and you buy a home and you're hitting 50 and finally you can look back and you can feel that you've made it. And then the bottom falls out. But you just haven't got the right to collapse. If I sold the house, what would I have left. What would be left of him?"

She cherishes the small signs that the half-person is becoming whole again. She remembers vividly the first time she talked back to her boss. "Boy was I proud of myself. I'd never done anything like that before. You finally begin to realize that you're solely responsible, and that you have to learn how to speak up for yourself. I'm becoming a real rebel now. Sometimes I don't recognize myself."

She's going to make it, she says. "I'm determined to." But always there's the constant worry. She's 46 and another job may be impossible to find. She faces the prospect of major surgery that might put an end to the job she has now. The question comes back, she says, over and over again to haunt her. "What if I get sick and lose my job? What then?"

Marion Hearon has sympathy for the widow's plight, but it is tempered by a difference she sees between death and a final decree. "At least the widow doesn't have to wonder 'What's wrong with me?' and she doesn't have to know that others are wondering that too, wondering what you did to make him leave," she says.

She and her husband, a mathematician for the government, were divorced after 26 years of marriage. They had met in college. She graduated with a degree in chemistry and worked as a research assistant until a month or so before her first child was born. She quit her job "because it wasn't popular then for a mother to be working" and assumed the role of homemaker. She cared for their two daughters and their suburban home, was active in the Girl Scouts and in community affairs in Montgomery County, where they had gone to live in the late '50s. And then came the separation in 1970 and then the divorce.

She still shakes her head in wonder. "You start out with a guy making $92 a month as a graduate student. You stay up at night typing his papers, you care for his children. You have a good standard of living, you start thinking in terms of how, in five years, you can maybe get a house in the country or a cottage on the beach. And then everything breaks down. You thought of yourselves as two reasonable, intelligent people and then all of a sudden one person decides he's entitled to everything that makes up 26 years. And it doesn't make any difference that you're a responsible person and a member of the community. You've worked so hard for so long and you really haven't made any demands. And then all of a sudden they see you as an aging, dumped woman with nothing to offer.

And then, she says, there comes a day "when you realize that if you want to survive you have to take stock of what you have to work with." She took typing in an adult education class and went to work as a GS-3 secretary at the National Institute of Health. She is up to a GS-5 now, and works weekends as a hostess for a real estate company, a 56-hour week in all. She worries about the time she doesn't have to spend with her 16-year-old daughter. "The things you do to keep a family close, you can't because you're constantly hassling."

Looking back on her life since the divorce, she tallies up the changes in herself. "Well, to begin with," she says, "you learn not to get uptight, to take things one step at a time, to find out what the priorities are. I've struck the 'ought-to's' out of my life—there was a time when I would knock myself out scrubbing woodwork but not anymore. I've been told my personality has changed—they say, 'boy, do you come on strong.' I guess I do, I'm a lot more aware of the world than I was."

Looking forward, she is not optimistic. "When I learned there might be openings for a grade five chemist," she said, "I called up, thinking that at that level, I might have a chance. The woman asked me if I had any experience and I said 'yes' and then she asked me how long ago. When I told her 20 years, she said, 'I can't even encourage you. We have thousands of applicants for these jobs.' But how do you get recent experience if you can't even get in?"

She would like to take some courses, but there is little time, less energy, and she finds learning harder than it used to be. "I just don't seem to fit in," she says. "I can't find my slot. There just isn't anywhere to go. I can't work and go to school at the same time, I wouldn't do a good job. I have this terrible feeling that I'm at a dead end as far as personal productivity is concerned, that I'll never catch up."

Lydia Martin, sitting in a darkened apartment on Connecticut Avenue, would give much the same advice to her three children, all of them now grown. It has been almost a year since the marriage ended, almost 30 since it began.

She receives some alimony. She works occasionally as a substitute teacher, and she goes door-to-door doing public opinion surveys on a quota basis. She gets by.

So it isn't just the money that has sent her out applying for over 20 jobs and filled a folder with an equal number of rejection slips. "If I got a job," she says, "It would change my whole attitude. It would be my salvation. I wouldn't have the anxiety over whether I'll ever pull out of this. Or whether I'll lose everything I have."

She has a master's degree in guidance. Prospective employers, she says, ask her if she can type; they say she's overqualified or underqualified. What they're really saying, the middle-aged woman says, is that she's too old.

Employment agencies tell her that she's exactly what the job market doesn't need.

She is taking courses at the University of Maryland that would give her a certificate qualifying her for paralegal work. "I'd always wanted to be a lawyer," she says, "but I'm over the hill for that."

Material values, she says, "haven't been that important to me. I just want to be content. To have a job I really like, that I'm interested in, that I could be useful in. It would mean everything just to get settled, to make a few friends, to know where I'm going."

The question of a precarious future faces Mona Wear as well. She is 39. Her husband, a barber, died of a heart attack and kidney disease in 1967. Since then, she has lived on $400 a month, made up of the Social Security she receives for herself and her 15-year-old son and $115 a month from the Veteran's Administration.

In three years, her son will be 18. There will be no more Social Security for herself or for her son and the V.A. benefits will be cut almost in half. She will have to get a job. She does not have a high school diploma.

She has held only one paying job since her husband died, working as a waitress for about a week. She quit because it worried her to have an adolescent boy at home alone without her there for guidance, worried about the effect that such a situation had on the children of some of the other working mothers she saw around her.

"It's so scary to try to make it in the world the way it is now," she says, sitting in the living room of a garden apartment in Greenbelt, Md. "I was raised to believe that the way you were measured was by what kind of wife and mother you were. I thought women's lib would give you a choice, but now it seems that you're nothing if you don't work, if you think you should be home with your children. It seems you're damned if you do and damned if you don't. The week I worked, my son had to be taken to the hospital, and when I got there the nurse read the riot act about all these mothers who are never home where they belong. And then the next time I turn around people are looking down on me for not working."

Currently she is finishing up a three-month course, which, if she passes the exam, will give her the equivalent of a high school diploma. "I've loved the chance to learn again," she says, and she would like to find a way to continue, so that when the Social Security runs out, she'll have some skills for a job.

But she worries. "Who will hire me when I'm 42?" she asks. "What will happen when I get older? If I hadn't been able to attract men, if I didn't have boyfriends, I wouldn't have some of the things I do—a dinner out somewhere, or a ride out somewhere, or a ride some place because I don't have a car. I just wish I were 21 again. If I were 21, I'd have a chance to make it."

Leyla Sheahin Samaha, now 44, met her husband at a wedding reception when she was 15, a freshman in high school. Four years later they were married, and three years ago, they were divorced. "It was like taking a child out to the woods and telling her to find her way home again," she says. He had been the master of the house, she had rarely paid a bill. Now the heat is turned off in her home in Camp Springs, Md., because the bill is over due and she doesn't want to run it up any higher

He was a periodontist in the Air Force, for most of their marriage and is now in private practice. She remembers clearly the way it was when the marriage ended, each detail etched in her memory.

"I would wake up in the middle of the night," she says, "so frightened my heart was pounding. I'd have to go in and sleep with my daughter. I lost weight, I didn't care how I looked, I wouldn't put on makeup, all I could talk to my children about were my problems."

"I spent the time 'iffing'—wondering if I had done this or if I had done that, we'd still be together. I begged not to wake up in the morning. I was convinced that I was going to lose my children, that they would love her (her ex-husband's new wife) better than me because I would never be able to give them the material things."

She is getting by now, learning how to make it in ways that might have seemed outrageous to the respectable wife of a middle-class professional man not so many years before. There has been a motley collection of temporary jobs and of jobs not received. In the beginning there had even been a small catering service, when she thought, "I'd put my entertaining skills to use. But I spent more than I charged doing a party just so that everything would look just right."

There was the summer when expenses were shared in a sort of communal arrangement with her son and his college friends. There are the semi-monthly basement sales where she sells off the other TV, the extra radio, the fur coat, the gold Omega watch, the other valuable jewelry. There was the weekend this winter when she and her son Gary loaded down the car with quilts he had bought in Charlottesville and pursuaded a Georgetown vendor to let them share his street corner.

"It all seemed so degrading at first," she says, "the things I had to do to get by. But then I learned not to feel degraded by it, but to feel proud of myself for how resourceful I was."

There have been other changes as well in the way she looks at things. "I've learned," she says, "how unimportant all of the material things that you fill your life with actually are. It's a positive healthy experience to learn how little you can live on."

She has learned as well how much her children mean to her—Jeff, 24, Gary, 22, Lisa, 19, Rick, 18. She is fiercely proud of their independence, nurtured by their love and support. "I've discovered," she says, "that the most important thing you can give anyone you love is the right to learn how to make their own decisions."

She is going to school now at Strayer College in the District, studying business administration under a federally funded program which pays for her tuition. This quarter she should make the dean's list, she says.

She has stitched together a life for herself but there are still ragged edges left by the rejection that put an end to 22 years. It comes out not only in the things she says, but in the way she detains a visitor to display a few mementos. There are the Valentine's Day cards she received from her children, handwritten testimonies to their love and need for her. And there are the few small photo albums. In one of them is a picture of her in a time since past, young and smiling as she dances in the arms of her husband on a Caribbean cruise.

In her smile now there is a trace of irony, a touch of pain. "Everything he did, he did well," she says. "I guess I was his only failure."

THE FOOD STAMP REFORM BILL

Mr. BUCKLEY. Mr. President, in a few days, this body will take up the food stamp bill drafted by the Senate Agriculture Committee. This is not the time to discuss the merits or faults of that legislation, but it is appropriate to note in advance what is likely to be the most controversial subject related to it. That is the proposal to eliminate the purchase requirement for food stamps.

The Baltimore Sun recently provided an opportunity for the distinguished Senator from Kansas (Mr. Dole) and me to state our respective views on this issue. I express my appreciation to the editors of the Sun for their presentation of both sides of the debate in this manner and to compliment the Senator from Kansas for his argument, with which I must regretfully disagree.

Because the purchase requirement for food stamps is a complicated matter, I believe our statements in the Sun may be useful to our colleagues in our upcoming consideration of the food stamp bill. I therefore ask unanimous consent that they be printed in the Record.

There being no objection, the statements were ordered to be printed in the Record, as follows:

[From the Baltimore Sun, Mar. 20, 1976]

Should Food Stamps Be Sold or Given Away?

(Most food-stamp recipients pay specified percentages of their incomes for their monthly stamp allotments. Some U.S. senators, including Republican Bob Dole of Kansas, are expected to propose an amendment eliminating the purchase requirement. New York's Conservative-Republican Senator James L. Buckley sees their plan as a step toward a negative income tax.)

(By Bob Dole)

Liberals and conservatives agree on at lease two basic principles in the current debate over reform of the food stamp program middle and upper income families should not receive food stamps, and, as a corollary, persons living below the official government poverty level should qualify for assistance.

The food stamp reform bill reported by the Senate Agriculture Committee adopts these principles by limiting participation in the food stamp program to households with net incomes below the poverty line.

Unfortunately, the committee reform plan, like the current food stamp law, does nothing to ensure that the poor are actually able to receive food stamp aid.

This gap between qualifying and participating households is largely attributable to one major obstacle: the purchase requirement. Under the committee bill, food stamp recipients will be forced to pay 27½ per cent of their net income for a fixed allotment of food stamps.

For many needy families—especially the elderly poor living on fixed incomes—even the current average 24-percent purchase requirements represents an insurmountable burden. A series of studies—in Mississippi, New York, North Dakota, and other areas—has determined that inability to afford food stamps is the largest single reason why eligible low-income families do not participate in the program.

Instead of requiring a poor family to pay $100 to receive a $162 food stamp allotment, we should simply give the family, without payment, $62 worth of food stamps. Not only would many impoverished families—especially the elderly poor—be able to receive needed nutritional assistance for the first time, but administration would be greatly simplified.

Opponents of eliminating the purchase requirement raise many objections to this simplification of the program.

It is charged that less money will be spent on food since families will not have to commit the full coupon allotment to food at the beginning of each month.

Yet all available evidence indicates that most current recipients will continue to spend a large portion of their incomes on food. (Besides, is it the place of government to tell a poor family it has to spend $162 on food when spending $132 one month might allow it to pay for a heating bill to prevent its heat from being turned off?)

Moreover, many new families who cannot now afford to participate in the food stamp program would be able to increase their food purchases over the current inadequate levels.

No doubt, elimination of the purchase requirement will decrease the cost savings of the food stamp reform bill, since more poor families will begin receiving assistance.

But preliminary estimates by the Congressional Budget Office indicate that $200 million or more can still be trimmed from the 1977 food stamp budget even if the purchase requirement is eliminated.

As a long-time advocate of federal spending restraint, I, too, would like to reduce food stamp outlays by a greater amount. But I do not feel that raising procedural roadblocks to the participation by needy citizens in government aid programs is a proper way to keep federal expenditures down.

Elimination of the purchase requirement is the simplest, least costly method of offering impoverished Americans a real opportunity to obtain a nutritionally adequate diet. And it would have other benefits:

The cost of selling food stamps—between 50¢ and $1.10 for every transaction—would be eliminated, thus saving state and federal governments from $50 to $100 million annually.

Fraud by food stamp vendors, which has already cost the taxpayer nearly $7 million, would be eliminated since there would be no vendors.

Over 35 per cent of food stamps in circulation would be eliminated, thus reducing the burden on issuing and redemption agencies.

The black marketing, or discounting, of food stamps would be substantially curtailed, since there would be far fewer stamps in circulation.

As I view it, the elimination-of-the-purchase-requirement issue does not lend itself to traditional liberal-conservative distinctions. It will simply ensure that the food stamp program accomplishes its statutory mission—to provide low income families with an opportunity to obtain a nutritionally adequate diet. And on that fundamental goal, there should be little disagreement.

BY JAMES L. BUCKLEY

When the food stamp program was begun a decade ago, food stamps were not supposed to be just another form of welfare. They were not intended as an income supplement for the unemployed, for students, or for persons with marginally low incomes.

Rather, they were to provide nutritional assistance for those who desperately need it.

To its credit, the Congress realized that one reason for hunger among the poor was that many persons living in poverty do not have the experience and information necessary to manage their financial resources. And so, the purchase requirement—the amount of money which a recipient must pay for a greater amount in stamps—was meant to assist the poor in developing the budgetary skills and disciplinary habits required to make the most of public assistance to them.

Some now contend that the purchase price has become a disincentive for large numbers of the poor to participate in the program.

I doubt it.

For those with the lowest incomes, the purchase price is zero. In most areas of the country, recipients of Aid to Families with Dependent Children may have their modest purchase requirement withheld from their welfare check.

But if the purchase requirement does not keep many eligibles out of the program, why are many of them not participating? The shocking truth is that approximately one-quarter of the American people are now technically eligible for stamps.

Most of those fifty million Americans are too proud—bless them!—to seek food assistance unless they truly need it.

Let us be honest with the taxpayers. Removing the purchase price annually save some $30 million in administrative costs; buit it would, by the estimate of the Congressional Budget Office, increase the program's costs by at least $800 million and perhaps as much as $2.5 billion.

In fact, increased participation in the food stamp program will not be the only effect of a removal of the purchase requirement.

If the purchase price is eliminated, then food stamps will become nothing more than a simple cash transfer—a flat addition to the recipients' purchasing power in the form of stamps rather than dollars.

Once that first step is taken, a second becomes inevitable: transforming the stamps into cash and mailing out food checks instead of coupons.

The final step is even more disturbing.

No less an antagonist of the purchase price than Senator George McGovern has confessed, in hearings before the Senate Agriculture Committee on October 7, 1975, "that we are moving toward the concept of a single flat income maintenance guarantee. Now, very frankly, when you eliminate the purchase price, you are taking a step in that direction, and it is probably a step that is more palatable to the Congress and the American people than talking about a guaranteed income. Nobody is more painfully aware of the hazards on that approach than I am."

And the several billion dollars in monthly food-welfare checks—for that is just what they would be—would soon be combined with other forms of federal cash assistance: S.S.I. and A.F.D.C.

In short, a de facto negative income tax system would be in operation, as a fait accompli, without any conscious decision by the Congress to create it.

What will happen when we discover that millions of our countrymen, receiving their guaranteed income checks, nonetheless have hungry children and elders at home because they are either unable to or unwilling to use their cash for proper nutrition?

Will we tolerate that situation? Or will we, five or ten years hence, enact yet another food stamp program for those millions who would, by then, be receiving federal welfare?

In sum, for the poor, the purchase requirement for food stamps is an occasionally awkward necessity. For the taxpayers, it is a safeguard of their generosity. But for those who would stampede the Congress toward a national welfare system, the purchase requirement remains, along with the President's resistance, the foremost obstacle to their plans.

THE IRISH IN THE AMERICAN WAR OF INDEPENDENCE

Mr. KENNEDY. Mr. President, we are a Nation of immigrants, and in this Bicentennial Year we honor our cultural heritage and the contributions of our ancestors to the development of our great Nation. Recently, the First Secretary of the Embassy of Ireland, Sean Farrell, delivered an important and timely address to the Washington, D.C., Banshee Cultural Society on the role of Ireland and our Irish ancestors in America's struggle for independence.

This historical paper—which speaks admirably of the strong bonds which developed early between the United States and Ireland—should be of great interest to Americans in my home State of Massachusetts, and across the Nation, who wish to honor in this Bicentennial Year their ethnic heritage. I ask unanimous consent that it be printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

The Irish in the American War of Independence

(Text of Address given to the "Banshees" Cultural Society of Washington, D.C. on 25th January 1976 by Mr. Sean Farrell, First Secretary, Embassy of Ireland.)

When Bill Garrity and I first spoke about my address to the Banshees, I suggested as a topic the Irish Role in the American War of Independence. Such a subject seemed to me most appropriate in this the Bicentennial Year and seemed also one which would be of interest to speaker and audience alike. So indeed it has proved at least at this end. For me, and, I think, for most Irish people the American Revolution represented a shining example for later Irish patriots to follow and proof positive, if indeed such proof were needed, that the long Irish struggle against British domination did not spring from the natural perversity or obtuseness of the Irish but was rather a reaction against the bad government and misrule which was often characteristic of official relations between Britain and her Colonies, Dependencies and Client States. However the struggle of the American Colonies appeared one in which direct Irish involvement was slight. To be sure one was aware that the "Father of the American Navy" was an Irishman, John Barry, that some Irishmen had signed the Declaration of Independence, and that nearer home, the Colonists had had no greater or more eloquent ally than Edmund Burke. But that was about it. The history of the Irish in the U.S.A. was well documented from Famine Times, but the impact of earlier immigrants, if chronicled, was not widely publicised.[1]

In part this neglect seems to have been based on value judgments that the number, role and impact of Irish immigrants on American Society before the mid 1800's was minimal, and in large measure appears due to the wealth of material available thereafter. Given that immigration returns were only kept after 1820 and that census returns did not request birth-places until 1850,[2] is it any wonder that research has concentrated on the post Famine period? Certainly, also, early Irish immigrants tended to be absorbed into the Society in which they settled. On this point, Bill Shannon, author of "The American Irish" is worth quoting:

"Because I am interested only in those who thought of themselves as Irish and who are related to the Irish community in some meaningful way, I have not tried in the name of racial imperialism to track down and annex to this story every person of remote Irish ancestry. Doubtless, there have been over the past two centuries many Irish who have merged into the general society and ceased to be Irish in any significant sense. As Thomas Beer remarked, "They melted easily into the westward movement of the (1830's) and '40's, shedding their habits from prairie to prairie so that families named O'Donnell, Connor and Delehanty are now discovered drowsing in Protestant pews of Texas and Kansas."

I am content to let them drowse in peace."[3]

From the foregoing, it will be clear that this paper cannot hope to present the full story of the Irish role in the War of Independence. The best it can hope to do is to present some aspects of that role and to give a few pointers as to where the interested can seek further information. In working on this Paper I have relied chiefly on a book written in 1919 by Michael J. O Brien and

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Footnotes at end of article.

entitled "A Hidden Phase of American History"[4] together with articles by the same writer which appeared from time to time in the proceedings of the "American Irish Historical Society"[5]. Mr. O Brien's book was reprinted in Baltimore in 1973 and is indispensible reading for anyone interested in the subject. I have supplemented this work by drawing on a variety of other secondary sources. Incidentally I understand that a pamphlet will appear shortly on the Irish Contribution to America, written by Mr. Charles Lucey and published by the American Irish Foundation.

Mr. O Brien's work, to those not familiar with him, aimed at disproving the assertions of U.S. Historians[6] that the American War of Independence was a struggle "between borthers", in which settlers of English stock preponderated and in which the Irish participated *only* slightly, if at all; he further took issue with an Official U.S. Publication, Rossiter's "A Century of Population Growth" published in 1909, which had asserted that the Irish population of the U.S. in 1790 numbered 44,273 or 1.6% of the population. (Obviously in Mr. O Brien's view the two issues were linked; if the Irish *did* compose less than two percent of the populace in 1790, then their contribution to U.S. Independence could not but have been small).

His method of combating these assertions consisted of going back to the sources, in so far as it was possible to do so, by referring to the Muster Rolls of various Regiments recruited during the War, and by examining, from local records, the immigrant and native populations of various communities. As his work is essentially polemical, some of his assertions and conclusions must be treated with caution; nevertheless, the sheer volume of evidence accumulated is so great as to attach a high degree of probability to much of what he asserts, and certainly is sufficient to completely call into question the traditional view.

Precision is, of course, impossible to attain in respect of much of what is at issue. The 1790 Census asked only the *names* of heads of households, and all estimates as to the ethnic make up of the U.S.A. in 1790 is based on an analysis of these names; this applies equally to Rossiter's figures, and those revised figures presented in the 1931 Annual Report of the American Historical Association Volume I, and now generally accepted as correct, that the combined Irish and Ulster Irish population of the U.S.A. in 1790 was 9.5% of the white population, second only to the English among ethnic groups. Much of the records relating to the Revolutionary armies were destroyed in a disastrous fire in the War Department in 1800, and in the case of many regiments of this time and most of the local militia, no records of birthplace of volunteers were kept. Moreover, the shifting nature of the conflict during the War and the comparative lack of a sizeable permanent core of troops, made for armies whose membership was constantly in flux, with personnel coming and going, and soldiers enlisting for three months, six months, or other short periods; in such circumstances accurate record keeping was all but impossible.

On the central question of the numbers of Irish in America during the Revolution there is, as we note, a conflict between the figures given by Rossiter and those later compiled by the American Historical Association. The population of America in 1745 was computed to be just short of 1½ million[7]; Bancroft estimates the population twenty years later at 2,600,000 and an informal poll conducted by the Continental Congress estimated the population at just three millions in the same year. (A further poll, in 1783 gave a population of 2,400,000, so both figures for 1774 should be treated with reserve). The Census in 1790 revealed a total population just short of 4 million. As the estimate for 1715 was considerably less than half a million, it is fairly clear that, even allowing for the worldwide phenomenon of a rapidly rising birth rate which began around about 1750, there was sustained and considerable immigration into America throughout the 18th century. This is of course borne out and accepted by historians; and in the case of emigration from Britain and Ireland, all sources agree that emigration from Ireland, especially Ulster, was considerable throughout the period. As early as 1729, the Irish House of Commons was so concerned at the numbers sailing to America that a Parliamentary Enquiry into Emigration was held.[8] Those involved of course were mainly Presbyterians from the North disaffected by the Test Act as well as the rise in rents which began when the leases generously handed out in Williamite days fell due for renewal.[9]

As until quite recently, emigration became self-perpetuating; relatives and friends who prospered encouraging others to join them. Deckett, in one of the standard modern histories of Ireland reports that "by the early 1770's it was reckoned that Ulster emigrants were reaching North America at the rate of 12,000 a year"[10]. And not only from Ulster. O'Brien examines the press of Philadelphia, then the largest port and thus the centre at which most immigrants arrived, and concludes, both from the history of the establishment of Catholic churches throughout Pennsylvania and the ports of embarkation in Ireland, that many of those who emigrated were Catholics from other Provinces[11]. Some of the figures he gives are extremely interesting: in 1729 5655 Irish emigrants arrived in Philadelphia—90% of the total;[12] from March 1735 to March 1737 ninety nine passenger vessels from Ireland are recorded in the Philadelphia Custom House as arriving or leaving the city[13]; approximately eighty passenger ships from Ireland reached Philadelphia and New York alone in 1773 a year in which reports stated that 18,000 Irish emigrated to the New World[14]; in that year also the Belfast Newsletter reported on July 12 that 62 ships had left four named ports in Ireland for America in 1771 and 1773; the Newsletter concluded that the number of passengers was probably equal to the tonnage of the ships concerned, some 17,000[15]. And finally the returns from the New York and Philadelphia Custom Houses for the period 1771–74 reveal that 576 sailings were recorded both ways between America and Ireland of which 57% were to or from ports outside Ulster[16]. In the face of this evidence, corroborated by contemporary reports in Britain and Ireland[17], it is difficult not to accept at least some of O Brien's assertions about Irish emigration in the 18th century. The safest basis on which to work would appear to be those estimates of the American Historical Association keeping in mind the proviso of course that, given Irish history and some of O Brien's other research, an English name is not necessarily proof that a man was not Irish[18].

The relevance of the foregoing discussion can be seen when we come to deal with the Revolutionary armies. The ordinary men who fought and, at times, just endured, were the men who contributed most to American freedom. Deeds of heroism and dashing gallantry there were to be sure throughout the War, but, generally speaking, the level of tactical command on either side was not particularly high[19]; no single battle was decisive, no single battle was brilliantly executed and initiatives on both sides were, as a rule, rash or foolish with only the ineptitude or inactivity of the opposition averting disaster. Washington's greatness as Commander lay in his ability to maintain an army at all and to grasp that in the very *maintenance* of an army lay the seeds of final victory; with an army in the field, as opposed to a miltia, the Colonies could never be regarded as subdued. Who then were the men of Washington's armies? It is here that O Brien's research is most interesting and his conclusions most startling.

From an examination of the Muster Rolls of the Continental Line Regiments, in cases where the birthplace of the soldier was recorded, O Brien finds the following:

(1) In Proctor's Regiment of Pennsylvania Artillery in 1779, 40% of the entire Regiment was Irish born, another 40% American born, 11% German born and only 5% were born in England[20].

(2) In the 7th Pennsylvania Regiment—commanded by Col. William Irvine of Fermanagh, assisted by Lt. Col. Morgan O'Connor, of Kerry, in the four companies where the birthplaces of the soldiers were recorded, the proportions of those born in Ireland were 76%, 70%, 69% and 64%.[21]

(3) In the 4 Companies of the 11th Pennsylvania Regiment where the birthplaces of the soldiers were recorded, the proportion of those born in Ireland were 65%, 58%, 55% and 40%.[22]

(4) Elsewhere among Regiments of the Pennsylvania Line, where birthplaces of soldiers are not recorded, O'Brien succeeds in identifying no less than twenty companies where the percentage of Irish names on the Muster Rolls was 40% or more of the total.[23]

(5) Among the Militia in Pennsylvania, a regiment raised by Captain John Boyd in Lancaster County (predominantly a German Settlement) revealed 18 of 70 members born in Ireland.[24]

(6) From a "Size Roll" of the First Pennsylvania Regiment of Foot, covering all eight companies of the Regiment 315 out of 680 men are shown as having been born in Ireland.[25]

(7) The 1780 Returns for the Delaware Regiment of Colonel Henry Neill reveal exactly 50% of the soldiery to have been born in Ireland.[26]

(8) For Colonel Daniel Morgan's Regiment of Riflemen, one of the most famous Regiments of the Line, no complete Muster Rolls are available; those for November 1778 however show that of a total of 415 men, 162 or 39% were born in Ireland.[27]

(9) The percentage of Irish names in some of the Companies raised in South Carolina is as follows:

Captain Heatley's Company, 50%.
The Volunteer Company of Rangers, 50%.
Captain McClaughlan's Company of Foot, 43%.
Second Charleston Company of foot, 40%.
Captain Purvis' Rangers, 50%.[28]

(10) (a) Among the Maryland Artillery of three companies totalling 246 men in 1776 113; or about 45% were born in Ireland

(b) In a company raised for the Artillery in Baltimore in 1776, 47 of 101 men were born in Ireland

Interestingly, in both these cases, the place of birth in Ireland is also given; the largest contingents by far were born in Dublin or Cork.[29]

(11) Elsewhere in the Maryland Archives, where the birthplaces of the soldiery are not given, the percentage of Irish names in some of the companies is as follows:

Dorseys Artillery Company, 50%.
Ewings Battalion, 45%.
The Sixth Maryland Regiment, 75%.
The Fifth Maryland Regiment, 45%.
The Seventh Maryland Regiment, 67%.[30]

The Maryland records for the period are notoriously incomplete so that in the case of many companies recruited from areas with a known high density of Irish immigrants, no evidence of composition remains.

Elsewhere among the Thirteen States, O'Brien demonstrates, in voluminous detail,

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that Irish names abounded on the Muster Rolls of the Regiments and of the Navy. In appendices to his book he lists some 1,500 officers of either Irish birth or descent whose names appear in the various extant records; he also lists 3,841 names of non-commissioned and enlisted men bearing one of 12 Irish surnames, among them are 695 Kelly's, 494 Murphys and 331 McCarthys. He further identifies another 90 Irish surnames of whom no less than 8,352 examples occur in the extant records of the Armies and Navy.[31] His comments on his researches and his conclusions are worth quoting in full:

"I have not examined all of the Muster Rolls, but have selected a number indiscriminantely from each of the original Thirteen Colonies. On the basis before explained, I have made a careful calculation, (1) by counting the total number of soldiers in each unit, and (2) by a separate count of those of undoubted Irish birth or descent. In some Companies I find the extraordinarily high percentage of 75% Irish, while, on the other hand, it must be said that in other companies the percentage runs as low as ten, and in some New England Regiments and some of those raised in the old Dutch districts of New York and the German Settlements in Pennsylvania, no Irish names at all appear. But, on averaging them all up, I have determined that 35.83% of the soldiers of the Revolutionary Army were Irish.[32] "If the complete Muster Rolls were available, it is entirely probably that the percentage would prove to have been even higher . . ., because the States where these incompleteness is most apparent are Pennsylvania and the Southern States—in other words those sections of the country which attracted the greatest number of Irish immigrants".[33]

The subjective judgements of some of the participants in the struggle as to the composition of the American Armies is also of interest. Before a Joint Committee of Enquiry held by both Houses of the British Parliament in 1779, Major General Robertson, under questioning from Edmund Burke, comparing the two armies, gave as his opinion that the majority of Washington's Army were not Americans and went on "I remember General Lee telling me that he believed half the Rebel Army were from Ireland", and, when asked to clarify this, he stated "I mean the Continental Army".[34] The Lee in question was Major General Charles Lee, the one time Second in Command to Washington on the American side who had been captured by the British in the course of the New Jersey campaign in 1776.

Testifying before the same Enquiry Joseph Galloway, a Loyalist who had fled, gave as his opinion that on the basis of his experience as Superintendent of Philadelphia Police under Howe's occupation, half of the deserters from the American Army in the Philadelphia vicinity were Irish.[35] This can of course be interpreted in two ways: that the Irish had no stomach for the fight, or that the deserters reflected a representative cross section of the Rebels. Galloway was in no doubt as to which interpretation he favoured:

"Question: Do you know anything of the Army of the Rebels in general, how that is composed, of what countrymen?"

"Answer: I judge of that by the deserters that came over".[36]

Galloway's evidence is not, of course conclusive proof. Elsewhere, in his testimony, he estimates Loyalist sympathizers in the Colonies as perhaps as high as 80% of the populace—an almost certain exaggeration; overestimates of Loyalist strength were repeated throughout the conflict by Loyalists, often leading to blunders and miscalculations by British Commanders who underestimated resistance in areas supposedly "Loyalist". His general point, however, is reinforced by other documentary evidence, for example in the report made in 1776 by Ambrose Serle, Confidential Agent in America to the British Cabinet, in which, addressing Dartmouth, the English Secretary of State, he states "great numbers of emigrants, particularly Irish, are in the Rebel Army, some by choice and many for mere subsistence".[37] He goes on to recommend that in future Irish convicts should not be transported to America for there they exchanged ignominy and servitude for a sort of honour and ease". Again, General Clinton, in a letter of October 23rd 1778 to Lord Germain, the Secretary of War, remarked that it was extremely difficult to carry out the Government's Directive to in some way siphon off the emigrant element from the American Army since "the emigrants from Ireland were in general to be looked upon as our most serious antagonists", having fled from oppression "real or fancied" to a country where "they could live without oppression and had estranged themselves from all solicitude of the welfare of Britain".[38]

Early on in the conflict the British had made a number of efforts to recruit Highlanders, exiles of '45, with reasonable success.[39] Thus emboldened, Clinton was authorized to recruit Loyalist Regiments from among the Irish. His cautionary letter, quoted above, proved prophetic. Two Regiments of Irishmen were formed, the "Roman Catholic Volunteers" in 1777 and the "Volunteers of Ireland" in 1778.[40] The history of these regiments is illuminating. Howe, on taking Philadelphia, commissioned several Loyalists to recruit Roman Catholics "of whom there were said to be many in Philadelphia". By May 1778, when he was recalled, recruits totalled only 180 men. Five months later, a despatch from Clinton to Germain noted it had dwindled to "near eighty men". The Regiment was forthwith disbanded and the remaining members transferred to the other Irish Regiment the "Volunteers of Ireland". This Regiment, also formed during the British occupation of Philadelphia, was one for which strenuous efforts at recruitment were made among Irish emigrants.

In August 1780, however, when stationed in North Carolina (the better to recruit from among the local Irish emigrant communities) the complement of the Regiment, excluding officers, was only 253 men. Desertions in the Carolinas proved so great a problem that the bounties offered for recovery of the deserters from the Regiment were 10 guineas for the head and only 5 if the deserter was returned alive. Not one deserter was turned in despite these generous rewards. In 1781 the Regiment moved to Savannah with further desertions reducing its strength; thereafter it is not mentioned in dispatches from either side.

The British also attempted to recruit from among the mutineers of the Pennsylvania Line. In 1780–81, during a particularly severe winter, some of the Pennsylvania Detachments in the Army revolted. These, as Washington noted were "mostly composed of foreigners" and other sources mention them as being mainly Irish. Washington went on to remark, in a letter to Rochambeau of January 20th 1781 that "it is somewhat extraordinary that these men, however lost to a sense of duty, had so far retained that of honour as to reject the most advantageous propositions from the enemy".[41] Specifically, as Rochambeau notes in his Memoirs, "General Clinton, the Commandant at New York, within whose reach these men had to pass, sent off emissaries to beg them to join the American refugees who were serving in his Army, offering at the same time to pay the arrears which were due to them". He goes on "the Sergeant who commanded them exclaimed: Comrades, he takes us for traitors; but we are brave men who demand justice of our country. He hanged the spies sent by Clinton and proceeded on". The Mutiny was later settled and most of the mutineers returned to the Colours.[42]

What then are we to make of this harvest of evidence accumulated by O'Brien? It is always unwise to rely too much on one authority, yet it is very clear, from the evidence which he presents that, particularly in Pennsylvania, Irish immigrants formed a very large proportion of some of the Regiments in the Continental Army, and that persons with Irish names featured in large numbers throughout the Muster Rolls of soldiers and militia in all of the Thirteen Colonies. I would refer anyone interested in pursuing O'Brien's conclusions further, to the Proceedings of the American Irish Historical Society during the second and third decades of this century; O'Brien, who is described as "Historiagrapher" to this Society, has completed many monographs on subjects such as: "The Vermont War Rolls, Some Examples of the Scotch-Irish; Emigration to 18th Century America; The Commander in Chief's Guard; Irish Statesmen in Maryland; The Pennsylvania O'Briens; The O'Brien's of Georgia; Mark Carney Revolutionary Soldier; The FitzGeralds of Virginia and The Virginia Irish in the Revolution".[43] Of special interest is an article, not by O'Brien but by William M. Sweeny, which appears in the Proceedings of the A.I.H.S. Vol. 27 for 1928, on the Butler Family. Thomas Butler, from Kilkenny, emigrated to America with his three sons in 1748 where he settled in Pennsylvania; two more sons were born to him there. Four of the sons served as officers in the Revolutionary War, a fifth served in several later wars.

The Society of the Cincinnati, whose headquarters are situated just a couple of blocks from here contains several memorabilia of the family including a fine portrait of Edward Butler, the youngest son. (Incidentally the Society of the Cincinnati also has on display a fine replica of the Colours of the Dillon Regiment, of which more anon.) The debate on just what proportion of the Revolutionary Army was Irish is far from settled. More research on the subject is required and there would seem to be there material for at least one Phd. Whether the final answer is more or less than the one third or so suggested by O'Brien is, however, not really vital; what *is* clear, and what we can safely conclude from O'Brien, is that the Irish did participate in the Revolutionary Army, and were possibly even in the forefront of that Army.

Of the role of certain individual Irishmen in the Revolution there is no doubt. At least eleven Members of the First Continental Congress were born in Ireland: Pierse Long, Matt Thornton and Thomas Fitzsimmons in Limerick, Edward Hand in Portlaoise, Thomas Burke in Galway, Pierce Butler in Kilkenny, William Irvine in Fermanagh, John Armstrong in Donegal, James McHenry in Dallymena, James Smith in Dublin. I have been unable to ascertain in what part of Ireland George Taylor was born. John Sullivan, James Duane, Edward Carrington, The Carrolls, Thomas Lynch, Dyre Kearney, George Read, Tom McKean, and the Virginia Henry's were all of Irish descent, normally first or second generation. Authorities differ as to the birthplace of John and Edward Rutledge; tradition had it that they were both born in Ireland; the official Biographical Directory of Congress, however, lists both brothers as born in South Carolina in 1739 (John) and 1749 (Edward). If anybody can provide a definitive answer, I would welcome the information. The list of delegates to that First Congress contains a number of other names which may or may not be Irish; sadly time did not permit me to examine this list in greater detail.[44]

The Secretary of the Congress, of course, was an Irishman, Charles Thomson,[45] brother of the Revolutionary General William. One

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legend that should be here referred to is the one which credits Thomson with the authorship of the first draft of the Declaration of Independence. Just where this story originated I have been unable to discover; nor can I discover any evidence to substantiate the story. Congress nominated a Committee of Five, on June 11th 1776, to prepare a Declaration of Independence, the Committee to consist of Jefferson, Adams, Franklin, Sherman and Robert T. Livingston. Though there is a conflict of testimony between Jefferson and Adams on what happened next, there is no conflict as to who wrote the first draft; it was Jefferson, and it is preserved, with corrections and amendments and all, in the Library of Congress.[46]

Smith, Taylor and Thornton were the Irish-born signatories of the Declaration, with the possible addition of Edward Rutledge if his Irish birth can be proved; in addition Carroll, McKean, Read and Lynch were of Irish descent. Lynch was the youngest signatory—his father was unable to sign due to illness; Carroll proved the longest lived—not dying until 1832. A word about the lives of some of these men would appear not amiss: [47]

James Smith was born in Dublin in 1713 and came to America with his father at age 14; the family settled in Pennsylvania where Smith was educated being called to the Bar in 1745. During the War of Independence he helped organize the Pennsylvania Militia—of which he was Brigadier General—together with two Regiments which took part in the New Jersey campaign of 1776. He died in York, Pennsylvania in 1806.

George Taylor was twenty when he emigrated to America in 1736. He became engaged in iron manufacture in Pennsylvania later becoming Justice of the Peace and Judge of the County Court. He was a member of the First Supreme Executive Council of the United States in 1777. He died in Easton, Pennsylvania in 1781.

Matthew Thornton, from Limerick, came to America at age two in 1716. The family settled in Maine and later moved to Massachusetts. Thornton qualified as a doctor and practiced in New Hampshire which he represented in Congress. He pursued a long and distinguished career in politics and the law before retiring to Merrimack, N.H. in 1789. He died in 1803 and was buried in Thornton's Ferry Cemetery!

Both Rutledge brothers led distinguished lives. Edward, the junior of the two, is believed born in 1749 in Christ Church Parish, South Carolina. Educated locally he studied law at the Middle Temple in London before returning to practice in 1773. As well as serving as a Delegate to the Congress and signing the Declaration, Edward Rutledge fought well on the battlefield for his country. A captain in the Militia, he was captured at the Fall of Charleston in 1780 and remained a prisoner for over a year. In later life he became Governor of South Carolina, dying in office in 1800.

John Rutledge, the elder by ten years, was also a lawyer and indeed a distinguished jurist. An Associate Justice of the U.S. Supreme Court, he was in fact nominated as Chief Justice of the U.S. in 1795 serving for the August Term. The Senate, however, did not ratify his nomination. For many years Chief Justice of South Carolina, John Rutledge served as Governor from 1779–82. He died shortly after his brother in July 1800 in Charleston.

The Lynchs, father and son, were also delegates from South Carolina, Thomas Lynch Jr. in fact being nominated to replace John Rutledge, not then in attendance, and in that capacity signing the Declaration of Independence. The elder Lynch was a planter and long time local politician; he was unable to sign the Declaration through illness and died in Annapolis later the same year whilst en route home. His son was born in 1749, educated at Eton, Cambridge and the Middle Temple. He became Captain in the First South Carolina Regiment, subsequently of the Continental Line, in June 1775, being later sent as a delegate to replace John Rutledge as we noted. Suffering from notorious bad health he did not seek re-election to Congress and, in 1779, was lost at sea in the course of an ocean voyage bound for France.

Thomas McKean, Delegate from Delaware, was born in Pennsylvania in 1734; also a lawyer he was in succession President of the State of Delaware in 1777, Chief Justice of Pennsylvania from 1777 to 1799 and Governor of Pennsylvania 1799 to 1808; he died in Philadelphia in 1817.

George Read, Delegate from Delaware, was a native of Maryland and another lawyer. One of the first Senators from Delaware, he became Chief Justice of that State in 1793—a position he held until his death in 1798.

Three members of the Carroll family, all cousins, represented Maryland at various times in the Continental Congress: the two Charles in the crucial years of 1776 and 1777, and Daniel from 1780–84. Charles Carroll, of Carrollton, who signed the Declaration, the only Catholic signatory, is the most famous of the three. He lived to be ninety five and before his death in 1832 helped set the stone to mark the beginning of the Baltimore and Ohio Railroad Company. He had been a member of the famous Commission of 1776 to Canada and led what can best be described as a "full life". His cousin, Charles Carroll, "Barrister" was involved in framing many important State documents in Maryland and became in later life a State Senator in Maryland. He succeeded Carroll of Carrollton in November 1776. Daniel Carroll, the third cousin, is best remembered for the energetic part he played in fixing the Seat of Government of the United States, being a member of the Commission established for that purpose from 1790 until 1795. The present site of Washington, D.C., is of course largely on land that was once his farm. He died at Rock Creek (Forest Glen) near the city in 1796. Another member of the family should also be mentioned here, Fr. John Carroll, who, in later life became the First Catholic Archbishop in the United States and who founded Georgetown University in 1789.

Irish Generals in the Revolutionary Army included Generals Hogan, Greaton, Butler, Montgomery, Irvine, Hand, Thomson, Maxwell and Lewis; other Generals were of Irish ancestry including General John Sullivan.[48] Sullivan had erected in Durham, New Hampshire, a monument to his parents, born in Limerick and Cork respectively. He is famous as the General who occupied Boston on March 17th 1776 when the British evacuated the city, thus allowing the Boston Irish of a later generation two reasons to celebrate the day. More famous of course, and more highly thought of, was General Richard Montgomery, a dashing military leader. A native of Raphoe, Co. Donegal, General Montgomery's death during the assault on Quebec in December 1775 was felt at the time to be a grevious loss to the Rebels.[49] Washington's choice of Aide-de-Camps was, in succession: Joseph Reed, son of an immigrant, Joseph Carey, likewise, Stephen Moylan, born in Cork, John FitzGerald, born in Wicklow, and James McHenry, born in Antrim.[50]

At sea, the Irish were also to the fore in the struggle for Independence. There was no American Navy in the modern sense of the word, but rather a number of independently operating Privateers supplemented later by ships bought and built by Congress on a piecemeal basis. O'Brien examines the lists of ships registered in 1776 in Philadelphia; in none of the cases cited is the percentage of Irish names less than 40%.[51] It is not clear, however, ust how many ships were registered in Pennsylvania in 1776, or just what proportion those ships comprised of the whole. Here, the basic research appears still to be done.

The career of John Barry,[52] the most famous Irish participant in the War of Independence is by contrast extremely well documented. At least three full length biographies of the patriot exist. He was born in Wexford in 1745, the family moving soon after his birth to Rosslare. He ran away to sea as a cabin boy before he was ten, first visited America when he was fifteen and based himself in Philadelphia. For the next six years he worked on the West Indian trade rising rapidly in command, from cabin boy to Ordinary Seaman to Able Seaman to Mate. At age 21, in 1776, he was given his first command, Master of the schooner "Barbados" owned by a Philadelphia merchant Edward Denny. For the next eight years he continued to ply the West Indian trade as Master of a number of ships, each one larger than the one before. In 1774 he entered the employ of Robert Morris, a shipping magnate of his day, as Master of the 200 ton "Black Prince" at the time one of the largest and best equipped ships in America. In 1775 Congress purchased the "Black Prince" as its first ship; Barry was nominated to refit the ship for War, and later to fit out the first Flagship of the new Navy—one for a fleet of 13 frigates. In March 1776 he was commissioned Captain of the brig "Lexington"; recruitment of sailors for the ship began, interestingly, and perhaps significantly, on St. Patrick's Day 1776. On April 7th the "Lexington" engaged and defeated the sloop "Edward", the first ship to be defeated and captured by the Rebels. In October the seniority list of officers issued by Congress showed Barry as seventh. During that winter also, he volunteered to fight with the Land Forces, and took part in the New Jersey Campaign under Washington.

1777 was a bad year for the American Navy. The British conquest of Philadelphia forced the scuttling of the remaining ships in the little Navy. Later of course, fortunes revived and Barry was again given Command. In 1781 he was put in charge of the 36 gun frigate "Alliance" and ordered to embark on a desperate dash to France, bearing Tom Paine and an Aide to Washington, John Laurens. On the return journey he crushed a mutiny, captured two British ships, taking 100 prisoners, and, after an epic engagement with two more British Men O'War, in which Barry was severely wounded in the shoulder, compelled their surrender as well. Barry was in Command of the "Alliance" when the British surrendered at Yorktown, one of the only two ships the Rebels could at that time afford to keep at sea. In 1782 the "Alliance" took Lafayette to France, and, later in the same year, went south to the West Indies; it was a triumphant voyage for Barry; before its conclusion he had taken no less than *nine* British ships prisoner. With the conclusion of the struggle Barry went back to private life but continued to offer advice to the Nation on Naval matters. When a permanent Navy *was* established in 1794 Barry received Commission Number One signed by President Washington. He died in 1803 in Philadelphia, a National hero.

Expatriate Irish in America were not the only Irish to participate in the struggle for freedom. When France entered the War the Irish Brigade was committed to the struggle. The Dillon and Walsh Regiments were the first French Regiments to engage the British during the struggle; the O'Brien Regiment was detained in the West Indies and never reached the Continental mainland.

There remains another important dimension to the Irish and the American Revolution, namely, how that Revolution was re-

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ceived in Ireland. Franklin visited Ireland as early as 1769 and reported then that "Ireland is strongly in favour of the American Cause".[53] In the following year, in a letter to Dr. Cooper of Boston, he wrote "I send you a late edition of Molyneux's "Case of Ireland" with a new Preface, shrewdly written. Our part is warmly taken by the Irish in general, there being in many points a similarity in our Cause".[54] Molyneux's inflammatory pamphlet is quoted in Lecky as "becoming the text book of American freedom".[55] In 1772 Franklin, writing to Thomas Cushing, another Bostonian, about a second visit to Ireland, had this to say: "I found them (the Patriots) disposed to be friends of America, in which I endeavoured to confirm them, with the expectation that our growing weight might in time be thrown into their scale, and, by joining our interest with theirs, might be obtained for them, as well as for us, a more equitable treatment from the Nation".[56] Accordingly, after hostilities broke out, Congress, on July 28th, 1775, adopted a historic "Address to the People of Ireland" which after explaining the causes which had provoked the Rebellion, apologized to the People of Ireland for the trade embargo imposed on both Britain and Ireland, for "*Your* Parliament has done us no wrong: *you* had ever been friendly to the Rights of Mankind; and we acknowledge, with pleasure and gratitude, that *your* Nation has produced Patriots who have nobly distinguished themselves in the cause of humanity and America".[57] After deploring the injustice which Ireland had suffered at the hands of the British, the Address concluded "We hope the patient abiding of the meek may not always be forgotten; and God grant that the iniquitous schemes of extirpating Liberty by the British Empire may soon be defeated".

The imperatives facing Britain in Ireland were to prevent the development of another America just across the Channel, to ensure that Ireland stayed prosperous enough to provide British exporters with markets now that the American market was closed, and to try to extract what could be got in the way of troops and supplies to continue the struggle. These were not of course always mutually consistent ends to pursue! Given a corrupt Parliament, in which the Patriots were very much of a minority, attainment of at least some of these ends appeared easy. Accordingly a motion was introduced in October 1775 in the Irish Parliament proposing an "Address to the King" in which Parliament was to state that they had "heard with abhorrence and feel with indignation of the Rebellion existing in part of your American Dominions"; surprisingly this phraseology was found objectionable and stricken from the Address before the vote was taken by 90 votes to 54.[58] In its final form the Address was muted in tone and conciliatory in language, though it did continue to avert to the Americans as "Rebels". The Debates on the Motion were violent and heated and led Harcourt, the Lord Lieutenant, to write to Lord North "I have never passed moments so happy as those have been since the question was determined."[59]

On November 23rd Harcourt rose in the House to propose that 4,000 of the 12,000 troops stationed in Ireland should be released for service in America.[60] As an inducement to the Irish Parliament it was specified that the cost of maintaining them, whilst out of Ireland, should not fall on the Irish, and that other troops would be sent to replace them again at no expense to Ireland. The Opposition resisted fiercely but to no avail; the Motion was carried by 103 votes to 58. Harcourt claimed that the vote was "a convincing proof to America and to the whole world of the decisive part Ireland takes in the quarrel."[61] The populace however was outraged; the House was stormed by a mob and the residence of the Lord Lieutenant was attacked and had to be defended by soldiers.[62] As the news spread throughout the country so did the sense of outrage; many of the Members were attacked returning home and riots broke out in a number of areas. Truly, as Lecky noted "there were great numbers of people in Ireland who regarded the American Cause as their own. Already the many disastrous circumstances of Irish history had driven great bodies of Irishmen to seek a home in the more distant Dominions of the Crown, and few classes were so largely represented in the American Army as Irish emigrants."[63] The London Correspondent of the "Pennsylvania Gazette" reported on November 15th 1775 "Insurrections of a very alarming and dangerous nature are dreaded in Ireland in the course of the ensuing spring, if troops be not sent over from this country to replace the Irish Regiments serving in America."[64] On April 4th 1776 Harcourt condemned in the House "those atrocious offenders who have committed such barbarous outrages in some of the Counties".

O'Brien devotes some interesting pages to accounts of the above Debates in the Irish Parliament. He also gives examples of some of the Speeches made by Irish Members in the British Parliament in support of America, particularly by Burke, Barre, and Conolly. Thus, to quote "Burke expressed his delight at America's victories, and he advised his own countrymen 'not to join the Army while the American War continued'; and, as one newspaper said 'the Ministry trembled under his invective and the walls of Parliament never before resounded under such thunderous eloquence' ". Burke's view of the actions of the Irish House of Commons was bitter. "Ireland", he said, "has chosen, instead of being the arbiter of peace, to be a feeble party in a war, waged against the principles of her own liberties".[65] Conolly warned the British Parliament that "if the French landed in the South of Ireland every man there will join them, and if the Americans land in the North they will be just as gladly received there".[66]

The Administration was in trouble. The offer to replace the troops sent to America with fresh ones, "Foreign Protestant Troops" to quote Harcourt, was rejected. Two Money Bills, altered in England, were on that account defeated. An embargo on the export of provisions, imposed by Executive Fiat in February 1776, drew great criticism.[67] These troubles were not of course exclusively due to the Administration's American Policy. Nevertheless they were sufficiently serious for Harcourt to call a Dissolution.[68] The new Irish Commons did not meet again until October 1777 by which time Harcourt had been replaced by Buckingham. By this time also the country had become almost denuded of troops owing to the demands of the conflict in America. Increasing vocal support for the Revolutionaries in America—Shelburne reported that the chief toast among Protestants was "Success to the Americans",[69] and Grattan was simultaneously exhorting all within hearing that "before you decide on the practicability of being slaves forever, look to America"[70]—together with raids on Irish ports by John Paul Jones, stimulated the formation of local militia, the Irish Volunteers were being born.

Of the Irish Regiments sent to America several comments need to be made. Firstly, many of those who *did* volunteer were misinformed that they were to serve in Edinburgh, and when they learned the truth, refused to serve.[71] Thus, Confidential Agent Arthur Lee, in a dispatch from Berlin on June 15th 1777 to Washington, reported that "the resources of our enemy are almost annihilated in Germany, and their last resort is to the Roman Catholics of Ireland. They have already experienced their unwillingness to go, every man of a Regiment raised there last year having obliged them to ship him off tied and bound, and most certainly they will desert more than any troops whatsoever".[72] Secondly, these words were prophetic. Many of the Irish recruits *did* desert to join the Americans as witness numerous reports in despatches and correspondence from British officers serving in America. And Thirdly of course, the effort to recruit troops was such an abysmal failure as eventually to provoke the London Government to recruit mercenaries from Germany.

Popular sentiment in Ireland, Catholic and Protestant, was for the Rebels. Horace Walpole could write, in June 1776 "All Ireland is America mad".[73] Later he catalogued the Government's attempts to raise troops: "Attempted to raise a Regiment of Irish Catholics, but they would not enlist, nor could they in the whole summer get above 400 recruits in England".[74] In the British House of Commons some months previously the Duke of Richmond made similar observations. In Belfast funds were collected and sent to the Patriots.[75] In Cork a vessel was fitted out with provisions and clothing for the Rebels and safely reached Boston.[76] The Common Council in Dublin, in August 1775, voted the Thanks of the City to Lord Effingham for refusing to serve against America.[77] The Society of Free Citizens in Dublin, presided over by Napper Tandy, drank three toasts, as follows, at a Meeting in 1775: "Prosperity to Ireland, and may it never submit to be taxed by the British Parliament; our fellow-subjects in America, now suffering persecution for attempting to assert their rights and liberties; the Continental Congress—unanimity in their Councils and success to their resolves".[78] Sir Jonah Barrington observed that "the spirit of Independence had crossed the Atlantic, and the Irish people, awakened from a trance, beheld with anxiety the contest in which they now began to feel an interest. Ireland became every day a more anxious spectator of the arduous conflict; every incident in America began to communicate a sympathetic impulse to the Irish people".[79] Army supplies were attacked in Cork; in Newry and Galway, American Privateers were well received and supplied with their wants—which they paid for.

In 1778 Franklin, in Versailles, addressed the people of Ireland "On Behalf of America".[80] He began "The Misery and Distress which your ill-fated country has been exposed to, and has so often experienced, by such a combination of rapine, treachery and violence, as would have disgraced the name of Government in the most arbitrary country in the world, has most sincerely affected your friends in America, and has engaged the most serious attention of Congress". He went on to enumerate the reasons for the revolt of the Colonies, and to reiterate the concern of Congress for injustice in Ireland. He held out the promise that, should England not lift the restraints on the Irish economy "means will be found to establish your freedom in this respect, in the fullest and amplest manner".

But it was not to be; the tide was turning; the entry of France into the War excited Protestant fears. The Militia would be used against the British to be sure, to win concessions for the Patriots; but they would also be a defence against invasion.[81] Bancroft, dispatched by Franklin in 1779, to report on the prospects for an invasion, reported to Lafayette that the Military Associations springing up in Ireland could be expected to resist the invaders rather than welcome them.[82] The source may have been suspect—for Bancroft was a double agent; the information was not; the British Government was forced to arm 40,000 of the Volunteers during 1779 and 1780, at the same time enacting

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more liberal trade measures in respect of Ireland.

The movement for legislative independence gained momentum, with Grattan shouting that Ireland would never be content to have England legislating for her whilst Philadelphia, sending her Ambassadors to the Courts of Europe, "manifests to the world her Independency and Power";[83] any movement towards alliance with America however disappeared. If, in the course of a reply in early 1784 to the Yankee Club of Tyrone, Washington should assert "if in the course of our successful contest, any good consequences have resulted to the oppressed Kingdom of Ireland, it will afford a new source of felicitation to all who respect the interest of humanity". It was, for the immediate future, a sanguine hope.[84]

It only remains for me to conclude. The gaps in my paper are probably glaring. I have not, for example, spoken of an Irishman on the "other" side, Guy Carleton, through whose efforts Canada was probably saved for the Crowns.[85] I am sure there were great Irishmen and great Americans, whom I failed to mention.[86] But I hope my main purpose has not been in vain, to show that the Irish, from whom you all claim heritage, have no cause for shame when discussing the origins of this great country. Irishmen and Irish Americans fought and strove to bring about the birth of the country which is this year celebrating its Bicentenary. The most fitting commentary on their efforts is surely that of Luke Gardiner, Lord Mountjoy; speaking in the House of Commons on April 2nd 1784 he said: "America was lost by Irish emigrants. These emigrations are fresh in the recollection of every gentleman in the House. I am assured from the best authority, the major part of the American Army was composed of Irish, and that the Irish language was as commonly spoken in the American ranks as English. I am also informed it was their valour determined the contest so that England had America detached from her by force of Irish emigrants".[87] Tantae molis erat Romanum condere gentum![88]

FOOTNOTES

[1] Except, of course, those of the "Scotch-Irish". I have striven, throughout this paper, to avoid labelling Irish immigrants as "Native Irish", or "Scotch-Irish", and also to avoid attempting to "prove" that one strain or the other made the biggest contribution to the topic under review, i.e., the American War of Independence. For anyone wanting to pursue the subject, the literature is there (e.g. in books such as Dunaway "The Scotch-Irish of Colonial Pennsylvania" and Ellis "Catholics in Colonial America"); whether the subject is exhausted or not is something on which I just would not care to judge.

[2] Information obtained from the National Archives of the U.S.

[3] William V. Shannon "The American Irish" Revised Edition, Second Printing, Toronto 1969, Preface p. viii.

[4] Michael J. O'Brien "A Hidden Phase of American History: Ireland's Part in America's Struggle for Liberty" New York 1919; republished 1973 by the Genealogical Publishing Co. Baltimore.

[5] Particularly in the Volumes for 1914/15 and 1928.

[6] E.g. Bancroft, Lodge.

[7] This figure, and subsequent ones, obtained from the Encyclopaedia of American History Ed. Richard D. Morris 2nd Edition New York 1961 pp 467–69.

[8] James A. Fronde "The English in Ireland" Vol. 1 London 1872 p. 393

[9] Reasons cited in J. C. Beckett "The Making of Modern Ireland" paper, London 1969 p. 180

[10] Beckett opus cit. p. 181

[11] O'Brien p. 270.

[12] O'Brien p. 270.

[13] O'Brien p. 271.

[14] O'Brien pp. 274–5.

[15] O'Brien p. 282.

[16] O'Brien p. 287.

[17] Quoted in O'Brien passim.

[18] Argued at length throughout O'Brien's work esp. pp. 118–127.

[19] An excellent readable, up to date account of the period is John R. Alden "The American Revolution 1775–83" Harper Torch books 1962.

[20] O'Brien pp. 128, 9.

[21] O'Brien p. 137.

[22] O'Brien p. 137.

[23] O'Brien pp. 137–8.

[24] O'Brien p. 139.

[25] O'Brien p. 140.

[26] O'Brien p. 130.

[27] O'Brien p. 141.

[28] O'Brien p. 142.

[29] O'Brien pp. 142–3.

[30] O'Brien pp. 144–5.

[31] O'Brien pp. 393–526; the figures are summarised on pp. 216–8.

[32] O'Brien pp. 134–5.

[33] O'Brien p. 146.

[34] Cited in O'Brien pp. 102–4.

[35] Cited in O'Brien pp. 83–4.

[36] O'Brien p. 84.

[37] O'Brien pp. 107–8.

[38] O'Brien pp. 109–10.

[39] See Alden "The American Revolution" passim for this. Interestingly Alden does not think attempts to recruit Roman Catholic Irish in the same manner as worthy of mention.

[40] The history of the Regiments is given in detail in O'Brien pp. 186–194.

[41] O'Brien pp. 184–5.

[42] O'Brien p. 185.

[43] All in Volumes for 1914/15 and 1928.

[44] The complete list is published in the various editions of the "Biographical Directory of the American Congress".

[45] Recently commemorated on the 7 Cent prepaid Postcard.

[46] See e.g. Carl Becker "The Declaration of Independence" 1922.

[47] Biographical data on the Signatories obtained from the "Biographical Directory of the American Congress" 1961 Edition.

[48] List given in O'Brien p. 246.

[49] Alden opus cit. pp. 42–59 details Montgomery's last campaign.

[50] O'Brien pp. 228–9.

[51] O'Brien pp. 140, 141.

[52] Biographical details on Barry are obtained from the brief life included in the official Programme issued to commemorate the unveiling of the Statue of Commodore Barry in Wexford; 16th September 1956.

[53] Quoted in O'Brien p. 26.

[54] Ditto.

[55] Cited in O'Brien op. cit. p. 26.

[56] O'Brien pp. 27–8.

[57] Quoted in O'Brien pp. 32, 33.

[58] O'Brien pp. 3–5, Beckett pp. 206–8.

[59] Beckett p. 208.

[60] O'Brien p. 6.

[61] Beckett p. 208.

[62] O'Brien p. 8.

[63] O'Brien p. 9.

[64] O'Brien pp. 9, 10.

[65] Beckett p. 208.

[66] O'Brien p. 18.

[67] Beckett p. 208.

[68] Beckett p. 209.

[69] Richard B. Morris "Emerging Nations and the American Revolution" Harper Torchbooks 1970 p. 83

[70] Ditto

[71] Cited in O'Brien pp. 40–42.

[72] O'Brien p. 44.

[73] Morris "Emerging Nations" p. 83.

[74] O'Brien p. 46.

[75] O'Brien p. 59.

[76] Ditto

[77] Ditto

[78] O'Brien p. 60.

[79] O'Brien p. [illegible].

[80] Cited in O'Brien pp. 30, 31, and Morris "Emerging Nations" pp. 84–5

[81] Beckett pp. 209–213

[82] Morris p. 84

[83] Morris p. 85

[84] Morris pp. 85–6

[85] Alden "The American Revolution" pp. 42–58 and later in the book, sings Carleton's praises highly.

[86] And notorious ones—like Lynch of "lynch-law" fame; on this Alden pp. 12, 13 is most instructive. See also, for more illustrious ones, "The Irish with Washington" in "Ireland of the Welcomes" January 1976.

[87] Quoted in O'Brien p. 159.

[88] Virgil Aeneid 1.33

A GREATER VOICE FOR SMALL BUSINESS

Mr. WEICKER. Mr. President, at the Government Operations Subcommittee on Reports, Accounting, and Management hearings held recently on the Advisory Committee Act of 1972, the distinguished chairman of the Senate Select Small Business Committee, Mr. Nelson, testified on S. 3085 and Senate Joint Resolution 177. These proposals would force the fair representation of small businesses on Federal advisory committees and the appointment of a small business expert in each Federal agency which deals with business and the economy.

New, small, and family businesses are chronically unrepresented in the channels of Washington decisionmaking. Survival is their personal fight. There is neither enough time nor money for them to employ the full-time lobbyists who represent other segments of our economy. S. 3085 and Senate Joint Resolution 177 will help fill that void. I am pleased to be a cosponsor of both of these important proposals.

Mr. President, the enormous efforts of Chairman Nelson to preserve a fighting chance for small business are well known to every Member of this body. No one has devoted himself with greater zeal to the task of preserving the endangered species called small business. I ask unanimous consent that the statement of Senator Nelson before the Government Operations Subcommittee on Reports, Accounting, and Management be printed in the Record.

There being no objection, the statement was ordered to be printed in the Record, as follows:

Statement of Senator Gaylord Nelson

Mr. Chairman, members of the Subcommittee, I appreciate the opportunity to testify on proposals to improve access of small businesses and citizens to the governmental process through advisory councils, and particularly on those proposals embodied in S. 3085 introduced last week by Senators Nunn, Javits, Brock, Weicker, Culver and myself.

S. 3085 would amend the Federal Advisory Committee Act of 1972 and the Federal Reports Act of 1942 to direct that small businesses be fairly represented on federal advisory committees, boards, commissions, panels, and task forces. The objective of this bill is to give the small business community a greater voice in formulating actions of federal departments and agencies which affect the economy. As Senator Metcalf noted in the opening statement of his October 10 hearings, these actions affect their ability to survive.

Smaller and medium-sized independent businesses are important to the economy and to our democratic society. About 97 percent of the 13 million U.S. businesses are small by the definitions formulated by the Small Business Administration or by any other definition. This 97 percent accounts for 43 percent of the business output, one-third of the Gross National Product, and over half of all significant industrial innovation.

In fact, there are only about 6,000 U.S. corporations large enough to have their stock nationally traded, to reach national capital and credit markets, and to be able to afford national advertising.

Yet, the viewpoints of smaller and independent business are chronically overlooked when federal departments and agencies make their decisions on policy, regulations, and reporting forms.

STUDY OF SMALL BUSINESS PARTICIPATION IN THE REPORTS CLEARANCE PROCEDURE

For example, in March of 1975, there was a study of the small business participation in the advisory bodies utilized by the President's Office of Management and Budget. As you know, the responsibility under the Federal Reports Act of clearing any questionnaire or form which is intended to be sent to more than 10 businesses or citizens was conferred on OMB by the Federal Reports Act of 1942.

To assist OMB in this clearance procedure, there is a Business Advisory Council on Federal Reports (BACFR), which considers general issues, and smaller advisory panels which are convened to consider particular proposed report forms.

In its report entitled, "Small Business Reporting Burden," the Peat, Marwick, Mitchell & Co. accounting firm stated: [1]

"Small business has very limited representation on the Council.

* * * * *

"In practice the panels, too, have tended to be dominated by representation from large business—a natural consequence of the difficulty experienced by small businesses in giving the time and absorbing the expense involved in sitting on (such) panels."

Indeed, the statement about "very limited" small business representation may be a classic understatement. There are 13 corporations represented on the BACFR. One is a smaller business corporation having $1 million sales and 45 employees. The remaining 12 corporations have an average of $5½ billion in sales and 167,000 employees. Of the 10 associations represented, only one could be characterized as a small business organization.[2]

The OMB report noted also that the Small Business Administration does not participate in the deliberations of panels reviewing forms, and there is no policy encouraging them to do so.

These are the conclusions of OMB's own report.

The lack of access by smaller businessmen to executive branch decisions was confirmed again and again in the 63 days of hearings held during the past year by the Senate Select Committee on Small Business in such areas as pension reporting forms, occupational health and safety regulations, and energy programs. My remarks to the Senate accompanying the introduction of S. 3085, on March 4, give details of several of these situations. I would like to include this material as an exhibit to my testimony.

CHANGING THE OMB ADVISORY BODIES

Insofar as existing mechanisms for obtaining outside opinions—the advisory committees and panels under the Federal Reports Act of 1942 need to be modified so that the views of smaller and independent business are more likely to be heard.

As this subcommittee is aware, a long series of hearings by the Select Committee on Small Business beginning in 1972 has documented that OMB has not adequately discharged its responsibilities under the 1942 Act. Clearance of forms adding to the mountain of federal paperwork is rarely if ever denied. To the committee's knowledge, there has never been a hearing by OMB, as contemplated by that Act for the purpose of avoiding duplication among federal forms. The primary impact of this non-performance has fallen upon small business.

By way of improvement, the 1975 OMB report suggests:

"... that much more can be done to make it easier for small business to participate. Reimbursement under the Federal Advisory Committee Act is one possibility."

This matter of funding of the OMB committees and panels is highly important. Funding of any decision-making or advisory body by those affected by their decisions is, in my view, very questionable. Senator Percy, in introducing proposed amendments to the Advisory Committee Act on February 23, called attention to some 17 committees advising the federal government which are entirely supported by non-federal funds.[3] I would hope this Subcommittee could obtain the records and discover if the funds supporting BACFR, for instance, and other advisory bodies are provided disproportionately by big business.

Several observers who have examined this situation thus feel that small business and their spokesmen should be serving on OMB bodies which affect the business community in proportion to the importance of small enterprise to the economy—approximately 50 percent of the membership. To make this possible, I would recommend that participants be reimbursed as the OMB study recommends. In any case, the funding of these bodies should be consistent with all other advisory committees. Our bill, S. 3085, offers a basis for such consistent treatment.

DEPARTMENTAL ADVISORY COMMITTEES

As to departmental and agency advisory bodies, there is a need to strike a balance between the formal requirements of the Advisory Committee Act on one side, and the ability of these groups to function effectively in providing timely advice.

The Advisory Committee Act was enacted in 1972, as a result of outstanding efforts of the Senator from Montana (Mr. METCALF). It recognizes the benefits of advisory committees as "frequently a useful and beneficial means of furnishing expert advice, ideas, and diverse opinions to the federal government."

I agree with the Chairman and members of the Subcommittee that this is an appropriate time, after three years of experience, to review the operations of this Act, and to modify it as circumstances indicate.

We have received numerous complaints from business people that a desire of some executive agencies to comply with the Act may be inhibiting the contacts of businessmen and other citizens with government officials. I think the Committee could make clear that the Advisory Committee Act was not meant to prevent meetings of concerned citizens with the personnel of the executive branch in Washington, especially when these meetings are "one shot" meetings, such as are initiated by an outside group visiting the nation's capital. If the meetings are regular or periodic the act should clearly apply. In between, there should be discretion.

The publication of forms for pension reporting, during 1975 provided a laboratory where the existing advisory committee mechanism was tested. It should be noted first that even as to the EBS-1 form, which was publicly acknowledged to be a "monster," there was OMB clearance without any objection.

The Pension Reform Act of 1974 established an advisory council on ERISA in the Department of Labor. However, this Committee does not have any small business members and it did not prevent the massive small business problems with the major ERISA reports.

A small business advisory committee to the Commissioner of the Internal Revenue Service was established in 1975 by Commissioner Alexander. This latter committee has gotten high marks from its participants, despite the inevitable growing pains.

The idea of departmental or agency advisory committees along the lines of the IRS committee, which can assist in the development of report forms, among other matters, drew favorable comment in both the OMB report and the recent General Accounting Office recommendations on information collection proposal, published in the *Federal Register* on March 5.[4]

Advisory committees on this level have the advantage of contributing ideas at a stage where the forms or regulations are still in formulation, and they can, it appears, be very effective. We would envision that fair representation for small business in the decisional process could be assisted through the use of panels like the IRS Committee.

There are certainly problems in allowing such bodies, even those selected according to principles of fair representation, access to agency forms and regulations in a preliminary state.

I think that this Committee can assist the cause of small business by providing for the utmost flexibility by those departments and agencies seeking the advice of advisory groups and concerned citizens in carrying forward the governmental process. In doing so, the Committee will have to address the role of members of the public who are not appointed to these groups, but nevertheless wish to participate and even publish their results, including portions of proposed forms.

In my view, it would be most helpful if the committee could deal with such matters in its report rather than in legislation at this time, to provide maximum latitude for working out the difficult problems of balance which are involved.

SMALL BUSINESS CONTACTS AT EXECUTIVE DEPARTMENTS AND AGENCIES

There is also before the Government Operations Committee S. J. Res. 177 which I introduced with the same cosponsors last week.[5] This proposal is, in a sense, complementary to S. 3085. It would designate at least one person in each agency concerned with economic and business matters to become knowledgeable in small business problems. This person would be contact point for small business groups and could be a spokesman in the decision-making process where the small business community is affected.

The Small Business Administration cannot possibly be knowledgeable in the day-to-day operations of any federal agency, let alone all federal agencies. Its staff devoted to advocacy and agency representation totals 5 professionals and 3 clerical personnel.

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[1] "Small Business Reporting Burden," prepared for Executive Office of the President's Office of Management and Budget, by Peat, Marwick, Mitchell & Co., March 1975, p. A.65.

[2] "Efforts to Reduce Federal Paperwork," Hearing before the Subcommittee on Oversight Procedures and Subcommittee on Reports, Accounting and Management, Government Operations Committee, U.S. Senate, Oct. 10, 1975, pp. 71-2.

[3] Introduction of S. 3013, remarks by Sen. Percy, CONGRESSIONAL RECORD, Feb. 23, 1976, page 4002.

[4] Vol. 41, *Federal Register*, No. 45, p. 9570 "Clearance of Information Collection Proposals."

[5] The Resolution and accompanying introductory remarks are also attached as a second exhibit to this statement.

For example, this Subcommittee has been interested in energy advisory committees. The Energy Research and Development Administration is presently administering $9½ billion in research and development contracts. In drawing up the national solar energy plan, it obtained the participation of 14 other agencies, but did not even invite SBA, despite a provision of its authorizing statute specifically encouraging such consultation. A "small business expert" is urgently needed at ERDA, and similarly in other federal departments and agencies.

I thank the Subcommittee for this opportunity to present these views stemming from the work of the Senate Small Business Committee.

KEEPING THE WATCHDOG

Mr. THURMOND. Mr. President, there has been much said recently concerning the Senate Internal Security Subcommittee. Some believe it should be abolished, others like myself feel it should be strengthened.

One of the most praised activities of the Internal Security Subcommittee is the recently released report on Czechoslovakian intelligence activity. An editorial concerning this report and the other activities of the subcommittee recently appeared in the Richmond News Leader on March 16, 1976. I ask unanimous consent that the editorial be printed in the RECORD, and I hope my colleagues will give it careful attention.

There being no objection the editorial was ordered to be printed in the RECORD, as follows:

[From the Richmond News Leader, Mar. 16, 1976]

KEEPING THE WATCHDOG

Congress has come to some curious conclusions:

Communists devour whole countries, while domestic subversives announce plans to "supply the fireworks" for the Bicentennial. Yet Congress devotes its energies to the exposure and harassment of those government agencies entrusted with thwarting the Communists—or merely with keeping an eye on them. Thus, the Central Intelligence Agency is portrayed as a group of sinister clowns, conniving to infiltrate foreign governments and to murder foreign leaders, and even concocting a scheme to make Fidel Castro's beard fall out.

Another case in point is the movement to scuttle the Senate Internal Security subcommittee, as the House Committee on Internal Security was put out of business a year ago. Oregon Republican' Mark Hatfield has pleaded with fellow members of the Senate Rules Committee, which sets annual budgets for other Senate units, to eliminate the subcommittee. Why? Senator Hatfield believes that the subcommittee spends a lot of cash, but accomplishes little. His efforts have paid off: The Rules Committee has voted to pare the subcommittee's budget from $295,000 to $195,000. According to senior investigator Robert Short, the $195,000 figure will not meet the salary expenses of subcommittee staff members.

The Internal Security subcommittee produces one product: information. Has it produced anything of value? Yes. Consider the subcommittee's report on the Czech intelligence agency—known as the HSR—a report released last month. According to Joseph Frolik, who defeated after 17 years with the HSR, the Czechs easily outdo the CIA's doings. The HSR's activities run the gamut from low comedy to murder.

Item: The HSR turned a plague of prostitutes loose on a Canadian hockey team the night before a big game with the Czechs. The next day the Czechs easily defeated the Canadians.

Item: About 80 restaurants in Prague have special tables equipped with electronic eavesdropping devices. Waiters are trained to recognize persons of interest, who are seated at these tables. The waiters then telephone the spy agency, and the devices are turned on.

Item: Radio Free Europe has annoyed the Czech government. A Czech intelligence agent was ordered to put a hallucinatory—perhaps lethal—drug in salt shakers in the Radio Free Europe cafeteria. Fortunately, the man was a double agent working for the CIA.

Item: The Czechs tried—unsuccessfully—to infiltrate Ralph Nader's enterprises. Nader's influence in Washington, and the many Nader volunteers who scurry around Washington asking questions, were given as the reasons for the HSR's interest in Nader.

Item: Communist intelligence agencies have orders to steer clear of Western Communist parties—except in Britain. Said Frolik: "I know that the Russians can work with the Communist Party of Great Britain, because there are quite a few agents in high positions [who are] secret Communists, not open Communists, working in the Labour Party and the union movement."

Item: Among murder victims were: (1) Slovakian exile Matus Cermak; (2) the wife of a French official who died in the explosion of a fake box of cigars sent to her husband; (3) Mrs. Karel Zizka, the wife of a Czech UN attaché who was beaten and maimed before being shot; and (4) a Socialist, Bohumil Lousman, who was kidnapped and imprisoned for a decade before being killed with a powerful hallucinatory drug. The HSR also plotted the murder of the late French President Charles de Gaulle.

Moreover, Frolik revealed that many high-ranking Czech Communist officials, including former president Antonin Novotny, worked with the Gestapo during the Nazi occupation of Czechoslovakia. Said Frolik:

"As a young boy I had an example in front of me. It was my uncle. My uncle was the first secretary of the regional committee of the Communist Party, pre-World War II. During the war he was in the resistance. And after the war he was a big hero. One day I went to the archives and I found that my uncle was not a hero, but a traitor. He was working for the Gestapo in the resistance. And I think that [this] was the breaking point for me."

Frolik escaped. He lives in America now, with his wife and son, under an assumed name. But the Czechs know who he is. Frolik has received threats via the mails and the telephone. The brake line of his car has been cut. Once nine live rattlesnakes were placed in his office.

For more than a year now, the U.S. has been bedeviled by endless speculation about the misdeeds of the CIA. Given revelations such as Frolik's, the time is at hand for the spotlight to shift to the operations of Communist intelligence agencies, whose appointed task is the destruction of the United States. The Senate Internal Security subcommittee is well equipped to carry out such a mission. The Senate should keep its security watchdog—and give it stronger teeth.

CONCLUSION OF MORNING BUSINESS

The PRESIDING OFFICER. Is there further morning business? If not, morning business is closed.

Under the previous order, the Senator from Massachusetts (Mr. KENNEDY) is recognized for 15 minutes.

EVENTS IN SOUTHERN AFRICA

Mr. KENNEDY. Mr. President, U.S. foreign policy has traditionally focused on our relations with the great powers of the Earth—those industrial states that control the bulk of the world's wealth, productive capacity, and military power. Yet, in recent years, we have become increasingly aware that there are other dimensions to foreign policy, other problems, other factors that compel our attention.

With the ending of the cold war, new areas of turmoil and conflict have emerged, along with a new quality of interdependence among nations and peoples—including many in far distant parts of the world that once had little effect on our Nation. Economic issues have come to the fore as rarely before in history; and events in the southern half of the world are beginning to have a profound impact on the richer north, and on our hopes for a peaceful evolution to a future that can benefit both us and others.

Indeed, it is now becoming clear that we cannot meet the challenges of the future—in virtually any area—unless we broaden our perspective, and also create enlightened attitudes and policies toward nations and regions that we almost totally ignored. Relations among the rich and powerful are no longer enough; there must also be a deeper understanding of countries in poorer parts of the world, if we are to succeed in managing any of our foreign relations.

In Asia, Africa, and Latin America, we are being called upon to gain understanding, exercise good judgment, show compassion, and bring wisdom to our policies, where once we could get by with indifference and neglect.

Today, that lesson is being brought home to us most forcefully in Africa. During the past few months, events in southern Africa have brought that part of the African Continent more fully to our attention than ever before. The war in Angola posed a series of difficult questions for the United States, and led to a major difference of opinion between the administration and Congress about the right course to pursue.

That war is now over, and, I believe, the wisdom of congressional action has been vindicated.

We withdrew from a situation in which American arms would have been used to intensify conflict and be paid for in African lives—a situation in which we would have been remembered in Africa only for a tacit alliance with the forces of white racism and minority rule.

Now we are faced with other serious choices regarding southern Africa, and particularly in Rhodesia, Southwest Africa—Namibia—and South Africa, itself. None of us can approach these issues lightly; all of us are concerned about developing policies for the United States that will be in our best interests, and in the best interests of the nations and peoples directly involved, as well.

To these ends, it is important that we in the United States gain a clear view of what is happening in southern Africa, and develop a set of attitudes and policies toward that troubled part of the world which genuinely relate to events and developments there. For too long, we have had no real policy towards southern Africa—or at best a policy that failed to view southern Africa in its own terms—a policy that put off decisions to the indefinite future, in the mistaken belief that time itself would resolve the bitter issues of relations between black and white, between majority and minority rule.

The time has long passed when we could afford to look at the nations and peoples of the African continent in terms of our relations with European countries—the former colonial powers.

Today, policies based on the role of European nations in Africa are no longer relevant. Now the continent must be viewed for what it truly is: a set of individual nations and peoples, each with its own identity, its own aspirations, its own problems and promise. For, otherwise, no policy toward Africa can succeed.

At the same time, we must also reject the notion that what happens in Africa should be viewed primarily in terms of our interests elsewhere—and in particular as deriving from United States-Soviet relations and interests in other parts of the world.

No country in Africa wants to be a pawn of superpower politics: No country in Africa can welcome a role for the Soviet Union or any other outside nation in its internal affairs that would deny its integrity and independence; and no aspect of our interests in Africa can justify bringing that continent within the compass of an outmoded concept of containment.

Of course, it is not enough simply to say that we join the vast majority of African nations in opposing any involvement of the Soviet Union and Cuba in events now taking place in southern Africa. It is not enough merely to join others in saying that Soviet and Cuban involvement in Africa is illegitimate. Yet, at the same time, there is little merit in adopting methods of active and direct opposition to such involvement—methods like those advocated by the administration over Angola—where they place us in the position of supporting white racism, supporting minority rule, and opposing the legitimate aspirations of individual peoples and the fulfillment of desires for national self-determination. No one in Africa—other than the white regimes, themselves—would thank us for playing that role.

There is little merit in issuing warnings to Cuba when we are failing to take those steps that could deny to Cuba or the Soviet Union fertile ground in southern Africa in which to sow seeds of their own involvement. The Secretary of State has finally acknowledged the importance of the rights of all peoples in southern Africa. But we must show that we are moving beyond lipservice, beyond a decade of hypocrisy and neglect; and moving toward genuine efforts to be on the right side in southern Africa.

Nor must we fall into the trap of believing that, somehow, other nations will see our response to Cuba and the Soviet Union in Angola as a weakened will to protect our own interests. I believe that this is a total misperception of U.S. intentions. It is surely clear to all that the United States will indeed follow through on its commitments in the world—commitments that truly reflect vital interests, as in Europe, in Japan, and in Israel. The danger lies in a distorted vision of our interests, as the administration demonstrated when it advocated a policy of covert and active support for particular groups in Angola, in the name of U.S. relations elsewhere with the Soviet Union.

For challenges to the United States "will" come not from any evidence of frailty on the part of our people; but rather from an administration which seems blind to the differences between vital and less important interests, and which misrepresents congressional good sense over Angola as national weakness.

Last night, Secretary Kissinger said in Dallas that "we must be prepared to recognize genuine threats to the global balance." No one can disagree with that view. Yet it is precisely that view which he failed to follow in seeking to involve us in Angola; and where he risks disturbing our basic interests in the rest of southern Africa.

In fact, if the administration wishes to make a clear demonstration of American will in southern Africa, it can begin by at last developing a clear, consistent, relevant policy toward that part of the world—and by orienting that policy to our interests there, and to the ideals and interests of the majority of people in those countries.

I believe that we can have an effective policy toward southern Africa, and work toward the isolation of that region from outside intervention and great power politics. I believe we can provide support for those black African countries which are apprehensive of Soviet and Cuban intervention. But to do so, to make effective any policy of opposing Soviet or Cuban ambitions in Africa, we must begin directly and firmly to demonstrate our real and active support for those peoples subjected to minority rule. For if we abandon that cause, we will only have ourselves to blame when the oppressed people of southern Africa turn elsewhere for support.

It would be ironic indeed, if African peoples are forced to turn for support, not to the nation which "fired the shot heard round the world," but rather to a nation which has systematically denied human liberties to hundreds of millions of peoples in its own and neighboring countries.

Of course, even if we reverse our policies of neglect toward the aspirations of majority black peoples in southern Africa, it may still not be possible to forestall involvement of the Soviet Union or other outside powers. But at least we would be taking the indispensable first step toward that desirable outcome; we would be abandoning the lipservice to self-determination and majority rule that has characterized policy toward southern Africa for so many years; and we would be creating a firm basis for trust of our intentions and actions on the part of black African states. Then we would put behind us forever the legacy of colonialism which has produced paternalistic attitudes of indifference.

Mr. President, today we have a unique opportunity to develop our own policies for southern Africa: to tie these policies firmly to the interests and desires of individual countries and peoples; and to build new relationships with African states that will truly be in our interest—and in theirs.

We must show that we understand the human dimension of what is happening in southern Africa—for in the final analysis, that dimension will be decisive, both for the people directly involved, and for the future of our policies throughout Africa.

As Prime Minister Macmillan said in 1960, in an historic speech to the South African Parliament:

> The wind of change is blowing through this continent and, whether we like it or not, this growth of national consciousness is a political fact. We must all accept it as a fact, and our national policies must take account of it.

What is happening today in southern Africa has meaning for all people who believe in social and human justice. It is part of a continuing effort in many countries of the world, reflecting a basic change in relations both within and between nations. Here lie the great issues for the future—where the reshaping of the global economy to bring greater benefits to people everywhere is part of the selfsame process in which people everywhere are searching for a final end to centuries of a racist hierarchy of peoples based on the color of their skins.

Today, this search is for greater justice to southern Africa and minority rule there is under increasing challenge, as the continued oppression of black Africans in Rhodesia, Namibia, and South Africa has trapped all citizens of these countries—both black and white—in a system that perverts the most fundamental of all human values, the dignity and self-respect of each individual.

Colonialism has ended in Mozambique, Angola, and in the other Portuguese colonies—and the end of minority rule in South Africa, in Namibia, and in Rhodesia is inevitable.

In our Nation's Bicentennial Year, we must recognize that the effort to end minority rule in southern Africa represents the same urge for self-determination, the same cry to end oppression, the same passion for freedom and liberty that sparked the American Revolution of 1776.

In the future, names like Abel Muzorewa and Joshua Nkomo of Rhodesia, Gatsha Buthelezi of South Africa, and Sam Nujoma of Namibia, may be revered in the history of southern Africa, just as we Americans honor George Washington, Patrick Henry, and Paul Revere.

We, therefore, face a critical choice—which we can put off no longer: Will we, as a nation, truly support peoples of southern Africa who seek only the "unalienable rights" we sought and won for ourselves two centuries ago? Or will we continue to follow policies that isolate us from these peoples—policies that effectively place us on the side of minority governments that deny basic human rights to most of their people, and invite the involvement of other outside powers?

I believe the choice is clear: The United States can and must—in both word and deed—place itself firmly in support of a rapid but peaceful resolution of the struggles for freedom and self-determination that are raging in southern Africa. The wind of change is indeed sweeping through that region; and we must steer our course with that wind, instead of continuing to resist it.

This message has been brought to us most clearly by President Kenneth Kaunda of Zambia. At the White House last spring—on our own Patriots' Day—he asserted that "peace is central to all human endeavor," but he also warned that—

> We cannot declare our commitment to peace and yet strengthen forces which stand in the way to the attainment of that peace.

Africans who have studied our history—who have been inspired by our own struggle for liberty—know that we have the ideals and the compassion to stand for liberation and justice for all African peoples.

We began that campaign many years ago.

After the Second World War, we became the leading champion of ending colonial rule, wherever it was found. We encouraged black Africans and others to assert their claim to independence. We supported those people in Europe who understood that colonialism must end, along with the cancer of racism which was the inevitable product of a system that placed whole nations under the rule of foreign peoples. And we embarked on the most generous effort in history to extend aid for peoples and nations on the long road to development.

In those days, many Americans stood tall in the fight to end colonial rule. For his stand against the evils of that system, G. Mennen Williams, Assistant Secretary of State for African Affairs, was condemned by the white settlers of Kenya and punched in the face by a white Rhodesian. Yet Secretary Williams continued to stand by our national commitment to self-determination, freedom, and justice.

In recent years, we departed from the standard we set, as we retreated from our commitment to end colonialism. We failed to oppose officially the last major bastion of colonial rule in Portuguese Africa.

But then, with no help or encouragement from the U.S. Government, Portugal itself reversed its course, and began granting independence to its five African colonies. Today, the age of colonialism in Africa by outside nations is one small step from being over; and time is running out for colonialism within the countries of the south, as well.

Dr. Kaunda and other thoughtful Africans know that the aspirations of the oppressed have not changed, that "the patience of the oppressed has its limits." Struggle for liberation has exploded into guerrilla action and even open fighting.

This is so because the minority governments of southern Africa are frustrating the prospects for achieving majority rule. In doing so, they are inviting efforts outside the law—efforts that could result in untold human suffering, unless farsighted men and women in these countries, both black and white, can prevail through peaceful means.

No one can stand aside and accept this outcome as inevitable. No one can deny a call to act in the interests both of peace and of justice.

We in the United States must demonstrate our support for people who seek the course of peace, and take four concrete steps:

First, we should immediately recognize the People's Republic of Angola, and establish diplomatic relations with its new government. At least 40 of the 47 members of the Organization of African Unity have already extended recognition. And the United States is now the only member of NATO which does not recognize the Government of Angola's president, Augostino Neto.

Only through regular diplomatic contacts can future United States-Angolan relations rest on a clear understanding of the interests of both countries; only in this way can we play any role in helping Angola to resist pressures and undue influence from outside powers; only in this way can we begin the process of commitment to change in the rest of southern Africa as well.

President Ford authorized Gulf Oil to establish direct negotiations with Angolan officials; and the corporation has entered into relations with the new government. It is time for the President to direct the Department of State to do the same.

Second, and even more important, we must face the growing threat of conflict in Rhodesia—Zimbabwe—the most immediate challenge to peace in the region. The demand for change in that country is clear, where 300,000 white citizens control the destiny of 6 million blacks. That demand for change will be fulfilled. The choice lies only in the means for change, and in the commitment to insure that whites and blacks can live together in peace under majority rule.

Ten years ago, the Smith regime in Rhodesia was declared an international outlaw by the United Nations. We, too, are bound by that decision. Yet we have evaded it—we have given aid and comfort to the supporters of minority rule by diplomatic indifference to our true interests. We have also violated the United Nations sanctions imposed on trade with Rhodesia, by a congressional amendment permitting the import of chrome.

This must not continue, especially at this critical time for the future of U.S. policy in Africa. We must show our determination to press for a peaceful transition to majority rule. And we in Congress must promptly repeal the Byrd amendment.

We must also undertake our own efforts—and support those of other nations—to impress upon the Smith regime the need to negotiate now for a transition to majority rule. The time has passed for half measures, and for temporizing in hopes that the issue will go away. Time, indeed, has nearly run out and the next few weeks may determine the prospects for peace—or war. And the Smith regime must be under no illusions that the United States would rush to the aid of the white-dominated government, if its failures lead to a conflict in which Cubans or other outsiders are involved.

It is small wonder that, as recently as last week, the Smith regime continued to believe in U.S. support—when U.S. policy is vacillating between new-found concern for majority rule, and even more forceful positions on superpower politics.

At the same time, no one can ignore the interests, the concerns, the fears, of white citizens in Rhodesia. But many of them recognize that the best means of securing their own future lies not in continuing to hold to positions that are neither politically nor morally tenable. Rather they lie in coming to terms now with the inevitable course of events. They lie in seizing what opportunities remain to shape that course in ways which will preserve and extend the rights, the liberties, and the interests of both whites and blacks.

It will be difficult in any event to work toward a stable society in Rhodesia under any form of government, where whites and blacks can live together in peace, to the benefit of all of Rhodesia's people. But the chances of that outcome will be made infinitely worse if peaceful means fail, and that country erupts in racial war.

This week, negotiations have broken down once again, and Prime Minister Smith has said again that he does not expect majority rule in his lifetime. But his intransigence simply cannot be sustained; the negotiations must succeed, if bloodshed is to be averted.

Yesterday, the British Government proposed a transition period of up to 2 years to lay the foundation for free elections leading to majority rule. If this course is accepted by the Smith regime, Britain has promised to lift sanctions against Rhodesia, and to consider economic aid following the elections.

I believe that we in the United States should give this general approach our firm support—though with a much more rapid timetable; and we should commit ourselves to provide economic aid to Rhodesia, if need be, after majority rule.

Many people in Rhodesia understand the wisdom of this proposal by the British Government. And we must support them, not turn away from the realities of the future and, in so doing, merely feed the fears of Rhodesia's white citizens and increase the chances of bloody conflict.

Third, and next in importance to the immediate crisis in Rhodesia, we must finally face up to the situation in Southwest Africa—in Namibia. This is a country suffering in a unique way, because it is illegally occupied by the Republic of South Africa. The legal, the moral, the political position is clear:

By U.N. resolution, South Africa's trusteeship over Southwest Africa, dating from the end of the First World War, has been declared null and void. Yet South Africa has defied that vote of the body which has legal and moral say over the future of trustee territories.

The United States effectively continues to support that internationally condemned—and untenable—position. Despite our Government's vote for the U.N. resolution, our administration still permits U.S. firms doing business in Namibia to pay taxes to the government in Pretoria. Yet if the administration could pressure Gulf Oil to withhold royalty payments to Angola while the war continued, surely we can also pressure U.S. firms in Namibia to withhold payments from the illegitimate power of the South African Government in Namibia.

Since the victory of the MPLA in Angola, the South West Africa Peoples Organization—SWAPO—has greatly increased its guerrilla activity in Namibia. Either through the force of war or by peaceful means, liberation is also inevitable for the peoples of this land. Again, we must ask ourselves: Must SWAPO turn to Cuba as the champion of its cause? Or will we in the United States recognize what is right, just, and consonant with our own ideals and principles as a nation? Again the choice is clear. Again, our moral obligations are identical with our national interest in a peaceful transition to majority rule in Southern Africa, without intervention by outside powers. And we must be prepared to join other nations in providing economic assistance to Namibia, as well as to other states in Southern Africa.

Finally, as a problem less pressing in time than Rhodesia, but even more significant for the future of Africa, there is South Africa itself. South Africa is the last of what could truly become a row of falling dominoes—but hopefully falling not to war and possible foreign domination, but rather to a peaceful accommodation with the forces of justice and majority rule.

Inside the laager, the most powerful and most highly developed country in Africa is moving inexorably on a collision course with destiny—with the same forces that are requiring change in Rhodesia and Namibia, as well.

In this land, slightly more than 4 million white inhabitants monopolize the wealth, the political power, and the benefits of economic security through unjust laws of apartheid, police state action, a monopoly of force, and a perverted judicial system. The white South Africans control 17 million blacks who have a standard of living far below that of the whites, whose prosperity is made possible through black labor. That nation's 17 million black citizens are denied personal liberties and basic freedoms, and condemned to a bitter life in the land of their ancestors, which they call Azania.

Helen Suzman, the courageous Progressive Party member of the South African parliament, calls the 17 million blacks "the great silenced majority." In that country, there are two names, two worlds and two peoples—but two peoples whose lives are intimately dependent on one another.

At the beginning of this decade the prospect of a transition to full rights for black South Africans—to majority rule—seemed more distant than ever. Jim Hoagland, in his descriptive analysis, "South African Civilizations in Conflict," suggested that "the most important event of the 20th century for Africa will be the revolution that did not happen."

Hoagland wrote than 5 years ago. Today, thoughtful people in many countries insist that, now, the most important event for Africa will be the gaining of power by those people who are in the majority.

Representative CHARLES C. DIGGS, black Africa's leading spokesman in the U.S. Congress, believes that the Russians and the Cubans need to make only a small investment in the black liberation movements in Rhodesia and in South West Africa and finally in South Africa. Eventually, in his view, the United States might find itself then joining the side of the white minority regimes to combat the influence of these Communist countries.

And before we knew it, the United States would intervene, because preoccupation with the threat of Soviet involvement would distort our Government's view of our own national interests.

Congressman DIGGS insists, as I do, that this must not happen—and it need not happen. Nor should we permit, through either deed or word, the Rhodesian or South Africa governments to believe it could happen. Instead we should recognize where our true interests lie, and the credibility we still have with the groups struggling to change the policies and practices of the South African Government.

Yet U.S. Government policies deserve little credit for preserving and building upon the opportunities we still have to act in our interest—and in the human interest—before it is too late. For example, the administration is now considering plans for the Export-Import Bank to negotiate a $450 million loan guarantee package with a South African Government-owned corporation. Along with other Senators, I recently wrote to President Ford, urging him to reject these plans. Only in this way can we begin to demonstrate that we understand the gravity of events in South Africa, and the need for positive action now, if worse results are not to follow in the future.

At the same time, we must bring our diplomatic representation in South Africa firmly into line with our new policy of urging progressive movement toward majority rule. We must end the inconsistency between noble words and practical actions that reassure South Africa of our support "at the final hour." This means ending our exaggeration of South Africa's importance in the freedom of sea routes around Africa; ending all defense cooperation, and withdrawing our defense attachés. And we must disabuse South Africa of the notion that it can play the card of the Communist scare, to gain U.S. support when the chips are down. The message we send must be clear and unequivocal.

It is important, however, that we not withdraw diplomatic recognition or representation. For we must keep open the lines of communication with South Africa, both to indicate our sense of the direction of events in the region, and to aid in the process of movement to majority rule within a truly pluralistic society in South Africa, itself.

It is also time for us as a nation to look again at the value of our foreign investment in South Africa. We cannot let our policy towards that country—our policy towards the future—be determined by economic interests in the current regime. We must not allow either U.S. firms in South Africa, or the Government in Pretoria, itself, to believe that the United States will come to the rescue of our foreign investments. Not only would that help defeat the development of sensible U.S. policies, and give South Africa the wrong impression of our intentions; but it is also not likely to preserve these investments when change inevitably comes.

As in Rhodesia, it is also time to make clear to all South Africans, both black and white, that we support peaceful transition to majority rule, that we will not expend our diplomatic support—and certainly not our blood and treasure—to preserve the white regime in power.

For South Africa, the sands of time are running out—not as quickly as for Rhodesia, but just as surely. Pretoria may therefore still have time to work out, through peaceful means, what may otherwise be sought through war. That government has shown some sensitivity to events in Rhodesia, through its efforts to encourage peaceful change there; it is time for it to show more sensitivity at home than it has so far shown; and time for us to aid in that process. Again, as in Rhodesia, the future for white South Africans within a pluralistic society will be far more promising if they work now for change, instead of having it thrust upon them later.

It will be far more promising if there is intensified communication among all parties in Southern Africa—trying to defuse conditions that are increasingly explosive.

Mr. President, I have been speaking today about a series of issues that have become more important for us than most Americans believed possible only a few short years ago—although some thoughtful Members of Congress long ago understood that issues of liberation, justice, and majority rule would decisively shape the future of Southern Africa, and our relations to all of black Africa.

Now many Americans are concerned about the role of Russia and Cuba in that region of the world. But that concern must not be seen as though it existed in a vacuum. Rather, it must be seen in terms of what we should long since have been doing to be on the right side in support of national liberation and self-determination. For in that way, we can reduce any opportunities for outside powers to meddle in African politics; we can create a set of policies that offer the best hope for averting widespread conflict and bloodshed in Southern Africa: We can place our relations with all of Africa on a firm footing.

Speaking in Boston recently, Secretary of State Kissinger said:

> We are convinced that when a vigorous response to Soviet encroachment is called for, the President will have the support of the American people—and of our allies—to the extent that he can demonstrate that the crisis was imposed upon us; that it did not result from opportunities we missed to improve the prospects of peace.

Without accepting his implication that there will necessarily be Soviet encroachment in Southern Africa—eliciting some

U.S. response—I can say this most clearly: That today we have indeed missed virtually every opportunity to improve the prospects of peace; that the Secretary has defined precisely the failures of our current policies, and defined the standard for action that the State Department itself has failed to observe.

Mrs. Goler Butcher, chairwoman, of the Africa study group of the democratic advisory council of elected officials, has eloquently summarized the most compelling reason for the United States to develop sound policies:

> The challenge of Africa to the U.S. in the year of our Bicentennial is to redeem the principles proclaimed at our birth: Self-determination, liberty and justice. As the health of our nation in the post World War II era required that the U.S. begin to extend these principles to black people in the U.S., so the present era of global interdependence requires, if we are to continue growth and prosperity and the realization of our potential, that the U.S. begin to function as a partner with Africa and the rest of the developing world, and not as a condescending superpower.

Mr. President, America needs an African policy that clearly relates to the interests and concerns of both Africans and Americans. In this country, we proudly profess allegiance to the ideals of personal freedom and social justice, as the keystone of our Bicentennial celebrations. Then let us bring the spirit of that allegiance to our national policies toward a continent that bears one of the world's most promising hopes for the future of mankind.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

RECESS UNTIL 1:30 P.M.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate stand in recess until the hour of 1:30 p.m. today.

There being no objection, the Senate, at 12:34 p.m., recessed until 1:30 p.m.; whereupon the Senate reassembled when called to order by the Presiding Officer (Mr. DOLE).

FEDERAL ELECTION CAMPAIGN ACT AMENDMENTS OF 1976

The PRESIDING OFFICER (Mr. DOLE). The hour of 1:30 having arrived, the Chair lays before the Senate the unfinished business, which will be stated by title.

The assistant legislative clerk read as follows:

> A bill (S. 3065) to amend the Federal Election Campaign Act of 1971 to provide for its administration by a Federal Election Commission appointed in accordance with the requirements of the Constitution, and for other purposes.

The Senate proceeded to consider the bill.

PRESIDENT'S MESSAGE REFERRED ALSO TO COMMITTEE ON COMMERCE

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Committee on Commerce be added to the list of committees to which the President's message on budget requests for research and development was referred yesterday.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MANSFIELD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. GARY HART). Without objection, it is so ordered.

EXTENSION OF TITLE V OF THE RURAL DEVELOPMENT ACT OF 1972

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar No. 676.

The PRESIDING OFFICER. The bill will be stated by title.

The assistant legislative clerk read as follows:

> A bill (H.R. 6346) to extend the authorization of appropriations for carrying out title V of the Rural Development Act of 1972.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill, which had been reported from the Committee on Agriculture and Forestry with an amendment to strike all after the enacting clause and insert the following:

> That subsection (a) of section 503 of the Rural Development Act of 1972 (7 U.S.C. 2663(a)) is amended—
>
> (1) by striking out the word "is" and inserting in lieu thereof "are";
>
> (2) by striking out the word "and"; and
>
> (3) by changing the period at the end thereof to a comma, and adding the following: "not to exceed $5,000,000 for the period July 1, 1976, through September 30, 1976, and not to exceed $20,000,000 for each of the three fiscal years during the period beginning October 1, 1976, and ending September 30, 1979.".

Mr. CLARK. Mr. President, this bill would extend for another 3 years the authority for rural development research and extension under title V of the Rural Development Act of 1972. Since the present authorization expires on June 30 of this year, this important title of the act will lapse in the absence of action by the Congress.

The objective of title V is to provide research, extension, and training to insure successful programs of rural development in order that the highest possible level of employment and quality of life in rural America may be achieved.

It was the intent of Congress that programs under title V consist of extension and research with respect to new approaches for the management, agricultural production techniques, farm machinery technology, new products, cooperative agricultural marketing, and distribution suitable to the economic development of family-sized farm operations.

Notwithstanding the unwillingness of the administration to make appropriated funds available for these programs, they are vitally needed and their contributions to the welfare of rural America are proven. Congress recognized that many of those small farms to which this section of the act is addressed are too small to be economically viable in and of themselves. It was recognized that many of these farmers or their wives might have to seek supplemental nonfarm incomes to get by. But the point was that many of these people, even with two incomes, are living at or near the poverty level. They are underemployed. If research and extension can be used to maximize their farm incomes, we will be able to accomplish much improvement of their standard of living, putting more dollars into local rural economies, and thereby accomplishing a great deal of rural development.

In title V, there is a new model of research and extension. The act mandates that Federal agencies work cooperatively with other public and private institutions in the State and provides for the coordination of the total program within the State which is not embodied in the Smith-Lever Act and the Hatch Act.

The advisory committee structure is part of the planning process to get State and community involvement. In addition, the regional rural development centers, of which there are four, provide a creative means for using the limited resources made available under title V.

The largest appropriation for title V thus far has been for $3 million, divided equally between research and extension. This means that no State has received as much as $100,000 per year.

This may seem inefficient in some ways, but title V is the instrument which assures that the cooperative extension service and the cooperative State research service maintain a commitment to rural development.

Many States have added dollars to the title V money from other authorities to strengthen their programs.

Another strength of title V program has been the broad-based input going into identifying statewide and local development objectives. This arises from the direct involvement of State advisory and local citizens advisory councils in title V program direction, representing farmers, business, labor, local government and multicounty planning and development organizations, advisory council members are acquainting title V administrators with needs confronting rural areas of the State and providing significant input into program development.

I feel that this measure to extend the funding of these vital rural development programs through 1979 is very much in keeping with our original intent in passing the 1972 act and that the funded programs will be used as vehicles to insure that these commitments which we have made to rural Americans are kept in a responsive and responsible manner. I urge favorable consideration of this measure.

The PRESIDING OFFICER. Who yields time?

Mr. DOLE. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk proceeded to read the amendment.

Mr. DOLE. I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the appropriate place, insert a new section as follows:

SEC. 2. Subsection (b) of section 3 of the Farm Labor Contractor Registration Act of 1963, 78 Stat. 920, as amended (7 U.S.C. 2041–2055), is amended—

(1) by striking the word "or" at the end of paragraph (6);

(2) by striking the period at the end of paragraph (7) and inserting in lieu thereof a semicolon; and

(3) by adding at the end thereof a new paragraph (8) as follows:

"(8) any custom combine, hay harvesting, or sheep shearing operation.".

Mr. DOLE. Mr. President, the purpose of this amendment is to exempt custom combine operators, hay harvesters, and sheep shearers from the Farm Labor Contractor Registration Act—FLCRA.

This amendment is cosponsored by Mr. ABOUREZK, Mr. BENTSEN, Mr. CURTIS, Mr. MANSFIELD, Mr. BURDICK, Mr. BARTLETT, Mr. BELLMON, Mr. HRUSKA, Mr. MCGEE, Mr. MCGOVERN, Mr. TOWER, Mr. YOUNG, Mr. HELMS, Mr. FANNIN, Mr. HANSEN, Mr. LAXALT, Mr. MCCLURE, and myself.

Mr. President, a major problem for custom combine operators, and for the farmers they serve, developed recently when the Department of Labor made their interpretation that custom cutting and sheep shearing operations should be included under the Farm Labor Contractor Registration Act. Since that time, my office has received a stream of letters, telegrams and telephone calls from custom cutting operators and from farmers indicating that they would have a great deal of difficulty complying with the requirements of this law. Custom hay harvesters are essentially the same as custom cutters and there is concern that they would be included too. It is my understanding that this problem has major proportions in other midwestern and agricultural States.

DIFFERENT SITUATIONS CONFUSED

The Senator from Kansas strongly believes that the extension of this law to include custom combine and sheep shearing operators is a confusion of two entirely different situations. The FLCRA was intended to end abuses against migrant workers and against farmers that use the services of farm labor contractors.

But custom combine and sheepshearing operators have no record of exploiting or abusing their employees or the farmers they contract with. Custom combine and sheepshearing operators do have a record of providing a very important and timely service to farmers and ranchers.

So custom operators and sheepshearers are justifiably upset about a decision by the Department of Labor to extend a large number of requirements to cover them when there is no demonstrated need for such requirements. That is why, in the opinion of this Senator, this amendment is so important.

PROMPT ACTION NEEDED

The Senator from Kansas feels strongly that quick action is needed on this exemption. That is the reason for offering this amendment to a nongermane bill rather than going through the normal legislative process.

It is the hope of this Senator that the exemption contained in this amendment will be adopted by the Senate today. Hopefully, the House will then agree to this bill as amended or to a conference report on it that includes the exemption. This process, if completed, will allow the exemption to be enacted into law much more quickly than going through the normal process of committee hearings and markup.

There is a need for prompt action because the custom harvesting season will begin in the next few weeks. Wheat harvest begins in Texas in the middle of May. At this point, custom combine operators in Kansas and other States are getting their machinery ready to go south to begin the harvest season. From that time on, they will be cutting grain and moving north throughout the summer, into the fall. It is important that the Congress approve this exemption before that time so they will not be burdened by unnecessary and inappropriate regulations.

COMMITTEE APPROVAL

Prompt action on this legislation by the Congress is justifiable. Recently the junior Senator from Wisconsin (Mr. NELSON) who is also the chairman of the Senate Migratory Labor Subcommittee, together with Congressman FORD of Michigan, who is chairman of the House Agricultural Labor Subcommittee, sent a letter to the Secretary of Labor indicating that it was never the intent of Congress to include custom combine and sheepshearing operators under the FLCRA.

The Senator from Kansas has been in touch with the Department of Labor and it is my understanding that it is not the need to extend these regulations to custom combine and sheepshearing operators that prompted the Department of Labor interpretation, but simply the technical wording of the definitions of migrant workers and farm labor contractors in the act. So, hopefully, Congress can complete action within the next few days and agree on this exemption.

PROBLEMS CAUSED

The requirements of the FLCRA would cause a large number of problems for custom combine operators. Most of the regulations are either unnecessary or inappropriate for custom cutting operations. But the problems that would be caused for custom combine operators would result in severe hardship and in some cases could result in custom operators simply quitting the business altogether.

In the case of safety and health requirements, custom operators are already meeting the standards necessary to protect their employees, there is no need for the additional safety and health requirements of the FLCRA.

There are many requirements in this act that would cost a great deal of time and money for custom operators.

For example, the Senator from Kansas counts 25 different types of forms and statements that are required for each custom operation. Many of these forms and statements would have to be submitted repeatedly for each employee, for each vehicle, and for each job performed by the operator. The farmer that hires the services of a custom operator would also have additional paperwork requirements. I request unanimous consent that a list of these forms and statements be printed in the RECORD at this point.

There being no objection, the list was ordered to be printed in the RECORD, as follows:

FORMS AND STATEMENTS TO BE PROVIDED BY CUSTOM CUTTERS UNDER THE FARM LABOR CONTRACTOR REGISTRATION ACT

1. Form for application for an initial or renewal Certificate of Registration.
2. Certificate of Registration card.
3. Form FD-258—applicant's fingerprints.
4. Statement of any change in membership, officers of directors of a custom operation to be made within 10 days.
5. Statement designating the Secretary of Labor as agent for accepting service of summons.
6. Statement of vehicle insurance or financial responsibility compliance.
7. Statement of vehicle identification.
8. Statement of vehicle compliance with all applicable State safety and health standards.
9. Form for doctor's certification of health adequate for driving purposes.
10. Statement of evidence of operators license for transporting vehicle.
11. Statement identifying facilities to house migrant workers.
12. Statement that housing facilities comply with Federal safety & health standards as prescribed in either 20 CFR 620.4 or 29 CFR 1910.42.
13. Statement of compliance with applicable State standards of safety and health in housing.
14. Form for application for an initial or renewal Farm Labor Contractor Employee Identification Card.
15. Farm Labor Contractor Employee Identification Card.
16. Form for doctor's certification of employee health for purpose of transporting workers.
17. Statement of employee's drivers license to operate vehicle for transporting workers.
18. Statement of terms and conditions of occupancy to be posted in each housing facility.
19. Statement of EVERY address change within 10 days after such change of address.
20. Form for providing information to employees on overall wages and working conditions, WH-416.
21. Statement of terms and conditions of

work in language familiar to employee must be posted at each new work site.

22. Statement of full payroll information on weekly basis for both fulltime and piece rate employment.

23. Statement to each employee of all sums paid to custom operator by farmer on account of the labor of that individual employee.

24. Statement provided to employee showing all sums withheld by custom operator from employee pay and purpose for which such sums were withheld.

25. Statement by the custom operator to the farmer for whom the work is performed of all information and records required to be kept by such custom operator.

Mr. DOLE. The Senator from Kansas well knows that farmers and custom combine operators already have enough regulations and enough paperwork requirements without the Federal Government adding to those greatly. The Senator from Kansas strongly believes that we should not add 25 additional types of forms and statements to their burden when there is no demonstrated need for it.

Custom combine operators and their employees would have to be fingerprinted under the FLCRA. This is the kind of unnecessary requirement we are talking about here. Custom operators have had no record of abuse. They are honest, law-abiding citizens. Yet this law would require them to be fingerprinted as if they had committed some crime.

Each custom operator under these regulations would have to report each change of address to the Department of Labor within 10 days. This in itself is an unnecessary requirement and would be a continuous headache for custom combiners. For a custom combine operator may only work in one location for one farmer for a few hours. If it rains where a custom combine operator is working, he may go some other place a few miles away where the crop is dry and can be harvested. This flexibility is an important aspect of custom combine operations. They must go where the crop is ready to harvest. If for some reason they cannot cut in one place they immediately go someplace else where the crop is ready.

So a custom combine operator may be in one spot for a few days, or even a few weeks, but he may also be in many places in only a couple of days. The change of address reporting requirement would be a time-consuming paperwork burden that is totally inappropriate for custom combine operators.

The regulations would further require that vehicle insurance must be equal to that set by the Interstate Commerce Commission for vehicles used in transporting passengers. This is another superfluous and inappropriate regulation for custom cutters. The vehicles normally used by custom operators are farm trucks, pickup trucks and combines. Those vehicles seldom carry more than two or three persons at the most. Yet these regulations would require insurance levels proportionate to that for buses carrying passengers in interstate commerce.

These higher insurance requirements would cause a great deal of additional expense yet would be totally unnecessary for custom combine operators.

Many custom operators use a trailer house or some other form of mobile housing for their crews to sleep in. Other custom operators may simply house their crews in motels in nearby towns. Yet these regulations would require custom combine operators to comply with one of two sets of housing standards that are designed for stationary camps of migrant worker housing.

If all the regulations under this act would not be confusing enough to a custom operator, it certainly might be confusing that there are two complete and different sets of housing regulations that would apply. One set is published by the Occupational Safety and Health Administration. Another set is published by the Employment and Training Administration, formerly known as the Manpower Administration. As the Senator from Kansas understands, a custom combine operator would only have to comply with one set of standards, and he could choose the set he wants to comply with.

Another unnecessary requirement under these regulations is that custom cutters would have to provide a detailed statement of payments and withholdings to each member of their crew. Custom cutters would have to provide a similar statement to farmers they cut for. This requirement is totally unnecessary in the instance of custom combine operations.

Custom operators already keep a record of payments to their employees and of payments by farmers they provide service to. This is necessary so that they can have a record of payments and expenses for income tax purposes. There is no need for additional reporting requirements which, in any event, custom combine operators are not equipped to take care of. When custom combine operators are on the road and in the middle of harvesting a crop for a farmer, they do not have a great deal of time or office equipment to sit down and prepare detailed statements for farmers and employees. Custom operators do make payments to their employees in the form of checks or bank drafts that provide an adequate record for any purpose. As I mentioned earlier, there has been no problem with abuses of pay for employees. There is no need for additional burdensome paperwork reporting requirements.

DIFFERENT SITUATION

These regulations are inappropriate for custom operators and sheep shearers because they were intended for a totally different situation. As stated in the committee report on the 1974 amendments to the Farm Labor Contractor Registration Act, this legislation was intended to protect migrant farmworkers of a totally different sort. The act was intended to protect migrant farmworkers that are from a poverty-stricken environment, that are normally poorly educated, and have little or no knowledge of the English language. These workers are normally from minority groups and have been exploited with unsafe transportation and housing and with unfair pay practices.

This description does not characterize custom cutting crews or sheep shearing crews. Custom combine crews are skilled or semiskilled workers. They normally are well educated and have a fluent knowledge of English. They are well paid by comparison.

Custom operators have a strong incentive to provide living facilities that are safe and healthful for their crews. They also have a strong incentive to maintain high safety standards and safe operating techniques for their equipment. That is because every custom combine operator has tens of thousands of dollars involved in his operation. A combine these days runs from $30,000 to $60,000 each. Trucks run from $12,000 on up apiece. A custom combine operator simply cannot afford to have employees that are sick or are injured on the job. Custom operators also need to maintain a high level of morale among their employees in order to get the best performance and to keep their operation at a high quality standard. It is essential to running a profitable operation.

Custom combine operators also are tremendously different from farm labor contractors in that they provide a service to farmers that includes both labor and equipment. Hay harvesters are the same. By comparison the farm labor contractor, which this act is intended to regulate, acts only as a broker of relatively unskilled laborers for the farmer.

There is no similarity in any respect between farm labor contractors and custom combine operators.

In a similar manner, sheep shearing operators are totally different from farm labor contractors. Sheep shearing crews are well paid and highly skilled professionals. There is not a large amount of sheep shearing in Kansas, but the Senator from Kansas understands that many of these professionals work all year round, that they are not simply seasonal workers.

There has been no record of exploitation that this senator knows of among sheep shearing crews. These men work for years to learn their trade and they well understand the value of their skill.

The regulations and requirements provided under this act would be burdensome, unnecessary and inappropriate for sheep shearing crews and operators.

It is the strong hope of this Senator that we can act quickly to exempt custom combine operators and sheep shearing crews from the requirements of the Farm Labor Contractor Registration Act.

Mr. President, I have here statements by the Farm Bureau, the Farmers Union, the National Association of Wheat Growers, and the Governor of Kansas explaining why custom combine, hay harvesting, and sheep shearing operations should be exempted from the Farm Labor Contractor Registration Act. I request unanimous consent that these supporting documents be printed in the RECORD at this point.

There being no objection, the statements were ordered to be printed in the RECORD, as follows:

STATE OF KANSAS,
Topeka, Kans., March 17, 1976.

HON. GERALD R. FORD,
President of the United States,
White House,
Washington, D.C.

DEAR MR. PRESIDENT: I call to your attention an urgent problem which threatens our nation's upcoming wheat harvest and which demands immediate solution.

Congress in 1963 passed the Farm Labor Contractor Registration Act, which was then amended in 1974. The clear intent of this act was to protect migrant laborers recruited for work in agriculture. Earlier this year, however, the Department of Labor by regulation broadened the scope of the act to include custom combine crews which offer their services for hire during the harvest. These crews are composed of skilled agricultural workers and machine operators, not transient workers hiring on for jobs of short duration. Their investment in machinery is immense. Thus, the regulations appear to be a misguided effort by bureaucrats within the Department of Labor to write into law something never intended nor envisioned by the Congress.

Among other things the regulations would require custom combine operators to register, to provide thumb prints of crew chiefs and to fill out more than 25 separate government forms. Their housing units, most often small mobile homes or motels, would have to meet occupational safety and health standards. They would be required to carry insurance which, I am informed, is not available. These requirements, never imposed in the past, are on their face absurd and impossible.

This has serious implications for both farmers and operators of custom harvesting crews, who would be buried by needless paperwork and stalled by impossible requirements. I share their alarm that, if enforced, these regulations could jeopardize this year's harvest in a snarl of red tape.

With the beginning of the 1976 wheat harvest now only weeks away, I cannot overemphasize the urgency of this matter. These custom crews are absolutely essential to the wheat harvest in the Midwest all the way from Texas to Canada. If their machines are rendered immobile by red tape, the major share of this year's crop would surely rot in the fields in dismal tribute to needless bureaucracy.

It is my understanding that Senator Dole of Kansas and others are proposing corrective legislation. I wholeheartedly support those efforts and urge that consideration by Congress be expedited in every way possible. However, realizing that time is of the essence, Mr. President, I urge that you intercede with the Department of Labor to correct this ludicrous situation.

Very sincerely,

ROBERT F. BENNETT,
Governor of Kansas.

NATIONAL ASSOCIATION
OF WHEAT GROWERS,
Washington, D.C., February 13, 1976.

RE: Farm Labor Contractors, 29 CFR Part 40, Federal Register, Vol. 40, No. 236, December 8, 1975.

ADMINISTRATOR,
Wage and Hour Division, Employment Standards Administration, U.S. Department of Labor, New Department of Labor Building, Washington, D.C.

DEAR SIR: The National Association of Wheat Growers wishes to express its opposition to proposed regulations which would, among other things, require registration of custom wheat harvesters and force compliance with Federal and state insurance, vehicle and housing standards.

The NAWG, whose members extensively use the services of custom harvesters, has found that these operators, because of their large capital investments and the risks associated with their business, require of themselves adequate insurance coverage and vehicles which meet recognized safety standards. A typical harvesting outfit will represent approximately $160–170,000 in capital investment, and it is entirely unreasonable to assume that such an owner-operator (or those holding the mortgage on the equipment) would even attempt to operate with below standard equipment or without full insurance coverage.

We also want to stress the fact that owner-operators and their crews typically use mobile housing during the course of their seasonal operation, and that proposed regulations requiring written certification 30 days in advance, that housing facilities meet Federal and state safety and health standards are wholly unworkable and appear to be conceived without the most basic understanding of custom harvesting operations.

We urge the Employment Standards Administration to withdraw its proposals to require registration of custom harvesters and force impractical regulations upon these small businessmen.

CARL J. SCHWENSEN,
Executive Assistant.

KANSAS FARM BUREAU,
Manhattan, Kans., February 8, 1976.

ADMINISTRATOR,
Wage and Hour Division, Employment Standards Administration, U.S. Department of Labor, New Dept. of Labor Building, Washington, D.C.

DEAR SIR: Enclosed you will find a statement on behalf of Farm Bureau members in Kansas, provided to you by the Public Affairs Division of Kansas Farm Bureau. This statement concerns the proposed revisions in the Farm Labor Contractor Registration Act registration requirements. It speaks to the previously published portion of said revisions and the as yet unpublished Part B, to the extent we are able to ascertain what may be included in or excluded from such provisions.

We respectfully request your attention to these items set forth in our formal statement for clarification of definitions and consideration of custom agricultural operations.

Respectfully,

PAUL E. FLEENER,
Director, Public Affairs Division.

KANSAS FARM BUREAU,
Manhattan, Kans.

To Administrator, Wage and Hour Div., Employment Standards Administration, U.S. Department of Labor, New Dept. of Labor Building, 200 Constitution Avenue NW., Washington, D.C. 20210.

From Public Affairs Division, Kansas Farm Bureau.

Subj. Farm Labor Contractor Regis. Act—Registration Requirements.

Date February 8, 1976.

The Kansas Farm Bureau is in substantial agreement with the Congressional intent of the Farm Labor Contractor Registration Act of 1963 as amended. Congressional intent, stated in Section 2(a) is directed at "certain irresponsible contractors for the services of *migrant* (emphasis added) agricultural laborers." The intent was clearly to stop the irresponsible acts, to stop the exploitation of producers, laborers, and the public generally.

Nowhere does there appear a clear definition of a migrant agricultural laborer. The Act, as amended December 7, 1974, makes reference to the term "migrant worker" as that is defined in the Fair Labor Standards Act. The definition in the Fair Labor Standards Act nowhere uses the word "migrant." It, however, makes broad generalizations concerning those who labor in various agricultural enterprises.

The state of Kansas, through legislative action in 1974, enacted a statute, K.S.A.—Kansas Statutes Annotated—44–125, which relates to migrant workers, which defines migrant workers, which defines crew chiefs, and which further requires registration of said crew chiefs. A copy of this statute is attached as Appendix A. Further reference to it, however, is made at this point in our statement. The state of Kansas, as a public policy not unlike that of the Congressional intent set forth in 7 U.S.C. 2041, et. seq., determined that there should be removed the impediments, obstructions and restraints, which occasionally were forthcoming by irresponsible farm labor contractors—known in this area as crew chiefs—those who seek out, generally for a fee, migrant agricultural workers.

In K.S.A. 44–125, a migrant worker is defined as follows:

(a) "Migrant worker" means any person who is a nonresident of Kansas and who is employed temporarily in agriculturally-related work involving seasonal labor requiring his migration from one area to another in order to gain employment but shall not mean any person who is employed by any custom combine operator.

Further, the same statute defines a crew chief as follows:

(b) "Crew chief" means any person, other than an employer, who brings a crew or group of migrant workers into the state of Kansas or is responsible for finding employment for them but shall not mean any custom combine operator.

You will notice that in both definitions there is reference to custom combine operators. Kansas, the nation's largest producer of wheat and one of the top producers of corn and grain sorghum, relies heavily on custom combine operators whose own personal operations take them and *their own* laborers, employees and families from Texas to the Canadian border. Farmers in the state of Kansas utilize the valuable service provided by custom combine operators. Though K.S.A. 44–125 does not make reference to other custom agriculturally-related endeavors, there are in fact crews, teams, work forces, and family units who, on a custom basis, provide haying, plowing, cultivating and other necessary agricultural operations in this and—we are confident—in many other states.

We respectfully submit that there should be a clear definition, probably first in the law, and secondly upheld and utilized by you to give clear meaning to the term "migrant worker." We recognize you are talking about regulations but much of your regulatory authority has the force and effect of law. We, therefore, are suggesting, by virtue of sending duplicate copies of this memo to members of our Congressional delegation, that the Farm Labor Contractor Registration Act itself be further amended so as to provide a clear definition of a migrant worker.

APPENDIX A

CHAPTER 44.—LABOR AND INDUSTRIES

ARTICLE 1.—PROTECTION OF EMPLOYEES

Migrant workers

44–125. Definitions. As used in this act, the following words shall have the meaning respectively ascribed to them herein:

(*a*) "Migrant worker" means any person who is a nonresident of Kansas and who is employed temporarily in agriculturally-related work involving seasonal labor requiring his migration from one area to another in order to gain employment but shall not mean any person who is employed by any custom combine operator.

(*b*) "Crew chief" means any person, other than an employer, who brings a crew or group of migrant workers into the state of Kansas or is responsible for finding employment for them but shall not mean any custom combine operator. [L. 1974, ch. 202, § 1; July 1.]

44–126. Wage payment. Any employer employing migrant workers, or any employee of an employer responsible for the payment of wages to migrant workers, shall make such payments directly to the individual worker and no such payment shall be made to a crew chief. [L. 1974, ch. 202, § 2; July 1.]

44-127. Crew chief registration; information to state employment service. Any crew chief who brings any migrant worker into the state of Kansas or who is responsible for any migrant worker within the state of Kansas shall register with a local Kansas state employment service officer. Upon registering, such crew chief shall furnish to such office a list of names and social security numbers of all migrant workers he serves in his capacity as crew chief and the names of those for whom recruitment is being done. [L. 1974, ch. 202, § 3; July 1.]

44-128. Availability of information furnished. Any information filed with the local Kansas state employment service office pursuant to the provisions of section 3 [44-127] of this act shall be made available to the public upon request. [L. 1974, ch. 202, § 4; July 1.]

44-129. Violation of act. Any violation of this act shall be a class C misdemeanor. Any crew chief found to be in violation of this act shall cease to operate as a crew chief in this state for a period of two (2) years. [L. 1974, ch. 202, § 5; July 1.]

Kansas Farmers Union,
McPherson, Kans., March 4, 1976.

Hon. Robert Dole,
Dirksen Senate Office Building,
Washington, D.C.

Dear Senator Dole: The Kansas Farmers Union urges you to take action to amend the Farm Labor Contractors Registration Act which regulates migratory farm labor.

Recent action of the U.S. Labor Department requires registration of custom combiners and sheep shearers who work under contract with producers. This was never intended by Congress when it amended the Labor Registration Act in 1974.

Agricultural contractors who employ skilled and specialized agricultural workers should be distinguished from unskilled migratory agricultural workers and their crew leaders.

The law can be clarified by simply amending the Farm Contractors Registration Act to exempt custom grain harvesting and sheep shearing from the registration requirements of the act.

Best wishes,

Dale Lyon,
President.

Mr. ABOUREZK. Mr. President, I am a cosponsor on this amendment. It arises out of work that the Senator from Kansas and I have done together on this particular problem. There has been no problem with abuse of migrant workers in the area of custom combine and sheepshearing and hay bailing. I think, and told the Labor Department so, that it is an unwarranted interference into an area in which there is no congressional intent for interference to take place. I am very pleased with the amendment that is being considered today and I urge its adoption.

Mr. NELSON. Mr. President, as chairman of the Subcommittee on Employment, Poverty, and Migratory Labor, which has original jurisdiction over this amendment to the Farm Labor Contractor Registration Act of 1963 as amended, I wish to state my support for Senator Dole's amendment that would exclude sheepshearers and custom harvest crews from the provisions of the act.

It was never my intent as the sponsor of the 1974 amendments to the Farm Labor Contractor Registration Act to include either the sheepshearers or the custom harvest crews. On February 23, 1976, Congressman William Ford, chairman of the House Subcommittee on Agricultural Labor, and I wrote a joint letter to Secretary of Labor William Usery clearly stating this position and outlining the legislative history of the amendment to the act as we knew them to be true in this regard. I ask unanimous consent that this letter be printed as part of my statement on this matter. There is a minor error in fact in the letter which designated a prelegislative background book as having been prepared by the Department of Labor instead of committee staff. That mistake has already been corrected with DOL. At any rate, the essential information in the background book was supplied by DOL personnel.

There being no objection, the letter was ordered to be printed in the Record, as follows:

Committee on Labor and
Public Welfare,
Washington, D.C., February 23, 1976.

Hon. William Usery,
Secretary of Labor,
Department of Labor,
Washington, D.C.

Dear Mr. Secretary: We are contacting you in regard to the Farm Labor Contractor Registration Act (FLCRA) and the interpretation of the 1974 amendments. It is our understanding that in the opinion of the Labor Department, custom combine and sheep shearing crews are to be included under the new provisions of the Act.

Having reviewed our files on the legislative history behind the 1974 amendments to this Act, including committee reports, precursor bills, and floor speeches, we have found that this history is barren of any explicit reference to coverage of combine crews used in the harvesting of wheat and other grains and to sheep shearing.

As you recall, S. 3202 (Committee Print No. 6, August 6, 1974) required any person to whom individuals are furnished by a farm labor contractor to keep certain records with the following exception: "provided however, that he shall not be required to keep such records or pay such taxes for individuals furnished to him pursuant to a contract to perform custom work which includes the furnishing of mechanical equipment as well as labor as, for example, in the case of crop dusting or grain harvesting and threshing." Senate Employment, Poverty and Migratory Labor Subcommittee records indicate that an objection was voiced that this custom cutting exemption from record keeping requirements, standing alone, would infer the absence of such an exemption from the registration requirements, the Subcommittee decided to delete the custom cutting exception from record keeping.

The records also indicate the position of the Department of Labor prior to passage of the 1974 amendment. Mrs. Eugene Bonfiglio, then the Chief of the Employment Standards Administration, said that the Department has taken the position since the Act was passed in 1963 that custom cutting crews are technically covered by the Act's registration requirements, but because of the absence of any complaints or problems with custom crews, the Department has had long-standing practice of not requiring such crews or crew leaders to register under the Act. This information was distributed to committee members in the Department background book prior to mark up on the amendments. It was, therefore, our subcommittee's understanding that it was the Department's historic practice of not subjecting custom cutting crews to registration under the Act.

For the reasons noted above, we urge you to reconsider your opinion as to the applicability of custom combiners and sheep shearers under FLCRA. Naturally, this interpretation can be clarified legislatively, but it is our hope that such action will not be necessary.

Because the sheep shearing and custom combine season is soon to begin, your expeditious response to this matter would be deeply appreciated. We thank you in advance for your cooperation.

Sincerely,

William Ford,
Member of Congress, Chairman, House Agricultural Labor Subcommittee.

Gaylord Nelson,
U.S. Senator, Chairman, Employment, Poverty and Migratory Labor Subcommittee.

Mr. NELSON. The refusal of the Department of Labor to grant administrative relief in this minor matter in view of the legislative history and the expressed attitudes of the legislative sponsors is disturbing. It runs as part of a pattern with the administration of the Occupational Safety and Health Act when more important aspects of the law were bypassed in favor of harassment in minor cases. DOL, in the case of the amended Farm Labor Contractor Registration Act, has spent a lot of time not only taking on sheep shearers and custom harvest crews but also growers and their agents, without the kind of effort to reach the vast number of crew leaders that DOL knows very well it was the intent of the legislation to cover.

The migrants in agriculture are among the weakest constituency in our country, as we all know. Neither Congressman Ford nor I will willingly participate in the emasculation of this legislation, which probably needs strengthening in some areas rather than weakening, and which certainly needs balanced and thoughtful administration by the Department of Labor.

Therefore, I support the Dole amendment because it expresses the original intent of the act as amended. However, I will guard carefully against any attempt to utilize this acceptable amendment as an instrument to weaken the Act in broader senses.

Mr. DOMENICI. Mr. President, I ask unanimous consent that I be added as an original cosponsor to the Dole amendment on sheep shearers.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DOLE. Mr. President, I ask unanimous consent that the name of the Senator from Kansas (Mr. Pearson) and the name of the Senator from Iowa (Mr. Clark) be added as cosponsors of the amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BENTSEN. Mr. President, in 1963 the Farm Labor Registration Act was constructed to protect migrant farm laborers as they journeyed across the country seeking employment. The need for this legislation was evident then, as it is now. Too often migrant workers were forced to work and live under conditions that were completely unacceptable.

In 1974 the scope of this legislation was expanded to be more effective. The regulations for this expansion are still being perfected, but are causing some confusion. The regulations are being drawn up to include sheep shearers and custom combiners under the migrant laws.

These type workers should not be included under the act. They do not desire or need protection of the Federal Government. These workers have specific skills that requires training and practice. They resent big Government trying to force regulations on them and have asked that we act to stop this expansion of bureaucratic authority.

The requirements of FLCRA would hinder the function of both custom combiners and sheep shearers. Crew leaders would be required to register with the Fedral Government and to be fingerprinted like common criminals. The paper work alone would be an unnecessary task involving time and additional costs.

The transportation and housing provisions of the act are unnecessary for custom combiners and sheep shearers. They frequently lodge in motels and provide their own transportation. The cost of providing unneeded housing required by the Government would be so great that a profitable operation would be an impossibility.

Another problem posed by this legislation is the notification of movement. Workers would be required to summit to the Federal Government a statement of location after each change of occupancy. In many instances shearers and combiners move from farm to farm within hours changing location three or four times a day, making it almost impossible to keep tract with all the specific moves. Out of ignorance, the Federal Government is imposing impossible regulations.

The provisions of FLCRA protect regular farm laborers by design but the provisions would hinder the function of sheep shearers and custom combiners. The intent of Congress as has been noted by Senator NELSON, the subcommittee chairman responsible for farm labor legislation, was not to included these skilled, independent workers under the FLCA. However, the Department of Labor refuses to change their position on their interpretation of the law.

Therefore, Mr. President, it is necessary that we amend the Farm Labor Contractor Registration Act to exempt these workers from the requirements demanded by the bureaucracy.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Kansas.

The amendment was agreed to.

Mr. ABOUREZK. I move to reconsider the vote by which the amendment was agreed to.

Mr. DOLE. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. If there be no further amendment to be proposed, the question is on agreeing to the committee amendment in the nature of a substitute, as amended.

The committee amendment in the nature of a substitute, as amended, was agreed to.

The PRESIDING OFFICER. The question is on the engrossment of the committee amendment, as amended, and third reading of the bill.

The amendment was ordered to be engrossed, and the bill to be read a third time.

The bill (H.R. 6346) was read a third time, and passed.

Mr. DOLE. I send an amendment to the title to the desk and ask for its consideration.

The PRESIDING OFFICER. The clerk will state the amendment.

The assistant legislative clerk read as follows:

> Amend the title so as to read: An Act to extend the authorization of appropriations for carrying out title V of the Rural Development Act of 1972, and for other purposes.

The PRESIDING OFFICER. The question is on agreeing to the amendment to the title.

The amendment was agreed to.

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. CLARK. I move to lay that motion on the table.

The PRESIDING OFFICER. The motion to lay on the table was agreed to.

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

TIME LIMITATION AGREEMENT—H.R. 12203

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that at such time as H.R. 12203, the foreign assistance appropriations bill, is called up and made the pending business before the Senate that there be a time limitation therein of 4 hours to be divided equally between Mr. INOUYE and Mr. BROOKE; a time limitation of 1 hour on amendments; 30 minutes on debatable motions or amendments to amendments or points of order if such are submitted to the Senate; and that the agreement be in the usual form with respect to the division and control of time.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

FOREIGN ASSISTANCE AND RELATED PROGRAMS APPROPRIATIONS, 1976

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of H.R. 12203.

The PRESIDING OFFICER. The bill will be stated by title.

The legislative clerk read as follows:

> A bill (H.R. 12203) making appropriations for foreign assistance and related programs for the fiscal year ending June 30, 1976, and for the Transition Quarter.

The PRESIDING OFFICER. Is there objection to the request of the Senator from West Virginia?

There being no objection, the Senate proceeded to consider the bill which had been reported from the Committee on Appropriations with amendments.

The PRESIDING OFFICER. Who yields time?

Mr. INOUYE. Mr. President, I yield myself 15 minutes.

Mr. President, I am pleased to report H.R. 12203, the foreign assistance and related programs appropriation bill for fiscal year 1976, which, incidentally, will end in about 3 months.

For the second year in a row the Appropriations Committee has been denied the opportunity to present a timely appropriations bill for foreign assistance. This year we were delayed by the failure of the administration to submit its full program for committee review at an early date. In point of fact, Mr. President, the administration did not submit a major element of this bill—the program for security supporting assistance—until the fiscal year was nearly half over.

In addition to the delayed presentation of the administration's program, the tardy enactment of authorizing legislation has served to once again deny the Appropriations Committee the opportunity to act on this bill in the proper season of the fiscal year.

Mr. President, it is impossible to calculate the very real dollar cost of the continued failure to meet overall congressional responsibility for well-timed action on appropriations bills. It is, however, readily apparent that tortuous delay causes the costly postponement of management decisions, the loss of momentum in the timing and execution of projects and programs and the deferral of necessary personnel actions.

The new budget process is at hand. If that process is to work, we must seize the opportunity for responsible congressional action—and that means the timely enactment of legislation. I truly hope that in the next fiscal year we can break this bottleneck and move with dispatch. I know that the Appropriations Subcommittee on Foreign Operations, which it is my privilege to chair, is prepared to meet its responsibilities.

Mr. President, if I may, I would like to relate to you some of the thoughts I have on U.S. foreign assistance, before turning to the specifics of this bill. I believe that recipient nations should make every effort to meet their own needs and that our assistance should supplement and not replace those efforts. Second, I believe that we should justify each item of foreign assistance as being not only in the interest of the recipient country but also, and more specifically, in the interest of the United States. The committee has notified all of the agencies and departments whose programs are funded in this bill that it will require that all future justifications of foreign assistance programs or projects address these two basic questions:

What is the recipient country doing to help itself?

How does the specific proposed assistance further our national interest?

These questions have too often gone unasked in our past assistance programs. While I believe that we must remain true to the humanitarian impulse which has guided our assistance efforts in the past, I also believe that we must attend to the constraints placed on our continued assistance by the condition of our economy and the magnitude of the task we face.

Since the end of the Second World War the United States has supported a vast program of foreign assistance which has directly benefited most of the nations of the world. Through 1975, the United States has provided well over $200 billion in assistance to foreign nations. And yet, so great is the challenge of development that many nations remain in need of our assistance.

Mr. President, this country has given much to help others, and, in doing so, we have given truth to the ideals we, as a nation, live by. We must continue to uphold this humanitarian tradition. We must also take care to ensure that our assistance programs meet the stringent economic requirements of our time. Without a just proportion between humanitarian concern and prudent economic management our assistance efforts will be doomed to failure.

I believe that the bill recommended by the committee effects such a balance. The report which accompanies this bill, report No. 94–704, provides a detailed and comprehensive review of the reasoning which undergirds the committee's recommendations. Members of both sides of the aisle contributed their knowledge and experience to the task of making this report a reasoned statement of the committee's views on foreign assistance and the amounts it has recommended in this bill. I commend the committee report to the Senate.

Mr. President, the bill recommended by the committee for fiscal year 1976 totals $5,317,640,909. This amount is $1,642,583,927 more than the 1975 appropriation and is $316,143,455 more than the amount provided in the bill which passed the House. It is nonetheless, $472,000,000 below the President's total request.

In appropriations for the transition quarter, the bill recommended by the committee differs significantly from the President's budget estimate and the House-passed bill. The committee has recommended appropriations totaling $978,179,000, an amount which is $443,950,000 more than the President's budget estimate and $589,754,000 larger than the amount provided in the House bill.

I know that some Senators will be troubled by what appears to be a comparatively high level of funding during the transition quarter and I want to speak directly to their concerns. The major increases in the committee bill, as compared to the House bill and the budget estimate, may be found in recommended transition quarter appropriations for security supporting assistance and for the foreign military credit sales program.

The first of these—security supporting assistance—is a program designed to promote stability in countries where the United States has important national interests. In the 1976 fiscal year over 85 percent of the total security supporting assistance appropriation will be allocated proportionately, through an earmarking in the bill, to four countries in the Middle East. Of the $1,689,900,000 recommended in the committee bill, $695 million is to be allocated to Egypt, $700 million to Israel, $80 million to Syria, and $72.5 million to Jordan. The House-passed bill contains a similar allocation of assistance to these countries.

In the course of its deliberations on the administration's request for security supporting assistance the committee had occasion to reflect on the continuing requirements for assistance during the transition quarter, particularly as those needs are evidenced in the Middle East.

The fragile economies of the four principal recipients of security assistance funds are straining under an awesome array of financial problems. If peace is to have a prospect in the Middle East, Israel's economic burden must be relieved and Egypt, Jordan, and Syria must have an even chance to share in a growing prosperity.

The committee has considered the needs of these countries and has recommended an increase in transition quarter security assistance funding from the $40,200,000 requested by the administration to the $411,575,000 in the committee bill. In accordance with the wishes expressed by the administration, the committee has preserved the balanced allocation of funding during the transition quarter. The committee recommends the earmarking of security supporting assistance funds to provide $173,750,000 to Egypt, $175 million to Israel, $18,125,000 to Jordan, and $20 million to Syria.

The committee has also recommended increased transition quarter funding for the foreign military credit sales program. The committee recommendation provides $212,200,000 whereas the administration had requested $42 million.

The continuing peril of Israel's security situation caused the committee to reconsider the administration's request for transition quarter funding of the military credit sales program. We are not convinced that Israel's present strength is sufficient to warrant the suspension of the sales program during this interim funding period. Other nations in the Middle East continue to have access to the most sophisticated of modern weaponry. We see no reason to deny the same opportunity to Israel.

The committee, therefore, recommends the extension of the military credit sales program into the transition quarter. The funding we have recommended will provide $375 million in sales credits to Israel during the transition quarter.

The committee believes that the sales program it has recommended for the transition quarter will provide Israel sufficient strength and confidence to deter aggression and to resist the voices of intemperance which call for even more extensive military development.

Mr. President, the Committee on Appropriations has offered to the Senate its carefully considered judgments on the level of funding required to sustain the drive for peace in the Middle East. The amounts recommended by the committee are not based solely on rigid mathematical calculations. Rather, they are responsive to the aspirations of the people of the Middle East for economic and social development.

Mr. President, I wanted to take the time to discuss these two programs so that my colleagues in the Senate would fully understand the committee's thoughts on the transition quarter funding. I will not discuss each item in the bill in the same detail at this time. However, there are three specific items which should, perhaps, be covered now.

The first of these is the committee proposal to establish a separate and discrete account for the operating expenses of the Agency for International Development. The committee recommendation does not reduce the funding to be made available to meet AID's "cost of doing business." Its purpose is to bring these costs out into the open where they can be clearly identified and understood.

The committee has expended considerable effort over the past 5 years to identify these costs. However, because they have been submerged into funds authorized for functional program accounts, few understand their magnitude.

How many understand that when they vote for funding of food and nutrition assistance they are also voting funds to meet the costs of travel, of salaries, of residence allowances, of entertainment?

How many understand that in each of the four functional categories of development assistance there are hidden costs of operating AID?

How many understand that the Agency's estimate of operating expenses relating to the four major functional accounts is $171,800,000, and that this is 23.8 percent of the amount recommended in the committee bill for the program costs of these accounts?

Mr. President, the only way that the Senate can be assured that these funds are properly managed is to exercise oversight and the only way that can be done is to have a separate account for operating expenses. I will not mince words, if the Senate expects me and the subcommittee to certify these amounts as needed and properly used, we must have a separate account of operating expenses.

The Appropriations Committee urged this course of action in the past fiscal year.

In the 11th hour of deliberations on the fiscal year 1975 bill the Administrator of the Agency for International Development wrote to me confirming the Agency's intention to "propose alteration of the President's fiscal year 1976 budget to establish an operating expense account for AID."

Mr. President, I ask unanimous consent that the full text of this letter dated March 17, 1975, be printed in the RECORD at the end of my remarks.

The **PRESIDING OFFICER** (Mr. PERCY). Without objection, it is so ordered.

(See exhibit 1.)

Mr. **INOUYE**. Mr. President, for the first time, in fiscal year 1976, the President identified for congressional approval the specific operating expenses for each Washington office and overseas mission of the Agency for International Development.

The establishment of a separate operating expense account is supported by the Comptroller General of the United States.

Mr. President, the groundwork for the establishment of an operating expense account has been prepared. The need has been identified. The basic question, then, becomes, Why does the Agency resist the establishment of a separate account?

Mr. President, I suspect that the reason is, simply, that the Agency prefers to keep these costs hidden in the shadows of the program accounts where they are but dimly seen.

Mr. President, sunshine has come to the Senate. Let us bring it to the Agency. Let us bring these costs out into the open instead of allowing them to remain submerged within the program accounts.

Another matter which should be discussed at this time, Mr. President, also concerns the role the Congress will choose to play in the exercise of its oversight responsibilities. It is an issue of lasting significance and what we do here today may well affect the outcome of the attempt by the Congress to reclaim its proper role in the conduct of our Government. I refer to the committee's amendment which would require the approval of the Appropriations Committees of both Houses of the Congress for any reprograming of funds appropriated under this bill.

The administration has historically contended that its annual presentation of foreign assistance to the Congress is only "illustrative." That is, the presentation is only suggestive of what the administration might do, if a certain level of funding were provided. By this reading, the administration has contended that it can reprogram funds at will between countries and projects. We saw this happen a few years ago with worldwide food for peace programs being concentrated into Southeast Asia when appropriations for other programs in that area were reduced. We saw it again last October when the administration sought to reprogram funds to provide a $22.7 million loan to Zaire as an addition to its fiscal year 1976 program.

The Congress now has detailed justifications, by country and by amount, which specify the nature and kind of assistance the administration proposes for fiscal year 1976. If the administration is to remain at liberty to alter at will the programs it has proposed, this information is virtually useless. If, however, the Congress accepts this information as a base and requires committee approval of any departures from that base, it will serve as an effective tool for congressional monitoring of the administration's efforts to carry out the foreign assistance policies established by the Congress.

Mr. President, the provision of law recommended in the committee bill is not a radical departure from existing practice. The language of the fiscal year 1975 Foreign Assistance and Related Programs Appropriations Act required the administration to notify the Appropriations Committees of reprograming prior to the obligation of funds.

I would point out that the Senate Appropriations Committee has considered about 345 reprograming notifications under the existing law. Of that number, the committee requested additional information on approximately 35 and entered objections to proposed reprogramings in less than 10 cases. I would also point out that the agencies and departments involved honored those committee objections and did not proceed with the intended reprograming.

This record documents two points of interest. First, the agencies and departments had no difficulty in providing the information required; their programs were not disrupted nor were they overburdened by the requirement to let the Congress know what they were doing. Second, the record shows that the committee did not seek to go beyond its proper oversight function. It sought information necessary to the proper exercise of that function. In the limited number of cases where there was an initiative to reprogram funds for an activity clearly opposed by the Congress, the committee was able to preserve the integrity of congressional intent.

If the committee amendment is not accepted, the Senate will be, in effect, abdicating its constitutional supervisory role. We will have no assurance that the policies we set are being followed or that the funds we appropriate are being used for the purposes we intend.

Senators who vote for food assistance will have no assurance that the funds are not being used to shore up unpopular regimes.

Senators who vote funds in support of the activities of private and voluntary organizations such as CARE or the Catholic Relief Services will have no assurance that the funds are not being used to support other, larger, and more powerful institutions.

The committee amendment will enable the Congress to guard against the redirection of funds to activities which the Congress does not favor. It will enable the Congress to vote funds with the assurance that those funds will be used as the Congress intends. It will restore to the Congress the tools it needs to meet its responsibilities. I strongly urge the adoption of the committee amendment.

Mr. President, I have but one other matter to discuss at this time. It is the matter of the so-called drawndown of military stockpiles by the Department of Defense.

The committee recommends disallowance of $298,913,000 of the $323,913,000 requested for liquidation of Department of Defense contract authority incurred in fiscal years 1974 and 1975. These funds are requested to reimburse the Department for DOD stocks used to provide foreign military assistance in excess of funds specifically appropriated for that purpose.

Section 506 of the Foreign Assistance Act authorizes the Department of Defense to incur obligations in anticipation of reimbursements up to an amount specified.

In the Foreign Assistance Act of 1973 the amount specified was $250 million; however, in the joint explanatory statement of the committee of conference the conferees clearly stated:

> It is the intent of the committee of conference that up to $200 million of the emergency military assistance requirements for Cambodia be furnished pursuant to the authority contained in this section.

In the Foreign Assistance Act of 1975 the amount specified was reduced to $150 million with a limitation of $75 million for Cambodia.

The Department of Defense now seeks reimbursement of $249,598,000 in DOD stocks which were utilized in Cambodia in fiscal year 1974 and $74,315,000 in fiscal year 1975. These two items comprise a total request of $323,913,000 to liquidate contract authority incurred in prior years.

In his appearance before the Foreign Operations Subcommittee on July 10, 1974, Vice Adm. Ray Peet, Director of the Defense Security Assistance Agency informed the committee that it would be possible for the Department of Defense to absorb these costs and not ask funds for reimbursement.

The Appropriations Committee very clearly and in a timely way demonstrated its concern with what it believed to be excessive levels of assistance provided Cambodia in fiscal years 1974–75. In fact, the entire drawdown provision was nullified by a committee amendment to the fiscal year 1974 Senate-passed foreign assistance appropriations bill.

With the exception of $25 million for replenishment of certain types of ammunition none of the funds requested were formally justified to the committee. We, therefore, do not feel obligated to provide these reimbursements and have eliminated from the bill recommended to the Senate all in excess of the $25 million earlier approved under a section 113 notification.

Mr. President, I believe that the bill recommended by the committee is a good bill, a balanced bill, and one that we can defend. I hope that the Senate will support the committee in its recommendations and give us a strong foreign assistance bill.

Exhibit 1

Department of State,
Washington, D.C., March 17, 1975.

Hon. Daniel K. Inouye,
Chairman, Senate Appropriations Subcommittee on Foreign Operations, U.S. Senate, Washington, D.C.

Dear Mr. Chairman: Among the items discussed with you during John Murphy's and my visit to your office on March 14, 1975 was our plan for seeking authorization and appropriation for Operating Expenses of A.I.D. for Fiscal Year 1976. This letter confirms our oral advice.

As a result of recent action of the House Appropriations Committee, as expressed in its Report 94–53, and of our understanding of the strong position of your Committee, we will propose alteration of the President's FY 1976 Budget to establish an Operating Expense account for A.I.D. We have in mind that budget provision will be made available for this account by transferring funds from other accounts administered by A.I.D. so that no overall increase in the budget will be involved. Assuming approval by the Executive Office of the President, the proposed authorizing legislation to be submitted to the Congress for FY 1976 will reflect this change and we will request that necessary budget amendments be submitted at the appropriate time.

Sincerely yours,

DANIEL PARKER,
Administrator.

The **PRESIDING OFFICER.** The Senator from Massachusetts.

Mr. **BROOKE.** Mr. President, I yield myself 8 minutes.

Mr. President, I am pleased to be able to join with the distinguished Senator from Hawaii in recommending the fiscal year 1976 foreign assistance appropriations bill for passage by the Senate. His leadership as chairman of the Foreign Operations Subcommittee is much appreciated. He has promoted a harmonious relationship among subcommittee members during our efforts to work out the consensus evidenced in this bill. It is indeed a pleasure to work with him.

Although I have certain conceptual reservations about the report that has been filed with this bill, I nevertheless believe that it represents one of the finest attempts by our committee to present to the Senate a detailed and comprehensive analysis of U.S. foreign assistance endeavors. Much of the credit for its excellence should go to the subcommittee staff of William Jordan, Richard Collins, David Rossiter, and Helen Dackis.

The bill we have recommended is approximately $1.6 billion higher than last year's appropriations for foreign assistance. Much of this increase is attributable to additional funding of programs related to the Middle East. For instance, in fiscal year 1975 $251 million of security supporting assistance was made available for Egypt. In fiscal year 1976 the recommended level in this bill for that country is $695 million. For Israel $324.5 million of security supporting assistance was provided in fiscal year 1975. In fiscal year 1976 amounts for the same purpose will total $700 million if our recommendation is accepted by the Senate. In addition, Israel will receive foreign military sales credits in fiscal year 1976 at a $1.5 billion program level as opposed to a $300 million program level in fiscal year 1975.

There are, of course, increases in other accounts. For instance, we are recommending $560 million including operating expenses for the food and nutrition account, a $260 million increase over the fiscal year 1975 appropriations but only $39 million over last year's program levels. It should be remembered that in fiscal year 1975 repayments to the United States of previous loans were available for relending by the Agency for International Development, thus making possible a total program of approximately $521 million for this account. This year loan reflows are no longer available, hence the need for the increased appropriation. The $39 million above last year's program level will permit a modest start of funding of title 12 activities—involvement of land grant colleges in U.S. foreign assistance activities—and greater attention to use of "intermediate technology" in development efforts. Both of these new initiatives stem from congressional directives enacted in the International Development and Food Assistance Act of 1975.

Several other accounts merit specific mention. First, the committee recommends $375 million for the International Development Association. This compares to total appropriations in fiscal year 1975 of $386 million—composed of $320 million to fulfill a replenishment commitment plus $66 million in maintenance of value payments. We no longer make maintenance of value payments. Hence, when the effects of inflation are taken into account, the recommended $375 million level represents a real decrease in our funding of IDA compared with last year.

The committee recommends $25 million for emergency disaster assistance for Guatamala. The recent disastrous earthquake in that country and its attendant destruction fully justifies a quick response by the Congress.

Full funding of the President's request or $25 million for Cyprus relief is included in our recommendation. The fact that "life and death" needs of refugees have been met does not invalidate the need now to engage in rehabilitation efforts. Food assistance, housing programs and welfare activities designed to alleviate the plight of those still suffering are the efforts intended for funding by this appropriation.

We have also included $15 million for assistance to refugees from the Soviet Union and Eastern Europe. By this appropriation we can once again indicate to the Kremlin that our commitment to the principle of free emigration continues unabated. In helping to settle those who are willing to risk everything for freedom, we are only being true to the ideals we espouse.

The bill also contains $5 million for long-term studies of development needs in the Sahel region of Africa. This appropriation is a necessary first step to formulating a coherent program for the long-term development of an area of the world that has just passed through, to quote our report, "* * * one of the most devastating natural disasters in the history of man." This $5 million will be utilized for research in the following general areas: water basin development studies, land use, livestock and range management, and human resources. It should be noted that the total planning effort will be a multilateral one, eliciting contributions from various nations.

As the chairman has pointed out, the bill also contains significant funding for Middle East activities during the transition quarter. A total of $550 million in security supporting assistance and military credits is provided Israel in that period; $173.8 million is provided Egypt; $18.1 million is provided Jordan; and $20 million is allocated to Syria. The basic purpose of this assistance during the transition quarter is to maintain the equilibrium necessary to foster further efforts toward peace.

Mr. President, the bill we recommend is a reasonable one. It provides funds for foreign assistance in keeping with our national interests and our international commitments and our financial capacities. It merits the full support of the Senate, and I hope it receives it.

Mr. **BELLMON.** Mr. President, I must urge some caution as we consider now H.R. 12203, the foreign assistance appropriation bill. The funds in this bill—fiscal 1976—total $5.3 billion in budget authority and $2.2 billion in outlays for a variety of foreign economic development and security assistance programs. The bill also provides $1 billion in budget authority and $0.4 billion in outlays for the transition quarter.

Most of the funds in this bill fall into function 150 of the budget, the function entitled "International Affairs." In function 150, the Senate version of this bill includes $3.9 billion in budget authority and $1.6 billion in outlays, whereas the House version is $330 million less than the Senate in budget authority and $115 million less in outlays. My concern about this bill involves the dollars in the Senate version which fall in function 150. According to our best estimates, function 150 will likely exceed the ceiling established in the Second Concurrent Resolution by about $0.6 billion. Our ceiling for this function was set at $4.9 billion and completed action on spending legislation totals $3.9 billion, which when added to the $1.6 billion in this bill cause the total expected outlays to add to $5.5 billion, or $600 million over the ceiling.

Further, the budget authority for this function is about $200 million over our ceiling and it may be necessary to cause some reduction in budget authority so that both budget authority and outlays will come down closer to our ceiling. In addition, this bill affects function 050, national defense, where we run the risk of having both budget authority and outlays being exceeded.

It may be said that while we have a problem with outlays in these two functions, it appears that the total of outlays for the budget for 1976 might come in under our ceiling, but that judgment assumes that the one regular fiscal year 1976 appropriation bill which has not yet been reported will be reported as estimated; and the consolidated supplemental bill will come in as estimated; and that the substantial reestimates which are due from the Congressional Budget Office within the next few days will not show a net deterioration in outlays of over $1 billion or so.

I do not know the net result of these reestimates, but I am greatly concerned that one item alone—anticipated receipts from the leasing of the Outer Continental Shelf oil lands—has been over-estimated by $1.0 to $1.5 billion.

While I am in favor of the program encompassed by this foreign assistance appropriation bill, and while I voted in favor of reporting the bill out of the Appropriation Committee to the floor, I do want my colleagues to be aware of the danger of approved funding levels. I urge the senatorial conferees, who will soon be discussing this matter with their House counterparts, to give serious consideration to reporting back to the Senate from conference with funding levels much closer to the House version.

Mr. **McGEE.** Mr. President, will the Senator yield for a unanimous-consent request?

Mr. **BROOKE.** I am very pleased to yield.

Mr. **McGEE.** I ask unanimous consent that the expert on matters of state in my office, Mr. Dick McCall, be accorded the privilege of the floor for the duration of the consideration of this measure.

The **PRESIDING OFFICER**. Without objection, it is so ordered.

Who yields time?

Mr. INOUYE. Mr. President, I suggest the absence of a quorum.

The **PRESIDING OFFICER**. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. HARRY F. BYRD, JR. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The **PRESIDING OFFICER**. Without objection, it is so ordered.

Mr. HARRY F. BYRD, JR. I ask unanimous consent that Peter Hughes of my staff be granted the privilege of the floor during the remainder of the consideration of the pending legislation.

The **PRESIDING OFFICER**. Without objection, it is so ordered.

Mr. INOUYE. Mr. President, I ask unanimous consent that the committee amendments, except for the committee amendments on page 15 beginning on line 12 and running through line 21, and on page 25 beginning on line 21, through line 3 on page 26, be considered and agreed to en bloc, and that the bill as thus amended be regarded for purposes of amendment as original text; provided that no point of order shall be considered to have been waived by reason of agreement to this order.

The **PRESIDING OFFICER**. Is there objection?

Mr. ALLEN. Mr. President, reserving the right to object, and I shall not object, I appreciate the indulgence of the distinguished manager of the bill, the Senator from Hawaii, in making this request.

The effect of the request is that all of the committee amendments—and I daresay there must be 50 or 75—will be agreed to by voice vote except the amendments of the committee striking out section 108, which is a ban against aid to North Vietnam, South Vietnam, Cambodia, or Laos, and a second section (section 505) having to do with a ban on expenditures for any country which is in default on loans from the United States. That request was made by the distinguished Senator from Virginia (Mr. HARRY F. BYRD, JR.), that that amendment not be agreed to.

With the exception of those sections, there would be adoption by unanimous consent of all of the other committee amendments, but it would require affirmative votes on the floor of the Senate to knock out those two prohibitions.

I have no objection.

The **PRESIDING OFFICER**. Is there objection to the request of the Senator from Hawaii? The Chair hears none, and it is so ordered.

The amendments agreed to en bloc are as follows:

On page 2, line 11, strike "$487,500,000" and insert "$456,600,000";

On page 2, line 16, strike "$121,900,000" and insert "$120,000,000";

On page 2, line 19, strike "$180,000,000" and insert "$146,400,000";

On page 2, line 19, after "*Provided*," insert "That not less than $100,000,000 of such amount shall be available only for population planning: *Provided further*,";

On page 2, line 23, strike out ": *Provided further*, That not more than $135,000,000 appropriated for made available under this Act shall be used for population planning during the current fiscal year year";

On page 3, line 5, strike "$45,000,000" and insert "$33,450,000";

On page 3, line 5, strike ": *Provided*, That not more than $33,750,000 appropriated or made available under this Act shall be used for population planning during this period";

On page 3, line 10, strike "$82,000,000" and insert "$60,800,000";

On page 3, line 16, strike "$30,500,000" and insert "$8,800,000";

On page 3, line 20, strike "$72,000,000" and insert "$57,499,999";

On page 4, line 2, strike "$18,000,000" and insert "$11,100,000";

On page 4, line 5, strike "$300,000,000" and insert "$275,000,000";

On page 4, line 7, strike "$75,000,000" and insert "$74,000,000";

On page 4, line 12, strike "$160,000,000" of which not more than $20,000,000 shall be available for the United Nations Children's Fund" and insert "$189,500,000";

On page 4, line 20, strike "$19,200,000" and insert "$13,400,000";

On page 4, line 24, strike "$5,000,000" and insert "$7,500,000";

On page 5, line 2, strike "$20,000,000" and insert "$9,800,000";

On page 5, line 5, strike "$2,500,000" and insert "$1,150,000";

On page 6, line 7, strike "$9,000,000" and insert "$22,500,000";

On page 6, line 12, strike "$2,250,000" and insert "$4,500,000";

On page 6, line 14, strike "$5,000,000" and insert "$10,000,000";

On page 6, line 19, strike out

Contingency fund: For necessary expenses $5,000,000, to be used for the purposes set forth in section 451.

For "Contingency fund" for the period July 1, 1976, through September 30, 1976, $1,250,000.

On page 6, line 24, strike "$20,000,000" and insert "$45,000,000: *Provided*, That of this amount $25,000,000 shall be available only for Guatemala disaster relief assistance: *Provided further*, That the President shall submit quarterly reports to the Committee on Appropriations of the United States Senate and to the Committee on Appropriations of the House of Representatives on the programing and obligation of funds appropriated for International Disaster Assistance.

On page 7, line 17, strike "$37,500,000" and insert "$32,500,000";

On page 7, line 20, strike "$9,375,000" and insert "$8,125,000";

On page 8, line 8, strike "Except for the Contingency Fund, unobligated" and insert "Unobligated";

On page 8, line 21, after "Assistance," insert " "Operating Expenses of the Agency for International Development," ";

On page 9, beginning with line 6, insert the following:

None of the funds made available under this Act for "Food and nutrition, Development Assistance," "Population planning and health, Development Assistance," "Education and human resources development, Development Assistance," "Technical assistance, energy, research, reconstruction, and selected development problems, Development Assistance," "International organizations and programs," "United Nations Environment Fund," "American schools and hospitals abroad," "Indus Basin Development Fund," "International narcotics control," "African development program," "Security supporting assistance," "Operating Expenses of the Agency for International Development," "Middle East Special requirements fund," "Military assistance," "International military education and training," "Inter-American Foundation," "Peace Corps," "Migration and refugee assistance," or "Assistance to refugees from the Soviet Union or other Communist countries in Eastern Europe," shall be available for obligation for activities, programs, projects, type of materiel assistance, countries, or other operations not justified or in excess of the amount justified to the Appropriations Committees for obligation under any of these specific headings for the current fiscal year without the express approval of the Appropriations Committees of both Houses of the Congress.

On page 10, line 9, strike out ": *Provided*, That none of the funds appropriated under this heading may be used to provide a United States contribution to the United Nations Relief and Works Agency";

On page 10, line 19, strike "$1,712,500,000" and insert "$1,689,900,000";

On page 10, line 23, after "Jordan," insert "and";

On page 10, line 24, strike "and $65,000,000 shall be allocated to Greece";

On page 11, line 1, strike $25,200,000" and insert "$411,575,000: *Provided*, That of the funds appropriated under this paragraph, $173,750,000 shall be allocated to Egypt, $175,000,000 shall be allocated to Israel, $18,125,000 shall be allocated to Jordan, and $20,000,000 shall be allocated to Syria";

On page 11, line 7, insert the following:

OPERATING EXPENSES OF THE AGENCY FOR INTERNATIONAL DEVELOPMENT

For "Operating Expenses of the Agency for International Development", $194,600,000.

For "Operating Expenses of the Agency for International Development" for the period July 1, 1976, through September 30, 1976, $55,500,000.

On page 11, line 22, strike "$323,913,000" and insert "$25,000,000";

On page 12, line 6, strike "$25,000,000" and insert "$23,000,000";

On page 12, line 10, strike "$6,250,000" and insert "$5,750,000";

On page 13, line 6, strike "$5,000,000" and insert "$10,000,000";

On page 13, line 10, strike "$1,250,000" and insert "$2,500,000";

On page 15, line 22, strike "109" and insert "108";

On page 16, line 9, strike "111." and insert "110.";

On page 16, line 9, strike "The payments due in 1976, 1977, 1978, 1979, and 1980" and insert "All amounts due and owing";

On page 16, line 18, after "hereby" insert "waived and forgiven.";

On page 16, line 18, strike "deferred from repayment until 1981.";

On page 16, line 20, strike "112." and insert "111.";

On page 17, beginning with line 3, insert the following:

SEC. 112. Of the funds appropriated or made available pursuant to this Act not to exceed $103,000 shall be for Official Residence Expenses of the Agency for International Development during the fiscal year ending June 30, 1976; and not to exceed $28,500 shall be for Official Residence Expenses of the Agency for International Development for the period July 1, 1976 through September 30, 1976.

SEC. 113. Of the funds appropriated or made available pursuant to this Act not to exceed $19,000 shall be for Entertainment Expenses of the Agency for International Development during the fiscal year ending June 30, 1976; and not to exceed $4,750 shall be for Entertainment Expenses of the Agency for International Development for the period July 1, 1976 through September 30, 1976.

SEC. 114. Of the funds appropriated or made available pursuant to this Act not to exceed $91,000 shall be for Representation

Allowances of the Agency for International Development during the fiscal year ending June 30, 1976; and not to exceed $23,000 shall be for Representation allowances of the Agency for International Development for the period July 1, 1976 through September 30, 1976.

On page 18, line 10, strike "$30,000,000" and insert "$212,200,000: *Provided*, That of the amount provided for the total aggregate credit sale ceiling during the period July 1, 1976 through September 30, 1976, not less than $357,000,000 shall be allocated to Israel";

On page 18, line 21, strike "$80,000,000" and insert "$80,826,000: *Provided*, That of this amount $7,867,000 shall be for Peace Corps volunteer readjustment allowances, as authorized by Public Law 94–130";

On page 19, line 1, strike "$20,000,000" and insert "$25,729,000: *Provided*, That of this amount not less than $2,776,000 shall be used to fund Peace Corps volunteer readjustment allowances, as authorized by Public Law 94–130";

On page 20, line 4, after "$9,000,000" insert ": *Provided*, That of this amount not more than $3,054,390 shall be available for the United States Refugee Program, and";

On page 20, line 15, strike "$800,000" and insert "$700,000";

On page 20, line 17, after "UNION" insert "AND OTHER COMMUNIST COUNTRIES IN EASTERN EUROPE";

On page 21, line 10, strike "$85,317,454" and insert "$170,634,909";

On page 21, line 18, strike $200,000,000" and insert "$250,000,000";

On page 21, line 19, strike : *Provided*, That the amounts made available under this head in the "Foreign Assistance and Related Programs Appropriations Act, 1975" shall be made available without limitation, notwithstanding the three provisos contained therein";

On page 22, line 8, strike "$320,000,000" and insert "$375,000,000";

On page 23, line 8, strike "$11,416,000" and insert "$11,412,000";

On page 23, line 12, strike "$24,000" and insert "$20,000";

On page 24, line 5, strike "$2,949,000" and insert "$2,948,000";

On page 24, line 6, strike "$6,000" and insert "$5,000";

On page 26, line 12, insert the following:

SEC. 506. The amounts appropriated in this Act shall be available only upon the enactment of authorizing legislation.

The PRESIDING OFFICER. The question is on agreeing to the first excepted committee amendment, on page 15.

The amendment is as follows:

On page 15, beginning with line 12 strike the following:

SEC. 108. None of the funds appropriated or made available pursuant to this Act shall be obligated or expended to finance directly or indirectly any assistance to North Vietnam, South Vietnam, Cambodia, or Laos, nor shall any funds herein appropriated or made available be channeled through or administered by international organizations, United Nations organizations, multilateral organizations, voluntary agencies, or any other comparable organizations or agencies in order to finance any assistance to North Vietnam, South Vietnam, Cambodia, or Laos.

The PRESIDING OFFICER. Who yields time?

Mr. ALLEN. Mr. President, who has control of the time? I ask that I be yielded 5 minutes.

The PRESIDING OFFICER. The Senator from Alabama is recognized.

Mr. ALLEN. Mr. President, this committee amendment would knock out the following language:

> None of the funds appropriated or made available pursuant to this Act shall be obligated or expended to finance directly or indirectly any assistance to North Vietnam, South Vietnam, Cambodia, or Laos, nor shall any funds herein appropriated or made available be channeled through or administered by international organizations, United Nations organizations, multilateral organizations, voluntary agencies, or any other comparable organizations or agencies in order to finance any assistance to North Vietnam, South Vietnam, Cambodia, or Laos.

I do not see the justification or the wisdom of striking out this prohibition on aid to North Vietnam and South Vietnam, and I object strenuously to removing this ban. I think we have mighty short memories if we now want to start giving military and economic aid to those Communist countries.

Why would the administration ask for the lifting of this ban if they did not intend to implement the lifting of the ban to give economic and/or military aid to these countries? I think it would be extreme folly on the part of Congress to permit the giving of financial or military aid to North Vietnam, South Vietnam, Laos, and Cambodia. Up to now there has been a ban on it. The committee wants to lift that ban, and that is what this amendment would do, Mr. President.

I think it would be shortsighted. We would lose sight of the fact that North Vietnam killed 50,000 American boys and wounded 250,000 more.

Our country went through tremendous travail as a result of the war in Vietnam. For us to turn around now and say "Let us make ourselves eligible to give aid to North Vietnam," and South Vietnam, the same way, because South Vietnam is now for all practical purposes part of North Vietnam I think we are making a serious mistake in lifting this ban. We have mighty short memories if we do lift the ban on aid to these Communist countries.

Mr. President, I call for the yeas and nays on the committee amendment.

The PRESIDING OFFICER. Is there a sufficient second? There is not a sufficient second.

Mr. ALLEN. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. INOUYE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. INOUYE. Mr. President, I wish to respond to our distinguished colleague's argument in favor of the House provision which called for a prohibition of assistance to North Vietnam, South Vietnam, Laos, and Cambodia.

It was the view of the subcommittee and the full committee that the deletion was justified because the Foreign Assistance Act of the United States very specifically prohibits such assistance at the present time. In other words, this language would have been superfluous and unnecessary.

Mr. President, I shall read the language appearing in section 620, entitled "Prohibition Against Furnishing Assistance," subsection (f):

> No assistance shall be furnished under this act, as amended, to any Communist country. This restriction may not be waived pursuant to any authority contained in this act unless the President finds and promptly reports to the Congress that (1) such assistance is vital to the security of the United States (2) the recipient country is not controlled by the international Communist conspiracy and (3) such assistance will further promote the independence of the recipient country from international communism. For the purpose of this subsection, the phrase "Communist country" shall include specifically but not limited to the following countries:

And they are listed from the People's Republic of Albania down to and including the Union of Soviet Socialist Republics.

Incidentally, this list includes North Vietnam.

In another section of the Foreign Assistance Act, section——

Mr. ALLEN. Mr. President, will the Senator yield?

Mr. INOUYE. I am happy to yield.

Mr. ALLEN. Did the Senator also include South Vietnam in that list?

Mr. INOUYE. This list does not include South Vietnam because at the time it was promulgated South Vietnam was not in the hands of the Communists.

Mr. ALLEN. That seems to indicate the need for this language then, does it not, since South Vietnam is now part of North Vietnam?

Mr. INOUYE. However, section 620 says "but not limited to," and under the specifications "if the recipient country is controlled by the international Communist conspiracy" it would not qualify for assistance unless the President should certify that it is in our national interest.

Section 655, entitled "Limitations Upon Assistance to or for Cambodia," subsection (c) states as follows:

> No funds may be obligated for any of the purposes described in subsection (a) of the Foreign Assistance Act of 1961 into for, or on behalf of Cambodia in any fiscal year beginning at June 30, 1975, unless such funds have been specifically authorized by law and enacted after the date of enactment of this section.

Mr. President, our Committee on Appropriations has been assured by the executive branch that the President has no intention of providing assistance to the countries of Indochina at the present time or of contributing to any multilateral funds established for that purpose.

The Executive Office wishes to state that it does not wish to create difficulties in our relations with international financial development institutions or other international organizations. The Executive Office has stated that if we decide to put this limitation into law, it may make our relationships extremely difficult.

Let me cite an example.

We provide assistance to the International Red Cross. We provide assistance for other humanitarian concerns, such as refugee assistance. If the International Red Cross should decide to provide assistance in Cambodia next year because of the occurrence of a typhoon causing many deaths and much destruction, we would have to notify the Red Cross that we do not want any assistance to be rendered to the people of Cambodia because of this restriction in our law. I do not think that the Congress of the United States intended such a prohibition; because in the past we have provided assistance, and we continue to provide assistance, to people who have suffered from devastation, whether they agree or disagree with our polices.

So, Mr. President, I hope that the Senate will concur with the decision reached by the committee in deleting the section provided by the House which prohibited assistance to South Vietnam, North Vietnam, Cambodia, and Laos.

Mr. ALLEN. Mr. President, will the Senator yield?

Mr. INOUYE. I am happy to yield.

Mr. ALLEN. The Senator gave an example of the Red Cross. I do not believe that this bill appropriates anything to the Red Cross, does it?

Mr. INOUYE. Yes, it does.

Mr. ALLEN. How much does it appropriate, and where is that item?

Mr. INOUYE. It is not a large amount, but it is in here. I will locate it for the Senator.

If the Senator will look at the committee report, on page 144——

Mr. ALLEN. Is it in the bill? I am talking about the bill.

Mr. INOUYE. The amount requested for U.S. contributions to the International Committee of the Red Cross for fiscal year 1976 is $500,000. This request reflects the 1975 increase in the authorized annual contribution for the Red Cross from $50,000 to $500,000.

In the bill funds for the International Red Cross are contained within the appropriation of $19,000,000 for migration and refugee assistance.

Department of State, page 19.

Mr. ALLEN. Of course, the Red Cross handles many millions of dollars, and this item of $500,000 is a miniscule item, when we talk about $7 or $8 billion. They could not send any of that half million dollars into these Communist countries and comply with this prohibition. So it would not interfere with that.

If they cannot give assistance and the President is not going to give assistance, I do not see why there is any objection to leaving on the ban.

We recall, if we consider a little recent history, that President Johnson was talking about spending some $7.5 billion in North and South Vietnam—about $2.5 billion in North Vietnam and $5 billion in South Vietnam. It was rumored that the Secretary of State promised North Vietnam development funds as part of the so-called peace package.

So, evidently there has been some sort of inclination to give aid to North Vietnam.

All this does is to continue a ban that has been in existence for quite some time. This is not new to the law, is it?

Mr. INOUYE. I am certain the Senator realizes that any sort of assistance program for any of the countries in Indochina would have to come before the Congress of the United States.

Mr. ALLEN. Of course, they have discretionary funds, as the Senator knows. One of his amendments is to tie down some of the discretionary funds and require them to go through Congress. There are discretionary funds that could be used to aid North Vietnam.

Mr. INOUYE. Under the committee amendment on reprograming, any reprograming must have prior approval of the Congress of the United States.

Mr. ALLEN. That being true, what is the objection to the amendment? What is the objection to the ban?

Mr. BROOKE. Mr. President, will the Senator yield?

Mr. ALLEN. I yield.

Mr. BROOKE. Mr. President, I assure the Senator that no one in the subcommittee or the full committee wanted to give assistance to North Vietnam, South Vietnam, Cambodia, or Laos, directly or indirectly. So I think the subcommittee and the full committee would agree with the purposes of the distinguished Senator from Alabama, because we do not want to give direct or indirect assistance to any of these Communist countries.

The Senator has asked the question as to the House language, contained in the House bill. The problem with the language is that some may try to interpret it to prohibit U.S. contributions to the general fund or capital of an international organization. If this interpretation is sustained, it can seriously inhibit U.S. efforts to provide help for our friends in various parts of the world.

I think we have already proved in the section that has been read by the distinguished chairman of the subcommittee that this provision is unnecessary and that assistance to Communist countries is already prohibited by the section read—section 620(f), which, as we understand it, takes care of the situation the Senator from Alabama hopes to avoid.

That is our reason for disagreeing to the House language as written.

Mr. ALLEN. Both Senators say that nobody wants to see them get aid, that the administration is not going to give them any aid, that the present law forbids any aid. It is a mystery to the Senator from Alabama why the Senator from Massachusetts and the Senator from Hawaii would object to continuing a ban that has been in effect for a year or more and that has not inhibited the operation of these various agencies and banks and various funds. Why should there be this headlong rush to lift this ban? That is what the Senator from Alabama cannot understand.

Mr. BROOKE. Because of the ambiguity of the language. The language might be interpreted—and we do not want a wrong interpretation—that we are making a move to preclude U.S. assistance to international organizations.

Mr. ALLEN. Does the Senator know of any international organization that has been forbidden or prevented from giving aid to any of these countries as a result of this ban? It is not new. It has been in effect for more than a year.

Mr. BROOKE. I know of none. But I certainly am one who would want to provide that there would be none in the future that would be prohibited under this ban. I believe that was the purpose of the subcommittee and the full committee, to prevent any possibility that such an interpretation would be given to this language.

I had thought of language such as this, if I may suggest this to the Senator for his consideration:

> None of the funds appropriated or made available pursuant to this act shall be used to provide assistance to North Vietnam, South Vietnam, Laos, or Cambodia.

That is pretty clear, simple language. I believe it does what the Senator from Alabama wants it to do. It does what the subcommittee and the full committee would want it to do. But it does not get into this problem of misinterpretation insofar as U.S. contributions to international organizations are concerned.

Mr. ALLEN. Is the Senator suggesting, then, that the committee amendment be modified so as to put a period at the end of the word "Laos" on page 15? Is that correct?

Mr. BROOKE. I am just suggesting that a simple prohibition be enacted on assistance to any of the four countries of Indochina.

Mr. ALLEN. I would be willing to go along with that suggestion, because I believe that that ban would be worth something; and if the committee prevails, there will be no ban.

Mr. BROOKE. I would like to see a ban. I agree with the Senator from Alabama. When I voted, both in the subcommittee and in the full committee, I voted on the assumption that a ban existed, namely, section 620(f) of the Foreign Assistance Act of 1961, as amended.

Mr. ALLEN. If the manager of the bill would agree to that modification of the amendment, it would be satisfactory to the Senator from Alabama. It would be gaining half a loaf instead of no loaf.

Mr. HATFIELD. Mr. President, who has the floor?

The PRESIDING OFFICER. The time is equally divided.

Does the Senator from Massachusetts yield?

Mr. BROOKE. I yield.

Mr. HATFIELD. Mr. President, as the author of this amendment in the committee, I should like to make one or two observations.

I remind my colleague and friend from Alabama that I think the House language is overkill in an effort to try to restrict possible aid from coming into Laos and Cambodia and North and South Vietnam. I think that for the simple reason that, if we were to accept the House language, we would not only be putting this barrier up for these specific countries, but we would also be denying those countries who are our friends from receiving the support that they are receiving through multinational organizations or the United Nations. As an example, the Asian Development Bank. If the

House language should prevail, the Asian Development Bank would not be permitted to receive such contingency funds from the United States—that is, funds which have this contingency placed upon them—because of their charter. That would mean that Korea, the Philippines, Indonesia, Pakistan, and nations which we generally consider friendly to the United States would be denied this kind of support and assistance that they are now receiving through the Asian Development Bank. I only use the Asian Development Bank as one example. We have many other such organizations that would be affected by this kind of language.

I think, therefore, that this is distinctly overkill, because I do not think we want to throw our friends out with our so-called enemies, or those with whom we have contention.

Second, I also think that it is very important to bear in mind, based upon not only the findings of our colleagues from the House of Representatives, but other evidence as well, that any hope that we have of getting MIA and POW information from these specific areas of Indochina, I think, directly relates to our concerns or our abilities to open up some kind or form of communication. I do not want to let that matter be the determining factor on this particular amendment. I only raise that as an added point that I think we ought to be moving to, as Secretary Kissinger has indicated, in establishing some kind of relations, short of aid, but perhaps trade relations, as we are trying to do now with mainland China and other former adversaries.

I just want to make the simple point now that this House language, if it continues in this bill—and this is why we asked to have it removed—would deny our frends as well as our adversaries the kind of aid that I think we want our friends to receive.

Mr. ALLEN. The distinguished Senator from Massachusetts (Mr. BROOKE) has suggested leaving in the words "None of the funds appropriated or made available pursuant to this act shall be obligated or expended to finance directly or indirectly any assistance to North Vietnam, South Vietnam, Cambodia, or Laos," and knock out the remainder of the language which has to do with the banks and development associations and charitable organizations that the Senator fears would overkill. I gather that the Senator from Oregon is willing to kill any aid to North Vietnam and South Vietnam and Cambodia or Laos What he obects to, as I heard him say, is the overkill.

Mr. HATFIELD. That is correct.

Mr. ALLEN. I assume the Senator from Oregon would not object to the suggestion of the Senator from Massachusetts, then.

Mr. HATFIELD. I say to the Senator from Alabama that the language as proposed by the Senator from Massachusetts is compromise language that would be more in conformity with section 620 (f) of the Foreign Assistance Act, one which we have been able to live with and in which our friends have not been denied the assistance necessary under these multinational organizations. I would certainly agree to that compromise language, even though I would feel that the language that I offered in my own amendment more precisely states the situation that would be workable and still not violate the objection that the Senator from Alabama raises. I do not understand, under any circumstance, how such aid could go to Laos or Cambodia, even under the wording of my own amendment. I am certainly willing to accept the compromise of the Senator from Massachusetts.

Mr. ALLEN. If some modification can be made, then, I think we can resolve the point.

Mr. BROOKE. I think we are making some progress. The language that I read is: "None of the funds appropriated or made available pursuant to this act shall be used to provide assistance to North Vietnam, South Vietnam, Laos or Cambodia." The Senator from Alabama then read from the language of the bill itself, which said, "shall be obligated or expended to finance directly or indirectly any assistance to North Vietnam, South Vietnam, Cambodia, or Laos." The language is somewhat different from the language that I have proposed.

Mr. ALLEN. I understand the Senator was just striking out where it started saying, "nor shall any funds herein appropriated or made available be channeled through" any of these organizations.

Mr. BROOKE. No, that was not my intention. That is a misunderstanding, and I am sorry if the Senator did misunderstand me. What I had proposed was this language, if the Senator will indulge me further:

> None of the funds appropriated or made available pursuant to this Act shall be used to provide assistance to North Vietnam, South Vietnam, Laos or Cambodia.

I ask the Senator, does that not achieve his purpose, as well as the purpose of the subcommittee and the full committee?

Mr. ALLEN. I should not want to agree, on the spur of the moment, to language to substitute for the language of the House at this point. I think if we broke off after "Laos" and kept the language of the bill, we would accomplish the same thing.

Mr. HATFIELD. Will the Senator yield?

Mr. BROOKE. Yes.

Mr. HATFIELD. I think the Senator's language, again let me emphasize, will not penalize our friends. Again, let me point out that neither the Asian Development Bank nor other of these multinational organizations have given aid to Laos or Cambodia or North or South Vietnam. I think the language that is proposed would be more in conformity with section 620(f) of the Foreign Assistance Act, which very clearly says that no assistance shall be furnished to any Communist country—any Communist country. That continues on. I shall not read the entire part of that 620, except to point out that we have found that, within the framework of these multinational organizations, this has not prevented our friends from receiving aid through the multinational organizations.

Mr. ALLEN. It does not prevent our enemies, either, does it?

Mr. HATFIELD. And it has not provided funds so for our adversaries. I want to make that clear, that the Asian Development Bank and the WMO and other such organizations have not provided aid to the countries that we would call adversaries. So by the language copied after 620(f), we can work within that framework, as we have already been doing for a number of years—without, again, violating the objective that is being sought by the Senator from Alabama—but, by the same token, not endanger our continuing assistance through these multinational organizations to our friends.

Mr. ALLEN. I do not want to be splitting hairs but I still do not understand why the Senator is insisting on changing the language of the bill on the point he is willing to agree to.

Mr. BROOKE. As we had it, the House language came before the committee and, on an amendment by the distinguished Senator from Oregon, the House language was deleted. That is the position we find ourselves in at the present time. What I have suggested is language which I think accomplishes the purpose of the Senator from Alabama, as well as, certainly, my own and, I think, those of the Senator from Oregon as well, by substituting for the House language that none of the funds made available are to be used to provide assistance to North Vietnam, South Vietnam, Laos, or Cambodia. I certainly do not intend by this language that any assistance in any form or fashion be given to any of these countries so named from U.S. funds.

I think that section 620(f), which has been read already to the Senate, has already provided that no assistance will be given to Communist countries. So I think that by the two, we clearly state, without question at all, what the position of the U.S. Government is: that no assistance will be given to any of these countries.

Mr. ALLEN. Will the Senator then hand up his amendment to the desk? In the sense that the committee knocked out the section, I guess we would have to agree to that and then offer that as another amendment.

Mr. BROOKE. I would offer that as a substitute amendment to the amendment of the Senator from Alabama.

Mr. ALLEN. I have no amendment. The committee amendment knocks out section 108.

Mr. BROOKE. That is correct.

Mr. ALLEN. Having knocked out section 108, I ask the Chair if it would not then be in order to receive and act on the amendment proposed to be offered by the Senator from Massachusetts.

The PRESIDING OFFICER. It would be in order after the second committee amendment has been acted upon.

Mr. ALLEN. After both committee amendments have been acted upon.

The PRESIDING OFFICER. That is correct.

Mr. ALLEN. Very well.

If the Senator will agree then to offer this as an amendment from the floor——

Mr. BROOKE. I do agree.

Mr. ALLEN. And, of course, support it.

Mr. BROOKE. I do agree.

Mr. ALLEN. Then the other amendment would be in order.

I yield back my time.

Mr. BROOKE. I thank the Senator.

Mr. INOUYE. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. INOUYE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. Baker). Without objection, it is so ordered.

Mr. INOUYE. Mr. President, I yield to Senator Brooke.

The PRESIDING OFFICER. The Senator from Massachusetts is recognized.

Mr. BROOKE. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. BROOKE. Is an amendment now in order?

The PRESIDING OFFICER. When all time has expired or been yielded back on the committee amendment, which is the pending business, an amendment to that part of the bill the committee amendment would strike will be in order.

Mr. BROOKE. On the amendment?

The PRESIDING OFFICER. The Chair would inquire is the Senator putting a parliamentary inquiry as to an amendment to the bill or to the first committee amendment?

Mr. ALLEN. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. ALLEN. Would not an amendment be in order substituting the language proposed by the Senator from Massachusetts for the language in the bill, section 108, proposed to be stricken?

The PRESIDING OFFICER. When the time is——

Mr. ALLEN. No, now. The committee amendment is up. Would it not be in order to offer this language as an amendment, a substitution for the language proposed to be stricken?

The PRESIDING OFFICER. It is the Chair's understanding that the pending business is on the first committee amendment; that no amendment to the committee amendment in the nature of a substitute or otherwise would be in order until the time under the unanimous-consent order had expired or been yielded back.

Mr. ALLEN. Very well. An amendment now substituting certain language for the language proposed to be stricken would not now be in order?

The PRESIDING OFFICER. That is the Chair's understanding.

Mr. ALLEN. Very well.

The PRESIDING OFICER. The Chair will repeat, it would not be in order until the time allotted under the unanimous-consent order is used or yielded back.

Mr. ALLEN. When the time is yielded back, at that time the amendment is in order.

Mr. INOUYE. Mr. President, I yield back my time.

Mr. BROOKE. I yield back my time.

The PRESIDING OFFICER. All the time is yielded back.

Mr. BROOKE. Mr. President, I send an amendment to the desk.

The PRESIDING OFFICER. The clerk will report the amendment.

The assistant legislative clerk read as follows:

> The Senator from Massachusetts (Mr. Brooke) proposes an amendment on page 15, strike lines 12 through 21, and insert the following in lieu thereof:
>
> Section 1. None of the funds appropriated or made available pursuant to this Act shall be used to provide assistance to the Democratic Republic of Vietnam (North Vietnam), South Vietnam, Cambodia or Laos.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Massachusetts. Is all time yielded back?

Mr. ALLEN. I yield back my time.

Mr. BROOKE. I yield back the time.

The PRESIDING OFFICER. All time is yielded back. The question is on agreeing to the amendment.

The amendment was agreed to.

The PRESIDING OFFICER. The Senator from Virginia is recognized.

Mr. HARRY F. BYRD, JR. Mr. President, parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. HARRY F. BYRD, JR. Is not the next order of business the second committee amendment, section 505?

Mr. ALLEN. Parliamentary inquiry, Mr. President. I believe all we have done thus far is to strike the language proposed to be stricken and substitute this language. Now we still have the amendment, do we not, the original committee amendment, back before us? All we have done is to substitute language for the language proposed to be stricken. Now the committee amendment could be withdrawn.

The PRESIDING OFFICER. It is the understanding of the Chair that the first committee amendment was to strike the language of section 108 on page 15 of the bill, and after the time was yielded back, then an amendment was submitted and adopted striking that section and substituting language instead of simply striking section 108. Under the precedents a motion to strike and insert takes precedence over a simple motion to strike and the adoption of the former negates action on the latter. The pending business then is the consideration of the second committee amendment.

Is there a further parliamentary inquiry?

Mr. HARRY F. BYRD, JR. That answers the question of the Senator from Virginia.

The PRESIDING OFFICER. The clerk will report the second committee amendment.

The assistant legislative clerk read as follows:

> On page 25, beginning with line 21, strike all language in section 505 down to line 3 on page 26 and insert new language.

Mr. HARRY F. BYRD, JR. Mr. President, I ask that the clerk read the section of the bill which is proposed to be stricken.

The PRESIDING OFFICER. The clerk will report the full text of the amendment.

The assistant legislative clerk read as follows:

> On page 25, beginning with line 21, the section 505 proposed to be stricken is as follows:
>
> Sec. 505. No part of any appropriation contained in this Act shall be available for obligation or expenditure for any country which, on the date of enactment of this section, has been in default, for one year or more, on any payment of principal or interest on any debt owed by that country to the United States, if such debt has not been disputed by the country prior to the enactment of this section.

The second committee amendment is as follows:

> Sec. 505. Not to exceed $1,400,000 of the funds appropriated or made available pursuant to this Act for fiscal year 1976 shall be made available to the Office of the Inspector General of Foreign Assistance: *Provided*, That not to exceed $350,000 of the funds appropriated or made available puursuant to this Act for the period of July 1, 1976 through September 30, 1976 shall be made avaliable to the Office of Inspector General of Foreign Assistance.

Mr. HARRY F. BYRD, JR. Mr. President, I yield to the Senator from Delaware.

Mr. ROTH. Mr. President, I ask unanimous consent that Charles Morrison of Government Operations be granted privilege of the floor, including during the vote.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Senator from Virginia.

Mr. HARRY F. BYRD, JR. Mr. President, to put this amendment in perspective, the House of Representatives wrote into the legislation we are now considering a prohibition against additional foreign aid to those countries which are delinquent in their obligations to the United States.

That amendment was offered in the House of Representatives by the distinguished Congressman from Arkansas (Mr. Alexander). It was approved by an affirmative vote of the House of 229 ayes to 139 noes.

So the House of Representatives wrote into the foreign aid appropriations bill a restriction on using additional foreign aid funds for the benefit of nations which refused to pay their debts to the United States.

The Appropriations Committee proposes to take out that House amendment. I rise in opposition to what the Appropriations Committee seeks to do, namely, to knock out the amendment of the Congressman from Arkansas (Mr. Alexander).

If the House provision prevails, namely, if the committee proposal is voted down, then the legislation would remain the same as passed by the House and would prohibit U.S. aid to any country that is delinquent in its debt to the United States by 1 year or more.

That seems to me a very appropriate amendment. I commend the House for its vote, and it was an overwhelming vote, 229 ayes to 139 noes.

I see no reason why our Nation should continue to give more and more funds to nations which refuse to pay their just obligations to the United States.

Mr. President, at a recent hearing before the Subcommittee on International Finance and Resources of the Finance Committee, the State Department testified that 113 different countries now owe the United States varying sums of money and that many of those countries are delinquent.

The total amount owed the United States by these foreign countries is now, or was this past month, $60 billion.

The effort has been made in the House of Representatives, and the House sustained that view, to prevent additional aid to those countries which refused to pay their just obligations to the United States, and I think that is appropriate.

For that reason, for the reason I have cited, I shall oppose and do oppose the committee amendment and urge that the bill be left as it was when it came to the Senate from the House.

Mr. INOUYE. Mr. President, I yield myself 10 minutes, speaking on behalf of the committee.

Mr. President, according to testimony we have in our files, in the vast majority of instances, debts due the United States are being paid on time.

Of the approximately $64 billion in long-term U.S. Government credits extended since 1940, repayments of over $42 billion, including $12 billion in interest, have been received.

In fiscal years 1974 and 1975, the U.S. Government collected over $5.6 billion in principal and interest on Government long-term credits. Collections on short-term credits have also been very substantial.

The second point, as of June 30, 1975, Mr. President, principal and interest due and unpaid 90 days or more on foreign loans and credits owed U.S. Government agencies totaled $637 million.

A large proportion of this amount relates to a few unique situations where circumstances currently impede our ability to collect these debts. For example: $100 million in outstanding debt is attributable to the Republic of China, and involves a number of issues including the proper allocation of claims between the Republic of China and the People's Republic of China, the correct evaluation of the claims, and the problems of government succession.

This presently is under discussion and negotiation and if we were to apply the Alexander amendment as intended by the House, we would not be able to in any way or fashion assist the Republic of China.

There is an item of $68 million owed the United States by Cuba which the administration advises us will be pursued as soon as the state of our bilateral relations permits.

There is another item of $200 million——

Mr. HARRY F. BYRD, JR. Will the Senator yield at that point?

Mr. INOUYE. Yes.

Mr. HARRY F. BYRD, JR. Is it proposed to give financial assistance, foreign aid, to Cuba?

Mr. INOUYE. Not at all.

Mr. HARRY F. BYRD, JR. Then I do not see the point of the Senator's statement which he just gave.

Mr. INOUYE. This is to advise the Senate that among the amounts which are now in arrears, $68 million is owed to us by Cuba and the administration advises us that at the earliest moment when bilateral relations permit, the United States will very aggressively try to get the loan paid up.

Mr. HARRY F. BYRD, JR. In my experience with the U.S. Government acting through the State Department, there has been no aggressive action on the part of the State Department for years in trying to get loans paid which are owed to the U.S. Government.

Mr. INOUYE. But I would like to suggest to my distinguished colleague from Virginia that according to available records, U.S. Government collection of debts incurred over the last 30 years has been fairly good. In fact, it compares very favorably with private banking institutions in the United States.

Mr. HARRY F. BYRD, JR. I think that would be the case only if one is considering the writing off of huge sums as being in settlement for the loans.

For example, the State Department in 1972 agreed to settle the Russian debt for 3 cents on the dollar, plus another 24 cents if the Russians could borrow the money from the Export-Import Bank to pay the other 24 cents.

I do not call that really paying the just obligations.

In any case, I see no harm in leaving the House provision in the bill so that those countries which refuse to pay the United States can no longer draw aid until such time as the payments are made.

Mr. INOUYE. Mr. President, most of the arrearages are brought about not by a refusal on the part of the country to pay the United States, but because of some differences of opinion.

For example, during the Korean conflict, the U.S. Government provided logistical support to several nations: Colombia, Ethiopia, Greece, the Philippines, Thailand, and Turkey. These were countries who, at our request, participated in this conflict.

In that conflict, we provided the logistical support. Needless to say, the history of debt arising from the provision of this support is complex and presents a unique situation. Should we pursue the Turks to obtain payment of this loan when they, in response to our request, sent their men overseas to Korea to battle the North Koreans?

Then we have another matter of $60 million owed by Pakistan. This relates to the complex negotiations between Pakistan and her creditors that arose from the 1971 war, the so-called independence of Bangladesh, and the desire of the creditor countries to insure full servicing of the prewar Pakistan debt.

This is now being negotiated so that Pakistan will be current on this obligation in addition to these considerations, I would point out that, if we insist upon the Alexander amendment, we would not be able to provide any sort of assistance to Colombia, Ethiopia, Greece, the Philippines, Thailand, and Turkey.

So, if we restore the Alexander amendment, some of the requests submitted by the administration will have to be turned down. For example, among the countries that could be affected by the amendment, we find Syria, which, incidentally, is very important in the strategy of the United States in bringing about a more lasting peace in the Middle East. Egypt, another country which is very important in the quest for peace in the Middle East, would also be an ineligible country.

I would hope that the Senator from Virginia would not insist upon restoring the Alexander language. The administration is very strongly against the Alexander amendment. The administration has expressed the hope that the Senate would delete it and bring this matter into conference with the House. We hope in conference the House will agree to the position of the administration and agree to the deletion the Alexander amendment.

Mr. BROOKE. Will the Senator yield?

Mr. INOUYE. I yield.

Mr. BROOKE. Mr. President, I certainly understand the desire of the distinguished Senator from Virginia who very customarily is interested in both the revenues and the defense of the U.S. Government, and who has performed a great service to this country because of his vigilance. I certainly agree with him that we ought to do everything possible to collect whatever is due the United States from foreign countries to whom we have made loans.

Normally, looking at the language which the Senator suggests, one would think certainly these countries ought to be able to pay up and should pay up if they are to receive any further loans from the United States. But actually, this amendment, and I do not like to characterize in this way, has, in effect, a shotgun approach to a very complex problem when circumstances vary widely from nation to nation.

I think delinquencies should be resolved on a case-by-case basis with all relevant factors concerning our relationship with a delinquent country being taken into account. But this is impossible under the proposed amendment.

The broad scope of this amendment would also affect arrearages on short-term credits which could affect a large number of countries but involve relatively small amounts of money. The amendment would likely make it even more difficult to collect on overdue debts, and it would provide little flexibility in working out the problem with various countries with whom we desired to maintain cordial bilateral relations.

Several of the countries have been mentioned that would be affected by the so-called Alexander amendment, Mr. President, but I think we ought to list them all. I think that even though some may be more important in terms of the peace of the world at this moment, all of these countries would be affected by this amendment:

Argentina
Brazil
Bolivia
Chile
Colombia
Costa Rica
Ecuador
Egypt
El Salvador
Ethiopia
Greece
Guatemala
Guinea
Haiti
Honduras
India
Iran
Iraq
Liberia
Mexico
Nicaragua
Pakistan
Panama
Paraguay
Peru
Philippines
Portugal
Senegal
Somalia
Syria
Thailand
Tunisia
Turkey
Republic of China
Uruguay
Venezuela
Zaire

As I read over those countries, Mr. President, I am sure it is easy to see that we should deal with most of them on an individual basis. Certainly, we are not in a position at this time, with the condition of the world, to cut off economic assistance to many of these countries because some of them are not able, at this time, to make repayments to the United States. In fact, it would be heartless to cut off some of them at this time, for thay are in desperate need now. In many cases we are trying to help them to help themselves and eventually, hopefully, they will be able to pay back our Government.

I again say that I sympathize with the intent of the amendment of the Senator from Virginia and what he is trying to do. We do want to collect from these countries. We want to get them in the habit of paying back. Many are in a position where they cannot pay back. Many are in strategic positions where we just cannot afford to cut off economic assistance at this time.

I have some language which I would like to suggest to the distinguished Senator from Virginia that he might consider because I, too, am concerned, as we all are, about collecting the money but at the same time maintaining some flexibility so that we can avoid any negative effects in our relations with many of these countries.

The language would be as follows:

Beginning 6 months from the date of enactment of this section, no part of any appropriation contained in this Act shall be used to furnish assistance to any country which is in default during a period in excess of 1 calendar year in payment to the United States of principal or interest on any loan made to such country by the United States pursuant to a program for which funds are appropriated under this Act, unless (1) such debt has been disputed by such country prior to the enactment of this legislation or (2) such country has either arranged to make payment of the amount in arrears or otherwise taken appropriate steps which may include renegotiation to cure the existing default.

That is rather lengthy language.

Mr. President. I would like to suggest the absence of a quorum and submit this to my distinguished chairman and the distinguished Senator from Virginia for their consideration as an alternative to the Senator's language.

The PRESIDING OFFICER. Does the Senator suggest the absence of a quorum?

Mr. BROOKE. Yes, I do.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. INOUYE. Mr. President, earlier today the distinguished Senator from Alabama (Mr. ALLEN) inquired whether any of the funds provided in the fiscal year 1976 bill for Eximbank programs can currently be used to authorize credits or guarantees in support of U.S. exports for oil and gas exploration in the Soviet Union.

I have made an inquiry of the Eximbank, and in a memorandum dated March 23, 1976, the Export-Import Bank has submitted a reply which states that none of the funds in the fiscal year 1976 bill can be used by Eximbank to authorize such credits or guarantees. The Bank is prevented from doing business in Russia, because of certain provisions of the Trade Act of 1974.

I ask unanimous consent that the memorandum of the Eximbank be printed in the RECORD.

There being no objection, the memorandum was ordered to be printed in the RECORD, as follows:

MEMORANDUM TO SENATOR INOUYE

In accordance with your request, this memo confirms our conversation earlier today during which I advised you that none of the program activity in the FY 1976 bill for Eximbank can currently be used to authorize credits or guarantees in support of U.S. exports for oil and gas exploration in the Soviet Union. This is because the Bank is currently prevented from doing business with Russia due to the Trade Act of 1974.

Even if we were permitted to do business with Russia an additional restriction contained in the Export-Import Bank Amendments of 1974 places a limitation of $300 million on new loans and guarantees to the U.S.S.R., none of which amount can be used for equipment and services for the production (including processing and distribution) of fossil fuel energy resources. Not more than $40 million of the $300 million can be used for support of any products or services involving research or exploration (as opposed to production, processing and distribution) of fossil fuel energy resources. The $300 million limitation could be increased, however if the President determines that it is in the national interest, reports such determination to Congress with the reasons therefore and the amount of such increase which would be available for development for fossil fuel energy resources, and if the Congress adopts a concurrent resolution approving such determination.

JAMES K. HESS,
Deputy Treasurer-Controller.

Mr. ALLEN. Mr. President, will the Senator yield?

Mr. INOUYE. I yield.

Mr. ALLEN. The Senator said that the Senator from Alabama raised this point. I certainly was interested in it. However, the Senator from Alabama also expressed the interest of the distinguished senior Senator from Virginia (Mr. HARRY F. BYRD, JR.), who last year, when this bill was before the Senate, waged a gallant and heroic fight to keep a limitation on the amount of money the Export-Import Bank could make available for the development of the Russian natural gas fields, with the gas to be produced by Russia and sold to Japan and the American taxpayer paying the bill.

So it was the distinguished Senator from Virginia (Mr. HARRY F. BYRD, JR.) who was primarily interested in this matter, and waged the fight last year.

Mr. INOUYE. Mr. President, I apologize for not including the name of the distinguished Senator from Virginia. Let me add that it was not only a spectacular fight, but a very successful one.

FEDERAL ELECTION CAMPAIGN ACT AMENDMENTS OF 1976

AMENDMENT NO. 1516

Mr. CANNON. Mr. President, will the Senator yield for a unanimous-consent request?

Mr. INOUYE. I yield to the Senator from Nevada.

Mr. CANNON. Mr. President, on behalf of myself, Mr. HATFIELD, Mr. MANSFIELD, Mr. HUGH SCOTT, Mr. ROBERT C. BYRD, and Mr. GRIFFIN I send to the desk an amendment in the nature of a substitute for S. 3065, a bill to amend the Federal Election Campaign Act of 1971 and for other purposes, and I ask unanimous consent that the amendment be printed in the RECORD as well as having the normal printing.

The PRESIDING OFFICER. The amendment will be received and printed, and will lie on the table, and without objection, in accordance with the Senator's request, the amendment will be printed in the RECORD.

The amendment (No. 1516) is as follows:

AMENDMENT NO. 1516

Strike out all after the enacting clause and insert in lieu thereof the following:

SHORT TITLE

SECTION 1. This Act may be cited as the "Federal Election Campaign Act Amendments of 1976".

TITLE I—AMENDMENTS TO FEDERAL ELECTION CAMPAIGN ACT OF 1971

FEDERAL ELECTION COMMISSION MEMBERSHIP

SEC. 101. (a)(1) The second sentence of section 309(a)(1) of the Federal Election Campaign Act of 1971 (2 U.S.C. 437c(a)(1)), as redesignated by section 105 (hereinafter in this Act referred to as the "Act") is amended to read as follows: "The Commission is composed of the Secretary of the Senate and the Clerk of the House of Representatives, ex officio and without the right to vote, and eight members appointed by the President of the United States, by and with the advice and consent of the Senate.".

(2) The last sentence of section 309(a)(1) of the Act (2 U.S.C. 437c(a)(1)), as redesignated by section 105, is amended to read as follows: "No more than three members of the Commission appointed under this paragraph may be affiliated with the same political party, and at least two members appointed under this paragraph shall not be affiliated with any political party.".

(b) Section 309(a)(2) of the Act (2 U.S.C. 437c(a)(2)), as redesignated by section 105, is amended to read as follows:

"(2) (A) Members of the Commission shall serve for terms of eight years, except that of the members first appointed—

"(i) two of the members, not affiliated with the same political party, shall be appointed for terms ending on April 30, 1977,

"(ii) two of the members, not affiliated with the same political party, shall be appointed for terms ending on April 30, 1979,

"(iii) two of the members, not affiliated with the same political party, shall be appointed for terms ending on April 30, 1981, and

"(iv) two of the members, not affiliated with the same political party, shall be appointed for terms ending on April 30, 1983.

"(B) An individual appointed to fill a vacancy occurring other than by the expiration of a term of office shall be appointed only for the unexpired term of the member he succeeds.

"(C) Any vacancy occurring in the membership of the Commission shall be filled in the same manner as in the case of the original appointment.".

(c) (1) Section 309(b) of the Act (2 U.S.C. 437c(b)), as redesignated by section 105, is amended to read as follows:

"(b) (1) The Commission shall administer, seek to obtain compliance with, and formulate policy with respect to, this Act and chapter 95 and chapter 96 of the Internal Revenue Code of 1954. The Commission shall have exclusive and primary jurisdiction with respect to the civil enforcement of such provisions.

"(2) Nothing in this Act shall be construed to limit, restrict, or diminish any investigatory, informational, oversight, supervisory, or disciplinary authority or function of the Congress or any committee of the Congress with respect to elections for Federal office.".

(2) The first sentence of section 309(c) of the Act (2 U.S.C. 437c(c)), as redesignated by section 105, is amended by inserting immediately before the period at the end thereof the following: ", except that the affirmative vote of five members of the Commission shall be required in order for the Commission to establish guidelines for compliance with the provisions of this Act or with chapter 95 or chapter 96 of the Internal Revenue Code of 1954, or for the Commission to take any action in accordance with paragraph (6), (7), (8), or (10) of section 310 (a)".

(d) The last sentence of section 309(f) (1) of the Act (2 U.S.C. 437c(f) (1)), as redesignated by section 105, is amended by inserting immediately before the period the following: "without regard to the provisions of title 5, United States Code, governing appointments in the competitive service or the provisions of chapter 51 and subchapter III of chapter 53 of such title relating to classification and General Schedule pay rates".

(e) (1) The President shall appoint members of the Federal Election Commission under section 309(a) of the Act (2 U.S.C. 437c (a)), as redesignated by section 105 and as amended by this section, as soon as practicable after the date of the enactment of this Act.

(2) The first appointments made by the President under section 309(a) of the Act (2 U.S.C. 437c(a)), as redesignated by section 105 and as amended by this section, shall not be considered to be appointments to fill the unexpired terms of members serving on the Federal Election Commission on the date of the enactment of this Act.

(3) Members serving on the Federal Election Commission on the date of the enactment of this Act may continue to serve as such members until a majority of the members of the Commission are appointed and qualified under section 309(a) of the Act (2 U.S.C. 437c(a)), as redesignated by section 105 and as amended by this section. Until a majority of the members of the Commission are appointed and qualified under the amendments made by this Act, members serving on such Commission on the date of enactment of this Act may exercise only such powers and functions as are consistent with the determinations of the Supreme Court of the United States in Buckley et al. against Valeo, Secretary of the United States Senate, et al. (numbered 75–436, 75–437) January 30, 1976.

(f) The provisions of section 309(a) (3) of the Act (2 U.S.C. 437c(a) (3)), as redesignated by section 105, which prohibit any individual from being appointed as a member of the Federal Election Commission who is, at the time of his appointment, an elected or appointed officer or employee of the executive, legislative, or judicial branch of the Federal Government, shall not apply in the case of any individual serving as a member of such Commission on the date of the enactment of this Act.

(g) (1) All personnel, liabilities, contracts, property, and records determined by the Director of the Office of Management and Budget to be employed, held, or used primarily in connection with the functions of the Federal Election Commission under title III of the Federal Election Campaign Act of 1971 as such title existed on January 1, 1976, or under any other provision of law are transferred to the Federal Election Commission as constituted under the amendments made by this Act to the Federal Election Campaign Act of 1971.

(2) (A) Except as provided in subparagraph (B) of this paragraph, personnel engaged in functions transferred under paragraph (1) shall be transferred in accordance with applicable laws and regulations relating to the transfer of functions.

(B) The transfer of personnel pursuant to paragraph (1) shall be without reduction in classification or compensation for one year after such transfer.

(3) All laws relating to the functions transferred under this Act shall, insofar as such laws are applicable and not amended by this Act, remain in full force and effect. All orders, determinations, rules, advisory opinions, and opinions of counsel made, issued, or granted by the Federal Election Commission before its reconstitution under the amendments made by this Act which are in effect at the time of the transfer provided by paragraph (1) shall continue in effect to the same extent as if such transfer had not occurred.

(4) The provisions of this Act shall not affect any proceeding pending before the Federal Election Commission at the time this section takes effect.

(5) No suit, action, or other proceeding commenced by or against the Federal Election Commission or any officer or employee thereof acting in his official capacity shall abate by reason of the transfer made under paragraph (1). The court before which such suit, action, or other proceeding is pending may, on motion or supplemental petition filed at any time within twelve months after the date of enactment of this Act, allow such suit, action, or other proceeding to be maintained against the Federal Election Commission if the party making the motion or filing the petition shows a necessity for the survival of the suit, action, or other proceeding to obtain a settlement of the question involved.

(6) Any reference in any other Federal law to the Federal Election Commission, or to any member or employee thereof, as such Commission existed under the Federal Election Campaign Act of 1971 before its amendment by this Act shall be held and considered to refer to the Federal Election Commission, or the members or employees thereof, as such Commission exists under the Federal Election Campaign Act of 1971 as amended by this Act.

CHANGES IN DEFINITIONS

SEC. 102. (a) Section 301(a) (2) of the Act (2 U.S.C. 431(a) (2)) is amended by striking out "held to" and inserting in lieu thereof "which has authority to".

(b) Section 301(e) (2) of the Act (2 U.S.C. 431(e) (2)) is amended by inserting "written" immediately before "contract".

(c) Section 301(c) (4) of the Act (2 U.S.C. 431(e) (4)) is amended by inserting after "purpose" the following: ", except that this paragraph shall not apply in the case of legal or accounting services rendered to or on behalf of the national committee of a political party (unless the person paying for such services is a person other than the employer of the individual rendering such services), other than services attributable to activities which directly further the election of a designated candidate or candidates to Federal office, nor shall this paragraph apply in the case of legal or accounting services rendered to or on behalf of a candidate or political committee solely for the purpose of insuring compliance with the provisions of this Act or chapter 95 or 96 of the Internal Revenue Code of 1954 (unless the person paying for such services is a person other than the employer of the individual rendering such services), but amounts paid or incurred for such legal or accounting services shall be reported in accordance with the requirements of section 304(b)".

(d) Section 301(e) (5) is amended—

(1) by striking out "or" at the end of clause (E),

(2) by inserting "or" at the end of clause (F), and

(3) by inserting after clause (F) the following new clause:

"(G) a loan of money by a national or State bank made in accordance with the applicable banking laws and regulations and in the ordinary course of business, but such loans—

"(i) shall be reported in accordance with the requirements of section 304(b); and

"(ii) shall be considered a loan by each endorser or guarantor, in that proportion of the unpaid balance thereof that each endorser or guarantor bears to the total number of endorsers or guarantors;"

(e) Section 301(e) (5) of the Act (2 U.S.C. 431(e) (5)) is amended by striking out "individual" where it appears after clause (G) and inserting in lieu thereof "person".

(f) Section 301(f) (4) of the Act (2 U.S.C. 431(f) (4)) is amended—

(1) by inserting before the semicolon in clause (B), the following: ", or partisan activity designed to encourage individuals to register to vote, or to vote, conducted by the national committee of a political party, or a subordinate committee thereof, or the State committee of a national party, but such partisan activity shall be reported in accordance with the requirements of section 304".

(2) by striking out "or" at the end of clause (F) and at the end of clause (G); and

(3) by inserting immediately after clause (H) the following new clauses:

"(I) any costs incurred by a candidate in connection with the solicitation of contributions by such candidate, except that this clause shall not apply with respect to costs incurred by a candidate in excess of an amount equal to 20 percent of the expenditure limitation applicable to such candidate under section 320(b), but all such costs shall be reported in accordance with section 304 (b);

"(J) the payment, by any person other than a candidate or political committee, of compensation for legal or accounting services rendered to or on behalf of the national committee of a political party (unless the person paying for such services is a person other than the employer of the individual rendering such services), other than services attributable to activities which directly further the election of a designated candidate or candidates to Federal office, or the payment for legal or accounting services rendered to or on behalf of a candidate or political committee solely for the purpose of insuring compliance with the provision of this title or of chapter 95 or 96 of the Internal Revenue Code of 1954 (unless the person paying for such services is a person other than the employer of the individual rendering such services), but amounts paid or incurred for such legal or accounting services shall be reported under section 304(b); or

"(K) a loan of money by a national or State bank made in accordance with the applicable banking laws and regulations and in the ordinary course of business, but such loan shall be reported in accordance with section 304(b);".

(g) Section 301 of the Act (2 U.S.C. 431) is amended—

(1) by striking out "and" at the end of paragraph (m);

(2) by striking out the period at the end of paragraph (n) and inserting in lieu thereof a semicolon; and

(3) by adding at the end thereof the following new paragraph:

"(o) 'Act' means the Federal Election Campaign Act of 1971 as amended by the Federal Election Campaign Act Amendments of 1974 and the Federal Election Campaign Act Amendments of 1976.".

ORGANIZATION OF POLITICAL COMMITTEES

SEC. 103. (a) Section 302(b) of the Federal Election Campaign Act of 1971 (2 U.S.C. 432(b)) is amended by striking out "$10" and inserting in lieu thereof "$100".

(b) Section 302(c)(2) of such Act (2 U.S.C. 432(c)(2)) is amended by striking out "$10" and inserting in lieu thereof "$100".

(c) Section 302 of the Act (2 U.S.C. 432) is amended by striking out subsection (e) and by redesignating subsection (f) as subsection (e).

REPORTS BY POLITICAL COMMITTEES AND CANDIDATES

SEC. 104. (a) Section 304(a)(1) of the Act (2 U.S.C. 434(a)(1)) is amended by adding at the end of subparagraph (C) the following: "In any year in which a candidate is not on the ballot for election to Federal office, such candidate and his authorized committees shall only be required to file such reports not later than the tenth day following the close of any calendar quarter in which the candidate and his authorized committees received contributions or made expenditures, or both, the total amount of which, taken together, exceeds $5,000, and such reports shall be complete as of the close of such calendar quarter; except that any such report required to be filed after December 31 of any calendar year with respect to which a report is required to be filed under subparagraph (B) shall be filed as provided in such subparagraph.".

(b) Section 304(a)(2) of the Act (2 U.S.C. 434(a)(2)) is amended to read as follows:

"(2) Each treasurer of a political committee authorized by a candidate to raise contributions or make expenditures on his behalf, other than the candidate's principal campaign committee, shall file the reports required under this section with the candidate's principal campaign committee.".

(c) Section 304(b) of the Act (2 U.S.C. 434(b)) is amended—

(1) by striking out "and" at the end of paragraph (12);

(2) by redesignating paragraph (13) as paragraph (14); and

(3) by inserting immediately after paragraph (12) the following new paragraph:

"(13) in the case of expenditures in excess of $100 by a political committee other than an authorized committee of a candidate expressly advocating the election or defeat of a clearly identified candidate, through a separate schedule (A) any information required by paragraph (9), stated in a manner which indicates whether the expenditure involved is in support of, or in opposition to, a candidate; and (B) under penalty of perjury, a certification whether such expenditure is made in cooperation, consultation, or concert, with, or at the request or suggestion of, any candidate or any authorized committee or agent of such candidate; and".

(d) Section 304(e) of the Act (2 U.S.C. 434(e)) is amended to read as follows:

"(e)(1) Every person (other than a political committee or candidate) who makes contributions or expenditures expressly advocating the election or defeat of a clearly identified candidate, other than by contribution to a political committee or candidate, in an aggregate amount in excess of $100 within a calendar year shall file with the Commission, on a form prepared by the Commission, a statement containing the information required of a person who makes a contribution in excess of $100 to a candidate or political committee and the information required of a candidate or political committee receiving such a contribution.

"(2) A corporation, labor organization, or other membership organization which explicitly advocates the election or defeat of a clearly identified candidate through a communication with its stockholders or members or their families shall, notwithstanding the provisions of section 301(f)(4)(C), report such expenditures under paragraph (1) to the extent that they are directly attributable to such communications.

"(3) Statements required by this subsection shall be filed on the dates on which reports by political committees are filed. Such statements shall include (A) the information required by subsection (b)(9), stated in a manner indicating whether the contribution or expenditure is in support of, or opposition to, the candidate; and (B) under penalty of perjury, a certification whether such expenditure is made in cooperation, consultation, or concert, with, or at the request or suggestion of, any candidate or any authorized committee or agent of such candidate. Any expenditure, including but not limited to those described in subsection (b)(13), of $1,000 or more made after the fifteenth day, but more than forty-eight hours, before any election shall be reported within forty-eight hours of such expenditure.

"(4) The Commission shall be responsible for expeditiously preparing indices which set forth, on a candidate-by-candidate basis, all expenditures separately, including but not limited to those reported under subsection (b)(13), made with respect to each candidate, as reported under this subsection, and for periodically issuing such indices on a timely pre-election basis.".

REPORTS BY CERTAIN PERSONS

SEC. 105. Title III of the Act (2 U.S.C. 431–441) is amended by striking out section 308 thereof (2 U.S.C. 437a) and by redesignating section 309 through section 321 as section 308 through section 320, respectively.

POWERS OF COMMISSION

SEC. 106. (a) Section 310(a) of the Act (2 U.S.C. 437d(a)), as redesignated by section 105, is amended—

(1) in paragraph (8) thereof, by inserting "develop such prescribed forms and to" immediately before "make", and by inserting immediately after "Act" the following: "and chapter 95 and chapter 96 of the Internal Revenue Code of 1954";

(2) in paragraph (9) thereof, by striking out "and sections 608" and all that follows through "States Code" and inserting in lieu thereof "and chapter 95 and chapter 96 of the Internal Revenue Code of 1954"; and

(3) by striking out paragraph (10) and redesignating paragraph (11) as paragraph (10).

(b)(1) Section 310(a)(6) of the Act (2 U.S.C. 437d (a)(6)), as redesignated by section 105, is amended to read as follows:

"(6) to initiate (through civil actions for injunctive, declaratory, or other appropriate relief), defend (in the case of any civil action brought under section 313(a)(9)), or appeal any civil action in the name of the Commission for the purpose of enforcing the provisions of this Act and chapter 95 and chapter 96 of the Internal Revenue Code of 1954, through its general counsel;".

(2) Section 310 of the Act (2 U.S.C. 437d), as redesignated by section 105, is amended by adding at the end thereof the following new subsection:

"(c) Except as provided in section 313(a)(9), the power of the Commission to initiate civil actions under subsection (a)(6) shall be the exclusive civil remedy for the enforcement of the provisions of this Act.".

ENFORCEMENT

SEC. 107. Section 313 of the Act (2 U.S.C. 437g), as redesignated by section 105, is amended to read as follows:

"ENFORCEMENT

"SEC. 313. (a)(1) Any person who believes a violation of this Act or of chapter 95 or chapter 96 of the Internal Revenue Code of 1954, has occurred may file a complaint with the Commission. Such complaint shall be in writing, shall be signed and sworn to by the person filing such complaint, and shall be notarized. Any person filing such a complaint shall be subject to the provisions of section 1001 of title 18, United States Code. The Commission may not conduct any investigation under this section, or take any other action under this section, solely on the basis of a complaint of a person whose identity is not disclosed to the Commission.

"(2) The Commission, upon receiving a complaint under paragraph (1), or if it has reason to believe that any person has committed a violation of this Act or of chapter 95 or chapter 96 of the Internal Revenue Code of 1954, shall notify the person involved of such alleged violation and shall make an investigation of such alleged violation in accordance with the provisions of this section.

"(3) Any investigation under paragraph (2) shall be conducted expeditiously and shall include an investigation, conducted in accordance with the provisions of this section, of reports and statements filed by any complainant under this title, if such complainant is a candidate. Any notification or investigation made under paragraph (2) shall not be made public by the Commission or by any other person without the written consent of the person receiving such notification or the person with respect to whom such investigation is made.

"(4) The Commission shall afford any person who receives notice of an alleged violation under paragraph (2) a reasonable opportunity to demonstrate that no action should be taken against such person by the Commission under this Act.

"(5)(A) If the Commission determines that there is reason to believe that any person has committed or is about to commit a violation of this Act or of chapter 95 or chapter 96 of the Internal Revenue Code of 1954, the Commission shall make every endeavor to correct or prevent such violation by informal methods of conference, conciliation, and persuasion, and to enter into a conciliation agreement with the person involved. A conciliation agreement, unless violated, shall constitute an absolute bar to any further action by the Commission with respect to the violation which is the subject of the agreement, including bringing a civil proceeding under paragraph (B) of this section.

"(B) If the Commission is unable to correct or prevent any such violation by such informal methods, the Commission may, if the Commission determines there is probable cause to believe that a violation has occurred or is about to occur, institute a civil action for relief, including a permanent or temporary injunction, restraining order, or any other appropriate order, including a civil penalty which does not exceed the greater of $5,000 or an amount equal to the amount of any contribution or expenditure involved in such violation, in the district court of the United States for the district in which the person against whom such action is found, resides, or transacts business.

"(C) In any civil action instituted by the Commission under paragraph (B), the court shall grant a permanent or temporary injunction, restraining order, or other order, including a civil penalty which does not exceed the greater of $5,000 or an amount equal to the amount of any contribution or expenditure involved in such violation, upon a proper showing that the person involved has engaged or is about to engage in a violation of this Act or of chapter 95 or chapter 96 of the Internal Revenue Code of 1954.

"(D) If the Commission determines that there is probable cause to believe that a knowing and willful violation under section 328(a), or a knowing and willful violation of a provision of chapter 95 or 96 of the Internal Revenue Code of 1954, has occurred or is about to occur, it may refer such apparent violation to the Attorney General of the United States without regard to the limitations set forth in subparagraph (A) of this paragraph.

"(6)(A) If the Commission believes that there is clear and convincing proof that a knowing and willful violation of the Act or Chapter 95 or 96 of the Internal Revenue Code of 1954 has been committed, any conciliation agreement entered into by the Commission under paragraph (5)(A) may include a requirement that the person involved in such conciliation agreement shall pay a civil penalty which does not exceed the greater of (i) $10,000; or (ii) an amount equal to 300 percent of the amount of any contribution or expenditure involved in such violation.

"(B) If the Commission believes that a violation of this Act or of chapter 95 or chapter 96 of the Internal Revenue Code of 1954 has been committed, a conciliation agreement entered into by the Commission under paragraph (5)(A) may include a requirement that the person involved in such conciliation agreement shall pay a civil penalty which does not exceed the greater of (i) $5,000; or (ii) an amount equal to the amount of the contribution or expenditure involved in such violation.

"(7) The Commission shall make available to the public the results of any conciliation attempt, including any conciliation agreement entered into by the Commission, and any determination by the Commission that no violation of this Act or of chapter 95 or 96 of the Internal Revenue Code of 1954 has occurred.

"(8) In any civil action for relief instituted by the Commission under paragraph (5), if the court determines that the Commission has established through clear and convincing proof that the person involved in such civil action has committed a knowing and willful violation of this Act or of chapter 95 or 96 of the Internal Revenue Code of 1954, the court may impose a civil penalty of not more than the greater of (A) $10,000; or (B) an amount equal to 300 percent of the contribution or expenditure involved in such violation. In any case in which such person has entered into a conciliation agreement with the Commission under paragraph (5)(A), the Commission may institute a civil action for relief under paragraph (5) if it believes that such person has violated any provision of such conciliation agreement. In order for the Commission to obtain relief in any such civil action, it shall be sufficient for the Commission to establish that such person has violated, in whole or in part, any requirement of such conciliation agreement.

"(9) In any action brought under paragraph (5) or paragraph (8) of this subsection, subpenas for witnesses who are required to attend a United States district court may run into any district.

"(10)(A) Any party aggrieved by an order of the Commission dismissing a complaint filed by such party under paragraph (1), or by a failure on the part of the Commission to act on such complaint in accordance with the provisions of this section within ninety days after the filing of such complaint, may file a petition with the United States District Court for the District of Columbia.

"(B) The filing of any action under subparagraph (A) shall be made—

"(i) in the case of the dismissal of a complaint by the Commission, no later than sixty days after such dismissal; or

"(ii) in the case of a failure on the part of the Commission to act on such complaint, no later than sixty days after the ninety-day period specified in subparagraph (A).

"(C) In such proceeding the court may declare that the dismissal of the complaint or the action, or the failure to act, is contrary to law and may direct the Commission to proceed in conformity with that declaration within thirty days, failing which the complainant may bring in his own name a civil action to remedy the violation complained of.

"(11) The judgment of the district court may be appealed to the court of appeals and the judgment of the court of appeals affirming or setting aside, in whole or in part, any such order of the district court shall be final, subject to review by the Supreme Court of the United States upon certiorari or certification as provided in section 1254 of title 28, United States Code.

"(12) Any action brought under this subsection shall be advanced on the docket of the court in which filed, and put ahead of all other actions (other than other actions brought under this subsection or under section 314).

"(13) If the Commission determines after an investigation that any person has violated an order of the court entered in a proceeding brought under paragraph (5), it may petition the court for an order to adjudicate that person in civil contempt, or, if it believes the violation to be knowing and willful, it may instead petition the court for an order to adjudicate that person in criminal contempt.

"(b) In any case in which the Commission refers an apparent violation to the Attorney General, the Attorney General shall respond by report to the Commission with respect to any action taken by the Attorney General regarding such apparent violation. Each report shall be transmitted no later than sixty days after the date the Commission refers any apparent violation, and at the close of every thirty-day period thereafter until there is final disposition of such apparent violation. The Commission may from time to time prepare and publish reports on the status of such referrals.".

DUTIES OF COMMISSION

Sec. 108. (a) Section 315(a)(6) of the Act (2 U.S.C. 438(a)(6)), as redesignated by section 105, is amended by inserting immediately before the semicolon at the end thereof the following: ", and to compile and maintain a separate cumulative index of reports and statements filed with it by political committees supporting more than one candidate, which shall include a listing of the date of the registration of any such political committee and the date upon which any such political committee qualifies to make expenditures under section 320, and which shall be revised on the same basis and at the same time as the other cumulative indices required under this paragraph".

(b) Section 315(c)(2) of the Act (2 U.S.C. 438(c)(2)), as redesignated by section 105, is amended by striking out "30 legislative days" in the first sentence and inserting in lieu thereof the following: "30 calendar days or 15 legislative days, whichever is later,".

ADDITIONAL ENFORCEMENT AUTHORITY

Sec. 109. Section 407 of the Act (2 U.S.C. 456) is repealed.

CONTRIBUTION AND EXPENDITURE LIMITATIONS; OTHER LIMITATIONS

Sec. 110. Title III of the Act (2 U.S.C. 431–441) is amended—

(1) by inserting "(a)" before "No" in section 318 (2 U.S.C. 439b), as redesignated by section 105 of this Act;

(2) by adding the following new subsection at the end of section 318 (2 U.S.C. 439b), as redesignated by section 105 of this Act:

"(b) Notwithstanding any other provision of law, no Senator, Representative, Resident Commissioner, or Delegate shall mail as franked mail under section 3210 of title 39, United States Code, any general mass mailing when such mailing is mailed at or delivered to any postal facility less than sixty days prior to the date of any primary or general election in which such Senator, Representative, Resident Commissioner, or Delegate is a candidate for Federal office. For purposes of this subsection the term 'general mass mailing' means newsletters and similar mailings of more than five hundred pieces the content of which is substantially identical and which are mailed to or delivered to any postal facility at the same time or several different times.";

(3) by striking out section 320 (2 U.S.C. 441), as redesignated by section 105 of this Act; and

(4) by inserting after section 319 (2 U.S.C. 439c), as redesignated by such section 105, the following new sections:

"LIMITATIONS ON CONTRIBUTIONS AND EXPENDITURES

"Sec. 320. (a)(1) No person shall make contributions—

"(A) to any candidate and his authorized political committees with respect to any election for Federal office which, in the aggregate, exceed $1,000;

"(B) to any political committee established and maintained by a political party, which is not the authorized political commitee of any candidate, in any calendar year which, in the aggregate, exceed $25,000; or

"(C) to any other political committee in any calendar year which, in the aggregate, exceed $5,000.

"(2) No multi-candidate political committee shall make contributions—

"(A) to any candidate and his authorized political committees with respect to any election for Federal office which, in the aggregate, exceed $5,000;

"(B) to any political committee established and maintained by a political party, which is not the authorized committee of any candidate in any calendar year, which, in the aggregate, exceed $25,000; or

"(C) to any other political committee in any calendar year which, in the aggregate, exceed $10,000.

The limitations on contributions contained in paragraph (2) do not apply to transfers between and among political committees which are National, State, district, or local committees (including any subordinate committee thereof) of the same political party. For purposes of this paragraph, the term 'multi-candidate political committee' means a political committee which has been registered under section 303 for a period of not less than six months, which has received contributions from more than fifty persons, and, except for any State political party organization, has made contributions to five or more candidates for Federal office.

"(3) For purposes of the limitations under paragraphs (1) and (2), all contributions made by political committees established, financed, maintained, or controlled by any person or persons, including any parent, subsidiary, branch, division, department, affiliate, or local unit of such person, or by any group of persons, shall be considered to have been made by a single political committee, except that (A) nothing in this sentence shall limit transfers between political committees of funds raised through joint fund-raising efforts; (B) this sentence shall not apply so that contributions made by a political party through a single national committee and contributions by that party through a single State committee in each State are treated as having been made by a single political committee; and (C) a political committee of a national organization shall not be precluded from contributing to a candidate or committee merely because of its affiliation with a national multicandidate political committee which has made the maximum contribution it is permitted to make to a candidate or a committee.

"(4) No individual shall make contributions aggregating more than $25,000 in any calendar year. For purposes of this paragraph, any contribution made to a candidate in a year other than the calendar year in which the election is held with respect to which such contribution was made, is considered to be made during the calendar year in which such election is held.

"(5) For purposes of this subsection—

"(A) contributions to a named candidate made to any political committee authorized by such candidate to accept contributions on his behalf shall be considered to be contributions made to such candidate;

"(B)(i) expenditures made by any person in cooperation, consultation, or concert, with, or at the request or suggestion of, a candidate, his authorized political committees, or their agents, shall be considered to be a contribution to such candidate;

"(ii) the financing by any person of the dissemination, distribution, or republication, in whole or in part, of any broadcast or any written, graphic, or other form of campaign materials prepared by the candidate, his campaign committees, or their authorized agents shall be considered to be an expenditure for purposes of this paragraph; and

"(C) contributions made to or for the benefit of any candidate nominated by a political party for election to the office of Vice President of the United States shall be considered to be contributions made to or for the benefit of the candidate of such party for election to the office of President of the United States.

"(6) The limitations imposed by paragraphs (1) and (2) of this subsection (other than the annual limitation on contributions to a political committee under paragraph (2)(B)) shall apply separately with respect to each election, except that all elections held in any aclendar year for the office of President of the United States (except a general election for such office) shall be considered to be one election.

"(7) For purposes of the limitations imposed by this section, all contributions made by a person, either directly or indirectly, on behalf of a particular candidate, including contributions which are in any way earmarked or otherwise directed through an intermediary or conduit to such candidate, shall be treated as contributions from such person to such candidate. The intermediary or conduit shall report the original source and the intended recipient of such contribution to the Commission and to the intended recipient.

"(b)(1) No candidate for the office of President of the United States who is eligible under section 9003 of the Internal Revenue Code of 1954 (relating to condition for eligibility for payments) or under section 9033 of the Internal Revenue Code of 1954 (relating to eligibility for payments) to receive payments from the Secretary of the Treasury may make expenditures in excess of—

"(A) $10,000,000, in the case of a campaign for nomination for election to such office, except the aggregate of expenditures under this subparagraph in any one State shall not exceed the greater of 16 cents multiplied by the voting age population of the State (as certified under subsection (e)), or $200,000; or

"(B) $20,000,000 in the case of a campaign for election to such office.

"(2) For purposes of this subsection—

"(A) expenditures made by or on behalf of any candidate nominated by a political party for election to the office of Vice President of the United States shall be considered to be expenditures made by or on behalf of the candidate of such party for election to the office of President of the United States; and

"(B) an expenditure is made on behalf of a candidate, including a Vice Presidential candidate, if it is made by—

"(i) an authorized committee or any other agent of the candidate for the purposes of making any expenditure; or

"(ii) any person authorized or requested by the candidate, an authorized committee of the candidate, or an agent of the candidate, to make the expenditure.

"(c)(1) At the beginning of each calendar year (commencing in 1976), as there become available necessary data from the Bureau of Labor Statistics of the Department of Labor, the Secretary of Labor shall certify to the Commission and publish in the Federal Register the percent difference between the price index for the twelve months preceding the beginning of such calendar year and price index for the base period. Each limitation established by subsection (b) and subsection (d) shall be increased by such percent difference. Each amount so increased shall be the amount in effect for such calendar year.

"(2) For purposes of paragraph (1)—

"(A) The term 'price index' means the average over a calendar year of the Consumer Price Index (all items—United States city average) published monthly by the Bureau of Labor Statistics; and

"(B) the term 'base period' means the calendar year 1974.

"(d)(1) Notwithstanding any other provision of law with respect to limitations on expenditures or limitations on contributions, the national committee of a political party and a State committee of a political party, including any subordinate committee of a State committee, may make expenditures in connection with the general election campaign of candidates for Federal office, subject to the limitations contained in paragraphs (2) and (3) of this subsection.

"(2) The national committee of a political party may not make any expenditure in connection with the general election campaign of any candidate for President of the United States who is affiliated with such party which exceeds an amount equal to 2 cents multiplied by the voting age population of the United States (as certified under subsection (e)). Any expenditure under this paragraph shall be in addition to any expenditure by a national committee of a political party serving as the principal campaign committee of a candidate for the office of the President of the United States.

"(3) The national committee of a political party, or a State committee of a political party, including any subordinate committee of a State committee, may not make any expenditure in connection with the general election campaign of a candidate for Federal office in a State who is affiliated with such party which exceeds—

"(A) in the case of a candidate for election to the office of Senator, or a Representative from a State which is entitled to only one Representative, the greater of—

"(i) 2 cents multiplied by the voting age population of the State (as certified under subsection (e)); or

"(ii) $20,000; and

"(B) in the case of a candidate for election to the office of Representative, Delegate, or Resident Commissioner in any other State, $10,000.

"(e) During the first week of January, 1975, and every subsequent year, the Secretary of Commerce shall certify to the Commission and publish in the Federal Register an estimate of the voting age population of the United States, of each State, and of each congressional district as of the first day of July next preceding the date of certification. The term 'voting age population' means resident population, eighteen years of age or older.

"(f) No candidate or political committee shall knowingly accept any contribution or make any expenditure in violation of the provisions of this section. No officer or employee of a political committee shall knowingly accept a contribution made for the benefit or use of a candidate, or knowingly make any expenditure on behalf of a candidate, in violation of any limitation imposed on contributions and expenditures under this section.

"(g) The Commission shall prescribe rules under which any expenditure by a candidate for Presidential nomination for use in two or more States shall be attributed to such candidate's expenditure limitation in each such State, based on the voting age population in such State which can reasonably be expected to be influenced by such expenditure.

"(h) Notwithstanding any other provision of this Act, amounts totaling not more than $20,000 may be contributed to a candidate for nomination for election, or for election, to the United States Senate or House of Representatives, during the year in which an election is held in which he is such a candidate by the Republican or Democratic Senatorial Campaign Committee, the Democratic National Congressional Committee, the National Republican Congressional Committee, or the national committee of a political party, or any combination of such committees.

"CONTRIBUTIONS OR EXPENDITURES BY NATIONAL BANKS, CORPORATIONS, OR LABOR ORGANIZATIONS

"SEC. 321. (a) It is unlawful for any national bank, or any corporation organized by authority of any law of Congress, to make a contribution or expenditure in connection with any election to any political office, or in connection with any primary election or political convention or caucus held to select candidates for any political office, or for any corporation whatever, or any labor organization to make a contribution or expenditure in connection with any election at which Presidential and Vice Presidential electors or a Senator or Representative in, or a Delegate or Resident Commissioner to, Congress are to be voted for, or in connection with any primary election or political convention, or caucus held to select candidates for any of the foregoing offices, or for any candidate, political commitee, or other person to accept or receive any contribution prohibited by this section, or for any officer or any director of any corporation or any national bank or any officer of any labor organization to consent to any contributions or expenditure by the corporation, national bank, or labor organization, as the case may be, prohibited by this section.

"(b)(1) For the purposes of this section 'labor organization' means any organization of any kind, or any agency or employee representation committee or plan, in which employees participate and which exist for the purpose, in whole or in part, of dealing with employers concerning grievances, labor disputes, wages, rates of pay, hours of employment, or conditions of work. As used in this section and in section 12(h) of the Public Utility Holding Company Act (15 U.S.C. 791 (h)), the phrase 'contribution or expenditure' shall include any direct or indirect payment, distribution, loan, advance, deposit, or gift of money, or any services, or anything of value (except a loan of money by a national or State bank made in accordance with the applicable banking laws and regulations and in the ordinary course of business) to any candidate, campaign committee, or political party or organization, in connection with any election to any of the offices referred to in this section; but shall not include communications by a corporation to its stockholders and executive or administrative personnel and their families or by a labor organization to its members and their families on any subject; nonpartisan registration and get-out-the-vote campaigns by a corporation aimed at its stockholders and executive or administrative personnel and their families, or by a labor organization aimed at its members and their families; or the establishment, administration, and solicitation of contributions to a separate segregated fund to be utilized for political purposes by a corporation or labor organization, or by a membership organization, cooperative, or corporation without capital stock.

"(2) It shall be unlawful—

"(A) for such a fund to make a contribution or expenditure by utilizing money or anything of value secured by physical force, job discrimination, financial reprisals, or the threat of force, job discrimination, or financial reprisal; or by dues, fees, or other moneys required as a condition of membership in a labor organization or as a condition of employment, or by moneys obtained in any commercial transaction;

"(B) for an employee to solicit a subordinate employee;

"(C) for any person soliciting an employee for a contribution to such a fund to fail to inform such employee of the political purposes of such fund at the time of such solicitation; and

"(D) for any person soliciting an employee for a contribution to such a fund to fail to inform such employee, at the time of such solicitation, of his right to refuse to so contribute without any reprisal.

"(3)(A) Except as provided in subparagraphs (B) and (C), it shall be unlawful—

"(i) for a corporation, or a separate segregated fund established by a corporation, to solicit contributions to such a fund from any person other than its stockholders and their families and its executive or administrative personnel and their families, and

"(ii) for a labor organization, or a separate segregated fund established by a labor organization, to solicit contributions to such a fund from any person other than its members and their families.

"(B) It shall not be unlawful under this section for a corporation, a labor organization, or a separate segregated fund established by a corporation or a labor organization, to solicit in writing one contribution during the calendar year for use in connection with primary election campaigns, and one contribution during the calendar year for use in connection with general election campaigns, from any stockholder, officer, or employee of a corporation or the families of such persons. A solicitation under this subparagraph may be made only by mail addressed to the stockholder, officer, or employee at his residence, and shall be so designed that the corporation, labor organization, or separate segregated fund conducting such solicitation cannot determine who makes a contribution as a result of such solicitation and who does not.

"(C) This paragraph shall not prevent a membership organization, cooperative, or corporation without capital stock, or a separate segregated fund established by a membership organization, cooperative, or corporation without capital stock, from soliciting contributions to such a fund from members of such organization, cooperative, or corporation without capital stock.

"(4) Notwithstanding any other law, any method of soliciting voluntary contributions or of facilitating the making of voluntary contributions to a separate segregated fund established by a corporation, permitted to corporations, shall also be permitted to labor organizations.

"(5) Any corporation that utilizes a method of soliciting voluntary contributions or facilitating the making of voluntary contributions, shall make available, on written request, that method to a labor organization representing any members working for that corporation.

"(6) For purposes of this section, the term 'executive or administrative personnel' means individuals employed by a corporation who are paid on a salary, rather than hourly, basis and who have policymaking or supervisory responsibilities.

"(7) For purposes of this section, the term 'stockholder' includes any individual who has a legal or vested beneficial interest in stock, including, but not limited to, an employee of a corporation who participates in a stock bonus, stock option, or employee stock ownership plan.

"CONTRIBUTIONS BY GOVERNMENT CONTRACTORS

"SEC. 322. (a) It shall be unlawful for any person—

"(1) who enters into any contract with the United States or any department or agency thereof either for the rendition of personal services or furnishing any material, supplies, or equipment to the United States or any department or agency thereof or for selling any land or building to the United States or any department or agency thereof, if payment for the performance of such contract or payment for such material, supplies, equipment, land, or building is to be made in whole or in part from funds appropriated by the Congress, at any time between the commencement of negotiations for and the later of (A) the completion of performance under, or (B) the termination of negotiations for, such contract or furnishing of material, supplies, equipment, land, or buildings, directly or indirectly to make any contribution of money or other thing of value, or to promise expressly or impliedly to make any such contribution, to any political party, committee, or candidate for public office or to any person for any political purpose or use; or

"(2) knowingly to solicit any such contribution from any such person for any such purpose during any such period.

"(b) This section does not prohibit or make unlawful the establishment or administration of, or the solicitation of contributions to, any separate segregated fund by any corporation or labor organization for the purpose of influencing the nomination for election, or election, of any person to Federal office, unless the provisions of section 321 prohibit or make unlawful the establishment or administration of, or the solicitation of contributions to, such fund. Each specific prohibition, allowance, and duty applicable to a corporation, labor organization, or separate segregated fund under section 321 applies to a corporation, labor organization, or separate segregated fund to which this subsection applies.

"(c) For purposes of this section, the term 'labor organization' has the meaning given it by section 321.

"PUBLICATION OR DISTRIBUTION OF POLITICAL STATEMENTS

"SEC. 323. Whenever any person makes an expenditure for the purpose of financing communications expressly advocating the election or defeat of a clearly identified candidate through broadcasting stations, newspapers, magazines, outdoor advertising facilities, direct mails, and other similar types of general public political advertising, such communication—

"(1) if authorized by a candidate, his authorized political committees or their agents, shall clearly and conspicuously, in accordance with regulations prescribed by the Commission, state that the communication has been authorized, or

"(2) if not authorized by a candidate, his authorized, political committees, or their agents, shall clearly and conspicuously, in accordance with regulations prescribed by the Commission, state that the communication is not authorized by any candidate, and state the name of the person who made or financed the expenditure for the communication, including, the case of a political committee, the name of any affiliated or connected organization required to be disclosed under section 303(b)(2).

"CONTRIBUTIONS BY FOREIGN NATIONALS

"SEC. 324. (a) It shall be unlawful for a foreign national directly or through any other person to make any contribution of money or other thing of value, or to promise expressly or impliedly to make any such contribution, in connection with an election to any political office or in connection with any primary election, convention, or caucus held to select candidates for any political office; or for any person to solicit, accept, or receive any such contribution from a foreign national.

"(b) As used in this section, the term 'foreign national' means—

"(1) a foreign principal, as such term is defined by section 1(b) of the Foreign Agents Registration Act of 1938 (22 U.S.C. 611(b)), except that the term 'foreign national' shall not include any individual who is a citizen of the United States; or

"(2) an individual who is not a citizen of the United States and who is not lawfully admitted for permanent residence, as defined by section 101(a)(20) of the Immigration and Nationality Act (8 U.S.C. 1101(a)(20)).

"PROHIBITION OF CONTRIBUTIONS IN NAME OF ANOTHER

"SEC. 325. No person shall make a contribution in the name of another person or knowingly permit his name to be used to effect such a contribution, and no person shall knowingly accept a contribution made by one person in the name of another person.

"LIMITATION ON CONTRIBUTIONS OF CURRENCY

"SEC. 326. No person shall make contributions of currency of the United States or currency of any foreign country to or for the benefit of any candidate which, in the aggregate, exceed $100, with respect to any campaign of such candidate for nomination for election, or for election, to Federal office.

"FRAUDULENT MISREPRESENTATION OF CAMPAIGN AUTHORITY

"SEC. 327. No person who is a candidate for Federal office or an employee or agent of such a candidate shall—

"(1) fraudulently misrepresent himself or any committee or organization under his control as speaking or writing or otherwise acting for or on behalf of any other candidate or political party or employee or agent thereof on a matter which is damaging to such other candidate or political party or employee or agent thereof; or

"(2) willfully and knowingly to participate in or conspire to participate in any plan, scheme, or design to violate paragraph (1).

"PENALTY FOR VIOLATIONS

"SEC. 328. (a) Any person, following the enactment of this section, who knowingly and willfully commits a violation of any provision or provisions of this Act which involves the making, receiving, or reporting of any contribution or expenditure having a value in the aggregate of $1,000 or more during a calendar year shall be fined in an amount which does not exceed the greater of $25,000 or 300 percent of the amount of any contribution or expenditure involved in such violation, imprisoned for not more than one year, or both. A willful and knowing violation of section 321(b)(2), including such a violation of the provisions of such section as applicable through section 322(b), is punishable by a fine of not more than $50,000, imprisonment for not more than 2 years, or both. In the case of a knowing and willful violation of section 325 or 326, the penalties set forth in this section shall apply to a violation involving an amount having a value in the aggregate of $250 or more during a calendar year. In the case of a knowing and willful violation of section 327, the penalties set forth in this section shall apply without regard to whether the making, receiving, or reporting of a contribution or expenditure of $1,000 or more was involved.

"(b) A defendant in any criminal action brought for the violation of a provision of this Act, or of a provision of chapter 95 or 96 of the Internal Revenue Code of 1954, may introduce as evidence of his lack of knowledge of or intent to commit the offense for which the action was brought a conciliation agreement entered into between the defendant and the Commission under section 313 which specifically deals with the act or failure to act constituting such offense and which is still in effect.

"(c) In any criminal action brought for a violation of a provision of this Act, or of a provision of chapter 95 or 96 of the Internal Revenue Code of 1954, the court before which such action is brought shall take into account, in weighing the seriousness of the offense and in considering the appropriateness of the penalty to be imposed if the defendant is found guilty, whether—

"(1) the specific act or failure to act which constitutes the offense for which the action was brought is the subject of a conciliation agreement entered into between the defendant and the Commission under section 313,

"(2) the conciliation agreement is in effect, and

"(3) the defendant is, with respect to the violation for which the defense is being asserted, in compliance with the conciliation agreement.".

AUTHORIZATION OF APPROPRIATIONS

SEC. 111. Section 319 of the Act (2 U.S.C. 439c), as redesignated by section 105, is amended by adding at the end thereof the following sentence: "There are authorized to be appropriated to the Federal Election Commission $8,000,000 for the fiscal year ending June 30, 1976, $2,000,000 for the period beginning July 1, 1976, and ending September 30, 1976, and $8,000,000 for the fiscal year ending September 30, 1977.".

SAVING PROVISION

SEC. 112. Except as otherwise provided by this Act, the repeal by this Act of any section or penalty shall not have the effect to release or extinguish any penalty, forfeiture, or liability incurred under such section or penalty, and such section or penalty shall be treated as remaining in force for the purpose of sustaining any proper action or prosecution for the enforcement of any penalty, forfeiture, or liability.

TECHNICAL AND CONFORMING AMENDMENTS

SEC. 113. (a) Section 306(d) of the Act (2 U.S.C. 436(d)) is amended by inserting immediately after "304(a)(1)(C)," the following: "304(c),".

(b) Section 310(a)(7) of the Act (2 U.S.C. 437d(a)(7)), as redesignated by section 105, is amended by striking out "315" and inserting in lieu thereof "312".

(c)(1) Section 9002(3) of the Internal Revenue Code of 1954 (defining Commission) is amended by striking out "310(a)(1)" and inserting in lieu thereof "309(a)(1)".

(2) Section 9032(3) of the Internal Revenue Code of 1954 (defining Commission) is amended by striking out "310(a)(1)" and inserting in lieu thereof "309(a)(1)".

(d)(1) Section 301(e)(5)(F) of the Act (2 U.S.C. 431(e)(5)(F)) is amended by striking out "the last paragraph of section 610 of title 18, United States Code" and inserting in lieu thereof "section 321(b)".

(2) Section 301(f)(4)(H) of the Act (2 U.S.C. 431(f)(4)(H)) is amended by striking out "the last paragraph of section 610 of title 18, United States Code" and inserting in lieu thereof "section 321(b)".

(e) Section 314(a) of the Act (2 U.S.C. 437h(a)), as redesignated by section 105, is amended by striking out "or of section 608, 610, 611, 613, 614, 615, 616, or 617 of title 18, United States Code" in the first sentence of such section and by striking out "or of section 608, 610, 611, 613, 614, 615, 616, or 617 of title 18, United States Code," in the second sentence of such subsection.

(f)(1) Section 406(a) of the Act (2 U.S.C. 455(a)) is amended by striking out "or of section 608, 610, 611, 613, 614, 615, 616, or 617 of title 18, United States Code".

(2) Section 406(b) of the Act (2 U.S.C. 455(b)) is amended by striking out "or section 608, 610, 611, or 613 of title 18, United States Code,".

(g) Section 591 of title 18, United States Code, is amended—

(1) by striking out "608(c) of this title" in subsection (f)(4)(H) and inserting in lieu thereof "section 320(b) of the Federal Election Campaign Act of 1971";

(2) by striking out "by section 608(b)(2) of this title" in subsection (f)(4)(I) and inserting in lieu thereof "under section 320(a)(2) of the Federal Election Campaign Act of 1971"; and

(3) by striking out "310(a)" in subsection (k) and inserting in lieu thereof "309(a)".

TITLE II—AMENDMENTS TO TITLE 18, UNITED STATES CODE

REPEAL OF CERTAIN PROVISIONS

SEC. 201. (a) Chapter 29 of title 18, United States Code, is amended by striking out sections 608, 610, 611, 612, 613, 614, 615, 616, and 617.

(b) The table of sections for chapter 29 of title 18, United States Code, is amended by striking out the items relating to sections 608, 610, 611, 612, 613, 614, 615, 616, and 617.

TITLE III—AMENDMENTS TO INTERNAL REVENUE CODE OF 1954

ENTITLEMENT OF ELIGIBLE CANDIDATES FOR PAYMENTS

SEC. 301. (a) Section 9004 of the Internal Revenue Code of 1954 (relating to entitlement of eligible candidates to payments) is amended by adding at the end thereof the following new subsections:

"(d) EXPENDITURES FROM PERSONAL FUNDS.—In order to be eligible to receive any payment under section 9006, the candidate of a major, minor, or new party in a Presidential election shall certify to the Commission, under penalty of perjury, that such candidate shall not knowingly make expenditures from his personal funds, or the personal funds of his immediate family, in connection with his campaign for election to the office of President in excess of, in the aggregate, $50,000.

"(e) DEFINITION OF IMMEDIATE FAMILY.—For purposes of subsection (d), the term 'immediate family' means a candidate's spouse, and any child, parent, grandparent, brother, half-brother, sister, or half-sister of the candidate, and the spouses of such persons.".

(b) For purposes of applying section 9004(d) of the Internal Revenue Code of 1954, as amended by subsection (a), expenditures made by an individual after January 29, 1976, and before the date of enactment of this Act shall not be taken into account.

PAYMENTS TO ELIGIBLE CANDIDATES

SEC. 302. Section 9006 of the Internal Revenue Code of 1954 (relating to payments to eligible candidates) is amended by striking out subsection (b) thereof and by redesignating subsection (c) and subsection (d) as subsection (b) and subsection (c), respectively.

REVIEW OF REGULATIONS

SEC. 303. (a) Section 9009(c)(2) of the Internal Revenue Code of 1954 (relating to review of regulations) is amended by striking out "30 legislative days" and inserting in lieu thereof the following: "30 calendar days or 15 legislative days, whichever is later,".

(b) Section 9039(c)(2) of the Internal Revenue Code of 1954 (relating to review of regulations) is amended by striking out "30 legislative days" and inserting in lieu thereof the following: "30 calendar days or 15 legislative days, whichever is later,".

ELIGIBILITY FOR PAYMENTS

SEC. 304. Section 9033(b)(1) of the Internal Revenue Code of 1954 (relating to expense limitation; declaration of intent; minimum contributions) is amended by striking out "limitation" and inserting in lieu thereof "limitations".

QUALIFIED CAMPAIGN EXPENSE LIMITATION

SEC. 305. (a) Section 9035 of the Internal Revenue Code of 1954 (relating to qualified campaign expense limitation) is amended—

(1) in the heading thereof, by striking out "LIMITATION" and inserting in lieu thereof "LIMITATIONS";

(2) by inserting "(a) EXPENDITURE LIMITATIONS.—" immediately before "No candidate";

(3) by inserting immediately after "States Code" the following: ", and no candidate shall knowingly make expenditures from his personal funds, or the personal funds of his immediate family, in connection with his campaign for nomination for election to the office of President in excess of, in the aggregate, $50,000"; and

(4) by adding at the end thereof the following new subsection:

"(b) DEFINITION OF IMMEDIATE FAMILY.—For purposes of this section, the term 'immediate family' means a candidate's spouse, and any child, parent, grandparent, brother, half-brother, sister, or half-sister of the candidate, and the spouses of such persons.".

(b) The table of sections for chapter 96 of the Internal Revenue Code of 1954 is amended by striking out the item relating to section 9035 and inserting in lieu thereof the following new item:

"Sec. 9035. Qualified campaign expense limitations.".

(c) For purposes of applying section 9035(a) of the Internal Revenue Code of 1954, as amended by subsection (a), expenditures made by an individual after January 29, 1976, and before the date of enactment of this Act shall not be taken into account.

TERMINATION OF PAYMENTS FOR LACK OF DEMONSTRABLE SUPPORT

SEC. 306. Section 9037 of the Internal Revenue Code of 1954 (relating to payments to eligible candidates in primary campaigns) is amended by adding at the end thereof the following new subsection:

"(c) TERMINATION OF PAYMENTS FOR LACK OF DEMONSTRABLE SUPPORT.—

"(1) GENERAL RULE.—Notwithstanding any other provision of this chapter, no payment shall be made under this chapter to any candidate more than 30 days after the date of the second consecutive primary election in which such candidate receives less than 10 percent of the number of votes cast for all candidates of the same party for the same office in such primary election if the candidate permitted or authorized the appearance of his name on the ballot or certifies to the Commission that he will not be an active candidate in the primary. If the primary elections are held in more than one State on the same date, a candidate shall, for purposes of this subsection, be treated as receiving that percentage of the votes on that date which he received in the primary election conducted on such date in which he received the greatest percentage vote. The provisions of this section shall apply as of the date of enactment of the Federal Election Campaign Act Amendments of 1976.

"(2) REINSTATEMENT OF PAYMENTS.—Notwithstanding the provisions of paragraph (1), a candidate whose payments have been terminated under paragraph (1) may again receive payments (including amounts he would have received but for paragraph (1) if he receives 20 percent or more of the total number of votes cast for candidates of the same party in a primary election held after the date on which the election was held which was the basis for terminating payments to him.".

TECHNICAL AND CONFORMING AMENDMENTS

SEC. 307. (a) Section 9008(b)(5) of the Internal Revenue Code of 1954 (relating to adjustment of entitlements) is amended—

(1) by striking out "section 608(c) and section 608(f) of title 18, United States Code," and inserting in lieu thereof "section 320(b) and section 320(d) of the Federal Election Campaign Act of 1971"; and

(2) by striking out "section 608(d) of such title" and inserting in lieu thereof "section 320(c) of such Act".

(b) Section 9008(d) of the Internal Revenue Code of 1954 (relating to limitation of expenditures) is amended by adding at the end thereof the following new paragraph:

"(4) PROVISIONS OF LEGAL AND ACCOUNTING SERVICES.—For purposes of this section, the payment by any person, including the national committee of a political party (unless the person paying for such services is a person other than the employer of the individual rendering such services, of compensation to any individual for legal or accounting services rendered to or on behalf of the national committee of a political party shall not be treated as an expenditure made by or on behalf of such committee with respect to its limitations on Presidential nominating convention expenses.".

(c) Section 9034(b) of the Internal Revenue Code of 1954 (relating to limitations) is amended by striking out "section 608(c)(1)(A) of title 18, United States Code," and inserting in lieu thereof "section 320(b)(1)(A) of the Federal Election Campaign Act of 1971".

(d) Section 9035(a) of the Internal Revenue Code of 1954 (relating to expenditure limitations), as so redesignated by section 305(a), is amended by striking out "section 608(c)(1)(A) of title 18, United States Code," and inserting in lieu thereof "section 320(b)(1)(A) of the Federal Election Campaign Act of 1971".

(e) Section 9004(a)(1) of the Internal Revenue Code of 1954 (relating to entitlements of eligible candidates to payments) is amended by striking out "608(c)(1)(B) of title 18, United States Code" and inserting in lieu thereof "320(b)(1)(B) of the Federal Election Campaign Act of 1971".

(f) Section 9007(b)(3) of the Internal Revenue Code of 1964 (relating to repayments) is amended by striking out "9006(d)" and inserting in lieu thereof "9006(c)".

(g) Section 9012(b)(1) of the Internal Revenue Code of 1954 (relating to contributions) is amended by striking out "9006(d)" and inserting in lieu thereof "9006(c)".

TITLE IV—COMMISSION TO STUDY PRESIDENTIAL NOMINATING PROCESS

DECLARATION OF POLICY

SEC. 401. It is hereby declared to be the policy of the United States to improve the system of nominating candidates for election to the office of the President of the United States by studying such system in a broad manner never before attempted in the two-hundred-year history of this Nation.

ESTABLISHMENT OF COMMISSION

SEC. 402. (a) There is established the Bicentennial Commission on Presidential Nominations (hereinafter referred to as the "Commission").

(b) The Commission shall be composed of twenty members to be appointed as follows:

(1) six members shall be appointed by the President pro tempore of the Senate, on the recommendation of the majority and minority leaders, of whom at least two shall be Members of the Senate and at least two shall be elected or appointed State officials;

(2) six members shall be appointed by the Speaker of the House of Representatives, of whom at least two shall be Members of the House and at least two shall be elected or appointed State officials;

(3) six members shall be appointed by the President; and

(4) two members shall be the chairman of the two national political parties and shall serve as ex officio members.

(c) At no time shall more than three members appointed under paragraph (1), (2), or (3) of subsection (b) be individuals who are of the same political affiliation.

(d) A vacancy in the Commission shall not affect its powers, and shall be filled in the same manner in which the original appointment was made, subject to the same limitations with respect to party affiliations as the original appointment.

(e) Twelve members shall constitute a quorum, but a lesser number may conduct hearings. The Chairman of the Commission shall be selected by the members from among the members, other than ex officio members.

FUNCTIONS OF THE COMMISSION

SEC. 403. (a) The Commission shall make a full and complete investigation with respect to the Presidential nominating process. Such investigation shall include but not be limited to a consideration of—

(1) the manner in which States conduct primaries for the expression of a preference for the nomination of candidates for election to the office of President of the United States and caucuses for the selection of delegates to the national nominating conventions of political parties;

(2) State laws and the rules of national political parties which govern the participation of voters and candidates in such primaries and caucuses;

(3) the financing of campaigns for the nomination of candidates for election to the office of the President of the United States;

(4) the relationship between candidates for election to the office of the President of the United States and the news media, including how candidates achieve public recognition and whether such candidates should be guaranteed access to the television media;

(5) the interrelationship of the elements described in paragraphs (1) through (4) of this section;

(6) alternative nominating systems, including but not limited to a national or regional primary system for the expression of a preference for the nomination of candidates for election to the office of President of the United States and variations on the present nominating system;

(7) the manner in which candidates are nominated for election to the office of Vice President of the United States; and

(8) the extent to which State laws and the Federal Election Campaign Act of 1971 promote or retard independent candidacies for election to the office of President.

(b) The Commission shall submit to the President and to the Congress such interim reports as it deems advisable, and not later than one year after the enactment of this title, a final report of its study and investigation based upon a full consideration of alternatives to our current Presidential nominating system, including an analysis of the strengths and weaknesses of all such alternatives studied, together with its recommendations as to the best system to establish for the 1980 Presidential elections. The Commission shall cease to exist sixty days after its final report is submitted.

POWERS AND ADMINISTRATIVE PROVISIONS

SEC. 404. (a) The Commission may, in carrying out the provisions of this title, sit and act at such times and places, hold such hearings, take such testimony, request the attendance of such witnesses, administer oaths, have such printing and binding done, and commission studies by any Federal agency or executive department, as the Commission deems advisable.

(b) Per diem and mileage allowances for witnesses requested to appear under the authority conferred by this section shall be paid from funds appropriated to the Commisison.

(c) Subject to such rules and regulations as may be adopted by the Commission, the chairman shall have the power to—

(1) appoint and fix the compensation of an executive director, and such additional staff personnel as may be necessary, without regard to the provisions of title 5, United States Code, governing apopintments in the competitive service, and without regard to chapter 51 and subchapter III of chapter 53 of such title relating to classification in General Schedule pay rates, but at such rates not in excess of the maximum rate for GS-18 of the General Schedule under section 5332 of such title and

(2) procure temporary and intermittent services to the same extent as is authorized by section 3109 of title 5, United States Code, but at rates not to exceed $100 a day for individuals.

COMPENSATION OF MEMBERS

SEC. 405. (a) Members of the Commission who are otherwise employed by the Federal Government shall serve without compensation but shall be reimbursed for travel, subsistence, and other necessary expenses incurred by them in carrying out the duties of the Commission.

(b) Members of the Commission not otherwise employed by the Federal Government shall receive per diem at the maximum daily rate for GS-18 of the General Schedule when they are engaged in the performance of their duties as members of the Commission and shall be entitled to reimbursement for travel, subsistence, and other necessary expenses incurred by them in carrying out the duties of the Commission.

TIMELINESS OF APPOINTMENTS

SEC. 406. It is the sense of the Congress that the appointments of individuals to serve as members of the Commission be completed within ninety days after the enactment of this title.

AUTHORIZATION OF APPROPRIATIONS

SEC. 407. There are authorized to be appropriated such sums as may be necessary to carry out the provisions of this title.

TITLE V—MISCELLANEOUS PROVISIONS

USE OF FRANKED MAIL BEFORE ELECTIONS

SEC. 501. Section 3210(a)(5)(D) of title 39, United States Code, is amended by striking out "28" and inserting in lieu thereof "60".

Mr. CANNON. Mr. President, I would simply say that we have tried to work out a substitute for the Federal election bill, which has been under consideration for several days. The printing of the proposed substitute in the RECORD and the printed amendment itself will be available here for Senators to review in the morning.

There are certain amendments still outstanding, including one of the distinguished Senator from Alabama (Mr. ALLEN) and others which we anticipate will be offered, but we are hopeful that in light of the substitute as it is now drafted, we can move to a speedy conclusion of S. 3065 within the next day or two.

I thank the distinguished Senator from Hawaii for yielding.

FOREIGN ASSISTANCE AND RELATED PROGRAMS APPROPRIATIONS, 1976

The Senate continued with the consideration of the bill (H.R. 12203) making appropriations for foreign assistance and related programs for the fiscal year ending June 30, 1976, and for the Transition Quarter.

The PRESIDING OFFICER. Who yields time?

Mr. BROOKE. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. BROOKE. Mr. President, the Senator from Virginia (Mr. HARRY F. BYRD, JR.) had offered an amendment, and I wish to offer a substitute for that amendment. Is it in order to move to accept the committee amendment, and then to introduce, at the appropriate place in the bill, an amendment?

Mr. HARRY F. BYRD, JR. Mr. President, will the Senator yield, before the ruling on that parliamentary inquiry?

Mr. BROOKE. Before the Chair rules?

Mr. HARRY F. BYRD, JR. Yes.

Mr. BROOKE. Mr. President, I withhold the inquiry.

Mr. HARRY F. BYRD, JR. The Senator from Virginia, I might say, did not offer an amendment. The Senator from Virginia opposed the committee amendment.

Mr. BROOKE. That is correct.

Mr. HARRY F. BYRD, JR. The Senator from Virginia has no amendment at this time.

Mr. BROOKE. I thank the Senator. Let me restate that inquiry.

The Senator from Virginia has opposed the committee amendment. Is it now in order to move to accept the committee action, and then offer an amendment at the end of the bill?

The PRESIDING OFFICER. The Chair would say that it is his understanding that the Senator from Virginia was opposing excepted committee amendment No. 2, which was to strike and insert new language.

The inquiry now is whether, after the disposition of excepted committee amendment No. 2, an amendment adding a new section be in order?

Mr. BROOKE. That is correct.

The PRESIDING OFFICER. The ruling of the Chair is that it would be in order.

Mr. BROOKE. Mr. President, I move to accept the committee action.

The PRESIDING OFFICER. Is all time on the committee amendment No. 2 yielded back?

Mr. BROOKE. I yield back all of my time.

Mr. INOUYE. I yield back all of my time.

The PRESIDING OFFICER. All time is yielded back.

The question is on agreeing to excepted committee amendment No. 2.

The committee amendment No. 2 was agreed to.

Mr. BROOKE. Mr. President, I send to the desk an amendment and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Massachusetts (Mr. BROOKE) (for himself and Mr. INOUYE and Mr. HARRY F. BYRD, JR.) proposes an amendment:

At the appropriate place in the bill insert the following:

Beginning three months from the date of enactment of this Act, no part of any appropriation contained in this Act shall be used to furnish assistance to any country which is in default during a period in excess of one calendar year in payment to the United States of principal or interest on any loan made to such country by the United States pursuant to a program for which funds are appropriated under this Act unless (1) such debt has been disputed by such country prior to the enactment of this section or (2) such country has either arranged to make payment of the amount in arrears or otherwise taken appropriate steps, which may include renegotiation, to cure the existing default.

The PRESIDING OFFICER. Under the previous unanimous-consent order, there is 1 hour of debate.

Mr. BROOKE. I yield back all time.

Mr. INOUYE. I yield back all time.

The PRESIDING OFFICER. All time is yielded back.

The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. BROOKE. Mr. President, I ask unanimous consent that Mr. Chuck Warren and Mr. Frank Ballance of Senator JAVITS' staff be accorded the privileges of the floor during the consideration of this matter.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. JOHNSTON. Mr. President, I have an amendment which I send to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Louisiana (Mr. JOHNSTON) proposes an amendment: On page 11, line 22, delete the figure "$25,000,000" and insert in lieu thereof: "$200,000,000".

Mr. JOHNSTON. Mr. President, the President of the United States in his budget request submitted a budget request for $323,913,000 under section 506 of the Foreign Assistance Act of 1961 to replenish ammunition stocks of the Armed Forces which had been used by the Armed Forces in Cambodia in 1974–75.

The House of Representatives passed this provision granting the full $323,913,000. When this provision got to our Subcommittee on Foreign Operations, we reduced that amount to $25 million. The feeling of the committee was that frankly the President was incorrect and the Armed Forces were incorrect in giving that much money to Cambodia at a time when Congress and the Senate, particularly, had made it very plain that this body did not believe that that much aid should go to Cambodia when the story had already been told and it was too late for money to do any good.

However, Mr. President, since that time we further checked into the matter and found this: First, section 506 of the Foreign Assistance Act of 1961 authorizes the President to transfer these defense articles to countries requiring military assistance if he determines it to be in the security interest of the United States to do so.

Furthermore, this section of the law authorizes the Department of Defense to incur obligations or to let contracts in anticipation of reimbursements to the Defense Department of the amount.

Pursuant to this authority, the President did transfer these stocks of ammunition, valued at $324 million, and pursuant to that transfer the Armed Forces subsequently contracted in anticipation of this authority to restore these amounts. The Army has let these contracts. That is the Army in particular. Because the Army has $276 million of the $324 million, they have let those contracts, and those contracts are now in the course of being fulfilled. The action of the Subcommittee on Foreign Operations in cutting this amount to $25 million would cause not only the failure to replenish these stocks of ammunition, but it would cause the cancellation of these contracts as well. It would have an impact of 2,000 people being immediately laid off jobs and another 900 jobs lost down the pipeline.

So the ultimate question is whether or not we need the ammuntion and whether or not the stocks should be replenished, because they were, in fact, depleted and transferred to Cambodia pursuant to act of Congress. It was all done totally within the ambit of the authority previously given by this body.

My amendment does not give the full $324 million. It does not for one very practical reason, and that is the subcommittee disagrees with me and the subcommittee feels that it would not be proper to go the full route but that $200 million would be sufficient.

While I believe that we should go the full replenishment, in a spirit of compromise I have put in this amendment which would authorize $200 million out of $324 million and would, for the most part, at least replenish the stock and as a consequence save jobs.

I believe it is not only advisable but necessary to take this action.

The PRESIDING OFFICER. Who yields time?

Mr. INOUYE. Mr. President, I yield myself 10 minutes.

Mr. President, the problem involved here is an important one for the Congress.

The Foreign Assistance Act of 1973 authorized the President to incur obligations in anticipation of reimbursement of up to $250 million. However, in the explanatory statement of the committee on conference, the conferees clearly stated:

> It is the intent of the committee of conference that up to $200 million of the emergency military assistance requirements for Cambodia be furnished pursuant to the authority granted in this section.

However, the Department of Defense in clear defiance of the intent of the Congress, as set forth in the conference report, ignored the $200 million limitation and went up to $250 million.

Second, most of the transfer of DOD stocks to which this request is related were incurred in 1974. Nonetheless, as indicated in the testimony of the Secretary of the Army, the Department of Defense did not feel that this item was important enough to be brought up in the following fiscal year, in fiscal year 1975.

In fact, upon the initiative of this subcommittee, when the question was asked, "What would you do about this drawdown account," Admiral Peet, Director of the Defense Security Assistance Agency at that time, said: "We will absorb it."

However, Mr. President, 40 hours before the markup by the full committee, or less than a day before the markup by the subcommittee, the Department of the Army through the Secretary of the Army submitted to all of the members a memo, which indicated that if this account were reduced to the amount recommended by the committee, 2,000 American citizens would be laid off.

If this matter were of such great importance, why was this subcommittee not notified of this high priority in a timely fashion in 1975? Why was it not justified in our hearings for fiscal year 1976? Why did they wait until 40 hours before the markup and come forth with a scare sheet?

Mr. President, I do not quarrel with the fact that the Army, acting upon certification and authority of the President, provided ammunition to Cambodia. The President's actions were, however, contrary to the expressed views of the committee on conference—views which were accepted by the Congress.

Furthermore, to come forth in this fashion 40 hours before the markup and say, "This is of such high priority that you must furnish the funds; otherwise, 2,000 American citizens are going to be laid off," is not an acceptable way for the Congress to be informed of the views of the executive. I hope there will be some improvement.

I should like to read a portion of our transcript. This is part of the interrogation of Secretary of the Army Hoffman, and we were talking about the amounts now in contention here:

> Senator Inouye. In other words, you did not justify this amount before the subcommittee?
>
> Secretary Hoffman. We were not called. The Army was not called in those hearings. No, we did not testify in those hearings.
>
> Senator Inouye. If this amount was so important, why didn't the Department of Defense at least make an attempt to justify this before us?
>
> Secretary Hoffman. Senator, I can't answer that question. I guess that one would have to say that we were relying on the authority and the state of the record as we knew it, and we saw no impediment to the appropriation of the moneys. Now, the clear light of hindsight indicates that we might have done better on that, certainly, had we known this scenario would unfold.

Another question was asked:

> Were the appropriations to reimburse the Department of Defense with stocks drawn under the authority of section 506 in prior years requested in the year immediately following after utilization of these stocks? Remember that these stocks were used in 1974. We are talking about fiscal 1975, the year after.
>
> Secretary Hoffman. In fiscal 1975 they were not, sir.
>
> Senator Inouye. Why not?
>
> Secretary Hoffman. I don't know the answer with particularity, why they were requested by the administration in that year.
>
> Senator Inouye. Weren't they of high priority?
>
> Secretary Hoffman. We thought they were, in the Army. There, again, the administration's position that was submitted in that year did not include them.

Mr. President, it is very clear that under section 506 the administration, in drawing down these supplies from Defense Department stocks, can anticipate some reimbursement. That does not obviate the fact that the request for reimbursement must go through the full appropriation process. In this case, it did not.

Nonetheless, the Department of Defense, without justification, went forward and entered into contracts; and 40 hours before our markup, they presented us with a fait accompli. As chairman of this subcommittee, I resent this procedure. In the future, I expect the Department of Defense and all other agencies to come forward to the subcommittee, present their cases, and formally justify each request.

As I indicated to the distinguished Senator from Louisiana, I will be willing to accept this compromise of $200 million. I have no wish to disrupt the procurement program of the U.S. Army. I do hope however that a message will be carried to the Department so that in the future it will do a better job of presenting its requests.

So, Mr. President, in behalf of the committee, I am pleased to accept the amendment submitted by the Senator from Louisiana.

Mr. President, I ask unanimous consent to have printed in the Record an excerpt from the committee report, on page 121, captioned "Reimbursement of Department of Defense."

There being no objection, the material was ordered to be printed in the Record, as follows:

> *Reimbursement of Department of Defense.*—The Committee recommends disallowance of $298,913,000 of the $323,913,000 requested for liquidation of Department of Defense contract authority incurred in fiscal years 1974 and 1975. These funds are requested to reimburse the Department for DOD stocks used to provide foreign military assistance in excess of funds specifically appropriated for that purpose.
>
> Section 506 of the Foreign Assistance Act authorizes the Department of Defense to "incur obligations in anticipation of reimbursements" up to an amount specified.
>
> In the Foreign Assistance Act of 1973 the amount specified was $250 million; however, in the Joint Explanatory Statement of the Committee of Conference the conferees clearly stated, "It is the intent of the committee of conference that up to $200 million of the emergency military assistance requirements for Cambodia be furnished pursuant to the authority contained in this section." In the Foreign Assistance Act of 1975 the amount specified was reduced to $150 million with a limitation of $75 million for Cambodia.
>
> The Department of Defense now seeks reimbursement of $249,598,000 in DOD stocks which were utilized in Cambodia in fiscal year 1974 and $74,315,000 in fiscal year 1975. These two items comprise a total request of $323,913,000 to liquidate contract authority incurred in prior years.
>
> In his appearance before the Foreign Operations Subcommittee on July 10, 1974, Vice Admiral Ray Peet, Director of the Defense Security Assistance Agency supplied the Committee with an answer as to how the Department of Defense would handle this matter if subsequent appropriations were not forthcoming.
>
> Senator Inouye. Has the Department anticipated reimbursement of these costs in the 1975 request of $985 million?
>
> Admiral Peet. We know we need to make reimbursement, but the administration has not decided as to how and when we are going to request funds for that reimbursement.
>
> Senator Inouye. I suppose it comes in on a supplemental?
>
> Admiral Peet. That certainly is possible, Mr. Chairman.
>
> Senator Inouye. If it doesn't come through on the supplemental, how would you fund that?
>
> Admiral Peet. There is also the possibility that it could go into next year's budget, or it may be that we would have to absorb it.
>
> Senator Inouye. What was that last expression?
>
> Admiral Peet. That we would have to absorb it and not ask funds for reimbursement. There are many different possibilities, Mr. Chairman. I don't know which one will be chosen by the administration.
>
> Senator Inouye. Would I be correct to assume that you will be requesting an additional $250 million?
>
> Admiral Peet. I am not sure that is a good assumption.
>
> This Committee very clearly and in a timely way demonstrated its concern with what it believed to be excessive levels of assistance provided Cambodia in fiscal years 1974–1975. In fact, the entire draw-down provision was nullified by a committee amendment to the fiscal year 1974 Senate passed Foreign Assistance Appropriations Bill.
>
> With the exception of $25 million for replenishment of certain types of ammunition none of the funds requested were formally justified to the Committee. We, therefore, do not feel obligated to provide these reimbursements and have eliminated from the bill recommended to the Senate all in excess of the $25 million earlier approved under a section 113 notification.

Mr. JOHNSTON. Mr. President, I appreciate the distinguished chairman accepting the amendment.

My offering of the amendment does not in any way endorse the action of the administration in waiting until the eleventh hour to submit the request. I hope that in future years, if this provision is used again, such action will be taken only in consultation with Congress and that after the contracts are made, the request will be presented to Congress in sufficient time fully to justify any such request.

I yield back the remainder of my time.

The **PRESIDING OFFICER**. All the time on the amendment has been yielded back.

The question is on agreeing to the amendment of the Senator from Louisiana.

The amendment was agreed to.

The **PRESIDING OFFICER**. The bill is open to further amendment.

Mr. **INOUYE**. Mr. President, I suggest the absence of a quorum.

The **PRESIDING OFFICER**. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. **INOUYE**. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The **PRESIDING OFFICER**. Without objection, it is so ordered.

Mr. **THURMOND**. Mr. President, I rise in support of the pending amendment by the distinguished Senator from Louisiana, Mr. Johnston, which would restore to H.R. 12203 the full amount of $323.9 million requested for the U.S. Army.

These funds are needed to replenish Army materiel taken from inventory on order of the President during the final months of the Cambodia crisis in 1975.

Mr. President, Secretary of the Army Martin R. Hoffmann presented an excellent statement on this matter to the Defense Appropriations Subcommittee last week. I ask unanimous consent that his statement to the subcommittee appear in the Record at this point in my remarks.

There being no objection, the material was ordered to be printed in the Record, as follows:

Remarks of Secretary of the Army Hoffmann

Mr. Chairman, I appear before this committee in support of the President's Budget request for $324 million to repay Department of Defense for stocks that were provided to Cambodia in Fiscal Years 1974 and 1975. In my letter of 16 March to Senator Inouye I outlined the importance of this request from the standpoint of the Army. I have with me today a letter from Deputy Secretary of Defense Clements urging your support from the Department of Defense point of view (hand out a copy of both letters). I will expand on why this request deserves your support.

The first point I wish to make in support of this request is that the Army responded to a legitimate order from the Commander in Chief when it furnished stocks to Cambodia valued at $276 million. Section 506 of the Foreign Assistance Act authorizes the President to order defense articles from the stocks of the Department of Defense if he determines it to be in the security interest of the United States. During the period of December 1973 to January 1975 three such determinations were made. I am told the Committee has three copies of these documents.

The second point I wish to make is that the Department of Defense and Army acted within the law when it let contracts to replace the stocks before funds were appropriated. Section 506 states:

"The Department of Defense is authorized to incur in applicable appropriations, obligations in anticipation of reimbursement in amounts equivalent to the value of such orders under subsection (a) of this section."

After following what is perceived to be a legitimate order, and after taking action within the law to maintain our readiness posture by replacing stocks, the Army now faces a potential shortage of $251 million if the level of this Committee prevails. This shortage was not anticipated in view of the language of Section 506.

The stocks we provided for assistance to Cambodia came from Army accounts in FY 1974 and FY 1975. Stocks valued at approximately $276 million, primarily ammunition, were delivered to satisfy military assistance requirements. Obligations have been incurred to replenish the full value of stocks provided. Thus far, Army stocks have been replenished in the amount of approximately $200 million with $76 million in stocks yet to be received.

The Army incurred obligations in six accounts in the expectation that funds would be provided by subsequent appropriations. While reimbursement is required for the full amount, the most critical amount is FY 1974 Procurement of Ammunition. As of end January only $78 million in direct obligational authority remained. Obligations for replishment of Section 506 stocks stood at $152 million partially offset by $25 million in cash provided under the Continuing Resolution Authority for a total of $127 million in obligations yet to be liquidated. With only $78 million in direct obligational authority remaining the Army would have to take immediate action to terminate open contracts to avoid overobligation.

Treasury cash in the account is an additional cause for concern. Without an infusion from outside sources—either through reimbursement under this Act or reprogramming of other resources—it is estimated that the account will remain solvent until only mid-April.

The Army properly assumed that reimbursement would ultimately come from subsequent appropriations and took action to procure important program items. For example, we are procuring training ammunition, 155 mm improved conventional rounds, illuminating mortar rounds, and some conventional 105 mm rounds for stockpile. Also funds are being applied to modernization of production lines and purchase of new production capacity for current procurement programs. For example, we are building a new Black Powder plant at the Indiana ammunition plant to provide modernized capacity for mobilization.

If the funds are not provided and we do not reprogram into the account, we must terminate procurement of ammunition items and cancel several production facility projects. This will impact both commercial metal parts producers and government loading plants with near term loss of about 2000 people and delayed reduction of another 900 within a few months. This will result in an unbalanced inventory of components which ultimately will have to be assembled into complete rounds with the requirement for other funds. The production facility projects are a more difficult problem. These will be stopped at different stages of construction or machine assembly and installation. These incompleted lines would later have to be completed with subsequent funding.

The only real alternative to either obtaining the payback funds or a general curtailment of contracts in the fiscal year 74 Ammunition Appropriation would be to reprogram from other current procurement appropriations. This would require prior Congressional approval and would have to be processed on an urgent basis to avoid overdisbursement in the Treasury balance as I stated earlier.

Such reprograming, however, would have a direct and adverse impact on the Army's readiness and modernization program. It would simply curtail already authorized and appropriated programs to satisfy this requirement. The entire payback amount, if lost, would have a net equivalent impact of about eight percent reduction of the Army's Fiscal Year 1976 procurement program. In tangible terms, this would be enough funds to procure 197 AH–1S Attack Helicopter or 627 M60A1 Tanks.

In summary, Mr. Chairman, the Army's situation is this:

Stocks valued at $276 million were provided to Cambodia in response to Presidential directives.

Contracts were let to replace these stocks under the Authority of Section 506 of the Foreign Assistance Act.

If the funds are not provided, contracts will have to be terminated. But overexpenditure will be unavoidable.

At this late date in the fiscal year the only source of funds from which to reprogram funds are procurement accounts. This would entail cancelling contracts for equipment for which the Army has a need.

Mr. **THURMOND**. Mr. President, this material had originally been approved by the Congress for the Army. It is vitally needed by the Army for its inventory. It would be terribly wrong for the Congress to punish the Army by denying the funds to accomplish this replacement.

Secretary Hoffmann, in his fine explanation of the situation, stated that the funds requested "in tangible terms would be enough to procure 197 AH–1S Attack Helicopters or 627 M–60A1 tanks."

Mr. President, I support approval of all of these funds, as required by the Johnston amendment and provided for in the House bill. However, it is my understanding the author of the amendment and the bill's floor manager have agreed to strike a compromise at $200 million.

In that event, I shall support the compromise. However, it is my hope that in conference the House position will prevail, so the Army will have the funds sufficient to replace the equipment which the Congress had earlier approved for the Army inventory.

Mr. **INOUYE**. Mr. President, I suggest the absence of a quorum.

The **PRESIDING OFFICER**. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. **INOUYE**. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The **PRESIDING OFFICER**. Without objection, it is so ordered.

Mr. **HARRY F. BYRD, JR**. Mr. President, I send an amendment to the desk and ask that it be read.

The **PRESIDING OFFICER**. The amendment will be stated.

The legislative clerk read as follows:

On page 4, lines 13 and 14, strike "$189,500,000," and insert in lieu thereof $125,000,000".

Mr. HARRY F. BYRD, JR. Mr. President, the pending legislation appropriates funds for fiscal year 1976. The amendment deals with the voluntary funds for international organizations and programs, namely, the United Nations. For fiscal 1975, for the voluntary programs, the Congress appropriated $125 million. Now we come to 1976. The House of Representatives has recommended that that appropriation be increased to $160 million, nearly a 30-percent increase.

The Senate Committee on Appropriations has not been satisfied with that very large increase; it has proposed that the funds be increased to $189,500,000 for 1976. That represents an increase of $63.5 million, or some 50 percent—a 50-percent increase in that program.

Mr. President, I think that is totally unjustified. What has the United Nations done in the past year to justify the American taxpayers increasing the vast sums which it gives to that organization? I speak as one who, through the years, has supported the United Nations. I return to the United States from Okinawa during World War II at the same time that the United Nations was formed in San Francisco, in May of 1945. I have felt a rapport with the world organization over the years. I felt then that it could be an organization which would prevent or make it unnecessary for Americans to go to foreign lands to fight, so I thought it was a very worthwhile organization. I have been a friend of the United Nations through the years. In more recent years, however, I have been disappointed in its activities, and that disappointment has increased during the past few years.

In any case, I see no justification for increasing the already tremendous appropriations that Congress has been making to the United Nations.

During the past year, a total of some $450 million, in toto, has been appropriated for the United Nations and is being proposed for this year. This particular item on page 4 of the legislation is for international organizations and programs. In this one item alone, the committee proposal suggests or writes in the figure of $189.5 million. As I pointed out earlier, that is a 50-percent increase over the previous year's appropriation. I think that is totally unjustified. My amendment would keep the figure of $125 million, the same as Congress appropriated for fiscal year 1975.

If we are ever going to get spending under control, we have to start somewhere. Each year, we cannot continue to increase every item, down the line, by large percentage points. I think the time has come to start to hold the line on some of these programs. I think that right now, with this bill and this United Nations appropriation, is the time that we can say, "We are not going to reduce our contribution, even though you have given just cause for deductions by the American people; we are not going to reduce our contribution but we are not going to increase it, either." The amendment would hold the line at $125 million.

Mr. STONE. Mr. President, will the Senator yield a few minutes to me in support of his amendment?

Mr. HARRY F. BYRD, JR. I yield to the able Senator from Florida.

Mr. STONE. I thank the distinguished Senator from Virginia.

Mr. President, I ask the Senate to turn its attention more specifically to the United Nations Development Program as one example—just one example—of the programs that we are increasing our contributions to, and on a voluntary basis. The 1975 fiscal year appropriation for the UNDP was $7.89 million. The necessity for raising this appropriation for fiscal year 1976 above the $85 million level recently approved by the House is far from evident. Compelling need for this agency to receive from the U.S. taxpayers over $42 million, over 50 percent more than it received from us last year, is far from evident.

We inquired of the Department of State as to the individual contributions and expenditures by member nations of the United Nations to the United Nations Development Program. In response, the Department of State provided us with a list of anticipated total contributions and expenditures for the UNDP. Analysis of this list indicates clearly that an increase in funds for this program, which is proposed by the bill and which the Senator from Virginia seeks to restrict back to the current year's funding, would mean that the U.S. taxpayers would directly be funding some of the richest nations in the world, nations belonging to the Organization of Petroleum Export Countries.

In 1975 the 10 OPEC nations that were members of the UNDP contributed under $12 million to that program and received in expenditures under that program $33.5 million.

Since the major function of the UNDP is technical assistance and preinvestment planning for capital formation expenditures, the United States finds itself in a position of financing OPEC capital formation. In other words, you have a prosperous large country, the United States, financing the assistance for capital formation in a number of countries that are smaller, far smaller, than the United States, and per capita in terms of income, and in terms of cash reserves, unbelievably better off since the last few years.

I would suggest that our annual payments to OPEC states for energy products alone represent more than enough capital formation for any one nation to have to contribute.

Since 25 percent of the UNDP was funded by the United States in 1975, it is obivous that American taxpayers have unwittingly given OPEC nations $8.33 million under this program. Specific examples include the following for 1975: Libya contributed $588,000 and received $1 million; Algeria contributed $750,000 and yet received targeted expenditures of $4 million; Saudi Arabia and Venezuela contributed $660,000, and received $2 million.

I, therefore, urge support of the amendment of the distinguished Senator from Virginia and, incidentally, it is quite in line with the committee report from the House on page 28 of which the committee stated:

> The committee is still not satisfied with the operation of the UN Development Program (UNDP). During the hearings it was brought out that the UNDP not only had 1,051 personnel in its headquarters and field operations but that the UNDP hired 9,801 experts in 1974. The committee feels that this certainly would make for a top-heavy organization. In addition, it was discovered that the UNDP administered 9,337 individual country and intercountry projects.
>
> According to testimony, the UNDP Plans a program level of $556 million in 1976. This total could be revised downward—

I emphasize that is the committee's suggestion.

> This total could be revised downward, which compares to $480.2 million in 1975 and $417.1 million in 1974. It appears that the UNDP not only has an enormous operation under way but they plan to continue to increase the operation, and the committee questions whether this type of operation can be or has been properly administered.

Mr. FONG. Mr. President, will the Senator yield to me for a unanimous-consent request?

Mr. STONE. Yes.

Mr. FONG. Mr. President, I ask unanimous consent that Dorothy Parker be allowed the privileges of the floor during the consideration of this measure.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. STONE. Mr. President, in conclusion, I would ask the Senate to turn its attention to the operations of the United Nations during the last year and to ask ourselves the question what has the United Nations done during this last year to merit a substantial increase in voluntary contributions by the U.S. taxpayers other than insulting the United States, demeaning the United States, criticizing the United States, voting against the motions of the United States in the United Nations? Other than trying to bring us low, what have they done to deserve and earn extra money from taxpayers who are overburdened, in the first place, and what have they done to deserve extra voluntary contributions from a country suffering from a very great deficit situation? In other words, what have they done to merit the U.S. borrowing money so that we can increase voluntary contributions in a very substantial way to some of the lightest populated countries with the heaviest cash reserves in the world today?

For those reasons, I urge support of the amendment by the distinguished Senator from Virginia.

Mr. HARRY F. BYRD, JR. I think the able Senator from Florida.

Mr. STONE. I yield the floor.

Mr. HARRY F. BYRD, JR. I thank the very revealing figures which the Senator from Florida brought out in regard to the expenditures by the United Nations to the many countries throughout the world.

I think the distinguished Senator ended on just the right note: Why should the Congress of the United States reward the United Nations by substantially increasing its appropriations?

I would like someone to point out, if anyone can, just what the United Nations has done during the past few years in behalf of world peace. What has the U.N. done to justify the United States appropriating more and more funds for that organization each year?

This amendment that I offer does not reduce the funds. It just says it is time to call a halt now. It says that we see no justification for additional expenditures for this project.

I reserve the remainder of my time.

Mr. INOUYE. Mr. President, I yield myself 10 minutes.

Mr. President, as my colleagues will recall, for the past 4 years the Congress has dealt rather severely with contributions to United Nations organizations especially with the United Nations Development Program. I believe that as a result of this action the UNDP has improved its operations.

These statistics cited by my distinguished friend from Florida, which were persented in 1975, were the contributions and expenditures of 1974. In 1974 it is true that some of the OPEC countries were net recipients and not net contributors. But in this year, this calendar year, you will find that many of the OPEC countries will be net contributors, especially Saudi Arabia.

There are other OPEC countries that will continue for some time to be net recipients, Indonesia, for one. Indonesia has a per capita gross national product of $100 a year. It is true that Indonesia has oil, but that fact alone does not suggest that Indonesia is a very prosperous country.

As to the question, "What has the United Nations done in the past year?" I would like to suggest that the United Nations has been very active.

Unfortunately, the only things that we happen to hear about are the negative. If, because of a U.N. presence, there is no war in some border country, no mention of that is made in the press.

I would like to remind my colleagues here that as a result of our funding of United Nations activities, forces of the U.N. have stood between the Israeli Forces and the armies of confrontation Arab States. I think it might be safe to say that if it were not for these forces, there would be shooting.

United Nations forces have been stationed in Cyprus. We do not hear much about them because there is no shooting today. But, if it were not for these troops, hostilities might again have broken out.

In matters of economic and humanitarian assistance, the United Nations has also been active. An example of U.N. activity can be found in those African countries in the Volta River Basin which are plagued by a parasitic disease carried by black flies. Each year 40 million Africans become blind from river blindness.

The United Nations is working on a health program to counter this terrible disease. It is a program which involves seven countries. To be effective, the program must have the cooperative support of several countries. It must be a multilateral effort and that is a job for the United Nations.

Another example is the drought in Sahel. It totals 3.351 million square miles—the United States is 3.600 million square miles. In that vast area, the United Nations is trying to bring about a concerted international effort to reduce the impact of the drought, and I think it has been successful.

When we attack the United Nations, we are not just attacking the United Nations Development Program. We also attack the Sahel, the Volta River basin, the United Nations Children's Fund. I have not heard anyone say anything about UNICEF. The International Atomic Energy Agency Operational Fund, an Agency that we contribute to. The World Meteorological Organization which gives us and the rest of the world advance notice on hurricanes, typhoons. United Nations Food and Agricultural Organization. The World Food Program, which plays a major part in feeding the hungry. Then we have the United Nations Relief and Works Agency, UNRWA.

Mr. STONE. Will the Senator yield for one question?

Mr. INOUYE. Yes.

Mr. STONE. Does the Senator from Hawaii feel that the funding level in which the United States participates, in amount of proportion and money we contribute to those very worthwhile programs, is a fair allotment and allocation in the world?

Mr. INOUYE. I invite my friend to look at page 68 of the committee report and he will see what the percentages are.

When I became chairman of the Foreign Operations Subcommittee which handles this bill—some 4 years ago—many of these estimates exceeded 40 percent. Today they average about 25 percent.

At one time, at the end of World War II, our share of the contributions to many of these organizations exceeded 60 percent because we were the country with the strongest economy. But since then, our European allies have become a bit more affluent and I think we have been successful in encouraging them to participate more fully.

I am afraid that the amendment proposed by my dear friend from Virginia and cosponsored by my friend from Florida would really disrupt some of these programs.

I hope the Senator will reconsider because what he proposes to reduce is a program that is coming into its own.

It is true, however, that the WNDP programs have not been administered in the best fashion possible.

For 200 years, this country has been trying to devise a government where programs are carried out in the best fashion possible. Each year we hear criticisms. Apparently we have not been altogether successful in perfecting our own programs. The United Nations, I believe, is doing its best and in many ways, it has been successful.

If we can do away with river blindness in the Volta River basin, if we can bring food to the millions of people in the region of the Sahel region, if we can somehow reduce the population growth rate in the world, if we can increase the harvest of ocean fisheries, if we can do all these things in addition to providing peace in this world, I say the full amounts are well justified.

Mr. BROOKE. Will the Senator yield?

Mr. CLARK. Will the Senator yield?

Mr. INOUYE. I am happy to yield.

Mr. CLARK. I rise in support of the committee position on this matter because I think any cut in the international organizations item is bound to fall heavily, if not totally, on the United Nations Development Fund.

For the reasons that have been explained already in the debate, it is my sincere hope the Senate will approve the full $120 million requested for UNDP by the administration and that the $65 million for other international organizations will stay as well.

For a good many years, the American share of contributions to the UNDP has been dropping—it sounds here in the debate as if we have been increasing over the years, in fact it has dropped—and it is now below 20 percent, I think slightly over 18.

Despite this drop, the United States has managed always to have one of its citizens chosen as the program's director. Very recently Brad Morse, who served ably as a Member of the House of Representatives from Massachusetts, became the third distinguished American to serve as UNDP Administrator. I believe that it is of paramount importance that we give him a vote of confidence in this his first year in the job. We can only do that by approving the full $120 million requested by the administration.

I do not offer that as an isolated point, because at this point I think it is important that we realize we do not propose to go into all of the details of the program, as the chairman has given a number of illustrations as to the kind of ways that the money is used. So I do not propose to go into great detail on that. But I am confident that the problems that have been raised here on the floor by the distinguished Senator from Virginia and by the distinguished Senator from Florida are self-correcting, the problems related to OPEC and all of the reasons that the manager of the bill has cited. We are, after all, in this program in a 5-year cycle, and that 5-year cycle ends in 1976. We are not going to find ourselves in that kind of position.

Mr. INOUYE. Will the Senator yield for a request?

Mr. CLARK. I yield.

Mr. INOUYE. Mr. President, I ask for the yeas and nays on this vote.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. INOUYE. I thank the Senator.

Mr. CLARK. So I am confident that such problems as exist in the organization will be ameliorated, and quickly I think, under the strong and effective leadership of the former Congressman, Mr. Morse.

It is my understanding that already much has been done to achieve the aim of making all of the OPEC countries net donors to UNDP. Most, if not all, of them will probably continue to need some type of assistance, since all are less developed—through wealthy—countries.

But certainly, on balance, they are going to be donors rather than people who are taking out.

I hope that the Senate will not let some of the past administrative failures that have been mentioned weigh heavily against funding this program this year with this kind of administration.

The UNDP has one other important virtue, I think, which I would like to point out: It concentrates much of its efforts on helping the poorest countries. Thirty percent of the UNDP's expenditures go to these 28 countries which have per capita incomes of less than $100. These are countries which are most needful of assistance.

Mr. President, it is my firm view that the United States helps itself when it helps the poorest countries.

We are not and cannot be insulated from the poorest countries in the world. Certainly, we should have discovered that by now. I think we are very much aware of it.

I know it is popular these days to say that the United Nations is a failure; that the United Nations does not do anything that helps us; that everybody attacks us in the United Nations; that somehow we ought not participate in it or we ought to participate in it with less enthusiasm.

I believe that is the wrong approach. We have worked at this organization for 30 years, and we are not about to destroy it. We have worked at it. If we believe in it, and it is not going our way at the moment or on particular resolutions, then certainly we ought to work within the organization to make our point clear. I do not think we do that by simply cutting back and cutting back and cutting back. Indeed, I think that is what we are doing.

We have heard a lot of discussion here about how much we contribute to the United Nations. During the 1950's and the early 1960's the United States was bearing about 60 percent of the financial burden of the United Nations. That decreased steadily until 1973 when our assessed contributions have declined to 25 percent of the total, and the same is true on the voluntary side.

Mr. STONE. Will the Senator yield?

Mr. CLARK. I will yield in a moment.

In the 1960's, we contributed 33 percent. Last year we contributed slightly more than 18 percent. It seems to me that the committee recommendation is to increase that from 18 percent to 23.9 percent.

Lastly, before yielding to my friend from Florida, let me say that it seems to me the important thing here is that we have an alternative to war. No one suggests for a moment that by funding UNDP we are going to immediately prevent a war in a particular part of the world. We argue vociferously here over whether we will contribute $190 million or $125 million and yet 2 weeks ago we heard the Secretary of Defense say we are going to build Tridents which will cost us $1.5 billion and no one on this floor raised the slightest objection.

We could increase the total amount of the UNDP eight times over for the cost of one Trident submarine.

I think it is a good investment in our national security.

I yield for a question.

Mr. STONE. The Senator said some 38 percent of these expenditures went to the poorest countries. How much went to the rich countries, such as the OPEC countries?

Mr. CLARK. What I have suggested with regard to the OPEC countries is that the only reason we find ourselves in a position at all of having some of those countries get more back than they put in is because they were in a 5-year cycle which ends this year.

Mr. STONE. Does the Senator know that the 5-year cycle formula is supposed to be repeated for the next 5-year cycle and that the net product formula for 1971 through 1973 is the formula that would be used for the next 5 years for UNDP?

Mr. CLARK. Is it the Senator's impression from those comments that the OPEC countries as a whole are going to take more out than they put in?

Mr. STONE. I do not know how much they are going to take out. I only know how much they are going to put in. The disproportion of contribution between us and the other countries, even better able than us to contribute, not only would be perpetuated but would be accentuated.

Does the Senator, for example, know how much net national product—well, let us take Saudi Arabia as an example—they contributed to the United Nations in general? Does the Senator know that it is 0.06 percent?

Mr. CLARK. Let me answer the Senator's question, because the director of the bill has some time problems. On the basis of total contributions to the United Nations as a percent of gross national product, which I believe the Senator was talking about, the United States is tied with Ecuador and Pakistan in 68th position. The OPEC countries contribute a larger share of their GNP to the United Nations than does the United States.

Mr. STONE. The OPEC countries give less than one-third per capita of what Israel gives. Is the Senator aware of that? And the wealth, the comparative wealth between the State of Israel and those OPEC nations, is just a little bit different these days.

Mr. CLARK. I am under the impression that Israel gets more from UNDP than they put in UNDP.

Mr. STONE. That is not correct.

Mr. CLARK. That is not correct?

Mr. STONE. That is not correct.

Mr. CLARK. I will correct the record.

Mr. STONE. If it were correct, I am not so much concerned about the ratio of how much is put in to how much is taken out as just how much is put in. If I am not mistaken, Israel puts in 0.21 percent of its net national product and Saudi Arabia 0.06. That is less than one-third as much, with countries of about the same population and size.

Mr. CLARK. What is the source of that information?

Mr. STONE. This is the member states' contributions to the United Nations regular budget for 1976. This is the same approach in the UNDP but I am taking the total. This was given to my staff by one of the budget officials of the United Nations last weekend.

Mr. CLARK. What I am saying is if one takes a percentage of our gross national product that we contribute to the United Nations, we are 68th among the nations, and if one takes the percentage of the gross national product of the OPEC countries, they give a larger percentage of their GNP to the United Nations than does the United States.

Mr. STONE. I do not want to abuse the time of the managers of the bill. I want to close on this note and I am confident that it is accurate: We have a very harshly discriminatory formula which discriminates against relatively prosperous countries that have large populations in favor of, grossly in favor of, relatively small population countries with prosperous gross national products. Witness the difference between the OPEC lightly populated countries, very prosperous gross national products, and that of ourselves.

The population factor coupled with the gross national product is harshly discriminatory against the United States taxpayer and in favor of prosperous countries which are small. This Senator believes that a revision of all of these, both assessments and voluntary contributions, is well in order. This Senator has not complained about the worthwhileness of the expenditures of the money once contributed; only of the discriminatory and arbitrary nature of the formulas of both assessments and voluntary contributions which militate against our country.

Mr. CLARK. I understand the Senator's point. I am simply saying that it seems to me that if we are not prepared to give $125 million to help hungry people and we are prepared to spend $100 million on military defense, it is just a misspent priority.

I yield the time.

Mr. HARRY F. BYRD, JR. Mr. President, may I make one comment?

If the Senator from Iowa is interested, we are willing to give $125 million. That is precisely what the amendment does. It does set the figure at $125 million.

Mr. CLARK. I meant for the UNDP.

Mr. HARRY F. BYRD, JR. The objection I have is the increase above that $125 million by 50 percent to $189,500,000, which I think is not questioned.

The PRESIDING OFFICER. Who yields time?

The Senator from Massachusetts.

Mr. BROOKE. Mr. President, I rise to oppose the amendment of the distinguished Senator from Virginia.

Most of the arguments have been made. However, I do feel that this important and significant cutback for the UNDP would hurt many countries that have agreed with our positions in the United Nations. I think that to view funding for UNDP as a question to be decided on the basis of whether some countries have voted for or against us in the U.N. is wrong. If we were to cut back significantly on these funds, many countries which are our friends would be injured. Moreover, orderly growth of the world's economy, which is vitally important to U.S. overseas trade and investment, would be adversely affected.

Some would say our support of the UNDP is strictly humanitarian. While this is important it is not the only reason we support the UNDP. With that support we gain tangible benefits. Jobs are created. As has been indicated, we need a million more jobs in this country every year, and we need new markets for our products. These countries, as they develop, with help provided by the U.N., offer new markets for U.S. products which we so sorely need.

I think, moreover, that significant cutbacks in UNDP funding would make it very difficult for the United States to keep its nationals in key positions in the organization which allows the United States to influence decisions affecting both our national and commercial interests. It is no secret that other countries would like to push the U.S. personnel out of these key positions. I think it would be foolish for us to give them the tools to do so by reducing our contributions to the UNDP this year.

I think this is especially the case in light of the fact that an American has recently assumed directorship of the UNDP from another American. I think it makes little sense to undercut the new Director, Bradford Morse, who I think most of us will agree—certainly all of us who know him would agree—is a most able administrator. As he begins his duties, we ought to support him.

In conclusion, Mr. President, it is not just a matter of helping the United Nations or helping other countries. Certainly that in itself is of great value; but we are helping the United States of America, which is, of course, our primary interest. I think we will do so, and I hope we will continue to do so, by helping defeat the amendment of the Senator from Virginia, which, although he offers it in good faith and with the sincere belief that we have to cut back some place, is not the proper action to take at this time.

Mr. JAVITS. Mr. President, will the Senator yield?

Mr. BROOKE. I am happy to yield to the Senator from New York.

Mr. JAVITS. Mr. President, I have heard this debate, and would like to compliment all my colleagues on the way in which the issue has been brought out. I would like to add one other dimension, which is that we are dealing with a very well-organized Third and Fourth World of developing countries, the Third World being those which have natural resources and the Fourth being those which have not.

One of the big positions that we have taken came in September of 1975, when we took a totally new direction in the United Nations respecting the developing world, in an address and a set of programs which were laid out by Secretary Kissinger, with the cooperation of 20 Members of the House of Representatives and the Senate.

One of the implied promises there was that the OPEC nations were called upon to contribute more, as they should be, as I think has been properly pointed out; and as the Third World tried to organize itself with the greatest sense of what was, even in its own best interests, justice to those dealt with in the multination corporations, there was an indication that we would not run for cover under these particular appropriations, but that we would maintain them, giving the world an opportunity to do a better job, in totality, economically.

I think it would have a very unhappy effect—these countries are meeting in Nairobi in early May, and it would have a very unhappy effect if we took a measure of this kind at this time. It would be misread as cracking down on the Third World, because of the revolutionary confusion now enveloping it. If we have a chance to see our way out of this problem, and I believe we do, it would be because of the intelligent nursing of the situation which defeating this amendment, with all due respect to Senator BYRD, and he knows my high regard for him, would effectuate in their outlook and their relations with the developed world. To do otherwise would cost us infinitely more in terms of military preparation, world disorder, difficulties with markets, et cetera, than what is involved at this particular time.

I thank my colleague for yielding.

The PRESIDING OFFICER. Who yields time?

Mr. HARRY F. BYRD, JR. Mr. President, I simply want to say again, this amendment does not reduce the appropriation; it just keeps the appropriation the same as it is now, namely at $125 million. It does reduce the very substantial increase which has been added by the committee.

I yield back the remainder of my time.

Mr. INOUYE. I yield back the remainder of my time.

Mr. MATHIAS. Mr. President, this amendment attacks not only the appropriation proposed for the United Nations Development Fund, but also the judgment of the President in requesting the Fund, the opinion of the Subcommittee on Foreign Operations in recommending it and the discretion of our former colleague, F. Bradford Morse, now United Nations Administrator, in carrying out the program.

It would be a tragic mistake to deny the full sum requested by the administration. The Development Fund addresses itself to the root of problems affecting the human race and not merely to cosmetic treatment that will not change the future for the better.

The subcommittee has found, as it reported to the Senate on page 69, that there is a change in attitude on the part of participating member nations. There is a positive climate in this course of formation. Nothing would blight this favorable change faster than for the Senate to exhibit a lack of confidence at this time.

I have confidence in the President's judgment of this need, in the recommendation of the Senator from Hawaii (Mr. INOUYE) and in the ability of Mr. Morse to carry out the United Nations program in the spirit in which the Congress has authorized the United States to participate. I urge the Senate to defeat the amendment.

Mr. PELL. Mr. President, included in S. 12203 is an appropriation of $7.5 million as the contribution to the United Nations environment program for fiscal year 1976. This amount has been proposed under an authorization act which passed the Senate in 1973 and which I had the honor to cosponsor in the Senate. That authorization was in support of the President's pledge that the United States was prepared to pay on a matching basis up to 40 percent of a $100 million fund over a period of 5 years.

To date, the United States has contributed only $12.5 million for the first 3 years of the program. That sum represents less than 30 percent of the total contributions to the fund. If the contribution of $7.5 million which was approved by the Appropriations Committee for fiscal year 1976 is adopted, a total of $20 million will have been contributed—or exactly one-half of the total 5-year authorization.

I am concerned that if the United States does not demonstrate that it is prepared to make contributions to the U.N. environment program commensurate with our obligation made at the Stockholm Environment Conference in 1973 and with the improved effectiveness of the program, other nations will have little incentive to live up to their obligations.

In addition, I am concerned that unless the United States is in a position to contribute the $7.5 million requested by the administration many important projects of interest to the United States will not be adequately funded. Two projects which come immediately to mind are the global environmental monitoring system and the assessment of ozone depletion and its consequences.

I strongly urge the Senate to approve the appropriation recommendation for the United Nations environment program.

The PRESIDING OFFICER (Mr. BUCKLEY). All remaining time having been yielded back, the question is on agreeing to the amendment of the Senator from Virginia. On this question, the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Indiana (Mr. BAYH), the Senator from Idaho (Mr. CHURCH), the Senator from Iowa (Mr. CULVER), the Senator from Alaska (Mr. GRAVEL), the Senator from Indiana (Mr. HARTKE), the Senator from Washington (Mr. JACKSON), the Senator from Wyoming (Mr. MCGEE), and the Senator from Georgia (Mr. NUNN) are necessarily absent.

I further announce that the Senator from Vermont (Mr. LEAHY) is absent on official business.

I further announce that, if present and voting, the Senator from Alaska (Mr. GRAVEL) and the Senator from Washington (Mr. JACKSON) would each vote "nay."

Mr. GRIFFIN. I announce that the Senator from Tennessee (Mr. BROCK), the Senator from New Jersey (Mr. CASE), the Senator from Kansas (Mr. PEARSON), and the Senator from Vermont (Mr. STAFFORD) are necessarily absent.

The result was announced—yeas 37, nays 50, as follows:

[Rollcall Vote No. 89 Leg.]

YEAS—37

Allen
Bartlett
Bentsen
Buckley
Bumpers
Byrd,
  Harry F., Jr.
Byrd, Robert C.
Cannon
Curtis
Dole
Domenici
Eagleton
Eastland
Fannin
Garn
Goldwater
Hansen
Helms
Hruska
Laxalt
Long
Magnuson
McClellan
McClure
McIntyre
Montoya
Proxmire
Randolph
Ribicoff
Roth
Scott,
  William L.
Stennis
Stone
Symington
Talmadge
Thurmond
Young

NAYS—50

Abourezk
Baker
Beall
Bellmon
Biden
Brooke
Burdick
Chiles
Clark
Cranston
Durkin
Fong
Ford
Glenn
Griffin
Hart, Gary
Hart, Philip A.
Haskell
Hatfield
Hathaway
Hollings
Huddleston
Humphrey
Inouye
Javits
Johnston
Kennedy
Mansfield
Mathias
McGovern
Metcalf
Mondale
Morgan
Moss
Muskie
Nelson
Packwood
Pastore
Pell
Percy
Schweiker
Scott, Hugh
Sparkman
Stevens
Stevenson
Taft
Tower
Tunney
Weicker
Williams

NOT VOTING—13

Bayh
Brock
Case
Church
Culver
Gravel
Hartke
Jackson
Leahy
McGee
Nunn
Pearson
Stafford

So the amendment of Mr. HARRY F. BYRD, Jr., was rejected.

Mr. GLENN. Mr. President, I call up my amendment which is at the desk.

The PRESIDING OFFICER (Mr. STONE). The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Ohio (Mr. GLENN) proposes an amendment:

On page 4, lines 13 and 14, strike "$189,500,000: *Provided,*" and insert in lieu thereof "$190,500,000: *Provided,* That not less than $1,000,000 of such amount shall be available only for the International Atomic Energy Agency to be used for the purpose of strengthening safeguards and inspections relating to nuclear missile facilities and materials: *Provided further,* That such $1,000,000 shall remain available until expended: *Provided further,*".

Mr. GLENN. Mr. President, this additional funding addresses one of the problems which is of major significance for the whole world as well as for the United States, and that is the nuclear proliferation around the world and how we monitor the plutonium output of the nuclear generating plants, which now number 322 around the world, which the International Atomic Energy Agency has responsibility for monitoring. They are doing this job with only some 64 inspectors, of whom probably 40 or 45 are in the field at any one time.

In the Committee on Government Operations, we have had hearings that addressed this problem; and without any exceptions, all the experts who have come before us have been very much in favor of an increasel expenditure for IAEA inspectors, so that they can get on with the job.

The administration has been behind this matter. Secretary of State Kissinger testified, when he was before the committee, that they would support the proposal I make today.

The administration, in turn, is coming in with a 5-year million-dollar-a-year increase for IAEA inspectors. The reason for the additional $1 million that this amendment provides is so that in this year, between now and October, when the President's proposal will take effect, IAEA can get on with the job now, start hiring inspectors, and not wait until some time next year before they could go ahead with expanding their staffs in an attempt to keep up with the nuclear proliferation that is going on around the world.

We have discussed this matter. It has been brought up on the floor of the Senate several times in the past. I do not believe I need to go into any more depth about the need for this. I have talked about this proposal with the distinguished Senator from Hawaii as well as the distinguished Senator from Massachusetts on the minority side. I believe they are prepared to accept the amendment.

I do not need a record vote on the amendment, unless someone desires it.

The funds provided in this amendment are desperately needed, and I think this proposal will fill the bill between now and October in helping IAEA to get on with doing the job that is important to the entire world, not just the United States.

Mr. INOUYE. Mr. President, this item has been discussed with the distinguished Senator from Ohio. The subcommittee was prepared to increase the appropriation by the sum suggested in this amendment. However, at the time of markup, as the Senate is well aware, the budget estimate submitted by the administration did not call for this. The subcommittee is in full accord with the arguments offered by the distinguished Senator, and we are prepared to accept the amendment.

I yield back the remainder of my time.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Ohio.

The amendment was agreed to.

Mr. KENNEDY. Mr. President, I send an amendment to the desk.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Massachusetts (Mr. KENNEDY), for himself and Mr. FONG, proposes an amendment.

Mr. KENNEDY. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 20, between lines 16 and 17, insert the following new section:

EMERGENCY MIGRATION AND REFUGEE ASSISTANCE FUND

For necessary expenses to carry out the provisions of section 2(c) of the Migration and Refugee Assistance Authorization Act of 1962, as amended (22 U.S.C. 2601), "$5,000,000".

Mr. KENNEDY. Mr. President, I have talked this matter over with the floor manager, as well as with my colleague from Massachusetts (Mr. BROOKE). It is a very modest amendment, only increasing the bill by some $5 million, only in the area of refugee assistance. The moneys which are available for this particular area have expired. It has the support of the administration. Its prime cosponsorship is the distinguished Senator from Hawaii (Mr. FONG), who is ranking member of the Refugee Subcommittee, which I serve as chairman.

Primarily, it will provide funds for refugee assistance, such as for the Chilean parole program, for Angolan refugees, and for some of the particular refugee problems in Lebanon as well. There are needs, and we do have demands to meet in terms of our responsibilities in this area.

This is a simple amendment. It merely provides $5 million for the Emergency Refugee and Migration Assistance Fund established by Congress late last year in the Foreign Relations Authorization Act for fiscal year 1976. Some $25 million was authorized for this fund, to be drawn on as determined by the President and replenished after the fact on the President's request to Congress. The new fund is similar to previous legislative authorities to meet refugee emergencies of interest to the American people.

A $25 million appropriation for the new fund is recommended in the President's fiscal year 1976 supplemental appropriation request, which was transmitted to Congress in January. Action on the supplemental, is not anticipated for several weeks. But in the meantime refugee emergencies continue.

The purpose of our modest amendment is to provide some urgently needed "seed money" for the Emergency Refugee and Migration Assistance Fund, pending congressional action on the supplemental request. This will enable the President to meet immediate humanitarian obligations and any new emergencies which may occur over the next several weeks.

Immediate obligations include assistance for the care and resettlement of refugees from Chile, of Assyrian and Armenian refugees in Lebanon, of Kurdish refugees in Iran, of Portuguese returnees from Angola in Portugal, and of Jews and others from Eastern Europe. And the Angolan civil war has created new humanitarian emergencies in Southern Africa. U.S. assistance for these purposes will be channeled through the United Nations High Commissioner for Refugees—UNHCR—the Intergovernmental Committee for European Migration—ICEM—the International Committee of the Red Cross—ICRC—and the private voluntary agencies.

Mr. President, the Department of State, the voluntary agencies working with refugees, and many of our colleagues strongly support this amendment. And, to elaborate on its purpose I ask unanimous consent that a letter from the Department of State's Coordinator for Humanitarian Affairs, and a cable from the American Council of Voluntary Agencies in New York be printed in the Record.

There being no objection, the letter and the cable were ordered to be printed in the Record, as follows:

March 19, 1976.

Hon. Edward M. Kennedy,
Chairman, Subcommittee on Refugees and Escapees, U.S. Senate.

Dear Senator Kennedy: As I am sure you are aware, since the FY 1976 Department of State authorization act became law last December authorizing a $25 million emergency fund in lieu of the previous $10 million drawdown authority, the Department has had no available source of funds to meet current emergency refugee needs, inasmuch as action has not been taken to initiate an appropriation to finance the emergency fund authorization. This has happened at a time when there are a growing number of new refugee situations and other potential trouble areas in which the United States has a serious concern. Our requirements for resources to meet these needs are urgent and compelling and your support for an appropriation of up to $25 million for this purpose, under the Foreign Assistance Act for the Fiscal Year 1976, is earnestly requested.

The Department originally requested that the previously existing ceiling of $10 million on the drawdown authority be increased to $25 million in order to be better prepared in the event that unforeseen demands arose during FY 1976 exceeding the old ceiling, which the events of FY 1975 had shown to be inadequate. Congress preferred to authorize a new $25 million Emergency Refugee and Migration Assistance Fund under the Foreign Relations Authorization Act, Fiscal Year 1976 (P.L. 141). This was to be established this year to draw on as determined by the President and replenished after the fact on our request to Congress. To fund this, $25 million was requested as a Fiscal Year 1976 supplemental appropriation, transmitted to the Congress at the same time the President's Fiscal Year 1977 budget went to the Congress in January 1976.

In the absence of funds being appropriated for the purpose of the Fund, the President is currently without any authority to approve obligations and expenditures to meet emergencies. We have at the same time urged international organizations and voluntary agencies to initiate programs with their own resources to meet pressing human needs without being able to provide assurances that at some future time we will assume some of the financial burden.

Let me cite some of the urgent situations confronting us. A concerted effort is underway in Beirut at this moment to assist some 1,800 Assyrian and Armenian refugees who qualify for entry into the United States. The UN High Commissioner for Refugees has arranged for a safe-haven in Greece and the refugees are being airlifted to Athens for U.S. immigration processing. In addition to the airlift, the cost for care and maintenance is now entirely borne by the UNHCR's emergency fund which we need to reimburse immediately.

There is a further urgent need to assist Kurdish refugees in Iran who are unable to settle in that country. The U.S. Government has agreed to accept 400 of these and an additional 1,000 could be resettled elsewhere if funds were made available. To process the applicants to the United States the refugees would have to be transported to the Federal Republic of Germany and maintained there until finally accepted. Such an effort would require substantial funds.

Events in Angola have unfortunately created large new groups of refugees in neighboring countries. The full dimensions of the problem of these dislocated persons in such countries as Zaire and Zambia are just becoming apparent. The High Commissioner may be obliged to issue an appeal to meet these needs. ICEM has issued an appeal for $4 million to finance a program of resettlement for 12,000 Portuguese Angolans to Brazil, Venezuela and other countries.

Not the least of our concerns is the continuing need to assist refugees from Chile who, in addition to the relatively small number processing for parole into the United States, are finding resettlement opportunities elsewhere. Meanwhile this group is in need of material assistance in countries throughout Latin America, and UNHCR and ICEM are in further need of special funds to provide additional support for these refugees.

These are some of the current problems. There are bound to be additional ones in the near future for which no U.S. funds are now available. Timing has thus become a crucial factor. It now seems that a supplemental appropriation, as originally contemplated, could not be enacted until May or June.

In these circumstances the most practical action would be an amendment to the Fiscal Year 1976 Foreign Assistance Appropriation, scheduled to come to the Senate floor next week, to fund the Emergency Refugee and Migration Assistance Fund in an amount of $25 million to remain available until expended. In your capacity as Chairman of the Subcommittee on Refugees and Escapees, I would hope you would find ample justification to introduce an amendment on the floor of the Senate to fund the already existing authorization to meet emergency refugee and migration needs. Your assistance in this regard would avoid a very serious gap in our long and traditional record of being among the first of nations to respond to human tragedy.

If you require any further information on this question, I would be pleased to provide it as a matter of high priority.

Sincerely,

J. M. Wilson, Jr.,
Coordinator for Humanitarian Affairs.

March 20, 1976.

Senator Edward M. Kennedy,
U.S. Senate,
Washington, D.C.

The voluntary agencies associated in the Refugee and Migration Committee of the American Council of Voluntary Agencies for Foreign Service, and their constituents, are deeply troubled by the crisis facing the office of the coordinator of humanitarian assistance unless funds authorized in P.L. 94–141 for the creation of the Emergency Refugee and Migration Assistance Fund are appropriated speedily. Tragedy would result from the government's and the agencies' inability to fulfill the humanitarian concerns and commitments made on behalf of the American people. Refugee assistance programs that may have to be discontinued are directed to refugees from the Soviet Union as well as Chile; to Kurds from Iran as well as Assyrians and Armenians from Lebanon; to refugees from Angola in Zaire and Zambia as well as to exiles from Eastern Europe. Programs now in progress will come to a sudden halt; other programs, long overdue, will not be initiated; and emergencies will not be alleviated. We urge that this tragedy be averted. We plead with you to sponsor and support an appropriation amendment on the floor to fully fund the 25 million dollar authorization.

Charles Sternberg,
Chairman, Refugee and Migration Committee, American Council of Voluntary Agencies for Foreign Service; and American Fund for Czechoslovak Refugees, Inc.; American Jewish Joint Distribution Committee Inc.; American ORT Federation, Inc.; Church World Service; HIAS, Inc.; International Rescue Committee, Inc.; Lutheran Immigration and Refugee Service; Immigration and Refugee Service of United States Catholic Conference; Tolstoy Foundation, Inc.

Mr. KENNEDY. Mr. President, there is a humanitarian need now for this fund. I hope my amendment will be accepted.

Mr. FONG. Mr. President, I rise to support this amendment. I understand that the chairman of the committee will be willing to accept this amendment.

A $25 million emergency refugee and migration assistance fund was authorized under the Foreign Relations Authorization Act, fiscal year 1976—Public Law 94–141, November 29, 1975. No money has been appropriated under this authorization.

This authorization amended and in fact, replaced a previous $10 million a year drawdown fund authorized under the Migration and Refugee Assistance Act of 1962—Section 20. Previously, $10 million a year was appropriated and upon a Presidential determination, up to that total amount could be drawn in any year for emergency refugee assistance.

Between July 1 and November 1975, $6.8 million had been drawn down for the Lao refugee program and a $1 million request to assist Chilean refugees was pending upon enactment of Public Law 94–141. This new law caused the emergency program to be curtailed even though $3.2 million was still unobligated. This authorization actually repealed the 1962 Act with $3.2 million unspent. Now, there are no funds to carry on this emergency humanitarian program.

The $25 million fund, which is to be available until expended, was to be established in 1976. $25 million was requested as a fiscal year 1976 supplemental appropriation and transmitted to Congress in January 1976 at the same time as the President's fiscal year 1977 budget went to Congress.

In the absence of funds being appropriated, today there are no moneys to assist 1,800 Assyrian and American refugees now in Beirut, who qualify for entry into the United States. The U.N. High Commissioner for Refugees has arranged a safe-haven in Greece and the refugees are being airlifted to Athens. Kurdish refugees in Iran are awaiting resettlement in United States and other countries. The Kurds will have to be transported to the Federal Republic of Germany and maintained there until processed. All this costs additional funds. Angolans are also in need of resettlement and efforts are being made to settle 12,000 Portuguese Angolans in Brazil, Venezuela and other countries, and ICEM is in need of $4 million for this. There is now no money for these needs.

These moneys were used in fiscal year 1975 for assistance to Soviet refugees going to countries other than Israel—$5 million—and for refugees from South Vietnam and Cambodia—$5 million. Fiscal year 1974 funds were used for the exchange of persons between Pakistan and Bangladesh—$4.4 million, for assistance to the Palestinian refugees—$4.2 million—and for assistance to refugees in and from Chile—$1.4 million.

These humanitarian types of need can no longer be taken care of in an emergency because Public Law 94-141 has in effect repealed the 1962 act and it has now been funded.

I ask unanimous consent that a mailgram from the Council of Voluntary Agencies be printed in the Extensions of Remarks.

There being no objection, the mailgram was ordered to be printed in the Record, as follows:

New York, N.Y.,
March 20, 1976.

Senator Hiram L. Fong,
U.S. Senate,
Washington, D.C.:

The voluntary agencies associated in the refugee and migration committee of the American Council of Voluntary Agencies for Foreign Service, and their constituents, are deeply troubled by the crisis facing the office of the Coordinator of Humanitarian Assistance unless funds authorized in P.L. 94-141 for the creation of the emergency refugee and migration assistance fund are appropriated speedily. Tragedy would result from the government's and the agencies inability to fulfill the humanitarian concerns and commitments made on behalf of the American people, refugee assistance programs that may have to be discontinued are directed to refugees from the Soviet Union as well as Chile; to Kurds from Iran as well as Assyrians and Armenians from Lebanon; to refugees from Angola in Zaire and Zambia as well as to exiles from Eastern Europe. Programs now in progress will come to a sudden halt; other programs, long overdue, will not be initiated; and emergencies will not be alleviated. We urge that this tragedy be averted. We plead with you to sponsor and support an appropriation amendment on the floor to fully fund the 25 million dollar authorization.

Charles Sternberg, chairman; Refugee and Migration Committee; American Council of Voluntary Agencies for Foreign Service; and American Fund for Czechoslovak Refugees, Inc.; American Jewish Joint Distribution Committee Inc.; American Ort Federation, Inc.; Church World Service; Hias, Inc.; International Rescue Committee, Inc.; Lutheran Immigration and Refugee Service; Immigration and Refugee Service of United States Catholic Conference; Tolstoy Foundation, Inc.

Mr. FONG. Because of the use to which this $5 million is to be put to use, indeed tragedy would result from the Government's and the agencies' inability to fulfill the humanitarian concerns and commitments made on behalf of the American people, I ask the adoption of this amendment as an interim measure. Until the Senate can address itself to the balance of the $25 million authorization, which is contained in the supplemental appropriation, this money is urgently needed.

Mr. INOUYE. Mr. President, in recognition of the fine work done by the Special Subcommittee on Refugees, chaired by the distinguished Senator from Massachusetts, the subcommittee is prepared to accept the amendment.

I yield back the remainder of my time.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. HUMPHREY. Mr. President, I send an amendment to the desk and ask for its immediate consideration. This amendment is on behalf of myself and Senators Eagleton, Brooke, and Inouye.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

On page 10, line 25, immediately before the period insert "and $65,000,000 shall be allocated to Greece".

Mr. HUMPHREY. Mr. President, this amendment will merely restore the language that was stricken in the bill as it came from committee. The distinguished chairman of the subcommittee is also a cosponsor of this amendment. I gather, because of his cosponsorship, that he sees its merit and will readily accept it. I am hopeful, at least, that he will.

Mr. INOUYE. Mr. President, the Senator is correct. When the subcommittee earmarked funds for supporting assistance to the countries in the Middle East, by some inadvertence, we struck out Greece because Greece was not in the Middle East Believe me. it was not done intentionally. We intended Greece to have the $65 million which had been set aside in the House bill, so we accept the amendment.

I yield back the remainder of my time.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. HUMPHREY. Mr. President, I send to the desk an amendment and ask for its immediate consideration. This is on behalf of myself and Senator Javits.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

On page 10, line 4, strike the period and insert the following:

, and of the Foreign Relations Committee of the Senate and the International Affairs Committee of the House of Representatives.

Mr. HUMPHREY. Mr. President, the purpose of this amendment is to include within the language of this bill the authorization for the House Committee on International Relations and the Senate Committee on Foreign Relations to review those changes in program that would come to the Committee on Appropriations. I understand the purpose of the language of the Committee on Appropriations. Quite frankly, I hope that the Senators will, in conference, end up with a prior notification, because it is my judgment that if the Agency for International Development gives prior notification of any program changes and the committees of the House and Senate express some concern and disapproval, that will be more than adequate. That is what was in the act of 1975.

I do understand why the Committee on Appropriations wanted to strengthen that language, but I trust that they will not come out of conference with anything less than they had in the act of 1975.

Mr. INOUYE. Mr. President, this committee amendment, further amended by the amendment offered by the Senator from Minnesota, is the most important committee amendment in this bill. With this amendment, the Congress of the United States and, more specifically, the Senate of the United States will finally have some control over reprograming. Without this amendment, the administration can, on its own initiative and in its own time, reprogram funds which we had allocated without even notifying us. This amendment would require the administration to come to the Congress of the United States and justify the proposed reprograming and seek our approval. So the committee is prepared to accept the Humphrey amendment and does so.

I yield back the remainder of my time.

Mr. HUMPHREY. I yield back the remainder of my time.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. HUMPHREY. I thank the distinguished chairman for his cooperation.

Mr. MUSKIE. Mr. President, I have some observations to make in behalf of the Committee on the Budget.

The PRESIDING OFFICER. The time is under control. Who yields time?

Mr. INOUYE. I yield to the Senator all the time he requires.

Mr. MUSKIE. I thank the distinguished floor manager of the bill.

Mr. President, the foreign assistance appropriation bill, H.R. 12203, reported by the Committee on Appropriations, totals $5.3 billion in budget authority and $2.2 billion in outlays for economic development and security assistance in fiscal year 1976 and $1 billion in budget authority and $400 million in outlays for the transition quarter.

The International Development and Food Assistance Act, the international security assistance authority bill, now in conference, and separate international development bank bills authorize the major programs funded by this bill.

H.R. 12203 also places ceilings on Export-Import Bank activity, but those ceilings do not directly affect budget authority and outlays.

The Committee on Appropriations and its Subcommittee on Foreign Operations have performed a difficult job in considering requests for so many programs, many of which were submitted to Congress by the administration 4 months after the fiscal year began. I commend Senator Inouye, the distinguished chairman of the subcommittee, for his diligent work.

I commend the Appropriations Committee for the spending austerity reflected in this bill. The committee has reduced the President's fiscal year 1976 request by $500 million in budget authority and $400 million in outlays. In total, this bill is $300 million in budget authority and $300 million in outlays below the foreign assistance authorization levels already enacted into law or passed by the Senate. The functional totals for national defense and international affairs in the second budget resolution were based on assumed reductions in the President's security assistance request of $400 million in budget authority and $200 million in outlays.

H.R. 12203 makes appropriations for three functions: The security assistance programs fall in the national defense and international affairs functions. Programs for economic and financial assistance are in the international affairs function. Assistance for Cuban refugees in the United States is in the income security function.

With regard to the spending ceilings contained in the second concurrent resolution, let me put the bill before us today in context by discussing the additional legislation that may materialize during the remainder of the fiscal year and the likely outcome of an analysis the Congressional Budget Office is now completing of the budget estimates for fiscal year 1976 based on the latest available information on existing program costs.

Taking account of levels provided in this bill, plus the President's District of Columbia appropriations request yet to be reported, and supplemental requirements for programs already authorized, the totals for the budget as a whole are likely to be under the second budget resolution ceilings by $1.3 billion in budget authority and $1.5 billion in outlays. There are, however, several additional pieces of legislation that were assumed in the second budget resolution which need to be kept in mind. If all the following possibilities come to pass, the second budget resolution ceilings could be exceeded by $4.9 billion in budget authority and $300 million in outlays.

The Inter-American bank bill, if enacted, may require $255 million in budget authority and $7 million in outlays this year.

Energy, health, and veterans legislation now under consideration may add $900 million in budget authority and $300 million in outlays to the totals.

Public service jobs, summer youth, and other legislation in the education, manpower, and social services area may add another $1.5 billion in budget authority and $900 million in outlays.

Public works and antirecession assistance requirements could require $3.5 billion in budget authority and $600 million in outlays.

The $300 million overage in outlays is within the range of estimating error, and hopefully will not be a problem. But on the budget authority side, if we pass this bill, we will obviously need either to increase the second budget resolution ceiling or forego funding of many of these possible congressional initiatives. I would point out to my colleagues that part of the problem on the budget authority side occurs because of the New York City aid package. In establishing the second budget resolution ceilings, we specifically did not include provision for assistance to New York City since that matter was not settled at the time. Since then, spending legislation amounting to $2.3 billion in budget authority has been enacted by Congress for that purpose. At the time of the second budget resolution, we pointed this problem out and indicated the possible need to consider a third budget resolution later in the year to accommodate this assistance. As you can see, however, increasing the second budget resolution budget authority ceiling by the amount of the New York City aid would still leave us far short of covering all these possible additional requirements.

Mr. President, I have dwelt on this situation at some length so that all Senators will be able to understand fully the options they may be facing later in the fiscal year. If we vote in favor of the bill before us today, some other high priority items may be crowded out later unless we are willing to increase the second resolution ceiling on budget authority. Everyone needs to understand that point clearly.

Let me emphasize, Mr. President, that we are faced with this problem largely because of increases over which the Congress has little control. The bill before us today and the possible additional authorizations and appropriations I have mentioned were all assumed at the time of the second budget resolution and included in it. But the Congressional Budget Office analysis indicates that increases in budget authority have occurred in other budget areas where the administration had inadequately estimated the cost of existing programs.

So the situation we face, although very real, is not due to excessive spending on the part of Congress or spending beyond what we assumed in the second concurrent resolution.

Mr. President, as we approach the end of the fiscal year, as we get even further into it, I am sure I will be making similar statements repeatedly so that Members of the Senate may understand clearly the options which they ought to have before them.

I yield to the distinguished Senator from Virginia.

Mr. HARRY F. BYRD, JR. The Senator from Maine mentioned the Inter-American Bank, and I did not catch the figure as to the budget authority in that case.

Mr. MUSKIE. The impact of the Inter-American Bank bill, of course, is further down the road beyond this fiscal year. In this fiscal year it would require $255 million in budget authority and $7 million in outlays.

Mr. HARRY F. BYRD, JR. $7 million in outlays.

Mr. MUSKIE. $7 million in outlays.

Mr. HARRY F. BYRD, JR. I am not clear as to just what figure the chairman now estimates will be the ceiling for both the budget authority and the outlays for fiscal 1976.

Mr. MUSKIE. Well, at the present time, if we pass this bill, we are under the second budget resolution ceiling in budget authority by $1.3 billion and under the ceiling in outlays by $1.5 billion.

The Senator was in the Chamber when I listed the additional programs coming along that may be crowded out by those two numbers.

Mr. HARRY F. BYRD, JR. And those additional programs, assuming they are enacted, would add up to what figure?

Mr. MUSKIE. If they were all enacted, we would be over the second budget resolution ceiling on budget authority by $4.9 billion, of which $2.3 billion is the New York City assistance which we anticipated we might have to provide additionally, and $300 million in outlays.

Mr. HARRY F. BYRD, JR. I thank the Senator.

Mr. MUSKIE. So we would have to reduce these additional programs by $300 million in outlays below the figures I have put in the RECORD, and on the budget authority side we would have to increase, we would have to have a third resolution to provide for the New York City budget authority, but we would still be $2.6 billion out of whack.

Mr. HARRY F. BYRD, JR. You might say in round figures $5 million.

Mr. MUSKIE. Including New York City, $5 million.

Mr. HARRY F. BYRD, JR. I thank the Senator.

Mr. MUSKIE. Mr. President, incidentally, I would like to at this point commend the distinguished chairman of the subcommittee for the reforms reflected in the memo which he has distributed to Members of the Senate under date of March 22, 1976.

I would like to, if it is not already included in the RECORD, to ask unanimous consent to have that memorandum printed in the RECORD at this point, with a strong expression of my approval for this additional control which the distinguished Senator from Hawaii has provided in the bill.

There being no objection, the memorandum was ordered to be printed in the RECORD, as follows:

U.S. SENATE,
COMMITTEE ON APPROPRIATIONS,
Washington, D.C., March 22, 1976.

DEAR COLLEAGUE: I want to call to your attention two important administrative or "housekeeping" amendments to the fiscal year 1976 Foreign Assistance and Related Programs Appropriation Bill, as reported by the Committee on Appropriations and scheduled for Floor action early this week.

(1) Reprograming of Foreign Assistance. The Administration has historically contended that its annual presentation of foreign assistance to the Congress is only "illustrative" and therefore, once approved, can be altered at will between countries and projects. We saw this happen a few years ago with worldwide Public Law 480 programs being concentrated into Southeast Asia when appropriations for programs in that area were reduced. We saw it again last October when the Administration sought to push through a $22.7 million loan to Zaire as an addition to its fiscal year 1976 program. The bill before you includes an amendment which would require Appropriations Committee approval of new projects or increases in projects previously justified.

(2) Operating Expenses of the Agency for International Development. For the last five years we have been trying to sort out AID's operating expenses, or as I like to call them, AID's "cost of doing business." Certainly improvements have been made in AID's operations over the last several years but we still have a long way to go. In order to focus on

these costs we need them segregated into a single line item, as the Committee recommends, and not scattered throughout program accounts as is AID's preference. If the Senate is to look to us for oversight and management of these funds I recommend that we identify them in a very specific way in a discrete appropriation account.

Any Member of the Senate who believes in Congressional control over spending can enthusiastically support these provisions in the bill recommended by the Committee. I personally urge you to do so.

Sincerely,

DANIEL K. INOUYE,
Chairman, Subcommittee
on Foreign Operations.

Mr. INOUYE. I thank my distinguished friend very much.

Mr. TAFT. Mr. President, I send an amendment to the desk.

The PRESIDING OFFICER. The clerk will report the amendment.

The assistant legislative clerk read as follows:

The Senator from Ohio (Mr. TAFT) proposes an amendment:

On page 2 line 19, strike $146,400,000 and substitute therefor $151,400,000.

On page 2 line 20, strike $100,000,000 and substitute therefor $115,000,000.

Mr. TAFT. Mr. President, the purpose of this amendment would be to add $15 million to the population planning program—population planning and health program—which is in line 19, and then to up in line 20 so the specification that of that amount not less than $100 million be changed to not less than $115 million of such amount to be available only for population planning.

Mr. President, with the developments in the world which we see today, and the food crisis and the hunger crisis we see in the population burgeoning in many of the developing nations which can ill afford to take care of the additional people, I think it is incumbent upon us to take what has been a successful program over the years and to add to the level of expenditure proposed in the bill.

Without the additional $15 million I have suggested it would at best merely keep us going along at about the current level if, indeed, not calling actually for a cutback because of increased costs.

I would particularly like to call attention to the fact that population, of all of the items, and I am looking at the title I items here, in the percent of the Senate level below the President's request, of all the items covered population seems to have taken the worst beating. For instance, we have food and nutrition with a 10-percent cut, and here we are encouraging the growth of more food and the improvement of nutrition, but when we get to the area of population planning and health we find there is a 15-percent cut.

In education and human resources there is an 11 percent cut; in selected development activity only a 11-percent cut.

Then when we get over to the next page on the table and we take a look at the overall percentage of the cut below the Senate level, below the President's request, we find there is only an overall 8-percent cut. It sems to me we are getting our priorities out of line insofar as these items are concerned.

It may be that some other items ought to be cut back to get the money at this point for this particular expansion of the program I am suggesting, but I do not know exactly what items it ought to come from. It has been suggested that, perhaps, the operating expense figure at a later point in the bill might be considered. There is some $38.6 million that is allocated for that purpose. But I am advised that the agency has indicated this still seemed to be a solid budget from the point of view of operating expenses.

I do hope that regardless of the outcome of this amendment when the bill goes to conference that we will see the conference committee take a hard look at those operating expenses, and if there are additional funds in the operating expenses not needed for that purpose, to try to make some of those funds available for the actual program expense and, thereby, come within the—provide additional funds into the—operating end of the program.

I believe this change is a justified one, and I certainly do not want to be budget-busting at this point but, it seems to me, in the long run these programs are programs that have been proven, are doing a great deal of good around the world and, indeed, I think can do more effectively than perhaps any other dollars that we are spending on this particular program availability in the bill.

Mr. INOUYE. Mr. President, I yield to the Senator from Maine.

Mr. MUSKIE. Mr. President, I listened with a good deal of sympathy to the case made by the distinguished Senator from Ohio. I am not concerned with the merits but with the procession of amendments we have had now which add to the cost of this bill.

I recognize, of course, that the bill represents a reduction from the President's request overall, that it is within the Second Concurrent Budget Resolution, so the Senator's amendment would not be subject to a point of order under the Budget Act but, nevertheless, I am concerned that we are using up the room left under the Second Concurrent Resolution to an extent that will leave us with some pretty tight options down the road.

So I hope the chairman of the committee might give consideration, as he considers this amendment, to the budget consequences, as I am sure the distinguished Senator from Ohio will.

Mr. TAFT. Will the Senator from Maine yield?

Mr. MUSKIE. Yes.

Mr. TAFT. I wish to thank the Senator from Maine for his comments.

I point out one thing that the agency advises me with regard to this, and that is the expenditures here involved, probably many of them would not occur, actually, after October of next year. So that the actual budgetary impact may not be as great as might otherwise be the case.

Mr. MUSKIE. I yield.

Mr. INOUYE. Mr. President, I find it extremely difficult to argue against my distinguished friend from Ohio because I happen to believe in the cause he espouses, that if we can somehow bring about some semblance of stability in population growth in this world many of the problems we have discussed in this bill could be resolved.

However, I cannot disregard the important statement made by our distinguished chairman of the Committee on the Budget. So if I may most respectfully suggest to my distinguished friend from Ohio that he reduce the amount to $151,400,000 and the other figure to $105 million.

Mr. TAFT. I appreciate the Senator's suggestion, and half a loaf, or a third of a loaf, is better than none.

Mr. INOUYE. If I may, I assure the Senator I will do my best to hang on to all of this.

Mr. TAFT. I appreciate that on the Senator's part.

Might I add to the Senator's agreement with me that if in the conference a review of the operating expenses indicate there are other funds that might become available, the operating expenses effect, might consider transferring those?

Mr. INOUYE. I can assure the Senator that will be done.

Mr. TAFT. I appreciate the Senator's comments.

Mr. President, I ask to modify my amendment accordingly to make the amount $151,400,000 on the first page and $105 million on the second.

The PRESIDING OFFICER. The amendment will be so modified.

The amendment, as modified, is as follows:

On page 2, line 19, strike $146,400,000 and substitute therefor, $151,400,000.

On page 2, line 20, strike $100,000,000 and substitute therefor, $105,000,000.

The PRESIDING OFFICER. The question is an agreeing to the amendment, as modified.

The amendment, as modified, was agreed to.

Mr. TAFT. Mr. President, I ask unanimous consent that the Senator from Oregon (Mr. PACKWOOD) be added as a cosponsor of the amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. TAFT. I thank the chairman.

The PRESIDING OFFICER. The bill is open to further amendment.

Mr. INOUYE. Third reading.

The PRESIDING OFFICER. If there be no further amendment to be proposed the question is on the engrossment of the amendments and the third reading of the bill.

The amendments were ordered to be engrossed, and the bill to be read a third time.

The bill was read a third time.

Mr. INOUYE. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The Senator from Virginia.

FOREIGN AID—A TIME FOR REAPPRAISAL

Mr. HARRY F. BYRD, JR. Mr. President, the Senate today is being asked to approve H.R. 12203, the foreign assistance and related appropriation bill for fiscal year 1976.

This legislation will cost the American taxpayers $5,317,640,909.

This is $1,642,583,927 more than last year's appropriation, and it is only one part of a total foreign aid program that is expected to cost the United States more than $9 billion in fiscal year 1976.

The $5.3 billion is a 43-percent increase over the previous year.

The foreign aid figure of $9 billion does not include the activities of the Export-Import Bank.

If those figures are included—and frankly, I am not certain they should be—then the total foreign aid bill to the people of the United States for fiscal 1975, the fiscal year ending June 30, 1975, will be nearly $15 billion.

While I am not sure that the Export-Import Bank figures should be added as a total cost of foreign aid, I will point out that the more the Export-Import Bank goes into the money markets to borrow the funds to lend to other countries at low U.S. taxpayer subsidized interest rates, the greater the competition for the limited amount of money available.

I submit that the foreign aid program—and the Export-Import Bank program, for that matter—plays an important role in the highest interest rates which this Nation is suffering from today.

The more the Government goes into the money markets for funds, the greater the competition there is for money and the higher interest rates will be.

Let me emphasize, then, Mr. President, the transfer of U.S. resources to foreign nations in this fiscal year will be $9 billion in round figures, not including the loans from the Export-Import Bank.

I do not believe that the United States should continue this foreign aid program to 100 different countries in its present form and under current economic conditions.

The issue we must consider is not whether the United States is a generous nation with humanitarian concerns.

We do not have to prove ourselves. Our record of generosity speaks for itself.

According to a report prepared by the House Committee on Appropriations, the price tag to the United States for foreign aid programs since 1945 has been $170 billion.

Of this $170 billion, almost $34 billion was in the form of loans, and the balance, some $136 billion was in the form of direct grant aid.

In addition to these aid programs, the United States has made little effort to collect a total of $60 billion owed to our country by foreign nations on outstanding debts.

The United States has indeed been a generous friend and a gracious ally.

But as I have said, this is not the issue we must now consider.

The issue is whether we, as responsible representatives of the American people, are ready to meet our constitutional obligation in the raising and spending of the taxpayers' dollars.

Our Federal spending is at an all-time high and we face, in this year alone, a budget deficit of $76 billion.

The accumulated Federal deficits of the last several years played a major part in fueling the inflation we have experienced, keeping money scarce and interest rates high.

Inflation has subsided somewhat now, and I expect a relatively tranquil 1976. But present policies are building pressures that can bring a new wave of inflation in 1977 or 1978.

To me, a significant and alarming figure is that 38 percent of the Nation's total national debt of $720 billion as of October 1, 1977, will have been incurred during the 6-year period 1972–77.

Yes, more than one-third of the total debt will have been incurred in 6 years. The deficits during those 6 years will total a staggering $272 billion.

Washington's current economic program provides for Federal spending at the rate of $1 billion a day—with deficits of more than $1 billion a week.

In short, the United States is already financially overextended—with no improvement to the problem in sight.

For too long, the Congress has led the American people to believe that the chest of the Federal Treasury is bottomless—but it is not.

Every time Congress spends a dollar, it comes out of the pocket of the American wage earner.

If we do not cover the money we spend through taxes, we merely increase our budget deficits, and the wage earner has to pay for this as well—through inflation, which itself is a hidden yet cruel tax.

It eats into every wage earner's paycheck and every housewife's grocery dollar.

I believe that the time has come to show some restraint, to show some fiscal responsibility.

Unless we stop debauching our currency, unless we act to restore confidence in the American dollar, we will have a moral, constitutional and economic crisis on our hands that will dwarf any of the other problems to which we now address ourselves.

Proponents of the present foreign aid programs argue that foreign aid is always the "grand whipping boy," that our aid program has practical as well as humanitarian purposes, because these less-developed countries supply us with many of our natural resources; that these countries provide markets for our finished products, and, as such, supply jobs for Americans here at home.

It is argued that both charity and good sense dictate the continuation of our foreign aid programs if we are to promote a cooperative world economy.

Mr. President, Donald L. Barlett and James B. Steele, last year wrote an excellent series of articles for the Philadelphia Enquirer, based on a 7-month investigation of the U.S. foreign aid program.

These authors revealed that, however noble the purpose of our foreign aid program, "the most massive relief effort in the history of man has gone terribly awry."

In their series of articles, authors Barlett and Steele show how a foreign aid program that is justified on humanitarian grounds is "causing disillusionment around the world by enriching the rich and improverishing the poor."

I take this opportunity to highlight some of the conclusions of the study undertaken by Messrs. Barlett and Steele, a study which covered the globe from Bogotá, Colombia, to Bangkok, Thailand.

The authors charge that our foreign aid program is "punctuated by deception, profiteering, waste and corruption, and it gives every indication of running out of control."

They point out further that our aid program has aggravated—not helped—the world food shortage problem by discouraging agricultural production in certain less-developed countries. In addition, in some countries the foreign aid program has subsidized sweatshop factories instead of raising the standard of living, as it was supposed to do.

Thus, instead of serving the needy, the U.S. foreign aid program has "generated continuing windfalls for selected business and finance industries," and it has "entrenched" those in power in foreign countries by funneling aid through business they own or control.

As a result, the United States has widened the worldwide gap between rich and poor, rather than narrow it.

The authors also reveal that our foreign aid program has turned into a perpetual-motion machine whereby foreign recipient countries continue borrowing from the United States money to pay off past foreign aid loans when coming due so, again, the American taxpayer foots the bill.

The study further shows how our foreign aid program has swollen beyond its original intent because the program generated "a powerful, behind-the-scenes foreign aid lobby that benefits greatly from the dispensing of foreign aid."

Not only has our foreign aid program not helped those it is intended to help but, as the authors point out, it has resulted in the loss of tens of thousands of jobs in this country.

Why is the American public and the U.S. Congress not informed of the abuses and inadequacies of the U.S. foreign aid program?

According to authors Barlett and Steele:

> To keep much of the above secret, the State Department has refused to release documents that are meant to the public and has classified as "secret" other documents that might be embarrassing.

Similarly, in a study undertaken by P. T. Bauer, one of the world's most renowned academic experts on foreign aid programs at the London School of Economics, the author points out that foreign aid is a category of government spending that is seldom critically examined.

The actual results of aid and the conduct of recipient governments are rarely discussed, and then only in the most cursory fashion. The case for foreign aid is regarded as axiomatic, so that either progress or lack of progress can be used to argue for more aid. Progress is evidence of success, and lack of progress is evidence that more aid is needed, that more aid will lead to improvements. Even in the foreign aid literature "increase" and "improvement" are interchangeable terms.

Whatever happens, either progress or failure, becomes an argument for more aid. Furthermore, the burden of proof has somehow come to be placed on the critics instead of the advocates. Spending on such traditional, necessary, or popular items as defense, education, national health, or even school milk has been passionately debated, but not foreign aid.

The defenders of the aid orthodoxy keep saying, "We must help, and continue to help, and, above all, be seen trying to help, even if it doesn't really help them at all." Rarely in modern history has the combination of wealth, guilt, and hypocrisy been so self-servingly conspicuous.

In the name of humanitarianism, we aid third world tyrannies; in the name of development, we subsidize hopelessly bankrupt enterprises; in the name of good-neighbor relations, we close our eyes to what in hard reality our neighbors are actually doing.

Similarly, a recent report by the Comptroller General of the United States, revealed that developing countries can "increase their agricultural production and provide their people with urgently needed food if they provide their farmers with economic incentives and supporting services."

What have the disincentives been that have led to a lack of food production in these developing countries?

The Comptroller General reports that it has been the result of governmental policies and institutional factors in the countries concerned that has led to a lack of food production.

Furthermore, the report reveals, foreign aid has contributed to the problems in these countries, because the countries providing foreign aid have not "required developing countries to take effective action to eliminate disincentives as a condition for receiving assistance."

Mr. President, these countries have the means and the resources to help alleviate the world's hunger problem. If we are to solve this problem we must be guided by more than noble purpose.

As I said at the outset of my remarks, I do not see how the United States can continue its foreign aid program under current conditions, and in its present form indefinitely.

Over the course of the last 30 years, the United States has given massive aid to 130 countries. We are presently still giving aid to some 100 countries.

However noble the intent, however humanitarian the purpose, our foreign aid program has not helped solve problems; it has only served to compound them.

Now is the time for us to review our foreign aid program in its entirety—not on a piecemeal, catch-as-catch-can basis.

We can—and should—help other peoples struck by misfortune, but we must weigh the needs with available resources.

We cannot continue to give foreign aid to 100 different countries throughout the world.

We must reexamine, clarify and define the purpose of U.S. aid for only then will we truly be able to help the needy of the world.

And we cannot, cannot continue year after year to spend billions of taxpayers' dollars on programs that are not accomplishing the humanitarian concerns we all share.

For as I said earlier, if we throw caution to the winds we borrow trouble, and not only will the United States be inestimably poorer, but the world will be as well.

Mr. President, at this point I ask unanimous consent to have printed in the RECORD a list of the countries that have received U.S. aid since 1945, and the amounts of aid these countries received.

There being no objection, the list was ordered to be printed in the RECORD, as follows:

EXTENT OF U.S. FOREIGN AID AND ASSISTANCE

Through June 30, 1975, it is estimated that the United States will have provided economic and military assistance, of one form or the other, amounting to a net total of $170,303,600,000, of which $33,423,800,000 was in the form of loans and the balance of $136,879,800,000 was in the form of grant aid. Since we have had a surplus in the administrative budget only six times since the end of World War II, it has been estimated that an additional cost of $115,575,500,000 in interest has been incurred to borrow the money we have given to other countries. A detailed list follows showing the amount of foreign assistance provided to each country and territory:

Total net foreign assistance to 134 nations and 8 territories of the world, fiscal year 1946 through fiscal year 1975 estimated

Afghanistan	$455, 700, 000
Albania	20, 400, 000
Algeria	449, 600, 000
Argentina	376, 000, 000
Australia	214, 000, 000
Austria	1, 219, 500, 000
Bahamas	28, 200, 000
Bahrain	700, 000
Bangladesh	837, 800, 000
Barbados	1, 600, 000
Belgium-Luxembourg	1, 759, 400, 000
*Belize (Br. Honduras)	7, 500, 000
*Bermuda	22, 500, 000
Bolivia	671, 100, 000
Botswana	37, 000, 000
Brazil	3, 362, 200, 000
*Brunei	17, 700, 000
Burundi	11, 100, 000
Burma	158, 500, 000
Cambodia	352, 800, 000
Cameroon	49, 800, 000
Canada	295, 900, 000
Central African Republic	9, 900, 000
Chad	24, 300, 000
Chile	1, 244, 200, 000
China, Republic of	6, 185, 800, 000
Colombia	1, 340, 200, 000
Congo (Brazzaville)	6, 400, 000
Costa Rica	191, 800, 000
Cuba	45, 500, 000
Cyprus	55, 200, 000
Czechoslovakia	189, 500, 000
Dahomey	16, 900, 000
Denmark	928, 700, 000
Dominican Republic	547, 500, 000
East Germany	800, 000
Ecuador	298, 400, 000
Egypt	1, 129, 800, 000
El Salvador	156, 600, 000
Ethiopia	567, 700, 000
Finland	—30, 500, 000
France	7, 215, 200, 000
Gabon	18, 900, 000
Gambia	8, 800, 000
Ghana	233, 900, 000
Germany and Berlin	3, 767, 800, 000
Greece	4, 096, 200, 000
Guatemala	343, 500, 000
Guinea	120, 900, 000
Guyana	86, 500, 000
Haiti	142, 500, 000
Honduras	204, 900, 000
*Hong Kong and Macao	95, 000, 000
Hungary	12, 500, 000
Iceland	43, 400, 000
India	7, 803, 400, 000
Indochina (undistributed)	1, 542, 500, 000
Indonesia	2, 061, 200, 000
Iran	2, 329, 200, 000
Iraq	84, 400, 000
Oreland	58, 200, 000
Israel	5, 187, 300, 000
Italy	5, 461, 500, 000
Ivory Coast	128, 100, 000
Jamaica	155, 100, 000
Japan	3, 305, 100, 000
Jordan	1, 257, 900, 000
Kenya	137, 300, 000
Korea	11, 821, 700, 000
Kuwait	—2, 400, 000
Laos	2, 580, 400, 000
Lebanon	150, 300, 000
Lesotho	21, 900, 000
Liberia	234, 600, 000
Libya	220, 200, 000
Malagasy Republic	26, 100, 000
Malawi	31, 000, 000
Malaysia	129, 200, 000
Mali	76, 800, 000
Malta	52, 800, 000
Mauritania	25, 400, 000
Mauritius	15, 400, 000
Mexico	563, 100, 000
Morocco	805, 100, 000
Nepal	201, 900, 000
Netherlands	2, 158, 800, 000
New Zealand	87, 700, 000
Nicaragua	260, 500, 000
Niger	61, 800, 000
Nigeria	436, 400, 000
Norway	1, 461, 600, 000
Oceania, Other	13, 200, 000
Oman	300, 000
Pakistan	4, 796, 400, 000
Panama	358, 100, 000
Papua and New Guinea	25, 900, 000
Paraguay	152, 400, 000
Peru	614, 200, 000
Philippines	2, 374, 100, 000
Poland	555, 600, 000
Portugal	517, 100, 000
Portuguese-Speaking Africa	10, 000, 000
Romania	62, 000, 000
*Ryukyu Islands	403, 200, 000
Rwanda	11, 300, 000
Saudi Arabia	108, 800, 000
Senegal	64, 800, 000
*Seychelles	700, 000
Sierra Leone	55, 900, 000
Singapore	93, 200, 000
Somali Republic	79, 500, 000
South Africa, Rep. of	−34, 100, 000
*Southern Rhodesia	900, 000
Southern Yemen	4, 500, 000
Spain	2, 437, 700, 000
Sri Lanka (Ceylon)	243, 700, 000
Sudan	151, 800, 000
Surinam	8, 700, 000
Swaziland	9, 200, 000
Sweden	231, 100, 000
Switzerland	98, 400, 000
Syrian Arab Republic	107, 800, 000
Tanzania	131, 700, 000
Thailand	1, 929, 100, 000
Togo	26, 200, 000
Trinidad and Tobago	55, 700, 000
*Trust Territory of the Pacific	527, 600, 000

Footnotes on following page.

Tunisia	740,900,000
Turkey	6,379,800,000
Uganda	42,600,000
United Kingdom	6,222,200,000
U.S.S.R	1,216,100,000
Upper Volta	45,100,000
Uruguay	206,300,000

Total net foreign assistance to 134 nations and 8 territories of the world, fiscal year 1946 through fiscal year 1975 estimated— Continued

Venezuela	291,400,000
Vietnam	22,862,000,000
West Indies, Other	37,800,000
Western Samoa	4,700,000
Yemen Arab Republic	67,300,000
Yugoslavia	2,815,400,000
Zaire	664,300,000
Zambia	30,400,000
CENTO	51,400,000
Worldwide regional	21,820,000,000
Total net disbursements to foreign nations, 1946–1975	[1] 170,303,600,000
Total net interest paid on what we have borrowed to give away, 1946–1975	115,575,500,000
Grand total—Cost of foreign assistance 1946–1975	285,879,100,000

* Indicates territories.

[1] In addition to the above amounts, $161,418,000,000 represents Department of Defense expenditures in Korea, South Vietnam and other areas of S.E. Asia and the Far East.

NOTE.—Total may not add due to rounding.

FOREIGN AID APPROPRIATIONS

Mr. HUGH SCOTT. Mr. President, I am puzzled by the severe limitation placed on the Inspector General of Foreign Assistance by section 505 of the Committee report.

Senators should recognize that cutting IGA funding is not a reduction in the U.S. budget deficit. The legislative committees purposely authorized the Inspector General to draw—within a limit of $2 million a year—on foreign assistance funds appropriated to AID, the Department of Defense, and other agencies.

If we cut $300,000 from the Inspector General, we are merely returning $180,000 to AID and $120,000 to the Department of Defense. We are not reducing the budget deficit a nickel.

The legislative committees recognized the inherent conflict of interest between those administering programs and the Inspector General. The committees believed this method of financing essential to prevent curtailment of the Inspector General's travel funds and operations to the detriment of his effectiveness.

Section 505 imposes just the curtailment the legislative committees tried to avoid.

The legislation gave the office broad powers to be administered by four high level Presidential appointees, two requiring senatorial confirmation.

I have nothing but praise for the committee's interest in economy. I would only suggest that in the case of the Inspector General Congress clearly understood the necessity of a senior level staff, and that such a staff would command appropriate salaries.

As foreign economic aid is curtailed, Congress is increasingly concerned that each dollar have maximum effect. Congress has directed that aid go to the poorest of the poor—to the development of cooperatives—to the integration of women into national economies—to agricultural development—to any number of specific goals. The Inspector General is one of the instruments for measuring compliance and keeping the Secretary, the President and Congress informed.

The Inspector General is just completing a major effort in inspecting the foreign military sales programs in Iran, Saudi Arabia, Jordan, and Kuwait. He has mounted other major efforts in population, food for peace, and housing investment guaranty programs. We look forward to seeing the results.

My understanding is that the Congress created the Inspector General's Office in 1961 to serve as a right arm of the Secretary of State in performing his management responsibilities for U.S. foreign assistance programs.

If we eliminate or seriously curtail the Secretary's oversight capacity, his ability to manage foreign assistance programs will be diminished.

If the Inspector General's product needs improvement, Congress should direct the Secretary to improve it—not terminate the office, which would be the real effect of section 505.

The PRESIDING OFFICER. Is all time yielded back?

Mr. INOUYE. I yield back the remainder of my time.

The PRESIDING OFFICER. The bill having been read the third time, the question is, Shall the bill pass? The yeas and nays have been ordered, and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Indiana (Mr. BAYH), the Senator from Idaho (Mr. CHURCH), the Senator from Iowa (Mr. CULVER), the Senator from Alaska (Mr. GRAVEL), the Senator from Indiana (Mr. HARTKE), the Senator from Washington (Mr. JACKSON), the Senator from Wyoming (Mr. MCGEE), the Senator from Georgia (Mr. NUNN), and the Senator from Missouri (Mr. SYMINGTON), are necessarily absent.

I further announce that the Senator from Vermont (Mr. LEAHY), are absent on official business.

I further announce that, if present and voting, the Senator from Washington (Mr. JACKSON), and the Senator from Alaska (Mr. GRAVEL), would each vote "yea."

Mr. GRIFFIN. I announce that the Senator from Tennessee (Mr. BROCK), the Senator from New Jersey (Mr. CASE), the Senator from Arizona (Mr. FANNIN), the Senator from Arizona (Mr. GOLDWATER), the Senator from Idaho (Mr. MCCLURE), the Senator from Kansas (Mr. PEARSON), and the Senator from Vermont (Mr. STAFFORD), are necessarily absent.

The result was announced—yeas 52, nays 31, as follows:

[Rollcall Vote No. 90 Leg.]

YEAS—52

Baker
Beall
Bellmon
Brooke
Buckley
Bumpers
Chiles
Clark
Cranston
Durkin
Eagleton
Fong
Ford
Glenn
Griffin
Hart, Gary
Hart, Philip A.
Haskell
Hatfield
Hathaway
Hollings
Huddleston
Humphrey
Inouye
Javits
Johnston
Kennedy
Magnuson
Mathias
McGovern
McIntyre
Metcalf
Mondale
Morgan
Moss
Muskie
Nelson
Packwood
Pastore
Pell
Percy
Ribicoff
Schweiker
Scott, Hugh
Sparkman
Stevenson
Stone
Taft
Tower
Tunney
Weicker
Williams

NAYS—31

Abourezk
Allen
Bartlett
Bentsen
Biden
Burdick
Byrd, Harry F., Jr.
Byrd, Robert C.
Cannon
Curtis
Dole
Domenici
Eastland
Garn
Hansen
Helms
Hruska
Laxalt
Long
McClellan
Mansfield
Montoya
Proxmire
Randolph
Roth
Scott, William L.
Stennis
Stevens
Talmadge
Thurmond
Young

NOT VOTING—17

Bayh
Brock
Case
Church
Culver
Fannin
Goldwater
Gravel
Hartke
Jackson
Leahy
McClure
McGee
Nunn
Pearson
Stafford
Symington

So the bill (H.R. 12203), as amended, was passed.

Mr. INOUYE. Mr. President, I ask unanimous consent that the Secretary of the Senate be authorized to make technical and clerical corrections in the engrossment of the Senate amendments to H.R. 12203.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. INOUYE. Mr. President, I move that the Senate insist on its amendments and request a conference with the House of Representatives thereon, and that the Chair be authorized to appoint the conferees on the part of the Senate.

The motion was agreed to, and the Presiding Officer (Mr. STONE) appointed Mr. INOUYE, Mr. PROXMIRE, Mr. MCGEE, Mr. CHILES, Mr. JOHNSTON, Mr. MCCLELLAN, Mr. BROOKE, Mr. HATFIELD, Mr. MATHIAS, and Mr. YOUNG conferees on the part of the Senate.

Mr. INOUYE. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR ADJOURNMENT TO 10 A.M. TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that, when the Senate completes its business today, it stand in adjournment until the hour of 10 a.m. tomorrow morning.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR TRANSACTION OF ROUTINE MORNING BUSINESS AND RESUMPTION OF CONSIDERATION OF S. 3065

Mr. ROBERT C. BYRD. I ask unanimous consent that after Mr. Ribicoff is recognized on tomorrow, under the order previously entered, there be a period for the transaction of routine morning business of not to exceed 20 minutes with statements limited therein to 5 minutes each at the conclusion of which the Senate resume consideration of S. 3065, the FEC bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR CONSIDERATION OF S. 3015

Mr. ROBERT C. BYRD. Mr. President, upon the disposition of the FEC bill, it is the intention of the leadership to call up the national airport and airways system bill, S. 3015, on which there is an agreement.

I ask unanimous consent that upon the disposition of the FEC bill, the Senate proceed to the consideration of the airport and airways bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Hopefully the Senate could lay this bill down tomorrow evening and work on it the following day.

SENATE RESOLUTION 409—AUTHORIZING PHILIP R. MANUEL AND WILLIAM B. GALLINARO TO APPEAR AS WITNESSES

Mr. ROBERT C. BYRD. Mr. President, I have been asked by Mr. Nunn to submit the following resolution, and I ask for its immediate consideration.

The PRESIDING OFFICER. The resolution will be stated by title.

The legislative clerk read as follows:

A resolution (S. Res. 409) to authorize Philip R. Manuel and William B. Gallinaro, Staff Investigators for the Senate Permanent Subcommittee on Investigations, to appear as witnesses in the case of *United States* v. *Thomas P. Richardson* (CR. 75-1656-UMB), pending in the United States District Court for the Central District of California.

The PRESIDING OFFICER. Is there objection to the present consideration of the resolution?

There being no objection, the Senate proceeded to consider the resolution.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent to have printed in the Record a statement by the distinguished Senator from Georgia (Mr. Nunn) in explanation of the resolution.

The PRESIDING OFFICER. Without objection, it is so ordered.

Statement By Senator Nunn

Philip R. Manuel and William B. Gallinaro, Investigators for the Permanent Subcommittee on Investigations of the Committee on Government Operations, have been subpoenaed by the defendant to appear on March 25, 1976, in the case of *United States* v. *Thomas P. Richardson* (CR. 75-1656-UMB) and bring with them all notes, reports, documents and other records in their possession and to which they have access relative to the Subcommittee's investigation of Thomas P. Richardson. Pursuant to Rule XXX of the Standing Rules of the Senate, and the privileges of the Senate, information secured by staff members pursuant to their official duties as employees of the Senate may not be revealed without a Resolution of the Senate.

Counsel for defendant, in his letter of March 22, 1976, transmitting the subpoenas, has stated that defendant seeks testimony from Messrs. Manuel and Gallinaro relative to information they may have received during the Subcommittee's investigation of Thomas P. Richardson from a Government informant whose activities are now the subject of inquiry.

The office of the U.S. Attorney, Los Angeles, has by telex made a request that we authorize the appearance of Messrs. Manuel and Gallinaro.

Accordingly, I offer the following Resolution, approved by a majority of the members of the Committee on Government Operations, authorizing the appearance only of Messrs. Manuel and Gallinaro before the U.S. District Court in the Central District of California. That portion of the subpoenas calling for the production of Subcommittee records is not being honored since, as far as can be determined, there are no Subcommittee records relevant or material to the matter regarding which defendant's counsel seeks to question Messrs. Manuel and Gallinaro.

The PRESIDING OFFICER. The question is on agreeing to the resolution.

The resolution (S. Res. 409) was unanimously agreed to.

The preamble was agreed to.

The resolution, with its preamble, reads as follows:

Whereas, Philip R. Manuel and William B. Gallinaro, Staff Investigators for the Senate Permanent Subcommittee on Investigations, have been subpoenaed to appear as witnesses in the case of *United States* v. *Thomas P. Richardson* (CR. 75-1656-UMB), pending in the United States District Court for the Central District of California; and

Whereas, subpoenas have been issued by such court and addressed to Philip R. Manuel and William B. Gallinaro, directing them to appear as witnesses on March 25, 1976, and give testimony; and further directing them to bring with them all notes, reports, documents and other records in the possession of the Subcommittee to which they have access relative to the Subcommittee's investigation of Thomas P. Richardson; and

Whereas, counsel for defendant, in a letter dated March 22, 1976, to F. Keith Adkinson, Assistant Counsel to the Subcommittee, stated that defendant seeks testimony from Messrs. Manuel and Gallinaro relative to information they may have received during the Subcommittee's investigation of certain activities of Thomas P. Richardson from a Government informant whose activities are now the subject of inquiry; and

Whereas, as far as can be determined, no Subcommittee notes, reports, documents or other reports, the production of which is called for in the subpoenas, are relevant or material to the matter regarding which defendant's counsel seeks to question Messrs. Manuel and Gallinaro; and

Whereas, by the privileges of the Senate of the United States and by Rule XXX of the Standing Rules of the Senate, no Senate records and no information secured by staff employees of the Senate pursuant to their official duties may be revealed without the consent of the Senate; therefore, be it

Resolved that Philip R. Manuel and William B. Gallinaro are authorized to appear before the aforementioned court in the aforementioned criminal case and to testify as to any knowledge they may possess relevant to the activities which form the basis of the charges on which the defendant is indicated but that they shall not take them the papers or documents mentioned in said subpoena.

The Secretary of the Senate shall transmit a copy of this resolution to the United States District Court for the Central District of California.

SENATE RESOLUTION 410—AUTHORIZING THE SECRETARY OF THE SENATE TO ADVANCE SUMS TO THE CHAIRMAN OF THE COMMISSION ON THE OPERATION OF THE SENATE

Mr. ROBERT C. BYRD. Mr. President, I offer a resolution and ask for its immediate consideration.

The PRESIDING OFFICER. The resolution will be stated by title.

The legislative clerk read as follows:

A resolution (S. Res. 410) authorizing the Secretary of the Senate to advance sums to the chairman of the Commission on the Operation of the Senate for expenses of the Commission.

Mr. ROBERT C. BYRD. Mr. President, will the clerk read the resolution? It is short.

The PRESIDING OFFICER. The resolution will be stated.

The legislative clerk read as follows:

Resolved, That subject to the provisions of section 7 of Senate Resolution 227, 94th Congress, agreed to July 29, 1975, the Secretary of the Senate is authorized to advance sums to the Chairman of the Commission on the Operation of the Senate for expenses of the Commission under such resolution not involving personal services.

The PRESIDING OFFICER. Is there objection to the present consideration of the resolution?

There being no objection, the Senate proceeded to consider the resolution.

Mr. GRIFFIN. Mr. President, speaking to the resolution very briefly, when I first read it, I noticed that it seemed to have no particular amount or limit in terms of the money that would be involved, but the reference to the resolution does indicate that such sums would be within the amount authorized which, I understand, is $500,000 and that this is a technical requirement of some kind to make money that is actually already authorized available.

So on that basis there is no objection.

The PRESIDING OFFICER. The question is on agreeing to the resolution.

The resolution (S. Res. 410) was agreed to.

ORDER LIMITING ROLLCALL VOTES TO 15 MINUTES

Mr. ROBERT C. BYRD. Mr. President, having inadevertently overlooked the fact that this request had not been made at the beginning of this session, I ask unanimous consent that rollcall votes be limited to 15 minutes each with the warning bell to be sounded at the first 7½ minutes during the remainder of this session.

The PRESIDING OFFICER. Without objection, it is so ordered.

PROGRAM

Mr. ROBERT C. BYRD. Mr. President, tomorrow it is hoped that the Senate can take up the continuing resolution House Joint Resolution 857. Then, behind the airport and airways bill it is the intention of the leadership to take up the no fault bill, S. 354, and other measures including the following but not necessarily in the order listed: H.R. 9721, an act to provide for increased participation by the United States in the Inter-American Bank; S. 2484, a bill to amend Public Law 566, Watershed Protection and Flood Prevention Act, as amended, to remove the limitation on any single loan or advancement for watershed works of improvement; H.R. 71, an Act to provide hospital and medical care to certain members of the armed forces of nations allied or associated with the United States in World War I or World War II; S. 3136, a bill to reform the Food Stamp Act, by improving the provisions relating to eligibility, simplifying administration, and tightening accountability; S. 3149, a bill to regulate commerce and protect human health and the environment by requiring testing and necessary use restrictions on certain chemical substances; S. 3168, a bill to authorize fiscal year 1977 appropriations for the Department of State, the United States Information Agency, and the Board for International Broadcasting; S. 3184, a bill to amend the Comprehensive Alcohol Abuse and Alcoholism Prevention, Treatment, and Rehablitation Act of 1970; S. 3108, a bill to amend Public Law 94–187 to increase the authorization for appropriations to ERDA.

Other measures cleared for action will be coming along. Conference reports, being privileged matters, will be called up from time to time, and rollcall votes will occur thereon.

It is a pretty full platter, and one that will necessitate rollcall votes and perhaps some lengthy daily sessions in view of the fact that not too many weeks remain before the hoped-for October adjournment.

So I suggest that Senators ought to arrange their schedules accordingly and that we not allow ourselves to succumb to a Friday-off syndrome. I doubt that we will see Fridays off for a while now.

PROPOSED FEC COMPROMISE

Mr. GRIFFIN. Mr. President, will the distinguished majority whip yield?

Mr. ROBERT C. BYRD. Yes.

Mr. GRIFFIN. Has the announcement been made in the Chamber about the introduction of a compromise FEC bill by the joint leadership?

Mr. ROBERT C. BYRD. Yes. Mr. Cannon introduced that substitute earlier in the afternoon and asked that it be printed in the Record.

Mr. GRIFFIN. I am glad to know that. I think it would be well, perhaps in association with the program, to indicate to our colleagues that a new print of a compromise bill hopefully will be ready and also printed in the Record early tomorrow, and it is being sponsored by the leader and the whip on both sides of the aisle and by the chairman and ranking member of the Committee on Rules and Administration. While we anticipate that there will be a couple of amendments, hopefully, there will not be very many, and we will be able to get to a final resolution of that sticky subject.

Mr. ROBERT C. BYRD. Yes. That sanguine hope is shared on this side of the aisle by the Senator now speaking, at least.

I thank the distinguished Republican and assistant leader for his observation, his statement, and his expression of hope.

That substitute is being printed in the Record overnight, in addition to the usual printing of the amendment which should be available to Senators tomorrow.

ADJOURNMENT TO 10 A.M.

Mr. ROBERT C. BYRD. Mr. President, if there be no further business to come before the Senate, I move, in accordance with the previous order, that the Senate stand in adjournment until the hour of 10 a.m. tomorrow morning.

The motion was agreed to; and at 6:09 p.m., the Senate adjourned until tomorrow, Wednesday, March 24, 1976, at 10 a.m.

NOMINATIONS

Executive nominations received by the Senate March 23, 1976:

The Judiciary

Charles Schwartz, Jr., of Louisiana, to be U.S. district judge for the eastern district of Louisiana vice Herbert W. Christenberry, deceased.

CONFIRMATIONS

Executive nominations confirmed by the Senate March 23, 1976:

Department of the Interior

William L. Fisher, of Texas, to be an Assistant Secretary of the Interior.

Energy Research and Development

Robert L. Hirsch, of Maryland, to be an Assistant Administrator of Energy Research and Development.

Federal Energy Administration

John D. Christie, of Virginia, to be an assistant administrator of the Federal Energy Administration.

The above nominations were approved subject to the nominees' commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.

HOUSE OF REPRESENTATIVES—*Tuesday, March 23, 1976*

The House met at 12 o'clock noon.

Rev. Shelburn M. Wilkes, the Christian Church, Orlando, Fla., offered the following prayer:

Eternal God, our Father, we give Thee thanks for this Nation, for our rich heritage, and for all things good which have come from our people, both past and present.

Today, we call Thy blessing upon those who hold public office and power. Give them a vision of service that is both righteous and wise.

Bless all who are seeking truth;
All who are working for peace;
All who are elevating moral character;
All who are working for pure and just laws;
All who are engaged in the healing of disease;
All who are perpetuating our civic and religious liberties; and
Bless all who are promoting the well-being of humanity.

Finally, we pray, help us to meet the responsibilities of our great heritage by accepting them as a stewardship for succeeding generations. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Without objection, the Journal stands approved.

There was no objection.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the House by Mr. Roddy, one of his secretaries.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Sparrow, one of its clerks, announced that the Senate disagrees to the amendments of the House to the bill (S. 586) entitled "An act to amend the Coastal Zone Management Act of 1972 to authorize and assist the coastal States to study, plan for, manage, and control the impact of energy facility and resource development which affects the coastal zone, and for other purposes," requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. Magnuson, Mr. Hollings, Mr. Tunney, Mr. Stevens, and Mr. Weicker to be the conferees on the part of the Senate.

REV. SHELBURN M. WILKES

(Mr. FREY asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. FREY. Mr. Speaker, it is my pleasure to welcome to the House today Rev. Shelburn M. Wilkes of Orlando, Fla., who offered our opening prayer this morning.

Mr. Wilkes is a minister of the Christian Church, Disciples of Christ, and is now chairman of the board of elders at the Winter Park Christian Church. In addition, he does pulpit supply work and serves interim ministries throughout Florida.

Since 1969, Mr. Wilkes has served as executive director of the Central Florida Heart Association where he worked closely with our own Capitol physician, Dr. Freeman Cary.

He is a graduate of Phillips University and received his master of divinity degree from Emory University in 1964 and the master of theology in homiletics from Columbia Theological Seminary in 1968. He is married and the father of a 3-year-old girl.

APPOINTMENT OF CONFEREES ON S. 586, COASTAL ZONE MANAGEMENT ACT AMENDMENTS, 1975

Mrs. SULLIVAN. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the Senate bill (S. 586) to amend the Coastal Zone Management Act of 1972 to authorize and assist the coastal States to study, plan for, manage, and control the impact of energy facility and resource development which affects the coastal zone, and for other purposes, with the House amendments thereto, insist on the House amendments, and agree to the conference asked by the Senate.

The SPEAKER. Is there objection to the request of the gentlewoman from Missouri? The Chair hears none and appoints the following conferees: Mrs. Sullivan, Messrs. Downing of Virginia, Rogers, Murphy of New York, Breaux, du Pont, and Treen.

PERMISSION TO FILE CONFERENCE REPORT ON H.R. 8617

Mr. HENDERSON. Mr. Speaker, I ask unanimous consent that the managers may have until midnight tonight to file a conference report on the bill H.R. 8617, Federal Employees Political Activities Act of 1975.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

Conference Report (H. Rept. No. 94–943)

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 8617) to restore to Federal civilian and Postal Service employees their rights to participate voluntarily, as private citizens, in the political processes of the Nation, to protect such employees from improper political solicitations, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 1, 2, 3, 7, 8, 13, 21, 23, 24, 25, 26, 27, 28, 30, 32, 33, 34, 35, 36, 37, 38, 39, 40, 41, 42, 43, 44, 45, 46, 47, 48, 49, 50, 51, 52, 53, 54, 55, 56, 58, 59, 60, 61, 62, 63, 64, 66, 67, 68, 69, 71, 72, 74, 75, and 76.

That the House recede from its disagreement to the amendments of the Senate numbered 4, 5, 10, 11, 16, 17, 18, 19, 20, 29, 70, and 73, and agree to the same.

Amendment numbered 6: That the House recede from its disagreement to the amendment of the Senate numbered 6, and agree to the same with an amendment as follows: In the matter proposed to be inserted by the Senate amendment, strike out "or any individual" and insert in lieu thereof the following: "of any individual"; and the Senate agree to the same.

Amendment numbered 9: That the House recede from its disagreement to the amendment of the Senate numbered 9, and agree to the same with an amendment as follows: In the matter proposed to be inserted by the Senate amendment, strike out "authorizes" and insert in lieu thereof the following: "shall be construed to authorize"; and the Senate agree to the same.

Amendment numbered 12: That the House recede from its disagreement to the amendment of the Senate numbered 12 and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the Senate amendment, insert the following:

"(b) (1) In addition to the prohibitions of subsection (a) of this subsection, an employee to whom this paragraph applies may not solicit, accept, or receive a political contribution from, or give a political contribution to, an employee, a Member of Congress, or an officer of a uniformed service.

"(2) Paragraph (1) of this subsection shall apply to any employee of the Internal Revenue Service, the Department of Justice, or the Central Intelligence Agency, other than—

"(A) an employee of such an agency who is in a position which is not a sensitive position.

"(B) an employee of such an agency who is in a sensitive position with respect to which the head of such agency has designated, by regulation, that if any person holding such position engaged in activities prohibited by paragraph (1) of this subsection or by section 7325(d) (1) of this title it would not adversely affect the integrity of the Government, or the public's confidence in the integrity of the Government, or

"(C) an individual appointed by the President, by and with the advice and consent of the Senate, who determines policies to be pursued in the nationwide administration of Federal laws.

For the purpose of this paragraph, 'sensitive position' means any position designated as a sensitive position pursuant to Executive Order Numbered 10450 or under any superceding Federal statute or Executive order.

"(3) Regulations referred to in subparagraph (A) of this paragraph shall be prescribed not later than 90 days after the effective date of this section. Thereafter any revision of such regulations shall be prescribed not later than March 1 of the year in which such revision is to take effect. Such regulations shall become effective the first day after the close of the first period of 30 calendar days of continuous session of Congress after the date on which such regulations are transmitted to the Congress, unless both Houses of Congress adopt a concurrent resolution disapproving such regulations. Continuity of a session is broken only by an adjournment of the Congress sine die, and the days on which either House is not in session because of an adjournment of more than 3 days to a day certain are excluded in the computation of the 30-day period.

And the Senate agree to the same.

Amendment numbered 14: That the House recede from its disagreement to the amendment of the Senate numbered 14, and agree to the same with an amendment as follows: In the matter proposed to be inserted by the Senate amendment, insert after "political activity" the following: "otherwise prohibited by or under law"; and the Senate agree to the same.

Amendment numbered 15: That the House recede from its disagreement to the amendment of the Senate numbered 15 and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the Senate amendment, insert the following:

"(d) (1) In addition to the prohibitions of subsection (a) of this section, an employee of the Internal Revenue Service, the Department of Justice, or the Central Intelligence Agency to whom the prohibitions of section 7324(b) of this title apply may not take an active part in political management or political campaigns unless such part—

"(A) is in connection with (i) an election and preceding campaign if none of the candidates is to be nominated or elected at that election as representing a party any of whose candidates for Presidential elector received votes in the last preceding election at which Presidential electors were selected, or (ii) a question which is not specifically identified with a National or State political party or political party of a territory or possession of the United States; or

"(B) is permitted by regulations prescribed by the Civil Service Commission and involves the municipality or political subdivision in which such employee resides, when—

"(i) the municipality or political subdivision is in Maryland or Virginia and in the immediate vicinity of the District of Columbia or is a municipality in which a majority of voters are employed by the Government of the United States; and

"(ii) the Commission determines that because of special or unusual circumstances which exist in the municipality or political subdivision it is in the domestic interest of the employees to permit political participation.

"(2) For the purpose of this subsection, 'an active part in political management or in political campaigns' means those acts of political management or political campaigning which were prohibited on the part of employees in the competitive service before July 19, 1940, by the determinations of the Civil Service Commission under the rules prescribed by the President.

And the Senate agree to the same.

Amendment numbered 22: That the House recede from its disagreement to the amendment of the Senate numbered 22, and agree to the same with an amendment as follows: Restore the matter proposed to be stricken out by the Senate amendment, and on page 9, line 20, of the House engrossed bill, strike out the quotation marks following "1 year."; and the Senate agree to the same.

Amendment numbered 31: That the House recede from its disagreement to the amendment of the Senate numbered 31, and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the Senate amendment, insert the following: "*filed within the time allowed therefor,*"; and the Senate agree to the same.

Amendment numbered 57: That the House recede from its disagreement to the amendment of the Senate numbered 57, and agree to the same with an amendment as follows: In the matter proposed to be inserted by the Senate amendment, strike out "Commission" and insert the following: *Board*; and the Senate agree to the same.

Amendment numbered 65: That the House recede from its disagreement to the amendment of the Senate numbered 65, and agree to the same with amendments as follows: In the matter proposed to be inserted by the Senate amendment, strike out "ninety days" and insert in lieu thereof "*30 days,*" and strike out "Commission" each place it appears and insert in lieu thereof "*Board*"; and the Senate agree to the same.

David N. Henderson,
Dominick V. Daniels,
Robert N. C. Nix,
Jim Hanley,
Charles H. Wilson,
William Clay,
Gladys Noon Spellman,
Herbert E. Harris II,
Stephen J. Solarz,
Managers on the Part of the House.
Gale W. McGee,
Quentin N. Burdick,
Ted Stevens,
Managers on the Part of the Senate.

JOINT EXPLANATORY STATEMENT OF THE COMMITTEE OF CONFERENCE

The managers on the part of the House and the Senate at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 8617) to restore to Federal civilian and Postal Service employees their rights to participate voluntarily, as private citizens, in the political processes of the Nation, to protect such employees from improper political solicitations, and for other purposes, submit the following joint statement to the House and the Senate in explanation of the effect of the action agreed upon by the managers and recommended in the accompanying conference report:

Technical, Clerical, Clarifying, or Conforming Changes

The following Senate amendments made technical, clerical, clarifying, or conforming changes: 1, 2, 3, 4, 5, 7, 8, 10, 11, 13, 17, 18, 19, 20, 21, 23, 24, 26, 27, 28, 29, 30, 31, 32, 33, 34, 35, 36, 37, 38, 39, 40, 41, 42, 43, 44, 45, 46, 47, 48, 49, 50, 51, 52, 53, 54, 55, 56, 57, 58, 59, 60, 61, 62, 63, 64, 67, 68, 69, 71, 72, and 74.

With respect to these amendments either the House recedes, the Senate recedes, or the House recedes with an amendment in order to conform to other action agreed upon by the committee of conference.

PERSONAL SERVICES

Amendment No. 6: This amendment expressly includes the provision of personal services within the meaning of "political contributions", as defined for purposes of subchapter III of chapter 73 of title 5 (the Hatch Act), as amended by the House bill.

The House bill does not contain a similar provision, although the House Report specifically states that the term "political contributions" is intended to include the rendering of personal services.

The House recedes with a clerical amendment. It should be noted that it is the understanding of the conferees that the Senate amendment does not prohibit an employee from voluntarily contributing his personal services for political purposes except to the same extent that political contributions are otherwise prohibited by the House bill, including the prohibition against the giving of a political contribution to or the acceptance of a political contribution by the superior of an employee. It is also the understanding of the conferees that an employee contributing his personal services or a candidate or other person accepting such contribution shall not be required under the provisions of the bill to place a dollar value on such contribution.

USE OF OFFICIAL INFORMATION

Amendment No. 9: This amendment provides that section 7323 of title 5, United States Code, as proposed to be added by the House bill, does not authorize the use by any employee of any information coming to him in the course of his employment or official duties if such use is otherwise prohibited by law.

The House bill does not contain a similar provision.

The House recedes with a conforming amendment.

POLITICAL CONTRIBUTIONS BY OR TO JUSTICE, IRS, AND CIA EMPLOYEES

Amendment No. 12: The House bill provides in effect that, subject to the provisions of section 7324 of title 5, as proposed to be added by the House bill, employees of the Justice Department, the CIA, or the IRS (as in the case of other Federal employees) may solicit and give political contributions.

Senate amendment No. 12, in addition to the prohibitions of the House bill, prohibits employees of the Justice Department, the CIA, and the IRS from requesting, or receiving from, or giving to, an employee, a Member of Congress, or an officer of a uniformed service, a political contribution, thus retaining existing law (5 U.S.C. 7323) for such employees with regard to political contributions.

The House recedes with an amendment which narrows the Senate amendment with respect to the number of employees of the Justice Department, the CIA, and the IRS who are subject to the additional prohibitions. Employees exempted include: (A) employees in non-sensitive positions; (B) employees in sensitive positions when the agency head determines, by regulation, that active political participation by incumbents of those positions would not adversely affect the integrity of the Government or the public's confidence in the integrity of the Government; and (C) individuals appointed by the President, by and with the advice and consent of the Senate, who determine policies to be determined in the nationwide administration of Federal laws. The amendment further provides that such regulations must be prescribed not later than 90 days after the effective date of section 7324, and that such regulations become effective 30 legislative days thereafter unless disapproved by both Houses of Congress.

It is the understanding of the conferees that the term "sensitive position" includes any position which the head of the Justice Department, the CIA, or the IRS is required to designate as sensitive under section 3(b) of Executive Order No. 10450, as amended. It is the further understanding of the conferees that under subchapter I–3 of chapter 732 of the Federal Personnel Manual, those positions required to be designated as sensitive include positions which require fiduciary, public contact, or other duties that demand the highest degree of public trust.

OTHER POLITICAL ACTIVITIES OF JUSTICE, IRS, AND CIA EMPLOYEES

Amendment No. 15: The House bill provides in effect that subject to the specific prohibitions of sections 7323, 7325, and 7326 of title 5, as proposed to be added by the House bill, employees of the Justice Department, the CIA, or the IRS (as in the case of other Federal employees) may actively engage in political activities and run for elective office.

Senate Amendment No. 15 continues the present provisions of subchapter III of chapter 73 of title 5 (the Hatch Act), relating to employees taking an active part in political management or political campaigns, with respect to employees of the Justice Department, the CIA, and the IRS.

The House recedes with an amendment which provides that employees of the Justice Department, the IRS, and the CIA with respect to whom the prohibitions of section 7324(b)(1) of title 5, as proposed to be added by the House bill, will remain subject to the present provisions of existing law which relate to employees taking an active part in political management or political campaigns.

POLITICAL ACTIVITIES BY EMPLOYEES OF THE WHITE HOUSE AND VICE PRESIDENTIAL STAFFS

Amendment No. 14: The House bill exempts certain employees of the White House and Vice Presidential staffs from the provisions of section 7325(a) of title 5, as proposed to be added by the House bill, prohibiting political activity while on duty, while on Government property, or while in uniform.

Senate amendment No. 14 provides that such an exemption shall not be construed as an authorization for the individuals so exempted to engage in political activity.

The House recedes with an amendment, inserting *otherwise prohibited by or under law* after "political activity" in the matter proposed to be inserted by the Senate amendment.

LEAVE TO RUN FOR ELECTIVE OFFICE

Amendment No. 16: The House bill provides that an agency must, upon request, grant accrued annual leave and leave-without-pay to an employee running for elective office. The House bill also provides that an employee who is a candidate for elective office must go on leave-without-pay not later than 90 days before an election.

Senate amendment No. 16 strikes out the provisions of the House bill which require that leave-without-pay must be granted upon request and that a candidate must take leave-without-pay 90 days before an election.

The House recedes.

BOARD ON POLITICAL ACTIVITIES OF FEDERAL EMPLOYEES

Amendment No. 22: The House bill separates prosecutorial and adjudicatory responsibility now held by the Civil Service Commission by establishing an independent 3-member board and by granting to such board the authority to hear and decide cases regarding violations of sections 7323, 7324, and 7325 of title 5, as proposed to be added by the House bill. The Civil Service Commission retains the investigatory, educational, and enforcement authority with respect to political activity.

Senate amendment No. 22 provides that the Commission, not the Board, is responsible for hearing and deciding cases involving violations of prohibitions on political activity.

The House recedes with an amendment under which the provisions of the House bill are restored, and which corrects a clerical error in such provisions.

NOTICES OF VIOLATIONS

Amendment No. 25: The House bill provides that service of a written notice of any alleged violation of sections 7323, 7324, or 7325 of title 5, as proposed to be added by the House bill, shall be made by certified mail, return receipt requested.

Senate amendment No. 25 eliminates the requirement for a return recent request with a certified notice, leaving it to the Civil Service Commission to determine the requirements with respect to such notice.

The Senate recedes.

PENALTIES FOR MISUSE OF OFFICIAL AUTHORITY OR INFLUENCE

Amendment No. 65: The House bill provides for the imposition of appropriate penalties by the Board in the case of an employee who has violated sections 7323, 7324, or 7325 of title 5, as proposed to be added by the House bill.

Senate amendment No. 65 provides a minimum penalty of a 90-day suspension for an employee found to have violated the restrictions on misuse of official authority or influence and the imposition of appropriate penalties for violations of the restrictions on soliciting political contributions and engaging in political activity while on duty, while on government property, or while in uniform.

The House recedes, with amendments striking out "ninety days" in the matter proposed to be inserted by the Senate amendment and inserting in lieu thereof *30 days* and striking out "Commission" each time it appears in the matter proposed to be inserted by the Senate amendment and inserting in lieu thereof *Board*.

PENALTIES FOR REPEAT OFFENDERS

Amendment No. 66: This amendment provides that an employee, who has been found to have violated on two occasions sections 7323, 7324, or 7325 of title 5, as proposed to be added by the House bill, must be removed from employment and is thereafter barred from Federal employment.

The House bill has no similar provision.

The Senate recedes.

TIME LIMITATION FOR PROVIDING CERTAIN INFORMATION

Amendment No. 70: The House bill requires the Commission to annually inform each employee, in writing, of prohibited and permissible political activities. Such information must be provided not later than 60 days before the earliest primary or general election in the State where the employee is employed.

Senate amendment No. 70 requires that such information be provided not later than 120 days before such an election.

The House recedes.

EFFECTIVE DATE

Amendment No. 73: The House bill provides that the amendments made by this Act shall take effect 90 days after the date of enactment.

Senate amendment No. 73 provides that the amendments made by this Act shall take effect on January 1, 1977.

The House recedes.

RESTRICTION ON WHEN PAY INCREASES FOR MEMBERS OF CONGRESS TAKE EFFECT

Amendment No. 75: This amendment provides that any provision for any pay increase for Members of Congress shall not take effect before the first day of the next Congress.

The House bill does not contain a similar provision.

The Senate recedes.

REQUIREMENT OF SEPARATE RESOLUTION ON PAY INCREASES FOR MEMBERS OF CONGRESS

Amendment No. 76: This amendment requires that if the President submits an alternative plan with respect to a comparability pay adjustment, the alternative plan will not be effective with respect to the rate of pay of Members of Congress unless either House adopts a separate resolution disapproving the application of such plan to the pay of Members of Congress in addition to any resolution under section 5305 of title 5. This amendment also provides that the rate of pay of officers and employees of the Congress and other officers and employees in the legislative branch may not exceed the rate of pay for Members of Congress.

The House bill does not contain a similar provision.

The Senate recedes.

David N. Henderson,
Dominick V. Daniels,
Robert N. C. Nix,
Jim Hanley,
Charles H. Wilson,
William Clay,
Gladys Noon Spellman,
Herbert E. Harris II,
Stephen J. Solarz,
Managers on the Part of the House.

Gale W. McGee,
Quentin N. Burdick,
Ted Stevens,
Managers on the Part of the Senate.

PERMISSION FOR SUBCOMMITTEE ON ENERGY RESEARCH, DEVELOPMENT AND DEMONSTRATION OF THE COMMITTEE ON SCIENCE AND TECHNOLOGY TO MEET MARCH 23 AND 25, 1976, DURING HOUSE SESSIONS

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that the Subcommittee on Energy Research, Development and Demonstration of the Committee on Science and Technology be permitted to meet today, March 23, 1976, and Thursday, March 25, 1976, during the afternoon despite the fact that the House will be in session at those times.

The SPEAKER. Is there objection to the request of the gentleman from Washington?

There was no objection.

COLLAPSE OF SOUTHERN RAILWAY-DELMARVA RAIL LINES NEGOTIATIONS

(Mr. BAUMAN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BAUMAN. Mr. Speaker, it is my sad duty to announce to the House the collapse of negotiations between the Southern Railway and the 20 labor unions looking toward a takeover by the Southern of the Delmarva rail lines. Negotiations collapsed last night after many hours and many weeks of work on the part of the Secretary of Transportation William Coleman, myself, Members of the other body, and many other interested parties who supported Southern's acquisition.

Since the labor unions have been using in naked fashion the power Congress gave them in the original Emergency Northeast Railroad Act of 1973 as a club in this instance, it is my intention to introduce legislation that will repeal this union veto power. It must be stopped—this blackmail they have been using to thwart the economic welfare of the people—three quarters of a million of them, who live on the Delmarva Peninsula.

FIGHT AGAINST CONGRESSIONAL PAY RAISE LEGISLATION

(Mr. GRASSLEY asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. GRASSLEY. Mr. Speaker, last month I called to the attention of my colleagues the victory of a former Iowan, Wallace Johnson, in the Republican Vice Presidential race in New Hampshire. As you may recall, Mr. Johnson was running solely on a platform to rescind the pay raise Congress voted itself last July, the pay raise that will be automatic from now on.

Mr. Johnson did not confine his battle against that unnecessary pay hike to the electoral process, however. He carried the public sentiment against the raise all the way to Federal district court in San Francisco.

In a suit filed in that court, Mr. Johnson charged that the manner in which Congress established that pay raise violated article 1, section 6, clause 1 of the Constitution.

Yesterday the tragic news reached me that Mr. Johnson's suit had been thrown out of court by District Judge Lloyd Burke, on the grounds that Mr. Johnson lacked standing, that is, that he was not directly affected by the pay raise bill.

How sad it is that our system of justice will not allow the individual taxpayer to have his day in court on the question of the unconstitutional expenditure of his tax money.

It is also ironic that the judge who dismissed the case was one of the 44 judges who have brought suit in Federal court protesting their salaries are unconstitutionally cut by their not getting regular salary increases based on the cost of living increase.

Mr. Johnson's attorney said that before dismissing the suit, Judge Burke said, "You're trying to take away my money." Certainly that statement alone raises the question of whether a conflict of interest may have been involved in this case.

Despite Mr. Johnson's loss in court, the country has not heard the last of his, and my, fight against the congressional pay raise legislation.

CLAUSEN URGES HEARINGS ON BILL TO CONSOLIDATE EDUCATION PROGRAMS

(Mr. DON H. CLAUSEN asked and was given permission to address the House for 1 minute, to revise and extend his remarks and include extraneous matter.)

Mr. DON H. CLAUSEN. Mr. Speaker, I recently joined my colleague from Minnesota (Mr. Quie), the ranking minority member on the Education and Labor Committee, in sponsoring legislation to consolidate into a single block grant authority 24 educational grant programs for elementary and secondary education, handicapped education, vocational education, and adult education. I am today urging the chairman of the committee to begin hearings on our proposal.

Our Nation has acted from the beginning on the sound principle that control over our schools should remain at the State and local level. Federal involvement has only resulted in the promulgation of unnecessary layers of rules and regulations and has imposed administrative burdens at the local level which are unrelated to their goal of providing a quality education to our young people.

I feel very strongly that the time has come for us to reconcile our good intentions with the recognition that we at the Federal level cannot know what is best for every schoolchild in every classroom in the country.

Our bill provides a means by which we can return control of our schools to those best equipped to handle it by permitting those at the local levels to channel funds to those areas which they see as having the greatest need. Consolidation provides for the maximum in flexibility in the administration of the programs, but more importantly, the opportunity to establish their own priorities in the selection of education programs.

Again, I urge prompt action on our bill. On our 200th birthday as a nation, let us commit ourselves to the goal of raising the standard of education in our schools.

ANNUAL REPORT OF THE ADMINISTRATION ON AGING—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES

The SPEAKER laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, referred to the Committee on Education and Labor:

To the Congress of the United States:

Section 208 of the 1973 Amendments to the Older Americans Act (Public Law 89–73) provides that the Commissioner on Aging shall prepare and submit to the President for the transmittal to the Congress a report on the activities carried out under this Act.

The Secretary of Health, Education, and Welfare has forwarded the Annual Report of the Administration on Aging for the fiscal year 1975 to me, and I am pleased to transmit this document to the Congress.

GERALD R. FORD.

THE WHITE HOUSE, March 23, 1976.

CALL OF THE HOUSE

Mr. MONTGOMERY. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

Mr. HALEY. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The call was taken by electronic device, and the following Members failed to respond:

[Roll No. 122]

Abdnor
Andrews, N.C.
Andrews, N. Dak.
Barrett
Bell
Biester
Bolling
Brown, Mich.
Collins, Tex.
Conyers
Diggs
Early
Emery
Esch
Eshleman
Ford, Mich.
Fraser
Giaimo
Guyer
Harsha
Hayes, Ind.
Hébert
Heckler, Mass.
Heinz
Hinshaw
Howard
Jacobs
Jarman
Jones, Ala.
Kindness
Leggett
Macdonald
Meeds
Milford
Moorhead, Pa.
Nix
Pepper
Randall
Riegle
Rousselot
St Germain
Scheuer
Shuster
Steed
Steiger, Wis.
Stratton
Stuckey
Symington
Teague
Udall
Van Deerlin
White
Whitten
Wylie

The SPEAKER. On this rollcall 378 Members have recorded their presence by electronic device, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

PERMISSION FOR COMMITTEE ON RULES TO FILE CERTAIN PRIVILEGED REPORTS

Mr. YOUNG of Georgia. Mr. Speaker, I ask unanimous consent that the Committee on Rules may have until midnight tonight to file certain privileged reports.

The SPEAKER. Is there objection to the request of the gentleman from Georgia?

There was no objection.

CONFERENCE REPORT ON H.R. 9803, CHILD DAY CARE SERVICES

Mr. YOUNG of Georgia. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 1092 and ask for its immediate consideration.

The Clerk read the resolution as follows:

H. RES. 1092

Resolved, That immediately upon the adoption of this resolution it shall be in order to consider, section 401 of the Congressional Budget Act of 1974 (Public Law 93–344) to the contrary notwithstanding, the conference report on the bill (H.R. 9803) to postpone for six months the effective date of the requirement that a child day care center meet specified staffing standards (for children between six weeks and six years old) in order to qualify for Federal payments for the services involved under title XX of the Social Security Act, so long as the standards actually being applied comply with State law and are no longer than those in effect in September 1975, and all points of order against said conference report are hereby waived.

The SPEAKER. The gentleman from Georgia (Mr. YOUNG) is recognized for 1 hour.

Mr. YOUNG of Georgia. Mr. Speaker, I yield the usual 30 minutes for the minority to the distinguished gentleman from Ohio (Mr. LATTA), and pending that, I yield myself such time as I may consume.

Mr. Speaker, House Resolution 1092 provides for the consideration of the conference report on the bill H.R. 9803, notwithstanding the provisions of section 401 of the Congressional Budget Act of 1974 to the contrary. House Resolution 1092 further provides that all points of order against this conference report are waived.

The conference report on H.R. 9803 postpones for 6 months the effective date of the requirement that child day care centers meet new Federal staffing standards, and would authorize funds to assist centers in meeting these standards. The centers must meet the new standards in order to qualify for Federal payments for the services involved under title XX of the Social Security Act.

In a letter to Chairman MADDEN of the Rules Committee the chairman of the Budget Committee, Mr. ADAMS, states that the House Budget Committee met and considered favorably the request from the chairman of the Committee on Ways and Means, that points of order against section 401 of the Budget Act be waived. The Budget Committee has determined that an emergency situation exists which warrants such a waiver of section 401 requirements in order to allow the House to consider fiscal year 1976 and transition quarter funding under the conference report in question.

In connection with this waiver it is important to note that the entitlement in H.R. 9803 is limited to fiscal year 1976 and the transition quarter but does not extend into fiscal year 1977. Thus the Congress will have an opportunity to consider funding this program for fiscal year 1977 in the context of the first budget resolution for the upcoming fiscal year. In addition, the funds provided in the bill, $125 million, can be accommodated within the amounts provided for education, manpower, and social services function in the second budget resolution for fiscal year 1976.

House Resolution 1092 further provides that all points of order against the conference report are waived. Therefore, upon the adoption of this resolution points of order under rule XXVIII on the grounds of germaneness or scope could not be entertained against the report.

Mr. Speaker, this conference report is one of the most important pieces of legislation to reach the House floor in recent days. If it is not enacted into law, it will mean that massive reductions will be made in the number of children served in day care centers in every State of the Union. This in turn means that thousands of working mothers across the country, many of them former welfare recipients now employed in these centers, would have to give up their jobs and many would return to their dependency on Federal public assistance programs.

The conference report on H.R. 9803 provides, for the period between the present time and October 1 of this year, $125 million. This amount is needed by the States so that day care programs for poor and low-income children can meet the Federal interagency day care requirements. These new requirements mandate new staffing ratios, but also require that day care centers make improvements in the areas of health and safety. It is for all of these changes that the funds are needed. If a State does not comply with even just one of the standards, they will lose all funds retroactive to October 1, 1975.

If the conference report on H.R. 9803 is enacted, HEW will suspend staff ratio requirements until July of this year in order to allow the States time to use the additional funds to comply with the requirements—to hire the additional staff, and to make appropriate health and safety improvements.

Mr. Speaker, I strongly urge the adoption of House Resolution 1092 in order that we may discuss, debate, and pass the conference report on H.R. 9803.

Mr. LATTA. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, as previously explained by the gentleman from Georgia, Mr. YOUNG, this rule provides for consideration of the conference report on H.R. 9803, the child day centers.

This conference report, as the Members will recall, was previously scheduled for consideration under suspension of the rules on the 15th of March but was withdrawn. There are several waivers of points of order provided for under this rule. I am particularly concerned about the one waiving section 401 of the Congressional Budget Act. If we waive this particular section this time, it will be precedent shattering, it will be a first—and I repeat—a first and will certainly signal that the floodgates are down for future requests. I think it would be very damaging to the budget process for this reason.

If we meant what we said when we passed the budget act, we will not permit this waiver.

I am sorry to say that the Budget Committee voted to recommend this waiver and the House Committee on Rules reported the waiver out. But I was not one of those in either committee who supported this waiver because I think we have to protect and preserve the budget process which we have established.

Points of order are waived against clause 4, rule 28, which is the germaneness rule. The House bill provided a suspension of the Federal staffing standards only. The other provisions contained in the conference substitute are derived from the Senate amendment to the House bill, and might be considered nongermane.

I might say that the administration is very much opposed to this conference report as it increases the States' title XX allocations, and therefore the budget, by $125 million for the remainder—and I stress that—for the remainder of fiscal 1976 and the transition quarter. The annualization of this provision will increase the social services cost by $250 million a year.

The bill would further complicate the social services program while, in effect, mandating application of the controversial Federal interagency day care requirements instead of allowing States to set their own standards as proposed in the administration's block grant reform proposal.

Mr. Speaker, I am certainly opposed to this rule and hope it is defeated.

Mr. Speaker, I yield 5 minutes to the gentleman from Michigan (Mr. Vander Jagt).

Mr. VANDER JAGT. Mr. Speaker and Members of the House, this is a sad, sad day for the high hopes that we once all had for the Budget Act. This is the first ceiling busting, and budget busting rule that has come before this body.

In the 5 minutes that are allotted to me, I will try to demonstrate the truth of four charges.

First, the rule violates the letter of the law.

Second, the rule violates the spirit of the law.

Third, the letter and the spirit of the law are being violated on the grounds that an emergency exists. And,

Fourth, no emergency exists. Whatever problem there is can be solved today exactly as we solved the identical situation last fall.

I am not under any illusions that even if I can demonstrate the truth of those four propositions that this rule is going to be defeated. Because when a gang gets up a head of steam and says it is going to commit rape, that it is going to commit rape in spite of any gentle persuasion, the gang will rape the victim. In this case the victim is the beloved Budget Act, with all that word signifies to all of us right at this moment. This will be the first departure from the Budget Control and Improvement Act.

The issue before us at this moment is not the day care centers, it is the Budget Act itself. The issue is, do we mean what we said when we set the budget ceiling, or can it be set aside on the flimsiest of pretexts? Are we serious when we have placed a limitation in the Budget Act, or is it just a pig in a poke?

What is my ground for saying that this rule violates the letter and the spirit of the law? Not Guy Vander Jagt but rather the staff of the Budget Committee when asked if this violated the spirit and the letter of the law earlier this year. The answer of the staff of the Budget Committee on January 29 in a memorandum to the distinguished chairman of that committee, the gentleman from Washington (Mr. Brock Adams), was that it violated it. Then the bill's supporters used some of the same arguments we have heard—that these funds were contemplated in the budget resolution in a vague sort of way, and that this is really only a technical violation. That is what the staff said after looking at those arguments.

The Budget Committee staff could find no indication that the new funds were ever considered in the budget resolution, but nevertheless then said that "even if those funds were considered, it would have no bearing on Section 401, the provisions of which are aimed at controlling backdoor spending," which is exactly what this bill presents us with today. The staff went on to say:

> In light of the fact that the so-called technical violation would permit the creation of an entitlement with an annual cost of $250 million a year, it appears that there are substantial policy reasons for abiding by the letter, as well as the spirit, of the law.

That was the position of the Budget Committee in February. Of course, when there is a war declared or a calamity of catastrophic proportions, there is a provision in the law which says that we can have an exception upon the finding of such an emergency. Others Members under other circumstances have wanted the finding of an emergency in order to waive that requirement of 401.

The Unemployment Compensation Subcommittee of the Committee on Ways and Means went together, Democrats and Republicans, to the Budget Committee to say that with all of this rhetoric on the jobs bill that in the depths of the recession there is an emergency that justifies a waiver.

What was the answer that the Budget Committee gave?

The Committee said, "We know the problem is real, but we must preserve the sanctity of the Budget Act. A waiver would establish a precedent and possibly open the floodgates. We do not find that we cannot defer this, for the emergency is not grave enough."

Now we are presented with staffing standards for day care centers, and we are told that that is a grave enough emergency to justify the rupture, the violation, the rape, of our Budget Act.

Mr. Speaker, if this constitutes an emergency that lets us lay aside the Budget Act, I can think of no bill in any committee that addresses a need in America that is not entitled equally to the same kind of waiver. There is a simple solution to this—very simple. We faced this last year, October 1, and our subcommittee said we never had any chance to examine the appropriateness of those standards—never. So we said we ought to defer those standards until we look at them. Those 5 months have come and gone, and we have not spent one second as a committee—not one second—doing what the Members said we ought to do when we voted for that deferral that is, to take a look at the standards to evaluate their appropriateness. We have not done that. We do not know if those standards are appropriate. The proper answer is to defer those standards now until we can consider them and determine if they are appropriate. Then, if they are appropriate, we can provide the funding to meet them without doing any violation to the Budget Act.

The SPEAKER. The time of the gentleman has expired.

Mr. YOUNG of Georgia. Mr. Speaker, I yield 5 minutes to the gentlewoman from New York (Ms. Holtzman).

Ms. HOLTZMAN. Mr. Speaker, I have been asked by the chairman of the House Budget Committee—and I am a member of that committee—to respond on the floor to questions as to the effect of the conference report on H.R. 9803 with respect to the Congressional Budget and Impoundment Control Act.

I think it is important to set the record straight at this point. The gentleman who preceded me in the well referred to a letter from the staff of the House Budget Committee. I think the gentleman ought to have advised the Members of the House that that particular letter referred to the Senate bill which, in fact, created an unlimited entitlement program and backdoor spending. That, however, is not what is contained in the conference report on H.R. 9803.

H.R. 9803 creates an entitlement program only through the beginning of October 1976—in other words for the balance of the fiscal year and through the transition quarter.

Therefore I would say to the Members of the House that the statements of that staff letter are inapplicable to the conference report that we have before us.

Let me state, as Chairman Adams has indicated to me, the figures in this conference report do not violate the amount contained in the second budget resolution for the fiscal year 1976.

There has been an assertion that this conference report is budget busting. In fact that is not the case. The spending contained in the conference report on H.R. 9803 comes within the 500 function in the budget for education, training, employment, and social services. The House did not specifically—and I want to emphasize the word "specifically"—take the day care funding into account in this function since there was no such spending bill pending or proposed in the House. However, the House resolution did assume some $460 million in budget authority and $331 million in outlays for new initiatives in this category. A portion of these funds already contained in the second budget resolution, could be used to cover the $62.5 million for fiscal year 1976 provided in the conference report.

So let me just repeat to the Members of the House, the funds contained in function 500 of the budget resolution can cover the amounts contained in this conference report and this conference report does not break the budget.

There is, however, a technical violation of section 401 of the Congressional Budget and Impoundment Control

Act, but let me explain what that technical violation is.

Section 401 requires that any spending bill for the fiscal year 1976 be reported from committee before January 1 of 1976. Actually the Senate bill involved here missed that deadline, I am advised, by 3 weeks. The House Budget Committee met on Thursday, March 11, to consider a waiver of section 401. In considering whether or not to waive this technical violation, the Budget Committee felt that the emergency suggested by the Ways and Means Committee with respect to the closing of day care centers warranted at least that the House should be able to vote up or down on whether or not the funds in this conference report ought to be made available. The vote was by a substantial majority of 16 to 9.

I would say, Mr. Speaker, that in view of the fact that we do not exceed the budgetary limits in the second budget resolution, and in view of the fact that we have limited any entitlement program to this fiscal year 1976 and the transition quarter, the conference report is wholly within the spirit of the Congressional Budget and Impoundment Control Act.

Mr. LATTA. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, let us not play on words and say this is a technical violation. It is a violation.

The chairman of the Ways and Means Committee requested the waiver. The Budget Committee requested a waiver. The House Rules Committee saw that there was a need for a waiver and granted this rule. If there were no need for a waiver, why are we discussing it today? Why didn't the proponents bring it to the floor without a waiver?

Let us not play on words. There is a need for a waiver of section 401 or the proponents would not have requested a waiver and it would not have been sanctioned by three different committees.

The question is whether or not in this instance and for this purpose, we are going to grant a waiver of section 401 without providing a conforming amendment for the first time. This is the only question before the House, it seems to me.

Ms. HOLTZMAN. Mr. Speaker, will the gentleman yield?

Mr. LATTA. I yield to the gentlewoman from New York.

Ms. HOLTZMAN. Mr. Speaker, I am not disagreeing with what the gentleman says with regard to the need for a waiver. I just think it is important that we understand the specific provision of the Budget Act we are seeking to waive. We are not seeking a waiver to exceed a budgetary amount or any limit contained in the second budget resolution. We are not seeking to permit backdoor spending. We are seeking only a waiver of the provision that requires this bill to have been reported to the House by January 1 and that is all. In the conference report, we do not create a permanent entitlement; we do not spend beyond this year and the transition quarter; and we do not bust the budget.

Mr. Speaker, I thank the gentleman for yielding.

Mr. LATTA. Mr. Speaker, the reason the proponents are asking for a waiver is because there is a new entitlement provided in this bill. That is the only reason they asked for it. It is a violation of section 401 and they need a waiver to bring this matter to a vote.

Mr. Speaker, I yield 2 minutes to the gentleman from Maryland (Mr. BAUMAN).

Mr. BAUMAN. Mr. Speaker, I will not belabor the point that has been so well stated by the gentleman from Michigan (Mr. VANDER JAGT). I do think this entire procedure, this exercise today, underscores the total hypocrisy of this Congress in establishing the congressional budget process and then at the earliest possible convenience, for whatever reasons, throwing it aside.

I am sorry the gentleman from Washington (Mr. ADAMS), the chairman of the Budget Committee, is not here for this debate this afternoon. Time and time again I have watched the gentleman come to the Well of the House of Representatives and lend his imprimatur to this bill or that bill saying it is all right to spend this billion or that billion. Now we are talking about a quarter of a billion dollars for this day care program. As the late Senator from Illinois (Mr. Dirksen) used to say, "A billion here, a billion there; it all adds up." This is another quarter billion being piled on the backs of the taxpayers, not only as a result of excessive spending but in complete contradiction to the budget procedure which this Congress established a little more than a year ago. It confirms what I have always believed, that the so-called Budget Act in no way, at least by the people using it in this Congress, is intended to hold down spending, to balance the budget, or to prevent needless spending. This procedure has been perverted into a means of justifying still further expenditures. What we are doing today confirms the sheer hypocrisy about spending that is going on in this Congress.

Mr. YOUNG of Georgia. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The SPEAKER pro tempore (Mr. McFALL). The question is on the resolution.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. BAUMAN. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 275, nays 123, not voting 34, as follows:

[Roll No. 123]

YEAS—275

Abzug
Addabbo
Alexander
Allen
Ambro
Anderson, Calif.
Anderson, Ill.
Andrews, N.C.
Annunzio
Ashley
Aspin
AuCoin
Badillo
Baldus
Baucus
Beard, R.I.
Bedell
Bergland
Biaggi
Bingham
Blanchard
Blouin
Boggs
Boland
Bolling
Bonker
Brademas
Breaux
Breckinridge
Brinkley
Brodhead
Brooks
Brown, Calif.
Burgener
Burke, Calif.
Burke, Mass.
Burleson, Tex.
Burlison, Mo.
Burton, John
Burton, Phillip
Byron
Carney
Carr
Chappell
Chisholm
Clay
Cleveland
Cohen
Collins, Ill.
Conte
Corman
Cornell
Cotter
D'Amours
Daniels, N.J.
Danielson
Davis
de la Garza
Delaney
Dellums
Dent
Derrick
Diggs
Dingell
Dodd
Downey, N.Y.
Downing, Va.
Drinan
Early
Eckhardt
Edgar
Edwards, Calif.
Eilberg
Emery
English
Esch
Evans, Colo.
Evins, Tenn.
Fary
Fascell
Fenwick
Fish
Fisher
Fithian
Flood
Florio
Flowers
Flynt
Foley
Ford, Mich.
Ford, Tenn.
Fraser
Fuqua
Gaydos
Giaimo
Gibbons
Gilman
Ginn
Gonzalez
Green
Gude
Hall
Hamilton
Hanley
Hannaford
Harkin
Harrington
Harris
Hawkins
Hays, Ohio
Hébert
Hechler, W. Va.
Heckler, Mass.
Hefner
Helstoski
Hightower
Holland
Holtzman
Howard
Hubbard
Hughes
Hungate
Jacobs
Jarman
Jeffords
Jenrette
Johnson, Calif.
Jones, Ala.
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Jordan
Karth
Kastenmeier
Ketchum
Keys
Koch
Krebs
Krueger
LaFalce
Lagomarsino
Landrum
Leggett
Lehman
Levitas
Litton
Lloyd, Tenn.
Long, La.
Long, Md.
Lundine
McCloskey
McCormack
McFall
McHugh
McKinney
Madden
Maguire
Mann
Mathis
Matsunaga
Mazzoli
Meeds
Melcher
Metcalfe
Meyner
Mezvinsky
Mikva
Miller, Calif.
Mills
Mineta
Minish
Mink
Mitchell, Md.
Moakley
Moffett
Mollohan
Moorhead, Pa.
Morgan
Mosher
Moss
Mottl
Murphy, Ill.
Murphy, N.Y.
Murtha
Myers, Ind.
Neal
Nedzi
Nolan
Nowak
Oberstar
Obey
O'Brien
O'Hara
O'Neill
Ottinger
Passman
Patten, N.J.
Patterson, Calif.
Pattison, N.Y.
Perkins
Peyser
Pickle
Pike
Preyer
Price
Pritchard
Railsback
Rangel
Reuss
Richmond
Rinaldo
Risenhoover
Roberts
Rodino
Roe
Rogers
Rooney
Rose
Rosenthal
Rostenkowski
Roush
Roybal
Runnels
Russo
Ryan
St Germain
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Sarasin
Sarbanes
Scheuer
Schroeder
Seiberling
Sharp
Shipley
Sikes
Simon
Sisk
Slack
Smith, Iowa
Solarz
Spellman
Spence
Staggers
Stanton, James V.
Stark
Steed
Stephens
Stokes
Studds
Sullivan
Taylor, N.C.
Thompson
Thornton
Tsongas
Ullman
Vander Veen
Vanik
Vigorito
Waggonner
Walsh
Waxman
Weaver
Whalen
Wilson, Tex.
Wirth
Wolff
Wright
Wydler
Yates
Yatron
Young, Alaska
Young, Ga.
Young, Tex.
Zablocki
Zeferetti

NAYS—123

Abdnor
Archer
Armstrong
Ashbrook
Bafalis
Bauman
Beard, Tenn.
Bennett
Bevill
Bowen
Broomfield
Brown, Mich.
Brown, Ohio
Broyhill
Buchanan
Burke, Fla.
Butler
Carter
Clancy
Clausen, Don H.
Clawson, Del
Cochran
Conable
Coughlin
Crane
Daniel, Dan
Daniel, R. W.
Derwinski
Devine
Dickinson
Duncan, Oreg.
Duncan, Tenn.
du Pont
Edwards, Ala.
Erlenborn
Eshleman
Evans, Ind.
Findley
Forsythe
Fountain
Frenzel
Frey
Goldwater
Goodling
Gradison
Grassley
Hagedorn
Haley
Hammerschmidt
Harsha
Henderson
Hicks
Hillis
Holt
Horton

Howe
Hutchinson
Hyde
Ichord
Johnson, Colo.
Johnson, Pa.
Kasten
Kelly
Kemp
Latta
Lent
Lott
Lujan
McClory
McCollister
McDade
McDonald
McEwen
McKay
Madigan
Mahon
Martin
Michel
Miller, Ohio
Mitchell, N.Y.
Montgomery
Moore
Moorhead, Calif.
Myers, Pa.
Natcher
Nichols
Pettis
Poage
Pressler
Quie
Quillen
Regula
Rhodes
Robinson
Rousselot
Ruppe
Satterfield
Schneebeli
Schulze
Sebelius
Shriver
Shuster
Skubitz
Smith, Nebr.
Snyder
Stanton, J. William
Steelman
Steiger, Ariz.
Symms
Talcott
Taylor, Mo.
Teague
Thone
Traxler
Treen
Vander Jagt
Wampler
Whitehurst
Whitten
Wiggins
Wilson, Bob
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NOT VOTING—34

Adams
Andrews, N. Dak.
Barrett
Bell
Biester
Cederberg
Collins, Tex.
Conlan
Conyers
Guyer
Hansen
Hayes, Ind.
Heinz
Hinshaw
Kazen
Kindness
Lloyd, Calif.
Macdonald
Milford
Nix
Pepper
Randall
Rees
Riegle
Roncalio
Steiger, Wis.
Stratton
Stuckey
Symington
Van Deerlin
Udall
White
Wilson, C. H.
Wylie

The Clerk announced the following pairs:

Mr. Nix with Mr. Andrews of North Dakota.
Mr. Pepper with Mr. Heinz.
Mr. Charles H. Wilson of California with Mr. Kindness.
Mr. Stratton with Mr. Stuckey.
Mr. Barrett with Mr. Lloyd of California.
Mr. Hayes of Indiana with Mr. Bell.
Mr. Macdonald of Massachusetts with Mr. Hansen.
Mr. Riegle with Mr. Conlan.
Mr. Roncalio with Mr. Cederberg.
Mr. Conyers with Mr. Kazen.
Mr. Symington with Mr. Milford.
Mr. Van Deerlin with Mr. Wylie.
Mr. White with Mr. Collins of Texas.
Mr. Adams with Mr. Guyer.
Mr. Randall with Mr. Biester.
Mr. Rees with Mr. Udall.

So the resolution was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

Mr. ULLMAN. Mr. Speaker, pursuant to the provisions of House Resolution 1092, I call up the conference report on the bill (H.R. 9803), to postpone for 6 months the effective date of the requirement that a child day care center meet specified staffing standards—for children between 6 weeks and 6 years old—in order to qualify for Federal payments for the services involved under title XX of the Social Security Act, so long as the standards actually being applied comply with State law and are no longer than those in effect in September 1975, and ask unanimous consent that the statement of the managers be read in lieu of the report.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Oregon?

There was no objection.

The Clerk read the statement.

(For conference report and statement, see proceedings of the House of March 9, 1976.)

Mr. ULLMAN (during the reading). Mr. Speaker, I ask unanimous consent that further reading of the statement be dispensed with.

The SPEAKER. Is there objection to the request of the gentleman from Oregon?

There was no objection.

The SPEAKER. The gentleman from Oregon (Mr. ULLMAN) will be recognized for 30 minutes, and the gentleman from Michigan (Mr. VANDER JAGT) will be recognized for 30 minutes.

The Chair recognizes the gentleman from Oregon (Mr. ULLMAN).

Mr. ULLMAN. Mr. Speaker, we are confronted with a difficult situation in social services, particularly as such services relate to day care centers.

The Members of this House will recall that we put into effect new day care standards as of the beginning of this year. Now States are finding that it is not possible for them to meet those standards fiscally. Therefore, Mr. Speaker, State after State is threatened with closure of day care centers, and this creates a whole chain of other problems.

Mr. Speaker, what the conference report does is this: This was a very difficult matter and a long conference—what the bill does is to delay implementation of the new standards until the first of July, and it provides some funds to assist the States in gearing up for the new standards, but only until the end of this fiscal year and until the first of October.

Mr. Speaker, the gentlewoman from New York (Ms. HOLTZMAN) did an excellent job in explaining, in the debate under the rule, the involvement with the Committee on the Budget. The budget involvement is very minimal, and we did get a waiver on that minimal requirement.

Mr. Speaker, this is a fine compromise, and I urge the adoption of the conference report.

Mr. Speaker, I yield the balance of my time to the chairman of the subcommittee, the gentleman from California (Mr. CORMAN).

Mr. CORMAN. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I urge adoption of the conference report on H.R. 9803, a bill to provide additional funds for social services day care under title XX of the Social Security Act and to modify certain provisions related to day care standards.

Briefly, the conference agreement would provide $125 million additional funds between now and October 1, 1976, to enable States to bring day care services into compliance with the staff-child ratio requirements of title XX. It would continue until July 1, 1976 the present moratorium on enforcement of the staffing standards for children in day care between the ages of 6 weeks and 6 years of age. Also effective until October 1, States would be allowed to waive the staffing requirements in certain situations and would be authorized to use title XX social services funds, with 100 percent Federal funding to make grants to day care providers for the hiring of welfare recipients to work in day care facilities.

By way of background, the Social Services Amendments of 1974 which established title XX of the Social Security Act, require that specific staffing standards be met by child day care providers in order to qualify for funding under the $2.5 billion social services program.

Because there were indications that many child day care providers would not be able to meet the staffing requirements by the October 1, 1975, effective date for title XX, Congress enacted Public Law 94–120 which provided that no penalties for noncompliance with the staffing requirements for day care would be imposed by HEW prior to February 1, 1976. It should be made clear at this point that the requirements regarding health and safety standards were specifically cited at that time as standards that must continue to be met and these requirements continue under the conference report on H.R. 9803.

The conference report on H.R. 9303 provides a temporary resolution of the day care issue until October 1, 1976.

The Ways and Means Committee has included in its March 15 report in preparation for the first concurrent resolution on the budget for fiscal year 1977 that the $2.5 billion social services ceiling for title XX be increased to $2.75 billion a year. Thus, a more permanent provision for increased funding for day care and other social services is anticipated.

It should be useful at this point to cite some of the reasons for the current emergency facing day care services.

Prior to the October 1, 1975 effective date for the funding of social services child care under title XX, Federal law requires that federally funded child care services meet the 1968 Federal interagency day care requirements. Title XX modified these standards by making staff-child ratios for school age children less strict and making optional rather than mandatory an educational component for child day care programs.

The emergency situation we are now facing has been partly caused by the manner in which HEW has administered the social services program under the Social Security Act prior to title XX. Prior to October 1, 1975, HEW had chosen not to enforce the Federal law regarding child care standards, especially the staffing standards, thus creating an erroneous assumption in many States that the Federal child care standards under title XX also would not be enforced. However, this is not now the case. The Secretary of HEW has said that HEW will deny Federal matching funds for day care services provided after February 1, 1976, that do not meet the Federal standards in title XX.

There are some who question whether the child-staff ratio requirements in title XX can be justified. The interagency day care requirements of 1968 were first developed after an intensive effort by highly qualified individuals, keeping in mind the particular needs of children from low-income families. They are standards that have their basis in careful deliberation by those expert in the field and continue to be supported by a broad range of child welfare and child development experts and pediatricians.

It should also be added that recent news accounts of apparent laxness in some cities in the enforcement of health and safety standards for child day care facilities makes it doubly important to have sufficient staff to assure that not only the developmental needs but the personal care and safety needs of small children can be met. This is especially important if the laxness of enforcement of health and safety codes makes babies and small children vulnerable to fire and physical injury in unsafe facilities.

The need for the additional funds for child care provided in conference report on H.R. 9803 can be further seen by the fact that the $2.5 billion ceiling for social services and the ceiling for each State has not changed since 1972. Over two-thirds of the States are expected to spend up to their ceiling in fiscal year 1976 and a number of the States have been at their ceiling since 1972. Thus, those States do not have additional social services funds available to them under the present ceiling to meet the staffing standards unless funds are taken out of other social services funded through title XX. Child care services funded through title XX suffer from the same inflationary increases in their costs as other social services such as homemaker service for the aged or special services for the handicapped. However, at present, enforcing the necessary child care staffing requirements under title XX cause special problems demanding an increase in the ceiling.

Information obtained from the States last fall as to their increases in costs for child care from fiscal year 1975 to fiscal year 1976 if the child care standards in title XX were enforced was estimated to be $206 million.

The legislative history of the second concurrent resolution on the budget for fiscal year 1976, adopted last December, indicates that additional entitlement funding for social services was anticipated for the current fiscal year. However, because the funding for social services under title XX of the Social Security Act is in the form of an entitlement program for the States the conference report on H.R. 9803 is in technical violation of certain procedural requirements of the Budget Control Act.

However, recognizing the emergency situation and the fact that the conference report on H.R. 9803 is in conformity with the spirit and intent of the Budget Control Act, the House Budget Committee voted to recommend that a waiver be granted from certain procedural requirements of the Budget Control Act.

The following is a more complete summary of the provisions in the conference report on H.R. 9803.

First, the existing $2.5 billion limit on social services funding would be increased by $62.5 million for fiscal year 1976 and by $62.5 million for the transition quarter. Fifty million dollars of the additional funding in each of the quarters affected would be allocated among the States on a population basis. An additional $12.5 million in each quarter would be available to those States with special needs for assistance to enable them to meet the child care staffing standards required under title XX.

Second, the conference report extends to July 1, 1976 from February 1, the existing deferral of staffing standards for children aged 6 weeks to 6 years, provided that State law requirements are met and standards are not reduced below September 1975 levels.

Third, States would be permitted to waive from October 1, 1975 to October 1, 1976, certain staffing requirements in the case of child care centers and group day care homes which meet States' standards. This would be permitted if the children receiving federally funded care in a facility represent no more than 20 percent of the total number of children served—or in the case of a center there are no more than five such children—and provided that it is not feasible to place the children in a facility which meets the Federal requirements. The conference report would also modify, until October 1, the limitations in the current law on the number of children who may be cared for in a family day care home by providing that the family day care mother's own children not be counted unless they are under age 6.

Fourth, the welfare recipient tax credit provisions which are now scheduled to expire July 1, 1976, would continue in the case of child care providers to October 1, 1976, but with a $1,000 limit per person per year hired under the tax credit provision.

Fifth, States would be permitted without regard to usual title XX requirements to use funds within their title XX ceiling to make grants to child care providers for hiring welfare recipients in those facilities meeting the Federal standards. Use of the funds for such purpose would be limited to the additional funds a State would receive under the H.R. 9803 conference report. In the case of profitmaking providers, the grant per recipient would be no more than 80 percent of the wages of a welfare recipient and not exceed the rate of $4,000 per year per recipient. In the case of grants to public and nonprofit providers, the amount of the grant would be limited to no more than the rate of $5,000 per recipient per year. Funds spent for such grants to hire welfare recipients would be at a 100 percent Federal matching rate.

Sixth, the Federal matching rate would be increased for child care expenditures, other than grants to hire welfare recipients, from 75 percent to 80 percent. The increased rate would apply only to the additional amount of Federal funding provided under the bill. The administration has contended that there is a technical flaw in the drafting of section 3(d)(2) of the conference report. They contend that the report appears to limit Federal payments to any State for fiscal year 1976 and the transition quarter to a small amount of that which would be paid under current law. Of course, this is not a correct reading of the language of this section. Instead, the intent is to limit that portion of the title XX funds for which 80 percent compared to 75 percent Federal matching for child day care services. Eighty percent Federal matching would be available to the amount of the additional Federal funding provided under the conference report minus that portion of those funds where there is 100 percent Federal matching for grants to higher welfare recipients to work in day care facilities.

Seventh, the conference report on H.R. 9803 also makes permanent certain modifications contained in Public Law 94–120 regarding the funding of services for addicts and alcoholics under title XX. These provisions do not affect total expenditures under title XX.

Mr. ASHLEY. Mr. Speaker, will the gentleman yield?

Mr. CORMAN. I yield to the gentleman from Ohio.

Mr. ASHLEY. When the gentleman talks about the question of understaffing, do I understand correctly that the legislative provision in this bill is for one staff member for every four youngsters?

Mr. CORMAN. One for every four between the ages of 6 weeks and 3 years.

Mr. ASHLEY. Where did those figures come from? It has been suggested to some of us that there are States which, in their day care centers, do not begin to have enough staff on a one staff member to every four youngsters basis, so that this imposition of the Federal standards would really cause some considerable concern in those jurisdictions.

Mr. CORMAN. *First of all*, the standards were promulgated in 1968, these specific standards, and three times they have been reaffirmed by the Congress, once in the Economic Opportunity Act of 1974, in the Head Start and Economic Opportunity and Community Partnership Act of 1974, and most recently in title XX, and at that time there was congressional review and confirmation of the standards.

Mr. ASHLEY. But they have not been implemented, is that correct?

Mr. CORMAN. As I indicated, prior to October 1, 1975, HE Whad chosen not to enforce the Federal law regarding child care standards. But many of the child care centers in the country have implemented the staffing ratios. Some have not, it is true, and some have not come close to it.

This bill would continue the moratorium on enforcing the staffing requirement until July 1. But it would fund the program with those staffing ratios in it, with the additional $125 million for the next 6 months.

As I started to say, Mr. Speaker, I would hope that the recommittal motion would fail because it is asking the conferees to accomplish something impossible. Many of the Senators feel that there should not even be a suspension until July 1. They think that the suspensions have gone on much too long and that there is danger in continuing them. They are not going to concede on that point. I would hope very much that the House will adopt the conference report.

Ms. ABZUG. Mr. Speaker, will the gentleman yield?

Mr. CORMAN. I yield to the gentlewoman from New York.

Ms. ABZUG. Mr. Speaker, I thank the gentleman for yielding.

Mr. Speaker, as you know, H.R. 9803 contains language exempting certain centers from the revised day care standards if, to use the words of the bill, it is "infeasible" to use day care centers that do not meet the standards. I would like to ask you about the intention of the conferees in regard to that language.

Mr. CORMAN. I would be pleased to respond.

Ms. ABZUG. Does "infeasible" have anything to do with the fact that there has been great controversy about Federal day care requirements?

Mr. CORMAN. No, it has to do with the fact that reasons of geography and availability in rare instances make enforcement of the requirements "infeasible." If there is no day care center that meets the full requirements within reasonable travel time, we would not want to force a welfare recipient, for instance, that had a job, to have to leave that job because of the day care problem.

In most jurisdictions, in these days of work schedules and because of the age of the children involved, we would not want to force a working parent with a child in such day care to have to spend more than an hour taking or bringing a child to a center. As you will recall, some years ago the General Accounting Office prepared a report which criticized planners for not fully utilizing existing day care centers. This underutilization results in higher operating costs for these centers that are supported by tax funds and charitable donations. Without regard to the virtues of centers that do not meet the requirements, it seems wise to insist that in those cases where an existing center — or other tax-supported or charitable service can be expeditiously provided—that meets these minimal requirements can serve a child it be used. Of course, we would not want to stress this utilization if travel time would be an undue hardship for a working parent. In some areas of the United States we understand that there simply are no centers available at the present time that meet the day care requirements. To make sure that working parents can use the day care service to avoid dependency, in line with one of the goals of title XX, we have put this waiver and this matter of "infeasible" judgment into *H.R. 9803*.

Ms. ABZUG. I understand it you are giving States this authority so that they may find day care center care for children of working parents without unduly interfering with the practices of these day care centers that do not meet the requirements.

Mr. CORMAN. That is correct. We are trying to be responsive to the concerns of those day care center operators who say they prefer not to increase their costs and meet these requirements for one or a few children receiving services through title XX reimbursement. Without regard to their claim that these requirements are excessively costly, conferees wished to be responsive in a reasonable manner. But the matter of what is "infeasible" does not relate to cost considerations. If a given center operates at higher costs—and testimony I heard March 8 said it cost only a little more than a dollar a week to meet the requirements before we watered them down—that does not constitute an "infeasible" situation. So we were not talking about the alleged higher cost; rather, "infeasible" related only to matters of geography and availability as I outlined above.

Ms. ABZUG. I thank the gentleman from California (Mr. CORMAN) for clarifying the intent of the conferees on the matter of what is "infeasible" in H.R. 9803.

Mr. VANDER JAGT. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, the conferees on the minority side did not approve the conference report on H.R. 9803. Our objections to this legislation are many, but they stem fundamentally from the belief that the Federal Government should not impose uniform staffing requirements of unsubstantiated appropriateness upon child day care centers throughout the country.

We believe that the additional $125 million for the current fiscal year and transition period is unwarranted, and that it constitutes an unwise introduction of categorical funding into the title XX social services program. House consideration of this report reflects a misleading determination by the Budget and Rules Committees that the Nation confronts an emergency justifying the waiver of a key provision of the Budget Control and Impoundment Act designed to protect the integrity of our valued fiscal reform.

Certainly we all agree that day care funded under the Social Security Act should be as beneficial as possible. We hope that the care will be inspiring, that the intellectual curiosity of the children will be aroused and that they will have a rich opportunity for sound physical and mental development. Indeed, it is our wish that all children in this land will spend their formative years constructively, building solid foundations for their futures. But beyond this point our consensus dissolves, especially in contemplating the wisdom of extending Federal authority into the daily operations of child care facilities.

Let us examine where we stand today. Public Law 93-647 required that effective October 1, 1975, child care providers meet specific staffing standards known as the Federal Interagency Day Care Requirements—FIDCR—in order to qualify for funding under the new title XX of the Social Security Act. When many providers protested that they would be unable to meet the FIDCR staffing requirements, Congress considered legislation to postpone implementation of the mandatory standards. Public Law 94-120 eventually was enacted, setting February 1, 1976, as a new effective date.

When the Ways and Means Committee reported H.R. 9803 to the House last September, it recommended a 6-month postponement on the grounds that there had not been sufficient opportunity to consider the complex and sensitive issues relating to the staffing standards. To quote that report (H. Report 94-511):

> The Subcommittee (Subcommittee on Public Assistance) was convinced that the issue could not be given the consideration that was needed in the time available before October 1 when Public Law 93-647 goes into effect.

Similarly, at a later point the Committee stated:

> Your Committee does not wish to give any impression that it has made a decision to permanently lower or modify the proposed standards. Rather, it believes a period of time is necessary in order to give thorough and orderly consideration to the problems involved and to attempt to arrive at the best solutions that can be found.

And finally the Committee promised:

> In the next six months your Committee will also be examining this issue closely to determine appropriate future action.

Mr. Speaker, due primarily to the workload of the Ways and Means Committee it has been unable to give consideration to the mandatory staffing standards as promised. Your committee has held no hearings on this matter, and the Senate Finance Committee's hearing on day care this fall dealt only indirectly with the question of the standards' substantive merits.

Yet, we now find ourselves in the unfortunate situation in which these Federal staffing requirements have taken effect. Day care operators have no choice but to meet them, despite the uncertainty of their value and national appropriateness. These standards require one adult for every four children between 6 weeks and 3 years of age; one adult for every five children between 3 and 4 years of age, and one adult for every seven children between 4 and 6 years old. Furthermore, the House of Representatives now is being asked to approve an obligation specifically for day care of $125 million in addition to the funds to which the States are entitled for day care and other social services under the $2.5 billion annual program. These additional funds are to enable centers serving title XX recipients to meet the FIDCR requirements.

Mr. Speaker, we yearly appropriate many millions of dollars to enrich the educational opportunities of our young people. However, no one in the field of education has been able to discern the most effective teacher-pupil ratio, and neither Congress nor the executive branch seeks to mandate such a standard upon our schools. The Federal Government is not determining the number of children that may be in a kindergarten classroom. We are entrusting that decision to professional personnel who are closer to the delivery of this service. In my judgment the situation in day care should be little different.

We have been shown no evidence that these specific Federal standards, or any identifiable alternative, are of such credence as to merit their forced adoption in thousands of child care centers across the country. Nor do we have any evidence that the crisis posed by the standards constitutes the type of emergency which would justify Congress sidestepping of procedures in the Budget Control and Impoundment Act and the ceiling on social services expenditures as well in order to resolve the present dilemma. I urge the House to examine the conferees' course closely and to consider a simple extension of the standards' deferral as a more desirable solution for this time.

Admittedly, we are in a tough spot, now that the Federal standards have taken effect. Without this additional funding or a further postponement of the standards as a Federal requirement, centers could be forced to close or to cease to serve title XX children. Nonetheless, without greater certainty of the soundness of our policy, I cannot at this time support legislation that will carry us down a road of no return.

Mr. Speaker, while the key issue before us unquestionably relates to staffing requirements, I have heard some supporters of the legislation defend these additional funds as being essential for centers to meet health and safety requirements. In short, they appear to be suggesting that if we have no genuine emergency with respect to staffing, perhaps issues relating to health and safety could be fashioned to justify the dollars. Here, too, the claim must be set against the facts.

First, while we all believe that public facilities should be safe and healthy, it is a primary responsibility of State and local governments to see that this goal is fulfilled. Indeed, I believe that is unconscionable that some jurisdictions apparently have allowed unlicensed centers to operate. FIDCR requires only that day care centers comply with local health and safety codes. In the area of safety and sanitation FIDCR states:

> The facility and grounds used by the children must meet the requirements of the appropriate safety and sanitation authorities.

With respect to health and nutrition, FIDCR's requirements are similar to those of the public schools. Children are to receive dental and medical evaluations appropriate to their age, be checked daily for illness, have the usual immunizations, et cetera. In short, there are no burdensome Federal requirements in day care that justify this expense.

I might note that the National Government levies no special health and safety requirements upon our schools, despite giving them millions of dollars in annual aid. If we cannot look to local authorities to fulfill this responsibility, we might as well completely sack the Federal system.

Second, Public Law 94–120 postponed only the FIDCR staffing requirements from October 1, 1975, to February 1, 1976. The safety and health standards were not deferred, and no case was made then that they would pose an insurmountable obstacle to day care providers.

Finally, S. 2425, the Long-Mondale bill which served as the basis for the Finance Committee's October hearing on day care and as the source for most of the concepts of this conference report, addressed only the staffing requirements, saying nothing about health and safety. Witnesses who testified gave no indication of the existence of a health and safety problem.

The New York Times on March 10, 1976, carried a front page story about that city's $128 million day care program. Reporting on a task force study, First Deputy Mayor John E. Zuccotti stated that as many as 16,000 or the 36,200 children presently enrolled in 410 centers may be ineligible. The study revealed that the costs of day care per child in New York City range between $45.23 and $122.56 a week. Leasing costs for day care centers are as high as $141,056 a year. There is serious question in my mind as to the need of an additional $125 million in Federal day care funds when the experience of our largest city is as disturbing as this investigation reveals.

I urge my colleagues to bear in mind that in funding these staffing ratios we are creating pressures upon day care centers whose enrollment includes only a few or no children whose families are eligible for title XX services. In order for proprietary centers to offer an equivalent level of staffing they will have to significantly increase their operating budgets.

That can only lead to higher day care costs for families who are earning middle-level incomes because both parents are working. Is that the course we want to take?

Mr. Speaker, Senator Robert Packwood, of Oregon, once was a strong supporter of nationally mandated staffing standards. Yet, when this legislation was considered in the Senate Finance Committee, he offered an amendment to delete them as a Federal requirement. The motion was defeated on a 9 to 9 tie vote. But his words on the floor ring true to me:

> When I came here, maybe I came with the same kind of feeling that others come here with . . . that somehow there is a magic in Washington, that we have some superior knowledge, that God has spoken to us and only us, and we will translate what God says to the states and the local governments. I no longer share that view. I have come to the conclusion that we cannot run this country well from Washington, D.C.

Mr. Speaker, the day care staffing standards continue to be controversial. The House has no more proof of their appropriateness today than it did in wisely delaying their mandatory imposition last fall. The acting chairman of the Subcommittee on Public Assistance, Mr. Corman, has indicated that he hopes to hold hearings on the administration's block grant social services program this spring. The day care staffing ratios, which under the block grant approach would no longer be mandated upon the States, could be evaluated very constructively within the context of those hearings.

For these reasons, Mr. Speaker, I urge the House to take the lead in resolving a crisis of Congress' own making. I urge the House to recommit this report to the conference committee with an unmistakably clear statement that this House prefers a simple extension of the moratorium on the staffing standards to the misguided approach, conceived in the other body, to which the conferees' agreed.

I include the following:

Department of Health,
Education, and Welfare,
March 15, 1976.

Hon. John J. Rhodes
House of Representatives,
Washington, D.C.

Dear Mr. Rhodes: This letter is to express to you the Department's strong opposition to the conference report on H.R. 9803 and to ask you to bring our concerns over the report to the attention of other Members of the House.

The conference report would authorize an additional $125 million over and above the $2.5 billion ceiling on funding under title XX of the Social Security Act to assist States in meeting the costs of full enforcement of the Federal interagency day care requirements (FIDCR) as modified under title XX. Favorable congressional action on this new entitlement—to be available to the States for the balance of the current fiscal year and for the July 1–September 30, 1976 transition quarter—would effectively commit the Congress to perpetuation of the controversial FIDCR staffing standards and later authorization of $250 million annually in order to help States meet the costs of their full implementation.

As you know, the President has recommended, as part of his social services block grant proposal introduced as S. 3061 and H.R. 12175, that FIDCR, and particularly the costly and controversial staffing standards, be deleted from Federal law. Under the President's proposal, each State would be required to have in effect its own appropriate mandatory standards, including requirements relating to safety, sanitation, and protection of civil rights, for day care services provided under title XX. We strongly believe that the formulation of staff-to-children ratios and related standards for day care services is most appropriately left to State discretion just as the formulation of teacher-pupil ratios and related standards is left to the States under Federal education assistance programs.

Also, enactment of the conference report would violate the spirit and intent of both title XX as it exists and the President's block grant proposal by earmarking a specific amount of title XX services funds for a specific purpose. The States fought long and hard in the years preceding enactment of title XX to win the flexibility to make their own decisions on the best uses of Federal services funding.

Thus, should the Congress act favorably on the conference report, it would signal a retreat from the historic steps toward a more productive Federal-State partnership taken in title XX just a year ago.

Moreover, the conference report contains a substantial technical defect. We are advised that section 3(d)(2) of the report is intended to integrate the report's provision for 100 percent Federal payment of "Federal welfare recipient employment incentive expenses" (*i.e.*, the salaries of welfare recipients employed to provide child day care services in child day care facilities) with the report's provision to establish an 80 percent Federal share for other child day care services under title XX. Because this intent is so imperfectly rendered by the section, the report instead appears to limit the "total amount of the Federal payments which may be paid to any State" for fiscal year 1976 and the transition quarter to a small fraction of the amount that would be paid under current law.

In lieu of the conference report, we urge that the Congress extend to October 1, 1976, the moratorium on imposition of the child day care staffing standards enacted by Public Law 94–120 last October. This will give the Congress time to pass the President's title XX block grant proposal.

We are advised by the Office of Management and Budget that enactment of H.R. 9803 would not be consistent with the Administration's objectives.

Sincerely,

Marjorie Lynch,
Under Secretary.

Mr. Speaker, I rise in opposition to the emergency funding bill that is now before us and in support of the problem-solving recommittal motion which I will offer. By the adoption of the rule we have made a determination that an emergency exists which justifies leaving the act in shambles.

I should like to address myself to the nature of that "emergency." The problem arises because in a previous Congress, upon adopting title XX of the Social Security Act, among many other things we said that on October 1, 1975, day care centers of this Nation should meet certain staffing standards. As we approached that fateful day, our constituents told us there is no way on the face of this Earth we can meet those standards. If we hire enough supervisors to do that, we will go bankrupt. So our Public Assistance Subcommittee said to this body we have not had an opportunity to determine whether those standards are appropriate or not, and we think we ought to. So we sought to defer until March 31 those standards so that we could determine their appropriateness.

Mr. Speaker, we deferred the staffing standards. We did not defer a single Federal health or safety standard, and no one thinks we ought to for 1 second. I say the first dollar that goes to any day care center ought to be used to make sure it is healthy and safe for the children who are there. Dragging in health and safety at this point is an admission of the bankruptcy of trying to claim that staffing standards constitute an emergency.

I might say that the gentleman from California (Mr. CORMAN) and the gentleman from Oregon (Mr. ULLMAN) in appearing before the Committee on Ways and Means in order to seek the finding of an emergency so that the point of order could be waived, did not breathe the words "health or safety." They based their arguments on the staffing standards, as we did when we passed in October the deferral of the Federal staffing standards.

I would like to point out that between then and now for very good and sufficient reasons we have not had an opportunity to do what we said we ought to do, and that is take a look at those standards.

We have not spent one second determining whether they are appropriate or not. We do not know one thing today that we did not know then. So the appropriate solution is to do now what we did then. My recommittal motion will defer until July 1 those standards so that we can take a look at them and determine whether or not they are appropriate. If they are appropriate, we can then provide the funding to meet those new higher standards, and we will not be doing any violence to the Budget Act. That is the recommittal motion, and that will totally solve our problem now, as I said last fall, without any emergency to anyone.

I might point out that for years we have been supplying millions and millions of dollars for elementary education aid, and there is not one person here who thinks he knows specifically what the teacher-pupil ratio ought to be. I might also point out that Senator ROBERT PACKWOOD, an original champion of these specific standards—and the gentleman from Ohio is correct—of one supervisor for every four students in certain circumstances, after taking a look at it last fall decided not only were those standards too strict, but we should not have any Federal staffing standards at all.

After they looked at the situation in the Senate Finance Committee they defeated his motion to abolish all Federal staffing standards by only a 9 to 9 vote. Yet, we here in this body, if we adopt this, are saying we know with precision exactly what the standards ought to be and we know them with such certainty that it would be an emergency if we allowed any other deferral.

I submit that the majority on the Rules Committee who made that finding of emergency do not really know what those standards specifically are.

I further submit that in the March 10 issue of the New York Times there was an article reporting on the mayor's task force study of day care centers in New York City. That article said the mayor's deputy found incompetence in the management of those centers and the wasting of millions of dollars of the taxpayers' money. The cost in the day care centers ranged from $45 per week per student to $122 per week per child in the day care centers. At those high levels it is cheaper for a father to send his son to Harvard than it is for a worker to send his child to a day care center.

We want to make it still more rigid by having stricter standards and we do not know what those standards are.

Most of us do not even know when those standards take effect. The bill before us supplies $62.5 million in emergency funds to meet standards that do not become effective until July 1. That is right; the Senate has us so turned around that we are providing emergency funds in this quarter to meet standards that do not become effective until the next quarter. We are saying we will violate our Budget Act to supply emergency funds to meet standards that do not even exist yet. If we do that we deserve to be laughed at and the people will know we cannot cope with the welfare mess. We will only make it worse.

If we do not vote for the motion to recommit we will be waving goodby to all the high hopes that we had that our Budget Act could bring Federal spending under control.

Mr. Speaker, I yield 3 minutes to the gentleman from New York (Mr. RANGEL).

Mr. RANGEL. Mr. Speaker, I rise today in support of the conference report on H.R. 9803 to provide $125 million for the Nation's day care programs. The day care services under title XX of the Social Security Act, which will be benefited by this bill, are essential to low income working people who need subsidized day care in order to work.

Failure of this bill would mean that many low income working mothers who have secured a job, will be forced to give up that job because of a lack of day care for their children. In most cases, the only alternative for those families will be a return to the welfare rolls. The money we spend to maintain quality day care facilities for low income working people will pay a high return in the form of lower welfare costs.

The failure of this legislation would be telling low income working people that if they want to continue to work and cannot afford private day care for their children—which they cannot—then their Representatives in Congress expect them to leave their children unattended during working hours. Failure of this legislation would also tell the working poor that their Representatives expect them to tolerate second rate day care facilities which are inferior to facilities available to families who are financially better off.

The money provided by this bill is needed by day care centers to meet staffing ratios, health and safety code standards, and other program standards.

I urge my colleagues to support this legislation to keep the working poor working and to provide them with quality day care services.

Mr. VANDER JAGT. Mr. Speaker, I yield myself 1 additional minute to thank the gentleman from California for the correction on the ratio. I had certainly no intention of even suggesting that the gentleman was not aware of what the staffing standards were; but that the majority on the Committee on Rules that had to make a determination that an emergency existed did not even know what the standards were.

Mr. Speaker, I thank the gentleman for that correction.

Mr. CORMAN. Mr. Speaker, I was correcting myself; but I thought the gentleman was making reference to my remarks about the Budget Committee.

Mr. VANDER JAGT. Mr. Speaker, I thank the gentleman for that correction also, because as the gentleman knows, it is the Budget Committee that recommends the waiver. It is the Committee on Rules and the Committee on Rules alone that can grant the waiver and in order to grant that waiver, they have to make a finding of an emergency.

Mr. CORMAN. Mr. Speaker, I yield 5 minutes to the gentleman from Illinois (Mr. MIKVA).

Mr. MIKVA. Mr. Speaker, I listened with interest to my colleague from Michigan, speak with the gentleman's usual eloquence; I have the privilege of serving on the committee with the gentleman and the gentleman's eloquence was all there today; but the problem is that it was eloquence not related to the facts as I know them.

Mr. Speaker, I do not know about all the 50 States. There is a chart that the Senate issued in its report concerning day care centers which listed the amounts needed by the various States and how much of that money was needed for staffing, or at least how many staffers were required; but I do know something about my own State of Illinois, because I know how the director of the department of children and family services has been complaining to all of us in the Illinois delegation about what could happen if this money is not forthcoming and it has almost nothing to do with staff ratios.

Illinois needs something like $23.5 million. We only need 700 staffers. That is low compared with some States like Oklahoma which needs 1,000, and Minnesota which needs 1,760, and Missouri which needs 1,200. We need 700 staffers, but we need $23.5 million.

Why do we need that much money? Because otherwise we cannot meet the health and safety standards, which means that the day care centers close. As the gentleman from Michigan agreed, nobody is talking about peeling back those health and safety standards. Nobody wants to take the responsibility for a fire or plague of some kind and say that we waived those standards. So everyone agrees those standards should be enforced, and the HEW is out auditing the agency in Illinois.

Let me read an excerpt of a letter from the director of family services in Illinois, and then tell me whether an emergency exists or not:

> Dear Congressman Mikva: I am once again writing you regarding H.R. 9803. Since my last letter the situation in Illinois has become even more critical requiring that we again seek your urgent help in the passage of H.R. 9803. As you know the Federal staffing ratios for day care centers funded under Title XX are now in effect due to the expiration of the suspension. We have now been advised that the Department of Health, Education and Welfare has contracted with UNCO, Inc. of Arlington, Virginia to study the barriers in Illinois in achieving compliance with Federal Inter-Agency Day Care Requirements. This study will begin in two (2) weeks. In addition, HEW is now conducting a review of Day Care expenditure Claims in Illinois and is deferring funds to Illinois while the review is being conducted. The review includes an assessment of staffing patterns and related costs.
>
> With these factors before us coupled with the expiration of the suspension of the Federal Staffing Ratio, the Illinois Day Care Program may be forced to reduce or eliminate services. Since the State of Illinois serves nearly 40,000 children involving over $40,000,000 in funds for employment related day care, the potential effect in the failure to past H.R. 9803 would be to reverse the significant progress made in helping welfare families and other low income families become self sufficient.
>
> Thank you for your immediate assistance.
>
> Sincerely yours,
>
> Mary Lee Leahy,
> *Director.*

Let me say that in plain English, that means that Illinois' funds are now being held up and if, in fact, we do not meet the health and safety standards, and that is true in many States, they will be cut off, not only currently but cut off retroactively to October 1, 1975.

Maybe there are some people in this House that do not think that day care centers are important. Maybe some people in this House do not think day care is important; but I agree with the gentleman from New York who stated that every dollar we spend on day care is saving dollars that we do not have to spend on welfare. If we close down those day care centers in Illinois, it will mean a far greater increased amount to be spent on welfare for the children and mothers who are not able to keep the jobs they now have.

Is that an emergency? Maybe in some States it is not. All I know, in Illinois right now HEW is out auditing the day care centers with an eye to enforcing the existing standards from which nobody in this House wants to move away.

Perhaps the gentleman from Michigan does not have quite as urgent a matter, but I know that we in Illinois do. I know that unless this conference report is agreed to—not the recommittal motion, but the real conference report—we are going to have closed day centers in Illinois and have a lot of now working mothers back on the welfare rolls.

Mr. Speaker, I do not know anything that is a greater emergency than this. I urge adoption of the conference report.

Mr. VANDER JAGT. Mr. Speaker, I yield 3 minutes to the gentleman from Louisiana (Mr. Treen).

Mr. TREEN. Mr. Speaker, I thank the gentleman for yielding to me.

I fully support the remarks of my colleague from Michigan (Mr. Vander Jagt) on the motion to recommit in order to delay the day care standards until July 1. There is a point I think that needs to be made with regard to the hiring of welfare recipients. I received a message from the chief of program planning, Department of Welfare of the State of Louisiana, Dr. Robert Casse, who points out that the definition of welfare recipient in this conference report does not include SSI recipients. The authorization to use title XX funds to pay 100 percent of salary expenses only applies to the salaries of Work Incentive program participants—WIN—who in turn are AFDC recipients.

Mr. Casse points out that this will put pressure on centers now employing SSI recipients to replace them with AFDC recipients. For example, one center in Baton Rouge that serves retarded children employs retarded SSI recipients. Thus, there people will suffer if they are discharged in order to make way for welfare recipients.

I think this is a point which illustrates the fact that there are defects in this conference report. I think it behooves us to permit further additional time for the Ways and Means Committee to study this entire issue. I certainly feel that to delay the day care standards until July 1 is the most appropriate way to handle this problem. I fully support the motion to recommit.

Mr. CORMAN. Mr. Speaker, I yield 5 minutes to the gentlewoman from New York (Mrs. Chisholm).

Mrs. CHISHOLM. Mr. Speaker, I rise this afternoon in enthusiastic support of the conference report on H.R. 9803. You all know me as a long-time advocate of quality child care; this bill will continue to make that possible for millions of American families. But I am asking you to consider the merits of the provisions contained in this bill for additional reasons other than the argument positioned by child care advocates.

The fact is that we are facing a crisis in child care right now, and many programs throughout the country are in danger of being shut down. It is not simply a matter of staff ratios; in State after State, according to a Senate survey conducted last fall, day care centers were unable to meet other standards such as nutritional and health and safety codes; these standards have never been suspended, yet States have been unable to meet these Federal requirements simply because of a lack of funding. The ceiling imposed on Federal day care spending in 1972 has not been amended to accommodate the ever-spiraling cost of living which has seriously limited every State's ability to deliver services. So now, by enforcing the staff ratio regulations without making available additional moneys to relieve the financial emergency now being visited on day care facilities, HEW, is not only not solving the problem, it is making it worse.

Right now, HEW officials are auditing States and finding that their day care centers are out of compliance with the Federal interagency day care requirements. Not only are these centers subject to closing, but fines retroactive to October of last year are being imposed.

H.R. 9803 is the only solution in sight if we are going to make day care a viable option for working mothers throughout this country. This bill would provide the supplemental dollars deemed necessary by the States to meet their current operational costs. In States where facilities are staffed in accordance with existing requirements, facilities are for the most part deficient in other standards. This bill would enable States like California, Mississippi, Oregon, and many others to come into compliance with Federal standards.

I would like to emphasize that rejecting this bill will in the long run be much more expensive than approving it. I have seen the tracable pattern evidenced when day care centers close. Women who utilize these facilities, many who are participating in the job market for the first time, are forced back onto the welfare rolls because they simply have no alternative service for their children. At a time when our welfare rolls are swelling from a recession that has put nearly 9 million people out of work, we cannot afford to make this situation worse. If we reject the conference report on H.R. 9803, we will pay for those consequences.

Conversely, this bill makes it possible to put more welfare mothers back to work. It provides a work incentive to the States to hire welfare mothers to fill those staff slots which must be filled in order to comply with Federal requirements.

I would like to add that the availability of child care services plays an integral part in the function of our labor market. Without child care, many low-income families cannot work; with it, we enable millions to break that devastating cycle which has relegated them to poverty.

Consider the need for child care; consider what will happen to our unemployment figures without it; and consider how the imposition of standards—without the authorization of funds to enable compliance—will severely penalize State budgets. H.R. 9803 is a workable solution to the emergency we are now faced with. From every angle, from every perspective, a vote "yes" is a sound, fiscally cautious and necessary vote.

There is just one sentence I would like to add, and that is that we constantly hear people in this Chamber say that there are so many thousands of persons receiving public assistance and that these persons do not really want to work, that all they want to do is collect money from the Federal or State Government.

Now we are in a situation where we are trying to get people to become productive citizens in this society, but it is not possible to do so unless we make adequate provisions for the intellectual, physiological, and psychological care of our children.

People do not want welfare. People want to be able to get back on the employment rolls. The labor market in this country every year is increasing by more and more women having to go to work, not for the purpose of making pin money, but because it is absolutely necessary due to inflation and the cost of living which have caused women to be in the labor market.

Mr. Speaker, I ask that everyone vote "yes" on this conference report.

Mr. VANDER JAGT. Mr. Speaker, I yield myself 1 minute.

I urge a vote on the recommittal motion which I intend to make with respect to deferring the day care staffing standards until July 1.

The issue is not day care centers. The issue is, do we defer those standards until we can find out what they are and when they take effect and whether or not they are appropriate. If they are indeed appropriate, we can then supply the funding to meet those new, higher standards and we will not have done such early violence to the Budget Act.

Mr. Speaker, I urge a vote in favor of the motion to recommit with instructions to the conferees.

Mr. CORMAN. Mr. Speaker, I yield such time as she may consume to the gentlewoman from New York (Ms. HOLTZMAN).

Ms. HOLTZMAN, Mr. Speaker I will try to be brief. Let me start off by reiterating what I said with respect to the rule, that this bill does not in any way turn the second budget resolution or the Budget Act into a shambles, as has been stated on the floor. The only waiver that was granted in the rule had to do with a technical provison of the Budget Act. We did not by our action on the rule, nor will we by our approval of this conference report, in any way violate the second budget resolution.

I would like to speak as well to the merits of this conference report. What is at issue here is not just staffing requirements for day care centers, but the question of whether or not States can meet the health and safety and nutritional requirements for these centers that the law imposes.

The Senate has done an analysis of what the States will require in order to meet the legally mandated Federal day care standards. Information gathered from States around this country, whether we are talking about California or New York or Pennsylvania or other States, shows that regardless of the staffing requirements, States will need substantial amounts of money to comply with the health, safety, and nutrition standards required by law. If they violate those health and safety standards, they are going to lose day care money retroactively to last October.

If the States are not given the means, by the provisions of this conference report, to meet the health and safety standards already imposed by law, then they will be faced with two alternatives: either to raise taxes to meet these standards or to cut back severely on existing day care centers.

This bill provides assistance to States which will enable them to meet the health and safety standards required by law and to meet the staffing requirements as well.

Mr. Speaker, let me speak for a moment of the total cost of the bill. We are talking about $125 million through the end of this year and the transition quarter, but that is the gross cost. This figure does not take into account the money that is going to be paid back into the Federal Treasury by people who are working because their children can go to day care centers. The people who are working—as a result of this conference report—will pay taxes instead of receiving welfare.

The cost of not helping States to meet the health and safety standards is great. We either jeopardize the health and safety of children around this country—and I gather nobody wants to do that—or we require States to close day care centers or raise taxes. Closing centers will increase the burden on the Federal Treasury by increasing the number of people on welfare. Raising local taxes, of course, would have an adverse effect on the economy. Those are the two choices we face. These are clearly not desirable alternatives, and we should avoid them by giving the States the funds they need in order to meet the day care standards for health, safety, and staffing.

Therefore, Mr. Speaker, I urge an aye vote on the conference report.

Mrs. MINK. Mr. Speaker, I rise in support of the conference report to H.R. 9803 which extends the existing deferral of certain staffing requirements for title XX day care centers.

The Social Services Amendments of 1974—Public Law 93-647—required that specific standards must be met by child care providers by October 1, 1975, to qualify for title XX funds. In addition to specific staffing ratios, nutrition, health, and safety standards must be met.

It seems to me that an emergency clearly exists when virtually every State is faced with a cutoff of its title XX funds for day care services which is the penalty for noncompliance with the Federal interagency day care requirements. The conference report before us today will enable States to receive additional funds to meet the Federal day care requirements, prevent any disruption of services to children, and puts unemployed people to work through the hiring of welfare recipients to meet the staffing requirements.

The conference report to H.R. 9803 suspends until July 1, 1976, the staffing requirements for children between 6 weeks and 6 years of age. Day care centers would continue to receive title XX funds provided it is in compliance with State requirements and has staffing standards no lower than those in effect in September 1975. States are permitted to waive the staffing requirements until October 1, 1976, in the case of child care centers and group day care homes which meet State standards if the number of title XX children represent no more than 20 percent of the total number of children served.

Because only the regulations pertaining to staffing ratios are suspended, States must still meet the other requirements relating to health and safety. Unless additional moneys are provided for day care centers to meet these standards, existing programs will not be able to maintain services and will be forced to cut back on the number of children served. Most States are expected to spend up to the limit of their title XX funds and these States have no additional Federal social services funds available to them. The conference report corrects this problem by providing $125 million to States to meet the Federal day care requirements.

It needs to be made clear that the $125 million provided in the conference report is within the congressional budget ceiling for fiscal year 1976. Because of the entitlement nature of this bill, it had to be reported to the floor prior to December 31, 1975. The waiver recommended by the Budget Committee only waived the procedural requirements of the Budget Control Act to allow the House to consider this conference report at this time. I believe the Budget Committee on which I serve legitimately recognized the emergency when many day care centers are faced with closure because of a cutoff of Federal funds.

For these reasons, I urge you to vote for the conference report to H.R. 9803.

Mr. FRENZEL. Mr. Speaker, today the House will be considering the conference report version of H.R. 9803, the Child Day Care Services Act under title XX of the Social Security Act.

I supported the House version of this bill which called for a simple postponement of the staffing requirements for day care centers. I believed then and still believe that we cannot impose penalties on day care centers which do not meet those staffing requirements which Congress has not thoroughly studied, nor had the benefit of public hearings. At this point, neither the Department of Health, Education and Welfare nor Congress has sufficient data to decide once and for all what day care staffing ratios and related standards would be most appropriate. If we were simply considering such an extension of postponement today, I would again support it without question.

However, this conference report radically changes the nature of the House bill. I realize that any conference report must contain some compromise, but I believe this compromise is a bad one. It raises the $2.5 billion ceiling on social services spending by adding $125 million for the remainder of this fiscal year. Since that ceiling was imposed a few years ago, some increase is warranted, even at a time of heavy fiscal deficit. But because the way this particular increase is structured, it is a poor way to do it.

The enactment of this additional expenditure which promises to double in the next fiscal year in a sense reaffirms those standards which surely should not be imposed, and which both the Congress and the administration have agreed are in need of extensive study. In short, the expenditure is a level of justification for standards imposed arbitrarily by a Congress which admits it does not know the territory.

In the 2 years of deliberations leading up to title XX, the States, the service providers and the Congress reached a major compromise on the most basic issue of where the responsibility for social program planning, resource allocation and priority setting ought to rest—that is with the States, not the Federal Government.

This bill overturns that decision in the introduction of the earmarked funds concept. To earmark 20 percent of these funds for the specific purpose of helping those States with special problems would subvert local decisionmaking and open the door to great pressures for similar earmarks or for enriched matching rates for other specific purposes. That puts the Washington lobbyists in the front row and the States in the back row.

In addition, the provision of an expense tax credit to centers which employ welfare recipients is a new form of backdoor financing that would not be subject to the appropriation process. This new device would undermine the integrity of the budget process provided for under the Congressional Budget Act.

The moratorium on staffing standard implementation should have been extended. The House conferees have rejected all the other Senate provisions so that the Congress has time to consider the President's block grant proposal. That proposal removes most of the Federal controls on title XX spending and would set up staffing standard models for States based on the result of the HEW staffing which is now underway. If title XX spending were put into this block grant configuration, I would gladly support additional Federal spending in this area.

But day care services are an important need in our society today. They are one of the most important tools in helping our society to liberate the aspirations of women. They directly reduce welfare burdens on the taxpayers. I am sorry that the conference report has used day care for a shameless extension of the "papa knows best" theory. I will vote for the conference report only because there is no other alternative left. I voted to recommit the report so it could be approved as noted here. I hope the committee does not let us down again.

Mrs. SCHROEDER. Mr. Speaker, today we are considering H.R. 9803, a proposal to alleviate the crisis that threatens our present day care system. January 31 was the expiration date of the 4-month delay for enforcement of the day care regulations mandated by title XX—the Social Services Amendments of 1974. As a result, States out of compliance are subject to penalties, which involve the loss of a substantial portion of their day care funding, retroactive to October 1, 1975. However, this delay applies only to the Federal interagency day care requirements' staffing ratios, and not to the other FIDCR regulations—building codes, health, safety, and nutritional standards.

In October Senator Russell Long and Senator Walter Mondale introduced S. 2425, a bill to provide $500 million above the title XX spending ceiling for day care. In the meantime, the Senate Finance Committee conducted a State-by-State survey to determine the amount of money needed for the States to comply with the FIDCR standards. On the basis of this survey, the Senate Finance Committee reduced the funding authority for this legislation from $500 million to $250 million annually to enable the States to comply with the mandated standards.

Today there is an increasing demand for day care services. A recent study released by the National Council of Organizations for Children and Youth, entitled "America's Children 1976," indicates that one in six children in America lived in families whose income was below the official poverty level, $5,038 for a family of four. In fact, over one million children each year are now propelled by divorce into single-parent families. Furthermore, the study found that a third of mothers of preschool children are in the labor force. However, most of these women work because they need the money to subsist. The highest rate of female participation in the labor force occurs in families of average and below-average income.

The Denver metropolitan area has attracted many lower-income families in search of a better life—a suitable job, a decent home, and access to social and municipal services. Those who are least successful in this search must often settle in older areas of the city and County of Denver where housing costs are lowest, public transportation is available, and public services are provided to meet those needs which a meager income cannot buy. Their fate has become more bleak in view of the high rate of unemployment and inflation.

To meet pressing day care needs, Denver has constructed nine day care centers at a cost of over $2 million and proposed several more to meet the unmet day care needs of its citizens.

Aside from the question of quality, the city of Denver has taken great care to locate centers near major low-income concentrations. Transportation is a critical issue for the working poor in that while attempting to raise their economic status they find themselves in a period of real vulnerability. The absence of a nearby suitable child care center generates a costly and unnecessary hardship for most low-income, single-parent families attempting to break out of the poverty cycle.

A report released by the Office of Policy Analysis of the city and county of Denver on January 29, 1976 states that—

> Any meaningful solution to complex socioeconomic problems must include intensive efforts to reverse the dependency upon public assistance. A crucial element in such an effort is the provision of adequate day care services which will allow lower-income parents to work their way up to a suitable income level and become economically independent. In this regard, a day care delivery system has been designed in Denver to return public assistance households to economic independence and to provide a program of early childhood learning for disadvantaged children.

Today, however, the Denver day care delivery system is threatened by their inability to meet all the FIDCF standards. This affects the 850 children whose parents receive public subsidies enrolled in day care centers and the 1,750 such children enrolled in day care homes. Unless additional funding is forthcoming, day care centers could be closed in Denver—displacing these children.

Day care is an economic necessity. Public awareness of this fact is growing. A Harris poll conducted in December 1975, indicates that public support for day care has risen from 56 to 67 percent since 1970. Women's support for day care is even higher, rising from 63 to 72 percent.

The question is not whether we can afford day care, but if we can afford not to have it. Day care has proven to be one of the most cost effective social services. The costs of welfare are substantially higher than those of providing good child care for working parents whose children need them. The alternative is to force welfare recipients and the working poor with small children, who would rather hold down jobs and thus generate tax dollars, to live off the dole, at the taxpayer's expense.

A survey of Aid to Families With Dependent Children—AFDC—clients cited by the Denver Office of Policy Analysis indicates that 83 percent of those welfare recipients receiving day care services for less than 1 year stayed in the AFDC program. In contrast, 54 percent of those who used day care for more than 1 year were able to leave the AFDC program.

We have before us today the conference report on H.R. 9803, which suspends until July 1 the day care staffing standards, while providing an additional $62.5 million for the last quarter of fiscal year 1976 and $62.5 million for the quarter beginning July 1, 1976, and ending September 30, 1976.

The FIDCR are not new, except for those set for children under 3 for the first time. They were promulgated in 1968 and have been reaffirmed on at least three occasions: In the Economic Opportunity Act of 1972, in the Head Start, Economic Opportunity, and Community Partnership Act of 1974, and most recently by title XX. What is new is the congressional intent that these standards be enforced, which is now not generally the case.

However, it is high time that we provide the States with the *additional* funding necessary to meet the standards we have repeatedly voted.

H.R. 9803 is a job intensive program. It provides the incentive for day care programs to hire welfare recipients on the theory that employing aid recipients not only helps meet the required staff ratios, but is much less expensive than subsidizing the *recipient's whole family* with AFDC, medicaid, and food stamps.

I would like to speak in support of the two waivers contained in H.R. 9803.

The first waives the FIDCR staffing requirements for day care centers which serve predominately non-title XX children—that is, those whose title XX children number no more than five, or if greater, 20 percent of the total number of children served. This will avoid the likelihood of title XX children being forced out of their present day care situations, which may not meet Federal standards. Furthermore, it prevents segregated day care, with separate facilities for title XX and non-title XX children.

The second waiver exempts the school-age children of family day care mothers from counting as part of the children for which she is licensed to care. This is important because the majority of the day care in Colorado is provided by family day care homes. Many mothers begin to provide care for other children in their homes after their own children have started school. The requirement that their school-age children must be counted means in some cases that the number of children they may care for is unreasonably small, making their efforts unprofitable.

Mr. Speaker, H.R. 9803 is an investment whose benefits outweigh the cost. In addition to helping the States meet the standards, the $125 million is aimed at hiring welfare recipients in the child care program. This spending will result in an estimated $10 to $15 million spend down effect in fiscal year 1976 due to the public assistance offset. I urge approval of the conference report on H.R. 9803.

Mrs. **BURKE** of California. Mr. Speaker, I rise in support of the conference report on child day care standards—H.R. 9803—and urge my colleagues to vote in favor of this legislation.

Acceptance of the conference report is vital if we are to prevent curtailment of federally supported day care programs intended to serve lower income families. Without these additional funds, most States will be unable to comply with Federal health, safety, and staffing standards in their day care programs.

The alternative to providing the additional $125 million needed by the States between now and October 1, 1976, is a significant cutback in day care services and the likely closing of some day care centers. This would result in forcing low-income working mothers back on public assistance rolls, thus increasing welfare costs. This is certainly not an acceptable alternative.

We cannot afford to reject the provisions of this measure. The additional funds provided by this legislation should be viewed as an investment. These day care facilities are an economic necessity which would allow welfare recipients and low-income individuals to go to work knowing their children are being taken care of in a safe and healthy environment. We would demand nothing less for our own children. I urge your favorable vote on the conference report.

Mr. **FISHER**. Mr. Speaker, when the House originally passed H.R. 9803, it dealt primarily with a delay in the implementation of the Federal interagency day care standards for centers receiving Federal social services funds. The Senate added authorization for additional funds for day care. In the conference committee the House conferees agreed to a short-term authorization of funds, to run only to the beginning of fiscal year 1977.

I recognize the need to provide some extra funds to the day care programs to help them meet the Federal interagency day care standards. However, I also recognize that several years ago Congress imposed a $2.5 billion ceiling on Federal funding for social services under what is now the title XX program. I do not think that we should consider the 6-month authorization of additional funds for title XX day care as setting a precedent for continuing authorizations. If we decide to lift the ceiling on social services funding in the future, then we should debate that issue rather than an exception for one particular service.

I support the conference report on H.R. 9803, but I do not necessarily consider this support a commitment to further additional earmarked funds.

GENERAL LEAVE

Mr. **CORMAN**. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the conference report under consideration.

The **SPEAKER** pro tempore (Mr. McFALL). Is there objection to the request of the gentleman from California?

There was no objection.

Mr. **CORMAN**. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I wish again to call to the attention of my colleagues the fact that if we are sent back to conference with instructions under the motion to recommit, that would merely mean we are rejecting the conference report, and that the standards will go into effect as of February 1 and, therefore, many day-care centers in this country will lose their funding under title XX. It is not possible to reach a better agreement with the Senate than the one we have brought to the Members.

Mr. Speaker, I urge a no vote on the motion to recommit, and I urge the Members to adopt this conference report.

Mr. Speaker, I move the previous question on the conference report.

The previous question was ordered.

MOTION TO RECOMMIT OFFERED BY MR. VANDER JAGT

Mr. **VANDER JAGT**. Mr. Speaker, I offer a motion to recommit.

The **SPEAKER** pro tempore. Is the gentleman opposed to the conference report?

Mr. **VANDER JAGT**. I am, Mr. Speaker.

The **SPEAKER** pro tempore. The Clerk will report the motion to recommit.

The Clerk read as follows:

> Mr. VANDER JAGT moves to recommit the conference report on the bill, H.R. 9803, to the committee on conference with the following instructions to the managers on the part of the House: Insist on disagreement with all portions of the Senate amendment except section 2.

The **SPEAKER** pro tempore. Without objection, the previous question is ordered on the motion to recommit.

There was no objection.

The **SPEAKER** pro tempore. The question is on the motion to recommit.

The question was taken; and the Speaker pro tempore announced that the noes appeared to have it.

Mr. **VANDER JAGT**. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The **SPEAKER** pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 153, nays 237, not voting 42, as follows:

[Roll No. 124]

YEAS—153

Abdnor
Andrews, N.C.
Andrews, N. Dak.
Archer
Armstrong
Ashbrook
Ashley
Bafalis
Bauman
Beard, Tenn.
Bennett
Bevill
Bowen
Brinkley
Broomfield
Brown, Mich.
Brown, Ohio
Broyhill
Buchanan
Burke, Fla.
Burleson, Tex.
Burlison, Mo.
Butler
Byron
Carter
Cederberg
Chappell
Clancy
Clausen, Don H.
Clawson, Del
Cleveland
Cochran
Cohen
Conable
Coughlin
Crane
Daniel, Dan
Daniel, R. W.
Derwinski
Devine
Dickinson
Downing, Va.
Duncan, Oreg.
Duncan, Tenn.
Edwards, Ala.
Emery
Erlenborn
Esch
Eshleman
Evins, Tenn.
Findley
Forsythe
Frenzel
Frey
Fuqua
Goldwater
Goodling
Gradison
Grassley
Hagedorn
Haley
Hamilton
Hammerschmidt
Harsha
Hébert
Hefner
Henderson
Hicks
Hightower
Hillis
Holt
Horton
Howe
Hughes
Hutchinson
Hyde
Ichord
Jarman
Jeffords
Johnson, Colo.
Johnson, Pa.
Kasten
Kelly
Kemp
Ketchum
Krueger
Latta
Lent
Lujan
McClory
McCollister
McDonald
McEwen
McKay
Madigan
Mahon
Martin
Mathis
Michel
Milford
Miller, Ohio
Montgomery
Moore
Moorhead, Calif.
Mosher
Myers, Ind.
Myers, Pa.
Nichols
O'Brien
Passman
Poage
Pressler
Pritchard
Quie
Quillen
Railsback
Randall
Regula
Rhodes
Robinson
Roush
Rousselot
Runnels
Ruppe
Santini
Satterfield
Schneebeli
Schulze
Sebelius
Shriver
Shuster
Skubitz
Smith, Nebr.
Snyder
Spence
Stanton, J. William
Steelman
Steiger, Ariz.
Symms
Taylor, Mo.
Taylor, N.C.
Teague
Thone
Traxler
Treen
Vander Jagt
Wampler
Whitehurst
Whitten
Wiggins
Wilson, Bob
Winn
Young, Fla.

NAYS—237

Abzug
Addabbo
Alexander
Allen
Ambro
Anderson, Calif.
Anderson, Ill.
Aspin
Badillo
Baldus
Baucus
Beard, R.I.
Bedell
Bergland
Biaggi
Bingham
Blouin
Boggs
Boland
Bolling
Bonker
Brademas
Breaux
Breckinridge
Brodhead
Brooks
Brown, Calif.
Burgener
Burke, Calif.
Burke, Mass.
Burton, John
Burton, Phillip
Carney
Carr
Chisholm
Collins, Ill.
Conte
Conyers
Corman
Cornell
Cotter
D'Amours
Daniels, N.J.
Danielson
Davis
de la Garza
Delaney
Dellums
Dent
Diggs
Dingell
Dodd
Downey, N.Y.
Drinan
du Pont
Early
Eckhardt
Edgar
Edwards, Calif.
Eilberg
English
Evans, Colo.
Fary
Fascell
Fish
Fisher
Fithian
Flood
Florio
Flowers
Flynt
Foley
Ford, Mich.
Ford, Tenn.
Fountain
Fraser
Gaydos
Giaimo
Gibbons
Gilman
Ginn
Gonzalez
Green
Gude
Hall
Hanley
Harkin
Harrington
Harris
Hawkins
Hays, Ohio
Hechler, W. Va.
Heckler, Mass.
Helstoski
Holland
Holtzman
Howard
Hubbard
Hungate
Jacobs
Jenrette
Johnson, Calif.
Jones, Ala.
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Jordan
Karth
Kastenmeier
Kazen
Keys
Koch
Krebs
Lagomarsino
Landrum
Leggett
Lehman
Levitas
Litton
Lloyd, Calif.
Lloyd, Tenn.
Long, La.
Long, Md.
Lundine
McCloskey
McCormack
McDade
McFall

McHugh
McKinney
Madden
Maguire
Mann
Matsunaga
Mazzoli
Meeds
Melcher
Metcalfe
Meyner
Mezvinsky
Mikva
Miller, Calif.
Mills
Mineta
Mink
Mitchell, Md.
Mitchell, N.Y.
Moakley
Moffett
Mollohan
Moorhead, Pa.
Morgan
Moss
Mottl
Murphy, Ill.
Murphy, N.Y.
Murtha
Natcher
Nedzi
Nolan
Nowak
Oberstar
Obey
O'Hara
O'Neill

Ottinger
Patten, N.J.
Pattison, N.Y.
Perkins
Pettis
Peyser
Pickle
Pike
Preyer
Price
Rangel
Richmond
Rinaldo
Risenhoover
Roberts
Rodino
Roe
Rogers
Roncalio
Rooney
Rose
Rosenthal
Rostenkowski
Roybal
Russo
Ryan
St Germain
Sarasin
Sarbanes
Scheuer
Schroeder
Seiberling
Sharp
Shipley
Sikes
Simon
Sisk

Slack
Smith, Iowa
Solarz
Staggers
Stanton, James V.
Stark
Steed
Stokes
Studds
Talcott
Thompson
Thornton
Tsongas
Ullman
Vander Veen
Vanik
Vigorito
Waggonner
Walsh
Waxman
Weaver
Whalen
Wilson, C. H.
Wilson, Tex.
Wirth
Wolff
Wright
Wydler
Yates
Yatron
Young, Alaska
Young, Ga.
Young, Tex.
Zablocki
Zeferetti

NOT VOTING—42

Adams
Annunzio
AuCoin
Barrett
Bell
Biester
Blanchard
Clay
Collins, Tex.
Conlan
Derrick
Evans, Ind.
Fenwick
Guyer
Hannaford

Hansen
Hayes, Ind.
Heinz
Hinshaw
Kindness
LaFalce
Lott
Macdonald
Minish
Neal
Nix
Patterson, Calif.
Pepper
Rees

Reuss
Riegle
Spellman
Steiger, Wis.
Stephens
Stratton
Stuckey
Sullivan
Symington
Udall
Van Deerlin
White
Wylie

The Clerk announced the following pairs:

On this vote:

Mrs. Sullivan for, with Mr. Annunzio against.

Until further notice:

Mrs. Spellman with Mr. Bell.
Mr. LaFalce with Mr. Hannaford.
Mr. Nix with Mr. Collins of Texas.
Mr. Barrett with Mr. Patterson of California.
Mr. Hayes of Indiana with Mr. Rees.
Mr. Macdonald of Massachusetts with Mr. Stuckey.
Mr. Pepper with Mr. Heinz.
Mr. Stratton with Mr. Biester.
Mr. AuCoin with Conlan.
Mr. Clay with Mr. Derrick.
Mr. Evans of Indiana with Mr. Udall.
Mr. Adams with Mr. Steiger of Wisconsin.
Mr. Minish with Mr. Stephens.
Mr. Neal with Mr. Hansen.
Mr. Riegle with Mr. Blanchard.
Mr. Symington with Mrs. Fenwick.
Mr. Van Deerlin with Mr. Wylie.
Mr. Reuss with Mr. Lott.
Mr. White with Mr. Kindness.

Mrs. PETTIS, Mr. HOWARD, and Mr. LAGOMARSINO changed their vote from "yea" to "nay."

So the motion to recommit was rejected.

The result of the vote was announced as above recorded.

The SPEAKER. The question is on the conference report.

Mr. KETCHUM. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The vote was taken by electronic device, and there were—yeas 316, nays 72, not voting 44, as follows:

[Roll No. 125]

YEAS—316

Abdnor
Abzug
Addabbo
Alexander
Allen
Ambro
Anderson, Calif.
Anderson, Ill.
Andrews, N.C.
Andrews, N. Dak.
Archer
Ashley
Aspin
Badillo
Baldus
Baucus
Beard, R.I.
Bedell
Bergland
Biaggi
Bingham
Blouin
Boggs
Boland
Bolling
Bonker
Bowen
Brademas
Breaux
Breckinridge
Brinkley
Brodhead
Brooks
Broomfield
Brown, Calif.
Brown, Mich.
Brown, Ohio
Buchanan
Burgener
Burke, Calif.
Burke, Fla.
Burke, Mass.
Burton, John
Burton, Phillip
Butler
Carney
Carr
Carter
Cederberg
Chappell
Chisholm
Clancy
Clausen, Don H.
Clay
Cleveland
Cochran
Cohen
Collins, Ill.
Conable
Conte
Conyers
Corman
Cornell
Cotter
Coughlin
D'Amours
Daniels, N.J.
Danielson
Davis
de la Garza
Delaney
Dellums
Dent
Diggs
Dingell
Dodd
Downey, N.Y.
Drinan
Duncan, Tenn.
du Pont
Early
Eckhardt
Edgar
Edwards, Calif.
Eilberg
Emery
English
Erlenborn
Esch
Evans, Colo.
Fary
Fascell
Findley

Fish
Fisher
Fithian
Flood
Florio
Flowers
Foley
Ford, Mich.
Ford, Tenn.
Fountain
Fraser
Frenzel
Frey
Fuqua
Gaydos
Giaimo
Gibbons
Gilman
Ginn
Gonzalez
Goodling
Gradison
Green
Gude
Hagedorn
Hall
Hamilton
Hammerschmidt
Hanley
Hannaford
Harkin
Harrington
Harris
Harsha
Hawkins
Hays, Ohio
Hébert
Hechler, W. Va.
Heckler, Mass.
Hefner
Helstoski
Henderson
Hicks
Hillis
Holland
Holtzman
Horton
Howard
Hubbard
Hughes
Hungate
Jacobs
Jeffords
Jenrette
Johnson, Calif.
Johnson, Pa.
Jones, Ala.
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Jordan
Karth
Kastenmeier
Kazen
Kemp
Ketchum
Keys
Koch
Krebs
Krueger
Lagomarsino
Leggett
Lehman
Lent
Levitas
Litton
Lloyd, Calif.
Lloyd, Tenn.
Long, La.
Long, Md.
Lundine
McClory
McCloskey
McCormack
McDade
McEwen
McFall
McHugh
McKinney
Madden
Madigan
Maguire
Mann
Mathis
Matsunaga

Mazzoli
Meeds
Melcher
Metcalfe
Meyner
Mezvinsky
Michel
Mikva
Milford
Miller, Calif.
Mineta
Mink
Mitchell, Md.
Mitchell, N.Y.
Moakley
Moffett
Mollohan
Moore
Moorhead, Calif.
Moorhead, Pa.
Morgan
Mosher
Moss
Mottl
Murphy, Ill.
Murphy, N.Y.
Murtha
Myers, Ind.
Natcher
Nedzi
Nolan
Nowak
Oberstar
Obey
O'Brien
O'Hara
O'Neill
Ottinger
Patten, N.J.
Pattison, N.Y.
Perkins
Pettis
Peyser
Pickle
Pike
Pressler
Preyer
Price
Pritchard
Quie
Quillen
Railsback
Randall
Rangel
Regula
Rhodes
Richmond
Rinaldo
Risenhoover
Roberts
Rodino
Roe
Rogers
Roncalio
Rooney
Rose
Rosenthal
Rostenkowski
Roush
Roybal
Ruppe
Russo
Ryan
St Germain
Sarasin
Sarbanes
Scheuer
Schroeder
Seiberling
Sharp
Shipley
Shriver
Sikes
Simon
Sisk
Slack
Smith, Iowa
Smith, Nebr.
Solarz
Staggers
Stanton, J. William
Stanton, James V.
Stark

Steed
Stokes
Studds
Talcott
Taylor, N.C.
Thompson
Thone
Thornton
Traxler
Tsongas
Ullman
Vander Veen

Vanik
Vigorito
Waggonner
Walsh
Wampler
Waxman
Weaver
Whalen
Whitten
Wilson, Bob
Wilson, C. H.
Wilson, Tex.

Wirth
Wolff
Wright
Wydler
Yates
Yatron
Young, Alaska
Young, Ga.
Young, Tex.
Zablocki
Zeferetti

NAYS—72

Armstrong
Bafalis
Bauman
Beard, Tenn.
Bennett
Bevill
Broyhill
Burleson, Tex.
Burlison, Mo.
Byron
Clawson, Del
Crane
Daniel, Dan
Daniel, R. W.
Derwinski
Devine
Dickinson
Downing, Va.
Duncan, Oreg.
Edwards, Ala.
Eshleman
Flynt
Forsythe
Goldwater

Grassley
Haley
Hightower
Holt
Howe
Hutchinson
Ichord
Jarman
Johnson, Colo.
Kasten
Kindness
Landrum
Latta
Lott
Lujan
McCollister
McDonald
McKay
Mahon
Martin
Miller, Ohio
Montgomery
Myers, Pa.
Nichols

Passman
Poage
Robinson
Rousselot
Runnels
Santini
Satterfield
Schneebeli
Sebelius
Shuster
Skubitz
Snyder
Spence
Steelman
Steiger, Ariz.
Symms
Taylor, Mo.
Teague
Treen
Vander Jagt
Whitehurst
Wiggins
Winn
Young, Fla.

NOT VOTING—44

Adams
Annunzio
Ashbrook
AuCoin
Barrett
Bell
Biester
Blanchard
Collins, Tex.
Conlan
Derrick
Evans, Ind.
Evins, Tenn.
Fenwick
Guyer

Hansen
Hayes, Ind.
Heinz
Hinshaw
Hyde
Kelly
LaFalce
Macdonald
Mills
Minish
Neal
Nix
Patterson, Calif.
Pepper

Rees
Reuss
Riegle
Schulze
Spellman
Steiger, Wis.
Stephens
Stratton
Stuckey
Sullivan
Symington
Udall
Van Deerlin
White
Wylie

The Clerk announced the following pairs:

On this vote:

Mr. Annunzio for, with Mrs. Sullivan against.

Until further notice:

Mrs. Spellman with Mr. Ashbrook.
Mr. Stratton with Mr. Hansen.
Mr. Minish with Mr. Schulze.
Mr. Nix with Mr. Stephens.
Mr. Barrett with Mr. Stuckey.
Mr. Hayes of Indiana with Mr. Patterson of California.
Mr. Riegle with Mr. Blanchard.
Mr. Symington with Mr. Mills.
Mr. Van Deerlin with Mr. Steiger of Wisconsin.
Mr. Pepper with Mr. Wylie.
Mr. Rees with Mrs. Fenwick.
Mr. Evins of Tennessee with Mr. Derrick.
Mr. AuCoin with Mr. Bell.
Mr. LaFalce with Mr. Heinz.
Mr. Macdonald of Massachusetts with Mr. Kelly.
Mr. Neal with Mr. Conlan.
Mr. White with Mr. Collins of Texas.
Mr. Udall with Mr. Biester.
Mr. Reuss with Mr. Hyde.
Mr. Adams with Mr. Evans of Indiana.

Mrs. SMITH of Nebraska and Messrs. BOB WILSON, HILLIS, and ABDNOR changed their vote from "nay" to "yea."

So the conference report was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

PROVIDING REPRESENTATION OF THE DISTRICT OF COLUMBIA IN CONGRESS

Mr. EDWARDS of California. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the further consideration of the joint resolution (H.J. Res. 280) to amend the Constitution to provide for representation of the District of Columbia in the Congress.

The SPEAKER. The question is on the motion offered by the gentleman from California (Mr. Edwards).

The motion was agreed to.

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the joint resolution, House Joint Resolution 280, with Mr. Smith of Iowa in the chair.

The Clerk read the title of the joint resolution.

The CHAIRMAN. When the Committee rose on March 16, 1976, the joint resolution had been considered as read, printed in the Record and open to amendment at any point.

COMMITTEE AMENDMENT

The CHAIRMAN. The Clerk will report the committee amendment.

The Clerk read as follows:

Committee amendment: On page 2, line 6, strike out the words "so elected" and insert in lieu thereof the words ", when elected.".

The committee amendment was agreed to.

AMENDMENT OFFERED BY MR. BUTLER

Mr. BUTLER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. Butler: Page 2, line 16, strike out "amendment of" and insert in lieu thereof "amendment to".

The CHAIRMAN. The question is on the amendment offered by the gentleman from Virginia (Mr. Butler).

The amendment was agreed to.

AMENDMENT IN THE NATURE OF A SUBSTITUTE OFFERED BY MR. HUTCHINSON

Mr. HUTCHINSON. Mr. Chairman, I offer an amendment in the nature of a substitute.

Amendment in the nature of a substitute offered by Mr. Hutchinson: Strike out all after the resolving clause and insert in lieu thereof the following: That the following article is proposed as an amendment to the Constitution of the United States, which shall be valid to all intents and purposes as part of the Constitution when ratified by the legislatures of three-fourths of the several States within seven years from the date of its submission by the Congress:

"Article —

"Section 1. The people of the District constituting the seat of government of the United States shall elect two Senators and the number of Representatives in Congress to which the District would be entitled if it were a State. Each Senator or Representative, when elected, shall be an inhabitant of the District and shall possess the same qualifications as to age and citizenship and have the same rights, privileges, and obligations as a Senator or Representative from a State.

"Sec. 2. When vacancies happen in the representation of the District in either the Senate or the House of Representatives, the people of the District shall fill such vacancies by election.

"Sec. 3. The District constituting the seat of government of the United States shall appoint, in such manner as the Congress may direct, a number of electors of President and Vice President equal to the whole number of Senators and Representatives in Congress to which the District is entitled under this Article. They shall be in addition to those appointed by the States, but they shall be considered for the purposes of the election of President and Vice President to be electors appointed by a State; and they shall meet in the District and perform such duties as provided by the twelfth article of amendment to the Constitution.

"Sec. 4. Each Representative or Senator from the District shall be entitled to participate in the choosing of the President or Vice President in the House of Representatives or Senate under the twelfth article of amendment as if the District were a State.

"Sec. 5. The twenty-third article of amendment to the Constitution is hereby repealed.

"Sec. 6. The Congress shall have power to enforce this article by appropriate legislation.".

Mr. HUTCHINSON (during the reading). Mr. Chairman, I ask unanimous consent that the amendment in the nature of a substitute be considered as read and printed in the Record

The CHAIRMAN. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. HUTCHINSON. Mr. Chairman, my substitute proposal here would incorporate in it all of the text of the proposed amendment as the Members have it before them and, in addition, would incorporate the substance of the 23d amendment to the Constitution into this proposal, with this one change: It would provide the District of Columbia with the full electoral strength that it would have if it were a State.

Then, of course, my substitute would repeal outright the 23d amendment, because the 23d amendment would no longer be necessary. The text of the 23d amendment has been incorporated in here with that one particular change.

I feel that if we are going to make the District of Columbia a State insofar as its representation in the Congress is concerned, it is very logical that we also accord it the same strength in the Electoral College that it would have if it were a State. Under the text of the proposed constitutional amendment, as reported from the Committee on the Judiciary, the Members from the District of Columbia in the House of Representatives would act as Members from the 51st State whenever the election of the President devolves upon the House of Representatives under the 12th amendment, and the Senators from the District of Columbia would exercise their power as Senators in the choice of a Vice President of the United States whenever the choice of a Vice President falls on the Senate under the 12th amendment.

If we are going to let the District have the functions of a State in the election of a President in the Congress, it seems to me as though the voters in the District should have the same power as the voters of any of the States to ward off that event. So that is what this substitute I am offering proposes: that is, that we let the District of Columbia have its full electoral voice in the Electoral College.

Mr. Chairman, the committee report disposes of this matter simply by saying they thought it would be best to delay this question of strengthening the electoral college until the matter was resolved by another constitutional amendment providing for a direct election of the President.

The only trouble with taking that position is that we do not know when, if ever, the electoral college will be done away with. It has been considered. I know it has been considered in the Committee on the Judiciary, and we were right on the verge of considering it following the 1968 election, as I recall. However, the electoral college system is fundamental in our electoral process, and I doubt very much that it is good policy to wait until that time comes to give to the District of Columbia its full strength in the electoral college, if we are going to give the District its full strength in the Congress.

Mr. Chairman, I urge support for this amendment in the nature of a substitute.

AMENDMENT OFFERED BY MR. BUCHANAN TO THE AMENDMENT IN THE NATURE OF A SUBSTITUTE OFFERED BY MR. HUTCHINSON

Mr. BUCHANAN. Mr. Chairman, I offer an amendment to the amendment in the nature of a substitute.

The Clerk read as follows:

Amendment offered by Mr. Buchanan to the amendment in the nature of a substitute offered by Mr. Hutchinson: In the matter proposed to be inserted by the amendment offered by Mr. Hutchinson, strike out "two Senators and the number of Representatives in Congress" in section 1 of the article of amendment, and all that follows down through and including "Sec. 6.", and insert in lieu thereof the following: "one Representative in Congress and, as may be provided by laws, one or more additional Representatives or Senators, or both, but not exceeding the number to which the District would be entitled if it were a State. Each Senator or Representative, when elected, shall be an inhabitant of the District and shall possess the same qualifications as to age and citizenship and have the same rights, privileges, and obligations as a Senator or Representative from a State.

"Sec. 2. When vacancies happen in the representation of the District in either the Senate or the House of Representatives, the people of the District shall fill such vacancies by election.

"Sec. 3. This article shall have no effect on the provision made in the twenty-third article of amendment to the Constitution for determining the number of electors for President and Vice President to be appointed for the District. Each Representative or Senator from the District shall be entitled to participate in the choosing of the President or Vice President in the House of Representatives or Senate under the twelfth article of amendment as if the District were a State.

"Sec. 4.

Mr. BUCHANAN (during the reading). Mr. Chairman, I ask unanimous consent that the amendment to the amendment in the nature of a substitute be considered as read and printed in the Record.

The CHAIRMAN. Is there objection

to the request of the gentleman from Alabama?

There was no objection.

Mr. BUCHANAN. Mr. Chairman, as I indicated during general debate, the amendment which I now offer is one to which I cannot claim pride of authorship. It was originally proposed, in its essence, by the former distinguished chairman of the Committee on the Judiciary, the Honorable Emanuel Celler of New York.

It was subsequently supported by me and others. I began to champion it as early as 1967. It was supported repeatedly in testimony by spokesmen for the Justice Department. It was endorsed by the immediate past President of the United States, and perhaps the most cogent case for it was made by William Rehnquist, at present an Associate Justice of the Supreme Court, at the time that he was an assistant attorney general, when he testified before the U.S. Senate in 1970.

Mr. Chairman, my amendment is a middle course. The proposal by the distinguished ranking member of the Committee on the Judiciary is one that would elevate the District to the full status of a State in every way, both as pertaining to representation in the Congress, as the resolution before us would do, and in the matter of Presidential electors.

Mr. Chairman, the gentleman from Alabama (Mr. Flowers) will soon offer an amendment which will provide for voting representation in the House only. Mine takes a middle course. It provides for one voting representative. At the time when this proposal receives two-thirds of the vote in the House and the Senate and the vote of three-quarters of the State legislatures, it immediately provides for the establishment of one voting representative for the District of Columbia in the House, but it establishes also the mechanism whereby Congress may, by law, bring that representation up to full representation in the House and Senate. It thereby provides a mechanism whereby ultimately the District could achieve full representation, but leaves that question open, providing only that it shall be represented immediately upon its ratification by one representative in the House.

Mr. Chairman, I personally am a proponent of full representation for the District of Columbia; and I personally feel one cannot say that the 750,000 or 800,000 persons who reside in the District of Columbia have equity or that there is in the District of Columbia government of the people, by the people, and for the people, or that they fully participate in the rights of American citizenship until they are represented in both of the Houses of this bicameral body.

In a bicameral body with two coequal houses, it seems to me that representation in both houses is necessary for there to be justice and equity, but this amendment would simply provide the mechanism and the political realities are that it might be that Congress would stop short of full representation. I do not know.

I do know that this amendment is a formula for full representation. It is possible to eventually so achieve it. This I believe is the formula that we need. It has been endorsed by people who are far better constitutionalists than I. I offer it now, in all humility, but in all confidence that it is a viable proposal whereby the rights of the people in the District can be protected and no longer denied.

Mr. FLOWERS. Mr. Chairman, will the gentleman yield?

Mr. BUCHANAN. I yield to my colleague, the gentleman from Alabama.

Mr. FLOWERS. Mr. Chairman, I appreciate the distinguished gentleman from Alabama yielding. I would ask the gentleman this question and that is: Does the gentleman not feel a little uncomfortable with this back door approach to accomplish the same thing that the bill out of the committee would accomplish?

Mr. BUCHANAN. I would say to my friend, the gentleman from Alabama (Mr. Flowers) that I do not feel in the least uncomfortable because I am a political pragmatist, like my distinguished friend, and believe that any way you can arrive at justice and equity is a road I want to take, and I perceive this as the necessary step toward full representation for the people in the District of Columbia.

Mr. FLOWERS. But the gentleman is not the least uncomfortable in coming in the back door, that the back door method is all right in an amendment to the Constitution of the United States.

Mr. BUCHANAN. Mr. Chairman, I would say to my distinguished colleague, as I am sure the gentleman knows, that it is entirely possible that we could end up with something other than full representation. It may be that the other body will say that they cannot buy this formula, we will have one Senator, it may be that Congress will agree with that, it may be the Senate will say they do not want one Senator, it could be a nonvoting Representative in the other body, or, again, it could be complete full representation. Through this means we are simply setting up the mechanism, a mechanism that is flexible if there be future decisions of the Congress to go ahead and adopt that which is envisioned in the bill, but not beyond that.

Mr. FLOWERS. If my colleague, the gentleman from Alabama, will permit me one more shot, and that is that I cannot comprehend the situation where a two-thirds vote of the House and Senate would be necessary, and then, later a mere majority of both Houses would not quickly enact legislation to allow fall representation as comprehended in the committee bill. In other words, this seems like a back-door approach and has the further fallacy of somewhat misleading the people as to what the full prospects are here.

The CHAIRMAN. The time of the gentleman has expired.

(On request of Mr. Mikva, and by unanimous consent, Mr. Buchanan was allowed to proceed for 2 additional minutes.)

Mr. BUCHANAN. Mr. Chairman, I thank the gentleman for yielding me the additional time. May I say to my friend the gentleman from Alabama, that I do not believe that anyone here is trying to mislead the people when we have two bodies that are as sophisticated as these two bodies are. Everybody knows what we are trying to do. My approach really is the middle ground that we should take. I think it is the proper approach.

The distinguished delegate, the gentleman from the District of Columbia (Mr. Fauntroy) has another approach for full representation, as does the gentleman from Michigan. Mine, I say, is the middle-road approach and the one I believe by which we can ultimately achieve full representation if the Congress in the future decides to do that. I simply am setting up a mechanism whereby that ultimate desire can be achieved through a vehicle that may have some chance of ratification. That is all I claim to do, and I lay it right here on the table because I believe, as I am sure the gentleman does, that what we are trying to do here is right instead of wrong. I have no qualms of conscience or doubt of judgment concerning the rightness of what I seek to do.

Mr. MIKVA. Mr. Chairman, will the gentleman yield?

Mr. BUCHANAN. I yield to the gentleman from Illinois.

Mr. MIKVA. Mr. Chairman, I would like to associate myself with the remarks of the gentleman from Alabama.

I would like to suggest that the proposal that is being presented by the gentleman from Alabama that if it is adopted that it can hardly be viewed as some kind of sneaky practice or a backdoor effort. All the gentleman's amendment tries to do is to make sure that what is here proposed is not going to go down to defeat in the other body. I would suggest that the other body will not be persuaded at this time that their numbers ought to be increased by at least two Senators from the District that the District of Columbia is entitled to. Obviously the arrival at such a situation is not now. But it seems to me the approach taken by the gentleman from Alabama is one that can open that constitutional door, and it certainly is well within the constitutional bounds toward representation for the District of Columbia. But, I repeat, until the other body finds itself in favor of such representation there, hopefully they will, and a better time will come wherein they will agree that the full rights of democracy ought to come to the people residing in the District of Columbia.

Mr. FLOWERS. Mr. Chairman, will the gentleman yield?

Mr. BUCHANAN. I yield to the gentleman from Alabama.

Mr. FLOWERS. I thank the gentleman for yielding.

Does the gentleman's amendment also allow for the city of Chicago to have two Senators?

Mr. BUCHANAN. It certainly does not, but the people of Chicago are represented in the U.S. Senate now. The same is true of New York and every other city.

The CHAIRMAN. The time of the gentleman has expired.

(At the request of Mr. Butler, and by unanimous consent, Mr. Buchanan was allowed to proceed for 6 additional minutes.)

Mr. BUTLER. Mr. Chairman, will the gentleman yield?

Mr. BUCHANAN. I yield to the gentleman from Virginia.

Mr. BUTLER. I thank the gentleman for yielding.

I should like to quote in just a moment from the provisions of the gentleman's amendment. But I would certainly like to join the gentleman from Alabama in praising the gentleman from Alabama for his candor. I think it is quite accurate to say that what we are trying to do indirectly is what we have concluded we cannot do directly, and that, of course, in the constitutional process is something new I am sure the gentleman will recognize.

Mr. BUCHANAN. I will say again that there are some very distinguished constitutional lawyers who have endorsed this approach. I will also say to my friend, the gentleman from Virginia, that while this is what I had hoped to be the result, it is not the only possible result or even the most likely result of this effort. So I do not think we can simply equate what I am doing with the bill before the House.

Mr. BUTLER. We are going to endeavor to do that, if the gentleman will yield further. But would the gentleman mind explaining to the House why he did not feel compelled to bring the knowledge of these great constitutional lawyers to the attention of the subcommittee when we were having hearings on this matter and while we were doing our research and doing this work for the presentation?

Mr. BUCHANAN. I will be glad to tell the gentleman why I did not. I testified on this matter in 1971. I began to cosponsor it in 1967. The proposal had been considered by the Committee on the Judiciary repeatedly in a series of Congresses, and my testimony is in my hand that was given before the Committee on the Judiciary in 1971 in support of this proposal.

I did not so testify at this time, because I personally had become persuaded that full representation was equitable and right. It had been my intention to support that proposition. The political realities have made it plain that the proposal before the House is most unlikely to pass this body, is certainly unlikely to pass the other body and, therefore, my way seemed the only possible viable way to achieve the end result.

Mr. BUTLER. I thank the gentleman for that explanation. This is, of course, the new constitutional approach of the amendment by adverse possession, but I do think it would have been helpful if we had had the opportunity to review this. So now if the gentleman would answer a few questions, we would appreciate it. Can the gentleman explain to me whether the language "as may be provided by law" is to be inserted in this constitutional amendment?

Mr. BUCHANAN. Yes.

Mr. BUTLER. If the gentleman will yield further, will the gentleman explain, No. 1, is there precedent for putting this kind of language in a constitutional amendment; and, No. 2, exactly what does it mean? What does the gentleman mean by "provided by law"?

Mr. BUCHANAN. I wish I could get into my hand quickly the very cogent arguments of the distinguished gentleman, Justice Rehnquist.

Mr. BUTLER. If the gentleman will yield, is it 1962, 1958, or what year is it that we are talking about?

Mr. BUCHANAN. I am talking about present Associate Justice William H. Rehnquist's case, his approach when he testified before the committee in 1970. He made very cogent arguments. The gentleman from Virginia is aware he is talking to a layman and not to a lawyer.

I hope some of my friends will help me in answering this question.

Mr. BUTLER. Maybe the gentleman will get some help there from the gentleman, the Delegate from the District of Columbia, but he is a preacher, too. He is another man of the cloth and not a lawyer.

Mr. BUCHANAN. He is putting in my hand the statement of the Assistant Attorney General, William H. Rehnquist, pertaining to the arguments.

It would in a sense be a precedent. Every constitutional amendment, however, is a precedent. We are changing the basic law of our land. We are trying a different formula in so changing it, but I assume our constitutional fathers in their wisdom—while they may not have envisioned voting by the black residents of these United States, the people who were the slaves; while they may not have envisioned voting by women; they may not have envisioned voting by people who were not property holders; or they may not have envisioned voting by people who were bondsmen—did establish a mechanism whereby in time they could change their minds about provisions of the Constitution to more completely protect the rights of the people, which is what we think we are here for today. There was this mechanism provided.

I am making use of that means in a way that may be different, but it has been endorsed by a series of constitutional lawyers. It was devised by Emanuel Celler, and it was testified to and endorsed by Rehnquist, and it was endorsed by Kleindienst, and it was endorsed by Assistant Attorney General Sweeney and by former President Nixon, who was himself an attorney. So there is ample endorsement and cosponsorship of a distinguished number of members of this committee of this measure at one time or another in the history of its existence.

So there are many constitutional lawyers who may answer better than I, but the whole beauty of the Constitution is that it can be amended, uniquely or otherwise, and the way I seek to amend it I would suggest to the gentleman is just as legitimate as any other way, though it may be a new way and a unique way.

Mr. BUTLER. If I may ask the gentleman to yield one more time, what do we mean by saying amend it by law? Do we mean amend it by constitutional amendment or by statute?

Mr. BUCHANAN. By statute.

Mr. HUTCHINSON. So it would have to pass both Houses.

Mr. BUCHANAN. By a majority vote and then be signed by the President, or failing his signature it would have to pass by a two-thirds vote. It would require a two-thirds vote of this body here today and a two-thirds vote of the other body and approval of three-fourths of the State legislatures, so in that act the Constitution would be amended and we would establish the mechanism and it later could be implemented.

Mr. BUTLER. Then having passed this legislation, we would be in a position where this House would increase its number by this law, after a President signs it. Suppose, then, that we have the unfortunate situation of electing a majority from the wrong party; then the House could be in a position of removing that seat subject to the approval of a majority.

Mr. BUCHANAN. I am not certain I can answer that except we do provide one representative that cannot be changed by Congress. We do provide one.

Mr. HUTCHINSON. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I think that my objections to the Buchanan amendment were referred to in the discussion between the gentleman from Alabama (Mr. BUCHANAN) and the gentleman from Virginia (Mr. BUTLER), but I want to state my objections in my own words.

I do not like to use the word "mischievous' in connection with the effect of the Buchanan amendment but I have grave reservations as to how it would work. To begin with, we would write into the Constitution a power within the Congress to determine what representation the District of Columbia shall have in the Congress over and above that one vote in the House.

And, of course, what a Congress can give the Congress can take away. That is the thing that disturbs me about it. We will be leaving it up to the Congress by a simple majority vote in the future to provide that for instance the District of Columbia shall be entitled to two votes in this House, and then because of some development which I do not want to speculate about, another philosophy gets hold in this House and they conclude they do not want representatives from the District of Columbia here, any more than they have to, so they simply remove one seat.

And over in the Senate it would be even worse. The Congress would have it within its power to determine whether or not the District was to have any vote over in the other body of a bicameral legislature.

Let me say this. I am sure Members on this floor here fully understand, remembering my discussion during the general debate, that I am not in favor of this constitutional amendment. I am not in favor of it in any form, but it does seem to me as though we should be concerned about the Constitution and what we write into the Constitution. It is more than a question of fairness. If we are going to give the District of Columbia voting representation here, I think we should track the constitional pattern and not try to evolve something unique with regard to the District, because that situation is going to prove embarrassing in the future.

Mr. EDWARDS of California. Mr. Chairman, will the gentleman yield?

Mr. HUTCHINSON. I yield to the gentleman from California.

Mr. EDWARDS of California. Mr. Chairman, the gentleman points out that under the Buchanan amendment the Congress by a majority vote could take away representation from the District of Columbia in the House and the Senate. At the present time the Congress can take away from the House of Representatives any number of Members simply by reducing the 435 now authorized by law and reducing this number to 300 or 400, which in a political climate could result in one political party taking advantage of the other. Yet, I have never seen that this is a danger. I suggest that the bogeyman that the gentleman from Michigan points out as a defect in the Buchanan amendment is not really such a defect.

Mr. HUTCHINSON. Mr. Chairman, I would say in answer to the gentleman that even though the argument of the gentleman may have some merit so far as membership in this House is concerned, it would not be true in the U.S. Senate. If in the future some Congress under this Buchanan amendment should decide that the District of Columbia should have one Senator or two Senators and then 2 or 4 years later Congress decided to take those Senators away from the District of Columbia, that would be something that the Congress cannot do to any State.

Mr. EDWARDS of California. Mr. Chairman, will the gentleman yield further?

Mr. HUTCHINSON. Yes.

Mr. EDWARDS of California. For nearly 200 years we have had a situation where the Congress can lower or raise the number of Members of the House of Representatives at any time for political considerations. This has never happened, so the precedents are all in favor of the Congress acting responsibly in this situation.

Mr. HUTCHINSON. Mr. Chairman, I would say to the gentleman, it is a matter of history that there has not been a case where they have lowered the membership in the past; but there have been cases in history where the membership of the House has been raised for political purposes.

Mr. EDWARDS of California. I disagree that they were raised for political purposes; but I thank the gentleman.

The CHAIRMAN. The time of the gentleman from Michigan has expired.

(At the request of Mr. BUTLER, and by unanimous consent, Mr. HUTCHINSON was allowed to proceed for an additional 2 minutes.)

Mr. BUTLER. Mr. Chairman, will the gentleman yield?

Mr. HUTCHINSON. I yield to the gentleman from Virginia.

Mr. BUTLER. Mr. Chairman, I am grateful to the gentleman from California for injecting this point into the discussion, because it really illustrates the fallacy of the position being advocated here. It is quite true that the House can increase or decrease the total membership, but it cannot do it unless it is proportional under the Constitution. What would happen under the Buchanan amendment, is that the House would have the power to raise or increase above one the membership of the House of Representatives for no reason or for any reason, without respect to what happened to the membership of the House, without respect to the principle of apportionment, without respect to any real standard except the political loyalty or conduct of the particular Member of this House.

It is an extremely dangerous position in which to put a representative democracy. I would urge my colleagues to reject it, because of that outrageous position.

Mr. MIKVA. Mr. Chairman, I move to strike the requisite number of words.

I rise in support of the amendment.

Mr. Chairman, I am reluctant to take on two such distinguished constitutional lawyers as the gentleman from Michigan and the gentleman from Virginia; but I will impose on my own prerogatives as a former member of the House Committee on the Judiciary and as one who heard the testimony presented by the gentleman from Alabama back in 1971, as well as that of Supreme Court Justice Rehnquist. I found that testimony persuasive then and I find it persuasive now.

Let me remind my colleague, the gentleman from Virginia, that there are at least two places in the Constitution which discuss changing suffrage. I call attention to article V of the Constitution itself, and I remind the gentleman that it says that no State without its consent shall be deprived of equal suffrage in the Senate. Therefore, it suggests that in all other respects the Congress is free to do all kinds of suffrage things under the Constitution. Indeed, I hate to call attention to this amendment, because I know it is not the favorite amendment of the gentleman from Virginia, but the 14th amendment very specifically allows this Congress to reduce representation in the House nonproportionately.

It has never been used, but it is very clear there that where the Congress finds that people have been denied the suffrage as a result of race, "the basis of representation therein shall be reduced in the proportion which the number of such male citizens shall bear to the whole number of male citizens 21 years of age in such state."

So that this is not really outside the pale of constitutional permissiveness, nor indeed is the method that unusual. We have had schedules attached to constitutional amendments ever since the Constitution was formed. There was one piece of the original Constitution, for instance, which suggested a certain limited period of time during which slave trading would be allowed.

There have been other schedules both in Federal and State constitutional amendments, which phase in the effectiveness and efficacy of a particular piece of the Constitution. In my own State we do that all the time. We set a prospective date for operation of a constitutional change to allow the body politic to adjust to the change.

Mr. BUTLER. Mr. Chairman, will the gentleman yield on that point?

Mr. MIKVA. I will be glad to yield to the gentleman from Virginia.

Mr. BUTLER. Pertaining to this principle of scheduling the effective date of a particular constitutional amendment, can the gentleman think of any precedents where we have had the yo-yo principle, where we can put it in and take it out, as is contemplated here?

Mr. MIKVA. Let me say again that we have the yo-yo principle in the 14th amendment, and there are some who think it is a yo-yo amendment, but there are a number of us who accept it as part of the Constitution.

Mr. BUTLER. The gentleman has made some assumptions about my feelings about the 14th amendment——

Mr. MIKVA. I assure the gentleman that they are made in jest.

Mr. BUTLER. I am not sensitive. I have been in this body long enough to get over that. I do want to suggest, however, the very fact of the protection of apportionment, which is apparent in the careful language of the 14th amendment, is the principle which permits reduction of a State's representation. Really, there is a factual basis for reapportionment, and that permits Congress to increase its membership.

There is nothing—the gentleman will agree, I am sure—which allows any way for this Congress to add or remove representation from a State in the Senate or the House.

Mr. MIKVA. Let me say to my colleague—and I do this reluctantly because I intend to vote for this amendment with or without the Buchanan amendment—I do not want to suggest that the Committee on the Judiciary was anything less than its usual careful self, but as I read the amendment as it came out of committee, I am not sure but what that same situation might not exist under the amendment itself.

I again call the attention of my colleague to article V of the Constitution itself, which says:

> . . . no State, without its Consent, shall be deprived of its equal Suffrage in the Senate.

While I realize there would be an argument that could be made as to the later amendment, as I read that article strictly and literally, as a court might read it at some future time, it might be construed to say that only States are protected in their suffrage in the Senate. Since we are not making the District of Columbia a State under this amendment, it might well be that the District suffrage still might be impingeable.

Mr. BUTLER. I congratulate the gentleman for his perception in this regard. If he would like to amplify that a little more, I suggest that he read my dissenting views at page 32 of the report.

Mr. MIKVA. Mr. Chairman, I think that the amendment offered by the gentleman from Alabama seeks to recognize that we have a very flexible document in the Constitution of the United States, and that this amendment can be a way of solving the temporal problems as well as the constitutional problems that deny citizens of the District of Columbia the right to vote.

Mr. Chairman, I rise in support of the amendment offered by Mr. BUCHANAN, the distinguished gentleman from Alabama. I will not speak on the merits of providing representation in the Congress of the United States for the residents of the District of Columbia. Those arguments have been forcefully articulated by scholars, legislators, and others for many years. Moreover, I think the issue is basically a simple one—can we deny the most essential of political rights, the franchise, to over 700,000 citizens. Certainly, the contribution of Mr. FAUNTROY is an eloquent testimony to the value of District representation. Unfortunately, the simplicity of the issue does not automatically eliminate the existence of political pressures. The continued press of politics on this issue is presently apparent in the other body, and has made the possibility of full congressional representation for the District residents in the immediate future unlikely.

The Buchanan amendment is a reasonable compromise which takes into account the current situation in the other body without sacrificing the urgency of providing immediate representation in the House of Representatives. Although 1970 census figures indicate that the District is entitled to two Representatives, only one is sought under the Buchanan amendment because projections indicate that the District would only be entitled to one under the 1980 census.

The Buchanan amendment is also true to the constitutional amendment process without using that process as a shield to deny District residents a voice in national affairs. The amendment offered by Mr. BUCHANAN establishes a mechanism for eventual Senate representation and allows the States to express approval or disapproval, on the basic issue of representation in the House and Senate for the District. To limit this vote to representation in the House would require two invocations of the constitutional amendment process—one decision for the House of Representatives and one decision for the other body. Not only is this method extremely cumbersome, but it would also be rightly viewed by the States as a cynical ploy to deny them the opportunity of voting once—up or down—on the question of District representation.

Frankly, I would prefer to give the people of the District of Columbia a voice in the House and the other body immediately. It is unfortunate that delay subjects the District to an analysis of its governing ability which we impose on no other body of government. However, I recognize that full representation is still some time in the future. The Buchanan amendment is an opportunity for the House of Representatives to be the first to deal fairly with the sad situation of 700,000 disenfranchised voters.

Mr. DODD. Mr. Chairman, I move to strike the last word.

Mr. Chairman, as a member of the Civil and Constitutional Rights Subcommittee, I voted for House Joint Resolution 280, which would give the District of Columbia full representation in the Congress by providing for two Senators, and House representation according to population.

However, given the expected difficulty of passage of this resolution by the Senate, and three-fourths of the State legislatures, I intend to support the Buchanan amendment, which will amend the original resolution to limit the District of Columbia's representation to one voting Member in the House, but stands as a meaningful first step in according the District full representation in the Congress.

I support this concept of representation for the District of Columbia, because I believe that the citizens of the District of Columbia merit representation in the Congress of the United States. At the present time 765,510 citizens reside in the District, a number exceeding the population of 10 of our States. Yet, while these States are represented by two votes in the Senate, and at least one in the House, the citizens of the District, of whom 450,000 are eligible voters, are represented by a sole nonvoting Member in the House.

This dearth of representation accorded the District of Columbia is all the more deplorable when one considers that the citizens of the District share the same obligations of income taxes and military service, as the represented citizens of the 50 States, but without the accompanying privilege of choosing voting congressional representation. The District's per capita Federal income tax is $551, $114 above the national individual tax per capita.

Historical research indicates that the political rights of residents of the "to be established Federal city" are not mentioned in the recorded debates of the conventions called by the States to ratify the Constitution, nor in the recorded debates of the Constitutional Convention of 1787.

However, it is evident that a very major concern of the framers of the Constitution was that each citizen have a role in the direction of the Government. James Madison voiced his support for this principle in Federalist Paper 43, noting the right of Federal District residents to have "a voice in the election of the Government which is to exercise authority over them."

Let me reiterate once again that the time has come to accord the citizens of the District of Columbia the full privileges of citizenship. House Joint Resolution 280, as amended by the Buchanan amendment goes a long way in this direction, and for this reason I support the adoption of the amendment, and final passage of the amended resolution.

Mr. FAUNTROY. Mr. Chairman, I move to strike the requisite number of words, and I rise in support of the amendment.

Mr. Chairman, and Members of the House, I rise in support of the Buchanan compromise amendment. I support, obviously, House Resolution 280 because I firmly believe that there is no justification for denying three-quarters of a million people, who bear all of the responsibilities of citizenship, including the payment of Federal taxes, and who, incidentally, pay more in Federal taxes per capita than the citizens of all but four States of this Nation.

Mr. Chairman, I am not one normally to agree with the judgments of the distinguished former President of the United States, Richard Nixon, but having read, as I did, at the suggestion of the gentleman from Alabama (Mr. BUCHANAN), the arguments raised by Mr. Rehnquist, when he was Assistant Attorney General, and by Mr. Kleindienst, then Attorney General of the United States, I have become convinced that this amendment allows us to preserve the principle of voting representation in the legislative branch of Government of the people of our Nation's Capital at the same time that it enables the people of this Nation in three-quarters of the legislatures of the Nation to say that there may be voting representation in the Senate and then leaving to the House and the Senate and the President by law the decision as to how that representation can and should be effected.

The Members of this House have listened to 3 hours of what I think was stimulating and stirring debate on the question of whether or not there is any justification for denying citizens of this great republic full voting representation in the legislative branch of Government. I trust that as the Members have read and listened to those arguments that they have become convinced, as I am confident the majority of the Members of this House are, that we are entitled, as citizens of this great country who bear all responsibilities of citizenship, to voting representation in the legislative branch of Government.

The 86th Congress answered the question: Is there any justification for denying the people of the District of Columbia voting representation in the selection of the Chief Executive of the Nation? To its credit that 86th Congress in 1960 responded by saying, "No, it is not right to deny those citizens voting representation," and so we adopted the 23d amendment to the Constitution which allowed us the privilege of voting for the Chief Executive.

That amendment allowed us that privilege, but it continues to deny that privilege to those who are residents of the District of Columbia.

So I am hopeful that in this Bicentennial Year when so many of us across this country will be waxing eloquently about the great principles that led to the founding of this great Nation, including the principle that taxation without representation is tyranny, that those of us who will be speaking on those subjects will have an opportunity to demonstrate that we are prepared to move this Nation into the 20th century.

In my remarks in this Chamber during the course of this debate I informed the Members that en route to Washington, returning after the Washington-Lincoln Day recess, I had an unusual experience. As we approached, the voice of the stewardess came over the intercom and in her accustomed manner she said:

> We are now approaching the Nation's Capital. If you will look out the window on the left, you will see the White House where the President of these United States resides. In the distance you will see the U.S. Capitol, where the 535 Members of the House and Senate who are elected by the people of this

> country to represent them in the national legislature are doing their business.

And then she said:

> In the distance you will see also the homes and neighborhoods of the people of the District of Columbia—three-quarters of a million of them—who 200 years after the founding of this Nation still endure the tyranny of taxation without representation.

She said:

> So, the pilot has requested that I ask you to extinguish all smoking material, bring your seat backs and tray tables into an upright position, fasten your seat belts, and turn your clocks back 200 years.

It is my hope that we will move on this amendment so that we can bring the citizens of the District of Columbia into the 20th century. If we do, we will do for them what all the great nations of the free world have done for all the citizens of their capital cities.

The CHAIRMAN. The time of the gentleman from the District of Columbia (Mr. FAUNTROY) has expired.

(By unanimous consent, Mr. FAUNTROY was allowed to proceed for 1 additional minute.)

Mr. FAUNTROY. Mr. Chairman, we in the District of Columbia want to have the same rights that the people in the city of Bonn have in the national legislature of West Germany, the same rights that the people in the city of Paris have in the national legislature of France, and the same rights that the people in the city of London are accorded in the national legislature of Great Britain.

Mr. Chairman, I urge support of this amendment.

Mr. KINDNESS. Mr. Chairman, I move to strike the requisite number of words.

Mrs. PETTIS. Mr. Chairman, will the gentleman yield?

Mr. KINDNESS. I yield to the gentlewoman from California.

Mrs. PETTIS. Mr. Chairman, there is no question that the residents of the District of Columbia be provided voting representation in the Congress. What seems to be at question here today is by what means should this representation come about.

I must agree with my distinguished colleague from Michigan (Mr. HUTCHINSON) that to accord to the people of the District voting representation in the House and to deny them their equal suffrage in the Senate would leave them only half represented, with voting strength in one House of a bicameral legislature but not in the other.

Further, to accord representation in both the House and the Senate—without statehood—would not observe the proviso in article V of the Constitution, because it would dilute the votes of the States, thereby depriving them of equal suffrage. Additionally—as Mr. HUTCHINSON argues—if the constitutional amendment proposed by House Joint Resolution 280 becomes effective, Congress will have to assume an unprecedented role—in the absence of D.C. statehood—in acting as a State legislature in defining the boundaries of congressional districts within the District of Columbia.

Moreover, several other unresolved constitutional issues would remain if this resolution were enacted; none of the least more questionable than that the District would be treated as a State—without statehood—for the purpose of representation, but not for Presidential elections, as specified under the 23d amendment.

Mr. Chairman, as one who believes that the Constitution must be judiciously amended, I think it would behoove this body that if we are to extend voting representation to the residents of the District of Columbia, that we do so only in a manner which is both equitable and constitutional.

Mr. KINDNESS. Mr. Chairman, we have now seen that there is no constitutional principle involved in this debate. We have seen that there is no strong argument for statehood for the District of Columbia, and that, we would think, would be the ultimate thing sought after by those who argue so strongly for full representation for the District of Columbia and its people. But there is no strong argument for statehood because it bears burdens as well as benefits.

There is no argument for principle in the Buchanan amendment either. The amendment enables the Congress and the President to set by law the number of Representatives and Senators to be elected by the District, with a mandated number of one Representative. This perverts our Constitution in several respects.

First, the amendment forces the President to dispose of any law passed by Congress with respect to District representation. That is rather odd.

Second, a politically charged Congress could at any time remove by law a Congressman from the District by abolishing the position.

There is no principle there. The people of the District of Columbia are not fully represented, in that context.

Third, the amendment enables the Congress to do, by a majority vote and approval of the President, what can only be done in a normal course by a constitutional amendment.

Mr. Chairman, there is no principle there. This short-circuiting of the constitutional amendment process sets a dangerous precedent.

The amendment seeks to move or sneak by the people an openended power to alter representation in the Congress by a majority vote, with no safeguards. There is no safeguard for these highly precious rights that are sought for the people of the District of Columbia. There is no principle there.

Mr. Chairman, this is so contrary to our political process that the amendment should be defeated on that ground alone.

Finally, however, Mr. Chairman, the amendment completely undermines the effect of the amendment in the nature of a substitute by leaving intact the 23d amendment relating to participation in the Electoral College.

How could the great defenders of liberty in this Congress deny the residents of the District of Columbia their full complement of electors?

Mr. Chairman, there is no principle in this amendment. The amendment is outrageous and indefensible. In that respect, its supporters will not escape the blame for keeping the residents of the District of Columbia second-class citizens with respect to the election of the President and Vice President.

I would certainly ask my colleagues to reject this compromise. It is a compromise without principle. Constitutional amendments should not be drafted on the floor of the House. There was no dissension on this compromise proposal in the committee or in the subcommittee.

Mr. BUCHANAN. Mr. Chairman, will the gentleman yield?

Mr. KINDNESS. I yield to the gentleman from Alabama.

Mr. BUCHANAN. Mr. Chairman, this amendment was not drafted on the floor of the House. It was drafted by the chairman of the Committee on the Judiciary some years ago. It has been repeatedly considered by the Committee on the Judiciary. It has been cosponsored by members of the Committee on the Judiciary through the years. It is an old, not a new, proposal.

Mr. KINDNESS. Mr. Chairman, I will yield no further on that point. I think we have heard that several times.

The point is that this amendment has not been considered in the committee in the current Congress. It was not considered in the subcommitee. It was not considered as a possibility until we got to the floor with this bill.

No one can deny that, I suspect, because it was not brought up in its earlier stages of consideration by the Congress.

Mr. Chairman, if that is good legislative procedure, then I would submit, at least, that it is not good legislative procedure when we are dealing with a proposed constitutional amendment. To bring something along to the point where a matter is already on the floor without any consideration in committee makes very little sense to me. It does show, however, that there was no belief in this nonprincipled compromise sufficient to bring it to the consideration of the commitee.

Therefore, Mr. Chairman, I would urge defeat of the amendment.

Mr. FAUNTROY. Mr. Chairman, will the gentleman yield?

Mr. KINDNESS. I yield to the gentleman from the District of Columbia.

Mr. FAUNTROY. Mr. Chairman, from the tenor of the remarks of the gentleman from Ohio (Mr. KINDNESS), it seems that he is supportive of the principle of voting representation in the Congress for the citizens of the District of Columbia; is that correct?

Mr. KINDNESS. Yes.

Mr. FAUNTROY. And the gentleman is prepared to support House Joint Resolution 280?

Mr. KINDNESS. No.

Mr. FAUNTROY. Mr. Chairman, I find it rather inconsistent, therefore, for the gentleman from Ohio (Mr. KINDNESS) to raise the question of whether or not the Congress recognizes the unique nature of the District of Columbia as the Nation's Capital was expressed in the 23d amendment, while at the same time the gentleman is prepared to deny the citizens of the District of Columbia the very same rights which result in the gentleman's presence here.

The CHAIRMAN. The time of the gentleman from Ohio (Mr. KINDNESS) has expired.

(By unanimous consent, Mr. KINDNESS was allowed to proceed for 2 additional minutes.)

Mr. FAUNTROY. Will the gentleman yield further?

Mr. KINDNESS. I yield to the gentleman from the District of Columbia.

Mr. FAUNTROY. I thank the gentleman for yielding.

I was about to say that the gentleman from Ohio (Mr. KINDNESS) is apparently opposed to having the citizens of the District of Columbia, who, as I indicated, number 750,000 people who pay over $1 billion in Federal taxes each year, given the rights by which the gentleman himself is privileged to represent his own constituency and by which his counterpart in the other body is privileged to represent his constituency. I am just puzzled as to what principle has guided the gentleman in arriving at that judgment.

Mr. KINDNESS. If the gentleman will recall, in the committee consideration when this compromise was not considered, we discussed the question as to why there was no seeking of the condition of statehood for the District of Columbia.

There were various explanations made but really no answers given to that question, and that is the basis by which every other citizen of the United States, or, rather, of the States which comprise the United States, happens to be represented in the House of Representatives and are also represented on that basis in the Senate.

Mr. FAUNTROY. The gentleman would agree that that was the reason prior to the adoption of the 23d amendment to the Constitution, that only people who resided in the States could vote for a President, and all this amendment wishes to do is to extend those rights in both legislative branches of the government to the people of the District of Columbia who already have gained that right with respect to the election in the executive branch.

Mr. KINDNESS. I think the gentleman will realize that there is an inconsistency in having different types of representation under two different constitutional amendments and that the two should be reconciled. Would that be consistent with the gentleman's understanding?

Mr. FAUNTROY. I have not spoken in opposition to the Hutchinson amendment, but I would certainly like to see, even though I do not have a vote, I would like to see the gentleman from Ohio vote for the Buchanan amendment which would enable us to go ahead with that.

The CHAIRMAN. The time of the gentleman has again expired.

Mr. EDWARDS of California. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in support of the amendment offered by my able and distinguished colleague from Alabama. I must admit that I feel that this is the hard way to do something that should be done directly and immediately. The people of the District deserve full representation now, not when some later Congress decides to grant it to them. The easy way is to approve House Joint Resolution 280, which grants full representation.

However, it is with some regret that I must acknowledge that the Members of this House may be unwilling to grant that full representation now, and that House Joint Resolution 280 will probably not be able to pass in its present form. The compromise solution proposed by the gentleman from Alabama seems to me to be the best alternative. I am sure that my colleagues will support this resolution in its amended form, because it does what is right for the people of the District, but does it in a way that is more acceptable to more Members of this body than the present form of the proposed constitutional amendment does. And if this House will accept a proposed constitutional amendment in the form of the amendment proposed by the gentleman from Alabama, then I feel it is far preferable to accept this representation for the people of the District now, than to wait for many more years until the present form of House Joint Resolution 280 can be adopted.

The positive benefit of the amendment is that it does not preclude full representation for the people of the District of Columbia, as an amendment to delete the provision for Senators from House Joint Resolution 280 would do. This amendment allows us to take a small step toward equality for all of the citizens of the United States, without preventing further steps toward the fuller realization of that goal.

In fact, the amendment actually encourages further steps toward more equality for the citizens of the District. This amendment avoids the need for this Congress to act by the extraordinary two-thirds majority required to propose a constitutional amendment, and the need to submit the proposal to the States for ratification, when it becomes clearer to the people of this country that the people of the Nation's Capital are entitled to full representation in the body that governs their affairs. When that becomes the case, this Congress will be able to move quickly and efficiently toward granting what is long overdue.

I certainly hope that when the proposed constitutional amendment, as it would be amended by the amendment of the gentleman from Alabama, is proposed to the States by the Congress and ratified by the States as the Constitution requires, that this Congress, or a succeeding Congress, in enacting the legislation that would implement the constitutional amendment granting the District its first representative in Congress, would also grant the people of the District of Columbia the additional Representative and Senators to which they would be entitled if the District were a State, and which this amendment allows the Congress to grant.

However, if that Congress is not so disposed, this amendment permits the flexibility for that Congress to seat only one Representative from the District, and to convince themselves that that representation is the right thing to do, and that it works without any of the highly speculative problems that the opponents of this legislation have conjured up in opposition. Then, the Congress could remedy the situation once and for all, by simple legislation, easily and expeditiously, and end the denial of equality to the great people of the District of Columbia, this Nation's Capital.

The amendment represents an excellent and well-conceived compromise. I strongly urge its adoption.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Alabama (Mr. BUCHANAN) to the amendment in the nature of a substitute offered by the gentleman from Michigan, (Mr. HUTCHINSON.)

The question was taken; and the Chairman being in doubt, the Committee divided, and there were—ayes 9, noes 10.

Mr. BUCHANAN. Mr. Chairman, I demand a recorded vote, and, pending that, I make the point of order that a quorum is not present.

The CHAIRMAN. Evidently a quorum is not present.

The Chair announces that pursuant to clause 2, rule XXIII, he will vacate proceedings under the call when a quorum of the committee appears.

Members will record their presence by electronic device.

The call was taken by electronic device.

The CHAIRMAN. A quorum of the Committee of the Whole has not appeared.

The Chair announces that a regular quorum call will now commence.

Members who have not already responded under the noticed quorum call will have a minimum of 15 minutes to report their presence. The call will be taken by electronic device.

The call was taken by electronic device, and the following Members failed to respond:

[Roll No. 126]

Andrews, N.C.
Barrett
Bell
Biester
Burton, John
Burton, Phillip
Clay
Collins, Tex.
Crane
Dellums
Dent
Diggs
Esch
Eshleman
Ford, Mich.
Goodling
Guyer
Harsha
Hawkins
Hayes, Ind.
Hébert
Heinz
Henderson
Hinshaw
Horton
Jarman
Jones, Ala.
McCloskey
Macdonald
Mezvinsky
Nix
Pepper
Rangel
Rees
Rhodes
Riegle
Rosenthal
Santini
Sarbanes
Scheuer
Schneebeli
Shipley
Shuster
Simon
Stanton, James V.
Steiger, Wis.
Stratton
Stuckey
Symington
Teague
Udall
Ullman
Van Deerlin
Waxman
White
Wilson, C. H.
Wolff

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. SMITH of Iowa, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the joint resolution (H.J. Res. 280), and finding itself without a quorum, he had directed the Members to record their presence by electronic device, whereupon 375 Members recorded their presence, a quorum, and he submitted herewith the names of the absentees to be spread upon the journal.

The Committee resumed its sitting.

RECORDED VOTE

The **CHAIRMAN.** The pending business is the demand of the gentleman from Alabama (Mr. BUCHANAN) for a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 221, noes 188, not voting 23, as follows:

[Roll No. 127]

AYES—221

Abzug
Adams
Addabbo
Allen
Anderson, Ill.
Andrews, N.C.
Annunzio
Aspin
AuCoin
Badillo
Baldus
Baucus
Beard, R.I.
Bedell
Bennett
Bergland
Bingham
Blanchard
Blouin
Boggs
Boland
Bolling
Bonker
Brademas
Breckinridge
Brinkley
Brodhead
Brown, Calif.
Brown, Ohio
Buchanan
Burke, Calif.
Burke, Mass.
Burton, John
Burton, Phillip
Carney
Chisholm
Clay
Cohen
Collins, Ill.
Conable
Conte
Conyers
Corman
Cornell
Cotter
D'Amours
Daniels, N.J.
Davis
de la Garza
Dellums
Dent
Derrick
Diggs
Dodd
Downey, N.Y.
Drinan
Duncan, Oreg.
du Pont
Early
Eckhardt
Edgar
Edwards, Calif.
Eilberg
Emery
Eshleman
Evans, Colo.
Evans, Ind.
Fary
Fascell
Fenwick
Findley
Fish
Fisher
Fithian
Flood
Florio
Foley
Ford, Tenn.
Fraser
Gaydos
Giaimo
Gilman
Ginn
Goodling
Gradison
Green
Gude
Hall
Hamilton
Hanley
Harkin
Harrington
Harris
Hechler, W. Va.
Heckler, Mass.
Helstoski
Holland
Holtzman
Horton
Howard
Howe
Hughes
Hungate
Hyde
Jacobs
Jeffords
Jenrette
Johnson, Calif.
Jordan
Kastenmeier
Keys
Koch
Krebs
Krueger
Leggett
Lehman
Lent
Levitas
Litton
Long, La.
Lundine
McCloskey
McDade
McHugh
McKinney
Madden
Madigan
Maguire
Mathis
Matsunaga
Mazzoli
Meeds
Melcher
Metcalfe
Meyner
Mezvinsky
Mikva
Miller, Calif.
Mills
Mineta
Minish
Mink
Mitchell, Md.
Mitchell, N.Y.
Moakley
Moffett
Moorhead, Pa.
Morgan
Mosher
Moss
Mottl
Murphy, Ill.
Murphy, N.Y.
Murtha
Natcher
Neal
Nolan
Nowak
Oberstar
Obey
Ottinger
Patten, N.J.
Patterson, Calif.
Pattison, N.Y.
Perkins
Peyser
Price
Rangel
Rees
Reuss
Richmond
Rinaldo
Rodino
Roe
Roncalio
Rooney
Rose
Rosenthal
Rostenkowski
Roush
Roybal
Russo
St Germain
Santini
Sarasin
Sarbanes
Scheuer
Schroeder
Seiberling
Sharp
Shriver
Simon
Smith, Iowa
Solarz
Spellman
Stanton, J. William
Stanton, James V.
Stark
Stokes
Studds
Thompson
Traxler
Tsongas
Ullman
Vander Veen
Vanik
Vigorito
Walsh
Waxman
Weaver
Whalen
Wilson, C. H.
Winn
Wirth
Wolff
Wright
Yates
Yatron
Young, Ga.
Zablocki
Zeferetti

NOES—188

Abdnor
Alexander
Ambro
Anderson, Calif.
Andrews, N. Dak.
Archer
Armstrong
Ashbrook
Ashley
Bafalis
Bauman
Beard, Tenn.
Bevill
Biaggi
Bowen
Breaux
Brooks
Broomfield
Brown, Mich.
Broyhill
Burgener
Burke, Fla.
Burleson, Tex.
Burlison, Mo.
Butler
Byron
Carr
Carter
Cederberg
Chappell
Clancy
Clausen, Don H.
Clawson, Del
Cleveland
Cochran
Conlan
Coughlin
Crane
Daniel, Dan
Daniel, R. W.
Danielson
Delaney
Derwinski
Devine
Dickinson
Dingell
Downing, Va.
Duncan, Tenn.
Edwards, Ala.
English
Erlenborn
Esch
Evins, Tenn.
Flowers
Flynt
Ford, Mich.
Forsythe
Fountain
Frenzel
Frey
Fuqua
Gibbons
Goldwater
Gonzalez
Grassley
Hagedorn
Haley
Hammerschmidt
Hannaford
Hansen
Harsha
Hays, Ohio
Hefner
Henderson
Hicks
Hightower
Hillis
Holt
Hubbard
Hutchinson
Ichord
Jarman
Johnson, Colo.
Johnson, Pa.
Jones, Ala.
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Karth
Kasten
Kazen
Kelly
Kemp
Ketchum
Kindness
LaFalce
Lagomarsino
Landrum
Latta
Lloyd, Calif.
Lloyd, Tenn.
Long, Md.
Lott
Lujan
McClory
McCollister
McCormack
McDonald
McEwen
McFall
McKay
Mahon
Mann
Martin
Michel
Milford
Miller, Ohio
Mollohan
Montgomery
Moore
Moorhead, Calif.
Myers, Ind.
Myers, Pa.
Nedzi
Nichols
O'Brien
O'Hara
Passman
Pettis
Pickle
Pike
Poage
Pressler
Preyer
Pritchard
Quie
Quillen
Railsback
Randall
Regula
Risenhoover
Roberts
Robinson
Rogers
Rousselot
Runnels
Ruppe
Ryan
Satterfield
Schneebeli
Schulze
Sebelius
Shipley
Shuster
Sikes
Sisk
Skubitz
Slack
Smith, Nebr.
Snyder
Spence
Staggers
Steed
Steelman
Steiger, Ariz.
Stephens
Sullivan
Symms
Talcott
Taylor, Mo.
Taylor, N.C.
Teague
Thone
Thornton
Treen
Vander Jagt
Waggonner
Wampler
Whitehurst
Whitten
Wiggins
Wilson, Bob
Wilson, Tex.
Wydler
Wylie
Young, Alaska
Young, Fla.
Young, Tex.

NOT VOTING—23

Barrett
Bell
Biester
Collins, Tex.
Guyer
Hawkins
Hayes, Ind.
Hébert
Heinz
Hinshaw
Macdonald
Nix
O'Neill
Pepper
Rhodes
Riegle
Steiger, Wis.
Stratton
Stuckey
Symington
Udall
Van Deerlin
White

Mr. REES changed his vote from "no" to "aye."

So the amendment to the amendment in the nature of a substitute was agreed to.

The result of the vote was announced as above recorded.

AMENDMENT OFFERED BY MR. FLOWERS AS A SUBSTITUTE FOR THE AMENDMENT IN THE NATURE OF A SUBSTITUTE OFFERED BY MR. HUTCHINSON

Mr. **FLOWERS.** Mr. Chairman, I offer an amendment as a substitute for the amendment in the nature of a substitute offered by the gentleman from Michigan (Mr. HUTCHINSON).

The Clerk read as follows:

Amendment offered by Mr. FLOWERS as a substitute for the amendment in the nature of a substitute offered by Mr. HUTCHINSON; House Joint Resolution 280 is amended by striking out all after the Resolve Clause and inserting in lieu thereof the following: That the following article is proposed as an amendment to the Constitution of the United States, which shall be valid to all intents and purposes as part of the Constitution when ratified by the legislatures of three-fourths of the several States within seven years from the date of its submission by the Congress:

"ARTICLE —

"SECTION 1. The people of the District constituting the seat of government of the United States shall elect the number of Representatives in Congress to which the District would be entitled if it were a State. Each Representative, when elected, shall be an inhabitant of the District and shall possess the same qualifications as to age and citizenship and have the same rights, privileges, and obligations as a Representative from a State.

"SEC. 2. When vacancies happen in the representation of the District in the House of Representatives, the people of the District shall fill such vacancies by election.

"SEC. 3. This article shall have no effect on the provision made in the twenty-third article of amendment to the Constitution for determining the number of electors for President and Vice President to be appointed for the District. Each Representative from the District shall be entitled to participate in the choosing of the President in the House of Representatives under the twelfth article of amendment as if the District were a State.

"SEC. 4. The Congress shall have power to enforce this article by appropriate legislation.".

Mr. FLOWERS (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The **CHAIRMAN.** Is there objection to the request of the gentleman from Alabama?

There was no objection.

Mr. **FLOWERS.** Mr. Chairman, I offer this amendment on behalf of myself, the gentleman from Illinois (Mr. RAILSBACK); the gentleman from South Carolina (Mr. MANN) also joins in introducing it and offering it to the Committee.

Mr. Chairman, to the best of our knowledge, House Joint Resolution 208 stands very little chance of mustering the two-thirds' majority needed to pass the House, less chance of passing the Senate, and practically no chance of being ratified by the legislature of three-fourths of the States.

Therefore we offer an amendment to House Joint Resolution 280 to give the residents of the District of Columbia the voting representations in Congress to which they are entitled—membership in the House of Representatives. We believe this compromise measure has a good chance of passing the House and Senate and being ratified by the requisite number of State legislatures. We urge our colleagues to support our amendments as a matter of practical politics and as a matter of sound constitutional law. We cannot believe that those who desire complete voting representation for the District are representing the best interests of the people of the District by voting against the only feasible alternative that will meet with legislative success.

There are many reasons why our amendment should be adopted as consistent with our constitutional system. The House of Representatives has historically been the House of the people. The people of our Nation's Capital should not be denied representation in the House merely because they are not domiciled in a State. Our amendment insures that the voice of all the people will be heard in the House.

Our amendment also obviates several perplexing constitutional questions raised by those opposing House Joint Resolution 280 in its entirety. First, our amendment avoids the issue cf whether the equal suffrage proviso of article V of the Constitution precludes representation of the District in the Senate. Since our amendment would not give the District representation in the Senate, there is no doubt whether other States are being deprived of their equal suffrage in the Senate.

Second, our amendment avoids two potential conflicts of constitutional dimension left unresolved by House Joint Resolution 280. Since the District will not be given Senators, Congressmen will not be called upon to undermine article I, section 4, of the Constitution which mandates that the places of chosing Senators be left to the States. Also, Congress will not have to confront the provision in the 17th amendment which allows a State legislature to authorize the chief executive of the State to fill interim vacancies in the Senate.

Moreover, we believe the amendment should be supported because the District of Columbia should not be represented in the Senate as a matter of constitutional policy. The District of Columbia is not a State. Historically, the great compromise on which this Nation was founded established a bicameral legislature with the House representing the people and the Senate representing the States. This principal was reaffirmed as recently as 1913 *upon* passage of the 17th amendment. If the District is to be represented in the Senate statehood is the proper course to follow.

The supporters of House Joint Resolution 280 should not expect Members of the House of Representatives to accord non-State membership in the Senate. We urge all those who desire to see the people of the District of Columbia receive voting representation in Congress to support our amendment.

Mr. RAILSBACK. Mr. Chairman, will the gentleman yield?

Mr. FLOWERS. I yield to the gentleman from Illinois.

Mr. RAILSBACK. Mr. Chairman, I want to commend the gentleman from Alabama and simply say that I think in our judgment we are trying to do something that we believe is fair.

Mr. Chairman, if the gentleman will yield further, I think it is very, very apparent, that there is not sufficient support for the pending resolution, as amended by the Buchanan amendment. What we are trying to do is strike a very realistic political compromise, knowing and believing that this amendment of the gentleman from Alabama, Mr. FLOWERS, does have a chance of being passed by the requisite two-thirds vote and then being ratified by three-fourths of the States that are required to ratify.

Mr. Chairman, I sincerely hope that those people who supported the Buchanan amendment will have second thoughts and will now support the amendment of the gentleman from Alabama (Mr. FLOWERS).

Mr. FLOWERS. Mr. Chairman, there have been a number of Members who have asked me if our amendment allows for additional Members of the House of Representatives, so that no State would lose as a result of this becoming law, that is, lose membership in the House of Representatives? I would say that such additions can be accomplished and should be accomplished by suitable legislation, enacted pursuant to the adoption and ratification of this amendment.

Therefore, Mr. Chairman, I urge my colleagues to join in support of this amendment so that we may truly present to the people of the District of Columbia in this Bicentennial Year representation in the Congress of the United States.

Mr. BUTLER. Mr. Chairman, will the gentleman yield?

Mr. FLOWERS. I yield to the gentleman from Virginia.

Mr. BUTLER. Mr. Chairman, I wonder if the gentleman from Alabama has some message for the people of Guam in this Bicentennial Year about what we want to do for them?

Mr. FLOWERS. Mr. Chairman, we may wait until the tricentennial year for the people of Guam.

Mr. BUTLER. Mr. Chairman, will the gentleman yield further?

Mr. FLOWERS. I yield to the gentleman from Virginia.

Mr. BUTLER. Mr. Chairman, does the gentleman have some message to the people of Puerto Rico in this Bicentennial Year about what we will do for them?

Mr. FLOWERS. That might be awhile off yet, too.

Mr. BUTLER. Mr. Chairman, will the gentleman yield further?

Mr. FLOWERS. Well, I think we have the Virgin Islands next, if I have my geography straight.

Mr. Chairman, if the gentleman from Virginia has further inquiries, I would be glad to listen; but I think his point has been made.

Mr. HUTCHINSON. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, the amendment now before the Committee of the Whole would provide full voting representation in the House of Representatives to the people of the District of Columbia in accordance with their numbers, but would deny them any representation at all in the Senate of the United States.

I understand the argument of the proponents of this amendment. They argue that the Senate is made up of representatives of the States and that the District of Columbia, not being a State, should not have any representation in the Senate.

I feel certain that this is not going to be any long-term or permanent solution to the problem so far as the District of Columbia is concerned. If the people of the District are entitled to representation in this House as if they were a State, then they certainly are entitled to representation in the Senate as if they were a State. To deny them any representation in the Senate would leave them only half represented. They would be represented in one House of a bicameral Legislature, have a vote in one House but not in the other.

I think that is unfair and unwise from a constitutional standpoint. Therefore, I oppose the Flowers-Railsback amendment.

Mr. EDWARDS of California. Mr. Chairman, I move to strike the last word, and I rise in opposition to the amendment.

I approve of the arguments made in opposition to the amendment.

I approve of the arguments made in opposition to the Flowers amendment by the gentleman from Michigan (Mr. HUTCHINSON). The two Houses of Congress are equal bodies. They should not be treated differently, and the people of the District should not get only one-half of what the other citizens of this country get.

I urge a no vote on the amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Alabama (Mr. FLOWERS) as a substitute for the amendment in the nature of a substitute offered by the gentleman from Michigan (Mr. HUTCHINSON).

The question was taken; and the Chairman announced that the noes appeared to have it.

RECORDED VOTE

Mr. FLOWERS. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 67, noes 338, not voting 27, as follows:

[Roll No. 128]

AYES—67

Andrews, N.C.
Ashley
Brinkley
Broyhill
Byron
Carr
Coughlin
de la Garza
Emery
Esch
Findley
Flowers
Forsythe
Fountain
Frenzel
Frey
Fuqua
Goodling
Hagedorn
Hannaford
Hays, Ohio
Hefner
Henderson
Holland
Howe
Hubbard
Jeffords
Johnson, Colo.
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Karth
Kasten
LaFalce
Lent
Levitas
Lloyd, Calif.
Lloyd, Tenn.
McCollister
McCormack
McFall
McKay
Mann
Martin
Mathis
Mottl
Myers, Pa.
O'Brien
O'Hara
Patterson, Calif.
Pickle
Preyer
Pritchard
Quie
Railsback
Risenhoover
Ruppe
Shriver
Smith, Nebr.
Spence
Steed
Taylor, N.C.
Thone
Wilson, Tex.
Winn
Wright
Young, Alaska

NOES—338

Abdnor
Abzug
Adams
Addabbo
Alexander
Allen
Ambro
Anderson, Calif.
Anderson, Ill.
Andrews, N. Dak.
Annunzio
Archer
Armstrong
Ashbrook
AuCoin
Badillo
Bafalis
Baldus
Bauman
Beard, R.I.
Beard, Tenn.
Bedell
Bennett
Bergland
Bevill
Biaggi
Bingham
Blanchard
Blouin
Boggs
Boland
Bolling
Bonker
Bowen
Brademas
Breaux
Breckinridge
Brodhead
Brooks
Broomfield
Brown, Calif.
Brown, Mich.
Brown, Ohio
Buchanan
Burgener
Burke, Calif.
Burke, Fla.
Burke, Mass.
Burleson, Tex.
Burlison, Mo.
Burton, John
Burton, Phillip
Butler
Carney
Carter
Cederberg
Chappell
Chisholm
Clancy
Clausen, Don H.
Clawson, Del
Clay
Cleveland
Cochran
Cohen
Collins, Ill.
Conable
Conlan
Conte
Corman
Cornell
Cotter
Crane
D'Amours
Daniel, Dan
Daniel, R. W.
Daniels, N.J.
Danielson
Davis
Delaney
Dellums
Dent
Derrick
Derwinski
Devine
Dickinson
Diggs
Dingell
Dodd
Downey, N.Y.
Downing, Va.
Drinan
Duncan, Oreg.
Duncan, Tenn.
du Pont
Early
Eckhardt
Edgar
Edwards, Ala.
Edwards, Calif.
Eilberg
English
Erlenborn
Eshleman
Evans, Colo.

Evans, Ind.
Evins, Tenn.
Fary
Fascell
Fenwick
Fish
Fisher
Fithian
Flood
Florio
Flynt
Ford, Mich.
Ford, Tenn.
Fraser
Gaydos
Giaimo
Gibbons
Gilman
Ginn
Goldwater
Gonzalez
Gradison
Grassley
Green
Gude
Haley
Hall
Hamilton
Hammerschmidt
Hanley
Hansen
Harkin
Harrington
Harris
Harsha
Hechler, W. Va.
Heckler, Mass.
Helstoski
Hicks
Hightower
Hillis
Holt
Holtzman
Horton
Howard
Hughes
Hungate
Hutchinson
Hyde
Ichord
Jacobs
Jarman
Jenrette
Johnson, Calif.
Johnson, Pa.
Jones, Ala.
Jordan
Kastenmeier
Kazen
Kelly
Kemp
Ketchum
Keys
Kindness
Koch
Krebs
Krueger
Lagomarsino
Landrum
Latta
Leggett
Lehman
Litton
Long, La.
Long, Md.
Lott
Lujan
Lundine
McClory
McCloskey
McDade
McDonald
McEwen
McHugh
McKinney
Madden
Madigan
Maguire
Mahon
Matsunaga
Mazzoli
Meeds
Metcalfe
Meyner
Mezvinsky
Michel
Mikva
Milford
Miller, Calif.
Miller, Ohio
Mills
Mineta
Minish
Mink
Mitchell, Md.
Mitchell, N.Y.
Moakley
Moffett
Mollohan
Montgomery
Moore
Moorhead, Calif.
Moorhead, Pa.
Morgan
Mosher
Moss
Murphy, Ill.
Murphy, N.Y.
Murtha
Myers, Ind.
Natcher
Neal
Nedzi
Nichols
Nolan
Nowak
Oberstar
Obey
O'Neill
Ottinger
Passman
Patten, N.J.
Pattison, N.Y.
Perkins
Pettis
Pike
Poage
Pressler
Price
Quillen
Randall
Rangel
Rees
Regula
Reuss
Rhodes
Richmond
Rinaldo
Roberts
Robinson
Rodino
Roe
Rogers
Roncalio
Rooney
Rose
Rosenthal
Rostenkowski
Roush
Rousselot
Roybal
Runnels
Russo
Ryan
St Germain
Santini
Sarasin
Sarbanes
Satterfield
Scheuer
Schneebeli
Schroeder
Schulze
Sebelius
Seiberling
Sharp
Shipley
Shuster
Sikes
Simon
Sisk
Skubitz
Slack
Smith, Iowa
Snyder
Solarz
Spellman
Staggers
Stanton, J. William
Stanton, James V.
Stark
Steelman
Steiger, Ariz.
Stephens
Stokes
Studds
Sullivan
Symms
Talcott
Taylor, Mo.
Teague
Thompson
Thornton
Traxler
Treen
Tsongas
Ullman
Vander Jagt
Vander Veen
Vanik
Vigorito
Waggonner
Walsh
Wampler
Waxman
Weaver
Whalen
Whitehurst
Whitten
Wiggins
Wilson, Bob
Wilson, C. H.
Wirth
Wolff
Wydler
Wylie
Yates
Yatron
Young, Fla.
Young, Ga.
Young, Tex.
Zablocki
Zeferetti

NOT VOTING—27

Aspin
Barrett
Baucus
Bell
Biester
Collins, Tex.
Conyers
Foley
Guyer
Hawkins
Hayes, Ind.
Hébert
Heinz
Hinshaw
Macdonald
Melcher
Nix
Pepper
Peyser
Riegle
Steiger, Wis.
Stratton
Stuckey
Symington
Udall
Van Deerlin
White

So the amendment offered as a substitute for the amendment in the nature of a substitute was rejected.

The result of the vote was announced as above recorded.

Ms. **ABZUG**. Mr. Chairman, I rise in support of House Joint Resolution 280 which will provide full enfranchisement of the more than 700,000 residents of the District of Columbia for the first time. These Americans have all the obligations of other citizens, including taxation and service in the military, yet they are deprived of perhaps the most basic right in our democracy—representation in the National Government which makes their laws.

It has been said many times during this debate that persons who come to work for the Government, leave their State with its attendant benefits voluntarily. I would ask, why workers who choose to serve our Government should be forced to give up their right to elected representation in this Nation's affairs or to reside at a significant distance from their place of employment. Moreover, this argument must fall since many Government agencies now have offices in the Maryland and Virginia suburbs and these employees do not face such a Hobson's choice.

Let us remember that the major impact of this amendment will not be felt by Government employees but primarily by the permanent residents of the District, who for the large part are poor and black, and who have migrated from the South in search of better opportunities. Unless we pass this amendment, the Congress will again deny many of the powerless and unrepresented a voice in their own governance.

I have consistently supported the expansion of voting rights and removal of barriers that prevent all of our citizens, regardless of sex, race, color, national origin, or religion this most precious right. As we celebrate America's 200th birthday it is appropriate to reflect on the gains that we have made in making our democracy truly representative of the people. Yet it is precisely the objection to imposed rule that led to the American Revolution that is being raised by the residents of the District today. We can help complete the American Revolution today by passing this constitutional amendment, which will give full congressional representation to the people in the District of Columbia.

Mr. **WON PAT**. Mr. Chairman, I rise gladly to speak out in support of House Joint Resolution 280, which seeks to amend the U.S. Constitution so as to provide for increased representation in the U.S. Congress for residents of the District of Columbia.

If adopted by the Congress and ratified by the States, House Joint Resolution 280 will authorize the District to elect two voting Members to the U.S. Senate and a number of Representatives in the House to which the District would be entitled if it were a State.

As a cosponsor of House Joint Resolution 436, a measure identical to House Joint Resolution 280, I urge my colleagues here in the House and my many friends in the Senate to review a longstanding inequity which denies American citizens living in the District representation in the Congress of the United States, by voting in favor of House Joint Resolution 280.

Over 700,000 persons now reside in the District. These people are American citizens in every sense of the term save one exception. They are without full congressional representation. They serve with distinction in the military. They willingly accept the full range of duties and obligations inherent with citizenship of this great country. Yet, because of a unique historical governing the delineation of the District as a political entity within the American body politic, residents of this area are denied a right regarded as fundamental to most Americans full representation in the Congress.

I can think of no more appropriate action to honor our heritage of freedom than to enact House Joint Resolution 280 into law in our Bicentennial Year, yet one must be realistic in terms of what are the achievable goals. I believe that House Joint Resolution 280 could be amended to allow the residents of the District a nonvoting Senator or a full voting Member of the House of Representatives with basically the same privileges as nonvoting Delegates in the House.

Every American school child learns by hearing President Lincoln's stirring phrase that we are a "government of the people, by the people, and for the people." In recent years this Nation has made significant strides toward making that statement true for all of our citizens. Racial barriers have been broken down; voting rights have been assured; and basic political freedoms have been reaffirmed.

Yet, it is ironic that in the Nation's Capitol, some Americans are still denied a full voice in the affairs of their Government's legislative branch.

Dissenters of House Joint Resolution 280 have stated that their opposition is predicated on the failure of the District to qualify as a State, and thus it falls without the purvue of articles I and 17 of the Constitution which addresses the elections of Representatives and Senators by the people of the various States.

Because the District is not a "State" in the traditional sense, it is argued that extending voting representation in both houses of Congress would violate basic constitutional principles and perhaps distort article V which insures equal sufferage for the States in the Senate.

Others have gone so far as to express a fear that "Once non-States are permitted to have voting representation in Congress, our entire federal system will crumble."

While I respect the views of those concerned about the long-range implications of House Joint Resolution 280, it is my belief that the proposed amendments to House Joint Resolution 280 would strengthen, rather than crumble, the foundations of liberty in this country.

What this measure seeks to do is not to subvert the Congress; rather, it seeks to make the Congress more responsive to the needs of all Americans.

At present, the District is capably represented in the House by a nonvoting Delegate, as are the American citizens of Puerto Rico, the U.S. Virgin Islands, and Guam, who I proudly represent. Speaking from personal experience, I can unequivocably state that congressional action to provide these areas with a Delegate or Resident Commissioner was an act of enormous consequences to residents of these areas. We have a voice where once we had none.

But, I appreciate the frustration of our fellow citizens in the District who are concerned over their inability to have a personal input into the daily workings of the U.S. Senate. There are times when the mere act of being "part of the club" has no equal for effectiveness. This is certainly true of my experience in the House and I believe would be equally true in the other body.

Having the opportunity to actively participate in legislative processes in the Senate in every extent possible would undoubtedly be most beneficial to the residents of the District and insure that the representation they enjoy would be on an equal with that provided the residents of the 50 States.

I urge, in the strongest terms possible, that the fate of House Joint Resolution 280 be determined on the basis of individual interpretation of the political rights which should be accorded each citizen by the Federal Government. It is my belief that the concept of equality for all citizens has slowly become the central theme of our democracy and thus overrides other criteria. I trust this view will be that of the majority.

Thank you.

Mr. ANDERSON of California. Mr. Chairman, I rise in opposition to House Joint Resolution 280, and all compromises thereto.

The land for the District of Columbia was ceded by the States of Maryland and Virginia. I emphasize States because the District of Columbia is not a State, the District is the seat of our Federal Government—a Union of States. Our Constitution speaks of representation in Congress by States, with residents of the respective States electing their Congressman and Senators.

Mr. Speaker, I find it difficult to vote for a resolution that alters this delicate balance of our Federal Republic. The concern of our Founding Fathers was to create a neutral Federal city, free from the trappings of State legislature or local interest. The proper alternative to representation in either House of Congress is enumerated in article IV, section 3, clause 1, of the Constitution: A majority vote of each House results in the admission of a new State into the Union. This voting requirement for statehood is much less stringent than the two-thirds vote of each House of Congress and the ratification by three-fourths of the State legislatures. The territories of Alaska and Hawaii, whose residents also payed taxes and served in the Armed Forces gained statehood in this manner.

Any compromise which shuns the statehood requirement would establish a precedent for any territory of the United States such as Guam, Puerto Rico, or the Virgin Islands to demand representation. Moreover, if we allow representation of the District only in the House, we would do an injustice to our bicameral Legislature.

Mr. Speaker, we are not disregarding the District of Columbia and its residents by a "no" vote on this resolution. Its local government is heard every day. It has a Delegate accorded full rights of speech and debate in this House. Representative FAUNTROY serves on committees and is on this floor. Further, the District of Columbia participates in all of the Federal aid programs available to the States. The residents of the District chose to live here, they were not forced to be represented by a Delegate.

As one who is hesitant about amending our Constitution at will, I urge my colleagues to join me in voting "no" on House Joint Resolution 280.

Mr. KASTENMEIER. Mr. Chairman, as a cosponsor of the resolution to amend the Constitution to provide for full voting representation in the Congress for the District of Columbia, I rise in strong support of House Joint Resolution 280.

I do not believe that there is anyone in this body who would deny that amending the Constitution of the United States is a very serious undertaking, and it certainly cannot be taken lightly. An amendment to the Constitution represents an expression of national commitment and historically has only been undertaken when fundamental changes in the basic governing values of this Nation have been deemed necessary.

As long as we continue to relegate more than 700,000 citizens to the level of second-class citizens, our governing values must be challenged. As long as we continue to tax these citizens, ask them to risk their lives for their country, and hold them accountable in every way to the laws of this land, but also continue to deny them the full rights of their citizenship, they will continue to demand—legitimately demand—fundamental change.

The people of the District of Columbia are faced with all of the obligations of citizenship, but are denied the full rights of citizenship. We are constantly touting the principle of participatory democracy; yet, we have failed to achieve that goal ourselves.

To those of us who support this resolution, the arguments for its adoption seem irrefutable and simple. It is simply a matter of justice and equity that the citizens of the District of Columbia be granted full representation in the Congress. To those who cite what they believe to be restrictions in the Constitution, I would only say that, although our forefathers operated with what has proven to be amazing prescience, they were only human and could not possibly have foreseen all that would occur decades—indeed, centuries—later. Certainly, they did not anticipate a Federal city with a population of three-quarters of a million people denied representation in the Congress.

What our forefathers did provide was a document containing a statement of broad principles which should and could apply for all time. One of the principles inherent in that document is that all citizens of the United States are entitled to equal representation in their government.

Unfortunately, Mr. Chairman, it appears that we are about to deny that equal representation again. Apparently we are willing only to make the citizens of the District of Columbia almost equal to all other citizens in this country. Apparently we still will not end our own hypocrisy and finally make this the participatory democracy we claim it to be.

Mr. Chairman, I would like to especially commend my colleague and friend, DON EDWARDS, for his leadership in bringing this resolution to the House floor. As on so many other previous occasions, he has taken what may not be a highly popular bill and guided that legislation through his Civil and Constitutional Rights Subcommittee and the full Judiciary Committee, because it sought to correct a serious defect in our system of government. Certainly I share the regret I know he must feel that, in this Bicentennial Year, the defect will still remain.

Mr. RIEGLE. Mr. Chairman, I am a cosponsor of House Joint Resolution 280 which would amend the Constitution and give the District of Columbia two Senators and as many Representatives as it would be entitled to if it were a State. I believe that this legislation is long overdue and I strongly support the bill reported out of the Judiciary Committee.

In a recent letter that was received in my office from Representative FAUNTROY, he pointed out that on the basis of a vote count the most practical course to follow for those who support full voting representation for the District is to support the Buchanan amendment. This amendment provides for one voting Representative in the House and additional voting representation in the House and Senate subsequent to the adoption of this constitutional amendment. This substitute for the committee bill appears to be the most realistic step to take to ultimately achieve full representation.

Congressional representation for the District of Columbia has come before the Congress in one form or another for nearly a century. Over 750,000 Americans live in the District of Columbia, pay nearly $1 billion in Federal income taxes, and yet have no vote in the U.S. Congress. This lack of representation is unjust and directly contrary to the principles upon which this Nation was founded 200 years ago. I believe that it is appropriate in this Bicentennial Year, that the 94th Congress pass this resolution.

Mrs. COLLINS of Illinois. Mr. Chairman, wars of liberation are fought on many fronts and under many banners. As we Americans prepare for the celebration of the 200th birthday of the foundation of our country, the British Government is sending to America on "Bicentennial loan" the original Magna Carta as a token of commemoration. Our celebration this year recognizes the revolutionary struggle against oppressive colonial rule in the year 1776, which was characterized most significantly by the evil of taxation without representation.

It is ironic that despite our revolutionary beginnings, today more than 700,000 of our citizens who reside in the District of Columbia, our Nation's Capital and the seat of our Government, are still denied equal representation in our Nation's Government. Two hundred years ago it was considered to be a fundamental right that an American citizen be given full representation in the U.S. Congress if he was to be subjected to the duties of citizenship such as paying taxes to the Federal Government, serving in the Armed Forces, and obeying the laws of the land. However, as thousands of national and international Bicentennial celebrants sojourn to the

Nation's Capital this year, they will witness the last vestiges of colonial rule which have plagued the citizens of the District of Columbia for these past 200 years.

It is most significant, therefore, that today the House of Representatives has occasion to initiate legislation which will remove the blight of this anachronism from the scrolls of our Nation's history. At the instance of our distinguished colleague Walter E. Fauntroy, who now serves as nonvoting Representative of the District of Columbia, House Joint Resolution 280 has been introduced to provide for full representation in the U.S. Congress for the citizens of the District of Columbia. As amended by the Buchanan of Alabama amendment, House Joint Resolution 280 proposes an amendment to the Constitution of the United States providing for one Representative in Congress, and as may be provided by law, one or more additional Representatives or Senators, or both, but not exceeding the number to which the District would be entitled if it were a State.

This is indeed a reasonable and feasible measure which has the active support of the Mayor and the City Council of the District of Columbia, as well as the support of Common Cause, Americans for Democratic Action, the District of Columbia League of Women Voters, and the UAW. The proposed article would not make the District of Columbia a State or invest it with the sovereign powers of a State, as noted in the report of the House Judiciary Committee. The article would simply provide the people of the District with the right to vote in Congress, which controls affairs local and national, with which they have a vital concern.

It is a shameful tribute to our great American democracy and basic tenet of "one man, one vote" that last Tuesday, March 16, 1976, the House of Representatives for the first time after a century of study and debate decided to entertain the proposition of a constitutional amendment providing equal representation in Congress for citizens of the District of Columbia. Let us do justice to the citizens of the District of Columbia by supporting House Joint Resolution 280. It signifies an important step toward equal representation in Congress for the people of the District of Columbia. In light of our upcoming Bicentennial celebration we can do little else but support this measure if we are to preserve the integrity of our democratic institution of government. For to celebrate our revolutionary beginnings is to recognize the celebration of certain inalienable rights not the least of which is the right to vote.

I therefore, strongly urge all of my colleagues to lend their support to House Joint Resolution 280.

Mr. BUCHANAN. Mr. Chairman, I move to strike the requisite number of words.

Mr. BUCHANAN. Mr. Chairman, I am, if anything, a political realist. I think I understand the mood of the House on this matter.

Those of us who are proponents of full representation for the people of the District of Columbia in the Congress of the United States shall be disappointed this afternoon, and the people of the District with us. However, because justice delayed is justice denied and because justice and equity for American citizens are here at stake, I urge at least the attention of the House for a few brief minutes.

Mr. EDWARDS of California. Mr. Chairman, will the gentleman yield?

Mr. BUCHANAN. I yield to the gentleman from California.

Mr. EDWARDS of California. Mr. Chairman, I certainly agree with everything the gentleman from Alabama (Mr. BUCHANAN) said.

We have an opportunity here today to do a very fine thing.

We have the opportnuity to do today what would be done eventually by men and women who follow us to this chamber and something that we will all be able to look back on and be proud of. I urge an aye vote.

Mr. McKINNEY. Mr. Chairman, will the gentleman yield?

Mr. BUCHANAN. I yield to the gentleman from Kentucky.

(Mr. McKINNEY asked and was given permission to revise and extend his remarks.)

Mr. McKINNEY. Mr. Chairman, a resolution amending the Constitution of the United States is a serious matter. The bulk of the debate concerning House Joint Resolution 280 last Tuesday indicates the seriousness with which a majority of my colleagues view the matter of providing voting representation for the District of Columbia. Although I remain convinced that, in the words of the distinguished gentleman from Alabama (Mr. BUCHANAN), "the basic situation of taxation without representation is repugnant to Americans and inequitable and unjust," those opposed to voting representation are legitimately concerned with possible constitutional problems.

However, I am distressed that the tone of some of the debate indicates no concern with the question of voting representation, or with the amending of the Constitution—but instead with individual opinions about the District, its citizens, and its duly elected representatives. Such demeaning considerations have no place in a debate of this importance and magnitude.

There are problems, serious problems, in the District government. No one in this body recognizes that fact more than those of us who serve on the District Committee. But to some, it would seem that we should disenfranchise those who live in big cities on the contention that their local governments are not efficient.

Or that we should deny the vote to some States because they might not have the best of school systems or as many national merit scholars as other States.

Let me suggest that if the question of whether any State in the Union should have voting representation in the Congress of the United States was decided solely on issue of whether one of their local or State officials had ever broken the law—there would not be a Congress of the United States. I would also point out that if we made the qualification for a State's voting representation that the State or local government never wasted a dollar, none of us would be here today. And as far as problems with affirmative action programs, we have affirmative action programs in Connecticut. Would my colleagues deny my right to vote in the Congress of the United States because of that?

Two years ago, this House faced the most serious constitutional confrontation in the history of the Republic. The manner in which the House conducted the impeachment inquiry brought much credit to a very battered institution. Let us face this constitutional question with no less dignity than we did on that occasion. I urge my colleagues to remember that during the Bicentennial we are even more in the public eye—and the public demands responsibility.

Mr. BUCHANAN. Mr. Chairman, I claim no pride of authorship for the proposition now before the House. It was written originally by the distinguished former chairman of the Committee on the Judiciary, the Honorable Emanuel Cellers. It is his proposal, not my own. I do not claim to be the authority for its adoption. Indeed it was endorsed by the immediate past President of the United States and by a series of distinguished spokesmen from the Department of Justice, including the present Associate Justice of the Supreme Court, William H. Rehnquist, who in testimony before the U.S. Senate and the Committee on the Judiciary thereof, made a very cogent case for this proposition which provides for one Federal representative with the mechanism for further representation. I believe he spoke with both authority and wisdom in his recommendation.

Mr. HUTCHINSON. Mr. Chairman, will the gentleman yield?

Mr. BUCHANAN. I yield to the gentleman from Michigan.

Mr. HUTCHINSON. Mr. Chairman, the gentleman from Alabama will agree, will he not, that Chief Justice Rehnquist was not sitting on the Court at the time he testified.

Mr. BUCHANAN. That is correct. He was then Assistant *Attorney* General of the United States.

Mr. Chairman, I would call the attention of my Democratic friends to the fact that this is a proposal that, as I said, originated originally with the former chairman of the Committee on the Judiciary and a proposal that at their national conventions has twice been endorsed, representation for the people of the District of Columbia. If there is anything for which the Democratic Party stands, or should stand, it is for the voting rights of the people.

I urge my friends, those who want full representation, to vote for this compromise as the only viable way to get there at this point in history.

I also would like to remind my Republican friends and the Republican Party that their great martyred President Abraham Lincoln spoke of government of the people, by the people and for the people. I would remind them that two Republican Presidents urged adoption of this policy as well as a whole series of spokesmen who were Republican spokesmen in the Department of Justice. And I would say that if there is anything for which our Republican Party stands, it is the government of the people, by the people and for the people. That is what is here at stake.

It is ironic that the overwhelming majority of the people of the District of Columbia are black Americans because it was the signer of the Emancipation Proclamation who led to the liberation of these Americans.

Mr. JONES of Alabama. Mr. Chairman, will the gentleman yield?

Mr. BUCHANAN. I yield to the gentleman from Alabama.

(Mr. JONES of Alabama asked and was given permission to revise and extend his remarks.)

Mr. JONES of Alabama. Mr. Chairman, the gentleman from Alabama called me on the telephone yesterday, as I recall, and asked me how I would vote on this proposition that he has introduced this afternoon.

I would remind the gentleman that I came here 30 years ago discussing the same kind of principles that he is offering here at the moment.

As I told the gentleman over the telephone, the question of making the District of Columbia a resident of the Federal Government was a constant proposition, the discussions originally took place between Mr. Jefferson and Mr. Washington as to how they were going to divide the District, but they were not in disagreement that this government here in the District of Columbia, through its space, occupation, or its possible total effort, would be reserved to the Federal Government.

So why do we want to talk about it in different veins from its total inception, its total conception, and its total usefulness throughout the years and thus make an ugly situation here? Why do we not just let it go along and be the seat of the Federal Government?

Mr. BUCHANAN. I would be glad to answer that, but I would ask the indulgence of the House, because I have very little of my time left, and I hope the House would not preclude my getting a little extra time so I may answer the gentleman.

The CHAIRMAN. The time of the gentleman has expired.

(By unanimous consent, Mr. BUCHANAN was allowed to proceed for 5 additional minutes.)

Mr. BUCHANAN. Our Founding Fathers did not envision voting for the many black Americans who were then slaves in the United States. They did not envision voting for women; they did not envision voting for people who were bond servants. They envisioned voting only for those who were property holders, but they did put into the Constitution a mechanism whereby the rights of the people could be extended, and such rights as voting rights could be opened up to include more Americans. This is what we seek to do here today.

Mr. JONES of Alabama. Mr. Chairman, will the gentleman yield?

Mr. BUCHANAN. I yield to the gentleman from Alabama.

Mr. JONES of Alabama. I thank the gentleman for yielding.

There was no separateness in the division of properties as far as the District of Columbia was concerned. It was established and set aside for the common use of the people to occupy. There was not any question about it. It was the seat of government. It was so splendid that we have people in Australia, we have people throughout the country, who thought it was so fashionable in its common use.

Mr. BUCHANAN. I think the gentleman should let me have a little of my time.

Mr. Chairman, very strong and very sophisticated constitutional arguments have been very cogently made in this debate against the passage of this or any other amendment. I simply want to say it seems tragic to me that we would let even the most intelligent, the most sincere constitutional arguments prevail against the constitutional rights of American citizens. We here are dealing with the rights of citizens represented by the Delegate from the District of Columbia, Mr. FAUNTROY, but to the extent that their rights are denied or justice is delayed for them, the rights of the people I represent are abrogated.

We are now confronted with an opportunity to say yes or no to voting rights for 750,000 or 800,000 Americans who live in this city.

This is the people's House. If the prerogatives of the other body are to be protected, let them do so. This is the people's House. For them this Chamber stands and this House exists, and we are dealing here with the rights of American citizens.

I urge the House to act here and now to protect the rights of American people who live in the District of Columbia by the passage of this amendment.

I do not claim this to be a perfect proposition. It is the only one before us, and we shall vote for government of the people, by the people, for the people in this Bicentennial Year, or we shall vote against it. We shall either vote for the fulfillment of what the Emancipation Proclamation meant in the lives of the people here in this city now, or we shall vote against it. We shall either vote, I will say to my fellow Republicans, in line with the spirit of Abraham Lincoln, or we shall not. It is not a perfect vehicle; it is not even my vehicle; but it is my way to say yes to the rights of the people of the District of Columbia.

Mr. LATTA. Mr. Chairman, will the gentleman yield?

Mr. BUCHANAN. I yield to the gentleman from Ohio.

Mr. LATTA. I want to thank the gentleman for yielding.

I know how the gentleman feels about this legislation. I handled the rule on this legislation, and I asked a question then that has not been answered. If the gentleman felt so strongly about this proposition, why not statehood?

Let me answer the question, because it has not been answered.

They do not want to give up the Federal payments; they do not want to give up all those goodies which are given to the District of Columbia under the present Federal status which are not given to the States.

Mr. BUCHANAN. The gentleman is reflecting here something that I have been puzzling over for more than 11 years in this body: the destructive, ununderstandable, even scandalous hostility between the Congress of the United States and the people of the District of Columbia. I do not know why it exists but I do know it does exist.

Mr. LATTA. If the gentleman will yield further, or does the gentleman not care to answer the question?

Mr. BUCHANAN. Let me make the case plain. This proposal is endorsed by the Washington Post, Common Cause, the League of Women Voters, the District of Columbia Republicans, and the entire coalition in support of full voting rights for the people of the District of Columbia. In his testimony on the substance of the amendment before the House, then Assistant Attorney General William H. Rehnquist said:

> The need for an amendment of that character at this late date in our history is too self-evident for further elaboration; continued denial of voting representation from the District of Columbia can no longer be justified.
>
> This is not simply a case of taxation without representation, or of imposing other duties and burdens of citizenship without the benefit of a voice and vote in the Congress, though that is bad enough. Beyond that, denial of representation is the basis of other consequences flowing from the Constitution itself. Some of these distinctions and anachronisms should be noted.
>
> The 23d amendment gives citizens of the District the right to participate in presidential elections. They are thereby qualified to vote for President and Vice President, but not, strangely enough, for their own representatives in Congress.
>
> The primary purpose of article I, section 2, of the Constitution is to determine congressional representation in the House every 10 years. The national decennial census is indeed taken in the District, but for every purpose other than its primary purpose.
>
> Although the District's residents participate in the election of a President and Vice President, they are deprived of representation in the joint sessions of Congress when under the 12th amendment electoral votes are counted.
>
> The Presidential Succession Act of 1947 provides that the Speaker of the House shall be first in line to the office of President in the event of a vacancy in both the offices of President and Vice President. Yet, no representative from the District participates in the selection of the Speaker.
>
> Under the 24th amendment, dealing with Presidential inability, the District would have no participation in the crucial congressional decisions whch determine whether inability exists and whether it has terminated.
>
> These inequities have contributed to the growing consensus of opinion in and out of the Congress that representative government—if it is to be at all worthy of the name—must be shared by the District's citizens.

Mr. Chairman, 201 years ago today Patrick Henry made his famous speech in Virginia convention at St. John's Episcopal Church in Richmond, Va., ending in the words "Give me liberty, or give me death!" Life is not at stake in this issue, but liberty in all its fullness for the people of the District of Columbia is. I urge the passage of this amendment.

Mr. HUTCHINSON. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I will not take the 5 minutes but I simply want to say to the Members of the Committee that the very good substitute which I offered has been so considerably changed by the Buchanan amendment that I shall now have to vote against the Hutchinson substitute as amended.

Mr. JONES of Alabama. Mr. Chairman, will the gentleman yield?

Mr. HUTCHINSON. I yield to the gentleman from Alabama.

Mr. JONES of Alabama. Mr. Chairman, I am sorry the gentleman from Alabama (Mr. BUCHANAN) made the equation that if we vote against this resolution we vote against the stars and stripes and all the other things that we all accept. I am pleased to note the gentleman from Alabama was so educated as to his constitutional rights that he does not afford us any opportunity to have for other people their constitutional rights and I hope during the course of his revision of his remarks he will not exclude us from being dedicated citizens.

The CHAIRMAN. The question is on the amendment in the nature of a substitute offered by the gentleman from Michigan (Mr. HUTCHINSON) as amended.

The question was taken; and on a division (demanded by Mr. BUTLER) there were—ayes 144, noes 107.

So the amendment in the nature of a substitute, as amended, was agreed to.

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. SMITH of Iowa, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee having had under consideration the joint resolution (H.J. Res. 280) to amend the Constitution to provide for representation of the District of Columbia in the Congress, pursuant to House Resolution 1040, he reported the joint resolution back to the House with an amendment adopted by the Committee of the Whole.

The SPEAKER. Under the rule, the previous question is ordered.

The question is on the amendment.

The amendment was agreed to.

The SPEAKER. The question is on the engrossment and third reading of the joint resolution.

The joint resolution was ordered to be engrossed and read a third time, and was read the third time.

MOTION TO RECOMMIT OFFERED BY MR. HUTCHINSON

Mr. HUTCHINSON. Mr. Speaker, I offer a motion to recommit.

The SPEAKER. Is the gentleman opposed to the joint resolution?

Mr. HUTCHINSON. I am, Mr. Speaker, in its present form.

The SPEAKER. The Clerk will report the motion to recommit.

The Clerk read as follows:

Mr. HUTCHINSON moves to recommit the joint resolution H.J. Res. 280 to the Committee on the Judiciary.

The SPEAKER. Without objection, the previous question is ordered on the motion to recommit.

There was no objection.

The SPEAKER. The question is on the motion to recommit.

The motion to recommit was rejected.

The SPEAKER. The question is on the passage of the joint resolution.

Mr. HUTCHINSON. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The vote was taken by electronic device, and there were—yeas 229, nays 181, not voting 22, as follows:

[Roll No. 129]

YEAS—229

Abzug
Adams
Addabbo
Allen
Ambro
Anderson, Ill.
Andrews, N.C.
Annunzio
AuCoin
Badillo
Baldus
Baucus
Beard, R.I.
Bedell
Bennett
Bergland
Bingham
Blanchard
Blouin
Boggs
Boland
Bolling
Bonker
Brademas
Breckinridge
Brinkley
Brodhead
Brown, Calif.
Brown, Ohio
Buchanan
Burke, Calif.
Burke, Mass.
Burton, John
Burton, Phillip
Carney
Carr
Chisholm
Clay
Cohen
Collins, Ill.
Conable
Conte
Conyers
Corman
Cornell
Cotter
D'Amours
Daniels, N.J.
Davis
de la Garza
Dellums
Dent
Derrick
Diggs
Dodd
Downey, N.Y.
Drinan
Duncan, Oreg.
du Pont
Early
Eckhardt
Edgar
Edwards, Calif.
Eilberg
Emery
Esch
Eshleman
Evans, Colo.
Evans, Ind.
Fary
Fascell
Fenwick
Findley
Fish
Fisher
Fithian
Flood
Florio
Foley
Ford, Tenn.
Fraser
Gaydos
Giaimo
Gilman
Ginn
Goodling
Gradison
Green
Gude
Hall
Hamilton
Hanley
Harkin
Harrington
Harris
Hechler, W. Va.
Heckler, Mass.
Helstoski
Hicks
Holland
Holtzman
Horton
Howard
Howe
Hughes
Hungate
Jacobs
Jeffords
Jenrette
Johnson, Calif.
Johnson, Colo.
Jordan
Kasten
Kastenmeier
Keys
Koch
Krebs
Krueger
LaFalce
Leggett
Lehman
Lent
Levitas
Litton
Long, La.
Lundine
McCloskey
McCormack
McDade
McFall
McHugh
McKinney
Madden
Madigan
Maguire
Mathis
Matsunaga
Mazzoli
Meeds
Melcher
Metcalfe
Meyner
Mezvinsky
Mikva
Miller, Calif.
Mills
Mineta
Minish
Mink
Mitchell, Md.
Mitchell, N.Y.
Moakley
Moffett
Moorhead, Pa.
Morgan
Mosher
Moss
Mottl
Murphy, Ill.
Murphy, N.Y.
Murtha
Natcher
Neal
Nolan
Nowak
Oberstar
Obey
O'Neill
Ottinger
Patten, N.J.
Patterson, Calif.
Pattison, N.Y.
Perkins
Price
Rangel
Rees
Reuss
Richmond
Rinaldo
Risenhoover
Rodino
Roe
Roncalio
Rooney
Rose
Rosenthal
Rostenkowski
Roush
Roybal
Russo
St Germain
Sarasin
Sarbanes
Scheuer
Schroeder
Seiberling
Sharp
Shriver
Simon
Smith, Iowa
Solarz
Spellman
Staggers
Stanton, J. William
Stanton, James V.
Stark
Stokes
Studds
Thompson
Traxler
Tsongas
Ullman
Van Deerlin
Vander Veen
Vanik
Vigorito
Walsh
Waxman
Weaver
Whalen
Wilson, C. H.
Winn
Wirth
Wolff
Wright
Yates
Yatron
Young, Ga.
Zablocki

NAYS—181

Abdnor
Alexander
Anderson, Calif.
Andrews, N. Dak.
Archer
Armstrong
Ashbrook
Ashley
Bafalis
Bauman
Beard, Tenn.
Bevill
Biaggi
Bowen
Breaux
Brooks
Broomfield
Brown, Mich.
Broyhill
Burgener
Burke, Fla.
Burleson, Tex.
Burlison, Mo.
Butler
Byron
Carter
Cederberg
Chappell
Clancy
Clausen, Don H.
Clawson, Del
Cleveland
Cochran
Conlan
Coughlin
Crane
Daniel, Dan
Daniel, R. W.
Danielson
Delaney
Derwinski
Devine
Dickinson
Dingell
Downing, Va.
Duncan, Tenn.
Edwards, Ala.
English
Erlenborn
Evins, Tenn.
Flowers
Flynt
Ford, Mich
Forsythe
Fountain
Frenzel
Frey
Fuqua
Gibbons
Goldwater
Gonzalez
Grassley
Hagedorn
Haley
Hammerschmidt
Hannaford
Hansen
Harsha
Hays, Ohio
Hébert
Hefner
Henderson
Hightower
Hillis
Holt
Hubbard
Hutchinson
Hyde
Ichord
Jarman
Johnson, Pa.
Jones, Ala.
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Karth
Kazen
Kelly
Kemp
Ketchum
Kindness
Lagomarsino
Landrum
Latta
Lloyd, Calif.
Lloyd, Tenn.
Long, Md.
Lott
Lujan
McClory
McCollister
McDonald
McEwen
McKay
Mahon
Mann
Martin
Michel
Milford
Miller, Ohio
Mollohan
Montgomery
Moore
Moorhead, Calif.
Myers, Ind.
Myers, Pa.
Nedzi
Nichols
O'Brien
O'Hara
Passman
Pickle
Pike
Poage
Pressler
Preyer
Pritchard
Quie
Quillen
Railsback
Randall
Regula
Rhodes
Roberts
Robinson
Rogers
Rousselot
Runnels
Ruppe
Ryan
Santini
Satterfield
Schneebeli
Schulze
Sebelius
Shipley
Shuster
Sikes
Sisk
Skubitz
Slack
Smith, Nebr.
Snyder
Spence
Steed
Steelman
Steiger, Ariz.
Stephens
Sullivan
Symms
Talcott
Taylor, Mo.
Taylor, N.C.
Teague
Thone
Thornton
Treen
Vander Jagt
Waggonner
Wampler
Whitehurst
Whitten
Wiggins
Wilson, Bob
Wilson, Tex.
Wydler
Wylie
Young, Alaska
Young, Fla.
Young, Tex.
Zeferetti

NOT VOTING—22

Aspin
Barrett
Bell
Biester
Collins, Tex.
Guyer
Hawkins
Hayes, Ind.
Heinz
Hinshaw
Macdonald
Nix
Pepper
Pettis
Peyser
Riegle
Steiger, Wis.
Stratton
Stuckey
Symington
Udall
White

The Clerk announced the following pairs:

On this vote:

Mr. Hawkins and Mr. Pepper for, with Mr. Macdonald of Massachusetts against.

Mr. Barrett and Mr. Nix for, with Mr. Stratton against.

Mr. Hayes of Indiana and Mr. Symington for, with Mrs. Pettis against.

Mr Riegle and Mr. Udall for, with Mr. Collins against.

Until further notice:

Mr. Aspin with Mr. Steiger of Wisconsin.

Mr. White with Mr. Biester.

Mr. Bell with Mr. Guyer.

Mr. Stuckey with Mr. Heinz.

Mr. McCORMACK changed his vote from "nay" to "yea."

So, two-thirds not having voted in favor thereof, the joint resolution was rejected.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. DRINAN. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the matter just concluded.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the House by Mr. Marks, one of his secretaries.

CHILD NUTRITION REFORM ACT OF 1976—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 94-420)

The SPEAKER laid before the House the following message from the President of the United States; which was read and referred to the Committee of the Whole House on the State of the Union and ordered to be printed:

To the Congress of the United States:

I am presenting today to the Congress the Child Nutrition Reform Act of 1976. This proposal is designed to facilitate the States' efforts to feed needy children by consolidating 15 food programs—including forty different meal subsidies—into a single block grant.

Good nutrition is a key factor in the physical, mental and social development of the Nation's children. It is essential that children not be denied a healthful diet because of limited family resources. For this reason the Federal government has developed subsidy programs to provide lunches for needy children.

Children from all families, regardless of income, may receive Federal subsidies for meals served by eligible institutions. The Federal government now provides approximately 20 percent of the total cost of school lunches served to *all* children, regardless of their nutritional need or income.

However, due to program changes enacted by the Congress, the Federal government will be required to spend even *more* money on non-needy children. At the same time, there are at least 700,000 children from poor families receiving no benefits whatsoever.

I believe that the Federal government has a responsibility to provide nutrition assistance to those most in need. At the same time, I believe that the existing Federal taxpayer subsidies for the meals of children from families able to feed themselves extends that Federal responsibility beyond the appropriate point.

In addition, under existing law, the 15 programs enacted into detailed legislation with the same objective—feeding needy and non-needy children—have resulted in a patchwork of complicated Federal controls and regulations.

Therefore, today I request that the Congress enact the "Child Nutrition Reform Act of 1976."

This legislation would:

- —Provide financial assistance to States based on the cost of feeding all needy children.
- —Consolidate 15 complex categorical and overlapping programs into a single block grant to States, increasing their flexibility in administering these programs, and at the same time save the taxpayers nearly $900 million in FY 1977 by reducing assistance to non-needy children.
- —Remove unnecessary restrictions and red tape governing the way meals are provided to needy children.
- —Give concerned organizations and individuals in each State an opportunity to be involved in the planning of child feeding programs.

GERALD R. FORD.

THE WHITE HOUSE, *March 23, 1976.*

CONFERENCE REPORT ON H.R. 49, AUTHORIZING THE SECRETARY OF THE INTERIOR TO ESTABLISH NATIONAL PETROLEUM RESERVES ON CERTAIN PUBLIC LANDS

Mr. MELCHER filed the following conference report and statement on the bill (H.R. 49) to authorize the Secretary of the Interior to establish on certain public lands of the U.S. national petroleum reserves the development of which needs to be regulated in a manner consistent with the total energy needs of the Nation, and for other purposes:

CONFERENCE REPORT (H. REPT. NO. 94-942)

The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 49) to authorize the Secretary of the Interior to establish on certain public lands of the United States national petroleum reserves the development of which needs to be regulated in a manner consistent with the total energy needs of the Nation, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert the following:

That this Act may be cited as the "Naval Petroleum Reserves Production Act of 1976".

TITLE I—NATIONAL PETROLEUM RESERVE IN ALASKA

DEFINITION

SEC. 101. As used in this title, the term "petroleum" includes crude oil, gases (including natural gas), natural gasoline, and other related hydrocarbons, oil shale, and the products of any of such resources.

DESIGNATION OF THE NATIONAL PETROLEUM RESERVE IN ALASKA

SEC. 102. The area known as Naval Petroleum Reserve Numbered 4, Alaska, established by Executive order of the President, dated February 27, 1923, except for tract Numbered 1 as described in Public Land Order 2344, dated April 24, 1961, shall be transferred to and administered by the Secretary of the Interior in accordance with the provisions of this Act. Effective on the date of transfer all lands within such area shall be redesignated as the "National Petroleum Reserve in Alaska" (hereinafter in this title referred to as the "reserve"). Subject to valid existing rights, all lands within the exterior boundaries of such reserve are hereby reserved and withdrawn from all forms of entry and disposition under the public land laws, including the mining and mineral leasing laws, and all other Acts; but the Secretary is authorized to (1) make dispositions of mineral materials pursuant to the Act of July 31, 1947 (61 Stat. 681), as amended (30 U.S.C. 601), for appropriate use by Alaska Natives, (2) make such dispositions of mineral materials and grant such rights-of-way, licenses, and permits as may be necessary to carry out his responsibilities under this Act, and (3) convey the surface of lands properly selected on or before December 18, 1975, by Native village corporations pursuant to the Alaska Native Claims Settlement Act. All other provisions of law heretofore enacted and actions heretofore taken reserving such lands as a Naval Petroleum Reserve shall remain in full force and effect to the extent not inconsistent with this Act.

TRANSFER OF JURISDICTION

SEC. 103. (a) Jurisdiction over the reserve shall be transferred by the Secretary of the Navy to the Secretary of the Interior on June 1, 1977.

(b) With respect to any activities related to the protection of environmental, fish and wildlife, and historical or scenic values, the Secretary of the Interior shall assume all responsibilities as of the date of the enactment of this title. As soon as possible, but not later than the effective date of transfer, the Secretary of the Interior may promulgate such rules and regulations as he deems necessary and appropriate for the protection of such values within the reserve.

(c) The Secretary of the Interior shall, upon the effective date of the transfer of the reserve, assume the responsibilities and functions of the Secretary of the Navy under any contracts which may be in effect with respect to activities within the reserve.

(d) On the date of transfer of jurisdiction of the reserve, all equipment, facilities, and other property of the Department of the Navy used in connection with the operation of the reserve, including all records, maps, exhibits, and other informational data held by the Secretary of the Navy in connection with the reserve, shall be transferred without reimbursement from the Secretary of the Navy to the Secretary of the Interior who shall thereafter be authorized to use them to carry out the provisions of this title.

(e) On the date of transfer of jurisdiction of the reserve, the Secretary of the Navy shall transfer to the Secretary of the Interior all unexpended funds previously appropriated for use in connection with the reserve and all civilian personnel ceilings assigned by the Secretary of the Navy to the management and operation of the reserve as of January 1, 1976.

ADMINISTRATION OF THE RESERVE

SEC. 104. (a) Except as provided in subsection (e) of this section, production of petroleum from the reserve is prohibited and no development leading to production of petroleum from the reserve shall be undertaken until authorized by an Act of Congress.

(b) Any exploration within the Utukok River, the Teshekpuk Lake areas, and other areas designated by the Secretary of the Interior containing any significant subsistence, recreational, fish and wildlife, or historical or scenic value, shall be conducted in a manner which will assure the maximum protection of such surface values to the extent consistent with the requirements of this Act for the exploration of the reserve.

(c) The Secretary of the Navy shall continue the ongoing petroleum exploration program within the reserve until the date of the transfer of jurisdiction specified in section 103(a). Prior to the date of such transfer of jurisdiction the Secretary of the Navy shall—

(1) cooperate fully with the Secretary of the Interior providing him access to such facilities and such information as he may request to facilitate the transfer of jurisdiction;

(2) provide to the Committees on Interior and Insular Affairs of the Senate and the House of Representatives copies of any reports, plans, or contracts pertaining to the reserve that are required to be submitted to the Committees on Armed Services of the Senate and the House of Representatives; and

(3) cooperate and consult with the Secretary of the Interior before executing any new contract or amendment to any existing contract pertaining to the reserve and allow him a reasonable opportunity to comment on such contract or amendment, as the case may be.

(d) The Secretary of the Interior shall commence further petroleum exploration of the reserve as of the date of transfer of jurisdiction specified in section 103(a). In conducting this exploration effort, the Secretary of the Interior—

(1) is authorized to enter into contracts for the exploration of the reserve, except that no such contract may be entered into until at least thirty days after the Secretary of the Interior has provided the Attorney General with a copy of the proposed contract and such other information as may be appropriate to determine legal sufficiency and possible violations under, or inconsistencies with the antitrust laws. If, within such thirty day period, the Attorney General advises the Secretary of the Interior that any such contract would unduly restrict competition or be inconsistent with the antitrust laws, then the Secretary of the Interior may not execute that contract;

(2) shall submit to the Committees on Interior and Insular Affairs of the Senate and the House of Representatives any new plans or substantial amendments to ongoing plans for the exploration of the reserve. All such plans or amendments submitted to such committees pursuant to this section shall contain a report by the Attorney General of the United States with respect to the anticipated effects of such plans or amendments on competition. Such plans or amendments shall not be implemented until sixty days after they have been submitted to such committees; and

(3) shall report annually to the Committees on Interior and Insular Affairs of the Senate and the House of Representatives on the progress of, and future plans for, exploration of the reserve.

(e) Until the reserve is transferred to the jurisdiction of the Secretary of the Interior, the Secretary of the Navy is authorized to develop and continue operation of the South Barrow gas field, or such other fields as may be necessary, to supply gas at reasonable and equitable rates to the native village of Barrow, and other communities and installations at or near Point Barrow, Alaska, and to installations of the Department of Defense and other agencies of the United States located at or near Point Barrow, Alaska. After such transfer, the Secretary of the Interior shall take such actions as may be necessary to continue such service to such village, communities, installations, and agencies at reasonable and equitable rates.

STUDY OF THE RESERVE

SEC. 105. (a) Section 164 of the Energy Policy and Conservation Act (89 Stat. 871, 889), is hereby amended by deleting in the first sentence "to the Congress" and by inserting in lieu thereof "to the Committees on Interior and Insular Affairs of the Senate and House of Representatives".

(b)(1) The President shall direct such Executive departments and/or agencies as he may deem appropriate to conduct a study, in consultation with representatives of the State of Alaska, to determine the best overall procedures to be used in the development, production, transportation, and distribution of petroleum resources in the reserve. Such study shall include, but shall not be limited to, a consideration of—

(A) the alternative procedures for accomplishing the development, production, transportation, and distribution of the petroleum resources from the reserve, and

(B) the economic and environmental consequences of such alternative procedures.

(2) The President shall make semiannual progress reports on the implementation of this subsection to the Committees on Interior and Insular Affairs of the Senate and the House of Representatives beginning not later than six months after the date of the enactment of this Act and shall, not later than one year after the transfer of jurisdiction of the reserve, and annually thereafter, report any findings or conclusions developed as a result of such study together with appropriate supporting data and such recommendations as he deems desirable. The study shall be completed and submitted to such committees, together with recommended procedures and any proposed legislation necessary to implement such procedures not later than January 1, 1980.

(c)(1) The Secretary of the Interior shall establish a task force to conduct a study to determine the values of, and best uses for, the lands contained in the reserve, taking into consideration (A) the natives who live or depend upon such lands, (B) the scenic, historic, recreational, fish and wildlife, and wilderness values, (C) mineral potential, and (D) other values of such lands.

(2) Such task force shall be composed of representatives from the government of Alaska, the Arctic slope native community, and such offices and bureaus of the Department of the Interior as the Secretary of the Interior deems appropriate, including, but not limited to, the Bureau of Land Management, the United States Fish and Wildlife Service, the United States Geological Survey, and the Bureau of Mines.

(3) The Secretary of the Interior shall submit a report, together with the concurring or dissenting views, if any, of any non-Federal representatives of the task force, of the results of such study to the Committees on Interior and Insular Affairs of the Senate and the House of Representatives within three years after the date of enactment of this title and shall include in such report his recommendations with respect to the value, best use, and appropriate designation of the lands referred to in paragraph (1).

ANTITRUST PROVISIONS

SEC. 106. Unless otherwise provided by Act of Congress, whenever development leading to production of petroleum is authorized, the provisions of subsections (g), (h), and (i) of section 7430 of title 10, United States Code, shall be deemed applicable to the Secretary of the Interior with respect to rules and regulations, plans of development and amendments thereto, and contracts and operating agreements. All plans and proposals submitted to the Congress under this title or pursuant to legislation authorizing development leading to production shall contain a report by the Attorney General of the United States on the anticipated effects upon competition of such plans and proposals.

AUTHORIZATION FOR APPROPRIATIONS

SEC. 107. (a) There are authorized to be appropriated to the Department of the Interior such sums as may be necessary to carry out the provisions of this title.

(b) If the Secretary of the Interior determines that there is an immediate and substantial increase in the need for municipal services and facilities in communities located on or near the reserve as a direct result of the exploration and study activities authorized by this title and that an unfair and excessive financial burden will be incurred by such communities as a result of the increased need for such services and facilities, then he is authorized to assist such communities in meeting the costs of providing increased municipal services and facilities. The Secretary of the Interior shall carry out the provisions of this section through existing Federal programs and he shall consult with the heads of the departments or agencies of the Federal Government concerned with the type of services and facilities for which financial assistance is being made available.

TITLE II—NAVAL PETROLEUM RESERVES

SEC. 201. Chapter 641 of title 10, United States Code, is amended as follows:

(1) Immediately before section 7421 insert the following new section:

"§ 7420. Definitions

"(a) In this chapter—

"(1) 'national defense' includes the needs of, and the planning and preparedness to meet, essential defense, industrial, and military emergency energy requirements relative to the national safety, welfare, and economy, particularly resulting from foreign military or economic actions;

"(2) 'naval petroleum reserves' means the naval petroleum and oil shale reserves established by this chapter, including Naval Petroleum Reserve Numbered 1 (Elk Hills), located in Kern County, California, established by Executive order of the President, dated September 2, 1912; Naval Petroleum Reserve Numbered 2 (Buena Vista), located in Kern County, California, established by Executive order of the President, dated December 13, 1912; Naval Petroleum Reserve Numbered 3 (Teapot Dome), located in Wyoming, established by Executive order of the President, dated April 30, 1915; Naval Petroleum Reserve Numbered 4, Alaska, established by Executive order of the President, dated February 27, 1923 (until redesignated as the National Petroleum Reserve in Alaska under the jurisdiction of the Secretary of the Interior as provided in the Naval Petroleum Reserves Production Act of 1976); Oil Shale Reserve Numbered 1, located in Colorado, established by Executive order of the President, dated December 6, 1916, as amended by Executive order dated June 12, 1919; Oil Shale Reserve Numbered 2, located in Utah, established by Executive order of the President, dated December 6, 1916; and Oil Shale Reserve Numbered 3, located in Colorado, established by Executive order of the President, dated September 27, 1924;

"(3) 'petroleum' includes crude oil, gases (including natural gas), natural gasoline, and other related hydrocarbons, oil shale, and the products of any of such resources;

"(4) 'Secretary' means the Secretary of the Navy;

"(5) 'small refiner' means an owner of a refinery or refineries (including refineries not in operation) who qualifies as a small business refiner under the rules and regulations of the Small Business Administration; and

"(6) 'maximum efficient rate' means the maximum sustainable daily oil or gas rate from a reservoir which will permit economic development and depletion of that reservoir without detriment to the ultimate recovery.".

(2) Section 7421(a) is amended—

(A) by striking out "of the Navy";

(B) by striking out "and oil shale";

(C) by striking out "for naval purposes" and inserting in lieu thereof "for national defense purposes"; and

(D) by striking out "section 7438 hereof" and insertng in lieu thereof "this chapter".

(3) The text of section 7422 is amended to read as follows:

"(a) The Secretary, directly or by contract, lease, or otherwise, shall explore, prospect, conserve, develop, use, and operate the naval petroleum reserves in his discretion, subject to the provisions of subsection (c) and the other provisions of this chapter; except that no petroleum leases shall be granted at Naval Petroleum Reserves Numbered 1 and 3.

"(b) Except as otherwise provided in this chapter, particularly subsection (c) of this section, the naval petroleum reserves shall be used and operated for—

"(1) the protection, conservation, maintenance, and testing of those reserves; or

"(2) the production of petroleum whenever and to the extent that the Secretary, with the approval of the President, finds that such production is needed for national defense purposes and the production is authorized by a joint resolution of Congress.

"(c)(1) In administering Naval Petroleum Reserves Numbered 1, 2, and 3, the Secretary is authorized and directed—

"(A) to further explore, develop, and operate such reserves;

"(B) commencing within ninety days after the date of enactment of the Naval Petroleum Reserves Production Act of 1976, to produce such reserves at the maximum efficient rate consistent with sound engineering practices for a period not to exceed six years after the date of enactment of such Act;

"(C) during such production period or any extension thereof to sell or otherwise dispose of the United States share of such petroleum produced from such reserves as hereinafter provided; and

"(D) to construct, acquire, or contract for the use of storage and shipping facilities on and off the reserves and pipelines and associated facilities on and off the reserves for transporting petroleum from such reserves to the points where the production from such reserves will be refined or shipped.

Any pipeline in the vicinity of a naval petroleum reserve not otherwise operated as a common carrier may be acquired by the Secretary by condemnation, if necessary, if the owner thereof refuses to accept, convey, and transport without discrimination and at reasonable rates any petroleum produced at such reserve. With the approval of the Secretary, rights-of-way for new pipelines and associated facilities may be acquired by the exercise of the right of eminent domain in the appropriate United States district court. Such rights-of-way may be acquired in the manner set forth in the Act of February 26, 1931, chapter 307 (46 Stat. 1421; 40 U.S.C. 258(a)), and the prospective holder of the right-of-way is 'the authority empowered by law to acquire the lands' within the meaning of that Act. Such new pipelines shall accept, convey, and transport without discrimination and at reasonable rates any petroleum produced at such reserves as a common carrier. Pipelines and associated facilities constructed at or procured for Naval Petroleum Reserve Numbered 1 pursuant to this subsection shall have adequate capacity to accommodate not less than three hundred fifty thousand barrels of oil per day and shall be fully operable as soon as possible, but not later than three years after the date of enactment of the Naval Petroleum Reserves Production Act of 1976.

"(2) At the conclusion of the six-year production period authorized by paragraph (1)(B) of this subsection the President may extend the period of production in the case of any naval petroleum reserve for additional periods of not to exceed three years each—

"(A) after the President requires an investigation to be made, in the case of each extension, to determine the necessity for continued production from such naval petroleum reserve;

"(B) after the President submits to the Congress, at least one hundred eighty days prior to the expiration of the current production period prescribed by this section, or any extension thereof, a copy of the report made to him on such investigation together with a certification by him that continued production from such naval petroleum reserve is in the national interest; and

"(C) if neither House of Congress within ninety days after receipt of such report and certification adopts a resolution disapproving further production from such naval petroleum reserve.

"(3) The production authorization set forth in paragraph (1)(B) of this subsection, in the case of Naval Petroleum Reserve Numbered 1, is conditioned upon the private owner of any lands or interests therein within such reserve agreeing with the Secretary to continue operations of such reserve under a unitized plan contract which adequately protects the public interest; however, if such agreement is not reached within ninety days after the date of enactment of the Naval Petroleum Reserves Production Act of 1976 the Secretary is authorized to exercise the authority for condemnation conferred by section 7425 of this chapter.".

(4) The first sentence of section 7423 is amended by deleting "of the Navy" and "or products".

(5) Section 7424 is amended—

(A) by deleting "of the Navy" in the text of subsection (a) preceding clause (1);

(B) by deleting "and oil shale" in subsection (a)(1) in the text preceding subclause (A); and

(C) by deleting "in the ground" in clause (1)(A) of subsection (a).

(6) Section 7425 is amended by deleting "of the Navy".

(7) Section 7426(a) is amended by striking out "the Secretary of the Navy" and inserting in lieu thereof "Subject to the provisions of section 7422(c), the Secretary".

(8) The first and second sentences of section 7427 are amended by striking out "of the Navy".

(9) Section 7428 is amended by striking out "within the naval petroleum and oil shale reserves shall contain a provision authorizing the Secretary of the Navy" and inserting in lieu thereof "within Naval Petroleum Reserve Numbered 2 and the oil shale reserves shall contain a provision authorizing the Secretary".

(10) The first sentence of section 7429 is amended by deleting "of the Navy".

(11) The text of section 7430 is amended to read as follows:

"(a) In administering the naval petroleum reserves under this chapter, the Secretary shall use, store, or sell the petroleum produced from the naval petroleum reserves and lands covered by joint, unit, or other cooperative plans.

"(b) Notwithstanding any other provision of law, each sale of the United States share of petroleum shall be made by the Secretary at public sale to the highest qualified bidder, for periods of not more than one year, at such time, in such amounts, and after such advertising as the Secretary considers proper and without regard to Federal, State, or local regulations controlling sales or allocation of petroleum products.

"(c) In no event shall the Secretary permit the award of any contract which would result in any person obtaining control, directly or indirectly, over more than 20 per centum of the estimated annual United States share of petroleum produced from Naval Petroleum Reserve Numbered 1.

"(d) Each proposal for sale under this title shall provide that the terms of every sale of the United States share of petroleum from the naval petroleum reserves shall be so structured as to give full and equal opportunity for the acquisition of petroleum by all interested persons, including major and independent oil producers and refiners alike. When the Secretary, in consultation with the Secretary of the Interior, determines that the public interests will be served by the sale of petroleum to small refiners not having their own adequate sources of supply of petroleum, the Secretary is authorized and directed to set aside a portion of the United States share of petroleum produced for sale to such refiners under the provisions of this section for processing or use in such refineries, except that—

"(1) none of the production sold to small refiners may be resold in kind;

"(2) production must be sold at a cost of not less than the prevailing local market price of comparable petroleum;

"(3) the set-aside portion may not exceed 25 per centum of the estimated annual United States share of the total production from all producing naval petroleum reserves; and

"(4) notwithstanding the provisions of subsection (b) of this section, the Secretary may, at his discretion if he deems it to be in the public interest, prorate such petroleum among such refiners for sale, without competition, at not less than the prevailing local market price of comparable petroleum.

"(e) Any petroleum produced from the naval petroleum reserves, except such petroleum which is either exchanged in similar quantities for convenience or increased efficiency of transportation with persons or the government of an adjacent foreign state, or which is temporarily exported for convenience or increased efficiency of transportation across parts of an adjacent foreign state and reenters the United States, shall be subject to all of the limitations and licensing requirements of the Export Administration Act of 1969 (83 Stat. 841) and, in addition, before any petroleum subject to this section may be exported under the limitations and licensing requirement and penalty and enforcement provisions of the Export Administration Act of 1969, the President must make and publish an express finding that such exports will not diminish the total quality or quantity of petroleum available to the United States and that such exports are in the national interest and are in accord with the Export Administration Act of 1969.

"(f) During the period of production or any extension thereof authorized by section 7422(c), the consultation and approval requirements of section 7431(a)(3) are waived.

"(g)(1) Prior to the promulgation of any rules and regulations, plans of development and amendments thereto, and in the entering and making of contracts and operating agreements relating to the development, production, or sale of petroleum in or from the reserves, the Secretary shall consult with and give due consideration to the views of the Attorney General of the United States with respect to matters which may affect competition.

"(2) No contract or operating agreement may be made, issued, or executed under this chapter until at least thirty days after the Secretary notifies the Attorney General of the proposed contract or operating agreement. Such notification shall contain such information as the Attorney General may require in order to advise the Secretary as to whether such contract or operating agreement may create or maintain a situation inconsistent with the antitrust laws. If, within such thirty day period, the Attorney General advises the Secretary that a contract or operating agreement may create or maintain a situation inconsistent with the antitrust laws, then the Secretary may not make, issue, or execute that contract or operating agreement.

"(h) Nothing in this chapter shall be deemed to confer on any person immunity from civil or criminal liability, or to create defenses to actions, under the antitrust laws.

"(i) As used in this section, the term 'antitrust laws' means—

"(1) the Act entitled 'An Act to protect trade and commerce against unlawful restraints and monopolies', approved July 2, 1890 (15 U.S.C. 1 et seq.), as amended;

"(2) the Act entitled 'An Act to supplement existing laws against unlawful restraints and monopolies, and for other purposes', approved October 15, 1914 (15 U.S.C. 12 et seq.), as amended;

"(3) the Federal Trade Commission Act (15 U.S.C. 41 et seq.), as amended:

"(4) sections 73 and 74 of the Act entitled 'An Act to reduce taxation, to provide revenue for the Government, and for other purposes', approved August 27, 1894 (15 U.S.C. 8 and 9), as amended; or

"(5) sections 2, 3, and 4 of the Act of June 19, 1936, chapter 592 (15 U.S.C. 13a, 13b, and 21a).

"(j) Any pipeline which accepts, conveys, or transports any petroleum produced from Naval Petroleum Reserves Numbered 1 or Numbered 3 shall accept, convey, and transport without discrimination and at reasonable rates any such petroleum as a common carrier insofar as petroleum from such reserves is concerned. Every contract entered into by the Secretary for the sale of any petroleum owned by the United States which is produced from such reserves shall contain provisions implementing the requirements of the preceding sentence if the contractor owns a controlling interest in any pipeline or any company operating any pipeline, or is the operator of any pipeline, which carries any petroleum produced from such naval petroleum reserves. The Secretary may promulgate rules and regulations for the purpose of carrying out the provisions of this section and he, or the Secretary of the Interior where the authority extends to him, may declare forfeit any contract, operating agreement, right-of-way, permit, or easement held by any person violating any such rule or regulation. This section shall not apply to any natural gas common carrier pipeline operated by any person subject to regulation under the Natural Gas Act or any public utility subject to regulation by a State or municipal regulatory agency having jurisdiction to regulate the rates and charges for the sale of natural gas to consumers within the State or municipality.

"(k) The President may, at his discretion, direct that all or any part of the United States share of petroleum produced from the naval petroleum reserves be placed in strategic storage facilities as authorized by sections 151 through 166 of the Energy Policy and Conservation Act or that all or any part of such share be exchanged for petroleum of equal value for the purpose of placing such petroleum in such strategic storage facilities.".

(12) Section 7431 is amended—

(A) by inserting "(a)" immediately before "The Committees";

(B) by striking out "or oil shale" in clauses (1) and (2);

(C) by striking out "and oil shale" in clauses (2) and (3);

(D) by striking out "oil and gas (other than royalty oil and gas), oil shale, and products therefrom" in clause (3) and inserting in lieu thereof "petroleum (other than royalty oil and gas)"; and

(E) by adding at the end thereof the following new subsections:

"(b)(1) During the period of production authorized by section 7422(c), the Secretary shall submit to the Committees on Armed Services of the Senate and the House of Representatives any new plans or substantial amendments to ongoing plans for the exploration, development, and production of the naval petroleum reserves.

"(2) All plans or substantial amendments submitted to the Congress pursuant to this section shall contain a report by the Attorney General of the United States with respect to the anticipated effects of such plans or amendments on competition. Such plans or amendments shall not be implemented until sixty days after such plans or amendments have been submitted to such committees.

"(c) During the period of production authorized by section 7422(c), the Secretary shall submit annual reports as of the first day of the fiscal year to the Committees on Armed Services of the Senate and the House of Representatives, and such committees shall cause such reports to be printed as a Senate or House document, as appropriate. The Secretary shall include in such reports, with respect to each naval petroleum reserve, an explanation in detail of the following:

"(1) the status of the exploration, development, and production programs;

"(2) the production that has been achieved, including the disposition of such production and the proceeds realized therefrom;

"(3) the status of pipeline construction and procurement and problems related to the availability of transportation facilities;

"(4) a summary of future plans for exploration, development, production, disposal, and transportation of the production from the naval petroleum reserves; and

"(5) such other information regarding the reserve as the Secretary deems appropriate.".

(13) Section 7432 is amended to read as follows:

"§ 7432. Naval petroleum reserves special account

"(a) There is hereby established on the books of the Treasury Department a special account designated as the 'naval petroleum reserves special account'. There shall be credited to such account—

"(1) all proceeds realized under this chapter from the disposition of the United States share of petroleum;

"(2) the net proceeds, if any, realized from sales or exchanges within the Department of Defense of refined petroleum products accruing to the benefit of any component of that department as the result of any such sales or exchanges;

"(3) such additional sums as may be appropriated for the maintenance, operation, exploration, development, and production of the naval petroleum reserves;

"(4) such royalties as may accrue under the provisions of section 7433; and

"(5) any other revenues resulting from the operation of the naval petroleum reserves.

"(b) Funds available in the naval petroleum reserve special account shall be available for expenditure in such sums as are specified in annual appropriations Acts for the expenses of—

"(1) exploration, prospecting, conservation, development, use, operation, and production of the naval petroleum reserves as authorized by this chapter;

"(2) production (including preparation for production) as authorized by this chapter, or as may hereafter be authorized;

"(3) the construction and operation of facilities both within and outside the naval petroleum reserves incident to the production and the delivery of petroleum, including pipelines and shipping terminals;

"(4) the procurement of petroleum for, and the construction and operation of facilities associated with, the Strategic Petroleum Reserve authorized by sections 151 through 166 of the Energy Policy and Conservation Act; and

"(5) the exploration and study of the National Petroleum Reserve in Alaska as authorized in title I of the Naval Petroleum Reserves Production Act of 1976.

"(c) The budget estimates for annual appropriations from the naval petroleum reserves special account shall be prepared by the Secretary and shall be presented to the Congress by the President independently of the budget of the Department of the Navy and the Department of Defense.

"(d) Contracts under this chapter providing for the obligation of funds may be entered into by the Secretary for a period of five years, renewable, at the option of the Secretary, for an additional five-year period; however, such contracts may obligate funds only to the extent that such funds are made available in annual appropriations.".

(14) Section 7433(a) is amended by striking out "of the Navy".

(15) Section 7433(b) is amended by striking out "and oil shale".

(16) Section 7434 is amended by striking out "and oil shale".

(17) Section 7435(b) is amended by striking out "of the Navy".

(18) Section 7436(a) is amended by deleting "of the Navy, subject to approval of the President,".

(19) Section 7438 is amended by striking out "Secretary of the Interior" wherever it occurs and inserting therefor "Administrator of the Energy Research and Development Administration"; and by striking out "of the Navy" wherever it occurs.

(20) The table of sections at the beginning of such chapter is amended—

(A) by inserting immediately before

"7421. Jurisdiction and control."

the following:

"7420. Definitions."

(B) by striking out:

"7432. Expenditures; appropriations chargeable."

and inserting in lieu thereof the following:

"7432. Naval petroleum reserve special account."

And the Senate agree to the same.

John Melcher,
Harold T. Johnson,
Phillip Burton,
Harold Runnels,
George Miller,
Melvin Price,
Charles E. Bennett,
Joe Skubitz,
Sam Steiger,
Wm. L. Dickinson,
F. Edw. Hébert,
John F. Seiberling,
Don Young,
Managers on the Part of the House.
Howard W. Cannon,
John C. Stennis,
Stuart Symington,
Sam Nunn,
Gary Hart,
Henry M. Jackson,
Lee Metcalf,
Floyd K. Haskell,
Strom Thurmond,
William L. Scott,
Robert Taft, Jr.,
Clifford P. Hansen,
Dewey F. Bartlett,
Managers on the Part of the Senate.

JOINT STATEMENT OF THE COMMITTEE OF CONFERENCE

INTRODUCTION

The Committee of Conference on the bill (H.R. 49) which involves the establishment of a National Petroleum Reserve in Alaska under the jurisdiction of the Secretary of the Interior and the production of petroleum from the naval petroleum reserves by the Secretary of Navy, met seven times to resolve the differences between the House bill and the Senate amendment. In addition, many hours of informal negotiations were involved in reaching agreement on the text of the legislation explained below. This revised text is in the form of a complete substitute for the two different versions approved by the House and Senate.

COMPARISON OF MAJOR ISSUES AND FINAL RECOMMENDATION

The differences between H.R. 49 as passed by the House and as amended by the Senate are so great as to make a side-by-side comparison impractical. The two versions of the bill sought to achieve somewhat different objectives through different agencies. However, both bills sought to solve a long-existing issue of great national importance, *viz.* how the petroleum resources owned by the United States government in the public lands reserved for the four naval petroleum reserves can best serve the public interest.

Objective

The House version of H.R. 49 authorized the Secretary of the Interior to establish a system of national petroleum reserves on the reserved and unreserved public lands of the United States (with certain stated exemptions). Under the House bill, lands in the naval petroleum reserves could be included in this new system after consultation with the Secretary of Defense and thereby be excluded from the naval petroleum reserves. In the forty-eight contiguous States, development and production of petroleum in the new national petroleum reserves was to be undertaken by the Secretary of the Interior either directly or through competitive bidding procedures.

The Senate amendment, on the other hand, authorized production from these Naval Petroleum Reserves 1, 2, and 3 under the jurisdiction of the Navy for a period of five years with the objectives of (1) assuring the readiness of the reserves to produce in the future and (2) using the proceeds from the sale of the petroleum produced to permit complete development of the reserves and to partially offset the costs associated with a strategic energy reserve system designed to store an immediately available quantity of petroleum for emergency use. During the period of production authorized in the Senate bill, the House objective of increasing domestic petroleum production would be realized.

In reaching a compromise the Committee of Conference agreed to leave jurisdiction for Naval Petroleum Reserves 1, 2 and 3 with the Secretary of Navy, and to require him to take steps to bring these reserves into immediate production. Under the compromise, petroleum at the three reserves is to be produced at the maximum efficient rate for a period of six years, with provisions for an indefinite number of extensions for periods of three years each under specified circumstances.

Naval Petroleum Reserve No. 4

The House version of H.R. 49 would have established a national petroleum reserve encompassing Naval Petroleum Reserve No. 4; thus abolishing it as a naval reserve. It also required the Secretary of the Interior to continue exploration of the reserve and report progress annually to Congress, but it required further Congressional authorization before any development leading to production could be undertaken. In addition, a study was to be made by the Secretary of the feasibility of developing delivery systems with respect to any oil and gas which may be produced and a task force was to be established to review all of the resource values of the lands and report its recommendations to the Congress.

The Senate amendment would have retained jurisdiction over this area in the Secretary of Navy. It contemplated the continuation of the current exploration program by the Secretary of Navy and provided that the Federal Energy Administration would conduct a 180-day study regarding alternatives available for the exploration, development, and production of NPR #4. The study by the Administrator of the Federal Energy Administration was later incorporated into the Energy Policy and Conservation Act (Public Law 94–163).

The Committee of Conference agreed that all of the lands in NPR #4 should be transferred to the Secretary of the Interior, except for the surface of lands necessary for the Naval Arctic Research Laboratory near Point Barrow, Alaska. Unlike the immediate transfer implicit in the House version however, the Committee recommends that the transfer take place on June 1, 1977, after the two affected agencies have had a winter season to work together in the field to insure the smooth transfer of jurisdiction and to minimize the lost time in the ongoing exploration program. The Committee agreed to language to establish a task force, under the direction of the Secretary of the Interior consisting of representatives of Alaska, the Alaska Natives, the Bureau of Land Management, the U.S. Fish and Wildlife Service, the U.S. Geological Survey, the Bureau of Mines, and such other agencies as the Secretary may deem appropriate, to review the overall resource values in the area. A second study provision agreed upon requires consideration in depth of authorization for the development, production, transportation and distribution of petroleum in the reserve under the direction of the President, in consultation with the representatives of the State of Alaska. The 180-day FEA study, authorized by Public Law 94–163, which is now underway, is to be completed and will be transmitted directly to the Committees on Interior and Insular Affairs of the House and Senate.

Competitive sales and small refiners

In H.R. 49 as approved by the House, the Secretary of the Interior was directed to use competitive bidding procedures in the sale of any petroleum from the reserves. In addition, he was to structure such sales in a manner which would allow all companies—majors and independents alike—to offer viable bids. Particularly, with respect to petroleum produced at Elk Hills, the House version limited the total amount which any person or company could directly or indirectly control to not more than 20 percent of the production from that field in any one year.

The Senate amendment required the United States share of the petroleum to be sold by the Secretary of Navy to the highest qualified bidder at such time and in such amounts as the Secretary of Navy considered proper and it also required such sales to be structured so as to allow all interested companies to have a full and equal opportunity to acquire the petroleum and required it to be offered in blocks small enough to allow small refiners to bid on the oil tendered. It specifically provided that such sales might be made without regard to Federal, State or local regulations controlling sales or allocation of petroleum products.

The Committee of Conference recommends that all sales of petroleum by the Secretary of Navy be made at such time and in such amounts as he deems proper to the highest qualified bidder for periods of not more than one year. It also requires that each sale be structured to give full and equal opportunity to all companies. Furthermore, it prohibits the sale of more than 20 percent of the estimated Federal share of petroleum produced from Elk Hills to any buyer in a single year. To promote competition and to assist small refiners not having adequate sources of supply of petroleum, the Secretary is authorized to set aside up to 25 percent of the estimated Federal share of production from the reserves for sale to such refiners or, in his discretion, to prorate such petroleum to such refiners for sale at not less than the prevailing local market price.

Antitrust provisions

With respect to provisions involving possible restraints on competition, the House-approved bill required the Secretary of the Interior to consult with the Attorney General at each stage in the formulation of plans and rules or regulations, and at each stage in the entering into of contracts or operating arrangements. In addition, all plans submitted to the Congress were to contain a report by the Attorney General on the anticipated effects of these upon competition. Furthermore, the Secretary was to be prohibited from entering into any contract until the Attorney General was given an opportunity for review to determine if the contract would create or maintain a situation inconsistent with the antitrust laws. If the Attorney General were to find it inconsistent with the antitrust laws or incompatible with the public interest, then the Secretary's recourse was to be through public hearings and a separate finding.

While the Senate amendment contained no comparable provisions, the Committee of Conference agreed that antitrust protections would be desirable; consequently, the Committee has included antitrust provisions in both titles of the legislation. With respect to production from Naval Petroleum Reserves 12 and 13, before the Secretary of the Navy may promulgate any rules and regulations, finalize any plans of development, or execute any contracts for the development, production, or sale of petroleum from the reserves, he must consult with the Attorney General and give due consideration to his advice on matters which may affect competition. The Secretary is also prohibited from making any contract until thirty days after he has notified the Attorney General of his intention. If the Attorney General advises that the contract may create a situation inconsistent with the antitrust laws then the Secretary is precluded from executing it. Furthermore, the Secretary is required to include in all plans submitted to the Congress, a report by the Attorney General with respect to the anticipated effects of such plans on competition.

With respect to the National Petroleum Reserve in Alaska (formerly Naval Petroleum Reserve No. 4), the Secretary of Interior is authorized to enter into contracts for the exploration of the reserve, but at least thirty days before executing such contracts, he must submit them to the Attorney General for review to determine whether or not they are consistent with the antitrust laws. If within thirty days the Attorney General determines that they are not consistent, then the Secretary is precluded from proceeding to finalize the contract. If development leading to production is authorized at the reserve, then, unless Congress provides otherwise, the antitrust policies applicable to production of the naval petroleum reserves are to be applied to production from the National Petroleum Reserve in Alaska.

Common carrier provisions

Both the House bill and Senate amendment contained provisions dealing with the operation of pipelines from the naval petroleum reserves. As enacted by the House, any pipeline carrying petroleum from the national petroleum reserves was to be operated and maintained as a common carrier and the Secretary of the Interior was to have the authority to make necessary rules and regulations to carry out this provision. Any violation of such rules and regulations could result in the Secretary voiding any contract, operating agreement, right-of-way, permit or easement granted by him. In addition, the Secretary was authorized to acquire or construct pipelines in the vicinity of any national petroleum reserve in order to assure the transportation of petroleum from such reserves to refinery points or to points connecting with common carrier pipelines.

The Senate amendment was comparable, except that it dealt only with the naval petroleum reserves in California and, in line with its approach to the bill, instead of placing the authority in the Secretary of the Interior, it placed the responsibility with the Secretary of the Navy. To assure the transportation of the petroleum produced from Naval Petroleum Reserves 1, 2 and 3, it authorized the Secretary to construct or procure pipelines and associated facilities, and such facilities at Elk Hills were to be capable of transporting not less than 350,000 barrels of oil per day within three years after the enactment of the legislation.

In reconciling these differences, the Committee of Conference took note of the fact that some, and perhaps most, of the present pipelines which would be involved under this legislation are already common carriers under the terms of the Mineral Leasing Act of 1920. But the recommended language attempts to deal with all of the foreseeable possibilities:

First, any pipeline which accepts or transports any petroleum from Naval Petroleum Reserves 1 or 3 must accept and transport petroleum from these reserves as a common carrier;

Second, any purchaser of petroleum from such reserves must agree, by contract, to transport any petroleum from these reserves as a common carrier if he owns a controlling interest in a pipeline, or if he owns a controlling interest in a company which operates a pipeline, or if he is the operator of any pipeline carrying petroleum produced from these reserves:

Third, if adequate transportation facilities are not otherwise available, the Secretary of Navy may construct or acquire them or contract for the use of them;

Fourth, if a pipeline in the vicinity refuses to transport petroleum from these reserves as a common carrier, then the Secretary may acquire such pipeline (by condemnation, if necessary); and

Fifth, if new pipelines are constructed on rights-of-way acquired by the government, then these pipelines are to be common carrier pipelines.

The Committee of Conference accepted the Senate approach with respect to pipeline facilities for production from Elk Hills which requires the Secretary to have available adequate capacity to accommodate not less than 350,000 barrels per day within three years after the date of enactment of this legislation. In addition the recommended language authorizes the Secretary to promulgate such rules and regulations as may be necessary to carry out the provisions of section 7430, title 10 United States Code, and to take appropriate action in the event of violation thereof.

Strategic storage and naval petroleum reserves special account

The Senate amendment provided that the President could direct that all or part of the Federal share of petroleum produced from the naval petroleum reserves could be placed in a strategic storage facility. In addition, it authorized the establishment of a special account in the Treasury to which all revenues from the sale of petroleum and proceeds from other activities associated with the naval petroleum reserves were to be credited. From this account, funds were to be appropriated for activities at the reserves, construction of necessary pipelines or other facilities, and procurement of petroleum for the national strategic energy reserve system.

In comparison the House language established a special fund in the Treasury to receive the proceeds realized under the legislation from the sale of oil and gas from the national petroleum reserves. Monies in the fund were to be appropriated for the purchase of petroleum for storage in the national strategic petroleum reserve, when authorized by law, and for the development and production of Naval Petroleum Reserves 1, 2, and 3.

The Senate amendment also contained the complete authority establishing a strategic reserve system. Since approval of H.R. 49, by the House and Senate, the Energy Policy and Conservation Act, providing for the establishment of a strategic reserve, has been enacted into law. In recognition of this fact, the Committee of Conference approved a modified approach which authorizes the President to place *all* or *any* part of the petroleum produced from the naval petroleum reserves in the authorized strategic storage facilities or exchange it for petroleum of equal value to be so stored.

It was agreed that there should be established a special account in the Treasury consisting of revenues derived from the disposition of petroleum from the naval petroleum reserves, the proceeds from internal sales of petroleum within the Department of Defense appropriation made by the Congress for such reserves, and any royalties or other revenues derived from the operation of such reserves. This special account is not to be the exclusive source of funds for the conduct of activities authorized by this Act, but monies credited to it are to be available as offsetting receipts to reduce outlay requirements for (1) the Secretary of the Navy in connection with expenses incident to the operation of the naval petroleum reserves, (2) the Secretary of the Interior in connection with exploration and study costs associated with the National Petroleum Reserve in Alaska, and (3) the Administrator of the Federal Energy Administration in connection with the procurement of petroleum for, and construction and operation of facilities associated with, the Strategic Petroleum Reserve. The conferees were aware that anticipated receipts would not offset the outlay requirements of all three of the agencies eligible to utilize the funds, and the President, in all likelihood, will find it necessary to apportion the available monies between the three agencies. The conferees expect the Budget Committees to consider all of these funds under the "National resources, environment, and energy functional" category.

Congressional oversight

Both versions of H.R. 49 provided for oversight responsibilities to be vested either in the Interior and Insular Affairs Committees (under the House language) or in the Armed Services Committees (under the Senate language). The Committee of Conference agreed that continued Congressional oversight over all aspects of the implementation of this legislation would be important. Since Naval Petroleum Reserve No. 4 in Alaska is to be transferred to the Interior Department, the Committee is recommending that all contracts, plans, reports, etc, involving this area be referred directly to the Committees on Interior and Insular Affairs. Similarly, since the other reserves are to remain under the administrative jurisdiction of the Secretary of the Navy, all such contracts, plans, reports, etc. dealing with them will be directed to the Committees on Armed Services.

SECTION BY SECTION ANALYSIS

Title I—National petroleum reserve in Alaska

SEC. 101 defines the term "petroleum" to include crude oil, gases of all kinds (natural gas, hydrogen, carbon dioxide, helium and any others), natural gasoline, and related hydrocarbons (tar sands, asphalt, propane, butane, etc.), oil shale and the products of such resources.

SEC. 102 provides that, except for surface of the lands in Tract 1 as described in Public Land Order 2344 which are being used for the Naval Arctic Research Laboratory, all of the public lands whether previously reserved or unreserved within the exterior boundaries of Naval Petroleum Reserve No. 4 as established by Executive Order 3797A of February 27, 1923, will be transferred to the administrative jurisdiction of the Secretary of the Interior from the Secretary of the Navy, but Federal agencies conducting authorized activities not inconsistent with the Act may be permitted to *continue* such activities to the extent they do not interfere with the administration of the land by the Secretary. All lands within this new "National Petroleum Reserve in Alaska" are statutorily withdrawn from all forms of entry and disposition under the public land laws and mining and mineral leasing laws. It is the specific intent of this provision that all lands be explicitly excluded from the provisions of the Mineral Leasing Act of 1920.

The intent of this section is to insure that all of the lands within the exterior boundaries of the reserve remain withdrawn from all uses inconsistent with the purposes of this legislation. The statutory withdrawal includes *all* lands within the boundaries of the 1923 Executive Order in order to override the unexpected interpretation of that order by the United States Court of Appeals for the Ninth Circuit in *Arnold* v. *Morton*. Express recognition is given to certain existing uses, e.g., the continued operation of the South Barrow gas field. Inasmuch as the Alaska Native Claims Settlement Act authorized native village corporations to select *certain* Federally owned land in Alaska, including the right to apply for surface rights within the Naval Petroleum Reserve until December 18, 1975, this legislation authorizes the Secretary to convey such surface interests if the selections were made on or before that date, but in no event does the legislation authorize the disposition of the subsurface mineral estate within the national petroleum reserve to any person or group, except for mineral materials (e.g., sand, gravel, and crushed stone, which for the purpose of this legislation are considered to be a part of the subsurface mineral estate) which the Secretary may permit to be used for maintenance or development of local services by native communities or for use in connection with activities associated with administration of the reserve under this Act.

SEC. 103 provides that jurisdiction over Naval Petroleum Reserve No. 4 shall be transferred to the Secretary of the Interior on June 1, 1977, at which time it shall be redesignated as the National Petroleum Reserve in Alaska. Responsibility for the protection of the natural, fish and wildlife, scenic and historical values of the area is vested in the Secretary of the Interior immediately upon enactment of this Act so that any activities which are or might be detrimental to such values will be carefully controlled. When complete jurisdiction over the reserve is transferred on June 1, 1977, the Secretary of the Interior will assume all rights and obligations incurred under contracts executed by the Secretary of the Navy with respect to activities in the reserve.

To make this transfer of jurisdiction orderly, the legislation requires that all equipment, facilities, and property associated with exploration of the reserve be transferred by the Secretary of the Navy, without reimbursement, to the Secretary of the Interior and provides that any unexpended funds previously appropriated for use in connection with the reserve be transferred to the Secretary of the Interior for use in connection with the reserve as intended by the Congress when such appropriations were made. In this connection the legislation also transfers the civilian personnel ceilings assigned to the management and operation of the reserve to the Interior Department. It is not expected that non-civilian Navy personnel will transfer to the Department of the Interior, but it is intended that the number of positions allocated to the management and operation of the reserve will continue at approximately the same level after the transfer takes place so that activities at the reserve will continue at least at their current level.

Sec. 104 makes it absolutely clear that only exploration is authorized at the National Petroleum Reserve in Alaska. After the studies are completed and transmitted to the Congress, as required by the legislation, then the Congress will determine how future development and production will take place. Until authorized by the Congress, there will be no production of petroleum from this reserve, except for a limited quantity from the South Barrow gas field which is essential to the Native village of Barrow and other communities and installations near Point Barrow.

The legislation makes it clear that the Secretary may designate certain areas—including specifically the Utukok River area and the Teshekpuk Lake area—where special precautions may be necessary to control activities which would disrupt the surface values or disturb the associated fish and wildlife habitat values and related subsistence requirements of the Alaska Natives.

It is the intention of this provision to immediately authorize the Secretary to require that the exploration activities within these designated areas be conducted in a manner designed to minimize adverse impacts on the values which these areas contain. While "maximum protection of such surface values" is not a prohibition of exploration-related activities within such areas, it is intended that such exploration operations will be conducted in a manner which will minimize the adverse impact on the environment.

To this end, the Secretary is expected to take into consideration the needs of resident and migratory wildlife and to schedule exploration activities in a manner which, and at such seasons as, will cause the least adverse influence on fish and wildlife. In scheduling exploration activities in such an area the Secretary should take steps to minimize any adverse effects on native subsistence requirements and associated fish and wildlife values. Specifically, he should conduct exploration activities in these areas during times of the year when the caribou calving season and the nesting and molting seasons of the birds can be avoided.

While this provision suggests that certain areas should receive special consideration, the Members of the Committee of Conference do not mean to imply that the Secretary should ignore the environmental ramifications of exploration activities in other areas. On the contrary, it is expected that the Secretary will take every precaution to avoid unnecessary surface damage and to minimize ecological disturbances throughout the reserve.

Until the actual transfer of the reserve to the Department of the Interior, the legislation requires the Secretary of the Navy to continue the ongoing exploration program within the reserve. In other words, the Members of the Committee of Conference agreed that since the Secretary of the Navy is to continue administration of this reserve until June 1, 1977, he should move forward on the exploration program which for fiscal year 1977 envisions the drilling of five exploratory wells and the completion of approximately 3,000 miles of seismic surveys.

There is every reason to believe that he will be able to cooperate with the Secretary of the Interior in carrying forward the exploration program and the Members of the Committee of Conference expect them to work together for the full season prior to the transfer so that a continuity of operations without lost time will be assured.

Since the Secretary of the Interior is required to assume responsibility for the conduct of operations under contracts negotiated by the Secretary of the Navy, after June 1, 1977, it is expected that all new contracts or amendments to existing contracts after enactment of this legislation will be closely coordinated between the two Secretaries. The Committee of Conference did not give the Secretary of the Interior a veto power over such contracts or changes, because it is generally understood that no new contracts are anticipated in the foreseeable future and because it is recognized that in the interest of good management, the Secretaries would establish a responsible and reasonable working relationship which will protect the public interest in the activities within the reserve.

Once the transfer is effected, the legislation authorizes the Secretary of the Interior to enter into contracts which he deems necessary to carry out the exploration activities contemplated. Such contracts are to be reviewed by the Attorney General for their legal sufficiency and consistency with the antitrust laws. The Secretary is precluded from entering any contract which the Attorney General determines would unduly restrict competition or be inconsistent with the antitrust laws. For the purposes of adequate oversight over such proposed actions, the Secretary is required to transmit all plans, or substantial amendments to plans, to the Committees on Interior and Insular Affairs of the House of Representatives and Senate and to report annually to such Committees on the progress of, and future plans for, exploration of the reserve.

Public Law 93–153, which modernized the law relating to rights-of-way over Federal lands and authorized the Trans-Alaska oil pipelines, included a specific requirement (section 403) that the Secretary of the Interior take affirmative action to assure that no person would, on the grounds of race, creed, color, national origin, or sex be excluded from activities carried out under authority of Title II of that Act. The Committee of Conference expects both the Secretary of the Interior and the Secretary of Navy to follow the principles set out in section 403 of P.L. 93–153 in implementing H.R. 49.

The legislation specifically authorizes the Secretary of the Navy to develop and continue the operation of the South Barrow gas field in order to supply gas at reasonable and equitable rates to the nearby villages and facilities near Point Barrow. Once the transfer of the reserve is effected, the Secretary of the Interior is authorized to take all necessary actions to continue such service, including the development of additional fields, if necessary. The Secretary is not expected to amortize the investment in this field, on the contrary he is expected to set the rates for this service at a level which is reasonable from the point of view of the Federal Government and equitable from the point of view of the users.

The equitable rate should take into consideration the special conditions which exist in this area. The Committee recognizes that this is an isolated area in an Arctic environment where the source and supply of energy is critically important. Certainly, the village of Barrow should never be charged a rate exceeding the rate charged other users. On the contrary, the Secretary should take into consideration the average disposable income of the residents of the village and other factors in determining what the "equitable rate" might be and could, in fact, determine that a rate lower than the rate for other users should be charged on the basis of equity.

Sec. 105 deals with the study of the reserve. First, it provides that the study authorized by the Energy Policy and Conservation Act of December 22, 1975, will be completed and transmitted to the Committees on Interior and Insular Affairs. This study should be useful in identifying promising alternatives for more detailed consideration in the study called for by section 105(b). In addition, the President through appropriate executive departments or agencies and in consultation with the State of Alaska shall make a detailed study of the petroleum resources in the reserve to determine the best procedures for the development, production, transportation and distribution of such petroleum resources. In developing this study the President is to consider alternative procedures for the development and production of the reserve and the economic and environmental consequences of each. Periodic reports on the implementation of this study provision and annual reports of his findings and conclusions will be transmitted to the Committees on Interior and Insular Affairs of the House of Representatives and the Senate. The study is to be completed no later than January 1, 1980.

In addition the legislation provides for the creation of a task force to conduct a study to determine the values of, and best uses for, the lands within the reserve. This study differs from the President's study discussed above in that it is a comprehensive review of all resource values, other than petroleum, which the lands within the reserve contain. In addition to considering the importance of this area to the natives who depend upon this area for subsistence, this task force is directed to consider the natural, scenic, wildlife, and wilderness values which it contains as well as the potential for minerals, other than petroleum, and other values. The task force is to include representation of various interested Federal agencies, a representative of the State of Alaska and a representative of the Arctic Native Slope Community, the latter to be selected jointly by the affected native corporation, borough and villages. It will be the responsibility of the Secretary to prepare and submit the report of the task force, together with his recommendations, to the Committees on Interior and Insular Affairs within three years after enactment of H.R. 49, but it shall contain the concurring or dissenting views of any non-Federal representative who submits his views in writing to the Secretary within 30 days after the Secretary announces his intention to forward the report as required by the legislation. It is not intended that either study authorized by this Act should preclude any action by either Secretary which this legislation otherwise authorizes.

Sec. 106 provides that if the Congress enacts legislation authorizing development leading to production, then the Secretary shall consult with the Attorney General in formulating regulations, developing plans, and on all contracts or operating agreements relating to development, production or sale of petroleum from the reserve to be sure that they are consistent with the antitrust laws. While this provision would become applicable if the Congress authorizes production at the reserve, this section is not intended to delay or interfere in any way with the exploration program or to preclude any geologic, geophysical, seismic or other activity necessary to carry out the purposes of this Act.

Sec. 107 authorizes the appropriation of such sums as may be necessary to carry out the provisions of this title and provides that, under certain circumstances, the Secretary may aid affected communities experiencing substantially increased needs for municipal services and facilities as the direct result of the exploration and study activities authorized by the legislation. Before implementing this provision, the Secretary is required to consult with the other Federal departments or agencies to determine what financial aid is otherwise available.

Title II—Production of naval petroleum reserves

Sec. 201 is a series of amendments to chapter 641 of title 10 of the United States Code—i.e. the chapter dealing with the naval petroleum reserves.

Amendment 1 adds a new section to the chapter defining the following terms:

"National defense" includes not only military emergencies, but also economic emergencies such as the one which occurred during the Arab embargo of 1973.

"Naval Petroleum Reserves" are defined to include the four existing petroleum reserves and the three oil shale reserves, but Naval Petroleum Reserve No. 4 in Alaska is included in this definition only until it is transferred to the Secretary of the Interior on June 1, 1977, when it is to be redesignated as the National Petroleum Reserve in Alaska in accordance with the provisions of title I of the Act.

The term "petroleum" is defined exactly the same way as in title I.

"Maximum efficient rate" implies that production shall be conducted in a manner which will assure the most efficient development to maximize ultimate recovery of petroleum from the reservoir. The Members of the Committee of Conference recognize that the Secretary of Navy retains, under the unit plan contract at NPR #1, the full and absolute power to determine the rate of development, as well as the volume and rate of production consistent with the objectives of this Act and do not intend to alter or limit this power by the use of the term "economic development" in this definition.

To eliminate any possible confusion over the term "small refiner", the legislation incorporates, by reference, the standards applied by the Small Business Administration in qualifying a refinery as a small business refiner.

Amendment 2 makes some technical changes in the chapter and provides that the naval petroleum reserves are to be used for defense purposes, except as otherwise provided by the terms of this legislation.

Amendment 3 completely revises section 7422 and requires the Secretary to produce the petroleum in Naval Petroleum Reserves 1, 2 and 3. He is authorized either to produce such petroleum or to have it produced under a contractual arrangement. Petroleum leases are a permissible arrangement only at Naval Petroleum Reserve No. 2 (Buena Vista), where such leases presently exist.

Generally, in the past the naval petroleum reserves have been used and operated only to the extent that such production was found necessary by the Secretary, with the approval of the President, and then only when authorized by a joint resolution of the Congress. But the change incorporated in this amendment *directs* the Secretary to promptly commence the production of petroleum from these reserves at the maximum efficient rate and to continue such production for a period of six years. During this period, the Secretary is to sell or otherwise dispose of the United States share of production.

The Secretary is authorized and directed to construct, acquire or contract for the use of storage or shipping facilities. The Secretary is expected to exhaust every possibility of utilizing private facilities or of encouraging private enterprise to construct facilities before he undertakes construction or condemnation of any facilities outside the reserves. If necessary, the Secretary may condemn any pipeline not operated as a common carrier if the owner refuses to carry, without discrimination and at a reasonable rate, any petroleum produced at such reserve. In addition, if new pipelines are necessary, rights-of-way may be acquired by the use of condemnation under Federal statutory authority, but such pipelines must be operated as common carriers. At Naval Petroleum Reserve No. 1 (Elk Hills) pipelines and associated facilities capable of carrying 350,000 barrels of oil per day are required to be available not later than three years after the date of enactment of this legislation. This provision was included in the Act in order to assure the availability of adequate facilities to promptly transport petroleum from Elk Hills and maintain production at the maximum efficient rate of production for the field.

As already noted, production of petroleum at the naval petroleum reserves is to commence 90 days after the enactment of this legislation. After six years of production, the reserves will again be shut-in unless the President takes steps to extend the operations. To accomplish this, he must first assess the current and prospective need for petroleum and determine the necessity for continued production, then he must submit to the Congress the report of this assessment together with a certification that he has determined that continued production is in the national interest. Following receipt of the report, unless either the Senate or House of Representatives expressly disapproves further production, it will be extended for three years. Additional extensions of three years each can be accomplished by following the same procedures.

There is no intention to negate the provisions of the existing unit plan contract at Elk Hills and the language specifically provides for the continuation of operations under that contract if the owner of the private interest agrees. It is intended that there will be a formalized agreement to this effect within 90 days after the enactment of the legislation, Failure to reach such an agreement could result in the acquisition of the outstanding private holdings if the Secretary deems such action necessary in order to protect the public interest.

Amendment 4 merely makes some technical changes to make section 7423 conform to changes being made in Chapter 641.

Amendment 5 also makes some technical changes in the Chapter, but it contains one significant substantive revision. Under existing law, the Secretary of the Navy is required to consolidate and protect Federal oil lands by contracting with private owners and lessees of lands within or adjacent to naval petroleum reserves to conserve oil and gas "in the ground." As recommended by the Committee of Conference, the Secretary may continue to contract with such private parties for the wisest conservation and development of the petroleum in the reserves, but he is not required to keep it in the ground. In fact, the intention of the provisions of the legislation is to assure the development of petroleum in the reserves of the maximum efficient rate for the six-year period of production authorized or any extension.

Amendment 6 makes a technical change in section 7425 to conform to the definitions contained in the legislation.

Amendment 7 makes it clear that the Secretary may make contracts for joint, unit or cooperative plans for exploration, prospecting, conservation, development, use or operation within the Elk Hills reserve, but in making such contracts he is required to pursue the objective of this legislation, *viz.* to develop Elk Hills so that production will achieve the maximum efficient rate at the earliest possible time.

Amendment 8 conforms existing law to the changes made in the definitions section of this legislation.

Amendment 9 makes it clear that in the future petroleum leasing procedures shall be appropriate only within Naval Petroleum Reserve No. 2 (Buena Vista).

Amendment 10 makes a technical change to conform to the definitions section of this legislation.

Amendment 11 deals with some of the most critical issues of the proposed legislation. Specifically it deals with the following matters related to the production of petroleum from the naval petroleum reserves:

1. Storage of Petroleum

The Secretary is directed to "use, store, or sell" the petroleum produced at the reserves. In agreeing to this provision, the conferees recognized that some use of some of the products of the reserves might be required in connection with operation and production activities. For example, gas produced from the reserves could be used for power generation or reinjection, but this authority does not extend beyond the authority to use these products in connection with activities directly related to production of the naval petroleum reserves. Except as authorized for strategic storage in subsection (k), it is intended that the storage authorized is limited to storage incident to the sale of petroleum and should not exceed more than is necessary to handle normal fluctuations in marketing volumes. Under subsection (k), the President may arrange, either directly or through exchange, to store all or any part of the petroleum produced at the reserves in the strategic storage facilities authorized by Public Law 94–163.

2. Sale of Petroleum

All sales of petroleum by the Secretary are to be made at public sale to the highest qualified bidder after appropriate public notice. Such sales contracts shall be for periods of one year or less and are required to be structured in such a manner as to give all companies—majors and independents alike—a "full and equal opportunity for the acquisition of petroleum" from the reserves. In no event, may more than 20 percent of the Federal share of production of petroleum from Elk Hills be acquired by a single purchaser (i.e. any person as defined in Title I of the United States Code). By providing that sales may be made by the Secretary "without regard to Federal, State or local regulations controlling sales or allocation of petroleum products", it is intended that the sales of petroleum from the reserves will continue to be at the highest bid price regardless of the current or previous distinction between "old" and "new" oil and would not be subject to Federal laws establishing ceiling or composite prices for first sales of domestic crude oil.

The Committee recognized that in effecting sales to ensure the limitations of no more than 20 percent to one person and in considering a small business set aside the Secretary will have to estimate his production for the following year and package his contracts accordingly. The Secretary is not expected or required to terminate contracts if he finds that actual production varies substantially from his estimates, but he will have to account for such variation in his reports to Congress and adjust appropriately for future sales.

3. Small Refineries

As mentioned above, the Secretary is required to structure bids in such amounts as to allow all potential qualified purchasers to bid on the Federal petroleum to be sold. In addition the Secretary, after consulting with the Secretary of the Interior, may find it in the public interest to set aside up to 25 per cent of the estimated Federal production from the reserves for small refiners not having an adequate source of supply of petroleum of their own. In making such a set-aside, the Secretary may prorate such petroleum among small refiners, without competitive bids, but such petroleum must then be sold at the prevailing local market price for comparable petroleum. The legislation specifies that the Secretary, in making any sales under the set-aside provision, must require the processing or use of the petroleum in such small refineries and must prohibit the small refiners from re-selling the petroleum prior to processing it.

4. Antitrust Provisions

Before finalizing any rules and regulations, plans of development, contracts or operating agreements relating to the development, production, or sale of petroleum, the Secretary is required to consult with, and consider the views of, the Attorney General. In agreeing to this provision, the Committee of Conference recognized that such consultation will be effective only if the Secretary, in good faith, seeks the advice and counsel of the Attorney General when he is in the early stages of such proceedings so that he may have the benefit of his views on matters which might affect competition before finalizing the policies and provisions of such regulations or contracts. In any event, the legislation requires all contracts and operating agreements to be forwarded at least thirty days before their execution, together with such additional information as he may require, to the Attorney General. If, within the thirty days period, the Attorney General advises the Secretary that such contract or agreement may create or maintain a situation inconsistent with the antitrust laws, then the Secretary is precluded from executing the contract or operating agreement. In the absence of such an adverse finding by the Attorney General within thirty days, the Secretary may proceed to finalize the agreements.

5. Common Carrier Provision

In order to assure the transportation of the petroleum produced from Naval Petroleum Reserves Numbered 1 and 3 (i.e. Elk Hills and Teapot Dome), the Committee of Conference agreed to a revised common carrier provision which provides:

(1) that if pipelines are used to carry any petroleum from these reserves, they must accept such petroleum produced from them without discrimination and at reasonable rates;

(2) that every contract for the sale of any Federal petroleum must require the purchaser, if he is the owner of a controlling interest in any pipeline, the owner of a controlling interest in any company operating a pipeline, or the operator of a pipeline which carries petroleum from such reserves, to transport petroleum from such reserves without discrimination and at reasonable rates as a common carrier.

These provisions are not intended to make such pipelines "traditional" common carriers as provided under other laws nor should they be construed to require the transportation of any petroleum regardless of the source. Instead, the intent of the provision is to require only the transportation of petroleum from the specified reserves whenever the pipeline involved is not otherwise operated as a common carrier, and then only when the pipeline carries some production from the reserves or is controlled by some person (person, association, corporation, joint venture, or other business organization) who has contracted with the Secretary of Navy for the purchase of petroleum produced from such reserves.

To aid in the enforcement of this provision, the Secretary of the Navy is authorized to make rules and regulations to carry out the provisions of the section. Whenever any person violates any such rule or regulation, the Secretary may take appropriate action to cancel any contract, operating agreement, right-of-way, etc. which he may have issued. Furthermore, he may request that the Secretary of the Interior, acting on behalf of the United States, to void any contract, right-of-way, permit, or easement which he may have issued to such person in accordance with authority granted to him insofar as it applies to these reserves. The purpose of this enforcement procedure is to assure compliance with the rules and regulations which the Secretary of the Navy is expected to issue.

6. Exportation of Petroleum

Except for petroleum which may be exchanged in similar quantities with persons or the government of an adjacent foreign state or which is temporarily exported for convenience or increased transportation efficiency across international boundaries, petroleum from the naval petroleum reserves may be exported from the United States *only* in compliance with the Export Administration Act of 1969 *and then only* if the President makes and publishes an express finding that such exports will not adversely affect the supply of petroleum for the United States, that such exports are in the national interest, and they are in compliance with the Export Administration Act of 1969.

7. Consultation Requirements

For the duration of the production period—i.e. the initial 6 years and any additional 3 year extensions—the requirement that the President must approve and the Committees on Armed Services must be consulted on contracts for the sale of products is waived.

Amendment 12 involves the consultation requirements mentioned immediately above. As long as production continues at any or all of the reserves under section 7422(c) of title 10 of the United States Code, the legislation provides for special reporting procedures for new plans or substantial amendments to existing plans relating to exploration, development, production, disposal and transportation. If, on the other hand, it is determined, either by the President or by Congressional action, that continued production of these reserves is not necessary, then after the fields have been shut in, production and sale of petroleum may be reinstated only after compliance with the approval and consultation requirements of section 7422. The other transactions specified would be subject to these same requirements after production is once discontinued.

While production is underway, the Committees on Armed Services of the House and Senate will maintain careful scrutiny over plans for the exploration, development and production program. These plans are required to contain a report by the Attorney General as to their anticipated effects upon competition and are not to be implemented until 60 days after being submitted to the Committees. The provision requires the same of "substantial amendments" which are left to the discretion of the Secretary to determine; however, as a guideline, any plan that is amended to change the execution time by a year or more or any plan which experiences a 25 percent or more change in funding is considered, by the conferees, as involving a substantial amendment.

In addition while the reserves are being produced, annual reports are to be submitted to the Committees detailing the status of the program, the production level and its disposition, and future plans for the reserves.

Amendment 13 establishes a special account in the Treasury into which all proceeds from the disposition of petroleum from the naval petroleum reserves will be deposited. From this "naval petroleum reserves special account" funds will be appropriated, as needed, by the Congress for continued activities at the naval petroleum reserves, for construction and operation of facilities incident to production and the delivery of such petroleum to shipping terminals, for the procurement of petroleum and facilities needed for the National Strategic Petroleum Reserve, and for the exploration and study of the National Petroleum Reserve in Alaska authorized by this Act. Budget estimates involving this account are to be submitted as an independent entry in the President's Budget.

Amendments 14, 15, 16, 17, 18 and 20 make technical changes in the chapter to conform with other provisions in this legislation.

Amendment 19 updates section 7438 by substituting the Administrator of the Energy Research and Development Administration for the Secretary of the Interior as the chief administrator of the Rifle, Colorado, oil shale research facility—an administrative change that has already taken place.

John Melcher,
Harold T. Johnson,
Phillip Burton,
Harold Runnels,
George Miller,
Melvin Price,
Charles E. Bennett,
Joe Skubitz,
Sam Steiger,
Wm. L. Dickinson,
F. Edw. Hébert,
John F. Seiberling,
Don Young,
Managers on the Part of the House.

Howard W. Cannon,
John C. Stennis,
Stuart Symington,
Sam Nunn,
Gary Hart,
Henry M. Jackson,
Lee Metcalf,
Floyd K. Haskell,
Strom Thurmond,
William L. Scott,
Robert Taft, Jr.,
Clifford P. Hansen,
Dewey F. Bartlett,
Managers on the Part of the Senate.

FURTHER LEGISLATIVE PROGRAM

(Mr. O'NEILL asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. O'NEILL. Mr. Speaker, I rise to announce the program for the remainder of the week.

We are now on H.R. 10799, on the rule, which is about to be taken up. The bill will be taken up tomorrow, on Wednesday. That is H.R. 10799, which will be followed by H.R. 11598, the U.S. Information Agency, under an open rule, with 1 hour of debate.

On Thursday we will have H.R. 12490, tax treatment for exchanges under Con-Rail, which will be brought up under unanimous consent.

H.R. 12406, the Federal Elections Campaign Act amendments, has not been granted a rule yet by the committee, so we anticipate that this could be on the schedule for next week.

H.R. 9725, surface mining control and reclamation, was not granted a rule by the Committee on Rules.

We will take up on Thursday H.R. 12567, out of the Committee on Science and Technology, with the gentleman from Texas (Mr. TEAGUE) as chairman, a bill to authorize appropriations for the Federal Fire Prevention and Control Act of 1974 and for the act of March 3, 1901, for fiscal years 1977 and 1978.

We will also take up H.R. 12566, out of the Committee on Science and Technology, with the gentleman from Texas (Mr. TEAGUE) as chairman, a bill authorizing appropriations for the National Science Foundation for the fiscal year 1977.

Mr. Speaker, while we had made mention of the fact that we would have the Federal Elections Campaign Act amendments on this week, a rule has not been granted on it, nor has one been granted on the surface mining control and reclamation bill. It therefore apparently appears, I might inform the membership, that there will be no Friday session this week.

PROVIDING FOR THE CONSIDERATION OF H.R. 10799, AMENDING TITLE 10 OF THE ECONOMIC OPPORTUNITY ACT OF 1964

Mr. LONG of Louisiana. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 1093 and ask for its immediate consideration.

The Clerk read the resolution as follows:

H. RES. 1093

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 10799) to amend title 10 of the Economic Opportunity Act of 1964. After general debate, which shall be confined to the bill and shall continue not to exceed one hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on the Judiciary, the bill shall be read for amendment under the five-minute rule. No amendments shall be in order to the bill in the House or in the Committee of the Whole amending any provisions of the Economic Opportunity Act of 1964, as amended, except amendments to section 1006 (a)(3) of said Act which relate solely to the method of delivery of those support activities provided under that subsection and amendments germane to section 1010(d), as proposed to be added to said Act by section 2 of the bill. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

The SPEAKER. The gentleman from Louisiana (Mr. LONG) is recognized for 1 hour.

Mr. LONG of Louisiana. Mr. Speaker, I yield the usual 30 minutes for the minority to the distinguished gentleman from Mississippi (Mr. LOTT), pending which I yield myself such time as I may consume.

Mr. Speaker, House Resolution 1093 provides for the consideration of the bill, H.R. 10799, which amends title 10 of the Economic Opportunity Act of 1964. The resolution provides for 1 hour of general debate which is to be divided equally by the chairman and ranking minority member of the Committee on the Judiciary. House Resolution 1093 further provides that no amendment shall be in order except amendments to section 1006(a)(3) that relate solely to the method of delivery of those support services provided under that subsection and amendments that are germane to section 1010(d) as is proposed to be added to the act under section 2 of H.R. 10799.

Thus, the only amendments which would be in order would be amendments which expand or delete methods of delivery of support services provided in section 1006(a)(3) and amendments relating to the amount of money which may be used by the corporation for the various methods of delivery of those services.

The purpose of H.R. 10799 is to allow the board of directors of the Legal Services Corporation the flexibility and discretion that it needs to provide quality legal assistance to eligible clients. This bill would amend the existing act in two ways: First, it would allow the corporation the option of funding by grant or contract the research, training, technical assistance and clearinghouse activities, which are listed in the act. Second, it would limit the amount of funds available for these grants and contracts to 10 percent of the amounts appropriated in any given year to the corporation.

This bill is designed to give the directors of the Legal Services Corporation the discretionary authority that it must have in order to offer the best legal services possible at the least cost possible. Adoption of this legislation will not require the authorization of any additional Federal funds.

Since the passage of the Legal Services Corporation Act of 1964 there have been several intervening factors which have minimized most of the apprehension that was expressed over giving this authority to the Board. This bill does not mandate that any funds be spent through grants or contracts, it merely permits up to 10 percent of the appropriated funds may be spent that way.

Mr. Speaker, I urge the adoption of House Resolution 1093 so that we might debate and vote on H.R. 10799.

Mr. LOTT. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, the gentleman from Louisiana has explained that House Resolution 1093 permits the House to resolve itself into the Committee of the Whole for consideration of H.R. 10799, amendments to title 10 of the Economic Opportunity Act of 1964. The rule calls for 1 hour of general debate and makes in order only those amendments to the bill which extend to section 1006(a)(3) of the Economic Opportunity Act of 1964, as amended, which relate solely to the method of delivery of the support services provided in that subsection. Further, the rule would prohibit amendments except those germane to section 1010(d) as proposed to be added to the act by section 2 of the bill.

The purpose of H.R. 10799 is to give the Legal Services Corporation Board the option to determine whether research, training, technical assistance, and clearinghouse activities relating to delivery of legal assistance should be performed directly by the Corporation or through grants and contract arrangements. Present law restricts the Corporation to the direct undertaking of such activities. Funds made available for these grants or contracts would be limited to 10 percent of the amounts appropriated in any given year. The legislation does not require any additional authorizations.

It is my understanding that the intent of the restriction of amendments to section 1006(a)(3) of the act is to allow an opportunity to offer additional methods, such as loans or guarantees, or to eliminate existing methods of the Legal Services Corporation for the delivery of legal assistance, while prohibiting any alteration of the types of activities which might be conducted by the Corporation with respect to the second restriction of amendments to section 1010(d) of the act, this would permit amendments only to increase or decrease the percentage of appropriated funds which might be used by the Corporation for grants or contracts.

In July of 1973 the House voted to preclude the newly formed Legal Services Corporation from subsidizing so-called backup centers. A year later the Senate agreed to this provision, since backup centers for years had been the source of personal crusades of a particular lawyer or group of lawyers who believed in the need for social change. Passage of H.R. 10799 today would eliminate this subsidy restriction, and I am aware of substantial objections to this proposal in the bill.

Mr. Speaker, I do not believe the situation has changed to an extent significant enough to turn around now and permit the institution of these backup centers as part of the law. For this reason, I am opposed to the rule before us.

I am opposed to this rule also for a second reason. It has been the policy of this body to avoid the use of closed rules with the exception of legislation reported from the Ways and Means Committee and certain other instances. The resolution we are asked to approve today would prohibit the offering of all amendments except those described above. I am fundamentally and unalterably against this procedure. Accordingly, I urge the defeat of this rule.

Mr. Speaker, I have no requests for time.

Mr. LONG of Louisiana. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The SPEAKER. The question is on the resolution.

The question was taken; and the Speaker announced that the ayes appeared to have it.

Mr. LOTT. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 343, nays 44, answered "present" 1, not voting 44, as follows:

[Roll No. 130]

YEAS—343

Abzug
Adams
Addabbo
Alexander
Allen
Ambro
Anderson, Calif.
Anderson, Ill.
Andrews, N.C.
Andrews, N. Dak.
Annunzio
Archer
Ashley
Aspin
AuCoin
Badillo
Bafalis
Baldus
Baucus
Beard, R.I.
Bedell
Bennett
Bergland
Bevill
Biaggi
Bingham
Blanchard
Blouin
Boggs
Boland
Bolling
Bonker
Bowen
Brademas
Breaux
Breckinridge
Brinkley
Brodhead
Brooks
Brown, Mich.
Brown, Ohio
Broyhill
Buchanan
Burke, Calif.
Burke, Fla.
Burke, Mass.
Burlison, Mo.
Burton, John
Burton, Phillip
Byron
Carney
Carr
Carter
Cederberg
Chappell
Chisholm
Clay
Cleveland
Cochran
Cohen
Collins, Ill.
Conable
Conte
Conyers
Corman
Cornell
Cotter
Coughlin
D'Amours
Daniel, Dan
Daniel, R. W.
Daniels, N.J.
Danielson
Davis
de la Garza
Delaney
Dent
Derrick
Derwinski
Dickinson
Dingell
Dodd
Downey, N.Y.
Downing, Va.
Drinan
Duncan, Oreg.
du Pont
Early
Eckhardt
Edgar
Edwards, Ala.
Eilberg
Emery
English
Erlenborn
Esch
Eshleman
Evans, Colo.
Evans, Ind.
Evins, Tenn.
Fary
Fascell
Fenwick
Findley
Fish
Fisher
Fithian
Flood
Florio
Flowers
Foley
Ford, Tenn.
Forsythe
Fountain
Frenzel
Frey
Fuqua
Gaydos
Giaimo
Gibbons
Gilman
Ginn
Gonzalez
Gradison
Grassley
Gude
Haley
Hall
Hamilton
Hanley
Hannaford
Harkin
Harrington
Harris
Harsha
Hays, Ohio
Hébert
Hechler, W. Va.
Heckler, Mass.
Hefner
Helstoski
Henderson
Hicks
Hillis
Holland
Holt
Holtzman
Horton
Howard
Howe
Hubbard
Hughes
Hungate
Ichord
Jacobs
Jeffords
Jenrette
Johnson, Calif.
Johnson, Colo.
Johnson, Pa.
Jones, N.C.
Jordan
Karth
Kasten
Kastenmeier
Kazen
Kemp
Keys
Kindness
Koch
Krebs
Krueger
Lagomarsino
Leggett
Lehman
Lent
Levitas
Litton
Lloyd, Calif.
Lloyd, Tenn.
Long, La.
Long, Md.
Lujan
Lundine
McClory
McCloskey
McCormack
McDade
McEwen
McFall
McHugh
McKay
Madden
Madigan
Maguire
Mahon
Mann
Mathis
Matsunaga
Mazzoli
Meeds
Melcher
Metcalfe
Meyner
Mezvinsky
Milford
Miller, Calif.
Miller, Ohio
Mills
Mineta
Minish
Mink
Mitchell, Md.
Mitchell, N.Y.
Moakley
Moffett
Mollohan
Moore
Moorhead, Pa.
Morgan
Mosher
Moss
Mottl
Murphy, Ill.
Murphy, N.Y.
Murtha
Myers, Ind.
Myers, Pa.
Natcher
Neal
Nedzi
Nichols
Nolan
Nowak
Oberstar
Obey
O'Brien
O'Hara
O'Neill
Ottinger
Passman
Patten, N.J.
Patterson, Calif.
Pattison, N.Y.
Perkins
Pettis
Pickle
Pike
Pressler
Preyer
Price
Pritchard
Quie
Railsback
Randall
Rangel
Regula
Reuss
Rhodes
Richmond
Rinaldo
Risenhoover
Roberts
Robinson
Rodino
Roe
Rogers
Roncalio
Rooney
Rose
Rostenkowski
Roush
Roybal
Runnels
Ruppe
Russo
Ryan
St Germain
Santini
Sarasin
Sarbanes
Scheuer
Schneebeli
Schroeder
Schulze
Sebelius
Seiberling
Sharp
Shipley
Shriver
Sikes
Simon
Sisk
Skubitz
Slack
Smith, Iowa
Smith, Nebr.
Solarz
Spellman
Staggers
Stanton, J. William
Stanton, James V.
Stark
Steed
Steelman
Stephens
Stokes
Studds
Taylor, N.C.
Thompson
Thone
Thornton
Traxler
Tsongas
Ullman
Van Deerlin
Vander Jagt
Vander Veen
Vanik
Vigorito
Waggonner
Walsh
Wampler
Waxman
Weaver
Whalen
Whitehurst
Whitten
Wiggins
Wilson, Bob
Wilson, C. H.
Winn
Wirth
Wolff
Wright
Wydler
Wylie
Yates
Yatron
Young, Ga.
Young, Tex.
Zablocki
Zeferetti

NAYS—44

Abdnor
Armstrong
Ashbrook
Bauman
Beard, Tenn.
Burleson, Tex.
Butler
Clancy
Clawson, Del
Conlan
Crane
Devine
Duncan, Tenn.
Flynt
Goodling
Hagedorn
Hammerschmidt
Hansen
Hightower
Hutchinson
Hyde
Jarman
Jones, Okla.
Kelly
Ketchum
Latta
Lott
McCollister
McDonald
Martin
Montgomery
Moorhead, Calif.
Poage
Quillen
Rousselot
Satterfield
Shuster
Snyder
Spence
Steiger, Ariz.
Symms
Taylor, Mo.
Treen
Young, Fla.

ANSWERED "PRESENT"—1

Green

NOT VOTING—44

Barrett
Bell
Biester
Broomfield
Brown, Calif.
Burgener
Clausen, Don H.
Collins, Tex.
Dellums
Diggs
Edwards, Calif.
Ford, Mich.
Fraser
Goldwater
Guyer
Hawkins
Hayes, Ind.
Heinz
Hinshaw
Jones, Ala.
Jones, Tenn.
LaFalce
Landrum
McKinney
Macdonald
Michel
Mikva
Nix
Pepper
Peyser
Rees
Riegle
Rosenthal
Steiger, Wis.
Stratton
Stuckey
Sullivan
Symington
Talcott
Teague
Udall
White
Wilson, Tex.
Young, Alaska

The Clerk announced the following pairs:

Mr. Teague with Mr. Stuckey.
Mr. Jones of Tennessee with Mr. Heinz.
Mr. Pepper with Mr. Broomfield.
Mr. Barrett with Mr. Don H. Clausen.
Mr. Nix with Mr. Fraser.
Mr. Hayes of Indiana with Mr. Bell.
Mr. Symington with Mr. Guyer.
Mr. LaFalce with Mr. Burgener.
Mr. Riegle with Mr. Jones of Alabama.
Mr. Udall with Mr. Collins of Texas.
Mr. Macdonald of Massachusetts with Mr. Goldwater.
Mr. Stratton with Mr. Landrum.
Mr. Dellums with Mr. Biester.
Mr. Diggs with Mr. Brown of California.
Mr. Ford of Michigan with Mr. Michel.
Mr. Rosenthal with Mr. Peyser.
Mr. Hawkins with Mr. Rees.
Mr. Edwards of California with Mr. McKinney.
Mr. Mikva with Mr. Steiger of Wisconsin.
Mrs. Sullivan with Mr. Talcott.
Mr. White with Mr. Charles Wilson of Texas.

So the resolution was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

PERSONAL EXPLANATION

Mrs. SPELLMAN. Mr. Speaker, I regret that I had to miss the two votes on the conference report on H.R. 9803, Child Day Care Services. I was at the White House. Had I been present, I would have voted "nay" to recommit and "yea" for adoption of the conference report.

ORPHANS OF THE EXODUS FROM THE SOVIET UNION

(Mrs. FENWICK asked and was given permission to address the House for 1 minute and to revise and extend her remarks and include extraneous matter.)

Mrs. FENWICK. Mr. Speaker, the Soviet Union was 1 of 35 nations which signed the Helsinki accord last year, committing itself to "deal in a positive and humanitarian spirit with the applications of persons who wish to be reunited with members of their family" and further pledged to "deal with applications in this field as expeditiously as possible."

Because the Soviet Union is not living up to these promises, Members of Congress are conducting a vigil on behalf of the families which remain separated.

At this time I would like to bring to the Members' attention the situation of the Adler family.

German and Sura Adler were born in the years following the close of the Second World War, at a time when all of Europe was unsettled and before basic freedoms vanished from several Eastern European countries. In their adult life, they have known only the restrictions of the closed Russian system. In 1973 they applied for visas to leave the Soviet Union and join their mothers in Israel.

If it were not for the appeal written by the two mothers in Israel, perhaps the people of the Free World would never have heard of the existence and suffering of this young couple detained in a small town in the Soviet Union.

The short appeal from their mothers is an eloquent statement of human rights itself:

> An appeal from mothers in Israel who left their children in the repressive system in the U.S.S.R. We mothers, Sheva Germanovna Adler, age 72 and Miriam Moiseyevna Fuks, age 63 reside in Israel.
>
> We come to you dear friends, with an appeal to facilitate the immigration of our dear children. . . .
>
> The history of the refusal began early in 1974, when after giving notice in November 1973, they received their first refusal. Since then they have repeatedly requested a review of the unfounded refusal, but so far have received no permission to leave.
>
> All their relatives reside in Israel. We, the elderly parents who went through the horrors of the concentration camp, turn to you with an urgent request to come to the aid of our children.

Mr. Speaker, by signing the Helsinki accord, the Soviet Union acknowledged that certain human rights were not purely "internal affairs" and that they were "an important element in the strengthening of friendly relations and trust among peoples." We ask that the Soviet Union respect its international commitments and permit the Adlers to leave.

NEEDED CHANGES IN OUTDATED ESTATE TAX LAWS

(Mr. HANLEY asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. HANLEY. Mr. Speaker, the House Ways and Means Committee is currently in the process of conducting panel discussions and public hearings on the general subject of reforms in Federal estate and gift tax laws. Of particular importance to me and to numerous residents of my central New York congressional district is consideration of needed changes in our outdated estate tax laws. As currently written, these laws are threatening the economic and family stability of many family-owned farms and small businesses in my district and around the Nation.

The estate tax exemption has remained at $60,000 since 1942, despite the fact that inflation and the valuation of property have risen substantially since that time. For many years the exemption has been entirely too low to protect the transfer of property from parent to child in order to preserve family farms and small businesses. Most families find it all but impossible to meet the tax liability without selling the enterprise. I am well aware that there are various procedures, such as gifts and the establishment of trusts, which can be utilized during life as a means of minimizing or totally eliminating these costly taxes. The fact of the matter is, however, that they are both complicated and costly, and thus not used by the average citizen we are trying to assist. As a result we have a situation where Federal tax laws are putting a tax premium on the breakup of many of our Nation's family farms and small businesses.

Numerous bills are currently pending in Congress to raise the estate tax exemption to a more realistic level. I am the cosponsor of a bill which would raise the exemption to $200,000. Other bills raise the exemption to levels somewhere between $100,000 and $200,000. Should the committee determine that legislative action is necessary, they will have to make recommendations on the appropriate level for the exemption. Farmers will be interested in other bills which allow a farm, at the election of the executor, to be assessed at its value for farming purposes rather than at its highest potential market value.

I would like to take this opportunity to urge the Ways and Means Committee to act on these very real problems confronting our Nation's farmers and small businessmen. Action must be taken now to curb the growth of "giantism" in business and agriculture which present estate tax laws promote.

CONGRESSMAN LENT DISCLOSES 1975 FINANCIAL STATUS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. LENT) is recognized for 5 minutes.

Mr. LENT. Mr. Speaker, as has been my practice since 1972 and because of the concern with possible conflicts of interest and the financial status of all public officials expressed by many citizens, I am pleased to disclose at this time pertinent information regarding my financial status for the year 1975. This financial disclosure follows the March 12, 1974 recommendations of the Ad Hoc Committee on Financial Disclosure of the New York State Delegation to Congress, which consists of 39 Members of the House:

A. Sources of all noncongressional income—Law firm of Hill, Lent and Troescher, Esq., Lynbrook, New York. I received income from the practice of law, rent, speaking honorariums, interest and dividends. I do not practice in the Federal courts or before Federal agencies.

B. Unsecured indebtedness in excess of $1,000—None.

C. The sources of all reimbursements for expenditures in excess of $300 per item—I had Congressional expenses not compensated for by the Federal government of $12,704. Of this sum, $1,269 was paid out of my personal funds; $8,435 was paid out of the Fourth Congressional District Congressional Club (see footnote*); and $3,000 was paid by the National Republican Congressional Committee.

I had additional costs of living expenses directly related to my job as Congressman, including the maintenance of living quarters in Washington, D.C., travel, etc., estimated at $6,800, for which I was not reimbursed. I was allowed the statutory maximum deduction of $3,000 for these living expenses on my 1975 income tax return (IRC Section 162 (a)). These expenses were entirely paid from personal funds.

D. The identity of all stocks, bonds and other securities owned outright or beneficially—

I own shares in three mutual funds:

1. Scudder, Stevens and Clark Common Stock Fund.
2. Scudder, Stevens and Clark Special Fund.
3. Growth Industries Shares.

I also own bonds issued by the New York City Municipal Assistance Corporation. I own no other securities.

E. Business entities (including partnerships, corporations, trusts and sole proprietorships), professional organizations (of a non-eleemosynary nature), and foundations in which I am a director, officer, partner, or serve in an advisory or managerial capacity—I am partner in the law firm of Hill, Lent and Troescher, Esqs., Lynbrook, New York and am a partner with Robert H. Troescher in the ownership of our law office property at 81 Hempstead Avenue, Lynbrook, New York.

F. I paid $12,485 in Federal and New York State income taxes for the year 1975. I have filed a report of my earnings and sources of earnings with the House Committee on Standards and Official Conduct pursuant to Rule XLIV of the House of Representatives every year that I have been in Congress.

*Footnote:

The Congressional Club consists of individuals who pay annual dues of $100 each to maintain a fund used exclusively to help me defray the cost of newsletters, reports and questionnaires sent to constituents, and to pay travel, dues, office, telephone, community relations, and other expenses directly related to my job as Congressman. The proceeds of this fund were included as income on my 1975 income tax returns, and the amounts expended were deducted as official Congressional expenses, pursuant to 1973 I.R.S. Rev. Rul. No. 73-356.

NEW HAMPSHIRE'S GOVERNOR AND EXECUTIVE COUNCIL PASS RESOLUTION IN SUPPORT OF PRESIDENT FORD'S POLICY TO INCREASE CONSTRUCTION OF NUCLEAR GENERATING PLANTS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New Hampshire (Mr. CLEVELAND) is recognized for 5 minutes.

Mr. CLEVELAND. Mr. Speaker, the energy shortage in this country has nowhere been felt more keenly than in New England where a severe lack of locally produced energy supplies has resulted in the region's disproportionately heavy dependence on expensive imported oil. For this reason, many of us have been particularly frustrated by the seemingly endless delays encountered in attempting to get a decision by the Nuclear Regulatory Commission as to whether a proposed nuclear powerplant can be built and operated in Seabrook, N.H. Similarly, many are frustrated over the lack of aggressive action by the Federal Energy Administration in issuing prohibition orders to oil-burning powerplants which have the capability to burn coal.

In view of these frustrating circumstances and in recognition of the need for action which will help to relieve our dependence on foreign sources of energy, the Governor and executive council of the State of New Hampshire recently adopted a resolution declaring it is the official State policy of New Hampshire to assist and promote the construction and operation of nuclear power facilities provided that such construction and operation fully comply with all Federal, State, and local safety and environmental standards.

I commend to my colleagues' attention the following resolution which supports President Ford's policy calling for the construction nationally of additional nuclear generating plants by 1985 as essential to the national interest:

RESOLUTION

(A resolution establishing a State policy with respect to the construction and operation of nuclear power generating facilities in the State of New Hampshire provided that such construction and operation comply with all Federal, State, and local safety and environmental standards)

Whereas, the President of the United States has called for the construction nationally of 200 nuclear generating plants by 1985 as essential to the national interest, and;

Whereas, our dependence on foreign oil imports jeopardizes our national security and economic well being, and;

Whereas, our dependence on foreign oil imports is increasing daily and such dependence mandates higher electric power rates and results in increased burdensome fuel surcharges on our New Hampshire consumers, and;

Whereas, compliance with the President's policy will result in decreasing our dependence on foreign oil imports by millions of barrels annually, and;

Whereas, current projections clearly indicate a future need for additional electric power in New England over the long term, and;

Whereas, nuclear power is less expensive to generate than electric energy now generated by fossil fuels, and;

Whereas, nuclear energy is the cleanest fuel available and makes an important contribution to sound environmental practices, and;

Whereas, present on line nuclear plants enjoy a safety record unmatched by any other national industrial effort, and;

Whereas, the availability of less expensive power will encourage the development of industry in our region, and;

Whereas, the construction and operation of nuclear plants will afford over an extensive period employment to thousands of our craftsmen and enhance the economy of the affected area, and;

Whereas, it is the prudential duty of the Governor and Council to protect the right of our citizens to live in dignity and reasonable comfort;

Now therefore be it resolved and declared, to be the official State Policy to assist and promote the construction and operation of nuclear power facilities provided that such construction and operation fully comply with all Federal, State and Local safety and environmental standards;

Now therefore be it further resolved, that all executive agencies are hereby directed to cooperate fully with this policy.

UNIVERSITY OF SCRANTON ROYALS WIN DIVISION III NCAA NATIONAL BASKETBALL CHAMPIONSHIP

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Pennsylvania (Mr. McDADE), is recognized for 5 minutes.

Mr. McDADE. Mr. Speaker, last Saturday evening the University of Scranton established itself as the class of the basketball world among small colleges by soundly defeating Wittenberg College of Ohio 60 to 57 to win the division III NCAA national basketball championship.

The Royals' victory last week brought to fulfillment the longstanding dreams of many local university friends, faculty, students, alumni, and especially the athletic and coaching staff headed by Bob Bessoir for a national championship flag to fly over John J. Long Center. Those dreams have now come true for the 1975–76 Royals.

This year's edition of the University of Scranton's Royals was the most exciting and talented team to ever don the purple and white. To get to the finals the Royals defeated such small college opponents as Augustana College, Shepherd College, Weidner and Upsala in convincing style at the NCAA tournament.

In the process of building this championship season, the Royals set a record for the most wins by a team in any one season, 27, against only 5 defeats. They also set a second record of 18 consecutive victories. They also saw senior Jack Maher honored with his selection to the Mid-Atlantic Conference all-star team. Teammate Paul Miernicki was selected for the MAC second team.

This national championship was especially sweet for head coach Bessoir who realized a goal few coaches ever attain—to return to his alma mater and bring a national championship. The members of the 1975–76 champions are as follows: Irvin and Phil Johnson, Paul Miernicki, Joe Conley, Jack Maher, Ed Ehret, John DeRichie, Bill Canny, John Williams, Ed Buley, Andy Holup and Jeff Hubert.

To Coach Bessoir; to Assistant Coach Mike Strong; to Dr. Gary Wodder, the university athletic director; to John Robertson, the team trainer; and to the entire university family I know the Members of this House will extend hearty congratulations to the new division III national basketball champions, the University of Scranton.

LEGISLATION TO EXEMPT CUSTOM COMBINERS AND SHEEPSHEARERS EMPLOYING LESS THAN 10 PERSONS FROM REGISTRATION REQUIREMENTS OF FARM LABOR CONTRACTOR ACT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Iowa (Mr. BEDELL) is recognized for 5 minutes.

Mr. BEDELL. Mr. Speaker, last month the Department of Labor ruled that small custom combine and sheepshearing crews are to be included under the Farm Labor Contractor Act of 1963 for the first time. The original act exempted crews employing less than 10 people from its registration requirements. However, in 1974, the statute was amended to include any group which "recruits or transports" more than one employee. This numerical change technically brought small custom combiners and sheepshearers under the law despite the fact that there is no specific reference to these groups in the legislative history of the act.

Initially, the 1974 amendments had no perceptible impact on these farm crews. Throughout all of 1975 there was no change in their treatment under the law. However, the Department of Labor's ruling last month dramatically changed this situation. As a result of this executive directive, all custom combiners and sheepshearers employing more than one person will now be required to obtain a Federal registration certificate before being permitted to perform their service.

I am greatly disturbed by the Department's decision on this matter, for I feel that this new interpretation of the law is unfair and contrary to the intent of Congress in passing the act. I am also fearful that this executive ruling may well lead to more bureaucratic redtape, delays in services to farmers, and, perhaps, even to increasing costs. I definitely do not feel that the executive branch should be allowed to make decisions of this magnitude and with these potential ramifications without congressional assent.

My research indicates that there is no specific reference to coverage of combine crews used in the harvesting of wheat and other grains and to sheep shearing in the legislative history of the 1974 FLCA amendments. And, what is more, I have learned that it is the view of the chairmen of both the Senate and the House subcommittees that drafted the 1974 amendments that it was not the intent of the Congress to include such groups under the requirements of the act. In my view, the record clearly shows that the Department of Labor has contravened congressional will in this case. As a result, I wrote to the Secretary of Labor on February 23, 1976, to request that he reconsider his decision to include small combines and sheep shearers under the 1974 amendments.

Yesterday, I received a reply from the Wage and Hour Division, Department of Labor, denying my request. After receiving this correspondence, I spoke with Mr. Herbert Cohen at the Wage and Hour Division to obtain further clarification of the Department's position. During our conversation, Mr. Cohen confirmed that the Department had indeed received communication from Members of both the Senate and the House who were directly involved in drafting the 1974 FLCA amendments stating that it was not the Congress' intent to include small custom combiners and sheep shearers under the 1974 amendments. He then related that, despite this testimony, the Department decided to proceed with the implementation of the new requirements because its lawyers felt that the legislative history of the 1974 amendments did not specifically call for the exemption of such crews.

Mr. Speaker, I submit that this incident constitutes a classic example of the executive branch using its rulemaking authority to usurp the legislative function of the Congress and to stubbornly flaunt its power without regard to the potential impact of its decisions upon the people. If the executive branch had any doubts about congressional intent on this matter, it should have consulted with the appropriate congressional committees rather than attempting to legislate by fiat.

I believe that the American people are unwilling to tolerate the continued interference in their lives by bureaucrats without regard to the intent of the Congress or the effect of regulations on people. It is up to the elected Representatives of the people to thwart executive excesses in the rulemaking area. I am thus today introducing legislation which will exempt custom combiners and sheep shearers who employ less than 10 persons from the registration requirements of the Farm Labor Contractor Act.

SBA IMPACT DISASTER PROGRAM

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California (Mr. McFALL) is recognized for 5 minutes.

Mr. McFALL. Mr. Speaker, I am pleased to introduce legislation which I feel will fill a crucial gap in existing Federal disaster assistance programs. Under present law, the Small Business Administration may not make available economic injury disaster loans to businesses suffering loss due to climatic catastrophes or civil disorders unless the affected area has been designated a disaster area by the Secretary of Agriculture or the President. In many cases, this means that small businessmen in areas which have little or no agriculture cannot qualify for SBA disaster assistance even if their area has suffered flood, drought, fire, or other like disasters. Also, if the occurrence of the disaster is localized in its impact, covering no more than a single town or county, the limited area affected would argue against a Presidential declaration as the Federal Disaster Assistance Administration now interprets the law.

For these reasons, I am proposing in this bill the creation of a new concept called the "impacted disaster"; that is, a catastrophe of a climatic or manmade nature which is localized in impact, but of sufficient severity to threaten property, public health, safety, or the economic viability of an area. The intent is to make such "impacted disaster" areas eligible for SBA economic injury disaster loans to supplement State and local efforts in assisting the affected area. The request to have the SBA declare an "impacted disaster" would be made directly to the administration by the Department of Agriculture or through the FDAA as under present procedures.

Many examples come to mind of situations which this legislation would seek to relieve: The frequent occurrence of mudslides and fires in southern California, the disastrous fire which destroyed much of Chelsea, Mass., in 1974, the severe flooding suffered by businesses in Annandale, Va., as a result of Hurricane Agnes in 1972, and the possible long-term impact of the drought condition in California on that State's fruit crop which will redound to severe losses for canneries in the Central Valley.

Many more examples could be cited, but the point is clear. Present disaster assistance is inadequate to deal with a wide spectrum of possible catastrophes, particularly when the area affected is nonagricultural or the disaster itself does not cover large regions. The SBA's ability to assist small businesses in these situations should not be limited by FDAA or Agriculture Department regulations.

A SOVIET-EAST EUROPE "ORGANIC UNION?"

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois (Mr. ANNUNZIO) is recognized for 5 minutes.

Mr. ANNUNZIO. Mr. Speaker, I was most disturbed by the revelations in a recent Evans and Novak column indicating that a high administration official, namely Helmut Sonnenfeldt, feels that the U.S. policy must be "to strive for an evolution that makes the relationship between the Eastern Europeans and the Soviet Union an organic one."

Sonnenfeldt is also quoted as saying:

> The Soviets' inability to acquire loyalty in Eastern Europe is an unfortunate historical failure because Eastern Europe is within their scope and area of natural interest. It is doubly tragic that in this area of vital interest and crucial importance it has not been possible for the Soviet Union to establish roots of interest that go beyond sheer power.

Mr. Speaker, if the above quotation is true, I am afraid that the American people can only conclude that a sell-out of the Eastern European peoples to their brutal Communist overlords is underway at the highest levels of the American Government. How Mr. Sonnenfeldt can feel pity for the Soviet Union and their difficulties in maintaining their colonial subjugation is simply beyond comprehension. I have addressed the following letter to Secretary of State Kissinger:

> WASHINGTON, D.C.,
> *March 23, 1976.*
>
> Dr. HENRY A. KISSINGER,
> *Secretary, Department of State,*
> *Washington, D.C.*
>
> DEAR MR. SECRETARY: Please find enclosed a copy of the Evans and Novak column, which appeared in the March 22 edition of the Washington Post.
>
> I would be most appreciative if you would clarify the remarks from Mr. Sonnenfeldt in this article, and let me know 1) whether these remarks represent his own views; 2) whether these remarks represent official U.S. policy toward Eastern Europe; 3) whether you, as the U.S. Secretary of State, are following "a policy of responding to the clearly visible aspirations in Eastern Europe for a more autonomous existence within the context of a strong Soviet geopolitical influence."
>
> Also, I would appreciate receiving your precise definition of the phrases "organic union," and "a more viable, organic structure." Does this mean that the U.S. Departmentof State is now pushing for a Polish, East German, Czech, Hungarian, Rumanian, Bulgarian, Yugoslav, and Albanian "organic union" like the "organic union" now being experienced by the Baltic States, Byelorussia, Ukraine, and all the other non-Russian peoples being oppressed and "russified" by their Soviet conquerors as so-called "Soviet Socialist Republics?"
>
> As you know, on December 2, the House of Representatives passed a resolution, which I cosponsored, H. Res. 864, "That notwithstanding any interpretation which the Soviet Union or any other country may attempt to give to the Final Act of the Conference on Security and Cooperation in Europe, signed in Helsinki, it is the sense of the House of Representatives (1) that there has been no change in the longstanding policy of the United States on nonrecognition of the illegal seizure and annexation by the Soviet Union of the three Baltic nations of Estonia, Latvia, and Lithuania, and (2) that it will continue to be the policy of the United States not to recognize in any way the annexation of the Baltic nations by the Soviet Union."
>
> In his April 14, 1975 letter to me on this subject, Assistant Secretary Robert J. McCloskey states, "We agree with your views that the United States delegation to the Conference should not agree to recognition by the Conference of the Soviet Union's annexation of Estonia, Latvia, and Lithuania." If this is still the official policy of the United States, Mr. Secretary, then I would hope that it will continue to be the policy of the U.S. not to recognize the hegemony of the Soviet Union over the nations of Eastern Europe, and I would appreciate your assurances on this point.
>
> Sincerely,
>
> FRANK ANNUNZIO,
> *Member of Congress.*

On February 23, I also wrote a letter to Secretary of State Kissinger urging him to extend all possible assistance to 59 prominent Polish intellectuals in their appeal for constitutionally guaranteed civil liberties within their nation. In that letter, I said:

> Mr. Secretary, I cannot emphasize too strongly that every public statement by U.S. Government officials on behalf of those being persecuted makes a difference in our ceaseless ideological struggle with the Soviet Union and its vassal states. In the unremitting clash of interests and ideas between systems of mass slavery and individual freedom, will and morale is of prime importance, not only to the American people themselves, but also to the peoples of the captive nations.

Mr. Speaker, the term "organic union" sounds like our Government is now advocating a policy of turning the nations of Eastern Europe into Soviet socialist republics. It was only a few months ago, December 2, 1975, that the House passed the resolution I cosponsored, House Resolution 864, by a vote of 407 to 0, putting the House of Representatives on record that there has been no change in the longstanding policy of the United States on nonrecognition of the illegal seizure and annexation by the Soviet Union of the three Baltic nations of Estonia, Latvia, and Lithuania, and that it will continue to be the policy of the United States not to recognize in any way the annexation of the Baltic nations by the Soviet Union.

Mr. Speaker, I fear that current administration policies are weakening the determination on the part of the United States and its allies in the spiritual struggle with Communist totalitarianism and the Congress must continue to make its will known that this Nation will not undermine the precious spiritual values of democracy and freedom and will continue to strengthen the morale of the captive nations as they persist in their struggle to regain their national sovereignty and their rights to religious, cultural, and personal self-determination.

The Evans and Novak column follows:

[From the Washington Post, Mar. 22, 1976]

A SOVIET-EAST EUROPE "ORGANIC UNION"

(By Rowland Evans and Robert Novak)

Intense debate was set off within the Ford administration three months ago when Secretary of State Henry Kissinger's right-hand man declared in a secret briefing that permanent "organic" union between the Soviet Union and Eastern Europe is necessary to avoid World War III.

That policy, going well beyond any public position of the U.S. government, was enunciated in mid-December by State Department counselor Helmut Sonnenfeldt. He told a London meeting of U.S. ambassadors to European nations that the "inorganic, unnatural relationship" between Moscow and Eastern Europe based on Soviet military prowess threatens world peace. "So," he concluded, "it must be our policy to strive for an evolution that makes the relationship between the Eastern Europeans and the Soviet Union an organic one."

When transcripts of Sonnenfeldt's remarks hit Washington, some officials complained that this amounted to U.S. underwriting of Soviet dominion over Eastern Europe. As such, these critics contended, the Sonnenfeldt doctrine never had been U.S. policy and certainly should not be now.

Indeed, what was said three months ago may be the victim of President Ford's election-year harder line which has made "detente" an unword. Nevertheless the Sonnenfeldt doctrine exposes underpinnings of detente as practiced in the State Department until recently.

In their December briefing in London, both Kissinger and Sonnenfeldt stressed the need for the U.S. to come to terms with the Soviet Union as an emerging superpower—now their principal rationale for detente. Contending NATO is undermined by leftist gains in Western Europe, Kissinger declared: "The dominance of Communist parties in the West is unacceptable." That doctrine has no critics within the administration—in total contrast to Sonnenfeldt's message.

Lacking the attractiveness of past empires, Sonnenfeldt declared, the Kremlin relies on "the presence of sheer Soviet military power" to unify Eastern Europe. Because "a more viable, organic structure" is lacking, "the desire to break out of the Soviet strait jacket" has intensified among Eastern European countries.

The counselor saw this as no boon for the West, declaring: "The Soviets' inability to acquire loyalty in Eastern Europe is an unfortunate historical failure because Eastern Europe is within their scope and area of natural interest. It is doubly tragic that in this area of vital interest and crucial importance it has not been possible for the Soviet Union to establish roots of interest that go beyond sheer power."

After describing detente as a means of affecting the use of Soviet power, Sonnenfeldt warned Eastern Europe's "present unnatural relationship with the Soviet Union" may "sooner or later explode, causing World War III. This inorganic, unnatural relationship is a far greater danger to world peace than the conflict between East and West."

Sonnenfeldt cautioned that "any excess of zeal on our part" could reverse the "desired process" (the Soviet-Eastern European "organic" union). Consequently, he set "a policy of resounding to the elderly visible aspirations in Eastern Europe for a more autonomous existence within the context of a strong Soviet geopolitical influence. This has worked in Poland. The Poles have been able to overcome their romantic political inclinations which led to their disasters in the past."

While declaring a post-Tito return of Yugoslavia into the Soviet orbit would be "a major strategic setback," Sonnenfeldt suggested the Yugoslavs "should be less obnoxious" to Moscow and disabused of the impression "they have a free ride" of independence guaranteed by Washington.

Critics inside the administration, describing themselves as "appalled" by the Sonnenfeldt doctrine, do not propose encouragement of futile anti-Communist insurrection in Eastern Europe. But they believe Sonnenfeldt's confirmation of Soviet dominion there undercuts Eastern European nationalists such as President Nicolae Ceaucescu of Rumania.

While ruling out Communist party control in Portugal or Italy, Dr. Kissinger's London briefing blamed the danger on the West's own problems, including "domestic paralysis in the U.S."

"The Soviets are not the key element in producing the present instabilities that we now face in Western Europe," he declared. "A Communist Western Europe would be a headache for us. It would be a headache for the Soviets as well. They probably prefer not to see Communist powers taking over in Western Europe. But in the final analysis their ideology requires them to assist in these efforts."

To avoid assistance from Moscow, Kissinger asserted, "we must create the maximum incentives for a moderate Soviet course." But Sonnenfeldt, usually the faithful mirror of his chief, goes even further by putting the U.S. on record for stabilization of the Soviet empire in Eastern Europe to preserve world peace.

GAO ACCESS TO AGENCY FILES BLOCKED

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from New York (Ms. ABZUG) is recognized for 20 minutes.

Ms. ABZUG. Mr. Speaker, as my colleagues are aware, the General Accounting Office, which is the investigative arm of Congress, can be of enormous help in our efforts to conduct oversight of Executive agencies. There are literally dozens of examples which might be cited to demonstrate the effectiveness of GAO when it is permitted to do its job. However, we are now faced with a situation which requires the attention of the Congress, because a few executive agencies have decided to refuse to permit GAO to have access to pertinent files and records.

As chairwoman of the Government Operations Subcommittee on Government Information and Individual Rights, I have experienced the most recent in a series of refusals by the Department of Justice to grant GAO the necessary access to conduct a proper audit. Several months ago I asked the GAO to audit the Inspection Division of the FBI, and also to determine whether the Federal Bureau of Investigation's published listing of its systems of records on individuals was complete and conformed to the requirements of the Privacy Act. I have waited since November while GAO negotiated with the FBI and the Justice Department over the "ground rules" for its permitted access to FBI files. The matter has still not been resolved. I am informed that the Comptroller General and the Attorney General are continuing to meet to debate the issue.

The question of GAO's access rights is not a new one. Over a year ago, a Subcommittee of the House Judiciary Committee asked GAO to audit the FBI's domestic intelligence operations. Again, months of negotiations ensued over whether GAO's legislative charter empowered it to examine the FBI's investigative files, or whether its access was restricted solely to records connected with conducting financial audits. The question was left unsettled. In order to protect the names of sensitive FBI informants, GAO readily agreed to have these names deleted from the files to which it asked access. It further agreed in compromise to accept summaries of investigative files, rather than the raw files themselves. However, it wanted to verify the summaries the Bureau prepared by randomly selecting certain documents from the FBI case files and comparing these to the summaries.

A proposal for verifying the summaries was submitted to the FBI on February 4, 1975. After months of debate, the Attorney General and the FBI Director rejected the GAO verification proposal. In spite of these severe limitations, the GAO submitted a report February 24, 1976, entitled "FBI Domestic Intelligence Operations—Their Purpose and Scope: Issues That Need To Be Resolved." It is an important document and I commend it to my colleagues. It is the kind of thing which should be done much more extensively by GAO. But if GAO is prevented from gaining access to necessary files, it will never do so.

This problem was succinctly summarized by Comptroller General Staats in a letter dated July 31, 1975, to Hon. OTIS PIKE, chairman of the House Select Committee on Intelligence. Mr. Staats explained:

> We continue to have serious difficulty in obtaining information from and about the intelligence community. . . . On occasion, the community cooperates to the extent of giving us certain requested information but even then we are afforded insufficiently broad access to agency records to independently verify the accuracy and/or completeness of the material supplied to us, precluding us from reporting to the Congress in a way that would materially contribute to the exercse of its oversight function.

In a letter dated May 10, 1974, to Senator WILLIAM PROXMIRE, Mr. Keller, the Acting Comptroller General, detailed the obstacles set up by agencies to block GAO's effective oversight of the intelligence community. First, relatively few clearances are given, "not nearly enough to allow us to do the type of job we normally expect to do." Then, very often special clearances, in addition to "Top Secret" and "Q" clearances, are required.

Mr. Keller note:

> We have been told that within the Defense intelligence community there would be over 100 separate clearances involved if one person was to gain access to the entire community.

After an expensive and time consuming clearance process is acceded to by GAO, the flow of information is limited further on a need-to-know basis. Then, in the sole discretion of the agency, it may shut off entirely.

Mr. Speaker, why should Congress put up with this situation? Why should we allow our own investigative arm to be so constructed and hampered when the need for effective oversight is so evident? The answer is obvious: We must act to make it quite clear that GAO has access to all the information it needs to do its job. Although I am convinced that GAO has full access authority, it has been challenged by the Attorney General. Clarifying legislation is needed. I am consequently today introducing a bill to settle the question of GAO access to agency files once and for all.

My bill would amend the Budgeting and Accounting Act of 1921 to make it clear that the authority given GAO to obtain books and records extends to management as well as financial audits. It is a simple bill, but it would solve the problem adequately.

I urge my colleagues to join me in attempting to obtain for GAO the tools it needs to conduct meaningful investigations on our behalf. If Congress intends to take its oversight responsibilities seriously, we must act to expand our access to information. The first step is to guarantee GAO such access.

The text of the bill follows:

H.R. 12729

A bill to amend the Budgeting and Accounting Act, 1921, to affirm the authority of the Comptroller General to have access to any books, documents, papers, or records of any Federal department or establishment for managerial and operational as well as for fiscal reviews and evaluations

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 313 of the Budgeting and Accounting Act, 1921 (31 U.S.C. 54), is amended by inserting at the end thereof the following new sentence: "The authority contained in this section shall be applicable to audits under section 117 of the Accounting and Auditing Act of 1950 and to reviews and evaluations under section 204 of the Legislative Reorganization Act of 1970, and shall not be restricted to only those books, documents, papers, and records pertaining to the receipt, disbursement, or application of public funds, but shall extend to all books, documents, papers, or records within the possession or control of any such department or establishment."

ABA CALLS FOR REFORM OF RAPE LAWS

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from New York (Ms. HOLTZMAN) is recognized for 30 minutes.

Ms. HOLTZMAN. Mr. Speaker, last year the American Bar Association's House of Delegates passed a resolution calling for reform of rape laws including the rules of evidence applicable in rape cases.

Rape laws have often resulted in a trial of the victim's morality rather than of the accused's innocence or guilt. For example, rape victims who take the stand have often been subjected to cross-examination into their prior sexual history with persons other than the defendant.

Such evidentiary rules have impeded effective law enforcement in rape cases. Women are reluctant to report and prosecute rape cases because of the humiliating invasion of privacy they must risk if they do so.

The FBI has estimated that, as a consequence, as few as 1 in 10 rapes are reported.

Yesterday, along with 45 cosponsors, I introduced a bill to limit cross-examination regarding a victim's prior sexual history.

I commend the American Bar Association's resolution and report to my colleagues. The text is as follows:

Approved by the ABA House of Delegates, February 1975

LAW STUDENT DIVISION (REPORT NO. 112)

In lieu of the recommendation presented by the Division, a substitute proposed by the Section of Criminal Justice and agreed to by the Division, was approved. The substitute reads:

Be It Resolved, That the American Bar Association authorizes the President of the Association or his designee to urge redefinition of rape and related crimes in terms of "persons" instead of "women," and revision of rules of evidence in order to protect the prosecuting witness from unnecessary invasion of privacy and psychological and emotional harm by:

a. Elimination of corroboration requirements which exceed those applicable to other assaults,

b. Revision of the rules of evidence relating to cross-examination of the complaining witness,

c. Re-evaluation of rape penalties,

d. Development of new procedures for police and prosecutors in processing rape cases,

e. Establishing of rape treatment and study centers to aid both the victim and the offender.

Report

BACKGROUND [1]

The incident rate of rape is skyrocketing. The FBI Uniform Crime Report listed 15,560 rapes reported in 1960 and 51,000 reported in 1970, but by FBI estimates, only one in ten rapes is reported. In 1973 there was one rape every ten minutes. From 1968 through 1973 there was a 63 percent increase in forcible rapes and statistics for the first half of 1974 show a 10 percent increase over the same period the previous year.[2] Using the present statistics from the city of Los Angeles, a woman has about one chance in ten of being raped over a 30-year period.[3]

For those who have actually been raped, the psychological scars are deep and long-lasting. In interviews with victims, the stories are consistent: all were terrified, all degraded, none enjoyed it.[4] To compound the insult, rape victims tend to be helpful, non-assertive, and easily intimidated—teachers, nurses and others who have learned to serve others.[5] The humiliation is exploited by a law enforcement process that tells them they asked for it or that they are bad or of less value due to their experience. In response, hundreds of rape crisis centers have been organized to help victims deal with police, courts and societal attitudes, demonstrating a need for change in the laws.

Few rapists are punished for their crime or rehabilitated. "A man who rapes a woman who reports the crime to police has roughly seven chances out of eight of walking away without a conviction. Assuming only one woman in five reports the rape, his chances increase to 39 out of 40." [6] The Chicago Crime Commission reported that in 1972 there were—

35,620 rapes committed (estimate);
3,562 rapes reported;
833 arrests made;
204 indictments;
23 pleaded guilty; and
8 found guilty and sentenced.

Despite the overwhelming statistics indicating that the problem of rape is inadequately dealt with, only a few states have begun to work toward rape prevention through revision of laws and rules of evidence, and there is no national leadership whatsoever.

Why are so few rapes reported? Many women never report rape because they fear the publicity, the rapist's threats or the police and the courts. Their fear at present is justified. Why do the few reported rapes result in so few convictions? The rape statutes, although designed to protect the victim, as enforced discourage the victim from prosecuting and if the victim persists, minimize the prosecution's chances of securing a conviction. "The penalties for rape are severe, indicating society's concern to protect women, yet no other victim is so often treated by the whole criminal law system as deserving what she got." [7]

Most states' rape statutes are based on an outdated moral code recognizing two kinds of women—bad women who enjoy sex and good women who don't and have to be overpowered.[8] Most laws equate rape with normal sexual union. It is, instead, the most personal kind of assault. As a result of this moral code a woman who becomes a prosecuting witness in a rape case faces unnecessary trauma, social humiliation, degradation, and invasion of privacy. Rules of evidence permit relatively uncontrolled introduction of evidence of prior unchastity, reputation as to unchastity and special instructions about the victim's testimony, suggesting untruthfulness.

The offender himself reacts from a desire to satisfy aggressive and violent tendencies rather than sexual desires.[9] A Massachusetts study using personality tests and extensive interviews with more than 100 rapists concludes that the men were motivated by aggression. Such men over-idealized their mothers and women in an abstract sense, but felt that real women were unfaithful, demanding and untrustworthy. Three groups were described: (1) the violent and aggressive rapists who humiliate and defile their victims; (2) non-violent rapists manifesting histories of voyeurism, fetishism, exhibitionism and repressed homosexual tendencies; and (3) sadistic psychopathic rapists. James Selkin, Director of the Center for the Study of Violence in Denver, Colorado, in a 1974 study revealed similar patterns.[10]

The antiquated rape statutes not only inadequately protect women, they also exclude a large group of potential victims, men. Men, in almost all states, cannot be the victims of rape by statutory definition, yet homosexual and bisexual rapes are said to be increasing.[11] Prison rapes are commonplace and well documented. Purely homosexual rape is also not rare. But "there seems to be an emerging class of rapists who are not particular about whom they rape—men or women or both. And male victims are usually more reluctant than women to press charges if they have been sexually assaulted." [12] There is every reason to believe this class of rape victim shares women's traumatic response to rape and its legal aftermath.

All rape seriously threatens a person's right to equal protection of the law without harassment, to privacy, and to the freedom of one's personal life that privacy protects.[13] The fear of rape inhibits the freedom of all women. It keeps women behind locked doors, afraid to accept high level jobs and their concommitant evening work, afraid to walk without male escorts, afraid to live or work alone.

A common suggestion to help curtail rapes reflects our society's attempts to skirt, not solve, the problem of sexual assault. Women should stay home, locked in. When Prime Minister Golda Meir's all-male cabinet proposed a curfew on Israeli women to curb an outbreak of rapes, she answered, "If there is to be a curfew, let the men stay home!" [14] There was, of course, no curtailment of the freedom of potential rapists, and there, as in the United States, rapes continue at an outrageous rate.

THE STATUTES [15]

Michigan, California and Florida have new sexual assault statutes. Colorado, Illinois, Massachusetts, and New Mexico have studied changes. Several other states are responding to a groundswell of pressure to revise their laws. Congress, too, has responded. S. 3280 would have established a National Center for Control and Prevention of Rape in the National Institute of Mental Health to investigate the effectiveness of existing laws, societal attitudes toward rape and toward sexual roles, hospital treatment of victims and related issues. It was vetoed in 1974. Enlightened revision of the criminal codes and the rules of evidence are not lobbied by radicals, but by all people, for rape honors no age, social, political or economic barriers. All are vulnerable.

Present law usually requires corroboration of force and permits extensive examination of the victim's past sexual conduct. In addition, penalties are the same whether the rape be extremely violent or not, and by definition, only women can be raped. Statutes define rape as carnal knowledge of a woman other than one's wife, by force.

Susan Deller Ross, author of the *ACLU Handbook on the Rights of Women*, suggests four theories upon which rape laws are based. Theory 1: Women are deranged. She cites Wigmore on Evidence § 924(a):

"Modern psychologists have amply studied the behavior of errant young girls and women coming before the courts in all sorts of cases. Their psychic complexes are multifarious. . . . One form taken by these complexes is that of contriving false charges of sexual offense by men."

Theory 2: Women want to be raped. Theory 3. Only a pure woman can be raped. Theory 4: Women are chaste, delicate creatures belonging to particular men. These theories merge to form a basis not only for laws but for several legal doctrines that make it difficult to convict a man and subject a victim to humiliation. Special rules of evidence are based upon the myths that women usually lie and that they really want to be raped. Special cautionary instructions are given in rape cases implying that the victim is lying. Evidence of unchastity is almost always admitted on the theory that once having had intercourse a woman is likely to welcome all subsequent approaches.

In most states today rape is a crime that only a male can commit upon a female. In states with a state Constitutional equal rights amendment, and in all states if that amendment to the Constitution is ratified, rape laws will require reform. Reformed statutes will refer to a victim and an actor, thus

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Footnotes at end of article.

protecting men as well as women from sexual assault.

Most rape statutes require corroboration. Even though the motivation for falsehood is strong in cases such as fraud, illegitimacy and paternity hearings, transactions between a decedent and one in a confidential relationship and sexual offenses of all kinds, the common law required corroboration only in rape and perjury. In imposing an evidentiary standard more befitting a public event, the law frustrates the prosecution of an inherently furtive act.[16] This imposition of a corroboration requirement in rape cases, but not others, raises a substantial equal protection question.[17]

If the victim did anything that might be construed as encouragement, or if she failed to resist to the end, her chances of successful prosecution are slight. The victim's age, appearance, dress, and habits are all pertinent in calculating encouragement. By requiring the victim to resist to the utmost until the act is completed or until her mind is overcome by abject fear for her life, the law requires of a rape victim a level of resistance required in no other crime of violence. It denies the victim the opportunity rationally to assess the danger and choose the safest course of action. Indeed, it forces the victim to ignore the advice generally given by the police about victim behavior in the course of robberies and other crimes of violence.[18] The irony is this: although women have been counseled not to fight, if a victim shows no overt signs of struggle, such as bruises and scratches, she is presumed to have consented.

Even though all rapes except statutory rapes require the actor to overcome the victim's resistance, some involve greater force than others. Reform legislation recognizes this; thus, permitting a closer tailoring of the charge to the actual seriousness of the assault. For example, serious injury coupled with penetration would constitute a first degree assault. Less serious assaults would be penalized less.

Every person has a right to decline sexual activity and every rape victim should be protected by the law. In spite of that premise, most states admit evidence of prior sexual activity, of reputation for unchastity, and sexual activities between the defendant and the victim as tending to show a scheme, plan or system. Of course, there are situations in which the latter might be relevant to the issue of rape; therefore, carefully drafted legislation would require a pre-presentment voir dire outside the jury's presence, to determine the admissibility of any prior sexual conduct on the part of the victim. Generally, if *present*, evidence of unchastity is highly prejudicial and is an inhibiting factor in enforcement of rape laws.

Legislatures can and do make rules of evidence which the courts will accept. Such can be the case with the evidentiary provisions of the reform rape statues. They reflect an overriding policy concern that all people be effectively protected by the sexual assault law, that their rights of privacy be respected at trial, and that the legal process not threaten and further victimize them to such an extent that effective enforcement of the criminal law is rendered impossible.[19]

Reforms would not deny to rape defendants any opportunity now accorded persons charged with other crimes. They would still have available all the traditional safeguards against false charges on which the law rightly relies; police investigation, prosecutorial discretion, the reasonable doubt burden of proof, and the ability of the jury to evaluate the issue of credibility.[20]

Special evidence rules in rape cases should be abandoned. The distinction between rape victims and victims of other crimes should be abolished. The resistance standard should depend only upon what is reasonable under the circumstances. The law itself should be changed to cover all types of sexual assault, including those against men, carrying, in many instances, lower penalties than now exist. Basically, new sexual assault statutes should recognize rape as a crime of violence, not of sexual passion.

NEED FOR CHANGE[21]

Reform legislation should deal with the requirement of force, with non-consent and with varying degrees of rape. They would deal with admissibility of past sexual conduct of the victim and they would redefine rape in terms of persons rather than women so that male rape could be prosecuted for the crime that it is.

(1) Treat rape and other forms of sexual assault as crimes of violence.

(2) Eliminate the requirement that the victim resist to the utmost.

(3) Eliminate the requirement of corroboration.

(4) Diminish personal harassment of the victim by controlling the introduction of evidence of the victim's past consensual sexual behavior.

(5) Establish degrees of crimes of sexual assault according to the severity and type of coercion and violence.

(6) Define the crime of sexual assault in non-sex-specific terms such as "victim," "person," or "actor."

Other possible reforms might include the following embellishments on the basic premises described above.

(1) Define clearly and specifically the acts which constitute sexual assault, in language which describes the behavior of the offender only.

(2) Include in the definition of sexual assault all forms of intention sexual contact, such as sodomy, to simplify enforcement and recognize that sexual assaults take forms too numerous to be covered by separate laws.

(3) Lower the absolute age of statutory rape to 12. Where the victim is 12 to 16, there should be a presumption of sexual assault only if the actor is related to the victim, a member of the same household, or in a position of authority.

(4) Protect married and divorcing persons from sexual assault by the spouse.

The Michigan legislation is reproduced following this report as a guide and example of progressive legislation.

CONNIE BORKENHAGEN,
Division Delegate.
STARK LIGON,
Division Delegate.

FEBRUARY 1975.

FOOTNOTES

Special editorial assistance and support, Pamela Minzner, J.D., University of New Mexico School of Law.

[1] Background research done by Kathleen Lebeck, University of New Mexico School of Law, 1973–74.

[2] F.B.I. Uniform Crime Reports, 1960–1974.

[3] Offir, C. W., *Don't Take It Lying Down*, Psychology Today (Jan. 1975).

[4] Csida & Csida, *Rape: How to Avoid It and What To Do about It if You Can't* (1974).

[5] Selkin, J. *Rape!*, Psychology Today (Jan. 1975).

[6] *Rape and Rape Laws: Sexism in Society and Law*, 61 Cal. L. Rev. 919 (May 1973).

[7] Babcock, Freedman, Mortion and Ross, *Sex Discrimination and the Law: Causes and Remedies* (1975).

[8] Alexander, Shana, *A Simple Question of Rape*, Newsweek (Oct. 28, 1974).

[9] Amir, Menachim, *Patterns in Forcible Rape* (1971).

[10] Selkin, supra.

[11] Brandenburg, James, D. A., Bernalillo County, N. M.

[12] Carver, J., Asst. D. A., Bernalillo Co., N. M.

[13] Amsterdam, A. & Babcock, B., *Rape Memorandum* (Unpublished).

[14] Csida, supra, 52.

[15] Background research and special assistance from Virginia Nordby, J.D., Lecturer in Law, Ann Arbor, Mich.

[16] *The Rape Corroboration Requirement*, 82 Yale L. J. 1375 (1872).

[17] Rape & Rape Laws, supra.

[18] Nordby, supra.

[19] Nordby, Id.

[20] Nordby, Id.

[21] Organization assistance from Michigan Women's Task Force on Rape, JanBen-Dor, Ann Arbor, Michigan, and Virginia Nordby, J.D., supra.

HOUSE SUBSTITUTE FOR SENATE BILL NO. 1207

(Final version as passed by Michigan Legislature)

SEC. 520J. (1) Evidence of specific instances of the victim's sexual conduct, opinion evidence of the victim's sexual conduct, and reputation evidence of the victim's sexual conduct shall not be admitted under Sections 520B to 520G unless and only to the extent that the judge finds that the following proposed evidence is material to a fact at issue in the case and that its inflammatory or prejudicial nature does not outweigh its probative value:

(A) Evidence of the victim's past sexual conduct with the actor.

(B) Evidence of specific instances of sexual activity showing the source or origin of semen, pregnancy, or disease.

(2) If the defendant proposes to offer evidence described in subsection (1) (A) or (B), the defendant within 10 days after the arraignment on the information shall file a written motion and offer of proof. The court may order an in camera hearing to determine whether the proposed evidence is the course of the trial that may make the evidence described in subsection (1) (A) [or (B)] admissible, the judge may order an in camera hearing to determine whether the proposed evidence is admissible under subsection (1).

EXPLANATION OF CALCULATIONS USED IN TRUTH IN DEFENSE BULLETIN NO. 1

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. DOWNEY) is recognized for 30 minutes.

Mr. DOWNEY of New York. Mr. Speaker, I do not intend to use all of my time. I placed in the special orders today a response to my colleague, the gentleman from New York (Mr. KEMP) on the basis of a Dear Colleague letter that he sent to the membership concerning the Minuteman Missile and keeping the production line open.

I will be doing this, Mr. Speaker, sending out Dear Colleague letters that attempt to clarify, from now until budget time—and it was my hope that the gentleman from New York (Mr. KEMP) would be here to hear this—and, hopefully, additional bulletins I send out will be met with some contest. It would be my hope that we could debate the matters of defense in some detail before we come up with the budget, so that we may have some greater clarity before defense budget time comes around.

Hard-target lethality of a missile is approximated by taking the two-thirds power of the yield—explosive energy—of each reentry vehicle—RV—and dividing by the square of the inaccuracy:

CHARACTERISTICS OF UNITED STATES AND SOVIET ICBM'S

Missile	Inaccuracy, nautical miles	Throwweight, pounds	Yield per RV, megaton	Hard-target lethality per RV	Hard-target lethality per missile
U.S. missiles:					
Minuteman II	0.3	2,000	2.00	17	17
Present Minuteman III	.2	2,300	.16	7	21
Minuteman III, Mk 12k	.1	2,300	.35	50	150
Soviet missiles:					
SS-16	.33	2,500	?	?	10
SS-17	.3	5,000-6,000	.35	6	24
SS-18	.3	16,000	.78	9	72
SS-19	.3	7,000	.35	6	36

Input figures (throwweight, yield, accuracy and numbers of RV's per missile) for U.S. missiles have been widely publicized in the unclassified literature. Soviet figures are somewhat less clear, and require further explanation:

Accuracy: On several occasions, former Secretary of Defense James Schlesinger has referred to Soviet tests possibly achieving accuracy between one quarter and one third of a mile. I have used 0.3 mile as a midrange figure, except for the SS-16 which is believed somewhat less accurate. The figures are somewhat generous, in that they are based on best-test reports rather than real-life operational missiles over operational ranges, and also in that even Dr. Schlesinger expressed some skepticism that the Soviets have achieved this level of performance.

Yield: According to the rule of thumb known as Walsh's law, at a given level of technology, warhead weight is proportional to area destructive power, which in turn is defined as the two-thirds power of each RV times the number of RV's. I have assumed Minuteman III yield-to-weight technology of 0.384 megaton-equivalents per 1,000 pounds, which is probably somewhat generous.

SS-16: I have found it difficult to find unclassified information on this missile. Throwweight is generally described as Minuteman-size; I have assumed it to be slightly larger. While Mr. KEMP describes the SS-16 as a MIRV, the latest posture statement of the Chairman of the Joint Chiefs of Staff says that to date "it has been tested only with a single warhead." Thus, I cannot estimate how many RV's a MIRV SS-16 would have. Nevertheless, it is possible to estimate the hard-target lethality of a MIRV SS-16 on the basis of technology and throwweight. Within certain limits, hard-target lethality is independent of numbers of RV's, since an increase or decrease in RV's per missile is, according to Walsh's law, offset by a reciprocal decrease or increase in yield per RV.

Numbers of RV's per missile: The posture statement of the Joint Chiefs has described the SS-18 as carrying 8 RV's, the SS-19 as carrying 6, and the SS-17 as carrying 4.

I include the following:

TRUTH IN DEFENSE

Today Congressman Tom Downey (D-NY), a member of the House Armed Services Committee, issued the first of a series of "TRUTH IN DEFENSE" bulletins. The purpose of the bulletins will be to correct specific erroneous or misleading statements by prominent figures on questions of national defense. Most, but not all, of the bulletins will deal with incorrect exaggeration of Soviet military capability, minimization of U.S. capability, or exaggeration of the capability of proposed U.S. weapons systems. Some bulletins will respond to distortion having a thrust opposite to that just described.

All bulletins will be sent to all members of the House of Representatives and to members of the press who cover military matters. Anyone whose statements are disputed by a bulletin will be given an opportunity to reply. All bulletins will incorporate the strictest possible standards of factual accuracy and will avoid exaggeration or selective omission for the sake of making a point; in the event an error in a bulletin can be demonstrated, Congressman Downey will promptly issue a corrective follow-up bulletin.

The first bulletin deals with an argument made by Congressman Jack Kemp (R-NY) in opposition to the Department of Defense's decision to terminate production of the Minuteman III ICBM. The bulletin is attached, as is the accompanying announcement letter.

The second bulletin will dispute a comparison of U.S. and Soviet missile strength made by former Governor Ronald Reagan.

For further information contact: Bob Sherman (202) 225-4872.

WASHINGTON, D.C.,
March 18, 1976.

DEAR COLLEAGUE: I have become increasingly disturbed at the quantity of incorrect or misleading information on questions of national defense which has been disseminated over the past few months. In an attempt to set the record straight, I am now initiating a series of "Truth in Defense" bulletins responding to public statements which in my view require correction.

My purpose is not to pick a quarrel with anyone, but to provide all of us with a factually and conceptually sound framework upon which to base our decisions on questions of national defense. In an effort to provide fair opportunity for all sides to be heard, I intend to observe the following procedures:

1. Each "Truth in Defense" bulletin will be circulated in the form of a Dear Colleague letter. One legislative day after the letter is circulated, I will discuss its contents on the floor in a special order. Thus, any Member of Congress whose statements are criticized in a bulletin will have the opportunity to engage in public debate. I might add that the more comments I can elicit the happier I will be, whether the comments agree or disagree with me.

2. I expect a substantial number of my bulletins to take issue with persons who are not Members of Congress. In such cases, I will send them advance copies of my comments and will offer to circulate their replies together with my own statements.

Sincerely,

THOMAS J. DOWNEY,
Member of Congress.

TRUTH IN DEFENSE, PART ONE

STATEMENT

DEAR COLLEAGUE: On February 19, 1976, our colleague Jack Kemp circulated a Dear Colleague letter which included the following:

"As you know, the defense budget for fiscal year 1977 does not provide for further production of the Minuteman III, our *only* land-based intercontinental ballistic missile.

"At this time we have no Salt II accord. The Soviet Union is pressing ahead with deployment of four new, ICBM systems and has a fifth new system underway. Our proposed replacement for the Minuteman III (the MX) is not exen a fixed concept at this point, and would not near the deployment stage until 1985."

Congressman Kemp then concluded that the Department of Defense should reverse its decision to discontinue production of the Minuteman III ICBM.

RESPONSE

Fact No. 1. The Minuteman II is not our only land-based intercontinental ballistic missile In addition to our 550 Minutemen IIIs, we also have 450 Minuteman IIs and 54 Titan IIs.

Fact No. 2. It is true that the new MX ICBM will not be ready until the 1980s. But it is not necessary to replace an entire missile to increase capability. Within three years—that is, within just a few months of the time the additional Minuteman III missiles advocated by Congressman Kemp will be available—we will be able to replace the Minuteman III warhead, called the Mark 12, with an improved version called the Mark 12A. This new warhead, accompanied by accuracy improvements which will be available to us at that time, will have approximately seven times the hard target kill power of its predecessor; that is, it will be equivalent to replacing the Minuteman III with a new missile seven times as heavy. In contrast, replacing Minuteman IIs with present Minuteman IIIs as Congressman Kemp recommends would increase per-missile hard target capability only by about 17%. (It would increase soft target capability about 50%, but we already have more soft target capability than we could ever use.)

Fact No. 3. There is no military validity in the proposition that we should build a new ICBM just because the Soviets are doing so. With one exception, U.S. and Soviet ICBMs would not engage each other; thus, it is meaningless to compare them. The exception is an attack by Soviet ICBMs against our ICBM silos. In this case, the rational response is to improve the survivability of the silos, perhaps by upgrading the silo or going to a mobile multiple-shelter system. (Even those steps are effective only up to a point. The only enduring way to protect our ICBMs is to limit Soviet accuracy by treaty—but that is another subject for another letter.) To put a new missile, whether it be Minuteman III or any other missile, into the old silo would be an ineffective response to a new Soviet ICBM, since the new missile would be as vulnerable as the old one.

Fact No. 4. To reiterate, there is no military validity in comparing our ICBM capability with that of the Soviets. But I know from experience that no matter how many times I say this, people will still ask, "Who's ahead?" Therefore, with still another warning that these comparisons are mere academic exercises, I offer the results of my calculations, which are based on unclassified sources:

Minuteman III with Mark 12A and associated improvements will have:

8 times the hard target capability of the Soviet SS-16 MIRV.

6 times the hard target capability of the Soviet SS-17 MIRV.

2 times the hard target capability of the Soviet SS–18 MIRV.

4 times the hard target capability of the Soviet SS–19 MIRV.

Since I have been unable to obtain any unclassified information on the "fifth new system" mentioned by my colleague, I am unable to discuss it further in this public letter.

Fact No. 5. Whether the Soviets have one new ICBM design or five, or fifty, is of no particular significance. What counts is their total capability in relation to our ability to counter them. It makes little difference whether their capability is deployed in large numbers of similar missiles or in smaller groups of diverse missiles. In general, our superior technology allows us to have higher confidence in our designs and thus to produce fewer of them than the Soviets.

It is not my purpose here to argue against Minuteman III or for Mark 12A. (In fact, I see little purpose in either. Some of the future letters in this series will point out factual errors made in support of conclusions with which I agree.) Rather, my purpose is to help all of us to develop the best possible factual and conceptual base upon which to make our defense decisions.

An advance copy of this letter has been delivered to Jack Kemp. I will be discussing this matter, hopefully with him, in a special order I have taken for Monday, March 16. I hope you will be able to attend. In the meantime, if you have any questions or would like further information, please contact me on x53335 or Bob Sherman of my staff on x54872.

Sincerely,

THOMAS J. DOWNEY,
Member of Congress.

WASHINGTON, D.C.,
February 19, 1976.

DEAR COLLEAGUE: As you know, the defense budget for fiscal year 1977 does not provide for further production of the Minuteman III, our only land-based intercontinental ballistic missile.

At this time we have no Salt II accord. The Soviet Union is pressing ahead with deployment of four new, ICBM systems and has a fifth new system underway. Our proposed replacement for the Minuteman III (the MX) is not even a fixed concept at this point, and would not near the deployment stage until 1985.

In light of these facts, I believe it is important to maintain production of the Minuteman III and I have requested this in the attached letter to the President. If you believe as I do that it is unwise and costly to terminate our Minuteman III production at this time, I hope you will join me in signing the attached letter.

If you have any questions no this issue, Please contact me. If you would like to co-sign, please phone Ann at extension 55265.

Sincerely,

JACK KEMP.

The PRESIDENT,
The White House,
Washington, D.C.

DEAR MR. PRESIDENT: We are disturbed over the decision of the Administration to halt production of the Minuteman III intercontinental ballistic missile even prior to the completion of Salt II talks.

As you know, the Minuteman III is the *only* land-based ballistic missile now being produced by the United States. The proposed replacement for the Minuteman III cannot reasonably be expected to be deployed until well into the next decade, and at this stage is not even a fixed concept.

While a halt in Minuteman III production would leave us without *any* land-based ICBM in production, the Soviet Union is pressing forward with deployment of four new ICBM systems, and has a fifth, even more advanced, line in the offing. Secretary of Defense Rumsfeld has already informed this Congress in the new defense posture statement that a continuation of these current Soviet strategic programs could threaten the survivability of the Minuteman within a decade.

A Salt II accord might put the Administration's decision to halt the Minuteman III in perspective; however, we have not seen this accord and we cannot condone foreclosing our options regarding the accord by having no Minuteman III in production.

The material costs of shutting down the production line would be very high and it would be very difficult to reassemble the expert subcontractors and vendors necessary to restart the line.

In the absence of a Salt II accord, and in the absence of a viable replacement for the Minuteman III at this time, and in realistic recognition of Soviet advances in the field of ICBM deployment, we request that you reverse the decision on the Minuteman III and provide for production of this system to continue.

ACTS ADOPTED BY THE COUNCIL OF THE DISTRICT OF COLUMBIA AND TRANSMITTED TO THE SPEAKER — DECEMBER 2 TO MARCH 19

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Michigan (Mr. DIGGS) is recognized for 5 minutes.

Mr. DIGGS. Mr. Speaker, the Council of the District of Columbia has adopted a number of acts since last I reported to the House in the CONGRESSIONAL RECORD of December 17, 1975.

The House Committee on the District of Columbia has in its files Council committee reports and copies of acts, if Members desire further information.

The Council acts are listed below:

ACTS ADOPTED BY THE COUNCIL OF THE DISTRICT OF COLUMBIA, AND WHERE NECESSARY TRANSMITTED TO THE SPEAKER OF THE HOUSE OF REPRESENTATIVES BETWEEN DECEMBER 2, 1975, AND MARCH 19, 1976

Act 1–69. To provide for the issuance of special registration certificates and identification tags for motor vehicles operated by Disabled American Veterans resident in the District of Columbia. Adopted by the Council on November 4, 1975. Signed by the Mayor, November 20, 1975. Transmitted to the Speaker, December 3, 1975.

Act 1–70. To amend the law of the District of Columbia relating to the licensing of funeral directors, exhibitions of martial arts, and for other purposes. Adopted by the Council on November 4, 1975. Signed by the Mayor, November 20, 1975. Transmitted to the Speaker, December 3, 1975.

Act 1–71. To authorize the District of Columbia to enter into the Interstate Parole and Probation Compact. Adopted by the Council, November 18, 1975. Signed by the Mayor, December 4, 1975. Transmitted to the Speaker, December 15, 1975.

Act 1–72. To amend the District of Columbia Tax Revision Act of 1974 to extend the time for filing appeals relating to real property tax assessments, equalization, or valuations. Adopted by the Council, November 18, 1975. Signed by the Mayor, December 4, 1975. Transmitted to the Speaker, December 15, 1975.

Act 1–73. To authorize administrative or supervisory school officers who are granted sabbatical leave to receive one-half of their annual salaries. Adopted by the Council, November 18, 1975. Signed by the Mayor, December 4, 1975. Transmitted to the Speaker, December 15, 1975.

Act 1–74. To amend the Air Quality Control Regulations of the District of Columbia relating to the sulfur content of fuels. Adopted by the Council, November 18, 1975. Signed by the Mayor, December 5, 1975. Transmitted to the Speaker, December 15, 1975.

Act 1–75. To revise the rates of insurance on motor vehicles for hire in the District of Columbia. Adopted by the Council on December 2, 1975. Signed by the Mayor December 15, 1975. Transmitted to the Speaker December 18, 1975.

Act 1–81. To provide for the relief of the owners of certain properties in Square S–5542 in the District of Columbia. Adopted by the Council December 2, 1975. Signed by the Mayor December 23, 1975. Transmitted to the Speaker January 5, 1976.

Act 1–83. To extend the time within which the Council of the District of Columbia must act to establish tax incentives for the rehabilitation of real property in the District of Columbia, according to the District of Columbia Real Property Tax Revision Act of 1974. Adopted by the Council December 16, 1975. Signed by the Mayor January 7, 1976. Transmitted to the Speaker January 23, 1976.

Act 1–84. To amend the District of Columbia Employee Non-Liability Act to provide for the indemnification of medical employees in certain circumstances. Adopted by the Council December 16, 1975. Signed by the Mayor January 9, 1976. Transmitted to the Speaker January 23, 1976.

Act 1–85. To establish the duties and responsibilities of Advisory Neighborhood Commissions; their internal operating structure; their relationships to other governmental and private entities; and their fiscal and administrative procedures. Adopted by the Council December 16, 1975. Signed by the Mayor January 9, 1976.

Act 1–87. To insure the further development and specifications of Affirmative Action employment plans by all District government agencies. Adopted by the Council December 2, 1975. Vetoed by the Mayor December 24, 1975. Reenacted by the Council January 19, 1976. Approved by the President of the United States February 27, 1976. Transmitted to the Speaker March 4, 1976. Disapproving Resolution H. Con. Res. 579 introduced March 9, 1976, and referred to the District of Columbia Committee.

Act 1–89. To provide for the semi-annual safety inspection of all buses registered in the District of Columbia and for other purposes. Adopted by the Council December 16, 1975. Signed by the Mayor February 6, 1976. Transmitted to the Speaker February 16, 1976.

Act 1–91. To amend the Revenue Act of 1975, as amended, and to adopt implementing regulations. Adopted by the Council December 16, 1975. Signed by the Mayor February 6, 1976. Transmitted to the Speaker February 16, 1976.

Act 1–92. To provide for certain protections to consumers purchasing memberships in health clubs in the District of Columbia and for other purposes. Adopted by the Council January 13, 1976. Signed by the Mayor February 10, 1976. Transmitted to the Speaker February 19, 1976.

ABUSES IN THE SECOND MORTGAGE MARKET

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California (Mr. STARK) is recognized for 5 minutes.

Mr. STARK. Mr. Speaker, I have introduced legislation to put an end to the abusive practices in the second mortgage market, H.R. 12599.

This bill is intended only to prohibit those practices which so often result in foreclosure on the house—because the lender exceeded credit while knowing the consumer would not be able to meet the payment schedule.

We are all familiar with incidents of this sort, but let me briefly explain the one in California which prompted me to introduced this bill:

An elderly widow was having trouble making ends meet on the upkeep of her home. The original mortgage had been paid off while her husband was alive. After his death, however, the widow had to take out a loan—from a large bank—to make small home repairs. Then her taxes went up, and the bank would not let her refinance the loan for more cash, since her fixed income would not permit larger payments. So she opened the yellow pages and called a finance company which advertised fast and easy cash. In fact, the salesman would even come to her house—something important to the elderly with limited mobility. The salesman immediately called on her and agreed to make her a loan with low monthly payments, at a high interest rate. Her house was put up as collateral. With rising expenses and a fixed income, she soon fell behind in these payments, and the salesman refinanced a new loan. This time, he also conveniently neglected to tell her about the final payment, the "balloon," which would be several times the amount of all the monthly payments. He knew she would not be able to meet the balloon payment, and would have to keep refinancing the loan, each time with lower monthly payments, a higher balloon payment and, of course, much more total debt. This was fine with the salesman. All he cared about was getting as much money from the widow as he could, regardless of the human wreckage he left behind.

Sure enough, the widow kept refinancing the loan. In less than 2 years, her debt swelled from around $5,000 to over $30,000. Inevitably, the finance company foreclosed on her house.

Unlike many victims, this widow also went to court and sued the finance company. They agreed to settle out of court, but her lawyers took most of the small award. This 85-year old woman finally got a settlement of $500 a month, for as long as she lived. She moved into a tiny apartment.

My bill is aimed at just these practices on the part of lenders. Encouraging elderly widows to go into debt and lose their homes is as criminal to me as robbing them at gunpoint. Perhaps it's even worse, since it is drawn out over a long period of time, and can cause utter destitution.

The people who generally trumpet law and order the loudest are strangely silent on the subject of white-collar crime. Yet, crime in the suites costs Americans millions of dollars each year, and untold mental grief.

Those preyed upon are usually low- and middle-income persons, older people, financially unsophisticated people, although others who should know better are also victimized with embarrassing regularity.

My bill would make it impossible for unscrupulous lenders to make these second mortgages. First, it requires the lender to certify that the projected income of the homeowner is sufficient to meet the payment schedule, or sufficient to make payments on a newly negotiated first mortgage, should refinancing be necessary.

The bill prohibits the imposition of prepayment penalties, usually charged each time a loan is refinanced, thereby increasing the total debt. It prohibits harassment or intimidation of the homeowner in collection attempts.

In addition, a judicial hearing is required for each foreclosure action. Violation by the lender of any of the abovementioned provisions of the bill would constitute grounds for making the foreclosure or seizure of the house invalid.

Violation by the lender would entitle the homeowner to stop making payments on the loan, without regard to the amount he has been advanced by the lender, and also entitle him to be paid for the costs of the action and reasonable attorney's fees.

Finally, this bill contains a section which would strip away the incentive for lenders to make many of these loans; In the event of a foreclosure sale or auction of the house, no real estate broker who arranged the loan may submit a bid or seek to acquire the property, directly or indirectly. Since in so many cases the objective of the lender from the beginning is simply to acquire the house, far under its market value, and then resell it to make a quick profit, this should insure that no loans will be made for illegitimate purposes.

I would like to point out that this bill will in no way inhibit the flow of legitimate credit in the form of second mortgages. First, the bill exempts all transactions for the initial purchase of a house. Second, since the "projected income" section only requires that the customer be able to refinance a new first mortgage, should that become necessary, no legitimate business transactions where the house is posted as collateral will be affected.

I shall welcome the support of my colleagues for this legislation, and hope many will choose to cosponsor the bill. It is long overdue.

At present, these fradulent transactions, veiled by complex regulations and obscure provisions of law, often result in only a slap on the wrist instead of imprisonment and a heavy fine. In the recent Washington, D.C. case exposed just a few years ago, two swindlers who cheated homeowners into buying "townhouse fronts" and losing hundreds of thousands of dollars were merely put on probation. On the same day these two were reprimanded, a 24-year-old man received a 2- to 6-year sentence for stealing a $500 television set. An 18-year-old youth who snatched a purse with $40 in it was denied probation and sent to prison.

The judge said, "This is robbery. There is just too much of that around."

REVENUE-SHARING MARKUP

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Iowa (Mr. MEZVINSKY) is recognized for 15 minutes.

Mr. MEZVINSKY. Mr. Speaker, during the past few weeks, as the Intergovernmental Relations Subcommittee has reviewed extension of the General Revenue Sharing program, a flurry of charges and countercharges have clouded the issue and distorted reality. As a member of the subcommittee, I would like to set the record straight.

The majority of the subcommittee voted to accept a 3¾-year extension of the authorization for the General Revenue Sharing program. We determined that communities would not have adequate planning time with a shorter extension and that a longer one would not allow for adequate review.

We should have a strong and fully funded revenue sharing program for the following reasons: First, we should make every effort to return more decisionmaking power to those levels of government closest to the people. Second, local governments can better resist pressures to boost regressive sales and property taxes when Federal funds are available. Third, local governments are in a better position to identify community needs and to meet them in the most workable fashion.

In a second series of votes, we rejected the proposal which would have our subcommittee ignore the newly appointed Budget Control Act procedures by sidestepping normal channels for appropriations and funding the revenue sharing program for the 3¾-year period.

Instead of blanket, 5-year funding for the revenue sharing program, I support ample, year-by-year appropriations. My reasons are as follows: First, it is simply impossible for this Congress to appropriate funds 5 years into the future with no inkling of what the needs and economic conditions of that future time may be. Second, revenue sharing funds are Federal funds. While a principle purpose of the program is the return of decisionmaking power to local governments, the responsibility for setting spending levels remains with Congress. We must not be buffaloed into shirking that responsibility. This is the first year of the new Budget Control Act adopted by Congress to ride herd on Federal spending. It would be a grave mistake to make a 5-year, $40 billion exception by cutting out a special piece of pie for revenue sharing.

Third, a lack of periodic review will preclude our ability to spot abuses and take corrective action. There have been abuses. The General Accounting Office tells us that local governments have spent only 3 percent of their revenue sharing funds on social services. In the face of pressing social needs, some communities have devoted their share to golf course improvements. Let us not forget that these are taxpayers' dollars. It is our responsibility to see that they are used as intended.

Of course, local governments needs adequate time to plan their budgets. With that need in mind, our colleague, the chairman of the Appropriations Committee, assured us that we can count on advance appropriation beyond the regular 1 year, allowing ample time for planning.

It is ironic, to be sure, that this administration and those supporting it have lashed out at this Congress so often for a lack of "fiscal responsibility." Those same spokesmen seem selective in their judgment of which funds should be scrutinized and which doled out haphazardly.

I am surprised that some of our local officials have failed to detect the fancy footwork of the White House which pushes on the one hand for multiyear revenue sharing funds amounting to $6.5 billion annually, while quietly cutting Federal assistance to States and communities by a net amount of $9 billion this year.

The principle of revenue sharing is a good one which deserves to be extended. However, the funds must be scrutinized. We cannot allow a 5-year chunk of $40 billion to fly in the face of the spending controls we have finally set in motion this year.

LOUISIANA YOUTH SEMINAR

(Mr. WAGGONNER asked and was given permission to extend his remarks at this point in the Record and to include extraneous matter.)

Mr. WAGGONNER. Mr. Speaker, the challenges and demands that we as Americans face today are many. And tomorrow there will be more goals and expectations. In order to meet these future challenges and expectations we as a country must invest much time and talent in our young people.

In my home State of Louisiana, the Louisiana Youth Seminar does just that. This leadership conference for high school students is not just another conference. It is a week-long leadership training workshop which offers to high school leaders the opportunity to learn about our political system, about school-community relations, about the organization of a production school club, and much more. The program was founded by past *high school* and college leaders who felt that there was a need to offer to all high school students an overall, basic leadership training session. It is conducted annually by a staff of college student leaders who meet with the delegates for 1 week on the campus of the sponsoring university.

Celebrating its sixth year Bicentennial edition this July, the Louisiana Youth Seminar has received high acclaim from educators, administrators, and past high school leaders throughout the State in its brief history.

In what is a stimulating and competitive experience, this seminar dedicates itself to developing leadership, dependability, patriotism, and interpersonal communication skills in those who will be our leaders of tomorrow. As one past delegate described what she learned from the program, "Not only have I learned how to communicate, organize, and work under pressure, but how to accept people in a way I have never experienced before." That says a lot.

I always make a special effort to personally congratulate those young people who through their own initiative and actions single themselves out as fine, productive members of society. In the case of the Louisiana Youth Seminar, I have to congratulate all of the delegates who have been and will be selected to attend this year's seminar. Their past achievements and their leadership potential have brought them into the limelight, and they are to be commended upon their attainment of this honor.

In this increasingly complex and confused world, I am mighty proud that the State of Louisiana is concerned about our youth, and I salute the Louisiana Youth Seminar for its efforts and accomplishments.

ON CONSUMERISM

(Mr. KOCH asked and was given permission to extend his remarks at this point in the Record and to include extraneous matter.)

Mr. KOCH. Mr. Speaker, in October of 1975, as the result of a letter I received from a constituent, I introduced legislation to make automobile warranties meaningful by providing that automobile companies be held more responsible for long delays in service while a car is under warranty.

That legislation is still pending. Today, while I continue to press for its enactment, I also want to bring to the attention of our colleagues some of the correspondence I have had in the matter which bears upon the problems consumers have on occasion. That correspondence makes the point that consumers not only have to be concerned about the product and its warranty, but also about those who have been designated to protect them.

I have purposely deleted all names so as not to further embarrass any of the parties involved and, at the same time, make the point. I wish to commend the chairwoman of the Consumer Affairs Committee for the ultimate disposition had in this matter and to also state that it was not the city of New York or any New York City agency which was involved in the matter.

The correspondence follows:

OCTOBER 1, 1975.

Congressman EDWARD I. KOCH,
Longworth Office Building,
Washington, D.C.

DEAR CONGRESSMAN KOCH: On August 12 I wrote to you suggesting Federal legislation that would make automobile warranties more meaningful. I was delighted to receive your response of September 2 in which you told me that you are drafting such legislation.

Let me add my most recent experience which further underscores the necessity for this legislation. My automobile, which is theoretically still under warranty for another two weeks, has been at the service center for nearly three weeks because of an oil leak. I am told that the reason for the delay is the unavailability of parts. I might add, incidentally, that the leak caused me to undertake several hundred dollars worth of repairs to my driveway.

I have had an automobile for nearly a year, and although covered by a warranty it has been out of service for nearly fourteen weeks. I have had letters from the automobile company, sometimes polite and sometimes insulting, but the only reasonable gesture made by them was to supply a substitute car for five of the nearly one hundred days that the car has been out of service.

In a few weeks the warranty will be up and, in any event, I intend to dispose of the car. I am not complaining on my own behalf, because I happen to be in a position to absorb the loss and suffer the inconvenience. For the average person, however, this would have been a disastrous experience.

Sincerely,

Mr. A.

COMPANY X,
October 10, 1975.

Congressman EDWARD W. PATTISON,
Longworth House Office Building,
Washington, D.C.

DEAR CONGRESSMAN PATTISON: This letter is pursuant to one which you received from Mr. A dated October 7, 1975.

In pursuing Mr. A's complaint, company X discovered that the repairs had no relevancy to the dealer's warranty and was in fact a routine repair job which the dealer completed on schedule and informed Mr. A accordingly.

The fact that Mr. A chose to pick-up his car at his convenience is purely his prerogative.

During the past year, company X has reimbursed Mr. A for out-of-pocket expenses as a good will gesture and offered him the free use of a rental vehicle as a common courtesy.

As a consumer-related corporation, company X commends you for discerning the difference between consumer protection and consumer procrastination.

We at company X believe the best defense against true business rip-off, government rip-off, and consumer rip-off is an educated consumer.

Consumer education legislation is long overdue and if Company X can assist in any way to aid Congress to enlighten the public on consumer protection, do not hesitate to contact us.

Respectfully,

MR. B.
National Customer Relations Manager.

CONSUMER AFFAIRS COMMITTEE,
CITY OF Z,
November 5, 1975.

Congressman E. KOCH,
House of Representatives,
Washington, D.C.

DEAR MR. KOCH: I have a copy of the Congressional Record, page 33715, dated October 22, 1975 reference, "Making Automobile Warranties Meaningful".

I recognize the fact that it is a congressman's prerogative to use the Congressional Record to his best advantage no matter how trivial or irrelevant the subject matter.

Senator Joseph McCarthy used to have a field day with it. He even inserted letters from constituents which bore no relevancy to the facts.

That brings me to the letter from your "Constituent" which you had inserted into that Congressional Record.

Mr. Koch did you bother to check out both sides of the story?

Did you contact the manufacturer involved or the dealership to which your constituents allegations are aimed?

Obviously you did not otherwise you would have inserted both sides of the issue in the Congressional Record!

Did you know that your constituent Does Not Own The Vehicle he is referring to in the Congressional Record?

Did you know that his problems relate to an Air Conditioner in the vehicle which is an accessory not manufactured by the maker of the vehicle?

Did you know that your constituent's problems are Service-Related not product-related and have no relevancy to Warranty?

Did you know that in spite of those facts, the manufacturers of the vehicle did reimburse your constituent in the form of cash and rentals to demonstrate its good-will—even though your constituent was not worthy of the gesture.

We at the Z City Consumer Protection Board believe that the best defense against consumer rip-off is an informed consumer—we also believe that the best defense of Consumer Bandetry against the free-enterprise system (from which you get your salary) is an informed congress.

The whole epic of Watergate was to project a one-sided issue—but it failed.

The whole concept of the Liberal Philosophy concerning "Consumerism" is to exhibit a one-sided issue as you have done.

The Z City Consumer Board as with thousands of other altruistic Consumer Advocates disavows your unrealistic and false assumptions in the Consumer Movement.

If "Consumerism" is to work it must become an honest approach to all concerned and must hold the Consumer and Congress as responsible for honest and civil conduct as it does the businessman.

Mr. B,
Consultant to the Z
Consumer Protection Board.

Congress of the United States,
House of Representatives,
Washington, D.C., November 11, 1975.

Ms. C.,
Chairwoman, Consumer Affairs Committee,
City of Z, City Hall

Dear Ms. C.: I would like to call your attention to a rather mystifying situation. I have two letters from Mr. B. One, dated November 5th, 1975, is signed above the title of consultant to the Consumer Affairs Committee of Z City and in that letter Mr. B alleges to speak for the Committee. The second letter, dated October 10, 1975, is signed above the title of National Customer Relations Manager for company X, and was originally sent to Congressman Pattison. I have enclosed both letters for your reference.

My October 22nd Congressional Record statement mentioned in Mr. B letter of November 5th is also enclosed. You will note that the statement does not contain the name of the constituent or the automobile company involved. My question to you is whether it is the same Mr. B who signed both letters. If so, was he setting forth the position of the Consumer Affairs Committee and, if not, was it appropriate for him to use the Committee's stationary? Furthermore, do you consider it appropriate in that event that the same individual involved in a consumer complaint against a company by which he is employed should also represent the Consumer Affairs Committee of Z City in that same matter?

I would appreciate your bringing this matter to the attention of all the members of your Committee and your providing me with their collective wisdom in this case.

Sincerely,

Edward I. Koch.

February 18, 1976.

Congressman E. Koch,
House of Representatives,
Washington, D.C.

Dear Mr. Koch: On November 5, 1975, I wrote to you specifically to question your judgment for inserting into the October 22, 1975 Congressional Record a letter from one of your constituents without first investigating its contents to verify its veracity and its accuracy.

I further brought to your attention that your constituent was not the owner of the vehicle he claimed to own.

Also, your constituent did not tell you that he was reimbursed for out-of-pocket expenses by the manufacturer of the vehicle—in spite of the fact that he was not the owner of the vehicle.

I very strongly expressed my views against the manner in which you used the "half-truth" to becloud the good intentions of the Congressional Record and of Congress.

Obviously, as a result of the letter you inserted in the Congressional Record, all readers of that misrepresentation were treated to distortion rather than 2 sides of the issue.

In my November 5, 1975 letter I stated to you that "we at the Z City Consumer Protection Board believe that the best defense against consumer rip-off is an informed consumer—we also believe that the best defense of consumer bandetry against the free-enterprise system (from which you get your salary) is an informed Congress."

While I do not speak for any other consumer except for myself—I strongly object to the methods you have used in an obvious attempt to politicize the Consumer Movement.

No real consumer advocate or consumer group would embrace the method of the half-truth as you have done.

Every consumer agency in and out of government always attempts to get a factual perspective on every complaint before bringing it to a final conclusion.

As a member of the Z City Consumer Protection Board, I have not forfeited my personal convictions and the right to speak out on what I believe to be a subversion of truth.

Subsequent to my November 5, 1975 letter a member of your staff has dained to invade my privacy by inquiring of my associates as to my personal life.

Therefore, your attempt to misrepresent the truth by abusing the use of the Congressional Record has been compounded by an attempt on the part of your staff to intimidate me by invading my privacy.

As I recall, the subversion of truth and invasion of privacy were two of the offenses revealed at the Watergate fiasco.

It is obvious to me that your staff is underworked and overpaid and if they have nothing better to do than to determine who I am and for whom I speak, perhaps you can do the cause of Consumerism a real service by firing all superfluous members of that staff.

I am demanding of you an accounting of why your inquisitive staff members are concerned with my privacy and I demand a complete accounting—not the usual half-truth.

Sincerely,

Mr. B.

Congress of the United States,
House of Representatives,
Washington, D.C., February 24, 1976.

Mr. B.,
City Hall of Z,

Dear Mr. B.: I have your letter of February 18th and have reviewed my file on the matter. I believe that the correspondence you and I have had, as well as that which I have had with the Z City Consumer Affairs Committee, seems to be very appropriate.

I am interested in the following statement which appeared in your letter: "Subsequent to my November 5th, 1975 letter a member of your staff has dained to invade my privacy by inquiring of my associates as to my personal life." Let me quote from my letter of November 11th to the Consumer Affairs Committee: ". . . was he setting forth the position of the Consumer Affairs Committee and, if not, was it appropriate for him to use the Committee's stationary? Furthermore, do you consider it appropriate in that event that the same individual involved in a consumer complaint against a company by which he is employed should also represent the Consumer Affairs Committee of Z City in that same matter?" Is there any other matter that you have reference to that I am not aware of? I am somewhat astounded that my letter to the Chairwoman of the Consumer Affairs Committee remains unanswered.

I must say that I am very proud of the performance of my staff and their devotion to the welfare of my constituents.

All the best.

Sincerely,

Edward I. Koch.

Congress of the United States,
House of Representatives,
Washington, D.C., February 24, 1976.

Ms. C.,
Chairwoman,
Consumer Affairs Committee,
City of Z,

Dear Ms. C.: I am enclosing a copy of my letter to Mr. B in response to his letter to me of February 18th, which he apparently sent a copy of to you.

I would appreciate having a response to my letter of November 11th, a copy of which I am again enclosing. I had also referred to that letter in my letter to you of January 27th.

Sincerely,

Edward I. Koch.

March 2, 1976.

Congressman E. Koch,
House of Representatives,
Washington, D.C.

Dear Mr. Koch: Pursuant to your correspondence of February 24, 1976 regarding our previous communication on the matter, I respectfully suggest that the question at hand is not one relating to myself but one which questions the manner in which you as a Congressman have used or abused your privilege regarding the use of the Congressional Register.

As you recall, one of your constituents who did not own a car he purported to own, complained of the service to the vehicle.

Thereupon you inserted into the Congressional Record that individual's letter verbatim without first bothering to seeking both sides of the issue.

Would you as a Congressman do that for every constituent?

Would you do it only for constituents who donated to your campaign?

My Congressman never interceded for me Mr. Koch—why did you intercede in behalf of a constituent without learning both sides of a very important issue?

Therefore, the problem at hand is the reason why you went to the effort and length that you did to intercede in behalf of a constituent.

As a member of the Z city Consumer Protection Board, as a member of my community, and this state, as a taxpayer, as a human being, I found your bizarre and quizzical actions offensive to the sensitivities to all Americans—not only the consumers of this community.

I believe that in a free and democratic society a Congressman has a duty to seek out both sides of any issue for the truth.

I know I represent every American on that issue—not only the people of Z city.

You are wrong Congressman in allowing yourself to be duped by a constituent who did not even own the product he claimed to have owned.

If you are "astounded" that your irrelevant correspondence was not acknowledge by the Consumer Protection Board, then let me astound you a bit more.

I don't believe that you really represent the interests of Americas consumers at all. I think that you have latched onto the Consumer Movement to politicize it and to alienate the uninformed consumer against the business community.

I believe that your kind of "Consumerism" will only succeed in polarizing any community.

The fact that you have the affrontery to question my right to speak out on Consumerism whether it be from a business forum or from my position on the Z city Consumer Protection Board smacks of "McCarthyism."

Try to remember, Mr. Koch, that you are a "liberal"—are you not???

You are a protector of "individual freedom", is that not so—yet you question my right to question you??

Shall a Jew be barred from membership in a Country Club because he is a Jew?

Shall a Negro be barred from a white man's club because he is black??

Shall I be barred from being a member of a Consumer Protection Board because I am the North American Customer Director of an international motor corporation???

Mr. Koch, the Z City Consumer Protection Board is made up of non-paid volunteers who donate their time in an altruistic endeavor to aid their fellow citizens.

I am doing the Z city a really big favor by donating whatever time and talents I have to devote to the cause of consumerism.

Z city could not possibly afford to pay my salary on a professional level.

I seek no reimbursement for my voluntary efforts and no favor.

You see Mr. Koch—it's not like politics where payoffs and "lulus" are a way of life.

I was invited by the former Mayor of Z city to be a member of the Z city Consumer Board.

I do not consider it an honor but rather an unnecessary obstacle to my normal routine since it demands some time which could be better spent with my family—however, I do it because somebody must.

There are not very many honest people around who are above price, have the courage of their convictions and are prepared to serve the public without pay.

I accepted my appointment to the Board only on condition that I be permitted to seek out both sides of any issue to assure that the interests of business and the consumer would be protected in equal measure.

I would not remain on the Board under any other circumstances.

Now you know why I find your use of the Congressional Record so offensive; I believe you are using it to misrepresent the business community.

You have compounded the offense by questioning my right as a Consumer and as an American citizen to question your antics in Congress.

If you are so "proud of the performance of your staff" ask them what they think of Congressmen who would render a decision based on half the facts.

If they told you the truth would you still be "proud"? Or are you "proud" of them because they yes you to death!

I'm not beholden to anybody so I can afford to be honest in my viewpoint!

Respectfully,

Mr. B.

Consumer Affairs Committee,
City of Z, March 12, 1976.

Congressman Edward I. Koch,
House of Representatives,
Washington, D.C.

Dear Mr. Koch: Please forgive the delay in answering your letters but I had to make certain of the facts before I could reply.

I have spoken with Mr. B about the unauthorized use of our committee stationery and the fact that Mr. B chose to involve the Z City Consumer Affairs Committee in a matter which did not have the Committee's approval. In truth, our committee did not learn of this until you brought the situation to my attention. I have asked Mr. B for his resignation and he has agreed to submit same.

We have not taken a stand regarding your position in this matter nor is it our plan to do so. Mr. B presumes to speak for all of us in the Consumer Movement but let me assure you that he does not. We can all personally and individually as citizens speak for ourselves and in addition, as authorized by our by-laws, any public statement the Committee might make must have the consent of the Committee as a whole.

Please accept my apology and that of the Z City Consumer Affairs Committee for this unpleasant situation.

Sincerely,

Ms. C.

Consumer Affairs Committee,
City of Z, March 11, 1976.

Dear Mr. B: This will confirm our telephone conversation of the evening of Tuesday, March 9, 1976. We discussed in detail your unauthorized use of committee stationery and your unauthorized involvement of the Consumers Affairs Committee on a position you had taken with Congressman Edward I. Koch of New York.

It was determined during our conversation that I requested your resignation from the Committee because of your inflexible position in this matter and you agreed to submit same. I have since discussed this matter with the Executive Board of the Consumer Affairs Committee and the Board unanimously agrees that your resignation is required.

Please consider this letter as a formal request for your resignation which should be filed by you with the Consumer Affairs Committee.

I am personally sorry over this unfortunate series of events, but I think you will agree that your attitude and interpretation of your role as a member of the Z City Consumer Affairs Committee is totally unacceptable and cannot continue.

Your early reply will be appreciated.

Sincerely,

Ms. C.

"TYCOONERY IN THE FIRST DEGREE," ET CETERA

(Mr. OTTINGER asked and was given permission to extend his remarks at this point in the Record and to include extraneous matter.)

Mr. OTTINGER. Mr. Speaker, two widely different articles about corporate corruption came to my attention over the weekend. The first is an article which appeared in the New York Times on Saturday, March 20, by Russell Baker, and entitled, "Tycoonery in the First Degree." The second is exhibit 1 of the "Notice of Annual Meeting and Proxy Statement" by Tenneco, Inc., of Houston. Both are self-explanatory and, I believe, worthy of my colleagues' attention; the two items follow:

[From the New York Times, Mar. 20, 1976]

Tycoonery In the First Degree

(By Russell Baker)

We are in the office, ladies and gentlemen, of B. J. Marvellus, president of Dynamic Consolidated. Mr. Marvellus has graciously consented to talk to us about the magnificence of the free-enterprise system—

"The system that made America what it is today, folks."

You have frequently been described, Mr. Marvellus, as a pillar of business corruption.

"Yes, that's true. I think I can say with some pride that I am the most dynamically corrupt of the corrupt businessmen in America today."

We know, sir, the fantastic story of Dynamic Consolidated's growth into one of the greatest multinational corporations in the world, with holdings in oil tankers, skim milk, synthetic hamburgers, barbed wire, bananas, costume jewelry, jet bombers—

"Don't forget Italy. We acquired Italy three weeks ago in the same transaction that merged our fast fried-chicken subsidiary with the Metropolitan Opera Company."

What is the secret of your success?

"A firm faith in the free-enterprise system and plenty of bribery."

It must take a great deal of courage to try bribing Government people in Washington.

"Not only that, but it's foolish. Washington is full of bleeding hearts and crackpots who don't believe in the free-enterprise system. You never know when you're going to run into some crackpot down there who'll report the bribe to the newspapers and embarrass the Government. My advice to young men who want to get ahead in business is never to risk any bribe capital in Washington."

Well, how do you get the Government to see things your way?

"By making plenty of crooked campaign contributions. Of course they're touchier about that lately down there."

Is that why you've begun providing more free holiday weekends at the company's hunting lodges for top Washington brass?

"Yes, we keep the holiday-weekend places full of them now. It's a headache. Not like dealing with foreign governments where you just ship over a few million in bribe money and everything falls into place."

Don't your stockholders complain about being cheated?

"How are they going to find out? We spend a fortune to get the best crooked accountants in the country to falsify the books."

Mr. Marvellus, you say you have corrupted politicians, Government officials, foreign governments, accountants—

"Everybody does it. You have to do it to stay competitive nowadays, and the heart of the free-enterprise system is competition."

If everybody does it, I don't understand your particular claim to distinction. Your boast, as I understand, is that you are the most corrupt of the corrupt businessmen. But you don't seem to be especially more corrupt than everybody else.

"Oh yeah? Well, what about price-fixing?"

You have engaged in price-fixing?

"You bet your buttons I have. And that's not all. I've rigged bids to clip the Government for hundreds of millions."

Still, Charley Success over at International General Cosmics has been boasting that he has spent more money bribing union leaders than any other pillar of business corruption.

"Charley's talking through his hat. He'll sing another tune when the prosecution produces the figures showing how much I've paid out to crooked union bosses over the past ten years. And what about the Mafia? Has Charley ever corrupted the Mafia?"

He hasn't mentioned it.

"I'll bet he hasn't. I'll bet I've paid more money to the Mafia to keep them from stealing us blind than Charley's spent on holiday-weekend lodges for the Pentagon brass."

You say you are being prosecuted.

"By the Government. It's a shame, but there it is. The country's come to a pretty pass when a bunch of corrupt politicians start sticking their noses into the workings of the free-enterprise system."

Do you think they'll be very hard on you?

"If I know the corrupt judicial system of this country, they'll throw the book at me. They'll sentence me to thirty days in the United States."

What will that mean?

"It'll mean for a whole month I won't be allowed to go to Bermuda."

I hope your faith in the free-enterprise system won't be crushed by this persecution.

"Never! For thirty days I'll grit my teeth and say, 'B. J. Marvellus, don't give up. It's people like you, working in the free-enterprise system, who've made America what it is today.' "

You are indeed a model of business corruption, Mr. Marvellus.

"And you, sir, are a prince to acknowledge it. If you stop by the company vault on the way out my lawyer will give you a satchel full of cash. Make sure you spell my name right."

Exhibit 1

In March 1975 the management and the Audit Committee (composed of four outside directors) of Tenneco Inc. reviewed certain payments to foreign business consultants during 1974 in connection with the acquisition or proposed acquisition of properties or materials from foreign governments or agencies thereof. It was concluded at each time that the payments were for valid business purposes and that there was no indication the payments were illegal or improper. Accordingly, no action was taken. Later in 1975, however, the matter was reconsidered by management because of the publicity concerning the new and emerging concept of "sensitive payments" and the concern expressed by various Securities and Exchange Commission (the "Commission") representatives with respect thereto. At a meeting in October 1975 the Audit Committee, with the concurrence of the full Board of Directors, determined that in light of the information presented at the meeting concerning such 1974 payments and the recent publicity concerning foreign and domestic bribes and political activities of an illegal or questionable nature by other corporations, management should undertake at once a full and complete review of the Company's foreign and domestic operations. Tenneco Inc. and its subsidiaries are hereby referred to as the "Company" unless otherwise indicated. The Audit Committee authorized Arthur Andersen & Co., the Company's independent public accountants, and Baker & Botts, the Company's outside legal counsel, to assist in such review. The Commission was promptly advised that, in compliance with the Commission's publicly enunciated and recommended voluntary disclosure program, the review was being made for the period beginning January 1, 1970 and that a report to the Audit Committee and to the Commission would be made as promptly as practicable.

The review has been conducted by representatives of Arthur Andersen & Co. and Baker & Botts, with the active assistance and cooperation of the Company's management. Interim reports by such representatives to the staff of the Commission were made on October 30, and December 18, 1975 and January 20, 1976. Reports to the Audit Committee, and to the full Board of Directors, were made on December 10, 1975 and January 7, 1976.

Information was obtained through written inquiries and personal interviews of executive personnel and other employees of the Company and of certain foreign consultants. Approximately seventy-five such persons have been contacted in one manner or the other, or both. Although no pattern of improper or questionable conduct was revealed either in foreign or domestic operations reviewed at the direction of the Audit Committee, there have been reports of apparently improper or questionable practices in certain instances.

The Company uses numerous local attorneys, advisers, consultants and agents in connection with certain of its foreign operations in approximately 24 countries. These individuals are independent businessmen, many of whom have written contracts with the Company relating to specific countries or areas or to specific projects. During the period January 1, 1970 through September 30, 1975, the Company made or accrued payments aggregating approximately $12 million to such persons (or entities designated by them). Although it is not feasible to state with substantial certainty that none of the payments during such period, other than those described in the following paragraph, were indirectly for the use or benefit of employees of foreign governments or agencies thereof, the investigation did not reveal the existence of any other payments to foreign government employees or military personnel or that any such payments were being "kicked back" to the Company or its employees or used to create a "slush fund" of any kind. However, in some cases the payments are made to the consultant or his nominee outside the country of his residence and verification of the end use of the payments is not feasible. The question of whether local laws of the countries involved are being violated by making such payments to the consultant or his nominee outside the country of his residence is being reviewed and will be reported to the Audit Committee.

Of the payments reviewed for such period, (i) $10,000 is known to have been paid to a foreign government employee, (ii) $25,000 is known to have been invested in a U.S. concern in which one or more foreign government employees probably have a beneficial interest, (iii) approximately $500,000 was paid to the military and to certain military personnel in a foreign country for protection of a subsidiary's employees working in remote, dangerous locations and for rental of military aircraft and related equipment and (iv) a local sales manager of a subsidiary purchased in 1975 out of the subsidiary's petty cash fund merchandise valued at approximately $480 and gave same to three employees or officials of a foreign government purchasing office or agency to which the subsidiary was selling equipment. The two payments totaling $10,000 were improperly described on the books of the Company and may have been improperly deducted for U.S. income tax purposes. The $25,000 investment is properly described on the books of the Company. The payments totaling $500,000 for military protection and equipment were properly described on the Company's books and are considered properly deductible for U.S. income tax purposes because of the absolute necessity of military protection in that particular country. The $480 payment was not correctly described on the Company's books.

In connection with negotiations involving proposed long-term, multi-billion dollar purchases of raw materials from certain countries, consultants have contractual commitments to receive from the Company additional sums aggregating up to approximately $12.0 million (subject to adjustments, not presently subject to determination, under certain circumstances because of fluctuating currency exchange rates) plus out-of-pocket expenses upon successful conclusion of all phases of such arrangements.

Under contractual arrangements in four countries, the Company has made scholarship payments from time to time aggregating $330,000 for the five years and nine months ended September 30, 1975.

In connection with certain sales of products through independent dealers in foreign countries, the Company follows the practice, where requested by such dealers, of withholding all or a portion of the dealer's commission as an account payable to the dealer or of paying all or a portion of the dealer's commission to a bank account outside the country in which the dealer resides. Such deposits are made by check directly to the dealer's designated bank account. Commissions not paid by check are either disbused in cash or by credit against amounts due the Company. The payments are properly described on the Company's books and the Company's tax returns. The question of whether local laws of the countries involved are being violated is being reviewed and will be reported to the Audit Committee.

The Audit Committee of the Board of Directors has directed management of the Company to formulate procedures and policies to eliminate possible irregularities in connection with foreign operations and to present such procedures and policies to the Audit Committee and the Board of Directors for review, comment and approval. Thereafter, management will be charged with the responsibility, through internal audit procedures and such other techniques as may be deemed reasonably necessary (including disciplinary action, and, where appropriate, dismissal for violations), of insuring compliance with such procedures and policies on a company-wide basis. In this connection, and in addition to broader policy statements to be enunciated with respect to U.S. and foreign business operations in general, management intends to recommend the affirmation of substantially the following policy regarding payments which may be made in any country in connection with the purchases of products or raw materials or the sale of products or services:

"The Board of Directors and management of Tenneco Inc., having due regard for and recognition of the responsibilities arising from and attendant to international operations, hereby affirm the corporate policy of Tenneco Inc., its subsidiaries and divisions to the effect that all employees and agents are to comply with the ethical standards and legal requirements of each foreign country in which business is conducted."

Commencing in 1966 or 1967 many high-level executives of the Company made annual cash contributions of $2,000 each to a fund to be used for political contributions. It is reported that approximately twenty executives made contributions each year and that the fund did not exceed $40,000 in any one year. It is reported that this fund was discontinued after 1973. Under applicable Federal law, the legality of the fund turns primarily on "voluntariness". If there was direct or indirect coercion or inducement, whether in terms of advancement or company cars or other job perquisites, the fund would probably be deemed illegal. "Voluntariness" is a subjective determination by each individual participant, and most participants would probably state that their contributions were made voluntarily. For this reason, it is believed that the establishment of the fund did not violate Federal law.

Another employee fund was established at the Newport News Shipbuilding subsidiary before it was acquired by the Company in 1968. Cash contributions were made to the fund by high-level executives of the subsidiary. It is believed that contributions were made only once in the aggregate amount of approximately $10,000. The fund presently has a balance of $2,370 and is in the custody of the subsidiary's general counsel. Disbursements from the fund were made at the direction of the President of the subsidiary. The establishment of the fund is considered to comply with applicable Federal law on the basis that contributions were made voluntarily.

Recipients of campaign contributions from the Company's executive fund are believed to have been generally determined by the chief executive officer of the Company. During the fund's existence from 1966 or 1967 until 1973, campaign contributions were made in Federal elections and in state and local elections. It is believed that contributions in state and local elections were made primarily in Texas and Louisiana. Contributions from a voluntary employee fund are specifically permitted by Federal election law and the Supreme Court has held that such voluntary employee funds were permissible prior to enactment of such election law. It is believed that such contributions are also permissible under Texas and Louisiana law, although no specific statutory authority exists, because of analogous Federal judicial precedent exempting voluntary employee funds and the intent of the law to prohibit only contributions of corporate money.

Contributions were made from the Newport News Shipbuilding employee fund in one Federal election and various state and local elections in Virginia. The contribution to the Federal election is believed to comply with Federal election law on the basis that the contribution was made from a voluntary employee fund. The state and local contributions are likewise believed to be permissible. In any event, state and local corporate contributions are permitted by Virginia law.

During the period from January 1, 1970 through December 1, 1975, three subsidiaries, Tenneco West, Inc., Heggblade-Marguleas-Tenneco Inc. and Stockdale Development Corporation, made campaign contributions in California elections aggregating approximately $180,000, State and local corporate campaign contributions are permissible under California law.

It has been reported that since 1970 two corporate campaign contributions of $100 each were made by local sales managers of a subsidiary, J. I. Case, in connection with state or local elections in Rhode Island and Florida, in both of which states corporate campaign contributions in state and local elections are believed to be permissible. In one or, perhaps, both of such cases, the contribution was not correctly described on the subsidiary's books and/or was improperly deducted for tax purposes.

Beginning prior to 1970 and continuing until August 1972, it is reported that cash amounts ranging from $200 to $2,000 were given on several occasions by the President of a subsidiary, Midwestern Gas Transmission Company, to state public utility commission chairmen in Indiana, Illinois, Kentucky and Wisconsin. The subsidiary officer states that the money was understood to be given in turn by the recipients to various charitable projects of their choice. In 1972 the same subsidiary officer gave $2,000 in cash to the chairman of the Pennsylvania Public Utility Commission. The officer states that the Pennsylvania chairman requested the money for use as a contribution to a charitable dinner in Washington, D.C., honoring a U.S. Senator from Pennsylvania.

The money was given to the Pennsylvania chairman several months after the dinner, and the Pennsylvania chairman states that the money was applied as a reimbursement of his contribution to the dinner. Two other employees of the Company state that they believe or had heard that the money was given to the Pennsylvania chairman to obtain his influence with the head of the General Services Administration, which was participating as an intervenor in a Federal Power Commission regulatory proceeding, Rate Proceeding 71-6, to which a Company division, Tennessee Gas Pipeline, was a party.

The subsidiary officer who delivered the payment and the Pennsylvania chairman deny that this payment had any connection with such proceeding. The money was given to the Pennsylvania chairman several months after the regulatory proceeding had been ultimately resolved in a manner favorable to the division. The Company's executive fund may have been the source of these payments, although this has not been clearly determined since there are no records of disbursements from the fund and the recollections of the subsidiary President and the administrator of the fund differ.

Beginning on October 27, 1970, and continuing until September 1975, a subsidiary, Tenneco Oil Company, made payments of $2,000 per month to the sheriff of a Louisiana parish who is also an attorney. There are conflicting statements regarding the reason or reasons for the payments. The payments were approved by senior management of the subsidiary, but there is no evidence that the Board of Directors or high-level management of Tenneco Inc. were aware of the arrangement. The sheriff is presently under investigation by officials of the U.S. Department of Justice, and the Company does not believe that it would be appropriate to comment further about the matter pending resolution of such Federal investigation.

In June 1970, a $2,000 cash campaign contribution was made to a State District Judge in Louisiana for use in his race for a Louisiana appellate court seat. Approximately eighteen months prior to the contribution, the Judge had granted an injunction against violence on the picket line in connection with a union strike at the plant of a Company subsidiary, Tenneco Oil Company. Approximately two months after the contribution was made, the union filed a motion to dissolve the injunction, which was denied by the Judge in late 1970. The $2,000 was given to the Judge by a local employee of the subsidiary. The payment was approved by senior management of the subsidiary, but there is no evidence that the Board of Directors or high-level management of Tenneco Inc. were aware of this payment. The money probably came from either the personal funds of an officer of the subsidiary or the Company's executive fund, and not from corporate funds. It is believed that the campaign contribution did not violate the Louisiana prohibition against corporate contributions which was then in effect because the money probably did not come from corporate funds.

In 1972 contributions of $1,000 each were made by a subsidiary, Tenneco Oil Company, to two Louisiana District Judges and a Louisiana District Attorney who were running for re-election, all in the same parish. The contributions were made in cash by an employee from the subsidiary's working fund account. The payments were incorrectly described on the subsidiary's books and improperly deducted for tax purposes. The contributions were approved by senior management of the subsidiary, but there is no evidence that the Board of Directors or high-level management of Tenneco Inc. were aware of the payments. The contributions violated the then existing Louisiana prohibition against corporate campaign contributions.

Tenneco proposes to turn over to the Internal Revenue Service the relevant information relating to the foregoing matters and to amend tax returns and make additional payments where appropriate. It is not considered at this time that material income tax deficiencies will result.

At its meeting in October 1975 the Audit Committee of the Board of Directors approved and adopted the following policy statements:

1. The use of assets of the Company or any subsidiary for any unlawful or improper purpose is strictly prohibited;

2. No undisclosed or unrecorded fund or asset of the Company or any subsidiary shall be established for any purpose;

3. No false or artificial entries shall be made in the books and records of the Company or its subsidiaries for any reason, and no employee shall engage in any arrangement that results in such prohibited act;

4. No payment on behalf of the Company or any of its subsidiaries shall be approved or made with the intention or understanding that any part of such payment is to be used for any purpose other than that described by the documents supporting the payment;

5. Any employee having information or knowledge of any unrecorded fund or asset or any prohibited act shall promptly report such matter to the chief executive officer or general counsel of Tenneco Inc.;

6. All executive officers of the Company shall be responsible for the enforcement of any compliance with this policy including necessary distribution to ensure employee knowledge and compliance;

7. Appropriate officers and employees will periodically be required to certify compliance with this policy; and

8. This policy is applicable to Tenneco Inc. and all its domestic and foreign subsidiaries.

The Audit Committee has also directed management to implement procedures for insuring compliance with such policies and to report to the Audit Committee and to the Board of Directors with respect thereto. Following such report and review thereof by the Board of Directors of the Company, a definitive statement of such policies and procedures will be distributed on a company-wide basis.

The matters described herein have been voluntarily disclosed by the Company, and the Company has advised the staff of the Commission that its documents, books and records relating to the investigation ordered by the Audit Committee will be made available at the Company's offices for examination by the staff of the Commission upon request.

In keeping with the practice of other companies reporting matters of the type described herein, the Company is reporting same on a Current Report on Form 8-K under the caption "Other Materially Important Events". The Company does not deem such matters material and the disclosure thereof shall not be deemed an admission of materiality.

THE U.S. POSTAL SERVICE CONTINUES TO DETERIORATE

Mr. OTTINGER. Mr. Speaker, we are all aware of the fact that mail delivery services in the country have deteriorated so badly in recent months that many people are demanding a return to the days when this function was carried out entirely by the Federal Government. Rate increases, continued large Federal subsidies, the closing of rural post offices and severe cutbacks in service have led many of us to conclude that this may in fact be the only practical remedy.

Several months ago Congressman Ken Hechler and I introduced legislation (H.R. 9766) to abolish the U.S. Postal Service, repeal the Postal Reorganization Act and restore the old Post Office Department. Within the next few days we hope to give our colleagues in the House the opportunity to cosponsor this measure. I know that a number of other bills similar to our already have been introduced.

Over a period of the past few months newspapers in my district have editorialized extensively on this subject and have repeatedly concluded that Federal operation of mail services and facilities is the only remedy to these problems. One of the best pieces I have seen on the subject appeared in the March 9, 1976, editions of the Westchester Rockland Newspapers in an editorial which I am inserting into the Record for the benefit of our colleagues. I could not agree more with the observations made:

Postal Morticians

Postmaster General Benjamin Bailar is warning the public of drastic reductions yet to come, the alternative being that "if the public elects to continue the postal service in its present form. It may find the first-class stamp becoming a luxury item in the next decade and the Postal Service a ponderous and costly leftover from simpler, more affluent times."

Hence, he says, there's really no choice but to embark on a retrenchment program that will, among many other things, eliminate scads of post offices, cut deliveries to five days and end the practice of front-door residential deliveries (in favor of "cluster boxes").

All in all, Ballar offers not a choice but a dilemma.

Major changes are inevitable in any event, he points out, as direct electronic transfer of fund accounts, as well as other electronic transmission techniques, progressively shrink the volume of letter mail.

This is true, of course, and it will take care of itself in the course of evolution. But anticipating future electronic developments is scarcely a sound reason for getting into heavy demolition now, when the system's services are still heavily in demand.

Nor is Ballar persuasive in arguing that many of today's postal policies are passe because they were instituted in an earlier era "to promote news, culture and commerce in the hinterland." That rationale, he suggests, has become largely obsolete because of the prevalence of the telephone, radio, television and automobile. With the exception of television, which hasn't made all that much difference in this context, those modern contraptions were all in general use 40 and 50 years ago. They were no substitute for an adequate mail system then, and they aren't now.

The inescapable inference is that the present PS aggregation is assuming the role of mortician for the postal system—which was not at all what Congress had in mind when it created the postal corporation. The idea was to rejuvenate the system, not bury it.

If the concept of service in the nation's postal system is to be restored and safeguarded, it's obvious that management is in the wrong hands. It's time for Congress to consider putting the system back under federal ownership and operation, backstopped by a consistent, broad-based subsidy arrangement that will hold rates within universal reach.

As between imperfect solutions, that would have to be an improvement over the present moribund misdirection.

CONGRESSIONAL CONTROL OVER RESCISSIONS

(Mr. OTTINGER asked and was given permission to extend his remarks at this point in the Rcord and to include extraneous matter.)

Mr. OTTINGER. Mr. Speaker, the Congressional Budget and Impoundment Control Act of 1974 stands as a historic and critical milestone in the history of the legislative branch of Government. For the first time the Congress is able to carefully scrutinize every aspect of the Federal budget and can undertake comprehensive and long-term budget planning on its own, taking into account the effects of social and economic change on the quality of life in the country and its independent perception of the future needs and priorities of all Americans. This law also provides for a greater legislative control on matters pertaining to the budget and Federal spending.

Although the Congressional Budget Act has streamlined and greatly improved the manner in which the House and Senate are able to act upon the Federal budget, there is one aspect which has been grossly misused by the present administration and which represents a deficiency which must be corrected—the manner in which the President has requested the rescission of budget authority. Frankly, there have been many instances in which President Ford and his advisers have attempted to thwart the intent of Congress through the rescission process.

As the distinguished chairman of the House Appropriations Committee observed on the floor over a year ago:

> When we enact legislation, we intend that the legislation should be carried out by the executive branch in accordance with the law.

All too often, however, the rescission procedure has been implemented by the White House with a view toward substantially altering the manner in which a program is implemented by limiting the amount of funds made available for such programs. Consider, for example, the administration's ill-conceived attempts to debilitate the section 235 housing program; the substantial reductions in funds to erect and modernize health centers and construct urgently-needed outpatient facilities under the Hill-Burton program; and unnecessary cutbacks in the budget of the Economic Development Administration.

Aside from the rescissions themselves, their timing also leads to permanent damage to various programs in certain instances. Consider the fact that when the Congress appropriates funds for a certain program the President and OMB have up to 30 days in which to apportion this money to the appropriate agency or agencies for each quarter. At the end of this period, the administration can decide not to apportion the funds by impounding them through the rescission process. If the rescission is proposed prior to a recess, then the period of time in which funds are not available is significantly longer than the 45 days provided under the Impoundment Control Act. In one instance, involving an education program, the rescission process was stretched out for over 4 months.

Unquestionably, this procedure creates a great deal of uncertainty on the part of program administrators and beneficiaries and creates needless delays and work. Although funds may eventually not be reduced—or reduced to the level sought by the administration—the temporary dislocations and uncertitude which arise gravely damage worthwhile programs or prevent them from fully achieving the goals which had originally been envisioned.

In most instances the Congress has failed to support the administration's efforts to impound funds through rescissions. Last year, for example, the Congress approved only 38 out of 81 rescission requests—or 46 percent—and so far this year we have authorized only 6 out of 44 requests for rescissions—or 13 percent. Congressional Quarterly reports this week that, as of March 19, the President had requested rescissions of some $3.1 billion in fiscal year 1976 but Congress had agreed to only $145.8 million. Thus, I believe our colleagues in the House and Senate have been perceptive enough to see through these shams and to recognize—particularly during these very difficult times of massive joblessness and stagnating economic conditions—that new jobs can be provided and the economy generally stimulated by releasing the impounded funds and making them available for obligation. However, we must have the ability to act sooner to overturn rescissions and to make the necessary funds available as quickly as possible, without undermining the new budgetary process.

I am today introducing legislation providing that either House of the Congress may, by simple resolution, disapprove any rescission without waiting for the 45-day period now prescribed by the Impoundment Control Act to expire. I believe that such a revised procedure will not only expedite the consideration of rescission requests but will also go a long way toward preventing irreparable harm to programs by releasing funds on a more timely basis. I feel that this measure will strengthen the budget process and afford the Congress a more definitive voice in the manner in which the Federal Budget is carried forward.

I insert herewith, for inclusion in the Record, the text of my bill and urge that it be given prompt and favorable consideration in order that we can avoid the pitfalls we have experienced over the past several months:

H.R. 12743

A bill to amend the Impoundment Control Act of 1974 to provide that either House of Congress may by resolution disapprove any rescission or reservation of funds proposed by the President, without waiting for the expiration of the 45-day period prescribed (for disapproval by congressional inaction) by present law

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) section 1012(b) of the Impoundment Control Act of 1974 is amended by adding at the end thereof the following new paragraph:

"(2) Notwithstanding paragraph (1), any amount of budget authority proposed to be rescinded or that is to be reserved as set forth in the special message shall be made immediately available for obligation if either House (before the expiration of the prescribed 45-day period) passes a rescission resolution disapproving such rescission or reservation."

(b) Section 1011 of such Act is amended by redesignating paragraphs (4) and (5) as paragraphs (5) and (6), respectively, and by inserting after paragraph (3) the following new paragraph:

"(4) 'rescission resolution' means a resolution of the House of Representatives or the Senate which only expresses its disapproval of a proposed rescission or reservation of budget authority set forth in a special message transmitted by the President under section 1012;".

Sec. 2. (a) Section 1017(a) of the Impoundment Control Act of 1975 is amended by inserting "or rescission resolution" after "rescission bill".

(b) Section 1017(b)(1) of such Act is amended—

(1) by inserting ", rescission resolution," after "a rescission bill"; and

(2) by inserting "or rescission resolution" after "any other rescission bill".

(c) Section 1017(c) of such Act is amended—

(1) by inserting ", rescission resolution," after "rescission bill" each place it appears; and

(2) by striking out "an impoundment resolution" in paragraph (2) and inserting in lieu thereof "a rescission resolution or impoundment resolution".

(d) Section 1017(d) of such Act is amended—

(1) by inserting ", rescission resolution," after "rescission bill" where it first appears in paragraph (1), and in the last sentence of paragraph (2); and

(2) by striking out "an impoundment resolution" in the second sentence of paragraph (2), and in the last sentence of paragraph (3), and inserting in lieu thereof "a rescission resolution or impoundment resolution".

Sec. 3. The amendments made by this Act shall apply with respect to special messages transmitted by the President under section 1012 of the Impoundment Control Act of 1974 on or after the date of the enactment of this Act.

ERISA

(Mr. DENT asked and was given permission to extend his remarks at this point in the Record and to include extraneous matter.)

Mr. DENT. Mr. Speaker, over the past several months there has developed a growing chorus of criticism aimed at ERISA. Much of this discontent has come from those who were originally opposed to the idea of providing Federal protection to the more than 35 million employees enrolled in private pension plans.

Some of these critics are charging that the law is responsible for the termination of some 5,500 pension plans in 1975. The Pension Benefit Guaranty Corp. has actually received 5,035 notices of intention to terminate, but of this figure 813 were duplications, misfilings or for some other reason did not evidence a plan termination. The correct figure then is 4,222 plan terminations in 1975. This figure is comparable to the 4,130 terminations reported for 1973, the year before ERISA was enacted.

In a study prepared by the Employee Benefit Plan Review, a private organization, the following 1975 pension plan termination data was uncovered:

Thirty-seven percent of the terminated plans cited "adverse business conditions" as the primary reason for the plan termination;

Eighteen percent indicated that the employer shut down his covered operations either completely or partially;

Thirteen percent of the terminated plans reported a change in ownership;

Sixteen percent of the reported plan terminations did not terminate at all but merely switched to another plan; and

The remaining 16 percent represented a miscellany of reasons for termination.

Thus, it can be assumed that the overwhelming majority of the 1975 pension plan terminations has little or nothing to do with ERISA but were directly related to the generally poor economic, business, and investment climate that characterized 1975. Another fact that the critics do not mention is that given the poor economic conditions of 1975, there still were some 33,000 applications for new pension plans filed with the Internal Revenue Service.

Mr. Speaker, while the 1975 pension plan terminations have little or anything to do with the law, my subcommittee, which has oversight responsibility, and I recognize that ERISA is not perfect. We also recognize that the implementation and administration of the act by the two Federal agencies involved—Labor and Treasury—has been far from satisfactory.

To correct what we felt were problems in the law itself, the subcommittee—at the initiation of Representative John N. Erlenborn—the ranking minority member—and I—has approved a number of remedial amendments. In addition to making certain technical and clarifying changes the amendments are designed to:

First, simplify the burdensome and expensive reporting requirements which presently confront plan administrators;

Second, limit the excessive burden of the prohibited transactions in light of inability of the two agencies to deal with this section of the law;

Third, clarify the duties and liabilities of fiduciaries.

These amendments have been favorably acted upon by both the Subcommittee and the full House Education and Labor Committee, and are now awaiting consideration by the House of Representatives.

I sincerely believe that these amendments, if enacted, will go a long way in eliminating the administrative confusion that has arisen with respect to ERISA. However, this law, like any other, is only as effective as its implementation and administration. In this regard, my oversight hearings on implementation of ERISA have convinced me that the administration has bungled its responsibilities and is the direct cause of the chaos which has surrounded ERISA's first year. The Labor Department has used its discretionary authority to place undue reporting and disclosure burdens on pension plan administrators. The Department, because of its bureaucratic inertia, has issued clarifying regulations at a snail's pace, leaving plan administrators in the dark as to what they are supposed to do. The Department has also held up, for some unknown reason, almost all requests for exemptions under the prohibited transactions section of the law. The only such request approved was for the investment community and the Department has given my subcommittee no good reason why it approved that request so expeditiously while dragging its heels on the others.

ERISA represents sound and effective national policy. My amendments will insure its further effectiveness. The problems, as far as I am concerned, have little to do with the law, but rather can be attributed to the political motivations on the part of ERISA's critics and inefficient administration on the part of the Labor Department and Treasury Department.

ADDITIONAL AMENDMENT ON SURFACE MINING CONTROL AND RECLAMATION ACT

(Mr. MELCHER asked and was given permission to extend his remarks at this point in the Record and to include extraneous matter.)

Mr. MELCHER. Mr. Speaker, yesterday I included several amendments to H.R. 9725, the strip mining bill, that will be considered when that legislation is taken up by the House. One of the amendments—dealing with sealing auger holes—was inadvertently left out. I have placed that amendment in today's Record for consideration by my colleagues:

Auger Holes

Section 515

Page 89, line 12: strike out subparagraph (9) and insert in lieu thereof the following new subparagraph:

"(9) plug all auger holes to a minimum of six feet in depth with an impervious and noncombustible material (such as clay) to prevent the flow of water in or out of such holes."

Explanation: This amendment clarifies the intent of H.R. 9725 that auger holes be plugged (rather than completely filled). The language of this amendment is based on similar language of the Pennsylvania law.

REVIEW OF SOVIET EMIGRATION POLICIES

(Mr. DODD asked and was given permission to extend his remarks at this point in the Record.)

Mr. DODD. Mr. Speaker, as many of you might know, Ukrainian mathematician Leonid Plyushch recently was released after 2 years' imprisonment in a Soviet psychiatric hospital, where he reportedly was subjected to inhumane drug treatments. He and his family finally were allowed to leave the Soviet Union, and now they are living temporarily in France.

Mr. Plyushch's release came about only after widespread international outcry, including many letters on his behalf from the people of eastern Connecticut. Several Members of Congress also wrote to the leaders of the Soviet Government, and those of us on the House Judiciary Subcommittee on Immigration visited Mr. Plyushch's wife, Tatyana, during our trip last May to the U.S.S.R.

The U.S.S.R. charged Mr. Plyushch with "anti-Soviet agitation and propaganda," the usual accusation against anyone attempting to disagree with its policies. The Soviets really were trying to silence his voice, which spoke out in support of Ukrainian cultural heritage and human rights.

Although still an avowed Marxist, Mr. Plyushch has decided to speak out at every opportunity against Soviet repression of minority groups and of dissidents, especially through using psychological or drug-induced, pressure methods.

For that reason, he will be coming to Washington, D.C., later this month to testify before the House International Relations Subcommittee on International Organizations. Both Mr. and Mrs. Plyushch also have expressed an interest in meeting with our Immigration Subcommittee, and we are looking forward to seeing her again and talking with him for the first time.

Now that Mr. Plyushch has been released, and in light of the Second Brussels Conference on Soviet Jewry, international efforts should be redoubled on behalf of those many others still denied human rights in the U.S.S.R.—such as Ukrainian historian Valentyn Moroz and Jewish refusenik and prisoner of conscience Hillel Butman.

We hear a lot of discussion about whether international public opinion and pressure really is the way to persuade the Soviets to become more lenient in their emigration policies.

Some people say that mounting public outcry is the only way human rights will ever be secured for those in the U.S.S.R. Others argue that quiet diplomacy is better, and more effective.

I believe that we must follow both courses of action. Certainly quiet diplomacy can sometimes have great results. However, there is strong evidence that, for some strange reasons and at some times, the Soviets appear quite sensitive to public pressure—of course, usually when it is in their best interests to be.

In the recent past, a combination of factors, including public pressure, apparently has resulted in the emigration of some people—Plyushch, Uri Podriachik, Hillel Khayet. In Plyushch's case, it also is thought that the U.S.S.R. wanted to quiet the protests on his behalf from the French and Italian Communist Parties. They might also have wanted to undercut the Second Brussels Conference.

Yet no one really knows for sure why some people are allowed to emigrate and others are not, because the Soviets shroud their policies in great mystery. So until we know, without a doubt, that public pressure hurts rather than helps the cause of human rights in the U.S.S.R., I think we should continue.

There also is another important reason why we should continue to write the Soviets, and speak out, and this reason was repeatedly emphasized to me during my trip to Russia last year.

Each time we write or speak out, the many people in Russia who are seeking their own human rights are encouraged to continue their struggle. They have renewed hope that the rest of the world has not forgotten them, and their faith is renewed that their cause is just and will someday, hopefully, be successful.

I think that, by itself, is a good enough reason for us in this country to continue to do our part on their behalf.

ANNALS OF WAR

(Mr. HARRINGTON asked and was given permission to extend his remarks at this point in the Record and to include extraneous matter.)

Mr. HARRINGTON. Mr. Speaker, the March 1 issue of the New Yorker contains the first installment of a three-part series entitled "Friendly Fire" by C. D. B. Bryan. The narrative, which I strongly recommend to the attention of my colleagues, chronicles the experience of an Iowa family seeking explanations for the war in Vietnam, which took the life of their oldest son.

In describing the family's effort to learn the circumstances surrounding the young man's death, the article captures the frustration and despair involved in tangling with the military bureaucracy. The way in which our Government responds to a grieving family is only one of the many ugly realities of the Vietnam conflict which the author addresses in this article. I recommend it not only as a compelling journal of one family's loss, but also as a reminder of the degree of distruction we are capable of inflicting—both on ourselves and on those we seek to dominate—when reason and compassion are abandoned in war.

The text of the article follows:

Annals of War: Friendly Fire—I

(By C. D. B. Bryan)

On his last night of leave, Wednesday, September 3, 1969, Michael Eugene Mullen worked until ten o'clock on his family's farm—a hundred-and-twenty-acre tract five miles northwest of La Porte City, in Black Hawk County, Iowa. He stayed down in the lower eighty acres on his father's old plum-red Farm-all H-series tractor, ripping out brush and dead trees, bulldozing the trash into the dry streambed of Miller Creek, clearing and filling in the land so it could be used as pasture again. Shortly after midnight when his father, Oscar Eugene Mullen, who is called Gene, had returned from working the second shift at the huge John Deere tractor plant in Waterloo, Michael had almost finished packing and was talking to his younger brother, John, behind the closed door of the bedroom they shared. Peg Mullen, Michael's mother, and Mary and Patricia, his two younger sisters, were asleep, so Gene made himself a cup of instant coffee and sat down alone at the kitchen table. From where he sat, Gene could see Michael's Vietnam orders resting on a little corner table, where they had been all through his son's twenty-three-day advance leave. When he had finished his coffee, he got up and knocked on his son's bedroom door. Michael opened it, and at the far side of the room Gene could see the closed barracks bags, the Army uniform, and the shined black shoes set out for the morning.

"Would you like anything from the kitchen, Michael? A beer?" Gene asked.

Michael finished locking up his metal tackle box. It held his arrowhead collection, some special letters, some snapshots, the corporal's stripes he'd earned at Fort Benning, addresses, insurance papers.

"No, thanks, Dad," Michael said. He slid the tackle box onto the top shelf of his closet.

Gene, still standing in the doorway, could not look away from Michael's uniform hanging on the back of the closet door. "Mikey?"

"Yes?"

"Be careful?"

Michael smiled at his father and said, "I will, Dad. I will."

The next morning was warm and sunny. John got up early and caught the bus to school. Michael was all packed and in his uniform. Breakfast was over, the dishes done. Gene kept looking at the electric clock over the wall-oven door. "What time did you say your plane left?" he asked.

"Ten," Michael said "I have to check in by nine-thirty." Michael looked at his wristwatch, and Gene again looked at the electric clock. (Over a period of years, I had countless talks with the Mullens, and, as accurately as they could, they recalled for me the important scenes and conversatons in the family's history. I have taken the liberty of changing the names of some of the minor participants.)

Peg Mullen was moving back and forth across the kitchen, dabbing at counters with a sponge. "Would anyone like some more coffee?" she asked.

"No, thanks," Gene said.

"You, Michael?" she asked.

"No, thanks, Mom," Michael said, and he looked at his watch again.

"What time is it?" Patricia asked him.

Before Michael could tell her, he had to look at his watch once more. "Eight-fifteen," he said.

The Mullens decided to leave for the Waterloo Municipal Airport early. Gene drove, with Michael sitting up front next to him; Peg, Patricia, and Mary sat in the back. During the drive, the family hardly spoke.

The center of Waterloo is about twelve miles northwest of the Mullens' farm, and the airport is another few miles beyond that. The Mullens drove past a big new shopping center on Highway 218, with the Hy-Vee Market and the Sears and J. C. Penney stores. Gene said something about how fast all that area was changing, and Michael agreed. They passed the Robo Car Wash and Burger King, Donutland and the Cadillac Bowling Lanes, and then they were in Waterloo, caught up in the traffic until they cleared the city. Beyond were the flatlands and railroad tracks they had to cross to reach the airport.

The Mullens entered the terminal building a little after nine. Michael wouldn't let his father help him with the barracks bags, insisting that it would be easier for him to carry both of them himself. The family took seats in the near-empty waiting room and stared out the large window at the vacant airfield.

Michael kept wiping the palms of his hands on his knees.

"Do you need a magazine?" Peg asked. "Something to read?"

Michael stood up abruptly. "Maybe I can check in," he said.

"It's still early yet," his father said.

"I know," Michael said. "But maybe I can check in anyway."

"I'll go with you," Mary said.

"No," Michael said. He smiled at her. "I'll be right back."

Peg followed him with her eyes.

"He looks scared," Patricia said.

"He's fine," Gene said.

A few minutes later, Michael returned, waving his tickets. "I'm all checked in," he said.

"Did you get a magazine?" his mother asked.

"I'll read something on the plane," he said.

"Do you have everything?" she asked.

"I'm fine, Mom. *Really.*"

Peg looked away from her son and out the window.

When Michael's plane came in, he stood up, and his family rose with him.

"Look," Michael told them. "Don't stick around for the plane to leave. You don't have to wait."

"We'll wait," his mother said firmly.

"No, please," Michael said. "I'll be all right." He went to Mary and Patricia and told them that they shouldn't wait around, and that they should tell John there'd be a lot more work now that he was going. And each sister had a moment to herself with Michael, a chance to tell him to take care of himself, to be careful, that she would pray for him, miss him, that she loved him and would write letters all the time and would send him things—anything; all he had to do was say what he needed. Michael gave them each a kiss, and then they moved away, because it was their parents' turn.

Gene fingered a bronze medallion the size of a twenty-five-cents piece which hung from a chain around his neck. The medal, depicting the Virgin Mary, had been given to Gene more than thirty-five years earlier by a Chinese student he had befriended when they were undergraduates together at Marquette University, in Milwaukee. Gene had worn it ever since. He lifted its chain from around his neck and handed it to his son, saying, "Mikey, I've tried to give you everything—" His voice broke, and he took a deep breath and began again. "Tried to do everything a father—"

Michael was looking down at the medallion, now chestnut-colored with age.

"I wore this medal through the Second World War," Gene was saying. "I give you this— I give you—" He could say no more.

Gene just looked at his son, half in pride, half in agony.

"I'll wear it," Michael said.

He loosened his black Army tie and unbuttoned the collar of his khaki-colored shirt. He draped the medal and chain around his neck, carefully centered it with the dog tags on his chest, and buttoned his shirt. Then Michael turned to his mother and hugged her. It was an awkward embrace, shorter in duration than either of them wished. He put his hand out to comfort her, and Peg took it. When she looked up at him, she, too, was unable to speak.

"Mom?" Michael said. "Don't worry yourself now, O.K.? O.K.? Come on, now, Mom, please? It'll all be over March 1st."

He gently pulled his hand from hers, picked up his barracks bags, and turned away. Peg watched her son walk past the cafeteria toward the doors that led to his plane. Michael stopped in the narrow passageway, dropped his barracks bags, and turned back for one last look at his family, but as they started to move toward him he quickly lifted his bags and hurried out.

Mary and Patricia cried quietly on the drive back to the farm. Peg could see that Gene was gripping the steering wheel so tightly that his knuckles were white. When they were once again on the other side of Waterloo, back on Highway 218, past the Burger King and Robo Car Wash and heading toward their farm, Peg resolved to cheer them all up by telling them what Michael had said to her just before boarding the plane—that the war would be over by March 1st.

"Why March 1st?" Gene asked her.

"I don't know," Peg said. "He just told me not to worry. That it would all be over then."

On March 1, 1970, Michael Eugene Mullen, aged twenty-five, was returned to the Waterloo Airport in a United States Army-issue twenty-gauge steel casket.

Long before the death of their elder son, the Mullens had earned their place on that prairie land. Michael was to have been the fifth generation of his family to work the same Iowa fields, and the most recent link in an unbroken family chain reaching back, through more than two-thirds of our history as a nation, to John Dobshire, his paternal great-great-grandfather, who, seeking a better life in the new land, emigrated from Ireland in 1833, leaving behind his wife, Ellen, and their nine-month-old daughter, Mary Ann.

The Mullens do not know when John Dobshire first set foot in Iowa; in fact, they aren't really sure what he did in the thirteen years following his arrival in America in 1833. They believe he came out to Iowa in 1846, looked the land over, and then left to serve as a driver of supply wagons for Major General Zachary Taylor during the Mexican War. Taylor was known to like Irishmen, and during that period of "No Mick Hired" prejudice, a teamster job with the Army meant not just money but the promise of a Presidential land grant after the war. John Dobshire had nothing against the Mexicans; he saw military service simply as his only opportunity to help his wife and daughter escape Ireland.

John Dobshire returned to Ireland for his family in 1850, after an absence of seventeen years. The Mullens believed they sailed to America in 1851. The Dobshires must have been fully aware of the risks of the ocean crossing. Between 1847 and 1853, fifty-nine ships carrying Irish and British emigrants to North America were lost at sea.

After landing in New York, the Dobshires journeyed directly to New Orleans, where they boarded a paddle-wheel steamboat for the trip up the Mississippi River to Dubuque. In Dubuque, John Dobshire bought a "prairie schooner"—a flatbed lumber wagon with a canvas top that could be drawn in for shelter at each end. Unlike the more famous Conestoga wagon, the prairie schooner was light enough to be pulled by two horses or a yoke of oxen even on virgin prairie trails. Two German immigrants, the brothers Isaac and Jacob Walker, made friends with the Dobshires in Dubuque and decided to accompany them west.

Gene Mullen likes to think of the two wagons crossing the prairie together, the tall grasses higher than the wagons' wheels. He can picture his great-grandfather's prairie schooner, with its barrel of water strapped to one side, an iron skillet, perhaps, gently banging against the other side, and a bucket of grease for its axles hanging from the tailgate. He wonders what goods the Dobshires might have brought with them from Ireland. Only a darkened tin tea cannister with an elaborate embossed floral design has survived. It sits now on the bureau on what was Michael's side of the boys' room.

John Dobshire chose to homstead the site on which the Mullens' modern ranch-style farmhouse now stands because there was a plentiful water supply—he was within two miles of the Cedar River and within a short walk of Miller Creek. There were springs on top of his hill—a hill so slight that one is hardly aware of it as such. Since John Dobshire could not read or write, no record exists of what homesteading meant to him. The Mullens do know that the Dobshires spent their first winter—the winter of 1852—in their prairie schooner and three times fled their homestead when Indians, coming up Deer Creek from Tama to hunt and fish, scared the family away. John Dobshire took his wife and daughter to Cedar Falls for refuge, where there was a sawmill and a gristmill and a couple of cabins. There was a closer settlement, Waterloo (it had been called Prairie Rapids until 1851), consisting of six cabins and a post office, but Dobshire chose Cedar Falls, because of the sawmill. When he built his house the following spring, it was made of cutboards—not logs, like the houses of the Black Hawk County homesteaders around him. John Dobshire's small house, completed in 1853, sheltered his descendants off and on for the next hundred years.

By 1855, Dobshire had occupied his homestead for three years and was qualified to receive his forty-acre site free for his service during the Mexican War. The year that Dobshire received his land grant, the Illinois Central Railroad reached the east bank of the Mississippi opposite Dubuque. Among the men laying track was young Patrick J. Mullen, Michael's paternal great-grandfather-to-be. Patrick, who had emigrated from Ireland five years before, was then twenty-one, stood about five feet eight inches, and was thin but hard and broad-shouldered. He had thick, black hair, a narrow face with prominent cheekbones, and dark eyes that appeared deep-set and somewhat close together, because of his nose, which projected above his wide, straight mouth like a hatchet blade. Patrick Mullen quit the railroad at its river terminus and crossed the Mississippi to Dubuque.

Late in 1855, Patrick continued west and met John and Ellen Dobshire's daughter Mary Ann. He courted her through the harsh winter, and she consented to be his bride that spring. They were wed by a French missionary priest in a little log-cabin church across the Cedar River at Gilbertville. They moved to Waterloo, where Patrick took a job as a construction laborer. At about this time, John Dobshire brought out the two Walker brothers, taking title to eighty acres that they owned northeast of his land-grant forty. It was this eighty-acre piece that Michael Mullen worked on during his last night of leave.

In 1860, Patrick and Mary Ann Mullen left Waterloo and bought a parcel of land in the northwest corner of Section 18, two miles west of John Dobshire's farm. There Patrick Mullen opened a creamery and a quarry, and many of the stone buildings in nearby communities were built of Patrick Mullen's stone. But his primary reason for moving out of Waterloo was that the Dubuque & Sioux City Railroad reached Waterloo that year. It would be difficult to overestimate the impact that the railroad made on that area. The years of isolation and loneliness, the estrangement born of living physically and emotionally separated from the rest of the country, were ended. Now that distant markets had become accessible, the demand for farm products created a financial opportunity that Patrick could not ignore; he knew it was time to farm.

Patrick J. Mullen and Mary Ann Dobshire Mullen had eight sons and four daughters; two of the sons died in infancy. Patrick put every bit of money he could spare into buying more land. As soon as one of his sons grew old enough to drive a team of horses, he would buy more acres for that son to work. Gene Mullen's father, Oscar L. Mullen, was born July 29, 1880; he was the youngest of the surviving sons. John Dobshire died when Gene's father was six years old. At his death, Dobshire left his hundred-and-twenty-acre homestead to his wife, Ellen, who in turn deeded it over to their daughter, Mary Ann, on the condition that she "agree to support and maintain said Ellen Dobshire during her natural life and furnish her with proper food, suitable clothing, proper attention and medical care during sickness, and pay all funeral expenses after her death." If Mary Ann should prove willing, then "this land shall stand as security for the faithful performance of said contract." John Dobshire was buried at the small Catholic cemetery at Eagle Center, on Section 14, about six miles southwest of his farm. After the funeral, Ellen Dobshire moved into her daughter and son-in-law's new, two-story frame house.

Patrick J. Mullen had become one of the most successful farmers in Black Hawk County, prosperous enough to provide each of his five sons with his own driving team. The new house, built to shelter his growing family, was on a slight hill about a mile south of his original quarry homestead, and was near one of the loops of Miller Creek.

Oscar L. Mullen and Margaret McDermott, Gene's father and mother, were married at Blessing, Iowa, on February 12, 1908. By 1910, Oscar was listed as the manager of his father's Grand Hereford Stock Farm, and his wife had already become involved in local Democratic politics—an activity that would remain the consuming interest of her life. Oscar's older brother, Lawrence Mullen, managed their father's Miller Creek Stock Farm, which adjoined the Grand Hereford farm, in the northwest corner of Section 18.

Although Patrick Mullen had retired by the turn of the century, he retained titular control of his lands. On the 1910 maps of Cedar, Eagle, and Big Creek Townships in Black Hawk County, a total of 1,186.64 acres, valued at between eighty and a hundred and twenty-five dollars an acre, are listed in the Mullen name. In addition, he owned six hundred and forty acres of rangeland worth about fifty dollars an acre in Palo Alto County, a hundred and eighty miles to the northwest.

Unfortunately, the Mullens would never have it quite so good again.

Mary Ann Dobshire Mullen died in 1914; she was seventy-six. Patrick J. Mullen died eleven years later, on March 26, 1925, just nine days after his ninety-first birthday. Gene Mullen was nine years old at the time.

Patrick J. Mullen died while the rural Midwest was suffering from an agricultural depression, leaving almost his entire estate locked up in land and each of his ten surviving children demanding an equal share. None of the daughters wanted to keep their land,

and by the time the estate was settled, Gene's father's share was reduced to the original Dobshire holdings: the land-grant forty acres and the eighty acres bought from the Walker brothers.

Gene Mullen, now in his sixtieth year, has the powerful sloping shoulders and strong forearms of a man who has worked all his life with his hands. He has a round face—perhaps more a dobshire shape than the long, thin face of Patrick Mullen—and an Irish-pink complexion set off by a full head of silver-white hair as fine as a child's. He wears plain black half-frame glasses, the bottom halves of the lenses held in place by simple metal rims. And a thin wire curls up to a hearing aid in his right ear. Gene's voice is low, deep, surprisingly gentle.

In late November, 1941, Gene Mullen married Margaret Goodyear, of Pocahontas, Iowa, thirty miles northwest of Fort Dodge. Everyone calls her Peg. Fifteen days after their marriage, the Japanese bombed Pearl Harbor, and a few months later Gene Mullen left Black Hawk County to serve in the Army. Because of his hearing defect, he was not able to serve overseas. Their son Michael Eugene Mullen was born on September 11, 1944. In the spring of 1945, Gene was sent to Fort Logan, Colorado, promoted to master sergeant, and put in charge of the mess hall. Some of the men who worked for him were German prisoners of war. For ten years following the war, Gene continued to exchange Christmas cards and correspondence with some of his former P.O.W.'s.

While Gene was in the Army, the Mullen farmland was rented out. Each year for the four years Gene was away, a different tenant farmer would come in, do spring plowing and fall harvesting, and then leave. When Gene returned, in 1946, the land had been left in such poor shape that he was unable to make a living on it. His discharge pay came to only eight hundred and seventy-five dollars, jobs were scarce, and, in addition to his wife and son, Gene had to help support his mother and father, who were both ailing.

Gene, Peg, and young Michael moved back into John Dobshire's old house, and Gene borrowed thirty-five hundred dollars from a local bank to buy enough equipment to get the farm started again. During that first fall harvest, Gene spent three weeks helping his neighbor Ralph Moore pick his corn, but Moore needed to spend only four *hours* helping Gene pick his. The following year, Gene tried raising cattle and lost all his pasture land in a spring flood. In debt for his farm machinery and cattle, Gene had to take an outside job, first at the Rath Packing Company, where he remained until 1955, and later at the John Deere tractor plant. Both plants were in Waterloo, and Gene was able to farm in the morning and leave for the second shift in the afternoon. Five days a week, he did not return to the farm until after midnight.

Michael had the same love for the land that his father did. When Gene Mullen walks his fields, he will sometimes pause and wonder whether his great-grandfather might have walked that same section, or his grandfather. This sense of continuity was a strong link between Gene and Michael. Gene never felt that Michael was to fall heir to acres only. He was to inherit all those generations of Mullens and Dobshires, who would walk beside him each time he turned the soil. Mary and Patricia would presumably marry young men met in college and move away with them. John, younger than Michael by seven years, didn't seem to have the same feeling for the land that Michael did. So there was never any question about which of the children would succeed to the farm. There certainly wasn't any question in Michael's mind; he spent his life preparing for it.

In 1944, the year Michael was born, fifty-five bushels an acre was considered a high yield for an Iowa cornfield. Twenty-five years later, it was necessary to harvest a hundred bushels an acre just to break even. And, as Michael knew, even higher yields would be required if there was to be any profit when it became time for him to inherit the land. Therefore, he was determined to educate himself, to learn as much about the land and farming as he could. He showed his first 4-H project, a Berkshire sow, when he was ten. At fourteen, he had his first winner—a Hereford steer that was Black Hawk County Reserve Champion. A photograph of Michael at twelve shows a wiry, fiercely determined black-haired boy, perhaps a bit small for his age, standing with one cowboy-booted foot braced against the side of a barn; he is grimly tugging at a balky steer's halter, pitting all his weight and strength against the steer's unwillingness to move. The photograph, taken by a Waterloo *Courier* photographer at a county 4-H tour, appeared in wire-service newspapers across the country captioned "Something's Got to Give." It is unlikely that Michael was amused. He took his farming seriously. It had never occurred to him not to.

Everybody liked Michael—especially older people. However, he was so straight that at times he made people his own age feel a bit uneasy. He didn't smoke. He didn't swear. He rarely drank anything stronger than a beer. He served as an altar boy at La Porte City's Sacred Heart Catholic Church. He kept his grades near the top of his class at Don Bosco High School, in Gilbertville. He worked his way through Rockhurst, a small, quiet, conservative Jesuit college in Kansas City, Missouri, majoring in chemistry. He never learned how to dance. He had no serious girl friends. Perhaps, with his solemn, steady gray eyes, black hair prematurely flecked with white, and his earnest, brisk demeanor, he seemed far older than his years.

La Porte City, which had not existed when John Dobshire moved to Iowa, had by the mid-sixties grown into a predominantly Protestant, Republican town, with a population of just a little more than two thousand. It had more churches than taverns, and the brick fronts of its turn-of-the-century stores had darkened and become grimy with age. The town merchants were clearly losing business to the discount stores that had recently opened in the Waterloo area. There was not much new commerical construction in town. On the outskirts of La Porte, on a signboard that was beginning to lose its paint, the town's motto was still legible: "Progressing with America."

The citizens of La Porte thought well of the Mullens, spoke of them as "hard workers." Peg taught catechism classes at Sacred Heart and was active, as her mother-in-law had been, in the Democratic Party, and in volunteer work. Gene had worked his way up to the position of quality-control inspector at John Deere.

All the Mullen children were well liked. They stayed out of trouble, got good grades, were popular with their classmates. Peg and Gene Mullen are innately generous, decent people, and they brought up their children to believe in the same basic values with which they themselves had been brought up. When the Mullens spoke of themselves in the mid-sixties, they described themselves as being "average" or "typical" or "good solid citizens," from a background in no way different from that of their "silent majority" contemporaries in neighboring communities.

In 1965, Peg Mullen campaigned for election to the local school board. Peg is a very handsome woman, about five feet three, with high, prominent cheekbones, hazel eyes, a firm jaw, and a slightly upturned nose. She has gray-streaked hair, which she wears short. Her face reflects enormous strength and determination, and yet when she smiles, which is often, all that toughness shatters, and her eyes glisten and her cheeks dimple like a child's. There is none of Gene's Irish softness in Peg's voice, however. She has a hard, abrasive accent, thin but not flat—an accent that comes down heavily on the "r"s. When she is angry her voice rises sharply and her consonants rip the air about her. Peg is a far more impatient, outspoken person than Gene, and when her aggressiveness and tenacity are directed toward local issues she can precipitate the sort of small-town antagonisms that endure. Peg ran for the school board because she discovered what she thought were irregularities in the school-lunch program and because she felt that the school system was not sending enough of its graduates on to college. Since a school board generally reflects the politics and the mood of its community, and since La Porte is Republican and conservative, Protestant and traditional, the sort of small town in which it is considered imprudent to "make waves," Peg Mullen lost.

Both Mullens became involved with the local Telephone Company. A neighbor complained to Gene that two board members of the Telephone Company were calling up some of the older people in town and offering them fifty dollars a share for their stock. The bylaws prevented any person from owning more than five shares of stock, so the two board members would then place their new stock, possibly worth several times the purchase price, in their children's or grandchildren's or other relatives' names. Gene Mullen went into La Porte City and told the board members involved that if they didn't stop he would go to the State Attorney General's office. As a result of Gene's intervention, Peg says, "we don't have a lot of friendship with the Telephone Company." Still, they were the only people in town willing to do anything about what was going on.

In the early years of the war in Vietnam, Michael Mullen and his family accepted the notion that the United States was in Southeast Asia to defend it. They accepted the equation of our presence in Vietnam with our presence in Korea and our participation in the Second World War. Nevertheless, after Michael reached draft age, Peg and Gene were concerned, and they hoped that the war would soon end. They read about the war and discussed it with friends, and by the mid-sixties they were beginning to doubt that the United States had a legitimate stake in the outcome.

In February of 1965, President Lyndon Johnson ordered the commencement of Operation Rolling Thunder, the sustained air bombardment of North Vietnam. Michael, who had urged his parents to pay attention to Barry Goldwater in the 1964 Presidential election, called his mother from college. "You remember kidding me about Goldwater?" he asked. "Well, who's trigger-happy now?" The heavy bombing shocked the Mullens—Peg especially. She had voted for Johnson in the belief that he would bring peace; now she felt betrayed. Operation Rolling Thunder convinced Peg that the President had never had any intention of ending the war. When, in July of 1965, President Johnson announced the increase of United States forces in Vietnam from seventy-five thousand men to a hundred and twenty-five thousand men, the Mullens' doubts about the war increased. By the time of the 1968 Presidential election, they had turned completely against the war. They still had not protested, but there didn't seem to be any way to do that in Black Hawk County. Added to their political and moral objections to the war was, of course, their growing fear that it would not end before their son's college deferment elapsed.

In 1967, Michael received a graduate research assistantship at the University of Missouri, in Columbia, where he started working toward an M.A. in biochemistry. Early in the summer of 1968, when he came back to the farm for a short vacation, he brought Caroline Roby, a dimuntive, pretty, happy auburn-haired girl, with him. Caroline, about four years Michael's junior, was an undergraduate student in the same laboratory in which Michael was doing research. Michael was clearly in love with her. Caroline stayed a week, then went South to spend the rest of the summer with her mother, who was divorced. Michael mooned about a bit, but he didn't let his dejection interfere with his farm work. Besides, he had other things to worry about.

After Michael's graduation from Rockhurst, he had applied for, and received, a twelve-month extension of his student deferment from the draft. His deferment had now elapsed. Shortly after Michael returned to the University of Missouri for the 1968 summer session, he received his draft notice, ordering him to report in September for induction into the United States Army. Michael left school and reported to the Des Moines draft board, as instructed. On the day of his induction, Michael was to have been placed on a military flight to Fort Polk, Louisiana, where he would begin basic infantry training. But no flight was available, so he was given a job for the day in the draft-board office filing case histories of young men who opposed the war and had found ways of having their induction orders changed, revoked, or ignored.

He spent the day reading about young men who had had themselves certified physically or psychologically unfit for the military, who had declared themselves to be homosexuals, who claimed to be conscientious objectors, who had fled the country rather than serve. He read about young men who did not for one instant believe that it was their patriotic duty—or any of their country's business—to fight a war halfway around the world, who had burned their draft cards, been arrested in campus demonstrations, gone to jail, done everything in their power to escape the draft and show their opposition to the war. He filed paper after paper on young men who had not been pulled away from their studies, who had never even attended college, much less a graduate school, but who had still found ways to beat the draft.

At first, Michael was angry, and resentful of the other young men, and then furious with himself, and, finally, inevitably, just depressed. That night, he telephoned his mother back at the farm and told her, "The whole setup is corrupt. I don't need to *be* here!" Over and over again, as if in disbelief, he repeated, "I don't need to *be* here! I don't need to *be* here! I simply didn't *need* to be drafted!"

The next morning, Michael was flown to Fort Polk, and began basic training. While there, he applied for Noncommissioned Officers' School, hoping to forestall being sent immediately to Vietnam. His application was accepted and he was sent to the N.C.O. School at Fort Benning, Georgia. He made sergeant (E–5) at Benning and was sent next to Fort McClellan, Alabama, for advanced infantry training. It was at McClellan, on July 31st, that he received his orders for Vietnam. His hope that the war would wind down before he completed his training had failed to materialize. He applied for and was granted twenty-three days' advance leave prior to reporting to Fort Lewis, Washington, for transshipment to Vietnam. He decided to spend his entire leave at home, and he arrived at the farm on the tenth of August, 1969.

Peg Mullen had expected Caroline to visit for at least a part of Michael's leave. She had written to the girl inviting her to the farm, but Michael wasn't saying whether she was coming or not. Finally, after four days of not knowing, Peg couldn't remain silent any longer, and asked Michael, "Isn't Caroline coming?"

"No," he said. "She's out West this summer with her father." And that's all he would say. However, Peg could not help noticing that Michael spent two whole afternoons writing to Caroline, and that he never received an answer.

There were then more than five hundred thousand United States troops in Vietnam, fighting a war that had lasted for nearly a decade and had already cost the lives of more than thirty-eight thousand American men. During that first week of leave, while Michael was out fixing fences, clearing brush, painting, and doing general cleanup work around the family farm, two hundred and forty-four United States soldiers were killed and one thousand four hundred and nine were wounded.

Michael left Iowa on September 4th; he was processed at Fort Lewis, Washington; and on September 11th, his twenty-fifth birthday, he arrived in Vietnam. That same month, Peg, searching for some way to express her anguish about the war, wrote to the Another Mother for Peace organization asking what she could do, but she did not receive a reply. She also began writing to President Nixon, urging him to end the war. Then on October 15th, the first Moratorium Day, Peg, like hundreds of thousands of other Americans across the nation, wore a black armband to signify her opposition to the war. That morning, an outraged American Legionnaire, seeing the armband, backed Peg up against the post affice wall and called her "a disgrace to the country." Peg shoved him aside, saying, "You better get with it, you son of a b—!"

On the morning of Saturday, the twenty-first of February, 1970, about five months after Michael's departure, the sun finally broke through the flat, pearl-gray overcast that had been brooding over the Mullens' farm. Although the temperature hovered near freezing, the week-long Arctic winds had ceased and at last it felt warm enough again to be outside.

Gene Mullen walked back from the mailbox to the house. As he came into the kitchen, he called out, "Letter from Mickey!" He dropped the bills, the Des Moines *Register*, and the second-class mail on the kitchen table and tore open the envelope. Peg wiped her hands on a dish towel and put a kettle of water on to boil.

"What's he say?" she asked. "When did he write it?"

Gene glanced at the top of the letter. "Dated the thirteenth," he said. "Let's see, now. 'Dear Mom and Dad: Went down off the hill to get a haircut and clean up, but ended up hitching a ride to Chu Lai. Went to Mars [Military Affiliate Radio System] station by chance—they were open and not busy—so got a chance to call. Suppose it was midnight at home and guess you were surprised—' "

"Oh," Peg said. "He must have written this the same day he called."

Gene had not been home eight days earlier when Michael telephoned from Vietnam. Peg had written "Mike called" on an envelope and left it on the kitchen table for Gene to see when he came home from work. It was twelve-thirty by the time Gene returned to the farm, and after reading the note he woke Peg up. She told him that she had spoken with Michael for only about a minute and a half, and that just before hanging up Michael had said, "Mom, it's so sticky over here—goodbye." Peg had been depressed, and consequently hadn't felt like waiting up to tell Gene when he came home; that was why she had simply left him a note.

Now Peg mixed Gene a mug of instant coffee, took it to him at the kitchen table, and sat down. "What else does he say?"

"He says. Let's see. He says, 'Guess you were surprised . . .' Now, here: 'Will be on the bunker line about two more days, then back out into the field.' "

"Ugh!" Peg groaned. "That means more 'search and destroy.' "

"No, it doesn't," Gene said. "He's been doing 'company sweeps,' like he wrote in the other letter."

"Same thing," Peg said.

"No, it isn't," Gene insisted. "A 'company sweep' is—"

Peg waved her hand impatiently. "Go on with the letter."

"All right, all right. Let's see. He says, "Glad that all is well—weather here been rather good. . . . Have decided not to take an R. and R. if I can get a drop. So, til later, hang loose.' " Gene looked at the letter more closely. " 'Hang loose'?"

"Hang loose. You know," Peg said. "Take it easy."

Gene shrugged, " 'So, til later, hang loose. Love, Michael.' "

"That's it?"

"That's it," Gene said.

By getting a "drop," Michael meant that he hoped to qualify for an early discharge under a program that allowed a soldier who had been accepted at an accredited college or university to leave the service as much as ninety days early. In a previous letter, Michael had written that he felt his chances were very good. The only part of his current letter that bothered his parents was that he would again be going into the field, away from the relative safety of the fire-base bunker line. Still, in one of his first letters, Michael had written that he was in "probably one of the better places over here"—a comparatively quiet part of Vietnam. The Mullens were grateful for that.

"So he might be coming home in June," Gene said.

"Looks that way," Peg said. "Knock wood."

Gene finished his coffee and stood up. "Well, Mother," he said, "I guess I might as well try to fix the television antenna for you."

The television antenna was attached to a post near the east side of the house. Gene was just coming around that east corner, blowing hot breath on his fingertips and trying to remember where he had last put the light wrench he would need, when, out of the corner of his eye, he noticed two automobiles turning into his driveway. He thought he recognized the first car as that of their parish priest, Father Otto Shimon, but that second car . . . Gene was now close enough to read black letters painted on the door of the olive-drab Chevrolet: "U.S. Army—For Official Use Only." Gene felt his chest tighten, and he stood still while the priest and an Army sergeant stepped out of their cars and slammed the doors shut.

Gene watched them walking toward him as if in slow motion. He tried to see beyond the thin, stooped late-middle-aged country priest's black-metal-framed glasses to what might show in his eyes. But Father Shimon's downcast lenses reflected only the snow. Not until the priest forced himself to look up did Gene recognize the fright, the despair, the agony in his eyes, and then, very quietly, he asked, "Is my boy dead?"

Father Shimon halted so abruptly that the Army sergeant, who was following, bumped into him from behind. "Gene," the priest said, "this is Sergeant Fitzgerald. He's from Fifth Army Headquarters. He . . ." Shimon was silent.

Gene looked beyond Father Shimon to the Sergeant and asked again, "Is my boy dead?"

"Let's go into the house, Gene," Father Shimon said. "I want to talk to you there."

"No!" Gene said, not moving. "I want to know! Tell me, is my boy dead?"

"I can't tell you here," Father Shimon said, his hand moving toward Gene's shoulder. "Come into the house with us. Please?"

Gene spun away before the priest's fingers could touch him.

Peg Mullen heard the back door open, heard Gene rush into the kitchen, heard him shout "It's Mikey! It's Mikey!"—his voice half a sob, half a scream.

Peg was in her sewing room, and she hurried out in time to glimpse the Army uniform entering the kitchen. Gene was standing with his back to the sink, clutching the counter behind him, and the Sergeant had halted just to the side of the doorway. Father Shimon, between them, had removed his glasses to wipe away the steam. Peg started to move toward her husband but had to turn away. Never had she seen such devastation in his face. She looked next at the Sergeant, who avoided her eyes by glancing at the priest, whose job it was to tell them. But Father Shimon would not stop wiping his glasses, and Peg, wanting to scream, to kick over a chair, to do anything rather than endure this awful silence, asked the Sergeant, "Did Michael die on Thursday?"

Thursday morning, upon waking up, Peg had burst into tears for no apparent reason, and had cried off and on that entire day.

"Why do you ask me when he died?" Sargeant Fitzgerald said. "I haven't told you your son is dead."

Peg glared at him with contempt. "You know the Army doesn't come to tell parents that their sons are *wounded!*" she said. "You know the Army comes only when they're *dead*!"

The Sergeant again turned to the priest, but Father Shimon was incapable of talking. He couldn't tell the Mullens; he simply didn't have the courage to be the one.

Then, very slowly, almost threateningly, Gene pushed himself away from the sink and moved toward the two men. "Now, I want to know the *truth!*" he told them. "Is my boy *dead*?"

Sergeant Fitzgerald looked at the priest, then back at Gene, and said, "Yes."

And "Yesss," Father Shimon said, too, as if he had been holding his breath all this time. "Yes, Gene. Yes, Peg. I'm sorry. Yesss."

Gene sagged as if he had been hit. He looked at Peg and she at him. Gene stumbled backward until he was against the sink. He was shaking his head like a groggy fighter trying to clear his brain. He began to cry.

Peg had moved to the kitchen table and stood now gripping the wooden rung of a chair back. She remained there until she felt herself under enough control to speak. Then she asked the Sergeant how Michael had been killed.

Sergeant Fitzgerald sorted through some papers in a file folder and pulled one out. "I only know the official casualty message given me by Fifth Army Headquarters this morning over the phone."

"Read it," Peg said.

The Sergeant lifted the paper to the light. "It states that 'Sergeant (E-5) Michael Eugene Mullen, US 54 93'—so on—'died while at a night defensive position when artillery fire from friendly forces landed in the area.'" Sergeant Fitzgerald's hand dropped. "I'm sorry. I really am very sorry, Mr. and Mrs. Mullen." He put the paper away and began buttoning up his trenchcoat as if to leave. "Generally, at this time," he said, "families of casualties prefer to be alone with their priests—"

"Sit down," Peg said.

"Perhaps," Sergeant Fitzgerald was saying, "tomorrow would be a better time to—"

"Sit down!" Peg repeated. "We're going to talk about this message, this official casualty report."

"Mrs. Mullen, I only—" the Sergeant began.

"Sergeant," Gene ordered, "sit down and read that thing again."

Fitzgerald cleared his throat. "Sergeant (E-5) Michael Eugene Mullen, US 54 93 22 54, died while at a night defensive position when artillery fire from friendly forces landed in the area,'" he read. He looked up from the paper. "That's all it says. Really."

"Listen," Gene said. "I was a master sergeant in the United States Army myself during World War Two, and I . . ." He stopped, no longer certain what the point was that he had wished to make.

"We're going to talk about this message," Peg said. "I want you to explain it to me. This word 'friendly'—what do you mean by 'friendly'?"

"It merely means that it wasn't enemy artillery," the Sergeant said. "Your son was killed by friendly fire."

"Friendly fire? *Friendly* fire?" Peg repeated incredulously.

Sergeant Fitzgerald shrugged lamely. "It means any artillery from forces not the enemy."

"*Not* the enemy! *God damn you*!" Peg cried, beating the chair back with her fists in frustration. "You couldn't even give him the—the *decency* of being killed by the enemy!" She glared at the Sergeant. "These, these 'forces not the enemy'—how come the word 'American' isn't used?"

The back door opened, and Michael's brother John, finished with his chores, came into the kitchen. He peered curiously at the Army sergeant first and next at the priest, then at his mother and father, before quietly taking a place by the door.

"Why wasn't the word 'American' used?" Peg repeated.

"Because it wasn't 'American,'" the sergeant said.

"And why wasn't the word 'accidental' there?"

"Because, Mrs. Mullen, it wasn't an accident."

"Wait a minute," Peg warned ominously.

Sergeant Fitzgerald began talking about a shelling at the Bien Hoa airbase by South Vietnamese artillery which had resulted in the death of three Americans and the wounding of twenty. Peg had seen the report on the television news a few days earlier, had read about it in the following morning's Des Moines *Register*.

"We know all about Bien Hoa," Peg snapped.

"Well," Sergeant Fitzgerald said, "this is how and where your son was killed."

There was a sudden moan, and before Peg could reach John his knees buckled and he collapsed onto the floor. Gene rushed over and, with Peg, eased their son into a chair. 'Oh, poor John," Peg said. "Are you all right?"

"Take it easy, Son," Gene said.

"Michael's dead?" John asked.

"What were you thinking?" Peg asked him. "I thought you knew. I thought seeing the Army car—"

"No, I never thought of Michael," John said. "I thought they were after *me*. That I'd done something wrong."

John had registered for the draft only five days before.

"What happened to Michael?" he asked.

"This sergeant is telling us," Peg said.

"But is he—Is Michael—"

"Yes, Son," Gene said, "Mikey's gone."

"And now," Peg said, whirling on the Sergeant "we want to know how. And we want to know why!"

"Well," Sergeant Fitzgerald said "You said you heard about Bien Hoa—"

"Bien Hoa?" Peg said. "'You don't know very much. Michael wasn't anywhere *near* Bien Hoa. My son was three, four hundred miles from there."

"Good God," Sergeant Fitzgerald said. "It might have happened all over Vietnam that night." He sat down at the kitchen table. "You understand, then, how it could have happened," he said. "The Vietcong infiltrated these South Vietnamese artillery units, got onto their radio channels, and called in the wrong artillery coordinates, so that when the ARVN artillery fired they hit Americans." Sergeant Fitzgerald apologized for not having any more information than was contained in the official casualty message, and added that he did not want to say positively that this was what had happened to Michael. He said only that the Vietcong had infiltrated ARVN radio channels in the past and this was what might have happened to their son's unit.

Sergeant Fitzgerald then explained that the Mullens had the right to request a Special Escort to accompany Michael's body back from Vietnam, and that if they had some special friend of Michael's in mind, someone whom they would like to have return with Michael's remains, they should let him know.

'Well, it's so soon, so sudden," Peg said "Michael's had so many friends. I really don't know . . ."

"There's no need to decide now," Sergeant Fitzgerald said. "Either myself or another Survivors' Assistance Officer will call you tomorrow. Now, what funeral home do you want your son's body delivered to?"

Peg and Gene looked at each other speechlessly.

"Well, we don't know," Peg said. "We really don't know yet."

"How soon will it be before Michael—Michael's body returns?" Gene asked.

"Just as soon as they have a planeful," Sergeant Fitzgerald said.

"Well," Peg said, "I know it won't be long, then."

"One more thing, Sergeant," Gene asked. "How long do we have before Michael's death is announced on the news?"

"As soon as I notify Fort Leonard Wood that I've seen you, they'll release it. That should be about two hours from now."

"Two hours" Peg protested. "You can't! You've got to give us time to tell our other children. Our daughters are away at college, and we can't let them just hear about it on the radio. You've got to tell them to hold back the news."

"Can't you call them?" Sergeant Fitzgerald asked. "You'll have at least two hours."

"They'll be in classes," Peg said. "I won't be able to reach them until tonight. Can't you wait?"

"I'm sorry, Mrs. Mullen. I'm only a sergeant. I can't tell the Army what to do."

"Well, I can!" Peg said angrily. "I'm not afraid of the Army or the Pentagon. If you won't do antyhing about it, then I'll—I'll call our senator, Harold Hughes, in Washington. He'll help."

"Look, Mrs. Mullen," Sergeant Fitzgerald said. "You don't have to do that. I'll tell Fifth Army you want them to wait. They won't release the news until you give them the go-ahead."

"Gene, I can't just tell Mary and Patricia over the phone. They'd. . . ." She shook her head helplessly.

"What about your sister?" Gene asked.

"Louise?" Peg thought for a moment. "She could maybe drive to Kansas City and pick up Mary . . ."

"Well, if there's nothing else," Sergeant Fitzgerald said.

"I'll walk you out," Gene said.

"That's not necessary," Sergeant Fitzgerald said. "Oh, and Father Shimon? You'll stay a little longer, won't you?"

"Of course, Sergeant. Of course," the priest said.

Peg just looked at Father Shimon and shrugged. Back in November, after a Sunday Mass, she had stopped on the way out of church to ask Father Shimon to say some special prayers for Michael. "You've got to pray for him, Father," she had said. "He hasn't got a chance."

"Oh, I know, I know," Father Shimon had replied, taking Peg by the arm to move her out of the path of his other parishioners. "I do pray for him. I'm praying for him every day. We pray for all our servicemen."

Peg telephoned a friend in La Porte to tell her that Michael was dead and to ask if she would be good enough to drive the seventy-five miles to Iowa City to inform Patricia, who was a senior at the University of Iowa there. Peg next called her sister, Louise Petersen, in Des Moines, and asked her to pick up Mary, who was a freshman at Rockhurst College, Michael's alma mater, in Kansas City. And then she called her brothers—William Goodyear, in Lake City, Iowa, and Howard Goodyear, in Pittsburgh. She did not cry. She kept the calls short; she remained in control of herself. She informed them only of what she had been told so far—that Michael had been killed by artillery fire from friendly forces, possibly South Vietnamese. Her brothers told her that they would arrive at the farm as soon as possible. When she finished, she saw that Sergeant Fitzgerald had left and that Gene was waiting to use the phone.

Gene telephoned the local newspapers and television stations and gave them what few details he knew, and asked them not to release the news until he and his wife had been able to inform their daughters. While Gene was doing that, Peg began drawing up a list of people they would need to get in touch with.

"Now, Peg," Father Shimon said, joining Peg at the table. "Ahh, I didn't know Michael very well and I'm sure you'll want, ahh, someone else to say the Mass."

"Well, yes," Peg said. "As a matter of fact, we'll want Father Hemesath to say the Mass." Father Gregory Hemesath, of St. Peter's Church, in New Haven, a small town in Mitchell County, in northern Iowa, was an old friend of the Mullens'.

"That's just fine," Father Shimon said. "You just write down whoever you want and I'll ask them. I'll bow out and won't have any part in the ahh, funeral Mass."

"We'll want music, too," Gene said, pausing in mid-phone call. "Michael always liked good music."

"We would like Sister Mary Richard and the Don Bosco Chorus," Peg said.

"Oh, well," Father Shimon said. "That's fine. That's just fine."

"And I'd like Father Hirsch to say a few words," Peg said. Father Robert Hirsch was the principal of Don Bosco, where all the Mullen children had gone. "And I want a white funeral." (The "black funeral," or Requiem Mass, the traditional Catholic funeral Mass, is one of mourning. The "white funeral," or Mass of Resurrection, introduced in 1969, is a celebration of rebirth and of entrance into eternal life.)

"I can't, Peg," the priest said, shaking his head. "I can't have one."

"And why not?"

"Because when the permission order came to change the service, each priest had to request permission from the archdiocese. I didn't want the change, so I ignored it."

"That doesn't matter," Peg said. "All you've got to do is just have it now. We had one only two months ago, a few miles from here, when that boy from Jesup died in Vietnam."

"Nope. Nope. Nope," Father Shimon said. "I can't do it."

Peg regarded him coldly, then lowered her head and went back to work on her list.

After a moment, the priest stood up. "Well," Father Shimon said, "I, ahh, probably should be going."

"Fine, Father," Peg said.

A few minutes later, the Mullens heard the priest's car drive away. Gene, off the telephone, came over to the kitchen table. There was nothing they could do while they were waiting for the rest of the family to arrive but make a list of those friends who would want and need to know that which they themselves were still scarcely willing or able to accept: their son Michael was dead.

The Mullens' friends and neighbors, stunned by word of Michael's death, began arriving at the farm shortly after Father Shimon left. The men, some wearing faded coveralls, ankle-high work boots, and Day-Glo-orange earflapped vinyl caps, and some wearing their Sunday suits, approached Gene hesitantly; they touched him on the shoulder, placed their calloused hands almost tenderly on his back. Their wives, in woolen slacks, and heavy hand-knit cardigans brought stews and casseroles, baskets of food, and pots of coffee that they set to simmer at the rear of the Mullens' stove. And then they moved back to take Peg's hands in their own, hugged her, kissed her lightly on the cheek, begged her to give them something to do, wanting to help.

The women gathered around the kitchen table with Peg, and the men sat in the living room with John and Gene. Over and over, the men tried to express their sorrow, tried to say something comforting about Michael's service to his country. And suddenly, astonishingly, one of the men, and then another, would begin to cry, and would wipe at his face with a big, billowing pocket bandanna.

What could the Mullens say to these friends, these well-meaning neighbors who had driven out to see them? Peg and Gene could not help thinking how none of these people's sons had had to go. How Michael was the only boy from any of the farms around who had put himself through graduate school, how he had shown the most potential for being successful at farming. What was more, the Mullens sensed that the general attitude among their son's contemporaries was not that Michael had been a patriot but, rather, that he had been a poor, unfortunate scapegoat who hadn't had enough sense or enough pull not to get caught. "I don't need to *be* here! I don't need to *be* here! Michael had protested that night he telephoned from Des Moines. "I simply didn't *need* to be drafted!"

By midnight Saturday, the Mullens' friends and neighbors had left. Peg and Gene were seated across the kitchen table from each other, isolated by grief.

"The thing is, when you have a boy in combat," Gene finally said, "the thing you always keep foremost in your mind is that *it can't happen to him*."

Peg nodded, watching him sadly.

"What are we going to do?" Gene asked.

"Whatever needs to be done," Peg announced firmly. She pushed herself up from the table. "First of all, I'm going to open up Michael's tackle box."

"That's right," Gene said. "Michael said, 'Don't open it. Only if I don't come back.'"

"Oh-h-h, Gene," Peg said. She had stopped at the bedroom door. "He didn't say that. Michael never thought for a minute he wouldn't be coming back. He didn't think that way at all. He was a positive thinker." She continued into the bedroom and slid the tackle box from the top of Michael's closet and carried it back to the kitchen table. She opened the box, and lifted out the tray with his arrowheads, the corporal's stripes, and the infantry-school insignia from Fort Benning. Beneath the tray was a carefully folded piece of tablet paper. Peg opened the paper and saw that Michael had meticulously copied out the names and addresses of all the people who were important to him. Peg sat there holding the list in her hands.

"What is it?" Gene asked.

"Names," Peg said. "Everybody in Michael's life."

There were Michael's roommates at Rockhurst and the University of Missouri, an eighty-five-year-old La Porte couple whose grocery shopping he did when he was home, a close friend whose wife he had always liked so much, Caroline Roby and her mother, his sisters' college addresses. There were maybe twenty names on the list, some of whom Peg didn't recognize. She passed the paper over to Gene, who didn't know them, either, but felt they were important enough to call.

Then Peg came to Michael's insurance papers. There was a ten-thousand-dollar policy with the Knights of Columbus, a thousand-dollar policy with Federal Life, and a ten-thousand-dollar policy with the United States Government. Michael had indicated that he wanted the government policy split four ways: twenty-five hundred dollars each to Gene and Peg, twenty-five hundred to the Don Bosco High School "for the purchase of new science equipment," and the last twenty-five hundred to "a dear friend so that she might study medicine." The "dear friend," obviously, was Caroline Roby, but Peg didn't know how to go about getting in touch with her.

"She'll have to be told that Michael is dead, that he left her that money."

"I know, I know," Peg said. "It's just that . . ." Her voice trailed off.

"What?"

"I get the feeling that the thing between Michael and Caroline had—well, tapered off."

"We've got to tell her," Gene said.

At two-thirty in the morning, Peg started writing down all the information she had gained from her conversation with Sergeant Fitzgerald. She wasn't sure yet why she was doing it, but she felt a need to commit the details to paper.

There is no telegraph office in La Porte City. Telegrams are transmitted by telephone from the Waterloo Western Union office to the La Porte city hall, and it is old Peter Dobkin's job to deliver the telegrams in person. Dobkin, a tall, thin, grandfatherly-looking First World War veteran in his early seventies, knocked on the Mullens' door on Sunday morning, Washington's Birthday.

Gene Mullen ushered Dobkin into the kitchen, which was crowded again with the Mullen family and friends.

"Hello, Peter," Peg said. "Would you care for a cup of coffee?"

"No. No, thank you, Mrs. Mullen," he said. "I've come on official business. I've got a telegram for you."

"Oh? Well, fine, then." Peg started to reach for the telegram, but Dobkin didn't pass it to her.

"I'm supposed to read it to you," he said. He looked at his wristwatch, and then, as the voices hushed about him, began to read: "Time: 11:17 a.m. To: 'Mr. and Mrs. Oscar E. Mullen. Report. Deliver. Don't phone.'" Dobkin paused to clear his throat, then continued: "'The Secretary of the Army has asked me to express his deep regret that your son, Sergeant Michael E. Mullen, died in Vietnam on 18 February 1970. He was at a night defensive position when artillery fire from friendly forces landed in the area. Please accept my deepest sympathy. This confirms personal notification made by a representative of the Secretary of the Army.' It is signed 'Kenneth G. Wickham, Major General, United States Army, C–052–189, the Adjutant General, Department of the Army, Washington, D.C.'"

There was an awkward moment of silence while Dobkin stood there in a pose somewhat suggesting the position of attention, and then Peg said, "Well, thank you, Peter."

Dobkin nodded, handed her the telegram, and left.

Sunday afternoon, Peter Dobkin returned with a second telegram. "Time: 3:05 p.m. To: 'Oscar Mullen. Report. Deliver. Don't phone. . . .' " The telegram contained information on the return of Michael's body, and on how much money would be allowed for the burial, and cautioned the Mullens not to set a date for the funeral until the Army told them when Michael's body would arrive in La Porte. It also listed Michael's rank as private first class, not sergeant. The error was routine administrative carelessness, but as an indication of the bureaucratic impersonality with which the Army treated the death of their son it infuriated the Mullens. Dobkin handed the telegram to Peg, and then, because he was also a representative of the local Veterans of Foreign Wars chapter, he began talking about the military funeral he expected the Mullens to hold. "We can provide an Honor Guard and a bugler at the grave," Dobkin was saying. "Oh, the Honor Guard will be in uniform, white helmets, and ties, with regulation Army rifles. We will fire a salute if you wish—"

"I don't wish!" Peg said.

"Pardon?"

"We don't want a military funeral, Peter," Peg said. "Michael was a biochemistry student, not a professional soldier."

"Well, yes," Dobkin said, "but he's entitled—"

"I don't care," Peg said.

"O.K., but if you should change your mind—"

"We won't!" Gene said, with such certainty that Peg looked at him with surprise.

"You don't want one, either?" she asked.

Gene Mullen had been on one of the first Honor Guard firing squads in Iowa during the Second World War. The body of a young soldier had been brought back to Des Moines for a military funeral, and his grave was no more than twenty-five feet from one of the main roads into Des Moines. As Gene and the rest of the Honor Guard had stood at attention with their rifles at Present Arms, car after car had passed by. Not one driver had slowed or paid the least bit of attention. Gene didn't want that sort of thing to happen to his boy. And, too, he knew who would make up Dobkin's Honor Guard firing squad. Later, when Peg asked him why he hadn't wanted a military funeral, he answered, "Because I just don't want those 'U.S.O. soldiers' firing over our son's grave."

Several of the Mullens' friends called that afternoon to ask them to release the news of Michael's death, since there were many people in La Porte who still thought it was only a runner. Peg called the local radio and television stations and newspapers and told them that it was all right to release the information that Gene had given them the day before.

A little after ten o'clock on Monday morning, an Army captain arrived at the farm and introduced himself as Ralph T. Pringle, a Survivors' Assistance Officer. He had come to the farm to pick up their request for the Special Escort and Alternate Special Escort. The Mullens named Thomas Hurley and John Salvato, two boys who had been in college with Michael and who were now in Vietnam. Captain Pringle said he would send their request to the Pentagon immediately, since time was short.

"Now, Mr. and Mrs. Mullen," Captain Pringle went on, "you can plan on a delay of about ten days between the time of your son's death and his body's arrival. That would mean he should arrive in Waterloo on or about the—Let's see, the twenty-eighth."

"He'll be here Saturday?" Gene asked.

"We can't state that for certain," Captain Pringle said. "The time of his arrival depends entirely on the number of deaths in Vietnam during the week he died."

"We know that," Peg said. "Sergeant Fitzgerald told us the body is returned when they have enough to make a planeful. I also know Michael will be home soon. I'm sure the losses are greater than we're being told. I'm positive of that."

Unknown to Captain Pringle and the Mullens, Michael's body arrived in Oakland, California, that very day.

Peter Dobkin was back at the Mullen's farm a little after nine-thirty on Tuesday morning with a third telegram. He stood at the door, looked at his watch, and announced: "Time: 9:37 A.M. To: 'Oscar E. Mullen—' "

"I can read," Peg interrupted impatiently. "Just give me the telegram."

"I got to," Dobkin said: "It's my job." He read them the telegram, which stated that Michael's body would be consigned to the funeral home of the Mullens' choice in Waterloo. Then he again suggested they consider a military funeral, but when he saw the look on their faces he decided not to press the matter, and left.

That morning's mail brought the first letters from strangers whose sons had been killed in Vietnam. The majority were short—not more than three or four lines each:

> May it help comfort you to know that the loss you bear is shared by many others. Our son is still missing in Vietnam.
>
> The Family of Staff
> Sergeant Michael T—.

> We read in the paper of your son's death. We know you don't know us, but we wanted to extend to you our deepest sympathy. We know only too well the depth of your loss. We, too, have lost our son. Is there anything we can do to help you?
>
> Mr. and Mrs. Leroy P——

> We're so sorry that you, too, have lost a precious son.
>
> Parents of Michael B——
> Born Feb. 20th, 1947
> Killed Dec. 29th, 1969, Vietnam

One after another, Peg would pick them up, turn them over, read them, and put them down. "All these letters," she said.

" 'Remembering you. Parents of Sgt. Jay K——' 'Our Michael was killed at . . .' 'The Parents of the late Thomas W——' 'My Michael died at—' All these *Michaels!*" Peg exclaimed. "It seems that everybody twenty-five years ago named their sons 'Michael.' " She gathered the letters together in her lap. "It's like a fraternity, you know? I mean, these people from all over who have lost their sons. I never would have thought they'd write like this, but they do."

At five minutes to four, the Mullens received a telephone call from an employee of the Loomis Funeral Home, in Waterloo, who said he had received notification that Michael's body was at the Oakland Army Terminal Mortuary and would arrive at the Waterloo Airport at seven-forty-five the following evening, February 25th, "escorted by Sergeant First Class Ronald Fallon."

"Fallon?" Peg asked. "We didn't ask for any Sergeant Fallon! Hold on a minute, will you?" She cupped the mouthpiece and called to Gene, "It's the funeral home. They say Michael's body will be here tomorrow night—escorted by a Sergeant Ronald Fallon."

"Who's he?" Gene asked.

"Hello?" Peg said into the telephone. "We don't know any Sergeant Fallon. We've never heard of him. He isn't the escort we asked for." As soon as she could, Peg called Captain Pringle. He explained that he had telegraphed their request for the Special Escort to the Memorial Division at the Pentagon the day before, but that either it had arrived too late in the day for anyone to act on it or it had been ignored because Monday was an official holiday, Washington's Birthday having fallen on a Sunday.

"Captain Pringle," Peg said (and as she went on talking she began to come down hard on her "r"s). "Captain Pringle, may I remind you that our son tramped through the mud and jungles of Vietnam for five months regardless of holidays, and we still want the escort we chose, not this Sergeant Fallon, who nobody's heard of. Now, we were told that to have a deceased soldier's body returned accompanied by a Special Escort chosen by the next of kin was our right. A right accorded the families of *all* war victims. Isn't that so?"

"Yes, but—"

"Then that's what we'll have," Peg said. "That's who we want. We don't want this Fallon, who Michael never met. We want either John Salvato or Tom Hurley—those are the boys we want. Now, don't you tell me that the Pentagon can't even honor the dead by providing the services they need, just because it's a holiday."

"All right, Mrs. Mullen," Pringle said. "I'll call the Pentagon and see what I can do."

About twenty minutes later, Captain Pringle called back. "Mrs. Mullen," he said, "I'll give it to you straight. A man in the Pentagon in the office of Special Escorts, when I told him you still wanted your escort, he said, "Tell that lady in La Porte City that she can have her escort in—take it or leave it—ten to fifteen more days.' "

"Fifteen more days!" Peg said, "Captain Pringle, you can tell that son of a bitch in the Pentagon that I'll wait fifteen *years* for my son to come back! My son's *dead!* We could put off having him come back in a casket *forever!* We don't care when he gets back. He's *dead!"*

Captain Pringle tried to explain why there would be such a long delay: that it would take a couple of days to cut the orders in Washington, another couple of days to get them to Vietnam, another couple of days to locate their escort, another day to get him on a plane, and so on.

Peg listened impatiently, then said, "I don't believe you. My boy was killed in the jungles of Vietnam, airlifted out of there, rammed through a mortuary in Saigon, put on a plane, and was in Oakland in less than five days! So don't you tell me that you can't get a live boy out of there in less than two days!"

Captain Pringle apparently thought for a moment. Then he said, "I'll tell you what, Mrs. Mullen. I think you'd be better off if you called the Pentagon yourself and told them that. Talk to a man named Murtaugh—he's in charge of Special Escorts, and he's the one to talk to." He gave her the telephone number.

"Well, I don't see why we have to make that call," Peg said. "You're the man who's supposed to assist us."

"I'm trying to, Mrs. Mullen," Captain Pringle said. "But I think you *should* be aware that your insistence on the Special Escort will definitely be a delaying factor. A great many people prefer to cancel the Special Escort requests so that they can more quickly complete their funeral plans, but if you insist . . . I feel certain you'll have more success if you call Mr. Murtaugh at the Pentagon yourself."

As soon as Captain Pringle hung up, Peg called Senator Harold Hughes' office in Washington. Hughes was on the Senate floor at the time, but he later returned Peg's call. Through her activities with the County Democratic Party, she had met Hughes years earlier, when he was the governor of Iowa. Peg relayed Captain Pringle's remarks about

Mr. Murtaugh at the Pentagon, and said she felt that the Senator was the only one she could turn to for help.

Senator Hughes hesitated. "Peg, I can't cure all the ills in the world."

"But can't you do something?" Peg pleaded. "My family is so upset."

"All right, Peg, we'll try."

Apparently, Senator Hughes did intervene in the Mullens' behalf. Between seven and eight that evening, Peter Dobkin delivered a fourth telegram—this time over the telephone. The telegram, from the Oakland Army Terminal Mortuary, informed the Mullens that they should disregard all previous messages—that Michael's body would be held pending arrival of his Special Escort. An hour later, the Memorial Division duty officer at the Pentagon telephoned the Mullens to say that their request for a Special Escort would be honored after all.

And then Father Shimon called.

"Peg," he said, "I've been thinking about what you want. This white funeral, this Don Bosco Chorus, Father This and Father That, and, ahh, I think it's time to call a halt to the production you're talking about for Michael's funeral. I can't go along with you, Peg. We're not going to have a production."

"Well, Father Shimon," Peg replied, "if you consider perfection a production, then that's what we'll have. Because Michael's life was sort of perfect. He did things well. He didn't leave many jobs undone. If doing things right for him means having a production, we'll just have a production."

Father Shimon said, "Nope. Nope. Nope."

Peg hung up on him.

Peter Dobkin telephoned the Mullens early Wednesday morning with a fifth telegram. It was sent by the Memorial Division, and it confirmed that either Tom Hurley or John Salvato would be returned from Vietnam to serve as Michael Mullen's Special Escort.

The morning mail contained a nine-by-twelve-inch manila envelope from the White House. Inside, on a half-size White House letterhead, was a message signed by a minor aide stating that President Nixon wished her to know that he was truly sorry that her son had died. The note was paper-clipped to a collection of President Nixon's Vietnamization speeches. Peg was so offended that she showed the contents of the envelope to no one, resealed it, and mailed it back to the White House with the notation, printed in large red letters in the upper left hand corner, "Return to Sender. Not interested."

Added to the Mullens' anguish over the continuing wait was their uncertainty over what condition Michael's body would be in. A close friend had told them that her sister-in-law's brother, a mortician in Oakland, had called to tell her he had worked on Michael's body. He said that three planeloads of bodies had arrived in Oakland—one, on Monday, of "viewable" bodies and two, on Tuesday, of "non-viewable" bodies. Peg and Gene were unable to believe that Michael could be "viewable." If Michael had been killed by ARVN artillery, would he not have been blown to pieces?

During the six days since the Mullens had learned of their son's death, their farmhouse had been filled with family and friends waiting for Michael's body to arrive. The people in town knew only that for some reason or other the Mullens had refused to permit the corpse to be returned. A great many La Porte people couldn't understand the Mullens' behavior, and thought it vaguely un-American, somehow unpatriotic.

Thursday morning, Father Shimon telephoned and asked Peg if she knew yet when the funeral would be held.

"I hope to know by noon today, Father," Peg said. "If Michael comes today, we'll hold the funeral on Saturday."

"*Saturday?*" the priest said. "You know we can't have the funeral on Saturday!"

"Why not?" Peg asked. "Why can't we?"

"We have catechism on Saturday, Peg. And I'm, ahh, I'm not going to interrupt my catechism program."

"Well, O.K., Father," Peg said. "Then we'll have our funeral service in our front yard if we have to. But we'll have it Saturday if this is what we want."

She hung up the telephone and looked first at her husband and then at her houseful of family and friends, the classmates of their children, neighbors who had come to their farmhouse. She told Gene she thought it might be a good idea to get out of the house for a while.

Four more boys from northern Iowa had died in Vietnam that week, and one was missing in action. Sergeant Fitzgerald had confided to the Mullens that it was only a matter of time before he would have to tell the missing boy's mother that her son was dead. The young man had apparently been trapped and incinerated in his tank; but because no identifiable remains existed, the Army was, for the time being, categorizing him as missing in action. The woman was a widow, and he had been her only son. Peg thought that they should visit her to see whether there was anything they might do.

The boy's mother lived in a little tenant farmhouse outside Waverly, about fifteen miles north of Waterloo. The Mullens found her farm and were surprised as they pulled in that no other cars were there. Peg was particularly shocked because they were surrounded by people at their own home. She and Gene got out of their car and walked up to the door and knocked. There was a long wait, and then a middle-aged woman opened the front door but remained behind the locked storm door, looking through the window at Peg and Gene.

"May I see Mrs. Foster?" Peg asked.

"I'm Mrs. Foster," she said.

"Are you alone here?" Peg asked.

"Yes. What do you want?"

"Well, I'm Peg Mullen," she said, "and this is my husband, Gene. Our son was killed last week in Vietnam and—well, we know your son is missing, that he's missing in action, and we thought maybe we could help you."

The woman remained behind the locked door.

"Really," Peg said. "Can't we come in?"

The woman still did not answer.

"We've had so many people, friends come to see us, and they've been such a help to us. I can't believe you're here all alone. Can't we come in?"

The woman finally nodded. "Yes," she said, and she unlocked the storm door. Peg and Gene followed her inside, where two little girls stood watching, wide-eyed and frightened, knuckles pressed to their lips. The woman brushed some books and papers off an old sofa and gestured that that was where the Mullens were to sit. She lowered herself into a worn upholstered chair across from them and remained there, looking at the Mullens as if she was waiting for them to speak, so Peg did.

"Where was your son in Vietnam?" Peg asked.

"I don't know," the woman said.

"You don't?" Peg asked, astonished.

The woman didn't answer.

Gene asked, "You mean, he never wrote to you from Vietnam?"

"He wrote me."

"But didn't you write him?" Peg asked. "Didn't you know where he was?"

"I wrote to his A.P.O. address in San Francisco," the woman said.

"Didn't he tell you anything in his letters?" Peg asked.

"Yes, but he never said where he was."

"And you don't know what unit he was with?" Gene asked.

"I can't understand this," Peg said. "You mean you never asked your son where he was, or . . . or what unit he was with, or what he was doing?"

"Yes, I asked him."

"And he didn't tell you?"

"He told me," the woman said.

"But then you say you don't know," Gene said. "You said——"

"He told you where he was and what he was doing, and you say you don't know where he was or what he was doing," Peg said. "What is the matter with you?"

The woman stiffened. "I can't talk," she said.

"What do you mean?" Peg asked.

"I just can't," she said. "I can't tell you."

"But your son is missing in action," Peg insisted. 'He was in a tank that was burned, and you say you can't talk. What on earth is wrong with you?"

"Well, now, I'll tell you," the woman said. "I've been informed by the Army that I can't discuss this with anyone, because it might—It might 'aid and abet the enemy.' Until they confirm or deny that my son is dead or wounded. I'm simply not allowed to talk to anyone. And I won't."

"Well, if I were you," Peg said, "I'd go down on my knees and pray to God that they find your son, because I read in the newspapers——"

"Peg!" Gene warned.

"—about the battle he was in, and I don't think your son could have surv——"

"Peg!" Gene took his wife firmly by the hand and pulled her to her feet before she could finish. "We'd better be going, Mrs. Foster," Gene said. "If there's anything we can do for you, please let us know. We hope we haven't upset you." He got Peg out the door, then turned back and said to the woman, "It's so very sad, so hard . . ." The woman closed the door on them and turned away.

"What was the *matter* with her?" Peg asked as she got into the car. "Her son is *dead!* He was burned to death in a tank! For God's sake, they're not going to find her son, there's nothing *left* of him. And still she does what they tell her!"

It was now the morning of Friday, February 27th, the seventh day since the Mullens had learned of their son's death and the third day since Captain Pringle had told Peg Mullen to call the Pentagon herself. The Mullens had not heard from the Captain since, so they still did not know who would be escorting Michael's body, nor did they know when it would arrive. Several members of the Mullen family were anxious, tired of waiting, and beginning to grow impatient with Peg.

By four o'clock that afternoon, when the Captain had still not called, Peg decided to telephone his office. She was told that Captain Pringle was not in, and he was not expected back, and that she might try him later at his home.

When Peg did try Captain Pringle's home, there was no answer, so she tried his office again. This time, the office phone was busy. For the next hour, Peg tried both phones. The office continued busy and there was no answer at the house. When the office phone remained busy for several hours into the evening, Peg called a friend who worked for the Northwestern Bell Telephone Company in Waterloo to ask whether there might be something wrong with the Captain's phone. Peg continued trying to reach Captain Pringle until eleven o'clock that night before finally giving up.

Peg's friend who worked for the Telephone Company called early Saturday morning to say that Captain Pringle's office phone had in fact been off its hook. The Mullens decided that they would have to help themselves. They first got in touch with Ozark Air Lines, one of the airlines serving their part of the Midwest, and explained that it had been a week since they received notification of their son's death, and that they were finding it almost unbearable to wait until Monday before hearing from the Army again. Might Ozark Air Lines have any record of an advance booking that would indicate when their son's body would be returned? Within minutes, an Ozark employee was able to tell the Mullens that Michael's body was scheduled to arrive at the Waterloo Airport on the airline's 7:45 p.m. Sunday flight.

At about ten o'clock Saturday morning, Sergeant Fitzgerald checked in. He said that the Captain had gone off without notifying him that he was to act in the Captain's stead. Peg told him that they had been able to learn when Michael was to reach Waterloo, but could the Sergeant find out for them which of the two boys they had requested as the escort would be the one to accompany him? Sergeant Fitzgerald explained that there was no way for him to find out; he knew only that the body would be escorted.

Gene called Ozark Air Lines again, and the same employee who had helped them before was able to check the passenger manifest within minutes and tell them that it was Tom Hurley, Michael's friend from Rockhurst, who would be coming. The Mullens telephoned Hurley's parents, in Sedalia, Missouri, and informed them that their son would be arriving in Waterloo the next night. His parents could barely conceal their surprise and delight, although they were quick to add that they were terribly sorry for the circumstances that had permitted him to return. The Mullens understood.

At 7:45 p.m. on Sunday, the Ozark Air Lines flight carrying Michael's casket touched down at the far end of the Waterloo Airport runway. Peg was not there to see it. She simply could not make herself drive out to the airport where six months earlier Michael had kissed her goodbye and told her not to worry, saying that it would be all over March 1st. It was March 1st and it was all over. Patricia remained behind to keep Peg company, and John and Mary went with Gene and Sergeant Fitzgerald to meet the plane.

Tom Hurley was the last passenger to leave the plane. His parents, who were inside the terminal, moved up to the window to watch. Hurley walked down the boarding steps and stood next to the freight bay, watching while Michael's casket, covered by an American flag, was slid onto a baggage conveyor. The conveyor then backed away from the plane, turned, and gently lowered and guided Michael's casket into a hearse. Only when the back doors of the hearse were closed did Hurley enter the terminal to embrace his family.

The Hurleys departed together, and the Mullens and Sergeant Fitzgerald followed the hearse to Waterloo. Michael's casket was taken to the Loomis Funeral Home. Inside, Tom Loomis, the director, asked the Mullens to wait out in the vestibule while the casket was opened. Sergeant Fitzgerald followed Loomis, and Gene, Mary, and John stayed behind. They sat silently, patiently, in the vestibule, wondering whether they could be certain it was Michael, worried that his body would have been so shattered by the artillery shell's explosion that they might never be able to know. After about twenty minutes, Tom Loomis returned and told Gene that he could now view the body. Gene rose and glanced, stricken, at his children.

"We'll be all right, Dad. You go ahead," John said.

Gene nodded and slowly turned away. He took a few steps and paused in the doorway of the funeral parlor's viewing room. The casket, its cover raised, was in the center of the room. Feeling apprehensive and ill, Gene made himself walk forward until he could see a uniformed body inside.

It was Michael, his son. There was no question about it.

Gene made himself move close enough to touch the cold hands so carefully folded across his son's body. Gene examined the military tunic, the strangeness of its brass buttons, the uniform jacket's lapels with the brass infantry and United States insignia, the black Army tie, the starched shirt collar, the throat, the lower jaw, the still, blue lips, the mustache—the *mustache?* Michael had a mustache! When had he grown a mustache? But it wasn't the mustache that bothered Gene. There was something else. He wasn't sure what; he just sensed that there was something wrong. Suddenly, he realized that there wasn't a mark on his son.

Gene looked up at the funeral director in bewilderment, then back down. He noticed that Michael's face was a little puffy, that his neck seemed swollen, but if it weren't for the uniform there would be no sign that he'd been in a war at all. In exasperation and puzzlement, Gene removed his glasses and wiped his hands across his eyes.

"Something wrong, Gene?" the funeral director asked.

"But, Tom, he was supposed to have been killed by *artillery!*"

"Well, Gene, when we lifted the body out of the casket—We had to, because it had settled into it a little. When we lifted the body, I couldn't feel any broken bones."

"Do you think he could have been killed by the concussion?"

"I couldn't say," Loomis said. "I just don't know." The funeral director leaned forward and traced his finger beneath Michael's shirt collar. "There's some tape along here," he said. "But that's where they embalmed him."

Gene looked again at his son. For some reason, Michael's coal-black hair, which when he had left was already thickly flecked with white, had become a strange and alien brown. He noticed, too, that his son's complexion, which had always been dark, almost mahogany-colored, seemed gray, chalky, a pallor foreign even to death. But Michael's hair and complexion were the only things that seemed strange, and Gene kept asking himself how Michael could have been killed by an artillery burst, an explosion of burning, jagged chunks of sharpnel, and still be perfectly whole. And the more he tried to understand it, the more agitated and suspicious he became, until finally he asked the funeral director where Sergeant Fitzgerald had gone.

"I'm right here, Mr. Mullen," Fitzgerald said. The Sergeant had been standing out of the way at the back of the room, and now he came forward.

Gene scowled at the Sergeant, "Now, I want to know *how* my son died! I want a death certificate. I want a death certificate stating how my son was killed."

Sergeant Fitzgerald opened an accordion-pleated manila file folder. He fiddled through the papers and finally pulled a sheet from the file. It was the paper from which he had read the official casualty message to the Mullens. Fitzgerald simply began to read it again: ". . . died while at a night defensive position when artillery fire from friendly forces—"

"That's not it! You know that isn't it!" Gene interrupted indignantly. "Look at him! *Look* at his body! There isn't a mark on him! Now, let's get down to the bottom of that stack of papers and find out. I want to *know*. I want a death certificate. I want this confirmed before I bury that boy or I'm going to have that body held."

The Sergeant began leafing through the folder again. "I don't have a death certificate, Mr. Mullen," he said. "All I have is the original message I read to you—that and the note I made when I received the information over the phone. That's this, here." Sergeant Fitzgerald resignedly handed Gene a piece of white typing paper on which he'd handwritten the note. It said, "Sgt. Michael E. Mullen, son of Oscar and Margaret Mullen, RFD No. 3, La Porte City, Iowa. Killed 18 Feb 70 near the village of Chu Lai. Non-battle."

Gene studied the page for several moments, and then asked, "What does this mean—'Non-battle'?"

"It means a casualty not the result of action by hostile forces," Sergeant Fitzgerald replied.

When Gene Mullen returned to the farm that night after viewing Michael's body, Peg asked him, "Is it Michael?"

"Yes," Gene said, dashing the one desperate remaining hope she had been nurturing all along.

Early Monday morning, Gene drove back to the Loomis Funeral Home with Peg and Patricia. They had wanted to be alone with Michael's body, and were surprised to find that a number of people were already there. Some were elderly friends of Michael's grandparents. Some were Peg's friends—people she had met through her work on the County Democratic Committee. Some were families who had sons currently serving in Vietnam. Some were from John's high-school class at Don Bosco. And some were families who had also lost sons in Vietnam.

At first, Peg was upset by Michael's hair more than by anything else. She had heard that the malaria pills the boys took in Vietnam and the sun and water affected coloring, but now she saw that Michael had no white hair at all. She wondered whether the Army had been embarrassed to show the Mullens that their son's hair had turned white, whether some well-meaning mortician had dyed it. Peg couldn't stand its strange "taffy" color. But, other than that, as Gene had reported, Michael looked absolutely natural. There wasn't a mark on him.

Peg was suddenly overwhelmed by anger. The depth of her anger, of her outrage, its force and fury, stunned her, caught her by surprise. Gripping the velvet-draped bier on which Michael's casket rested, Peg began to shiver. Her trembling transmitted itself through her arms to the bier, so that it, too, vibrated slightly, and the metal handles on the casket began to rattle against the steel—a thin, high, metallic pinging, like a moored sailboat's rigging in a wind. Peg, unable at first to identify the source of the sound, looked in amazement at the casket, at her hands, her arms, and then, realizing that she herself was responsible for that outrageous noise, she jerked her hands off the bier as though they had been burned.

"Mother?" Patricia took Pegs' arm, "You all right?"

Peg clamped her hands beneath her upper arms to still the trembling, and bit her lip.

"Are you all right?" Patricia repeated, and Peg's look, when she turned to her daughter, was that of a frightened child.

"Daddy." Patricia called.

Gene hurried over and, sensing that Peg was about to break down for the first time, seized her other arm.

"Get me to the car, quick." Peg said. Her voice was a thin, compressed whisper. Gene and Patricia hurried Peg past the others in the funeral home, through the vestibule, where Captain Pringle called out, "Mr. Mullen, I need your—

"Not now. Wait. Be back," Gene answered over his shoulder.

Once outside, Peg inhaled great gulps of air. She reached their car without stumbling and got in, and Patricia slid in next to her. Gene remained standing by the open door.

"Gene, you go ahead," Peg told him. "Go see what Pringle wants. I'll be all right now."

"You sure?" he asked.

"I'm all right," Peg repeated. "Patricia will stay with me. I just need to sit down for a while."

Gene nodded, and closed the car door.

"You feel better now?" Patricia asked, worried. "Is there anything I can get you?" Some water?"

Peg shook her head. She reached into her purse and pulled out a handkerchief.

"Are you sure?" Patricia said. "Isn't there anything you want?"

Peg continued to sit there in silence. After a moment, with obvious difficulty, she started to talk. She did not look up; instead, she stared down at the plain white cotton handkerchief she had twisted into little knots in her hand. "When I saw Michael whole . . . when I saw Michael without a mark on him, I wanted—I don't know what I wanted, but I don't think . . . I don't think . . ." Peg paused to clear her mind. "I don't think I wanted to see him . . . *whole*, you know? I got so angry . . . so *furious*, because he—Mikey doesn't look as if he . . . as if he—" Peg shook her head and took a deep breath. She faced Patricia, and for a moment her voice became very matter-of-fact. "I don't think I wanted him *whole*, see? Because I've got to believe that he died in a war, and . . . and I can't. I can't believe it. And that's why I sort of went to pieces in there. Do you understand?"

Patricia nodded. "I think so."

"I do think I wanted him to have been blown to bits. . . . I do! . . . I know I did," she said, and she wept. "He was *all whole! All whole!* . . . Oh-h-h, *why?* . . . Why couldn't he have been *blown to bits*? So . . . so I could *believe* he died in a *war?*"

Inside the funeral home, Sergeant Fitzgerald was signing the release papers that gave Tom Loomis final possession of Michael's body; in turn, Sergeant Fitzgerald took Michael's Army dog tags. Gene had wanted to keep the dog tags, but the Captain had explained that they were part of Michael's military equipment and, as such, were retained for record by the United States Army.

Peg never did understand why Michael's dog tags meant so much to Gene, or why he still had his own dog tags from the Second World War. But Gene knew the expression "If you can't make it in the Army, you won't make it on the outside," and dog tags represented a souvenir not so much of war with an enemy (the Army gives men medals for that) as of war with oneself. To Gene, Michael's dog tags were a symbol that when his son was called upon to accept and perform his responsibilities as a man among his fellow-men he had done his duty.

Tom Loomis was saying, "Gene, I understand you've decided not to have a military funeral."

"That's right," Gene answered, looking straight at Captain Pringle.

"Well, when the casket is brought to your home today will you be wanting a flag draped across it?"

Gene thought for a moment, then said, "Yes. Yes, I want a flag."

"I'll see that the flag is on the casket," Tom Loomis said. He made a little entry in his notebook. "And, let's see, we plan to have the casket out to your house around noon. Will that be suitable?"

"Noon will be fine," Gene said.

"And the funeral Mass is scheduled for ten o'clock tomorrow at the Sacred Heart in La Porte City?"

Gene nodded, and said, "Michael is to be buried in the family plot at Mt. Carmel, in Eagle Center."

"Mr. Mullen? Pardon me?" Captain Pringle said.

"Yes?"

"I can come to the service—I *have* to be there," Pringle said, correcting himself. "But I mean—Well, I can come to the service in civilian clothing if you'd like."

"Certainly not, Captain," Gene said. "I want you there in the uniform you represent."

"Fine, sir," Pringle said. He paused for a moment, then added, "I have one more question."

"Yes?"

"Where would you like me to sit?"

"*Sit?*" Gene asked.

"During the church service, sir," Pringle explained.

"Oh," Gene said. "I want you to sit right up in the front of the church, where everybody can see you."

"All right, sir. Fine," Pringle replied.

When Gene and Peg and Patricia returned to the farm, the mail awaiting them consisted of letters from friends and from still more families who had lost husbands and sons. It was the tenth day since the Mullens had learned of Michael's death, and so far the only expressions of regret from the United States government had been the telegram from Major General Wickham that arrived the week before and the nine-by-twelve-inch White House envelope containing President Nixon's speeches on how capably and efficiently the South Vietnamese were carrying out their share of the war. The Mullens still knew no more about how Michael had died than the information given in Wickham's telegram. But if "artillery fire from friendly forces" had killed him, why did Michael appear to be totally unmarked?

In Michael's next-to-last letter, dated February 11th, he had written his parents, "We are still at bunker line—will be here a couple more days—will move out on a search mission for a week." The Mullens therefore knew that their son was on a combat assignment, that he was in the field conducting a search mission on February 18th, when he died. Now the Army was telling them that although he was killed by artillery "while at a night defensive position," he was considered a non-battle casualty. The Mullens wanted to know why.

At noon, Michael Mullen's casket was brought to the farm and set in front of the picture window in the Mullens' living room. The strain in the relations between the family and their parish priest had not lessened. Father Shimon had not offered them any assistance in planning their son's funeral, nor had he reached Father Hemesath, whom the Mullens wished to have officiate at the Mass. The only help the Mullens had received had been from priests and sisters associated with Don Bosco.

Peg's older brother, William Goodyear, was pacing in front of Michael's casket. Finally, he pulled Peg and Gene aside and said in agitation, "You've got to find out what happened to him. *Look* at Michael! He could have had a stroke from the way he looks."

"No-o-o," Gene said. "Tom Loomis told me when he brought Michael here. He took me into the bedroom and said that the shell might have hit him back there." Gene pointed above his right kidney. "There was a hole no bigger than a pen top, about as big as that," he said, holding up the tip of his thumb.

"Well, all I can say is look at him," Bill Goodyear said. "I say you ought to check Michael yourself."

Gene, stricken, gestured toward the houseful of friends, relatives, young people. "*How?*" he asked. "How can we check him now?"

Shortly before Michael's casket was closed, on Tuesday, his brother and sisters each placed a small envelope in his crossed hands. None of the children ever revealed to their parents what they had written, nor did their parents ever ask. The casket was then closed, put back into the Loomis hearse, and taken in procession to La Porte City.

The Estep Motor Company, the local Ford dealer, provided three automobiles to transport the Mullen family to the Sacred Heart Church. Peg and Gene, their son John, and a cousin, Kathy Partridge, rode in the first car. Mary and Patricia; Mary's boyfriend, Rich DeJana; and Patricia's fiancé, Alan Hulting, rode in the second. The third carried Michael's uncles and aunts.

It was overcast, damp, and chilly at ten o'clock, when the Mullen family pulled up at the church and walked into the vestibule. Tom Loomis had stationed three pallbearers, chosen from among John's and Michael's friends, on each side of Michael's flag-covered casket. Tom Hurley, in uniform and with a black armband on his sleeve, was one of them. A young boy was carrying the processional cross, and as soon as he and Father Shimon saw the casket brought into the church, they hastened up the aisle toward it, and the congregation rose.

The Mass was concelebrated by Father Shimon; Father Ronald Friedell, of the Don Bosco faculty; and Father William Schwartz, a former Don Bosco teacher and a longtime friend of the Mullens'. Father Robert Hirsch, principal of Don Bosco, had been invited to deliver the homily. Father Gregory Hemesath was not present. The members of the Don Bosco Chorus, led by Sister Mary Richard, were standing around a portable organ brought from the school. Mr. Loomis nodded that he was ready; the crossbearer and Father Shimon positioned themselves at the head of Michael's casket, facing down the aisle toward the altar; and the three other priests, wearing the vestments indicative of a Requiem Mass, entered from behind the sacristy and gathered in the sanctuary. The Don Bosco Chorus began "How Great Thou Art," a hymn chosen by Gene, and the crossbearer led the procession down the aisle toward the altar. Michael's family followed the casket, and when it reached the sanctuary Peg and Gene were guided into the front center pew, beside the casket. John, Mary, and Patricia filed into the second row, behind their parents, and the uncles and aunts were directed into the row behind that.

Father Shimon made the sign of the cross and said, "In the name of the Father, and of the Son, and of the Holy Spirit . . ."

The congregation responded, "Amen."

Father Shimon extended his arms out from his sides. "The grace of our Lord Jesus Christ and the love of God and the fellowship of the Holy Spirit be with you all."

"And also with you."

"The grace and peace of God our Father and the Lord Jesus Christ be with you."

"Blessed be God, the Father of our Lord Jesus Christ."

Peg suddenly stiffened and poked Gene in the ribs.

"What's the matter?" Gene asked.

"The Lord be with you," Father Shimon was saying.

"And also with you," the congregation responded. Peg dipped her head toward Captain Pringle, who was standing in uniform all alone in the first pew on the right-hand side.

"I told him to sit there," Gene explained.

"*You* did?" Peg said. "Oh, I blamed it on the undertaker."

The small, well-kept Catholic cemetery at Eagle Center is about ten miles from La Porte City. The cars slowed at the gates, then entered the drive and continued up a slight hill past the Our Lady of Mt. Carmel Catholic Church and past a Case backhoe machine, which had been used to dig Michael's grave. At the crest of the hill, the hearse stopped. The Mullens' cars pulled in behind it, and the other mourners parked their cars as best they could nearby.

During the drive from La Porte, the sun had broken through the overcast, and it now shone brightly down upon the cemetery. The sun stayed out throughout the burial service.

Michael's grave was at the top of the hill, in the Mullen family plot. Father Shimon waited while the family gathered around the open grave, then said, "Let us pray."

Peg slipped her arm through Gene's, and he gently rested his hand on hers. As the first prayers were spoken, Gene began to cry. Peg had wept only at the beginning of the church service, then had stopped, and had remained dry-eyed through the rest. Now, as she stood at the graveside, the bright sunlight seemed to give her strength, and when she felt Gene's hand tremble on her own, she squeezed his arm in sympathy.

"Give our brother peaceful rest in this grave," Father Shimon was praying, "until that day when You, the Resurrection and the Life, will raise him up in glory. Then may he see the light of Your presence, Lord Jesus, in the kingdom where You live for ever and ever."

"Amen," Peg said. Gene had to clear his throat, and his "Amen" followed a little after.

The pallbearers held the American flag taut as Michael's casket was slowly lowered beneath it into the grave.

"Since Almighty God has called our brother Michael from this life to Himself," Father Shimon continued, "we commit his body to the earth from which it was made. . . . Christ was the first to rise from the dead, and we know that He will raise up our mortal bodies to be like His in glory. . . . We commend our brother to the Lord: May the Lord receive him into His peace and raise up his body on the last day."

The flag was awkwardly folded by Michael's friends, with Father Shimon's help, while Captain Pingle stood by. The folded triangle was not crisp—bits of flag stuck out, and the folds and the stars did not end up quite right—but it was given to the Mullens anyway.

Michael Eugene Mullen was buried in his Army uniform near the gravestones of John and Ellen Dobshire, Patrick J. and Mary Ann Dobshire Mullen, and Oscar L. and Mary Ann Mullen, and the stone reserving the plot for Peg and Gene. From Michael's grave, the only buildings visible nearby are the Mt. Carmel Church and a few parish buildings. Everything else is farmland, and when the sun sets, the shadows rush across the rolling hills like an incoming ocean tide.

After the burial, the family returned to the Sacred Heart Church in La Porte for a lunch. There Captain Pringle neatly refolded the flag, and then said goodbye. Tom Hurley, too, had to leave, and before departing he drew Peg aside. All he said was "Mrs. Mullen, whatever you do, don't stop fighting against this war!"

By late afternoon, the uncles and aunts had gone, the friends had returned to their own homes, and Peg and Gene and their three surviving children were finally alone on their farm. It was the first opportunity Peg had had to open the day's mail. A new letter had arrived that morning from Washington:

February 25, 1970.

Dear Mr. and Mrs. Mullen: Please accept my deepest sympathy in the loss of your son, Sergeant Michael E. Mullen, on 18 February, in Vietnam.

I know that the passing of a loved one is one of life's most tragic moments, but sincerely hope that you will find some measure of comfort in knowing that your son served his Nation with honor. His devoted service was in the finest traditions of American soldiers who on other battlefields and in other times of national peril have given the blessings of freedom for their loved ones and for future generations. In Vietnam today brave Americans are defending the rights of men to choose their own destiny and to live in dignity and freedom.

All members of the United States Army join in sharing your burden of grief.

Sincerely,

W. C. Westmoreland,
General, United States Army Chief of Staff.

With a look of disgust, Peg skimmed the letter over to Gene.

The next day, Gene Mullen returned to work at John Deere. As he was performing the final inspection on one of the big green-and-yellow tractors that had reached the end of the assembly line, he was approached by a supervisor who had failed to attend the wake or the funeral services. "Say, Oscar," the man said (at John Deere, Gene is addressed for his first name), "I'm awfully sorry to hear about your tough luck."

"Well, thank you," Gene said, over his shoulder.

The supervisor stood there while Gene made a note on his clipboard checklist. Then he said, "I couldn't get out there to your farm, Oscar. I just couldn't. I was too busy."

"You were too busy?" Gene asked, turning now to face the man. "You son of a b—! My boy wasn't too busy to die for you, was he?"

The supervisor looked down at his feet.

"My boy died because you were too busy," Gene said. "How many others are you now going to let die for you?"

The supervisor blinked at Gene sadly. "All I meant was I'm awfully sorry."

"So am I," Gene said. "So am I." And he turned away from the supervisor and went to work.

A few days after Michael's funeral, a letter arrived at the Mullens' farm:

Department of the Army, Headquarters, 1st Battalion, 6th Infantry Brigade, Americal Division, APO San Francisco 96219

March 2, 1970.

Mr. and Mrs. Oscar E. Mullen,
Rural Route 3,
La Porte City, Iowa.

Dear Mr. and Mrs. Mullen: It is with deepest sorrow that I extend to you the sympathy of the men of the 1st Battalion, 6th Infantry, for the loss of your son, Michael.

On the early morning of February 18, 1970, Michael's unit was located in their night defensive position near the village of Tu Chanh, approximately 13 miles south of Tam Ky City, in Quang Tin Province, Republic of Vietnam. At 2:50 a.m., the unit was adjusting artillery to provide a predetermined range of fire in the event of enemy contact. During the testing, Michael received a fatal missile would when an artillery round fell short of its intended target and detonated near his position. May you gain some consolation in knowing that Michael was not subjected to any prolonged suffering.

I sincerely hope that the knowledge that Michael was an exemplary soldier who gave his life assisting his fellowman and in the service of his country will comfort you in this hour of great sorrow.

A memorial service was conducted for your son. Michael's comrades joined me in rendering military honors and final tribute to him. You were in our thoughts and prayers at that time also.

The sincere sympathy of this unit is extended to you in your bereavement.

Sincerely yours,

H. Norman Schwarzkopf,
LTC, Infantry Commanding.

The second paragraph was the only one that interested Peg. She picked up a ballpoint pen and carefully underlined "Tu Chanh," "13," "Tam Ky," "Quang Tin," and then, after a pause, she underlined "prolonged."

What did that mean? It could mean that Michael had suffered for anywhere from a few seconds to fifteen minutes or more. But he had certainly suffered.

"Near the village of Tu Chanh, approximately 13 miles south of Tam Ky City . . ." Peg's Hammond map of "Vietnam and Neighboring Countries" showed Tam Ky about twenty miles northwest of Chu Lai. Chu Lai was where he had been when he telephoned his mother. His final words had been "Mom, it is sticky over here—goodbye."

"Michael's unit was located in their night defensive position," the letter stated. "At 2:50 a.m., the unit was adjusting artillery to provide a predetermined range of fire in the event of enemy contact." Peg read those two lines again: "Michael's unit was located . . . The unit was adjusting artillery . . ." It could mean only that Michael's unit was adjusting the artillery. In other words, someone in Michael's own outfit had called in the artillery that had killed her son. Why? And why at two-fifty—nearly three o'clock in the morning? It didn't make sense unless they were under attack. And yet the Mullens had been told that Michael was a non-battle casualty. The letter clearly implied that the unit hadn't been under attack, that the artillery had been called for "in event of enemy contact"—*in case of* enemy contact. There was nothing in the letter about Vietcong infiltrating radio channels, no mention that the artillery was from a South Vietnamese unit. In fact, as Peg studied that paragraph, she became more and more suspicious.

Why had Michael's unit, which apparently was not under attack, asked for artillery to be fired over its position at three o'clock in the morning?

How could the one shell have "detonated near his position"—have exploded next to Michael—and left him virtually unmarked except for a small hole in his back the size of a small hole in his back the size of a pen top—or a bullet?

Why, if Michael's unit had called in the artillery, hadn't he been in a foxhole? Why hadn't he been wearing his flak jacket?

Why had the shell fallen short?

Why had the only letter that the Mullens received from anyone even remotely connected with their son been from the battalion commander? Why had they not heard from his company commander? His platoon leader? Why had she not heard from anyone in Michael's unit? He had been dead for two weeks. Hadn't Michael had any friends?

Had no one else been hurt?

There had not been any newspaper accounts of an accidental shelling—nothing on the evening news. The casualty list released the week Michael died listed only eighty-eight deaths, and yet three planeloads—planes supposedly carrying seventy-five bodies each—had flown into California in just two days.

What had *really* happened to her son?

WILLIAM COLBY DENIES MISLEADING PUBLIC ON ANGOLA

(Mr. SEIBERLING asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. SEIBERLING. Mr. Speaker, on December 16, 1975, I made a speech on the floor of the House in which I stated that it was time that Congress demanded full and accurate disclosure of the facts and an opportunity to participate in the formulation of national policy on Angola. In the course of my remarks, I stated that Mr. William Colby, then Director of the CIA, had stated at a public function 2 weeks earlier that the United States was not directly or indirectly, supplying any military or paramilitary assistance to any of the factions in Angola. As to that I said, "It appears that once again, high officials of the executive branch have deliberately lied to us." In order to have a complete record at this point, I am offering the complete text of my remarks which appeared at page 40856 of the CONGRESSIONAL RECORD for December 16, 1975, for printing in the RECORD following these remarks.

On January 16, 1976, I received a letter from Mr. Colby denying that he "deliberately lied" or made a statement that was "absolutely false" on the occasion in question, and asking that I insert his letter in the CONGRESSIONAL RECORD. Mr. Colby did not say precisely what his remarks on that occasion were but merely that he "was extremely careful not to assert anything which was untrue."

Before proceeding further, I got in touch with some of the people who had been present at the dinner at which Mr. Colby spoke in December, in order to determine whether their recollections of his remarks regarding Angola were the same as or different from my own. Although each person with whom I spoke had a somewhat different recollection as to the precise wording of Mr. Colby's remarks, all agreed that his statement gave the impression that the United States was not supplying any military or paramilitary assistance to any of the factions in Angola. Accordingly, on January 30, 1976, I wrote Mr. Colby outlining the results of my inquiries and stating that I would await word from him before making any further statement in the CONGRESSIONAL RECORD.

I have since received a letter from Mr. Colby dated March 12, 1976, to which he attached a letter from Mr. Fred Warner Neal stating that he was present at the dinner and that as far as he was aware, Mr. Colby did not make the statement which I had attributed to him. Mr. Neal said also that he had consulted with Mr. Harry S. Ashmore, whose recollection was the same as Mr. Neal's. Neither they nor Mr. Colby, it should be noted, have made any statement describing what Mr. Colby said but only that he did not say what I claimed he said. In any case, in accordance with Mr. Colby's request, I am offering the entire correspondence for inclusion in the RECORD following these remarks.

Mr. Speaker, it was not my object in addressing the House on December 16, to single out any individual for criticism, but rather to highlight the fact that the Congress had not been consulted about the very serious actions taken by the administration in regard to Angola, did not even know for sure what actions were being taken, and that the Congress had apparently once again been lied to by officials of the administration. Frankly, I had always given fairly high marks to Mr. Colby for credibility, which is why I felt a great sense of shock when the facts on Angola began to come out in the news media, since the facts seemed to be at total variance with Mr. Colby's remarks at the dinner, as I recalled them. It is unfortunate that no transcript of his remarks on that occasion is available since human ears and human recollection are fallible. I could quite well have been mistaken. I am quite willing to let the matter rest there as far as Mr. Colby is concerned.

However, on the larger issue, there can be no question but what the administration for months deliberately deceived and misled Congress and the public on the Angola matter, involving the commitment of very substantial amounts of American weapons and money in a civil war. As I said on December 16, although I would strongly oppose sending U.S. troops to Angola, I was not prepared to say that the Congress should prohibit any and all forms of assistance to any of the factions in Angola. However, I introduced a resolution to prohibit such assistance without specific authorization by Congress, and I am gratified that Congress ultimately adopted legislation to that effect.

As we have since learned, the large-scale commitment of American weapons to Angola was made secretly in July, although the Congress did not learn about it until December. If the administration had come to Congress before July and laid all of the facts on the table, it might have gotten a measure of support. However, by the time the facts had been disclosed in December, it had become fairly obvious that no amount of weapons could restore the military situation in Angola. In addition, many Members of Congress were furious that once again an administration had used deception in an effort to usurp Congress' warmaking powers.

Most Members of Congress were disturbed and continue to be deeply disturbed about Soviet and Cuban adventurism in Africa. There is as yet no consensus as to what we can or should do about it. If there is to be a consensus, it will be essential that the administration henceforth be willing to disclose all of the facts to the Congress and take the chance that the Congress will come to a conclusion that is acceptable to the administration. As long as we are a democracy, there can be no other way.

The material follows:

[From the CONGRESSIONAL RECORD, Dec. 16, 1975, PAGE 40856]

U.S. INVOLVEMENT IN ANGOLA

(Mr. SEIBERLING asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SEIBERLING. Mr. Speaker, I share the misgivings of the gentleman from Ohio (Mr. MOTTL) on the question of Angola. I wonder whether our country is backing into another Vietnam.

The Russian involvement in Angola is very disturbing. But so is U.S. involvement. Particularly disturbing is the fact that the Congress was not consulted in advance about the actions being taken by the administration with regard to Angola. We do not even know for sure what actions are being taken by the administration.

Furthermore, it appears that once again, high officials of the executive branch have deliberately lied to us. Two weeks ago at a large dinner in connection with the Pacem in Terris Conference, Mr. William Colby, Director of the CIA, publicly stated that the United States was not, directly or indirectly, supplying any military or paramilitary assistance to any of the factions in Angola. That statement was, as now know, absolutely false.

We are given the impression that once again, the executive branch is acting unilaterally without approval by Congress, without disclosing the facts, and without having made any attempt to bring the conflict before appropriate international organizations, such as the United Nations Security Council.

Mr. Speaker, although I would strongly oppose sending U.S. troops to Angola, I am not now prepared to say that the Congress should prohibit any and all forms of assistance to any of the factions in Angola. However, I think it is time the Congress demanded full and accurate disclosure of the facts and the opportunity to participate in the formulation of national policy on this dangerous situation. To that end, I am introducing a resolution to prohibit military assistance to any faction in Angola without specific authorization by Congress.

CENTRAL INTELLIGENCE AGENCY,
Washington, D.C., January 16, 1976.

Hon. JOHN F. SEIBERLING,
House of Representatives,
Washington, D.C.

DEAR MR. SEIBERLING: My attention has just been called to the *Congressional Record* of December 16, 1975, page 40856, in which you state that I "deliberately lied" and made a statement which was "absolutely false." I flatly deny both charges. At the dinner to which you referred, I made no statement that the United States "was not, directly or indirectly, supplying any military or paramilitary assistance to any of the factions in Angola." While I do not have a transcript of the informal statements made there, I was extremely careful not to assert anything which was untrue. Since your remarks appeared in the *Congressional Record,* I ask, in fairness, that you also insert this letter.

Sincerely,

W. E. COLBY,
Director.

JANUARY 30, 1976.

Mr. WILLIAM E. COLBY,
Washington, D.C.

DEAR MR. COLBY: I am sorry not to have replied sooner to your letter dated January

16, which actually arrived in my office on January 20. My response was necessarily delayed until I could check with some of the other people who were at the Pacem In Terris dinner in order to determine whether their recollection of the remarks you made regarding Angola were the same as or different from my own. Although each person with whom I spoke had a somewhat different recollection as to the precise wording of your remarks, all agreed that your statement gave the impression that the U.S. was not supplying any military or paramilitary assistance to any of the factions in Angola.

If you will reexamine my remarks in the *Congressional Record*, I think you will see that I do not say that you had "deliberately lied," but rather that it "appears" that high officials had "deliberately lied" to us. I would think that you would also agree that the facts that were subsequently revealed as to the extent of our government's involvement in Angola would justify a conclusion that a statement of the kind that I and others present understood you to have made would be a false statement. So the only real question is whether what appears to be the general impression as to what you said is a correct impression.

As I told a member of your staff with whom I discussed the matter before he brought it to your attention, I would be quite willing to place an additional statement in the *Congressional Record* clarifying your position, whether it be a mere reiteration of the denial contained in your letter of January 16 or a more affirmative statement of your recollection as to the tenor of your remarks on the occasion in question. I will await further word from you before making any further statement in the *Record* on this matter.

Sincerely,

John F. Seiberling,
Member of Congress.

Washington, D. C., *March 12, 1976,*

Hon. John F. Seiberling,
U.S. House of Representatives,
Washington, D.C.

Dear Mr. Seiberling: In the Congressional Record of December 16, 1975, you stated that "it appears" that I "deliberately lied". In a letter to you dated January 16, 1976, I flatly denied your charge, and asked that my denial also be inserted in the Congressional Record. In a reply to me dated January 30 you said that you had checked with some other witnesses to my statement who agreed with your impression of my remarks.

In this situation I approached the sponsors of the event with a request for their recollection of my statement. In the attached letter dated March 8, Mr. Fred Warner Neal states that both he and Mr. Harry S. Ashmore of the Center for the Study of Democratic Institutions did not hear me make the statement you charged me with saying.

At this point I reiterate my request that you place in the Record my denial of January 16 and add to it this letter and Mr. Neal's. You may of course add any of your thoughts as you wish. I do not request an apology; I only ask that my flat denial of the serious charge you made that I "deliberately lied" be given the same prominence.

Sincerely,

W. E. Colby.

Center for the
Study of Democratic Institutions,
Santa Barbara, Calif., March 8, 1976.

Mr. William E. Colby,
Washington, D.C.

Dear Mr. Colby: I write you relative to the letter of Rep. Seiberling in the Congressional Record of December 16, 1975, which asserts that "at a large dinner in connection with the *Pacem in Terris* Conference, Mr. William Colby, Director of the CIA, publicly stated that the United States was not, directly or indirectly supplying any military or paramilitary assistance to any of the factions in Angola."

Although the dinner referred to had no official connection with the *Pacem in Terris* Convocation, I and a number of other persons connected with that meeting were present at the dinner.

I wish to state that as far as I am aware, you did not make the statement attributed to you. In any event, although I was only one table away, I am quite sure I did not hear it.

My colleague at the Center for the Study of Democratic Institutions, Mr. Harry S. Ashmore, who was at the dinner also, authorizes me to state that his recollection is the same as mine about this matter.

Yours sincerely,

Fred Warner Neal.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. Steiger of Wisconsin (at the request of Mr. Rhodes) for March 22 and 23, on account of illness.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mrs. Holt) to revise and extend their remarks and include extraneous material:)

Mr. Cleveland, for 5 minutes, today.
Mr. McDade, for 5 minutes, today.

(The following Members (at the request of Mr. Downey of New York) to revise and extend their remarks and include extraneous material:)

Mr. Bedell, for 5 minutes, today.
Mr. McFall, for 5 minutes, today.
Mr. Gonzalez, for 5 minutes, today.
Mr. Annunzio, for 5 minutes, today.
Ms. Abzug, for 20 minutes, today.
Mrs. Collins of Illinois, for 5 minutes, today.
Ms. Holtzman, for 30 minutes, today.
Mr. Downey of New York, for 30 minutes, today.
Mr. Diggs, for 5 minutes, today.
Mr. Stark, for 5 minutes, today.
Mr. Dodd, for 10 minutes, today.
Mr. Mezvinsky, for 15 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

Mr. Long of Maryland and to include extraneous matter.

Mr. Harrington, and to include extraneous matter notwithstanding the fact that it exceeds two pages of the Record and is estimated by the Public Printer to cost $2,931.

Mr. Hechler of West Virginia, and to include extraneous matter.

(The following Members (at the request of Mrs. Holt) and to include extraneous matter:)

Mr. Sebelius in two instances.
Mr. Ketchum.
Mr. Walsh.
Mr. Cleveland.
Mr. Wiggins.
Mr. Grassley.
Mr. Young of Florida.
Mrs. Holt.
Mr. Anderson of Illinois in two instances.
Mr. Goodling.
Mr. Kasten in two instances.
Mr. Bob Wilson in two instances.
Mr. Cohen in two instances.
Mr. Derwinski in two instances.
Mr. Jarman.
Mr. McDade.
Mr. Horton.
Mr. Gilman.
Mr. Brown of Ohio in two instances.
Mrs. Fenwick.
Mr. Frenzel in three instances.

(The following Members (at the request of Mr. Downey of New York) and to include extraneous material:)

Mr. Fraser in two instances.
Mr. Long of Maryland.
Mr. Hungate.
Mrs. Burke of California.
Mr. Rangel.
Mr. Conyers.
Mr. Anderson of California in three instances.
Mr. Gonzalez in three instances.
Mr. Harrington in five instances.
Ms. Abzug in three instances.
Mr. Badillo in two instances.
Mr. Bedell in two instances.
Mrs. Collins of Illinois.
Mr. Brademas.
Mr. Carney.
Mr. Ford of Tennessee.
Mr. Lehman.
Mr. Stokes in three instances.
Mr. Richmond in two instances.
Mr. Ford of Michigan.
Mr. Gaydos.
Mr. Murphy of Illinois.
Mr. Ambro.
Mr. Nowak.
Mr. Cornell in five instances.
Mr. Dominick V. Daniels.
Mr. McDonald of Georgia in two instances.
Mr. Rosenthal in two instances.
Mr. Maguire.
Mr. Baucus.
Mr. Stark in five instances.
Mr. Patterson of California.

ENROLLED BILLS SIGNED

Mr. HAYS of Ohio, from the Committee on House Administration, reported that that committee had examined and found truly enrolled a bill of the House of the following title, which was thereupon signed by the Speaker:

H.R. 8507. An act to revise the per diem allowance authorized for members of the American Battle Monuments Commission when in a travel status.

SENATE ENROLLED JOINT RESOLUTION SIGNED

The SPEAKER announced his signature to an enrolled joint resolution of the Senate of the following title:

S.J. Res. 184. A joint resolution to amend the Regional Rail Reorganization Act of 1973, as amended.

BILLS PRESENTED TO THE PRESIDENT

Mr. HAYS of Ohio, from the Committee on House Administration, reported that that committee did on this day present to the President, for his approval, bills of the House of the following titles:

H.R. 3427. An act to provide for the striking of medals in commemoration of the 200th anniversary of the signing of the Declaration of Independence by Charles Carroll of Carrollton; and

H.R. 12122. An act to amend section 2 of the act of June 30, 1954, providing for the continuance of civil government for the Trust Territory of the Pacific Islands, and for other purposes.

ADJOURNMENT

Mr. DOWNEY of New York. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 45 minutes p.m.), the House adjourned until tomorrow, Wednesday, March 24, 1976, at 12 o'clock noon.

CONTRACTUAL ACTIONS, CALENDAR YEAR 1975, TO FACILITATE NATIONAL DEFENSE

The Clerk of the House of Representatives submits the following report for printing in the CONGRESSIONAL RECORD pursuant to section 4(b) of Public Law 85-804:

ASSISTANT SECRETARY OF DEFENSE,
Washington, D.C., March 18, 1976.
Hon. CARL ALBERT,
Speaker of the House,
Washington, D.C.

DEAR MR. SPEAKER: In compliance with Section 4(a) of Public Law 85-804, the calendar year 1975 report on Extraordinary Contractual Actions to Facilitate the National Defense is transmitted herewith.

Table I shows that 315 contractual actions were approved and that 130 actions were disapproved. Included in the number of actions approved are 157 actions for which a potential Government liability cannot be estimated.

Table II lists the actions which have an actual or potential cost to the Government of $50,000 or more. Also included in this list are the 157 actions above for which a potential cost cannot be estimated.

Sincerely,

FRANK A. SHRONTZ,
Assistant Secretary of Defense (Installations and Logistics).

EXTRAORDINARY CONTRACTUAL ACTIONS TO FACILITATE THE NATIONAL DEFENSE (PUBLIC LAW 85-804) JANUARY-DECEMBER 1975

DEPARTMENT OF DEFENSE, OASD COMPTROLLER, DIRECTORATE FOR INFORMATION OPERATIONS AND CONTROL

TABLE I.—SUMMARY REPORT OF CONTRACTUAL ACTIONS TAKEN PURSUANT TO PUBLIC LAW 85-804 TO FACILITATE THE NATIONAL DEFENSE, JANUARY-DECEMBER 1975

[Dollar amounts in thousands]

Department and type of action	Actions approved			Actions denied	
	Number	Amount requested	Amount approved	Number	Amount
Department of Defense, total	315	$13,713	$11,570	130	$54,277
Amendments without consideration	17	11,664	9,813	66	29,972
Correction of mistakes	66	1,595	1,362	45	23,368
Formalization of informal commitments	45	371	312	14	957
Contingent liabilities	157				
Other	30	83	83	5	
Army, total	56	6,139	5,373	55	16,828
Amendments without consideration	8	4,870	4,297	26	14,539
Correction of mistakes	22	1,198	1,005	16	1,339
Formalization of informal commitments	22	71	71	13	950
Contingent liabilities	4				
Navy, total	164	2,960	1,876	15	23,798
Amendments without consideration	4	2,625	1,597	10	3,214
Correction of mistakes	7	104	98	5	20,584
Formalization of informal commitments	20	231	181		
Contingent liabilities	131				
Other (contract cancellations)	2				
Air Force, total	46	3,480	3,187	25	9,704
Amendments without consideration	2	3,150	2,900	12	9,559
Correction of mistakes	19	200	166	12	138
Formalization of informal commitments	1	47	38	1	7
Contingent liabilities	22				
Other (residual powers and modification)	2	83	83		
Defense Supply Agency, total	48	1,115	1,115	35	3,947
Amendments without consideration	2	1,000	1,000	18	2,640
Correction of mistakes	18	93	93	12	1,307
Formalization of informal commitments	2	22	22		
Other (recission and reformation of contracts)	26			5	
Defense Nuclear Agency: Amendments without consideration (total)	1	19	19		

Department of Defense, OASD (Comptroller), Directorate for Information Operations and Control, Mar. 15, 1976.

TABLE II.—LIST OF CONTRACTUAL ACTIONS WITH ACTUAL OR POTENTIAL COST OF $50,000 OR MORE TAKEN PURSUANT TO PUBLIC LAW 85-804 TO FACILITATE THE NATIONAL DEFENSE JANUARY-DECEMBER 1975

Name and location of contractor	Actual or estimated potential cost	Description of product or service	Justification
AMENDMENTS WITHOUT CONSIDERATION			
Army:			
Kellett Corp., P.O. Box 35, Willow Grove, Pa	$688,833	Electronic equipment shelters and transportation maintenance calibration facilities.	This contractor was granted relief in the amount of $358,032 on Aug. 29, 1974 (calendar year 1974 report). The contractor contends that due to a miscalculation their request for needed funds was understated. It is determined that this contractor continues to be essential to the national defense.
Thompson Optical Engineering Co., 10355 Vacco St., South El Monte, Calif.	400,000	Telescope mounts, periscopes, and hood assemblies.	Thompson was granted relief in the amount of $501,474 on Dec. 9, 1974 (calendar year 1974 report). The company's productive capability has been impaired as a result of losses suffered under several Army contracts. It is determined that continued performance under this contract is essential to the national defense.
G. C. Industries, Inc., Clearview, Fla	88,963	Battery charging distribution panels (963)	The contractor's original request for relief was based on mistake in bid preparation, which was denied. However, the distribution panels are urgently needed and reprocurement from another source would cause a leadtime of at least 13 months and an increase in price of at least $200 per unit.
Photronics, Corp., Hicksville, N.Y	159,512	Panoramic telescopes and parts	There was such a disparity in the contractor's proposal and the Government estimate for this item that photronics should have been notified. The company has suffered a heavy financial loss on this contract and their productive capability is impaired. Although there are other qualified sources for procurement of the telescopes it is economically impractical when the cost is compared to cost under this contract, including the relief required. Photronics is an important producer of other defense items, several of which are considered essential to weapons and missile systems.
American Gear & Pinion Corp., Conway, S.C	409,634	M125A1 boosters	The boosters were to be produced with Government furnished equipment which was, at the time of award, located in a defunct contractor's plant. Between the time of bid preparation and the time the GFE was removed from the plant it had been cannibalized and otherwise deteriorated to the point of being practically useless. The contractor was compensated for additional cost encountered through the period of delay caused by the faulty GFE but during the delay the cost of brass stock escalated sharply. The contractor is essential to the national defense as a producer of M125A1 boosters.

TABLE II.—LIST OF CONTRACTUAL ACTIONS WITH ACTUAL OR POTENTIAL COST OF $50,000 OR MORE TAKEN PURSUANT TO PUBLIC LAW 85-804 TO FACILITATE THE NATIONAL DEFENSE JANUARY–DECEMBER 1975—Continued

Name and location of contractor	Actual or estimated potential cost	Description of product or service	Justification
Medico Industries, Inc., 1500 Highway 315, Wilkes Barre, Pa.	110,226	Warheads, practice 2.75 mm rocket	A letter contract was awarded with a ceiling price of $4.465 per unit and an option quantity at the same price. During the negotiations to definitize the letter contract the Government was informed that as a result of rising costs a unit price of $4.7037 would be appropriate. However, the contract was definitized at the ceiling price contained in the letter contract. The Government recognized at the time it exercised the option that the contractor would lose money on each unit produced, but felt there was no alternative in view of the option price in the contract as definitized.
Cincinnati Electronics Corp., 2630 Glendale-Milford Rd., Cincinnati, Ohio.	2,119,000	AN/PRC-77 radio sets	At the time of the IFB the present ownership of Cincinnati were employees of the Evandale Division of AVCO and were negotiating to buy the business. This group bid on the contract even though their buyout from AVCO was not complete. They requested the SBA to certify them as a small business concern, anticipating that, if they were low bidder on the non-set-aside portion they could receive the entire award by achieving small business labor surplus area status. The SBA certified the company as a small business for the procurement. Cincinnati won the award but Sentinel Electronics which was next in line protested their small business status in view of their affiliation with AVCO. Cincinnati received the award for the non-set-aside portion only even though they stated that their bid was premised upon award of the total quantity. The loss stems from the faulty premise in Cincinnati's bid and from sharp escalation in material costs during all of the delays. Cincinnati is considered essential as a producer under ongoing contracts and as a future source of supply for defense items.
G. W. Galloway Co., Baldwin Park, Calif.	321,053	Armored vehicle launched (AVL) bridges	Almost immediately after award of the contract Government price controls were lifted, causing a rapid increase in the cost of materials. To date half of the total quantity has been shipped and deliveries are ahead of schedule but the company's financial position has deteriorated to the point where it can no longer absorb losses engendered by the bridge contract and still have sufficient cash flow to remain in business. It is determined that Galloway's performance is essential to the national defense.
Navy:			
Intercontinental Manufacturing Co., 1200 North Glenbrook Dr., Garland, Tex.	1,400,000	MK-82 and MK-84 bomb bodies	Imco held contracts for both MK-82 and MK-84 bomb bodies. A dispute arose over the acceptability of the bombs and Imco ceased production. The SPCC partially terminated the MK-82 contract but did not terminate the MK-84 contract because the bomb body is not obtainable from any source other that Imco. SPCC has repurchased part of the MK-82 units pursuant to the default clause, and excessive reprocurement costs have placed Imco in a weak financial condition. Without relief it would be impossible to continue the MK-84 contract. Imco is and has been the sole producer of the MK-84 bomb body for many years and owns the only facility (including all the necessary plant equipment, tooling, etc.) capable of manufacturing the MK-84.
Simco, Inc., 425 East South Ave., Cheny, Kans.	162,215	NT-4 universal aircraft towbars	Contract was awarded in April 1974 for 646 NT-4 universal aircraft towbars. In January 1975 (9 months later) the Government exercised its option for 592 additional units at the basic contract price. Simco is in a position where it cannot pay its suppliers for the additional materials required to complete the contract. The towbars have been in continuously short supply for several years and they are considered by type commanders to be one of the most critical items of ground support equipment. It is estimated that these units would cost considerably more if purchased from another source.
Air Force:			
Hazeltine Corp., Greenlawn, N.Y.	2,500,000	Scan converter display systems	During the performance of its fixed-price contract for scan converter display systems, Hazeltine encountered technical performance problems which increased its cost of performance. The contractor then submitted a claim for equitable adjustment for asserted constructive changes which will be resolved under the disputes procedure. In conjunction with these developments, Hazeltine's main source of financing, Franklin National Bank, failed, leaving the contractor in a critical cash flow posture. Hazeltine is considered an essential supplier for several defense systems, including the Maverick missile and AWACS. The amendment took the form of an increase in contract price accompanied by an agreement that if an equitable adjustment is approved the contract price will be reduced by the difference between the equitable adjustment and the $2,500,000 price increase; if the equitable adjustment is not approved the contractor will refund the $2,500,000, plus interest.
Latsec, Inc., La Jolla, Calif.	400,000	Computerized indexing of technical publications in Russian and East European languages.	Latsec incurred substantial additional costs in performing its fixed-price type contract. It was found that the financial failure of Latsec would result in the bankruptcy of Dr. Peter Toma, the company's founder and chief stockholder. The record evidences that in the event of this contingency Dr. Toma would be impelled to leave the United States to accept outstanding academic and commercial opportunities in Europe. Dr. Toma is the developer of unique innovations in the field of computerized foreign language translation including automated means of content and threat analysis, trend prediction and question answering. While there were alternate sources for the performance of this particular contract, it was found that Dr. Toma and his corporate retinue represent a source of technological contributions whose continued operation is considered essential to the national defense and that relief under the contract is justified.
Defense Supply Agency:			
Drexel Industries, Inc., Maple Ave., Horsham, Pa.	1,000,000	Electric forklift trucks	In 1972 Drexel was awarded 4 contracts for a total of 621 trucks of which 320 remain undelivered. Production on these contracts was delayed several months by strikes. During this delay labor costs increased and the deterioration of the economy caused the company to incur substantial losses. Should these contracts be terminated for default, Drexel would be unable to pay the excess cost of reprocurement and, in all probability would be forced into bankruptcy. While Drexel is not the only source of supply for any type of forklift trucks used by the DOD, continuing spare parts support is and will be required for Drexel trucks currently in inventory. While many parts built into Drexel equipment are commercially available, detailed drawings, plans, and diagrams would be required to permit alternate manufacture of parts distinctive to Drexel. Such drawings are not available to the Government.
Residual Powers, Air Force:			
Chinese Air Force, Taichung, Taiwan	82,563	Depot level repair of aerospace ground equipment and overhaul generators in support of PACAF.	Since inception of the contract, the Government of the Republic of China has approved three pay increases affecting the salaries of the ROC civilian and military personnel, including the employees of the CAF contract. The ROC Ministry of Defense will not approve any budget increases to cover Government-approved labor increases for programs other than those associated with the defense of Taiwan. The CAF is not the sole source for the services, but relief will enable uninterrupted continued performance of an important defense effort at, in the long run, a considerable saving as compared to any alternate sources.

CONTINGENT LIABILITIES

Provisions to indemnify contractors against liabilities on account of claims for death or injury or property damage arising out of nuclear radiation, use of high energy propellants, or other risks not covered by the contractor's insurance program were included in 157 contracts (the potential cost of these liabilities cannot be estimated inasmuch as the liability to the Government, if any, will depend upon the occurrence of an incident as described in the indemnification clause). Items procured are generally those associated with nuclear-powered vessels, nuclear armed guided missiles, experimental work with nuclear energy, handling of explosives or performance in hazardous areas.

TABLE II

	Number of contracts		
	Army	Navy	Air Force
Aerojet General Corp			2
Boeing Co			8
FMC Corp			1
General Dynamics Corp		97	
General Electric Co		13	
Hercules, Inc		1	1
Honeywell, Inc		2	
Hughes Aircraft Corp			3
Martin-Marietta Corp			2
Newport News Shipbuilding & Drydock Co		2	
Northrop Corp		1	
Pacific Ordnance & Electronics Co		2	
Raytheon Co		2	
Rockwell International Corp		6	2
Stearns-Roger, Inc	1		
Textron, Inc			1
Thiokol Corp			2
Western Electric Co	3	1	
Western Electric Corp		4	
Total	4	131	22

In addition to the above, indemnification clauses will be inserted into all air transportation contracts entered into by the Military Airlift Command for transportation services to be performed by air carriers which own or control aircraft which have been allocated by the Department of Transportation to the Civil Reserve Air Fleet.

EXECUTIVE COMMUNICATIONS ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

2879. A letter from the Assistant Comptroller General of the United States, transmitting a report on the status of impounded budget authority for 18 proposed rescissions included in the President's seventh and eighth special messages, dated November 18 and 29, 1975, respectively; to the Committee on Appropriations.

2880. A letter from the Assistant Secretary of Defense (Comptroller), transmitting a list of contract award dates for the period March 15–June 15, 1976, pursuant to 10 U.S.C. 139; to the Committee on Armed Services.

2881. A letter from the Chairman, Federal Coal Mine Health and Safety Act Interim Compliance Panel, transmitting a report on the Panel's activities under the Freedom of Information Act during calendar year 1975 and the first 3 months of 1976, pursuant to 5 U.S.C. 552(d); to the Committee on Government Operations.

2882. A letter from the Assistant Secretary of Defense (Installations and Logistics), transmitting a report on amendments and modifications to contracts in connection with the national defense executed by the Department of Defense during calendar year 1975, pursuant to section 4(a) of Public Law 85-804; to the Committee on the Judiciary.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. MELCHER: Committee of conference. Conference report on H.R. 49 (Rept. No. 94-942). Ordered to printed.

Mr. HENDERSON: Committee of conference. Conference report on H.R. 8617 (Rept. No. 94-943). Ordered to be printed.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. BEDELL:

H.R. 12710. A bill to amend the Farm Labor Contractor Registration Act of 1963 to exempt, in certain cases and under certain circumstances, from the registration requirements of such act persons who recruit, solicit, hire, furnish, or transport combine machine operating crews or sheepshearers; to the Committee on Education and Labor.

By Mr. CARNEY:

H.R. 12711. A bill to apply social security benefit cost-of-living adjustments and general benefit increases to monthly benefits payable under the veterans' laws and to amend title 38 of the United States Code to make certain that recipients of veterans' pension and compensation will not have the amount of such pension or compensation reduced because of increases in monthly social security benefits or railroad retirement annuities; to the Committee on Veterans' Affairs.

By Mr. DEVINE (for himself and Mr. Brown of Ohio) (by request):

H.R. 12712. A bill to provide for the protection of franchised dealers of petroleum products from coercive business practices, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. DRINAN (for himself, Mr. Baucus, Mr. Dingell, Mr. Howe, and Mr. Murphy of New York):

H.R. 12713. A bill to establish the Frederick Law Olmsted Home and Office in Brookline, Mass., as a national historic site; to the Committee on Interior and Insular Affairs.

By Mr. HANLEY:

H.R. 12714. A bill to amend the Internal Revenue Code of 1954 to provide that for purposes of the personal exemption deduction a handicapped individual who is employed or receiving training as a sheltered workshop shall be treated the same as a student at an educational institution; to the Committee on Ways and Means.

By Mr. HECHLER of West Virginia:

H.R. 12715. A bill to amend title 23 of the United States Code in order to provide a program for the completion of the National System of Interstate and Defense Highways; to the Committee on Public Works and Transportation.

By Mr. HENDERSON:

H.R. 12716. A bill to amend the Federal Water Pollution Control Act relating to areawide waste treatment management plans; to the Committee on Public Works and Transportation.

By Mr. JACOBS:

H.R. 12717. A bill to amend title 38 of the United States Code in order to extend the delimiting period for completing programs of education of veterans pursuing such programs at the close of such period; to the Committee on Veterans' Affairs.

By Mr. McFALL:

H.R. 12718. A bill to amend the Small Business Act to extend the disaster loans provision of the act to allow the Small Business Administration to provide disaster loans to small businesses in areas which its Administrator declares to be impacted disasters; to the Committee on Small Business.

By Mr. MADIGAN:

H.R. 12719. A bill to postpone for an additional period (until October 1, 1976) the effective date of certain staffing requirements applicable to child day care facilities under title XX of the Social Security Act; to the Committee on Ways and Means.

By Mr. MIKVA (for himself and Mr. Karth):

H.R. 12720. A bill to amend section 1234 of the Internal Revenue Code of 1954 (relating to options to buy and sell) to provide that gain or loss on closing transactions shall be treated as capital gain or loss; to the Committee on Ways and Means.

By Mr. OBERSTAR:

H.R. 12721. A bill to establish mandatory penalties for use of a firearm during the commission of a felony, and for other purposes; to the Committee on the Judiciary.

By Mr. SCHNEEBELI:

H.R. 12722. A bill to amend the tariff schedules to provide for mixed animal feeds containing soybeans; to the Committee on Ways and Means.

By Mr. SMITH of Iowa (for himself, Mr. Bergland, Mr. Mathis, Mr. Melcher, Mr. Hagedorn, Mr. Jones of North Carolina, and Mr. Fithian):

H.R. 12723. A bill to assist in the marketing and handling of the 1975, 1976, and 1977 crops of feed grains, wheat, cotton, and soybeans; to the Committee on Agriculture.

By Mrs. SULLIVAN:

H.R. 12724. A bill to amend the act of December 27, 1950, to require public notice of requests to waive certain navigation laws requirements; to the Committee on Merchant Marine and Fisheries.

By Mr. ULLMAN (for himself, Mr. Karth, Mr. Schneebeli, Mr. Conable, and Mr. Steiger of Wisconsin):

H.R. 12725. A bill to amend the Internal Revenue Code of 1954 to permit tax-free rollovers of distributions from employee retirement plans in the event of plan termination; to the Committee on Ways and Means.

By Mr. WOLFF (for himself and Ms. Spellman):

H.R. 12726. A bill to amend titles 18 and 26 of the United States Code and the Omnibus Crime Control and Safe Streets Act of 1968 for the purposes of regulating the sale and taxation of certain electric weapons; jointly to the Committees on the Judiciary, and Ways and Means.

By Mr. WYDLER:

H.R. 12727. A bill to reduce unemployment by providing that unemployment insurance funds may be used pursuant to State laws establishing programs for payments to employers who hire the unemployed; to the Committee on Ways and Means.

By Mr. PHILLIP BURTON:

H.R. 12728. A bill to provide for public financing of congressional election campaigns by amending subtitle H of the Internal Revenue Code of 1954; to the Committee on House Administration.

By Ms. ABZUG:

H.R. 12729. A bill to amend the Budgeting and Accounting Act, 1921, to affirm the authority of the Comptroller General to have access to any books, documents, papers, or records of any Federal department or establishment for managerial and operational as well as for fiscal reviews and evaluations; to the Committee on Government Operations.

By Mr. CORMAN (for himself, Mr. Aspin, Mr. Bafalis, Mr. Brown of Ohio, Mr. Conable, Mr. Cornell, Mr. English, Mr. Ottinger, Mr. Pressler, Mr. Rodino, and Mr. Charles H. Wilson of California):

H.R. 12730. A bill to amend title XVIII of the Social Security Act to authorize payment under the medicare program for certain services performed by chiropractors; to the Committee on Ways and Means.

By Mr. CORNELL:

H.R. 12731. A bill to amend the Internal Revenue Code of 1954 to provide rules for Federal estate taxation more equitable than those presently in effect; to the Committee on Ways and Means.

By Mr. D'AMOURS (for himself, Mr. Solarz, Mr. Pattison of New York, Mr. Baucus, Mr. McKinney, Mrs. Spellman, and Mr. Fithian):

H.R. 12732. A bill to amend title 38 of the United States Code in order to extend the delimiting period for completing programs of education for veterans pursuing such programs at the close of such period; to the Committee on Veterans' Affairs.

By Mr. D'AMOURS (for himself, Mr. Solarz, Mr. Traxler, Mr. Hughes, Mr. Cornell, Ms. Holtzman, Mr. Pattison of New York, Mr. Baucus, and Mr. Fithian):

H.R. 12733. A bill to amend title 38, United States Code, to eliminate the time period in which a veteran has to use his educational benefits and to extend the months of eligibility from 36 to 45 months; to the Committee on Veterans' Affairs.

By Mr. DOMINICK V. DANIELS:

H.R. 12734. A bill to amend the Tariff Schedules of the United States by repealing item 807.00 of schedule 8, part 1, subpart B; to the Committee on Ways and Means.

By Mr. DANIELSON (for himself, Mr. Hillis, Mr. Edgar, Mr. McHugh, Mr. Hannaford, Mr. Beard of Rhode Island, Mr. Allen, Mr. Hansen, and Mr. O'Brien):

H.R. 12735. A bill to amend title 38 of the United States Code in order to require the Administrator of Veterans' Affairs to pay a $150 allowance to any State or any agency or political subdivision of a State in reimbursement for expenses incurred in the burial of each veteran in any cemetery owned by such State or agency or political subdivision of a State, if the cemetery or section thereof is used solely for the interment of veterans; to the Committee on Veterans' Affairs.

By Mr. DUNCAN of Tennessee:

H.R. 12736. A bill to amend title XVIII of the Social Security Act to authorize payment under the medicare program for certain services performed by chiropractors; to the Committee on Ways and Means.

By Mr. EMERY:

H.R. 12737. A bill to amend title 38 of the United States Code to authorize a presumption of service connection for cause of death in certain cases involving veterans who had been rated permanently and totally disabled due to service-connected disability for at least 1 year immediately preceding death; to the Committee on Veterans' Affairs.

By Mrs. FENWICK (for herself, Mr. Wolff, Mr. Blanchard, and Mr. Rangel):

H.R. 12738. A bill to establish a Commission on Security and Cooperation in Europe; to the Committee on International Relations.

By Mr. FUQUA:

H.R. 12739. A bill to authorize and direct the Secretary of the Army to convey to the trustees of the Salem Wesleyan Church a certain parcel of land of the United States at the Jim Woodruff Dam and Reservoir project, Fla.; to the Committee on Public Works and Transportation.

By Mr. MATSUNAGA:

H.R. 12740. A bill to provide for a nonvoting Delegate to the House of Representatives from American Samoa; to the Committee on Interior and Insular Affairs.

By Mr. MITCHELL of Maryland:

H.R. 12741. A bill to amend the Small Business Act to expand assistance under such act to minority small business concerns, to provide statutory standards for contracting and subcontracting by the United States with respect to such concerns, and to create a Commission on Federal Assistance to Minority Enterprise, and for other purposes; jointly to the Committees on Small Business, Government Operations, and Banking, Currency and Housing.

By Mr. MURPHY of Illinois:

H.R. 12742. A bill to amend the National Housing Act to authorize expenditures by the Secretary of Housing and Urban Development for repair of certain dwellings; to the Committee on Banking, Currency and Housing.

By Mr. OTTINGER:

H.R. 12743. A bill to amend the Impoundment Control Act of 1974 to provide that either House of Congress may by resolution disapprove any rescission or reservation of funds proposed by the President, without waiting for the expiration of the 45-day period prescribed (for disapproval by congressional inaction) by present law; to the Committee on Rules.

By Mr. PATTERSON of California:

H.R. 12744. A bill to provide increased employment opportunity by executive agencies of the U.S. Government for persons unable to work standard working hours, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. PRESSLER (for himself, Ms. Keys, Mr. Baucus and Mr. Winn):

H.R. 12745. A bill to amend the Farm Labor Contractor Registration Act of 1963 to exempt contractors of workers engaged in custom cutting or combine operations in connection with the harvesting of grains and contractors of workers engaged in the shearing of sheep; to the Committee on Education and Labor.

By Mr. RANGEL:

H.R. 12746. A bill to amend title IV of the Social Security Act to stabilize State welfare costs by providing full Federal reimbursement for any increases in a State's AFDC payments which reflect rises in the cost of living since 1973 or are due to increased caseload, if the State agrees to make provision for cost-of-living adjustments in such payments, to implement a program of aid to dependent children of unemployed fathers, and not to impose any new restrictive requirements under its approved State plan; to the Committee on Ways and Means.

By Mr. RICHMOND (for himself, Ms. Abzug, Mr. Badillo, Mr. Brown of California, Mrs. Burke of California, Mrs. Chisholm, Mr. Edgar, Mr. Harris, Mr. Hawkins, Mr. Koch, Mr. Mikva, Mr. Rodino, Mr. Rosenthal, Mr. Seiberling, Mrs. Spellman, Mr. Stark, Mr. Thompson, Mr. Waxman, Mr. Won Pat, and Mr. Yates):

H.R. 12747. A bill to establish a National Commission on Food Production, Processing, Marketing, and Pricing to study the food industry from the producer to the consumer; to the Committee on Agriculture.

By Mr. RICHMOND (for himself, Mr. Addabbo, Mr. Biaggi, Mr. Blouin, Mr. Bolling, Mr. Brademas, Mr. Conyers, Mr. Cornell, Mr. D'Amours, Mr. du Pont, Mr. Edwards of California, Mr. Eilberg, Mr. Hannaford, Mr. Helstoski, Mrs. Keys, Mr. Minish, Mr. Pattison of New York, Mr. Roybal, Mr. Studds, Mr. Thompson, Mr. Waxman, and Mr. Weaver):

H.R. 12748. A bill to prohibit new rules and regulations from becoming effective under the Food Stamp Act of 1964 until the Congress enacts new legislation with respect to such act; to the Committee on Agriculture.

By Mr. RINALDO:

H.R. 12749. A bill to amend the Communications Act of 1934 in order to expedite the issuance of licenses to operate citizen's band radio transmitters; to the Committee on Interstate and Foreign Commerce.

By Mr. RODINO (for himself, Mr. Kastenmeier, Mr. Danielson, Mr. Pattison of New York, Mr. Hutchinson, Mr. Railsback, Mr. Wiggins, and Mr. Mosher):

H.R. 12750. A bill to amend title 18, United States Code, to authorize applications for a court order approving the use of electronic surveillance to obtain foreign intelligence information; to the Committee on the Judiciary.

By Mr. SIKES:

H.R. 12751. A bill to amend the Forest and Rangeland Renewable Resources Planning Act of 1974 (88 Stat. 476) and the act of June 4, 1897 (30 Stat. 35); to the Committee on Agriculture.

By Mr. GOODLING:

H.J. Res. 884. Joint resolution proposing an amendment to the Constitution providing for a 4-year term for Members of the House of Representatives; to the Committee on the Judiciary.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. DAN DANIEL:

H.R. 12752. A bill for the relief of Michael A. Silveira, Jr., and Jorge A. Silveira; to the Committee on the Judiciary.

By Mr. EMERY:

H.R. 12753. A bill for the relief of William F. Mussenden, sole surviving descendant of the owners of the firm of Larrabee and Allen of Bath, Maine; to the Committee on the Judiciary.

By Mr. HICKS:

H.R. 12754. A bill for the relief of S. Leon Levy; to the Committee on the Judiciary.

By Mr. SMITH of Iowa:

H.R. 12755. A bill for the relief of Neil R. Fairbanks; to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

425. By the SPEAKER: Petition of members of the Fourth Mariana Islands District Legislature, Saipan, Mariana Islands, Trust Territory of the Pacific Islands, relative to commonwealth status for the Northern Mariana Islands; to the Committee on Interior and Insular Affairs.

426. Also, petition of the Long Island Federation of Women's Clubs, Inc., Jamaica, N.Y., relative to illegal aliens and social security; jointly, to the Committees on the Judiciary, and Ways and Means.

AMENDMENTS

Under clause 6 of rule XXIII, proposed amendments were submitted as follows:

H.R. 9725

By Mr. MELCHER:

Title IV: Page 26, line 18: strike the period after the word "section" and insert the following: "*Provided*, That an amount not to exceed twenty per centum of such reclamation fees collected for any calendar quarter shall be reserved beginning in the first calendar quarter in which the fee is imposed and continuing for the remainder of that fiscal year and for the period in which such fee is imposed by law, for the purpose of Section 507(c), subject to appropriation pursuant to authorization under Section 712(b).

Title V, Section 502: Page 45, lines 21 to 22; strike out the phrase "Not later than twenty months from the date of enactment of this Act," and insert in lieu thereof the following:

"Not later than two months following the approval of a State program pursuant to Section 503 or the implementation of a Federal program pursuant to Section 504 with the regulatory authority, such application to cover those lands to be mined eight months after the date of approval of the State program or implementation of the Federal program. The regulatory authority shall process such applications and grant or deny a permit within eight months after the date of approval of the State program or implementation of the Federal program, but in no case later than thirty-six months from the date of enactment of this Act."

Section 507(a): Page 60, lines 6 through 7: Strike after the word "based" on line 6 the following: "shall be based as nearly as possible upon" and insert in lieu thereof the following: "may be less than but shall not exceed".

Section 507(b)(F): Page 60, line 21 through 24: Strike subsection (F).

Section 507(b)(3): Page 61, lines 1 and 2: Strike after the word "areas" on line 1 through the words "feet of" on line 2 the following: "within five hundred feet of" and insert in lieu thereof the following: "Adjacent to."

Section 507(b)(3): Page 61, line 5: Insert after the word "identification" on line 5 the following: "in the five year period preceding the date of submission of the application."

Section 507(b)(5): Page 61, line 20: Strike the words "subsequent to 1960" and insert in lieu thereof the following: "in the five year period prior to the date of the submission of the application".

Section 507(b)(14): Page 64, lines 12 and 13: Strike the following: "the nature of the stratum immediately beneath the coal seam to be mined;".

Page 65, line 11: insert before the word "a" the following: "except that the provisions of this paragraph 15 may be waived by the regulatory authority by a written determination that such requirements are unnecessary with respect to a specific application.".

Section 507: Page 65, after line 20: insert new subsection (c) and reletter subsequent subsections accordingly:

"If the regulatory authority finds that the probable annual production of any coal surface mining operators will not exceed 250,000 tons, the determination of hydrologic consequences required by subsection (b)(11) and the statement of the result of test borings or core samplings required by subsection (b)(15) of this section shall be performed by the regulatory authority, or such qualified public or private laboratory designated by the regulatory authority and the cost of the preparation of such determination and statement shall be assumed by the regulatory authority."

Conforming Amendment

Section 712: Page 166, after line 10: insert the following new subsection and reletter subsequent subsections accordingly:

"(b) commencing in the fiscal year ending September 30, 1977, and for each fiscal year for a period of fifteen fiscal years thereafter, for the implementation and funding of Section 507(c) there are authorized to be appropriated sums reserved by Section 401(b)(3) for the purposes of Section 507(c) and such additional sums are authorized to be appropriated as may be necessary to provide an amount not to exceed $40 million to carry out the purposes of Section 507(c)."

Section 508(a)(7): Page 68, line 17, strike paragraph (7).

Section 508(a)(10): Page 69, line 6, strike "programs;" insert in lieu thereof the following: "zoning requirements;".

Section 509: Page 72, after line 6: Insert new paragraph (f) as follows:

"(f) In lieu of the establishment of a bonding program, as herein set forth in this section, the Secretary may approve as part of a State or Federal program an alternative system that will achieve the objectives and purposes of the bonding program pursuant to this section."

Section 510(a): Page 72, line 17; after the period insert the following sentence: "The applicant for a permit, or revision or renewal of a permit, shall have the burden of establishing that his application is in compliance with all the requirements of the applicable State or Federal program."

Page 72, line 24; strike out the word "affirmatively".

Conforming Amendment

Section 513: Page 82, line one; strike out the phrase "applicable State and Federal laws" and insert in lieu thereof the following: "all the requirements of the applicable State or Federal program under this Act."

Section 512: Page 77, line 16 through page 80, line 5, strike out Section 512 and insert in lieu thereof the following new section:

SEC. 512. (a) Each State or Federal program for a State shall include a requirement that coal exploration operations which substantially disturb the natural land surface be conducted in accordance with exploration regulations issued by the regulatory authority. Such regulations shall include, at a minimum, (1) the requirement that prior to conducting any exploration under this section, any person must file with the regulatory authority notice of intention to explore and such notice shall include a description of the exploration area and the period of supposed exploration and (2) provisions for reclamation of all lands disturbed in exploration, including excavations, roads, drill holes, and the removal of necessary facilities and equipment.

(b) Information submitted to the regulatory authority pursuant to this subsection as confidential concerning trade secrets or privileged commercial or financial information which relates to the competitive rights of the person or entity intended to explore the described area shall not be available for public examination.

(c) Any person who conducts any coal exploration activities which substantially disturb the natural land surface in violation of this section or regulations issued pursuant thereto shall be subject to the provisions of Section 518.

Page 89, line 12: strike out subparagraph (9) and insert in lieu thereof the following new subparagraph:

"(9) plug all auger holes to a minimum of six feet in depth with an impervious and noncombustible material (such as clay) to prevent the flow of water in or out of such holes."

Section 523: Page 134, after line 14: Insert the following new subsection and reletter subsequent subsections accordingly:

"(c)(1) The Federal lands program shall include a requirement that coal exploration operations which substantially disturb the natural land surface be conducted under a permit issued by the Secretary.

(2) Each application for a coal exploration permit pursuant to the Federal lands program shall be accompanied by a fee established by the Secretary. Such fee shall be based, as nearly as possible, upon the actual or anticipated cost of reviewing, administering, and enforcing such permit issued. The application and supporting technical data shall be submitted in a manner satisfactory to the Secretary and shall include a description of the purpose of the proposed exploration project. The supporting technical data shall include, among other things—

(A) a general description of the existing environment;

(B) the location of the area of exploration by either metes and bounds, lot, tract, range, or section, whichever is most applicable, including a copy of the pertinent United States Geological Survey topographical map or maps with the area to be explored delineated thereon;

(C) a description of existing roads, railroads, utilities, and rights-of-way, if not shown on the topographical map;

(D) the location of all surface bodies of water, if not shown on the topographical map;

(E) the planned approximate location of any access roads, cuts, drill holes, and necessary facilities that may be constructed in the course of exploration, all of which shall be platted on the topographical map;

(F) the estimated time of exploration;

(G) the ownership of the surface land to be explored;

(H) a statement describing the right by which the applicant intends to pursue his exploration activities and a certification that notice of intention to pursue such activities has been given to the surface owner;

(I) provisions for reclamation of all land disturbed in exploration, including excavations, roads, drill holes, and the removal of necessary facilities and equipment; and

(J) such other information as the regulatory authority may require.

(c) Specifically identified information submitted by the applicant in the application and supporting technical data as confidential concerning trade secrets or privileged commercial or financial information which relates to the competitive rights of the applicant shall not be available for public examination.

(d) If an applicant is denied a coal exploration permit under this Act or if the regulatory authority fails to act within a reasonable time, then the applicant may seek relief under the appropriate administrative procedures.

(e) Any person who conducts any coal exploration activities in connection with surface coal mining operations under this Act without first having obtained a permit to explore from the appropriate regulatory authority or shall fail to conduct such exploration activities in a manner consistent with his approved coal exploration permit, shall be subject to the provisions of Section 518 of this Act.

Section 519(a): Page 115, line 21: after the word "owners" insert "and the appropriate" and after the word "bodies," strike out everything through the word companies" on line 23.

Section 519: Page 18, after line 16: Insert the following new subsection and reletter subsequent subsections accordingly:

"(g) Without precluding the rights of the objectors or the responsibilities of the regulatory authority pursuant to this paragraph, the regulatory authority may establish an informal conference procedure to resolve such written objections in lieu of holding a formal transcribed hearing."

Section 701(23): Page 152, strike lines 17 and 18 and insert in lieu thereof the following: "surrounding terrain, with all highwalls and spoil pile eliminated; water impoundments".

H.R. 12406

By Mr. DODD:

Page 2, line 10, strike out "6" and insert in lieu thereof "8".

Page 2, line 17, insert immediately after "party" the following: ", and at least 2 members appointed under this paragraph may not be affiliated with any political party".

Page 2, line 22, strike out "6" and insert in lieu thereof "8".

Page 3, strike out line 3.

Page 3, immediately after line 4, insert the following:

"(vii) one member who is not affiliated with any political party shall be appointed for a term of 7 years; and

"(viii) one member who is not affiliated with any political party shall be appointed for a term of 8 years;"

Page 4, line 23, strike out "4" and insert in lieu thereof "5".

FACTUAL DESCRIPTIONS OF BILLS AND RESOLUTIONS INTRODUCED

Prepared by the Congressional Research Service pursuant to clause 5(d) of House rule X. Previous listing appeared in the CONGRESSIONAL RECORD of March 22, 1976, page 7493:

HOUSE BILLS

H.R. 12080. February, 25, 1976. Revises the regulatory and investigatory powers of the Civil Service Commission.

Requires any Federal officer or employee who takes, directs others to take, recommends or approves any personnel action to do so solely on the basis of merit. Prohibits, with limited exceptions, the solicitation of and submission of recommendations by, any individual or organization.

Revises provisions relating to disciplinary actions against Federal employees and the procedural rights of employees against whom disciplinary actions are being sought.

Establishes the Board on Federal Employee Appeals to review complaints alleging discrimination in personnel actions based on age, race, religion, sex, or national origin.

H.R. 12081. February 25, 1976. Post Office and Civil Service. Repeals the existing provisions of the Legislative Reorganization Act of 1946 which authorize automatic cost-of-living adjustments in the salaries of Members of Congress and other specified legislative, executive, and judicial offices and positions.

H.R. 12082. February 25, 1976. Ways and Means; Interstate and Foreign Commerce. Amends the Medicare program of the Social Security Act to remove specified limitations on the number of days of inpatient and post-hospital care provided under such program; to limit the amount of inpatient hospital deductible and coinsurance charges which are deducted from payments for services under the program; and to eliminate Federal trust fund financing of State capital expenditure reviews.

H.R. 12083. February 25, 1976. Agriculture. Amends the Soil Conservation and Domestic Allotment Act to provide financial assistance for drought areas.

H.R. 12084. February 25, 1976. Public Works and Transportation. Amends the Interstate Commerce Act with respect to (1) rate bureaus; (2) aircraft exemption; (3) private and contract carriers; (4) commercial zones; (5) new plants; (6) private carrier leases to common carriers; (7) entry; (8) dual operation; (9) suspension of common carrier motor rates; (10) common carrier compensatory rates; (11) commodity and route restrictions; (12) discrimination; (13) back hauls; (14) State filing requirements; (15) motor carrier safety; and (16) mergers.

H.R. 12085. February 25, 1976. Ways and Means. Amends the Social Security Act to authorize payment under the Medicare program for specified services performed by chiropractors, including x-ray and physical examination, and related routine laboratory tests.

H.R. 12086. February 25, 1976. Ways and Means. Provides an additional twenty-six weeks of unemployment benefits (presently liimted to twenty-six weeks) under the Emergency Unemployment Compensation Act of 1974.

H.R. 12087. February 25, 1976. Public Works and Transportation. Prohibits the landing or taking off, except in emergencies, of any supersonic aircraft which generates a noise level in excess of the level prescribed for new subsonic aircraft from Dulles International Airport or Washington National Airport.

H.R. 12088. February 25, 1976. Veterans' Affairs. Allows an eligible veteran who is pursuing a program of education at the close of the ten-year delimiting period to continue to receive educational assistance in specified circumstances.

H.R. 12089. February 25, 1976. Armed Services. Extends the period that a member of the uniformed services has following his retirement to select his home for purposes of travel and transportation allowances.

H.R. 12090. February 25, 1976. Interstate and Foreign Commerce. Amends the Interstate Commerce Act to prohibit a pipeline company engaged in the transportation of oil from transporting any oil through its pipelines if such company has an interest in such oil.

H.R. 12091. February 25, 1976. Interstate and Foreign Commerce. Amends the Interstate Commerce Act to prohibit a pipeline company engaged in the transportation of oil from transporting any oil through its pipelines if such company has an interest in such oil.

H.R. 12092. February 25, 1976. Interstate and Foreign Commerce. Amends the Federal Energy Administration Act of 1974 to require the development of a comprehensive national plan and specific programs to accelerate the commercial use of synthetic fuels, geothermal energy, and solar energy.

Requires the preparation of a report to Congress by the President on recommendations and alternatives for reorganization of energy-related functions within the Executive branch.

Extends the termination date of such Act to September 30, 1985.

H.R. 12093. February 25, 1976. District of Columbia. Authorizes appropriations for fiscal year 1977 to pay the unfunded obligations of the District of Columbia for retirement benefits of specified employees and former employees. Requires a study to recommend methods of financing such obligations in the future and to determine whether any changes are needed in existing retirement programs.

H.R. 12094. February 25, 1976. Veterans' Affairs. Authorizes the Administrator of Veterans' Affairs to provide scholarships to individuals for attendance at medical schools in return, for service after graduation at Veterans' Administration hospitals.

H.R. 12095. February 25, 1976. Judiciary. Directs the Secretary of the Treasury to pay a specified sum to the city of Cape May, New Jersey, in full satisfaction of such city's claims arising out of beach erosion caused by the construction of jetties by the Federal Government.

H.R. 12096. February 25, 1976. Small Business. Amends the Small Business Act to revise the eligibility requirements for small business home-building firms for assistance under the Act. Stipulates that determinations by the Small Business Administration of the reasonable assurance of repayment of prospective loans shall be made on a case-by-case basis.

H.R. 12097. February 25, 1976. Merchant Marine and Fisheries. Amends the National Sea Grant College and Program Act of 1966 to encourage the participation of local and State agencies of government, industries, and educational institutions in the development of coastal and marine resources, and to remove specified restrictions on the expenditure of funds appropriated under the Act.

H.R. 12098. February 25, 1976. Interstate and Foreign Commerce. Prohibits the manufacture, sale, distribution in commerce, and importation of certain electric weapons until the Consumer Product Safety Commission determines that each such weapon does not present an unreasonable risk of injury or until the Commission promulgates a consumer product safety standard for such weapon.

H.R. 12099. February 25, 1976. Judiciary. Replaces Federal criminal statutory provisions penalizing "rape" and "carnal knowledge of females under 16" with provisions penalizing "sexual assault". Designates guilty of sexual assault any person who knowingly engages in sexual contact or penetration of another person without such person's consent.

H.R. 12100. February 25, 1976. Ways and Means. Amends the Internal Revenue Code to increase the estate tax exemption and the gift tax exemptions, to increase the deduction for bequests to a surviving spouse, and to increase the number of installment payments allowed for payment of the estate tax by an executor where a certain portion of the value of the gross estate consists of an interest in a closely held business.

H.R. 12101. February 25, 1976. Ways and Means. Amends the Internal Revenue Code to allow a limited tax credit for qualified investments by the taxpayer in development property in economically lagging regions certified by the Secretary of Commerce.

H.R. 12102. February 25, 1976. Agriculture. Repeals the revisions of the Official United States Standards with respect to the grading of carcass beef and slaughter cattle. Authorizes and directs the Secretary of Agriculture to promulgate regulations to establish a different and nondeceptive grade designation and specification for beef.

H.R. 12103. February 25, 1976. Banking, Currency and Housing. Amends the Bank Holding Company Act, the National Banking Act, the Federal Deposit Insurance Act and the Federal Reserve Act to regulate through the Secretary of the Treasury and the Comptroller of the Currency, foreign banks establishing, operating, or controlling branches in the United States.

H.R. 12104. February 25, 1976. Agriculture. Establishes a nine-member National Commission on Food Production, Processing, Marketing, and Pricing. Requires the Commission to study, appraise, and report to the President and Congress on the economic and industrial structure of all segments of the food industry.

H.R. 12105. February 25, 1976. Agriculture. Prohibits new rules and regulations from becoming effective under the Food Stamp Act of 1964 until after the enactment of legislation with respect to the eligibility and purchase requirements of persons receiving benefits under the Food Stamp Act of 1964.

H.R. 12106. February 25, 1976. Interstate and Foreign Commerce. Amends the Solid Waste Disposal Act to expand research and development programs and to authorize the Administrator of the Environmental Protection Agency to make grants and guarantee loans for energy and resource recovery pilot plant and demonstration programs.

Includes provisions for grants and assistance to State, local, and interstate solid waste management and resource recovery programs.

H.R. 12107. February 25, 1976. Education and Labor. Stipulates, under the National Labor Relations Act, that the duty to bargain collectively includes bargaining with respect to retirement benefits for retired employees.

H.R. 12108. February 25, 1976. Merchant Marine and Fisheries. Authorizes appropriations for the National Sea Grant College and Program Act of 1966, through fiscal year 1979. Authorizes the Secretary of Commerce to encourage the advancement of other nations relating to the exploration, conservation, and management of marine resources.

H.R. 12109. February 25, 1976. Agriculture. Authorizes appropriations to carry out the small farm research and education provisions of the Rural Development Act of 1972.

H.R. 12110. February 25, 1976. Public Works and Transportation. Establishes the Federal Protective Service, a police force within the

General Services Administration, to enforce the law within public buildings and other areas under GSA jurisdiction.

H.R. 12111. February 25, 1976. Interior and Insular Affairs. Authorizes establishment of the Congaree Swamp National Reserve in South Carolina.

H.R. 12112. February 25, 1976. Science and Technology. Amends the Federal Nonnuclear Energy Reserach and Development Act of 1974 to authorize the Administrator of the Energy Research and Development Administration to guarantee loans for the development of synthetic fuels from domestic coal resources.

H.R. 12113. February 25, 1976. Science and Technology; Atomic Energy. Authorizes appropriations to the Energy Research and Development Administration for fiscal year 1977 for nonnuclear, nuclear, and environmental research programs.

H.R. 12114. February 25, 1976. Post Office and Civil Service. Renders inapplicable any provision of or regulation under State and local law which relates to health insurance plans to the extent that such law or regulation is inconsistent with any contractual provision of a Federal employee health benefits plan.

H.R. 12115. February 25, 1976. Veterans' Affairs. Requires the Administrator of Veterans' Affairs to pay an allowance to any State in reimbursement for expenses incurred in the burial of a veteran in a State owned cemetery.

H.R. 12116. February 25, 1976. Judiciary. Directs the Chairman of the Civil Service Commission to pay to a certain individual specified benefits under the Federal Employee's Compensation Fund.

H.R. 12117. February 25, 1976. Judiciary. Declares a certain individual a natural-born alien daughter of a United States citizen, under the Immigration and Nationality Act.

H.R. 12118. February 26, 1976. Public Works and Transportation. Amends the Independent Safety Board Act of 1974 to prohibit disclosure of all information obtained from an aircraft accident or incident investigation conducted by a foreign state.

H.R. 12119. February 26, 1976. Judiciary. Incorporates the Gold Star Wives of America.

H.R. 12120. February 26, 1976. Public Works and Transportation. Permits the sale of State lottery tickets on Interstate System rights-of-way.

HOUSE JOINT RESOLUTION

H.J. Res. 826. February 24, 1976. Post Office and Civil Service. Designates the week beginning on November 7, 1976, as "National Respiratory Therapy Week".

H.J. Res. 827. February 25, 1976. Judiciary. Proposes a constitutional amendment limiting the time an individual may serve in the House or Senate to twelve years.

H.J. Res. 828. February 25, 1976. Post Office and Civil Service. Designates the apple as the official Bicentennial fruit for 1976.

H.J. Res. 829. February 25, 1976. Post Office and Civil Service. Designates September 8 of each year as "National Cancer Day".

H.J. Res. 830. February 26, 1976. House Administration. Establishes the Bicentennial Commission on Presidential Nominations. Provides that the Commission shall make a full and complete investigation with respect to the Presidential nominating process.

HOUSE CONCURRENT RESOLUTIONS

H. Con. Res. 576. March 8, 1976. International Relations. Disapproves the proposed sale of specified military equipment to NATO (transmittal No. 76–41).

H. Con. Res. 577. March 9, 1976. Rules. Appoints a delegation of Congress to go to the United Kingdom to accept a loan to the United States of the Magna Carta.

H. Con. Res. 578. March 9, 1976. Agriculture. Requests the Secretary of Agriculture to increase the price support level for milk, wheat, corn, feed grains, and soybeans.

H. Con. Res. 579. March 9, 1976. District of Columbia. Disapproves of the Affirmative Action in District of Government Employment Act (Act 1–87), passed by the Council of the District of Columbia and transmitted to the Congress on March 4, 1976.

H. Con. Res. 580. March 9, 1976. Rules. Appoints a delegation of Congress to go to the United Kingdom to accept a loan to the United States of the Magna Carta.

HOUSE RESOLUTIONS

H. Res. 1051. February 24, 1976. Rules. Creates a House Select Committee on the Fiscal Problems of Cities which shall identify the nature and causes of problems afflicting large cities which face severe fiscal imbalance.

H. Res. 1052. February 24, 1976. Post Office and Civil Service. Designates the week beginning April 4, 1976, as "National Rural Health Week".

H. Res. 1053. February 24, 1976. Sets forth the rule for the consideration of H.R. 11893.

H. Res. 1054 February 25, 1976 Rules. Authorizes the House Committee on Standards of Official Conduct to require, by subpena or otherwise, the attendance of witnesses and documents for purposes of carrying out H. Res. 1042.

H. Res. 1055. February 25, 1976. House Administration. Authorizes additional expenditures by the House Committee on Public Works and Transportation for studies and investigations.

EXTENSIONS OF REMARKS

WINTER SPORTS CAPITAL OF NEW ENGLAND

HON. WILLIAM S. COHEN

OF MAINE

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 23, 1976

Mr. COHEN. Mr. Speaker, the events of last Saturday night have clearly demonstrated that Maine's Second Congressional District, which I represent, is the winter sports capital of New England.

Not only does the Second District contain some of the finest ski slopes in the eastern United States, but last weekend two groups of outstanding athletes from Lewiston and Rumford proved that the Second District is also the home of the best high school hockey and basketball teams in New England.

For the first time, Maine high schools have won both regional titles. In a championship game played in Lewiston Saturday before more than 4,000 enthusiastic spectators, the Blue Devils hockey team of Lewiston High School won a convincing 8–2 victory over a team from Berlin, N.H. The same night in Durham, N.H., the Panthers of Rumford High School earned a 10-point victory in the New England basketball final against Mt. Anthony Union High School of Bennington, Vt.

Coach Don Girard and his Lewiston team and Coach John Shaw and his Rumford team compiled impressive records on the way to their regional titles. The Lewiston hockey team ended the season with a 27–2 record, while the Rumford basketball squad won 25 games without suffering a single defeat.

Mr. Speaker, the entire State of Maine is proud of these two teams, and all the members, coaches, and fans of the teams have my personal congratulations and best wishes for victory again next year.

At this point in the RECORD, I insert two accounts of the Lewiston and Rumford victories from the Lewiston Daily Sun and the Bangor Daily News:

[From the Lewiston Daily Sun, Mar. 22, 1976]

LHS NOT TO BE DENIED IN N.E. HOCKEY PLAYOFF

(By Ted Taylor)

Lewiston High hockey squadmen came ready to play in Saturday's New England scholastic tourney final at the Youth Center and fully prepared for anything else that might happen as they demonstrated in their convincing 8–2 victory over old rivals from Berlin, N.H. One of the larger crowds of recent years, thought to have topped 4,000, attended the afternoon classic that ended in controvery and some confusion as the customary public post-game trophy ceremonies were omitted.

Opposing cheering sections were so boisterous at the conclusion it was deemed wiser to have Gov. Langley make the presentation of awards in the privacy of the respective dressing rooms. An outburst accounting for four fighting disqualifications in the sixth minute of play in the final period, with Lewiston leading 6–1 inflamed the crowd to fever pitch with bitterness all too apparent in the vocal exchanges across the arena.

The incident leading to the fighting episode occurred as Berlin goalie Greg Nolin was injured on a play resulting in a major penalty on Ronnie Dumont of Lewiston, one of those ejected in the subsequent flurry.

Nolin appeared seriously hurt and was helped from the ice and replaced by Paul Roy but Greg was recovered by game's end, it was reported. LHS Coach Dan Girard said Dumont explained the slashing call he incurred was accidental and the route he took through the crease on a rebound play was forced on him by the position of the defenders.

Bigger and more muscular, there seemed no way Lewiston was going to lose Saturday's hockey game. The Blue Dervishes took off with their usual goal in the first couple minutes and threw 23 shots at Nolin in the first period, picking up one more score.

A quick one by Berlin's Wayne Corcoran within a minute and a half of the second period faceoff turned it back into a competitive match as the Mountaineers proved they too could make the plays and were not surrendering. The next two tallies were by Lewiston's Dave Boucher in the second round completing a hat trick for Dave and making it a 4–1 margin.

Don Levoic had connected on the initial counter. Scores 11 seconds apart in the fourth minute of the final chapter by Tony Labbe on a deflection and Steve Simpson on a third rebound made sure.

After the free-for-all the rivals went back to straight hockey and Berlin converted a man advantage, Jerry Durval caging a long shot, but John Theberge quickly reciprocated and Simpson added further padding in the tenth minute.

The triumph, Lewiston High's first in the sectionals, was the 27th of the season against two losses for Coach Girard's Blue Devils. Showered along with assistant coach Paul Nadeau in the post-game hilarity Girard indicated Sunday he might retire from coaching after 17 years behind the bench, the last 15 of them at LHS.

Dave Lepage, injured Friday in the 10–6 semifinal verdict over Bellows Free Academy, returned to take all his turns Saturday after keeping his injured knee in ice overnight, but the Blues were without one of their center regulars, Marc Cloutier, in Saturday's big one. Pete Gilbert stepped in with a strong game in relief.

[From the Bangor Daily News, Mar. 22, 1976]

Rumford Collects NE Cage Crown, 68–58

(By George Cushman)

Durham, N.H.—Move over some of you former Maine great high school basketball teams, and make way for the Rumford Panthers who are now the New England cage champions of 1976 and have compiled the first Class A unblemished record since the Waterville Whiz Kid did it in 1944.

Saturday night at the University of New Hampshire's Lundholm Gym, the Panthers came alive with just over five minutes remaining to register their 25th win of the campaign and won the New England schoolboy title with a 68–58 verdict over perennial bridesmaid Mt. Anthony Union High School of Bennington, Vermont.

Playing before a near-capacity crowd and with Maine's number-one fan, Governor James Longley in attendance, super-star Dave Roberts personally took things into his own hands and gave John Shaw's charges the coveted lid.

After pulling out a one-point decision Friday night over Trinity High of Manchester, N.H., in the final minutes, the Panthers seemed to be suffering the woes of a long season as the smaller Mt. Anthony Patriots grabbed an early lead Saturday and led throughout the first half.

It was Al Daigneault who led the Patriot assault over the first two eight-minute sessions as the six-foot senior back-court ace could do no wrong and connected for two-pointers from every spot on the floor as he hit on eight baskets in the first half and the Vermonters were out in front 31–27 at halftime.

Only a superb team effort kept the Panthers in the running over the first half as Roberts was held to just eight points including just three baskets on 15 floor attempts, but the vaunted Panther defense caused numerous Patriot turnovers that kept the score close.

Again showing the "team effort" that gave the Rumford-based cagers the top rung in schoolboy circles over the recently-concluded season, Tim Ziko, Andy Shorey and Matt Kaubris hauled the Panthers even at 33–33 just two minutes into the third period and the capacity crowd was on its feet until Roberts took over at 5:08.

After Matt K. had knotted the count, he promptly converted a Patriot turnover into a go-ahead basket with 5:33 left and after Mt. Anthony had again tied the score, he teamed with Shorey for another basket and Rumford was out in front by its biggest margin of the encounter 39–35 with just under three minutes remaining in the frame.

Mt. Anthony, making its third appearance of the past three years in the finals (none successful). fought back though on some strong offensive rebounding, and with just 1:07 showing on the third-period clock, took the lead at 43–41 only to have the classy Roberts shake off early-game doldrums and score from outside and underneath to give the Panthers the lead by two entering the final period.

The two teams battled evenly over the early going in the final period with Scott Maguire carrying the load for the Patriots and diminutive Jack Kaubris hitting pressure shots from the corner for the Panthers before Roberts took charge.

With 5:08 left, the burly 6–5 senior forward, playing his last schoolboy cage game in an illustrious career, promptly scored five hoops interrupted by one by Jack K. on a feedoff from him, to put the game out of reach and give Maine its first New England title since 1963 when Stearns won the crown.

Shaw showed his coaching mettle when he rested his cage-weary veterans at intervals over the early stages of the game. He substituted effectively over the first two periods as he gave his starters short respites, and was forced to sit Roberts down early in the second period as he got into foul trouble.

Over the final five minutes the Panthers were able to floor their starting lineup during the late surge that gave them the crown, with Zike and Roberts controlling the boards during that period and Shorey and the Kaubris brothers contributing to the well-drilled Panther defense which kept Mt. Anthony off balance.

Roberts ended as the titlist's top scorer with 22 points while Shorey popped in another 15 on a clutch outside performance. The Kaubris' had 23 between them with Matt scoring 12 and Jack had 11.

Daigneault cooled off after the first half, but still finished as the Patriots' high man with 22 points with Scott Maguire also in double figures with a dozen points.

ARMS SALES TO EGYPT

HON. CLARENCE D. LONG

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 23, 1976

Mr. LONG of Maryland. Mr. Speaker, I oppose the administration's plan to initiate military sales to Egypt. The sale of six C–130 military transport airplanes to Egypt would be a dangerous first step toward disrupting the perilous balance in the Middle East; Egyptian leaders recently made clear to a visiting delegation of U.S. Congressmen that they would seek to purchase annually up to $600 million in military equipment.

Arms sales to Egypt can only threaten the delicate Sinai peace agreement reached last year. Obviously any new infusion of arms in the Middle East will affect the present military balance.

Members of the House Committee on International Relations, reporting on their recent study mission to the Middle East, point out that Egyptian leaders have asked for U.S. arms because "Israel is powerful and Egypt is not." However, an examination of the military balance belies the Egyptian view.

Information compiled by the International Institute for Strategic Studies indicates that Egypt's arsenal outnumbers that of Israel in most categories:

	Egypt	Israel
Military Expenditures, 1975–76 (billions)	$6.1	$3.5
Standing Armed Forces	322,500	154,000
Aircraft	911	574
Tanks	1,975	2,700
Artillery	1,540	660
Ships	45	26
SAM missile launchers	500+	45

Egypt has recently received, has on order, or is negotiating for such major arms acquisitions as over 100 Mirage fighter bombers, 200 Jaguar fighter bombers, Rapier surface-to-air missles, and 1,000 battle tanks. Many of these weapons are to be provided by the British and French, still more are to be transferred by other Arab states. Press reports indicate that Egypt would like to add American fighter planes, anti-aircraft missiles, wire-guided antitank weapons, patrol boats, and radar to its arsenal.

With such military might at its disposal, Egypt would have no need for U.S. arms unless it had aggressive intentions toward Israel. The United States must not fuel any such antagonistic aims, but must continue to seek to maintain peace.

Proponents of military sales to Egypt argue that the United States should encourage the moderate policies of Egypt's President Sadat. In recognition of Mr. Sadat's moderation and willingness to negotiate an agreement on the Sinai situation, the United States this year has given Egypt over $1 billion in economic aid. I have supported this assistance program. Even the government of Israel favors such economic assistance to Egypt as a means toward building a lasting peace.

President Sadat recently announced the termination of a friendship pact and arms sales relationship with the Soviet Union. If the United States were to step in now as a supplier of arms to Egypt, the Soviets may be rankled, thus threatening not only Middle Eastern stability but also global security.

Mr. Speaker, the United States must not open a Pandora's box by initiating the sale of arms to Egypt. Instead, we must continue to work toward a lasting peace which will insure the security of both Israel and Egypt.

NOLAN BELL, CLEVELAND LEGEND, DIES

HON. LOUIS STOKES

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 23, 1976

Mr. STOKES. Mr. Speaker, in our time on Earth, each of us marches to the tune of a different drummer. The late Nolan D. Bell was one of those unique human beings who found success and happiness in diversity.

As an actor, singer, and sanitation man, he brought to each of these professions a vitality and flair for living that eludes most ordinary folk.

I am sure that my colleagues in the House will join with me in conveying our respects to Mr. Bell's fine family. I am also submitting to the attention of my colleagues Mr. Bell's obituary which appeared in the Cleveland Plain Dealer.

Nolan Bell will be sorely missed by all those who loved and admired his humanity, individuality, and spirit.

The obituary follows:

Actor Nolan D. Bell Dies at 55

Nolan D. Bell began acting at Karamu Theater when he was 6 and build a career, appearing in more than 300 plays, which brought him recognition as "the best nonprofessional actor in America" and a listing in "Who's Who in America."

He spend 40 years with Karamu and excelled in comedy roles. The late poet-playwright Langston Hughes wrote two plays, "Little Ham" and "When the Jack Hollers," with Mr. Bell in mind as the lead character. Mr. Bell and Hughes were graduates of old Central High School and began their careers at Karamu.

After his start at Karamu, Mr. Bell was trained in Play House children's productions and in radio plays.

During World War II he was a warrant officer in the Army. He spent 36 months in Guadalcanal, the Fiji Islands and the Philippines where he studied for a year at the University of Manila.

Earlier he studied for two years at the Gary City College in Indiana and a year and a half at Indiana University.

While starring in Karamu productions he worked for the Cleveland Sanitation Department.

"It is just a means to an end," he commented in 1968 when he became the first garbage man to be listed in Who's Who.

"I left the Army and a pretty good deal as a warrant officer because I preferred freedom and loved the theater. Sometimes I get discouraged because I can't make a living in the theater, but I don't stay that way long. Perhaps I can some day."

Later that year he got his wish and became the first black to be a member of the regular staff at the Cleveland Play House.

In 1972 he made his national television debut in the CBS comedy series "Maude."

His operatic appearances include singing roles in "Robe of Pearls" and "Pepito," which was also presented on television.

Mr. Bell appeared at the Cleveland and Florida Musicarnivals, Dobama Theater and the Chagrin Valley Little Theater. His appearance at the Fred Miller Theater in Milwaukee earned him a nomination for the best supporting role of the year.

His most popular role was in the Hughes' comedy, "Simply Heavenly," at Karamu.

This week he was rehearsing at the East Cleveland Community Theater for a production of the musical, "Bells Are Ringing."

Mr. Bell, 55, died in his sleep yesterday at home.

Survivors include his wife, Viola; sons, Robert, Charles, Nolan Jr. and Russell; daughters, Rowena Tribble, Denise and Laree.

Services will be at Wills funeral home.

STOPPING THE B-1 BOMBER

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 23, 1976

Mr. McDONALD of Georgia. Mr. Speaker, fiscal 1977, the National Conference to Stop the B-1 Bomber, Cut Military Spending and Meet Human Needs, attracted some 400 persons to Gonzaga College High School, Washington, D.C., March 13–15, 1976. The majority of those attending were persons previously active in the so-called "antiwar" movement in support of the aggression of the Cambodian and North Vietnamese Communists.

The fiscal 1977 conference was sponsored by the National Campaign to Stop the B-1 Bomber, which operates from 318 Massachusetts Ave., NE., Washington, D.C. 20002 (202/546-7330) and by the Coalition for a New Foreign Policy, which was the subject of my report in these pages on February 26, 1976.

The National Campaign to Stop the B-1 Bomber—NCSBB—is a coalition of groups, many of whom were active during the past decade in Communist Party, U.S.A.—CPUSA—dominated coalitions—the National Mobilization Committee, New Mobilization Committee, People's Coalition for Peace and Justice—in support of Communist aggression in Southeast Asia.

The NCSBB lists as member organizations the American Friends Service Committee—AFSC, Americans for Democratic Action—ADA, Business Executives Move for New National Priorities—BEM—formerly Business Executives Move for Peace in Vietnam, headed by Henry Niles, father-in-law of New Left theoretician Staughton Lynd; Catholic Peace Fellowship; Clergy and Laity Concerned—CALC; Common Cause; Environmental Action; Episcopal Peace Fellowship; Federation of American Scientists; Fellowship of Reconciliation—FOR; Friends Committee on National Legislation—FCNL; Friends of the Earth—FOE; Indochina Mobile Education Project—IMEP; International Longshoremen's and Warehousemen's Union—ILWU; for decades dominated by the CPUSA; Jesuit Conference Office of Social Ministries; Movement for Economic Justice—MEJ; National Association of Social Workers; National Taxpayers Union—NTU; controlled by left Libertarians who work closely with the Institute for Policy Studies; Network; Oil, Chemical, and Atomic Workers Union; SANE; Textile Workers Union of America—TWUA; United Church of Christ—Center for Social Action and Board of Homeland Ministries; War Resisters League—WRL; Women's International League for Peace and Freedom—WILPF; Women Strike for Peace—WSP; Church of the Brethren World Ministries Commission; and the World Federalists, U.S.A.

The coorganizer, the ad hoc Coalition for a New Foreign Policy—CNFP, 110 Maryland Avenue, NE., Washington, D.C. 20002 (202/546-8400), formerly called the Coalition to Stop Funding the War, has many members in common with NCSBB and the old PCPJ and New Mobe organizations. They include AFSC; ADA; BEM; Bach Mai Hospital Relief Fund, a tax exempt project of the Young Workers Liberation League; CALC; Campaign for a Democratic Foreign Policy—formerly the Indochina Peace Campaign; Church of the Brethren; Disciples of Christ, Department of Church and Society; Episcopal Peace Fellowship; FCNL; Friends of Indochina Organizing Committee—FIOC; IMEP; Indochina Resource Center—IRC; Jesuit Conference, Office of Social Ministries; Mennonite Central Committee, Peace Section; National Council of Churches; Network; SANE; Vietnamese American Reconciliation Center; Unitarian Universalist Association; Union of American Hebrew Congregations; UCC-Center for Social Action; United Presbyterian Church, U.S.A.; United Methodist Church—Board of Global Ministries, Women's Division and Board of Church and Society; WRL; WILPF; WSP and World Federalists, U.S.A.

The conference coordinator, working from the 110 Maryland Avenue, NE., address (202/547-8686) was Peggy Shaker, characterized by fiscal 1977 as "an organizer, speaker, author, who has worked with the Vietnam Moratorium Committee, Harrisburg Defense Committee, Clergy and Laity Concerned, American Friends Service Committee—and the—Indochina Mobile Education Project."

The conference opened on Saturday morning with "resource" films including "Chile With Poems and Guns," "Mr. Nixons Secret Legacy," and "Supersonic Swinging Swindle." The afternoon session scheduled a plenary on "The domestic and foreign impact of military spending" featuring Eqbal Ahmad, Institute for Policy Studies—IPS, and Transnational Institute; Representative PARREN MITCHELL, Democrat of Maryland; Peggy Shaker; Terry Provance, national coordinator of the AFSC's Stop the B-1 Bomber, National Peace Conversion Campaign; and Marion Anderson, legislative director of the Public Interest Research Group in Michigan—a student-supported lobbying group based in Lansing—who testified before the House Armed Services Committee on December 16, 1975, to urge a $20 billion cut in the defense budget.

Issue workshops followed including military spending and intelligence—Timothy Charles Butz, and John Marks; military spending and the arms race—Michael Klare, North American Congress on Latin America—NACLA, and IPS, and Stephen Leader; military spending and the Third World—Eqbal Ahmad; and military spending and full employment—William Leon Higgs, and Stephan Ostrach.

Sunday events featured special interest resources. These were mostly continuous showings of movies and a meeting with representatives of the Communist Party, U.S.A. and World Peace Council front, the National Center to Slash Military Spending—NCSMS. The NCSMS blatantly operates from the National Office of the U.S. Organizing Committee for the World Peace Council, Room 537, 156 Fifth Avenue, New York, N.Y. 10010 (212/989-0518). NCSMS organizing is done by two well-known CPUSA functionaries, Pauline Royce Rosen of WSP, and Frances Bordofsky, aka Bordos.

The WPC/NCSMS representative at the fiscal 1977 conference was listed as Sylvia Zisman. Literature made available included the WPC's Stockholm Peace Appeal; calls by the NCSMS for a People's Peace Budget to ban the B-1 bomber, Skyhawks and Trident submarines; and Economic Notes, the monthly newsletter of the Labor Research Association, a CPUSA subsidiary.

On Monday, a group of fiscal 1977 supporters went to Capitol Hill to hold a "People's Peace Budget" lobby and demonstration. Picket signs read, "The Government has enough secrets," and CALC leaflets printed in the general form of bank notes attacking the B-1 bomber because "It would help support a foreign policy which equates the national interest with the huge investments of U.S. global corporations."

CALC continued:

> The government carries out this policy by using military and economic aid, and ultimately military power (as in Vietnam) to support repressive dictatorships friendly to U.S. business. * * * What's more important: profits for the corporations or people's needs? Congress votes this year. Now is the time to take a stand against the B-1 bomber and for peace, jobs, and people!

Analysis of Soviet and World Peace Council materials since 1974 indicates that the Russians and their supporters are engaged in a broad long-range drive to neutralize the United States as a world deterrent to Soviet aggression. The tactical thrust has several salient points. First, the Soviet bloc is attempting to capitalize on the worldwide economic crisis of the Western nations, arguing that severe cutbacks in the defense budgets are necessary so that huge social welfare programs can be started. Second, that with the "détente" in trade and cultural relations, "the turn has come for military détente, for steps to end the arms race."

Other Soviet-bloc strategists noted that the "successful struggle for peace facilitates the growth of the world revolutionary process." Claiming that "imperialism—[capitalism] is the chief source of war—Communist aggression is termed "workers' self-defense" or "national liberation struggle"—they state that "the struggle for peace is in separable from the anti-imperialist struggle" and that "as Marxism-Leninism maintains, the danger of war will continue as long as imperialism—capitalism—exists."

The strategists further specifically state that détente and peaceful coexistence "rule out just one form of struggle between socialism and capitalism—the form of direct military collision." It does not rule out subversion, export of revolution to third countries, and the use of third countries as military proxies as the Cuban troops in Angola demonstrate.

And they point out:

> The example of Vietnam shows the tremendous importance, in the climate of détente, of non-military, political methods of combating the export of counter-revolution. [Quoted material from World Marxist Review, 1975].

Analysis of the new disarmament and military cutback drive shows that most of the groups involved previously participated in the U.S. "antiwar" movement in support of the Vietnamese and Cambodian Communists along the general lines set forth by the Soviet-controlled international front, the World Peace Council. The WPC has stated that disarmament causes are among its most urgent priorities.

In addition, undocumented sources close to the U.S. WPC committee state that a long-term campaign to cut the U.S. military has begun which may take some 5 years or more. The first targets will be specific items and weapons—the B-1 bomber, Trident submarines, the ICBM's—and abolishing the CIA. Future targets will be for severe cutbacks in overseas military bases, particularly the NATO bases in Europe, and ending all economic as well as military aid to "reactionary" non-Communist and anti-Communist governments such as South Korea, Iran, et cetera.

Among the listed speakers for the fiscal 1977 conference were:

Eqbal Ahmad, Fellow of Transnational Institute (TNI), Amsterdam, affiliated with IPS; currently working on book of U.S. foreign policy.

Bruce Birchard, staff member of Philadelphia Friends Peace Committee and full-time organizer for AFSC's Stop the B-1 Bomber National Peace Conversion Campaign.

Rick Boardman, war resister and co-director of CALC.

Bill Broydrick, legislative assistant to Rep. Les Aspin [D.-WI].

Tim Butz, Counter-Spy; Organizing Committee for a Fifth Estate.

Bruce Cameron, ADA foreign and military policy lobbyist; former Midwest legislative coordinator for the Indochina Peace Campaign.

Mike Cole, Common Cause director of legislative activities; former national director of the Congressional Action Fund and HUD attorney.

David Goodman, researcher for AFSC's NARMIC.

Sanford "Sandy" Gottlieb, executive director, SANE.

Ed Guinan, Committee for Creative Non-Violence, Washington, D.C.

Bill Higgs, disbarred attorney and legislative assistant to Rep. Augustus Hawkins [D.-CA], an identified member of the CPUSA.

Michael Klare, associate staff member of the North American Congress on Latin America (NACLA); fellow of IPS's Transnational Institute; and current lecturer in Havana on U.S. arms sales.

Don Luce, co-director, CALC; former director of the International Voluntary Services (IVS) Vietnam team.

Mike Mann, formerly on the staff of Rep. Michael Harrington, now the Environmental Action full-time lobbyist against the B-1 bomber.

Don Mansfield, administrative assistant to Rep. John Seiberling.

John Marks, director of the CIA Project, Center for National Security Studies (CNSS).

Jack Nicholl, 32, CNFP staff; a founder of the Committee of Concerned Asian Scholars (CCAS), organizer of the San Diego chapter of the Indochina Peace Campaign (IPC) [CDFP] in 1972 and served on the staff of the Los Angeles IPC Resource Center from 1973–1975.

Karen Nussbaum, Boston CDFP has been active in the IPC since 1972 and participated in an IPC delegation to North Vietnam in May, 1973.

Stefan Ostrach, NARMIC researcher and doctoral candidate in labor history at University of Pennsylvania.

Gail Pressberg, former Harrisburg Defense Committee and IPC activist, now a staff member of AFSC's Non-Violent Action Training Program.

Terry Provance, former organizer with Harrisburg Defense Committee, Pentagon Papers Project and Medical Aid for Indochina, now the national coordinator for the AFSC's Stop the B-1 Bomber National Peace Conversion Campaign.

Brewster Rhodes, CNFP staff, Coalition to Stop Funding the War field director from June, 1974, to April, 1975.

Barry Schneider, staff consultant to Military Affairs and Arms Control committees of Members of Congress for Peace through Law.

Mark Shanahan, Midwest regional traveller/organizer for CDFP.

Ed Snyder, executive secretary, Friends Committee on National Legislation; has worked on Capitol Hill for 20 years and served 2 years with the Quaker Service in Southeast Asia; co-chairman of CNFP.

Patrick Tobin, Washington representative, ILWU.

Joe Volk, AFSC regional Peace Education Secretary.

Cynthia Wedel, president, World Council of Churches; national chairman of volunteers, Red Cross.

The material distributed at the fiscal 1977 conference throws such light on the bias and direction of the disarmament lobby that I plan a continuing series of reports on this subject.

CBS, MORALITY, AND SCHORR

HON. BELLA S. ABZUG

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 23, 1976

Ms. ABZUG. Mr. Speaker, as I have said before, I am opposed to the investigation being conducted by the Committee on Standards of Official Conduct into the "leak" of the Pike report and the suspension of Daniel Schorr by CBS for the part he allegedly had in making the report available to the Village Voice.

In my opinion, national security is damaged more by suppressing the Pike report than by releasing it, for a major part of our Nation's health depends on the public's ability to learn about and correct misdeeds done by their Government.

Inderjit Badhwar of the Federal Times has written an excellent piece on the controversy as it appears from a newsman's point of view, and I include its text in the Record at this point:

CBS, Morality, and Schorr

(By Inderjit Badhwar)

So now it's fashionable for all us journalists to shake our heads and cluck our tongues in condemnation of Dan Schorr the CBS newsman who has been put in limbo by network brass for giving his copy of the House Intelligence Committee report to The Village Voice newspaper.

It's our little sackcloth-and-ashes routine. Our own morality trip calculated to impress our critics that we sanctimonious guardians of the First Amendment will fearlessly indict a brother journalist who has violated an ethical code.

What code, written or unwritten, Dan Schorr busted, the Lord and Schorr's CBS bosses alone know. All I can say is that our current *j'accuse* high has blinded us to a central result:

Dan Schorr has been silenced. Perhaps the most outstanding and fearless investigative reporter of a news medium whose reporters think that a 20-second blurb on Henry Kissinger's latest jetinerary is *news*, is no longer telling us about governmental venality.

And that is what the government wanted. One less newsman who is not a handout reader. CBS brass accomplished for the administration what even Richard Nixon, arch enemy of the press, couldn't do with his phony FBI investigation of Schorr.

And most of us newsmen shook our heads and said maybe Dan deserved it as we scurried for our next handout. The pendulum, as Schorr said, has swung toward secrecy. Maybe President Ford will give up the idea of locking up government whistleblowers once he realizes that news organization managers will do the job for him by choking off whistleblower outlets.

But that's not the issue, Schorr's colleagues say. There was money involved in Schorr's deal. The Village Voice coughed up some moola for that report, they charge. Schorr says, and I believe him, that he told the Voice that if the paper wanted to make a contribution, it could do so to the Reporter's Committee on Civil Rights.

That committee, incidentally, came into being during the period Agnew and his henchmen had been unleashed on the press, to help enactment of shield laws and to represent newsmen threatened with jail for refusing to reveal their sources.

So, the phrase "financial transaction," in this society built on the backs of the salesman and pecuniary gain, suddenly becomes the chief weapon in the arsenal of our moral rearmament, to be used against Schorr.

The irony is that if Schorr had really wanted to make money for himself, he could legitimately have freelanced the report in a series of articles—or in one big one—to any number of national magazines that would have paid him handsomely. Most news organizations do not object to their big-name writers writing for different publications so long as they do not upstage their own publications. And Schorr had done his duty to CBS by reporting most of what was in the intelligence committee report, on the network. So it's hard to charge him with disloyalty.

Financial transaction. I think one of the most despicable financial transactions was when Schorr's bosses agreed to pay convicted Watergate felon H. R. Haldeman for an interview. I suppose it would have been O.K. for Schorr to have obtained the intelligence committee report by paying a congressman a tidy sum, but it's not O.K. for him to give the report to another publication and suggest that if a contribution is made, it go to one of the only groups in the country actively fighting for First Amendment rights. Strange are the twists or corporate morality.

Financial transaction. I don't suppose the New York Times made any money out of its paperback version of the Pentagon papers, or Woodward and Bernstein and the Washington Post newspaper for the Watergate book and film.

Norman Mailer wrote about the deterioration of journalists as human beings. He pointed out that reporters start out in their business with hearts and minds. As they cover situations they imbibe a variety of experiences, only a few of which fit the narrow category of the news they write. The most essential elements of what they experience are stored at the back of their minds, and rarely used or expressed. Ultimately, this part of their mind decays, rots for lack of use, and the reporters themselves die a little.

I suppose most reporters struggle with this. What do we do with the *gestalt* of our experience? Do we deny that part of it which cannot be used as news? Or do we nourish it so it can flourish within us and help us grow as human beings. What part are we activists, shaped into action by experience, and what part "objective" journalists? Do the standard definitions of "professionalism" deprive us of our own humanism?

Ever since journalism school, a fistful of years ago, I have watched Schorr. Serious, unsmiling, goggle-eyed behind his thick glasses, he made the wasteland come alive with stories other reporters hardly ever touched. But there was more to him. The man seemed to *feel*. There was *heart* in his reporting, and his brow was always furrowed—not with the sagacity and punditry of Eric Sevareid—but with concern and despair. He seemed to want to do something about what he was telling his audience, but the medium limited him.

So when he gave the intelligence report to The Village Voice he had in a sense loosened the shackles of the soul-destroying professionalism that binds us all. Schorr was free at last. He did what had to be done. It was important to him that the public saw that report.

His voice is now silenced. He had been confined to purgatory while lesser men babble on. So let us—we journalists—think a while before jumping onto the holier-than-Schorr bandwagon. Let us, instead, observe a minute's silence in respect for a fallen comrade who may have been silenced forever.

HARRY WILES, NATIONAL COMMANDER OF THE AMERICAN LEGION

HON. KEITH G. SEBELIUS

OF KANSAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 23, 1976

Mr. SEBELIUS. Mr. Speaker, a few days ago, I had the pleasure of introducing my good friend, Harry Wiles of Topeka, Kans., the national commander of the American Legion, to the House Veterans Committee.

A native of Stafford County, Kans., Wiles served in World War II as an officer in Naval Intelligence. After the war, he joined the Courtney M. Long American Legion Post in St. John, Kans. where he was elected judge advocate and post commander. In the Kansas American Legion, Wiles has been State judge advocate, State vice commander, and State commander, as well as aiding in many advisory capacities.

Nationally, he has served on the National Security Commission, Distinguished Guest Committee, and as national vice commander. Always concerned with the needs of our great country and its veterans, Commander Wiles testified before the Veterans' Affairs Committee and presented the American Legion's legislative action program to that committee. I would like to share Commander Wiles' testimony with my other colleagues in the House of Representatives:

Statement of Harry G. Wiles, National Commander of the American Legion, Before the House Committee on Veterans' Affairs, March 2, 1976

Mr. Chairman and Members of the Committee: My first task, today, is to express to this distinguished Committee the thanks and appreciation of The American Legion for the opportunity to present to you our legislative program for the year of 1976. One of the signal honors associated with the office of National Commander to which I was elected at our last National Convention, is that of representing before this Committee, our 2,700,000 members who belong to some 16,000 posts throughout the United States and around the world in 28 foreign countries. I am mindful of this honor, and I assure you I am most appreciative of it.

America is approaching the 200th anniversary of her birth as a free and independent nation. During that time, every generation of Americans has found it necessary to go to war. The military history of this country is a glorious one. And no chapter of that history reflects more honorably on the valor of American arms than that of the most recent war in which we have regarded. Those who fought and served during the war in Southeast Asia deserve, perhaps more than the military effort of some other generations of Americans, the recognition and the gratitude of the American people. The American Legion feels very strongly about this. The men and women who carried America's cause during the war in Vietnam were confronted by problems that did not affect those who fought the nation's earlier wars. It is not necessary for me here to recite details of the national trauma that accompanied America's path through the war in Vietnam. But, I am sure we can all agree that if it was a difficult experience for the American people, it was far more so for America's sons and daughters, who were required to follow the flag to far places, and to risk their lives and their bodies for an ill-defined cause. Of course, this difficult period of our history is now behind us, and we are on the path to healing the wounds that it inflicted. But, the important point I make here is that the men and women who fought the war are still with us. And, if this nation ever had a debt to its war veterans, it assuredly has a most particular one to these veterans.

I know that much has been done for our Vietnam war veterans. They are, in fact, entitled to the full range of the veterans benefits program. And certainly, for those things which have been done for them, much credit is due this Committee. And I take this opportunity to express to the Committee and its members the appreciation of the American Legion for the effort that has been made, to look to the needs of Vietnam war veterans. However, I believe it is necessary to make the additional point that our obligation to these veterans has not been fulfilled. It is necessary that all of us continue to acquaint ourselves with their needs and their problems, and to be responsive in a constructive and timely fashion. Vietnam war veterans returned from difficult service to a nation that was plunging into a severe recession. This has made it very difficult for many of them to complete their readjustment, and to establish themselves in a satisfactory situation in the civilian community. We know that the unemployment rate affecting the youngest element of Vietnam veterans is more than twice that of the national unemployment picture. These young men and women need to be equipped with skills that will enable them to be competitive on the job market. We think that some progress is being made, but we know, too, that much more needs to be done before this particular problem is solved.

We, of the American Legion, have confidence that the Congress, acting through this Committee, will follow through in its traditional role in identifying and responding to the needs of our youngest generation of veterans. History tells us, that following all of our nation's wars, it has been the Congress, in the main, that has concerned itself with the needs and the problems of veterans. The result of that concern is the most comprehensive program of veterans benefits provided by any nation for its veterans. I believe that I can speak for all veterans in expressing our gratitude to Congress for what has been done, and our confidence that as the late war recedes further into history, Congress will not forget the veterans who fought; nor indeed, any of our veterans, who have responded, as Americans always have, to their country's call.

For our part, I pledge to this distinguished Committee that we will continue to work with you to solve the problems of veterans, and that we will strongly support and assist your efforts.

With your permission, I would like now to address myself to certain areas of particular concern to The American Legion, in our legislative program for this 2nd Session of the 94th Congress.

DEATH AND DISABILITY PENSION

It is the earnest hope of The American Legion that this year of 1976 will see the accomplishment of the long needed reform of the veterans and survivors pension program. Recent years have seen a succession of situations in which veteran and survivor pensioners have experienced on the one hand an increase in social security benefits, and on the other a threatened corresponding decrease in VA pension benefits. Repeatedly, enactment of stop-gap legislation, usually at the end of a Congressional session, has been necessary to avert wholesale pension reductions and, in many instances, total loss of pension. Our Organization is the recipient of an unending stream of pathetic letters from pensioners who write us, literally in a panic state at the prospect of suffering substantial loss of income—income they desperately need to meet basic living costs, and in most cases, heavy medical expenses, incurred by reason of the diseases of age.

All of us are agreed, I am sure, that the most terrible thing that can confront the average citizen is the prospect of reaching the sunset years without sufficient means to live with dignity, and without, at least, the basic requirements for subsistence. In these days of recession and inflation this is a grave national problem. We, of The American Legion, believe the American people want their veterans, and the survivors of those veterans who have died, to be able to live out their lives in a condition that is at least above poverty level. By virtue of legislation enacted through the years, we believe that Congress feels the same way. We acknowledge, that to achieve the desired goal, much has been and is being done. Most significant is the improved Veterans Administration medical care program, recently advanced by Public Law 93–82. However, in our judgment, the basic problem of the older veteran cannot be solved without the enactment of pension reform.

At its 1974 and 1975 National Conventions, the Legion addressed itself to this problem by devising specific proposals for pension reform. The basic approach we are suggesting is that instead of a program that requires the constant enactment of stop-gap legislation, Congress should establish a program based on an income floor, which is set above the poverty level, and which guarantees to pension beneficiaries a pension, supplementing their income from other sources, that will place them above that poverty level. The concept is relatively simple. By gearing the guaranteed income to the Cost of Living Index, the constant need for remedial legislation will be eliminated. It is our hope that the Committee will address itself to this major problem during the present session, and that legislation can be developed that will achieve the goal I have outlined. I pledge the support of The American Legion for any proposed legislation that will do so.

VETERANS ADMINISTRATION FISCAL YEAR 1977 BUDGET

The Fiscal Year 1977 Budget for the Veterans Administration proposed by the President, calls for appropriations totaling 18.1 billion dollars. This is a decrease of 1.4 billion dollars from the total appropriations for the VA for fiscal year 1976. It is the opinion of The American Legion that the reductions proposed by the President are too severe, that they are unrealistic in terms of the needs of established veterans programs, and that they are not justified given the present state of national affairs.

I shall not at this time present a detailed analysis of the VA Budget for fiscal year 1977. However, I will mention briefly, certain specific recommendations of the President with which we are in immediate disagreement.

For example, the new Budget proposes to save $623.5 million dollars by rescinding the ten year delimiting period that was provided by Public Law 93–337. There is absolutely no justification for the proposed restriction. The two year extension of education benefits was carefully thought out during preparation of Public Law 93–337, and the granting of this extension is as valid now as it was in 1974.

The new Budget proposes the saving of 85 million dollars through the elimination of what the Budget refers to as duplicate Federal burial benefits. We have been over this road before, and happily, Congress did not agree with earlier proposals of this kind. The term "duplicate Federal burial benefits," refers to the fact that many veterans are entitled to both the social security death benefit and the VA burial allowance. To call these benefits duplicates is a misstatement of fact. The social security death benefit is an earned benefit, for which the veteran pays in direct taxation upon wages, just as do all employed persons. The VA burial allowance is, in fact, a gratuity, granted by the nation to its veterans, and intended to insure that each veteran shall have a dignified and fitting burial. These are not duplicate benefits.

VA construction programs are budgeted at 194 million dollars less than for the current Fiscal Year. We disagree with this proposed reduction because one of the most serious problems confronting the Veterans Administration is the need to renovate and replace aging medical facilities. If these replacements are not completed in timely fashion, the VA will find itself practicing second class medicine by reason of inadequate and out-dated facilities. Presently, the VA hospital system is the finest in the world. But it is not going to stay that way if it does not keep up with the constant advancements in medical technology. To do this requires a major construction program extending over the next several years. Such a program cannot be maintained with the kind of budget reductions included in the proposed VA Budget for Fiscal Year 1977.

We hope for the support of members of this Committee in an effort to correct these and other deficiencies in the President's budget, so that veterans programs can be properly maintained.

VETERANS ADMINISTRATION PAY SCALES FOR PHYSICIANS AND DENTISTS

The American Legion supported the enactment of Public Law 94–123, known as the "Veterans Administration Physician and Dentist Pay Comparability Act of 1975." This was stop-gap legislation, intended to forestall a disastrous loss of physicians and dentists from the VA medical care program, threatened by reason of the completely inadequate pay scales that prevailed for these professional categories in the VA system. We believe the purpose intended was accomplished. Some immediate relief in the form of added compensation was provided. An essential element of the law, however, was Section 4 thereof, which calls for a study by the Comptroller General, and the Director of the Office of Management and Budget looking to a long-range solution to the problem of professional compensation within the VA Department of Medicine and Surgery. The required study is to be submitted to Congress by August 31, 1976. The American Legion anticipates the study will result in legislation that will provide a definitive solution to the serious problem of recruiting and retaining within the VA, an adequate number of thoroughly qualified physicians and dentists.

Public Law 94–123, while it alleviated the critical problem created by the disparity in professional salaries in the health profession, as between the VA, other Federal agencies, and the private sector, in reality accentuated an additional problem caused by salary differentials affecting executive level employees within the Veterans Administration. We are now confronted with instances of Hospital Directors who are salaried at a lesser level than certain staff professionals. This discrepancy in salary scales cannot but create confusion, discouragement and lowered morale within the Veterans Administration. The American Legion urges that this Committee address itself to this problem during the current session, and develop a solution that will be both economically feasible and fair to VA career employees. This is the only way in which there can be achieved the staff stability that is essential to insure that veterans will receive the full measure of service that is due them when they approach the VA for those benefits to which they are entitled by law.

DELIMITING DATE FOR VIETNAM ERA VETERANS EDUCATION ASSISTANCE PROGRAM

The American Legion has encountered misunderstanding regarding its position on the establishment of a delimiting date for the Vietnam Era veterans education assistance program. We are still trying to dispel this misunderstanding. The fact is that The American Legion, as author of the original G.I. Bill, stood among the foremost of those seeking readjustment programs for Vietnam veterans. However, at the time of enactment of the original G.I. Bill, and the subsequent provision of similar programs for veterans of later wars, The American Legion had clearly in mind that these were readjustment programs for war veterans. We believe it is essential to maintain a distinction between the citizen soldiers who fight America's wars and those who choose the military professions as a peacetime career.

The fact is that the war in Southeast Asia was ended by Proclamation of the President on May 7, 1975. It, therefore, becomes the responsibility of Congress, acting with due deliberation, to set a delimiting date for those wartime programs that were established to facilitate the readjustment of the men and women who served during the late war.

If Congress desires to establish a new past-service education program, as a career incentive for the All Volunteer Armed Forces, such a program should be clearly identified and funded, and should not be confused with the present Vietnam Era veterans education assistance program.

It is important for the nation to know and to be able to identify the cost of the wars in which it engages. And it is important for the American people to know what they are paying for in the various Congressionally enacted benefit programs.

The issue here is not whether certain disadvantaged groups within our society should be aided by Federally funded programs, nor whether the education industry needs the infusion of funds that come with such programs. The issue is: have necessary and adequate readjustment programs been provided for those who served during the Vietnam war; and have these programs been marked down as a cost of that war. That is what The American Legion is saying, and we think it is important, now and for the future.

We commend the action taken by the House, in approving H.R. 9576. It is our hope that this legislation will be adopted by the Congress during the present session.

NATIONAL HEALTH INSURANCE

The American Legion observes, with close interest, the continuing debate on the subject of National Health Insurance. Veterans have a very real stake in the outcome of that debate. We are aware that the President has indicated he will not send up to Congress a plan for National Health Insurance during the present session. We know that Committees of the Congress continue to study this matter, and we anticipate that at some point, specific legislation will be developed and that

Congress will come to grips with the question of whether the nation should have National Health Insurance, and if so, what form it should take.

We know that the preparation of legislation, and the investigation of the vast implications of National Health Insurance for the American people will be worked out in other Committees of the Congress. We trust, however, that this Committee, with its responsibilities for the welfare of veterans and their dependents, will watch carefully what transpires on this most important subject. And certainly, each Member will participate in the final decision that is made.

Very simply, the overriding concern of The American Legion is that any plan for National Health Insurance that may become law shall not endanger the integrity of the Veterans Administration medical care program for veterans. The Veterans Administration Department of Medicine and Surgery is now thirty years old. Its contribution to the field of medicine has been tremendous. Today, the VA medical care program is not only the largest, but, it is also the finest system of health care delivery in the nation. The care and services it is rendering to veterans are basic to the total program of veterans benefits that has been developed through the years since the end of the first World War. The VA system has become a key element of medical education. Its research programs have made a significant contribution to the advancement of medical science.

In the judgment of The American Legion, if the VA medical care program, as it is now functioning, is tampered with, its viability will be jeopardized. We do not believe that the VA system can maintain its present state of excellence if its integrity is fractured or diminished by its merger with other health care programs. We, of The American Legion, are most anxious that this shall not happen.

Specifically, it is our hope that the Members of this Committee will support our request that legislation to establish a National Health Insurance program shall include specific guarantees of the integrity of the VA medical program as one to be maintained and operated exclusively for the care of veterans. We believe it to be essential that these guarantees be written into National Health Insurance legislation. If that is not done we foresee a very real danger that the VA system, at some point, will be threatened with merger into a comprehensive national health care plan, and if that should happen, health care for veterans will, in our judgment, be adversely affected.

A further word on this subject should be said about the possibility that a comprehensive National Health Insurance plan may be preceded by some form of nationally administered catastrophic health insurance. We believe that catastrophic health insurance also must be studied carefully, to insure that even in its limited form it does not contain a threat to the integrity of the VA system. I assure you that The American Legion will continue to be alert, and will seek to be heard by the Committees that have this matter in charge. But, we of the Legion, know full well that the safeguarding of veterans' interests requires that we have the active support and assistance of our friends in the Congress.

JOBS FOR VETERANS

All of us are agreed, I am sure, that the rehabilitation of a veteran is not complete until he has been reestablished in his community with a job that provides him with security and with an adequate income to meet the needs of himself and his family. The American Legion continues to be deeply concerned with the excessively high unemployment rate affecting veterans, and especially the youngest segment of the veteran population—those in the 20-24 age group.

At the present time there are approximately one million jobless veterans of all wars, 628,000 of whom are Vietnam veterans, whose unemployment rate is 20.2 percent. This is 5.2 percent higher than at this time last year, and nearly nine percentage points above that for non-veterans in the same age group.

Congress addressed itself to this high unemployment rate in approving Title V of Public Law 92-540 and Title IV of Public Law 93-508, the Vietnam Era Veterans Readjustment Acts of 1972 and 1974. We regret that up to this time, those sections of the laws that sought to improve veterans' employment have not been effective.

The failure of implementation of these laws has several aspects. The net effect is that unemployed veterans are simply not getting the assistance to which they are entitled from the Department of Labor.

In spite of the magnitude and importance of the task of assisting the nation's veterans to find meaningful employment, the Department of Labor is not doing the job. The American Legion strongly recommends legislation to authorize an Assistant Secretary of Labor for Veterans Employment, and to establish the Veterans Employment Service as a separate agency within the Department of Labor. This would give the officer responsible for veterans employment services direct access to the Secretary of Labor, and those services would no longer be a stepchild within the Department.

We hope the serious problem of veterans employment will engage the attention of the Committee.

Once again, may I express my personal appreciation, and that of The American Legion, for the courteous attention this Committee gives to our recommendations for legislative action looking to the welfare of the nation's veterans. Through the years it has been the Congress, representing as it does, the will of the American people, to which we have looked for sympathetic understanding of veterans problems, and for legisaltive programs that will help veterans and their families. Our foremost concern, as is yours I know, is for those who have sacrificed life and health on the field of battle, and for the widows and orphans of those who have made the supreme sacrifice. Beyond that, we are agreed I am sure, that all of us have a continuing responsibility to care for those veterans who, whether by reason of age or illness, need our help. Congress has always been responsive to the needs of veterans, and for that, we, of The American Legion, are deeply grateful.

In concluding, I wish to extend again, as I have by formal invitation, my sincere wish that I shall have the pleasure of acting as your host at the annual dinner we shall have this evening at the Sheraton-Park Hotel, honoring the Congress. There you will have the opportunity to greet the Legionnaires from your home states, who have journeyed to Washington to express their appreciation for the interest of the Congress in the welfare of veterans.

Thank you very much.

WILDERNESS MEMORIAL DEDICATION CEREMONY

HON. GOODLOE E. BYRON

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 23, 1976

Mr. BYRON. Mr. Speaker, on March 14 of this year, it was my privilege to participate in the wilderness memorial dedication ceremony at Gathland State Park sponsored by the Potomac Appalachian Trail Club.

I have long enjoyed my association with the Potomac Appalachian Trail Club and its efforts to preserve and maintain the Appalachian Trail. The March 14 ceremony began with acknowledgements by Henry Nichol of the PATC followed by the invocation by the Rev. Otto C. Schuetze of Christ Lutheran Church. Members of the PATC, Gus Crews, Woodie Kennedy, Edward Garvey, Ray Fadner, and Grant Conway, reminisced about the trail and their adventures on it.

The dedication ceremony in honor of Glenn R. Caveney marked a rededication to the principles for which he stood and a renewal of efforts to preserve for future generations the pleasures of the Appalachian Trail. I salute all those who organized and participated in this ceremony.

CRIMES COMMITTED WITH THE USE OF FIREARMS

HON. MAX S. BAUCUS

OF MONTANA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 23, 1976

Mr. BAUCUS. Mr. Speaker, I would like to bring to the attention of the House the following letter submitted today to the chairman of the Committee on the Judiciary.

Forty of my colleagues joined with me and the gentleman from Wisconsin (Mr. KASTEN) in urging the Committee on the Judiciary to report out legislation prescribing mandatory penalties for Federal felonious crimes committed with the use of firearms.

The letter follows:

HOUSE OF REPRESENTATIVES,
Washington, D.C., March 23, 1976.

Hon. PETER W. RODINO, Jr.,
Chairman, House Committee on Judiciary, Rayburn House Office Building, Washington, D.C.

DEAR MR. CHAIRMAN: The House Judiciary Committee recently voted to recommit H.R. 11193 to its Subcommittee on Crime. Whether the Committee will consider similar legislation during the 94th Congress is questionable.

Unfortunately, consideration of Section 213 of H.R. 11193, which prescribes mandatory penalties for the use or carrying of a firearm in the commission of a Federal felony might also be postponed until 1977.

We urge the Committee to consider Section 213 as a separate piece of legislation. Although we as cosigners of this letter might not agree about the issue of gun control, we do support the concept of mandatory sentencing as a method of deterring crimes committed with firearms.

We believe this concept has broad-based bi-partisan support and should be considered by the 94th Congress in view of the growing use of firearms in the commission of crimes.

We respectfully urge the Committee to promptly consider mandatory sentencing legislation and report it favorably to the House of Representatives.

Thank you for your consideration of this request.

MEMBERS OF CONGRESS SIGNING LETTER

Robert W. Kasten, Jr., John W. Jenrette, Jr., J. Kenneth Robinson, George M. O'Brien, Bud Shuster, James C. Cleveland, Larry Pressler.

Jim Lloyd, Willis D. Gradison, Jr., Max Baucus, Dominick V. Daniels, Robert J. Lagomarsino, Joseph L. Fisher, James T. Broyhill.

Virginia Smith, David C. Treen, Jerry M. Patterson, Clarence E. Miller, John Krebs.

Charles B. Rangel, Frank Annunzio, Alphonzo Bell, James M. Collins, W. G. (Bill) Hefner, Paul Findley.

John Y. McCollister, Stanley N. Lundine, Tom Bevill, G. William Whitehurst, Matthew F. McHugh, Philip H. Hayes, Paul N. McCloskey, Jr.

Robert W. Edgar, James W. Symington, Thomas J. Downey, Pierre S. (Pete) du Pont, Norman E. D'Amours, Richard H. Ichord, John B. Conlan.

Andrew J. Hinshaw, Robert C. McEwen, James J. Blanchard, David W. Evans.

THE GREATEST DANGER WE FACE IN THE NEXT YEARS IS PARALYSIS

HON. ROBERT W. KASTEN, JR.

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 23, 1976

Mr. KASTEN. Mr. Speaker, last week, I inserted into the Record Mr. Neal R. Peirce's article on the Sunset bill which is being considered by the Colorado State Legislature. Today, Mr. Pierce has written another thoughtful article detailing the need for a periodic review of all Federal programs and agencies—with a mandatory termination for all whose existence could no longer be justified.

I would commend Mr. Peirce's article to the attention of my colleagues and would like to insert it in the Record at this point:

The "Sunset" Demand for Bureaucratic Justification

(By Neil R. Peirce)

"The great creative work of a federal agency," William O. Douglas wrote a few years ago, "must be done in the first decade of its existence if it is to be done at all. After that it is likely to become a prisoner of the bureaucracy."

Again and again in the 1930s, Douglas suggested to President Franklin Roosevelt that every agency created should be abolished after 10 years. FDR "would always roar with delight at that suggestion, and of course never did anything about it."

The idea of giving government agencies limited life spans has never died out completely, however. Every few years someone suggests—let all programs and agencies periodically rejustify their existence, or face extinction if they cannot.

And now, 40 years and several trillion dollars of government spending later, the idea is embodied in a "sunset" bill about to pass the Colorado Legislature, and in similar bills in Congress.

The leading Congressional sponsor is Senate Budget Committee Chairman Edmund S. Muskie, D-Maine, whose bill would require that every federal agency, commission, board, and program come up for review every four years on a rotating basis. Unless Congress acted to extend the activity, it would be abolished.

Muskie's cosponsors cover the ideological spectrum—from Mike Mansfield, D-Mont., to Barry Goldwater, R-Ariz. The idea has been picked up by several liberal House freshmen. And a companion bill, limited to regulatory agencies, has been introduced by Sens. Charles H. Percy R-Ill., and Robert C. Byrd, D-W.Va.

Major hearings on the Muskie bill and related measures started last week before Muskie's Senate Intergovernmental Relations Subcommittee, with several governors and other governmental experts scheduled to testify.

What makes these proposals politically viable in the '70s, when they could be laughed away by FDR and succeeding generations of national leaders? A Republican backer in Colorado says the bill "incorporates Republican philosophy" because it demands that government agencies justify their existence. But why do the key sponsors include many program-happy liberals, some of whose pet projects might be jeopardized?

Muskie—himself no slouch at proposing liberal spending measures in past years—provides some clues on the developing support from the left. In their belief that government can materially improve people's lives, he says, the liberals have successfully persuaded Congress to pile up program on program and to spend billions on social problems, until today there are some 1,000 federal domestic assistance programs.

But Congress, Muskie adds, has satisfied itself "with the rhetoric of legislation, leaving the hard work of implementation—from rulemaking to evaluation—to the executive branch. And now these years of inattention to performance are taking their toll, as we reap a bumper crop of public disenchantment with government that can't even perform the simple day-to-day tasks that need to be done."

Many liberals, Muskie charges, are so defensive about the programs they've passed that they have "become the defenders of government, no matter its mistakes." In a landmark speech to the Liberal Party in New York last fall, he said: "Why can't liberals start raising hell about a government so big, so complex, so expensive that it's dragging down every good program we've worked for? We must recognize that an efficient government—well managed, cost effective, equitable and responsible—is in itself a social good."

Unless some way is found to escape the hand of "suffocating bureaucracy" and to discard programs that aren't working, Muskie suggests, reserves will be lacking—"either in the budget or the public's trust"—to enact programs when new needs arise.

To assure that the quadrennial review of government programs would be more than pro forma, Muskie and his cosponsors would require both the executive branch and appropriate Congressional committees to conduct zero-based reviews and evaluations of programs coming up for extension. (The zero-based method, pioneered in government by former Gov. Jimmy Carter's administration in Georgia, requires assessing the effect of no expenditures at all for a program, and then gauging the likely level of program quality and quantity at various levels of funding.)

Another important feature of the proposed legislation is that all activities in a single functional area would be reviewed simultaneously. All transportation programs, for instance, would be evaluated in the same year—highway building, railroad assistance, mass transit, the activities of the Transportation Department and Interstate Commerce Commission.

The idea is that related programs could be judged, not only on their own merits, but also in comparison with each other in terms of efficiency in meeting national needs. Some could be continued, others consolidated, others dropped altogether. Comparing the 238 federal health programs on the books, for instance, Congress might decide that most of them could be scrapped in favor of some form of national health insurance.

At a minimum, the process would trigger elimination of many outmoded and useless government programs and agencies that now hold on, year by year, through sheer inertia because no one in Congress is willing to undertake the battle to assure their demise.

The onus would be on bureaucracies to perform well and prove solid grounds for their continued existence, lest they face their last "sunset" on the next turn of the four-year cycle. (The only exempt federal programs would be those under which individuals make payments in expectation of later compensation, including social security, medicare and civil service retirement.)

At a maximum, the process would trigger concentrated Congressional and national debate on where the country stands, what it can afford, and what the top program priorities are in each policy area. This kind of debate rarely emerges under the present system—but may be indispensable in the dawning era of severely restricted government revenue sources.

The sunset proposal is "fraught with risk," according to Denver attorney Craig Barnes, a member of the Colorado Common Cause board and originator of the idea in that state. "If jeopardizes obviously beneficial programs—programs we liberals have fought for for generations at a time." (Barnes might have added it also imperils less clearly "liberal" programs, from foreign military assistance to farm subsidies.)

The trend of the past 50 years, Barnes added, "has been to delegate more and more of the business of the people to bureaucracies, including many relatively obscure and hard-to-find agencies. Sunset retrieves issues from their immersion in the bureaucracy and resubmits them to politics. That's good in and of itself. It says to the people—this is a democracy, you once again have a chance, through pressure on your legislature to speak."

And while sunset is a "frightening prospect" for some people, Barnes said, "the justification is that the republic can grind to a halt—we can grind out creativity and sterilize ourselves—if we don't risk change. The greater danger we face in the next years is paralysis—and perhaps revolution as a result of government's inability to function. So while we run these risks—and do not do so lightly—we do so because the republic is not flourishing."

APPLIED PHYSICS LABORATORY SERVICE AWARDS, 1976

HON. GOODLOE E. BYRON

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 23, 1976

Mr. BYRON. Mr. Speaker, last week it was my privilege to participate in an important awards ceremony at the Johns Hopkins University Applied Physics Laboratory in Howard County. The program was to present 5-, 10-, and 15-year service awards to employees of the laboratory.

It was an honor to join the employees of the Johns Hopkins University Applied Physics Laboratory for this ceremony. Dr. A. Kossiakoff, director of the laboratory, extended greetings to the assembled employees followed by remarks by me.

Over 100 employees were honored for 15 years of service and a like number were presented with mementos for 10 and 5 years' service. I have always been struck by the pride of the APL employees in their work and in the achievements of the laboratory for the Nation and its defense efforts. I commend all of the employees for their dedication and their interest in serving the laboratory and the Nation as a whole.

EXPIRATION OF VETERANS' EDUCATIONAL ASSISTANCE BENEFITS

HON. BENJAMIN A. GILMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 23, 1976

Mr. GILMAN. Mr. Speaker, on June 1, 1976, pursuant to Public Law 93-337, the Veterans' Education and Rehabilitation Amendments Act of 1975, the 10-year time period within which veterans must utilize their educational assistance benefits, expires. For many veterans who are heads of households and who have been unable to take advantage of this program because of occupational and family demands, this expiration date means a forfeiture of their opportunity to receive academic training and to enhance their personal and professional development. For the 480,000 veterans who are currently receiving educational assistance benefits, the June 1 deadline will result in an abrupt termination of their education.

Debate over veterans' educational benefits has centered primarily on the rehabilitation and readjustment reasons for enacting such programs and a time limitation to prevent the assistance from becoming a continuing benefit. In my view, Mr. Speaker, these arguments are not properly emphasizing the crux of this issue. Veterans' educational benefits should be based upon the extent of and the opportunity for educational assistance, and not on any time limitations within which the benefit is to be utilized. Rehabilitation and readjustment are important aspects of the veteran's transition from military to civilian life, and they are important reasons for establishing veterans' educational programs, but we must also focus on restoring to the veteran the educational opportunity lost as a result of the years spent in military service to the Nation. On this issue, the time limitation provisions of Public Law 93-337 misses the crucial point—once the education assistance benefit is defined and the program established, then the benefit should vest for the veteran. He should be entitled to educational assistance until he has utilized all of his benefits. Only the veteran can determine when to use those benefits; it is his decision and only he should make it, for that decision effects his needs as well as his personal and professional development.

Mr. Speaker, this week I requested the distinguished Chairman of the Veterans' Affairs Committee, the gentleman from Texas (Mr. Roberts) to reexamine those measures before his committee that eliminate the time limitation provisions from educational assistance programs. In the interest of avoiding the disruption of the education of the 480,000 veterans presently enrolled in college and in preventing their benefits from expiring this year, I invite my colleagues to join in an endeavor to repeal the June 1 expiration date of veterans' educational benefits.

CONGRESS TAKING A NEW, HARD LOOK AT THE FEDERAL BUDGET

HON. EDWARD J. DERWINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 23, 1976

Mr. DERWINSKI. Mr. Speaker, at a time when the Congress is taking a new, hard look at the Federal budget and hoping to find areas for practical adjustments on behalf of the U.S. taxpayer, an article in the Sunday Star by our distinguished former colleague, Hastings Keith, of Massachusetts, should be of special interest. As a cosponsor of a bill that would produce the corrections Mr. Keith suggests, I commend this article to the Members as one of complete objectivity and accuracy.

The article follows:

THE ASTONISHING COST OF THAT 1 PERCENT ADD-ON IN FEDERAL PENSIONS

(By Hastings Keith)

On March 1, the pensions of millions of federal retirees moved up again. This increase, mandated by the Congress in 1969, was intended to allow the retiree's pension to keep pace with increases in the Consumer Price Index—but the fact is that since its enactment in 1969 it has overcompensated federal retirees by almost $1 billion.

The "1 per cent add-on," or "kicker," as it is sometimes called, was intended to compensate for the time-lag that occurs between the actual cost-of-living increase and the effective date of the adjustment.

So the amendment adds 1 per cent to the cost of living formula each time an increase takes place. The problem arises—and the overcompensation occurs—because Congress did not anticipate the frequency of the adjustments, and apparently did not realize that the 1 per cent become a permanent part of the pension, compounding the benefits.

The nature and extent of the overcompensation is so mind-boggling that neither the federal retiree nor the public nor Congress seems to grasp its significance.

Inasmuch as my own pension as a retired congressman with 20 years of federal service is quite typical of that of the upper-level Civil Service and military retiree, here are its significant features:

The pension has jumped in three years from $1,560 a month to $2,200 a month—and $200 of this $2,200 represents the 1 per cent add-ons. Thus the pension has outpaced the cost-of-living increase.

If the cost of living goes up at a 6 per cent rate per year, my pension in 15 years (at the end of my life expectancy) will be $6,000 per month and $1,000 of this will be above the cost-of-living increase.

At a 6 per cent annual rate of inflation, I will have received—solely as the result of the 1 per cent add-on—a total of about $30,000 above the cost-of-living increase during my life expectancy.

(I should mention that I am also receiving an additional $581 monthly pension as a retired Army Reservist, and that my active duty time counts toward both the Civil Service and the Reserve pension. Both pensions have the cost-of-living increase, and both have the 1 per cent add-on).

My pensions, of course, are much more generous than the pension of the average career civil servant—and I agree that some who retired years ago still are behind the inflationary spiral. Nevertheless, even the average federal retiree fares much better than the average individual in the private sector with 30 years of service.

In 1971, the average career civil servant received a pension of $350 a month. Three years later, in 1974, his pension was $700 a month. His benefits above the cost of living during the course of his lifetime will be approximately $40,000.

The average military retiree receives a much larger pension than the average civil servant. Military personnel retire earlier, live longer, and accordingly, their benefits above the cost of living are much greater, particularly in the latter years of their retirement.

The average career enlisted man will get a pension on retirement at about age 40 of approximately $500 a month. Over his lifetime—even without any cost-of-living adjustment—he would receive a pension totaling about $180,000. With 6 per cent annual inflation, his pension, by reason of the compounding of the 1 per cent add-on, will have reached $3,700 per month at the end of his life expectancy. This is $1,000 per month more than it would be if there were no add-on.

The lifetime cost to the taxpayer of all these add-ons will run into many billions of dollars:

The 1 per cent add-on that went into effect this month will cost $140 million in its first year (the total annual cost of this month's 5.4 per cent cost-of-living adjustment is approximately $750 million). Over the years, the total additional future cost of this month's 1 per cent add-on—solely for the present retirees and their surviving spouses—will be at least $4 billion—all of it above the cost of living.

Even if there are no additional add-ons, the add-ons of previous years will eventually cost us at least $20 billion—all of it above the cost of living.

If new add-ons are not eliminated, the future cost for this feature alone will, at 6 per cent annual inflation, total at least $80 billion—all of it above the cost of living.

Finally, if the add-on feature is continued and the 750,000 additional retirees forecast during the next five-year period get their projected increases, the total cost of this "kicker" would exceed the $150 billion cost of the Vietnam war.

These costs are so great that they feed the fires of the very inflation with which they were intended to cope. Beyond the fiscal aspect of the cost-of-living increases, there are social and economic implications that were not generally recognized or understood by Congress when it wrote the retirement legislation. Because the dollar costs of the add-on are fairly well known—and haven't prompted much congressional or administration response—the public should ponder some of the other effects:

The private sector will have to work longer than it now does to support long retirement periods of public retirees.

Interest rates throughout our economy will be driven up as the government goes further into the market to fund deficits.

Other services and programs will have to be curtailed.

Earlier retirements will become more and more attractive. This means billions of dollars in replacement salaries.

The immediate responsibility for correcting this condition lies with both the executive branch and with Congress. Each has given lip service to the question of repeal of the 1 per cent add-on.

The President in his recently submitted budget indicated his belief that this 1 per cent add-on should be eliminated. No details have been forthcoming.

Several members of Congress have spoken out on the subject, and Rep. David Henderson, chairman of the House Civil Service and Post Office Committee, has filed a bill calling for the repeal of the add-on feature. But as yet no leadership has been exerted and no hearings held.

Two recent developments indicate that "institutionalization" of inflation is a decided possibility.

One is the recent suit by the federal judges who argue that their pay must be increased to make up for inflation; their logic would make a case for tying all government salaries to the Consumer Price Index.

The other is a bill, filed recently by Rep. John H. Dent, calling for tying the minimum wage to the CPI. Dent's bill even includes a 1 per cent add-on feature.

If these—or similar suits and/or legislation—are successful, the end result would be a change in the character—and, of course, the competence—of our free enterprise system. The final destination would be a controlled economy, one without much future for either democracy or capitalism.

Another alternative—perhaps just as bad—is the continued trend toward legislating programs for everyone, ending with the socialism of Britain. Perhaps the forecast of George Orwell's 1984 is on schedule.

STATEHOOD FOR PUERTO RICO

HON. JERRY M. PATTERSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 23, 1976

Mr. PATTERSON of California. Mr. Speaker, on March 18, 1976 I had the pleasure of meeting with Mr. Angel Valencia, Assemblyman from San Juan, Puerto Rico. Mr. Valencia is one of the most dedicated public officials I have had the honor to know. As a member of Puerto Rico's Republican Party, Mr. Valencia has been a strong supporter of statehood, a subject which I discussed with Mr. Valencia on his recent visit to Washington, D.C.

Statehood for Puerto Rico has been an issue of much discussion and controversy ever since the beginning of the relationship between Puerto Rico and the United States. The grant of U.S. citizenship to the people of Puerto Rico in 1917 made statehood a natural goal of many Puerto Ricans. The development of a sturdy tradition of self-government in Puerto Rico, the creation of a growing economy with an increasing base for future growth, and the emergence of an able poltical leadership have made statehood a realistic possibility.

Although Congress has the responsibility to grant statehood if and when it is appropriately requested, it must be ultimately up to the people of Puerto Rico to decide their destiny. When the people of Puerto Rico, by their own free will, ever decide in a general referendum that they wish to become a State of the United States, I would be very grateful to support their will. As a strong supporter of the principle of self-determination, I would proudly welcome and support the wishes of the people of Puerto Rico to become the 51st State of the United States.

TRANSIT DEVELOPMENT NEEDS PUSH

HON. GLENN M. ANDERSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 23, 1976

Mr. ANDERSON of California. Mr. Speaker, sometimes it seems that those of us who live in Southern California have been squabbling over how to build a rapid transit system almost as long as we have needed one. However, the same factors that cause our area to have such a great need for mass transit—a large population spread out over a huge urban sprawl—make such a plan difficult to develop and expensive to implement.

The city and county of Los Angeles, and the various cities also involved in the planning, such as Long Beach, all have distinct needs that must be met by any new transportation system. The latest proposal for rapid transit in our area, the Sunset Coast Line, is an attractive concept. But the many uncertainties about the plan and its financing may result in a long delay before it receives approval.

In the meantime, Southern California must act right away, if we are to receive Federal assistance for a mass transit project. For that reason, I feel that the starter line connecting Los Angeles and Long Beach is the best possible answer for the immediate future. Such a line would attract Federal and State assistance, and at the same time serve as the nucleus for a more comprehensive rapid transit system.

The following editorial from the Los Angeles Times gives an excellent account of the latest developments in Los Angeles area rapid transit:

> A New Look at Transit
>
> Enough serious questions have arisen to require sidetracking the Sunset Coast Line for a closer look.
>
> We have reached this consclusion reluctantly, for the plan's creator, Los Angeles County Supervisor Baxter Ward, is right about the high cost of each day's delay. There is a risk, too, that the momentum provided rail transit by his energy and enthusiasm may also be lost, and that would be regrettable.
>
> But the first quick studies of his plan by financial and transit consultants and a variety of city and state officials have disclosed fundamental defects in both the basic proposal and the way Ward proposed to carry it out.
>
> He has now revised his plan, making it more modest in an effort to satisfy some of the criticism. But this can only be the beginning of the evaluation and the revision. There is no way to generate sufficient reliable information in time for an intelligent decision in the June primary election.
>
> Ward's basic proposal is for a penny sales tax. That was to have been the source of funding for Proposition A, the rapid rail transit and bus plan defeated in the election of November, 1974. In the proposal two years ago, an $8 billion system with about 160 miles of tracks was envisioned. Ward revised the plan, hoping to buy 280 miles of tracks at the same price through such economies as prefabricated structures and the use of freeway medians and flood channels as rights-of-way.
>
> The penny sales tax is not an excessive price to pay for improved public transportation. We supported the 1974 proposition, and we remain persuaded that Los Angeles County needs a rapid rail system to supplement the freeway network. But, under Ward's plan, the penny could unlock more financial problems than it would resolve. Consultants found that his financing formula, using the penny to generate bonds to cover construction costs, could accumulate an indebtedness of $16 billion and extend construction time to nearly twice the estimate.
>
> Using the findings of these consultants, Ward has now produced a reduced proposal, still based on the penny sales tax, but including a trackage cut to 244 miles and a construction timetable stretched from 15 years to 24 years.
>
> That might resolve the most serious financial problems. But it will take time to evaluate it, to be sure that nothing occurs that would adversely affect the bonding capacity of the governments of the region.
>
> The question of finance is one of two unresolved matters. The other is the feasibility of the system and routes that Ward has proposed. Some of the experts now believe that his routing and his construction techniques will not work. There certainly is doubt about the potential patronage along some of the flood-control and freeway rights-of-way. One study suggests that his construction projections were at least 40% underpriced.
>
> In proposing the extensive track mileage, Ward was seeking to broaden the base of support by taking trains close to most homes in the country. But now that broader support is jeopardized by the uncertainties as to how much actually could be built under the plan.
>
> It may be possible to sort out these problems in time to put a proposition on the ballot in November. It is unwise to rush to meet the March 26 deadline for the June election.
>
> In the meantime, however, no time should be lost in completing the application for massive federal support for the starter line from Union Station to Long Beach. There can be no better way to test the feasibility of rail transit in Los Angeles County.

BROADCASTING OF HOUSE SESSIONS

HON. BILL FRENZEL

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 23, 1976

Mr. FRENZEL. Mr. Speaker, in 1975 the House Republicans took on reform and endorsed radio and television broadcasting of House sessions. The task force has testified before the Rules Committee in support of this position and followed the work of the Ad Hoc Subcommittee on Broadcasting closely.

The task force has reviewed the subcommittee recommendation. We believe the proposal is, under the circumstances, a reasonable one. We reaffirm our support for broadcasting of House sessions and specifically urge the full Rules Committee to accept the recommendation of the subcommittee.

DENBY HIGH SCHOOL'S SELF-HELP EFFORTS

HON. LUCIEN N. NEDZI

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 23, 1976

Mr. NEDZI. Mr. Speaker, Denby High School in Detroit has long enjoyed the reputation for academic and athletic excellence.

In recent weeks Denby has been a troubled school, partly as a consequence of court-ordered busing.

An overwhelming majority of citizens are opposed to court-ordered busing, in Detroit as elsewhere. Nevertheless, the students of Denby, being directly involved in the situation, are trying to make the best of it, and for this they deserve our appreciation and commendation.

In this regard, I set forth in the Record a March 17, 1976, article and a March 19, 1976, editorial from the Detroit News dealing with their efforts:

[From the Detroit News, Mar. 17, 1976]

Denby Pupils Form Unit to Help Cool Off School

(By Donna Acquaviva)

Solutions to the problems at Denby High School have been sought by parents, staff, board of education security guards, Detroit police and clergymen.

Now, some of the students have joined together in an effort to maintain peace at the troubled school.

Led by junior Barbara Caroselli, the student group, called "I Care About Denby," came into being a few days after the last outbreak of violence.

In a week's time, the group has:

Written a letter, signed by Denby staff and 110 black and white students, to the Detroit Board of Education asking for help and support;

Received the encouragement and unanimous support of the Region 7 school board;

Hurried plans to publish a school newspaper to keep students informed of "what's happening—good and bad;"

Contacted the Detroit City Council, the city's zoning board and the police department requesting help in closing the controversial sweet shop across the street from the school;

Planned to have posters and buttons made to help restore school spirit and unite students;

Received a commitment from Joseph Radelet of the Detroit Round Table of Christians and Jews to speak to classes on communication with each other; and

Received permission from Principal Richard Reid to hold assemblies "to raise school spirit and establish unity."

When she is not on the telephone or gathering signatures, Barbara is visiting the homes of students who were involved in the fighting two weeks ago, during which 28 persons were ticketed for disorderly conduct.

"If we can get the troublemakers with us," she said, "we've got something." She asked parents to speak with their children about the problem and they promised to do so, she said.

Barbara does not see Denby's problems as racial, although she does blame busing and "the way it has been handled" for the school's recent troubles.

"The rest of us have to take some blame, too," she said. "None of us really went out of our way to make the new students feel welcome."

She said that, by the time they reach high school, most students have developed school loyalties and ties that are hard to break.

"I was there the day incoming kids from Finney registered," she said. "I asked the football players if they would play as hard for Denby as they had for Finney."

While some said they would, several indicated their loyalty would remain with the school they were leaving, she said.

She said the group will work with the region board to improve bus scheduling so that students do not arrive too early, and are not kept waiting too long at dismissal time.

"If the new students are already unhappy, and they become bored and restless, trouble is bound to start—and it did," Barbara said.

The matter of the sweet shop has been under debate for several years.

A hang-out for alleged drug users and dealers, it is often the scene of fighting and harassment of passing pedestrians, school officials complain.

The Denby Mother's Club and the region board have asked the City Council to have it closed and reopened as a police mini-station.

"The police are always there anyway," board member Carmen Roberts said at last week's board meeting. "They may as well have official use of it."

Region 7 board chairman Mary Gilmore told Barbara that several members of the City Council will visit the site this week, take photographs and discuss the matter.

Barbara agreed with the region board's theory that recent articles on Denby's problems in a local weekly newspaper have helped to polarize the students and make the issue a racial one.

At last week's meeting, the board approved a motion to write the newspaper, asking its cooperation by not "writing inflamatory articles."

In a front page story, the paper stated that it would continue to print the stories as long as the alleged problems exist.

"We've got to take fear out of this thing." Barbara said, "or we'll never get anything done."

Other charter members of "I Care About Denby" are Louise Janetta, Mary Jo Grimaldi, Elaine Workens and Jeanie Doyle.

[From the Detroit News, Mar. 19, 1976]

A Hand for Denby Students

We applaud the young men and women who have joined together to promote better relationships in troubled Denby High School, where disturbances occurred in the wake of court-ordered desegregation.

The student group, led by a junior, Barbara Caroselli, calls itself "I Care About Denby."

Proving its title no empty slogan, the group has made a biracial appeal to the Detroit Board of Education for support, planned the publication of a school newspaper, obtained permission to conduct assemblies to create school spirit and unity, and taken steps to close down a nearby sweet shop where trouble seems to originate.

Barbara notes a variety of reasons, many of them having nothing to do with racial tension, for Denby's problems. She observes, however, that "None of us really went out of our way to make the new students feel welcome"—an omission which she and her associates intend to remedy.

The things the "I Care About Denby" members say and the projects they have undertaken make great good sense. Any student at Denby High School should be proud to belong to the organization. School and community leaders should give the group every encouragement possible and give its requests serious consideration.

If enough people care about Denby, Denby can enjoy a peaceful and productive future.

A 4-YEAR TERM FOR HOUSE MEMBERS

HON. WILLIAM F. GOODLING

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 23, 1976

Mr. GOODLING. Mr. Speaker, almost every time I go back to my own district or travel to another part of the State or country, people are constantly asking me, "When are you people in Washington going to stop this business of running for office every 2 years? It is a waste of time and money."

I would like to address this same question to my colleagues in the House and to the Members of the Senate. When are we going to do something about the current rotation from a year of legislating to a year of campaigning?

Members of the public are sick and tired of these antics. If Members of Congress would follow the will of their constituents, I believe that the present 2 year term for Congresspersons would be extended to a 4-year term. I urge Members to put the question to their own constituents and if they get the response which I believe they will, to join me in sponsoring a constitutional amendment to accomplish this goal.

Although debate on this subject has been around since the first Constitutional Convention, the scales have been heavily tipped toward the need for a 4-year term by the demands and circumstances surrounding the service of a 20th century Congressperson.

During the 1787 Constitutional Convention, many delegates wanted to continue the 1-year terms which were the practice in numerous colonies. James Madison led the opposition forces for a longer term. In the Federalist Papers he noted that Representatives should have sufficient time in office to "acquire that knowledge of the affairs of the States in general without which their trust could be not usefully discharged." He believed that 3 years was the minimum number of years necessary for a Representative to gain "that knowledge."

The volume of subjects about which Members are required to be knowledgeable has increased since Mr. Madison's time. If our Founding Fathers could decide on the length of term today I feel certain that the duties of a Representative today would persuade them to agree on the need for a longer term. During the first Congress 142 bills were introduced and 108 were passed into law. In the 93d Congress the number of bills introduced was 17,690 of which 772 were enacted into law. In addition 1,668 bills were reported out of committee and most of these required a Member to take a position.

Presidents Truman and Johnson strongly supported a constitutional amendment to extend the term of office to 4 years. It has been said that Mr. Johnson's proposal to increase the length of a Member's term which was presented at his State of the Union Message in 1966 received more applause than any of his other recommendations in that speech. Later he sent a message to the Congress spelling out further his proposal. In that message he stated:

> I believe that in the interest of progress and sound modern Government—and to nourish and strengthen our creative Federal system—we must amend our Constitution to provide a 4-year term of office for Members of the House of Representatives.

I disagree with President Johnson's particular amendment in that it provided for the election of all Representatives at the same time as the election of the President. Such a system would make the Members of the House more dependent upon the power of the President's coat tails. I have included a provision in the amendment which I am introducing which would allow half of the Members of the House to be elected every 2 years. This staggering method represents the best of both worlds. It allows individual Members to serve a longer term and be better legislators and it allows the House to remain closer and more responsive to the feelings of the public than do proposals to have Member's terms concurrent with Presidential terms.

Although I have heard Members of the House allege that the Senate would be opposed to an extension of the term of office for House Members, I do not believe that the majority of our Senators profess such a view. In the past many well respected Senators have supported a 4-year term including the current minority leader, Senator HUGH SCOTT.

My amendment would require a Member of the House to resign his seat if he files for the Senate—either in a general or primary election—and he is running for a seat that begins midway through his own House term. I believe that this provision will make the Amendment more attractive to the Senate.

The cost of campaigning every 2 years is another major reason for supporting a 4-year term. This cost can be measured in both time and money. Because a Congressperson must often be home addressing the allegations of his opponents—both in the primary and general election—he must divert his energies from legislating to campaigning. If he does not his opponent—who is usually free to be home addressing groups all the time—is given a great advantage. A responsible Representative must often refuse invitations in his own district because he must remain in Washington to see that his constituents are represented when it comes time for debate and a vote.

The cost of running every 2 years is staggering. During the last election of House Members, $45.1 million was reported as the total amount spent by all candidates. There are no assurances that spending will decrease—as was originally mandated by the "Federal Elections Reform Act." A recent article in Congressional Quarterly states that—

> There are strong indications that spending [this campaign year] will exceed 1974 levels.

During the past years, support for a 4-year term has resulted in numerous-versions of joint resolutions providing for a constitutional amendment. Although I do not take lightly the seriousness of amending our Constitution, this is the sole avenue available to extend the term of a House Member. The provisions which I am including in my resolution are not new. These provisions do, however, combine what I feel to be the best features of all the suggestions dealing with this issue. My resolution provides for the election of a Member of the House of Representatives to a 4-year term with half of the Members elected every 2 years. It also provides that a Representative resign his or her seat if running for a Senate seat midway into their own term of office.

I especially hope that my many freshman colleagues will join with me in supporting this reform measure. It will allow a Member of Congress to be a better servant of the people he represents instead of a slave to the campaign trail.

NO JEWS NEED APPLY

HON. BELLA S. ABZUG

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 23, 1976

Ms. ABZUG. Mr. Speaker, as every Member of Congress knows, the American construction industry, especially in the Northeast, is suffering through one of the most debilitating business depressions in history. One of the most repugnant consequences of this slowdown has been the apparent acquiescence by American architectural firms to the immoral terms of the so-called Arab boycott in order to attract patrons from the oil-rich Mideast, especially Egypt and Saudi Arabia, where construction is booming. The submission by architectural firms to the Arab boycott was detailed this week in an article by Ellen Perry Berkeley in the Village Voice: "No Jews Need Apply: How U.S. Architectural Firms Are Selling Out to the Arab Boycott."

I have often criticized the failure by the White House and the Departments of Interior and Commerce to strongly enforce the existing laws that would prevent this kind of blackmail. Many of my colleagues joined me recently in filing a suit in Federal court to demand such enforcement. The suit is still pending. My House Subcommittee on Government Information and Individual Rights, which I chair, has held hearings on the boycott—and will consider holding future inquiries based on the new evidence reported in the current Village Voice.

Until such time as the executive branch begins vigorous enforcement of antiboycott laws, and until the Congress and the public are given full access to all the names of the companies that comply with this offensive blackmail, we in Congress must be especially vigilant in our efforts to prevent these dscriminatory practices from engulfing American industry and unjustly depriving many citizens of their livelihoods because of their religion, sex, or political affiliations.

Ellen Berkeley's report on the unconscionable anything goes competition among architectural firms for Arab business is especially shocking, and I hope that it will alert many more Americans to this problem.

EGYPT: WHERE THE NEED LIES

HON. BENJAMIN S. ROSENTHAL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 23, 1976

Mr. ROSENTHAL. Mr. Speaker, in its efforts to convince the Congress to approve arms sales for Egypt, the administration would have us believe that President Sadat boldly expelled all Russians from his country and denuded his defenses.

But Egypt continues to have more aircraft, missiles, artillery—nearly all Soviet-supplied—and men under arms—Soviet-trained—than Israel. And that does not count the arsenals of the other Arab States that would come to Egypt's aid with men and material in the event of another war.

Egypt's abrogation of its friendship and mutual aid treaty with the Soviet Union did not mean the end of its relations with Moscow. There are still an estimated 200 Soviet technicians running the computers that operate Egypt's SAM missile defenses, and thousands more Soviet civilian technicians are involved in a number of major nonmilitary projects. The Soviets also continue to enjoy use of the Suez Canal for their Navy as well as extensive port facilities and services at Alexandria.

A prime source of Sadat's pique at the Soviets is their insistence that he pay for the arms he has already received. According to the Egyptian newspaper Al-Ahram, Egypt's military debt is about $7.2 billion—2.8 billion Egyptian pounds—and its nonmilitary foreign debts, as announced by the Egyptian Minister of Economy, is about $6.9 billion—2.7 billion Egyptian pounds.

Al-Ahram stated:

> We do not perhaps reveal a secret if we say that Egypt's military debts do not exceed by far the figure of about £E 2,800 million in non-military debts announced by the Government . . .

Of this foreign debt, Egypt owes $4 billion to the Soviet Union—$3 billion for military and $1 billion for civilian projects.

It is not overly cynical to suggest a relationship between these debts and Egypt's interest in new sources of supply, particularly Britain and France. These new purchases are to be paid for by Arab oil sheiks, principally Saudi Arabia, which also would be paying for the C-130's the Ford administration wants to sell to Sadat.

Intelligence reports indicate Egypt has received large quantities of new Soviet arms and replacement equipment since the 1973 war, and spare parts continue to come in. It is believed Egypt has a 2-year stockpile of spare parts plus access to more through Syria, Libya, Iraq, Eastern Europe, and other nations using Soviet weapons. It has not been unusual for Arab Governments to receive extensive military cooperation during periods of public disagreement with their Soviet benefactors.

Although the administration says it has no plans at this time to sell anything beyond the C-130's to Egypt, there are at least two gaping loopholes in that pledge:

First. The time period is so indefinite as to be meaningless. It is well known that the State Department has been discussing selling the Egyptians the broadest array of American weapons, including helicopters, missiles, jet fighters, and possibly tanks. Announcement of such sales already is tentatively planned for early next year.

Second. With its usual dependence on semantics, the administration privately is contemplating further military sales to Egypt this year but of equipment it labels "non lethal" or "defensive." Such a description could, in administration thinking, cover hardware like drone aircraft, mine detectors, antiaircraft missiles, radar, communications equipment, even antitank missiles.

If the administration thinks it is buying influence in Cairo by opening an arms supply relationship with Egypt, someone at the White House or State Department should call Leonid Brehznev and ask him about his status in Cairo today as a result of the Soviet Union's massive arms supply program for Egypt.

Mr. Speaker, I welcome President Sadat's efforts to end Egypt's dependency on the Soviet Union, and I sincerely hope they are genuine. I applaud his turn to the West and his expressions of friendship for the United States. In an effort to encourage and improve the relationship between our two countries, I have voted for nearly $1 billion in economic and military assistance for Egypt this year alone.

This, I believe, is the path to peace—not through the supply of more arms to an already well-armed and defended nation. We cannot expect to help shape peace while arming both sides in a potential conflict.

Egypt has no trouble buying arms on the world market. But the United States has something far more valuable to offer for Egypt's future security. We possess the economic resources and know-how to revitalize a faltering economy and help put Egypt on a stronger footing. Egypt's need for that kind of assistance is far greater than her need for more tools of war. We can—and should—offer the tools of peace and prosperity.

MR. L. PETER FRIEDER, JR.—SMALL BUSINESS PERSON OF THE YEAR

HON. JOSEPH M. McDADE

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 23, 1976

Mr. McDADE. Mr. Speaker, I am proud to bring to the attention of my colleagues the award of Small Businessman of Eastern Pennsylvania to Mr. Peter Frieder, the president and owner of Gentex Corp. of Carbondale, Pa.

The original business, founded over 80 years ago by Frieder's grandfather, was a major silk yarn producer. Artificial fibers forced a reorganization in 1933 by Mr. Frieder's father, which at this time saved the company from bankruptcy. He then went on to produce parachutes for military use. However, after World War II the great need for parachutes did not exist and Mr. Frieder Sr. passed his great talent on the developing field of plastics and began producing helmets for the Armed Forces. Today, the company is the leading supplier in this highly technical market. In the 3 years that Peter Frieder Jr. has run the company since his father's death, he has doubled the company's sales in this principal product and again diversified into life vests, safety lenses, welding plates and fireproof aluminized fabrics. The record of Gentex Corp. clearly illustrates the strength small businessmen give to America.

Mr. Frieder deserves great commendation, not only for his business ability, but also for the skill he so freely gives to community organization. His record, and that of his father, serves as an example to us all.

AN OVERDOSE OF OPTIMISM

HON. BOB WILSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 23, 1976

Mr. BOB WILSON. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following:

AN OVERDOSE OF OPTIMISM

We are considerably concerned about the way the Navy's shipbuilding program has been handled over the last several years.

Let's start with one basic fact: The House Armed Services Committee's Seapower Subcommittee last year released a report which said, among other things, that "All of the evidence examined by the subcommittee in this and earlier studies indicate the Navy should *enter* the 1980s with an absolute minimum of 600 ships [emphasis added]."

The panel backed up its own recommendations with the testimony of numerous expert witnesses. It cited, among others:

Admiral Thomas H. Moorer, who in 1969, as Chief of Naval Operations, told the Seapower Subcommittee that "a Navy of 850 ships ought to be attained by 1980."

Admiral Elmo R. Zumwalt, Jr., who succeeded Moorer as CNO and who later testified before the subcommittee that "the Navy should plan to build a balanced force of about 700 ships in the 1972-79 time frame."

William P. Clements, Jr., then, and still, Deputy Secretary of Defense, who told the same panel in 1974 that, "Considering the mission requirements of the Navy today and the uncertainty of international developments in the next decade, it appears to me that we are not adequately planning or providing for the level of U.S. seapower that may be essential to this nation's security. It may be that it will possibly require funding levels in the order of $8-9 billion (FY 1976 dollars) in the annual SCN [Shipbuilding and Conversion, Navy] appropriations account to achieve the necessary Navy size for the mid-1980s."

The subcommittee also cited 1974 Joint Chiefs of Staff estimates that "a U.S. Navy active force level of over 800 ships" is needed "to support our current national defense strategy."

What has happened since the subcommittee released its report?

Well, Congress is now requiring that all major combatant ships be nuclear-powered (the President can ask Congress to permit exceptions, and probably will), and the Defense Department was directed to submit, beginning with the fiscal year 1977 budget, a five-year shipbuilding plan, rather than continuing with the previously customary one-year-at-a-time program.

Considerable credit for those forward-looking steps goes, incidentally, to Representatives Charles E. Bennett (D-Fla.) and Bob Wilson (R-Calif.), chairman and senior GOP member, respectively, of the Seapower Subcommittee.

Submission of a five-year plan does not, however, guarantee implementation of that plan. Funding is still on a year-to-year basis.

Moreover, the plan can change from year to year, and/or from Administration to Administration. For example: A "tentative" five-year plan submitted by the current CNO, Admiral James L. Holloway III, and included in the subcommittee's report called for construction, during the FY 1976-80 time frame, of 179 ships, or almost 36 per year. But the first "official" five-year plan, submitted with the President's FY 1977 budget, calls for construction of only 111 ships during the next five years (FY 1977-81). That's a cut of 68 ships, just to start.

Now, we are told, the Navy is submitting another plan for "about 160 new ships." That plan, reports Fred Hoffman of the Associated Press, "would take about four years longer to fulfill and would bring the Navy to the 600-ship level by about 1989."

If you're rebuilding the national highway system, it might be reasonable to set some time in 1989 as the date for completion.

But if you're dying of cancer, 13 years is too long to wait.

We think, frankly, that the U.S. Navy is now, and has been for several Administrations, dying of cancer—the cancer of economic neglect. We also think it's time for Congress, and the public, and the media, to ask a few straightforward questions, and to get equally straightforward answers.

The U.S. Navy is now down to 477 ships. The Soviet Navy has more submarines, more surface combatants, more of virtually everything, in fact, except aircraft carriers. In any confrontation imaginable between the two fleets, moreover, the Soviets would have working for them the element of surprise, thus adding appreciably to their already very big edge in numbers. Anyone who thinks the USSR's leaders don't realize how much the naval balance has shifted their way and/or wouldn't take advantage of it is suffering from an overdose of optimism.

We want to know, therefore:

How many ships *does* the U.S. Navy need to carry out all of its assigned missions? How are the numbers calculated?

Were Admirals Moorer and Zumwalt and the 1974 JCS estimates all wrong? If so, in what respects, and how could they have been so far off?

Even accepting the Seapower Subcommittee's much more modest estimate that the Navy should "enter the 1980s" with "an absolute minimum of 600 ships," how has the threat changed to permit postponement until the *end* of the 1980s?

If additional ships are being requested in an expanded five-year (or even ten-year) plan, how many additional are being requested for the new fiscal year beginning on 1 October? (We're sincerely sorry to have to ask that question, but those in public office all too often make promises during an election year that later go unfulfilled—usually because of "budgetary limitations.")

If the national security is, in fact, endangered by the changed naval balance, why aren't we doing a lot more about it? At what point does an "acceptable risk" or "calculated risk" (as Navy and Defense Department spokesmen so delicately and reassuringly phrase it) become an *un*acceptable risk?

Finally, the most important question of all—one which all decision-makers in the Executive Branch, and all Congressmen and Senators as well, should ask themselves: What is wrong with democracy—and, more specifically, what is wrong with the United States—that our sworn enemies are willing to make greater sacrifices to threaten our way of life than we are willing to make to defend it?

FREEDOM AND RESPONSIBILITY

HON. CLARENCE J. BROWN

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 23, 1976

Mr. BROWN of Ohio. Mr. Speaker, as we start accepting graduation season speaking engagements, some of us may be seeking ideas of significance. One such speech has recently come to my attention, given by a member of the generation of most Members of Congress, D. V. Seibert, chairman of the board of one of the world's great mercantile industries, the J. C. Penney Co., Inc., at the graduation ceremonies last August 29 of one of the great universities in my area, the University of Cincinnati. I insert the speech here for the benefit of my colleagues:

ADDRESS BY D. V. SEIBERT, UNIVERSITY OF CINCINNATI SUMMER COMMENCEMENT EXERCISES

"When the freedom they wished for most was freedom from responsibility . . ."

Congratulations—to the graduating class of the summer of '75. Whatever your degree, whatever your field of study, whatever your plans for the future, this is a great occasion which will crown your many memories of your student days.

Naturally, these memories have been very much with me today, pleasant memories which go back almost thirty-five years to this same campus in the early nineteen forties. It was a smaller university then, but so was the nation which it reflected.

The campus environment in my time began with a period of peace and relative calm which we traditionally associated with college days. But that environment changed quickly with the advent of war. The lives of most of us were temporarily altered, and for some of us, more permanently than we had thought. We put aside long-term objectives as our short-term goals took on more importance. Change interfered with our expectations. Our outlook was suddenly uncertain. Our security was threatened by events not under our control.

Today it seems to me we are in a similar environment. Sudden change, this time in our economy, has again interrupted our perspective and altered at least the timing of our goals. Once again, many of our long-term objectives must be set aside—temporarily, we hope—to accommodate the unexpected.

Uncertainties threaten the security of our environment. Short-term goals become more important as we seek quick solutions to the problems that threaten our expectations, or what we have come to regard as our "rights."

As we move into our bicentennial year, it is certainly fitting that we concern ourselves with what we call our rights as Americans. I think it's interesting to remember that the section of our Constitution which we refer to as our Bill of Rights was written into the Constitution *after* it was signed and ratified—in the form of the first nine amendments—the first of which guarantees us the freedom of worship, of speech, of the press, and of assembly.

These and our other rights were not taken for granted in our form of government. They were expressly added. When we begin to take our rights for granted, we are in trouble. We have to work to keep them. We need to be continually on guard against losing them.

It is easy to fall into the mistaken belief that being American is some sort of achievement, when actually it is no more than an accident of birth. It does not really entitle us to anything except whatever we are willing to work for.

We are not *entitled* to freedom. We are only fortunate enough to have inherited the right to it from those before us who worked and at times fought to preserve it. We are only *entitled* to the opportunity to keep it, both for ourselves and as the legacy we owe to those who follow us.

We are not *entitled* to the world's highest standard of living. We are only entitled to the right to earn it.

We are not *entitled* to success in fulfilling our ambitions. We are only entitled to the *opportunity* to succeed.

We shall be the "land of the free" so long as we work to keep our freedom. We shall never be the "land of the entitled." This misconception threatens the personal initiative and the personal motivation which have carried us to where we are.

Since our beginning as a nation, we have been engaged in the continuing development of the free society outlined in such general terms for us in our Constitution. Have we been successful at it? It is probably too early to tell. I only know that what we have developed is much preferable to what other societies in other nations have developed. But a last chapter has not been written. In fact, we are dedicated to the hope that it never will be written.

Have we succeeded? The answer is yes—and no.

Yes, we have achieved the highest living standard the world has ever known. But no, we have not yet eliminated poverty in America.

Yes, we are dedicated to the proposition that all of us are created equal. But no, we have not yet achieved equal opportunity for all Americans.

Yes, we have a government of, by, and for the people. But no, we have not found the way to eliminate abuse of power by those we elect to govern us.

Yes, we take justifiable pride in the industrial development which has helped us reach our living standards. But no, our industries have not been able to bring us all their products without damaging our environment and squandering our natural resources.

The yesses and the noes go on and on, as we continue in our efforts to improve upon our system. Each generation writes its chapter of the book and leaves its heritage to those who follow. I trust my generation has not completed its chapter yet. I hope we have a greater contribution to make than we have yet made.

The recession we are passing through has focused more than normal criticism upon our economic system. Much of this criticism is warranted and healthy. Recent events show we have plenty of room for improvement.

There is, however, a kind of criticism which does not deal with adjustment and improvement but with radical alteration or replacement. One such criticism claims that free enterprise must ultimately fail because it brings out the worst in people, and is built around the vice of selfishness.

This view reflects a misconception about a fundamental fact behind the system. Self-interest is a key to free enterprise as we define it. It is not a weakness but a great strength and the major reason why the system works more often than it fails.

Self-interest is in our nature. We have a system with the supreme advantage that it is based upon the most fundamental trait of every human being.

We have a system which puts self-interest to work for the common good. What we do for ourselves we also do for others. The system works for individuals. It also works for organizations.

A company's motive is to make a profit. But its purpose is to satisfy the public, for there is no other way to make that profit. To put it in the words of Adam Smith who started it all, "It is not from the benevolence of the butcher, the brewer, or the baker, that we expect our dinner, but from their regard for their own interest."

Even corporate responsibility to society can be based ultimately upon self-interest. Business cannot function successfully in a sick society any more than in a sick economy. If society goes, business goes right along with it.

"Enlightened" self-interest is the phrase we sometimes use to describe the self-interest which works for the good of all. The adjective implies that there are exceptions to the rule, which of course there are. Our concern with the abuses of self-interest has led our society to seek to regulate itself. Unfortunately the vital decisions of how much control, and what to control are too often colored by polarized attitudes upon the subject.

These attitudes often lead to the mistaken belief that the choice must be made between too much or too little control. In fact, it is precisely the *degree* of control which is vital to the effective operation of the system.

It's true that the free forces of the marketplace are the essence of capitalism. But rules still must be laid down for the game and the role of umpire falls to government. Monopolistic abuses must be stopped. Restraint of trade must be checked. Deception and outright fraud must be prosecuted. Equal opportunity must be the law. These are needed government controls and business people support them.

The controls which are most in dispute are nearly always those which interfere with the natural play of supply and demand. These controls are opposed because they attack the heart of the free enterprise system. Another, more pragmatic reason is they plain don't work.

In August, 1971, price and wage controls were welcomed by much of business, most of labor, and nearly all of government. But today all three sectors are in opposition to going through that bitter and fruitless experience again.

To what extent can government provide security to those it governs? There should be no confusion about the answer to this one. Government can provide *total* security, asking nothing in return except your freedom.

Security has been a natural goal of men and women since we huddled together in caves. It is a trait to be admired, a very human need to protect oneself and one's family from the uncertainties of life. Unfortunately, in the real world some hard questions need to be asked.

What kind of security do we want? How much security? Who will provide it? How will it be provided and what are we willing to pay for it?

Are we willing to trade opportunity for security? Should we promote people in an organization strictly by seniority instead of ability? I certainly would not want to be held accountable for any business which chose its leaders in this manner.

It is in the communist countries that we see the results of the total control of the economy. Perhaps the most complete security to be found in this world is to live in a commune in mainland China. Lack of security is not a complaint in Soviet Russia unless you disagree too eloquently with the government or happen to belong to a minority that's out of favor.

Let's agree that our freedoms are indivisible. Without freedom of worship, without freedom of speech, without freedom of the press, without freedom of assembly, without academic freedom, there can be no freedom of individuals. Without economic freedom there can be no political freedom.

Freedoms are not always given up in total by sudden change or revolution. Freedoms can be given up gradually but surely, one by one. They can even be given up voluntarily under the fatal delusion that they are worth trading for something else we want, like security.

The great historian, Edward Gibbon, said it all in a single paragraph better than I could say it in a dozen speeches. "In the end," he wrote, "more than they wanted freedom, they wanted security. They wanted a comfortable life and they lost it all—security, comfort, freedom. When the Athenians finally wanted not to give to society but for society to give to them, when the freedom they wished for most was freedom from responsibility, then Athens ceased to be free."

". . . when the freedom they wished for most was freedom from responsibility, then Athens ceased to be free."

MONITORING THE HELSINKI ACCORD

HON. MILLICENT FENWICK

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 23, 1976

Mrs. FENWICK. Mr. Speaker, today I am reintroducing the bill I first introduced on September 9, 1975, to establish a commission to monitor compliance with the Helsinki Accord. The introduction of this bill brings to 73 the total number of House cosponsors.

When the Commission is working we will have one central place where all the information about the human rights guaranteed in the accord can be gathered together. We will know—even if the nations do not like to admit it more officially—whether or not a liberalized trend is developing. We will know what is happening to the Ukrainians, the Baltic peoples, the Jews and Anabaptists of Russia; to the Poles, Hungarians, Czechs, and Bulgarians; and in Romania, to the Germans, Hungarians, Baptists, Catholics, and Jews. We should know if there is hope for the people we met during the speaker's trip to the Soviet Union and Romania last August. We should also know of the plight of the millions we never knew, or if there is nothing for them but the prison that refuses to let them go, that dismisses them from any employment as soon as a visa is requested and then jails them as parasites.

No nation can now say that these considerations are internal affairs, out of bounds for the concern or comment of other nations. For the 35 nations which signed, they are matters of international agreement. The accords were signed and they must be honored. Détente must not be bought at the expense of such suffering and injustice.

Mr. Speaker, I would like to bring to the attention of the Members an editorial that appeared in yesterday's Washington Star on the subject of monitoring the Helsinki Accord:

Monitoring Helsinki

Non-binding international agreements—such as the declaration signed by the United States, the Soviet Union and 33 other nations at Helsinki last August—are significant only to the extent that they actually succeed in changing the behavior of the countries concerned. And since, in the case of the Soviet Union, such changes are unlikely to occur without a certain amount of discreet and continuing outside suasion, we welcome the idea of setting up a joint congressional commission to monitor the results of the Helsinki agreement, particularly in the area of human rights.

The proposal, introduced in the House by Rep. Millicent Fenwick of New Jersey and in the Senate by fellow-Republican Clifford Case, would establish a commission composed of four members from each house, divided equally between Republicans and Democrats, plus representatives of the Departments of State, Defense and Commerce, appointed by the President. The commission would inquire into compliance by all the signatories to all the provisions of the Helsinki agreement. But it is no secret that the focus of their effort will be the performance of the Soviet Union in carrying out its declared intent to permit its citizens to come and go with greater freedom, to allow marriages between Soviet citizens and foreigners and to ease restrictions on the circulation of information and the press.

Unlike some other recent excursions of the Congress in the area of foreign affairs, this proposal in no way implies an interference in the internal affairs of the Soviet Union. It is quite simply a mechanism for keeping the Congress and the American people informed on an aspect of Soviet policy in which all the nations have a legitimate interest. It should provide the factual information to support—or dispel—the impression in the West that Soviet policies have not been significantly liberalized since the signing of the Helsinki declaration, and a basis for measuring compliance at the follow-up meeting of the European security conference scheduled to be held in Belgrade next year. The Helsinki declaration was itself the product of the East-West détente. The proposed congressional commission would be able to make a dispassionate judgment on how well—or how badly—that policy has paid off.

THE CLERK OF STOCKTON SPRINGS, MAINE

HON. WILLIAM S. COHEN

OF MAINE

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 23, 1976

Mr. COHEN. Mr. Speaker, the town clerk of the small Maine town of Stockton Springs is an unusual man named Walter F. Trundy. Mr. Trundy is unusual because he has held his office for more than 68 years and, at age 96, is still going strong.

Last month, Michael Starn, managing editor of the Maine Townsman, the publication of the Maine Municipal Association, visited Mr. Trundy in Stockton Springs. Mr. Starn's article describing his visit, which appeared in the February edition, is entertaining reading and provides the interesting insights of the man who is probably the oldest municipal official in the United States.

I commend the article to the attention of my colleagues. The article follows:

The Clerk of Stockton Springs

(By Michael L. Starn)

Walter F. Trundy of Stockton Springs could very well hold a national record for the longest time served as a town clerk.

If he does hold the record, then he's setting a new one every day. Unbelievably, after 68 years as town clerk, 96-year-old Walter Trundy is still able to perform the duties of the office he was first elected to in 1906.

"I've called every town meeting to order for 68 years," boasts the quickwitted Trundy.

Remarkably perceptive for his age, Trundy loves to reminisce about the "good old days."

Trundy, who will turn 97 in March, fondly recalls registering Stockton Springs men during the two world wars. "I registered every man in World War I, and I did it alone," he says. "In World War II, I registered them all again, but I had four helpers."

The life-long resident of Stockton Springs has a very interesting and proud story to tell about his great-grandfather who served in the American Revolution.

It so happens that Trundy's great-grandfather, Joseph Plumber Martin, joined the Colonial Army at age 16 and fought throughout the entire war.

After the war ended, Martin wrote his memoirs in a book about the American Revolution entitled "Adventures, Dangers and Sufferings of a Revolutionary Soldier." The book was copyrighted in 1830 and published in Hallowell, Maine.

Trundy, who possesses one of the few original copies, once asked a Rutgers history professor to track down any remaining originals. Only two copies, one in Washington, D.C. and one in London, England, were located by the Rutgers historian.

A contemporary novel, "Private Yankee Doodle," has been adapted from the original book and printed in both hardback and paperback form. "They didn't change anything," says Trundy proudly of the adaptation.

"I consider it the best book on the American Revolution because it's written by someone who was there," states Trundy.

Besides being an author, Joseph Plumber Martin was also a town clerk for 25 years in Prospect, Maine.

Walter Trundy is quite a storyteller with his favorite tales involving his duties as a town clerk.

One of his fondest memories is of his first town meeting as the elected clerk. "The meeting was held in what we called the Old Meeting House," he says.

Vividly recalling every detail of that first meeting, Trundy remembers that everybody stood because there were no seats; wooden boxes filled with sawdust were scattered among the townspeople for the tobacco chewers; the men wore buffalo coats, the cheapest outerwear available at that time; the meeting house was filled with smoke from men's pipes; and there were no women.

Laughingly, he recalls that the wives used to make their husbands hang their buffalo coats out on the clothes line because they couldn't stand the smell.

"Buffalo coats, tobacco spit, smoke . . . it was a pretty tough meeting," quips Trundy.

Back in the old days money was scarce, according to Trundy. "If you wanted to raise any money, you had to be careful about how you talked. Those old fellows weren't for raising any money," he recalls.

Learning to cope with a rapidly changing world has been difficult for the Stockton Springs clerk. "I'm living in another world," he sadly acknowledges.

The abundance and seemingly limitless borrowing and spending of money that goes on is the hardest thing for him to accept. "Today, a man can borrow money any time he wants," says Trundy. "I can't understand it."

His political viewpoints are almost just as financially conservative.

"I'm a Longley man!" he says. "He's saving us some money and he's showing us where he's saving it."

Although he hasn't met many political leaders in Maine today, Trundy views the activities of the Governor, congressmen and legislators with a keen interest.

He calls Cohen's near-decision to oppose Muskie in the Maine senate race "the worst thing that could have happened to Maine."

"I was awful glad Cohen pulled out," he said.

The loss of either Cohen or Muskie in Congress, says Trundy, would have meant a considerable loss of power for Maine in Washington.

Politics go back a long way for the 96-year-old town clerk. With a memory that astounds you, Trundy begins telling a story about the time he was 12 and playing around the telegraph station the night Grover Cleveland was elected President. "I don't recall if it was his first or second time though," he says.

For a man who loves to reminisce, Trundy has a pervasive awareness of current events. Talking about the state's school finance law and the deficits that have been reported, Trundy says, "We've been robbed." He feels that there is far too much wasted spending in education.

A lot of the problems in the United States are caused by unions, according to Trundy. For a man that can remember when unions were unheard of and as he puts it "teachers were next to ministers," the Stockton Springs native can't understand such a thing as teacher strikes.

Getting away from the new society and back into his past, Trundy joyously recalls a time when lobsters cost a nickel and a peck of clams could be bought for a quarter.

The good old days when money was worth something. Now, says Trundy, it's not worth the paper it's printed on.

"My first hunting license was 25 cents," he says. "Now, it costs $7.50."

Practically all of Trundy's 96 years have been lived within a one-half mile radius; yet, he doesn't feel he's missed a thing. "I love my town," he says with a smile.

Only once has Trundy left the Stockton Springs area for any extended period of time. He went to Boston for a few months several years ago. "When I came back and smelled those flaps, I couldn't leave again."

Over the years, Stockton Springs has changed from what Trundy once knew it to be. "Even the town government is run like a big city," says Trundy.

"When I first was elected clerk, I knew every dog and cat in town," he remembers. "People were so close back then."

Today, Trundy hasn't even met the neighbor that moved in next door a couple of years ago.

Perhaps, when town meeting time rolls around this spring, Trundy will get a chance to meet that neighbor. For certain, a Stockton Springs town meeting just wouldn't be the same without Walter F. Trundy.

SPLIT WITH SWP THREATENS FOURTH INTERNATIONAL

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 23, 1976

Mr. McDONALD of Georgia. Mr. Speaker, the Socialist Workers Party, SWP, pretends to the public that it is a "peaceful" socialist group working within the system, while in its secret internal documents, the SWP reveals itself to be the American section of the Fourth International—a violation of the Voorhis Act—and to be a Trotskyist Communist Party logistically supporting the revolutionary international terrorism being conducted by the Fourth International.

A strong possibility exists that the United Secretariat of the Fourth International—USec—the largest and most powerful international coordinating body for Trotskyist Communist organizations, faces a split with its American section, the Socialist Workers Party, SWP, which could seriously cripple the international body.

The greatest number of the members of the Fourth International, called by the Trotskyists the International Majority Tendency, IMT, are actively supporting terrorist revolutionary groups in Latin America, the Middle East, and Europe. As a matter of policy, the Fourth International leadership is trying to apply terror tactics in still more areas.

The minority faction of the Fourth International, the Leninist-Trotskyist Faction, LTF, is headed by the U.S. Socialist Workers Party. The SWP leadership argues that terror tactics may be useful to the revolution under future conditions, but that right now circumstances are unfavorable for a broad international terrorist drive.

Nevertheless, the SWP is actively providing logistical and financial support for foreign terrorists especially in Latin America through its front, the U.S. Committee for Justice to Latin American Political Prisoners, USLA, which has brought Trotskyist and other terrorists into the United States for fundraising, organizing, and speaking tours.

The background of the present faction fight is as follows: In 1974, the SWP expelled most of the members of its pro-terrorist minority, the Internationalist Tendency, IT, not for supporting the USec leadership's "terrorism now" policy, but for petty bureaucratic reasons. Not every IT faction member was expelled, only those who had violated some SWP organizational rules.

In January 1975, the USec Fourth International leadership ordered the SWP to "reintegrate" the IT members into the SWP. The SWP replied that it would not readmit the IT as a group, but that the IT members as individuals could reapply to join the SWP, with each SWP branch to determine for itself whether or not to readmit them.

The SWP balk has infuriated the Fourth International leadership. It was reported that at a secret USec meeting held November 23–24, 1975, that only three or four IT members had been reintegrated by the SWP. As a result, the USec leadership passed a resolution which "strongly condemns the attitude of the leadership of the SWP," and said that "the highest tensions would exist in the international so long as any ITers who applied to join the SWP were not taken in."

Meanwhile more quarrels have broken out. The Fourth International leaders are very upset because the SWP and its Canadian sister Trotskyist group, the League of Socialist Action, LSA, which is also a member of the USec Fourth International, have initiated contact with the Organization Communiste Internationaliste, OCI, a French rival of the USec leadership. The OCI is lead by Pierre Lambert who split with the present Fourth International leadership in 1953 and who has his own international contacts. USec leaders state that OCI goon squads have assaulted members of their French Fourth International section, the LCR.

But while the USec leaders are upset by the SWP contact with Lambert's OCI, the SWP is equally upset by recent meetings between the French section of the USec Fourth International, the Ligue Communiste Revolutionaire, LCR, and Michel Raptis, aka Michel Pablo, a Trotskyist who leads his own Tendance Marxiste Revolutionaire Internationale (TMRI).

Michel Raptis, a native of Greece, had worked for the Algerian FLN terrorists in the 1950's, heading an underground network in Europe. After Algerian independence, he worked for the Algerian government formed by the FLN. Raptis/Pablo has close links with terrorists throughout the Arab world, many of whom received training by the Algerians acting as Soviet proxies. Pablo split with the present leadership of the USec Fourth International in 1964.

These matters were discussed in detail at the December 22–23, 1975 meetings of the United Secretariat of the Fourth International. Both the IMT faction and the LTF faction claimed they did not want a split, but each accused the other of "unity maneuvers" with opposing Trotskyist political groupings—the OCI and the TMRI.

At the November 23–24, 1975, USec meetings, the leadership decided to assign Gerard Vergeat to work fulltime in Belgium in the offices of the Bureau of the Fourth International. The Bureau makes decisions on a day-to-day basis.

Vergeat formerly was the Fourth International liaison with Middle Eastern terrorist groups.

Among the active leaders of the United Secretariat of the Fourth International who attended the November meetings were Ernest Mandel, aka Ernest Germain, who used the code name "Walter;" Livio Maitan, code name "Claudio;" an American SWP member identified as "Johnson;" and Gerald Foley, an SWP leader who coordinates its Irish work. Among those involved in the December USec meetings were Ernest Mandel; Livio Maitan, an Italian; Tariq Ali, a Pakistani who is a leader of the English USec section, the International Marxist Group; and the SWP's "Johnson."

Tariq Ali, presently a fellow of the Transnational Institute, TNI, a subsidiary of the Institute for Policy Studies, IPS, located in Amsterdam, is writing a history of the Communist Party of India. Ali is a leading member of the pro-terrorist International Majority Tendency and is a protege of Ernest Mandel.

Transnational Institute fellow Ali has an extensive record of supporting revolutionary armed struggle including terrorism:

In 1969, Tariq Ali was editor of the book, "The New Revolutionaries: A Handbook of the International Radical Left," published first in Great Britain and then in the United States by William Morrow & Co. Characterized in the New Yorker magazine as a "guru of protest," Ali had strong praise for Mao Tse-tung for which he was criticized by the SWP.

Late in 1970, Tariq Ali was interviewed at Oxford, England, by the Canadian CTV, the national television network, and the program was widely televised in Canada. On the program Ali stated that whether or not to use violence in a revolutionary cause was "largely a tactical question, depending precisely on the degree of opposition which we encounter in our struggle for socialism."

Ali was asked if he had, while president of the Oxford Debating Union, invited Gov. George Wallace of Alabama to speak at the Oxford Union. Ali replied:

> Yes. Do you know why? Because we would have killed him.

SWP critics of Tariq Ali complained that coming after the remarks on violence during a period when the Canadian Government had declared a state of emergency to hunt for the FLQ terrorists who had kidnapped and later strangled a Cabinet Minister, his remarks "did not come off so well," and the protests from other panelists made Ali backpedal to some extent.

SWP leader Joseph Hansen, a former Trotsky bodyguard, commented on Tariq Ali's CTV appearance in the April 1971, edition of the Fourth International's confidential International Information Bulletin:

> Comrade Ali did what he could to turn the provocative questions into a high-level dialogue on the difference between "individual terror" with mass support and "individual terror" without mass support—a distinction a bit too fine, one must suppose, for the Canadian audience to appreciate at that moment.

Persons interested in the terrorist career of Tariq Ali will find additional information in an excellent hearing, Trotskyite Terrorist International, available from the Senate Internal Security Subcommittee.

I note in passing that the Pike committee harshly criticized the Federal Bureau of Investigation for its investigation of the SWP and IPS. One can surmise that the Pike committee staff did not understand the semantic games the Marxist Leninists play on the "difference between 'individual terror' with mass support and 'individual terror' without mass support;" and that they somehow overlooked the long involvement of the Institute for Policy Studies with terrorist organizations.

An SWP split from the Fourth International would seriously handicap all Fourth International activities, including terrorism. Equally, a Fourth International reunification with the OCI or the TMRI with the SWP remaining a member would pose an escalating threat both in the United States and internationally.

Therefore, as a service to my colleagues in the absence of an official body such as a committee on internal security, I will continue to analyze the internal documents of the Socialist Workers Party and the Fourth International with a view toward producing further reports.

WHAT BEING AN AMERICAN MEANS

HON. WILLIAM M. KETCHUM

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 23, 1976

Mr. KETCHUM. Mr. Speaker, it is with great pleasure that I pass along to my colleagues the following testimonial of what being an American means. These stirring words were shared with me by my friend and constituent, Don Thomas, of Mojave, Calif. I believe he has truly touched a gentle yet revealing hand on the precious values that are our freedoms. Perhaps, after seeing his words, we will all think twice before taking them for granted.

REMARKS BY DON THOMAS

This American was born 48 years ago in remote Seiad Valley in the Siskiyou Mountains of northern California into a family that was something less than privileged, yet because of the free way of life in this great society I have been able to educate myself and reach a standing in my community that only the wealthy and privileged may in other countries and this is what America means to me:

America means to me, above all else, liberty and freedom. Liberty and freedom within the scope of the law of the land, within the limits of morality, decency, justice and consideration of the rights of my fellow man, encompassed in sum total by the tenets of God, to do, say and feel as I please without fear.

Where I am free to shape my goals and destiny with limited guidance from the officials of my government; those government officials being guided by the will and desires of the majority of her people, meaning that I have the privilege, right and, yes, the duty to have a voice in the direction that government will choose, "Of the people, by the people and for the people."

Where I and my children and my children's children and my children's children's children may live in peace and harmony with his fellow man, God and nature and appreciate the rich beauty and serenity of that which God and man hath wrought.

Where I may arise from my humble place of rest and repose at any time I choose, not the time that is chosen for me by a class conscious group of the ruling proletariat and face the beauty of each new day secure in the knowledge that I may choose the activities and goals of that day without being faced by accomplishing an arbitrarily established quota.

Where I may speak what I wish so long as it does not in any way impinge the rights and freedoms and beliefs of my fellow man nor oppose the basic, fundamental laws of the Almighty.

Where I may do as little or as much as I choose without fear of the repressive tentacles of totalitarian government interference.

Where I may openly worship God if I choose and in the way I choose; not clandestinely.

Where I may, if I choose, establish a business within the "Free enterprise" system of America, not merely manage a state owned enterprise within the framework of a totalitarian system.

Where I may peacefully oppose the views and policies of my government and my fellow man, pursue my own policies and views within the framework of the law of the land and the laws of God without fear of reprisal.

Where I may participate in the "Work ethic" principal and reap benefits in direct proportion to my investment in that principal.

Where achievement is rewarded by the incentive system, not suppressed by the system of collectivism.

Where I may participate in the betterment of my community, my country and my fellow man by choice rather than forced pseudo equalitarianism

Where I and my family may enjoy all the natural and commercial beauties and entertainments available if and when we choose.

Where I may overtly respect all the heroes of my country, both living and dead, from choice, not because they are the ones designated by my government.

Last of all, but certainly not least, my love for America is a "Gut feeling" I get, that is totally indefinable, when certain events occur or when I raise her flag on some national holiday or when I see her flag flying or when my President speaks or when I write or talk to my government representative or when I speak to God in the privacy of my own thoughts, wishes and desires.

This is my land, my people and as a composite, my country, as the ceremony of matrimony says "For better or for worse in sickness and in health, in richness and poverty." I do take this great country as my "Lawfully wedded wife."

I think this, our Bicentennial year, only brings these facts, beliefs and "Gut feelings" more poignantly to our minds. It is always there, but most of the time slightly dormant, like a sleeping giant, ever ready to mightily smite anything or anyone who would compromise these freedoms.

God, America and the American people are inseparable. A prayer for God is a prayer for the American people and a prayer for the American people is a prayer for God!

LEGISLATION THAT WOULD REQUIRE CONGRESS TO DISCLOSE FINANCIAL STATUS

HON. JEROME A. AMBRO

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 23, 1976

Mr. AMBRO. Mr. Speaker, since entering Congress, I have tried to develop legislation that would require all Members of Congress to disclose their complete financial status.

This would best be accomplished by standardized forms that would be filled out annually revealing:

All sources of income.

All current financial holdings, as well as any held during the calendar year, regardless of the duration.

Participation in any real estate transactions, regardless of the nature of the involvement.

Associations in any business enterprises.

A bottom line net worth.

This full disclosure information, coupled with recently enacted campaign reform laws, is essential if the American people are to know precisely the background and involvement of those who represent them.

So far, full disclosure proposals have not seen the light of day and footdragging by the Congress seems to be an inescapable conclusion.

My own interest in attaining this goal is not new.

While I was supervisor of the town of Huntington, that municipality became the first in the State of New York to require all elected officials, all department heads and members of numerous boards and agencies to file two types of full disclosure statements. They were required to file: first, a financial statement indicating a bottom line net worth, and second, a statement of participation in all real estate transactions.

Since this Congress has not seen fit to require these disclosures, I will set the tone and practice what I preach by inserting in this RECORD my own disclosure statements based on the two forms used by the town of Huntington.

One of the most frequently heard arguments against this type of disclosure is that political opponents can use the information revealed in these statements in a campaign against the incumbent without the opponent revealing the same information.

The quick and simple answer to that refrain is that once one is elected to public office, he or she becomes a public person and therefore should disclose publicly this kind of financial information for review by constituents. There are other arguments, pro and con, too lengthy to discuss here.

Suffice it to say that since I believe strongly in full disclosure, I would be remiss if I did not provide this kind of information openly for all to see.

In the interest of absolute accuracy, it seems to me it would be best that these forms, if ultimately instituted into law, be filled out by both the Member and his or her spouse. It would also be clearly indicated if any other individual, group, corporate or fiscal entity or any other entity of any form is used as a holder of or participant in any financial dealings in which the Member and his or her spouse have an interest:

(1) ANNUAL INCOME DATA FOR 1975

1. Wages, salaries and other employee compensation, $42,500.
2. Retainers, fees, honorariums, & other non-employment payments, ——.
3. Dividends, $9.
4. Interest income, $19.
5. Rents (net), $3,600.
6. Business income (or loss), ——.
7. Net gain (or loss) from sale or exchange of capital assets ($4,038).
8. Pensions or annuities, ——.
9. Royalties, ——.
10. Settlements, ——.
11. Partnerships, ——.
12. Commissions, ——.
13. Estates or trusts, ——.
14. Gifts, loans, pardoned loans, ——.
15. Farm income, ——.
16. Alimony, ——.
17. Winnings of any kind, ——.
18. Other income of any kind, ——.

(2) ASSETS, LIABILITIES, NET WORTH FOR 1975

Assets:

Cash on Hand, $45.

Cash in Bank, $1,068.42

Notes receivable, ——.

Accounts receivable, ——.

Loans receivable, ——.

Life insurance (cash surrender value—do not deduct loans), ——.

Securities (readily marketable—U.S. Govt. and Stock Exchange Listings), $1,500.

Securities (not readily marketable—unlisted bonds), ——.

Mortgages owned, ——.

Real Estate (two personal homes), $120,000.

Automobile(s), $3,800.

Other assets (itemize—including jointly owned property and name of joint tenant):

New York State retirement system, $7,000.

Household goods, jewelry etc., $6,000.

Total assets, $139,413.42.

Liabilities:

Notes payable to banks (unsecured—direct borrowings only), $5,250.

Notes payable to banks (secured direct borrowings only), ——.

Notes payable to others (unsecured), ——.

Notes payable to others (secured), ——.

Time payment accounts, $2,500.

Loans against life insurance, ——.

Real estate mortgages payable, $57,465.

Real estate taxes and assessments payable, ——.

Federal and State income taxes, ——.

Other taxes, ——.

Interest payable on loans, mortgages, etc., ——.

Brokers margin accounts, ——.

Other liabilities (itemize), ——.

Total liabilities, $65,215.

Net worth: (assets less liabilities), $74,198.42.

(3) SUPPLEMENTARY SCHEDULE

Banking Relations:

European American Bank, East Northport, New York—

Cash balance, $739.99.

Amount of Loan, ——.

County Federal Savings and Loan, Commack, New York—

Cash balance, $7.03.

Amount of Loan, ——.

Riverhead Savings, East Northport, New York—

Cash balance, $208.62.

Amount of Loan, ——.

Sergeant-at-Arms Bank, Washington, D.C.—

Cash balance, $90.

Amount of Loan, ——.

Nassau Trust, Glen Cove, New York—

Cash balance, $22.78.

Amount of loan (unsecured), $5,250.

Notes, Accounts and Loans Receivable: None.

Life Insurance: List all policies in which you are the insured.

Carrier, Federal employees group life insurance program (Metropolitan Life Insurance Co.).

Beneficiary (relationship), Helen Ambro (wife).

Type policy, term.

Cash value, ——.

Death benefit, $57,000.

Securities: List all stocks, bonds, etc.

Face value (bonds) or number of shares (stocks), 245 shares.

Description of security, common.

Registered Owner(s), Helen Ambro (wife).

Cost, $1,070.

Market value, $1,500.

Book value, (N/A).

If pledged, indicate to whom and consideration, ——.

Mortgages owned: None.

Real Estate: Indicate location and description of properties. Residence, 22 Zoranne Drive, East Northport, New York—

Cost with improvements, $21,000.

Assessed value, $3,600.

Market value, $40,000.

Book value, ——.

Annual gross rental income, ——.

Annual net rental income (before depreciation), ——.

Vacation home, Isle of Wight Road, Springs, New York—

Cost with improvements, $62,200.

Assessed value, $14,000.

Market value, $80,000.

Book value, ——.

Annual gross rental income, $4,000.

Annual net rental income (before depreciation), $3,600.

Title to real estate—The title of the above described properties is in my name solely, except as follows: Both are jointly owned with my wife, Helen Ambro.

Real estate mortgages: List all mortgages on above properties, East Northport, New York home—

Amount, $8,565.

Maturity (year), 1986.

Springs, New York vacation home—

Amount, $48,900.

Maturity (year), 1999.

Brokers margin accounts: None.

(4) BUSINESS INTERESTS FOR THE YEAR 1975

1. I have been involved in the following real estate transactions: None.
2. I am a director or officer of the following commercial corporations, partnerships, associations: None.
3. I hold financial interests in the following corporations or partnerships which are directly or indirectly subject to Federal regulatory agencies: None.

(5) SCHEDULE OF CONGRESSIONAL REIMBURSEMENTS AND EXPENSES

Travel allowance, $2,365.80.

Stationery allowance, $6,500.

Home Office allowance, $2,000.

Telephone expenses outside Washington, D.C., $1,077.54.

Total Reimbursement, $11,943.34.

Travel expense, $2,226.02.

Stationery expense, $5,496.30.

Home Office expense, $545.98.

Cost of living (Washington, D.C.), $3,000.

Telephone expense, $1,103.25.

Total expense, $12,371.55.

Expenses in excess of reimbursement, $428.21.

Miscellaneous Congressional Expenses:

Entertainment of constituents, $515.31.

Newspapers and periodicals, $232.10.

Stationery (excess over reimbursement), ——.

Home Office (excess over reimbursement), ——.

Miscellaneous office expense, $272.60.
Reimburses employees expense, $76.48.
Dues, $250.
Tapes and recordings, $126.80.
Other, ——.
Total miscellaneous expenses, $1,473.29.

CHICAGO TRIBUNE UTILIZES THE TALENTS OF ITS OWN JOURNALISTS

HON. EDWARD J. DERWINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 23, 1976

Mr. DERWINSKI. Mr. Speaker, the Chicago Tribune does not subscribe to the syndicated column of the genial Washington journalist and entertainer, Art Buchwald. As a publication with a legitimate history of fiscal conservatism, the Tribune utilizes the talents of its home-grown journalists. Their Washington correspondent, Bill Anderson, in today's Tribune turned out a political masterpiece that may well earn him a position as chief gag writer for Bob Hope.

The article follows:

Can This Be? Those Candidates Are Using Fewer Words

(By Bill Anderson)

Washington.—Webster must be spinning in his grave.

And it may even get worse before the election is over.

First, President Ford took the word "detente" out of his vocabulary.

Then along came Rep. Morris K. (Mo) Udall to strike "liberal."

Scoop Jackson objects to being called either a "hawk" or a "dove."

Jimmy Carter says he won't permit a "lie" in his administration.

R. Sargent Shriver has prohibited his campaign workers from using the word "defeat" in conversations with correspondents.

Eugene McCarthy has been running for so long that he refuses to listen to that wonderful line, "Thrice I have chased thee around the most."

Gov. George Wallace is considering changing his campaign slogan of "send them a message" to "send more money."

While Sen. Hubert H. Humphrey is tuned in on "draft," he has (temporarily) abandoned the phrase, "a will run, may run, candidate."

Sen. Edward M. Kennedy never says "yes" any more.

Howard H. (Bo) Callaway no longer likes to hear the words "Forest Service" or "influence peddling."

Dr. Henry Kissinger objects to anyone mentioning Reagan, Jackson, or Nixon in his presence. Sometimes Ford.

Ronald Reagan is developing a strong dislike for "49 per cent" and "47 per cent."

Never again will Sen. Birch Bayh use the term "country boy."

Fred Harris is trying to find a viable alternative to "populist."

Gov. Milton Shapp has threatened to fire anyone on the Pennsylvania state payroll who uses either "nobody" or "nowhere."

Former President Nixon won't use any words, unless spoken to David Frost or the Great Wall of China.

Former Vice President Agnew sings "only Sinatra is my kind of guy."

Vice President Rockefeller has no appeal for "conservative."

It goes without saying that all of the political figures have barred "loss," "lose," "loser," "defeat," and "behind" from their version of the dictionary.

Instead, most have introduced strange synonyms for second, third, and fourth place.

Ford saw his victory in New Hampshire by 1,307 votes as a "giant step."

Carter won only 22,000 votes in the pint-sized state, but he said this clearly made him the "front runner." When he ran fourth in Massachusetts, the ex-governor of Georgia declared it a "moral victory."

After Jackson ran third in Florida, he said this was better than expected. Reagan said his 47 per cent of the Sunshine state's vote was really a victory.

Meanwhile, McCarthy warned the press to stop calling him an "ex-senator" and an "ex-presidential candidate.'

But in high contrast, Humphrey said the press can call him anything it wants to, so long, of course, as his name is mentioned.

About the only other word not totally ruled out by the politicians is "motherhood," and that is even suspect in some circles.

We all may be speechless before this campaign is over.

STUDY MADE BY CONGRESSIONAL RESEARCH SERVICE

HON. ANDREW MAGUIRE

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 23, 1976

Mr. MAGUIRE. Mr. Speaker, during the debate which took place in February on the proposed deregulation of natural gas prices, reference was made to a study done by the Congressional Research Service which purportedly refuted an earlier study, also done by the Congressional Research Service, on the economic impact of deregulation.

The original analysis, prepared at my request, contained no directions as to methodology or assumptions to be used and no presumption of the results: it simply asked for estimates of the economic impact of deregulation of natural gas prices assuming the passage of S. 2310. The analysis was prepared by Lawrence Kumins, CRS analyst in energy economics.

A subsequent request for reevaluation was submitted by Mr. Krueger which contained a very detailed set of assumptions and calculations upon which he requested the analysis be based. That analysis based on those assumptions was issued by CRS with a disclaimer stamped on each page stating that it was "not intended to represent the opinion of the author or the Congressional Research Service."

Unfortunately, too many Members and observers mistakenly interpreted the second study—which was quoted and in some cases reproduced and distributed without the disclaimer—as a retraction by CRS of its earlier work, which it was not.

Because of this misunderstanding, and to restate unequivocably CRS's position on the issue, I asked CRS to clarify the original study, responding to the major criticisms which Mr. Krueger and others had made. I submit at this point in the Record, the text of that response:

To: the Honorable Andrew Maguire; Attention, Elgie Holstein
From: Economics Division
Subject: Criticism of "Economic Impact of S. 2310's Pricing Provisions," Congressional Research Service, December 31, 1976; a paper by Lawrence Kumins, Analyst in Energy Economics.

This memorandum is in response to your request of February 2 to respond to some of the criticism which has been directed toward the subject paper.[1] The estimates in the subject paper, using the explicit assumptions therein, were that 1976 deregulation costs would be $12.8 to $14.9 billion, ultimately growing to $20.4 to $30.9 billion by the early 1980's. That is, it was projected that gas users could pay $12.8 to $14.9 billion more than they pay now at an end-of-1976 annual rate, as a result of the bill, assuming it was passed on January 1, 1976. Those estimates, under the assumption used, are still held to be valid.

Others have since made widely differing estimates: notably Professor Paul MacAvoy and Celia Star Gody of Foster Associates place deregulation's cost at $2 billion, and the Federal Energy Administration (FEA) estimates about $5 billion. David Schwartz, formerly of the Federal Power Commission (FPC), estimates $10 billion, and the General Accounting Office (GAO) places the cost at $8 billion.[2]

The subject report has often been misquoted, with $20 to $22 billion cited as the annual cost estimated, whereas on page 13 of the report, the $12.8 to $14.9 billion figure is mentioned 3 times as being the 1976 *net* cost of deregulation. The larger figures are total of *gross* costs, assuming that deregulation could possibly elicit an extra 3 tcf of production. These gross cost numbers were calculated so that a marginal cost for deregulation could be imputed; they should not have been used to measure deregulation's net 1976 costs. Estimated annual costs for 1976 assume deregulation on January 1, 1976. As discussed below, costs are estimated to escalate yearly as more gas is released from the FPC's jurisdiction. Net costs in 1980–1981 most likely will be $20.4 to $30.9 billion higher than they are to gas users today, assuming current production levels are maintained. So while the $20 billion figure is not incorrect, it should be imputed to 1980–81 specifically.

Most of deregulation's proponents assure the Congress that deregulation is a low cost alternative to increased production of energy. Alternative views of the fossil fuel price control question, however, reveal probably sharp near-term price increases and amorphous, relatively far downstream supply-increase benefits. This outcome is true for gas, at least in the 1976–1977 time frame, when, in contrast to other students of the issue, larger amounts of gas are seen increasing from a low current average price at the *wellhead* (36¢/Mcf) to a high *wellhead* price ($2.50/Mcf).

Gas deregulation costs are very large, even when compared to old oil decontrol, because on a Btu equivalent basis, 30 percent more gas is under FPC price control than controlled old oil is/as under FEA regulations. Moreover, gas is controlled at 36¢, the Btu equivalent of $2.00 per bbl oil, and thus is further below the $13.00/bbl equivalent OPEC price level than the $5.25 controlled oil. These two functions, plus the artificially depressed price of intrastate gas, could make deregulation more than twice as expensive as old oil decontrol.

Footnotes at end of article.

For this reason, most deregulation legislation, including S. 2310 and H.R. 10480, seeks to minimize or reduce the maximum impact on the economy. This maximum or worst case impact may be defined as having over 12 tcf of interstate gas increase in price from 36¢ to $2.50/Mcf and the remaining 8.7 tcf of intrastate gas rise to $2.50 from an estimated $1.25. If, for example, all of these undesirable cost elements could come into play by dint of some truly unanticipated and extraordinary legislation (instant abolition of the FPC, for example), the total impact could be over $35 billion per year, in each of the next several years.

Under proposed legislation (S. 2310/HR 10480) this $35 billion potential increase is reduced, at least during initial years, by a variety of factors. One key factor, which is heavily relied upon in most deregulation proposals, is the role of contracts between producers and pipelines in keeping down the price of already flowing (old) interstate gas. These contracts, which are usually written for periods of 10 to 20 years, are frequently assumed to hold down gas prices in a deregulation environment. Such a seemingly plausible argument may not withstand close scrutiny, however. In the subject paper a scenario was described wherein gas would be released from contracts under several simultaneous sets of circumstances and from several sources. Each potential source of old gas contract release of significant potential cost to gas consumers was discussed.

Clearly there are divergent opinions (on the downside) regarding contract behavior under deregulation, many not agreeing with the assumptions in the subject paper. Each of the component areas of contract weakness delineated therein has been the subject of some objection; nevertheless there still seems to be substantial potential for gas price escalation. In addressing criticism of these areas of contract weakness, it may be helpful to consider a broader overview of weaknesses rather than the parts individually, an alternative to the subject paper approach which augments it quite well.

The GAO's September 9, 1975 report, *Reliable Contract Sales Data Needed for Projecting Amounts of Natural Gas That could be Deregulated* explores one key area of contract weakness in some depth. GAO found that 4.3 tcf of FPC jurisdictional gas was subject to contracts with renegotiation or redetermination clauses, favored-nation clauses or deregulation clauses. Indeed some contracts have more than one indefinite pricing clause. These indefinite pricing provisions are not addressed in any of the current legislative proposals. It is possible that, within two years after the passage of any of the current deregulation proposals, this 4.3 tcf of gas could rise to the $2.50 market clearing level, costing gas users 4.3 million Mcf x ($2.50–.35) = $9.2 billion per year at an annual rate.

GAO expresses serious concern regarding lack of data on contracts and the amount of gas delivered thereunder. This concern applies specifically to the amount of gas associated with expiring (as opposed to renegotiated, etc.) contracts. On page 15 of the GAO report they note:

"FPC used sales volume data for a single year—1973—to project gas volumes under expiring contracts. The projections' reliability was questionable, however, since FPC did limited verification of the data to determine if it was complete and accurate. The FPC staff used, and the Congress will use, these projections of gas volumes to estimate the cost to consumers of gas that could be freed from price controls under deregulation legislation. Therefore, as long as the natural gas deregulation issue confronts the Congress and FPC, FPC should maintain current data so that it is readily available to the Congress and others for decisionmaking."

GAO has estimated that very little gas (about .5 tcf per year) is released from expiring contracts during 1975–1985, based on these questionable data. GAO did not investigate how many contracts specified deliverability of fixed amounts of gas over the life of the contracts, nor did they collect data on actual historical contract deliveries during contract life times. Instead, initial contract deliveries or deliveries of a 1972 base period were assumed to decline over time just as individual gas wells' productivity declines over time. This assumption may or may not be reflective of reality. If contracts do not behave in the aggregate as individual gas wells do, much more gas can be released as contracts expire.

Criticism was also directed at the subject study for overlooking transport costs in calculating wellhead market clearing price. The near-term wellhead price for unregulated gas was estimated to be $2.50. While the arithmetic may not be entirely clear in the subject paper, transport costs in the calculation were not neglected. The initial calculation was based on comparison with gas substitute oil fuels, specifically No. 2 oil and propane. Propane, however, is in relatively short supply and few permits have been issued by FEA for "new consumer" purchases. So far the near term, No. 2 fuel appears to be the basis of the BTU equivalency comparison. At the minimum No. 2 fuel sells for 37¢/gallon or $15.50/bbl delivered to industrial users on a nationwide average basis. Dividing $15.50 by 5.8 million BTU's per bbl, results in an equivalency of $2.67 per Mcf.

In order to estimate transportation costs to the marginal user, this calculation is based on May 1975 FPC data contained in the FEA's Monthly Energy Review (page 60). Here, total gas purchases are valued at 40¢/Mcf and sales to industrial users at 71¢. Subtracting these figures imputes a nationwide average transport charge of 31c/Mcf. Subtracting this charge from the $2.67 "retail" price, a $2.36/Mcf well head price is obtained.

However, there are additional factors at work here which could round this figure upward to $2.50. Two of the most important are:

(a) By year end the comparative No. 2 fuel price could likely rise, due to the already legislated start of domestic crude price controls phase out and any further OPEC price increase; and

(b) Initially, hard pressed pipelines would be able to run up field prices to levels higher than $2.36, blending this "overpriced" gas with "old" and imported gas at 40c/Mcf for a relatively low average delivered price.

Reconsolidating these alternative cost figures here for the 1–2 year period wherein the $9.2 billion figure could be fully achieved, the $6.3 billion/year cost element for intrastate gas convergence on the $2.50 price level should be included. Over the 2 year period, it is unlikely that contractual impediments would prohibit this price increase. Indeed, the $6.3 billion figure assumes that only 43 percent of intrastate gas rises to the market clearing $2.50 price. Also effective could be the $1.3 billion for nonjurisdictional sales of interstate gas by interstate pipelines which, of course, are not made under contract but are subject to the pricing provisions of individual pipeline tariffs. Adding, an estimate of near term impact at an annual rate of $16.8 billion ($9.2 billion + $6.3 billion + $1.3 billion) within a 2-year adjustment period results. This total is based on an alternative approach than that used in the subject paper, but the estimate is closely similar, nevertheless.

This $16.8 billion cost could be further increased by gas released from expiring contracts, estimated to be $1.9 billion for 1976, and $2.8 billion for 1977, in the subject paper. This assumption is based on 1 Tcf per year release for expiring contracts—a figure believed to be perhaps more realistic than GAO's .423 Tcf for 1976 and .375 Tcf for 1977, estimates based on GAO's assumption that contracts would behave over time like an individual well.

All these figures are based on the assumption that the status quo in terms of FPC prices and gas production is maintained, certainly an important assumption, which should be so recognized. It means that the cost figures presented represent increased costs to gas users above the 1975 level, and not relative to any higher price levels the FPC might set in 1976 or 1977. Nor are the costs of replacement fuels considered here, because of assumed relatively stable production.

It is significant to note how these near term estimates fit with those of the GAO January 14, 1976 study, Implications of Deregulating the Price of Natural Gas. That study's cost estimates are displayed in their Table 9 on page 44, reproduced in part below:

TABLE 9.—*City-gate costs of energy regulation and deregulation to consumers of natural gas in 1975*

[In billions of dollars]

1975:	
Regulation	17.8
Deregulation	----
Net cost	----
1978:	
Regulation	26.7
Deregulation	35.0
Net cost	8.3

It can be seen that GAO uses a 1975 city gate cost of $17.8 billion, and a 1978 deregulation estimated cost of $35.0 billion. For GAO, deregulation would cost $17.2 billion more in 1978 than regulation costs today. They, however, see much lower costs because of their assumptions, not universally accepted, regarding both rapid FPC rate increases and production declines. Note, however, that their $17.2 billion 1978 estimate closely approximates a CRS fourth quarter 1977 estimate of $17.5–$21.7 billion (contained on page 3 of Macro-Economic Impact of S. 2310, January 16, 1976). Recall also that GAO used the now obsolete, year-and-a-half old CRS price[5] estimate which they did not update to reflect current energy market considerations. Also, the GAO work largely ignored the full implications of their September 8, 1975 report on contract sales. These last tend to understate GAO's cost estimate somewhat.

In conclusion, it seems clear that criticism of the subject study in two key areas may be arguable but not conclusive. The main points of the subject study:

(a) the market clearing price for gas at the wellhead could be $2.50/Mcf, and

(b) a substantial amount of gas will be released from contracts and escalate to the deregulation price,

have not been disproven by the hard facts offered by critics.

FOOTNOTES

[1] Criticisms include entries in the Congressional Record of Feb. 2 (H 582), Feb. 3 (H 665), and Feb. 4 (H 684). Arguments used in the floor debate on these dates formed the basis for further critical discussion in press reports and other correspondence.

[2] For discussion of alternative methods and conclusions, see: "The Impact of Deregulation on Natural Gas Prices", Report for the American Petroleum Institute by Foster Associates, Inc., August 1973; Letter of January 26, 1976 from Paul W. MacAvoy, Member, Council of Economic Advisors to Congressman John Dingell; "Evaluation of

the Effects of Alternative Natural Gas Pricing Options on Consumer Prices, Supply, Consumption," December 13, 1975, The Office of Economic Impact Analysis, Federal Energy Administration; "F.E.A. Analysis of the Congressional Research Study 'Economic Impact of S. 2310's Pricing Provisions'", Technical Report 76-2, January 12, 1976; Letter of September 25, 1974, from David S. Schwartz, Assistant Chief, Office of Economics, FPC, to Senator Warren Magnuson; "Implications of Deregulating the Price of Natural Gas," Report to the Committee on Government Operations by the Comptroller General, January 14, 1976.

[3] It should be noted that these figures are based on Bureau of Mines 1974 data for net marketed production, representing gas actually bought and completely paid for, eventually by end users, even though a significant amount is lost in transmission, unaccounted for, wasted, or used as pipeline fuel.

[4] The December 31, 1975 subject paper contained a cost element for intrastate gas price escalation, assuming that intrastate prices are artificially depressed by localized oversupplies within sub-markets balkanized by state lines. Further assumptions resulted in making only 57 percent (5.0 tcf to 8.7 tcf) of intrastate eligible for escalation to $2.50.

[5] Economic Impact Report on Deregulation of Natural Gas," Congressional Research Service, Nov. 5, 1974.

THE NATIONAL INSTITUTE OF BUILDING SCIENCES

HON. WILLIAM S. MOORHEAD

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 23, 1976

Mr. MOORHEAD of Pennsylvania. Mr. Speaker, the President's failure to nominate the board of directors of the National Institute of Building Sciences is a classic study of bureaucratic lethargy tinged with political favoritism.

More than 18 months ago, President Ford signed the legislation authorizing the creation of NIBS, a nongovernmental testing facility designed to encourage the development of cost saving building technology and materials.

As chief sponsor of the legislation, I can attest to the stringency with which we drafted the bill in an attempt to make the board as representative of the building industry and consumer interests as possible.

The administration at first used our concern as an excuse for their failing to come up with the 21 nominees to the board.

Continued calls to the White House were met with very righteous comments about the need to name people who had no "conflicts of interest" with the jurisdiction of the National Institute of Building Sciences. A more candid comment would have been that it has taken the Ford administration this long to come up with enough political compatriots to fill a 21-member board.

The White House now claims that it will send 18 names to the Senate in the next week for confirmation, with the remaining 3 names to follow shortly.

After waiting 18 months for these nominations, I can only say I will believe it when I see it.

In the meantime, I would like to include in the RECORD at this time an article by Ken Harney, from Saturday's Washington Post, which chronicles the administration's less than deft handling of this important Institute:

THE NATION'S HOUSING—COST-SAVING IDEA STALLED IN BIRTH

(By Kenneth R. Harney)

Bureaucratic dawdling within the Ford administration has stalled (for 18 months) an idea that was designed to help reduce housing and energy costs for the nation.

The Housing and Community Development Act of 1974, signed into law Aug. 22, 1974, directed the administration to establish a "National Institute of Building Sciences." The basic function of the institute, according to the law, would be to encourage use of cost-saving technologies in new construction throughout the country. It would do this by serving as a catalyst—setting up performance standards for new products and methods, encouraging greater uniformity within the maze of local building codes and initiating research on efficient new construction methods.

Dubbed "NIBS" for short, the institute was not a particularly controversial part of the 1974 housing act. Democrats welcomed it as an important and long-overdue idea. So did most Republicans. And, because NIBS was to be a nongovernmental organization with a board of directors representative of everyone from code officials to consumer advocates to product manufacturers, private industry and local governments were also in favor of the concept. The law authorized the federal government to spend $10 million over two years to get NIBS going and called the annual reports on the institute's progress and programs.

One and one-half years later, however, there still is no NIBS. There isn't even a list of approved nominees for its board of directors, much less a plan of action on building and energy costs.

What's happened.

As a brief case study of the gap between rhetoric and reality in Washington—a key issue in this year's presidential campaign—the sags of NIBS is instructive.

The White House started out with the best of intentions on NIBS, but got derailed by its own internal crises. In mid-October, 1974, less than two months after the bill became law, the head of the White House Domestic Council, Kenneth R. Cole, Jr. sent letters to key cabinet officers asking for their help in putting NIBS together.

"At a time of increasing concern over inflation in construction costs in general and housing costs in particular," wrote Cole, "it is important that the Executive Branch move expeditiously to establish the institute." Cole noted in the letter that President Ford had asked the Department of Housing and Urban Development (HUD) to "coordinate planning for NIBS rapidly."

HUD, however, didn't break any speed records. It took the agency until Feb. 7, 1975, to come up with a list of 50-60 names for the President to choose from to appoint to NIBS' 21 person board of directors. In the ensuing five months, HUD, the White House personnel office, the Domestic Council, and sundry administration political advisers wrestled with the choices. By late spring, according to a HUD official who observed the process first hand, "the list had been massaged, stood on its head, looked at backwards and in every conceivable way. But we couldn't get any final decisions out of the White House. They wanted to keep on massaging, coming up with new people."

Finally, in July, 1975, HUD's top official with responsibility for shepherding NIBS, Michael H. Moskow, assistant secretary for policy development and research (now director of the U.S. Council on Wage and Price Stability), got word that final decisions were on the way. He felt confident enough about the institute to announce to a group of building code experts that "I am happy to say that the President has personally reviewed the candidates (for NIBS) and has made his tentative selections for the Board which are now in final clearance. We expect an official White House announcement shortly."

Moskow's prediction was too optimistic. Eight months later, the names of the final nominees still are "in clearance," according to a White House press spokesman. "We've got to run full field checks on appointees (prior to submission to the Senate) for a board like this," he explained. Asked why, in view of the fact that the board members will be serving without pay and meet only occasionally during the year, such rigorous and time consuming investigations are necessary, the spokesman conceded he hasn't the slightest idea.

Over at HUD, all queries are now being directed to the White House. "They've been sitting on their collective duff over there," said one high HUD official. "They let this drag on for so long that we're beginning to look like a bunch of ding-a-lings. How long does it take them to run clearances on a board? If they ran the whole government this way, there wouldn't be a government."

Fortunately, however, only building costs are at stake.

SOUTH FLORIDA CONGREGATIONS JOIN TOGETHER

HON. WILLIAM LEHMAN

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 23, 1976

Mr. LEHMAN. Mr. Speaker, in this year of our Bicentennial when we take pride in the rich history of our great country and look with anticipation to the advent of our third century, I would like to take note of a significant event taking place in my own south Florida district.

Just as the Thirteen Colonies came together in the search for a more perfect union, so too, two fine Jewish congregations are merging so as to better serve their congregations and the total community, Temple Tifereth Israel of 6500 North Miami Avenue, is joining Temple Adath Yeshurun of 1205 Northeast Miami Gardens Drive.

At impressive ceremonies this past weekend, five Holy scrolls of the Pentateuch from Temple Tifereth Israel were carried beneath marriage canopies into their new home at Adath Yeshurun. The procession through the streets was participated in by hundreds of local residents. Amidst great solemnity and rejoicing the Holy Torahs were placed into the Holy Ark to the accompaniment of singing and prayer.

Rabbi Simcha Freedman, spiritual leader of the congregation, spoke of the brotherhood and friendship symbolized by the proceedings. He emphasized that the goal of the merged congregations would be to work together in the interests of brotherhood, freedom, justice, peace, and love.

The president of Adath Yeshurun, Morris Katz, emphasized the importance of the event for both synagogs. Irving Farber of Tifereth Israel told the gathering of his appreciation for the warmth and sincerity of the reception the new members have received.

In a world filled with so many who are apathetic to the problems facing their fellow man, it is encouraging to see the continued vitality and activism of this congregation which is pledged to bring to fruition the prophetic dreams of equality, friendship, and compassion between individuals and nations.

The pillar and underpinning of our great country are those institutions which are motivated by the kind of idealism and self-sacrifice demonstrated by these fine congregations.

It is most significant this is the 18th year in the history of Adath Yeshurun for in accordance with the Jewish faith, the number 18 stands for "chai" or life.

As the life of Tifereth Israel is merged into the future of Adath Yeshurun during the 200th year of a nation which owes its lifeblood to the principles and ideals espoused by the Holy Scriptures, we pray for continued life at peace for our great Nation. We can be assured that through the support of such institutions, our Nation will continue to grow and be strong.

DON'T BLAME THE MAIL WORKERS

HON. JOSEPH M. GAYDOS

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 23, 1976

Mr. GAYDOS. Mr. Speaker, the old slogan of "not snow, nor rain, nor heat, nor gloom of night" keeping the mails from getting delivered on time may have become a subtle joke in this era of 13-cent stamps and Postal Service confusion from one end of the country to the other.

Also, the huge deficits being piled up by the Service despite its sharply boosted charges to the public have all of us wondering at what has gone wrong and who precisely is responsible. The postal unions have been under attack. And, certainly, we have heard a lot about the supposed incompetence of those chosen to run the place.

But I have been of the mind that the workers—those who make the rounds, those who sort the stuff, those who run the machines—are in the main still dedicated as were the "couriers" of old and, if left to their own consciences, would have the mail reaching us as efficiently as it ever did.

The spirit of the mail handlers once was one of the most applauded factors in the totality of the Government service. Has this changed so much? I tend to doubt it because the postal people I know continue to be persons of pride and capability, many of them veterans with records of distinction.

In view of this, I read with interest the other day the comments of postal union leaders in my section of the country who defend the workers and blame the postal management for running from one "panic decision" to another as the mails bog down. John P. Richards, whose Pittsburgh Metro Area Postal Workers Union represents 3,800 clerks, drivers and special delivery employees, told Ira Fine, labor writer for the Pittsburgh Press:

> These delays and rising costs truly bother us as much as they do the public.

He then told of the "panic decisions" allowing mail to stack up for 24 hours or more in order to achieve something called a "uniform flow" into sorting machines, and of employees being ordered to lunchrooms if they seemed to be ahead of the "flow" in their work. Other criticisms came from John Ditallo, head of branch 84 of the National Association of Letter Carriers, and Erman Presley, president of Mail Handlers Local 322.

The substance of what these men told Press writer Fine was that the mail workers are caught up in situations which they deplore and are hopeful that somehow, in Washington particularly, will come the right decisions needed to get things working again.

Mr. Richards explained:

> Each letter not delivered could be trouble for someone. That letter may be the most important of a person's life. That's a real tradition of postal workers.

I am gratified, of course, to hear this kind of talk coming from the postal ranks because it shows that, underneath all the present troubles, there remains that sense of responsibility which once made our mail service a model for the world. As long as it is there, then there is hope that we will get this problem straightened out and the mails moving again at fair cost to us and with a minimum of foul-ups of the order of those occurring today.

"Don't blame the mail workers" was the message of the men interviewed by Mr. Fine. I will buy that.

HEARING BEFORE THE SUBCOMMITTEE ON CRIME OF THE HOUSE COMMITTEE ON THE JUDICIARY ON REAUTHORIZATION OF THE LAW ENFORCEMENT ASSISTANCE ADMINISTRATION

HON. JOHN CONYERS, JR.

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 23, 1976

Mr. CONYERS. Mr. Speaker, I am pleased to announce that the Subcommittee on Crime of the House Committee on the Judiciary will hold its final hearing on the reauthorization of the Law Enforcement Assistance Administration on Thursday, March 25, 1976, at 10 a.m. in room 2226, Rayburn House Office Building. The witnesses who will testify will be Mr. Donald Santarelli, former Administrator of LEAA, Mr. Seymour Rosenthal, director, Center for Social Policy and Community Development, and Mr. Art Nicoletti, executive director, Americans United Against Crime.

LEAA SCHOOL VIOLENCE AND VANDALISM STUDY GETS LOW GRADE

HON. MARIO BIAGGI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 23, 1976

Mr. BIAGGI. Mr. Speaker, late last week, an $118,000 study commissioned by the Law Enforcement Assistance Administration on school violence and vandalism was released. Its findings were largely a rehash of what most Americans already are aware—school violence and vandalism is on the rise—while the capabilities of State and local governments to fight the problem is on the wane.

This report was far from impressive. Its main recommendation seemed almost elementary; namely, that the problems of school violence and vandalism must be fought on the Federal level. I have advocated this approach for years. However, the approach suggested by the report—a vague $12.5 million program to provide funds, staffs, and technical assistance to individual schools and school districts will not do much to curb school violence or vandalism.

School violence must be recognized for what it is, criminal activity pure and simple. No longer can school principals hide behind their ivory towers. They must realize that the schools have become extensions of the streets equipped with all of their crime problems. Crimes committed in schools are among the most heinous imaginable including murder, rape, robbery. These three crimes have shown a shocking increase since 1970. The numbers of students being apprehended with guns and knives has also dramatically increased. The report cited figures from Los Angeles which reported 220 firearm incidents in 1973–74 as compared with 94 the previous year.

Crimes in schools are being directed against both students and faculty. School vandalism is costing this Nation in excess of $700 million annually.

If the Federal Government is going to provide funds to curb school violence and vandalism—then let these funds be directed at insuring the safety of every student, faculty and administrative member of a school. I have introduced legislation, H.R. 9422, which would provide funds for local school districts to help them develop new security methods including the hiring of extra school security personnel. The need to provide visible deterrents to the student criminal is just as important as any assignment of experts to provide counseling to schools about school violence. My bill also mandates that school officials must report all incidents of crime and vandalism occurring on their grounds. Failure to do so today has resulted in as much as 60 percent of all school violence and vandalism incidents going unreported to authorities in New York City.

New penalties must be imposed against any person carrying a gun or other dangerous weapon on or around schools. To this end, there should be a lowering to 15 for the age under which juveniles can be tried as adults for serious crimes.

Our time and money would be far more prudently spent if we dealt forcefully and not bureaucratically with the problems of school violence and vandalism. Our schools can no longer be havens for rampant lawlessness, for if allowed to continue the criminal in school will graduate into a life of crime.

THADDEUS J. DULSKI AWARDED POLAND'S ORDER OF MERIT

HON. HENRY J. NOWAK

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 23, 1976

Mr. NOWAK. Mr. Speaker, it is a pleasure for me to bring to the attention of my colleagues the presentation of the Government of Poland's Order of Merit, one of its highest civilian awards, to former Representative Thaddeus J. Dulski, who served in this body for 16 years.

The award, which cited Thad Dulski's contributions to improved bilateral relations between the United States and Poland, was presented at a ceremony at the Embassy of Poland. Several hundred persons, including the 137-member Chopin Singing Society of Buffalo, N.Y., attended the ceremony and reception.

As part of my remarks, I am inserting in the Record the following article from the Buffalo Evening News, which chronicled the event last Friday evening at the Embassy of Poland:

Dulski Gets High Award Of Polish Government

Washington, March 20.—The government of Poland's Order of Merit, one of its highest civilian awards, was presented Friday evening to former Rep. Thaddeus J. Dulski of Buffalo at a ceremony in the Polish Embassy.

More than 300 persons attended, including the 137 members of the Chopin Singing Society of Western New York who sang several selections and then helped turn the party into an old-fashioned song fest.

Ambassador Witold Trampczynski, who made the presentation, told Mr. Dulski the award was reserved for citizens of countries other than Poland, "who contributed to improved bilateral relations between the two countries."

Among the subjects cited were Mr. Dulski's role in continuing preferred trade-treatment status for Poland and in obtaining official recognition here in 1974 of the 500th anniversary of the birth of Copernicus.

Among guests at the presentation, were Mrs. Dulski, Mayor and Mrs. Makowski of Buffalo; Rep. Henry J. Nowak, Mr. Dulski's successor in Congress, and Mrs. Nowak.

Theodore Mikoll, president of the Chopin Singing Society, noted that one of the founders of the society in 1899 was Mr. Dulski's father, the late Joseph Dulski, who would have had his 85th birthday Friday.

"Ted Dulski grew up in our neighborhood and got to be one of the fine congressmen in this nation," Mr. Mikoll said, "For 16 years he served us well here."

The official exchange of greetings in Polish was given by the ambassador and Supreme Court Justice Ann T. Mikoll, then the singing society sang "Maki," with Theresa Dybas as soloist, and "Ukochany Krau," meaning "Beloved Land," with Louis Distel as soloist.

I had the privilege of succeeding Thad Dulski when he retired in 1974 as the representative of the 37th Congressional District of New York. I know he made many friends in the Congress during his distinguished 16-year career, which included service as chairman of the House Post Office and Civil Service Committee.

The honor presented him by the Polish Government, and the enthusiastic tribute paid him by the Chopin Singing Society attest to the respect he has won in other areas. I would like to join in the Society's salute to him: "Sto Lat—May You Live a Hundred Years."

ESTATE TAXES

HON. CHARLES E. GRASSLEY

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 23, 1976

Mr. GRASSLEY. Mr. Speaker, as we are all aware, the Ways and Means Committee is currently in the midst of hearings on estate tax reform legislation.

One of the most important, but overlooked, provisions of our estate tax laws is that which refuses to recognize the services of a women for which she does not receive a paycheck as valuable consideration towards the purchase of joint ownership property.

The words directly from Iowa of a woman thus affected speak louder than congressional testimony.

I would therefore like to bring to the attention of my colleagues a portion of a letter I received from Mrs. Wallace Torney of Mitchell, Iowa, in which she very eloquently expresses the unjustness of this section of our tax laws:

Dear Congressman Grassley: I hope this letter reaches you while the House Ways and Means Committee Taxing Hearings are on. We farm wives appreciate your bill recognizing the role of women in helping accumulate a farm estate.

If some of the law-makers would follow in the footsteps of a farm wife on an average day, there would be no debate, no hearings, if they honestly want to make a good law regarding estate tax.

The farm wife takes care of the house, raises a family, garden and acts as hired man. Up at 5 o'clock in the morning, helps feed cattle, hogs, milks cows, makes breakfast, gets the kids off to school, plans the meals for the day and out in the field by 8 o'clock. Field work until 11:30, then home, shakes the dust from her clothes, washes it from her face and hands and prepares lunch. Cleans up the dishes, and she is out to the field again by 1 o'clock. She works until 5 in the field, home for supper for the family, chores and in Spring season, sometimes back in the field for a few hours at night. If raising hogs, while farrowing, the farm wife acts as mid-wife, setting up at night with a restless sow, or teaching calves to drink from a pail, sorting hogs, loading cattle etc.—I could go on and on . . .

She knows as much about the business as her husband—they are partners. She doesn't get paid a salary, nor does he—just satisfaction in business that makes them a living, and in working side by side with long hours and hard work.

The IRS should consider joint tenancy property as belonging to the person who dies last; it has no right to step in and take tax money until both have died. They have paid their just tax all their lives and should have all their money to live on as long as they both live, or until both have died. It is now a very unfair situation.

HOW A HANDICAPPED PERSON APPROACHES LIFE

HON. JOHN JARMAN

OF OKLAHOMA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 23, 1976

Mr. JARMAN. Mr. Speaker, I attach herewith an essay entitled: "A Profile of Achievement: How a Handicapped Person Approaches Life." This is the winning essay in the 1976 "Ability Counts" Contest sponsored by the Oklahoma Governor's Committee on Employment of the Handicapped. It was written by Rodney Branch, a 17-year-old student at the Putnam City High School in my congressional district and I would like to share it with you. The essay follows:

A Profile of Achievement: How a Handicapped Person Approaches Life

For a long time, a cottonwood tree stood tall and straight, in plain view of the passerby along the highway not far from my home. Commuters in the area passed the tree several times each day en route to work, school, or the shopping center. Since it was the tallest tree along the well-traveled route, we suburbanites easily noticed its spreading green branches and admired the tree's shade and strength. One night, during a common spring thunderstorm, lightning struck the tree that had long reigned over the highway. The cottonwood cracked near its base and lay on its side on the ground. Wet and apparently lifeless, the tree seemed to surrender itself to the elements. We residents of the area felt as though we had lost a friend. We had grown accustomed to the large landmark looming along the roadway. We were stunned at the sight of the fallen tree.

One day, several weeks after the storm, I was driving home along the highway and noticed that the broken tree was still there. I pulled over, climbed out of the car, and stared in amazement. I moved closer. A green branch was protruding out of the place where the trunk had snapped. New life was branching out of the very center of the broken base. New hope emerged from the place that had experienced the most trauma.

So it often is with a physically or mentally disabled person. If that person has stamina, perseverance, and strength, whether physical, mental, or spiritual, he can build a new life from one broken by disease or accident. He can gain new hope by his own efforts and by the understanding and aid of family, friends, prospective employers, and other community members. A broken life is a temporary tragedy, but the trauma is permanent only if one does not begin life over again.

Tom Dempsey, number ten of the Los Angeles Rams, holds the National Football League record for the longest field goal ever kicked in a professional football game, sixty-two yards. There are many other record holders in pro-football, but Tom Dempsey's record is one of special note. Half of Tom's kicking foot has been missing since birth. He also has a withered right hand. Handicaps such as these keep thousands of Americans from even seeking employment because of the continued social and economic rejection, but, like the cottonwood tree, Tom fought back. True, Tom had been handicapped since birth, but his approach to life was the same as the tree's. He gained his fame from the very center of his personal crisis, his foot. New hope and new life emerged from the place where he had his most severe disability.

Sally Jordan moves briskly down the corridor, cheerfully answering friendly "Good mornings" until she comes to the door of her private office. Her business title is proudly displaced on the door: "Chief Administrative Officer." Sally never sees her title on the door; she is blind. Her blindness never interferes with her work, however. She heads staff meetings, dictates mail, and makes important decisions at a fast pace. She, as did Tom and the cottonwood tree, emerged from personal crisis to flourish in a busy society.

Unfortunately, not all handicapped people arise from adversity with such personal triumph. Harvey lost both of his legs in a mine field in Vietnam. Sitting in a wheel chair, Harvey spends his time watching television, staring out of the window at a mobile society, playing cards, and arguing with his mother. Like the broken cottonwood when it was felled, Harvey sits damp and lifeless, seemingly surrendering to the fate that crippled him. If Harvey cannot find the courage to start again by himself, he must emulate the profiles of other disabled persons who have done so. There are many agencies to help him. The Veterans' Administration will pay for Harvey's school or on-the-job training, whichever he prefers. Many businesses have ramps and low elevator buttons for the wheel chair employees. All Harvey needs is the determination to try.

There are other people like Harvey, broken at the base, too dispirited to begin new lives. There are even a few unenlightened employers who hesitate to hire the handicapped. As a result, many people who have experienced personal crises are discouraged by employers who are not willing to give them a chance. Of the 1,500,000 epileptics in the United States, eighty-five percent of the cases can be controlled with drugs. Yet, one-fourth of all epileptic adults are out of work. Of the 435,000 partially or totally blind people, thirty percent are unemployed. Among the 236,000 totally deaf and 2,000,000 with hearing loss, unemployment is high. One in five of the 750,000 people with cerebral palsy are employable, yet only ten percent of the employable are working. The jobless rate of the people with multiple sclerosis is high, and the same is true of those with muscular dystrophy. Employers hesitate to hire the handicapped because the employer fears insurance rates will rise, that the disabled employee will be absent more frequently than other workers, and that he cannot do the work rapidly. These people are also like Harvey—they refuse to grow in understanding and knowledge. Insurance rates do not rise. The handicapped, because they have had to struggle to succeed, make excellent employees both in attendance and in work accomplished. Because of their disabilities, they do not relocate as frequently as do other workers.

John Donne, the seventeenth-century poet and minister, wrote his sermon "Meditation Seventeen" while recovering from a lengthy illness. Donne states, "Tribulation is treasure in the nature of it." He believed that from personal trials man grows in maturity and in spiritual strength. And when he does, he is a positive example to others.

With proper training and with their inner resources, the handicapped can grow out of their crises. They can, like the broken cottonwood, grow a new green branch of hope to reach out into the world and stand tall in society once again.

UNAVOIDABLE ABSENCE

HON. ROBERT W. KASTEN, JR.

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 23, 1976

Mr. KASTEN. Mr. Speaker, I was unavoidably absent yesterday due to previous commitments I had made to constituents of the Ninth Congressional District. However, in order to provide a complete record of my position on all record votes, I would like to announce that if I had been present, I would have voted against H.R. 12226 to authorize additional funding for the Peace Corps, Rollcall No. 119; I would have voted for H.R. 12046 to provide emergency disaster relief to Guatemala, Rollcall No. 120; and I would have voted for H.R. 12453 to authorize funds for the National Aeronautics and Space Administration, Rollcall No. 121.

BLACK ELECTED OFFICIALS OWE MUCH TO DR. MARTIN LUTHER KING, JR.

HON. LOUIS STOKES

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 23, 1976

Mr. STOKES. Mr. Speaker, W. O. Walker, editor and publisher of the Cleveland Call and Post, is one of the most influential men in the Greater Cleveland area. His weekly column, "Down the Big Road" is well respected for its journalistic excellence in local, national, and international affairs.

Mr. Walker invited Eddie N. Williams, executive director of the Washingon-based Joint Center for Political Studies, to write a guest column for the Saturday, February 26, Call and Post.

In this column, Mr. Williams gives a sensitive analysis of Dr. Martin Luther King, Jr.'s, impact on blacks in the political process. His unending struggle for racial equality and justice provided the basic platform for black elected officials to develop a viable national political network, where none existed before.

Therefore, Mr. Speaker, I submit Mr. Eddie William's Cleveland Call and Post editorial to my colleagues in the House. I am certain that they will gain much from its message:

DR. MARTIN LUTHER KING'S POLITICAL DREAM

(By Eddie N. Williams, Guest Columnist)

It is now approaching eight years since an assassin's bullet on April 4, 1968, narrowly missed killing Dr. Martin Luther King's dream. Dr. King, the man, died. But his dream survives in the form of his political legacy: affect the "moral self-interest of the nation" through old fashioned American politics.

Few remember King as political activist and advocate of political power for blacks and the poor. He was so much more. Yet, in many ways he was godfather to many of today's crop of 4,000 black elected officials—nearly 200 percent more than were in office in 1968.

At least a year before his death, Dr. King's concern about the response to the civil rights movement and about what he termed "the paralysis of analysis" led him to search for new ideas, and new tactics, and more direct political involvement than voter registration. The Vietnam war and student protest—combined with continuing poverty, racism and discrimination—gave him the political opening he sought.

Historian David L. Matthews, author of King: A critical Biography, captured the King political legacy in these lines: "The new approach was to be powerful enough, dramatic enough, morally appealing enough, so that people of good will, the churches, labor liberals, intellectuals, students, poor people themselves began to put pressure on congressmen! It was to be much more than a coalition of the dispossessed and disadvantaged. . . . This new approach was to be a popular front, a militant amalgam of the racially abused, the economically deprived, and the politically outraged, cutting across race and class . . . the formula for success depended upon arousing what King called the "moral self-interest of the nation. . . . Racial compassion had to be reinforced by old fashioned American political quid pro quo."

King's reassessment, according to Matthews, took place in 1967: a watershed year in the history of Dr. King's movement, the year in which Carl Stokes was elected mayor of Cleveland and Richard Hatcher mayor of Gary—the first black chief executives of major American cities. This also was the year of the first national meeting of black elected officials who numbered only around 400 at the time. How ironic that meeting was held in Chicago where just a year earlier King's campaign for housing, jobs and education had been labeled by some as "premature, strident, and counter-productive."

It is of equal historical note that the third national meeting of black elected officials was held last December—almost a month to the day of the 47th anniversary of the birth of Dr. King. It was held in the nation's capital. Nearly a thousand black officials attended, including some of King's chief lieutenants: Congressman Andrew Young and Congressman Walter Fauntroy.

In case anyone missed the connection between the King era and today's black political thrust, the presence of Mrs. Coretta Scott King at the Institute was a dynamic and stirring conjunctive. But the purpose of the Third National Institute was not to commemorate the past. Rather, it was, as Dr. King would have had it to be to fulfill the dream for black and poor America.

Like King in 1967, they pursued an agonizing appraisal. Political assets must yield economic benefits. They recognized that budding black political power will not be credible until there are higher registration and turnout rates, sophisticated voter behavior, visible evidence of electing friends and defeating foes in the political arena. Nor will it be credible until it results in a better life for the forgotten American.

These black elected officials, recognized the role Dr. King played in their political lives, pledged:

1. To identify concensus issues which facilitate organization and coalition building;
2. To organize state and local political power bases;
3. To develop a national coordinating council to orchestrate state, local and other political efforts where national action is required;
4. To work within both political parties when possible and outside of them when necessary; and
5. To be honest, informed and disciplined leaders. The dream is neither dead nor deferred. (NNPA)

ESTATE TAX REFORM

HON. ROBERT J. CORNELL

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 23, 1976

Mr. CORNELL. Mr. Speaker, I am today introducing legislation to revise Federal estate tax laws by replacing the traditional $60,000 exemption with a basic tax credit and by providing an optional higher credit for certain estates. This bill is identical to one recently introduced in the Senate by Senators PACKWOOD and NELSON, and it was the subject of their recent testimony before the Ways and Means Committee.

There are many proposals to revise Federal estate tax laws now under consideration in the Ways and Means Committee. Most of the bills provide for an increase in the State tax exemption. The problem with this approach is, however, its tremendous cost to the Treasury in lost revenue. The bill I am introducing would provide relief to small businesses and family farms at a reduced cost to the Federal Government and in a way that would benefit those most in need of tax relief.

Replacing the estate tax exemption with a credit has at least two advantages over increasing the exemption. It can provide substantial tax relief to smaller taxable estates at a much lower revenue cost than would be provided by an increased exemption. A tax credit of $25,000, for example, would make all estates tax-free up to a net value of $114,333 at a revenue cost of about $550 million in 1977. If, on the other hand, the exemption were raised to $114,333, it would cost the Treasury an estimated $1.3 billion in 1977. Moreover, the effect of enlarging the size of tax-free estates directly through a tax credit, as proposed in this bill, is to give the greatest dollar amount of actual tax reduction to smaller estates, while phasing down the dollar amount of tax reduction for larger estates to a point where no further tax reduction is provided by the credit.

This legislation also provides an optional higher credit of $40,000 for those estates consisting substantially of farm or small business properties which meet two conditions: First, the enterprise must have been operated by the family for 5 years; and second, it must continue to be actively operated by family members for 5 years after the death of the owner. The effect of this higher credit would be to make all qualifying assets tax-free up to a net value of $163,333.

Most of the bills which have been filed thus far have been in direct response to the problems estate tax laws have caused family farmers and small businessmen. This higher credit could be the difference between allowing these people to keep their business or forcing them to sell. I believe the proposal outlined in this legislation is a good alternative to simply increasing the exemption—one that would have the most benefit at the lowest cost.

TOWARD A NATIONAL HOUSING POLICY

Hon. Yvonne Brathwaite Burke

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 23, 1976

Mrs. BURKE of California. Mr. Speaker, as we enter into the third month of this Nation's Bicentennial celebration, the Nation has yet to fulfill the goal of the Housing Act of 1949 of "A decent home and suitable living environment for every American family." As a reminder to other Members of the severity and seriousness of this Nation's housing crises, I call to their attention the testimony of Ms. Cushing N. Dolbeare, before the Senate Housing Subcommittee. Ms. Dolbeare, a consultant on housing policy and programs, clarifies the meaning of decent housing; suggests the dimensions of need and approaches that are required to obtain this goal; identifies separately, where possible, rural housing needs; and suggests new approaches for mortgage credit needs and a national housing policy.

The testimony follows:

TOWARD A NATIONAL HOUSING POLICY

WHAT IS "DECENT HOUSING"?

Any adequate set of national housing goals should be related to a concept of decent housing. Unfortunately, in the goalsetting process, the form and limitations of available data appear to have had greater influence than consideration of what decent housing really is. This may be inevitable when the product sought is a number or set of numbers. But it is important, both for the sake of identifying what should be included in any set of numerical targets and to stimulate efforts to obtain more information, to begin by defining decent housing.

Decent housing is soundly built, water-tight and weather-tight, with enough rooms to provide reasonable privacy for its occupants, and with adequate cooking and plumbing facilities, heat, light, and ventilation.

Decent housing is within the means of the people who must live in it. Generally, this means housing costs should run no more than 25% of income. (Typically poor people pay much more and middle and upper income people pay far less.)

Decent housing provides people with choices of location, of tenure, and price. This requires an adequate housing supply, including a range of housing types, in every community.

HOUSING NEEDS AND MORTGAGE CREDIT

Finally, decent housing is housing that is in a decent environment—one which offers no serious threats to health or safety and which provides adequate facilities and services. (This aspect of decent housing, for a variety of reasons, is not dealt with further in this statement.)

The measures necessary to provide decent housing vary with the nature of the problem. Poor quality is clearly a structural problem, requiring physical changes or improvements in the unit or its replacement. Cost and access relate both to the need for subsidies and to a need for broadening and enforcing equal opportunity laws. Choices of location, type, and tenure relate to supply and, in turn, to development and growth policies, to eliminating arbitrary restrictions, and to programs for meeting special needs, such as those of elderly or single-person households.

DIMENSIONS OF HOUSING NEED

Clearly, the dimensions of housing needs, as determined by the above criteria, cannot be accurately quantified, given the present state of our knowledge. But some general ranges can be established, which indicate roughly the size of the target population for each of the major kinds of measures that are needed. From this, the financial resources required to meet our needs can be estimated.

QUALITY

The inadequacy of census measures of quality is generally accepted. Examination of data available on inner city slums should make it clear, if anyone doubted, that—at least in cities—the presence or absence of overcrowding and plumbing facilities is almost irrelevant as an indicator of quality in many neighborhoods. For example, the proportion of "substandard" units, by these tests, in North Central Philadelphia or the Woodlawn area of Chicago is but a relatively small fraction of the total. Yet these are communities, as large as many cities, which obviously need almost complete renovation or rebuilding.

Far better indicators, in my view, of the amount of substandard housing requiring public intervention are the age of the housing stock, or occupancy by people who cannot pay what decent housing now costs. It would seem conservative, for example, to assume that two-thirds of all units built before 1939, one-half of units built between 1940–49 and one-third of the units built 1950–59 would require major repair, rebuilding, or replacement to meet the quality standard.

Using this approach and data from the 1973 Annual Housing Survey, we find the following need based on age of the stock:

[In millions of units]

	Total	Non-metro	Metro
⅔ of units built before 1939	18.4	6.6	11.8
½ of units built 1940–49	4.0	1.3	2.7
⅓ of units built 1950–59	4.5	1.2	3.3
Total	26.9	9.1	17.8

Alternatively, it might be hypothesized that housing occupied by households with incomes below $7,000 would approximate the inverse of units requiring major repair, rebuilding, or replacement. According to the 1973 Annual Housing Survey, there were 13.0 million owner-occupants and 12.0 million renter households with incomes below $7,000. 9.4 million, or 37.8%, of these 25 million households were in nonmetro areas.

By either approach, it appears that the number of housing units requiring consideration in an estimate of housing needs is on the order of 25 million or about one third of the housing stock. These are, by and large, units which the private market, unaided, cannot convert to decent housing at costs which the present occupants can pay. If we assume that 1 to 4 million should be replaced, this suggests a 5-year schedule of replacing one million units annually and rehabilitating an additional 4 million units. One third should be in nonmetro areas.

An effort of these dimensions would be both costly and difficult, requiring a major national priority akin to the space program of the 1960's or a major defense effort. But, it could be done and the process would tap and put to work many idle human and economic resources.

COST

As with housing quality, there are really no satisfactory indicators of appropriate levels of housing cost. One thing is clear: low income people pay proportionately far more for housing. In 1970, for example, the median rent paid by households with incomes below $2,000 was $79 monthly, 47% of an income of $2,000. Using unpublished census data, HUD has estimated that the median rent-income ratio for households with incomes below $2,000 was 64%. These figures suggest that the median household in this income range had an annual income of $1,481, paid $79 monthly for rent, and had $44 left for other needs. The 1973 Annual Housing Survey estimated 2.6 million renter households, one-third of them in nonmetro areas, had incomes below $2,000.

At the other end of the income scale, the median rent paid in 1970 by households with incomes above $25,000 was $202 and the median rent-income ratio was less than 9%. Using these figures, the median household in this income range had an annual income of $27,933 and, after paying rent of $202, had $2042 available each month for other expenditures. The 1973 Annual Housing Survey estimated 611,000 households in this income bracket.

The impact of housing costs intensifies the disparity in income distribution. The upper income household in these examples had a total income which was 19 times that of the law income household. But, after adjusting for the cost of housing, the upper income household, paying less than 3 times as much for housing, had 46 times as much money available for other expenditures as did the bottom income household. Moreover, in 1970 there were twice as many households in the bottom group as there were at the top.

An indication of the wide variation in approaches to housing cost-income ratio is provided by public assistance programs. In 1972, rental allowances for elderly couples on old age assistance varied from a low of $30 in Kentucky and Oklahoma (19% and 14% of grant, respectively) to a high of $145 in Michigan (53% of total grant). For families of four receiving aid to families with dependent children, the range was from $19 in Alabama (20% of total grant) to $162 in Connecticut (48% of total grant). Interestingly, six states—Alabama, Delaware, Idaho, Louisiana, North Carolina, and South Dakota—provided lower rent allowances for families of four than for aged couples, and another fourteen states provided the same amount—Arkansas, Illinois, Indiana, Kansas, Maryland, Michigan, Mississippi, Missouri, Rhode Island, Tennessee, Texas, Vermont, Virginia, and Wisconsin. (Information from "Public Assistance Programs; Standards for Basic Needs, July 1972", DHEW Publication No. (SRS) 73–03200.)

The Bureau of Labor Statistics, in estimating budgets for a 4-person family, defines "housing" to include the cost of housefurnishings and household operations as well as shelter. Yet, for a 4-person family at the lower budget level, 21% of the $7,386 urban standard in 1972 was housing; at the intermediate level, housing was 25% of the total of $11,446; it was 26% of the higher budget of $16,558. Housing was a higher proportion of the budget for a retired couple: 35%, regardless of the level. (Again, the definition included household operations and furnishings as well as rent.)

In the light of all this, the somewhat arbitrary standard that people should be able to obtain housing at 25% of their income seems, if anything, on the high side.

Data on renters paying more than 25% of income are included in the 1973 Annual Housing Survey; data on owners of single-family units are contained in the 1970 Census of Residential Finance, which show that 18.7 percent of all owners had housing costs in this range. Applying this proportion without adjusting for inflation to the number of owner-occupied units in 1973 gives these results:

There are 8.3 million owner-occupants, of which 4.0 million are in nonmetro areas, paying more than 25% of their income for housing.

There are 9.1 million renter households paying more than 25% of their incomes for housing, including 1.7 million in nonmetro areas.

Thus, there are a total of 17.4 million households, 5.7 million of them in nonmetro areas, who pay more than 25% of their incomes for housing.

Since housing costs are rising more rapidly than income, this estimate is clearly a low one. It represents an existing need which should be met.

ILLINOIS HIGH SCHOOL BASKETBALL CHAMPS

HON. MORGAN F. MURPHY

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 23, 1976

Mr. MURPHY of Illinois. Mr. Speaker, I take this opportunity to honor Illinois' 1976 class AA State high school basketball champs—the Mustangs of Morgan Park High School. This is a high school in my district in Chicago.

We are especially proud of the talent and teamwork that combined to produce this championship team. Congratulations to Bill Warden, the outstanding coach, whose leadership and skill built this winning team.

The Mustangs won a tough battle Saturday night in Champaign, Ill., against the West Aurora Blackhawks. In the final second of the State title game, the Mustangs captured the Illinois high school basketball crown 45 to 44. It was an unforgettable display of teamwork with Laird "Larry" Smith scoring the winning points.

In the quarter finals the Mustangs scored a victory over Galesburg with Levi Cobb leading the triumph. Cobb has been named to the Chicago Tribune-Illinois Basketball Coaches Association Hall of Fame. In later grueling semifinal action, Eric Bowman scored the winning points for Morgan Park against Oak Park. Mustang guard Jeff Berry played a great game althought injured in an earlier bout. I heartily congratulate the members of this all-star team.

I commend the Mustangs for their courage and ability to stay cool and play hard without clutching in the tense moments of a championship tournament. This is truly a skilled and disciplined team.

Congratulations to Morgan Park High School, the sixth Chicago Public League team to win the Illinois State championship since 1958. Your community is very proud of you.

TRIBUTE TO THE VAN NORSTRAND FAMILY; FARM FAMILY OF THE YEAR IN NEW YORK STATE

HON. WILLIAM F. WALSH

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 23, 1976

Mr. WALSH. Mr. Speaker, earlier this month I had the privilege of presenting the Farmers Home Administration Farm Family of the Year in New York State Award to Mr. and Mr. Ivan VanNorstrand, who reside within the 33d Congressional District at Cato, N.Y.

The VanNorstrands and their four children are typical of agriculturists, not only in the Fingers Lakes area but of New York State and our Nation, and their recognition for outstanding noteworthy.

Over 3,000 farm families in New York State competed for this outstanding recognition. The VanNorstrands' achievements did not come about because of good luck, but because of hard, competent work over the past 20 years.

In addition to successfully farming over 700 acres, the VanNorstrand family is deeply committed to community service in their home area.

I believe that their selection on the basis of business management, improved farming practices and overcoming adverse conditions is a tribute to them as individuals, as well as a tribute to the spirit displayed by farmers throughout America.

Farmers, such as the VanNorstrands, produce 53 percent more crops on 6 percent fewer acres than preceding generations, yet an hour of farm labor provides nearly nine times as much food as it did in 1920.

The VanNorstrands are an example to their fellow farmers as outstanding conservationists, spending a great deal of money each year to protect soil and water supplies, to stop pollution and to help create a more attractive land in which all of us can live.

All Americans should be grateful for farm families like the VanNorstrands. They truly are the backbone of America.

I am pleased to share news of their recognition with you.

EXPORT OF NUCLEAR FUEL TO INDIA

HON. KEN HECHLER

OF WEST VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 23, 1976

Mr. HECHLER of West Virginia. Mr. Speaker, on March 9, 54 Members cosigned a letter to Nuclear Regulatory Commission Chairman William Anders to express our concern about the export of 40,000 pounds of enriched uranium to India. In that letter we urged the Commission to conduct full-scale adjudicatory proceedings on that export proposal involving, as it does, enough nuclear material to create 10 Hiroshima size nuclear bombs.

We expressed, too, our concern that India has not signed the Nonproliferation Treaty, has not agreed to submit all her nuclear facilities to inspection and safeguarding by the International Atomic Energy Agency and did already divert nuclear materials from a powerplant to blow off a bomb in May of 1974.

On Wednesday, March 17, the Commission had its first session to consider the petition—filed by three concerned environmental organizations—for which our letter expressed support. Two of our colleagues, Mr. OTTINGER—who initiated the letter to Chairman ANDERS—and Mr. LONG, of Maryland, presented testimony to the Commission. Their statements expressed the growing concern among Members of Congress about the Indian export proposal and about all exports of nuclear equipment and materials, with emphasis on the relationship between so-called "peaceful" purposes and the diversion for malevolent weapons purposes. I would like to commend the attention of my colleagues to the following statements by Mr. OTTINGER and Mr. LONG of Maryland:

STATEMENT OF HON. RICHARD L. OTTINGER BEFORE THE NUCLEAR REGULATORY COMMISSION, MARCH 17, 1976

I am here to express my extreme concern with the proposed export of 40,000 pounds of enriched uranium to India for the Tarapur reactors and to state my general consternation with the continuation and growth of this country's export of nuclear equipment and materials.

We are really talking about the growth of the "nuclear club," that chummy-sounding euphemism for those with the power to wreak incredible devastation in the world by the use of nuclear weapons.

The letter which I and 53 of my colleagues sent to Chairman Anders on March 9 indicates the increasing concern among Members of Congress with nuclear export and its potential to increase the membership in the "nuclear club." We are very serious in that concern.

As a general policy matter, I would urge the State Department and the Nuclear Regulatory Commission (NRC) very seriously to consider phasing out all licenses of export of materials or equipment—at least to those nations which have not pledged themselves not to divert such materials for weapons purposes. There should be a minimal requirement that receiving nations have signed the Non-Proliferation Treaty and submitted all of their nuclear facilities to inspections and safeguards of the International Atomic Energy Agency (IAEA).

And in response to the expected assertion that if we don't export such materials, others will, I would submit that we might rather follow David Lilienthal's suggestion, stopping exports and serving as an example to the world. Having done this, we could then strive through our economic and political influence internationally to obtain agreements from other potential suppliers to forswear export, too.

I am pleased to have the opportunity to present this brief statement in support of the contentions raised by the Natural Resources Defense Council, the Union of Concerned Scientists and the Sierra Club. In their initial petition and in their response to the Commission's letter of inquiry, the petitioners have set out a number of extremely reasonable contentions and some recommendations for how the Commission might treat applications for licenses for exporting nuclear equipment or materials.

Without having had much guidance from the Commission about the nature and scope of today's hearing, I would like simply to outline a few of my concerns about the Tarapur export proposals specifically, and about procedures for export consideration and licensing in general.

The Tarapur reactors are located in a nation which diverted material from a "peaceful" reactor and made a bomb! India has not signed the Non-Proliferation Treaty, and has not agreed to submit all of her nuclear facilities to the inspection and safeguards of the IAEA. Nor has she even agreed to forswear future diversion of nuclear materials for weapons purposes. And disclaimers to the effect that the 1974 test was for "peaceful purposes" are unconvincing.

In the instant case, involving the question of whether the Commission should conduct full adjudicatory proceedings on the Tarapur export licenses and if so, in what form, I must say I think there should be a full-scale proceeding. This should be the same kind of proceeding now held for licensing nuclear facilities here in the United States. I do not believe the Commission need yield to pleas from India or other interested parties that the fuel is needed urgently. Considering the issues I raised earlier, it is precisely because of the situation in India and that country's unwillingness to forswear diversion that the NRC should spend adequate time developing an adequate record on which to base a decision on whether or not to issue any license.

In this regard, I must say that the Commission's letter to the State Department raises a serious question in my mind as to whether there might be any feeling at the Commission that issuance of the licenses will be anything but granted. I am referring to the 4th question, in which it is stated:

> If the impact of any such factors depend significantly upon the promptness with which the export licenses which are the subject of the two petitions are issued, what is the latest time each license might be issued to avoid this impact, taking into account such feasible alternative methods of transportation and other options which would extend this time period to the fullest extent possible?"

Is the Commission's only concern to get the fuel to India expeditiously? Do alternative methods of transportation mean that the Commission would prefer to fly the SNM rather than ship it by boat? Does this question in any way reflect a sense that the Commission might decide not to issue any license at all? I would appreciate some explanation, because it is not clear that there is any intention whatsoever genuinely to weigh the issues involved and to conclude on the basis of those analyses.

Export of any nuclear materials or equipment is sufficiently serious for the Commission to conduct adjudicatory proceedings like those held for construction and operating licenses for nuclear facilities here. The parties who should be permitted to intervene should be those who demonstrate competence on the complex issues involved, and there should be a real effort on the part of the Commission to seek out such parties. In the instant petition, I am convinced that all three organizations have demonstrated substantial expertise on nuclear-related issues, both within their organizations and through outside contacts in the professional and academic communities. NRC should in no way limit intervention—as is now the case in power plant siting proceedings here—to people who live near a proposed installation, or some other devised limitation. The issues of national and international security are so important as to transcend any such narrow limitation.

For the broader question of what kind of proceedings should be conducted on other and future export license applications, my conviction is the same. The Commission should invite broad participation from capable intervenors. Notices of applications should be published in the Federal Register when they are received, so as to avoid what in my judgment is the rather silly preoccupation here with the timeliness of the instant petition. Notice of activities or proposed activities of Federal agencies is crucial if our governmental system is to function adequately.

I would think, looking on the Tarapur case historically for a moment, that the NRC, or the AEC, should have conducted two proceedings already, at a bare minimum. The first, according to my view, would have considered the desirability of licensing the export of the two reactors to India in the first place. Assuming that the Commission had concluded that issuance of licenses was warranted, there should have been a second proceeding to determine whether, after construction, there should have been issued a license for the first fuel load. Both of these should have been open adjudicatory proceedings.

This would bring us to the present, with an application for enriched uranium to refuel the reactors. At this juncture the NRC should again conduct a proceeding which would provide for review of events subsequent to the issuance of earlier permits. In the case, again, of Tarapur, this would surely include consideration of the actual situation at those reactors (which sounds terrible, from reports) and should include analysis of other realities in India, including the bomb test in 1974, continued refusal to submit all facilities to IAEA scrutiny, and so on. I suppose, too, that there should be consideration of the political situation. I am here referring to any recipient nation, not explicitly to India, troubled as I am with the current status of things there.

I should like here to mention one instance in which the relevant agency did apparently take cognizance of an existing volatile political situation. That was when ERDA removed the fuel from an experimental reactor in Saigon, Vietnam, just about a month before that capital fell in the spring of 1975. It have not yet, by the way, been able to find out why we ever installed a reactor in the capital of a nation torn by war for fifteen years in the first place. But I am pleased that ERDA acted in time.

Incidentally, the kind of proceedings I am suggesting might well have resulted in a decision by the old Atomic Energy Commission *not* to place a reactor in Saigon, or perhaps not to fuel it or refuel it at later stages.

I understand that the State Department is concerned about the foreign relations implications of NRC actions on export licenses. I would trust, though, that State would properly be an intervenor in every licensing proceeding that NRC would conduct, and thus have the opportunity fully to present the Department's own concerns.

In sum, then, I am extremely anxious that the NRC fully consider all relevant issues in the Tarapur case, build a record, and determine whether or not to grant the licenses based on that record. In addition, conducting such a proceeding now on the Tarapur license requests would provide the opportunity for NRC to develop precise standards for general proceedings related to all future exports.

I thank you for the opportunity to present these views.

Statement of Representative Clarence D. Long of Maryland Before the Nuclear Regulatory Commission Hearings on Export of Nuclear Fuel to India

I appear before the Commission in support of the intervention petition filed by several organizations (the Natural Resources Defense Council, the Sierra Club, and the Union of Concerned Scientists) for fullscale public hearings on the export of enriched uranium fuel to India for the U.S.-supplied Tarapur power reactors. I appear in place of Congressman Richard Ottinger, who was unable to be here, and I would like to submit Congressman Ottinger's statement for the record. Hopefully, my appearance will make the Commission more aware of the depth of feeling in the Congress on the issue of nuclear proliferation—evidenced by the fact that 54 Members of the House joined in supporting this intervention petition. Forty-two Members have sponsored my own bill, H. Res. 951, to create a House Select Committee on Nuclear Proliferation and Nuclear Export Policy. I have long felt that there is a need for greater public light on this question.

The Commission conducts full-scale public hearings on licenses for the export of nuclear reactors. However, because reactors have a life span of twenty or more years, conditions may change during the life of the plant so that continued export of nuclear fuel should be continuously reconsidered.

That is what has happened with regard to India. The United States provided the two Tarapur power reactors under a $72 million AID loan in 1963. In view of the concerns over India's actions in the nuclear field, I see little reason why we should continue to supply fuel for these reactors or, in any case, why we should do this without careful scrutiny of how this fuel would be used.

India has exploded a nuclear weapon and bears a heavy responsibility for the recent alarm over nuclear proliferation.

Because of its fear of the Indian nuclear capability, Pakistan is now in the process of purchasing from France a reprocessing plant which can provide nuclear weapons material. Therefore, a chain reaction is already under way that could lead eventually to a nuclear conflict in South Asia. The point is even more far-reaching. Every time a country gets nuclear weapons capability, whether this is real or only perceived, this sets up powerful pressures for neighboring countries to possess similar capability, leading to a sort of chain reaction.

There have been recent reports of safety hazards at the Tarapur reactors. Further, the State Department, in its license application analysis on the export of nuclear fuel to Tarapur, says in response to the Commission's question of the adequacy of physical security arrangements that the question of adequacy of safeguards is "not applicable, since it (the fuel shipment) is a shipment of low enriched uranium . . ." Of course, this answer overlooks the possibility of a terrorist attack or sabotage of the Tarapur reactors, which could release radioactivity possibly endangering thousands of people.

The United States has had a role in India's development of nuclear weapons. It is one that we have tended to downplay but it is nevertheless there.

The U.S. has trained over 1,100 Indians in nuclear physics and related fields.

The U.S. supplied the heavy water for the Canadian reactor from which the Indians reportedly secured the nuclear material for their bomb.

As important, if not more so, the U.S. has given India over $10 billion in direct economic aid (not counting the billions in multilateral aid from institutions to which we are the heaviest contributor), and this aid has enabled the Indians to divert to their prestige nuclear program resources that they might not have been able to divert otherwise.

Therefore, I believe that the continued supply by the U.S. of nuclear fuel to India should be critically examined in a full-scale public hearing. The public should be made aware of what we are doing in our nuclear export policies and should be able to make their views known. I am sure you agree that the worst thing in this area is secrecy or lack of information and that we have a public in this country which is capable of listening to all sides and making informed decisions.

Thank you.

AGRICULTURE IGNORES ITS RESPONSIBILITY TO ASSIST STARVING WOMEN AND CHILDREN

HON. FREDERICK W. RICHMOND

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 23, 1976

Mr. RICHMOND. Mr. Speaker, the Child Nutrition Act of 1975, which authorized the continuation and expansion of the WIC program, received the overwhelming approval of the Congress. This approval was a measure of our concerns that the nutritional requirements of women, infants, and children were being severely neglected.

The WIC program, which provides essential nutrition services to low-income pregnant and nursing women, postpartum women, infants and children is being subject to irreparable harm as a result of Agriculture's refusal to expend the total funds approved by Congress. Presently, there are still funds unspent from fiscal year 1975, and the administration anticipates that of the $250 million authorized for fiscal year 1976 only $189.8 million will be spent. Yet there are 2.1 million eligible women and children who could avoid serious health danger if brought into the program.

Recently, a biregional conference of over 100 persons, including representatives of local WIC programs, WIC applicants, and community groups met to discuss the serious obstacles posed by USDA. At the end of the conference, held in Bridgeport, Conn., on February 13, a resolution was drawn up which expressed the sentiment of the participants that the funds unspent for fiscal year 1975 be carried over for subsequent years, and that the total authorization for 1976 be expended.

This conference, along with a letter to USDA signed by 40 Members of Congress, is evidence of the strong pressure being placed on USDA to operate the program in a manner that would benefit the maximum number of people. There is no justifiable reason for Agriculture to function in defiance of congressional mandate to expand WIC.

Following is a copy of the resolution and a list of the participants in the conference:

Resolution

Whereas, the Congress of the United States overwhelmingly approved the Child Nutrition Act of 1975; and

Whereas, the Child Nutrition Act provides for the continuation and expansion of the WIC Program by increasing the authorization for funding for the WIC Program for $100 million to $250 million for the fiscal years 1976, 1977 and 1978; and

Whereas, the WIC Program provides a nutritious supplement for low income pregnant women, nursing women, post-partum women, infants and children under age five who are deemed nutritional risks; and

Whereas, it is the intention of the Congress of the United States that an additional $62.5 million be authorized for the transitional quarter between fiscal years 1976 and 1977; and

Whereas, there are 750,000 women, infants and children currently authorized to participate in the WIC Program throughout the United States; and

Whereas, there exists at least an additional 2.1 million potential WIC participants who, if not brought into the program, may suffer severe health damage; and

Whereas, the WIC Program is designed to correct medical and health deficiencies through these highly nutritional supplements; and

Whereas, the Congress of the United States intended that all eligible sponsors be afforded the immediate opportunity to participate in WIC up to the authorized level of $250 million; and

Whereas, the United States Department of Agriculture, through administrative policy has consistently thwarted, inhibited and restricted the growth of WIC from its inception; and

Whereas, the USDA has taken upon itself to unreasonably delay the funding of community WIC applications; and

Whereas, the USDA has taken upon itself to give priority funding status to those areas which currently participate in the Commodity Food Supplemental Program, thereby depriving eligible areas without nutritional supplemental programs the opportunity to receive the numerous benefits of a WIC Program; and

Whereas, President Ford in his budget proposal for fiscal year 1977 estimates that only $189.8 million will be expended on WIC in FY 1976; and

Whereas, it is the intent of the Congress that unspent funds from FY 1975 should be made available in FY 1976 in addition to the $250 million in authorized funds for WIC; now therefore be it

Resolved, that the Northeast and Mid-Atlantic conference on WIC held on Friday, February 13, 1976 in Bridgeport, Connecticut calls upon the Congress of the United States to demand that the Secretary of the Department of Agriculture completely spend in FY 1976 the authorized $250 million for WIC and re-allocate and carry over into subsequent years all unspent funds previously authorized for the WIC Program through the transitional quarter and in FY 1977 and FY 1978.

Bi-Regional Conference on WIC February 13, 1976

NAME, ORGANIZATION, AND LOCATION

1. Virginia Ives; Hall Neighborhood House; Bridgeport, Conn.
2. Ann Aponte; Hall Neighborhood House; Bridgeport, Conn.
3. Eloise Woolford; ABCD; Bridgeport, Conn.
4. Gertrude Cooper; ABCD; Bridgeport, Conn.
5. Maxine Greenberg; Hall Neighborhood House; Bridgeport, Conn.
6. John Jackson; ABCD; Bridgeport, Conn.
7. Jack McCarthy; Administrator, Office of Human Affairs; Bridgeport, Conn.
8. Dr. Estelle Siker; Director, Maternal and Child Health; Connecticut State Health Department.
9. Dr. Eloise Eckler; Director, Nutrition Section and WIC Program; Connecticut State Health Department.
10. Ralph Gofstein, M.D.; Director, Stamford Health Department; Conn.
11. Gary Rosenberg; Food Action Coalition; Boston, Mass.
12. George Mohray; Food Action Coalition; Boston, Mass.
13. Priscilla Blassingole; Hall Neighborhood House; Bridgeport, Conn.
14. Robert Bissell; Milford City Hall; Milford, Conn.
15. Stewart McKinney; U.S. Congress; Bridgeport, Conn.
16. Sally Bolster; U.S. Congress; Bridgeport, Conn.
17. Rose Johnson; ABCD; Bridgeport, Conn.
18. Sheila Berndolph; Stratford, Conn.
19. Ernest Nichol; Bridgeport, Conn.
20. Randy Kellom; Tenant Relations; Bridgeport, Conn.
21. William Benaigua; Univ. of Bridgeport; Conn.
22. Lola Goodman; BCMHC; Bridgeport, Conn.
23. Kitty Toole; Bridgeport, Conn.
24. Jean Monaco; Jersey City Food Action; N.J.
25. John Morris; Jersey City WIC Program; N.J.
26. Tracy Stern; Fairfield University; Conn.
27. J. E. Farmpton; Stratford, Conn.
28. Alfredo Ribot; Contract Compliance; Bridgeport, Conn.
29. Barbara Semedo; WTNH–TV; Conn.
30. Pat Child; WTNH–TV; Conn.
31. Leonor Toro; Resource Program; Conn.
32. Karen Cyrul; Middleton Health Dept.; Conn.
33. A. F. McKenna.
34. Charlotte Duncan; Neighborhood Health Services for New York City; N.Y.
35. Nancy Wineman; SELF; New Haven, Conn.
36. John Lewis; SELF; Bridgeton, N.J.
37. Ethel Hall; New Haven, Conn.
38. Edmund Ramos; SELF; Milford, Conn.
39. Patricia Houston; Community Progress Council; York, Pa.
40. Judy Keefer; The Children's Foundation; Washington, D.C.
41. Jack Dziamba; Tolland/Windham Legal Services; Conn.
42. Gerry Martin; Ross Labs; Guilford, Conn.
43. Dennis Cleary; Mead Johnson Lab.; Jamaica, N.Y.
44. Barbara Zang; National Child Nutrition Project; New Brunswick, N.J.
45. Susan Addiss; Valley Health Department; Ansonia, Conn.
46. Eva Kershner; Bridgeport WIC Program; Connecticut.
47. Leah Kershner; Bridgeport WIC Program; Connecticut.

48. Connie Williams; Bridgeport WIC Program; Connecticut.
49. S. Fine; Bridgeport WIC Program; Connecticut.
50. Ros Hamilton; Bridgeport WIC Program; Connecticut.
51. Florence Peterson; WIC Program; Newark, N.J.
52. Judy Wilson; Director, WIC Program; Newark, N.J.
53. Barbara Reiti; WIC-Cumberland County; Bridgeton, N.J.
54. Sister Jean Trainor; Hospital of St. Raphael; New Haven, Conn.
55. Jessica Ippedica; Health Action Program; New Britain, Conn.
56. Anita Clinton; University of Connecticut Extension Service; Connecticut.
57. Geraldine Sells; University of Connecticut Extension Service; Connecticut.
58. Trudy Cromwell; University of Connecticut Extension Service; Connecticut.
59. Beretha Huff; University of Connecticut Extension Service; Connecticut.
60. Victoria Zefernsha; WIC Program; Trenton, N.J.
61. E. B. Masters; WIC Program Director; Trenton, N.J.
62. Gloria Buchter; Community Progress Council; York, Pa.
63. Ludi Fort; Health Planning Council; Bridgeport, Conn.
64. Fred Harsaghy; CACD; Danbury, Conn.
65. Ruth Rodriguez; University of Connecticut Extension Service; Connecticut.
66. Lucy Siberon; SADA; Connecticut.
67. Georgia Mattison; Mass. Alliance Against Hunger; Boston, Mass.
68. Dr. Wallach; Waterbury WIC Program; Connecticut.
69. Barbara Plonsky; TEAM, Inc.; Milford, Conn.
70. Father Timmothy Collins; Bronx, N.Y.
71. Suzanne Van Vechten; Stamford Health Department; Connecticut.
72. Jane A. Mock, M.D.; Bridgeport, Conn.
73. Jeff Peterson; Senator Ribicoff's Office; Westport, Conn.
74. Dorothy Turner; Bridgeport WIC Program; Connecticut.
75. Ed Cooney; Project FEAD; Danielson, Conn.
76. Helen Ward; Project FEAD; Danielson, Conn.
77. Bob Gottleib; TEAM, Inc.; Bridgeport, Conn.
78. Sharon Mooers; NYS Div. of Economic Opportunity; Albany, N.Y.
79. Alan Joseph; Food Stamp Task Force; Albany, N.Y.
80. Geni Drobnis; MASSCAP-EFS; Framingham, Mass.
81. Walter Scott; Contract Compliance; Connecticut.
82. Lou Gordon; Cong. Fred Richmond's Office; Brooklyn, N.Y.
83. George Pipkin; Hall Neighborhood House; Bridgeport, Conn.
84. Ronald Sarno; St. Joseph's Hospital; Paterson, N.J.
85. Nick Siconolfi; Bronx-Lebanon WTC Program; New York.
86. Dennis Hamilton; Bridgeport WIC Program; Connecticut.

EMPLOYEE COOPERATION AND LOYALTY BOOSTS OUTLOOK OF THE AIRLINES

HON. GLENN M. ANDERSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 23, 1976

Mr. ANDERSON of California. Mr. Speaker, during the past several weeks, the Subcommittee on Aviation and the Subcommittee on Investigations and Review of the Public Works and Transportation Committee have been holding joint hearings on the economic condition of the Nation's airlines. The witnesses in our hearings have been the chief executive officers of most of the major U.S.-flag airlines. Their testimony has given us an excellent indepth education on the problems facing this beleaguered industry, which should be helpful as we in the Congress consider legislative measures affecting the air transportation system and the air carriers.

Generally speaking, the economic picture of the airlines is not good. Skyrocketing fuel costs coupled with the dual effects of inflation and recession have literally brought some carriers to their knees. To insure continued public service, several trunk airlines have applied to the Civil Aeronautics Board for Federal subsidy.

It has been evident from the testimony in our hearings that carrier managements have been working diligently to find solutions to their economic troubles. But we have also witnessed the efforts of thousands of airline employees who have pitched in to assist their companies in regaining financial strength. The employees of Eastern Airlines offer a good example of this team effort. In his testimony on March 10, Col. Frank Borman, president of Eastern Airlines, summed it up this way:

> I must point out with pride the actions our employees, union and non-union alike, took in accepting a wage freeze for 1976. This unprecedented action reflects their genuine concern for the well being of our company and their willingness to help overcome our problems. This action alone improved our 1976 projections by about $45 million.

Additional examples of employee assistance have been provided to the committee by Capt. John J. O'Donnell, president of the Air Line Pilots Association. During the past year, a number of pilot groups represented by ALPA have agreed to deferred or reduced wage increases and, in some cases, have accepted pay cuts to aid their financially troubled companies. The net effect of these actions for the airlines is a savings in 1976 of over $35 million.

I applaud these employee groups for their unprecedented demonstration of concern and good faith, and particularly commend Capt. O'Donnell for his leadership in these efforts. Not only have their sacrifices brightened the financial outlook of the airlines, but they will go a long way toward fostering better labor relations in this great industry.

At this point, Mr. Speaker, I insert in the RECORD a summary report of the cooperative efforts of the ALPA groups:

REPORT ON ALPA'S EFFORTS AT LABOR/MANAGEMENT COOPERATION

(By Capt. J. J. O'Donnell)

EASTERN AIRLINES

In response to the Company's critical economic situation the Eastern pilots, as represented by the Association, agreed on October 15, 1975 to take the following actions:

No pay increases in 1976

The negotiated pay increase of 7%, that was to become effective on March 2, 1976, will now become effective on April 1, 1977, a delay of thirteen months. Further, the negotiated pay increase of 8.5% that was to become effective October, 1976 will now become effective on January 1, 1977, a delay of three (3) months.

The net savings to the Company for 1976, given the negotiated increases of 7% effective March 2, 1976, and 8.5% effective October 1, 1976, amounts to over $11 million in 1976 alone.

Pilot aid in securing needed financing

The pilot group has made an agreement with the Company that provides for the machinery that will hopefully help to avoid a continued crisis as the airline seeks capital. A voluntary purchase plan of Eastern's stocks and bonds on the open market by a Trustee (appointed by the Association) will be implemented by early 1976. Once established, it is expected that additional arrangements will be made whereby all employees will have the option to participate directly, through a Trustee, in the capital needs of Eastern by voluntary payroll deductions. In addition, Eastern is providing information to the Association on the possible purchase and lease of a new Boeing 727–225A by employees. If feasible, a decision to proceed will be made by April of 1976.

TRANS-WORLD AIRLINES

In 1975 TWA's 3,500 pilots agreed to take less of a pay raise than originally scheduled and to postpone its effective date.

Under the agreement, a 4% wage hike slated for September 1 was reduced to approximately 2.5% and delayed until December 1. In exchange, pilots targeted for layoff during the summer and fall were retained on a 60-hour-per-month basis for at least one year (through May 1976).

MEC Chairman John Donlan has stated: "We believe this will save the Company money during this thin period, compensate for the cost of the pilots' salaries and prevent the dislocation of 135 families. It will also eliminate huge startup costs necessary to return (these men) to work at a later date when business recovery warrants."

In 1976 the pilots have agreed to a wage freeze in an attempt to aid the ailing Company.

The financial savings of these combined sacrifices are substantial. Given the 1975 Pilot Payroll of approximately $150 million dollars and assuming a modest inflation rate of 10% per annum the decision by the TWA Pilot Group not to take a pay increase in 1976 alone equals $15 million dollars in net savings to the Company provided the Pilots had decided to negotiate a reasonable cost of living increase into the Contract.

PAN AMERICAN

In December of 1974 the Pan American Pilot Group agreed to reduce their pay from January 31, 1975 until December 31, 1975 by 11% of their negotiated rates of pay—a savings to the compay of over $7½ million.

A major decision was made in September 1975 by Pan American pilots to sacrifice $495,000 in wages during January 1976. The pay cut amounts to approximately 5% of pilots' monthly earnings, and will be achieved through reduced flight-hour scheduling rather than a reduction in the pay rate. Also participating in the wage accord were PAA's flight engineers, who agreed to forego $1.5 million in salaries and benefits. The accord runs from October 1, 1975, to December 31, 1976. The net effect of this agreement is a contribution of $2,000,000 towards the Company's welfare from the combined union groups.

UNITED AIR LINES

The pilots extended the duration of their Agreement for an additional forty-five (45) days from 1/1/77–2/15/77 in order to assist the Company over economic hurdles.

ALLEGHENY AIRLINES

The pilots negotiated a separate agreement to cover Part 298 flying for third level service to be flown with Allegheny pilots at reduced rates of compensation.

TEXAS INTERNATIONAL AIRLINES

In the latest session of contract negotiations in 1975, this pilot group deferred their negotiated pay increase in an effort to get the Company back on its feet financially.

NEW YORK AIRWAYS PILOTS

Despite the fact that contract negotiations continued for sixteen (16) months past the amendable date, the New York Airways Pilot Group agreed not to take retroactive pay increases in the interests of helping the Company out of its severe economic problems.

AIRLIFT INTERNATIONAL

Even with the potential bitterness that can develop when a strike occurs and an airline management flies with non-union crews, this pilot group has risen above the common to help their Company by foregoing retroactivity as part of a contract settlement.

BRANIFF INTERNATIONAL AIRLINES

In the interest of avoiding the massive penalty payments to which Braniff Airlines was contractually bound in the previous Agreement, the pilots in this Agreement reduced the "rigs" for all international flying. This has resulted in cost savings of many thousands of dollars to the Company.

OVERSEAS NATIONAL AIRWAYS

As a special concession in the interests of allowing the Company the Flight Time flexibility it felt was necessary to fulfill business commitments in the Middle East the Pilots, acting through the Association, granted flight time relief for the Fourth (4th) Calendar Quarter of 1975.

TWO HUNDRED YEARS AGO TODAY

HON. CHARLES E. WIGGINS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 23, 1976

Mr. **WIGGINS**. Mr. Speaker, 200 years ago today, on March 23, 1776, the Continental Congress officially authorized privateering, resolving, "That the inhabitants of these colonies be permited to fit out armed vessels to cruize on the enemies of these United Colonies." In adopting the resolution, Congress noted that the King had rejected its petitions for the redress of "great and manifest grievances," that "an unjust war hath been commenced against" the United Colonies and that the British Parliament, "had lately passed an act, affirming these colonies to be in open rebellion, forbidding all trade and commerce with the inhabitants thereof * * * declaring their property, wherever found upon the water, liable to seizure and confiscation * * *"

SEPARATION-OF-POWERS CONCEPT MUST BE RESTORED

HON. WILLIAM D. FORD

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 23, 1976

Mr. **FORD** of Michigan. Mr. Speaker, I would like to call the attention of my colleagues to a fine article on the separation-of-powers principle, written by a veteran newspaperman in the Detroit area.

I have known the writer, Mr. Robert Selwa, for a number of years, and I greatly admire his ability to express complex ideas in easily readable language. He has written for a number of newspapers in Wayne and Macomb Counties over the past 10 years, and is a highly respected member of the journalistic profession.

The article in question appeared in the Macomb Daily, for which Mr. Selwa now writes. I insert the article in the RECORD at this point, and commend it to my congressional colleagues:

[From the Macomb (Mich.) Daily, Jan. 30, 1976]

SEPARATION-OF-POWERS CONCEPT MUST BE RESTORED

(By Robert Selwa)

When the nation was founded 200 years ago the founding fathers took to writing a Constitution that included among its principles the separation of powers.

A representative legislative was to write the laws, the executive arm of government was to carry them out, and the judicial arm was to try cases under them.

Today, in one situation after another, we ought to ask—whatever happened to that separation of powers?

In busing, abortion and zoning—all three of them leading questions today—the separation of powers has been breached and the judiciary has intruded upon the functions of the other branches of government.

One United States district judge after another, with the prodding of their courts of appeal and the U.S. Supreme Court, has ordered one busing scheme after another into action—in Louisville, Boston, Detroit, wherever somebody brings a "class action" suit.

Congress can't do anything to stop it because only the long and cumbersome process of an Amendment to the Constitution can overturn a judicial action, as it has turned out in this country. And the President says he's helpless to stop busing, much as he's opposed to it.

In zoning, the courts have appointed themselves as overseers potentially of every zoning decision in every city, township and village, and for that matter just about every other kind of municipal dispute is likely to go to court these days.

The judiciary's destruction of the separation of powers reached its apex in the abortion decisions of 1973. What the U.S. Supreme Court did in those two cases was act as a legislature. The law reviews are now starting to acknowledge it.

Admitting that it didn't really have actual cases at controversy, and using such anonymous names as Jane Doe and Mary Roe, the Supreme Court began liberalizing abortion according to the sociological ideas it had. The action was so crassly legislative that the court specified exactly what kind of laws the individual 50 states were to write.

What business nine appointive officials in Washington have in writing the abortion laws of the 50 states, or telling Detroit it has to start a forced integration program by moving its schoolchildren around by race, is a question that anyone concerned about the course of this country has to ask.

Whether it is Bradley vs. Milliken in the busing areas or Roe vs. Wade and Doe vs. Bolton in the abortion arena, the courts have stepped far out of bounds in making themselves the legislative, executive and judicial arms of the law.

The Constitution was written with the idea that everyone would observe it and take it upon themselves to see that it is observed. An oath to support the Constitution is not taken solely by judges—it is also taken by legislators, governors and the President.

The first years of this nation were years in which that was done, each branch of government observing the Constitution out of respect. The executive and legislative branches thought nothing unusual in the court's action in the landmark case of Maybury vs. Madison because it involved a judicial decision concerning the operation of the judiciary under the Constitution.

Bit by bit, the judiciary built upon that—first declaring "unconstitutional" in Maybury a law pertaining to itself, eventually starting to declare "unconstitutional" federal laws pertaining to other realms, and eventually getting into the business (since 1927) of judging state laws, and now even specifying what laws the states shall pass.

Whether you're pro-busing or anti-busing, or pro-abortion-rights or pro-right-to-life, the question still remains—why should we let appointive officials sitting in Washington decide things for us?

This is the question asked not only by parents seeing their children removed forcibly from their neighborhoods by the government, not only by people of communities where clinics are being set up to take the lives of the unborn with legal sanction, but also by legal scholars.

"The particular facts of the abortion cases," declared George Washington University law professors Arthur S. Miller and Jerome A. Barron in the latest Virginia Law Review, "were a matter of almost no concern" to the supreme court.

The lawyers in such cases, the law professors note, have been "acting like counsel before a legislative committee" and "in effect asking the supreme court to make new social policy rather than to rule in accordance with "the law."

The history of our country shows this trend has been ever-spreading and ever-growing. Once in a while a court swings back, calling it "Judicial restraint." Then in the next decade the "restraint" is abandoned all the more.

Given that continuing trend, a return to separation of powers or at least to curbing the judiciary's excesses in legislative matters can be effectuated only through some structural change in our democracy. One I would propose would be the appointment of federal judges for limited terms, or their election for limited terms in the districts or circuits in which they serve.

State judges are elected for six-year terms. A federal judge could serve six years at a time too.

At present, a president appoints a federal judge and the appointment is confirmed by the Senate—for life. Making it for a six-year term, with a decision on reappointment coming up every six years, would cause the judiciary to have some hesitancy about writing the laws and social policies of the country.

A six-year term would be long enough for some degree of independence of the part of federal trial judges. The appeals court judges could be appointed and reappointed for eight-year terms and the supreme court justices appointed and reappointed for ten year terms, to afford them slightly more independence, yet make them accountable.

If we are to have a representative democracy, accountability on the part of all public officials will have to be maintained and the separation of powers restored.

CUBA: RUSSIA'S FOREIGN LEGION

HON. C. W. BILL YOUNG

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 23, 1976

Mr. YOUNG of Florida. Mr. Speaker, a distinguished and authoritative journalist, Robert D. Heinl, Jr., has written a most interesting analysis of the foreign adventurism of Communist Cuban armed forces acting as surrogate spearheads for Russian designs for world conquest.

Written for the Detroit News, Heinl's article was reprinted in the March 1976 Sea Power magazine, who described the author as:

> Colonel Robert Debs Heinl, Jr., USMC (Ret.), is defense correspondent for the Detroit News. His column is syndicated through the North American Newspaper Alliance (NANA).
>
> A graduate of Yale College (cum laude, 1937), Colonel Heinl is a former director of the Marine Corps historical program and has contributed to numerous magazines and periodicals as well as to the Encyclopedia Britannica, Dictionary of American Biography, and Brassey's Armed Forces Annual.
>
> A fellow of Pierson College, Yale University, he is also author of several books, including Soldiers of the Sea, a definitive history of the U.S. Marine Corps, and A Dictionary of Military and Naval Quotations.

Colonel Heinl has had some highly responsible assignments during his career which permit him to write on this subject with unusual authority. I commend it to your reading:

CUBA: RUSSIA'S FOREIGN LEGION

(By Robert D. Heinl, Jr.)

WASHINGTON.—With a 12,000-man Angolan expeditionary force, the Cuban army must now be recognized as Russia's foreign legion. Formerly accomplishing intervention by means of conspiracy and subversion behind fronts of local coloration, the Kremlin today resorts to old-fashioned gunboat diplomacy with the aid of the world's most powerful navy and a cutting edge of Cuban brigades, battalions, commandos, and military missions deployed in the Far East, Middle East, and Africa.

Cuban advisers began on a small scale in Angola in 1961 and virtually took over the revolt of neighboring Guinea-Bissau against Portugal, using the latter as a laboratory to develop tactics and techniques for further African intervention on behalf of the Kremlin.

Cuban forces now in Angola are anything but small-scale. Castro's force consists of elite Bucan paratroop battalions, artillery armed with truck-mounted multiple 122-mm rocket launchers, tank battalions with T–34 tanks, and a strong detachment of antiaircraft artillery. To prevent defections or other political problems, Havana has also included political police units from the interior ministry, similar to Russian KGB formations.

About a thousand Cuban killed and wounded represents a rough body count for Angola, together with some 20 prisoners captured alive plus a large number known to have been killed after capture by Angolan warriors.

Under cover of the Russian navy, Cuba now has sufficient shipping to deploy sizable expeditionary forces throughout the world, as well as its own long-range transport aircraft (a squadron of Bristol Britannias sold to Cuba by Britain despite U.S. objections).

Flying these and a backup of Russian transport planes, Cuban flights to Angola have been variously routed via Barbados, Guyana, and even the Azores, thence to Conakry and Brazzaville and finally Luanda.

In addition, Aviacion Cubana, the national airline, now flies a weekly commercial flight to Angola.

Long antedating Angola, however, almost since his advent to power, Fidel Castro has pursued overseas adventures far transcending his attempts to export revolution in the Western Hempishere.

During the Yom Kippur War in 1973, a Cuban armored brigade was flown to Syria, armed with Russian tanks, and stationed at Damascus. It was withdrawn only last year after over two years' intensive training and experience in the Mideast environment. In addition, Cuban medical and support units and possibly Cuban pilots have also based in Syria.

The Cuban army's first foreign-legion experience was in 1960 when Castro sent medical units to Algeria to support the FLN against France. Later, when Algeria and Morocco clashed in 1963, a Cuban tank unit flew to Algeria, as later in Syria, with Soviet gear awaiting it.

The third Arab country where Cuban forces have served is South Yemen. There, Cuba has a large military mission, with an aviation component flying helicopters and MIGs, as well as ground advisers who, until South Yemen's recent defeat, were supporting the so-called "Dhofar War" against neighboring Oman.

In the Far East, Cuba has units or advisers in both North Vietnam and Laos. Cuba's presence in Laos is limited to a few advisers, but in North Vietnam it maintains the "Ho Chi Minh Construction Brigade," an engineer construction formation with a medical unit which also has a subunit in Laos.

It is in Africa, however, that Cuba has massively intervened as Russia's surrogate.

Besides virtually winning the revolt of Guinea-Bissau (where the Cuban army still has 200 advisers and military construction and logistic troops), Cuba has or has had forces or military advisory missions in Zanzibar, Equatorial Guinea, Somalia, and Congo-Brazzaville. It has had nominally civilian groups of technicians and lower-profile advisers in Sierra Leone, Cape Verde, Zambia, and Nigeria.

In Brazzaville, the elite presidential guard is officered and manned by Cuban military personnel seconded from Havana. These Cuban praetorians savagely put down a coup and saved the far-left government in the late 1960s.

In the Belgian Congo (now Zaire), the late "Che" Guevara led Cuban commandos in a 1965 attempt to topple pro-Western forces opposing Soviet-supported factions.

Not counting Cuban units abroad on foreign-legion duties, Castro maintains over 2,500 nominally civilian technicians overseas in a variety of developmental and nation-building roles.

Some of these are now serving in Cuban missions in Jamaica, Guyama, and Peru.

Besides serving as an increasingly professional arm of intervention for the Kremlin, Cuban forces are today the only military component in the hemisphere, other than the United States, capable of overseas intervention.

This capability definitely includes Cuban intervention in other states of the Western Hemisphere.

Diplomats here agree that most of the other Latin American countries are becoming definitely "rattled" by Cuba's rapidly growing military muscle. The next step, speculated a well-informed Pentagon analyst, would be Cuban landing of airborne or seaborne forces in some hemispheric country on behalf of a hard-pressed left-leaning or anti-U.S. regime, such as in Panama.

Another readily foreseeable Cuban intervention would be at Algeria's side in a future clash with Morocco. Russia supports Algeria in its controversy with Rabat over Spanish Sahara, while Morocco, long U.S.-oriented and moderate, would be a logical target for Algeria's good friend, Cuba.

What Cuba gains from its foreign-legion role is both practical and psychological. Emotionally, conspicuous global interventionism deeply satisfies Castro's messianic machismo and gives him stature he craves as a Third World leader. More important, however, the Cuban armed forces, beyond any others in Latin America, are accumulating combat experience, professionalism, know-how, readiness, and morale.

Thus, the Soviets can increasingly count on the services of a competent Cuban legion to serve Kremlin purposes wherever needed in the Third World.

THE CONTINUING FISCAL CRISIS IN NEW YORK CITY

HON. CHARLES B. RANGEL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 23, 1976

Mr. RANGEL. Mr. Speaker, when we were considering legislation to assist New York City with its massive financial difficulties, my colleagues urged that certain constraints needed to be imposed by the city before the aid would be approved. In effect, the city was told that it must make conscientious efforts to reform the unwise spending and financing policies that were a major cause of the city's difficulties.

Now we have a situation where the city is threatening to close John Jay College of Criminal Justice. This is a valuable institution which has as its purpose the task of providing an education to those present and future members of the city and State criminal justice and public administration systems. Because of its value, the proposed closing of John Jay College would be a severe blow to those thousands of minority students who are currently seeking an education. The fact that the proposal is even raised is indicative of the good faith of the city to place its financial house in order.

Hopefully John Jay College can be saved and the education of our present and future public servants can continue. However, I hope that the example shown by the threatened closing is not lost should John Jay College be saved. New York has made a strong effort to show that it understands what its financial responsibilities are, and has made a commitment to fulfill these responsibilities.

In an article from Tuesday's New York Times, Mr. Thomas F. Heavey, II, a New York City police officer presently studying at John Jay College, offers a perceptive look at the situation there from the standpoint of someone who is aware of the value of John Jay College professionally as a police officer and personally as a student. After reading Mr. Heavey's article I am sure we will all agree that

John Jay College of Criminal Justice should not be sacrificed as a show of fiscal responsibility. I include the full text of the column in the RECORD at this time for the benefit of those skeptics here in the Chamber who were reluctant to vote for Federal assistance to the city because of their belief that the city was unwilling to make the hard decisions to restore fiscal responsibility. The article follows:

SAVING JOHN JAY

(By Thomas F. Heavey 2d)

"There is nothing so much worth as a mind well instructed." These words of wisdom from Ecclesiasticus should alert the City University Chancellor Robert J. Kibbee to the tremendous loss this city woulld suffer if John Jay College of Criminal Justice were to close its doors. Seekers of a good education would be victimized by a chancellor who is more interested in playing politics than in preserving low-cost, high-quality education.

John Jay, in mid-Manhattan and easily accessible to all, is educating 7,800 present and future members of the city and state criminal-justice and security systems through its criminal-justice program. John Jay gives Federal, state and city workers (policemen, firemen, court administrators, correction officers, probation and parole personnel, and members of the Internal Revenue Service, Federal Bureau of Investigation and Secret Service) a well-rounded, "cost-effective" education.

Knowledge gained by the students is passed on to the city in the professional way they perform their duties.

The 1960's found Watts and Newark all afire; luckily, New York escaped such unquenched blazes. Why? Because John Jay students (police and firemen) were on the streets carrying out theories of criminal justice and community relations. Efficient and effective civil servants are mandatory assets for this city's survival at a time when the quality of essential services is threatened by the quantity of layoffs. The future of John Jay may determine the future of New York!

Students attend classes on their own time, after work, at substantial financial and personal costs, without commensurate civil-service rewards; their employer is the city, and these students are serving the people of this city in the best way they can.

The quality of education at John Jay is applauded by my colleagues and by education rating associations; training offered elsewhere to these uniformed services is not as well developed as the programs offered at John Jay. Minority students have been attracted to John Jay at a faster rate than almost any other City University college; its percentage of Hispanic students is the City University's highest.

John Jay satellite centers offer training courses in municipal buildings to city workers at a low cost. John Jay faculty and the programs offered in criminal justice and public administration are internationally recognized, imitated and respected.

John Jay's average graduate student pays $95 a credit, which is equal to, or more than, the tuition of many private universities. The John Jay graduate school is financially in the black, something which almost no other city university school can say!

Unfortunately, some educational, banking and political people care little about John Jay's immeasurable impact on New York's criminal-justice and administrative institutions; they do not care that John Jay provides an avenue of mobility for minorities; they do not care that John Jay has one of the best reputations in the City University.

If Chancellor Kibbee would examine our budget for 1976-1977, he would find that John Jay spends less per full-time student than any other senior city college. This cost is further reduced after deducting graduate tuition and undergraduate fees. Other City University colleges cost twice as much per capita.

If the city closes John Jay, it will lose some $1.5 million in Federal funds earmarked for improvements in management, in the retention rate of open-admission students and in the quality of criminal-justice education, while depriving itself of educated civil servants.

Our faculty has offered to cut its budget by 20 percent while increasing productivity, which will give Mr. Kibbee the dollar figure he *thinks* he can save.

Education should be placed above politics; financial sense and long-range effect should govern decision making concerning cutbacks.

John Jay's contribution in educating city employees is economically important to this city; it is a key factor in the city's present and future recovery. Let us not hinder that recovery by reducing the quality of our uniformed services; let us help that recovery by properly educating our administrators; let us pool minds together so that we may overcome this financial crisis.

NATIONAL AERONAUTICS AND SPACE ADMINISTRATION AUTHORIZATION ACT, 1977

HON. THOMAS N. DOWNING

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 23, 1976

Mr. DOWNING of Virginia. Mr. Speaker, I fully support the Committee on Science and Technology upon which I have the pleasure to serve and applaud the passage yesterday of H.R. 12453 which authorizes appropriations to NASA for fiscal year 1977.

The National Aeronautics and Space Administration stands today as one of the best examples of government that works. Created in 1958 to pull together a wide range of fields and to accomplish a task set before it, it did just that.

The temptation is great to say that the task is over and we can now forget the whole thing since we went to the Moon and returned safely. The temptation is especially strong when we are facing severe budget constraints such as we face today. The temptation is to say "no" to space when we are facing down-to-earth problems of the magnitude and complexity of today.

But that is not the case. Our two futures, space and Earth are now intertwined. We use space for communications, to map and chart our lands, to study earthbound natural disasters, to prepare for them and to direct the clean-up after them.

We are now confronted with tasks as critical as seeing if that miracle of modern convenience, the aerosol can, is destroying the Earth's natural protective shield against harsh radiation. These are down-to-earth problems, but the answers lie up in space, and it is the National Aeronautics and Space Administration which has the duty to ferret out those answers.

In a different tone, throughout all history man has never been more magnificent than when he dared to "reach for the stars." This could be in daring to dream of helping the less fortunate, of daring to create a free society, of daring to question established beliefs, of daring to reach out and expand his knowledge of the universe.

It sounds melodramatic, but I think that as we consider where to spend our Federal budget, we should not forget the role of the dreamer and the reacher in the advancement of mankind—and we should not forget that NASA is an integral part of that dream.

And, along those same lines, I would dare to suggest that we might wish parts of this NASA budget had an even more generous slice. I am speaking here of portions which support space applications programs.

The objective of the space applications effort is to conduct research and development activities that demonstrate space-related technology which can be effectively applied and used in the civil sector. In no other area does the space program technology spinoffs and benefits evidence itself more.

The research and development activities of the space applications area are grouped in the following general areas: Earth dynamics monitoring; Earth dynamics monitoring and forecasting; ocean condition monitoring and forecasting, environmental quality monitoring, weather and climate observation and forecasting, materials processing in space, space communication, information management, and finally, applications explorer missions. In each of these areas, programs are being conducted and planned to make substantive contributions to solving pressing national, as well as international, problems and needs. Allow me to take a moment Mr. Chairman and tell this body a little about these various areas:

EARTH RESOURCES DETECTION AND MONITORING

The effective utilization of the worlds finite natural resources requires that their extent and accessibility be surveyed, their changes be monitored and that systems for wisely managing their exploration be developed. NASA has established two objectives in the Earth resources area in order to perform this mission. First, develop the capability for remotely sensing the Earth's resources from aircraft and spacecraft in order to perform global surveys; and second, apply the results to oceanography, geology, hydrology, geography, and cartography. If NASA is successful, this technique would provide an information base that can be used in the management of the world's resources.

NASA's accomplishments to date have been outstanding in this area as evidenced by the Landsat 1 and 2—Earth resources technology satellite programs. Landsat 1 has been in orbit for over 3 years, Landsat 2 was launched and complementing Landsat 1 and both are providing data to the various government and private users as well as the institutional community in utilizing data for soil mapping application in mining and reclamation, water quality studies, and watershed monitoring and geological mapping. The demand for Earth resource satellite data is increasing everyday and I solicit your support for the bold followon step the committee took in establishing a new line item in the bill to be known as Earth resources operational systems.

Mr. Speaker, the committee felt that the technology associated with earth resources survey has been developed to the stage that the system should now enter an operational phase. Landsat–C, the third development satellite, more sophisticated than Landsat 1 and 2 has been chosen as the operational system satellite and all funds associated with this satellite—$13,500,000 have been transferred to the new line item. There is an emerging commercial industry developing and we hope this action will stimulate even further user support for this system. In the meantime, while this operational system is growing the committee expressed its desire that NASA continue research and development of better systems to enter the operational system program when developed. NASA is presently looking at some further advances such as the thermatic mapper satellite and the heat capacity mapping mission to further improve this whole field. I am continually impressed by NASA's initiative and strongly encourage its continuance.

OCEAN CONDITION MONITORING AND FORECASTING

This program provides a focus for the use of space platforms and related research efforts to acquire data on the dynamic qualities of the oceans. The SEASAT, a satellite, now under development, is a significant forward step in achieving this predictive capability to benefit ship routing, storm damage avoidance, and coastal protection and development.

ENVIRONMENTAL QUALITY MONITORING

NASA is trying to develop and demonstrate a system capable of identifying and measuring pollutants in the air and water on a global basis as well as regional scales. Project SAGE—stratospheric aerosol and gas experiment—will fly a single instrument to detect and map stratospheric aerosols and gas concentrations.

WEATHER AND CLIMATE OBSERVATION AND FORECASTING

This effort is directed toward the application of satellite data to problems in detection, prediction, and early warning of severe storms and the improvement of our capability for mid-range—1–14 days—and long-range—climatic—weather prediction. NASA and NOAA are working very close in this area and are beginning to show dramatic results. The committee further emphasized its concern by adding another $1,000,000 for research and development in this area.

MATERIALS PROCESSING IN SPACE

An exploitation of the unique characteristics of zero gravity to prepare and process materials in ways that are not possible or economically practical on Earth. Mr. Speaker, this area is being explored on an international level because of its potential and I feel confident that we will hear more and more about this exciting technology.

There are many many more facets of this area that have tremendous potential for helping the country solve some of its problems but I just do not have the time to cover them all. There is the potential search and rescue satellite system, the satellite solar power concepts plus others that may provide the answer we are seeking for problems in energy, rescue, and communications.

Mr. Speaker, in conclusion let me say that I think this bill is somewhat austere but reasonable under the circumstances.

THE PHILADELPHIA INQUIRER ON OCCUPATIONAL DISEASE

HON. DOMINICK V. DANIELS

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 23, 1976

Mr. DOMINICK V. DANIELS. Mr. Speaker, on Sunday, March 14, the Philadelphia Inquirer commenced a series of articles on the subject of occupational disease.

Inquirer staff writer Susan Stranahan has devoted over 7 months to the research for the articles, and I am sure all of my colleagues will be impressed with the comprehensiveness and lucidity that this talented young writer has applied to her analysis on this appalling problem.

It is estimated that 115,000 workers will die this year from accidents and diseases they contracted on the job. That total works out to 315 Americans dying each and every day this year because of uncorrected occupational safety and health hazards. According to my calculations, this, in turn, works out to one worker dying every 5 minutes.

Mr. Speaker, as the author of the Occupational Safety and Health Act, I have spoken for hours in this Chamber about the need to come to terms with the public health catastrophe of occupational disease. And as long as I am a Member of this body, I will continue to call public attention to the appalling toll that is being tallied up in the workplaces of America.

Mr. Speaker, in order that my colleagues may have an opportunity to review the first in this series of highly informative articles from the Philadelphia Inquirer, it is included at this point in my remarks:

Why 115,000 Workers Will Die This Year

(By Susan Q. Stranahan)

As the year 1970 drew to a close, President Richard M. Nixon signed into law a sweeping piece of legislation designed to put an end to injury and death in the American workplace.

The legislation created a new government agency, the Occupational Safety and Health Administration (OSHA), with a mandate to protect 63 million workers. It was hailed by Congress as "a bill of rights for American workers" and by the President as "an example of the American system at is best."

Now, five years later, it is clear that it was neither.

Some 315 American workers still die every day from disease or injury caused by their jobs.

They die at the rate of a dozen an hour every hour of the day, every day of the year.

Nearly 600,000 of them—almost 1 percent of the nation's work force—have been killed by their jobs in the years since the legislation became law.

An additional 115,000 will be killed by their jobs this year.

Millions of others will survive gruesome accidents and bouts with debilitating disease. Still others will be exposed to conditions which may eventually cause cancer, heart attacks, deafness or lung disease.

There is every reason to believe that the carnage will increase—and increase drastically—in the next few years.

And there is no reason to believe that OSHA—as it is presently funded and staffed—will do anything about the mounting toll.

So far, OSHA is a promise that has not been kept

"The American system at its best" did nothing for a 53-year-old crane operator who sat every day in a fume-filled cab above furnaces of molten steel. He used to boast that he had never been sick during the 29 years he worked in a western Pennsylvania steel plant. Last year, he died of stomach cancer.

Medical authorities are unable to ascribe a cause to the crane operator's cancer. But his coworkers are convinced that the fumes killed him. Six others in the same 158-man operation with him also have contracted cancer within the last several years, they say.

The "landmark" legislation has done little for a welder, who has worked since 1966 in the holds of ships at the Philadelphia Navy Yard and whose eardrums are now damaged beyond repair. "If the Lord blew His trumpet right beside me, I couldn't hear it," he says.

The goal of making the workplace "safer and more pleasant" has not been met for a Philadelphia butcher with a peculiar disease known as "meatwrapper's asthma," cause by the fumes given off when plastic wrap and labels are sealed around meat packages.

There was no such thing as a workplace "free from recognized hazards" for a Colorado miner who suffers from the oldest occupational disease known to man, silicosis. Despite the fact that the disease, which makes breathing difficult, has been known since the beginning of recorded history, 1.2 million American workers daily are exposed to conditions that caused his case of silicosis.

Like the crane operator and the welder and the butcher and the miner, more than 63 million American men and women are dependent on the federal government and its laws regulating occupational safety, to ensure that their lives and their health are not jeopardized by their work.

They have placed their well-being in the hands of a government that has:

Chosen to regulate the shape of toilet seats and the height of toilet-stall partitions while ignoring early reports that a chemical was killing workers in a Philadelphia plant.

Empowered health and safety inspectors to enter the workplace and cite employers for unsafe conditions, but appointed only 1,200 inspectors to oversee the nation's five million workplaces. That is more than 4,000 work sites per inspector. It would take the current crop of inspectors 100 years to visit every workplace.

Agreed to let workers have ice in their drinking water, but refused to enact an asbestos-control standard that would immediately protect workers from lung cancer.

Gotten the power to set limits on the amount of hazardous substances that can permeate the workplace, but has regulated only 16 out of an estimated 1,200 substances considered by the National Cancer Institute as potentially cancer-causing.

Decided that a National Football League coach who sidelined a player to avoid injury before a game did not have to report it to the federal government as a lost workday, while standards to control worker exposure to cancer-causing chemicals were allowed to become snarled in red tape.

Obtained the authority to bring an end to death and disease in the workplace, but so severely underfunded and understaffed OSHA that, in 1973, when 1,500 federal sky marshals guarded the nation's airplanes from hijackers, only 500 OSHA inspectors actually toured the nation's workplaces. One unsuccessful hijacking occurred that year. More than 100,000 workers died.

The federal government has forsaken the American worker.

"We are involved in a national lottery every day—do we live or don't we?" says Anthony Mazzocchi, an official of the Oil, Chemical and Atomic Workers International Union and an active campaigner for increased health and safety regulations.

The odds of a worker's number coming up in that lottery are high.

On Nov. 4, 1973, it was Andrew (Whitey) Moran, a pipe insulator at the Sun Oil Co. refinery in Marcus Hook. Moran, 60, died of mesothelioma, a rare form of lung cancer caused by his long exposure to asbestos.

Tomorrow, it could be a research chemist, a paint mixer, a textile worker, a steel worker, a printer or one of Whitey Moran's co-workers at Sun.

"It's getting kind of hard to look at the pictures from our Christmas parties," says Jack Prendergast, who worked with Moran. "So many of the guys are gone."

Recently Prendergast, Sam Hutchinson and Arlie (Boots) Butler, members of Local 8-901 of the Oil, Chemical and Atomic Workers Union at the Sun refinery, sat down with a list of 59 of their fellow insulators who belonged to the local in 1954 or joined it since then.

DEATH LOTTERY

Beside 36 of the names was the ominous record of that man's fate: Seven dead of cancer; six dead of heart attacks; 14 retired with disabilities, including five with cancer; and nine men working with physical problems including previous heart attacks.

The three men recall most vividly 1968, the year when five of their coworkers died suddenly.

"It got so that the boilermakers began a lottery on which one of us was going to go next," says Butler.

The situation at Sun is far from unique in the American workplace. On the contrary, in many factories, mills and plants, it is the rule.

Despite the heavy losses in human life that occur daily in the workplace, the federal government this year has budgeted $116 million for the Occupational Safety and Health Administration, compared with $148 million to support commissaries on U.S. military bases.

The fiscal 1976 budget request for occupational safety and health research is $34 million compared with a budget request of $45 million from the U.S. Army for advertising.

And there are indications that future budget requests may be pared even more by the Ford Administration, which has expressed dissatisfaction with OSHA. Ford's recent Economic Report to Congress accused OSHA of forcing business and industry to spend up to $4 billion to comply with regulations that have had an "insubstantial impact" on worker safety and health.

President Ford seemed dismayed at costs incurred by industry in attempting to comply with OSHA rules. The General Accounting Office (GAO) in a report requested by the Senate Subcommittee on Labor and released in September, 1974, was more concerned about costs incurred by workers whose safety is overseen by OSHA.

Among the GAO criticisms was the fact that OSHA does not even know how many people suffer from occupational disease, death and injury in this country each year.

A survey conducted last year by the University of Washington reported that one in four Americans currently suffers an occupational disease. The report also disclosed that only one of the 10 workers with an occupational disease had been included in either OSHA statistics or in the state's workmen's compensation records.

RATE MAY BE HIGHER

Therefore, according to the survey, the rate of occupational disease in this country may far surpass anything yet measured.

OSHA responded to the GAO survey 14 months after it had been released, with a plan to improve on its statistics.

That plan: Read newspaper accounts of on-the-job deaths and injuries.

"If OSHA is working, there should be a tremendous increase in reported occupational disease," says Daniel H. Krivit, counsel of the House labor subcommittee that drafted much of the OSHA legislation.

"But that puts OSHA on the horns of a dilemma. If they accurately report the statistics, opponents will say, 'You're doing a horrible job.' "

Although OSHA was legislatively empowered to conduct vigorous enforcement programs, the agency has been rendered impotent by a lack of funding, manpower and commitment to the goals that were originally outlined for it.

As a result, OSHA has occupied itself writing safety rules, such as those regulating the shape of toilet seats and the height of toilet stall partitions, rather than confronting the much more complex—and serious—issue of occupational disease.

In a recent speech to the powerful Manufacturing Chemists Association—which has long opposed regulating chemicals in the workplace—Morton Corn, assistant secretary of labor for occupational safety and health, promised that in the future OSHA would seek out "the more subtle, invisible hazards of the workplace."

In the past, according to Corn, less than 10 percent of OSHA inspections have concerned health hazards, while the remaining 90 percent have been geared to detecting safety violations.

BUDGET CUT

The National Institute for Occupational Safety and Health (NIOSH)—the federal agency responsible under the Occupational Safety and Health Act for researching job-related health hazards—was also given a task but denied the necessary tools.

Its fiscal 1976 budget request of $43 million was cut to $32 million by the Office of Management and Budget. The bulk of the cuts involved research programs on occupationally caused cancers.

Its request for an additional 113 staff members was cut to 13.

As a result, the fate of the American worker remains in the hands of industry.

And even though OSHA was enacted on the premise that industry had failed to police itself, a major thrust of OSHA is voluntary compliance. In fact, voluntary compliance is the first of the act's 13 methods to achieve "safe and healthful working conditions."

Federal officials say they firmly believe that industry will clean its own house.

That rationale has been used to explain a lack of funding and enforcement staff. It has also been used to blunt the effectiveness of OSHA as a regulatory agency.

The study of OSHA by the GAO revealed that 98.7 percent of the violations cited by inspectors—including many that resulted in worker deaths—were categorized "non-serious," a classification that carries with it a maximum fine of $1,000.

The average fine actually levied was $25.87, according to a survey by the Health Research Group, a Washington, D.C., public-interest organization.

Some OSHA inspectors interviewed by the GAO said they wanted to avoid raising the ire of employers with fines and hoped instead that low fines would encourage industry to comply voluntarily.

Almost no effort has been expended by the government to find out just what the "recognized hazards . . . likely to cause death or serious physical harm," referred to in the "duties" section of the Occupational Safety and Health Act, actually are.

Instead, industry assurances that everything is just fine in the workplace have been accepted, despite some alarming signs that it isn't just fine at all.

"We operate in this country on the Dead Body Theory," says a young Washington health researcher. "Something in the workplace is safe until the corpses start piling up."

TRACING PROBLEMS

Occupational disease, which health researchers predict will reach epidemic proportions in the next decade or two, has been ignored. The government has busied itself issuing minor safety regulations—some of which are so absurd they are comical—but has failed to confront the far more serious health problem.

Those health problems could be something as inconsequential as a runny nose, or it could be something as terrible as a cancer that eats away at a worker's vital organs or fouls his blood.

Those health problems could be extremely difficult to trace to a work environment—such as an increased rate of stillbirths among women married to operating-room personnel exposed to high levels of anesthetics, or a higher rate of miscarriages among wives of vinyl chloride workers due to sperm-cell damage in their husbands.

Or it could be as obvious as the health problem that afflicts a 50-year-old Philadelphia meatcutter.

He appears to be in good health as he sits in his neat home in Overbrook. But that is because it is a weekend and he has been away from his job for a while. If it were a workday, his wife says, he would look quite different.

"If you could just see him when he gets home," says his wife. "He coughs and has such a time breathing he can hardly talk. His back hurts from coughing so much and he has to sit down and rest. It's a couple of hours before he comes out of it and he's my husband again."

The meatcutter, who has worked as a butcher for a major Philadelphia supermarket chain for more than 25 years, suffers from a reaction known in the meatcutting trade, where it is a reorganized problem, as "meatwrapper's asthma."

About a decade ago, when stores began wrapping meat in polyvinyl chloride—cutting it on a hot wire and sealing it on a hot pad—some workers in the meat rooms began coughing heavily and encountering breathing problems. The cause: fumes given off by the hot polyvinyl chloride.

In his case, however, the same symptoms are touched off by the adhesive on a particular brand of meat labels, also applied with heat. Recently, when a different brand of labels was inadvertently sent to his meat department, the meatcutter's symptoms disappeared entirely, only to return when the old labels were used again.

Despite his asthma, the meatcutter says he will continue to work at his job, piling up the few more years he needs to qualify for a pension and retire.

"You have to hang on," he says.

In many cases, the worker doesn't even connect his illness with his job. He may not know that the unidentified substances he comes in contact with every day are slowly poisoning his system.

Thomas Hills died 5½ years before OSHA was signed into law. Hills, who died of lung cancer at age 53, had worked for 21 years as a chemical mixer for the Rohm & Haas Co. of Philadelphia.

He never knew what chemicals he worked with or their possible contribution to his illness and death. Only recently did his family learn that he worked with bis-chloromethyl ether, considered the most potent cancer-causing substance known to man.

BLOODSHOT EYES

"I always thought my father's eyes were bloodshot when he came home from work because he was tired," recalls his daughter, Mrs. Kathleen Watts. "But it wasn't. It was those chemicals."

Hills served as a pallbearer for five of his co-workers and closest friends at Rohm & Haas. His was the sixth funeral. The seventh and last member of the group of men who had worked and relaxed together died in 1974, also of lung cancer.

But even the worker who knows he is risking his life may be so afraid of losing his job that he doesn't question his employer about hazards in his work environment.

For that reason, the names of the Philadelphia meatcutter and the welder at the Philadelphia Navy Yard have not been used. They are real workers. But they are workers frightened that they will be fired or harassed into quitting if they speak out about the hazards of their jobs.

One of the cruelest ironies of their current situations is that both men know if they were fired they would never be hired anywhere else; who would hire a worker with a physical disability such as deafness or asthma?

The name of the crane operator at the western Pennsylvania steel plant who died of stomach cancer has not been used because his widow tearfully requested anonymity, frightened that—somehow—his pension would be ended by his former employer if the company knew she had discussed his death.

The workers of America remain guinea pigs for industry.

Every day, millions of them are subjected to massive doses of chemicals the effect of which nobody knows because they have not been tested.

All too often, according to Dr. Samuel S. Epstein, who teaches occupational medicine at Case Western Reserve University medical school in Cleveland, it is only through "human experimentation" that these effects are observed.

"HUMAN EXPERIMENTS"

"In the absence of 'pre-testing,' the worker . . . is unwittingly used as an involuntary test subject," says Epstein. "These human experiments are unnecessary and amoral."

The insulators at the Sun refinery—Sam Hutchinson, Jack Prendergast and Boots Butler—believe they are doing some testing right now with the insulation they use every day at the refinery.

According to a Sun spokesman, several types of insulation are used: calcium silicate with glass fibers, a granular, rock-like substance known as pearlite, inorganic fibers such as nylon or rayon and a plastic binder to hold the other substances together.

In addition, Sun says, fiberglass tape that has been specially treated so that no fibers are released is sometimes used.

"We don't know what the effect of these might be on our health," says Prendergast.

"When we used to cut the old stuff, the particles were bigger and they fell to the floor," says Hutchinson. "With the stuff we're using now, the particles are tiny and they just float in the air. We're breathing that."

"Until something starts to show up," says Butler, "they'll say it's not harmful."

A spokesman for Sun, who says that all employees are warned of the hazards of asbestos, agrees with Prendergast that the insulation materials currently used at the refinery may turn out to be "the asbestos of the future."

"We don't know what they're going to turn out to be later on," says the spokesman. "We're not using anything now that we know is harmful. We caution people that breathing any dust or any particulate materials is an abnormal situation and therefore they ought to use protection.

"If some of these materials later on prove to be hazardous, at least we have done all that we can do now to have them protect themselves."

That old nemesis of the Sun insulators, asbestos—a substance so hazardous that insurance companies discontinued selling life insurance to asbestos workers at regular rates in 1918—was unregulated by the federal government until July 1972.

Even then, the Occupational Safety and Health Administration gave industry until July 1, 1976, to comply with the standard—a delay that infuriated and alarmed doctors, scientists and labor unions.

They claimed that 34,000 workers would continue to endanger their health and risk their lives until the new standard went into effect.

Vinyl chloride—known to scientists to be hazardous since the 1950s—was unregulated by OSHA until April 1974—four months after a producer of the substance disclosed that three workers had died of a rare liver cancer.

Vinyl chloride and asbestos are the two most notorious occupational killers that this nation has encountered.

It is a certainty that there will be many more. America's headlong rush into an age of plastics and chemicals—with little concern for the consequences—is certain to take an even heavier toll than it already has.

"We are soon going to find ourselves in the midst of a 'cancer a week' crisis," says Tony Mazzocchi, one of the most active unionists in the cause of occupational safety and health. "The synthetic age carries with it a time bomb—a time bomb which manifests itself as cancer."

Indeed, many of the deaths due to occupational disease—particularly cancers—are caused by exposures that occurred 20 or 25 years ago. The long latency period of cancer, plus the post-World War II boom in synthetic chemicals used in the workplace, could produce a major health crisis soon.

Many of the insulation workers at the Sun refinery are reaching their 20th and 25th years of seniority. They are well aware that this employment benchmark pushes them into the period when cancer may show up during their annual physicals.

"I guess we're all about coming to that time," says Hutchinson.

Although he and his co-workers refer lightly to the passage of time since they were first exposed to asbestos, their banter carries an underlying tone of uncertainty.

At Sun, and at thousands of other workplaces, the time bomb is ticking.

Next: **How legislation that could have** saved thousands of lives has languished in Washington for five years.

BROADCAST RESOLUTION IN JEOPARDY

HON. JOHN B. ANDERSON

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 23, 1976

Mr. ANDERSON of Illinois. Mr. Speaker, John Weisman's "Washington Report" column in this week's TV Guide is entitled "Political Maneuvers Jeopardize Bill for TV in Congress." The column notes that the resolution to provide broadcast coverage of our House floor proceedings may be killed in the Rules Committee tomorrow due to covert opposition from the Democratic leadership. In view of this and other press reports, I yesterday wrote to the Speaker and majority leader asking them to publicly support House broadcasting and clear the way for the Rules Committee to report the resolution to the House floor. Without such leadership support, I fear the broadcast plan will never see the light of day. As I have noted on previous occasions, the broadcast resolution reported by our ad hoc Subcommittee on Broadcasting has been revised to meet all of the concerns previously raised by the leadership. I therefore see no reason why there would be any remaining opposition to this, either overt or covert unless, of course, the Democratic leadership is simply afraid of its own image and wishes to hide something from the American people. Pulling the wool over the people's eyes in their own House is hardly my idea of celebrating the 200th birthday of American democracy. I would hope the majority leadership and the Rules Committee will give the people's representatives this historic opportunity to further open the democratic process to public view and participation through the electronic media.

At this point in the RECORD, Mr. Speaker, I include copies of the letters sent to you and the majority leader yesterday, as well as the column from the TV Guide to which I have referred:

MARCH 22, 1976.

Hon. CARL ALBERT,
Speaker, U.S. House of Representatives,
Washington, D.C.

DEAR MR. SPEAKER: I am greatly disturbed by reports that the majority leadership is actively working in opposition to H. Res. 875 which provides for the broadcast coverage of House floor proceedings. As you are well aware, as a result of our meeting with you and the Majority Leader on Feb. 24, 1976, our Ad Hoc Subcommittee on Broadcasting rewrote the resolution to meet all of the objections which you had raised, giving you full responsibility for the implementation of the new broadcast rule and deleting all references to the network pool arrangement from the resolution.

It was my understanding that the revised resolution was acceptable to you and that you had publicly stated that you now favored House broadcasting. I am therefore at a loss to understand why the leadership might still be opposing the broadcast plan.

I would therefore urge you to clarify your position on this matter before the Rules Committee acts on the broadcast resolution this Wednesday, March 24, 1976.

With all best wishes, I am

Very truly yours,
JOHN B. ANDERSON,
Member of Congress.

March 22, 1976.

Hon. Thomas P. O'Neill, Jr.,
Majority Leader, U.S. House of Representatives, Washington, D.C.

Dear Tip: I would respectfully urge you to publicly renounce your reported opposition to our House broadcast resolution (H. Res. 875) and support its being reported by the Rules Committee this Wednesday. As you are aware, our Ad Hoc Subcommittee on Broadcasting acted in good faith to revise this resolution to conform to the concerns raised by you and the Speaker when we met with you last February 24, 1976. I therefore find it difficult to understand why you might still be working to block the resolution in the Rules Committee and thereby deny the full House a chance to work its will on House broadcasting.

I'm sure you are aware that 68% of the American people favor broadcasting the proceedings of Congress and that over one-third of the House membership has sponsored broadcast resolutions in this Congress. I therefore think it would be a disgrace if the House were denied this opportunity to open its proceedings to the American people in this, our Bicentennial year.

With all best wishes, I am

Very truly yours,

John B. Anderson,
Member of Congress.

Political Maneuvers Jeopardize Bill for TV in Congress

(By John Weisman)

A bill that would enable the American public to see the House of Representatives live on television is currently in deep trouble. The legislation, which provides for TV coverage from the House chamber, has run afoul of the House leadership—mainly Speaker Carl Albert and Majority Leader Thomas ("Tip") O'Neill Jr.—and probably will be scrapped before it has a chance to come before the full House.

The bill, which must be approved by the Rules Committee before it can be brought to a vote in the House, was to have been dealt with in February but has been rescheduled three times in the past weeks, most recently to March 24. "I don't see why," says Rep. Andrew Young (D-Ga.), one of the bill's drafters. "It was supposed to sail through the Rules Committee."

Certainly one reason for the delay and opposition is the deep mistrust of television held by many of the older members of Congress. But at the core, the legislation may well fail because of what Rep. John B. Anderson (R-Ill.) calls "a simple matter of House intramural politics."

Carl Albert, it seems, is currently considering retirement. When he leaves, he will almost certainly be replaced as Speaker by Tip O'Neill, a bitter foe of television in the chamber. O'Neill is a canny manipulator. He realizes that if the bill gets to the floor in this media-oriented election year, it will probably pass. So he has resorted to covert means to get it killed.

Publicly, the Majority Leader says that he will support the resolution on the floor of the House. Privately, however, O'Neill has reportedly suggested to Richard Bolling (D-Mo.), one of the leading possible successors to O'Neill as Majority Leader and a member of the Rules Committee, that the broadcasting bill would be better off dead. Bolling is expected to try his best to defeat the proposal. And Speaker Albert, the one man in Congress who could ramrod the resolution through the Rules Committee, refuses to support the bill openly, saying through a spokesman that it would be wrong of him to back legislation that would affect O'Neill's stewardship.

Staff members involved in drafting the resolution think that the crux of the problem is the House leadership's innate fear of television. "We have a fumbling leadership," says one staffer. "The image of all that fumbling would be spotlighted on TV."

Republican Anderson is a strong proponent of televising the House. Says Anderson, "Given the low state to which Congress has fallen in the eyes of the public, showing what we do on television is an indispensable part of any campaign to bring back the people's respect for Congress." But Anderson also foresees strong opposition from his fellow Republicans on the Rules Committee.

If the resolution does fail in the Rules Committee on March 24, it will be "at least another year," according to Andrew Young, until the matter will be brought up again. "And," says John Anderson, "the 19th-century thinking prevalent in the leadership will have won."

THE INTELLIGENCE COMMUNITY—OUR SECOND GOVERNMENT

HON. BELLA S. ABZUG

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 23, 1976

Ms. ABZUG. Mr. Speaker, Nicholas von Hoffman has just published an excellent commentary on the status of the CIA and its sister intelligence agencies as a second, secret government of the United States whose operations are "absolutely lawless and unlawful."

The full article is well worth reading, and I append its text to my remarks:

[From the Washington Post, Mar. 22, 1976]

Lawfully Curbing the CIA

(By Nicholas von Hoffman)

President Ford and Attorney General Levi are at work writing guidelines for crime, and at the other end of Pennsylvania Avenue, Congress is busy learning how to oversee it. Finding a lawful way to supervise lawlessness is the most apt description for the attempts currently being made to contain the CIA and the FBI.

Success for this endeavor is inherently impossible. There can be no adequate guidelines or oversight for the myriad of scummy activities that are clustered under the name of "covert action." The worst of them, i.e. assassination, sabotage and incitement to revolution, are acts of war, and, under our system as it was originally contemplated, the power to declare war rests exclusively with Congress.

Nor can Congress constitutionally delegate the power to declare war to the President, the CIA or anybody else. But in fact the CIA does have that power, putting Congress in the ridiculous situation of trying to oversee the unlawful usurpation of its own functions.

Wholesale bribery, rigging other people's elections and the like aren't acts of war, but they are interference in other countries' domestic affairs. That also is unlawful under our law, where we have signed and ratified treaties prohibiting it, as is the case with South America.

While our officialdom debates how it will legitimate the illegitimate, the rest of us must understand that more is at stake than even CIA assassinations and FBI murders. These acts aren't the work of "rogue" agencies which must be "controlled" Nor can they be blamed on outstandingly immoral Presidents like Kennedy and Nixon.

What has happened is that we now have two governments. We have the visible one that we pay taxes to and kvetch about, and the dark government of the national security state. You may consider the first government awful, but it is more or less lawful, and it operates more or less as we learned it should in school.

The second is absolutely lawless and unlawful. It fails every test of legality. Although it spends billions of dollars, Congress itself doesn't even know when or how much money it's appropriating for it. There is no meaningful audit of funds, and the Pike Committee report, which CBS's Daniel Schorr made public for us, indicates massive theft and corruption in the CIA. Or are you silly enough to believe that when the CIA in one foreign city spends $41,000 for liquor in one year they're fighting Communism? How does spending $175,000 to furnish an office keep the Reds off our back? Is anybody seriously going to maintain that when the CIA uses taxpayer money to produce pornographic movies, they're defending the national security?

When this kind of evidence of graft and corruption piles up against the employees of the visible government, grand juries are empanelled, indictments are issued and citizens file taxpayer suits. None of that is possible with the various organs of the national security government. Even the rules they operate under, if there are any, are classified. Note that while prima facie causes of CIA and FBI crime against American citizens—forget foreigners—exist, all the perpetrators are beyond the reach of the laws of the visible government.

The same dual government systems obtains in the Soviet Union as it did in Nazi Germany, where the Gestapo seemed to have shared the same prurient interests as the CIA. Russia has a fine visible government with all kinds of laws and safeguards, but as Alexander Solzhenitsyn has reminded us, they're not binding on the KGB. Dual government is the common characteristic of the modern totalitarian state.

Be warned, and don't join the thoughtless mob of auto-hypnotic patriots who want to punish men like Daniel Schorr because he's giving our secrets away to the enemy. If he's given any secrets away, they are things we can't do and still call ourselves Americans. Hitler and Mussolini used criminal gangs for their political purposes, but there is no way we can stretch our system to include a similar use of the Mafia.

One of the reasons CIA–FBI crimes have gotten so much publicity lately is that during the Nixon period some members of the country's ruling circles found themselves victims of the second government's lawlessness. They didn't mind when a job was done on foreigners or on a Martin Luther King Jr. They don't want it done on themselves and this debate over control and oversight is really grappling with an arragement that will protect them but not the rest of us.

That can't be either. The German Capitalists found that with Hitler. Either we're all protected or none of us is. Nor can that protection be secured by circumscribing the area of lawlessness. There are some things a democracy can never, no not ever, do.

FRIDLEY, MINN., JOINS BICENTENNIAL "AMERICA VOTE '76" CONTEST

HON. DONALD M. FRASER

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 23, 1976

Mr. FRASER. Mr. Speaker, one of the best Bicentennial projects for cities is a national "Votingest City" competition started by Alameda, California in Congressman Fortney H. (Pete) Stark's district.

In my own district, the city of Fridley, Minn., has entered the contest, with their

Bicentennial Committee issuing a proclamation.

In 1974 when 80 million citizens of voting age failed to go to the polls, Minnesota and California voters turned out in above average numbers. Nationally, 39 percent of the voting age population voted. In California 45.7 percent turned out. The Minnesota figure was 49.2 percent. In both States—and the whole Nation—participation was far too low.

The Bicentennial Year 1976 can be the year of a resurgence of public interest in good citizenship. Renewal of the faith of the people of the United States in democratic elections would be a lasting benefit of the Bicentennial celebration. The local citizens who are striving for this goal are to be congratulated.

Mr. Speaker, I hope that the constituents of many other Members will take up this challenge.

ADDRESS BY HON. BYRON R. WHITE

HON. WILLIAM L. HUNGATE

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 23, 1976

Mr. HUNGATE. Mr. Speaker, on March 10, 1976, Justice Byron R. White addressed the Capitol Hill Chapter of the Federal Bar Association. His remarks involved the creation of a national court of appeals as recommended by the Commission on Revision of the Federal Court Appellate System. Since this is a subject of interest to everyone in the legal profession and a matter which may be considered by the Congress, I am submitting Justice White's address for inclusion in the RECORD and commend it to all who are interested in studying the needs and problems of the Federal Judicial System.

The address follows:

ADDRESS OF HON. BYRON R. WHITE, ASSOCIATE JUSTICE OF THE SUPREME COURT

Since I serve on the Supreme Court and since that fact very likely explains my being asked to be here, I suppose it would be appropriate to talk with you about an aspect of the Court's work. Of course, many lawyers do not litigate, at least very much, and only a tiny percentage of them has any direct participation in appellate litigation that reaches the Supreme Court. But all lawyers, especially a group like this, have a stake in the proper development of the federal law, whether constitutional or statutory; and it seems agreed that the proper functioning of the Supreme Court is of critical importance in this respect.

In any event, ladies and gentlemen, I shall address myself to a most significant event of the last year insofar as the future work of the Supreme Court is concerned.

I have in mind the recent report of the Commission on Revision of the Federal Court Appellate System. This group, a statutory body with the mission of studying the appellate system and making recommendations to Congress, has concluded that the decision-making potential of the Supreme Court is no longer adequate to fulfill the needs of the federal system. It recommends augmenting the appellate capacity of the federal court system by creating a national court of appeals with the primary function of deciding cases referred to it by the Supreme Court itself.

This is the second study group to arrive at the conclusion that the Supreme Court is no longer able to cope with the stream of litigation coming to it and that the creation of a new court is essential. The Commission's recommendation, however, is much different from the prior proposal made by an unofficial group.

The conclusion by two different committees, both composed of experienced and highly qualified men, that the Supreme Court is no longer up to the appellate task that must be done is a matter of great moment. The issue has provoked much discussion. There are major disagreements, and the dialogue is continuing. You are invited into the fray.

It should be noted at the outset that having problems with our appellate structure is nothing new. If it is true that litigation has overrun the Court's capacities, it will not be the first time in our history that this has occurred, nor if a new court is created will it be the first time that far-reaching revisions in the system have been made to cope with the problem. Such events have come to pass at least twice before. The first inundation took the better part of 80 years and another 10–20 years to provoke legislative response.

The Constitution vested the federal judicial power in one supreme court and in such inferior courts as Congress would establish. The First Judiciary Act provided a Supreme Court made up of a Chief Justice and five Associate Justices. Thirteen district courts were created with jurisdiction over minor crimes, exclusive jurisdiction over admiralty and maritime cases and the power to decide other limited categories of cases. These courts were organized into three circuits, each with a circuit court of three judges composed of one district judge and two Supreme Court Justices, although one Justice was sufficient after a 1793 amendment to the Act. The circuit courts had original jurisdiction over all serious federal crimes, as well as civil cases where the United States was a plaintiff, an alien was a party, or the parties in the case were citizens of different states. There was no general federal question jurisdiction granted to either the district or circuit courts.

The circuit courts also had a substantial range of appellate jurisdiction over the district courts. The Supreme Court had appellate jurisdiction over all cases decided by the lower federal courts except criminal cases and civil cases involving less than $2,000. It also had appellate jurisdiction over state-court judgments where federal claims had been presented and rejected.

In 1806, the size of the Court was increased to seven and in 1837 to nine, where it remained except for several changes, up and down, made during and immediately after the Civil War. Meanwhile, the number of circuits increased to nine, and the appellate jurisdiction of the Court expanded, but always excepting some cases in which no access to the Court was provided. As the country grew so did litigation and the Court's workload. General federal question jurisdiction was extended to the federal courts in 1875. Soon thereafter the Court was in serious trouble. The number of cases in the Court almost doubled between 1870 and 1880—636 to 1,212. In the October Term 1890, there were 1,816 undecided cases on the docket. All of these cases were there, on writ of error or by appeal, and each of them called for resolution on the merits. No one court could perform this appellate task. As one account puts it, "the chronically-deepening crisis reached the point of universal acknowledgment. But action was paralyzed by seemingly irreconcilable differences about remedies."

New legislation was eventually forthcoming. The Court of Appeals Act of 1891 divided the country into nine circuits (now eleven counting the District of Columbia), and provided a court of appeals in each circuit with jurisdiction to review judgments of the federal trial courts. The Act also introduced the idea of discretionary review by certiorari. In important classes of cases, decisions of the new courts of appeals were to be final unless the Supreme Court, within its informed discretion, chose to issue a writ of certiorari and to undertake further review. Aside from the cases in these categories, appeal from judgments of the courts of appeals lay as of right; and direct appeal to the Supreme Court from trial court judgments was retained in a variety of circumstances. There was also appeal as of right from state court judgments rejecting federal claims.

For a time, the remedy was adequate. The new regional courts *did* provide a substantial shield, and discretionary review proved useful in screening out unfounded appeals. 482 new cases had been filed in the 1887 Term, 623 in 1890. With the new Act, the figure dropped to 275 in 1892.

But litigation continued to grow with the country. Beginning in 1903, Congress provided for three-judge courts, with direct appeal to the Supreme Court, and in 1910 and 1913 substantially expanded the jurisdiction of these courts. In 1915 and 1916, the reach of the Court's discretionary jurisdiction was extended, and the provision for obligatory appeals correspondingly narrowed. Nevertheless, docket pressures were inexorable, and in the early 1920's the Court again fell behind in its work.

There were too many obligatory appeals and too many cases that warranted review on the certiorari list. The interval between filing an appeal, or the grant of certiorari, and decision on the merits came to exceed twelve months. It was clear that delay would surely increase absent effective steps to make the appellate system work.

The solution was the Judges Bill of 1925, approved and much of it drafted in the Court and supported before Congressional Committees by a delegation made up of the Chief Justice and three Justices. The testimony was that the appellate system was not only intolerably confusing but that too many cases not deserving further review were being forced on the Court. Congress was presented with the proposition that after decision in a trial court and after at least one review in federal or state appellate court, further appeal to the Supreme Court should be permitted only where issues of federal law important to the country were involved or where further review was essential to resolve conflicts between lower courts on questions of federal constitutional or statutory law, which, by definition, was to be equally and uniformly applicable in all parts of the country. Absent these qualifications, one trial and one appellate review were enough; and the Court should be given broad powers itself to determine which cases merited review. Congress, embracing this approach, passed the Judges Bill and made review of all but rather narrow categories of cases discretionary with the Court. There were still appeals as of right from three-judge courts and from certain decisions of state courts; but obligatory appeals were so confined that by the simple device of denying certiorari in an increasingly large percentage of cases presented to it, the Court became current in its work and has remained so today. Except in unusual circumstances having little or no relation to docket pressures, there is little delay in deciding any case granted plenary review by the Court. There is no question in anyone's mind, as far as I know, that the Court is reasonably current in deciding which cases to take and in resolving those cases it has chosen to decide. But this observation leaves unanswered the question which is the focus of the two study committees, namely, whether the Court can or does hear all the cases that should be reviewed and authoritatively decided if the federal law is to survive in the form contemplated by the Constitution.

From the very outset of the government, and particularly since 1891 when the Courts of Appeals were created, the accumulated wisdom of the country was that it was not essential that the Supreme Court review every federal question presented to it by a disappointed litigant. And in 1925, the decision was that Supreme Court review be reserved for matters of law of substantial significance to the nation or to maintaining the supremacy and equality of the federal law throughout the union.

It is also clear that the extension of discretionary review in 1916 and 1925 did not then threaten the existence of a coherent body of federal law. Hindsight indicates that four Justices would vote to give plenary review to enough cases to ensure a credible, and creditable, body of federal law. The question we now have is whether this is still the case. Discretionary review may be essential to the survival of the Supreme Court, but it plainly does not answer the issue now posed: can and does the Supreme Court grant and decide sufficient cases to maintain the federal law as a rational and coherent system?

The dockets of all our courts, state and federal, trial and appellate, have grown rapidly over the last few decades. The increase in Supreme Court filings was not particularly impressive until the 1950's—983 new filings in 1935 and 1,234 in 1951. But new cases have trebled since 1951—2,185 in 1961, and 3,643, 3,741, 4,186 and 3,659 in 1971, 1972, 1973 and 1974, respectively. For present purposes, however, the interesting and crucial fact is that the number of issues in which the Court has granted and heard oral argument and written full appellate opinions has not nearly kept pace with the growth in the docket.

In the ten-year period of 1937 through 1946, there was an average of 142 signed opinions for the Court each term. That average was down to 101 during the 24 years from 1947 through 1970. During the last four terms the Court has issued an average of 133 signed opinions each year. However the figures are looked at, the number of cases taken and decided has not risen in proportion to the Court's docket. The Court is hearing and deciding a constantly decreasing proportion of the cases presented to it. Just as clearly, there are finite limits to the volume of cases the Court can decide, and, as is very likely, that limit has now been reached. I doubt seriously that the Court should attempt to give plenary consideration to and decide the merits of more than 150–200 cases each term. Our present argument docket is within that range.

Insulating cases or categories of cases from appellate review in the Court has always been a bone of contention. The major issue in the 1890's was whether appellate capacity should be increased or Supreme Court review effectively restricted. The country followed both courses at that time, creating new appellate courts but also in effect restricting review by providing the Court with a wide measure of discretion.

In the 1930's, one of the complaints leveled at the Court by Franklin D. Roosevelt was that under the system created by the 1925 legislation, the Court was unable to review a sufficient number of cases. In a 1937 message to Congress, the President complained about the Court and among other things inquired whether "full justice is achieved when a court is forced by the sheer necessity of keeping up with its business to decline, without even an explanation, to hear 87 percent of the cases presented to it by private litigants."

The Court's response, in a letter to Senator Wheeler, said that the Court was fully abreast of its work and went on to address directly the issue of the adequacy of the appellate system to perform its task:

"Under our Federal system, when litigants have had their cases heard in the courts of first instance, and the trier of the facts, jury or judge, as the case may require, has spoken and the case on the facts and law has been decided, and when the dissatisfied party has been accorded an appeal to the circuit court of appeals, the litigants, so far as mere private interests are concerned, have had their day in court. If further review is to be had by the Supreme Court it must be because of the public interest in the questions involved. That review, for example, should be for the purpose of resolving conflicts in judicial decisions between different circuit courts of appeals or between circuit courts of appeals and State courts where the question is one of State law; or for the purpose of determining constitutional questions or settling the interpretation of statutes; or because of the importance of the questions of law that are involved. Review by the Supreme Court is thus in the interest of the law, its appropriate exposition and enforcement, not in the mere interest of the litigants."

The Court said that no single court could or should decide all cases that litigants might want to bring to it. The Court went on to say, and I quote:

"I think that it is safe to say that about 60 percent of the applications for certiorari are wholly without merit and ought never to have been made. There are probably about 20 percent or so in addition which have a fair degree of plausibility but which fail to survive critical examination. The remainder, falling short, *I believe, of 20 percent, show substantial grounds and are granted.* I think it is the view of the members of the Court that if any error is made in dealing with these applications it is on the side of liberality . . . ." (Emphasis added.)

The Court no longer can or does review 20 percent of the cases presented to it. My own observation is that in the last three terms we gave plenary review to approximately 8 percent of all cases on the regular appellate docket that were acted upon at the initial stage of granting or denying review, but only 1 percent or less of the cases on the miscellaneous or unpaid docket. Overall, plenary consideration was given to only 4½ percent of all cases. Another 6 or 7 percent on the paid docket, however, and another 1 or 2 percent on the unpaid docket were summarily reversed, affirmed or vacated without argument and without opinion.

The issue emerging from these figures is whether, as initial filings grow but the Court's intake cannot be expected to exceed 150–175 cases, the appellate function anticipated by the Constitution and controlling statutes is being adequately performed.

Short of amendment or revision by competent auhority, the Court is the final expositor of the Constitution and of the federal statutes when they are presented to it for interpretation. The assumption is that the Constitution is a national document binding and having a uniform impact on all public officials. It is also apparent that the acts of Congress should have an even-handed nationwide effect. The Supreme Court is now the only court whose decisions on issues of federal law are expected to be followed countrywide, and it is thus upon this Court that the legal profession, lawyers and clients, as well as the public, are to a great extent dependent to assure an internally consistent and rational body of federal statutory and constitutional law. This is the Court ultimately responsible for maintaining the boundaries between the various organs of the federal government, as well as between state and federal power. It must also accept responsibility for interpreting and enforcing the Bill of Rights and other constitutional limits on the exercise of the various powers of state and federal governments.

It must be remembered, however, that *all* courts in the land are bound by the federal law and that with the vast expansion of the federal law in our lifetime, *all* courts are busily engaged in construing the federal Constitution and federal statutes. With the explosion in federal question litigation, but with the Supreme Court's docket necessarily limited, the opportunities for disparate views among courts have multiplied, as has the number of unsettled questions under far-reaching regulatory statutes.

As I have said, two study groups have now concluded that the Supreme Court no longer has the capacity to perform the task of harmonizing and overseeing enforcement of the federal law. The Freund Committee, chaired by Paul Freund of the Harvard Law School, included two other very prominent educators and three equally qualified practitioners. Its stark conclusion was this:

"The statistics of the Court's current workload, both in absolute terms and in the mounting trend, are impressive evidence that the conditions essential for the performance of the Court's mission do not exist. For an ordinary appellate court the burgeoning volume of cases would be a staggering burden; for the Supreme Court the pressures of the docket are incompatible with the appropriate fulfillment of its historic and essential functions."

The congressionally created Commission on Federal Appellate Court Revision was made up of four senators, four representatives, three federal judges, a former chairman of the House Judiciary Committee, two very experienced practitioners and two educators, including Herbert Wechsler, who, if not the most knowledgeable scholar about the federal court system, is certainly one of a tiny group with such unusual experience and insight. The Commission arrived at a very similar conclusion—that present appellate arrangements leave unresolved too many conflicting decisions and too many unsettled questions of federal law—"that at some point the percentage of cases accorded review will have dipped below the minimum necessary for effective monitoring of the nation's courts on issues of federal statutory and constitutional law" and that this point has now been reached.

The Commission's recommended solution is a new Article III court of seven judges, who will sit *en banc* and decide cases coming to them from two sources. First is the so-called reference jurisdiction over cases referred by the Supreme Court itself. Appeal or certiorari fom all judgments of the courts of appeals and state courts would continue to lie directly to the Supreme Court as is presently the case; and it is anticipated that the Court would immediately select and decide an appropriate number of important cases as it now does. All cases which it does not itself choose to decide and which would otherwise have been denied or dismissed, however, the Court would be authorized to refer to the new court; and the new court would be permitted to choose its docket from among that large number of cases. At the same time, it would be provided that the Supreme Court could direct that specified cases actually be decided by the new court and that the Supreme Court could itself finally deny review of any case without referring it to the new court.

The Commission also recommends that the present Courts of Appeals be authorized to withhold judgment in any case and to transfer the case to the new national court of appeals. Transfer would be upon motion or upon the court's own initiative. The new court would not be required to accept a case but could return it to the transferring circuit which would then be required to decide it in the usual way.

The Commission thus recommends the creation of a new court with a national jurisdiction and with the capacity authoritatively to decide 150 to 200 cases that are not now being decided in the federal system, cases that would be selected by the Supreme Court or by the new court itself, or to a more limited extent by courts of appeals.

Under this proposal, litigants would face no more barriers or delay to Supreme Court review than they face at the present time. Presumably, all cases which the Court has the time and energy to decide would be taken and immediately decided in the usual way. The Court's control over its own docket would not be disturbed, nor would its authority to prevent certain cases from being decided. In addition to its present powers, however, it could select for decision another 150 or 200 cases for the national court of appeals to decide; or, if that task proved too burdensome, it could permit the new court itself to select all or part of its own workload. As to these cases, there would be no more delay than if the Supreme Court itself were to take and decide these issues.

According to the Commission, and others, there would be two principal benefits from the new court. First, it is asserted that a substantial number of conflicts between the courts of appeals, between courts of appeals and state courts or between state courts themselves are not now being resolved and that the proposed court would provide an authoritative mechanism for resolving these conflicts. Second, wholly aside from actual or impending conflicts, the new court could provide authoritative answers to many emerging questions under new federal regulatory statutes which should be decided at an early date but which, because of docket pressures, would not soon be resolved by the Supreme Court.

Plainly enough, the suggested new court is designed to improve the federal law rather than to ease the burdens on the Supreme Court. Concern for the new court's docket might indeed be a substantial additional burden for every Justice. The reality nevertheless is the Supreme Court can take care of itself through its discretionary jurisdiction, and need not assume burdens that it cannot discharge. The Commission, it seems to me, has correctly identified the real issue as the state of the federal law rather than whether or not the Supreme Court is overworked.

The case for the national court of appeals thus comes down to sophisticated, but realistic, judgment as to whether additional appellate capacity is needed in the federal system. Surely, change should not be made merely for the sake of change; and revisions in the system should occur only in response to demonstrated shortcomings in present arrangements. There are also various other proposals that warrant some consideration. This is a decision which Congress must make; but it is one in which the bar and those who use the system, as well as the public generally, should also actively participate.

Ladies and gentlemen, let there be no mistake about it. This is serious business; and it would be our great good fortune if it turned out there is no problem at all or, if the problem really exists, it suddenly disappeared. Major surgery such as the Commission recommends should be undertaken only after the most careful consideration and only then if the informed judgment is that the state of the federal law requires substantial change.

Fortunately, the issue is now on the table for all to consider. Legislation has been proposed and the formal machinery of Congress will now be utilized to focus the country's best thinking on the situation. This process is the best our system permits; and we shall live with the outcome, whatever it may be. The problem is yours, perhaps more than mine and I leave it with you.

ROBERT HAYDEN, THE NEW CONSULTANT IN POETRY, LIBRARY OF CONGRESS

HON. LUCIEN N. NEDZI

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 23, 1976

Mr. NEDZI. Mr. Speaker, most of us know that we have a national treasure at our doorstep in the Library of Congress.

Having recently served as chairman of the Joint Committee on the Library, I have had a special opportunity to see at first hand the variety and the depth of the Library's collections and programs.

One of the foremost aspects of the Library is its poetry program, headed by a consultant in poetry, begun in 1937.

In the course of four decades some of America's great poets—Robert Frost, James Dickey, Robert Penn Warren, Allen Tate, and others—have been appointed to the program.

The consultant serves for 1 or 2 years. His many duties include advising the Library on improving its literature collection, assisting in acquisition of important books and manuscripts, arranging for reading by noted poets, recording them, and reading his own works.

I am pleased to learn that the new Consultant in Poetry, beginning this autumn, will be a Detroiter, Robert Hayden. Mr. Hayden is a professor of English at the University of Michigan and formerly taught at Fisk University.

An excellent sketch of Hayden, the man and poet, appeared in the March 21, 1976, Washington Post.

Under leave to extend my remarks in the Record, Hollie I. West's "Plaudits at Last for a 'Poet in Perfect Pitch,'" is set forth below:

PLAUDITS AT LAST FOR A "POET IN PERFECT PITCH"

"Reclaim now, now renew the vision of
a human world where godliness
is possible and man
is neither gook nigger honkey wop nor kike
but man permitted to be man."

(From "Words in the Mourning Time" by Robert Hayden.)

(By Hollie I. West)

When Robert Hayden closed a poetry reading at the Library of Congress recently, Coolidge Auditorium reverberated with crisp ovation. The applause fell in sudden contrast to the graceful contours and lyrical rhythms of his verse and unassuming delivery.

The reception was just as resounding as that given his two more demonstrative fellow poets on the program—Gwendolyn Brooks and Michael Harper. And the cheering grew louder when it was announced that Hayden, professor of English at the University of Michigan, had been appointed consultant in poetry to the library for 1976–77.

He reacted with owl-like calm, acknowledging the ovation with a slight nod. That's the way 62-year-old Robert Hayden is, a man of great reserve and understatement. He's also underrated and under-recognized as a poet, admired in some circles and put down in others for not having enough racial consciousness.

Greater honor has come to him recently. He was elected as the 1975 fellow of the Academy of American Poets for "distinguished poetic achievement." He received a $10,000 stipend and will deliver a reading to the academy in New York in the fall.

His peers afford him generous respect. Michael Harper, professor of English at Brown and a poet, says "Hayden is the poet of perfect pitch."

Roy Harvey Pearce, professor of American literature at the University of California at La Jolla and author of "The Continuity of American Poetry," said: "One says of Hayden that he is a first-rate poet. He's a black poet only in the sense that the themes of his poetry involve himself."

Hayden doesn't consider himself a spokesman for black causes, which may account, in part, for his relative obscurity.

Although Hayden stands firm on being a poet who writes on an array of subjects, he's still occasionally criticized for not being a "race man." He says: "There doesn't seem to be quite so much antagonism as there was in the '60s. I think people who are critical of my position simply haven't read the work. I've never tried to be anything but what I was.

"I've always been aware of the kind of situation we live in the United States. My work reflects it. I grew up in the slums of Detroit. In my first book, 'Heart-Shape in the Dust,' which was published way back in 1940, there is the usual kind of rhetoric.

"I wrote poems that dealt directly with the racial situation. That's not the only thing I'm concerned about. I'm alive in my time—alive in the world. I respond to everything around me. I have my own inner personal struggles which have nothing to do with race, that are existential, you might say."

Through unusually thick glasses (without them he would have practically no sight), Hayden looks unblinkingly at the questioning reporter. His long-tapered fingers move with the vigor of his former violin-playing days.

He continues: "There is a tendency to regiment Afro-American artists and to feel that they should all say the same thing, that they should all take the same thing. But we are as complex and as various as any other people."

Hayden's broad interest can be detected quickly from a reading of his work. Some of the titles include: "Butterfly Piece," "The Night-Blooming Cereus," "Electrical Storm," "Homage to the Empress of the Blues," "Kodachrome of the Island," "The Ballad of Nat Turner."

The poet has a partciular affinity for writing about technology—astronauts, UFO's, the Redstone Arsenal. "I'm intensely interested in those things," he explains. "I don't know much about the technology of it. There's something in them that stimulates me poetically. There's the quality of unknown and the strange. I think so—maybe this is simplistic—that I'm very much aware of my times and I want to use the materials and the images that those activities involve."

Hayden says that it is difficult to make poetry out of themes that don't seem poetic but that his starting point is usually an emotional reaction.

"When I saw the Redstone Arsenal, I was somewhat appalled by the potential for destruction, and that led me to try to write the poem. I felt very strongly as I watched Apollo 17, and it was the strong feeling I had about the sense of emptiness while the astronauts were doing something very spectacular. But what did it mean in human terms?"

The broad range of subjects in Hayden's work has attracted a variety of poetry connoisseurs. In reviewing the poet's recently published book, "Angle of Ascent," Michael Harper, a poet in his late 30s, wrote: "Hayden has always been a symbolist poet struggling with historical fact, his rigorous portraits of people and places providing the synaptic leap into the interior landscape of the soul, where prayer for illumination and perfection are focused on the oneness of mankind."

Roy Harvey Pearce, an acknowledged authority on 20th-century American poetry, added: "There's a kind of intelligence about his (Hayden's) work that I particularly admire, the studied understanding of experiences, the control of strong emotional drives. He's a very sophisticated poet formally.

"It's an exciting kind of appointment to be made (Hayden to the position). It may be a sign that the Library of Congress is going beyond—and I don't like this term—the establishment. It's important that he's black. But he's a poet who happens to be black."

As a child of the 1920s and 1930s, Hayden says he grew up under the influence of Countee Cullen, Langston Hughes, Jean Toomer, Edna St. Vincent Millay, Stephen Spender and W. H. Auden. In the work of Millay, Toomer, Hughes and Cullen is the interplay of the separate currents of traditionalism, free-verse and symbolism. Auden and Spender's work of that period is marked by the imagery of the 1930s—strikes, revolution, war, conspiracy, leftist politics.

Hayden studied with Auden and credits him with significant influence. "I got a hold of his books in the late '30s and was baffled by them as we all were," the poet recalls. "At that time he was writing in a rather opaque manner and it was hard to get through it. But we kept on reading Auden and I think he was a real influence on poets of my generation—he and Stephen Spender."

Auden and Hayden read their work on the same program at Columbia University about two years before the older poet died. "I treasure the memory of that," says Hayden. "I loved him as a person, though I didn't see him that often. I didn't feel intimate with him. I don't think most of us would have ever felt intimate with W. H. Auden. I knew that I had his good will. He liked some of my poetry. He liked 'Witch Doctor' as a matter of fact. I remember when we read at Columbia that evening, I read 'Witch Doctor' for him."

The poem, according to Howard University English Prof. Arthur P. Davis depicts an "abstracted version of all the religious charlatans"—from ghettoes to Beverly Hills and white communes. Part of "Witch Doctor" reads:

"He dines alone surrounded by reflections of himself. Then after sleep and benzedrine descends the Cinquecento stair his magic wrought from hypochondria of the well-to-do and nagging deathwish of the poor; Swirls on smiling genuflections of his liveried chauffeur into a crested lilac limousine, The Cynosure of mousey neighbors tittering behind Venetian blinds and half afraid of him and half admiring his outrageous flair."

Part of Hayden's literary inspiration, he says, came from his mother, whom he explains was lively, imaginative and beautiful. She was not well educated but encouraged his interest in books. She did this even though they lived apart following her separation from the father.

Hayden was adopted by foster parents—the Haydens, who also encouraged the young man's bookish bent. They were poor (Pa Hayden drove a coal wagon) and suffered like many others during the Depression. But the devotion to education for their adopted son was dogged.

"Everybody in the neighborhood was concerned about my going to college and would help me in various ways," he recalls. "A quarter here, 50 cents there. I have a great love for all those people."

The Hayden household was frequently tense, says the poet, because of the competition for the young man's affection. The Haydens loved their foster child and wanted reciprocal showings of tenderness. Arguments frequently erupted when his natural mother visited him.

After receiving a B.A. from Wayne State University, an M.A. from the University of Michigan and a teaching fellowship at the latter, Hayden taught at Fisk University for 23 years. His students at Fisk included writers Lonne Elder, Julius Lester, William Demby, Norman Loftis and theologian S. Eric Lincoln.

Lester has written that when he entered Fisk in 1956, Hayden was regarded as just another English instructor but that he continued to believe in himself and his work. The poet returned to the University of Michigan in 1969, where he teaches creative writing, a sophomore introductory course to poetry and his students doing independent study with him.

Hayden's duties at the Library of Congress, as the 24th consultant in poetry since the position was created in 1936, will be to assist with the library's various poetry programs, including the selection of poets invited to record their work for the poetry archives.

He is scheduled to replace outgoing consultant Stanley Kunitz in September. While part of the poetry program for the coming year has already been mapped out, Hayden says he'd like to bring poets of diverse backgrounds—American Indian, African, Chicano, Asian-American—to the library for readings.

"I'd like to do something that would bring poets of different races and different backgrounds together . . . "and emphasize the heritage that all of us share who are living in America regardless of race or national origin."

DOWNING THE HATCH FOR THE AFL–CIO

HON. MARJORIE S. HOLT

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 23, 1976

Mrs. HOLT. Mr. Speaker, as with so many proposals that come before this House under the label of "reform," the proposed reform of the Hatch Act to allow political activity by Federal employees will have more harmful consequences than good ones.

Mr. Peter Jay of the Baltimore Sun is a very preceptive writer. I offer this article for the attention of the House:

DOWNING THE HATCH FOR THE AFL–CIO

(By Peter A. Jay)

The current debate in Congress over the future of the 37-year-old Hatch Act, which restricts the political activities of federal employees, should have done a lot to separate politics from principles. Unfortunately, about all it did was separate Democrats from Republicans.

At the heart of the debate is a bill, furiously lobbied by the AFL–CIO, to "reform" the Hatch Act. "Reform" in this case is tantamount to evisceration under the guise of ending "second-class citizenship" for federal workers, the bill would hopelessly politicize the 2.8 million-member federal civil service. It has already pased both houses of Congress, in slightly different form, and is likely to be vetoed by President Ford.

The President probably has the votes to sustain a veto. If he does not, then federal employees will soon be allowed to engage in a number of activities from which they are now prohibited, including running for partisan offices, soliciting money and votes for political candidates (though not, theoretically, while on the job), managing election campaigns and endorsing political candidates.

Do you remember how Governor Mandel financed his 1970 and 1974 election campaigns? He did it by, among other things, shaking down the state government. If you liked your job, you bought tickets to the fundraising dinner. Simple as that, Congress now proposes to institutionalize this sort of bureaucratic shakedown on the national level. When they start talking about reforms like this, hold tight to your valuables; soon they'll be distributing walking-around money through the Social Security system.

It is ironic the way the lines in the current debate have been drawn. The "reformers" of the Hatch Act are almost entirely Democrats, though the Act itself was one of the most durable reform achievements of the New Deal.

In most polls, federal workers have indicated a preference for leaving the law more or less as it is. Rather than an infringement on their rights as citizens, it is an important protection, and recognized as such. It is a buffer—often breached, as by the Enemies List compilers of the Watergate White House, but a buffer nevertheless—against political interference.

Now, despite the recommendation of the Senate Watergate committee that the Hatch Act be strengthened to guard against new outbreaks of Colsonitis, many of those who were most horrified by Watergate are leaping to do quite the opposite. This has nothing to do with the rights of federal workers, who under the existing law are already permitted a considerable amount of both partisan and nonpartisan political activity. It has to do with union money, and union influence.

John McCart, the AFL–CIO's director of its public employee department, was happily candid about the bill. "I suppose that to the extent we make our people more aware of the political process, you could say we could acquire more political clout," he said. "But what's wrong with that? Our union's whole history is related to politics."

Not all Democrats backed the bill, but the exceptions were few and far between. One of them was the sharp young liberal representative from Brooklyn, Elizabeth Holtzman.

"If there is one lesson we should have learned from Watergate, it is that we must strive to reduce, rather than increase, political influence in the federal law enforcement and investigative agencies," she said. "This bill would, instead, authorize and invite the politicizing of the Justice Department, FBI, U.S. attorneys' offices, Internal Revenue Service, (and) the CIA, National Security Agency and Defense Intelligence Agency."

In Maryland, both Senators Mathias and Beall opposed the bill and spoke against it on the floor of the Senate. So did Gilbert Gude, the Republican congressman who represents the bureaucratic master bedroom of Washington, Montgomery county. (Labor has usually been able to count on Mr. Gude in the past, but he is retiring this term.)

The major Democratic candidates to oppose Mr. Beall this fall, Congressman Paul S. Sarbanes and former Senator Joseph D. Tydings, have taken the party-line view. Mr. Sarbanes voted for the bill in the House (as did all Maryland Democrats except Goodloe E. Byron of western Maryland.) Mr. Tydings said yesterday he would have voted for it.

It is a very bad bill, and Democrats tumbling over each other to win labor support by backing it did their party little credit.

BUDGET CONTROL ACT

HON. KEITH G. SEBELIUS

OF KANSAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 23, 1976

Mr. SEBELIUS. Mr. Speaker, one of the major concerns before us this session of Congress is the new budget process. I would like to call to the attention of the Members of this body who are interested in the Budget Control Act the recent remarks made by the gentleman from Virginia (Mr. Wampler).

To those of us who are concerned over the direction this country's fiscal policies are taking, the speech delivered by the gentleman from Virginia (Mr. Wampler) on March 19 clearly outlines for agriculture how this new budget process will affect farm and food programs.

I include the remarks of the gentleman from Virginia in the Record:

Agriculture and the New Budget Law

Thank you for this opportunity to address the Eastern Regional Conference of ASCS.

We as a nation have some tough decisions facing us this year. One such decision will be whether we want a more rigid, planned economy, or should we continue to support an economic system that has taken us over 200 years to reach a position of power unequaled by any other civilization? Are we willing to challenge the big guys in Washington or let their rulings determine our economic demise or survival?

We do indeed have some tough choices to make. We may already be making them, and very likely they are not the ones we think they are. By this I mean that every time you and I turn to the Federal government for economic aid, we are undoubtedly choosing economic restriction right along with it. This in turn means that Federal expenditures continue to grow and eat up more of our productive revenues every year, thus creating a higher level of inflation and further deterioration of our economic, social and governmental structures.

Good examples of deterioration in governmental structure, I think, can be found in figures supplied by the USDA. They show what has been happening with this agency's budget over the past few years. Special note of the trends show that the main functions of this great department are no longer agricultural functions—but are instead welfare functions.

To me the most shocking revelation is the fact that the Agriculture Department's own budget people now refer to the Department's traditional activities such as agricultural research, conservation programs such as ACP, meat and poultry inspection and related functions as "other"! This is almost unbelieveable for a department of agriculture. We may as well throw our hands up and call this the "ministry of food"—a department devoted to providing food stamps to poor and not so poor. After all, "income security" is now the big ticket item in the USDA budget.

This brings me to the new budget process which I would like to call to your attention, because it will increase the political stakes for non-farm interests in farm policy decisions. And the reason this is so important is that so much of the USDA's budget is made up of welfare-type programs, such as food stamps, which are open-ended. By that I mean there is no limitation on how much this program can cost in any given year. On the other hand, many of our traditional agricultural programs, such as those you deal with, have absolute limits on the amount of funds that can be committed during any given year.

In other words, as Congress scrutinizes government spending more closely in the future, it is logical to assume that open-ended welfare programs which are challenged almost daily in the courts will likely continue to grow, and our traditional agriculture programs will be fortunate to survive.

It is possible for us to wake up some day and discover too late that we have been robbing research, extension, conservation, and other agricultural programs, while excessively expanding welfare programs. This very well could happen during the 94th Congress, and that is why I am attempting to pass an agricultural research bill that will give the country a better understanding of the vital role of food production research in helping to feed an expanding world population.

One of the biggest and most time consuming efforts of this 94th Congress is a new activity involving the Budget for Fiscal Year 1977.

In 1974 the Congress passed the "Budget Control Act," and this is the second year of its existance but the first year for its full enforcement.

This law was enacted because Congress for many years has been unable to centrally account for the spending and revenue activities of dozens of its Committees. The Veterans Affairs Committee, for example, in approving a new benefit for veterans had little if any knowledge of what the Education and Labor Committee was enacting as an additional education subsidy. The result has been (and is) a continuing and chronic deficit in the amount of money the government collects and spends.

With an eye toward what has been happening to New York City's fiscal affairs, many of us in the Congress realized that unless the Federal Government gets a better handle on its spending policies, we are *all* going over the brink of national bankruptcy.

The new Budget law made many changes in the procedures of Congress. It created new Budget Committees in both the House and the Senate. It set up a "Congressional Budget Office" patterned after the OMB of the Executive Branch. It set up an elaborate schedule for handling spending bills throughout the year. It changed the government's fiscal year from July 1-June 30 to October 1-September 30. It set up a system whereby the Congress could consent to or veto Presidential recissions and deferrals of spending and finally, it gave all the legislative Committees the responsibility and the opportunity to review Federal spending under all the laws within their jurisdiction.

This process has now been completed by the House Agriculture Committee where I served as one of 16 Members on a "Budget Task Force." Our job was to review the President's proposed spending plans for fiscal year 1977 (which begins on October 1, 1976) and advise the House Budget Committee as to our areas of agreement or disagreement with those proposals.

In addition, we recommended our own "shopping list" of new legislation which the Agriculture Committee plans to bring before the House this year.

Our deadline for these recommendations was March 15, 1976, and the deadline for new conventional authorization bills is May 15, 1976. Any such bill reported after May 15 will be subject to a point of order raised in the House by a single Member.

As you can see, these new dates can have a drastic effect on how legislation is handled. In the past, May 15 was just another day. Now it is going to be "adjournment day" for many bills.

For purposes of Congress, the whole Federal Budget is broken down into 16 categories or "functions" as the Budgeteers call them.

Our Agriculture Committee covers parts of nine of these functions which range from "Agriculture" (naturally) to "income security" (food stamps) and "revenue sharing."

In one way these 16 functions are a lot like a case of bottles. The "case" is the total spending ceiling set under the Budget Control Act. The "bottles " are each of a different size depending on how big each function is. The size of the Agriculture "bottle" is determined by the Budget Committee after consulting with our Agriculture Committee and the Appropriations Committee.

If this bottle is made too small, later in the year when weather or natural disaster or new farm legislation is enacted, it will be filled by the dollars flowing from the Federal Treasury. When it is full, then any new spending for that agricultural function will be challenged by the Budgeteers—because if *all* the bottles overflow, the case will become flooded and when the case overflows, a point of order can be made by any one Member against any new spending bill.

If this sounds terribly complicated to you, you are right. It is, and, lots of people do not think the new law is going to work. But over 325 new Congressional Budget employees, two new Committees, a new Budget Office, and I believe most Members of Congress are going to try to make it work.

On a daily basis the ramifications of the new budget process come to light and the precedents of this process continue to surprise everybody. However, the important thing to remember is that the surprises tend to be institutionalized. This means that the perimeters of the Budget Control Act are becoming clearer and each Member of Congress and the public now are discovering what the new budget game is all about. I would like to take a brief moment to review a couple of examples that have recently happened as the direct result of the Budget Control Act.

On February 4 of this year, the Senate by a majority vote sustained President Ford's veto of S.J. Res. 11 by an arithmetical majority of 37-51. This is the legislation which would have increased milk price supports to 85% parity and adjusted them on a quarterly basis. This is the first time in my memory that a veto of farm legislation that passed a body of Congress by an overwhelming vote and was actually reversed by this wide a margin. In fact, a Library of Congress study reported that a Presidential veto was sustained by an arithmetical majority of the House only during President Washington's and President Madison's administrations.

It was clearly Senators Muskie and Bellmon as a team that actually swung the tide. In a letter to Members of the Senate, these gentleman pointed out that raising the price supports for milk went beyond the spending levels set by Congress for fiscal year 1976.

In another instance, the House Agriculture Committee approved H.R. 5808, a bill to prohibit dog and chicken fighting; and when this bill reached the House Floor, with a USDA cost estimate of $25 million, the concerns over the cost of the bill resulted in this bill's being amended to establish a $400,000 ceiling for expenditures, which was the amount estimated by the Congressional Budget Office.

In yet another instance, the Senate reported S. 2537, a bill to amend the Food Stamp program. Just last week we were informed that this was "entitlement" legislation and, therefore, could not be brought to the Senate Floor before May 15, 1976. Needless to say, for those of us that are looking toward reform, this only creates delay in consideration of this subject.

Just how much interference by the new Budget Committee will the established Committees take is the key to the success of the Budget Control Act.

The House Agriculture Committee itself will undoubtedly undergo changes if the Budget Control Act remains as an institution. Our traditional subcommittees may well reflect the budget functions in the future. The following examples comes to mind. None of our presently constructed committees deal with food stamps, yet nearly 50 percent of the budget we considered deals with this welfare program.

In my opinion, if Congressional Committees do not support the efforts of the Budget Committee, then the American public will be treated to a spectacle of unprecedented proportions as the media and the President take daily notice of Congressional inability to produce a sound fiscal budget.

The first attempt for you, ladies and gentlemen, to judge us will be on May 15, 1976, when the first budget resolution will be put before the House. If some people cannot support the spending levels because of the large deficits and others do not think the spending level is high enough, then there is a good change the first test may be a failure. This would be a severe blow to budget reform.

Just what then does this new game mean for Agriculture? It means that those of us that have supported Agricultural efforts in the past will now be forced to weigh very carefully our position vis-a-vis the other 15 functions of government. We will be competing for scarce dollars as the American people push for more responsible spending by government. We may, for example, find Agricultural research in direct competition for dollars in energy or health research. Another question is will our farm programs that benefit people both at home and abroad be in direct and open conflict with attempts to keep our military strong. I happen to believe that a strong Agriculture here in this country is as good an instrument for international peace as any nation could hope for, but there are some Members of Congress who refuse to recognize this.

There are those that perceive that the Budget Control Act is a waste of time and argue that it should be abolished, but for each person thinking in this fashion, there are many individuals who believe to fail means that we will rush faster and faster toward bankruptcy.

I have noted in recent days that Brock Adams, Chairman of the House Budget Committee, thinks Congress will approve a spending target of between $415 billion and $420 billion for the coming fiscal year. This is $20 billion more than the President has requested. If that recommendation is the will of the House, then the country will face increasing deficits, which I personally find hard to justify as we move out of our latest economic downturn. To advocate a $60 billion plus deficit is nightmarish, and it is sure to lead us down the path to more inflation and government control.

I truly believe that if the Budget Committee does its work that a sound budget resolution can be passed. After all, if the Congress will accept modest Food Stamp reform, it can save a billion and a half dollars alone; so if there ever was a time for diligence, then this is it.

In summary, I sincerely believe that if we all put our "shoulders to the wheel," this nobel experiment in legislative reform can survive. Just maybe we will not all end up with New York City's financial condition, but actually we will be able to see the pendulum of public opinion swinging toward the side of fiscal responsibility.

PRESIDENTIAL HOPEFULS SHOULD GET OFF THE BUS

HON. LOUIS STOKES

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 23, 1976

Mr. STOKES. Mr. Speaker, America's Bicentennial is coinciding with one of the most important election years in recent history. Both events have an added significance to this Nation's black citizens.

Both events are reminders that despite the gains made in recent years, black Americans still remain in the rear of the political bus.

Mr. Speaker, columnist Mike Royko's editorial in the Cleveland Press lays it on the line for those Presidential hopefuls who would use the subtle code words of racism; that is, busing, to further their political gains. Mr. Royko and I may disagree on the intrinsic value of busing as a means to end racial desegregation in the public school system but we are in complete agreement that politicians who have structured their campaigns on hustling the busing issue should not be allowed to gain the White House.

Mr. Speaker, the following article appeared in the Monday, March 8, 1976, Cleveland Press:

WALLACEITES HUSTLE A PHONY IDEA

(By Mike Royko)

Busing is the most wonderful thing that could have happened for racists like George Wallace and all the righteous conservatives.

It has permitted him to take one issue, which almost everybody concedes was a mistake and use it to flail away with the phony idea that everything else that has come out of liberal efforts during the last 25 years was also a disaster.

Regardless of where a conversation with a Wallaceite or a Reganite may begin, they eventually steer it around to "What about busing?"—as if this were the end-all of human relations.

They clutch at busing as the ultimate proof that they were right all along about everything that, to them, busing represents.

The fact is, while busing is a failure, they themselves were wrong all along about almost everything else.

Wallace likes to point at busing as evidence that he was a prophet years ago when he warned about the evils of the Federal Government coming into the South and stomping all over the rights of the decent folk down there to live their lives free and unfettered.

Free and unfettered to do what? To put on the white robes and hang somebody from a tree?

Who is Wallace kidding? He's not kidding anybody who spent time in the South when it was the South that Wallace wanted left free and unfettered. I lived for a year in the Jim Crow South and saw people free to treat blacks—or niggers, as they were called even in polite society, and to their faces—as little more than cattle.

Twenty-five years ago, black citizens of this country could be, and were, killed for looking the wrong way at their betters, for walking into the wrong bar or restaurant, or because some clod drank too much and was feeling sadistic.

So busing is a mistake. Big deal. Was it a lesser mistake when some of Wallace's fans got a slap on the wrist for killing civil rights workers and hiding their bodies in a pigpen? Was it just a minor mistake when a man was lynched while his children looked on?

And I'll be damned if I can remember any of the conservative pundits, who now crab about busing, speaking up in the 50's and 60's about rigged laws that prevented masses of black people from voting, or using public facilities, about tar paper shacks and rat-filled slums, and malnutrition in cotton field babies.

It didn't bother them that American citizens could be barred, because of their skin, from state universities, hospitals, public recreational facilities, voting booths, jobs, buying homes, traveling, or simple justice. That poverty and ignorance were not only tolerated, but imposed on masses of citizens didn't get them noticeably upset.

Since the 1950's, the efforts of black activists and white liberals were responsible for the biggest gains by blacks and other minorities since this country's founding.

In every area—education, jobs, housing, justice, politics, government and business—there has been enormous progress. Yes, I know how bad things still are in many ways. But I'm also old enough to remember how bad things were. And there is no comparison.

These changes occurred without the help of the people who today scream about busing, and despite their hindrance.

And just as it was a waste of time to pay any attention to them when they stood in the schoolhouse door, or blocked the bridge at Selma, or yelled that Earl Warren should be impeached, it's a waste of time—and a bore—to pay attention to the overworked issue of busing.

If busing is the biggest mistake the liberals ever made, then they have nothing to be ashamed of. It beats hell out of buying a body in a pigpen.

EDUCATIONAL PROBLEMS FACING URBAN NATIVE AMERICANS

HON. DONALD M. FRASER

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 23, 1976

Mr. FRASER. Mr. Speaker, the Minnesota Daily, the newspaper of the University of Minnesota, recently ran a five-part series of articles on Indian education in the Minneapolis-St. Paul metropolitan area. It is a thoughtful and thought-provoking treatment of an issue whose importance is just being recognized.

The urban Indian student faces unique educational challenges and problems. The strong communal tradition of reservation life is difficult to reconcile with the more individual-oriented tradition of the predominantly white host environment. Extreme poverty within the Indian community often undermines student and parent confidence in the local social and educational systems. Cultural differences many times foster fear and distrust between Indian students and their intructors. Textbooks insensitive to Indian customs and values are still widely used.

Minneapolis and St. Paul have begun projects which attempt to meet the needs of Indian pupils and involve the Indian community more fully in the educational process. The first of the five articles describes both the obstacles facing Minneapolis Indian students and some of the programs which have been designed to confront these obstacles. I commend the article to my colleagues' attention. The article follows:

[From the Minnesota Daily, Mar. 1, 1976]

Urban Indians Still Find Public School Problems But See Recent Gains

(Editor's note: This is the first of a five-part series on Indian education in the Twin Cities.)

(By Patrice Vick)

Sweet Pea and Terry are 10-year-old Native American girls who live in Minneapolis and don't know much about life on the reservation.

Yet when asked if they would rather live in the city or on the reservation, both girls reply enthusiastically: "the reservation."

School-age children like Sweet Pea and Terry are the first generation of Native Americans in Minneapolis who are predominantly city-bred and likely—for personal and economic reasons—to remain urban Indians.

The majority of these children, however, have found difficulty adjusting to a vital element in their urban life: the schools.

Many Indian educators attest that the communal aspect of the reservation appeals to young Indians, making them more comfortable in a school surrounded by other Indians.

And, despite their presence in a competitive urban environment, many young Indians shun the individualistic values of the white-dominated urban society for traditional Indian values common to most tribes.

Concern for interpersonal relationships and family life often outweighs a drive towards acquiring material wealth.

Until recently the conventional education system failed to recognize this attitude and the Native Americans' desire to be close to one another

Minneapolis Public Schools now bring Indian students together to study their culture for a few hours a week.

The Heart of the Earth Survival School, a private alternative school for Indian youngsters in Minneapolis, and its St. Paul counterpart, the Red School House, go farther by dealing exclusively with Indian students and integrating Native American culture into all areas of study.

Despite these efforts, however, a high dropout rate among Indian students continues and raises the question of whether current Indian education is indeed helping students succeed in the city schools.

Survival School director Elaine Martin, who was born on the White Earth Reservation and worked there during her high school years, said reservation life is more comfortable for Indians because they are surrounded by their own people, the living conditions are less crowded than in the city and they are not bound by "timeclock" restrictions.

Nonetheless, since World War II the number of urban Indians has increased. In the Twin Cities the Native American population has grown from more than 600 in 1950 to approximately 10,000.

Although Indian youth in Minneapolis claim to enjoy the varied amusements of city life, their dissatisfaction with the city public schools is evident in the continually high dropout rate.

In Minneapolis Public Schools, the dropout rate for Native Americans is now between 60 and 80 percent. This rate is disproportionately high compared to that of other minorities and whites, the Minnesota Higher Education Coordinating Board (HECB) reported last fall.

Lack of rapport between Indian students and their instructors, most of whom are white, generally extreme poverty in the Indian community and emotional insecurity in educational institutions are often cited as factors leading Indian students to give up on the education system.

John Hunter, a Native American mathematics major working at International Business Machines, said he thinks Indians' insecurity in schools may stem from lack of parental support for education.

Indian parents are becoming more involved in education in the Minneapolis Public Schools now through federally funded programs, many of which were designed by Indians, that have arisen since the late 1960s.

Programs, such as Indian Upward Bound (IUB), Service to American Indian Resident Students and Title IV, are not career-oriented but concentrate instead on building up Indian students' self-image by bringing students together for courses in their own culture and providing tutoring and counseling specifically for Indian students.

In addition, the federally funded Indian Upward Bound (IUB) tries to combat the poverty problem by paying students with potential for higher education to go to school.

Through IUB, established in 1963, 120 students are paid from $2 to $4.50 per week to meet school expenses.

The most extensive Indian education project in Minneapolis Public Schools is Title IV, which is operating this year within a $297,000 federally funded budget that pays for 33 social worker-aides in 31 schools and for crafts and culture classes, tutoring and medical care for Indian students.

When Title IV was started in 1972, Indian parents complained that they didn't have enough voice in how the program was run. Now Title IV mandates that a 21-member committee, composed of parents and the students themselves, share in deciding how the program is run.

For Mary LaQuier, a mother of five public school students, involvement in the committee has changed her attitude on who is to blame for her children's problems in school.

Three years ago she took her children out of Irving Elementary School because of a misunderstanding with a school social worker and a teacher.

"I didn't have AIM (the American Indian Movement) to help me talk. I didn't have any Indian organizations," she said. "I'm more equipped to handle the situation now. I'm not as defensive. I can't say the school is totally at fault."

LaQuier, who like her husband is an alcoholic, said she now thinks she and her husband must take some of the blame for their children's problems in school.

"If the parents don't have it together at home, kids will have trouble in school. I'm not ashamed to talk about my drinking now or if we're fighting at home because I want to share this so the teachers will understand my kids better."

LaQuier's children have shown improvement in their school work since Title IV was implemented, but she still thinks public school teachers are generaly insensitive to the problems of Indian students.

Another Title IV committee member, Alberta Downwind, is one of a number of Indian parents who are impressed with the Survival School's emphasis on Indian customs and religion and would prefer to have their children educated there if the school was not now overcrowded.

The Survival School, which has a waiting list of students, was started in 1972 to accomodate three sons of an Indian family that refused to send its children back to public school. Within a week of opening about 15 had enrolled.

Presently the school serves kindergarden through 12th grade and has an enrollment of 150 students.

Director Elaine Martin said this enrollment is too high for the school's budget, which includes a $115,000 grant from the U.S. Department of Health, Education and Welfare.

The only other money the school receives is a $9,000 federal grant for its Title I program, which tutors elementary students with learning difficulties.

Martin said she thinks the Survival School, because it has an all-Indian staff and integrates Indian culture with all study areas, is more effective in building up Indian students' confidence than the Title IV program.

Martin said the Survival School serves approximately the same clientele as the Title IV program—potential dropouts and referrals from the juvenile courts. The Survival School approaches them in a way radically different from the public schools.

On any given day students can be seen roaming Survival School hallways smoking cigarettes. They are rarely prodded to study.

But Survival School instructors maintain that leniency in dealing with students pays off because students are apt to learn more when they study because they want to, not because they're being forced to.

The school differs from the public school also in emphasizing equality by conducting all classes in a circle.

Despite its emphasis on the "Indian way," Martin said the Survival School does encourage students to "go out and learn the white man's game and use it for your own people."

Students who appear to have the aptitude are encouraged to become economic developers and lawyers in the Indian community, she said.

However, Martin said, the Survival School, like the programs in the public schools, is less geared toward preparing Indian students for good jobs in the city than in simply trying to keep them in school.

One program to help Indians meet the peculiar demands of urban living, however, is in the works through the IUB program is Minneapolis Public Schools.

John Beaulieu is planning to start courses in assertiveness training, problem-solving and decision-making. He said these are skills Indian students don't have and will need to better cope with the demands of city life.

Martin admitted that all Indian students will probably not find jobs working with their own people and will probably have to learn to adjust to the demands of the competitive urban environment.

"No matter where an Indian goes, he's going to be involved with the dominant society. The first time some of these kids come in, they think the whole non-Indian world is 'honky' and bad. I try to discourage that. They have to realize that in order to survive, they've got to recognize people for what they are, who's sincere. They have to learn to be discretionary," he said.

Because the Survival School and the new Indian education programs in the public schools are so new, it is difficult to measure their effectiveness in helping students cope better with school and urban life in general.

However, according to Duane Dunkley, Indian education director for Minneapolis Public Schools, all the new forms of Indian education seem to be lessening the dropout rate.

In the public schools, Dunkley reported, the number of Indian graduates has increased steadily over the past few years.

Last spring 45 Indians graduated from the Minneapolis Public Schools. To the white community that number may seem small but, Dunkel said, to the Indian community it represents a dramatic increase over just a few years ago.

THE FILIPINO COMMUNITY CENTER—LOS ANGELES HARBOR AREA

HON. GLENN M. ANDERSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 23, 1976

Mr. ANDERSON of California. Mr. Speaker, the Los Angeles Harbor area is a region that is deservedly proud of the varied cultural backgrounds that contribute to its heritage. The residents of this area have always lived together in a spirit of peace and cooperation, becoming a true part of the American way of life—yet they have also preserved their own unique customs and retained a strong sense of community.

The Filipino Americans of the harbor area have retained a strong sense of identity while becoming an integral part of the area in which they live. The center of their community—literally as well as figuratively—is the Filipino Community Center in Wilmington, Calif.

The idea of a community house was born in 1946, by members of several Filipino organizations who felt the need for a central gathering place. Shortly thereafter, a lot was purchased with funds raised within the Filipino community.

Those fund-raising efforts continued, until enough was raised to start construction and keep it going until the hall was completed. Construction on the community center began in 1949—and although the building was not quite completed, it was dedicated on December 4 of that year. Since then, it has become an important part of harbor area life, being used by many local residents other than the Filipino Americans.

Even in the developmental stages, the community center proved to be a strong unifying force, as many Filipino organizations and individuals joined together in an effort to complete construction on the hall. Since 1949, it has also served as a rallying point for Filipino Americans, and became a regular meeting place and center of activities.

Mr. Speaker, although many individuals made substantial contributions toward the completion of this edifice, I would be remiss in not mentioning some of the people who made outstanding contributions to the hall's success.

The late Apronianc E. Eder was perhaps the most strongly identified individual with the founding of the community center. Others who played a key role in getting the Filipino Community Center of the Los Angeles Harbor Area established are:

Bob San Jose, Sr.; Romy Madrigal; Bob Delacruz; Mauro Asprin; Pete Paday; Nick Malasig; Faustino Lopez, Pastor Ates; Bonifacio Libre; Pedro Montecarlo; Martin Nationalista; Mr. Lou Palou; Sergio Saurez; Felix Tapia; and Ezequiel Alegres.

Also involved in the founding of the Filipino Community Center of the Los Angeles Harbor area were the following persons, who are now deceased:

Emil Alegeta; Tommy Tucay; Nash Ricafort; William Vail; Eusebio Morre; Donato Hansalen; Dr. Primitiva Demandante; and Vincent Datitan.

On Saturday, March 27, the Filipino Community of the Los Angeles Harbor Area will hold a Bicentennial celebration at the center. Along with festivities commemorating our Nation's 200th anniversary, it will honor the men and women who worked so hard to see that the Filipino Community Center would serve future generations for years to come.

My wife, Lee, joins me in congratulating this outstanding organization on its many activities, and in thanking those who dedicated themselves to establishing the Filipino Community Center of Los Angeles Harbor Area.